



**APRIL 6, 2026**

KUVEYT TÜRK ASSET MANAGEMENT  
**PRIVATE BANKING**  
WEEKLY ECONOMIC BULLETIN



**KUVEYTTÜRK**



**PRIVATE BANKING**

## GEOPOLITICAL RISKS REMAIN ELEVATED



Geopolitical uncertainty has remained high as of April. In a national address, U.S. President Donald Trump stated that very strong attacks could be carried out within the next two to three weeks. Following these remarks, the expected easing in global markets did not materialize. Developments over the weekend, including the downing of a U.S. military aircraft, further increased geopolitical risks. As the new week begins, Trump appears to have issued an ultimatum to Iran to reopen the Strait of Hormuz within a certain timeframe. Otherwise, the risk of attacks on energy infrastructure could increase. In this context, unless concrete steps are taken toward a peace process, expectations for a meaningful recovery in global risk appetite remain weak.

Domestically, March inflation came in below expectations at 1.94 percent month-on-month, supported by a slowdown in food price increases. However, the renewed acceleration in food prices toward the end of the month and the lagged impact of higher fuel prices keep upside risks to April inflation alive. At the same time, rising cost pressures and heightened uncertainty point to weakening conditions in the manufacturing sector. The PMI index, which reached a 22-month high of 49.3 in February, declined to 47.9 in March, marking the lowest level in the past five months. Alongside the slowdown in new orders, firms appear to be adopting a cautious stance in production, employment, and purchasing activities. Increased global uncertainty, weakness in leading indicators, and the postponement of rate cut expectations may keep domestic risk appetite limited.

## GLOBAL

**US President Donald Trump issued a new threat to Tehran in the war with Iran, which has been ongoing for more than a month, demanding either a deal or the reopening of the Strait of Hormuz.** In a post on his social media account, Trump reminded Iran that he had given it ten days, saying, “Time is running out, they have 48 hours left before they experience hell.” Hours earlier, he stated that the downing of US warplanes by Iran would not affect possible negotiations, describing the current situation directly as a war. Trump also characterized the attacks on Iran as an intense and precise military operation and said he was not pleased with how the events were reflected in the news.

**In the US, nonfarm payrolls increased by 178 thousand in March, well above the market expectation of 65 thousand, pointing to a strong recovery in the labor market.** During the same period, the unemployment rate fell to 4.3 percent, while average hourly earnings rose by 0.2 percent month-on-month and 3.5 percent year-on-year, indicating limited wage pressures. An assessment of the data showed that the US economy remained resilient on the employment front in the first month since the war with Iran began. The strong labor market outlook also supported expectations that the Fed may act more cautiously regarding rate cuts.

**In the Euro Area, annual inflation rose by 0.6 percentage points to 2.5 percent in March, although it came in slightly below market expectations of 2.6 percent.** During the same period, core inflation excluding food and energy eased to 2.3 percent and the decline in services inflation pointed to a limited moderation in price pressures. However, as the war in the Middle East drags on, rising oil and natural gas prices are once again worsening the inflation outlook, while growth forecasts are being revised downward and companies are preparing for weaker demand. This picture is causing the ECB to adopt a much more cautious stance on rate cuts in the coming quarters, with some members even beginning to mention the possibility of rate hikes again.

**In the Euro Area, manufacturing PMI rose by 0.8 points from the previous month to 51.6 in March, reaching the highest level in the last 45 months and coming in above the market expectation of 51.4.** The data pointed to accelerating growth in the region’s manufacturing sector, supported by increases in production and new orders. While the PMI remaining above the 50 threshold signaled that the recovery in the sector is continuing, the fastest increase in input prices since October 2022 showed that cost pressures are strengthening again. This outlook sent a positive signal on growth, while also keeping alive the possibility of a cautious stance by the European Central Bank on the inflation front.

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.

**In Germany, annual inflation rose from 2.0 percent to 2.8 percent in March, in line with expectations, marking the highest level in more than a year.** Monthly inflation also increased by 1.2 percent, while the rise in oil and natural gas prices driven by the Iran war was seen to be pushing up price pressures across Europe once again. In Spain, inflation rose to 3.3 percent. Rising energy costs and worsening inflation expectations are causing the ECB to remain more cautious on rate cuts and are even leading markets to reprice the possibility of rate hikes.



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## DOMESTIC

**In March, consumer prices increased by 1.94 percent month-on-month and 30.87 percent year-on-year, coming in below market expectations.** During the same period, annual core inflation rose to 29.68 percent, while the strongest monthly price increase was seen in transportation at 4.52 percent; food prices rose by 1.8 percent. Looking at the subcomponents on an annual basis, food and non-alcoholic beverages rose by 32.36 percent, transportation by 34.35 percent, and housing and energy by 42.06 percent, making the largest contributions to inflation. In addition, the monthly increase in producer prices slowed to 2.3 percent, while annual PPI was recorded at 28.08 percent.

