



AUGUST 25, 2025

KUVEYT TÜRK ASSET MANAGEMENT
PRIVATE BANKING
WEEKLY ECONOMIC BULLETIN



KUVEYTTÜRK



PRIVATE BANKING

FOREIGN INFLOWS INTO TL ASSETS CONTINUE



Fed Chair Jerome Powell, in his speech at Jackson Hole, highlighted risks in the labor market and the changing economic outlook, noting that the monetary policy stance could be adjusted. Following these remarks, expectations for a rate cut in September have strengthened. U.S. equity indices, which had shown a weak performance earlier in the week, recovered their losses as rate cut expectations increased. With the dollar index maintaining its weak trend and Ukraine intensifying its attacks on Russia, gold prices ended the week about 1 percent higher. Precious metals continue to hold a limited share in our general investment strategy due to their safe haven function.

Domestically, positive developments supporting confidence in the Turkish lira continue. The CBRT's gross reserves rose to USD 176.5 billion in the week of August 15, reaching an all-time high, while net reserves excluding swaps exceeded USD 50 billion. Weekly portfolio flows confirm that the risk of dollarization is diminishing in the domestic market. Over the past eight weeks, foreign investors have purchased USD 1.4 billion in equities and USD 3.2 billion in government domestic debt securities (DIBS), sustaining their inflows. Within this framework, we believe the real return potential of Turkish lira-denominated assets remains intact.

GLOBAL

The Atlanta Fed lowered its preliminary Gross Domestic Product growth forecast for the third quarter of 2025 from two point five percent to two point three percent. During the same period, residential investments are expected to contract by five point nine percent.

In the United States, the Philadelphia Fed Manufacturing Index came in at negative zero point three in August, well below market expectations of seven point zero. During the same period, the new orders index declined from eighteen point four in the previous month to negative one point nine.

Fed Chair Powell highlighted increasing risks in the labor market during his speech at Jackson Hole. He noted that the current outlook and the shifting balance of risks may require an adjustment in monetary policy. This assessment was interpreted as a signal for a possible rate cut at the Fed's September meeting.

According to international trade data, the Euro Area posted a trade deficit of seven billion euros in June. Compared to the same period of the previous year, the Euro Area balance contracted by thirteen point seven billion euros.

In the Euro Area, consumer prices remained flat on a monthly basis while increasing by two percent annually. During the same period, core inflation fell by zero point two percent on a monthly basis but rose by two point three percent on an annual basis.

Seasonally adjusted construction output in the Euro Area fell by zero point eight percent on a monthly basis in June but increased by one point seven percent annually. On an annual basis, Spain recorded the largest increase at thirty one point four percent, while France experienced the largest decline at five point one percent.

The Euro Area Composite Purchasing Managers' Index rose by one point two points to fifty one point one in August. During the same period, the Manufacturing PMI increased by zero point seven points, reaching fifty point five.

In Japan, core inflation in July exceeded expectations, rising by three point one percent year-on-year. A breakdown of the data showed a decline in energy prices while food prices continued to increase.

DOMESTIC

The Housing Price Index rose by zero point nine percent monthly and thirty two point eight percent annually in July. Compared to the same month of the previous year, the index increased by thirty three point five percent in Istanbul, forty two point nine percent in Ankara, and thirty one percent in Izmir.

The Central Bank of the Republic of Türkiye announced that, as of August 23, 2025, the opening and renewal of all FX-protected Turkish lira deposit accounts (KKM), except for YUVAM accounts, have been suspended. Existing accounts will be closed upon maturity in accordance with the relevant regulations.

The seasonally adjusted unemployment rate rose by zero point three points to eight point six percent in the second quarter of 2025. During the same period, the number of unemployed persons aged fifteen and over increased by one hundred and six thousand compared to the previous quarter, reaching three million thirty four thousand.

The Domestic Producer Price Index increased by three point zero three percent monthly and thirty point zero six percent annually in July. In terms of sub-sectors, mining and quarrying rose by four point two two percent, while manufacturing increased by three point zero one percent monthly.

The Consumer Confidence Index rose by zero point nine percent compared to the previous month, reaching eighty four point three points in August. During the same period, the household financial situation index rose by two point six percent, reaching seventy point zero.

WEEKLY STATUS

	15.08.2025	22.08.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	11.577	12.101	4,5%	23,2%	23,2%	32,6%	210,3%
XU100*	10.870	11.372	4,6%	11,6%	31,6%	35,6%	196,6%
USDTRY	40,90	40,94	0,1%	14,9%	20,1%	57,5%	39,6%
DXY*	97,85	97,72	-0,1%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,33	4,26	-1,7%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,25	29,26	0,0%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,65	36,46	-0,5%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	264,98	268,92	1,5%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.335,39	3.372,11	1,1%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	4.382,80	4.441,08	1,3%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	49,94	51,21	2,5%	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	May	4,9%	3,3%	
Manufacturing PMI	July	45,9	46,7	50
Capacity Utilization Rate (seasonally adj.)	June	74,4%	75,1%	
Import - (capital goods) (annually)	June	13,6%	2,1%	
Import - (intermediate goods) (annually)	June	11,7%	0,7%	
Import - (consumption goods) (annually)	June	32,2%	12,8%	
Credit Growth Weekly	August (Week 3)	0,6%	0,5%	
Consumer Confidence Index	August	84,3	83,5	100
Real sector confidence (seasonally adj.)	July	98,9	98,4	100
Service sector confidence (seasonally adj.)	July	110,0	110,9	100
Retail sector confidence (seasonally adj.)	July	107,9	108,5	100
Construction sector confidence (seasonally adj.)	July	88,8	86,9	100
Car Sales (annually)	July	14,5%	11,6%	
House sales - total (annually)	July	35,8%	17,6%	
House sales - mortgage (annually)	July	112,6%	95,9%	
CPI	July	33,5%	35,1%	
CPI expectations (year-end)	July	29,7%	29,9%	
Current Year Growth Expectations	July	2,9%	2,9%	
Retail Sales Volume (annually)	June	14,7%	17,7%	
Current Account Balance (billion USD)	May	-2,0	-0,7	
Unemployment Rate (seasonally adj.)	June	8,6%	8,4%	
Dollarization	August (Week 3)	0,9 Billion (-)	1,5 Billion (+)	

