Daily View

Good morning. The US-Iran tensions and oil prices hovering near $100 weighed on US and European equities yesterday, while we are seeing some relief buying in equity index futures this morning. Asian equities, meanwhile, are pricing in the global sell-off seen yesterday. The European Central Bank's rate decision today, the Fed meeting next week—with inflation data due today and tomorrow ahead of the meeting—and the trajectory of oil prices will be key drivers for global markets. Domestically, we continue to see a market environment largely independent of external developments. In Borsa Istanbul, following a four-session upward trend, the index moved above 14,500 yesterday, accompanied by record TL-denominated trading volume. The top five stocks contributing positively to the index were TUPRS, ASELS, KTLEV, BIMAS, and EKGYO, while AKBNK, ODINE, YKBNK, ISCTR, and EREGL had the largest negative impact. Stocks that have stood out with steady capital inflows over the past week include ASELS, TTKOM, ULKER, KARSN, AEFES, and BOBET. From a technical perspective, resistance levels at 14,670, 14,730, and 14,880, along with support levels at 14,350, 14,270, and 14,070, can be monitored. On today's agenda, the key developments will be the CBRT Monetary Policy Committee rate decision domestically, where we do not expect a change; the ECB rate decision abroad, where we expect a 25-basis-point rate hike; and the US PPI data, with annual PPI expected to rise from 4.7% to 5.4%. The economic calendar is relatively light otherwise. Turkey's 5-year CDS premiums are starting the day at 219 basis points.

Macro and Politics

*** The new Medium-Term Program (MTP) covering the 2027–2029 period introduced substantial revisions to the * TURKSTAT will release July industrial production (IP) figures today at 10:00 local time.** The sequential (seasonally and calendar-adjusted monthly figure) industrial production (IP) edged up by 0.1% m/m in June, in line with our expectation, returning marginally to positive territory, while calendar-adjusted annual IP contracted by 1.4% y/y. We had expected a monthly increase in industrial production in June, reflecting the fading impact of the bridge-day effect associated with the Eid holiday and the signals from intermediate goods imports excluding gold and energy. However, following the 2.9% m/m contraction recorded in May, the near-flat and limited increase in June indicates that underlying weakness in the industrial sector persists. Accordingly, after contracting by 1.4% y/y in 1Q26, industrial production increased by 1.9% y/y in 2Q26 (1.4% y/y on a calendar-adjusted basis). On a sequential basis, seasonally and calendar-adjusted industrial production grew by 2% q/q in 2Q26, following a marginal 0.1% q/q increase in the first quarter. For the second half of the year, we expect the loss of momentum in economic activity to gradually ease, paving the way for a more balanced growth profile. Nevertheless, we do not anticipate a strong and broad-based acceleration in growth. We maintain our 2026 GDP growth forecast at 3.2%.

***The Monetary Policy Committee (MPC) decision will be announced today at 14:00 local time.** We expect the MPC to keep the policy rate unchanged at 37%, in line with the market consensus. Having resumed one-week repo auctions two weeks ago and lowered the effective funding rate by 300bp, we believe the CBT will prefer to assess the transmission of this easing to market interest rates before taking any further action. In addition, the renewed escalation in geopolitical tensions, coupled with Brent oil prices rising above USD95/bbl, warrants some time to assess the implications of external developments for the inflation outlook. Meanwhile, we expect favorable base effects to bring annual CPI inflation closer to 30% in September, which should create room for a resumption of rate cuts at the October meeting. Accordingly, following an unchanged policy rate decision in September, we expect the MPC to deliver 100bp cuts in both October and December, bringing the policy rate to 35% by year-end.

*** The CBT will release weekly foreign portfolio flows, money and banking statistics, and international reserves for the August 28–September 4 period today at 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that gross FX reserves declined by USD4.4bn to USD183.9bn, while net FX reserves fell by USD1.4bn to USD65.1bn during the week. We expect today's official data to confirm a decline in reserves broadly in line with our analytical balance sheet-based estimates. To recall the previous week's data: Foreign investors recorded a net purchase of USD329mn in the equity market in the August 21–28 week, while posting a net sale of USD86.6mn in the bond market, excluding repo transactions. Over the same period, residents' FX deposits (excluding gold and adjusted for the EUR/USD parity effect) declined by USD2.0bn, while their total FX deposits (including gold, adjusted for the price effect) declined by USD2.7bn. Besides, The CBT's FX reserves posted a modest decline in the August 21–28 week. Gross FX reserves decreased by USD252mn to USD188.2bn, while net FX reserves fell by USD298mn to USD66.5bn. The swap stock declined by USD264mn to USD10.7bn over the same period, while net reserves excluding swaps remained broadly unchanged at USD55.8bn.

Sector and Company News

- Under the VBTS framework, a margin trading ban will be imposed on **ANELE** shares between September 10 and October 9.
- **AKHAN** received new orders worth around USD10mn within the scope of FOODIST Istanbul 2026 Fair.
- **ALVES** shares will start trading on the Watchlist Market as of today.
- **BORSK** acquired shares in Adapazari Seker Fabrikasi for USD50mn, increasing its share in total sugar production quota from 2.5% to 5.0%.
- **GLCVY** won Akbank's three NPL portfolio tenders with a total principal amount of TL1.6bn by submitting the highest bid.
- **HUNER** decided to increase its capital by 100% through a rights issue, raising it from TL1bn to TL2bn.
- **JANTS** announced that its subsidiary was selected as a supplier for the development, validation and mass production processes in Togg's new vehicle program.
- **PEKGY** announced that the CMB approved the mandatory tender offer following Tera Yatirim Holding's acquisition of management control, while the offer price was set at TL18.77 per share.
- **PLTUR** will distribute a gross dividend of TL0.61 per share today, implying a dividend yield of 2.9% based on yesterday's closing price.

- **RGYAS** acquired a 50% stake in Ferikoy Gayrimenkul for EUR68.9mn, increasing its stake in the company to 100%.

- **TERA** announced that negotiations started for the acquisition of shares in Pusula Finans Holding and its subsidiaries by Tera Group.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
DAGI		DAGI	Buyback	757.827	9.63	4.36%
ENERY		ENERY	Buyback	411.417	11.02	4.08%
AHGAZ		AHGAZ	Buyback	389.275	38.35	2.97%
MAGEN		MAGEN	Buyback	1.328.377	36.24	1.59%

Important Disclosures

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