

World Economy: Current Indicators – Week of August 24

GLOBAL MARKET SENTIMENT & GEOPOLITICAL DRIVERS



Geopolitical Risk Premiums

Plans for the economic isolation of Iran and threats to the Strait of Hormuz are keeping energy risk premiums high, while Russia's refusal of a ceasefire in the Black Sea threatens agricultural and energy supply security.



US-Canada Trade Tensions

US has imposed 50% tariffs on Canadian products, met with a 20-billion-dollar retaliatory package from Canada, suggesting a prolonged trade conflict.



Jackson Hole Symposium (Aug 28),

Markets are awaiting Fed Chairman Kevin Warsh's speech for signals on the 2% inflation target and future policy frameworks following recent bond market volatility.

GLOBAL EQUITY MARKETS (WEEKLY PERFORMANCE)



Nikkei 225 vs. Hang Seng

Nikkei was the weakest performer (-3.93%), while Hang Seng decoupled positively (+3.55%) due to expectations of Chinese monetary easing.

US Tech Sell-off

Tech stocks faced heavy pressure due to interest rate sensitivity; Nasdaq 100 dropped 2.05%, S&P 500 fell 1.43%, and Dow Jones fell 0.85%.

Major Global Indices Performance (Aug 14 – Aug 21, 2026)

Index	Aug 14, 2026	Aug 21, 2026	Weekly Change (%)
NASDAQ	26,729	26,180	-2.05%
S&P 500	7,786	7,674	-1.43%
DAX	26,440	26,137	-1.15%
Nikkei	68,714	66,016	-3.93%
Hang Seng	25,117	26,009	+3.55%
FTSE	10,750	10,817	+0.62%

FIXED INCOME & CURRENCIES



5.33%

30-Year US Treasury Yields

Yields hit a 19-year high of 5.33% on August 18, driven by high public spending and long-term supply intensity, before closing the week at 5.27%.



Dollar Index (DXY) Softening

The DXY fell 0.87% to 98.8 as cooling US economic data reduced expectations for immediate aggressive tightening by the Fed.



EUR/USD Strength

The Euro gained 0.94% against the Dollar, rising to 1.1679, supported by hawkish messages from the ECB.

COMMODITIES & ENERGY OUTLOOK



Safe-Haven Surge

Silver and Brent Crude were the top performers, rising approx. 6.6%, while Gold climbed 5.18% to \$4,603/oz due to dollar weakness and market volatility.



Energy Price Inflation

Brent Crude has risen 28% since the start of the conflict, currently trading around \$99-94, while European Natural Gas is up 106% since late February.



Commodity Price and by Yields

Brent hit on Brent Crude were first 5.33% on August 18, driven at approx. 6.6%, while gold climbed of long-term supply intensity, before closing the week with market volatility.

Key Commodities Price Shift (Aug 14 – Aug 21, 2026)

Commodity	Aug 14, 2026	Aug 21, 2026	Weekly Change (%)
Brent Petrol (USD/bbl)	88.52	94.39	+6.63%
Gold (USD/oz)	4,376	4,603	+5.18%
Silver (USD/oz)	64.7	69.0	+6.66%
Platinum (USD/oz)	1,749	1,880	+7.46%

MONETARY POLICY PIVOT (END OF 2026 EXPECTATIONS)

Fed Policy Shift



Rate Cuts Rate Hike

Expectations shifted from two 25-bps rate cuts to one 25-bps rate hike, with a 100% probability priced in for December.

ECB Policy Shift



Rate Cut Rate Hike

Expectations shifted from one 25-bps cut to at least one 25-bps rate hike, with a 94% probability for a hike in September.

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Global Market Indicators



Commodity & Energy Prices

Brent Crude: \$93 USD
Natural Gas: €65.9 EUR
Silver: \$68.9 USD



Precious Metals & Crypto

Gold ONS: \$4,639 USD (7,170 TL/gram)
Bitcoin Rally: 77,180



Currency & Equity Markets

Dollar Index (DXY): 98.9
EUR/USD: 1.1680
BIST100: 14,515



Exchange Rates (TRY)

USD/TRY: 48.08
EUR/TRY: 56.17



Major Economies Inflation & Interest

Region	CPI (Inflation)	Interest Rate
United States	3.4%	3.75%
China	0.5%	3.00%
Eurozone	2.9%	2.25%

Policy & Geopolitical Tensions



US Treasury Bond Intervention

Secretary Scott Bessent doubled liquidity-supported buybacks of 10–30 year bonds, causing the 30-year yield to drop to 5.18%.



US-Canada Trade War

The US imposed a 50% tariff on \$20 billion of Canadian goods; Canada announced retaliatory tariffs of equal scale starting September 8.



Sanctions & Economic War

Trump announced an “economic war” against Iran and its trade partners (primarily China), heightening risks to energy infrastructure.



Black Sea Grain Deadlock

President Zelenskyy rejected a ceasefire for agricultural transport as Russia demanded guarantees against attacks on its energy infrastructure.

