

	24-Oct	30-Oct	Change		24-Oct	30-Oct	Change
BIST-100 Index	10.942	10.837	-1,0 % ▼	EUR/USD	1,1625	1,1565	-0,5 % ▼
TRY 2 Year Benchmark Rate	40,21 %	40,60 %	39 bp ▲	USD/TRY	41,9197	41,9596	0,1 % ▲
Türkiye 5-Year CDS Premium	252	246	-6 bp ▼	EUR/TRY	48,7762	48,4756	-0,6 % ▼
MSCI EM Equity Index	1.389	1.412	1,6 % ▲	Gold (USD/ounce)	4.112	4.023	-2,1 % ▼
US 10-Year Bond Rate	4,00 %	4,09 %	10 bp ▲	Brent Oil (USD/barrel)	65,9	65,0	-1,4 % ▼

bp: basis point

This week, global markets focused on US-China trade negotiations and the interest rate decisions of major central banks. The Fed cut interest rates by 25 basis points in line with market expectations, while the ECB and BoJ left the policy rates unchanged. The agreements reached at the Trump-Xi meeting on October 30 supported global risk appetite. Last week, preliminary PMI data in the US pointed to strong economic activity, while the third-quarter growth in the Euro Area was slightly above expectations. In Türkiye, households inflation expectations deteriorated compared to the previous month, while real sector expectations improved. As the US government shutdown continues, non-farm payroll data is not expected to be released for the second month in a row next week. October inflation data and the CBRT's Inflation Report will be in the spotlight in Türkiye.

The Fed cut its policy rate by 25 basis points in line with expectations.

At its meeting this week, the Fed cut its policy rate by 25 basis points in line with market expectations to the range of 3.75%–4.00% and announced that the balance sheet reduction will be ended on December 1. The decision to cut rates by 25 basis points was made with a 10-2 vote. In his speech after the meeting, Fed Chair Powell stated that data gaps caused by the government shutdown made it difficult to see the whole picture of the economy and that could put another rate cut out of reach this year.

The Trump-Xi meeting yielded positive results.

Following the Trump-Xi meeting held in South Korea, statements indicated that the meeting took place in a constructive atmosphere and that dialogue would continue. The US announced that it would reduce additional tariffs on certain Chinese products, while China announced that it would suspend export restrictions on rare earth elements for one year. Additionally, both sides announced that they had reached agreement on issues such as the control of fentanyl trade and China's imports of agricultural products from the US.

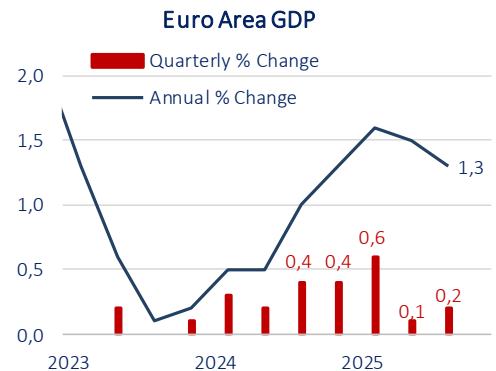
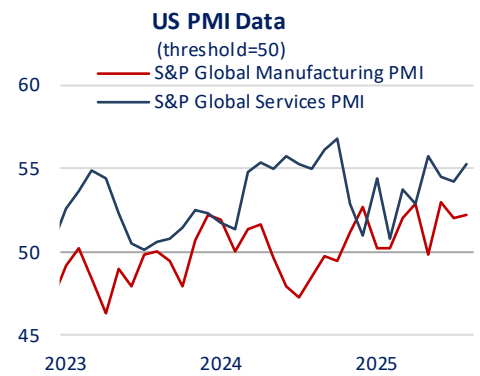
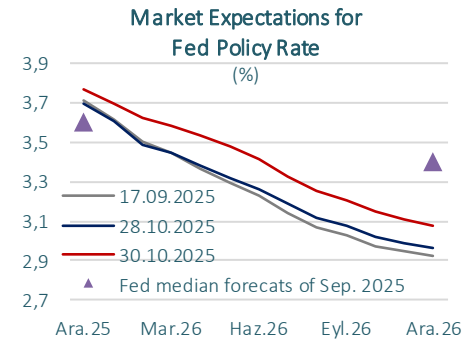
Preliminary PMI data in the US is better than expected...

