

Daily View

Good morning. News flow centered on the Middle East continues to shape market dynamics. Over the past 24 hours, markets have been tracking numerous headlines—each triggering reactions in different directions—including reports of U.S. vessels being hit (later denied), seven Iranian boats being sunk, ships transiting the Strait of Hormuz, and certain targets in the UAE and Kuwait allegedly struck by Iran. Oil prices are currently trading above their intraday averages from yesterday, yet remain below the levels seen during the evening hours. Global risk appetite presents a balanced outlook. U.S. futures are slightly positive, European futures are negative, and in Asia, most markets are closed while those open are showing a weak tone. On Borsa Istanbul, despite higher-than-expected inflation data, sentiment remained positive until midday yesterday; however, geopolitical developments led to a pullback in the second half of the session. The BIST 100 Index declined by 0.5% to close at 14,370 points. The top positive contributors to the index were ASELS, ASTOR, EREGL, RALYH, and CCOLA, while AKBNK, THYAO, BIMAS, YKBNK, and SISE weighed negatively on the index. Over the past week, stocks attracting consistent inflows included ASELS, ASTOR, EREGL, KCHOL, LMKDC, OBAMS, and ULKER. From a technical perspective, the 14,600–14,620 range stands out as the first resistance zone, while 14,200–14,250 serves as the initial support area. On today's agenda, domestic markets will monitor Treasury auctions and the real effective exchange rate. In the U.S., housing sector data and growth-related indicators will be released. Lastly, Turkey's 5-year CDS premiums start the day at 243 basis points.

Macro and Politics

***The Treasury and Finance Ministry will hold a 10-month zero-coupon and a 5-year fixed-coupon bond auctions today.** According to the domestic borrowing strategy for the three-month period covering May–July 2026, the Treasury plans to conduct TL381.7bn in domestic borrowing against TL347bn in redemptions in May, implying a rollover ratio of 110%. Following today's auctions, the issuance calendar indicates that the Treasury will hold auctions of 2-year fixed-coupon and 4-year CPI-linked bonds on May 11. On May 12, this will be followed by an auction of a 4-year TLREF-indexed bond, along with direct sales of a 2-year USD-denominated bond and a USD-denominated lease certificate of the same maturity. On May 18, the Treasury will conduct direct sales of a 1.5-year gold-denominated bond and a gold-denominated lease certificate, thereby completing its domestic borrowing program for May.

***The CBT will release April Real Effective Exchange Rate (REER) today @14:30 local time.** Considering the inflation realizations and the average Basket/TRY change for April, we expect the REER to increase to 106.85, implying a 2.1% real appreciation of the Turkish lira.

*** TURKSTAT will release April seasonally adjusted CPI aggregates today @16:00 local time.** Based on our calculations, we estimate that seasonally adjusted (SA) monthly CPI inflation came in around 3.5% in April.

*** The CBT will release the Monthly Price Developments report for April today @18:00 local time.** The report is a technical one and does not contain a policy message. Still, the assessment of trend core inflation will be monitored closely.

*** April CPI came in at 4.2% m/m, well above our house forecast and the market median of 3.3%, pushing annual inflation up to 32.4% from 30.9% - the highest level since October.** The upside surprise was mainly driven by rising energy costs and a sharp acceleration in food prices, while PPI increased by 3.2% m/m, bringing annual producer inflation to 28.6%. Food prices rose by 8.9% m/m, emerging as the main driver of the deviation from our forecast, while we estimate

that the 25% hike in electricity and natural gas tariffs added around 0.6pp to headline inflation. Housing recorded the second-highest monthly increase at 8.0%. A breakdown of food components shows that unprocessed food inflation accelerated to 4.2% m/m (from 3.2%), largely driven by fresh fruit and vegetable prices, while processed food inflation picked up to 3.3% (from 0.6%). Core goods prices increased by 4.2% m/m, while services inflation accelerated to 3.0% m/m, with the annual rate broadly stable at 40.3%. Core indicators also pointed to a loss of momentum in the disinflation process, with CPI-B and CPI-C rising to 3.4% and 3.5% m/m, respectively. We observe a notable moderation in food prices as of mid-April, which could feed into May data and help slow the pace of inflation. We maintain our year-end 2026 CPI forecast at 28%, while noting that risks remain skewed to the upside. We expect the CBT to revise both its 15%–21% forecast range and its 16% mid-point target upward in the May 14 Inflation Report.

*** The Istanbul Chamber of Industry (ICI) Türkiye Manufacturing PMI declined from 47.9 to 45.7 in April, marking its lowest level since October 2024.** With the index remaining below the 50 threshold, the ongoing slowdown in manufacturing activity extended into its 25th consecutive month. The accompanying note highlighted that the impact of the Middle East conflict became more pronounced, with rising input costs, supply disruptions, and weakening demand weighing on production and new orders, while intensifying price pressures and lengthening supplier delivery times. Firms continued to scale back employment, purchasing activity, and inventories, with input stocks falling at the fastest pace in six years. The sectoral breakdown showed that only the wearing apparel and leather products sector recorded an increase in both output and new orders, pointing to a broad-based weakening across manufacturing. Meanwhile, the Bloomberg HT Consumer Confidence Index rose by 4.7% m/m to 71.3 in April, with both expectations and consumption tendency indices posting notable gains. We have revised our 2026 year-end growth forecast down to 3.2% from 4.0% amid the adverse effects of the US–Iran conflict. The PMI outlook suggests that weakness in manufacturing is likely to persist into Q2, while elevated cost pressures and soft external demand continue to pose downside risks to growth. Although consumer confidence improved in April, the extent to which this will translate into stronger domestic demand remains uncertain, and we maintain that risks to the growth outlook are skewed to the downside.

