



### CPI increased by 2.24% mom in November.

In November, CPI recorded its mildest increase in the last 5 months with 2.24% mom, but was realized above the market expectations. According to Reuters survey, consumer prices were expected to rise by 1.91% mom. Due to the high base effect, annual CPI inflation continued its downward trend for the sixth month and fell to 47.09%, the lowest level since June 2023. In November, D-PPI also posted the slowest monthly increase of the last 18 months with 0.66%, while annual D-PPI inflation fell to 29.47%.

October (change %)	CPI		D-PPI	
	2023	2024	2023	2024
Monthly	3.28	2.24	2.81	0.66
Year-to-Date	60.09	42.91	42.59	28.01
Annual	61.98	47.09	42.25	29.47
Annual Average	53.40	60.45	53.15	42.60

### Prices in the food and non-alcoholic beverages group rose by 5.10% mom.

In November, prices increased in all expenditure groups except clothing and footwear (-0.25%) and alcoholic beverages and tobacco (-0.04%). In this period, prices in the food and non-alcoholic beverages group rose by 5.10% due to the rapid increase in prices of fresh fruits and vegetables (18.08%). Thus, the mentioned expenditure group increased the monthly CPI the most (by 1.23 points). Housing and household goods, where prices rose above the headline CPI inflation with 2.40% and 2.81% in November, respectively, also pushed the monthly CPI inflation up by 0.61 points in total. Due to the relatively flat fuel prices, price increases in transportation group (0.29%) and education group (0.01%) were realized below the headline CPI inflation.

On the other hand, annual CPI inflation continued to be driven by the rapid increases of 92.49% and 74.45% in education and housing groups, respectively. In the same period, price increases in transportation (26.24%) and clothing and footwear (31.45%) groups remained relatively limited.

### Monthly services inflation is at its lowest level since October 2021...

Following October, price increases in seasonal products deteriorated the inflation outlook in November as well. In this period, CPI index excluding seasonal products rose by 1.59% mom, remaining below the headline consumer inflation. In November, core inflation indicators were also below headline inflation. The monthly increases in the B index (CPI excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold) and the C index (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products and gold) were 1.54% and 1.53%, respectively. Thus, monthly price developments in both indices presented the most positive outlook since September 2021.

In November, both goods inflation (2.54%) and services inflation (1.61%) decreased. In this period, monthly services inflation fell to its lowest level since October 2021. Although the increase in rents maintained its high course with 4.18% in November, it was realized at the lowest level of the last 21 months. Communication services price increases gained some momentum in this period, pushing services inflation upwards. However, prices in the remaining services subcategories posted moderate increases.

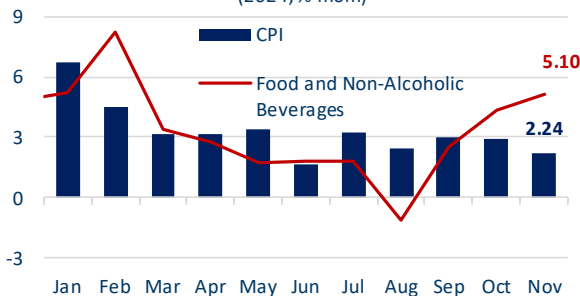
### Food products also stood out in D-PPI inflation.

In November, food products continued to be the group that pushed monthly D-PPI inflation up the most with 0.33 points. Basic pharmaceutical products group, which displayed the fastest monthly price rise with 13.71%, also increased monthly D-PPI inflation by 0.15 points. In this period, prices decreased in coke and refined petroleum products (-0.01%) and electricity, gas production and distribution (-0.32%).

### Expectations...

After October, headline CPI inflation was realized above expectations in November as well due to seasonal price increases. On the other hand, the slowdown in core inflation indicators supported the positive expectations for the disinflation process. Based on the announced data, we expect inflation to be slightly higher than CBRT's 44% expectation for the whole of 2024.

