

BIST TRENDS REPORT

April - June 2017

Volume XXI



9 August, 2017

Dear Readers,

We proudly present Volume 21 of BIST Trends Report, which provides investor and index-based information on market capitalization, free float, trade volumes and holding periods for the first half of 2017.

The resilient economic environment in the first half of 2017 provided a positive backdrop for equities. Markets rallied with easing political risk in Europe, weak dollar supporting emerging markets and accelerating corporate earnings. S&P 500, FTSE 100, DAX, MSCI World, to name a few, hit successive record highs. Borsa Istanbul also made a strong start to 2017 and with the impact of the positive global and domestic dynamics, the strong 1Q performance continued in 2Q17.

Borsa Istanbul saw the biggest IPOs of recent times in 2Q with Mavi, which received strong domestic and foreign demand. 55% of Mavi was offered to public, yielding US\$ 335 million in proceeds.

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

Central Securities Depository of Turkey
General Manager

Ahmet Yılmaz

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TAV Airports Holding Co.
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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 the first half of 2017, the number of companies traded at BIST ALL index reached 299.

Index	2Q16	2016 YE	2Q17
BIST BANKS	11	11	12
BIST HOLDING AND INVESTMENT	35	32	34
BIST TRADE	18	16	19
BIST SERVICES	56	52	55
BIST FINANCIALS	85	81	83
BIST INDUSTRIALS	146	145	146
BIST TECHNOLOGY	14	14	15
BIST ALL SHARES	301	292	299

The Communiqué on “Squeezing out and Selling Rights” published by the Capital Markets Board in 2016 eased squeezing out, consequently decreasing the number of companies traded at BIST ALL to 292. In the first half of 2017, the number of BIST ALL companies increased to 299 with the developments in the emerging companies market,. Another highlight of 2Q17 was the initial public offering of Mavi. Mavi was the biggest IPOs of recent times and received significant domestic and foreign demand. 55% of Mavi was offered to the public, yielding US\$ 335 million in proceeds. The company was included in BIST 30 as of June 21. It was disclosed that 73.9% was allocated to foreign institutional investors while 18.9% and 7.2% were allocated to domestic institutional and individual investors, respectively.

2. FREE FLOAT

In the first half of 2017, both the free float and the effective free float of Borsa Istanbul increased year-over-year, to 40.84% and 32.09%, respectively. Free float increased across all indices except the slight decrease seen in the effective free float in BIST Trade, BIST Financials and BIST Banks indices.

INDEX	FREE FLOAT		EFFECTIVE FREE FLOAT	
	06/30/2016	06/30/2017	06/30/2016	06/30/2017
BIST BANKS	45.96%	44.19%	35.55%	33.63%
BIST HOLDING AND INVESTMENT	39.77%	39.62%	30.14%	32.12%
BIST TRADE	51.26%	51.73%	39.82%	39.76%
BIST 30	39.92%	40.53%	35.77%	36.75%
BIST 50	39.56%	40.38%	34.91%	35.98%
BIST 100	39.80%	40.46%	33.69%	34.70%
BIST SERVICES	35.71%	38.81%	29.41%	32.44%
BIST FINANCIALS	43.89%	43.06%	33.81%	33.27%
BIST INDUSTRIALS	39.72%	40.81%	30.16%	31.44%
BIST TECHNOLOGY	24.31%	23.12%	19.60%	20.69%
BIST ALL SHARES	40.48%	40.84%	31.46%	32.09%

3. MARKET CAPITALIZATION

In the first half of 2017, the market capitalization of BIST ALL increased by 39% in TL terms.

The highest increase was recorded in BIST Banks and BIST Technology indices.

MILLION TL	06/30/2016	12/31/2016	06/30/2017	2017 Change	YoY Change
BIST BANKS	145.329	145.491	202.656	39%	39%
BIST HOLDING AND INVESTMENT	85.038	89.508	107.172	20%	26%
BIST TRADE	33.360	31.141	42.105	35%	26%
BIST 30	386.002	393.806	512.823	30%	33%
BIST 50	431.675	444.140	561.828	26%	30%
BIST 100	486.397	498.419	637.620	28%	31%
BIST SERVICES	115.943	113.235	141.957	25%	22%
BIST FINANCIALS	262.753	267.025	344.972	29%	31%
BIST INDUSTRIALS	175.171	186.499	236.113	27%	35%
BIST TECHNOLOGY	12.814	16.265	26.602	64%	108%
BIST ALL SHARES	566.681	583.023	749.644	29%	32%

MILLION US\$	06/30/2016	12/31/2016	06/30/2017	2017 Change	YoY Change
BIST BANKS	50.378	41.342	57.625	39%	14%
BIST HOLDING AND INVESTMENT	29.478	25.434	30.474	20%	3%
BIST TRADE	11.564	8.849	11.972	35%	4%
BIST 30	133.806	111.902	145.821	30%	9%
BIST 50	149.638	126.205	159.756	27%	7%
BIST 100	168.607	141.629	181.307	28%	8%
BIST SERVICES	40.191	32.176	40.365	25%	0%
BIST FINANCIALS	91.082	75.877	98.093	29%	8%
BIST INDUSTRIALS	60.722	52.995	67.139	27%	11%
BIST TECHNOLOGY	4.442	4.622	7.564	64%	70%
BIST ALL SHARES	196.437	165.669	213.161	29%	9%