Economic Activity & PMIs



Divergent US Growth

US Manufacturing PMI slowed to a 5-month low (53.2), but the Services PMI surged to its strongest performance since late 2024 (56.8).



Eurozone & China Trends

Eurozone Composite PMI hit a 9-month high (52.1), whereas China faces deflationary pressure with real estate investment dropping 19.2%.



Japan's Growth Miss

Japan's economy grew by only 1.1% in Q2 2026, significantly missing the 2% market expectation.

Weekly Agenda: August 24 onwards



Monday – US Activity & Iran

Focus on Chicago Fed National Activity Index and the announcement of new Iran sanction details.



Tuesday – Confidence & Housing

US Conference Board Consumer Confidence, New Home Sales, and Germany's Q2 GDP Final Growth/IFO Business Climate.



Wednesday – US GDP & PCE

Revised Q2 GDP data, Core PCE Price Index, Personal Income/Spending, and Durable Goods orders.



Thursday – Jackson Hole & Jobs

Commencement of the Fed's Jackson Hole Meetings, Weekly Unemployment Claims, and Germany's GfK Consumer Confidence.



Friday – Fed Keynote & Sentiment

Fed Governor Kevin Warsh's speech at Jackson Hole and Michigan University Consumer Sentiment Index.

Weekly Economic Agenda



Monday, August 24: High-Level Meetings & Inflation Data

- 🕒 **09:30:** Economic Coordination Board (EKK) meeting
- 🕒 **10:00:** TCMB releases 12-month inflation expectations
- 🕒 **14:30:** TCMB releases FX assets and liabilities for non-financial firms (June data)



Tuesday: Sectoral Confidence

Release of the Sectoral Confidence Indices for August.



Friday: Trade Balance & Economic Sentiment

Release of the July Foreign Trade Balance and the August Economic Confidence Index.

Monetary Policy & Financial Markets



TCMB Resumes One-Week Repo Auctions

Following market fluctuations, the Central Bank will fund banks at a 37% repo rate instead of the 40% overnight lending rate (resuming a practice paused on March 1, 2026).



Total Central Bank Reserves: \$183.5 Billion

Composition includes \$108.3 billion in Gold and \$75.2 billion in Foreign Exchange; Net reserves (excluding swaps) stand at \$54.3 billion.



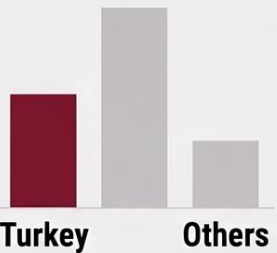
Credit Default Swap (CDS) Level: 222

Represents the current risk premium for Turkish sovereign debt.

Benchmark Bond Yields

Maturity	Yield (%)
2-Year Benchmark	40.85%
5-Year Benchmark	38.42%
10-Year Benchmark	34.80%

Debt & Fiscal Discipline



Total Debt to GDP Ratio: 91%

Turkey's debt level is significantly lower than the Emerging Markets average (229%) and the World average (306%).

Historical Low Public Debt

Public debt to GDP ratio reached a record low of 23.1% in Q1 2024.



470 Billion TL Non-Interest Surplus

The Jan-July non-interest budget surplus increased by 228 billion TL compared to the previous year, while the domestic debt rollover rate is maintained at 87%.



External Debt Stability

Gross external debt stock stands at \$539 billion, representing 31.8% of GDP.

Employment & Trade Support



Unemployment Rate Falls to 7.9%

Seasonally adjusted figures for Q2 show an increase in employment by 155,000 people.



Currency Conversion Premium Doubled

Starting October 1, the FX conversion premium for labor-intensive and high-value-added production sectors will be increased twofold to support exporters.



Energy Price Mitigation

A sliding scale (eşel mobil) system is being used to limit the impact of global diesel price shocks, with diesel-Brent margins reaching \$100 per barrel (5x the long-term average).

Turkish Economy: Current Indicators – Week of August 24

Economic Growth & Production



2.5%

GDP Growth in Q1 2026

Deceleration from 3.6% in 2025.
Consumption: +3.7%,
Net Foreign Demand: -2.5%.



Industrial Production Shrinks by 1.4%

Annual contraction.
Capacity Utilization Rate: 73.5%
(below 76% historical avg.)



Manufacturing PMI at 47.7

July ISO PMI rose from 47.1,
signaling slower weakening.

Inflation & Monetary Policy



31.75%

Annual CPI in July

Monthly CPI: 1.78%, PPI: 1.52%.
Year-end forecast revised to
28% from 26%.



Policy Rate Maintained at 37%

CBRT held rates on July 23.
Upper band: 40%,
Lower band: 35.5%.
Next meeting: Sept 10.



Inflation Expectations (12-Month)

Market: 23.69%
Real Sector: 32.50%
Households: 44.94%

External Balances & Labor



7.6%

Unemployment Rate

Reached a historical low.



\$38.9 Billion Cumulative Current Account Deficit

12-month cumulative deficit is -2.4% of GDP (better than -3.6% 20-year avg.).



