

Macro: Significant improvement in external balance despite geopolitics

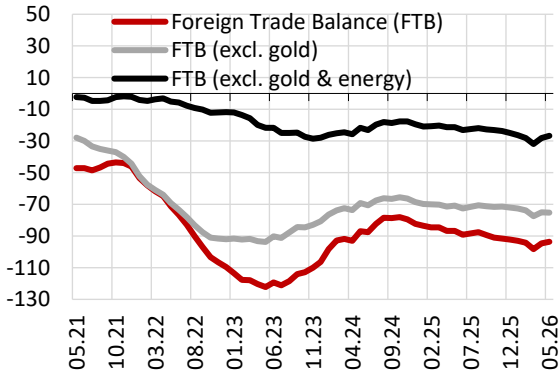
According to the Ministry of Trade's provisional data for May, the foreign trade deficit decreased by \$1.0 billion year-on-year to \$5.6 billion. In seasonally and calendar adjusted (s.a.) terms, the improvement in the trade deficit that began in April continued, despite the rise in energy imports. Excluding the slowdown in gold imports, the improvement in the trade balance was more limited.

Data for April and May indicate a significant improvement in the external balance excluding energy. This improvement is driven by a slowdown in core imports as well as an increase in exports. Despite the weakening global growth outlook and rising commodity prices, this improvement signals a more positive outlook for the current account deficit in the coming period, compared to our previous assessments. However, a similar improvement was observed in July and August of last year, which did not turn into a permanent trend. Energy price-related risks to the external balance also persist due to the continued presence of geopolitical risks.

According to the Ministry of Trade's provisional data, in May exports decreased by 9.3% year-on-year to \$22.5 billion, while imports decreased by 10.7% year-on-year to \$28.1 billion. Thus, the foreign trade deficit decreased by \$1.0 billion year-on-year, reaching \$5.6 billion and the cumulative 12-month foreign trade deficit decreased from \$94.7 billion to \$93.6 billion (Table 1 and Chart 1). The significant year-on-year contraction in both exports and imports was due to the shift of the Eid al-Adha holiday from June to May.

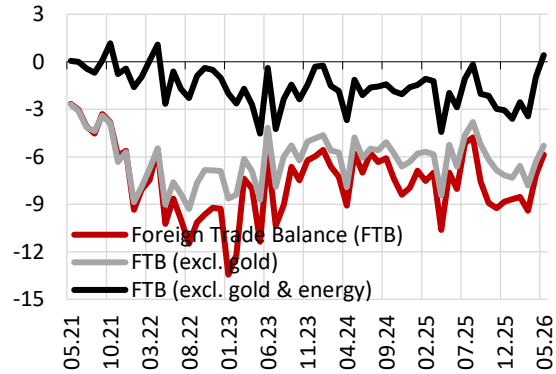
In seasonally and calendar adjusted (s.a.) terms, the increase in exports and the decrease in imports contributed to an improvement in the foreign trade deficit. Excluding the slowdown in gold imports, the improvement in the foreign trade balance was more limited (Chart 2). The foreign trade balance excluding gold and energy (s.a.) took a positive value for the first time since April 2022.

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



Source: TURKSTAT, MoT, Akbank

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

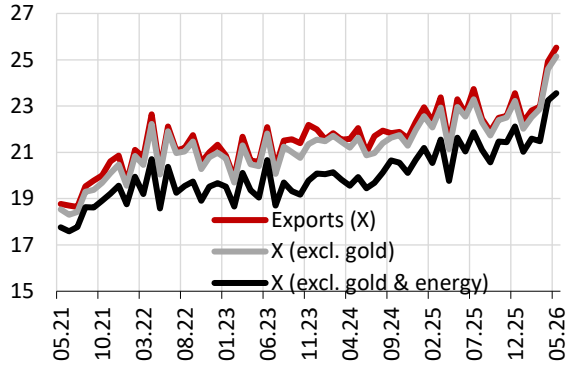


Exports

Exports (s.a.) continued upward trend on a monthly basis and increased by 2.4% in May (Table 3, Chart 3). This increase was driven by the continued strength of exports to Gulf countries and the positive effects of rising commodity prices. **According to regional export data (s.a.)**, exports to the EU-27 countries decreased by 4.2% on a monthly basis after three months of growth. Exports to the Near and Middle East region, after a sharp 12.7% drop in March as a result of geopolitical developments, recovered this decline with a 19.2% monthly increase in April. In May, they showed a strong performance with a further 11.7% increase. Exports to North America also recorded a strong increase this month (Chart 5 and 6, Table 3). By product groups (s.a.), export growth was driven by intermediate

and consumer goods. Capital goods exports, however, contracted by a limited 1.0% (Charts 7 and 8, Table 3).

