

BIST TRENDS REPORT

January - March 2017

Volume XX



April, 2017

Dear Readers,

We proudly present the first BIST Trends Report of 2017, volume 20, which provides investor and index-based information on market capitalization, free float, trade volumes and holding periods.

BIST Istanbul made a strong start to 2017 and left behind a positive quarter in terms of market capitalization, trade volume and net foreign inflow. Despite of the growing geopolitical risks, attractive valuations, the steps taken by the Central Bank of the Republic of Turkey and supporting decisions of the Economy Administration has supported the market.

We hope to meet again in our next report that will cover the second quarter of 2017.

Central Securities Depository of Turkey
General Manager

Ahmet Yılmaz

TUYID Chairperson
TAV Airports Holding Co.
Director, Head of Investor Relations
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DISCLOSURE ABOUT THE NUMBERS OF COMPANIES IN INDICES

As per Borsa Istanbul Stock Indices Ground Rules Article “2.9 Excluded Stocks”, “Stocks traded on the Free Trade Platform and the Watch list Companies Market are not included in any of BIST Stock Indices. Stocks included in lists C and D and traded on the Emerging Companies Market are not included in any of BIST Stock Indices except BIST SME Industrial index.” since January 02, 2015. The related details are available at the below link.

<http://www.kap.gov.tr/bildirim-sorgulari/bildirim-detayi.aspx?id=404597>

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1. LISTED COMPANIES BY INDEX

In 1Q17, the number of companies traded at BIST ALL increased to 297.

Index	1Q16	2016 YE	1Q17
BIST BANK	11	11	12
BIST HOLDING AND INVESTMENT	34	32	33
BIST TRADE	18	16	18
BIST SERVICES	56	52	54
BIST FINANCIAL	85	81	82
BIST INDUSTRY	146	145	147
BIST TECHNOLOGY	14	14	14
BIST ALL	301	292	297

As it can be remembered, the communiqué on “Squeezing out and Selling Rights” has been published at the Official Gazette numbered 28870, dated January 02, 2014 and came into force as of July 01, 2014. With this communiqué, new regulations were brought to ease squeezing out. In 2016, the number of IPOs decreased and delisting was easy. As a result, the number of companies traded in BIST ALL decreased to 292. However, in 1Q17, with the impact of emerging companies market, this number became 297. Two companies have been included to each BIST Industry, BIST Trade and BIST Services indices and one company to BIST Bank index.

2. FREE FLOAT

At the end of 2016, the effective free float of Borsa Istanbul was 31.28%, however declined to 30.86% at the end of 1Q17.

At the end of 2016, the effective free float of Borsa Istanbul was 31.28% and was realized as 30.86% in 1Q17. When analyzed on annual basis, the highest decline in the effective free float was seen in BIST Bank index, while an increase was seen in BIST Technology and BIST Industry indices.

INDEX	FREE FLOAT		EFFECTIVE FREE FLOAT	
	03/31/2016	03/31/2017	03/31/2016	03/31/2017
BIST BANK	46.03%	44.11%	36.35%	33.00%
BIST HOLDING AND INVESTMENT	39.55%	37.90%	29.61%	30.01%
BIST TRADE	51.37%	50.89%	38.25%	38.55%
BIST 30	39.76%	40.43%	35.91%	35.88%
BIST 50	39.44%	39.66%	35.15%	34.67%
BIST 100	39.67%	39.58%	33.76%	33.40%
BIST SERVICES	36.29%	37.43%	29.65%	28.63%
BIST FINANCIAL	43.89%	42.51%	34.12%	32.34%
BIST INDUSTRY	39.49%	40.19%	30.15%	31.01%
BIST TECHNOLOGY	25.50%	23.90%	20.20%	21.18%
BIST ALL	40.48%	40.23%	31.62%	30.86%

3. MARKET CAPITALIZATION

In 1Q17, the market capitalization of BIST ALL increased by 16%.

MILLION TL	03/31/2016	12/31/2016	03/31/2017	QoQ Change	YoY Change
BIST BANK	150,590	145,491	179,980	24%	20%
BIST HOLDING AND INVESTMENT	92,886	89,508	99,091	11%	7%
BIST TRADE	38,177	31,141	34,476	11%	-10%
BIST 30	417,657	393,806	449,308	14%	8%
BIST 50	464,951	444,140	508,275	14%	9%
BIST 100	526,144	498,419	572,711	15%	9%
BIST SERVICES	130,849	113,235	129,406	14%	-1%
BIST FINANCIAL	274,724	267,025	312,017	17%	14%
BIST INDUSTRY	191,543	186,499	211,439	13%	10%
BIST TECHNOLOGY	13,109	16,265	20,887	28%	59%
BIST ALL	610,225	583,023	673,749	16%	10%

The highest increase was seen in BIST Bank and BIST Technology indices.

