FEBRUARY 9, 2026

KUVEYT TÜRK ASSET MANAGEMENT

PRIVATE BANKING

WEEKLY ECONOMIC BULLETIN

KuveytTürk | PRIVATE BANKING

INFLATION AT HOME, GEOPOLITICAL RISKS IN THE GLOBAL SPOTLIGHT

January inflation came in at 4.8 percent, exceeding market expectations. The strong start to the year was mainly driven by price increases in the food and transportation categories. Although upward risks to inflation expectations remain for the coming period, the central bank continues to maintain a cautious stance. Within this framework, we do not expect a material deterioration in the real return potential of TL-denominated fixed-income instruments. To gain clearer signals regarding the inflation outlook, markets will closely monitor the inflation report to be released by the Central Bank this week.

On the global front, geopolitical risks have come back into focus amid escalating tensions between the US and Iran. Although the talks held in Oman between the US and Iran were constructive in tone, they did not yield a concrete outcome. Meanwhile, Trump signed an executive order imposing a 25 percent tariff on countries that engage in direct or indirect trade with Iran. We believe that geopolitical risks and uncertainties have become a more persistent feature of global markets. In this context, we find it appropriate to hold precious metals in portfolios as a limited but balancing component.

GLOBAL

In the United States, private sector employment increased by 22 thousand people in January, remaining below the market expectation of 46 thousand. During the same period, annual wage growth rose to 4.5, up from 4.4 in December. ADP Chief Economist Richardson stated that there has been a noticeable slowdown in the pace of job creation over the past three years, while wage growth has remained relatively stable. In addition, the employment increase for December was revised down from 41 thousand to 37 thousand.

In the United States, the manufacturing PMI increased by 0.3 points on a monthly basis in January, reaching 53.0 and signaling expansion in the sector. The increase in production was supported by an acceleration in new orders. During the same period, the services PMI remained unchanged at 53.8, exceeding the market expectation of 53.5. However, the employment index declined from 51.7 to 50.3, recording its first drop in five months.

In the United States, the consumer confidence index rose by 0.9 points in February to 57.3, reaching its highest level in the past six months. While the market expected the index to decline to 53.0, the actual figure came in significantly above expectations. During the same period, the index of current economic conditions increased by 2.9 points to 58.3, while consumers' short-term inflation expectations declined. A limited increase in five-year long-term inflation expectations indicated that a cautious stance toward price stability remains in place.

In the euro zone, the European Central Bank left interest rates unchanged in line with market expectations at its monetary policy meeting. Accordingly, the deposit rate was kept at 2.0 percent, the main refinancing rate at 2.15 percent, and the marginal lending facility rate at 2.40 percent. In its statement, the ECB emphasized that the economy remains resilient despite global challenges, but uncertainty over the outlook persists due to trade policy unpredictability and geopolitical risks. In addition, euro area inflation came in below target at 1.7 percent in January.

In Germany, industrial production declined by 1.9 on a monthly basis and by 0.6 on an annual basis in December. For the full year 2025, total production losses amounted to 1.1. During the same period, industrial production excluding energy and construction decreased by 3.0 on a monthly basis, with weakness particularly evident in capital and intermediate goods production. Meanwhile, exports increased by 1.0 on a monthly basis in December to 133.3 billion euros, and Germany recorded a trade surplus of 202.8 billion euros for the year as a whole.

DOMESTIC

In January, the Consumer Price Index increased by 4.84 on a monthly basis, while annual inflation rose to 30.65. During the same period, the increase based on twelve-month averages was recorded at 33.98. An analysis of monthly subcomponents shows that food and non-alcoholic beverages stood out with an increase of 6.59, followed by transportation with 5.29 and housing with 4.43. Prices increased in 157 of the 174 subcategories in the index. In addition, core CPI, calculated excluding unprocessed food, energy, alcoholic beverages, tobacco, and gold, increased by 4.22 on a monthly basis and by 30.11 on an annual basis, confirming that inflationary pressures are widespread.

The Manufacturing PMI declined by 0.8 points in January to 48.1, remaining below the threshold level of 50 and signaling a contraction in the manufacturing sector for the twenty-second consecutive month. Weak demand conditions continued to drive moderate declines in new orders and production, while a more pronounced weakening was observed in new export orders. On the other hand, production increased in 5 of the 10 sectors, with the strongest recovery seen in the chemicals, plastics, and rubber sector. Input cost and selling price inflation accelerated and remained elevated, while firms hope that cost pressures will ease in the coming period.

