# World Economy: Current Indicators – Week of April 6

## President Trump's Ultimatum

*Tuesday will be Power Plant Day, and Bridge Day, all wrapped up in one, in Iran. There will be nothing like it!!! Open the Fuckin' Strait, you crazy bastards, or you'll be living in Hell – **JUST WATCH!** Praise be to Allah.*

### April 8 Deadline

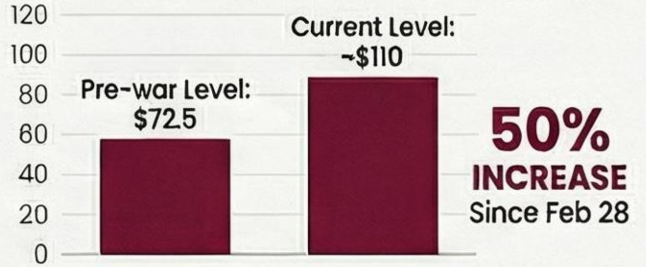
- President Trump extended negotiation window, scheduling press conference for Monday at 13:00 EST (20.00 TSİ) on military escalation and reopening Strait.

### Iran's Stance

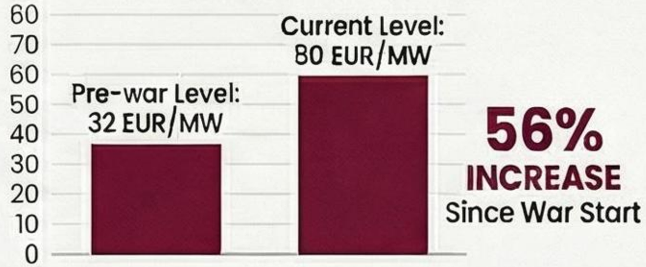
- Rejected threats, demanding full compensation for war damages before resuming full operations.

## Energy Market Volatility

### Brent Crude Surge




### Natural Gas Spike




### Inflation Impact (IMF Estimate)

| Indicator | Impact on Global CPI |
|---|---|
| 10% Increase in Oil Price | +0.4 Percentage Points |
| 50% Increase in Oil Price (Current War Impact) | +2.0 Percentage Points |

**OPEC+ Production Hike:** Agreed to increase May production quota by 206,000 bpd; warned of long-term supply impacts from damaged infrastructure.

## US Economic Indicators

**Inflation Outlook (March CPI):** Market expects 1% monthly increase due to soaring gasoline prices—sharpest since 2022.

**Labor Market Strength**
Non-form payrolls increased by 178,000 in March (highest since Dec 2024); unemployment rate fell to 4.3%.

**Service Sector Contraction**
S&P Global Services PMI revised down to 49.8, moving bock into contraction zone.

## Monetary Policy Pivot

### Federal Reserve (Fed) Shift

**Pre-war:** Two 25bps rate cuts expected this year.

**Current:** No rate cuts expected through end of year.

### European Central Bank (ECB) Shift

**Pre-war:** One 25bps rate cut expected.

**Current:** At least two rate hikes priced in for June, July, and September.

## Market Snapshot (Monday Morning)

| Dollar Index (DXY) | Gold (Ounce) | Silver (Ounce) |
|---|---|---|
| Troding at 100.1, a 0.1% increase. | $4,660 USD, down 0.4%. | $72.4 USD, down 0.8%. |

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## Global Market Indicators

### Energy and Commodities Prices

**Brent Oil:** $110 USD

**Natural Gas:** €50 EUR

**Silver:** $72.4 USD

**Gold (Ounce):** $4,660 USD

### Currency and Indices

**Dollar Index (DXY):** 100.1

**EUR/USD:** 1.1525

**BIST100:** 12,626

**Bitcoin:** $68,947

### Turkish Lira Exchange Rates

**USD/TRY:** 44.60

**EUR/TRY:** 51.45

### CPI (Inflation) & Interest Rate

| Region | CPI (Inflation) | Interest Rate |
| --- | --- | --- |
| United States | 2.4% | 3.75% |
| Eurozone | 2.5% | 2.00% |
| China | 1.3% | 3.00% |

## Regional Economic Performance

### US Labor Market Shows Resilience

Non-farm payrolls increased by 178k in March, exceeding expectations, while the unemployment rate dropped to 4.3%.

### Eurozone Energy Inflation Hits 2.5%

Energy prices rose 4.9%, pushing headline inflation to a one-year high, though core inflation slowed to 2.3%.

### China Manufacturing and Export Risks

Manufacturing PMI fell to 50.8; fuel export restrictions are causing supply gaps in Asian markets like the Philippines.