The resilient economic environment in the first half of 2017 provided a positive backdrop for equities. Markets rallied with easing political risk in Europe, weak dollar supporting emerging markets and accelerating corporate earnings. S&P 500, FTSE 100, DAX, MSCI World, to name a few, hit successive record highs. Borsa Istanbul also made a strong start to 2017 and with the impact of the positive global and domestic dynamics, the strong 1Q performance continued in 2Q17. Turkish equities benefited from the stability of the dollar as well as the incentive packages announced to stimulate the economy.

In the first half of the year, MSCI World index rose by 11.02% and MSCI Emerging Markets index by 18.43%, while MSCI Turkey index outperformed both indices and was up by 32.21%. BIST ALL rose by 29% in both TL and US\$ terms.

The highest contribution to this performance came from BIST Banks, Borsa Istanbul's leading index, while the highest increase was seen in BIST Technology that rose by 64%.

4. TRADE VOLUME

Nominal trade volume was down 4% QoQ in 2Q17 while TL based trade volumes rose by 3% in the same period.

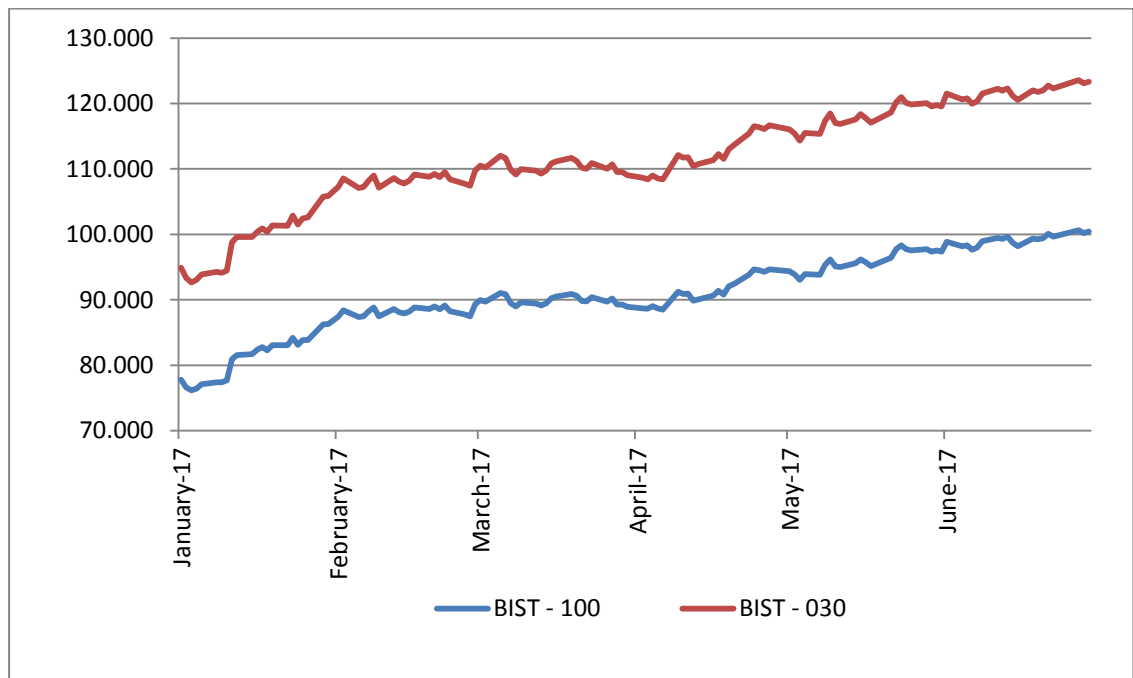
NOMINAL VALUE (Million)	2Q16	1Q17	2Q17	QoQ Change	YoY Change
BIST BANKS	16,495	16,647	11,708	-30%	-29%
BIST HOLDING AND INVESTMENT	4,537	10,737	8,642	-20%	90%
BIST TRADE	1,287	2,389	1,893	-21%	47%
BIST 30	29,669	32,546	29,597	-9%	0%
BIST 50	34,715	38,100	37,531	-1%	8%
BIST 100	42,393	51,173	49,205	-4%	16%
BIST SERVICES	13,291	13,457	13,736	2%	3%
BIST FINANCIALS	24,781	34,039	27,407	-19%	11%
BIST INDUSTRIALS	13,414	20,082	23,521	17%	75%
BIST TECHNOLOGY	500	1,131	1,288	14%	158%
BIST ALL SHARES	51,985	68,708	65,951	-4%	27%

