

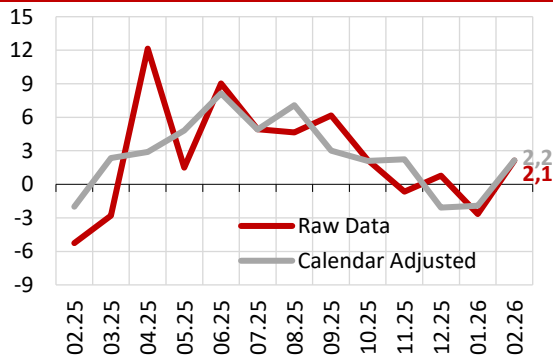
Macro: Production bounced back in February; but will abate due to geopolitical developments

The Industrial Production Index (IPI), adjusted for seasonal and calendar effects (s.a), increased by 2.6% mom in February, largely compensating for the 2.9% loss in January. The strong increase (45.7%) in “other transport equipment,” which is related to the defense industry and always follows a volatile course, was the main determinant with a contribution of 1.2 percentage points. Excluding this increase, the rise in IPI remained more limited at 1.5% and could not fully offset the 2.5% decline in January.

Looking at the contributions to the core increase in February, the rise in sectors such as food, clothing, and textiles, which have recently shown relatively weaker performance, stood out. However, it is difficult to say whether this signals a main trend. In addition, that the geopolitical tension, which began at the end of February and intensified during March, would suppress industrial production. Although survey indicators such as the Real Sector Confidence Index and PMI for March do not point to a sharp contraction, they signal a weakening in demand and production, especially in export orders, and indicate partial disruptions in supply chains. Although geopolitical tension has eased somewhat in recent days, existing uncertainties will continue to pose a downside risk to industrial production beyond March.

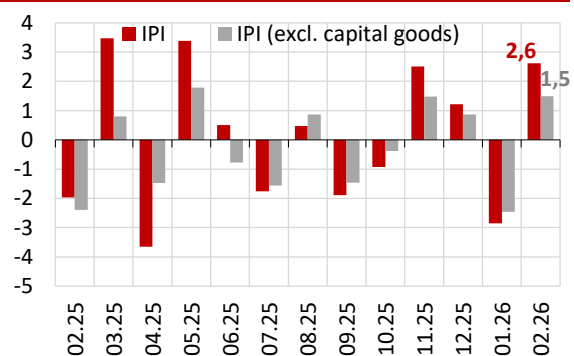
In February, the seasonally and calendar adjusted (s.a.) IPI increased by 2.6% on a monthly basis and by 2.1% on an annual basis (Charts 1 and 2). Thus, the 2.9% decline in January was largely compensated. The January–February average was at the same level as the average of the last quarter of 2025. On a quarterly basis, the IPI (s.a.) has followed a flat course in the last two quarters (Charts 3 and 4).

Chart 1. IPI (yoy, %)



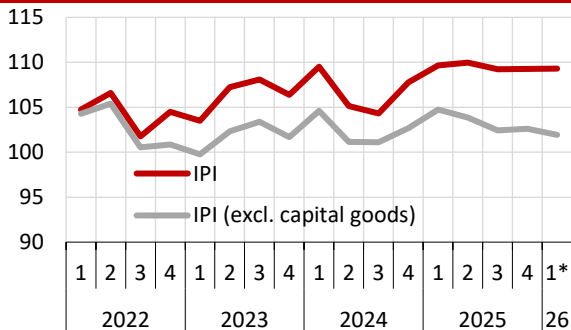
Source: Turkstat

Chart 2. IPI (seasonally adjusted, mom, %)



Source: Turkstat, Akbank

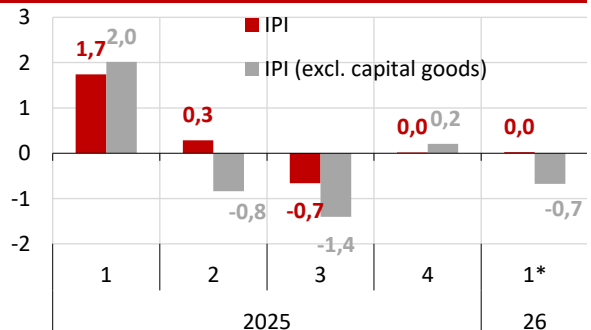
Chart 3. IPI (seasonally adjusted, 2021=100)



*As of February

Source: Turkstat, Akbank

Chart 4. IPI (seasonally adjusted, qoq, %)



