

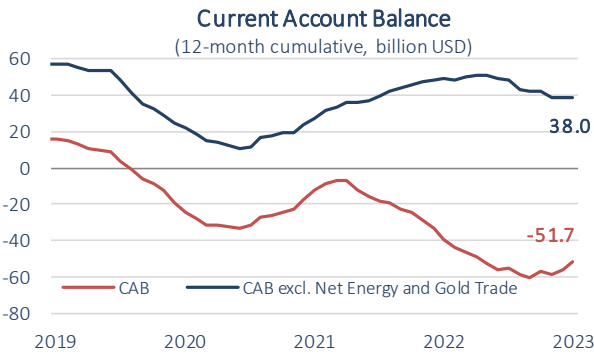


Imports decreased by 14.6% yoy in September.

According to data released by Turkstat, exports decreased by 0.5% yoy to 22.5 billion USD in September, while imports declined by 14.6% yoy to 27.5 billion USD in the same period. Thus, foreign trade deficit contracted by 47.8% yoy to 5 billion USD in this period. In September, import coverage ratio reached 81.8%, the highest level since October 2021.

Current account posted a surplus of 1.9 billion USD.

In September, current account posted a surplus of 1.9 billion USD, the highest since October 2021. This development was mainly driven by the balance of payments-defined foreign trade balance, which posted the lowest deficit since November 2021 with 3.7 billion USD. In this period, the favorable outlook in tourism revenues despite the end of the season also supported the current account balance outlook. In September, non-monetary gold imports were realized as 1.4 billion USD, the lowest level since April, while the current account excluding gold and energy (7.1 billion USD) posted the highest surplus in the last one year. Thus, 12-month cumulative current account deficit declined to 51.7 billion USD in September.

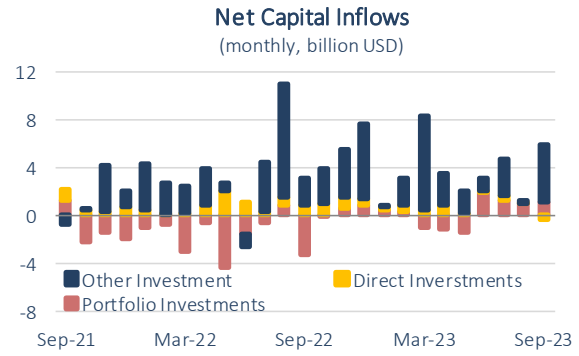


Capital outflows were recorded in foreign direct investments.

In September, net inward direct investments recorded a capital outflow of 337 million USD for the first time since October 2020. In this period, inward real estate investments decreased by 50.7% yoy to 232 million USD. Thus, in the first 9 months of the year, net foreign direct investments declined by 64.7% yoy to 2.3 billion USD.

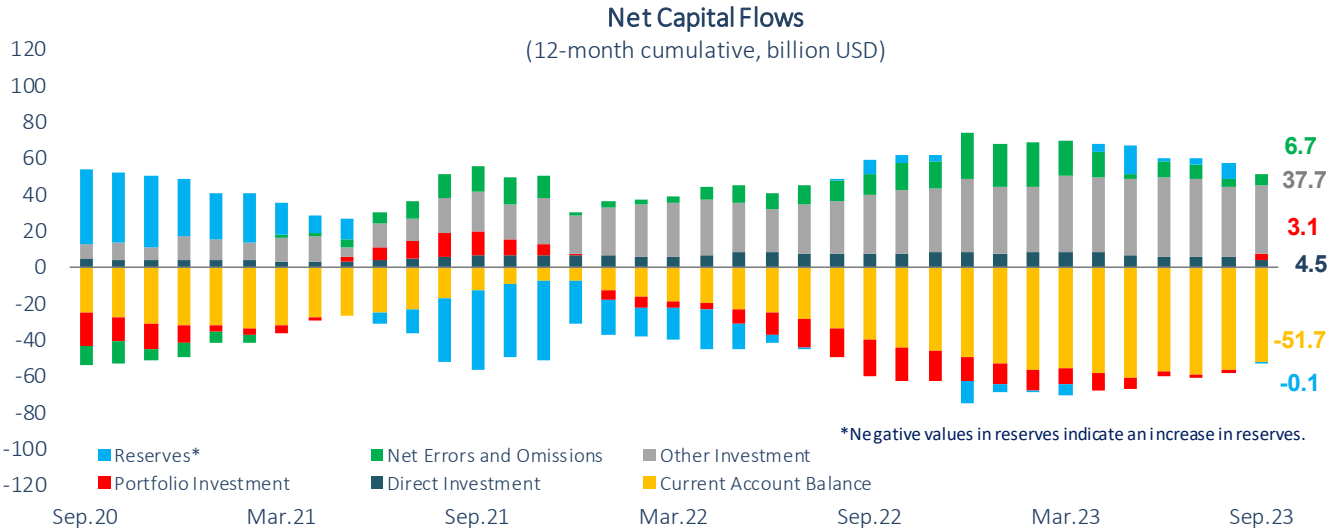
Portfolio investments continued to follow a favorable course.

