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MANAGEMENT | INVESTMENT | BUSINESS DEVELOPMENT

EKONOMİ ve PİYASA HAFTALIK EKONOMİK GÖRÜNÜM

14 AĞUSTOS 2023

Rare Turkish Surplus in Current Account Spells Relief But No Fix

By Beril Akman

Turkey's current account moved into surplus for the first time in nearly two years, as a boom in tourism and a lower energy import bill helped ease pressures on the economy during a shift in domestic policies.

The broadest measure of trade and investment flows with the outside world had a surplus of \$674 million in June, according to data published by the central bank on Friday. Turkey's current-account balance was last in the black in October 2021.

The swing from deficit was sharper than forecast but may prove hard to sustain if purchases of goods from abroad remain strong in an economy long hobbled by trade imbalances. The improvement in imports has so far been relatively meager, according to Istanbul-based economist Haluk Burumcekci.

"The drop in energy and overall commodity prices in the first half of this year, along with an improvement in global economic activity, reflected positively on Turkey's exports and therefore the current-account balance," Burumcekci said.

Turkey's economy has been prone to inflation crises, prompting people to flock to gold as a hedge against runaway prices. Officials have taken some measures to dampen demand for bullion that's been a drag on Turkey's external finances.

The question remains if domestic policy is tight enough at a time when weaker external demand hurts Turkish exports and purchases of gold keep the trade deficit wide.

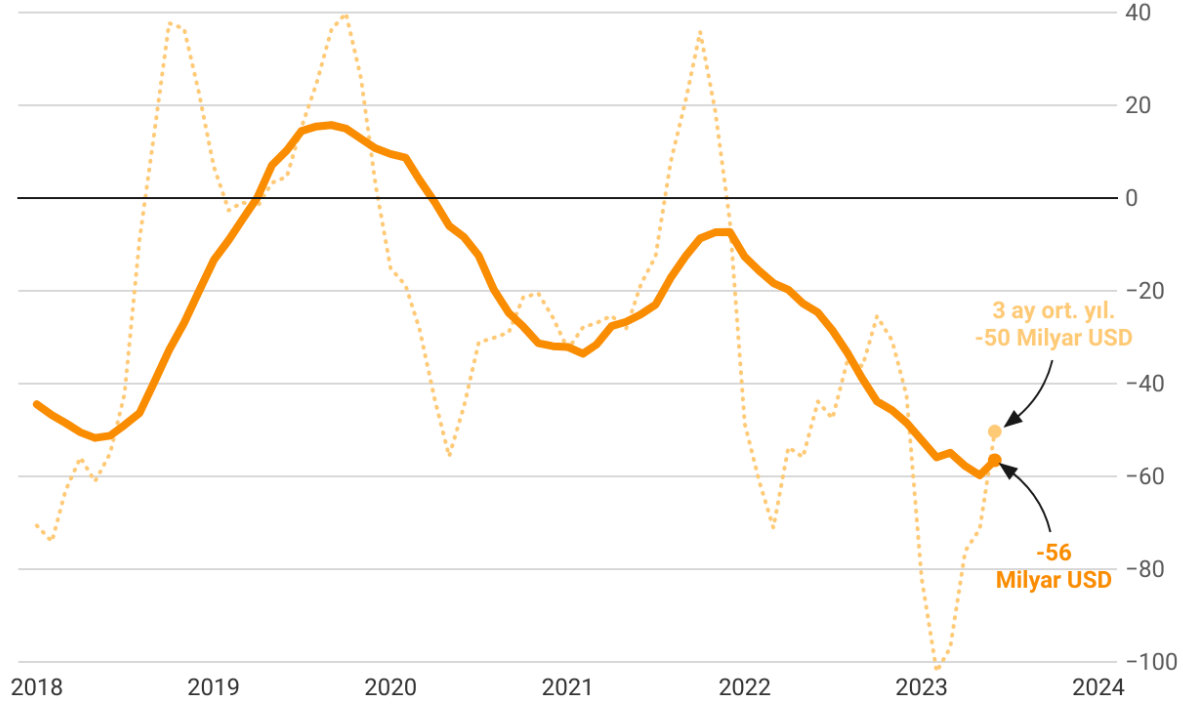
Central bank Governor Hafize Gaye Erkan said last month that the impact of the monetary tightening cycle started in June would result in an improvement in the current account in the second half of 2023.

But annual inflation is still running near 50% and the lira remains under pressure to depreciate, making foreign goods more expensive.

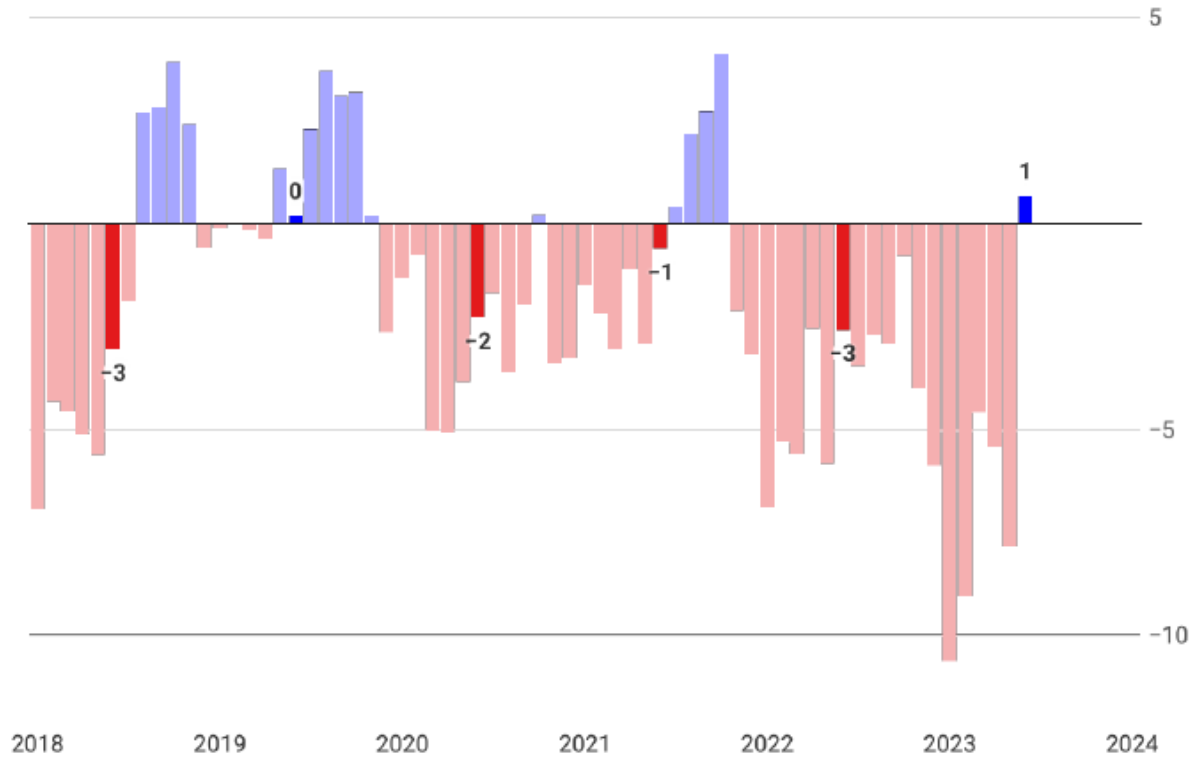
A slowdown in global economic activity poses a risk for Turkish exports even as steep declines in the lira and monetary tightening help contain imports, according to Burumcekci.

“It may be hard to forecast which of the two factors will weigh more heavily as they act in opposite directions,” he said.

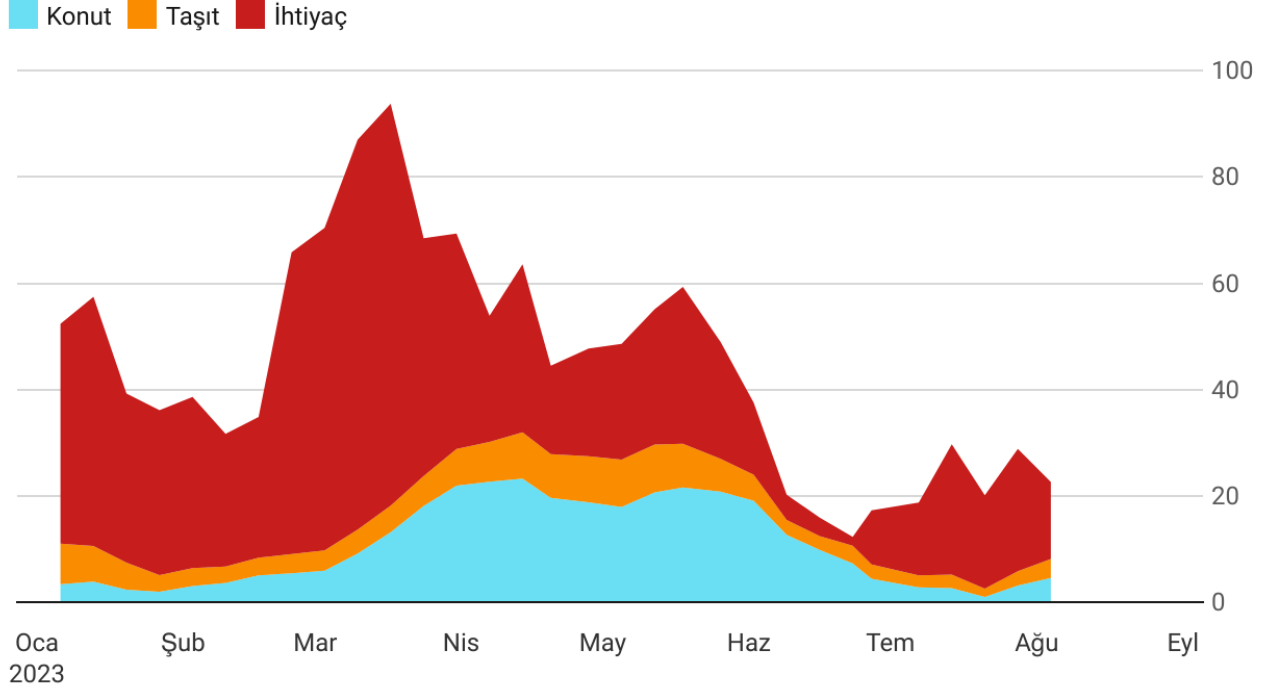
Cari Açık (Haziran 2023, 12 ay birikimli)



