

	2-Jan	8-Jan	Change		2-Jan	8-Jan	Change
BIST-100 Index	11.498	12.088	5,1 % ▲	EUR/USD	1,1719	1,1658	-0,5 % ▼
TRY 2 Year Benchmark Rate	36,74 %	36,95 %	21 bp ▲	USD/TRY	43,0241	43,0361	0,0 % ●
Türkiye 5-Year CDS Premium	205	215	11 bp ▲	EUR/TRY	50,4204	50,2123	-0,4 % ▼
MSCI EM Equity Index	1.429	1.453	1,6 % ▲	Gold (USD/ounce)	4.330	4.476	3,4 % ▲
US 10-Year Bond Rate	4,19 %	4,18 %	-1 bp ▼	Brent Oil (USD/barrel)	60,8	62,0	2,0 % ▲

bp: basis point

Data released this week in the US showed that the manufacturing sector remained weak, while activity in the services sector strengthened. In the Euro Area, CPI rose by 0.2% mom in December, while annual CPI inflation stood at 2.0%. In China, annual CPI inflation reached 0.8% in December, its highest level since February 2023, driven by the recovery in private consumption expenditures. Global risk appetite increased this week as the US military operation in Venezuela was not considered a significant risk factor. In Türkiye, annual CPI inflation was recorded at 30.89% in 2025, while D-PPI inflation became 27.67%. The industrial production index showed its strongest monthly increase in the last six months in November, rising 2.5%. Next week, US inflation data will be high on the global data agenda. In Türkiye, CBRT's Survey of Market Participants, central government budget and balance of payments data will be followed.

The services sector in the US continued to strengthen in December.

Factory orders and durable goods orders in the US declined by 1.3% and 2.2% respectively on a monthly basis in October, pointing to a more negative performance than market expectations. In December, the ISM manufacturing index also declined by 0.3 points on a monthly basis and became 47.9, its lowest level since October 2024. On the other hand, the ISM services PMI, which rose to 54.4 during the same period, exceeded expectations and indicated that the positive trend in the sectoral activity continued.

Although the ADP private sector employment data in the US fell slightly short of expectations, it indicated that the weakness in the country's labor market had not deepened. Private sector employment, which declined by 29,000 in November, increased by 41,000 in December. While the increase in employment was driven by the services sectors, the JOLTS job openings data declined to 7.15 million as of November.

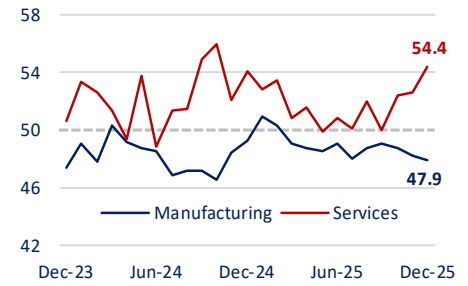
Annual CPI inflation in the Euro Area was 2.0% in December.

According to the preliminary data released in the Euro Area, the CPI rose by 0.2% mom in December. During the same period, annual CPI inflation fell by 0.1 percentage points compared to November and became 2.0%. The 1.9% annual decline in energy prices in December had a downward impact on the headline inflation, while services inflation remained relatively high at 3.4%. The annual rise in core CPI, excluding energy, food, alcohol, and tobacco, also fell from 2.4% to 2.3% during this period. Meanwhile, producer prices in the region rose by 0.5% mom in November, exceeding expectations, while the annual change in producer prices was -1.7%.

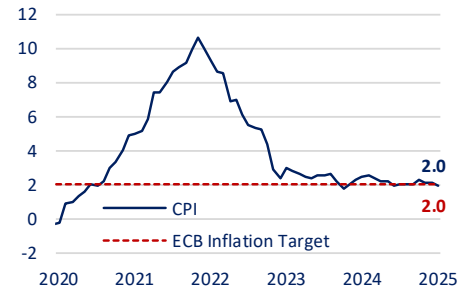
China's annual CPI inflation rose to 0.8%.