### Greece Returns to Developed Market Status

MSCI has upgraded Greece back to developed market status, confirming its strong post-crisis macro-financial recovery.

## Geopolitical Risks & Supply Chain

### Hormuz Strait Traffic Down 90%

Maritime traffic remains at critical lows due to the US-Iran conflict, putting sustained pressure on global supply chains.

### Fragile Ceasefire Negotiations

Despite talks for a 45-day ceasefire, Iran's Revolutionary Guard has denied the existence of such negotiations, maintaining a hardline stance.

### Escalating Rhetoric

US leadership has signaled a hardening stance, warning of potential strikes on civilian infrastructure and setting short-term ultimatums.

## Weekly Economic Calendar (April 6)

### Monday - Wednesday

M-W

- Key releases include US ISM Manufacturing PMI (Mon), US Durable Goods and Eurozone PMI (Tue), and the Fed's FOMC Minutes (Wed).

### Thursday

T

- A heavy data day featuring US Q4 GDP (final), PCE Price Index, Jobless Claims, and German Industrial Production.

### Friday

F

- Final reports for the week include US CPI, Michigan Consumer Sentiment, China CPI/PPI, and German CPI.

# Turkish Economy: Current Indicators – Week of April 6

## MARCH INFLATION PERFORMANCE (Released April 3, 2026)

### Consumer Price Index (CPI) Monthly: 1.94%
Significantly lower than 2.34% market expectation and previous 2.96%.

### Annual CPI: 30.87%
Decline from previous 31.53%, outperforming 31.40% expectation.

### Domestic Producer Price Index (D-PPI)
Monthly rise: +2.30%; Annual climbed slightly to +28.08%.

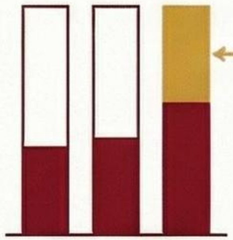
## ENERGY PRICE ADJUSTMENTS

### Electricity Price Hikes by EPDK
Residential: 25% increase; Agricultural: 24.8%; Services: 17.5%.

### Natural Gas Price Hikes by BOTAŞ
Residential: 25% average increase (tiered pricing); Industrial: 18.61%; Power Plants: 19.42%.

## MONETARY POLICY & RESERVE MANAGEMENT

### “Reserves will return to the CBRT”
Governor Fatih Karahan: gold-FX swap transactions are temporary for liquidity; gold returns to reserves upon maturity.



### High Share of Gold in Reserves
Gold reserves (approx. 754 tons) doubled since 2016, accounting for over 60% of total reserves (March 2026).

### Oil Price Impact Analysis
Permanent 10% oil price increase adds ~1.1% to annual CPI; "sliding scale" system reduces this impact by two-thirds.

## KEY FINANCIAL INDICATORS

### Total Gross Reserves: $155.3 Billion


Net reserves (excluding swaps): **$20.2 Billion**

### CDS Premium: 289
Indicates market's perceived sovereign risk.

### BENCHMARK BOND YIELDS

| Maturity | Yield (%) |
|---|---|
| 2-Year Benchmark | 41.1% |
| 5-Year Benchmark | 38.1% |
| 10-Year Benchmark | 32.7% |

## WEEKLY ECONOMIC CALENDAR (Agenda)

MONDAY

**MONDAY: Real Effective Exchange Rate**
Release of the March index data.

TUESDAY

**TUESDAY: Treasury Cash Balance**
Release of the March fiscal performance data.

FRIDAY

**FRIDAY: Industrial Production**
Release of the February production output data.

# Turkish Economy: Current Indicators – Week of April 6

## Economic Growth & Real Sector Activity

### Mixed Demand Contributions

Consumption: **+3.5%**

External Demand: **-1.4%**

**3.4%**

**GDP Growth in the Latest Quarter**

2025 3.6%
(OVP: 3.3%)

### Resilient Consumer Sales

**+21%** White Goods

**+16%** Vehicles

**+12%** Housing

### Industrial Slowdown vs. Capacity

**Industrial Production: -1.8%** annually

**Capacity Utilization: 74%** (Avg: 76%)

### Global Central Bank Decisions

| Central Bank | Latest Decision |
|---|---|
| FED (USA) | Held Constant |
| ECB (Europe) | Held Constant |
| CBRT (Turkey) | Held Constant |

## Monetary Policy & Inflation Indicators

**CBRT Holds Policy Rate at 37%**

Interest rate corridor: **35.5% - 40%**
(Due to geopolitical risks & inflation)

