

Daily View

Good morning. Expectations that the ceasefire between the United States and Iran may be extended and potentially evolve into a lasting non-aggression agreement are supporting global risk appetite. U.S. and European futures, along with Asian equity markets, are trading higher this morning, while oil prices are easing and U.S. Treasuries—traditionally viewed as safe havens—are seeing selling pressure. The S&P 500 index reached a record high of 7,022 points yesterday, with year-end targets of 7,400 and a 12-month target of around 8,300 remaining intact. Similarly, target valuations for European and Asian equities continue to indicate attractive upside potential. In Türkiye, Borsa Istanbul also displayed a positive performance yesterday; despite partial selling by foreign investors, inflows from domestic institutional players continued. The BIST 100 Index rose by 0.4% to close at 14,252, with ASELS, SASA, GUBRF, TRALT, and DSTKF contributing the most positively, while TUPRS, THYAO, ASTOR, TAVHL, and ECILC weighed on the index. Over the past week, notable inflows have been observed in AKBNK, ISCTR, KCHOL, TRALT, ASELS, SAHOL, ALKLC, and MGROS. We expect the positive momentum in BIST to continue today. The 14,300–14,350 resistance band may be tested for the third time; a breakout could pave the way toward the all-time high of 14,530. If the improving sentiment around geopolitical tensions persists, the 14,500–15,000 range could be tested within the next 2–4 weeks. Key support levels stand at 14,100 and 13,850. Today's agenda includes housing price data, CBRT reserves, and foreign flows domestically; inflation data in Europe; and growth-oriented indicators in the U.S. Türkiye's 5-year CDS premiums start the day at 233 basis points.

Macro and Politics

*** The CBT will release the Residential Property Price Index (RPPI) for March @ 10:00 local time.** The Residential Property Price Index (RPPI) increased by 1.8% m/m and 26.4% y/y in February, reaching 215.5, while recording a 3.9% y/y decline in real terms. It's worth noting that the annual real change in the RPPI had briefly turned positive in November at 0.2%, marking the first positive reading since January 2024, before slipping back into negative territory as of December. Against this backdrop, the February data indicate that housing prices continue to lose value in real terms amid elevated inflation. Meanwhile, the New Tenant Rent Index (NTRI) rose by 1.6% m/m and 34.2% y/y in February, reaching 298.3, corresponding to a 2% y/y increase in real terms. This divergence suggests that price pressures remain firm in the rental market despite the ongoing real weakening in house prices. Accordingly, rent inflation is likely to accompany the headline disinflation process with a more pronounced lag and greater persistence.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of April 3 – 10 @ 14:30 local time.** Based on our calculations upon the analytical balance sheet, we estimate that in the week of April 3 – 10, the CBT's gross FX reserves increased by USD9.1bn to USD171bn, while net FX reserves rose by USD8.3bn to USD54bn. We calculate that the CBT conducted over USD10bn in FX purchases during the week, with net reserves excluding swaps increasing from USD18.3bn to USD32bn. We expect today's official data to confirm a reserve build broadly in line with our estimates. To recall the previous week's data: Foreign investors recorded net outflows of USD217.8mn from the equity market and USD784.3mn from the bond market (excluding repo transactions) in the week of March 27 – April 3. Over the same week, foreigners' share in the total government bond stock declined from 6.1% to 5.8%, which stands for the lowest level since June 2025. Besides, in the week of March 27 – April 3, the residents' FX deposits (excluding gold, EUR/USD parity effect adjusted) posted a strong increase of USD2.5bn, while their total FX deposits (including gold, price adjusted) recorded a net increase of USD2.8bn. Lastly, during the same period, the CBT's gross FX reserves increased by USD6.3bn to USD161.8bn, while net FX reserves rose by USD10.6bn to USD45.6bn over the same period. The increase in reserves was

entirely driven by local swap transactions. Accordingly, the swap stock surged by USD12.4bn to USD27.3bn, while net reserves excluding swaps declined by USD1.8bn to USD18.3bn.

