



DECEMBER 22, 2025

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

DISINFLATION PROCESS AND STRENGTHENING RESERVES SUPPORT TL ASSETS



In the summary of the CBRT's Monetary Policy Committee meeting, it was noted that the favorable trend in food prices observed in November continued into December. Despite higher red meat prices, the decline in fresh fruit and vegetable prices has supported a more optimistic inflation outlook for December. Alongside this relatively positive inflation picture, developments supporting confidence in the Turkish lira continue to stand out. The CBRT's gross reserves exceeded USD 190 billion, while net reserves excluding swaps rose above USD 65 billion. Expectations that the Central Bank will continue its easing cycle in a gradual and cautious manner are supporting interest in TL-denominated assets.

In global markets, macroeconomic data and geopolitical developments remain closely monitored. In the U.S., annual inflation came in below expectations at 2.7 percent, signaling a slowdown in inflation and leaving room for potential rate cuts ahead. While the Fed projects one rate cut for 2026, market pricing suggests that the possibility of two rate cuts remains on the table.

Despite ongoing valuation debates around AI-related companies in U.S. equity markets, growth and profitability expectations for 2026 remain broadly strong. Meanwhile, spot gold continues its upward trend, supported by macro data reinforcing rate-cut expectations and rising geopolitical risks. The new week began with reports that the U.S. has detained another oil tanker linked to Venezuela, bringing geopolitical risk perceptions back into focus.

GLOBAL

In the United States, consumer prices increased below expectations in November, rising by 0.2 percent on a monthly basis and 2.7 percent on a yearly basis. In the same period, core inflation excluding food and energy increased by 2.6 percent on a yearly basis. In addition, prices of goods excluding food and energy rose by 1.4 percent compared to the previous year.

In the United States, nonfarm payrolls increased by 64 thousand in November, exceeding market expectations. During the same period, the unemployment rate declined by 0.2 points compared to the previous month, reaching 4.4 percent. Moreover, average hourly earnings increased by 0.1 percent on a monthly basis and 3.5 percent on a yearly basis.

In the United States, the Manufacturing PMI declined by 0.4 points month over month to 51.8 points in December, marking the lowest level of the past five months. In the same period, the Services PMI fell to 52.9 points. In addition, the Composite PMI covering both manufacturing and services declined to 53.0 points, recording the lowest level of the past six months.

At its meeting held on 18 December, the European Central Bank kept policy interest rates unchanged in line with expectations. While no changes were made to the main refinancing, deposit, and marginal lending rates, the statement emphasized that monetary policy decisions would be determined in a data-dependent and meeting-by-meeting manner. The ECB also stated that inflation is hovering close to the medium-term target of 2 percent, while maintaining a cautious stance on the economic outlook.

In Japan, the central bank raised the policy rate from 0.50 percent to 0.75 percent, reaching the highest level in nearly 30 years. It was noted that confidence has increased that the 2 percent inflation target will be achieved in a stable manner, supported by wage increases. The Bank of Japan also signaled that further rate hikes could continue if conditions remain favorable.

In China, industrial production increased by 4.8 percent on a yearly basis in November, but remained below market expectations. In the same period, retail sales rose by 1.3 percent compared to the same month of the previous year. In addition, automobile sales declined by 8.5 percent on a yearly basis, recording the sharpest drop of the past ten months.

DOMESTIC

In the summary of the Central Bank of the Republic of Turkey's Monetary Policy Committee meeting held on 11 December, it was stated that the trend in core inflation and inflation expectations are being closely monitored. The Committee emphasized that a tight monetary stance will be maintained decisively until price stability is achieved. It was also noted that decisions will be taken to establish monetary and financial conditions that will bring inflation to the medium-term target of 5 percent.

The Consumer Confidence Index declined by 1.8 percent on a monthly basis in December, reaching 83.5 points. In the same period, the household financial situation index fell by 1.7 points to 67.9 points, while the index for expectations regarding household financial conditions over the next 12 months decreased by 0.5 points to 85.2 points. In addition, the index measuring the intention to spend on durable goods over the next 12 months retreated to 102.6 points.

The House Price Index (HPI) increased by 2.7 percent on a monthly basis and 31.4 percent on a yearly basis in November. In the same period, the real increase, adjusted for inflation, stood at 0.3 percent on a yearly basis. On a yearly basis, house prices rose by 31.7 percent in Istanbul, 37.9 percent in Ankara, and 31.6 percent in Izmir.

