

Macro: Trade deficit remains high; geopolitical developments pose upside risks

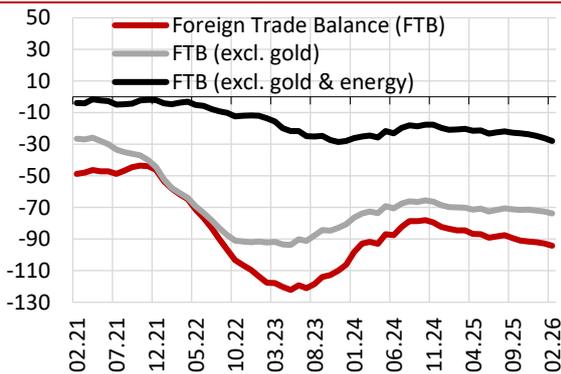
According to the provisional data for February released by the Ministry of Trade, the foreign trade balance recorded a deficit of \$9.2 billion, increasing by \$1.4 billion year-on-year. Excluding gold and energy, the deterioration in the foreign trade deficit was \$1.8 billion higher on an annual basis. On the other hand, seasonally and calendar-adjusted (s.a.) data indicate an improvement in the foreign trade deficit. This development was driven by export performance exceeding that of imports. On a monthly basis, the increase in imports stemmed from gold and energy imports. However, core import indicators have been pointing to a slowdown over the past two months

Following rising tensions in the Middle East, uncertainties regarding global trade have increased. Oil and natural gas prices have entered an upward trend; as of Friday, Brent oil prices had risen by 14%. While this depends on how long the conflict will last and at what levels prices will settle, in a scenario where the average oil price is \$80 per barrel, we estimate the impact of the increase on our net energy bill to be around \$10 billion. In addition, the potential closure of the Strait of Hormuz and the duration of such a closure appear likely to disrupt global shipments. Current trends and rising risks signal that the deterioration in the current account deficit may become more pronounced in the period ahead.

According to the Ministry of Trade's provisional February foreign trade data, exports increased by 1.6% year-on-year to \$21.1 billion, while imports rose by 6.1% year-on-year to \$30.3 billion. Thus, the foreign trade deficit increased by \$1.4 billion on an annual basis to \$9.2 billion. The 12-month cumulative foreign trade deficit rose from \$93 billion to \$94 billion (Table 1 and Chart 1). Excluding gold and energy, the annual increase in the foreign trade deficit was \$1.8 billion.

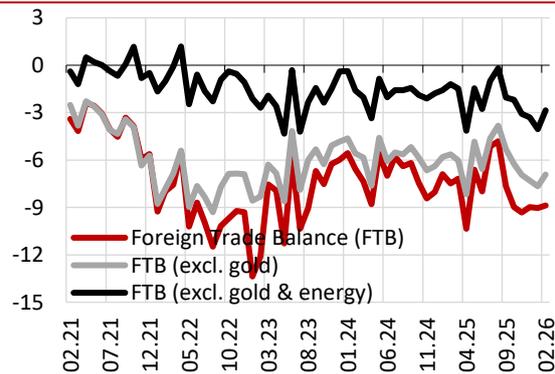
Seasonally and calendar adjusted (s.a.) data show a slight improvement in the foreign trade deficit. Excluding gold and energy (core), the improvement in the deficit (s.a.) was more pronounced (Chart 2). This was driven by core exports increasing more strongly than imports.