**40% Weighted Average Funding Cost**
(At upper bound since March 6)

### March 2026 Inflation Levels

Annual CPI: **30.87%**

PPI: **28.08%**

### 2026 Inflation Target

Range: **15-21%**
(Intermediate: 16%)

## Market Expectations & Forecasts

Expect **49.89%** Inflation — **Households**

Expect **32.9%** — **Real Sector**

Expect **22.17%** — **Market Participants**

### Projected Policy Rate Path

Year-End: **30.63%**

End 2027: **22.54%**

24 Months: **20.88%**

### Long-term CPI Outlook

Year-End 2026: **25.38%**

24 Months: **17.30%**

## External Balance, Labor & Fiscal Health

**8.5% Unemployment Rate**
(Near historically low levels)

**$32.9 Billion Cumulative Current Account Deficit**
(Monthly: $6.81B; Ratic: -2.1%)

### Budget Balance Trends

Monthiy Surplus: **24 Billion TL**;
12-Month Cumulative Deficit:
**2.4% GDP** (1.7% excl. earthquake)

### Credit Ratings

**Improved Credit Outlook**

Fitch: 'Positive' (BB-);
Moody's: 'Stable' (Ba3)

# Banking Sector: Current Indicators – Week of April 6 (Data of March 27)

## 1. Main Balance Sheet Aggregates

**Total Assets:**
**48,871 Billion TL**

As of February 2026, representing a 4.1% increase since the end of 2025.

**Total Loans:**
**24,546 Billion TL**

Data as of March 27, showing a 7.3% growth since the end of 2025.

**Total Deposits:**
**27,928 Billion TL**

Data as of March 27, reflecting a 2.0% increase compared to year-end.

**Total Equity:**
**4,343 Billion TL**

Figure recorded in February 2026, up 4.5% from the previous year-end.

## 2. Credit Growth Analysis

**Total Credit Growth**


13-week average growth (adjusted for exchange rate effects) stands at 28.2%.

**Commercial Credit Growth**

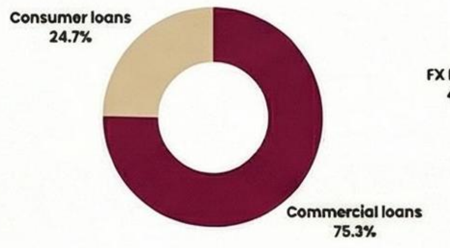

13-week average (excluding currency impact) significantly higher at 38.7%.

**Consumer Credit Growth**

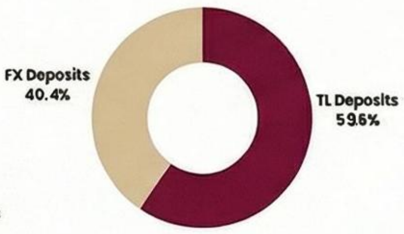

13-week average for consumer loans shows an even steeper growth rate of 40.0%.

## 3. Loan & Deposit Composition

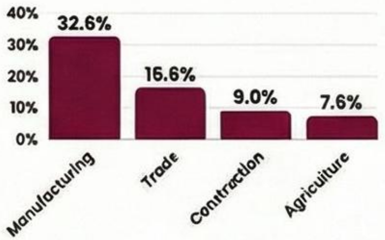
**Loan Distribution by Type**




**Deposit Currency Mix**




**Sectoral Distribution of Commercial Loans**




**Securities Investment Fund Dolarization**
**43.2%**

## 4. Asset Quality and Risk Indicators

**Non-Performing Loan (NPL) Ratios**

- **2.6%** Total Credit NPL Ratio:
- Commercial (2.1%)
- SME (3.4%)
- Consumer (4.3%)
- Credit Cards (4.7%)
- Personal Loans (5.2%)

**262 Concordat Filings in Early 2026**

First two months of 2026 reached 10% of total 2025 volume (2,948 units), suggesting a moderate upward trend.

**Protested Notes & Bad Checks (Jan 2026)**

Protested notes: 10 billion TL (+8.3% YoY)
Checks subject to legal action: 21 billion TL (+21% YoY)

## 5. Investment Fund Performance

**Total Investment Funds**
**8.9 Trillion TL**

Growth of 4.6% since year-end, net increase of 390 billion TL

**Free Funds (Excl. Money Market)**
**4.1 Trillion TL**

Significant growth of 5.3% YTD, increasing by 205 billion TL

**Money Market Funds**
**2.6 Trillion TL**

Slight contraction of 1.0% YTD, decreasing by 26 billion TL