



14 SEPTEMBER, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

GLOBAL MARKETS FOCUS ON THE FED DECISION



The Fed meeting will be the main focus in global markets this week. Following the July meeting, when three Fed officials voted in favor of a rate hike, expectations for a 25-basis-point rate increase in September strengthened, also supported by strong inflation and employment data. On the geopolitical front, Brent crude oil trading above USD 100 continues to pose a risk to the inflation outlook. The postponement of planned talks between Iran and Gulf countries has also increased concerns over oil supply. In addition to geopolitical risks and uncertainty over monetary policy, we believe that calls to slow the pace of AI development could weigh on risk appetite through technology stocks. Against this backdrop, we maintain our cautious stance on global markets.

Domestically, the Monetary Policy Committee (MPC) kept the policy rate unchanged at 37 percent at its September meeting. The CBRT noted that recent inflation data and leading indicators point to a decline in the underlying trend of inflation, while highlighting that elevated energy prices pose upside risks to the inflation outlook. Annual inflation is expected to continue declining in September. If energy prices do not rise further and the disinflation trend remains intact, the CBRT could cut the policy rate at its October meeting.

GLOBAL

In the US, CPI increased by 0.4 percent month-on-month and 3.4 percent year-on-year in August in line with expectations, while PPI rose by 5.4 percent year-on-year, exceeding market projections. While the annual acceleration continued in PPI, which rose by 0.4 percent month-on-month, the monthly core indicator climbed to 0.3 percent despite annual core CPI easing to 2.4 percent. This outlook, driven by geopolitical tensions, customs tariffs, and heavy investment costs, reinforced expectations that the Fed could hike interest rates at its meeting this week.

The US federal government's budget deficit narrowed by 52 percent year-on-year to 167 billion dollars in August, coming in below market expectations of 221 billion dollars. During this period when government revenues rose by 5 percent annually to 360 billion dollars, expenditures decreased by 24 percent to 527 billion dollars. Consequently, the total budget deficit in the 11-month period of fiscal year 2026 stood at 1 trillion 970 billion dollars, tracking in line with the same period of the previous year.

The European Central Bank raised its three key interest rates by 25 basis points citing inflationary pressures from geopolitical tensions, lifting the deposit facility rate to 2.50 percent. While the refinancing rate was raised to 2.65 percent and the marginal lending facility rate to 2.90 percent; the 2026 inflation forecast was maintained at 3.0 percent, and the 2027 and 2028 projections were revised upward to 2.5 percent and 2.1 percent, respectively. Also upgrading its growth forecasts, the bank emphasized that it would not commit to a predetermined rate path in an environment of high uncertainty and would maintain its data-dependent approach.

In Germany, CPI increased by 0.2 percent month-on-month and 2.9 percent year-on-year in August, reaching a 30-month high as geopolitical risks drove up energy costs. While energy prices rising 10.5 percent year-on-year were the primary driver of inflation; motor fuels became 27.7 percent and heating oil 49.6 percent more expensive. In a period where food price inflation remained nearly flat at 0.1 percent and core inflation stood at 2.4 percent, the figures continued to stay above the European Central Bank's 2 percent target.

In China, CPI rose by 0.8 percent year-on-year in August in line with expectations, while PPI climbed 3.8 percent, surpassing market projections. Rising commodity costs and favorable base effects were decisive in the acceleration of PPI from 3.5 percent in July, while core CPI also rose from 0.9 percent to 1.0 percent. Although demand for high technology and seasonal price movements supported the recovery, sluggish household demand continued to exert pressure on the sector as the impact of subsidies waned.

DOMESTIC

The Central Bank of the Republic of Turkey Monetary Policy Committee held the policy rate steady at 37 percent, in line with market expectations, while keeping the lower and upper bounds of the corridor unchanged at 35.5 percent and 40 percent. While the statement pointed to the weakening in domestic demand and the decline in the underlying inflation trend, emphasizing that a cautious stance will be maintained against energy costs fueled by geopolitical risks and further tightening will be implemented, if necessary, global banks' year-end policy rate forecasts shaped within the 35 percent to 37 percent band.

