



Global Market Performance & Key Asset Movement



Escalating Geopolitical Risks Drive Commodity Gains & Market Volatility

Geopolitical tensions and Hormuz Strait slowdowns pushed Brent crude and precious metals higher.



US Treasury Yields Moderated to 5.24% Following \$6B Buyback

10-year yield touched 5.36% (highest since 2002) before easing 3 bps weekly.



US Dollar Index (DXY) Rose +0.3% to 102.2

Strengthened by safe-haven demand and a weaker Euro.

Asset / Equity Index	Weekly Change (%)	Current Value / Level
S&P 500 / Dow Jones / Nasdaq	+1.15% / +0.93% / +0.64%	US Equities Supported by Earnings
DAX / CAC 40 / FTSE 100	-0.57% / -1.19% / +0.86%	European Equities Slump (UK Outperformed)
Nikkei 225 / Kospi	+1.06% / -5.39%	Asian Equities Mixed Amid Holiday Volumes
Gold / Silver (oz)	+1.3% / +0.8%	\$4,194 / \$60.8

Energy Surge & Central Bank Hawkish Pivot



European Gas Surged +157% Since War Onset (Feb 28)

European natural gas rose from 32 EUR/MWh pre-war to 82.2 EUR/MWh.



Brent Crude Maintaining Elevation Above \$100/bbl Threshold

Brent crude reached \$104.7/bbl (+2.4% weekly, +44% since Feb 28).

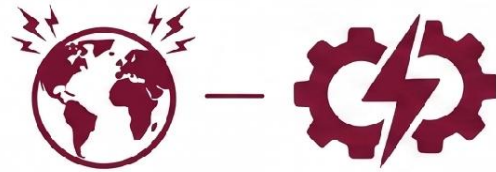


Central Banks Shift Expectations from Rate Cuts to Rate Hikes

Fed and ECB now priced for a 25 bps rate hike by December.

Central Bank	Pre-War 2026 Expectation	Current Expectation	Hike Probability (Oct / Dec)
Federal Reserve (Fed)	Two 25 bps Rate Cuts	One 25 bps Rate Hike	Oct: 18% / Dec: 81%
European Central Bank (ECB)	One 25 bps Rate Cut	One 25 bps Rate Hike	Oct: 12% / Dec: 78%

World Economy: Current Indicators – Week of October 12



Weekly Economic Calendar & Market Indicators

United States Agenda



- Wed:** Sep CPI, Beige Book
- Thu:** PPI, Jobless Claims, Retail Sales
- Fri:** Industrial Production, Warsh speech

Europe Agenda



- Tue:** Germany Final CPI
- Wed:** ECB President Lagarde speech
- Fri:** Eurozone Sep Final CPI

Asia Agenda



- Mon:** IMF/WB meetings in Bangkok
- Tue:** IMF WEO Report
- Wed:** China CPI, PPI, Trade Balance

Key Market Indicators

Indicator / Asset	Value / Rate	Regional CPI	Regional Policy Rate
 Brent Crude / Nat Gas	 \$104.5 / €82.2	 United States: 3.4%	 United States: 4.00%
 USD/TRY EUR/TRY	49.34 / 55.34	 Europe: 3.8%	 Europe: 2.50%
 Gold (Oz) / Bitcoin	\$4,185 / \$83,742	 China: 0.8%	 China: 3.00%

Global Macro & Geopolitical Highlights

Central Banks Maintain Cautious Stances



Fed minutes favor restrictive policy amid persistent inflation, while ECB keeps rates at 2.5% neutral level.

Geopolitical Risks & Energy Market Shifts



US-Iran naval blockade continues despite ongoing talks; Russia agrees to supply diesel under temporary energy truce.

IMF Warns of Mounting Global Financial Risks



Global debt exceeds \$365T; hedge fund leverage in US Treasuries and AI stocks deepens systemic vulnerabilities.

