



**JUNE 22, 2026**

KUVEYT TÜRK ASSET MANAGEMENT  
**PRIVATE BANKING**  
WEEKLY ECONOMIC BULLETIN



**KUVEYTTÜRK** |  **PRIVATE BANKING**

## GEOPOLITICAL RISKS EASE WHILE THE FED MAINTAINS A CAUTIOUS STANCE



The signing of a memorandum of understanding between the United States and Iran supported expectations of easing geopolitical risks. Although U.S. President Donald Trump's occasionally hawkish remarks and criticism of the negotiation process have increased uncertainty surrounding the upcoming 60-day negotiation period, talks between the parties are continuing. As risks related to the Strait of Hormuz have eased, Brent crude oil prices have fallen below USD 80 per barrel, while reduced concerns over energy supply have supported global risk appetite. Following the decline in oil prices, the selling pressure that had dominated gold prices over the past three weeks has given way to a modest recovery.

Meanwhile, the Federal Reserve's policy decision remained the key focus for markets last week. The Fed left its policy rate unchanged, in line with expectations, while revising its core inflation forecasts upward. In addition, nine of the eighteen FOMC members projected a rate hike in 2026, signaling that the Fed intends to maintain its cautious approach in the fight against inflation. The Fed's cautious stance and continued market pricing of a potential rate hike are limiting the pace of the recovery in gold prices, despite support from lower oil prices.

## GLOBAL

**In the US, the Fed kept its policy rate unchanged at the 3.50 percent to 3.75 percent range at its June meeting, in line with expectations, while the unanimous decision and the removal of forward guidance signaling future rate cuts stood out.** The bank raised its year-end 2026 rate forecast from 3.4 percent to 3.8 percent, while revising inflation forecasts upward and growth forecasts downward, pointing to a tighter policy path. Fed Chair Kevin Warsh emphasized that ensuring price stability remains the top priority, stating that the 2 percent inflation target will not be abandoned and that additional steps will be taken if necessary. This outlook showed that the Fed has adopted a cautious and more hawkish stance in the face of the Middle East-driven energy shock and elevated inflation risks.

**In the US, industrial production rose by 0.1 percent month on month in May, falling short of the 0.3 percent market expectation, while the previous month's figure was revised upward from 0.7 percent to 0.9 percent, indicating that the underlying production trend has not weakened completely.** Annual industrial production increased to 1.7 percent, while the rise in capacity utilization from 76.1 percent to 76.2 percent pointed to a limited recovery on the production side. The report showed that manufacturing output excluding motor vehicles and parts remained flat, while the overall picture was restrained by a decline in utilities production despite a 1.3 percent increase in mining output. Data released on the same day by the New York Fed also pointed to a moderate increase in factory activity in June, suggesting that a weak but positive trend continues in US manufacturing.

**The European Parliament approved by majority vote two bills implementing the EU's tariff commitments under the EU-US trade agreement, marking a critical step in the agreement's entry into force.** The measure removes EU tariffs on US industrial goods while granting preferential market access to a wide range of US seafood and agricultural products, and it will remain valid until the end of 2029. The approved text also includes safeguard provisions allowing the EU to suspend the concessions it has granted if the US violates the terms of the agreement. The vote stood out as an important step toward easing tensions in transatlantic trade relations at a time when Trump had given the EU until July 4 to fulfill its obligations and threatened to raise tariffs otherwise.

**In the Euro Area, industrial production rose by 0.1 percent month on month and 0.3 percent year on year in April, presenting a limited but positive picture on the production side.** The data came in below the monthly market expectation of 0.2 percent, indicating that although growth has lost momentum, it continues, albeit weakly. Across the EU as a whole, industrial production increased by 0.1 percent on a monthly basis and 0.9 percent on an annual basis, while the picture within the region showed a clear divergence among countries. The Euro Area data suggested that rather than a strong industrial recovery, a fragile but positive trend is being maintained.

