

Daily View

Good morning. The softening signals in the U.S. tariff policies continue to support global markets. This morning, U.S. and European futures, along with Asian markets, are generally on the buying side. In Borsa Istanbul, the clear communication strategy of the economic administration and the swift implementation of measures have led to a rebound after a four-day decline from the 10,872 peak to 8,872, a drop of 18%. Yesterday, with capital inflows including foreign participation, the BIST 100 index surged by 4.5% to 9,715, reclaiming the 200-day exponential moving average after two days below it. We expect the recovery to continue today. The 9,900 – 10,000 range can be monitored as the first resistance zone, while 9,550 and 9,400 levels serve as support. The macroeconomic data calendar for the day is relatively quiet. Turkey's 5-year CDS premiums start the day at 295 basis points. Having recently surged from around 260 to 330 basis points in a short period, we anticipate a further decline in CDS levels. In addition to the BRSA's decision to enhance banks' share buyback flexibility, the decline in TL interest rates and CDS levels is also expected to be supportive for the XBANK Banking Index.

Macro and Politics

*** The CBT will release the March Sectoral Inflation Expectations survey @ 10:00 local time.** Following the rising volatility in TL assets that began on Wednesday, March 19th, due to idiosyncratic factors, it will be crucial to assess how inflation expectations among economic agents have shifted in the March survey. After the heightened domestic political tensions, it is likely that the increase in household inflation expectations observed in February will persist into March, and there may be a deterioration in the expectations of the real sector. As a reminder, according to the results of the latest February Sectoral Inflation Expectations survey, 12-month-ahead annual inflation expectations decreased by 0.1 points to 25.3% for market participants and by 1.9 points to 41.9% for the real sector, while increased by 0.4 points to 59.2% for households.

***Treasury and Finance Minister Şimşek and CBT Governor Karahan held a conference call with foreign investors.** According to reports, the one-hour meeting attracted significant interest from approximately 4,500 investors across North America, the United Kingdom, other European nations, and the Middle East. During the meeting, Şimşek highlighted that market volatility has been gradually subsiding and reassured participants that there are no concerns regarding debt stock or rollover ratios. Addressing the depreciation in TL assets, he acknowledged the presence of temporary factors affecting monthly inflation but emphasized that these do not pose a risk to meeting the annual inflation target. Şimşek also stated that there is no planned revision to the Medium-Term Economic Program (MTEP). Furthermore, Şimşek noted that demand for the U.S. dollar in domestic markets has moderated and cautioned against interpreting every stable exchange rate movement as an intervention. He underscored that domestic demand for foreign currency remains subdued, with heightened demand during periods of volatility primarily stemming from foreign investors and funds. CBT Governor Karahan, meanwhile, reiterated that the central bank remains committed to a meeting-by-meeting approach in its decision-making process, stressing that an interim meeting was deemed necessary. He also emphasized that the CBT possesses a broad set of policy tools and stands ready to take additional measures when warranted.

***Vice President Cevdet Yılmaz participated in a live broadcast yesterday, where he addressed key economic concerns. Acknowledging a certain decline in reserves amid the recent surge in market volatility,** Yılmaz stated that the CBT and the Capital Markets Board (CMB) have implemented necessary proactive measures, emphasizing that these

adjustments are of a temporary nature. Regarding withholding tax, Yılmaz underscored its significance in public revenue generation and confirmed that no changes to the current framework are on the agenda. He also noted that a moderate increase in the exchange rate could lead to a certain degree of pass-through to inflation expectations but stressed that he does not anticipate any major shifts.

***The Real Sector Confidence Index (RSCI) further improved to 104.1, which stands for the highest level since May, up from 102.4 in March, while the seasonally adjusted RSCI increased from 102.8 to 103.2.** Additionally, the Capacity Utilization Rate (CUR) showed a modest change, with the unadjusted CUR edging down from 74.5% to 74.4%, while the adjusted CUR increased to 75.2% from 74.9% in March. We observe that upside risks to our 2025 growth forecast of 2.6% are rising. Our baseline scenario for this year assumed that, following a decline in annual growth in the first quarter of 2025, a recovery in economic activity would take center stage from the second quarter onward, leading to a full-year growth rate of 2.6%. However, incoming leading indicators suggest that the anticipated slowdown in the first quarter may not materialize to the extent we had initially projected. Hence, the trajectory of growth dynamics continues to pose a risk to the disinflation process.

