



**OCTOBER 20, 2025**

KUVEYT TÜRK ASSET MANAGEMENT  
**PRIVATE BANKING**  
WEEKLY ECONOMIC BULLETIN



**KUVEYTTÜRK**



**PRIVATE BANKING**

## MARKETS FOCUS ON CENTRAL BANKS' ACTIONS



In the United States, no agreement has yet been reached in the ongoing negotiations following the federal government shutdown earlier this month. At the same time, escalating trade tensions between the U.S. and China continue to weigh on global markets. The rising risks of non-performing loans among regional banks in the U.S. are also keeping financial stability concerns on the agenda. Despite the negative news flow, U.S. equity markets recorded gains last week. This recovery was supported by Fed Chair Powell's comments suggesting that balance sheet reduction could be halted in the coming months. It appears that 25 basis point rate cuts in the upcoming October and December meetings are almost certain, while expectations for 2026 are shaping toward three additional cuts. Alongside growing rate cut expectations, precious metals have also continued to rise.

Domestically, a deterioration in inflation expectations has drawn attention. Following a 3.23 percent monthly rise in consumer prices (CPI) in September, which exceeded market expectations, inflation expectations for October also remain elevated. According to the CBRT Market Participants Survey, monthly inflation is expected to come in at 2.34 percent in October. The upward shift in year-end inflation forecasts toward 32 percent indicates a slower pace of rate cuts. For the policy decision to be announced by the CBRT on Thursday, October 24, market expectations point to a 100-150 basis point rate cut range. Given the weak trend in industrial production and the loss of momentum in rate cut expectations, we do not hold a strong short-term outlook for the equity market. We continue to believe that Turkish lira-denominated fixed-income assets will preserve their real return potential.

## GLOBAL

**In the United States, the New York Fed Manufacturing Index rose by 19.4 points in October to reach 10.7 points.** During the same period, the New Orders Index increased by 23.3 points to 3.7 points, while the Shipments Index rose by 31.7 points to 14.4 points.

**Federal Reserve Chair Powell indicated that the balance sheet reduction process could be concluded in the coming months, signaling a potential easing in monetary tightening.** Following his remarks, U.S. Treasury yields declined, while optimism grew in equity markets. Powell emphasized that although progress has been made in combating inflation, the cautious stance will continue.

**In the Euro Area, industrial production decreased by 1.2 percent on a monthly basis and by 1.0 percent on an annual basis in August.** Seasonally adjusted industrial production also declined by 1.2 percent monthly, falling to 97.7 points. Industrial production was observed at its lowest level since January 2025.

**The Consumer Price Index (CPI) in the Euro Area rose by 0.1 percent monthly and 2.2 percent annually.** During the same period, core CPI increased by 0.1 percent monthly and 2.4 percent annually. On an annual basis, the unprocessed food category had the largest contribution to the increase with a rise of 4.7 percent.

**In Germany, the CPI increased by 0.2 percent monthly and 2.4 percent annually in September, in line with expectations.** During the same period, core inflation rose by 2.8 percent on an annual basis.

## DOMESTIC

**The current account posted a surplus of 5 billion 460 million dollars in August.** During the same period, the balance of payments-defined foreign trade deficit stood at 2 billion 800 million dollars, while the services balance recorded a surplus of 62 billion 300 million dollars.

**The export unit value index increased by 3.8 percent in August, while the export volume index declined by 4.8 percent.** In the same period, the import unit value index rose by 0.5 percent, and the import volume index fell by 4.5 percent. Additionally, seasonally and calendar-adjusted export and import volume indices decreased by 2.8 percent and 7.2 percent, respectively.

**The Services Production Index increased by 0.4 percent on a monthly basis and by 3.6 percent on an annual basis in August.** Among its subcomponents, information and communication services rose by 3.2 percent, while real estate services declined by 0.2 percent. Moreover, the Construction Production Index fell by 0.9 percent monthly but increased by 25.0 percent annually.

**Housing sales rose by 6.9 percent year-on-year in September, reaching 150,657 units.** Among provinces, Istanbul recorded the highest number of home sales with 24,119 units, while Ardahan had the lowest with 70 units.

**The Housing Price Index increased by 1.7 percent monthly and 32.2 percent annually.** During the same period, among the three largest cities, the index rose by 30.7 percent in Istanbul, 41.1 percent in Ankara, and 34.4 percent in Izmir.

