Daily View

Good morning. The U.S. CPI headline figure coming in below expectations, followed by increased expectations for a Fed rate cut, is driving gains in global equities. After gains exceeding 1% on Wall Street yesterday, U.S. and European futures are trading positive this morning, while Asian markets are also seeing broadly strong buying. These gains are further supported by progress in trade negotiations and expectations surrounding the Trump–Putin summit scheduled to take place in Alaska on Friday. The BIST 100 index failed to hold above the 11,000 level yesterday and, pressured by non-economic developments, declined by 0.76% to close at 10,954. This morning, in line with the strong global sentiment, we expect an attempt to reclaim the 11,000 level. In the short term, the 11,050–11,100 range and the 11,250 level can be monitored as resistance, while supports are at 10,800 and 10,500. Approximately half of the companies listed on Borsa Istanbul have announced their 2Q25 results. According to the reported figures, 82% of companies included in surveys with net profit expectations posted results above estimates. This indicates that the post–19 March high-interest-rate environment in Turkey has not pressured corporate financials as much as feared. As a result, we are generally seeing upward revisions to target prices, which is bringing the BIST 100 index target back toward 14,500. On today's agenda, domestic housing sales will be monitored. The global calendar is quiet, but attention will be on messages from an online summit expected to be held today between U.S. President Trump, Ukrainian President Zelensky, and European leaders. Turkey's 5-year CDS premiums start the day at 275 basis points.

Macro and Politics

*** TURKSTAT will release July house sales figures @ 10:00 local time.** Housing sales rose to 107,723 units in June, marking a robust 35.8% increase on an annual basis, while contracting by 17.2% compared to the previous month. Mortgage-backed sales recorded a particularly sharp annual gain of 112.6% during the period, reaching 14,484 units, though monthly sales declined by 25.4%. Turning to mortgage interest rate dynamics, the average mortgage rate stood at 44.5% in June 2024 and eased only marginally to 43.5% in June 2025, signaling a rather limited year-on-year decline. The y/y increase in mortgaged home sales appears to have been driven by expectations of further price appreciation, despite mortgage rates remaining elevated at around 40%. These expectations are likely supported by the recent stabilization in real house price depreciation, following an extended period of real term decline. The June data suggest that both the momentum in mortgage-financed sales and the underlying price dynamics persisted during the month.

*** The current account posted a deficit of USD2bn in June, higher compared to both our house forecast and the market median estimate at USD1.5bn deficit.** As a result, the 12-month rolling current account deficit widened from USD16.1bn to USD18.9bn. The core balance, which excludes gold and energy, registered a deficit of USD2.6bn during the month, while the annual surplus narrowed from USD49.5bn to USD47.1bn. Looking ahead, we expect the current account to revert to surplus in July. We forecast that the balance of payments–defined foreign trade deficit will narrow from USD6.5bn to USD4bn, while the services surplus — driven primarily by higher net tourism revenues — will reach USD7.7bn. Consequently, we project the current account to record an approximate surplus of USD2bn in July. Our year-end 2025 current account deficit forecast stands at USD 22bn (1.5% of GDP).

*** The Treasury tapped the domestic markets to the tune of TL41.7bn (including non-competitive sales) via yesterday's 10m TL G-bond bond auction, while also sold TL13.9bn at the direct sale of 2y lease certificate.** Accordingly, the total domestic borrowing for the month reached TL136.1bn. According to its three-month (August –

October 2025) domestic borrowing program, the Treasury faces a hefty domestic redemption of TL339bn in August, while in return it plans to borrow TL440.8bn in total throughout the month, indicating a roll-over ratio of 130%. After this week's auctions and direct sale, the Treasury will hold a 7y FRN auction on August 18, 4y TLREF & 5Y fixed coupon bond auctions on August 19 and the direct sales of 1y USD-denominated bond & 1y USD-denominated lease certificate on August 21 and finalize its domestic borrowing program for August.

Sector and Company News

- **AEFES (Neutral)** reported a net profit of TL4.1bn in 2Q25, bringing its first-half net profit to TL5.9bn, down 41% YoY. In the first half, operating profit declined by 44% and net sales by 23% YoY. The company's reported results exceeded sector expectations. Due to seasonality, quarterly results were strong; however, on a yearly basis, the figures were negative.

- **CWENE** announced 2Q25 net profit of TL 215 million, down 29% year-on-year and down 29% quarter-on-quarter. Net sales were TL 3,135 million, up 101% YoY. EBITDA was TL 334 million, up 182% YoY. The EBITDA margin increased by 308 bps YoY to 10.7%.

- **DOHOL (Neutral)** reported 2Q25 revenue of TL 21.8bn, EBITDA of TL 2.1bn, and net profit of TL 75mn. While the gross margin improved by 3pp y/y, the EBITDA margin edged down from 11% to 10%; excluding automotive, EBITDA grew 40% y/y with a 12.3% margin. In line with the USD's appreciation, we update our FX assumption and raise our target price to TL 25.90, maintaining our BUY rating. Meanwhile, the Holding revised its consolidated (ex-Finance & Investment segment) guidance for TL revenue and EBITDA growth from "CPI +5–10pp / +6–10pp" to "CPI-like."