*** The central government budget posted a deficit of TL229.9bn in March, while the primary balance recorded a surplus of TL6bn.** As a result, the cumulative budget deficit in the first quarter reached TL420bn, while the 12-month rolling deficit remained broadly stable at TL1.5tn. The primary balance delivered a cumulative surplus of TL456bn in the first quarter, with the 12-month rolling primary surplus rising from TL851.8bn to TL958.1bn. Budget revenues increased by 60.6% y/y in March, significantly outperforming annual CPI inflation of 30.9%. In the January–March period, total revenues reached TL4tn, corresponding to 25% of the TL16.3tn full-year target set in the 2026 Medium-Term Program. Tax revenues rose by 64% y/y to TL1tn in March. Personal income tax revenues increased by 81% y/y to TL312.3bn, while corporate tax revenues surged by 360.4% y/y to TL22.3bn, partly reflecting seasonal factors. Domestic VAT revenues—one of the key indicators of underlying domestic demand—rose sharply by 172.2% y/y to TL210bn, supported by a shift in the declaration and payment calendar from end-February to early March this year. SCT revenues increased by 29% y/y to TL171bn, while SCT revenues from petroleum and natural gas products declined by 18.2% m/m to TL36.3bn, reflecting the impact of the échelle mobile mechanism. On the expenditure side, total spending rose by 42.7% y/y to TL1.4tn in March. Cumulative expenditures reached TL4.4tn in the first quarter, implying that 24% of the TL19tn full-year spending envelope has been utilized. The available tax space under the échelle mobile mechanism, introduced in early March, has narrowed materially. Accordingly, the entire increase in fuel prices throughout the month was absorbed through foregone tax revenues. We estimate that, once the mechanism’s full capacity is utilized—corresponding to TL13.9 per liter for diesel and TL14.82 per liter for gasoline in SCT adjustment—the daily fiscal cost could reach approximately TL1.4bn, including VAT effects. While the échelle mobile mechanism helps contain short-term inflation pass-through, it introduces downside risks to tax revenues. Against this backdrop, we have revised our year-end 2026 budget deficit forecast upward to TL3.3tn (4% of GDP) from TL2.8tn (3.4% of GDP).

Sector and Company News

- **ALKIM** stated that recent news regarding a potential share sale or partnership with a foreign investor does not reflect the truth and that no such discussions or board decisions exist.
- **AVPGY** decided to acquire 24 independent units in the Avrupa Konutları Gunesli project for TL 2 billion. Payment will include TL 200 million upfront, with the remaining balance to be paid in installments until March 2027. The investment is aimed at generating rental income and corresponds to around 3.8% of total assets.
- **BALAT** established a wholly owned subsidiary with a capital of TL 4 million to operate in the defense industry.
- **CWENE** signed a memorandum of understanding with a US-based customer for the sale of solar panels and equipment totaling USD 750 million. An advance payment of USD 37.5 million is planned for 2026.
- **DGNMO** a real person investor purchased 25.7 million shares in the TL 4.42 – 6.08 range, increasing its stake from 2.54% to approximately 9.9%.

- **FRMPL** completed shipments of approximately 80% of its TL 750 million domestic orders, while the remaining 20% was exported in line with international demand.
- **GESAN** stated that there is no binding agreement yet regarding previously announced ESCO projects, with negotiations ongoing following the tender process. The company submitted the most competitive bid in a tender and received an invitation to sign a contract worth USD 1.8 million.
- **KONTR** shareholders will sell 78.5 million shares, corresponding to 6.04% of the capital, via block sale at TL 10 per share.
- **NIBAS** shares will be subject to the gross settlement measure between April 16 – May 15 under VBTS.
- **OTKAR** applied to the CMB to issue debt instruments of up to TL 10 billion to qualified investors.
- **OYAKC** commissioned a solar power plant with an installed capacity of 97.8 MW. With this investment, the share of renewable energy in total consumption is expected to reach around 25%.
- **SDTTR** decided on a 1000% bonus capital increase, raising its capital from TL 58 million to TL 638 million. The company also signed a contract worth USD 2 million.
- **TUPRS** announced that it will release its 1Q26 financial results on May 6.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AHGAZ		AHGAZ	Buyback	239.141	23.93	2.45%

Important Disclosures

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