



OCTOBER 19, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK | PRIVATE

EARNINGS EXPECTATIONS IN FOCUS GLOBALLY, CBRT DECISION TAKES CENTER STAGE DOMESTICALLY



Stronger than expected consumer and producer inflation and retail sales data in the U.S. strengthened expectations that the Fed could tighten monetary policy further in the coming period. However, cautious remarks from Fed officials, coupled with stronger safe-haven demand driven by selling pressure in technology stocks, pushed bond yields lower. The U.S. dollar index also ended the week lower. This week, the earnings season will be in focus for global equities. Financial results from major technology companies will be closely monitored for their implications for global risk appetite.

Domestically, attention will turn to CBRT's Monetary Policy Committee (MPC) meeting on Thursday. The October Survey of Market Participants indicates that respondents expect a 100-basis-point rate cut at both the October and December meetings. We expect short-term TL-denominated assets to continue offering positive real returns and a return advantage over foreign currencies.

GLOBAL

In the US, consumer and producer prices gained momentum above expectations in September, driven by rising energy costs, with PPI registering its fastest increase in over four years with a 6.3 percent annual rise. CPI recorded a monthly increase of 0.6 percent and an annual increase of 3.7 percent in September, while the upside surprise triggered by sharp spikes in energy and gasoline prices reinforced expectations that the Fed will maintain its hawkish monetary policy stance.

US retail sales increased by 0.8 percent in September, exceeding expectations, largely driven by spending at gasoline stations. During a period in which the August figure was revised upward to 1.3 percent, gains were observed in eight of the 13 major categories, with a 6.4 percent surge in gas station sales driving overall growth, while sales excluding automotive and fuel were limited to 0.2 percent.

In the Eurozone, CPI rose by 0.6 percent month-on-month and 3.8 percent year-on-year in September, coming in line with market expectations. The largest contributions to annual inflation came from energy (1.71 percentage points) and services (1.52 percentage points), as consumer prices showed upward momentum across 23 EU member states. Among major economies, price increases were recorded at 5.0 percent in Spain, 4.2 percent in Italy, 3.4 percent in France, and 3.3 percent in Germany.

In Germany, CPI posted a monthly rise of 0.6 percent and an annual increase of 3.3 percent in September, reaching its highest level since December 2023. The energy group was the primary driver of this increase, with annual price growth reaching 14.9 percent, where sharp climbs in fuel (37.1 percent) and heating oil (74.9 percent) highlighted cost pressures. The EU-harmonized CPI (HICP) was finalized at 3.3 percent annually, in line with final data.

In China, PPI rose 5.0 percent year-on-year in September, beating expectations due to rising commodity and energy costs, whereas CPI grew 0.9 percent, falling short of estimates amid weak domestic demand. On a monthly basis, PPI increased by 1.2 percent, reaching its highest momentum since June 2022, while monthly CPI rose 0.2 percent and core inflation remained flat at 1.0 percent annually.

DOMESTIC

Turkey's current account balance posted a surplus of 4 billion 53 million dollars in August, while the annualized current account deficit stood at 42 billion 100 million dollars. During the period when the current balance excluding gold and energy registered a surplus of 8 billion 205 million dollars, a net service inflow of 9 billion 711 million dollars was recorded under the leadership of travel and transport revenues, while official reserves increased by 7 billion 138 million dollars. Minister of Treasury and Finance Mehmet Şimşek stated that the increase in exports and the resilient outlook in tourism revenues supported the recovery in the current balance, adding that a current surplus is also expected in September.

In the CBRT's October Market Participants Survey, the year-end CPI expectation rose to 29.63 percent, while the current-year GDP growth forecast pulled back from 3.0 percent to 2.9 percent. In the survey period where the October monthly CPI expectation increased to 2.11 percent, the 12-month-ahead inflation forecast rose to 23.89 percent. Participants' year-end USD/TRY forecast showed a limited pullback to 51.55, while the 12-month-ahead policy rate expectation fell to 29.01 percent.

