Daily View

Good morning. Despite mixed closings in U.S. equities yesterday, shares of high-multiple technology companies, notably Palantir, came under pressure in after-hours trading as the company's 2026 forecasts failed to satisfy investors. U.S. and European futures are trading lower this morning, while Asian markets present a mixed picture. In summary, global risk appetite appears weak today. Borsa Istanbul closed above the 11,000 level yesterday for the first time in a month. Supported by increased trading volume and capital inflows, we expect the index to maintain its effort to hold above 11,000 despite external weakness, with 11,150 identified as the first resistance level. Among the names that contributed positively to the index yesterday were EREGL, TURSG, ISCTR, and THYAO, while EREGL, TUPRS, SISE, and VAKBN have stood out for consistent inflows over the past week. Approximately one-third of 3Q25 financial results have been released so far. Overall, based on profitability and growth ratios, 18% of companies have shown year-on-year growth, indicating that the 3Q25 earnings season has been weaker than 2Q25. Nevertheless, upward revisions to target prices continue following financial disclosures. Consequently, the 12-month BIST 100 index target has risen to 15,350, implying a 39% upside potential at the index level. On today's domestic agenda, the real effective exchange rate index, adjusted inflation data, and the price developments report will be monitored. Abroad, U.S. factory orders and durable goods orders are in focus, although their release may be delayed due to the ongoing government shutdown. Turkey's 5-year CDS spread starts the day at 245 basis points.

Macro and Politics

***The CBT will release October Real Effective Exchange Rate (REER) today @14:30 local time.** Considering the inflation realizations and the average Basket/TRY change for October, we expect the REER to increase from 70.83 to 72, implying a 1.7% real appreciation of the Turkish lira.

*** TURSTAT will release October seasonally adjusted CPI and special CPI aggregates today @16:00 local time.** Based on our calculations, we forecast the seasonally adjusted (SA) monthly CPI change for October to be approximately 2.1%. Moreover, we calculate SA Core-B as 2.1% and SA Core-C as 1.9%. We expect a similar outcome in today's adjusted figures.

*** The CBT will release the Monthly Price Developments report for October today @18:00 local time.** The report is a technical one and does not contain a policy message. Still, the assessment of trend core inflation will be monitored closely.

*** Monthly CPI rose by 2.6% in October, slightly below our house forecast of 2.71% and the market consensus of 2.8%.** Accordingly, after pausing its decline in September, annual CPI edged down from 33.3% to 32.9%, signaling that disinflation resumed, albeit at a modest pace. PPI increased by 1.63% m/m, while the annual rate rose from 26.6% to 27%. We expect a palpable deceleration in monthly inflation over the final two months of the year, with CPI likely to fall below 2% (likely towards 1.5%) in November and approach 1% in December. Our year-end CPI forecasts stand at 31.5% for 2025 and 23% for 2026. Following October inflation print, 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.

*** The Istanbul Chamber of Industry (ICI) Turkey Manufacturing PMI fell from 46.7 to 46.5 in October, marking a three-month low.** Having remained below the 50-threshold since April 2024, the index continues to signal a loss of momentum in the manufacturing sector for over a year. As a reminder, the PMI averaged 47.06 in Q2 and 46.63 in Q3. According to the accompanying note, sharp declines in new orders and production were recorded in October, while employment continued to contract. Moreover, according to the Turkey Sectoral PMI report, October marked the first month in four during which production slowed across all ten monitored industries, while new orders increased only in the food products sector, with the remaining nine sectors reporting declines. Although food sector orders rose for a third consecutive month, the pace of increase remained modest at 50.1. Among other leading indicators of economic activity, the Bloomberg HT Consumer Confidence Index declined by 2.9% m/m to 68.3 in October. Hence, following the strong growth observed in 2Q25, high-frequency data now point to a slowdown in economic activity. The sharp rise in industrial output during 2Q25 (6.1% y/y) was largely driven by base effects and sectoral divergences, both of which are expected to fade in 3Q325 making the underlying weakness in industry more evident. Our year-end 2025 GDP growth forecast stands at 3.4%.

Sector and Company News

- **KARSN** reported a 3Q25 net loss of TL 353mn, compared to TL 743mn loss a year ago and TL 5mn profit in the previous quarter.
- **MAKTK** reported a 3Q25 net profit of TL 9mn, marking an 87% YoY increase but a 38% QoQ decline.
- **OTKAR** reported a 3Q25 net loss of TL 351mn, versus TL 1.2bn loss in 3Q24 and TL 443mn profit in 2Q25.
- **OYAKC** reported a 3Q25 net profit of TL 3.4bn, compared to TL 2.9bn in 3Q24 and TL 2.8bn in 2Q25.
- **SANFM** reported a 3Q25 net profit of TL 9mn, compared to TL 3mn in 3Q24 and TL 32mn in 2Q25.
- **SASA** reported a 3Q25 net loss of TL 602mn, versus TL 3.124bn profit a year ago and TL 11.1bn loss in the previous quarter.
- **TOASO** reported a 3Q25 net profit of TL 1.208bn, compared to TL 426mn in 3Q24 and TL 1.9bn in 2Q25.
- **CWENE** signed a USD 1.7mn (approximately TL 70.1mn) solar panel sales agreement with a domestic client.
- **EBEBK** announced that as of 31 October 2025 it operates 290 stores in Turkey (270 traditional, 20 mini) and 3 stores in the United Kingdom.
- **FORTE** received a USD 1.4mn order under the Phase-2 Security of Oil and Natural Gas Pipelines Project managed by Havelsan.
- **HDFGS** applied to the Capital Markets Board to raise its registered capital ceiling from TL 2bn to TL 10bn and extend its validity until December 31, 2029.

- **HLGYO** sold 72 independent units located in the B Block of the Istanbul Finance Center to its main shareholder Halkbank for TL 8.3bn + VAT. The proceeds will be used to reduce financing costs and fund new projects.

- **KORDS** completed the transfer of assets related to its construction reinforcement (Kratos) business line. The transfer of machinery, patents, brands, and customer lists took effect on November 3, 2025.

- **KOTON** announced that it will release its 3Q25 financial results on 6 November.

- **NIBAS** sold a land plot from its portfolio for TL 74mn, realizing a profit of TL 39.7mn.

- **OZGYO**'s subsidiary REIT Property Limited began negotiations with Somerset Council in the UK to purchase a commercial property with an annual rental income of GBP 360k for GBP 3mn and paid a GBP 300.5k deposit.

- **SDTTR**'s subsidiary BKM Bursa Kalip received a new USD 1mn production order from a domestic customer.

- **SISE** announced that it will release its 3Q25 financial results on 7 November.

- **TERA** stated that legal action has been initiated against false claims circulating on social media and in the press. The company emphasized its determination to protect its rights and highlighted its continued focus on strategic investments in key industries.

- **ULKER** signed a EUR 75mn, 5-year loan agreement with the EBRD to refinance its existing 2026-maturity loan obtained in 2023.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
ENERY		ENERY	Buyback	200.000	9.77	3.02%
LKMNH		LKMNH	Buyback	19.255	16.89	4.96%
AHGAZ		AHGAZ	Buyback	145.000	28.70	1.82%

Important Disclosures

Disclaimer