

	2-Oct	8-Oct	Change		2-Oct	8-Oct	Change
BIST-100 Index	12,270	12,214	-0.5 % ▼	EUR/USD	1.1253	1.1209	-0.4 % ▼
TRY 2 Year Benchmark Rate	40.46 %	39.78 %	-68 bp ▼	USD/TRY	49.1070	49.2448	0.3 % ▲
Türkiye 5-Year CDS Premium	257	249	-8 bp ▼	EUR/TRY	55.2847	55.3704	0.2 % ▲
MSCI EM Equity Index	1,709	1,699	-0.6 % ▼	Gold (USD/ounce)	4,142	4,134	-0.2 % ▼
US 10-Year Bond Rate	5.28 %	5.23 %	-4 bp ▼	Brent Oil (USD/barrel)	102.3	104.3	2.0 % ▲

bp: basis point

During a week marked by ongoing uncertainty regarding tensions in the Middle East, the minutes of the Fed's September 15–16 meeting were also closely watched. The minutes, which pointed to growing concerns about the trajectory of inflation, revealed that most members expected one more rate hike by the end of the year. In Türkiye, monthly CPI inflation in September came in below the expectations at 1.84% and annual CPI inflation stood at 29.73%, falling below the 30% level for the first time since November 2021. Meanwhile, industrial production in August declined by 1.0% mom and 1.9% yoy. The Treasury cash balance posted a deficit of 467.2 billion TRY in September. Next week, as well as inflation and industrial production data in major economies, IMF's World Economic Outlook Report will be released. In Türkiye, a busy data calendar will be monitored, focusing primarily on the balance of payments and the budget balance. On the final trading day of the week, during which developments in the Middle East and oil price trends will continue to be closely monitored, S&P is expected to publish its credit rating assessment for Türkiye.

Amid geopolitical uncertainties, oil prices continue to fluctuate.

At the start of the week, reports of a recovery in oil exports from the Middle East and the G7 countries' decision to tap into their strategic reserves eased concerns about the global energy supply, causing oil prices to decline. Meanwhile, oil prices rose 4.1% on Thursday amid reports that the U.S. was preparing for new attacks against Iran and concerns that Hurricane Isaias, approaching the US Gulf Coast, would disrupt oil supplies. Consequently, the price of Brent crude oil per barrel rose by 2.0% as of Thursday's close compared to the previous Friday. It pulled back slightly on the week's final trading day following President Trump's statement on social media that the US would not attack Iran before the November 3 midterm elections.

The minutes of the Fed's September 15–16 meeting was released.

The minutes of the Fed's September meeting indicated that upward risks to the inflation outlook have become more pronounced. The minutes revealed that most officials assessed that, given the risk of inflation persisting above target, another rate hike by year-end might be appropriate, while emphasizing that future decisions would depend on upcoming economic data. Additionally, it was noted that rises in energy prices driven by geopolitical developments, as well as the strong trend in artificial intelligence investments, could increase inflationary pressures. On the other hand, officials assessed that, despite the rise in long-term US Treasury yields, the stock markets' strong performance throughout the year and the fact that risk premiums on corporate bonds remained limited indicate that financial conditions are supportive of economic growth.

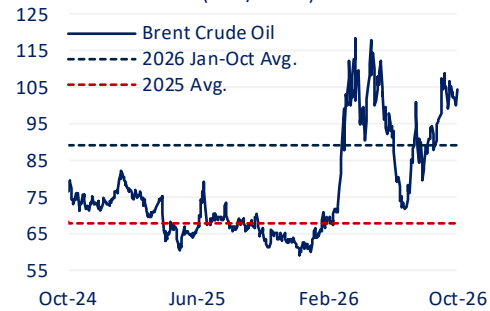
US imports reached a record high in August.

The US trade deficit rose by 13.7% mom in August -exceeding market expectations- to reach 105.6 billion USD. As a result, the trade deficit reached its highest level since March 2025, when import orders were brought forward ahead of the implementation of additional tariffs. While exports rose by 1.4% in August, imports increased by 4.3%, reaching a record high of 420.8 billion USD. The rapid rise in imports -driven not only by crude oil and non-monetary gold but also by an increase in capital goods imports led by semiconductors-indicates that investments in artificial intelligence infrastructure are supporting import demand.

