

## Daily View

Good morning. Global markets are starting the day on a weak footing. U.S. and European futures are in negative territory, while Asian markets are mixed but generally display a risk-off tone. As for the drivers behind the selling pressure, U.S. President Donald Trump's statement that "the U.S. does not need the Strait of Hormuz to remain open" has pushed oil prices higher. In addition, following recent personnel changes within the Fed, expectations for further rate hikes have become more visibly priced into the market. Risk reduction ahead of the weekend may also be contributing to the cautious sentiment. The BIST 100 closed 0.3% higher yesterday at 14,644 points. The top positive contributors to the index were BIMAS, ASELS, TUPRS, SARKY, and MGROS, while DSTKF, RALYH, EREGL, SISE, and DOHOL weighed negatively on performance. Over the past week, stocks attracting consistent fund inflows included KRDM, SAHOL, SOKM, ULKER, and TOASO. This morning, we expect a weak opening in line with global markets. Holding above the 14,550 / 14,600 range will be important for the index. Key resistance levels are seen at 14,750 and 14,900. On today's macro agenda, domestic markets will focus on the Central Bank of the Republic of Türkiye Market Participants Survey and the central government budget balance data. In the U.S., industrial production and capacity utilization figures will be the key data releases to monitor. Türkiye's 5-year CDS premiums are starting the day at 235 basis points.

## Macro and Politics

**\* The CBT will release the results of the Survey of Market Participants for May @ 10:00 local time.** According to the latest results of the CBT's Survey of Market Participants for April 2026, respondents revised their year-end 2026 CPI inflation expectation upward to 27.5% from 25.4%, while the 2027 year-end inflation forecast increased to 20.1% from 18.7%. Expectations for CPI inflation 12 months ahead rose to 23.4% from 22.2%, while the 24-month-ahead forecast edged up to 18.0% from 17.3%. Meanwhile, the five-year-ahead annual inflation expectation increased modestly to 11.9% from 11.6%. Following the stronger-than-expected April inflation print, we assess that respondents' year-end CPI inflation expectations could rise above the 28% threshold in the upcoming survey rounds. While our house forecast for year-end 2026 CPI inflation currently stands at 28%, the prevailing macro backdrop points to increasingly pronounced upside risks surrounding our forecast.

**\* The Treasury and Finance Ministry will release April central government budget figures @ 11:00 local time.** The central government budget posted a deficit of TL229.9bn in March, while the primary balance recorded a surplus of TL6bn. As a result, the cumulative central government budget deficit reached TL420bn in the first quarter of the year, while the rolling 12-month budget deficit remained broadly stable at TL1.5tn. We expect the deterioration in the budget balance to continue in April. We calculate that if the full absorption capacity of the échelle mobile mechanism introduced at the beginning of March is utilized — implying the complete use of the TL13.9 per liter SCT adjustment space for diesel and TL14.82 per liter for gasoline — the daily fiscal cost of the scheme could reach approximately TL1.4bn, including the VAT effect. Accordingly, while the échelle mobile mechanism may help contain inflation pass-through in the short term, it also stands out as a factor increasing downside risks to tax revenues. Our house forecast for the 2026 year-end budget deficit stands at TL3.3tn, corresponding to approximately 4% of GDP.

**\* During the CBT's 2<sup>nd</sup> Quarterly Inflation Report presentation, Governor Fatih Karahan announced an upward revision to the interim inflation targets while suspending "forecast range" communication for the year-end outlook.** Accordingly, the interim targets were revised from 16% to 24% for 2026, from 9% to 15% for 2027, and from 8% to 9% for

2028. The Bank projects inflation to decline to 9% by end-2028 before stabilizing at the medium-term target of 5%. Karahan stated that the shift away from forecast range communication reflects the exceptionally high uncertainty environment and the need to reassess how forecast uncertainty is communicated. In this reporting cycle, the CBT instead disclosed point inflation forecasts under the baseline scenario, which were announced at 26% for end-2026, 15% for end-2027 and 9% for end-2028. Karahan also emphasized that increasingly frequent and deep supply-side shocks have amplified structural uncertainties, limiting the ability of forecast ranges to adequately capture the outlook. While our house year-end CPI forecast stands at 28%, we believe upside risks have become more pronounced. Following the stronger-than-expected April CPI print, we expect a more moderate monthly inflation reading in May, supported partly by easing food prices. Although we believe monthly CPI inflation could come in below 2% in May, annual inflation is likely to remain elevated. While we do not anticipate any near-term easing in the AOFM, which currently stands at 40%, we maintain our year-end policy rate forecast at 35%.

