



CPI inflation came in below expectations in September.

Monthly CPI inflation came in at 1.84% in September, parallel to its August level and below the expectations in both the Reuters poll (2.30%) and the Survey of Market Participants (2.12%). Accordingly, annual CPI inflation declined from 31.51% to 29.73%, falling below the 30% level for the first time since November 2021. Meanwhile, cumulative CPI inflation, which stood at 25.43% in January-September 2025, was recorded at 24.32% in the same period of this year. Domestic PPI inflation was 2.07% on a monthly basis and 27.38% on an annual basis.

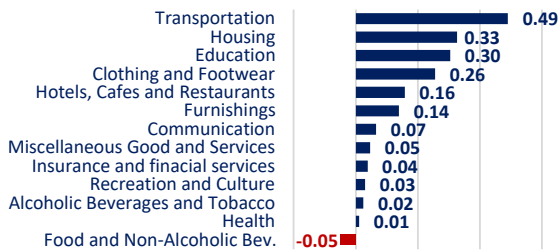
September	CPI		D-PPI	
(change %)	2025	2026	2025	2026
Monthly	3.23	1.84	2.52	2.07
Year-to-Date	25.43	24.32	23.66	23.38
Annual	33.29	29.73	26.59	27.38
Annual Average	38.36	31.49	25.83	27.81

Prices increased across all groups except food.

In September, prices rose in all groups except food and non-alcoholic beverages. The sharpest increases were recorded in education, by 14.2% in line with the start of the new academic year, and in clothing and footwear, by 4.0%. Each of these groups contributed 0.3 pps to the monthly increase in CPI. Meanwhile, although transportation (2.8%) and housing (2.7%) posted relatively moderate monthly price increases, their high weights in the CPI basket (28% combined) lifted monthly inflation by 0.5 and 0.3 pps, respectively. By contrast, prices in the food and non-alcoholic beverages group declined by 0.2% mom, limiting inflation by 0.05 pps.

Contributions to the Monthly CPI Inflation

(% points, main expenditure groups)



At the item level, the largest contributions to the monthly CPI increase came from actual rentals for housing (0.21 pps), tertiary education (0.20 pps), and diesel fuel (0.18 pps). Seasonal price increases were influential in rents and education, while the rise in diesel prices mainly reflected the reintroduction, at 3 TRY, of the special consumption tax on certain types of diesel fuel, which had been reduced to zero in August.

Core indicators rose faster than headline CPI in September.

In September, the A index, which excludes seasonal products, increased by 2.30% mom, outpacing headline inflation and pointing to a limiting effect of seasonal products on inflation in September, as it was also the case in August. During the same period, the B index (CPI excluding unprocessed food, energy, alcoholic beverages and tobacco, and gold) and the C index (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages and tobacco products, and gold) rose by 2.01% and 2.14% mom, respectively.

In September, unprocessed food prices declined by 2.33%, in parallel with the continued monthly fall of 8.93% in fresh fruit and vegetable prices. Meanwhile, goods inflation rose to 1.63%, its highest level in the last five months, partly reflecting the fastest monthly rise since April with 6.25%. Services inflation, which had remained above 3% in July and August, eased to 2.15% in September amid a loss of momentum in the prices of transportation and communication services.

Energy prices stood out in the increase in D-PPI.

Coke and refined petroleum products, whose prices rose by 13.25% mom in September, made the largest contribution to monthly producer price inflation, at 0.51 pps. The other groups making the highest contributions to the monthly increase in D-PPI were food products (monthly increase: 1.79%, contribution: 0.34 pps) and basic metals (monthly increase: 2.42%, contribution: 0.19 pps). By contrast, prices of crude petroleum and natural gas as well as beverages declined by 9.44% and 2.21%, respectively, limiting monthly D-PPI inflation by 0.13 pps in total.

Expectations...

In September, the decline in fresh fruit and vegetable prices offset the seasonal increases in rents and education, resulting in a moderate monthly rise in CPI, while annual consumer inflation fell to its lowest level in nearly five years. Nevertheless, seasonal factors played an important role in the favorable inflation reading, while the improvement was not reflected in monthly core indicators. Looking ahead, we expect the course of inflation to remain influenced by the upward pressure on energy prices stemming from the ongoing tensions in the Middle East. In addition, the impact of recent developments in the investment fund market on domestic demand will be closely monitored in terms of their implications for the inflation outlook.

Inflation (%)									
CPI (2025=100)					D-PPI (2003=100)				
		Monthly	Year to Date	Annual	Annual Average	Monthly	Year to Date	Annual	Annual Average
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
	November	0.87	29.74	31.07	35.91	0.84	26.72	27.23	25.37
	December	0.89	30.89	30.89	34.88	0.75	27.67	27.67	25.36
2026	January	4.84	4.84	30.65	33.98	2.67	2.67	27.17	25.39
	February	2.96	7.95	31.53	33.39	2.43	5.16	27.56	25.60
	March	1.94	10.04	30.87	32.82	2.30	7.58	28.08	25.98
	April	4.18	14.64	32.37	32.43	3.17	10.99	28.59	26.48
	May	1.71	16.61	32.61	32.24	2.75	14.04	28.93	26.96
	June	0.99	17.76	32.11	32.03	1.80	16.09	28.09	27.26
	July	1.78	19.86	31.75	31.90	1.52	17.86	27.83	27.54
	August	1.84	22.07	31.51	31.79	2.57	20.88	27.95	27.76
	September	1.84	24.32	29.73	31.49	2.07	23.38	27.38	27.81

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