Chart 1. Foreign Trade Balance (12-month cumulative, billion \$)



Source: TURKSTAT, MoT, Akbank

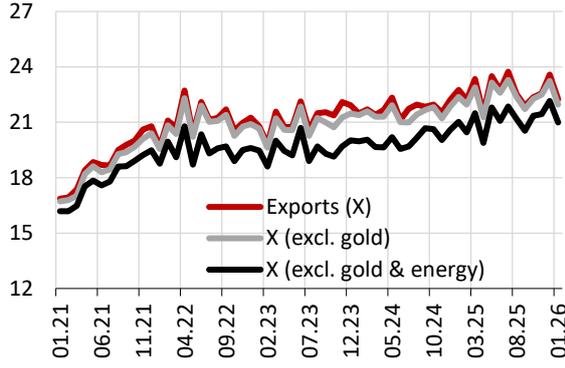
Chart 2. Foreign Trade Balance (seasonally adjusted, billion \$)



Exports

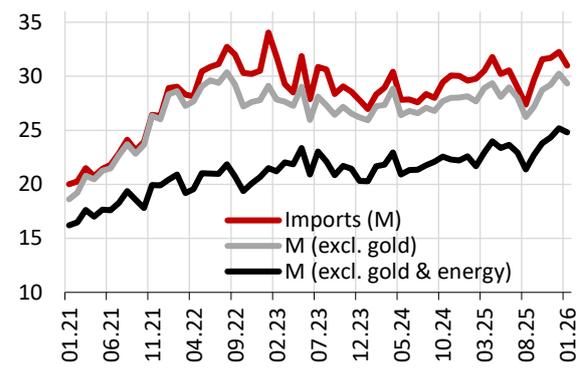
After declining by 5.5% month-on-month in January, exports (s.a.) increased by 2.2% month-on-month in February but did not fully offset the previous month's decline (Table 3, Chart 3). Gold exports were \$287 million in January and \$292 million in February. Energy exports (s.a.) have been declining for the past two months; the cumulative decline over the last two months reached approximately 18%. Excluding gold and energy, monthly export growth (s.a.) was 2.6%.

Chart 3. Exports (seasonally adj., billion \$)



Source: TURKSTAT, MoT, Akbank

Chart 4. Imports (seasonally adj., billion \$)



According to regional export data, the monthly increase in exports was widespread across all regions except the Near and Middle East. Exports to the Near and Middle East have been declining for the past two months (Charts 5 and 6, Table 3). According to goods classification (s.a.), capital goods exports showed a significant monthly increase of 7.8% in February. Intermediate goods exports increased by 2.7%, while the increase in consumer goods exports remained limited (Charts 7 and 8, Table 3).

Chart 5. Exports by Region (seasonally adjusted, billion \$)

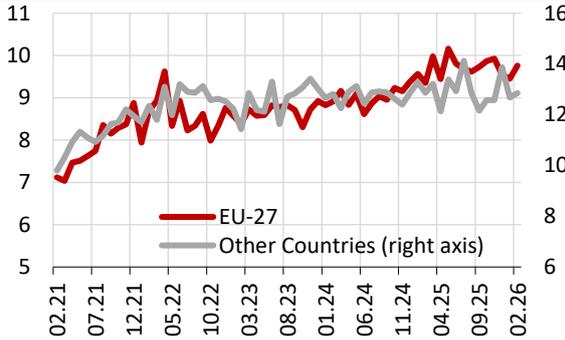


Chart 6. Exports by Region (seasonally adjusted, billion \$)

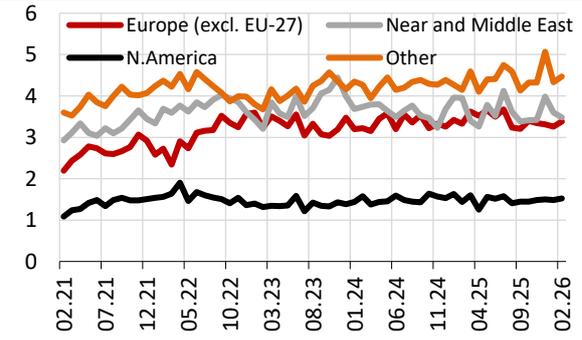


Chart 7. Intermediate Goods Exports (seasonally adjusted, billion \$)

