



Global Market & Sector Performance

US Equity Markets Diverge Under Rate & Tech Pressure

Nasdaq



-4.48%

Semiconductor sell-off and high rate concerns

S&P 500



-1.95%

Dow Jones



+0.67%

Gain

Asian Tech Stocks Suffer Record Weekly Sell-Off

-14.46%

South Korea's Kospi plummeted

in its sharpest weekly drop in 18 years

Chip competition news & AI investment doubts

European Indices Gain on Defense and Energy Strength



FTSE 100 +3.83%

Energy and defense sector rallies



DAX +2.13%

Supports strong regional earnings

Key Regional Indices (Weekly Return)

Nasdaq (US)	- 4.48%	Energy and defense
FTSE 100 (UK)	+ 3.83%	Defense sector rallies
KOSPI (S. Korea)	- 14.46%	Chip competition doubts

Energy Price Shock & Central Bank Outlook

Brent Crude Surges Past \$100 Baseline



\$109.9/bbl
49% increase since conflict onset

European Gas Prices Skyrocket 176%



88.2 EUR/MW
amid intense geopolitical uncertainty

Fed and ECB Expectations Pivot to Rate Hikes



Fed



25 bps
rate hike for both central banks by year-end



ECB

World Economy: Current Indicators – Week of October 19

Economic Calendar Highlights (Week of Oct 19)



US Focus

Thursday tracks weekly jobless claims; Friday releases S&P Global Flash PMIs and Mich Consumer Sentiment.



Europe Focus

Tuesday covers Germany ZEW; Wednesday brings UK CPI; Thursday/Friday highlight Eurozone confidence and Flash PMIs.



Asia Focus

Tuesday features the People's Bank of China interest rate decision.

Key Market & Economic Indicators



Global Macro Baseline: Growth & Inflation Divergence

Global GDP growth revised to 3.1% for 2026, supported by high-tech investment momentum.

Asset / Indicator	Region / Metric	Value
 Commodities	Brent Crude / Nat Gas / Gold ONS / Silver	\$107.8 / €88.2 / \$4,185 / \$57.8
 FX & Equities	DXY / EUR-USD / USD-TRY / BIST100 / BTC	101.8 / 1.1225 / 49.55 / 11,722 / \$82,714
 Regional Rates & CPI	US / Europe / China (CPI vs Policy Rate)	US: 3.7% (4.0%) EU: 3.8% (2.5%) CN: 0.8% (3.0%)

Turkish Economy: Current Indicators – Week of October 19

WEEKLY DOMESTIC AGENDA & CORE MARKET INDICATORS

Mon: Aug
Short-Term
External Debt

Thu: Oct
Consumer
Confidence

Wed: Oct
Real Sector
Confidence &
Capacity
Utilization

Thu: CBRT
Rate
Decision



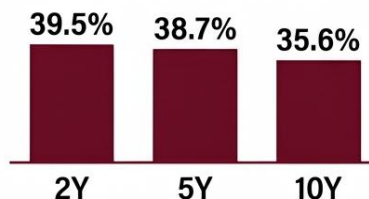
CENTRAL BANK GROSS RESERVES REACH \$171.6 BILLION

Composed of \$107.0B in gold and \$64.6B in foreign exchange; swap-excluding net reserves stand at \$44.2B.



SOVEREIGN RISK & BENCHMARK YIELDS

Turkey 5-year CDS stands at 249 bps



MONETARY POLICY & INFLATION OUTLOOK (CBRT GOVERNOR FATİH KARAHAN)

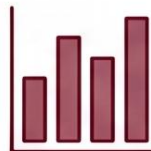


TIGHT MONETARY STANCE MAINTAINED UNTIL PRICE STABILITY

Policy stance will tighten further if inflation outlook deviates significantly from intermediate targets.

DOMESTIC DEMAND FOR TURKISH LIRA REMAINS STRONG

Proactive liquidity measures contained financial contagion; underlying inflation trend is slowing despite high energy prices.



