

	29-May	4-Jun	Change		29-May	4-Jun	Change
BIST-100 Index	13,663	13,872	1.5 % ▲	EUR/USD	1.1659	1.1609	-0.4 % ▼
TRY 2 Year Benchmark Rate	43.74 %	43.30 %	-44 bp ▼	USD/TRY	45.7418	45.9821	0.5 % ▲
Türkiye 5-Year CDS Premium	240	239	-1 bp ▼	EUR/TRY	53.4573	53.4918	0.1 % ▲
MSCI EM Equity Index	1,752	1,759	0.4 % ▲	Gold (USD/ounce)	4,536	4,474	-1.4 % ▼
US 10-Year Bond Rate	4.45 %	4.48 %	2 bp ▲	Brent Oil (USD/barrel)	92.1	95.0	3.2 % ▲

bp: basis point

*As of May 26 Close

The OECD Economic Outlook Report published on June 3 highlighted energy supply disruptions and inflationary risks stemming from the Middle East, while growth forecasts for both the global economy and the Turkish economy for 2026 were revised downward. In the US, PMI data pointed to a positive outlook in both the manufacturing and services sectors. In the Euro Area, inflation was observed to have gained momentum. The Turkish economy grew by 2.5% on an annual basis in the first quarter of the year. Monthly CPI inflation stood at 1.71% in May, while the Istanbul Chamber of Industry Türkiye Manufacturing PMI signaled a recovery. Next week, the domestic agenda will focus on the industrial production index, balance of payments statistics, the CBRT Survey of Market Participants, and the CBRT's Monetary Policy Committee meeting. On the global front, the ECB meeting and the US May CPI data will be the main agenda items of the week, while developments in the Middle East will continue to be closely monitored.

The OECD published the Economic Outlook Report.

In the Economic Outlook Report published on June 3, OECD assessed the global economic growth outlook under two scenarios, citing an energy shock stemming from the Middle East and rising inflationary pressures. In the interim report published in March, the OECD had projected global economic growth of 2.9% for 2026; in the new report, it revised that forecast down to 2.8% under a "time-limited disruption scenario," while projecting that growth will rebound to 3.1% in 2027. On the other hand, it was noted that if disruptions in energy production and global trade were to persist into 2027, economic growth could slow to 2.1% in 2026 and as low as 1.8% in 2027. The report emphasized that rising energy and food prices have driven up inflation, tightened financial conditions, and increased downside risks, particularly for economies that import energy. The OECD has announced a growth forecast of 3.1% for the Turkish economy in 2026 and 3.8% for 2027. The OECD noted that high energy and commodity prices, combined with tight financial conditions, are dampening domestic demand; however, the organization also emphasized that an improvement in consumer confidence and interest rate cuts starting in late 2026 could support consumption and investment. The report noted that annual headline inflation is expected to fall below 20% in the first half of 2027, but tensions in the Middle East pose a risk to the disinflation process.

Fitch Ratings noted that the oil price shock has weakened the global growth outlook, but the organization raised 2026 growth forecast for the Turkish economy from 2.6% to 2.8% and announced growth forecast for 2027 as 4.4%.

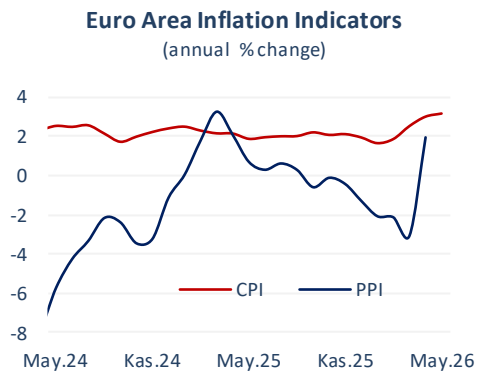
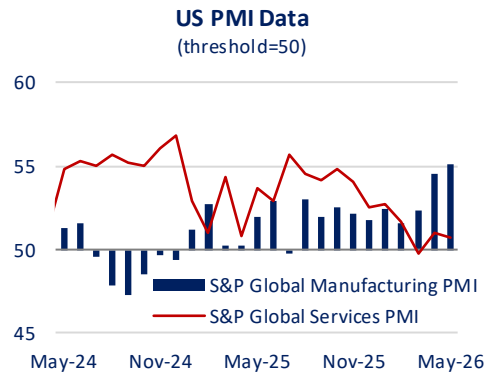
Data released in the U.S. painted a positive picture of economic activity.

