

Türkiye- Current Account Balance

May 2022 - 12-month net energy imports rise USD38bn yoy

In May, the current account deficit printed at USD6.5bn, slightly below the USD6.7bn consensus. Yet, the 12-month current account deficit (CAD), at USD26.3bn in April, continued to widen to USD29.4bn in May. Despite accelerating recovery in service revenues, widening foreign trade deficit led to a rise in 12-month CAD. The mom rise in the 12-month current account surplus, excluding gold and energy, continued in May (from USD36.8bn to USD38.3bn).

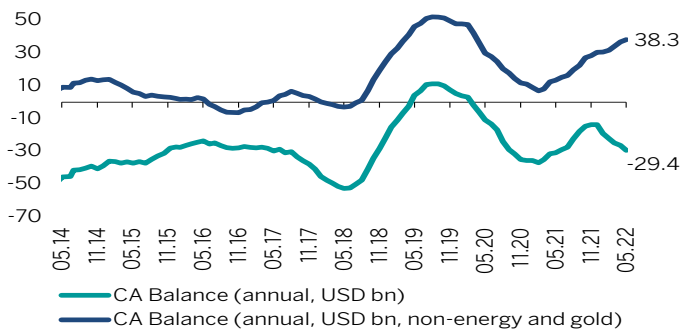
According to 12 month changes, the total decline in CAD narrowed mom. Over the past 12 months, both the USD58bn rise in imports excluding gold&energy and the USD38bn rise in net energy imports have had a widening effect on CAD. On the other hand, the rises in exports excluding gold&energy of USD48bn and net tourism&passenger transportation revenues of USD21bn have led CAD to narrow. While the contractionary effect of net tourism and passenger transportation revenues on the CAD has increased, the contractionary contribution of net gold imports has decreased compared to the previous month to USD15bn .

According to Ministry of Trade data, the foreign trade deficit rose remarkably by 184% yoy in June. Even though tourism revenues continue to recover, we perceive a continued widening of the 12-month CAD. We forecast a current account deficit of USD45 bn in 2022.

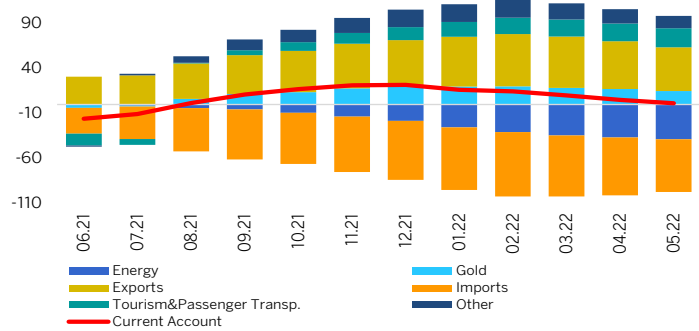
Financing in May 2022:

- The CBRT's FX reserves fell by USD5.9bn due to net capital inflows registering below CAD.
- Financing items with net inflows; USD2.9bn of net errors and omissions, USD1.0bn of net FDI, USD0.9bn net borrowing, USDD0.2bn of net deposits. The 12-month long-term external debt roll-over ratio fell sharply for the real sector from 147% to 128%. The ratio also decreased for the banks from 92% to 90%.
- Financing item with net outflows was only portfolio flows. Net portfolio outflow was USD4.3bn (USD1.7bn outflow from equity market, USD1.85bn banks Eurobond redemptions).

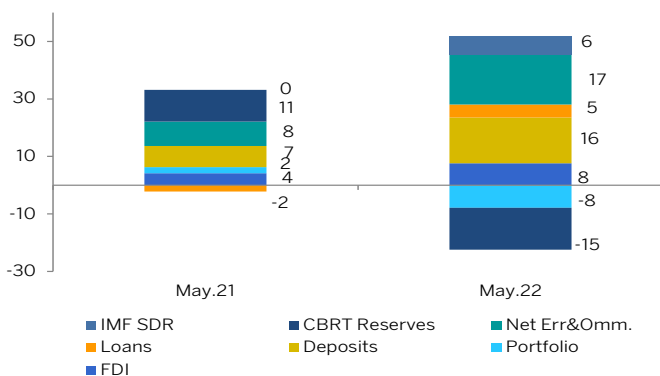
Current Account Balance (USD bn)



