

	19-Sep	25-Sep	Change		19-Sep	25-Sep	Change
BIST-100 Index	11,294	11,378	0.7 % ▲	EUR/USD	1.1744	1.1665	-0.7 % ▼
TRY 2 Year Benchmark Rate	39.76 %	39.75 %	-1 bp ▼	USD/TRY	41.3469	41.4660	0.3 % ▲
Türkiye 5-Year CDS Premium	241	261	20 bp ▲	EUR/TRY	48.6172	48.3954	-0.5 % ▼
MSCI EM Equity Index	1,341	1,344	0.2 % ▲	Gold (USD/ounce)	3,684	3,749	1.8 % ▲
US 10-Year Bond Rate	4.14 %	4.17 %	4 bp ▲	Brent Oil (USD/barrel)	66.7	69.4	4.1 % ▲

bp: basis point

This week, the United Nations General Assembly and statements by U.S. President Trump were at the center of market focus. In its September Economic Outlook Report, the OECD raised its global growth forecast for 2025 from 2.9% in June to 3.2%. Fed Chair Powell stated that they had recently shifted their policy stance to a more neutral point. US GDP growth in the second quarter was realized at an annualized rate of 3.8%, exceeding both preliminary data and expectations. Domestically, the consumer confidence index fell by 0.4% in September compared to the previous month, standing at 83.9. Meanwhile, the real sector confidence index rose to its highest level in the past five months. According to data released by the CBRT, sectoral inflation expectations eased somewhat in September. The meeting between President Erdoğan and Trump at the UN General Assembly summit was closely followed. Next week, September inflation data and the Istanbul Chamber of Industry's Manufacturing PMI will be released.

Trump's statements were closely followed.

This week's news focused on the United Nations General Assembly in New York and statements made by US President Donald Trump. Trump's recent shift in his stance in favor of Ukraine and his remarks that new tariffs would be imposed on Russia if no ceasefire agreement was reached heightened geopolitical concerns somewhat. In addition, Trump announced that starting from October 1st, a 100% tariff would be applied to branded or patented pharmaceutical products produced by companies that do not establish production facilities in the U.S. He also declared a 25% tariff on heavy trucks and a 50% tariff on products related to kitchen and bathroom furniture.

Divergent views among Fed officials...

Fed officials' remarks this week revealed a range of opinions regarding potential rate cuts. Fed Chair Powell pointed out that inflation concerns are still present even though the unemployment rate is very low and has been growing recently. Powell claimed that as a result, they had adopted a more neutral stance on monetary policy. The present policy rate is too high, according to new FOMC member Miran, while St. Louis Fed President Musalem and Atlanta Fed President Bostic said they saw limited room for more rate cuts. In a balanced approach, San Francisco Fed President Daly also stated his support for additional rate cuts.

OECD raised its global growth forecast.

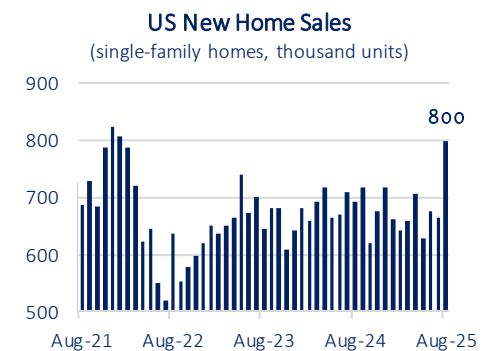
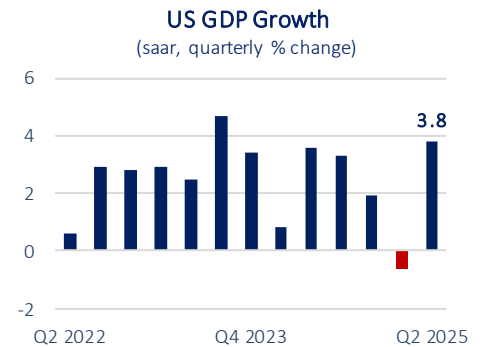
In the September Economic Outlook Report, the OECD stated that despite the negative effects of high tariff rates and policy uncertainty, easing trade restrictions, investments in AI in the US, and expansionary fiscal policies in China could yield positive results for global growth. Accordingly, the organization raised its global growth forecast for 2025 from 2.9% in June to 3.2%. The 2026 forecast was maintained at 2.9%. For Türkiye, the OECD revised its 2025 growth forecast upward from 2.9% to 3.2%, while lowering the 2026 forecast from 3.3% to 3.2%. End-2025 and end-2026 inflation expectations were updated to 33.5% (previous: 31.4%) and 19.2% (previous: 18.5%), respectively.

