



BIST TRENDS REPORT

by

**TUYID – TURKISH INVESTOR RELATIONS
SOCIETY**

&

MKK – CENTRAL REGISTRY AGENCY

Volume 8: January – March 2014

April 16, 2014

April 16, 2014

Dear Readers,

We proudly present Volume VIII 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 2014.

In 1Q14, besides Fed's policies, global economic and political developments became determinant for global risk appetite. Although Borsa Istanbul decoupled from the global capital markets negatively with the impact of local election held in March, it is observed that the foreign investors had net inflow in Borsa Istanbul in the first quarter of the year. This period was stable also in terms of IPOs. Two initial public offerings took place in emerging companies market with TL11 million proceeds while there has not been a public offering in Borsa Istanbul equity market.

The previous year has been a busy year. The enactment of the new Capital Market Law, transition of Istanbul Stock Exchange to Borsa Istanbul and collection of the exchanges under one roof took place and Borsa Istanbul signed a strategic partnership for an adoption of new market technologies with NASDAQ OMX. In the upcoming period, we will be observing the impacts of these changes and transformation processes in terms of our capital markets' growth and deepening.

MKK General Manager and Board Member

Doç. Dr. Yakup ERGİNCAN

TÜYİD Chairman

Abdullah Orkun KAYA

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The evaluations and the information in the Report, where you can find significant statistics about listed stocks in Borsa Istanbul, 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 TUYID cannot be taken responsible for the problems that might emerge out of using these sources.

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1. PUBLIC OFFERINGS BY INDEX

In 1Q14, there has not been a public offering in Borsa Istanbul equity market.

Index	2011 YE	2012 YE	2013 YE	2014 1Q
BIST BANK	16	16	16	16
BIST HOLDING AND INVESTMENT	31	38	40	40
BIST TRADE	18	20	21	21
BIST SERVICES	53	58	64	62
BIST FINANCIAL	90	98	105	105
BIST INDUSTRY	170	180	171	169
BIST TECHNOLOGY	16	16	16	16
BIST ALL	329	352	356	352

Source: BIST - <http://borsaistanbul.com/veriler/verileralt/halka-arz-verileri>

2 initial public offerings took place in Borsa Istanbul emerging companies market, with TL 11 million.

In 1Q14, there has not been a public offering in Borsa Istanbul equity market. In the first quarter of the year, before the local elections held in March 30, money and capital markets were very busy. The general expectation in the market is that after this high volatility period, the companies, which are making preparations for public offerings will take action.

According to the data from Borsa Istanbul, 9 companies made an application to be traded in equity market and 8 companies to be accepted in emerging companies market list. (<http://borsaistanbul.com/sirketler/halka-arz/pay-piyasasi/guncel-basvurular>). IPO Campaign and ListingIstanbul project are two important initiatives, which target to give momentum to and increase effectiveness of domestic and global capital in our country and are expected to be determinant of the effectiveness of IPOs in the upcoming period.

2. FREE FLOAT

Effective free float of the companies traded at Borsa Istanbul is increased at least, compared to the first quarter of the previous year.

INDEX	FREE FLOAT		EFFECTIVE FREE FLOAT	
	03.31.2013	03.31.2014	03.31.2013	03.31.2014
BIST BANK	41.93%	42.27%	33.46%	32.42%
BIST HOLDING AND INVESTMENT	36.76%	37.55%	31.48%	31.23%
BIST TRADE	47.82%	50.92%	41.10%	42.33%
BIST 30	37.54%	39.20%	33.87%	34.05%
BIST 50	38.35%	37.99%	33.32%	33.07%
BIST 100	38.88%	38.25%	32.20%	31.78%
BIST SERVICES	33.15%	33.59%	26.34%	27.26%
BIST FINANCIAL	40.12%	41.63%	31.98%	31.81%
BIST INDUSTRY	39.85%	39.41%	26.26%	27.99%
BIST TECHNOLOGY	23.65%	22.91%	20.48%	19.74%
BIST ALL	38.47%	38.98%	29.17%	29.59%

We can generally say that there is slightly an increase trend according to the analysis of the last years' free float levels. This trend is one of the significant indicators that contribute to increase in the level of trade volume and more efficient market in Borsa Istanbul.

When we compare the first quarters of 2013 and 2014, 42 basis point of increase is observed in effective free float in Borsa Istanbul. BIST Trade index shows the highest increase in free float YoY by 310 basis point and BIST Industry index shows the highest increase in effective free float by 173 basis point. On the other hand, in free float, the biggest decline was seen in BIST Technology, while the biggest decline has taken place in the BIST Bank index in terms of effective free float.

