



FEBRUARY 16, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

TEMPORARY INFLATIONARY PRESSURE, IMPROVEMENT EXPECTED AFTER MARCH



The CBRT released its first Inflation Report of the year. The inflation forecast range for 2026 was revised upward to 15–21 percent from the previous 13–19 percent range. Changes in the CPI calculation methodology, higher non-energy commodity prices, and revisions to food price assumptions were influential in the upward adjustment of the forecast path. Due to rising food prices, monthly inflation in February is expected to approach 3 percent (February 2025: 2.27 percent). Accordingly, annual inflation, which stood at 30.65 percent in January, may record a limited increase in February. However, the downward trend in inflation is expected to regain strength after March, when base effects become more pronounced. In this context, we believe the CBRT will continue to maintain a cautious and tight monetary policy stance.

On the global front, valuation concerns surrounding artificial intelligence-themed companies and ongoing geopolitical risks continue to weigh on risk appetite. In the United States, the relatively moderate inflation data released on Friday strengthened expectations that the Fed may proceed with a rate cut. Growing expectations of a rate cut in June could support cautious optimism in global markets.

GLOBAL

In the United States, nonfarm payrolls increased by 130 thousand in January, exceeding the market expectation of 65 thousand. In the same period, the unemployment rate declined by 0.1 percentage points to 4.3 percent. Average hourly earnings rose by 0.4 percent month on month and 3.7 percent year on year, while manufacturing employment turned positive with an increase of 5 thousand and the labor force participation rate rose to 62.5 percent.

US retail sales remained unchanged month on month in December despite expectations of a 0.4 percent increase, indicating a weak end to the holiday season. Excluding automobiles and gasoline, sales were also flat, while control group sales used in GDP calculations contracted by 0.1 percent. The slowdown following the strong 0.6 percent rise in November pointed to a loss of momentum in consumer spending.

In January, the US small business optimism index declined by 0.2 points to 99.3, with 7 of its 10 components weakening. The share of firms expecting better business conditions fell by 3.0 points to 21.0 percent, while the net share of firms raising selling prices also dropped by 3 points to 26 percent, the lowest in three months. Although above the historical average, pricing plans for the period ahead persisted, while the uncertainty index increased by 7 points to 91.0.

In the euro zone, the overall investor confidence index rose by 6 points month on month to 4.2 in February, reaching its highest level since July 2025. The expectations index increased by 5.8 points to 15.8 and the current conditions index improved by 6.2 points to minus 6.8, signaling recovery. In Germany, investor confidence rose by around 10 points to minus 6.9, while the current conditions index improved from minus 36 to minus 27.5.

Japan's economy expanded by 0.1 percent quarter on quarter in the fourth quarter of 2025. Annualized growth was 0.2 percent, below the 1.6 percent market expectation, and year on year growth slowed to 0.1 percent. The Bank of Japan raised its growth forecast for the fiscal year ending March 2026 from 0.7 percent to 0.9 percent and lifted its fiscal 2026 projection to 1.0 percent.

DOMESTIC

Industrial production declined by 2.1 percent year on year but increased by 1.2 percent month on month in December, pointing to a sharp slowdown over the year. By subsector, mining and quarrying rose by 1.9 percent and electricity, gas and steam by 2.4 percent, while manufacturing contracted by 2.7 percent year on year. The 24.9 percent decline in high technology production stood out. Industrial production rose by 0.75 percent in the final quarter, while monthly increases were 1.3 percent in mining, 1.0 percent in manufacturing and 4.1 percent in energy.

In the first Inflation Report presentation of the year, the year end 2026 inflation forecast range was revised up from 13 to 19 percent to 15 to 21 percent, while the interim target was kept at 16 percent and the 2027 range was announced at 6 to 12 percent. Governor Karahan stated that higher risks, assumption revisions and the increased weight of services in the CPI basket drove the update. Annual inflation declined to 30.7 percent in January, though food prices and seasonal adjustments pushed the monthly outlook higher. He noted that inertia in services inflation has begun to break and projected rent inflation could fall to the 30 to 36 percent range by year end.

Retail sales volume increased by 1.7 percent month on month and 16.3 percent year on year in December, while total trade sales volume rose by 2.1 percent monthly and 3.8 percent annually. Motor vehicle trade increased by 3.0 percent year on year while wholesale trade contracted by 1.0 percent; on a monthly basis wholesale rose by 2.8 percent and motor vehicle trade was flat. The strongest retail growth was in computers, books and communication devices with 3.5 percent monthly and 29.7 percent annual increases, while food spending rose only 0.1 percent monthly.

