Daily View

Good morning. Mutual statements from the U.S. and Iran indicating that the two sides are close to reaching an agreement on reopening the Strait of Hormuz are providing support to global markets. Active Brent crude oil futures, which tested USD 86 per barrel around midday yesterday, have retreated to USD 78 this morning, returning to levels seen in mid-July when reciprocal attacks resumed. Following yesterday's nearly 2% rally in U.S. equity markets, U.S. equity index futures are trading higher again this morning. European futures are also pointing to a stronger open. In Asia, markets are mixed, with gains exceeding 3% in both Tokyo and Seoul, while most other regional markets are trading weaker. The BIST 100 Index advanced 2.1% yesterday to close at 13,687. The largest positive contributors to the index were ASELS, ODINE, AKBNK, BIMAS, and ASTOR, while AEFES, ENKAI, ISCTR, MAGEN, and EFOR weighed most on performance. Over the past week, ASTOR, TCELL, SISE, CRDFA, GLCVY, and DOCO have stood out with consistent fund inflows. Among the latest 2Q26 earnings releases, AYGAZ, TUPRS, ASELS, and FROTO reported results above market expectations. The first three companies received high scores in our proprietary rating model due to the continuation of their year-over-year growth momentum, while FROTO, despite posting earnings above expectations, received a lower score because of year-over-year contraction in its financial performance. From a technical perspective, key support levels for the BIST 100 are seen at 13,380 and 13,000–13,200, while 13,800 and 14,000 remain the primary resistance levels. Today's macroeconomic calendar includes Services PMI data from the U.S. and Europe, U.S. ADP private employment and the ISM Services Index, as well as Producer Price Index (PPI) data from Europe. Türkiye's 5-year CDS is starting the day at 230 basis points.

Macro and Politics

*** The CPI-based real effective exchange rate (REER) index increased to 105.96 in July, while the June reading was revised up to 105.57 from 104.9.** As a result, the July CPI-based REER implied a 0.4% monthly real appreciation of the Turkish lira, perfectly in line with our calculations. Over the same period, the PPI-based REER rose by 0.43 points to 101.5. A breakdown of the components driving the CPI-based REER shows that the US dollar appreciated by an average of 1.76% against the Turkish lira in July, while the euro gained 0.77% on average. Over the same period, monthly CPI inflation came in at 1.78%, while PPI increased by 1.52%. Higher domestic inflation exerted upward pressure on the CPI-based REER, whereas changes in the global CPI basket and the nominal currency basket worked in the opposite direction. Overall, the upward impact of domestic inflation outweighed these offsetting factors, leading the CPI-based REER to increase by 0.4% in July, in line with our estimates.

Sector and Company News

- **TUPRS** reported TL386.4bn in net sales, TL54.3bn in EBITDA and TL45.9bn in net income in 2Q26. Consensus stood at TL374.5bn, TL39.2bn and TL30.7bn respectively, while our estimates were TL400.1bn, TL37.4bn and TL26.0bn. Net sales came in close to expectations, whereas EBITDA beat consensus by 39% and net income by 49%. The EBITDA deviation was driven by product margins coming in stronger than we had assumed, while the beat in net income reflected solid operating performance alongside the favourable impact of the corporate tax cut on deferred tax accounts. In our previous reports we noted that the rise in product margins following the conflicts in the Middle East had only partially fed through to the first quarter, with the bulk of the contribution due in the second. That effect came through in 2Q, and the company raised its full-year net refining margin guidance to USD13-15/bbl from USD6-7/bbl. **We maintain our TL352 target price and BUY**

rating. While the results were strong, the recent rally in the shares has largely priced in this performance, and the margin outlook remains tied to the geopolitical backdrop. Our target price implies 21% upside potential, and Tüpraş remains in our model portfolio.

- **See our full 2Q26 review here:** https://tacirler.com.tr/en/tupras-tuprs-2q26-financial-results--4656

- **ASELS** released its 2Q26 financial results with TL8,511mn net profit. Net profit came in 23% above both our estimate and the market expectation of TL6.9bn, increasing by 61% YoY and 44% QoQ. The above-expectation net profit was driven by a significant improvement in net financial expenses and monetary loss items, as well as revenue and operational profitability coming in above estimates. Revenues increased by 33% YoY and 41% QoQ to TL51.8bn in 2Q26. EBITDA rose by 32% YoY and 51% QoQ to TL14bn, while the EBITDA margin remained flat YoY at 27% and improved by 1.9pp QoQ. The company signed USD4.9bn in new contracts in the first half, while backlog remained at its record-high level of USD23.2bn. ASELS also maintained its 2026 guidance of above 10% real revenue growth, above 24% EBITDA margin and more than TL50bn in capex. **While we welcome the strong operational results, increasing backlog and maintained year-end guidance, we view the 2Q26 results as slightly positive due to mild YoY pressure on margins and the negative impact of high capex on free cash flow.**

