

RATING ACTION COMMENTARY

Fitch Revises Outlook on 4 Turkish Corporate Issuers to Negative

Fri 28 Aug, 2020 - 09:33 ET

Fitch Ratings - Barcelona - 28 Aug 2020: Fitch Ratings has revised the Outlooks on four Turkish corporate issuers' Long-Term Foreign-Currency Issuer Default Ratings (IDR) to Negative from Stable and affirmed all ratings as detailed below.

KEY RATING DRIVERS

The rating actions follow the revision of the Outlook on Turkey's Long-Term Foreign-Currency IDR to Negative from Stable. The issuers' strong exposure to the Turkish economy means their Foreign-Currency IDRs are influenced by the Turkish Country Ceiling. The revision of the Outlooks reflects the likely correlation of future rating actions with changes to the sovereign rating, assuming that the Country Ceiling moves in line with the sovereign IDR.

For full key ratings drivers for each issuer, see the rating action commentaries listed below.

Emlak Konut Gayrimenkul Yatirim Ortakligi A.S. (see 'Fitch Affirms Turkish Residential Developer Emlak Konut at 'BB-'; Outlook Negative' dated 14 October 2019)

Ordu Yardimlasma Kurumu (OYAK) Holding (see Fitch Affirms Ordu Yardimlasma Kurumu (Oyak) at 'BB'; Outlook Stable' dated 16 January 2020)

Turkiye Sise ve Cam Fabrikalari A.S. (see 'Fitch Affirms Sisecam at 'BB-'; Outlook Stable' dated 2 July 2020)

Arcelik A.S. (see Fitch Downgrades Arcelik to 'BB'; Outlook Stable dated 14 May 2020)

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

See the relevant rating action commentary for each issuer referenced above.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

See the relevant rating action commentary for each issuer referenced above.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Non-Financial Corporate issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

The highest level of ESG credit relevance, if present, is a score of 3. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity(ies), either due to their nature or to the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

● senior unsecured	LT	BB-	Affirmed	BB-
Arcelik	LT IDR	BB Rating Outlook Negative	Affirmed	BB Rating Outlook Stable
	LC LT IDR	BB Rating Outlook Negative	Affirmed	BB Rating Outlook Stable
	Natl LT	AAA(tur) Rating Outlook Negative	Affirmed	AAA(tur) Rating Outlook Stable
● senior unsecured	LT	BB	Affirmed	BB
Ordu	LT IDR	BB Rating Outlook Negative	Affirmed	BB Rating

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APPLICABLE CRITERIA

[Corporates Notching and Recovery Ratings Criteria \(pub. 14 Oct 2019\) \(including rating assumption sensitivity\)](#)
[Investment Holding Companies Rating Criteria \(pub. 18 Dec 2019\) \(including rating assumption sensitivity\)](#)
[Non-Financial Corporates Exceeding the Country Ceiling Rating Criteria \(pub. 25 Feb 2020\)](#)
[Corporate Rating Criteria \(pub. 01 May 2020\) \(including rating assumption sensitivity\)](#)
[National Scale Rating Criteria \(pub. 08 Jun 2020\)](#)
[Sector Navigators - Addendum to the Corporate Rating Criteria \(pub. 26 Jun 2020\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v7.9.0 (1)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)
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ENDORSEMENT STATUS

Arcelik	EU Issued
Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş.	EU Issued
Ordu Yardımlaşma Kurumu (Oyak)	EU Issued
Türkiye Sise ve Cam Fabrikaları AS	EU Issued

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