

Daily View

Günaydın. Metninizin profesyonel finans jargonuna uygun, akıcı İngilizce çevirisi şu şekildedir: Good morning. A memorandum of understanding has been signed between the US and Iran. Technical talks are expected to begin this week, followed by the official signing ceremony on Friday, leading into an anticipated negotiation process of nearly two months. Clearing the Strait of Hormuz of mines and fully restoring ship transits will likely take some time. Active Brent crude oil prices, which retreated to as low as \$82 yesterday, are still hovering around the \$82 level this morning. As the easing of oil prices lost momentum, equity markets are also displaying a flat outlook. US and European futures are flat, while Asian markets are mixed but generally in good spirits. Driven by high capital inflows and foreign buying yesterday, Borsa Istanbul tested our target zone of 14,450 / 14,650 and closed at the 14,446 level, up 3.6%. The top five companies contributing most positively to the index were DSTKF, THYAO, BIMAS, AKBNK, and ASTOR, while TUPRS, PASEU, KUYAS, ENERY, and TKFEN had a negative impact. Companies drawing attention with steady capital inflows over the past week include AKBNK, SAHOL, MGROS, THYAO, TCELL, FROTO, SISE, YKBNK, EKGYO, and SASA. Today, in parallel with the loss of momentum abroad, we expect a slowdown in BIST as well. In the event of a potential profit-taking, the 14,250 support level should be monitored; below this level, the gap formed yesterday poses a risk, making the 13,900 / 14,000 zone the next support area. Above 14,650, the resistance levels at 14,900 and 15,200 should be watched. On today's agenda, domestic retail sales and house prices will be monitored, while housing sector data and activity indices will be followed in the US. Lastly, Turkey's 5-year CDS premiums are starting the day at 219 basis points.

Macro and Politics

*** The Treasury will hold 5y fixed-coupon bond auction as well the direct sale of 1y TLREFK-indexed lease certificate today and finalize its June domestic borrowing program.** The Treasury tapped the domestic markets to the tune of TL104.1bn, including non-competitive sales amounting to TL74.8bn, via yesterday's 8m zero-coupon and 2y fixed-coupon bond auctions, while demand conditions remained strong. In the 8m zero-coupon auction, the bid-to-cover ratio came in at a solid 3.38x, while the average compounded yield stood at 42.33%. Similarly, the 2y fixed-coupon bond auction also pointed to robust investor demand, with the bid-to-cover ratio realized at 3.21x and the average compounded yield coming in at 41.93%. Following yesterday's auctions, the Treasury's total domestic borrowing since the beginning of the month has reached TL397.3bn. According to the Treasury and Finance Ministry's three-month domestic borrowing strategy for the June–August 2026 period, domestic redemptions amounting to TL555bn in June are planned to be met with total domestic borrowing of TL543.8bn, implying a rollover ratio of 98%. Having already raised TL397.3bn since the beginning of the month, the Treasury could borrow approximately TL147bn through today's auction and direct sale.

*** The CBT will release the Residential Property Price Index (RPPI) for May @ 10:00 local time.** The Residential Property Price Index (RPPI) increased by 1.8% m/m and 26.6% y/y in April, reaching 223.4, while declining by 4.3% y/y in real terms. Recall that the real annual change in the RPPI had turned positive at 0.2% in November for the first time since January 2024, before reverting back into negative territory as of December. In this respect, the April reading suggests that residential property prices continue to lose value against inflation. Meanwhile, the New Tenant Rent Index (NTRI) rose by 1.7% m/m and 31.7% y/y to 309.4 in April, while posting a real annual decline of 0.5%. Accordingly, the NTRI contracted in real terms on an annual basis for the first time since January 2020. This configuration points to weak real returns in the housing market despite the ongoing increase in nominal prices. In particular, the continued tight monetary stance, ongoing constraints on credit access, and elevated financing costs continue to weigh on housing demand, while the still-high inflation environment keeps

nominal prices on an upward trajectory. On the rental side, the NTRI posting a real annual contraction for the first time in an extended period suggests that the upward momentum in rent inflation has started to moderate on a relative basis.

*** The central government budget posted a deficit of TL298.2bn in May, while the primary balance recorded a deficit of TL169.3bn.** As a result, the cumulative budget deficit widened to TL1.1tn in the Jan – May period, while the 12-month rolling budget deficit increased from TL1.7tn to TL2.2tn. The elevated budget deficit in May was primarily driven by a sharp decline in income tax withholding revenues as well as the adverse base effect on corporate tax collections stemming from the reintroduction of the fourth provisional tax payment last year. Meanwhile, revenue losses related to the échelle mobile mechanism became more pronounced in April and May, although the recent correction in oil prices could allow for a partial recovery in these revenue losses going forward. Our previous calculations suggested that, under a scenario where the full tax adjustment capacity is utilized, the daily fiscal cost of the mechanism could reach nearly TL1.4bn, including the VAT effect. However, Brent crude prices have recently retreated toward levels seen in early March, indicating that a significant portion of the SCT reductions previously implemented under the échelle mobile mechanism could be reversed. In this context, we expect the pressure on fuel-related SCT revenues to begin easing from June onward, which could partially mitigate downside risks to the fiscal outlook. Our 2026 budget deficit forecast currently stands at TL2.8tn, corresponding to 3.4% of GDP.