Net capital inflows in portfolio investments, that started in June, continued with 1 billion USD in September. In this period, net incurrence of liabilities in portfolio investments (1.7 billion USD) was realized at the highest level since September 2021. In September, non-residents made net purchases of 1.9 billion USD in the debt securities market and net sales of 263 million USD in the equity market. Thus, the divergence between equity and debt securities markets continued.



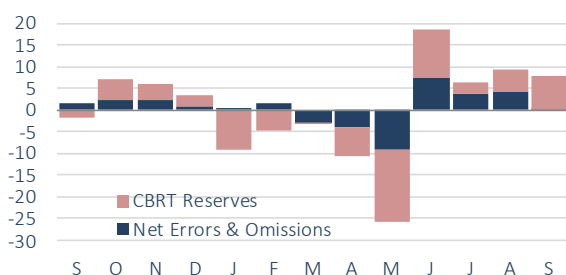
Net capital inflows in other investments gained momentum.

In September, other investments recorded the highest capital inflow of the last 6 months with 4.9 billion USD. Thus, total net capital inflow in other investments reached 24.4 billion



USD in the first 9 months of the year. In September, domestic banks' currency and deposits with foreign correspondents decreased by 3.3 billion USD, while foreign banks' currency and deposits in Turkey increased by 414 million USD. In this period, banking sector, other sectors and the general government realized net borrowings of 1.6 billion USD, 354 million USD and 152 million USD from abroad, respectively. According to 12-month cumulative figures, long-term debt rollover ratios of the banking sector and other sectors were 93.5% and 99%, respectively.

CBRT Reserves and Net Errors & Omissions
(monthly, billion USD)



Reserve assets and net errors and omissions...

In September, reserve assets increased by 7.7 billion USD, the fastest increase in the last 3 months. Thus, the total decline in reserve assets since the year-end came down to 11 billion USD. In September, capital inflow in net errors and omissions item was 208 million USD.

Expectations...

In September, current account posted a surplus in line with the decline in foreign trade deficit and the strong outlook in tourism revenues. According to the preliminary data released by the Ministry of Trade, foreign trade deficit was realized as 6.7 billion USD in October. The export climate index, which shows the course of economic activity in Turkey's export markets, fell to its lowest level this year in October, indicating that the weak course in export markets continues. The course of oil prices -that have declined recently due to concerns over global demand despite geopolitical developments, and gold imports will continue to be closely monitored in terms of the current account balance outlook.

Balance of Payments

	Sep. 2023	Jan. - Sep. 2022	2023	% Change	(USD million) 12-month Cumulative
Current Account Balance	1,876	-38,212	-40,835	6.9	-51,709
Foreign Trade Balance	-3,657	-67,898	-72,260	6.4	-93,962
Services Balance	6,253	37,551	39,769	5.9	51,883
Travel (net)	5,033	28,579	32,010	12.0	40,748
Primary Income	-851	-7,263	-8,653	19.1	-10,170
Secondary Income	131	-602	309	-	540
Capital Account	-23	-23	-167	626.1	-179
Financial Account	2,061	-17,638	-39,596	124.5	-45,150
Direct Investment (net)	337	-6,449	-2,279	-64.7	-4,508
Portfolio Investment (net)	-1,018	14,703	-1,947	-	-3,122
Net Acquisition of Financial Assets	639	3,481	1,870	-46.3	2,884
Net Incurrence of Liabilities	1,657	-11,222	3,817	-	6,006
Equity Securities	-263	-3,341	-165	-95.1	-862
Debt Securities	1,920	-7,881	3,982	-	6,868
Other Investment (net)	-4,921	-27,097	-24,412	-9.9	-37,668
Currency and Deposits	-3,600	-18,557	-18,233	-1.7	-35,574
Net Acquisition of Financial Assets	-3,251	5,616	4,446	-20.8	-7,666
Net Incurrence of Liabilities	349	24,173	22,679	-6.2	27,908
Central Bank	-53	7,292	13,488	85.0	13,513
Banks	402	16,881	9,191	-45.6	14,395
Foreign Banks	414	10,045	6,637	-33.9	5,159
Foreign Exchange	162	6,462	3,992	-38.2	3,185
Turkish Lira	252	3,583	2,645	-26.2	6,051
Non-residents	-12	6,836	2,554	-62.6	8,344
Loans	-3,181	-4,738	-5,702	20.3	-4,777
Net Acquisition of Financial Assets	-1,043	425	-1,273	-	-1,986
Net Incurrence of Liabilities	2,138	5,163	4,429	-14.2	2,791
Banking Sector	1,632	-3,373	3,207	-	827
Non-bank Sectors	354	8,177	1,548	-81.1	1,479
Trade Credit and Advances	1,851	-3,764	-432	-88.5	2,743
Other Assets and Liabilities	9	-38	-45	18.4	-60
Reserve Assets (net)	7,663	1,205	-10,958	-	148
Net Errors and Omissions	208	20,597	1,406	-93.2	6,738

Source: Datastream, Ministry of Trade, CBRT

Economic Research Division

Alper Grler
Division Head
alper.gurler@isbank.com.tr

Dilek Sarsın Kaya
Asst. Manager
dilek.kaya@isbank.com.tr

H. Erhan Gl
Unit Manager
erhan.gul@isbank.com.tr

Utkan İnam
Asst. Economist
utkan.inam@isbank.com.tr

Our reports are available on our website <https://research.isbank.com.tr>

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