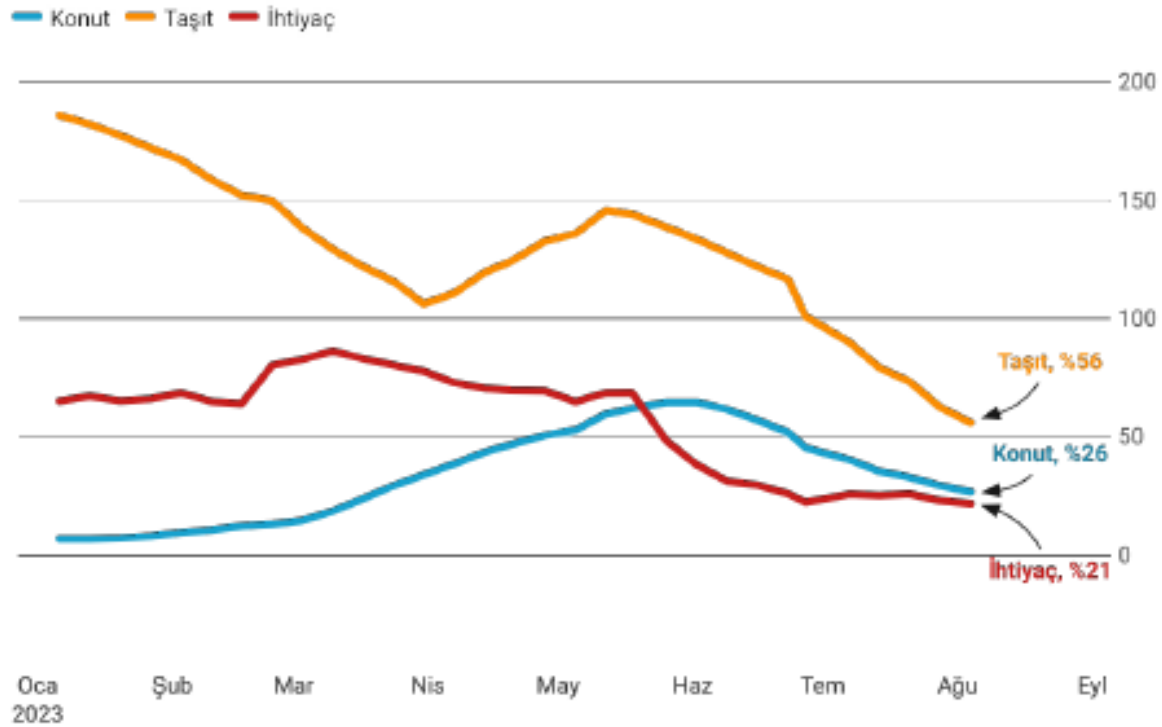
Cari Açık (Haziran 2023, Milyar USD)



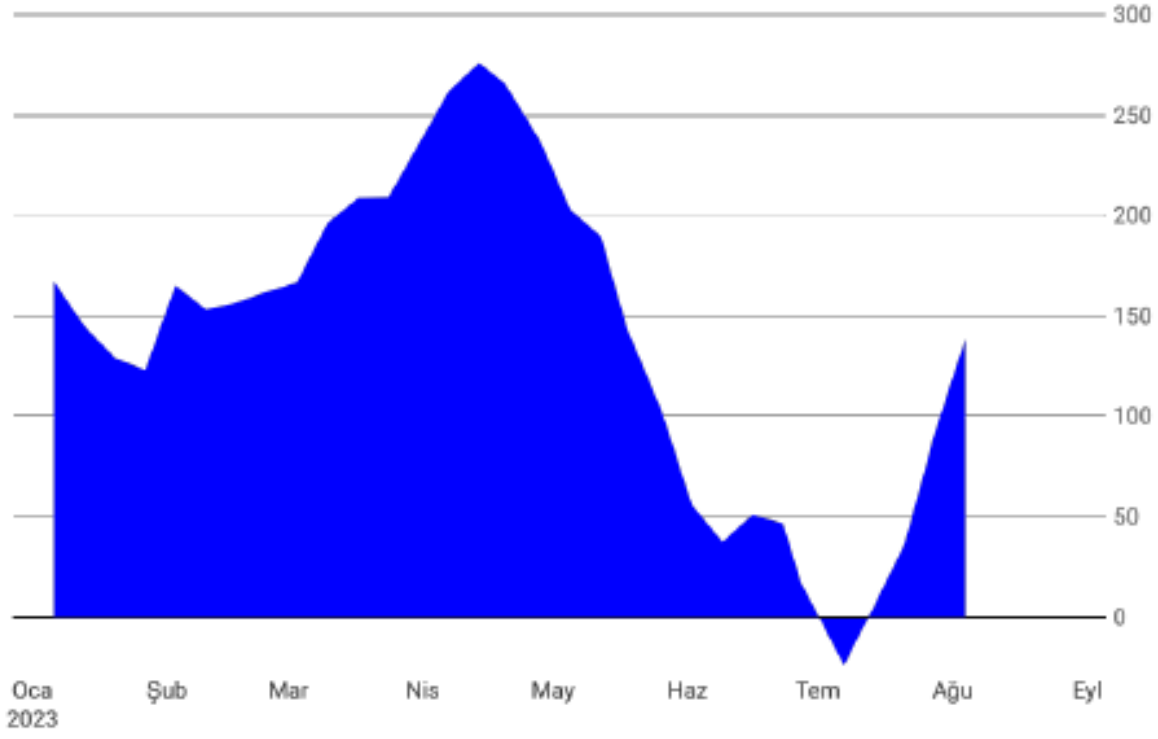
Tüketici Kredileri (Aylık değişim, Milyar TL, 4 Ağustos)



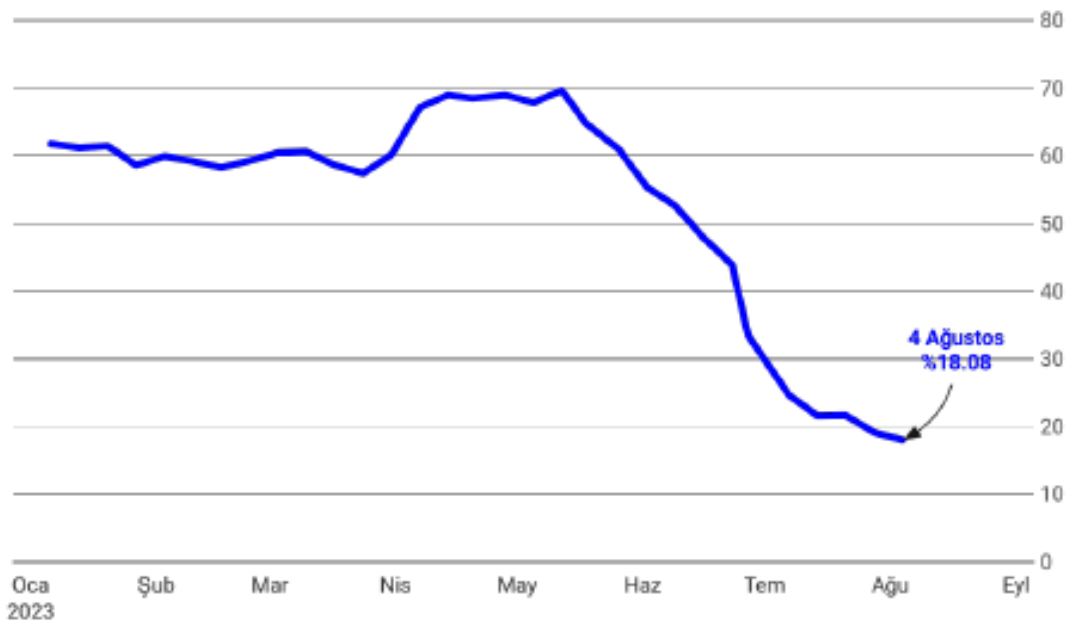
Tüketici Kredileri (13H Ort.Yıl. Değişim,%)



TL Ticari & Diğer Krediler (Aylık değişim, Milyar TL)



TL Ticari - Diğer Krediler (13 Haft. Ort. Yıl., %)



Turkey Finally Stamps Out Credit Oddity as Hikes Lift Loan Rates

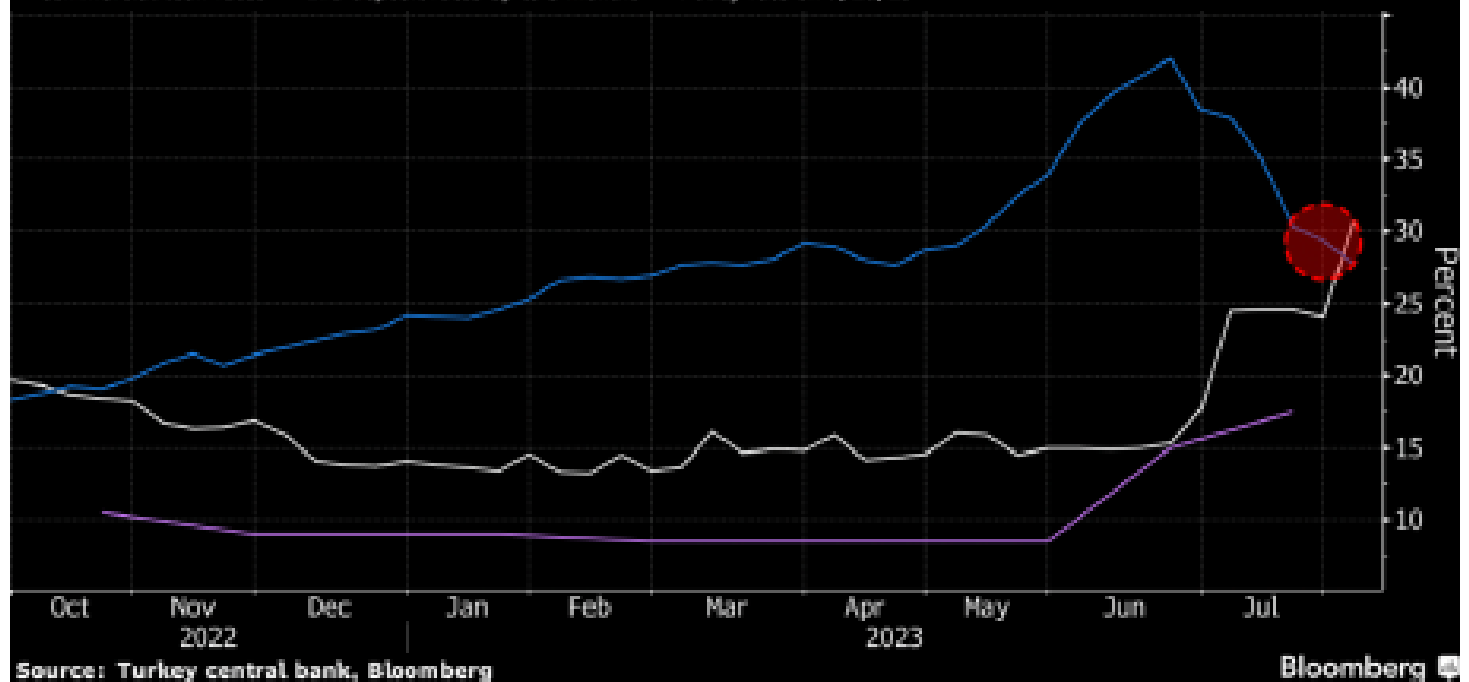
By Beril Akman

A financial anomaly that wreaked havoc on Turkish banks has ended after 10 months, in the first explicit sign that policy makers are getting a better grip on the cost of money after years of ultra-low interest rates.

