



JULY 14, 2025

KUVEYT TRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTRK



PRIVATE BANKING

CONFIDENCE IN THE TURKISH LIRA STRENGTHENS DOMESTICALLY, WHILE TARIFF UNCERTAINTY DOMINATES GLOBALLY



CBRT Governor Fatih Karahan, during a meeting with investors in London last week, emphasized that changes in local savers' deposit preferences are closely monitored when shaping monetary policy. In the week of July 4, foreign exchange deposits of residents, adjusted for parity effects, declined by USD 4 billion. In the same week, foreign investors purchased USD 235 million in equities and USD 2.4 billion in government domestic debt securities (GDDS). This marked the strongest weekly inflow into GDDS so far this year. Together with lower-than-expected inflation data, the acceleration in reserve accumulation and the decline in FX deposits indicate that the real return potential of Turkish lira-denominated fixed-income assets remains intact. In this context, we continue to maintain allocation to the Turkish lira within our fund allocation recommendations.

Abroad, market attention this week is focused on the U.S. inflation data. Annual inflation is expected to rise slightly to 2.4%. However, the potential impact of the new 30–35% tariffs the U.S. plans to impose on countries such as Canada, the European Union, and Mexico has not yet been reflected in the inflation figures. These developments are increasing uncertainty over global inflationary pressures, while President Trump's statements are weighing on risk appetite. In the period ahead, inflation readings, the Fed's policy steps, and news regarding tariffs will be key drivers of pricing dynamics in global markets. Until there is greater clarity, we will maintain our cautious stance toward international markets.

GLOBAL

U.S. President Donald Trump published letters outlining new tariff rates targeting the Philippines, Brunei, Moldova, Algeria, Iraq, Libya, and Sri Lanka. Trump also announced a 50 percent tariff on copper imports.

Minutes from the U.S. Federal Reserve's latest meeting revealed that a majority of Fed officials considered it appropriate to lower the policy interest rate this year, while some officials expressed concerns about inflation risks and opposed rate cuts.

San Francisco Fed President Mary Daly stated that two interest rate cuts remain within the realm of possibility this year. She pointed out that the reason for the continued possibility of rate cuts is that the impact of tariffs on prices may be more limited than expected.

St. Louis Fed President Alberto Musalem emphasized that upward inflation risks persist. Musalem noted that tariffs would negatively affect economic growth and weaken the labor market.

In Germany, consumer inflation in June stood at 2 percent year-on-year, in line with market expectations. This marked the lowest level of consumer price increases in the past nine months.

In China, producer prices fell by 3.6 percent year-on-year, registering the steepest decline in the past two years. With producer inflation coming in well below expectations, the deflationary pressure that began in September 2022 continued.

DOMESTIC

Industrial production increased by 3.1 percent on a monthly basis and 4.9 percent on an annual basis in May. The rise in industrial production was driven by the mining and quarrying sector, as well as the manufacturing sector.

Retail trade volume rose by 1.6 percent monthly and 17.7 percent annually in May. The annual increase was particularly influenced by sales in medical products and cosmetics, and via mail or internet.

Construction costs increased by 0.9 percent monthly and 22.4 percent annually in May. Material costs drove the monthly increase, while labor costs were the main factor behind the annual rise.

The Istanbul Chamber of Industry's Turkey Manufacturing Sector Export Climate Index remained flat at 51.0 in June compared to the previous month. This marked the 18th consecutive month of improvement in the export climate.

Minister of Energy and Natural Resources Bayraktar announced that a connection had been established between Turkey's natural gas network and Syria's gas grid. He stated that gas supply through the integrated infrastructure would commence soon.

Automotive production declined by 0.1 percent annually in the January-June period, reaching 706,000 units. During the same period, the share of domestic production in car sales fell by 3 percentage points to 29 percent.

