

	4-Apr	10-Apr	Change		4-Apr	10-Apr	Change
BIST-100 Index	9,380	9,339	-0.4 % ▼	EUR/USD	1.0955	1.1197	2.2 % ▲
TRY 2 Year Benchmark Rate	48.25 %	49.46 %	121 bp ▲	USD/TRY	37.9907	37.8965	-0.2 % ▼
Türkiye 5-Year CDS Premium	320	355	35 bp ▲	EUR/TRY	41.6075	42.4306	2.0 % ▲
MSCI EM Equity Index	1,088	1,029	-5.4 % ▼	Gold (USD/ounce)	3,037	3,174	4.5 % ▲
US 10-Year Bond Rate	3.99 %	4.39 %	40 bp ▲	Brent Oil (USD/barrel)	65.6	63.3	-3.4 % ▼

bp: basis point

This week, the US Administration's tariff decisions and the retaliations by countries on the receiving end continued to shape the markets. US President Trump's mid-week decision to suspend new tariffs for 90 days for non-retaliatory countries eased concerns to some extent, but risk aversion continued throughout the week. March inflation data released in the US and China stood out on the global data agenda. CPI in the US declined on a monthly basis by 0.1% for the first time since the beginning of the pandemic, while the deflationary pressures persisted in China as it has been the case for nearly two years. In Türkiye, industrial production index, contracting on a monthly basis in February for the second month in a row, showed that the weakness in the sector continued, while retail sales volume index increased both on a monthly and annual basis. According to CBRT's Survey of Market Participants released today, inflation expectations moved upwards and growth expectations moved downwards in April. Next week, CBRT and ECB meetings will be high on the agenda. Central government budget and balance of payments data will also be monitored in Türkiye.

Increasing uncertainties in line with the protectionist trade measures have weighed on the markets.

This week, global equity indices are about to complete the week with a most negative performance since the Covid-19 pandemic due to the US President Trump's tariff decisions. Although global stock markets recorded a rapid rise on Wednesday after Trump's decision to postpone tax increases for 90 days for countries that have not retaliated on tariffs, the weekly decline recorded in the US stock markets has been prominent. As of Thursday's close, compared to April 2, the MSCI World Stock Market Index fell by 6.7% and the S&P 500 Index by 7.1%. With the mutual retaliations, the US tariffs on China reached 145% and China's tariffs on the US reached 125%. This picture raises concerns over global growth, due particularly to the potential deterioration in the US and Chinese economies. In this context, although market expectations for the number of the Fed's policy rate cuts have tended to increase, Fed officials' statements and uncertainties over the inflation outlook have caused volatility in market expectations. The minutes of the Fed's March meeting released on Wednesday also emphasized on the recent uncertainties.

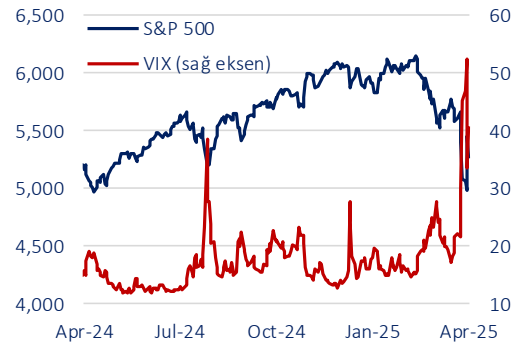
In the week when the deterioration in risk sentiment was unprecedentedly reflected as a rise in the US bond yields, gold prices rose rapidly. In line with the weakness in the US dollar, EUR/USD parity rose and reached its highest level since November 2021 with 1.1473 during intra-day trading today and USD/JPY parity declined rapidly.

Growing concerns over global growth also brought about a rapid decline in oil prices. The barrel price of Brent crude oil fell by 3.4% as of Thursday's close compared to last week. Thus, the decline in Brent oil prices reached around 15% compared to the year-end.

