



SEPTEMBER 1, 2025

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

DOMESTIC FOCUS ON INFLATION AND GROWTH DATA



This week, domestic attention will be on the release of second-quarter growth figures and August inflation data. The Turkish economy grew by 1 percent quarter-on-quarter in the first quarter of the year. In the second quarter, the slowdown is expected to continue, with quarterly growth projected at 0.5 percent. On the inflation side, monthly inflation in August is expected to remain below 2 percent. Under this scenario, annual inflation could fall below 33%, which would strengthen the likelihood of the Central Bank of the Republic of Türkiye (CBRT) continuing rate cuts in September.

On the global front, U.S. data continues to indicate strong economic activity. The U.S. economy grew by 3.3% in the second quarter of 2025, exceeding expectations, while core PCE closely monitored by the Fed as an inflation indicator rose to 2.9 percent year-on-year, marking its fastest increase in five months. The stickiness in inflation paints a cautious picture for the Fed, making this week's non-farm payroll data particularly critical. Ahead of the release, markets are pricing in the likelihood of a 25 basis point rate cut in September.

Meanwhile, trade policies and geopolitical developments remain in focus. U.S. court has ruled that most of the tariffs imposed during the Trump administration were unlawful. These tariffs will remain in effect until October 14, while the prospect of the case being taken to the Supreme Court adds to the uncertainty. On the geopolitical side, as the two week deadline set by Trump for Putin approaches, new sanctions against Russia are seen as a possible outcome.

GLOBAL

In the United States, preliminary Gross Domestic Product (GDP) in the second quarter grew by 3.3 percent compared to the previous quarter. In the same period, real final sales increased by 6.8 percent, exceeding expectations. The Purchasing Price Index decreased from 1.9 percent to 1.8 percent compared to the previous period.

In the United States, core PCE in July increased by 0.5 percent monthly and 2.9 percent annually. In the same period, personal spending rose by 0.5 percent on a monthly basis, while personal income grew by 0.4 percent.

In July, preliminary durable goods orders in the United States fell by minus 2.8 percent compared to the previous month, declining to 302 billion 800 million dollars. In the same period, core durable goods orders increased by 1.1 percent.

The Conference Board (CB) Consumer Confidence Index decreased by 1.3 points in August compared to the previous month, falling to 97.4 points. During the same period, the six-month expectation declined to 74.8 points, and the Present Situation Index fell to 131.2 points.

In Germany, preliminary CPI in August increased by 0.1 percent on a monthly basis. On an annual basis, it rose from 2.0 percent to 2.2 percent. In the same period, the Harmonized Index of Consumer Prices (HICP) increased by 0.1 percent monthly and 2.1 percent annually.

Germany's IFO Business Climate Index rose to 89.0 in August, exceeding expectations. While the expectations index showed an increase, the current situation index continued to decline.

DOMESTIC

The Real Sector Confidence Index in August increased by 0.4 points compared to the previous month, reaching 100.6. In the same period, the seasonally adjusted real sector confidence also reached the same level, with production, orders, and stock outlook contributing to the rise, while investment and employment expectations declined.

Seasonally adjusted capacity utilization rate in the manufacturing industry fell by 0.5 points compared to the previous month, decreasing by 0.7 points to 73.5 percent. When broken down by goods groups, investment goods fell by 3.0 percent compared to the previous month, making the largest contribution to the decline.

The seasonally adjusted unemployment rate in July decreased by 0.4 percent, reaching 8.0 percent. In the same period, the seasonally adjusted employment rate remained unchanged at 49.1 percent. Among the youth population aged 15-24, the unemployment rate decreased by 0.9 points on a monthly basis, dropping to 15.0 percent.

In August, market participants' inflation expectations for the next 12 months decreased by 0.6 points compared to the previous month, to 22.8 percent. In the same period, expectations of the real sector and households decreased by 1.3 and 0.4 points, to 37.7 percent and 54.1 percent, respectively.

The foreign trade deficit in July decreased by 11.8 percent monthly, reaching 6 billion 444 million dollars. In the same period, exports and imports increased by 11.0 percent and 5.4 percent, respectively. Furthermore, excluding energy products and gold, exports and imports rose by 12.8 percent and 7.7 percent, respectively.

The Economic Confidence Index in August increased by 1.7 percent compared to the previous month, reaching 97.9 points. In the same period, consumer confidence rose by 0.9 percent, reaching 84.3 points.

WEEKLY STATUS

	22.08.2025	29.08.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.101	12.196	0,8%	23,2%	23,2%	32,6%	210,3%
XU100*	11.372	11.288	-0,7%	11,6%	31,6%	35,6%	196,6%
USDTRY	40,94	41,10	0,4%	14,9%	20,1%	57,5%	39,6%
DXY*	97,72	97,77	0,1%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,26	4,23	-0,8%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,26	29,10	-0,5%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,46	35,77	-1,9%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	268,92	259,96	-3,3%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.372,11	3.448,00	2,3%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	4.441,08	4.561,07	2,7%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	51,21	52,49	2,5%	52,4%	45,3%	57,1%	44,9%

***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

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.



LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	May	4,9%	3,3%	
	Manufacturing PMI	July	45,9	46,7	50
New	Capacity Utilization Rate (seasonally adj.)	August	73,6%	74,1%	
New	Import - (capital goods) (annually)	July	17,2%	13,6%	
New	Import - (intermediate goods) (annually)	July	65,2%	11,7%	
New	Import - (consumption goods) (annually)	July	17,0%	32,2%	
New	Credit Growth Weekly	August (Week 4)	0,2%	0,6%	
	Consumer Confidence Index	August	84,3	83,5	100
New	Real sector confidence (seasonally adj.)	August	100,6	98,9	100
New	Service sector confidence (seasonally adj.)	August	111,1	110	100
New	Retail sector confidence (seasonally adj.)	August	108,9	107,9	100
New	Construction sector confidence (seasonally adj.)	August	85,3	88,8	100
	Car Sales (annually)	July	14,5%	11,6%	
	House sales - total (annually)	July	12,4%	35,8%	
	House sales - mortgage (annually)	July	60,3%	112,6%	
	CPI	July	33,5%	35,1%	
	CPI expectations (year-end)	July	29,7%	29,9%	
	Current Year Growth Expectations	July	2,9%	2,9%	
	Retail Sales Volume (annually)	June	14,7%	17,7%	
	Current Account Balance (billion USD)	May	-2,0	-0,7	
New	Unemployment Rate (seasonally adj.)	July	8,0%	8,4%	
New	Dollarization	August (Week 4)	2,0 Billion (+)	0,9 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
01.09.2025	Turkey	GDP
01.09.2025	Turkey	ISO Manufacturing PMI
01.09.2025	Euro Zone	HCOB Eurozone Manufacturing PMI
02.09.2025	Euro Zone	Preliminary CPI
02.09.2025	US	S&P Global Manufacturing PMI
03.09.2025	Turkey	CPI
04.09.2025	US	S&P Global Services PMI
05.09.2025	US	Nonfarm Payrolls
05.09.2025	Euro Zone	GDP

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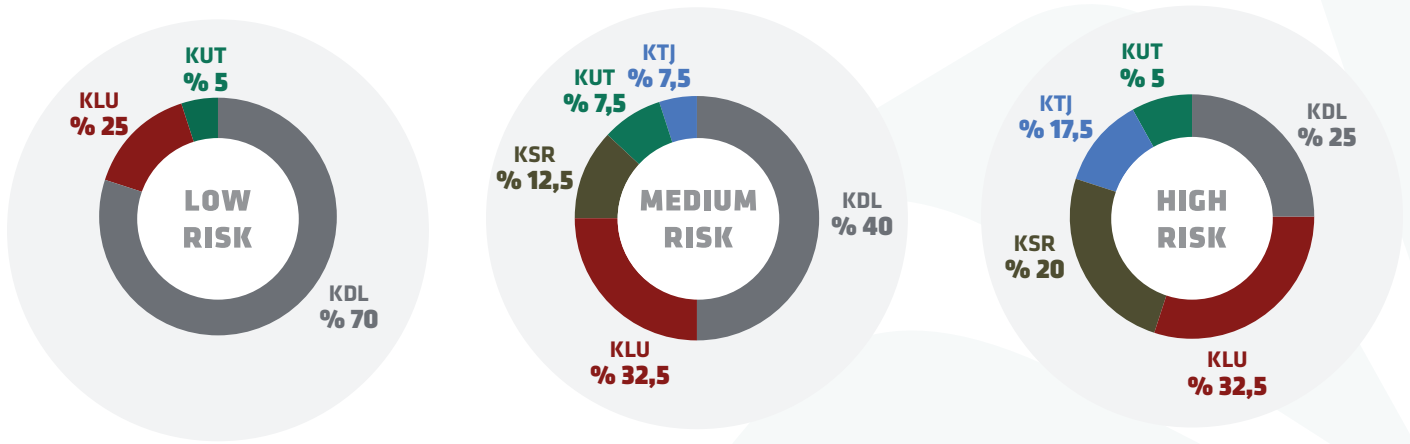
Our Fund Allocation Recommendations

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.

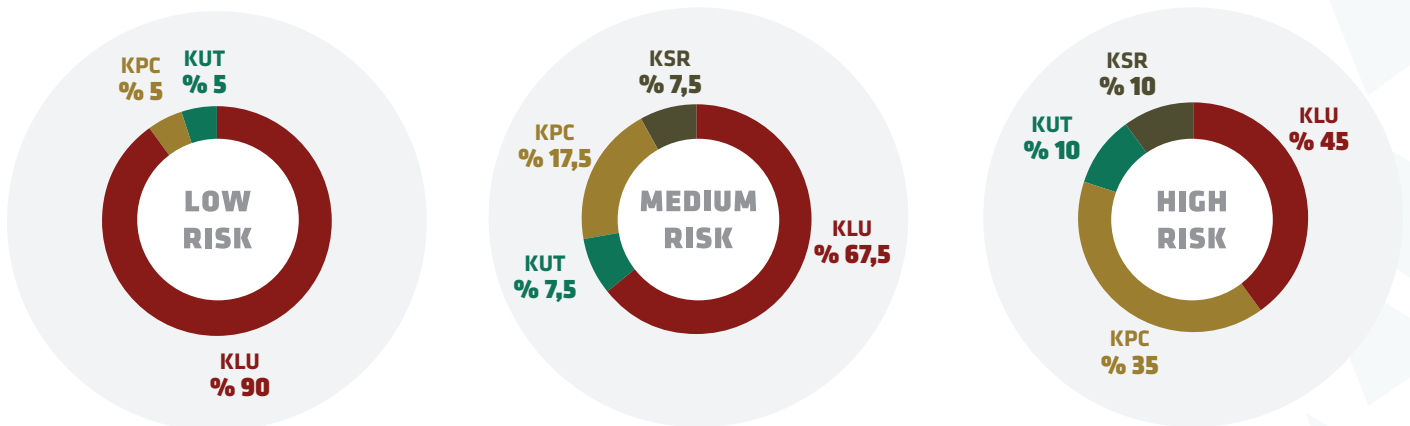
General Investment Recommendations for Those with USD as Their Base Currency

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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