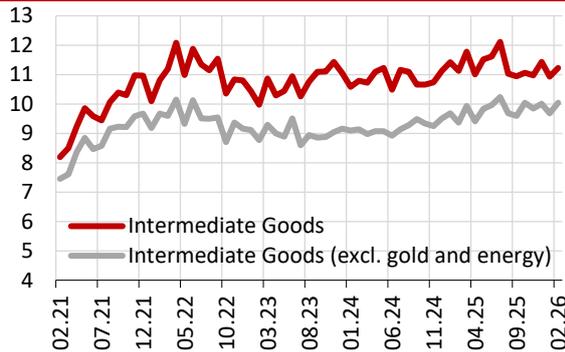
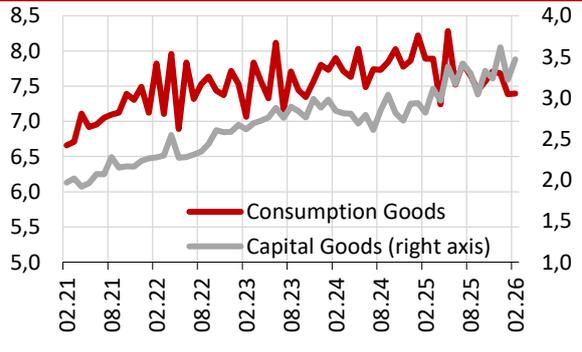


Chart 8. Capital and Consumption Goods Exports (seasonally adjusted, billion \$)



Source: TURKSTAT, MoT, Akbank

Imports

Imports (s.a.) increased by 1.1% month-on-month in February, following a 3.8% month-on-month decrease in January (Chart 4, Table 3). While core imports decreased, the month-on-month increases in gold and energy imports contributed to the overall increase in imports. Gold imports reached \$2.2 billion, exceeding the previous two months, partly due to a 6% increase in the average price of gold (per ounce) (Chart 9). Energy imports (s.a.) increased by 8.2% in February, following a 10.2% decrease

in January, partly due to the rise in oil prices (month-on-month increase in average Brent oil price of 7.5%).

According to the classification of goods groups, core intermediate goods imports increased by 2.5%. The decline in consumer and capital goods imports continued in February after January; monthly decreases in February were 14.2% and 6.9%, respectively. Excluding the 23% decrease in jewelry imports, the monthly decrease in consumer goods imports was 11% (Graph 12, Table 3). Core indicators have pointed to a slowdown for the past two months. The import coverage ratio (s.a.) excluding gold and energy rose from 83.8% in February to 88.2%, its highest level since October.

Chart 9. Gold Imports (billion \$)

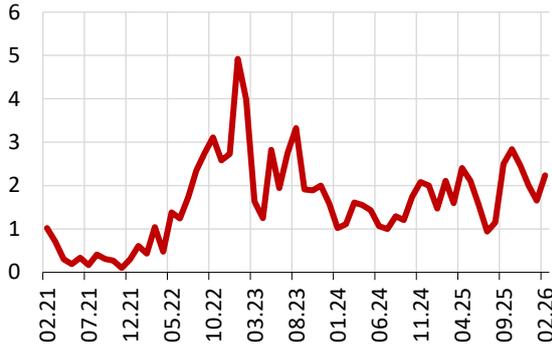


Chart 10. Energy Imports (billion \$)

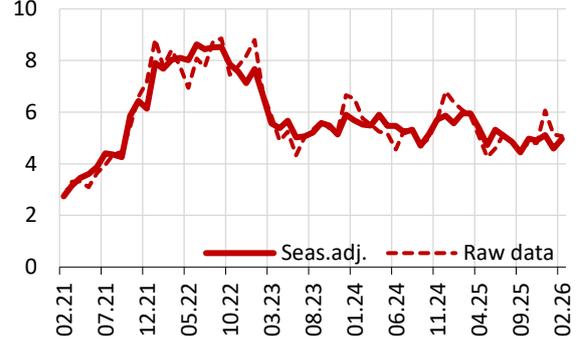


Chart 11. Intermediate Goods Imports (seasonally adjusted, billion \$)