According to preliminary foreign trade data for January, exports declined by 3.9 year on year to 20.3 billion dollars. During the same period, imports remained unchanged at 28.7 billion dollars, leading to an increase of 11.2 in the foreign trade deficit to 8.35 billion dollars. The export-to-import coverage ratio declined to 70.9, while excluding energy and gold, it fell by 6.9 points to 87.3. The largest share of exports came from intermediate goods, totaling 10.2 billion dollars.

In a post on social media, Minister of Treasury and Finance Şimşek stated that foreign direct investments have accelerated. He noted that investments increased by 28.0 on an annual basis to 12.4 billion dollars in the first eleven months of 2025, indicating confidence in the economic program. Referring to the 2 billion dollar solar energy agreement signed between Türkiye and Saudi Arabia, Şimşek stated that this investment will accelerate renewable energy projects. He emphasized that this initiative will strengthen energy security and structurally reduce dependence on energy imports.

WEEKLY STATUS

	30.01.2026	06.02.2026	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	14.766	14.559	-1,4%	17,4%	31,9%	23,2%	32,6%
XU100*	13.838	13.522	-2,3%	20,1%	14,6%	31,6%	35,6%
USDTRY	43,5	43,6	0,3%	1,5%	21,4%	20,1%	57,5%
DXY*	97,0	97,6	0,7%	-0,7%	-9,4%	7,1%	-2,1%
US-10Y*	4,2	4,2	-0,8%	1,3%	-9,3%	18,0%	0,0%
TR-10Y*	27,8	28,0	0,8%	3,1%	-5,6%	7,6%	169,4%
TR-2Y*	32,0	32,5	1,4%	-5,4%	-15,4%	2,2%	298,0%
CDS (5Y)	218,0	220,3	1,1%	7,5%	-21,1%	-6,6%	-45,2%
GOLD (OUNCE/USD)	4.865,4	4.961,2	2,0%	15,0%	64,5%	27,2%	13,1%
GOLD (GRAM/TRY)	6.804,4	6.954,9	2,2%	16,9%	99,4%	52,1%	78,9%
SILVER (GRAM/TRY)	118,5	109,3	-7,8%	11,5%	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	Novermber	2,4%	2,2%	
New	Manufacturing PMI	January	48,1	48,9	50
	Capacity Utilization Rate (seasonally adj.)	January	74,4%	74,2%	
	Import - (capital goods) (annually)	December	38,7%	15,3%	
	Service sector confidence (seasonally adj.)	December	5,6%	1,5%	
	Import - (consumption goods) (annually)	December	6,7%	-3,7%	
New	Credit Growth Weekly	February (Week 1)	1,6%	0,6%	
	Consumer Confidence Index	January	83,7	83.5	100
	Real sector confidence (seasonally adj.)	January	103,0	103,7	100
	Service sector confidence (seasonally adj.)	January	112,6	112,3	100
	Retail sector confidence (seasonally adj.)	January	113,8	115,4	100
	Construction sector confidence (seasonally adj.)	January	85,7	84,5	100
New	Car Sales (annually)	January	9,8%	10,5%	
	House sales - total (annually)	December	19,8%	-7,8%	
	House sales - mortgage (annually)	December	25,2%	-1,4%	
New	CPI	January	30,7%	30,9%	
	CPI expectations (year-end)	January	23,2%	31,2%	
	Current Year Growth Expectations	January	3,9%	3,5%	
	Retail Sales Volume (annually)	November	14,2%	7,4%	
	Current Account Balance (billion USD)	November	-4,0	0,5	
	Unemployment Rate (seasonally adj.)	December	7,7%	8,6%	
New	Dollarization	February (Week 1)	1,9 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
09.02.2026	Euro Zone	Investor Confidence
09.02.2026	US	Consumer Inflation Expectations
10.02.2026	Turkey	Industrial Production
10.02.2026	US	Retail Sales
11.02.2026	China	CPI
11.02.2026	Turkey	Retail Sales
11.02.2026	US	Nonfarm Payrolls
12.02.2026	Turkey	Inflation Report
13.02.2026	US	Fed's Balance Sheet
13.02.2026	Turkey	End Year CPI Forecast
13.02.2026	Euro Zone	Trade Balance
13.02.2026	US	CPI

