Daily View

Good morning. Optimism regarding a "preliminary agreement" in the U.S.–China negotiations continues to support global markets. It is expected that the leaders' meeting will take place on Thursday during the Asia-Pacific Economic Cooperation (APEC) Summit in South Korea. Similar to Friday morning, both U.S. and European futures as well as all major Asian equity indices are trading higher. At Borsa Istanbul, despite a sharp intraday rally to 11,158 following the court's decision to dismiss the CHP congress case on the grounds of "lack of active hostility and loss of subject matter," the session closed at 10,941. The BIST 100 Index ended the day up by 3.14%, with the top five contributors being BIMAS, ISCTR, THYAO, YKBNK, and KCHOL. Throughout last week, companies that stood out with strong capital inflows included ISCTR, YKBNK, TUPRS, TCELL, KRDMD, TAVHL, and KCHOL. Looking at this morning, despite the ongoing strength across global equity markets, we expect the decision to detain Istanbul Mayor Ekrem İmamoğlu and several others as part of an espionage investigation to weigh on Borsa Istanbul's performance. For the BIST 100 Index, 10,700 serves as the initial support level, while 11,150 stands as the first resistance. On today's domestic agenda, real sector confidence, capacity utilization, and unemployment data will be monitored. Abroad, investors will be watching the 1- and 3-year inflation expectations in Europe, as well as U.S. durable goods orders (which may not be released due to the government shutdown) and the Dallas Fed manufacturing index. Turkey's 5-year CDS spreads, which declined sharply to 250–252 basis points on Friday, are starting the day at 252 basis points.

Macro and Politics

***The CBT will release the October Real Sector Confidence Index and Capacity Utilization Rate @ 10:00 local time today.** The unadjusted Real Sector Confidence Index (RSCI) decreased from 100.6 level to in September, while the seasonally adjusted index increased from 100.6 to 100.8. Accordingly, the unadjusted RSCI, which averaged 101.6 in the second quarter of the year, retreated to 100.3 in the third quarter. It is worth recalling that readings below the threshold of 100 in the RSCI reflect a waning sentiment among real sector representatives regarding economic activities. Meanwhile, the Capacity Utilization Rate (CUR) edged up from 73.5% to 74% in September, while the seasonally adjusted CUR rose from 73.6% to 73.8%. Following the robust growth performance recorded in the second quarter, leading indicators now point to a slowdown in economic activity during the third quarter. The sharp 6.1% increase in industrial output in Q2 was largely driven by base effects. As this impact fades in the third quarter, we expect the underlying weakness in the industrial sector to become more evident. Reflecting the stronger-than-expected Q1 growth figures and the major revisions introduced by TURKSTAT to the National Accounts System, we have revised our 2025 year-end GDP growth forecast upward from 3.1% to 3.4%.

*** September Employment figures will be released @ 10:00 local time.** The adjusted unemployment rate climbed from 8.1% to 8.5% in August. As per the composite measure of labor underutilization – including time related underemployment, potential labor force and unemployment – increased marginally from 29.6% to 29.7%. Moreover, within the components, the combined rate of time-related underemployment and unemployment edged up merely from 19.1% to 19.3%, while the combined rate of unemployment and potential labor supply rose from 19.9% to 20.2%. The persistently elevated level of labor underutilization points to a weaker labor market than headline data suggest. Sustained high levels of time-related underemployment and potential labor supply indicate that overall labor underutilization is likely to remain elevated in the coming period.

Sector and Company News

- **AFYON** reported a 3Q25 net profit of TL78mn, up 106% YoY, compared to a TL107mn net loss in 2Q25.

- **ALCAR** reported a 3Q25 net profit of TL72mn, compared to TL3mn in 3Q24 and a TL61mn net loss in 2Q25.

- **ALCTL** reported a 3Q25 net profit of TL17mn, down 88% YoY, versus a TL198mn net loss in the previous quarter.

