Daily View

Good morning. Although stronger-than-expected PMI data in the US provided positive signals regarding the growth outlook, they weighed on equity markets by creating an environment in which the Fed could raise interest rates faster than previously anticipated. US Treasury yields have climbed to multi-year highs, while mortgage rates are also testing their highest levels in the past year and a half. The move above 5%, a key threshold for 10-year US Treasury yields, weighed on US equity indices yesterday evening and continues to do so this morning. European futures and Asian equities are also broadly trading lower. In Borsa Istanbul, the BIST 100 Index continued to hold around 13,200 for a sixth consecutive trading session, while the BIST All-100 (XTUMY) Index continued to weaken, partly due to stocks remaining in a series of limit-down sessions. The XTUMY Index has declined more than 25% from the peak region seen at the end of August, while the XU100 Index has fallen by nearly 10% over the same period. Turning to yesterday, the BIST 100 Index rose 0.4%, with TUPRS, ASELS, ASTOR, BIMAS, and PETKM making the largest positive contributions to the index. The stocks with the most negative impact were DSTKF, KTLEV, IEYHO, RALYH, and KUYAS. The stocks that have stood out with consistent fund inflows over the past week are ASELS, TUPRS, ISCTR, TKFEN, ENKAI, YKBNK, VAKBN, BAHKM, RYGYO, ENTRA, and TTKOM. We believe a technical assessment of the index will become more meaningful following the replacement of 27 companies in October. For now, however, the 12,900–13,000 region can be monitored as support, while the 13,400–13,450 band stands out as resistance. On today's agenda, foreign exchange transactions and Türkiye's reserves will be monitored domestically, while growth and housing sector data will be in focus abroad. Türkiye's 5-year CDS premium starts the day at 241 basis points.

Macro and Politics

*** The CBT will release weekly foreign portfolio flows, money and banking statistics, and international reserves for the September 11 – 18 period today at 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that gross FX reserves declined by USD4.2bn to USD174.5bn, while net FX reserves fell by USD6bn to USD56.1bn during the week. We expect today's official data to confirm a decline in reserves broadly in line with our analytical balance sheet-based estimates. To recall the previous week's data: Foreign investors returned to the equity market with net purchases of USD277.7mn in the September 4–11 week, while adding a further USD151.2mn to their bond holdings, excluding repo transactions. Moreover, foreigners' share in the total bond stock remained unchanged at 7.2% over the same period. Over the same period, residents' FX deposits (excluding gold and adjusted for the EUR/USD parity effect) increased by USD1.1bn, driven by a rise in corporate FX deposits, while their total FX deposits (including gold, adjusted for the price effect) increased by USD1.8bn in the September 4–11 week. The CBT's FX reserves declined in the September 4–11 week. Gross FX reserves fell by USD5.5bn to USD178.7bn, while net FX reserves decreased by USD3.4bn to USD62.1bn. The swap stock edged up by USD4mn to USD12.3bn over the same period, while net reserves excluding swaps declined by USD3.4bn to USD49.9bn.

*** According to the September Sectoral Inflation Expectations (SIE) Survey, 12-month-ahead annual inflation expectations edged up by 0.02pp to 45.60% for households, while declining by 0.30pp to 32.50% for the real sector.** Expectations among market participants, meanwhile, remained unchanged at 23.7%. The share of households expecting inflation to decline over the next 12 months also fell by 0.60pp to 16.25%. The September results point to a modest improvement in real sector inflation expectations, while highlighting the continued stickiness in household expectations.

Sector and Company News

- **ARDYZ** announced that it received an order worth USD 8.64 million, including VAT, from a private company for IT products under a project whose end-user is a public institution.

- **ASTOR** signed power transformer supply contracts worth USD33.8mn with two customers in the US.

- **AYES** received CMB approval to increase its capital by 233% through a bonus issue, raising it from TL150mn to TL500mn.

- **BULGS** announced that it has abandoned the establishment of Bulls Gıda Ticaret — which it had planned to set up together with White Burger Gıda with a 50% stake — and will withdraw the incorporation application. The company stated it decided not to proceed with the entity, which was to be established to open a single franchise branch.

- **CONSE** submitted the prospectus agreed with the CMB to the Board for its planned 100% rights issue, which will increase its capital from TL771mn to TL1.54bn.

- **GEDZA** announced that it repurchased 40,000 shares at prices ranging between TL 24.14 and TL 25.00 under its share buyback program. Following the transaction, treasury shares reached 0.96% of the company's share capital.

- **KLRHO** received CMB approval to increase its capital by 80% through a bonus issue, raising it from TL1.6bn to TL2.9bn.

- **MAVI** announced that it repurchased 100k shares at TL 38.48 per share under its share buyback program, bringing the ratio of total shares repurchased to share capital to 1.88%.

- **ORGE** won a tender worth EUR5mn for electrical works and started contract negotiations.

- **ORZAX** announced that its Chairman, Selman Alimoğlu, purchased 30,000 shares at prices ranging between TL 76.00 and TL 76.60. Following the transaction, his direct stake reached 0.009% of the issued capital, while his total direct and indirect share and voting rights — including indirect stakes — reached 21.87%.

- **PCILT** announced that it repurchased 33,573 lots of shares at an average price of TL 30.97 per share under its share buyback program.

- **THYAO** decided to purchase a total of 150 B737MAX aircraft from Boeing, including 100 firm orders and 50 options, to be delivered in the 2033–2037 period.

- **ZOREN** announced that Moody’s downgraded the company’s long-term credit rating from B3 to Caa1, while maintaining the Negative outlook.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
GENIL		GENIL	Buyback	1.950.000	7.41	0.04%
GEDZA		GEDZA	Buyback	40.000	24.36	0.96%
ORZAX		ORZAX	Buyback	120.000	77.20	0.18%
AHGAZ		AHGAZ	Buyback	30.000	43.93	3.08%
EKGYO		EKGYO	Buyback	450.000	19.93	0.13%
AKFGY		AKFGY	Buyback	600.000	2.50	0.09%
DAGI		DAGI	Buyback	163.770	6.14	5.39%
TTKOM		TTKOM	Buyback	375.000	54.03	0.03%
TUREX		TUREX	Buyback	2.712.539	5.38	0.25%
MAVI		MAVI	Buyback	100.000	38.48	1.88%
ULUFA		ULUFA	Buyback	2.000.000	1.52	0.79%
LKMDC		LKMDC	Buyback	100.000	22.96	0.05%
ATAKP		ATAKP	Buyback	80.000	36.95	0.49%
OYLUM		OYLUM	Buyback	120.000	6.25	1.51%
IZENR		IZENR	Buyback	1.000.000	4.25	0.16%
ALFAS		ALFAS	Buyback	100.000	34.54	0.31%

Important Disclosures

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