Turkiye: US$5bn Increase in Reserves Excl. Gold Valuation Compared with a Week Ago

Clemens Grafe
+44(20)7774-3435 |
clemens.grafe@gs.com
Goldman Sachs International

Basak Edizgil
+44(20)7774-9878 |
basak.edizgil@gs.com
Goldman Sachs International

- As of 2 July, the TCMB's FX assets stood at US$163bn, US$7bn higher compared with a week ago (+US$5bn excluding gold valuation). US$2bn of the weekly increase was due to higher Treasury deposits at the TCMB (+US$2.6bn), offset by lower bank deposits. Compared with February, the TCMB's gross FX assets remain US$53bn lower (-US$24bn excluding gold valuation).
- In June, TCMB's FX liabilities fell by US$15bn (mostly due to lower bank deposits at the TCMB). Roughly US$3bn of the decline in TCMB's FX liabilities was driven by lower gold prices reducing the required reserves held for banks' own gold liabilities. Lower gold prices also reduced TCMB's gross FX assets by US$12bn in June. However, gold-price adjusted gross FX assets still rose by close to US$2bn suggesting the TCMB offset the decline from the liability side by direct FX purchases. While it is not certain why banks took FX out of the TCMB, we think that it was likely the reason behind the recent increase in reserve requirements on banks' own FX liabilities.
- In the week to 26 June and on a valuation-adjusted basis, FX and gold deposits in the banking system fell by US$0.5bn and US$0.6bn respectively. In the week to 26 June, there were US$1.6bn worth TRY inflows into money market funds whereas TRY deposits increased by US$3bn, bringing the rise in TRY deposits since February to US$24bn. Domestic NDFs (TRY-settled FX forwards) fell by close to US$2bn to US$5bn as of 3 July.
- In the week to 26 June, banks' off-balance-sheet FX position (excluding swaps with the TCMB and corporates), an imperfect indicator of foreign positioning in TRY, fell by US$5bn to US$47bn. Equity and local debt registered US$0.2bn and US$0.5bn foreign inflows respectively in the week to 26 June, though cumulatively, these continue to show US$7bn outflows (mostly from local debt) since February. We estimate overall foreign outflows of around US$10bn (at a minimum) since February.
- In the week to 26 June, TRY deposit rates fell by 0.2pp to 47% (annl.) while consumer and commercial loan rates fell by 1pp and 0.2pp respectively to 61% (annl.) and to 53% (annl.). The deviation from the annualised policy rate (~45%) stands at roughly 3pp for deposit rates and at 16.5pp and 8pp for consumer and commercial loan rates, respectively.
- The TCMB's total funding to banks fell by TRY202bn compared with a week ago to negative TRY648bn as of 2 July, suggesting excess liquidity in the system. As of

Investors should consider this report as only a single factor in making their investment decision. For Reg AC certification and other important disclosures, see the Disclosure Appendix, or go to www.gs.com/research/hedge.html.

