



**SEPTEMBER 29, 2025**

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



**KUVEYTTÜRK**



**PRIVATE BANKING**

## INFLATION DATA TO TAKE CENTER STAGE DOMESTICALLY



Sectoral confidence indices, which declined in the second quarter, point to a more stable outlook in the third quarter. The average real sector confidence index for the third quarter rose above the threshold level of 100, indicating an improvement compared to the second quarter. A similar recovery is also evident in non-manufacturing sectors.

Although the capacity utilization rate of the manufacturing industry showed a slight increase in September, its third-quarter average remains subdued. Therefore, despite the improvement in the real sector confidence index, the outlook for industrial production remains negative in the near term. After growing by 1.6 percent in the second quarter, GDP growth is expected to remain flat in the third quarter.

The weak outlook in corporate earnings and leading indicators does not create strong expectations for the equity market. However, the gradual rate cuts expected to continue by the Central Bank of the Republic of Türkiye in October, along with rising expectations for Federal Reserve rate cuts globally, stand out as supportive factors for Borsa Istanbul in the medium term. In this context, we expect the inflation data to be released on Friday to be a key determinant of market direction. Inflation outcomes will also play a crucial role in shaping real return expectations for Turkish lira-denominated fixed-income assets.

## GLOBAL

**The US economy grew by 3.8 percent on an annual basis in the second quarter of 2025, marking its strongest performance in the past two years.** Consumer spending and business investments contributed to the growth. In the markets, expectations that the Fed would continue rate cuts strengthened following the data.

**In August, US core PCE increased by 0.2 percent on a monthly basis and 2.9 percent on an annual basis.** In the same period, the US PCE price index rose by 0.3 percent monthly and 2.7 percent annually.

**The US Leading Composite PMI fell by 1.0 point to 53.6 in September on a monthly basis, yet remained above the threshold value of 50.0.** In the sub-indices, Manufacturing PMI and Services PMI decreased by 1.0 and 0.6 points to 52.0 and 53.9, respectively.

**The US current account deficit declined by 42.9 percent in the second quarter, reaching approximately 251 billion 300 million dollar.** In the same period, the ratio of the current account deficit to GDP was calculated as 3.3 percent.

**US Fed Chair Powell emphasized that uncertainty over the course of inflation still persists.** He stated they would pursue a cautious policy to prevent one-off price increases from turning into more persistent inflation. Powell also underlined that monetary policy would follow a balanced approach against two-sided risks concerning both inflation and employment.

**In the Euro Area, the Composite Purchasing Managers' Index (PMI) rose by 0.1 point in September on a monthly basis to 51.2.** In the same period, the Services PMI increased by 0.8 point to 51.4, while the Manufacturing PMI decreased by 0.8 point to 49.5.

## DOMESTIC

**Consumer Confidence fell by 0.4 percent in September to 83.9.** In the same period, the household financial situation index decreased from 84.3 to 83.9, while the 12-month household financial situation expectation dropped to 67.8.

**The domestic producer price index (D-PPI) rose by 1.32 percent monthly and 28.01 percent annually.** Looking at the subcomponents, the annual increase was driven by 27.06 percent in mining and quarrying and 28.03 percent in manufacturing.

**The Financial Services Confidence Index increased by 12.3 points in September on a monthly basis, reaching 177.1.** The improvement stemmed from positive assessments regarding business conditions and service demand, though there was a limited weakening in employment expectations of sector representatives.

**The Retail Trade and Construction Confidence Indices rose by 0.4 percent and 3.6 percent respectively in September, while the Services Sector declined by 0.1 percent.** For the Services Confidence Index, subcomponents showed that demand expectations for the next three months fell by 0.7 percent on a monthly basis.

**The Real Sector Confidence Index decreased by 0.4 point in September to 100.2.** In the same period, the seasonally adjusted Real Sector Confidence Index increased by 0.2 point compared to the previous month, reaching 100.8.

**The Capacity Utilization Rate rose by 0.2 percent in September to 73.8 percent.** In the same period, the seasonally adjusted Capacity Utilization Rate increased by 0.5 point from the previous month to 74.0.

## WEEKLY STATUS

	19.09.2025	26.09.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050*	12.472	12.643	1,4%	23,2%	23,2%	32,6%	210,3%
XU100*	11.294	11.151	-1,3%	11,6%	31,6%	35,6%	196,6%
USDTRY	41,38	41,36	0,0%	14,9%	20,1%	57,5%	39,6%
DXY*	97,64	98,15	0,5%	-9,5%	7,1%	-2,1%	8,2%
US-10Y*	4,14	4,19	1,2%	-6,6%	18,0%	0,0%	156,3%
TR-10Y*	29,42	29,50	0,3%	1,3%	7,6%	169,4%	-59,2%
TR-2Y*	36,46	36,52	0,2%	-9,4%	2,2%	298,0%	-56,1%
CDS (5Y)	236,86	259,08	9,4%	7,8%	-6,6%	-45,2%	-10,5%
GOLD (OUNCE/USD)	3.684,98	3.760,24	2,0%	29,6%	27,2%	13,1%	-0,3%
GOLD (GRAM/TRY)	4.902,01	5.028,77	2,6%	48,9%	52,1%	78,9%	40,4%
SILVER (GRAM/TRY)	57,30	61,58	7,5%	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	July	5,0%	8,3%	
	Manufacturing PMI	August	47,3	45,9	50,0
New	Capacity Utilization Rate (seasonally adj.)	September	73,8%	73,6%	
	Import - (capital goods) (annually)	July	17,2%	13,6%	
	Import - (intermediate goods) (annually)	July	65,2%	11,7%	
	Import - (consumption goods) (annually)	July	17,0%	32,2%	
New	Credit Growth Weekly	September (Week 4)	0,15%	0,01%	
New	Consumer Confidence Index	September	83,9	84,3	100
New	Real sector confidence (seasonally adj.)	September	100,2	100,6	100
New	Service sector confidence (seasonally adj.)	September	111,0	111,1	100
New	Retail sector confidence (seasonally adj.)	September	109,2	108,9	100
New	Construction sector confidence (seasonally adj.)	September	88,3	85,3	100
	Car Sales (annually)	August	12,8%	14,5%	
	House sales - total (annually)	August	6,8%	12,4%	
	House sales - mortgage (annually)	August	45,2%	60,3%	
	CPI	August	33,0%	33,5%	
	CPI expectations (year-end)	September	29,9%	29,7%	
	Current Year Growth Expectations	September	3,2%	2,9%	
	Retail Sales Volume (annually)	July	13,0%	14,7%	
	Current Account Balance (billion USD)	July	1,7	-200,0%	
	Unemployment Rate (seasonally adj.)	July	8,0%	8,4%	
New	Dollarization	September (Week 4)	1,2 Billion (+)	1,4 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
29.09.2025	Turkey	Economic Confidence Index
30.09.2025	China	Manufacturing PMI
30.09.2025	Germany	Preliminary CPI
30.09.2025	US	Conference Board Consumer Confidence
01.10.2025	Turkey	Manufacturing PMI
02.10.2025	US	Factory Orders
03.10.2025	Turkey	CPI
03.10.2025	US	Unemployment Rate
03.10.2025	US	Non-Manufacturing PMI

