

	10-Apr	16-Apr	Change		10-Apr	16-Apr	Change
BIST-100 Index	14.074	14.201	0,9 % ▲	EUR/USD	1,1719	1,1781	0,5 % ▲
TRY 2 Year Benchmark Rate	39,72 %	39,43 %	-29 bp ▼	USD/TRY	44,6050	44,8040	0,4 % ▲
Türkiye 5-Year CDS Premium	236	237	1 bp ▲	EUR/TRY	52,3239	52,6531	0,6 % ▲
MSCI EM Equity Index	1.547	1.603	3,6 % ▲	Gold (USD/ounce)	4.747	4.788	0,8 % ▲
US 10-Year Bond Rate	4,32 %	4,31 %	-1 bp ▼	Brent Oil (USD/barrel)	95,2	99,4	4,4 % ▲

bp: basis point

The talks between the US, Israel, and Iran, as well as the news regarding US companies' first-quarter earnings and the IMF's April World Economic Outlook report were followed. After the ceasefire in Lebanon, Iranian foreign minister's announcement today that commercial vessels would be allowed to pass through the Strait of Hormuz during the ceasefire period triggered a sharp drop in oil prices. IMF revised its 2026 growth forecasts downward and its inflation forecasts upward, citing the impact of the war in the Middle East on the global economy. In Türkiye, a busy data agenda was monitored. Current account deficit became 7.5 billion USD in February, while the central government budget recorded a deficit of 229.9 billion TRY in March. Ahead of the CBRT's meeting to be held on April 22, the Survey of Market Participants released today showed that the deterioration in inflation expectations has continued in April. S&P's credit rating assessment of Türkiye is also expected today.

IMF released its April World Economic Outlook report.

In the World Economic Outlook report published this week with a title of "The Global Economy in the Shadow of War," IMF emphasized that the war in the Middle East has created a supply shock that weakens global economic growth and pushes up inflation, thereby increasing the risks of stagflation, particularly for energy-importing and vulnerable economies. IMF noted that the underlying assumptions adopted are that the conflict would remain limited in terms of duration, intensity, and scope, and that the related effects would gradually subside by mid-2026. In its baseline scenario, IMF also projected that oil prices will record an annual increase of 21% in 2026. Under these assumptions, the global growth forecast for 2026 was revised down from 3.3% in January to 3.1%, while the 2027 forecast remained at 3.2%. The global inflation forecast was revised upward by 0.6 percentage points to 4.4% for 2026 and by 0.3 percentage points to 3.7% for 2027. The IMF noted that had the war not occurred, the 2026 growth forecast would have been revised upward rather than downward, while emphasizing that downside risks are significant under the current conditions and that the global growth outlook could deteriorate further if the conflict persists or escalates.

Regarding Türkiye, due to rising energy costs, the 2026 growth forecast has been revised downward from 4.2% to 3.4%, and the 2027 forecast from 4.1% to 3.5%, while year-end inflation is projected to reach 24.5% in 2026 (October 2025 forecast: 21.0%) and 19.3% in 2027 (October 2025 forecast: 18.0%).

Developments regarding the ceasefire process were closely monitored.

Although no concrete solution emerged from the first round of talks held in Islamabad over the weekend between the US, Israel, and Iran, diplomatic channels between the parties remained open throughout the week. On Thursday, US President Trump stated that negotiations could continue this weekend and that they were close to reaching an agreement with Iran. Ceasefire between Israel and Lebanon, which Iran had presented as a key precondition in the talks, went into effect last night for a period of 10 days. Today, Iran's foreign minister announced that commercial ships would be allowed to pass through the Strait of Hormuz during the ceasefire following the agreement reached in Lebanon, leading to a sharp drop in oil prices. The continued diplomatic activity and the remarks made by the two parties supported optimism that the war could come to an end. After surging sharply on the first trading day of the week, the price of Brent crude oil is set to close the week with a decline of about 6.5% compared to last week's closing price, based on Friday's intraday trading value. Due to the reversal of the U.S. dollar's upward trend, the ounce price of gold has generally trended upward since the end of March and closed the week with a 0.8% gain as of Thursday's close.

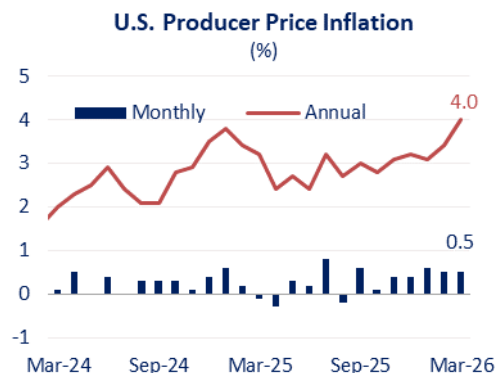
US producer price inflation for March came in below expectations.

