



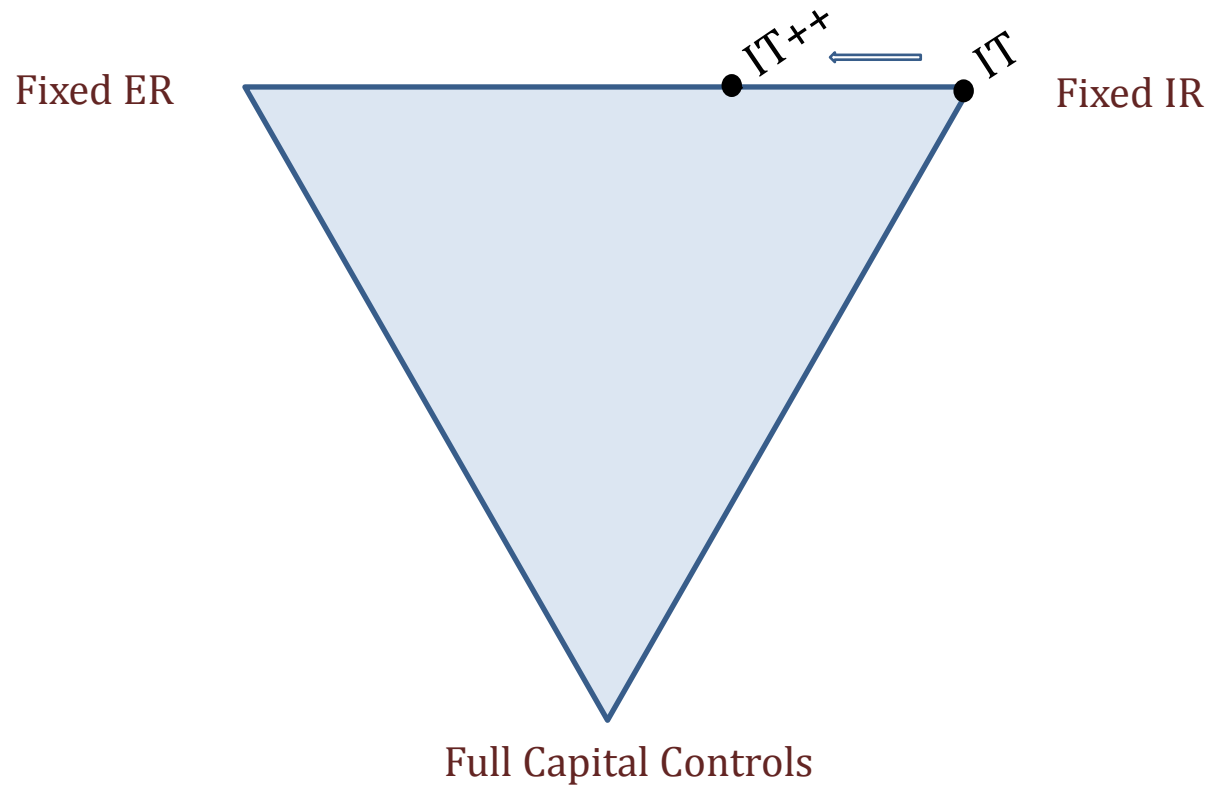
**TÜRKİYE CUMHURİYET
MERKEZ BANKASI**

Managing the Volatility of Capital Flows and Exchange Rate

**Erdem Başçı
Governor, CBRT**

