Weekly Bulletin
August 2026 / 31

TÜRKİYE İŞ BANKASI | research.isbank

	31-Jul	6-Aug	Change			31-Jul	6-Aug	Change
BIST-100 Index	13.458	13.799	2,5 % ▲		**EUR/USD**	1,1527	1,1524	0,0 % ●
TRY 2 Year Benchmark Rate	42,11 %	41,53 %	-58 bp ▼		**USD/TRY**	47,5078	47,6087	0,2 % ▲
Türkiye 5-Year CDS Premium	237	228	-10 bp ▼		**EUR/TRY**	54,7713	55,0232	0,5 % ▲
MSCI EM Equity Index	1.666	1.659	-0,4 % ▼		**Gold** (USD/ounce)	4.041	4.239	4,9 % ▲
US 10-Year Bond Rate	4,75 %	4,67 %	-8 bp ▼		**Brent Oil** (USD/barrel)	90,1	82,5	-8,5 % ▼

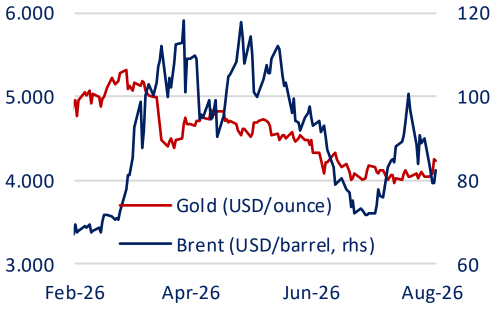
bp: basis point

This week, markets closely monitored diplomatic efforts to normalize transit through the Strait of Hormuz. As expectations of a diplomatic solution strengthened, the price of Brent crude oil fell by 8.5% to $82.5 per barrel. PMI data released for July in major economies indicated a positive outlook. In the US, non-farm payrolls declined in July, contrary to expectations of an increase. In Türkiye, the CPI increased by 1.78% on a monthly basis in July, below expectations, while annual CPI inflation fell to 31.75%. Next week, the US July inflation data will be prominent on the global data agenda. In addition to the CBRT's Inflation Report, industrial production and balance of payments data, as well as the results of the CBRT Market Participants Survey, will be released this week.

Concerns over global energy supply persist.

The Strait of Hormuz talks between the US and Iran, mediated by Oman, were the focus of markets this week. Oil prices, which started the week with sharp declines on optimistic expectations for a diplomatic solution, rebounded only slightly in the second half of the week due to Ukraine's attack on Russian refineries and a slight weakening of optimism regarding a resolution in the Middle East. Brent crude oil, which closed last week at $90.1, is currently trading around $83 per barrel.

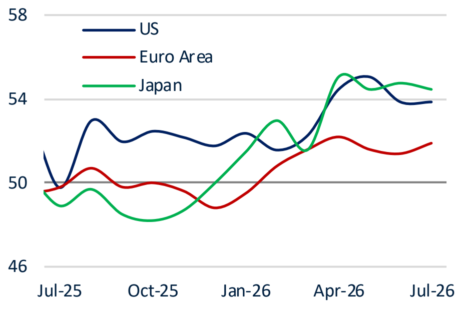
Gold and Oil Prices



US Nonfarm payrolls fell short of expectations.

Economic data released this week showed the S&P Global Manufacturing PMI remaining strong at 53.9 in July, while the ISM Manufacturing PMI hit 55.6, its highest level since May 2022. The Services PMI also climbed to 54.6, marking a nine-month high, supported by stronger consumer spending amid the FIFA World Cup and Independence Day celebrations. Meanwhile, durable goods orders increased by 0.5% mom in June, although total factory orders contracted by 0.3%, marking the second consecutive monthly decrease. Non-farm payrolls decreased by 23K in July, contrary to expectations of an increase (80K persons). The May non-farm employment increase was revised down from 129K to 63K, and the June figures were revised from 57K to 20K. While these downward revisions indicate a cooling in the labor market, the unemployment rate fell from 4.2% to 4.1% as a result of a sharp contraction in the labor force.

