



### Annual CPI inflation rose to 48.7%.

According to the data announced by TURKSTAT, inflation indicators continued to rise in the first month of 2022. Accordingly, monthly CPI inflation came in at 11.10%, while D-PPI inflation was 10.45% in January.

Thus, in the first month of 2022, annual CPI inflation reached the peak of almost last 20 years with 48.69%, while the annual D-PPI inflation, which completed 2021 at the level of 79.89%, was realized as 93.53% in January.

January (change %)	CPI		D-PPI	
	2021	2022	2021	2022
Monthly	1.68	11.10	2.66	10.45
Annual	14.97	48.69	26.16	93.53
Annual Average	12.53	22.58	13.64	49.93

### Food, housing and transportation groups came to the fore in the monthly CPI increase.

In January, prices in all main expenditure groups, except clothing and footwear, increased on a monthly basis. The alcoholic beverages and tobacco group ranked first among the spending groups with a monthly price increase of 21.9%. In the housing group, which contains electricity and natural gas prices, monthly inflation was realized as 18.9%. According to the figures revealed by TURKSTAT, electricity prices surged by 69.97% in January. Among the main spending groups, monthly double-digit increases in transportation, food and health came to the fore. The price increases in these three groups pushed monthly inflation up by 7.30 points in January.

Considering the annual price changes, the transportation group posted the highest price increase with 68.89%, followed by the food and non-alcoholic beverages group with 55.61%. These two groups accounted for more than half of the increase in consumer prices, with total contribution of 24.75 points to annual CPI inflation.

TURKSTAT, which updated the weights of the main expenditure groups in the inflation basket in January, increased the shares of transportation and

Weights of expenditure groups (%)	Δ		
	2022	2021	(% point)
Food and non-alcoholic beverages	25.32	25.94	-0.63
Transport	16.80	15.49	1.30
Housing, water, electricity, gas	14.12	15.36	-1.24
Furnishings and household equipment	8.86	8.64	0.21
Hotels, cafes and restaurants	7.11	5.91	1.20
Clothing and footwear	6.42	5.87	0.55
Miscellaneous goods and services	4.96	4.73	0.24
Alcoholic beverages and tobacco	4.31	4.88	-0.57
Communications	3.78	4.64	-0.86
Health	3.24	3.25	-0.01
Recreation and culture	3.06	3.01	0.05
Education	2.03	2.28	-0.24
<b>Total</b>	<b>100</b>	<b>100</b>	<b>-</b>

restaurants&hotels in the basket by more than 1 point for each. On the other hand, the decreases in the shares of housing, communication and food in the basket were remarkable.

### Core inflation indicators...

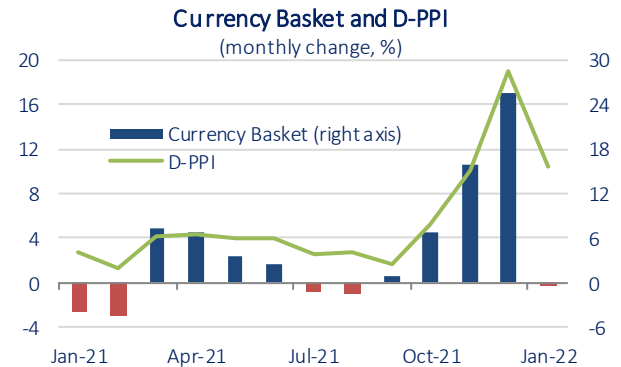
In January, the monthly rise in CPI excluding seasonal products was 11.46%, while the annual increase in said group exceeded 50%. Monthly increases in core inflation indicators B (CPI excluding unprocessed food products, energy, alcoholic beverages and tobacco and gold) and C (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold) were realized as 7.49% and 6.94%, respectively. Thus, annual rises in the B and C indices came in to 42.66% and 39.45%, respectively, reaching new peak levels for the 2003-based series.

### Prices rose in all sub-sectors in D-PPI.

In January, prices escalated in all 29 sub-sectors, 16 of which posted double-digit increases. With the impact of the rise in commodity and energy costs on global scale, monthly price escalations in the coal, crude oil, mining and mineral products sectors exceeded 20%. While the food group, where prices rose by 10.67%, pushed monthly D-PPI by 2.13 points up, monthly contributions in other sectors were close to each other.

On an annual basis, the price increases in sectors that use high commodity inputs such as coke and refined petroleum products, basic metal, paper and textile were at 3-digit levels as of January.

TURKSTAT also updated the weights of the sectors in the D-PPI. In the said update, the increase in the share of motor vehicles and the decrease in the share of coke and refined petroleum products came to the fore.



### Expectations...

Increases in administered prices as well as the rises in wages and service prices led the inflation to remain in double digits in January. Rising trend in global commodity and energy prices also played a role in domestic price developments in this period. We expect the recent rise in oil prices and the natural gas and electricity cuts encountered in manufacturing sector in the last few weeks to continue to put upward pressure on inflation in the first months of the year.

		Inflation (%)							
		CPI (2003=100)				D-PPI (2003=100)			
		Monthly	Year to		Annual Average	Monthly	Year to		Annual Average
Date	Annual		Date	Annual					
2020	January	1.35	1.35	12.15	14.52	1.84	1.84	8.84	15.71
	February	0.35	1.71	12.37	13.94	0.48	2.33	9.26	14.18
	March	0.57	2.29	11.86	13.33	0.87	3.22	8.50	12.61
	April	0.85	3.16	10.94	12.66	1.28	4.54	6.71	10.87
	May	1.36	4.57	11.39	12.10	1.54	6.15	5.53	9.14
	June	1.13	5.75	12.62	11.88	0.69	6.89	6.17	7.74
	July	0.58	6.37	11.76	11.51	1.02	7.98	8.33	6.81
	August	0.86	7.29	11.77	11.27	2.35	10.52	11.53	6.71
	September	0.97	8.33	11.75	11.47	2.65	13.44	14.33	7.71
	October	2.13	10.64	11.89	11.74	3.55	17.48	18.20	9.11
	November	2.30	13.19	14.03	12.04	4.08	22.26	23.11	10.69
	December	1.25	14.60	14.60	12.28	2.36	25.15	25.15	12.18
2021	January	1.68	1.68	14.97	12.53	2.66	2.66	26.16	13.64
	February	0.91	2.60	15.61	12.81	1.22	3.92	27.09	15.14
	March	1.08	3.71	16.19	13.18	4.13	8.21	31.20	17.04
	April	1.68	5.45	17.14	13.70	4.34	12.91	35.17	19.44
	May	0.89	6.39	16.59	14.13	3.92	17.34	38.33	22.24
	June	1.94	8.45	17.53	14.55	4.01	22.04	42.89	25.38
	July	1.80	10.41	18.95	15.15	2.46	25.05	44.92	28.47
	August	1.12	11.65	19.25	15.78	2.77	28.51	45.52	31.34
	September	1.25	13.04	19.58	16.42	1.55	30.50	43.96	33.83
	October	2.39	15.75	19.89	17.09	5.24	37.34	46.31	36.20
	November	3.51	19.82	21.31	17.71	9.99	51.06	54.62	38.94
	December	13.58	36.08	36.08	19.60	19.08	79.89	79.89	43.86
2022	January	11.10	11.10	48.69	22.58	10.45	10.45	93.53	49.93

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