



ECONOMIC BULETTIN



Trump Partially Reversed Tariffs

- In the U.S., President Trump has partially reversed the global tariffs he previously announced. Trump suspended customs duties for 90 days on imports from 75 countries that did not retaliate, while raising tariffs on China — which did impose retaliatory measures — to 145 percent. However, the technology sector was granted an exemption from the high tariffs imposed on China. Although the focus of the markets last week was largely on the fluctuating news flow regarding tariffs, macroeconomic data such as consumer and producer inflation were also closely followed. The Producer Price Index (PPI) fell by 0.4 percent on a monthly basis, while rising by 2.7 percent on an annual basis. In the same period, the Consumer Price Index (CPI) declined by 0.1 percent month-over-month and increased by 2.4 percent year-over-year. As a result, both PPI and CPI came in below market expectations. This week's U.S. economic calendar includes the New York Empire State and Philadelphia Fed Manufacturing Index, Retail Sales, Industrial Production, and a speech from Fed Chair Powell. In the Euro Area, key focus points will include the ZEW Economic Sentiment Index, Industrial Production, a speech by ECB President Lagarde, Consumer Price Index (CPI), and the Interest Rate Decision.
- In the Euro Area, officials made statements following President Trump's new tariff package. European Commission President von der Leyen emphasized that the new U.S. tariffs should be resolved through negotiations. European Central Bank (ECB) President Lagarde stated that all tools would be used to ensure price stability and economic resilience, and that global developments are being closely monitored. Bank of France Governor Villeroy commented that Trump's policies have weakened trust in the dollar and caused volatility in global markets.
- On the Asian side, China continues to retaliate against the tariffs announced by Trump. Following the latest countermeasures, an additional 125 percent tariff will be imposed on imports from the U.S. Furthermore, China has introduced export restrictions on rare earth elements. In Japan, Bank of Japan Governor Ueda noted in his comments on the macroeconomic outlook that U.S. tariffs could create downward pressure on both the global and Japanese economies through various channels.

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

- According to market participants, the 12-month forward CPI expectation stood at 25.6 percent, while the growth forecast for 2025 declined to 3.0 percent.
- In February, the trade sales volume increased by 2.5 percent on a monthly basis and by 6.5 percent on an annual basis.
- In February, industrial production decreased by 1.60 percent month-over-month and by 1.90 percent year-over-year.

Weekly Status

	4.04.2025	11.04.2025	Weekly Change	Change in 2025	Change in 2024	Change in 2023	Change in 2022
XK050	9.634	9.798	1,7%	4,2%	23,2%	32,6%	210,3%
Bist100	9.380	9.381	0,0%	-4,6%	31,6%	35,6%	196,6%
USDTRY	37,99	38,06	0,2%	7,6%	20,1%	57,5%	39,6%
DXY	103,02	100,10	-2,8%	-7,7%	7,1%	-2,1%	8,2%
US-10Y	4,00	4,47	11,8%	-2,4%	18,0%	0,0%	156,3%
TR-10Y	32,39	34,07	5,2%	18,4%	7,6%	169,4%	-59,2%
TR-2Y	46,13	48,08	4,2%	18,5%	2,2%	298,0%	-56,1%
CDS (5Y)	319,78	351,62	10,0%	35,4%	-6,6%	-45,2%	-10,5%
Gold (Ounce/USD)	3.037,00	3.239,00	6,7%	23,5%	27,2%	13,1%	-0,3%
Gold (Gram/TRY)	3.710,00	3.960,00	6,7%	32,7%	52,1%	78,9%	40,4%
Silver (Gram/TRY)	36,35	39,48	8,6%	20,1%	45,3%	57,1%	44,9%

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Global



U.S. President Trump suspended tariffs for 90 days on 75 countries that did not impose retaliatory measures, while increasing tariffs on China to 145 percent. Meanwhile, the Chinese Premier stated that he remains optimistic about economic growth. US President Donald Trump announced that additional tariffs for more than 75 countries that contacted the US and did not retaliate would be suspended for 90 days. These countries will only pay a 10 percent tariff during this period. However, tariffs on Chinese goods were raised to 125 percent in total. Despite this, Chinese Premier Li Qiang stated that China has sufficient policy tools to neutralize external shocks and reiterated his optimism regarding growth for 2025.

