



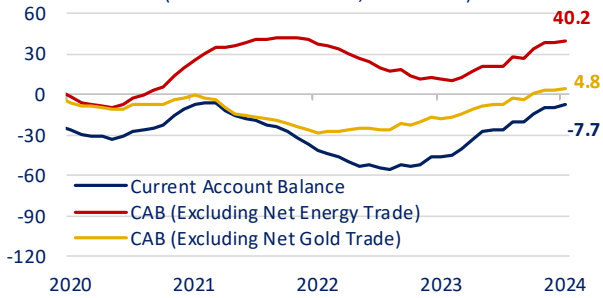
Foreign trade deficit became 5.9 billion USD in October.

According to foreign trade statistics released by Turkstat, exports increased by 3.1% yoy to 23.5 billion USD in October while imports remained unchanged at 29.4 billion USD. In this period, foreign trade deficit narrowed by 10.5% yoy to 5.9 billion USD. In October, exports coverage ratio increased by 2.4 points compared to the same month of last year and became 79.9%.

Current account continued to post surplus in October.

In October, current account posted a surplus of 1.9 billion USD, above market expectations. According to the Reuters poll, current account surplus was expected to be 1.3 billion USD in this period. The decline in foreign trade deficit on an annual basis as well as the ongoing favorable course in passenger transportation and tourism revenues was behind the better-than expected current account surplus. Thus, current account deficit narrowed by 90.9% yoy to 3.3 billion USD in January-October period while the 12-month cumulative deficit decreased to 7.7 billion USD.

Current Account Balance
(12-month cumulative, USD billion)



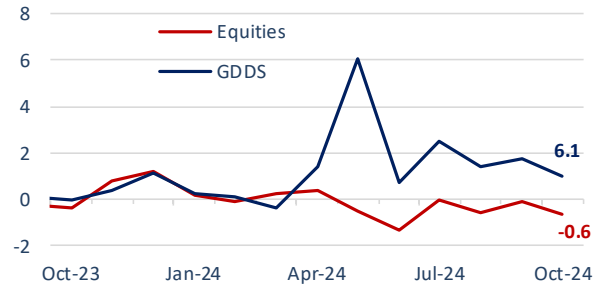
In October, net non-monetary gold imports became 1.6 billion USD, the highest level of the last 14 months. In the same period, net energy imports remained flat on a monthly and on

an annual basis and became 3.7 billion USD. Thus, the current account surplus excluding gold and energy, which was 7.2 billion USD in October, was realized as 52.7 billion USD according to 12-month cumulative figures.

Net capital outflow in foreign direct investments...

In October, foreign direct investments recorded a net capital outflow of 204 million USD. In line with the acceleration in residents' direct investments abroad, net acquisitions reached 974 billion USD, the highest level since December 2021. In October, net incurrence of liabilities declined to 770 million USD due to the slowdown in foreign direct capital inflows.

Portfolio Investments
(USD billion)

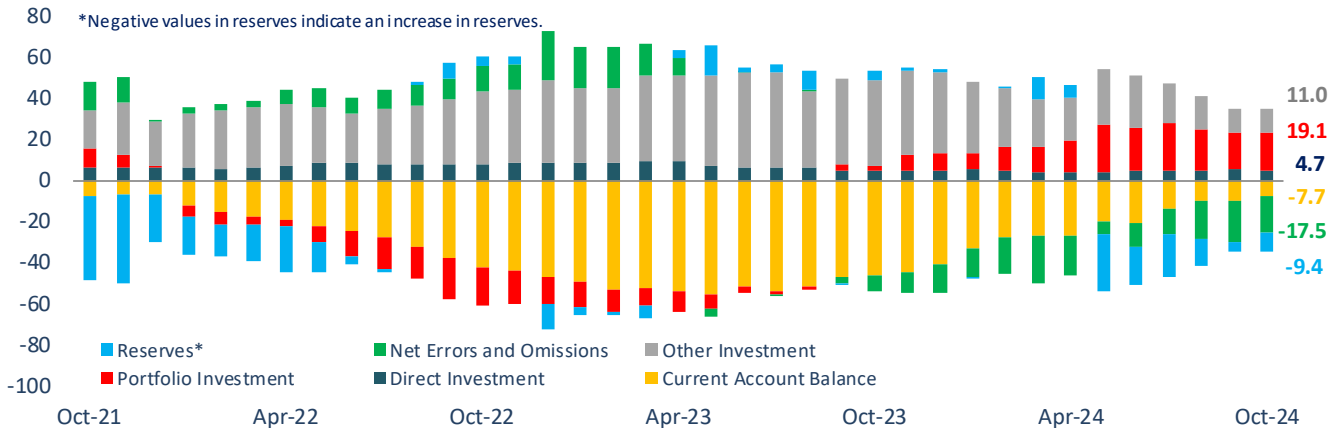


Foreigners' purchases of debt securities supported portfolio investments.

