

## Daily View

Good morning. Iran's launch of military drills in the Persian Gulf and the Strait of Hormuz is raising geopolitical tensions once again. Given that approximately 20%–30% of global crude oil and LNG shipments transit through this المنطقة, supply concerns are resurfacing. Today, the second round of U.S.–Iran negotiations in Geneva, Switzerland, as well as ongoing talks regarding the Russia–Ukraine war, are expected to remain in focus. News flow will continue to be closely monitored by the markets. Following yesterday's closure of U.S. markets, futures contracts are trading in negative territory this morning. European futures and Asian equities also display a generally weak tone. In contrast, Borsa Istanbul maintains its positive momentum. The BIST 100 index rose by 1.1% yesterday to 14,339 points. The top positive contributors to the index were KLRHO, DSTKF, BIMAS, FROTO and AKBNK, while ASELS, ASTOR, OTKAR, ISCTR and HALKB weighed on performance. Over the past week, notable fund inflows were observed in TRALT, FROTO, THYAO, YKBNK, TTKOM and ALARK. From a technical perspective, the 14,800 / 15,000 zone remains the main resistance area, while 14,450 / 14,500 stands as an intermediate resistance band. Key support levels are located at 14,200, 14,110 and the 13,800 / 14,000 range. Our 12-month BIST 100 target, based on valuation metrics, stands at approximately 17,000. As only 12% of 4Q25 financials have been released so far, 30% of companies meet our criteria for year-on-year improvement—above the 22–24% range observed in 2Q25 and 3Q25. Profitability has generally exceeded expectations, which may lead to further upward revisions in target prices. On today's agenda, domestic markets will follow Treasury auctions and the House Price Index, while in the U.S., the Empire State Manufacturing Index will be monitored. Turkey's 5-year CDS premiums start the day at 215 basis points.

## Macro and Politics

**\* The Treasury will hold a 1.5-year gold-denominated bond and a gold-denominated lease certificate today and finalize its domestic borrowing program for the month.** The Treasury borrowed TL80bn via yesterday's 2y fixed coupon and 5y CPI-linked bond auctions, including non-competitive sales amounting to TL44.4bn. For the fixed coupon auction, the bid-to-cover ratio was 2.68x, indicating robust demand, and the average cost of borrowing was 36.05%. For the CPI-indexed auction, the bid-to-cover ratio remained low at 1.44x and real compounded yield was 5.37%. Accordingly, the Treasury's domestic borrowing total for the month has reached TL309.4bn. According to the Treasury's domestic borrowing strategy for the February–April 2026 period, the Treasury projects domestic borrowing of TL525.3bn against redemptions totaling TL656.6bn in February. Having already raised TL309.4bn since the beginning of the month, the Treasury is likely to raise approximately TL216bn in today's direct sales.

**\* The CBT will release the Residential Property Price Index (RPPI) for January @ 10:00 local time.** The Residential Property Price Index (RPPI) increased by 0.2% m/m and 29% y/y in December, reaching 204.5, while house prices recorded a 1.4% annual decline in real terms. As a reminder, the RPPI had posted a 0.2% y/y real increase in November, marking the first return to positive real territory since January 2024. As of December, however, the annual real rate of change has once again turned negative, pointing to the sharpest real contraction observed over the past six months. We expect real house price growth to remain subdued in the near term, reflecting the weakening momentum in housing demand during the final quarter of 2025.

**\* The central government budget recorded a deficit of TL214.5bn in January, while the primary balance posted a surplus of TL241.8bn.** Accordingly, the 12-month cumulative budget deficit widened marginally from TL1.8tn to TL1.87tn,

whereas the rolling primary surplus increased markedly from TL255.3bn to TL473.4bn. Please recall that the Treasury cash balance registered a deficit of TL246.2bn in January, alongside a primary surplus of TL207.5bn. As such, the accrual-based budget deficit came in roughly TL32bn lower than the cash deficit in the first month of the year, indicating that the divergence between accrual and cash-based fiscal balances, albeit narrowing, remains in place. While the January outturn points to a relatively solid primary performance at the start of the year, the sustainability of fiscal discipline will hinge on the trajectory of expenditure dynamics going forward. Looking at the details, budget revenues rose by 55% y/y in January. With annual CPI inflation at 30.7% over the same period, revenue growth outpacing inflation suggests that fiscal performance remains anchored in real terms. Central government expenditure rose by 55% y/y to TL1.6tn in January, implying that 8.6% of the TL19tn expenditure envelope projected for 2026 has already been absorbed. We forecast a 2026 budget deficit of TL2.8tn (3.4% of GDP). The current configuration suggests that the fiscal stance reflects temporary improvements in expenditure composition rather than a structural tightening in underlying fiscal dynamics.

