

Daily View

Good morning. Following the sharp selling in technology companies in the U.S. on Friday, the new week is starting on an optimistic note in search of a rebound. While the situation in the Strait of Hormuz has still not become clear, the constantly escalating tension between Ukraine and Russia is also being followed by markets. Brent crude oil prices, after climbing as high as USD 108/barrel in the active contracts last week, are in the USD 106/barrel area this morning. U.S. futures and Asian markets are generally positive, while European futures, struggling with budget problems and street protests, are starting the week with selling. In Borsa Istanbul, on the other hand, the selling process continues. MSCI's postponement of the period previously defined until November to June 2027, while suspending index changes during this process, is causing the reluctance of institutional investors in particular regarding the Turkish equity market to continue. Companies, meanwhile, continue their operations, and we do not have a negative expectation regarding the financial performance of listed companies in general. 12-month valuations point to around 17,500 for the BIST 100 index and a return potential approaching 50% on an index basis. Once the current stressful period stabilizes, we think this potential will offer a catalyst. Turning to Friday, while the BIST 100 Index fell 2.9% to 11,721 points, the companies contributing to the index were GLYHO, BRSAN, AKFYE, ENTRA, TCKRC, while those with a negative impact on the index were BIMAS, ASELS, TUPRS, ASTOR, KCHOL. Companies standing out with steady fund inflows over the past week (independent of their price performance) were GARAN, PGSUS, AKFYE, TURSG, RYSAS, ENTRA, LIDFA, ULUFA, MPARK and INDES. From a technical perspective, as long as the index remains below 11,900, we see room for a pullback to the 10,500 / 11,000 band. Today's agenda is quiet. Turkey's 5-year CDS premium starts the day at 249 basis points.

Macro and Politics

*** The CBT released its October 2026 Survey of Market Participants.** Participants' year-end CPI inflation expectation for 2026 remained unchanged at 29.6%, while the 2027 year-end expectation increased to 23.3% from 22.7%. The 12-month-ahead inflation expectation rose to 23.9% from 23.7%, while the 24-month-ahead expectation declined to 17.9% from 18.3%. The five-year-ahead expectation edged up to 12.2% from 12.1%. Respondents expect monthly CPI inflation of 2.1% in October, followed by 1.2% in November and 1% in December. Our October CPI forecast stands above the survey consensus at 2.4% m/m, which would bring annual inflation down to 29.5% from 29.7%. Market participants expect the CBT to cut its policy rate by 100bp to 36% at the October 22 MPC meeting, followed by another 100bp reduction to 35% on December 10. Our policy rate projections are aligned with these expectations. The survey's year-end 2026 USD/TL expectation edged down to 51.5 from 51.6, matching our own forecast of 51.5.

*** Total house sales fell by 9.3% y/y to 142,390 units in September.** First-hand house sales increased by 3.9% y/y to 51,519 units, while second-hand house sales declined by 15.3% y/y to 90,871 units. Mortgage-backed sales rose by 5.1% y/y to 23,397 units, although their share in total house sales fell to 16.4% from 17.4% in August. Turning to financial conditions in the housing market, the average mortgage rate edged down to 41.91% in September from 41.99% in August, compared with 38.80% in September 2025. With annual growth in mortgage-backed sales slowing further in September, we maintain our view that elevated financing costs continue to constrain credit-driven housing demand.

*** The Residential Property Price Index (RPPI) rose by 1.2% m/m and 22.3% y/y to 239.4 in September, corresponding to a 5.7% y/y decline in real terms.** The New Tenant Rent Index (NTRI) increased by 2.1% m/m and 26.6% y/y, implying a 2.4% y/y contraction in real terms. The September figures indicate that both house price appreciation and new tenant rent increases continued to lag inflation, although the annual declines in real terms moderated somewhat compared with August.

*** Credit rating agency Standard & Poor's (S&P) did not publish a sovereign rating update for Turkey on Friday, despite October 16, 2026 being listed as a scheduled review date.** Turkey's long-term foreign-currency sovereign rating

remains at BB-, three notches below investment grade, with a stable outlook. While the absence of a rating action is consistent with our expectation that S&P would maintain both the rating and outlook, the agency could have issued a brief assessment. It is worth noting that scheduled review dates do not necessarily result in the publication of a rating report or a new rating decision. S&P last reviewed Turkey's sovereign rating on April 17, 2026. All three major credit rating agencies—Moody's, S&P and Fitch—currently rate Turkey three notches below investment grade, with stable outlooks.