The total turnover index covering industry, construction, trade and services increased by 34.7 percent year on year in December. Looking at the underlying components with gains of 30.6 percent in industry, 35.9 percent in construction, 35.4 percent in trade and 38.3 percent in services. On a monthly basis, total turnover rose by 3.3 percent, with increases of 3.2 percent in industry, 4.1 percent in trade and 3.4 percent in services, while construction declined by 2.0 percent.

According to the February Market Participants Survey, the 12-month ahead inflation expectation declined from 22.20 percent to 22.10 percent. In the same period, the 24-month ahead expectation increased from 16.94 percent to 17.11 percent, while the year-end inflation expectation rose from 23.23 percent to 24.11 percent. In addition, the expected February CPI increase climbed from 2.05 percent to 2.54 percent, and participants expect the policy rate to fall to 36.08 percent with a 100 basis-point cut at the March MPC meeting. The year-end USD/TRY expectation edged down to 51.09, whereas the 12-month ahead exchange rate expectation increased to 52.39. Growth expectations for 2026 and 2027 remained unchanged at 3.9 percent and 4.3 percent, respectively.

Treasury and Finance Minister Mehmet Şimşek stated at an event that 2025 was a challenging year full of uncertainties but that Türkiye managed the process well. He emphasized that the Customs Union with the EU and free trade agreements with 27 countries, along with foreign direct investment accounting for 62 percent of exports, provide stability. He noted that the Turkish economy is relatively less fragile, with resilient growth and trade. Highlighting that Türkiye ranks among the top 20 globally in services, he said tourism, construction and TV series exports are strong and that services exports have not yet been affected by protectionist measures.

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WEEKLY STATUS

	06.02.2026	13.02.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	14.559	15.216	4,5%	22,7%	31,9%	23,2%	32,6%
XU100*	13.522	14.181	4,9%	25,9%	14,6%	31,6%	35,6%
USDTRY	43,6	43,7	0,2%	1,7%	21,4%	20,1%	57,5%
DXY*	97,6	96,9	-0,7%	-1,4%	-9,4%	7,1%	-2,1%
US-10Y*	4,2	4,1	-3,6%	-2,3%	-9,3%	18,0%	0,0%
TR-10Y*	28,0	27,9	-0,3%	2,8%	-5,6%	7,6%	169,4%
TR-2Y*	32,5	33,2	2,1%	-3,4%	-15,4%	2,2%	298,0%
CDS (5Y)	220,3	215,3	-2,3%	5,1%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.961,2	5.043,1	1,7%	16,9%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.954,9	7.079,2	1,8%	18,9%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	109,3	108,6	-0,7%	10,8%	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	December	2,1%	2,4%	
	Manufacturing PMI	January	48,1	48,9	50
	Capacity Utilization Rate (seasonally adj.)	January	74,4%	74,2%	
	Import - (capital goods) (annually)	December	38,7%	15,3%	
	Service sector confidence (seasonally adj.)	December	5,6%	1,5%	
	Import - (consumption goods) (annually)	December	6,7%	-3,7%	
New	Credit Growth Weekly	February (Week 2)	0,6%	1,6%	
	Consumer Confidence Index	January	83,7	83,5	100
	Real sector confidence (seasonally adj.)	January	103,0	103,7	100
	Service sector confidence (seasonally adj.)	January	112,6	112,3	100
	Retail sector confidence (seasonally adj.)	January	113,8	115,4	100
	Construction sector confidence (seasonally adj.)	January	85,7	84,5	100
	Car Sales (annually)	January	9,8%	10,5%	
	House sales - total (annually)	December	19,8%	-7,8%	
	House sales - mortgage (annually)	December	25,2%	-1,4%	
	CPI	January	30,7%	30,9%	
New	CPI expectations (year-end)	February	24,1%	23,2%	
New	Current Year Growth Expectations	February	3,9%	3,9%	
New	Retail Sales Volume (annually)	December	16,3%	14,2%	
New	Current Account Balance (billion USD)	December	-7,3	-4,0	
	Unemployment Rate (seasonally adj.)	December	7,7%	8,6%	
New	Dollarization	February (Week 2)	0,1 Billion (-)	1,9 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
16.02.2026	Japan	Industrial Production
16.02.2026	Turkey	Budget Balance
16.02.2026	Euro Zone	Industrial Production
17.02.2026	Germany	CPI
17.02.2026	US	New York Empire State Manufacturing Index
18.02.2026	Japan	Trade Balance
18.02.2026	US	Industrial Production
19.02.2026	Turkey	Consumer Confidence
19.02.2026	US	Trade Balance
20.02.2026	US	Fed's Balance Sheet
20.02.2026	Turkey	Manufacturing Confidence
20.02.2026	Turkey	Capacity Utilization
20.02.2026	US	PCE
20.02.2026	US	Preliminary GDP