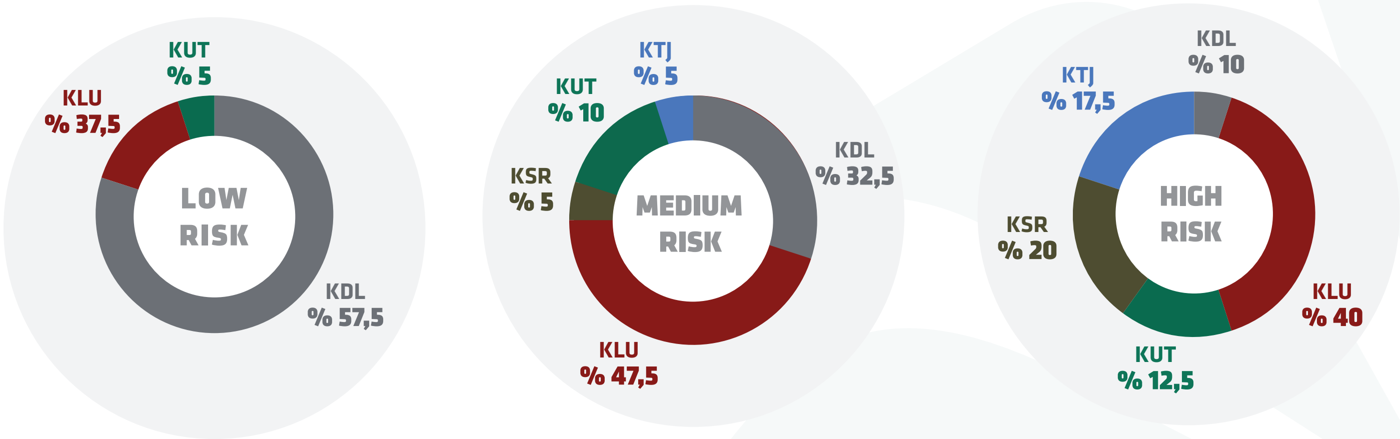
Our Fund Allocation Recommendations

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.

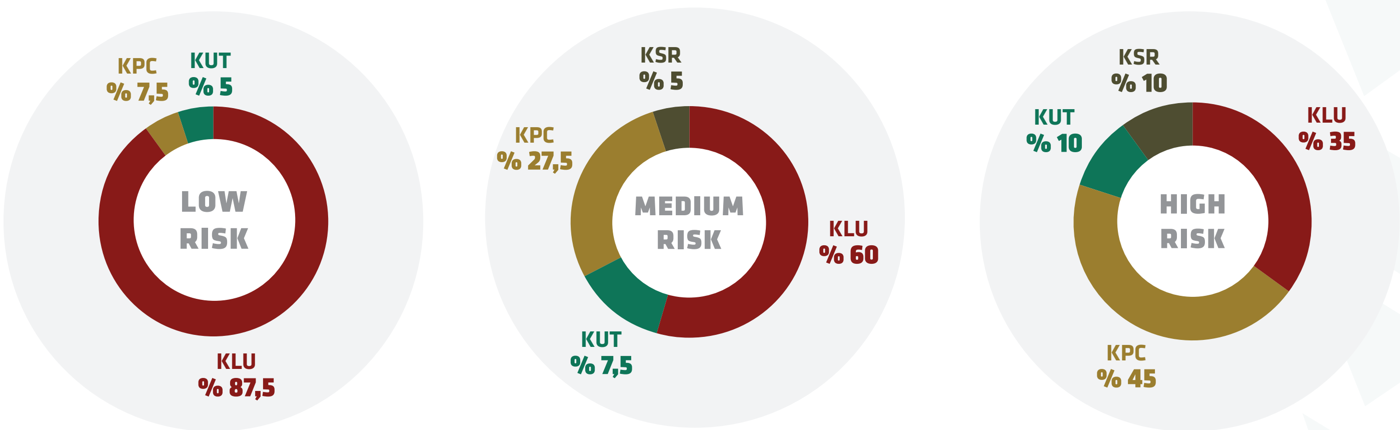
General Investment Recommendations for Those with USD as Their Base Currency

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.*

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.