Following a 0.1% mom decline in November, China's CPI rose by 0.2% mom in December, exceeding market expectations. During the same period, annual CPI inflation continued to rise for the fourth consecutive month, reaching 0.8%, its highest level since February 2023. The inflation figure signaled that the recovery in private consumption spending had gained some momentum in line with the targets of the economic policies pursued in the country. On the other hand, producer price index fell by 1.9% yoy during the same period, extending its deflationary trend to the 39th month. The country's services PMI reached 52.0 in December, indicating that sectoral activity continued to expand.

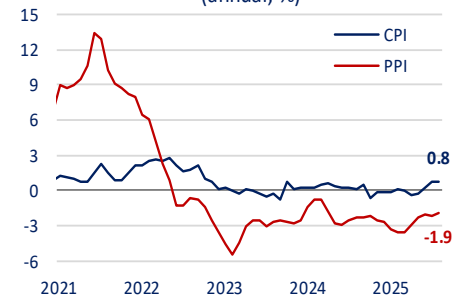
US ISM PMI Indices



Euro Area Consumer Inflation
(annual, %)



China CPI and PPI Inflation
(annual, %)



Source: Datastream

In Türkiye, annual CPI inflation fell to 30.89% in December.

Monthly CPI inflation, which was recorded at 0.87% in November, remained also below 1% in December at 0.89%. D-PPI recorded a moderate increase of 0.75% mom in the last month of the year. Thus, annual CPI inflation ended 2025 at 30.89%, while annual D-PPI inflation stood at 27.67%. At the end of 2024, these rates were recorded at 44.38% and 28.52%, respectively ([Our Inflation Report](#)).

The industrial production index rose by 2.5% mom in November.

According to seasonally adjusted figures, the industrial production index recorded its fastest increase in the last six months, rising by 2.5% mom in November. During this period, production increased by 3.1% in the manufacturing industry, while declining by 4.8% and 0.5% in the mining and quarrying sector and the electricity, gas, steam sector, respectively. Notable increases were observed in the manufacture of other transport equipment (23.4%) and manufacture of computer, electronic and optical products (15.7%) within the manufacturing sector. As a result, the annual increase in the industrial production index was 2.4%, extending its expansionary trend into the ninth month in a row.

The CPI-based real effective exchange rate fell to 71.1 in December.

According to data released by CBRT, CPI-based real effective exchange rate (REER) index declined by 0.7 points mom in December, falling to 71.1. During the same period, D-PPI based REER index also decreased by 1.5 points compared to the previous month, falling to 94.2.

Automotive sales hit a record high of 1.4 million units in 2025.

According to Automotive Distributors' and Mobility Association's data, passenger car and light commercial vehicle total market grew by 10.5% yoy in 2025, reaching a historic high of 1,368,400 units. During this period, passenger car and light commercial vehicle sales expanded by 10.6% and 10.0% respectively yoy. When sales were examined by engine type, petrol car and diesel vehicle sales decreased by 13.9% and 16.3% compared to the previous year, while hybrid and electric vehicle sales expanded by 62.7% and 82.3%, respectively. Thus, the share of hybrid and electric vehicles in the total market increased by 15.7 points compared to 2024, rising to 44.9%.

