

Daily View

Good morning. Global risk appetite is balanced this morning. The statements of Trump, who will take office in the United States in two weeks, regarding Greenland, Panama, the Gulf of Mexico, Canada, China, and Russia continue to draw criticism. However, these reactions have not yet had an observable impact on the markets. That being said, the influence of global political developments on the markets may increase starting from January 20. Following the rebound we shared yesterday morning, Borsa Istanbul closed precisely at the 10,000 level. Supported by foreign purchases and capital inflows, we expect this rebound to continue today as well. For the BIST 100 index, the key resistance levels to watch are 10,160 and 10,280, while the support levels are 9,880 and 9,780. On today's agenda, domestically, we will monitor the unemployment rate and November industrial production data. With the November data, we will also gain insights into the second month of the fourth quarter of 2024, providing further clues about the 4Q24 GDP growth performance. Overall, we expect stronger growth compared to the third quarter, and the data is anticipated to confirm this view. Externally, important data such as the U.S. non-farm payrolls, unemployment rate, and average hourly earnings will be closely followed. These figures are significant for determining the Federal Reserve's policy direction. Turkey's 5-year CDS premiums start the day at 267 basis points.

Macro and Politics

*** We expect industrial production (IP) to exhibit a more limited contraction compared to the previous month.** IP data for November will be released today @ 10:00 local time. To recall the previous month's release: The sequential (the seasonal and calendar adjusted monthly figure) IP contracted by 0.9% m/m as of October, while the calendar adjusted IP narrowed by 3.1% y/y. Leading indicators for November suggest that the loss of momentum in IP has continued, yet at a slower pace. Accordingly, we expect the monthly change in sequential IP to remain in negative territory in November, albeit pointing to a more limited contraction compared to October. We believe that tight financial conditions will continue to exert pressure on industrial activity and that the weak outlook in activity will persist for some time. The evident rise in consumption in recent months raises the likelihood of positive quarterly growth in 4Q24. Nonetheless, we anticipate annual GDP growth to decelerate further over the next two quarters. Correspondingly, we project GDP growth to conclude 2024 at around 2.9%, with a further slowdown to 2.6% by the end of 2025.

*** November Employment figures will be released @ 10:00 local time.** The adjusted unemployment rate remained edged up to 8.8% from 8.7% as of October. The broad-based unemployment calculations also deteriorated as the rate of composite measure of labor underutilization – including time-related underemployment, potential labor force and unemployment—increased by 1.9 ppts to 27.6%. Furthermore, the combined rate of time-related underemployment and unemployment climbed to 18.5% from 17.3%, while the combined rate of unemployment and potential labor force rose to 19% from 17.9%.

*** There was net foreign buying activity through standard portfolio channels, albeit modestly, during the week of December 27 – January 3.** Accordingly, the equity and the bond market (excluding the repo transactions) market experienced a foreign inflow of USD42.1mn and USD187.5mn, respectively. Moreover, the foreigners' share in total bond stock increased to 7.9% from 7.7% in the mentioned period. In annual terms, the equity market experienced a cumulative foreign outflow of USD2.4bn, while the bond markets (excluding the repo transactions) saw a cumulative foreign inflow of USD16.4bn. Besides, the residents' FX deposits rose slightly by USD166mn (gold accounts excluded, EUR/USD parity

adjusted) in the period of December 27 – January 3, while their total FX deposits (including gold, price adjusted) climbed moderately by USD144mn. The CBRT's gross FX reserves rose by USD2.9bn to USD158bn, while net international reserves increased by USD4.1bn to USD67.6bn. Lastly, net reserves excluding swaps surged by USD2.9bn to USD46.6bn.

Sector and Company News

- **ANSGR** reported gross premium production of TL69.6bn for 2024, representing a 57.3% increase compared to the previous year.
- **ARSAN** announced that it has decided to guarantee, in proportion to its 40% stake, a loan agreement amounting to USD427K to be utilized by its affiliate, Arsan Hazır Beton A.Ş.
- **DGNMO** announced that the total number of sales points had reached 795 as of December 31, 2024, with 685 located domestically and 110 internationally.
- **OZATD** announced the signing of a ship repair, maintenance, and refurbishment contract valued at USD1.2mn.
- **RALYH** reported submitting the third-lowest bid of TL1.3bn in a tender, with the offer currently under evaluation.
- **TCELL** CEO Ali Taha Koç, speaking at the Consumer Electronics Show (CES 2025) in Las Vegas, stated that they are in discussions with the Ministry of Transportation for a 10-year payment plan for the 5G frequency auction. He also mentioned ongoing efforts to establish partnerships to produce low-cost 5G phones.
- **TKFEN** announced the repurchase of 33K shares at an average price of TL65.40. As a result of the transaction, the proportion of owned shares in the company's capital increased to 2.99%.
- **VESTL** announced that its Netherlands-based 100% indirect subsidiary, Vestel Holland, acquired all shares of Gruppo Industriale Vesit, which handles the sales and distribution of the company's products and services in Italy, for a price of EUR120K.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	18,500	19.90	2.94%
ALKLC		ALKLC	Buyback	25,000	36.30	0.07%
TKFEN		TKFEN	Buyback	32,600	65.40	2.99%
FRIGO		FRIGO	Buyback	55,410	8.37	2.65%

Important Disclosures

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