Sector and Company News

- **AGROT (Negative)** released a 4Q24 net loss of TL353mn, compared to a TL487mn net profit in the same period last year. Net sales stood at negative TL160mn, reflecting a 124% YoY decline. The company posted a negative EBITDA of TL135mn, compared to TL96mn in the same period last year.
- **IPEKE (Negative)** released a 4Q24 net loss of TL560mn, compared to a TL1.089bn net profit in the same period last year. Net sales came in at TL837mn, down 57% YoY. The company's international sales surged 1,577% YoY in USD based, increasing their share in total sales to 21% (4Q23: 1%). The company posted a negative EBITDA of TL24mn, compared to TL1.687bn in the same period last year, while the EBITDA margin contracted by 8,865bps YoY to -2.9%.
- **KOZAA (Negative)** released its 4Q24 net profit of TL173mn, down 92% YoY. In 3Q24, the company had posted a TL1.674bn net loss. Net sales came in at TL833mn, marking a 58% YoY decline. The company's international sales surged 1,577% YoY in USD based, increasing their share in total sales to 22% (4Q23: 1%). The company posted a negative EBITDA of TL311mn, compared to TL1.698bn in the same period last year, while the EBITDA margin contracted by 12,399bps YoY to -37.4%
- **AGESA** decided to distribute a gross dividend of TL5.56 per share today, with a dividend yield of 4.3% based on the last closing price.
- **AKBNK** decided to distribute a gross dividend of TL1.22 per share today, with a dividend yield of 2.2% based on the last closing price.
- **ANHYT** decided to distribute a gross dividend of TL5.81 per share today, with a dividend yield of 5.9% based on the last closing price.

- **ARCLK** received a credit rating revision from S&P, which downgraded its long-term foreign currency credit rating from BB to BB- while upgrading its outlook from negative to stable.
- **ASUZU** decided to distribute a gross dividend of TL1.98 per share, with a dividend yield of 3.4% based on the last closing price.
- **BMSCH** set today as the effective date for its 177.1% bonus capital increase from internal resources. The company's capital will rise from TL36.1mn to TL100mn following the increase.
- **DERIM** announced that it has decided to merge into Derimod Pazarlama through a full transfer of all assets and liabilities without liquidation.
- **DOHOL** stated that the capital of D Yatırım Bankası, in which it holds a 91% stake, will be increased from TL200mn to TL1.4bn.
- **GLCVY** completed the transfer of a TL300mn non-performing loan portfolio won on March 7, 2025.
- **GSDHO** announced the completion of the transfer of a TL112mn principal-sized non-performing loan portfolio acquired by its subsidiary.
- **KCAER** decided to distribute a gross dividend of TL0,86 per share, with a dividend yield of 7% based on the last closing price.
- **KONTR** announced that its subsidiary Pomega secured an order worth USD54.6mn for 303.5 MWh of energy storage systems, to be supplied and commissioned for Egesa Elektrik's licensed solar power projects. The project is expected to be completed in 3Q25.
- **MIATK** announced that it has signed a contract worth TL135.6mn with a client.
- **SISE** announced a decision to increase its registered capital ceiling from TL5bn to TL20bn. In addition, the company approved a gross dividend of TL0.65 per share, with the ex-dividend date set for May 30. Based on the latest closing price, the dividend yield stands at 1.7%.
- **TCELL** announced that the maximum fund allocated for share and bond buybacks has been increased from TL1.3bn to TL2.3bn. The company also approved a gross dividend of TL3.64 per share.
- **TOASO** received shareholder approval at its General Assembly to raise its capital ceiling from TL1bn to TL2.5bn. Additionally, a gross dividend of TL12 per share was approved, with an ex-dividend date of April 4. The dividend yield stands at 6.7% based on the last closing price.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	72.900	18.30	1.07%
AHGAZ		AHGAZ	Buyback	350.000	21.00	1.94%
GRTHO		GRTHO	Buyback	10.000	321.00	0.03%
YYLGD		YYLGD	Buyback	30.000	8.82	0.96%
ALARK		ALARK	Buyback	187.733	88.67	2.33%
KOCMT		KOCMT	Buyback	155.000	12.05	0.14%
BIMAS		BIMAS	Buyback	200.000	453.36	2.17%
DAGHL		DAGHL	Buyback	30.000	42.84	0.10%
FRIGO		FRIGO	Buyback	20.000	7.35	3.39%
GEDZA		GEDZA	Buyback	4.306	23.32	0.81%
IC ICTAS INSAAT SAN. VE TIC. A.Ş.		ENTRA	Market	4.961.937	10.15	1.13%

Important Disclosures

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