



MARCH 23, 2026

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

RISING GEOPOLITICAL TENSIONS WEIGH ON GLOBAL MARKETS



As markets enter the fourth week of March, geopolitical tensions in the Middle East continue to escalate. Over the weekend, increasing threats between the United States and Iran brought risks to the Strait of Hormuz and energy infrastructure in the Gulf region back into focus. U.S. President Trump stated that if Tehran does not reopen the strait within 48 hours, the U.S. could take strong action against Iran's energy facilities.

The prolonged conflict is leading markets to price in higher inflation risks through rising oil prices and downside risks to global growth. In this environment, investors continue to move away from risk assets. The week began with a negative tone in Asian markets, while rising inflation risks have weakened expectations for rate cuts, triggering selling pressure in both risk assets and precious metals. In the near term, market direction will largely depend on whether U.S. rhetoric toward Iran translates into concrete actions.

GLOBAL

In the United States, the Federal Reserve kept the policy rate unchanged at the 3.50 to 3.75 percent range at its March meeting, in line with market expectations. The statement highlighted that economic activity remains stable and the labor market stays strong, while inflation continues to run above target. Fed Chair Powell emphasized that rising energy prices are increasing upside risks to inflation and noted that rate cuts will not be considered until there is clear and sustained progress on inflation. Meanwhile, uncertainty surrounding the economic impact of geopolitical tensions in the Middle East persists, reinforcing the Fed's data-dependent and cautious stance.

In the United States, producer prices increased by 0.7 percent month-on-month in February, exceeding expectations, while annual PPI rose to 3.4 percent, signaling renewed cost pressures. A breakdown of the data shows that most of the increase stemmed from the services sector, with a 0.5 percent rise led by travel, food wholesale, and investment services. Food prices recorded their strongest increase in recent years, driven by a sharp surge in vegetable prices. Economists note that the data does not yet fully reflect the impact of Iran-related geopolitical developments, and rising oil prices may create additional inflationary pressures in the coming period.

In Germany, the ZEW expectations index dropped sharply from 58.3 in February to minus 0.5 in March, well below market expectations and marking the lowest level in recent periods. Despite an improvement in the current conditions index, rising geopolitical risks and higher energy prices are seen as potential obstacles to economic recovery. The chief economist emphasized that tensions in the Middle East could increase inflationary pressures and pose downside risks to growth. The data was released ahead of the European Central Bank's policy meeting, while recent indicators suggest a modest recovery in the manufacturing sector despite a weak start to the year.

In the Euro Area, annual inflation rose to 1.9 percent in February, while monthly inflation stood at 0.6 percent, broadly in line with expectations. Core inflation remained elevated at 2.4 percent annually and increased by 0.8 percent on a monthly basis. Across the European Union, annual inflation reached 2.1 percent, with country-level figures at 2.0 percent in Germany, 1.1 percent in France, 1.5 percent in Italy, and 2.5 percent in Spain. The data indicates a gradual uptick in inflation, while core indicators remain relatively resilient.

Japan's exports grew by 4.2 percent year-on-year in February, exceeding expectations, but signaled a slowdown following the strong surge in January. Exports to China declined by 10.9 percent, while shipments to the United States fell by 8.0 percent, with a notable 14.8 percent drop in automobile exports. Potential new tariffs from the United States are increasing risks to Japan's external demand outlook. These developments point to rising uncertainty in global trade dynamics.



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DOMESTIC

Foreign Minister Hakan Fidan intensified diplomatic efforts to end regional conflicts, holding talks with officials from Qatar, Saudi Arabia, and Pakistan. Discussions focused on ongoing initiatives to end the war and enhance coordination among parties. Fidan also engaged with officials from Iran, Egypt, the European Union, and the United States to address steps toward de-escalation. These diplomatic contacts signal increasing international efforts to reduce regional tensions.

The housing price index increased by 1.8 percent month-on-month in February to reach 215.5, while despite a 26.4 percent annual rise, it declined by 3.9 percent in real terms, marking the largest loss in a year. Price increases continued in major cities, with monthly gains of 2.2 percent in Istanbul, 1.7 percent in Ankara, and 1.4 percent in Izmir. New rental prices rose by 1.6 percent monthly, with an annual increase of 34.2 percent in nominal terms and 2.0 percent in real terms, with the strongest rise observed in Istanbul.

