NOVEMBER 10, 2025

KUVEYT TÜRK ASSET MANAGEMENT

PRIVATE BANKING

WEEKLY ECONOMIC BULLETIN

KuveytTürk | PRIVATE BANKING

CBRT RAISES ITS YEAR-END 2025 INFLATION FORECAST

Although October inflation in Türkiye increased by 2.55 percent on a monthly basis and came in below market expectations, the elevated price increases observed over the past two months indicate that stickiness in inflation persists. The CBRT continues to emphasize that monetary policy steps will be determined in a manner that preserves the level of tightness required by the disinflation process. In this context, we consider the inflation data to be announced in November to be a key determinant for the policy stance the CBRT will adopt at its final MPC meeting of the year.

In the final Inflation Report of the year published last week, the year-end 2025 inflation forecast range was raised from 25–29 percent to 31–33 percent, while the 2026 forecast range was kept unchanged at 13–19 percent. This revision, following the elevated inflation readings over the last two months, suggests that the disinflation process may progress more slowly than previously expected. Under the current outlook, we believe that a limited additional rate cut at the December MPC meeting may be considered, provided that it does not disrupt the disinflation process.

On the global front, delays continue in the release of key economic data in the U.S. due to the federal government shutdown. While non-farm payrolls were not published last week, there is also a possibility that the inflation data scheduled for this week may be postponed. Following Fed Chair Powell's remarks that a rate cut in December was not certain, rate cut expectations weakened. Additionally, discussions around stretched valuations in U.S. technology stocks last week have emerged as another factor limiting risk appetite.

GLOBAL

In the United States, the ISM Manufacturing Purchasing Managers' Index (PMI) fell by 0.4 points in October to 48.7. Following the release, the ISM economist stated: "The U.S. manufacturing sector contracted again due to declines in production and inventories, and short-term improvements have not translated into sustainable growth."

U.S. ADP nonfarm employment increased by 42 thousand in October, significantly above market expectations. During the same period, employees' annual wages rose by 4.5 percent, driven largely by the education and health services as well as trade and transportation sectors.

Due to the government shutdown in the U.S., the FAA is reducing capacity at 40 airports by 10 percent. This measure is expected to lead to increased flight delays in busy regions, and capacity restrictions may expand further if the shutdown persists.

Retail sales in the Euro Area decreased by 0.1 percent month-on-month in September, while rising 1.3 percent year-on-year. Among monthly data, the largest increases were recorded in Luxembourg and Malta with 1.7 percent, while the biggest decline occurred in Lithuania with 1.1 percent. In the EU, retail sales were flat month-on-month and rose 1.3 percent year-on-year.

Germany's industrial production increased by 1.3 percent month-on-month in September, while decreasing by 1.0 percent year-on-year. Excluding energy and construction, industrial production rose by 1.9 percent monthly and decreased by 1.2 percent annually. On a quarterly basis, production fell by 3.6 percent compared to the previous quarter.

DOMESTIC

In its Inflation Report, the Central Bank of Turkey (CBRT) raised its year-end 2025 inflation forecast to a range between 31 and 33 percent. It was noted that higher food price assumptions and increases in import prices contributed to the upward revision. The Bank also emphasized that tight monetary policy will be maintained.

Consumer Prices rose by 2.55 percent monthly and 32.87 percent annually in October. Among monthly components, food and non-alcoholic beverages recorded the largest increase at 3.41 percent. Excluding energy, food and non-alcoholic beverages, alcoholic beverages, tobacco products and gold, CPI rose by 2.41 percent month-on-month.

The Manufacturing PMI decreased by 0.2 points to 46.5 in October, deepening the sector's three-month contraction. New orders declined in both domestic and export markets, while firms continued to reduce production, employment and inventories.

Automobile sales increased by 19.9 percent year-on-year in October, reaching 90 thousand 695 units. In the same period, light commercial vehicle sales rose by 17.8 percent to 25 thousand 454 units. Over the first nine months of 2025, total vehicle sales increased by 10.2 percent year-on-year to 1 million 43 thousand 796 units.

Türkiye's foreign trade deficit rose by 24 percent year-on-year in October to 7 billion 362 million dollar. Imports increased by 6.6 percent annually to 31 billion 363 million dollar, while exports rose by 2.3 percent to 24 billion 1 million dollar.

Minister of Treasury and Finance Mehmet Simsek stated that tax restructurings undermine tax compliance and negatively affect taxpayers who pay on time. He noted that installment options may be offered to taxpayers who can demonstrate financial distress through their balance sheets, but a new restructuring law is not on the agenda. Simsek emphasized that strengthening tax discipline remains a priority.

WEEKLY STATUS

	31.10.2025	07.11.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.622	12.308	-2,5%	23,2%	23,2%	32,6%	210,3%
XU100*	10.972	10.925	-0,4%	11,6%	31,6%	35,6%	196,6%
USDTRY	42,06	42,21	0,4%	14,9%	20,1%	57,5%	39,6%
DXY*	99,80	99,60	-0,2%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,10	4,09	-0,2%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,68	29,99	1,0%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,68	39,93	8,9%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	244,14	243,82	-0,1%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	4.002,28	3.999,72	-0,1%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.413,25	5.430,40	0,3%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	65,85	48,34	-26,6%	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

