

Daily View

Good morning. With one week remaining until the September 17th Fed meeting, yesterday's U.S. PPI data came in significantly below expectations, once again reinforcing rate-cut pricing. In fact, recently there has been an increase in market participants expecting a 50-basis-point cut from the Fed instead of 25 basis points. Oracle's announcement yesterday of rising demand for its artificial-intelligence applications also supported U.S. technology stocks. Although the S&P 500 and Nasdaq indices tested new highs, U.S. and European futures are flat this morning, while Asia is generally trading on the bid side. Yesterday, Borsa Istanbul rallied nearly 1% to close near the 10,600 resistance level, with notable capital inflows and partial foreign purchases. In the short term, key resistance levels for the BIST 100 Index stand at 10,600, 10,720, and 10,960, while supports are at 10,400 and 10,340. On today's agenda, the Central Bank of Turkey's Monetary Policy Committee (MPC) decision takes center stage. We expect a 200-basis-point rate cut, lowering the policy rate from 43% to 41%, though a 250- or even 300-basis-point cut also remains possible. The forward-looking messages in the MPC Statement will be closely monitored; language signaling further rate cuts would be positive for Borsa Istanbul. However, without seeing the outcome of the case publicly known as the "CHP Congress Case," expected on Monday (September 15), a sustained relief rally in BIST may not materialize. Externally, the European Central Bank's rate decision and the U.S. CPI data will be in focus today. After yesterday's weaker-than-expected PPI print, a similar trend could emerge in today's CPI release. Turkey's 5-year CDS premiums opened the day at 267 basis points.

Macro and Politics

*** We expect the Monetary Policy Committee (MPC) to deliver a 200bps rate cut at today's rate-setting meeting, in line with the market consensus.** We believe that stronger-than-expected growth figures, which failed to validate the CBT's output gap trajectory, coupled with the recent rise in domestic political risks, suggest that the likelihood of a more cautious approach to rate cuts by the CBT has increased. Accordingly, we have revised our September rate cut expectation to 200bps, down from the previously projected 300bps. We continue to anticipate further cuts at each of the remaining three meetings of the year, which would bring the policy rate down to around 37% by year-end. That said, political news flow and its potential implications will remain under close scrutiny. Should politically driven risks materialize, a shift in the current monetary policy stance cannot be ruled out. At this stage, however, we do not deem recent developments to be of such magnitude.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of August 29 – September 5 @ 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that during the week of August 29 – September 5, net international reserves dropped by USD2.2bn to USD71.3bn, while gross FX reserves climbed further by USD1.9bn to a new record USD180.4bn. We anticipate that today's official reserve data will likely reflect a similar rise in line with our estimates. To recall the previous week's data: During the week of 22 – 29 August, foreign investors were net sellers of USD140mn in the equity market, while recording net purchases of USD763.3mn in the bond market (excluding repo transactions). Consequently, the foreigners' share in total bond stock increased from 6.5% to 6.7%. In the same period, residents' FX deposits slumped drastically by USD4.2bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) slid by USD4bn during the week of 22 – 29 August. The CBT's gross FX reserves

increased by USD2bn to USD178.5bn and net international reserves rose by USD1.9bn to USD73.6bn, while net reserves excluding swaps climbed by USD2.1bn to USD56.7bn.

*** The sequential (the seasonally and calendar adjusted monthly figure) industrial production (IP) decreased by 1.8% m/m in July, while the calendar adjusted IP increased by 5% y/y.** A closer look at the monthly dynamics reveals that other transport equipment sector – which surged by 28.3% in June – registered a 7.5% decline in July and the correction in this segment, which also encompasses defense industry products, weighed significantly on the monthly contraction in industrial output. In addition, the ongoing weakness in non-durable consumer goods (down 3.4% m/m in July) and the sharp 18.8% fall in the high-technology component – characterized by its inherent volatility – were key drivers of the monthly decline. On an annual basis, the 5% increase was largely underpinned by a 5.5% rise in the manufacturing index and a 5.8% expansion in the electricity, gas, steam, and air-conditioning supply index. Broadly speaking, the divergence across sectors remains intact: the construction and defense-related industries continue to outperform, while high-tech activity remains volatile. Accordingly, the July figures once again underscore that the annual increase is not broad-based across sectors. Consistent with leading indicators, we expect the underlying trend in real sector activity to remain subdued.

Sector and Company News

- **AKGRT** reported August gross written premiums of TL2.5bn, up 14% YoY and 12% MoM. For January–August, gross written premiums declined 10% YoY to TL17.6bn.
- **ALFAS** subsidiary Alfa Solar Romania acquired 100% of Fort Smart Recycle S.R.L. for approximately EUR770k. The investment includes a planned 4.15 MW power plant, expected to be completed shortly with an estimated cost of EUR2.5mn, after which production will commence.
- **ANSGR** reported August gross written premiums of TL7.2bn, up 41% YoY but down 3% MoM. For January–August, gross written premiums rose 41.7% YoY to TL59.1bn.
- **CEMZY** individual shareholders applied for the conversion of 24.1mn shares, representing 6% of the company's capital, into publicly traded shares.
- **CWENE** transferred its factory and land property in Antalya Organized Industrial Zone to Ziraat Katılım Bank via a sale-and-leaseback transaction for TL1.87bn. The deal aims to secure medium-to-long-term financing, with ownership returning to the company at the end of the lease term.
- **ENDAE** announced that the acquisition process of 100% of Romania-based Zenit Solar has been extended at the seller Rencon's request, with completion targeted by year-end 2025.
- **KRSTL** saw Bank of America purchase a net 1.66mn shares on September 9, 2025, at TL10.97–11.04 per share, raising its stake from 4.65% to 5.51%.

- **PGSUS** announced its August traffic data. Total passenger numbers rose 17% YoY to 4.3mn, with domestic passengers up 17% at 1.53mn and international passengers also up 17% at 2.8mn. In the January–August period, total passenger numbers increased 13% YoY to 27.9mn.
- **POLHO** shares will be temporarily suspended from trading as of the opening session on September 11, 2025, due to the distribution of Marmara Holding shares.
- **SAFKR** increased its capital by 467.4% through a bonus issue, raising it from TL35.25mn to TL200mn. The bonus share distribution starts today.
- **TNZTP** increased its capital by 83.1% through a bonus issue, raising it from TL218.5mn to TL400mn. The bonus share distribution starts today.
- **TUKAS** completed its frozen potato production line investment in Niğde Bor OIZ with a TL3.4bn investment and launched mass production today. The facility has an annual capacity of 120k tons of frozen potatoes and 8k tons of potato flour.
- **VAKFN** increased its capital by 42.9% through a bonus issue, raising it from TL3.5bn to TL5.0bn. 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	41.000	17.96	4.52%
PNLSN		PNLSN	Buyback	7.500	40.60	1.07%
AKFIS		AKFIS	Buyback	70.000	22.68	0.60%
AHGAZ		AHGAZ	Buyback	80.000	34.82	1.54%
AKFYE		AKFYE	Buyback	60.000	17.20	0.91%
BOBET		BOBET	Buyback	7.473	19.58	0.97%
GLYHO		GLYHO	Buyback	250.000	9.00	0.76%
BORSK		BORSK	Buyback	8.400	23.53	0.09%

Important Disclosures

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