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



Source: TURKSTAT, MoT, Akbank

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

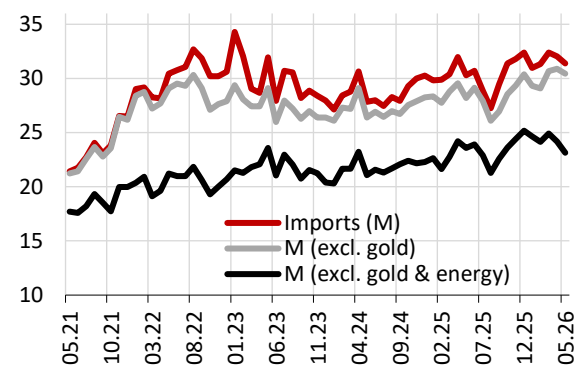


Chart 5. Exports by Region (seasonally adjusted, billion \$)

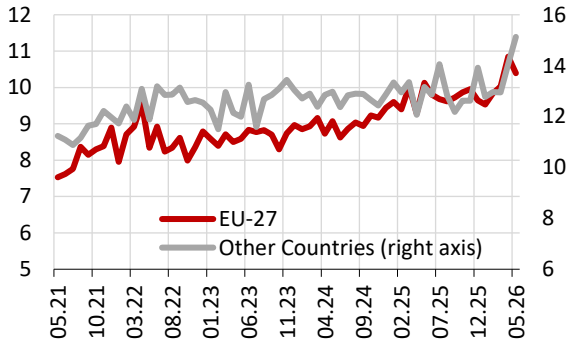


Chart 6. Exports by Region (seasonally adjusted, billion \$)

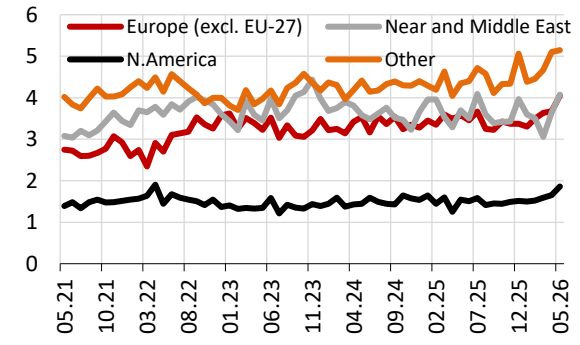
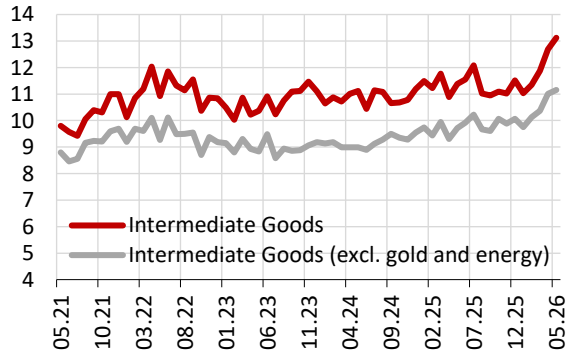
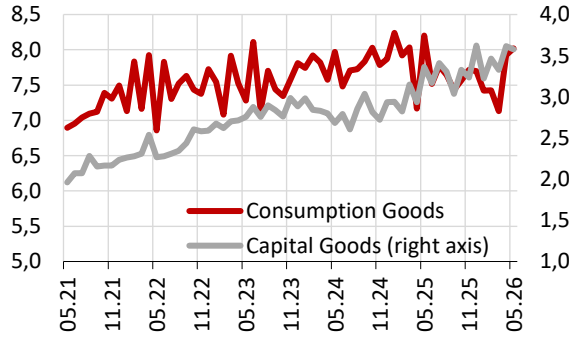


Chart 7. Intermediate Goods Exports (seasonally adjusted, billion \$)



Source: TURKSTAT, MoT, Akbank

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



Imports

Imports (s.a.) declined by 2.1% month-on-month in May, despite an increase in energy imports (Chart 4, Table 3). Gold imports continued to decelerate to \$940 million (Chart 9). Energy imports (s.a.), however, continued to increase due to rising international energy prices stemming from geopolitical developments. The total increase in energy imports (s.a.) over the last three months reached approximately 47%. Under this outlook, the contraction in imports excluding gold and energy (s.a.) was even stronger at 4.3%.

