

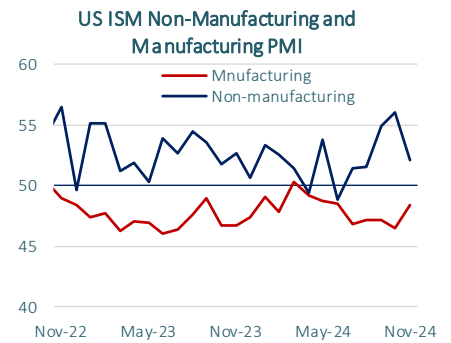
	29-Nov	5-Dec	Change		29-Nov	5-Dec	Change
BIST-100 Index	9,652	9,936	2.9 % ▲	EUR/USD	1.0575	1.0586	0.1 % ▲
TRY 2 Year Benchmark Rate	40.80 %	41.71 %	91 bp ▲	USD/TRY	34.6913	34.6778	0.0 % ●
Turkey 5-Year CDS Premium	254	249	-5 bp ▼	EUR/TRY	36.5648	36.7501	0.5 % ▲
MSCI EM Equity Index	1,079	1,102	2.2 % ▲	Gold (USD/ounce)	2,654	2,632	-0.8 % ▼
US 10-Year Bond Rate	4.19 %	4.18 %	-1 bp ▼	Brent Oil (USD/barrel)	72.9	72.1	-1.2 % ▼

bp: basis point

This week, markets followed a busy data agenda. Global PMI data pointed out that the divergence in the course of major economies continued in November, while the services sector lost momentum in general. Non-farm payrolls in the US increased above market expectations in November. The failure of the current government in France to win a vote of confidence and the effects of the political crisis in South Korea were also closely monitored. In Türkiye, CPI increased above expectations in November. In the same period, ICI Türkiye Manufacturing PMI indicated that the weak operating conditions in the sector eased. BRSA, CBRT and CMBT announced new regulations. US inflation data and ECB meeting come to the fore in next weeks agenda. In Türkiye, industrial production, unemployment rate and balance of payments data will be announced.

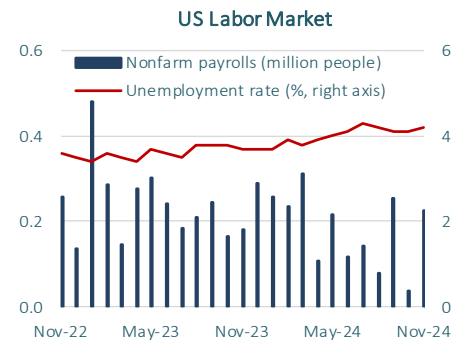
In the US, PMI data signaled a loss of momentum in the services sector.

Final manufacturing PMI data for November in the US came in at 49.7, 0.9 points above the preliminary data, but remained below the threshold. ISM manufacturing index increased by 1.9 points mom to 48.4, indicating that the contraction in the sector was milder than expected. In this period, final services PMI was revised downwards by 0.9 points compared to the preliminary data to 56.1. ISM services index fell by 3.9 points mom to 52.1, below the market expectations and signaled that the expansion in the sector was slower than expected.



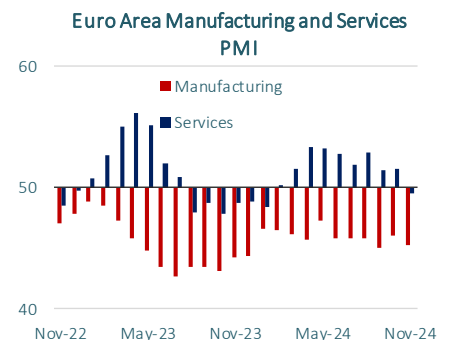
Non-farm payrolls in the US rose above expectations.

In the US, non-farm payrolls rose by 227K in November, above the market expectations, while unemployment rate was realized as 4.2% in the same period. On the other hand, average earnings rose by 0.4% mom and 4% yoy in November, 0.1 percentage points above market expectations. These data indicated that the relatively strong outlook in the labor market continued in the US.



The weak course in Euro Area economy continued in November.

Final PMI data for the manufacturing industry in Euro Area came in at 45.2 in November, confirming the preliminary data. On the other hand, services final PMI came in at 49.5, below the 50 threshold for the first time in nine months. While these data pointed out that the weak course of the region's economy continued, markets are pricing a 25 basis points interest rate cut at next week's ECB meeting with a high probability.



November PMI data in China draw a positive picture regarding demand conditions.

In November, NBS manufacturing PMI came in slightly above expectations at 50.3 and Caixin manufacturing PMI final data came in at 51.5, 1 point above the market expectations, indicating that the sector was in the growth zone for the second consecutive month. In the same period, Caixin services PMI decreased by 0.5 points mom but remained above the threshold value with 51.5.

Source: Datastream

In Türkiye, CPI increased above expectations in November.

According to the data released by Turkstat, CPI recorded its mildest increase in the last 5 months by 2.24% mom in November, but was realized above the market expectations. Due to the high base effect, annual CPI inflation continued its downward trend for the sixth month and fell to 47.09%, the lowest level since June 2023. In November, D-PPI also posted the slowest monthly increase of the last 18 months with 0.66%, while annual D-PPI inflation fell to 29.47% (Our Inflation Report).

