

Daily View

Good morning. Following Fed Chair Powell's speech yesterday, expectations for rate cuts are increasingly being pushed toward the end of the year. If growth- and employment-focused data in the U.S. continue to show strength in the coming period, we believe that expectations for Fed rate cuts could be entirely shelved, and even discussions of rate hikes might emerge by mid-year. However, we do not expect this shift in monetary policy expectations to create significant market pressure due to the anticipated easing in fiscal policies (expectations of corporate tax cuts). Global markets are generally in a positive mood this morning. Borsa Istanbul saw a limited rebound of 0.4% yesterday, with an inflow of approximately 1 billion TL on an institutional basis. We expect this rebound to continue today within the 9,900 – 10,000 range. Long-term valuations continue to point toward index targets above 14,000. On today's agenda, there are no significant data releases in Turkey or Europe, while U.S. CPI data will be closely watched. Turkey's 5-year CDS premiums start the day at 253 basis points.

Macro and Politics

*** The Treasury tapped the domestic markets to the tune of TL71.2bn (including non-competitive sales) via yesterday's 5m G-bond auction, while also sold TL7.3bn at the direct sale of 2y lease certificate.** The bid – to – cover ratio was robust at 2.52x, while the average cost of borrowing was 43.21% for 5m G-bond auction. Accordingly, the Treasury's total domestic borrowing so far this month has reached TL131.8bn. Following this week's auctions and direct sale, the Treasury will hold 4y TLREF-indexed bond auction on February 17th and 3y CPI-indexed & 5y fixed coupon bond auctions on February 18th and finalize its domestic borrowing program for February. According to three-month (Fed – Apr 25) domestic borrowing strategy, the Treasury has a total domestic redemption of TL117.8bn in February, while in return plans to borrow TL180.1bn throughout the month, via five auctions and one direct sale.

Sector and Company News

- **ARENA** announced its 4Q24 financial results with a profit of TL17mn. The company had reported a loss of TL81mn in the previous quarter and a profit of TL131mn in the same period of the previous year. During the same period, the company announced sales revenue of TL9.6bn, representing a 15% year-on-year and 16% quarter-on-quarter increase. While margins slightly contracted on a yearly basis, they improved on a quarterly basis.
- **ATATP** announced that it has applied to the Capital Markets Board to increase its registered capital ceiling from TL200mn to TL450mn and extend its validity period until 2029.
- **CWENE** announced the commencement of its TL5.8bn government-incentivized solar cell production investment. As part of the project, the company secured an 8-year loan of TL1.85bn.

The first phase is expected to be completed by mid-2025, contributing USD50mn in revenue for 2025 and an annual revenue of USD100mn in the following years.

- **HOROZ** Chairman Taner Horoz, in an interview with Bloomberg HT yesterday, stated that the company aims to increase profitability above inflation in 2025 and has started the year accordingly. He mentioned securing promising new projects and prioritizing initiatives supporting e-export. Horoz noted that they have established logistics infrastructure in Germany, the UK, and France, and for the past two years, they have been providing firms with a platform to conduct e-exports without setting up their own entities. He also highlighted that the company closed 2024 with profitability well above the projected pricing report and that 2025 has started positively. While the consumer side of their core customer group—durable consumer goods—has significantly slowed in both 2024 and 2025, Horoz stated that they are working to offset volume declines by acquiring new clients. **HOROZ** also announced that it has obtained the International Air Transport Association (IATA) certification to strengthen its position in the international transportation sector.
- **KOZAL (Positive)** announced that the Environmental Impact Assessment (EIA) approval for the Kaymaz Gold Mine's 3rd Tailings Storage Facility Project had been annulled by the Eskişehir 1st Administrative Court, with the possibility of appeal. Following KOZAL's appeal, the Council of State overturned the lower court's decision in favor of KOZAL. The construction of the facility has been completed, and it is expected to become operational once the necessary permits are obtained. Approximately 204K ounces of gold production is anticipated as part of this project.
- **PETKM** announced that the remaining balance of the USD212mn loan, signed by Petlim Limancılık with Akbank in 2015 and guaranteed by the company, has been repaid to the bank as part of a voluntary early payment.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	20.000	20.34	0.15%
INVES		INVES	Buyback	11.978	172.66	0.53%
GEDIK		GEDIK	Buyback	172.000	6.96	0.10%
ORGE		ORGE	Buyback	10.000	82.00	1.22%
KAYSE		KAYSE	Buyback	482.229	19.55	0.24%

Important Disclosures

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