

Daily View

Good morning. Despite the U.S. government reopening, cautious remarks from several Fed officials suggesting that a rate cut may not materialize in December and the selling pressure on technology stocks triggered pullbacks of up to 2% in U.S. equities yesterday. European markets mirrored the weakness yesterday, while Asian markets followed the U.S. sell-off this morning. Futures are trading flat at the open. In terms of Fed-related pricing, expectations for the first rate cut have now been pushed out to March 2026. We will likely see a steady stream of headlines and official commentary in the coming period, driving ongoing shifts in market sentiment. Accordingly, Fed-driven volatility is expected to persist at least until the December 10 FOMC meeting. While the impact on TL-denominated assets may remain contained, global equities and precious metals could be more sensitive to this volatility. In Borsa Istanbul, the BIST 100 dipped 0.11% yesterday. TUPRS, THYAO, KOZAL, ENERY, and CANTE contributed positively to the index, while ASELS, BIMAS, SASA, KUYAS, and PASEU weighed on performance. Companies that have attracted steady inflows over the past week include VAKBN, CIMSA, OYAKC, TTKOM, TOASO, and SISE. Today, in line with the external selling pressure, the support level at 10,580—tested over the past three sessions—may come under pressure once again. On any rebound, the 10,700 / 10,800 resistance band will be the key zone to monitor. On the data front, the agenda includes the CBRT Market Participants Survey domestically, growth data in Europe, and U.S. retail sales. Turkey's five-year CDS starts the day at 245 basis points.

Macro and Politics

*** The CBT will release the results of the November Market Participants' Expectations Survey today @ 10:00 local time.**

According to the results of the CBT's Market Participants Survey for October 2025, participants' inflation expectations for the coming periods deteriorated markedly following the higher-than-expected September inflation print. Accordingly, the 2025 year-end CPI expectation rose to 31.77% in October from 29.86% previously. In addition, the 12-month-ahead CPI expectation increased from 22.25% to 23.26%, while the 24-month-ahead expectation moved up from 16.78% to 17.36%. Following the October inflation realizations, which came in slightly below expectations, we assess that the recent deterioration in inflation expectations may stabilize in the November survey. Supported by favorable seasonality, we expect monthly CPI inflation to decelerate noticeably over the final two months of the year. Based on the price data we have gathered so far, we estimate that monthly CPI could come in around 1.5% in November, followed by a further moderation towards 1% in December. In line with these calculations, we maintain our year-end 2025 CPI forecast at 31.5%, while our year-end 2026 CPI projection stands at 23%.

*** In the week of October 31 – November 7, foreign investors were net buyers of USD35.7mn in the equity market and USD311.5mn in the bond market (excluding repo transactions), while the foreign share in the total government bond stock rose from 6.7% to 6.8%.** Having recorded a total outflow of USD247.5mn from the equity market in October, foreign investors appear to have entered November with only a modest pace of inflows. On the bond side, meanwhile, after October's cumulative foreign purchases remained limited at USD33mn, the new month has started with apparently stronger inflows. During the same period, the residents' FX deposits slumped by USD1.3bn (excluding gold accounts and adjusted for the EUR/USD parity effect), while their total FX deposits (including gold, price adjusted) retreated by USD625mn during the week of October 31 – November 7. In terms of official reserves, the CBT's gross FX reserves increased by USD1.5bn to USD185.1bn, net international reserves climbed by USD3.9bn to USD73.1bn and net reserves excluding swaps soared by USD5.7bn to USD58.2bn.

* **Housing sales rose by 9.1% m/m in October and contracted by 0.5% y/y, amounting to 164,306 units.** Seasonally adjusted figures point to a softer underlying trend, with sales increasing by solely 0.3% m/m and declining by 2.8% y/y. Mortgage-backed sales reached 23,527 units in October, registering rises of 10.6% m/m and 311.5% y/y; however, on a seasonally adjusted basis, these transactions fell by 0.7% m/m and by a steep 28.1% y/y. Turning to mortgage rates, the average housing loan rate declined from 38.8% in September to 37.9% as of October, while the comparable rate in the same month of last year (October 2024) stood at 41.5%. The annual moderation in mortgage rates remains limited, and the strong y/y increases in mortgage-backed sales observed in recent months — often in the 30% to 60% range — eased markedly to 10.6% in October. Considering the headline print alongside the trajectory of mortgage rates and seasonally adjusted indicators, we judge that the underlying momentum in housing demand is weaker than suggested by the headline figures.

Sector and Company News

- **BALSU** will distribute a gross dividend of TL 0.18 per share today, implying a 1% yield based on the last closing price.
- **CWENE** signed product purchase agreements totaling TL 2.1 bn across seven sales points in Turkey for 2026. The contracts are expected to have c.20% positive impact relative to the company's 9M25 revenue.
- **DURKN** will distribute a gross dividend of TL 0.03 per share today, corresponding to a 0.2% yield based on the last closing price.
- **MAVI** announced that it repurchased 290K shares at a price of TL39.00, increasing the ratio of repurchased shares to its paid-in capital to approximately 1.28%.
- **ODAS** transferred TL 878.6 mn in capital advance to its 29.29%-owned subsidiary CANTE, within the scope of the capital increase from TL 7 bn to TL 10 bn. No interest or financing cost will be charged on this amount.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
PNLSN		PNLSN	Buyback	5.000	39.30	1.21%
LKMNH		LKMNH	Buyback	15.000	15.96	5.02%
ESCAR		ESCAR	Buyback	288.065	18.90	0.61%
JANTS		JANTS	Buyback	51.806	19.39	0.06%
MAVI		MAVI	Buyback	290.394	38.95	1.28%

Important Disclosures

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