ICI Türkiye Manufacturing PMI indicated that the pressures in the sector eased slightly.

According to data released by Istanbul Chamber of Industry, manufacturing PMI increased by 2.5 points mom to 48.3 in November, but remained below the threshold for the eighth month in a row. The index indicated that the contraction in the manufacturing industry continued, but at the mildest level since May. Among the ten sectors monitored in this period, only food products sector was above the threshold value and diverged positively from other sectors.

BRSA, CBRT and CMBT announced new regulations.

The BRSA decided that banks and other financial institutions will not apply inflation accounting in 2025. Banks were exempted from inflation accounting in 2024 as well. On the other hand, the CBRT announced that the collateral haircuts applicable to Open Market Operations, Interbank Money Market and Foreign Exchange Market operations at the CBRT were revised and haircut for CPI-indexed government securities and lease certificates was reduced from 80% to 30%. In addition, the Capital Markets Board (CMBT) announced that the short selling ban for BIST-50 companies was lifted effective from January 2.

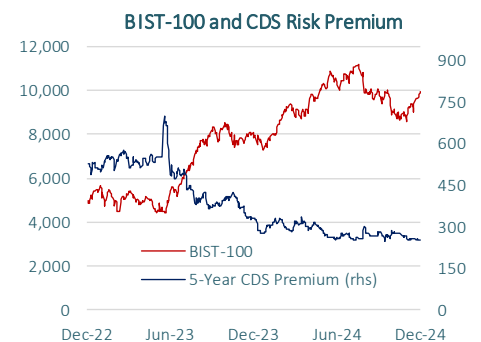
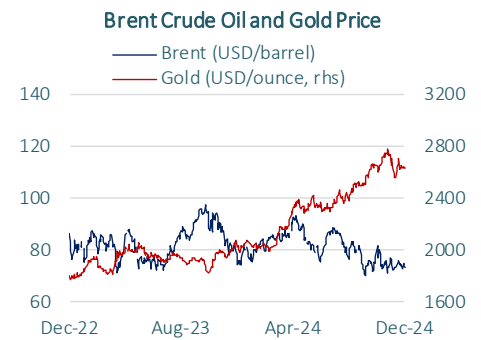
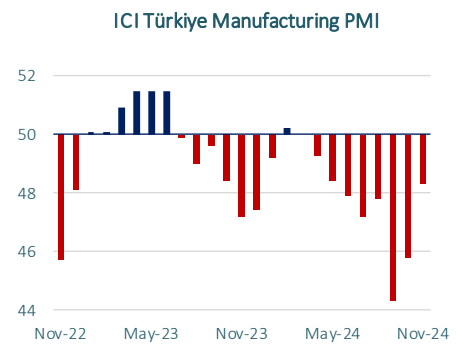
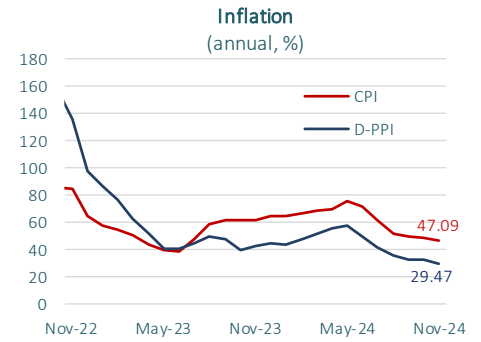
Financial markets...

Fed Chairman Powell's positive statements on the course of the US economy supported stock markets upwards throughout this week. The failure of the current government in France to win a vote of confidence did not have an instant negative impact on European markets. On the other hand, Asian markets followed a volatile course due to the political crisis in South Korea. Despite the OPEC+ group's decision to extend the oil production cut until the end of 2026, the price of Brent crude oil fell by 1.2% w/w to 72.1 USD/barrel due to the weak global demand conditions and the ceasefire between Israel and Hezbollah easing geopolitical tensions.

BIST-100 index rose by 3.1% on a weekly basis to 9,936 as of Thursday's close. Türkiye's 5-year CDS risk premium decreased by 6 bps to 249 bps. USD/TRY and EUR/TRY rose by 0.2% and 0.5% on a weekly basis, respectively.

Next week's agenda...

Next week, November inflation data to be released in the US as well as the ECB meeting come to the fore on the agenda. In Türkiye, industrial production, unemployment rate and balance of payments data will be monitored as well.



Source: Datastream, ICI, Turkstat

Data Releases

		Period	Consensus	Prior
9 December	Euro Area Sentix Index	December	-	-12.8
	China CPI Inflation, yoy	November	0.5%	0.3%
	China PPI Inflation, yoy	November	-2.8%	-2.9%
10 December	TR Industrial Production, yoy	October	-	-2.4%
	TR Unemployment Rate	October	-	8.6%
11 December	USA CPI Inflation, mom	November	0.2%	0.2%
	USA Core CPI Inflation, mom	November	0.3%	0.3%
12 December	TR Current Account Deficit	October	-	2.988 billion USD
	USA PPI Inflation, mom	November	0.3%	0.2%
	ECB Meeting	December	3.15%	3.40%
13 December	Euro Area Industrial Production, mom	October	0.3%	-2.0%

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