

Daily View

Good morning. Mixed news flow regarding the progress of U.S.-Iran negotiations and daily fluctuations exceeding 5% in oil prices continue to fuel volatility across global equity markets. At the current juncture, front-month Brent crude oil futures appear to be seeking equilibrium around USD 93 per barrel. U.S. equity futures are trading in negative territory, European futures are pointing higher, while Asian markets are displaying a mixed performance. On Borsa Istanbul, the 13,800–14,000 resistance zone was tested yesterday. However, following Iran's statement late in the session that it had "cut off communication with the United States," coupled with Brent crude oil rising from USD 92 to USD 97 per barrel, the BIST 100 Index closed the day at 13,704 points. This morning, we expect another attempt to move toward the resistance zone. The BIST 100 Index gained 0.3% on a daily basis yesterday. The five stocks contributing most positively to the index performance were TUPRS, ASTOR, ASELS, KLRHO, and EREGL, while the largest negative contributors were DSTKF, THYAO, SAHOL, RALYH, and PASEU. Over the past week, the stocks attracting the most consistent fund inflows have been KRDM, TCKRC, CWENE, TOASO, MAGEN, and AKGRT. From a technical perspective, the 13,800–14,000 range remains the key resistance zone, while 13,600–13,650 and 13,000–13,200 stand out as major support areas. On today's economic calendar, inflation data from Europe and the U.S. Job Openings report (JOLTS) will be closely monitored. Finally, Turkey's 5-year CDS premium starts the day at 241 basis points.

Macro and Politics

*** The Turkish economy expanded by 0.1% q/q and 2.5% y/y in 1Q26.** Both our forecast and the market median had pointed to annual growth of 2.7%. While the services sector remained the primary driver of growth, the sequential slowdown in both private consumption and investment spending signaled a loss of momentum in economic activity. On the expenditure side, household consumption increased by a modest 0.1% q/q, while posting annual growth of 4.8%. We reckon that the relatively strong annual reading was largely supported by favorable base effects stemming from the weak outturn recorded in the same period of last year, whereas sequential data point to a marked moderation in domestic demand. Besides, government expenditure expanded by 3.3% q/q and 2.1% y/y in the first quarter. Moreover, gross fixed capital formation, meanwhile, contracted BY 2.2% q/q, indicating a notable weakening in investment activity. Exports of goods and services declined by 7.5% q/q in 1Q26, while imports contracted by 3.9%. On an annual basis, exports and imports fell by 12.7% and 2.0%, respectively, with net exports subtracting 2.5 percentage points from annual GDP growth. In contribution terms, household consumption added 3.4 percentage points to annual growth in 1Q26, while government spending and investment contributed 0.2 percentage points and 0.8 percentage points, respectively. Net exports reduced growth by 2.5 percentage points, while inventory accumulation contributed 0.5 percentage points. We maintain our 2026 growth forecast at 3.2%, although we continue to see risks skewed to the downside. Rising energy costs and heightened uncertainty following the US – Iran conflict are weighing on both production and demand conditions, while high-frequency indicators suggest that growth is likely to remain below the 3% threshold in the second quarter as well.

*** The Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI rose from 45.7 in April to 49.8 in May, reaching its highest level since March 2024.** Although the index remained below the neutral 50 threshold for a 26th consecutive month, its sharp improvement and close approach to expansion territory suggest that the deterioration in manufacturing sector conditions eased markedly during the month. According to the survey commentary, part of the increase in purchasing activity reflected firms' efforts to build precautionary inventories in response to rising costs and supply disruptions associated with the conflict in the Middle East. The report also highlighted that input cost pressures remained

elevated and supplier delivery times continued to lengthen. We therefore believe that part of the improvement observed in the headline PMI may have been driven by precautionary stock-building rather than a broad-based strengthening in underlying demand conditions, warranting a cautious assessment regarding the sustainability of the recent recovery. The ICI Turkey Sectoral PMI survey for May showed that, among the ten sectors monitored, only the clothing and leather products sector recorded growth in both output and new orders. While new orders in the food products sector showed signs of improvement, output continued to contract. The textile sector registered the sharpest declines in both production and new orders. Export demand remained broadly weak, with only the clothing and leather products sector and the chemicals, plastics and rubber sector reporting an increase in new export orders. Meanwhile, persistently elevated cost pressures, lengthening supplier delivery times across all sectors except machinery and metal products, and increasingly visible supply-chain disruptions in the chemicals, plastics and rubber sector suggest that underlying conditions across the manufacturing sector remain fragile.

Sector and Company News

- **AKSEN** completed its 264 MW natural gas power plant in Kazakhstan and started operations.
- **BAHKM** increased the investment amount under its investment incentive certificate from TL249.3mn to TL307mn.
- **CVKMD** announced that its subsidiary Aldridge Mineral Madencilik signed a USD 1.2 million engineering and design services contract for the Yenipazar Gold Project in Yozgat. Following the completion of the engineering work, the project is expected to advance to the next phase of the investment process.
- **DCTTR** announced that its controlling shareholder applied to the CMB for the sale of 39mn shares, corresponding to 10% of the company's capital.
- **DOHOL** announced that through its directly owned subsidiary Öncü GSYO, it has decided to participate with approximately TL1.4bn in Karel Elektronik's private placement capital increase, which has a total sale amount of TL2.25bn. The company also stated that it will not provide any additional commitment to purchase the remaining balance should the total sale amount of TL2.25bn not be reached.
- **EBEBK** announced that during May it opened a total of 3 new stores, 1 in Antalya and 2 in İzmir, bringing its domestic store count to 309 as of 31 May 2026, comprising 282 standard and 27 mini-concept stores. The company added that, as of the same date, it operates 3 stores in the United Kingdom and 1 in Northern Iraq.
- **FORTE** signed a contract worth EUR6.8mn.
- **HEDEF** announced that the rights exercise date for its 53.9% bonus capital increase was set as June 3.

- **ISFIN** announced that Fitch Ratings affirmed its BB- long-term foreign and local currency ratings and AA-(tur) national long-term rating, while maintaining a stable outlook on all ratings.
- **KAREL** announced that 80-100% of the proceeds from the planned capital increase will be used to reduce principal and interest obligations on financial debt, while the remaining portion may be allocated to high-return investments and capital increase-related expenses.
- **KTLEV** generated TL31.8bn in new contract volume in May 2026.
- **LMKDC** will distribute a gross dividend of TL2.00 per share today, implying a dividend yield of 5.8% based on the latest closing price.
- **MIATK** sold 500k repurchased shares at an average price of TL53.94, reducing its stake in the capital to 0.51% following the transaction.
- **SAHOL** announced that its renewable energy company Sabancı Renewables has signed a project finance loan agreement totaling USD382mn with international financial institutions for its projects in Texas, USA. The company stated that the facilities are planned to be commissioned in the third quarter of 2027.
- **TCELL** stated in its filing to the SEC that no risks or findings were identified regarding the use of conflict minerals.
- **TEHOL** announced that Tera Portföy funds purchased a net 70.8mn TEHOL shares. Following the transaction, the funds' total stake in the company increased from 13.50% to 17.05%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AHGAZ		AHGAZ	Buyback	320.000	32.78	2.68%
LIDER		LIDER	Buyback	163.720	18.80	2.42%

Important Disclosures

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