

Decision of the Monetary Policy Committee

May 23, 2018, No: 2018-18

Participating Committee Members

Murat Çetinkaya (Governor), Ömer Duman, Erkan Kilimci, Emrah Şener, Murat Uysal.

The Monetary Policy Committee (the Committee) has decided to set the short term interest rates at the following levels:

- a) Overnight Interest Rates: Marginal Funding Rate has been kept at 9.25 percent and borrowing rate has been kept at 7.25 percent,
- b) One-week repo rate has been kept at 8 percent,
- c) Late Liquidity Window Interest Rates (between 4:00 p.m. – 5:00 p.m.): Borrowing rate has been kept at 0 percent, while lending rate has been increased from 13.5 percent to 16.5 percent.

Current elevated levels of inflation and inflation expectations continue to pose risks on the pricing behavior. Accordingly, the Committee decided to implement a strong monetary tightening to support price stability.

The Central Bank will continue to use all available instruments in pursuit of the price stability objective. Tight stance in monetary policy will be maintained decisively until inflation outlook displays a significant improvement.

It should be emphasized that any new data or information may lead the Committee to revise its stance.

The summary of the Monetary Policy Committee Meeting will be released within five working days.