

Daily View

Good morning. Global risk appetite is off to a balanced start this morning. U.S. futures are trading lower after yesterday's gains, European markets are in positive territory, while Asia presents a mixed picture. In Borsa Istanbul, the weak outlook and capital outflows persist. The BIST 100 index fell below the 9,250 support level yesterday, and we have begun to observe sell signals in momentum indicators. In this context, the 9,000 / 9,100 zone may serve as the next support area, while the 9,250 / 9,300 band now stands as resistance. Today marks the final trading day of April, and arbitrage-driven closing of positions in VIOP stock futures and the equity market could exert additional pressure on Borsa Istanbul. The CBRT's Weighted Average Cost of Funding (WACF) remains close to 49%. Among the recently announced Q1 2025 earnings, companies like ASELS and TABGD reported strong results, though the overall season remains weak. On today's agenda, KCHOL earnings and Turkey's foreign trade balance will be in focus locally, while in the international arena, growth data from Europe, and employment, housing, and consumption-related figures from the U.S. will be closely monitored. Finally, Turkey's 5-year CDS premiums start the day at 362 basis points. Unlike the general trend in emerging markets, Turkey's CDS has been rising over the past week. This indicates a TL-specific weakness in risk perception, reinforcing the pressure on BIST and ongoing foreign investor outflows.

Macro and Politics

***TURKSTAT will release March foreign trade figures 10:00 local time.** Preliminary data released by the Ministry of Trade indicates a modest reduction in the trade deficit for March. According to the preliminary figures, exports rose by 3.2% y/y to USD23.4bn, while imports increased by 2.3%, amounting to USD30.7bn. Consequently, the trade deficit narrowed from USD7.8bn in February to USD7.3bn in March, with the annual deficit standing at USD84.6bn.

*** The adjusted unemployment rate dropped from 8.2% to 7.9% in March.** As per the broad-based unemployment calculations: The rate of composite measure of labor underutilization – including time related underemployment, potential labor force and unemployment – climbed from 28.5% to 28.8%, which stands for the highest level since June 2024. Moreover, the combined rate of time-related underemployment and unemployment decreased from 18.4% to 17.9%, while the combined rate of unemployment and potential labor force increased from 19.6% to 20.1%. We assess that the rising idiosyncratic issues as of March 19, along with the subsequent tightening measures undertaken by the CBT, may begin to weigh negatively on economic activity starting from the second quarter. Accordingly, we expect upward pressure to persist particularly in the rate of composite measure of labor underutilization, which we monitor more closely.

*** The Economic Confidence Index declined by 4.2% on a monthly basis in April, falling to 96.6.** It's worth noting that the index had risen to 100.8 in March, its highest level since June 2023, and marking its first return above the 100 threshold since March 2024. As anticipated, the adverse impacts of rising domestic angst and increased market volatility as of March 19 have begun to surface in the April leading indicators. The deterioration across sub-indices has once again pushed the Economic Confidence Index below the 100 threshold, signaling a renewed shift toward pessimism in overall economic sentiment. As per the sub-indices of April data: The consumer confidence index declined by 2.3% to 83.9, the real sector confidence index fell by 2.3%, reaching 100.8, the services confidence index dropped by 4.3% to 109.5, the retail trade confidence index decreased by 2.5% to 110.6 and lastly, the construction confidence index declined by 4.2%, standing at 85.1 in April compared to the previous month.