MILLION TL	2Q16	1Q17	2Q17	QoQ Change	YoY Change
BIST BANKS	110,281	117,306	90,940	-22%	-18%
BIST HOLDING AND INVESTMENT	17,581	24,291	29,588	22%	68%
BIST TRADE	7,189	9,095	9,265	2%	29%
BIST 30	193,945	203,203	208,195	2%	7%
BIST 50	217,696	240,085	240,426	0%	10%
BIST 100	242,885	271,476	279,777	3%	15%
BIST SERVICES	65,546	61,146	70,862	16%	8%
BIST FINANCIALS	137,307	157,085	137,220	-13%	0%
BIST INDUSTRIALS	57,970	80,229	93,429	16%	61%
BIST TECHNOLOGY	2,868	10,154	15,526	53%	441%
BIST ALL SHARES	263,691	308,615	317,037	3%	20%

MILLION US\$	2Q16	1Q17	2Q17	QoQ Change	YoY Change
BIST BANKS	38,138	31,668	25,362	-20%	-33%
BIST HOLDING AND INVESTMENT	6,083	6,568	8,309	26%	37%
BIST TRADE	2,488	2,460	2,597	6%	4%
BIST 30	67,102	54,888	58,230	6%	-13%
BIST 50	75,353	64,849	67,266	4%	-11%
BIST 100	84,087	73,348	78,299	7%	-7%
BIST SERVICES	22,713	16,532	19,876	20%	-12%
BIST FINANCIALS	47,502	42,433	38,357	-10%	-19%
BIST INDUSTRIALS	20,094	21,678	26,166	21%	30%
BIST TECHNOLOGY	994	2,762	4,356	58%	338%
BIST ALL SHARES	91,303	83,405	88,755	6%	-3%

In 2Q17, the nominal trade volume in Borsa Istanbul decreased by 4% Q-on-Q. However, an increase was seen in both TL and US\$ terms by 3% and 6%, respectively. In the same period, BIST Banks trade volume declined by 22% in TL terms, while volumes in BIST Holding and Investment index rose by 22%. BIST Services and BIST Industry indices also registered a strong increase of 16%. The highest increase was seen in BIST Technology index, where the TL based trade volume rose by 53%.

As for the US\$ trade volumes, BIST Banks and BIST Financials indices saw a decline of 20% and 10%, respectively.



5. FOREIGN TRANSACTIONS – NET INFLOW AND OUTFLOW

Million US\$	1Q16	2Q16	1H 2016	1Q17	2Q17	1H 2017
BIST BANKS	874	(230)	644	527	339	866
BIST HOLDING AND INVESTMENT	154	56	210	91	194	286
BIST TRADE	28	3	31	32	68	100
BIST 30	1,490	(875)	616	954	595	1,549
BIST 50	1,519	(914)	604	929	668	1,597
BIST 100	1,546	(908)	639	900	719	1,619
BIST SERVICES	143	(541)	(398)	170	242	411
BIST FINANCIALS	1,114	(151)	964	572	475	1,047
BIST INDUSTRIALS	298	(187)	111	212	67	279
BIST TECHNOLOGY	(8)	(33)	(42)	(28)	(76)	(104)
BIST ALL SHARES	1,547	(913)	635	925	707	1,633

Borsa Istanbul had net foreign inflow of US\$ 1.6 billion during the January-June period.

Borsa Istanbul made a strong start to 2017. US\$925 million and US\$ 707 million net foreign inflow was seen in the first two quarters, respectively, reaching US\$ 1.6 billion for the first half of the year.

In 2Q17, the highest net foreign inflow was seen in BIST Banks index with US\$ 339 million, followed by BIST Services with US\$ 242 million. BIST Technology was the only index with a net foreign outflow.

