

## Daily View

Good morning. Global markets are starting the day on a positive note. This optimism is expected to support Borsa Istanbul as well; however, the domestic market's direction will be more influenced by the November inflation figures, which will be released simultaneously with BIST's opening. A monthly increase of 1.9% in the Consumer Price Index (CPI) is anticipated. A figure at this level or below would support expectations for a rate cut by the Monetary Policy Committee (MPC) on December 26, potentially driving buying activity in BIST companies, especially banks. A figure of 2% or higher would not have a negative effect but might limit the supportive outlook stemming from global markets. From a technical perspective, the flag formation in BIST is still developing. The formation's resistance is at 9,750; if this level is breached, the formation's target is 10,500 (with intermediate resistances at 10,000 and 10,200). The cancellation level of the formation is 9,570. In the U.S., President-elect Trump continues to issue warnings about tariffs targeting multiple countries, including China, Russia, Mexico, and Canada, ahead of his January 20 inauguration. However, we believe many of these issues are subject to negotiation and that, once he assumes office, he is unlikely to pose the same level of threat to the global economic system. Therefore, the market impact of Trump's statements during this period may remain limited. Today's agenda is relatively calm apart from the inflation data domestically. In the U.S., messages from Federal Reserve officials will be closely watched. Turkey's 5-year credit default swap (CDS) premiums remain steady at 257 basis points.

## Macro and Politics

**\* TURKSTAT will release November inflation figures today @10:00 local time.** We expect the CPI to increase by 1.9% m/m in November, which would bring the annual CPI down to 46.6% from 48.6%. According to the survey conducted by Foreks, the median estimate for November CPI is 2% m/m, slightly in line with our house estimate. We expect the annual CPI to ease further around 45% by the year-end and thereafter follow a volatile, yet predominantly downward trend in the coming year as we project an annual inflation rate of 26% by the end of 2025. If the monthly inflation comes around 2% in November, as expected, we believe this would pave the way for the Monetary Policy Committee (MPC) to start cutting rates in December. Moreover, recall that the recent 3Q24 GDP data released on Friday showed the economy is in a technical recession, which the MPC is likely to view as a further signal to begin its easing cycle.

**\* Istanbul Chamber of Industry (ICI) November PMI increased to 48.3 level from 45.8, while standing below the 50-threshold for the eighth consecutive month.** The accompanying note highlighted that although business conditions in the Turkish manufacturing sector remained challenging in November, there were signs of improvement in demand throughout the month. It was also noted that both output and new orders moderated to lesser extents, while employment returned to growth. According to the note, firms benefited from a further easing of inflationary pressures, with output prices rising at the slowest pace since December 2019. After averaging 49.8 in Q1 2024 and 48.5 in Q2 2024, the manufacturing PMI dropped to an average level of 46.4 in Q3 2024. In the first two months of the final quarter, PMI averaged around 47, indicating a modest improvement in activity, but still signaling an overall deterioration in the manufacturing sector. Thus, the data received so far for the final quarter point to a slightly more optimistic outlook for activity compared to the third quarter. However, when looking at the main trend in the manufacturing sector, we see that industrial activity is generally losing momentum, and we expect this weakening to remain effective for the coming period. We estimate that GDP growth in 2024 will be around 2.9%.

## Sector and Company News

- ALARK** announced that the capital of its subsidiary, Alyat Teknoloji Yatırımları Holding, which was previously 220 million TL, was increased to 900 million TL. Of this increase, 639.3 million TL was covered by the cash capital advance allocated by Alarko Holding, and 40.7 million TL was covered in cash. Alarko Holding will contribute 40.7 million TL to the cash-increased portion.

- **BRKVVY** announced that it won the tender for the sale of a non-performing loan portfolio with a principal amount of TL236mn by submitting the highest bid.
- **CUSAN** reported its 3Q24 financial results with a net loss of TL61mn. The company had reported a net loss of TL148mn in the same period last year. In 3Q24, the company's sales grew by 19% year-on-year, and it generated TL128mn in EBITDA. However, net financial expenses of TL200mn put pressure on the results.
- **DGNMO** announced that the Düzce solar power plant project has been completed.
- **EBEBK** announced that between November 1 and November 30, two new stores were opened, one in Istanbul and one in Kütahya, bringing the total number of stores to 261.
- **ENKAI** announced that the arbitration process regarding the termination of the agreement for the hydroelectric project in Georgia by its subsidiary, ENKA Renewables, has been concluded. The termination was deemed justified, and the Georgian government was ordered to pay approximately 383.2 million USD in compensation, including interest, to the subsidiary.
- **KOZAL** announced plans to purchase properties in Istanbul-Beşiktaş and Ankara-Çankaya from Koza İpek Holding, valued at TL908mn and TL476mn, respectively, based on expert appraisal.
- **LKMNH** repurchased 22,000 shares at a price range of TL16.92-16.98, increasing its stake in the company to 2.63%.
- **MIATK** announced a strategic collaboration with Agrio Financial Technologies.
- **SUWEN** announced that five new stores were opened domestically between October 1 and October 31, bringing the total number of stores to 198 as of November 30.
- **TTKOM** announced that its application for the issuance of debt instruments not exceeding TL7.5bn for sale to qualified domestic investors has been approved by the Capital Markets Board (SPK).
- **VESTL** JCR-Eurasia Rating assigned Vestel Elektronik a Long-Term National Rating of "A (tr)" with a "Negative" outlook, and Long-Term International Foreign and Local Currency Ratings of "BB / Stable."

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
BIMAS		BIMAS	Buyback	100.000	474.88	1.89%
LKMNH		LKMNH	Buyback	21.000	19.95	2.62%
FRIGO		FRIGO	Buyback	20.000	8.22	2.27%
YGGYO		YGGYO	Buyback	36.614	60.25	3.28%
TUKAS		TUKAS	Buyback	548.166	6.80	1.22%
CEMZY		CEMZY	Buyback	308.395	10.24	2.23%
GEDİK		GEDİK	Buyback	14.000	7.39	2.19%
PCILT		PCILT	Buyback	200.000	17.39	1.24%
TARIM KREDİ KOOP. MERKEZ BİRLİĞİ G.M		GUBRF	Market	3.961.000	239.00	78.73%

# Important Disclosures

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