



JULY 21, 2025

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

MARKETS FOCUS ON CBRT DECISION WHILE GLOBAL TARIFF UNCERTAINTY PERSISTS



This week, the main focus in domestic markets will be the Monetary Policy Committee (MPC) meeting of the Central Bank of the Republic of Türkiye (CBRT), scheduled for July 24. The decline in annual inflation to 35% in June signals that the disinflation process is ongoing, while the current outlook paves the way for a cautious and gradual monetary easing. Under a scenario where annual inflation falls below 30 percent by year-end, we believe that Turkish lira-denominated fixed-income assets will continue to offer real return potential.

On the other hand, weekly portfolio flows indicate that the risk of dollarization is diminishing in the domestic market. The decline in FX deposits and the acceleration in reserve accumulation also point to strengthening confidence in the Turkish lira.

Globally, trade tensions remain a key focus. U.S. President Trump's rhetoric regarding aggressive trade policies and the proposed 30–35% tariffs continue to fuel global uncertainty. Meanwhile, annual CPI in the U.S. rose to 2.7% in June, surpassing expectations. This has increased uncertainty around the Federal Reserve's future policy path, while questions regarding Chair Powell's tenure are also being factored into market pricing. In this environment of heightened uncertainty, global markets continue to search for direction.

GLOBAL

U.S. President Trump continued to share tariff letters. Under the announced tariffs, a 30 percent customs duty will be imposed on products imported from the EU and Mexico starting August 1. In case of retaliation, these tariffs are expected to increase further.

According to the Federal Reserve's Beige Book report, economic activity showed a slight increase from the end of May to the beginning of July, while economic and political uncertainties led businesses to act cautiously. The report noted that hiring remained limited and cost pressures were partially reflected in prices. However, due to customer sensitivity, some firms avoided price hikes, which squeezed profit margins. It is anticipated that consumer prices may accelerate by the end of summer.

In the U.S., consumer inflation in June reached 0.3 percent on a monthly basis and 2.7 percent on an annual basis, surpassing the 2.4 percent level in May. Core CPI, which excludes energy and food, rose by 0.2 percent monthly and 2.9 percent annually, exceeding the 2.8 percent annual core inflation that had persisted over the past three months.

U.S. industrial production increased by 0.3 percent on a monthly basis after remaining flat in April and May. On an annual basis, industrial production rose by 0.7 percent, while the capacity utilization rate increased by 0.1 percentage points to 77.6 percent in the same period.

Retail sales in the U.S. increased by 0.6 percent in June on a monthly basis, surpassing expectations. After a 0.9 percent decline in May, June saw a recovery, indicating that consumer demand remained strong despite inflationary pressures.

Economic activity in China grew by 5.2 percent year-on-year in the second quarter, exceeding expectations. Compared to the previous quarter, growth was 1.1 percent. Export activity brought forward due to uncertainties in trade policies contributed to this growth. However, economic momentum is expected to slow in the second half of the year.

DOMESTIC

In Turkey, 107,723 housing units were sold in June. Housing sales increased by 35.8 percent on an annual basis in June. During the January–June period, housing sales rose by 26.9 percent compared to the same period of the previous year, reaching 691,893 units. The share of mortgaged sales in total housing sales was 14.9 percent.

Housing prices in Turkey increased by 2.0 percent on a monthly basis in June. When evaluating the housing price indices of Istanbul, Ankara, and Izmir, monthly increases were observed at 2.2 percent, 2.3 percent, and 3.1 percent, respectively.

Construction output in May increased by 4.8 percent on a monthly basis and 20.3 percent on an annual basis. Among sub-sectors, the building construction index increased by 5.6 percent compared to the previous month, the non-building structures construction index increased by 2.7 percent, and the private construction activities index increased by 3.4 percent.

In Turkey, the Agricultural Producer Price Index (Agricultural-ÜFE) rose by 18.8 percent monthly and 50.3 percent annually in June. The frost-induced increase in fruit prices was a major contributor to the high monthly figure.

The central government budget in Turkey posted a deficit of 330 billion 176 million Turkish lira in June. The central government budget revenues stood at 909 billion 427 million lira, while expenditures amounted to 1 trillion 240 billion lira. Thus, the budget deficit for the January–June period rose to 980 billion 478 million lira.