Data released in the U.S. indicated that economic activity remained resilient, driven by continued strength in the manufacturing sector and expansion in the services sector. In May, the ISM Manufacturing PMI reached 54, its highest level since May 2022, while the final S&P Global Manufacturing PMI rose to 55.1, signaling a strengthening recovery in the manufacturing sector. In the services sector, the rise in the ISM Services PMI to 54.5 pointed to a stronger outlook for activity, even though the S&P Global Services PMI remained in expansionary territory at 50.7 in the final reading. In April, orders for transportation equipment and commercial aircraft were the key drivers behind the 4.8% mom increase in factory orders, marking the strongest hike in the past 11 months; additionally, the number of job openings reached 7.6 million, significantly exceeding expectations, and the decline in layoffs further demonstrated the resilience of the labor market. The employment expansion by 122,000 in the private sector, reported by ADP in May, also supported this outlook. In addition, nonfarm payrolls increased by 172,000 during the same period, exceeding market expectations of 85,000, which confirmed the strong outlook for the labor market. The employment increase in April was also revised upward from 115,000 to 179,000. The Fed's Beige Book report also noted that economic activity was growing at a moderate pace in most regions, employment remained largely flat, and price increases had strengthened compared to the previous reporting period.

OECD	Current Projections (%)*		Change (% points)**	
	2026	2027	2026	2027
Growth				
World	2.8	3.1	-0.1	0.1
USA	2.0	1.8	0.0	0.1
Euro Area	0.8	1.2	0.0	0.0
Türkiye	3.1	3.8	-0.2	0.0
Avg. Inflation (Türkiye)	28.4	18.3	1.7	1.4

(*) Under the time-limited disruption scenario

(**) From March 2026 projections



Source: Datastream

According to Inflation accelerated in the Euro Area in May.

In the Euro Area, the annual flash CPI inflation rate reached 3.2% in May, its highest level since September 2023, while increases of 10.9% and 3.5% in energy and services prices, respectively, stood out during this period. With core annual inflation rising to 2.5% in the region, the 4.9% yoy increase in the PPI in April confirmed that cost pressures were intensifying. Retail sales contracted by 0.4% mom in April, while the final services PMI remained in contraction territory at 47.7.

The Turkish economy grew by 2.5% year-on-year in the first quarter.

The Turkish economy grew by 2.5% yoy in the first quarter of 2026, performing close to market expectations of 2.7%. The quarterly growth rate of 0.1% signaled a loss of momentum in economic activity. Domestic demand was the main driver of growth during this period, while net exports dragged down growth ([click for the Economic Growth Report](#)).

Monthly CPI inflation stood at 1.71% in May.

In May, the CPI rose by 1.71% on a monthly basis, exceeding market expectations. During this period, annual CPI inflation reached 32.61%. The monthly increase in the D-PPI was relatively high at 2.75% in May. Consequently, annual PPI inflation also reached 28.93%, extending the upward trend into the fifth consecutive month ([click for the Inflation Report](#)).

ICI Türkiye Manufacturing PMI signaled a recovery in May.

The Istanbul Chamber of Industry Türkiye Manufacturing PMI rose from 45.7 to 49.8 in May, reaching its highest level since March 2024 and signaling that the slowdown in the manufacturing sector has significantly eased. Although the index remained below the 50-point threshold, the resumption of production growth and the increase in new export orders following a 20-month downward trend were noted as positive developments. In contrast, the limited decline in total new orders indicated that fragility in domestic demand persists. The report also noted that part of the increase in production and purchasing activity stemmed from firms building up safety stock in response to price and supply risks caused by the war in the Middle East.

The unemployment rate stood at 8.2% in April.

According to seasonally adjusted data, the unemployment rate rose by 0.1 percentage points on a monthly basis to 8.2% in April, while the number of employed persons fell by 356,000 to 32.2 million. During this period, the employment rate fell to 48.1%, and the labor force participation rate also dropped to 52.4%. Although the labour underutilization rate fell by 1.2 pps on a monthly basis in April, it remained relatively high at 30.1%.

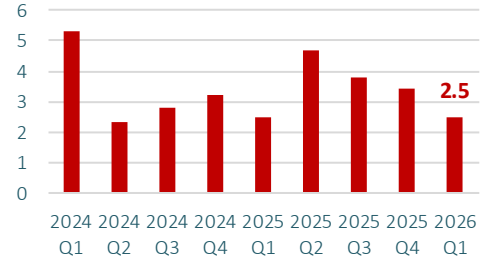
Financial markets...

