

Daily View

Good morning. After a one-day holiday, U.S. markets started the week on a positive note, driven by company-specific news flows. We also see that European markets and futures indices remain on the optimistic side this morning. In Asia, however, there is a mixed outlook. The BIST 100 index struggled to stay above the 10,000 level throughout yesterday but ended the day just below it, closing at 9,999.55 points due to selling pressure towards the close. Near-term technical indicators maintain a positive outlook. The 10,150 - 10,300 resistance zone remains on the radar, while the 9,900 – 9,950 range can be monitored as the nearest support area. A medium-term trend indicator, the MACD, using the commonly preferred 26, 12 parameters, is approaching a buy signal. Today's macroeconomic calendar is extremely quiet. We are in a period where political developments, both domestically and internationally, carry increased weight on the markets. In addition to this, tomorrow's PPK interest rate decision and Friday's growth-oriented data in Europe and the U.S., along with Moody's credit rating decision on Turkey, which will be announced after domestic markets close, are key events to follow. A 250 basis points rate cut is expected from the PPK, while a credit rating upgrade is anticipated from Moody's. Whether the outlook will be maintained at "Positive" will be critical. Meanwhile, Turkey's 5-year CDS premiums are starting the day at 270 basis points.

Macro and Politics

***The Treasury tapped the domestic markets at an amount of TL34.3bn (including non-competitive sales) via yesterday's 3y CPI-linked and 6y FRN bond auctions.** Together with yesterday's double auctions, the Treasury total domestic borrowing so far this month has reached TL248.3bn. After yesterday's auctions, the Treasury will hold the direct sales of 1y gold-denominated bond & 1y gold-denominated lease certificate on 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%. Hence, as per the domestic borrowing strategy, the Treasury is likely to borrow around TL45bn via Friday's direct sales.

*** The total number of house sales in December reached 212,637 units, marking a robust annual increase of 53.4% and a monthly rise of 39%. In 2024, the overall house sales grew by 20.6% y/y, totaling 1,478,025 units.** Mortgage-backed sales in 2024, however, declined by 10.8% relative to the previous year, totaling 158,486 units. Sales to foreigners decreased by 32.1% y/y in 2024, amounting to 23,781 units. In the December figures, mortgage-backed sales amounted to 23,277 units, showing a 6.8% increase on a monthly basis, while recording a strong year-on-year growth of 285.3%. Upon analyzing mortgage interest rates within the housing market, it is evident that the average mortgage rate, which stood at 42.1% in December 2023, exhibited a marginal decline to 41.1% in December 2024. This reflects a minimal year-on-year variation, indicating relative stability in the cost of financing for residential properties. 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 December data: Sales to foreigners rose by 17.2% y/y to 2,418 units, while the share of foreign sales in total housing sales dropped to 1.1% from 1.4%.

Sector and Company News

- **AEFES** announced the publication of the Draft Amendment to the Articles of Association regarding the extraordinary general assembly meeting. According to the draft, the registered capital ceiling has been approved to increase from TL900mn to TL10bn.
- **AKFYE** announced its application for a total of 1110 MW wind energy projects under the YEKA RES-2024 tenders. Applications were made by its subsidiaries for the Edirne RES (410 MW), Balkaya RES (340 MW), Sergen RES (200 MW), and Yellice RES (160 MW) projects.
- **DAGI** announced a 208% bonus capital increase decision.
- **GEREL** applied to the Capital Markets Board (CMB) for a private capital increase.
- **HRKET** announced that its subsidiary, Hareket Rüzgar Enerji A.Ş., participated in the YEKA RES-2024 tender for the Gürün RES project in Sivas, with a capacity of 90 MW.
- **KMPUR** announced the successful completion of the relocation process of polyurethane system production facilities and equipment owned by Ravago Petrokimya to its Düzce plant. The company reported that production trials commenced following the relocation, with the first production carried out using the Exproof reactor transferred from Ravago.
- **OZATD** announced that the order value of EUR1.2mn disclosed on January 9 had been increased to EUR1.55mn due to additional customer requests, and the vessel was delivered.
- **TCKRC** announced the completion of the transportation process for Europe's deepest galvanizing furnace to its Bozüyük factory's second phase. The furnace, purchased from the UK, measures 13 meters in length, 1.8 meters in width, and 4.6 meters in depth. Equipped with HASCO SMART FIRING technology, it consumes 20% less natural gas and has a coating capacity of 30 tons per hour. It is expected to save 17.5 kg of zinc per product, contributing USD1.32mn annually.
- **TKFEN** announced the buyback of 170K shares at an average price of TL63.87. As a result of the transaction, the proportion of shares held in the company's capital increased to 3.26%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	16,000	20.81	3.00%
TKFEN		TKFEN	Buyback	170,000	63.87	3.26%
FRIGO		FRIGO	Buyback	20,000	8.00	2.76%
KRVGD		KRVGD	Buyback	250,000	2.17	1.39%
YGGYO		YGGYO	Buyback	31,886	65.63	3.44%

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