



5 May



ECONOMIC BULLETIN



Non-Farm Payrolls in the U.S. Surpassed Market Expectations

- In the U.S., non-farm payrolls increased by 177,000 in April, exceeding market expectations. The announced data revealed that vitality in the labor market continues. Following the release, markets expect the Federal Open Market Committee (FOMC) to keep interest rates unchanged in its meeting this week. Commenting on China's stance regarding the tariffs announced by Trump, Treasury Secretary Scott Bessent stated that talks are ongoing and that the Chinese government has granted exemptions on certain products to ease tensions. On the economic calendar this week, markets will be closely monitoring the services PMI, trade balance, and the interest rate decision. In the Euro Area, key data points will include the Sentix Investor Confidence Index, services PMI, Producer Price Index (PPI), and retail sales.
- In the Euro Area, preliminary Consumer Price Index (CPI) data for April showed a monthly increase of 0.6 percent and an annual rise of 2.2 percent, both exceeding market expectations. During the same period, core CPI—which excludes volatile items such as food and energy—rose by 1.0 percent monthly and 2.7 percent annually. While consumer prices rose above expectations, the manufacturing PMI recorded 49.0—the highest level in the last 32 months. Despite the above-expected increase in manufacturing PMI, the figure still indicated continued contraction in the manufacturing sector.
- In Asia, the Bank of Japan (BOJ) kept its policy rate unchanged at 0.5 percent, in line with expectations. Following the decision, BOJ Governor Kazuo Ueda stated that the unprecedented tariffs have created significant uncertainty for the economy.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results



KUVEYTTÜRK



PRIVATE BANKING



5 May



KUVEYTTÜRK

ECONOMIC BULLETIN



➤ Domestically, the Central Bank, TurkStat, and other institutions released various data:

- The Central Bank of the Republic of Turkey (CBRT) has taken new macroprudential measures to support the transition to the Turkish lira.
- The Istanbul Chamber of Industry (ISO) headline PMI remained unchanged at 47.3 points in April compared to the previous month.
- The Economic Confidence Index decreased by 4.2 percent on a monthly basis in April, falling to a level of 96.6.

Weekly Status

	25.04.2025	2.05.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050	9.949	9.823	-1,3%	4,5%	23,2%	32,6%	210,3%
Bist100	9.433	9.168	-2,8%	-6,7%	31,6%	35,6%	196,6%
USDTRY	38,43	38,57	0,4%	9,0%	20,1%	57,5%	39,6%
DXY	99,59	100,03	0,4%	-7,8%	7,1%	-2,1%	8,2%
US-10Y	4,27	4,31	1,0%	-5,9%	18,0%	0,0%	156,3%
TR-10Y	34,73	34,32	-1,2%	19,2%	7,6%	169,4%	-59,2%
TR-2Y	47,29	46,51	-1,6%	14,7%	2,2%	298,0%	-56,1%
CDS (5Y)	339,00	360,00	6,2%	38,6%	-6,6%	-45,2%	-10,5%
Gold (Ounce/USD)	3.319,00	3.241,00	-2,4%	23,6%	27,2%	13,1%	-0,3%
Gold (Gram/TRY)	4.101,00	4.020,00	-2,0%	34,7%	52,1%	78,9%	40,4%
Silver (Gram/TRY)	40,81	39,53	-3,1%	20,3%	45,3%	57,1%	44,9%

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results



KUVEYTTÜRK



PRIVATE BANKING



ECONOMIC BULLETIN



Global



It was stated that in the United States, borrowing expectations amount to 514 billion dollars for the second quarter of 2025 and 554 billion dollars for the third quarter of 2025. The U.S. Department of the Treasury announced its borrowing estimates for the second and third quarters of 2025. In the statement, it was noted that borrowing is expected to reach 514 billion dollars for the April-June period and 554 billion dollars for the July-September period, while the cash balance is projected to be 850 billion dollars by the end of September.

Secretary Bessent stated that China must take steps to reduce trade tensions; otherwise, sanctions could be imposed, and a trade agreement with India is possible. U.S. Treasury Secretary Scott Bessent said that the United States is in contact with China regarding customs tariffs but emphasized that Beijing must take the first step in order to ease the conflict. Bessent noted that China is inclined to reduce tensions by exempting certain goods from tariffs and underlined that sanctions may be implemented if tensions escalate. He also added that it would not be surprising if the first trade agreement to be announced is with India.

