

Agenda

30 Monday

- China, September Caixin mfg. & non-mfg. PMI
- China, September Markit mfg. & non-mfg. PMI
- Germany, September CPI
- U.S., September Chicago PMI
- Fed, Powell's speech

01 Tuesday

- China, markets will be close.
- Germany & Eurozone, September Markit mfg. PMI
- Eurozone, September CPI
- U.S., August construction spendings
- U.S., September ISM manufacturing PMI

02 Wednesday

- China, markets will be close.
- ABD, Eylül ADP özel sektör istihdamı (TSİ:15:15)

03 Thursday

- China, markets will be close.
- TurkStat, September inflation
- Germany & Eurozone, September Markit non-mfg. PMI
- U.S., jobless claims
- U.S., September Markit non-mfg. PMI
- U.S., August factory orders
- U.S., September ISM non-manufacturing PMI

04 Friday

- China, markets will be close.
- CBRT, September inflation assessment
- U.S., September unemployment rate and average hourly wages
- U.S., September non-farm payrolls

Outlook:

The BIST 100 Index started Monday on a negative trend which continued throughout the day. The Benchmark Index closed at 9,665.78, down 1.14%. While the Industrial Index lost 0.78% of its value, the Banking Index decreased by 1.13%. The lack of short-term supportive expectations for the Index, plus rising geopolitical tension in the Middle East and concerns over growth prolong the weak trend at the BIST. On the global front, mixed trends were observed yesterday. In his speech, Fed Chairman Powell gave a message of caution stating that there would be no rush towards interest rate cuts. After Powell's statements, the U.S. stock markets ended the day flat, while European counterparts closed with a decline due to the loss of value in automotive company stocks. Asian stock markets, open except for China, South Korea and Hong Kong, which are closed for holidays, follow a mixed course. The U.S. futures are negative and German DAX futures are priced slightly positively. The VIOP30 Index completed the evening session down 0.20%. While there is no significant domestic data flow today, markets will follow manufacturing industry PMI data to be announced in the USA and Europe. Locally, we expect the Benchmark Index to start Tuesday flat, and continue its fluctuating course thereafter. SUPPORT: 9,600 - 9,500 RESISTANCE: 9,750 - 9,850.

Money Market:

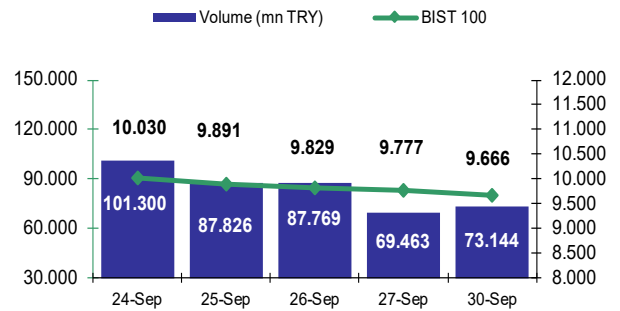
The Lira was negative yesterday, weakening 0.09% against the USD to close at 34.2029. The currency also depreciated by 0.03% against a basket of \$0.50 and €0.50. Meanwhile, the local fixed income markets were relatively flat. The ten-year benchmark bond was traded within a tight range of 28.31%-28.40%, ending the day at a high of 28.40%, 5 bps below its previous closing.

Sector News:

BRSA August: According to monthly BRSA data, sector earnings fell by 1.8% MoM to TRY34.1bn in August, amid a TRY1.3bn trading gain (due to private deposit banks). This marks the first trading gain since September 2023. The sector's cumulative earnings growth weakened from 18.8% in July to 9.2% in August. Cumulative 8-month profit is at 382.8 billion TL. The sector's ROAE weakened by 168 basis points on a monthly basis to 25.5%. The CAR and Tier 1 ratio also declined by 5 points and 9 points MoM to 17% and 13.3%, respectively.

