Weekly Bulletin

July 2026 / 30

	24-Jul	30-Jul	Change		24-Jul	30-Jul	Change
BIST-100 Index	13,944	13,293	-4.7 % ▼	EUR/USD	1.1367	1.1527	1.4 % ▲
TRY 2 Year Benchmark Rate	42.04 %	42.12 %	8 bp ▲	USD/TRY	47.3290	47.4323	0.2 % ▲
Türkiye 5-Year CDS Premium	244	239	-5 bp ▼	EUR/TRY	53.8194	54.7877	1.8 % ▲
MSCI EM Equity Index	1,628	1,563	-4.0 % ▼	Gold (USD/ounce)	4,053	4,102	1.2 % ▲
US 10-Year Bond Rate	4.68 %	4.66 %	-2 bp ▼	Brent Oil (USD/barrel)	96.8	89.0	-8.0 % ▼

bp: basis point

This week, developments regarding the tensions in Middle East and the Fed's policy meeting were closely watched along with a busy data calendar. Fed kept its policy rate unchanged at 3.50%–3.75% by a 9–3 vote, with three members voting in favor of a rate hike. Developments in the Middle East continued to undermine expectations of a renewed ceasefire. Brent crude oil prices are on track to end the week below 90 per barrel USD. In Türkiye, sectoral confidence indices, June labor market data, and second-quarter tourism statistics were released this week. Next week, PMI data and the US nonfarm payrolls will be the key items on the global data calendar, while Türkiye's July inflation figures will be closely monitored.

The Fed kept its policy rate unchanged.

The Fed kept its policy rate in the range of 3.50% - 3.75%, in line with expectations. 9 members voted to keep rates unchanged, while 3 members supported a 25 basis point rate increase. The statement released after the meeting indicated that despite high levels of uncertainty, economic activity remained strong and the labor market showed a largely stable outlook. In his post-meeting remarks, Fed Chairman Warsh, in line with his commitment to not to provide forward guidance, did not give a clear signal regarding the Central Bank's future decisions. However, he stated that they are determined to control inflation and that if it remains at high levels, an interest rate hike could be a part of the solution.

Following the decision, long-term US Treasury yields saw a rapid rise. The 30-year US Treasury yield reached a new high since 2007 at Thursday's close, at 5.209%. While market pricing continues to reflect an expectation that the Fed will conduct at least one interest rate hike by the end of the year, the DXY index, which measures the dollar's value against advanced economies' currencies, is expected to close the week with a weekly fall yet remaining above the 100 level.

BoE and BoJ also held the policy rates steady.

The Bank of England (BoE) kept its policy rate at 3.75%, in line with expectations. The decision was made with the votes of 6 members against 3 members who voted for an interest rate increase.

The Bank of Japan (BoJ) also left its policy rate unchanged at 1.0%, in line with expectations. While 1 of the 9 members voted for a 25 basis point rate increase, BoJ warned that core inflation could exceed the 2.0% target in the second fiscal half-year period, September 2026 - March 2027.

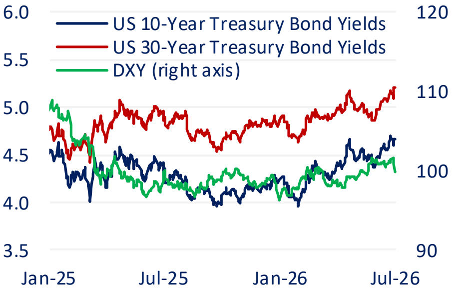
A heavy data agenda was followed in the US.

US GDP growth for the second quarter was announced at 1.5% on an annualized basis. Market expectations were 2.1%. While the widening trade deficit had a downward impact on growth, the acceleration in consumer spending supported growth.

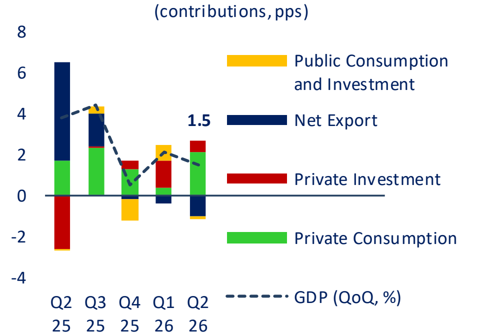
The Personal Consumption Expenditures (PCE) price index fell by 0.1% on a monthly basis in June, in line with expectations, partly due to the sharp decline in oil prices. The figure marked the lowest monthly increase since April 2020. Annual PCE inflation came down from 4.1% to 3.7% during this period. Core PCE, however, increased by 0.1% mom (previous: 0.3%) and 3.3% yoy (previous: 3.4%). Expectations for July inflation, on the other hand, remain under upward pressure due to the renewed escalation of geopolitical risks in the Middle East.