The Housing Price Index rose by 1.2 percent month-on-month and 22.3 percent nominally year-on-year in September, while declining by 5.7 percent in real terms. Among the three major cities, the highest annual price increase occurred in Istanbul at 26.8 percent, followed by gains of 22.0 percent in Ankara and 21.0 percent in Izmir. During the same period, the New Tenant Rent Index, which climbed by 2.1 percent on a monthly basis, fell by 2.4 percent in real terms despite recording a nominal annual increase of 26.6 percent.

Retail sales volume posted an increase of 1.4 percent month-on-month and 10.1 percent year-on-year in August. During the same period, total trade sales volume exhibited a limited rise of 0.6 percent year-on-year and 0.2 percent month-on-month. While contractions in wholesale trade and motor vehicle sales weighed on total trade volume, the retail sector continued its positive decoupling, driven by resilient domestic demand.

The Construction Production Index increased by 4.0 percent month-on-month and 2.3 percent year-on-year in August. On a monthly basis, building construction rose by 4.5 percent, specialized construction activities by 3.8 percent, and civil engineering construction by 2.2 percent, pointing to a recovery across all sub-sectors. On an annual basis, despite a 0.9 percent contraction observed in building construction, a strong surge of 21.8 percent in civil engineering construction served as the main driver of growth in the overall index.

WEEKLY STATUS

	09.10.2026	16.10.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	14.447	13.627	-5,7%	9,9%	31,9%	23,2%	32,6%
XU100*	12.266	11.722	-4,4%	4,1%	14,6%	31,6%	35,6%
USDTRY	49,3	49,5	0,5%	15,3%	21,4%	20,1%	57,5%
DXV*	102,2	101,8	-0,4%	3,6%	-9,4%	7,1%	-2,1%
US-10Y*	5,2	5,1	-2,8%	22,8%	-9,3%	18,0%	0,0%
TR-10Y*	32,8	32,9	0,4%	21,2%	-5,6%	7,6%	169,4%
TR-2Y*	36,4	36,2	-0,3%	5,6%	-15,4%	2,2%	298,0%
CDS (5Y)	248,4	247,3	-0,4%	20,7%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.194,5	4.165,5	-0,7%	-3,5%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.655,3	6.631,3	-0,4%	11,4%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	96,5	90,7	-6,0%	-7,4%	198,3%	45,3%	57,1%

***XK050**: BIST Participation 50 Index

***Bist100**: BIST 100 Index

***DXV**: 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
	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 2)	0,0%	0,8%	
	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
New	Car Sales (annually)	September	-24,3%	-20,3%	
New	House sales - total (annually)	September	-9,3%	-6,8%	
	House sales - mortgage (annually)	September	5,1%	27,6%	
	CPI	September	29,7%	31,5%	
New	CPI expectations (year-end)	October	29,6%	29,6%	
New	Current Year Growth Expectations	October	2,9%	3,0%	
New	Retail Sales Volume (annually)	August	10,1%	10,4%	
	Current Account Balance (billion USD)	August	4,1	-5,6	
	Unemployment Rate (seasonally adj.)	August	7,8%	8,1%	
New	Dollarization	October (Week 2)	0,3 Billion (+)	0,9 Billion (+)	

Indicates Decrease

Indicates Stability

Indicates Increase

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

ECONOMIC CALENDAR

Tarih	Ülke	Açıklanacak Veri
19.10.2026	China	GDP
19.10.2026	China	Unemployment Rate
19.10.2026	China	Industrial Production
20.10.2026	Turkey	Non-Domestic PPI
20.10.2026	Germany	PPI
20.10.2026	China	Interest Rate Decision
21.10.2026	Turkey	Capacity Utilization Rate
21.10.2026	Japan	Trade Balance
22.10.2026	Turkey	Interest Rate Decision
22.10.2026	Turkey	Consumer Confidence Index
23.10.2026	USA	Preliminary PMI
23.10.2026	Euro Zone	Preliminary PMI
23.10.2026	Germany	Preliminary PMI
23.10.2026	Japan	CPI
23.10.2026	Japan	Preliminary PMI

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.

