



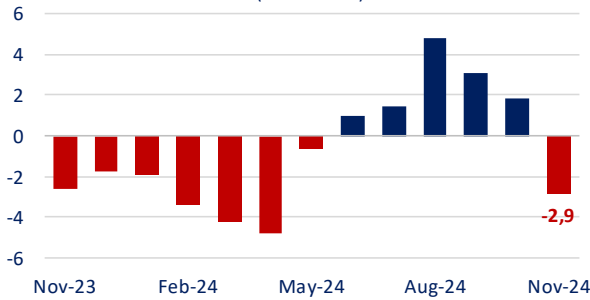
Foreign trade deficit widened to 7.5 billion USD in November.

According to foreign trade statistics released by Turkstat, exports decreased by 3.1% yoy to 22.3 billion USD in November, while imports rose by 2.7% yoy to 29.7 billion USD. Thus, foreign trade deficit widened by 24.9% yoy to 7.5 billion USD, the highest level of the last 7 months. The imports coverage ratio fell to 74.9% from 79.4% in November 2023.

Current account posted a deficit for the first time in 5 months.

Current account posted a deficit of 2.9 billion USD in November, slightly below the market expectations of 3.1 billion USD. Thus, current account recorded a deficit for the first time since May. In addition to the balance of payments-defined foreign trade deficit that was realized at the highest level of the last 7 months, the declines in passenger transportation and tourism revenues to their lowest levels since March due to the end of summer season were behind the current account deficit in November. Thus, in January-November period, current account deficit narrowed by 85.5% yoy to 5.6 billion USD, while 12-month cumulative current account deficit increased slightly compared to previous month and became 7.4 billion USD.

Monthly Current Account Balance
(billion USD)



In November, net non-monetary gold imports reached 1.8 billion USD, the highest level since August 2023, while net energy imports increased to 4.5 billion USD, the highest level of the last 9 months. These developments were the major causes of the current account deficit. Correspondingly, gold and energy excluded current account posted the lowest surplus of the last 7 months with 3.4 billion USD.

Foreign direct investments recorded net capital inflows.

Having presented a volatile outlook in January-October period, foreign direct investments recorded a net capital inflow of 582 million USD in November. In this period, residents' net asset acquisition abroad decreased compared to October, while non-residents' net liability formation in Türkiye were realized as 1.1 billion USD, the highest level of the last 4 months. On the other hand, real estate investments in Türkiye remained flat with 194 million USD in November.

Net capital inflows accelerated in portfolio investments.

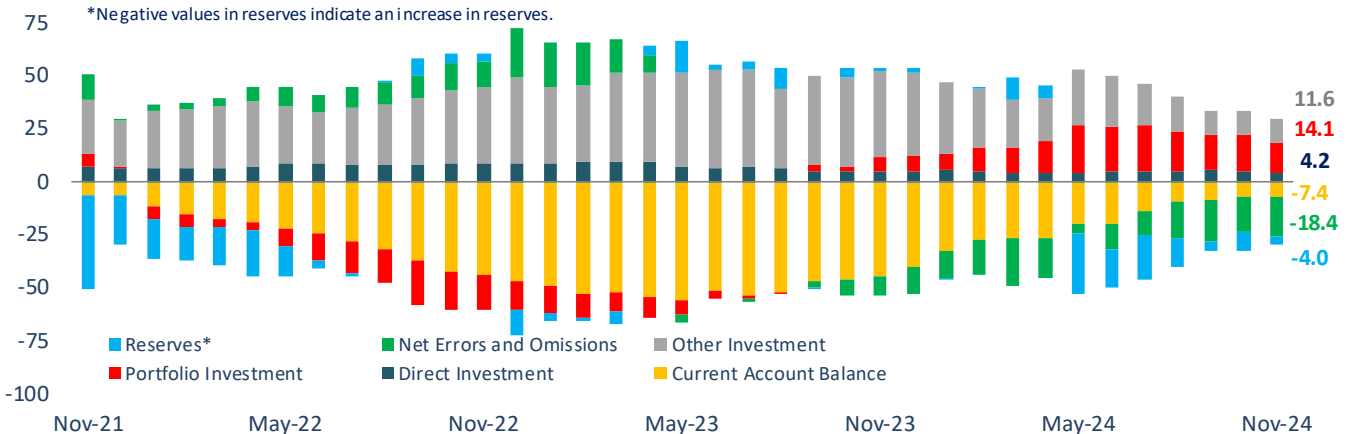
In November, net capital inflow in portfolio investments was realized as 1.2 billion USD, the highest level of the last 4 months. In this period, net asset acquisition of financial assets decreased to 1.1 billion USD due to banks' and other sectors' reduction of their portfolio investments abroad, while non-residents' net capital inflows to domestic markets became 2.3 billion USD. Moreover, in November it was noteworthy that the equity market recorded a net capital inflow for the first time since April, albeit limited with 39 million USD.

