DECEMBER 8, 2025

KUVEYT TÜRK ASSET MANAGEMENT

PRIVATE BANKING

WEEKLY ECONOMIC BULLETIN

KuveytTürk | PRIVATE BANKING

CENTRAL BANK WEEK: SIGNALS FROM THE CBRT AND THE FED WILL BE DECISIVE

This week, both domestic and global markets will focus on the CBRT and Fed meetings. The decisions taken by the two central banks, along with their forward guidance, will be critical in determining the course of risk appetite both in Turkey and abroad. Domestically, November inflation came in below market expectations, declining to 31.07 percent year-on-year. This outcome indicates that year-end inflation may conclude below 32 percent. Indeed, in the CBRT's Market Participants Survey, the year-end inflation forecast stands at 32.20 percent, suggesting that the latest data points to a more favorable outlook than survey estimates.

In the CBRT's November Price Developments Report, it was noted that inflation in non-food categories showed a slight increase, and that there was no significant change in the underlying trend based on three-month averages. Accordingly, messaging continues to highlight the need to maintain the current degree of monetary policy tightness. Despite short-term improvement in headline inflation, the lack of a notable easing in the underlying trend strengthens expectations that the CBRT may adopt a cautious stance regarding accelerating the pace of rate cuts this week.

Data released abroad support expectations that the Fed may cut rates in December. ADP private-sector employment for November unexpectedly declined by 32,000, indicating weakness in the labor market. The U.S. ISM manufacturing PMI also fell to 48.2, signaling continued contraction in the sector. Meanwhile, the core personal consumption expenditures (PCE) price index closely monitored by the Fed rose by 0.2 percent month-on-month and 2.8 percent year-on-year in September, below expectations of 2.9 percent. In light of these indicators, a 25-basis-point rate cut by the Fed this week has largely been priced in. For markets, the key focus will be the forward guidance Chair Powell provides regarding the next policy meeting.

GLOBAL

ADP private sector employment in the United States decreased by 32 thousand people in November, falling short of market expectations. The decline was concentrated particularly among small businesses and the services sector, strengthening signals of a slowdown in the labor market. The weak employment data increased expectations for a rate cut at the Fed's upcoming meeting.

Industrial production in the United States increased by 0.1 percent on a monthly basis and 4.6 percent on an annual basis in September. During the same period, manufacturing production remained unchanged, while capacity utilization held steady at 75.9 points.

The U.S. services PMI rose by 0.2 points in November, reaching 52.6 points. Within sub-indices, the production index decreased by 0.5 points to 48.2, the business activity index declined by 0.1 points to 54.3, while the new orders index increased by 3.3 points to 56.2.

Core PCE in the United States increased by 0.2 percent on a monthly basis and 2.8 percent on an annual basis in September. Personal spending rose by 0.3 percent, falling short of expectations, while personal income increased by 0.4 percent, in line with market forecasts.

In the Euro Area, preliminary inflation decreased by 0.3 percent on a monthly basis and increased by 2.2 percent on an annual basis. Core inflation remained unchanged, while rising service prices signaled continued price pressures. The seasonally adjusted unemployment rate held steady at 6.4 percent.

In Japan, real household spending in October declined by 3.0 percent on an annual basis, marking the first decrease in six months. Weakness in vehicle purchases, food, and housing expenditures pointed to a notable slowdown in domestic demand and increased downside risks to the economic outlook.

DOMESTIC

In November, consumer prices in Turkey increased by 0.87 percent on a monthly basis and 31.07 percent on an annual basis. On an annual basis, food and non-alcoholic beverages increased by 27.44 percent, transportation by 29.23 percent, and housing by 49.92 percent. Producer inflation amounted to 0.84 percent on a monthly basis and 27.23 percent on an annual basis.

In the third quarter of 2025, the Turkish economy grew by 1.1 percent on a quarterly basis and 3.7 percent on an annual basis. Among subcomponents, construction sector value added increased by 13.9 percent, financial and insurance activities rose by 10.8 percent, while the agricultural sector contracted by 12.7 percent.

