World Economy: Current Indicators – Week of June 29

Global Stock Market Performance

Region / Stock Exchange	Weekly Change (%)	Region / Stock Exchange	Weekly Change (%)
USA: Dow Jones	-0.60%	Europe: France CAC 40	-0.43%
USA: S&P 500	-1.95%	Europe: UK FTSE 100	+1,42%
USA: Nasdaq	-4.60%	Asia: Japan Nikkei	-2.65%
Europe: Germany DAX	-1.19%	Asia: South Korea Kospi	-7.08%
Europe: Italy MIB 30	-3.00%	Asia: China Shanghai	-1.55%
		Asia: Hong Kong Hang Seng	-5.24%

Sector Focus & Economic Drivers

Tech Sector Under Pressure

Rising chip costs led Apple to increase prices for Mac and iPad products, while OpenAI's decision to delay its IPO until 2027 and falling SpaceX shares dampened investor demand for tech.

Central Bank Hawkishness

The market is pricing in at least one more 25 basis point rate hike from the Fed this year, while high inflation in Tokyo (1.7%) suggests the Bank of Japan will maintain a tight stance.

Mixed Signals in Europe

Recession concerns intensified following weak PMI data, although the decline in oil prices helped limit losses by suggesting lower future energy costs.

Commodities & Forex

Brent Oil Plummets 10.7%

Prices dropped to $72 USD, returning to pre-war levels following a temporary 60-day license for Iranian oil production and sales.

US Dollar Index (DXY) Rises 0.5%

The index closed at 101.4 as expectations for a hawkish Fed policy and prolonged high interest rates strengthened the greenback.

Gold Prices Retreat 1.6%

Gold tested levels below $4,000 USD before closing at $4,089 USD, pressured by the strong dollar and the Fed's commitment to high rates.

Geopolitical Tensions

Escalation in the Strait of Hormuz

Tensions rose following warning shots by the Iranian military and drone strikes on cargo ships, followed by mutual accusations between the U.S. and Iran regarding ceasefire violations.

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Global Market Snapshot

Commodities & Crypto

Brent Oil: $72.5

Natural Gas: €41.3

Gold (Ounce): $4,067

Silver: $58.6

Bitcoin: $59,921

Currencies & Indices

DXY: 101.4

EUR/USD: 1.1383

USD/TRY: 46.64

EUR/TRY: 53.14

BIST100: 14,274

Regional Economic Performance

U.S. Economy Shows Resilience

Q1 GDP growth was revised upward from 1.6% to 2.1%, supported by strong investments and net exports despite high oil prices.

U.S. PMI Growth Accelerates

Manufacturing PMI rose to 55.7 (highest since May 2022), and Services PMI increased to 51.3, signaling the strongest sector activity since February.

Eurozone Momentum Weakens

While the Composite PMI rose slightly to 49.5, it remains below the Q1 average; services in Germany and France continue to contract.

Japan Prepares for Policy Shift

BOJ Governor Ueda indicates possible interest rate hikes if inflation remains above the 2% target, contingent on geopolitical stability.

Geopolitical & Trade Risks

U.S.-Iran Nuclear Tensions

Despite reports of Iran inviting IAEA inspectors, conflicting statements regarding nuclear concessions leave the peace agreement's future uncertain.

100% Tariff Threat on Digital Tax

President Trump announced a 100% tariff on countries implementing digital services taxes targeting U.S. tech giants.

Global Inflation (CPI) vs. Interest Rates

Region	CPI (Last)	% Interest Rate
United States	4.2%	3.75%
China	1.2%	3.00%
Eurozone	3.2%	2.25%

Upcoming Weekly Agenda (June 29 Week)

United States Focus

Tue: Consumer Confidence & JOLTS

Wed: Fed's Warsh Speech (ECB Forum), ISM Manufacturing & ADP Employment

Thu: Non-farm Payrolls, Unemployment Rate & Factory Orders

Europe Focus

Mon: Eurozone Consumer Confidence

Tue: Germany CPI

Wed: HCOB Manufacturing PMi & Eurozone CPI

Fri: HCOB Services PMI

Asia Focus

Tue: China Official Manufacturing/Non-Manufacturing PMI

Wed: RatingDog Manufacturing PMI

Fri: RatingDog Services PMI

Turkish Economy: Current Indicators – Week of June 29

Growth & Domestic Activity

2.5% Annual GDP Growth (Q1 2026)

Growth slowed from the 3.6% level recorded in 2025.

Declining Domestic Demand

Housing sales dropped 26% and vehicle sales 20% amid cooling activity.

8.2%
Unemployment Rate

Jobless figures remain near historically low levels.

Comparison of Production & Consumption Indicators (2026)

Indicator	Current Value	Context/Trend
Industrial Production	+6.0% (YoY)	Monthly growth at +3.7%
Capacity Utilization	74.3%	Below historical average of 76%
Consumption Contribution	+3.7%	Offset by -2.5% external demand (Q1)

Monetary Policy & Inflation

32.61%
Annual CPI Inflation

Monthly inflation recorded at 1.71% for May 2026.

Policy Rate Steady at 37%

CBRT maintained rates on June 11 with the next meeting July 23.