## Sector and Company News

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- **DSTKF** reported 4Q25 net profit of TL 1,182 million, up 98% YoY and 10% QoQ.
- **ISKPL** reported 4Q25 net profit of TL 14 million, down 87% YoY and 64% QoQ.
- **LKMNH** reported 4Q25 net profit of TL 25 million (market expectation: TL 30 million). Net profit declined by 79% YoY and 18% QoQ.
- **OYYAT** reported 4Q25 net profit of TL 2,058 million, compared to TL 697 million in the same period last year and TL 147 million in the previous quarter.
- **PKART** reported 4Q25 net profit of TL 73 million, compared to TL 3 million in the same period last year and a net loss of TL 5 million in the previous quarter.
- **SISE** reported 4Q25 revenue of TL55.2bn, EBITDA of TL2.9bn and net income of TL3.9bn (Consensus: TL53.2bn / TL4.6bn / TL1.6bn). While revenue and net income beat expectations, EBITDA came in well below consensus. Gross margin improved to 27.0% YoY (4Q24: 21.8%), yet the company posted an operating loss of TL1.3bn in 4Q25. The net income beat appears to be driven largely by below-EBITDA items, mainly lower financial expenses, implying a weaker operational profitability backdrop.
- **VAKBN** reported 4Q25 net profit of TL 28,094 million, exceeding market expectations by 20%. Net profit increased by 113% YoY and 136% QoQ.
- **ZRGYO** reported 4Q25 net profit of TL 4.8 billion, compared to TL 3.3 billion in the same period last year and TL 410 million in the previous quarter.

- **ALTNY** signed a EUR 10.1 million contract for the production of critical components for tactical-level land vehicles.
- **BORLS** announced that proposals to defer principal and coupon payments of four separate commercial paper tranches by three months at TLREF plus additional yield rates were approved by majority or unanimous vote at bondholder meetings.
- **BVSAN** signed a EUR 10.5 million contract for the manufacturing and delivery of 86 overhead traveling cranes for ASTOR's Phase 3 Power Transformer and Mechanical Factory investment. Delivery is planned for 3Q26.
- **FORMT** announced that the exit right exercise period related to the material transaction on the creation of privileged shares will run from February 16 to February 27, 2026, with the exit price set at TL 3.62 per share.
- **GESAN** won a tender worth approximately USD 2 million.
- **GMTAS** temporarily suspended online sales activities on its GimatSepeti e-commerce platform due to technical infrastructure improvements and system updates, stating that the decision will not have a negative impact on financial statements.
- **GUNDG** decided to discontinue its food production operations due to rising costs and raw material supply challenges and resolved to sell its factory, machinery, equipment and solar power plant assets in Manisa to a related party for approximately TL 407.7 million + VAT. The transaction is material and will be submitted for general assembly approval, with a TL 100 million upper limit set for exit rights.
- Hepiyi Sigorta, 85%-owned by **DOHOL**, generated total premiums of TL1.9bn in Jan-26. Motor (casco + traffic) accounted for 81% of premiums, with market shares of 3.5% in casco and 5.3% in traffic. Premium production declined by 18% YoY in Jan-26 as the company prioritized profitable underwriting amid competitive conditions; nevertheless, its casco market position strengthened, improving its ranking from 11th to 8th (3.5% share). We view the improved positioning as supportive for DOHOL despite a more balanced growth stance.
- **KONTR** signed the contract related to the TL 377 million tender.
- **KZBGY** will increase its paid-in capital from TL 1.2 billion to TL 4.0 billion through a 233.3% bonus issue from internal resources.
- **MIATK**'s subsidiary obtained a 10-year revenue-sharing electric bicycle operating license from Istanbul Metropolitan Municipality. The license is expected to generate long-term and predictable cash flows.

- **SAHOL**'s real person shareholder applied for the conversion of approximately 3.1 million shares, corresponding to around 0.1% of the company's capital, into tradable shares.
- **SASA** announced that following net purchases of 137.6 million shares in the TL 2.60–2.70 price range by Bank of America Corporation, the indirect stake increased from 4.92% to 5.23%.
- **TARKM** completed construction of its new factory investment in Turgutlu Organized Industrial Zone and applied for the occupancy permit, while machinery and equipment installation is ongoing.
- **TATGD** plans new partnerships to shift to a direct sales model in the supermarket channel as part of its growth strategy, while continuing efforts to expand its dealer and distributor network in the traditional channel.
- **ULKER** decided to extend the validity period of its TL 500 million registered capital ceiling until December 31, 2030, covering the 2026–2030 period.

## Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	20.000	18.76	5.84%
ESCAR		ESCAR	Buyback	215.000	26.67	2.07%
AHGAZ		AHGAZ	Buyback	300.000	25.06	2.28%
ENERY		ENERY	Buyback	750.000	9.43	3.72%
MEPET		MEPET	Buyback	28.750	25.14	2.33%

# Important Disclosures

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