



SEPTEMBER 8, 2025

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

SLOWER EASING EXPECTED FROM THE CBRT FOLLOWING GROWTH AND INFLATION DATA



The Turkish economy grew by 1.6 percent quarter-on-quarter and 4.8 percent year-on-year in the second quarter. While second-quarter growth exceeded expectations, domestic demand continued to be the main driver of annual growth. Following the release of growth data, August inflation figures also came in above expectations. Consumer inflation was announced at 2.04 percent on a monthly basis and 32.95 percent year-on-year. The deterioration in food prices, in particular, limited the expected improvement in annual inflation. In light of stronger-than-expected GDP growth and inflation, expectations have increased that the Central Bank of the Republic of Türkiye (CBRT) will opt for a smaller rate cut of 200 basis points rather than 300. We expect the real return potential of Turkish lira-denominated fixed-income assets to be preserved.

The BIST Participation 50 Index gained 27 PERCENT in July, August, and September. Following this strong performance, however, it ended the first week of September with a 3.3 percent loss. The weak outlook in corporate earnings, together with softness in leading indicators such as the Manufacturing PMI and capacity utilization rate, is reducing risk appetite in the equity market. At the same time, expectations that the CBRT may slow the pace of its easing cycle are weighing on sentiment.

Globally, expectations that the Fed will begin cutting rates in September are strengthening. Fed Chair Powell, in his Jackson Hole speech, highlighted risks in the labor market and the shifting economic outlook, noting that the monetary policy stance could be adjusted. Following Powell's remarks, the non-farm payrolls report signaled weakness. While markets are almost certain that the Fed will cut rates by 25 basis points this month, the probability of a 50 basis point cut has also increased. We continue to include precious metals and funds that include foreign equities in our general investment recommendations.

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.

GLOBAL

In the United States, the ISM Manufacturing Index rose from 48.0 to 48.7 in August, but it remained in contraction territory. In the same period, the production index fell by 3.6 points to 47.8.

Factory orders in the United States decreased by 1.3 percent on a monthly basis in July. In the same period, durable goods orders declined by 2.8 percent, while consumer goods increased by 0.1 percent.

Non-farm payrolls in the United States increased by 22 thousand in August, remaining below the market expectation of 75 thousand. In the same period, the unemployment rate rose from 4.2 percent to 4.3 percent on a monthly basis.

In the Euro Area, the Consumer Price Index (CPI) reached 0.2 percent on a monthly basis and 2.1 percent on an annual basis. Core CPI in the same period rose by 0.3 percent monthly and 2.3 percent annually.

The Euro Area's GDP grew by 0.1 percent quarter-on-quarter in the second quarter. On an annual basis, it expanded by 1.5 percent. The weak growth outlook strengthened expectations for a rate cut by the European Central Bank.

In August, the Euro Area final composite PMI increased by 1.1 points to 51.0. In the same period, the services PMI fell by 0.2 points to 50.5.

The Euro Area Manufacturing Purchasing Managers' Index (PMI) rose to 50.7 points in August. PMI exceeded the threshold level of 50.0 for the first time since March 2022. At the same time, Germany's manufacturing PMI reached a 38-month high of 49.8.

DOMESTIC

Gross Domestic Product (GDP) grew by 4.8 percent year-on-year in the second quarter of 2025. Among the subcomponents, the construction sector grew by 10.9 percent, information and communication activities by 7.1 percent, and the industrial sector by 6.1 percent, leading the expansion.

The Consumer Price Index (CPI) in August rose by 2.04 percent monthly, well above market expectations. On an annual basis, it increased by 32.95 percent. Looking at subcomponents on a monthly basis, the main contributors were food and non-alcoholic beverages with 0.72 percent and housing with 0.46 percent.

The Domestic Producer Price Index (D-PPI) in August increased by 2.48 percent monthly and 25.16 percent annually. In the same period, the twelve-month average rose by 26.28 percent.

The Istanbul Chamber of Industry (ISO) Turkey Manufacturing PMI rose to 47.3 in August, up from 45.9 in July. Although it increased compared to the previous month, it remained below the threshold level of 50.0.

According to the Medium-Term Program covering 2026-2028, the growth forecast for 2026 is 3.8 percent, while for 2027 and 2028 it is set at 4.3 percent and 5.0 percent, respectively. In addition, annual inflation is expected to decline to 28.5 percent in 2025, 16.0 percent in 2026, 9.0 percent in 2027, and 8.0 percent in 2028.