According to preliminary data on October, the US services PMI came in at 55.2, 1.7 points above expectations, while the manufacturing PMI was 52.2 (market expectation: 52). The composite PMI, which combines the services and manufacturing sectors, rose 0.9 points from the previous month to 54.8.

In the week that the ECB kept interest rates unchanged as expected, third-quarter growth and October inflation figures were also monitored in the Euro Area.

In line with market expectations, the ECB kept interest rates unchanged. In her speech after the meeting, ECB Chair Lagarde stated that the trade agreement with the US, the ceasefire in the Middle East, and the progress made in US-China trade negotiations had reduced the downside risks to the European economy.

According to preliminary data, the Euro Area economy grew by 0.2% qoq (market expectation: 0.1%) and 1.3% yoy (market expectation: 1.2%) in Q3.



Source: Datastream

Annual CPI inflation in the Region fell by 0.1 percentage points in October compared to the previous month and became 2.1%, in line with expectations.

Asian economies...

The BoJ kept the policy rate unchanged at 0.5% at its meeting this week. While two members voted for a rate hike, BoJ Governor Ueda's comments signaled chance of rate hike soon. According to data released today in Japan, annual core CPI inflation in October remained above the BoJ's 2% target at 2.8% (previous: 2.5%), while data on economic activity for September indicated to a resilient performance. Retail sales in the country rose 0.5% yoy during this period, while industrial production recorded an increase of 1.6% yoy, exceeding expectations.

According to data released in China, the manufacturing PMI fell by 0.8 points mom to 49 in October. This level, which fell short of expectations, corresponds to the lowest level in the last six months, while the non-manufacturing PMI also remained close to its lowest level in ten months, becoming 50.1 during this period.

Sectoral inflation expectations...

According to the Sectoral Inflation Expectations data announced by the CBRT, households' inflation expectations for 12 months ahead rose by 1.4 points to 54.39% in October, while the real sector's expectations fell by 0.5 points to 36.3%. During this period, inflation expectations of market participants increased by 1.01 points compared to the previous month, reaching 23.26%.

The unemployment rate remained flat at 8.6% in September.

