

Agenda

06 Monday

- China, December Caixin non-mfg. PMI
- Germany & Eurozone, December Markit non-mfg. PMI
- Germany, December CPI
- U.S., December Markit non-mfg. PMI
- U.S., November factory orders

07 Tuesday

- Eurozone, December CPI
- Eurozone, November unemployment rate
- U.S., December ISM non-mfg. PMI

08 Wednesday

- Germany, November factory orders
- Germany, November retail sales
- Eurozone, December PPI

09 Thursday

- U.S., markets will be closed.
- China, December CPI
- Germany, November industrial production
- U.S., jobless claims

10 Friday

- TurkStat, November labor statistics
- TurkStat, November industrial production
- U.S., December unemployment rate and average hourly wages
- U.S., December non-farm payrolls
- U.S., January Michigan consumer sentiment

Outlook:

The BIST 100 Index started Thursday on a positive trend, followed a fluctuating course thereafter and ended the day at 10,000.72, up 1.11%. AKBNK, ISCTR, SAHOL, and YKBNK stocks made the strongest contribution to the Benchmark Index, while the Banking Index gained 2.98% and the Industrial Index rose 1.04%. The medium-term positive outlook for the BIST continues on medium/long-term positive expectations. Interest in alternative income instruments will likely decrease with attention shifting towards the BIST given the belief in sustained interest rate cuts and recovery in the real economy. On the global front, while the U.S. stock markets were closed yesterday during national mourning European stock markets were mixed. This morning, Asian stock markets and the U.S. futures are following a negative trend, while German DAX futures are following positive one. We expect the markets to remain shaped by data releases. Today, global markets focus on non-farm employment data to be announced in the USA, and expected to indicate a rise of 164k. On the domestic macroeconomic data agenda industrial production (IP) data for November is out today. Despite our expectation of limited improvement compared to the previous month, we foresee the weak course of IP continuing amid tight monetary policy. The VIOP30 Index ended the evening session up 0.03%. Locally, we expect the Benchmark Index to start Friday positively and continue to rise thereafter. SUPPORT: 9,850 - 9,750 RESISTANCE: 10,150 - 10,250.

Money Market:

The Lira was positive yesterday, gaining 0.06% against the USD to close at 35.3349. The currency also depreciated by 0.02% against a basket of \$0.50 and €0.50. Meanwhile, the local fixed income markets were positive. The ten-year benchmark bond was traded within a range of 28.29%-28.48%, ending the day at a low of 28.29%, 16 bps below its previous closing.

Domestic Headlines:

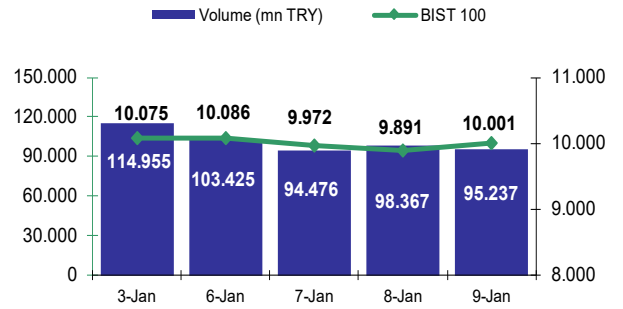
Industrial production (IP) data for November will be released today. Although we expect a limited improvement compared to the previous month, we expect the weak course in IP to continue amid tight monetary policy. Our detailed analysis will be published during the day.

Sector News:

BRSA Weekly: Limited weekly USD297mn decline in FX deposits, sharp exit in TRY deposits. According to weekly BRSA data as of January 3, 2025, the sector's FX deposits (in \$-terms) fell by a limited USD297mn and 0.2% on a weekly basis to USD188.2bn.

There was a weekly rise of 0.1% in the FX deposits of state deposit banks, and weekly declines of 0.9% and 0.4% in foreign and private deposit banks. The weight of FX deposits in total deposits rose by 70 bps WoW to 35.4%.

