



JUNE 8, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK |  **PRIVATE BANKING**

GLOBAL RISKS AND CENTRAL BANKS' CAUTIOUS STANCE



Global risk appetite weakened last week. Both economic data and geopolitical developments contributed to this trend. In the United States, despite strong financial results from Broadcom, the company's failure to raise its long-term artificial intelligence revenue outlook as much as markets had expected triggered profit-taking in semiconductor stocks. In addition, stronger-than-expected nonfarm payroll data led markets to push back expectations for Fed rate cuts. Market pricing has increasingly shifted away from rate cuts and toward the possibility of a rate hike by year-end. On the geopolitical front, renewed tensions between Israel and Iran weighed on risk appetite, while Brent crude oil prices climbed above USD 95.

Domestically, consumer inflation rose by 1.71 percent month-on-month in May, slightly above market expectations, while annual inflation increased to 32.61 percent. Higher clothing prices driven by seasonal factors were the main reason for the deviation from expectations. The CBRT continues to emphasize that additional tightening measures could be implemented if there is a persistent deterioration in the inflation outlook. Following these developments, expectations for near-term rate cuts have largely disappeared. Market pricing increasingly reflects expectations that the CBRT will maintain its tight monetary policy stance for a longer period and may implement further tightening measures if necessary.

GLOBAL

In the US, nonfarm payrolls rose by 172 thousand in May, above the market expectation of 88 thousand, pointing to continued resilience in the labor market. With the April payroll figure revised up from 115 thousand to 179 thousand, the total upward revision for the two months reached 93 thousand. Average hourly earnings increased by 0.3 percent on a monthly basis and 3.4 percent on an annual basis, showing that wage growth remained in line with expectations. The fact that the unemployment rate stayed unchanged at 4.3 percent in May indicated that a balanced labor market picture was maintained despite the increase in employment.

The Fed's Beige Book report showed that economic activity in the US increased at a slight to moderate pace in recent weeks, while there was no significant change in the employment outlook. The report emphasized that inflation ran higher in most Fed districts compared with the previous period, with the impact of the war in the Middle East on energy prices being the main driver of this trend. It noted that rising energy costs created broader price pressures through transportation, packaging, food, and fertilizer, making this one of the main factors supporting stickiness in inflation. This picture kept alive expectations that the Fed will leave rates unchanged at its June 16-17 meeting, while also keeping the possibility of a prolonged tight stance on the agenda.

In the US, the ISM services index rose to 54.5 in May, reaching its highest level in the last three months and indicating that demand in the services sector remained strong. The rise in new orders and business activity showed that growth continued across many service areas, including wholesale trade, entertainment, recreation, and construction. On the other hand, the prices paid index climbed to 71.3, its highest level since August 2022, revealing that energy and transportation costs driven by the Iran war increased inflationary pressures. The stock index reaching a record high also indicated that companies were acting more cautiously against supply chain disruptions.

In the Euro Area, annual inflation rose to 3.2 percent in May from 3.0 percent in April, in line with market expectations. The rise in core inflation to 2.5 percent and services inflation to 3.5 percent showed that price pressures had spread beyond energy-related items. While inflation accelerated in France, Italy, and Spain along with rising energy costs, the decline in headline inflation in Germany to 2.7 percent highlighted divergence within the region. This picture strengthened the possibility that the ECB could raise rates at its June 11 meeting despite weak growth.

In the Euro Area, retail sales fell by 0.4 percent month on month in April, coming in weaker than the expected 0.3 percent decline, while increasing by 1.0 percent on an annual basis. Across the EU, retail sales fell by 0.5 percent month on month and rose by 0.9 percent year on year. On a monthly basis, sharp declines in Denmark, Romania, Belgium, and Slovakia stood out, while Lithuania, Bulgaria, and Luxembourg posted the strongest annual gains. The data showed that consumption in the Euro Area maintained moderate annual growth, but lost momentum on a monthly basis.

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.

DOMESTIC

In May, consumer prices rose by 1.71 percent month on month, slowing compared with the sharp increase seen in April, while annual inflation continued its upward trend and reached 32.61 percent. Annual core inflation rose to 30.44 percent, while five-month inflation stood at 16.61 percent and the increase based on 12-month averages was recorded at 32.24 percent. On an annual basis, food, transportation, and housing made the largest contributions, while on a monthly basis the sharpest increase was seen in clothing and footwear at 11.29 percent. While monthly producer price inflation slowed to 2.75 percent, annual PPI rose to 28.93 percent, indicating that cost pressures remained in place.