Housing sales declined by 7.8 percent on a yearly basis in November to 141 thousand 100 units. In terms of regional breakdown, Istanbul recorded the highest number of home sales with 24 thousand 234 units, followed by Ankara with 12 thousand 706 units and Izmir with 8 thousand 540 units, while Ardahan had the lowest number of sales with 78 units.

In October, the number of paid employees showed no change on a monthly basis, while increasing by 1.0 percent on a yearly basis to 16 million 20 thousand 394 persons. On a yearly basis, employment increased by 2.5 percent in the construction sector and in the trade and services sectors, while it declined by 3.5 percent in the industrial sector.

The central government budget recorded a surplus of 169 billion 500 million Turkish lira in November. In the same period, the primary budget surplus amounted to 287 billion 400 million Turkish lira. Moreover, in the January–November period, a total budget deficit of 1 trillion 270 billion Turkish lira continued, with expenditures of 12 trillion 800 billion Turkish lira against revenues of 11 trillion 600 billion Turkish lira.

The Construction Production Index decreased by 0.1 percent on a monthly basis in October, while increasing by 28.0 percent on a yearly basis. On a yearly basis, the building construction sector and the civil engineering sector increased by 28.8 percent and 21.8 percent, respectively. In addition, the index for specialized construction activities rose by 29.9 percent.

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WEEKLY STATUS

	12.12.2025	19.12.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.440	12.380	-0,5%	31,7%	23,2%	32,6%	210,3%
XU100*	11.311	11.342	0,3%	15,4%	31,6%	35,6%	196,6%
USDTRY	42,7	42,7	0,1%	20,8%	20,1%	57,5%	39,6%
DXY*	98,4	98,6	0,2%	-9,1%	7,1%	-2,1%	8,2%
US-10Y*	4,2	4,2	-1,1%	-9,4%	18,0%	0,0%	156,3%
TR-10Y*	28,6	28,2	-1,2%	-2,0%	7,6%	169,4%	-59,2%
TR-2Y*	35,2	34,8	-1,1%	-14,1%	2,2%	298,0%	-56,1%
CDS (5Y)	225,2	208,6	-7,4%	-19,7%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	4.302,4	4.338,6	0,8%	65,4%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.902,4	5.967,1	1,1%	100,0%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	85,1	92,4	8,6%	181,2%	45,3%	57,1%	44,9%

***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	October	2,2%	2,9%	
	Manufacturing PMI	November	48,0	46,5	50
	Capacity Utilization Rate (seasonally adj.)	November	74,1%	74,0%	
	Import - (capital goods) (annually)	October	16,0%	14,9%	
	Service sector confidence (seasonally adj.)	October	68,3%	69,1%	
	Import - (consumption goods) (annually)	October	15,5%	15,5%	
New	Credit Growth Weekly	December (Week 3)	1,2%	0,5%	
New	Consumer Confidence Index	December	83,5	85,0	100
	Real sector confidence (seasonally adj.)	November	103,2	102,0	100
	Service sector confidence (seasonally adj.)	November	111,8	110,7	100
	Retail sector confidence (seasonally adj.)	November	114,2	113,2	100
	Construction sector confidence (seasonally adj.)	November	84,9	83,7	100
	Car Sales (annually)	November	9,8%	19,9%	
New	House sales - total (annually)	November	-7,8%	-0,5%	
New	House sales - mortgage (annually)	November	-1,4%	11,5%	
	CPI	November	31,1%	32,9%	
	CPI expectations (year-end)	December	31,2%	32,2%	
	Current Year Growth Expectations	December	3,5%	3,4%	
	Retail Sales Volume (annually)	October	7,4%	14,3%	
	Current Account Balance (billion USD)	October	0,5	1,1	
	Unemployment Rate (seasonally adj.)	October	8,5%	8,6%	
New	Dollarization	December (Week 3)	0,6 Billion (+)	2,0 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
22.12.2025	US	Core Personal Consumption Expenditures (PCE)
23.12.2025	US	Preliminary Durable Goods Orders
23.12.2025	US	Preliminary GDP
23.12.2025	US	Industrial Production
23.12.2025	US	Capacity Utilization Rate
24.12.2025	Japan	Monetary Policy Meeting Minutes
25.12.2025	Turkey	Capacity Utilization Rate
25.12.2025	Turkey	Manufacturing Confidence
26.12.2025	Japan	Consumer Price Index (CPI)
26.12.2025	Japan	Retail Sales

