

### ***Donald Trump Wins the U.S. Presidential Election***

- In the U.S. Presidential Election held last week, Republican candidate Donald Trump won and made history as the 47th President of the United States. In addition to winning the presidency, the Republicans also gained the majority in the Senate, further strengthening Trump's position. For markets pricing in a second Trump term, the election results were not surprising. Following Trump's victory in the presidential race, the first Federal Open Market Committee (FOMC) meeting took place, where the Fed, in line with market expectations, lowered interest rates by 25 basis points, bringing the policy rate to a range of 4.50-4.75 percent. After the interest rate decision, Fed Chairman Jerome Powell stated that the election results would not have a short-term impact on monetary policy. In the economic calendar this week in the U.S., the following events will be closely watched: speeches by FOMC Members Kashkari, Harker, and Williams, the Consumer Price Index (CPI) (monthly) for October, Core CPI (monthly) for October, Federal Budget Balance for October, Producer Price Index (PPI) (monthly) for October, Core PPI (monthly) for October, speech by Fed Chairman Powell, Retail Sales (monthly) for October, Core Retail Sales (monthly) for October, Industrial Production (annual) for October, and the Atlanta Fed's GDPNow forecast for Q4. In the Eurozone, the following events will be closely followed: speeches by ECB's McCaul and Buba's Balz, Germany's CPI (monthly) for October, ZEW Economic Sentiment (November), the European Central Bank's policy meeting, GDP (annual) for Q3, and Industrial Production (annual) for September.
- In Germany, the leading economy of the Eurozone, industrial production in September showed a decline of 2.5 percent on a monthly basis and 4.6 percent on a yearly basis. These numbers revealed that expectations regarding the industrial activity bottoming out were not accurate. The Ifo Employment Barometer for October also hit its lowest level since July 2020, standing at 93.7 points.
- In Asia, in China, the Caixin/S&P Global Services Purchasing Managers' Index (PMI) for October came in at 52.0, above the neutral level of 50.0, signaling expansion in the services sector. Following the PMI data, Chinese Premier Li Qiang expressed confidence that the government would be able to achieve economic recovery.
- Domestically, the Central Bank, TurkStat, and other institutions released various data:
  - The Consumer prices in October increased by 2.88 percent on a monthly basis and 48.58 percent on a yearly basis.
  - The Domestic Producer Price Index (PPI) in October rose by 1.29 percent on a monthly basis and 32.24 percent on a yearly basis.
  - The Governor of the Central Bank of the Republic of Turkey (CBRT), Fatih Karahan, presented the latest inflation report for 2024.

## Weekly Status

	1.11.2024	8.11.2024	Weekly Change	Change in 2024	Change in 2023	Change in 2022	Change in 2021
XK050	8.665	8.933	3,1%	17,1%	32,6%	210,3%	22,5%
XU100	8.885	9.185	3,4%	23,0%	35,6%	196,6%	25,8%
USDTRY	34,33	34,36	0,1%	16,6%	57,5%	39,6%	80,3%
DXY	104,32	104,95	0,6%	3,6%	-2,1%	8,2%	6,4%
US-10Y	4,37	4,33	-0,9%	11,6%	0,0%	156,3%	65,1%
TR-10Y	30,68	29,88	-2,6%	11,7%	169,4%	-59,2%	88,5%
TR-2Y	43,02	42,87	-0,3%	8,0%	298,0%	-56,1%	51,7%
CDS (5Y)	266,23	250,14	-6,0%	-10,0%	-45,2%	-10,5%	84,8%
Gold (Ounce)	2.736,00	2.685,00	-1,9%	30,2%	13,1%	-0,3%	-3,7%
Gold (Gram)	3.020,00	2.968,00	-1,7%	51,3%	78,9%	40,4%	72,1%
Silver (Gram)	35,83	34,56	-3,5%	52,9%	57,1%	44,9%	57,4%

## Global



**In the United States, the preliminary Consumer Sentiment Index for November increased above expectations, reaching a level of 73.** The data released by the University of Michigan for November showed that consumer confidence rose to 73, marking the fourth consecutive month of improvement. During the same period, the Expectations Index rose to 78.5, its highest level since mid-2021, while the Current Conditions Index fell to 64.4. Furthermore, consumers' one-year inflation expectations decreased to 2.6 percent, while five-year inflation expectations rose to 3.1 percent.