In the summary of the Monetary Policy Committee meeting dated March 12, the Central Bank highlighted increased global uncertainty due to geopolitical developments, along with rising energy prices and weakening risk appetite. Food prices were the main driver of inflation in February, while the underlying trend remained flat. The Committee emphasized that rising commodity prices and supply chain disruptions pose risks to the inflation outlook. It also stated that monetary policy would be tightened further if there is a significant and persistent deterioration in inflation. The current tight stance is expected to support the disinflation process.

Official reserve assets declined by 4.0 percent week-on-week to 189 billion 600 million dollars, with foreign currency assets falling by 13.2 percent to 47 billion 800 million dollars. Gold reserves decreased slightly to 134 billion 100 million dollars, while IMF reserve position and SDR holdings totaled 7 billion 700 million dollars. Short-term foreign currency liabilities of the public sector increased by 0.7 percent to 126 billion 900 million dollars. Pre-determined liabilities rose, while contingent liabilities declined slightly. The Central Bank's foreign exchange liabilities from swap transactions stood at 16 billion 300 million dollars.

Installed capacity in solar energy has increased significantly, rising from 40.2 megawatts in 2014 to 25 thousand 827 megawatts as of early 2026, accounting for 20.9 percent of total installed capacity. Electricity generation from solar energy also surged from 17 gigawatt-hours in 2014 to 38 thousand 69 gigawatt-hours by the end of 2025. Authorities emphasized that investments in renewable energy will continue to expand, targeting 120 thousand megawatts of combined solar and wind capacity by 2035. Approximately 80 billion dollars of new investment is planned to achieve this goal, supporting continued growth in renewable energy.

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WEEKLY STATUS

	13.03.2026	20.03.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	15.010	15.092	0,5%	21,7%	31,9%	23,2%	32,6%
XU100*	13.093	13.048	-0,3%	15,9%	14,6%	31,6%	35,6%
USDTRY	44,2	44,3	0,2%	3,1%	21,4%	20,1%	57,5%
DXY*	100,4	99,7	-0,7%	1,4%	-9,4%	7,1%	-2,1%
US-10Y*	4,3	4,4	2,6%	5,8%	-9,3%	18,0%	0,0%
TR-10Y*	30,5	33,6	10,0%	23,7%	-5,6%	7,6%	169,4%
TR-2Y*	36,8	41,7	13,4%	21,6%	-15,4%	2,2%	298,0%
CDS (5Y)	260,8	276,0	5,8%	34,7%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	5.019,3	4.651,7	-7,3%	7,8%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	7.134,8	6.399,0	-10,3%	7,5%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	114,5	96,7	-15,6%	-1,3%	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	January	-1,8%	-2,1%	
Manufacturing PMI	February	49,3	48,1	50
Capacity Utilization Rate (seasonally adj.)	February	74,0%	74,4%	
Import - (capital goods) (annually)	January	9,7%	38,7%	
Service sector confidence (seasonally adj.)	January	-1,0%	5,6%	
Import - (consumption goods) (annually)	January	-5,7%	6,7%	
Credit Growth Weekly	March (Week 3)	0,6%	0,1%	
Consumer Confidence Index	February	85,7	83,7	100
Real sector confidence (seasonally adj.)	February	104,1	103,0	100
Service sector confidence (seasonally adj.)	February	113,8	113,8	100
Retail sector confidence (seasonally adj.)	February	115,9	112,6	100
Construction sector confidence (seasonally adj.)	February	83,9	85,7	100
Car Sales (annually)	January	9,8%	10,5%	
House sales - total (annually)	February	30,3%	-4,7%	
House sales - mortgage (annually)	February	42,3%	15,7%	
CPI	February	31,5%	30,7%	
CPI expectations (year-end)	March	25,4%	24,1%	
Current Year Growth Expectations	March	3,8%	3,9%	
Retail Sales Volume (annually)	December	18,8%	16,3%	
Current Account Balance (billion USD)	January	-6,8	-7,3	
Unemployment Rate (seasonally adj.)	January	8,1%	7,7%	
Dollarization	March (Week 2)	0,2 Billion (+)	2,1 Billion (+)	

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
23.03.2026	Turkey	Consumer Confidence
23.03.2026	Turkey	Central Government Debt Stock
23.03.2026	Euro Zone	Preliminary Consumer Confidence
24.03.2026	Japan	National CPI
24.03.2026	Turkey	Capacity Utilization
24.03.2026	Turkey	Manufacturing Confidence
24.03.2026	US	Nonfarm Productivity
24.03.2026	US	Preliminary Manufacturing Index
25.03.2026	US	Export - Import Price Indices
26.03.2026	Germany	Consumer Confidence Index
27.03.2026	US	Michigan Inflation Expectations
27.03.2026	US	Preliminary Retail Inventories Ex Auto

