

## PRESS RELEASE

September 14, 2017

### DECISION OF THE MONETARY POLICY COMMITTEE

#### Participating Committee Members

Murat Çetinkaya (Governor), Ömer Duman, Erkan Kilimci, Emrah Şener, Murat Uysal, Abdullah Yavaş.

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The Monetary Policy Committee (the Committee) has decided to keep the short term interest rates constant at the following levels:

- a) Overnight Interest Rates: Marginal Funding Rate at 9.25 percent and borrowing rate at 7.25 percent,
- b) One-week repo rate at 8 percent,
- c) Late Liquidity Window Interest Rates (between 4:00 p.m. – 5:00 p.m.): Borrowing rate at 0 percent, and lending rate at 12.25 percent.

Recently released data indicate that the recovery in the economic activity has gained strength. Domestic demand conditions keep improving and demand from the European Union economies continues to contribute positively to exports. The Committee assesses that the implementation of the structural reforms would contribute to the potential growth significantly.

Current elevated levels of inflation and developments in core inflation indicators pose risks on the pricing behavior. Accordingly, the Committee decided to maintain the tight stance of monetary policy.

The Central Bank will continue to use all available instruments in pursuit of the price stability objective. Tight stance in monetary policy will be maintained until inflation outlook displays a significant improvement. Inflation expectations, pricing behavior and other factors affecting inflation will be closely monitored and, if needed, further monetary tightening will be delivered.

It should be emphasized that any new data or information may lead the Committee to revise its stance.

The summary of the Monetary Policy Committee Meeting will be released within five working days.

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