# 24 AUGUST, 2026

KUVEYT TÜRK ASSET MANAGEMENT

# PRIVATE BANKING

# WEEKLY ECONOMIC BULLETIN

KuveytTürk | PRIVATE BANKING

# MONETARY POLICY EXPECTATIONS AMID GLOBAL UNCERTAINTY

In global markets, U.S. data and expectations regarding the Fed will be in focus this week. Recent signs of weakening in the labor market and moderating inflation have reduced expectations that the Fed will raise interest rates in the near term, while uncertainty over the future path of monetary policy persists. Against this backdrop, U.S. growth data and the PCE inflation data, which the Fed closely monitors, will be followed alongside Fed Chair Kevin Warsh's remarks at Jackson Hole. Nvidia's financial results will also be important in assessing whether the AI theme that has supported global equity markets remains strong.

On the geopolitical front, no concrete outcome has yet emerged from talks between the U.S. and Iran, while tensions appear set to continue through economic sanctions. The scope of new U.S. sanctions against Iran will become clearer this week. Ongoing uncertainty surrounding the Strait of Hormuz and elevated energy prices remain among the key risks to the global inflation outlook.

Domestically, the CBRT decided to resume one-week repo auctions, which had been suspended since March. With this step, the market funding cost is expected to converge from around 40 percent toward the 37 percent policy rate. If the improvement in the inflation outlook continues, gradual rate cuts could come onto the agenda in October or December. However, the impact of elevated energy prices on inflation remains an important risk to the pace of the rate-cutting cycle.

# GLOBAL

**In the US, the flash Composite PMI rose by 1.5 points in August to 56.0, reaching its highest level in 52 months, while a marked divergence emerged across sectors.** During the same period, the Services PMI increased by 2.2 points month on month to 56.8, exceeding expectations and reaching a 20-month high, while the Manufacturing PMI fell by 0.7 points to 53.2, its lowest level in five months. Both sector indices nevertheless remained above the 50 threshold, indicating continued expansion.

**In the US, the Import Price Index fell by 0.4 percent month on month in July, compared with expectations for a 0.1 percent increase, while the Export Price Index declined by 1.3 percent.** On an annual basis, import prices rose by 5.9 percent and export prices by 8.2 percent. Import prices recorded their sharpest monthly decline since May 2025, while both monthly figures came in significantly below market expectations.

**Annual inflation in the Euro Area rose from 2.8 percent to 2.9 percent in July, with consumer prices increasing by 0.2 percent month on month, while annual inflation across the European Union reached 3.0 percent.** Core inflation was unchanged on a monthly basis and remained at 2.5 percent year on year, while the acceleration in headline inflation was mainly driven by energy prices, which increased by 10.3 percent annually. Across major economies, annual inflation stood at 3.9 percent in Spain, 2.9 percent in Italy, 2.8 percent in Germany, and 2.4 percent in France.

**In the Euro Area flash Composite PMI rose to 52.1 in August, exceeding the market expectation of 51.7 and indicating that economic activity remained in expansion territory.** In Germany, the Composite PMI declined to 51.0 while the Manufacturing PMI rose to 54.1. In France, the Composite PMI remained in contraction territory at 48.8, while the Manufacturing PMI came in at 51.5.

**Headline inflation in Japan rose to 1.9 percent in July due to higher energy costs, reaching its highest level of the year.** Core inflation excluding fresh food came in at 1.8 percent, in line with expectations, while wholesale price inflation increased to 7.2 percent, led by higher electricity prices. As energy prices continued to rise, the Bank of Japan warned that core inflation could move above 2 percent in the second half of the fiscal year.

# DOMESTIC

**Türkiye's House Price Index increased by 1.5 percent month on month in July, while rising by 25.0 percent in nominal terms and declining by 5.1 percent in real terms year on year.** Among the three major cities, annual nominal house price increases were 27.7 percent in Istanbul, 26.6 percent in Ankara, and 23.1 percent in Izmir. On a monthly basis, prices rose by 2.7 percent in Istanbul and 2.2 percent in Ankara, while declining by 0.5 percent in Izmir. During the same period, the New Tenant Rent Index increased by 1.9 percent month on month and 28.4 percent annually in nominal terms, while declining by 2.6 percent in real terms.

**The seasonally adjusted Capacity Utilization Rate in Türkiye's manufacturing sector declined by 0.3 percentage points in August to 73.5 percent, while the unadjusted rate fell by 0.4 percentage points to 73.5 percent.** On a monthly basis, limited improvement was observed in consumer goods, while capacity utilization declined in investment and intermediate goods. By sector, the highest utilization rate was recorded in wood products at 83.9 percent, while leather manufacturing posted the lowest rate at 58.1 percent.

**The seasonally adjusted unemployment rate declined by 0.3 percentage points quarter on quarter to 7.9 percent in the second quarter of 2026, while the employment rate increased by 0.1 percentage points to 48.5 percent.** During the same period, the youth unemployment rate fell by 1.0 percentage point to 13.9 percent, while the broad labor underutilization rate declined to 29.9 percent. Total employment increased by 155 thousand to 32 million 479 thousand, with gains in services and construction offset partly by a decline of 121 thousand employees in the industrial sector.

