

BIST TRENDS REPORT

by

TUYİD – TURKISH INVESTOR RELATIONS
SOCIETY

&

MKK – CENTRAL REGISTRY AGENCY

Volume 4: January – March 2013

25 April 2013

April 25, 2013

Dear Readers,

We proudly present Volume IV of the Borsa Istanbul Trends Report, which provides index-based information on public offerings, market capitalization, free float and trade volumes by investor type for the first quarter of 2013.

Within the context of the restructuring of Turkish capital markets, the transformation of Istanbul Stock Exchange to Borsa İstanbul took place at the beginning of April. This transformation not only paves the way for strategic partnerships but also accompanies major reforms and technological investments. With the listing of the largest domestic and foreign companies, increase in liquidity and depth of our markets and by expanding domestic corporate investor base, we will witness a significant transformation and growth in the upcoming period.

We, as T  Y  D and MKK, are proud that our report is gaining further recognition and reaching out to a wider audience with every issue. Recently Istanbul University Capital Market Research Institution used our BIST Trends Report as a source to their annual report on Turkish Capital Markets.

Domestic and foreign investors' holding periods, calculated annually, that we have published in our previous issue, contained impressive comparisons. Starting from this issue, we will be giving details about Risk Appetite Index (RISE) data and data about capital market instruments based on the number of investors and market values, which MKK started to announce on their web site www.mkk.com.tr.

This Report is prepared quarterly by T  Y  D (Turkish IR Society) and MKK (Central Registry Agency), using MKK's database. We trust it will continue to provide an important insight for the market players.

MKK General Manager and Board Member

Do. Dr. Yakup ERG  NCAN

T  Y  D Turkish IR Society Chairman

Abdullah Orkun Kaya

Acknowledgements: We express our gratitude to MKK Operations and Depository Department Assistant Manager Dr. Özgür Uysal, MKK Supervisor Levent Urgan, TÜYİD Audit Committee Member and Co-Chair of Publications Working Group Aslı Selçuk and TÜYİD Member Eren Öner for their contributions.

The evaluations and the information in the Report, where you can find significant statistics about listed stocks in Borsa İstanbul, are prepared based on Central Registry Agency's database. Investment information, comment and advices are not in the enclosure of investment consultancy and do not comprise information for buying and selling decisions in the capital markets. The data and the information in the Report cannot be guaranteed to be correct; the content can be changed without announcing. All the data are taken from the sources thought to be reliable. MMK and TÜYİD cannot be taken responsible for the problems that might emerge out of using these sources.

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1. PUBLIC OFFERINGS BY INDEX

INDEX	31.03.2012	31.12.2012	31.03.2013
BIST BANK	16	16	16
BIST HOLDING AND INVESTMENT	31	38	38
BIST TRADE	18	20	20
BIST SERVICES	53	58	57
BIST FINANCIAL	91	98	100
BIST INDUSTRIAL	171	180	172
BIST TECHNOLOGY	16	16	16
BIST ALL	331	352	345

In the first quarter of 2013, Halk GYO's public offering took place where 18,623 investors participated and 4,500 investors bought a share certificate for the first time.

2012 was busy with public offerings; 26 companies started trading at Borsa Istanbul (BIST). 16 of them were initial offerings and 10 were in Emerging Companies Market. The proceeds generated from the public offerings in 2012 reached TL619 million (USD352 million). In 2012, a significant number of investors (30,272) participated in the secondary public offering of Halkbank, generating TL4,515 billion. Looking at the pipeline of companies that have applied for listing, it is expected that the public offerings will continue at the same speed in 2013.

In the first quarter, an important public offering "Halk Gayrimenkul Yatırım Ortaklığı A.Ş." took place. The IPO of Pegasus Hava Taşımacılığı A.Ş. is next in line. The SPO of Türk Telekomunikasyon A.Ş. and Emlak Konut GYO A.Ş. are expected to follow.

The Chairman and the General Manager of Borsa İstanbul İbrahim Turhan announced that they are in talks with 180 companies, which are in the top 500 companies in Turkey, and 60 of them decided to have a public offering until 2015 and another 60 until 2018. On the other hand, the announcement of ongoing talks with other foreign companies in the region to be listed in BIST, indicates that in the coming years important companies will join in the stock exchange.