The US economy grew above expectations in Q2.

According to the final reading, US GDP grew by 3.8% in the second quarter on an annualized basis, exceeding both the preliminary estimate and market expectations. The 0.5 point upward revision from the second reading was driven by increased consumer spending and lower imports. Thus, the economy offset the contraction recorded in the first quarter. Other supply and demand indicators tracked this week suggested that positive momentum in economic activity continued into the third quarter. As of the week ending September 15, the 30-year mortgage rate fell to its lowest level in about a year, while new home sales in August reached their highest level since January 2022. Durable goods orders rose 2.9% in August — well above the expected 0.5% decline — marking the highest increase in three months.

OECD	Current Projections (%)		Change* (% points)	
	2025	2026	2025	2026
Growth				
World	3.2	2.9	0.3	0.0
USA	1.8	1.5	0.2	0.0
Euro Area	1.2	1.0	0.2	-0.2
Türkiye	3.2	3.2	0.3	0.3
CPI (Türkiye)	33.5	19.2	2.1	0.7

(*) From June 2025 projections



Source: Datastream, OECD

According to preliminary September data, manufacturing PMI lost momentum but remained above the 50 threshold at 52.0, indicating continued growth in the sector. Services PMI fell to 53.9, its lowest in three months, but still pointed to robust activity.

Domestic confidence indices showed a mixed picture in September.

The consumer confidence index fell by 0.4% from the previous month to 83.9 in September. Among sub-indices, the sharpest monthly decline was in the probability of borrowing money over the next 3 months, while the sharpest increase was in the probability of buying or building a home over the next 12 months.

Meanwhile, the real sector confidence index rose by 0.2 points to 100.8 in seasonally adjusted terms, reaching its highest level in the past five months. While evaluations of current and past three-month orders and fixed capital investment improved, expectations for the next three months weighed on the index. By sector, September data showed a slight deterioration in services, while construction and retail trade improved. Additionally, the manufacturing industry's capacity utilization rate rose to 73.8% in September from the pandemic-era low recorded in August.

Number of foreign visitors increased 2.1% annually in August.

According to data from the Ministry of Culture and Tourism, the number of foreign visitors rose by 2.1% yoy in August, reaching 6.97 million. However, in the first eight months of the year, the total number of foreign visitors stood at 35.5 million, slightly below the level recorded in the same period last year.

Inflation expectations declined across all sectors.

According to CBRT data, inflation expectations improved somewhat in all sectors in September. The 12-month ahead annual CPI inflation expectation fell by 0.6 points to 22.3% among market participants, by 0.9 points to 36.8% in the real sector, and by 1.1 points to 53% among households. On the other hand, the proportion of households expecting inflation to decline in the next 12 months decreased by 0.2 points to 27.4% in September.

Erdoğan–Trump meeting was closely followed.

This week, a meeting between President Erdoğan and U.S. President Trump on the sidelines of the UN General Assembly was closely monitored. A wide range of topics were discussed, including the defense industry, trade, energy, and regional and global issues. As a result of the talks, an agreement was reached to import USD 43 billion worth of liquefied natural gas (LNG) from the U.S. until 2045. A civil nuclear cooperation agreement was also signed, and the lifting of sanctions imposed on Türkiye was discussed. Additionally, the parties agreed on Turkish Airlines' purchase of more than 200 Boeing aircraft.

Financial markets...

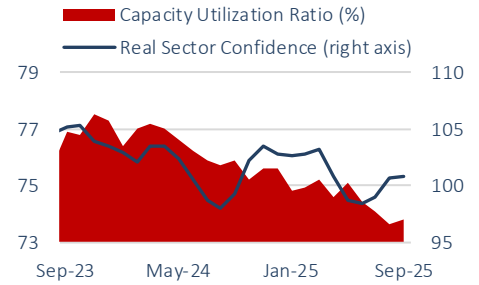
In global markets, commodity prices rose this week. Following Trump's remarks that sanctions could be imposed on Russia and amid falling U.S. oil inventories, Brent crude oil prices climbed 4.1% from last Friday to USD 69.4 per barrel as of Thursday's close. Gold, supported by geopolitical concerns, reached a record high during the week and posted a 1.8% increase over the same period. U.S. stock markets also tested record highs during the week, driven by investor appetite for technology companies.

