

Daily View

Good morning. While progress is being made in the U.S.-China negotiations, global markets have begun to focus on rising risks in the Middle East. The United States' withdrawal of certain military and diplomatic personnel and their families from the region is being interpreted as a signal of potentially escalating geopolitical tensions between the U.S., Iran, and Israel. Reciprocal statements from the involved parties continue to fuel this tension. We observe that global markets are reacting negatively to these developments, with U.S. and European futures, as well as Asian equities, trading broadly in negative territory. In the VIOP (futures market), a nearly 1% pullback was seen toward the close of the evening session yesterday. Accordingly, we expect a weak opening on Borsa Istanbul this morning. Following the open, the 100- and 200-day exponential moving averages around the 9,570 level may act as key support. The 9,800 – 10,000 region continues to serve as a notable resistance area. Yesterday's CPI data from the U.S. came in line with expectations. Today, PPI figures will be released. While April's monthly PPI remained in negative territory, the May figures are expected to turn positive, with a likely uptick in annual producer inflation metrics. Although yesterday's CPI data had little market impact, today's PPI release could exert pressure on the markets. Turkey's 5-year CDS premium starts the day at 289 basis points.

Macro and Politics

*** TURKSTAT will release April Industrial Production (IP) figures today @ 10:00 local time.** April foreign trade data offer valuable input for our IP forecasts. In April, imports of intermediate goods excluding gold and energy recorded a relatively strong increase—rising by 14.6% m/m and 13.7% y/y. Another leading indicator of industrial activity, the Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI, remained unchanged from the previous month, standing at 47.3 in April. As a result, leading indicators suggest that seasonally adjusted IP likely remained slightly positive in April. However, in light of the domestic turbulence that emerged in March and the subsequent tightening in financial conditions, we anticipate a deceleration in economic activity, particularly in the real sector, during the second quarter. While our year-end growth forecast stands at 3.1%, we believe downside risks to this projection are mounting.

*** The CBT will release weekly international reserves for the period of May 30 – June 6 @ 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that during the week of May 30 – June 6, net international reserves increased by USD2.9bn to USD50.8bn, while gross FX reserves climbed by USD2.7bn to USD156bn. We anticipate that today's official reserve data will likely reflect a similar picture in line with our calculations. To recall the data from the previous week: During the week of May 23 – 30, the CBT's gross FX reserves posted no palpable change at USD153.4bn and net international reserves rose by USD1.4bn to, while net reserves excluding swaps increased by USD1.7bn to USD30bn. Please note that the weekly foreign portfolio flows and money & banking statistics, which are usually announced alongside the CBT's reserves data every Thursday, will be released tomorrow due to religious holiday.

Sector and Company News

- **EREGL** provided an update on the gold exploration activities conducted by its subsidiary Ermaden. The company had previously announced the discovery of gold mineralization and initiated resource estimation studies in line with UMREK standards. Drilling activities have been ongoing at an average pace of 7,000 meters per month across a 14-hectare section within a licensed area of over 5,800 hectares. The company stated that initial results are

encouraging. To verify and classify these findings in compliance with UMREK standards, work on a resource report is underway. In support of this process, Australia-based Westech International has been appointed, and drilling operations are being expanded to cover a broader area.

- **THYAO** released its May 2025 traffic results:
 - Total number of passengers increased by 5.1% y/y to 7.6 million. Domestic passenger growth was limited to 1.8% y/y, while international passengers rose by 7%.
 - In the January–may period, total passenger volume rose by 3.7% y/y to 32.8mn.
 - Load factor improved by 1.3 pp y/y to 81.1% in May.
 - Cargo and mail volume grew by 5.1% y/y to 183.4k tonnes in May, bringing the year-to-date figure to 836.2k tonnes (+2.7% y/y).
 - The total fleet size stood at 484 aircraft as of end-May (vs. 492 at end-2024).
- **Passenger and cargo trends in May are viewed as supportive. We maintain our 12-month TP of TL428.00 per share for THYAO.**
- **OZATD** announced that a contract worth a total of EUR13.5mn was signed with ASFAT Inc. for the maintenance, repair, and overhaul of floating docks.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	116.000	15.03	2.20%
MACKO		MACKO	Buyback	150.000	42.91	2.30%
ASGYO		ASGYO	Buyback	484.659	10.89	0.69%
PNLSN		PNLSN	Buyback	50.000	37.06	0.13%
MHRGY		MHRGY	Buyback	500.000	5.48	0.88%
AHGAZ		AHGAZ	Buyback	97.062	27.81	1.23%
ENERY		ENERY	Buyback	3,600.000	5.94	2.29%
GLYHO		GLYHO	Buyback	91.629	7.50	0.56%

Important Disclosures

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