

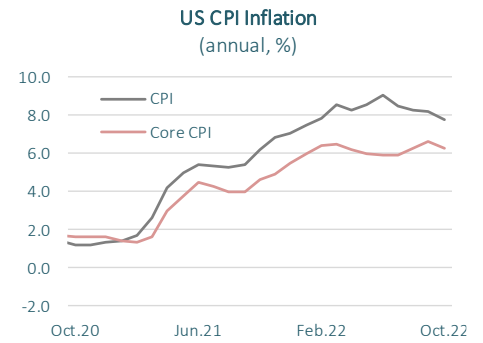
	4-Nov	11-Nov	Change		4-Nov	11-Nov	Change
BIST-100 Index	4.217	4.456	5.7 % ▲	EUR/USD	0.9960	1.0352	3.9 % ▲
TRY 2 Year Benchmark Rate	14.64 %	14.03 %	-61 bp ▼	USD/TRY	18.5657	18.5705	0.0 % ●
Türkiye 5-Year CDS Premium	629	556	-73 bp ▼	EUR/TRY	18.4893	19.2346	4.0 % ▲
MSCI EM Equity Index	885	936	5.7 % ▲	Gold (USD/ounce)	1.680	1.771	5.4 % ▲
US 10-Year Bond Rate	4.16 %	0.00 %	-416 bp ▼	Brent Oil (USD/barrel)	98.6	96.0	-2.6 % ▼

bp: basis point

Last week, October CPI inflation announced in the US came in below the market expectations and supported the anticipations that the Fed may slow down the pace of interest rate hikes in the upcoming meetings. In the Euro Area, Sentix sentiment index increased by 7.4 points in November, pointing to the recovery of investor confidence in the region. In Türkiye, while Treasury cash deficit was 72.2 billion TRY in October, the current account gave a deficit of 3 billion USD in September. Industrial production recorded an annual increase of 0.4% in September, well below the expectations, pointing out that the loss of momentum in sector has deepened. In the US, as well as PPI inflation, data on housing and industry sectors will be followed this week. Budget balance and CBRT's Market Participants Survey will be announced in Türkiye.

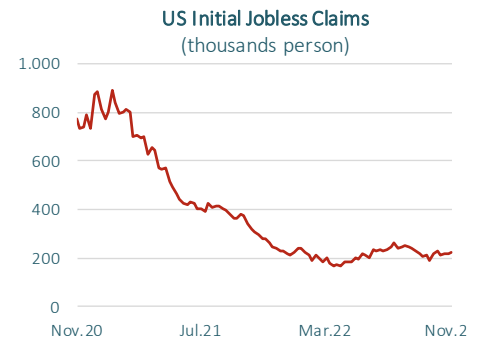
CPI inflation in the US was below market expectations.

CPI in the US increased by 0.4% mom in October. In this period, annual CPI inflation came in at 7.7%, below the market expectations and at the lowest level of the last 9 months. Core inflation, calculated by excluding energy and food items, was 6.3% yoy. While inflation data supported the expectations that the Fed might slow down the pace of interest rate hikes in the upcoming meetings, Fed officials gave cautious signals to the markets in their statements last week. Although initial jobless claims in the US came in above market expectations at 225K people in the week ending November 5, the strong course in the labor market continued.



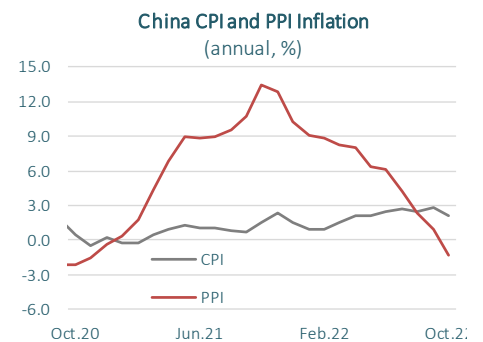
Data announced in the Euro Area displayed a positive outlook.

In the Euro Area, Sentix confidence index increased by 7.4 points compared to the previous month, showing a recovery above market expectations with -30.9 in November. In this period, the current situation index rose for the first time since August by 6 points, and the expectations sub-index increased by 8.7 points to its highest level since June. The easing of concerns about the energy crisis was behind the recovery of investor confidence. Revising its growth forecast for 2022 for the region upwards, the European Commission announced that it expects a more significant economic slowdown in 2023. The Commission increased its growth forecast for 2022 from 2.7% to 3.2%, while reducing it from 1.4% to 0.3% for 2023.



China prepared a support package for the housing sector.

According to the foreign trade data announced in China, both exports and imports decreased simultaneously in October for the first time since May 2020. In this period, exports decreased by 0.3% and imports by 0.7% on an annual basis. In October, consumer prices increased by 2.1% yoy in October, while producer prices declined by 1.3% for the first time since December 2020. In China, where new Covid-19 cases have reached the highest level since April, news have been followed regarding the easing of quarantine measures and a support package for the housing sector.



Source: Datastream

In Türkiye, industrial production increased by 0.4% yoy in September.

In September, according to seasonal and calendar adjusted data industrial production decreased by 1.6% on a monthly basis. According to calendar adjusted data, industrial production rose by 0.4% yoy, well below market expectations. Annual increase in industrial production in the third quarter was realized as 1.3%, showing the weakest performance since the second quarter of 2020.

The unemployment rate rose to 10.1% in September.

