



OCTOBER 6, 2025

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

SLOWER EASING EXPECTED FROM THE CBRT FOLLOWING INFLATION DATA



In September, consumer inflation rose by 3.23 percent month-on-month, exceeding the market expectation of 2.5 percent. With this stronger-than-expected increase, annual inflation which had been on a downward trend since June 2024 climbed to 33.29 percent. Under the current outlook, we believe it has become more difficult for year-end inflation to fall below 30 percent.

The Central Bank of the Republic of Türkiye (CBRT) emphasizes that its policy rate decisions will be determined in a way that maintains the level of tightness required by the disinflation process. Following the September inflation data, we expect the central bank to continue its monetary policy easing cycle in a more cautious and gradual manner. As monthly inflation increases are expected to remain more moderate in the coming period, we believe that the real return potential of Turkish lira-denominated fixed-income assets will be preserved.

Leading indicators continue to send negative signals for industrial production in the third quarter. The capacity utilization rate of manufacturing industry and the manufacturing Purchasing Managers' Index (PMI) remained weak throughout the quarter. Weak demand conditions have led to a slowdown in production and new orders, while companies are acting more cautiously in their employment and purchasing decisions. Given the weak outlook for industrial production and the declining expectations for rate cuts, we do not have strong expectations for the equity markets in the short term.

GLOBAL

In the United States, the manufacturing PMI increased by 0.4 points month-on-month in September, reaching 49.1. In the same period, the production index rose by 3.2 points to 51.0, while the new orders index fell by 2.5 points to 48.9.

ADP nonfarm payroll in the U.S. decreased by 32,000 in September, while the market expectation was an increase of 52,000 jobs. Looking at the subcategories, the services sector stood out with a loss of 28,000 jobs.

The U.S. federal government shut down before the start of the new fiscal year, as Congress and the President failed to reach a budget agreement. This led to the suspension of non-essential public services and put many employees at risk of being placed on compulsory leave.

The number of JOLTS job openings in the U.S. rose to 7.227 million in August, exceeding market expectations. During the same period, the number of hires decreased by 114,000 to 5.126 million, while the number of people leaving their jobs—including resignations and layoffs—fell by 110,000 to 5.111 million.

In the Euro Area, preliminary consumer prices in September increased by 0.1 percent month-on-month and 2.2 percent year-on-year. In the same period, preliminary core inflation rose by 0.1 percent and 2.3 percent, respectively.

ECB President Christine Lagarde stated that the tariffs implemented so far have not significantly increased inflation. However, she emphasized the need for caution against possible future risks and underlined that monetary policy would remain flexible and data-driven.

In China, the manufacturing PMI increased by 0.4 points in September compared to the previous month, reaching 49.8, but it still contracted for the sixth consecutive month. In the same period, the services PMI decreased by 0.3 points to 50.0.

DOMESTIC

Consumer prices in September rose by 3.23 percent month-on-month and 33.29 percent year-on-year. Looking at the monthly breakdown, food and non-alcoholic beverages increased by 4.62 percent, transportation by 2.81 percent, and housing by 2.56 percent. Additionally, producer prices in September rose by 2.52 percent month-on-month and 26.59 percent year-on-year.

Service producer prices in August increased by 2.47 percent month-on-month and 36.16 percent year-on-year. Examining the yearly breakdown, transportation and storage services rose by 28.91 percent, while accommodation and food services increased by 36.51 percent.

The Economic Confidence Index rose by 0.1 percent month-on-month in September to 98.0. In the same period, the Consumer Confidence Index fell by 0.4 percent to 83.9. Additionally, the real sector confidence index rose by 0.2 percent to 100.8.

The foreign trade deficit in August decreased by 5.8 percent year-on-year to 4.211 billion dollars. In the same period, exports fell by 1.2 percent and imports by 3.9 percent, reaching 21.729 billion dollars and 25.940 billion dollars, respectively.

The Istanbul Chamber of Industry (ISO) Manufacturing PMI fell by 0.6 points in September to 46.7. Remaining below the threshold value of 50.0, the manufacturing PMI signaled a deterioration in operating conditions for one and a half years.

WEEKLY STATUS

	26.09.2025	03.10.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.643	12.404	-1,9%	23,2%	23,2%	32,6%	210,3%
XU100*	11.151	10.859	-2,6%	11,6%	31,6%	35,6%	196,6%
USDTRY	41,36	41,69	0,8%	14,9%	20,1%	57,5%	39,6%
DXY*	98,15	97,72	-0,4%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,19	4,12	-1,6%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,50	29,04	-1,6%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,52	36,58	0,2%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	259,08	254,72	-1,7%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.760,24	3.886,83	3,4%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.028,77	5.208,67	3,6%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	61,58	64,33	4,5%	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	July	5,0%	8,3%	
	Manufacturing PMI	August	47,3	45,9	50,0
New	Capacity Utilization Rate (seasonally adj.)	September	73,8%	73,6%	
	Import - (capital goods) (annually)	July	17,2%	13,6%	
	Import - (intermediate goods) (annually)	July	65,2%	11,7%	
	Import - (consumption goods) (annually)	July	17,0%	32,2%	
New	Credit Growth Weekly	September (Week 4)	0,15%	0,01%	
New	Consumer Confidence Index	September	83,9	84,3	100
New	Real sector confidence (seasonally adj.)	September	100,2	100,6	100
New	Service sector confidence (seasonally adj.)	September	111,0	111,1	100
New	Retail sector confidence (seasonally adj.)	September	109,2	108,9	100
New	Construction sector confidence (seasonally adj.)	September	88,3	85,3	100
	Car Sales (annually)	August	12,8%	14,5%	
	House sales - total (annually)	August	6,8%	12,4%	
	House sales - mortgage (annually)	August	45,2%	60,3%	
	CPI	August	33,0%	33,5%	
	CPI expectations (year-end)	September	29,9%	29,7%	
	Current Year Growth Expectations	September	3,2%	2,9%	
	Retail Sales Volume (annually)	July	13,0%	14,7%	
	Current Account Balance (billion USD)	July	1,7	-200,0%	
	Unemployment Rate (seasonally adj.)	July	8,0%	8,4%	
New	Dollarization	September (Week 4)	1,2 Billion (+)	1,4 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
06.10.2025	Euro Zone	Retail Sales
07.10.2025	Japan	Household Spending
07.10.2025	US	Trade Balance
07.10.2025	US	Atlanta FED Prelimanry GDPNOW (3rd Quarter)
08.10.2025	Germany	Industrial Production
08.10.2025	US	FOMC Meeting Minutes
09.10.2025	US	Fed Chair Powell Speaks
09.10.2025	Turkey	Industrial Production
10.10.2025	Turkey	Retail Sales
10.10.2025	US	Nonfarm Payrolls