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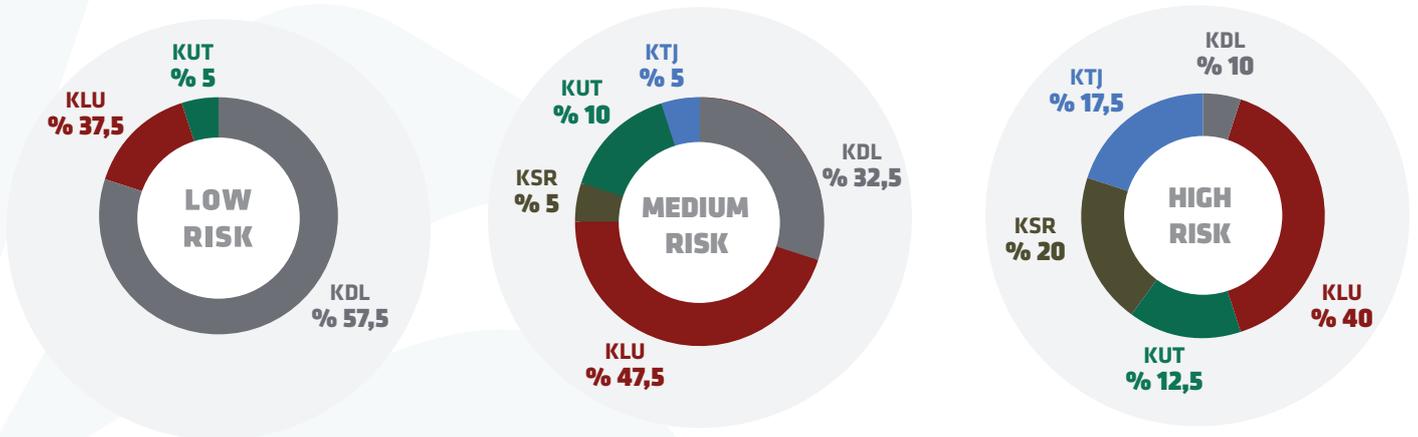
Our Fund Allocation Recommendations

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.

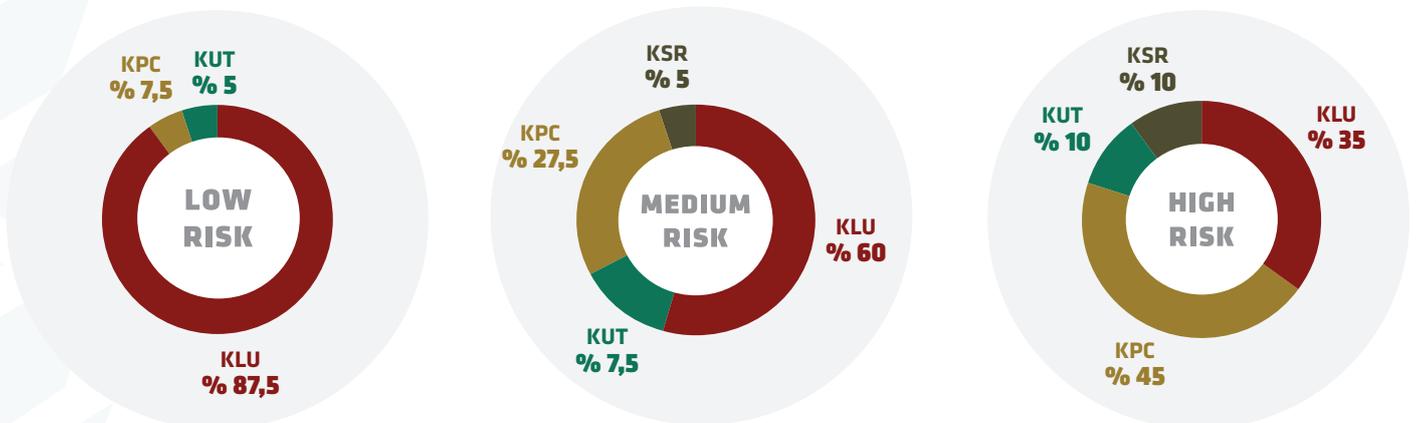
General Investment Recommendations for Those with USD as Their Base Currency

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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