*As of February

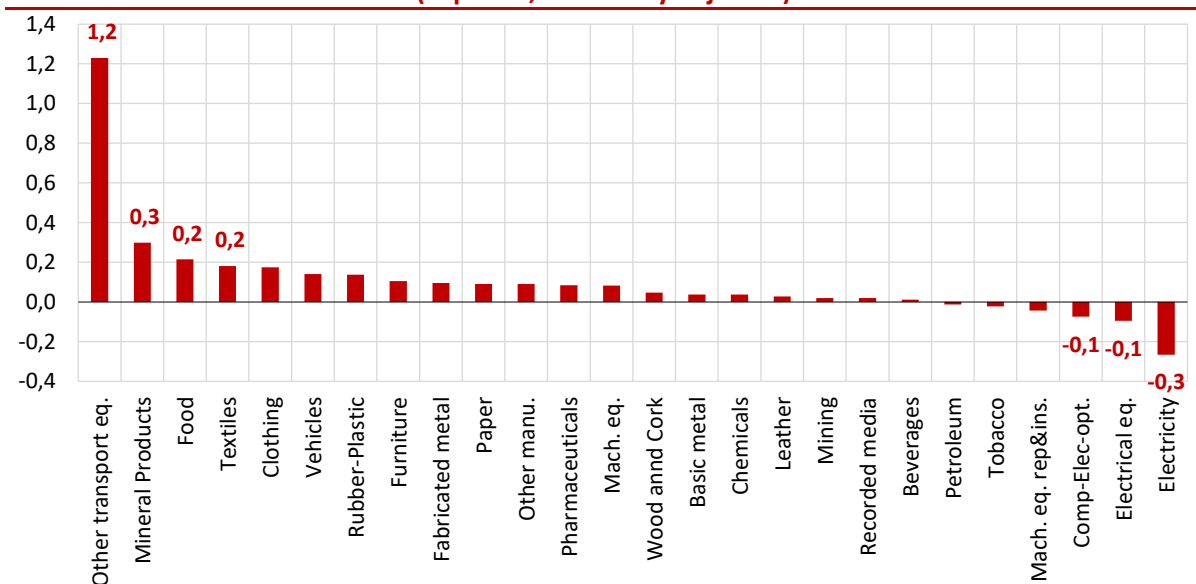
Source: Turkstat, Akbank

The monthly increase in manufacturing industry (s.a.) at 3.3% was above the overall IPI increase (Table 1). Thus, as in the IPI, the decline in January (3.5%) in manufacturing industry was also largely compensated. In the monthly recovery, strong increases in capital goods, especially other transport

equipment, played an important role. Excluding capital goods, the IPI (s.a.) increase remained more limited at 1.5% and was far from compensating the 2.5% decline in January. Indeed, excluding capital goods, the IPI (s.a.) declined by 0.7% on a quarterly basis.

By sub-sectors, the largest contribution to the monthly increase came from **other transport equipment** with 1.2 percentage points (Chart 5). In this sector, following a 25.4% decline in January, a 45.7% increase was recorded in February. Among the sectors that made a significant contribution to the IPI in February are **non-metallic mineral products**, which are related to construction, as well as sectors such as **food, textiles, and clothing** that have recently shown relatively weak performance. The sectors that contributed most to the decline were, respectively, **electricity, gas and steam, electrical equipment**, and the **manufacturing of computers, electronic and optical products**. A significant part of the monthly decline in electricity was due to weather conditions that were more favorable than seasonal norms. We estimate the temperature-adjusted decline in electricity production as 1.0% instead of 3.5%.

Chart 5. Contributions to the Monthly Change in IPI in February
(% points, seasonally adjusted)



Source: Turkstat, Akbank

By main industrial groupings, increases were observed in all groups except energy (Charts 6–8).

Production of capital goods increased by 6.4% on a monthly basis, driven by the sharp rise in other transport equipment (Table 2). Excluding other transport equipment, we estimate the monthly increase in capital goods production at 1.2% with the contribution of vehicles and machinery-equipment manufacturing. After capital goods, the strongest increase was observed in non-durable consumer goods with 2.6%. Intermediate goods production increased by 2.3% monthly, while durable consumer goods production recorded a 0.7% monthly increase.

On a quarterly basis, there was a decline in durable consumer goods and intermediate goods (4.2% and 1.4%, respectively), while there was an increase in capital goods and energy (2.5% and 3.0%, respectively), and a flat course in non-durable consumer goods (Charts 9–11, Table 2).

