

Weekly Bulletin



Global Markets

Last the week, global markets were shaped by heightened US–Iran tensions, renewed tariff-related developments, the Fed’s Beige Book, and US CPI data. In the US, although nonfarm payroll growth came in below expectations at 50,000, the unemployment rate declined to 4.4%, reinforcing the perception that the economy is slowing but not experiencing a sharp downturn. The moderation in job creation pointed to a loss of momentum in economic activity, while the decline in the unemployment rate highlighted the continued resilience of the labor market. When assessed alongside JOLTS and ADP employment data, the picture suggested a “low hiring–low firing” equilibrium, supporting the view that the Fed does not face an urgent need to cut interest rates in the near term. Meanwhile, reports that the US Department of Justice had launched a criminal probe involving Fed Chair Jerome Powell strengthened expectations that the Federal Reserve is unlikely to alter its monetary policy stance in the short term. On the inflation front, headline CPI rose 0.3% month-on-month and 2.7% year-on-year, broadly in line with expectations, while core CPI increased 0.2% MoM, slightly below forecasts. Nevertheless, the data did not provide sufficient reassurance to prompt the Fed to act hastily on rate cuts. The Fed’s Beige Book indicated that economic activity across the US continued on a mild and moderate growth path, neither accelerating meaningfully nor signaling recession risks. Another key theme during the week was escalating US–Iran tensions. President Trump’s decision to cancel contacts with Iran, combined with increasingly hawkish rhetoric toward the Middle East, and his announcement that countries trading with Iran would face a 25% tariff on trade with the US—effective immediately—brought tariffs and uncertainty back to the forefront. Despite the heavy news flow, the S&P 500 rose 0.33% over the week, while the Nasdaq 100 gained 0.16%.

What to Watch This Week on Global Markets

The absence of a pronounced deterioration in the labor market has reinforced expectations that the Federal Reserve does not face an urgent need to cut interest rates in the near term as part of its fight against inflation. In this context, the Core PCE price index, which is closely monitored for signals on the Fed’s policy path, stands out as one of the key data releases in the coming week. In addition, third-quarter GDP growth figures will be announced, with expectations pointing to an annualized growth rate of 4.3%, in line with the initial estimate. With the 4Q25 earnings season having begun this week and expected to remain a key theme into next week, we anticipate a shift toward more company-specific price action. Meanwhile, developments surrounding US–Iran tensions are likely to remain influential throughout the week, particularly for commodity, oil, and equity market pricing.

Domestic Markets

On the domestic front, according to data released by the Central Bank of the Republic of Türkiye (CBRT), the current account balance posted a USD 4.0bn deficit in November, exceeding the market expectation of a USD 3.5bn shortfall. Despite this, the current account excluding gold and energy maintained its positive trend, recording a USD 2.1bn surplus. Taking into account the continuation of seasonal weakness in December and leading foreign trade indicators, we expect the December current account deficit to materialize at around USD 5.0bn. According to figures from the Ministry of Treasury and Finance, the central government budget recorded a TRY 528.1bn deficit in December, while the primary balance posted a TRY 411.5bn deficit. During the same period, budget revenues increased by 43.7% year-on-year to TRY 1,264bn, while budget expenditures rose by 41.8% to TRY 1,792bn. As a result, the central government budget deficit for full-year 2025 reached TRY 1,799bn. Under the Medium-Term Program (MTP), the budget deficit is projected to rise to approximately TRY 2.8trn in 2026, with the budget deficit-to-GDP ratio expected to reach 3.5%. According to data published by the Turkish Statistical Institute (TurkStat), the seasonally and calendar-adjusted industrial production index rebounded in November following two consecutive months of contraction, increasing by 2.5% month-on-month and 2.4% year-on-year. The monthly recovery in industrial output was largely driven by the manufacturing sector. Leading indicators we monitor suggest that the growth momentum may continue into December. In a relatively calm data week, the BIST 100 Index advanced by 3%, while the Participation 100 Index gained 5%, with both indices reaching all-time highs.

What to Watch This Week on Domestic Markets

On the domestic front, following December inflation coming in below expectations, attention has turned to the CBRT’s interest rate decision, scheduled to be announced on Thursday, 22 January at 14:00 (local time). We believe that the softer headline inflation print has provided the CBRT with additional room for maneuver. Accordingly, Kuveyt Türk Investment Research expects a 150bp rate cut, bringing the policy rate down to 36.5%, in line with market consensus. In addition, Türkiye’s sovereign credit rating reviews by Fitch and Moody’s will be closely monitored. In its latest assessment dated 25 July 2025, Moody’s upgraded Türkiye’s credit rating from B1 to Ba3, while revising the outlook from positive to stable. Fitch, on the other hand, maintained its rating and outlook unchanged, affirming the Long-Term Foreign-Currency Issuer Default Rating (IDR) at BB- with a stable outlook. As Kuveyt Türk Investment Research, we expect both rating agencies to potentially revise their outlooks from stable to positive, while leaving the credit ratings unchanged.