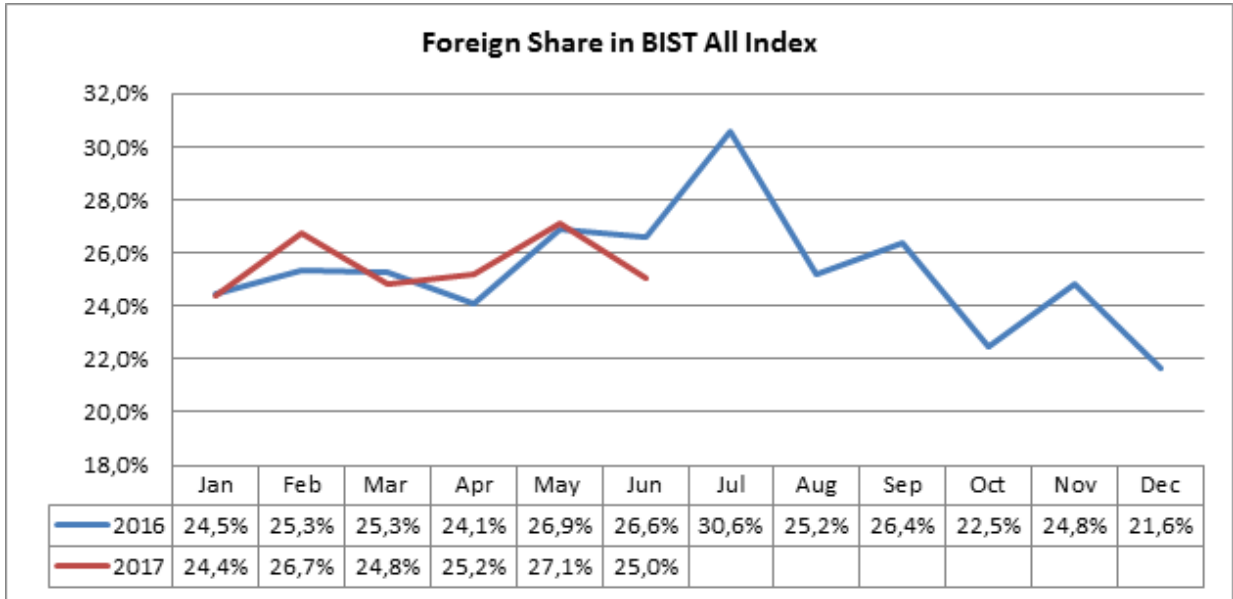
6. TRADE VOLUME BY INVESTOR TYPE

INDEX	1H 2017		2Q17		1Q17		1H 2016		2Q16	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL	26%	74%	26%	74%	25%	75%	25%	75%	26%	74%
BIST 30	34%	66%	35%	65%	34%	66%	31%	69%	32%	68%
BIST 50	31%	69%	32%	68%	31%	69%	29%	71%	30%	70%
BIST 100	28%	72%	29%	71%	28%	72%	27%	73%	28%	72%
BIST INDUSTRIALS	22%	78%	22%	78%	22%	78%	26%	74%	26%	74%
BIST SERVICES	21%	79%	23%	77%	20%	80%	20%	80%	18%	82%
BIST TRADE	26%	74%	26%	74%	26%	74%	41%	59%	37%	63%
BIST FINANCIALS	30%	70%	30%	70%	30%	70%	28%	72%	30%	70%
BIST BANKS	33%	67%	34%	66%	31%	69%	27%	73%	29%	71%
BIST HOLDING AND INVESTMENT	30%	70%	31%	69%	30%	70%	40%	60%	42%	58%
BIST TECHNOLOGY	17%	83%	18%	82%	16%	84%	15%	85%	15%	85%

Domestic investors generated 74% of the trade volume in Borsa Istanbul in the first half of 2017.

The share of foreign investors in trade volume was 26% in 2Q17, slightly up from 25% in 1Q17. Foreign share in BIST All trade volume reached its highest level of the year in May with 27.1%. The highest share of foreign investors in trade volume was reached in BIST 30 with 36.9% in June. In 2Q17, the share of foreign investors increased in all indices versus 1Q17. On an annual basis, the share of foreign trade volume declined in BIST Trade, BIST Holding and Investment and BIST Industry indices in both the first half of the year and 2Q17.

The highest foreign trade volume was seen in BIST 30 with 34% and the lowest was seen in BIST Technology with 17%.



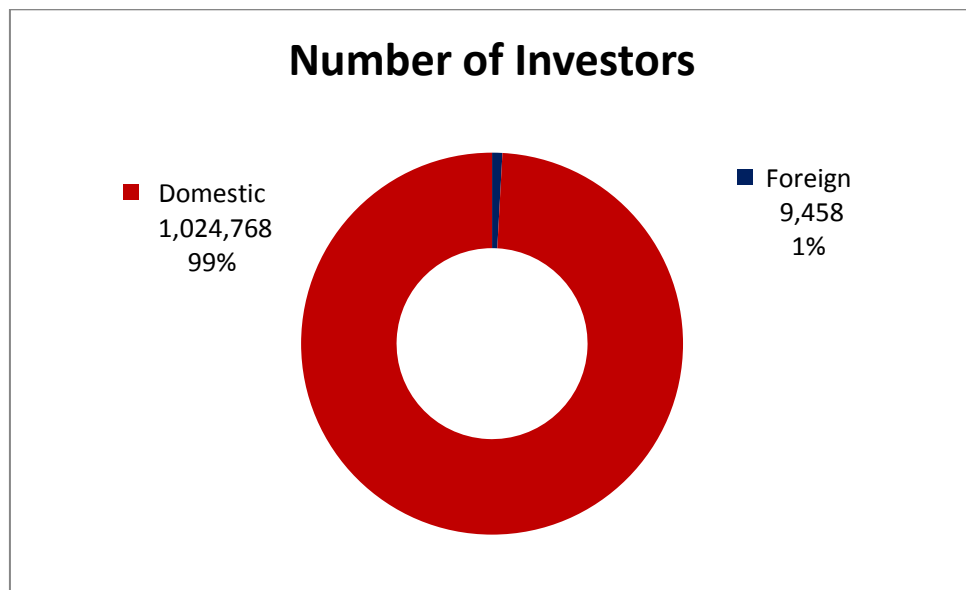
7. NUMBER OF INVESTORS AND MARKET CAPITALIZATION

As of June, the number of investors at Borsa Istanbul reached 1,036,224.