In the US, CPI decreased by 0.1 percent monthly in March, while increasing by 2.4 percent annually. According to the Consumer Price Index (CPI) data for March released by the US Department of Labor, the CPI decreased by 0.1 percent monthly and increased by 2.4 percent annually, falling below market expectations. During the same period, core CPI, which excludes volatile energy and food prices, increased by 0.1 percent monthly and 2.8 percent annually.

In the US, PPI decreased by 0.4 percent monthly in March, while increasing by 2.7 percent annually. According to the Producer Price Index (PPI) data for March released by the U.S. Department of Labor, producer prices across the country decreased by 0.4 on a monthly basis, while increasing by 2.7 year-over-year, falling short of market expectations. In the same period, Core PPI, which excludes volatile food and energy prices, declined by 0.1 on a monthly basis, while recording a 3.3 increase annually.

In the first week of April, mortgage applications in the US increased by 20 percent compared to the previous month. According to the data released by the Mortgage Bankers Association (MBA) for the first week of April, mortgage applications rose by 20 percent compared to the previous week. During the same period, the average mortgage interest rate dropped from 6.7 percent to 6.6 percent. Additionally, applications for home purchases increased by 9.0 percent, and refinancing applications jumped by 36.0 percent.

In the first week of April, the number of individuals filing for unemployment benefits in the US reached 223,000. According to data from the US Department of Labor, the number of people filing for unemployment benefits in the first week of April rose by 4,000 to 223,000 compared to the previous week. Meanwhile, the number of continued unemployment benefit claims decreased by 43,000 to 1.85 million.

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EU Commission President von der Leyen emphasized that the US's new tariffs should be resolved through negotiation and that Europe and China should support a free trade system. European Commission President Ursula von der Leyen held a phone call with Chinese Premier Li Qiang, during which she stated that the issues caused by US President Donald Trump's new tariffs should be addressed through negotiations. She stressed the importance of stability and predictability for the global economy and emphasized that Europe and China share a responsibility to support a free and fair trade system. She also underlined the urgency of structural solutions to improve European businesses' access to the Chinese market.

ECB member Nagel assessed the global economic situation negatively and affirmed that the ECB will continue its fight against inflation. European Central Bank (ECB) member and Bundesbank President Joachim Nagel stated that global economic growth has seriously deteriorated and warned that this could negatively affect Europe as well. He emphasized that the ECB will continue to take the necessary steps in the fight against inflation.

ECB member and French Central Bank Governor Villeroy stated that Trump's policies have weakened confidence in the dollar and caused volatility in global markets. ECB member and Governor of the Bank of France François Villeroy de Galhau stated that the policies of US President Donald Trump have undermined confidence in the dollar. Villeroy said the Trump administration's protectionist and unpredictable approach has had negative impacts on the US economy and that the decision to increase tariffs on China after initially lowering them has caused volatility in global markets.

ECB President Lagarde stated that all tools can be used for price stability and economic resilience, and that global developments are being closely monitored. European Central Bank (ECB) President Christine Lagarde made comments on the economic outlook following the Eurogroup meeting. Lagarde stated that they are ready to use all policy tools to ensure price and financial stability. She noted that they are closely monitoring the US's temporary suspension of tariffs, market order, and the impact of exchange rates on inflation. She also emphasized the importance of coordinated steps for ensuring the resilience of the European economy.

