

	3-Apr	9-Apr	Change		3-Apr	9-Apr	Change
BIST-100 Index	12,936	13,689	5.8 % ▲	EUR/USD	1.1515	1.1699	1.6 % ▲
TRY 2 Year Benchmark Rate	41.10 %	39.72 %	-138 bp ▼	USD/TRY	44.5824	44.5612	0.0 % ●
Türkiye 5-Year CDS Premium	280	239	-41 bp ▼	EUR/TRY	51.3585	52.1239	1.5 % ▲
MSCI EM Equity Index	1,441	1,529	6.1 % ▲	Gold (USD/ounce)	4,676	4,764	1.9 % ▲
US 10-Year Bond Rate	4.35 %	4.29 %	-5 bp ▼	Brent Oil (USD/barrel)	109.0	95.9	-12.0 % ▼

bp: basis point

The ongoing war between the United States, Israel, and Iran remained the key agenda item. The agreement on a two-week temporary ceasefire between the parties led to a sharp weekly decline in oil prices. However, Israel's attacks on Lebanon and President Trump's claims of Iranian non-compliance regarding the Strait of Hormuz increased concerns over the durability of the ceasefire process. While the World Bank stated that the war in the Middle East could weigh on global economic growth, the EIA revised its 2026 Brent crude oil price forecast upward from 78.8 USD to 96 USD per barrel. In Türkiye, February industrial production data released on Friday indicated a recovery. The outcome of the US-Iran negotiations, which are scheduled for this weekend, will be closely monitored by markets in the upcoming week. A busy domestic data agenda is also expected next week, alongside the IMF's World Economic Outlook report.

### Ceasefire in the Middle East...

At the start of the week, US President Donald Trump declared that Iran will face devastating strikes if the previously proposed criteria were not met, claiming that "a great civilization would be destroyed." Along with this declaration, which heightened market concerns, persistent allegations of reciprocal attacks between the parties put global risk appetite under significant pressure. However, on April 8, Trump said that a two-week ceasefire agreement with Iran had been achieved, which boosted markets. Iranian Foreign Minister Araghchi also stated that strikes on US-allied countries in the region will stop, and transit via the Strait of Hormuz would be authorized. Following these statements, which boosted market optimism, oil prices declined sharply, while gold prices and equity markets moved upward. On the other hand, Israel's attacks on Lebanon after the ceasefire, along with Trump's claims that Iran had violated the agreement by restricting passage through the Strait of Hormuz and imposing fees, limited market optimism. Additionally, Trump's statement that an additional 50% tariff could be imposed on countries supplying military equipment to Iran was another factor contributing to heightened tensions.

### The World Bank highlighted the risks to global growth.

World Bank President Banga emphasized that conflicts in the Middle East could pose downside risks to global growth and upside risks to inflation, depending on their duration and impact on energy supplies. Noting that developing countries in Europe and Central Asia could face a severe recession this year, Banga stated that global growth could decline by 0.3 to 0.4 percentage points, and that the loss could exceed 1 percentage point if the war drags on. The Bank also announced that it has revised its growth forecast for Türkiye from 3.7% to 2.8% for this year and from 4.4% to 3.7% for next year.

### The EIA has revised its oil forecasts upward.

The EIA, an agency of the United States Department of Energy, stated in its "Short Term Energy Outlook" report released this week that even if the Middle East war ends, it will take months for oil flows through the Strait of Hormuz to fully resume, and prices will remain high until regional producers restore output to pre-war levels. The agency increased its 2026 average Brent crude oil price projection from 78.80 USD per barrel to 96 USD, while lowering its 2027 forecast to 76 USD.

### A busy data calendar was monitored in the U.S.

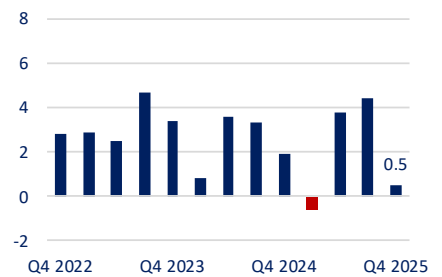
The minutes of the Fed's March meeting indicated that upward risks to inflation and downward risks to employment had increased due to the conflicts in the Middle East. The minutes also emphasized that rising oil prices could delay progress toward the 2% inflation target and suggested that expectations for rate hikes next year had increased. Against this backdrop, economic indicators presented a generally mixed picture during the week. The ISM Services PMI declined to 54.0 in March, coming in below expectations but remaining above the threshold level. It was notable that the input prices sub-index rose to its highest level since October 2022, reflecting the impact of the conflict in the Middle East and tariffs. Despite strong non-farm payrolls data, the ISM employment sub-index falling into contraction territory pointed to a mixed outlook for the labor market.