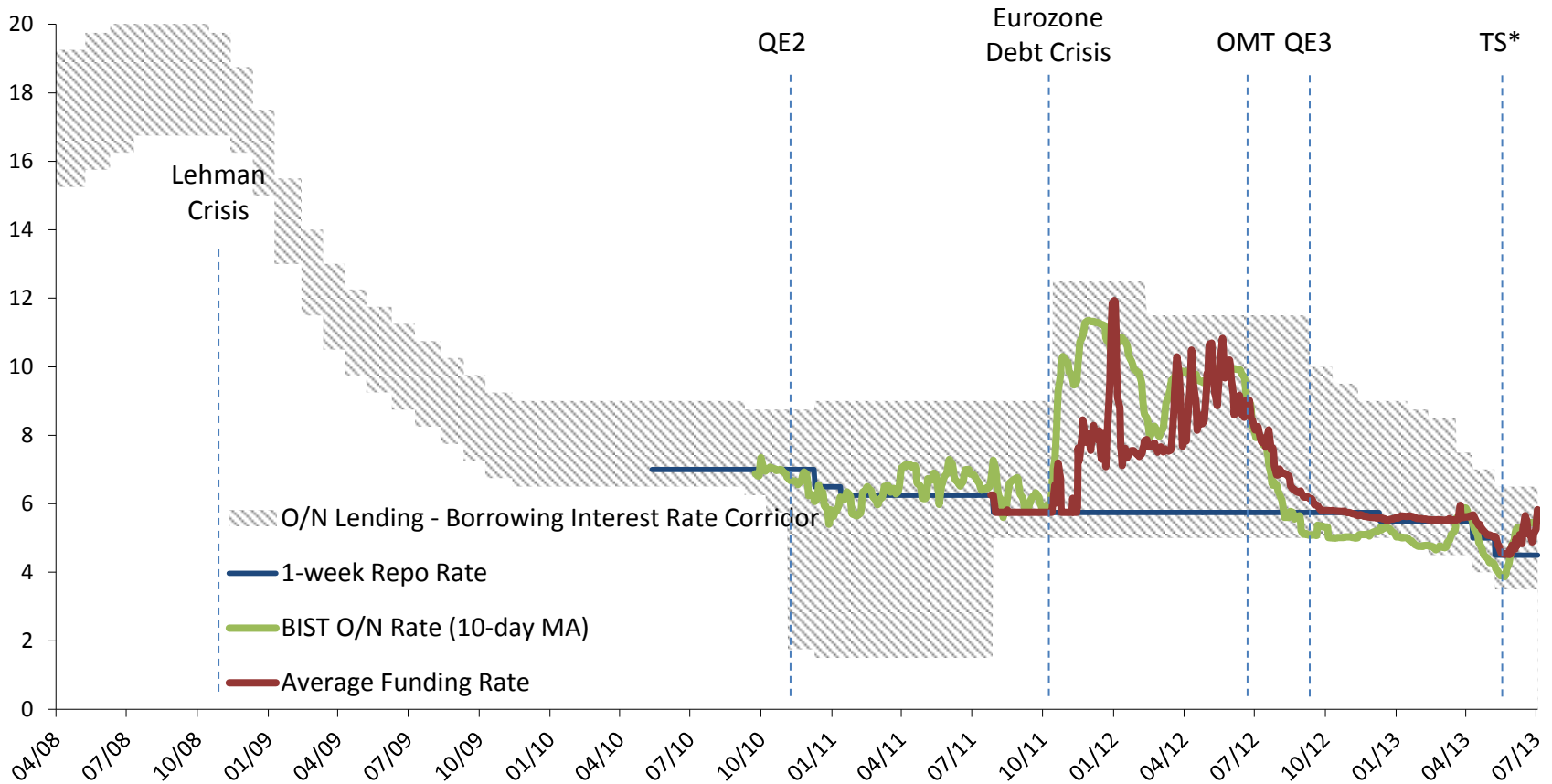
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The Trilemma



Monetary Policy

Interest Rate Corridor and Average Funding Rate (Percent)