**The Bank of Japan raised its policy rate to 1 percent at its June meeting, in line with expectations, thereby accelerating the normalization process it launched in 2024 and reaching this level for the first time since 1995.** The decision was taken by a vote of 7 to 1, showing that the bank sees rising inflationary pressures and the weak yen as factors supporting tighter monetary policy. Following the decision, the Nikkei 225 index rose by 0.46 percent, the yen appreciated slightly against the dollar, and the 10-year government bond yield climbed to 2.615 percent. The BOJ also announced that it will continue its gradual reduction in government bond purchases and will shift to a fixed monthly purchase level of 2 trillion yen starting in 2027.

## DOMESTIC

**Industrial production rose by 3.7 percent month on month and 6.0 percent year on year in April, recording a marked recovery after the weak picture seen in March.** In the sub-components, the 6.8 percent annual increase and 4.4 percent monthly increase in manufacturing output were the main drivers of the overall improvement. By contrast, mining and quarrying output contracted by 2.8 percent year on year, while electricity, gas, steam, and air conditioning production fell by 2.8 percent on a monthly basis. The data pointed to a strong recovery in industrial production after the war-related weakness in March, led especially by manufacturing.

**The seasonally adjusted Real Sector Confidence Index rose to 102.0 in June, signaling a limited improvement in confidence in the real sector.** The increase in the index was driven by more positive assessments regarding production volume, fixed capital investment spending, total orders, and the general outlook for the next three months. By contrast, the current stock of finished goods and expectations for future employment and export orders were among the factors that limited the index on the downside. The rise in the non-seasonally adjusted Real Sector Confidence Index to 103.5 also showed that a cautious but improving trend continues in manufacturing.

**Housing sales fell by 31.2 percent year on year in May to 93 thousand 333 units, marking the sharpest decline since December 2023.** First-hand sales dropped by 27.9 percent, while second-hand sales declined by 32.7 percent, although the fall in mortgage-backed sales was more limited at 2.8 percent. Sales to foreigners also decreased by 27.0 percent to 1 thousand 387 units, reducing their share in total sales to 1.5 percent. The data pointed to generally weak demand in the housing and commercial real estate markets in May, in addition to the effect of fewer working days.

**The central government budget posted a deficit of 298 billion 223 million lira in May, bringing the cumulative deficit in the January-May period to 1 trillion 56 billion 999 million lira.** In May, budget revenues fell by 18 percent year on year to 1 trillion 86 billion 168 million lira, while budget expenditures rose by 27 percent to 1 trillion 384 billion 391 million lira. During the same period, the primary balance shifted from a surplus last year to a deficit of 169 billion 284 million lira, pointing to a marked deterioration in fiscal policy. The fact that spending growth exceeded revenue growth in the January-May period and that interest expenditures rose by 51.1 percent showed that pressure on the budget outlook continues.

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.

**The House Price Index rose by 1.7 percent month on month and 24.5 percent year on year in May, but fell by 6.1 percent in real annual terms, indicating that inflation-adjusted losses in housing prices have deepened.** Thus, real house prices have declined in 27 of the last 28 months. In May, monthly prices rose by 2.1 percent in Istanbul and 1.5 percent in Ankara, while they fell by 0.1 percent in Izmir. Although the New Tenant Rent Index increased by 1.9 percent month on month and 30.4 percent year on year, it still declined by 1.7 percent in real terms, showing that real losses continued on the rental side as well.

**Trade sales volume declined by 2.7 percent month on month in April, while retail sales volume also fell by 1.7 percent, signaling that the slowdown in domestic demand continued.** On an annual basis, trade sales volume posted a limited increase of 0.1 percent, while retail sales volume rose by 11.4 percent, showing that consumer demand remained strong compared with the same period last year. During the same period, sales volume in motor vehicles and motorcycles trade and repair fell by 7.6 percent year on year, while wholesale trade sales volume declined by 3.3 percent. The data showed that although the strong annual picture in retail was preserved in April, the loss of momentum in domestic demand became more visible on a monthly basis.