In the Central Bank of the Republic of Turkey's September Survey of Market Participants, the year-end CPI inflation expectation rose from 29.43 percent to 29.61 percent, while the 12-month-ahead inflation forecast increased to 23.70 percent. Participants' year-end USD/TRY expectation declined to 51.57, whereas the 12-month-ahead exchange rate forecast rose to 58.60, and the current-year GDP growth estimate eased to 3.0 percent. In the survey where the year-end current account deficit forecast fell to 50 billion 100 million dollars, the central bank's policy rate expectation for the upcoming meeting stood at 37.00 percent, and the 12-month-ahead rate forecast was recorded at 29.22 percent.

Turkey's current account balance recorded a surplus of 36 million dollars in July, while the current account surplus excluding gold and energy stood at 4 billion 972 million dollars. During this period in which the annualized current account deficit narrowed to 40 billion 700 million dollars, strong services revenues of 8 billion 228 million dollars led by travel and transport supported the current balance. While a net inflow of 5 billion 841 million dollars was posted in portfolio investments through equity and domestic government bond purchases, official reserves saw a notable monthly increase of 14 billion 252 million dollars.

The trade sales volume index recorded a decrease of 2.5 percent month-on-month and 0.6 percent year-on-year in July. An analysis of sub-sectors shows that wholesale trade sales contracted by 4.5 percent monthly and 4.2 percent annually, while motor vehicle sales fell 9.8 percent year-on-year despite a monthly rise of 0.9 percent. Meanwhile, retail sales volume preserved its domestic demand momentum with a monthly gain of 0.2 percent and an annual increase of 10.4 percent, with the highest annual growth recorded in computers, books, and telecommunications equipment at 22.5 percent.

The industrial production index contracted by 1.0 percent month-on-month and 0.3 percent year-on-year in July. Examining industrial sub-sectors; mining and quarrying contracted by 2.2 percent monthly and 3.8 percent annually, while the electricity, gas, and steam sector fell 2.2 percent monthly and 5.6 percent annually; manufacturing showed an annual rise of 0.3 percent despite a monthly decline of 0.8 percent. Across main industrial groupings, only durable consumer goods registered an increase on a monthly basis at 3.2 percent, whereas sharp declines of 4.8 percent monthly and 8.9 percent annually in high-technology manufacturing stood out.

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WEEKLY STATUS

	04.09.2026	11.09.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	17.420	17.905	2,8%	44,4%	31,9%	23,2%	32,6%
XU100*	14.012	14.467	3,2%	28,5%	14,6%	31,6%	35,6%
USDTRY	48,4	48,6	0,3%	13,0%	21,4%	20,1%	57,5%
DXY*	99,2	99,1	-0,1%	0,8%	-9,4%	7,1%	-2,1%
US-10Y*	4,8	5,0	4,0%	19,8%	-9,3%	18,0%	0,0%
TR-10Y*	31,8	31,9	0,3%	17,3%	-5,6%	7,6%	169,4%
TR-2Y*	36,3	36,6	0,8%	6,5%	-15,4%	2,2%	298,0%
CDS (5Y)	218,7	221,5	1,3%	8,1%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.430,3	4.348,7	-1,8%	0,8%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.897,9	6.786,9	-1,6%	14,0%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	103,1	100,6	-2,4%	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

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LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
New	Industrial Production	July	-0,3%	-1,4%	
	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 2)	0,4%	1,1%	
	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%	
	CPI	August	31,5%	31,8%	
New	CPI expectations (year-end)	September	29,6%	29,4%	
New	Current Year Growth Expectations	September	3,0%	3,1%	
New	Retail Sales Volume (annually)	July	10,4%	11,8%	
New	Current Account Balance (billion USD)	July	-5,6	-4,2	
	Unemployment Rate (seasonally adj.)	July	8,1%	7,6%	
New	Dollarization	September (Week 2)	0,2 Billion (-)	2,7 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
14.09.2026	Turkey	Foreign Trade Indices
14.09.2026	Japan	Industrial Production
15.09.2026	Turkey	Construction Production Index
15.09.2026	Turkey	Services Production Index
15.09.2026	Euro Zone	Trade Balance
15.09.2026	China	Unemployment Rate
16.09.2026	Turkey	House Price Index
16.09.2026	US	Interest Rate Decision
16.09.2026	US	Retail Sales
16.09.2026	Euro Zone	Industrial Production
16.09.2026	Japan	Trade Balance
17.09.2026	Turkey	Home Sales
17.09.2026	US	Fed Balance Sheet
17.09.2026	Euro Zone	CPI
18.09.2026	US	Industrial Production
18.09.2026	Germany	PPI
18.09.2026	Japan	Interest Rate Decision
18.09.2026	Japan	CPI