\* **Foreign investors recorded net inflows of USD214.5mn into the equity market and USD181.7mn into the bond market (excluding repo transactions) during the week of April 30 – May 8.** Meanwhile, foreigners' share in the total government bond stock remained unchanged at 5.9% over the same period. During the same period, residents' FX deposits (excluding gold, EUR/USD parity effect adjusted) declined by USD256mn, while their total FX deposits (including gold, price-adjusted) posted a net decline of USD56mn in the week of April 30 – May 8. In terms of official reserves, the CBT's gross FX reserves climbed by USD6bn to USD171.6bn, net FX reserves increased by USD1.4bn to USD54.9bn and net reserves excluding swaps rose by USD2bn to USD39.1bn.

## Sector and Company News

- **TRALT** released its 1Q26 financial results with TL1.6bn net profit, 41% below market expectations. The market expectation was TL2.7bn net profit. Despite the miss, net profit increased by 143% YoY, while TRALT returned to net profit after posting TL726mn net loss in the previous quarter.
- In 1Q26, net sales increased by 61% YoY in real terms to TL8.88bn, while the gross margin rose from 28.5% in the same period of last year to 55.5%. On the operational profitability side, TRALT posted TL4.27bn EBITDA, 19% above market expectations. EBITDA margin increased from 15.4% to 48.1% YoY, while EBITDA grew by 402% YoY and 252% QoQ.
- **DOGUB** released its 1Q26 financial results with TL7mn net loss. DOGUB had posted TL10mn net loss in the same period of last year and TL14mn net loss in the previous quarter.
- Under the VBTS framework, an order package measure will be imposed on **ANELE** and **BIGEN** shares between May 15 and June 12.
- **ALVES** announced that Bank of America sold a net 38.7mn ALVES shares. Following the transaction, its stake in the company declined from 5.58% to 3.16%.
- **ANELE** announced that the account reconciliation process was completed for the Qatar Red Line South Metro Project. The project value was determined as USD262.1mn, while the reconciliation is expected to result in an approximately USD8.6mn decrease in consolidated revenues, with no cash outflow for the company.
- **BMSTL** announced that it reached the highest monthly production level in its history in galvanized wire production.

- **BRSAN** announced that Borusan Holding completed the sale of 8.5mn shares, corresponding to around 6% of BRSAN's capital, through an accelerated bookbuilding process.
- **ESCAR** announced that Competition Board approval was received for the sale of 388.1mn shares, representing 77.62% of the company's capital, to Bulls Yatırım Holding for USD142mn. The share transfer process is ongoing.
- **EUPWR** announced that an IPO application was submitted to the CMB for Peak PV Solar Teknolojileri, in which EUPWR holds a 60% stake and which is also an indirect subsidiary of GESAN.
- **GSDHO** announced that Marmara Capital Portföy funds purchased a net 5.58mn GSDHO shares, increasing their total stake in the company from 4.17% to 8.81%.
- **KRGYO** will distribute a gross dividend of around TL0.04 per share today, implying a dividend yield of 1.4% based on the latest closing price.
- **MAVI** announced that it repurchased 200K shares at TL 43.16 per share under its share buyback program, increasing the ratio of repurchased shares to share capital to 1.73%.
- **MTRKS** will distribute a gross dividend of around TL0.20 per share today, implying a dividend yield of 0.8% based on the latest closing price.
- **PEKGY** announced that Tera Portföy funds purchased a net 184.4mn PEKGY shares, increasing their total stake in the company from 18.41% to 22.10%.
- **SASA** announced that Bank of America sold a net 207.4mn SASA shares at a price range of TL2.91–3.06. Following the transaction, its stake in SASA declined from 5.14% to 4.67%.
- **SDTTR** announced that it signed a USD562.5k contract for the production of 5G GSM signal jamming systems.
- **TATEN** announced that Pusula Portföy funds purchased a net 52.9mn TATEN shares. Following the transaction, their stake in the company increased from 9.32% to 14.04%.
- **TURSG** announced the sale of a 5% stake through an accelerated bookbuilding process. TVF Finansal Yatırımlar A.Ş., a subsidiary of the Türkiye Wealth Fund, announced the sale of a 5% stake in Türkiye Sigorta, representing TL 500 million nominal value shares, to international institutional investors via an accelerated bookbuilding process at TL 13.50 per share. Due to strong investor demand, the transaction size was increased, bringing total proceeds to approximately TL 6.75 billion. The offering price implies an approximately 8.5% discount to the previous closing price of TL 14.75.
- **VAKFN** applied to the CMB to increase its capital by 20% through a bonus issue, from TL5bn to TL6bn.

- **VKGYO** applied to the CMB to increase its capital by 27.5% through a bonus issue, from TL3.5bn to TL4.4bn.
- **ZERGY** announced that its controlling individual shareholder sold 32.3mn shares at TL24.00 per share. Following the transaction, the shareholder's stake in the company declined from 81.38% to 76.22%.

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AHGAZ		AHGAZ	Buyback	215.000	31.08	2.61%
MAVI		MAVI	Buyback	200.000	43.16	1.73%

## Important Disclosures

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