

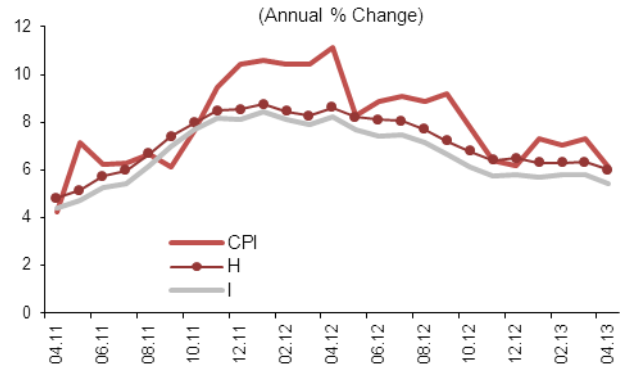
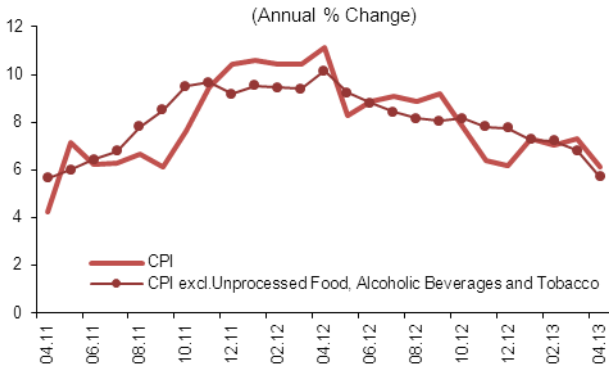
SUMMARY...

In April, consumer prices went up by 0.42 percent, and annual inflation fell to 6.13 percent. As also stated in the Summary of the Monetary Policy Committee Meeting, this fall was driven by the developments in unprocessed food prices and the base effect in energy prices. Meanwhile, core inflation indicators remained on a mild track.

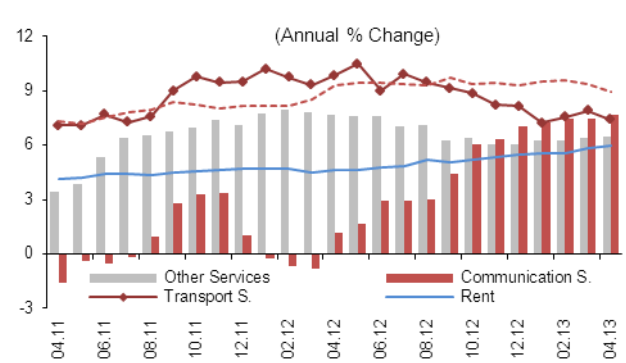
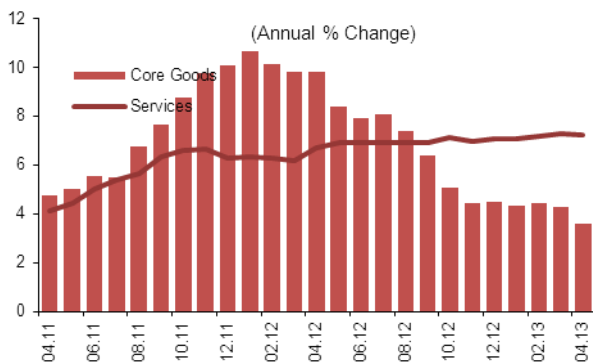
...EVALUATIONS...

In April, consumer prices went up by 0.42 percent, and annual inflation fell to 6.13 percent. The annual rate of increase in the SCA-H and SCA-I indices recorded a month-on-month decline by 0.33 and 0.36 percentage points and stood at 6.00 percent 5.44 percent, respectively.