- **LOGO** posted 2Q25 net income of TL 277mn (vs. TL 315mn in 2Q24). Revenue rose 5% y/y to TL 1.3bn, while EBITDA fell 11% y/y to TL 539mn. Operating margins narrowed slightly y/y but improved q/q. The company maintained its 2025 year-end guidance.

- **MGROS (Negative)** reported 2Q25 net profit of TL281mn, well below market expectations, bringing first-half net profit to TL1.3bn, down 50% YoY. The company generated EBITDA of TL5bn, below our estimate of TL5.5bn and the sector consensus of TL5.2bn. The EBITDA margin stood at 5.4% in the second quarter. Reported net sales were slightly below the sector consensus, at TL91.7bn. During this period, shareholders' equity grew by 47% YoY, while return on equity stood at 10.8%.

- **PGSUS:** The company announced 2Q25 results with a net profit of TL 5,132 million. The announced profit figure was 13% below the market consensus of TL 5,886 million. The company had posted a net profit of TL 3,997 million in the same period last year. Net sales were TL 38,425 million, up 45% year-on-year and in line with the market expectation of TL 38,012 million. EBITDA came in at TL 10,667 million, a 32% YoY increase and broadly in line with the consensus of TL 10,723 million.

- **SNICA:** The company's 2Q25 financial results indicate a significant deterioration in both revenue and profitability in the first half of 2025 compared to 2024. Sales revenues decreased by approximately 18% to TL 1,345 mn, while gross profit fell by 73% to TL 158.3 mn. This decline compressed margins, with operating profit turning from TL 308.9 mn in the same period last year to a loss of TL 14.6 mn this year. EBITDA dropped by 90% to TL 50.3 mn, and the net loss reached TL 556.9 mn, compared to a net profit of TL 225.3 mn in the first half of 2024. This performance highlights the company's exposure to both operational and financial pressures.

- **TABGD (Positive)** reported 2Q25 financial results of TL1.1bn, above our institutional estimate, bringing first-half net profit to TL1.5bn, a 19% YoY increase. Net sales stood at TL11.1bn in the quarter and TL20.4bn for the first half. The company reported TL2.5bn in EBITDA, exceeding our estimate, with an EBITDA margin of 22.5%. During this period, shareholders' equity grew by 47% compared to the first half of last year, while the average return on equity stood at 15.4%.

- **ZOREN**: The company reported a 2Q25 net loss of TL 4,827 million (vs. the market's expectation of a TL 3.1 billion net loss). In the same period last year, it had a net loss of TL 1,772 million. Net sales were TL 6,600 million, down 6% YoY and below the market expectation of TL 7,779 million. EBITDA was TL 1,631 million, up 39% YoY and above the consensus of TL 1,037 million. The EBITDA margin rose by 812 bps YoY to 24.7%.

- **ANELE:** LGIP Funds sold 400,000 shares at TL 21.04, reducing its stake in the company from 40.00% to 39.92%. The sale took place on August 8.

- **ANHYT:** The company disclosed July gross written premiums of TL 1.8 billion, up 66% year-on-year and 20% month-on-month.

- **ANSGR:** The company will carry out a 300% bonus capital increase (scrip issue) today.

- **CANTE:** Odaş Elektrik applied to the Central Securities Depository (MKK) to convert the 750 million E-group shares it holds in Çan2 Termik AŞ into exchange-traded form.

- **GLRYH:** Bank of America executed purchases of 6.71 million shares and sales of 4.73 million shares in the TL 4.95–5.01 price range. With a net purchase of 1.98 million shares, its indirect ownership stake rose from 5.22% to 5.23%.

- **IMASM:** The company signed a USD 3.02 million contract with a customer in the Middle East for a flour mill plant. The advance payment has been received, and shipment is planned for 1Q26.

- **LIDER:** The company will pay a gross dividend of TL 0.14 per share today, implying a dividend yield of about 0.1% based on the last closing price.

- **MAVI** announced the repurchase of 57K shares at TL 40.97 per share, bringing treasury shares to ~0.28% of capital.

- **SMRTG:** The company's 100%-owned subsidiary Smart GES Üretim completed partial acceptance for the 25.04 MWe (32.59 MWm) portion of the Niğde Bor Solar Power Plant and commenced commercial electricity production for that section. Acceptance procedures for the remaining capacity are ongoing.

- **TNZTP** announced that 250K TNZTP shares previously acquired have been sold at the prevailing market price on Borsa Istanbul. In return for this share sale, participation shares in the fund were acquired.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	58.000	17.71	3.97%
MAVI		MAVI	Buyback	57.243	40.97	0.28%
VERTU		VERTU	Buyback	23.282	41.84	0.84%
GLYHO		GLYHO	Buyback	150.000	9.25	0.60%

Important Disclosures

Disclaimer