

Daily View

Good morning. Concerns that U.S.-Iran tensions could escalate again soon and regional developments are pulling oil prices back to peak levels. Brent crude oil prices stand at USD 113/barrel in the October contracts and at USD 110/barrel in the active November contracts. Despite rising oil prices, the loss of momentum in AI-focused business models and concerns about a slowdown in economic activity are causing expectations of a Fed rate hike in December to be pushed back to 2027. The selling on Wall Street, meanwhile, is leading to inflows into U.S. Treasuries on safe-haven demand and a decline in yields. Following yesterday's selling in global equity markets, U.S. and European futures and Asian markets are also generally under selling pressure this morning. In Borsa Istanbul, together with fund liquidations and selling for ratio adjustment purposes, the pullback towards the 10,500 / 11,000 area, which we had foreseen below 11,900 and have been sharing for some time, continues. While the BIST 100 Index fell 3.1% to 11,220 points yesterday, the companies contributing to the index were CVKMD, AKCNS, ULKER, AKFYE, ENTRA, while those with a negative impact on the index were BIMAS, ASELS, AKBNK, TUPRS, EREGL. Companies standing out with steady fund inflows over the past week were FROTO, ENKAI, SELEC, EFOR, CVKMD, AKFYE, ENTRA. In potential rebounds, 11,280, 11,360 and 11,550 can be monitored as resistances. On today's agenda, the CBT sectoral inflation expectations survey will be followed domestically, while manufacturing, services and composite PMI data in Europe and the U.S. will be followed abroad. Looking at inflation expectations domestically, for the 12-month period households expect 45.6%, the real sector 32.5% and market participants 23.7%. PMI data are above the 50 threshold in all regions, but declines compared to the previous month are expected. Turkey's 5-year CDS premium starts the day at 258 basis points.

Macro and Politics

*** The CBT will release the October Sectoral Inflation Expectations (SIE) Survey @ 10:00 local time.** According to the September Sectoral Inflation Expectations Survey, households' 12-month-ahead inflation expectations edged up by 0.02 percentage points to 45.60%, while real sector expectations declined by 0.30 percentage points to 32.50%. Market participants' expectations remained unchanged at 23.7%. Meanwhile, the share of households anticipating a decline in inflation over the next 12 months fell by 0.60 percentage points to 16.25%. The October Survey of Market Participants revealed broadly persistent inflation expectations, with the year-end 2026 CPI forecast holding steady at 29.6%, while the year-end 2027 forecast was revised upward to 23.3% from 22.7%. The 12-month-ahead inflation expectation increased to 23.9% from 23.7%, whereas the 24-month-ahead expectation eased to 17.9% from 18.3%. Longer-term expectations also edged higher, with the five-year-ahead forecast rising to 12.2% from 12.1%. We expect the October Sectoral Inflation Expectations Survey to indicate continued stickiness in real sector and household inflation expectations, mirroring the limited improvement observed in market participants' expectations over recent months.

*** The CBT's Monetary Policy Committee (MPC) reduced the policy rate by 100bp to 36% at its October meeting, in line with our house forecast and the market median expectation.** The MPC statement adopted a more favorable assessment of underlying inflation compared with September. The Committee maintained its assessment of subdued domestic demand, while reiterating that geopolitical tensions and elevated energy prices continue to pose upside risks to the inflation outlook. Forward guidance remained broadly unchanged, although the MPC explicitly emphasized that both the magnitude and timing of future rate adjustments would be determined on a meeting-by-meeting basis, with a cautious approach. We expect October CPI inflation of 2.4% m/m, bringing annual inflation down to 29.5% from 29.7%. Our year-end CPI inflation forecast stands at 29.2%. Looking ahead, we expect another 100bp rate cut at the December 10 MPC meeting, bringing the policy rate to 35% by year-end. However, we do not view the October and December cuts as the beginning of an uninterrupted easing cycle. We believe that minimum wage adjustments and increases in administered and regulated prices at the start of 2027 could intensify upside inflation risks in 1Q27, narrowing the scope for further monetary easing. Accordingly, we see a high likelihood of the MPC pausing rate cuts in the early months of 2027.

*** Foreign investors were net sellers of USD88.8mn in equities and USD44.4mn in bonds, excluding repo transactions, during the October 9–16 week.** Equity outflows continued for a third successive week, bringing cumulative net foreign sales over the period to USD527mn. In the bond market, foreign investors shifted back to net selling following purchases of USD451.1mn in the preceding week, while foreigners' share in the total bond stock declined to 6.5% from 6.6%. Moreover, residents' FX deposits (excluding gold and adjusted for the EUR/USD parity effect) registered a slight increase of USD89mn during the October 9–16 week, while their total FX deposits (including gold, adjusted for the price effect) fell by USD848mn. In terms of official reserves: The CBT's gross reserves declined by USD2.5bn to USD169.1bn during the October 9–16 week, while net reserves fell by USD6.2bn to USD51.4bn. The swap stock decreased by USD1.4bn to USD12.2bn, while net reserves excluding swaps contracted by USD4.9bn to USD39.3bn.