MILLION US\$	03/31/2016	12/31/2016	03/31/2017	QoQ Change	YoY Change
BIST BANK	53,308	41,342	49,497	20%	-7%
BIST HOLDING AND INVESTMENT	32,881	25,434	27,251	7%	-17%
BIST TRADE	13,515	8,849	9,481	7%	-30%
BIST 30	147,848	111,902	123,565	10%	-16%
BIST 50	164,590	126,205	139,782	11%	-15%
BIST 100	186,252	141,629	157,503	11%	-15%
BIST SERVICES	46,320	32,176	35,588	11%	-23%
BIST FINANCIAL	97,251	75,877	85,809	13%	-12%
BIST INDUSTRY	67,805	52,995	58,148	10%	-14%
BIST TECHNOLOGY	4,640	4,622	5,744	24%	24%
BIST ALL	216,017	165,669	185,289	12%	-14%

Compared to YoY, BIST Technology was the only index showing an increase by 24% in US\$ terms.

In 2016, MSCI World index increased by 7.51% and MSCI Emerging Markets index increased by 11.19%, while MSCI Turkey index decreased by 8.12%. Borsa Istanbul started to 2017 with this deep discount caused by the negative decomposition; however showed a strong performance in the first quarter. Despite of the growing geopolitical risks, attractive valuations, appreciation of TL with the steps taken by the Central Bank of the Republic of Turkey and supporting decisions of the Economy Administration has supported the market. In this period, MSCI World and MSCI Emerging Markets indices increased respectively by 6.38% and 11.44%, while MSCI Turkey index increased by 10.85%.

Market capitalization of BIST ALL increased in both TL and US\$ terms respectively with 16% and 12%. The highest contribution came from BIST Bank by 24% and BIST Technology by 28% in TL terms. Compared to YoY, BIST Technology rose by 24% in US\$ terms, while all other indices saw a decline.

4. TRADE VOLUME

A nominal increase was seen in the trade volume with 24% annually; however with the impact of the increase in the share prices, the rise in the trade volume reached to 29% in TL terms.

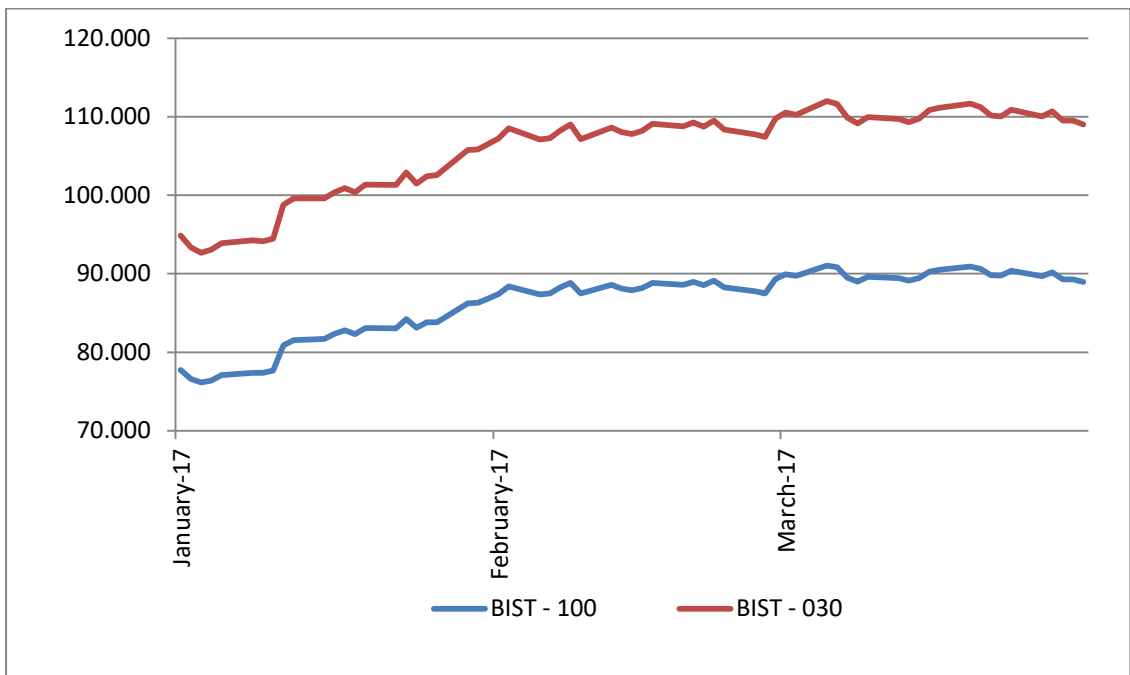
NOMINAL VALUE (Million)	1Q16	4Q16	1Q16	QoQ Change	YoY Change
BIST BANK	19,079	13,818	16,647	20%	-13%
BIST HOLDING AND INVESTMENT	4,632	9,073	10,737	18%	132%
BIST TRADE	758	2,575	2,389	-7%	215%
BIST 30	34,517	24,945	32,546	30%	-6%
BIST 50	40,708	30,822	38,100	24%	-6%
BIST 100	47,410	42,619	51,173	20%	8%
BIST SERVICES	11,748	10,691	13,457	26%	15%
BIST FINANCIAL	28,942	27,182	34,039	25%	18%
BIST INDUSTRY	13,921	16,684	20,082	20%	44%
BIST TECHNOLOGY	648	835	1,131	35%	75%
BIST ALL	55,259	55,393	68,708	24%	24%

