

ENAGrup – Inflation Research Group

Inflation Report and Economic Analysis

April 5th, 2021

March 2021- Period ENAGrup Inflation Report and Economic Analysis

The ENAGrup monthly inflation rate is estimated at 3.36% in March 2021.

Certain factors played a role in the emergence of this ratio. We will briefly refer to them below.

The most important news of March that had an impact on the economy has been the dismissal of Central Bank President Naci Ağbal and Vice President Murat Çetinkaya at separate times, and the appointment of new ones. The fact that these two changes came to the end of the week caused

- a) an increase in the volatility in the exchange rate ,and the depreciation of the lira
- b) an increase in the daily inflation rate
- c) a significant decrease in the stock market index and
- d) sudden jumps in the interest rate.

The fact that these dismissal decisions came right after the 200 basis point increase in interest rates has raised many questions and the answers have not yet been taken.

We see that the general level of prices started to rise again, following the relatively soft trend in the first months of the year.

The factors that caused for this hike in price levels are:

1. exchange rate jumps are now more rapidly added to consumer prices
2. global increase in intermediate and capital goods prices
3. increase in oil prices due to the accident in the Suez Canal.

With the increase in the number of cases in the Covid-19 epidemic, the introduction of new restrictions introduced will adversely affect economic activities in April 2021; primarily reducing investment and consumption expenditures. With the end of short work allowance, the decrease in hours worked (unemployment) will increase and the falling income level will reduce the total demand as well. All these declining economic activities will certainly affect the direction of inflation.

The Inflation Research Group (ENAGrup) estimates that the increase in the general level of prices will accelerate in the upcoming period.



ENAGrup – Inflation Research Group

- Twitter : <https://twitter.com/ENAGRUP>

- Web : <http://enagrup.org/>

Legal Notice: All kinds of information, evaluations and comments on this site have been obtained from sources considered to be reliable, and although ENAGroup has taken reasonable care for the accuracy and integrity of the information provided here, ENAGroup is not responsible for any errors and omissions. The prices, data and information contained herein cannot be guaranteed to be complete and accurate, and such content may be removed or changed without notice. Unless otherwise stated, the information contained herein is based on the inflation calculation method and methodology of ENAG Group and other personal opinions. **All copyrights of the current method and methodology have been acquired by ENAGroup and patent procedures are still pending, and this method and methodology has been protected under the patent protection law. ENAGroup reserves the legal rights of the Turkish Patent and Trademark Authority arising from the patent legislation in case the existing methodology and method is used with the same / similar name, marketed or trying to gain financial gain. All Rights Reserved.**