



### CPI increased by 3.18% in April.

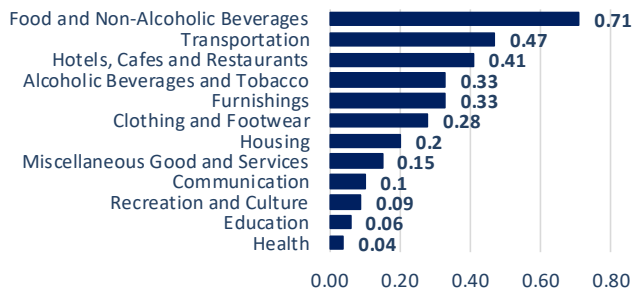
In April, CPI increased by 3.18% compared to the previous month. According to the Reuters survey, market participants were expecting CPI to rise by 3.40% mom in this period. Thus, annual CPI inflation rose to 69.80%, the highest level since November 2022. In this period, domestic producer price index (D-PPI) increased by 3.60% mom, while annual D-PPI inflation was realized as 55.66%, the highest level of the last 13 months.

April (change %)	CPI		D-PPI	
	2023	2024	2023	2024
Monthly	2.39	3.18	0.81	3.60
Year-to-Date	15.21	18.72	7.11	15.61
Annual	43.68	69.80	52.11	55.66
Annual Average	67.20	59.64	105.50	45.83

### Prices in alcoholic beverages and tobacco products group rose by 9.56% mom.

Prices in all 12 main expenditure groups increased in April on a monthly basis. In this period, alcoholic beverages and tobacco products group posted the highest monthly price increase by 9.56% due to the rapid rise in cigarette prices (10.53%). Clothing and footwear (4.58%) and hotels, cafes and restaurants (4.69%) also recorded price increases above the headline CPI. On the other hand, food and non-alcoholic beverages group prices increased below the headline inflation with 2.78% mom and pushed the monthly inflation up the most by 0.71 points due to its high weight in consumption basket. In line with the increase in demand for intercity travel due to the feast, the transportation group increased the monthly CPI by 0.47 points. In April, health and housing groups recorded relatively moderate price increases of 1.03% and 1.38%, respectively.

#### Contributions to the Monthly CPI (% points)

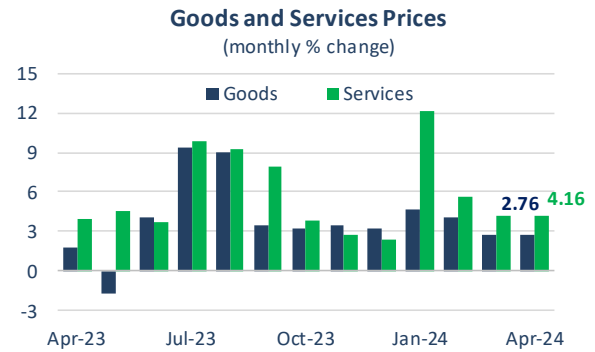


### Core inflation indicators presented a mixed outlook in April.

In April, A index, which excludes seasonal products, rose by 3.21% mom, in line with the headline CPI inflation. In this

period, increases in B (CPI excluding unprocessed food, energy, alcoholic beverages, tobacco products and gold) and C (CPI excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products and gold) indices accelerated on a monthly basis to 3.24% and 3.56%, respectively.

The divergence between goods and services inflation continued in April. In this period, prices increased by 4.16% in services, while they rose relatively milder by 2.76% in goods. In the goods group, energy prices remained unchanged compared to the previous month; alcoholic beverages, tobacco and gold prices surged by 8.76% in the same period. In the services group, transportation recorded the highest monthly price increase by 6.44%.



### Prices increased in all items of D-PPI in April.

In April, prices increased in all 29 items that are included in D-PPI, on a monthly basis. In this period, tobacco products recorded the fastest monthly rise in costs (11.86%). Food products prices went up by 5.38% mom and pushed the monthly D-PPI up the most by 1.02 points.

### Expectations...

In April, services inflation remained rigid, and rising prices of tobacco products had an impact on the course of inflation. In this period, the moderate rise in FX rates limited cost-side price increases to some extent. Annual CPI inflation is expected to hit its peak in May, due to the base effect stemming from scheduled ending of natural gas subsidies to households and CPI inflation is expected to start declining in the second half of the year. On the other hand, due to the course of annual inflation in the first four months of the year, CBRT's assessments regarding the year-end forecast in the second Inflation Report to be released on May 9, will be closely monitored. We believe that CBRT may revise its year-end expectation of 36% to converge towards the upper band of the forecast range (42%).

		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
	February	4.53	11.54	67.07	55.91	3.74	8.03	47.29	45.71
	March	3.16	15.06	68.50	57.50	3.29	11.59	51.47	45.28
	April	3.18	18.72	69.80	59.64	3.60	15.61	55.66	45.83

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