### World Bank Growth Projections

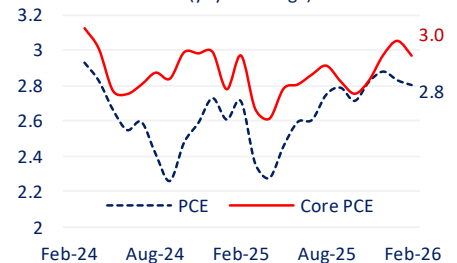
	April Projections		Difference from January Projections	
	2026	2027	2026	2027
Europe and Central Asia	2.1	2.3	-0.1	-0.4
Middle East*	1.8	-	-2.4	-
Türkiye	2.8	3.7	-0.9	-0.7

(\*) Except Iran

### US GDP Growth (sa annualized, %)



### US Inflation Indicators (yoy % change)



Source: Datastream

Meanwhile, durable goods orders fell by 1.4% month-on-month in February, marking the third consecutive monthly decline. Over the same period, the PCE price index increased by 0.4% mom, in line with market expectations, while annual PCE inflation stood at 2.8%. Core PCE, which excludes food and energy, rose by 0.4% on a monthly basis and 3.0% on an annual basis. On the other hand, while personal spending increased in line with expectations, the decline in personal income despite expectations of an increase drew attention. In March, the CPI rose by 0.9% on a monthly basis due to higher energy prices, in line with expectations. As a result, annual CPI inflation in the U.S. rose to 3.3%. The fact that the increase in the core CPI in March came in at 0.2%, below expectations, stood out as a positive development, while annual core inflation stood at 2.6%. In addition, the final estimate for U.S. GDP growth in the fourth quarter of 2025 was revised downward by 0.2 percentage points to an annualized rate of 0.5%.

**Signs of a decline in investor confidence and demand conditions in the Eurozone...**

The Sentix index, which measures investor confidence in the Eurozone, fell by 16.1 points mom to -19.2 in April, marking its lowest level since April 2025, when U.S. President Trump announced “reciprocal tariffs.” Sharp declines were also observed in both the expectations index, which reflects investors’ outlook for the next six months, and the current conditions index. In the region, the final Services PMI reading for March came in at 50.2, slightly above the flash estimate, but still pointed to the weakest performance since May 2025. The deterioration in demand conditions was the main driver behind the decline, while the new orders sub-index fell below the threshold level for the first time since July 2025. In the Eurozone, producer prices declined by 3.0% yoy in February, in line with expectations, marking the sharpest fall since October 2024. During the same period, retail sales fell by 0.3% mom, while rising by 1.7% on an annual basis.

**Domestic industrial production showed signs of recovery in February.**

According to seasonally and calendar-adjusted data, industrial production rose by 2.6% mom in February, marking the fastest increase in the past nine months. By sector, production increased in 19 of the 24 sectors comprising the manufacturing industry, while it declined in the other five. The highest monthly contribution to manufacturing production came from a 45.7% increase in the production of other transportation equipment. Meanwhile, a decline in electricity, gas, and steam production limited the rise in the industrial production index by 0.3 percentage points. During this period, a 6.5% increase in production within the medium-high technology group was notable, while a limited 0.2% contraction was recorded in high-technology production. In February, the seasonally adjusted industrial production index rose by 2.2% year-on-year. The index had shown yoy declines in December and January.

