World Economy: Current Indicators – Week of July 6

Global Equity Market Performance

US Markets Rally on Weak Jobs Data

Dow Jones
+1.97%

S&P 500
+1.76%

Nasdaq
+2.12%
Tech-heavy Nasdaq led as rate hike fears eased

European Indices Surpass Expectations

Germany's DAX
+4.49%
Supported by €10 billion tax relief package

Italy (MIB 30 +3%)

France (CAC 40 +1.47%) closed higher

UK (FTSE 100 +1.63%) closed higher

Mixed Results in Asia

Hong Kong's Hang Seng
+2.99%

Japan's Nikkei
+0.55%

South Korea's Kospi
-2.99%
Sharp declines in Samsung (-11.5%) and SK Hynix (-9.3%)

Commodities & Energy

Brent Oil Returns to Pre-War Levels

US-Iran negotiations continued and major producers increased exports

Precious Metals Surge

Gold +2.16%
$4,177 USD

Silver +5.52%
$62 USD

Driven by a weakening US Dollar and shifting Fed expectations

Natural Gas Prices Stabilize

Peak: 69.5 EUR/MW

Current: 45 EUR/MW

Down from peak but still 41% higher than pre-war levels

Comparison of Energy Prices (Pre-War vs. Current)

Commodity	Pre-War Level	Peak (March 9)	Current Level
Brent Oil	$72.5 USD	$119+ USD	$72.1 USD
EU Natural Gas	32 EUR/MW	69.5 EUR/MW	45 EUR/MW

Currency & Central Bank Outlook

US Dollar Index (DXY) Softens

Fell 0.5% following the weak employment report

Fed Policy Sentiment Shift

90% Probability
25 bps rate hike in October

20% Probability
25 bps rate hike in December

ECB Rate Hike Probabilities

80% Probability
25 bps ECB rate hike in December
Following the 2026 outlook shift

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GLOBAL ECONOMIC CALENDAR (WEEK OF JULY 6)

United States Agenda

Monday: S&P Global Services PMI & ISM Non-Manufacturing Index
Tuesday: Trade Balance
Wednesday: FOMC Meeting Minutes
Thursday: Weekly Jobless Claims & Home Sales

Europe & Germany Agenda

Monday: Eurozone Sentix Investor Confidence & German Factory Orders
Tuesday: German Industrial Production
Thursday: ECB Meeting Minutes & German Trade Data
Friday: German Final CPI

Asia Agenda

Thursday: China releases June CPI & PPI data

GEOPOLITICS & GLOBAL POLICY

NATO Summit '3.0' in Ankara: Leaders from 32 member states will meet July 7-8 to discuss European security, Ukraine, and Middle East developments under a new strategic concept.

US-Iran Peace Negotiations: Progress in indirect technical talks in Qatar suggests a shift from a temporary ceasefire toward a permanent peace agreement, boosting maritime safety in the Strait of Hormuz.

OPEC+ Production Increase: The group agreed to increase daily oil production targets by 188,000 barrels starting in August.

IMF Global Outlook: Managing Director Georgieva reports that the global economy remains resilient, with strong momentum observed in the US and China.

CENTRAL BANKS & REGIONAL TRENDS

US Supreme Court Rules on Fed Independence: The court ruled that the removal of Fed Governor Lisa Cook was unconstitutional, reinforcing the central bank's independence from executive interference.

Japanese Yen Hits 38-Year Low: The Yen fell to 162.8 against the Dollar, the weakest level since 1986, prompting warnings of government intervention.

US Manufacturing & Employment: Manufacturing PMI slowed to 53.9; Jobless rate fell to 4.2% (driven by lower participation), suggesting the Fed may pause rate hikes.

Eurozone Inflation Cooling: Inflation fell to 2.8% in June; ECB officials suggest there is no urgent need for a July rate hike as risks become more balanced.

MARKET INDICATORS & PRICES

Brent Oil	Natural Gas	Dolar / TL	Euro / TL	Bitcoin
72 USD	45 EUR	46.82	53.53	63,033

US Dollar Index	100.9	EUR/USD	1.1430
Gold (Ounce)	4,155 USD	Gold (Gram)	6,255 TL
Silver	61.8 USD	BIST 100	14,418

REGIONAL CPI & INTEREST RATES

Region	CPI (Inflation)	Interest Rate
United States	4.2%	3.75%
China	1.2%	3.00%
Europe	2.8%	2.25%

Turkish Economy: Current Indicators – Week of July 6

Inflation & Price Stability

0.99%
Monthly Inflation
Disinflation process officially restarted as of June.

32.1%
Annual Inflation
A 0.5 point decrease compared to the previous month, supported by a downward trend in rent and commodity price normalization.

Favorable Sectoral Trends
Low increases in food prices (0.2%) and a decline in fuel prices have significantly supported the positive inflation outlook.

