Daily Bulletin

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Daily View

Good morning. We start the final trading day of the week with a weak risk appetite. Following the Fed's decision to keep interest rates unchanged and its continued hawkish tone, the June PCE data—considered the Fed's key inflation gauge—exceeded expectations, with headline inflation at 2.6% and core at 2.8%. U.S. and European equity markets closed lower yesterday, and futures are also trading in negative territory this morning. In Asia, risk sentiment remains subdued. China's July manufacturing PMI fell to 49.5, fueling concerns about growth, while Japan's final PMI remained in contraction territory at 48.9, signaling ongoing weakness. On the trade front, former President Trump extended existing tariffs on Mexico by 90 days, while the deadline for other countries expires today, raising geopolitical tensions. Domestically, the BIST 100 Index ended Thursday up 1.17% at 10,743 points, marking its highest close since March 18. With this move, the index surpassed the 10,700 resistance level, fully recovering earlier losses from the start of the week. Today, while global trade concerns are expected to weigh on risk appetite, we anticipate a flat to cautious opening for Borsa Istanbul. The 10,800 level remains a key resistance to monitor, as the index continues to test support above 10,700. Given the brief dip below 10,500 earlier this week, the 10,450–10,300 range stands out as a key support zone in the event of renewed pressure. From a long-term valuation perspective, the end-2025 target for the index remains at 14,000 points. On the data front, the domestic calendar is quiet today. However, at 3:30 p.m. Turkish time, investors will focus on U.S. July non-farm payrolls, unemployment rate, and average hourly earnings. Turkey's 5-year CDS premium starts the day at 280 basis points.

Macro and Politics

***Istanbul Chamber of Industry (ICI) Turkey July Manufacturing PMI will be announced @ 10:00 local time.** Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI declined further from 47.2 to 46.7 in June, marking the lowest reading so far this year and the weakest since October 2024. Remaining below the 50-threshold since March 2024, the index continues to signal a sustained loss of momentum in manufacturing activity for over a year. The accompanying note underlined that manufacturers in Türkiye continued to face challenging demand conditions in June, resulting in sharper slowdowns in new orders, output, employment and purchasing activity. Meanwhile, the rate of input cost inflation ticked higher, but firms raised their output prices at a slower pace given muted customer demand. The note also highlighted that the rate of input cost inflation quickened slightly in June, with input prices rising sharply amid currency weakness and the inflationary impact of the situation in Iran. June PMI data indicate that Turkish manufacturers remain under pressure amid persistently challenging demand conditions. Following a challenging first half of the year, we expect an improvement in economic activity in the second half of 2025, albeit a modest one. While tighter financial conditions since March 19 have heightened downside risks to economic activity, high-frequency indicators do not yet point to a sharp cooling in domestic demand dynamics. As a result, we maintain our growth forecast at 3.1%, while closely monitoring the emerging downside risks.

*** According to foreign trade figures released by TURKSTAT, exports rose by 8% y/y in June to USD20.5bn, while imports increased by 15.2% to USD28.7bn.** As a result, the foreign trade deficit widened from USD6.6bn to USD8.2bn as of June, whereas the 12-month cumulative deficit increased from USD86.8bn to USD89.1bn. Based on the June foreign trade figures, we estimate that the current account balance will post a relatively a deficit around USD1.5bn in June. We maintain our year-end current account deficit forecast at USD22bn, corresponding to 1.5% of GDP.

*** In the week of 18 – 25 July, foreigners registered a net purchase of USD205.2mn in the equity market and USD271mn in government bonds (excluding repo transactions).** Thus, the foreigners' share in total bond stock rose a tad from 6.3% to 6.4% within the mentioned week. Within the mentioned week, the residents' FX deposits increased by USD1.1bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) climbed by USD1.2bn during the week of 18 – 25 July. Examining the CBT's reserves reveals that during the week of 18 – 25 July, the gross FX reserves rose by USD3.3bn to USD172bn and the net international reserves increased by USD1.6bn to USD64.4bn. Moreover, the net reserves excluding swaps climbed by USD2.3bn to USD46.4bn.