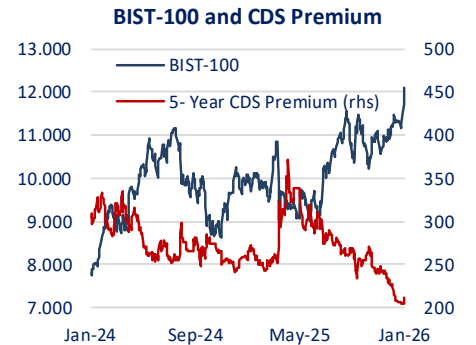
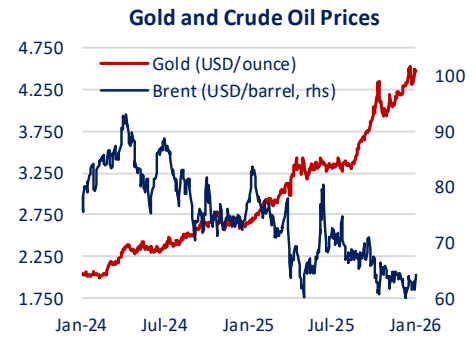
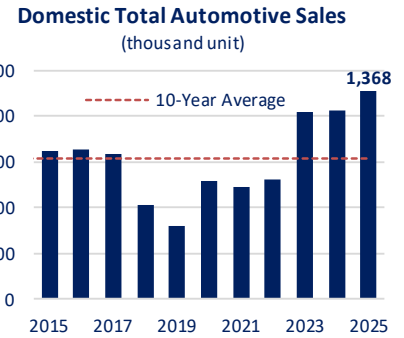
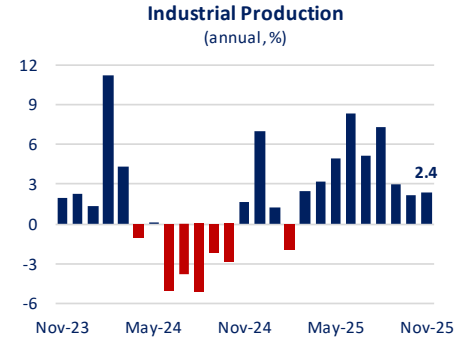
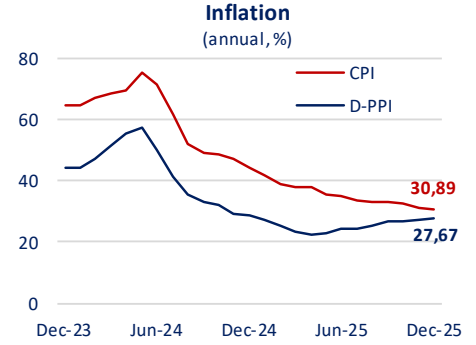
Financial markets...

In the first week of the new year, global risk appetite increased as investors did not regard the geopolitical tension between the US and Venezuela as a significant risk factor. The MSCI world and emerging market stock indices rose by 0.9% and 1.6%, respectively, compared to the previous week's close as of Thursday. The price of gold surged by 3.4% to reach 4,476 USD/ounce, while silver prices that reached 82.7 USD/ounce on Wednesday, rose by 5.9% compared to the previous week. The price of Brent crude oil per barrel fell slightly after Trump announced that Venezuela would "transfer" 30-50 million barrels of oil subject to sanctions to the US, but rose 2.0% on a weekly basis to 62 USD.

The BIST-100 index increased due partly to domestic inflation data showing a more positive outlook than expected. The index closed at 12,088 on Thursday, up 5.1% from the previous week's close, reaching its historically high level. In line with the decline in EUR/USD parity (-0.5%), EUR/TRY exchange rate fell by 0.4% while the USD/TRY exchange rate remained flat, on a weekly basis. Türkiye's 5-year CDS premium rose by 11 basis points to 215 basis points. The interest rate on the 2-year benchmark Treasury bond also increased by 21 basis points to 35.95%.

Next week's agenda...

Next week, inflation data to be released in the US will be at the forefront of the global data agenda. In addition to the CBRT's Survey of Market Participants, there is a busy data agenda in Türkiye, including the central government budget and the balance of payments.



Source: BIST, CBRT, TurkSTAT, Datastream

Data Releases

		Period	Consensus	Prior
12 January	Euro Area Sentix Index	January	-5.0	-6.2
13 January	TR Current Account Balance	November	-	0.46 billion USD
	TR Trade Sales Volume Index, yoy	November	-	%7.4
	USA CPI Inflation, mom	December	-	%0.3
	USA New Home Sales, mom	December	-	0.80 million units
14 January	USA PPI Inflation, mom	November	-	%0.3
	USA Retail Sales, mom	November	-	%0.0
	USA Existing Home Sales, units	December	-	4.13 million units
	China Trade Balance	December	113.3 billion USD	111.7 billion USD
15 January	TR Budget Balance	December	-	169.5 billion TRY
	TR Services Production Index, yoy	November	-	%3.4
	TR Construction Production Index, yoy	November	-	%28.0
	Euro Area Industrial Production, yoy	November	-%0.1	%2.0
16 January	CBRT Survey of Market Participants	January	-	%31.2
	USA Industrial Production Index, mom	December	-	%0.2

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