LEADING INDICATORS

	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	August	7,1%	5,2%	
New	Manufacturing PMI	September	46,5	46,7	50,0
	Capacity Utilization Rate (seasonally adj.)	October	74,0%	73,8%	
	Import - (capital goods) (annually)	September	14,9%	14,9%	
	Import - (intermediate goods) (annually)	September	69,1%	68,3%	
	Import - (consumption goods) (annually)	September	15,5%	16,5%	
New	Credit Growth Weekly	November (Week 1)	0,82%	0,46%	
	Consumer Confidence Index	October	83,6	83.9	100
	Real sector confidence (seasonally adj.)	October	102	100,2	100
	Service sector confidence (seasonally adj.)	October	110,7	111	100
	Retail sector confidence (seasonally adj.)	October	113,2	109,2	100
	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%	
New	CPI	October	32,9%	33,3%	
	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%	
	Unemployment Rate (seasonally adj.)	September	8,6%	8,5%	
New	Dollarization	November (Week 1)	0,8 Billion (+)	1,28 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
10.11.2025	Turkey	Industrial Production
11.11.2025	Turkey	Retail Sales
11.11.2025	Euro Zone	ZEW Economic Sentiment
12.11.2025	Germany	CPI
12.11.2025	Turkey	Current Account
13.11.2025	US	CPI
13.11.2025	Euro Zone	Industrial Production
14.11.2025	China	Industrial Production
14.11.2025	Turkey	End Year CPI Forecast
14.11.2025	Euro Zone	GDP
14.11.2025	Euro Zone	Trade Balance
14.11.2025	US	Preliminary Atlanta FED GDPNOW

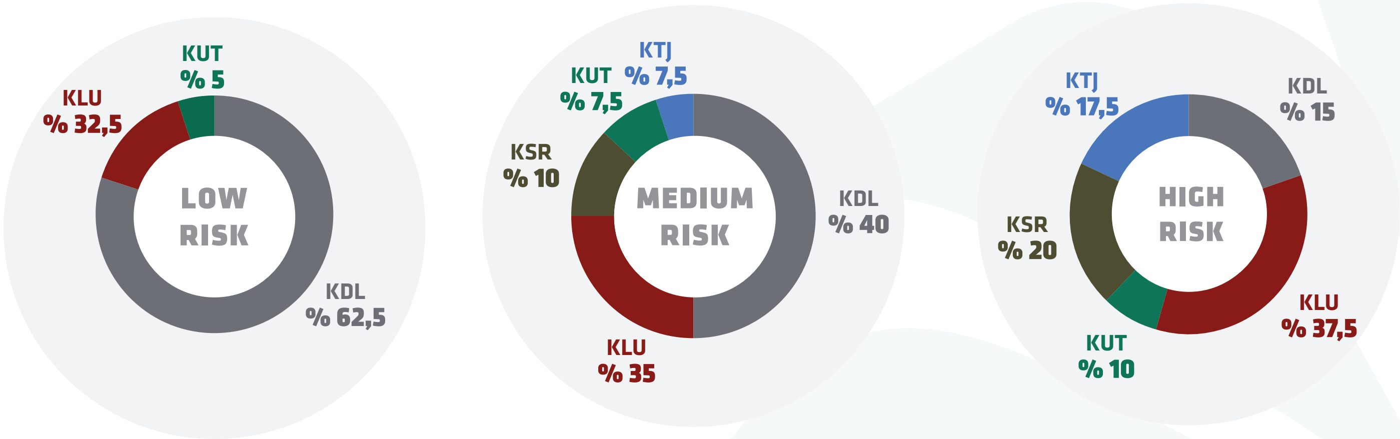
Our Fund Allocation Recommendations

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.

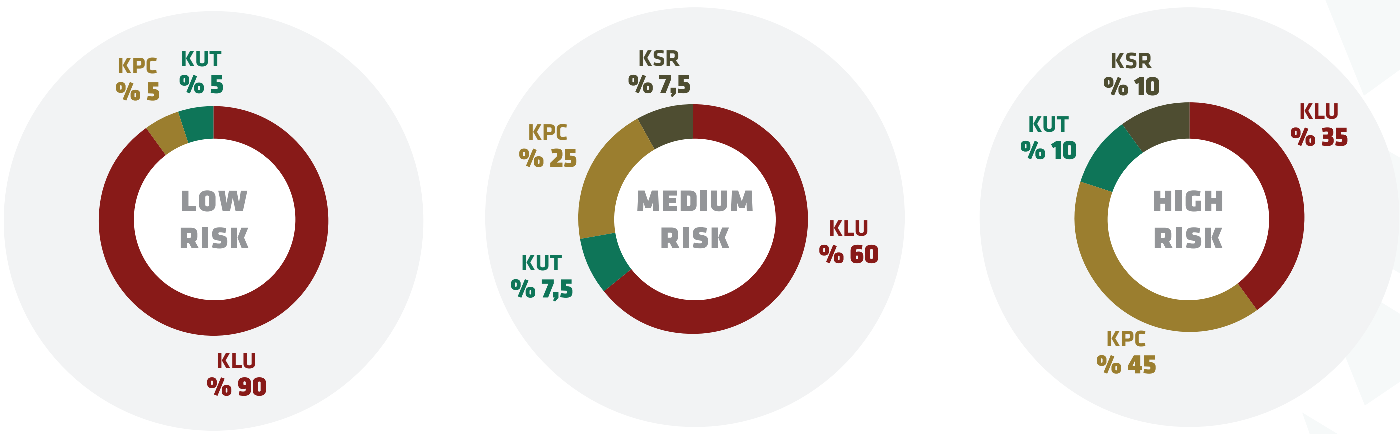
General Investment Recommendations for Those with USD as Their Base Currency

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.