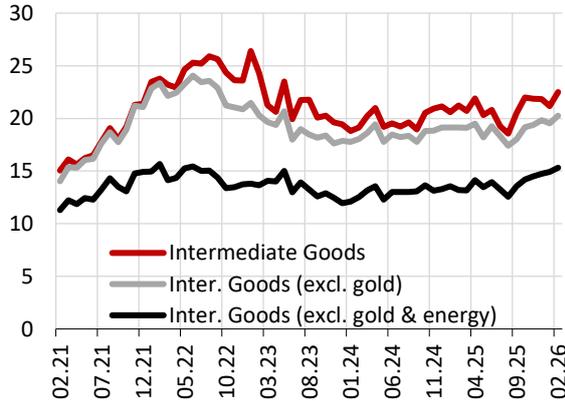


Chart 12. Capital and Consumption Goods Imports (seasonally adjusted, billion \$)

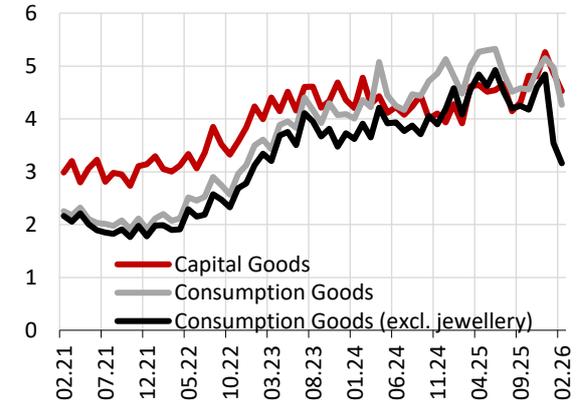
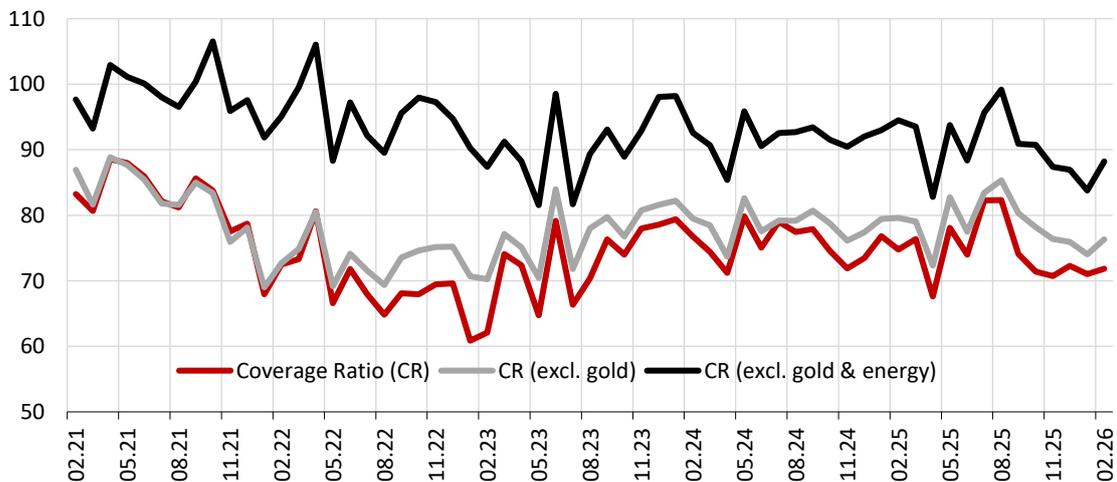


Chart 13. Coverage Ratio (% , seasonally adjusted)



Source: TURKSTAT, MoT, Akbank

Table 1. Foreign Trade (raw data, billion USD)

