Daily View

Good morning. Global risk appetite remains positive. In the U.S., the S&P 500 index rose 1.23% yesterday to close at 6,875, leaving only about 2% to reach the year-end target level of 7,000. The 12-month target for the S&P 500 stands around 7,500, implying nearly a 9% upside potential in USD terms. Similar upside expectations are observed across European and Asian equity markets as well. For the BIST 100 index, 12-month target levels are around 15,200, suggesting nearly 40% upside in TRY terms. Considering projections for the USD/TRY exchange rate, the dollar-based potential for BIST 100 is estimated at around 15%, slightly higher compared to global peers. However, we are currently in a period where identifying catalysts that could drive the index toward these targets remains challenging. Factors such as the diminishing expectations of rate cuts from the CBRT, the slowdown in the momentum of credit rating upgrades, and the influence of political developments on risk appetite continue to limit Borsa Istanbul despite its appealing potential. Turning to this morning, we expect a narrow and low-volume trading session in BIST, which will operate on a half-day schedule. Yesterday, the BIST 100 index declined by 0.81%, with ASELS, MAGEN, EREGL, TUPRS, and IEYHO being the top five positive contributors to the index. Over the past week, companies that have experienced consistent or strong fund inflows include TUPRS, KCHOL, YKBNK, TCELL, SISE, TAVHL, BIMAS, and ISCTR. Today's economic agenda is relatively calm. Due to the Republic Day holiday, the market will be closed tomorrow; however, the Fed's interest rate decision will be announced at 9:00 p.m. (local time), with its effects likely to be reflected in Thursday morning's trading. Turkey's 5-year CDS spreads have once again fallen below 250 basis points, starting the day at 248 bps. A continued decline in CDS levels would be supportive for the XBANK Banking Index.

Macro and Politics

*** The unadjusted Real Sector Confidence Index (RSCI) rose from 100.2 to 100.8 in October, while the seasonally adjusted index increased from 100.8 to 102.** Meanwhile, the Capacity Utilization Rate (CUR) inched up from 74.0% to 74.2%, and the seasonally adjusted CUR rose from 73.8% to 74.0%. An analysis of the subcomponents of the RSCI indicates that assessments regarding current inventories of final goods, current order levels, employment and production expectations for the next three months, overall business sentiment, investment spending, and export orders contributed positively to the index. On the other hand, weaker assessments concerning total orders over the past three months exerted a modest downward impact. Overall, the data suggests that firms remain cautiously optimistic about the near-term outlook, with mild signs of recovery in production and employment expectations. Evaluations regarding the past three months point to a strengthening trend in production activity and a rebound in export orders. The convergence of current order levels toward seasonal norms and a decline in inventory levels imply that the slowdown in domestic demand has been partially offset. Meanwhile, although expectations for future production and orders remain somewhat guarded, the improvement in investment spending intentions signals a modest revival in investment appetite. Please recall that we have recently revised our 2025 year-end GDP growth forecast upward from 3.1% to 3.4%.

*** The adjusted unemployment remained unchanged at 8.6% in September, while the rate of composite measure of labor underutilization – consisting of time-related underemployment, potential labor force and unemployment– decreased from 29.8% to 28.6%.** Moreover, within the components, the combined rate of time-related underemployment and unemployment edged down from 19.4% to 18%, while the combined rate of unemployment and potential labor supply increased from 20.3% to 20.5%. The decline in the underutilized labor rate in September appears to have been driven by the improvement in time-related underemployment and unemployment. Yet, despite the decrease in September, the indicator remains above 28%, signaling that labor market conditions are still weaker than what the headline unemployment figure suggests. The leading indicators in respect to the employment sector have been continuing to give negative signals. PMI's related sub-components, the CUR level as well as the recent path of the survey about expectations for number of people unemployed over the next 12-months stand unsupportive for the unemployment rate in the near term.

Sector and Company News

- **AKGRT** reported a 3Q25 net profit of TL825mn, 4% below market expectations. The result represents a 49% YoY increase and a 4% QoQ decrease.

- **EDATA** reported TL547 mn in revenue and TL53 mn in EBITDA in 3Q25. Both gross margin and operating profitability margins improved year-over-year and quarter-over-quarter. The performance was supported by an 80% YoY increase in sales and improved operating expenses versus last year, while net income was pressured by financial expenses and the net monetary loss line.

- **GARFA** reported a 3Q25 net profit of TL622mn, up 61% YoY and 12% QoQ.

- **ISGSY** reported a 3Q25 net loss of TL361mn, compared to a TL930mn profit in 3Q24 and a TL2.6bn profit in 2Q25.

- **NTGAZ** reported a 3Q25 net profit of TL71mn, up 13% YoY and 17% QoQ.

- **TSKB** reported a 3Q25 net profit of TL2.81bn, in line with market expectations. The figure implies a 7% YoY increase but a 17% QoQ decline.

- **TTRAK (Negative)** reported a 3Q25 net profit of TL284mn, 11% below market expectations. The figure indicates a 77% YoY and 22% QoQ decline
  • The company revised its 2025 guidance downward. Domestic tractor market size forecast was reduced from 40–46k to 38–42k units, and domestic sales target from 18–22k to 15.5–17k units. Export volume guidance remained at 10–12k units, while CAPEX guidance was lowered from USD75–100mn to USD75–90mn.

- **ALKLC** completed trial production of new "Detox Kefir" product lines, which will soon be available nationwide. The new products are expected to contribute positively to revenue.

- **ALVES** signed sales agreements worth TL191.9mn (USD4.6mn) for 400 tons of copper busbar and grounding materials to be produced at its copper lamination facility, which began operations in September 2025.

- **BOBET** signed a TL1.1bn contract with Kalyon Özgün Metro Construction JV for the Kirazlı–Halkalı metro line project.

- **GARAN** increased the capital of its wholly owned subsidiary Garanti Bank International N.V. by EUR250mn. The amount has been paid and the General Management has been authorized to complete the related procedures.

- **GLCVY** won Fibabanka's auction for a non-performing loan portfolio with a principal amount of TL59.1mn, submitting the highest bid.

- **MARMR** applied to convert 100.2mn shares, representing 3.3% of its capital, into a tradable form on Borsa İstanbul.

- **TERA** received Capital Markets Board approval for its 344.4% bonus capital increase. The company's paid-in capital will rise from TL157.5mn to TL700mn, with rights issuance starting on October 30, 2025.

- **TOASO** received CMB approval on October 23, 2025, for its simplified merger with its wholly owned subsidiary Stellantis Otomotiv Pazarlama A.Ş. There will be no change in the capital structure following the merger.

- **ULUUN** obtained a USD75mn loan from Dutch development bank FMO. The 7-year loan, with a 2-year grace period, will finance pasta plant and warehouse investments.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
LKMNH		LKMNH	Buyback	17.985	16.67	4.94%
AKFIS		AKFIS	Buyback	43.544	24.24	0.78%
AKFGY		AKFGY	Buyback	117.289	2.51	1.02%
AKFYE		AKFYE	Buyback	55.000	16.93	1.10%

Important Disclosures

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