World Economy: Current Indicators – Week of June 8

US Market Performance & Tech Sell-off

Nasdaq Composite: -4.68%

Sharpest daily decline since April 2025, losing over 1,000 points.

AI Sentiment Reversal

Interest in record-breaking AI stocks waned following Broadcom's lower-than-expected revenue outlook.

Major Semiconductor Declines

Marvell Technology (-16.7%)
Micron (-13.3%)
Intel (-11.3%)
AMD (-10.9%)
Nvidia (-6.2%)

Broad Market Indices

S&P 500: -2.59%
Dow Jones Industrial Average: -0.32%

Labor Market & Monetary Policy

US Non-Farm Payrolls: +172k

May job growth significantly exceeded market expectations, indicating economic resilience despite high interest rates.

Shift to Hawkish Expectations

Strong employment data led markets to price in a 25-basis-point Fed rate hike in December.

ECB Policy Reversal

Markets are now pricing in at least two ECB rate hikes (targeting June, September, and December), reversing previous cut expectations.

Commodities, Forex & Crypto

Brent Crude Oil:

Prices surged 4.8% due to Strait of Hormuz supply concerns and increased summer demand.

Precious Metals Retreat

Gold fell 4.7% to $4,328/oz
Silver dropped 9.9% to $68/oz

US Dollar index strengthened to 100.1.

Bitcoin: Below $60,000

Dropped over 5% to fall below the $60,000 mark for the first time since October 2024.

Regional Market Trends (Europe & Asia)

European Markets Negative

DAX: -1.38%
FTSE 100: -0.40%
MIB 30: -0.28%

Due to geopolitical risks and first-quarter Eurozone economic contraction.

Asian Market Volatility

South Korea's Kospi: -3.72% (AI sentiment indicator)
Japan's Nikkei: +0.39%

US Trade Policy Impact: Proposed new tariffs on 60 countries citing "forced labor" concerns dampened investor sentiment in European markets.

Energy Price Trajectory

Indicator	Pre-Conflict Level	Peak/Current Level	% Change from Start
Brent Crude Oil	$72.5	$97.5 (Current)	+34%
European Natural Gas	32 EUR/MW	51.1 EUR/MW (Current)	+60%

Global Inflation Impact (IMF Estimate): +0.4 points CPI per 10% oil increase.

Upcoming Indicator: SpaceX IPO

SpaceX Nasdaq Listing (June 12)

Elon Musk's aerospace company aims to raise $75 billion with a target valuation of $1.75 trillion.

Top 10 Global Value: Post-IPO, SpaceX is expected to become one of the top 10 most valuable companies traded on US exchanges.

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Weekly Economic Calendar (Agenda)

MONDAY:

Europe: Sentix Investor Confidence Index.

TUESDAY:

United States: Trade Balance, Home Sales.

Asia: China Trade Balance.

WEDNESDAY:

United States: CPI Data.

Asia: China CPI & PPI Data.

THURSDAY:

United States: PPI, Jobless Claims.

Europe: ECB Interest Rate Decision, President Lagarde Speech.

FRIDAY:

United States: Michigan Consumer Sentiment Index.

Europe: Germany Final CPI.

Global Growth Forecasts & Risks

OECD Forecasts Sharp Slowdown

Under prolonged disruption from Middle East conflicts, global growth could drop to 2.1% this year and 1.8% in 2027, potentially triggering recessions.

EBRD Revisions

Expects growth in regions to slow from 3.4% (2025) to 3.1% (2026), a downward revision of 0.5 points due to global uncertainty.

Geopolitical Tensions Escalate

Continued conflict (Israel/Hezbollah, Israel/Iran strikes) maintains high regional security risks.

Central Bank & Trade Policy

Fed Independence and Inflation Concerns

Former Chair Powell warned against political interference. Beige Book reported higher inflation driven by energy costs impacting food and shipping.