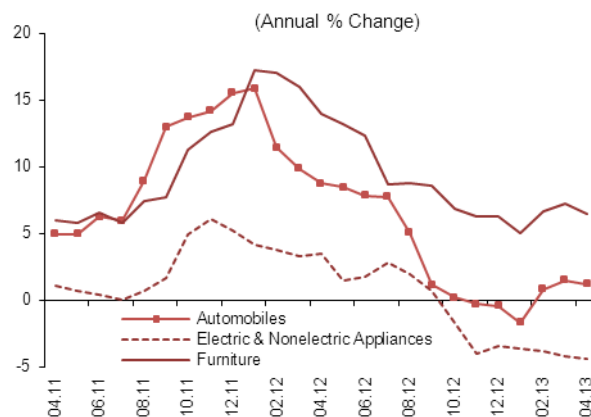
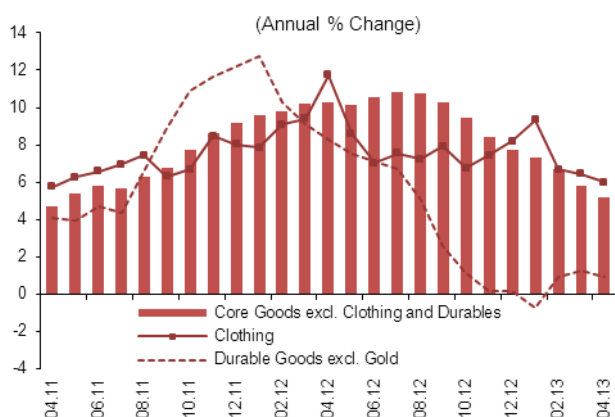
Contribution to the annual CPI inflation displayed a month-on-month decrease across all subgroups. The most evident change occurred in the contributions of energy and food groups by 0.62 percentage points with a decline of 0.62 and 0.34 percentage points, respectively. Meanwhile, the contribution of services and core goods groups exhibited a limited fall.



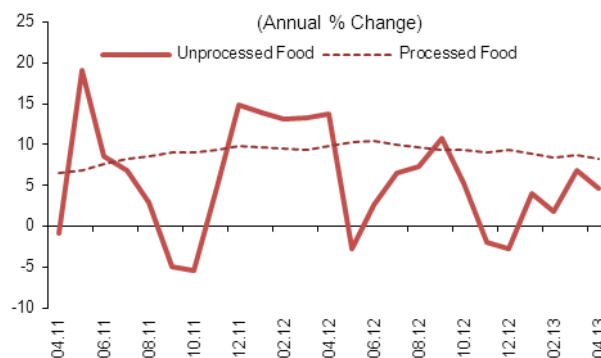
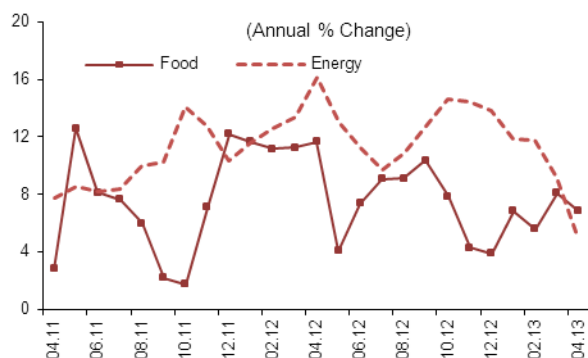
Prices of services crept up by 0.54 percent in April, and the group's annual inflation remained flat on a monthly basis with 7.26 percent. Annual inflation fell in transport and restaurants-hotels groups in contrast to a rise in other subgroups. The upward trend especially in rent inflation has recently gained momentum. The diffusion index and the trend of increase in the seasonally adjusted prices of services registered an increase in April.



As for the core goods group, annual inflation receded to 3.61 percent in April. Following the rise in the last two months, annual inflation in durable goods decreased to 0.92 percent on account of the automobile and furniture prices. On the other hand, annual inflation in the clothing group decreased further in April as it did in February and March; and the annual inflation in core goods excluding clothing and durable goods continued to decelerate. Accordingly, seasonally adjusted trend of increase in core goods remained on a downward track in this period.



