



Monthly CPI inflation stood at 1.94% in March.

In March, CPI recorded a below the expectations (2.32%) monthly increase by 1.94%. The Market Participants Survey, published mid-month, indicated an expected increase of 2.18%. The decline in annual CPI inflation to 30.87% in March is significant in terms of the disinflation process, which had stalled in February.

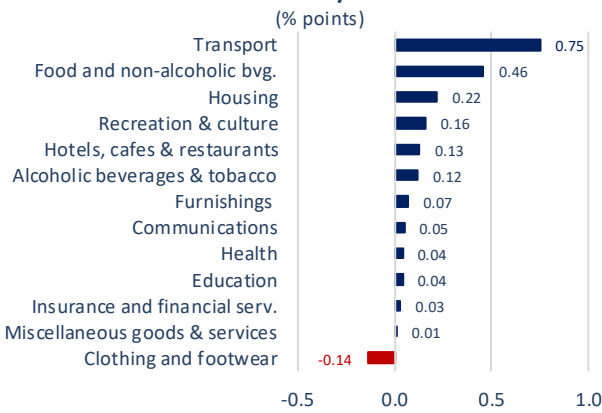
The monthly increase in the Domestic Producer Price Index (D-PPI) in March, at 2.30%, exceeded the rise in the CPI. Consequently, the annual D-PPI inflation rate rose to 28.08%.

December (change %)	CPI		D-PPI	
	2025	2026	2025	2026
Monthly	2.46	1.94	1.88	2.30
Year-to-Date	10.06	10.04	7.23	7.58
Annual	38.10	30.87	23.50	28.08
Annual Average	51.26	32.82	35.23	25.98

The rise in food prices lost momentum in March.

Prices for food and non-alcoholic beverages, which had risen by 13.9% in the first two months of the year, increased by 1.80% in March, marking the lowest monthly increase since November 2025. As a result, this group's contribution to inflation was 0.46 percentage points. On the other hand, the relatively high 3.08% increase in fresh fruit and vegetable prices in March confirms that upward risks in food prices continue, albeit at a reduced pace.

Contributions of main expenditure groups to monthly CPI

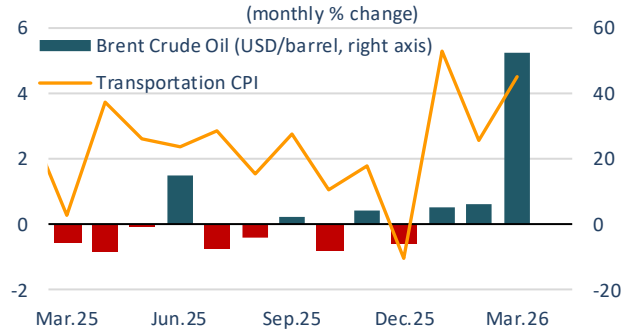


The group contributing the most to headline inflation in March was transportation, at 0.75 percentage points. Fuel price hikes triggered by rising global energy prices, combined with increased demand due to the Ramadan holiday, caused transportation prices to rise by 4.52% mom. Looking at specific products, the sub-categories contributing most to inflation in March were bus passenger transport, meat, diesel, rent, restaurant and café prices, as well as cigarette prices. On the other hand, the 2.10% decline in clothing and footwear prices -driven by ongoing end-of-season sales- exerted downward pressure on monthly inflation by 0.14 percentage points, thereby limiting the rise in the CPI.

Core inflation indicators continued to remain below headline inflation.

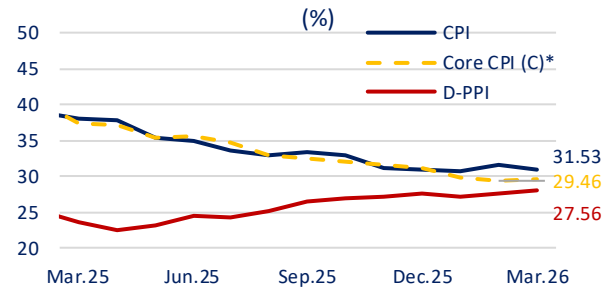
The fact that the 2.22% increase in the index -which excludes seasonal items- in March exceeded headline inflation indicated that the slowdown in CPI rise was largely due to seasonal factors.

Transportation Sector and Oil Prices



In contrast, the monthly increases in the B (1.45%) and C (1.64%) indices -which better reflect the underlying trend in inflation- remained below headline inflation, supported optimistic views regarding the disinflation process. Meanwhile, although monthly service inflation declined compared to the previous month, it remained at 2.39%, above the same month last year, signaling stickiness in service inflation. The monthly increase in rent prices falling to 2.41% stood out as a relatively positive development.

Annual Inflation Indicators



*Excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold

Developments in oil prices were the key factor driving the rise in producer prices.

The 47.10% increase recorded in crude and refined petroleum products in March -the fastest monthly rise in the past 32 years- contributed 1.17 points to the overall index. The 2.30% increase in food prices in March raised the D-PPI by 0.46 points. The factor that offset the upward pressure on producer prices during this period was a 7.51% decline in the electricity and gas production/distribution category. The price drop in this group limited the increase in the headline D-PPI by 0.64 points.

Expectations...

CPI inflation, which exceeded market expectations in the first two months of 2026, fell short of expectations in March, supported by a slowdown in food price inflation. On the other hand, the price adjustment for bread implemented in early April and the lagged effects of high oil prices are expected to exert upward pressure on April inflation. During this period, when the impact of seasonal factors on the inflation outlook is expected to persist, we believe that the pace of oil prices -both directly and through the expectations channel- will remain the key risk factor for the disinflation process.

Inflation (%)

	CPI (2025=100)				D-PPI (2003=100)				
	Monthly	Year to	Annual	Annual Average	Monthly	Year to	Annual	Annual Average	
		Date				Date			
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

Economic Research Division

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

Dr. Mustafa Kemal Gndođdu
Asst. Manager
kemal.gundogdu@isbank.com.tr

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

Nurgl Trkmen
Asst. Economist
nurgul.turkmen@isbank.com.tr

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

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