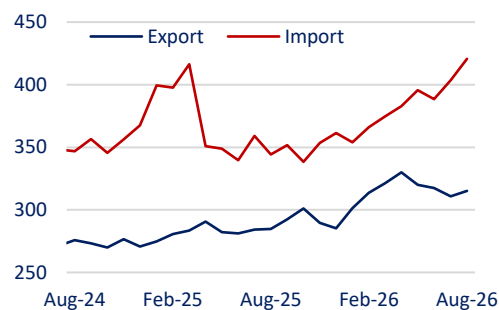
Producer prices in the Euro Area accelerated in August.

Although rising by 0.1% mom and 0.8% yoy in August, retail sales in the Euro Area remained below market expectations and continued their weak trend. During the same period, producer prices in the region rose 1.9% mom in line with rising energy costs, while annual PPI inflation reached 8.2%, its highest level since February 2023. The Sentix confidence index -which measures investor confidence in the region- fell from 5.1 to 2.7 in October, marking its first decline since April.

Oil Price
(USD/barrel)



Export & Import in US
(billion USD)



Euro Area PPI Inflation
(annual %)



Annual CPI inflation fell below 30% for the first time since November 2021.

Monthly CPI inflation remained unchanged from August at 1.84% in September, coming in below both the Reuters poll (2.30%) and the Market Participants Survey of CBRT (2.12%). Accordingly, annual CPI inflation declined to 29.73% from 31.51%, falling below the 30% threshold for the first time since November 2021. Meanwhile, D-PPI inflation stood at 2.07% mom and 27.38% yoy ([our Inflation Report](#)). According to seasonally adjusted data, monthly CPI inflation eased to 1.61% in September from 2.19% in August. In September, the CPI-based real effective exchange rate index rose by 0.5 points to 105.5.

Contraction in industrial production deepened in August.

The seasonally and calendar adjusted industrial production index fell by 1.0% mom in August. The 1.6% decline in manufacturing output, which has a relatively large weight in the index, was the main driver of this contraction. Meanwhile, electricity, gas and steam production increased by 3.3%, while mining and quarrying output rose by 4.1%. Accordingly, the annual contraction in calendar adjusted industrial production since May widened to 1.9% in August.

Foreign trade deficit narrowed by 24.8% yoy in September.

According to preliminary foreign trade data released by the Ministry of Trade, exports increased by 15.4% yoy to 26.0 billion USD in September, while imports rose by 5.9% to 31.2 billion USD. Accordingly, the foreign trade deficit narrowed by 24.8% yoy to 5.2 billion USD in September, whereas the 12-month cumulative deficit increased by 7.4% to 96 billion USD. Excluding energy and gold trade, the foreign trade deficit declined by 56.8% yoy to 546 million USD in September.

Treasury cash balance posted a deficit of 467.2 TRY billion in September.

The Treasury cash balance posted a deficit of 467.2 billion TRY in September, while the primary balance recorded a deficit of 193.3 billion TRY. Revenues stood at 1.3 trillion TRY, while expenditures amounted to 1.8 trillion TRY, of which 1.5 trillion TRY consisted of non-interest expenditures. Thus, the Treasury cash deficit reached 1.9 trillion TRY in the first nine months of the year, compared to 1.6 trillion TRY in the same period of 2025.

