

Weekly Bulletin



Global Markets

Global markets were shaped this week by three main themes: rising uncertainty around trade policies, growing concerns in the artificial intelligence space, and geopolitical developments along the U.S.-Iran axis. After the tariffs that came into effect on February 20 were overturned by the U.S. Supreme Court, Donald Trump reinstated broad-based trade measures the same day under Section 122 of the Trade Act of 1974, first imposing a 10% tariff and subsequently raising it to 15% on imports from all countries. The administration's unwillingness to step back from tariff measures has reduced visibility on global trade policy and continues to weigh on risk appetite. During the earnings season, technology companies were particularly influential in driving market pricing, with chipmaker NVIDIA standing out. The company reported net sales of \$68.1bn (+73% y/y) and net income of \$42.96bn (+94% y/y), exceeding expectations and contributing to heightened volatility across AI-themed equities. On the geopolitical front, following indirect talks between the U.S. and Iran in Oman, the parties reconvened in Geneva this week and agreed to continue technical-level negotiations in Vienna next week. Iranian Foreign Minister Abbas Araghchi stated after the meetings that the sides had come quite close to agreement on certain issues and emphasized a more serious approach to the negotiation process. In light of these developments, U.S. equity markets appear set to close the week broadly flat.

Since Friday, tensions along the U.S. and Israel-Iran axis have effectively escalated into direct military confrontation. The process began over the weekend with U.S. and Israeli strikes targeting military and strategic assets inside Iran, prompting Tehran to retaliate against Israel and U.S. bases in the region. The exchange of attacks rapidly heightened geopolitical risk perceptions. Following these developments, initial reports from Iran's Revolutionary Guard suggesting a potential closure of the Strait of Hormuz triggered sharp reactions in energy markets, leading to a swift and pronounced surge in Brent crude prices. In an effort to offset rising supply concerns, OPEC+ announced an increase in its planned daily output hike from 137k barrels to 206k barrels. However, hours later, a statement from Iran's Foreign Ministry clarifying that there was no intention to fully close the Strait of Hormuz brought partial relief to oil prices. On the diplomatic front, U.S. President Trump stated that Iran's new leadership had expressed a willingness to meet and that he had accepted the request, signaling that negotiation channels remain open despite the military escalation and helping to partially stabilize risk sentiment. Nevertheless, heightened geopolitical uncertainty has continued to drive safe-haven demand, with increased flows into gold and U.S. Treasuries drawing attention.

What to Watch This Week on Global Markets

Over the weekend, escalating military tensions across the U.S.-Israel-Iran axis and uncertainty surrounding the Strait of Hormuz have led global equities and futures to start the new week under selling pressure. Additionally, Israel's airstrike on Lebanon this morning, targeting Hezbollah on the grounds that it was acting on behalf of the Iranian leadership, signals that geopolitical risk in the region remains elevated. Reports suggesting potential disruptions to shipments through the Strait of Hormuz intensified supply concerns in the oil market, triggering a sharp surge and increased volatility in Brent crude. Over-the-counter trading over the weekend saw prices approach \$80 per barrel, while Brent is currently trading around \$77. While a short-term disruption in the Strait of Hormuz may be manageable for global markets, a prolonged interruption could deepen supply constraints and push oil prices toward \$100 and above. Although statements from Iran's new leadership indicating willingness to engage in talks with the White House and to maintain the flow of global oil through Hormuz have helped ease tensions somewhat, it remains premature to conclude that the worst-case scenario is behind us. Meanwhile, criticism from the Democratic Party regarding Trump's move against Iran has kept discussions alive about the potential domestic political cost for the administration ahead of the 2026 midterm elections. A sustained rise in energy prices could lift inflation expectations and push bond yields higher, potentially delaying expectations for Fed rate cuts. In this context, upcoming U.S. data releases and statements from key regional officials will be critical in shaping global risk appetite. Today's macro agenda features the U.S. ISM Manufacturing data; any signs of slowing economic momentum could reinforce risk-off sentiment when combined with elevated geopolitical tensions.

