

## Daily View

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Good morning. Global risk appetite is weak this morning. U.S. stock markets will be closed today due to the National Day of Mourning declared for former President Jimmy Carter, while bond markets will operate on a half-day schedule. Despite the low trading volume, U.S. futures are slightly negative this morning, European futures are flat, and in Asia, Japan is down while the rest of the Asian markets remain balanced. In Borsa Istanbul, in addition to the weakness in international markets, we observed selling pressure stemming from cash generation ahead of large-scale IPOs. Starting today, we expect this pressure to ease and anticipate a recovery attempt in the BIST. For the BIST 100 index, short-term support levels are at 9,820 and 9,780; resistance levels are in the 9,960–10,000 range and at 10,160. On today's agenda, the Central Bank of Turkey's weekly announcement of reserves and foreigners' securities transactions will be monitored. Turkey's 5-year CDS premiums start the day at 268 basis points. We believe the recent increase in CDS premiums is largely driven by external factors. For instance, U.S. CDS premiums are also trading at their highest levels in 1–2 months. That said, we expect a credit rating upgrade from Moody's on January 24, which could slightly ease Turkey's CDS premiums.

## Macro and Politics

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**\* The CBRT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of December 27 – December 3 today @ 14:30 local time.** 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. To recall the data from the previous week: In the week of December 20 – 27, the equity and the bond market (excluding the repo transactions) market experienced a foreign outflow of USD101mn and USD241.6mn, respectively. Hence, in 2024, the equity market experienced a cumulative foreign outflow of USD2.7bn, while the bond markets (excluding the repo transactions) saw a cumulative foreign inflow of USD16.2bn. Moreover, the residents' FX deposits rose slightly by USD408mn (gold accounts excluded, EUR/USD parity adjusted) in the week of December 20 – 27, while the residents' total FX deposits (including gold, price adjusted) climbed moderately by USD273mn. Besides, the CBRT's gross FX reserves dropped by USD1.1bn to USD155.2bn, while the net international reserves rose by USD1.8bn to USD63.6bn in the mentioned period.

## Sector and Company News

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- **ALARK** announced the repurchase of 294K shares at an average price of TL96.34. As a result of this transaction, the proportion of shares held to the company's capital increased to 2.29%.
- **EBEBK** announced that the total number of products sold through Ebebek stores and the e-commerce channel in Turkey during December increased by 8% YoY to 7.5 million. In the 12-month period ending December 2024, the total number of products sold rose by 11% YoY to 81.6 million.

- **HUNER** reported USD8.16mn in revenue from its biomass energy plants (BES) in 2024.
- **LKMNH** repurchased a total of 20,000 shares within the price range of TL19.21-TL19.29, increasing its stake in the company's capital to 2.93%.
- **TAVHL (Neutral)** released its passenger statistics for December 2024.
  - In December, the total number of passengers served increased by 10% y/y to 6.2mn. International passenger traffic rose by 11% to 3.3mn, while domestic passenger traffic grew by 8% to 2.8mn during this period.
  - In 4Q24, the number of passengers served increased by 10% y/y to 23.4mn.
  - In 2024, the company served 106.5 million passengers, representing an 11% year-on-year growth and exceeding our forecast by 1%.
  - We view TAVHL's passenger traffic results as "Neutral," as the growth in passenger traffic, both domestically and internationally, aligned with our expectations and the year's trend. We maintain TAV Airports in our Model Portfolio with a target price of TL396, offering a 43% upside potential.
- **TCKRC** announced the signing of a contract related to a tender worth TL103.7mn.
- **THYAO (Slightly Positive)** released its passenger statistics for December 2024.
  - In December, the total number of passengers served increased by 5% y/y to 6.4mn.
  - The total cargo tonnage carried in December increased by 4% y/y to 166K tons.
  - In 4Q24, the company served 20.1mn passengers, a 3% y/y increase.
  - Cargo tonnage carried in 4Q24 increased by 6% y/y to 497K tons.
  - In 2024, the total number of passengers reached 85.1mn, a 2% increase y/y, while total cargo exceeded 2mn tons with a 20% growth.
  - We view Turkish Airlines' December traffic data as "Slightly Positive." The strong passenger traffic in December, particularly the robust growth in international traffic compared to the same period last year, indicates continued recovery in passenger traffic, which had been weak throughout 2024. However, double-digit growth in cargo tonnage, which was a key highlight of 2024, appears to be normalizing, with a loss of momentum partly attributed to a high base effect. We maintain Turkish Airlines in our Model Portfolio with a target price of TL428.00 and a 46% upside potential.

- **TKFEN** announced the repurchase of 30K shares at an average price of TL64.97. As a result of this transaction, the proportion of shares held to the company's capital increased to 2.98%.
- **TOASO**, it was announced that the Competition Authority would convene on January 8, 2025, to reassess the EUR400mn agreement regarding the sale of Stellantis N.V.'s local distribution business in Turkey to Tofaş Türk Otomobil Fabrikası A.Ş. Previously, the deal was rejected due to insufficient commitments from both companies to address regulatory concerns. This decision had prevented Tofaş from acquiring the exclusive import and distribution rights for Stellantis brands such as Peugeot, Citroën, Opel, and DS Automobiles in Turkey. Following recent discussions between the regulatory authority, government officials, and Tofaş executives, the Competition Authority decided to re-evaluate the agreement. The upcoming decisions will play a critical role in determining the future of the agreement.
- **VBTYZ** announced the signing of a contract worth USD1.15mn with a customer operating in the manufacturing sector.
- **OYAKC** announced that its application to the CMB to increase the registered capital ceiling from TL1.5bn to TL20bn and extend the validity of the registered capital ceiling to cover the 2024–2028 period has been approved.
- **KRVGD** reported that its Polish subsidiary, ZPC Otmuchow S.A., signed a final agreement on January 3, 2025, for the sale of its facilities in Brzeg for PLN19mn, with payment completed. Following the sale, the company's production capacity in Poland will decrease to 29,730 tons, and its consolidated capacity will reduce to 125,210 tons.

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	35,357	7.95	2.33%
LKMNH		LKMNH	Buyback	20,000	19.25	2.93%
ALARK		ALARK	Buyback	293,657	95.15	2.29%
AGESA		AGESA	Buyback	30,000	136.35	0.94%
PCILT		PCILT	Buyback	20,000	17.90	2.04%
ADGYO		ADGYO	Buyback	560,000	34.21	6.44%
KRVGD		KRVGD	Buyback	200,000	2.31	1.33%
ALKLC		ALKLC	Buyback	50,000	35.66	0.04%
TKFEN		TKFEN	Buyback	30,000	64.97	2.98%

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