

Daily View

Good morning. Global risk appetite is weakening this morning. While there is no clear trigger behind this move, the underperformance of recent expectations and the postponement of anticipated Fed rate cuts to later dates are contributing factors. On the other hand, yesterday's stronger-than-expected employment data in the U.S., along with progress in the legislative process of a plan that includes tax cuts and additional spending, are seen as supportive developments. On Borsa Istanbul, the BIST 100 Index edged higher yesterday, once again moving above the 10,200 level. Although capital inflows are slowing, we believe the positive momentum remains intact. As long as the BIST 100 holds above the 10,000 mark, our short-term targets remain at 270 USD and 297 USD (corresponding to TRY 10,800 and above 11,500, respectively), as shared previously. The agenda for the day is relatively light, with only Eurozone PPI data on the calendar. Turkey's 5-year CDS starts the day below 280 basis points, at 277 bps. Continued improvement in CDS levels and ongoing expectations for a potential rate cut from the CBRT at the July 24 MPC meeting—following yesterday's inflation print—are likely to support the positive outlook for the banking sector index (XBANK). This supportive environment is not only relevant for banks but also benefits all sectors and companies listed on Borsa Istanbul from a valuation standpoint. Unless non-economic risks resurface, we expect the positive trend in Borsa Istanbul to continue.

Macro and Politics

***The CBT will release June Real Effective Exchange Rate (REER) today @14:30 local time.** Considering the inflation data and the average Basket/TRY change for June, we expect the REER to ease from 71.1 to 70.1, implying a 1.5% real depreciation of the Turkish lira.

*** TURSTAT will release June seasonally adjusted CPI and special CPI aggregates today @16:00 local time.** Based on our calculations, we forecast the seasonally adjusted monthly CPI change for June to be approximately 1.9%. We expect a similar outcome in today's adjusted figures.

*** The CBT will release the Monthly Price Developments report for June 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.

***The CPI rose by 1.37% on a monthly basis in June, in line with our house est. at 1.38% and lower than the market consensus of 1.5%.** Hence, annual CPI declined from 35.4% to 35.05% in June. Moreover, monthly PPI rose by 2.46%, pushing the annual PPI inflation up from 23.13% to 24.45%. We maintain our year-end inflation forecast at 31%. We estimate that the 24.6% increase in the state-run natural gas distributor Botas' residential natural gas tariffs will add approximately 0.45pp to headline inflation in July. However, with the prevailing positive base effect, we expect the annual CPI to sustain its decline in July, potentially falling below 34%. In line with our year-end exchange rate and energy price assumptions, we retain our year-end inflation forecast at 31%, while acknowledging that the balance of risks remains tilted to the downside at this stage.

*** In the week of June 20 – 27, foreigners registered a net purchase of USD247.7mn in equities and USD305mn in government bonds (excluding repo transactions).** Moreover, the foreigners' share in total bond stock climbed from

5.5% to 5.7% within the mentioned week. Moreover, during the week of June 20 – 27, residents' FX deposits rose marginally by USD475mn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) increased by USD677mn during the week of June 20 – 27. Lastly, the CBT's gross FX reserves slid by USD1.3bn to USD154.6bn and net international reserves retreated by USD1.8bn to, while net reserves excluding swaps decreased by USD1.8bn to USD28.3bn.

Sector and Company News

- CMB approved the capital increase applications of **GSRAY, HEDEF, GEREL, BORLS, KRGYO,** and **PEKGY.**
- **ALARK** reported that its subsidiary Alarko Tarım has acquired 75% of Sanrose Tarım's share capital for USD4.8mn.
- **EBEBK** announced that store visits in June totaled 4.4 million, down 1% year-on-year.
- **EFORC** reported that its subsidiary, Efor Gübre Madencilik, won the metallurgical coke procurement tender organized by Türkiye Şeker Fabrikaları. The tender value is 294.9 million TL.
- **EUREN** received a panel glass order from CWENE worth USD 3.7 million (approximately TL 147 million at current exchange rates) for its solar glass products, which began production on May 26.
- **GENTS** announced that the damage assessment related to the fire that occurred at the Wermodin production facilities on March 13, 2025, has been completed, excluding the Solar Energy Systems, and the total amount has been determined as TL198.2mn. After the advance payment of TL 40mn previously received, the remaining TL158.2mn was indemnified by the insurance company as of July 3, 2025.
- **GRSEL** applied to sell 300K shares, representing 0.3% of its capital, to foreign institutional investors at a price of TL 325.25 per share, totaling TL 97.6 million.
- **HOROZ** announced that it has decided to sign a share purchase agreement for the acquisition of Tradeport Teknolojik Yazılım Tic. A.Ş. (Tradeport), of which Taner Horoz, who holds a 75.94% stake in the Company, is the sole shareholder, for a consideration of TL96.9mn.
- **OBAMS** announced at the general assembly that it has decided to distribute a gross dividend of 0.21 TL per share with a nominal value of 1 TL.
- **SAHOL** will release its 2Q25 financial results on 13 August.
- **SMRTG** completed its domestic wafer production investment with an annual capacity of 1,500 MW at its integrated manufacturing facility in Aliaga and has officially started commercial production.

- **SUWEN** stated that, as of 30 June, it operates 199 stores in total, comprising 184 domestic and 15 international locations.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	102.000	15.24	3.06%
INVES		INVES	Buyback	1.000	260.00	0.80%
AHGAZ		AHGAZ	Buyback	225.000	28.06	1.32%
TEZOL		TEZOL	Buyback	15.000	20.48	0.11%

Important Disclosures

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