Commercial lending rates at the start of August surged to near 31% – the highest in five years – surpassing the interest banks pay on lira deposits of up to three months, according to the latest official data. The discrepancy had put pressure on bank margins following regulatory measures that sought to stabilize the Turkish currency.

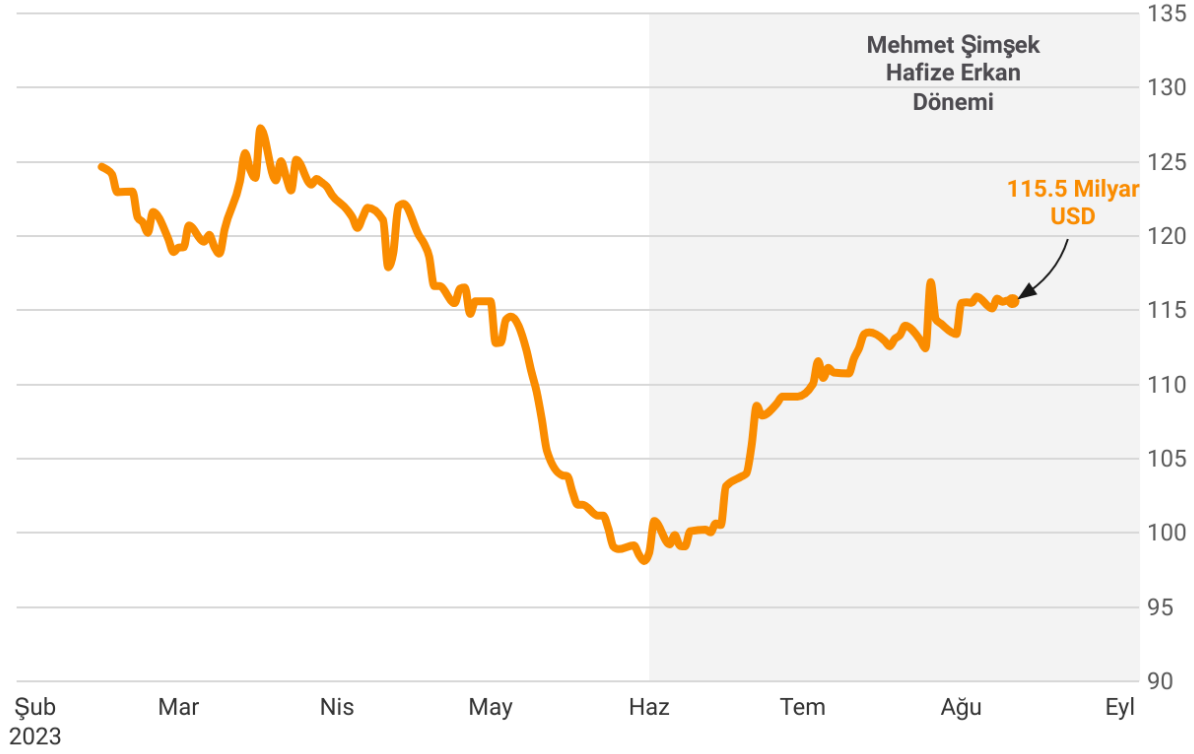
Turkish Credit Anomaly Ends After Rate Hikes Borrowing costs fall below lending rates after 10 months

■ Commercial loan rates ■ Lira deposit rates up to 3 months ■ Policy rate on 7/20/23



An abrupt tightening of monetary policy is finally feeding through to the economy after two rate hikes and steps to scale back the incentives for lenders to attract lira deposits. The central bank has also moved to drain excess lira liquidity in financial markets that suppressed its borrowing rate and offset the impact of tighter policy. Improving the transmission of rates into the economy has emerged as a priority for central bank Governor Hafize Gaye Erkan since she took over in June.

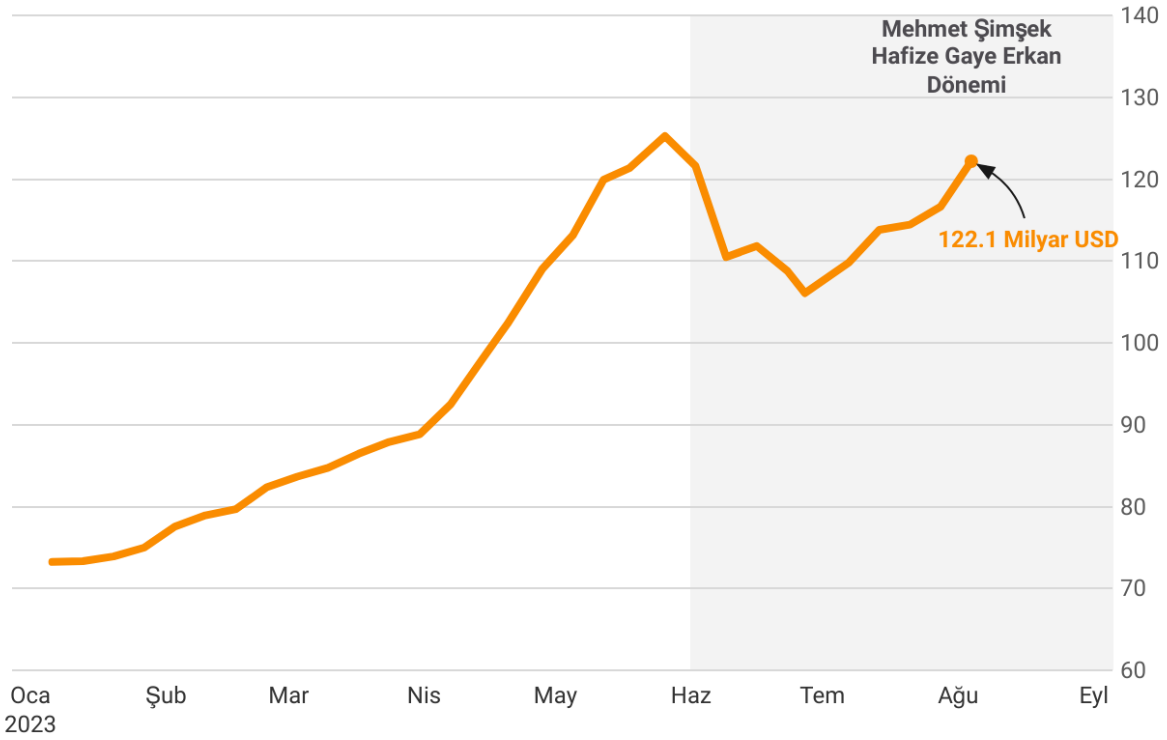
TCMB Brüt Rezervler (11 Ağustos)



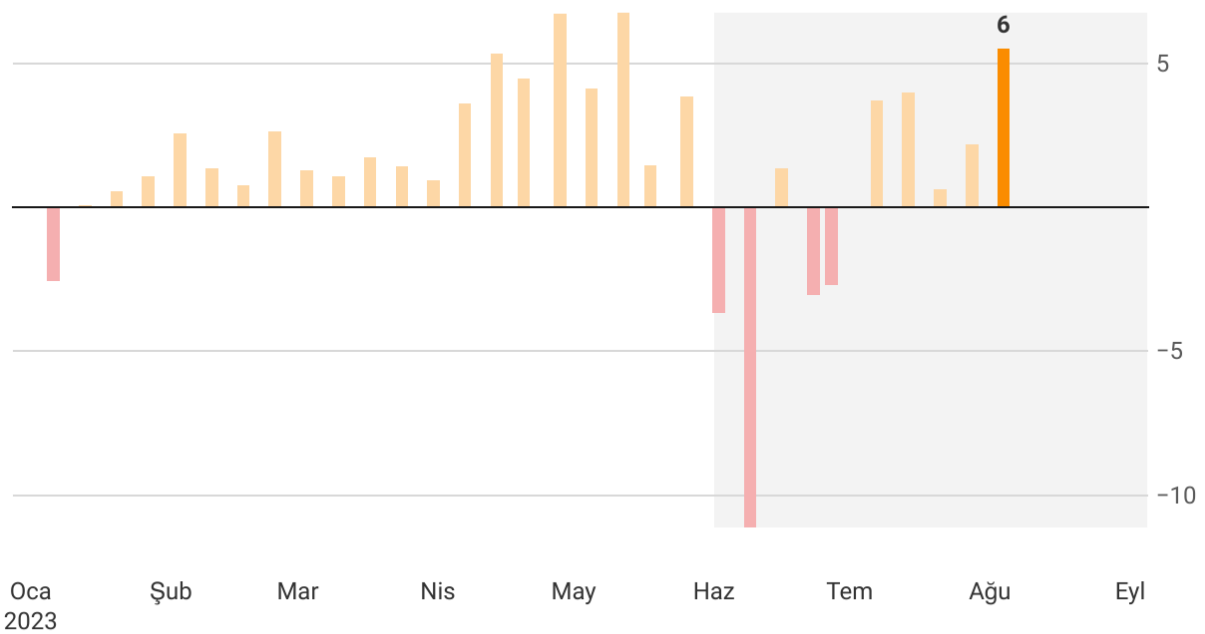
Varlıklar (Milyar ABD Doları)	Tem 22	30/12/22	30/07/23	YTD
Altın	39.59	45.89	41.44	
Efektif YP	4.01	9.60	3.11	
Menkul Kıymet + Depo	10.17	10.29	4.71	
Diğer Hesap Bakiyesi	54.04	62.94	64.40	
TOPLAM	106.54	128.72	113.66	

Yükümlülükler (Milyar ABD Doları)	Tem 22	30/12/22	30/07/23	YTD
Bankalara YP Borçlar	76.12	85.04	72.68	
IMF & Yabancı Bankalara Borçlar	6.38	16.25	30.23	
Hazineye Borçlar	13.40	11.85	11.37	
Bankalara Swap Borçları	41.23	47.41	41.59	
Merkez Bankalara Swap Borçları	22.75	23.35	23.35	-
TOPLAM	159.88	183.90		

