

	22.Dec	29.Dec	Change		22.Dec	29.Dec	Change
BIST-100 Index	7.558	7.470	-1,2 % ▼	EUR/USD	1,1010	1,1036	0,2 % ▲
TRY 2 Year Benchmark Rate	37,39 %	39,68 %	229 bp ▲	USD/TRY	29,1982	29,4766	1,0 % ▲
Türkiye 5-Year CDS Premium	281	279	-2 bp ▼	EUR/TRY	32,1833	32,5389	1,1 % ▲
MSCI EM Equity Index	992	1.024	3,2 % ▲	Gold (USD/ounce)	2.053	2.063	0,5 % ▲
US 10-Year Bond Rate	3,91 %	3,86 %	-5 bp ▼	Brent Oil (USD/barrel)	79,1	77,0	-2,6 % ▼

bp: basis point

Last week, global markets followed a calm agenda due to the Christmas holiday, while stock markets ended the last week of the year with gains. In Türkiye, net minimum wage was raised by 49% to 17,002 TRY, which will be effective as of January. CBRT published the Monetary Policy document for 2024. In the text, it was emphasized that the simplification steps in the micro and macroprudential policy framework would continue in 2024. Economic confidence index rose to 96.4 due to the increase in consumer, services and retail sectors' confidence indices. Oil prices fluctuated throughout the week because of geopolitical developments. This week, US non-farm payrolls data and global PMI releases stand out in global markets. In Türkiye, December inflation data is at the top of the agenda.

### Data releases in the US pointed to downward pressure on economic activity.

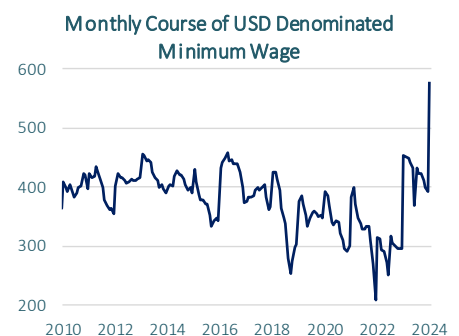
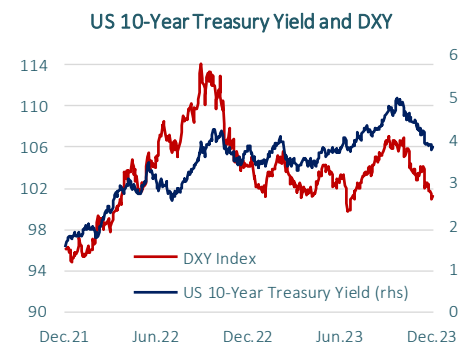
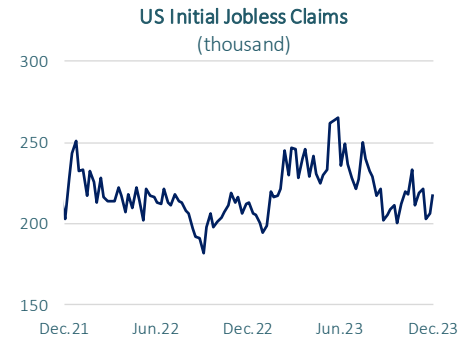
Last week, global markets followed a relatively calm data agenda due to the Christmas holiday. Pending home sales in the US for November remained unchanged on a monthly basis, which is below market expectations, indicating that the pressure in the housing market continued. Jobless claims for the week of December 23 slightly exceeded market expectations with 218K and supported the views that the labor market, which maintained its strong outlook during the rate hike process, might be weaker in the coming period. Reaching to its highest level since January 2023, Dallas Fed manufacturing index that remained in the negative area indicated that the contraction in production activities continued.

### The net minimum wage was determined as 17,002 TRY.

The net minimum wage in Türkiye was raised by 49% to 17,002 TRY, which will be effective as of January. In addition, the proposal for a bonus of 5,000 TRY for working retirees was legislated in the last week of 2023.

### CBRT published the Monetary Policy document for 2024.

CBRT published the Monetary Policy for 2024, which serves as a roadmap for the policies to be followed in 2024. In the text, it was emphasized that the simplification steps in the micro and macroprudential policy framework would continue in 2024. In addition, it was stated that quantitative tightening steps would continue by expanding the variety of sterilization tools that would be used. The text underlined that the CBRT would continue to accumulate reserves in 2024. It was emphasized that the CBRT would shape its monetary policy in a way to bring inflation to the 5% target in the medium term, and it was highlighted that the forecasts announced in the Inflation Report would be used as intermediate targets to provide a reference for inflation expectations.



Source: CBRT, Datastream

### Economic confidence index rose to 96.4 in December.

According to Turkstat, economic confidence index rose by 1.1% mom to 96.4 in December. Thus, the index remained below the threshold for the sixth consecutive month. Among sub-indices, consumer confidence as well as confidence in services and retail sectors increased. The sub-index for the construction sector, which is currently weaker than other sectors, declined by 3.3% mom.

