

Daily View

Good morning. After climbing as high as USD 105 yesterday, Brent crude oil prices are falling back to around USD 100 following U.S. President Trump's message that "we will not attack Iran until the November 3 midterm elections". With similar dynamics, the 10-year U.S. Treasury yield is also falling back to around 5.20% this morning after testing 5.35%. With these developments, index futures for the U.S. and European markets, which saw selling yesterday, are also trading in positive territory this morning. Asian markets, on the other hand, are generally weak as they price in yesterday's selling in Western markets this morning, but we are seeing attempts at a rebound after the opening trades. Domestically, in the liquidation processes of the funds, the first interim payments in 17 funds of 3 institutions were transferred to investor accounts. There may be operational delays, but we see that the interim payment process went smoothly overall and that, based on September 16 prices, only two funds posted losses of over 10%, while the others recorded more limited nominal losses or partial gains. While the Borsa Istanbul 100 index rose 0.8% to 12,213 points yesterday, the companies contributing to the index were TUPRS, BIMAS, ASTOR, KCHOL, SAHOL, while those with a negative impact on the index were YKBNK, AKBANK, CCOLA, ISCTR, THYAO. Companies standing out with steady fund inflows over the past week were SAHOL, TRMET, SISE, TAVHL, OTKAR, GLYHO. From a technical perspective, the 11,900 / 12,000 area can be monitored as a support zone in the BIST 100 index. Resistances, on the other hand, are at the 12,300 / 12,400 area. On today's agenda, August industrial production will be monitored domestically. The outlook in intermediate goods imports excluding gold and energy, together with other leading indicators for August, point to the weakness in industrial production having continued in August. In the U.S., the Michigan indices will be followed. Turkey's 5-year CDS premium starts the day at 249 basis points.

Macro and Politics

*** TURKSTAT will release August industrial production (IP) figures today at 10:00 local time.** Foreign trade data provide important signals for the industrial production outlook. The trend in intermediate goods imports excluding gold and energy suggests that weakness in industrial activity persisted into August. Other leading indicators for the month also point to a possible further contraction in industrial production, following declines of 1% m/m and 0.3% y/y in July.

*** Foreign investors were net sellers of USD190mn in equities and USD485mn in bonds (excluding repo transactions) during the September 25–October 2 week.** The reversal in equity flows followed net purchases of USD360mn in the previous week, while foreign selling in the bond market continued for a third straight week. Foreigners' share in the total bond stock slipped to 6.6%, its lowest level since early July. Moreover, residents' FX deposits (excluding gold and adjusted for the EUR/USD parity effect) rose by USD984mn over the same week, while their total FX deposits (including gold, adjusted for the price effect) grew by USD851mn. Besides, the CBT's gross reserves fell by USD3.8bn to USD167.4bn in the September 25–October 2 week, extending its decline to six successive weeks, with a cumulative loss of USD21.1bn. Net reserves, by contrast, edged up merely by USD407mn to USD53.7bn. The swap stock increased by USD2.4bn to USD15.9bn, leaving net reserves excluding swaps USD2bn lower at USD37.8bn.

Sector and Company News

- **THYAO** announced that passenger traffic increased by 3.6% YoY to 9mn in September, while international passenger traffic rose by 4.8% YoY to 5.9mn and domestic passenger traffic increased by 1.5% YoY to 3.1mn. The passenger load factor increased by 2.2pp YoY to 86.8%, while cargo and mail volume rose by 13% YoY to 205.7k tons.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
ENERY		ENERY	Buyback	224.314	14.09	4.61%
LMKDC		LMKDC	Buyback	100.000	23.61	0.37%
KRVGD		KRVGD	Buyback	876.751	2.09	1.92%
LKMNH		LKMNH	Buyback	25.000	10.71	6.07%
KZGYO		KGZYO	Buyback	64.931	16.73	0.25%
GRTHO		GRTHO	Buyback	283.000	112.05	1.71%
KOCMT		KOCMT	Buyback	1.000.000	2.60	1.02%
YYLGD		YYLGD	Buyback	195.000	7.40	0.15%
AHGAZ		AHGAZ	Buyback	564.735	48.01	3.27%
ORGE		ORGE	Buyback	100.000	22.00	1.03%
DAGI		DAGI	Buyback	200.000	5.75	7.34%

Important Disclosures

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