



21 SEPTEMBER, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

ONE MORE FED RATE HIKE EXPECTED BY YEAR-END



The Fed raised the policy rate by 25 basis points at its September meeting, in line with market expectations. The economic projections released following the meeting indicated that another rate hike could come onto the agenda by year-end, while also pointing to a more hawkish outlook for 2027 compared with previous expectations. Eight of the 18 members expect a rate hike in 2027. The U.S. dollar index remaining above 100 and elevated U.S. Treasury yields are among the factors limiting global risk appetite. On the other hand, Brent crude oil falling back below USD 100 and strengthening expectations for a diplomatic solution stand out as positive developments for the global outlook. Going forward, geopolitical risks and expectations regarding the Fed's monetary policy will be closely monitored, while we maintain our cautious view on global markets.

Domestically, the Capital Markets Board announced new measures following recent developments in the fund market, while also deciding to liquidate certain investment funds. Treasury and Finance Minister Mehmet Şimşek stated that the necessary steps had been taken against market-disruptive transactions and that most of the additional measures previously considered were no longer needed. We believe that potential additional steps by regulatory authorities and news flow regarding the fund market will remain important for the outlook of domestic equity markets.

GLOBAL

The US Federal Reserve unanimously raised the policy rate by 25 basis points to a range of 3.75–4.00 percent, citing persistent inflationary pressures and economic resilience.

The move marked the Fed's first rate hike since July 2023, while the median policy rate projection for end-2026 was raised to 4.1 percent, signaling the possibility of another rate increase later this year. The growth forecast was revised up to 2.3 percent and the PCE inflation forecast to 3.7 percent. Fed Chair Kevin Warsh highlighted upside risks to inflation and stated that a cautious policy stance would be maintained.

US retail sales increased by 1.2 percent month on month and 8.6 percent year on year in August, exceeding the market expectation of 0.8 percent.

Sales excluding automobiles rose by 1.4 percent, significantly above the 0.4 percent forecast, while sales excluding automobiles and gasoline also increased by 1.2 percent. Twelve of the 13 sectors surveyed recorded expansion. The data showed that consumers maintained strong spending momentum despite elevated energy costs and inflation, supported by back-to-school spending.

Annual inflation in the Euro Area accelerated from 2.9 percent in July to 3.2 percent in August, with consumer prices rising by 0.4 percent month on month amid higher energy costs.

Energy prices increased by 14.3 percent year on year and were the main driver of the rise in headline inflation, while core inflation stood at 2.4 percent annually and 0.2 percent monthly. The final annual figure came in 0.1 percentage points below the flash estimate of 3.3 percent. Across the European Union, annual inflation also rose from 3.0 percent to 3.2 percent.

Germany's Producer Price Index increased by 1.1 percent month on month and 4.6 percent year on year in August, exceeding market expectations amid geopolitical tensions and higher energy and intermediate goods costs.

Energy prices rose by 8.3 percent annually, led by a 40.5 percent increase in petroleum products and a 65.3 percent rise in heating oil, while core producer inflation excluding energy remained at 3.1 percent. Intermediate goods prices increased by 6.1 percent year on year, driven by metals and basic chemicals. Food prices also rose by 4.3 percent annually.

The Bank of Japan raised its policy rate by 25 basis points from 1.0 percent to 1.25 percent, in line with market expectations, in an effort to contain rising price pressures.

The move pushed the policy rate to its highest level since 1995 and marked the Bank's sixth rate increase in the past two and a half years. Core inflation stood at 1.7 percent in August, close to the BOJ's 2 percent target. Rising global energy costs driven by geopolitical tensions and persistent depreciation pressure on the yen were key factors behind the rate increase.

DOMESTIC

House Price Index increased by 0.9 percent month on month and 23.0 percent year on year in nominal terms in August, while declining by 6.5 percent in real terms. Annual house price increases in the three largest cities stood at 26.3 percent in Istanbul, 24.8 percent in Ankara, and 23.3 percent in Izmir. The New Tenant Rent Index rose by 2.3 percent monthly and 26.4 percent annually in nominal terms, while declining by 3.9 percent in real terms. Istanbul ranked first in annual rent growth with an increase of 34.5 percent.

