

Daily View

Good morning. Following strong employment and growth data in the US, expectations for rate cuts from the Fed have been postponed to later dates. A few months ago, markets were expecting 5-6 rate cuts from the Fed this year, but now they anticipate only one rate cut. While markets had projected this cut for June, after yesterday's data, expectations have shifted to the July meeting. If employment and growth-related data in the US continue to come in strong, expectations for rate cuts may be postponed further; in fact, if the policies pursued during the Trump era turn out to be more inflationary than expected, expectations for a "rate hike" from the Fed could even come into play. Turning to the markets, US futures are slightly positive this morning, Europe is flat, and Asia is in negative territory. On Borsa Istanbul, we saw a decline below the 10,000 level yesterday due to foreign-linked sell-offs. While we expect a more balanced market today, sales aimed at generating liquidity due to two separate IPOs with a combined size of 5.7 billion TL could put pressure on the stock market. From a technical perspective, 9,920 and 9,780 are support levels to watch, while 10,090 and 10,160 serve as resistance levels. On today's agenda: domestically, the cash budget balance; in Europe, sentiment indices and PPI data; and in the US, ADP private sector employment figures and Fed minutes will be closely monitored. Turkey's 5-year CDS premiums start the day at 264 basis points.

Macro and Politics

* **The Treasury and Finance Ministry will release December cash budget figures @ 17:30 local time.** Recent data indicates a budget deficit of TL1.28tn and a primary deficit of TL81.7bn for the Jan – Nov period. Over the same period, the cash balance recorded a deficit of TL1.76tn, reflecting a persistent divergence between accrual-based and cash budget outcomes. While cash-based performance is likely to remain weak, we foresee non-tax revenues and interest expenditures emerging as the key drivers of fiscal performance in the months ahead. Considering the seasonal impacts on budget dynamics, we project a deficit of approximately TL640bn in December, bringing the 2024 budget deficit to TL1.9tn (4.3% of GDP), slightly below the 2024 Medium-Term Economic Program (MTEP) projection of TL2.15tn (4.9% of GDP). With a significant portion of the approximately TL1tn in earthquake-related expenditures for 2024 expected to be accrued in the final quarter, we anticipate a substantial widening of the budget deficit in December, similar to last year, narrowing the gap with the MTEP projections. Moreover, we project the 2025 budget deficit at TL1.61tn (2.7% of GDP), remaining marginally below the official forecast of TL1.9tn (3.1% of GDP).

Sector and Company News

- **AGESA** announced the repurchase of shares with a nominal value of TL6,000 at an average price of TL137.15 per share.
- **AKFGY** reported that the total value of sales transactions related to the Bodrum Yalıkavak project amounted to TL64.8mn + VAT.

- **ALARK** announced that it repurchased 262,000 shares at an average price of TL95.42. As a result of the transaction, the proportion of shares owned by the company in its total capital increased to 2.22%.
- **ASELS** reported signing contracts worth USD139.3mn with the Presidency of Defense Industries for the procurement of Public Safety Communication Systems. Deliveries are scheduled for 2025-2028.
- **BEYAZ** reported a 30.40% year-on-year increase in new vehicle sales in 2024, with its market share in Turkey's automobile and light commercial vehicle segment rising from 1.24% to 1.60%.
- **HUNER** reported its solar power plants (SPPs) generated USD13.92mn in revenue in 2024. The company exceeded its production target by 0.94%, achieving total production of 105.7mn kWh during this period.
- **KRVGD** announced the repurchase of shares with a nominal value of TL250,000 at an average price of TL2.34 per share.
- **MEKAG** received an order for equipment worth EUR1.15mn from an international company.
- **SAYAS** announced winning a tender worth EUR988,4K for wind turbine tower internal components. Deliveries are expected to be completed in the first quarter of 2025.
- **TKFEN** announced that it repurchased 145,350 shares at an average price of TL68.75. Following the transaction, the proportion of shares owned by the company in its total capital rose to 2.97%.
- **TTRAK** announced that domestic sales in December decreased by 26.8% year-on-year to 2,492 units, while export sales increased by 60.8% to 526 units.
- **YEOTK** announced the completion of the establishment process for Yeo Saudi Contracting LLC in Saudi Arabia, with a 95% stake.

- **KOZAL** announced that its trade name has been changed to "Türk Altın İşletmeleri Anonim Şirketi" (Turkish Gold Enterprises Joint Stock Company) by Presidential Decree.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	30,000	8.04	2.32%
LKMNH		LKMNH	Buyback	18,055	19.06	2.92%
ALARK		ALARK	Buyback	262,000	95.42	2.22%
CEMZY		CEMZY	Buyback	1,000,000	14.26	5.54%
FRIGO		FRIGO	Buyback	20,000	8.25	2.61%
MERKO		MERKO	Buyback	200,000	14.69	1.48%
TKFEN		TKFEN	Buyback	145,350	68.75	2.97%
DAPGM		DAPGM	Buyback	500,000	7.30	0.06%
AGESA		AGESA	Buyback	6,000	137.15	0.93%

Important Disclosures

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.