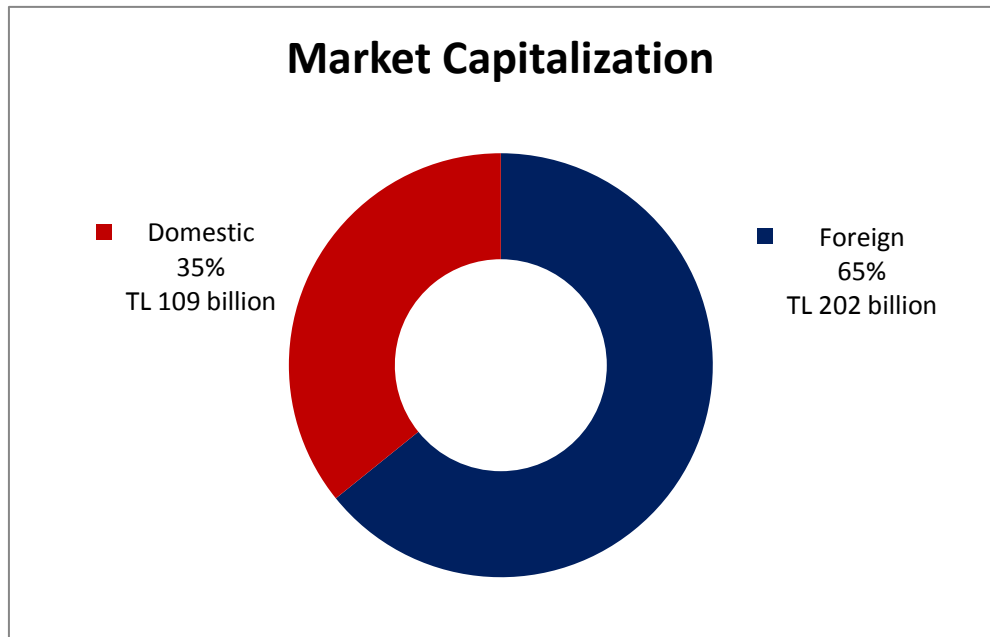
Compared to the year end and 1Q17, the total number of investors in Borsa Istanbul continued to decrease and reached 1,034,226 as of June. The significant part of the decrease was driven by individual domestic investors.

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

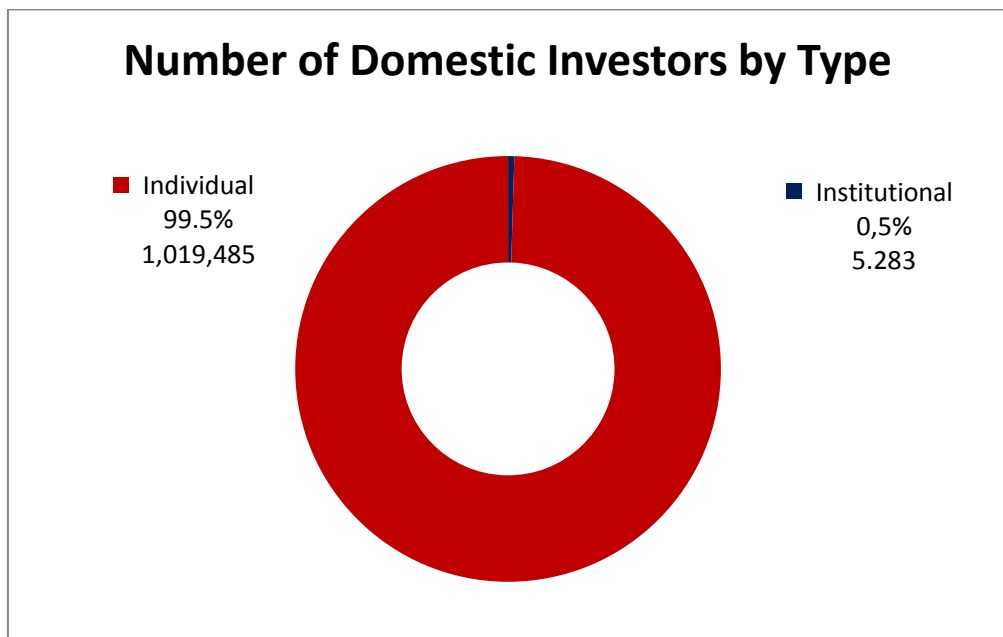
Foreign investors represent only 1% of the total Borsa Istanbul investor base. Their share in trade volume is 26% while they hold 65% of the total market capitalization.



