

CPI fell 0.34% in February...

The annual inflation decreased to 7.73% in February...

The Consumer Price Index declined by 0.34% compared to the previous month. As a result, the annual CPI figure retreated to 7.73%.

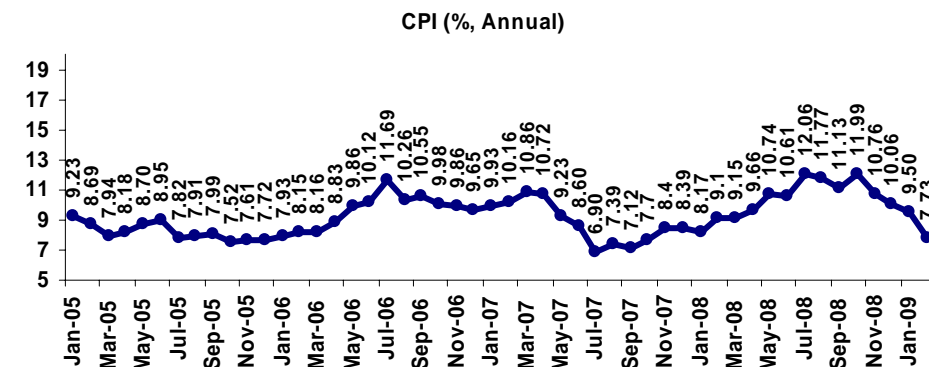
While we observed that the short term results of fluctuations in Turkish Lira remained mostly limited, the price developments in petrol and other commodities continued to support the downward trend in inflation. The prices of unprocessed food combined with service prices and other main price indicators have kept to go down and support the downward trend in CPI. As a result, while the annual CPI was 12.06% at the end of July 2008, it retreated below 8% at the end of February 2009. Annual inflation in services prices and other key price indicators continued to slide, suggesting that inflation remained on a downward trend. On balance, inflation is expected to edge further down in the upcoming period.

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While the highest monthly increase was 3,43% for miscellaneous goods and services by main expenditure groups, the highest monthly decrease was -5,58% for clothing and footwear. On the other hand, the highest increase was 17,04% in the index for housing compared with the same month of the previous year and the lowest increase was 0.42% for alcoholic beverages and tobacco.

February	Monthly(%)	Annual(%)
CPI	-0.34	7.73
Food and non-alcoholic beverages	0.02	6.16
Alcoholic beverages and tobacco	0.10	0.42
Clothing and footwear	-5.58	2.10
Housing, water, electricity, gas and fuels	-0.99	17.04
Furnishings, household equipment	-1.00	7.36
Health	0.10	2.02
Transport	1.40	2.77
Communications	-1.18	4.14
Recreation and culture	-0.17	9.91
Education	-0.34	6.96
Hotels, cafes and restaurants	0.59	12.85
Miscellaneous goods and services	3.43	14.23
CPI (Excluding seasonal products)	0.05	9.91
Excluding unprocessed food products	-0.52	8.97
Excluding energy	-0.26	6.72
PPI	1.17	6.43
Agriculture	1.63	-1.69
Industry	1.07	8.46
Manufacturing industry	0.33	4.95

Source:TurkStat



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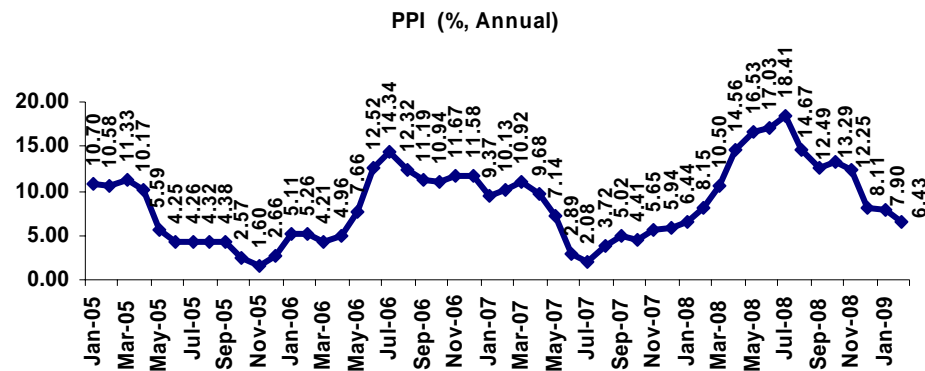
Prices of goods and services decreased in February...

The CPI index excluding energy, unprocessed food, alcoholic beverages, tobacco products and gold (SCA-H) was significantly down from January to 8.17% yoy in February. With a further exclusion of processed food prices, the index (SCA-I) was down 0.15 points to 7.21% yoy. Prices of goods and services decreased by 0.44 and 0.05%, respectively. Annual inflation dropped to 7.21% in goods and 9.27% in services.

Energy prices dropped by natural gas cutback...

Energy prices dropped by 0.82% in February, bringing the group's inflation down to 13.74% yoy. The main driver of this decline was a 15.51% cutback in natural gas rates, effective February 1, which also put significant downward pressure on consumer prices. The changes in oil and other commodity prices continued to support disinflation. In addition, the rate of increase in unprocessed food prices decelerated markedly.

Unprocessed food prices rose at a more modest pace in February than a year earlier, and the group's annual inflation was down to 0.63% on falling fresh fruit and vegetable prices driven by favorable weather conditions and weaker foreign demand.



Source: TurkStat

PPI was up by 1.17% in February...

