



ECONOMIC BULLETIN



Durable Goods Orders in the U.S. Exceed Expectations

- In the U.S., durable goods orders rose by 9.2% month-on-month in March, reaching \$315.7 billion, significantly exceeding expectations. During the same period, the Leading Economic Index, monitored by the Conference Board regarding the American economy, declined by 0.7% month-on-month, falling short of market expectations. The negative signal from the Leading Index was influenced by the uncertainty created by the tariffs announced by Trump. Under the shadow of these tariffs, consumer sentiment compiled by the University of Michigan also presented a negative outlook. In April, the Michigan Consumer Sentiment Index dropped by 4.8 points, while the five-year forward inflation expectation was reported at 4.4%. On the economic calendar for this week in the U.S., the market will focus on the Conference Board (CB) Consumer Confidence Index, Job Openings and Labor Turnover Survey (JOLTS), ADP Non-Farm Employment Change, Core Personal Consumption Expenditures (PCE) Price Index, ISM Manufacturing Purchasing Managers' Index (PMI), Non-Farm Payrolls, and Unemployment Rate. In the Euro Area, the focus will be on the GfK Consumer Confidence Index, Manufacturing PMI, and the Preliminary Consumer Price Index (CPI).
- In the Euro Area, European Central Bank (ECB) member Kazaks stated in his comments on the macroeconomic outlook that Trump's tariffs have increased uncertainty over economic activity and raised the risk of recession. ECB member Rehn also commented on the macroeconomic outlook, emphasizing that interest rate cuts should remain on the table in the face of rising risks, noting that cuts of 25 to 50 basis points are being considered.
- In Asia, Japan's Tokyo Core CPI, regarded as a leading indicator of inflation trends (excluding fresh food), rose by 3.4% year-on-year in April, exceeding market expectations. In the same period, the core CPI excluding both energy and food recorded a monthly increase of 0.7%.

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➤ Domestically, the Central Bank, TurkStat, and other institutions released various data:

- The seasonally adjusted capacity utilization rate decreased by 0.6 points in April compared to the previous month, falling to 74.6 points.
- In April, the Real Sector Confidence Index declined by 2.4 points from the previous month, decreasing to 100.8 points.
- In April, seasonally adjusted confidence in the services sector, retail trade sector, and construction sector decreased on a monthly basis by 4.3%, 2.5%, and 4.2%, respectively.

Weekly Status

	18.04.2025	25.04.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050	9.871	9.949	0,8%	5,8%	23,2%	32,6%	210,3%
Bist100	9.317	9.433	1,2%	-4,1%	31,6%	35,6%	196,6%
USDTRY	38,02	38,43	1,1%	8,6%	20,1%	57,5%	39,6%
DXY	99,38	99,59	0,2%	-8,2%	7,1%	-2,1%	8,2%
US-10Y	4,33	4,27	-1,5%	-6,9%	18,0%	0,0%	156,3%
TR-10Y	33,82	34,73	2,7%	20,7%	7,6%	169,4%	-59,2%
TR-2Y	46,35	47,29	2,0%	16,6%	2,2%	298,0%	-56,1%
CDS (5Y)	323,19	338,94	4,9%	30,5%	-6,6%	-45,2%	-10,5%
Gold (Ounce/USD)	3.314,00	3.319,00	0,2%	26,5%	27,2%	13,1%	-0,3%
Gold (Gram/TRY)	4.063,00	4.101,00	0,9%	37,4%	52,1%	78,9%	40,4%
Silver (Gram/TRY)	39,93	40,81	2,2%	24,2%	45,3%	57,1%	44,9%

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Global



In the US, the Leading Index decreased by 0.5 percent on a monthly basis in March, falling to minus 0.7 percent and remaining below market expectations. According to data published by the Conference Board regarding March, the Leading Index, which measures expectations for future economic activities, fell by 0.5 percent monthly to minus 0.7 percent, underperforming market expectations of minus 0.5 percent. Conference Board analysts stated that the decline in March was due to increased economic uncertainty ahead of new tariffs.

Durable goods orders in the US increased by 9.2 percent on a monthly basis in March, significantly exceeding expectations. According to data on durable goods orders announced for March, durable goods orders rose by 9.2 percent, far surpassing expectations. In the same period, durable goods orders excluding defense rose by 10.4 percent, showing above-expected growth. Additionally, excluding transportation, durable goods orders remained unchanged. Orders for durable consumer goods are considered important as they shed light on the near-term performance of industrial production in the US.

The five-year inflation expectation in the US for April was realized at 4.4 percent, in line with market expectations. According to data published by the University of Michigan regarding April, the five-year inflation expectation was realized at 4.4 percent as expected. In the same period, consumer expectations fell from 52.6 to 47.3, consumer sentiment decreased from 57.0 to 52.2, and the current conditions index declined from 63.8 to 59.8.

Unemployment claims in the US rose by 6,000 to 222,000 in the third week of April. According to unemployment claims data announced by the US Department of Labor for the third week of April, the number of people filing for unemployment benefits increased by 6,000 compared to the previous week, reaching 222,000, in line with market expectations. During the same period, continuing claims fell by 37,000 to 1,841,000. The previous week's unemployment claims were also revised upward from 215,000 to 216,000.

