

Daily View

Good morning. Global risk appetite is starting the new week on a positive note. Expectations of improvement in U.S.–China relations are driving buying interest in U.S. and European futures as well as Asian equity markets this morning. On Friday, Borsa Istanbul closed just below the 11,000 level with a notable inflow of funds. We expect this optimism to continue. However, inflation data will be monitored at 10:00 a.m. when the market opens. A monthly CPI figure of 2.5% or below would support the market, while a reading of 3.0% or above could trigger selling pressure. At Tacirler Investment, we expect October's monthly CPI increase to come in at 2.71%. In line with our projection, such a reading would indicate a slight decline in annual CPI from 33.3% to 33.1%. We anticipate a noticeable slowdown in monthly inflation during the last two months of the year. We estimate that monthly inflation will fall below 2% in November, due to seasonal effects, and approach 1% in December. Our year-end CPI forecast stands at 31.5% for 2025 and 23% for 2026. Following today's inflation release, attention will turn to the CBRT's presentation of the 2025 Q4 Inflation Report on Friday, November 7. On today's agenda, PMI data will also be in focus. Later in the week, U.S. employment data is expected to take center stage; however, due to the ongoing government shutdown, the figures may not be released. Turkey's 5-year CDS spreads start the day again at 245 basis points.

Macro and Politics

*** TURKSTAT will release October inflation data today @ 10:00 local time.** We expect the monthly CPI to rise by 2.71% in October, slightly lower than the market consensus at 2.8% (Bloomberg). A realization in line with our forecast would imply a modest decline in annual CPI from 33.3% to 33.1%. For the coming period, we anticipate a notable slowdown in monthly inflation over the final two months of the year, with CPI likely to fall below 2% in November—reflecting seasonal factors—and approach 1% in December. Our year-end CPI forecasts stand at 31.5% for 2025 and 23% for 2026. Following today's inflation release, attention will shift to the CBT's 4Q25 Inflation Report presentation scheduled for Friday, November 7. As a reminder, in the previous presentation held in August, the Bank announced a change in its medium-term forecasting framework, introducing year-end interim targets that would serve as commitment and anchoring tools alongside the Inflation Report projections. Under this new approach, inflation was projected to be in the 25–29% range for end-2025 and 13–19% for end-2026, with interim targets set at 24% and 16%, respectively. In this week's presentation, we expect the CBT to revise its 2025 year-end forecast range (25–29%) upward, while any adjustment to the 2026 range will provide valuable guidance on the CBT's tolerance for disinflation risks and its prospective policy path.

***Istanbul Chamber of Industry (ICI) Turkey October Manufacturing PMI will be announced @ 10:00 local time.** The Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI fell from 47.3 in August to 46.7 in September. Accordingly, after averaging 47.06 in the second quarter, the PMI eased to 46.63 in the third quarter. Remaining below the 50-threshold since April 2024, the index highlights that the sector has been losing momentum for more than a year. The accompanying note underlined that firms again recorded slowdowns in new orders and output and were reluctant to commit to hiring or the fresh purchasing of inputs. Meanwhile, inflationary pressures strengthened but remained muted relative to the respective series averages. Leading indicators point to a slowdown in activity in the third quarter compared to the previous one. The sharp expansion in industrial output observed in the second quarter (6.1% YoY) was largely driven by a favorable base effect. As this effect fades in the third quarter, we expect the underlying weakness in industrial activity to become more evident. Taking into account the stronger-than-expected first-quarter GDP outturn and the comprehensive revisions to the national accounts by TURKSTAT, we have revised our 2025 year-end growth forecast upward from 3.1% to 3.4%.

***The CBT will release the weekly foreign portfolio flows and money & banking statistics for the period of October 17 – 24 @ 14:30 local time.** The weekly foreign portfolio flows and money & banking statistics, typically released alongside the reserves data in every Thursday, will be published today due to the Republic Day holiday. To recall the previous week's data: There was a net foreign outflow from the equity market in the week of 10 – 17 October, amounting to USD178mn, while the bond market (excluding repo transactions) experienced a net foreign inflow of USD151.1mn. Moreover, during the same period, the residents' FX deposits increased by USD1.2bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) climbed by USD2.3bn.

*** According to TURKSTAT's foreign trade data, exports rose by 2.8% y/y to USD22.6bn in September, while imports increased by 8.7% y/y to USD29.5bn.** Consequently, the foreign trade deficit widened from USD4.2bn to USD6.9bn, with the 12-month rolling deficit rising from USD87.5bn to USD89.2bn. Excluding energy and gold, the trade balance posted a USD1.2bn deficit during the month. Accordingly, we expect the current account balance to post a surplus at USD2.1bn in September. We expect the BoP-defined trade deficit to have widened from USD2.8bn to USD4.4bn, while the services surplus likely narrowed from USD9.5bn to USD7.6bn due to weaker net travel revenues. Our year-end 2025 current account forecast stands at USD22bn (1.5% of GDP), though we assess the risks to this projection as tilted to the downside.

