

Daily View

Good morning. Global markets are starting the day on a positive note. Fed official Waller's dovish messages brought noticeable buying activity to Borsa Istanbul near yesterday's close; however, the same optimism wasn't observed on the U.S. side. Still, U.S. futures are in positive territory this morning, and European markets remain on the positive side after strong closings. In Asia, better-than-expected growth data from China is a positive development, but other regional markets are showing weakness. The BIST 100 index closed slightly above the 9,850 resistance level yesterday, with notable inflows and an increase in trading volume. We expect this rebound to continue today, and the day is also critical in terms of the weekly close. If the index holds above 9,850 and moves toward 10,000, it could signal an improvement in the technical outlook. In this scenario, the 10,150–10,300 range may become a target once again. However, if the index falls below 9,850, the 9,500–9,600 support zone would come back into focus. Today's agenda includes the CBRT market participants survey on the domestic front. Internationally, inflation data (CPI) from Europe, as well as housing market data, industrial production, and capacity utilization from the U.S., will be closely watched. Next week's schedule is packed, with key events such as the inauguration of U.S. President-elect Donald Trump, the CBRT's policy rate decision, global PMI data, and other growth-related indicators. The week will close with Moody's decision on Turkey's credit rating, where we expect an upgrade. This morning, Turkey's 5-year CDS premiums start the day at 270 basis points.

Macro and Politics

*** The CBRT will release the results of the January Market Participants' Expectations Survey today @ 10:00 local time.** According to the December survey results, the 12-month ahead (2025YE) annual CPI expectation was revised down merely to 27.1%, from 27.2%, while the 24-month ahead annual CPI expectation rose slightly to 18.5%, up from 18.2%. Today's survey results will be closely monitored for any significant changes in the 2025 year-end forecasts. Additionally, monthly inflation expectations for January will also be carefully scrutinized. Alongside inflation projections, participants' expectations for the upcoming Monetary Policy Committee (MPC) meeting, scheduled for Thursday, January 23, will be of particular interest. Ahead of the upcoming January inflation data – expected to be around 4% on a monthly basis and to be published at the beginning of February – we assess that the MPC is likely to continue implementing rate cuts during the January meeting. We believe that the absence of any meetings until March will provide the Bank with ample time to monitor inflationary trends. Therefore, we expect the MPC to cut the policy rate by 250bps to 45% in the January meeting, in line with market consensus, according to the survey conducted by Foreks. Our year-end 2025 policy rate forecast stands at 30%, while our inflation forecast is 28%.

*** The CBT will release November short-term external debt stock figures @ 10:00 local time.** Short-term external debt stock in October materialized at USD180.1bn, up by 2.3% compared to 2023YE. In terms of short-term debt statistics, we believe that "debt stock on a remaining maturity basis," calculated based on the external debt maturing within one year or less regarding the original maturity, is rather critical, which is at USD236.1bn as of September 2024. Out of this figure, USD22.9bn is debt to the resident banks and private sectors to the banks' branches and affiliates abroad. Stripping this amount from the total results in USD213.2bn. We also add 12-month forward-looking CAD expectations on this amount so as to reach Turkey's annual external financing need (EFN). Accordingly, we calculate EFN as of October 2024 around USD230bn.

* **The CBRT will release the Residential Property Price Index for December @ 10:00 local time.** The Residential Property Price Index (RPPI) registered a monthly rise of 2.8% and an annual increase of 29.48% in November, reaching a level of 155.4. Yet, in real terms, RPPI dropped further by 12% y/y. The real depreciation in RPPI on an annual basis has persisted since February.

* During the week of January 3–10, the equity market witnessed a foreign outflow of USD211.8mn, while the bond market recorded a net foreign inflow of USD460.5mn (excluding repo transactions). Furthermore, the foreigners' share in the total bond stock remained unchanged at 7.9% during this period. On an annual basis, the equity market saw a cumulative foreign outflow of USD2.7bn, whereas the bond market (excluding repo transactions) experienced a cumulative foreign inflow of USD16.4bn. The residents' FX deposits receded by USD1.1bn (gold accounts excluded, EUR/USD parity adjusted) in the period of January 3 – 10, while their total FX deposits (including gold, price adjusted) eased by USD1.2bn in the week of January 3 – 10. The CBRT's gross FX reserves increased by USD2.52bn to USD160.56bn, while net international reserves rose by USD2.34bn to USD69.95bn. Net reserves excluding swaps, moreover, climbed by USD8.3bn to USD54.9bn.

Sector and Company News

- **ALFAS** announced an agreement with a global energy company for OEM (contract) production of solar panels, covering the year 2025. The agreement is planned to be renewed annually, with a minimum purchase of 50 MWp of solar panel capacity by the customer each year.
- **AZTEK** announced that it signed a lease agreement for the opening of its second store in Hilton Mall of Istanbul, bringing the total number of stores to 7.
- **CGCAM** announced the signing of a contract worth TL231.8mn.
- **EDATA** announced that it terminated its distributorship agreement with Kaspersky as of January 16 to reduce personnel workload and focus on new brands that can achieve higher revenues in sales.
- **EKOS** announced that its application for an Incentive Certificate worth TL170mn for capacity expansion, renewal of machinery and equipment, and modernization of its Compact Transformer production facility in Balıkesir has been approved.
- **ENJSA** announced that the issuance document for bonds or commercial papers worth up to TL80bn to be sold to qualified investors has been approved by the Capital Markets Board (SPK). Additionally, the company announced that its application for the issuance of green bonds or commercial papers worth up to TL20bn has been approved by the Capital Markets Board (SPK).

- **LKMNH** reported that it repurchased a total of 14,000 shares within the price range of TL21.28- TL21.38. Following this transaction, the company's stake in its own capital reached 2.98%.
- **MANAS** announced that it submitted the most advantageous bid of TL125mn in a tender and that the contract has been signed.
- **MARBL** announced that its exploration license application for the II-B Group Marble field located in Kaş, Antalya, has been approved.
- **MEGAP** announced that the court has granted a 1-year definitive term for concordat proceedings starting from January 19, 2025. During this period, the company aims to restructure its debts and continue its operations.
- **MIATK** announced that its 100% subsidiary, Tripy Mobility Teknoloji, has significantly increased its electric bicycle fleet as of January. The entire USD1.9mn investment was funded from the company's own resources. The new electric bicycles will start operating at existing locations within 30 days.
- **SELGD** announced the transfer of its property in Germencik, Aydın, described as a "Dried Fruit and Vegetable Processing and Packaging Facility and Orchard," to Orionfood Gıda Sanayi ve Ticaret A.Ş. for TL38.1mn.
- **TCELL** announced the completion of the book-building process for its bond issuance. The nominal value of the bond to be issued is USD500mn, with a coupon interest rate of 7.45% and a maturity of 5 years. Additionally, the sustainable bond has a nominal value of USD500mn, a coupon interest rate of 7.65%, and a maturity of 7 years.
- **TKFEN** announced the repurchase of 152K shares at an average price of TL65.95. Following this transaction, the company's ownership of its shares increased to 3.14% of the total share capital.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	14,000	21.35	2.98%
TKFEN		TKFEN	Buyback	152,620	65.95	3.14%
FRIGO		FRIGO	Buyback	20,000	7.96	2.72%
KRVGD		KRVGD	Buyback	300,000	2.20	1.38%
GEDIK		GEDIK	Buyback	150,000	7.89	2.40%

Important Disclosures

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