Chart 6. Intermediate and Consumption Goods (seasonally adjusted, 2021=100)

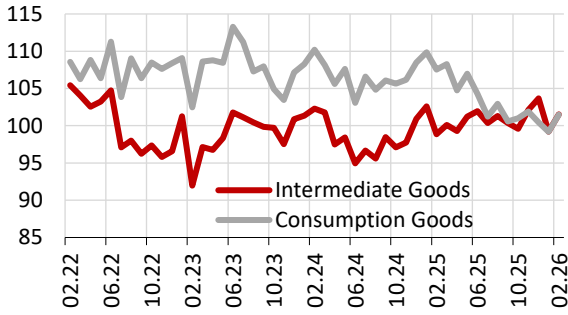


Chart 7. Consumption Goods (seasonally adjusted, 2021=100)

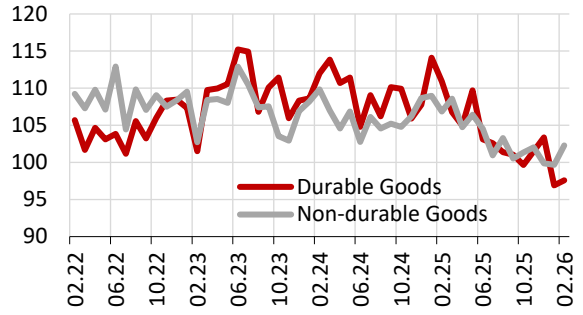


Chart 8. Capital Goods (seasonally adjusted, 2021=100)

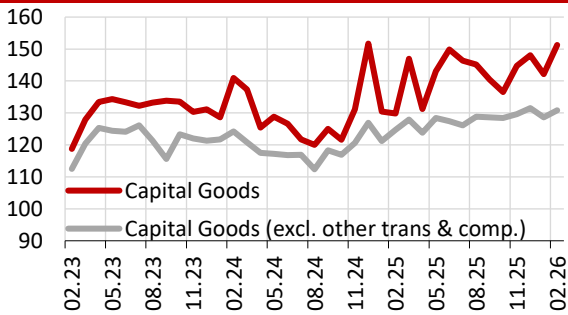
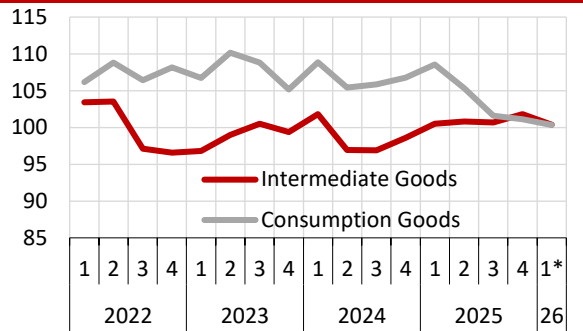


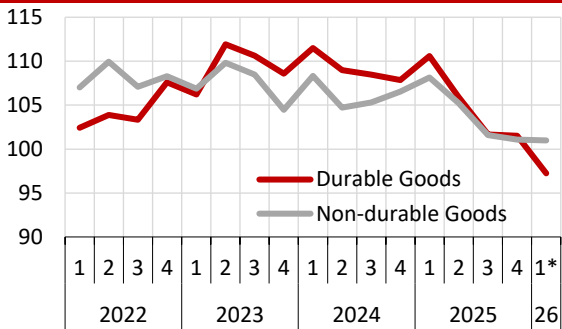
Chart 9. Intermediate and Consumption Goods (seasonally adjusted, 2021=100)



Source: Turkstat, Akbank

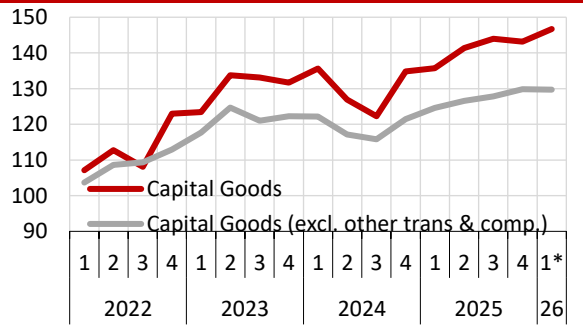
Source: Turkstat, Akbank

Chart 10. Consumption Goods (seasonally adjusted, 2021=100)



