



MARCH 2, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

ESCALATING GEOPOLITICAL RISKS: POTENTIAL IMPLICATIONS FOR OIL, INFLATION, AND MONETARY POLICY



In recent weeks, rising expectations of a possible U.S. military intervention against Iran had been weighing on global risk appetite. Over the weekend, the materialization of this risk through a joint U.S.-Israeli strike on Iran significantly escalated geopolitical tensions. Following Iran's retaliation, the conflict expanded to include U.S. bases in the Gulf region.

The effective halt of shipping through the Strait of Hormuz, closely monitored by markets, has intensified concerns over energy supply. If the strait is not reopened swiftly, a serious contraction in global oil supply could occur, potentially triggering a sharp rise in oil prices. Such an increase would pose a risk to the global inflation outlook and create downside risks for economic activity. U.S. President Trump's statement that the operation could last up to four weeks signals that uncertainty may persist for some time. Under this scenario, weak global risk appetite and stronger demand for safe-haven assets may continue. Precious metals could maintain their upward trend amid rising geopolitical risks and heightened uncertainty.

These geopolitical developments are also expected to affect domestic financial markets. With global uncertainty on the rise, risk appetite at home is likely to remain subdued. Over the weekend, several precautionary measures were introduced. On the macro front, the key data release of the week will be February inflation. Due to rising food prices, monthly inflation is expected to approach 3 percent. A potential increase in oil prices could also add further pressure to inflation in March through the energy component. If uncertainty persists and upside risks to inflation become more pronounced, the CBRT may opt to refrain from cutting rates in March and adopt a more cautious stance.

GLOBAL

The United States and Israel have launched a coordinated military operation against Iran's nuclear program and regional threats. Intense bombings occurred in Tehran, Isfahan, and other cities, and Iran's Supreme Leader Ayatollah Ali Khamenei was reported killed, while both civilian and military targets were struck. In response, the Iranian military carried out ballistic missile and drone attacks on Israel and US bases in the Gulf, rapidly escalating tensions. Following these developments, China, Russia, and the United Nations called on the parties for a ceasefire, while Gulf countries such as Kuwait, Qatar, and the UAE closed their airspace and urged civilians to take urgent precautions. Meanwhile, the US President stated that the operation could "last several weeks," indicating that the process will continue.

In the United States, the Producer Price Index (PPI) in January increased by 0.5 percent month-on-month and 2.9 percent year-on-year. Over the same period, the core PPI, which excludes food and energy prices, rose by 0.8 percent month-on-month and 3.6 percent year-on-year. The PPI measures the prices of inputs used in production and provides signals for final product prices and headline inflation. The Federal Reserve closely monitors these indicators in its policy decisions.

In the Eurozone, February business and consumer surveys indicated that the Economic Sentiment Indicator fell by 1.0 point month-on-month to 98.3. This decline was mainly due to decreased confidence in the services and construction sectors. The Eurozone Consumer Confidence Index slightly improved, rising from minus 12.4 to minus 12.2. Meanwhile, EU consumer confidence remained stable at minus 11.7 in January.

In Germany, consumer prices rose by 2.0 percent year-on-year in February, slightly below January's 2.1 percent increase. The Bundesbank stated that economic momentum is weak and projected limited growth, while spring fiscal stimulus is expected to support at least 1.0 percent growth this year and help maintain inflation at 2.0 percent. Across the Eurozone, France's inflation rose to 1.1 percent and Spain's to 2.5 percent, balancing Germany's slowdown. According to an ECB survey, consumers expect prices to increase by 2.6 percent over the next 12 months and by 2.3 percent in five years.

In Japan, BOJ Governor Ueda stated that interest rate decisions will consider the impact of previous hikes, and increases may continue in line with improvements in economic conditions and prices. Board member Hajime Takata also reiterated his call for rate hikes, noting that price stability is approaching and that he voted for increases in the last two meetings. These statements came after Prime Minister Sanae Takaichi nominated two

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DOMESTIC

The Istanbul Chamber of Commerce (ITO) published data for February showing that Istanbul's Consumer Price Index increased by 3.85 percent month-on-month and 37.88 percent year-on-year. By subcategory, food and non-alcoholic beverages rose 6.87 percent, the highest increase; alcoholic beverages and tobacco increased 5.38 percent; and transportation costs rose 4.95 percent. Health, housing, education, and recreation also saw price increases. The clothing and footwear category declined by 0.17 percent, while other expenditure groups recorded monthly increases between 0.09 percent and 3.26 percent.

Turkey's foreign trade deficit rose in January by 11.6 percent, reaching 8 billion 380 million dollar. Exports fell 4.0 percent year-on-year to 20 billion 300 million dollar, while imports rose 0.1 percent to 28 billion 700 million dollar. The export-to-import coverage ratio decreased by 3.0 percent to 70.8 percent. The manufacturing sector accounted for 92.7 percent of total exports.