The IPOs in 2013

Company name	Nominal Value	Float	Total	Total	Offering	First Trade	Number of Investor	
Initial Offerings	(TL)	(%)	Proceed (TL)	Proceed (USD)	Price (TL)	Date	Foreign	Domestic
Halk Gayrimenkul Yatırım Ortaklığı A.Ş.	185.500.000	28.00	250.425.000	141.683.168	1,35	22.02.2013	7	18.616

2. FREE FLOAT

	FREE FLOAT		EFFECTIVE FREE FLOAT	
Index	31.03.2012	31.03.2013	31.03.2012	31.03.2013
BIST BANK	39,06%	41,93%	30,99%	33,46%
BIST HOLDING AND INVESTMENT	37,61%	36,76%	32,19%	31,48%
BIST TRADE	48,40%	47,82%	39,43%	41,10%
BIST 30	35,75%	37,54%	32,46%	33,87%
BIST 50	35,68%	38,35%	31,89%	33,32%
BIST 100	36,92%	38,88%	31,47%	32,20%
BIST SERVICES	30,75%	33,15%	22,66%	26,34%
BIST FINANCIAL	38,48%	40,12%	30,06%	31,98%
BIST INDUSTRIAL	36,87%	39,85%	26,17%	26,26%
BIST TECHNOLOGY	26,04%	23,65%	22,95%	20,48%
BIST ALL	36,25%	38,47%	27,31%	29,17%

In the first quarter of 2013, the effective free float of the companies traded at the BIST is 29%.

The IPO Campaign has not only been effective in informing and educating the public and the companies on the benefits of public offering, but also encouraged companies to increase their float. As of the first quarter of 2013, free float of the companies traded at the BIST-All is 29%.

In the same period of the last year, the rate was around 27%. In BIST-30, which consists of higher trade volume and comparatively larger companies, and in Bank index, the float was 34% and 33% respectively.

The free float in the Banks index increased from 31% in 1Q12 to 33% in 1Q13. The main reason for this increase is the secondary public offering of Halkbank by Privatization Administration in the last quarter of 2012.

When we look at the sub-indices, in both years, the highest float is observed in the Trade index with 48% and 41%. BIST Industrial index shows the highest increase YoY by 2.98%. The highest year-to-date increase in effective free float took place in the Banks index with 3.69%.

Note: The difference between free float and effective free float is attributable to owners' shares, individual and institutional shareholders with over 5% share, and pledged/collateralized shares.

3. MARKET CAPITALIZATION

Million TL	31.03.2012	31.12.2012	31.03.2013	Annual Change	Change in 2013
BIST BANK	147.062	190.077	206.222	40%	8%
BIST HOLDING AND INVESTMENT	56.520	69.323	79.098	40%	14%
BIST TRADE	21.715	27.163	28.850	33%	6%
BIST 30	285.562	359.153	395.345	38%	10%
BIST 50	327.106	408.838	451.209	38%	10%
BIST 100	357.722	453.911	507.870	42%	12%
BIST SERVICES	97.730	108.960	118.943	22%	9%
BIST FINANCIAL	226.120	282.780	310.553	37%	10%
BIST INDUSTRIAL	128.026	147.606	163.444	28%	11%
BIST TECHNOLOGY	4.490	5.994	7.189	60%	20%
BIST ALL	456.366	545.341	600.128	32%	10%

Million USD	31.03.2012	31.12.2012	31.03.2013	Annual Change	Change in Year 2013
BIST BANK	82.950	106.929	114.017	37%	7%
BIST HOLDING AND INVESTMENT	31.880	38.998	43.732	37%	12%
BIST TRADE	12.248	15.281	15.951	30%	4%
BIST 30	161.071	202.044	218.579	36%	8%
BIST 50	184.503	229.994	249.466	35%	8%
BIST 100	201.772	255.350	280.793	39%	10%
BIST SERVICES	55.125	61.296	65.762	19%	7%
BIST FINANCIAL	127.542	159.080	171.699	35%	8%
BIST INDUSTRIAL	72.213	83.037	90.365	25%	9%
BIST TECHNOLOGY	2.532	3.372	3.975	57%	18%
BIST ALL	257.412	306.785	331.801	29%	8%

Market capitalization of BIST-ALL reached 600 billion TL, up by 10% YoY.

In 4Q12, Fitch upgraded Turkey's credit rating to investment grade, which resulted in a strong rally, pushing Borsa Istanbul to second place among the World's most profitable exchanges. In the beginning of 2013, expectations of a second rating upgrade drove BIST-100 index to record levels. At the end of January, Moody's reaffirmed Turkey's credit rating, with no upgrade, and stated that Turkey's ability to maintain resilience against external shocks remained a key criterion for a possible credit upgrade, drawing attention to Turkey's current account deficit and bank reserves. A strong correction and profit-taking followed. As a result, market capitalization of BIST-ALL reached 600 billion TL in 1Q13, up by %10 on TL basis.

The highest YoY increase in TL market capitalization was recorded in the Technology index with 60% and BIST-100 with 42%. The lowest increase was in the Services index with 22%. In 1Q13, the highest increase was in the Technology index with 20%.