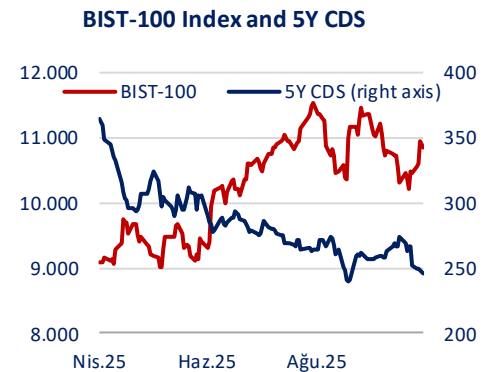
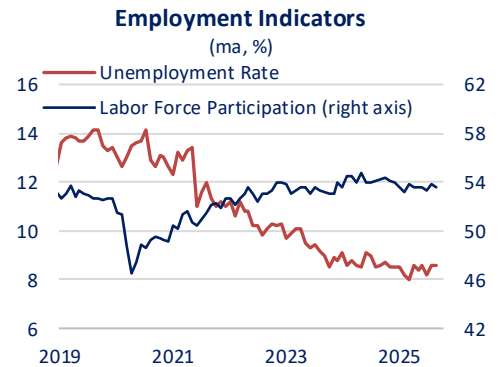
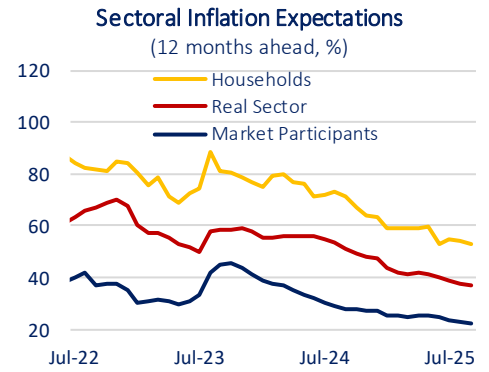
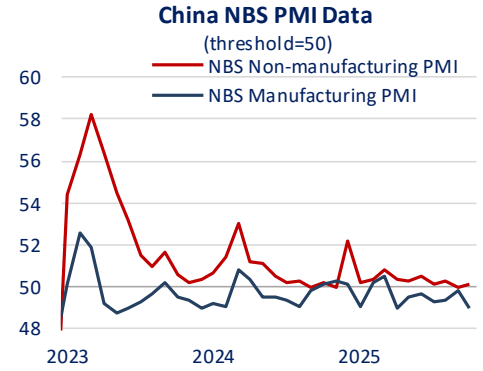
According to seasonally adjusted data, the unemployment rate in September was 8.6%, in line with the previous month. Following the monthly increase of 208K in employment recorded in August, there was a decline of 200K in September. During this period, when the number of unemployed increased by 12K mom, the labor force participation rate decreased by 0.3 points to 53.5%, close to its average level this year. The labor force participation rate had risen as high as to 54.7% in May of last year.

Financial markets...

The progress in US-China trade negotiations supported global stock markets this week, while the Fed Chair Powell's comments on the probability of a December rate cut put some downward pressure on the risk appetite. In this environment, the DXY index hovered just below the 100 level, while gold prices extended their downward trend into a second week. In Türkiye, the BIST-100 index fell compared to last week as of Thursday's close, while the 5-year CDS risk premium fell 6 basis points to 246 during this period.

Next week's agenda...

Following the announcement of October inflation figures on Monday, the CBRT's Inflation Report will be published on Friday. At the beginning of next week, the ISO Türkiye Manufacturing PMI and preliminary foreign trade data for October will also be closely monitored. As the US government shutdown continues, non-farm payroll data is not expected to be released for the second month, the BoE's interest rate decision will be monitored in the UK.



Data Releases

		Period	Consensus	Prior
November 3	TR CPI Inflation, mom	October	2,83%	3,23%
	TR Istanbul Chamber of Industry Manufacturing PMI	October	-	46,7
	US Manufacturing PMI, final	October	-	52,2
	US ISM Manufacturing PMI	October	-	49,1
	China RatingDog Manufacturing PMI	October	50,9	51,2
November 4	US Trade Balance	August	-61,0 mlyr USD	-78,3 mlyr USD
	US Durable Goods Orders, mom	August	-	2,90%
	US Factory Orders, mom	August	1,40%	-1,30%
November 5	US ADP Employment Report	October	-	-32 bin
	US ISM Services PMI	October	-	50
	US Services PMI, final	October	-	55,2
	China RatingDog Services PMI	October	-	52,9
	Euro Area Services PMI, final	October	52,6	52,6
	Germany Industrial Orders, mom	September	1,30%	-0,80%
	Germany Services PMI, final	October	-	54,5
November 6	Euro Area Retail Sales, yoy	September	1,10%	1,00%
	Germany Industrial Output, mom	September	3,10%	-4,30%
	UK BoE Meeting	November	4,00%	4,00%
November 7	CBRT Inflation Report	2025 Q4		
	TR Treasury Cash Balance	October		360 mlyr TL
	US Nonfarm Payrolls	October	50 bin	22 bin
	US Unemployment Rate	October	4,30%	4,30%
	US Michigan Consumer Confidence, prelim	November	-	53,6
	China Trade Balance	October	-	90,5 mlyr USD

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