Seasonally adjusted unemployment increased by 0.3 percent month-on-month to 8.1 percent. Male unemployment was 6.6 percent, while female unemployment reached 11.0 percent. The number of unemployed aged 15 and above rose by 73 thousand compared to the previous month, reaching 2 million 819 thousand. Seasonally adjusted employment decreased by 0.8 points to 47.9 percent.

The Economic Confidence Index rose 1.4 percent to 100.7. In the same period, Consumer Confidence Index increased 2.3 percent to 85.7, the Real Sector Confidence Index rose 1.1 percent to 104.1, Service Sector Confidence remained at 113.8, Retail Trade Confidence increased 2.9 percent to 115.9, and Construction Sector Confidence fell 2.1 percent to 83.9.

In response to Iran-related geopolitical risks and market volatility, the Capital Markets Board (CMB) and the Central Bank of the Republic of Turkey (CBRT) have implemented measures to regulate short selling and Turkish lira forward foreign exchange transactions. The CMB temporarily banned short selling in Borsa Istanbul equity markets from March 2 to March 6, 2026. Positions opened and closed on the same day, even without using the short-selling function, are also included in the ban. The responsibility for monitoring compliance with the decision was emphasized to lie with investment firms, and the equity protection ratio for margin transactions was temporarily relaxed from 35.0 percent to 20.0 percent until the end of trading on March 6, depending on the broker's risk policies. Additionally, the CBRT announced that it will start Turkish lira-settled forward FX sales to support the healthy functioning of the foreign exchange market and limit exchange rate volatility. This step aims to balance FX liquidity and prevent excessive fluctuations in the exchange rate. Meanwhile, the Central Bank announced that one-week repo auctions will be temporarily suspended.

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Finance Minister Mehmet Simsek, at the event in Istanbul, stated that Turkey's disinflation program has reached its final stage aimed at reducing inflation to single digits. He highlighted that artificial intelligence and autonomous systems will drive rapid transformations in the business world and emphasized that Turkey is strategically advantaged in trade through free trade agreements and key corridors. Simsek also noted that the budget deficit is under control, the current account-to-GDP ratio is below 1.0 percent, and access to finance has increased. Furthermore, declines in service and goods inflation, increased housing supply, and strong performance in defense and high-tech investments were underlined.



WEEKLY STATUS

	20.02.2026	27.02.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	14.848	14.774	-0,5%	19,2%	31,9%	23,2%	32,6%
XU100*	13.934	13.718	-1,6%	21,8%	14,6%	31,6%	35,6%
USDTRY	43,8	43,9	0,2%	2,3%	21,4%	20,1%	57,5%
DXY*	97,8	97,6	-0,2%	-0,7%	-9,4%	7,1%	-2,1%
US-10Y*	4,1	4,0	-3,0%	-4,6%	-9,3%	18,0%	0,0%
TR-10Y*	28,2	28,2	0,1%	3,8%	-5,6%	7,6%	169,4%
TR-2Y*	33,5	33,7	0,5%	-1,8%	-15,4%	2,2%	298,0%
CDS (5Y)	223,1	226,8	1,6%	10,7%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	5.104,3	5.277,9	3,4%	22,3%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	7.198,5	7.449,2	3,5%	25,2%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	119,4	132,4	10,8%	35,0%	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
	Industrial Production	December	2,1%	2,4%	
	Manufacturing PMI	January	48,1	48,9	50
	Capacity Utilization Rate (seasonally adj.)	February	74,0%	74,4%	
New	Import - (capital goods) (annually)	January	9,7%	38,7%	
New	Service sector confidence (seasonally adj.)	January	-1,0%	5,6%	
New	Import - (consumption goods) (annually)	January	-5,7%	6,7%	
New	Credit Growth Weekly	February (Week 4)	0,2%	0,8%	
	Consumer Confidence Index	February	85,7	83,7	100
	Real sector confidence (seasonally adj.)	February	104,1	103,0	100
New	Service sector confidence (seasonally adj.)	February	113,8	113,8	100
New	Retail sector confidence (seasonally adj.)	February	115,9	112,6	100
New	Construction sector confidence (seasonally adj.)	February	83,9	85,7	100
	Car Sales (annually)	January	9,8%	10,5%	
	House sales - total (annually)	January	-4,7%	19,8%	
	House sales - mortgage (annually)	January	15,7%	25,2%	
	CPI	January	30,7%	30,9%	
	CPI expectations (year-end)	February	24,1%	23,2%	
	Current Year Growth Expectations	February	3,9%	3,9%	
	Retail Sales Volume (annually)	December	16,3%	14,2%	
	Current Account Balance (billion USD)	December	-7,3	-4,0	
New	Unemployment Rate (seasonally adj.)	January	8,1%	7,7%	
New	Dollarization	February (Week 4)	0,9 Billion (+)	1,0 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
02.03.2026	Turkey	GDP
02.03.2026	Turkey	Manufacturing PMI
02.03.2026	Germany	Retail Sales
02.03.2026	US	Manufacturing PMI
03.03.2026	Turkey	CPI
03.03.2026	Euro Zone	Preliminary CPI
04.03.2026	China	Manufacturing PMI
04.03.2026	Japan	Services PMI
05.03.2026	US	Trade Balance
05.03.2026	US	Factory Orders
06.03.2026	Germany	Factory Orders
06.03.2026	US	Retail Sales
06.03.2026	US	Nonfarm Payrolls
06.03.2026	US	Fed's Balance Sheet