4. TRADE VOLUME

Nominal Value (Mn)	2012 1. Quarter	2012 4. Quarter	2013 1. Quarter	Annual Change	Quarterly Change
BIST BANK	15.014	12.495	12.138	-19%	-3%
BIST HOLDING AND INVESTMENT	9.013	7.613	11.310	25%	49%
BIST TRADE	1.043	791	667	-36%	-16%
BIST 30	27.511	24.585	26.452	-4%	8%
BIST 50	31.054	27.579	30.526	-2%	11%
BIST 100	38.406	32.159	36.726	-4%	14%
BIST SERVICES	5.347	4.799	6.418	20%	34%
BIST FINANCIAL	30.157	22.979	26.806	-11%	17%
BIST INDUSTRIAL	13.681	12.315	13.129	-4%	7%
BIST TECHNOLOGY	474	488	705	49%	44%
BIST ALL	49.659	40.581	47.059	-5%	16%

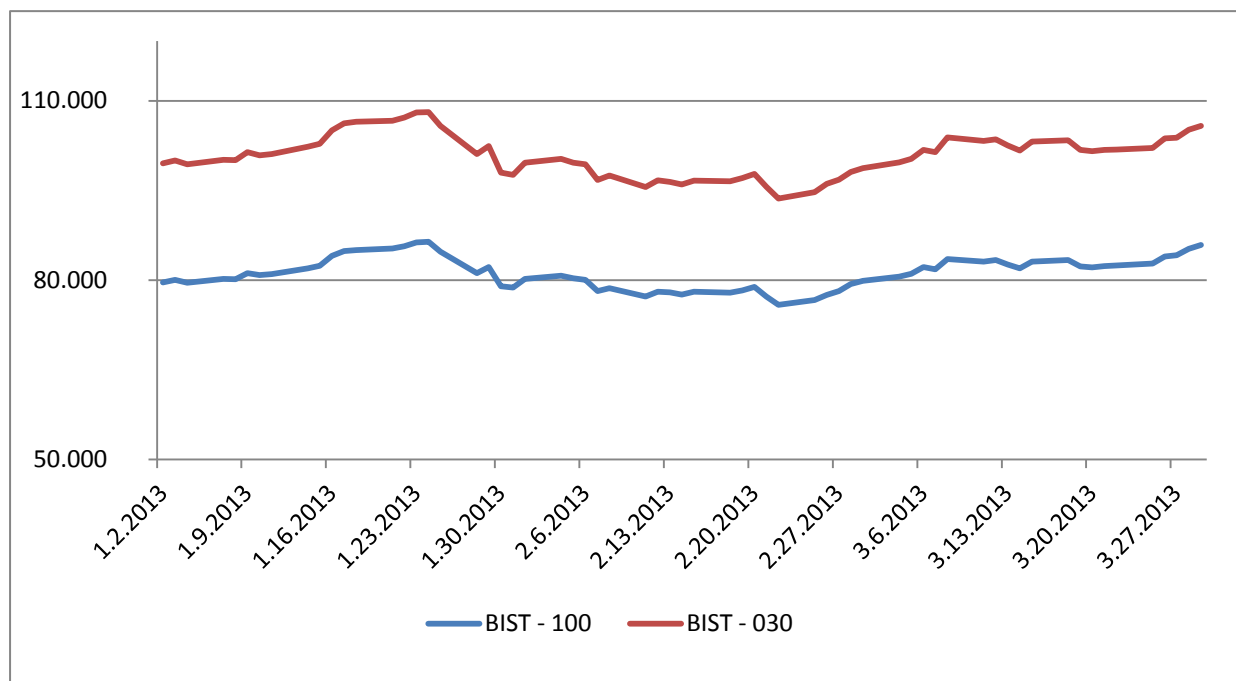
Million TL	2012 1. Quarter	2012 4. Quarter	2013 1. Quarter	Annual Change	Quarterly Change
BIST BANK	67.435	78.803	82.615	23%	5%
BIST HOLDING AND INVESTMENT	12.969	14.838	23.000	77%	55%
BIST TRADE	5.086	6.279	5.413	6%	-14%
BIST 30	101.482	129.910	145.673	44%	12%
BIST 50	121.368	141.693	162.287	34%	15%
BIST 100	135.533	154.236	180.645	33%	17%
BIST SERVICES	21.452	25.176	33.409	56%	33%
BIST FINANCIAL	91.596	99.208	112.534	23%	13%
BIST INDUSTRIAL	43.887	46.328	52.435	19%	13%
BIST TECHNOLOGY	3.834	2.908	3.746	-2%	29%
BIST ALL	160.769	173.619	202.123	26%	16%

Million USD	2012 1. Quarter	2012 4. Quarter	2013 1. Quarter	Annual Change	Quarterly Change
BIST BANK	37.744	44.126	46.441	23%	5%
BIST HOLDING AND INVESTMENT	7.281	8.313	12.937	78%	56%
BIST TRADE	2.858	3.522	3.045	7%	-14%
BIST 30	56.861	72.769	81.929	44%	13%
BIST 50	68.010	79.373	91.287	34%	15%
BIST 100	75.975	86.406	101.622	34%	18%
BIST SERVICES	12.050	14.115	18.801	56%	33%
BIST FINANCIAL	51.309	55.558	63.272	23%	14%
BIST INDUSTRIAL	24.654	25.960	29.513	20%	14%
BIST TECHNOLOGY	2.148	1.629	2.105	-2%	29%
BIST ALL	90.162	97.262	113.692	26%	17%

The TL based trade volume in BIST increased by 26% YoY in the first quarter of 2013.

