

	9-Jan	15-Jan	Change		9-Jan	15-Jan	Change
BIST-100 Index	12,201	12,457	2.1 % 	EUR/USD	1.1637	1.1606	-0.3 % 
TRY 2 Year Benchmark Rate	37.05 %	36.80 %	-25 bp 	USD/TRY	43.0405	43.2169	0.4 % 
Türkiye 5-Year CDS Premium	206	217	11 bp 	EUR/TRY	50.1360	50.1809	0.1 % 
MSCI EM Equity Index	1,452	1,478	1.8 % 	Gold (USD/ounce)	4,510	4,615	2.3 % 
US 10-Year Bond Rate	4.17 %	4.16 %	-1 bp 	Brent Oil (USD/barrel)	63.3	63.8	0.7 % 

bp: basis point

Amid discussions about the Fed's independence and geopolitical tensions dominating the agenda this week, gold and silver prices hit new historic highs, while Brent oil price, after reaching its highest level since September 2025, declined toward the end of the week as the tone of the Trump's statements on developments in Iran eased somewhat. Among the data flows, US inflation figures and Türkiye's central government budget and balance of payments data stood out. In the US, annual CPI inflation came in at 2.7%, in line with expectations, while annual core inflation came in at 2.6%, 0.1 percentage points below expectations. In Türkiye, the current account recorded a deficit of 4 billion USD in November, while the central government budget deficit reached 528 billion TRY in the last month of the year. Next week, the MPC meeting and confidence indices will be at the forefront of the domestic agenda. On the global agenda, leading PMI data for major economies, personal consumption expenditure inflation in the US, and central bank interest rate decisions in China and Japan are expected. The Davos Summit, taking place between January 19-23, will also be followed. Next week, IMF will publish its World Economic Outlook update.

Discussions regarding the independence of the US Federal Reserve and US inflation data were monitored.

In the US, the CPI rose by 0.3% mom and 2.7% yoy in December, in line with expectations. Excluding food and energy prices, the core CPI rose by 0.2% mom and 2.6% yoy, falling short of expectations by 0.1 percentage points each. Thus, annual core inflation, which remained flat compared to November, maintained its lowest level since March 2021 in December. In November, monthly PPI inflation was recorded at 0.2%, in line with expectations, while annual inflation was slightly above forecasts at 3.0%. Initial jobless claims for the week ending on January 10 were 198K (market expectation: 215K).

Following the Fed Chair Powell's statement over the weekend that he was facing the threat of criminal charges, many former and current Fed officials made statements supporting the central bank's independence. Markets do not expect any interest rate cuts from the Fed until Powell's term ends, based on the signals that the labor market deterioration has not deepened and inflation has remained above the 2% target level. According to market pricing, the first rate cut is expected in June while Fed is expected to make a total of two interest rate cuts throughout the year.

The World Bank has released its Global Economic Prospects report.

In its Global Economic Prospects report released this week, the World Bank stated that despite rising trade tensions and policy uncertainties in 2025, the global economy showed remarkable resilience. In this context, the Institution raised its forecast for global growth in 2025 from 2.3% in June to 2.7% and revised its growth forecasts for 2026 and 2027 upward by 0.2 and 0.1 points, respectively, to 2.6% and 2.7%. The global inflation forecast for 2026 of the World Bank declined from 2.9% to 2.6%. The report shows that the growth forecast for the Turkish economy has been raised from 3.1% to 3.5% for 2025, from 3.6% to 3.7% for 2026, and from 4.2% to 4.4% for 2027.

Industrial production in the Euro Area presented a better-than-expected outlook.

In November, industrial production index in the Euro Area increased by 0.7% on a monthly basis and by 2.5% on an annual basis. This performance, which exceeded expectations, points to the most positive outlook since May 2025. In January, Sentix index rose from -6.2 to -1.8, surpassing market expectations. The sub-index measuring investors' expectations for the next six months also increased from 4.8 to 10, signaling growing optimism for the period ahead.

After shrinking in 2023 and 2024, the German economy grew by 0.2% in 2025. Private consumption and government spending were the main drivers of growth, while investment spending and exports had a limiting impact on growth.

Current account deficit in Türkiye amounted to 4 billion USD in November.

