

Daily View

Good morning. We start the day with expectations of a 25-basis-point rate cut by the Fed, accompanied by messages signaling a slowdown in the rate path for the upcoming period. Revisions to Fed members' projections on policy rates, inflation, growth, and employment will also be closely monitored. Particularly, the recent easing trend in inflation losing momentum and partial increases being observed may lead the Fed to adopt a more cautious and slightly hawkish tone, which could have a short-term negative impact on global risk appetite. Looking at this morning, U.S. futures and Asian markets, except for Japan, are in positive territory, while weakness stemming from political issues persists in Europe. Yesterday, Borsa Istanbul ended the day just above 10,000 with limited rebound buying, but the short-term technical outlook remains weak. However, factors such as expectations of improvements in 4Q24 and 1Q25 financials, the anticipated start of rate cuts in the CBRT's December 26 meeting, the decline in CDS levels, and upward revisions in valuations are expected to support BIST from a medium to long-term perspective. On today's agenda, apart from the Fed, we will be watching the Eurozone CPI and U.S. housing sector data. Turkey's 5-year CDS premiums start the day at 251 basis points.

Macro and Politics

* **TURKSTAT will release November home sales figures @ 10:00 local time.** Total home sales climbed by 17.2% m/m and 79.1% y/y in October to 165,138 units. Mortgaged home sales, which accounted for 12.8% of all home sales in October, soared by 33.3% m/m and 278.2% y/y to 21,095. Moreover, home sales to foreigners, which represented 1.3% share of all home sales in October, decreased by 4.7% m/m and 16.3% y/y to 2,122.

* **The CBT will release October short-term external debt stock figures @ 10:00 local time.** Short-term external debt stock in September materialized at USD176.4bn, up merely by 0.1% compared to 2023YE. In terms of short-term debt statistics, we believe that "debt stock on a remaining maturity basis," calculated based on the external debt maturing within one year or less regarding the original maturity, is rather critical, which is at USD233.1bn as of September 2024. Out of this figure, USD21.4bn is debt to the resident banks and private sectors to the banks' branches and affiliates abroad. Stripping this amount from the total results in USD211.7bn. We also add 12-month forward-looking CAD expectations on this amount so as to reach Turkey's annual external financing need (EFN). Accordingly, we calculate EFN as of September 2024 around USD225bn.

* **The Residential Property Price Index (RPPI) registered a monthly rise of 2.8% and an annual increase of 29.48% in November, reaching a level of 155.4.** Yet, in real terms, RPPI dropped further by 12% y/y. The real depreciation in RPPI on an annual basis has persisted since February.

* **The Treasury tapped the domestic markets to the tune of TL18.6bn (including non-competitive sales) via yesterday's 3y CPI-indexed and 10y fixed coupon bond auctions, while also sold TL1.5bn at the direct sale of 2y lease certificate.** Accordingly, the Treasury has finalized its domestic borrowing program for December and the domestic borrowing since the beginning of the month totaled TL130.4bn, slightly below the initial projection of TL132bn.

Sector and Company News

- **AGESA** reported the repurchase of 12,740 shares at a price range of TL146.80–TL147.20. Following this transaction, the proportion of shares repurchased relative to the company’s capital increased to 0.84%.
- **ATAKP** announced the completion of the construction of the Coated Products Production Building and Raw Onion Storage Facility, along with the installation of necessary machinery and equipment, and production activities have commenced.
- **CELHA** announced that the shares owned by Betatrans Lojistik, representing 18.8% of its capital, were transferred to the company’s main shareholder, Artaş İnşaat, under a share transfer agreement. Following the transaction, Artaş İnşaat's stake in the capital increased to 75.22%.
- **DOKTA** announced that 95% of its EUR20mn machinery investments in Manisa OSB have been completed, and production has commenced.
- **HTTBT** signed a 5-year software services agreement with Drukair (Royal Bhutan Airlines). After the system transition, the company will provide passenger, operational, accounting, and cargo solutions.
- **ISATR, ISBTR, ISCTR, ISKUR, TIB:** Türkiye İş Bankası announced that it purchased 5 million SISE shares at an average price of TL41.14. As a result of this transaction, the proportion of shares it holds in the capital of Türkiye Şişe ve Cam Fabrikaları A.Ş. increased to 51.22%.
- **KCHOL** announced that it has decided to increase the capital of its subsidiary RMK Marine—of which it holds a 43.2% stake—from TL50.9mn to TL115.3mn. It will contribute TL1.9bn to this capital increase, raising its share in RMK Marine’s capital to 74.9%.
- **MEGMT** announced that it has terminated the acquisition process of a company in the United States due to unfavorable developments.
- **VESTL** announced that the application submitted to the Capital Markets Board (CMB) for the transfer of certain assets and liabilities to its 100% subsidiary, Vestel Mobilite, has been withdrawn due to the expectation that the process could not be completed within the designated timeframe.
- **YKBNK** announced that it will disclose its financial reports for the last quarter of 2024 to the public on January 31, 2025.
- **ZOREN** announced the transfer of its 42.15% stake in Ezotech Electric, Solad Energy, and Adnit Real Estate in Israel to Edeltech Holdings 2006 Ltd. The transaction also included the transfer of natural gas power plants to Edeltech.

Share Transaction

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
FRIGO		FRIGO	Buyback	20.000	8.61	2.42%
PCILT		PCILT	Buyback	50.000	16.80	1.67%
TKFEN		TKFEN	Buyback	67.500	75.14	2.64%
LKMNH		LKMNH	Buyback	19.000	17.29	2.73%
GEDİK		GEDİK	Buyback	19.818	7.95	2.23%
KRVGD		KRVGD	Buyback	300.000	2.37	1.27%
CEMZY		CEMZY	Buyback	1.000.000	11.25	2.99%
AGESA		AGESA	Buyback	12.740	147.03	0.84%
RUZY FİNANSAL HİZMETLER A.Ş.		ALMAD	Market	500.000	7.73	4.71%
TÜRKİYE İŞ BANKASI A.Ş.		SİSE	Market	5.000.000	41.14	51.22%

Important Disclosures

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