Weekly Bulletin
September 2026 / 36

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	4-Sep	10-Sep	Change		4-Sep	10-Sep	Change
BIST-100 Index	14,012	14,394	2.7 % ▲	**EUR/USD**	1.1613	1.1610	0.0 % ●
TRY 2 Year Benchmark Rate	39.57 %	39.59 %	2 bp ▲	**USD/TRY**	48.4248	48.5387	0.2 % ▲
Türkiye 5-Year CDS Premium	218	223	5 bp ▲	**EUR/TRY**	56.2451	56.4841	0.4 % ▲
MSCI EM Equity Index	1,726	1,745	1.1 % ▲	**Gold** (USD/ounce)	4,428	4,316	-2.5 % ▼
US 10-Year Bond Rate	4.78 %	4.94 %	16 bp ▲	**Brent Oil** (USD/barrel)	96.3	107.6	11.8 % ▲

bp: basis point

Escalating tensions in the Middle East was in the focus of global markets throughout the week. The price of Brent crude oil rose by 11.8% compared to Friday close, reaching 107.6 USD/barrel on Thursday. While US Producer Price Index (PPI) data for August indicated strengthening inflationary pressures, the 10 year bond yield climbed to its highest level since October 2023. The ECB raised policy rates by 25 bps, in line with market expectations. Meanwhile, the CBRT kept its policy rate unchanged at 37%, consistent with forecasts. In the Medium-Term Program (MTP) announced over the weekend, the year-end CPI inflation forecast for 2026 was revised to 28.4%, while according to the September results of the CBRT Market Participants Survey, the year-end inflation expectation rose from 29.43% to 29.61%. Data for July indicated a distinct slowdown in domestic economic activity, accompanied by contractions in industrial production and trade volume; however, a modest rise in retail sales demonstrated continued resilience in household demand. During the same period, the current account recorded a surplus of 36 million USD, falling short of expectations. Next week, global markets will focus on the meetings of the Fed, the BoE, and the BoJ. Domestically, the central government budget figures for August are also set to be released.

Rising tensions in the Middle East have pushed the price of Brent crude oil above 100 USD/barrel.

Throughout the week, escalating geopolitical tensions in the Middle East have significantly heightened risks to energy supplies. In particular, elevated risks regarding oil shipments through the Strait of Hormuz and attacks on Saudi Arabia's energy infrastructure have intensified supply concerns. Driven by these developments, the barrel price of of Brent crude oil rose by 11.8% compared to the previous Friday's close, ending Thursday at 107.6 USD/barrel. The recent surge in oil prices is increasing upside risks to the global inflation outlook.

Inflation data in the US reinforced expectations that the Fed would raise interest rates in September.

US CPI inflation in August came in line with expectations, rising 0.4% mom (0.1% in July) and 3.4% yoy. While core CPI—excluding energy and food prices—rose by 0.3% mom, exceeding expectations, annual core inflation stood at 2.4%. Meanwhile, PPI inflation in the country came in at 0.4% mom and 5.4% yoy—both in line with expectations—signaling intensifying pressures stemming from producer prices. Following the CPI data, the market is pricing in an approximately 85% probability that the Fed will raise interest rates by 25 bps at next week's meeting.

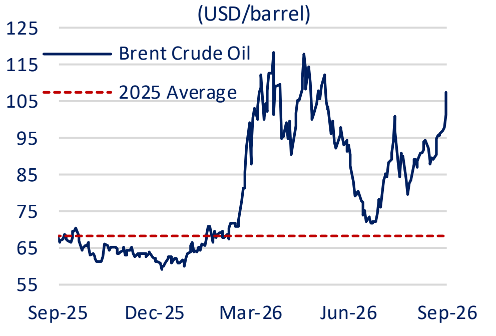
The ECB hiked reference interest rates by 25 bps.

In its September meeting, the ECB raised policy rates by 25 bps each, in line with market expectations. Consequently, the main refinancing interest rate increased to 2.65%, the deposit interest rate increased to 2.50% and the marginal lending facility rate increased to 2.90%. According to the ECB's updated projections, the inflation forecast for 2026 was maintained at 3.0%, while the 2027 forecast was increased by 0.2 points to 2.5%. Growth forecasts for 2026 and 2027 were increased to 0.9% and 1.4%, respectively. On the other hand, second quarter growth in the Euro Area was revised upwards. Quarterly growth was increased from 0.4% to 0.6%, and annual growth was increased from 1.0% to 1.2%.