The consumer confidence index in the US came in at 90.8 points in July, below the market expectation of 92.3 and the previous month's level of 92.2. Deterioration in assessments regarding the labor market negatively impacted the index, while rising energy prices due to developments in the Middle East also weighed on household sentiment.

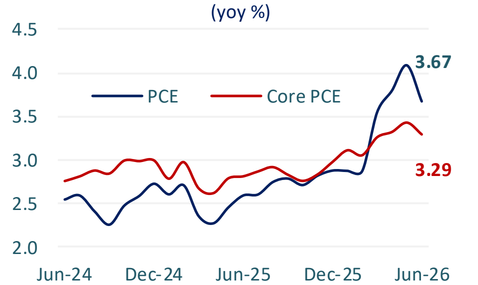
US 10-Y & 30-Y Treasury Bond and DXY index



US GDP Growth
(contributions, pps)



US Inflation Indicators
(yoy %)



Source: Datastream, Fed

The Euro Area delivered a positive growth performance in the second quarter.

According to preliminary data, Euro Area economy expanded by 0.4% qoq in the second quarter, recording its strongest performance since the first quarter of 2025 and exceeding market expectations of 0.2%. Despite the adverse effects stemming from the conflicts in the Middle East, the regional economy maintained a resilient outlook, supported by increases in investment and government spending. On an annual basis, Euro Area economy grew by 1.0% during this period. Germany's annual growth came in at 0.9%, markedly above expectations of 0.6%, supported in part by strong export performance. Meanwhile, the French, Italian and Spanish economies expanded by 0.7%, 1.0% and 2.7%, respectively.

According to preliminary data, monthly CPI inflation in Euro Area was recorded at 0.2% in July. In June, the index had fallen by 0.1% mom. In line with expectations, the annual increase in consumer prices edged up to 2.9% in July from 2.8% in June.

China's July PMI data painted a negative picture.

China's official PMI data released this morning indicated that economic activity lost momentum more rapidly than expected in July. The manufacturing PMI fell by 1.1 points month on month to 49.2, partly reflecting a decline in domestic orders, and dropped below the 50 threshold for the first time since February. The services PMI also declined by 1.2 points on a monthly basis to 49.0 in July. Accordingly, the composite PMI, which covers both manufacturing and non-manufacturing sectors, fell to 49.3, its lowest level since December 2022.

Türkiye's unemployment rate declined to 7.6% in June.

The seasonally adjusted unemployment rate fell by 0.5 percentage points month over month in June to 7.6%, its lowest level since the start of the current data series in January 2005. The broad unemployment rate also declined by 2 percentage points during the same period. Nevertheless, standing at 28.8%, it remained above its 10-year average of 22.9% (January 2017–June 2026 average).

The economic confidence index remained just below the optimism threshold.

In July, the services sector confidence index increased by 1.4% mom to 112.0, while the construction sector confidence index rose by 0.6% mom to 83.5. The retail trade confidence index, on the other hand, declined by 1.6% mom during this period to 111.0. The average levels of the services, construction and retail trade confidence indices in the first half of the year were 111.7, 83.1 and 113.1, respectively. The economic confidence index, which is compiled from consumer, real sector and sectoral confidence indicators, increased by 0.9% mom in July to 99.8.

The number of visitors in the second quarter declined by 5.1% yoy.

In the second quarter of the year, tourism revenues fell by 2.6% yoy to 15.9 billion USD. In the same period, the number of visitors departing from Türkiye fell by 5.1%, and the average expenditure per person increased by 2.5%. On the other hand, tourism expenditures rose by 7.4% compared to the same quarter of the previous year, reaching 3.0 billion USD.

Financial markets…

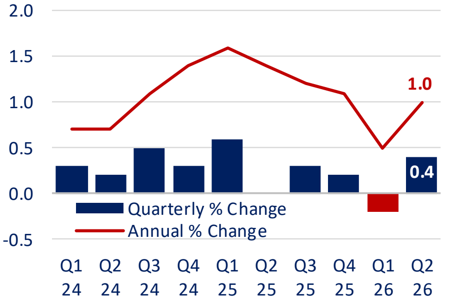
The price of Brent crude oil per barrel, which had retreated as low as to 82.5 USD level early in this week due to the increased expectations for a ceasefire and positive statements from Trump, rose to 93.3 USD on Thursday as military operations in the region escalated and risks regarding supply chain security persisted. As of Friday, Brent oil price is poised to end the week around 90 USD/barrel. During this week, global markets performed a volatile course amid a mixed outlook in technology stocks, corporate earnings reports alongside the Fed's decision. MSCI Emerging Markets Index fell 4.0% by Thursday's close compared to the previous Friday.

