World Economy: Current Indicators – Week of March 9

Global Market & Geopolitical Shock

Indices Retreat on Stagflation Fears

Wall Street closed down over 1% led by technology stocks, while South Korean markets plummeted 6% due to rising oil prices and geopolitical risks.

US Labor Market Weakens

February non-farm payrolls fell unexpectedly; while weather and strikes were factors, the decline was observed across most sectors.

Middle East Supply Disruption

Mujtaba Khamenei

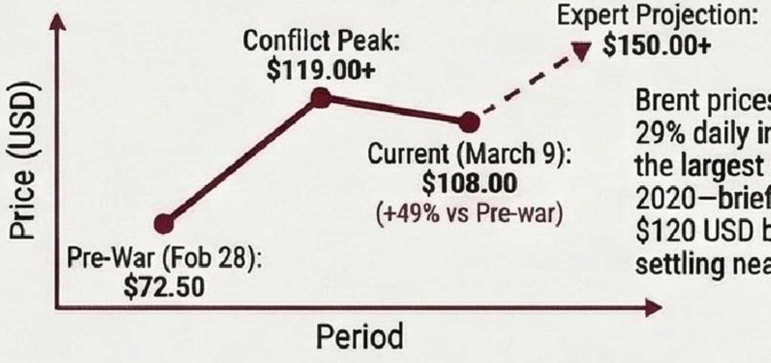
Refineries

Strait of Hormuz

Following the appointment of Mujtaba Khamenei as Iran's new leader, intense bombing of refineries and the disruption of the Strait of Hormuz have paralyzed energy shipments.

Energy Crisis Indicators

Historic Surge in Brent Crude



Brent prices saw a 29% daily increase—the largest since April 2020—briefly testing $120 USD before settling near $108 USO.

European Natural Gas Prices Double

32 MW/EUR
(Pre-war)

69.5 MW/EUR
(Peak)

Natural gas rose from 32 MW/EUR pre-war to a peak of 69.5 MW/EUR, representing a 100% increase since February 28.

Central Bank Inflation Dilemma

Global Inflation Under Pressure

Every 10% increase in oil prices adds 0.4 points to the global CPI; the current 50% surge is projected to raise global inflation by 2 percentage points.

Shifting Monetary Policy: Fed & ECB

Fed

Shifted from 2 expected rate cuts to just 1 (September).

ECB

Moved from an expected cut to a likely hike in June.

Impact Focus: Turkey

Rising Inflation and Deficit Risks

Every 10% rise in oil adds ~1 point to Turkey's CPI; a permanent price level at current rates could result in a $50 billion current account deficit.

Government and Regulatory Response

The 'Sliding Scale' (Eşel Mobil) system has been reactivated to limit price impacts, and the SPK has extended short-selling bans until March 13.

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This Week's Agenda

Monday: Germany

Focus on Industrial Production data.

Tuesday: United States

Tracking Existing Home Sales figures.

Wednesday: China, Germany, & USA

Foreign Trade (China) and Consumer Price Index (CPI) inflation data for Germany and the US.

Thursday: United States

Release of the Producer Price Index (PPI).

Friday: Eurozone & USA

Industrial Production (Eurozone), GDP, and Core PCE Index (USA) will be monitored.

Latest Developments

Geopolitical Crisis & Energy Risks

Middle East Tensions Escalate: Operations by the US and Israel targeting Iran's nuclear and military infrastructure have met with Iranian retaliation against US bases and maritime traffic.

Strait of Hormuz Vulnerability: Conflict has disrupted the Strait, a critical line for **20%** of global LNG trade and **18** million barrels of oil daily.

Market Impact & Tech Sell-off: Inflation fears from rising oil prices caused global funds to exit Asian AI and chip-maker stocks rapidly.

Oil Price Risk vs. Insurance Plans: While Trump's plan for military escorts and insurance in the Persian Gulf seeks to restore flow, oil prices risk exceeding $150 if disruptions persist.

Regional Economic Performance

US ISM Services PMI: 56.1
(Highest since July 2022, strong expansion in service sector).

US ISM Manufacturing PMI: 52.4
(Slight decrease, slowing growth momentum but still expanding).

