

Daily View

Good morning. While momentum loss is observed in the US and Europe, hopes for stimulus in Asia are driving purchases in the region's stock markets. Domestically, the expectation that Turkish companies could play significant roles in Syria's reconstruction process has led to high volumes and capital inflows in Borsa Istanbul, pushing the index above 10,250. We maintain our short-term formation target of 10,500. With yesterday's close, the index has returned to the gap zone between 10,200 and 10,400 that formed on August 5th due to the appreciation of the Japanese Yen and unwinding of carry trade positions. It has also climbed to a four-month high in TL terms. The peak of this zone in dollar terms is approximately \$303, which aligns with the 10,500 level at current exchange rates. If momentum is sustained and capital inflows continue above this level, the likelihood of testing the historical peak of 11,250 in TL terms will increase. From a technical perspective, supports are at 10,150 and 10,000. On today's agenda, the October industrial production data, which may provide clues regarding the unemployment rate and 4Q24 GDP growth, stands out domestically. Internationally, the agenda is relatively quiet. Turkey's 5-year CDS premiums start the day at 247 basis points. With CDS levels dropping below 250 basis points for the first time in a long while, further declines could provide additional support for the XBANK Banking Index.

Macro and Politics

*** TURKSTAT will release October Industrial Production (IP) figures today @ 10:00 local time.** The sequential (the seasonal and calendar adjusted monthly figure) industrial production (IP) increased by 1.6% m/m as of September 2024, while the calendar adjusted IP narrowed by 2.4% y/y. In August, factory shutdowns due to maintenance activities in the transportation sector had a significant impact on the monthly contraction in IP figures. The dissipation of this effect by September played a key role in supporting the monthly recovery. Regarding the October figures, leading indicators like the energy & gold excluded intermediary goods imports and the Real Sector Confidence Index signaled a more optimistic outlook compared to the previous month. Therefore, the relatively "positive" picture presented by the leading indicators for October is likely to be reflected in the seasonally adjusted IP figures.

*** October Employment figures will be released @ 10:00 local time.** The adjusted unemployment rate remained unchanged at 8.6% as of September. The broad-based unemployment calculations improved slightly as the rate of composite measure of labor underutilization – including time-related underemployment, potential labor force and unemployment—dropped by 1.7 ppts to 25.6%. Furthermore, the combined rate of time-related underemployment and unemployment dropped to 17.3% from 18.2%, while the combined rate of unemployment and potential labor force decreased to 17.9% from 18.7%.

***The Treasury will hold 9m G-bond and 5y fixed coupon bond auctions today.** The Treasury tapped the domestic markets to the tune of TL46.2bn via yesterday's 4y TLREF-index bond auction. According to three-month (Dec 24 – Feb 25) domestic borrowing strategy, the Treasury has a total domestic redemption of TL71.5bn in December, while in return plans to borrow TL132bn throughout the month, indicating a roll-over ratio of 185%. After this week's auctions, 2y fixed coupon and 6y FRN bond auctions on December 16th and 3y CPI-indexed and 10y fixed coupon bond auctions as well as the direct sale of 2y lease certificate on December 17th and finalize its domestic borrowing program for December.

Sector and Company News

- **BIMAS** reported the repurchase of 100,000 shares at a price of TL520.83 per share. Following this transaction, the proportion of shares held relative to the company's capital increased to 1.94%.
- **BTCIM** announced that preparations have been initiated for the merger of its subsidiary, Batıçim Enerji Elektrik Üretim, into Batıçim through acquisition.
- **CUSAN** sold 30K shares it had previously bought back at an average price of TL21.45. Following the transaction, the company's ownership ratio in the share capital decreased to 0.97%.
- **GLCVY** announced that it won the tender for a non-performing loan portfolio worth TL56.2mn with the highest bid.
- **RTALB** decided to increase its current capital from TL100mn to TL500mn through a 400% bonus capital increase.
- **TKFEN** announced the repurchase of 125K shares at an average price of TL80.92. Following the transaction, the proportion of shares held to the company's total share capital increased to 2.52%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
TKFEN		TKFEN	Buyback	125.000	80.92	2.52%
FRIGO		FRIGO	Buyback	20.000	8.23	2.33%
AGESA		AGESA	Buyback	3.084	143.99	0.82%
GEDİK		GEDİK	Buyback	117.762	7.88	2.21%
ÇİMTEK ÇİMENTO TEKNOLOJİSİ MÜHENDİSLİK A.Ş.		CEMAS	Market	5.000.000	3.72	4.38%
RUZY FİNANSAL HİZMETLER A.Ş.		ALMAD	Market	475.000	7.40	4.03%

Important Disclosures

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