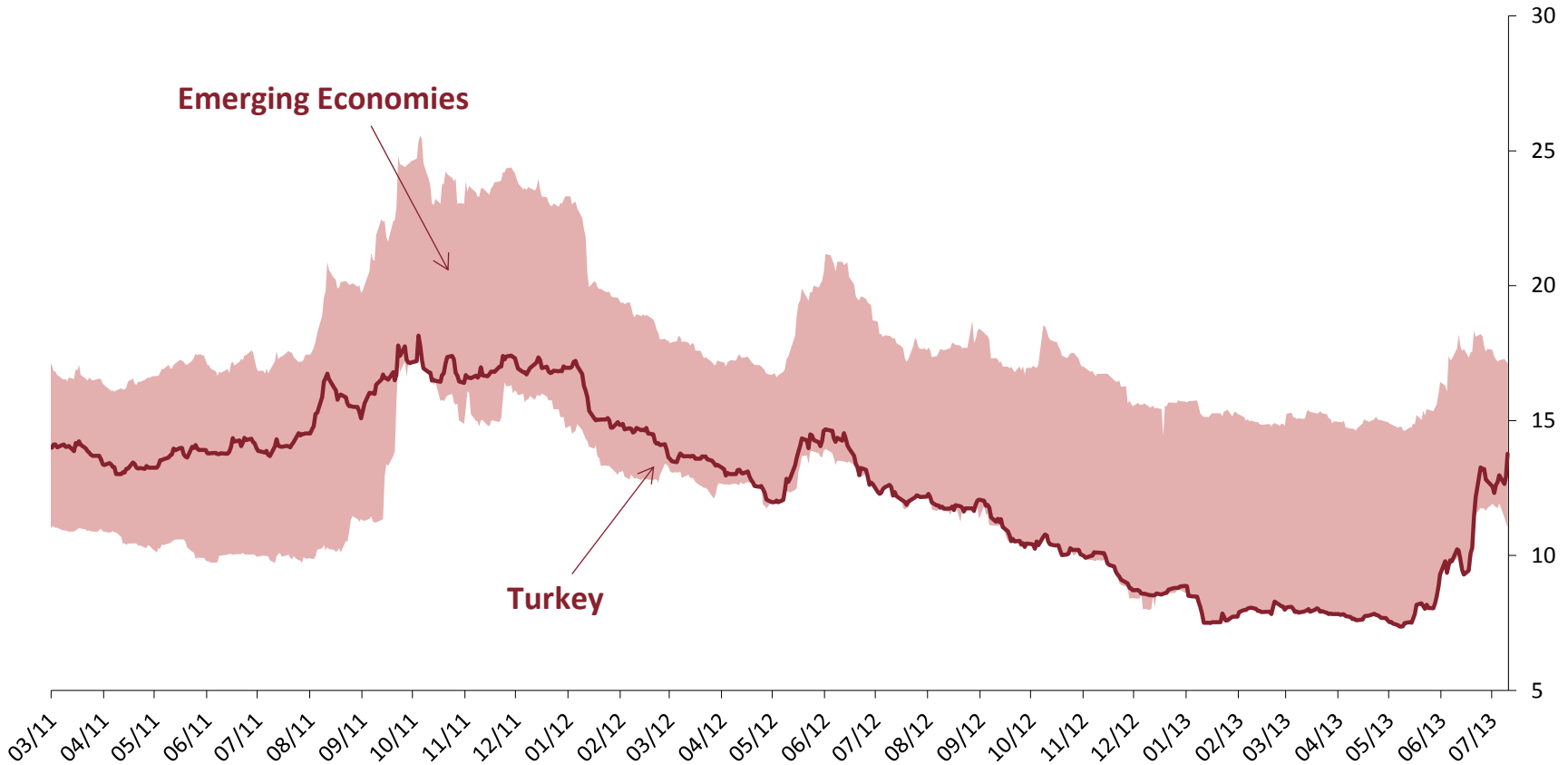


Source: BIST, CBRT.

* TS: Tapering Signal

Exchange Rate Volatility

FX Volatility in Emerging Market Economies (Percent, Implied for the next 12 months)



Source: Bloomberg, CBRT.

Emerging market economies : Brazil, Chile, Colombia, Mexico, Poland, Czech Rep., S. Africa, Indonesia, Romania and Turkey.



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