The BIST-100 index, which had a volatile course during the week, rose by 0.7% compared to last Friday's close as of Thursday's closing. The Turkish lira depreciated against the US dollar but appreciated slightly against the euro. Türkiye's 5-year CDS premium rose by 20 basis points to 261 basis points this week.

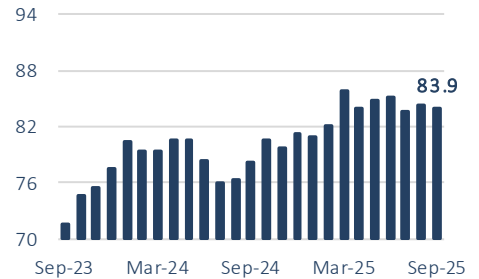
Next week's agenda...

Next week, September inflation data and the Istanbul Chamber of Industry's Manufacturing PMI will be released in Türkiye. Globally, in addition to final PMI data, the U.S. non-farm payrolls will be in focus.

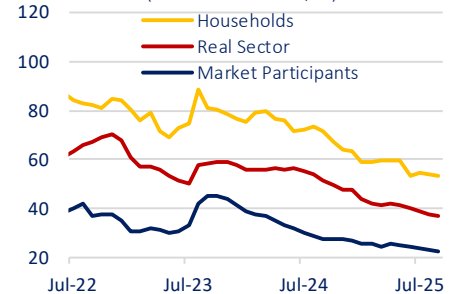
Leading Indicators
(seasonally adjusted)



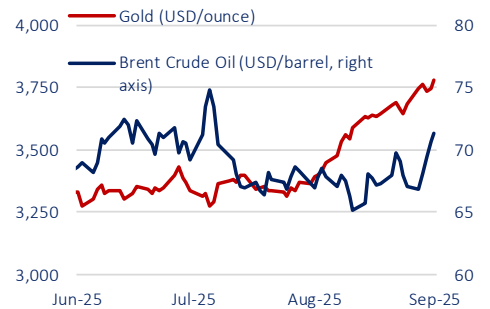
Consumer Confidence



Sectoral Inflation Expectations
(12 months ahead, %)



Gold and Oil Prices



Source: CBRT, TURKSTAT, Ministry of Culture and Tourism

Data Releases

		Period	Consensus	Prior
September 29	TR Economic Confidence	September	-	97.9
	US Dallas Fed Manufacturing Index	September	-	-1.8
	US Pending Home Sales, mom	August	-	0.4%
	Euro Area Consumer Confidence, final	September	-	-14.9
September 30	TR Unemployment Rate	August	-	8.0%
	TR Trade Balance	August	-	-6.4 billion USD
	US Consumer Confidence	September	96.0	97.4
	China NBS Manufacturing PMI	September	49.7	49.4
October 1	China RatingDog Manufacturing PMI	September	50.3	50.5
	UK GDP Growth, yoy	2025 Q2	-	1.2%
	TR Istanbul Chamber of Industry Manufacturing PMI	September	-	47.3
	US Manufacturing PMI, final	September	-	52.0
October 2	US ISM Manufacturing PMI	September	49.2	48.7
	US ADP Employment Report	September	-	54K person
	Euro Area HICP Inflation, flash, yoy	September	2.3%	2.0%
	Euro Area Manufacturing PMI, final	September	49.5	49.5
October 3	US Factory Orders, mom	August	-	-1.3%
	Euro Area Unemployment Rate	August	6.2%	6.2%
October 3	TR CPI Inflation, mom	September	-	2.04%
	TR D-PPI Inflation, mom	September	-	2.48%
	US Nonfarm Payrolls	September	39K person	22K person
	US Services PMI, final	September	-	53.9
	US ISM Services PMI	September	52.0	52.0
	Euro Area PPI Inflation, yoy	August	-	0.2%
	Euro Area Services PMI, final	September	51.4	51.4

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