

	17-Apr	23-Apr	Change		17-Apr	23-Apr	Change
<b>BIST-100 Index*</b>	14.588	14.335	-1,7 % ▼	<b>EUR/USD</b>	1,1762	1,1683	-0,7 % ▼
<b>TRY 2 Year Benchmark Rate*</b>	39,22 %	40,02 %	80 bp ▲	<b>USD/TRY</b>	44,8473	44,9787	0,3 % ▲
<b>Türkiye 5-Year CDS Premium</b>	228	238	10 bp ▲	<b>EUR/TRY</b>	52,7707	52,5381	-0,4 % ▼
<b>MSCI EM Equity Index</b>	1.597	1.599	0,1 % ▲	<b>Gold (USD/ounce)</b>	4.828	4.693	-2,8 % ▼
<b>US 10-Year Bond Rate</b>	4,24 %	4,32 %	8 bp ▲	<b>Brent Oil (USD/barrel)</b>	90,4	105,1	16,3 % ▲

bp: basis point

\*As of April 22

The lack of a definitive outcome from the contacts between the US and Iran this week negatively affected the global risk perception, leading to an increase in oil prices. The April PMI data, which provided positive signals regarding economic activity in the US, indicated a divergence between the manufacturing and services sectors in the Euro Area. In its third meeting of the year, the CBRT kept the one-week repo auction interest rate unchanged at 37%. While inflation expectations increased in all sectors in April, confidence indices presented a mixed picture. Next week, the meetings of major central banks will be closely monitored in the markets. On the data agenda, preliminary growth figures for the first quarter to be announced in the US and Eurozone, as well as the core PCE data for March in the US, stand out. In the domestic market, unemployment rates, tourism statistics, and foreign trade data will be released.

#### Uncertainties regarding US-Iran negotiations...

At the beginning of the week, U.S. President Donald Trump stated that the likelihood of extending the ceasefire in the event of a failure to reach an agreement with Iran was quite low, and he also mentioned that the blockade on Iranian ports would continue until an agreement was finalized. The fact that the meeting planned between the parties on Wednesday did not take place increased the uncertainties regarding the peace talks. In contrast, Trump announced that he would extend the ceasefire indefinitely, stating in his remarks that he would wait for the "best deal" to end the war. Additionally, Trump announced that he mediated talks between Israel and Lebanon, resulting in a three-week ceasefire between the parties. Although a temporary ceasefire has been established between Iran and the US, as well as between Israel and Lebanon, the acceleration of US military deployments to the region and the mutual interventions of the parties against ships in the Strait of Hormuz are raising concerns about the peace process. The lack of a specific timeline for peace talks is particularly putting upward pressure on oil prices.

#### PMI indicators in the US gave positive signals regarding economic activity.

In the US, the preliminary manufacturing PMI increased by 1.7 points mom in April, reaching 54.0, exceeding market expectations. During this period, the acceleration in new orders was the main factor supporting the recovery in the manufacturing sector, while it was also observed that firms were inclined to accumulate inventory due to expectations of rising costs. In April, the services PMI also rose to 51.3, an increase of 0.5 points compared to the previous month. In the country, retail sales in March recorded a monthly increase of 1.7%, the fastest in the past year, providing a positive outlook compared to market expectations. However, the details of the data indicated that the increase in fuel sales by 15.5% on a monthly basis was decisive in this development, due to the rise in oil prices.

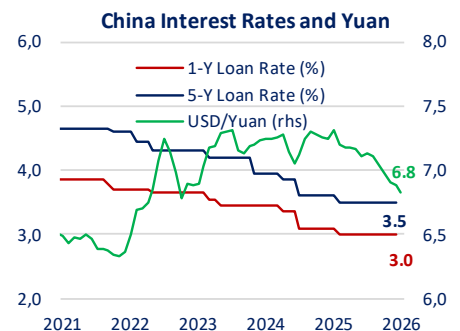
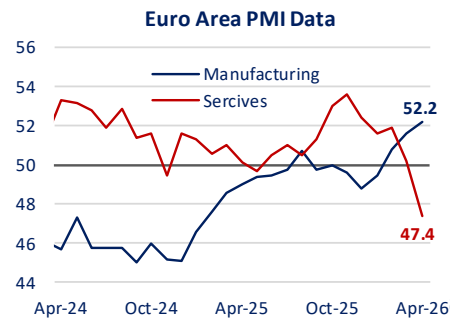
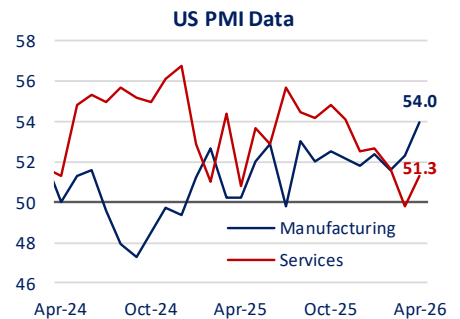
This week, the statements of Kevin Warsh, who was nominated by President Trump for the position of Fed chairman, were also followed in the Senate. Warsh stated that he had not made any commitment to President Trump regarding lowering interest rates and expressed that he would act independently in his decisions. On the other hand, Warsh said that developments in the field of artificial intelligence, in particular, could support economic activity by increasing productivity without creating an inflationary impact.

