

Agenda

30 Monday

- Japan, May industrial production
- China, June Markit mfg. & non-mfg. PMI
- Germany, May retail sales
- Germany, June CPI
- U.S., June Chicago PMI
- ECB, Lagarde's speech

01 Tuesday

- China, June Caixin mfg. PMI
- Germany & Eurozone, June Markit mfg. PMI
- Germany, June unemployment rate
- Eurozone, June CPI
- Fed, Powell's speech
- ECB, Lagarde's speech
- U.S., June Markit mfg. PMI
- U.S., May construction spendings
- U.S., June ISM mfg. PMI

02 Wednesday

- U.S., June ADP employment
- ECB, Lagarde's speech

03 Thursday

- U.S. markets will be open until noon.
- TurkStat, June inflation
- China, June Caixin non-mfg. PMI
- Germany & Eurozone, June Markit non-mfg. PMI
- ECB, meeting minutes
- U.S., June hourly earnings
- U.S., June non-farm payrolls & unemp. rate
- U.S., jobless claims
- U.S., June Markit non-mfg. PMI
- U.S., May factory orders
- U.S., June ISM non-manufacturing

04 Friday

- U.S., markets will be closed.
- CBRT, June inflation assessment
- Germany, May factory orders
- ECB, Lagarde's speech
- Eurozone, June PPI

Outlook:

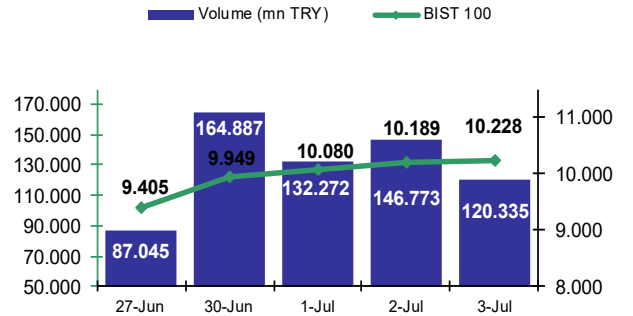
The BIST 100 Index started Thursday with a bullish trend, continued its upward move after June CPI data came in below expectations and tested 10,400 during the day. Despite facing profit taking at these levels, the Benchmark Index closed up by 0.39%. While the Banking Index fell by 0.70% the Industrial Index closed the day up 0.95%. Following the May inflation print, the fact that the June CPI data also remained below expectations strengthened conviction that the CBRT would start cutting interest rates at the July 24 MPC meeting. With the positive atmosphere maintained at the BIST the rise since the start of the week reached 8.76%. On the global side risk appetite was positive yesterday. Non-farm employment in the U.S. climbed by 147k in June, exceeding the expectation of 106k. Following this higher data performance, expectations of a Fed interest rate cut weakened, and the U.S. and European stock markets closed with increases. Markets will be closed in the U.S. today for Independence Day. Following President Trump's announcement that he will send tariff-related letters to various countries on Friday, German futures indexes are observing a negative trend as of this morning, while Asian stock markets are generally downbeat. The VIOP-30 Index completed the evening session up 0.06%. Locally, we expect the Benchmark Index to start Friday flat and seek to continue its rise if any profit sales that may follow the rapid rise over recent days are met. SUPPORT: 10,100 - 10,000 RESISTANCE: 10,350 - 10,450.

Money Market:

The Lira was negative yesterday, weakening 0.12% against the USD to close at 39.8230. The currency depreciated by 0.08% against a basket of \$0.50 and €0.50. Meanwhile, the local fixed income markets were negative. The ten-year benchmark bond was traded within a range of 30.18%-30.74%, ending the day at a high of 30.74%, 27 bps above its previous closing.

Domestic Headlines:

CPI increases by 1.37% month-on-month and 35.05% year-on-year in June. The inflation trend in May and June is creating a clear sense of optimism for the monetary policy stance... The CPI rose by 1.37% in June compared to the previous month, while annual inflation stood at 35.05% (down from 35.41% previously). Market expectations were for inflation to increase by 1.5% monthly and 35.25% annually (Şeker Yatırım expectations were 1.48% monthly and 35.2% annually). Following May's inflation figures, we see a significant decline below expectations in June's figures as well. The average inflation rate for food, housing, and transportation, which accounts for 55.52% of the index, increased by 39.2% annually. During the same period, the monthly inflation rate for the B index (core inflation), which is the Special Scope CPI Indicator, was 1.76%, while the annual inflation rate was 34.62%. Examining the details for June, we find it useful to highlight a few key points. First, there was a monthly decrease of 0.27% in food and non-alcoholic beverages, as well as clothing and footwear. All other main items showed an increase. The monthly increase in housing, education, and certain other service sectors was significantly higher than the headline figures (housing, 2.62%, and education, 4.48%, for example). When evaluating their contribution to annual inflation, housing, food, and transportation collectively account >>>



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	10.189	10.228	0,39%	4,05%
BIST 30	11.412	11.424	0,10%	6,21%
BIST-Financial	13.119	13.122	0,02%	11,60%
BIST-Industrial	12.695	12.816	0,95%	-1,83%
BIST-Services	10.214	10.242	0,28%	6,82%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
BYDNR	10,00	VSNMD	-9,99	ISCTR	8.205.559.403
BYDNR	10,00	HURGZ	-9,97	YKBNK	7.519.942.384
ATEKS	10,00	ESCAR	-9,97	AKBNK	7.515.705.342
KRONT	10,00	ITTFH	-9,97	THYAO	7.265.533.372
CWENE	9,99	GEDIK	-9,95	ASELS	6.311.535.918