**The Consumer Confidence Index increased by 1.0 percent in August, rising from 89.8 to 90.8.** Among the sub-indices, households' expectations for their financial situation over the next 12 months increased by 1.9 percent, while both the assessment of the current financial situation and expectations for the general economic outlook rose by 1.2 percent. The index measuring intentions to spend on durable goods over the next 12 months remained unchanged at 105.1.

**Following a surplus in June, Türkiye's central government budget posted a deficit of 378 billion 100 million TL in July, with expenditures of 1 trillion 790 billion 500 million TL and revenues of 1 trillion 412 billion 400 million TL.** The primary balance recorded a deficit of 51 billion 300 million TL during the month, while interest expenditures totaled 326 billion 800 million TL. As a result, the cumulative budget deficit reached 1 trillion 320 billion 900 million TL in the January–July period, while the seven-month primary surplus stood at 470 billion 100 million TL.

# WEEKLY STATUS

| | 14.08.2026 | 21.08.2026 | Weekly Change | Change in 2025 | Change in 2024 | Change in 2023 | Change in 2022 |
|---|---|---|---|---|---|---|---|
| XK050* | 17.822 | 18.810 | 5,5% | 51,7% | 31,9% | 23,2% | 32,6% |
| XU100* | 14.172 | 14.515 | 2,4% | 28,9% | 14,6% | 31,6% | 35,6% |
| USDTRY | 47,9 | 48,0 | 0,3% | 11,8% | 21,4% | 20,1% | 57,5% |
| DXY* | 99,7 | 98,8 | -0,9% | 0,5% | -9,4% | 7,1% | -2,1% |
| US-10Y* | 4,7 | 4,7 | 0,9% | 14,1% | -9,3% | 18,0% | 0,0% |
| TR-10Y* | 32,4 | 32,3 | -0,5% | 18,8% | -5,6% | 7,6% | 169,4% |
| TR-2Y* | 37,6 | 37,4 | -0,7% | 8,9% | -15,4% | 2,2% | 298,0% |
| CDS (5Y) | 221,6 | 220,3 | -0,6% | 7,6% | -21,1% | -6,6% | -45,2% |
| GOLD (OUNCE/USD) | 4.376,6 | 4.603,6 | 5,2% | 6,7% | 64,5% | 27,2% | 13,1% |
| GOLD (GRAM/TRY) | 6.764,3 | 7.108,5 | 5,1% | 19,4% | 99,4% | 52,1% | 78,9% |
| SILVER (GRAM/TRY) | 99,6 | 106,5 | 6,9% | 8,6% | 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 |
|---|---|---|---|---|---|
| | Industrial Production | June | -1,4% | -0,1% | |
| | Manufacturing PMI | July | 47,7 | 47,1 | 50 |
| New | Capacity Utilization Rate (seasonally adj.) | August | 73,5% | 73,8% | |
| | Import - (capital goods) (annually) | June | 19,6% | -18,3% | |
| | Service sector confidence (seasonally adj.) | June | 30,0% | -4,1% | |
| | Import - (consumption goods) (annually) | June | -1,2% | -30,1% | |
| New | Credit Growth Weekly | August (Week 3) | 0,7% | 0,2% | |
| New | Consumer Confidence Index | August | 90,8 | 89,8 | 100 |
| New | Real sector confidence (seasonally adj.) | August | 102,4 | 101,2 | 100 |
| | Service sector confidence (seasonally adj.) | July | 112,0 | 110,5 | 100 |
| | Retail sector confidence (seasonally adj.) | July | 110 | 112,8 | 100 |
| | Construction sector confidence (seasonally adj.) | July | 83,5 | 83,0 | 100 |
| | Car Sales (annually) | July | -25,8% | -11,4% | |
| | House sales - total (annually) | July | -17,0% | 15,8% | |
| | House sales - mortgage (annually) | July | 23,7% | 72,1% | |
| | CPI | July | 31,8% | 32,1% | |
| | CPI expectations (year-end) | August | 29,4% | 29,2% | |
| | Current Year Growth Expectations | August | 3,1% | 3,1% | |
| | Retail Sales Volume (annually) | June | 11,8% | 13,7% | |
| | Current Account Balance (billion USD) | June | -4,2 | -1,5 | |
| | Unemployment Rate (seasonally adj.) | June | 7,6% | 8,1% | |
| New | Dollarization | August (Week 3) | 0,3 Billion (-) | 1,8 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 |
|---|---|---|
| 24.08.2026 | Turkey | Household Expectations Survey |
| 25.08.2026 | Japan | BOJ Core CPI |
| 25.08.2026 | US | New Home Sales |
| 25.08.2026 | Germany | GDP |
| 26.08.2026 | US | Preliminary GDP |
| 26.08.2026 | US | Preliminary PCE |
| 27.08.2026 | Germany | Consumer Confidence Index |
| 28.08.2026 | Turkey | Economic Confidence Index |
| 28.08.2026 | Turkey | Preliminary Foreign Trade Statistics |
| 28.08.2026 | Turkey | Services PPI |
| 28.08.2026 | Germany | Unemployment Rate |
| 28.08.2026 | US | Chicago Composite PMI |
| 28.08.2026 | Japan | CPI |
| 28.08.2026 | Japan | Unemployment Rate |
| 28.08.2026 | Eurozone | Industrial Sentiment |
| 28.08.2026 | Eurozone | Consumer Confidence |
| 28.08.2026 | US | Jackson Hole |
| 28.08.2026 | US | Michigan Consumer Expectations |