*As of February
Source: Turkstat

Chart 11. Capital Goods (seasonally adjusted, 2021=100)



* As of February
Source: Turkstat, Akbank

Table 1. Industrial Production Index (Annual % Change)

| | Nov.25 | Dec.25 | Jan.26 | Feb.26 | 2025-Q2 | 2025-Q3 | 2025-Q4 | 2026-Q1* |
|--|-------------|------------|-------------|-------------|------------|------------|------------|-------------|
| IPI | -0.7 | 0.8 | -2.7 | 2.1 | 7.1 | 5.2 | 0.8 | -0.3 |
| Mining and quarrying | -1.9 | 4.6 | -4.2 | 4.0 | 6.3 | 3.8 | 4.2 | -0.6 |
| Mining of coal and lignite | 6.3 | 5.7 | 1.4 | -4.7 | -2.3 | -13.6 | 5.0 | -1.3 |
| Extraction of crude petrol. and n. gas | 12.3 | 5.8 | -2.2 | 0.3 | 32.3 | 19.7 | 12.4 | -1.0 |
| Mining of metal ores | -27.7 | -21.7 | -12.6 | 2.0 | -1.0 | 2.6 | -12.3 | -6.6 |
| Other mining and quarrying | 9.0 | 22.4 | -1.5 | 12.6 | 10.5 | 8.2 | 12.5 | 5.0 |
| Manufacturing | -0.6 | 0.3 | -3.3 | 2.4 | 7.4 | 5.4 | 0.5 | -0.5 |
| Food products | -5.4 | -4.7 | -3.4 | 0.1 | 10.1 | 5.5 | -4.1 | -1.7 |
| Beverages | 8.7 | 6.6 | -8.6 | -2.8 | 5.8 | 3.5 | 3.6 | -5.8 |
| Tobacco products | 4.2 | -2.4 | 18.1 | 5.7 | 14.7 | 12.1 | 5.5 | 11.8 |
| Textiles | -12.0 | -5.8 | -7.9 | -3.3 | -1.6 | -7.2 | -8.6 | -5.7 |
| Wearing apparel | -28.6 | -26.0 | -26.9 | -18.2 | -8.0 | -20.1 | -25.6 | -22.8 |
| Leather and related products | -10.0 | -13.2 | -22.9 | -10.4 | -2.9 | -6.8 | -11.2 | -16.9 |
| Wood and cork products | 9.2 | 6.5 | -2.9 | -2.2 | 18.2 | 11.7 | 8.9 | -2.5 |
| Paper and paper products | -1.7 | 0.4 | -5.0 | 3.1 | 6.5 | 5.2 | -0.4 | -1.1 |
| Recorded media | -1.3 | 7.7 | -15.8 | -6.9 | -2.3 | 0.9 | -0.4 | -11.5 |
| Coke and refined petroleum prod. | -4.1 | 7.3 | 5.3 | 6.3 | 9.4 | 14.1 | 6.5 | 5.8 |
| Chemicals and chemical prod. | 3.4 | 5.2 | -3.2 | 1.7 | 4.1 | 4.7 | 4.1 | -0.8 |
| Basic pharmaceutical products | 7.5 | 17.5 | 5.1 | 23.7 | 9.1 | 12.9 | 13.4 | 14.3 |
| Rubber and plastic products | -1.2 | 3.5 | -5.6 | 0.5 | 5.2 | 0.4 | 0.2 | -2.6 |
| Other non-metallic mineral prod. | 12.5 | 16.7 | -10.0 | 7.3 | 10.7 | 11.7 | 12.4 | -1.9 |
| Base metals | 3.5 | 5.6 | -0.5 | 3.0 | 6.1 | 6.7 | 4.5 | 1.2 |
| Fabricated metal products | 4.4 | 18.0 | 11.8 | 10.4 | 15.3 | 15.9 | 12.6 | 11.1 |
| Comp., electronic and optical prod. | 46.1 | 6.1 | 37.1 | 27.5 | 26.9 | 27.0 | 14.5 | 32.0 |
| Electrical equipment | 7.9 | 15.0 | 0.4 | -3.2 | 4.3 | 2.7 | 9.8 | -1.5 |
| Machinery and equipment | -9.8 | -5.4 | -12.0 | -7.5 | -3.3 | -5.6 | -8.1 | -9.8 |
| Motor vehicles | 11.2 | 7.2 | 4.9 | 5.0 | 9.1 | 9.4 | 8.8 | 4.9 |
| Other transport equipment | 2.0 | -8.3 | -3.4 | 57.7 | 22.2 | 46.7 | -0.2 | 24.4 |
| Furniture | 0.7 | 5.2 | -7.1 | 2.4 | 4.8 | 3.4 | 2.5 | -2.4 |
| Other manufacturing | -20.3 | -8.5 | -23.6 | -19.0 | 3.5 | -10.8 | -14.6 | -21.3 |
| Repair& instl. of mach. and eq. | -2.4 | 1.3 | 4.8 | 0.0 | 17.0 | 9.2 | 0.1 | 2.3 |
| Electricity, gas, steam | -2.0 | 2.4 | 5.6 | -2.2 | 4.9 | 5.7 | 0.4 | 1.8 |
| IPI | -0.7 | 0.8 | -2.7 | 2.1 | 7.1 | 5.2 | 0.8 | -0.3 |
| Intermediate Goods | 1.6 | 6.2 | -3.8 | 2.6 | 6.0 | 4.3 | 3.5 | -0.7 |
| Durable Consumer Goods | -7.3 | 1.8 | -16.2 | -13.8 | -1.1 | -6.7 | -4.8 | -15.0 |
| Non-durable Consumer Goods | -9.5 | -7.1 | -9.4 | -3.2 | 4.5 | -1.4 | -7.4 | -6.4 |
| Energy | -1.2 | 3.7 | 5.2 | -0.2 | 6.9 | 6.7 | 2.6 | 2.6 |
| Capital Goods | 6.8 | -1.6 | 7.2 | 12.7 | 14.7 | 18.1 | 4.4 | 10.0 |
| Low Technology | -9.3 | -5.7 | -10.0 | -4.7 | 3.6 | -2.2 | -7.1 | -7.4 |
| Medium-Low Technology | 1.6 | 6.3 | -2.8 | 3.3 | 8.7 | 6.9 | 3.8 | 0.2 |
| Medium-High Technology | 4.6 | 16.7 | 2.4 | 6.8 | 4.9 | 10.2 | 10.0 | 4.6 |
| High Technology | 25.4 | -22.0 | 18.0 | 30.3 | 39.3 | 31.9 | -1.1 | 24.2 |

