

Daily View

Good morning. Global risk appetite remains balanced, while domestic market pressures are expected to weigh on BIST, leading to a notably weak opening. In the short term, in a potentially high-volatility environment, risks should be kept low, and a defensive stance should be maintained. Limited participation in intraday reactions can be attempted; however, leverage should not be used in these positions. From a medium- to long-term perspective, since we do not expect companies' operations, financial performance, or valuations to be affected by this volatile environment, positions can be maintained. There is no increase in 5-year CDS premiums, one of the risk indicators for TL assets, compared to yesterday, with New York, Tokyo, and London quotations averaging 256 basis points this morning. Exchange rates, Eurobonds, and other financial indicators are also generally stable. The key technical support zone to watch in Borsa Istanbul is the 10,200 / 10,300 range. On today's agenda, inflation data in Europe and the Fed interest rate decision in the U.S. will be followed. We do not expect any interest rate change from the Fed.

Macro and Politics

*** The Treasury borrowed TL71.1bn from the domestic markets (including non-competitive sales) through yesterday's 3y CPI-indexed and 5y fixed coupon bond auctions.** For the CPI-indexed auction, the bid – to – cover ratio stood at 2.47x, indicating robust demand, and the real compounded rate came in at 5.18%. For the fixed coupon auction, the bid – to – cover ratio was weak at 1.81x and the average cost of borrowing was 32.12%. With yesterday's double auctions, the Treasury has completed its domestic borrowing program for March, bringing total domestic borrowing since the beginning of the month to TL194.5bn, which is slightly below the initial projection of TL201.2bn. The Treasury will release its next three-month (April – June 25') domestic borrowing strategy on March 28th @ 17:30 local time. According to the previous program (March – May 25'), The Treasury has a hefty domestic redemption of TL293.7bn in April, while in return plans to borrow TL337.8bn throughout the month.

***The Residential Property Price Index (RPPI) registered a monthly rise of 2.8% and an annual increase of 31.3% in February, reaching a level of 170.5.** Yet, in real terms, RPPI dropped by 5.6% y/y. It is important to note that while the annual real depreciation in housing prices has continued since February 2024, the 5.6% annual decline observed in February 2025 represents the most moderate contraction in over a year, with the pace of decline slowing since October 2024. Despite consistently high mortgage rates, the sharp annual rise in mortgage-backed home sales seems to reflect expectations that housing prices, which have been falling in real terms since February 2024, will increase in the near future. As a result, we expect the annual real change in the RPPI to potentially shift into positive territory in the coming months.

*** Short-term external debt stock in January materialized at USD174.6bn, up by 0.9% m/m.** 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 1 year or less regarding the original maturity, is rather critical, which is at USD224.3bn as of January 2025. Of this, USD20.7bn is attributed to loans taken by resident banks and private sector affiliates from their branches and affiliates abroad. Stripping this amount from the total results in USD203.6bn. 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 January 2025 around USD230bn.

Sector and Company News

- **MAVI (Neutral)** reported a net profit of TL95mn in Q4. The reported net profit increased by 130% year-on-year but declined by 88% quarter-on-quarter, mainly due to a deferred tax expense of TL88mn. In the same period, the company's revenue declined by 1% year-on-year and 9% quarter-on-quarter, reaching TL9.15bn. The gross profit margin improved by 1.2 percentage points year-on-year but contracted by 4.2 percentage points quarter-on-quarter to 46.6%. EBITDA was reported at TL1.23bn, with an EBITDA margin of 13.5% (Q4 2023: 12.7%). The improvement in the Q4 EBITDA margin was driven by a 120-basis-point increase in the gross margin. In 2024, the company increased its revenue and net profit by 3% and 7%, respectively, while EBITDA remained unchanged. Additionally, the company shared its 2025 outlook, expecting low to mid-single-digit revenue growth (including TMS29 impact), 20 net new stores in Turkey, 8 in North America, and an EBITDA margin above 17.5%.
- **We are closely monitoring political and judicial developments.** Istanbul University has decided to revoke and annul the diplomas of 28 individuals, including Istanbul Metropolitan Municipality (İBB) Mayor İmamoğlu, citing "**nonexistence**" and "**clear error.**" Following the decision, İmamoğlu responded on social media, stating, "The decision by the Istanbul University Administrative Board is unlawful. They do not have the authority to make such a decision." We assessed the cancellation of Mayor İmamoğlu's diploma as a **slightly and temporary negative** factor for the market. However, this morning brought a more significant development. The Istanbul Chief Public Prosecutor's Office has launched an investigation into 105 individuals, including İmamoğlu, and issued detention orders. **This second development may have a greater impact as negative.** Statements to be made during the day are important. Given BIST's recent upward momentum, **any sharp sell-off** driven by this news could present a **medium-term buying opportunity.** Because, these are not developments that would directly impact the financial operations of publicly listed companies.
- **AKCNS** announced that it will distribute a gross dividend of TL6.27 per share, with the ex-dividend date set for March 24, 2025.
- **ARSAN** announced that it has signed an agreement to purchase 92% of Zorlu Faktoring's capital from Zorlu Holding. The share transfer will take place upon the approval of the Banking Regulation and Supervision Agency (BDDK).
- **ATEKS** announced that, in order to prevent foreclosure proceedings and ensure the continuation of its production activities, it has applied for concordat protection. The Bakırköy 1st Commercial Court of First Instance granted a 3-month period and appointed temporary Concordat commissioners. Additionally, it was decided that Akın Tekstil's shares, which are traded on the Main Market, will be transferred to the Watch List Market, and trading of its shares will be suspended on March 19.
- **FONET** announced that it submitted the most favorable bid of TL37mn in the tender held by the Uşak Provincial Health Directorate.

- **GESAN** announced that it submitted the most competitive bid in the tender it participated in. The base value of the tender is approximately TL192.5mn.
- **GLCVY** announced that it won the tender for two individual portfolios with a total principal amount of TL1.46bn, out of five portfolios offered in Garanti Bankası A.Ş.'s non-performing loan sale, by submitting the highest bid.
- **ORGE** announced that the contract for the ongoing Bodrum Hillside Hotel Project with **ALGYO** has been increased by TL146.7mn, reaching a total value of TL360mn, in line with the agreement made.
- **SUMAS** announced a gross dividend payment of TL2.00 per share. The company's gross dividend yield stands at 0.60%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	200.000	7.99	0.44%
LKMNH		LKMNH	Buyback	70.500	19.64	0.87%
YYLGD		YYLGD	Buyback	21.000	9.97	0.89%
KRVGD		KRVGD	Buyback	450.000	2.34	1.57%
FRIGO		FRIGO	Buyback	191.360	8.28	3.29%
ÖĞÜZ TEKSTİL SAN VE TİC AŞ		BOSSA	Market	26.142	7.00	1.29%

Important Disclosures

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