COVERAGE LIST

COMPANY	TICKER	LAST PRICE	TARGET PRICE	RETURN POTENTIAL	RECOMMENDATION	MARKET VALUE	AVARAGE VOLUME	P/E		EV/EBITDA	
		(TL)	(TL)	(%)		(million TL)	(million TL)	25E	26E	25E	26E
Banking											
Albaraka Türk	ALBRK	8.38	12.50	49%	BUY	20.950	144.07	-	-	-	-
Iron - Steel											
Ereğli Demir Çelik	EREGL	26.06	33.70	29%	HOLD	182.420	3.818	39.94	11.99	10.94	6.48
Aviation*											
Türk Hava Yolları	THYAO	292.00	400.00	37%	BUY	402,960	12,471	3.73	3.59	3.66	3.61
Pegasus Hava Taşımacılığı	PGSUS	201.50	314.00	56%	BUY	100,750	3,476	5.85	5.24	6.16	5.80
Chemical											
Aksa	AKSA	10.19	15.40	51%	BUY	39,588	161.25	21.10	15.25	11.39	7.11
Retail											
Bim Birleşik Mağazalar	BIMAS	647.00	813.00	26%	BUY	388,200	4514.75	19.33	12.66	8.90	6.58
Ebebek Mağazacılık	EBEBK	62.95	79.00	25%	BUY	10,072	40.51	69.94	34.61	3.16	2.49
Mavi Giyim	MAVI	46.42	55.00	18%	HOLD	36,881	440.19	13.28	10.60	3.97	3.32
Oil & Gas											
Tüpraş	TUPRS	222.50	261.20	17%	BUY	428,712	4314.53	13.41	11.43	6.14	5.38
Health											
Mıp Sağlık Hizmetleri	MPARK	429.75	600.00	40%	BUY	82,087	259.52	13.83	9.71	6.28	4.69
Lokman Hekim	LKMNH	17.15	27.70	62%	BUY	3,704	31.96	23.90	17.81	6.12	4.71
Defense											
Aselsan	ASELS	309.25	270.00	-13%	HOLD	1,410,180	12038.18	62.12	40.66	33.06	23.14
Software & Technology											
Logo Yazılım	LOGO	164.70	265.00	61%	BUY	15,647	80.25	10.46	15.62	7.15	5.39
Hitit Bilgisayar Hizmetleri	HTTBT	45.16	70.00	55%	BUY	13,548	44.09	32.08	23.12	17.34	13.36
Infrastructure & Engineering											
Gülermak Ağır Sanayi	GLRMK	184.9	262	42%	BUY	59,649	185	8.77	7.95	8.14	7.05
Real Estate											
Emlak G. M. Y. O.	EKGYO	22.88	28.6	25%	BUY	86,944	3,242	7.04	6.30	6.82	6.50
Cement											
Çimsa	EKGYO	45.68	65.2	43%	BUY	43,195	472	9.72	7.73	7.47	5.67
Coverage List Return Potential				35%							

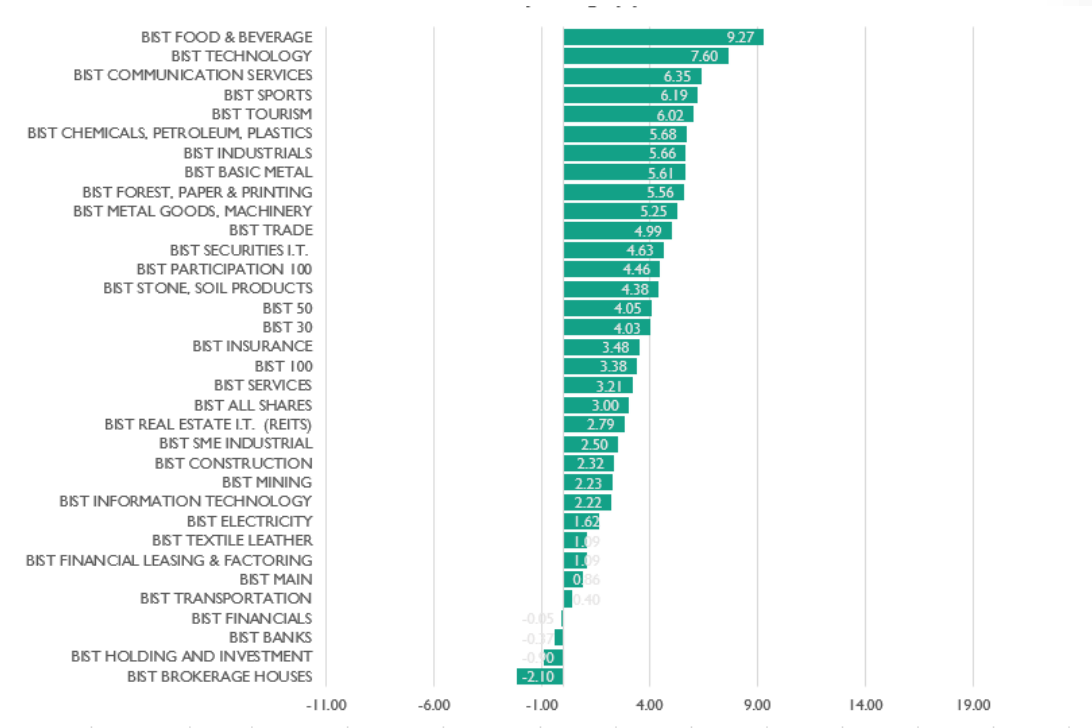
*EREGL, THYAO, and HTTBT figures are calculated in USD mn.