Following the capital outflows in August and September, portfolio investments recorded a net capital inflow of 587 million USD in October. In this period, non-residents' purchases in the debt securities market that reached 6.1 billion USD, were the main factor supporting the relatively favorable outlook in portfolio investments. The details of capital flows in debt securities reveals that borrowing by the general government were the determining factor in capital inflows. Non-residents' net sales in the equity market, which have been continuing uninterruptedly since May, continued with 642 million USD in

Net Capital Flows

(12-month cumulative, billion USD)



Source: Datastream, Turkstat, CBRT

October. Moreover, in line with the rapid rise in residents' portfolio investments abroad, the net acquisitions reached a historic high of 4.9 billion USD.

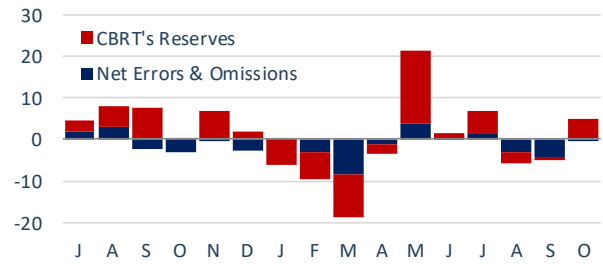
Positive outlook in other investments...

In October, net capital inflow in other investments was realized as 2.8 billion USD, the highest level since May. In this period, the decrease in domestic banks' deposits in foreign correspondent banks and the rise in non-resident banks' deposits in Türkiye contributed a total of 744 million USD to the net capital inflow in other investments item. On the other hand, the net capital inflow of 4.3 billion USD in loans, led by the increased short-term borrowings of domestic banks, was the main factor behind the favorable outlook in other investments. As of October, according to 12-month cumulative data, the long-term debt rollover ratio was 138.7% in the banking sector and 113.4% in other sectors.

Reserves and net errors and omissions...

In October, reserve assets increased by 4.9 billion USD. Thus, reserve assets rose by 723 million USD in the first 10 months of the year. Capital outflows in net errors and omissions continued with 184 million USD in October. Thus, the total outflow in this item became 14.7 billion USD in January-October period.

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



Expectations...

The favorable current account outlook continued in October in line with the contraction in foreign trade deficit and the strong course of tourism revenues. On the other hand, according to preliminary data released by Ministry of Trade, exports decreased for the first time since February 2023 (-3.1% yoy) while imports rose by 2.4% yoy in November. In this context, we expect the improvement in current account balance outlook to slow down in November as the tourism season comes to an end.

Balance of Payments	(USD million)				
	Oct. 2024	2023	Jan. - Oct. 2024	% Change	12-month Cumulative
Current Account Balance	1,880	-36,052	-3,295	-90.9	-7,685
Foreign Trade Balance	-3,542	-77,265	-44,777	-42.0	-53,792
Services Balance	6,450	50,632	53,995	6.6	60,066
Travel (net)	5,116	37,814	42,879	13.4	46,659
Primary Income	-1,048	-9,848	-12,572	27.7	-14,146
Secondary Income	20	429	59	-86.2	187
Capital Account	-7	-182	-118	-35.2	-140
Financial Account	1,689	-47,450	-18,145	-61.8	-25,353
Direct Investment (net)	204	-3,617	-3,258	-9.9	-4,672
Portfolio Investment (net)	-587	-1,082	-12,018	1,010.7	-19,075
Net Acquisition of Financial Assets	4,863	2,565	21,474	737.2	21,981
Net Incurrence of Liabilities	5,450	3,647	33,492	818.3	41,056
Equity Securities	-642	-553	-2,623	374.3	-683
Debt Securities	6,092	4,200	36,115	759.9	41,739
Other Investment (net)	-2,789	-32,040	-3,592	-88.8	-11,013
Currency and Deposits	-744	-21,046	8,669	-	6,223
Net Acquisition of Financial Assets	-109	3,759	9,278	146.8	9,686
Net Incurrence of Liabilities	635	24,805	609	-97.5	3,463
Central Bank	-733	13,508	-9,297	-	-9,293
Banks	1,368	11,297	9,906	-12.3	12,756
Foreign Banks	1,108	7,924	6,221	-21.5	8,489
Foreign Exchange	-295	5,081	1,317	-74.1	3,379
Turkish Lira	1,403	2,843	4,904	72.5	5,110
Non-residents	260	3,373	3,685	9.2	4,267
Loans	-4,343	-5,819	-19,413	233.6	-24,716
Net Acquisition of Financial Assets	-109	-1,442	2,859	-	2,641
Net Incurrence of Liabilities	4,234	4,377	22,272	408.8	27,357
Banking Sector	3,877	3,859	19,855	414.5	23,573
Non-bank Sectors	312	773	2,227	188.1	2,678
Trade Credit and Advances	2,307	-5,123	7,211	-	7,434
Other Assets and Liabilities	-9	-52	-59	13.5	46
Reserve Assets (net)	4,861	-10,711	723	-	9,407
Net Errors and Omissions	-184	-11,216	-14,732	31.3	-17,528

Source: Datastream, Ministry of Trade, CBRT

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