



**NOVEMBER 3, 2025**

KUVEYT TÜRK ASSET MANAGEMENT  
**PRIVATE BANKING**  
WEEKLY ECONOMIC BULLETIN



**KUVEYTTÜRK** |  **PRIVATE BANKING**

## INFLATION TREND WILL GUIDE CBRT'S MONETARY POLICY



Global markets focused last week on Fed Chair Powell's remarks following the FOMC meeting and on news flow related to U.S.-China negotiations. The Fed continued its easing cycle with a 25 basis point rate cut in line with expectations. Powell's comments following the meeting highlighting differing views on the path to be taken at the December meeting and emphasizing the need for greater caution should uncertainties rise weakened expectations for rate cuts in 2026. While these remarks limited risk appetite, the constructive tone observed in the U.S.-China talks continued to support optimism in global markets.

Domestically, attention will be on the inflation data to be released today. There remains a risk that monthly inflation may come in around 3 percent in October. Market expectations currently point to a reading above 2.5 percent. In the same period last year, monthly inflation was 2.88 percent. Annual inflation rose from 32.95 percent to 33.29 percent in September; there is also a possibility that annual inflation will remain above 33 percent in October. CBRT continues to emphasize that the monetary policy steps to be taken will be determined in a manner that preserves the level of tightness required by the disinflation process. In this context, we consider the upcoming inflation data to be of critical importance for shaping expectations regarding monetary policy and market direction.

## GLOBAL

**In the United States, the Federal Reserve cut its policy rate by 25 basis points in line with expectations, bringing it down to the 3.75–4.00 range.** Following the meeting, Chair Powell stated that an additional rate cut in December is not certain. It was also announced that the balance sheet reduction process will end on December 1.

**The Conference Board Consumer Confidence Index in the United States fell by 0.9 points in October compared to the previous month, declining to 94.6 points.** During the same period, the Present Situation Index rose to 129.3 points, while the Expectations Index for the next six months decreased to 71.5 points.

**US President Donald Trump and Chinese President Xi Jinping met in South Korea.** The meeting addressed trade relations, supply chains, and cooperation in technology between the two countries. Trump announced that tariffs on fentanyl products would be reduced from percent 20.0 to percent 10.0. Xi emphasized that China aims to maintain constructive dialogue and mutually beneficial cooperation with the United States. The meeting was positively received by global markets.

**In the Euro Area, the European Central Bank (ECB) kept the deposit rate steady at percent 2.0.** During the same period, the policy rate and overnight lending rate also remained unchanged at percent 2.15 and percent 2.40, respectively.

**Euro Area gross domestic product (GDP) increased by percent 0.2 quarter-on-quarter and percent 1.3 year-on-year in the third quarter.** In the same period, Germany's GDP remained unchanged on a quarterly basis while expanding by percent 0.3 year-on-year.

**In Japan, the Bank of Japan (BOJ) kept its policy rate unchanged at percent 0.5.** The BOJ maintained its cautious stance amid economic uncertainties and inflation risks. Officials also emphasized that the exit from monetary easing will take time.

## DOMESTIC

**In October, the confidence index for the services sector declined by percent 0.3 to 110.7, while the construction sector index fell by percent 5.3 to 83.7 points.** Meanwhile, the retail trade sector increased by percent 3.7 to 113.2 points. In the same period, demand for services over the past three months fell by percent 0.4 compared to the previous month.

**In October, the seasonally adjusted Real Sector Confidence Index increased by 1.2 points compared to the previous month, rising to 102.0 points.** During the same period, the non-seasonally adjusted Real Sector Confidence Index rose by 0.6 points on a monthly basis to reach 100.8 points.

**The unemployment rate remained unchanged in September at percent 8.6.** During the same period, the number of unemployed aged 15 and over increased by 12 thousand year-on-year to reach 3 million 7 thousand people. Additionally, the seasonally adjusted employment rate declined by 0.3 points from the previous month to percent 48.9.

