

## Turkey's Central Bank Maintains Caution Amid Persistent Inflation Concerns

The Turkish Central Bank kept its key policy rate unchanged at 50% during its 10th Monetary Policy Committee (MPC) meeting this year, extending a seven-month pause on Thursday. The decision aligns with market expectations, as officials aim to tackle persistent inflation despite a recent slight uptick.

In its statement, the Central Bank of the Republic of Türkiye (CBRT) highlighted a minor rise in underlying inflation for September, emphasizing that domestic demand is gradually declining towards disinflationary levels. The bank's primary gauge—monthly inflation—rose by 2.97% in September, up from 2.47% in August, despite annual inflation falling to 49.4%.

The CBRT reiterated its tight monetary stance, stating it will persist until there's a sustained decrease in monthly inflation trends. Deputy Governor Cevdet Akçay reaffirmed the bank's commitment to strict policies to contain inflation, which has remained a priority since rates were raised sharply last year.

Amid persistent inflation risks, analysts have pushed their expectations for a rate cut to January 2025, with a possible reduction of 250 basis points by the end of the year. The bank's measures are projected to temper GDP growth, with an average forecast of 3% in 2024, slightly lower than government projections.

For a detailed analysis, read more on [Economicstaan Explainers](#).