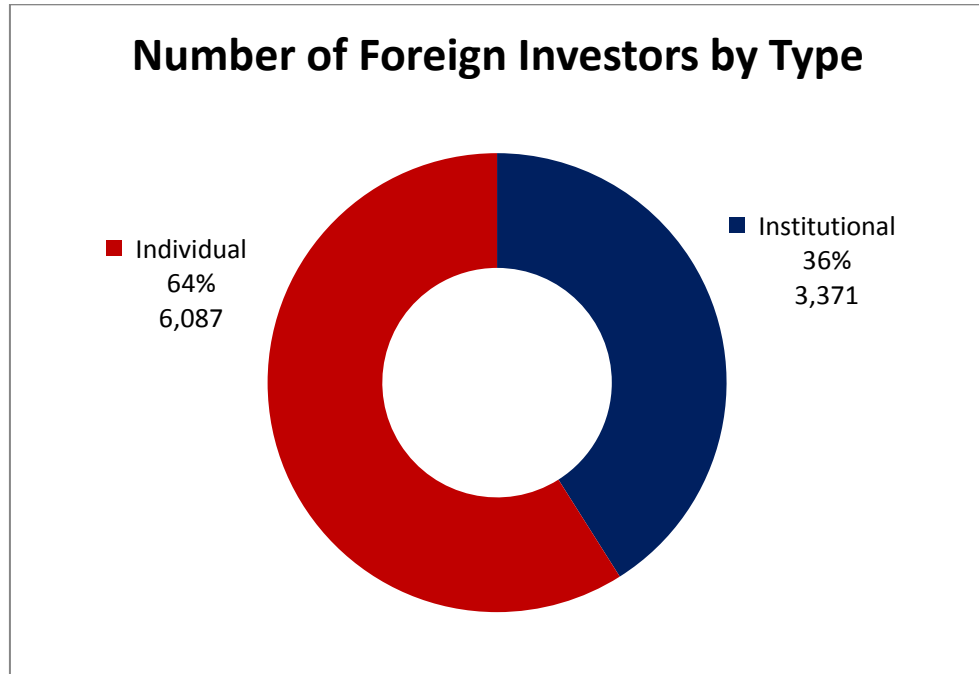
In the first half of the year, foreign investors had 26% share in BIST ALL trade volume and 65% share in market capitalization. The total value of shares in held by foreign investors is TL 202 billion.



Over 99.6% of the domestic investors are individuals and they hold 51% of the total domestic market cap.



The share of institutional investors among foreign investors was 36%. This group holds 65% of the total market cap and almost the entire foreign portfolio.



8. NUMBER OF DOMESTIC AND FOREIGN INVESTORS BY INDEX

Number of Investors	Jun.17		Mar.17		Dec.16		Jun.16	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL SHARES	9.252	962.039	9.234	964.265	9.272	983.127	9.407	993.294
BIST 100	6.666	785.182	6.652	791.101	6.732	808.693	6.936	818.323
BIST 30	5.778	587.464	5.807	603.895	5.792	612.906	6.000	616.764
BIST 50	6.218	683.383	6.177	691.484	6.229	711.209	6.492	712.284
BIST INDUSTRIALS	4.377	524.482	4.317	526.331	4.395	534.163	4.447	541.562
BIST SERVICES	3.232	328.436	3.088	332.154	3.114	345.815	3.398	345.661
BIST FINANCIALS	6.996	572.074	6.986	577.962	6.978	588.383	7.140	597.189
BIST TECHNOLOGY	840	77.420	628	66.968	593	62.538	552	62.458
BIST TRADE	1.536	89.816	1.420	91.494	1.442	87.905	1.602	86.721
BIST BANKS	3.509	284.298	3.505	296.280	3.515	310.448	3.644	318.217
BIST HOLDING AND INVESTMENT	4.893	286.851	4.832	284.805	4.782	287.333	4.839	288.743

At the end of June, the number of foreign investors in BIST 100 increased Q-on-Q, but was still lower compared to 2016-end.

In June, the number of foreign investors in BIST ALL increased quarter-on-quarter to 9,252. However, this is still lower compared to 2016 year-end levels.

In June, the number of foreign investors compared to March-end increased in all indices except BIST 30. The number of domestic investors decreased in all indices except BIST Technology and BIST Holding and Investment indices.

9. MARKET CAPITALIZATION BY INDEX AND NATIONALITY

Market Capitalization Billion TL	Jun.17		Mar.17		Dec.16		Jun.16	
	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic
BIST ALL SHARES	201	105	176	95	151	86	146	84
BIST 100	179	79	156	71	134	66	129	65
BIST 30	160	48	139	43	116	42	111	43
BIST 50	168	59	148	54	124	52	119	52
BIST INDUSTRILAS	56	41	48	37	41	33	37	32
BIST SERVICES	36	19	32	17	28	13	29	13
BIST FINANCIALS	107	42	94	39	79	38.1	78	37
BIST TECHNOLOGY	3	3	3	2	2	2	2	2
BIST TRADE	15	7	12	6	12	3	14	3
BIST BANKS	73	17	63	16	50	17	49	18
BIST HOLDING AND INVESTMENT	27	15	24	14	22	12	22	12

In 2Q17, as a reflection of the strong performance of Borsa Istanbul, the market capitalization of both foreign and domestic investors increased in all indices, compared to the year end and 1Q17.

10. FOREIGN INVESTORS BY PORTFOLIO VALUE AND RESIDENCE

1,258 U.S. based investors hold 34% of the foreign investments, while the investors based in US, UK and Luxembourg hold 55% of the total foreign portfolio.