Sector and Company News

- **CCOLA (Positive):** We view Coca-Cola İçecek's 1Q26 results as a positive quarter, with continued strength in volumes and margins on the operational side and net income standing significantly above expectations. The company reported TL 5.237 billion in net income in 1Q26, exceeding our estimate of TL 4.222 billion and the market median expectation of TL 4.159 billion by 24% and 26%, respectively. On the revenue side, sales came in at TL 52.369 billion, implying a limited positive deviation compared to our estimate of TL 51.482 billion and the market median of TL 51.625 billion. EBITDA was realized at TL 8.992 billion, 4% and 5% above our estimate of TL 8.597 billion and the market median of TL 8.650 billion, respectively. On the margin side, the EBITDA margin stood at 17.2%, indicating a 490 bps improvement year-over-year. Operationally, consolidated volume increased by 6.9% to 414 million unit cases, with the main contribution to growth continuing to come from international operations, which grew by 9.6%. In Türkiye, despite a high base, the resilient outlook was maintained with 1.4% growth. In addition to operational improvement, the decline in net financial expenses to TL -1,748 million and positive free cash flow of TL 462 million despite seasonality stood out among the factors supporting net income growth. **Accordingly, we plan to share our potential price revision for CCOLA following our model update.**
- **ENJSA** released its 1Q26 financial results with TL1,080mn net profit, 51% below market expectations. ENJSA had posted TL970mn net loss in the same period of last year and around TL3bn net profit in the previous quarter.

- ENJSA also reiterated its 2026 guidance, expecting operating earnings to be in the TL75–80bn range (2025: TL58.3bn), underlying net income to be in the TL11–13bn range (2025: TL9.5bn), capex to be in the TL30–35bn range (2025: TL23.5bn), and its regulated asset base to reach TL110–120bn (2025: TL83.6bn).
- **KAREL** announced its 1Q26 financial results with a net loss of TL 240 million. The company had posted a net loss of TL 460 million in the same period last year, while it recorded a net profit of TL 3 million in the previous quarter.
- **NTGAZ** released its 1Q26 financial results with TL558mn net profit. Net profit increased by 21% YoY and 47% QoQ.
- Under the VBTS framework, an order package measure will be imposed on **RODRG** shares and gross settlement will be applied to **BORLS** shares between May 5 and June 4, while existing measures will also remain in place.
- **AAGYO** decided to distribute a gross dividend of around TL0.43 per share from its 2025 earnings, implying a dividend yield of 2.3% based on the latest closing price.
- **BASGZ** decided to distribute a gross dividend of TL2.00 per share from its 2025 earnings. The proposed ex-dividend date is July 20, while the dividend yield stands at 4.1% based on the latest closing price.
- **BVSAN** announced that it signed a EUR 920k contract with an overseas company for the manufacturing and delivery of a double-girder gantry crane.
- **CEMZY** announced that its individual shareholders applied for the conversion of 8.6mn shares, corresponding to 0.4% of the company's capital, into tradable type.
- **EBEBEK** announced that its total store count in Turkey reached 306 as of April 30, 2026, consisting of 282 standard-format and 24 mini-format stores. During April, the company opened two new stores — one in Istanbul and one in Bartın — and closed one store in Ankara, resulting in a net addition of one store for the month. The company also stated that it operates a total of 4 stores abroad: 3 in the United Kingdom and 1 in Northern Iraq.
- **FORMT** announced that it reached an agreement to acquire 100% of Stella Bahçe Mobilya, which operates in the e-commerce segment, for TL150mn.
- **GENIL** signed a 5-year exclusive distribution agreement covering the sales, marketing and distribution activities of two Pfizer drugs in Türkiye.

- **GEREL** announced that it completed the establishment of its subsidiary in the Netherlands, in line with its previously announced strategy.
- **GUBRF** announced that it completed its value-added organic fertilizer project and plans to invest around USD5mn for the commercialization of the project.
- **ISKPL** announced that Atlas Portföy fund increased its stake in the company from 8.92% to 10.98% through the purchase of 30.9mn shares at TL21 per share.
- **KTLEV** announced that it generated TL31.4bn in contract volume in April 2026.
- **MERCN** announced that it applied to the CMB to increase its current paid-in capital of TL190mn by 200% through a bonus issue to TL571mn.
- **MERKO** will increase its current paid-in capital of TL115.1mn by 638.3% through a bonus issue to TL850mn today.
- **ORGE** announced that it received an additional order worth USD940k under the Bursa Emek-Şehir Hastanesi LRT project, bringing the total contract size to TL531.6mn.
- **PATEK** announced that it signed a framework agreement covering UAVs and defense systems with a friendly and allied country, under which it will carry out its first defense export.
- **TRCAS** announced that the planned maintenance works at Denizli Natural Gas Combined Cycle Power Plant, which had previously been disclosed, were completed.
- **TRGYO** announced that it sold its 45.6k sqm land plots in Istanbul Başakşehir for TL1.2bn and recorded around TL1.0bn sales gain.
- **VANGD** announced that it signed a service procurement agreement with the Türkiye Diyanet Foundation under the 2026 "Proxy-Based Qurbani Organization" program.

Share Transactions

| Acquirer | Seller | Company | Type (Buyback / From Market) | # of lots | Transaction Price (TL) | Share in Capital after transaction |
|----------|--------|---------|------------------------------|-----------|------------------------|------------------------------------|
| AHGAZ | | AHGAZ | Buyback | 227.291 | 26.99 | 2.57% |
| LIDER | | LIDER | Buyback | 25.000 | 112.20 | 1.33% |

Important Disclosures

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