New US Trade Tariffs Proposed

Trump administration proposes minimum 10% tariff on partners (Canada, Mexico, EU), and 12.5% on imports from China, India, and Japan

US Labor Market Resilience

Non-farm payrolls rose by 172,000 in May with unemployment steady at 4.3%, fueling expectations for potential rate hikes.

EU Digital Autonomy Plan

EU Commission launched plan to reduce dependence on foreign suppliers for semiconductors, AI, and cloud computing.

Market Indicators & Regional Data

Global Market Prices

Brent Oil	$97.5	Silver	$66.8
Natural Gas	€51.1	Bitcoin	62,810
USD / TRY	48.10	BIST100 Index	13,694
EUR / TRY	53.14	US Dollar Index (DXY)	100.1
Gram Gold	6,377 TL	EUR / USD Parity	1.1517

Regional Macroeconomic Comparison

Region	CPI (Inflation)	Interest Rate
United States	3.8%	3.75%
Europe	3.2%	2.0%
China	1.2%	3.0%

Turkish Economy: Current Indicators – Week of June 8

WEEKLY ECONOMIC CALENDAR (JUNE 8 WEEK)

MONDAY

Real Effective Exchange Rate
Release of the May index to track the value of the Turkish Lira against a basket of currencies.

WEDNESDAY

Industrial & Trade Volume
Release of April industrial production, trade sales volume, and turnover indices.

THURSDAY

TCMB MPC Meeting
The Central Bank of the Republic of Türkiye (TCMB) will hold its Monetary Policy Committee (PPK) meeting.

FRIDAY

Balance of Payments & Survey
Release of April balance of payments data and the June TCMB Market Participants Survey.

CENTRAL BANK INSIGHTS & PARTICIPATION FINANCE

9%
Market Share for Participation Finance
Governor Fatih Karahan noted the sector's weight in the financial system grew from 4.5% in the 2010s to 9% today.

5%
Price Stability as the Bedrock
TCMB emphasizes that a 5% medium-term inflation target is critical for sustainable growth and investment confidence.

High Credit Growth
Credit growth in participation banks continues to exceed the overall sector average.

MACROECONOMIC OUTLOOK (OECD PROJECTIONS)

Growth: 3.1% (2026) to 3.8% (2027)
Economic activity is expected to accelerate as domestic demand strangthens and Middle East conflict effects fade.

Tight Policy Mix
Monetary and fiscal policies will remain tight to support disinflation; policy rates are expected to trend toward 20% by late 2027.

Inflation Target: 15% by end-2027
Annual CPI is projected to fall below 20% in H1 2027, eventually reaching 15% by year-end.

Key Risk Factors
High energy/commodity prices and prolonged Middle East conflicts remain the primary risks to the disinflation process.

CURRENT MARKET INDICATORS

CDS (Credit Default Swap)	Gross Reserves	Net Reserves (Excl. Swaps)	2-Year Benchmark Bond Yield	5-Year Benchmark Bond Yield	10-Year Benchmark Bond Yield
244	$159.2 Billion ($106B Gold / $53.2B FX)	$26.6 Billion	43.69%	39.18%	34.62%

Turkish Economy: Current Indicators – Week of June 8

Growth & Production

2.5% GDP Growth in Q1 2026

Deceleration from 3.6% in 2025; 2026 forecast 3.3%

Consumption Drives Growth

+3.7% contribution

-2.5% External Demand

Industrial Production & Capacity

Monthly **-0.8%**

Annually **-1.1%**

Capacity Utilization **74.1%** (Below 76% avg.)