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	03.29.2013	12.31.2013	03.31.2014	Quarterly Change	Annual Change
BIST BANK	206,222	144,727	149,957	4%	-27%
BIST HOLDING AND INVESTMENT	79,098	67,106	66,675	-1%	-16%
BIST TRADE	28,850	25,737	27,384	6%	-5%
BIST 30	395,345	319,619	335,115	5%	-15%
BIST 50	451,209	380,334	392,980	3%	-13%
BIST 100	507,870	424,065	434,487	2%	-14%
BIST SERVICES	118,943	111,154	114,951	3%	-3%
BIST FINANCIAL	310,553	238,519	245,001	3%	-21%
BIST INDUSTRY	163,444	145,253	137,458	-5%	-16%
BIST TECHNOLOGY	7,189	5,590	5,647	1%	-21%
BIST ALL	600,128	500,516	503,056	1%	-16%

By the end of 1Q14, market capitalization of BIST All compared to the end of 2013 increased by 1% in TL terms, while BIST Trade index increased the most with 6%.

MILLION USD	03.29.2013	12.31.2013	03.31.2014	Quarterly Change	Annual Change
BIST BANK	114,017	67,934	69,563	2%	-39%
BIST HOLDING AND INVESTMENT	43,732	31,499	30,929	-2%	-29%
BIST TRADE	15,951	12,081	12,703	5%	-20%
BIST 30	218,579	150,028	155,455	4%	-29%
BIST 50	249,466	178,527	182,298	2%	-27%
BIST 100	280,793	199,054	201,553	1%	-28%
BIST SERVICES	65,762	52,175	53,324	2%	-19%
BIST FINANCIAL	171,699	111,960	113,653	2%	-34%
BIST INDUSTRY	90,365	68,181	63,765	-6%	-29%
BIST TECHNOLOGY	3,975	2,624	2,619	0%	-34%
BIST ALL	331,801	234,940	233,361	-1%	-30%

At the beginning of this year, local elections were the main agenda item, while the FED's position, global economic and political developments were closely followed abroad. In this period, Borsa Istanbul mostly decoupled negatively from the global markets.

By the end of 1Q14, market capitalization of BIST All increased by 1% in TL terms, while BIST Trade index increased the most with 6%. Market capitalization of Bank Index, which is the leading index of BIST 100, increased with 4% in TL terms.

The highest quarterly decline in both TL and USD market capitalization was recorded in BIST Industry index's, by 5% and 6% respectively. Compared with the same period of the previous year, BIST All index equity value decreased with 16% in TL terms while BIST Bank index decreased with 27%.

4. TRADE VOLUME

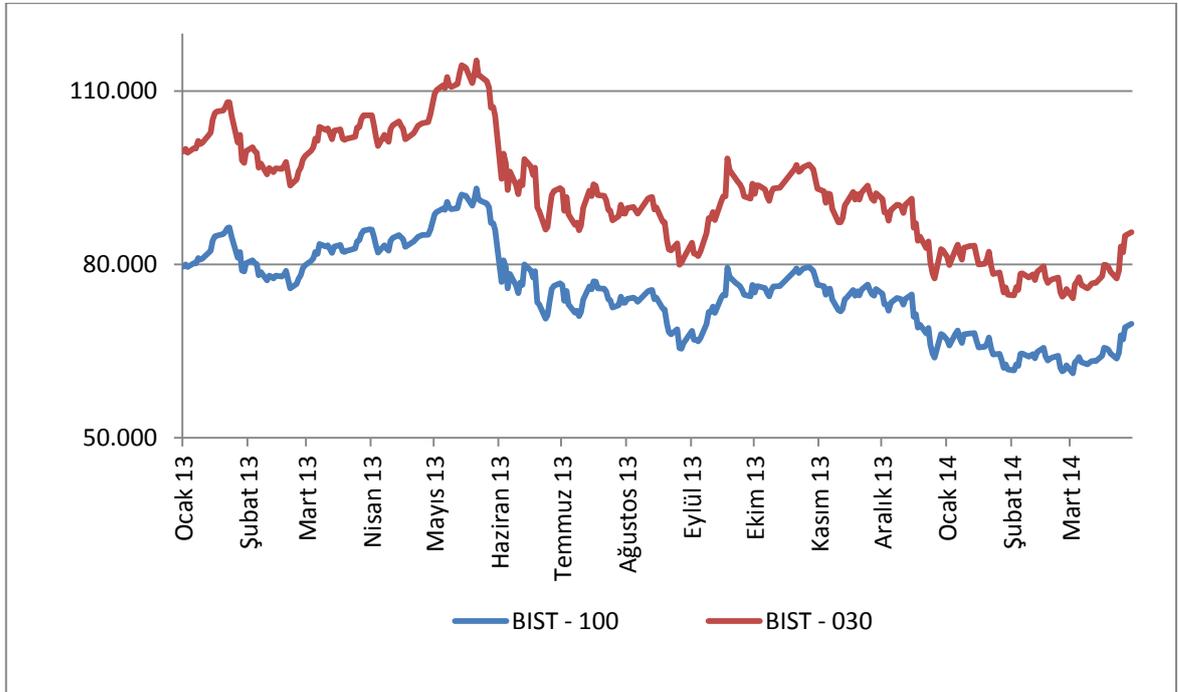
NOMINAL VALUE (million)	2013 1st Quarter	2013 4th Quarter	2014 1st Quarter	Quarterly Change	Annual Change
BIST BANK	12,138	12,132	17,950	48%	48%
BIST HOLDING AND INVESTMENT	11,310	7,420	5,931	-20%	-48%
BIST TRADE	667	732	838	14%	26%
BIST 30	26,452	27,861	29,511	6%	12%
BIST 50	30,526	30,643	33,383	9%	9%
BIST 100	36,726	36,495	37,914	4%	3%
BIST SERVICES	6,418	5,472	5,877	7%	-8%
BIST FINANCIAL	26,806	28,203	28,716	2%	7%
BIST INDUSTRY	13,129	12,392	10,583	-15%	-19%
BIST TECHNOLOGY	705	346	343	-1%	-51%
BIST ALL	47,059	46,412	45,519	-2%	-3%

