

Daily View

Good morning. The downward revision of growth expectations in the U.S. and political obstacles to defense spending plans in Europe are weighing on global markets. While the sell-off in the U.S. is part of ongoing concerns since mid-February regarding tariffs, inflation, and recession risks, Europe is pricing in a newly emerging agenda. In Asia, markets remain caught between stimulus expectations and global pressures. In Borsa Istanbul, despite the Competition Authority's investigation into retail companies putting pressure on BIMAS, MGROS, and SOKM, other stocks remained generally resilient yesterday. However, selling pressure in global markets toward the close led to a decline in BIST as well. Although U.S. and European futures are showing a slight rebound this morning, the weak outlook in BIST may persist at the open. That said, despite yesterday's sell-off, there is no significant deterioration in BIST's technical outlook yet. Throughout the day, the key focus will be whether the BIST 100 index can hold above the 10,200 / 10,300 support zone. A drop below this level could bring 10,000 and lower levels back into play. The 10,500 / 10,600 zone serves as the first resistance area. The day's agenda is relatively quiet, with U.S. job openings data being the primary event to watch. Meanwhile, Turkey's 5-year credit default swaps (CDS) start the day at 264 basis points.

Macro and Politics

* **TURKSTAT will release January Industrial Production (IP) figures today @ 10:00 local time.** Following the strong increase in December, we anticipate a slowdown in January's IP figures. Please note that the sequential IP (the seasonal and calendar adjusted monthly figure) surged by 5% m/m in December 2024, while the calendar adjusted IP soared by 7% y/y. Our expectation for a weaker January IP is primarily driven by declining leading indicators for the month, coupled with the ICI Manufacturing PMI falling to 48, its steepest monthly decline since September. Additionally, potential adjustments in highly volatile components are likely to put further downward pressure on the January IP data.

* **The CBT has unveiled the results of the March 2025 Market Participants' Expectations Survey. Following the partial retroactive reduction of the medical examination copayment increases and February inflation realizations coming in below expectations at 2.3%, the participants' year-end inflation forecast slid merely to 28% from 28.3%.** Meanwhile, participants' monthly inflation expectation for March came in at 2.3%. Our 2025YE inflation forecast for 2025 is 28%. Furthermore, participants' expectations for the 3-month-ahead policy rate are at 37.70%. This suggests a cumulative rate cut of 480bps over two months, with a somewhat slowed rate-cut trajectory compared to the current 250bps reductions. We expect the MPC to continue its rate cuts with a 250-bps reduction at its upcoming meeting on April 17th. Yet, given that the supportive impact of base effects will wane in the second half of the year and that leading indicators for 1Q25 suggest resilient than expected economic activity, we anticipate a slower pace of easing, starting from the June meeting. We project the 2025 year-end policy rate at 30%.

Sector and Company News

- **ALARK (Negative)** announced a net profit of TL1.61bn in 4Q24. The company reported TL5.11bn profit in the same quarter last year and TL1.52bn in the previous quarter. Sales revenues declined by 77% YoY and 82% QoQ, amounting to TL427mn. The company reported a gross loss in 4Q24. For full-year 2024, net profit fell by 82%, while revenues dropped by 37%.
- **AZTEK** announced a net profit of TL99mn in 4Q24, compared to TL60mn last year and TL48mn in the previous quarter. Sales revenues increased by 12% YoY and 25% QoQ to reach TL2.4bn.
- **BARMA** announced a net profit of TL208mn in 4Q24, compared to TL243mn profit last year and a TL15mn loss in the previous quarter. Sales revenues decreased by 11% YoY but improved by 7% QoQ to TL672mn.
- **KONTR** posted its 4Q24 financial results with a net loss of TL657mn. The increase in costs pressured operational profitability. Additionally, net financial expenses of TL219mn and deferred tax expenses of TL324mn further weighed on the results.
- **OBAMS (Slightly Negative)** reported TL370mn net profit for 4Q24. Full-year net sales dropped by 49% YoY, amounting to TL17.3bn. The total net profit for 2024 stood at TL307.0mn. The company restated its previous full-year net profit of TL1.28bn to TL1.85bn on a retrospective basis.
- **SUWEN (Neutral)** reported a net profit of TL25mn in 4Q24, compared to TL57mn in the same period last year and TL99mn in the previous quarter. Sales revenues rose by 19% YoY but declined 19% QoQ to TL1.1bn. Despite this, the company achieved improved cost control, boosting its gross profit margin by 4.3 points QoQ to 53.0%. For full-year 2024, net profit was TL232mn (2023: TL277mn), and annual revenues reached TL4.4bn (2023: TL3.6bn), with margins improving year-on-year.
- **TEZOL (Negative)** posted a net loss of TL196mn in 4Q24, compared to a TL365mn loss in the same period last year and a TL211mn profit in the previous quarter. Revenues fell by 11% YoY and 6% QoQ to TL1.31bn. The company also recorded a gross loss in 4Q24.
- **TTKOM (Neutral)** posted its 4Q24 financial results with a net profit of TL4.3bn, significantly exceeding the market expectation of TL2.3bn. The company's revenue was in line with expectations. Other operating income of TL2.6bn and a net monetary gain adjustment of TL3.6bn supported the net profit. However, a deferred tax expense of TL10.5bn created pressure on the bottom line. For 2025, the company expects 8-9% revenue growth (excluding IFRIC 12), an EBITDA margin of 38-40%, and a capex-to-sales ratio of 28-29%.
- **ULKER (Slightly Positive)** reported TL2.7bn net profit for 4Q24, bringing the total net profit for 2024 to TL7.4bn. In 4Q24, EBITDA reached TL4bn, marking a 40% increase quarterly and a 10% increase annually. The full-year EBITDA stood at TL15.6bn. During this period, the company increased its equity by 31%, while its return on equity (ROE) was around 26%.