***The Treasury released its next three-month (August – October 25′) domestic borrowing strategy as it has a hefty domestic redemption of TL315.1bn in August, while in return plans to borrow TL440.8bn throughout the month via five auctions and three direct sales.**

Sector and Company News

- **ANHYT** announced its Q2 2025 financial results with a net profit of TL 1.3 billion, bringing its net profit for the first half of the year to TL 2.4 billion, representing an 11% increase compared to the same period last year. In the first half of the year, technical income rose by 76% to TL 15.8 billion, while investment income declined by 24% to TL 1.6 billion. With the latest financials, the company's technical balance/income ratio stood at 0.09, compared to 0.11 in the same period last year. The company met sector expectations in terms of net profit.

- **KCHOL (Slightly Positive)** reported 2Q25 net profit of TL 7.7 bn, beating market expectations. Although earnings were 22 % lower year-on-year due to last year's high base, they improved sequentially. Revenue fell 18 % y/y but rose 9 % q/q to TL 406.4 bn, while EBITDA climbed 26 % y/y to TL 48.7 bn, bolstering operating margins. The group closed the quarter with a net cash position of USD 857 mn. Tüpraş delivered solid results on robust domestic demand and higher white-product yield despite narrower crude differentials. Automotive subsidiaries remained resilient, benefiting from strong local demand and FX-driven export tailwinds amid heightened price competition. Arçelik faced profitability pressure from domestic pricing, intense competition, and an unfavourable product mix, while European operations suffered from a weak macro backdrop. Yapı Kredi maintained resilient core income despite a pause in the rate-cut cycle, sustaining high coverage ratios through improved asset quality and lower net NPL inflows. Overall, we regard the results as slightly positive given the earnings beat and margin improvements both year-on-year and quarter-on-quarter.

- **BRKVY** announced that it submitted the highest bid in the auction for a TL 421.7 million NPL portfolio put up for sale by ISCTR.

- **EKGYO** included properties in Istanbul, Muğla, Amasya, and Gaziantep into its portfolio with a total consideration of TL 11.4 billion under the protocol signed with TOKİ. A long-term loan of TL 4 billion was secured for the initial payment. Moreover, the prospectus set for the real estate certificate issuance based on the Damla Kent Project in Başakşehir has been approved by the CMB and published on the Public Disclosure Platform. Details can be accessed through the company's and project-specific websites.

- **ESCOM** announced that its subsidiary Alesta—having acquired a 10 % stake in Bren İleri Teknoloji at a TL 5 mn valuation in 2020—has now seen Bren raise fresh funding from international investors at a USD 12 mn valuation. Alesta's ownership has consequently risen to 14.32 %.

- **ESEN** announced a 10% equity stake investment in Pluginn, an EV charging infrastructure startup, through a TL 46.1 million capital increase. Pluginn offers charging station installation, operations, and software services and is the exclusive distributor of ZES as well as an authorized reseller for Vestel and Tesla chargers.

- **MPARK**: Shareholder Lightyear Healthcare announced the launch of an accelerated bookbuilding process to sell B-class shares with a nominal value of TL 28.7 million, representing 15.03% of the company's capital, to institutional investors. It was also stated that 11–13% of the A-class shares owned by Lightyear will be acquired by Muharrem Usta or affiliated FOM Group, with the remaining shares to be taken over by September 30, 2026.

- **PEHOL**: The company's ticker will be changed to **TEHOL** as of August 1. The new trade name will be Tera Yatırım Teknoloji Holding.

- **TATGD** signed an agreement for the installation of a 9.9 MWp solar power plant. The project, with an investment of approximately USD 3.8 million, is expected to generate 16,000 MWh of electricity annually, covering around 97% of the company's energy needs.

- **TUKAS** applied for an investment incentive certificate for a 12.5 MW rooftop solar power plant.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	60.000	17.39	3.73%
OFSYM		OFSYM	Buyback	10.879	55.32	0.41%
HUNER		HUNER	Buyback	500.000	4.47	0.10%
AHGAZ		AHGAZ	Buyback	100.000	29.59	1.38%
ENERY		ENERY	Buyback	50.000	8.60	2.40%

Important Disclosures

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