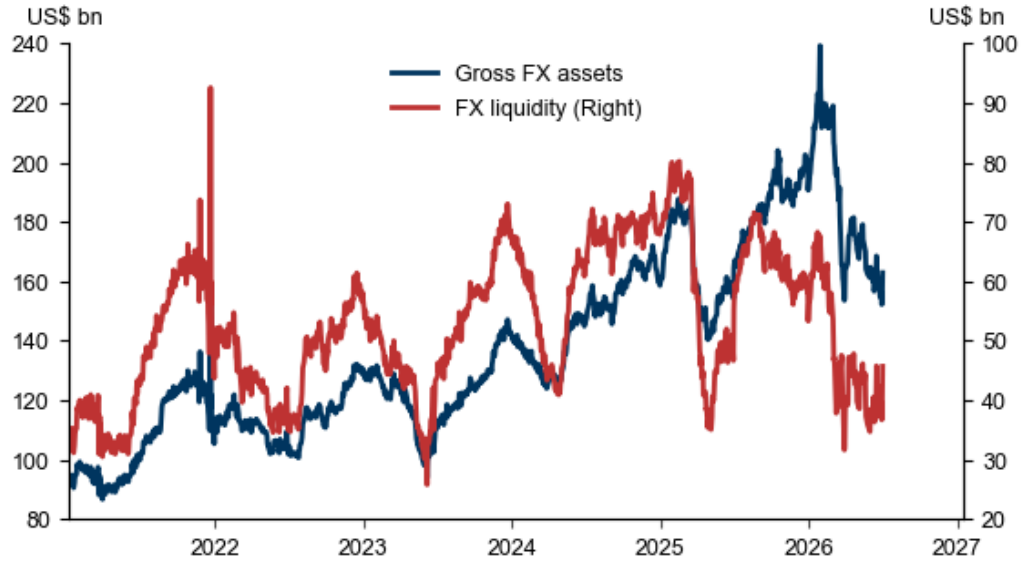
30 June, TRY loan growth was roughly stable at 39%mom (3mma, annl.) whereas FX loan growth fell by 0.4pp to 5.6%mom (3mma, annl.) with total weighted credit expansion (TRY + FX) now standing at 29%yoy, the same level in Q3 last year before the acceleration in loan growth and 5pp below the levels at the beginning of the year, driven by tighter loan caps.

Exhibit 1: Breakdown of the TCMB's reserves
All values are in US$bn. Values in parentheses under gross FX assets represent changes excluding gold price movements. Gross FX assets include the TCMB's sell-side swaps. Net FX assets exclude buy-side swaps with banks and those with other central banks. FX liquidity is calculated by subtracting gold, SDR position at IMF, FX assets in non-SDR currencies from gross FX assets and excludes sell-side swaps.

	Local peak (29 Jan 2026)	Recent data point (02 Jul 2026)	ΔPrevious week (25 Jun)	ΔSince start of Iran war
Gross FX assets	239.2	162.9	+6.9 (+5.2)	**-53.2 (-23.9)**
Gold assets	145.3	95.3	+1.6 (+0.0)	**-41.5 (-15.5)**
Gross FX liabilities	139.9	112.8	+2.2	**-16.9**
To banks	*110.9*	*89.5*	*-0.6*	*-13.4*
To the government	*12.4*	*8.5*	*+2.6*	*-2.1*
Bank swaps	0.0	1.1	+0.0	**+1.1**
Net FX assets (accounting for swaps)	82.1	32.5	+4.6	**-37.6**
FX liquidity	67.6	45.7	+6.0	**-10.9**

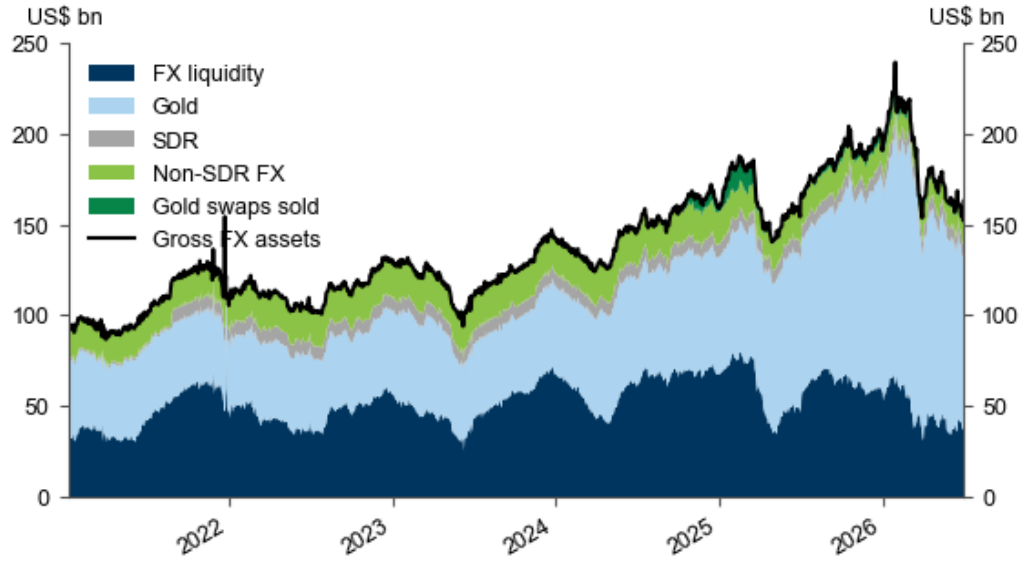
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 2: TCMB's gross FX assets and FX liquidity
FX liquidity is calculated by subtracting gold, SDR position at IMF, FX assets in non-SDR currencies



