

	29-Sep	6-Oct	Change		29-Sep	6-Oct	Change
BIST-100 Index	8,335	8,465	1.6 % ▲	EUR/USD	1.0570	1.0586	0.2 % ▲
TRY 2 Year Benchmark Rate	29.74 %	29.47 %	-27 bp ▼	USD/TRY	27.3712	27.5405	0.6 % ▲
Turkey 5-Year CDS Premium	397	407	10 bp ▲	EUR/TRY	28.9453	29.1344	0.7 % ▲
MSCI EM Equity Index	953	937	-1.6 % ▼	Gold (USD/ounce)	1,848	1,832	-0.9 % ▼
US 10-Year Bond Rate	4.57 %	4.78 %	21 bp ▲	Brent Oil (USD/barrel)	95.3	84.6	-11.3 % ▼

bp: basis point

Employment data announced in the US last week pointed out that the strong outlook in the labour market continues. September PMI data in the country also painted a relatively positive picture regarding economic activity. In the Euro Area, PMI data confirmed that the contraction in the manufacturing and services sectors continued. IMF published its assessment of the Turkish economy. While consumer prices increased by 4.75% in September, close to market expectations, Istanbul Chamber of Industry Türkiye Manufacturing PMI data signalled that the contraction in manufacturing industry activity continues. Preliminary foreign trade data for the same period showed that imports slowed down. This week, September readings of inflation to be announced in the US and the IMF's World Economic Outlook report stand out on the global agenda. In Türkiye, unemployment rate, industrial production and balance of payments data for August will be announced. Additionally, the repercussions of the increasing tension in the Middle East over the weekend will be followed.

Data released in the US showed that the strong trend in labour market continues.

In the US, initial jobless claims became 207 thousand people, below market expectations, in the week ending September 30. Non-farm payrolls increase for September was realized at 336 thousand people, against the market expectation of 170 thousand people, indicating that the labour market continued its strong course. During this period, the unemployment rate remained unchanged at 3.8%.

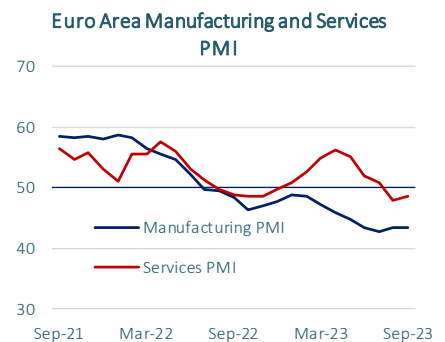
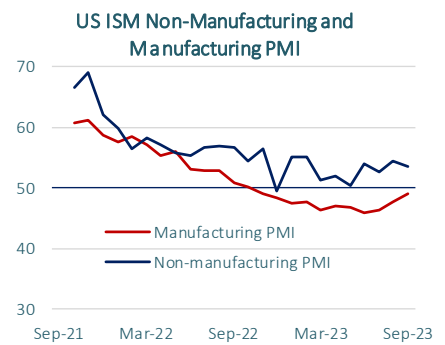
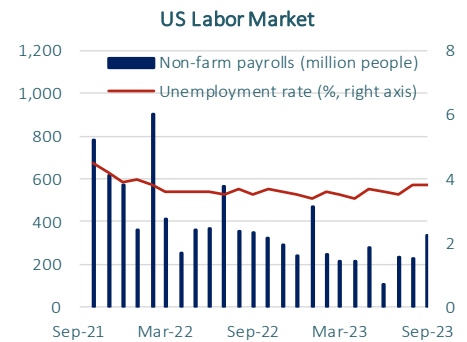
PMI data for September also gave relatively positive signs regarding the course of economic activity. Although the ISM manufacturing PMI remained below the threshold value at 49, it increased for the third month in a row. S&P final manufacturing industry PMI data was above preliminary data as becoming 49.8. ISM non-manufacturing index pointed out the growth in the sector, reaching 53.6 in September.

Contraction in the manufacturing and services sectors continues in the Euro Area.

Final data for manufacturing PMI in the Euro Area was 43.4 in September. Thus, the index continued its course below the 50 threshold value for the 15th month. During this period, final data for services PMI remained below the threshold value at 48.7, showing that the contraction in the sector continued. Unemployment rate in the Euro Area decreased by 0.1 point compared to the previous month, realizing as 6.4% in August. In the same period, producer prices increased by 0.6% mom and decreased by 11.5% yoy. In August, retail sales decreased on a monthly and annual basis, giving negative signals regarding demand outlook.

IMF published its assessment of the Turkish economy.

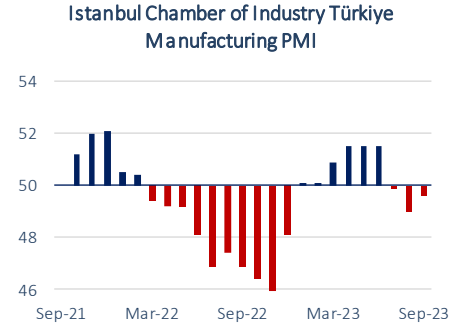
The IMF staff team published its assessment of the Turkish economy after the meetings held in Türkiye. In the evaluation, while the 2023 and 2024 year-end inflation forecasts were announced as 69.1% and 46% respectively, it was stated that additional increases in policy rates were needed within the scope of the fight against inflation. In the report, it was stated that the change in economic policies could put pressure on growth where the growth expectation of the institution was announced as 4.0% and 3.25% for 2023 and 2024, respectively. World Bank also increased its 2023 growth forecast for Türkiye's economy to 4.2% from the 3.2% predicted in June.