Domestic Markets

On the domestic market, a relatively calm week was observed. Throughout the week, sectoral confidence indices, inflation expectations, and foreign trade statistics were among the key data releases. According to TURKSTAT, in February the seasonally adjusted services confidence index remained unchanged at 113.8, while the retail trade confidence index increased by 2.9% to 115.9. In contrast, the construction sector confidence index declined by 2.1% to 83.9. On the inflation front, a limited improvement in expectations was recorded. The 12-month ahead inflation expectation fell to 22.1% for market participants, 32% for the real sector, and 48.81% for households. Meanwhile, the share of households expecting inflation to decline decreased by 4.63 percentage points month-on-month to 20.33%. In foreign trade, January exports declined by 4% year-on-year to \$20.3bn, while imports edged up by 0.1% to \$28.7bn. As a result, the foreign trade deficit stood at \$8.4bn in January, with the export-to-import coverage ratio falling to 70.8%. According to CBRT data, non-residents purchased \$410mn worth of equities and \$991mn of government domestic bonds (DIBS) in the week of January 23. During the same period, the CBRT's gross reserves declined to \$206.1bn, while net reserves excluding swaps fell to \$75.6bn. On Borsa Istanbul, selling pressure was felt throughout the week amid rising geopolitical risks along the U.S.-Iran axis. The aviation sector in particular drew attention, with losses exceeding 6% over the past week, while stock- and sector-specific divergences became more pronounced during the 4Q25 earnings season. The BIST 100 index appears set to close the week with a loss of nearly 2%.

What to Watch This Week on Domestic Markets

On the last trading day of the week, selling pressure deepened markedly on Borsa Istanbul following warnings from the U.S. and Chinese embassies advising their citizens to avoid travel to Iran. Over the weekend, joint U.S. and Israeli strikes on Iran, along with reports regarding the death of the country's Supreme Leader Ayatollah Ali Khamenei, have led to the start of the new week in a significantly heightened geopolitical risk environment. We expect rising geopolitical tensions to increase volatility across global financial instruments, particularly in oil and precious metals. In this context, sharp price movements may initially be observed in aviation stocks, followed by energy names and the broader index on Borsa Istanbul. That said, short-selling restrictions, circuit breaker mechanisms, and potential equity-related regulatory measures implemented—or that could be implemented—by the Capital Markets Board (CMB) and Borsa Istanbul management, together with intraday news flow, may lead to partial stabilization during trading sessions. On the macro front, we enter the new week with a busy agenda. Today's key release is the fourth-quarter GDP data, scheduled for 10:00 local time. Despite relatively weak industrial production, strong domestic demand is expected to support quarterly growth of 0.5% and annual growth of 3.6%. For 2025 as a whole, growth is projected at 3.7%, while expectations for 2026 are shaping around 4%. As Kuwait Turk Investment Research, we reiterate our 2026 growth forecast of 3.7%. Later in the week, February CPI data will be in focus. The leading indicator of Istanbul Chamber of Commerce (ITO) retail prices, which rose 3.85% month-on-month, increases the risk of upward revisions to inflation expectations. While we expect volatility to persist in the short term, developments along the U.S.-Iran axis will remain a key determinant of the index's direction. In addition, rising uncertainty regarding the Central Bank of the Republic of Türkiye's rate-cut path is likely to continue weighing on local assets. In this regard, the trajectory of oil prices remains critical.

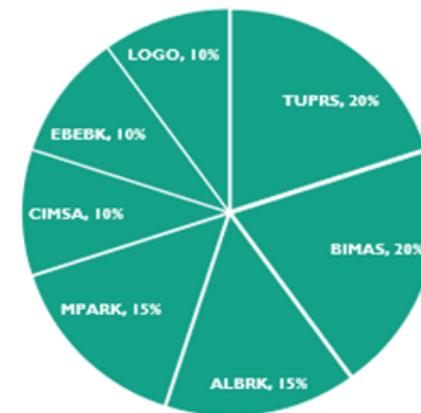
Company Name	Ticker	Last Price (TL)	12M Target Price (TL)	Current Return (%)	Upside Potential (%)	Inclusion Price	Inclusion Date
Tüpraş	TUPRS	₺218.50	₺261.20	16.84%	20%	₺187.00	January 2, 2026
Bim	BIMAS	₺667.50	₺813.00	22.93%	22%	₺543.00	January 2, 2026
Albaraka	ALBRK	₺9.15	₺12.50	12.96%	37%	₺8.10	January 2, 2026
MLP Care	MPARK	₺437.00	₺600.00	14.40%	37%	₺382.00	January 2, 2026
Çimsa	CIMSA	₺51.20	₺65.20	12.43%	27%	₺45.54	January 2, 2026
Ebebek	EBEBK	₺65.00	₺79.00	20.59%	22%	₺53.90	January 2, 2026
Logo Yazılım	LOGO	₺138.40	₺265.00	-10.13%	91%	₺154.00	January 2, 2026