MILLION TL	1Q16	4Q16	1Q16	QoQ Change	YoY Change
BIST BANK	118,733	89,365	117,306	31%	-1%
BIST HOLDING AND INVESTMENT	18,703	19,651	24,291	24%	30%
BIST TRADE	8,191	8,850	9,095	3%	11%
BIST 30	215,235	155,399	203,203	31%	-6%
BIST 50	243,249	181,603	240,085	32%	-1%
BIST 100	267,832	212,777	271,476	28%	1%
BIST SERVICES	65,884	47,277	61,146	29%	-7%
BIST FINANCIAL	149,803	118,677	157,085	32%	5%
BIST INDUSTRY	64,391	67,800	80,229	18%	25%
BIST TECHNOLOGY	4,723	5,913	10,154	72%	115%
BIST ALL	284,801	239,666	308,615	29%	8%

MILLION US\$	1Q16	4Q16	1Q16	QoQ Change	YoY Change
BIST BANK	40,368	27,320	31,668	16%	-22%
BIST HOLDING AND INVESTMENT	6,359	6,044	6,568	9%	3%
BIST TRADE	2,790	2,714	2,460	-9%	-12%
BIST 30	73,218	47,601	54,888	15%	-25%
BIST 50	82,765	55,747	64,849	16%	-22%
BIST 100	91,135	65,406	73,348	12%	-20%
BIST SERVICES	22,446	14,548	16,532	14%	-26%
BIST FINANCIAL	50,923	36,316	42,433	17%	-17%
BIST INDUSTRY	21,931	20,875	21,678	4%	-1%
BIST TECHNOLOGY	1,611	1,817	2,762	52%	71%
BIST ALL	96,911	73,557	83,405	13%	-14%

In 1Q17, the nominal trade volume in Borsa Istanbul rose by 24%, compared to 4Q16. However, with the impact of the increase in the value of the share prices, an increase was seen in the trade volume by 29% in TL terms and by 13% in US\$ terms.

The trade volume of BIST Bank index, which was one of the leading indices that determined the course of Borsa Istanbul, increased by 31% in TL term; however the rise in the trade volume of BIST Technology index by 72% is remarkable. In this period, the only index showing a decrease in the nominal trade volume was BIST Trade index with 7%.



5. FOREIGN TRANSACTIONS – NET INFLOW AND OUTFLOW

BIST ALL had net foreign inflow with US\$ 925 million in 1Q17.

US\$ million	1Q16	4Q16	1Q17
BIST BANK	874	7	527
BIST HOLDING AND INVESTMENT	154	(47)	91
BIST TRADE	28	(29)	32
BIST 30	1,490	64	954
BIST 50	1,519	74	929
BIST 100	1,546	57	900
BIST SERVICES	143	1	170
BIST FINANCIAL	1,114	(71)	572
BIST INDUSTRY	298	85	212
BIST TECHNOLOGY	(8)	18	(28)
BIST ALL	1,547	33	925

Borsa Istanbul made a strong start to 2017 and closed the first quarter with US\$ 925 million net foreign inflow. Although net foreign inflow was lower than YoY, it has increased significantly, compared to net foreign inflow seen in 1Q17 by US\$ 33 million.

BIST Bank, the leading index of Borsa İstanbul, had the highest foreign inflow with 527 million US\$ and BIST Industry came after with 212 million US\$. In 1Q17, BIST Technology was the only index with net foreign outflow with 28 million US\$.

