

Daily View

Good morning, Progress in U.S.–China trade negotiations and the ceasefire agreement between Pakistan and India are providing support to global equity markets this morning. In particular, expectations are rising that a potential U.S.–China deal could bring the prolonged trade war tensions—an issue that has weighed on global markets since the beginning of the year—closer to a resolution. However, it is important to note that we do not anticipate a full return to pre-conflict conditions. Even if a consensus is reached, tariff rates are expected to remain elevated compared to the previous year. While short-term optimism may lift markets, risks related to inflation and a partial slowdown in economic activity continue to persist. As of this morning, U.S. equity futures are trading 1–2% higher, European markets are posting gains close to 1%, and Asian markets are also broadly positive. In Borsa Istanbul, technical indicators continue to improve. This momentum—fueled by capital inflows and strong trading volumes—is expected to carry into the new week, potentially driving the BIST 100 Index toward the 9,500 / 9,600 range. Nonetheless, uncertainties stemming from weak corporate earnings, elevated interest rates, and non-economic developments remain a headwind for domestic markets. Accordingly, while Borsa Istanbul may somewhat align with the global rebound, we do not anticipate a full recovery of the losses incurred since March 19 in the short term. Today's data calendar is relatively light, with no major releases apart from the U.S. budget balance. Later in the week, attention will turn to Turkey's current account balance, budget balance, and the CBRT Market Participants Survey. Internationally, U.S. inflation data and European growth figures will be key indicators to monitor. Turkey's 5-year CDS premiums start the day at 332 basis points.

Macro and Politics

*** The sequential IP (the seasonally and calendar adjusted monthly figure) expanded by 3.4% m/m in March 2025, while the calendar adjusted IP increased by 2.5% y/y.** Following the contraction in industrial production recorded in February due to the reduction in the number of working days, we had anticipated a rebound in March as this calendar effect dissipated. We have begun to observe the impact of the financial turbulence that emerged in domestic markets due to rising idiosyncratic issues as of March 19, along with rising funding costs, reflected in the April leading data. The Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI remained unchanged at 47.3 in April, marking the lowest reading since October and continuing to stay below the critical 50-threshold since March 2024. The sustained sub-50 PMI readings underscore the ongoing deceleration in industrial sector activity. Accordingly, we expect a slowdown in economic activity during the second quarter of the year. While our year-end growth forecast currently stands at 3.1%, we assess that downside risks to our projection are mounting.

Sector and Company News

- **AGHOL** announced a net profit of TL580mn in 1Q25. The company had posted a profit of TL2.9bn in the same period last year and a loss of TL2.9bn in the previous quarter. During the same period, sales revenues declined by 8% YoY to TL134.6bn. Margins contracted on an annual basis.
- **AKFYE** posted TL836mn net profit in 1Q25, down 48% y/y, reversing a TL634mn loss in 4Q24.

- **ARASE** reported TL157mn net profit in 1Q25 (1Q24: TL231mn loss). Revenues dropped 42% y/y to TL6,104mn. EBITDA decreased 7% y/y to TL1,868mn.
- **BIOEN** reported a TL264mn net loss for 1Q25 (1Q24: TL770mn net profit).
- **CWENE** reported a net profit of TL284mn for 1Q25, up 68% y/y, recovering from a TL159mn loss in 4Q24. Revenues fell 27% y/y to TL2,516mn.
- **ECILC** announced TL1,539mn net income for 1Q25, up 147% y/y and 3026% q/q. Revenues declined 26% y/y to TL2,127mn. The company posted TL106mn negative EBITDA (1Q24: TL564mn positive).
- **EKGYO** reported 1Q25 consolidated net profit of TL3,253mn (1Q24: TL113mn, 4Q24: TL10,558mn).
- **EKOS** announced that it has signed a 5-year strategic cooperation agreement with CALB Group, one of China's leading energy storage companies, covering the production, technological development, and sales of battery energy storage systems.
- **ENKAI** reported a net profit of TL3.9bn in 1Q25. The company had announced a profit of TL4.7bn in the same period last year and TL7.3bn in the previous quarter. Sales revenues increased by 64% YoY but declined by 6% QoQ to TL29.9bn. Operating margins improved on a yearly basis.
- **KLGYO** posted a TL277mn net loss in 1Q25 (1Q24: TL373mn profit; 4Q24: TL832mn profit).
- **KONTR** posted TL303mn net income in 1Q25, down 41% y/y but turned profitable from a TL723mn loss in 4Q24. Revenues rose 47% y/y to TL2,041mn. USD-based international revenues surged 108% y/y and made up 22% of total (1Q24: 16%). EBITDA increased 24% y/y to TL225mn, with the margin narrowing by 203bps to 11.0%.
- **KRDMD/KRDMB/KRDMA** reported a net loss of TL1,481mn for 1Q25 (consensus: TL165mn loss; 1Q24: TL1,149mn loss).
- **OBAMS** posted TL202mn net profit in 1Q25, down 54% y/y and 50% q/q. Revenues dropped 35% y/y to TL3,657mn. International sales fell 54% y/y and made up 46% of total revenue (1Q24: 65%). EBITDA rose 68% y/y to TL323mn, with the margin improving by 540bps to 8.8%.
- **SISE** reported a net profit of TL1.3bn in 1Q25. The company had posted a profit of TL3.2bn in the same period last year and a loss of TL1.5bn in the previous quarter. In the same period, sales revenues declined by 19% YoY but rose by 12% QoQ to TL45.5bn. Margins remained stable YoY and improved QoQ.
- **SMRTG** posted a TL279mn net loss for 1Q25 (1Q24: TL404mn profit; 4Q24: TL101mn profit).