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Domestic



According to market participants, the 12-month forward CPI expectation stood at 25.6 percent, while the 2025 growth forecast declined to 3.0 percent. According to the Market Participants Survey Statistics released by the Central Bank of the Republic of Turkey (CBRT) for April, market participants' year-end and 12-month forward consumer inflation (CPI) expectations were 29.9 percent and 25.6 percent, respectively. Participants' expectations for the CBRT's one-week repo auction rate for the end of the current month remained steady at 42.5 percent. Additionally, the growth expectation for 2025 dropped to 3.0 percent.

In March, euro provided the highest monthly real financial return with 3.83 percent. According to the Financial Investment Instruments' Real Return Rates statistics released by the Turkish Statistical Institute (TurkStat) for March, the euro provided the highest real return on a monthly basis with 3.83 percent when adjusted for CPI. Following the euro were bullion gold with 2.31 percent, BIST 100 index with 1.08 percent, deposit interest with 0.69 percent, the dollar with 0.09 percent, and government domestic debt securities (GDDS) with a negative 2.46 percent. When calculated similarly, in the last three months, bullion gold provided the highest return at 8.05 percent, while in the last six months, the BIST 100 index led with 6.83 percent, and over the past year, bullion gold topped with a return of 9.28 percent.

In February, the construction cost index increased by 1.24 percent monthly and 23.94 percent annually. According to the Construction Cost Index announced by TurkStat for February, the construction cost index increased by 1.24 percent on a monthly basis and 23.94 percent on an annual basis. During the same period, the material index increased by 1.99 percent monthly and 19.49 percent annually. The labor cost index decreased by 0.02 percent monthly but rose by 32.38 percent annually.

In February, trade sales volume increased by 2.5 percent monthly and 6.5 percent annually. According to the Trade Sales Volume Index for February published by the Turkish Statistical Institute (TurkStat), the trade sales volume increased by 2.5 percent on a monthly basis and by 6.5 percent on an annual basis. When examining the annual changes in the sub-sectors, wholesale trade sales volume rose by 6.1 percent and retail trade sales volume increased by 12.2 percent. Compared to the previous month, wholesale trade sales volume grew by 3.4 percent and retail trade sales volume increased by 1.1 percent.

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In February, the combined turnover index for industry, construction, trade, and services increased by 3.4 percent monthly and 32.0 percent annually. According to the Turnover Indices for February published by the Turkish Statistical Institute (TurkStat), the total turnover index for industry, construction, trade, and services increased by 3.4 percent on a monthly basis and by 32.0 percent on an annual basis. When examining the annual changes in the sub-sectors, the construction turnover index rose by 49.1 percent, the services turnover index by 39.6 percent, and the trade turnover index by 34.4 percent. On a monthly basis, the construction turnover index increased by 6.0 percent, the trade turnover index by 4.0 percent, and the services turnover index by 2.4 percent.

In February, industrial production decreased by 1.60 percent monthly and 1.90 percent annually. According to the Industrial Production Index released by TurkStat for February, industrial production declined by 1.60 percent on a monthly basis and 1.90 percent on a yearly basis. When looking at sub-sectors, strong annual increases were observed in energy, electricity, gas, and steam sectors, while high-tech manufacturing saw sharp declines.

President Erdoğan stated that despite global trade developments, Turkey will overcome the process strongly with its low tariff advantage, reduced external vulnerability, and fiscal discipline. President Recep Tayyip Erdoğan made statements regarding the reflections of recent global trade developments on Turkey. Erdoğan said, “We are among the countries applying low tariffs. Business circles and citizens should stay calm.” He also shared his belief that Turkey will get through this process more easily compared to many other countries. On the domestic macroeconomic outlook, he noted that external financing needs and vulnerabilities have decreased, inflation is on a downward path, and the disciplined stance in fiscal policy will be maintained.

