

Daily View

Good morning. Global markets are off to a strong start this week. One of U.S. President Trump's key economic promises—a \$4.5 trillion tax bill—has been approved by the Senate. Additionally, expectations of progress in country-level trade negotiations remain intact. U.S. and European futures are starting the week on a positive note, while Asian markets are more mixed but generally inclined toward gains. In Borsa Istanbul, Friday's news that Germany may lift obstacles to the sale of Eurofighter jets provided some support. Furthermore, statements from the U.S. Ambassador to Ankara suggesting that Turkey might rejoin the F-35 program and that a resolution to the CAATSA sanctions issue could be reached by year-end were supportive for Turkish lira assets. However, domestic markets will likely focus on the court hearing scheduled for today concerning the lawsuit related to CHP's November 2023 congress. Outcomes such as the appointment of a trustee or a ruling of absolute nullity could trigger selling pressure on BIST, while a dismissal of the case or its postponement to after the summer would likely lead to a positive market reaction. Additionally, today marks the last trading day for June-dated contracts on the VIOP, and potential unwinding of arbitrage positions could exert mild pressure on BIST. In the BIST 100 index, 9300 is seen as an interim support, while the 9500–9550 range acts as a resistance zone. The key support and resistance levels stand at 9000–9100 and 9800–10,000, respectively. On today's agenda, attention will also be on the Turkish Presidential Cabinet meeting, domestic employment data, foreign trade figures, and growth-related data from the U.S. Later in the week, inflation data from Turkey and Europe, along with U.S. employment figures, will come into focus. Turkey's 5-year CDS premiums start the day at 305 basis points.

Macro and Politics

*** May Employment figures will be released @ 10:00 local time.** The adjusted unemployment rate climbed from 8% to 8.6% in April. As per the broad-based unemployment calculations: The rate of composite measure of labor underutilization – including time related underemployment, potential labor force and unemployment – rose sharply from 28.8% to 32.2%, marking an all-time high and signaling a pronounced weakening in labor market conditions. Moreover, the combined rate of time-related underemployment and unemployment rose from 17.9% to 22.5%, while the combined rate of unemployment and potential labor force edged down from 20.1% to 20%. Heightened domestic financial turbulence starting from March 19 and the subsequent tightening measures introduced by the CBT are expected to weigh more explicitly on economic activity as of the second quarter. Accordingly, rather than focusing solely on the headline unemployment rate, we anticipate that the rate of composite measure of labor underutilization, which we monitor more closely, will remain elevated, reflecting persistent weakening in the labor market.

*** TURKSTAT will release May foreign trade figures 10:00 local time.** Preliminary data released by the Ministry of Trade point to a notable narrowing in the foreign trade deficit in May. According to the preliminary data, exports rose by 2.7% y/y to USD24.8bn, while imports increased by 2.19%, reaching USD31.3bn. As a result, the foreign trade deficit narrowed significantly from USD12.1bn in April to USD6.5bn in May, while the 12-month cumulative deficit remained broadly unchanged at USD86.7bn. Based on preliminary foreign trade data, we expect the current account to register a modest deficit of around USD200mn in May. Our year-end forecast for the 2025 current account deficit stands at USD22bn (1.5% of GDP).

***The Economic Confidence Index recorded only a marginal increase in June, edging up from 96.65 to 96.71.** It is worth recalling that the index had climbed to 100.8 in March, marking its highest level since June 2023 and surpassing the 100-threshold for the first time since March 2024. However, amid rising domestic political tensions and idiosyncratic concerns since March 19, the index has remained below the 100-threshold since April, indicating that perceptions regarding the overall economic outlook have continued to hover in pessimistic territory. According to the sub-components of the June data: the Consumer Confidence Index rose by 0.3% to 85.1, while the Real Sector Confidence Index declined by 0.2% to 98.4. The Services Confidence Index posted a 0.4% increase to 110.9, whereas the Retail Trade Confidence Index dropped by 2.5% to 108.5. Lastly, the Construction Confidence Index fell by 1.7% to 86.9 in June compared to the previous month.

Sector and Company News

- **Capital Markets Board** announced in its decision dated June 27, 2025, that the short selling ban, facilitated share buyback regulations, and relaxed margin trading collateral ratios will be extended until the end of the trading session on August 29, 2025.
- **ALARK** announced that, by canceling 18 million of the 23 million repurchased shares through capital reduction procedures, the Company's capital will be reduced from TL435mn to TL417mn.
- **ARCLK** sold 1.3 million shares (representing 0.2% of its capital) held under the buyback program to Koc Holding Foundation at a price of TL 112.2 per share. The transaction will result in a loss of approximately TL 104.8 million. Following the sale, the company's remaining stake corresponds to 9.9% of its share capital.
- **CWENE** signed a contract worth USD 24 million (excluding VAT), approximately TL 954 million, with a domestic client for the construction of a ground-mounted solar power plant. The project is expected to be completed in 4Q 2026. The deal is expected to have a positive impact equivalent to approximately 38% of the company's 1Q 2025 revenue.
- **EDATA** announced that it has signed a distribution agreement with TR7 Cyber Defense, which provides solutions in load balancing, application delivery, and security.
- **PATEK** announced that the full amount of TL 1.1 billion to be raised through its private placement capital increase has been transferred in equal amounts as capital advance.
- **SISE** announced that its handcrafted glass household goods production operations will be relocated from the Denizli Facility to the Kırklareli Facility.
- **TRCAS** will distribute a gross cash dividend of TL 0.78 per share today, implying a dividend yield of 2.3% based on the last closing price.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	74.508	14.69	2.86%
BORLS		BORLS	Buyback	51.664	65.78	1.96%
INVES		INVES	Buyback	5.106	244.65	0.79%
AHGAZ		AHGAZ	Buyback	42.158	27.40	1.29%
MAVI		MAVI	Buyback	200.000	34.88	0.05%
TCKRC		TCKRC	Buyback	30.000	34.41	0.74%
PNLSN		PNLSN	Buyback	50.000	38.69	0.86%
MHRGY		MHRGY	Buyback	1.500.000	5.38	1.06%
GEDZA		GEDZA	Buyback	10.800	19.82	0.83%

Important Disclosures

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