

Agenda

16 Monday

- Ministry of Treasury and Finance, November budget realizations
- China, November industrial production
- ECB, Lagarde's speech
- Germany & Eurozone, December Markit mfg. & non-mfg. PMI
- U.S., December New York Empire State Manufacturing Index
- U.S., Dec. Markit mfg. & non-mfg. PMI

17 Tuesday

- Germany, December IFO business climate
- Germany, December ZEW Index
- U.S., November retail sales
- U.S., November capacity utilization and industrial production

18 Wednesday

- Eurozone, November CPI
- U.S., November housing starts and building permits
- Fed, interest rate decisions

19 Thursday

- BoE, interest rate decisions
- U.S., 3Q24 GDP growth rate
- U.S., jobless claims
- U.S., December Philadelphia Fed business outlook
- U.S., November existing home sales

20 Friday

- Germany, November CPI
- U.S., November personal income and spending
- U.S., December Michigan consumer sentiment

Outlook:

The BIST 100 Index started Thursday on a negative trend, then attempted a rise during the session, but failed to sustain it. The Benchmark Index ended the day at 9,765.12, down 1.52%. The Industrial Index fell 0.92% and the Banking Index lost 2.12%. The sales wave seen in global markets after the Fed meeting, on expectations that interest rates would not be cut as quickly as expected, was also reflected at the BIST yesterday. In the BIST100 Index, which is technically in correction mode, sales that started at around 10,250 reached 5%. Despite weakening momentum, we think that expectations of interest rate cuts starting at the CBRT's meeting next week may support the BIST and alleviate selling pressure. Global markets followed the Bank of England Meeting and the U.S. 3rd Quarter final growth data yesterday. The BoE kept the interest rate constant at 4.75%, in line with market expectations. While pointing out the upward risks to inflation, it was also stated that the interest rate would be kept at high levels for some time yet. The U.S. 3rd Quarter growth data was realized at 3.1% against expectations of 2.8%. Yesterday, European stock markets were on a downtrend following the Fed and BoE meetings, while U.S. counterparts were mixed. The VIOP30 Index ended the evening session up 0.12%. This morning the U.S. futures, German DAX futures and Asian stock markets in general are on a downtrend. Global risk appetite may be under pressure for a while due to a decline in monetary easing expectations. Today, global markets will follow core personal consumption data from the USA, which is considered an inflation indicator. The CBRT's market participant survey will be followed. Locally, we expect the Benchmark Index to start Friday with reaction purchases and continue its fluctuating course thereafter. SUPPORT: 9,650 - 9,500 RESISTANCE: 9,850 - 9,950.

Money Market:

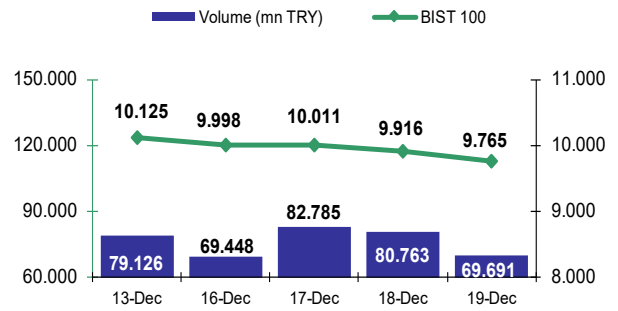
The Lira was negative yesterday, weakening 0.21% against the USD to close at 35.0894. The currency also appreciated by 0.16% against a basket of \$0.50 and €0.50. Meanwhile, the local fixed income markets were negative. The ten-year benchmark bond was traded within a range of 30.03%-30.23%, ending the day at a high of 30.23%, 17 bps above its previous closing.

Sector News:

BRSA Weekly: First weekly increase in FX deposits after 7 weeks of exits (due to commercial institutions), sharp growth in TL deposits. According to the weekly BRSA data dated December 13, 2024, the sector's FX deposits (in \$ terms) rose by USD1.38 billion and 0.7% on a weekly basis, following an uninterrupted outflow of USD8.3 billion and 4.3% over the previous 7 weeks, reaching USD189 billion. The weekly outflow from KKM is limited to TRY15.1 billion.

There was a 1.7% and 0.1% weekly rise in FX deposits of state and foreign deposit banks, and a 0.4% outflow in private deposit banks. The weight of FX deposits in total deposits fell by 70 bps WoW to 35.3%.

Individuals' FX deposits (in \$ terms) fell by 0.2% on a weekly basis, while there was a 2.6% and 0.9% rise in commercial institutions and official institutions.