The Euro Area's composite PMI fell from 51.3 points to 49.7 points in April compared to the previous month. According to composite PMI data published by S&P Global for April, the composite PMI covering the manufacturing and service sectors in the Euro Area fell from 51.3 points to 49.7 points, underperforming expectations. Thus, after four consecutive months, it fell below the critical 50-point threshold. In the same period, manufacturing PMI declined by 0.3 points to 48.0, while services PMI dropped by 1.1 points to 48.8.

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ECB Member Kazaks stated that Trump's tariffs increased uncertainty, slowing growth in the Euro Area and raising recession risks. European Central Bank (ECB) Executive Board Member Martins Kazaks expressed that additional tariffs imposed by US President Donald Trump increased global economic uncertainty, thereby raising recession risks in the Euro Area. Kazaks emphasized that tariffs negatively affected trade, consumption, and investment, slowing global growth, and he noted that they expect around 1 percent growth in the Euro Area economy in 2025 while pointing out increased downside risks.

ECB Member Rehn said that given the increasing risks, interest rate cuts should remain on the table, with 25 and 50 basis points reductions being considered. European Central Bank (ECB) Executive Board Member Olli Rehn, speaking at an event on the macroeconomic outlook, stated that given tightening financial conditions and rising risks, rate cuts should still be an option. He mentioned that a 25 basis points cut in June is priced with a 92 percent probability, while a stronger 50 basis points cut is also considered an option.

In Japan, core CPI rose by 2.2 percent annually in March. According to the core Consumer Price Index (CPI) announced by the Bank of Japan (BoJ) for March, the core index, calculated based on government-released consumer price data, rose by 2.2 percent annually. Thus, the core CPI remained unchanged since the beginning of the year and fell below market expectations of 2.4 percent.

Tokyo's core CPI in Japan rose by 3.4 percent annually in April, exceeding market expectations. According to data released for April, Tokyo's Core Consumer Price Index (CPI), an early indicator of countrywide inflation excluding fresh food, rose by 3.4 percent annually, surpassing market expectations of 3.2 percent. In the same period, core inflation excluding both energy and food increased by 0.7 percent on a monthly basis.

Domestic



Turkey's external assets decreased by 0.1 percent monthly to 378.2 billion dollars in February. According to the International Investment Position Developments published by the Central Bank of the Republic of Turkey (CBRT) for February, Turkey's external assets decreased by 0.1 percent monthly to 378.2 billion dollars, while liabilities fell by 1.5 percent to 657.2 billion dollars. Thus, the

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net International Investment Position liabilities stood at minus 279 billion dollars. During the same period, banks' foreign currency cash and deposit assets rose by 4.4 percent to 39 billion dollars.

In the week of April 18, foreign investors made 269.1 million dollars in stock purchases while selling 970 million dollars in government bonds. According to Securities Statistics announced by the CBRT for the week of April 18, non-residents made a net purchase of 269.1 million dollars in stocks and a net sale of 970 million dollars in government domestic debt securities (GDDS). Thus, non-residents' stock holdings rose to 28.152 billion dollars, while their holdings of GDDS decreased to 9.712 billion dollars.

Seasonally adjusted capacity utilization rate fell by 0.6 points to 74.6 points in April compared to the previous month. According to the CBRT's Manufacturing Industry Capacity Utilization Rate for April, the seasonally adjusted capacity utilization rate decreased by 0.6 points to 74.6 percent compared to the previous month. During the same period, seasonally adjusted Capacity Utilization Rate fell by 0.1 points to 74.3 percent. Analyzing by product groups, capacity utilization rates for consumer goods, durable goods, non-durable goods, and intermediate goods declined, while investment goods increased.

The summary of the April 17 Monetary Policy Committee Meeting indicated that global uncertainties impacted growth and interest rate cuts, inflation expectations rose, and food was a key driver of March inflation. According to the Monetary Policy Committee Meeting Summary published by the CBRT, global trade uncertainty negatively impacted economic growth outlooks and interest rate cut processes, and tariff effects slightly increased inflation expectations. It was also emphasized that the food group stood out in consumer price developments in March and the main inflation trend declined.

The Real Sector Confidence Index decreased by 2.4 points to 100.8 points in April compared to the previous month. According to the CBRT's Economic Tendency Survey results for April, the seasonally adjusted Real Sector Confidence Index dropped by 2.4 points to 100.8 points compared to the previous month. Among sub-components, evaluations regarding current finished goods stock, current total order amount, and fixed capital investment expenditures contributed positively to the index, while assessments regarding the general outlook, future three-month production volume, employment, total orders, and export orders contributed negatively.

The Financial Services Confidence Index rose by 7.4 points to 177.7 points in April on a monthly basis. According to the Financial Services Confidence Index (FHGE) published by the CBRT for April, FHGE recorded a 7.4-point increase, reaching 177.7 points. When analyzing sub-components, all groups contributed positively to the annual index increase, except for the rise in operating expenses

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over the past three months. It was also noted that there was a strengthening trend among those reporting an increase in employment both over the past and next three months, although profitability trends weakened compared to the previous period.

