



OCTOBER 5, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

GLOBAL RISKS PERSIST, DOMESTIC FOCUS TURNS TO INFLATION DATA



Rising bond yields and oil prices continue to weigh on risk appetite in global markets. Expectations that higher oil prices could add further pressure on inflation in the coming period support the view that the Fed may maintain its tight monetary policy stance for longer. In the U.S., September nonfarm payrolls increased by 29,000, below expectations, weakening the possibility of a rate hike in October, while expectations for one more rate hike by year-end remain intact. Given elevated bond yields and uncertainty over monetary policy, we maintain our cautious view on foreign equities.

Domestically, the weak performance of the equity market continues, and under the current conditions, we maintain our cautious stance on equities. September inflation data, due to be released today, are expected to show a monthly increase of below 2.5 percent, with annual inflation approaching 30 percent. Although domestic investors have recently reduced their holdings of short-term TL funds and FX demand has increased slightly, the TL share of total deposits remains at 61.5 percent, indicating no significant deterioration in demand for the Turkish lira. If the disinflation process continues, we believe TL-denominated fixed-income assets will continue to offer positive real return potential.

GLOBAL

Non-farm payrolls in the US increased by 29 thousand in September, falling significantly short of market expectations of 90 thousand. While the unemployment rate ticked up to 4.2 percent, average hourly earnings rose by 3.0 percent year-on-year, recording their slowest growth since 2021. With the previous month's figure also revised down to 133 thousand, the apparent cooling in the labor market strengthened expectations that the Fed will act more cautiously and patiently on its interest rate path.

The S&P Global Manufacturing PMI in the US rose from 53.9 to 55.9 in September, reaching its highest level since May 2022 and signaling an acceleration in sectoral growth. Led by public and technology-related sectors, sales posted their strongest increase since April 2026, while the expansion in production extended into its 16th consecutive month. During a period when domestic demand supported growth, new export orders continued to decline for the 15th straight month under pressure from high freight costs and tariffs.

The manufacturing PMI in the Eurozone exceeded expectations by rising from 52.7 to 52.9 in September, reaching its highest level in 52 months. The manufacturing output index climbed from 53.3 to 53.6 to mark a 55-month peak, while new orders posted their strongest expansion since March 2022. As employment growth continued alongside recovering factory production and demand conditions, the data remained above the 50 threshold, indicating strengthening growth momentum.

Consumer prices in Germany exceeded expectations in September, rising by 0.6 percent month-on-month and 3.3 percent year-on-year to hit their highest level in nearly three years. Rising energy costs served as the primary driver of this acceleration, while the core inflation gauge held steady at 2.4 percent. Mounting price pressures across the region heightened concerns that Eurozone headline inflation could approach twice the target, reinforcing the likelihood that the European Central Bank may implement another rate hike in October.

The official manufacturing PMI in China rose from 49.8 to 50.1 in September, matching expectations and returning to expansion territory after two months of contraction. Driven by global demand for artificial intelligence hardware and accelerating factory activity, the production index climbed to 51.7 and new orders to 50.5, while the non-manufacturing PMI also rebounded to 50.2 to return to growth. While new financial support packages rolled out by Beijing signaled policymakers' commitment to recovery, markets continue to cautiously monitor the ultimate impact of these measures on the macroeconomic outlook.

DOMESTIC

The İSO Manufacturing PMI fell from 48.1 to 47.9 in September, remaining below the 50.0 threshold and signaling an ongoing contraction in operating conditions. As geopolitical uncertainties and subdued global demand deepened the decline in new orders, manufacturers' production volumes contracted for the fourth consecutive month. Across the ten monitored sectors, production slowed in nine, with the food products sector standing out as the sole positive exception by expanding output and new orders for the first time in seven months.

The Economic Confidence Index rose by 0.7 percent month-on-month in September, climbing from 100.6 to 101.3. Looking at the sub-indices, consumer confidence increased by 1.3 percent to 91.9 and retail trade confidence gained 1.1 percent to 111.3, providing the strongest support to the overall recovery. While real sector confidence edged up by 0.1 percent to 102.5 and services sentiment held steady at 111.9, construction confidence dropped by 0.2 percent to 83.0 as the only sector to diverge negatively.