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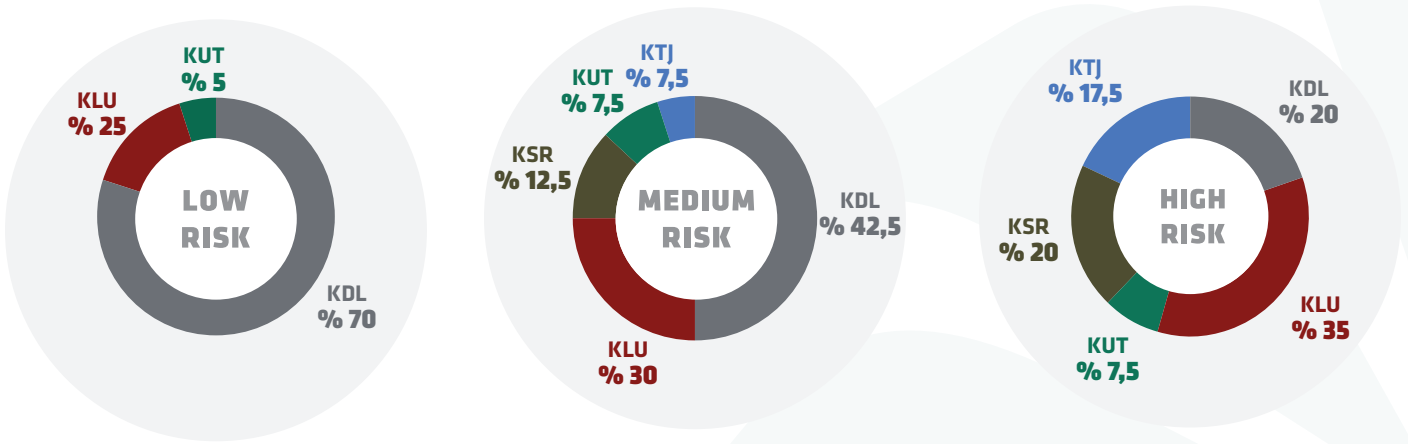
## Our Fund Allocation Recommendations

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.

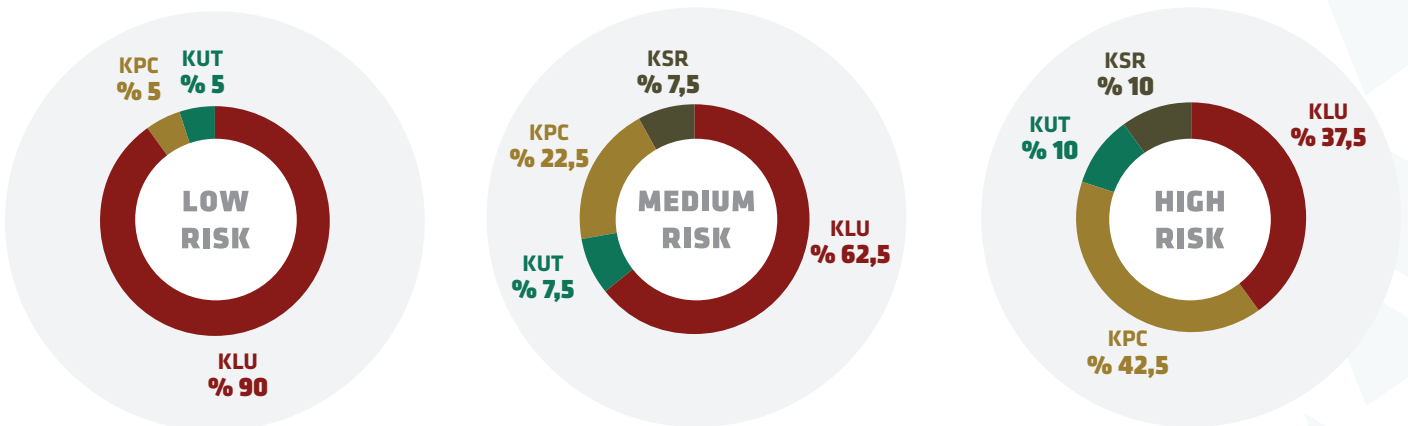
### General Investment Recommendations for Those with USD as Their Base Currency

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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