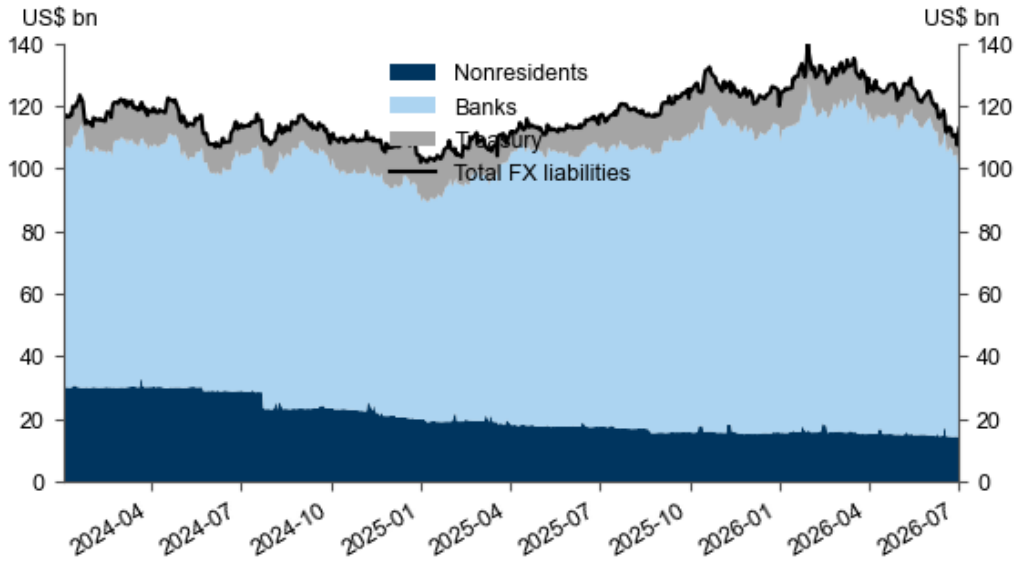
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 3: Breakdown of TCMB's FX assets into liquid FX assets, gold, SDR, non-SDR FX assets, sell-side swaps



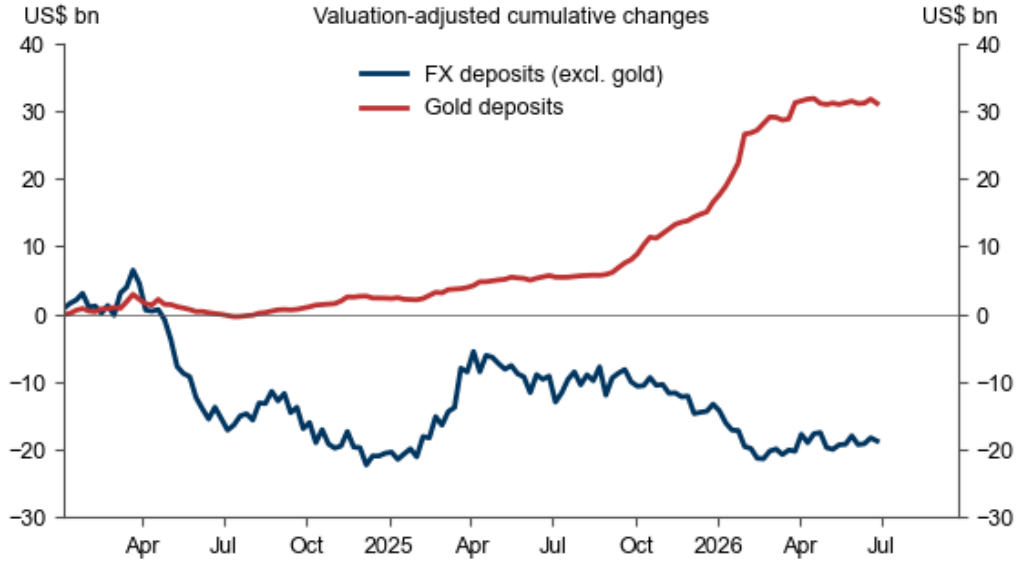
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 4: Breakdown of the TCMB's FX liabilities into liabilities to nonresidents, domestic banks and the non-bank sector (mostly the government)