Total house sales declined by 14.7 percent year on year in August to 127 thousand 410 units, while mortgaged house sales increased by 7.2 percent to 22 thousand 131 units. First-hand house sales fell by 4.5 percent annually to 44 thousand 378 units, while second-hand sales declined by 19.4 percent to 83 thousand 32 units. House sales to foreigners increased marginally by 0.1 percent to 1,938 units, accounting for 1.5 percent of total sales. Total commercial property sales also declined by 6.4 percent year on year to 15 thousand 937 units.

According to foreign trade indices, the export unit value index increased by 8.2 percent year on year in July, while the import unit value index rose by 12.8 percent. During the same period, the export volume index declined by 4.9 percent annually and the import volume index by 6.9 percent. In seasonally and calendar-adjusted terms, the export volume index increased by 2.7 percent month on month, while the import volume index fell by 8.7 percent. The terms of trade index declined by 4.0 points from a year earlier to 91.3.

The construction production index increased by 1.1 percent month on month in July, while declining by 4.7 percent year on year. Among the sub-sectors, civil engineering construction stood out positively, rising by 2.0 percent monthly and 14.0 percent annually. Building construction increased by 0.9 percent month on month but contracted by 8.0 percent year on year. Specialized construction activities rose by 1.0 percent monthly but declined by 4.9 percent annually, pointing to continued weakness on a yearly basis.

The services production index increased by 1.0 percent month on month and 3.0 percent year on year in July. Information and communication services rose by 7.9 percent annually, while professional, scientific, and technical services increased by 5.5 percent and led overall growth. Accommodation and food services rose by 2.3 percent monthly and 5.3 percent annually. In contrast, real estate services declined by 5.2 percent year on year despite a 1.3 percent monthly increase, while administrative and support services contracted by 3.3 percent annually.

WEEKLY STATUS

	11.09.2026	18.09.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	17.905	15.908	-11,2%	28,3%	31,9%	23,2%	32,6%
XU100*	14.467	13.284	-8,2%	18,0%	14,6%	31,6%	35,6%
USDTRY	48,6	48,8	0,4%	13,5%	21,4%	20,1%	57,5%
DXY*	99,1	100,2	1,1%	1,9%	-9,4%	7,1%	-2,1%
US-10Y*	5,0	5,0	0,4%	20,3%	-9,3%	18,0%	0,0%
TR-10Y*	31,9	32,6	2,2%	20,0%	-5,6%	7,6%	169,4%
TR-2Y*	36,6	36,8	0,6%	7,2%	-15,4%	2,2%	298,0%
CDS (5Y)	221,5	232,8	5,1%	13,6%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.348,7	4.378,2	0,7%	1,5%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.786,9	6.864,1	1,1%	15,3%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	100,6	103,9	3,2%	6,0%	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

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.



LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
	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 3)	0,5%	0,4%	
	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%	
New	House sales - total (annually)	August	-6,8%	-17,0%	
New	House sales - mortgage (annually)	August	27,6%	23,7%	
	CPI	August	31,5%	31,8%	
	CPI expectations (year-end)	September	29,6%	29,4%	
	Current Year Growth Expectations	September	3,0%	3,1%	
	Retail Sales Volume (annually)	July	10,4%	11,8%	
	Current Account Balance (billion USD)	July	-5,6	-4,2	
	Unemployment Rate (seasonally adj.)	July	8,1%	7,6%	
New	Dollarization	September (Week 3)	0,0 Billion (+)	0,2 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
21.09.2026	Turkey	Capacity Utilization Rate
21.09.2026	Turkey	Non-Domestic PPI
22.09.2026	Turkey	Consumer Confidence Index
22.09.2026	Euro Zone	Preliminary Consumer Confidence Index
23.09.2026	US	Manufacturing, Services and Composite PMI
23.09.2026	Germany	Preliminary Manufacturing, Services and Composite PMI
23.09.2026	Euro Zone	Preliminary Manufacturing, Services and Composite PMI
24.09.2026	US	Home Sales
24.09.2026	Japan	Preliminary Manufacturing and Services PMI
24.09.2026	US	Fed's Balance Sheet
25.09.2026	Germany	Consumer Confidence Index
25.09.2026	US	Preliminary Durable Goods Orders

