

Daily View

Good morning. Global risk appetite remains strong, supported by expectations of Fed rate cuts as well as company-specific news flow. This morning, U.S. and European futures, along with Asian equities, are generally trading higher. Yesterday, Borsa Istanbul ended the day with a limited gain of 0.35%, while sensitivity to political developments continues. In the short-term outlook for the BIST 100 index, 10,400 is the first support and 10,600 is the first resistance level to watch. We expect a more pronounced rebound tendency today; however, the July industrial production data to be released at 10:00 a.m. will be critical in this regard. Calendar-adjusted industrial production had shown 8.3% year-on-year growth in June. A similar figure for July could be interpreted as a strong start to the third quarter and may further support the recent upward revisions in growth expectations for the Turkish economy. Later in the day, U.S. PPI will be released at 3:30 p.m., with a yearly increase of 3.3% expected. Although inflation data remains important, we believe that unless there is a significant deviation from expectations, it will not materially affect projections regarding the Fed. Turkey's 5-year CDS premiums start the day at 273 basis points.

Macro and Politics

*** TURKSTAT will release July Industrial Production (IP) figures today @ 10:00 local time.** The sequential (the seasonally and calendar adjusted monthly figure) industrial production (IP) increased by 0.7% m/m in June, while the calendar adjusted IP surged by 8.3% y/y. The robust annual rise primarily reflects a low base effect; therefore, we do not expect the surge in annual data to be permanent. Examining the monthly breakdown, the highest growth was recorded in the high-technology sector, which expanded by 38.1%, followed by a 28% increase in the manufacturing of other transport equipment. The growth in this latter segment was largely driven by strong external demand for defense and aerospace exports. According to Turkish Exporters Assembly (TİM) data, defense and aerospace exports maintained strong momentum in July, and we expect this segment to continue contributing positively to industrial production during that month. However, it is noteworthy that the June monthly increase was not broad-based. Excluding the high-technology and other transport equipment sectors, a weakening trend in industrial production becomes apparent. Accordingly, consistent with signals from leading indicators, we anticipate the underlying trend in real sector activity to remain subdued.

*** The Treasury tapped the domestic markets for TL99.6bn (including non-competitive sales) through yesterday's 2y and 5y fixed coupon bond auctions.** Accordingly, the Treasury's total domestic borrowing so far this month has reached TL246.7bn. After this week's auctions, the Treasury will hold 5y CPI-linked and 10y fixed coupon bond auctions on September 16 and finalize its domestic borrowing program for the month. The new 10-year bond maturing September 5, 2035 will become the benchmark issue following its September 16 auction, replacing the current 27.09.2034 maturity in the secondary market. According to its three-month (Sept – Nov 2025) domestic borrowing program, the Treasury faces a domestic redemption of TL255.8bn in September, while in return it plans to borrow TL346n in total throughout the month, indicating a roll-over ratio of 135%. As per the Treasury's domestic borrowing program, the two auctions scheduled for next week are expected to raise approximately TL99 billion in funding.

*** As part of the 2025 external borrowing program, the Treasury has mandated BBVA, Deutsche Bank, Goldman Sachs and JP Morgan for the issuance of a 10-year USD denominated bond.** Initial price guidance is reported to be around 7.30%, compared to a yield of 7.45% achieved in the Treasury's previous 10-year USD issuance in May 2025. Year-

to-date, the Treasury has secured USD4.5bn from international capital markets. For the full year 2025, the Treasury targets a total of USD11bn in external financing, suggesting further sizeable issuance in the months ahead.

Sector and Company News

- **ALVES** reached an agreement to purchase a 96k m² industrial land plot in Ankara Polatlı Organized Industrial Zone for its new medium/high-voltage cable production facility.
- **CVKMD** reported that the Environmental Impact Assessment (EIA) approval granted for the Mining Capacity Expansion, Ore Enrichment, and Waste Storage Facility within its Sarıalan Gold Mine Project has been annulled by the Balıkesir 2nd Administrative Court. However, the initial EIA approval for the "Mining Capacity Expansion and Ready-Mix Concrete Facility" remains valid and does not prevent mining operations.
- **CWENE** signed a USD1.9mn contract with a domestic customer for the sale of solar panels, with deliveries to be completed by the end of 1Q26.
- **GSDHO** signed a contract with Sumisho Marine for the purchase of a 42,000 DWT dry bulk carrier, which will be delivered in 2028 at Oshima Shipyard.
- **KBORU** won a TL86.6mn polyethylene pipe supply tender organized by SASKI.
- **KOCMT** received connection approval and an invitation letter for its planned 22.5 MW solar power plant investment. Preparatory works are ongoing.
- **MAGEN** announced that studies carried out at the Seferihisar geothermal site detected approximately 13 ppm lithium content in geothermal fluid. The company decided to initiate feasibility studies on the commercialization of lithium extraction, to be carried out by separating the fluid at the wellhead using existing wells.
- **MPARK** announced the opening of İstinye University Liv Hospital in Istanbul Topkapı. The hospital has a capacity of 300 beds, including 246 patient beds and 54 intensive care units.
- **OFSYM** signed an agreement with a private company for the purchase of USD5.1mn worth of DDGS, with deliveries to be completed by the end of September.
- **SARKY** increased its capital by 66.7% through a bonus issue, raising it from TL600mn to TL1bn. The bonus share distribution starts today.
- **SDTTR** received a USD11mn domestic order, with deliveries scheduled for 2025–2026.
- **TMSN** will participate as a fund user in a TL4bn lease certificate issuance for which KTSVK has applied to the Capital Markets Board (CMB).

- **TUPRS** received a “No EIA Required” decision from the Ministry of Environment and Urbanization for the planned Alkylation Plant Project at the Izmir Refinery.
- **ULUUN** signed a USD75mn loan agreement with Dutch development bank FMO.
- **YBTAS** will increase its capital by 299,900% through a bonus issue, raising it from TL100k to TL300mn. The bonus share distribution starts today.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	42.500	18.13	4.50%
PNLSN		PNLSN	Buyback	7.500	40.98	1.06%
AKFIS		AKFIS	Buyback	30.000	22.70	0.59%
TNZTP		TNZTP	Buyback	130.000	38.06	0.06%
GENIL		GENIL	Buyback	300.000	162.50	0.10%
AHGAZ		AHGAZ	Buyback	150.000	34.88	1.54%

Important Disclosures

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