

Daily View

Good morning. The influence of the United States continues to dominate global equity markets. The rising protectionist stance, particularly through the imposition of higher tariffs, is amplifying risks related to inflation and growth—especially in the U.S. At the beginning of the year, several institutions had projected target levels of 6,500 to 7,000 for the S&P 500 index; however, in light of recent developments, these projections have been revised down to around 5,500. The possibility of a renewed discussion on corporate tax cuts in the U.S. could potentially lead to upward revisions in targets. Until such a scenario materializes, the negative effects stemming from increased tariffs are likely to persist. On Borsa Istanbul, we observed a positive opening yesterday; however, accelerating sell-offs in global markets subsequently led to a domestic decline, with the BIST closing 0.4% lower. We expect the weak momentum in the BIST to continue. From a technical perspective, the 9,420 and 9,300 levels are key supports, while 9,620 and 9,800 serve as resistance levels. On today's agenda, U.S. employment data stands out. Expectations appear generally subdued. Turkey's 5-year CDS premiums are starting the day at 325 basis points. It is worth noting that, in addition to domestic risks, the rising global fragility driven by U.S. dynamics is also contributing to the increase in CDS levels.

Macro and Politics

***The CBT will release March Real Effective Exchange Rate (REER) today @14:30 local time.** Considering the inflation data and the average Basket/TRY change for March, we expect the REER to decline from 74.96 to 73.4, implying a 2% real depreciation of the Turkish lira.

*** The CBT will release weekly international reserves for the period of March 21 – 28 @ 14:30 local time.** Based on our calculations upon the CBT's analytical balance sheet, we estimate that during the week of March 21 – 28, the net international reserves decreased by USD7.3bn to USD54.8bn and the gross FX reserves slid by USD6.6bn to USD156.7bn. We anticipate that today's official reserve data will likely reflect a similar trend in line with our calculations. Please note that the weekly foreign portfolio flows and money & banking statistics, typically released alongside the reserves data, will be published next week, on April 7, Monday @ 14:30, due to the public holiday.

*** TURSTAT will release March seasonally adjusted CPI and special CPI aggregates today @16:00 local time.** Based on our calculations, we forecast the seasonally adjusted monthly CPI change for March to be approximately 2.5%. We expect a similar outcome in today's adjusted figures.

*** The CBT will release the Monthly Price Developments report for March today @18:00 local time.** The report is a technical one and does not contain a policy message. Still, the assessment of trend core inflation will be monitored closely.

*** The CPI recorded a monthly increase of 2.5% in March, lower than our house forecast and the median estimate of 2.9%, with the annual CPI easing further from 39.05% to 38.1%.** Besides, the PPI rose by 1.9% m/m, with the annual PPI declining from 25.2% to 23.5%. The deviation between our house forecast and the actual figure was largely attributable to the clothing & footwear and health categories. Core indicators point to a more subdued price momentum in March, with Core-B rising by 1.3% m/m, while the annual increase moderated from 39.5% to 37%, and Core-C

registered a 1.5% monthly rise, with the annual increase easing to 37.5%— the lowest level since December 2021. We have recently revised our year-end CPI forecast from 28% to 31%. In the current economic environment, where FX pass-through remains elevated, we expect the recent volatility in TL assets, amidst heightened political tensions since March 19, to significantly impact the April inflation outcomes.

Sector and Company News

- **ASUZU** submitted a bid to the Uzbekistan State Asset Management Agency to acquire up to 75.2% of JV SamAuto LLC.
- **DOHOL** announced that 602K shares were repurchased at an average price of TL16.02. As a result of the transaction, the proportion of shares held in the company's capital increased to 1.61%.
- **FORMT** sold 4.5 million treasury shares at an average price of TL6.05 per share.
- **GOLTS** announced a decision to distribute a net cash dividend of TL4.25 per share. The gross dividend yield was calculated at 1.21%.
- **KCHOL**'s gross dividend payment of TL6.88 per share was approved at the general assembly. The company will distribute the dividend on April 10, implying a 4.3% yield based on the last closing price.
- **MACKO** approved a share buyback program for up to 750K shares, representing 3% of its capital, and/or a total fund size of up to TL100mn.
- **TAVHL** will release its 1Q25 financial results on April 24.
- **YEOTK** decided to establish a new company to engage in the wholesale and direct sales of electricity and capacity.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
DCCTR		DCCTR	Buyback	20.193	38.40	0.15%
LKMNH		LKMNH	Buyback	51.000	18.76	1.21%
ASGYO		ASGYO	Buyback	450.000	10.78	0.15%
GRTHO		GRTHO	Buyback	5.000	372.50	0.06%
DOHOL		DOHOL	Buyback	602.000	16.02	1.61%
MHRGY		MHRGY	Buyback	216.533	5.08	0.30%
YYLGD		YYLGD	Buyback	8.446	9.26	0.96%
ADESA MAĞAZACILIK TEKSTİL VE DERİ SAN.TİC. A.Ş.		DESA	Market	200.000	8.76	1.32%

Important Disclosures

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