

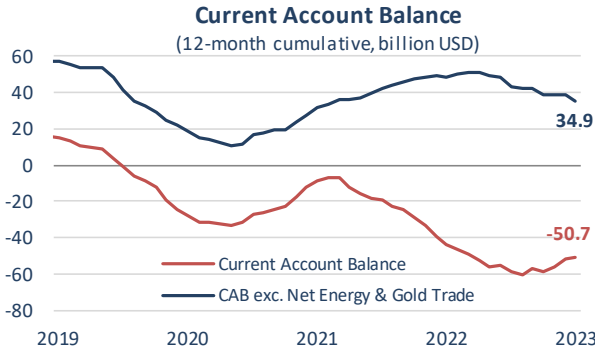


Foreign trade deficit was 6.5 billion USD in October.

According to data released by Turkstat, exports increased by 7.4% yoy to 22.9 billion USD in October, while imports rose by 0.6% yoy to 29.4 billion USD. In this period, foreign trade deficit contracted by 17.5% yoy to 6.5 billion USD. In October, import coverage ratio increased by 4.9 points compared to the same period of the previous year and was realized as 77.8%.

Current account continued to post surplus in October.

Current account posted a surplus of 186 million USD in October, below market expectations. According to the Reuters survey, current account surplus was expected to be 750 million USD in this period. The relatively low level of foreign trade deficit and the ongoing favorable course in passenger transportation and tourism revenues were behind the current account surplus. In October, net gold imports continued to decline and became 1.2 billion USD, the lowest level of the last 6 months, while the current account surplus excluding gold and energy was realized as 5.1 billion USD. Thus, current account deficit, which widened by 4.2% yoy to 40.7 billion USD in January-October period, declined to 50.7 billion USD according to 12-month cumulative figures.

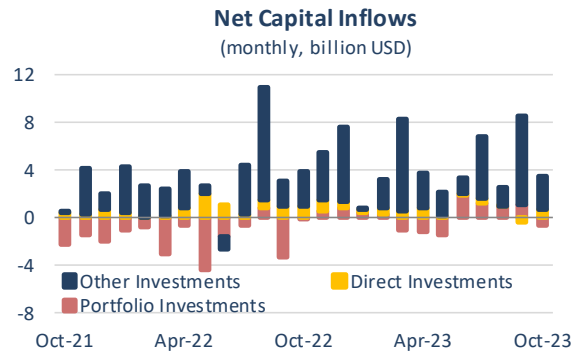


Moderate course in foreign direct investments...

In October, real estate investments remained weak, but net foreign direct investments recorded an inflow of 638 million USD thanks to capital investments. Thus, inflow from foreign direct investments recorded the highest level of the last 6 months. In January-October period, net foreign direct investments decreased by 60% yoy to 2.9 billion USD.

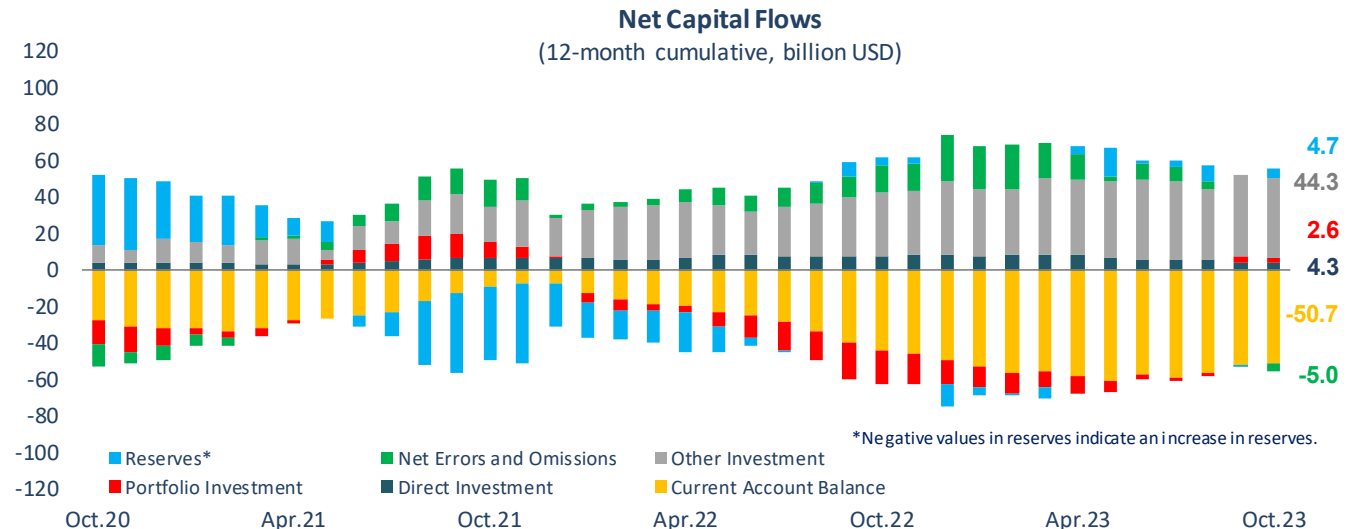
Capital outflows in portfolio investments for the first time since May...

