

Daily View

Good morning. Agreements on the federal budget law in the U.S., defense and infrastructure spending in Germany, and the stimulus measures announced in China are providing support to global markets. While U.S. futures are weak this morning, other indicators remain positive. The rally in Borsa Istanbul continued last week, with strong capital inflows and robust foreign purchases. The 11,000–11,250 peak range in the BIST 100 index is now on the radar, while short-term formation targets indicate that new highs around 11,500 could be tested. The 10,600–10,700 range can be monitored as the first support and stop-loss zone following the recent sharp rise. Despite the peak levels in the BIST 100 index, valuations remain significantly below their all-time highs in dollar or inflation-adjusted terms. This suggests that if the current momentum persists, the BIST 100 could test even higher levels. The 12-month average target for the BIST 100 index stands at approximately 14,250. On today's agenda, Turkey's central government budget balance and Treasury auctions will be in focus, while in the U.S., the Empire State Manufacturing Index and retail sales data will be monitored. Later in the week, the Fed meeting will take center stage. Turkey's 5-year CDS starts the day at 261 basis points.

Macro and Politics

*** The Treasury will hold a 7y FRN bond auction today.** After today's single auction, the Treasury will hold 3y CPI-indexed and 5y fixed coupon bond auctions tomorrow, finalizing its domestic borrowing program for March. According to the three-month (Mar – May 25) domestic borrowing strategy, the Treasury has a total domestic redemption of TL124.7bn in March, while in return plans to borrow TL201.2bn throughout the month, via five auctions. The Treasury's tapped the domestic markets to the tune of TL102.4bn so far this month.

*** The Treasury and Finance Ministry will release February central government budget figures @ 11:00 local time.** The central government budget recorded a deficit of TL139.3bn in January, while the primary balance posted a surplus of TL23.8bn. Accordingly, the 12-month cumulative budget deficit remained at TL2.1tn, while the primary deficit narrowed to TL782.3bn. Recall that the Treasury's cash balance posted a deficit of TL204.9bn in January, while the primary balance recorded a deficit of TL54.1bn during the same period, reflecting a persistent divergence between accrual-based and cash budget outcomes. While cash-based performance is likely to remain weak, we foresee non-tax revenues and interest expenditures emerging as the key drivers of fiscal performance in the months ahead. In the absence of a forthcoming improvement in the cash budget, we believe that upside risks to growth could intensify. As 2025 is set to be the year of a decisive battle against inflation, the effective implementation of fiscal policy in greater coordination and the achievement of fiscal consolidation will be critical in striking a balance between inflation and growth. In this context, we maintain our 2025 budget deficit forecast at TRY 1.61 trillion (2.7% of GDP). However, we believe that risks to our forecast are increasingly skewed to the upside.

Sector and Company News

- **KOZAL (Negative)** announced its 4Q24 results with a net profit of TL55mn, significantly below the market expectation of TL533mn. Net profit declined by 97% YoY and 93% QoQ. Net sales came in at TL669mn, marking a 62% YoY decline and falling short of the market expectation of TL2,225mn. The company reported a negative 4Q24 EBITDA of TL394mn, compared to TL1,630mn in the same period last year. The announced EBITDA also missed the market expectation of TL882mn.
- **KRVGD** reported 4Q24 financial results, announcing a net profit of TL12mn, while recording a full-year net loss of TL89mn. Revenue contracted by 4% YoY to TL11.4bn in 2024. EBITDA declined by 13% YoY to TL1.1bn, with the EBITDA margin decreasing to 10.3% from the previous year. The company's equity shrank by 9% during the period.
- **ALARK** announced a decision to distribute a gross dividend of TL2.60 per share. The company's gross dividend yield stood at 3.0%. Additionally, the company set a maximum fund amount of TL1.35bn for share buybacks.
- **ASTOR** announced that the Competition Authority has imposed an administrative fine of TL339.8mn, which will be paid with a 25% early payment discount.
- **EKOS** announced that it has been fined TL12.7mn by the Competition Authority. The company will evaluate exercising its legal rights within the timeframe stipulated by the regulations.
- **IZENR** announced that the İzmir Regional Administrative Court has suspended the execution of the municipal council's decision.
- **LKMNH** announced that its share buyback program has been completed. Under the program, 8.4mn shares were bought back, and on January 31, 2025, 6.7mn shares were sold. The remaining 1.76mn shares correspond to 0.8% of the company's capital. Additionally, the company decided to distribute a gross dividend of TL0. TL per share, with a dividend yield of 2.15%.
- **MEGMT** announced the launch of a share buyback program for up to 20mn shares and a maximum fund amount of TL500mn.
- **SKYLP** announced a 1,000% bonus capital increase decision.
- **SUWEN** announced that it expects consolidated net sales to grow by more than 45% ($\pm 3\%$) in 2025 (before TMS 29 adjustments).

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDİK		GEDİK	Buyback	60.545	7.91	0.41%
LKMNH		LKMNH	Buyback	70.529	19.37	0.81%
YYLGD		YYLGD	Buyback	107.244	9.79	0.89%
ALKLC		ALKLC	Buyback	100.000	41.34	2.53%
INVES		INVES	Buyback	6.000	232.01	0.55%
SEGMN		SEGMN	Buyback	150.000	21.88	0.08%
OĞUZ TEKSTİL SAN VE TİC AŞ		BOSSA	Market	14.894	7.10	1.25%
ADESA MAĞAZACILIK TEKSTİL VE DERİ SAN.TİC. A.Ş.		DESA	Market	70.000	9.08	1.26%
EVLI FUND MANAGEMENT COMPANY LTD.		ORGE	Market	119.372	91.93	5.08%
	BÜLBÜLOĞLU HOLDİNG A.Ş.	BVSAN	Market	1.125.000	106.56	42.49%

Important Disclosures

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