World Economy: Current Indicators – Week of June 1

Global Equity Market Performance

Wall Street Continues Strong Rally

S&P 500
+1.4%
(+16% since March)

Nasdaq
+2.4%
(+25% since March)

Dow Jones
+0.9%
(+10% since March)

Mixed Results in Europe and Asia

Japan's Nikkei
+4.7%
(Record Levels)

UK's FTSE 100
-0.5%

Hong Kong's Hang Seng
-1.7%

AI Enthusiasm Drives Record Highs

South Korean & Taiwanese markets, Japan's Nikkei, reach record-breaking levels, optimized for AI hardware demand.

Tech Sector & AI Impact

Dell Technologies Surges 33%

Massive single-day jump; 88% YoY sales increase to $43.8B in Q1

Semiconductor Industry Boom

Philadelphia Semiconductor Index
+81%
this year

Upcoming Mega IPOs to Watch

SpaceX OpenAI Anthropic

Anticipated public offerings expected to trigger investment in AI infrastructure and Asian suppliers

Monetary Policy & Inflation Outlook

Central Banks Shift to Hawkish Stance

"Inflation dilemma" due to rising energy costs; Fed and ECB reconsidering rate cuts for potential hikes

Former Projection:
Expected two 25-basis point cuts, now marks increase by December. update.

New Outlook:
now markets pricing in 25-basis point rate increase by December.

ECB Policy Reversal
Instead of expected rate cut, at least two rate hikes.

New Outlook:
Instead of expected rate cut, anticipated to implement at least two rate hikes through year-end.

Energy & Commodities

Brent Crude Volatility

Fell 11.1% to $92.1, rebounded to $93.2; Middle East peace agreement uncertainty

European natural gas
48 EUR/MW
(+50% from pre-conflict levels)

Natural Gas Price Inflation

Gold and Currency Movements

Gold (XAU)
$4,540/oz
(+0.7%)

U.S. Dollar Index (DXY)
98.9

World Economy: Current Indicators – Week of June 1

Global Economic Calendar (Week of June 1)

Monday, June 1
- US S&P Global Manufacturing PMI
- ISM Manufacturing Index
- Eurozone HCOB Manufacturing PMI

Tuesday, June 2
- US JOLTS Job Openings (April)
- Eurozone Preliminary CPI (May)

Wednesday, June 3
- US S&P Global Services PMI
- ISM Non-Manufacturing
- ADP Private Employment
- Factory Orders
- Fed Beige Book
- Eurozone HCOB Services PMI

Thursday, June 4
- US Weekly Initial Jobless Claims

Friday, June 5
- US Non-Farm Poyrolls
- Unemployment Rate
- Average Hourly Earnings
- Eurozone Final Q1 GDP Growth

United States Economic Review

Hawkish Shift in FOMC Minutes
Federal Reserve members show reduced support for rate cuts, with many advocating for the removal of easing language in policy statements due to persistent inflation.

Q1 GDP Growth Revised Down to 1.6%
The initial 2% growth estimate was lowered following downward revisions in private investments and consumer spending.

Headline PCE Deflator Rises to 3.8%
Reaching its highest level since May 2023, the monthly price developments keep the Fed focused on an inflation-centric path.

Surge in Durable Goods Orders
Orders jumped 7.9% in April, driven by a 165.9% spike in non-defense aircraft and parts, the strongest increase since May 2023.

Eurozone & European Insights

ECB Signals Potential June Rate Hike
President Lagarde noted that inflation forecasts may be revised upward due to energy and geopolitical developments, strengthening the case for a rate increase.

German Inflation Hits 2.6%
While down from 2.9%, inflation remains above the ECB's 2% target, with core inflation rising slightly to 2.5%.

Broad Economic Slowdown in Europe
Eurozone PMIs indicate a slowdown as high energy costs erode household income; France's GDP contracted by 0.1% in Q1.

Asia-Pacific & Russia

China-Russia Strategic Deepening
Leaders Xi and Putin are focusing on energy cooperation, specifically the Power of Siberia 2 gas pipeline project.

Growth Risks in China
Manufacturing PMI cooled to 50.0 in May, while industrial production and investment showed signs of weakening, threatening the 4.5%-5% growth target.

Japan's 3 Trillion Yen Stimulus
Prime Minister Takaichi's package aims to support households against high energy prices and a weak Yen, despite market skepticism regarding debt financing.