**The economic confidence index declined by 2.8 percent month-on-month in March, falling from 100.7 to 97.9 and indicating that the cautious tone regarding the overall economic outlook continued.** During the same period, the consumer confidence index fell by 0.8 percent to 85, while the real sector confidence index declined by 3.9 percent to 100. The services sector confidence index fell by 0.5 percent to 113.2, and the retail trade confidence index dropped by 2.0 percent to 113.6. In addition, the construction sector confidence index fell by 3.9 percent to 80.6, making it one of the weakest-performing sectors.

**In February, Türkiye's exports increased by 1.5 percent year-on-year to 21 billion dollar, while imports rose by 5.5 percent to 30.1 billion dollar.** Against this backdrop, the foreign trade deficit widened by 15.9 percent from a year earlier to 9 billion dollar, while the export-to-import coverage ratio declined from 72.7 percent to 70 percent. In the January-February period, the foreign trade deficit rose by 13.8 percent to 17.4 billion dollar, while exports fell by 1.3 percent and imports increased by 2.8 percent over the same period. In addition, the energy- and gold-excluding foreign trade deficit standing at 3 billion dollar indicated that weakness in the core external balance persisted.

**In February, the number of unemployed people increased by 133 thousand from the previous month to 2 million 981 thousand, while the unemployment rate rose by 0.3 percentage points to 8.5 percent.** During the same period, employment increased by 153 thousand to 32 million 158 thousand, while the employment rate rose by 0.2 points to 48.2 percent. The labor force participation rate increased by 0.3 points to 52.6 percent, with the total labor force recorded at 35 million 139 thousand. In addition, the youth unemployment rate rose by 1.4 points to 15.8 percent, indicating that fragility in the labor market continues, particularly among young people.

**Manufacturing PMI fell from 49.3 to 47.9 in March, reaching its lowest level in the last five months and signaling that the contraction in the manufacturing sector became more pronounced again.** During the same period, weakness in new orders and export orders, combined with the uncertainty created by the war in the Middle East and rising price pressures, brought about the sharpest drop in production since November 2025. Rising freight, fuel, oil, and raw material costs led to one of the fastest increases in both input and final product prices in the last two years, while supplier delivery times also deteriorated noticeably. As demand weakened, firms reduced employment, purchasing activity, and inventories, indicating that a cautious outlook for the sector continues in the short term.

## WEEKLY STATUS

	27.03.2026	03.04.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	14.768	15.154	2,6%	22,2%	31,9%	23,2%	32,6%
XU100*	12.698	12.936	1,9%	14,9%	14,6%	31,6%	35,6%
USDTRY	44,4	44,6	0,4%	3,8%	21,4%	20,1%	57,5%
DXY*	100,2	100,0	-0,1%	1,7%	-9,4%	7,1%	-2,1%
US-10Y*	4,4	4,3	-2,1%	4,6%	-9,3%	18,0%	0,0%
TR-10Y*	31,7	30,5	-3,8%	12,1%	-5,6%	7,6%	169,4%
TR-2Y*	38,9	37,8	-2,6%	10,3%	-15,4%	2,2%	298,0%
CDS (5Y)	290,9	279,6	-3,9%	36,5%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.493,0	4.676,4	4,1%	8,4%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.420,7	6.683,8	4,1%	12,3%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	99,7	104,3	4,7%	6,4%	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



## LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	January	-1,8%	-2,1%	
New	Manufacturing PMI	March	47,9	49,3	50
	Capacity Utilization Rate (seasonally adj.)	March	74,0%	74,0%	
New	Import - (capital goods) (annually)	February	15,8%	9,7%	
New	Service sector confidence (seasonally adj.)	February	4,7%	-1,0%	
New	Import - (consumption goods) (annually)	February	-2,2%	-5,7%	
New	Credit Growth Weekly	April (Week 1)	0,9%	-0,1%	
	Consumer Confidence Index	March	85,0	85,7	100
	Real sector confidence (seasonally adj.)	March	100,0	104,1	100
	Service sector confidence (seasonally adj.)	March	113,2	113,8	100
	Retail sector confidence (seasonally adj.)	March	113,6	115,9	100
	Construction sector confidence (seasonally adj.)	March	80,6	83,9	100
New	Car Sales (annually)	January	12,7%	2,5%	
	House sales - total (annually)	February	30,3%	-4,7%	
	House sales - mortgage (annually)	February	42,3%	15,7%	
New	CPI	March	30,9%	31,5%	
	CPI expectations (year-end)	March	25,4%	24,1%	
	Current Year Growth Expectations	March	3,8%	3,9%	
	Retail Sales Volume (annually)	January	18,8%	16,3%	
	Current Account Balance (billion USD)	January	-6,8	-7,3	
New	Unemployment Rate (seasonally adj.)	February	8,5%	8,1%	
New	Dollarization	April (Week 1)	2,2 Billion (+)	0,8 Billion (+)	

