

### Agenda

#### 14 Monday

- CBRT, February balance of payments
- Japan, February industrial production

#### 15 Tuesday

- Ministry of Treasury and Finance, March budget realizations
- Germany, April ZEW Index
- Eurozone, February industrial production
- U.S., April New York Empire State Manufacturing Index

#### 16 Wednesday

- China, 1Q25 GDP growth rate
- China, March industrial production
- Eurozone, March CPI
- U.S., March retail sales
- U.S., March capacity utilization and industrial production
- Fed, Powell's speech

#### 17 Thursday

- CBRT, rate decision
- Germany, March CPI
- ECB, rate decision
- U.S., jobless claims
- U.S., March housing starts and building permits
- U.S., April Philadelphia Fed business outlook

#### 18 Friday

- U.S., Germany, U.K., markets will be close.

### Outlook:

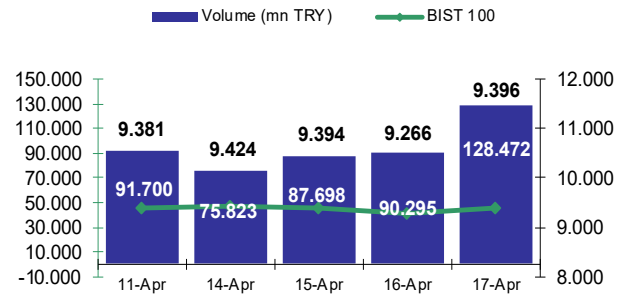
The BIST100 Index started Thursday on a positive trend, faced selling pressure during the day but managed to recover its losses to close at 9,396.02, up 1.40%. The Industrial Index rose by 1.10%, while the Banking Index slightly declined by 0.04%. The focus was on the Central Bank's meeting, where the CBRT exceeded market expectations—which had anticipated a rate hold—by raising the policy rate by 350 bps to 46%. Continuing its asymmetric corridor approach, the CBRT adjusted the interest rate corridor width to 300 bps for the lending rate and 150 bps for the borrowing rate. Initially, the BIST witnessed some selling following the decision; yet, losses were quickly reversed after the CBRT's press release, which announced the resumption of one-week repo auctions starting March 20, 2025, following a previous pause. On the global front, the U.S. markets saw mixed movement yesterday, responding to Trump's optimistic statements on tariff agreements and his criticism of Fed Chair Powell. Today, due to the Good Friday holiday, markets in the U.S., Europe, and parts of Asia are closed. The Asian markets that remain open are trading mixed. The data calendar is light, and we expect markets to closely monitor any developments related to tariffs. In Turkey, the VIOP30 Index closed the evening session with a flat-to-slightly-positive movement of 0.01%. Locally, we expect the Benchmark Index to open flat today and, should selling pressure be absorbed, to observe an uptrend thereafter. SUPPORT: 9,250 - 9,150 RESISTANCE: 9,500 - 9,650.

### Money Market:

The Lira was positive yesterday, gaining 0.17% against the USD to close at 38.0616. The currency also appreciated by 0.20% against a basket of \$0.50 and €0.50. Meanwhile, the local fixed income markets were positive. The ten-year benchmark bond yield fluctuated between a range of 34.41% -35.16%, closing the day at 34.53%, down 56 bps from the previous close.

### Domestic Headlines:

\*\*\* **CBRT raises the policy rate by 350 basis points to 46%. Continuing with the asymmetric corridor, the CBRT revises the width of the interest rate corridor to 300 basis points for the lending rate and 150 basis points for the borrowing rate:** Contrary to market expectations, the CBRT Monetary Policy Committee (MPC) raised the policy rate by 350 basis points to 46% at its meeting this month. Lending and borrowing interest rates were raised by 300 basis points to 49% and 44.5%, respectively. Significant changes were made in both interest rates and the policy statement. First and foremost, core goods inflation is expected to rise slightly due to global developments. As will be recalled, it was stated in previous texts that goods inflation had fallen back to targeted levels. Even if this effect is temporary, we will see inflationary pressure on core goods again. On the other hand, services inflation is expected to remain flat instead of declining. This can be considered as the second negative shock to the disinflation process. While the March MPC decision stated that domestic demand supported disinflation in the first quarter, today's MPC decision stated that "although demand lost momentum, its disinflationary effect weakened." We understand that the disinflation path is shifting to a gradual outlook. On the global front, it was stated that the impact on the market of protectionist tendencies in trade was closely monitored without specifying the direction of the impact. Finally, it was emphasized that necessary steps were taken regarding liquidity management after the interim decision, and that liquidity tools will continue to be used effectively if necessary.



