7 SEPTEMBER, 2026

KUVEYT TÜRK ASSET MANAGEMENT

PRIVATE BANKING

WEEKLY ECONOMIC BULLETIN

KuveytTürk | PRIVATE BANKING

MEDIUM TERM PROGRAM ANNOUNCED

The Medium-Term Program covering the 2027–2029 period has been announced. The 2026 growth forecast was revised down from 3.8 percent to 3.3 percent, while the 2027 forecast was lowered from 4.3 percent to 4.2 percent. The year-end inflation forecast for 2026 was raised to 28.4 percent. For 2026, the current account deficit-to-GDP ratio was revised up from 1.3 percent to 2.6 percent, while the foreign trade deficit forecast was increased from USD 96 billion to USD 105 billion, partly due to higher energy prices. Despite these revisions, the program's overall policy framework remains unchanged. Going forward, the program aims to maintain the disinflation process while gradually accelerating economic growth from 2027 onward.

In domestic equity markets, the impact of portfolio adjustments following recent changes to the investment fund guidelines is being closely monitored. Macroeconomic indicators also point to a loss of momentum in economic activity. The July–August average manufacturing capacity utilization rate remained below its second-quarter level, while PMI data indicate that weakness in new orders and production, particularly in exports, has also spread to employment and purchasing activity. We believe that this broad-based slowdown could weigh on companies' operating performance and therefore maintain our cautious stance on domestic equities.

GLOBAL

In the US, nonfarm payrolls increased by 162 thousand in August, significantly exceeding the market expectation of 55 thousand, while the unemployment rate remained unchanged at 4.1 percent, in line with expectations. Employment figures for the previous two months were revised upward by a net 55 thousand, while the labor force participation rate increased by 0.2 percentage points to 61.6 percent. Average hourly earnings, closely monitored by the Fed, rose by 0.3 percent month on month and 3.1 percent year on year, marking the slowest annual increase since May 2021.

The US Manufacturing PMI declined by 1.0 point in August to 54.6, coming in below the market expectation of 55.2 and signaling a slowdown in sector growth. Among the sub-indices, new orders fell to 53.7, production to 58.3, and employment to 51.2; while 15 sectors remained in expansion, wood products and chemicals contracted. Meanwhile, S&P Global's final Manufacturing PMI was revised upward from the flash estimate of 53.2 to 53.9, remaining unchanged from its July level.

Annual inflation in the Euro Area accelerated from 2.9 percent to 3.3 percent in August, driven by rising energy costs and moving clearly above the ECB's target. Energy prices increased by 14.3 percent year on year, pushing headline inflation higher, while core inflation eased to 2.4 percent and services inflation declined to 3.0 percent. At the country level, Spain stood out with inflation of 4.5 percent and Italy with 3.2 percent, while the data strengthened expectations that the ECB could raise interest rates by 25 basis points at its September 10 meeting.

The Euro Area final Composite PMI remained unchanged at 52.0 in August, slightly below the market expectation of 52.1, and continued to signal expansion in economic activity. The Services PMI declined from 51.7 to 51.6, reaching its lowest level in two months. Economic activity across the region maintained the strongest pace recorded in the past eight months, while private-sector export orders increased for the first time in nearly four years.

China's Manufacturing PMI increased by 0.6 points in August to 49.8, but remained below the 50 threshold and continued to signal contraction. New orders rose to 50.6 and export orders to 50.1, returning to expansion territory, although analysts noted that persistent weakness in domestic demand continued to weigh on the overall sector. The Non-Manufacturing PMI, covering services and construction, remained unchanged at 49.0 in August, also staying in contraction territory.

DOMESTIC

Türkiye's Consumer Price Index increased by 1.84 percent month on month in August, while annual inflation came in at 31.51 percent. Among the major expenditure groups with the largest weights, housing rose by 39.77 percent year on year, transportation by 35.08 percent, and food by 33.79 percent, making the strongest contributions to headline inflation. On a monthly basis, transportation increased by 4.82 percent and housing by 2.26 percent, while food price inflation remained limited at 0.22 percent; prices increased in 134 of the 174 subcategories tracked in the index.

The Istanbul Chamber of Industry Türkiye Manufacturing PMI rose from 47.7 to 48.1 in August, reaching its highest level in three months but remaining below the 50 threshold and signaling continued contraction in the sector. Geopolitical uncertainties weighed on demand, prompting firms to reduce production volumes for a third consecutive month, while weaker workloads led to declines in employment, purchasing activity, and inventories. Higher oil and raw material prices pushed input cost inflation to a three-month high, while orders slowed across all monitored sectors and non-metallic mineral products was the only sector to record an increase in output.

