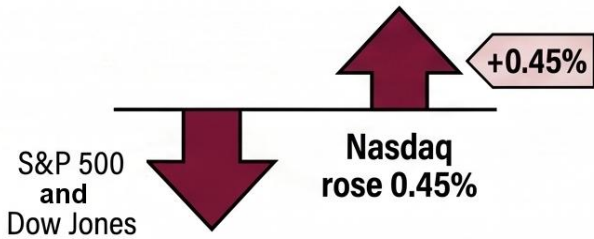


World Economy: Current Indicators – Week of October 5

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Global Equity Market Performance



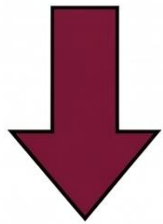
Mixed US Equities with Tech Outperforming

S&P 500 slipped 0.27% | Dow Jones dropped 1.26%



Widespread European Stock Declines

Germany's DAX fell 0.70% | France's CAC 40 dropped 2.24% | Italy's MIB 30 fell 2.66% | UK's FTSE 100 declined 2.18%



Asia Markets Slide Except Japan

Japan's Nikkei 225 gained 2.93% | South Korea's Kospi (-1.09%) | China's Shanghai Composite (-1.19%) | Hong Kong's Hang Seng (-2.19%)

Sovereign Bonds & FX



US Treasury Yields Hit Multi-Year Highs

- 10-year Treasury yield: 5.27% (+11 bps, tested 5.34%)
- 30-year yield: 5.62% (+13 bps, touched 5.69%)

both touching highest levels since 2002

European Sovereign Yields Spike on Fiscal Worries



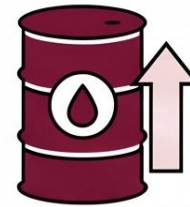
- Eurozone annual inflation: 3.8% (3-year high)
- France's 10-year yield reached 4.96% (highest since 2002)
- UK's 30-year yield surpassed 6.00% (highest since 1998)

US Dollar Index Rises to 101.9



DXY touched 102.2 (highest since April 2025) before closing up 1% at 101.9, pushing EUR/USD below 1.13 for the first time since May 2025

Energy & Commodities



Brent Crude Holds Above \$100 Threshold

\$101.5/bbl (currently), fallen 2% on week to \$102.3/bbl, remaining 40% higher than pre-war levels (\$72.5/bbl on Feb 28)



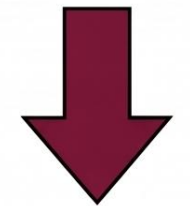
G7 and IEA Release Emergency Oil Reserves

100 million barrels from diesel and petroleum stocks over 4 months under IEA coordination



European Natural Gas Surges 135% Since War Start

EU natural gas prices stand at €75.2/MWh, up from €32/MWh prior to the war outbreak on February 28

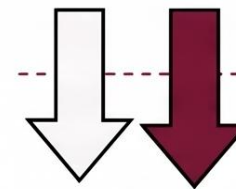


Precious Metals Drop Under Dollar and Yield Pressure

Gold prices fell 3.4% to \$4,141/oz | Silver dropped 6.1% to \$60.4/oz

Central Bank Interest Rate Expectations

Federal Reserve Pivot toward Rate Hikes

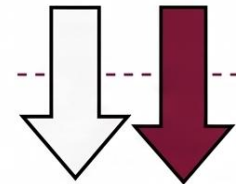


Prior to war: Two 25 bps rate cuts expected in 2026



Now: One 25 bps rate hike in 2026 (82% probability for December, 18% for October)

European Central Bank Rate Outlook Shifts Higher



Prior to war: Projected 25 bps cut



Now: One 25 bps rate hike (82% probability priced in for December, 15% for October)

World Economy: Current Indicators – Week of October 5

KEY MARKET INDICATORS

COMMODITIES

 Brent Crude Oil \$101.5 USD	 Natural Gas €75.2 EUR
 Gold (Ounce) \$4,144 USD	 Gram Gold 6,550 TL
 Silver \$61.2 USD	

