

Daily View

Good morning. We are currently in a period where geopolitical tensions have partially eased and oil prices continue to trend lower. However, global risk appetite has yet to show a meaningful recovery. One reason is the ongoing uncertainty surrounding U.S.–Iran negotiations, while another is the anticipated IPO of SpaceX, expected to be the largest public offering in global market history with a size of approximately \$70–80 billion. Ahead of the offering, investors appear to be unwinding positions to raise cash. In Borsa Istanbul, the market quickly climbed to 14,200 at the opening yesterday but subsequently retreated nearly 4% to the 13,600–13,660 support zone. Although the index recovered about 1.5% from intraday lows by the close, it still ended the day down 0.7% at 13,872 compared to the previous session. In summary, elevated intraday volatility remains in place. Yesterday's top positive contributors to the index were KTLEV, AKBNK, DSTKF, YKBNK, and ISCTR, while ASELS, ASTOR, BIMAS, TUPRS, and MAGEN weighed most heavily on performance. Over the past week, notable inflows have been observed in EREGL, YKBNK, TTKOM, THYAO, and BRSAN. Today's agenda includes May inflation data in Türkiye, growth figures in Europe, and employment data in the United States. Following the relatively high inflation readings recorded in January, February, and April this year, a more moderate inflation rate of around 1.5% is expected for May. Should the data come in close to expectations, market expectations for a CBRT rate cut may strengthen, potentially beginning in July if not this month, which would be supportive for Borsa Istanbul. Finally, Türkiye's 5-year CDS premiums start the day at 239 basis points.

Macro and Politics

*** TURKSTAT will release May inflation figures today @ 10:00 local time.** We expect monthly CPI inflation to ease to 1.4% in May, while noting that the balance of risks around our forecast remains skewed to the downside. The median market expectation stands at 1.6% m/m, higher than our house forecast. A realization in line with our estimate would see annual CPI inflation edge down from 32.4% to 32.2%. Following the significantly higher-than-expected CPI print in April, we anticipate a significant moderation in monthly inflation dynamics in May. We believe the loss of momentum in food prices throughout the month will be a key driver of the expected slowdown in monthly inflation. Our year-end CPI forecast remains at 28%.

*** The Treasury and Finance Ministry will release May cash budget figures @ 17:30 local time.** The Treasury cash balance posted a deficit of TL251.2bn in April, while the primary balance registered a deficit of TL3.2bn. Meanwhile, the central government budget recorded a deficit of TL338.7bn during the month, with the primary balance posting a deficit of TL81.1bn. As a result, the cumulative central government budget deficit reached TL758.8bn in the first four months of the year, while the 12-month rolling budget deficit widened to TL1.7tn. The deterioration in the budget balance in April was primarily driven by a decline in SCT revenues under the fuel price stabilization mechanism and the fading impact of tax collections that had been pulled forward into March due to changes in VAT filing deadlines. We expect the budget deficit to widen further in May. The reintroduction of the fourth provisional corporate tax payment last year resulted in corporate tax collections being recorded in May, whereas the corresponding revenues were shifted to February this year. This creates an adverse base effect for corporate tax revenues and is likely to result in a palpable year-on-year decline in corporate tax collections in May, exerting additional pressure on the budget balance. Our year-end budget deficit forecast stands at TL3.3tn, corresponding to 4.0% of GDP.

* Foreign investors were net sellers of USD91.1mn in the equity market during the shortened May 22 – 26 period, while the bond market (excluding repo transactions) saw a net foreign outflow of USD134.5mn. Meanwhile, foreigners' share in the total government bond stock remained unchanged at 5.6% over the same period. During the same period, residents' FX deposits (excluding gold, EUR/USD parity effect adjusted) increased by USD1.2bn, while their total FX deposits (including gold, price-adjusted) rose by USD1.5bn in the week of May 22 – 26. According to the CBT's official reserve data, gross FX reserves fell by USD950mn to USD159.2bn during the week of May 22 – 26, while net FX reserves declined by USD1.2bn to USD45.7bn. Over the same period, the swap stock increased by USD932mn to USD19.2bn, while the net reserves excluding swaps retreated by USD2.1bn to USD26.5bn.

Sector and Company News

- Under the VBTS framework, short selling and margin trading bans will be imposed on **PRZMA** shares between June 5 and July 3.
- **AKSGY** became a 50% partner in a project of around 155 residential units to be developed through its subsidiary.
- **ANELE** announced that negotiations with financial institutions regarding the restructuring of its financial debt are ongoing. ANELE also announced that Pusula Portföy funds purchased 8.8mn ANELE shares, increasing their total stake in the company from 5.3% to 8.6%.
- **BLCYT** applied to the CMB to increase its issued capital by 900% through a bonus issue to TL1bn.
- **ERBOS, DOGUB, GUBRF, GOLTS, DOKTA, IHEVA** announced that right holders may apply to the Investor Compensation Center with the required documents until September 6, 2026 at the latest for shares transferred to the ICC due to non-dematerialization.
- **FORTE** signed a contract worth USD622k.
- **GLCVY** won the tender held by İşbank for an NPL portfolio with a principal amount of TL828mn.
- **GSDHO** announced that Marmara Capital funds increased their stake in the company from 9.8% to 10.4% following the purchase of 5.8mn shares.
- **HEDEF** announced that Pusula Portföy funds purchased a net 1mn HEDEF shares, increasing their total stake in the company from 6.1% to 9.4%.
- **KRVGD** announced that its subsidiary Kervan USA expects to collect around USD3.8mn under the refund of customs duties paid in the US. Around USD280k of this amount has been collected, while the remaining amount is expected to be collected by the end of 3Q26.

- **RGYAS** signed an agreement for the transfer of the remaining 50% stake in Istanbul Optimum Premium Outlet Mall, aiming to fully own the asset.
- **THYAO** announced that it received Spain’s foreign direct investment approval for its EUR300mn investment in Air Europa. The transaction is expected to be completed in 2026, with THYAO expected to hold a 25–27% stake in Air Europa.
- **TMPOL** announced that Tera Portföy funds reduced their stake in the company from 11.3% to 8.7% following net sales of 372k shares.
- **TRALT** announced that, under the regulation published in the Official Gazette, the corporate tax rate applied to earnings generated from production activities by companies holding an industrial registry certificate was reduced from 25% to 12.5% starting from 2027. TRALT expects the regulation to have a positive impact on its effective tax burden and net profitability.
- **TURSG** announced its gross premium production data for May. Accordingly, May premium production reached TL13bn, increasing by 31% YoY and 4% MoM.
- **VKGYO** announced that it acquired a building and land plot in Istanbul Mecidiyeköy from a related party for TL1.7bn.
- **YKBNK** signed a syndicated loan agreement amounting to around USD1.1bn.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AHGAZ		AHGAZ	Buyback	105.000	31.74	2.71%
ENERY		ENERY	Buyback	150.000	8.80	3.92%
BOBET		BOBET	Buyback	250.000	18.76	2.49%

Important Disclosures

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