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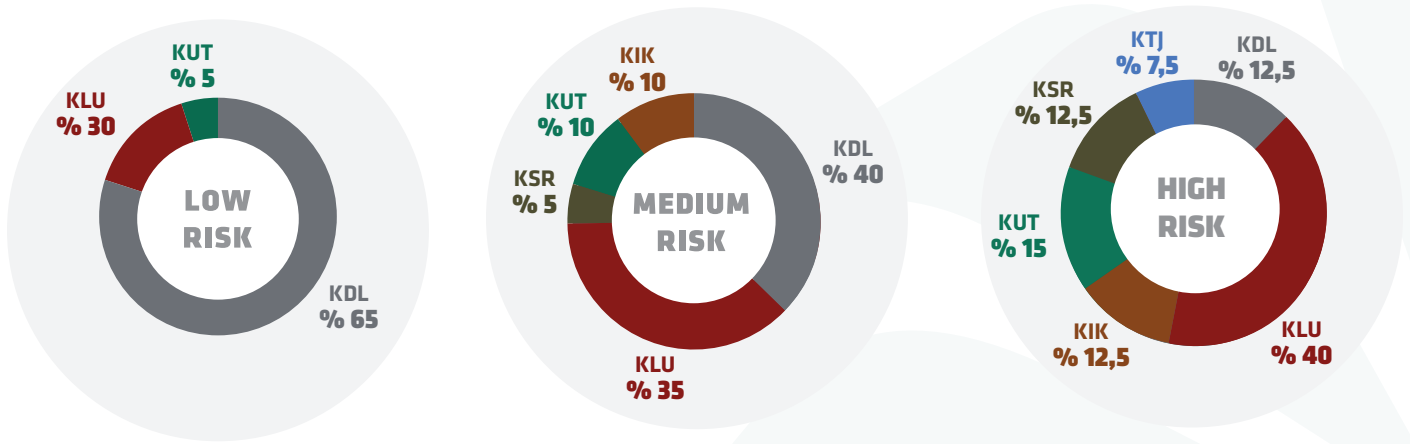
Our Fund Allocation Recommendations

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.

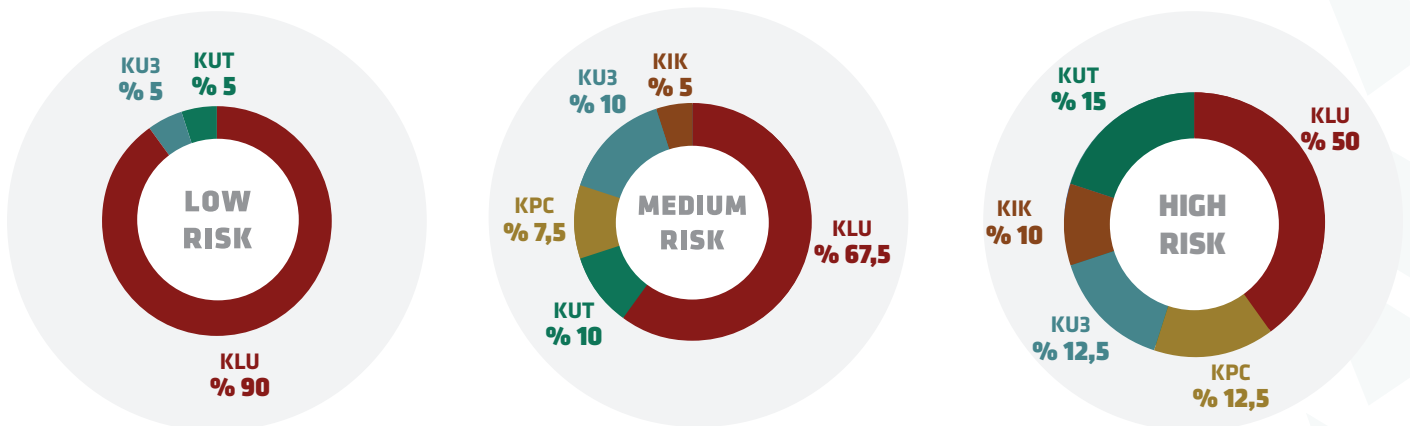
General Investment Recommendations for Those with USD as Their Base Currency

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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