

	16-Jan	22-Jan	Change		16-Jan	22-Jan	Change
BIST-100 Index	12.669	12.851	1,4 % ▲	EUR/USD	1,1597	1,1754	1,4 % ▲
TRY 2 Year Benchmark Rate	36,45 %	35,09 %	-136 bp ▼	USD/TRY	43,2735	43,2645	0,0 % ●
Türkiye 5-Year CDS Premium	216	211	-6 bp ▼	EUR/TRY	50,1929	50,8654	1,3 % ▲
MSCI EM Equity Index	1.485	1.495	0,7 % ▲	Gold (USD/ounce)	4.595	4.936	7,4 % ▲
US 10-Year Bond Rate	4,23 %	4,25 %	2 bp ▲	Brent Oil (USD/barrel)	64,1	64,1	-0,1 % ▼

bp: basis point

This week, with a busy data agenda, the Davos summit and geopolitical developments dominated global markets, the CBRT's interest rate decision was the main focus. In Türkiye, throughout the week, US President Trump's statements on Greenland and related trade policies, potential retaliatory measures discussed in the EU, geopolitical risks stemming from Iran, and diplomatic steps toward ending the Russia-Ukraine war were closely monitored. Within this context, while there were fluctuations in global risk appetite, demand for safe-haven assets remained strong. The IMF, which revised its growth forecasts for the global and Turkish economies upward, drew attention to the downside risks that could arise from trade tensions and AI-driven market corrections. Data released in the US showed no significant change in expectations regarding the Fed's interest rate path. In China, despite strong growth performance, retail sales data pointed to continued weakness in domestic demand. In Türkiye, the CBRT cut its policy rate to 37%, below general market expectations, while CBRT reserves exceeded 200 billion USD for the first time in the week of January 16. Fitch and Moody's are expected to publish their assessments of Türkiye's credit rating after markets close today. Next week, while employment data and sectoral confidence indices will be announced in Türkiye, Fed's interest rate decision will be the focus of the markets.

#### Geopolitical tensions centered on Greenland were decisive on global risk appetite.

Throughout the week, geopolitical tensions centered on Greenland and accompanying trade policy rhetoric were the main focus of global markets. The week began with US President Trump announcing that he would impose additional tariffs on European countries that did not support his demands for US control of Greenland. These measures were seen by Europe as a pressure tactic undermining NATO alliance solidarity. Towards the end of the week, risk appetite recovered, driven by Trump's announcement that military force would not be used in Greenland and that additional tariffs on 8 European countries would not be imposed, as well as strong data releases in the US.

#### IMF has revised its global growth forecasts upward.

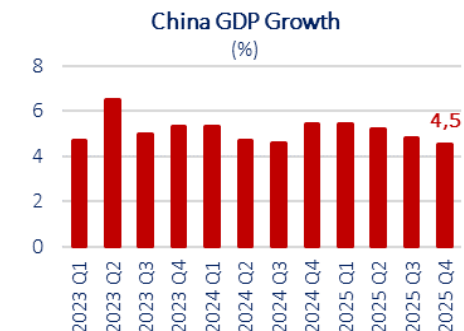
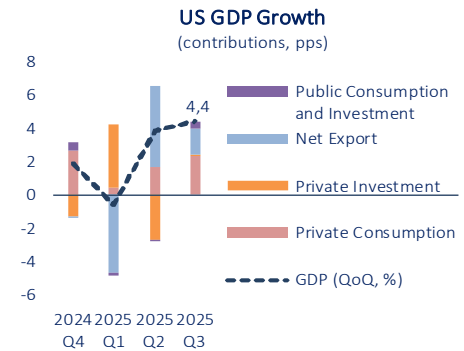
In its January update to the World Economic Outlook report, the IMF raised its global growth forecasts for 2025 and 2026 to 3.3%, with upward revisions of 0.1 and 0.2 percentage points, respectively, compared to its October 2025 report. The report assessed that uncertainties surrounding trade policies and geopolitical developments could put pressure on global trade and supply chains, listing high public debt and persistent budget deficits as risk factors that could cause financial conditions to remain tight for longer than expected. On the other hand, it was assessed that artificial intelligence and technology investments supporting productivity gains, a possible easing of trade war tensions, and inflation converging toward targets more quickly could support positive expectations for the global growth outlook.

#### A busy data traffic was followed in US.

The annualized growth rate for the third quarter of 2025 in the US was revised from 4.3% to 4.4%, with the strong contribution of consumer spending. The core personal consumption expenditures (PCE) price index rose by 0.2% mom in November, in line with expectations, while annual core PCE inflation remained above the Fed's 2% target at 2.8%. On the other hand, weekly new jobless claims in the country remained flat at 200k and continuing jobless claims declined, which alleviated concerns about labor market. Data pointing to inflation persistence and recovery in the labor market supported market expectations that the Fed wouldn't cut interest rates in the short term.

IMF	Current		Change*	
	2025	2026	2025	2026
<b>Growth</b>				
World	3,3	3,3	0,1	0,2
USA	2,1	2,4	0,1	0,3
Euro Area	1,4	1,3	-0,6	0,2
Türkiye	4,1	4,2	0,6	0,5

(\*) From October 2025 projections



Source: IMF, Datastream

### The Chinese economy grew by 5% in 2025.

The Chinese economy grew by 1.2% qoq and 4.5% yoy in the last quarter of 2025. Thus, the growth for 2025 was realized as 5%. At its meeting this week, the People's Bank of China kept its benchmark 1-year and 5-year lending rates unchanged at 3% and 3.5%, respectively.