Producer prices were up 1.17% in February, whereas PPI inflation was down to 6.43% yoy. The downtrend in prices of agricultural products that started in mid-2008 continued in February. Recently, prices of agricultural products have sunk below their year ago level.

Recently, prices of agricultural products have sunk below their year ago level. Manufacturing industry prices increased by 0.33% in February. Manufacturing industry prices for petroleum products jumped by 4.41%, while those excluding petroleum products barely changed from January.

Consumer prices did not face a serious cost pressure from producer prices...

Prices of intermediate goods remained basically unchanged month-on-month, while prices of capital goods and durable goods decreased by 0.57% and 1.47%, respectively. However, prices for non-durable goods increased by 0.81% due to rising producer prices for food and clothing. Yet, annual inflation in all sub-categories dropped remarkably in February. In sum, the decline in commodity prices continued to offset the exchange rate pass-through on manufacturing industry prices, and consumer prices did not face a serious cost pressure from producer prices.

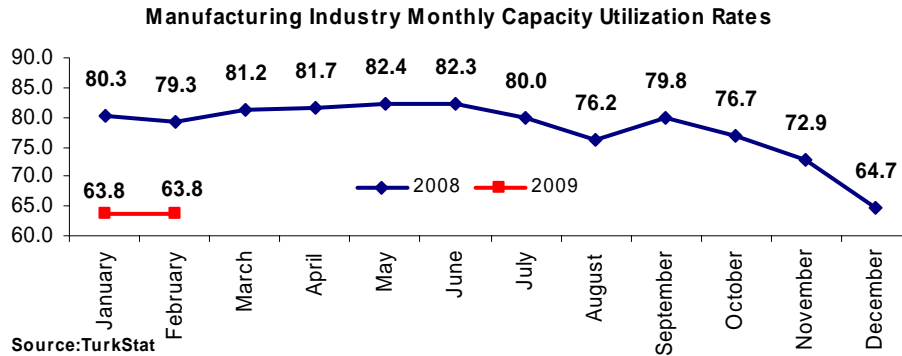
CUR realized at 63,8% in February...

The CUR did not change mom but declined 15.5 points yoy...

While the rate of capacity utilisation that is weighted by production declined by 15,5 points to 63,8% in February of 2009 yoy, it did not change mom. In February 2009, the first reason for not working in full capacity was the shortage of demand. Shortage of raw materials, financial problems, labour problems and shortage of energy were other reasons for the case. The weights of shortage of demand in domestic and foreign markets were 28,9% and 49,8%, respectively. The decline in CUR is contributed by financial problems (4,0%), shortage of raw domestic materials (3,1%), shortage of imported raw materials (1,6%) and labour problems (1,2 %).

The production is expected to increase by 4.7% in March...

Production quantity are not change in February, it is expected that it will increased by 4,7% in March 2009. Sales quantity increased by 2,0% in February, it is expected that it will increased by 3,2% in March. Sales prices increased by 0,2% in February, it is expected that it will decreased by 0,3% in March. Raw material prices increased by 0,1% in February, it is expected that it will decreased by 0,1% in March.

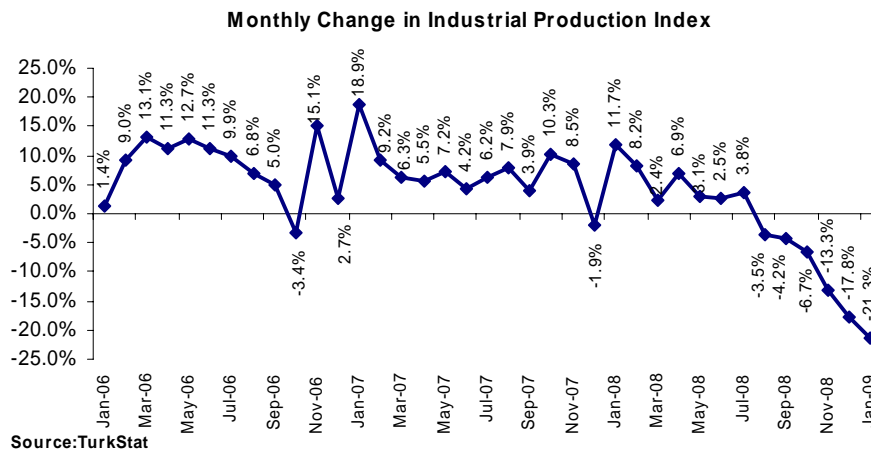


Monthly Industrial Production Index decreased by 21,3% in January...

Monthly industrial production continued to contract yoy...

Monthly industrial production continued to contract sharply to 88.6 by 21.3% in January.

Considering the sub sectors of the whole industry, Mining Sector index reached from 110,5 to 106,2 by decreasing 3,8%, Manufacturing Industry Sector Index reached from 110,2 to 83,5 by decreasing 24,2%, Electricity, Gas and Water Index reached from 132,5 to 124,6 by decreasing 6,0% in January of 2008 compared with the same month of the previous year. According to Main Industrial Groupings; production of Durable Consumer Goods decreased by 25,4%, Intermediate Goods decreased by 24,0%, Undurable Consumer Goods decreased by 10,1%, and Energy decreased by 6,4%.



The highest decrease was in manufacture of vehicles

Compared to the Manufacture Industry Production Index in January of 2009 with January of 2008, the highest decrease was in Manufacture of Vehicles, Trailers and Semi-Trailers by 60,3%, followed by the Manufacture of Radio, TV, and Communication Apparatus by 55,7% and Manufacture of Office accounting-computing Machinery Products by 32,1%.