Seasonally adjusted unemployment rate increased by 0.3 points mom to 10.1% in September. In this period, the employment rate declined by 0.1 point compared to the previous month and became 47.7%, while the labor force participation rate remained unchanged on a monthly basis. Labor underutilization rate, which expresses the ratio of time related underemployment, unemployed and potential labor force to the sum of labor force and potential labor force, increased by 0.4 pts compared to the previous month to 20.3% in September.

In September, the current account deficit was 3 billion USD.

In September, the current account gave a deficit of 3 billion USD. Net energy imports, which doubled on an annual basis with the effect of rising energy prices, was behind the widening of the current account deficit, while the positive course in tourism and transportation revenues limited the rise. In September, portfolio investments recorded a net outflow of 3.4 billion USD. Capital inflows in other investments and in net errors and omissions continued ([Our Balance of Payments report](#)).

Treasury cash balance posted a deficit of 72.2 billion TRY in October.

According to the data announced by the Ministry of Treasury and Finance, the Treasury cash deficit was 72.2 billion TRY in October. In this period, the primary cash deficit stood at 13.1 billion TRY. As of the first 10 months of the year, the Treasury cash deficit was 160.3 billion TRY.

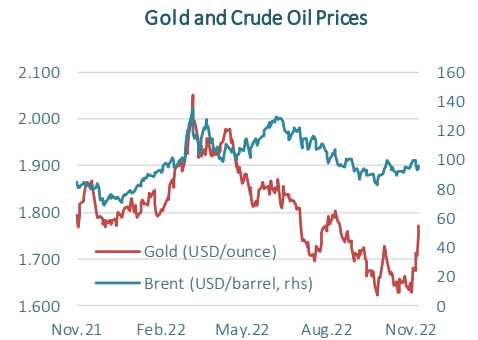
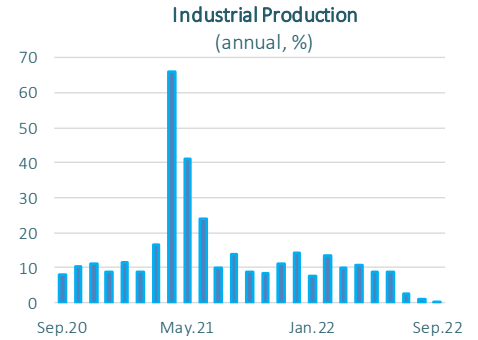
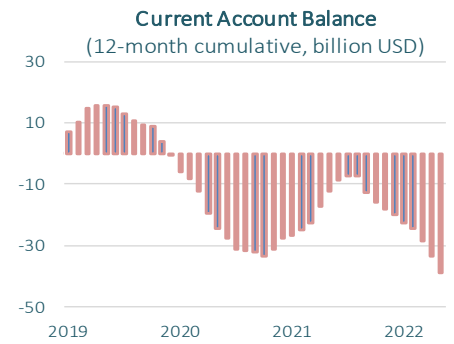
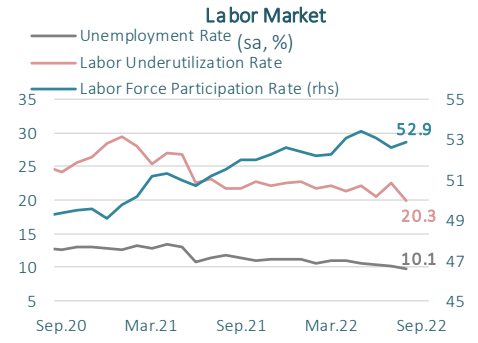
Financial markets...

Inflation data released in the US last week supported expectations that the Fed could slow down the pace of interest rate hikes and affected global equity markets positively. While the US dollar depreciated in international markets, gold prices increased by 5.4% and closed the week at 1.771 USD/ounce.

BIST-100 index, which displayed a positive outlook in line with global markets, rose by 5.7% wow and closed the week at 4,456. USD/TRY followed a flat course throughout the week, while EUR/TRY increased by 4.0% wow. Türkiye's 5-year CDS premium fell by 73 basis points wow to 556 bps, the lowest level since April.

This week's agenda...

This week a heavy data agenda will be followed in global markets. PPI inflation and housing sector data to be announced in the US come to the fore on the data agenda. In Türkiye, the budget balance for October and the results of the CBRT's Market Participants Survey will be announced.



Source: Datastream, Turkstat

Data Releases

		Period	Consensus	Prior
14 November	Euro Area Industrial Production, yoy	September	2.8%	2.5%
15 November	TR Budget Balance	October	-	-78.63 billion TRY
	USA PPI Inflation, yoy	October	8.3%	8.5%
	USA NY Fed Manufacturing Index	November	-5.0	-9.10
	Euro Area Trade Balance	September	-	47.30 billion EUR
	Euro Area GDP Growth, flash, yoy	2022 Q3	2.1%	2.1%
	China Industrial Production, yoy	October	5.2%	6.3%
	China Retail Sales, yoy	October	1.0%	2.5%
16 November	USA Industrial Production, mom	October	0.2%	0.4%
	USA Retail Sales, mom	October	0.9%	0.0%
	USA Capacity Utilization Rate	October	80.4%	80.3%
17 November	USA Housing Starts, units	October	1.41 million	1.44 million
	USA Philadelphia Fed Business Index	November	-8.0	-8.7
	Euro Area CPI Inflation, final, yoy	October	10.7%	10.7%
18 November	CBRT Survey of Market Participants	November	-	-
	USA Existing Home Sales, units	October	4.39 million	4.71 million

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