	2021	2022	2023	2024	2025	12-month	First 2	
						Cum.	months	
						Feb. 2026	2025	2026
Foreign Trade Balance	-46.2	-109.5	-106.3	-82.2	-92.0	-94.3	-15.3	-17.6
Exports	225.2	254.2	255.6	261.8	273.4	272.9	41.9	41.4
Imports	271.4	363.7	362.0	344.0	365.4	367.1	57.2	59.0
Foreign Trade Balance (excl. gold and energy)	-2.1	-11.9	-27.9	-19.6	-24.7	-28.0	-2.6	-5.8
Exports (excl. gold and energy)	213.2	234.8	234.9	241.7	255.0	255.5	38.6	39.1
Imports (excl. gold and energy)	215.2	246.7	262.8	261.3	279.8	283.5	41.1	44.9
Foreign Trade Balance (gold)	-1.9	-17.5	-25.7	-13.6	-20.1	-20.5	-2.9	-3.3
Exports (gold)	3.6	2.9	4.3	3.5	3.1	3.0	0.6	0.6
Imports (gold)	5.5	20.4	30.0	17.1	23.1	23.4	3.6	3.9
Foreign Trade Balance (energy)	-42.2	-80.1	-52.7	-49.0	-47.2	-45.9	-9.8	-8.5
Exports (energy)	8.5	16.4	16.4	16.6	15.3	14.3	2.7	1.7
Imports (energy)	50.7	96.5	69.1	65.6	62.5	60.2	12.5	10.2
Exports	225.2	254.2	255.6	261.8	273.4	272.9	41.9	41.4
Exports (EU-27)	93.1	103.0	104.3	108.5	116.9	117.1	17.8	18.0
Exports (excl. EU-27)	132.2	151.1	151.3	153.3	156.5	155.8	24.1	23.4
Exports (Other Europe)	31.5	36.6	39.7	40.1	41.2	41.1	6.2	6.1
Exports (Near and Middle East)	38.4	45.0	45.6	43.6	43.9	43.0	7.5	6.7
Exports (North America)	16.4	18.8	16.5	18.1	17.9	17.8	2.8	2.7
Exports (Other)	45.9	50.7	49.6	51.5	53.5	53.8	7.6	7.9
Exports (Capital Goods)	24.8	29.0	33.7	33.9	38.7	39.6	5.0	5.8
Exports (Intermediate Goods)	115.2	133.4	129.0	130.6	135.9	135.5	21.1	20.8
Inter. Goods Exports (excl. gold and energy)	103.1	114.1	108.3	110.6	117.6	118.2	17.8	18.4
Exports (Consumption Goods)	83.8	89.8	90.7	93.7	92.9	91.5	15.4	14.0
Imports	271.4	363.7	362.0	344.0	365.4	367.1	57.2	59.0
Imports (Capital Goods)	35.9	40.5	52.7	50.6	54.9	55.8	7.2	8.1
Imports (Intermediate Goods)	210.1	292.4	261.3	238.3	250.1	251.0	41.6	42.6
Inter. Goods Imports (excl. gold)	204.6	272.0	231.3	221.2	226.9	227.6	38.1	38.7
Inter. Goods Imports (excl. gold and energy)	154.0	175.4	162.2	155.6	164.5	167.4	25.6	28.5
Imports (Consumption Goods)	24.9	30.5	47.6	54.5	59.2	58.9	8.2	7.9
Jewellery Imports	1.6	3.0	3.9	7.8	5.0	6.5	0.6	2.1
Cons. Goods Imports (excl. jewellery)	23.4	27.5	43.7	46.7	54.3	52.4	7.7	5.8
Coverage Ratio	83.1	69.8	71.1	76.2	75.0	74.5	73.2	70.2
Coverage Ratio (excl. gold)	83.7	73.2	76.0	79.1	79.1	78.6	76.9	74.1
Coverage Ratio (excl. gold and energy)	99.2	95.2	89.9	92.7	91.4	90.3	93.8	87.1