Net capital inflows in other investments hit a 6-month high...

In November, net capital inflows in other investments were realized as 3.9 billion USD, the highest level since May. Developments in the loans sub-item stood out in the favorable outlook in other investments. In this period, net

Net Capital Flows

(12-month cumulative, billion USD)



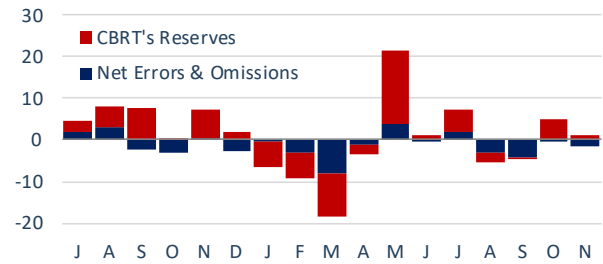
Source: Datastream, Turkstat, CBRT

acquisition of financial assets fell to 802 million USD, the lowest level since September 2023, in line with loan repayments towards local agents. As a result of the strong course of banks' external borrowing, net incurrence of liabilities remained high at 3.3 billion USD. Trade credit and advances recorded the highest net capital inflow of 2024 with 1 billion USD in November, and supported the positive outlook in other investments. On the other hand, currency and deposits item limited the positive outlook in other investments with a net capital outflow of 1.2 billion USD. As of November, according to 12-month cumulative figures, long-term debt rollover ratios in the banking sector and other sectors were 133.6% and 110.7%, respectively.

Reserves and net errors & omissions...

Reserve assets increased by 1.3 billion USD in November, leading a rise of 2.1 billion USD in January-November period. Net errors and omissions item, where capital outflows continued with 1.5 billion USD in November, recorded a total outflow of 15.8 billion USD in the first 11 months of the year.

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



Expectations...

Having posted surplus in June-October period, current account gave a deficit in November due to the widening foreign trade deficit as well as the end of summer season. According to the preliminary data released by the Ministry of Trade, foreign trade deficit widened by 44.7% in December, indicating that the current account deficit in the last month of the year was realized above the year average.

Balance of Payments	(USD million)				
	Nov. 2024	Jan. - Nov. 2023	Jan. - Nov. 2024	% Change	12-month Cumulative
Current Account Balance	-2.871	-38.673	-5.606	-85,5	-7.372
Foreign Trade Balance	-5.235	-81.740	-50.034	-38,8	-54.574
Services Balance	3.725	53.839	58.038	7,8	60.902
Travel (net)	2.630	40.015	45.509	13,7	47.088
Primary Income	-1.442	-11.180	-14.026	25,5	-14.265
Secondary Income	81	408	416	2,0	565
Capital Account	1	-196	-117	-40,3	-125
Financial Account	-4.397	-49.012	-21.508	-56,1	-25.903
Direct Investment (net)	-582	-4.664	-3.838	-17,7	-4.211
Portfolio Investment (net)	-1.229	-5.855	-12.412	112,0	-14.090
Net Acquisition of Financial Assets	1.101	3.449	23.410	578,7	23.033
Net Incurrence of Liabilities	2.330	9.304	35.822	285,0	37.123
Equity Securities	39	200	-2.584	-	-1.397
Debt Securities	2.291	9.104	38.406	321,9	38.520
Other Investment (net)	-3.913	-34.488	-7.308	-78,8	-11.630
Currency and Deposits	1.203	-21.634	9.862	-	8.004
Net Acquisition of Financial Assets	-465	3.802	8.803	131,5	9.168
Net Incurrence of Liabilities	-1.668	25.436	-1.059	-	1.164
Central Bank	-1.194	13.535	-10.491	-	-10.514
Banks	-474	11.901	9.432	-20,7	11.678
Foreign Banks	260	8.515	6.481	-23,9	8.158
Foreign Exchange	736	5.510	2.053	-62,7	3.686
Turkish Lira	-476	3.005	4.428	47,4	4.472
Non-residents	-734	3.386	2.951	-12,8	3.520
Loans	-4.056	-9.159	-23.277	154,1	-24.589
Net Acquisition of Financial Assets	-802	-1.563	2.057	-	1.960
Net Incurrence of Liabilities	3.254	7.596	25.334	233,5	26.549
Banking Sector	3.226	7.695	23.025	199,2	22.802
Non-bank Sectors	-146	57	1.945	3.312,3	2.566
Trade Credit and Advances	-1.044	-3.640	6.165	-	4.905
Other Assets and Liabilities	-16	-55	-58	5,5	50
Reserve Assets (net)	1.327	-4.005	2.050	-	4.028
Net Errors and Omissions	-1.527	-10.143	-15.785	55,6	-18.406

Source: Datastream, Ministry of Trade, CBRT

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