- **VAKKO** announced a net profit of TL231mn in 4Q24, compared to TL1.56bn last year and TL7mn in the previous quarter. Sales revenues rose by 4% YoY and surged 39% QoQ to TL4.5bn. Increased costs and operating expenses pressured margins.
- **YATAS** reported a net profit of TL17mn in 4Q24, compared to TL50mn in the same quarter last year and TL57mn in the previous quarter. Revenues dropped 29% YoY but increased 11% QoQ to TL4.08bn. Although the gross profit margin improved compared to the previous quarter, rising operating expenses pressured operating margins.
- **VESTL (Negative)** released a net loss of 6,440 million TL for 4Q24, compared to a net profit of 3,840 million TL in the same period last year. Net sales were reported at 37,367 million TL, marking a 12% decrease YoY. The company's international sales declined by 9% on a USD basis annually, accounting for 71% of total net sales (4Q23: 69%). The company reported a negative EBITDA of 1,084 million TL in 4Q24, a significant drop from 5,806 million TL in the same quarter of the previous year. EBITDA margin decreased by 1,658 bps YoY, falling to -2.9%.
- **GLYHO** announced its 2025 expectations. Excluding TMS 29, the company anticipates a 40-60% increase in port operations revenue, a 20-40% increase in gas revenue, a 5-20% increase in electricity generation revenue, a 20-35% increase in mining revenue, a 40-55% increase in real estate revenue, and a 20-40% increase in finance revenue.
- **GWIND** announced that it has acquired the rights to a 22 MW solar power project in Germany.
- **KCHOL** announced that Enerji Yatırımları A.Ş. (EYAŞ)—77%-owned by Koç Holding and 20%-owned by Aygaz A.Ş.—decided to distribute a cash dividend of TL9.45bn from its 2024 profit and other distributable sources.
- Tepe İnşaat has applied for the conversion of 3mn **TAVHL** shares into publicly tradable shares. **TAVHL** published its February passenger statistics. The total number of passengers increased by 3% y/y, reaching 5.5mn. Domestic passenger numbers declined by 2%, while international passenger numbers grew by 8%. In the first two months of 1Q25, total passenger traffic increased by 7% y/y. Domestic passengers declined by 4%, whereas international passengers increased by 10%.
- We evaluate **TAVHL**'s February passenger growth as "**Slightly Positive**." The decline in domestic passenger traffic slightly pressured overall figures. However, the continued growth in international passenger traffic offset some of these weaknesses. We maintain **TAVHL** in our Model Portfolio with a target price of TL396 and a 60% upside potential.
- **TKNSA (Slightly Negative)** announced that the Competition Authority decided to launch an investigation into several technology retail companies, including Teknosa, and one supplier operating in the technology retail sector.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	55.000	7.52	0.36%
LKMNH		LKMNH	Buyback	50.000	19.79	0.67%
YYLGD		YYLGD	Buyback	101.000	9.35	0.87%
INVES		INVES	Buyback	3.500	235.42	0.54%
EMNİYET TİCARET VE SANAYİ A.Ş.		AKSA	Market	750.000	13.47	24.39%
MEMİŞOĞLU TARIM ÜRÜNLERİ LTD. ŞTİ.		TATGD	Market	115.000	11.98	51.19%
CAN KÜLTÜR SANAT EĞİTİM KURUMLARI İŞLETMECİLİĞİ A.Ş.		TKFEN	Market	24.611.074	88.63	8.52%

Important Disclosures

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