Capital Market Trends in Turkey

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TURKISH CAPITAL MARKETS ASSOCIATION
MAJOR CHANGES TO LEVERAGED TRANSACTIONS

• Maximum allowed leverage ratio reduced to 10:1 from a max of 50:1

• Margin deposit raised to TRY 50,000 from TRY 20,000

• Forex volume fell by 50% yoy in 2017/06, 6 brokerage houses closed & roughly 2,000 employees laid off

• In 1H2017, yoy brokerage commissions unchanged: loss in forex revenue offset by stock & derivative revenues. Net income rose by 57% due to declining personnel and marketing expenses
PRIVATE PENSION REFORM

Portfolio size includes government contributions.

PP: Private pension schemes
AE: Auto-enrolment

2013: 26.0
2014: 37.6
2015: 48.0
2016: 60.8
2017/09: 73.1

Total Portfolio Size (bn. TL)
Portfolio Size (bn. TL)
Number of Investors (mn.)

PP: Private pension schemes
AE: Auto-enrolment
Portfolio size includes government contributions.
NEW PRODUCTS INTRODUCED IN 2017

- **Real Estate Certificates**
  - Structured to divide real estate projects into small shares
  - Real estate industry to access financing in organized markets
  - Enable real estate investments with modest savings

- **Gold Bonds and Gold Lease Certificates**
  - Bring into the economy the gold citizens keep “under the mattress”
  - Diversifying the breadth of financial instruments
  - Boost savings
  - 12,800 investors, 2.5 tons of gold worth of ~$100mn
SOVEREIGN WEALTH FUND

- Major public companies & lands transferred over

Expected outcomes:
- Promote financial markets
- Limit market volatility and stabilize economy
- Support infrastructure projects
• Turkey to become key player in Islamic Finance

• Interest-Free Finance Coordination founded

• TCMA joins IFSB
FUTURE OUTLOOK

ISTANBUL REGIONAL FINANCIAL CENTER

- Well-developed Regulatory Structure
- Strategic Geographical Location
- Infrastructure Reforms
- Istanbul Arbitration Center
- Borsa Istanbul Islamic Financial Center

1 hour region (9 countries)
2 hours region (27 countries)
3 hours region (42 countries)
4 hours region (60 countries)
Thank You!

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