The 12-month forward inflation expectation rose by 1.0 points to 25.6 percent for market participants and by 0.6 points to 41.7 percent for the real sector in April. According to Sectoral Inflation Expectations announced by the CBRT for April, 12-month forward inflation expectations rose by 1.0 points to 25.6 percent for market participants and by 0.6 points to 41.7 percent for the real sector, while it remained unchanged at 59.3 percent for households. Meanwhile, the proportion of households expecting inflation to fall over the next 12 months decreased by 4.1 points to 27.2 percent.

The Consumer Confidence Index fell by 2.3 percent monthly to 83.9 points in April. According to the Consumer Confidence Index published by TurkStat for April, the consumer confidence index decreased by 2.3 percent monthly, reaching 83.9 points. In subcomponents, the household's financial situation at present dropped to 69.1, household financial expectation for the next 12 months fell to 84.3, general economic situation expectation for the next 12 months declined to 82.8, and the probability of purchasing durable goods over the next 12 months decreased to 99.3.

In April, seasonally adjusted service sector confidence, retail trade sector confidence, and construction sector confidence decreased by 4.3 percent, 2.5 percent, and 4.2 percent, respectively, on a monthly basis. According to Service, Retail Trade, and Construction Confidence Indices published by TurkStat for April, the seasonally adjusted service sector confidence index decreased by 4.3 percent to 109.5, retail trade sector confidence decreased by 2.5 percent to 110.6, and construction sector confidence fell by 4.2 percent to 85.1.

In the fourth quarter of 2024, domestic travel expenditures by resident tourists rose by 44.4 percent compared to the same quarter of the previous year, reaching 66.04 billion Turkish lira. According to the Household Domestic Tourism Statistics published by TurkStat for the fourth quarter of 2024, 9.528 million residents traveled domestically. Compared to the previous year's fourth quarter, domestic travel expenditures rose by 44.4 percent to 66.04 billion Turkish lira. For the full year 2024, total trips increased by 8.7 percent annually to 66.836 million, while total expenditures rose by 82.5 percent to 419.3 billion Turkish lira.

The Foreign Producer Price Index (YD-ÜFE) increased by 4.1 percent monthly and by 19.3 percent annually. According to the Foreign Producer Price Index published by TurkStat for March, YD-ÜFE rose by 4.1 percent on a monthly basis and by 19.3 percent annually. Sector-wise, annual changes show a 21.7 percent increase in mining and quarrying, 19.3 percent in manufacturing, 18.4 percent

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in intermediate goods, 22.0 percent in durable goods, 20.8 percent in non-durable goods, and 23.2 percent in capital goods, while the energy sector declined by 5.1 percent.

The Agricultural Input Price Index (Agri-GFE) rose by 2.3 percent monthly and by 28.9 percent annually in February. According to the Agricultural Input Price Index published by TurkStat for February, Agri-GFE rose by 2.3 percent monthly and by 28.9 percent annually. Among main groups, the index for goods and services used in agriculture rose by 2.4 percent, and the index for goods and services contributing to agricultural investment rose by 2.0 percent. Among sub-groups, seeds and planting material increased by 3.8 percent, machinery maintenance costs by 3.4 percent, and animal feed by 2.7 percent monthly.

Leading Indicators



	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	February	-1,9%	1,2%	
	Manufacturing PMI	March	47,3	48,3	50
New	Capacity Utilization Rate (seasonally adj.)	April	74,6%	75,2%	
	Import - (capital goods) (annually)	February	-21,0%	1,7%	
	Import - (intermediate goods) (annually)	February	8,2%	9,2%	
	Import - (consumption goods) (annually)	February	-0,8%	20,6%	
New	Credit Growth Weekly	April (Week 3)	0,2%	1,6%	
New	Consumer Confidence Index	March	83,9	85,9	100
New	Real sector confidence (seasonally adj.)	March	100,8	103,2	100
New	Service sector confidence (seasonally adj.)	March	109,5	114,4	100
New	Retail sector confidence (seasonally adj.)	March	110,6	113,4	100
New	Construction sector confidence (seasonally adj.)	March	85,1	88,9	100
	Car Sales (annually)	March	6,4%	-14,4%	
	House sales - total (annually)	March	5,1%	20,1%	
	House sales - mortgage (annually)	March	41,5%	90,1%	
	CPI	March	38,1%	39,1%	
	CPI expectations (year-end)	April	29,9%	28,0%	
	Current Year Growth Expectations	April	3,0%	3,1%	
	Retail Sales Volume (annually)	February	12,2%	12,5%	
	Current Account Balance (billion USD)	February	-4,4	-3,8	
	Unemployment Rate (seasonally adj.)	February	8,2%	8,4%	
New	Dollarization	April (Week 3)	2,44 Billion (+)	2,43 Billion (-)	

	Indicates decrease
	Indicates stability
	Indicates increase

It has been prepared by Kuveyt Türk Asset Management by taking data from reliable sources.

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