

Daily View

Good morning. As expected, the Fed left interest rates unchanged within the 3.50%–3.75% range. However, both the policy statement and Fed Chair Kevin Warsh's remarks were significantly more hawkish than anticipated. While the Fed revised its inflation projections upward, growth forecasts were adjusted slightly lower. The updated rate projections from Fed members also revealed notable upward revisions. Although a rate hike is not yet the consensus expectation among policymakers, the projected policy rate path is approximately 50 basis points higher compared to previous meetings. In addition, the Fed appears set to provide more limited forward guidance going forward, which is likely to reduce the level of support markets receive in terms of policy direction. In summary, the Fed's message is negative for markets. However, the signing of the U.S.–Iran agreement, even in electronic form, is providing support to risk assets, while the decline in oil prices continues. U.S. equity futures are trading higher, European futures are slightly lower, and Asian markets are broadly positive. The BIST 100 Index declined by 0.5% yesterday to close at 14,421 points. The five stocks making the strongest positive contribution to the index were DSTKF, KTLEV, AKBNK, YKBNK, and TUPRS, while ASTOR, THYAO, EREGL, TCELL, and KCHOL weighed most heavily on performance. Over the past week, stocks attracting consistent capital inflows have included THYAO, SASA, EREGL, AKBNK, EKGYO, YKBNK, TRHOL, EFOR, and TRALT. From a technical perspective, the 14,600–14,650 range may be monitored as the first resistance zone, while the 14,250–14,400 area stands out as the initial support region. On today's calendar, investors will focus on the CBRT's reserve data and weekly foreign investor flow statistics. Economic data releases in Europe and the U.S. are relatively limited. Finally, Türkiye's 5-year CDS premium starts the day at 219 basis points.

Macro and Politics

***TURKSTAT will release May housing sales figures @ 10:00 local time.** Total housing sales increased by 11.9% m/m in April, reaching 126,808 units, while annual growth came in at 2.8%. First-hand sales rose by 9.6% y/y to 40,306 units, whereas second-hand transactions remained broadly flat, declining marginally by 0.3% y/y. Mortgage-backed housing sales increased by 40.5% y/y to 25,771 units, while remaining largely unchanged compared to March. Accordingly, the share of mortgaged sales in total transactions declined from 22.9% in March to 20.3%. The increase in market interest rates following the change in the Central Bank of the Republic of Türkiye's funding composition at the end of March appears to have been reflected in housing loan rates as well. Indeed, the average mortgage rate rose to 36.6% in April from 34.7% in March. Despite this increase, mortgage rates continuing to remain below the roughly 39.5% levels recorded in the same period last year has continued to support the strong annual performance in mortgage-backed sales. Nevertheless, we assess that the recent uptick in interest rates may lead to more visible pressure on credit-driven housing demand in the period ahead.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the June 5 – 12 period at 14:30 local time today.** Based on our calculations derived from the CBT's analytical balance sheet, we estimate that during the June 5 – 12 period, gross FX reserves fell by US\$7.5bn to US\$152bn, while net FX reserves declined by close to US\$1.9bn to US\$44.9bn. We expect today's official data to indicate a reserve decline broadly in line with our estimates. Foreign investors were net sellers of USD856.9mn in the equity market during the May 26 – June 5 period, marking the largest weekly foreign equity outflow on record. The bond market, excluding repo transactions, also registered a net foreign outflow of USD279.6mn, while foreigners' share in the total bond stock edged down from 5.6% to 5.5%. During the same period, residents' FX deposits (excluding gold and adjusted for EUR/USD parity effects) declined by USD1.3bn, while their total FX deposits, including gold and adjusted for price effects, fell by USD1.7bn during the May 26 – June 5 period. In terms of official reserves, the CBT's gross FX reserves increased modestly by USD193mn to USD159.5bn

during the May 26 – June 5 period, while net FX reserves rose by USD1.0bn to USD46.8bn. Over the same period, the swap stock declined by USD1.8bn to USD17.4bn, while net reserves excluding swaps improved by USD2.8bn to USD29.4bn.