Households expect 46.1% inflation

Market participants expect 23.6%

Diverging Inflation Expectations

Multi-Year Outlook for Policy Rates & CPI

Period	Policy Rate Expectation	CPI Expectation
Year-End 2026	34.72%	29.14%
12 Months After	30.14%	23.80%
Year-End 2027	25.67%	21.39%

External, Fiscal & Credit Ratings

BB-

BB- Credit Rating (Stable)

Both Fitch and S&P maintain a BB- rating with a Stable outlook.

3.3%
Budget Deficit/GDP

The 12-month cumulative deficit reached 2.2 trillion TL in May.

-2.3%
Current Account/GDP

The cumulative 12-month deficit stands at 37 billion USD.

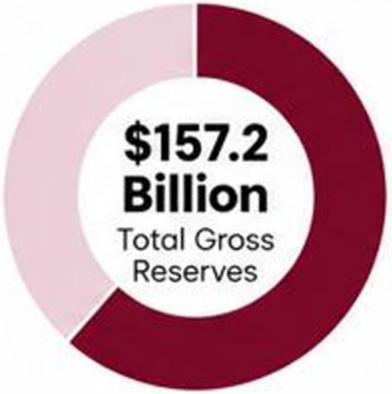
Turkish Economy: Current Indicators – Week of June 29

Domestic Data Calendar

- **Mon** – Econ. Confidence
- **Tue** – Trade/Labor
- **Wed** – Mfg PMI
- **Fri** – CPI & PPI data

Central Bank Reserves & Risk Profile

Foreign Exchange: **$59.5 Billion**

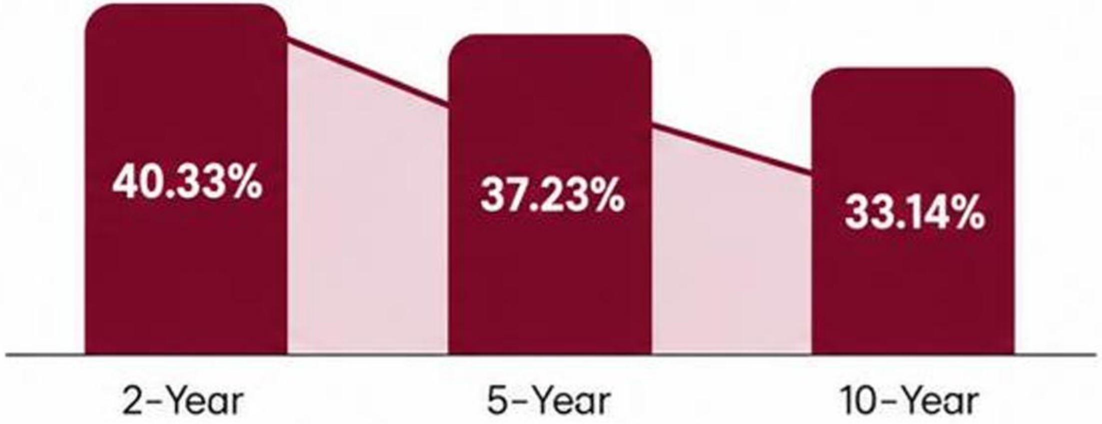


Gold Reserves: **$97.7 Billion**

Swap-excl. Reserves: **$34.6B**

CDS: **224**

Benchmark Bond Yields



Strategic Leadership Insights

Minister Şimşek: Climate Action as Growth

Aiming to raise electricity's share in energy consumption from 20% to 35% by 2035.

Governor Karahan: Disinflation Dynamics

Demand slowdown and weakening service rigidity are supporting the disinflation process and TL demand.

Minister Bolat: $410 Billion Export Target

Turkey now exports 12,721 products to 225 countries, striving for a new record.

Banking Sector: Current Indicators – Week of June 29 (Data of June 19)

CORE BALANCE SHEET & GROWTH METRICS

Total Assets: 50,410 Billion TL

7.4% increase since end of 2025

Credit Growth Driven by Individual Loans

Individual loans grew by 41.2% (13-week average), outpacing commercial loan growth (36.3%).

TL Deposits Comprise 61.3% of Total Funding

Maintaining confidence in the Turkish Lira remains a critical success factor for funding.

YTD growth of core balance sheet

Indicator (June 19)	Total Loans	Total Deposits
Value (Billion TL)	26,225 Billion TL	29,852 Billion TL
YTD Change (%)	**+14.6%**	**+9.0%**

RISK INDICATORS & ASSET QUALITY

Commercial Loans Dominate Portfolio at 75.3%

Manufacturing (32.3%) and Trade (16.6%) are the primary sectors receiving financing.

Asset Quality Under Pressure in Specific Segments

Total NPL Ratio: 2.8%

Personal Loans reach 5.5%

Rising Pressure on Real Sector Cash Flows

Protested bills surged by 117% YoY, signaling liquidity stress in the real economy.

Segment	Total Loans	SME Loans	Credit Cards
NPL Ratio	**2.8%**	**3.6%**	**5.0%**

STRATEGIC OUTLOOK & MARKET DYNAMICS

Shift Toward Core Banking Activities

Banks are preparing for margin recovery through customer-based activities rather than inflation-linked gains.

Investment Funds Reach 10 Trillion TL

A growth of 18.2% YTD indicates diversifying savings and rising financial literacy.

Resilience Amidst Monetary Tightening

Strong liquidity buffers allow the sector to act as a stable economic anchor.