

Türkiye- Current Account Balance

January 2025 - 12 month cumulative CAD continues to widen

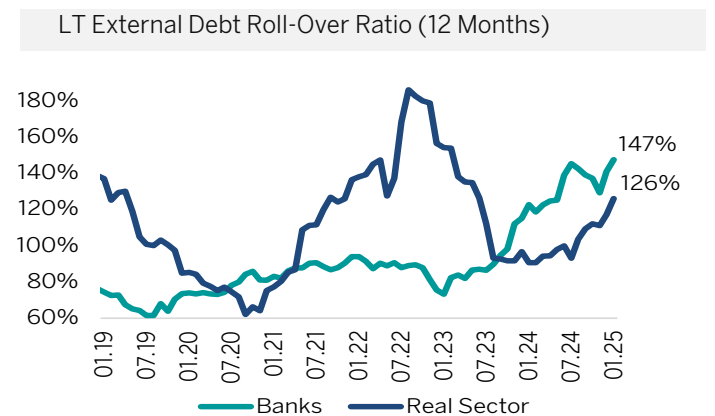
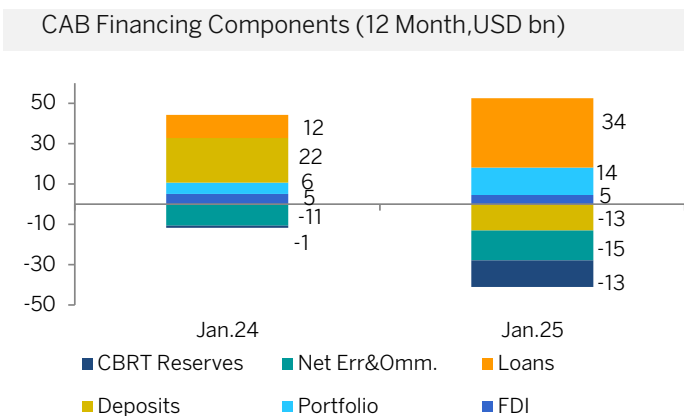
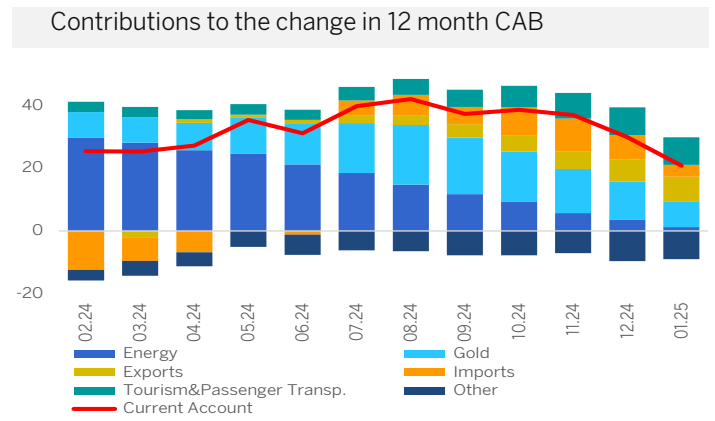
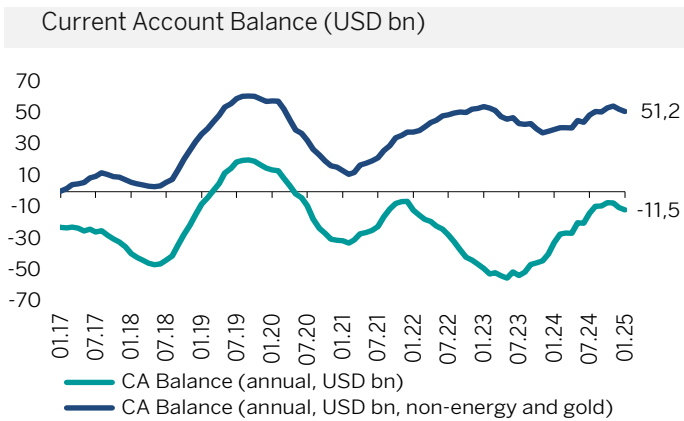
In January, the current account deficit printed at USD3.8bn, above the consensus (USD3.2bn). The 12-month current account deficit (CAD), at USD10.0bn in December, widened to USD11.5bn in January. Even though there was no major change in services revenues, widening foreign trade deficit (28%) led to a rise in CAD. The 12-month gold and energy excluding current account surplus fell USD1.4bn to USD51.2bn in January.

According to 12-month changes, the CAD has continued to narrow. Falling net gold imports (USD8bn), imports excluding energy&gold (USD4bn) and net energy imports (USD1bn), plus rising net tourism&passenger transportation revenues (USD9bn) and exports excluding energy&gold (USD8bn) have contributed to the contraction of 12-month CAD. Relative to the previous month, the narrowing impact of imports excluding energy&gold, net energy and net gold imports in total decelerated by USD4bn and USD6bn, respectively. Net energy and net gold exports accelerated by USD1bn.