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	9,916	9,765	-1,52%	30,72%
BIST 30	10,846	10,671	-1,61%	33,04%
BIST-Financial	11,809	11,599	-1,78%	47,05%
BIST-Industrial	13,111	12,990	-0,92%	12,65%
BIST-Services	9,630	9,495	-1,41%	38,82%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
DOKTA	9,95	BSOKE	-10,00	THYAO	7.306.005.953
ODINE	9,94	CEOEM	-10,00	ISCTR	4.572.872.460
PEGYO	9,68	ETILR	-9,98	EREGL	3.228.216.903
BMSCH	9,12	DZGYO	-9,94	YKBNK	3.062.071.431
ALKA	7,46	KAPLM	-8,19	AKBNK	3.028.862.373

Money Market	Previous	Last	Chg.	YTD
O/N Repo (%)	48,90	48,90	0,00	17,41%
Bond (Benchmark, %)	43,27	43,50	0,01	9,63%

Currency	Previous	Last	Chg.	YTD
US\$	35,0942	35,1544	0,17%	19,58%
Euro	36,50974	36,4882	-0,06%	11,61%
Euro/Dolar	1,0403	1,03677	-0,34%	-6,78%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	72,2	72,2	0,00%	-6,05%
Gold (Ounce, \$)	2.597,0	2.597,0	0,00%	25,89%
Silver (XAG, \$)	29,48	29,11	-1,25%	22,35%

Şeker Funds	Previous	Last*	Chg.	YTD
Fiba Portfoy Şekerbank Money Market	5,708359	5,715915	0,13%	57,94%
Fiba Portfoy Şekerbank Short T. Debt	0,061702	0,061771	0,11%	53,80%
TEB Portfoy Şekerbank Short T. Debt	1,049651	1,051025	0,13%	

* Prices as of 20-Dec-24

Turdex (Set. Price)	Previous	Last	Chg.	YTD
INX30 (December 24)	10,763	10,763	0,00%	26,28%
USD (December 24)	35,5700	35,570	0,00%	13,39%
EURO (December 24)	36,9980	36,998	0,00%	6,53%
GOLD (December 24)	2964,50	2964,50	0,00%	40,63%

The weight of KKM in TL deposits fell below 10%. The weekly exit rate in KKM increased from 1.1% to 1.3%, but remains limited. The total amount fell by TRY15.2 billion to TRY1.17 trillion. Its share in TL deposits eased by 60 bps to 9.7%. In dollar terms, it declined by 1.7% weekly to USD33.8 billion. The share of KKM deposits in FX deposits fell by 40 basis points weekly to 17.9%.

Sharp revival in commercial installment loan growth. 13W moving average (FX adj.) total lending growth accelerated by 130 basis points WoW to 28.1% on a sharp increase in installment commercial loan growth. Total consumer loan growth accelerated by 270 bps to 40.5%. The growth of individual and commercial credit cards slowed down by 530 and 170 basis points to 38.7% and 30.5%, and the only slowdown was in these segments. The growth in commercial installment loans also recovered quite sharply by 1,070 basis points to 71.3%, and the sharpest revival was in this segment.

Solid increase in TL deposits. TL deposits increased quite sharply by 4.3% on a weekly basis by TRY495 billion.

Visible decline in the sector's FX long position. The sector's FX long position fell sharply by 12.6% on a weekly basis to USD1,732 million. The FX long position of state deposit banks decreased by 10% WoW to USD1,456 million, while rising by 2% in foreign deposit banks to USD464 million. The short position of private deposit banks increased sharply by 396% to USD119 million. The sector's FC net general position/regulatory capital ratio fell by 30 bps WoW to 1.8%. On a segment basis, this ratio is 5.1% and 2.0% in state and foreign deposit banks, and -0.4% in private deposit banks.

