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KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

GEOPOLITICAL DEVELOPMENTS AND EARNINGS EXPECTATIONS IN FOCUS IN GLOBAL MARKETS



Geopolitical developments and monetary policy expectations remain in focus in global markets. U.S. President Donald Trump's announcement that Russia and Ukraine had reached an agreement to halt attacks on energy facilities limited the rise in oil prices. Meanwhile, attacks targeting Saudi Arabia indicate that risks in the Middle East persist. The halt in the upward trend in oil prices and the U.S. dollar index has supported gold, while U.S. inflation data due this week will be important for expectations regarding the Fed's monetary policy. Although the positive outlook in U.S. equities remains intact, supported by expectations of strong corporate earnings, we maintain our cautious stance on foreign equities due to elevated bond yields and energy-related risks.

Domestically, annual inflation declined to 29.73 percent in September, while monthly inflation came in below market expectations at 1.84 percent. Although the decline in inflation is a positive development, CBRT is expected to maintain a cautious approach to monetary policy due to energy-related risks. If disinflation continues and energy costs do not rise further, there could be room for moderate monetary easing in the final quarter of the year. Against this backdrop, we expect short-term TL denominated assets to maintain their real return potential and return advantage over foreign currencies.

GLOBAL

The ISM Services Index in the US fell by 0.5 points to 54.9 in September under the impact of rising cost pressures, signaling a slowdown in sectoral growth. While the index measuring prices paid for materials and services climbed to 74 to mark its highest level since July 2022, new orders—a gauge of demand—maintained their strong course at 59.8 despite a 1.1-point decline. During a period when businesses maintained a cautious stance against high costs, the employment index rose to 50.1, returning to expansion territory for the first time since June.

The US trade deficit widened by 13.7 percent month-on-month to 105.6 billion dollars in August, exceeding market expectations of 102.1 billion dollars and reaching its highest level since the beginning of 2025. Led by crude oil and capital goods, a 4.3 percent increase in imports was the primary driver behind the widening deficit, while export growth remained limited to 1.4 percent. As the expanding trade deficit is expected to significantly weigh on third-quarter growth, the Atlanta Fed's GDPNow model indicates that net exports will subtract 2.59 percentage points from GDP growth.

The final composite PMI in the Eurozone rose from 52.0 to 53.1 points in September, reaching its highest level in 41 months and signaling that expansion in the private sector gained momentum. Supported by the recovery across both manufacturing and services, the services PMI climbed from 51.6 to 53.0 to hit a 10-month peak. In tandem with the accelerating activity, input costs and selling prices of businesses registered their fastest increases since May, indicating strengthening inflationary pressures.

The S&P Global Germany Services PMI rose from 49.7 to 52.9 in September, returning to expansion territory after five months of contraction and reaching a seven-month high. While the composite PMI covering both services and manufacturing climbed to 53.8 to mark an 11-month peak, the rebound was supported by accelerating new orders and a second consecutive monthly increase in employment. Despite strengthening operating conditions, the rise in input costs and output prices signaled that inflationary pressures across the sector have regained strength.

The S&P Global Japan Services PMI fell from 52.5 to 51.3 in September, missing both expectations and the preliminary reading, and signaling a loss of momentum in sectoral growth. While the composite PMI covering manufacturing and services dropped to 52.3 to hit its lowest level since May, a sharp decline in new export orders and earthquake-related disruptions underscored the deceleration on the demand side.

DOMESTIC

The Consumer Price Index rose by 1.84 percent month-on-month and 29.73 percent year-on-year in September. On a monthly basis, education expenditures led the increase with a 14.15 percent rise, while transportation gained 2.79 percent and housing advanced 2.71 percent; food and non-alcoholic beverages fell by 0.20 percent, curbing the headline increase. Annually, the most prominent increases occurred in education at 48.63 percent and housing at 39.99 percent, while the core B indicator, excluding unprocessed food and energy, recorded an annual increase of 29.00 percent.