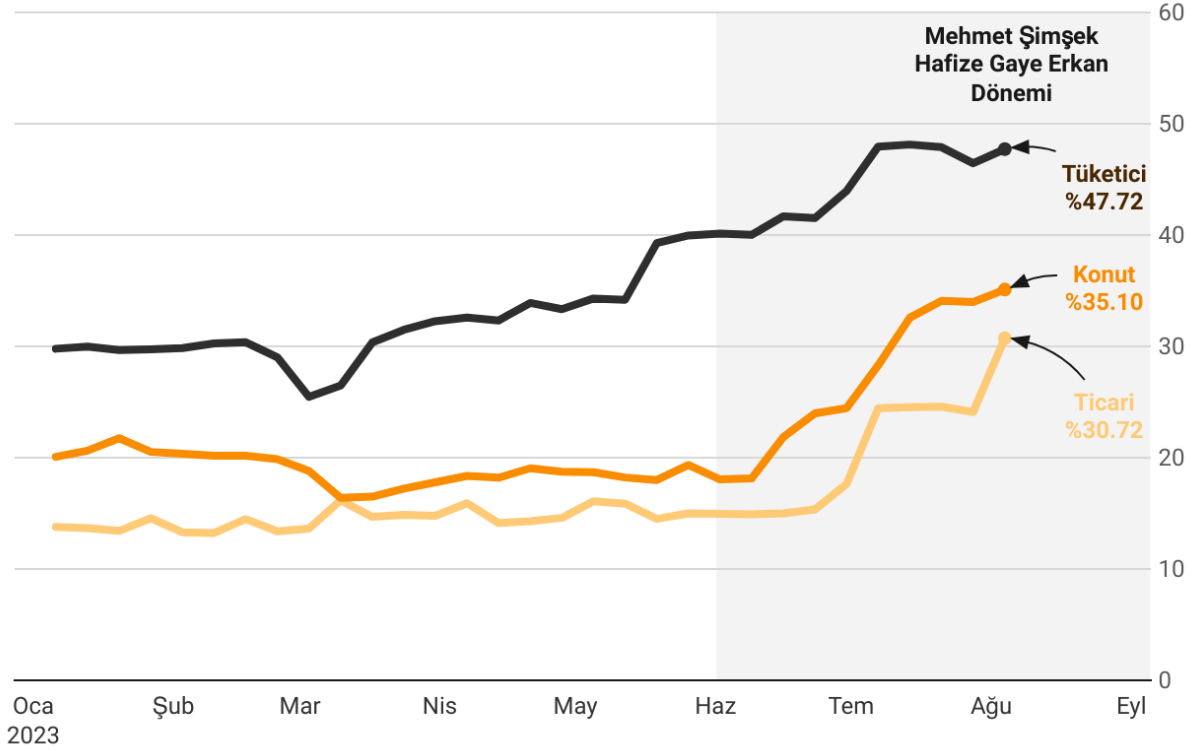
Kur Korumalı Mevduat (USD Cinsinden - 4 Ağustos)



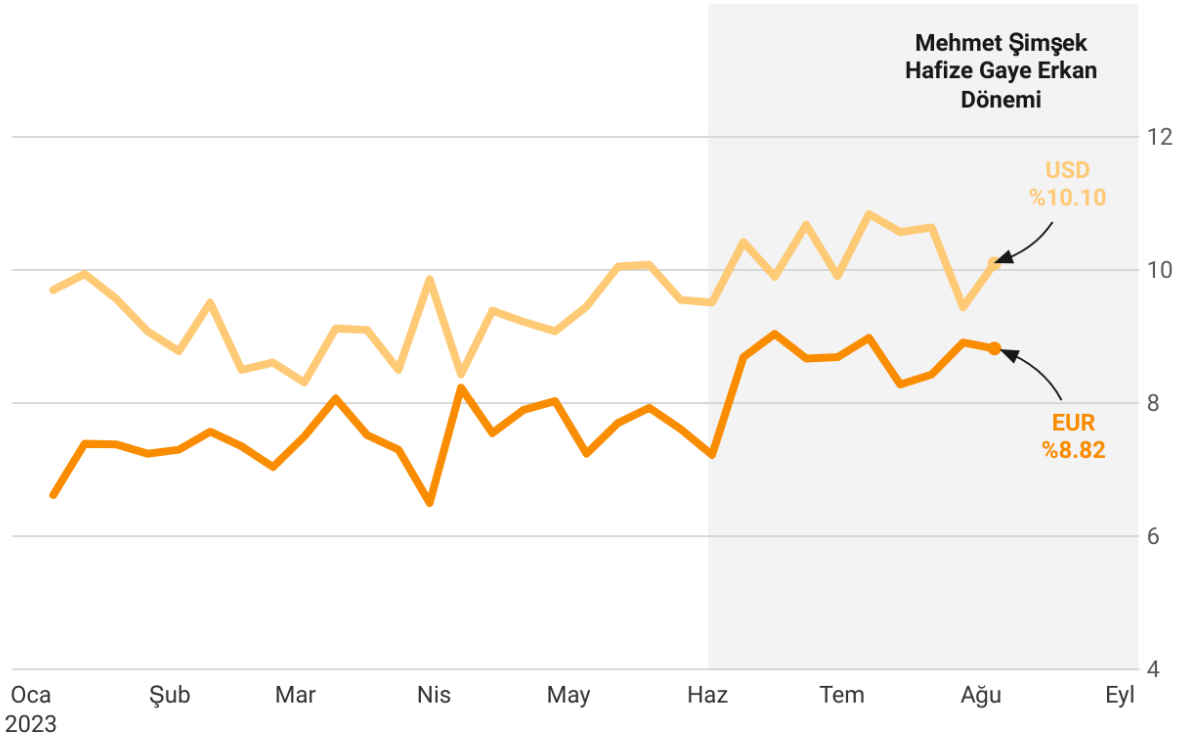
Haftalık Değişim



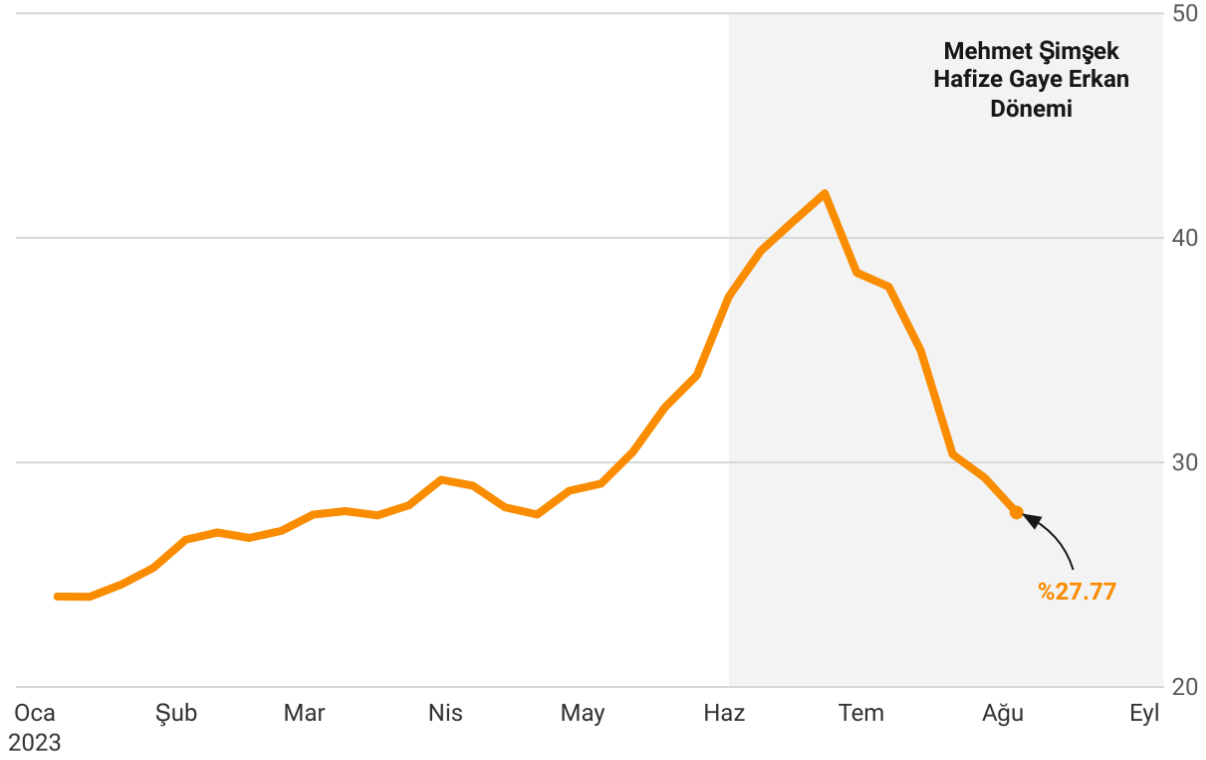
TL Kredi Faizleri (4 Ağustos)



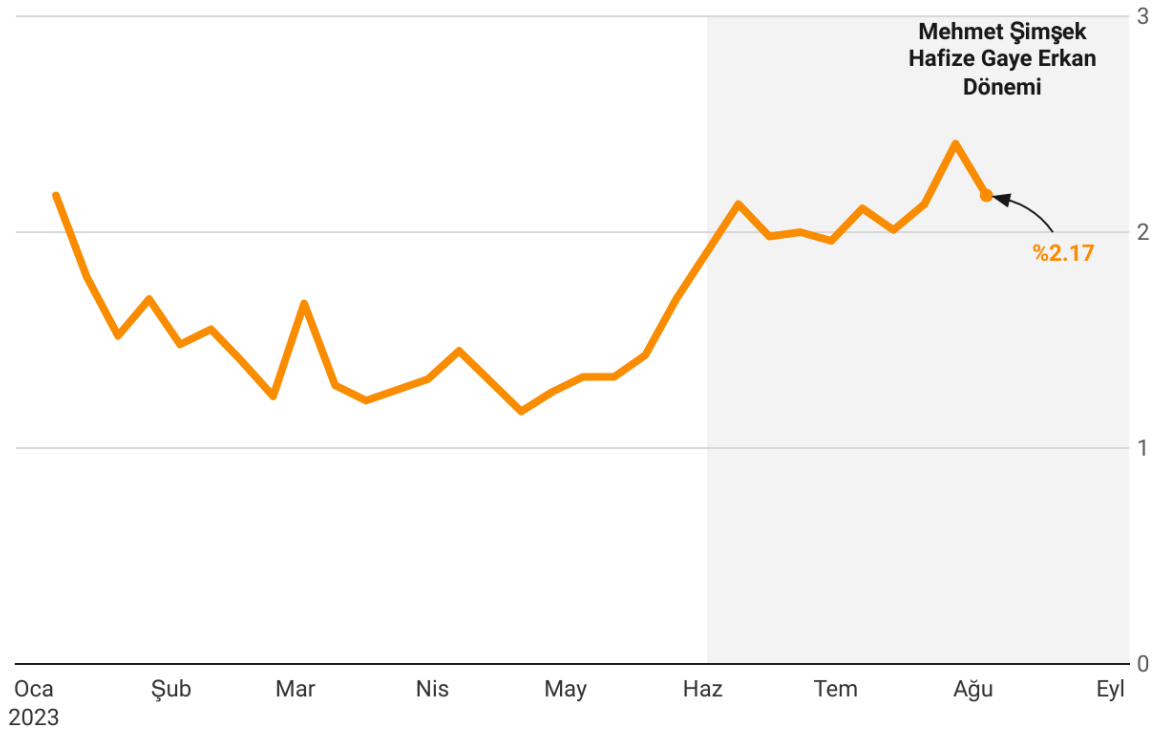
YP Kredi Faizleri (4 Ağustos)



