

Daily View

Good morning, Expectations for a Fed rate cut continue to support global markets; however, we are seeing some loss of momentum ahead of the U.S. PPI data, scheduled for release today at 3:30 p.m. local time. Global risk appetite is broadly flat this morning. Domestically, after a rapid rally from the 9,000 level to around 11,000 in seven weeks, the market is taking a breather. This rally, driven by expectations of a CBRT rate cut and stronger-than-expected 2Q25 earnings, will depend on three key factors going forward: 1) The messages to be delivered at the CBRT Inflation Report presentation at 10:30 a.m. today, 2) The continuation trend of the 2Q25 results, roughly half of which have been announced so far, 3) Political developments. In terms of long-term valuations for the BIST 100 Index, upward revisions are continuing, with the latest figures pointing to a 14,500 target on a 12-month horizon. We believe these upward revisions will continue, albeit at a somewhat slower pace. Today's domestic agenda includes the CBRT Inflation Report presentation at 10:30 a.m., a CHP press conference at 12:00 p.m., and the AKP's 24th Anniversary Program at 2:00 p.m., where key messages are expected to be delivered, as well as the CBRT's release of foreign securities transactions at 2:30 p.m. Internationally, the U.S. PPI data at 3:30 p.m. will be in focus, with notable increases expected in both headline and core annual figures. Data in line with expectations may limit the Fed-related optimism that has been priced into global markets for some time. Turkey's 5-year CDS premiums start the day at 270 basis points.

Macro and Politics

***The CBT will unveil the 3rd Quarterly Inflation Report of the year @10:30 local time.** Today's report will shed light on the Bank's future monetary policy, inflation and output expectations. The CBT Governor Karahan's assessments on monetary policy and inflation outlook as well as the Q&A session will be closely scrutinized today. Between 10:30 am - 11:00 am, Governor Fatih Karahan will present the Inflation Report, followed by a Q&A session from 11:00 am - 11:30 am. Please recall that in the 2nd Quarterly Inflation Report of the year, delivered on May 22nd, the inflation forecasts remained unchanged as inflation is projected to be between 19% and 29% (with a midpoint of 24%) at end of 2025. Given the proximity to year-end, we expect today's presentation to feature a mechanical narrowing of the year-end inflation forecast range. Accordingly, while we do not anticipate any change to the upper bound of the range at 29%, an upward revision of the lower bound from 19% to around 23% would mechanically shift the midpoint from 24% toward 26%. We also expect inflation projections for 2026 and 2027 to remain unchanged at 12% and 8%, respectively. During the Q&A session following the presentation, markets will be seeking potential clues regarding the future course of monetary policy.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of August 1 – 8 @ 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that during the week of August 1 – 8, net international reserves surged by USD4.24bn to USD67.4bn, while gross FX reserves climbed by USD5.36bn to USD174.5bn. Accordingly, our calculations point to gross foreign exchange reserves reaching an all-time high. We expect today's official figures to confirm a strong rebound, in line with our projections. To recall the CBT data from previous week: During the week of July 25–August 1, foreigners recorded a limited net inflow of USD135.5mn into the equity market and USD8.8mn into the bond market (excluding repo transactions). Meanwhile, the foreigners' share in total bond stock dropped from 6.4% to 6.3% within the mentioned week. Over the same period, residents' FX deposits slumped by USD1.9bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while

their total FX deposits (including gold, price adjusted) slid by USD1.8bn during the week of 25 July – 1 August. Examining the CBT's reserves reveals that during the week 25 July – 1 August, the gross FX reserves decreased by USD2.9bn to USD169.bn and the net international reserves eased by USD1.2bn to USD63.1bn. Moreover, the net reserves excluding swaps retreated by USD2.9bn to USD43.7bn.

* **Housing sales rose to 142,858 units in July, marking a robust 32.6% increase on an annual basis and 12.4% rise m/m.** Mortgage-backed sales recorded an annual gain of 60.3% and a monthly rise of 27.2% during this period, reaching 18,425 units. Turning to mortgage interest rate dynamics, the average mortgage rate stood at 44.1% in July 2024 and eased only marginally to 42.6% in July 2025, signaling a rather limited annual 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 above 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. Turning to the breakdown of housing sales data, a total of 1,913 units were sold to foreigners in July, marking an 18.6% y/y decline. In the same month, sales to foreign buyers accounted for 1.3% of total housing transactions.

Sector and Company News

- **AKENR** announced 2Q25 net loss of TL652mn, compared to TL625mn net loss in the same period last year and TL115mn net profit in the previous quarter.
- **AKFGY** announced 2Q25 net profit of TL248mn, marking a 78% y/y and 68% q/q decline.
- **ARASE** announced 2Q25 net profit of TL816mn, down 16% y/y, but up 391% q/q.
- **AYEN** announced 2Q25 net profit of TL67mn, down 82% y/y, but up 139% q/q.
- **GENIL** reported a net profit of TL 78 million in Q2 2025, compared to a net loss of TL 245 million in the same period last year. Revenue stood at TL 4.3 billion, showing a 1% increase year-over-year. EBITDA is TL 460 million, reflecting an 8% decrease compared to the same quarter last year.
- **GENTS** announced 2Q25 net profit of TL34mn, down 82% y/y, compared to TL6mn net profit in the previous quarter.
- **ISSEN** announced 2Q25 net loss of TL267mn, versus TL277mn net profit in the same period last year and TL438mn net loss in the previous quarter.
- **MEDTR** reported a net loss of TL 20 million in Q2 2025, falling short of the market expectation of TL 47 million net profit. In the same quarter last year, the company reported a net profit of TL 37 million. Revenue came in at TL 619 million, down 22% year-over-year and 22% below the market estimate of TL 796 million. EBITDA was reported at TL 83 million, marking a 52% decline compared to the same period last year and coming in 52% below the market consensus of TL 172 million.