Sector and Company News

- **AFYON** released its 3Q26 financial results with TL169mn net profit. Net profit increased by 67% YoY, while the company had posted TL141mn net loss in the previous quarter.
- **AKFGY** released its 3Q26 financial results with TL373mn net profit. Net profit declined by 21% YoY, while increasing by 809% QoQ.
- **AKGRT** released its 3Q26 financial results with TL875mn net profit, 11% above the market expectation. Net profit increased by 6% YoY and 17% QoQ.
- **DZGYO** released its 3Q26 financial results with TL50mn net loss. The company had posted TL75mn net profit in the same period of last year and TL40mn net loss in the previous quarter.
- **EBEBK** reported TL10.5bn revenue, TL1.8bn EBITDA and TL315mn net profit in 3Q26. Revenue increased 18% y/y in real terms, while EBITDA rose 40% y/y. EBITDA margin improved to 17.0% from 14.2%.
- **EREGL** released its 3Q26 financial results with TL2,210mn net profit, above the market expectation of TL1,954mn. Net profit increased by 239% YoY, while declining by 74% QoQ. Revenues increased by 35% YoY to TL71.3bn, while EBITDA rose by 68% YoY to TL8bn, coming in 3% below the market expectation.
- **ISDMR** released its 3Q26 financial results with TL3,234mn net profit. Net profit increased by 103% YoY, while declining by 58% QoQ.
- The CMB decided to impose a two-year trading ban on numerous individuals and institutions, including Tera Portfoy, Tera Yatirim, Tera Yatirim Bankasi and Tera Yatirim Holding, due to transactions in **ALKLC** and **ANELE** shares. The ban will be limited to trading in the relevant shares.
- **AHGZ** repurchased 160K shares at an average price of TL42.65 per share under its share buyback program. The ratio of repurchased shares to capital reached 3.40%.
- **ATATP** announced that its subsidiary ATP Capital will acquire a 45.1% stake in a newly established company that will invest in the energy, defense and technology sectors.
- **GESAN** submitted the most competitive bid of TL284.7mn in a tender organized by TEIAS, ranking first.

- **GUBRF** decided to invest a total of TL7.25bn in Tarim Kredi Market, Tarim Kredi Yem and Tarim Kredi Tedarik through its subsidiary. Following the transactions, the company is expected to hold stakes of 10.26%, 10% and 30%, respectively.
- **IMASM** signed a contract worth USD900k.
- **ISFIN** signed a long-term loan agreement worth EUR100mn with the European Bank for Reconstruction and Development (EBRD) to finance green investments.
- **MCARD** will distribute a gross dividend of TL2.57 per share today, implying a dividend yield of 2.9% based on the latest closing price.
- **MEDTR** announced that its bid of TL19mn was accepted in a tender.
- **SMART** extended its existing IT support services contract with CarrefourSA until end-2026 for TL28mn.
- **TCELL** acquired 171 independent units at the Istanbul Financial Center from a subsidiary of the Turkiye Wealth Fund for TL16.5bn, corresponding to 2.5% of its total assets, to be used as its technology and management center.
- **TRCAS** said its 30%-owned affiliate Shell & Turcas Petrol resolved to distribute TL2.5 billion from 2025 profits. Turcas' share of TL750 million has been transferred to its accounts.
- **TRILC** announced that the court granted a one-year definitive moratorium under its ongoing concordat proceedings, effective from November 2, 2026.
- **VESTL** applied to the CMB for the issuance of up to USD137.5mn in new bonds as part of the restructuring of its existing Eurobonds, without increasing its overall indebtedness.
- **ZOREN** requested bondholders' consent to defer its USD60.5mn Eurobond interest payment, originally scheduled for October 23, 2026, to April 23, 2027.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AZTEK		AZTEK	Buyback	199.307	2.89	0.16%
TABGD		TABGD	Buyback	40.000	193.82	0.16%
ENERY		ENERY	Buyback	550.000	12.14	4.70%
AHGAZ		AHGAZ	Buyback	160.000	42.65	3.40%
DAGI		DAGI	Buyback	64.197	5.45	13.05%
ORGE		ORGE	Buyback	250.000	19.08	2.12%
ATATP		ATATP	Buyback	20.000	212.12	0.28%
ALBTN		ALBTN	Buyback	100.000	17.96	0.37%
KLRHO		KLRHO	Buyback	100.000	10.21	0.13%
CVKMD		CVKMD	Buyback	158.022	11.80	0.42%
GIPTA		GIPTA	Buyback	40.000	22.80	0.32%
LMKDC		LMKDC	Buyback	100.000	19.48	0.50%
LKMNH		LKMNH	Buyback	20.000	11.00	6.15%

Important Disclosures

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