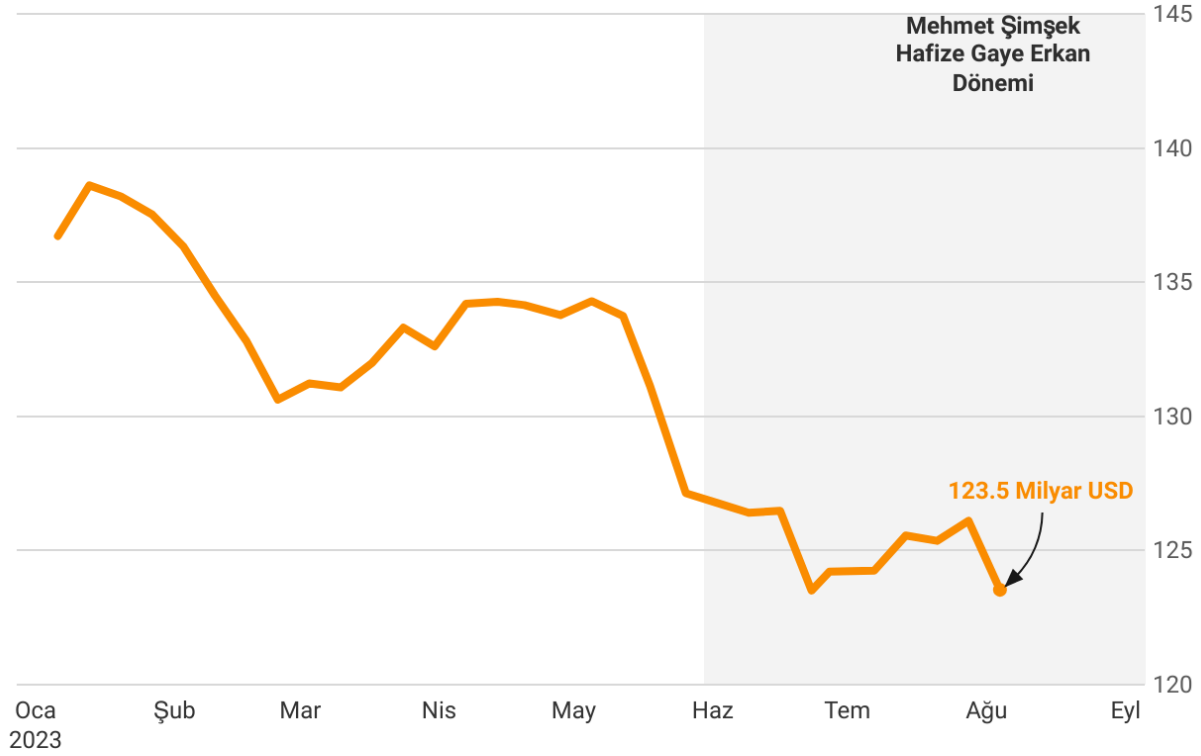
TL- 3 Aya Kadar Vadeli Mevduat Faizleri (4 Ağustos)



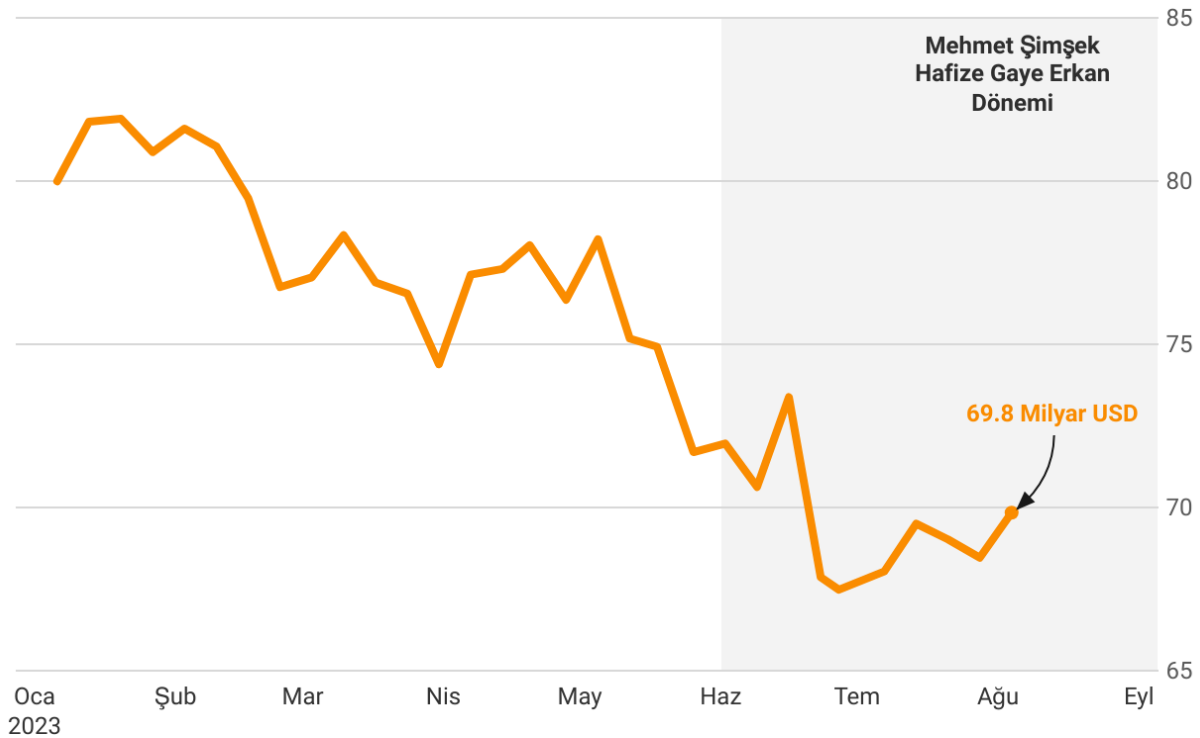
USD- 3 Aya Kadar Vadeli Mevduat Faizleri (4 Ağustos)



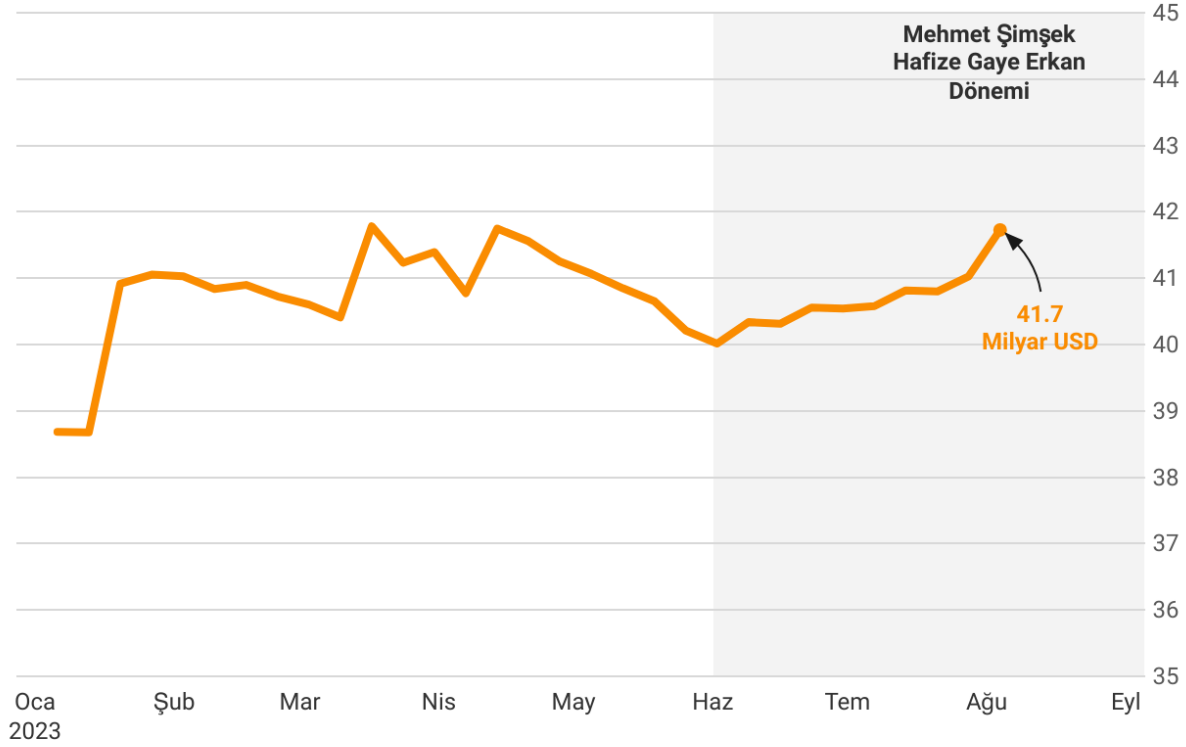
Gerçek Kişi YP Mevduat (4 Ağustos)



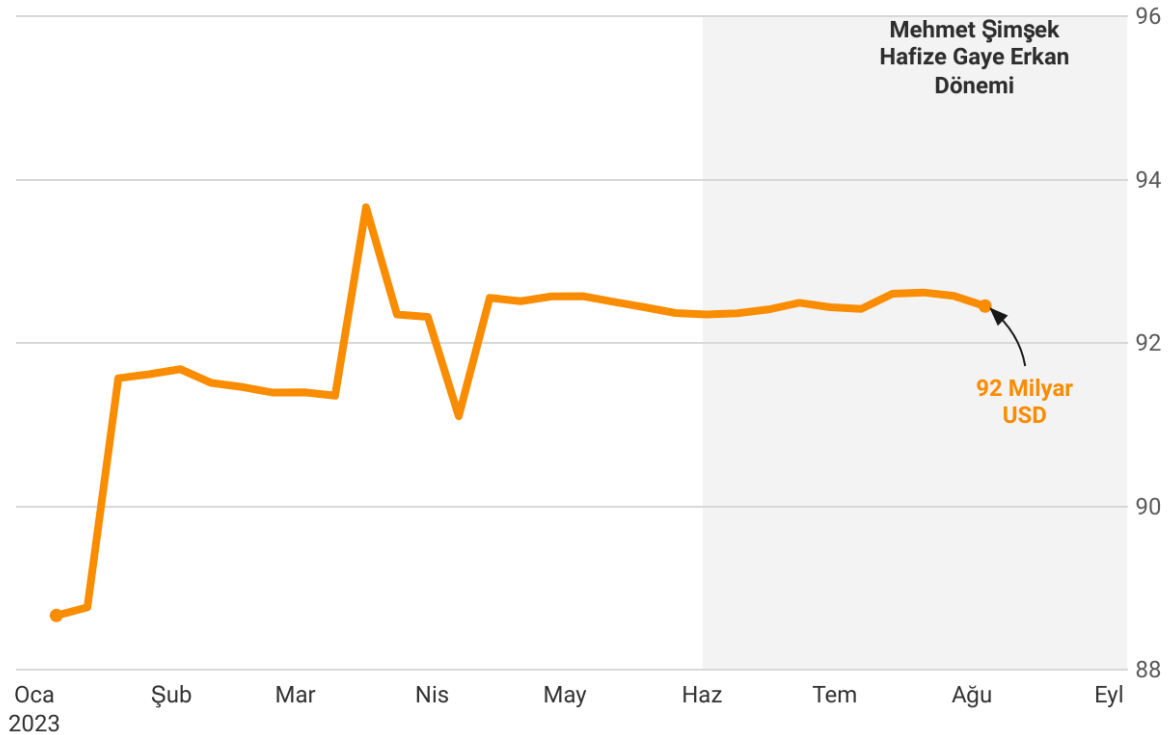
Ticari YP Mevduat (4 Ağustos)