## WEEKLY STATUS

	10.10.2025	17.10.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.469	11.955	-4,1%	23,2%	23,2%	32,6%	210,3%
XU100*	10.720	10.209	-4,8%	11,6%	31,6%	35,6%	196,6%
USDTRY	41,85	41,90	0,1%	14,9%	20,1%	57,5%	39,6%
DXY*	98,98	98,43	-0,6%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,05	4,01	-1,0%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,04	29,80	2,6%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,69	37,19	1,4%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	258,53	266,01	2,9%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	4.018,30	4.249,98	5,8%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	5.403,69	5.726,90	6,0%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	67,29	69,90	3,9%	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
	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 3)	0,22%	0,01%	
	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
New	Car Sales (annually)	September	26,8%	12,8%	
New	House sales - total (annually)	September	6,9%	6,8%	
	House sales - mortgage (annually)	September	34,4%	45,2%	
	CPI	September	33,3%	33,0%	
New	CPI expectations (year-end)	October	31,8%	29,9%	
New	Current Year Growth Expectations	October	3,3%	3,2%	
	Retail Sales Volume (annually)	August	12,2%	13,0%	
New	Current Account Balance (billion USD)	August	5,5	170,0%	
	Unemployment Rate (seasonally adj.)	August	8,5%	8,0%	
New	Dollarization	October (Week 3)	1,5 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
20.10.2025	China	GDP
20.10.2025	Germany	German PPI
23.10.2025	Turkey	One Week Repo Rate
23.10.2025	Turkey	Consumer Confidence Index
23.10.2025	US	Existing Home Sales
24.10.2025	Japan	National CPI
24.10.2025	US	CPI
24.10.2025	US	S&P Global Preliminary Manufacturing PMI

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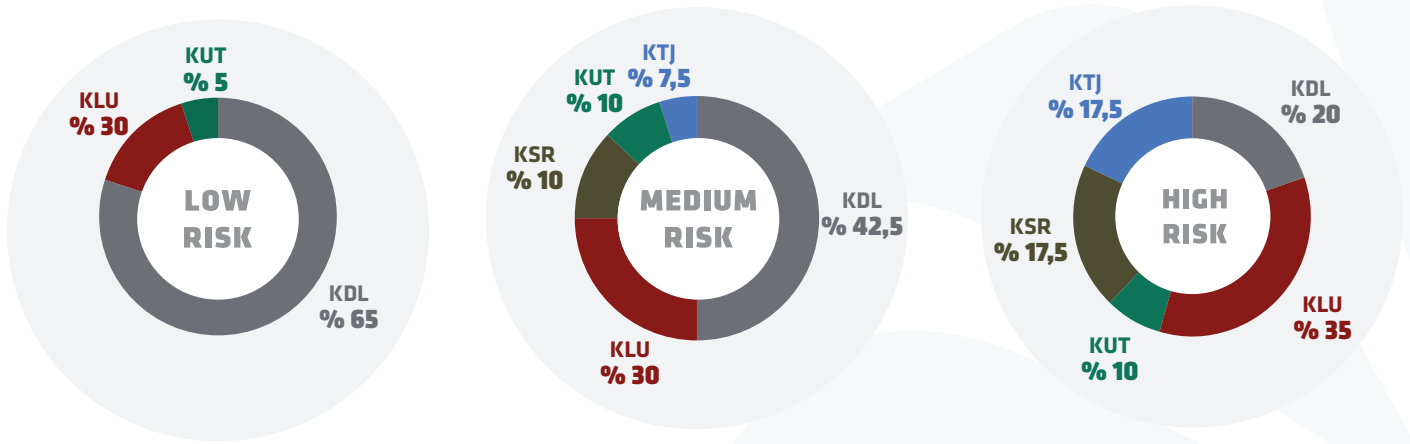
## Our Fund Allocation Recommendations

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.

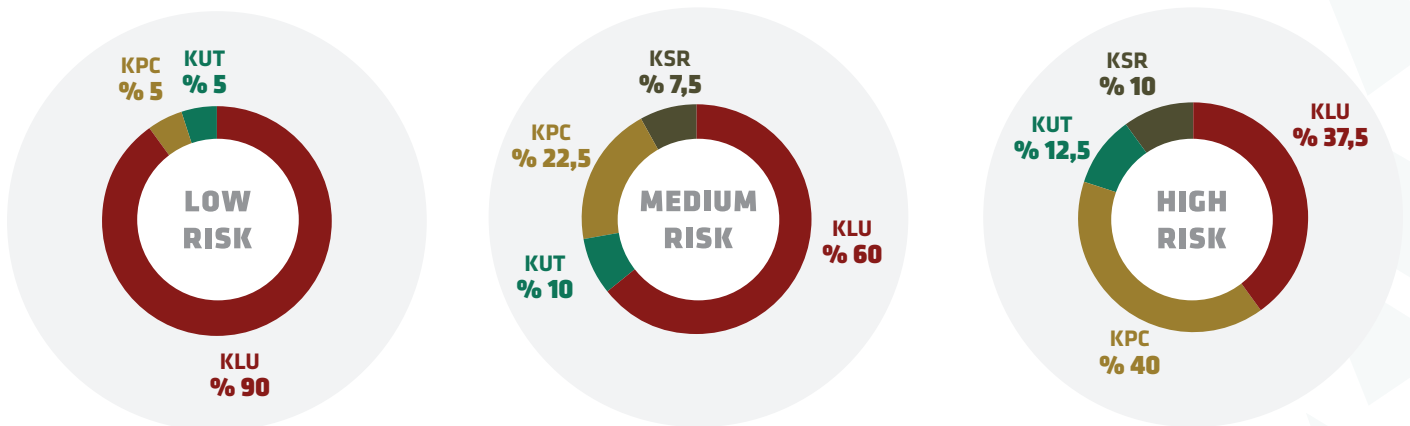
### General Investment Recommendations for Those with USD as Their Base Currency

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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