

# Turkey to Face More Volatility, Cumberland Advisors CIO Says

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David Kotok, chairman and chief investment officer of Cumberland Advisors Inc., talks about Recep Tayyip Erdogan's victory in Turkey's presidential election, the implications for the nation's economy and financial markets. He speaks with Yvonne Man on "Bloomberg Daybreak: Australia." (Source: Bloomberg)



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(Source: Bloomberg)

David Kotok notes that Erdogan is powerfully entrenched so the approach of the US needs diplomacy and the region is complex. This challenges the Trump Administration to its limits. Nothing but rush in the entire greater Middle East region. Solutions with peaceful outcomes are elusive and will remain so. The outlook is bleak.

Excerpt quote by David Kotok: "The inflation rate in Turkey, the Official inflation rate as I understand it, is about 12 or 13%. the unofficial estimates are the inflation rate are double that. I've seen as high as in the 30s. When you're trying to deal with fighting inflation and you're trying to deal with your currency, both of which are in play in Turkey, and you raise interest rates, which is the economic response that Ben just reported, you get one outcome. Now you have a political outcome. How this plays out with a higher inflation, double digit inflation remains to be seen."

Watch at Bloomberg.com:  
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