Sector and Company News

- **AYGAZ** reported 3Q25 revenue of TL 21.2bn, EBITDA of TL 1.0bn with a 4.7% margin, and a net profit of TL 1.7bn. Both operating margins and net margin improved on an annual and quarterly basis, mainly driven by improvements on the cost side.
- **AGESA** reported a 3Q25 net profit of TL 1.316bn, marking an 87% YoY and 4% QoQ increase.
- **ALGYO** reported a 3Q25 net profit of TL 315mn, compared to TL 420mn in 3Q24 and TL 1mn in 2Q25.
- **ANGEN** reported a 3Q25 net loss of TL 77mn, compared to TL 94mn loss in 3Q24 and TL 97mn loss in 2Q25.
- **CIMSA** reported a 3Q25 net profit of TL 1.269bn, exceeding the market estimate of TL 976mn. Net income fell 18% YoY but rose 65% QoQ. Net sales reached TL 11.24bn, up 42% YoY. EBITDA came in at TL 2.376bn, up 7% YoY and broadly in line with the market estimate of TL 2.485bn. The EBITDA margin contracted 687bps YoY to 21.1%.
- **ISCTR** reported a 3Q25 net profit of TL 14.2bn, in line with market expectations. The figure represents a 157% YoY increase but an 18% QoQ decline.
- **TUPRS (Slightly Positive)** reported 3Q25 revenue of TL 220.7bn, EBITDA of TL 19.8bn with a 9.0% margin, and a net profit of TL 12.2bn, above our estimates (Tacirler forecast: TL 199.1bn revenue, TL 19.2bn EBITDA, TL 11.0bn net profit). Operationally, capacity utilization was 100%, production came in at 7.2mn tons, and total sales at 8.0mn tons. Strong middle distillate and gasoline margins together with robust domestic demand supported profitability, while the narrowing crude basket differential and inventory impact partly offset this. We are updating our model; we will revise our target price after the conference call and the latest product margin data. We maintain our mid-term investment thesis and keep the stock in our Model Portfolio with our current 12M TP of TL 200.30 and BUY rating.

- **ZOREN** reported a 3Q25 net profit of TL 4.479bn, versus a market expectation of a TL 1.8bn loss. The company had posted TL 1.3bn loss in 3Q24 and TL 5.2bn loss in 2Q25.
- **ALARK**'s UK-based subsidiary Alfor Aviation has signed an Aircraft Conversion Agreement with an international aviation company. Under the agreement, Alfor Aviation will convert 8 passenger aircraft into freighters, to be carried out in line with the agreed technical specifications and delivery schedule.
- **AKSA**'s shareholder Emniyet Ticaret purchased 650 thousand shares at TL 12.33–12.42, raising its stake from 24.98% to 25%.
- **ASTOR** signed a USD 41.4mn contract with a US-based client to deliver 39 power transformers, representing around 6.5% of its 2024 revenue.
- **BAYRK** applied to the Capital Markets Board to increase its capital from TL 56.5mn to TL 250mn via a 342.8% bonus issue from internal resources.
- **BERA** sold 16.9mn Class B shares of its subsidiary Konya Kagit (KONKA) to another subsidiary, Bera Turizm, at TL 16.57 per share for a total of TL 280mn. Following the sale, its stake in Konya Kagit decreased to 73.6%.
- **BVSAN** signed a EUR 1.3mn contract with an international customer for crane production and delivery.
- **EFORC** will trade under its new ticker "EFOR" starting today.
- **EKGYO** increased the number of independent units in its Tual Golkaya Project in Istanbul Avcilar from 34 to 52 following a permit revision.
- **GLCVY** completed the transfer of Fibabanka's non-performing loan portfolio with a principal value of TL 59.1mn.
- **KCHOL** announced that its subsidiary Tek-Art Kalamis ve Fenerbahce Marmara Turizm received antitrust approval for the acquisition of 50% stakes in MCI Turizm Marina and RAM Turizm Marina, as well as 100% of Beta Marina Liman from Yildiz Holding and Saglam Insaat.
- **PNLSN** signed a TL 151.4mn order agreement with a business partner.
- **RYSAS** decided to increase its capital by a total of 150%, including 100% rights issue and 50% bonus issue, reaching TL 5bn.
- **TEHOL** signed an equity participation agreement with Veridion Teknoloji, a company active in technology and financial solutions. Under the deal, Tera Yatirim will acquire 20% of Veridion's capital through a capital increase by April 30, 2026. Veridion plans to invest in digital payment systems, fintech infrastructure, and data-driven solutions.

- **VANGD** applied to the Capital Markets Board to increase its paid-in capital from TL 25mn to TL 100mn through a 300% rights issue.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
ENERY		ENERY	Buyback	14.440	9.47	3.02%
LKMNH		LKMNH	Buyback	15.500	16.88	4.95%
AKFIS		AKFIS	Buyback	15.000	24.50	0.78%
AKFYE		AKFYE	Buyback	50.000	17.19	1.11%
AHGAZ		AHGAZ	Buyback	75.000	28.31	1.82%

Important Disclosures

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