Global Market Snapshot

Indicator	Value
Brent Oil	93.2 USD
Natural Gas	48 EUR
Gold (ONS)	4,513 USD
Gram Gold	6,662 TL
Silver	75.7 USD

USD / TRY	45.91
EUR / TRY	53.57
Dollar Index (DXY)	99
EUR / USD	1.1656
BIST 100	13,663
Bitcoin	73,214

Region	Latest CPI (%)	Interest Rate (%)
United States	3.8%	3.75%
China	1.2%	3.0%
Europe	3.0%	2.0%

Turkish Economy: Current Indicators – Week of June 1

Q1 2026 GDP Growth Analysis

2.5% Annual GDP Growth

Turkey’s economy grew by 2.5% in Q1 2026 compared to the previous year, missing the Bloomberg expectation of 3% and slowing down from Q4’s 3.4% growth.

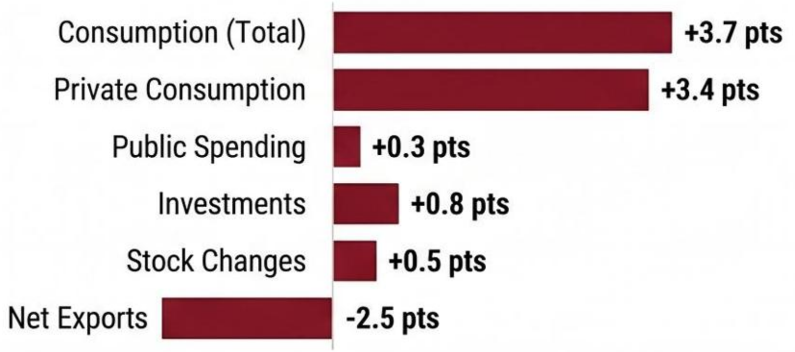
23 Consecutive Quarters of Growth

Despite the slowdown, the Turkish economy has maintained an uninterrupted growth streak since the second quarter of 2020 (the pandemic period).

0.1% Quarterly Expansion

On a seasonally and calendar-adjusted basis, the economy grew by a limited 0.1% compared to the previous quarter, marking the slowest performance in the last 7 quarters.

Contributions to Annual Growth (Percentage Points)



Key Financial & Manufacturing Indicators

Manufacturing PMI at 49.8

The ISO Manufacturing PMI rose significantly from 45.7 to 49.8 in May, reaching its highest level since March 2024 and nearing the 50.0 expansion threshold.

$168.6 Billion Gross Reserves

Total reserves consist of $107.3 billion in Gold and $61.2 billion in Foreign Exchange; reserves excluding swaps stand at $37.2 billion.

242 bps Credit Default Swap (CDS)

The current level of Turkey's 5-year risk premium reflects the market's perception of sovereign credit risk.

Benchmark Bond Yields

2-Year Bond	43.74%
5-Year Bond	39.35%
10-Year Bond	35.65%

Data Calendar: Week of June 1

Monday: Manufacturing & GDP

Release of ISO Manufacturing PMI (May) and Q1 GDP growth figures.

Thursday: Labor & Exchange Rates

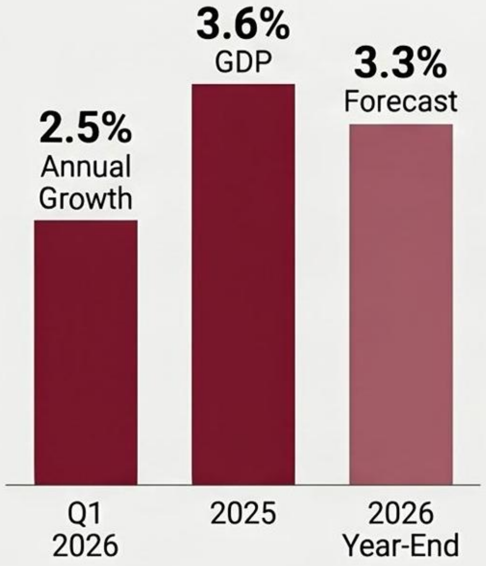
Publication of April Labor Statistics and the May Real Effective Exchange Rate Index.

Friday: Inflation & Treasury Balance

Tracking May CPI and PPI (Inflation) data alongside the May Treasury Cash Balance.

