

Daily View

Good morning. Reports that Iran struck two commercial vessels transiting the Strait of Hormuz are providing modest support to oil prices this morning, while weighing on technology stocks across Asia and Nasdaq futures. U.S. and European equity futures are also trading in negative territory. Global markets will closely monitor the NATO Summit, which begins today in Ankara. Geopolitical developments, along with any messages following the meeting between U.S. President Trump and President Erdoğan, will remain in focus. On Borsa Istanbul, the BIST 100 Index climbed as high as 14,630 during the first two hours of trading yesterday before retreating to 14,400, ultimately closing the session at 14,424, up just 0.05%. The main positive contributors to the index were BIMAS, THYAO, EREGL, ASELS, and SKBNK, while DSTKF, CCOLA, ENKAI, YKBNK, and SASA weighed on performance. Over the past week, stocks attracting consistent capital inflows have included ASTOR, EREGL, TRALT, TCELL, KCHOL, SASA, GUBRF, and TUPRS. From a technical perspective, 14,470 and 14,630 stand out as key resistance levels, while 14,420 and 14,370 are being monitored as support levels. Meanwhile, MSCI reiterated yesterday that it may conduct company-specific reviews should concerns arise regarding the investability of Turkish equities. The institution had previously announced that it could launch a formal review by November 2026 if the necessary regulatory adjustments are not implemented. We also view Takasbank's 53-page circular published yesterday regarding the implementation principles of TEFAS as part of this ongoing process. On today's economic calendar, domestic markets will focus on Treasury bond auctions and the Treasury's cash budget balance, while the U.S. will release foreign trade data. Finally, Türkiye's five-year CDS premium starts the day at 220 basis points.

Macro and Politics

*** The Treasury and Finance Ministry will hold a 4y TLREF-indexed bond auction and a 5y fixed-coupon bond auction today.** According to the Treasury's three-month (Jul – Sep 2026) domestic borrowing strategy, it plans to borrow a total of TL606.8bn in July against redemptions of TL638.7bn, implying a rollover ratio of 95%. The Treasury commenced its July domestic borrowing program with the direct sales of a 2y gold-denominated bond and a 2y gold-denominated lease certificate on Thursday, July 2, raising TL48.2bn in total. Following today's auctions, the Treasury will hold the direct sale of a 2y lease certificate on July 20. This will be followed by auctions of a 7m zero-coupon bond and a 2y fixed-coupon bond, as well as the direct sales of a 2y USD-denominated bond and a 2y USD-denominated lease certificate on July 21, thereby completing its July domestic borrowing program.

*** The Treasury and Finance Ministry will release June cash budget figures @ 17:30 local time.** The central government budget posted a deficit of TL298.2bn in May, while the primary balance recorded a deficit of TL169.3bn. As a result, the cumulative central government budget deficit reached TL1.1tn in the Jan – May period, with the rolling 12-month deficit widening from TL1.7tn to TL2.2tn. The elevated budget deficit in May was primarily driven by a sharp decline in withholding income tax revenues and the adverse base effect on corporate tax collections stemming from the reintroduction of the fourth provisional tax payment last year. While SCT revenue losses associated with the échelle mobile system became more pronounced in April and May, we believe that the recent decline in oil prices could ease pressures on the budget outlook in the period ahead. The easing burden of the échelle mobile system, together with tax collections deferred to June, could contribute to a more balanced budget performance in June compared to previous months. We maintain our 2026 year-end budget deficit forecast at TL2.8tn (3.3% of GDP).

* **The CPI-based real effective exchange rate (REER) index declined by 0.8 points in June to 104.9, marking its second consecutive monthly decline.** Over the same period, the PPI-based REER index increased by 0.7 points to 100.98. An analysis of the underlying drivers of the CPI-based REER indicates that, on average, the US dollar and the euro appreciated by 1.81% and 0.42%, respectively, against the Turkish lira in June. Meanwhile, monthly CPI and domestic PPI inflation stood at 0.99% and 1.80%, respectively. Accordingly, the increase in domestic consumer prices exerted upward pressure on the CPI-based REER. However, the downward impact stemming from movements in the nominal exchange rate basket and developments in the global CPI basket proved stronger, resulting in a decline in the CPI-based REER in June.

Sector and Company News

- Under the VBTS framework, short selling and margin trading bans will be imposed on **KOCMT** shares between July 7 and August 6.
- **AGESA** announced its gross premium production data for June. Accordingly, June premium production reached TL3bn, increasing by 54% YoY and 6% MoM.
- **ALGYO** announced that a technical correction was made regarding the group and type of shares to be issued under its previously announced 200% rights issue.
- **ANELE** announced that the financial debt restructuring process was extended until September 30, 2026 with the agreement of financial institutions.
- **ARDYZ** announced that it received an order worth USD554k, including VAT, from a defense industry company for the supply of NVIDIA graphics solutions-based, AI-supported IT products to be used by the Chilean Navy.
- **BIMAS** repurchased 159k shares, bringing the total number of repurchased shares to 14.4mn, corresponding to 1.20% of its capital.
- Borsa Istanbul warned **DIRIT** and **CASA** due to reasons related to their operational and financial status, as well as public disclosure obligations.
- **BYDNR** applied to the CMB for a 615% bonus capital increase.
- **CIMSA** commissioned its waste heat recovery power generation facility at the Eskişehir plant, which is expected to meet around 25% of the plant's annual electricity needs.
- **DESA** announced that it closed its Beyoğlu store in Beyoğlu / Istanbul as of July 5, 2026.
- **DURKN** applied to the CMB for a 666.04% bonus capital increase.

- **MEYSU** will distribute a gross dividend of TL0.05 per share today, implying a dividend yield of 0.4% based on the latest closing price.
- **POLTK** announced that the merger process of its main shareholder Element Solutions Inc. with Solstice Advanced Materials Inc. is expected to be completed in the first half of 2027, following the required approvals.
- **TGSAS** decided to distribute a gross dividend of TL0.30 per share from its 2025 earnings. The latest proposed ex-dividend date is August 25, while the dividend yield stands at 0.2% based on the latest closing price.
- **TRALT** repurchased 1.3mn shares under its share buyback program, bringing the total repurchased shares to 2.51% of its capital.
- **TRMET** announced that its subsidiary TR Anadolu İnşaat acquired the shares of three companies owned by the Türkiye Wealth Fund, İpek Online, Rek-Tur and Koza Prodüksiyon, for TL1 each, becoming the sole owner of these companies.
- **YUNSA** announced that it decided to make investments totaling approximately EUR6.5mn aimed at increasing production capacity, yarn quality, energy savings and employee efficiency.

Share Transactions

Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
TRALT	TRALT	Buyback	1.300.000	50.81	2.51%
BIMAS	BIMAS	Buyback	159.066	367.48	1.20%
AHGAZ	AHGAZ	Buyback	171.399	34.86	2.77%

Important Disclosures

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