*** The sequential (seasonally and calendar-adjusted monthly figure) industrial production (IP) increased by 3.7% m/m in April, while calendar-adjusted annual IP rose by 6.0% y/y.** The improvement was driven mainly by stronger manufacturing output, while mining and quarrying (up 0.8% m/m, down 2.8% y/y) and electricity, gas, steam and air conditioning supply (down 2.8% m/m, up 1.8% y/y) posted relatively weak performances. This suggests that April's strong headline figure reflected sharp gains in selected sectors rather than a broad-based recovery across industrial activity. Across main industrial groupings, capital goods, which rose by 12.3% m/m and 19.3% y/y, was the main driver of the increase, while the 5.1% annual rise in intermediate goods production pointed to continued momentum across the production chain. Meanwhile, energy contracted by 3.1% m/m, with annual growth slowing to 1.0%. Manufacture of other transport equipment, which we monitor closely given its inclusion of defense industry products, surged by 83.8% m/m and 92.2% y/y in April, while high-technology, another volatile component, increased by 3.4% m/m and 36.8% y/y. Looking at leading indicators, the ISO Türkiye Manufacturing PMI rose from 45.7 to 49.8 in May, reaching its highest level since March 2024. However, the PMI report noted that part of the increase in purchasing activity reflected precautionary inventory accumulation against rising costs and supply disruptions linked to the conflict in the Middle East. We therefore believe that part of the improvement in PMI may have been driven by temporary stock-building, warranting caution regarding the sustainability of the recent recovery. We maintain our 2026 growth forecast at 3.2%.

Sector and Company News

- Under the VBTS framework, short selling and margin trading bans will be imposed on **AVHOL** and **TERA** shares between June 16 and July 14.
- **ADGYO** announced that the TL1bn mortgage on its land plot in İzmir was released after the related loans were fully repaid.
- **AKSA** announced that Emniyet Ticaret purchased 8.1mn AKSA shares. Following the transaction, its stake in the company reached 25.40%.

- **AKSEN** announced that Türkiye's first standalone electricity storage facility, with 50 MW installed capacity and 62 MWh storage capacity, started commercial operations in Sanlıurfa.
- **ALGYO** decided to increase its current paid-in capital of TL2bn by 200% through a rights issue to TL6.1bn.
- **ANELE** resumed trading as of 13:00 yesterday, following the publication of the material event disclosure requested from the company on KAP.
- **ARDYZ** announced that it signed a Memorandum of Understanding (MoU) with Pakistan-based CMC, covering cooperation in e-Government, digital transformation, artificial intelligence, cybersecurity, and defense industry software.
- **ASTOR** announced that the previously disclosed transfer of 199.6mn shares, corresponding to 20% of the company's capital, from Feridun Geçgel to Enver Geçgel is an intra-family share transfer and will not cause any change in the free float ratio, management control, liquidity structure or company targets. ASTOR also stated that the lock-up commitments regarding the shares remain valid.
- **CVKMD** announced that it started talks with a strategic partner to accelerate investments in the mining fields of its subsidiary Orta Truva Madencilik, and that the investor made an advance payment of USD6.5mn.
- **DESA** announced that it closed its store at the Aqua Florya Shopping Mall (Bakırköy / İstanbul) on June 14, by a decision of its Board of Directors.
- **DSTKF** announced that Tera Yatırım cancelled the previously disclosed wholesale sale of 2.75mn DSTKF shares, corresponding to 0.83% of the company's capital, to Tera Yatırım Bankası in order to prevent a potential credit risk limit breach on the buyer side.
- **EUPWR** received an order worth around USD1mn.
- **GLYHO** signed a construction agreement in return for land share for 48 units within the scope of its residential project in Denizli.
- **PASEU** announced that the joint venture in which it holds a 55% stake submitted the second-highest bid in the tender for the 45-year operating rights of Tekirdag Cesmeli Port.
- **THYAO** decided to launch scheduled flights to Lima, the capital of Peru.
- **TRGYO** announced that it sold its land plots in Başakşehir with a total size of 45.6k sqm for TL1.2bn and generated around TL1.0bn gain from the sale.

- **YIGIT** decided to distribute a gross dividend of around TL0.22 per share from its 2025 earnings, implying a dividend yield of 0.9% based on the latest closing price.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
MAGEN		MAGEN	Buyback	1.000.000	33.90	0.07%
LIDER		LIDER	Buyback	26.852	103.90	1.33%
AHGAZ		AHGAZ	Buyback	70.000	33.14	2.75%
ENERY		ENERY	Buyback	500.000	9.38	3.93%
LOGO		LOGO	Buyback	69.000	143.20	1.80%

Important Disclosures

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