**PGSUS figures are calculated in EUR.

INDICATORS

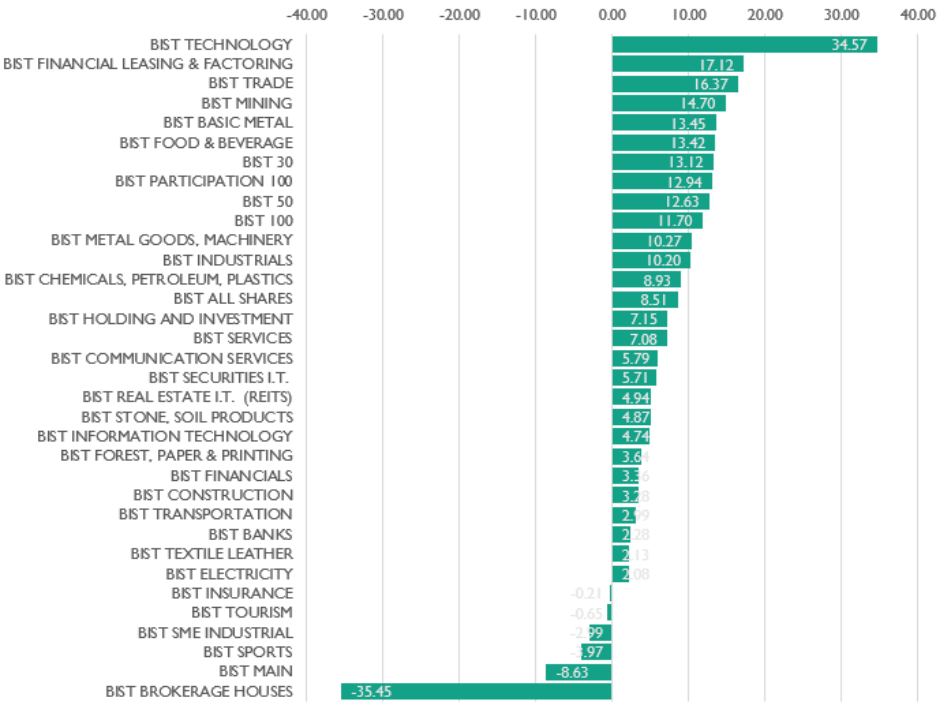
Over the past week, the BIST Food & Beverage has led Borsa Istanbul (BIST) with a **9.27%** return.