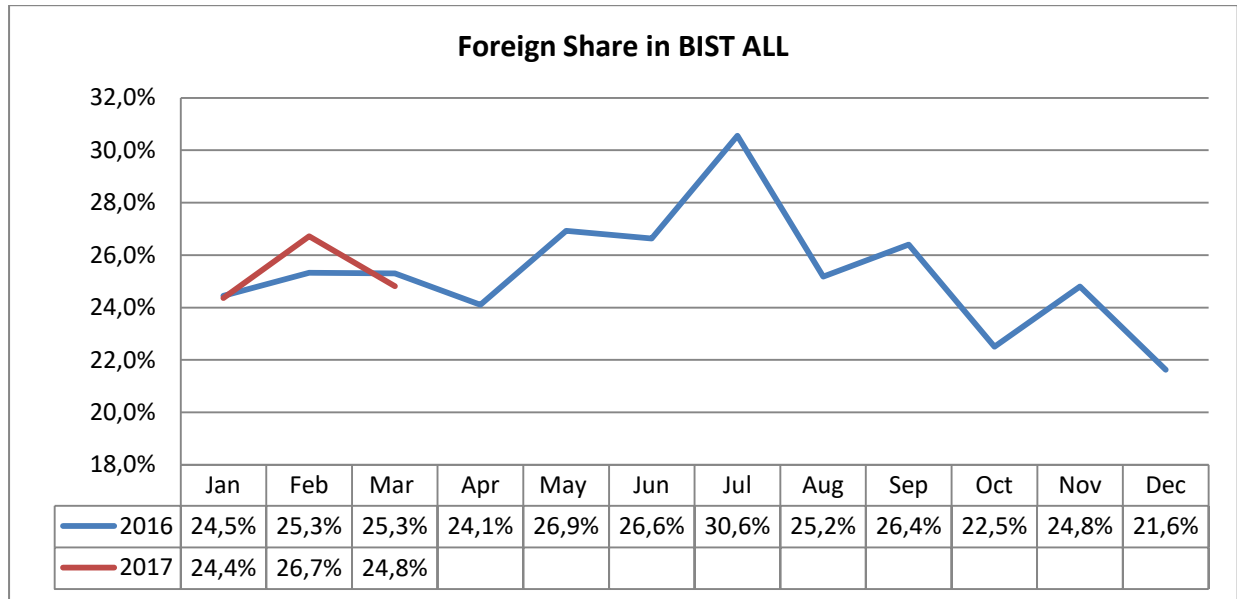
6. TRADE VOLUME BY INVESTOR TYPE

In 1Q17, domestic investors generated 75% of the trade volume in Borsa Istanbul.

INDEX	1Q17		2016		4Q16		1Q16	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST-ALL	25%	75%	25%	75%	23%	77%	25%	75%
BIST -030	34%	66%	32%	68%	31%	69%	30%	70%
BIST -050	31%	69%	29%	71%	28%	72%	28%	72%
BIST -100	28%	72%	27%	73%	25%	75%	26%	74%
BIST INDUSTRY	22%	78%	25%	75%	20%	80%	26%	74%
BIST SERVICES	20%	80%	20%	80%	17%	83%	21%	79%
BIST TRADE	26%	74%	38%	62%	24%	76%	44%	56%
BIST FINANCIAL	30%	70%	29%	71%	27%	73%	26%	74%
BIST BANK	31%	69%	28%	72%	28%	72%	26%	74%
BIST HOLDING AND INVESTMENT	30%	70%	36%	64%	29%	71%	38%	62%
BIST TECHNOLOGY	16%	84%	14%	86%	14%	86%	14%	86%

The highest foreign trade volume was seen in BIST 30 with 34% and the lowest was seen in BIST Technology, as it was in the previous periods, with 16%.

In 1Q17, the share of foreign investors in trade volume was realized as 25% in average. The share of foreign trade volume of BIST ALL reached the highest level with 26.7% in February. On the other hand, when all the indices and the months were analyzed, the highest share of foreign trade volume was realized in BIST 30 with 34.7% in February. The share of foreign investors increased in all indices compared to the last quarter of 2016, while decreased in BIST Trade, BIST Holding and Investment, BIST Industry and BIST Services in an annual basis. The share of foreign trade volume was over the previous year's level in every month of 2017 except March. The highest share of the foreign investors was seen in July with 30.6%; whereas the lowest was seen in December with 21.6%. In 2016 the share of foreign investors increased YoY in all indices except BIST Services, while the highest increase was realized in BIST Trade with 10 percentage points. Foreign share decreased 4 percentage points in BIST Services.