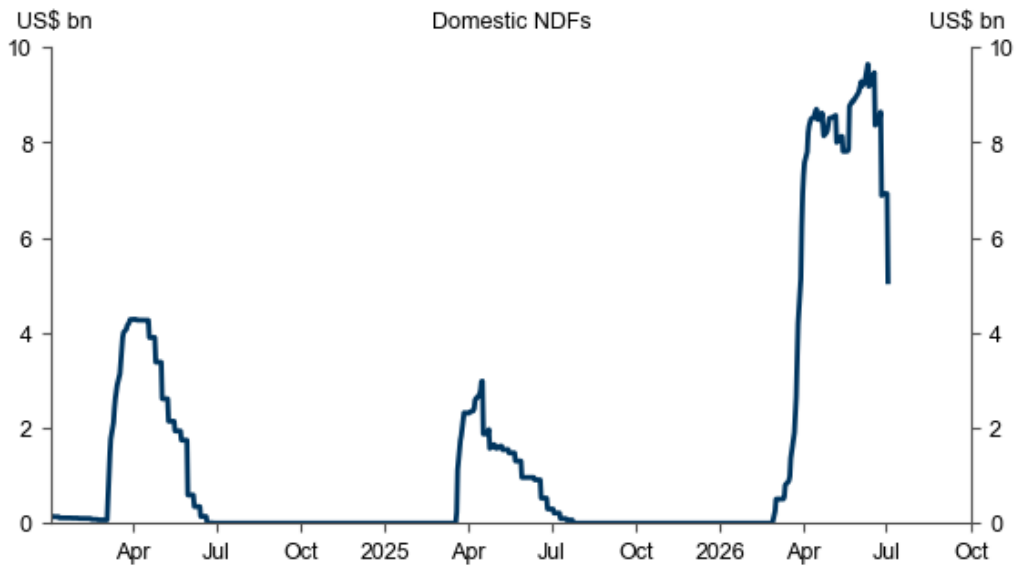
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 5: Valuation-adjusted cumulative changes in FX deposits (excluding gold) and in gold deposits