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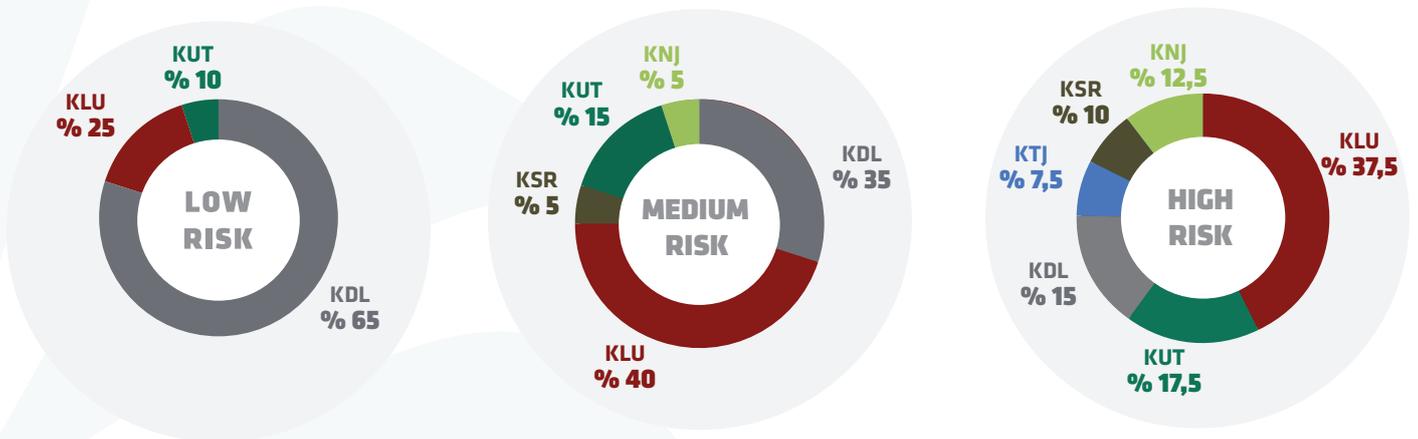
Our Fund Allocation Recommendations

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.

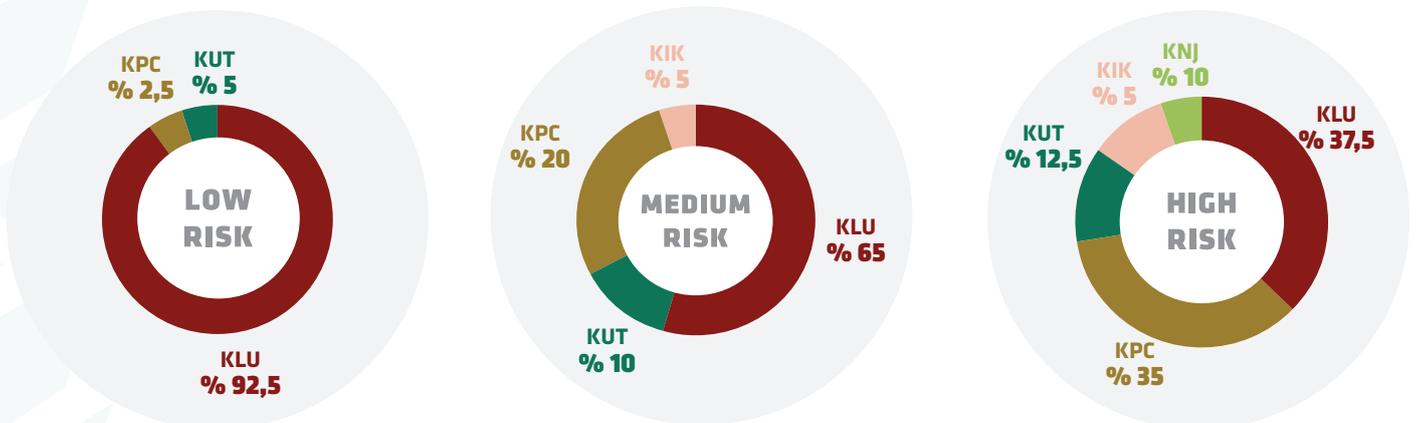
General Investment Recommendations for Those with USD as Their Base Currency

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.*

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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