7. NUMBER OF INVESTORS AND MARKET CAPITALIZATION

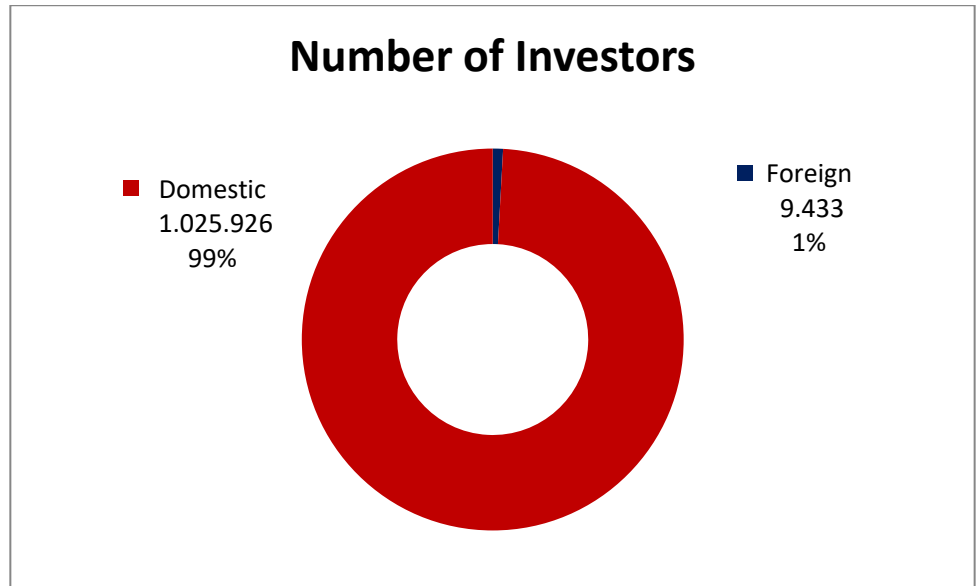
As of March, 99% of 1 million 35 thousand investors are domestic in Borsa Istanbul.

At the end of 1Q17, the total number of investors in Borsa Istanbul was 1 million 35 thousand 359 and decreased by 5.435 compared to the year end. The significant part of the decrease in the number of investors was caused by the individual domestic investors.

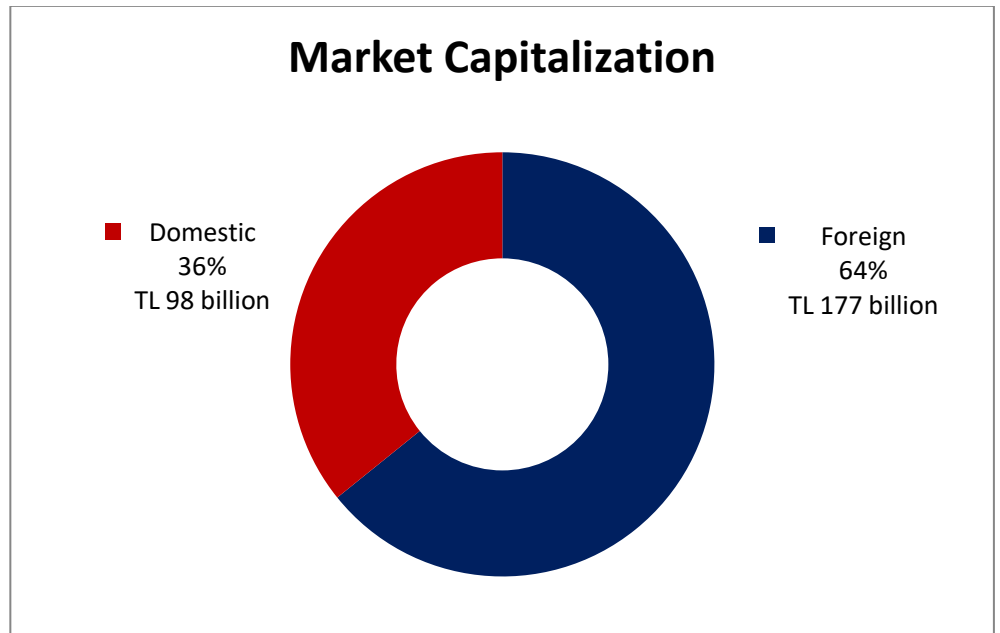
Number of Investors		1Q17	2016	Change
Domestic	Institutional	5.307	5.367	-60
	Individual	1.020.619	1.025.942	-5.323
	Total	1.025.926	1.031.309	-5.383
Foreign	Institutional	3.323	3.322	1
	Individual	6.110	6.163	-53
	Total	9.433	9.485	-52
Total		1.035.359	1.040.794	-5.435

99% of the total investors at Borsa Istanbul are domestic investors.

The foreign investors represent only 1% of the total Borsa Istanbul investor base. Their share in trade volume is 25% and they hold 64% of the total market capitalization.

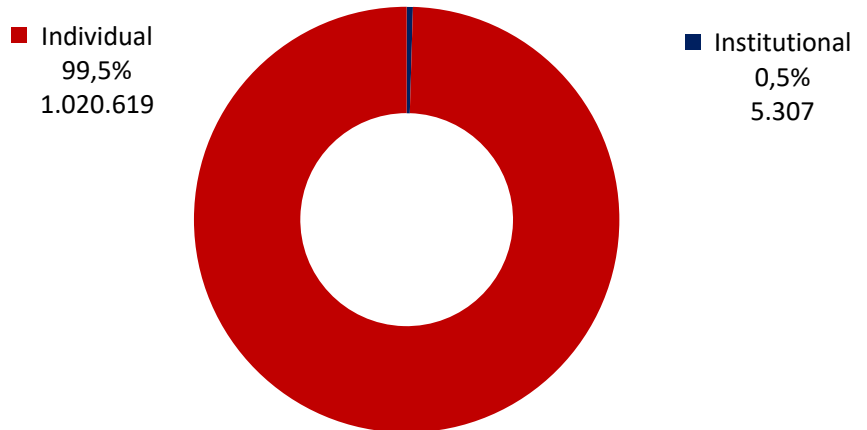


In 1Q17, foreign investors hold 25% share in BIST ALL trade volume and 64% share in market capitalization. The total value of shares in foreign hands is TL 177 billion.



