	3-Jul	9-Jul	Change		3-Jul	9-Jul	Change
BIST-100 Index	14.418	14.105	-2,2 % ▼	**EUR/USD**	1,1435	1,1428	-0,1 % ▼
TRY 2 Year Benchmark Rate	40,30 %	40,81 %	51 bp ▲	**USD/TRY**	46,7875	46,9123	0,3 % ▲
Türkiye 5-Year CDS Premium	220	227	7 bp ▲	**EUR/TRY**	53,5445	53,7272	0,3 % ▲
MSCI EM Equity Index	1.721	1.676	-2,7 % ▼	**Gold** (USD/ounce)	4.175	4.121	-1,3 % ▼
US 10-Year Bond Rate	4,48 %	4,54 %	6 bp ▲	**Brent Oil** (USD/barrel)	72,1	76,3	5,8 % ▲

bp: basis point

The IMF, in an update to its World Economic Outlook Report published on July 8, noted that strong investment demand—driven by investments in artificial intelligence—had partially mitigated the negative impacts of geopolitical tensions on the global economy; nonetheless, it revised its global and Turkish growth forecasts downward for 2026. Although renewed tensions in the Middle East at the start of the week heightened perceptions of geopolitical risk, U.S. President Trump's statement that he did not expect a full-scale conflict and that any potential new operations would be short-lived helped ease market concerns. The minutes from the Fed's June 16–17 meeting indicated that, as concerns about the labor market eased, inflation risks came more into focus. Domestically, industrial production declined on a monthly basis in May but remained unchanged on an annual basis. Next week, the focus will be on domestic budget and balance of payments data, as well as Fitch's assessment of Turkey; globally, U.S. and Eurozone inflation data and news from the Middle East will take the spotlight.

The IMF released an update to its World Economic Outlook report.

In the July update to its World Economic Outlook report, the IMF noted that strong investment demand, supported by investments in artificial intelligence, has partially mitigated the negative impacts of geopolitical tensions on the global economy, and that inflation risks present a more balanced outlook compared to April. However, due to geopolitical uncertainties and volatility in energy prices, the IMF lowered its 2026 global growth forecast from 3.1% to 3.0%, while raising its 2027 forecast from 3.2% to 3.4%. Growth projections for global trade volume were revised upward for both years, to 3.5% in 2026 and 4.3% in 2027. Regarding the Turkish economy, the 2026 growth forecast was lowered from 3.4% to 2.9%, while the 2027 forecast was raised from 3.5% to 3.6%.

IMF Projections	Jul 26 2026	Jul 26 2027	Difference* 2026	Difference* 2027
Growth				
World	3.0	3.4	-0.1	0.2
AE	1.7	1.8	-0.1	0.1
US	2.3	2.2	0.0	0.1
Euro Area	0.9	1.2	-0.2	0.0
UK	1.0	1.3	0.2	0.0
EM	3.8	4.5	-0.1	0.3
China	4.6	4.1	0.2	0.1
Türkiye	2.9	3.6	-0.5	0.1
Inflation				
AE	3.0	2.4	0.2	0.2
EM	5.8	4.8	0.3	0.2

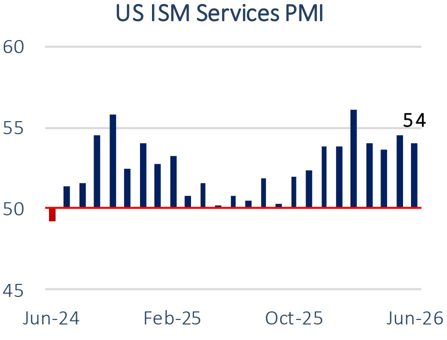
(*) difference from the April 2026 projections

Geopolitical tensions in the Middle East remain uncertain.