According to the classification of product groups, the slowdown in imports spread across all major groups (Chart 12, Table 3). Excluding gold and energy, the coverage ratio (s.a.) exceeded 100% for the first time since April 2022.

Chart 9. Gold Imports (billion \$)



Chart 10. Energy Imports (billion \$)

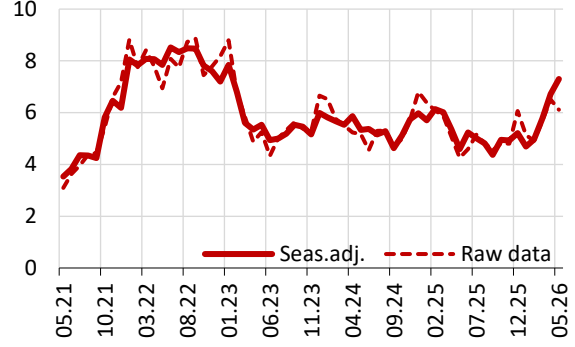


Chart 11. Intermediate Goods Imports (seasonally adjusted, billion \$)

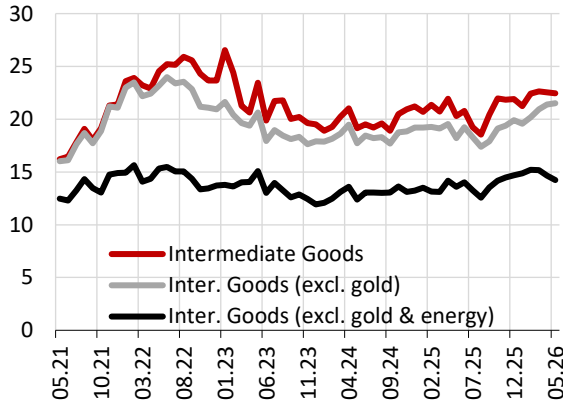


Chart 12. Capital and Consumption Goods Imports (seasonally adjusted, billion \$)

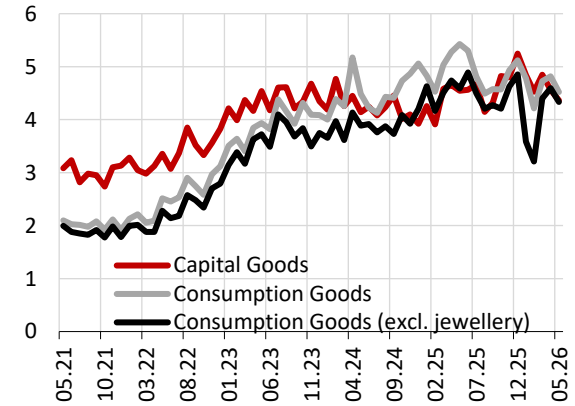
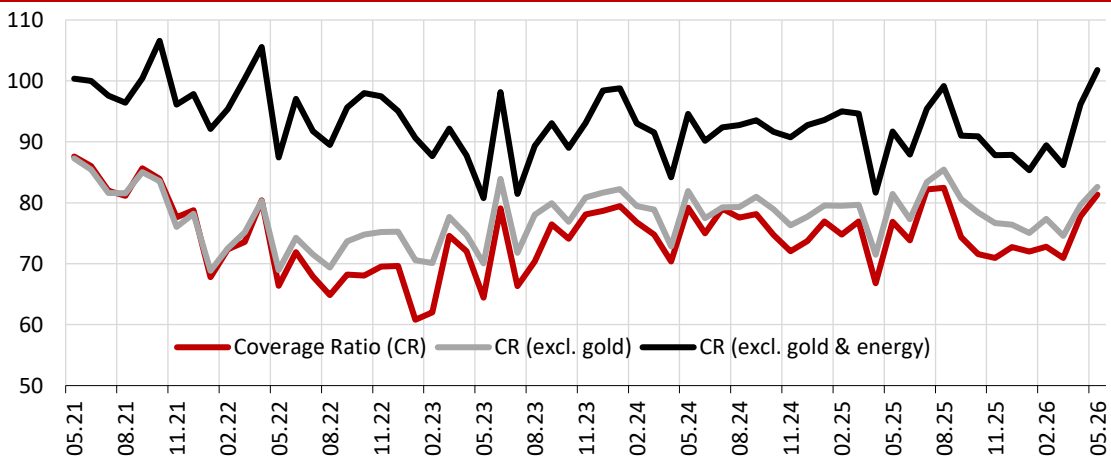