- **SAHOL** reported consolidated revenue of TL 263.6bn, EBITDA of TL 22.1bn and c. TL 1.8bn net profit in 2Q25, turning positive from a TL 2.4bn net loss a year ago; by segment, banking was supported by robust fee and commission income, financial services saw a marked improvement in net income driven by a stronger post-restructuring contribution from non-life insurance, energy delivered a significant y/y uplift in EBITDA on higher contribution from generation, material technologies faced softer domestic conditions in cement and tire while financing expenses pressured the bottom line, and in digital & other, despite y/y EBITDA improvement, higher financing costs and monetary losses weighed on net income. The consolidated EBITDA margin was 8.4%; non-bank EBITDA grew 36% y/y to a 13.5% margin; and improvements in operating cash and leverage continued, with non-bank operating cash flow doubling to TL 29bn, non-bank Net Debt/EBITDA at 1.7x, and holding-only net cash at TL 13.3bn.
- **SAYAS** announced 2Q25 net profit of TL134mn, up 289% y/y, compared to TL59mn net loss in the previous quarter.
- **TCELL** reported that it recorded a net profit of TL 4.2 billion in Q2 2025, exceeding the market expectation of TL 3.5 billion by 20%. In the same quarter of last year, the company had reported a net profit of TL 3.9 billion. Revenue came in at TL 53 billion, marking a 12% year-over-year increase and standing 2% above the market estimate of TL 52 billion. EBITDA was reported at TL 23.4 billion, up 9% compared to the same period last year and 7% higher than the consensus estimate of TL 21.9 billion.
- **TTKOM** reported that it recorded a net profit of TL 4.9 billion in Q2 2025, slightly surpassing the market expectation of TL 4.8 billion by 1%. The company had reported TL 4.3 billion in net profit in the same quarter last year. Revenue reached TL 50.4 billion, representing a 13% year-over-year increase and coming in 1% above the market estimate of TL 49.9 billion. EBITDA stood at TL 21.1 billion, showing a 23% increase compared to the same period last year and beating the market forecast of TL 19.8 billion by 7%.
- **RGYAS** announced its financial results for 2Q25 with a net profit of TL 2.8 bn. Consequently, net profit for the first half of the year declined by 54% year-on-year to TL 3.3 bn. The company achieved an EBITDA of TL 3.2 bn this year, marking a 4% increase compared to last year. Based on the newly announced financials, the P/B ratio stood at 0.43, while the company's equity grew by 37% during the period. The average return on equity (ROE) was 1.73%. The company's cash and cash equivalents increased by 54% year-on-year in the first half, reaching TL 4.5 bn.
- **SNGYO**: The company announced its 2Q25 financial results, reporting a net profit of TL317 mn. Consequently, in the first half of the year, net profit stood at TL747 mn, marking a 14% decline compared to the same period last year. During this period, the company increased its equity by 44%, while the average return on equity (ROE) was 15.2%. Following the newly released financials, the P/B ratio stood at 0.38.
- **ASELS** signed a USD54mn export contract with a customer in the Middle East and Africa region for the sale of radar and command-control systems.
- **BURCE** completed its rooftop solar power plant investment at its production facility in Bursa. Following UEDAŞ inspections, provisional acceptance was granted and the facility has started legal electricity generation.

- **DCTTR** decided to increase its current capital of TL130mn to TL390mn through a 200% bonus issue, fully funded from internal resources.
- **ESEN** signed a letter of intent with Voltla Elektrikli Araçlar Teknoloji A.Ş. through its 25%-owned subsidiary Naturel ChargeN to evaluate strategic cooperation opportunities in electric vehicle charging infrastructure. The collaboration is expected to contribute positively to revenue and profitability through integrated payment systems and software solutions.
- **GOZDE** authorized Unlü Yatırım Holding as advisor to evaluate the sale of shares or potential partnerships in its subsidiary Azmüsebat Celik Sanayi ve Ticaret The disclosure had been postponed by the board decision dated June 25, 2024, due to the uncertainty of the transaction.
- **GSDHO** established GSD 1 Limited and GSD 2 Limited in the Marshall Islands, each with a capital of USD5,000, through its subsidiary GSD Shipping B.V., to conduct maritime activities.
- **LILAK** announced that its application for modernization investments at its yarn dyeing facility in Ergene2 OIZ was approved. Under the investment incentive certificate, the TL22.2mn investment will benefit from a 60% tax reduction, 20% investment contribution rate, customs duty exemption, and VAT exemption. The certificate will expire on July 23, 2028.
- **NUHCM** announced that it continues to evaluate domestic and international investment opportunities that could contribute to efficiency and profitability and offer horizontal and/or vertical growth prospects. The company stated that any concrete developments will be disclosed to the public.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	80.000	17.45	4.01%
VERTU		VERTU	Buyback	60.000	43.87	0.96%
GLYHO		GLYHO	Buyback	100.000	9.15	0.61%
AHGAZ		AHGAZ	Buyback	252.500	33.92	1.39%
ENERY		ENERY	Buyback	37.500	9.40	2.40%
RALYH		RALYH	Buyback	85.000	124.00	1.10%

Important Disclosures

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