On an annual basis, the sector's earnings growth eased to 9.2% from 18.8% in July. The annual increase in fee income lost momentum from 147.4% in July to 135.8% in August but remains above the 80.1% rise in operating expenses. However, a whopping 98 billion TL trading loss significantly weighed on profitability. As you may recall, banks had posted a 214.6 billion TL trading gain in August 2023. Foreign deposit banks stand out on 28.3% earnings growth YoY. State deposit banks delivered 14.6% earnings growth YoY. Yet private deposit banks' earnings fell 29.3% YoY.

In a quarterly comparison, banks delivered a 14.2% QoQ earnings decline in the first two months of 3Q24 (July-August) vs. the first two months of 2Q24 (April-May). The sharp decline in NII caused by private banks, soaring loan provisions, and operating expenses significantly weighed on the bottom line. State deposit banks performed the weakest on a 40.5% QoQ earnings decline. Foreign and Private deposit banks posted a respective 0.5% and 19.1% earnings decline QoQ.



| Indices (TRY) | Previous | Last | Chg. | YTD |
|-----------------|----------|--------|--------|--------|
| BIST 100 | 9.777 | 9.666 | -1,14% | 29,39% |
| BIST 30 | 10.888 | 10.780 | -0,99% | 34,41% |
| BIST-Financial | 11.426 | 11.319 | -0,93% | 43,50% |
| BIST-Industrial | 12.920 | 12.819 | -0,78% | 11,16% |
| BIST-Services | 9.312 | 9.194 | -1,27% | 34,43% |

| Advances | | Declines | | Most Active | |
|----------|-------|----------|-------|-------------|---------------|
| Stocks | (%) | Stocks | (%) | Stocks | Vol (TR) |
| TUCLK | 10,00 | DURDO | -9,99 | THYAO | 6.128.762.863 |
| NIBAS | 9,99 | SRVGY | -9,96 | EREGL | 5.528.359.571 |
| GEREL | 9,99 | IZFAS | -9,94 | ISCTR | 4.714.335.135 |
| ANELE | 9,98 | IHAAS | -9,93 | BIMAS | 3.843.211.157 |
| TERA | 9,91 | PEGYO | -9,90 | AKBNK | 3.174.417.728 |

| Money Market | Previous | Last | Chg. | YTD |
|---------------------|----------|-------|-------|--------|
| O/N Repo (%) | 48,35 | 49,80 | 0,03 | 19,57% |
| Bond (Benchmark, %) | 39,89 | 39,52 | -0,01 | -0,40% |

| Currency | Previous | Last | Chg. | YTD |
|------------|----------|----------|--------|--------|
| US\$ | 34,1906 | 34,1975 | 0,02% | 16,33% |
| Euro | 38,11935 | 38,11079 | -0,02% | 16,57% |
| Euro/Dolar | 1,1149 | 1,11334 | -0,14% | 0,11% |

| Commodity | Previous | Last | Chg. | YTD |
|----------------------|----------|---------|--------|--------|
| Oil (Brent spot, \$) | 73,0 | 71,8 | -1,63% | -6,55% |
| Gold (Ounce, \$) | 2.657,1 | 2.634,7 | -0,84% | 27,72% |
| Silver (XAG, \$) | 31,81 | 31,16 | -2,05% | 30,96% |

| Şeker Funds | Previous | Last* | Chg. | YTD |
|--------------------------------------|----------|----------|-------|--------|
| Fiba Portfoy Şekerbank Money Market | 5,143849 | 5,150665 | 0,13% | 42,32% |
| Fiba Portfoy Şekerbank Short T. Debt | 0,055593 | 0,055660 | 0,12% | 38,59% |

* Prices as of 01-Oct-24

| Turkdex (Set. Price) | Previous | Last | Chg. | YTD |
|----------------------|----------|---------|--------|--------|
| INX30 (October 24) | 11.440 | 11.150 | -2,54% | 30,81% |
| USD (October 24) | 35,4892 | 35,355 | -0,38% | 12,70% |
| EURO (October 24) | 39,7735 | 39,454 | -0,80% | 13,60% |
| GOLD (October 24) | 3048,06 | 3005,94 | -1,38% | 42,60% |

Company News:

The transfer of **Akbank (AKBNK.TI; OP)** shares with a nominal value of 14,561,020 TL in Serra Sabancı's personal portfolio to the free private funds, of which she is an investor, was carried out at a price of TRY63.35. This indicates a 0.3% discount compared to the latest closing price.