Chart 13. Coverage Ratio (% , seasonally adjusted)



Source: TURKSTAT, MoT, Akbank

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

	2021	2022	2023	2024	2025	12-month cum.	First 5 months	
						May 2026	2025	2026
Foreign Trade Balance	-46.2	-109.5	-106.3	-82.2	-92.2	-93.6	-41.2	-42.7
Exports	225.2	254.2	255.6	261.8	273.3	273.5	110.9	111.2
Imports	271.4	363.7	362.0	344.0	365.4	367.2	152.1	153.9
Foreign Trade Balance (excl. gold and energy)	-2.1	-11.9	-27.9	-19.6	-24.9	-26.8	-12.3	-14.2
Exports (excl. gold and energy)	213.2	234.8	234.9	241.7	254.9	256.1	102.5	103.6
Imports (excl. gold and energy)	215.2	246.7	262.8	261.3	279.8	282.9	114.8	117.9
Foreign Trade Balance (gold)	-1.9	-17.5	-25.7	-13.6	-20.1	-18.3	-8.0	-6.3
Exports (gold)	3.6	2.9	4.3	3.5	3.1	2.8	1.6	1.4
Imports (gold)	5.5	20.4	30.0	17.1	23.1	21.1	9.7	7.7
Foreign Trade Balance (energy)	-42.2	-80.1	-52.7	-49.0	-47.2	-48.5	-20.9	-22.2
Exports (energy)	8.5	16.4	16.4	16.6	15.3	14.6	6.8	6.1
Imports (energy)	50.7	96.5	69.1	65.6	62.5	63.1	27.7	28.3
Exports	225.2	254.2	255.6	261.8	273.3	273.5	110.9	111.2
Exports (EU-27)	93.1	103.0	104.3	108.5	116.9	117.2	48.3	48.6
Exports (excl. EU-27)	132.2	151.1	151.3	153.3	156.3	156.4	62.6	62.6
Exports (Other Europe)	31.5	36.6	39.7	40.1	41.2	41.3	16.7	16.8
Exports (Near and Middle East)	38.4	45.0	45.6	43.6	43.9	42.4	17.7	16.2
Exports (North America)	16.4	18.8	16.5	18.1	17.9	18.2	7.3	7.6
Exports (Other)	45.9	50.7	49.6	51.5	53.4	54.5	20.9	22.0
Exports (Capital Goods)	24.8	29.0	33.7	33.9	38.7	39.7	14.7	15.7
Exports (Intermediate Goods)	115.2	133.4	129.0	130.6	135.9	136.9	56.1	57.2
Inter. Goods Exports (excl. gold and energy)	103.1	114.1	108.3	110.6	117.6	119.5	47.7	49.6
Exports (Consumption Goods)	83.8	89.8	90.7	93.7	92.9	89.7	38.6	35.5
Imports	271.4	363.7	362.0	344.0	365.4	367.2	152.1	153.9
Imports (Capital Goods)	35.9	40.5	52.7	50.6	54.9	55.4	20.9	21.4
Imports (Intermediate Goods)	210.1	292.4	261.3	238.3	250.1	253.6	106.6	110.1
Inter. Goods Imports (excl. gold)	204.6	272.0	231.3	221.2	226.9	232.5	96.9	102.4
Inter. Goods Imports (excl. gold and energy)	154.0	175.4	162.2	155.6	164.5	169.4	69.2	74.1
Imports (Consumption Goods)	24.9	30.5	47.6	54.5	59.2	56.6	24.4	21.7
Jewelry Imports	1.6	3.0	3.9	7.8	5.0	5.1	2.9	3.0
Cons. Goods Imports (excl. jewelry)	23.4	27.5	43.7	46.7	54.3	51.5	21.5	18.7
Coverage Ratio	83.1	69.8	71.1	76.2	74.9	74.7	73.0	72.4
Coverage Ratio (excl. gold)	83.7	73.2	76.0	79.1	79.1	78.4	76.8	75.2
Coverage Ratio (excl. gold and energy)	99.2	95.2	89.9	92.7	91.4	90.8	89.7	88.2

