

Daily View

Good morning. Global markets are showing a mixed trend ahead of the U.S. employment data. U.S. futures are slightly negative, while European indices, after gaining more than 1% yesterday and even testing all-time highs, are experiencing mild losses this morning. In Borsa Istanbul, a 1.3% rebound was observed yesterday, accompanied by continued capital inflows. We expect this positive outlook to persist today. However, starting from 10:30 AM, the Central Bank of Turkey's first Inflation Report presentation of the year will be closely monitored. We do not anticipate any revisions to the year-end 2025 CPI forecast of 21% or the expectation range of 16% - 26%. However, it is worth noting that these projections remain optimistic compared to the broader market outlook. If we observe upward revisions in inflation expectations, this could create a perception that the Monetary Policy Committee (MPC) might slow down its rate-cutting steps, potentially putting some pressure on Borsa Istanbul. Apart from this, today's agenda includes the U.S. employment data, which will be announced at 4:30 PM Turkish time. Key figures such as non-farm payroll growth, the unemployment rate, and average hourly earnings will be released. Meanwhile, Turkey's 5-year credit default swaps (CDS) started the day at 254 basis points.

Macro and Politics

***The CBT will unveil the 1st Quarterly Inflation Report of the year @10:30 local time.** Today's report will shed light on the Bank's future monetary policy, inflation and output expectations. Between 10:30 am - 11:00 am, Governor Fatih Karahan will present the Inflation Report, followed by a Q&A session from 11:00 am - 11:30 am. As a reminder, during the November 8th Inflation Report presentation, the 2025 inflation forecast, initially set at 14%, was revised upwards to a range of 16% to 26%, with a midpoint of 21%. Given that the upper bound of 26% aligns with market expectations, and the inflation data released since the report is consistent with the CBT's projections, we do not expect any revisions to the forecast in today's presentation. Furthermore, based on the Inflation Forecasts graph from the November report, we had inferred that the CBT's January inflation projection lies between 4.4% and 5.38%. Therefore, while January inflation realizations surpassed median estimates, it remains consistent with the CBT's projections. In this context, after the inflation data for December and January, we do not foresee any changes to the inflation projections today. However, we anticipate a greater likelihood of upward revisions to inflation expectations in subsequent Inflation Report presentations later this year. The CBT Governor Karahan's assessments on monetary policy and inflation outlook as well as the Q&A session will be closely scrutinized today.

*** During the week of January 24 – 31, the equity market experienced a modest foreign inflow of USD89.1mn, while foreign investors emerged as net sellers in the bond market (excluding repo transactions) with a net outflow of USD682.8mn, reversing the trend of four consecutive weeks of inflows.** Accordingly, the foreigners' share in the total bond stock retreated merely from 8.7% to 8.6%. On an annual basis, the equity market recorded a cumulative foreign outflow of USD2.7bn, whereas the bond market (excluding repo transactions) saw a cumulative foreign inflow of USD17.5bn. Besides, the residents' FX deposits decreased by USD1.2bn (gold accounts excluded, EUR/USD parity adjusted) in the period of January 24 – 31, while the residents' total FX deposits (including gold, price adjusted) slid by USD1.2bn. The CBT's gross FX reserves dropped by USD1.6bn to USD166.1bn, while net international reserves decreased by USD2bn to USD71.7bn. Net reserves excluding swaps, moreover, rose by USD2.3bn to USD65.2bn.

Sector and Company News

- **AKGRT (Neutral)** reported Q4 2024 financial results with a net profit of TL693mn. For the full year 2024, net profit reached TL1.9bn, marking a 57% year-on-year increase. Technical income grew by 39% year-on-year to TL17.9bn, while technical expenses rose by 42% to TL12.8bn. Investment income increased by 19% to TL6.5bn, while investment expenses grew by 16% to TL6.4bn. Regarding margins and ratios, the technical balance/income ratio remained at 0.14, while return on equity (ROE) stood at 44.37%.
- **ANHYT (Slightly Positive)** reported Q4 2024 financial results with a net profit of TL1.2bn. For the full year 2024, net profit reached TL4bn, marking a 47% year-on-year increase. Technical income grew by 40% year-on-year to TL19.8bn, while technical expenses rose by 36% to TL17.7bn. Investment income increased by 35% to TL3.7bn, while investment expenses rose by 8% to TL340mn. Regarding margins and ratios, the technical balance/income ratio improved to 0.11, while return on equity (ROE) stood at 50.98%.
- **ARENA** announced that the Central Bank of the Republic of Turkey (TCMB) has approved the sale of its 100% subsidiary, Paynet, to Iyzico.
- **ASELS** announced that it has signed an export contract worth a total of USD21.3mn for the direct sale of military communication systems with a customer operating in the Middle East and Africa region.
- **BERA** announced that the company participating in the YEKA GES-2024 tenders was not among the winners.
- **BRSAN** announced that it will release its 4Q24 financial results on February 21.
- **CELHA** announced that it has applied to the Capital Markets Board (SPK) for a paid capital increase of 197%.

- **KCAER** announced that, following engineering studies conducted in the licensed area at Aydın Kuyucak—which is owned by its 99% subsidiary Kocaer Enerji—the need to change the project site has emerged. In this context, the company has submitted an application to the Energy Market Regulatory Authority (EPDK) for a license amendment.
- **KONKA** announced that the company participating in the YEKA GES-2024 tenders was not among the winners.
- **LKMNH** reported that it repurchased 31K shares at a price range of TL19.94-20.18. Following this transaction, the company's stake in its share capital reached 0.12%.
- **MGROS** reported the opening of 9 new stores in January, including 7 Migros and 2 Migros Jet locations.
- **ORGE** announced that, as part of its ongoing projects, the contract for the Ümraniye-Ataşehir-Göztepe Metro Project has been revised. Originally valued at EUR9mn and TL210mn, it has now been revised to EUR9mn and TL250mn—with a TL40mn increase—under a price variance agreement with the employer. Additionally, for the ongoing Bursa Emek-Şehir Hospital Light Rail System Project, the contract value has been revised from EUR7mn and TL66mn to EUR7mn and TL121mn, reflecting a TL55mn increase.
- **SAHOL** announced that it will release its Q4 2024 financial results on March 3.
- **SISE** announced that it has decided to schedule a cold repair and extended shutdown of the float line at its Şişecam Northern Italy Düzcamlar Factory as of February 7; and, with the aim of resuming production as soon as possible, to halt production on the lamination line at the same factory as of February 13. These actions are expected to contribute positively approximately EUR8–10mn to EBITDA-level profitability.
- **TAVHL** released its January passenger statistics. According to the report:
 - The total number of passengers served in January reached approximately 6.3 million, marking an 11% year-on-year increase.

- The number of international passengers increased by 13% to 3.4 million.
- The number of domestic passengers increased by 9% to 2.9 million.

Due to the continued strong growth in both domestic and international passenger traffic in November, we view TAVHL's passenger traffic results as "Positive." We continue to hold TAV Havalimanları in our model portfolio with a target price of TL396 and a return potential of 46%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	31.100	20.06	0.12%
INVES		INVES	Buyback	17.250	191.46	0.49%
PCILT		PCILT	Buyback	3.699	17.00	2.14%
GEDIK		GEDIK	Buyback	200.000	6.88	0.04%
VERUS		VERUS	Buyback	10.000	249.52	4.76%

Important Disclosures

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.