

Daily View

Good morning. We observe a mixed outlook in global markets. While strong buying is evident in U.S. technology stocks, futures are flat this morning. In Europe, after gains reaching up to 2% yesterday, futures are weak. In Asia, the markets are generally on the rise, excluding China and Hong Kong. At Borsa Istanbul, efforts to hold above 10,000 continue. Yesterday, the 10,150 intermediate resistance level was tested during the day but could not be surpassed. Since we do not see any deterioration in momentum, we still consider the 10,150 and subsequently 10,280 resistance levels as targets. On the downside, 10,060 and 9,990 can be monitored as support levels. In the U.S., only a few days remain until the Trump administration takes office. The new era is expected to bring significant changes to political relations between the U.S. and other countries, while some long-standing leaders are withdrawing from the political stage. Early elections will be held in Germany and France, and most recently, Canadian Prime Minister Trudeau resigned, leading to the suspension of parliamentary activities until March 24. Among key figures in Trump's cabinet, Tesla and SpaceX owner Elon Musk has made headlines by calling for the resignation of U.K. Prime Minister Starmer, supporting Germany's far-right AfD party, and delivering anti-EU messages. On today's agenda, the focus will be on inflation (CPI) and unemployment rate data in Europe, as well as the ISM Services Index in the U.S. Turkey's 5-year CDS premium starts the day at 259 basis points.

Macro and Politics

***The CBRT released the December CPI-based Real Effective Exchange Rate (REER) Index at 67.12, up slightly from the previous month's 67.02, indicating a mere monthly real appreciation of 0.1%.** Accordingly, the real appreciation over the last three months has totaled 6.6%.

*** Based on our calculations upon the CBRT's analytical balance sheet, we estimate that during the week of December 27 – January 3, the net international reserves climbed by USD4.2bn to USD67.8bn and the gross FX reserves increased by USD2.8bn to USD158bn.** The official data for the CBRT's international reserves will be announced on Thursday at 14:30 local time.

Sector and Company News

- **ALARK** announced the repurchase of 257,000 shares at an average price of 97.05 TL. As a result of the transaction, the ratio of shares owned to the company's capital increased to 2.16%.
- **ASELS** announced that it signed export agreements worth \$46.1mn with international clients for electronic warfare, communication, radar, electro-optic, and remote-controlled weapon systems.
- **EBEBK** announced that the number of visitors to its stores in December increased by 6% year-on-year, reaching 4.426 million.

- **GRSEL** announced that it signed agreements with 14 new clients as part of its 2025 strategy and planning. The total annual contract value for these agreements across Turkey is approximately TL400mn.
- **ONRYT** announced that it won the tender for the "Solar Power Plant Procurement Project," held to meet the electricity needs of a foundation university, with a bid of TL446mn and that the contract has been signed.
- **PATEK** announced that it signed a subcontractor agreement with AselsanNET Elektronik worth approximately TL1.2bn to be completed by the end of 2025.
- **RALYH's** 51%-owned subsidiary, MÇ Müteahhitlik, announced that it submitted the most favorable bid of TL2.55 billion in a tender and was awarded the contract.
- **TKFEN** announced the repurchase of 53,135 shares at an average price of TL65.61. As a result of the transaction, the ratio of shares owned to the company's capital increased to 2.94%.
- **Automotive:** Total sales in Turkey's automobile and light commercial vehicle market increased by 0.5% in 2024 compared to the same period in the previous year, reaching 1,238,509 units. The market share of electric vehicles continued its upward trend, surpassing 10% for the first time and reaching 10.5%, overtaking the sales share of diesel vehicles. Additionally, Turkey's automotive sector, the leader in exports, increased its exports by 6.3% year-on-year to USD37.2bn in 2024, maintaining its position as the export champion for the 18th time in the last 19 years. In December 2024, sector exports rose by 10% to \$3.5bn, marking the second-highest monthly export figure in history. During the same period, the sector accounted for 17.3% of Turkey's total exports. For 2025, a growth of 8-10% is projected in Turkey's automotive exports. The electric and hybrid vehicle segment is expected to play a catalytic role in increasing export volumes as Turkish companies enhance their competitiveness. Developments such as global brands' plans to expand production facilities in Turkey and TOGG's entry into the EU market by 2025 are anticipated to play a key role in achieving these targets. Furthermore, the EU's planned additional tariffs on China-origin vehicles are expected to shift regional demand toward the Turkish automotive sector by altering competition dynamics. With reduced competition from China, demand for Turkish-

made vehicles in the European market is likely to grow. This trend is expected to have a positive impact on export-oriented companies such as **FROTO** and **TOASO**.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	28,781	7.95	2.32%
LKMNH		LKMNH	Buyback	18,019	18.70	2.91%
ALARK		ALARK	Buyback	257,000	97.05	2.16%
CEMZY		CEMZY	Buyback	1,000,000	13.99	5.29%
FRIGO		FRIGO	Buyback	20,000	8.20	2.60%
MERKO		MERKO	Buyback	153,785	14.76	1.29%
TKFEN		TKFEN	Buyback	53,135	65.61	2.94%

Important Disclosures

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