Non-farm payrolls in the United States increased by 177,000 in April, significantly exceeding market expectations. According to the non-farm payroll data released by the U.S. Department of Labor for April, non-farm employment across the country increased by 177,000, surpassing market expectations by a wide margin. During the same period, the unemployment rate remained unchanged at 4.2 percent. Average hourly earnings, which are critically important for inflation, increased by 0.2 percent, reaching 36.06 dollars.

The Consumer Price Index (CPI) in the Euro Area is estimated to have risen by 0.6 percent monthly and 2.2 percent annually in April. According to preliminary CPI data published by the European Statistics Office (Eurostat) for April; CPI in the Euro Area is estimated to have increased by 0.6 percent on a monthly basis and 2.2 percent on an annual basis. Among the subcategories, the highest price increase was observed in the services sector with 3.9 percent, while energy prices declined by 3.5 percent. During the same period, core CPI—which excludes volatile items like food and energy—was recorded to have increased by 1.0 percent monthly and 2.7 percent annually.

The final manufacturing PMI in the Euro Area rose to 49.0 points, exceeding expectations. According to the HCOB manufacturing PMI data published by S&P Global for April in the Euro Area, the final PMI came in above expectations at 49.0 points. Although this marked the highest level of the manufacturing PMI in the last 32 months, it still remained below the threshold of 50.0 points.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results





5 May



ECONOMIC BULLETIN



In the Eurozone, the consumer confidence index in April fell by 2.2 points on a monthly basis, in line with market expectations, to reach minus 16.7. According to data released by the European Central Bank (ECB) for April, the consumer confidence index dropped by 2.2 points and stood at minus 16.7. In the same period, the services sentiment and industrial confidence indices announced by Eurostat were recorded at 1.4 and minus 11.2, respectively, both falling short of market expectations.

ECB Governing Council Member Galhau stated that U.S. tariffs create global uncertainty but that the Eurozone still has room for interest rate cuts and that this situation presents an opportunity for economic independence. François Villeroy de Galhau, a member of the ECB Governing Council and President of the Bank of France, stated that the tariffs imposed by the United States are causing economic uncertainty on a global scale. However, he emphasized that the disinflation process in the Eurozone maintains the necessary margin for interest rate reductions. Galhau highlighted that the emerging uncertainty has not led to a rise in inflation expectations for Europe, and that this gives Europe a chance to achieve economic independence from the United States.

In Germany, the GfK Consumer Confidence Index for May rose by 3.7 points on a monthly basis to reach minus 20.6, surpassing market expectations. According to the Consumer Confidence Index released by GfK for May, the index increased by 3.7 points on a monthly basis to reach minus 20.6, exceeding the market expectations of minus 26.0. Following the release of the data, experts noted that consumers are currently prioritizing the formation of a government, and thus the impact of uncertainties has partially diminished.

In Germany, the preliminary seasonally and calendar-adjusted GDP for the first quarter of 2025 grew by 0.2 percent on a quarterly basis in line with market expectations, while it contracted by 0.2 percent year-on-year. According to the preliminary data announced by the German Federal Statistical Office for the first quarter of 2025, Germany's seasonally and calendar-adjusted GDP grew by 0.2 percent quarter-on-quarter and shrank by 0.2 percent on an annual basis. Investments and household final consumption expenditures contributed positively to quarterly growth. The market interpreted the data as a positive sign of Germany emerging from recession.

In Japan, the central bank kept its policy rate unchanged at 0.5 percent. The Bank of Japan (BOJ), in line with expectations, made no changes to its interest rates and maintained the policy rate at 0.5 percent. Following the decision, BOJ Governor Kazuo Ueda stated that, given the relatively low degree of certainty in the outlook, there is a significant opportunity to adjust forecasts depending on changes in factors, including tariffs.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results



KUVEYTTÜRK



PRIVATE BANKING



ECONOMIC BULLETIN



Domestic



The Central Bank of the Republic of Turkey (CBRT) announced that the interest paid on required reserves will be determined based on the weighted average funding rate, and it is expected that this change will support the Turkish lira and reduce banking costs. In the implementation guideline sent to banks, the CBRT stated that the interest on required reserves will be calculated based on the weighted average funding rate. Previously, the interest on required reserves was calculated using the policy rate of 46 percent. With the new regulation, this rate will now be determined based on the weighted average funding rate. This change is expected to support the Turkish lira and reduce banking costs.

