

Daily View

Good morning. NVIDIA's earnings report was released after market close in the U.S., with neutral results and optimistic expectations. U.S. futures are in positive territory this morning. In Europe, markets were strong yesterday, but futures are weak this morning. Meanwhile, Asia presents a mixed outlook. Borsa Istanbul reacted with a nearly 1.3% rebound yesterday, driven by an institutional inflow of 2.23 billion TL. However, the closing remained below the 200-day exponential moving average at 9,600. Today, we expect the rebound to continue and the 9,600 resistance level to be tested. According to domestic and foreign institutional expectations, the 12-month average target for the BIST 100 index is around 14,200, indicating a potential return of nearly 50% at the index level. This potential, which surpasses expected returns from deposits and foreign exchange as well as projected inflation, supports our view that the market offers a "buy-and-hold" opportunity for medium- to long-term investors. On today's agenda, key domestic data points include the Economic Confidence Index, trade balance, and the Central Bank of Turkey's (CBRT) reserve figures, along with foreign investors' securities transactions. Internationally, confidence indices in Europe and GDP data in the U.S. take center stage. Turkey's 5-year CDS starts the day at 251 basis points.

Macro and Politics

***TURKSTAT will release February Economic Confidence Index @ 10:00 local time.** The Economic Confidence Index increased by 0.8% m/m in January, rising to the 99.7 level and reaching the highest level since April. Yet, the index level has remained below the critical threshold value of 100 since March. Meanwhile, the index, which approached the 100-threshold in January, will be closely monitored in February to assess whether it will surpass or fail to breach this critical level. The Economic Confidence Index, which ranges between 0 and 200, reflects a pessimist outlook regarding the general economic outlook when it falls below the 100-threshold. The preliminary data for February so far signal a renewed recovery trend in economic activity. Our baseline scenario for this year suggests that after a decline in annual growth in the first quarter of 2025, activity will begin to recover from the second quarter onwards, with GDP growth for the year to be 2.6%. However, preliminary data received so far indicates that the weakening in growth we anticipated in the first quarter may not occur to the extent we had predicted. At the same time, it suggests that the trajectory of growth dynamics continues to pose a risk for the disinflationary process.

***TURKSTAT will release January foreign trade figures 10:00 local time.** Preliminary data released by the Ministry of Trade indicates a slight decrease in the foreign trade deficit in January. According to the preliminary figures for January, exports increased by 5.8% year-on-year, reaching USD21.bn, while imports rose by 10.2%, reaching USD28.8bn. Based on these preliminary data, the foreign trade deficit decreased from USD8.8bn to USD7.7bn in January, while the annual deficit climbed from USD82.1bn to USD83.5bn. For 2025, our year-end current account deficit forecast stands at USD15bn (1% of GDP), with upside risks attached.

*** The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of February 14 – 21 @ 14:30 local time.** Based on our calculations upon the CBT's analytical balance sheet, we estimate that during the week of February 14 – 21, the net international reserves slumped by USD5.8bn to USD72.3bn and the gross FX reserves slid by USD3.2bn to USD170.1bn. We anticipate that today's official reserve data will likely reflect a similar trend in line with our calculations. To recall the data from the previous week: During the week of February 7 – 14, the equity and the bond market (excluding repo transactions) experienced a net foreign inflow of USD108.4mn

and USD1.85bn, respectively. The robust foreign inflow observed in the bond market indicated the strongest entry since May 2024, when foreign purchases amounted to USD2.8bn. Besides, the foreigners' share in total bond stock materialized at 8.3%. While we expect a gradual continuation of rate cuts in the coming period, we anticipate that foreign investors' interest in the bond market will persist. Besides, the residents' FX deposits dropped by USD324mn (gold accounts excluded, EUR/USD parity adjusted) in the period of February 7 – 14, while their total FX deposits (including gold, price adjusted) increased slightly by USD139mn in the week of February 7 – 14. Moreover, the CBT's gross FX reserves climbed by USD5.7bn to USD173.3bn, while net international reserves rose by USD5.8bn to USD78.1bn. Net reserves excluding swaps increased by USD6.3bn to USD71.3bn, while net swap stock edged down by USD0.4bn to USD6.8bn.

Sector and Company News

- **BANVT (Neutral)** reported Q4 2024 financial results with a net profit of TL47mn. For the full year, net profit surged by 162% year-on-year to TL3.6bn. Revenue increased on both a quarterly and yearly basis, reaching TL31.5bn in 2024. Operating profit significantly rose to TL4.8bn, while EBITDA grew by 96% year-on-year to TL6.1bn. One-off expenses in Q4 2024 put pressure on net profit.
- **BIGCH (Slightly Negative)** reported Q4 2024 financial results with a net profit of TL5mn, missing expectations. Full-year net profit fell by 36% year-on-year to TL157mn. Revenue increased by 10% in 2024, reaching TL3.5bn, while operating profit remained flat at TL241mn. The company slightly grew its equity by 4% in 2024, with a return on equity (ROE) of 13%.
- **DZGYO** reported Q4 2024 financial results with a net profit of TL393mn. Full-year net profit surged by 381% year-on-year to TL479mn. For the same period, EBITDA stood at TL18mn in Q4, while full-year EBITDA reached TL153mn. The company increased its equity by 13% in 2024 to TL4.1bn, with a return on equity (ROE) of 12.4%.
- **ENJSA (Slightly Negative)** announced its 4Q24 financial results, reporting a net loss of TL418mn. During this period, the company's revenue stood at TL 49.2bn, 6% below expectations, while EBITDA generation was also below expectations at TL8bn. In 4Q24, net financial expenses of approximately TL7bn created pressure on profitability. The company decided to distribute a gross dividend of TL2.87 per share, with a dividend yield of 5%.

- **GIPTA** announced its 4Q24 financial results, reporting a net profit of TL14mn. During this period, the company recorded a gross loss from its core operations, while non-operating income and financial revenues supported the net profit.
- **NUHCM (Slightly Negative)** reported Q4 2024 financial results with a net profit of TL805mn, bringing the full-year net profit to TL1.8bn, marking a 34% year-on-year decline. Revenue decreased by 20% year-on-year to TL15.5bn, while operating profit dropped by 17% to TL2.8bn. EBITDA fell by 4% to TL3.9bn. The company's equity remained almost unchanged, standing at TL19.5bn, while return on equity (ROE) was recorded at 9.5%.
- **TATGD** after posting consecutive quarterly losses for three quarters in 2024, the company reported a net profit of TL174mn in Q4 2024. However, the full-year net result stood at a TL405mn loss. Revenue contracted by 24% year-on-year to TL6.3bn. The company's equity declined by 9% to TL3.1bn.
- **MPARK** announced that it will release its 4Q24 financial results on March 6.
- **KONTR's** major shareholder, KMT Teknolojik ve Finansal Yatırımlar, applied to MKK to make 19.45mn shares, representing 2.99% of the company, tradable on the stock exchange. The statement indicated that this step was taken to secure more favorable conditions for medium-to-long-term financing opportunities.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GEDIK		GEDIK	Buyback	141.729	6.75	0.29%
AHGAZ		AHGAZ	Buyback	1.150.000	20.10	1.75%
LKMNH		LKMNH	Buyback	88.000	18.59	0.46%
GUBRF		GUBRF	Buyback	100.000	266.63	0.27%
ALKLC		ALKLC	Buyback	50.000	30.27	2.00%

Important Disclosures

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