Sector and Company News

- **AHGZ** repurchased 479K shares at an average price of TL46.49 per share under its share buyback program. Total repurchased shares reached 87 million, raising the ratio to capital to 3.3495%.
- **AKBNK** and the EBRD provided a total of EUR 45 million in financing to support Sanmar Denizcilik's operations and investments, with **AKBNK** contributing EUR 22.5 million.
- **AKFIS** signed two contracts with a total value of TRY 340 million.
- **ARCLK** announced that it will release its 3Q26 financial results on October 26.
- **AYGAZ** announced it will release 3Q26 financial results on November 6.
- **CGCAM** received a new glass order worth TRY 63.6 million.
- **CVKMD** repurchased 8.63 mn shares at an average price of TL12.36 under its share buyback program. Following the transaction, the repurchased shares represented 0.334% of the company's share capital.
- **EKGYO** generated total presales revenue of TRY 62.3 billion in 9M26, comprising TRY 56.8 billion from the sale of 3,269 independent units and TRY 5.5 billion from land sales.
- **GEREL** completed and commissioned a 2.4 MW rooftop solar power plant at its Çaycuma factory.
- **GOZDE** completed the acquisition of a 67% stake in İmaj Ambalaj for EUR 4 million.
- **KCHOL**'s subsidiary Enerji Yatırımları (EYAŞ, 77% owned by Koç Holding and 20% by Aygaz) decided to distribute a TL5.1 billion cash advance dividend from its first 9-month 2026 profit, and completed the payment. **KCHOL** announced it will release its 3Q26 financial statements (for the January 1 - September 30, 2026 period) on November 9, 2026.
- **KGYO** repurchased its financing bond, with a nominal value of TRY 104.5 million, for TRY 120.1 million.
- **LILAK** applied to the Capital Markets Board of Türkiye (CMB) to increase its capital from TRY 590 million to TRY 1.77 billion through a 200% bonus share issue.
- **MAVI** repurchased 350K shares at TL35.93 per share under its share buyback program. The ratio of repurchased shares to capital reached 2.30%.
- **PASEU** signed an agreement to acquire a 25% stake in Metrosis İnşaat, which operates in railway signaling and engineering, for EUR 2.5 million.

- **RUZYE** decided to cancel its planned TRY 325 million private placement capital increase and withdraw its application to the CMB.
- **SAHOL** repurchased 290K shares at TL85.82 per share under its share buyback program. The ratio of repurchased shares to capital reached 0.01381%. **SAHOL** announced it will release financial results for the period ended September 30, 2026 on November 4, 2026 after market close.
- **THYAO** signed a memorandum of understanding with CFM International for the supply of engines and spare engines for up to 295 B737 MAX aircraft, maintenance services, and the establishment of an engine maintenance center within Turkish Technic.
- **TMSN** won seven lots worth a total of TRY 881.6 million in İstanbul Ağaç ve Peyzaj's tender for the purchase of vehicles and construction equipment.
- **TRALT** filed an appeal with the Council of State against the annulment rulings concerning the Çanakkale Karapınar Gold-Silver Mine Project. The legal proceedings are ongoing.
- **VANGD** applied to the Capital Markets Board of Türkiye (CMB) to increase its capital from TRY 25 million to TRY 92.5 million through a 270% bonus share issue.
- **VSNMD** applied for an air emissions compliance letter for its crushing and screening plant at the Adana Gündoğan Branch.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
KRVGD		KRVGD	Buyback	370.018	2.10	2.03%
LKMNH		LKMNH	Buyback	12.500	10.67	6.14%
KZGYO		KGZYO	Buyback	126.616	17.78	0.84%
ARMGD		ARMGD	Buyback	3.242.458	108.20	3.22%
YYLGD		YYLGD	Buyback	73.000	7.07	0.19%
MAVI		MAVI	Buyback	350.000	35.93	2.30%
TABGD		TABGD	Buyback	20.000	204.26	0.11%
ATAKP		ATAKP	Buyback	60.000	32.01	0.74%
ARSAN		ARSAN	Buyback	100.000	3.00	7.27%
TRALT		TRALT	Buyback	2.426.500	41.22	4.81%
GIPTA		GIPTA	Buyback	16.664	26.36	0.23%
OFSYM		OFSYM	Buyback	56.452	53.07	0.15%
ENERY		ENERY	Buyback	1.538.989	13.84	4.64%
SAHOL		SAHOL	Buyback	290.000	85.82	0.01%
BOBET		BOBET	Buyback	100.000	14.00	3.76%
AHGAZ		AHGAZ	Buyback	479.477	46.49	3.35%
DAGI		DAGI	Buyback	7.410.000	6.16	12.71%
ORGE		ORGE	Buyback	150.000	21.17	1.14%

Important Disclosures

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