#### Preliminary PMI data from the Eurozone presented a mixed picture.

According to preliminary data in the Euro Area, the manufacturing PMI increased by 0.6 points to 52.2 in April, exceeding expectations. On the other hand, the services PMI decreased by 2.8 points on a monthly basis, falling below the threshold value at 47.4. Thus, the composite index, which was expected to remain above the threshold level, fell to 48.6, marking its lowest level since November 2024. In the region, the ZEW investor confidence index also fell to -20.4 in April, below market expectations and the lowest level since December 2022. In the relevant period, geopolitical developments and the increase in energy prices played a decisive role in the weakening of investor confidence. In the Eurozone, no changes in interest rates are expected from the ECB in the meeting scheduled for next week. In the markets, it is priced in that the ECB may raise interest rates in June.

#### PBOC kept benchmark lending rates unchanged.

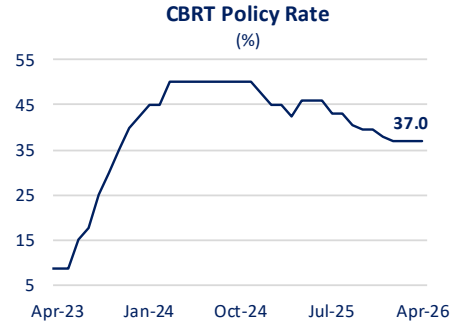
In line with market expectations, the People's Bank of China left benchmark lending rates unchanged at the April meeting. Therefore, the 1-year and 5-year loan interest rates remained unchanged at 3.0% and 3.5%, respectively. PBOC's last interest rate cut was by 10 basis points in May 2025.



Source: Datastream

**CBRT kept policy rate at 37%.**

At the third Monetary Policy Committee meeting of the year, the CBRT left the one-week repo rate unchanged at 37%. The Committee also kept the overnight lending rate at 40% and the overnight borrowing rate at 35.5%. The statement note that the underlying trend in inflation eased in March, but leading indicators pointed to a modest increase in April. It was also stated that despite signs of a slowdown in economic activity, attention was drawn to the potential secondary effects of recent developments on the inflation outlook. Furthermore, the statement indicating that the monetary policy stance would be tightened in the event of a significant and persistent deterioration in the inflation outlook, as noted in previous statements; and the wording was reinforced by the addition of a new statement emphasizing the Council's cautious stance regards upside risks to inflation. CBRT has not changed interest rates at the last two meetings, but has been allowing the weighted-average cost of funds settle at 40% since March 2, by not holding weekly repo auctions.

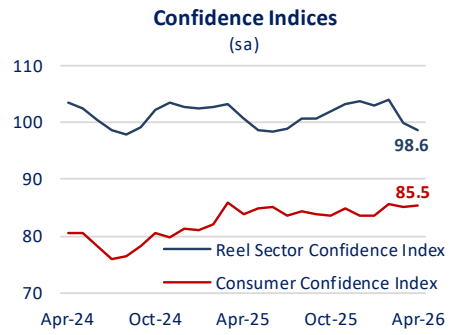


**Inflation expectations increased across sectors.**

According to the data of the Sectoral Inflation Expectations for April released by the CBRT, the annual inflation expectations for 12 months ahead increased in April compared to the previous month, rising by 1.22 points to 23.39% among market participants, by 0.80 points to 33.70% in the real sector, and by 1.67 points to 51.56% in households. Additionally, according to the Household Expectations Survey, it was observed that the proportion of households expecting inflation to decrease in the next 12 months fell by 0.57 points to 14.57%, compared to the previous month. The product/service groups for which participants expect the highest price increases in the next 12 months continue to be "food" and "fuel and energy."