Turkey's Manufacturing PMI increased to 48.0 in November, reaching a nine-month high and indicating a slowdown in the pace of contraction. The decline in production eased significantly, while moderate input cost increases reflected mild price pressures. Despite continued weakness in new orders, firms reduced output cautiously due to soft demand conditions.

The preliminary foreign trade deficit in November increased by 4 percent, reaching 7.8 billion dollars. Exports increased by 2.2 percent on an annual basis to 22.7 billion dollars, while imports rose by 2.6 percent to 30.5 billion dollars.

CBRT Governor Fatih Karahan described inflation as a "virus," emphasizing that tight monetary policy will continue until price stability is secured. He stated that demand conditions will not be allowed to conflict with the disinflation goal and viewed the slowdown in private consumption as a sign of economic rebalancing. Karahan underlined that price stability remains a fundamental priority for societal welfare.

WEEKLY STATUS

	28.11.2025	05.12.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	11.815	12.045	2,0%	25,7%	23,2%	32,6%	210,3%
XU100*	10.899	11.007	1,0%	10,9%	31,6%	35,6%	196,6%
USDTRY	42,5	42,5	0,1%	20,1%	20,1%	57,5%	39,6%
DXY*	99,4	99,0	-0,5%	-8,3%	7,1%	-2,1%	8,2%
US-10Y*	4,0	4,1	3,0%	-12,2%	18,0%	0,0%	156,3%
TR-10Y*	29,4	28,7	-2,3%	2,0%	7,6%	169,4%	-59,2%
TR-2Y*	35,4	35,0	-1,3%	-12,6%	2,2%	298,0%	-56,1%
CDS (5Y)	238,2	226,5	-4,9%	-8,3%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	4.230,6	4.197,1	-0,8%	61,3%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.765,1	5.748,8	-0,3%	93,2%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	77,1	79,9	3,7%	134,5%	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

LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	September	2,9%	7,3%	
New	Manufacturing PMI	November	48,0	46,5	50
	Capacity Utilization Rate (seasonally adj.)	November	74,1%	74,0%	
	Import - (capital goods) (annually)	October	16,0%	14,9%	
	Import - (intermediate goods) (annually)	October	68,3%	69,1%	
	Import - (consumption goods) (annually)	October	15,5%	15,5%	
New	Credit Growth Weekly	December (Week 1)	1,1%	0,0%	
	Consumer Confidence Index	November	85,0	83,6	100
	Real sector confidence (seasonally adj.)	November	103,2	102,0	100
	Service sector confidence (seasonally adj.)	November	111,8	110,7	100
	Retail sector confidence (seasonally adj.)	November	114,2	113,2	100
	Construction sector confidence (seasonally adj.)	November	84,9	83,7	100
New	Car Sales (annually)	November	9,8%	19,9%	
	House sales - total (annually)	October	-0,5%	6,9%	
	House sales - mortgage (annually)	October	11,5%	34,4%	
New	CPI	November	31,1%	32,9%	
	CPI expectations (year-end)	October	32,2%	31,8%	
	Current Year Growth Expectations	November	3,4%	3,3%	
	Retail Sales Volume (annually)	September	14,3%	12,2%	
	Current Account Balance (billion USD)	September	1,1	5,5	
	Unemployment Rate (seasonally adj.)	October	8,5%	8,6%	
New	Dollarization	December (Week 1)	0,3 Billion (+)	0,2 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
08.12.2025	Japan	GDP
08.12.2025	China	Trade Balance
08.12.2025	US	Factory Orders
10.12.2025	China	CPI
10.12.2025	Turkey	Industrial Production
10.12.2025	US	Interest Rate Decision
11.12.2025	Turkey	Retail Sales
11.12.2025	US	Trade Balance
11.12.2025	Turkey	One Week Repo Rate
12.12.2025	Germany	CPI