Source: TURKSTAT, MoT

Table 2. Foreign Trade (raw data. billion USD)

	Nov.25	Dec.25	Jan.26	Feb.26	2025-Q2	2025-Q3	2025-Q4	2026-Q1*
Foreign Trade Balance	-8.0	-9.3	-8.4	-9.2	-27.0	-17.7	-24.9	-17.6
Exports	22.5	26.4	20.3	21.1	66.1	69.2	72.8	41.4
Imports	30.5	35.7	28.7	30.3	93.0	86.8	97.7	59.0
Foreign Trade Balance (excl. gold and energy)	-1.9	-2.7	-2.8	-3.0	-11.7	-3.2	-5.6	-5.8
Exports (excl. gold and energy)	21.4	24.9	19.1	20.0	61.3	64.6	69.1	39.1
Imports (excl. gold and energy)	23.2	27.6	21.9	23.0	73.0	67.7	74.7	44.9
Foreign Trade Balance (gold)	-2.4	-1.7	-1.4	-1.9	-5.4	-3.8	-6.8	-3.3
Exports (gold)	0.1	0.3	0.3	0.3	0.7	0.8	0.5	0.6
Imports (gold)	2.5	2.0	1.7	2.2	6.1	4.6	7.3	3.9
Foreign Trade Balance (energy)	-3.7	-4.9	-4.2	-4.3	-9.8	-10.7	-12.5	-8.5
Exports (energy)	1.1	1.2	0.9	0.8	4.1	3.8	3.2	1.7
Imports (energy)	4.8	6.1	5.1	5.1	13.9	14.5	15.7	10.2
Exports	22.5	26.4	20.3	21.1	66.1	69.2	72.8	41.4
Exports (EU-27)	9.8	10.0	8.8	9.2	29.4	29.1	30.2	18.0
Exports (excl. EU-27)	12.7	16.4	11.6	11.8	36.7	40.1	42.6	23.4
Exports (Other Europe)	3.5	3.7	2.9	3.1	10.2	10.4	10.9	6.1
Exports (Near and Middle East)	3.5	4.8	3.4	3.3	9.7	11.3	12.0	6.7
Exports (North America)	1.5	1.7	1.3	1.4	4.3	4.6	4.7	2.7
Exports (Other)	4.2	6.2	3.9	4.0	12.6	13.7	15.0	7.9
Exports (Capital Goods)	3.2	4.6	2.6	3.2	9.3	9.8	11.4	5.8
Exports (Intermediate Goods)	10.6	11.8	10.2	10.5	33.8	35.2	33.9	20.8
Inter. Goods Exports (excl. gold and energy)	9.4	10.3	9.0	9.4	29.0	30.6	30.2	18.4
Exports (Consumption Goods)	8.1	8.5	7.0	7.0	21.9	22.8	24.9	14.0
Imports	30.5	35.7	28.7	30.3	93.0	86.8	97.7	59.0
Imports (Capital Goods)	4.7	6.4	4.1	4.0	13.4	13.7	16.1	8.1
Imports (Intermediate Goods)	20.7	23.3	20.7	21.9	63.5	58.6	65.5	42.6
Inter. Goods Imports (excl. gold)	18.2	21.3	19.0	19.7	57.4	54.0	58.2	38.7
Inter. Goods Imports (excl. gold and en.)	13.4	15.3	13.9	14.6	43.5	39.4	42.6	28.5
Imports (Consumption Goods)	5.0	5.8	3.8	4.2	16.0	14.2	15.6	7.9
Jewellery Imports	0.3	0.3	0.9	1.2	1.9	0.8	1.1	2.1
Cons. Goods Imports (excl. jewellery)	4.6	5.5	2.9	3.0	14.1	13.4	14.6	5.8
Coverage Ratio	73.8	73.9	70.8	69.6	71.0	79.6	74.6	70.2
Coverage Ratio (excl. gold)	80.0	77.3	74.1	74.1	75.2	83.1	80.0	74.1
Coverage Ratio (excl. gold and energy)	92.0	90.1	87.2	86.9	83.9	95.3	92.5	87.1