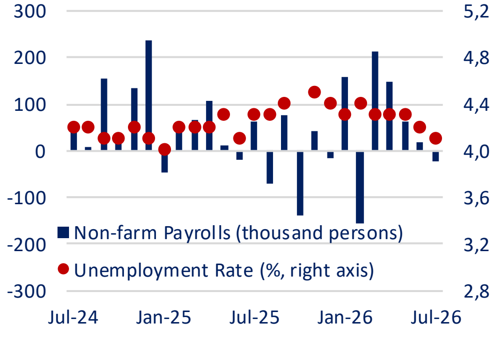
Manufacturing PMI
(treshold=50)



Euro Area producer prices declined in June.

In the Euro Area, the PPI fell by 0.3% mom in June, driven by lower energy pricespushing annual producer inflation eased from 5.9% in May to 4.6% in June. However, core PPI excluding energy increased by 0.2% mom, indicating that underlying cost pressures remained persistent. Meanwhile, retail sales declined by 0.3% mom in June, contrary to expectations of an increase. On the other hand, the Manufacturing PMI came in at 51.9 in July, while the Services PMI rose to 51.7, exceeding the expansion threshold for the first time since the geopolitical tensions in the Middle East. As a result, the Composite PMI reached its highest level in the past eight months.

US Labor Market



Source: Datastream

Developments in Asian economies…

Japan's manufacturing PMI maintained the strong course by 54.5 in July; output and new orders reached highest levels since February 2014 and January 2022, respectively. In China, weak domestic demand and a slowdown in orders led to declines in both the manufacturing PMI (50.9) and services PMI (50.4), signaling a loss of momentum in economic activity. Nevertheless, during the same period, country's exports rose by 23.9% yoy to 397.9 billion USD, and imports increased by 27.5% to 285.4 billion USD. On a yearly basis, the near-doubling of semiconductor exports and a 40.7% increase in the high-tech products exports during the January–July period, indicates that global artificial intelligence investments continue to support the Chinese economy, offsetting weak domestic demand.

Domestic monthly CPI inflation was 1.78% in July.

In July, monthly CPI inflation came in at 1.78%, below market expectations. In this period, annual CPI inflation decreased to 31.75%, and the domestic PPI (D-PPI) recorded its lowest monthly increase of the year by 1.50%. Annual D-PPI inflation also came in at 27.83% (Our Inflation Report).

The Istanbul Chamber of Industry (ICI) Manufacturing PMI rose to 47.7 in July.

According to ICI data, Turkey's manufacturing PMI increased by 0.6 points to 47.7 in July. Remaining below the 50.0 neutral threshold for the 28th consecutive month, th e index continues to reflect subdued operating conditions. On the other hand, the fact that input prices reached their lowest rate since November 2025, and output prices inflation reached its lowest rate since the beginning of the year, shows that inflationary pressures continue to ease. During this period, PMI values were above the threshold level for clothing and leather products, electrical and electronic products, and non-metallic mineral products, while the wood and paper products sector experienced the most significant deterioration in operating conditions with a PMI value of 45.0.

The upward trend in the real effective exchange rate continues.

According to data released by the Central Bank of Turkey (CBRT), the CPI-based real effective exchange rate increased by 0.4 points in July compared to the previous month, rising to 105.96. The real effective exchange rate based on the Producer Price Index (PPI) also reached its highest level in the last 17 months at 101.5 during the same period.