In 1Q14, trade volumes in Borsa Istanbul decreased by -5% in TL terms annually, while Bank Index increased by 17%.

MILLION TL	2013 1st Quarter	2013 4th Quarter	2014 1st Quarter	Quarterly Change	Annual Change
BIST BANK	82,615	80,952	96,446	19%	17%
BIST HOLDING AND INVESTMENT	23,000	16,796	14,108	-16%	-39%
BIST TRADE	5,413	5,747	5,550	-3%	3%
BIST 30	145,673	140,918	156,090	11%	7%
BIST 50	162,287	151,636	166,034	9%	2%
BIST 100	180,645	171,242	177,094	3%	-2%
BIST SERVICES	33,409	29,267	36,567	25%	9%
BIST FINANCIAL	112,534	117,356	120,242	2%	7%
BIST INDUSTRY	52,435	43,471	33,806	-22%	-36%
BIST TECHNOLOGY	3,746	1,311	1,201	-8%	-68%
BIST ALL	202,123	191,405	191,817	0%	-5%

MILLION USD	2013 1st Quarter	2013 4th Quarter	2014 1st Quarter	Quarterly Change	Annual Change
BIST BANK	46,441	39,926	43,477	9%	-6%
BIST HOLDING AND INVESTMENT	12,937	8,299	6,365	-23%	-51%
BIST TRADE	3,045	2,841	2,504	-12%	-18%
BIST 30	81,929	69,435	70,380	1%	-14%
BIST 50	91,287	74,731	74,869	0%	-18%
BIST 100	101,622	84,446	79,870	-5%	-21%
BIST SERVICES	18,801	14,449	16,497	14%	-12%
BIST FINANCIAL	63,272	57,826	54,218	-6%	-14%
BIST INDUSTRY	29,513	21,490	15,260	-29%	-48%
BIST TECHNOLOGY	2,105	648	544	-16%	-74%
BIST ALL	113,692	94,414	86,519	-8%	-24%

In 1Q14, the highest increase in trade volumes was recorded in BIST Bank index with 17% in TL terms, compared to the previous year. On the other hand, the biggest decline observed in BIST Technology index with -68% in TL terms. Due to the depreciation of TL against USD Dollar last year, all dollar based trade volumes decreased compared to the previous year.



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

In 1Q14, net foreign inflows took place in Borsa Istanbul with USD 395 million.

Net foreign outflow were witnessed in BIST Services and BIST Industry indices.

MILLION USD	2013 1st Quarter	2013 4th Quarter	2014 1st Quarter
BIST BANK	358	(362)	333
BIST HOLDING AND INVESTMENT	144	(38)	8
BIST TRADE	38	10	10
BIST 30	405	(498)	366
BIST 50	489	(621)	352
BIST 100	553	(171)	340
BIST SERVICES	156	(29)	(84)
BIST FINANCIAL	496	(570)	480
BIST INDUSTRY	(85)	482	(5)
BIST TECHNOLOGY	13	(4)	5
BIST ALL	579	(121)	395

Borsa Istanbul closed 2013 with total net foreign outflow of USD 418 million and 1Q14 with net foreign inflow of USD 395 million. While there was a higher inflow at the same quarter last year, In 4Q13 net outflow took place with USD 121 million.

In 1Q14, the highest inflow with USD 480 million was observed in BIST Financial Index, which contains also the Bank stocks. It is observed that a part of USD 570 million outflows was replaced (amounting to USD 480 million). Due to higher liquidity, during periods of high volatility, mostly BIST Bank and Financial indices were preferred.

