

Daily View

Good morning. The statement by U.S. President Trump that he will not back down on customs tariffs and will maintain what he described as a "bitter pill" policy is triggering sharp sell-offs in global equity markets. U.S. futures are down by 3%, European futures by 4%, and Asian markets are posting losses exceeding 5%. In addition to tariff concerns, the U.S. administration's remark that it could "overlook markets for a while" is also contributing to the sell-off. Due to significant depreciation experienced on Borsa Istanbul since March 19, the local market is showing a more limited reaction to the global downturn; however, weakness persists. We expect the new week to start on a negative note. In this period, we believe that short-term position risks should be kept low, and despite attractive valuations, investors should refrain from rushing into medium- to long-term positions. For the BIST 100 index, the 9,000 – 9,200 zone can be monitored as support, while the 9,500 – 9,600 range stands as resistance. On today's agenda, Treasury auctions and the Central Bank of Turkey's release on foreign securities transactions will be in focus, along with confidence indices in Europe. Later in the week, U.S. inflation data will be closely monitored. Turkey's 5-year CDS premiums start the day at 348 basis points. It should be noted that, in addition to domestic risks, the upward movement in CDS is also driven by increased global weakness stemming from U.S.-related developments.

Macro and Politics

***Turkey energy watchdog EPDK announced on Friday that electricity prices will rise by 25% for residential users, 5% for public and private services, 10% for industrial users and 12.4% for agricultural activities, due to increasing energy production costs, effective from April 5.** The direct impact of the price increase on the CPI will be around 0.4486pp. Considering the indirect effects, we anticipate a higher overall impact on headline CPI. As result we expect the market consensus for April CPI to rise towards 4% levels in the wake of the electricity price rise.

***The Treasury will hold a 2y fixed coupon bond auction today.** According to three-month (April – June 2025) domestic borrowing program, the Treasury has a domestic redemption of TL293.3bn in April, while in return it plans to borrow TL329.5bn in total throughout the month via six auctions and three direct sales. After today's single auction, the Treasury will hold 1y TLREF-indexed and 4y fixed coupon bond auctions as well as a direct sale of 2y lease certificate tomorrow.

*** The CBT will release the weekly portfolio flows and money & banking statistics for the period of March 21 – 28 @ 14:30.** Due to last week's public holiday, weekly portfolio flows and money & banking statistics data, typically released alongside the reserves data in every Thursday, will be published today. To recall the previous period's data: In the week of March 14 – 21, the equity and the bond market (excluding repo transactions) experienced a net foreign outflow of USD443.8mn and USD439.5mn, respectively. Besides, the foreigners' share in total bond stock dropped from %8.3 to 7.6%. During the same period, residents' FX deposits climbed by USD5.8bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) increased by USD5.86bn in the week of March 14 – 21.

***The Real Effective Exchange Rate (REER) decreased from the revised level of 75.1 to 73.48 in March, in line with our calculations.** This decline reflects a 2.2% real depreciation of the Turkish lira, following the weakening of TL assets amid heightened domestic political tensions since March 19. It's worth noting that the lira also depreciated in February,

albeit marginally by 0.2%, marking the first real-term decline since August. Despite this, the TL has appreciated by 1.5% in real terms over the first quarter of the year (January–March).

*** During the week of March 21 – 28, the CBT's the gross FX reserves slid by USD6.6bn to USD156.7bn and the net international reserves decreased by USD6bn to USD56bn.** Total swap stock climbed by USD8.5bn to USD18.3bn, while net reserves excluding swaps tumbled further by USD14.5bn to USD37.7bn.

Sector and Company News

- According to BOTAŞ's wholesale natural gas prices for April, tariffs for industrial consumers increased by an average of 20%, while prices for natural gas-fired power plants rose by approximately 24.2%. On the other hand, there was no change in the tariff applied to residential consumers. As a result, the residential natural gas tariff remained unchanged at TL5,631 per 1,000 cubic meters.
 - The increase in electricity prices was anticipated; the 10% hike for industrial consumers is expected to place only limited pressure on companies' operational profit margins. However, the significant rise in natural gas prices for industrial users and power generators may slightly increase energy costs for gas-intensive and production-oriented companies.
- **BEYAZ**'s total vehicle sales in 1Q25 increased by 22% YoY, reaching 5,675 units, while its total market share rose from 1.58% to 2.05%.
- **BSOKE** reported a net loss of TL75.6mn for 4Q24. The company's 12-month total net profit stood at TL250.7mn, marking an 80% YoY decline when compared to the restated net profit of TL1.26bn for the previous year (originally announced as TL873mn). On a yearly basis, net sales declined by 28%, and EBITDA contracted by 88%. Despite this, the company managed to grow its equity by 39%, although ROE stood at a low 3.8%.
- **CVKMD** signed a contract worth USD2mn, corresponding to 2% of its 2024 USD based revenue.
- **DESA** announced a gross cash dividend of TL0.24 per share. The company's gross dividend yield stands at 2.75%.
- **EBEBK** reported that the number of store visitors in March increased by 18% year-over-year, reaching 4.6 million.
- **RALYH** announced that it has initiated negotiations to acquire shares of an Istanbul-based company, which is one of Turkey's leading producers of industrial minerals and mining products.
- The expansion project at Antalya Airport, which more than doubles its capacity, will officially open on Saturday, April 12. As a result, the airport's annual passenger capacity has increased to 82 million from 35 million. This marks a significant development specifically for **TAVHL**.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
PCILT		PCILT	Buyback	30.000	11.83	0.44%
LKMNH		LKMNH	Buyback	60.500	18.07	1.24%
AVGYO		AVGYO	Buyback	516.910	9.49	1.90%
DOHOL		DOHOL	Buyback	695.500	16.40	1.64%
AKFGY		AKFGY	Buyback	200.000	1.97	0.02%
TUKAS		TUKAS	Buyback	2.500.000	2.01	2.50%
AKFIS		AKFIS	Buyback	100.000	19.84	0.04%
AKFYE		AKFYE	Buyback	15.000	16.05	0.02%
TCKRC		TCKRC	Buyback	60.692	35.99	0.44%
OZGYO		OZGYO	Buyback	1.293.059	4.82	3.15%

Important Disclosures

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