

Daily View

Good morning. While the disappointment created by higher-than-expected inflation in the U.S. brought selling to equity markets, U.S. Treasuries also saw partial buying. While the 10-year Treasury yield fell back to around 5.10%, gold prices reacted to the upside, whereas silver prices remained at the level they had fallen to after sharp selling. Looking at this morning, U.S. and European futures and Asian markets are generally under selling pressure and point to weak global risk appetite. In Borsa Istanbul, the weak course continues within a pricing environment centered on the fund investigations, liquidation processes and legal regulations. The BIST 100 index, which has been closing within an extremely narrow band of 12,100 / 12,400 for about 15 days, fell 1.1% to 12,118 points yesterday, approaching the lower limit of this band. The companies contributing to the index were TUPRS, TAVHL, TURSG, RYSAS, SOKM, while those with a negative impact on the index were THYAO, AKBNK, ASELS, BIMAS, CCOLA. Companies standing out with steady fund inflows over the past week were TURSG, ENTRA, AKFYE, TUREX, LIDFA and MOBTL. From a technical perspective, the 11,900 / 12,000 area can be monitored as the main support zone in the BIST 100 index, with the 12,050 / 12,100 band as interim support. Resistances, on the other hand, are at the 12,300 / 12,330 and 12,400 / 12,530 areas. On today's agenda, U.S. PPI data stand out. Following yesterday's CPI data, which came in above expectations, today's PPI data will also be closely monitored. Turkey's 5-year CDS premium starts the day at 246 basis points.

Macro and Politics

*** The Treasury and Finance Ministry will release September central government budget figures @ 11:00 local time.**

The Treasury cash balance posted a deficit of TL467.2bn in September, alongside a primary cash deficit of TL193.3bn. This brought the cumulative Treasury cash deficit to TL1.9tn in Jan–Sep, while the primary cash balance recorded a surplus of TL312.5bn over the same period. We expect today's figures to show that the central government budget swung back into deficit in September, following a surplus of TL12.9bn in August. We calculate that the sliding-scale fuel tax mechanism will result in approximately TL500bn in foregone tax revenues in 2026, including the associated VAT impact of lower special consumption tax (SCT) collections. Under the gradual phaseout of the mechanism that began in July, the fixed SCT on diesel, which was reduced to zero in August, is set to increase to TL3 per liter in September, TL6 in October, TL9 in November and TL12 in December. As the mechanism is phased out and fixed SCT rates are gradually restored, we expect a recovery in fuel-related tax revenues in the final quarter of the year. Nevertheless, revenue growth remaining below inflation and persistently elevated interest expenditure continues to warrant attention from a fiscal perspective. Our 2026 budget deficit forecast stands at TL2.8tn, equivalent to 3.3% of GDP.

*** The CBT will release weekly foreign portfolio flows, money and banking statistics, and international reserves for the October 2 – 9 period today at 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that gross reserves increased by USD4.2bn to USD171.6bn, while net reserves rose by USD3.9bn to USD57.6bn during the week. We expect today's official data to confirm a reserve accumulation in line with our analytical balance sheet-based calculations. To recall the previous week's data: Foreign investors were net sellers of USD190mn in equities and USD485mn in bonds (excluding repo transactions) during the September 25–October 2 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

- **AHGAZ** repurchased 390K shares at an average price of TL46.41 per share under its share buyback program. The ratio of repurchased shares to capital reached 3.33%.
- **ASTOR** will distribute a gross dividend of TL2.19 per share today, implying a dividend yield of 1.1% based on the latest closing price.
- **BIMAS** decided to establish a new technology company operating in software, artificial intelligence, big data, cybersecurity, financial technologies and digital payment systems.
- **EBEBK** will distribute a gross dividend of around TL0.63 per share today, implying a dividend yield of 0.8% based on the latest closing price.
- **ERBOS** announced that the figures reported in news articles regarding its financial performance do not match its official financial statements and contain misleading assessments.
- **ESCAR** announced that Bulls Girisim Sermayesi applied for the conversion into tradable type of around 15mn shares, corresponding to 3% of the company's capital.
- **HEKTS** completed its TL2.38bn private placement capital increase by selling 702.1mn shares to OYAK at TL3.39 per share.
- **MASFN** signed domestic contracts worth USD10.2mn.
- **MAVI** repurchased 250K shares at an average price of TL37.26 per share on October 14 under its share buyback program. The ratio of total repurchased shares to capital reached 2.22% to date.
- **ODINE** announced that its board members, excluding independent directors, were arrested within the scope of the fund investigation. **ODINE** stated that an appeal was filed against the decision and operations continue uninterrupted.
- **RUZYE** decided to sell TL200mn worth of Usak Seramik financing bills for which coupon payments had not been made, while potential losses will be covered by its Chairman of the Board.
- **TERA** announced that the CMB removed its applications for debt instrument issuance, private placement capital increase and bonus capital increase from consideration.
- **TRALT** completed the transfer of its 44% stake in TR Tedarik Danismanlik ve Arac Kiralama to Turk Altin Holding.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
KRVGD		KRVGD	Buyback	450.000	2.15	2.01%
LKMNH		LKMNH	Buyback	30.000	10.85	6.12%
KZGYO		KGZYO	Buyback	87.425	17.86	0.68%
AHGAZ		AHGAZ	Buyback	390.000	46.41	3.33%
YYLGD		YYLGD	Buyback	50.000	7.38	0.17%
MAVI		MAVI	Buyback	250.000	37.26	2.22%
TABGD		TABGD	Buyback	10.000	215.40	0.09%
KLRHO		KLRHO	Buyback	3.141.000	10.47	0.11%
ENERY		ENERY	Buyback	1.200.000	13.98	4.62%
BOBET		BOBET	Buyback	101.355	14.50	3.70%

Important Disclosures

Disclaimer

This document was produced by Tacirler Yatırım Menkul Değerler A.Ş. ("Tacirler Investment"), solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient.

This document does not constitute an offer of, or an invitation by or on behalf of Tacirler Investment to any person to buy or sell any security. The information contained herein has been obtained from published information and other sources which Tacirler Investment considers to be reliable. Tacirler Investment does not accept any liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document.

Recipients of this document are urged to base their investment decisions upon their own appropriate investigations that they deem necessary and they should make their own independent decisions as to whether an investment or instrument is proper or appropriate based on their own individual judgment and their risk-tolerance. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and Tacirler Investment accepts no liability for any such loss or consequence. Not all investment strategies are appropriate at all times, and past performance is not necessarily a guide to future performance.

Tacirler Investment may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or their derivative securities thereon either on their own account or on behalf of their clients.

Tacirler Investment may perform or seek to perform securities, investment banking or other services for such issuer or its affiliates presented in this document.