The highest increase in trade volumes was recorded in the BIST Holding and Investment indices with 55%. The TL based trading volume in BIST-ALL increased by 26% YoY in the first quarter 2013.

The highest increase was realized in the Holding index with 77% while the highest decrease was realized in Trade index with 2%.



5. FOREIGN TRANSACTIONS – NET INFLOW AND OUTFLOW (MILLION USD)

Index	2012 1. Quarter	2012 2. Quarter	2012 3. Quarter	2012 4. Quarter	Total	2013 1. Quarter
BIST BANK	585	178	592	839	2.194	358
BIST HOLDING AND INVESTMENT	166	(9)	(0,4)	55	211	144
BIST TRADE	78	26	(27)	86	164	38
BIST 30	632	193	1.090	1.105	3.021	405
BIST 50	2.535	244	1.126	1.119	5.024	489
BIST 100	2.585	226	1.138	1.441	5.389	553
BIST SERVICES	98	101	215	246	659	156
BIST FINANCIAL	756	214	700	1.036	2.707	496
BIST INDUSTRIAL	1.700	(72)	230	155	2.013	(85)
BIST TECHNOLOGY	43	(17)	(2)	14	28	13
BIST ALL	2.597	226	1.133	1.451	5.407	579

In the first quarter, net foreign inflow in Borsa İstanbul was 579 million USD. Foreign investors were net sellers in the Industrial index only, while the highest inflow took place in BIST-100 with 553 million USD.

Foreign investors were net buyers in all indices in 2012. Total net foreign inflow in BIST-ALL reached USD 5.4 billion and net inflow continued in the first quarter of 2013.

The highest net inflow was in BIST-100 with 553 million USD. The Financial index, which has a high amount of bank shares came second with 496 million USD net foreign inflow. In the first quarter, foreign investors were net sellers only in the Industrial index. Services Index was the only one which saw a YoY increase in net inflow.

6. TRADE VOLUME BY INVESTOR TYPE (TL)

Index	Dec.12		Jan.13		Feb.13		Mar.13	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST-ALL	16%	84%	19%	81%	19%	81%	20%	80%
BIST -030	19%	81%	25%	75%	23%	77%	24%	76%
BIST -050	19%	81%	23%	77%	22%	78%	23%	77%
BIST -100	17%	83%	21%	79%	21%	79%	22%	78%
BIST INDUSTRY	8%	92%	10%	90%	13%	87%	14%	86%
BIST SERVICES	18%	82%	18%	82%	20%	80%	23%	77%
BIST TRADE	17%	83%	21%	79%	26%	74%	31%	69%
BIST FINANCIAL	19%	81%	24%	76%	22%	78%	22%	78%
BIST BANK	21%	79%	27%	73%	24%	76%	23%	77%
BIST HOLDING AND INVESTMENT	16%	84%	18%	82%	17%	83%	19%	81%
BIST TECHNOLOGY	2%	98%	4%	96%	5%	95%	8%	92%

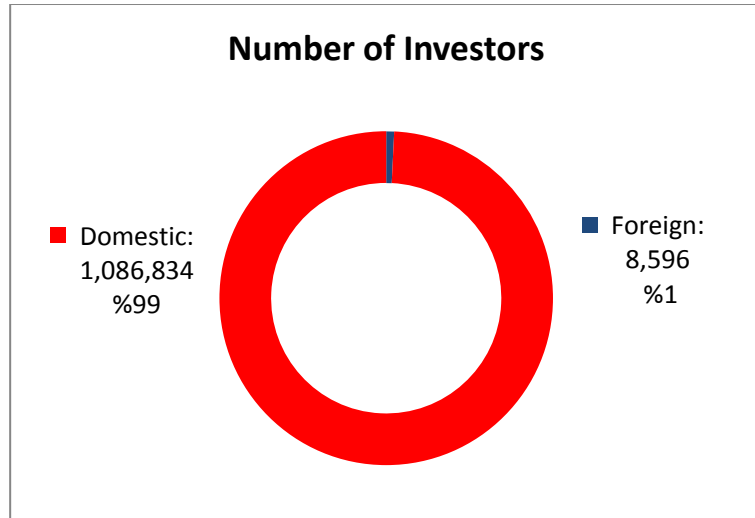
In the first quarter of 2013, domestic investors generated 81% of the trade volume in Borsa İstanbul

The share of foreign investors in trade volume was 16% in December, seasonally at its lowest levels. In the first quarter of 2013 it increased to 19%. In January, foreign investors had the highest trading volume in Bank index with 27%. In February and March they had the highest trading volume at Trade index with 26% and 31% respectively. Domestic investors generated 81% of the trade volume in the first quarter.