In October, portfolio investments recorded the first capital outflow since May, with an amount of 689 million USD. In this period, non-residents' stock market portfolio decreased by 423 million USD, while their net purchases in debt securities market continued with 336 million USD. Thus, total capital inflows in portfolio investments declined to 1.3 billion USD in January-October period.



Capital inflows in other investments continued in October.

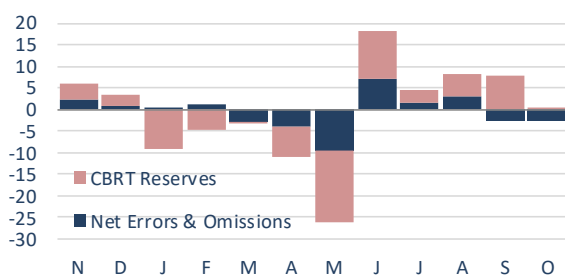
Net capital inflow in other investments continued with 2.8 billion USD in October. In this period, foreign banks' currency and deposits in Türkiye increased by 1.3 billion USD, while domestic banks' currency and deposits with foreign



*Negative values in reserves indicate an increase in reserves.

correspondents decreased by 1.3 billion USD. In October, banks and the general government borrowed net 509 million USD and 50 million USD from abroad, respectively; while other sectors realized net 301 million USD loan repayments. According to 12-month cumulative figures, long-term debt rollover ratios of the banking sector and other sectors were 97.8% and 99.4%, respectively.

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



Reserve assets and net errors and omissions...

In October, reserve assets increased by 247 million USD, recording the lowest increase in the last 5 months. Thus, the

total decline in reserve assets since the year-end was realized as 10.7 billion USD. Net errors and omissions recorded a capital outflow of 2.7 billion USD in October and 8.1 billion USD in the first 10 months of the year.

Expectations...

In October, current account continued to post a surplus in line with the favourable course in foreign trade balance and services revenues. According to the preliminary data released by the Ministry of Trade, exports increased by 5.2% yoy while imports declined by 5.6% yoy in November. Thus, foreign trade deficit narrowed by 32.6% yoy in this period. Although economic activity in Türkiye's export markets remains weak, export growth has outpaced the rise in imports in recent months. The decrease in the barrel price of Brent oil due to concerns over global demand despite the supply cut decisions was also influential in this development. In the upcoming period, the course of oil prices, gold imports and domestic demand will continue to be closely monitored in terms of the current account balance outlook.

Balance of Payments

	Oct. 2023	Jan. - Oct. 2022	2023	% Change	12-month Cumulative
Current Account Balance	186	-39,027	-40,684	4.2	-50,743
Foreign Trade Balance	-4,866	-74,348	-77,307	4.0	-92,559
Services Balance	6,035	43,837	45,912	4.7	51,740
Travel (net)	4,748	33,385	36,758	10.1	40,690
Primary Income	-1,001	-7,948	-9,655	21.5	-10,487
Secondary Income	18	-568	366	-	563
Capital Account	-16	-27	-183	577.8	-191
Financial Account	-2,511	-16,264	-48,962	201.0	-55,903
Direct Investment (net)	-638	-7,306	-2,922	-60.0	-4,272
Portfolio Investment (net)	689	14,894	-1,252	-	-2,618
Net Acquisition of Financial Assets	602	4,261	2,478	-41.8	2,712
Net Incurrence of Liabilities	-87	-10,633	3,730	-	5,330
Equity Securities	-423	-3,758	-588	-84.4	-868
Debt Securities	336	-6,875	4,318	-	6,198
Other Investment (net)	-2,809	-30,116	-34,077	13.2	-44,349
Currency and Deposits	-3,417	-22,482	-21,604	-3.9	-35,020
Net Acquisition of Financial Assets	-1,291	3,444	3,201	-7.1	-6,739
Net Incurrence of Liabilities	2,126	25,926	24,805	-4.3	28,281
Central Bank	20	7,307	13,508	84.9	13,518
Banks	2,106	18,619	11,297	-39.3	14,763
Foreign Banks	1,287	11,477	7,924	-31.0	5,299
Foreign Exchange	1,089	7,411	5,081	-31.4	2,900
Turkish Lira	198	4,066	2,843	-30.1	6,564
Non-residents	819	7,142	3,373	-52.8	8,199
Loans	-424	-4,503	-6,253	38.9	-5,598
Net Acquisition of Financial Assets	-166	277	-1,439	-	-2,004
Net Incurrence of Liabilities	258	4,780	4,814	0.7	3,594
Banking Sector	509	-3,913	3,701	-	1,862
Non-bank Sectors	-301	8,241	1,376	-83.3	1,277
Trade Credit and Advances	1,038	-3,087	-6,169	99.8	-3,671
Other Assets and Liabilities	-6	-44	-51	15.9	-60
Reserve Assets (net)	247	6,264	-10,711	-	-4,664
Net Errors and Omissions	-2,681	22,790	-8,095	-	-4,969

Source: Datastream, Ministry of Trade, CBRT

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