Türkiye's Domestic Producer Price Index increased by 2.57 percent month on month in August, while annual producer inflation stood at 27.95 percent. Among the four main industrial sectors, electricity and gas distribution increased by 6.03 percent monthly and manufacturing by 2.35 percent, while among the main industrial groups the strongest monthly increases were recorded in energy at 6.99 percent and durable consumer goods at 2.84 percent. On an annual basis, mining rose by 38.88 percent and manufacturing by 29.68 percent, while coke and refined petroleum products posted the strongest monthly increase among sub-sectors at 16.51 percent.

Türkiye's economy expanded by 2.3 percent year on year in the second quarter of 2026, while seasonally and calendar-adjusted GDP increased by 1.1 percent from the previous quarter. On the expenditure side, household consumption rose by 3.5 percent annually and investment by 0.6 percent, while government consumption declined by 1.8 percent, exports by 3.4 percent, and imports by 6.4 percent. By sector, agriculture expanded by 13.3 percent and industry by 2.4 percent, while construction contracted by 1.9 percent; quarterly GDP at current prices amounted to 438 billion 300 million dollar.

The seasonally adjusted unemployment rate increased by 0.5 percentage points in July to 8.1 percent, while the employment rate declined by 0.6 percentage points to 48.3 percent. During the same period, the youth unemployment rate increased by 1.5 percentage points to 14.5 percent, while the broad labor underutilization rate rose by 1.8 percentage points to 30.6 percent. The number of employed people declined by 388 thousand month on month to 32 million 362 thousand, while the labor force participation rate fell to 52.5 percent and average weekly actual working hours declined to 42.0 hours.

WEEKLY STATUS

	28.08.2026	04.09.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	19.253	17.420	-9,5%	40,5%	31,9%	23,2%	32,6%
XU100*	14.642	14.012	-4,3%	24,4%	14,6%	31,6%	35,6%
USDTRY	48,2	48,4	0,4%	12,7%	21,4%	20,1%	57,5%
DXY*	99,7	99,2	-0,5%	0,9%	-9,4%	7,1%	-2,1%
US-10Y*	4,7	4,8	1,3%	15,2%	-9,3%	18,0%	0,0%
TR-10Y*	31,8	31,8	-0,2%	17,0%	-5,6%	7,6%	169,4%
TR-2Y*	36,7	36,3	-1,3%	5,7%	-15,4%	2,2%	298,0%
CDS (5Y)	217,4	218,7	0,6%	6,8%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.455,2	4.430,3	-0,6%	2,7%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.909,3	6.897,9	-0,2%	15,9%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	102,9	103,1	0,1%	5,1%	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

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LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	June	-1,4%	-0,1%	
New	Manufacturing PMI	August	48,1	47,7	50
	Capacity Utilization Rate (seasonally adj.)	August	73,5%	73,8%	
	Import - (capital goods) (annually)	July	-11,5%	19,6%	
	Service sector confidence (seasonally adj.)	July	11,8%	30,0%	
	Import - (consumption goods) (annually)	July	-1,3%	-1,2%	
New	Credit Growth Weekly	September (Week 1)	1,1%	0,2%	
	Consumer Confidence Index	August	90,8	89,8	100
	Real sector confidence (seasonally adj.)	August	102,4	101,2	100
	Service sector confidence (seasonally adj.)	August	111,9	112,0	100
	Retail sector confidence (seasonally adj.)	August	110,1	110	100
	Construction sector confidence (seasonally adj.)	August	83,1	83,5	100
	Car Sales (annually)	July	-25,8%	-11,4%	
	House sales - total (annually)	July	-17,0%	15,8%	
	House sales - mortgage (annually)	July	23,7%	72,1%	
New	CPI	August	31,5%	31,8%	
	CPI expectations (year-end)	August	29,4%	29,2%	
	Current Year Growth Expectations	August	3,1%	3,1%	
	Retail Sales Volume (annually)	June	11,8%	13,7%	
	Current Account Balance (billion USD)	June	-4,2	-1,5	
New	Unemployment Rate (seasonally adj.)	July	8,1%	7,6%	
New	Dollarization	September (Week 1)	1,1 Billion (+)	0,3 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
07.09.2026	Euro Zone	GDP
07.09.2026	Germany	Industrial Production
08.09.2026	Germany	Trade Balance
08.09.2026	Japan	GDP
08.09.2026	China	Trade Balance
09.09.2026	Turkey	Construction Cost Index
09.09.2026	China	CPI
10.09.2026	Turkey	Interest Rate Decision
10.09.2026	Turkey	Industrial Production Index
10.09.2026	US	PPI
10.09.2026	US	Home Sales
10.09.2026	Euro Zone	Interest Rate Decision
10.09.2026	Germany	CPI
11.09.2026	Turkey	Trade Sales Volume Index
11.09.2026	US	CPI
11.09.2026	US	Federal Budget Balance