Source: TURKSTAT, MoT

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

	Feb.26	Mar.26	Apr.26	May.26	2025-Q3	2025-Q4	2026-Q1	2026-Q2*
Foreign Trade Balance	-9.0	-11.2	-8.5	-5.6	-17.7	-25.0	-28.6	-14.1
Exports	21.0	21.9	25.4	22.5	69.1	72.8	63.3	47.9
Imports	30.1	33.1	33.9	28.1	86.8	97.8	91.9	62.0
Foreign Trade Balance (excl. gold and energy)	-3.0	-5.4	-2.5	-0.5	-3.2	-5.7	-11.2	-3.0
Exports (excl. gold and energy)	19.9	20.3	23.8	20.6	64.5	69.0	59.3	44.3
Imports (excl. gold and energy)	22.9	25.7	26.2	21.1	67.7	74.8	70.6	47.3
Foreign Trade Balance (gold)	-1.9	-1.6	-0.8	-0.6	-3.8	-6.8	-4.9	-1.4
Exports (gold)	0.3	0.1	0.3	0.4	0.8	0.5	0.7	0.7
Imports (gold)	2.2	1.7	1.2	0.9	4.6	7.3	5.6	2.1
Foreign Trade Balance (energy)	-4.1	-4.2	-5.2	-4.5	-10.7	-12.5	-12.5	-9.7
Exports (energy)	0.8	1.5	1.3	1.6	3.8	3.2	3.3	2.9
Imports (energy)	4.9	5.7	6.5	6.1	14.5	15.7	15.7	12.6
Exports	21.0	21.9	25.4	22.5	69.1	72.8	63.3	47.9
Exports (EU-27)	9.2	10.0	11.2	9.4	29.1	30.2	28.0	20.6
Exports (excl. EU-27)	11.8	11.9	14.2	13.1	40.1	42.6	35.3	27.4
Exports (Other Europe)	3.2	3.5	3.6	3.6	10.4	10.9	9.6	7.2
Exports (Near and Middle East)	3.3	2.6	3.6	3.4	11.3	12.0	9.3	6.9
Exports (North America)	1.4	1.5	1.7	1.6	4.6	4.7	4.2	3.4
Exports (Other)	4.0	4.3	5.3	4.5	13.7	14.9	12.2	9.8
Exports (Capital Goods)	3.2	3.1	3.8	3.0	9.8	11.4	8.9	6.8
Exports (Intermediate Goods)	10.5	11.6	13.1	11.7	35.2	33.9	32.3	24.9
Inter. Goods Exports (excl. gold and energy)	9.4	10.0	11.5	9.8	30.6	30.2	28.4	21.3
Exports (Consumption Goods)	7.0	6.7	7.9	7.0	22.8	24.9	20.7	14.8
Imports	30.1	33.1	33.9	28.1	86.8	97.8	91.9	62.0
Imports (Capital Goods)	4.0	4.8	4.7	3.8	13.7	16.1	13.0	8.4
Imports (Intermediate Goods)	21.7	23.2	24.1	20.4	58.6	65.5	65.6	44.5
Inter. Goods Imports (excl. gold)	19.5	21.5	23.0	19.5	54.0	58.2	60.0	42.5
Inter. Goods Imports (excl. gold and en.)	14.6	15.8	16.4	13.4	39.4	42.6	44.3	29.8
Imports (Consumption Goods)	4.1	4.9	5.0	3.9	14.2	15.6	12.8	8.9
Jewelry Imports	1.2	0.4	0.3	0.2	0.8	1.1	2.5	0.4
Cons. Goods Imports (excl. jewelry)	2.9	4.5	4.7	3.7	13.4	14.6	10.3	8.4
Coverage Ratio	69.9	66.1	74.9	80.1	79.6	74.4	68.8	77.5
Coverage Ratio (excl. gold)	74.5	69.4	76.6	81.5	83.1	79.9	72.5	79.0
Coverage Ratio (excl. gold and energy)	86.9	78.9	90.5	97.6	95.3	92.3	84.1	94.1