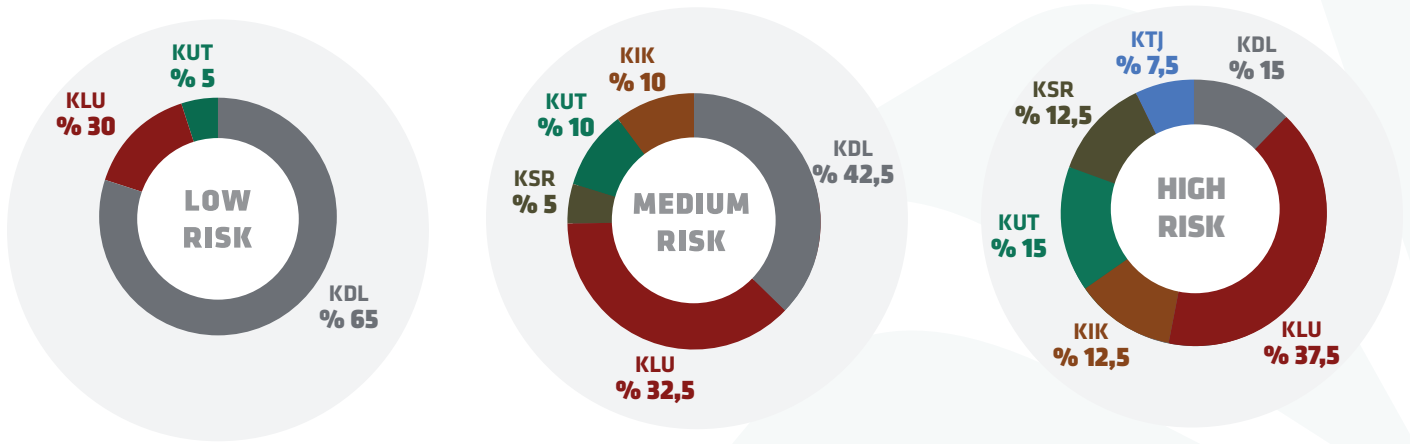
Our Fund Allocation Recommendations

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.

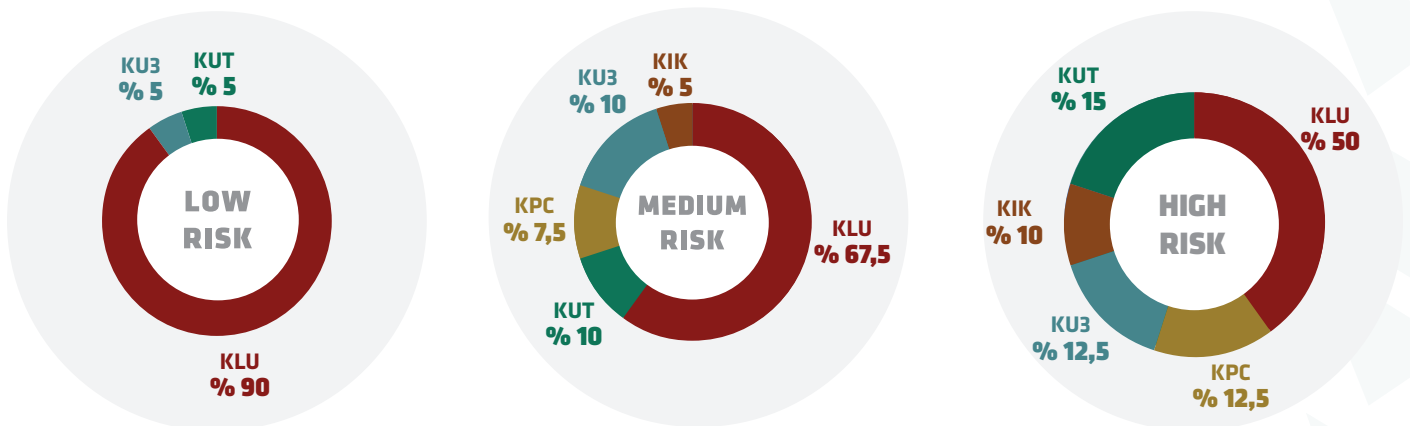
General Investment Recommendations for Those with USD as Their Base Currency

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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