At the start of the week, news that U.S.-Iran talks had stalled and that risks related to the Strait of Hormuz were rising again led to a deterioration in risk sentiment in financial markets. On the other hand, announcements of innovations in artificial intelligence technologies supported appetite in U.S. stock markets, especially for technology stocks. During this period, the S&P 500, Nasdaq, and Dow Jones indices closed at record highs, but growing concerns stemming from the Middle East created selling pressure on the indices by midweek. As of Thursday's close, the price of Brent crude oil rose by 3.2% compared to the previous Friday, reaching 95 USD per barrel. The price of gold per ounce fell by 1.4% to 4,474 USD by Thursday, while the MSCI World and Emerging Markets stock indices remained flat during this period. The BIST-100 index, meanwhile, rose by 1.5% as of Thursday's close compared to Tuesday's close the previous week.

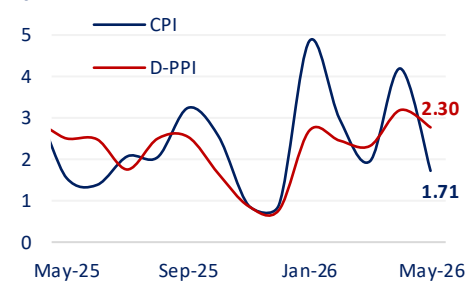
Next week's agenda...

Next week, in Türkiye, the industrial production index, balance of payments statistics, the CBRT Market Participants Survey, and the CBRT Monetary Policy Committee meeting will be the key items on the agenda. Globally, the ECB meeting and the U.S. May CPI data will be the main agenda items for the week, while developments in the Middle East will continue to be closely monitored.

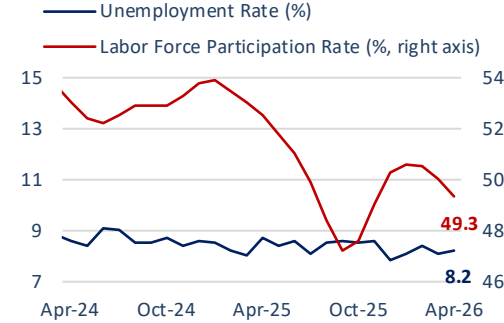
GDP Growth in Türkiye
(%, annual)



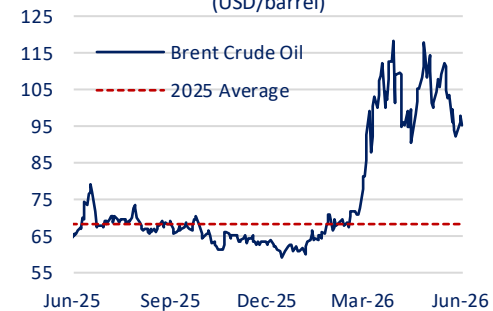
Monthly Inflation
(%)



Labor Market Indicators



Oil Price
(USD/barrel)



Source: Datastream, Turkstat, ICI

Data Releases

		Period	Consensus	Prior
June 8	US Consumer Confidence Expectations	May	-	-6,8B USD
	Japan GDP Growth, final, qoq	2026 Q1		
	Euro Area Sentix Index	June	-	-
	Germany Industrial Orders, mom	April		
June 9	TR Treasury Cash Balance	May	-	4,1M units
	US Trade Balance	April	-	%0,7
	US Existing Home Sales, units	May		
	China Trade Balance	May	109,5B USD	213,6B USD
June 10	Germany Industrial Output, mom	April	-	24,4B TRY
	US CPI Inflation, mom	May	-	-%0,4
	US Core CPI Inflation, mom	May	-	%8,0
	China PPI Inflation, yoy	May	-	-0,2
	China CPI Inflation, yoy	May		
	TR Industrial Production, yoy	April	-	-%1,2
June 11	TR Trade Sales Volume, yoy	April	-	%26,4
	US PPI Inflation, mom	May	-	18,1
	OPEC Monthly Oil Market Report	June	-	%0,2
	ECB Meeting	June		
June 12	CBRT Monetary Policy Meeting	June	%2,5	%2,5
	US Michigan Consumer Confidence, prelim	June	%4,8	%4,5
	Germany CPI Inflation, final, yoy	May	%5,6	%6,3
	UK GDP Growth, yoy	April	%2,3	%2,8
	TR Current Account Balance	April	-	-
	CBRT Survey of Market Participants	June	-	%25,38

Economic Research Division

Alper Grler
Division Head
alper.gurler@isbank.com.tr

Mustafa Kemal Gndođdu, PhD
Asst. Manager
kemal.gundogu@isbank.com.tr

H. Erhan Gl
Unit Manager
erhan.gul@isbank.com.tr

Ođulcan Delil
Asst. Economist
ogulcan.delil@isbank.com.tr

Our reports are available on our website <https://research.isbank.com.tr>.

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