

March 2026 - Headline yoy CPI set to remain broadly stable

Turkstat is to announce March inflation data on April 3, Friday. According to a Bloomberg survey, the CPI mom expectation for March is 2.35%, above the Garanti BBVA expectation of 2.2%. If the consensus average mom expectation is realized, yoy CPI inflation would fall slightly to 31.4% from 31.5%.

According to ICC (Istanbul Chamber of Commerce) data, prices in Istanbul rose by 3.0% on a mom basis in March 2026, below the 5-year average (3.5%) and March 2025's 3.1% rise. Yoy inflation fell slightly to 37.7% from 37.9% in February. Food inflation printed at 2.9% mom, below the 5-year average (3.8%) and March 2025's 4.2%. ICC data do not indicate a notable risk to our Turkstat inflation forecast.

According to Turk-Is food expenditures data, the leading indicator of food prices, the mom price rise in the food group was 1.3% in March, below the previous month (3.7%) and slightly above March 2025's 1.2%. By the same data, yoy food inflation rose from 38.8% to 38.9%.

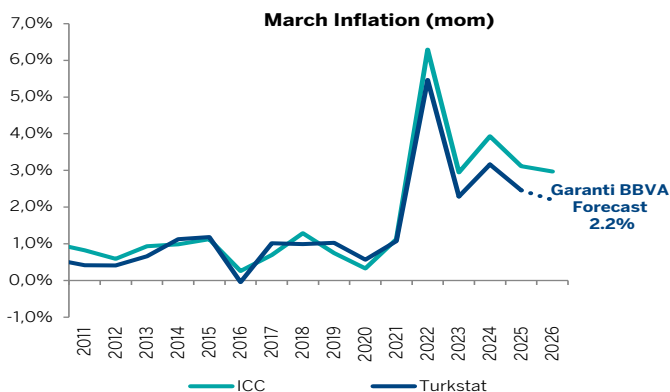
In March, the average Brent price rose by c.44% mom in USD terms, reaching USD 100 per barrel. Based on the USD–EUR currency basket, the Turkish lira remained almost unchanged compared with the previous month. A significant portion of the increase in international oil prices was absorbed through the sliding-scale pricing mechanism, limiting the rise in fuel prices, which increased by c.9% on average. On a mom basis, we estimate that core inflation remained close to last year's level, as the indirect effects of geopolitical developments have so far been limited. As suggested by ICC data, we expect Turkstat food inflation in March to come in below the previous year's level, leading to a decline in yoy food inflation.

CPI increased by around 8% in Jan-Feb. Since early March, geopolitical developments have heightened uncertainty and are expected to have adverse effects on the Turkish economy. From an inflation perspective, rising energy costs and their indirect upward pressure on overall prices have emerged as key risks. On the other hand, the CBRT's active reserve management has helped limit depreciation pressures on the Turkish lira, thereby easing FX-driven inflationary pressures. According to the CBRT's estimates, a 10% increase in oil prices raises inflation by c.1 pp over a one-year horizon. The sliding-scale pricing mechanism partially mitigates this impact. Recent developments have created upside risks to our end-2026 inflation forecast of 25%. However, uncertainty regarding the level and duration of oil and energy prices makes it difficult to quantify the magnitude of these risks

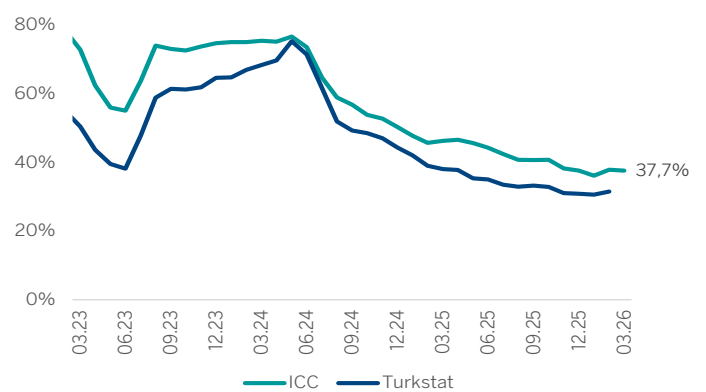
	March 2026 mom Inflation	March 2026 yoy Inflation
Bloomberg Survey:	%2.35	%31.4*
Garanti BBVA Forecast:	%2.20	%31.2*

* If mom inflation estimate realizes

Turkstat & ICC* Inflation (mom)



Turkstat & ICC* Inflation (yoy)



Source: Turkstat, ICC, Garanti BBVA Securities *2023=100 ICC data is shown for 2024 and 2025

Nihan Ziya Erdem

Chief Economist

Research

Direct Tel :+90 212 384 11 31

Tel :+90 212 384 10 10

nihanz@garantibbvayatirim.com.tr

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Garanti BBVA Securities

Nispetiye Mahallesi Barbaros Bul. Çiftçi Towers Kule 1,

34340 Beşiktaş/İstanbul

Phone: 212 384 1121

Fax: 212 352 4240