In March, the number of unemployed persons aged 15 and above in Turkey decreased by 65,000 compared to the previous month, totaling 2.807 million people. According to the Labor Force Statistics for March published by the Turkish Statistical Institute (TÜİK), the seasonally adjusted unemployment rate decreased by 0.3 percentage points on a monthly basis, falling to 7.9 percent. During the same period, the youth unemployment rate for the 15–24 age group rose by 0.1 percentage points to 15.1 percent, while the composite measure of time-related underemployment, potential labor force, and unemployment increased by 0.3 percentage points to 28.8 percent.

The Economic Confidence Index decreased by 4.2 percent on a monthly basis in April, falling to 96.6. According to the Economic Confidence Index released by TÜİK for April, the Consumer Confidence Index fell by 2.3 percent to 83.9; the Real Sector (Manufacturing Industry) Confidence Index decreased by 2.3 percent to 100.8; the Services Sector Confidence Index dropped by 4.3 percent to 109.5; the Retail Trade Sector Confidence Index declined by 2.5 percent to 110.6; and the Construction Sector Confidence Index decreased by 4.2 percent to 85.1.

In March, exports and imports increased by 3.4 percent and 2.2 percent year-on-year, respectively. According to the Foreign Trade Statistics published by TÜİK, under the general trade system, exports rose by 3.4 percent to 23.415 billion dollars, and imports increased by 2.2 percent to 30.610 billion dollars. As a result, the foreign trade deficit decreased by 1.5 percent compared to the same month of the previous year, totaling 7.196 billion dollars. During the same period, the foreign trade deficit excluding energy products and non-monetary gold stood at 1.637 billion dollars. Additionally, the foreign trade volume increased by 2.3 percent to 44.670 billion dollars, and the export-to-import coverage ratio excluding energy and gold was recorded at 92.9 percent.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results





5 May



ECONOMIC BULLETIN



The Services Producer Price Index (S-PPI) increased by 2.25 percent on a monthly basis and by 37.94 percent on an annual basis in March. According to the S-PPI data published by TÜİK, the annual increase was mainly driven by professional, scientific, and technical services; information and communication services; and accommodation and food services. On a monthly basis, the rise was influenced by real estate services; accommodation and food services; and professional, scientific, and technical services.

In the first quarter of 2025, total tourism revenue in Turkey increased by 5.6 percent year-on-year, reaching 9.451 billion dollars. According to the Tourism Statistics published by TÜİK for the first quarter of 2025, the number of visitors rose by 1.2 percent compared to the same quarter of the previous year, totaling 9.121 million people. Meanwhile, the number of Turkish citizens traveling abroad increased by 6 percent, reaching 2.596 million people. Total tourism expenditure rose by 37.6 percent to 2.448 billion dollars, with average per capita spending recorded at 943 dollars.

The Ministry of Trade has published the preliminary foreign trade statistics for April. According to the preliminary foreign trade data announced by the Ministry of Trade for April; exports increased by 8.5 percent on an annual basis, reaching 20 billion 900 million dollars, while imports rose by 12.9 percent annually to 33 billion dollars. Thus, the foreign trade deficit widened by 21.7 percent, resulting in a deficit of 12 billion 38 million dollars, while the import-to-export coverage ratio saw a decline of 2.6 percentage points.

The headline PMI published by the Istanbul Chamber of Industry (ISO) remained unchanged at 47.3 points in April compared to the previous month. According to the Turkey Manufacturing PMI (Purchasing Managers' Index) survey released by ISO for April, the headline PMI remained flat at 47.3 points compared to the previous month and stayed below the threshold level of 50. Accordingly, the PMI continued its uninterrupted slowdown trend for the 13th consecutive month. Similarly, the production PMI index was also recorded in the contraction zone for the 13th month in a row. Company officials attributed the slowdown to challenging external market conditions and stagnant demand.