The Turkish economy grew by 2.5 percent year on year and 0.1 percent quarter on quarter in the first quarter of 2026, delivering a weaker performance than market expectations. Household consumption made the largest contribution to growth with 3.4 percentage points, while investment and public consumption also provided positive support; by contrast, net exports reduced growth by 2.5 points. Although exports of goods and services increased by 12.7 percent and imports fell by 2.0 percent in the first quarter, it was notable that external demand still made a negative contribution to growth. On the sectoral side, industry contracted by 0.8 percent, while growth in information and communication, agriculture, construction, and services pointed to limited but balanced expansion in the economy.

In April, the number of unemployed declined by 5 thousand from the previous month to 2 million 868 thousand, while the unemployment rate rose by 0.1 points to 8.2 percent. During the same period, employment fell by 356 thousand to 32 million 166 thousand, and the employment rate declined by 0.6 points to 48.1 percent. The labor force participation rate fell to 52.4 percent, while the youth unemployment rate dropped by 0.8 points to 14.5 percent. The decline in the broad labor underutilization rate by 1.2 points to 30.1 percent pointed to limited improvement in broader labor market indicators.

The ISO Türkiye Manufacturing PMI rose from 45.7 to 49.8 in May, reaching its highest level since March 2024 and signaling a marked slowdown in the pace of contraction. Production returned to growth, and new export orders expanded after 20 months of decline. However, weakness in total new orders continued due to uncertainty, price increases, and the war in the Middle East. While input costs remained high and delivery times continued to lengthen, firms' efforts to build precautionary stocks supported purchasing activity. The data suggested that although exports signaled a recovery, the overall outlook remained cautious due to cost and supply pressures.

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According to the 2025 household consumption expenditure data, housing and rent accounted for the largest share of total spending at 29.3 percent, followed by transportation at 20.5 percent and food and non-alcoholic beverages at 17.3 percent. Significant differences were observed across income groups, with households in the lowest income group allocating 38.7 percent of their spending to housing and rent and 29.2 percent to food, while transportation's share rose to 25.0 percent in the highest income group. By household size, the share of housing and rent spending rose to 41.0 percent among single-person households, while food spending ranked first among households with six or more members at 23.7 percent. The data also showed that the most wasted food group was fresh fruit and vegetables at 39.7 percent, followed by bread and dairy products.

WEEKLY STATUS

	29.05.2026	05.06.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	16.962	16.842	-0,7%	35,9%	31,9%	23,2%	32,6%
XU100*	13.663	13.694	0,2%	21,6%	14,6%	31,6%	35,6%
USDTRY	45,9	46,0	0,4%	7,2%	21,4%	20,1%	57,5%
DXY*	98,9	100,1	1,2%	1,8%	-9,4%	7,1%	-2,1%
US-10Y*	4,5	4,5	1,9%	9,2%	-9,3%	18,0%	0,0%
TR-10Y*	35,7	32,1	-10,2%	18,2%	-5,6%	7,6%	169,4%
TR-2Y*	44,3	39,7	-10,2%	15,8%	-15,4%	2,2%	298,0%
CDS (5Y)	240,0	238,7	-0,5%	16,5%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.539,3	4.329,3	-4,6%	0,3%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.689,6	6.407,5	-4,2%	7,7%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	110,9	100,4	-9,5%	2,4%	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
New	Industrial Production	March	-1,1%	2,2%	
	Manufacturing PMI	May	49,8	45,7	50
	Capacity Utilization Rate (seasonally adj.)	May	74,1%	74,0%	
	Import - (capital goods) (annually)	April	1,6%	7,8%	
	Service sector confidence (seasonally adj.)	April	5,6%	11,2%	
	Import - (consumption goods) (annually)	April	-6,8%	-5,3%	
New	Credit Growth Weekly	May (Week 4)	0,5%	0,7%	
	Consumer Confidence Index	May	85,8	85,5	100
	Real sector confidence (seasonally adj.)	May	101	98,6	100
	Service sector confidence (seasonally adj.)	May	109,0	109,7	100
	Retail sector confidence (seasonally adj.)	May	112,5	111,6	100
	Construction sector confidence (seasonally adj.)	May	82,1	83,6	100
New	Car Sales (annually)	March	-22,6%	-1,0%	
	House sales - total (annually)	April	2,6%	-2,1%	
	House sales - mortgage (annually)	April	40,5%	35,9%	
New	CPI	April	32,6%	32,4%	
	CPI expectations (year-end)	May	28,9%	27,5%	
	Current Year Growth Expectations	May	3,3%	3,5%	
	Retail Sales Volume (annually)	March	21,2%	15,6%	
	Current Account Balance (billion USD)	March	-9,7	-7,5	
New	Unemployment Rate (seasonally adj.)	April	8,2%	8,1%	
	Dollarization	May (Week 4)	1,5 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
08.06.2026	Japan	GDP
08.06.2026	Germany	Factory Orders
08.06.2026	Turkey	Treasury Cash Balance
09.06.2026	Germany	Trade Balance
09.06.2026	Germany	Industrial Production
09.06.2026	US	Trade Balance
09.06.2026	China	Trade Balance
10.06.2026	China	CPI
10.06.2026	Turkey	Retail Sales
10.06.2026	Turkey	Industrial Production
10.06.2026	US	CPI
11.06.2026	Turkey	Interest Rate Decision
11.06.2026	Euro Zone	Interest Rate Decision
12.06.2026	Japan	Industrial Production
12.06.2026	Turkey	Foreign Trade Indices
12.06.2026	Turkey	End Year CPI Forecast
12.06.2026	Germany	CPI