Divergent Sales Trends

Housing **+12%**

White Goods **+14%**

Vehicle **-20%**

Inflation & Expectations

May 2026 Inflation Figures

CPI **+1.71% Monthly** (32.61% Annually)

PPI **+2.75% Monthly** (28.93% Annually)

Diverging 12-Month Inflation Expectations

49.5% Households

33.1% Real Sector

23.82% Market Participants

Market Participants Survey: Inflation & Interest Rate Forecasts

Period	Policy Rate Expectation	CPI Expectation
End of 2026	33.96%	28.94%
12 Months Later	30.22%	23.82%
End of 2027	25.18%	21.07%
24 Months Later	22.20%	18.43%

Monetary Policy & Global Context

CBRT Interest Rate Corridors

Upper Band **40%**

Policy Rate **37%**

Lower Band **35.5%**

Global Rate Stability

Fed (USA)

ECB (Eurozone)

CBRT (Turkey)

Unchanged

Fiscal Position & External Balance

Widening Current Account Deficit

$39.7 Billion (Highest since Dec 2023, 2.4% of GDP)

Budget Balance Deficit

Monthly **339 Billion TL**

12-Month Cumulative **1.7 Trillion TL** (2.5% of GDP, 1.7% excl. earthquake costs)

Decline in Foreign Ownership

Bonds **6%** (from 7.6% in 2025)

Equities **33.9%** (from 35.8% in 2025)

Unemployment Near Historic Lows

8.2%

Credit Ratings

Fitch Rating: BB- (Stable)
Outlook revised to Stable; next review July 17

S&P Rating: BB- (Stable)
Maintained rating and stable outlook in April 17 assessment

Banking Sector: Current Indicators – Week of June 8 (Data of May 26)

Core Balance Sheet Magnitudes

Total Assets:
50,410 Billion TL
As of April 2026, +7.4% since year-end

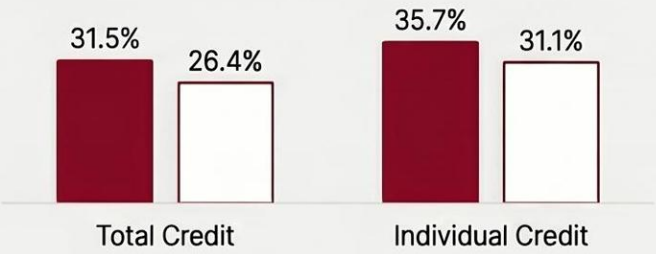
Total Loans:
25,927 Billion TL
As of May 26, +13.3% growth compared to year-end

Total Deposits:
29,558 Billion TL
As of May 26, +8.0% increase since year-end

Total Equity:
4,421 Billion TL
As of April 2026, up 6.4% from year-end

Credit Growth and Distribution

Annualized vs. 13-Week Credit Growth



Commercial Credit Surge
13-week average (excluding FX effect) surged by 40.1%, while annualized growth was 30.2%.

Loan Portfolio Split

Commercial Loans (75.2%)
Individual Loans (24.8%)

Sectoral breakdown of commercial credits

Manufacturing	(32.4%)
Trade	(16.7%)
Construction	(9.1%)
Agriculture	(7.8%)

Deposit Composition & Dollarization

FX Deposit Ratio: 39.9%
Foreign currency deposits

TL Deposit Ratio: 60.1%

Fund Dollarization: 41.8%
Securities Investment Funds

Asset Quality and Financial Risk

Total Non-Performing Loan (NPL) Rate:
2.7%

- Consumer Loans (5.3%)
- Consumer Loans (4.7%)
- Individual Credit Cards (4.7%)
- Commercial (2.2%)

Bad Checks:
33.4 Billion TL
As of March 2026, +175.9% year-on-year

Protested Bills:
9.1 Billion TL
As of March 2026, +47.3% year-on-year

Concordat Filings (Debt Restructuring)
473 firms filed for concordat as of March 2026 (first quarter represents 16% of 2,948 total filings in 2025)

Investment Funds Market

Total Investment Funds:
9.6 Trillion TL
Grown by 13.6%
+1.1 trillion TL since year-end

Free Funds (Excl. Money Market):
4.4 Trillion TL
Growth of 12.9%
+500 billion TL since year-end

Money Market Funds:
2.9 Trillion TL
Growth of 12.5%
+323 billion TL since year-end