WEEKLY STATUS

	04.07.2025	11.07.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	10.740	10.876	1,3%	15,7%	23,2%	32,6%	210,3%
XU100*	10.276	10.358	0,8%	5,4%	31,6%	35,6%	196,6%
USDTRY	39,85	40,18	0,8%	13,6%	20,1%	57,5%	39,6%
DXY*	97,18	97,85	0,7%	-9,8%	7,1%	-2,1%	8,2%
US-10Y*	4,35	4,42	1,6%	-3,5%	18,0%	0,0%	156,3%
TR-10Y*	30,84	31,91	3,5%	10,9%	7,6%	169,4%	-59,2%
TR-2Y*	39,57	40,93	3,4%	0,9%	2,2%	298,0%	-56,1%
CDS (5Y)	273,99	278,65	1,7%	7,3%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.337,00	3.354,94	0,5%	27,9%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	4.278,00	4.333,88	1,3%	45,2%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	47,07	49,46	5,1%	50,5%	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

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LEADING INDICATORS

Data Source			Indicator	Period	Data	Previous Data	Benchmark Value
TÜİK	Week 2	New	Industrial Production	May	4,9%	3,3%	
İSO	Week 1		Manufacturing PMI	June	46,7	47,2	50
TCMB	Week 4		Capacity Utilization Rate (seasonally adj.)	June	74,4%	75,1%	
TÜİK	Week 4		Import - (capital goods) (annually)	May	2,1%	14,5%	
TÜİK	Week 4		Import - (intermediate goods) (annually)	May	0,7%	12,5%	
TÜİK	Week 4		Import - (consumption goods) (annually)	May	12,8%	10,3%	
BDDK	Every Week	New	Credit Growth Weekly	July (Week 1)	0,6%	2,0%	
TÜİK	Week 3		Consumer Confidence Index	June	85,1	84,8	100
TÜİK	Week 4		Real sector confidence (seasonally adj.)	June	98,4	98,6	100
TÜİK	Week 4		Service sector confidence (seasonally adj.)	June	110,9	110,5	100
TÜİK	Week 4		Retail sector confidence (seasonally adj.)	June	108,5	111,2	100
TÜİK	Week 4		Construction sector confidence (seasonally adj.)	June	86,9	88,4	100
ODMD	Week 1		Car Sales (annually)	May	11,6%	7,4%	
TCMB	Week 3		House sales - total (annually)	May	17,6%	56,6%	
TCMB	Week 3		House sales - mortgage (annually)	May	95,9%	147,0%	
TÜİK	Week 1		CPI	May	35,1%	35,4%	
TCMB	Week 2		CPI expectations (year-end)	June	29,9%	30,4%	
TCMB	Week 2		Current Year Growth Expectations	June	2,9%	2,9%	
TÜİK	Week 2	New	Retail Sales Volume (annually)	May	17,7%	11,5%	
TCMB	Week 2	New	Current Account Balance (billion USD)	May	-0,7	-7,9	
TÜİK	Week 2		Unemployment Rate (seasonally adj.)	May	8,4%	8,6%	
TCMB	Every Week	New	Dollarization	July (Week 1)	4,1 Billion (-)	0,68 Billion (+)	

Indicates Decrease

Indicates Stability

Indicates Increase

It has been prepared by Kuveyt Türk Asset Management by taking data from reliable sources.

ECONOMIC CALENDAR

Country	Data to be Announced
US	PPI (MoM) (Jun)
US	CPI (MoM) (Jun)
US	Core Retail Sales (MoM) (Jun)
Euro Zone	CPI (YoY) (Jun)
Germany	ZEW Economic Sentiment (Jul)
China	GDP (YoY) (Q2)