Individuals' FX deposits (in \$-terms) rose by 0.1% on a weekly basis, while commercial institutions' and official institutions' fell by 0.6% and 0.1%, respectively.



| Indices (TRY) | Previous | Last | Chg. | YTD |
|-----------------|----------|--------|-------|-------|
| BIST 100 | 9.891 | 10.001 | 1,11% | 1,73% |
| BIST 30 | 10.926 | 11.048 | 1,11% | 2,71% |
| BIST-Financial | 11.831 | 12.044 | 1,81% | 2,44% |
| BIST-Industrial | 12.984 | 13.118 | 1,04% | 0,49% |
| BIST-Services | 9.731 | 9.752 | 0,21% | 1,71% |

| Advances | | Declines | | Most Active | |
|----------|------|----------|-------|-------------|----------------|
| Stocks | (%) | Stocks | (%) | Stocks | Vol (TR) |
| BIENY | 9,99 | SKYMD | -9,98 | ISCTR | 11.045.451.608 |
| HUBVC | 9,99 | KZBGY | -8,62 | THYAO | 6.839.974.690 |
| BAGFS | 9,97 | EMKEL | -7,12 | TCELL | 6.164.662.205 |
| KARTN | 9,92 | KRTEK | -5,93 | AKBNK | 5.999.853.441 |
| IHLAS | 9,81 | KGYO | -5,45 | YKBNK | 5.573.202.087 |

| Money Market | Previous | Last | Chg. | YTD |
|---------------------|----------|-------|------|--------|
| O/N Repo (%) | 46,73 | 46,73 | 0,00 | -0,60% |
| Bond (Benchmark, %) | 39,91 | 39,91 | 0,00 | -0,25% |

| Currency | Previous | Last | Chg. | YTD |
|------------|----------|----------|--------|--------|
| US\$ | 35,3300 | 35,4240 | 0,27% | 0,57% |
| Euro | 36,49148 | 36,46819 | -0,06% | -0,75% |
| Euro/Dolar | 1,0329 | 1,02862 | -0,41% | -1,39% |

| Commodity | Previous | Last | Chg. | YTD |
|----------------------|----------|---------|-------|-------|
| Oil (Brent spot, \$) | 76,0 | 76,9 | 1,22% | 2,97% |
| Gold (Ounce, \$) | 2.663,5 | 2.669,7 | 0,23% | 1,69% |
| Silver (XAG, \$) | 30,10 | 30,10 | 0,02% | 4,29% |

| Şeker Funds | Previous | Last* | Chg. | YTD |
|--------------------------------------|----------|----------|-------|-------|
| Fiba Portfoy Şekerbank Money Market | 5,866714 | 5,874209 | 0,13% | 1,04% |
| Fiba Portfoy Şekerbank Short T. Debt | 0,063167 | 0,063240 | 0,12% | 0,90% |
| TEB Portfoy Şekerbank Short T. Debt | 1,078171 | 1,079508 | 0,12% | |

* Prices as of 10-Jan-25

| Turdex (Set. Price) | Previous | Last | Chg. | YTD |
|---------------------|----------|---------|--------|--------|
| INX30 (February 25) | 11.512 | 11.598 | 0,75% | 2,80% |
| USD (February 25) | 37,0570 | 37,009 | -0,13% | -0,85% |
| EURO (February 25) | 38,2620 | 38,180 | -0,21% | -1,86% |
| GOLD (February 25) | 3184,50 | 3193,70 | 0,29% | 1,18% |

Slight decline in KKM weekly exit rate. The weekly exit rate in KKM eased from 2% to 1.9%. The total amount fell by TRY21bn WoW to TRY1.11 trillion. Its share in TRY deposits increased by 10 basis points to 9.2%. In dollar terms, it decreased by 2.3% to USD 31.6 billion. The share of KKM deposits in FX deposits fell by 40 bps weekly to 16.8%.

Sharp recovery in individual credit card growth. 13W moving average (FX adj.) total lending growth recovered by 20 basis points weekly to 29.7%. Total consumer loan growth slowed by 50 points to 45.8%. Individual credit card growth accelerated by 13.7 pp to 62.9%, the sharpest increase was in this segment. This growth level also marks the highest since June 2024. Growth in commercial installment loans also accelerated sharply by 650 basis points to 72.1%. Commercial credit card growth slowed down by 100 basis points weekly to 37.4%.

Sharp decline in TRY deposits. TRY deposits decreased sharply by 2.9% on a weekly basis and amounted to TRY 356 billion.

Steep decline in the sector's FX long position. The sector's FX long position fell sharply by 21% on a weekly basis to USD 950 million. State deposit banks' FX long position rose by 15% to USD 1,298 million, and the only increase was in this segment. In foreign deposit banks, it fell by 43% weekly to USD 305 million. The private deposit banks' short position rose sharply by 106% to USD 355 million.