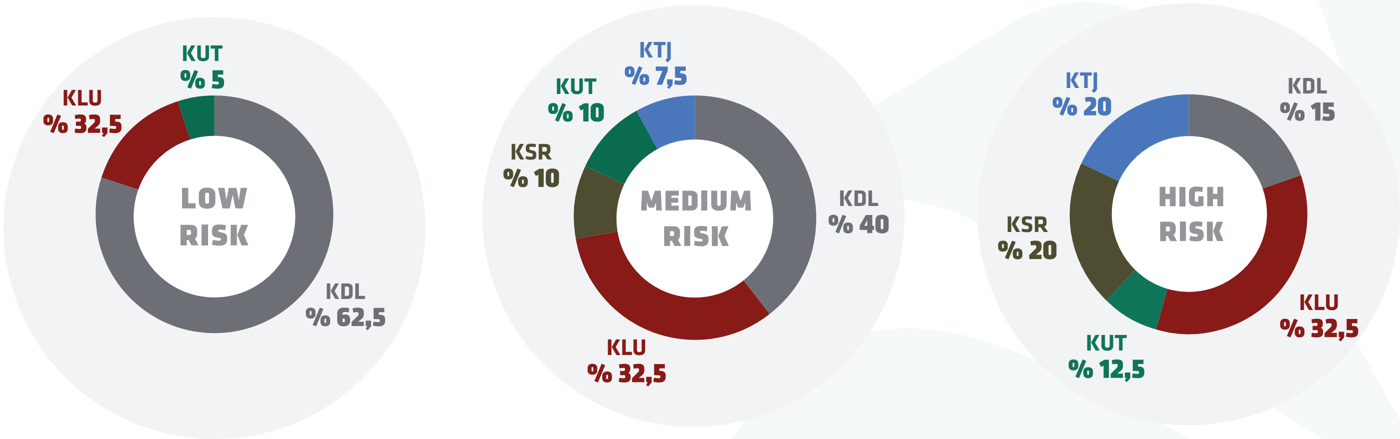
Our Fund Allocation Recommendations

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.

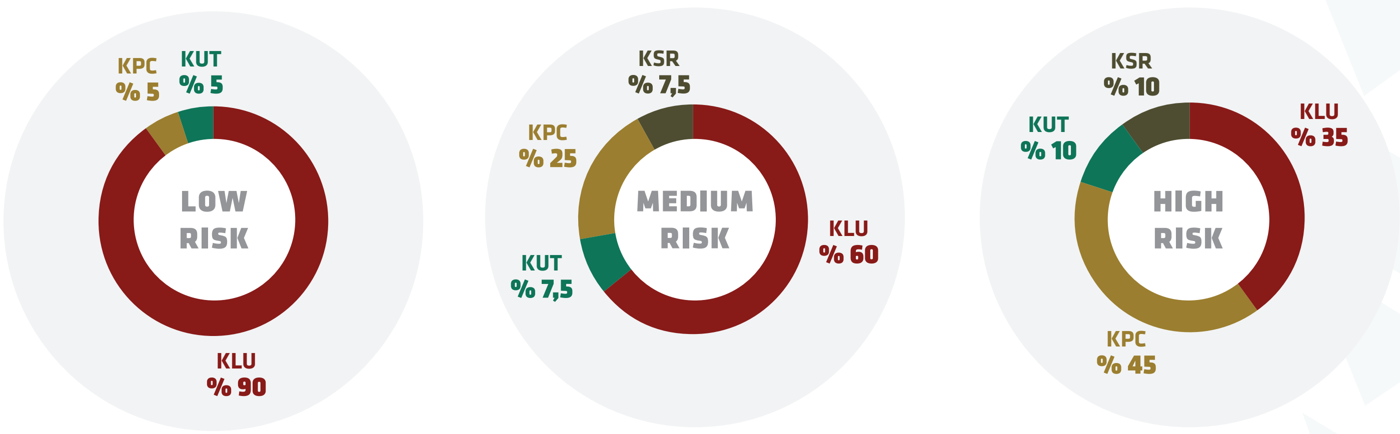
General Investment Recommendations for Those with USD as Their Base Currency

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)



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.