## WEEKLY STATUS

	12.06.2026	19.06.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	16.755	17.221	2,8%	38,9%	31,9%	23,2%	32,6%
XU100*	13.938	14.735	5,7%	30,8%	14,6%	31,6%	35,6%
USDTRY	46,3	46,4	0,4%	8,1%	21,4%	20,1%	57,5%
DXY*	99,8	100,9	1,1%	2,6%	-9,4%	7,1%	-2,1%
US-10Y*	4,5	4,5	0,1%	8,1%	-9,3%	18,0%	0,0%
TR-10Y*	31,4	31,0	-1,3%	14,0%	-5,6%	7,6%	169,4%
TR-2Y*	39,2	37,6	-4,2%	9,6%	-15,4%	2,2%	298,0%
CDS (5Y)	239,5	218,9	-8,6%	6,9%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.219,3	4.160,3	-1,4%	-3,6%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.273,7	6.204,6	-1,1%	4,3%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	101,2	96,9	-4,2%	-1,2%	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
New	Industrial Production	April	6,0%	-1,1%	
	Manufacturing PMI	May	49,8	45,7	50
New	Capacity Utilization Rate (seasonally adj.)	April	74,3%	74,1%	
	Import - (capital goods) (annually)	June	1,6%	7,8%	
	Service sector confidence (seasonally adj.)	June	5,6%	11,2%	
	Import - (consumption goods) (annually)	June	-6,8%	-5,3%	
New	Credit Growth Weekly	June (Week 2)	0,7%	0,5%	
	Consumer Confidence Index	May	85,8	85,5	100
New	Real sector confidence (seasonally adj.)	June	102	101	100
	Service sector confidence (seasonally adj.)	May	109,0	109,7	100
	Retail sector confidence (seasonally adj.)	May	112,5	111,6	100
	Construction sector confidence (seasonally adj.)	May	82,1	83,6	100
	Car Sales (annually)	May	-22,6%	-1,0%	
New	House sales - total (annually)	May	-6,6%	2,6%	
New	House sales - mortgage (annually)	May	25,8%	40,5%	
	CPI	April	32,6%	32,4%	
	CPI expectations (year-end)	June	29,1%	28,9%	
	Current Year Growth Expectations	June	3,2%	3,3%	
New	Retail Sales Volume (annually)	April	11,4%	21,2%	
	Current Account Balance (billion USD)	April	-5,7	-9,7	
	Unemployment Rate (seasonally adj.)	April	8,2%	8,1%	
New	Dollarization	June (Week 2)	0,3 Billion (+)	1,7 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
22.06.2026	Turkey	Consumer Confidence
22.06.2026	Euro Zone	Preliminary Consumer Confidence
23.06.2026	Japan	Preliminary Manufacturing & Services PMI
23.06.2026	US	Preliminary Manufacturing & Services PMI
23.06.2026	Euro Zone	Preliminary Manufacturing & Services PMI
24.06.2026	Japan	BOJ Summary of Opinions
24.06.2026	US	New Home Sales
25.06.2026	Euro Zone	ECB Economic Bulletin Monthly
25.06.2026	US	Core PCE
25.06.2026	US	GDP
25.06.2026	US	Preliminary Durable Goods Orders
26.06.2026	Japan	CPI
26.06.2026	US	Preliminary Retail Inventories Ex Auto