The Domestic Producer Price Index increased by 2.07 percent month-on-month and 27.38 percent year-on-year in September. On a monthly basis, a 3.55 percent increase in the energy group and a 2.32 percent rise in manufacturing drove the headline figure higher, while mining and quarrying was the sole main sector to record a decline, falling by 0.78 percent. On an annual basis, mining rose by 34.15 percent and energy surged by 30.82 percent, while sharp price increases in coke and refined petroleum products as well as tobacco manufacturing maintained upward pressure on producer costs.

The Industrial Production Index decreased by 1.0 percent month-on-month and 1.9 percent year-on-year in August. On a monthly basis, the mining and quarrying sector rose by 4.1 percent and electricity and gas gained 3.3 percent, while a 1.6 percent contraction in manufacturing pulled the overall index down. Annually, the 2.5 percent decline observed in the manufacturing sector proved decisive in the downturn, whereas high-technology manufacturing continued its positive divergence with an annual increase of 14.4 percent and a monthly rise of 4.4 percent.

The Construction Cost Index increased by 2.04 percent month-on-month and 29.59 percent year-on-year in August. On a monthly basis, a 2.73 percent rise in the material index drove overall cost inflation higher, while the increase in the labor index remained limited to 0.82 percent. Annually, labor costs outpaced the material group with a 31.20 percent increase, while civil engineering structures stood out as the category facing the most pronounced cost pressure with an annual rise of 31.68 percent.

Gross National Product increased by 41.4 percent year-on-year to 62 trillion 288 billion TL in 2025, with non-financial corporations maintaining their lead in total value added with a 55.5 percent share. While the ratio of total gross savings to GDP stood at 29.9 percent, the household savings rate relative to disposable income rose from 13.9 percent to 14.3 percent. The ratio of the total economy's net borrowing position to GDP widened from 0.9 percent in 2024 to 1.8 percent in 2025.

WEEKLY STATUS

	02.10.2026	07.10.2026	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	August	-1,9%	-0,2%	
	Manufacturing PMI	August	47,9	48,1	50
	Capacity Utilization Rate (seasonally adj.)	September	74,1%	73,5%	
	Import - (capital goods) (annually)	August	-0,8%	-11,5%	
	Service sector confidence (seasonally adj.)	August	14,5%	11,8%	
	Import - (consumption goods) (annually)	August	4,1%	-1,3%	
New	Credit Growth Weekly	October (Week 1)	0,8%	0,6%	
	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
	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%	
New	CPI	September	29,7%	31,5%	
	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	
	Unemployment Rate (seasonally adj.)	August	7,8%	8,1%	
New	Dollarization	October (Week 1)	0,9 Billion (+)	1,3 Billion (+)	

Indicates Decrease

Indicates Stability

Indicates Increase

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

ECONOMIC CALENDAR

Tarih	Ülke	Açıklanacak Veri
12.10.2026	Turkey	Retail Sales
13.10.2026	Turkey	Balance of Payments
13.10.2026	Turkey	Foreign Trade Indices
13.10.2026	USA	Housing Sales
13.10.2026	Germany	CPI
14.10.2026	USA	CPI
14.10.2026	China	CPI & PPI
14.10.2026	China	Trade Balance
15.10.2026	Turkey	Construction Production Index
15.10.2026	Turkey	Services Production Index
15.10.2026	USA	Retail Sales
15.10.2026	USA	PPI
15.10.2026	Euro Zone	Industrial Production
15.10.2026	Japan	Industrial Production
16.10.2026	Turkey	Market Participants Survey
16.10.2026	Turkey	House Price Index
16.10.2026	Turkey	Housing Sales
16.10.2026	USA	Industrial Production
16.10.2026	Euro Zone	CPI
16.10.2026	Euro Zone	Trade Balance

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.