WEEKLY STATUS

	29.08.2025	05.09.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.196	11.788	-3,3%	23,2%	23,2%	32,6%	210,3%
XU100*	11.288	10.729	-4,9%	11,6%	31,6%	35,6%	196,6%
USDTRY	41,10	41,24	0,3%	14,9%	20,1%	57,5%	39,6%
DXY*	97,77	97,77	0,0%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,23	4,09	-3,3%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,10	30,39	4,4%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	35,77	37,34	4,4%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	259,96	272,65	4,9%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.448,00	3.586,81	4,0%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	4.561,07	4.753,70	4,2%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	52,49	54,35	3,5%	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
New	Industrial Production	May	4,9%	3,3%	
	Manufacturing PMI	August	4730,0%	4590,0%	50,0
	Capacity Utilization Rate (seasonally adj.)	August	73,6%	74,1%	
	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%	
	Credit Growth Weekly	August (Week 4)	1,1%	0,2%	
	Consumer Confidence Index	August	84,3	83,5	100
New	Real sector confidence (seasonally adj.)	August	100,6	98,9	100
	Service sector confidence (seasonally adj.)	August	111,1	110	100
	Retail sector confidence (seasonally adj.)	August	108,9	107,9	100
	Construction sector confidence (seasonally adj.)	August	85,3	88,8	100
	Car Sales (annually)	August	12,8%	14,5%	
	House sales - total (annually)	July	12,4%	35,8%	
	House sales - mortgage (annually)	July	60,3%	112,6%	
	CPI	August	33,0%	33,5%	
New	CPI expectations (year-end)	July	29,7%	29,9%	
	Current Year Growth Expectations	August	2,9%	2,9%	
	Retail Sales Volume (annually)	June	14,7%	17,7%	
	Current Account Balance (billion USD)	June	-2,0	-0,7	
	Unemployment Rate (seasonally adj.)	July	8,0%	8,4%	
New	Dollarization	August (Week 4)	4,1 Billion (-)	2,0 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
08.09.2025	Japan	GDP
08.09.2025	Germany	Industrial Production
10.09.2025	China	CPI
10.09.2025	US	PPI
10.09.2025	Turkey	Industrial Production
11.09.2025	Turkey	Retail Sales
11.09.2025	Turkey	One-Week Repo Rate
11.09.2025	US	Nonfarm CPI
12.09.2025	Turkey	Current Account
12.09.2025	Germany	CPI

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.

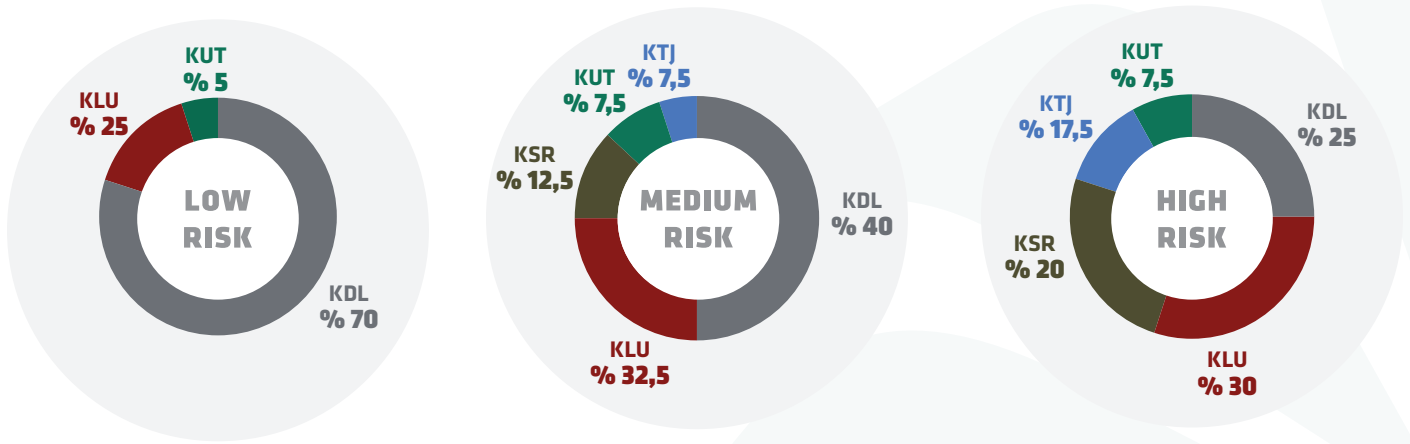
Our Fund Allocation Recommendations

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.

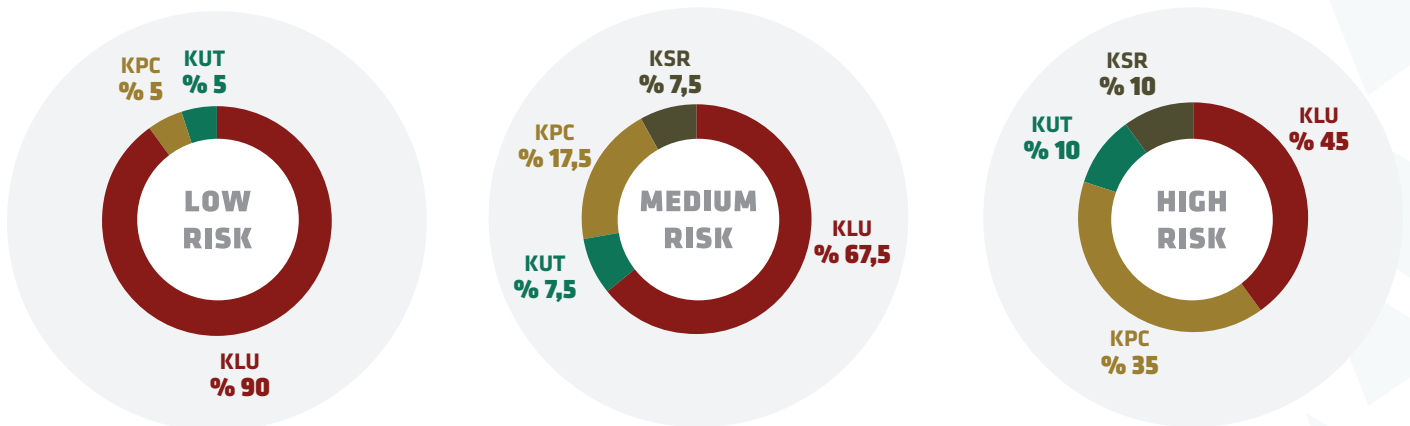
General Investment Recommendations for Those with USD as Their Base Currency

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)



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.

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.

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.

