Daily View

Good morning. Despite positive signals from the U.S.–China negotiations, global risk appetite is starting the new day on a mixed note. The Fed's message of a 25-basis-point rate cut and the announcement that balance sheet reduction will end in December were received positively, while the comment that "a rate cut at the December 10 meeting is not certain" has limited optimism. U.S. and European futures are flat this morning, while Asian markets are generally trading higher. On Borsa Istanbul, after testing the 11,150 level, the index pulled back below 10,900. In the short term, we expect the consolidation to continue between the 10,700 support and the 11,150 resistance levels. Global influences remain limited at this stage, while the domestic agenda is relatively calm. Listed companies on Borsa Istanbul are releasing their 3Q25 results; so far, only about 10% have reported. It is still early to draw a definitive picture, but banks generally continue to post earnings above expectations, while around 20% of non-bank companies have achieved real year-on-year growth, similar to 2Q25. In today's macro agenda, growth data from Europe and the U.S. will be in focus. Tomorrow, inflation figures from both regions will be closely watched. The U.S. government shutdown continues into its 30th day, which may cause delays in the release of key data. Turkey's 5-year CDS premiums remain below 250 basis points, starting the day at 246 bps. A further decline in CDS levels would be supportive for the XBANK Banking Index.

Macro and Politics

*** TURKSTAT will release October Economic Confidence Index @ 10:00 local time.** The Economic Confidence Index edged up by a mere 0.1% in September to 98, remaining below the 100 – threshold. Having lingered under this benchmark since March, the index continues to reflect a predominantly pessimistic perception of the overall economic outlook. A breakdown of the September sub-indices presents a mixed picture: the Consumer Confidence Index fell by 0.4% to 83.9, while the Real Sector Confidence Index inched up by 0.2% to 100.8. The Services Confidence Index eased by 0.1% to 111.0, the Retail Trade Confidence Index gained 0.4% to 109.2, whereas the Construction Confidence Index recorded a notable 3.6% increase to 88.3.

*** The CBT will release the October Sectoral Inflation Expectations survey @ 10:00 local time.** According to the results of the September Sectoral Inflation Expectations Survey, 12-month ahead inflation expectations fell by 0.6pp to 22.3% for market participants, by 0.9pp to 36.8% for the real sector and by 1.1pp to 53% for households. Following the higher-than-expected CPI print for September, the October Market Participants Survey revealed a notable upward revision in inflation expectations. Accordingly, market participants' year-end 2025 CPI forecast rose from 29.86% to 31.77%. In addition, the 12-month ahead CPI expectation increased from 22.25% to 23.26%, while the 24-month ahead expectation climbed from 16.78% to 17.36%. We expect the deterioration observed in market participants' inflation expectations to also be reflected in the upcoming Sectoral Inflation Expectations Survey for October, indicating that the upward drift in expectations has likely extended to both the real sector and households.

*** The CBT will release weekly international reserves for the period of October 17 – 24 @ 14:30 local time.** Based on our calculations using the CBT's analytical balance sheet, we estimate that during the week of October 17 – 24, gross FX reserves slid notably by USD13bn to USD185.5bn. Meanwhile, we estimate that the CBT's net FX position fell by USD11.3bn over the same period. We anticipate that today's official reserve data will likely reflect a similar drop in reserves in line with our estimates. Please recall that the weekly foreign portfolio flows and money & banking statistics, typically released alongside the reserves data in every Thursday, will be published at 14:30 local time on Monday, 3 November, Due to the Republic Day holiday.

Sector and Company News

- **GARAN** reported a 3Q25 net profit of TL30.4bn, 6% above market expectations. The figure implies a 38% YoY and 7% QoQ increase.
  • The bank updated its 2025 business plan, maintaining its ROE target range while projecting improvement in net cost of risk and continued strong commission growth.
  • According to the new guidance, TL loan growth is expected to remain in line with inflation, while FX loan growth is now seen at 16–19% (previously 10–12%). The net cost of risk was revised down to below 2% (from 2.5%), while the net interest margin expansion expectation was lowered to 1.5–2% (from +3%). The fee/income ratio rose to ~90–95% due to higher-than-expected revenue growth.
  • The bank maintained its ROE target of 30–32%, with profitability expected near the lower end of the range.
  We view Garanti Bankası's 3Q25 profitability performance as positive and maintain our 12-month target price of TL180.40 per share.

- **ASGYO** reported a TL553mn net loss in 3Q25, versus TL807mn a year earlier and TL195mn in the previous quarter.

- **BOSSA** reported a 3Q25 net profit of TL13mn, down 88% YoY and 92% QoQ.

- **CRDFA** reported a 3Q25 net profit of TL153mn, up 308% YoY and 63% QoQ.

- **DOGUB** reported a TL10mn net loss in 3Q25, compared to TL5mn in 3Q24 and TL17mn in 2Q25.

- **EGSER** reported a TL181mn net loss in 3Q25, versus TL511mn a year earlier and TL310mn in the previous quarter.

- **GIPTA** reported a 3Q25 net profit of TL203mn, marking a 4% YoY increase but a 55% QoQ decline.

- **JANTS** reported a 3Q25 net profit of TL21mn, up 51% YoY but down 35% QoQ.

- **KLYGO** reported a TL304mn net loss in 3Q25, compared to TL122mn in 3Q24 and TL111mn in 2Q25.

- **ORCAY** reported a TL21mn net loss in 3Q25, versus TL32mn a year earlier and TL26mn in the previous quarter.

- **YYLGD** reported a TL85mn net loss in 3Q25, compared to a TL240mn profit a year earlier and a TL111mn loss in the previous quarter.

- **DESA** distributed a gross dividend of TL0.08 per share today, implying a 0.5% yield based on the last closing price.

- **OYAKC** distributed a gross dividend of TL1 per share, corresponding to a 4.6% yield based on the last closing price.

- **SELVA** received Capital Markets Board approval for its 125% rights issue, raising capital from TL468mn to TL1.053bn. Subscription rights trading will begin tomorrow.

- **SISE** announced that the Capital Markets Board found no evidence of market manipulation or criminal activity in connection with the heavy sell-off in May 2024 and decided that no further action was necessary.

- **TERA** completed its 344.4% bonus issue, increasing its capital from TL157.5mn to TL700mn today.

- **TRCAS** established a new subsidiary, Turcas International Holding A.Ş., with a capital of TL250k, to consolidate its domestic and international investments under a single structure.

- **TTKOM** completed the issuance of USD600mn five-year Sukuk (lease certificates) with a 6.50% coupon rate through its subsidiary TT Varlık Kiralama A.Ş. The bonds were listed on the Irish Stock Exchange, and proceeds were transferred to Türk Telekom's accounts.

Share Transactions

Acquirer	Seller	Company	Type (Buyback / From Market)	# of lots	Transaction Price (TL)	Share in Capital after transaction
AHGAZ		AHGAZ	Buyback	29.416	27.94	1.81%

Important Disclosures

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