- **ANSGR** reported a 3Q25 net profit of TL3.43bn, in line with expectations, up 40% YoY and 16% QoQ.

- **ARCLK** reported a 3Q25 net loss of TL2.06bn, above both the market estimate of TL1.10bn and our forecast of TL1.43bn loss. The company had posted a TL5.59bn loss in 3Q24. Net sales decreased 11% YoY to TL124.45bn, in line with the market expectation of TL125.17bn. EBITDA rose 39% YoY to TL8.58bn, broadly matching the consensus of TL8.81bn. The EBITDA margin improved by 249bps YoY to 6.9%, signaling operational recovery.
  Following the 3Q results, the company revised down its FY25 guidance: domestic sales -5% (prev. flat), international sales growth 5–10% (prev. 15%), EBITDA margin 6–6.5% (prev. 6.5%), CAPEX EUR250mn (prev. EUR300mn). The net working capital/sales ratio was revised up to 20–22% (prev. <20%).

- **HDFGS** reported a 3Q25 net profit of TL332mn, supported by positive financial income, compared to TL289mn in 3Q24 and a TL108mn loss in 2Q25.

- **VAKFN** reported a 3Q25 net profit of TL334mn, marking a 42% YoY decline but a 28% QoQ increase.

- **ALARK** received approval from the Capital Markets Board for the public sale information form regarding its 10% stake in Alarko Carrier (**ALCAR**)

- **AYDEM** obtained EIA approval for its 300 MWm Atlantis 1 hybrid solar power project, which includes a 200 MWh storage unit and is expected to generate 450mn kWh annually.

- **BIOEN** signed a three-year collective labor agreement between its subsidiary Ulubey Elektrik and the Energy Workers' Union.

- **CLEBI** signed a binding share purchase agreement to acquire 100% of Kenya-based Transglobal Cargo Centre Ltd for USD40.1mn (EUR34.5mn). The deal is expected to close by January 31, 2026, pending approvals.

- **GESAN** signed a USD29.6mn solar power plant contract with Konya Metropolitan Municipality, financed by IBRD. Equipment worth USD17.9mn will be supplied by Europower Enerji and Peak PV Solar. The new deal lifts GESAN's backlog above USD500mn and Europower's above USD150mn.

- **HRKET** signed a USD2mn logistics contract in Abu Dhabi for the transport of 600 tons of oil & gas equipment.

- **KOCMT** signed a USD3.5mn contract with Harbin GuangWang Electromechanical (China) for a continuous casting machine as part of its Osmaniye plant modernization.

- **KOTON** opened new stores in Jeddah Park and Riyadh View Mall (Saudi Arabia), expanding its GCC presence to four countries.

- **KOZAL** completed the title deed transfer and received payment for the sale of its real estate in Beşiktaş Bebek.

- **RALYH** signed a memorandum of understanding with Tera Yatırım for a strategic partnership and potential investment in its subsidiary Astral Renewable Energy.

- **SMART** ended investment talks with Total Specific Solutions (TSS) as no agreement was reached and the confidentiality period expired.

- **SMRTG** commissioned an additional 39.35 MWe capacity at the Niğde Bor solar project, raising total active capacity to 93.01 MWe (93% of total).

- **SUNTK** announced that Solaris Private Equity Fund, managed by QNB Portfolio, increased its stake to 5.76% after purchasing 4.7mn shares.

- **TCKRC** signed a USD4.35mn contract with REC International Construction for the supply and installation of guardrails on the North Marmara Motorway (Nakkaş–Başakşehir section).

- **TKNSA** applied to the Capital Markets Board for the issuance of up to TL7bn in domestic debt instruments for qualified investors or private placement.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	25.000	16.66	4.93%
TCKRC		TCKRC	Buyback	130.221	46.89	0.43%
AHGAZ		AHGAZ	Buyback	10.000	26.74	1.81%

Important Disclosures

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