Residence	Portfolio Value (Million US\$)	Share (%)
U.S.	19.260	34%
U.K.	8.285	14%
LUXEMBOURG	3.941	7%
HOLLANDA	2.835	5%
IRLAND	2.442	4%
QATAR	2.392	4%
SİNGAPUR	1.663	3%
NORVEÇ	1.393	2%
KANADA	1.297	2%
CAYMAN ISLANDS	1.271	2%
OTHER	12.547	22%

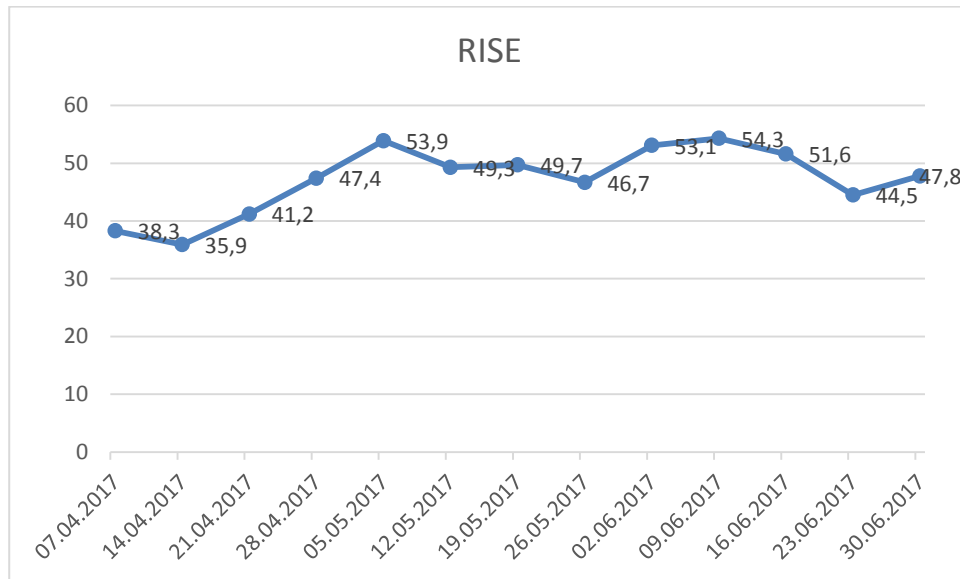
In the first half of 2017, the top three countries with the highest portfolio value are US, UK and Luxembourg in Borsa Istanbul. 1,258 U.S. based investors hold 34% of the foreign investments, while the investors based in U.S., U.K. and Luxembourg hold 55% of the total foreign investment portfolio.

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

Type of Security	June 2016		June 2017	
	Number of Investors	Market Cap (Million TL)	Number of Investors	Market Cap (Million TL)
Exchange Traded Funds	2.482	174	2.901	176
Government Bonds	28.550	206.435	24.655	218.833
Other Securities	854	3.393	4.315	4.075
Mutual funds	2.879.556	41.434	3.028.816	50.164
Corporate Bonds	122.572	48.872	87.131	53.689
Equities	1.068.959	600.466	1.040.552	773.173
Structured Products	2.585	25	3.087	54
Total	--	900.800		1.100.165

12. INVESTOR RISK APPETITE INDEX

Below stated are some comments related to the Investor Risk Appetite Index (RISE), which is announced by MKK since December 2012. In Q2 of 2017, RISE had an average value of 47.2 which is below the critical value of 50. The index reached its highest point (54.3) on 9 June 2017 and the lowest point (35.9) on 14 April 2017.



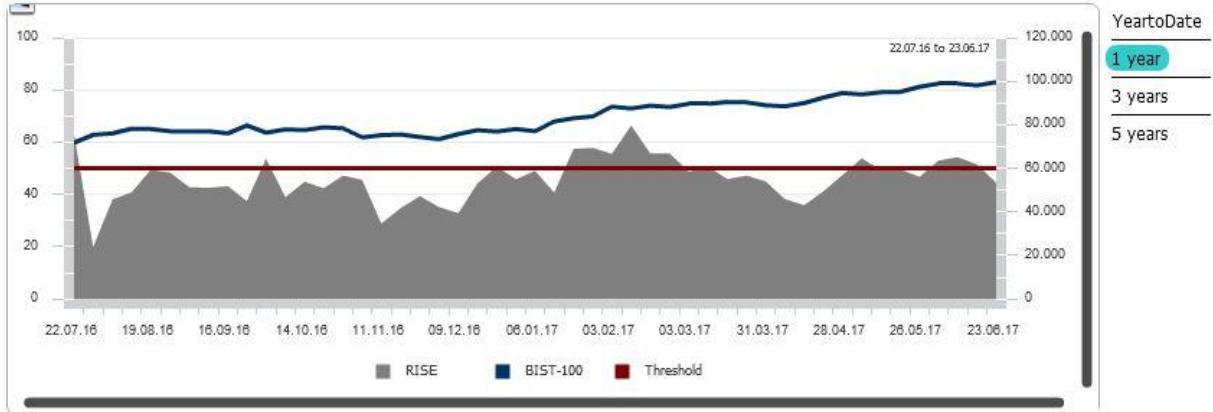
The RISE value in the Q2 of 2017 has a rising trend till the beginning of May in the related period. This trend is coherent with the overall rising trend in the BIST Index in the related term.

