

	16-Apr	23-Apr	Change		16-Apr	23-Apr	Change
BIST-100 Index	1,408	1,345*	-4.5 % ▼	EUR/USD	1.1983	1.2099	1.0 % ▲
TRY 2 Year Benchmark Rate	18.24 %	18.09 %*	-15 bp ▼	USD/TRY	8.0567	8.3762	4.0 % ▲
Turkey 5-Year CDS Premium	399	422	23 bp ▲	EUR/TRY	9.6710	10.1346	4.8 % ▲
MSCI EM Equity Index	1,349	1,353	0.3 % ▲	Gold (USD/ounce)	1,776	1,777	0.0 % ●
US 10-Year Bond Rate	1.57 %	1.57 %	-1 bp ▼	Brent Oil (USD/barrel)	66.8	66.1	-1.0 % ▼

bp: basis point

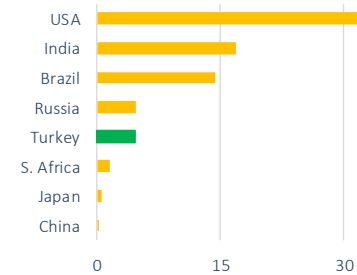
(*) as of 22 April.

While the number of coronavirus cases continues to increase, more than 1 billion doses of vaccine have been administered in 172 countries worldwide. The acceleration of cases in many countries, especially in India, has led to increased concerns about the pandemic. At its meeting held on April 22, the European Central Bank (ECB) did not change its monetary policy in line with the market expectations. The preliminary PMI data for April, announced in the Euro Area and the US, painted a positive picture. Last week, financial markets have fluctuated due to growing concerns regarding Turkey and the US relations and increasing risk perception. USD/TRY and EUR/TRY tested the levels of 8.48 and 10.15 respectively, this morning. This week, while the Fed meeting stands out in global markets, the Inflation Report to be published by the CBRT will be followed in Turkey. Following the recent developments, CBRT may raise its 2021 year-end inflation forecast, which was previously announced as 9.4%.

Concerns grew over rising coronavirus cases.

The total number of coronavirus cases worldwide has exceeded 147 million people and the death toll has exceeded 3 million people. Over 1 billion doses of vaccine have been administered in 172 countries around the world. While the US ranks first in the world with 32.1 million cases and 572 thousand deaths, the vaccine dose administered in the country approached 230 million. The US has updated its travel advisory list and expanded its Level 4 (Do Not Travel) advisory to approximately 80% of the world's countries. Recently, rapid increases in the number of cases in many countries, especially in India, raised concerns.

Coronavirus Cases
(million persons)



The ECB did not change its monetary policy.

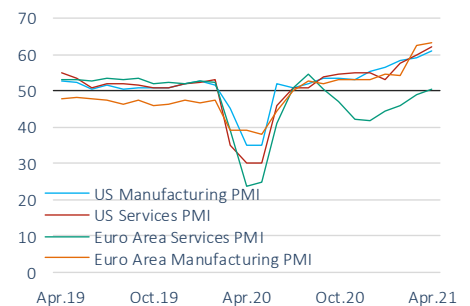
At its meeting on April 22, the ECB did not change its monetary policy in line with market expectations. At her speech after the meeting, ECB President Lagarde stated that the increase in the number of cases and the containment measures constrained economic activity and that the economy may have contracted in the first quarter. Highlighting that the uncertainty over the pandemic continues, Lagarde stated that inflation may rise in the coming months.

Preliminary PMI data in the Euro Area exceeded market expectations in April. The services PMI came in at 50.3, above the threshold value of 50, indicating a growth in the sector for the first time since September 2020. The manufacturing PMI was realized at 63.3 in April and reached its highest reading since 1997, when the data began to be released.

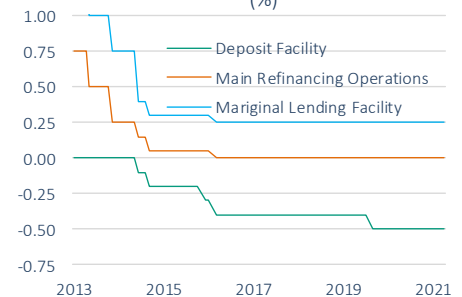
Preliminary PMI data in the US displayed a positive outlook in April.

Preliminary manufacturing PMI in the US came in at 60.6 in April, reaching its highest level since May 2007, when the data began to be released. Besides, PMI for the services sector reached an all-time high of 63.1. New home sales in the country also increased well above expectations. It is observed that the easing of pandemic restrictions has a positive impact on the labor market. In the week that ended April 17, the weekly initial jobless claims fell by 39K people to 547K people. Thus, the number of applications

PMI Data



ECB Key Interest Rates
(%)



Source: Datastream

came in below 700K people for two consecutive weeks for the first time since March 2020.

In Turkey, Consumer Confidence Index declined in April.

The Consumer Confidence Index decreased by 7.5% mom and became 80.2 in April. A decrease was registered in 16 out of the 18 sub-indices of consumer confidence. The fastest decline was recorded in the sub-index regarding the general economic situation expectation for the next 12 months. In the same period, although the seasonally adjusted real sector confidence index decreased by 2.8 points mom to 107.4, remaining above 100 for the 9th month in a row. The seasonally adjusted capacity utilization rate in manufacturing industry rose by 0.6 point to 76.2%.

