



CPI rose by 2.55% on a monthly basis in October.

Monthly CPI inflation in October came in at 2.55%, below market expectations of 2.83%. Annual CPI inflation, which had paused its declining trend in September due to higher-than-expected monthly inflation, decreased again in October to 32.87%, with the support of the favorable base effect.

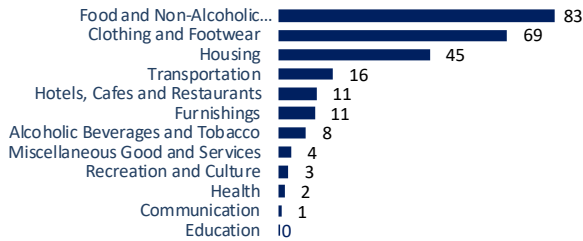
The monthly increase in the D-PPI in October was 1.63%, the lowest level in 2025. Thus, annual producer price inflation was 27% during this period. In October, the 12-month average D-PPI inflation rate, which will be taken for the 2026 revaluation rate, was 25.49%. Meanwhile, Treasury and Finance Minister Mehmet Şimşek announced that increases in taxes and fees for 2026 may be below the revaluation rate.

October	CPI		D-PPI	
(change %)	2024	2025	2024	2025
Monthly	2.88	2.55	1.29	1.63
Year-to-Date	39.77	28.63	27.17	25.67
Annual	48.58	32.87	32.24	27.00
Annual Average	62.02	37.15	43.93	25.49

Prices in the clothing and footwear group increased by 12.42% on a monthly basis.

In October, prices rose across all 12 main expenditure groups in the CPI. With seasonal effects evident as of October, the monthly price increase in the clothing and footwear group was 12.42%, contributing 0.69 points to monthly inflation. In this period, prices in the food and non-alcoholic beverages group, which has the highest weight in the CPI basket, rose by 3.41% compared to the previous month, adding 0.83 points to the monthly inflation. The contribution of the housing group, which recorded a monthly increase of 2.66%, was also 0.45 points. Following the rapid increase in September, it was noteworthy that prices in the education registered a limited monthly rise with 0.08% in October.

Contributions to the Monthly CPI Inflation (% points, main expenditure groups)



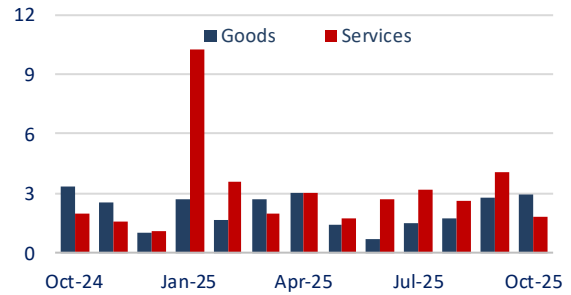
Seasonal factors were influential in the CPI outlook.

Price increases in the clothing and footwear group in October highlighted the impact of seasonal factors on inflation. In this context, the A index, which excludes seasonal products, recorded an increase of 1.81% on a monthly basis in October, below headline inflation. During this period, the monthly increases in the B (CPI excluding unprocessed food products, energy, alcoholic beverages,

tobacco, and gold) and C (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products, and gold) recorded monthly increases of 2.43% and 2.41%, respectively.

The monthly increase in the energy group prices in October was relatively limited at 1.28%. The 5.49% monthly increase in fresh fruit and vegetable prices during this period was noteworthy. Thus, monthly goods inflation in October stood at 2.94%, above headline inflation. However, services prices recorded their second-lowest monthly increase in 2025 at 1.79% in October (the lowest was recorded in May with 1.74%), keeping the headline inflation below expectations. This development was driven by a slower monthly increase in the rent (3.74%), as well as the moderate price increases in other service items.

Goods and Services Prices (monthly % change)



The electricity, gas production, and distribution sector limited the monthly D-PPI inflation.

The relatively limited monthly increase in producer prices in October came to the fore as another positive development for the inflation outlook. In this period, electricity, gas production and distribution prices declined by 1.16% on a monthly basis, limiting the monthly D-PPI inflation by 0.10 points. Except for this sector, the price increases were widespread among other sub-sectors. During this period, the 2.87% monthly increase in food prices contributed 0.60 points to the D-PPI inflation rate. The 2.62% monthly price increase in base metals pushed the headline D-PPI up by 0.20 points. Also, other manufactured goods and metal ores, rising by 9.21% mom and 10.69% mom respectively, have an upward impact on the monthly inflation.

Expectations...

In October, seasonal factors led to price increases in food, clothing, and footwear, which were decisive in the course of consumer inflation. After a higher-than-expected September inflation, the significant slowdown in services inflation and the moderate increase in producer prices in October stood out as positive developments in terms of inflation expectations. On the other hand, the widespread price increases and the relatively high levels of core inflation point to continued inflation inertia. Against this backdrop, we expect the downward trend in annual inflation to continue at a limited pace in the last two months of the year, supported by the loss of momentum in services inflation and a continued favorable base effect.

Inflation (%)									
		CPI (2003=100)				D-PPI (2003=100)			
		Monthly	Year to Date	Annual	Annual Average	Monthly	Year to Date	Annual	Annual Average
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	9.09	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
	December	1.03	44.38	44.38	58.51	0.40	28.52	28.52	41.10
2025	January	5.03	5.03	42.12	56.35	3.06	3.06	27.20	39.50
	February	2.27	7.42	39.05	53.83	2.12	5.24	25.21	37.55
	March	2.46	10.06	38.10	51.26	1.88	7.23	23.50	35.23
	April	3.00	13.36	37.86	48.73	2.76	10.19	22.50	32.65
	May	1.53	15.09	35.41	45.80	2.48	12.92	23.13	30.17
	June	1.37	16.67	35.05	43.23	2.46	15.71	24.45	28.34
	July	2.06	19.08	33.52	41.13	1.73	17.70	24.19	27.07
	August	2.04	21.50	32.95	39.62	2.48	20.62	25.16	26.28
	September	3.23	25.43	33.29	38.36	2.52	23.66	26.59	25.83
	October	2.55	28.63	32.87	37.15	1.63	25.67	27.00	25.49

Economic Research Division

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

Mustafa Kemal Gndođdu, Ph.D
Asst. Manager
kemal.gundogdu@isbank.com.tr

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

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

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