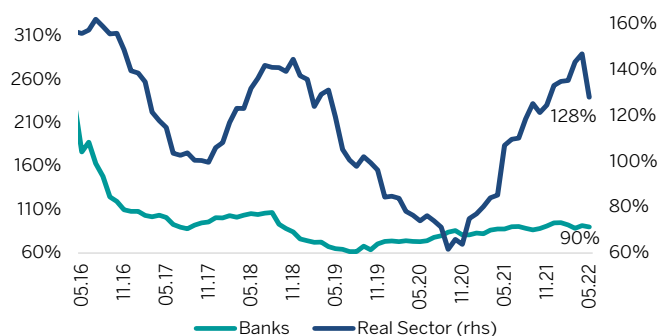
Contributions to CA Balance Change (12 Month, USD bn)



CAB Financing Components (12 Month, USD bn)



LT External Debt Roll-Over Ratio (12 Months)



Source: CBRT, Garanti BBVA Securities

Current Account Balance Details

<i>bn USD</i>	Monthly			12 Month Cumulative		
	May 21	May 22	Change	May 21	May 22	Change
CURRENT ACCOUNT BALANCE	-3.3	-6.5	95%	-30.9	-29.4	-5%
FOREIGN TRADE BALANCE	-3.1	-8.8	187%	-33.5	-51.8	55%
Total Goods Exports	16.4	19.0	16%	191.2	243.1	27%
Total Goods Imports	19.4	27.8	43%	224.6	294.9	31%
SERVICES BALANCE	0.9	3.2	259%	11.9	33.1	179%
Net Tourism Revenues	0.6	2.1	280%	9.5	23.7	148%
TOTAL INCOME BALANCE	-1.2	-0.9	-19%	-9.3	-10.7	16%
FINANCIAL ACCOUNT	-3.3	-3.6	11%	-22.4	-12.1	-46%
Direct investment (- increase)	-0.3	-1.0	191%	-4.1	-7.6	83%
Net acquisition of financial assets	0.3	0.2	-30%	4.2	6.6	58%
Net incurrence of liabilities	0.6	1.2	83%	8.3	14.2	71%
Real estate (Net)	0.2	0.7	234%	4.3	6.2	46%
Portfolio investment (- increase)	-0.3	4.3	-1581%	-2.1	7.9	-470%
Net acquisition of financial assets	0.0	0.3	-760%	0.9	6.1	571%
Net incurrence of liabilities	0.2	-4.0	-1743%	3.0	-1.8	-161%
Equity securities	0.1	-1.7	-1781%	-2.2	-2.4	14%
Debt securities	0.1	-2.3	-1717%	5.2	0.6	-88%
Government Eurobond (net)	0.0	0.0	0%	2.6	5.6	115%
Banks Total Debt Securities (net)	-0.7	-1.8	154%	0.0	-4.9	98580%
Other investment (- increase)	-3.9	-1.0	-74%	-5.1	-26.8	425%
Currency and deposits	-0.9	-0.2	-82%	-7.4	-16.0	117%
Assets	0.7	1.4	98%	4.6	3.4	-25%
Liabilities	1.6	1.5	-3%	11.9	19.4	62%
Loans	-3.2	0.5	-116%	-2.2	0.4	-117%
Banks	-0.4	-0.2	-57%	0.2	-3.8	-1805%
Long-Term (Net)	-0.3	-0.6	97%	-3.0	-2.3	-23%
Short-Term (Net)	-0.1	0.4	-586%	3.2	-1.5	-148%
Other Sectors	3.6	-0.1	-103%	2.2	3.5	59%
Long-Term (Net)	3.5	-0.2	-107%	1.4	3.4	133%
Short-Term (Net)	0.0	0.1	1500%	0.8	0.2	-77%
Trade credit and advances	0.1	-1.4	-1071%	4.4	-4.9	-211%
IMF SDR	0.0	0.0		0.0	6.3	
Reserve Assets	1.3	-5.9	-564%	-11.0	14.5	-232%
N.E.O.	0.0	2.9	5871%	8.5	17.5	106%

Source: CBRT, Garanti BBVA Securities

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