- **TCELL (Slig. Positive)** reported 1Q25 net income of TL3,082mn, broadly in line with the market consensus of TL3,146mn. Net income fell 15% y/y but rose 67% q/q. Revenues grew 12% y/y to TL45,409mn. EBITDA came in at TL21,153mn (+12% y/y), above expectations (TL19,682mn), with a 15bps margin increase to 46.6%. We view the in-line results and continued ARPU growth in both mobile and fixed segments as mildly positive. We maintain our 12-month target price of TL156.3/share and TCELL's place in our model portfolio.
- **TERA** reported TL8,812mn net income for 1Q25 (1Q24: TL17mn; 4Q24: TL444mn).
- **ULKER** posted TL2,413mn net profit for 1Q25, 26% above consensus (TL1,911mn), though down 19% y/y and q/q. Revenues were flat y/y at TL26,962mn, in line with expectations. EBITDA stood at TL5,484mn.
- **YATAS** reported a net loss of TL38mn in 1Q25. The company had posted a profit of TL100mn in the same period last year and TL198mn in the previous quarter. Sales revenues increased by 2% both YoY and QoQ to TL4.5bn.
- **YGGYO** reported TL35mn net loss in 1Q25 (1Q24: TL201mn profit), mainly due to a TL829mn deferred tax expense.
- **ZOREN** posted a net loss of TL3,327mn in 1Q25 (1Q24: TL4,855mn profit). Revenues fell 15% y/y to TL6,124mn. EBITDA dropped 35% y/y to TL1,176mn.
- **BIMAS** cancel 7.2mn treasury shares, corresponding to 1.2% of its capital, through a non-cash capital reduction. Following the transaction, the company's share capital will decrease to TL600mn effective May 13.
- **CLEBI**: stated it is closely monitoring tensions on the India-Pakistan border but does not expect a meaningful operational impact as the conflict is far from its operating airports.
- **KOCMT**: announced the signing of a USD21.5mn equipment deal with China's Harbin Guang Wang for a 800,000-ton rolling mill to be integrated into its Osmaniye plant.
- **TAVHL (Slightly Positive)**: TAV Airports announced its April passenger statistics:
 - Total passengers served in April rose 8% y/y to 8.1 million.
 - Domestic traffic remained flat, while international traffic rose 13% y/y to 5.2 million.

We view the steady domestic trend and ongoing international growth as mildly positive. We maintain our 12-month target price of TL360/share and keep TAVHL in our model portfolio.

Share Transactions

| Acquirer | Seller | Company | Type (Buyback / From Market) | # of lots | Transaction Price (TL) | Share in Capital after transaction |
|----------|--------|---------|------------------------------|------------|------------------------|------------------------------------|
| ENERY | | ENERY | Buyback | 3.050.000 | 4.24 | 1.96% |
| LKMINH | | LKMINH | Buyback | 46.584 | 16.65 | 1.61% |
| AHGAZ | | AHGAZ | Buyback | 112.180 | 21.76 | 2.17% |
| FRIGO | | FRIGO | Buyback | 371.459 | 7.00 | 2.89% |
| INVES | | INVES | Buyback | 5.000 | 204.53 | 0.67% |
| SASA | | SASA | Buyback | 20.000.000 | 3.80 | 0.72% |
| ASGYO | | ASGYO | Buyback | 200.000 | 10.21 | 0.47% |
| MHRGY | | MHRGY | Buyback | 107.575 | 4.64 | 0.31% |

Important Disclosures

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