MP Performance, <u>Inception to date</u> (%)	14.35%
BIST 100 Index Performance (%)	19.30%
Katılım 100 Index Performance (%)	16.68%
MP / Katılım 100 Relative Return (%)	-2.34%
MP Performance, <u>2025</u> (%)	43.60%
BIST 100 Index Performance, 2025 (%)	16.97%
Katılım 100 Index Performance, 2025 (%)	35.55%
MP / Katılım 100 Relative Return, 2025 (%)	8.05%

*MP: Kuveyt Türk Yatırım Model Portfolio



Model Portfolio Weight (%)



COMPANY	TICKER	LAST PRICE (TL)	TARGET PRICE (TL)	RETURN POTENTIAL (%)	RECOMMENDATION	MARKET VALUE (million TL)	AVERAGE VOLUME (million TL)	P/E		EV/EBITDA	
								26E	27E	26E	27E
Banking											
Albaraka Türk	ALBRK	9.15	12.80	40%	BUY	22.875	298.92	-	-	-	-
Iron - Steel											
Ereğli Demir Çelik	EREGL	32.66	35.00	7%	HOLD	228.620	6.738	35.01	19.89	9.08	5.78
Aviation*											
Türk Hava Yolları	THYAO	307.50	400.00	30%	BUY	424.350	21.665	3.72	3.45	3.68	3.48
Pegasus Hava Taahhüdü	PGSUS	196.50	314.00	60%	BUY	98.250	7.595	4.95	4.62	5.67	5.66
Chemical											
Aksa	AKSA	10.18	15.40	51%	BUY	39.549	277.89	15.23	#DIV/0!	7.11	#DIV/0!
Retail											
Bim Birleşik Mağazalar	BIMAS	667.50	813.00	22%	BUY	400.500	4962.35	13.38	11.55	6.92	6.02
Ebebek Mağazacılık	EBEBK	65.00	81.00	25%	BUY	10.400	44.65	69.75	47.81	2.41	2.15
Mavi Giyim	MAVI	45.40	55.00	21%	HOLD	36.071	379.60	10.60	8.39	3.32	2.73
Oil & Gas											
Tüpraş	TUPRS	218.50	289.90	33%	BUY	421.005	6606.04	11.38	9.15	5.62	4.76
Health											
Mıp Sağlık Hizmetleri	MPARK	437.00	600.00	37%	BUY	83.472	331.61	9.87	7.71	4.76	3.81
Lokman Hekim	LKMNH	16.58	27.70	67%	BUY	3.581	41.72	18.17	12.77	5.00	3.94
Defense											
Aselsan	ASELS	322.00	395.50	23%	HOLD	1.468.320	13741.73	32.88	25.91	23.43	16.82
Software & Technology											
Logo Yazılım	LOGO	138.40	249.00	80%	BUY	13.148	209.50	14.99	8.97	4.70	3.54
Hitit Bilgisayar Hizmetleri	HTTBT	41.74	70.00	68%	BUY	12.522	66.67	21.02	17.02	12.12	9.66
Infrastructure & Engineering											
Gülermak Ağır Sanayi	GLRMK	167.5	262	56%	BUY	54.036	388	6.97	6.92	6.19	6.30
Real Estate											
Emlak G. M. Y. O.	EKGYO	23.7	28.6	21%	BUY	90.060	4.366	6.53	6.23	6.65	6.55
Cement											
Çimsa	EKGYO	51.2	65.2	27%	BUY	48.414	772	8.67	7.50	5.97	4.90
Coverage List Return Potential				39%							

