

Daily View

Good morning. Global risk appetite remains balanced. In the U.S., political pressure on Fed Chair Powell continues, although its impact on markets has so far been limited. Domestically, the week started with nearly a 2.5% rally in Borsa Istanbul, driven by expectations of a rate cut from the CBRT's Monetary Policy Committee (MPC) and speculation about a potential credit rating upgrade from Moody's. In the short term, we believe the BIST 100 Index has room to move towards the 10,800 / 11,000 range. This zone could be tested ahead of Thursday's MPC rate decision at 2:00 PM local time. The 10,300 / 10,400 range now acts as a support level. Should the MPC deliver a 250 basis point rate cut and signal further easing, we expect the positive momentum in Borsa Istanbul to continue. From a long-term valuation perspective, the BIST 100 Index is once again approaching the 14,000 target level. In a scenario where non-economic risks do not escalate, we believe Borsa Istanbul could return to its primary upward trend. Today's agenda is relatively quiet, with no major macro data releases either domestically or abroad. Markets will be watching Fed Chair Powell's remarks at 3:30 PM local time. Turkey's 5-year CDS premium opens the day at 285 basis points.

Macro and Politics

*** The Treasury will hold the direct sales of 1y USD-denominated bond and 1y USD-denominated lease certificate today and finalize its domestic borrowing program for July.** The Treasury tapped the domestic markets to the tune of TL23.8bn via yesterday's direct sale of 5y lease certificate. Accordingly, the Treasury's total domestic borrowing since the beginning of the month has reached TL277.5bn. According to three-month (July – September 2025) domestic borrowing program, the Treasury has a domestic redemption of TL316.6bn in July, while in return it plans to borrow TL376.4bn in total throughout the month, indicating a roll-over ratio of 119%. Having already raised TL277.5bn through domestic borrowing this month, the Treasury is likely to borrow around TL100bn via today's direct sales.

*** The CBT released the results of the July Market Participants' Expectations Survey.** Following a decline from 30.35% to 29.86% in the June survey, year-end inflation expectations continued to edge lower in July, falling to 29.66%. The 12-month ahead CPI expectation dropped from 24.56% to 23.39%, while the 24-month ahead forecast eased slightly from 17.35% to 17.08%. Moreover, participants' median monthly CPI forecast for July stands at 2.11%. Based on our compilation of price data so far, we expect monthly inflation to come in somewhat above the survey median, at around 2.4%. While we maintain our year-end inflation forecast at 31%, we continue to see risks moderately tilted to the downside. In terms of monetary policy expectations, participants foresee a 270bps rate cut at this week's Monetary Policy Committee (MPC) meeting, followed by an additional 240bps cut in September. By year-end, the policy rate is expected to decline to 36.16%. As for our house view, we expect the MPC to lower the policy rate by 250bps to 43.5% at Thursday's rate-setting meeting. Starting in July, we foresee the CBT proceeding with monthly rate cuts of 250bps, bringing the policy rate down to 36% by year-end.

Sector and Company News

- **AHGAZ** announced that its subsidiary Ahlatcı Altın İşletmeleri signed the exploration and royalty agreement with Eti Maden for the Sındırgı gold field as of July 21.
- **EUHOL** acquired 100% of Cod Enerji for TL 803.3 million, applying a 5% discount to the valuation report figure of TL 845.6 million. The transaction amount corresponds to approximately 140% of the company's total assets.
- **KOZAL** announced that it will auction its real estate in Istanbul with an estimated value of TL 925 million + VAT. The auction will take place at the company's Ankara headquarters on August 6.
- **ONRYT** announced that the contract process is still ongoing for the communication infrastructure digitization project carried out with the Presidency of Defense Industries, and that further details will be shared once the agreement is signed.
- **ORGE** reported that the total contract value for the Istanbul Airport MRO Facilities Hangar A-B Project, conducted with Kalyon İnşaat, was increased by TL 33.5 million to TL 177.7 million under a new protocol. The project is scheduled for completion by September 30.
- **TEZOL** announced that on July 21, 2025, a fire broke out in the open area where recyclable paper stocks are stored, outside the production facilities located in İzmir-Torbalı. The cause of the fire has not yet been determined. It is estimated that approximately 2,500 tons of recyclable paper were damaged in the area where 4,000 tons were stored. Since the fire did not affect the factory premises, production activities are continuing without interruption.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	70.000	16.18	3.49%
OFSYM		OFSYM	Buyback	15.596	56.00	0.34%
AHGAZ		AHGAZ	Buyback	150.000	27.74	1.35%

Important Disclosures

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