**Food Prices and CPI**  
(2024, % mom)



Source: Turkstat, Datastream

Inflation (%)									
		CPI (2003=100)				D-PPI (2003=100)			
		Monthly	Year to Date	Annual	Annual Average	Monthly	Year to Date	Annual	Annual Average
2022	January	11.10	11.10	48.69	22.58	10.45	10.45	93.53	49.93
	Febuary	4.81	16.45	54.44	25.98	7.22	18.43	105.01	56.83
	March	5.46	22.81	61.14	29.88	9.19	29.31	114.97	64.30
	April	7.25	31.71	69.97	34.46	7.67	39.23	121.82	72.03
	May	2.98	35.64	73.50	39.33	8.76	51.43	132.16	80.38
	June	4.95	42.35	78.62	44.54	6.77	61.68	138.31	88.77
	July	2.37	45.72	79.60	49.65	5.17	70.04	144.61	97.30
	August	1.46	47.85	80.21	54.69	2.41	74.13	143.75	105.39
	September	3.08	52.40	83.45	59.91	4.78	82.45	151.50	114.02
	October	3.54	57.80	85.51	65.26	7.83	96.74	157.69	122.93
	November	2.88	62.35	84.39	70.36	0.74	98.20	136.02	128.94
	December	1.18	64.27	64.27	72.31	-0.24	97.72	97.72	128.47
2023	January	6.65	6.65	57.68	72.45	4.15	4.15	86.46	125.53
	February	3.15	10.00	55.18	71.83	1.56	5.78	76.61	120.72
	March	2.29	12.52	50.51	70.20	0.44	6.25	62.45	113.73
	April	2.39	15.21	43.68	67.20	0.81	7.11	52.11	105.50
	May	0.04	15.26	39.59	63.72	0.65	7.81	40.76	95.80
	June	3.92	19.77	38.21	59.95	6.50	14.82	40.42	86.59
	July	9.49	31.14	47.83	57.45	8.23	24.27	44.50	78.51
	August	9.03	43.06	58.94	56.28	5.89	31.59	49.41	71.97
	September	4.75	49.86	61.53	55.30	3.40	36.06	47.44	65.55
	October	3.43	55.00	61.36	54.26	1.94	38.70	39.39	58.46
	November	3.28	60.09	61.98	53.40	2.81	42.59	42.25	53.15
	December	2.93	64.77	64.77	53.86	1.14	44.22	44.22	49.93
2024	January	6.70	6.70	64.86	54.72	4.14	4.14	44.20	47.35
	February	4.53	11.54	67.07	55.91	3.74	8.03	47.29	45.71
	March	3.16	15.06	68.50	57.50	3.29	11.59	51.47	45.28
	April	3.18	18.72	69.80	59.64	3.60	15.61	55.66	45.83
	May	3.37	22.72	75.45	62.51	1.96	17.87	57.68	47.24
	June	1.64	24.73	71.60	65.07	1.38	19.49	50.09	47.97
	July	3.23	28.76	61.78	65.93	1.94	21.81	41.37	47.55
	August	2.47	31.94	51.97	64.91	1.68	23.86	35.75	46.23
	September	2.97	35.86	49.38	63.47	1.37	25.55	33.09	44.81
	October	2.88	39.77	48.58	62.02	1.29	27.17	32.24	43.93
	November	2.24	42.91	47.09	60.45	0.66	28.01	29.47	42.60

---

## Economic Research Division

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

Berkay Arık  
Asst. Economist  
berkay.arik@isbank.com.tr

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

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

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

---

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

### **LEGAL NOTICE**

This report has been prepared by Trkiye İř Bankası A.ř. economists and analysts by using the information from publicly available sources believed to be reliable, solely for information purposes; and they are not intended to be construed as an offer or solicitation for the purchase or sale of any financial instrument or the provision of an offer to provide investment services. The views, opinions and analyses expressed do not represent the official standing of Trkiye İř Bankası A.ř. and are personal views and opinions of the analysts and economists who prepare the report. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this report. All information contained in this report is subject to change without notice, Trkiye İř Bankası A.ř, accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

This report is copyright-protected. Reproducing, publishing and/or distributing this report in whole or in part is therefore prohibited. All rights reserved.