### CBRT cut its policy rate to 37%.

At its first meeting of the year, the Monetary Policy Committee cut the policy rate by 100 basis points to 37%. Market expectations were for a 150 basis point cut. The decision text stated that the underlying trend of inflation declined in December, but leading indicators suggest that monthly consumer inflation has firmed in January, led by food prices. The statement implied that indicators for the last quarter point to demand conditions that continue to support the disinflation process, albeit at a moderating pace. The statement maintained that monetary policy would be tightened in case of a significant deviation in inflation outlook from the interim targets. In the week of January 16, the CBRT's gross total reserves increased by 9.1 billion USD on a weekly basis, reaching a historic high of 205.2 billion USD. During this period, the CBRT's gross gold reserves rose to 121 billion USD, while its gross foreign exchange reserves rose to 84.2 billion USD.

### In December, the increase in housing prices slowed, while house sales maintained their strong outlook.

In December, the housing price index recorded a monthly increase of 0.2%, marking its lowest rise since April 2020. On an annual basis, the index increased by 29%, while the real decline reached 1.4%, the highest level in the past six months. Among the three major cities, annual housing price increases stood at 34.9% in Ankara, 30.8% in İzmir, and 28.5% in İstanbul. Meanwhile, domestic house sales rose by 19.8% yoy in December to 254,777 units. Mortgage-backed sales, which increased by 25.2%, accounted for 11.4% of total sales. Over the January–December 2025 period, house sales increased by 14.3% yoy, reaching a historical high of 1.7 million units.

### Confidence indices presented a mixed picture in January.

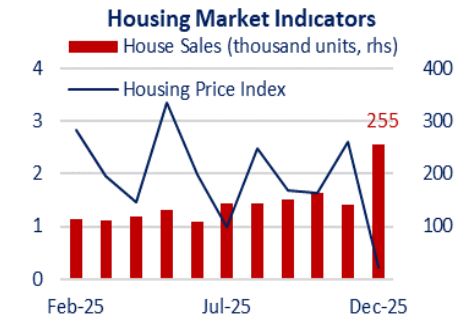
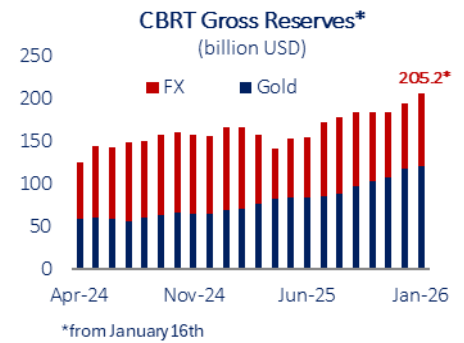
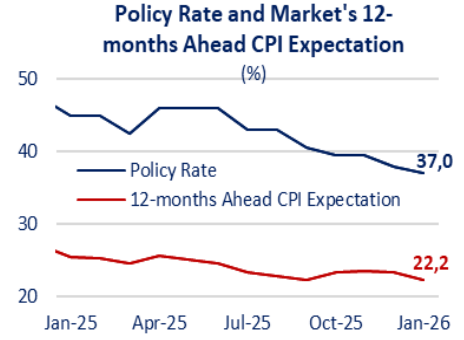
In January, the consumer confidence index edged up by a modest 0.3% to 83.7. Over the same period, the seasonally adjusted real sector confidence index declined by 0.7 points to 103.0, marking its first decrease in six months. In January, the seasonally adjusted manufacturing capacity utilization rate rose by 0.2 points to 74.4%, although it remained at relatively low levels.

### Global markets...

This week, amid rising geopolitical concerns, the price of gold increased by 7.4% compared to the previous week's close, reaching 4,936 USD per ounce as of Thursday's close, while silver prices also tested new highs. Meanwhile, Brent crude oil prices offset their intraweek gains and remained flat at 64.1 USD per barrel, as President Trump softened his speech toward Greenland and expectations emerged regarding a potential end to the Russia–Ukraine war. Expectations that the Fed will refrain from near-term rate cuts, along with a cautious tone in U.S. markets, weighed on developed market indices, while a weaker U.S. dollar and rising commodity prices provided relative support to emerging market assets. In Türkiye, despite the CBRT cutting its policy rate by less than market expectations, the BIST-100 index closed the week up 1.4% at 12,851.

### The agenda for the coming week...

Following today's market close, Fitch and Moody's are expected to release their assessments on Türkiye's sovereign credit rating. Next week, the Fed's interest rate decision will be closely watched, alongside employment data and sectoral confidence indices in Türkiye.



Source: BIST, CBRT, TurkSTAT, Datastream

## Data Releases

		Period	Consensus	Prior
January 26	US Durable Goods Orders, mom	November	0.5%	-2.2%
	TR Sectoral Confidence Indices	January	-	-
January 27	US Consumer Confidence	January	90.1	89.1
January 28	Fed Meeting	January	3.5-3.75%	3.5-3.75%
January 29	US Trade Balance	November	-44.6 bln USD	-29.4 bln USD
	US Factory Orders, mom	November	-	-1.3%
	Euro Area Consumer Confidence, final	January	-	-12.4
	TR Unemployment Rate	December	-	8.6%
	TR Economic Confidence	January	-	99.5
January 30	US PPI Inflation, mom	December	0.2%	0.2%
	Euro Area GDP Growth, flash, yoy	2025 Q4	-	1.4%
	Euro Area Unemployment Rate	December	-	6.3%
	Germany CPI Inflation, flash, yoy	January	-	2.0%
	TR Tourism Revenues	2025 Q4	-	24.3 bln USD
	TR Trade Balance	December	-	-9.42 bln USD

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