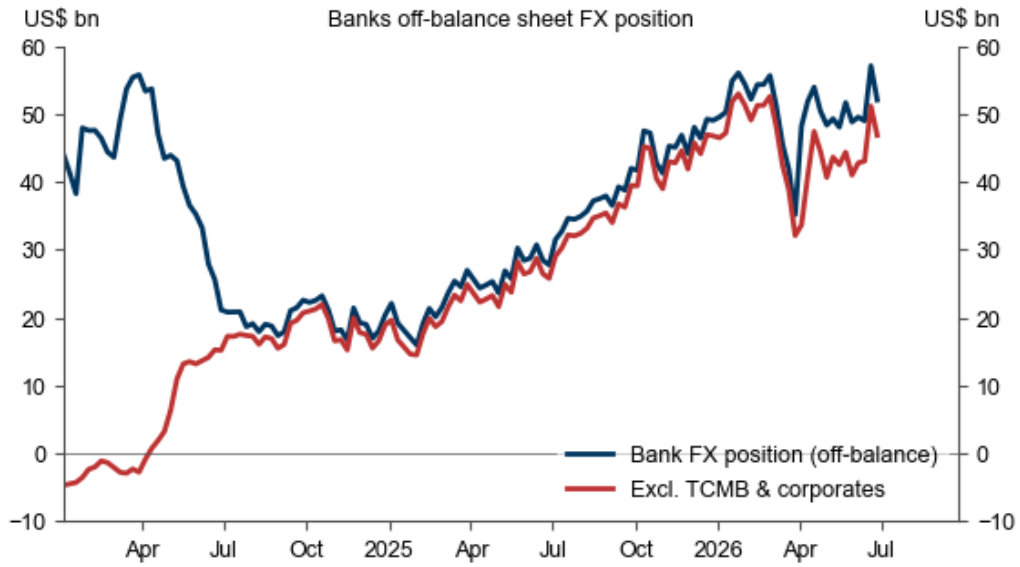
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 6: Stock of TRY-settled FX futures/forwards (domestic NDFs)



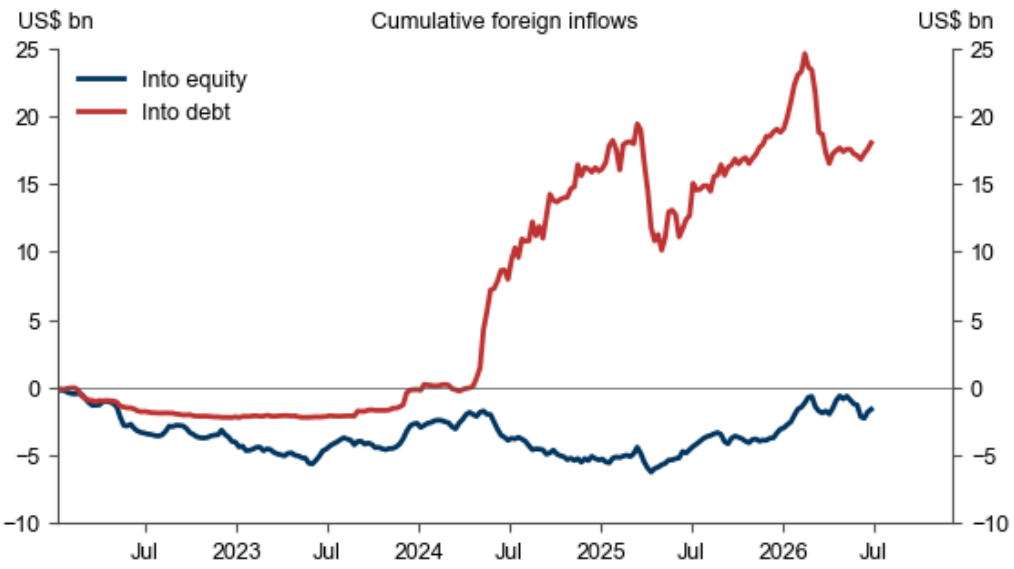
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 7: Banks' off-balance-sheet FX position