The central government gross debt stock totaled 1,950 billion TRY in March.

As of the end of March, the central government gross debt stock rose to 1,950 billion TRY. 830 billion TRY of the debt stock was denominated in local currency. Foreign currency-denominated debt amounted to 1,120 billion TRY, constituting 57.4% of the total debt stock.

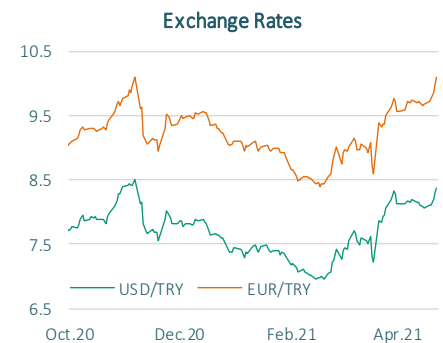
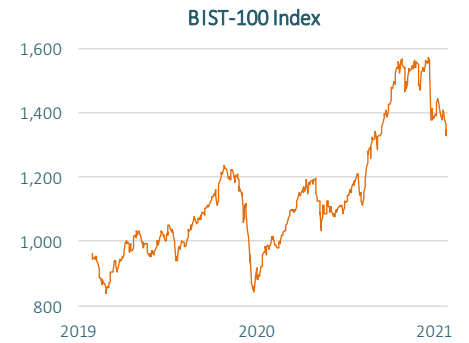
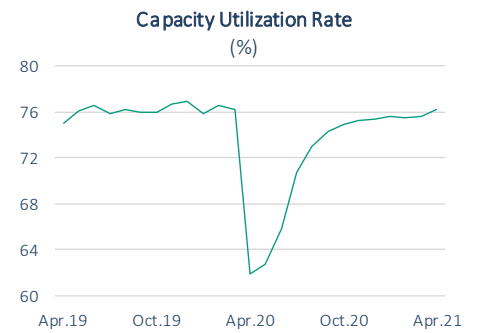
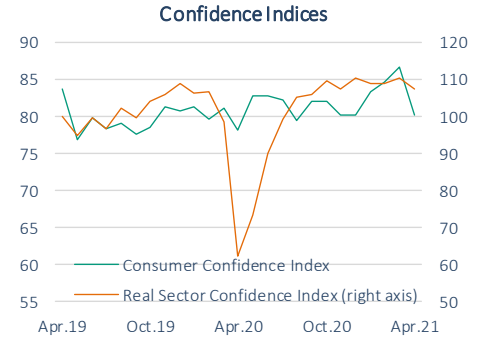
The CBRT released the summary of the MPC meeting held on April 15th.

The summary of the monetary policy committee meeting held on April 15 was published. It was the first monetary policy meeting since the new governor was appointed and the policy rate was kept steady at 19% at this meeting. In the summary, it was stated that the upward trend in annual energy inflation is expected to continue in April due to the base effect. It was also declared that producer prices posted a strong widespread increase in March driven by the exchange rate developments, while commodity prices have decelerated in the recent period. Noting that demand and cost-side inflationary effects persisted, the Committee maintained its assessment that the risks to the year-end forecast target announced in the January Inflation Report were on the upside.

Financial markets followed a volatile course last week.

Last week, global stock markets declined after hitting record highs on April 16 due to the profit taking sales. Turkish financial markets followed a volatile course as risk perception has deteriorated as a result of the developments in global markets and geopolitical issues. Turkey's 5-year CDS risk premium increased by 23 bps to 422 bps. BIST-100 decreased by 4.5% w/w and diverged negatively from other emerging markets. USD /TRY and EUR/TRY reached 8.48 and 10.15, respectively.

This week, while the Fed meeting stands out in global markets, the Inflation Report to be published by the CBRT will be followed in Turkey. Following the recent developments, CBRT may raise its 2021 year-end inflation forecast, which was previously announced as 9.4%.



Source: Datastream

Data Releases

		Period	Consensus	Prior
26 April	TR Real Sector Confidence Index	April	111 (A)	110.8
	TR Capacity Utilization Rate	April	75.9% (A)	74.7%
	USA Durable Goods Orders, mom	March	0.5% (A)	-1.2%
27 April	USA Consumer Confidence, prelim	April	112.1	109.7
28 April	USA Fed Meeting	April	0-0.25%	0-0.25%
29 April	TR Economic Confidence	April	-	98.9
	CBRT Inflation Report	2021-II	-	-
	USA GDP Growth, yoy, prelim	2021 Q1	6.5%	4.3%
	USA Pending Home Sales, mom	March	6.0%	-10.6%
	Euro Area Consumer Confidence, final	April	-8.10	-8.10
30 April	TR Trade Balance	March	-	-3.3 billion USD
	TR Foreign Visitors, yoy	March	-	-69%
	USA Core PCE, mom	March	0.3%	1.0%
	USA Personal Consumption Expenditures, mom	March	4.2%	-1.0%
	USA Michigan Consumer Confidence, final	April	87.5	86.5
	Euro Area GDP Growth, yoy, prelim	2021 Q1	-1.9%	-4.9%
	Euro Area CPI Inflation, flash, yoy	April	1.6%	1.3%
	Euro Area Unemployment Rate	March	8.3%	8.3%

(A) Actual

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