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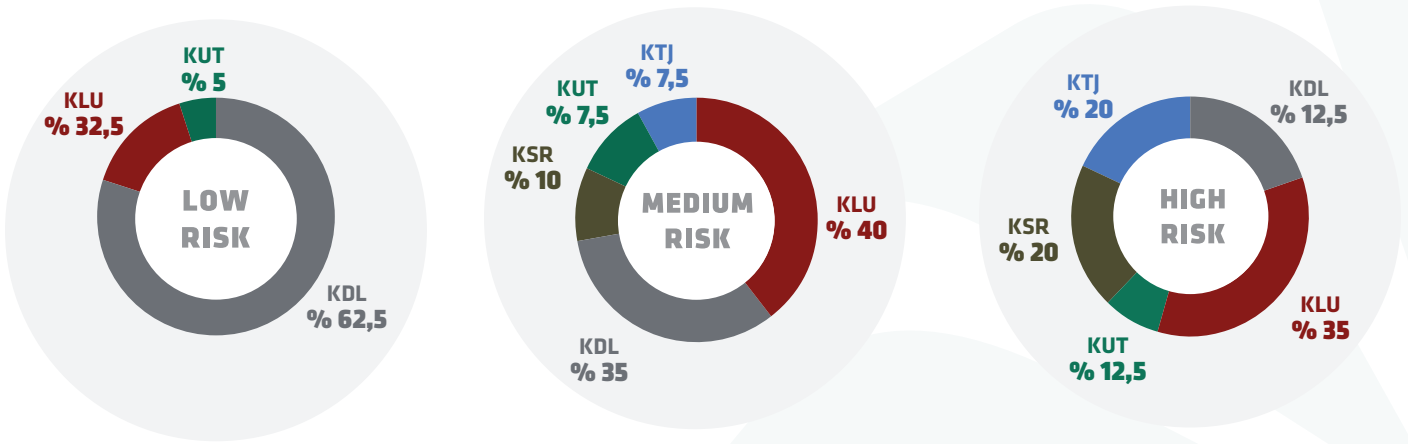
Our Fund Allocation Recommendations

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.

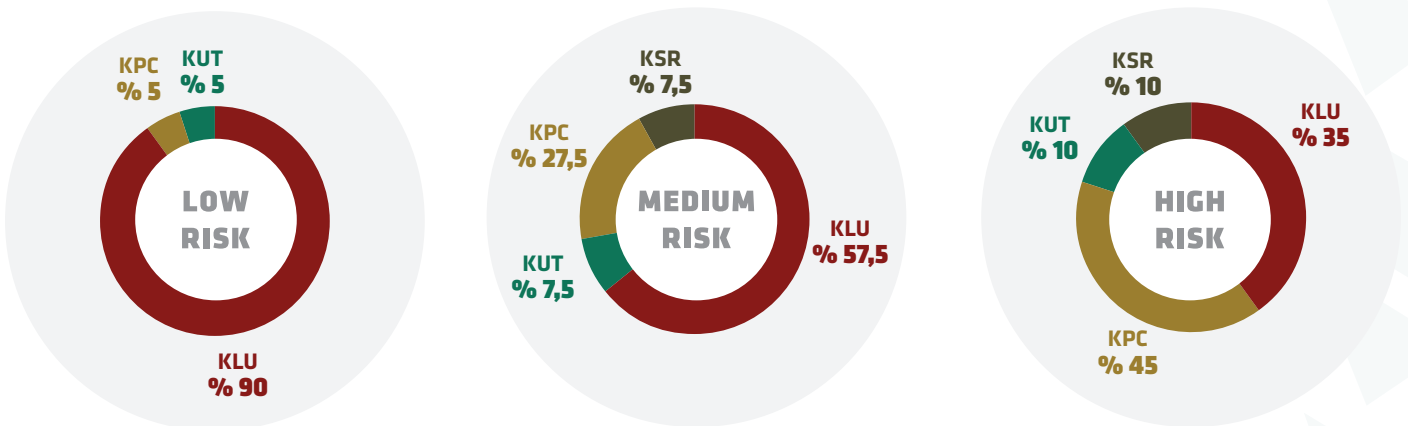
General Investment Recommendations for Those with USD as Their Base Currency

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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