

Daily View

Good morning. While mutual threats between the US and Iran continue, both sides are also putting forward conditions that do not appear very likely to be accepted by the other. The US has extended the deadline it gave Iran for a third time, granting an additional 48 hours. As geopolitical tensions remain elevated, oil prices continue to trade at high levels, while global equity markets are generally showing a weak tone. The BIST 100 Index declined by 0.9% on Friday to close at 12,936. The five stocks that made the strongest positive contribution to the index were EREGL, KUYAS, MAGEN, TCELL, and GARAN, while ASELS, BIMAS, KLRHO, THYAO, and MGROS were the main negative contributors. Over the last week, GARAN, KBORU, KRDMB, and ODINE have stood out in terms of consistent money inflows. From a technical perspective, the index's breakout above the downward channel resistance originating from the all-time high of 14,532 seen on February 18, and the confirmation of that breakout, had been constructive. However, the loss of momentum seen again on Friday weakened this positive picture. Over the weekend, hikes in electricity and natural gas tariffs in Türkiye negatively affected expectations for a rate cut from the MPC, which may lead to a weak start for Borsa Istanbul this morning. For the near term, 13,100 and 13,300 stand out as resistance levels, while 12,800 and 12,620 are support levels. On today's agenda, the real effective exchange rate and Treasury auctions will be monitored domestically, while the US ISM data will be the key item abroad. Türkiye's 5-year CDS premiums are starting the day at 286 basis points.

Macro and Politics

*** Energy tariffs have been adjusted upward, reflecting rising cost pressures across both electricity and natural gas markets.** The Energy Market Regulatory Authority (EPDK) announced that electricity tariffs have been raised due to rising generation and distribution costs. According to the statement, residential subscribers will face a 25% increase, while electricity prices for industrial users, as well as those in the public and private services sector, have been raised by 5.8% and 17.5%, respectively. In line with the wholesale natural gas prices announced by the state-run natural gas distributor BOTAŞ, final natural gas sales prices have also been increased by an average of 25% for residential users, 18.61% for industrial consumers, and 19.42% for electricity generation plants. Additionally, a tiered pricing system has been introduced for residential users. We calculate that the direct impact of the electricity price adjustment on headline inflation amounts to 0.32 percentage points, while the direct contribution from natural gas stands at 0.27 percentage points. We further estimate the indirect effects at around 0.21 percentage points for electricity and 0.18 percentage points for natural gas. We project that the direct impact of energy price adjustments will add approximately 0.6 percentage points to April inflation. Indirect effects are likely to materialize more gradually, potentially lifting the total impact to around 1 percentage point over time. These developments increase upside risks to the April inflation outlook. In addition, we expect the uptick in vegetable prices observed toward the end of March to carry over into April, while the four-month decline in clothing and footwear is likely to reverse on seasonal factors. Moreover, as the absorption capacity of the échelle mobile mechanism becomes increasingly constrained, fuel price adjustments are likely to be reflected more visibly this month. Taken together, following the downside surprise in March CPI, we expect a strong monthly inflation print in April (above 3%).

***The CBT will release March Real Effective Exchange Rate (REER) today @14:30 local time.** Considering the inflation realizations and the average Basket/TRY change for March, we expect the REER to increase to 105.2, implying a 2% real appreciation of the Turkish lira.

* **TURKSTAT will release March seasonally adjusted CPI and core CPI aggregates today @16:00 local time.** Based on our calculations, we estimate that seasonally adjusted (SA) monthly CPI inflation came in at 2.07% in March, while CPI – B and CPI – C recorded increases of 2.08% and 2.17%, respectively. We expect the official adjusted figures to be broadly in line with our estimates.

* **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.

* **March CPI came in at 1.94% m/m, slightly below our house forecast of 2.1% and the market median of 2.3%. This implies that annual CPI eased from 31.5% to 30.9%.** On the producer side, PPI rose by 2.3% m/m, with annual PPI increasing from 27.6% to 28.1%. The March print points to a marked deceleration in food inflation, in line with our estimates, following the elevated readings in the first two months of the year, while the pass-through from fuel price increases remained limited, supported by the 75% échelle mobile mechanism. That said, the balance of risks has shifted to the upside amid rising energy prices. The impact of fuel price increases on March inflation remained limited thanks to the 75% échelle mobile mechanism. However, as the mechanism approaches its effective limits and oil prices remain above USD100/bbl, we expect a more pronounced energy pass-through in April. In addition, rising energy costs – particularly in natural gas, urea, and other energy/petrochemical inputs – are likely to exert upward pressure on the overall price level via the producer price channel. Taken together, these dynamics point to a material upside risk to our year-end inflation forecast, with headline CPI likely to move above our previous estimate of 23% toward above 26%.

Sector and Company News

EFOR, GWIND, KONKA and LOGO were included in the BIST Share Buyback Index for the April period.

EDATA shares were subject to a gross settlement measure between April 6 – May 5, 2026 under VBTS.

ENPRA shares, formed after the spin-off and representing 3% of the capital becoming publicly tradable, will start trading on the PÖIP as of April 7, with the initial price to be determined based on the auction price.

GUBRF temporarily suspended production at its Razi Petrochemical facilities in Iran due to damage to electrical units following an attack, while efforts to resume operations are ongoing.

ULUFA will distribute a gross dividend of approximately TL 0.25 per share today, implying a dividend yield of 5.4%.

YGGYO will distribute a gross dividend of TL 10.55 per share tomorrow, corresponding to a dividend yield of 5%.

ELITE decided to distribute a gross dividend of TL 0.10 per share from its 2025 profit.

KRDMD commissioned its No.2 continuous casting machine investment, aiming to increase capacity and enhance high value-added production capability.

BJKAS signed a stadium naming rights and advertising agreement with Tüpraş for three seasons, with a total value of TL 1.18 billion.

KLGYO mutually terminated the revenue sharing agreement for its land project in Ümraniye, noting that construction and sales had not yet commenced.

KRVGD's subsidiary Uçantay Gıda's Akhisar facility became unusable following a fire, while USD 11.5 million in insurance advance was collected; the facility accounted for approximately 6% of consolidated revenues.

ENDAE terminated the preliminary agreement for the acquisition of Zenit Solar shares in Romania due to the counterparty's failure to fulfill obligations.

EUHOL decided to sell its 295 sqm real estate in Ankara to Pulsa Holding for TL 59 million.

BEYAZ sold a total of 5,269 new vehicles in 1Q26.

ETILR applied to the CMB to increase its registered capital ceiling from TL 500 million to TL 2 billion and extend its validity until 2030.

FORTE applied to the CMB to increase its registered capital ceiling from TL 225 million to TL 335 million and extend its validity until 2030.

BINHO applied to the CMB to increase its registered capital ceiling from TL 62.5 million to TL 15 billion and extend its validity until 2030.

TEHOL acquired a 70% stake in Best Grup Savunma for a total consideration of USD 17.5 million, aiming to strengthen its defense industry operations.

ISGSY applied to the CMB for a 487.9% bonus issue to increase its capital from TL 85 million to TL 500 million.

SASA applied to the CMB to issue debt instruments abroad up to USD 350 million.

CVKMD initiated concentrate ore exports at the Sarıalan Gold Mine and completed its first international sale under the USD 30 million off-take agreement signed with Trafigura.

CCOLA's corporate shareholder Özgörkey Holding applied for the conversion of 1.5 million shares into tradable shares.

GLRMK Gülermak Turizm and Gülermak Emlak sold a total of 5.55 million shares in the price range of TL 182.9–190.9, reducing their stakes to 27.30% and 58.97%, respectively.

Important Disclosures

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