Daily View

Good morning. The recent signs of easing in U.S. tariffs on China triggered a rebound of up to 2% on Wall Street yesterday; however, U.S. futures have turned negative again this morning. Selling pressure is also more dominant across European futures and Asian equity markets. At Borsa Istanbul, despite the positive tone in U.S. and European markets yesterday, the BIST 100 Index declined by 1.53%, breaking below the 10,600–10,700 support zone and closing the day at 10,556 — around the 100-day exponential moving average. This area can now be monitored as a resistance zone, while the next key support lies between 10,200 and 10,300. Given the weakening momentum in the BIST and the negative outlook in global markets this morning, we expect the pullback to continue. Nevertheless, based on the target prices of individual companies, our 12-month BIST 100 Index projection remains around the 15,000 level. That said, the absence of a clear catalyst to drive the index toward this target — amid trimmed expectations for a rate cut by the CBRT, ongoing political developments, and other uncertainties — makes it challenging for the market to sustain upward momentum. In this context, Friday's forthcoming decision by Standard & Poor's regarding Turkey's credit rating and outlook, as well as next week's key events — the October 23 CBRT meeting and the October 24 CHP Congress Court case — will be of particular importance. The daily agenda is relatively quiet. Turkey's 5-year CDS premium opens the day at 266 basis points.

Macro and Politics

*** The Treasury will hold 2-year & 10-year fixed-coupon bond auctions today and finalize its domestic borrowing program for October.** The Treasury tapped the domestic markets to the tune of TL15.5bn via yesterday's 5-year CPI-indexed bond auction. The real compounded rate was 6.22%, while the bid – to – cover ratio was low at 2.04x. As a result, the total borrowing of the Treasury since the beginning of the month has reached TL138.4bn. According to the three-month (October–December 2025) domestic borrowing strategy, the Treasury plans to borrow a total of TL290.1bn, against redemptions of TL263.6bn in October.

*** The current account balance posted a surplus of USD5.5bn in August, broadly in line with our house forecast of USD5.68bn.** Accordingly, the 12-month rolling deficit narrowed from USD18.8bn to USD18.3bn, while the cumulative deficit for the Jan – Aug period stood at USD15.8bn. The core balance (excluding gold and energy) posted a solid surplus of USD10bn in August, with the annual surplus edging up from USD47.1bn to USD47.5bn. Preliminary data released by the Ministry of Trade for September indicate a renewed widening in the foreign trade deficit. According to the early figures, exports rose by 3% y/y to USD22.6bn, while imports increased by 8.8% y/y to USD29.5bn. Accordingly, the trade deficit widened to USD7.4bn in September, up from USD4.2bn in August, bringing the 12-month cumulative deficit from USD87.5bn to USD89.8bn. In light of the preliminary data, we estimate the current account balance to record a surplus of USD2.1bn in September. We expect the balance-of-payments-defined trade deficit to widen from USD2.8bn to USD4.4bn, while the services surplus — supported mainly by tourism revenues — likely narrowed from USD9.5bn to USD7.6bn as net income from the travel item declined. Our year-end current account deficit forecast stands at USD22bn (1.5% of GDP), though we see risks skewed to the downside.

Sector and Company News

- **ADESE** investment funds founded by Hedef Portfolio increased their ownership stake to 5.09% of the company's capital after purchasing 1.39 million shares.

- **AVPGY** will distribute a gross dividend of TL1.94 per share, implying a 3.2% yield based on the last closing price.

- **CIMSA** started production at its gray cement grinding plant in Houston, USA. With an annual capacity of 600,000 tons, the company aims to increase its foreign currency–based revenues by expanding into gray cement production in the US following its existing white cement operations.

- **DCTTR** renewed its fresh fruit and vegetable supply agreement for the 2026 season between its subsidiary Yaka IKE and OGL Food Trade, one of the main suppliers to the LIDL supermarket chain.

- **EKGYO** canceled the revenue-sharing tender for the Muğla Köyceğiz Toparlar land sale project.

- **FONET** announced that its subsidiary Milsoft Yazılım Teknolojileri A.Ş. submitted the best bid in the tender for "SIEM, SOAR and UEBA Procurement" conducted under the Cyber Defense Center Project run by the Presidency of Defence Industries (SSB) and STM. The company stated that contract negotiations have begun within the scope of this tender.

- **IZMDC** began collective bargaining negotiations between the Turkish Metal Union and MESS as of October 13, following the expiration of the previous agreement on August 31. Updates on the process will be shared later.

- **LIDER** received Capital Markets Board (SPK) approval for its 400% bonus issue. The record date for bonus share rights is set as October 15, increasing the capital from TL165mn to TL825mn.

- **MAVI** repurchased 400K shares at TL37.68, increasing the ratio of treasury shares to total capital to approximately 0.90%.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	28.500	16.22	4.82%
AHGAZ		AHGAZ	Buyback	67.000	26.64	1.79%
MAVI		MAVI	Buyback	400.000	37.68	0.90%
ESCAR		ESCAR	Buyback	75.000	19.34	0.13%
AKFIS		AKFIS	Buyback	125.990	21.32	0.73%
AKFGY		AKFGY	Buyback	250.000	2.54	0.87%
AKFYE		AKFYE	Buyback	20.000	16.89	1.04%
OFSYM		OFSYM	Buyback	10.000	70.27	0.59%

Important Disclosures

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