Eurobond- Yurtdışı Yerleşik (Nominal - 4 Ağustos)

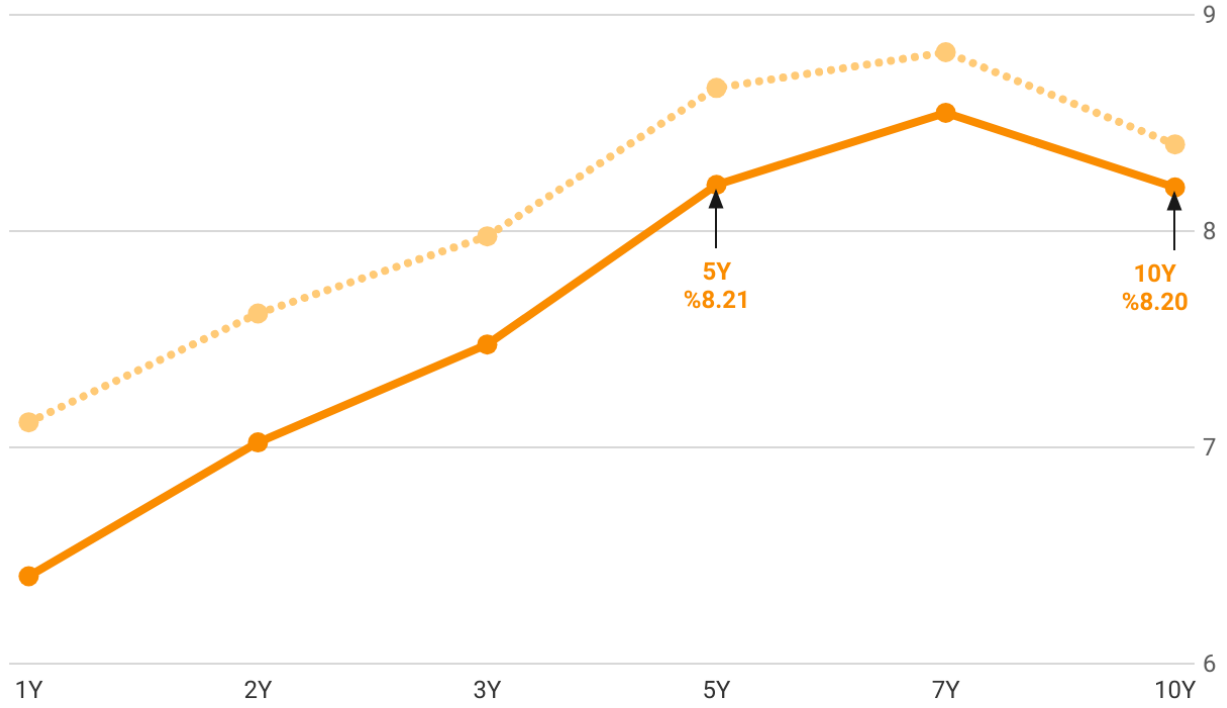


Eurobond- İhraç Edilmiş (Nominal - 4 Ağustos) (Copy)

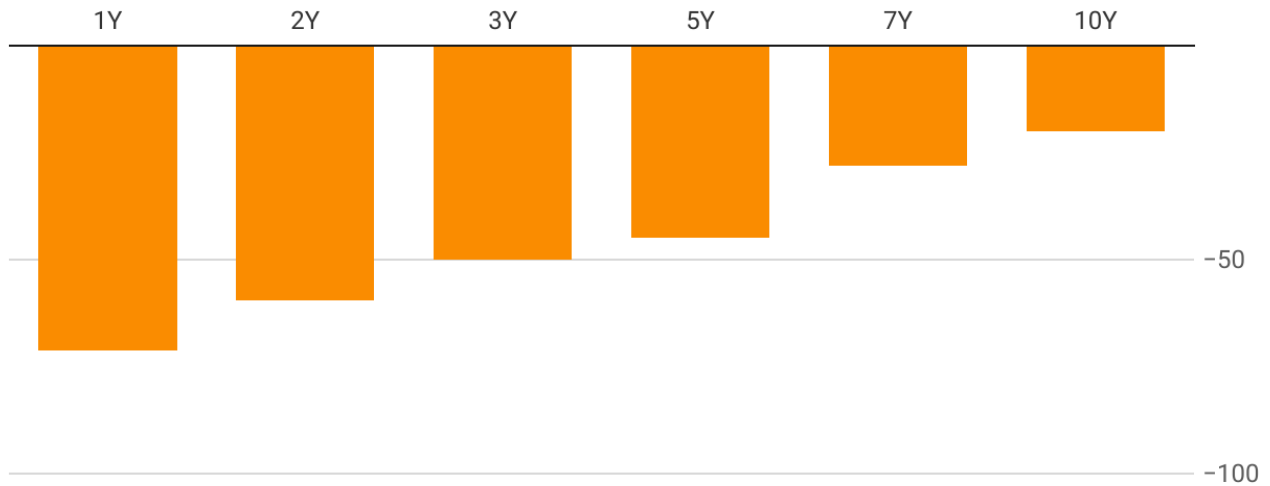


USD- Tahvil Getiri Eğrisi (12 Ağustos)

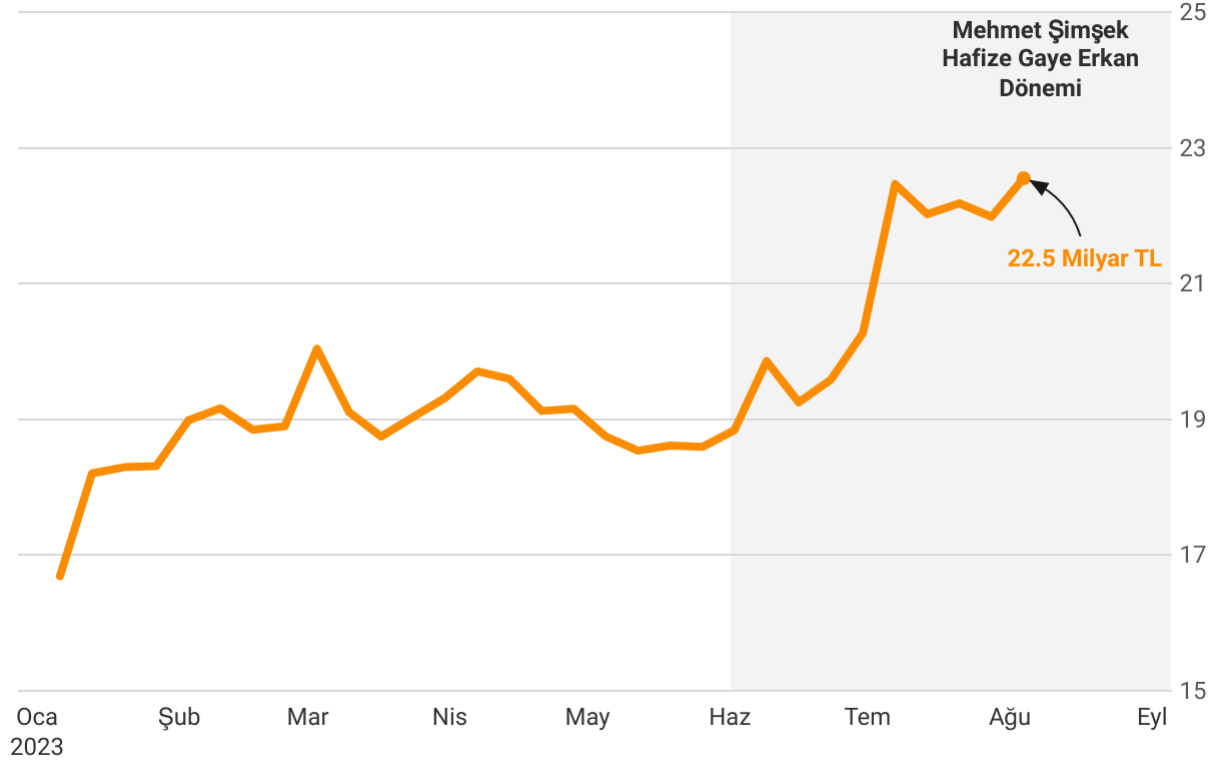
— 12 Ağustos — 13 Temmuz



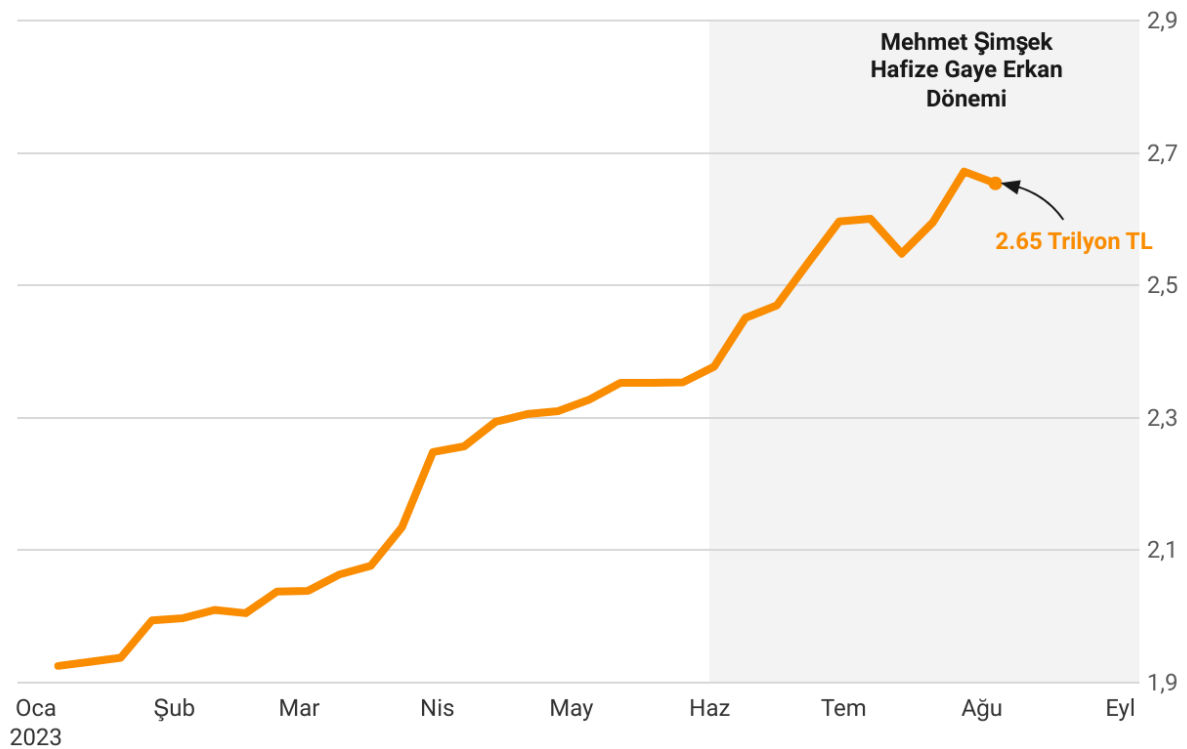
Aylık Değişim- baz puan



TL Tahvil - Yurtdışı Yerleşik (Nom, 4 Ağustos)

