

Monetary Policy Committee Decision

July 23, 2026

No: 2026-28

Participating Committee Members

Yaşar Fatih Karahan (Governor), Hatice Karahan, Fatma Özkul, Gazi İshak Kara, Yusuf Emre Akgündüz, Elif Haykır Hobikoğlu.

The Monetary Policy Committee (the Committee) has decided to keep the policy rate (the one-week repo auction rate) at 37 percent. The Committee has also maintained the Central Bank overnight lending rate and the overnight borrowing rate at 40 percent and 35.5 percent, respectively.

The underlying trend of inflation decreased slightly in June. Leading indicators suggest that the underlying trend will rise temporarily in July. As a result of the growing uncertainty amid geopolitical developments, energy prices started trending up again. Recent data confirm the ongoing weakening in domestic demand. The impact of geopolitical developments on the inflation outlook through the cost channel, economic activity and expectations is closely monitored.

The tight monetary policy stance, which will be maintained until price stability is achieved, will strengthen the disinflation process through demand, exchange rate, and expectation channels. The Committee will determine the policy rate by taking into account realized and expected inflation and its underlying trend in a way to ensure the tightness required by the projected disinflation path in line with the interim targets. Monetary policy decisions are made prudently on a meeting-by-meeting basis with a focus on the inflation outlook. In case of a significant and persistent deterioration in the inflation outlook, monetary policy stance will be tightened. The Committee reiterated that it remains highly attentive to upside risks on inflation.

In case of unanticipated developments in credit and deposit markets, monetary transmission mechanism will be supported via additional macroprudential measures. Liquidity conditions will continue to be closely monitored and liquidity management tools will continue to be used effectively.

The Committee will make its policy decisions so as to create the monetary and financial conditions necessary to reach the 5 percent inflation target in the medium term. The Committee will make its decisions in a predictable, data-driven and transparent framework.

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