Money Market	Previous	Last	Chg.	YTD
O/N Repo (%)	46,25	46,95	0,02	-0,13%
Bond (Benchmark %)	39,3	39,52	0,01	-1,22%

Currency	Previous	Last	Chg.	YTD
US\$	39,8230	39,8528	0,07%	13,14%
Euro	46,8183	47,00636	0,40%	27,93%
Euro/Dolar	1,1757	1,17838	0,23%	12,96%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	64,3	68,6	6,63%	-8,21%
Gold (Ounce, \$)	3.288,9	3.326,1	1,13%	26,69%
Silver (XAG, \$)	33,48	36,84	10,02%	27,62%

Şeker Funds	Previous	Last*	Chg.	YTD
Rota Portfoy Şekerbank Money Market	7,259503	7,268784	0,13%	25,03%
Ak Portfoy Şekerbank Money Market	1,189094	1,190619	0,13%	-
Fiba Portfoy Şekerbank Short T. Debt	0,076426	0,076530	0,14%	22,11%
TEB Portfoy Şekerbank Short T. Debt	1,312232	1,313839	0,12%	22,93%

* Prices as of 04-Jul-25

Turkdex (Set. Price)	Previous	Last	Chg.	YTD
INX30 (August 25)	11.838	12.094	2,16%	7,20%
USD (July 25)	40,9820	40,809	-0,42%	9,33%
EURO (July 25)	48,1710	47,993	-0,37%	23,36%
GOLD (August 25)	4498,30	4521,50	0,52%	43,25%

>>> for 21.3 percentage points. In these three categories, the monthly trend in areas other than food is significantly above the targeted levels. While food inflation seems to have been resolved, the rigidity in other categories is hindering the disinflation process. In our previous reports, we stated that the real struggle against inflation would be in breaking inertia in the 30-40% band. Indeed, annual inflation is flat at these levels. However, despite the inertia in inflation, year-end forecasts and the general trend point to a limited improvement. We had noted that price developments in May and June would be critical for the CBRT's monetary policy stance. The actual figures indicate that interest rate cuts will begin by the July meeting, provided there are no shocks in the meantime. This is because real interest rates in the market point to significant tightening and slowdown. The slowdown in economic activity indicates that a cautious interest rate cut is warranted.

Producer prices increased by 2.46% month-on-month in June, while the annual change in the PPI stood at 24.45%. Examining the sub-indices of the PPI, the annual changes in the main industrial groups were as follows: a 21.77% increase in intermediate goods, a 29.92% increase in durable consumer goods, a 26.45% increase in non-durable consumer goods, a 24.15% increase in energy, and a 27.40% increase in capital goods. Monthly dynamics showed a 1.77% increase in intermediate goods, a 2.12% increase in durable consumer goods, a 1.12% increase in non-durable consumer goods, an 8.42% increase in energy, and a 2.26% increase in capital goods. Pressures on consumer inflation from the cost channel are limited. Recent geopolitical developments have also alleviated concerns over energy prices. Global developments and the domestic political and economic environment appear to provide a suitable backdrop for interest rate cuts. The inflation-focused tight stance in monetary >>>

World Indices				
America	Previous	Last	Chg.	YTD
Dow Jones (US)	44.484	44.484	0,00%	4,56%
Nasdaq (US)	20.393	20.579	0,91%	6,57%
S&P 500 (US)	6.227	6.275	0,76%	6,68%
Europe	Previous	Last	Chg.	YTD
Dax (Germany)	23.790	23.865	0,32%	19,87%
FTSE 100 (UK)	8.775	8.819	0,51%	7,90%
CAC 40 (France)	7.738	7.750	0,14%	5,00%
PSI20 (Portugal)	7.633	7.729	1,26%	21,19%
Asia	Previous	Last	Chg.	YTD
Nikkei (Japan)	39.762	39.786	0,06%	-0,27%
Hang Seng (Hong Kong)	24.221	24.070	-0,63%	19,99%
Shanghai Comp. (China)	3.455	3.461	0,18%	3,26%
Sensex (India)	83.410	83.239	-0,20%	6,53%

Portfolio Recommend.	Inclusion Date	Inclusion Price	Last Close	Chg. (%)	BIST Relative
Türk Hava Yolları	12.01.24	247,72	291,50	17,7%	-8,1%
Turkcell	11.01.23	30,96	98,00	216,6%	46,4%
Sabancı Holding	11.01.23	34,25	92,15	169,1%	24,4%
Migros	12.01.24	363,46	504,00	38,7%	8,3%
Akbank	20.01.22	6,46	68,80	965,7%	109,9%
Aselsan	06.01.25	75,50	149,80	98,4%	95,6%
Isbank	12.01.24	9,97	13,87	39,1%	8,6%
Çimsa	06.01.25	45,44	51,20	12,7%	11,1%
Ford Otosan	06.01.25	93,14	93,05	-0,1%	-1,5%
Portfolio Yield (YoY)				9,9%	15,8%
Portfolio Yield (MoM)				8,8%	1,4%

>>> policy has borne fruit. The only situation that could have a negative impact on macro indicators would be an excessive interest rate cut. Therefore, the most reasonable scenario appears to be rolling back the additional tightening of monetary policy that occurred in March to pre-March levels. This would both manage three-month demand-driven inflation and send a message that the market is prepared to use all available tools in the face of upward risks. This would reassure the market and buy time in the fight against inflation. In the other two scenarios (an interest rate cut exceeding expectations or a delay in the cut), we would either need greater patience in the fight against inflation or face a sharp downturn in growth. Both scenarios contain outcomes that the market would not welcome. We expect that the CBRT will revert to its March monetary policy at its July meeting and proceed with a focus on inflation.

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