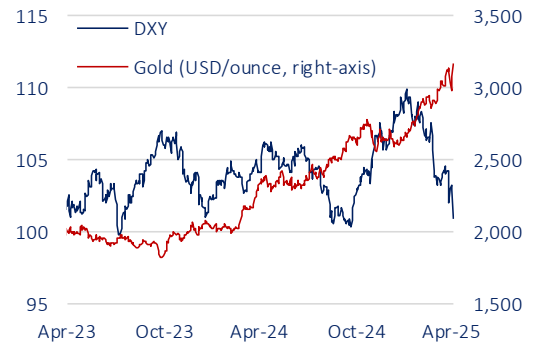
CPI in the US unexpectedly declined on a monthly basis.

CPI in the US fell by 0.1% on a monthly basis, contrary to the expectations of a 0.1% increase, and recorded its first monthly decline since May 2020. Energy prices, which fell by 2.4% mom, were the main factor limiting the headline CPI. Annual CPI inflation was 2.4%, the lowest level since September 2024.

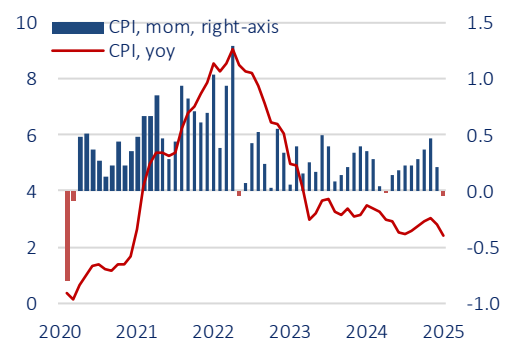
S&P 500 and VIX



DXY & Gold Prices



US Inflation Indicators



Source: Datastream

Data releases on European economies...

Protectionist policies of the US Administration have weighed on economic confidence in Europe. Sentix index, which measures investor confidence in the region, fell to -19.5 in April from -2.9 in March, the lowest level since October 2023. According to another data release followed in the Region this week, retail sales increased below expectations in February.

In Germany, the monthly fall in industrial production was more than expected by 1.3% in February. On an annual basis, industrial production fell by 4%. In the same period in the UK, industrial production increased by 1.5% mom against the expectations of a flat course.

Deflationary pressures persist in China.

In China, CPI fell more than expected by 0.4% mom in March, while it declined by 0.1% yoy against the expectations of a flat course, indicating that deflationary pressures continued in the country. PPI also fell by 2.5% yoy, the fastest decline in the last four months. With the US tariff moves against China, prices in the domestic market may be under additional downward pressure due to the likely decline in China's exports in the coming period.

Industrial production in Türkiye recorded a monthly decline in February for the second month in a row.

According to the data released by TURKSTAT, industrial production decreased by 1.6% mom and 1.9% yoy in February, while retail sales volume index increased by 1.1% mom and 12.2% yoy in the same period. In January-February period, annual change in industrial production was -0.3% while annual change in retail sales volume was 12.4%.

CBRT released the results of the Survey of Market Participants for April.

The April results of the CBRT's Survey of Market Participants showed that market participants revised their inflation expectations upwards and growth expectations downwards. Year-end inflation expectations for 2025 and 2026 increased by 1.9 and 1.2 points compared to the previous month and became 29.98% and 20.28%, respectively. GDP growth expectations decreased from 3.1% to 3.0% for the current year and from 4% to 3.8% for 2026. The market's year-end USD/TRY expectation rose to 43.60 in April from 42.79 in March.

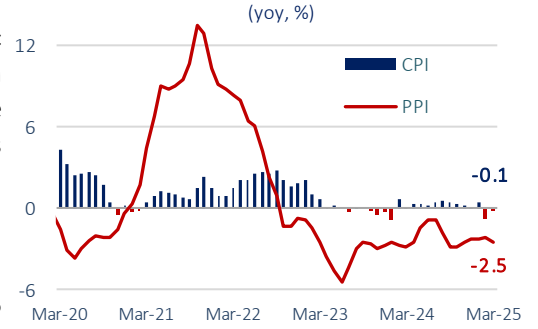
Domestic markets...

