

	13-Feb	19-Feb	Change		13-Feb	19-Feb	Change
BIST-100 Index	14,181	13,804	-2.7 % ▼	EUR/USD	1.1867	1.1772	-0.8 % ▼
TRY 2 Year Benchmark Rate	35.79 %	36.34 %	55 bp ▲	USD/TRY	43.6706	43.7529	0.2 % ▲
Türkiye 5-Year CDS Premium	215	219	4 bp ▲	EUR/TRY	51.8389	51.5203	-0.6 % ▼
MSCI EM Equity Index	1,555	1,563	0.5 % ▲	Gold (USD/ounce)	5,042	4,999	-0.9 % ▼
US 10-Year Bond Rate	4.06 %	4.08 %	2 bp ▲	Brent Oil (USD/barrel)	67.8	71.7	5.8 % ▲

bp: basis point

The positive atmosphere following the indirect negotiations held between the US and Iran was quickly disrupted by statements from the US. These developments drove the course of markets, and oil prices reached their highest level since July. The Fed minutes, meanwhile, increased uncertainties regarding interest rate policy, leading to a strengthening of USD and a decline in the gold prices. According to the data announced on the last trading day of the week, the US economy grew by 2.2% in 2025 and annual core PCE inflation rose to 3% in December. In the Euro Area, February PMI data pointed to a moderate outlook in the manufacturing and services sectors. In Türkiye, the central government budget posted a deficit of 214.5 billion TRY in January. Data regarding the housing market pointed to a weak outlook in January. The course of geopolitical developments will continue to be closely monitored next week. In the week with an intensive data calendar, sectoral inflation expectations and labor force statistics stand out in Türkiye.

Data on economic activity in the US was monitored.

While the U.S. economy grew at an annualized rate of 1.4% in the final quarter of 2025 and 2.2% in the whole year, annual core PCE inflation rose to 3% in December, up 0.2 points from the previous month. Industrial production data, which gained momentum in January, recording a 2.3% annual increase, indicated that production activities in the country started the new year with a strong outlook. In addition, the housing starts and building permits data for November and December, which were announced this week, exceeded market expectations. However, jobless claims for the week ending February 14 came in at 206K, below expectations (225K) and the previous week (229K), sending a positive signal about the job market.

The minutes of Fed's January meeting were published.

The minutes of the meeting that ended on 28 January, signaled that members' views regarding the interest rate policy to be followed in the coming period diverged. Some Fed officials argued that it would be appropriate for rate cuts to continue if inflation declines as they expect, while some argued that no further easing should be made until the decline in inflation gains persistence. In the minutes, it drew attention that a few officials assessed that a rate hike would be appropriate if inflation remains above the target level. The data announced last Friday had pointed that annual core CPI inflation in the country declined to 2.5% in January, the lowest level since March 2021. Rate cut expectations, which strengthened somewhat after the positive CPI data, weakened again after the publication of the minutes, which pointed to the possibility of a rate hike beginning to be discussed.

Leading PMI data in the Euro Area pointed to moderate activity conditions.

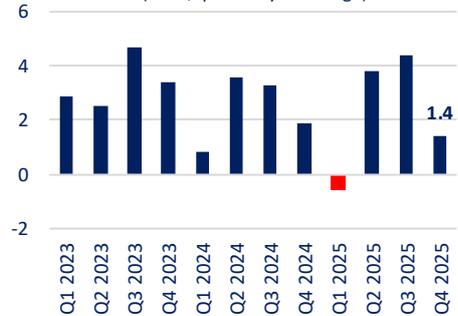
According to preliminary data, the Euro Area manufacturing PMI rose above the threshold value to 50.8 in February, while the services PMI stood at 51.8, indicating continued moderate activity in the sector. Confidence indices for the same period, however, indicated that confidence in the region has not yet fully recovered. The ZEW Economic Sentiment Index fell by 1.4 points mom to 39.4 in February, while the consumer confidence index rose marginally by 0.2 points to -12.2.

The second round of US-Iran negotiations took place in Geneva.