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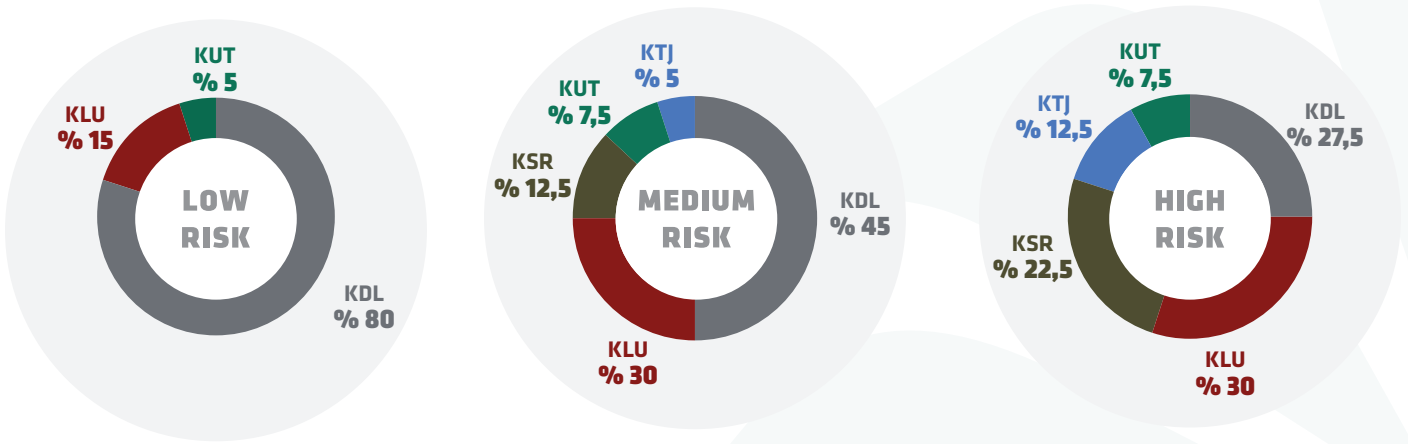
Our Fund Allocation Recommendations

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.

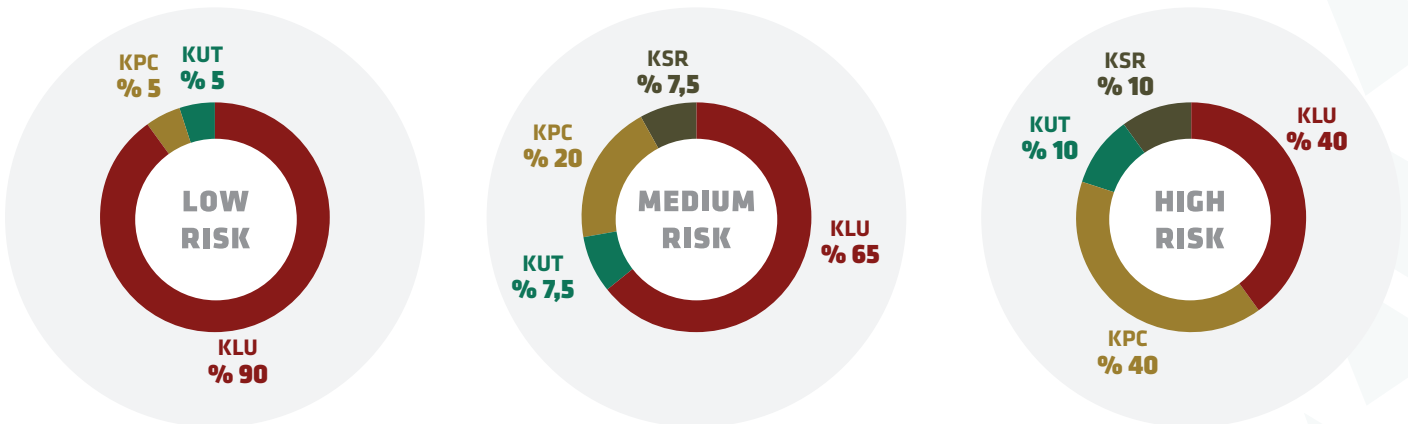
General Investment Recommendations for Those with USD as Their Base Currency

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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