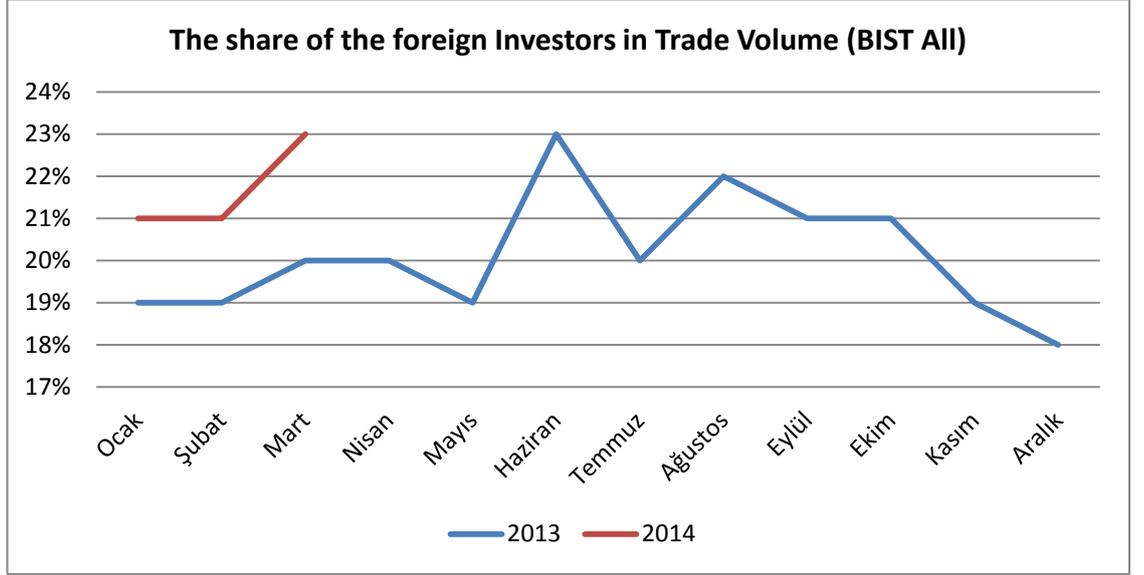
6. TRADE VOLUME BY INVESTOR TYPE

In 1Q14, domestic investors generated 78% of the trade volume in Borsa Istanbul.

	2013 1st Quarter		Year 2013		2014 1st Quarter	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	19%	81%	20%	80%	22%	78%
BIST -030	24%	76%	24%	76%	25%	75%
BIST -050	23%	77%	24%	76%	25%	75%
BIST -100	21%	79%	22%	78%	23%	77%
BIST INDUSTRY	13%	87%	15%	85%	19%	81%
BIST SERVICES	20%	80%	22%	78%	21%	79%
BIST TRADE	26%	74%	27%	73%	29%	71%
BIST FINANCIAL	23%	77%	22%	78%	23%	77%
BIST BANK	24%	76%	23%	77%	22%	78%
BIST HOLDING AND INVESTMENT	18%	82%	22%	78%	28%	72%
BIST TECHNOLOGY	6%	94%	6%	94%	7%	93%

The share of foreign investors in trade volume in BIST All was 19% in the first quarter, 18% in the last quarter and 20% in the whole year of 2013 and was 22% in 1Q14. The foreign investors had a net outflow in BIST All in January while net inflow started in February and March.

In March, the share of the foreign investors' trade volume reached the highest level of the year with 23%.

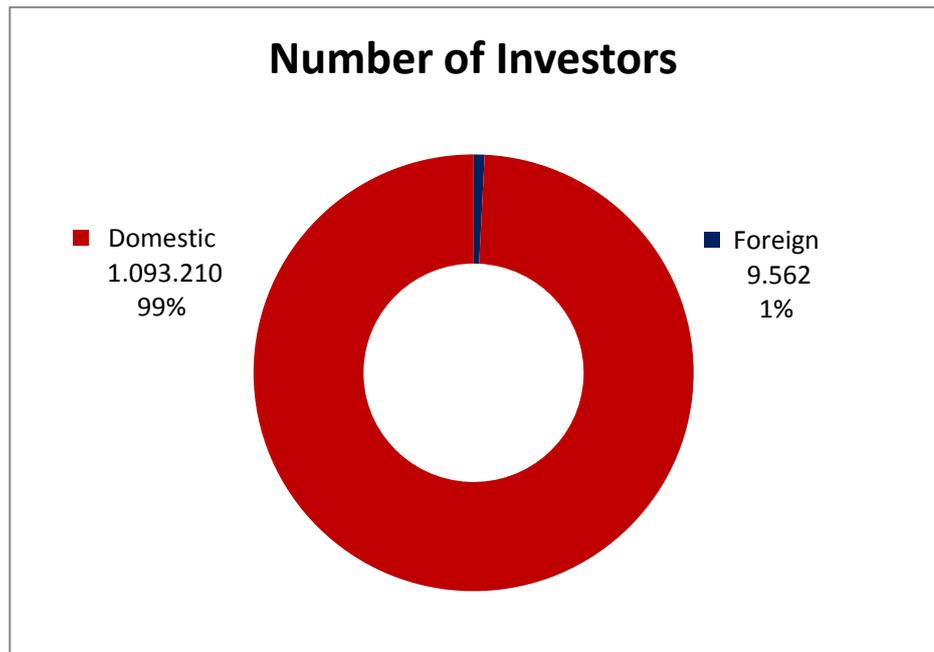


In 1Q14, the foreign trade volume decreased only in BIST Bank index, compared to the previous year. While the foreign share in BIST Financial index remained the same, the highest increase took place in BIST Holding and Investment with 10 points.