The seasonally adjusted unemployment rate dropped by 0.3 percentage points month-on-month to 7.8 percent in August. The number of employed people rose by 136 thousand to 32 million 507 thousand, lifting the employment rate to 48.4 percent, while the labor force participation rate remained flat at 52.5 percent. Youth unemployment in the 15-24 age group decreased by 1.1 percentage points to 13.0 percent, whereas the composite measure of labor underutilization rose by 0.4 percentage points to 31.0 percent.

Under the general trade system, exports increased by 8.1 percent year-on-year to 23 billion 467 million dollars in August, while imports rose by 10.5 percent to 28 billion 706 million dollars. Outpaced by faster import growth, the foreign trade deficit widened by 22.3 percent to 5 billion 239 million dollars, dragging the export-to-import coverage ratio down to 81.7 percent. Excluding energy and non-monetary gold, exports grew by 2.7 percent and imports by 9.6 percent, while Germany remained the top export destination with 1 billion 760 million dollars and China led imports with 4 billion 706 million dollars.

The Services Producer Price Index (S-PPI) rose by 2.87 percent month-on-month and 33.29 percent year-on-year in August. Transportation and storage services spearheaded the price increases with an annual surge of 40.07 percent and a monthly rise of 3.99 percent, while real estate services recorded the lowest annual gain at 21.71 percent. Among sub-sectors, passenger air transport posted the steepest monthly increase at 13.19 percent, whereas programming and broadcasting services saw the sharpest decline, falling by 3.93 percent.

WEEKLY STATUS

	25.09.2026	02.10.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	15.179	14.352	-5,4%	15,8%	31,9%	23,2%	32,6%
XU100*	12.899	12.270	-4,9%	9,0%	14,6%	31,6%	35,6%
USDTRY	48,9	49,1	0,4%	14,4%	21,4%	20,1%	57,5%
DXY*	101,0	101,9	1,0%	3,7%	-9,4%	7,1%	-2,1%
US-10Y*	5,2	5,3	2,1%	27,1%	-9,3%	18,0%	0,0%
TR-10Y*	32,8	32,8	0,2%	20,9%	-5,6%	7,6%	169,4%
TR-2Y*	36,6	37,0	1,0%	7,8%	-15,4%	2,2%	298,0%
CDS (5Y)	245,2	252,1	2,8%	23,1%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.287,3	4.143,0	-3,4%	-4,0%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.740,0	6.539,2	-3,0%	9,9%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	101,2	95,3	-5,8%	-2,7%	198,3%	45,3%	57,1%

***XK050**: BIST Participation 50 Index

***Bist100**: BIST 100 Index

***DXY**: Dollar Index

***US-10Y**: US 10-Year Treasury Yield

***TR-10Y**: TR 10-Year Treasury Yield

***TR-2Y**: TR 2-Year Treasury Yield

**KUVEYTTÜRK****PRIVATE BANKING****WEEKLY ECONOMIC BULLETIN****LEADING INDICATORS**

	Indicator	Period	Data	Previous Data	Benchmark Value
New	Industrial Production	July	-0,3%	-1,4%	
	Manufacturing PMI	August	47,9	48,1	50
	Capacity Utilization Rate (seasonally adj.)	September	74,1%	73,5%	
New	Import - (capital goods) (annually)	August	-0,8%	-11,5%	
New	Service sector confidence (seasonally adj.)	August	14,5%	11,8%	
New	Import - (consumption goods) (annually)	August	4,1%	-1,3%	
New	Credit Growth Weekly	September (Week 4)	0,6%	-0,1%	
	Consumer Confidence Index	September	91,9	90,8	100
	Real sector confidence (seasonally adj.)	September	102,5	102,4	100
	Service sector confidence (seasonally adj.)	September	111,9	111,9	100
	Retail sector confidence (seasonally adj.)	September	111,3	110,1	100
	Construction sector confidence (seasonally adj.)	September	83,0	83,1	100
New	Car Sales (annually)	September	-24,3%	-20,3%	
	House sales - total (annually)	August	-6,8%	-17,0%	
	House sales - mortgage (annually)	August	27,6%	23,7%	
	CPI	August	31,5%	31,8%	
	CPI expectations (year-end)	September	29,6%	29,4%	
	Current Year Growth Expectations	September	3,0%	3,1%	
	Retail Sales Volume (annually)	July	10,4%	11,8%	
	Current Account Balance (billion USD)	July	-5,6	-4,2	
New	Unemployment Rate (seasonally adj.)	August	7,8%	8,1%	
New	Dollarization	September (Week 4)	1,3 Billion (+)	3,0 Billion (+)	