In summary, the RISE value began with a value of 38, first moved down and then entered into a rising trend by climbing above the critical value of 50 by the beginning of May. Followed by a relatively volatile period, still staying close to the critical value though, it then started to decline by the end of June and closed the period with the value of 48.

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

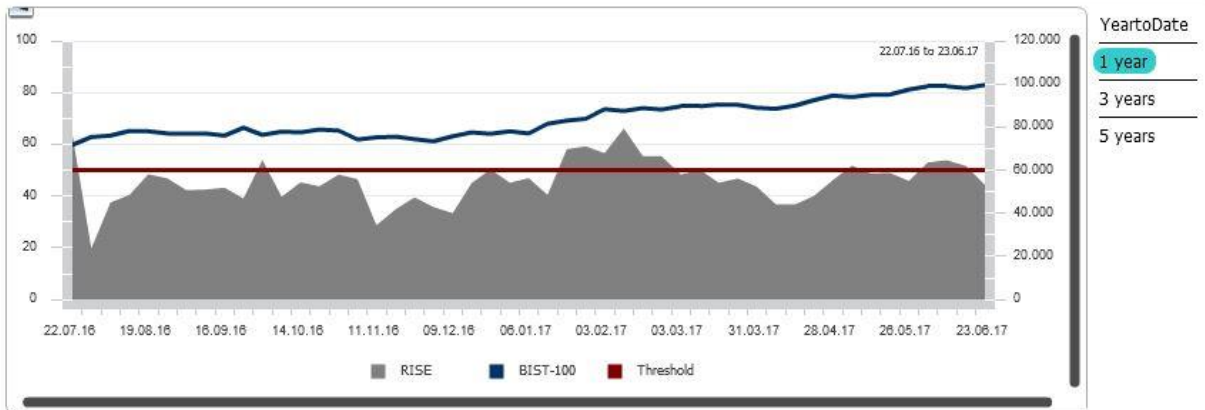
Last Value	47,8
Week to week change (%)	7,41
4 week change (%)	(9,93)
12 week change (%)	24,79
52 week change (%)	44,82

Year to date change (%)	(2,50)
Monthly low	23.06.2017 44,5
Monthly high	09.06.2017 54,3
Yearly low	14.04.2017 35,9
Yearly high	10.02.2017 66,4

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

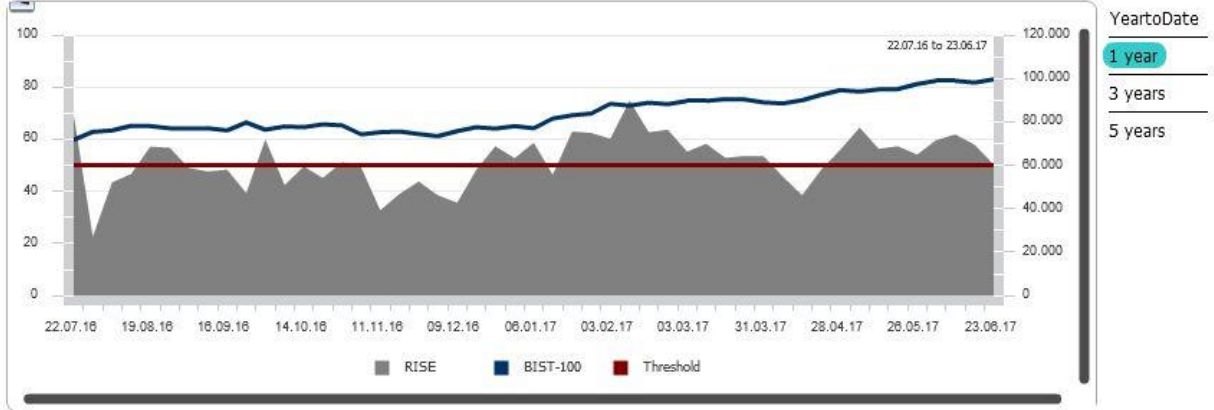
Last Value	47,3
Week to week change (%)	6,70
4 week change (%)	(10,71)
12 week change (%)	28,20
52 week change (%)	41,21

Year to date change (%)	1
Monthly low	23.06.2017 44,4
Monthly high	09.06.2017 53,8
Yearly low	14.04.2017 36,7
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	54,6
Week to week change (%)	8,70
4 week change (%)	(8,51)
12 week change (%)	19,43
52 week change (%)	51,14

Year to date change (%)	(6,97)
Monthly low	23.06.2017 50,3
Monthly high	09.06.2017 61,9
Yearly low	14.04.2017 38,6
Yearly high	10.02.2017 74,9