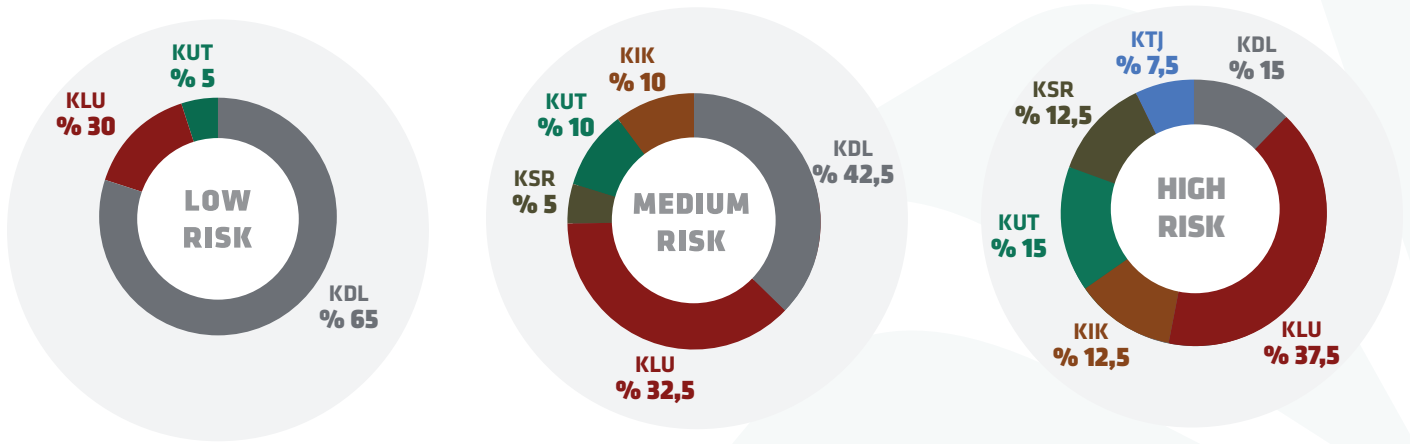
Our Fund Allocation Recommendations

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.

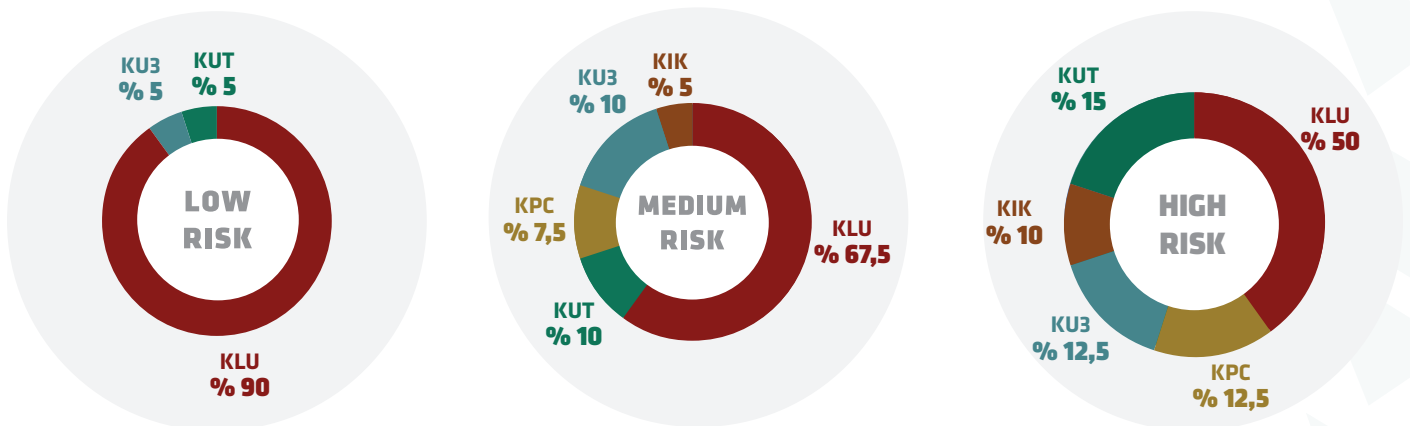
General Investment Recommendations for Those with USD as Their Base Currency

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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