3.1% Budget Deficit to GDP Ratio

12-month cumulative deficit: 2.1 trillion TL. Excluding earthquake spending: 2.1%.

Tourism & Consumption



7.1 Million

Foreign Visitors in July

28% monthly increase due to seasonality; down 0.3% compared to July last year.



Top Visitor Nationalities (July)

Russia: 14.38%,
Germany: 13.64%,
UK: 7.67%.



Sharp Decline in Durable Goods Sales

Monthly sales decreased:
Vehicles (-23.1%), White Goods (-18.7%), Housing (-4.9%)

Financial Markets & Credit Ratings



Foreign Capital Flow (Week of Aug 14)

Net Buyers of Stocks:
\$176 million.

Net Sellers of Bonds:
\$306 million.

Credit Ratings & Outlook

Agency	Credit Rating	Outlook
Fitch	BB-	Stable
S&P	BB-	Stable
Moody's	Ba3	Stable

Banking Sector: Current Indicators – Week of August 24

(Data of August 14)

Main Balance Sheet Aggregates:

Total Assets: 52,728 Billion TL



As of June 2026, representing a 12.3% increase since the end of the previous year.

Total Loans: 27,434 Billion TL



Data as of July 31, 2026, showing an 18.6% growth compared to year-end.

Total Deposits: 30,915 Billion TL



As of July 31, 2026, reflecting a 13.5% increase from the previous year-end.

Total Equity: 4,612 Billion TL



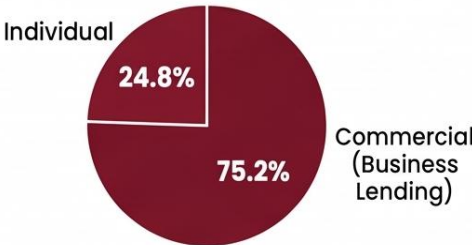
As of June 2026, with an 11.0% growth since the end of the year.

Credit Growth Dynamics

Comparing annualized growth rates (Dec 2025 – Aug 2026) with 13-week currency-adjusted averages.

Credit Category	Annualized Growth Rate	13-Week Avg (Adjusted for FX)
Total Loans	33.1%	27.5%
Commercial Loans	31.9%	33.0%
Individual Loans	36.8%	32.7%

Loan Distribution: 75.2%
Commercial vs. 24.8% Individual



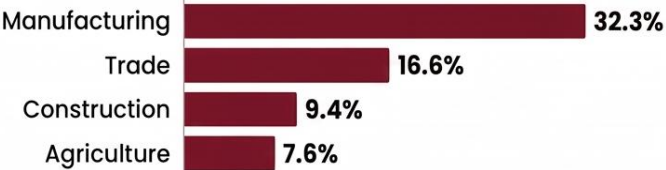
The credit market remains heavily weighted toward business lending.

Deposit Breakdown:
61.5% TL vs. 38.5% FX



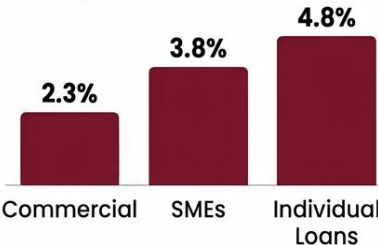
Turkish Lira deposits maintain the majority share, while the dollarization rate of securities investment funds stands at 37.3%.

Commercial Loan Sector Breakdown



Asset Quality & Risk Indicators (NPL Ratios)

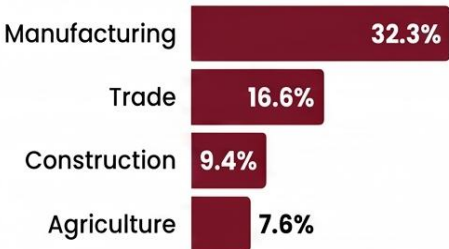
Segmented NPL Ratios



Consumer Risk Concentration

Higher delinquency is observed in Individual Credit Cards (5.1%) and General Purpose (Needs) Loans (5.9%).

1,000 Concordat Filings as of June 2026



While filings continue, the growth rate is more moderate compared to the 2,948 total cases in 2025 (reaching 34% of last year's total in 6 months).

Total NPL Ratio: 2.9%

The overall non-performing loan ratio for the total credit portfolio.

Legal Risks & Payment as of June 2026

Protested Notes:
12.3 Billion TL

As of June 2026, this represents a significant 86.1% increase compared to the previous year.

Bad Checks:
39.8 Billion TL

Checks subject to legal action increased by 62.1% year-on-year as of June 2026.

Investment Fund Performance

Total Investment Funds:
10.9 Trillion TL

A strong growth of 28.4% (up 2.4 trillion TL) since the end of the year.

Money Market Funds:
3.56 Trillion TL

Significant growth of 37.4% year-to-date, adding 968 billion TL to the total.

Free Funds (Excl. Money Market):
4.85 Trillion TL

Growth of 24.7% since year-end, with an increase of 960 billion TL.