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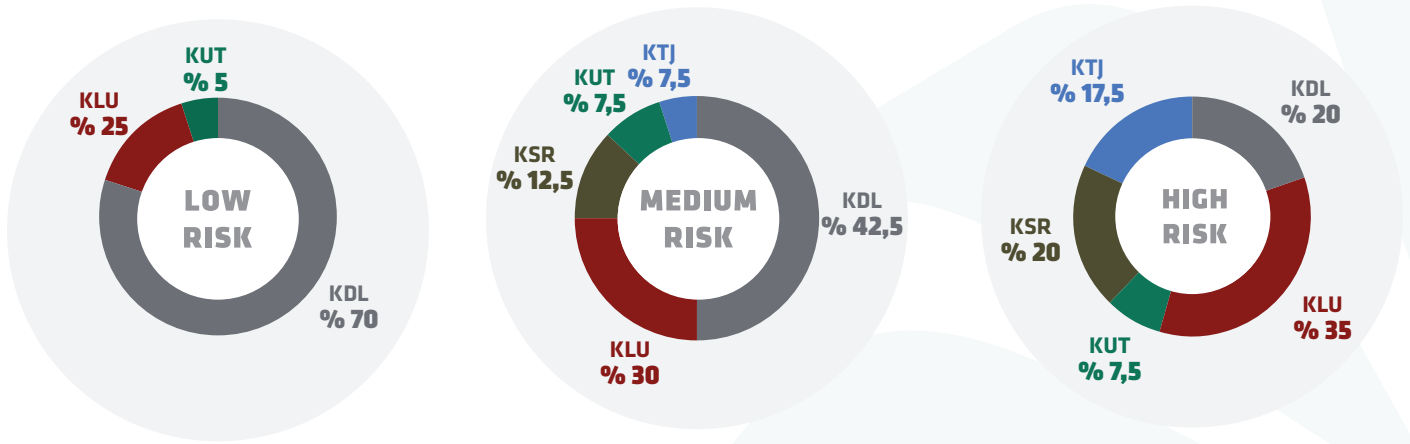
Our Fund Allocation Recommendations

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.

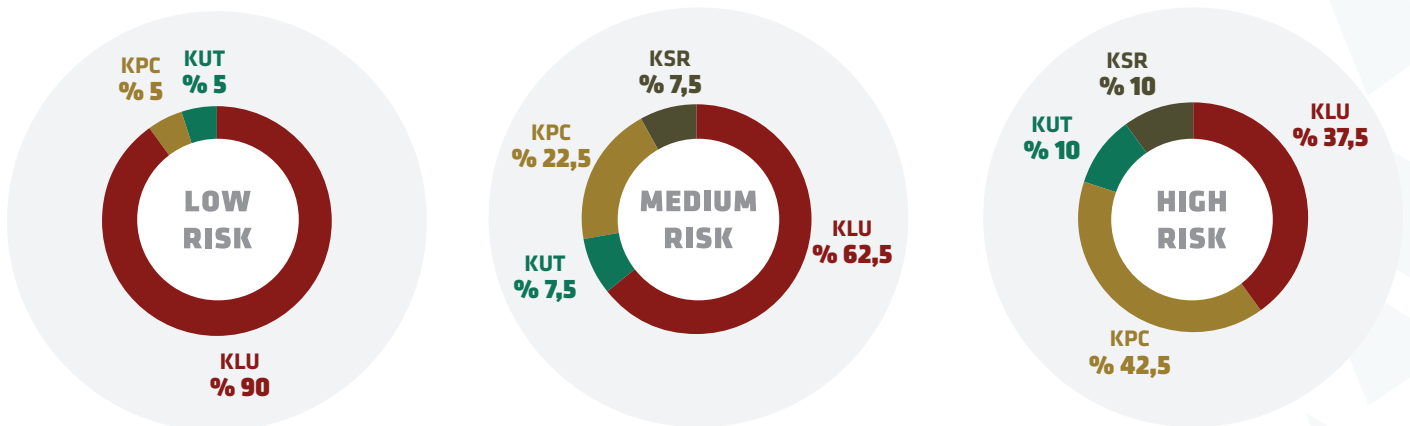
General Investment Recommendations for Those with USD as Their Base Currency

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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