

## Daily View

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Good morning. Global risk appetite is subdued this morning. The main driver behind current market pricing is the news flow in the U.S. media suggesting that Israel may be preparing for a potential strike against Iran. Moody's recent downgrade and the growing emphasis by Federal Reserve officials on increasing uncertainty regarding the economic outlook continue to weigh on U.S. indices. On the other hand, European markets are showing a notable positive divergence on a global scale, with gains of up to 1%. In Asia, China's decision to cut interest rates stands out as a risk-supportive development, while the slowdown in Japan's export growth is exerting pressure on the Tokyo Stock Exchange. Domestically, the approximately TRY 3 billion net capital outflow recorded yesterday weakened the technical momentum. The high interest rate environment, uncertainties surrounding corporate earnings ahead of the summer season, and ongoing political risks continue to exert pressure on the market. The BIST 100 index closed the day at its intraday low, with the 9,500-point level maintaining its significance as a key support. Should intraday pressure persist, the 9,450 – 9,350-point support range could be monitored, while potential upward reactions may target the 9,555/9,770 resistance levels. Downward revisions in 12-month average target levels for the BIST 100 index are slowing, with the average analyst forecast hovering around 13,800 points. Both domestic and international economic calendars are relatively light today. Turkey's 5-year CDS premium starts the day at 294 basis points.

## Macro and Politics

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**\* The Residential Property Price Index (RPPI) rose by 1.4% m/m and 32.9% y/y in April, reaching a level of 176.4.**

Yet, in real terms, the index posted an annual decline of 3.6%. Although the annual real depreciation in housing prices has persisted since February 2024, the pace of this depreciation has been moderating since October. Notably, the 3.6% year-on-year decline recorded in April marks the smallest real loss in value observed since February 2024. The y/y increase in mortgaged home sales appears to have been driven by expectations of further price appreciation, despite mortgage rates remaining elevated at around 40%. These expectations are likely supported by the recent stabilization in real house price depreciation, following an extended period of real term weakening. This trend in both mortgage-backed sales and house prices continued in April as well.

**\* The short-term external debt stock in March materialized at USD172.7bn, down by a mere 0.2% m/m.** In terms of short-term debt statistics, we believe that "debt stock on a remaining maturity basis," calculated based on the external debt maturing within 1 year or less regarding the original maturity, is rather critical, which is at USD224.8bn as of March 2025. Of this total, USD18.6bn is attributed to loans taken by resident banks and private sector affiliates from their branches and affiliates abroad. Stripping this amount from the total results in USD206.2bn. We also add 12-month forward-looking CAD expectations on this amount so as to reach Turkey's annual external financing need (EFN). Accordingly, we calculate EFN as of March 2025 around USD232bn.

**\* The consumer confidence index ameliorated by 1.1% to 84.8 level in May.** Please recall that the index slumped by 2.3% to 83.9 level in April, mainly on the back rising idiosyncratic concerns. As of May, a renewed upward trend is evident, accompanied by a notable improvement in consumer sentiment. It is important to underscore that the consumer confidence index—which ranges from 0 to 200—signals pessimism when it falls below 100, and optimism when it exceeds that threshold. As per the sub-categories of the May data: The index related to the financial situation of households at present remained unchanged at 69.1, while the financial situation expectation of household over the next 12-month

increased by 1.2% to 85.3 level. Moreover, the general economic situation expectation index over the next 12-month period edged down by 0.7% to 82.2, while the sub-index related to the assessment on spending money on durable goods over the next 12 months compared to the past 12-month period, which is an important leading indicator in terms of domestic demand, climbed by 3.3% to 102.5. The May data suggest that the deterioration in expectations regarding the general economic outlook over the next 12 months may have contributed to an increased propensity to consume, potentially playing a role in the rise observed in the index measuring intentions to spend on durable goods.

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
FRIGO		FRIGO	Buyback	50.000	6.97	3.17%
LKMNH		LKMNH	Buyback	52.000	16.60	1.73%
INVES		INVES	Buyback	8.469	219,25	0.70%
MACKO		MACKO	Buyback	50.000	42.61	1.05%
BOBET		BOBET	Buyback	200.000	28.00	0.43%
REEDR		REEDR	Buyback	40.000	12.17	0.07%
MHRGY		MHRGY	Buyback	400.000	4.93	0.62%
ATATP		ATATP	Buyback	118.500	84.38	0.40%
AHGAZ		AHGAZ	Buyback	115.000	25.77	1.21%
ENERY		ENERY	Buyback	750.000	5.01	2.08%

# Important Disclosures

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