WEEKLY STATUS

	11.07.2025	18.07.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	10.876	10.991	1,1%	16,9%	23,2%	32,6%	210,3%
XU100*	10.358	10.366	0,1%	5,4%	31,6%	35,6%	196,6%
USDTRY	40,18	40,39	0,5%	14,2%	20,1%	57,5%	39,6%
DXY*	97,85	98,48	0,6%	-9,2%	7,1%	-2,1%	8,2%
US-10Y*	4,42	4,42	0,0%	-3,5%	18,0%	0,0%	156,3%
TR-10Y*	31,91	31,96	0,2%	11,0%	7,6%	169,4%	-59,2%
TR-2Y*	40,93	41,13	0,5%	1,4%	2,2%	298,0%	-56,1%
CDS (5Y)	278,65	285,55	2,5%	10,0%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.354,94	3.350,00	-0,1%	27,7%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	4.333,88	4.351,00	0,4%	45,8%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	49,46	49,59	0,3%	50,9%	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		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 2)	0,6%	0,6%	
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	New	House sales - total (annually)	June	35,8%	17,6%	
TCMB	Week 3	New	House sales - mortgage (annually)	June	112,6%	95,9%	
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		Retail Sales Volume (annually)	May	17,7%	11,5%	
TCMB	Week 2		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 2)	1,4 Billion (+)	4,1 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
22.07.2025	US	Fed Chair Powell Speaks
23.07.2025	Turkey	Consumer Confidence (Jul)
24.07.2025	Turkey	One-Week Repo Rate (Jul)
24.07.2025	Euro Zone	ECB Interest Rate Decision (Jul)
25.07.2025	Turkey	Capacity Utilization (Jul)

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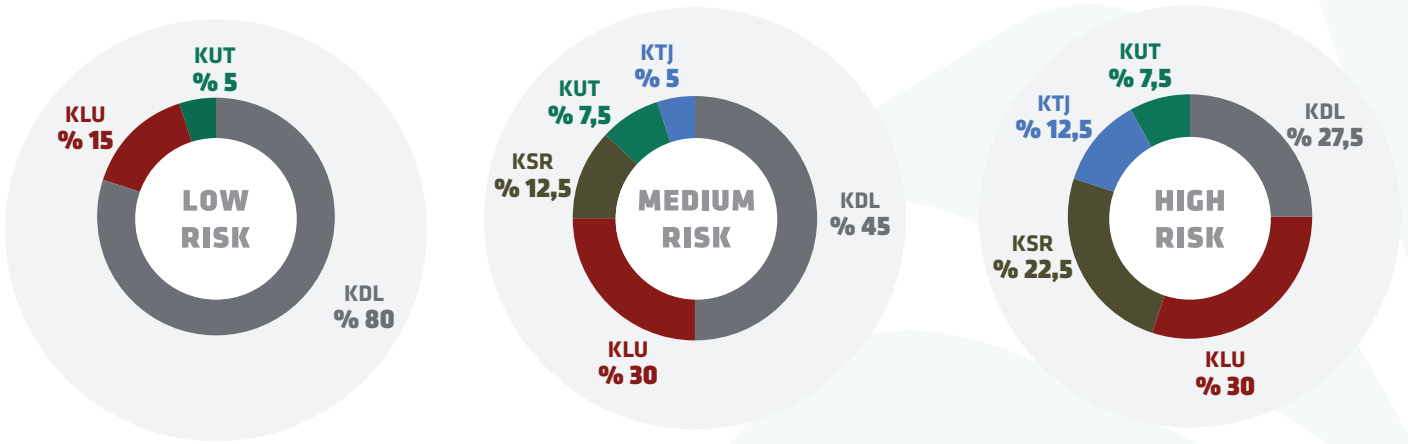
Our Fund Allocation Recommendations

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.

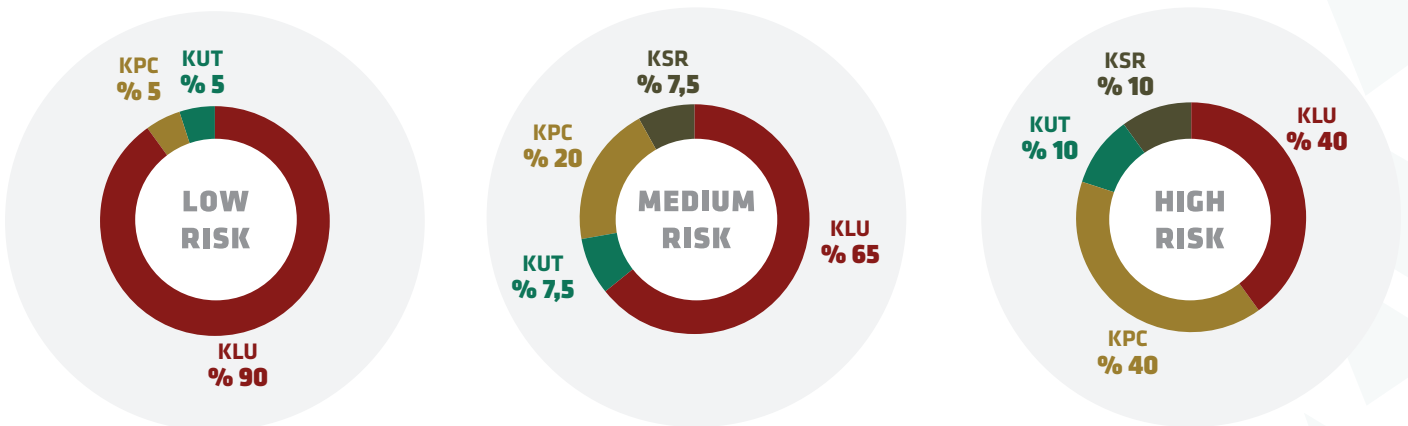
General Investment Recommendations for Those with USD as Their Base Currency

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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