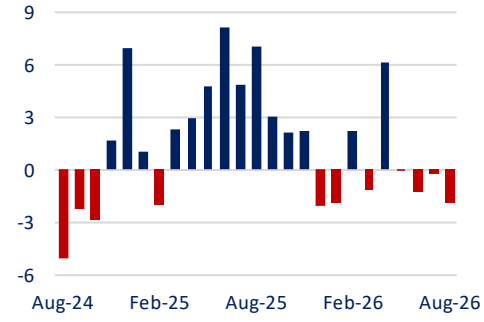
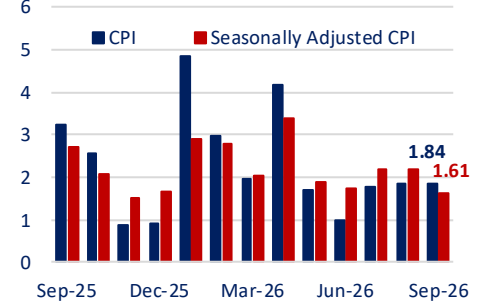
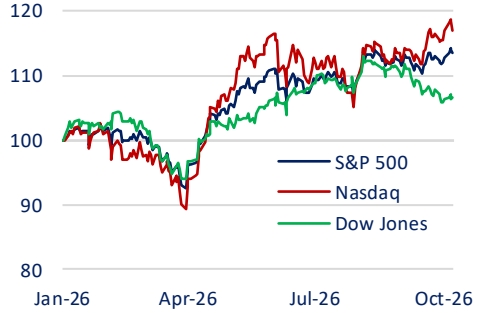
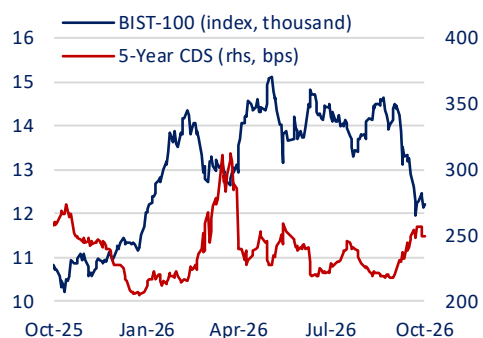
Financial markets...

While global stock market indices showed a positive trend at the start of the week -led by technology stocks- declines were seen in the indices toward the end of the week amid concerns about the profitability of artificial intelligence investments and rising geopolitical risks. Thus, as of Thursday's close, while the MSCI World Index remained flat compared to the previous week's close, the MSCI Emerging Markets Index posted a modest decline of 0.6%. During the week in which volatility in oil prices and concerns about high inflation remained in the spotlight, and as yields on U.S. long-term Treasury bonds continued to rise, both oil prices and Treasury yields retreated following Trump's statement.

In Türkiye, the BIST-100 index fell 0.5% compared to last Friday, while the 5-year CDS spread narrowed by 8 basis points to 249 basis points as of Thursday's close. Yields on 2-year and 10-year bonds declined by 68 basis points and 17 basis points, respectively.

Next week's agenda...

Next week, on the global front, inflation indicators and industrial production data from major economies will be closely monitored. IMF will release its World Economic Outlook Report. In Türkiye, balance of payments for August and the budget balance for September stand out in the busy data agenda. In addition, retail sales, service and construction output indices, as well as housing market indicators and the results of the CBRT Market Participants Survey, will be closely monitored. S&P is expected to release its credit rating assessment for Türkiye on Friday. Developments in the Middle East will remain the focus of the markets.

Industrial Production Index
(ca, %, yoy)**Inflation Indicators**
(% mom)**US Stock Indices**
(31/12/2025 = 100)**BIST-100 and CDS**

Data Releases

		Period	Consensus	Prior
12 Oct	TR Retail Sales, yoy	August	-	10.4%
13 Oct	TR Current Account Balance	August	-	36 million USD
	US Existing Home Sales, units	September	3.96 million	3.98 million
	Germany CPI Inflation, final, yoy	September	-	3.3%
14 Oct	US CPI Inflation, yoy	September	3.6%	3.4%
	China CPI Inflation, yoy	September	1.1%	0.8%
	China PPI Inflation, yoy	September	4.4%	3.8%
15 Oct	TR Budget Balance	September	-	12.9 billion TRY
	TR Services Production, yoy	August	-	3.0%
	TR Construction Production, yoy	August	-	4.7%
	US PPI Inflation, yoy	September	-	5.4%
	US Retail Sales, mom	September	-	1.2%
	US NY Fed Manufacturing Index	October	-	7.6
	US Philadelphia Fed Manufacturing Index	October	-	37.8
	Euro Area Industrial Production, yoy	August	-	0.0%
	UK Industrial Production, yoy	August	-	0.6%
16 Oct	CBRT Survey of Market Participants	October	-	-
	TR House Sales, yoy	September	-	-14.7%
	TR Housing Price Index, yoy	September	-	23.0%
	US Industrial Production, mom	September	0.3%	0.0%
	Euro Area CPI Inflation, final, yoy	September	-	3.8%

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