**The manufacturing industry capacity utilization rate rose by 0.2 points month-on-month to percent 74.0.** During the same period, the unadjusted capacity utilization rate also increased by 0.2 points to percent 74.2.

**The Economic Confidence Index increased by percent 0.3 in October to 98.2 points.** During the same period, the Consumer Confidence Index decreased by percent 0.3 to 83.6 points. Meanwhile, the Real Sector Confidence Index rose by percent 1.2 to 102.0 points.

**Exports in September increased by percent 2.8 year-on-year to reach 22 billion 576 million dollars.** During the same period, imports rose by percent 8.7 year-on-year to 29 billion 479 million dollars. As a result, the foreign trade deficit widened by percent 33.8 year-on-year to 6 billion 903 million dollars in September.

## WEEKLY STATUS

	24.10.2025	31.10.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.510	12.622	0,9%	23,2%	23,2%	32,6%	210,3%
XU100*	10.942	10.972	0,3%	11,6%	31,6%	35,6%	196,6%
USDTRY	41,95	42,06	0,3%	14,9%	20,1%	57,5%	39,6%
DXY*	98,95	99,80	0,9%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,00	4,10	2,6%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,53	29,68	0,5%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	40,31	36,68	-9,0%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	265,87	244,14	-8,2%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	4.112,10	4.002,28	-2,7%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.544,23	5.413,25	-2,4%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	65,53	65,85	0,5%	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	August	7,1%	5,2%	
	Manufacturing PMI	September	46,7	47,3	50,0
New	Capacity Utilization Rate (seasonally adj.)	October	74,0%	73,8%	
New	Import - (capital goods) (annually)	September	14,9%	14,9%	
New	Import - (intermediate goods) (annually)	September	69,1%	68,3%	
New	Import - (consumption goods) (annually)	September	15,5%	16,5%	
New	Credit Growth Weekly	October (Week 4)	0,46%	0,29%	
	Consumer Confidence Index	October	83,6	83,9	100
New	Real sector confidence (seasonally adj.)	October	102	100,2	100
New	Service sector confidence (seasonally adj.)	October	110,7	111	100
New	Retail sector confidence (seasonally adj.)	October	113,2	109,2	100
New	Construction sector confidence (seasonally adj.)	October	83,7	88,3	100
	Car Sales (annually)	September	26,8%	12,8%	
	House sales - total (annually)	September	6,9%	6,8%	
	House sales - mortgage (annually)	September	34,4%	45,2%	
	CPI	September	33,3%	33,0%	
	CPI expectations (year-end)	October	31,8%	29,9%	
	Current Year Growth Expectations	October	3,3%	3,2%	
	Retail Sales Volume (annually)	August	12,2%	13,0%	
	Current Account Balance (billion USD)	August	5,5	170,0%	
New	Unemployment Rate (seasonally adj.)	September	8,6%	8,5%	
	Dollarization	October (Week 4)	2,3 Billion (+)	1,5 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
03.11.2025	Turkey	CPI
03.11.2025	Turkey	Industry Manufacturing PMI
03.11.2025	Euro Zone	Manufacturing PMI
04.11.2025	Turkey	Trade Balance
04.11.2025	US	JOLTS Job Openings
05.11.2025	China	Caixin Services PMI
05.11.2025	US	ADP Nonfarm Employment Change
05.11.2025	US	Services PMI
06.11.2025	Japan	Services PMI
06.11.2025	Germany	Industrial Production
07.11.2025	Turkey	Inflation Report