After indirect negotiations failed to produce a lasting agreement, U.S. President Trump announced that military operations would continue if no agreement could be reached with Iran. On Tuesday, following attacks on commercial ships passing through the Strait of Hormuz, the U.S. revoked the temporary license allowing the sale of Iranian oil and resumed airstrikes against Iran. As a result, the fragile ceasefire in the Middle East has largely been disrupted. Trump's statement that he did not expect a full-scale conflict to breakout again and that any new operations would be short-lived helped ease concerns to some extent. While these developments limited the rise in oil prices, the price of Brent crude oil per barrel rose by 5.8% as of Thursday's closure compared to last Friday.

The minutes of the Fed's June meeting heve been released.

The minutes of the Fed's June 16–17 meeting showed that, as concerns about the labor market eased, inflation risks came more into focus of the members. Members noted that strong investment in artificial intelligence was keeping demand alive, and that this, combined with high energy costs, tariffs, and supply chain disruptions linked to the closure of the Strait of Hormuz, could cause inflation to remain elevated for longer than expected. Consequently, while several members supported keeping interest rates unchanged, they also noted that there were grounds for a rate hike. Although the ISM Services PMI declined from 54.5 in May to 54.0 in June, it indicated that growth in the sector continued. The rise in the ISM Employment Index from 47.9 in May to 51.2 signaled a positive outlook for employment.



Source: Datastream

Producer prices in the Euro Area rose in May.

Producer prices in the Euro Area rose by 0.2% mom and 5.9% yoy in May, signaling intensifying cost pressures. While the 14% increase in energy prices was the main driver of the yearly rise, the 2.8% increase in producer prices excluding energy showed that cost pressures were not limited to energy alone. Retail sales, which had declined by 0.3% mom in April, rose by 0.2% mom and 1.6% yoy in May, signaling a modest recovery in consumption. The Sentix investor confidence index also rose to -3.1 in July, exceeding expectations. While the expectations sub-index moved into positive territory for the first time since March, signaling increased optimism regarding the economic outlook, the fact that the current conditions index remained in negative territory indicated that the recovery has not yet fully translated into economic activity.

China's inflation data for June was released.

In June, China's CPI fell by 0.3% mom, compared with expectations of a 0.2% decline, while annual consumer inflation also dropped from 1.2% to 1.0%. The slowdown in consumer inflation was driven by falling food prices and weak domestic demand, while core inflation also fell from 1.1% to 1.0%. In contrast, annual PPI inflation rose from 3.9% to 4.1%, reaching its highest level in four years, driven by high energy costs and price increases in the coal, metal, and electronics sectors.

Domestic industrial production declined mom in May.

According to data released by TurkStat, seasonally and calendar-adjusted industrial production fell by 2.9% mom in May, while calendar-adjusted production remained unchanged yoy. The monthly decline was primarily driven by a 3.3% drop in the manufacturing sector, which accounts for a significant share of industrial production, while electricity, gas, and steam production fell by 0.9%. On the other hand, mining and quarrying stood out with a 1.5% increase. On a yearly basis, manufacturing and electricity, gas, and steam production rose by 0.3% and 1.0%, respectively, while mining production fell by 5.0%. Consequently, the strong performance in industrial production, which had risen by 3.8% mom and 6.1% yoy in April, could not be sustained in May.

The ICI Türkiye Export Markets Climate Index rose slightly in June.

The ICI Türkiye Export Markets Climate Index rose from 50.3 to 50.4 in June, signaling a modest improvement in external demand conditions for the second consecutive month. As a result, the index has remained above the threshold value for two and a half years. Among the five largest export markets, production contracted in Germany, the United Kingdom, and France, while moderate growth was recorded in the United States and Italy.

