

Daily View

Good morning. Global risk appetite is starting the new day on a positive note. A dense news flow is being monitored both in the U.S. and consequently in global markets, including: i) President Trump's pressure on the Fed for interest rate cuts, ii) tax cuts and spending packages, iii) extensions and exemptions in trade negotiations. As expectations on these fronts mostly point to optimistic scenarios, the positive trend in global markets remains intact. On Borsa Istanbul, following the CHP Congress Court ruling, the index moved above the 10,000 level with a strong close, supported by capital inflows and high trading volumes. This positive momentum could potentially carry the BIST 100 index toward the 10,250 level, and subsequently into the 10,350 / 10,400 resistance zone. Expectations for a rate cut at the upcoming July 24 CBRT MPC meeting persist, especially with inflation data set to be announced tomorrow. Market forecasts are largely concentrated around a 250–350 basis point rate cut. However, we also observe an increasing number of projections and hopes for even deeper cuts. These expectations continue to support Borsa Istanbul, where the 12-month target level for the BIST 100 index stands at approximately 13,600—implying a return potential of around 35%. Just two weeks ago, when the index had declined toward the 9,000 mark, this potential return was close to 50%. The recent rally has notably reduced that margin. However, if the CBRT initiates rate cuts, we could see upward revisions to these targets and a potential move toward the 14,000 level. Today's economic calendar is relatively light, but tomorrow will bring a busy data flow, including domestic inflation figures and U.S. employment data. Turkey's 5-year CDS premiums start the day at 284 basis points.

Macro and Politics

*** The state-run natural gas distributor Botas hiked the natural gas prices by 24.6% for residential use.** The direct impact of the price increase on the CPI will be around 0.45pp. Considering the indirect effects, we anticipate a higher overall impact on headline. However, with the prevailing positive base effect, we expect the annual CPI to sustain its decline in July, potentially falling below 34%.

*** Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI declined further from 47.2 to 46.7 in June, 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 manufacturers in Türkiye continued to face challenging demand conditions in June, resulting in sharper slowdowns in new orders, output, employment and purchasing activity. Meanwhile, the rate of input cost inflation ticked higher, but firms raised their output prices at a slower pace given muted customer demand. The note also highlighted that the rate of input cost inflation quickened slightly in June, with input prices rising sharply amid currency weakness and the inflationary impact of the situation in Iran. June PMI data indicate that Turkish manufacturers remain under pressure amid persistently challenging demand conditions. Following a challenging first half of the year, we expect an improvement in economic activity in the second half of 2025, albeit a modest one. While tighter financial conditions since March 19 have heightened downside risks to economic activity, high-frequency indicators do not yet point to a sharp cooling in domestic demand dynamics. As a result, we maintain our growth forecast at 3.1%, while closely monitoring the emerging downside risks.

Sector and Company News

- **BERA** announced that its subsidiary, Muratlı Karton Kağıt, has resolved to distribute a dividend of TL588mn. The payment was collected yesterday.
- **EBEBK** reported that three new stores were opened in June, bringing the total store count to 280 as of 30 June.
- **EREGL** will distribute a gross cash dividend of TL0.25 per share today, implying a dividend yield of 0.9% based on the last closing price.
- **GOODY** renewed a TL500mn loan from group company Goodyear S.A., with the aim of strengthening working capital. The loan has a maturity date of December 29, 2025, and carries an interest rate between 44.25% and 52.50%.
- **ISDMR** will distribute a gross cash dividend of TL0.25 per share today, implying a dividend yield of 0.7% based on the last closing price.
- **ISGYO** resolved to sell the Ankara İş Kule Building located in Kavaklıdere, Ankara, for TL1.215 billion + VAT. The entire amount will be collected in cash at the time of title transfer. The sale corresponds to 2.34% of the company's total assets.
- **KCAER** will distribute a gross cash dividend of TL 0.086 per share today, implying a dividend yield of 0.6% based on the last closing price.
- **NTHOL** completed an additional 1,000 m² of space at the Merit Grand Mosta Casino located in Svilengrad, Bulgaria.
- **OBASE** renewed its 3-year Business Intelligence and Data Management Consultancy Framework Agreement with an international client operating in the postal and logistics sector. The revenue expected from the agreement is anticipated to exceed 10% of the company's total revenue over the last 12 months.
- **KRONT** announced that, under the agreement reached with the Ministry of Health, the security of the Ministry's privileged access and internal privileged accounts will be ensured through the KronPAM product. Due to the product's classification in the cybersecurity domain and confidentiality requested by the client, limited information is being disclosed.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	58.500	15.24	2.92%
INVES		INVES	Buyback	270	250.00	0.80%
AHGAZ		AHGAZ	Buyback	250.589	27.69	1.30%

Important Disclosures

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