In April, energy prices decreased by 0.98 percent mostly on account of the domestic fuel prices, which fell by 3 percent amid the developments in international oil prices. Bottled gas prices maintained the downtrend of the last four months in April as well. Meanwhile, electricity prices edged up by 0.48 percentage points. Consequently, the group's annual inflation fell by 4.28 percentage points to 4.94 percent, owing to the international oil prices and the high base from the same month of the previous year.



Annual inflation in food and non-alcoholic beverages group went down to 6.83 percent mainly due to unprocessed food prices. Driven particularly by the prices of fresh fruits and vegetables, annual inflation in this group decreased by 2.79 percent in April. As for the unprocessed food group excluding fruits and vegetables, surging prices were witnessed in meat (1.98 percent in red meat; and 3.08 percent in white meat). As a result, annual inflation in the unprocessed food group fell by 2.14 percentage points to 4.65 percent in this period.

Processed food prices remained almost unchanged on a monthly basis, and the group's annual inflation edged down to 8.26 percent. In line with the upward course of domestic wheat prices, bread and cereals group saw sustained price increases also in April, albeit at a slower pace, and the annual inflation hit 11.53 percent. As for the other processed food group, in contrast to the falling prices in cheese and other dairy products, the enforcement of the amendment to the Turkish Food Codex Notification on Meat and Meat Products kept the prices of processed meat products on an upward track also in April.

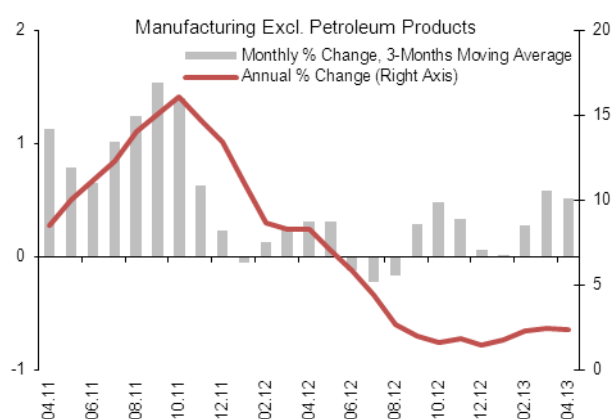
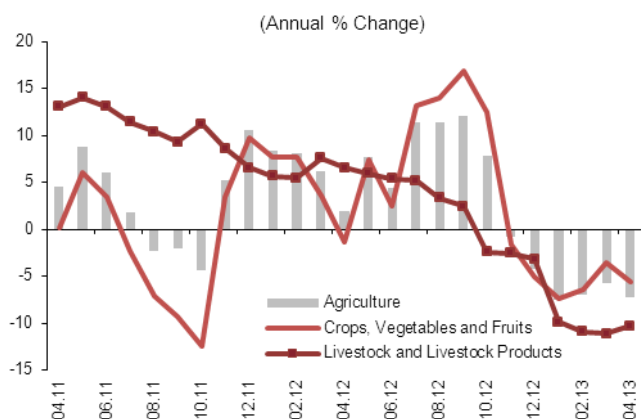
	Monthly Percent Change		Annual Percent Change	
	Apr. 2013	Apr.2012	Apr. 2013	Apr.2012
CPI	0,42	1,52	6,13	11,14
1. Goods	0,38	1,85	5,73	12,75
Energy	-0,98	3,06	4,94	16,12
Food and nonalcoholic beverages	-1,30	-0,12	6,83	11,65
Unprocessed food	-2,79	-0,80	4,65	13,71
Fresh fruits and vegetables	-7,90	-1,09	6,07	22,20
Other unprocessed food	1,50	-0,57	3,79	7,74
Processed food	0,03	0,44	8,26	9,80
Bread and cereals	0,71	0,54	11,53	8,38
Other processed food	-0,39	0,38	6,31	10,53
Goods excluding energy and food	2,23	2,94	5,22	12,10
Core goods	2,96	3,64	3,61	9,84
Durable goods	-0,22	0,39	0,35	10,10
Durable goods (excluding gold)	0,14	0,51	0,92	8,29
Alcoholic beverages and tobacco	0,00	0,05	16,25	18,53
Gold	-6,23	-1,88	-8,24	30,92
2. Services	0,54	0,59	7,26	6,73
Rents	0,50	0,38	5,96	4,63
Restaurants and hotels	0,79	1,19	8,97	9,31
Transport	0,47	0,91	7,42	9,85
Communication	0,30	0,05	7,71	1,18
Other*	0,51	0,42	6,49	7,68
3. Core Measures				
CPI excluding unprocessed food, alcoholic beverages and tobacco	0,91	1,94	5,72	10,16
SCA-H	1,43	1,74	6,00	8,62
SCA-I	1,73	2,08	5,44	8,24