Turkish Economy: Current Indicators – Week of October 12

WEEKLY DOMESTIC AGENDA & KEY INDICATORS

MONDAY (OCT 12)



Aug Trade Sales/ Turnover, President Erdoğan leads Cabinet (15:00), VP Cevdet Yılmaz AA interview (10:00)

TUESDAY



Aug Balance of Payments

THURSDAY



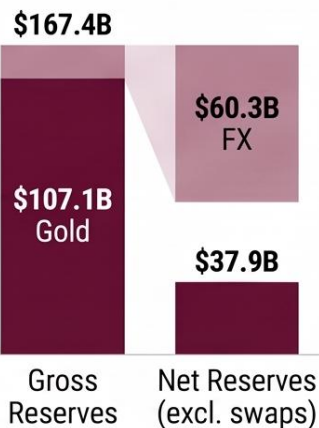
Sep Budget Balance

FRIDAY

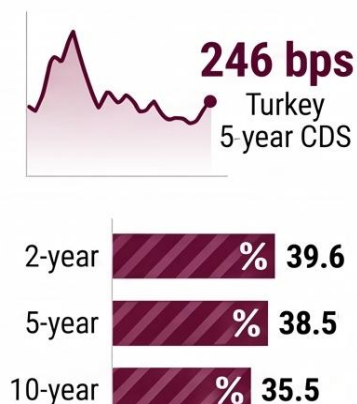


Sep House Sales/Price Index & **Oct** CBRT Survey

CENTRAL BANK RESERVES REACH \$167.4 BILLION



CREDIT RISK & BENCHMARK YIELD PROFILES



INVESTMENT FUND LIQUIDATION & REGULATORY ACTIONS

MEHMET ŞİMŞEK: NO SYSTEMIC RISK IN CAPITAL MARKETS

Treasury & Finance Minister Mehmet Şimşek confirmed 17 TEFAŞ funds were liquidated, returning funds to 43,000 investors by Oct 8.

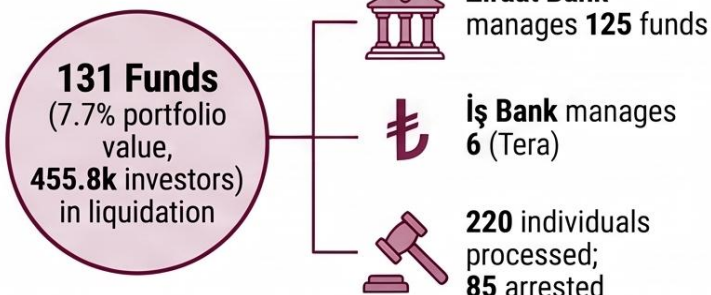


CEVDET YILMAZ: PRINCIPAL CAPITAL PROTECTION WITHOUT TREASURY FUNDS

VP Yılmaz stated liquidations target invested principal rather than manipulated values, utilizing fund assets and recovered illegal gains without Treasury burden.



JUDICIAL ACTIONS & LIQUIDATION SCOPE



ISTANBUL ECONOMY FORUM INSIGHTS

CBRT ESTABLISHES ANNUAL GLOBAL CENTRAL BANKING HUB



CBRT Governor Fatih Karahan announced the forum will be an annual event following high-level participation from global central banks and institutions.

PABLO HERNÁNDEZ DE COS (BIS): FINANCIAL STABILITY IS VITAL



BIS General Manager emphasized that central bank credibility, flexibility, and financial stability are prerequisites for price stability amid supply shocks.

GLOBAL SPEAKERS ADDRESS TRADE & POLICY RESILIENCE



Fed's Christopher Waller and BoE's Andrew Bailey addressed inflation projections and structural resilience central bankers discussed Strait of Hormuz supply risks and CBDC cooperation.

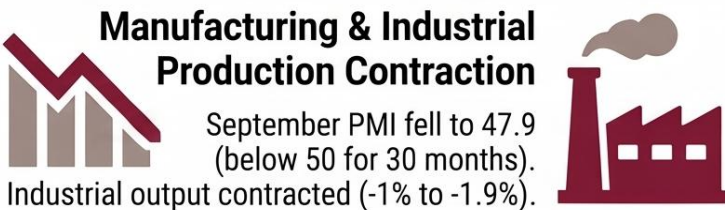
Turkish Economy: Current Indicators – Week of October 12

GROWTH & DOMESTIC DEMAND



Q2 2026 GDP Grew +2.3% YoY (H1 at +2.5%)

Private consumption contributed +2.1%, net external demand +0.6%. Full-year forecasts: Market (3.1%), MTP (3.3%).