Indicates Decrease

Indicates Stability

Indicates Increase

It has been prepared by Kuveyt Türk Asset Management by taking data from reliable sources.

ECONOMIC CALENDAR

Tarih	Ülke	Açıklanacak Veri
05.10.2026	Turkey	CPI
05.10.2026	Turkey	Domestic PPI
05.10.2026	USA	Services & Composite PMI
05.10.2026	Germany	Services PMI
05.10.2026	Euro Zone	Services & Composite PMI
05.10.2026	Japan	Services PMI
06.10.2026	Euro Zone	Retail Sales
06.10.2026	USA	Trade Balance
06.10.2026	USA	Preliminary Atlanta Fed GDPNOW (3rd quarter)
07.10.2026	Germany	Industrial Production
07.10.2026	USA	FOMC Meeting Minutes
08.10.2026	Germany	Trade Balance
09.10.2026	Turkey	Industrial Production Index
09.10.2026	Turkey	Construction Cost Index

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and **are not within the scope of investment advisory services**. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results that align with your expectations.

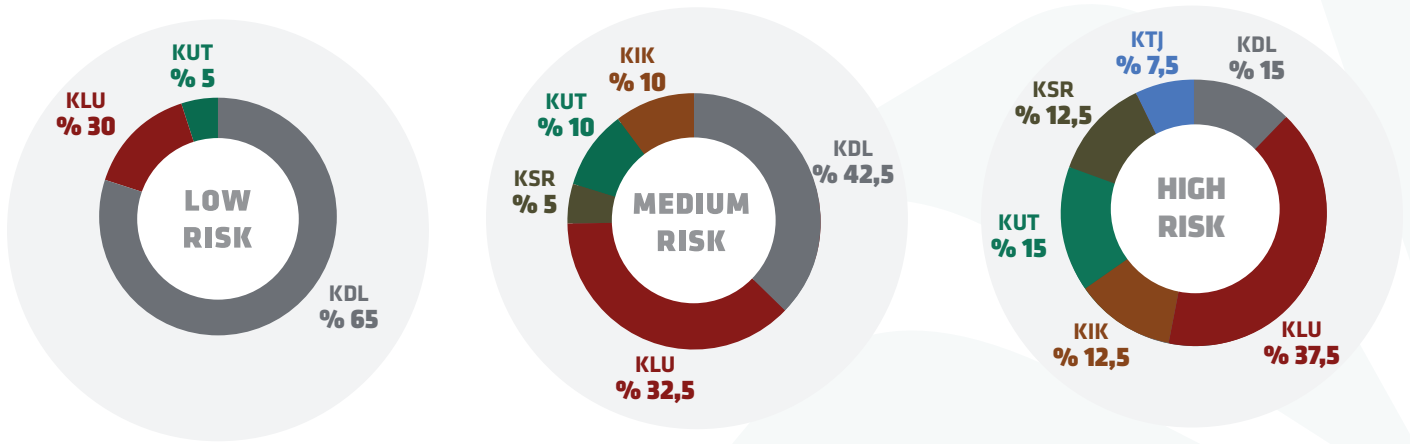
Our Fund Allocation Recommendations

We make our fund recommendations based on our investors' base currencies. The base currency is the currency in which investors track their savings. An investor who tracks USD as their base currency prefers their investments to grow in U.S. dollars rather than in Turkish Lira. Conversely, an investor who looks at their investments in TL aims for an increase in their savings in Turkish Lira.

Below are our General Investment Recommendations based on base currencies.