The Export Demand Index decreased by 1.3 percent on a monthly basis in March but increased by 1.6 percent year-on-year, reaching 99.0 points. According to the data published by the Turkish Exporters Assembly (TİM), the Market Resilience Index—which measures the resilience of export markets to risks—decreased by 0.3 percent on a monthly basis and increased by 0.2 percent on an annual basis, standing at 99.9 points. Both indices remained below their long-term averages.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results



KUVEYTTÜRK



PRIVATE BANKING



5 May

KUVEYTTÜRK

ECONOMIC BULLETIN



President Recep Tayyip Erdoğan announced that 41,000 housing units in Istanbul have been included in the urban transformation program, with increased support measures. He stated that urban transformation grants have been raised to 875,000 liras, loans to 875,000 liras, and relocation assistance to 125,000 liras. Erdoğan also noted that, in the past 23 years, 1.547 million housing units have been built through the Housing Development Administration (TOKİ), with a total of 3.7 million units constructed for transformation and social housing purposes, and that the transformation of 1 million housing units is currently ongoing in the field.

Minister of Treasury and Finance Mehmet Şimşek stated that they remain committed to inflation targets, external developments are supporting disinflation, and increasing trade with the United States is a key goal. In his statement, Şimşek emphasized there is no doubt about their commitment to inflation targets. He highlighted that weak external demand and declining oil prices are contributing to disinflation. He also noted that U.S. tariffs have placed Turkey in an advantageous position in global trade, and there are plans to triple trade volume with the United States. Additionally, Şimşek stated that the resolution of tensions between Russia and Ukraine would have positive effects on Turkey in terms of regional reconstruction and tourism.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results



KUVEYTTÜRK



PRIVATE BANKING



5 May



KUVEYTTÜRK

ECONOMIC BULLETIN

Leading Indicators



	Indicator	Period	Data	Previous Data	Benchmark Value
	Industrial Production	February	-1,9%	1,2%	
New	Manufacturing PMI	April	47,3	47,3	50
	Capacity Utilization Rate (seasonally adj.)	April	74,6%	75,2%	
New	Import - (capital goods) (annually)	March	3,9%	-21,0%	
New	Import - (intermediate goods) (annually)	March	-0,4%	8,2%	
New	Import - (consumption goods) (annually)	March	12,4%	-0,8%	
New	Credit Growth Weekly	April (Week 4)	0,8%	0,2%	
	Consumer Confidence Index	April	83,9	85,9	100
	Real sector confidence (seasonally adj.)	April	100,8	103,2	100
	Service sector confidence (seasonally adj.)	April	109,5	114,4	100
	Retail sector confidence (seasonally adj.)	April	110,6	113,4	100
	Construction sector confidence (seasonally adj.)	April	85,1	88,9	100
	Car Sales (annually)	April	38,8%	6,4%	
	House sales - total (annually)	March	5,1%	20,1%	
	House sales - mortgage (annually)	March	41,5%	90,1%	
	CPI	March	38,1%	39,1%	
	CPI expectations (year-end)	April	29,9%	28,0%	
	Current Year Growth Expectations	April	3,0%	3,1%	
	Retail Sales Volume (annually)	February	12,2%	12,5%	
	Current Account Balance (billion USD)	February	-4,4	-3,8	
New	Unemployment Rate (seasonally adj.)	March	7,9%	8,2%	
New	Dollarization	April (Week 4)	0,15 Billion (-)	2,44 Billion (+)	

	Indicates decrease
	Indicates stability
	Indicates increase

It has been prepared by Kuveyt Türk Asset Management by taking data from reliable sources.

The investment, information, comments, and recommendations presented here are prepared by Kuveyt Türk Portfolio for Kuveyt Türk Private Banking clients and are not within the scope of investment advisory services. Investment advisory services are provided by authorized institutions based on individuals' risk and return preferences and are tailored to each person. The comments and recommendations here are of a general nature. These recommendations may not be suitable for your financial situation or risk and return preferences. Therefore, making investment decisions based solely on the information provided here may not yield results



KUVEYTTÜRK



PRIVATE BANKING