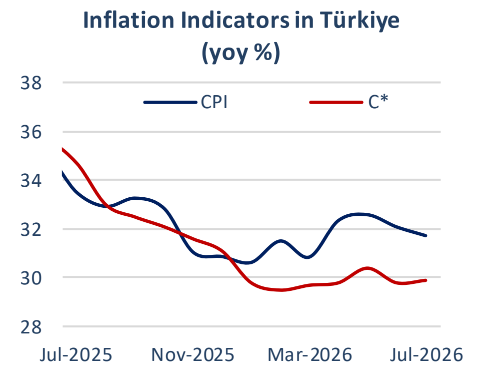
Financial Markets…

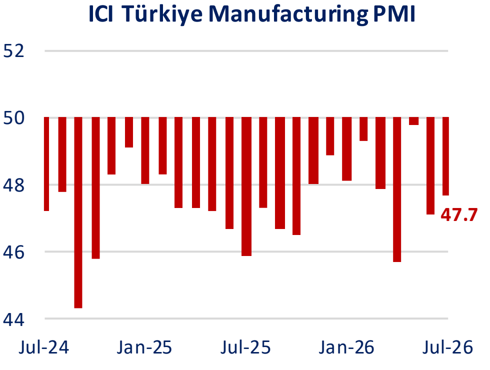
Developments in the Middle East continued to dictate global markets sentiment this week. Expectations regarding the potential reopening of the Strait of Hormuz softened Fed rate hike expectations driving the MSCI Developed Markets Index up 2.6% . Meanwhile, as of Thursday's close, gold prices were up 4.9% compared to last Friday, heading toward their strongest weekly performance in the past eight months. On the other hand, after falling from 164 to 155.2 following the first coordinated intervention by Japan and the US in the last 15 years last Friday to curb the yen's depreciation, the USD/JPY exchange rate climbed back to 158.5.

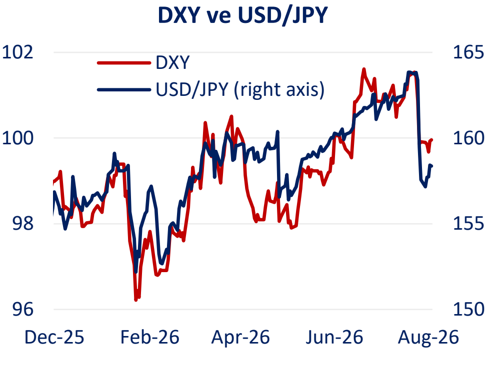
In Türkiye, the BIST-100 index gained 2.5% as of Thursday's close compared with last Friday. Türkiye's CDS premium declined by 10 basis points over the week to 228.

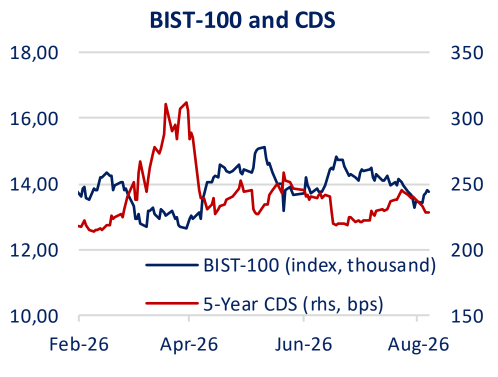
Next Week's Agenda…

Developments in the Middle East are expected to remain in focus next week, while the July inflation data to be released in the US will stand out on the global data calendar. Domestically, where a dense agenda is expected, markets will closely monitor the CBRT's third Inflation Report of the year, alongside the industrial production indices and balance of payments statistics. The results of the CBRT's Survey of Market Participants will also be released.









Source: Datastream, Turkstat

Data Releases

		Period	Consensus	Prior
August 10	TR Industrial Production, yoy	June	-	0.0%
	Euro Area Sentix Index	August	-1.2	-3.1
August 11	TR Trade Sales Volume, yoy	June	-	-1.4%
	US Existing Home Sales, units	July	4.1 million units	4.1 million units
August 12	US CPI Inflation, yoy	July	%3,4	3.5%
	Germany CPI Inflation, final, mom	July	-	0.8%
August 13	CBRT Inflation Report	Q3	-	-
	TR Current Account Balance	June	-	1.46 billion USD
	TR House Sales, yoy	June	-	130K units
	Euro Area Industrial Production, yoy	June	-	-1.2%
	US PPI Inflation, yoy	July	-	5.5%
August 14	TR Services Production, yoy	June	-	-0.2%
	TR Construction Production, yoy	June	-	7.5%
	CBRT Survey of Market Participants	August	-	29.21%
	Euro Area GDP Growth, revised, yoy	Ç2	1.0%	1.0%
	US Retail Sales, mom	July	-	0.2%
	US Michigan Consumer Confidence, prelim	August	-	55.2

Source: Datastream, CBRT, Turkstat

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