

Daily View

Good morning. Although concerns about elevated valuations, particularly in U.S. technology stocks, persist across global markets, we have yet to observe a notable wave of selling. Despite yesterday's losses on Wall Street, U.S. futures are trading in positive territory this morning, European futures are flat, and Asian markets are generally higher. At Borsa Istanbul, following a nearly 500-point decline over the past three sessions, the index posted a limited rebound of 0.74% yesterday. We expect the recovery to continue today; however, we do not anticipate a meaningful increase in risk appetite unless the 11,250 / 11,300 resistance zone is decisively breached. The 10,900 / 11,000 area can be monitored as an intermediate resistance zone, while 10,600 and 10,300 remain key support levels. The European Union's plan to impose restrictions on steel imports may exert temporary pressure on Turkish steel producers due to the headline impact; however, since there is no concrete proposal yet, we do not expect this effect to be lasting. Today's economic calendar is relatively quiet. The U.S. Federal Reserve's meeting minutes will be released. Given that the government remains shut down, the minutes' potential to provide guidance for the next meeting is limited, but they will nonetheless be closely followed. Turkey's 5-year CDS spread starts the day at 259 basis points.

Macro and Politics

*** The CBT Governor Karahan spoke before the Parliamentary Planning and Budget Commission yesterday, noting that annual consumer inflation rose in September, driven primarily by food and services prices.** Karahan highlighted that the underlying trend in median inflation — which has demonstrated relatively better forecasting performance — currently implies a rate around 26%. Although this stands below the current CPI level of 33.3%, it nevertheless suggests that the pace of disinflation has slowed. He emphasized that domestic demand continues to moderate and remains at a level consistent with disinflation. While acknowledging that the disinflation process, which has been ongoing since June 2024, has lost some momentum, Karahan underlined the Bank's determination to ensure that inflation evolves in line with interim targets through appropriate policy steps. Reiterating that the tight monetary stance will be maintained until price stability is achieved, Karahan also stated that the monetary policy stance will be tightened in case of a significant deviation in inflation outlook from the interim targets. Following the higher-than-expected September CPI print, we expect the CBT to proceed with rate cuts at a more cautious pace. We foresee two 150bps rate cuts in October and December, which would bring the year-end policy rate to around 37.5%.

*** The Treasury tapped the domestic markets to the tune of TL42.1bn via yesterday's 5y fixed coupon bond auction, while also sold TL38.4bn at the direct sale of 2y TLREFK (Turkish Lira Overnight Participation Reference Rate) indexed lease certificate.** The bid – to – cover ratio for 5y fixed coupon bond auction was high at 2.26x, while average cost of borrowing was 36.98%. Accordingly, the total domestic borrowing since the beginning of the month reached TL123bn. According to the three-month (October–December 2025) domestic borrowing strategy, the Treasury plans to borrow a total of TL290.1bn through five auctions and one direct sale, against redemptions of TL263.6bn in October. After this week's auctions, the Treasury will hold a 5-year CPI-indexed bond auction on October 13, and 2-year & 10-year fixed-coupon bond auctions October 14 and finalize its domestic borrowing program for October.

*** The Treasury cash budget posted a deficit of TL359.9bn in September, while the primary budget recorded a deficit of TL 133.1bn.** In Jan – Sep period, the cash deficit reached TL1.6tn, with the primary deficit standing at TL100bn.

September cash budget figures are indicative for central government budget figures to be released on October 15th. Hence, taking into account the divergence between the cash-based and accrual-based budget figures, we expect the central government budget to record a deficit of around TL275bn in September. Please note that we have recently revised our year-end 2025 budget deficit forecast upward from TL1.9tn (3.1% of GDP) to TL2.3tn (3.7% of GDP). Recall that the Medium-Term Economic Program (MTEP) for 2026–2028, released last week, revised the 2025 budget deficit-to-GDP ratio from 3.1% to 3.6%, while the ratio for 2026 was adjusted from 2.8% to 3.5%.

Sector and Company News

- **European Commission** announced a plan to protect the steel industry from global overcapacity and low-priced imports. The duty-free import quota for steel will be limited to 18.3 million tons per year, representing a 47% reduction compared to 2024 levels. Additionally, tariffs on imports exceeding the quota will rise to 50%. The new regulation will introduce melting and casting origin requirements to tighten traceability of imported steel. Norway, Iceland, and Liechtenstein will be exempt from the measures, while a special quota will be allocated to Ukraine. The measures will come into force after approval by the European Parliament and member states.
- **ENKAI** will distribute a gross dividend of TL0.83 per share, implying a 1.2% yield based on the last closing price.
- **DESA** announced the opening of a new 87 m² store in Istanbul's Şişli-Nişantaşı district under the name "İstanbul Maçka Samsonite."
- **EBEBK**: In September 2025, the total number of products sold through ebebek stores in Türkiye and its e-commerce channel was 9,686,830, up from 7,757,860 in September 2024—an annual increase of 24.9%. In the January–September 2025 (9M25) period, total units sold reached 77,563,412, marking 14.9% year-on-year growth versus 67,522,925 in the same period of 2024.
- **MAVI** repurchased 250K shares at a price of TL38.08, bringing the ratio of treasury shares to paid-in capital to approximately 0.75%.
- **RALYH** announced that the establishment procedures for Best Trend Gayrimenkul A.Ş., a wholly owned subsidiary, have been completed.
- **AHGAZ** reported that its indirect subsidiary Enerya Kapadokya Gas Distribution received EPDK approval to expand its license area to include Niğde Gümüşler, Nevşehir Kalaba, and Türkeli districts.
- **ALFAS** announced that its consortium, in which it holds a 51% pilot stake, won the TÜRKŞEKER Erciş Sugar Factory solar power plant tender for TL1.54bn.

- **AGESA** reported total premium production of TL17.4bn in the first nine months of 2025, representing 70% YoY growth.
- **ANSGR** generated TL67.9bn in gross premium production in the same period, marking a 45.9% annual increase.
- **ESEN** acquired a 10% stake in Pluggin, a company providing EV charging infrastructure and software services, with an investment of TL46.1mn.
- **CWENE** signed a contract worth USD1.6mn (TL66.2mn) with a domestic client for the installation of a ground-mounted solar power plant (GES).
- **SAFKR** received an order worth approximately USD1.4mn from Baykar Makina for air-conditioning systems and components intended for the defense industry. Deliveries are planned for 1Q26.
- **ULUUN** utilized EUR34.5mn and USD6.7mn in loans under an agreement with the EBRD. The funds will be used for solar and wind energy projects, as well as working capital and CTF activities.
- **PEKGY** reported that an individual shareholder sold 100mn shares to Tera Yatırım Holding via an off-exchange transaction, reducing the ownership from 8.74% to 6.74%.
- **BAHKM** announced that its controlling shareholder sold 400k shares at TL50.10–50.40, lowering its stake from 65.34% to 64.61%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	25.000	16.90	4.77%
AHGAZ		AHGAZ	Buyback	90.020	27.43	1.76%
MAVI		MAVI	Buyback	50.000	38.28	0.75%
ESCAR		ESCAR	Buyback	75.000	19.47	0.10%

Important Disclosures

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