* As of February

Source: Turkstat

Table 2. Industrial Production Index (Seasonally and Calendar Adjusted)

| | Monthly % Change | | | | Quarterly % Change | | | |
|---|------------------|------------|-------------|-------------|--------------------|-------------|-------------|-------------|
| | Nov.25 | Dec.25 | Jan.26 | Feb.26 | 2025-Q2 | 2025-Q3 | 2025-Q4 | 2026-Q1* |
| IPI | 2.5 | 1.2 | -2.9 | 2.6 | 0.3 | -0.7 | 0.0 | 0.0 |
| Mining and quarrying | -6.7 | 1.8 | 2.5 | 0.4 | 1.8 | -2.0 | -2.5 | 1.5 |
| Mining of coal and lignite | 6.0 | -3.2 | 3.5 | -12.4 | 1.9 | -12.5 | 12.8 | -3.1 |
| Extraction of crude petrol. and n. gas | -2.7 | 0.6 | -3.8 | 0.2 | 2.4 | -1.2 | 1.3 | -4.2 |
| Mining of metal ores | -29.3 | 3.6 | 18.7 | 1.7 | 2.7 | 1.8 | -19.0 | 7.9 |
| Other mining and quarrying | 4.6 | 3.5 | -4.0 | 5.9 | 1.0 | -0.5 | 3.4 | 2.6 |
| Manufacturing | 3.2 | 1.0 | -3.5 | 3.3 | 0.3 | -0.8 | 0.3 | -0.2 |
| Food products | 0.5 | -1.1 | 0.3 | 1.6 | -2.6 | -2.2 | 1.5 | 0.5 |
| Beverages | 7.4 | -0.9 | -5.3 | 2.2 | -1.1 | -3.7 | 4.0 | -2.6 |
| Tobacco products | -5.2 | -9.6 | 16.3 | -5.4 | 12.4 | 0.9 | -4.1 | 3.8 |
| Textiles | 2.0 | 0.4 | -0.8 | 3.2 | -3.0 | -4.0 | 0.3 | 1.8 |
| Wearing apparel | -1.9 | -2.9 | 0.0 | 4.3 | -8.6 | -9.5 | -5.8 | -0.5 |
| Leather and related products | 6.4 | -8.0 | -0.5 | 2.8 | -6.2 | -4.4 | -2.2 | -2.6 |
| Wood and cork products | 3.3 | 1.4 | -5.9 | 2.9 | -0.9 | -2.3 | 4.7 | -2.6 |
| Paper and paper products | 1.8 | 2.3 | -3.5 | 4.1 | 1.5 | -0.7 | -2.2 | 0.6 |
| Recorded media | 6.6 | 1.1 | -7.0 | 2.6 | -2.2 | 3.7 | -6.7 | -3.1 |
| Coke and refined petroleum prod. | -3.1 | 9.1 | 3.6 | -0.5 | 3.7 | -3.2 | -3.3 | 8.3 |
| Chemicals and chemical products | 3.8 | -1.1 | -2.6 | 0.9 | -0.4 | -0.2 | 2.6 | -1.7 |
| Basic pharmaceutical products | -1.5 | -5.3 | 0.8 | 5.3 | 8.5 | 3.1 | 2.7 | -0.8 |
