Daily View

Good morning, and wishing you a productive week ahead. Toward the close on Friday, news flow suggesting that the Strait of Hormuz had reopened created a strong wave of optimism across global markets. We observed a decline in oil prices alongside equity markets reaching new highs. However, over the weekend, developments indicating that the U.S. blockade in the Strait of Hormuz continues, coupled with Iran's announcement that it has reclosed the strait and reports of attacks on certain vessels, are driving a renewed negative sentiment at the start of the week. Oil prices, which had retreated to around $85, are now starting the week again near $92. U.S. and European futures are trading lower, while Asian markets are still pricing in Friday's positive sentiment this morning, albeit with signs of fading momentum. Borsa Istanbul reached a new record at 14,600, but a weaker opening is expected for the new week. From a technical perspective, the 14,300–14,400 range can be monitored as the first support zone, while 14,600–14,680 stands out as the initial resistance area. On Friday, the index rose by 2.7%, with the top positive contributors being AKBNK, THYAO, BIMAS, DSTKF, and SAHOL, while TUPRS, PETKM, KUYAS, AKSEN, and CWENE weighed negatively on the index. Over the past week, AKBNK, KCHOL, and ULKER have stood out due to consistent capital inflows. Given strong trading volumes, robust inflows, and continued foreign buying, we expect potential pullbacks in BIST to remain limited; however, a move below the 14,000–14,100 range could shift the outlook more negatively. The macro agenda is relatively quiet today. Թուրքիայի 5-year CDS premiums start the day at 228 basis points.

Macro and Politics

*** The credit rating agency S&P affirmed Türkiye's sovereign ratings at BB-/B with a stable outlook.** The agency assesses that, provided the current policy mix is maintained, the economy should be able to navigate the ongoing energy price shock, emphasizing that tight monetary policy and discipline in wage-setting remain critical. S&P's baseline assumes a gradual easing of geopolitical tensions in the Middle East alongside a moderation in energy prices, under which the macro impact is expected to remain contained. That said, a more prolonged period of elevated energy prices is flagged as the key downside risk to the outlook. The agency notes that a sustained rebuild in reserves, a durable improvement in confidence in the Turkish lira, and further progress in disinflation could pave the way for an upgrade. On the macro front, S&P projects 2026 growth at 3.4%, while revising its average inflation forecast upward to 29.3% from 23.4%. The current account deficit is expected to widen to 3.1% of GDP (c. USD50bn) in 2026, driven by higher energy imports and softer tourism revenues. The fiscal deficit is projected to increase to 3.5% of GDP, while public debt is expected to remain low relative to GDP. The banking sector is seen as maintaining strong capital and liquidity buffers; however, S&P cautions that a prolonged energy shock, particularly if accompanied by continued currency depreciation, could weigh on the sector. Credit growth is expected to moderate in 2026 amid tighter financial conditions. Turkey's next sovereign rating review is scheduled for July 17 by Fitch.

*** The CBT's April 2026 Market Participants Survey has been released.** Accordingly, participants revised their year-end CPI forecasts higher, with the 2026 projection rising from 25.4% to 27.5% and the 2027 projection from 18.7% to 20.1%. The 12-month ahead CPI expectation increased from 22.2% to 23.4%, while the 24-month ahead forecast edged up from 17.3% to 18.0%, and the 5-year ahead expectation rose from 11.6% to 11.9%.Participants' monthly CPI expectations stand at 2.9% for April and 1.8% and 1.5% for May and June, respectively. We expect monthly CPI inflation to come in at around 3.3% in April. In line with our house forecast, such an outturn would push annual CPI from 30.9% to 31.3%.Market participants expect the policy rate to stand at 37.75% at the April 22 MPC meeting. Expectations for the June 11 and July 23 meetings are 37.4% and 36.5%, respectively, while the year-end policy rate expectation has been revised up from 30.6% to 32.9%. We expect the CBT to raise the policy rate from 37% to 40% at the April meeting, aligning it with the prevailing funding rate.

This move would mechanically lift the upper bound of the interest rate corridor to 43% and likely be followed by a resumption of funding via one-week repo auctions. As a result, we do not expect an effective change in market rates, which are currently around 40%. In our view, the key signal from such a step would be the preservation of an additional 300bps tightening buffer via the upper bound, should it be needed. Our base case therefore assumes an alignment of the policy rate with market funding conditions without an effective change in the overall stance. That said, we do not rule out an alternative scenario in which the CBT keeps the policy rate unchanged and continues funding through the upper bound. Our year-end policy rate forecast stands at 35%.

Sector and Company News

- **ARZUM**, **PSGYO** and **TEKTU** shares will be restricted from short selling and margin trading between April 20 – May 18 under VBTS, while ANELE shares will be subject to the gross settlement measure during the same period.
- **AKSGY** will distribute a gross dividend of approximately TL 0.46 per share today, implying a dividend yield of 5.8%.
- **KSTUR** will distribute a gross dividend of approximately TL 16 per share today, implying a dividend yield of 0.5%.
- **ASELS** decided to distribute a gross dividend of approximately TL 0.43 per share from its 2025 profit. The proposed ex-dividend date is November 24, corresponding to a dividend yield of 1%.
- **KIMMR** decided to distribute a total gross dividend of approximately TL 0.42 per share in two installments from its 2025 profit. The proposed ex-dividend dates are June 30 and September 30, implying a total dividend yield of 2.5%.
- **PNLSN** decided to distribute a gross dividend of approximately TL 0.69 per share from its 2025 profit. The proposed ex-dividend date is July 8, corresponding to a dividend yield of 1.4%.
- **CRFSA** announced that a share transfer agreement has been signed for the sale of 114.1 million shares, corresponding to 89.28% of the capital, held by Sabanci Holding **(SAHOL)** and Carrefour Nederland BV to Yeni Magazacilik. The transaction implies a company valuation of USD 325 million, subject to adjustments for net debt and working capital at closing. The transfer of management control will occur upon completion, which is subject to regulatory approvals including the Competition Authority.
- **ALFAS** received an order worth approximately USD 43.2 million.
- **GESAN** received an invitation to sign a contract worth TL 64.2 million.
- **POLHO** sold its non-operational real estate assets located in Pendik, Kagithane, Gebze and Aydin to a related party, Bitlis Ailesi, for approximately TL 6.0 billion. The transaction corresponds to around 33% of total assets and was completed as of April 17.
- **FMIZP** announced a downsizing in production operations due to declining demand for aluminum pistons used in internal combustion engines. Production at the Izmit plant will be relocated to the Arslanbey facility, while options including the sale of the Izmit land and building are being evaluated.
- **ROYAL** stated that it currently has no ongoing commercial operations following the sale of all its assets by the SDIF. In this context, Borsa Istanbul decided to delist the company's shares.
- **BURCE** initiated preliminary discussions with potential investors regarding the possible sale of part or all of its subsidiary Burcelik Vana.
- **EDATA** signed a share purchase agreement for the transfer of 256.8 million shares, corresponding to 63.85% of the capital, for USD 15 million.

- **ULUSE** announced that an administrative fine of TL 19.3 million imposed by the Competition Authority was reduced by 25% to TL 14.5 million and will be paid within one month.
- **TATEN's** shareholder will transfer 33.5 million shares via block sale at TL 12.50 per share to Pusula Portfoy Equity Fund.
- **NATEN's** controlling shareholders applied for the conversion of 61.9 million shares, corresponding to 7.5% of the capital, into tradable shares.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AHGAZ		AHGAZ	Buyback	512.916	25,30	2,48%

Important Disclosures

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