

## Daily View

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Good morning. The recent moderate remarks by U.S. President Trump regarding customs tariffs, statements from certain Fed officials supporting expectations of a rate cut in June, and the positive trend in first-quarter results are supporting U.S. stock markets and global markets overall. This morning, U.S. and European futures, along with Asian markets, are generally trading in positive territory. Yesterday, Borsa Istanbul closed the session just below the 9,500 resistance level, with notable foreign inflows indicating strong capital entry. We expect the positive momentum in BIST to continue today as well. From a technical perspective, surpassing the 9,500–9,580 resistance zone could open the way for a move towards the 9,800–10,000 range. However, the elevated interest rate environment, the high utilization of reserves, and the persistent intensity of non-economic domestic developments are likely to limit the probability of a move beyond the 10,000 level in Borsa Istanbul. Although long-term valuations have recently pointed above the 14,000 level, given our view that high interest rates will persist for at least another quarter, we anticipate downward revisions in target prices in the coming period. Nevertheless, the newly adjusted targets are still expected to offer returns above anticipated inflation levels. Today's agenda is relatively quiet in terms of data releases. In the evening, we await the Standard & Poor's review of Turkey. We do not expect any changes to Turkey's current "BB-, stable" rating and outlook. Turkey's 5-year CDS premiums are starting the day at 332 basis points.

## Macro and Politics

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**\* The CBT will release the April Sectoral Inflation Expectations survey @ 10:00 local time.** According to the results of the March Sectoral Inflation Expectations survey, 12-month ahead inflation expectations continued to decline among market participants and the real economy, while household expectations increased for the second consecutive month, albeit modestly. Hence, as per the March survey results, 12-month-ahead annual inflation expectations, compared to the previous month, decreased by 0.7 points to 24.6% for market participants, by 0.8 points to 41.1% for real sector, while increased by 0.1 points to 59.3% for households. As the March survey does not reflect the turbulence in domestic markets experienced since last week, we expect to observe the impact of volatility on the inflation expectations of economic units in today's April survey results. We anticipate that inflation expectations among market participants, the real sector, and households are likely to rise in April.

**\* The CBT will release the weekly portfolio flows and money & banking statistics for the period of April 11 – 18@ 14:30.** Due to this 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: During the period of April 4 – 11, the equity and the bond market (excluding repo transactions) experienced net foreign outflows of USD293.2mn and USD2.8bn, and the foreigners' share in total bond stock tumbled from %6 to 5.2%, which stands for the lowest level since May 2024. Moreover, residents' FX deposits slid by USD3bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) slumped notably by USD2.4bn during the week of April 4 – 11.

**\*Credit rating agency S&P is expected to release Turkey's sovereign rating review today.** Any possible review announcement would likely come late at night Turkish time. It's important to note that these calendars are only reference points and do not guarantee that the agencies will conduct a review or make a new rating decision. S&P last revised Türkiye's sovereign credit rating on November 1, 2024, upgrading it by one notch from 'B+' to 'BB-', while affirming a

“stable” outlook. Given the prevailing idiosyncratic dynamics and the absence of material shifts in policy credibility or external vulnerabilities since the last review, we do not expect any changes to either the rating or the outlook in today’s scheduled assessment.

**\* The unadjusted Real Sector Confidence Index (RSCI) declined from 104.1 to 103.2 in April, while the seasonally adjusted RSCI fell from 103.2 to 100.8 — its lowest level since September.** Meanwhile, the capacity utilization rate (CUR) edged down from 74.4% to 74.3% in April, with the seasonally adjusted CUR decreasing more notably from 75.2% to 74.6%. We have started to observe the adverse impact of heightened political tensions and market volatility — particularly since March 19 — on leading indicators as of April. While our GDP growth forecast for 2025 remains at 3.1%, we assess that downside risks to this projection are mounting. The combination of tighter financial conditions and recent domestic developments raises the probability of sub-3% growth in 2025.