7. NUMBER OF INVESTORS AND MARKET CAPITALIZATION

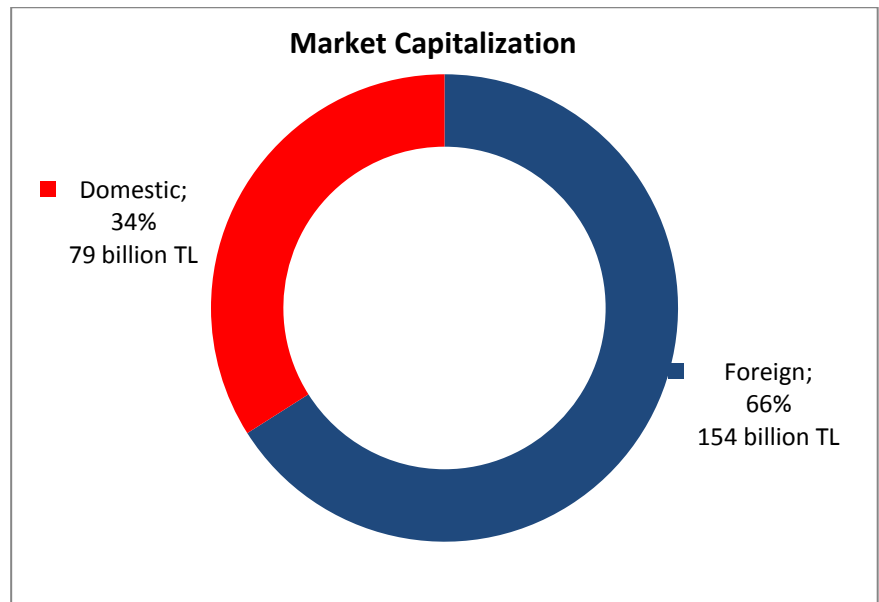
8,596 of the total 1 million 95 thousand investors at BIST are non-residents.

The share of foreign investors in trading volume is limited to 19%, while their share in market cap is at 66% levels.

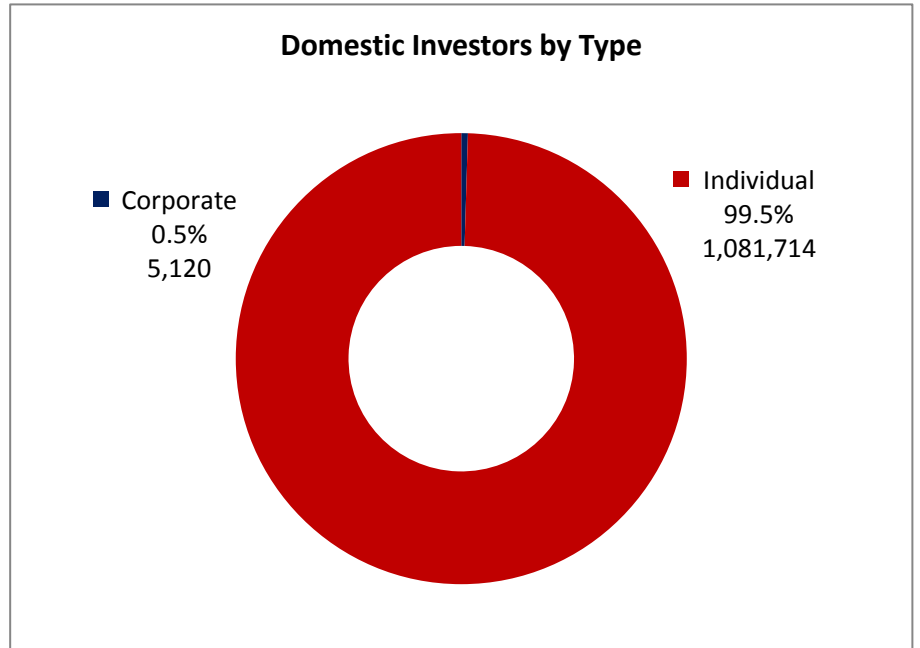


As of March 2013, there are 1 million 87 thousand domestic investors at the BIST versus 8,596 foreign investors. Compared to the end of 2012, the number of foreign investors increased by 292, while the number of domestic investors increased by around 6,600.

Domestic investors are mainly individuals. The domestic corporate investor base is expected to increase but yet it is very limited and their share in the market cap. is 16.47%.