- **AYGAZ** reported TL29.1bn revenue, TL1.1bn EBITDA and TL4.3bn net income in 2Q26. Consensus estimates stood at TL28.9bn revenue, TL1.0bn EBITDA and TL2.9bn net income; accordingly, all three line items came in above expectations. Revenue grew 10% y/y while EBITDA rose 42%, lifting the EBITDA margin to 3.9% from 3.1%. A 361% y/y increase in income from equity-accounted investees also supported the bottom line. The consolidated net cash position, which stood at TL 5.4bn as of end-December 2025, declined only marginally to TL 4.0bn as of end-June, despite TL2.8bn of dividend payments and TL1.6bn of installment payments related to a vessel acquisition, helped by EBITDA generation over the period. The company left its 2026 guidance unchanged.

- **FROTO** released its 2Q26 financial results with TL4,452mn net profit. Net profit came in above our estimate of TL3.9bn and the market expectation of TL3.4bn, while declining by 45% YoY and 24% QoQ. Net sales revenues were in line with our expectation at TL221bn. Unadjusted EBITDA stood at TL9.9bn with a 4.5% margin, reflecting a 2pp YoY margin contraction, while adjusted EBITDA came in at TL13bn, slightly above our expectation of TL11.6bn. Revenue generation and operational performance were broadly in line with our estimates during the quarter, while the positive change in the non-operating income/expense balance supported net profit above our expectation. The results indicate that YoY weakness continued, while the company maintained its efforts to preserve performance on a QoQ basis. **Overall, we view the 2Q26 financial results, which were broadly in line with our expectations, as slightly negative.**

➢ **FROTO** also announced that it will make a net investment of EUR364mn by 2030 under its new-generation truck cabin development program to support Ford Trucks' growth in Europe. The new cabin is planned to be gradually launched in 2028.

➢ **FROTO** revised down its Turkish automotive market expectation from 1.3–1.4mn units to 1.2–1.3mn units, and its domestic retail sales expectation from 90–100k units to 80–90k units. The company revised its revenue guidance from flat to mid-to-high single-digit contraction, and its adjusted EBITDA margin guidance from 7–8% to 6–7%, while maintaining its export sales, production and capex expectations.

- **THYAO** released its 2Q26 financial results with TL8,949mn net profit. Net profit came in below the market expectation of TL11.6bn and our estimate of TL14.2bn. Revenues increased by 41% YoY to TL327.1bn, in line with our expectation. However, rising personnel, maintenance and operational expenses, together with weakening unit profitability, weighed on operational performance. EBITDA declined by 51% YoY to TL22.7bn, while the EBITDA margin contracted by 13pp YoY to 6.9%. **Despite strong revenue growth, we view the 2Q26 results as slightly negative due to the significant margin contraction and below-expectation net profitability.**

- **DOHOL** announced that it will release its 2Q26 financial results on 11 August.

- **ENTRA** announced that it obtained a positive Environmental Impact Assessment (EIA) decision for its Koray storage-based wind power plant project (106 MWm / 100 MWe turbines and 100 MWe / 100 MWh storage) to be built in Erzincan. With this decision, the company noted that the EIA processes for all of its storage-based wind projects — part of its 485 MW storage-integrated generation project — have now been completed.

- **IMASM** announced that its subsidiary, Milleral Makine, signed a USD 1.6mn contract with a customer based in Africa for the installation of a flour mill.

- **MAVI** announced that it has decided to reduce its issued capital to TL780mn from TL794.5mn.

- **MERCN** announced that it repurchased 100,000 shares at an average price of TL 19.10 per share on 4 August 2026 under its share buyback program.

- **MNDTR** announced that the closure procedures of its Gebze Plant have been completed and that total compensation payments of TL 66.8mn were made to 104 employees.

- **TEZOL** announced that it repurchased 50,000 shares at prices ranging between TL 9.62 and TL 9.65 on 4 August 2026 under its share buyback program. Following the transaction, treasury shares reached 0.41% of the company's share capital.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
BALAT		BALAT	Buyback	4.500	70.00	0.48%
AHGAZ		AHGAZ	Buyback	160.000	32.40	2.80%
ENERY		ENERY	Buyback	300.000	8.75	4.04%
GLYHO		GLYHO	Buyback	250.000	16.50	1.79%

Important Disclosures

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