Sector and Company News

- **AGESA (Positive)** reported 1Q25 net income of TL1.125bn, exceeding market expectations by 14%. Net profit rose by 89% YoY and 32% QoQ.
- **ASELS (Slightly Positive)** reported a net profit of TL2,275 million in 1Q25, slightly below both our estimate and the market consensus of TL2,386 million. On a yearly basis, net income increased by 17%, while it dropped by 76% quarter-on-quarter. Net sales came in at TL22,791 million, indicating 9% year-on-year growth and broadly in line with the market expectation of TL23,182 million. The company generated EBITDA of TL5,142 million in 1Q25, up 10% year-on-year, though slightly below the market expectation of TL5,514 million. The EBITDA margin rose by 12 basis points year-on-year to 22.6%.
- **AYGAZ** announced a net profit of TL12mn in 1Q25. The company had reported a net loss of TL6mn in the same period last year and a net profit of TL719mn in the previous quarter. In the same period, the company's revenues declined by 11% year-over-year and 4% quarter-over-quarter to TL19.4bn. Both gross profit margin and operating margins improved on both an annual and quarterly basis. However, net profit was pressured by financial expenses.
- **CIMSA (Slightly Negative)** reported 1Q25 net income of TL271mn, below the market expectation of TL760mn. Net income declined 46% YoY, though it marked a recovery from the TL531mn loss in 4Q24. Net sales were TL8.905bn, up 21% YoY and broadly in line with the market expectation of TL8.569bn. EBITDA came in at TL1.094bn, representing a 37% YoY increase.
- **FROTO (Slightly Negative)** reported a net profit of TL6,487 million in 1Q25, broadly in line with the market consensus of TL6,457 million. However, this figure represents a 48% year-on-year and 49% quarter-on-quarter decline. Net sales came in at TL160,901 million, marking a 6% year-on-year decrease, also in line with expectations. International sales, which accounted for 81% of total revenue (1Q24: 79%), declined by 4% in USD terms. The company recorded EBITDA of TL10,055 million in 1Q25, down 28% compared to the same period last year. The EBITDA margin decreased by 188 basis points year-on-year to 6.2%.
- **TABGD (Positive)** reported 1Q25 results broadly in line with expectations despite seasonal effects, posting a net profit of TL310mn. Net sales stood at TL8.7bn, in line with the sector average. EBITDA was TL1.451bn, above the sector average and in line with our expectations.
- **TKNSA (Negative)** announced a net loss of TL414mn in 1Q25. The company had reported a net loss of TL131mn in the same period last year and TL260mn in the previous quarter. During the same period, revenue contracted by 18% year-over-year and 13% quarter-over-quarter to TL16.5bn. While margins were preserved on a yearly basis, they declined on a quarterly basis. Despite the improvement in margins and disciplined operational expense management, high interest rates and challenging macroeconomic conditions continued to weigh on the bottom line.

- **TSKB (Slightly Positive)** reported 1Q25 net income of TL3.095bn, 2% above market expectations. Net income increased by 60% YoY and remained flat QoQ.
- **TUPRS (Slightly Negative)** reported a net profit of TL97mn in 1Q25, below the median estimate of TL172mn. The company had posted TL442mn in net profit in the same period last year and TL3.89bn in the previous quarter. Revenues declined by 31% year-over-year and 9% quarter-over-quarter to TL158.6bn, missing the median estimate of TL170.8bn. The gross profit margin rose by 1.8 percentage points quarter-over-quarter and by 0.3 percentage points year-over-year to 8.3%. Operating margins remained stable on both an annual and quarterly basis. EBITDA came in at TL9.8bn, 11% above the median estimate.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
HRKET		HRKET	Buyback	100.000	63.29	0.64%
MACKO		MACKO	Buyback	50.000	33.32	0.63%
AHGAZ		AHGAZ	Buyback	50.000	21.19	2.13%
INVES		INVES	Buyback	13.783	221.96	0.63%
ENERY		ENERY	Buyback	296.423	4.10	1.76%
SASA		SASA	Buyback	10.000.000	4.12	0.43%
ENDAE		ENDAE	Buyback	199.310	14.69	0.21%
MAKIM		MAKIM	Buyback	8.400	16.15	0.11%
MERCN		MERCN	Buyback	32.100	15.50	0.14%
GSDHO		GSDHO	Buyback	2.590.000	4.13	11.22%
KAYSE		KAYSE	Buyback	379.736	17.99	0.63%
GLYHO		GLYHO	Buyback	250.000	6.85	0.33%
AKFGY		AKFGY	Buyback	400.000	1.88	0.08%
BOBET		BOBET	Buyback	100.000	24.71	0.16%
ALARK		ALARK	Buyback	256.500	97.20	4.64%
REEDR		REEDR	Buyback	100.000	11.75	0.06%
THYAO		THYAO	Buyback	501.700	299.12	0.46%
GRTHO		GRTHO	Buyback	120.961	297.13	1.81%
GSDDE		GSDDE	Buyback	76.163	8.10	1.25%

Important Disclosures

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