The second round of nuclear negotiations between the US and Iran took place on Tuesday in Geneva, Switzerland. Statements made after the meeting indicated that agreement had been reached on some issues and that the parties could meet again in the coming days to discuss the details of the agreed points. Meanwhile, the US's statements that the option of a military intervention remains on the table if the process does not yield the desired results increased tensions. Furthermore, Donald Trump emphasized that "bad things" would happen if a "meaningful agreement" could not be reached with Iran, stating that the outcome of the talks, whether positive or negative, would be known within the next 10 days.

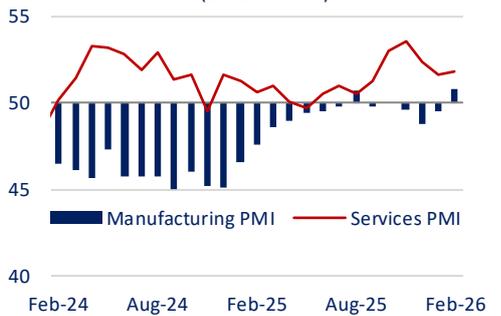
US GDP Growth

(saar, quarterly % change)



Euro Area PMI

(threshold=50)



Gold and Crude Oil Prices



Source: Datastream

IMF has completed its Article IV consultation about Turkish economy.

Having completed the Article IV consultation and published its assessment of the Turkish economy, the IMF stated that the ongoing disinflation program is yielding positive results. The IMF forecasted that the CPI inflation rate will be 23% at the end of 2026. The IMF maintained its growth forecast for the Turkish economy at 4.2%, as published in its World Economic Outlook update in January.

Service production accelerated in 2025 Q4, while the construction sector lost momentum.

In Türkiye, services production index recorded monthly and annual increases of 1.0% and 4.2%, respectively, in December 2025. During the same period, the construction production index increased by 1.0% mom, while the annual increase in the index slowed down compared to previous months, to 7.5%. Thus, according to calendar-adjusted data, the annual change in the service sector production rose from 3.1% in Q3 to 3.8% Q4 of 2025, while in the construction sector production it declined from 17.5% to 13%.

Consumer and real sector confidence improved in February.

The consumer confidence index rose by 2 points mom to 85.7 in February, reaching its highest level in the last 11 months. On the other hand, looking at the details of the index, the sub-indices reflecting thoughts and expectations regarding changes in consumer prices were the items that deteriorated the most. The seasonally adjusted real sector confidence index published by the CBRT rose by 1.1 points to 104.1 during the same period, reaching its highest level since October 2023.

Indicators related to the housing market...

The residential property price index, which rose by 3.7% mom in January, increased by 27.7% yoy in nominal terms, while declining by 2.3% yoy in real terms. This week, the CBRT began publishing new data under the name "New Tenant Rent Index". This index rose by 3.5% mom in January, while rising by 34.2% and 2.7% yoy in nominal and real terms, respectively. Housing sales fell by 4.7% yoy to 111,480 units. During this period, mortgage sales, which increased by 15.7% yoy, accounted for 18.2% of total sales, above the 2025 average (14.3%).

Central government budget recorded a deficit of 214.5 billion TRY in January.

The central government budget deficit in January was 214.5 billion TRY, 54.1% higher than the same period last year. During this period, budget revenues increased by 55% yoy to 1.4 trillion TRY, while budget expenditures reached 1.6 trillion TRY, with a similar increase of 54.9%. The non-interest surplus in January was 241.9 billion TRY ([our Budget Balance report](#)).

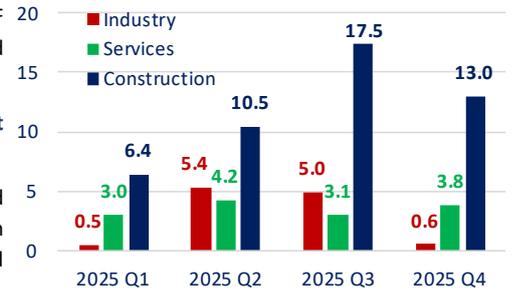
Financial markets...