Source: TurkStat, CBRT.

*Other: The services index excluding rents, restaurants/hotels, transport and communication services.

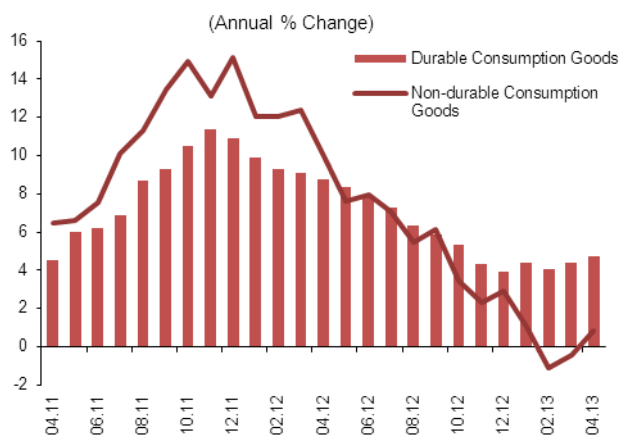
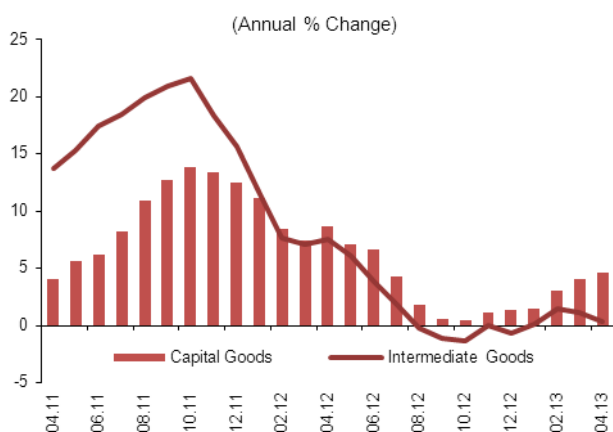
...PPI...

In April, producer prices decreased by 0.51 percent, and annual inflation stood at 1.70 percent. Manufacturing industry prices edged down, while agricultural prices fell by 2.23 percent in this period. Prices of crops, vegetables and fruits went down by 2.76 percent, while livestock prices crept up. In the meantime, wheat prices maintained the upward trend in April.



Manufacturing industry prices edged down by 0.12 percent in April. This decline is attributed to the prices of petroleum products that receded parallel to the course of international oil prices besides base metal prices. Meanwhile, the annual rate of increase in the manufacturing industry excluding oil and base metal prices remained flat on a monthly basis with 3.43 percent in this period.

