

Daily View

Good morning. Buying interest in U.S. technology stocks and strengthening expectations of a Fed rate cut on September 17 are supporting global risk appetite. U.S. and European futures are trading in positive territory this morning, while in Asia, selling pressure has emerged in China and Hong Kong following regulatory measures; however, other regional markets are trading higher. In Borsa Istanbul, a fragile trend driven by political risks continues. As we noted yesterday, until September 15, the market is likely to react more strongly to negative developments while pricing positive news more moderately. Indeed, after an inflation reading that came in slightly above expectations, the BIST 100 index fell by as much as 2% in early trading, retesting the 10,600 support level for the second time, before closing the day at 10,737 with a 1.3% decline. Following three consecutive developments—the stronger-than-expected growth data, the ruling concerning the CHP Istanbul provincial organization, and the higher-than-expected inflation—we observe that expectations for a rate cut at the September 11 MPC meeting have been scaled back. In parallel, there has been an outflow from the Borsa, led by foreign investors. On 12-month forward valuations, BIST 100 index targets are now approaching the 15,000 level, pointing to nearly 40% upside potential. While downward revisions to these targets are possible, the upside potential remains significant. On today's agenda, domestic focus will be on CBRT reserves and weekly foreign flow data, while in the U.S., private sector employment figures will be watched. Notably, Bloomberg reported yesterday that the CBRT may have used around USD 5 billion in reserves on September 2–3, which is nearly three times the amount deployed over two days following March 19. Turkey's 5-year CDS premiums start the day at 270 basis points.

Macro and Politics

***The CBT will release August Real Effective Exchange Rate (REER) today @14:30 local time.** Considering the inflation realizations and the average Basket/TRY change for August, we expect the REER to increase from 69.36 to 69.85, implying a 0.7% real appreciation of the Turkish lira. Should the data materialize in line with our projections, the real effective exchange rate, which has cumulatively declined by 8% in real terms since February, would record its first monthly increase following six consecutive months of depreciation.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of August 22 – 29 @ 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that during the week of August 22 – 29, net international reserves surged by USD1.9bn to USD73.6bn, returning to pre-19 March levels, while gross FX reserves climbed by USD2bn to a new record USD178.5bn. We anticipate that today's official reserve data will likely reflect a similar rise in line with our estimates.

*** TURSTAT will release August seasonally adjusted CPI and special CPI aggregates today @16:00 local time.** Based on our calculations, we forecast the seasonally adjusted monthly CPI change for August to be approximately 2.6%. We expect a similar outcome in today's adjusted figures.

*** The CBT will release the Monthly Price Developments report for August today @18:00 local time.** The report is a technical one and does not contain a policy message. Still, the assessment of trend core inflation will be monitored closely.

*** Monthly CPI inflation came in at 2% in August, coming in slightly above both our in-house forecast at 1.9% and the market median expectation of 1.8%.** After the Istanbul Chamber of Commerce (ICC) reported a slowdown in Istanbul inflation to 1.84% in August, market participants had grown increasingly optimistic that today's headline CPI print could undershoot expectations. Hence, despite the data coming broadly in line with both our projection and the market median estimate, it can be interpreted as pointing to a relatively more negative backdrop compared with the recent improvement in sentiment. Following the August CPI print, which came broadly in line with our expectations, we maintain our base-case scenarios for a 300bps rate cut at the September Monetary Policy Committee (MPC) meeting. That said, we are closely monitoring domestic political developments, as rising political risks and heightened volatility in TL assets could prompt the CBT to adopt a more measured easing trajectory. While we currently lack sufficient data on recent reserve dynamics, today's and tomorrow's analytical balance sheet releases should provide further clarity on the outlook. Accordingly, we may reassess our September rate-cut expectation if political developments or FX/reserve trends warrant a revision. While a 300bps cut remains our base case for now, we do not rule out the possibility of revising this expectation down to 200bps if downside risks intensify.

Sector and Company News

- **BINHO** will increase its capital by 2645% through a bonus issue, raising it from TL47mn to TL1.3bn.
- **ARZUM** will double its capital from TL300mn to TL600mn through a 100% rights issue, allowing shareholders to exercise their pre-emptive rights at a nominal value of TL1 per share until September 18,
- **YYAPI** will increase its capital from TL852.5mn to TL1.7bn through a 100% rights issue, with pre-emptive rights exercisable at a nominal value of TL1 per share until September 18.
- **HOROZ** will enter into a new cooperation agreement with global e-commerce platform Temu to provide delivery services for products in Türkiye.
- **SDTTR** will sign a USD3.95mn manufacturing contract in the aerospace field with a domestic customer through its subsidiary BKM Bursa Kalıp.
- **KAPLM** will transfer 83% of its shares under a share purchase agreement valued at USD18.9mn, subject to Competition Board approval.
- **OZATD** will transfer its controlling shareholder Özata Tersanecilik's 81.3% stake to a newly established company through a partial demerger.
- **ONRYT** will be included in the XKURY index as of September 4, 2025.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
PCILT		PCILT	Buyback	10,000	25.40	
PNLSN		PNLSN	Buyback	2,000	40,30 - 40,40	1.03%
BORSK		BORSK	Buyback	8,901	23,48 - 23,68	0.07%
AKSGY		AKSGY	Buyback	250,000	7.48	
LKMNH		LKMNH	Buyback	36,584	19,34 - 19,47	4.42%
GLYHO		GLYHO	Buyback	500,000	9.00	0.73%
BOBET		BOBET	Buyback	200,000	19.90	0.97%

Important Disclosures

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