CURRENCIES & FX

 USD / TRY 49.17	 EUR / TRY 54.96
 US Dollar index (DXY) 102.5	 EUR / USD 1.1168

INDICES & CRYPTO

 BIST100 Index 12,270	 Bitcoin (BTC) \$86,235
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MACRO METRICS

 United States	CPI: 3.4% Rate: 4.0%
 Europe	CPI: 3.8% Rate: 2.50%
 China	CPI: 0.8% Rate: 3.0%

WEEKLY ECONOMIC AGENDA (WEEK OF OCTOBER 5)

UNITED STATES AGENDA

Mon: S&P Global Services PMI & ISM Non- Manufacturing	Tue: August Trade Balance
Wed: Fed September Meeting Minutes	Thu: Weekly Initial Jobless Claims
Fri: Preliminary Michigan Consumer Sentiment	

EUROPE AGENDA

Mon: S&P Global Services PMI & Eurozone Sentix Investor Confidence	Tue: German Factory Orders
Wed: German Industrial Production	Thu: ECB September Meeting Minutes

UNITED STATES MACRO & GEOPOLITICAL TRENDS



MIDDLE EAST GEOPOLITICAL RISK LIFTS OIL PRICES

US deployed an additional aircraft carrier and 10,000 troops to the Middle East due to potential action regarding Iran; Hormuz Strait disputes disrupted talks, driving crude prices higher.



FED GOVERNANCE & INTEREST RATE OUTLOOK

Trump calls for Fed Chair Powell's resignation over headquarters renovation cost overruns; an internal audit cited management flaws but no criminal misconduct. NY Fed President Williams signaled a potential rate hike by year-end but noted no rush for October.



US CONSUMPTION STRONG AS SAVINGS RATE DROPS

August real consumer spending rose 0.6% MoM (strongest since March 2025) and Q2 GDP was revised up to 2.2%, while the personal savings rate fell to 4.1%—the lowest level since 2022.



COOLING LABOR MARKET WEAKENS RATE HIKE EXPECTATIONS

September Non-Farm Payrolls grew by only 29,000 with previous months revised down; unemployment rose to 4.2% and annual wage growth slowed to 3.0% (lowest since 2021).

EUROZONE INFLATION & FISCAL PRESSURES



EUROZONE INFLATION REACHES 3-YEAR HIGH

September annual CPI unexpectedly rose to 3.8% (core at 2.5%). Energy price pressures bolster rate hike expectations, though the ECB is anticipated to pause in October before a potential final hike in December.



FRENCH PUBLIC DEBT RISKS SPREAD ACROSS EUROPE

French debt near 120% of GDP and political fragmentation create fiscal doubts. The France-Germany 10-year bond yield spread widened to 152 bps (highest since 2011), driving safe-haven demand to German bunds.

ASIA-PACIFIC & UK ECONOMIC DEVELOPMENTS



BOE WARNS OF OVER-OPTIMISTIC AI MARKET VALUATIONS

Bank of England Governor Bailey warned that excessive optimism around AI investments could lead to a sudden market correction, posing systemic shock risks.



CHINA IMPLEMENTS TARGETED HOUSING & CREDIT MEASURES

China introduced interest rate support for first-time home buyers and expanded targeted credit facilities for tech/infrastructure; though economic recovery impact remains limited by lingering housing weakness.



JAPAN TANKAN SURVEY SHOWS DIVERGENT SECTOR CONFIDENCE

AI demand boosted manufacturing sentiment in Japan, but non-manufacturing weakened. Long-term inflation expectations fell to 2.5%, reducing pressure on the BOJ for an October rate hike.