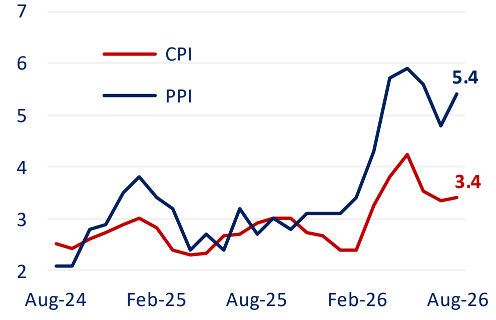
The CBRT kept the policy rate unchanged.

In its Monetary Policy Committee meeting held on Thursday, the CBRT maintained the one-week repo rate at 37%—in line with market expectations—while keeping the overnight lending rate at 40% and the borrowing rate at 35.50%. The decision statement noted that, despite monthly fluctuations, leading indicators point to the continuation of the disinflation process; however, it also highlighted that energy prices, remaining high due to geopolitical developments, pose an upside risk to the inflation outlook.

Oil Price
(USD/barrel)



US Inflation
(yoy, %)



ECB Projections

	September Forecasts		Difference from June Forecasts	
(%)	2026	2027	2026	2027
GDP	0.9	1.4	0.1	0.2
Unemployment	6.2	6.1	-0.1	-0.1
HICP	3.0	2.5	0.0	0.2
Core HICP*	2.5	2.6	0.0	0.1

(*) HICP excluding energy and food

Source: Datastream, CBRT

The Medium-Term Program has been published in the Official Gazette.

In the Medium-Term Program (MTP) covering the 2027–2029 period, economic growth—projected at 3.3% for 2026—is forecast to rise to 4.2% in 2027, 4.6% in 2028, and 5.0% in 2029. While the year-end CPI increase forecast for 2026 was announced as 28.4%, inflation is expected to decline to 21% in 2027, 13.5% in 2028, and 9% in 2029.

Industrial production and trade sales volume contracted on a monthly basis in July.

The industrial production index declined by 1.0% mom and 0.3% yoy in July. While 12 of the 24 sub-sectors comprising the manufacturing industry contracted on a monthly basis, the sharpest decline occurred in "other transport equipment" (-11.6%), and the strongest increase was recorded in the manufacture of machinery and equipment (6.5%). In July, when trade sales volume contracted by 2.5% mom, wholesale trade volume fell by 4.5%, whereas retail sales rose by 0.2%. The contraction in wholesale trade extended into its fifth month yoy, while the expansion in retail trade lost momentum, coming in at 10.4%.

The current account surplus in July came in below expectations.

According to balance of payments statistics published by the CBRT, the current account recorded a surplus of 36 million USD in July—marking the first such surplus since October 2025—supported by a seasonal rise in tourism-related service revenues. However, the current account surplus recorded during this period was the lowest observed for the month of July over the past three years. Meanwhile, the 12-month cumulative current account deficit rose to 40.7 billion USD, surpassing the 40 billion USD mark for the first time since December 2023 (Our Balance of Payments report).

Market participants' inflation expectations rose, while growth expectations declined.

According to the results of the CBRT's Survey of Market Participants for September, the year-end inflation expectation rose from 29.43% to 29.61%. The inflation expectation for the end of 2027 also increased by 0.75 points, reaching 22.69%. Participants' USD/TL expectation for the end of the current year stood at 51.57, while growth expectations for 2026 and 2027 were announced as 3.0% and 3.9%, respectively.

Financial markets…

Rising geopolitical tensions in the Middle East shaped the course of global markets this week. Growing concerns regarding energy supplies drove up oil prices while reinforcing expectations that the Fed might raise interest rates in September. Within this framework,, the price of gold fell by 2.5% this week, dropping to 4,316 USD/oz by Thursday's close. The yield on the US 10-year Treasury note rose 16 bps from the previous week's close to reach 4.94% by Thursday—its highest level since October 2023. Global stock markets also saw a downward trend this week.

Domestically, the BIST-100 index rose 2.7% compared to the previous Friday's close, finishing Thursday at the 14,394 level. Turkey's 5-year CDS spread climbed to 223 basis points, while the Turkish lira depreciated slightly against the US dollar and the euro.