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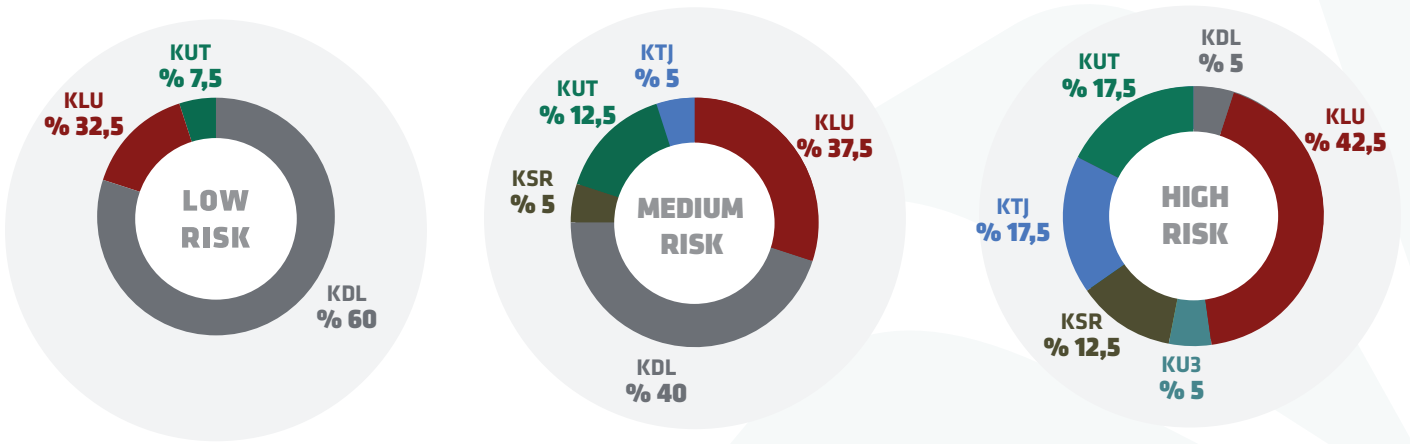
## Our Fund Allocation Recommendations

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.

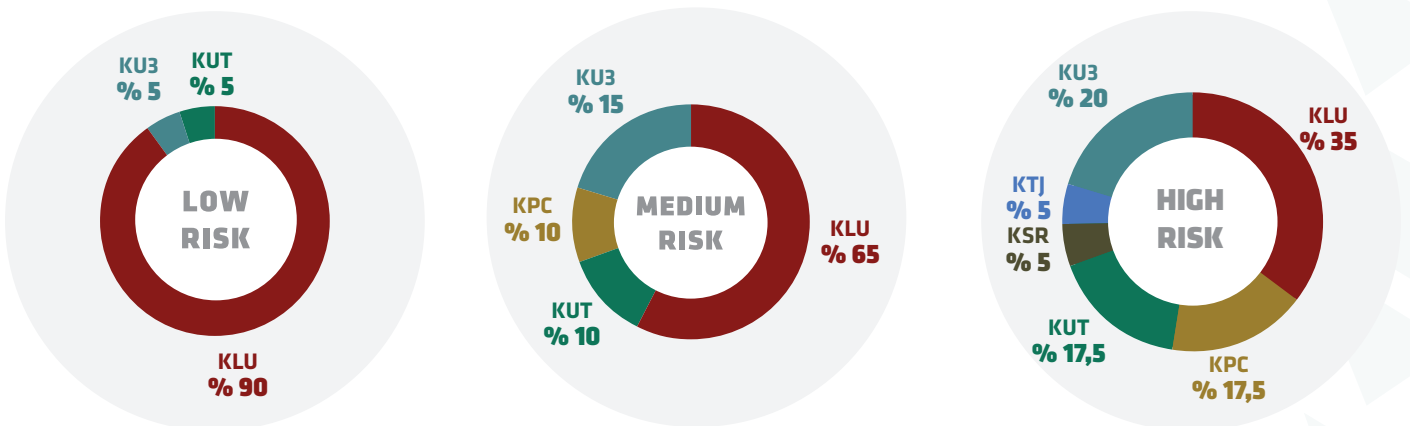
### General Investment Recommendations for Those with USD as Their Base Currency

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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**22 HAZİRAN 2026**

KUVEYT TÜRK PORTFÖY  
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HAFTALIK EKONOMİK BÜLTEN



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