

Daily View

Good morning. Global risk appetite remains balanced. The U.S. equity markets are supported by a conciliatory stance on tariffs and the gradual legislative progress of tax reduction plans. This morning, U.S. futures are slightly negative, European futures are mildly positive, and Asian markets are displaying a mixed outlook. In Borsa Istanbul, the postponement of the CHP congress lawsuit to September 8 led to a sharp rally of nearly 6% in both TRY and USD terms yesterday, supported by noticeable foreign inflows. In an environment where expectations of a rate cut by the Monetary Policy Committee (MPC) are rising and CDS spreads continue to decline, the XBANK Banking Index may maintain its support. In BIST, the continuation of positive momentum may prompt an attempt to move above the 10,000 level during the day. However, the session opens with news of an investigation launched by the İzmir Chief Public Prosecutor's Office into the İzmir Metropolitan Municipality, resulting in the detention of 157 individuals, including former Mayor Tunç Soyer. While this development is not expected to have a market impact similar to the events of March 19, it may trigger profit-taking throughout the day. In this context, resistance levels are located at 10,000, 10,150, and 10,380, while support levels are seen at 9,800, 9,850, and 9,700. On today's agenda, both domestic and international PMI figures will be followed, alongside Eurozone CPI and U.S. ISM Manufacturing data. Turkey's 5-year CDS spreads start the day at 289 basis points.

Macro and Politics

***Istanbul Chamber of Industry (ICI) Turkey June Manufacturing PMI will be announced @ 10:00 local time.** ICI Turkey Manufacturing PMI declined from 47.3 to 47.2 in May, marking the lowest reading so far this year and the weakest since October 2024. Remaining below the 50-threshold since March 2024, the index continues to signal a sustained loss of momentum in manufacturing activity for over a year. The accompanying note underlined that business conditions moderated again in the Turkish manufacturing sector during May as muted demand conditions contributed to firms scaling back their production, employment and purchasing activity. The note highlighted that input costs continued to rise sharply, often as a result of currency weakness and output prices were also up, but a softening demand environment limited the pace of charge inflation. The note stated that employment and purchasing activity were also scaled back to larger extents than in April, while manufacturers reduced their inventories of both purchases and finished goods.

*** The adjusted unemployment rate eased a tad from 8.6% to 8.4% in May.** As per the broad-based unemployment calculations: The rate of composite measure of labor underutilization – including time related underemployment, potential labor force and unemployment – decreased slightly from 32.1% to 31% and remained elevated. Moreover, the combined rate of time-related underemployment and unemployment rose stood at 20.7%, while the combined rate of unemployment and potential labor force materialized at 20.2%. Despite the decline in May, we interpret the fact that the rate of composite measure of labor underutilization remains above 30% and hovers near record-high levels as a sign of continued cooling in the labor market. Rather than the headline unemployment rate, we focus more closely on the broad-based unemployment calculations, which we expect to remain elevated in the period ahead.

*** According to foreign trade figures released by TURKSTAT, exports rose by 2.6% y/y in May to USD24.8bn, while imports increased by 2.7% to USD31.5bn.** As a result, the foreign trade deficit narrowed significantly from USD12.1bn to USD6.6bn as of May, whereas the 12-month cumulative deficit remained broadly flat at USD86.8bn. Based on the May

foreign trade figures, we estimate that the current account balance will post a relatively low deficit of around USD616mn for the month. We maintain our year-end current account deficit forecast at USD22bn, corresponding to 1.5% of GDP.

Sector and Company News

- **AKFIS** announced that it has decided not to participate in the healthcare facility renovation tender in Zagreb, Croatia, due to extended timelines and ongoing uncertainties in the process.
- **ATATP** announced that its subsidiary, ATP GSYO, acquired an 89% stake in Ata Express, the owner of the food delivery platform Tiklagelsin, for TL 634.6 million, bringing its total ownership to 90%.
- **CVKMD** announced that, under the previously disclosed off-take agreement between its subsidiary Hayri Ögelman Madencilik A.Ş. and global commodity trader Trafigura Pte. Ltd. for chrome ore deliveries during the June–September 2025 period, a net payment of USD16.6mn (approx. TL660mn) has been deposited into the subsidiary's accounts after deducting related expenses.
- **DOHOL** announced that the share transfer related to the sale of its entire 33% stake in Boyabat Elektrik has been completed.
- **EGEPO** announced that, under the "EGEPOL" brand, has been included in the TURQUALITY Brand Support Program, as officially notified by the Ministry. While this support is expected to strengthen the EGEPOL brand internationally, the company also anticipates a significant increase in overseas sales and profitability in the coming years thanks to cost savings and increased brand recognition.
- **GWIND** acquired the shares of a company owning two solar power plant projects in Italy with a total installed capacity of 9 MW. With this acquisition, the company's total capacity in Europe has reached 92 MW. The transaction is considered a significant step toward GWIND's international investment target of 300 MW.
- **MGROS** announced that it will disclose its consolidated financial results for the second quarter of 2025 on August 12, 2025.
- **MIATK** reported that its subsidiary, Tripy Mobility Teknoloji, has signed confidentiality and introductory agreements with a France-based global investment company to explore strategic partnership and investment opportunities. The discussions are expected to support the company's growth strategy on a global scale.
- **SUNTK** announced a decision to pay a gross dividend of TL1.09 per share. The company's gross dividend yield is 3.18%.
- **ULUUN** acquired a 6,000 kWe solar power plant owned by Unay Un for a total consideration of TL 311.5 million. The transaction was carried out to support the company's electricity generation capacity.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	59.000	15.15	2.89%
BORLS		BORLS	Buyback	621.000	68.50	2.33%
INVES		INVES	Buyback	11.557	250.26	0.80%
AHGAZ		AHGAZ	Buyback	85.792	27.74	1.29%
MHRGY		MHRGY	Buyback	1.150.000	5.81	1.20%

Important Disclosures

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