

# Turkish Markets Daily

 07 May 2024  
 (09:24)

## Financial Markets Data

Domestic Market	Last Price	Change (%)		International Markets	Last Price	Change (%)	
		Daily	YTD			Daily	YTD
<b>BIST-100</b>	10267.09	-0.09	37.44	<b>S&amp;P 500</b>	5180.74	1.03	8.61
<b>BIST-30</b>	11132.49	-0.14	38.80	<b>Nasdaq 100</b>	18093.57	1.19	8.91
<b>\$/TL</b>	32.31	0.16	9.62	<b>Dow</b>	38852.27	0.46	3.09
<b>€/TL</b>	34.78	0.08	6.20	<b>Dax</b>	18175.21	0.96	8.50
<b>Short Term</b>	44.77	0.02	12.83	<b>FTSE 100</b>	8213.49	0.51	6.21
<b>Long Term</b>	28.94	0.10	8.19	<b>Nikkei 225</b>	38762.35	1.38	15.83
<b>Gold</b>	2319.25	-0.20	12.42	<b>Crude Oil</b>	78.401	-0.09	9.77

## Daily Agenda

Date	Time	Country	Data	Period	Expectation	Previous
07.05.2024		TU	DOHOL 4Q23 Earnings Announcement			
07.05.2024	12:00	EC	Retail Sales MoM	Mar	0.7%	-0.5%
07.05.2024	12:00	EC	Retail Sales YoY	Mar	(-)0.2%	-0.7%

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## Local Market Overview

**BIST-100 – Quiet start to the week. After a relatively positive start to May, equity markets made a limited positive start to the new week.** On the first trading day of the week with weak data traffic, MSCI World index rose 0.6% and MSCI Emerging Markets index rose 0.5%. After the S&P credit rating increase, BIST started flat. The BIST-100 index, which gained 5.9% on average before the rating upgrades in the last 20 years, gained 0.4% on the first day and 0.1% in the first week after the rating upgrade. In this respect, the first day performance was in line with the statistical performance. If the BIST-100 index approaches the \$320-325 level (~TL10,350-10,500) or breaks the \$315-310 level (~TL10,150-10,000) in the near term, sell-buy strategies may be preferred.



**VIOP Index30 - The profit selling demand that started above 11,900 may continue towards 11,700 despite the reactions..** In the June maturity Index30, the intraday close was 11,903, while it was realized as 11,928.75 in the evening session. While Treasury and Finance Ministry auctions were followed at the opening of the week, two government bond auctions and a sukuk sale will be held today. BIST June futures may continue to reduce its “upward momentum” with the S&P decision behind with the desire for profit sales after the 11,977 attempt on its new peak journey. BIST June futures may start the new day around 11,920 with a horizontal positive opening. However, in parallel with the volatility that may occur during the day, let us remind you that 11,850-11,700 levels are support and 11,970-12,150 levels are resistance zones.

**Spot USD/TRY-** The CBRT left the policy rate unchanged at the April MPC meeting. According to the MPC text, the effects of the 500 bps rate hike in March will be monitored. In case of a sustained deterioration in the inflation outlook in the future, further rate hikes may be considered. Thanks to the tight monetary policy, there is a significant real return potential in TRY compared to the current monthly CPI figure. According to the CBRT market participants' survey, the year-end CPI forecast of the participants is 44%. Considering this rate, TL deposit rates in the market offer a real return opportunity. In this environment, the real appreciation process of TL may continue rapidly.

**Eurobond link:**

<https://rapor.garantibbvayatirim.com.tr/yatirimdanismanligi/eurobond07.05.2024.xlsm>

**Macroeconomic and Political News****Turkish Lira appreciates by 2.9% in April in real terms**

**The real effective exchange rate (REER):** According to CBRT data, April REER rose by 2.9% to 59.8. Turkish Lira has appreciated by 3.4% against its advanced economy counterparts and 2.3% against its EM counterparts. Turkish Lira has appreciated by 8.0% in real terms relative to end-2023.

**Sector and Company News**

**Banking Sector:** In 1Q24, net profit of the banking sector increased by 43% yoy to TL153.5bn, ROE of the sector was 28% (Neutral)

**Banking Sector:** March 2024 net profit of the banking sector was realized as TL78,790mn. While the sector's net profit increased by 89% yoy, the monthly increase was realized as 84%. Thus, the banking sector generated a net profit of TL153.5bn in the first quarter of the year, while ROE was 27.8% in this period. NIM contracted by 92 bps qoq to 3.9% in the first quarter of the year. The loan spread, which narrowed by 8 bps qoq to negative 0.8%, and declining CPI linked securities yields weighed on margins. Net lending spreads have been in negative territory for the last 12 months and are expected to be in this territory in the first half of the year.

Highlights are as follows;

Commission revenues increased by 178% yoy, maintaining the strong outlook from last year. In particular, the impact of higher phased payment systems was clearly visible in this item. Higher swap costs continue to weigh on trading profit. Subsidiary contribution increased by 31% this month, while banks' operating expenses rose by 89% yoy, above inflation.

Sector's net provisions increased by 10% mom. NPL ratio decreased by 5 bps mom to 1.5%. Net cost of risk was -100 bps in 1Q24 (2023: -12 bps).

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