| Rubber and plastic products | 3.9 | 3.2 | -4.7 | 3.4 | 0.1 | -3.0 | 0.8 | 0.2 |
| Other non-metallic mineral products | 4.6 | 2.5 | -12.3 | 5.3 | 1.2 | 1.6 | 2.7 | -7.1 |
| Base metals | 4.1 | -1.8 | -1.7 | 0.8 | -1.3 | 3.0 | 1.1 | -1.2 |
| Fabricated metal products | 1.1 | 7.2 | -5.2 | 1.3 | 1.5 | 5.7 | 3.7 | 0.2 |
| Computer. electronic and optical prod. | 16.0 | 9.8 | 20.0 | -3.0 | 4.2 | 2.6 | -3.6 | 31.6 |
| Electrical equipment | 5.6 | -1.2 | -3.8 | -2.2 | -0.7 | 0.8 | 4.5 | -4.0 |
| Machinery and equipment | 2.2 | 1.3 | -5.8 | 2.1 | -4.2 | -1.3 | 0.1 | -3.4 |
| Motor vehicles | 3.0 | -5.1 | -0.3 | 2.2 | 6.6 | -2.3 | 1.1 | -1.8 |
| Other transport equipment | 25.3 | 1.9 | -25.4 | 45.7 | 16.2 | 4.5 | -7.4 | -0.5 |
| Furniture | 2.5 | 1.0 | -4.8 | 3.7 | -1.3 | 0.2 | 1.6 | -1.6 |
| Other manufacturing | -2.2 | 1.2 | -5.1 | 4.5 | -4.0 | -8.1 | -4.3 | -2.9 |
| Repair and installation of mach. and equip. | -0.6 | 10.0 | 1.7 | -1.3 | 2.4 | -4.9 | -1.9 | 7.4 |
| Electricity, gas, steam | -0.4 | 4.1 | 1.8 | -3.6 | -0.5 | 2.7 | -2.5 | 2.6 |
| IPI | 2.5 | 1.2 | -2.9 | 2.6 | 0.3 | -0.7 | 0.0 | 0.0 |
| Intermediate Goods | 2.5 | 1.5 | -4.3 | 2.3 | 0.3 | -0.1 | 1.1 | -1.4 |
| Durable Consumer Goods | 1.9 | 1.8 | -6.2 | 0.7 | -4.2 | -4.0 | -0.2 | -4.2 |
| Non-durable Consumer Goods | 0.7 | -2.1 | -0.2 | 2.6 | -2.7 | -3.5 | -0.5 | -0.1 |
| Energy | -0.7 | 4.5 | 2.1 | -3.5 | 0.9 | -0.3 | -1.4 | 3.0 |
| Capital Goods | 6.0 | 2.3 | -4.0 | 6.4 | 4.2 | 1.8 | -0.6 | 2.5 |
| Low Technology | 1.1 | -0.4 | -1.5 | 2.5 | -3.0 | -3.5 | -0.2 | -0.3 |
| Medium-Low Technology | 2.8 | 3.3 | -4.2 | 2.0 | 0.9 | -0.7 | 0.6 | -0.2 |
| Medium-High Technology | 4.9 | 2.2 | -6.7 | 6.5 | 2.4 | 2.8 | 0.9 | -0.7 |
| High Technology | 11.5 | -7.3 | 6.1 | -0.2 | 9.4 | -0.4 | -0.2 | 4.4 |

* As of February
Source: Turkstat

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