**The Federal Reserve (Fed) cut interest rates by 25 basis points, bringing the policy rate down to a range of 4.50-4.75, in line with market expectations.** In a statement from the Federal Open Market Committee (FOMC), it was noted that the Committee determined that the risks to achieving employment and inflation targets were roughly balanced. The economic outlook remains uncertain, and the Committee is attentive to risks on both sides of its dual mandate. Regarding the impact of U.S. elections, Fed Chairman Jerome Powell stated that short-term election results would not affect monetary policy, and that he had no information about the timing of fiscal policy changes.

**In unofficial results of the U.S. elections, Republican Presidential candidate Donald Trump won and made history as the 47th President of the United States.** Trump, who surpassed the required number of delegates, delivered his victory speech at a congressional center near his residence in Florida. In his speech, he thanked the American people and said, "We will help our country heal. We will strengthen our borders. We will fix everything about our country. Tonight, for one reason, we made history. That reason is that we have overcome obstacles that no one thought were possible."



**The U.S. foreign trade balance posted a deficit of 84.4 billion dollars in September.** According to the U.S. Department of Commerce's trade statistics for September, exports increased by 3.2 billion dollars, reaching 267.9 billion dollars, while imports rose by 10.3 billion dollars, reaching 352.3 billion dollars. As a result, the foreign trade balance posted a deficit of 84.4 billion dollars. The reported statistics were in line with market expectations.

**The ISM Services PMI in the U.S. increased by 1.1 points in October compared to the previous month, reaching 56.0 points.** According to the U.S. Institute for Supply Management (ISM), the Services Purchasing Managers' Index (PMI) for October increased by 1.1 points from the previous month, reaching 56.0 points, exceeding market expectations. The PMI reached its highest level since July 2022, signaling expansion in the services sector. When examining the subcategories, growth was observed in 14 sub-sectors, while contraction was seen in 2 sectors.

**Factory orders in the United States decreased by 0.5 percent on a monthly basis in September.** According to the factory orders data for September released by the U.S. Department of Commerce, factory orders in the country decreased by 0.5 percent on a monthly basis, falling short of market expectations. This marks a decline in factory orders in four of the last five months. When examining the subcategories, durable goods orders fell by 0.7 percent, while orders for non-durable goods decreased by 0.2 percent.

**The Ifo Employment Barometer in Germany stood at 93.7 points in October.** According to the results of the Employment Barometer for October released by the Ifo Economic Research Institute in Germany, the Employment Barometer dropped to 93.7 points, its lowest level since July 2020. The report indicated that due to a challenging order situation in the manufacturing sector, fewer workers were needed, and although there was a slight improvement in trade, a similar trend was observed.

**In Germany, industrial production showed a decline of 2.5 percent on a monthly basis and 4.6 percent on a yearly basis in September.** According to the industrial production data for September released in Germany, the country's industrial production fell by 2.5 percent on a monthly basis and 4.6 percent on a yearly basis. The reported figures disproved expectations that industrial activity had reached its lowest point. German industry is facing a prolonged stagnation due to weak global demand, domestic structural challenges, and increasing political uncertainty both inside and outside the country.

**In Germany, factory orders increased by 4.2 percent on a monthly basis and by 1 percent on a yearly basis.** According to the factory orders data for September released by the German Federal Statistical Office (Destatis), factory orders in Germany increased by 4.2 percent on a monthly basis and by 1 percent on a yearly basis. The data exceeded expectations. The German statistical office stated that vehicle production more than doubled, and there was also an increase in general external demand.

**In China, exports rose by 12.7 percent year-on-year in October, significantly exceeding expectations.** According to customs data for October released in China,

exports increased by 12.7 percent year-on-year, well above expectations. During the same period, imports declined by 2.3 percent year-on-year, falling short of expectations. As a result, the country's trade balance recorded a deficit of 95.72 billion dollars. The tariffs that former President Trump considered implementing could lead to a buildup of stocks in warehouses, especially in China's number one export market.

**The Caixin/S&P Global Services Purchasing Managers' Index (PMI) in China stood at 52.0 points in October.** According to the Caixin/S&P Global Services Purchasing Managers' Index (PMI) data for October released in China, the services PMI was 52.0, above the neutral threshold of 50.0, signaling expansion in the services sector. Following the release of the PMI data, Chinese Prime Minister Li Qiang expressed confidence that the government could successfully achieve economic recovery. China's economy had grown at its slowest pace since the beginning of 2023 in the third quarter.