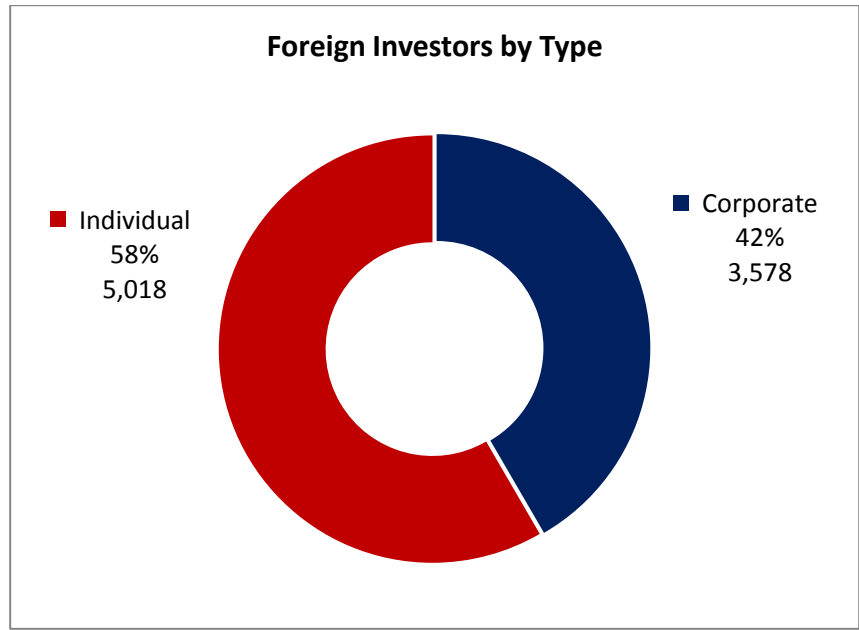


Foreign investors have 19% share in trade volume. Their share in market capitalization was 62% at the end of 2011, increased to 66% at the end of 2012 and remained stable in the first quarter of 2013.



99.5% of the domestic investors are composed of individual investors. Domestic corporate investors, of which there are 5,120 in the market, hold only 16.47% of the total market capitalization.

The positive impact of the private pension incentive scheme that was recently introduced by the government in order to increase private savings is expected to be more visible in the term ahead. The increase in the number of domestic corporate investors will facilitate the growth of Borsa İstanbul, deepening of the market and also will be effective in extending the currently shorter holding periods.



Among foreign investors, corporate investors hold the lion's share of the market capitalization.

8. NUMBER OF DOMESTIC AND FOREIGN INVESTORS BY INDEX

	Mar.13		Dec.12	
	Foreign	Domestic	Foreign	Domestic
BIST ALL	8.496	1.062.688	8.222	1.060.923
BIST 100	7.417	878.269	7.307	882.119
BIST 30	6.160	669.392	6.055	671.788
BIST 50	6.604	738.580	6.460	740.770
BIST INDUSTRY	4.430	600.993	4.398	608.415
BIST SERVICES	3.430	328.953	3.316	331.355
BIST FINANCIAL	6.285	658.780	6.040	651.659
BIST TECHNOLOGY	496	64.660	471	64.295
BIST TRADE	1.556	91.698	1.552	94.436
BIST BANK	4.107	362.219	4.042	366.594
BIST HOLDING AND INVESTMENT	3.647	316.964	3.398	314.209

Compared to the end of last year, the number of foreign investors in all indices increased in the first quarter. While the number of domestic investors increased in BIST-ALL, the number of domestic investors fell in BIST 100, BIST 30, BIST 50, Industry, Services, Trade, Bank and Holding indices.

9. MARKET CAPITALIZATION BY INDEX AND NATIONALITY (BILLION TL)

	Mar.13		Dec.12		Year-to-Date Change	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	153,89	76,89	140,20	70,60	10%	9%
BIST 100	139,16	58,24	126,12	53,38	10%	9%
BIST 30	112,91	35,46	103,92	32,79	9%	8%
BIST 50	129,80	43,19	116,56	40,69	11%	6%
BIST INDUSTRY	37,55	27,56	33,73	25,33	11%	9%
BIST SERVICES	29,33	10,08	27,34	8,85	7%	14%
BIST FINANCIAL	86,38	38,18	78,62	35,46	10%	8%
BIST TECHNOLOGY	0,62	1,08	0,51	0,96	23%	12%
BIST TRADE	11,23	2,57	11,14	1,99	1%	29%
BIST BANK	65,73	20,72	60,28	19,56	9%	6%
BIST HOLDİNG AND INVESTMENT	17,13	11,94	14,74	10,94	16%	9%

In the first quarter, the market capitalizations increased in all indices compared to the beginning of the year.