The current account deficit in Türkiye exceeded market expectations of 3.3 billion USD, reaching 4 billion USD in November. Thus, current account deficit in the January-November period has been 3.3 times higher compared to a year ago and became 18.5 billion USD. The 12-

US Inflation Indicators
(annual, %)



Euro Area Industrial Production
(annual % change)



World Bank Growth Projections

	January	Difference from	
	Projections	June 2025 Projections	
World	2.6	2.7	0.2 0.1
AE	1.6	1.6	0.2 0.0
EE	4.0	4.1	0.2 0.2
Türkiye	3.7	4.4	0.1 0.2

AE: Advanced Economies, EE: Emerging Economies

Source: Datastream

month cumulative data reached 23.2 billion USD, the highest level in the last 19 months ([our Balance of Payments report](#)).

The central government budget recorded a deficit of 528 billion TRY in December.

The central government budget deficit stood at 528 billion TRY in December, representing a 36.4% decline compared to the same month of the previous year. During this period, budget revenues increased by 43.7% yoy to 1.26 trillion TRY, while expenditures rose by a modest 4.8% to 1.79 trillion TRY. The non-interest deficit in December narrowed by 45.5% yoy to 411.46 billion TRY. The budget deficit for 2025 as a whole was 1.8 trillion TRY, below the 2.2 trillion TRY forecast in the Medium-Term Program (MTP) ([our Budget Balance report](#)).

Market participants' monthly inflation expectation for the first month of the year stands at 3.76%.

According to the results of the CBRT's Survey of Market Participants released today, the monthly inflation expectation for January is 3.76%. The year-end inflation expectation for 2026 edged down to 23.23% compared to the previous survey period, while the expectation for year-end 2027 rose by 0.3 points to 17.75%. The participants expect a 150 basis point cut from the CBRT at its January meeting next week. Growth expectations among survey participants rose slightly to 3.88% for 2026 and stood at 4.29% for 2027.

Services and construction production indices signal a weakening for the last quarter of the year.

In Türkiye, the services production index recorded monthly and annual increases of 0.2% and 4.0%, respectively, in November. During this period, construction production index decreased by 0.1% on a monthly basis while increasing by 22.3% annually. As of the October-November period, based on seasonally adjusted data, quarterly growth in the services sector fell from 0.2% in the third quarter to 0% in the fourth quarter, while in the construction sector, it declined from 6.7% to 2.4% during the same period.

The trade sales volume index was also closely monitored last week. Annual growth in wholesale and retail trade slowed to 3.3% and 14.2%, respectively, in November, signaling a loss of momentum. Total trade sales volume increased by 7.1% yoy in the same period, the slowest pace in the last 9 months. Despite this loss of momentum in annual increases, monthly realizations presented a mixed picture. Notably, retail sales volume excluding watches and jewelry—tracked as a core indicator for the trend of inflation—grew by 2.2% mom, the fastest pace in 21 months, while wholesale trade recorded a weak increase of 0.1%.

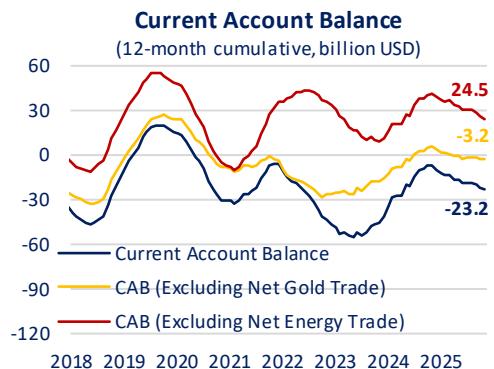
Financial markets...

Discussions about the Fed's independence and geopolitical tensions kept global risk appetite somewhat subdued this week, with the MSCI developed markets index posting a modest 0.2% gain compared to last Friday as of Thursday's close. The MSCI emerging markets index, however, showed resilience, rising 1.8%. It has been a very eventful week on the commodities front. Brent crude oil price rose to 66.5 USD per barrel at Wednesday's close, its highest level since September 2025, driven by geopolitical tensions. Although Brent crude oil prices fell 4.1% yesterday due to Trump's statements indicating that the possibility of intervention in Iran had been suspended, it is still up 0.7% compared to last Friday. In this period of weakening expectations for the Fed interest rate cuts and rising geopolitical tensions, investors seeking safe havens maintain strong demand for precious metals. The ounce prices of gold and silver reached their historic highs during the week at 4,642.72 USD and 93.57 USD, respectively.