Turkish Economy: Current Indicators – Week of June 1

Economic Growth & Domestic Demand



Consumption Drives Growth

Domestic Consumption **+3.7%**

External Demand **-2.5%** Impact

Resilience in Consumer Sales

White Goods **+14%**

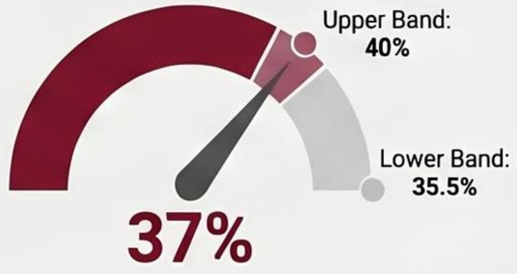
Housing **+12%**

Vehicles **+2.3%**

Inflation & Monetary Policy

Policy Rate Held at 37%

CBRT maintained rate on April 22



Inflation Targets Revised Upward

24% (Interim Target)
Raised from 16%

April 2026 Inflation Levels

CPI (Consumer Price Index) — **32.37% Annually** (4.18% Monthly)

PPI (Producer Price Index) — **28.59%** Annually

12-Month Ahead Inflation Expectation

Forecast Category	Value
Households	49.5%
Real Sector	33.1%
Market Participants	23.82%

External Balance & Labor

$39.7 Billion
Cumulative Current Account Deficit
Highest since Dec 2023, CAD/GDP Ratio -2.5%

8.1%
Unemployment Rate
Near historically low levels

Decline in Tourism
Foreign visitor arrivals fell **9.4%** annually in April
Lowest April data in three years

Fiscal Health & Credit Ratings

1.7 Trillion TL
Cumulative Budget Deficit
2.65% of GDP
(Excluding earthquake costs: 1.8%)

BB-
Fitch Rating: (Stable)
Outlook Revised from Positive
(Next Review: July 17)

BB-
S&P Rating: (Stable)
Unchanged during April 17 evaluation

Banking sector: Current indicators – week of June 1 (data of May 15)

1 Core Balance Sheet Aggregates

Total Assets: 49,731 Billion TL
+5.9% increase compared to the end of the previous year (Data as of March 2026)

Total Loans: 25,676 Billion TL
+12.2% from the year-end (Data as of May 15)

Total Deposits: 29,612 Billion TL
+8.2% since the end of the previous year (Data as of May 15)

Total Equity: 4,316 Billion TL
+3.9% increase compared to year-end figures (Data as of March 2026)

2 Credit Growth Dynamics

Total Loans: 31.8%
Annualized Growth
13-week average growth rate, excluding exchange rate effects: **27.%**

Commercial Loans: 31.3%
Annualized Growth
Significant momentum in 13-week EX-adjusted average, reaching **49.1%**

Individual Loans: 33.3%
Annualized Growth
13-week average growth rate for this segment is **27.3%**

4 Asset Quality & Risk Indicators

2.7%
Overall NPL Ratio
Total non-performing loan ratio across all credit types

Risk Concentration in Consumer Segments
- Personal Loans (**5.4%**)
- Credit Cards (**4.8%**)
- Individual Loans (**4.5%**)

175.9%
Surge in Bad Checks
Value of bad checks reached **33.4 Billion TL** in March 2026
Protested bills hit **9.1 Billion TL** (**+47.3%** YoY)

473
Concordat Filings in Q1 2026
Pace is currently more moderate compared to the 2,948 total filings in 2025

2 Credit Growth Dynamics

31.8% **Total Loans:** Annualized Growth

31.3% **Commercial Loans:** Annualized Growth

33.3% **Individual Loans:** Annualized Growth

3 Loan & Deposit Composition

Deposit Currency Mix

41.9% **Dolarization in Investment Funds**
Reflects the dollarization ratio specifically within Securities Investment Funds

Commercial Loan Sector	Share (%)
Manufacturing Industry	32.4%
Trade	16.7%
Construction	9.1%
Agriculture	7.6%

5 Investment Fund Performance

Total Investment Funds: 9.5 Trillion TL
+1.1 Trillion TL (**+12.6%** growth) compared to the end of the previous year

Money Market Funds: 3 Trillion TL
+371 Billion TL since year-end, representing a **14.4%** growth rate

Free Funds (Excl. Money Market): 4.3 Trillion TL
+391 Billion TL, showing a **10%** growth rate compared to year-end