New

New

New

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
25.08.2025	Turkey	Capacity Utilization
25.08.2025	US	New Home Sales
26.08.2025	US	Preliminary Durable Goods Orders
26.08.2025	US	CB Consumer Confidence (Aug)
28.08.2025	Turkey	Economic Confidence Index
29.08.2025	Germany	German CPI

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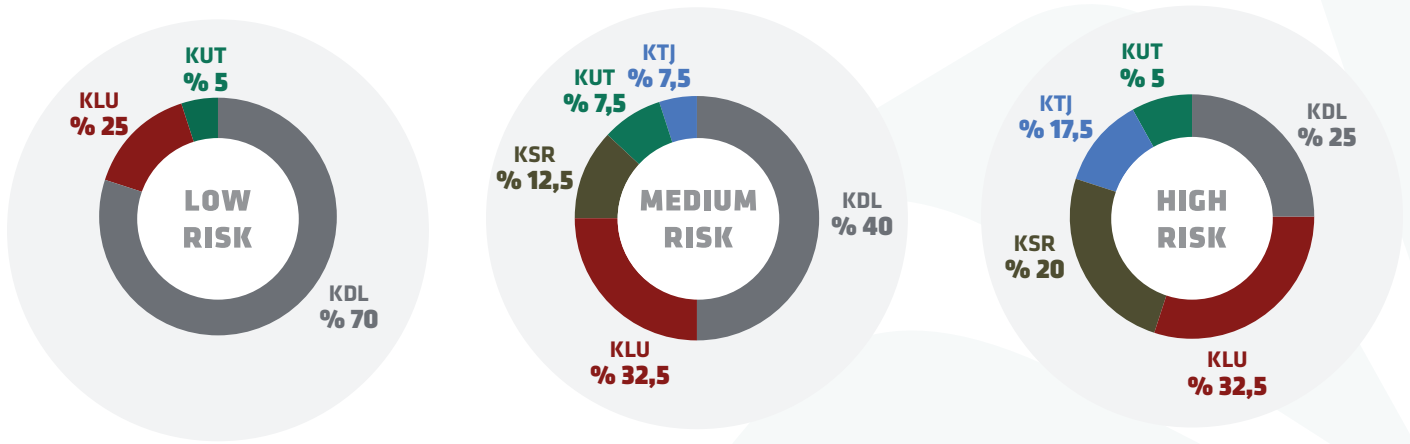
Our Fund Allocation Recommendations

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.

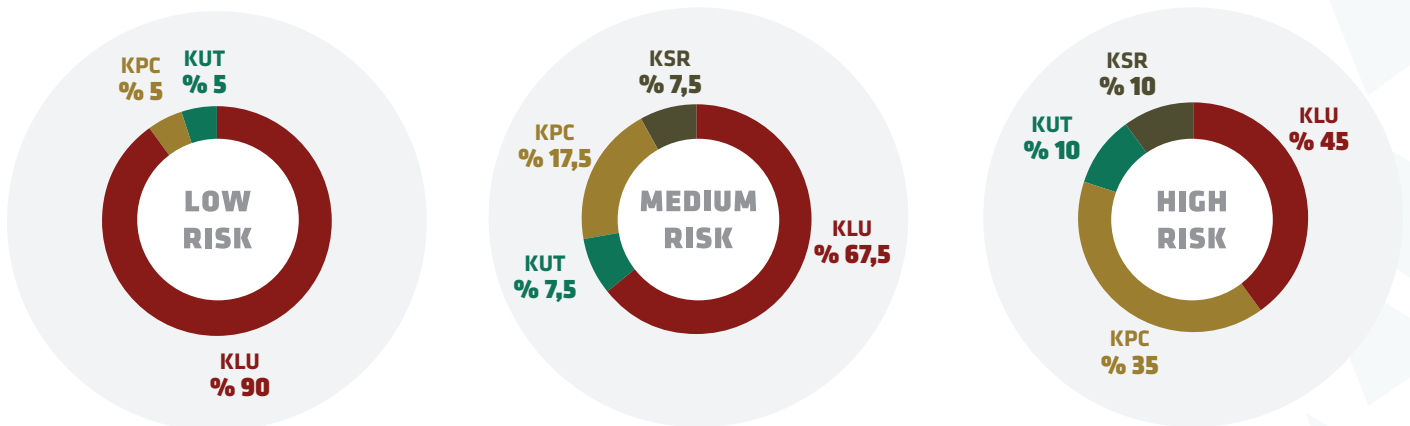
General Investment Recommendations for Those with USD as Their Base Currency

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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