

## Daily View

Good morning. Global risk sentiment is exhibiting a moderately constructive tone this morning; while U.S. equity futures are mixed, European futures and Asian markets are trading in positive territory. Forward guidance from the Fed regarding potential rate cuts and renewed asset purchases continues to underpin market appetite, and the upward revisions to growth expectations for the U.S., Europe and China as we move toward 2026 are reinforcing the broader optimism. At Borsa Istanbul, the XU100 Index saw a volatile session yesterday following the MPC's 150bp rate cut but ultimately closed the day 0.4% higher, reclaiming levels above 11,200. The top five contributors to the index's upside were BIMAS, TRALT, FROTO, AKBNK and ASTOR. Over the past week, sustained inflows have been notable in AKBNK, MPARK, ASELS, PGSUS and TCELL. From a technical standpoint, resistance levels are monitored at 11,300 / 11,320 and 11,500 / 11,600, while support zones stand at 11,150, 11,070 and 10,900 / 11,000. On today's agenda, domestic data flow includes the current account balance and the CBRT Market Participants Survey, alongside the first meeting of the Minimum Wage Determination Commission, where headline messages will be in focus. The macro calendar in Europe and the U.S. remains muted, though remarks from several Fed officials speaking at various events today will be monitored for policy cues. Turkey's five-year CDS starts the day at 220bp. While a gradual compression has been evident for some time, yesterday's 6bp decline stands out as an additional supportive factor for the banking sector index (XBANK), complementing the MPC's rate-cut cycle. As a reminder, GARAN and ISCTR remain our preferred names within the Tacirler Investment Model Portfolio. Other holdings include **MGROS, THYAO, TUPRS, CCOLA, TKNSA, MAVI, FROTO, TAVHL and TCELL.**

## Macro and Politics

**\*The CBT will release October Balance of Payment figures today @10:00 local time.** We expect the current account balance to post a surplus of USD811mn in October. For the same month, we estimate the balance of payments-defined foreign trade deficit at roughly USD5.4bn, while the services surplus is likely to come in at around USD7.4bn. We estimate the current account deficit at around USD18bn (1.1% of GDP) by end-2025, and project the deficit to widen to USD25bn (1.5% of GDP) by end-2026.

**\* The CBT will release the results of the December Market Participants' Expectations Survey today @ 10:00 local time.** The CBT's November Market Participants' Survey showed an upward revision in inflation expectations, with the end-2025 CPI forecast rising from 31.8% to 32.2% and the end-2026 projection increasing from 22.1% to 23.2%. Following these upward adjustments, we expect the December survey to reflect a partial retracement in inflation expectations, as the November CPI print came in below consensus. We anticipate another subdued monthly reading in December, likely remaining below 1%. Within this framework, we expect CPI to end 2025 in the 30.5%–31% range, while our end-2026 CPI expectation stands at around 23%.

**\* The Monetary Policy Committee (MPC) lowered the policy rate by 150bps, bringing it down from 39.5% to 38%.** The Committee also maintained its asymmetric interest rate corridor by cutting the Central Bank's overnight lending rate to 41% from 42.5% and the overnight borrowing rate to 36.5% from 38%. The market median expectation likewise pointed to a 150bps cut. While our house baseline had been a 100bps reduction, we did not rule out the possibility of a 150bps move; however, given the persistence in underlying trend inflation and the stickiness of core indicators, we had assessed the likelihood of a 200bps-or-larger adjustment as low. Today's decision suggests that the limited room created by the softer-

than-expected November headline inflation was utilized, with the pace of easing calibrated in a controlled manner broadly aligned with market sentiment. We expect monthly CPI inflation to remain below 1% in December as well, which would bring year-end 2025 inflation into the 30.5%–31% range. Our year-end 2026 inflation forecast stands at 23%. The lack of palpable improvement in core inflation metrics in recent months, coupled with the persistence of trend inflation around 2% m/m on a seasonally adjusted basis, indicates that the disinflation process will proceed more gradually in 2026 as inflation transitions from the low-30s to the low-20s. Against this backdrop, we expect monetary policy in 2026 to maintain a tight stance that reflects the sticky components of the second-stage disinflation process. We judge that the rigidity in services inflation and core indicators limits the scope for rapid policy-rate normalization. Accordingly, we foresee a gradual easing cycle, with the policy rate stabilizing at 29.5% by end-2026.

**\*Foreign investors were net buyers of USD154.3mn in equities during the week of 28 November – 5 December, while recording a modest USD23.7mn outflow from the bond market (excluding repo transactions).** This marked the end of a five-week streak of continuous foreign inflows into the bond market. As a reminder, foreigners had accumulated a total of USD2bn in the bond market (ex-repo) throughout November, during which their share in the outstanding stock rose above the 7% threshold for the first time since March. Although December began with a mild reversal on the fixed-income side, whether foreign demand will persist in the coming period will be a key determinant for broader portfolio flows, shaping market perceptions around the rate path and influencing standard portfolio channels. In ytd terms, foreign investors have registered USD1.6bn of net inflows into the equity market and USD2.6bn in the bond market (excluding repo transactions). During the same period, the residents' FX deposits slumped by USD2.6bn (excluding gold, EUR/USD parity effect adjusted), while their total FX deposits (including gold, price adjusted) decreased by USD2bn. In terms of official reserves, the CBT's gross FX reserves increased by USD3.2bn, net international reserves soared by USD5.4bn to USD77.4bn and net reserves excluding swaps rose by USD4.3bn to USD61.9bn.

## Sector and Company News

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- **CVKMD** announced that USD 24.85 mn of the USD 70 mn chrome ore off-take agreement signed with Trafigura Pte. Ltd. has been received in its accounts.
- **CWENE** announced that its subsidiary CW Energy USA signed a solar panel sales contract worth USD 3.13 mn with a US-based client. The project is expected to have a ~1% positive impact on the company's 9M25 revenue.
- **GLCVY** won the auction for one retail NPL portfolio with a principal balance of TL 196.3 mn, offered by Yapı Kredi Bankası, by submitting the highest bid.
- **GLRMK** ranked first in the Warsaw Metro expansion tender in Poland with a bid of PLN 33.8 mn (≈ TL 395.7 mn).
- **KONTR** stated that the review by the World Bank Group regarding a project tender in Iraq was settled through reconciliation, and as a result, the company's participation in World Bank-financed projects will be temporarily suspended for 12 months.
- **ORGE** signed a contract worth TL 210.2 mn + VAT for electrical installation works within a project scope.

- **OZYSR**'s individual shareholder applied for the conversion of 3.7 mn shares (3.6% of capital) into tradable form on Borsa Istanbul.

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	29.500	16.10	5.31%
ESCAR		ESCAR	Buyback	25.000	20.60	1.15%
DAGI		DAGI	Buyback	233.149	8.62	0.45%
ENERY		ENERY	Buyback	400.000	10.19	3.36%
KLYPV		KLYPV	Buyback	100.000	59.36	0.02%
KLSYN		KLSYN	Buyback	100.000	5.55	1.46%

# Important Disclosures

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