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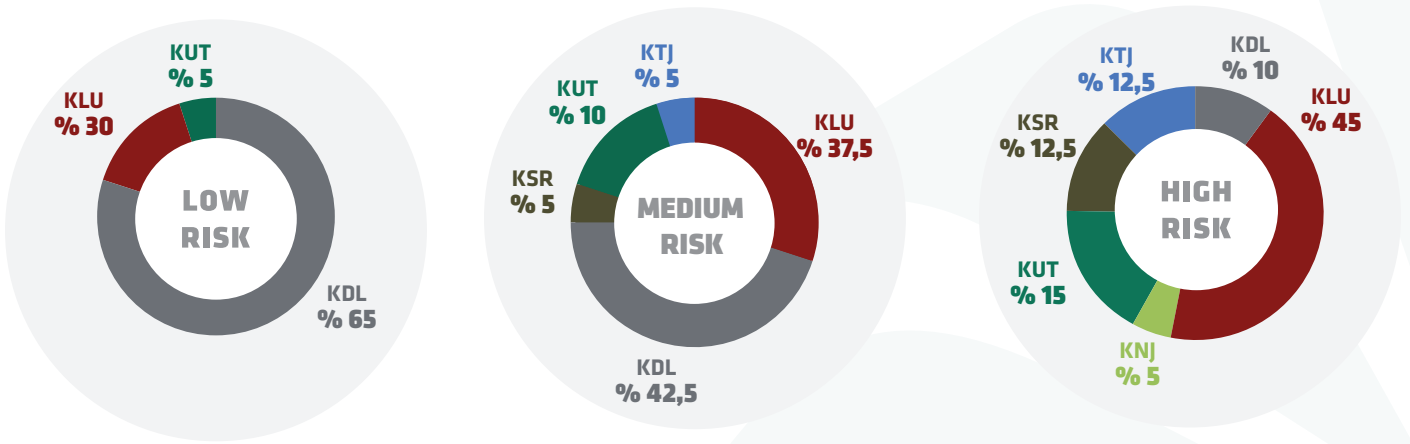
Our Fund Allocation Recommendations

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.

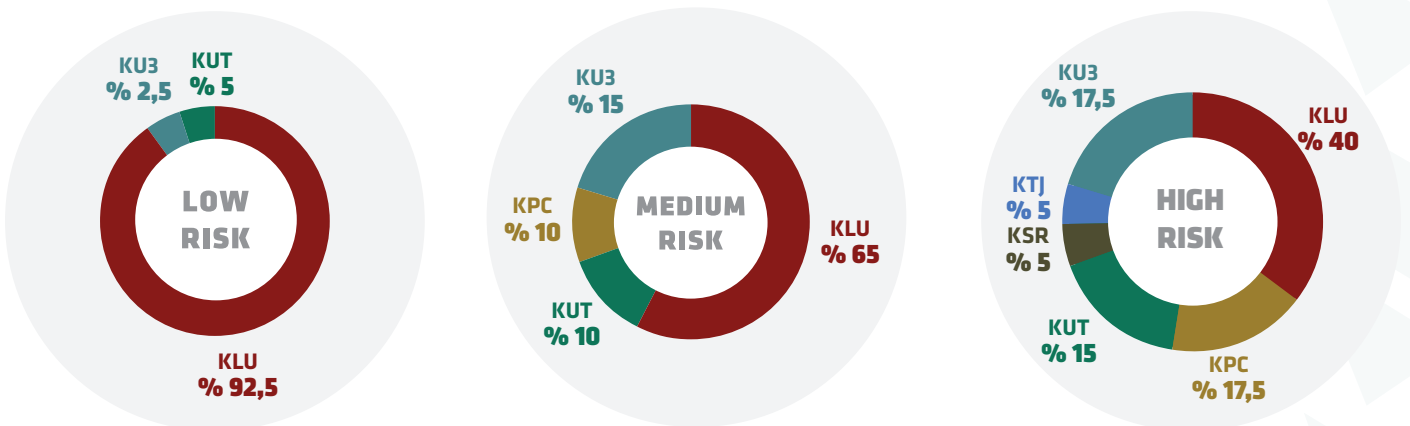
General Investment Recommendations for Those with USD as Their Base Currency

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.*

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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