DISINFLATION PROGRESSES IN THE SERVICE SECTOR

Moderation observed in rent inflation, while weak domestic demand helps mitigate supply-driven price pressures.

CAPITAL MARKET REGULATION & FUND LIQUIDATIONS



₺40.8 BILLION REFUNDED ACROSS 66 INVESTMENT FUNDS

Ziraat Bank completed liquidation payouts for over 45,000 investors, reducing liquidated funds from 131 to 65.

PRESIDENT RECEP TAYYIP ERDOĞAN REAFFIRMS MARKET STABILITY

Stated fund risks are controlled while rejecting the criminalization of capital markets; statutory liquidation bill passed commission.

MINISTER MEHMET ŞİMŞEK OUTLINES MARKET REFORMS

Enforced weekly hedge fund holdings disclosures, concentration limits, and comprehensive legal reform target set for early 2027.

BALANCE OF PAYMENTS & ENERGY TRANSFORMATION



AUGUST CURRENT ACCOUNT \$4.1 BILLION SURPLUS

Annualized deficit stands at \$42.1B; strong service revenues and merchandise export growth sustain balance.



MINISTER ŞİMŞEK HIGHLIGHTS STRATEGIC GREEN TRANSITION

Turkey paid \$1.1 Trillion for energy imports over 26 years, equal to 1.6x total current account deficit.

Turkish Economy: Current Indicators – Week of October 19

Growth, Real Sector & Trade Trends

GDP & Consumption



+2.3% YoY
Q2 2026 GDP Growth



H1 2026 at 2.5%. Private consumption contributed **+2.1%**, net external demand **+0.6%**. (2025 GDP 3.7%; 2026 forecasts: Market 2.9%, MTP/OVP 3.3%)

Industrial Production & PMI

47.9

Sep Manufacturing PMI
(Sub-50 for 30 months)



Ind. production fell **-1% MoM** (-1.9% YoY); capacity utilization reached **74.2%** (vs 76% historical)

Sector Confidence & Retail Sales



Retail confidence **+1.1% MoM** to 111.3 (3-month high)



Services flat at 111.9; Construction dropped **-0.2% MoM** to 83



Domestic sales MoM: Housing **+11.8%**, Vehicles **+3.0%**, White Goods **-0.9%**

Tourism & Foreign Visitors

7.0 Million

August Foreign Tourists
(52.1M 12-month cumulative)



Visitors fell **-1.9% MoM** (+0% YoY). Top sources: Russia (**15.11%**), Germany (**14.11%**), UK (**8.49%**)

Key Sector Metrics Summary

Indicator / Metric	Latest Value	Context / Forecast
Q2 2026 GDP Growth	+2.3% YoY	Consumption: +2.1% External Demand: +0.6%
Manufacturing PMI (Sep)	47.9	Sub-50 for 30 consecutive months
Capacity Utilization Rate	74.2%	Historical average: 76.0%

Inflation, Monetary Policy & Fiscal Balances

Inflation & Expectations

Sep CPI 29.73% YoY;
PPI 27.38% YoY



Sep MoM CPI **+1.84%**, PPI **+2.07%**
CBRT revised 2026 forecast to **28%** (target: 24%)
12-month CPI expectations: Market **23.89%**, Real Sector **32.50%**, Households **45.60%**

CBRT Policy Rate & Decisions

37.0%

CBRT Policy Rate



(Corridor: 35.5% – 40.0%)
Weighted avg funding cost normalized to **37%**
Next MPC: Oct 22, Dec 10
Inflation Report: Nov 12
Global context: Fed & ECB **hiked +25 bps**

Current Account & Unemployment



\$4.05B Surplus
Monthly Current Account
(\$8.20B ex-gold & energy)



12-month cumulative CAD **-\$42.1B**
(-2.5% of GDP vs 20-yr avg -3.6%; 2025 -1.9%)
Unemployment rate stands at **7.8%**
(MTP 2026 target: 8.1%)