**In China, the Consumer Price Index (CPI) for October increased by 0.3 percent year-on-year, while the Producer Price Index (PPI) decreased by 2.9 percent.** This marked the 19th consecutive month of stagnation in consumer prices and the 25th consecutive month of decline in producer prices.

## Domestic



**The Central Bank of the Republic of Turkey (CBRT) published the Monthly Price Developments Report for October.** According to the report, consumer prices increased by 2.88 percent on a monthly basis, while annual inflation decreased by 0.80 percentage points to 48.58 percent. During this period, the headline inflation level did not fully reflect the adjustment in the composition, while the core indicators provided a clearer picture. Indeed, when seasonal effects were removed, core goods inflation decreased, while a slowdown in the rise of seasonally adjusted service prices was observed.

**A Memorandum of Understanding was signed at the 11th Summit of the Turkic Council held in Bishkek, Kyrgyzstan, between the Central Banks of the Member States of the Turkic Council.** The Memorandum was signed by the Central Bank Governors of the member countries of the Turkic Council.

**The Governor of the Central Bank of the Republic of Turkey (CBRT), Fatih Karahan, presented the latest inflation report for 2024.** Karahan announced that the CBRT's year-end inflation forecast for 2024 has been raised from 38 percent to 44 percent, while the 2025 year-end forecast has been increased from 14 percent to **21 percent**. Additionally, Karahan emphasized that despite the upward revision of the inflation path, there would be no change in monetary policy stance, and although an easing cycle might begin, the tight stance would be maintained.

**TurkStat published the Financial Investment Instruments Real Return Rates statistics for October.** According to the data released by the Turkish Statistical



Institute (TurkStat) for October, the highest real return on a monthly basis, adjusted for the Consumer Price Index (CPI), was achieved by gold bullion, with a return of 3.20 percent. This was followed by deposit interest at 0.46 percent, the U.S. dollar with a return of -2.25 percent, government bonds with a return of -2.52 percent, the euro with a return of -3.93 percent, and the BIST 100 index with a return of -12.19 percent. Over the last three months, the highest return, again adjusted for CPI, was 10.60 percent for gold bullion, while over the last six months, the highest return was 5.22 percent for deposit interest.

**TurkStat published the Final Energy Consumption Statistics for the Services and Trade Sector for 2023.** According to the data released by TurkStat for 2023, total final energy consumption in the services and trade sector amounted to 503,682 terajoules. When broken down by sub-sectors, the largest share of final energy consumption was taken by wholesale and retail trade, and repair of motor vehicles and motorcycles, which accounted for 34.4 percent. This was followed by accommodation and food service activities at 18.7 percent, and water supply, sewage, waste management, and remediation activities at 9.9 percent.

**Consumer prices increased by 2.88 percent on a monthly basis and 48.58 percent on an annual basis in October.** According to the Consumer Price Index (CPI) for October released by TurkStat (Turkish Statistical Institute), consumer prices increased by 2.88 percent on a monthly basis and 48.58 percent on an annual basis, surpassing expectations. When examining the subcategories, the rise in the index on a monthly basis was driven by clothing and footwear, as well as food and non-alcoholic beverages, while the annual increase was mainly influenced by the education and housing categories. During the same period, the core inflation indicator, the Special Comprehensive C CPI, also rose by 2.79 percent on a monthly basis, highlighting that the underlying inflation trend remains high.

**The Producer Price Index (PPI) for October showed an increase of 1.29 percent on a monthly basis and 32.24 percent on an annual basis.** According to the Producer Price Index (PPI) for October released by TurkStat, the PPI increased by 1.29 percent on a monthly basis and 32.24 percent on an annual basis. When examining the annual changes in the subcategories, significant increases were observed in the water supply sector (43.19 percent), mining and quarrying sector (40.11 percent), manufacturing sector (32.85 percent), and electricity, gas, steam sector (20.47 percent). Analyzing the monthly changes, the water supply sector saw an increase of 1.55 percent, the mining and quarrying sector rose by 0.85 percent, and the manufacturing sector increased by 1.61 percent. Meanwhile, the electricity, gas, and steam sector experienced a decrease of 1.56 percent.

**The Ministry of Treasury and Finance published the 2023 Public Enterprises Report.** According to the report, the gross sales of State-Owned Enterprises (SOEs) increased by 13.9 percent year-on-year, reaching 1 trillion 300 billion TL. The increase in sales was mainly driven by TEİAŞ and EÜAŞ. The SOE system closed the period with an operating profit of approximately 159 billion 300 million TL. After taxes and legal obligations, the system's net profit for the period amounted to 74 billion 700 million TL.