Financial markets…

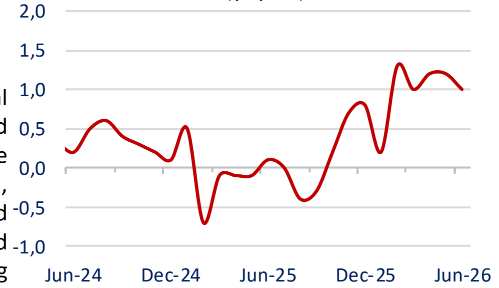
At the beginning of the week, positive developments in the artificial intelligence and semiconductor sectors bolstered buying interest in U.S. stock markets, while renewed tensions in the Middle East led to a deterioration in global risk sentiment midway through the week. Trump's statement that he did not expect a full-scale war and the fact that energy facilities were not targeted reinforced expectations that tensions would not escalate further, and a market rebound was observed on Thursday as oil prices fell. During this period, supported by a strong rally in chip stocks, the S&P 500 and Nasdaq indices rose by 0.8% and 1.4%, respectively, compared to last Friday's close, while the Dow Jones fell by 0.8%. As inflation concerns came to the fore in the Fed minutes and the likelihood of a rate hike increased, the price of gold per ounce fell by 1.3% on a weekly basis. During the same period, the MSCI World Index remained flat, while the emerging markets stock index fell by approximately 2.7%. In line with global markets, the BIST-100 index also lost 2.2% as of Thursday's close compared to last Friday.

Next week's agenda…

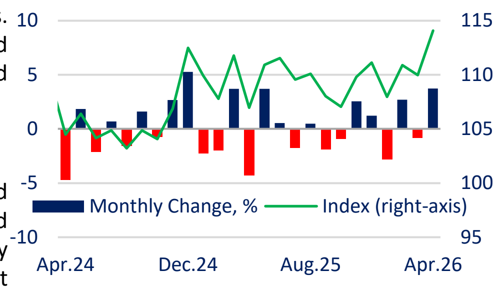
The central government budget and the balance of payments will be the key items on the agenda next week. Also, Fitch is expected to announce its assessment about Türkiye on Friday, July 17. In additon, inflation data to be released in the U.S. and the Euro Area will be the main items on the global agenda for the week, while developments in the Middle East will continue to be closely monitored.

Euro Area PPI Inflation
(annual % change)

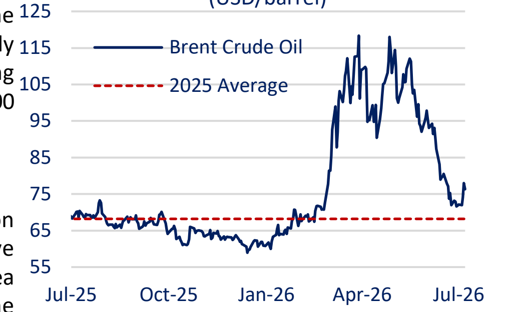
China Consumer Inflation
(yoy, %)



Industrial Production Index
(calendar and seasonal adjusted)



Oil Price
(USD/barrel)



Source: Datastream, Turkstat, ICI

Data Releases

		Period	Consensus	Prior
July 13	TR Current Account Balance	May	-	-5.7 billion USD
July 14	TR Trade Sales Volume, yoy	May	-	0.1%
	US CPI Inflation, mom	June	-0.1%	0.5%
July 15	US PPI Inflation, mom	June		
	Euro Area Industrial Production, yoy	May	-	%0.3
	China GDP Growth, yoy	Q2	4.4%	5.0%
	China Retail Sales, yoy	June	-0.1%	-0.6%
	China Industrial Production, yoy	June	%4.7	4.5%
	TR Budget Balance	June	-	-298.2 billion TL
	US Retail Sales, mom	June	0.3%	0.9%
	US Pending Home Sales, mom	June	-	3.8%
	US Philadelphia Fed Business Index	June	-	10.3
July 17	TR House Sales, yoy	June	-	-31.2%
	US Industrial Production, mom	June	0.2%	0.1%
	US Capacity Utilization Rate	June	76.2%	76.2%
	US Michigan Consumer Confidence, prelim	July	-	49.5
	US New Home Sales, mom	June	1.3 million	1.2 million
	Euro Area HICP Inflation, final, yoy	June	2.8%	2.8%

Source: Datastream, TCMB, TÜİK

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