Turkish Economy: Current Indicators – Week of October 5

Domestic Economic Data Release Schedule



Gross Foreign Exchange Reserves Reach \$171.2 Billion



\$171.2 Billion



\$109.6B in gold
\$61.6B in FX

Net reserves excluding swaps stand at **\$39.9B**

Sovereign Risk & Benchmark Yields

Turkey 5-year CDS

▲ 260

Benchmark Bond Yields



CBRT Monetary Policy Adjustments

Policy Metric	Revised Target / Rate	Context / Threshold
SME Credit Growth Ceiling	5% (Up from 4.5%)	Macro-financial stability support
TL Block Reserve Ratio (>500B TL Assets)	Reduced to 35% (From 40%)	Bank liquidity management
TL Block Reserve Ratio (100–500B TL Assets)	Reduced to 15% (From 30%)	Bank liquidity management

Fund Market Oversight & Comprehensive Interventions

Government Oversight & Fund Coordination Council Established

President Recep Tayyip Erdoğan tasked the State Audit Board (DDK) with full audit powers; VP Cevdet Yilmaz leads the new Fund Coordination Council.



Investor Safeguards & SPK Interim Payout Roadmap



SPK approved interim payments up to 1M TRY per investor based on MKK net calculations; TMSF opened accounts to recover excess gains.



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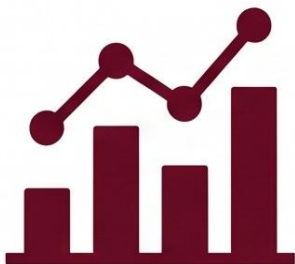
Strong Fundamentals & Zero Systemic Risk

Minister Mehmet Şimşek and VP Cevdet Yilmaz confirmed strong macro foundations with no systemic risk to the economy.

”

Turkish Economy: Current Indicators – Week of October 5

Economic Growth, Production & Sentiment



Q2 2026 GDP Growth at 2.3% YoY

HI growth reached 2.5%; full-year 2026 expected at 3.1% (Market) / 3.3% (MTP).

Manufacturing PMI Drops to 47.9

Remained below 50 for 30 months; food processing was the only growing sector.

Mixed Sectoral Confidence



Retail (111.3)



Services (111.9)



Construction (83.0) stays below threshold

Inflation & Monetary Policy



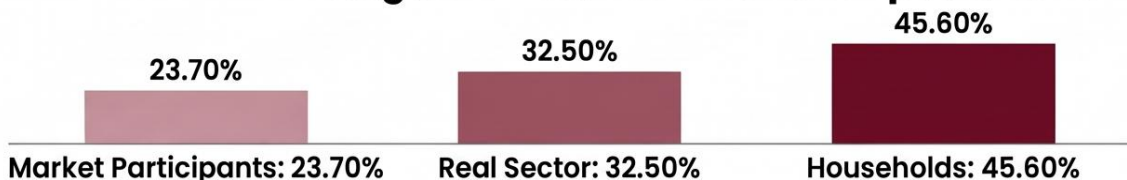
September Annual CPI at 29.73%

Monthly CPI grew 1.84 %; PPI declined to 27.38 % YoY. CBRT revised 2026 target to 28%.

Policy Rate Unchanged at 37.0%

Interest rate corridor sits at 35.5%–40.0%; next PPK decision on Oct 22.

Divergent 12-Month Inflation Expectations



Market Participants: 23.70%

Real Sector: 32.50%

Households: 45.60%

External Sector, Tourism & Budget Balance



7.0 Million Foreign Visitors in August

Top source countries: Russia (15.11%), Germany (14.11%), and UK (8.49%).



Current Account Deficit at 2.4% of GDP

Monthly surplus of \$0.04B; 12-month cumulative deficit stands at \$40.7B.



12-Month Cumulative Budget Deficit at 2.2T TRY

Equals 3.0% of GDP (2.0% ex-earthquake); monthly budget yielded 12.9B TRY surplus.