CBRT President Karahan stated that economic rebalancing continues during a period when domestic demand remains resilient, production recovers, and the current account deficit stays low. CBRT President Fatih Karahan spoke at an event about the macroeconomic outlook. Karahan stated that the demand structure this year is more balanced, and production indicators show recovery. He emphasized that domestic demand remains relatively strong, while the current account deficit stays at low levels. He also noted that despite weak external demand, Turkey has increased its export market share. Overall, the data points to a continued process of economic rebalancing.

Minister Bayraktar stated that currently, 50 percent of electricity bills are still covered by the state and there is no new hike planned. Minister of Energy and Natural Resources Alparslan Bayraktar made remarks on the recent electricity price hikes. Bayraktar stated that currently, the state is covering 50 percent of electricity bills. Before the latest price increase, 60 percent of electricity bills

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were subsidized by the state. When asked if a new price hike is planned, Bayraktar responded that there is no such plan at the moment.

Minister Bolat highlighted that global trade has struggled in recent years due to shocks, geopolitical tensions, and climate change, and rising protectionism is increasing economic strain. Minister of Trade Ömer Bolat made comments on the economic outlook during an event. He mentioned that the global economy has experienced serious shocks and transformations in recent years, citing supply chain disruptions, geopolitical tensions, and climate change as key challenges. Bolat also emphasized that growing protectionism and trade imbalances have heightened economic tensions between countries.

In March, the export climate index stood at 51.5 points, marking its 15th consecutive month above the 50 threshold. According to the Turkish Manufacturing Sector Export Climate Index published by the Istanbul Chamber of Industry (ISO) for March, the export climate index was recorded at 51.5 points, remaining above the 50 threshold for the 15th consecutive month, signaling a positive outlook for exporters. The index had previously stood at 51.1 points in February. Sub-sectors showed that economic activity increased in most of Turkey's major export markets.

With the new regulation by the BRSA, the procedures and principles for funds received from credit clients and shareholders by development and investment banks have been defined, excluding some funds. A new regulation prepared by the Banking Regulation and Supervision Agency (BRSA) has come into effect. With this regulation, the procedures and principles regarding funds received from credit customers, subsidiaries, and shareholders by development and investment banks were defined. However, funds obtained from money markets, capital markets, organized markets, and other banks are excluded from this regulation.

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14 April

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Leading Indicators



	Indicator	Period	Data	Previous Data	Benchmark Value
New	Industrial Production	February	-1,9%	1,2%	
	Manufacturing PMI	March	47,3	48,3	50
	Capacity Utilization Rate (seasonally adj.)	March	75,2%	74,9%	
	Import - (capital goods) (annually)	February	-21,0%	1,7%	
	Import - (intermediate goods) (annually)	February	8,2%	9,2%	
	Import - (consumption goods) (annually)	February	-0,8%	20,6%	
New	Credit Growth Weekly	March (Week 3)	1,3%	1,4%	
	Consumer Confidence Index	March	85,9	82,1	100,0
	Real sector confidence (seasonally adj.)	March	103,2	102,8	100,0
	Service sector confidence (seasonally adj.)	March	114,4	114,2	100,0
New	Retail sector confidence (seasonally adj.)	March	113,4	116,3	100
	Construction sector confidence (seasonally adj.)	March	88,9	89,3	100
	Car Sales (annually)	February	-14,4%	-13,9%	
	House sales - total (annually)	February	20,1%	39,7%	
	House sales - mortgage (annually)	February	90,1%	182,8%	
	CPI	March	38,1%	39,1%	
New	CPI expectations (year-end)	April	29,9%	28,0%	
New	Current Year Growth Expectations	April	3,0%	3,1%	
New	Retail Sales Volume (annually)	February	12,2%	12,5%	
	Current Account Balance (billion USD)	January	-3,8	-4,7	
	Unemployment Rate (seasonally adj.)	February	8,2%	8,4%	
New	Dollarization	March (Week 3)	0,38 Billion (+)	0,67 Billion (+)	

	Indicates decrease
	Indicates stability
	Indicates increase

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

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