Main Industrial Groupings (MIGS) suggest that in contrast to the falling prices in intermediate and durable goods, capital and consumption goods saw elevated prices. Prices of intermediate goods were pulled down by the dampened prices of metal and chemical products; while the prices of durable goods fell due to jewelry prices. Regarding capital goods, price hikes in motor vehicles and engine parts were held responsible for an increase of 0.76 percent. Meanwhile, prices of non-durable consumption goods went up owing to the rise in producer prices of meat and meat products. As a result, annual inflation in the manufacturing industry posted a month-on-month decline by 0.31 percent to 1.77 percent and maintained its mild course.



...TABLES

April CPI and Subcategories (Percent Change)					
	Weight	2013		2012	
		Monthly	Annual	Monthly	Annual
CPI	100	0,42	6,13	1,52	11,14
Food and nonalcoholic beverages	24.09	-1,30	6,83	-0,12	11,65
Alcoholic beverages and tobacco	5.07	0,00	16,25	0,05	18,53
Clothing and footwear	6.83	12,75	6,01	13,20	11,66
Housing	16.68	0,16	6,66	3,15	13,11
Household equipment	7.28	0,44	4,11	0,81	10,71
Health	2.22	0,33	1,83	0,52	1,28
Transport	17.99	-0,63	3,09	0,27	9,99
Communication	4.64	0,16	6,85	-0,04	1,78
Recreation and culture	2.95	0,71	1,26	0,62	7,87
Education	1.91	0,61	5,21	0,52	6,51
Restaurants and hotels	6.18	0,79	8,97	1,19	9,31
Miscellaneous goods and services	4.16	-0,89	6,29	0,30	16,56

Source: TurkStat.

April PPI and Subcategories (Percent Change)					
	Weight	2013		2012	
		Monthly	Annual	Monthly	Annual
PPI	100	-0,51	1,70	0,08	7,65
Agriculture	16.34	-2,23	-7,22	-0,70	1,92
Crops, fruits and vegetables	10.76	-2,76	-5,61	-0,67	-1,38
Livestock and animal products	4.87	0,09	-10,31	-0,79	6,57
Industry	83.66	-0,18	3,56	0,24	8,92
Mining	3.06	0,76	6,73	2,56	12,66
Manufacturing	72.14	-0,12	1,77	0,18	9,02
Manufacturing excluding petroleum	69.53	0,08	2,37	0,15	8,32
Manufacturing excluding petroleum and base metals	62.81	0,23	3,43	0,14	7,81
Electricity, gas and water	8.46	-1,14	13,78	-0,05	7,10

Source: TurkStat, CBRT.

PPI by MIGS (Monthly Percent Change)														
	Apr.12	May.11	Jun.12	Jul.12	Aug.12	Sept.12	Oct.12	Nov.12	Dec.12	Jan.13	Feb.13	Mar.13	Apr.13	Annual
Intermediate goods	0,45	-0,02	-0,80	-0,58	0,02	0,64	0,21	-0,30	-0,12	0,55	0,37	0,73	-0,34	0,35
Capital goods	0,21	-0,55	0,17	-0,22	-0,15	0,39	0,51	0,09	0,36	0,40	1,19	1,61	0,76	4,63
Durable goods	-1,55	-1,21	1,32	-0,08	0,02	2,71	-0,09	-1,44	0,92	-0,97	-0,49	0,51	-0,29	0,83
Nondurable goods	0,26	0,56	-0,78	0,40	0,54	0,87	0,76	-0,03	-0,17	0,19	0,74	1,00	0,58	4,75
Energy	0,59	-0,82	-0,52	-1,98	2,06	1,50	-0,93	18,27	-0,48	0,33	-7,34	1,17	-2,08	7,60

Source: TurkStat, CBRT.

Price Developments are published within one working day, following the announcement of price statistics by the Turkish Statistical Institute (TurkStat). Price Developments, which include CBRT's initial remarks on the inflation figures of the previous month, aim to contribute to a sounder interpretation of the monthly inflation developments by the public during the period between the announcement of the official price statistics and the Monetary Policy Committee meeting.