Sector and Company News

- **KONTR** will be removed from the indices it is included in, such as BIST 50, BIST 100 and BIST 500, as it will start trading on the Watchlist Market as of June 18. Accordingly, **AKSEN** will be included in BIST 50, **BERA** in BIST 100 and **PKART** in BIST 500.
- **AHGZ** announced that the EMRA application of its indirect subsidiary for the expansion of its license scope to distribute natural gas in Halkapınar district and certain neighborhoods of Ereğli district in Konya was approved.
- **ALKLC** applied to the CMB to increase its issued capital by 1,100% through a bonus issue, from TL112mn to TL1.3bn.
- **BASGZ** will distribute a gross dividend of TL2.00 per share today, implying a dividend yield of 4.0% based on yesterday's closing price.
- **BINHO** announced that its subsidiary will transfer its 5.15 MW SPP investment to another group company. BINHO also stated that talks have started with potential buyers for the sale of Meta Mobilite's 7.18 MWp SPP project in Antalya.
- **BJKAS** announced that it completed all obligations under the settlement agreement signed with UEFA, and that financial, operational and sporting restrictions have ended.
- **CWENE** announced that it completed the bankability assessment report prepared by an international institution for its TOPCon solar panel modules.
- **DCTTR** signed a contract for Turkish cotton exports worth USD1.4mn.
- **DURDO** decided to make a new machinery investment worth EUR4.1mn to increase its offset printing capacity.
- **EFOR** decided to start AdBlue production through its subsidiary. The investment aims to reach an annual production capacity of 20mn liters.
- **EMPAE** will distribute a gross dividend of TL0.10 per share today, implying a dividend yield of 0.1% based on yesterday's closing price.
- **ENTRA** announced that all remaining 488.7k shares after the exercise of pre-emptive rights under its 100% bonus and 19% rights issue were sold in the Primary Market.

- **ERGLI** announced that the pledge on 500k pledged TMSN shares was released.
- **ESCOM** announced that an individual shareholder sold 14.1mn ESCOM shares at a price range of TL5.50–6.30. Following the transaction, the shareholder’s stake declined from 3.58% to 1.58%.
- **EUPWR** announced that its shareholders set the sale price at TL79.25 per share for the accelerated bookbuilding sale of 52.8mn shares, corresponding to around 8% of the company’s capital, to institutional investors. The transaction is expected to generate around TL4.2bn gross proceeds, while the free float ratio is expected to increase from around 30.2% to 38.2%.
- **GEREL** signed a contract worth AED10.7mn.
- **GLYHO** announced that the number of cruise calls at its ports increased by 2% YoY in May, while passenger movements rose by 4% YoY. The cruise occupancy rate stood at 107% in April.
- **HALKB** announced that the criminal case heard before the US District Court for the Southern District of New York was dismissed by the court, meaning that the long-running criminal case in the US has been finally and definitively closed.
- **ISCTR** announced that it received BRSA approval to switch to the Internal Ratings-Based Approach in capital adequacy calculations starting from July 2026, and stated that the implementation is expected to contribute positively to capital adequacy ratios.
- **ISGSY** announced that its subsidiary Tatilbudur decided to distribute a total cash dividend of TL235mn at its general assembly.
- **KCAER** decided to establish a new company, in which it will hold a 99% stake, to operate in the artificial intelligence segment.
- **KRVGD** will distribute a gross dividend of around TL0.04 per share today, implying a dividend yield of 1.2% based on yesterday’s closing price.
- **MAGEN** announced that its Chairman purchased 1.5mn MAGEN shares at TL33.90 per share. Following the transaction, his stake in the company increased from 0.14% to 0.19%. MAGEN also announced that it repurchased 1.1mn shares under its share buyback program.
- **MARBL** signed a contract worth USD310.8k.
- **MARKA** announced that its subsidiary signed a confidentiality and goodwill agreement with a venture company operating in the specialty industrial chemicals segment to evaluate potential investment, partnership or strategic cooperation opportunities.

- **NETAS** announced that it received an order worth USD9mn from a leading telecom operator.
- **PCILT** signed an agreement through its subsidiary to provide online media planning services for US Polo Assn., Pierre Cardin and Cacharel brands.
- **SISE** announced that it completed and commissioned its coated glass line investment in Mersin Tarsus, which has a capacity of 7 million m²/year. With the investment, Şişecam's installed coated glass capacity in Türkiye rose to 21 million m²/year, while its global capacity increased by 17% to 48.1 million m²/year.
- **SMRTG** announced that its subsidiary signed a USD13.4mn contract with a domestic customer.
- **SVGYO** announced that Tera Portföy funds increased their total stake in the company from 4.93% to 5.41% following the purchase of 5.2mn shares.
- **TRALT** announced that the rejection decision in the lawsuit filed for the annulment of the EIA decision regarding the Çukuralan Gold Mine Crushing-Screening Plant Project was appealed.
- **TSPOR** announced that it completed all obligations under the restructuring agreement signed with UEFA, and that potential sanctions have been removed.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GLYHO		GLYHO	Buyback	33.729	17.00	1.73%
MAGEN		MAGEN	Buyback	1.101.953	33.54	0.14%

Important Disclosures

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