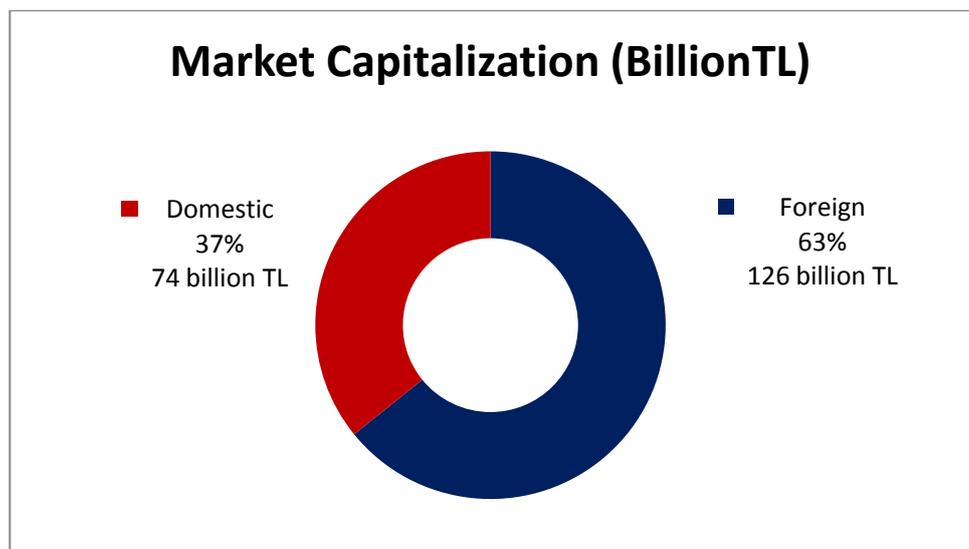
7. NUMBER OF INVESTORS AND MARKET CAPITALIZATION

9,562 of the total 1 million 103 thousand investors are non-residents in Borsa Istanbul.

Foreign investors are only 1% of the total investors at Borsa Istanbul. Yet, their share in trade volume is 22% and they hold 63% of the market cap.

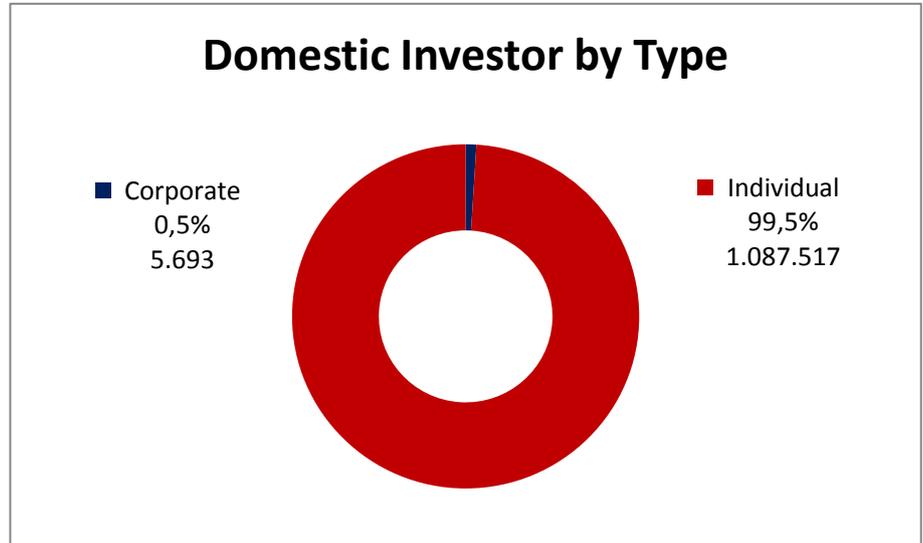


As of March 2014, the number of total investors at Borsa Istanbul is 1,102,772. 99% of the total is domestic investors, while foreign investors are a merely 1%. In 1Q14, compared to the yearend data, it is observed that the number of foreign investors increased by 7; however the number of domestic investors decreased by 7.643, which are all individual investors. Consequently, the total number of investors decreased by 7.636 in number.



