ECONOMIC PULSE

TURKEY: A STILL RESILIENT PULSE INDICATOR

Our Pulse for Turkey shows good resilience of the economy until February/March. So far, the government has not imposed a generalized lockdown therefore the supply shock is less severe than for other European economies. Besides, the Central Bank has lowered its policy rate by 200 basis points since mid-March and one third of the support program announced by the government (2.3% of GDP) has already been spent at mid-March. We expect recession to be limited to -2% for 2020 as a whole.

François Faure

QUARTERLY CHANGES

3-month moving average (actual) --- 3-month moving average (4 months ago)

3.0 International reserves Imports of goods 2.0 1.0 CPI Exports of goods 0.0 Unemployment rate indicator Business confidence Retail sales indicator Industrial production Capacity utilization Dwelling residential buildings

SOURCE: THOMSON REUTERS, BNP PARIBAS

The indicators in the radar are all transformed into z-scores. By construction, the z-scores have mean zero and their values, which indicate how far the indicator is removed from its long-term average, are in the interval between -3 and 3 in almost all cases. In the radar chart, the blue area shows the actual conditions of economic activity. It is compared with the situation four months earlier (dotted-line). An expansion of the blue area signals an improvement.

BNP PARIBAS

The bank for a changing world