The BIST-100 index, which had a positive start to the year supported by the rate cut expectations, closed the day at a record high level of 12,457 yesterday. Thus, the index recorded a 2.1% increase compared to last Friday's close on Thursday. Türkiye's 5-year CDS premium ended Thursday at 217 basis points.

Next week's agenda...

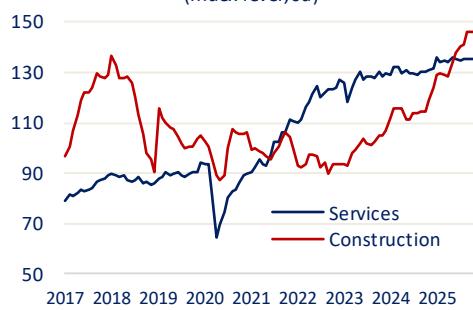
On the global front, the Davos Summit to be held between January 19-23 will be closely monitored. Next week will also see the release of the IMF's World Economic Outlook report update. With regards to data releases, the US personal consumption expenditure inflation and leading PMI data for major economies will be in the spotlight. Additionally, central bank interest rate decisions in China and Japan are anticipated. In Türkiye, the CBRT's monetary policy meeting will be at the forefront of the week's agenda. Consumer and real sector confidence indices as well as the manufacturing industry capacity utilization rate will also be monitored. On Friday, Türkiye is also on Fitch and Moody's rating calendar.



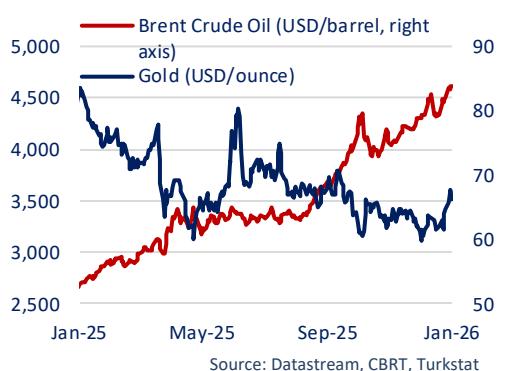
CBRT's Survey of Expectations

	Dec-25	Jan-26
CPI		
Current Month	1.08	3.76
End of the Current Year	31.17	23.23
End of the Next Year	23.35	17.75
USD/TRY		
Current Month	43.06	43.53
End of the Current Year	43.06	51.17
GDP Growth		
Current Year	3.53	3.88
Next Year	3.85	4.29

Production Indices



Gold and Oil Prices



		Data Releases		
		Period	Consensus	Prior
19 January	TR Housing Price Index, yoy	December	-	31.4%
	Euro Area CPI Inflation, final, yoy	December	2.0	2.0
	China GDP Growth, yoy	Q4	4.4%	4.8%
20 January	TR House Sales, yoy	December	-	-7.8%
	TR Agricultural Products PPI, yoy	November	-	33.66%
	TR Central Government Gross Debt Stock	December	-	13.3 trillion TRY
21 January	China Central Bank Meeting	January		3.50%
	UK CPI Inflation, yoy	December	3.3%	3.2%
	CBRT Monetary Policy Meeting	January	-	38.00%
22 January	TR Consumer Confidence Index	January	-	83.5
	TR Real Sector Confidence Index, SA	January	-	103.7
	TR Capacity Utilization Rate, SA	January	-	74.2%
23 January	US GDP Growth, final, yoy	Q3	4.3%	4.3%
	US Core PCE, mom	November	-	0.2%
	Euro Area Consumer Confidence, flash	January	-12.9	-13.1
23 January	US Manufacturing PMI, flash	January	-	51.8
	US Services PMI, flash	January	-	52.5
	Euro Area Manufacturing PMI, flash	January	49.0	48.8
23 January	Euro Area Services PMI, flash	January	52.5	52.4
	Japan BoJ Meeting	January	0.75%	0.75%

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