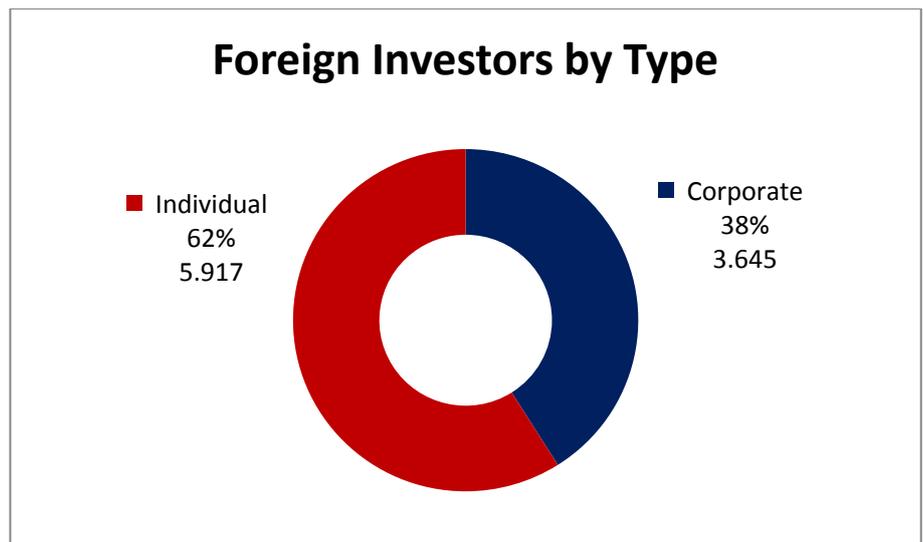
In 1Q14, foreign investors have 22% share in BIST All trade volume. Their share in market capitalization remained the same by 63% compared to the end of 2013. The total value of the equities held by foreign investors is TL 126 billion.

Domestic investors are mostly individuals. The domestic corporate investor base is yet very limited and their share in the market capitalization is 18%.



Over 99% of the domestic investors are individual investors.

The results of the private pension incentive scheme are expected to be more visible in the upcoming years. The increase in the number of domestic corporate investors will facilitate the growth of Borsa Istanbul, deepening of the market and also will be effective in extending the currently short holding periods.



Among foreign investors, corporate investors have a much higher share compared to domestic investors, with 38%.

8. NUMBER OF DOMESTIC AND FOREIGN INVESTORS BY INDEX

	Mar.14		Dec.13		Sept.13		Jun.13		Mar.13	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	9.447	1.067.710	9.451	1.078.342	9.350	1.072.953	8.750	1.074.832	8.496	1.062.688
BIST 100	7.548	879.846	7.564	889.055	7.520	882.438	7.538	883.606	7.417	878.269
BIST 30	6.266	670.430	6.307	693.523	6.271	680.772	6.283	684.748	6.160	669.392
BIST 50	6.748	740.706	6.712	741.934	6.715	740.724	6.715	745.796	6.604	738.580
BIST INDUSTRY	4.492	588.431	4.552	595.870	4.522	599.292	4.482	605.936	4.430	600.993
BIST SERVICES	3.510	337.127	3.593	341.887	3.626	339.489	3.585	338.003	3.430	328.953
BIST FINANCIAL	7.082	671.022	7.123	679.126	7.080	666.537	6.518	668.068	6.285	658.780
BIST TECHNOLOGY	501	60.740	523	62.232	521	64.195	536	64.898	496	64.660
BIST TRADE	1.461	87.548	1.479	88.219	1.532	89.836	1.659	91.416	1.556	91.698
BIST BANK	3.953	373.001	3.969	378.967	4.060	369.629	4.176	372.407	4.107	362.219
BIST HOLDING AND INVESTMENT	4.427	320.177	4.477	322.184	4.474	320.279	3.810	317.342	3.647	316.964

As the number of foreign investors analysed, it decreased in all indices except BIST 50 in March, compared to the end of 2013. However, it is observed that the number of foreign investors increased in all indices except BIST Trade and BIST Bank compared to the same period of the previous year. The number of domestic investors decreased in all indices year to year but declined only in BIST Industry, BIST Technology and BIST Trade indices compared to March 2013. In quarterly basis, the biggest decline took place in BIST 30.

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

	Mar.14		Dec.13		Sept.13		Jun.13		Mar.13	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	125	71	122	71	130	74	133	72	154	77
BIST 100	114	53	110	53	117	56	120	55	139	58
BIST 30	97	35	90	31	97	33	99	33	113	35
BIST 50	109	41	103	37	111	40	110	40	130	43
BIST INDUSTRY	29	26	30	26	30	28	31	27	38	28
BIST SERVICES	29	10	27	10	29	10	29	9	29	10
BIST FINANCIAL	67	35	64	35	71	35	73	35	86	38
BIST TECHNOLOGY	0	1	0	1	1	1	1	1	1	1
BIST TRADE	11	3	9	3	10	3	11	2	11	3
BIST BANK	46	18	44	18	51	19	54	19	66	21
BIST HOLDING AND INVESTMENT	15	10	15	10	16	11	16	11	17	12

Compared to the end of 2013, it is observed that the market capitalization by foreign investors decreased in March in BIST Industry index, remained same in BIST Technology and BIST Holding and Investment indices, increasing in all other indices. The highest increase was seen in BIST 30. In the same period, market capitalization owned by domestic investors remained same in all indices, while increased in BIST 30 and BIST 50. On the other hand, compared to March 2013, both foreign and domestic investors' market capitalization decreased in all indices.