In Türkiye, BIST-100 index declined by 0.4% as of Thursday's close compared to last Friday, while Türkiye's 5-year CDS risk premium rose by 35 basis points to 355 basis points. USD/TRY followed a relatively flat course, while EUR/TRY parity rose by 1.98% due to the rise in EUR/USD parity.

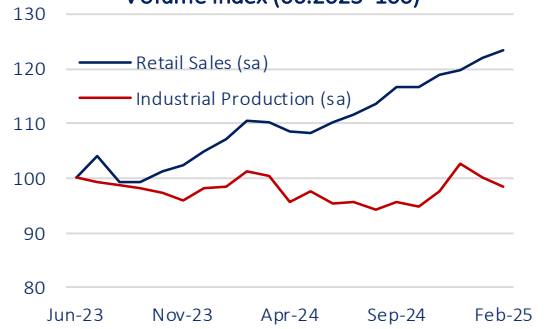
Next week's agenda...

CBRT and ECB meetings will be closely monitored next week. Industrial production data on the US and Euro Area and the first quarter growth data in China will also stand out on the data agenda. March central government budget and February balance of payments figures will also be monitored in Türkiye.

China Inflation Indicators



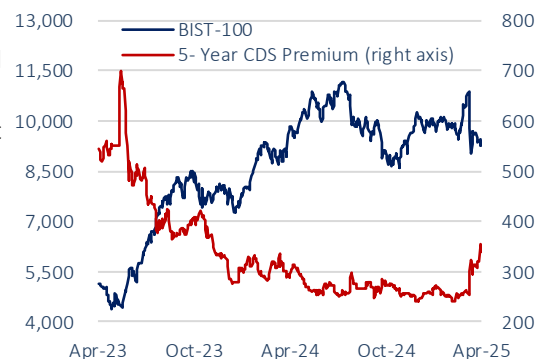
Industrial Production and Retail Sales Volume Index (06.2023=100)



CBRT Market Participants Survey

	Feb 25	Mar 25	Apr 25
CPI (%)			
2025	25.26	24.55	25.56
2026	19.10	19.11	20.28
Growth (%)			
2025	3.0	3.1	3.0
2026	3.9	4.0	3.8
USD/TRY			
2025	42.9	42.8	43.6

BIST-100 and CDS Premium



Source: Datastream

Data Releases

		Period	Consensus	Prior
14 April	TR Current Account Balance	February	-4.3 billion USD	-3.8 billion USD
15 April	TR Budget Balance	March	-	-310.1 billion TRY
	TR Services Production, yoy	February	-	6.0%
	TR Construction Production, yoy	February	-	15.5%
	US NY Fed Manufacturing Index	April	-	-20.0
	Euro Area Industrial Production, yoy	February	-	0.0%
	Germany ZEW Economic Sentiment	April	10.0	51.6
16 April	TR House Sales, yoy	March	-	20.1%
	US Retail Sales, mom	March	1.3%	0.2%
	US Industrial Production, mom	March	-0.3%	0.7%
	US Capacity Utilization Rate	March	77.9%	78.2%
	Euro Area CPI Inflation, final, yoy	March	2.2%	2.2%
	UK CPI Inflation, yoy	March	-	2.8%
	China GDP Growth, yoy	2025 Q1	5.1%	5.4%
17 April	CBRT Monetary Policy Meeting	April	-	42.5%
	TR Housing Price Index, yoy	March	-	31.3%
	US Housing Starts, units	March	1.4 million	1.5 million
	US Philadelphia Fed Manufacturing Index	April	-	12.5
	ECB Meeting	April	2.40%	2.65%
18 April	Japan CPI Inflation, yoy	March	-	3.7%

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