

Daily View

Good morning. Global risk appetite is positive this morning; however, expectations of a rise in the U.S. PPI and CPI data to be announced today and tomorrow may limit buying interest. Borsa Istanbul experienced a 1.8% decline yesterday. While some of the selling pressure was influenced by external factors, domestic developments such as bridge and highway toll increases exceeding expected inflation, and signals of a potential mid-year adjustment to the minimum wage, have heightened uncertainties surrounding the disinflation process and contributed to the selling. That said, we believe Borsa Istanbul may seek a recovery today in line with external markets. From a technical perspective, support levels are at 9,690 and 9,560, while resistance levels are at 9,770 and 9,800. For the BIST 100 index, we expect mid-term oscillations to continue within the broader range of 9,500 to 10,300. Today's agenda highlights the U.S. PPI data release at 16:30 (local time). Annual PPI is expected to rise significantly from 3.0% to 3.5%. Core PPI, which excludes food and energy, is also anticipated to increase from 3.4% to 3.8%. In a period when expectations for Fed rate cuts have already diminished, and the first cut has been deferred to almost year-end, high inflation data could further dampen market sentiment. Turkey's CDS premiums are also on the rise. The latest quotes for 5-year CDS premiums are priced at 275 basis points.

Macro and Politics

* **The Treasury will hold 4y TLREF indexed and 5y fixed coupon bond auctions today.** The Treasury tapped the domestic markets to the tune of TL49.3bn (including non-competitive sales) via yesterday's 2y fixed coupon bond auction. According to three-month (Jan – Mar 25) domestic borrowing strategy, the Treasury has a total domestic redemption of TL225.4bn in January, while in return plans to borrow TL293.8bn throughout the month, indicating a roll-over ratio of 130%, via six auctions and two direct sales. After this week's auctions, the Treasury will hold 6m G-bond auction on January 20th, 3y CPI-indexed and 6y FRN auctions and January 21st and the direct sales of 1y gold-denominated bond & 1y gold-denominated lease certificate on January 24th and finalize its domestic borrowing program for January.

* **The CBRT announced the November balance of payments statistics, revealing a USD2.9bn current account deficit, slightly in line with our house estimate at USD3bn of deficit.** Accordingly, the annual current account deficit increased merely to USD7.4bn from USD7.1bn. Furthermore, the core balance (Current Account Balance excluding energy and gold) reported a monthly surplus of USD3.4bn, while annual surplus rose to USD54.4bn from USD53.2bn. We expect the current balance to register a deficit around USD3.5bn in December, with the annual deficit to end 2024 around USD9bn (0.7% of GDP). Our year-end current account deficit expectation for 2025 is USD15bn (1% of GDP). Our forecasts are based on the assumptions of no disruptions in energy prices and the continuation of low levels of gold imports.

Sector and Company News

- **AEFES:** Fitch downgraded Anadolu Efes' long-term foreign and local currency credit rating by one notch from BB+ to BB and revised the outlook for all ratings to stable.

- **BAYRK** announced that the relocation of its production facility from Istanbul to Sinop has been completed.
- **CCOLA** shared its expectations for 2025, anticipating another challenging year similar to the previous one. However, it plans to open two new facilities in Iraq and Azerbaijan. Regarding sales volume guidance, the company expects mid-single-digit consolidated volume growth and low-to-mid single-digit growth in Turkey.
- **DAGI** announced the closure of its store located at Bursa Carrefoursa, reducing its current number of stores (excluding franchises and e-commerce) to 83.
- **NETAS** announced that it won the tender held by the Turkish Football Federation (TFF) and signed a contract worth USD24mn, covering a 5-year period.
- **RALYH** announced that its subsidiary, Ral Yapı, submitted the most favorable bid of TL1.61bn in a tender. It was noted that the bids are currently under evaluation.
- **SDTTR** announced that it has received an order worth USD3.4mn under the agreement signed with FNSS Defense Systems. Deliveries are planned to be completed between 2025 and 2027.
- **TKFEN** announced the repurchase of 154K shares at an average price of TL63.40. Following the transaction, the shareholding ratio of the repurchased shares in the company's capital increased to 3.04%.
- **TUPRS** announced its decision to apply to the Capital Markets Board and the Ministry of Trade to extend the registered capital ceiling period and to increase the registered capital ceiling to TL10bn.
- **VKGYO** announced plans to apply to the CMB to increase its registered capital ceiling from TL5bn to TL15bn.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	20,000	20.59	2.96%
TKFEN		TKFEN	Buyback	154,303	63.40	3.04%
FRIGO		FRIGO	Buyback	20,000	8.20	2.68%
PCILT		PCILT	Buyback	20,000	17.40	2.06%
KRVGD		KRVGD	Buyback	250,000	2.25	1.35%
GEDIK		GEDIK	Buyback	217,184	7.89	2.35%
YGGYO		YGGYO	Buyback	39,020	64.84	3.40%

Important Disclosures

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