* Sum of January and February

Source: TURKSTAT, MoT

Table 3. Foreign Trade (Seasonally and calendar adjusted)

	Monthly % Change				Quarterly % Change			
	Nov.25	Dec.25	Jan.26	Feb.26	2025-Q2	2025-Q3	2025-Q4	2026-Q1*
Exports	0.2	4.1	-5.5	2.2	-0.6	0.4	0.2	-1.8
Exports (excl. gold)	0.3	2.9	-5.3	2.2	0.0	0.3	0.6	-2.3
Energy Exports	13.6	4.1	-11.5	-6.7	-0.3	-10.4	-19.6	-8.5
Exports (excl. gold and energy)	-0.3	2.9	-5.0	2.6	0.1	1.0	1.9	-2.0
Exports (gold)	-15.5	325.5	-15.1	2.0	-37.2	13.1	-34.0	70.0
Exports (EU-27)	0.6	-3.8	-0.9	3.2	1.8	-1.3	1.0	-1.7
Exports (Other Europe)	0.0	10.3	-8.6	1.4	-2.3	1.8	-0.3	-1.8
Exports (Near and Middle East)	-1.6	-0.7	-1.8	3.9	2.9	-5.2	-0.6	-0.9
Exports (North America)	0.2	16.5	-9.6	-3.3	-6.6	5.2	-2.7	-1.8
Exports (Other)	2.9	1.0	-0.8	2.2	-7.4	2.5	-0.2	1.9
Exports (excl. EU-27)	0.0	17.2	-14.6	3.2	-0.8	4.4	1.8	-3.8
Exports (Capital Goods)	-2.8	11.8	-10.9	7.8	7.3	2.6	4.3	-1.4
Exports (Intermediate Goods)	-0.8	4.2	-4.4	2.7	-0.6	-0.1	-1.8	-0.7
Inter. Goods (excl. gold and energy)	-2.0	1.6	-3.3	3.7	0.8	1.0	1.3	-1.1
Exports (Consumption Goods)	1.8	-0.3	-3.8	0.1	-4.0	-0.6	0.2	-3.4
Imports	1.2	1.8	-3.8	1.1	3.4	-7.6	11.5	-1.7
Imports (excl. gold)	2.7	3.5	-2.9	-0.9	2.5	-6.4	8.8	-0.2
Imports (excl. gold and energy)	3.5	3.4	-1.4	-2.5	6.2	-6.3	9.8	0.6
Energy Imports	-1.6	4.2	-10.2	8.2	-11.7	-6.8	4.2	-4.4
Imports (gold)	-13.2	-18.9	-17.0	35.1	17.2	-24.3	59.0	-19.9
Imports (Capital Goods)	-0.2	9.5	-7.6	-6.9	7.0	-4.3	13.5	-5.3
Imports (Intermediate Goods)	-0.7	-0.1	-3.0	6.3	0.8	-7.5	12.6	-0.3
Inter. Goods Imp. (excl. gold and en.)	2.2	1.7	1.3	2.5	4.1	-5.3	10.3	4.5
Inter. Goods Imp. (excl. gold)	1.2	2.3	-1.6	3.8	-0.7	-5.7	8.7	2.2
Imports (Consumption Goods)	8.1	4.6	-3.4	-14.2	11.2	-12.3	4.9	-5.2
Jewelry Imports	-14.3	-3.9	360.3	-22.7	42.0	-34.9	3.3	276.1
Consumption Goods Imp. (excl. jewelry)	10.1	5.2	-26.8	-10.8	8.8	-9.9	5.0	-26.2

* January-February average

Source: TURKSTAT, MoT

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