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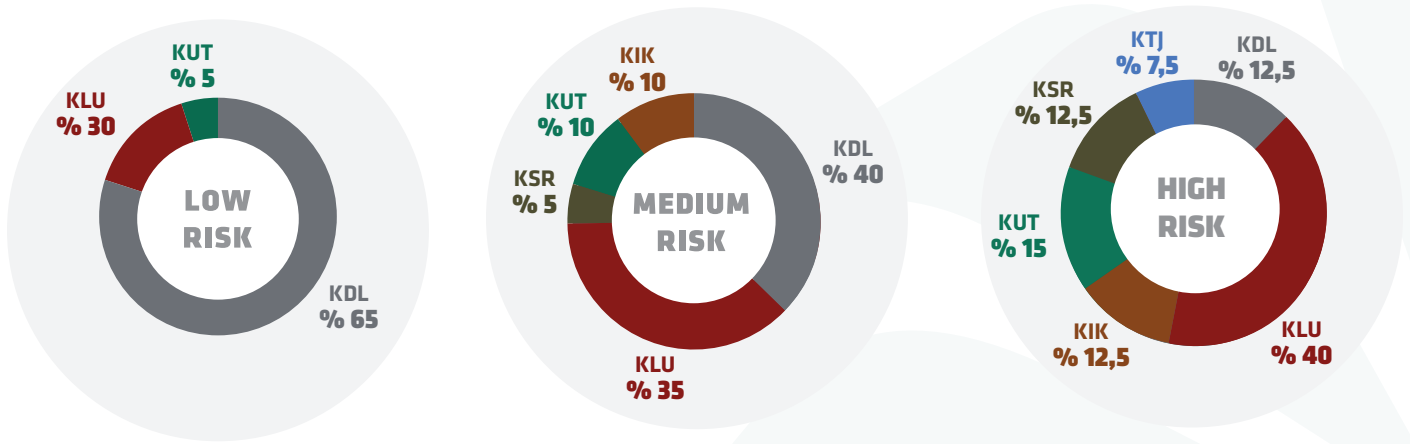
Our Fund Allocation Recommendations

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.

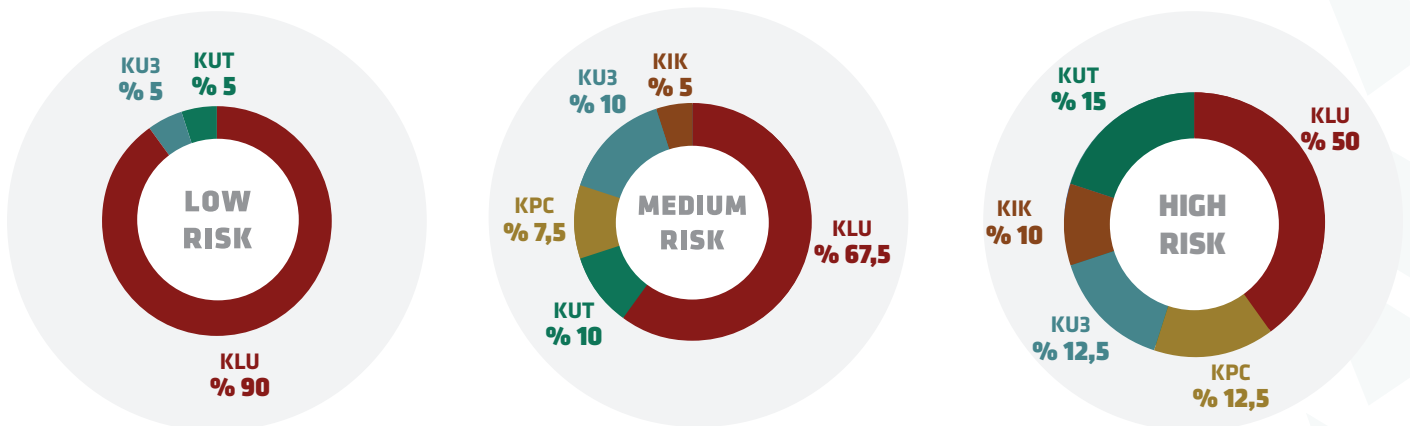
General Investment Recommendations for Those with USD as Their Base Currency

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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