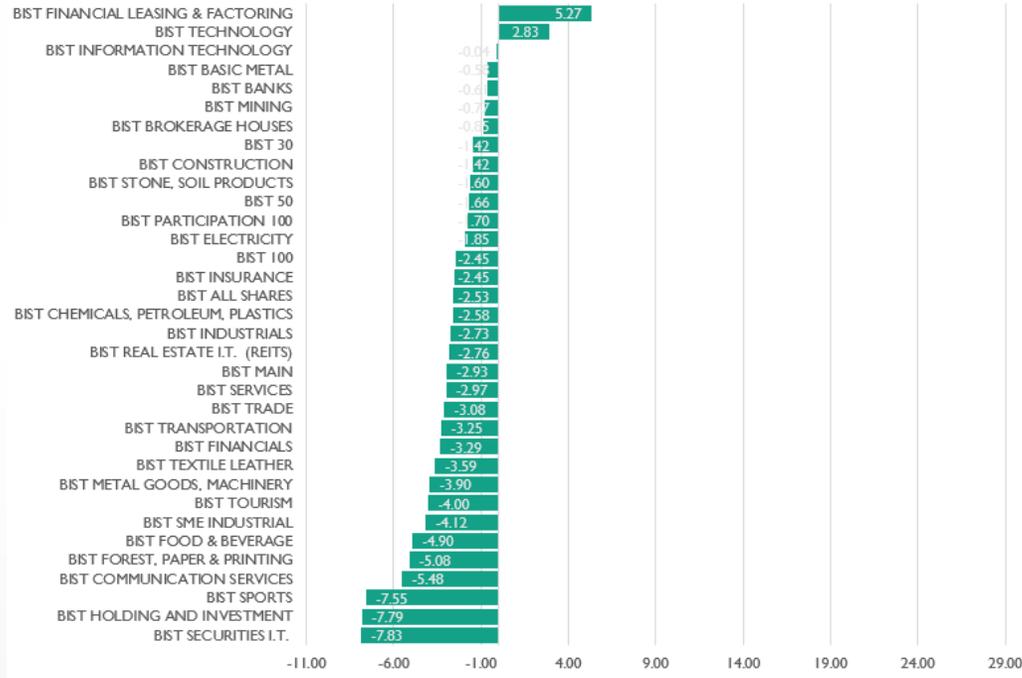
*EREGL, THYAO, and HTTBT figures are calculated in USD mn.

**PGSUS figures are calculated in EUR.

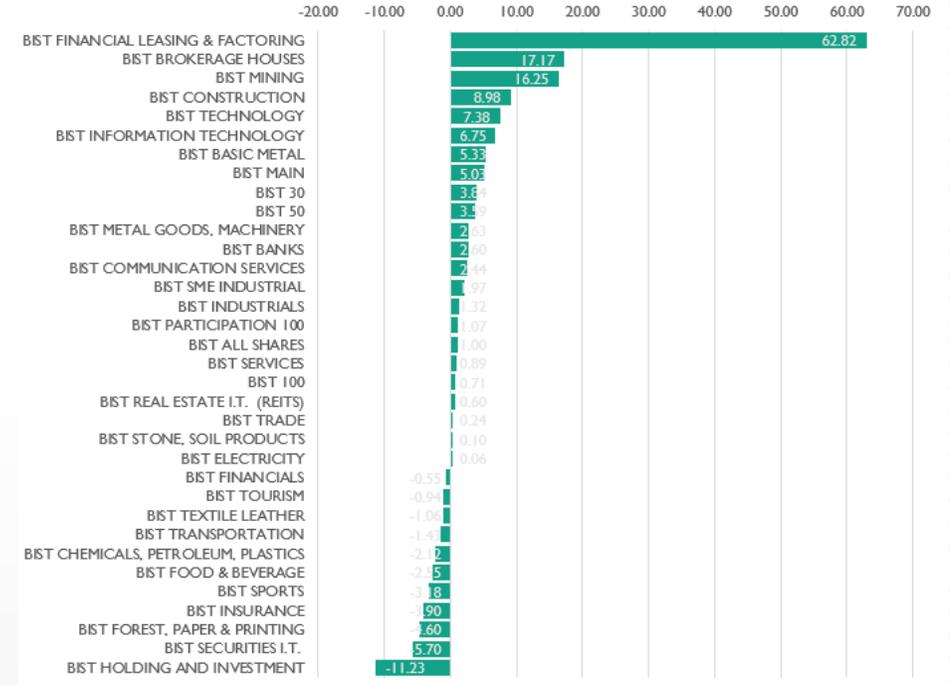
Over the past week, the BIST Financial Leasing & Factoring has led Borsa Istanbul (BIST) with a **5.27%** return.