While data released this week painted a mixed picture of economic activity in the US, on the inflation front, the data pointed to a moderate deterioration relative to expectations as of March. Producer prices rose 0.5% mom in March, coming in well below the market expectation of 1.1%. Annual PPI inflation rose to 4.0%, up 0.6 percentage points from the previous month. During this period, a sharp 8.5% surge in energy costs driven by the war stood out, while the core PPI (excluding food and energy) recorded a monthly increase of 0.1% and a yearly increase of 3.8%, both below the headline figures.

IMF Projections	Apr 26		Difference*	
	2026	2027	2026	2027
Growth				
World	3,1	3,2	-0,2	0,0
AE	1,8	1,7	0,0	0,0
US	2,3	2,1	-0,1	0,1
Euro Area	1,1	1,2	-0,2	-0,2
UK	0,8	1,3	-0,5	-0,2
EM	3,9	4,2	-0,3	0,1
China	4,4	4,0	-0,1	0,0
Türkiye	3,4	3,5	-0,8	-0,6
Inflation				
AE	2,8	2,2	0,6	0,1
EM	5,5	4,6	0,7	0,3
Türkiye	24,5	19,3	3,5**	1,3**

(*) difference from the January 2026 projections

(**) difference from the October 2025 projections

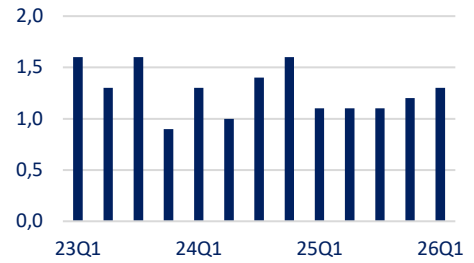


Source: Datastream

The Chinese economy grew faster than expected in the first quarter of the year.

China's economy grew by 1.3% qoq in the first quarter of 2026 (Q4 2025: 1.2%), while annual growth reached 5.0%, exceeding the market expectation of 4.8%. The officially announced annual growth target for the country is in the 4.5%-5.0% range. Meanwhile, trade data for March indicated a slowdown in exports. Export growth slowed significantly to 2.5% yoy, while imports recorded their strongest increase since November 2021 at 27.8%, resulting in a trade surplus that fell to 51.1 billion USD.

China GDP
(quarterly % change, sa)



The market's year-end inflation expectation rose to 27.53%.

The Survey of Market Participants published today by the CBRT showed that the deterioration in inflation expectations has continued for the third consecutive month. The year-end inflation expectation rose by 2.15 percentage points from the previous month to 27.53% in April, while the 2027 year-end inflation expectation increased by 1.42 percentage points to 20.13%. Participants' inflation expectation for April became 2.93%. In April 2025, the monthly CPI inflation rate was 3.0%. The market's USD/TRY expectations also rose in April, from 50.97 to 51.23 for the current year and from 52.70 to 53.62 for 12-month ahead. According to the April results, market participants also significantly revised their current account deficit expectations upward. The market expects the current account deficit to reach 44.3 billion USD in 2026. While growth expectations declined from 3.8% to 3.5% for 2026 and from 4.3% to 4.1% for 2027, the prevailing view among participants is that the CBRT will keep the policy rate unchanged at its next two meetings (April 22 and June 11).

CBRT Market Participants Survey

	Jan. 26	Feb. 26	Mar. 26	Apr. 26
CPI (%)				
Year-End	23,2	24,1	25,4	27,5
12 Months Ahead	22,2	22,1	22,2	23,4
Next Year-End	17,8	18,4	18,7	20,1
Current Account				
Balance (billion USD)*	-25,6	-26,3	-31,6	-44,3
Growth (%)*	3,9	3,9	3,8	3,5

Current account deficit stood at 7.5 billion USD in February.

In February, the current account deficit reached 7.5 billion USD, its highest level since April 2025. During this period, the widening of the trade deficit coupled with a decline in net service revenues caused the current account deficit to increase by 43.8% yoy. As a result, the 12-month cumulative current account deficit rose to 35.4 billion USD as of February ([our Balance of Payments report](#)).

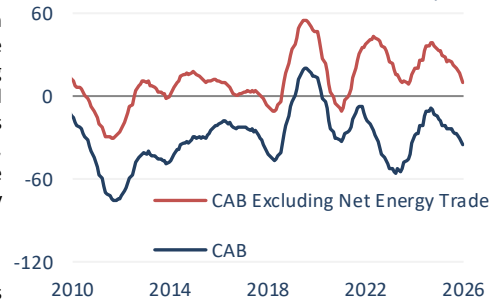
The central government budget recorded a deficit of 229.9 billion TRY in March.