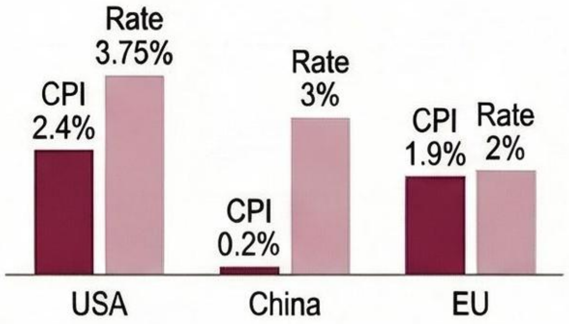
China's 2026 Growth Target: 4.5%–5%
(Lowest target since 1991, shifting to sustainable model driven by consumption and technology).

Eurozone Inflation: 1.9%
(February inflation exceeded expectations of 1.7%, keeping ECB cautious).

Market Data

Commodities	
Brent Oil	$109
Natural Gas	€54
Gold (Ounce)	$5,125
Gold (Gram)	7,265 TL
Silver	$84.4
Currencies	
USD / TRY	44.09
EUR / TRY	51.01
Dollar Index	99.30
EUR / USD	1.1562
Indices	
BIST100	12,793
Bitcoin	67,452

Inflation & Interest Rates by Region



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Weekly Economic Calendar

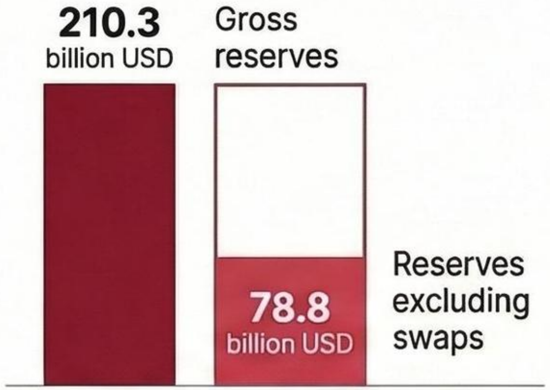
Tuesday
Industrial Production: Release of January industrial production data to measure manufacturing and mining output.

Wednesday
Trade & Turnover: Publication of January trade sales volume and turnover indices.

Thursday
Balance of Payments & MPC: Monitoring the January balance of payments data and the Central Bank (TCMB) Monetary Policy Committee meeting results.

Friday
Housing & Market Survey: Release of February house sales data and the TCMB March Market Participants Survey.

Key Financial Indicators

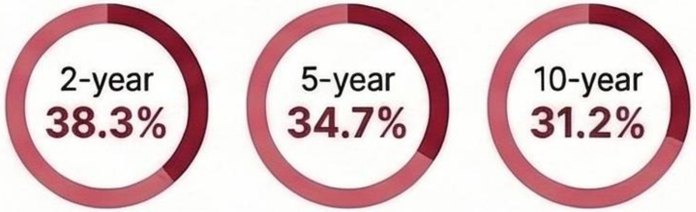


Central Bank Reserves

271

CDS (Credit Default Swaps)
Reflecting the market's risk perception.

Benchmark Bond Yields



Strategic Outlook: Minister Mehmet Şimşek

Global Uncertainty and Energy: Acknowledgment of high global uncertainty and sharp fluctuations in energy prices due to the US-Iran-Israel conflict.

Resilience and Recovery: Historical experience shows such shocks are temporary, and economies with strong fundamentals possess high stabilization and recovery capacity.

Active Monitoring: The economic management team is closely following developments and implementing necessary measures, urging rational evaluation by citizens and investors.

Turkish Economy: Current Indicators – Week Of March 9

Growth & Industrial Activity

3.4%
Last Quarter GDP Growth

The 2025 overall growth is projected at 3.8%, slightly exceeding the Medium-Term Program (DVP) forecast of 3.3%.

Growth Drivers: Consumption vs. External Demand

Domestic Consumption (+3.5%)

External Demand (-1.4%)

74% Capacity Utilization Rate

Current industrial capacity utilization is slightly below the historical average of 76%.

-2.1% Yearly Industrial Production

Despite a monthly increase of 1.2%, industrial production showed a yearly decline of 2.1%.

Market & Sales Trends

+17%
Surge in Vehicle Sales

The automotive sector shows strong growth compared to other durable goods.

-58%
Monthly Decline in Housing Sales

The real estate market experienced a significant monthly contraction.

-10%
White Goods Sales

Household appliance sales reflect a cooling trend in consumer durables.