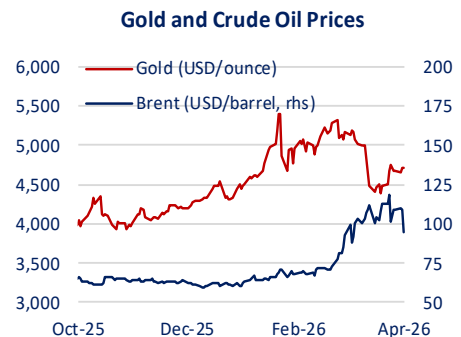
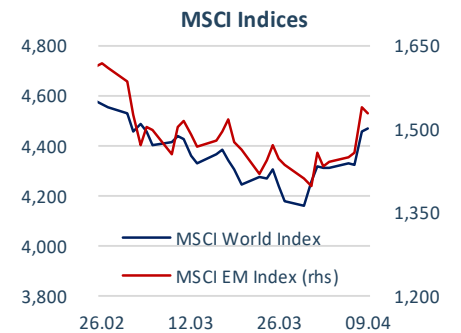
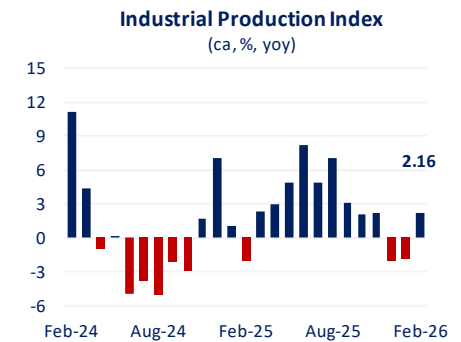
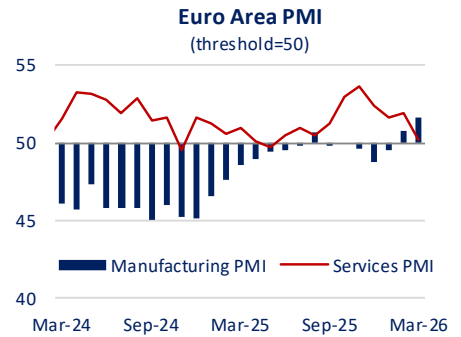
**Financial markets...**

At the start of the week, investor risk appetite in global markets remained generally subdued due to the Easter holiday and concerns over the war in the Middle East. Midweek, falling oil prices fueled by ceasefire optimism, triggered widespread buying across global equity and gold markets. Although developments that limited this optimism emerged in the following days, the price of Brent crude oil fell by 12% compared to the previous Thursday which is the last trading day of the prior week closing at \$95.90 per barrel on Thursday due to the Easter holiday. During the same period, the price of gold per ounce rose by 1.9% to \$4,764. The MSCI Emerging Markets Index also rose by 6.1% during the same period.

The BIST-100 index also rose by 5.8% as of Thursday’s close compared to last Friday, supported by the positive sentiment in global markets. Although Türkiye’s 5-year CDS spread fell by 49 basis points on a weekly basis to 239 on Thursday, it remains above pre-war levels. During this period, the Turkish lira traded sideways against the U.S. dollar but lost some value against the euro.

**Next week’s agenda...**

The outcome of the U.S.-Iran talks scheduled for this weekend will be a key factor in shaping the direction of global markets next week. In the U.S., PPI and industrial production data will be monitored, while in the Eurozone, CPI and industrial production figures will be tracked. Additionally, the IMF’s World Economic Outlook report will be closely watched. Domestically, the market focus will shift to upcoming current account and budget balance figures, alongside housing data, the CBRT Market Participants Survey, and S&P’s credit rating review for Türkiye.



Source: Datastream, Turkstat

## Data Releases

		Period	Consensus	Prior
<b>April 13</b>	TR Current Account Balance	February	-	-6,8B USD
	TR Trade Sales Volume, yoy	February	-	-
<b>April 14</b>	US Existing Home Sales, units	March	-	4,1M units
	US PPI Inflation, mom	March	-	%0,7
<b>April 15</b>	China Trade Balance	March	109,5B USD	213,6B USD
	TR Budget Balance	March	-	24,4B TRY
<b>April 15</b>	TR Services Production, yoy	February	-	-%0,4
	TR Construction Production Index, yoy	February	-	%8,0
<b>April 15</b>	US NY Fed Manufacturing Index	April	-	-0,2
	Euro Area Industrial Production, yoy	February	-	-%1,2
<b>April 16</b>	TR Housing Price Index, yoy	March	-	%26,4
	US Philadelphia Fed Business Index	April	-	18,1
<b>April 16</b>	US Industrial Production, mom	March	-	%0,2
	Euro Area HICP Inflation, final, yoy	March	%2,5	%2,5
<b>April 16</b>	China GDP Growth, yoy	2026 Q1	%4,8	%4,5
	China Industrial Production, yoy	March	%5,6	%6,3
<b>April 16</b>	China Retail Sales, yoy	March	%2,3	%2,8
	TR House and Commercial Property Sales, yoy	March	-	-
<b>April 17</b>	CBRT Survey of Market Participants	April	-	%25,38
	Euro Area Trade Balance	February	-	12,1B EUR

Source: Datastream, CBRT, TurkStat

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