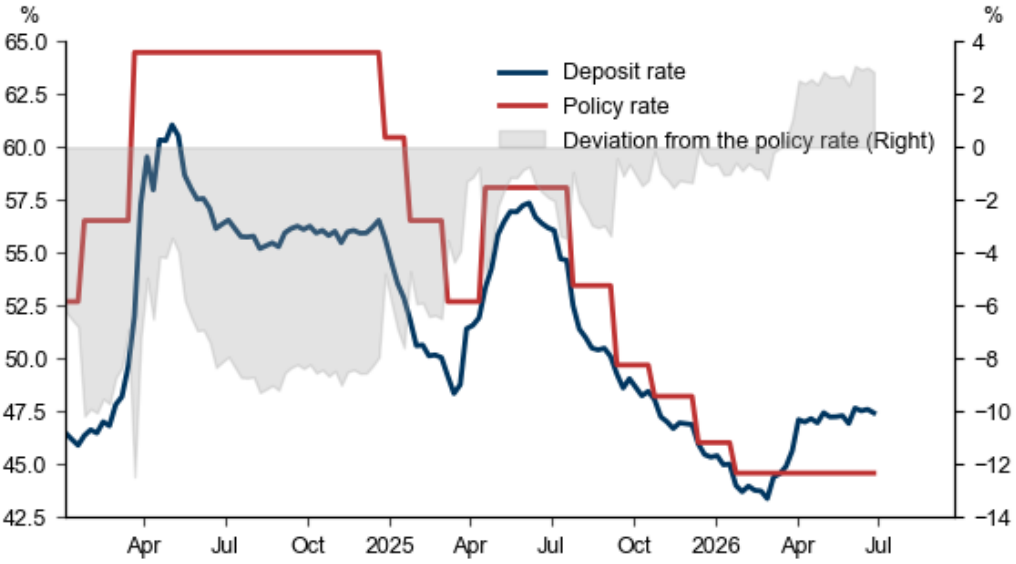
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 8: Cumulative foreign inflows into equity and domestic debt



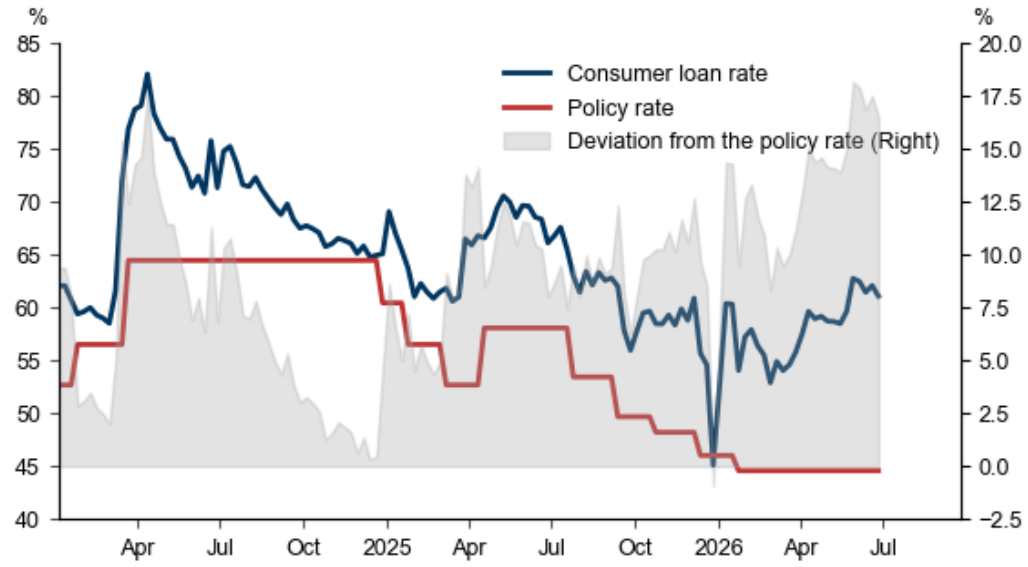
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 9: Weighted average TRY deposit rates, policy rate and deviation of TRY deposit rates from the policy rate
TRY deposit rates are annualised



Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 10: Weighted average consumer loan rates, policy rate and deviation of consumer loan rates from the policy rate
Consumer loan rates are annualised