**\* During the week of April 11 – 18, the CBT’s the gross FX reserves decreased by USD0.9bn to USD146.7bn and the net international reserves dropped by USD0.2bn to USD38.6bn.** Total swap stock rose by a mere USD0.1bn to USD18.2bn, while net reserves excluding swaps slid by USD0.4bn to USD20.4bn.

## Sector and Company News

- **AFYON (Slightly Positive)** reported a net profit of TL88mn in 1Q25. Although the figure declined 60% QoQ, it showed an increase compared to 1Q24. Net sales rose 25% YoY but declined 18% QoQ to TL686mn. EBITDA stood at TL239mn, with the company maintaining its EBITDA margin. Afyon preserved its low debt level and ended the quarter with a TL976mn net cash position. While shareholders' equity increased 37% YoY, ROE declined to 9% over the same period.
- **TAVHL (Slightly Negative)** released a net loss of TL1,738mn in 1Q25, significantly below both the market consensus of TL557mn and our estimate of TL163mn. The underperformance was mainly driven by a TL1.4bn loss from equity-accounted investees (primarily TAV Antalya and TAV Antalya Yatırım), as well as elevated financial and tax expenses. In comparison, the company had reported a net profit of TL298mn in 1Q24 and a net loss of TL69mn in the previous quarter. On the top line, revenues grew by 34% y/y to TL14,419mn, coming in slightly above expectations (Tacirler: TL15,162mn; consensus: TL13,918mn). EBITDA rose 25% y/y and 38% q/q to TL3,405mn, broadly in line with estimates (Tacirler: TL3,260mn; consensus: TL3,483mn), while the EBITDA margin contracted by 174bps y/y to 24%. Despite the weaker-than-expected bottom line, we view the 1Q25 results as slightly negative, supported by relatively stable operational performance and only limited pressure on margins.
- **TTRAK (Negative)** reported a net profit of TL215mn in 1Q25, falling short of the market estimate of TL283mn. The bottom line declined by 90% y/y and 32% q/q. Revenues came in at TL11,560mn, missing expectations by 9% and marking a 44% y/y decline. EBITDA stood at TL900mn in 1Q25, slightly above the market estimate of TL856mn, yet down by 73% compared to the same period last year. The EBITDA margin declined by 836bps y/y to 7.8%. We consider the 1Q25 results as negative given the significant year-on-year deterioration in profitability.
- **ARSAN** announced that its subsidiaries, Akedaş Elektrik Dağıtım and Akedaş Elektrik Perakende, will distribute a total of TL227.9mn in dividends to the company.

- **ASTOR** won approximately 53% of the transformer tender held by TEİAŞ, with a bid of TL3bn. The contract value corresponds to 11% of its 2024 revenues.
- **EBEBK** announced that it will release its 1Q25 financial results on April 30.
- **EKOS** stated that it won two tenders: one organized by AYEDAŞ for Gas-Insulated Switchgear & Kiosk Standard Procurement with a bid worth USD3mn, and another by Toroslar Elektrik Dağıtım for a similar procurement with a bid worth USD2.5mn.
- **MAVI** decided to distribute a gross dividend of TL1.17 per share. The gross dividend yield stood at 3.58%.
- **ORGE** sold 1mn shares, corresponding to 1.25% of its capital, to institutional investors via a block trade at a price of TL96.40 per share.
- **SASA**'s TL2bn share buyback program was approved at the general assembly. The program will be in effect from April 25, 2025, to April 24, 2026.

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
HRKET		HRKET	Buyback	100.000	60.36	0.33%
MACKO		MACKO	Buyback	50.000	35.29	0.48%
DCTTR		DCTTR	Buyback	25.000	36.95	0.26%
FRIGO		FRIGO	Buyback	21.440	7.16	1.43%
ENDAE		ENDAE	Buyback	204.347	14.70	0.12%
MAKIM		MAKIM	Buyback	29.597	16.90	0.08%
AVGYO		AVGYO	Buyback	311.527	8.84	0.28%
GSDDE		GSDDE	Buyback	123.606	8.37	1.20%
ASGYO		ASGYO	Buyback	189.398	10.25	0.30%

# Important Disclosures

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