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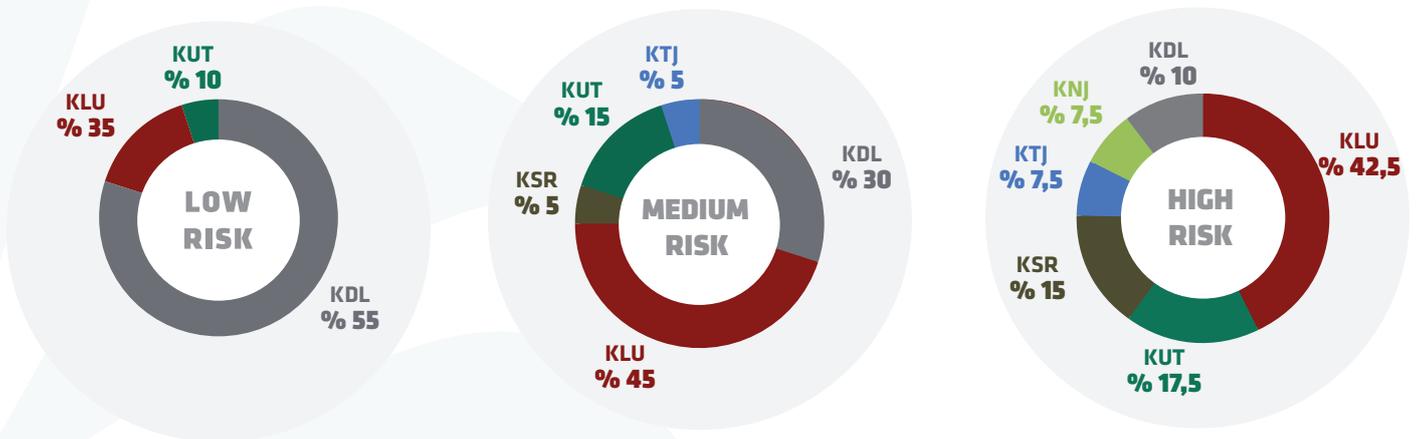
Our Fund Allocation Recommendations

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.

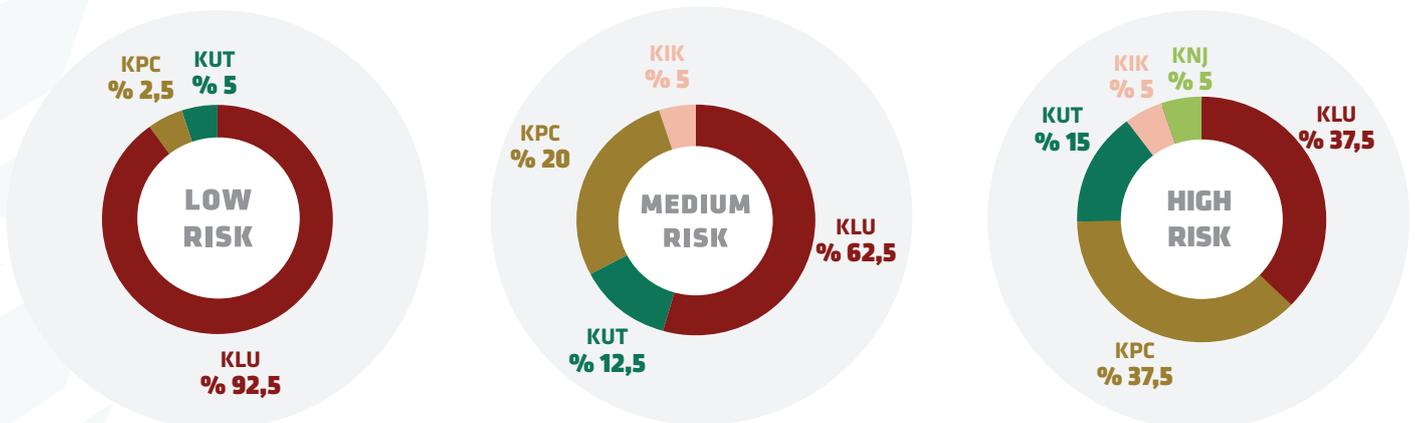
General Investment Recommendations for Those with USD as Their Base Currency

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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