10. FOREIGN INVESTORS BY PORTFOLIO VALUE AND RESIDENCE

		LOCATION	PORTFOLIO VALUE (MILLION TL)	SHARE
1,324 investors resident in the US hold one third of the foreign investment at the BIST while US and UK investors hold more than half of the total foreign investment.	1	US	50.691	33%
	2	UK	28.590	18%
	3	Luxembourg	12.417	7%
	4	Ireland	6.071	3%
	5	Holland	5.082	3%
	6	Norway	4.867	3%
	7	France	3.756	3%
	8	Saudi Arabia	3.695	3%
	9	Singapore	3.309	2%
	10	Greece	3.027	2%
		Other	32.704	21%
		Total	154.210	100%

As of March 2013, it is observed that the highest portfolio values belong to investors residing in US, UK and Luxembourg, similar to the year-end levels. The total number of investors in US, which was 1,302 at the end of 2012, continued to rise in 1Q13 to 1,324. One third of the total foreign investment at the BIST belongs to investors resident in US, while US and UK investors hold more than half of the total foreign investment at the BIST.

11. NUMBER OF INVESTORS AND MARKET CAPITALIZATION BY SECURITY TYPE

Type of the Security	Mar.12		Mar.13	
	Number of Investors	Market Cap (Million TL)	Number of Investors	Market Cap (Million TL)
Share Certificates	1.092.910	462.806	1.099.829	612.165
Investment Fund	2.830.741	29.114	2.697.943	32.328
BIST Investment Fund	4.359	306,5424	4.182	393
Private Sector Debt Instrument	188.762	18.380	193.572	30.931
Structured Product*	2.212	7	2.314	14
Other Securities**	58	830	1.233	1.683
Government Bonds			20.517	180.683
TOTAL		511.443		858.198

* The total number of the investors decreased from 3,624,563 in March 2012 to 3,533,373 in March 2013.

12. RISK APPETITE INDEX

Investor Risk Appetite Index (RISE) is one of the first products of “e-DATA: Capital Markets Data Bank Project” which is presented on e-MKK: Information Portal of MKK. e-DATA Project aims to gather, analyze, model and present all data concerning our financial markets, particularly detailed data on investors and securities kept in the Central Dematerialization System (CDS), and to share these data through a single source, e-MKK Information Portal, with regulatory and supervisory bodies and other governmental institutions to be used in decision-making mechanisms as well as with academicians for their studies on the Turkish capital markets. Another aspect of this project will be the distribution of all data produced in the Turkish capital markets through MKK in a secure, consistent and correct manner.

Besides its secondary goal of establishment and presentation of an electronic database, compliant with the international standards, for the securities issued in Turkish capital markets, the project’s end goal is to become the central data source for all capital markets as well as to provide services in analysis of data, creation of econometric models and distribution of financial information in international standards. MKK collaborates with Ozyegin University’s Finance Engineering Department for the technical and academic aspects of this project.

The Investor Risk Appetite Index (RISE) is a weekly indicator which is derived from weekly portfolio changes of the investors who own at least TL 5 000 stock portfolio value at any period beginning from 28 November 2005. The index is calculated by using BIST-100 adjusted changes of the investors’ total stock and A-type mutual funds values on every Friday.

Currently, the Index reviews approximately 800.000 investors; this is the first time that an index encompasses that much of a huge investor dataset in Turkey. The Index has two versions; “Level” and “Change”. Related data, updated every Monday, can be reached from MKK’s official website: www.mkk.com.tr

In “change” version, variation from the investor’s normal level of portfolio holding is calculated by subtracting the weighted average of previous 52 week values from the adjusted portfolio value of the related week for every single investor. Using the matrix of variations, investors are given scores between “0” and “1”. A general risk appetite index for the whole market is calculated by taking the weighted average of these scores, using the ratios of investors’ portfolio values in the specified week to the total market value.

The only difference in the “level” version is that scores are given directly to the portfolio values instead of variations of those values. This single but critical difference between the versions, makes RISE derived by the “change method” to be more sensitive in short term risk appetite variations and enables RISE derived by the “level method” to capture long term risk appetite trends.

Besides the general RISE index which covers all investor types, other indices are also calculated for “Domestic Investors”, “Foreign Investors”, “Domestic Individuals”, “Domestic Corporations”, “Domestic Funds”, and “Qualified Investors”.

The threshold value for RISE is considered to be “50”;

