

Daily View

Good morning. Following the positive momentum observed in global equity markets yesterday, U.S. and European futures are trading slightly negative this morning. In Asia, China and Hong Kong are under pressure, while the rest of the region is broadly in positive territory. European indices, particularly in France and the UK, renewed record highs yesterday. However, despite Nvidia's earnings surpassing expectations and pointing to robust dollar-based annual growth rates approaching 70%, risk appetite across Western markets remains somewhat restrained. On the domestic front, Borsa Istanbul faced selling pressure at the open after Morgan Stanley highlighted correction risks and MSCI withdrew its index update decision regarding Kiler Holding. This was followed by a largely sideways session, with the index seeking balance around the 13,800 level throughout the day. The BIST 100 Index closed down 1.7% at 13,810 points. The top positive contributors to the index were KUYAS, MAGEN, YKBNK, TAVHL, and MAVI, while KLRHO, DSTKF, TUPRS, ASELS, and KCHOL weighed negatively on performance. Over the past week, YKBNK, AKBNK, ASTOR, EREGL, ISCTR, MGROS, SISE, and FROTO have stood out with consistent fund inflows. Despite price-based pullbacks, the net buyer-seller balance remains in favor of buyers, and the increasing number of stocks such as ASTOR signaling capital inflows suggests that retracements are being utilized for accumulation purposes. From a technical standpoint, 13,700 and 13,400 levels may be monitored as key supports, while 14,100 / 14,200 and 14,450 / 14,550 stand out as resistance zones. On today's agenda, U.S.-Iran negotiations remain the primary geopolitical focus. Domestically, markets will track foreign trade balance data, the economic confidence index, FX reserves, and weekly foreign investor transactions. In Europe, confidence indicators will be monitored, while in the U.S., weekly labor market data will be in focus. Turkey's 5-year CDS premiums start the day at 224 basis points.

Macro and Politics

*** TURKSTAT will release January foreign trade figures @ 10:00 local time.** Preliminary data released by the Ministry of Trade point to a modest narrowing in the external trade deficit in January compared to the previous month. According to the flash data, exports declined by 3.9% y/y to USD20.3bn, while imports remained broadly flat, edging up by 0.03% y/y to USD28.7bn. As a result, the monthly trade deficit narrowed to USD8.4bn in January, down from USD9.3bn in December. On a rolling 12-month basis, however, the deficit widened slightly from USD92bn to USD92.9bn. Based on the preliminary trade figures, we expect the current account balance to post a deficit of approximately USD6.5bn in January. We anticipate that the balance-of-payments defined trade deficit will ease marginally to USD7.2bn, while the services balance is likely to generate a surplus of around USD2.7bn. Our year-end 2026 current account deficit forecast stands at USD30bn (1.7% of GDP). That said, we assess the risks to our projection to be skewed to the upside.

*** TURKSTAT will release February Economic Confidence Index @ 10:00 local time.** The Economic Confidence Index was unchanged in January, holding steady at 99.4 and preserving its highest level since March 2025. While the index remaining below the 100-threshold continues to signal that overall sentiment is still in pessimistic territory, the gradual rise from 96.3 in July to 99.4 suggests that the deterioration in perceptions has been losing momentum. A breakdown of the sub-components shows a mixed picture across sectors. Consumer confidence edged up by 0.3% to 83.7, whereas the Real Sector Confidence Index declined by 0.7% to 103.0. Confidence in the services sector improved by 1.3% to 113.8, while the retail trade confidence index fell by 2.4% to 112.6. Meanwhile, construction sector confidence increased by 1.5% to 85.7. Overall, the index's ability to remain at elevated levels indicates that there has been no material weakening in economic sentiment at the start of the year, although the pace of improvement appears uneven across sectors.

* **The CBT will release weekly foreign portfolio flows, money & banking statistics, and international reserves for the period of February 13 – 20 @ 14:30 local time.** Based on our calculations derived from the CBT's analytical balance sheet, we estimate that gross FX reserves slid by USD5.8bn to USD206.1bn during the week of February 13 – 20. We expect the official figures to broadly confirm our estimates. To recall the previous week's data: Foreign investors recorded net purchases of USD322.2mn in equities and USD1.3bn in government bonds (excluding repos) during the week of February 6 – 13. Over the same period, the foreign share in the total government bond stock increased from 9% to 9.2%, marking the highest level since February 2020. Equity inflows thus extended to an eleventh consecutive week, bringing cumulative foreign purchases over this eleven-week period to USD2.8bn. In the local bond market, foreign participation has exhibited a more sustained and increasingly visible recovery since late October. From the week of October 31 - when inflows began to gain clearer momentum - cumulative foreign bond purchases have reached USD8.1bn. On a year-to-date basis, foreign investors have accumulated USD1.9bn in equities and USD5.8bn in local bonds (excluding repos). Moreover, during the week of February 6 – 13, the residents' FX deposits retreated by USD1.4bn (excluding gold, EUR/USD parity effect adjusted), while their total FX deposits (including gold, price adjusted) slid by USD1bn. In terms of official reserves, the CBT's gross FX reserves increased by USD4.3bn to USD211.9bn, net international reserves rose by USD4.6bn to USD95.7bn and net reserves excluding swaps climbed by USD3.8bn to USD81.4bn.

Sector and Company News

- **AKBNK** decided to distribute a gross dividend of TL 2.20 per share from its 2025 profit. The proposed ex-dividend date is March 26, implying a dividend yield of 2.4% based on the last closing price.
- **CVKMD** signed a chrome ore sales agreement worth TL 1.17 billion through its subsidiary. Deliveries are planned to be completed by the end of 2026.
- **EBEBK** announced that it has decided to cancel the planned new logistics warehouse investment on its land in Uşak/Banaz and has initiated work to explore alternative uses for the land; it also disclosed that it has decided to halt production-related operations at its wholly owned subsidiary Tuna Çocuk Gereçleri A.Ş.
- **HTTBT** announced that, under its five-year agreement with Basra Airlines, it completed the system migration as of February 25, 2026, and has made its Crane PAX solution for the passenger service system and Crane IBE solution for the internet booking engine available for Basra Airlines' use.
- **KBORU** signed a composite (CTP) and polyethylene pipe sales contract worth TL 1,117.7 million. The contract amount corresponds to 21% of its 2025 revenue, with deliveries scheduled to be completed by year-end.
- **ORGE** signed a contract worth TL 418.3 million + VAT under the Altunizade–Bosna Boulevard Metro Project.
- **PEKGY** acquired a 50% stake in a 5.3 thousand square meter garden-type real estate in Istanbul Beykoz for TL 187 million.
- **THYAO** repurchased 280 thousand shares for a total consideration of TL 85.9 million under its share buyback program.
- **TRALT** announced that the court ruled for the payment of GBP 235 thousand in legal expenses in the case regarding the liquidation process of its UK subsidiary Koza Ltd, while the liquidation process remains ongoing.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
ESCAR		ESCAR	Buyback	75.000	27.29	2.70%
AHGAZ		AHGAZ	Buyback	100.000	24.02	2.32%
ENERY		ENERY	Buyback	450.000	9.61	3.78%
LKMNH		LKMNH	Buyback	20.000	16.77	5.89%
KLYPV		KLYPV	Buyback	370.000	60.65	0.79%
THYAO		THYAO	Buyback	280.000	306.63	0.53%

Important Disclosures

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