10. FOREIGN INVESTORS BY PORTFOLIO VALUE AND RESIDENCE

1,332 investors resident in the US hold one third of the foreign investments, while USA and UK based investors hold more than half of the total foreign investment.

	Location	Portfolio Value (Million TL)	Share
1	USA	41.943	33%
2	UK	25.645	20%
3	LUXEMBOURG	7.819	6%
4	IRELAND	5.576	4%
5	HOLLAND	4.617	4%
6	SINGAPORE	3.716	3%
7	GERMANY	2.777	2%
8	GREECE	2.422	2%
9	CAYMAN ISLANDS	2.202	2%
10	CANADA	2.170	2%
	OTHER	27.572	22%

As of March 2014, the top three countries with the highest portfolio values belong to investors residing in the USA, the UK and Luxembourg. The total number of investors resident in the USA increased to 1,332 in March 2014 from 1,312 by the end of 2013. One third of the total foreign investment belongs to investors resident in the USA, while the investors based in the USA and the UK hold the 53% of the total foreign investment at the BIST.

11. NUMBER OF INVESTORS AND MARKET CAPITALIZATION BY TYPE OF SECURITY

Type of Security	March-2013		March-2014	
	Number of Investors	Market Cap (Million TL)	Number of Investors	Market Cap (Million TL)
Share Certificates	1.099.829	612.165	1.108.858	522.881
Investment Fund	2.697.943	32.328	2.754.306	29.572
BIST Investment Fund	4.182	393	3.713	195
Private Sector Debt Instrument	193.572	30.931	161.500	36.554
Structured Product	2.314	14	2.900	8
Other Securities	1.233	1.683	1.942	3.459
Government Bonds	20.517	180.683	42.148	177.010
total		858.198		769.679

12. RISK APPETITE INDEX

Below you may find comments on the Investor Risk Appetite Index (RISE), which has been announced by MKK since December 2012.

In 1Q14, Risk Appetite in Borsa Istanbul was never above the critical level of 50. RISE, which witnessed rises and declines in the first half of the quarter, stayed close to levels just above 40 in the second half. The last RISE value (47.2) of the quarter was also the highest of this year.

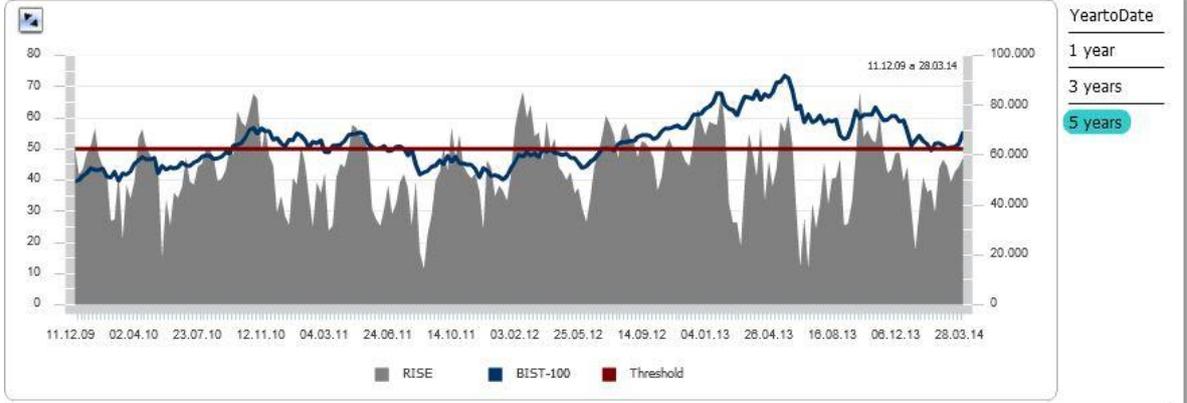
A significant point in this period is that, until the last two weeks (March 21 and 28), domestic investors' Risk Appetite levels were always a little bit higher than the foreign investors'. Another important point is that the local funds' RISE series was the most volatile, whereas domestic individuals' series was the most stable among seven categories. This seems to be one of the most expected outcome, considering previous two or three years.

To sum it up, this quarter's RISE started at 18, which is the lowest level of this year, but recovering quickly and then holding on, it closed at the highest level of this year. This trend can be partially explained statistically and significantly with; the observations that political uncertainties were high at the beginning of the quarter and then they were replaced by not so radical expectations about the local elections and the post-election period.

