



### In January, monthly CPI inflation was realized as 6.70%.

In January, rising by 6.70% on a monthly basis, CPI displayed the fastest increase in the last 5 months. Thus, annual CPI inflation came in at 64.86%, the highest level since November 2022. In January, D-PPI inflation was realized as 4.14% on a monthly and 44.20% on an annual basis.

January (change %)	CPI		D-PPI	
	2023	2024	2023	2024
Monthly	6.65	6.70	4.15	4.14
Annual	57.68	64.86	86.46	44.20
Annual Average	72.45	54.72	125.53	47.35

### Prices in the health group increased by 17.68% mom.

In January, prices rose in all main expenditure groups excluding clothing and footwear. In this period, prices surged by 17.68% mom in the health group due to the rapid rise in health insurance and medicine prices, while the prices in hotels, cafes and restaurants as well as miscellaneous goods and services recorded double-digit increases of 12.17% and 10.25%, respectively. Food and non-alcoholic beverages group prices rose by 5.19% mom, below the headline inflation, but pushed the monthly CPI up by 1.30 points due to its high share in the consumption basket. Transportation group, where prices increased by 6.53% mom, was the second group that pushed the monthly CPI up by 1.13 points.

Food and non-alcoholic beverages and transportation were the groups that increased annual CPI the most, with 17.60 and 11.77 points, respectively. Education and communication groups continued to make the lowest contribution to annual CPI inflation with 1.30 and 1.54 points, respectively.

Weights of Expenditure Groups (%)			
	2023	2024	Δ (% point)
Food and non-alcoholic beverages	25,43	24,98	-0,45
Transport	15,08	17,35	2,27
Konut	16,62	14,20	-2,41
Hotels, cafes and restaurants	7,82	8,17	0,35
Furnishings and household equipment	8,67	8,12	-0,55
Clothing and footwear	6,41	6,94	0,53
Miscellaneous goods and services	4,64	4,30	-0,34
Alcoholic beverages and tobacco	3,57	3,76	0,18
Health	3,53	3,71	0,18
Communications	3,30	3,34	0,04
Recreation and culture	3,25	3,33	0,08
Education	1,67	1,80	0,12
<b>Total</b>	<b>100</b>	<b>100</b>	<b>-</b>

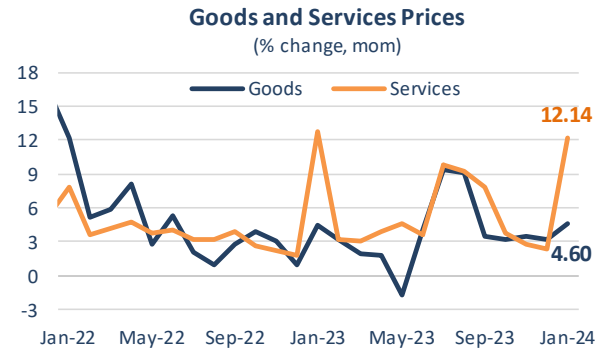
In January, TURKSTAT revised the weights of the main expenditure groups in the inflation basket and increased the shares of 8 out of 12 expenditure groups in the basket. It was noteworthy that the share of the transportation group was

increased by 2.27 points in the revision, while the share of the housing group was decreased by 2.42 points.

### Core CPI rose above the headline inflation.

In January, monthly and annual increases in the index excluding seasonal products were realized as 7.29% and 65.77%, respectively, above the headline CPI, indicating that seasonal factors limited inflation slightly. In January, B index (CPI excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold) rose by 6.85% mom and 67.68% yoy, respectively. The increase in the C index (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products and gold) in the same periods were 7.58% and 70.48%, respectively.

The divergence between goods and services inflation was noteworthy in January. In this period, prices of goods increased by 4.60% mom, below the headline inflation, while prices of services rose by 12.14% mom. The double-digit increases in all service prices, except for communication services, pointed to the rigidity in inflation



### Domestic PPI...

In January, prices of essential pharmaceutical products rose rapidly by 16.14% mom, while food products pushed the monthly PPI inflation up the most by 0.89 points. In this period, electricity, gas production and distribution prices fell by 6.32% mom and pulled the monthly D-PPI down by 0.59 points. As of January, the annual decline in electricity, gas production and distribution was 32%.

### Expectations...

The increases in wages and revisions in administered prices in the new year led to high CPI inflation in January. In this period, the continued price rigidity in services pointed out that domestic demand was still alive. The first Inflation Report of the year to be released by CBRT on February 8 and the messages of the new CBRT Governor will be closely monitored in terms of shaping inflation expectations.

		Inflation (%)							
		CPI (2003=100)				D-PPI (2003=100)			
		Monthly	Year to Date	Annual	Annual Average	Monthly	Year to Date	Annual	Annual Average
<b>2022</b>	January	11.10	11.10	48.69	22.58	10.45	10.45	93.53	49.93
	February	4.81	16.45	54.44	25.98	7.22	18.43	105.01	56.83
	March	5.46	22.81	61.14	29.88	9.19	29.31	114.97	64.30
	April	7.25	31.71	69.97	34.46	7.67	39.23	121.82	72.03
	May	2.98	35.64	73.50	39.33	8.76	51.43	132.16	80.38
	June	4.95	42.35	78.62	44.54	6.77	61.68	138.31	88.77
	July	2.37	45.72	79.60	49.65	5.17	70.04	144.61	97.30
	August	1.46	47.85	80.21	54.69	2.41	74.13	143.75	105.39
	September	3.08	52.40	83.45	59.91	4.78	82.45	151.50	114.02
	October	3.54	57.80	85.51	65.26	7.83	96.74	157.69	122.93
	November	2.88	62.35	84.39	70.36	0.74	98.20	136.02	128.94
	December	1.18	64.27	64.27	72.31	-0.24	97.72	97.72	128.47
<b>2023</b>	January	6.65	6.65	57.68	72.45	4.15	4.15	86.46	125.53
	February	3.15	10.00	55.18	71.83	1.56	5.78	76.61	120.72
	March	2.29	12.52	50.51	70.20	0.44	6.25	62.45	113.73
	April	2.39	15.21	43.68	67.20	0.81	7.11	52.11	105.50
	May	0.04	15.26	39.59	63.72	0.65	7.81	40.76	95.80
	June	3.92	19.77	38.21	59.95	6.50	14.82	40.42	86.59
	July	9.49	31.14	47.83	57.45	8.23	24.27	44.50	78.51
	August	9.03	43.06	58.94	56.28	5.89	31.59	49.41	71.97
	September	4.75	49.86	61.53	55.30	3.40	36.06	47.44	65.55
	October	3.43	55.00	61.36	54.26	1.94	38.70	39.39	58.46
	November	3.28	60.09	61.98	53.40	2.81	42.59	42.25	53.15
	December	2.93	64.77	64.77	53.86	1.14	44.22	44.22	49.93
<b>2024</b>	January	6.70	6.70	64.86	54.72	4.14	4.14	44.20	47.35

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