Foreign Trade & External Balance

$277.9 Billion
Annualized Exports
Exports in the second quarter rose by 10.2% year-on-year, demonstrating resilience.

4.6%
Growth in Imports
Growth remained limited compared to exports, contributing to a more sustainable current account deficit.

Strengthening Macro-Framework
Implemented policies are increasing the economy's resilience to external shocks while fostering permanent improvements in the trade balance.

New Agricultural Support & Credit Limits

Empowerment of Women and Young Farmers
3 MILLION TRY → 5 MILLION TRY
Credit Limits Increased

Expanded Livestock Credit
2 MILLION TRY for small cattle
3 MILLION TRY for large cattle farming

High-Scale Investment Loans
Up to 60 MILLION TRY for dairy farming
40 MILLION TRY for fattening/beef investments

Energy Independence for Farmers
Support for self-produced electricity includes loans up to 15 million TRY with an 8-year maturity and high subsidy rates.

Financial Market Indicators

$149.2 Billion
Gross Reserves
$95 Billion (Gold)
$54.3 Billion (Foreign Exchange)

$30.7 Billion
Net Reserves
Central bank reserves excluding swaps.

222 Basis Points (CDS)
Indicates the current risk premium for Turkish sovereign debt.

Government Bond Yields

Maturity	Yield (%)
2-Year Benchmark	40.21%
5-Year Benchmark	37.59%
10-Year Benchmark	33.22%

Weekly Domestic Data Calendar

Monday: Real Effective Exchange Rate Index.
Investors will monitor the June REER index for currency competitiveness insights.

Tuesday: Treasury Cash Balance.
June data regarding the Treasury's cash position will be released.

Friday: Industrial Production.
May industrial production data will provide insights into growth momentum in the manufacturing sector.

Turkish Economy: Current Indicators – Week of July 6

Growth & Production

2.5% Year-over-Year GDP Growth

Q1 2026 slowed from 3.6% in 2025;
Market Participants forecast 3.2% for full year.

Industrial Production & Capacity

Industrial production rose 3.7% monthly and 6% yearly. Capacity utilization stands at 74.3%, below the historical average of 76%.

Consumption & Tourism

Sharp Decline in Domestic Sales

4.9 Million Foreign Visitors in May

Despite a 37.5% seasonal monthly increase, visitor numbers saw a 3.6% annual decrease; Lowest May data in three years.

Waning Sectoral Confidence

Confidence indices in retail, services, and construction fell in Q2 compared to Q1, indicating a growth slowdown.

Inflation & Monetary Policy

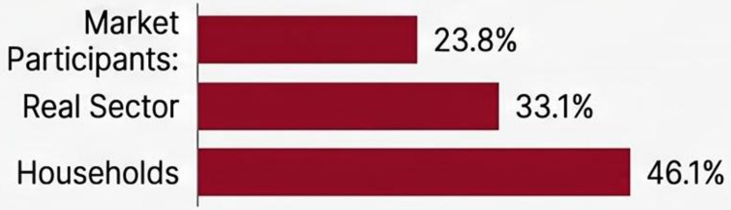
Manufacturing PMI Drops to 47.1

June ISO Manufacturing PMI fell from 49.8, signaling a weakening in the industrial sector.

12-Month& Monetary Policy

June Consumer prices (CPI) rose 0.99% monthly (32.11% yearly); producer prices (PPI) rose 1.80% monthly (28.09% yearly).

12-Month Inflation Expectations



Interest Rate Corridor & Forecasts

Indicator	Current / Target
Policy Rate (One-Week Repo)	37.00%
Interest Rate Upper Band	40.00%
Interest Rate Lower Band	35.50%
Year-End 2026 Policy Rate Forecast	34.72%
Year-End 2027 Policy Rate Forecast	25.67%

External Balance & Public Finance

Current Account Deficit at -2.3% of GDP

Monthly deficit: $5.7 billion.
12-month cumulative deficit: $37 billion;
Below historical averages.

Budget Deficit Widens to 3.3% of GDP

Monthly budget deficit: 298 billion TL.
12-month cumulative deficit: 2.2 trillion TL.

Record Low Unemployment

Unemployment rate stands at 8.2%, near historical lows.

Markets & Credit Ratings

Decline in Foreign Portfolio Shares

Bonds: 6.51% (from 7.6% in 2025)

Equities: 32.84% (from 35.8% in 2025)

Fitch Revises Outlook to 'Stable'

BB-

Fitch affirmed 'BB-' rating, outlook changed from 'Positive' to 'Stable'. S&P also maintains 'BB-' with 'Stable' outlook.

Banking Sector: Current Indicators – Week of July 6 (Data of June 26)

GENERAL FRAMEWORK & STRUCTURAL TRANSFORMATION

STRUCTURAL RESILIENCE IN ASSET MANAGEMENT

The sector has adopted a measured discipline in protecting capital structures and monitoring asset quality, drawing on experiences from historical crises.