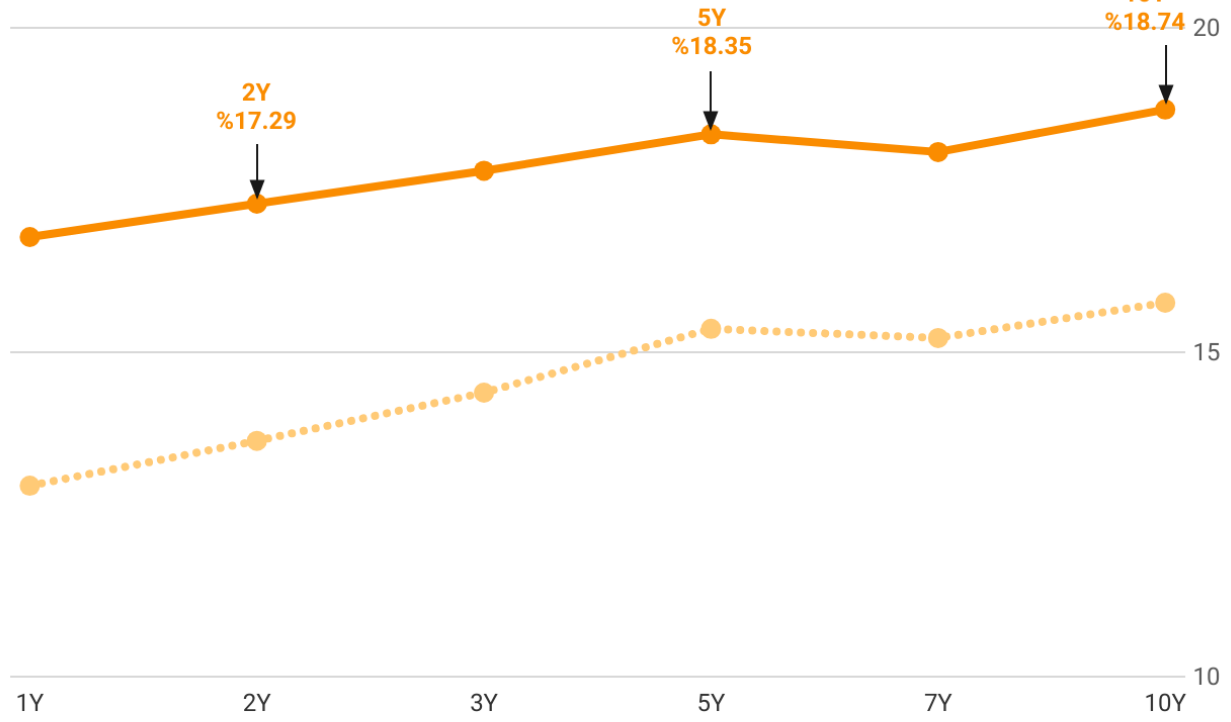


TL Tahvil - İhraç Edilmiş (Nom, 4 Ağustos)

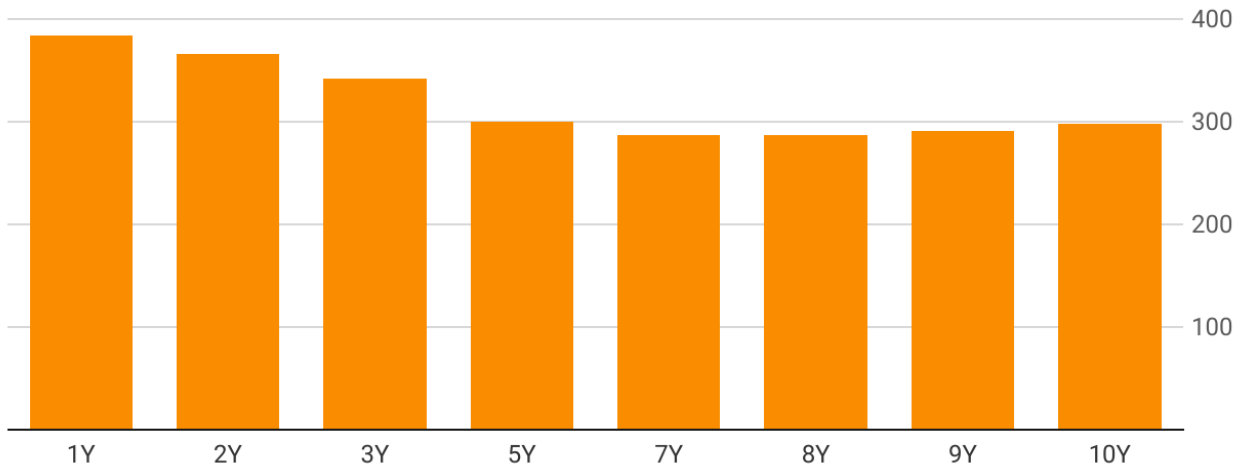


TL Tahvil Getiri Eğrisi (11 Ağustos)

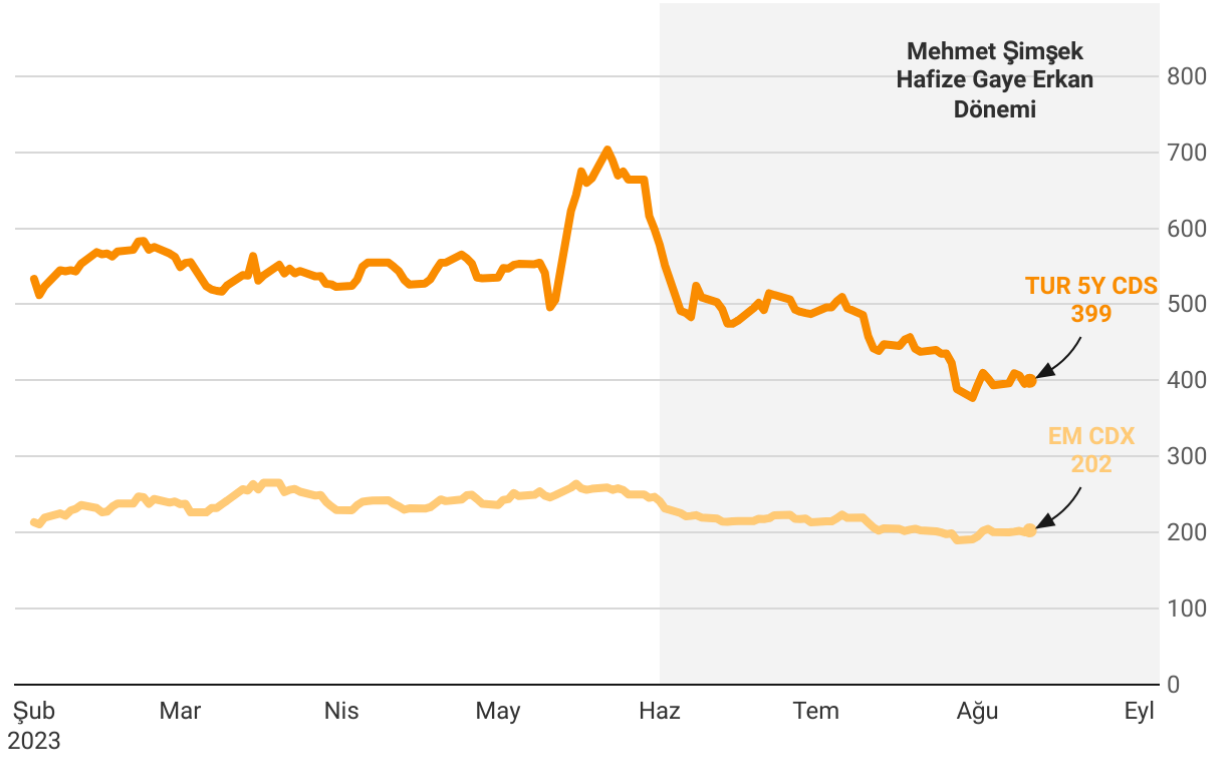
— 11 Ağustos — 13 Temmuz



Aylık Değişim- baz puan



Risk Primi (11 Ağustos)



Ishares TUR Hisse Senedi Fonu (Fon değeri, Milyon USD)



