OCTOBER 13, 2025

KUVEYT TÜRK ASSET MANAGEMENT

PRIVATE BANKING

WEEKLY ECONOMIC BULLETIN

KuveytTürk | PRIVATE BANKING

RISING UNCERTAINTY IN GLOBAL MARKETS

Industrial production in Turkey increased by 0.4 percent month-on-month in August. Following the 1.7 percent decline recorded in July, the increase in intermediate and non-durable consumer goods led to a limited recovery in production. However, the average of July and August industrial production remained close to the second-quarter average, indicating no significant gain in economic momentum. Retail sales volume rose by 0.9 percent in August. Although the pace of growth slowed in the third quarter, it continues to expand, reflecting the persistence of strong domestic demand.

In global markets, the U.S. decision to impose a 100 percent tariff increase on Chinese imports effective November 1, along with comments from Fed officials emphasizing the need for caution in rate cuts, weakened risk appetite. Although President Trump stated over the weekend that his planned meeting with Chinese President Xi Jinping has not been canceled, we prefer to maintain a cautious view on global markets. Having traded at around USD 3,300 per ounce in August, gold has extended its rally to above USD 4,000 as of October. Precious metals continue to hold a limited share in our general investment strategy due to their safe haven function.

GLOBAL

The minutes released by the Fed revealed that, despite the decision to cut interest rates, officials maintained a cautious stance. Some members highlighted the risk of inflation reaccelerating, while most emphasized the need for more evidence on the sustainability of the recent economic recovery. The minutes signaled that the Fed is likely to proceed with a careful and gradual approach to rate cuts.

In the United States, the Michigan inflation expectation remained unchanged at 3.7 percent in October compared to the previous month. During the same period, consumer expectations stood at 51.2 points, falling short of forecasts, while consumer sentiment came in at 55.0 points, exceeding market expectations.

President Trump announced that the U.S. is preparing to impose an additional 100 percent customs tariff on certain critical products imported from China, effective November 1st. Following this announcement, fluctuations were observed in both U.S. stock markets and cryptocurrency markets. Trump also stated that he had not canceled the planned meetings with Chinese President Xi.

In Germany, factory orders fell by 0.8 percent in August, marking the fourth consecutive monthly decline. The drop was mainly attributed to weak foreign demand, while a limited recovery was observed in domestic orders.

In Japan, household spending increased by 0.6 percent on a monthly basis and 2.3 percent on an annual basis in August, marking the fourth consecutive month of growth. A breakdown of the data showed that transportation and leisure spending were the main contributors to the annual increase, suggesting that the economy may be resilient against inflationary pressures.

Driven by global uncertainty, demand for safe-haven assets rose, pushing gold prices to test the 4,000 dollar per ounce level. However, limited pullbacks were observed following profit-taking. Analysts noted that central bank policies and geopolitical risks are expected to continue supporting gold's strong performance.

DOMESTIC

The Export Expectation Index declined by 0.2 points in the last quarter of 2025 compared to the previous quarter, falling to 105.3 points. Meanwhile, the Import Expectation Index rose by 0.3 points to 115.1 points in the same period.

The Industrial Production Index increased by 0.4 percent monthly and 7.1 percent annually in August. In the subcomponents, the manufacturing industry index rose by 0.7 percent, while the mining and quarrying index and the electricity, gas, steam, and air conditioning supply index decreased by 0.1 percent and 2.5 percent, respectively.

The trade sales volume decreased by 1.4 percent on a monthly basis but increased by 6.9 percent annually in August. During the same period, the retail sales volume rose by 0.9 percent monthly and 12.2 percent annually.

Automotive production in September increased by 3.0 percent in the first nine months of the year compared to the same period of the previous year, reaching 1 million 31 thousand 527 units. In the same period, passenger car production decreased by 3.0 percent to 637 thousand 450 units. In addition, automotive exports in the first nine months of the year rose by 6.0 percent year on year, reaching 769 thousand 625 units.

Total turnover in the industry, construction, trade, and service sectors increased by 2.0 percent monthly and 36.7 percent annually. In the subcomponents, the turnover indices for industry, construction, trade, and services rose by 1.9 percent, 9.4 percent, 0.9 percent, and 2.8 percent, respectively.

Construction costs increased by 1.05 percent monthly and 22.82 percent annually in August. During the same period, the material index and labor index rose by 1.46 percent and 0.28 percent on a monthly basis, respectively.