As of Thursday, the MSCI World and emerging market stock indices recorded modest increases of 0.4% and 0.5%, respectively, compared to the previous week's close. The Fed minutes released in the US, which indicated that the possibility of an interest rate hike was on the table, led to a 1% rise in the DXY index, while Trump's rhetoric towards Iran increased concerns of military intervention, pushing oil prices upward. Thus, the price of Brent crude oil rose by 5.8% compared to last Friday's close, reaching 71.7 USD per barrel on Thursday. Meanwhile, the price of gold fell by 0.9% during the same period, dropping below the 5,000 USD, in line with weakening expectations of a Fed rate cut and a strengthening USD. The BIST-100 index diverged negatively from the MSCI emerging markets stock index, falling by 2.7% to 13,804 at Thursday's close. Yields on 2-year bond rose by 55 basis points to 36.34%.

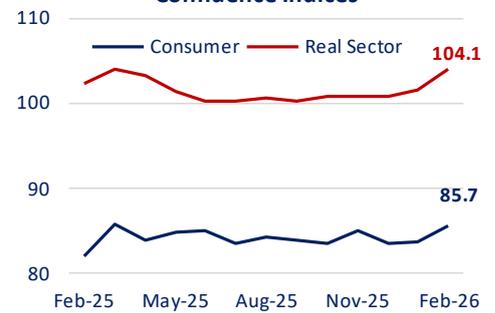
Next week's agenda...

Next week, in Türkiye, the Household Expectations Survey, which will be published for the first time by the CBRT, along with sectoral inflation expectations and labor force statistics, will be at the forefront. In addition, the Ministry of Treasury and Finance will announce its Domestic Borrowing Strategy for the next three months. On the global front, geopolitical developments, US PPI inflation, and the meeting of the People's Bank of China will be closely monitored.

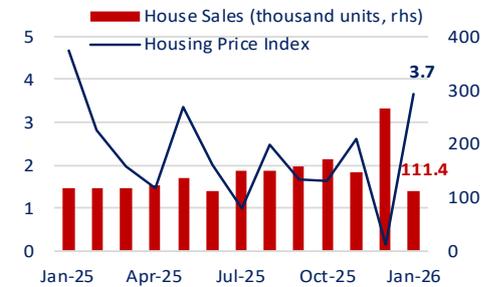
Production Indices
(annual % change)



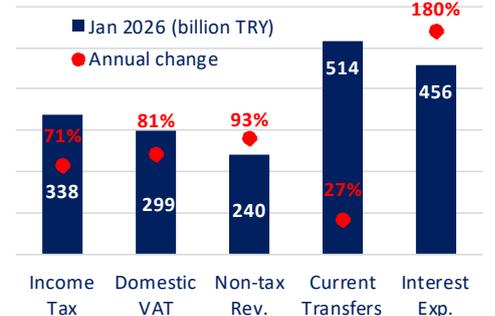
Consumer and Real Sector Confidence Indices



Housing Market Indicators



Main Budget Items



Source: Datastream, CBRT, Turkstat

Data Releases

		Period	Consensus	Prior
23 February	TR Sectoral Sentiment Indices	February	-	-
	US Factory Orders, mom	December	-	2.7%
	US Dallas Fed Manufacturing Index	February	-	-1.20
	Germany Ifo Business Climate	February	88.4	87.6
24 February	TR Household Expectations Survey	February	-	-
	TR Sectoral Inflation Expectations	February	-	-
	US Consumer Confidence	February	-	84.5
	China Central Bank Meeting	February	-	3.00%-3.50%
25 February	Euro Area CPI Inflation, final, yoy	January	1.7%	1.7%
26 February	TR Economic Confidence	February	-	99.4
	TR Trade Balance	January	-	-9.3 billion USD
	Euro Area Consumer Confidence, final	February	-	-12.2
27 February	TR Unemployment Rate	January	-	7.7%
	TR Services Producer Price Index, yoy	January	-	35.11%
	US PPI Inflation, mom	January	0.3%	0.5%
	Germany CPI Inflation, flash, yoy	January	2.0%	2.1%

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