Source: Datastream

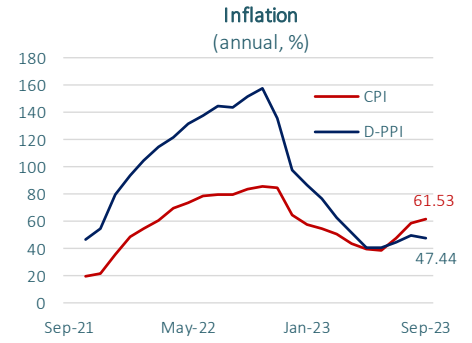
ISO manufacturing PMI continues its course below the threshold value.

Istanbul Chamber of Industry (ISO) Türkiye Manufacturing PMI came in at 49.6 in September, below the 50 threshold for the third month in a row, indicating that the slowdown in the sector's activities continued. On the other hand, the recovery in the index compared to the previous month indicated that the slowdown in the sector's activities drew a milder outlook. Analyzing the sub-indices, it was observed that the decline in production and new orders lost pace, inflationary pressures decreased significantly and employment increased slightly in this period. According to sectoral PMI data, among the 10 sectors monitored within the scope of the report, only food products recorded an increase in production while the most significant slowdown in new orders was recorded in textiles.



CPI inflation was realized as 4.75% mom in September.

Rise in inflation was close to market expectations in September. In this period, monthly and annual CPI inflation were realized as 4.75% and 61.53%, respectively. Prices in all main expenditure groups increased compared to the previous month, while the fastest monthly price increase was recorded in the education group with 30.27%. D-PPI, on the other hand, recorded the lowest increase for the last four months with 3.4% in September. Annual rise in producer inflation was realized as 47.44% while prices in the electricity, gas and steam sectors fell by 17.08% yoy (Our Inflation Report).



Preliminary data indicated that imports lost momentum.

According to the preliminary foreign trade data released by the Ministry of Trade, exports increased by 0.3% yoy to 22.7 billion USD, while imports fell by 14.1% yoy to 27.7 billion USD in September. Thus, foreign trade deficit narrowed by 48.1% yoy to 5 billion USD. In the January-September period, exports decreased by 0.3% yoy to 187.5 billion USD while imports increased by 1.3% yoy to 274.8 billion USD.

Treasury cash balance posted a deficit of 69.1 billion TRY in September.

In September, Treasury cash balance posted a deficit of 69.1 billion TRY. In this period, revenues increased by 125% yoy to 486 billion TRY, while expenditures rose by 88% yoy to 555 billion TRY. Interest payments were realized as 46.6 billion TRY. Thus, Treasury cash deficit reached 441.6 billion TRY in the first nine months of the year.

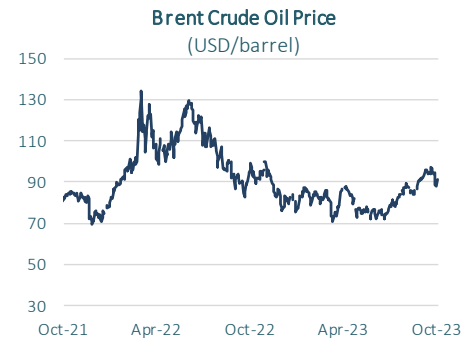
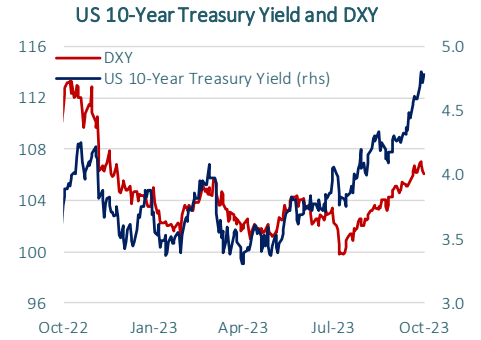
Financial markets...

US stock markets which followed a volatile course ahead of the non farm payrolls data released on Friday, closed the week higher due to rises in technology stocks. The US 10-year Treasury bond yield closed the week at 4.78% with an increase of 21 basis points. The announcement of OPEC+ countries that they would keep the current production cuts unchanged and the concerns over the global slowdown which increased due to the expectations that tight monetary policies would continue, led Brent oil to record a sharp decline of 11.3% per barrel last week. On the other hand, oil prices started the week with a rapid rise due to rising tensions in the Middle East over the weekend.

BIST-100 index, which diverged positively from emerging markets, closed the week with an increase of 1.6% to 8,465. Türkiye's 5-year CDS risk premium increased by 10 basis points to 407 points. TRY depreciated slightly against USD and euro.

This week's agenda...

This week, September inflation data to be released in the US and IMF's World Economic Outlook report stand out on the global agenda. In Türkiye, unemployment rate, industrial production and balance of payments data for August will be announced. In addition, the repercussions of the rising tensions in the Middle East will be closely monitored.



Source: Datastream, Istanbul Chamber of Industry

Data Releases

		Period	Consensus	Prior
9 October	Euro Area Sentix Index	October	-22.8	-21.5
10 October	TR Unemployment Rate	August	-	9.4%
	TR Industrial Production, yoy	August	-	7.4%
11 October	TR Current Account Deficit	August	-0.53 billion USD	-5.47 billion USD
	USA PPI Inflation, mom	September	0.3%	0.7%
12 October	USA CPI Inflation, mom	September	0.3%	0.6%
	USA Core CPI Inflation, mom	September	0.3%	0.3%
13 October	USA Michigan Consumer Confidence, prelim	October	67.4	68.1
	Euro Area Industrial Production, mom	August	0.1%	-1.1%
	China PPI Inflation, yoy	September	-2.4%	-3.0%
	China CPI Inflation, yoy	September	0.2%	0.1%
	China Trade Balance	September	70 billion USD	68.4 billion USD

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