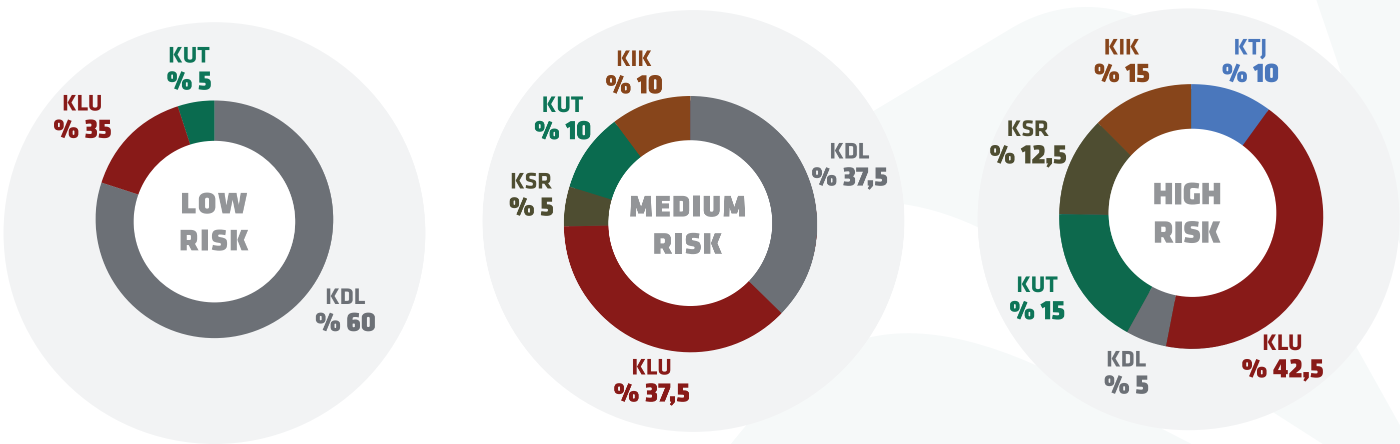
Our Fund Allocation Recommendations

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.

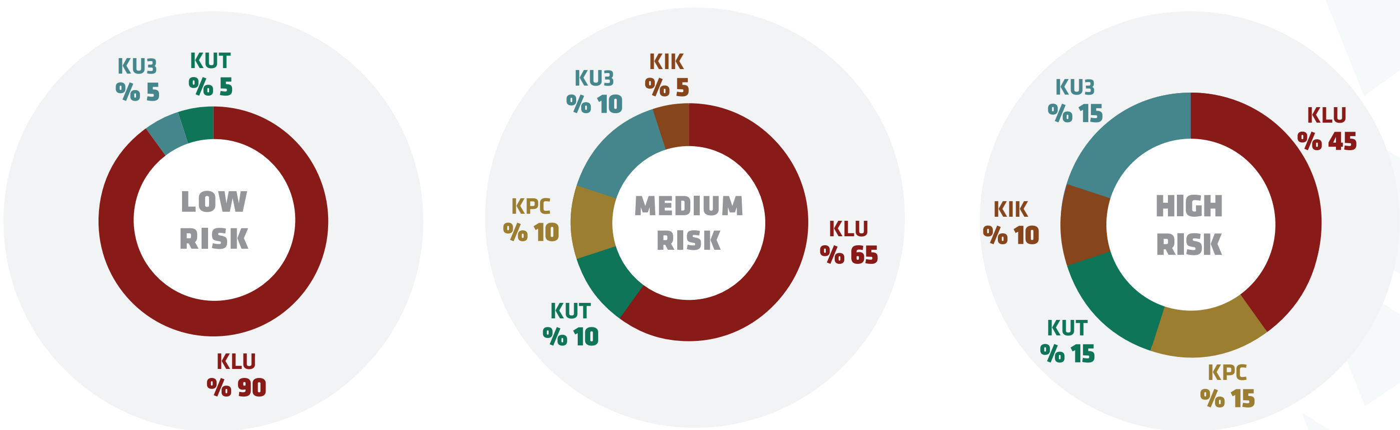
General Investment Recommendations for Those with USD as Their Base Currency

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)



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:

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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.