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KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

DOMESTIC OUTLOOK POSITIVE, GLOBAL RISKS ONGOING



Global markets are entering the new week against a backdrop of heightened uncertainty. Ongoing debates over the Federal Reserve's independence, rising tariff-related tensions between the U.S. and Europe, and lingering concerns over the global growth outlook are weighing on risk appetite. In this environment, safe-haven demand has come to the forefront, with precious metals maintaining their upward trend amid elevated geopolitical and political risks.

Domestically, a relatively more favorable outlook stands out. A rate cut is expected at the CBRT's Monetary Policy Committee meeting scheduled for Thursday, while credit rating agency assessments to be released on Friday will also be closely monitored by markets. The continuation of the disinflation process, strong reserve dynamics, and increased predictability in monetary policy continue to provide a supportive framework for Turkish lira-denominated assets.

GLOBAL

In the United States, consumer prices increased in line with market expectations in December, rising by 0.3 percent on a monthly basis and 2.7 percent on an annual basis. In the same period, core inflation increased by 0.2 percent month on month and 2.6 percent year on year. In addition, inflation data for October and November were not included in the inflation report as they could not be collected due to the appropriation cuts experienced last year.

In the first quarter of the fiscal year in the United States, the federal government deficit increased by 67.0 percent year on year in December, reaching 145 billion dollar. In the same period, the federal budget deficit for the first quarter of fiscal year 2026 reached 602 billion dollar. Moreover, revenues from customs tariffs amounted to 27.9 billion dollar in December, approaching a level where the pace of increase began to slow.

In the United States, industrial production increased by 0.4 percent on a monthly basis and 2.0 percent on an annual basis in December. Manufacturing output rose by 0.2 percent compared to the previous month and by 2.0 percent year on year. Capacity utilization stood at 76.63 percent, exceeding market expectations of 76.0 percent.

In the Euro Area, the foreign trade surplus for November amounted to approximately 9.9 billion euro. During the same period, imports and exports declined by 1.3 percent and 3.4 percent year on year, reaching 230.3 billion euro and 240.2 billion euro, respectively. In addition, the European Union recorded a foreign trade surplus of approximately 8.1 billion euro in November.

In China, the foreign trade surplus reached a record level of approximately 1.2 trillion dollar in 2025. During the same period, exports increased by 5.5 percent to 3.77 trillion dollar, while imports remained unchanged at 2.58 trillion dollar. Additionally, exports increased by 6.6 percent on an annual basis in dollar terms, exceeding economists' expectations.

DOMESTIC

In November, the current account balance posted a deficit of 3.996 billion dollar, exceeding market expectations. In the same period, the current account excluding gold and energy recorded a surplus of 2.132 billion dollar. The balance of payments-defined foreign trade deficit stood at 6.385 billion dollar, while the annualized current account deficit was calculated at approximately 23.2 billion dollar.

Retail sales increased by 1.5 percent on a monthly basis and 14.2 percent on an annual basis in November, indicating an acceleration in consumer spending. A breakdown of the data shows that the strong performance in food, beverage and tobacco sales continued, while durable goods sales also increased. These figures indicate that domestic demand continued to support economic activity in the final quarter of the year.

In November, the total turnover index across the industrial, construction, trade and services sectors rose by 3.7 percent month on month and 37.3 percent year on year. On an annual basis, turnover indices increased by 34.6 percent in industry, 47.6 percent in construction, 36.8 percent in trade and 39.3 percent in services.

According to the Central Bank of the Republic of Türkiye's January Survey of Market Participants, the market's year-end inflation expectation declined slightly to 23.23 percent. In the same survey, the 12-month-ahead inflation expectation decreased from 23.35 percent to 22.20 percent. The year-end dollar/TL expectation was recorded at 51.17, while the policy rate expectation stood at 36.43 percent.

In November, the number of paid employees across the industrial, construction, trade and services sectors increased by 1.0 percent year on year to approximately 15.9 million people. On a monthly basis, employment rose by 0.5 percent in construction and by 0.2 percent in trade and services, while it declined by 0.2 percent in the industrial sector.

WEEKLY STATUS

	09.01.2026	16.01.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	13.291	14.066	5,8%	13,5%	31,9%	23,2%	32,6%
XU100*	12.201	12.669	3,8%	12,5%	14,6%	31,6%	35,6%
USDTRY	43,0	43,3	0,6%	0,8%	21,4%	20,1%	57,5%
DXY*	99,1	99,4	0,3%	1,1%	-9,4%	7,1%	-2,1%
US-10Y*	4,2	4,2	1,4%	1,9%	-9,3%	18,0%	0,0%
TR-10Y*	27,6	28,1	1,9%	3,4%	-5,6%	7,6%	169,4%
TR-2Y*	34,1	33,7	-1,4%	-2,0%	-15,4%	2,2%	298,0%
CDS (5Y)	214,4	217,5	1,4%	6,2%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.510,5	4.595,1	1,9%	6,5%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.240,1	6.506,6	4,3%	9,3%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	110,6	125,4	13,4%	27,9%	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
Industrial Production	November	2,4%	2,2%	
Manufacturing PMI	December	48,9	48,0	50
Capacity Utilization Rate (seasonally adj.)	December	74,2%	74,1%	
Import - (capital goods) (annually)	November	15,3%	20,2%	
Service sector confidence (seasonally adj.)	November	1,5%	7,3%	
Import - (consumption goods) (annually)	November	-3,7%	-4,3%	
Credit Growth Weekly	January (Week 2)	-0,1%	0,8%	
Consumer Confidence Index	December	83,5	85,0	100
Real sector confidence (seasonally adj.)	December	103,7	103,2	100
Service sector confidence (seasonally adj.)	December	112,3	111,8	100
Retail sector confidence (seasonally adj.)	December	115,4	114,2	100
Construction sector confidence (seasonally adj.)	December	84,5	84,9	100
Car Sales (annually)	December	10,5%	9,8%	
House sales - total (annually)	November	-7,8%	-0,5%	
House sales - mortgage (annually)	November	-1,4%	11,5%	
CPI	December	30,9%	31,1%	
CPI expectations (year-end)	January	23,2%	31,2%	
Current Year Growth Expectations	January	3,9%	3,5%	
Retail Sales Volume (annually)	November	14,2%	7,4%	
Current Account Balance (billion USD)	November	-4,0	0,5	
Unemployment Rate (seasonally adj.)	November	8,6%	8,5%	
Dollarization	January (Week 2)	0,5 Billion (-)	0,1 Billion (+)	