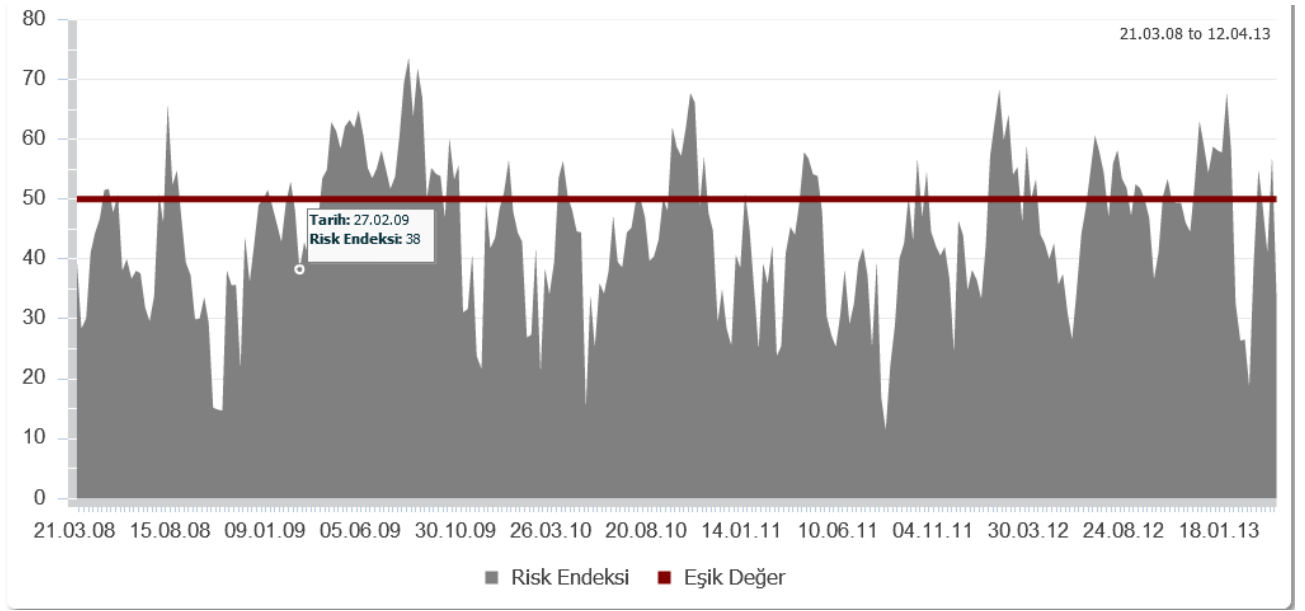
- If the calculated index is above (50), investors are, on average, holding rather more risky portfolios compared to previous period of 52 weeks’,
- If the calculated index is below (50), investors are, on average, holding rather less risky portfolios compared to previous period of 52 weeks’.

The Index values were tested by using the past five years data and the test results were more than satisfactory. The Index was also presented to some academicians who are experts on foreign / domestic capital markets, resulting in very positive feedbacks.

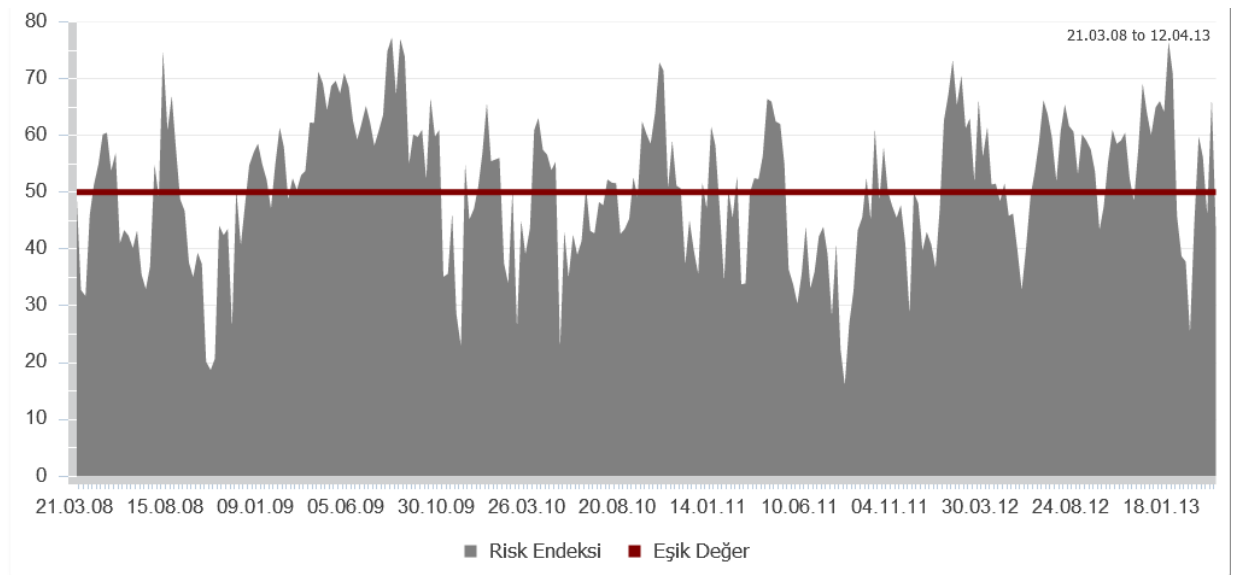
Please, refer to the below charts and statistics for the RISE change index for the last 5 years;

RISE (change)	Lowest Value	The Date of the Lowest Value	Highest Value	The Date of the Highest Value
All	11.4	19/08/2011	73.7	14/08/2009
Domestic	16.0	19/08/2011	77.3	14/08/2009
Foreign	9.6	19/08/2011	76.3	14/08/2009

All Investors



Domestic Investors



Foreign Investors

