

BIST TRENDS REPORTS

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Executive Summary

Dear Readers,

We are happy to present a brief summary of the Borsa Istanbul Trends Report, which includes market analyses for 2Q21.

In 2Q21, the market value of BIST ALL index increased by 9% in TL terms and declined by 14% in USD terms compared to the same period last year.

In the first quarter of the year, trading volumes reached record levels thanks to the increasing interest of domestic retail investors in the capital markets and inflow of fresh funds to the market through initial public offerings. However, in the second quarter, we have seen a double-digit contraction in trading volumes as a result of the shift of liquidity to public offerings, relatively weaker demand for the new IPOs and waning interest from foreign investors.

After a net foreign outflow of USD 1.9 billion in 1Q21, there was a limited net foreign inflow of USD 54 million to Borsa Istanbul in the second quarter of 2021. The highest net foreign inflow was seen in the BIST Sustainability Index with USD317 million. Foreign investors, who were selling bank shares in the first quarter, became net buyers in the second quarter. While the share of foreign investors in total trading volume increased by 6 percentage points yoy to 25% in the second quarter, their share in total market value remains at its historically lowest levels with 42%.

The total number of investors in Borsa Istanbul, which has been on an increasing trend since last year under the leadership of domestic retail investors, rose to approximately 2.4 million as of the end of June 2021.

By the end of 2Q21, the first three countries with the highest portfolio value in Borsa Istanbul were the USA, Qatar and the UK. The USA took over the first place once again by surpassing Qatar in this quarter.

While the volume of local currency private sector debt instruments issued in Turkey remained at the same level on an annual basis, it increased by 10% year-to-date.

All the best until the next reporting period.

Aslı Selçuk

TUYID Chairperson