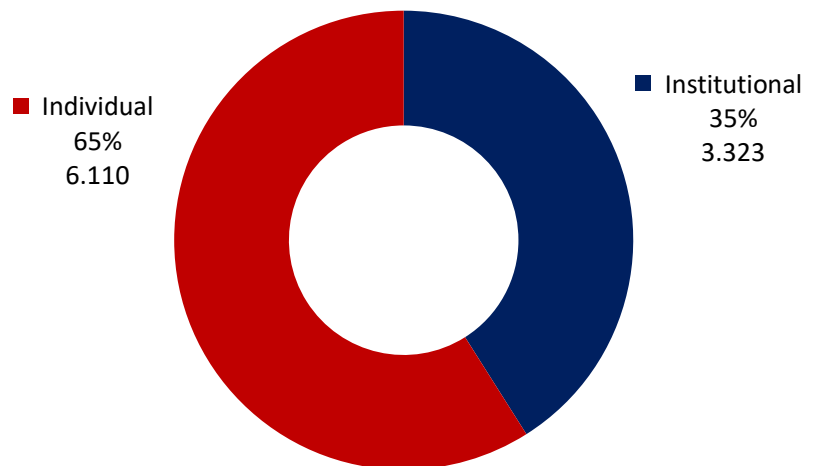
Over 99.5% of the domestic investors are individuals and they hold 52% of the total domestic market cap.

Number of Domestic Investors by Type



Institutional investors have a much higher share among foreign investors with 35%, compared to the domestic investors. This group holds 64% of the total market cap and almost the entire foreign portfolio.

Number of Foreign Investors by Type



8. NUMBER OF DOMESTIC AND FOREIGN INVESTORS BY INDEX

The number of foreign investors in BIST 100 continued to decrease, compared to the end of 2016 and was realized as 6.652 in March.

Number of Investors	Mar.17		Dec.16		Mar.16	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	9,234	964,265	9,272	983,127	9,422	986,497
BIST 100	6,652	791,101	6,732	808,693	6,932	809,071
BIST 30	5,807	603,895	5,792	612,906	5,995	606,659
BIST 50	6,177	691,484	6,229	711,209	6,464	703,285
BIST INDUSTRY	4,317	526,331	4,395	534,163	4,439	537,199
BIST SERVICES	3,088	332,154	3,114	345,815	3,450	333,849
BIST FINANCIAL	6,986	577,962	6,978	588,383	7,187	599,050
BIST TECHNOLOGY	628	66,968	593	62,538	555	57,785
BIST TRADE	1,420	91,494	1,442	87,905	1,570	84,081
BIST BANK	3,505	296,280	3,515	310,448	3,663	320,415
BIST HOLDING AND INVESTMENT	4,832	284,805	4,782	287,333	4,883	291,009

In March, the number of foreign investors in BIST ALL decreased by 38 and was realized as 9,234, compared to the end of 2016. The number of foreign investors in BIST 100 continued to decrease, compared to the end of 2016 and was realized as 6,652 in March.

In March, compared to the end of 2016, the number of foreign investors increased in BIST 30, BIST Financial, BIST Technology and BIST Holding and Investment indices.

9. MARKET CAPITALIZATION BY INDEX AND NATIONALITY

Market Capitalization Billion TL	Mar.17		Dec.16		Mar.16	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	176	95	151	85	159	88
BIST 100	156	71	134	66	141	67
BIST 30	139	43	116	43	123	43
BIST 50	148	54	124	53	130	53
BIST INDUSTRY	48	37	41	33	41	34
BIST SERVICES	32	17	28	13	35	13
BIST FINANCIAL	94	39	79	37	81	40
BIST TECHNOLOGY	3	2	2	2	2	2
BIST TRADE	12	6	12	3	17	3
BIST BANK	63	16	50	17	51	18
BIST HOLDING AND INVESTMENT	24	14	22	12	23	13

In 1Q17, compared to the end of 2016, the market capitalization of both foreign and domestic investors increased in all indices. The market capitalization of domestic investors in BIST Bank had a slight decrease.