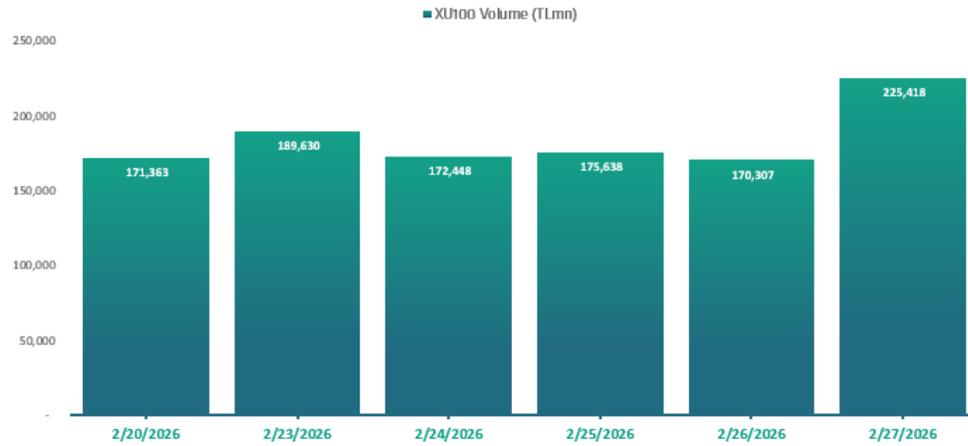
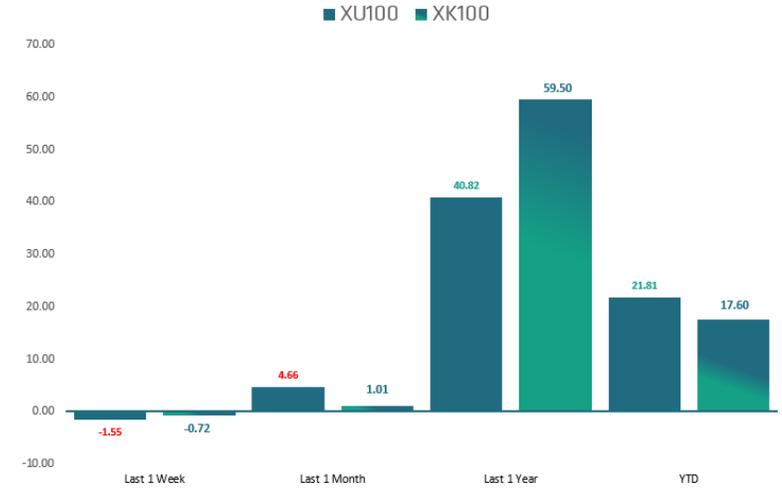
Over the past month, the BIST Financial Leasing & Factoring Index has ranked first on Borsa Istanbul (BIST) with a **62.82%** return.

Weekly Change (%)



Monthly Change (%)





Ubeyde Safvan Erbaş

Supervisor

Technical Analyst

Dr. Kutay Gözgör

Research Director

Muhammed Çakmak

Senior Specialist

Aviation, Healthcare, Information Technology,
Real Estate

Eren Bozdoğan

Senior Specialist

Food and Apparel Retail, Defence, Industry

Ali Osman Okut

Junior Specialist

Cement

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