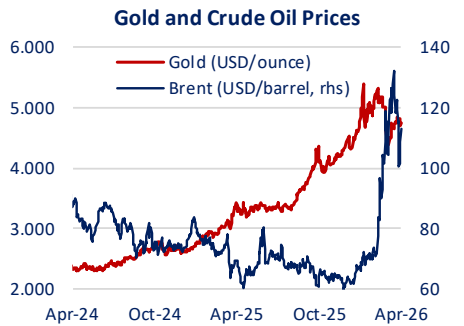
**Confidence indices presented a mixed outlook in April.**

The consumer confidence index increased by 0.5 points on a monthly basis to 85.5 in April. During this period, improvements were observed in sub-components related to households' expectations regarding their financial situation over the next 12 months and assessment on spending money on durable goods over the next 12 months. In contrast, the seasonally adjusted real sector confidence index declined to 98.6, marking its lowest level in the past 10 months. Except for assessments related to fixed capital investment expenditure and current overall order books, confidence weakened across all other sub-components. Notably, the assessment of the general economic outlook fell to 79.9, its lowest level since August 2022. Sectoral confidence decreased on a monthly basis in the services (-3.1%) and retail trade (-1.8%) sectors, while it increased in the construction sector (3.6%).



**S&P affirmed Türkiye's credit rating and outlook.**

In its latest rating review published last Friday evening, the international rating agency S&P affirmed Türkiye's sovereign credit rating at "BB-/B" and maintained the outlook at "stable." The agency stated that it maintained the outlook for Türkiye's credit rating on the assumption that tensions in the Middle East would not escalate further, and that if the authorities continued their tight monetary and wage policies and prevented a further decline in foreign exchange reserves, Türkiye would overcome the energy price shock arising from regional tensions. On the other hand, S&P emphasized that an upgrade in Türkiye's credit rating would depend on a recovery in FX reserves, continued progress in the disinflation process, and the restoration of confidence in the Turkish lira. On the other hand, It also noted that a continued increase in energy prices or a dollarization pressure resulting from factors such as changes in domestic policy could lead to a downgrade of the country's credit rating.



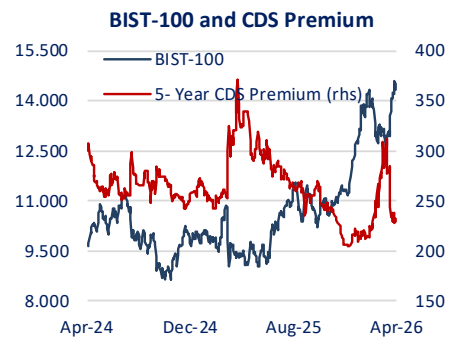
**Financial markets...**

During the week, concerns surrounding the U.S.–Iran conflict remained at the forefront, limiting the impact of data releases on market dynamics. As of Thursday, the MSCI World Index declined by 0.8% compared to the previous week's close, while the MSCI Emerging Markets Index remained relatively flat (+0.1%). The price per ounce of gold and silver fell by 2.8% and 6.6%, respectively, during the same period. Brent crude oil prices, which followed an upward trend throughout the week amid rising uncertainties in the Middle East, exceeded 100 USD per barrel once again.

On Thursday, the domestic stock markets, closed due to the April 23 National Sovereignty and Children's Day, are preparing to end the week with a loss in value. As of Thursday's close, USD/TRY rose slightly compared to last Friday, while EUR/TRY decreased somewhat during this period due to the decline in the EUR/USD parity. Türkiye's 5-year CDS premium increased by 10 basis points to 238 basis points.

**Next week's agenda...**

As developments in the Middle East continue to be the main agenda item, Fed, ECB, BoE, and BoJ meetings will also be closely monitored in the markets next week. In the data agenda, preliminary growth figures for the first quarter of the year in the US and Eurozone, as well as the core PCE data for March in the US, stand out. In the domestic market, unemployment rates, tourism statistics, and foreign trade data will be announced.



Source: Datastream, CBRT, Turkstat

## Data Releases

		Period	Consensus	Prior
28 April	USA Consumer Confidence	April	-	91.8
	BoJ Meeting	April	0.75%	0.75%
29 April	TR Unemployment Rate	March	-	8.5%
	TR Economic Confidence	April	-	97.9
30 April	Fed Meeting	April	3.50-3.75%	3.50-3.75%
	USA Durable Goods Orders, mom	March	0.5%	-1.3%
	USA Housing Starts, units	March	-	1.49 million
	Euro Area Consumer Confidence, final	April	-	-20.6
	TR Foreign Visitors, yoy	March	-	-2.1%
	TR Trade Balance	March	-	-9.0 billion USD
	USA Core PCE, mom	March	-	0.4%
	USA GDP Growth, prelim, yoy	2026 Q1	-	0.5%
	ECB Meeting	April	2.0%	2.0%
	Euro Area GDP Growth, flash, yoy	2026 Q1	-	1.2%
	Euro Area CPI Inflation, flash, yoy	April	%2,9	2.6%
	BoE Meeting	April	3.75%	3.75%
	China NBS Manufacturing PMI	April	50.2	50.4
	China NBS Services PMI	April	-	50.1
	1 May	USA Manufacturing PMI, final	April	-
USA ISM Manufacturing PMI		April	-	52.7

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