Akbank (AKBNK.TI; OP) has sold TRY1.71bn of its NPL book for TRY565mn to three asset management companies with a 33% yield. The total amount represents 7% of the bank's NPL book as of 2Q24, and should reduce the NPL ratio by 16bps. For comparison, the yield was 23% for **Garanti BBVA's (GARAN.TI; OP)** recent NPL sale (**Neutral**).

VakifBank (VAKBN.TI; MP) has completed the book building for its new sustainable Eurobond issuance of USD500mn with a maturity of 5.25 years. The yield and coupon rate were 6.95% and 6.875%, respectively. With the latest transaction, the total amount of the bank's sustainable Eurobond issuance has reached USD2.5bn. **As you may recall, the coupon rate for Yapi Kredi Bank's (YKBNK.TI; OP) latest issue with a 5-year maturity and semi-annual coupon payment was 7.125%.**

| | | World Indices | | | |
|------------------------|--|---------------|--------|--------|--------|
| | | Previous | Last | Chg. | YTD |
| America | | | | | |
| Dow Jones (US) | | 42.313 | 42.330 | 0,04% | 12,31% |
| Nasdaq (US) | | 18.120 | 18.189 | 0,38% | 21,17% |
| S&P 500 (US) | | 5.738 | 5.762 | 0,42% | 20,81% |
| Europe | | | | | |
| Dax (Germany) | | 19.474 | 19.325 | -0,76% | 15,36% |
| FTSE 100 (UK) | | 8.321 | 8.237 | -1,01% | 6,51% |
| CAC 40 (France) | | 7.792 | 7.636 | -2,00% | 1,23% |
| PSI20 (Portugal) | | 6.808 | 6.793 | -0,23% | 6,20% |
| Asia | | | | | |
| Nikkei (Japan) | | 39.830 | 37.920 | -4,80% | 13,31% |
| Hang Seng (Hong Kong) | | 20.632 | 21.134 | 2,43% | 26,96% |
| Shanghai Comp. (China) | | 3.088 | 3.337 | 8,06% | 12,15% |
| Sensex (India) | | 85.572 | 84.300 | -1,49% | 16,69% |

| Portfolio Recommend. | Inclusion Date | Inclusion Price | Last Close | Chg. (%) | BIST Relative |
|-----------------------|----------------|-----------------|------------|----------|---------------|
| Türk Hava Yolları | 12.01.24 | 251,00 | 285,00 | 13,5% | -6,2% |
| Turkcell | 11.01.23 | 32,59 | 95,20 | 192,1% | 42,9% |
| Sabancı Holding | 11.01.23 | 35,51 | 97,35 | 174,1% | 34,1% |
| Migros | 12.01.24 | 370,91 | 450,00 | 21,3% | 0,2% |
| Akbank | 20.01.22 | 6,60 | 61,60 | 833,3% | 94,5% |
| Bim | 09.06.22 | 77,90 | 496,25 | 537,0% | 69,5% |
| Kardemir D | 03.07.23 | 23,18 | 26,90 | 16,1% | -27,8% |
| Şişecam | 18.01.21 | 7,27 | 43,10 | 492,8% | -4,5% |
| Isbank | 12.01.24 | 10,12 | 14,06 | 38,9% | 14,8% |
| TAV Airports | 01.08.22 | 56,60 | 249,70 | 341,2% | 21,2% |
| Portfolio Yield (yoy) | | | | 76,9% | 48,4% |
| Portfolio Yield (mom) | | | | 3,9% | 3,9% |

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