*Sum of April and May

Source: TURKSTAT, MoT

Table 3. Foreign Trade (Seasonally and calendar adjusted)

	Monthly % Change				Quarterly % Change			
	Feb.26	Mar.26	Apr.26	May.26	2025-Q3	2025-Q4	2026-Q1	2026-Q2*
Exports	2.3	0.8	8.5	2.4	1.1	0.8	-0.8	11.1
Exports (excl. gold)	2.3	1.6	7.5	2.2	1.0	1.2	-1.0	10.7
Energy Exports	-7.3	52.9	-4.1	17.8	-9.8	-18.6	7.8	32.8
Exports (excl. gold and energy)	2.7	-0.6	8.2	1.3	1.7	2.4	-1.4	9.5
Exports (gold)	2.0	-66.5	235.0	15.2	13.1	-34.0	32.5	56.3
Exports (EU-27)	3.3	1.9	8.2	-4.2	-0.7	1.5	-0.2	8.4
Exports (Other Europe)	1.5	-0.1	8.6	7.5	2.6	0.2	-1.2	13.2
Exports (Near and Middle East)	5.6	4.1	1.1	10.2	-3.6	0.3	2.6	11.1
Exports (North America)	-2.5	-12.7	19.2	11.7	5.6	-2.4	-6.0	14.0
Exports (Other)	1.6	4.8	3.9	12.4	3.4	0.0	3.6	14.4
Exports (excl. EU-27)	1.5	5.0	9.2	0.9	4.9	2.4	-1.7	13.8
Exports (Capital Goods)	7.5	-4.0	8.6	-1.0	3.0	4.5	-1.7	7.7
Exports (Intermediate Goods)	2.9	4.7	6.8	3.4	0.7	-1.3	1.9	13.0
Inter. Goods (excl. gold and energy)	3.9	2.3	6.1	1.3	1.9	1.8	0.7	9.9
Exports (Consumption Goods)	0.1	-4.0	11.2	1.2	-0.2	0.6	-4.4	8.8
Imports	1.1	3.4	-1.0	-2.1	-8.0	11.7	-0.9	0.5
Imports (excl. gold)	-0.8	5.5	0.7	-1.5	-6.8	9.0	0.9	3.2
Imports (excl. gold and energy)	-2.0	3.2	-3.0	-4.3	-6.9	9.6	0.7	-3.7
Energy Imports	5.7	16.2	16.6	8.6	-6.5	6.3	2.2	36.4
Imports (gold)	35.1	-24.0	-32.3	-18.4	-24.3	59.0	-23.3	-43.9
Imports (Capital Goods)	-6.5	7.1	-6.0	-4.3	-4.6	13.2	-4.3	-5.8
Imports (Intermediate Goods)	5.6	1.0	-0.4	-0.3	-7.7	12.9	0.9	1.9
Inter. Goods Imp. (excl. gold and en.)	2.3	-0.3	-3.3	-3.0	-5.7	10.0	4.5	-4.2
Inter. Goods Imp. (excl. gold)	3.1	3.8	2.2	0.6	-5.9	9.0	3.9	6.1
Imports (Consumption Goods)	-11.9	12.3	1.9	-6.1	-13.3	5.4	-6.2	2.1
Jewelry Imports	-16.5	-67.1	-31.4	-16.8	-49.3	4.0	168.4	-75.5
Consumption Goods Imp. (excl. jewelry)	-10.4	37.0	4.4	-5.6	-8.7	5.5	-18.2	19.7

* April – May average

Source: TURKSTAT, MoT

This report is prepared by Akbank Economic Research

Economic.research@akbank.com

Çağlar Yüncüler, PhD – Vice President

Caglar.Yunculer@akbank.com

M. Sibel Yapıcı

Sibel.Yapici@akbank.com

Sercan Pişkin

Sercan.Piskin@akbank.com

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