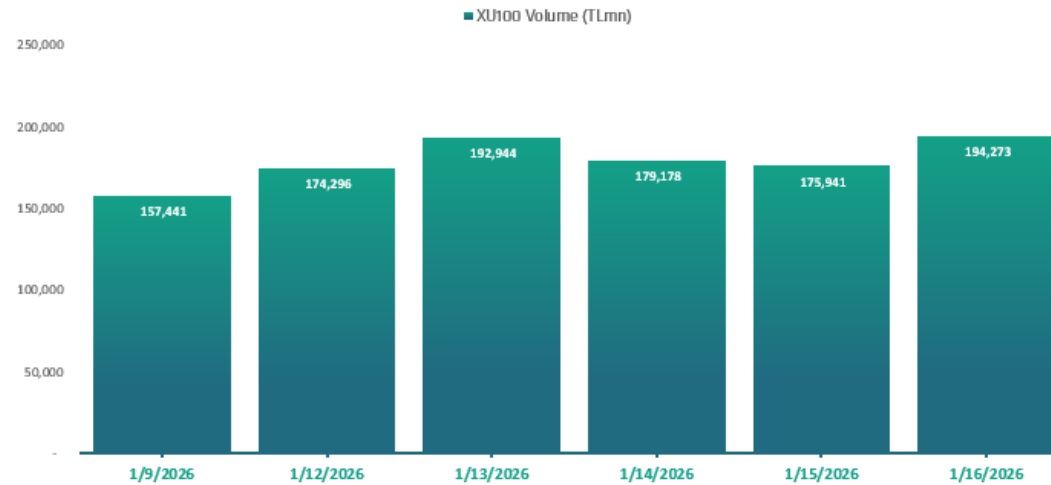
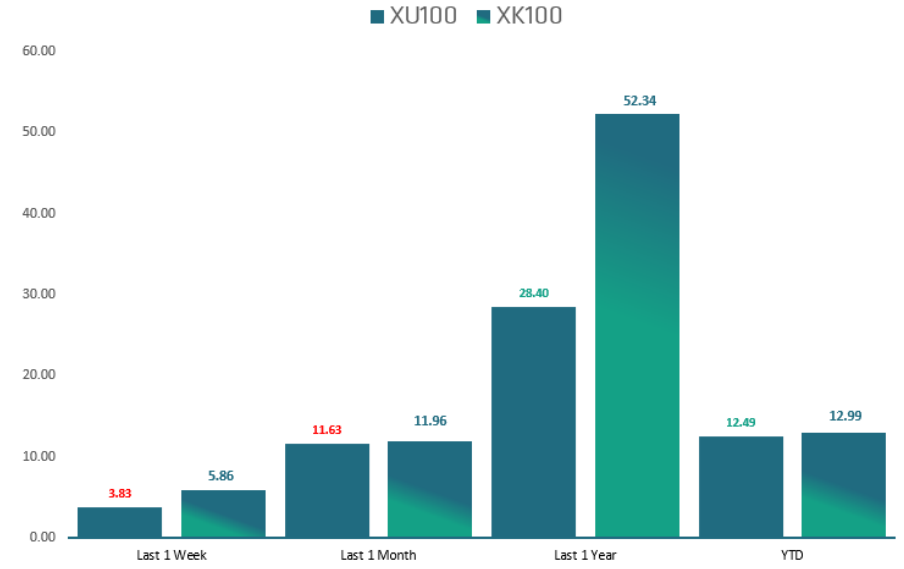
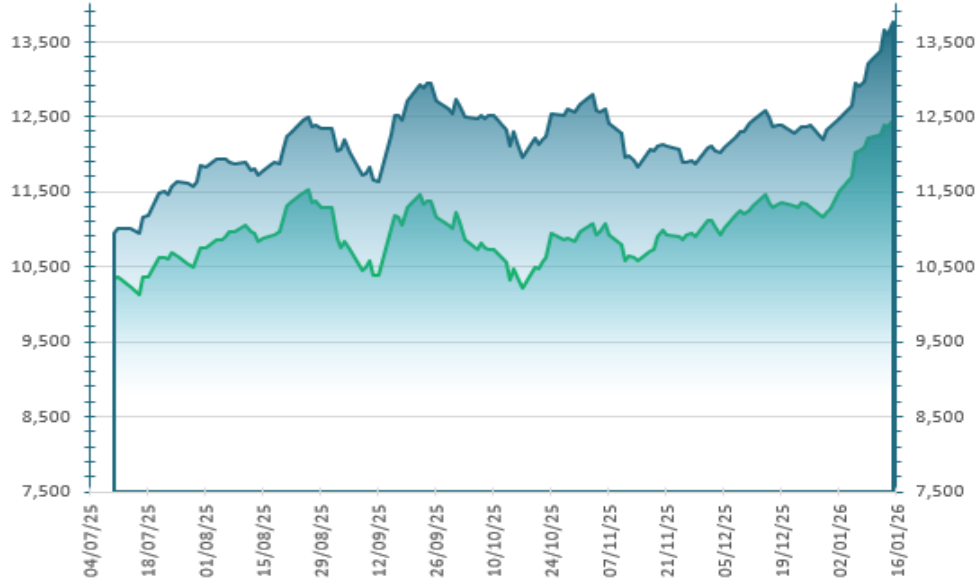
Weekly Change (%)



Over the past month, the BIST Technology Index has ranked first on Borsa Istanbul (BIST) with a **34.57%** return.

Monthly Change (%)





Ubeyde Safvan Erbaş
Supervisor
Technical Analyst

Dr. Kutay Gözgör
Research Director

Muhammed Çakmak
Senior Specialist
Aviation, Healthcare, Information Technology,
Real Estate

Ali Osman Okut
Junior Specialist
Cement

Eren Bozdoğan
Senior Specialist
Food and Apparel Retail, Defence, Industry

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For Communication and News Inquiries:  arastirma@kuveytturkyatirim.com.tr