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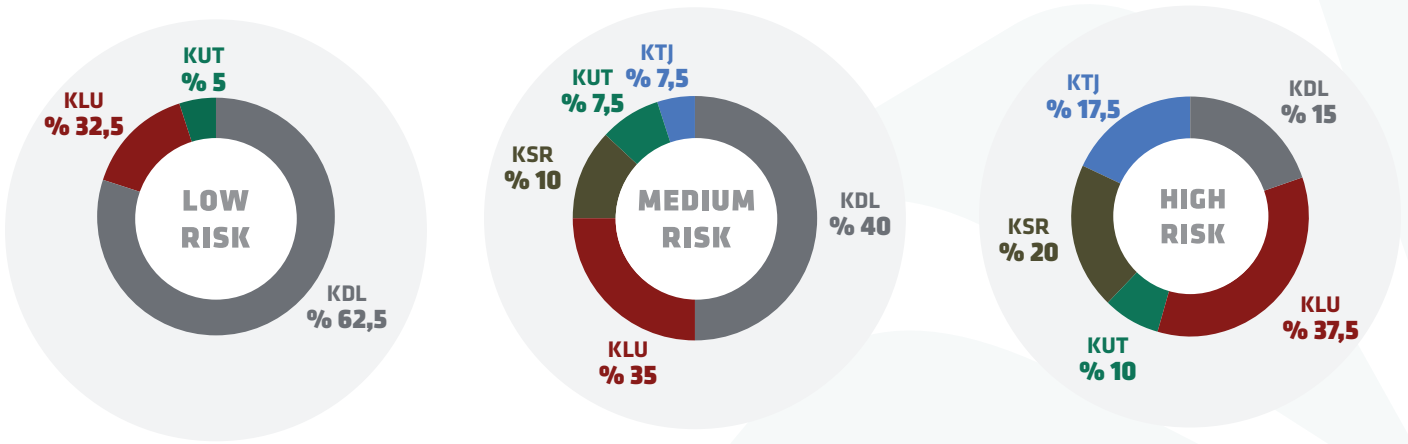
## Our Fund Allocation Recommendations

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.

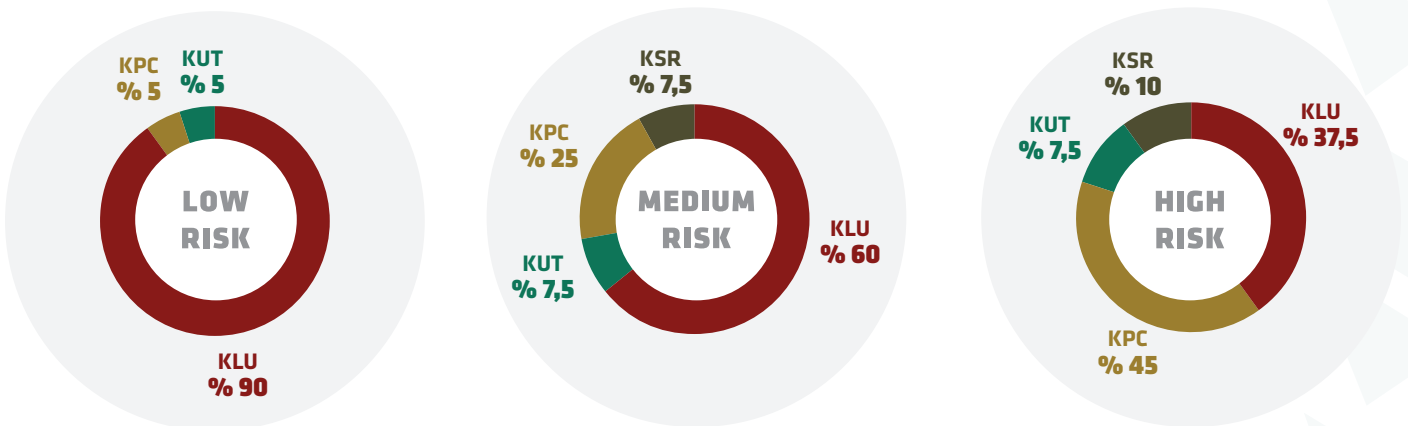
### General Investment Recommendations for Those with USD as Their Base Currency

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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