Indicates Decrease

Indicates Stability

Indicates Increase

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

## ECONOMIC CALENDAR

Date	Country	Data to be Announced
06.04.2026	US	Non-Manufacturing Prices
06.04.2026	US	Conference Board Employment Trend Index
07.04.2026	Japan	Household Spending
07.04.2026	China	FX Reserves
07.04.2026	Euro Zone	Investor Confidence
07.04.2026	US	Preliminary Durable Goods Orders
07.04.2026	Turkey	Treasury Cash Balance
08.04.2026	Germany	Factory Orders
08.04.2026	Euro Zone	Retail Sales
09.04.2026	Germany	Industrial Production
09.04.2026	US	Core PCE Price Index
09.04.2026	US	GDP (Q4)
10.04.2026	China	CPI
10.04.2026	Turkey	Industrial Production
10.04.2026	Germany	CPI
10.04.2026	US	CPI

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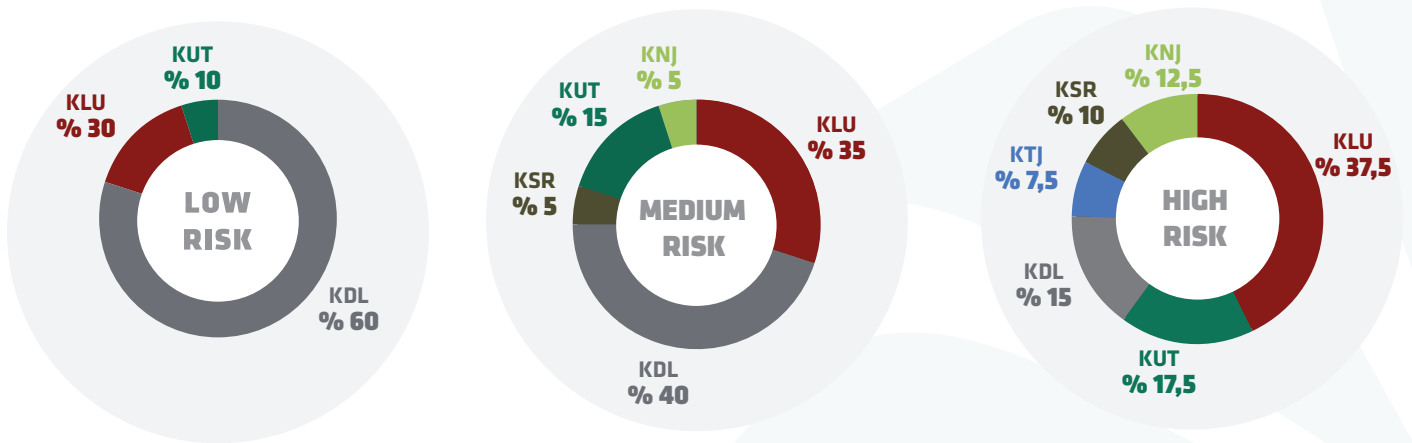
## Our Fund Allocation Recommendations

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.

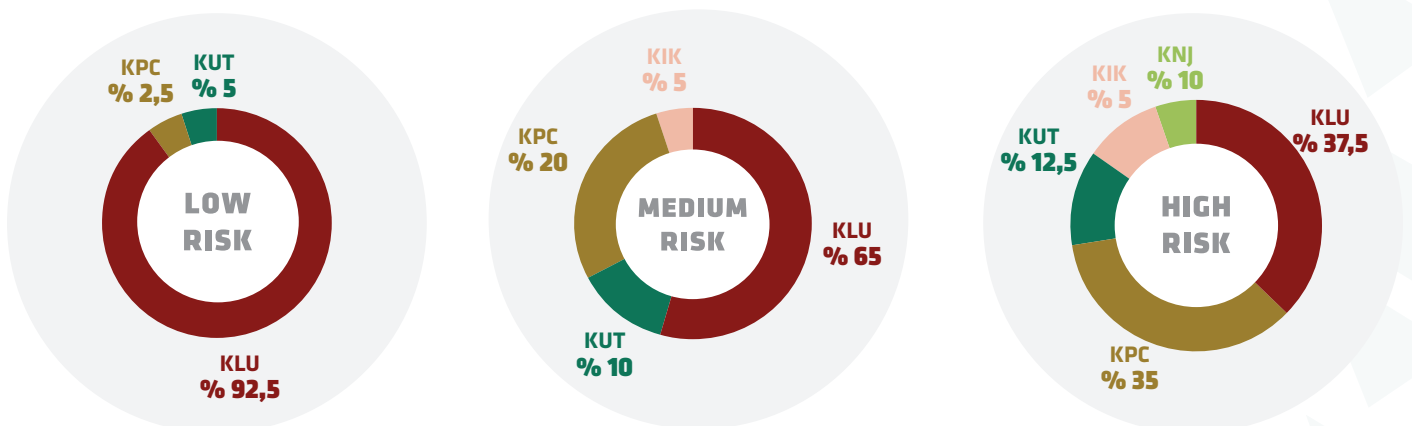
### General Investment Recommendations for Those with USD as Their Base Currency

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.*

## 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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