10. FOREIGN INVESTORS BY PORTFOLIO VALUE AND RESIDENCE

Residence	Portfolio Value (Million US\$)	Share (%)
US	15,976	33
UK	7,083	15
LUXEMBOURG	3,330	7
HOLLAND	2,867	6
QATAR	2,163	4
IRLAND	1,830	4
SINGAPORE	1,490	3
NORWAY	1,118	2
CANADA	1,110	2
SPAIN	1,030	2
OTHER	10,580	22

1,238 US based investors hold 33% of the foreign investments, while the investors based in US and UK hold 48% of the total foreign investment portfolio.

In Borsa Istanbul, the top three countries with the highest portfolio value are US, UK and Luxembourg. 33% of the total foreign investments belong to 1,238 investors resident in US, while the investors based in US and UK hold 48% of the total foreign investment.

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

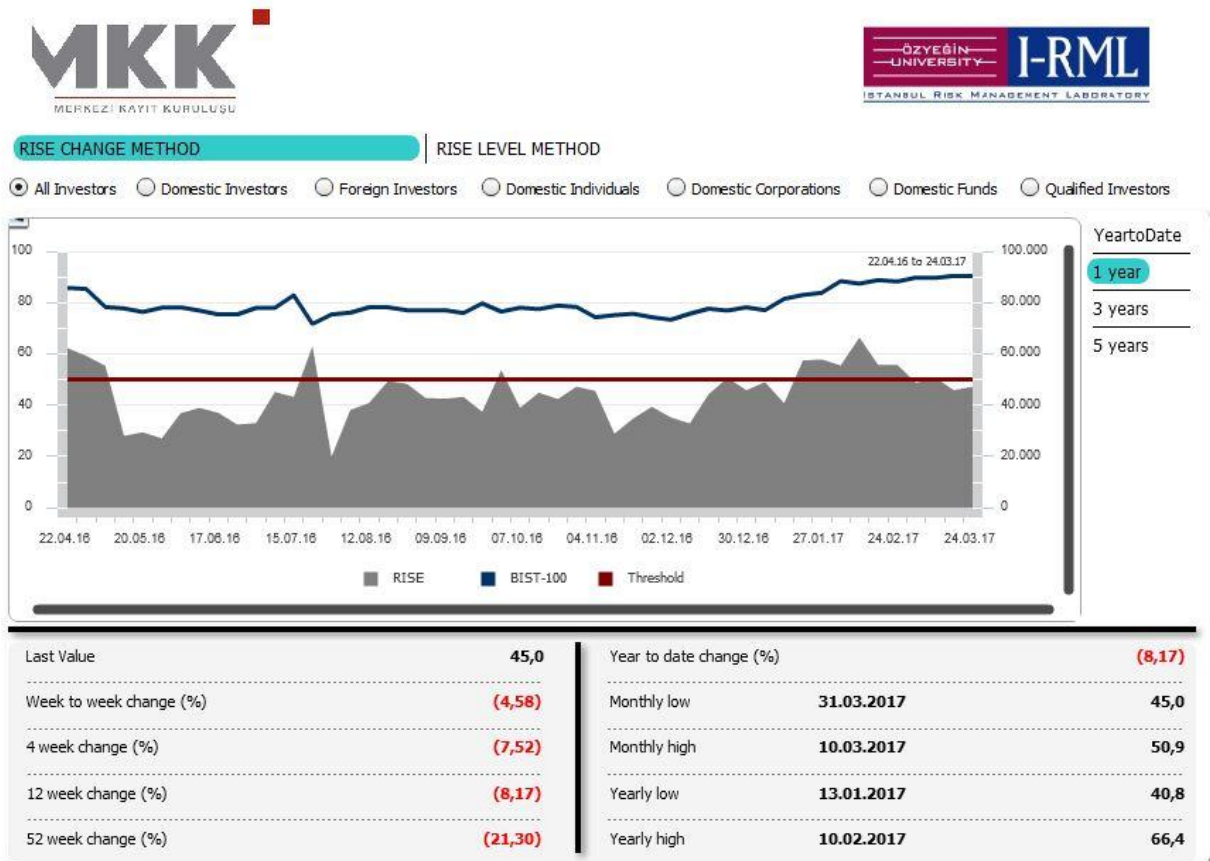
Type of Security	March 2016		March 2017	
	Number of Investors	Market Cap (Million TL)	Number of Investors	Market Cap (Million TL)
Exchange Traded Funds	2,933	144	2,511	160
Government Bonds	29,746	195,579	24,973	201,793
Other Securities	1,134	3,255	480	3,303
Mutual funds	2,879,062	38,324	2,932,757	47,589
Corporate Bonds	135,666	49,824	91,185	52,874
Equities	1,062,893	649,226	1,041,783	692,546
Structured Products	2,421	31	3,155	44
Total		936,383		998,309

12. INVESTOR RISK APPETITE INDEX

Below stated are some comments related to the Investor Risk Appetite Index (RISE), which is announced by Central Securities Depository of Turkey since December 2012. In Q1 of 2017, RISE had an average value of 52 which is above the critical value of 50. The index reached its highest point (66.4) on 10 February 2017 and the lowest point (40.8) on 13 January 2017.