•US REACT: Easing Inflation Views Fail to Lift Consumer Sentiment

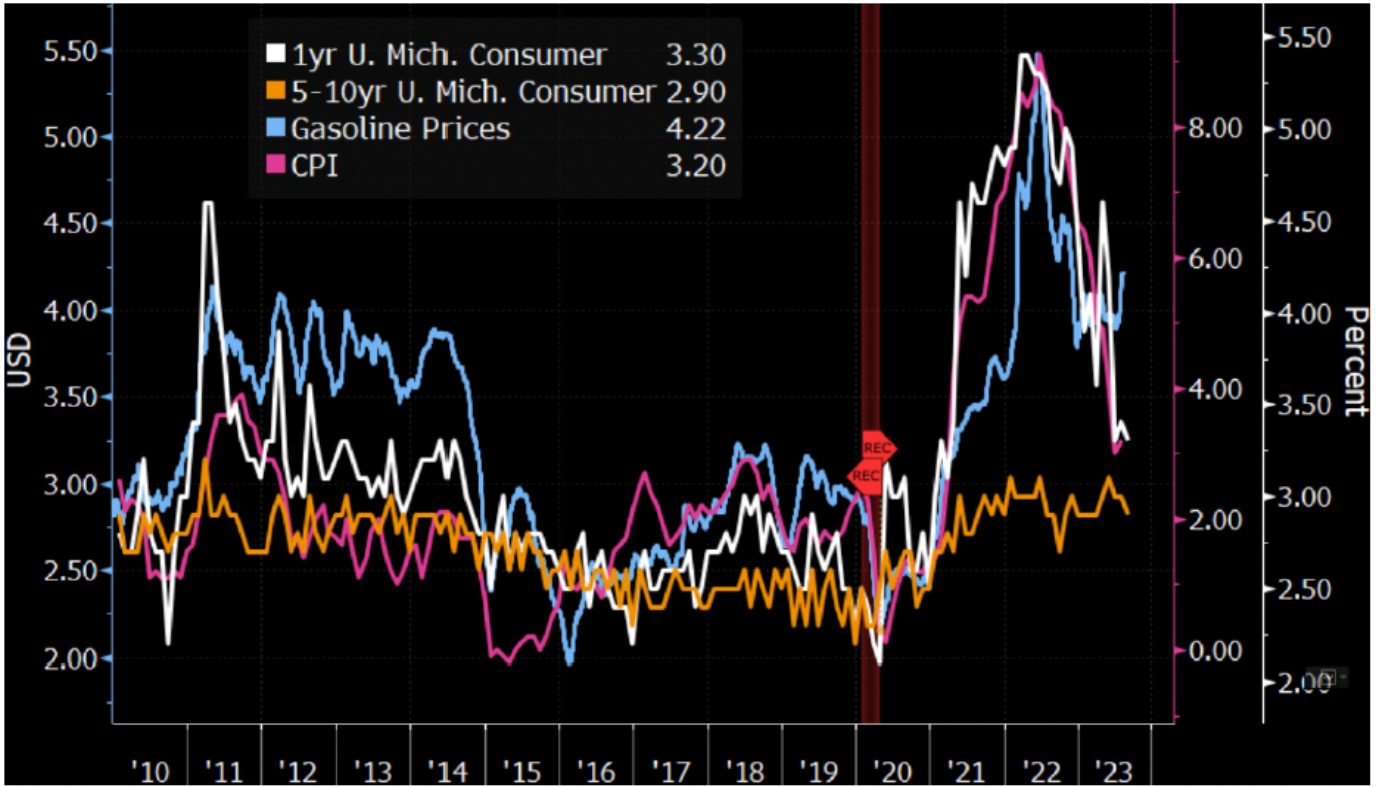
(Bloomberg Economics) --

By Eliza Winger (Economist)

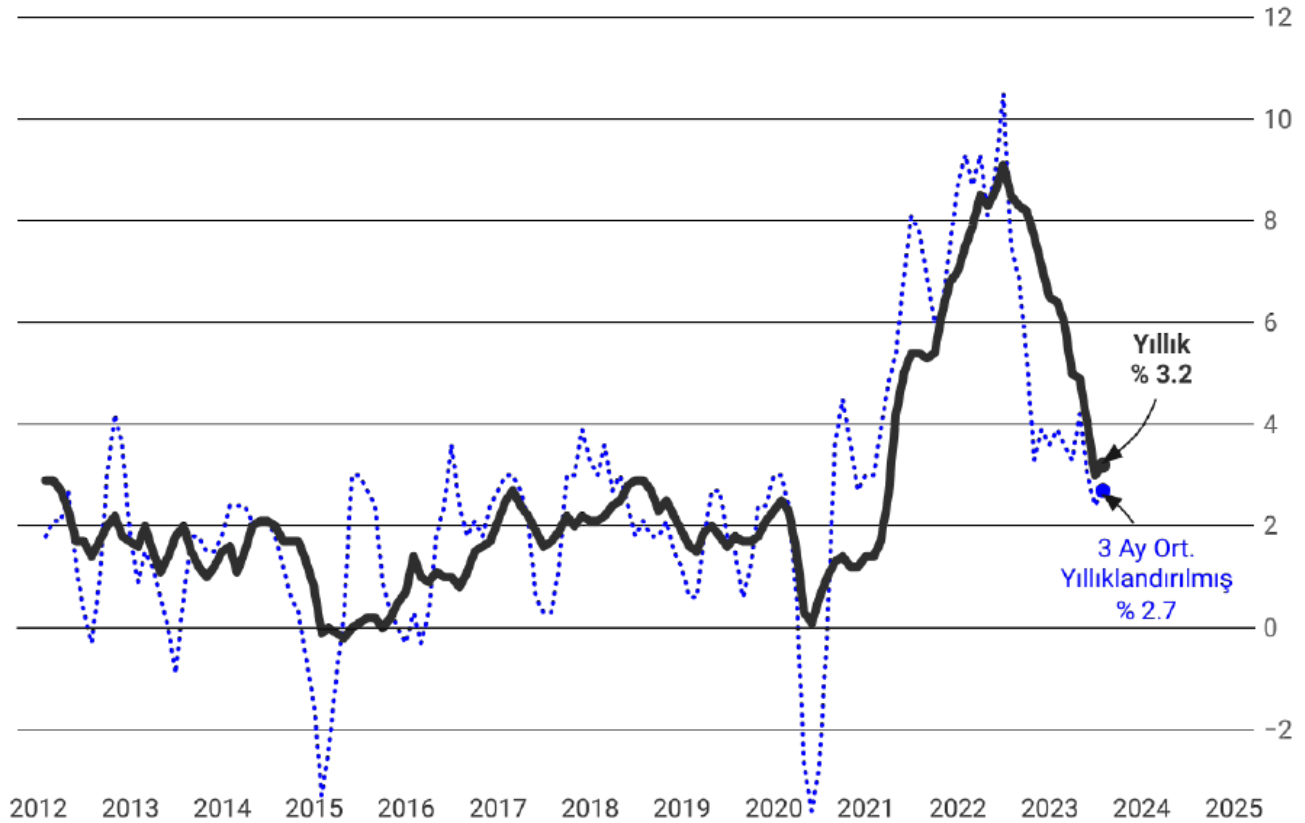
OUR TAKE: Rising gasoline prices weighed on the University of Michigan's consumer-sentiment index in early August. The good news is that consumers focused on the odds that inflation will continue slowing, both in the short and long run. **That will add to the case for the Fed to keep rates unchanged at the September meeting.**

- UMichigan's headline consumer-sentiment index deteriorated slightly to 71.2 (vs. 71.6 prior) in the preliminary August print, matching the consensus and coming close to Bloomberg Economics estimate (71.0). Current conditions improved (77.4 vs. 76.6), while future expectations cooled (67.3 vs. 68.3).
- Year-ahead inflation expectations edged down to 3.3% in early August (vs. 3.4% prior). That's still above the 2.3%-3.0% range seen in the two years before the pandemic – and higher than what's consistent with the Fed's 2% inflation target.
- The measure of inflation expectations five to 10 years ahead – particularly important for the Fed – also inched lower to 2.9% (from 3.0% prior). That's within the narrow 2.9%-3.1% range where it has lodged for 24 of the past 25 months. Still, longer-term expectations remain elevated relative to their 2.2%-2.6% range in the two years before the pandemic – signaling the Fed will keep rates on hold this year.

- The range of views about long-term inflation remained wide by historical standards, but all decelerated. At the 25th percentile, respondents saw inflation at 1.3% in five to 10 years, down from 1.6% prior. Inflation expectations of respondents at the 75th percentile went down to 4.9% from 5.0% prior.
- Bottom line: Despite greater confidence that inflation will continue slowing, overall sentiment remains low. Consumers' buying plans are still historically weak, with prices high and conditions for buying homes and cars deteriorating in early August, suggesting limited momentum for consumer spending this fall.



ABD Enflasyon



Inflation's Slowed But Prices Are Still High: Washington Edition

By Reade Pickert

Today, Reade Pickert digs into the latest report on US inflation. Sign up here and follow us at @bpolitics.

Price Pressure

America's inflation problem is definitively getting better. That's good news for the economy and (theoretically) for Joe Biden.

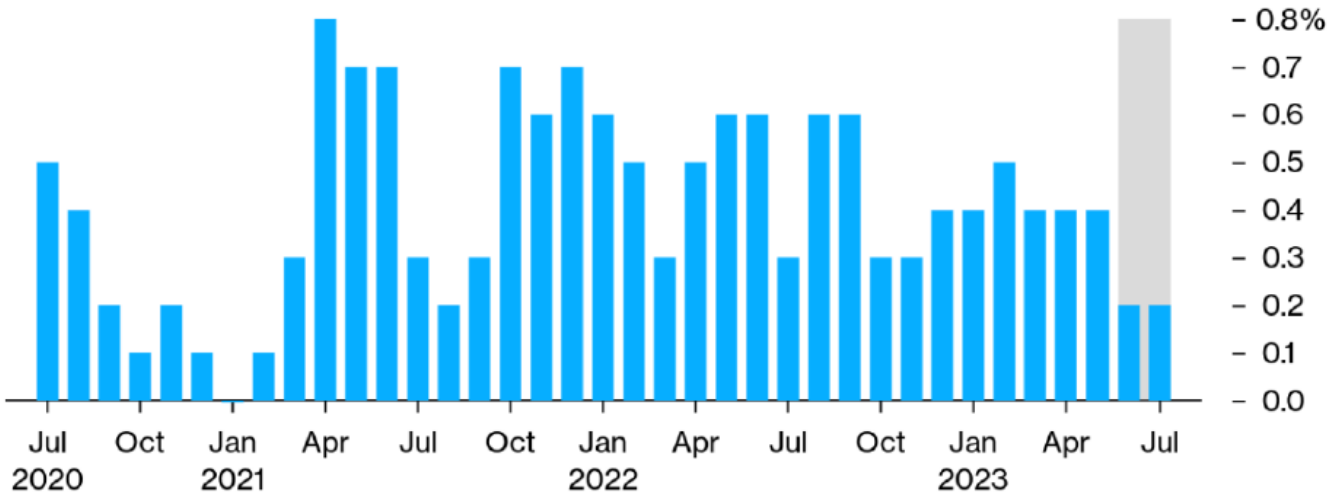
US consumer prices rose modestly in July, thanks in part to a pullback in costs for used vehicles, airline tickets and hotel stays. And a key measure of underlying inflation – watched closely by central bank officials and economists – posted the smallest back-to-back increases in more than two years.

A sustained downward trend in inflation, paired with low unemployment and resilient economic growth, is boosting the odds that the economy can avert a recession that was once viewed as inevitable. It also likely means the Federal Reserve will leave interest rates unchanged at their meeting next month – though rates are still at a 22-year high.

Inflation's Downward Path

US core CPI posted smallest back-to-back monthly gains in over two years

■ CPI, excl. food & energy (MoM)



Source: Bureau of Labor Statistics

Bloomberg

But the details of the report underscore why folks still feel so miserable about the economy – and why Biden isn't getting much credit for improvements. Not only are prices higher for a range of goods and services than they were a year ago, but Americans once again face rising prices for some basic necessities.

Grocery prices rose in July by the most since early this year, and those costs are 23% higher than they were at the start of the pandemic. Gasoline prices have surged, and utility costs increased. Car insurance is up by the most since 1976 on an annual basis.

That's what voters feel, no matter what the statistics show about the trajectory of inflation. And that's why you'll be hearing Republicans talking about inflation all the way to the 2024 election.

The picture looks better or worse depending on where you live, too – something to keep in mind ahead of the election. A voter in Minneapolis is experiencing an inflation rate of just 1%, while in Tampa, it's still nearly 6%.

*Bu raporun tüm hakları Goldera 'ya aittir



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