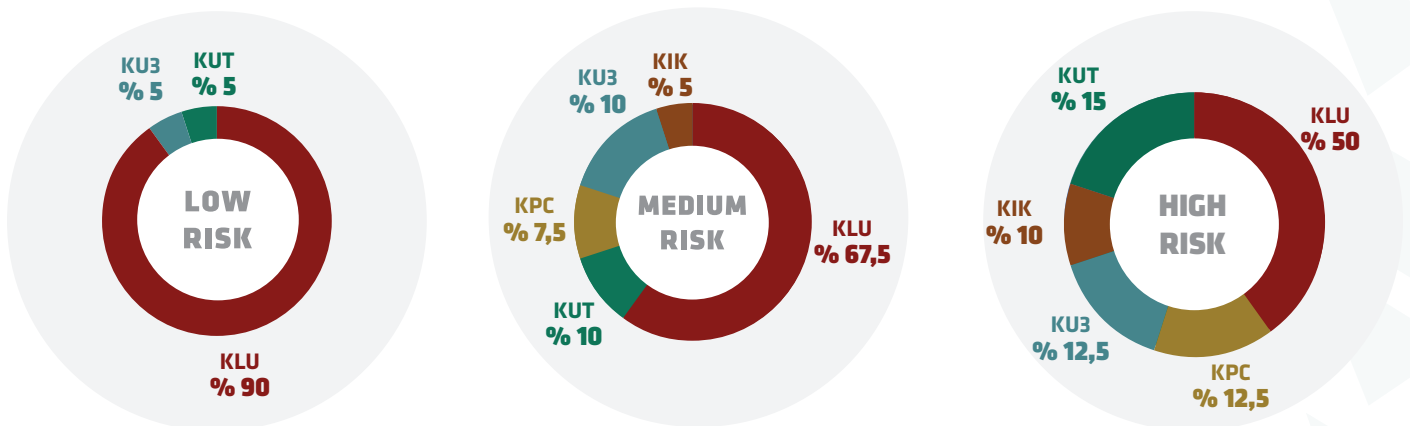
General Investment Recommendations for Those with USD as Their Base Currency

Figure 1. Fund Allocation Recommendations (For Those with USD as Their Base Currency)



General Investment Recommendations for Those with Turkish Lira as Their Base Currency

Figure 2. Fund Allocation Recommendations (For Those with Turkish Lira as Their Base Currency)



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Information Regarding Funds:

KLU Fund: Kuveyt Türk Asset Management Money Market Participation Fund

KUT Fund: Kuveyt Türk Asset Management Precious Metals Participation Fund

KPC Fund: Kuveyt Türk Asset Management Equity Participation Fund

KDL Fund: Kuveyt Türk Asset Management Fifth Participation Hedge (Currency) Fund

KSR* Fund: Kuveyt Türk Asset Management Sustainability Participation Fund

KNJ* Fund: Kuveyt Türk Asset Management Energy Participation Fund

KTJ* Fund: Kuveyt Türk Asset Management Technology Participation Fund

** These funds may hold up to 80% foreign equities.*

KU3 Fund:** Kuveyt Türk Asset Management Third Participation Fund

*** These funds may hold up to 80% foreign equities.*

Explanations of Risk Levels:

Relatively Low Risk: Refers to investors who are not keen on experiencing losses to their principal and have limited knowledge and experience regarding investment products.

Medium Risk: Refers to investors who are willing to accept some level of loss to their principal and have some knowledge and experience regarding investment products.

High Risk: Refers to investors who are willing to take on high risk for the potential of high returns, accepting the possibility of significant losses to their principal and possessing substantial knowledge and experience regarding investment products.

Disclaimer Notification:

Warning Note Published in Accordance with the Capital Markets Board's "Regulation on Principles Related to Investment Services and Activities and Ancillary Services":

The information, comments, and recommendations regarding **the investment products presented here do not constitute investment advisory services**. Investment advisory services are provided by authorized institutions tailored to individuals based on their risk and return preferences. The comments and recommendations offered here are general and may not be appropriate for your specific financial situation or risk-return profile. Therefore, making investment decisions solely based on this information may not yield results that meet your expectations. By confirming your understanding and acceptance of this information, you may proceed with your transactions.

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