The RISE value in the Q1 of 2017, has a rising trend till the middle of March in the related period. This trend is coherent with the rising trend in the BIST Index which started to move up as of the second week of January 2017. The increase in the export and budget incomes do also present a similar trend in general economic indicators of Turkey.

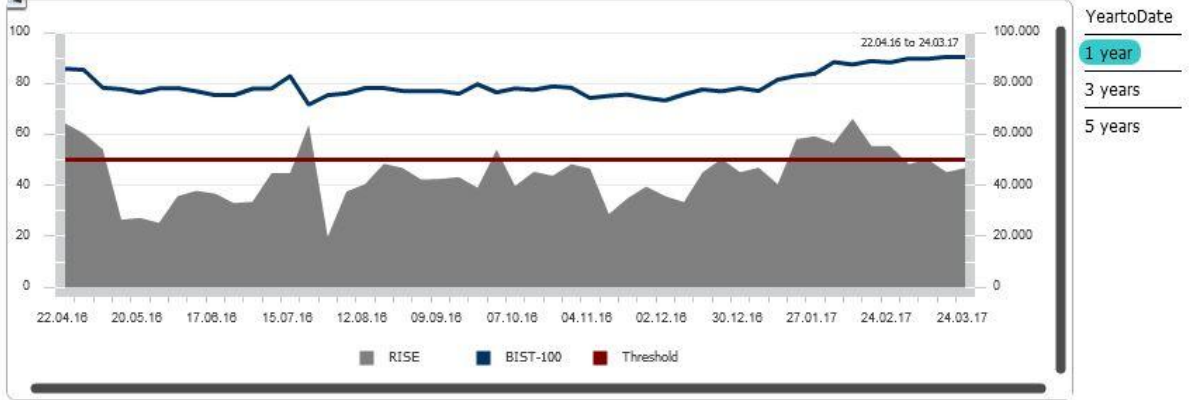
In summary, the RISE value began with a value of 49, first moved down and then entered into a rising trend by climbing above the critical value of 50 till the last 3 weeks of the same period, when it started to decline and closed the period with the value of 45.



RISE CHANGE METHOD

RISE LEVEL METHOD

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

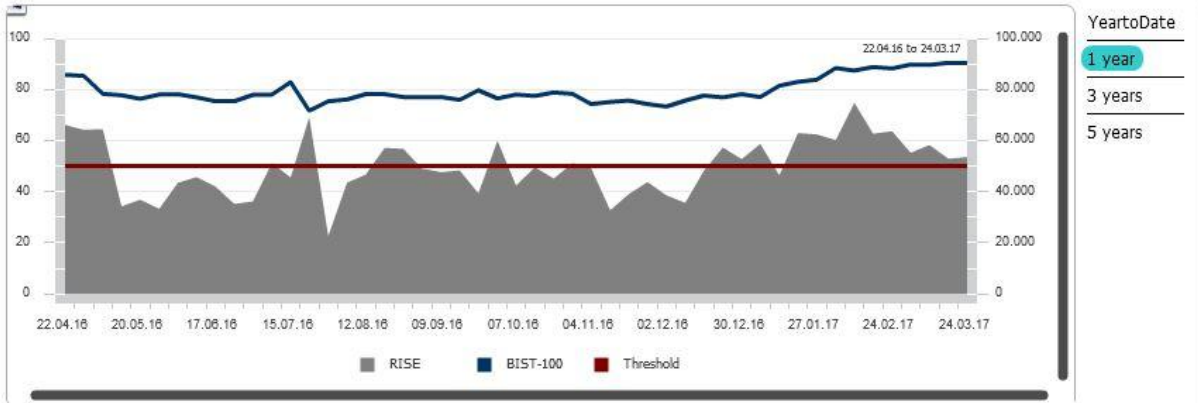


Last Value	43,6	Year to date change (%)	(7,25)
Week to week change (%)	(7,01)	Monthly low	31.03.2017 43,6
4 week change (%)	(9,94)	Monthly high	10.03.2017 50,2
12 week change (%)	(7,25)	Yearly low	13.01.2017 40,5
52 week change (%)	(26,76)	Yearly high	10.02.2017 66,2

RISE CHANGE METHOD

RISE LEVEL METHOD

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



Last Value	53,4	Year to date change (%)	(9,05)
Week to week change (%)	(0,42)	Monthly low	17.03.2017 53,0
4 week change (%)	(3,32)	Monthly high	10.03.2017 58,3
12 week change (%)	(9,05)	Yearly low	13.01.2017 46,4
52 week change (%)	(11,04)	Yearly high	10.02.2017 74,9