**Treasury and Finance Minister Mehmet Şimşek met with China's Vice Premier Zhang Guoqing in Beijing for the Turkey-China Governmental Cooperation Committee meeting.** Following the meeting, Şimşek announced that they had agreed to increase investments between the two countries and strengthen cooperation in infrastructure financing, energy, tourism, civil aviation, and agriculture. He also stated, "We aim to develop our economic relations with China, our largest trading partner in Asia, and target a more balanced structure in trade."

**The Treasury cash balance recorded a deficit of 1.7 trillion Turkish Lira in the first 10 months of 2024.** According to the Treasury Cash Balance data for October released by the Ministry of Treasury and Finance, the Treasury cash balance showed a deficit of 167.3 billion Turkish Lira. During this period, Treasury revenues amounted to 854.91 billion Turkish Lira, while non-interest expenditures were recorded at 895.95 billion Turkish Lira.

**The shopping center turnover index increased by 58 percent in September, reaching 3,371 points.** According to the Shopping Centers and Investors Association (AYD), the turnover index rose by 58 percent, reaching 3,371 points. Considering that the annual inflation rate was 49.38 percent during this period, it was observed that the increase in the sales per square meter efficiency index exceeded inflation. The turnover per leasable square meter in shopping centers was 12,852 TL nationwide, 15,192 TL in Istanbul, and 11,292 TL in Anatolia.

**Gross domestic R&D expenditure increased by 178.87 billion Turkish Lira in 2023 compared to the previous year, rising to 377.54 billion Turkish Lira.** According to the Research and Development Activities Survey published by TurkStat for 2023, gross domestic R&D expenditure increased by 178.87 billion Turkish Lira compared to the previous year, reaching 377.54 billion Turkish Lira. The share of gross domestic R&D expenditure in GDP was 1.32 percent in 2022 and rose to 1.42 percent in 2023. During this period, financial and non-financial companies accounted for 65.1 percent of R&D expenditures, followed by higher education institutions with 30.0 percent.

**Exports from Istanbul decreased by 6.9 percent in October compared to the same month last year.** According to the export data by province for October released by the Ministry of Trade, Istanbul's exports decreased by 6.9 percent compared to the same month last year, but it remained the highest exporting province with 5.081 billion dollars. During this period, Kocaeli followed Istanbul with exports of 2.841 billion dollars, marking a 15.9 percent increase, while Izmir's exports decreased by 15 percent to 1.758 billion dollars.



## Leading Indicators



	Indicator	Period	Data	Previous Data	Benchmark Value
<b>New</b>	Industrial Production	September	-2,4%	-5,3%	
	Manufacturing PMI	October	45,8	44,3	50,0
	Capacity Utilization Rate (seasonally adj.)	October	75,2%	75,9%	
	Import - (capital goods) (annually)	August	-10,9%	-7,7%	
	Import - (intermediate goods) (annually)	August	-12,8%	-8,9%	
<b>New</b>	Import - (consumption goods) (annually)	August	0,9%	-3,2%	
	Credit Growth Weekly	November (Week 1)	0,6%	0,1%	
	Consumer Confidence Index	October	80,6	78,2	100,0
	Real sector confidence (seasonally adj.)	October	102,2	99,2	100,0
	Service sector confidence (seasonally adj.)	October	114,2	112,6	100,0
	Retail sector confidence (seasonally adj.)	October	110,7	110,6	100,0
	Construction sector confidence (seasonally adj.)	October	86,3	87,8	100,0
	Car Sales (annually)	October	-4,0%	-9,4%	
	House sales - total (annually)	September	37,3%	9,9%	
	House sales - mortgage (annually)	September	87,4%	-17,1%	
	CPI	October	48,6%	49,4%	
	CPI expectations (year-end)	October	44,1%	43,1%	
	Current Year Growth Expectations	October	3,1%	3,2%	
	Retail Sales Volume (annually)	August	13,3%	5,4%	
	Current Account Balance (billion USD)	August	4,3	0,6	
<b>New</b>	Unemployment Rate (seasonally adj.)	September	8,6%	8,5%	
<b>New</b>	Dollarization	November (Week 1)	0,96 Billion (-)	1,99 Billion (+)	

	Indicates decrease
	Indicates stability
	Indicates increase

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