The sector's FC net general position/regulatory capital ratio fell by 30 bps weekly to 1.0%. On a segment basis, this ratio is at 4.5% and 1.3% in state and foreign deposit banks, and -1.2% in private deposit banks.

| | | World Indices | | | |
|------------------------|--|---------------|--------|--------|--------|
| | | Previous | Last | Chg. | YTD |
| America | | | | | |
| Dow Jones (US) | | 42.635 | 42.635 | 0,00% | 0,21% |
| Nasdaq (US) | | 19.479 | 19.479 | 0,00% | 0,87% |
| S&P 500 (US) | | 5.918 | 5.918 | 0,00% | 0,62% |
| Europe | | | | | |
| Dax (Germany) | | 20.330 | 20.317 | -0,06% | 2,05% |
| FTSE 100 (UK) | | 8.251 | 8.320 | 0,83% | 1,79% |
| CAC 40 (France) | | 7.452 | 7.490 | 0,51% | 1,48% |
| PSI20 (Portugal) | | 6.371 | 6.398 | 0,42% | 0,32% |
| Asia | | | | | |
| Nikkei (Japan) | | 39.556 | 39.605 | 0,13% | -0,73% |
| Hang Seng (Hong Kong) | | 19.289 | 19.241 | -0,25% | -4,08% |
| Shanghai Comp. (China) | | 3.222 | 3.211 | -0,33% | -4,19% |
| Sensex (India) | | 77.698 | 77.620 | -0,10% | -0,66% |

| Portfolio Recommend. | Inclusion Date | Inclusion Price | Last Close | Chg. (%) | BIST Relative |
|-----------------------|----------------|-----------------|------------|----------|---------------|
| Türk Hava Yolları | 12.01.24 | 251,00 | 294,75 | 17,4% | -6,2% |
| Turkcell | 11.01.23 | 31,61 | 96,30 | 204,7% | 44,1% |
| Sabancı Holding | 11.01.23 | 35,51 | 104,30 | 193,7% | 38,9% |
| Migros | 12.01.24 | 368,55 | 533,00 | 44,6% | 15,5% |
| Akbank | 20.01.22 | 6,60 | 65,90 | 898,5% | 101,1% |
| Yapı Kredi Bankası | 06.01.25 | 31,92 | 31,28 | -2,0% | -1,2% |
| Aselsan | 06.01.25 | 75,50 | 78,20 | 3,6% | 4,5% |
| Isbank | 12.01.24 | 10,12 | 14,48 | 43,1% | 14,3% |
| Çimsa | 06.01.25 | 45,44 | 46,54 | 2,4% | 3,3% |
| Ford Otosan | 06.01.25 | 947,00 | 942,50 | -0,5% | 0,4% |
| Portfolio Yield (yoy) | | | | 103,0% | 53,2% |
| Portfolio Yield (mom) | | | | 20,8% | 21,5% |

Company News:

For **Garanti BBVA (GARAN.TI; OP)** our 4Q24 net income estimate is TRY24,599mn (+11% QoQ, -17% YoY). The bank stands out with its solid quarterly ROAE of 31%. The 50 bps QoQ improvement in core NIM, TRY1.7bn trading gain, decelerated fee income growth and lower loan provisions are positives. We expect the sharp rise in operating expenses to weigh on profitability. We model high single-digit QoQ growth and market share gains in TRY loans, a 1% rise in FX loans, 8% QoQ growth in TL deposits and a 5% decline on the FX side. Fee growth is set to ease from 18% in 3Q24 to 10% QoQ in 4Q24. We model a lower TRY1.7bn trading gain in 4Q24 amid lower swap funding rates vs. a TRY3.7bn trading gain in 3Q24.

Swap funding costs are expected to decline by a limited 13% QoQ to TRY5.2bn. The CPI linker contribution should rise by 12% QoQ to TRY14.5bn, as the bank is set to use 48.6% in valuing them, vs. 45% in 3Q24. On the positive side, core NIM should improve by 50bps QoQ, supported by the recovery in loan-deposit spreads.

On the asset quality side, CoR (adj. for the currency impact, net) should hit 100bps for FY24. We model a steep 17% quarterly increase in OPEX and a slight decline in subsidiary income. The tax rate is to increase slightly, approaching the 25% level (**Slightly Positive**).

4Q24 financials announcement date: January 29, 2025.

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