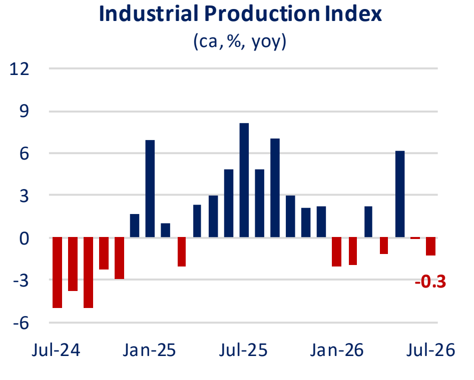
Next week's agenda…

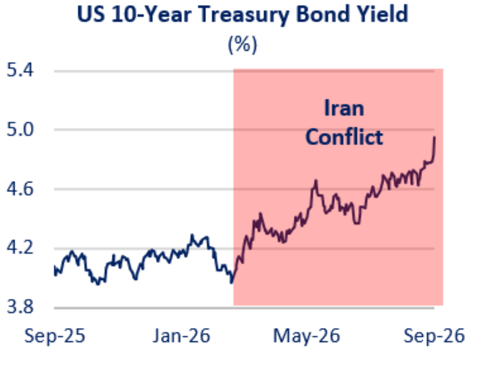
Next week, the markets will focus on the interest rate decisions of the Fed, the BoE, and the BoJ. Domestically, the central government budget for August, as well as the construction and services production indices for July and housing sector data, will also be monitored.

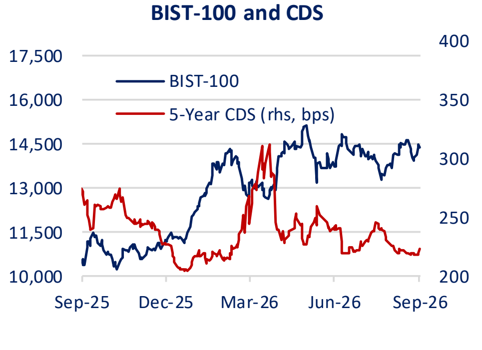
Medium Term Program Estimates

(annual, %)	2026 (RE)	2027 (P)	2028 (P)	2029 (P)
GDP Growth	**3.3**	**4.2**	**4.6**	**5.0**
Previous MTP	3.8	4.3	5.0	
CPI Inflation	**28.4**	**21.0**	**13.5**	**9.0**
Previous MTP	16.0	9.0	8.0	
Unemployment %	**8.1**	**8.0**	**7.8**	**7.6**
Previous MTP	8.4	8.2	7.8	
C.A. Balance/GDP	**-2.6**	**-1.9**	**-1.8**	**-1.6**
Previous MTP	-1.3	-1.2	-1.0	
Budget Bal./GDP	**-3.1**	**-3.5**	**-3.1**	**-2.8**
Previous MTP	-3.5	-3.1	-2.8	

RE: Realization Estimate, P: Program







Source: Datastream, CBRT, Turkstat

Data Releases

		Period	Consensus	Prior
September 15	TR Budget Balance	August	-	-378.1 billion TRY
	TR Services Production, yoy	July	-	1.3%
	TR Index of Production in Construction, yoy	July	-	-6.0%
	US NY Fed Manufacturing Index	September	-	20.6
	Germany ZEW Economic Sentiment	September	37.0	34.2
	China Industrial Production, yoy	August	4.8%	4.5%
	China Retail Sales, yoy	August	0.8%	0.6%
September 16	TR Housing Price Index, yoy	August	-	25.0%
	Fed Meeting	September	3.50%-3.75%	3.50%-3.75%
	US Retail Sales, mom	August	-	-0.6%
	Euro Area Industrial Production, yoy	July	-	0.1%
	UK CPI Inflation, yoy	August	-	2.9%
September 17	TR House Sales, yoy	August	-	-17.0%
	US Housing Starts, units	August	-	1.2 million
	US Philadelphia Fed Business Index	September	-	47.4
	Euro Area HICP Inflation, final, yoy	August	3.3%	3.3%
	BoE Meeting	September	3.75%	3.75%
September 18	US Industrial Production, yoy	August	-	0.2%
	Germany PPI Inflation, yoy	August	-	3.0%
	BoJ Meeting	September	-	1.00%
	Japan CPI Inflation, yoy	August	-	1.9%

Source: Datastream, TCMB, TÜİK

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