In Türkiye, BIST-100 index also declined by nearly 5% this week, as of Thursday's close compared to Friday. The 2-year benchmark Treasury bond yield ended Thursday at 42.12%, its highest level since mid-June. Türkiye's CDS premium fell by 5 basis points this week, realizing at the 239 level on Thursday.

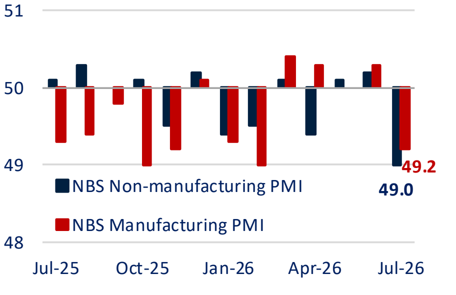
Next week's agenda…

US non-farm payrolls and PMI data will stand out on the markets' agenda next week. In Türkiye, inflation data for July will also be closely monitored on Monday.

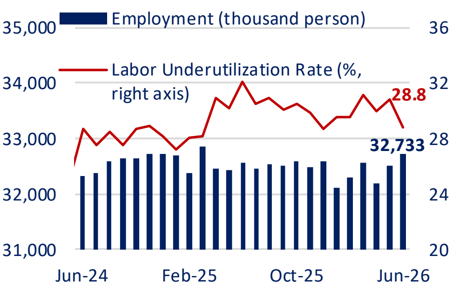
Euro Area GDP Growth



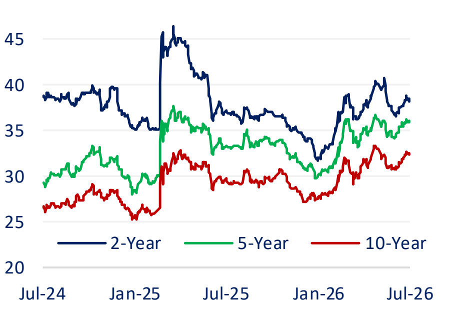
China NBS PMI Data
(threshold=50)



Labor Market
(seasonally adjusted)



TR Treasury Bond Yield
(%)



Source: Datastream, Turkstat, CBRT

Data Releases

		Period	Consensus	Prior
August 3	US Manufacturing PMI, final	July	-	53.8
	US ISM Manufacturing PMI	July	54.0	53.3
	China RatingDog Manufacturing PMI	July	51.5	51.7
	Euro Area Manufacturing PMI, final	July	52.0	52.0
	Germany Manufacturing PMI, final	July	-	52.2
	TR CPI Inflation, mom	July	-	0.99%
	TR D-PPI Inflation, mom	July	-	1.80%
	TR Istanbul Chamber of Industry Manufacturing PMI	July	-	47.1
August 4	US Factory Orders, mom	June	-	-1.3%
	US Durable Goods Orders, mom	June	-	0.3%
	US Trade Balance	June	-	-77.6 billion USD
	JOLTS Job Openings, units	June	-	7.6 million
	TR CPI Based Real Effective Exchange Rate	July	-	104.9
August 5	US ADP Employment Report	July	-	98k
	US Services PMI, final	July	-	53.6
	US ISM Services PMI	July	54.3	54.0
	China RatingDog Services PMI	July	-	54.1
	Euro Area Services PMI, final	July	51.6	51.6
	Euro Area PPI Inflation, mom	June	-	0.2%
	Germany Services PMI, final	July	-	49.6
August 6	Euro Area Retail Sales, mom	June	-	0.2%
	Germany Industrial Orders, mom	June	-	1.9%
August 7	US Non-Farm Payrolls	July	91K	57K
	US Unemployment Rate	July	4.3%	4.2%
	China Trade Balance	July	-	125.6 billion USD
	Germany Industrial Output, mom	June	-	0.9%
	TR Treasury Cash Balance	July	-	50.8 billion TRY
August 9	China CPI Inflation, yoy	July	-	1.0%
	China PPI Inflation, yoy	July	-	4.1%

Source: Datastream, CBRT, TurkStat

Economic Research Division

Alper Gürler
Division Head
alper.gurler@isbank.com.tr

Gamze Can
Asst. Manager
gamze.can@isbank.com.tr

H. Erhan Gül
Unit Manager
erhan.gul@isbank.com.tr

Nurgül Türkmen
Asst. Economist
nurgul.turkmen@isbank.com.tr

Our reports are available on our website **https://research.isbank.com.tr**.