WEEKLY STATUS

	03.10.2025	10.10.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.404	12.469	0,5%	23,2%	23,2%	32,6%	210,3%
XU100*	10.859	10.720	-1,3%	11,6%	31,6%	35,6%	196,6%
USDTRY	41,69	41,85	0,4%	14,9%	20,1%	57,5%	39,6%
DXY*	97,72	98,98	1,3%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,12	4,05	-1,7%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,04	29,04	0,0%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,58	36,69	0,3%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	254,72	258,53	1,5%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.886,83	4.018,30	3,4%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.208,67	5.403,69	3,7%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	64,33	67,29	4,6%	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
New	Industrial Production	August	7,1%	5,2%	
	Manufacturing PMI	August	46,7	47,3	50,0
	Capacity Utilization Rate (seasonally adj.)	September	73,8%	73,6%	
	Import - (capital goods) (annually)	August	14,9%	17,2%	
	Import - (intermediate goods) (annually)	August	68,3%	65,2%	
	Import - (consumption goods) (annually)	August	16,5%	17,0%	
New	Credit Growth Weekly	October (Week 2)	0,01%	1,02%	
	Consumer Confidence Index	September	83.9	84,3	100
	Real sector confidence (seasonally adj.)	September	100,2	100,6	100
	Service sector confidence (seasonally adj.)	September	111,0	111,1	100
	Retail sector confidence (seasonally adj.)	September	109,2	108,9	100
	Construction sector confidence (seasonally adj.)	September	88,3	85,3	100
	Car Sales (annually)	October	26,8%	12,8%	
	House sales - total (annually)	August	6,8%	12,4%	
	House sales - mortgage (annually)	August	45,2%	60,3%	
	CPI	October	33,3%	33,0%	
	CPI expectations (year-end)	September	29,9%	29,7%	
	Current Year Growth Expectations	September	3,2%	2,9%	
New	Retail Sales Volume (annually)	August	12,2%	13,0%	
	Current Account Balance (billion USD)	July	1,7	-200,0%	
	Unemployment Rate (seasonally adj.)	August	8,5%	8,0%	
New	Dollarization	October (Week 2)	0,2 Billion (+)	1,3 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
13.10.2025	Turkey	Current Account
14.10.2025	Germany	CPI
14.10.2025	US	Fed Chair Powell Speaks
15.10.2025	China	CPI
15.10.2025	Japan	Industrial Production
15.10.2025	Turkey	Budget Balance
16.10.2025	US	Philadelphia Fed Manufacturing Index
16.10.2025	US	Retail Sales
17.10.2025	Turkey	End Year CPI Forecast
17.10.2025	Euro Zone	CPI
17.10.2025	US	Nonfarm Payrolls

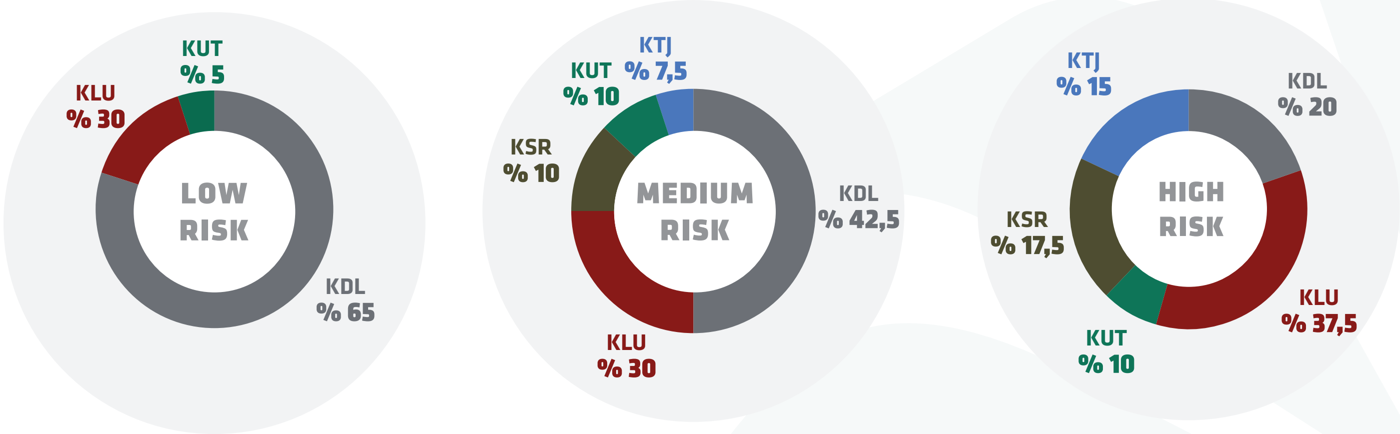
Our Fund Allocation Recommendations

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.

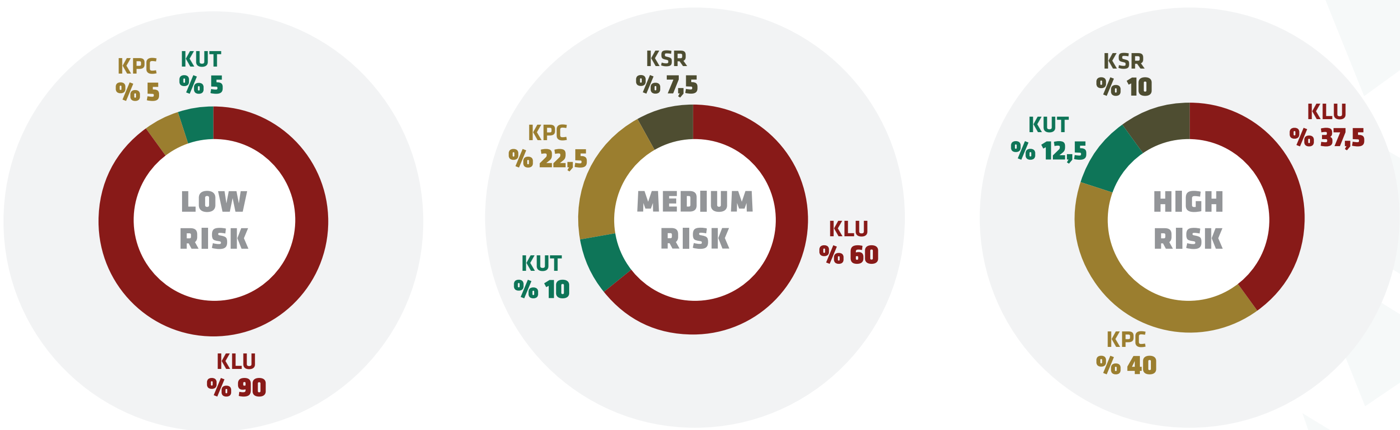
General Investment Recommendations for Those with USD as Their Base Currency

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.