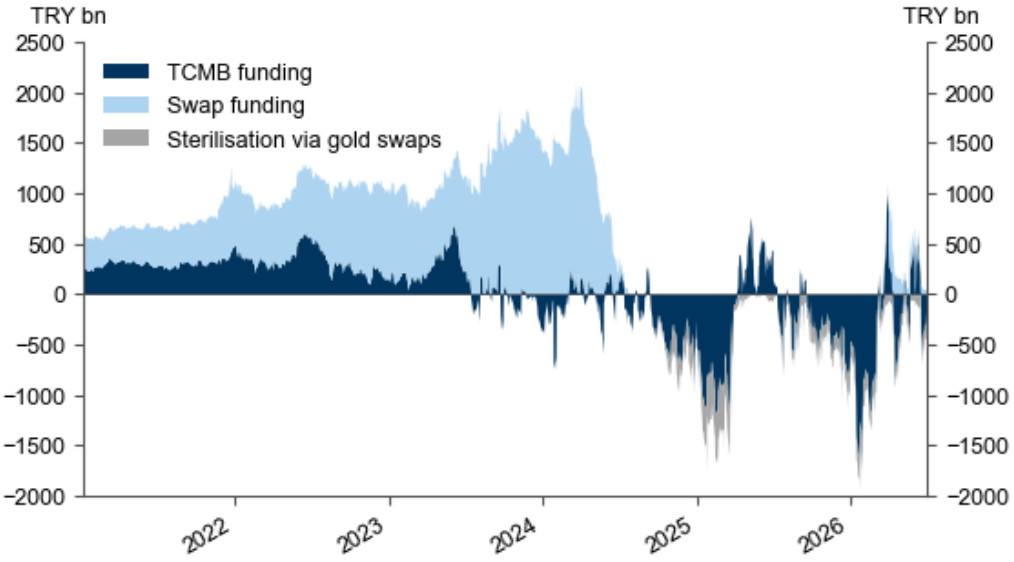
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 11: Weighted average commercial loan rates, policy rate and deviation of commercial loan rates from the policy rate
Commercial loan rates and the policy rate are annualised



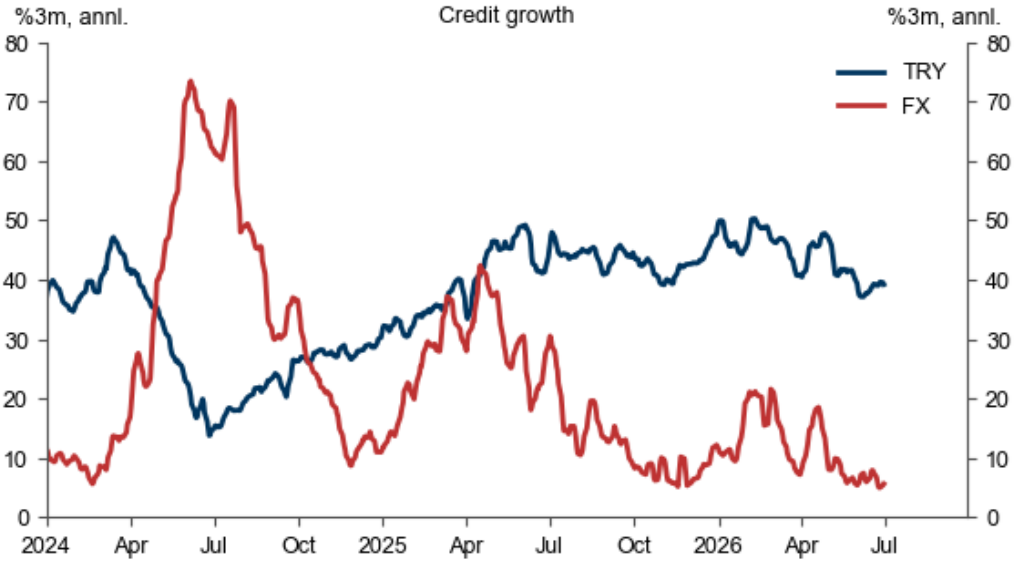
Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 12: Total TCMB funding via traditional quotation, buy-side swap funding, and sterilisation by sell-side gold swaps



Source: Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 13: 3-month moving average annualised monthly TRY and FX loan growth



Source: Goldman Sachs Global Investment Research, Haver Analytics