World Indices					
	Previous	Last	Chg.	YTD	
America					
Dow Jones (US)	42,327	42,342	0,04%	12,34%	
Nasdaq (US)	19,393	19,373	-0,10%	29,05%	
S&P 500 (US)	5,872	5,867	-0,09%	23,00%	
Europe					
Dax (Germany)	20,243	19,970	-1,35%	19,21%	
FTSE 100 (UK)	8,199	8,105	-1,14%	4,81%	
CAC 40 (France)	7,385	7,294	-1,22%	-3,30%	
PSI20 (Portugal)	6,295	6,291	-0,05%	-1,65%	
Asia					
Nikkei (Japan)	39,082	38,814	-0,69%	15,99%	
Hang Seng (Hong Kong)	19,865	19,753	-0,56%	18,66%	
Shanghai Comp. (China)	3,382	3,370	-0,36%	13,28%	
Sensex (India)	80,182	79,218	-1,20%	9,66%	
Portfolio Recommend.	Inclusion Date	Inclusion Price	Last Close	Chg. (%)	BIST Relative
Türk Hava Yolları	12.01.24	251,00	289,50	15,3%	-5,7%
Turkcell	11.01.23	31,61	93,60	196,1%	43,4%
Sabancı Holding	11.01.23	35,51	94,60	166,4%	29,0%
Migros	12.01.24	368,55	506,50	37,4%	12,4%
Akbank	20.01.22	6,60	61,15	826,5%	91,1%
Bim	09.06.22	76,66	502,00	554,8%	72,4%
Şişecam	18.01.21	7,27	42,26	481,3%	-7,3%
Isbank	12.01.24	10,12	13,14	29,8%	6,2%
TAV Airports	01.08.22	56,60	285,00	403,5%	37,0%
Portfolio Yield (yoy)				58,1%	26,5%
Portfolio Yield (mom)				5,7%	3,4%

Company News:

Aselsan (ASELS.TI; OP) has signed sales contracts with its customers in the Asia-Pacific region in a total amount of USD11.4 Million regarding the export of radar, identification friend-or-foe (IFF) and communication systems. The contract size corresponds to ~0.9% of Aselsan's total order size.

Garanti BBVA (GARAN.TI; OP) has sold TRY2.79bn of its NPL book for TRY701.5mn with a 25.1% average yield to five asset management companies. The total amount represents 9% of the bank's NPL book as of 3Q24, and should reduce the NPL ratio by 19bps. For comparison, the yield was 29.9% for the banks' previous NPL sale in September (**Neutral**).

Isbank (ISCTR.TI; OP) has purchased 5mn of **Sise Cam (SISE.TI; OP)** shares in TRY41,90-42,50 share price range and increased its stake to 51.59% (**Neutral**).

Isbank Pension Fund has bought 5.75mn **Isbank (ISCTR.TI; OP)** shares for TRY13.14-13.25 price range and increased its stake to %38.425 (**Neutral**).

Is Bank (ISCTR.TI; OP), Garanti BBVA (GARAN.TI; OP) and **Yapi Kredi Bank (YKBNK.TI; OP)** took over their 7.18%, 12.28% and 13.2% shares of Galataport's capital.

Pegasus (PGSUS.TI; OP) has announced that as a result of the ongoing work for the procurement of its aircraft need for 2028 and beyond, in line with its fleet management strategy and in addition to existing firm aircraft orders, the Company has executed a purchase agreement with The Boeing Company covering up to 200 Boeing 737-10 aircraft. As part of this agreement, Pegasus has placed a firm order for 100 Boeing 737-10 aircraft with expected deliveries starting from 2028, and secured options for up to 100 additional Boeing 737-10 aircraft, convertible to firm orders in the upcoming years. The total value of the agreement for 200 Boeing 737-10 aircraft is USD 36bn, assuming that all options are converted and delivered as firm order aircraft, and based on current list prices disregarding the special contractual pricing and payment conditions. Pegasus CEO, Güliz ÖZTÜRK, also stated that the option to convert the remaining 100 aircraft into firm orders will be evaluated in the coming years, depending on market conditions and fleet requirements. We view the fleet expansion step, encompassing 200 aircraft, as a positive move for Pegasus in the long term. The new-generation aircraft, with their lower fuel consumption and maintenance costs, along with their potential to significantly enhance the Company's operational capacity in the coming years, are expected to support Pegasus' long-term growth strategy (**Positive**).

Tofas (TOASO.TI; OP) has announced that in connection with the K0 commercial vehicle contract stated in the disclosure dated November 4, 2024, a sustainability-linked loan agreement has been signed with BNP Paribas Fortis SA/NV and ING BANK, a branch of ING-DIBA AG (SACE Lenders) for an Export Credit Agency (ECA) loan amounting to €295,187,165.78, including insurance premium. This loan will support the financing of previously-announced and additionally-planned investments, raising the total projected investment to €276 million. The loan is expected to be utilized by December 31, 2024, and will mature in December 2032. Based on the estimated disbursement schedule and average maturity, with semi-annual principal and interest payments, the annual total cost of the loan will range between 6-month Euribor + 2.27% – 2.37%, depending on the achievement of the pre-defined sustainability performance indicators.

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