Budget Balance & Fiscal

532B TRY Deficit
Monthly Budget Balance



12-month cumulative deficit **2.4T TRY**
(3.3% of GDP total; 2.3% ex-earthquake spending vs MTP 2026 target 3.1%)

Foreign Portfolio Flows & Credit Ratings



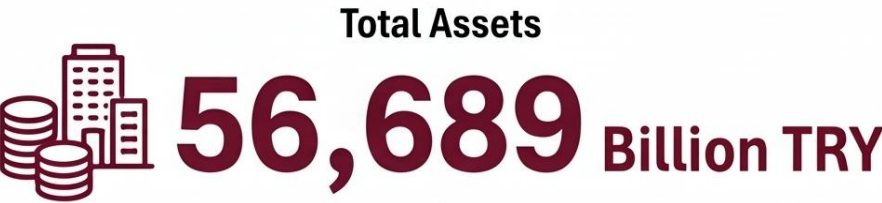
Foreigners net sold **-\$248.2M** in equities (2-wk total -\$438.1M; YTD **+\$1.50B**; share 37.21%) but net bought **+\$451.1M** in bonds (YTD **+\$1.74B**; share 6.78%)



Sovereign credit ratings remain stable:
Fitch: **BB-** (Stable); S&P: **BB-** (Stable); Moody's: **Ba3** (Stable)

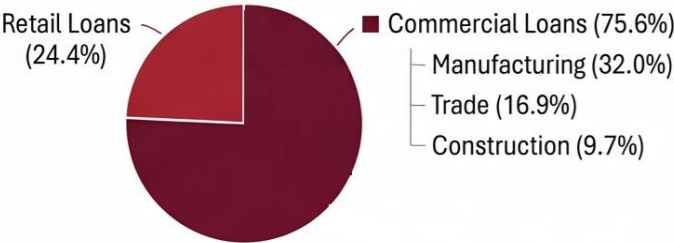
Banking Sector: Current Indicators – Week of October 19 (Data of October 9)

Balance Sheet Aggregates & Credit Structure

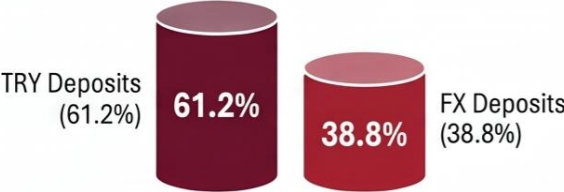


Total deposits stand at **32,347B TRY** against legal equity of **6,143B TRY**.

Credit Structure by Type



Deposit Composition



Fund dollarization stands at **40.8%**.

Credit Expansion Performance

Credit Category	Share of Total	Annualized Growth	13-Week Moving Avg Growth
Total Loans	100.0%	32.7%	23.57% (FX-Adjusted)
Commercial Loans	75.6%	32.7%	35.95% (TL Commercial)
Retail Loans	24.4%	32.9%	14.62% (TL Consumer)

Asset Quality, Payment Risks & Investment Funds

Asset Quality & NPL Risks



Consumer Debt Leads NPLs

Overall NPL: **3.1%**

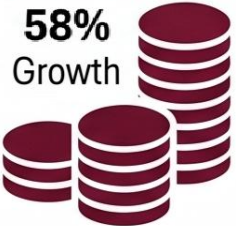


Default Ratios & Risk Distribution

Portfolio Type	NPL Ratio (%)	Default Severity Level
Commercial Loans	2.4%	Low (SMEs at 4.0%)
Retail / Consumer Loans	5.2%	Elevated
Personal Consumer Loans	6.4%	Highest

Payment Risks

Protested Bills:
11.1B TRY
58%
Growth



Bounced Cheques
34,6 TRY
83%
YoY

Investment Funds

9.71
Trillion TRY

Total funds grew **14.7%** (+1.24T TRY) YTD, driven by Money Market funds (+16.1%).