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	9.266	9.396	1,40%	-4,42%
BIST 30	10.076	10.198	1,21%	-5,19%
BIST-Financial	10.699	10.827	1,20%	-7,92%
BIST-Industrial	12.290	12.425	1,10%	-4,82%
BIST-Services	9.569	9.728	1,66%	1,45%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
EKOS	10,00	MANAS	-9,98	ASELS	11.415.791.843
DSTKF	10,00	MEKAG	-9,94	AKBNK	9.897.075.358
TETMT	9,99	MERCN	-9,42	THYAO	9.582.319.582
TOASO	9,99	SEGYO	-8,44	KCHOL	7.753.525.868
DERHL	9,99	MHRGY	-5,11	YKBNK	7.692.093.464

Money Market	Previous	Last	Chg.	YTD
O/N Repo (%)	46,00	46,00	0,00	-2,15%
Bond (Benchmark %)	48,52	47,45	-0,02	18,60%

Currency	Previous	Last	Chg.	YTD
US\$	38,0208	38,1660	0,38%	8,35%
Euro	43,2409	43,52022	0,65%	18,45%
Euro/Dolar	1,1373	1,13716	-0,01%	9,01%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	65,3	65,3	0,00%	-12,52%
Gold (Ounce, \$)	3.349,0	3.349,0	0,00%	27,57%
Silver (XAG, \$)	32,76	32,76	0,00%	13,50%

Şeker Funds	Previous	Last*	Chg.	YTD
Fiba Portfoy Şekerbank Money Market	6,566150	6,577983	0,18%	13,15%
Fiba Portfoy Şekerbank Short T. Debt	0,069421	0,069572	0,22%	11,01%
TEB Portfoy Şekerbank Short T. Debt	1,197931	1,199315	0,12%	

\* Prices as of 18-Apr-25

Turkdex (Set. Price)	Previous	Last	Chg.	YTD
INX30 (April 25)	10.251	10.298	0,46%	-8,72%
USD (April 25)	38,7150	38,559	-0,40%	3,30%
EURO (April 25)	44,0380	43,831	-0,47%	12,66%
GOLD (April 25)	4131,00	4092,20	-0,94%	29,65%

The last time CBRT raised the policy rate to 42.5% and overnight lending to 46%, weekly repo auctions were suspended. In other words, the market was funded from overnight borrowing at 46%. Thereby, the lending rate functioned as the policy rate. In this sense, we find it meaningful to raise the policy rate to 46%. On the other hand, the interest rate corridor, which is normally 300 basis points wide (-/+ 150 basis points around the policy rate), was raised to 500 basis points with the interim decision. Currently, the corridor has been revised to 450 bps, with 300 bps on the lending side and 150 bps on the borrowing side. With the press release following the decision, it was decided to resume one-week repo auctions, which were suspended on March 20, 2025. When all the effects are evaluated together, we see that the CBRT has simplified with the policy rate hike. Actual funding via repo auctions will reduce uncertainty. The asymmetric outlook in the lending rate will allow the CBRT to manage liquidity effectively in case of market volatility.

While the rhetoric on loan and deposit developments was omitted from the text, we note a rather hawkish attitude displayed with the decision. Both the increase in goods inflation in April and the flattening of the decline in services inflation indicate that the decision depends on inflation developments. The weakening effect of domestic demand on disinflation in the first quarter suggests that the disinflation process and its targets may experience some delays. The uncertainty in global developments added to the local outlook has made a rate hike almost mandatory. When all these factors are evaluated together, we understand that the tight stance will be maintained decisively until the inflation targets are achieved.

World Indices						
America		Previous	Last	Chg.	YTD	
Dow Jones (US)		39.669	39.142	-1,33%	-8,00%	
Nasdaq (US)		16.307	16.286	-0,13%	-15,66%	
S&P 500 (US)		5.276	5.283	0,13%	-10,18%	
Europe		Previous	Last	Chg.	YTD	
Dax (Germany)		21.311	21.206	-0,49%	6,51%	
FTSE 100 (UK)		8.276	8.276	0,00%	1,26%	
CAC 40 (France)		7.330	7.286	-0,60%	-1,29%	
PSI20 (Portugal)		6.746	6.736	-0,15%	5,62%	
Asia		Previous	Last	Chg.	YTD	
Nikkei (Japan)		33.920	34.378	1,35%	-13,83%	
Hang Seng (Hong Kong)		21.057	21.395	1,61%	6,66%	
Shanghai Comp. (China)		3.276	3.280	0,13%	-2,13%	
Sensex (India)		77.044	78.553	1,96%	0,53%	
Portfolio Recommend.		Inclusion Date	Inclusion Price	Last Close	Chg. (%)	BIST Relative
Türk Hava Yolları		12.01.24	251,00	323,50	28,9%	9,5%
Turkcell		11.01.23	31,61	91,65	190,0%	45,9%
Sabancı Holding		11.01.23	34,25	77,50	126,3%	13,9%
Migros		12.01.24	368,55	488,25	32,5%	12,6%
Akbank		20.01.22	6,46	51,30	694,6%	70,3%
Aselsan		06.01.25	75,50	128,50	70,2%	82,7%
Isbank		12.01.24	9,97	11,06	10,9%	-5,7%
Çimsa		06.01.25	45,44	49,34	8,6%	16,6%
Ford Otosan		06.01.25	931,44	917,50	-1,5%	5,7%
Portfolio Yield (YoY)				27,1%	22,3%	
Portfolio Yield (MoM)				-14,8%	-2,1%	

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