In March, central government budget revenues rose by 60.6% yoy to 1.2 trillion TRY, while budget expenditures increased by 42.1% yoy to 1.5 trillion TRY. Consequently, the central government budget deficit decreased by 12.1% yoy in March, standing at 229.9 billion TRY. In the first quarter of the year the budget deficit, which stood at 420 billion TRY, decreased by 40.9% compared to the same period last year, while the primary budget balance, which had recorded a deficit of 246.9 billion TRY in the same period of 2025, posted a surplus of 456 billion TRY ([our Budget Balance report](#)).

Trade sales volume declined in February.

According to seasonally adjusted data, the trade sales volume index contracted by 0.6% mom in February, marking its first monthly decline since October. During this period, wholesale trade volume increased by 0.2%, while retail trade volume decreased by the same percentage. According to calendar-adjusted data, the annual increase in trade sales volume fell to 4.0%, the lowest level since July 2024, while the annual increase in retail sales volume dropped by 4.1 percentage points compared to the previous month to 15.6%. During the same period, the services production index, which posted its fastest monthly increase of 1.2% since May 2025, recorded a 2.3% annual rise. The construction production index, meanwhile, declined by 1.3% mom in February while increasing by 5.9% annually.

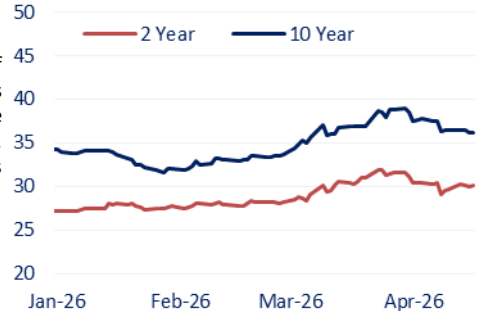
Current Account Balance
(12-month cumulative, billion USD)



Financial markets...

During the week, optimism regarding the ceasefire process and the strong first-quarter earnings reports from US companies acted as catalysts for the stock markets. Hence, S&P 500 and Nasdaq indices reached record highs; and as of Thursday's close, the MSCI world and emerging markets stock indices recorded increases of 2.7% and 3.6%, respectively, compared to the previous Friday's close. BIST-100 index also rose by 0.9% during the same period. Türkiye's 5-year CDS spread fell by 1 basis point to 237. The yield on the 2-year Treasury bond, which rose to as high as 42.75% on March 30, continued to trade below the 40% level this week and stood at 39.43% as of Thursday's close.

Benchmark Rate
(%)



Next week's agenda...

Developments regarding the talks between the US, Israel, and Iran will remain as the focus of global markets next week. On Türkiye's agenda, the CBRT's Monetary Policy Committee meeting is in the spotlight, while on the global front, the preliminary PMI data for April from the US and the Euro Area are the key highlights. In addition, S&P will announce its assessment of Türkiye today. S&P rates Türkiye at the same credit rating level and outlook as Fitch which changed Türkiye's rating outlook from 'positive' to "stable" last week.

Source: Datastream, Turkstat, ICI

Data Releases

		Period	Consensus	Prior
April 20	TR Central Government Gross Debt Stock	March	-	14.4 trillion TRY
	China Central Bank Meeting	April	-	3.0%
April 21	TR Capacity Utilization Rate, sa	April	-	74.0
	TR Real Sector Confidence Index, sa	April		100.0
April 22	US Retail Sales, mom	March	1.3%	0.6%
	CBRT Monetary Policy Meeting	April	-	37.0%
	TR Consumer Confidence Index	April	-	85.0
April 23	Euro Area Consumer Confidence, flash	April	-	-16.3
	US Manufacturing PMI, flash	April	-	52.3
	US Services PMI, flash	April	-	49.8
	Euro Area Manufacturing PMI, flash	April	50.8	51.6
April 24	Euro Area Services PMI, flash	April	49.8	50.2
	TR Sectoral Confidence Indices	April	-	-

Economic Research Division

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

Gamze Can
Asst. Manager
gamze.can@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>.

LEGAL NOTICE

This report has been prepared by Trkiye İř Bankası A.ř. economists and analysts by using the information from publicly available sources believed to be reliable, solely for information purposes; and they are not intended to be construed as an offer or solicitation for the purchase or sale of any financial instrument or the provision of an offer to provide investment services. The views, opinions and analyses expressed do not represent the official standing of Trkiye İř Bankası A.ř. and are personal views and opinions of the analysts and economists who prepare the report. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this report. All information contained in this report is subject to change without notice, Trkiye İř Bankası A,ř, accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

This report is copyright-protected. Reproducing, publishing and/or distributing this report in whole or in part is therefore prohibited. All rights reserved.