

Daily View

Good morning. Global risk appetite is trending positively this morning. Following the U.S. International Trade Court's ruling that former President Trump's tariffs exceeded his legal authority and therefore cannot be enforced, U.S. equity markets, which had closed lower yesterday, are showing gains of nearly 2% in futures trading this morning. Buying interest is also evident in both Asian and European futures. On another front, Nvidia's eagerly anticipated Q1 earnings, released in the wake of the tariff developments, showed a net income of \$0.81 per share, slightly below expectations. However, revenues came in at \$44.1 billion, surpassing forecasts. While the stock was under pressure during the regular session, it rallied by nearly 5% in after-hours trading. Turning to domestic markets, downward pressure continued midweek due to significantly lower trading volumes and waning momentum. The BIST 100 index tested the 9,200-point support level for the first time since May 9. Nevertheless, we have not observed any meaningful capital outflows from the broader BIST index since the beginning of the week. Despite minor outflows in the morning, the market ended the day with a net inflow of approximately TRY 1 billion. As the BIST 100 index approaches the key support zone in the 9,000–9,100 range, we continue to monitor this level closely. Should additional negative headlines emerge, there is a risk of further pressure toward the lower band, i.e., below the 9,000-point mark. Conversely, if the index aligns with the global risk-on sentiment, we will be watching the 9,300–9,370 range as key intraday resistance levels. On today's agenda, Turkey will release its April foreign trade statistics along with weekly CBRT data. In the U.S., a heavy data flow is expected, including the second revision of Q1 GDP and consumer spending figures, weekly jobless claims, and pending home sales for April. Turkey's 5-year CDS premiums, which have been on an upward trend in recent days, are starting the day at 311 basis points.

Macro and Politics

***TURKSTAT will release April foreign trade figures 10:00 local time.** Preliminary data released by the Ministry of Trade indicate a significant widening in the foreign trade deficit in April. According to the preliminary figures, exports rose by 8.5% y/y to USD20.9bn, while imports increased by 12.9%, reaching USD33bn. As a result, the foreign trade deficit widened markedly to USD12bn from USD7.2bn to, reflecting a substantial 21.7% annual surge.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of May 16 – 23 @ 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that during the week of May 16–23, net international reserves increased by USD8.1bn to USD48.1bn, while gross FX reserves rose by USD7.4bn to USD153.2bn. Accordingly, we forecast that the cumulative increase over the past three weeks reached USD15.3bn in net international reserves and USD14.5bn in gross FX reserves. We anticipate that today's official reserve data will likely reflect a similar picture in line with our calculations. To recall the data from the previous week: During the period of May 9 – 16, the equity and the bond market (excluding repo transactions) experienced a net foreign inflow of USD245.2mn and USD1.9bn, respectively. Moreover, within the mentioned week, the residents' FX deposits rose by USD544mn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) increased by USD865mn during the week of May 9 – 16. Besides, the CBT's net international reserves increased by USD2.4bn to USD40bn, while gross FX reserves rose by USD1.3bn to USD145.8bn. Lastly, net reserves excluding swaps climbed by USD5.3bn to USD23.4bn.

***The Economic Confidence Index remained virtually unchanged in May, inching up by just 0.1 points from 96.6 to 96.7.** As per the sub-components of May data: The consumer confidence index rose by 1.1% on a monthly basis to 84.8, while the real sector confidence index declined by 2.2% to 98.6. Moreover, the services confidence index climbed 0.9% to 110.5, the retail trade confidence index increased by 0.6% to 111.2, and the construction confidence index recorded a notable gain of 3.9%, reaching 88.4.

Sector and Company News

- **KRDMD** signed a rail sales agreement worth EUR 11.8mn with a company based in Algeria.
- **ARCLK** completed its three-year share buyback program. Under the program, the company repurchased 68.9mn shares, corresponding to 10.19% of its capital, at an average price of TL 44.94 per share.
- **CGCAM** received an additional solar glass order worth TL 74.5mn from Smart Güneş (SMRTG), bringing the total order amount to TL 125mn.
- **FORMT** announced that it has taken legal action through the Kayseri Chief Public Prosecutor's Office and the Capital Markets Board (CMB) due to speculative claims and manipulative posts related to its share price.
- **TSKB** signed a USD 200mn loan agreement with the Asian Infrastructure Investment Bank (AIIB), guaranteed by the Turkish Ministry of Treasury and Finance, to finance private sector investments in sustainable energy and digital infrastructure.
- **OFSYM** signed a EUR 25mn loan agreement with the EBRD with a 6-year maturity to finance its new feed factory, licensed warehouse, and solar energy investments in Samsun.
- **HRKET** signed a USD 3.9mn heavy lifting and crane rental services agreement with L&T Oman for an offshore wind turbine project in Oman.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	58.000	15.64	1.94%
FRIGO		FRIGO	Buyback	50.000	6.71	3.37%
ENERY		ENERY	Buyback	750.000	4.87	2.16%
BOSSA		BOSSA	Buyback	250.000	6.03	2.81%
INVES		INVES	Buyback	12.000	219.13	0.72%
REEDR		REEDR	Buyback	100.000	11.45	0.15%
KOCMT		KOCMT	Buyback	200.000	14.30	0.28%
ALARK		ALARK	Buyback	600.000	82.71	5.14%
MACKO		MACKO	Buyback	50.000	40.34	1.20%
MHRGY		MHRGY	Buyback	523.585	4.86	0.72%
TEZOL		TEZOL	Buyback	80.000	16.98	0.07%

Important Disclosures

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