Foreign Capital Flows & Sovereign Ratings



Net Foreign Equity Inflow of \$358.6M

Foreign share in equities rose to 36.0% for the week of Sept 25.



Sovereign Credit Ratings

Net Foreign Bond Outflow of \$409.9M

Foreign share in government domestic debt securities (DiBS) dropped to 6.95%.

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

Banking Sector: Current Indicators – Week of October 5

(Data of September 25)

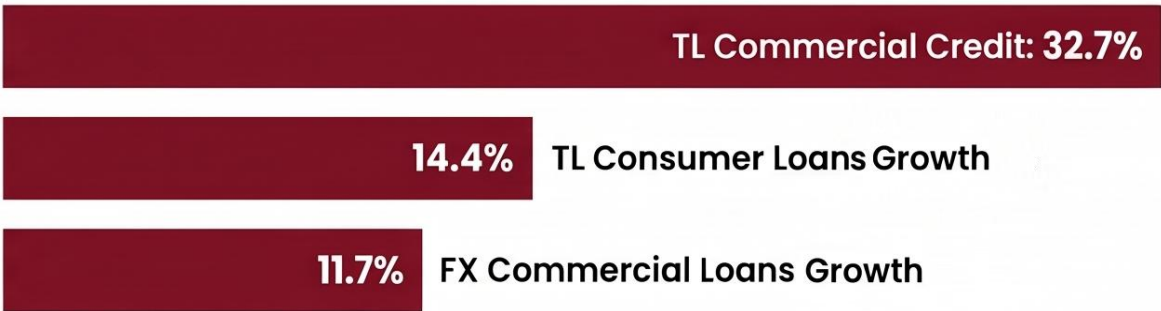
BALANCE SHEET OVERVIEW



Legal Equity: 6,142B TRY | Liquid Assets: 11,445B TRY | Securities: 8,053B TRY

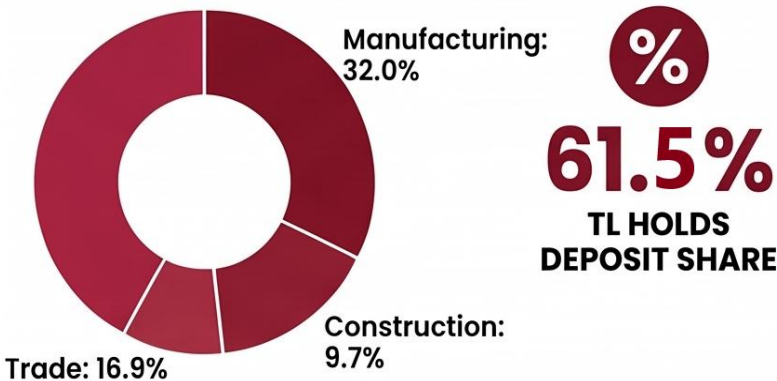
CREDIT GROWTH PERFORMANCE (FX-adj.)

13-Week Moving Average Annualized : **22.1 %**



CREDIT DISTRIBUTION & DEPOSIT SHARE

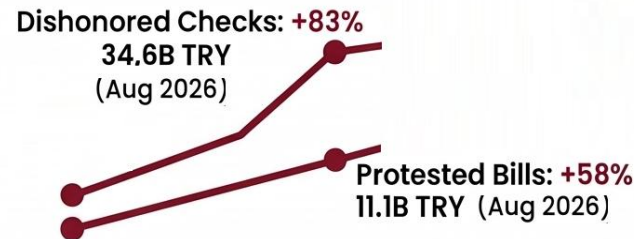
COMMERCIAL LOANS FORM
75.5% OF TOTAL CREDIT



ASSET QUALITY & RISK METRICS

CONSUMER NPL
CLIMBS TO **5.1%**

RISK INDICATORS (YOY GROWTH)



● 1,388
Concordats
Filed
(Aug 2026)

TOTAL SECTOR
NPL: 3.0%
Commercial loans
default rate: **2.3%**