New

New

New

New

New

New

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
19.01.2026	China	GDP
19.01.2026	China	Industrial Production
19.01.2026	Euro Zone	CPI
20.01.2026	Euro Zone	Current Account
21.01.2026	US	Preliminary Atlanta FED GDPNow
22.01.2026	Japan	Trade Balance
22.01.2026	Turkey	Capacity Utilization
22.01.2026	Turkey	One Week Repo Rate
22.01.2026	US	GDP
22.01.2026	US	PCE
23.01.2026	US	Fed's Balance Sheet
23.01.2026	Japan	CPI
23.01.2026	Turkey	Consumer Confidence
23.01.2026	Euro Zone	Preliminary Manufacturing PMI
23.01.2026	US	Michigan Consumer Expectations

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.

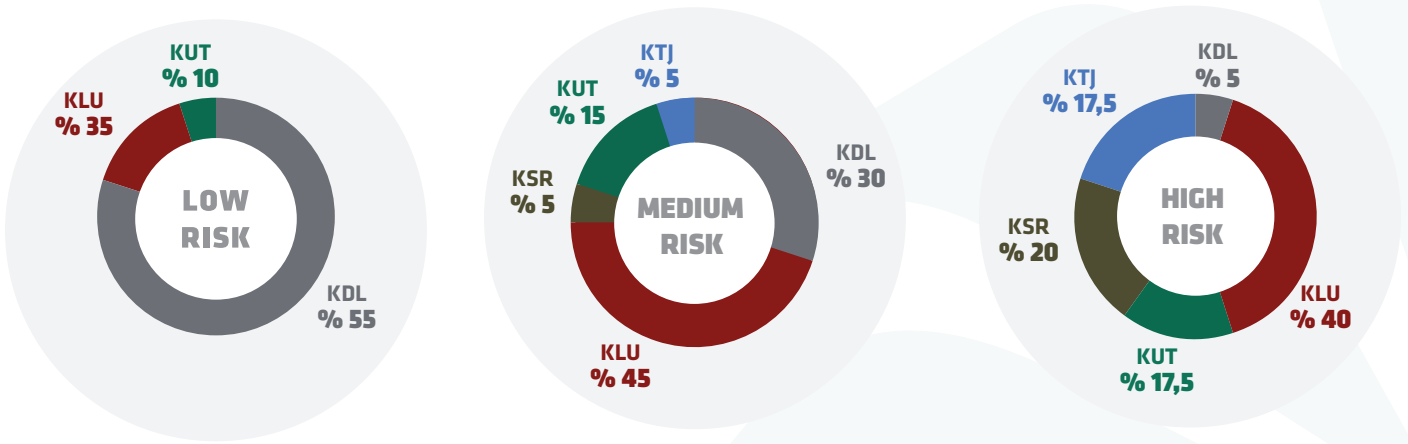
Our Fund Allocation Recommendations

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.

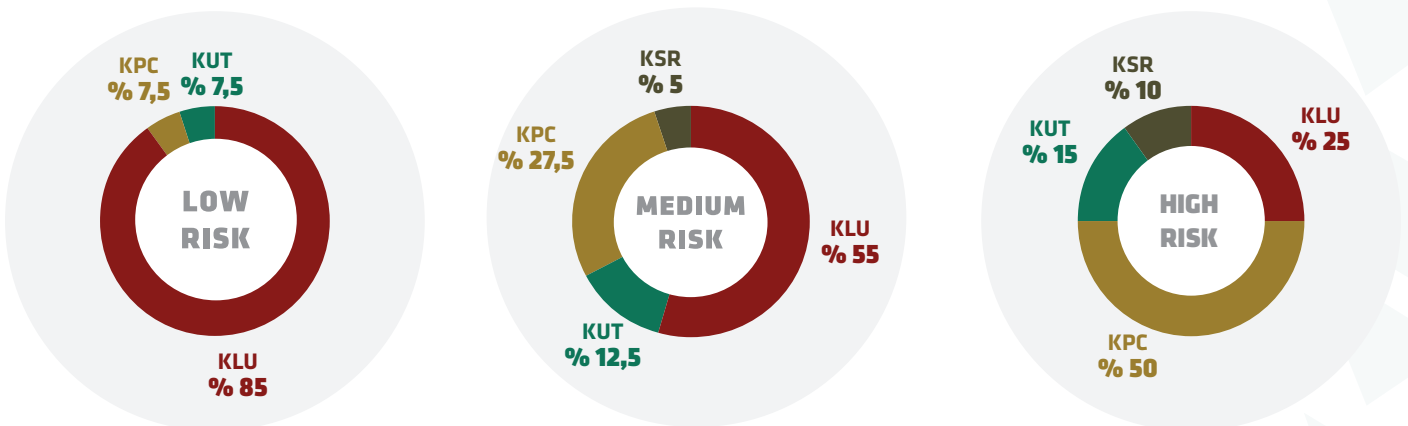
General Investment Recommendations for Those with USD as Their Base Currency

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.*

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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