

Daily View

Good morning. Nvidia facing export restrictions and China's stronger-than-expected growth data reducing hopes for new stimulus measures are putting additional pressure on already fragile global equity markets. U.S. equity futures are trading nearly 2% lower this morning, while European futures and Asian equity markets are also in negative territory, with declines ranging between 0.50% and 2.00%. At Borsa Istanbul, the 9,500 resistance level was tested once again yesterday but failed to break. The session ended just below the 9,400 level. Nevertheless, based on active institutional flows (top five buyers and sellers), we observed a net inflow of TRY 1.7 billion, with notable foreign investor participation. From a fundamental valuation perspective, the 12-month average target level for the BIST 100 index points above the 14,000 mark, indicating a potential upside of more than 50%. While this target may be subject to slight downward revisions due to factors such as elevated TRY-denominated interest rates and a partial slowdown in consumption, the return potential is still expected to remain above anticipated inflation levels. Therefore, we believe the downside risk for the index remains limited, and institutional investors with strong capital and a medium-to-long-term investment horizon are likely to adopt accumulation-oriented strategies at current levels. From a technical standpoint, resistance levels are seen at 9,500 and 9,580, while support levels are monitored at 9,250 and the 9,000/9,100 range. Today's agenda includes inflation (CPI) data from Europe, and retail sales, industrial production, and capacity utilization figures from the United States. Turkey's 5-year CDS premium opens the day at 337 basis points.

Macro and Politics

* **TURKSTAT will release March house sales figures @ 10:00 local time.** In February, home sales reached 112,818 units, reflecting a modest 0.6% monthly increase, while posting a notable 20.1% y/y rise. However, it's worth noting that the 20.1% annual increase recorded in February marked the weakest y/y growth since August. Moreover, mortgage-backed home sales totaled 16,778 units, recording a 0.3% monthly rise, while the annual surge of 90% underscored continued strong growth. Mortgage sales have exhibited significant annual increases since September. Analyzing housing loan interest rates, the average mortgage rate, which stood at around 42% in 4Q23, showed little change in 4Q24, averaging 41.3%. As of February 2025, the rate remains at approximately 40%. Despite persistently elevated mortgage rates, the sharp annual increase in mortgage-backed sales appears to be largely driven by expectations of a future rise in housing prices, following a period of real-term declines.

* **The central government budget posted a TL261.5bn deficit in March, while the primary balance registered a deficit of TL100.2bn.** Hence, the cumulative budget deficit reached TL710.8bn in the first quarter of the year, meaning that 36.8% of the full-year deficit target of TL1.93tn has already been utilized. As of March, the 12-month rolling budget deficit stood at TL2.3tn, while the 12-month rolling primary deficit amounted to TL819.5bn. Please note that we have recently revised our 2025 budget deficit forecast upward, from TL1.61tn (2.7% of GDP) to TL1.9tn (3.0% of GDP). The substantial TL710.8bn budget deficit alongside a TL901bn cash deficit for 1Q25 signal that fiscal spending continues to pose a risk to the disinflation outlook. Given that more than a third of the annual deficit projection has materialized within the first three months of the year, we believe that achieving fiscal consolidation in the remainder of the year will be critical to restoring a healthier balance between inflation and growth dynamics.

* **The Treasury tapped the domestic markets at an amount of TL47bn (including non-competitive sales) through yesterday's 4y CPI-linked bond auction, while also sold TL64.2bn at the direct sales of 1y USD-denominated bond & 1y USD-denominated lease certificate.** Together with yesterday's auction and double direct sales, the Treasury has finalized its domestic borrowing program for April and the domestic borrowing since the beginning of the month totaled TL312.8bn, slightly below the initial projection of TL329.5bn. The Treasury will release its next three-month (May – July 25') domestic borrowing strategy on April 30th @ 17:30 local time. According to the previous program (April – June 25'), the Treasury has a domestic redemption of TL149.9bn in May, while in return plans to borrow TL174.9bn throughout the month.

Sector and Company News

- **ANHYT** shared its March gross premium data. Total gross written premiums reached TL4,395 million, marking an 82% YoY increase.
- **ARCLK** announced it will disclose its 1Q25 financial results on April 24.
- **ASELS** announced it will disclose its 1Q25 financial results on April 29.
- **BJKAS** will undergo a 400% rights issue today. Its paid-in capital will increase from TL1.2 billion to TL6 billion. The reference price for the rights offering is TL0.77, and the rights can be exercised until April 30.
- **EFORC's** subsidiary, Efor Gübre, signed a contract worth TL281 million with the General Directorate of Tea Enterprises (Çaykur).
- **ENKAI** will distribute a gross dividend of TL2.00 per share today, implying a dividend yield of 3.1% based on the last closing price.
- **MEKAG** decided on a 1,180% bonus capital increase via internal resources. Its paid-in capital will rise from TL62.5 million to TL800 million.
- **MGROS's** gross dividend of TL6.90 per share was approved at the general assembly. The ex-dividend date is set for May 28, with a yield of 1.4% based on the last closing price.
- **OBAMS** sold 10 million treasury shares, corresponding to 2.1% of its capital, to an institutional investor via a special block sale at an average price of TL55 per share.
- **OTKAR** announced it will disclose its 1Q25 financial results on April 28.
- **SDTTR:** Under its HAB facility investment project, the company's previously approved investment incentive amount was revised upward from TL96 million to TL250 million.

- **SMRTG**'s subsidiary signed a panel sales agreement worth USD33.3 million with a domestic client.
- **TCKRC** won a tender with a bid of TL129 million.
- **TNZTP** launched a share buyback program with a maximum fund size of TL100 million and/or up to 3.5 million shares, corresponding to 1.60% of its capital.
- **TUREX**: A total of 186.3 million shares held by individual and corporate shareholders have been applied for conversion into publicly traded shares.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	31.000	17.79	1.42%
RUBNS		RUBNS	Buyback	60.000	23.87	0.40%
ALARK		ALARK	Buyback	1,000,000	99.54	3.69%
SEGMN		SEGMN	Buyback	100.000	22.07	0.45%
MACKO		MACKO	Buyback	50.000	34.70	0.28%
PCILT		PCILT	Buyback	10.000	12.13	0.61%
ENERY		ENERY	Buyback	300.000	4.15	1.52%
SASA		SASA	Buyback	20,000,000	4.20	0.11%
AKFIS		AKFIS	Buyback	50.000	20.20	0.05%
HRKET		HRKET	Buyback	13.500	60.74	0.01%
CVKMD		CVKMD	Buyback	700.000	10.82	0.20%
OZGYO		OZGYO	Buyback	98.326	5.14	4.19%

Important Disclosures

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