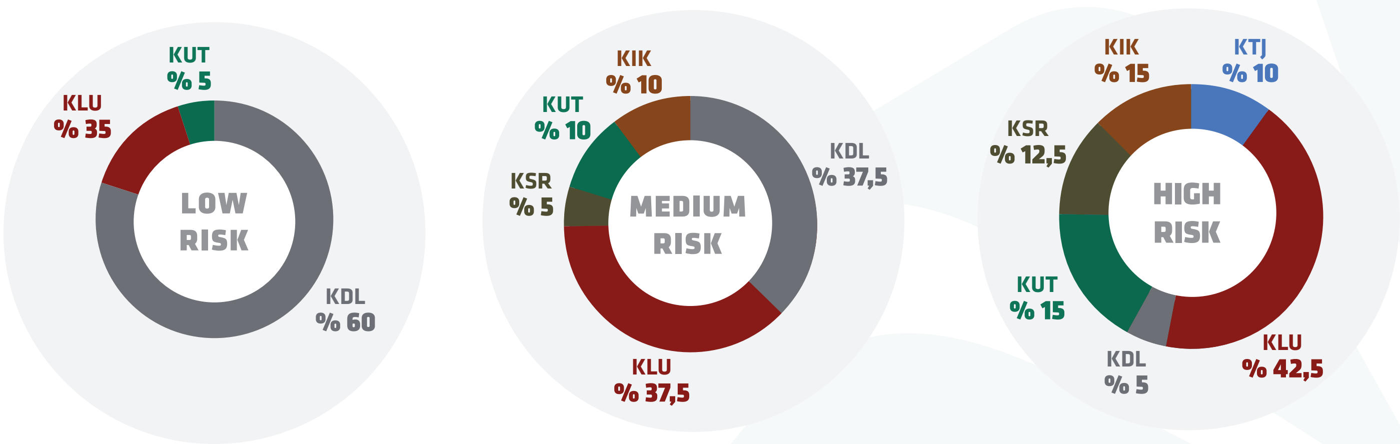
# Our Fund Allocation Recommendations

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.

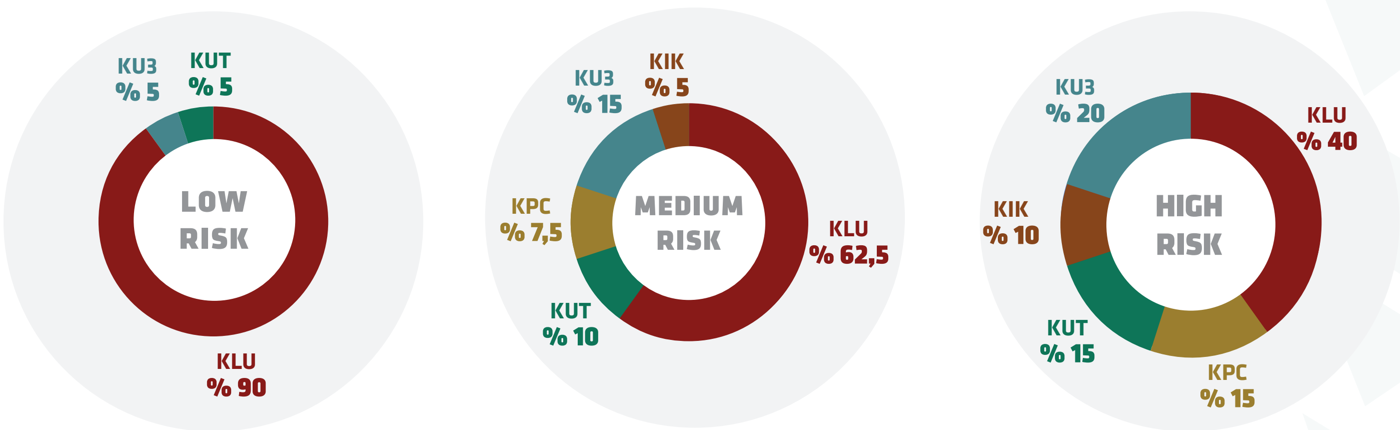
## General Investment Recommendations for Those with USD as Their Base Currency

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)



## 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.