

Daily View

Good morning, wishing you a productive week. Following Fed Chair Powell's emphasis on "employment risks" and his signaling of potential rate cuts, market pricing for a Fed rate cut on September 17 has strengthened. U.S. equities ended last Friday with sharp gains of 1.5–1.8%, marking fresh highs, while the new week is starting on a more cautious note. U.S. and European futures are slightly negative, whereas Asian markets are pricing in Friday's rally this morning. It should be noted that until the September 17 Fed meeting, upcoming data releases in the U.S. on inflation, employment, and growth will directly shape expectations around the Fed and could generate significant volatility. In Borsa Istanbul, the uptrend above the 11,250 resistance level remains intact, supported by trading volume and capital inflows. The 11,500–12,000 range continues to be the near-term target zone. With the current momentum and ongoing expectations of a rate cut from the CBRT, this area could be surpassed without a meaningful correction. Based on company valuations, our 12-month target for the BIST 100 index has approached 14,700. We believe that, following the rapid move from around 13,500, the index may stabilize in the 14,800–15,000 range in the near term. Today's domestic agenda includes the Presidential Cabinet meeting, capacity utilization, and confidence indices, while abroad, U.S. housing market data and regional Fed activity indices will be monitored. Later in the week, a busy U.S. data calendar awaits, with particular focus on GDP and core personal consumption expenditures. Turkey's 5-year CDS premiums opened the day at 265 basis points.

Macro and Politics

*** The CBT will release the August Real Sector Confidence Index and Capacity Utilization Rate @ 10:00 local time today.** The Real Sector Confidence Index (RSCI) declined from 100.3 in July to 100.2, retreating to its lowest level since the beginning of the year, while the seasonally adjusted index increased from 98.4 to 98.9. It is worth recalling that readings below the threshold of 100 in the RSCI reflect a waning sentiment among real sector representatives regarding economic activities. Meanwhile, the Capacity Utilization Rate (CUR) slipped from 74.6% to 74.2% in July, while the seasonally adjusted CUR dropped from 74.4% to 74.1%. We anticipate that the growth, which commenced positively in 2025 supported by robust domestic demand, will shift towards a weaker footing by the second quarter. Household consumption - driven by sustained momentum in credit growth trends and the pre-March 19 interest rate cuts - delivered the strongest annual growth contribution of 1.6% in the first quarter; however, we expect its supportive effect to dwindle, albeit modestly, in the second quarter. Meanwhile, we project industrial activity to sustain its weak outlook. Although the downside risks to growth outlook have increased following tighter financial conditions domestically post-March 19, high-frequency data have yet to indicate a drastic cooling in domestic demand dynamics. On the other hand, public expenditure continues to provide a supportive backdrop for the growth outlook. Accordingly, we maintain our growth forecast at 3.1% currently.

Sector and Company News

- **BORSK** announced 1Q25 net loss of TL183mn, compared to TL78mn net profit in 1Q24 and TL17mn net profit in 4Q24.
- **AKFYE** announced that its subsidiary Korda Enerji commissioned the first 19.2 MW phase of the Denizli wind power capacity expansion project, bringing total installed capacity to 802 MW. The year-end target is 887 MW.
- **ARSAN** will increase its capital from TL204.4mn to TL1.76bn through a 762% bonus issue today.
- **EKGYO** announced that the first session of the Muğla Köyceğiz Toparlar revenue-sharing land sale tender will be held on September 4.
- **GARAN** transferred a non-performing loan portfolio with a total principal and interest balance of TL1.6bn to Gelecek Varlık Yönetimi for TL251mn.
- **HRKET** signed a contract worth USD1.6mn for transportation services from Mersin to Samsun within the scope of the Akkuyu Nuclear Power Plant project.
- **NATEN** will increase its capital from TL165mn to TL825mn through a 400% bonus issue.
- **OBAMS** applied to the CMB for a 500% bonus capital increase, raising its capital from TL479.4mn to TL2.88bn.
- **RYSAS** expanded its fleet with 30 new tractors and 30 trailers to meet rising demand. The total investment amounted to approximately €6.5mn, with deliveries planned within three months.
- **TCKRC**'s individual shareholder applied for the conversion of 5mn shares, corresponding to approximately 2.9% of the company's capital, into a tradable form on the stock exchange.
- **ZOREN** established Zorlu Dengeleme ve Enerji Yönetimi A.S. with a capital of TL50mn to operate in electricity trading.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	60.000	18.47	4.21%
AHGAZ		AHGAZ	Buyback	20.000	35.58	1.47%
ENERY		ENERY	Buyback	14.500	11.11	2.41%
MERCN		MERCN	Buyback	50.000	44.24	0.03%

Important Disclosures

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