According to Ministry of Trade data, the foreign trade deficit rose by 20% yoy to USD8.2bn in February. We expect an ongoing widening in the 12-month CAD in February considering the rise in foreign trade deficit.

Financing in January 2025;

- Net capital inflows above the current account deficit led the CBRT's FX reserves to rise by USD6.4bn.
- Net capital inflows; USD10.6bn of net borrowing, USD0.5bn of net FDI, USD2.2bn net portfolio. The highest monthly net borrowing was realized in January 2025. The 12-month long-term external debt rollover ratio rose from 141% to 147% for banks and from 117% to 126% for the real sector. 12-month total net borrowing increased to USD34bn.
- Net capital outflows; USD1.6bn of net errors and omissions, USD1.5bn of net deposits, .
- On a 12-month cumulative basis; net capital inflows were in loans (USD34bn), portfolio (USD14bn) and FDI (USD5bn) financing items. Net capital outflows were in net deposits (USD13bn), net errors and omissions (USD15bn).



Source: CBRT, Garanti BBVA Securities

Current Account Balance Details

| <i>bn USD</i> | Monthly | | | 12 Month Cumulative | | |
|--|---------|--------|--------|---------------------|--------|--------|
| | Jan 24 | Jan 25 | Change | Jan 24 | Jan 25 | Change |
| CURRENT ACCOUNT BALANCE | -2,3 | -3,8 | 67% | -32,4 | -11,5 | -65% |
| FOREIGN TRADE BALANCE | -4,4 | -5,6 | 28% | -78,1 | -57,5 | -26% |
| Total Goods Exports | 19,7 | 21,1 | 7% | 251,5 | 258,9 | 3% |
| Total Goods Imports | 24,1 | 26,7 | 11% | 329,5 | 316,4 | -4% |
| SERVICES BALANCE | 3,1 | 3,1 | -1% | 57,0 | 61,9 | 9% |
| Net Tourism Revenues | 2,4 | 2,4 | -1% | 42,2 | 48,9 | 16% |
| TOTAL INCOME BALANCE | -1,1 | -1,3 | 25% | -11,3 | -16,0 | 41% |
| FINANCIAL ACCOUNT | -1,8 | -5,3 | 201% | -43,3 | -26,5 | -39% |
| Direct investment (- increase) | -0,6 | -0,5 | -17% | -5,1 | -4,6 | -11% |
| Net acquisition of financial assets | 0,2 | 0,9 | 265% | 5,6 | 7,3 | 29% |
| Net incurrence of liabilities | 0,9 | 1,4 | 65% | 10,7 | 11,8 | 10% |
| Real estate (Net) | 0,4 | 0,1 | -68% | 3,5 | 2,5 | -26% |
| Portfolio investment (- increase) | -0,2 | -2,2 | 865% | -5,5 | -13,6 | 146% |
| Net acquisition of financial assets | 0,5 | 0,2 | -65% | 1,8 | 9,2 | 426% |
| Net incurrence of liabilities | 0,7 | 2,4 | 228% | 7,3 | 22,9 | 214% |
| Equity securities | 0,2 | 0,0 | -94% | 2,1 | -2,7 | -230% |
| Debt securities | 0,5 | 2,3 | 341% | 5,2 | 25,5 | 388% |
| Government Eurobond (net) | -0,4 | -0,2 | -41% | 2,5 | 0,6 | -76% |
| Banks Total Debt Securities (net) | 0,7 | -0,1 | -118% | 1,5 | 2,5 | 64% |
| Other investment (- increase) | 5,3 | -9,1 | -273% | -33,6 | -21,3 | -37% |
| Currency and deposits | 2,4 | 1,5 | -36% | -22,1 | 13,1 | -159% |
| Assets | 4,5 | 0,5 | -89% | 4,4 | 8,4 | 93% |
| Liabilities | 2,1 | -1,0 | -149% | 26,5 | -4,7 | -118% |
| Loans | 0,3 | -10,5 | -3520% | -10,9 | -37,0 | 240% |
| Banks | 1,0 | 9,7 | 917% | 9,3 | 33,7 | 264% |
| Long-Term (Net) | 0,8 | 2,5 | 212% | 4,8 | 11,9 | 147% |
| Short-Term (Net) | 0,2 | 7,3 | 4229% | 4,5 | 21,8 | 390% |
| Other Sectors | -1,1 | 1,0 | -185% | -0,6 | 4,9 | -941% |
| Long-Term (Net) | -0,8 | 0,3 | -136% | -1,6 | 3,4 | -309% |
| Short-Term (Net) | -0,3 | 0,7 | -304% | 1,1 | 1,5 | 41% |
| Trade credit and advances | 2,5 | -0,1 | -105% | -0,7 | 2,7 | -510% |
| Reserve Assets | -6,2 | 6,4 | -204% | 1,1 | 13,1 | 1086% |
| N.E.O. | 0,5 | -1,6 | -450% | -10,6 | -14,7 | 39% |

Source: CBRT, Garanti BBVA Securities

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