TRANSITION TO DIGITAL AND DIVERSE FINANCIAL PRODUCTS

There is an accelerated shift from traditional operations to digital instruments and investment funds, reflecting changing customer preferences for diverse yield vehicles.

COMMERCIAL-FOCUSED GROWTH STRATEGY

Banks continue to finance the real sector with a focus on commercial loans, particularly in the manufacturing industry.

CORE BALANCE SHEET FIGURES (MAY/JUNE 2026)

Total Assets (May 2026)	**51,761** Billion TL
Total Loans (June 26)	**26,537** Billion TL
Total Deposits (June 26)	**30,269** Billion TL
Equity (May 2026)	**4,461** Billion TL

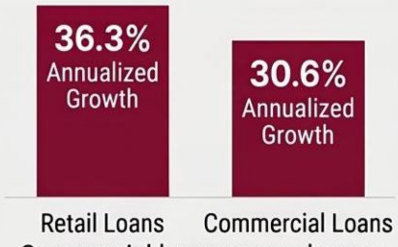
CREDIT GROWTH AND SECTORAL DISTRIBUTION

ANNUALIZED TOTAL CREDIT GROWTH

32.0%

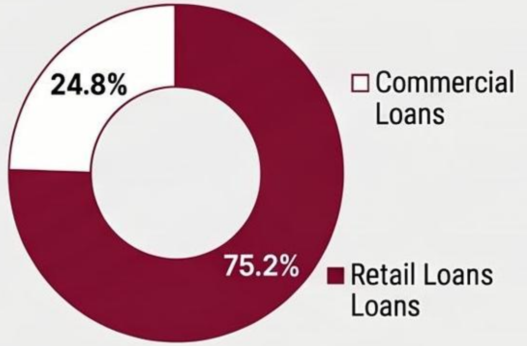
13-week average growth (excluding exchange rate effects) stands at **29.6%.**

RETAIL VS. COMMERCIAL GROWTH

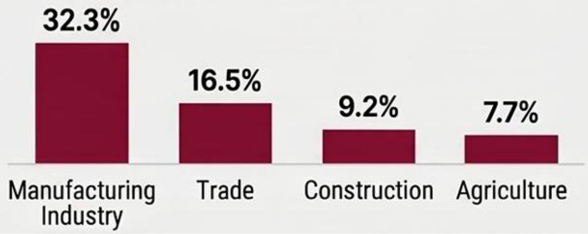


Commercial loans saw a sharper 13-week average surge (**42.6%**).

SECTORAL CREDIT DISTRIBUTION

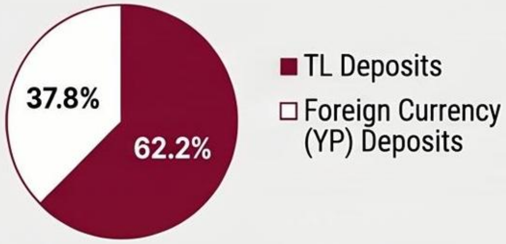


INDUSTRY SEGMENT SHARE OF TOTAL COMMERCIAL LOANS



DEPOSIT STRUCTURE AND INVESTMENT FUNDS

DEPOSIT CURRENCY COMPOSITION



TL Deposits stand at 62.2%, while Foreign Currency (YP) Deposits account for 37.8%, aligned with financial stability goals.

INVESTMENT FUND DOLLARIZATION

39.3%

Securities Investment Funds

INVESTMENT FUND MARKET GROWTH

Total investment funds reached **10 Trillion TL**, a **17.9%** increase (+1.5 trillion TL) since year-end.

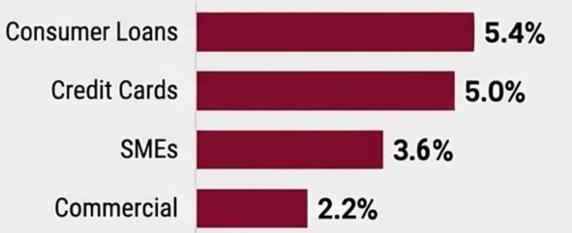
Money Market funds grew **18.3%** to **3.1 Trillion TL**

Free Funds (excl. Money Market) grew **18.2%** to **4.6 Trillion TL**

RISK INDICATORS AND ASSET QUALITY

NON-PERFORMING LOAN (NPL) RATIOS

2.8%



CONCORDAT FILINGS TREND

807 companies filed for concordat by May 2026; trend continues, rate of increase is more moderate, representing **27%** of 2025's total (**2,948**) in five months.

PROTESTED BILLS AND BAD CHECKS (APRIL 2026)

Protested bills reached **13.4 Billion TL** (+117% YoY)

Dishonored checks totaled **26.3 Billion TL** (+29% YoY)