Inflation & Monetary Policy

37%
Current Policy Interest Rate

The interest rate corridor is defined by an upper band of 40% and a lower band of 35.5%.

February 2026 Inflation Levels

CPI: 2.98% Monthly, 31.53% Yearly

PPI: 2.43% Monthly, 27.56% Yearly

Central Bank Divergence

Fed & ECB: Stable Rates

CBRT (TCMB): 100-basis Point Cut

Inflation Expectations (12 Months Ahead)	
Household	48.81%
Real Sector	32.00%
Market Participants	22.10%

External Balance & Public Finance

\$7.25 Billion
Monthly Current Account Deficit

The 2025 deficit is projected at \$25.2 billion (1.6% of GDP), up from \$10.4 billion (0.8% of GDP) in 2024.

8.1%
Unemployment Rate

The labor market remains strong, with unemployment holding near historical lows.

1.9 Trillion TL
Yearly Budget Deficit

The deficit accounts for 3.3% of GDP, though this drops to 2.5% when earthquake-related expenditures are excluded.

Foreign Investment Stakes

Foreign investors currently hold 36.8% of equities and 9.2% of government bonds.

Credit Rating Status

Fitch

Fitch Upgrades Outlook to Positive

Fitch maintains a "BB-" rating with an upgraded "Positive" outlook

Moody's

Moody's Remains at "Ba3" with a "Stable" outlook

Banking Sector: Current Indicators – Week of March 9 (Data of February 20)

Core Balance Sheet (Annual Growth)

(2024-2025)

46,947 Billion TL
Total Assets
YoY Increase: **43.7%**

23,411 Billion TL
Total Loans
YoY Growth: **44.0%**

28,284 Billion TL
Total Deposits
Annual Increase: **43.5%**

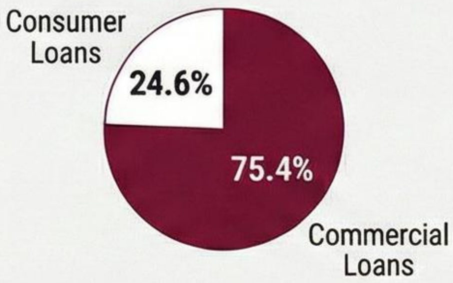
4,156 Billion TL
Total Equity
YoY Growth: **42.9%**

Loan Growth Dynamics

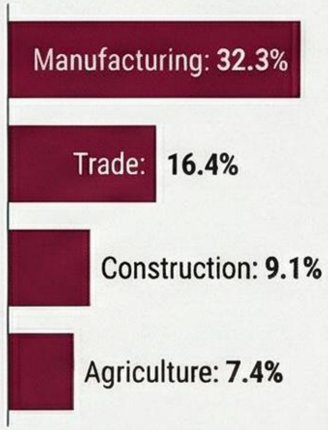
- **Total Loan Growth (Annualized): 30.6%**
  13-week average (excluding currency effects): **34.8%**
- **Commercial Loan Growth: 28.6% Annualized**
  13-week average (excluding currency effects): **48.3%**
- **Consumer Loan Growth: 36.5% Annualized**
  13-week average: **41.8%**

Credit and Sectoral Distribution

Share of Total (%)

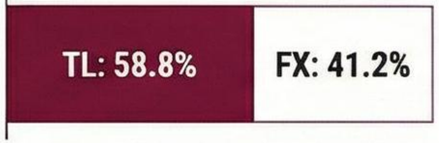


Commercial Sector Share (%)



Deposit Composition & Investment Funds

Deposit Currency Breakdown



Dollarization rate for Mutual Investment Funds remains high at **42.9%**

Total Investment Funds:
9.3 Trillion TL
Growth: **795 billion TL (9.4%)** since year-end

Money Market Funds:
2.9 Trillion TL
increased by **285 billion TL (11.0%** growth) since year-end

Free Funds (Excl. Money Market):
4.1 Trillion TL
Grew by **221 billion TL (5.7%)** since year-end

Risk Indicators & Asset Quality

Total NPL Ratio: 2.6%

Consumer Loan Delinquency

Consumer Loans (5.4%) | Vehicle Loans (0.8%)

Corporate Distress:
2,948 Companies
Firms filed for concordat

Protested Notes:
81.4 Billion TL
Sharp increase of **69.4%** compared to previous year

Bad Checks (Dishonored):
225 Billion TL
Significant surge of **130%** compared to previous year