

Daily View

Good morning. In the U.S., the Chinese AI assistant "DeepSeek" caused a sharp sell-off in technology companies yesterday, while industrial companies showed a bullish trend. Estimates suggest that the market value of technology companies could shrink by up to \$1 trillion. We do not expect a long-term or persistently suppressive effect on global markets. This morning, European futures and Asian markets are generally bullish. On Borsa Istanbul, efforts to hold near the 10,000 level were evident yesterday, with an intraday dip to 9,960; however, it closed at 9,998. Today, attempts to regain the 10,000 level will be monitored, with the first resistance level at 10,070. The day's agenda includes a calm data flow both domestically and in Europe, while in the U.S., data on consumption, growth, and the housing sector will be tracked. We do not expect today's data to have a significant market impact. Tomorrow evening, the Fed decision will take the spotlight, followed by the ECB and growth data on Thursday, and core personal spending data in the U.S. on Friday. Domestically, Fitch's evaluation of Turkey on Friday evening will be closely watched. While no credit rating upgrade is expected, there are expectations for an outlook revision from "stable" to "positive." We anticipate that global risk appetite will remain volatile during this period, with fluctuations around the 10,000 level domestically. Turkey's 5-year CDS premiums start the day at 263 basis points.

Macro and Politics

* **The CBT will release the January Sectoral Inflation Expectations survey @ 10:00 local time.** According to the December survey results, 12-month-ahead annual inflation expectations decreased further by 0.1 points to 27.1% for market participants, by 0.2 points to 47.6% for the real sector and by 1 point to 63.1% for households. Please recall that in the November survey results, 12-month ahead annual inflation expectations showed a decline of 0.2 points for market participants, 1.7 points for the real sector, and 3.1 points for households. The December survey results indicated that the downward tendency in 12-month ahead annual inflation expectations sustained, albeit at a modest pace compared to previous month. The recent slowdown in the pace of inflation decline has been reflected in expectations; however, the overall downward trend in expectations remains intact.

* **The Real Sector Confidence Index (RSCI) ameliorated to 100.9 level from 99.1 as of January, surpassing the 100-threshold once again.** As a reminder, the index had slid to 99.1 from 100.4 back in December, sliding below the 100-threshold for the first time since September and indicating a pessimistic outlook to the economic activity by the real sector agents covered by the Survey. The seasonally adjusted RSCI, moreover, dropped merely to 102.6 level from 102.7 as of January. In addition, the unadjusted Capacity Utilization Rate (CUR) decreased to 74.6% from 75.8%, while the adjusted CUR eased to 74.8% from 75.6% in January. With the release of these preliminary data for January, we continue to compile the initial signals for economic activity in 2025. Our projections for 2025 suggest that economic activity will exhibit a pronounced cyclical pattern throughout the year. Based on the CBT's output gap estimates, we expect the lagged impacts of tight monetary policy to continue to be felt until 2Q25. However, in the second half of 2025, we anticipate a modest rebound in activity, driven by easing inflation and the delayed impact of imminent rate cuts. Accordingly, growth, which we expect to decelerate to 2.9% in 2024, is projected in our baseline scenario to show a pronounced divergence between the first and second halves of 2025, ultimately closing the year at a subdued 2.6%, indicating a further decline from the previous year.

Sector and Company News

- **GARFA** announced its Q4 2024 financial results with a net profit of TL358mn, bringing its total net profit for 2024 to TL1.4bn, a 38% increase compared to the previous year. The company's net operating profit for 2024 also increased by 38% year-on-year to TL2.1bn, with an operating profit margin of 36.36%. During the same period, factoring receivables rose by 13% to TL13bn, and equity increased by 83% to TL3.2bn. The equity-to-liabilities ratio improved year-on-year to 23.85% for 2024.
- **AKSGY** announced that JCR Eurasia, in its report, revised Akiş Gayrimenkul Yatırım Ortaklığı A.Ş.'s Long-Term National Institutional Credit Rating from "A+ (tr)" to "AA- (tr)." The Short-Term National Institutional Credit Rating was affirmed at "J1+ (tr)," while the Long-Term International Foreign Currency and Local Currency Institutional Credit Ratings were both affirmed at "BB." All ratings were assigned a "stable" outlook.
- **AZTEK** shared the GFK Turkey market research report for 2024, revealing that the Turkish headphone market grew by 46.2% and its distributed brands achieved a 55.7% share, while the Turkish speaker market grew by 70.7% and the company captured a 61.1% share in 2024.
- **CWENE** announced that it has submitted applications for the Kütahya, Van, and Malatya solar power plant projects under the YEKA GES-2024 tender competitions.
- **GESAN** stated that its subsidiary, Europower Enerji A.Ş., has initiated a review of strategic alternatives such as a potential sale of shares or a partnership. It was disclosed that a confidentiality agreement has been signed with Hyosung Heavy Industries and discussions have begun; however, no binding decision has been made yet.
- **MIATK** announced that it has decided to establish a new department aimed at closely following developments in the mining sector and providing innovation- and service-oriented solutions.
- **NETAS** announced that its Long-Term National Credit Rating was affirmed at "BBB (tr)" by JCR Eurasia, while the outlook was revised from 'Stable' to 'Negative.'

- **NUHCM** announced that JCR Eurasia, in its report, affirmed Nuh Çimento Sanayi A.Ş.'s Long-Term National Institutional Credit Rating at "AA+ (tr)." The Short-Term National Institutional Credit Rating was affirmed at "J1+ (tr)," and the Long-Term International Foreign Currency and Local Currency Institutional Credit Ratings were both affirmed at "BB," with a "stable" outlook for all ratings.
- **TCELL** announced that its subsidiary, Lifecell Digital Services and Solutions A.Ş., will merge with Lifecell Cloud Solutions A.Ş. via a simplified procedure, and its Ukrainian subsidiary, Paycell LLC, will be liquidated.
- **TKFEN** announced that it repurchased 180K shares at an average price of TL62.93. As a result of this transaction, the repurchased shares now represent 3.44% of the company's total capital.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	13,745	21.34	3.04%
KRVGD		KRVGD	Buyback	250,000	2.12	1.42%
TKFEN		TKFEN	Buyback	180,000	62.93	3.44%
PCILT		PCILT	Buyback	10,000	17.50	2.12%
KAYSE		KAYSE	Buyback	150,000	18.77	0.12%
YGGYO		YGGYO	Buyback	5,526	65.91	3.44%
NTHOL		NTHOL	Buyback	250,000	44.90	6.53%

Important Disclosures

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