RISE CHANGE METHOD

RISE LEVEL METHOD

All Investors Domestic Investors Foreign Investors Domestic Individuals Domestic Corporations Domestic Funds Qualified Investors



YearToDate

1 year

3 years

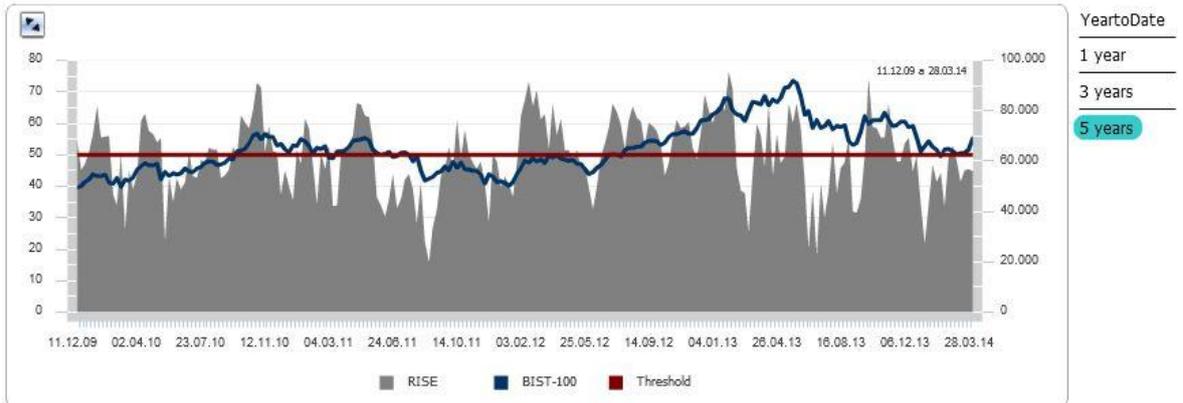
5 years

Last Value	47,2	Year to date change (%)	168,09
Week to week change (%)	6,51	Monthly low	07.03.2014 39,3
4 week change (%)	6,27	Monthly high	28.03.2014 47,2
12 week change (%)	168,09	Yearly low	03.01.2014 17,6
52 week change (%)	15,21	Yearly high	28.03.2014 47,2

RISE CHANGE METHOD

RISE LEVEL METHOD

All Investors Domestic Investors Foreign Investors Domestic Individuals Domestic Corporations Domestic Funds Qualified Investors



YearToDate

1 year

3 years

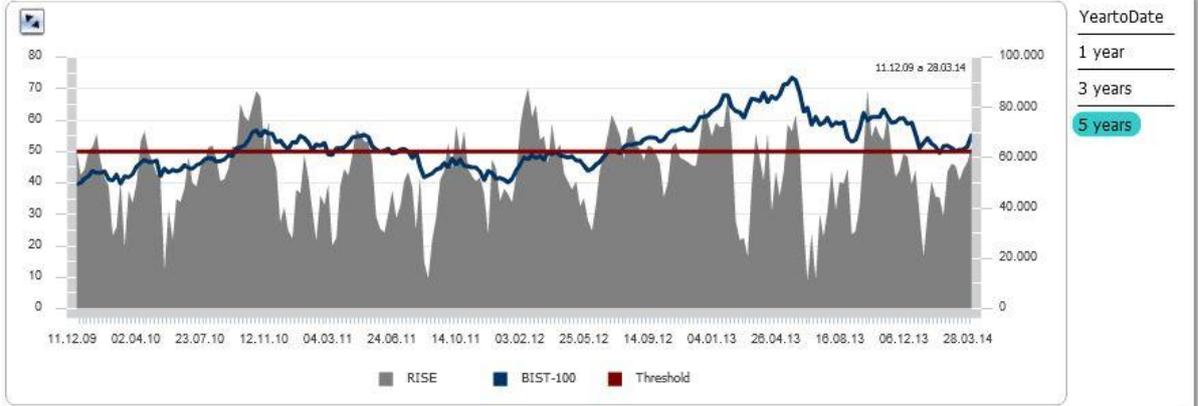
5 years

Last Value	44,8	Year to date change (%)	107,07
Week to week change (%)	-1,54	Monthly low	07.03.2014 41,5
4 week change (%)	-7,01	Monthly high	21.03.2014 45,5
12 week change (%)	107,07	Yearly low	03.01.2014 21,6
52 week change (%)	-2,76	Yearly high	21.02.2014 53,0

RISE CHANGE METHOD

RISE LEVEL METHOD

All Investors Domestic Investors Foreign Investors Domestic Individuals Domestic Corporations Domestic Funds Qualified Investors



Last Value	51,7
Week to week change (%)	10,54
4 week change (%)	13,71
12 week change (%)	211,55
52 week change (%)	26,10

Year to date change (%)	211,55
Monthly low	07.03.2014 40,8
Monthly high	28.03.2014 51,7
Yearly low	03.01.2014 16,6
Yearly high	28.03.2014 51,7