In December, seasonally adjusted real sector confidence index decreased by 0.5 pts mom to 103.4. In this period, seasonally adjusted capacity utilization rate also decreased by 0.5 pts mom to 77.5%.

### ICI Türkiye Manufacturing PMI rose to 47.4 in December.

Istanbul Chamber of Industry Türkiye Manufacturing PMI rose by 0.2 pts mom to 47.4 in December. The index remained below the threshold for the sixth consecutive month and signaled contraction in manufacturing sector through the second half of 2023. In December, food products as well as land and sea vehicles diverged positively from other sectors, while non-metallic mineral products signaled a comparatively rapid contraction.

### Financial markets...

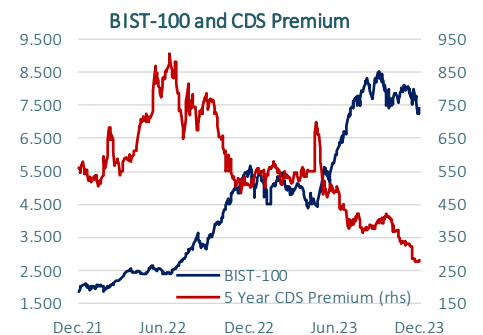
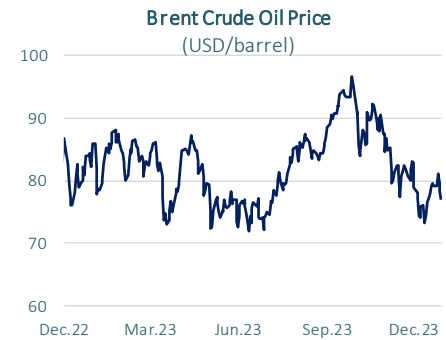
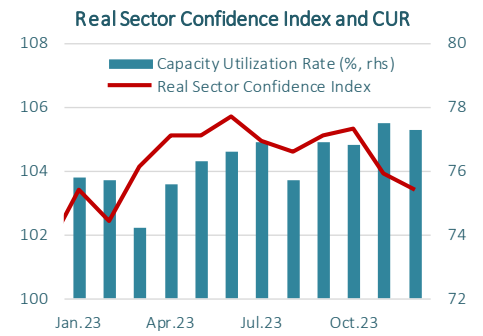
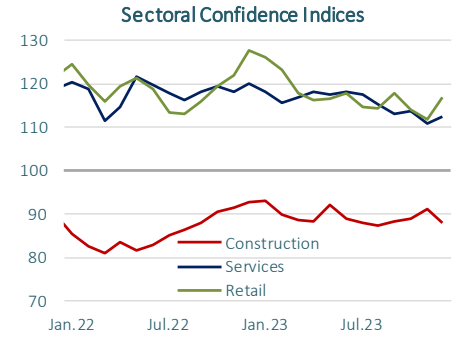
Major stock markets, which were closed on Monday due to Christmas, had an increasing trend in the following days. Emerging markets stock indices posted a 3.2% rise on a weekly basis.

The escalating tension in the Middle East at the beginning of last week increased concerns over oil supply and put upward pressure on oil prices. In following days, oil prices fell sharply as security concerns in the Red Sea eased. Thus, Brent crude oil prices, which followed a volatile course during the week, declined by 2.6% wow and ended the year at 77 USD per barrel. Gold prices ended the year at 2,063 USD/ounce.

Despite the positive sentiment in global markets in the last week of 2023, BIST-100 index diverged negatively from emerging markets and ended the week with a 1.2% loss. Türkiye's 5-year CDS premium followed a relatively flat course last week, while the yield on the 2-year benchmark bond increased by 229 bps in last week of 2023. TRY depreciated against USD and EUR in this week.

### This week's agenda...

This week, US non-farm payrolls data for December as well as global PMI figures stand out in global markets. In Türkiye, December inflation data is at the top of the agenda.



Source: CBRT, Turkstat, ICI, Datastream

## Data Releases

		Period	Consensus	Prior
2 January	TR Istanbul Chamber of Industry Manufacturing PMI	December	47.4 (A)	47.2
	US Manufacturing PMI, final	December	-	48.2
	Euro Area HCOB Manufacturing PMI, final	December	44.2	44.2
3 January	TR CPI Inflation, yoy	December	65.1%	61.98%
	TR D-PPI Inflation, yoy	December	-	42.25%
4 January	US ISM Manufacturing PMI	December	47.1	46.7
	TR CPI Based Real Effective Exchange Rate	December	-	55.04
	US Services PMI, final	December	-	51.3
5 January	Euro Area HCOB Services PMI, final	December	48.1	48.1
	US Nonfarm Payrolls	December	163 thousand	199 thousand
	US Factory Orders, mom	November	2.3%	-3.6%
	US ISM Services PMI	December	52.6	52.7
	Euro Area CPI Inflation, flash, yoy	December	3.0%	2.4%
	Euro Area PPI Inflation, yoy	November	-8.7%	-9.4%

(A) Actual

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