

Daily View

Good morning, The second Trump term has officially begun in the U.S. The messages delivered during Trump's inauguration ceremony were not significantly different from his previous rhetoric; however, his insistence on raising customs tariffs persists. That said, comments suggesting that these increases could be gradual are easing market stress. This morning, U.S. and European futures are in positive territory, while Asia also exhibits a generally optimistic outlook. At Borsa Istanbul, we saw another session yesterday with capital inflows and high trading volumes, closing above the critical psychological threshold of 10,000. We expect the positive sentiment to continue this morning, with the market likely to target the 10,150–10,300 resistance zone. Technical indicators continue to improve. On today's agenda, key events to watch domestically include the Cabinet meeting, Treasury auctions, and housing sales data. Externally, Trump's initial actions are under close scrutiny, while data releases focus on European sentiment surveys and U.S. growth-oriented metrics. Later this week, Turkey's Central Bank (PPK) interest rate decision and Moody's update on Turkey's credit rating will be closely followed. We anticipate a 250-basis-point rate cut from the PPK and a credit rating upgrade from Moody's. Turkey's 5-year CDS premiums start the day at 272 basis points.

Macro and Politics

***The Treasury will hold 3y CPI-indexed and 6y FRN auctions bond auctions today.** The Treasury borrowed a total of TL78bn from domestic markets yesterday, including non-competitive sales, via its 6m G-bond auction. The average cost of borrowing was 43.97%, with the bid-to-cover ratio standing high at 2.8x. With yesterday's 6m G-bond auction, the total domestic borrowing of the Treasury in January has reached TL214bn. After today's 3y CPI-indexed and 6y FRN auctions, the Treasury will hold the direct sales of 1y gold-denominated bond & 1y gold-denominated lease certificate on Friday, January 24th, and finalize its domestic borrowing program for January. 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%.

*** TURKSTAT will release December home sales figures @ 10:00 local time.** In November, housing sales totaled 153,014 units, reflecting a significant 63.6% annual increase, but a 7.3% decrease compared to the previous month. Mortgaged home sales reached 21,804 units, showing a 3.4% monthly increase and an impressive 315.7% rise y/y. The share of mortgaged sales in total housing sales rose from 12.8% in November 2023 to 14.2% in November 2024. The average mortgage rate, which was 42.15% in November 2023, saw a slight decline to 41.24% in November 2024, marking a no palpable change. Despite persistently high mortgage rates, the noticeable annual rise in mortgage-backed sales can be attributed to expectations of future price increases, following a period of real declines in housing prices. Turning to the details of the November data: Sales to foreign buyers decreased by 8.2% y/y to 2,151 units, while the share of foreign sales in total housing sales increased slightly from 1.3% to 1.4%.

Sector and Company News

- **ANGEN** announced that the proportion of products related to Influenza A virus and its subtypes within the Real-Time PCR kits sold in 2024 was approximately 11.6% in terms of units.
- **DOAS** announced that the paid-in capital of its subsidiary, Doğuş Bilgi İşlem ve Teknoloji Hizmetleri, will be increased from TL241.9mn to TL272.5mn. It was reported that TL6.7mn of the increased cash capital will be covered by the company at nominal value.
- **DOFER** announced that it has received a 3-year incentive certificate worth TL7.5mn.
- **EGPRO** announced that the registration of its application to increase its existing capital by 572%, from TL81mn to TL545mn, has been completed.
- **KRGYO** announced that it has applied to the CMB to increase its registered capital from TL330mn to TL660mn through a 200% rights issue.
- **KARSN** announced that it signed a contract worth approximately EUR10.6mn with Romania's Constanța Municipality for a total of 22 units of 12-meter e-ATA vehicles and 29 charging stations. The delivery of the vehicles is planned for 2025.
- **KTSKR** processed 374.6K tons of beets between September 27, 2024, and January 15, 2025, producing 47.6K tons of A sugar and 5.4 thousand tons of C sugar. Total production amounted to 53K tons.
- **NETAS** announced the signing of a USD629K agreement with a Turkey-based customer within the scope of their ongoing business relationship. The agreement covers the sale, installation, and maintenance/repair support of locally produced server products for the 2024-2029 period.
- **PEKGY** announced that it has applied to the CMB to increase its registered capital from TL2.5bn to TL5bn through a 100% rights issue.
- **PRKME's** subsidiary Konya Ilgın Elektrik signed a contract for 2025 overburden removal works with a volume of 5 million m³ and an initial price of TL88/m³.

- **SNICA** announced that sales contracts totaling TL157mn have been signed as part of discussions with existing dealers in Turkey.
- **TKFEN** announced the repurchase of 150K shares at an average price of TL64.77. As a result of this transaction, the proportion of shares owned in the company's capital increased to 3.22%.

Share Transactions

| Acquirer | Seller | Company | Type (Buyback / From Market) | # of lots | Transaction Price (TL) | Share in Capital after transaction |
|----------|--------|---------|------------------------------|-----------|------------------------|------------------------------------|
| LKMNH | | LKMNH | Buyback | 17,000 | 21.75 | 2.99% |
| TKFEN | | TKFEN | Buyback | 150,000 | 64.77 | 3.22% |
| FRIGO | | FRIGO | Buyback | 20,000 | 8.27 | 2.75% |
| GEDIK | | GEDIK | Buyback | 40,000 | 7.80 | 2.41% |
| PCILT | | PCILT | Buyback | 16,889 | 16.89 | 2.10% |
| DAPGM | | DAPGM | Buyback | 250,000 | 7.58 | 0.07% |
| NTHOL | | NTHOL | Buyback | 98,098 | 43.68 | 6.48% |

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