Manufacturing & Industrial Production Contraction

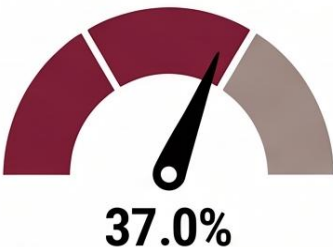
September PMI fell to 47.9 (below 50 for 30 months). Industrial output contracted (-1% to -1.9%).

Sectoral Confidence & Sales Dynamics

Retail (111.3)	Services (111.9)	Optimistic
Construction (83.0)		Weak

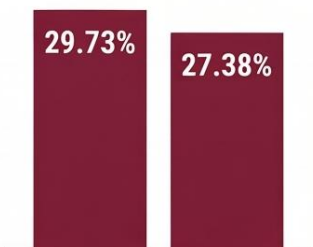
Foreign Visitors (Aug)	7.0 Million (-1.9% MoM) Key Highlight: 52.1M 12M cumulative; Russia (15.1%), Germany (14.1%), UK (8.5%)
Housing & Vehicle Sales	Housing +3.1% MoM / Vehicles +3.0% MoM Key Highlight: Rebound in monthly sales volume
White Goods Sales	-0.9% MoM Key Highlight: Mild contraction in consumer durables

MONETARY POLICY & INFLATION



CBRT Holds Policy Rate Unchanged at 37.0%

Interest rate corridor sits at 35.5%–40.0%; average funding cost stabilized at 37.0%.

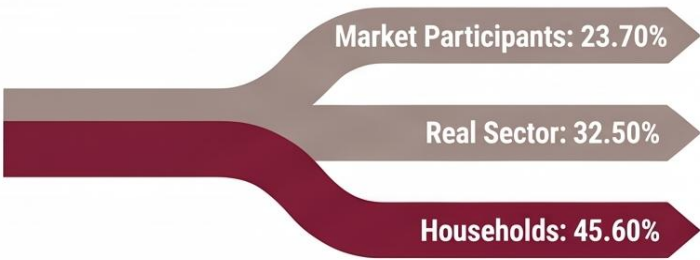


September CPI at 29.73% YoY (PPI at 27.38% YoY)

Monthly CPI rose +1.84% MoM (PPI +2.07% MoM). CBRT revised 2026 target to 28%.

Diverging 12-Month Inflation Expectations

Significant divergence across market participants, corporate sector, and households.



FISCAL & EXTERNAL ACCOUNTS



Current Account & Fiscal Balances

Monthly current surplus of \$0.04B (\$40.7B 12M deficit, -2.4% of GDP).

Monthly budget surplus of 12.98 TRY.



Foreign Portfolio Net Outflows (Week of Oct 2)

Foreign investors net sold \$189.9M in equities and \$484.7M in government bonds (DIBS).

Stable Sovereign Credit Ratings



"Banking Sector: Current Indicators – Week of October 12 (Data of October 2)"

Sector Balance Sheet & Credit Dynamics

Total Sector Assets



56,326
Billion TRY

Total loans: 28,642B TRY
Deposits: 32,365B TRY
Legal equity: 6,143B TRY

Annualized Credit Growth

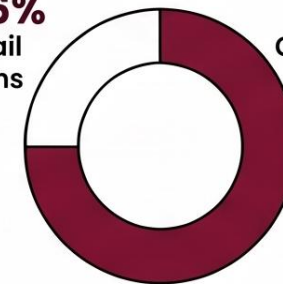


32.8%
Total Credit Growth

Commercial loan growth: 32.3%
Retail loan growth: 34.1%

Loan Composition & Deposit Share

24.6%
Retail Loans



75.4%
Commercial Loans



TL Deposit Share
61.2%

(TL dominates over FX deposits: 38.8%)

Manufacturing (32.0%)
and Trade (16.9%) lead
commercial loans

Asset Quality & Investment Fund Performance

Non-Performing Loan (NPL) Ratio



3.1% Overall NPL Ratio

Retail credit cards (5.4%) and personal loans (6.3%) show higher default risk.

Financial Risks: Dishonored Checks



**Significant Increase
in Dishonored Checks
and Protested Bills**

Dishonored checks surged
83% YoY to 34.6B TRY as of
August 2026.

Total Investment Funds



9.70
Trillion TRY

Funds grew 14.6% YTD,
led by money market
funds at 16.5% growth.