

EFFECTS OF NEWS MEDIA MANIPULATION ON BORSA İSTANBUL (İSTANBUL STOCK EXCHANGE): BULL TRAP FOR SMALL INVESTOR¹

MEDYA MANİPÜLASYONUNUN BORSA İSTANBUL'A ETKİLERİ: KÜÇÜK YATIRIMCIYA BOĞA TUZAĞI

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Özet

Bu çalışma, temelde medyanın borsalara, hisse senedi seçimlerine, bireysel küçük yatırımcılara ve haberlere erişimdeki eşitsizliklerin etkilerini tartışmayı amaçlamaktadır. Bu amaçla bu çalışmada, Türkiye'de 2019 yılında yapılan yerel seçimler döneminde, İstanbul Büyükşehir Belediye Başkanlık seçiminin tekrar edilmesi kararında medyada yer alan haber başlıklarını bireysel küçük yatırımcıların nasıl algıladığı, yatırımlarını nasıl yönlendirdikleri ve seçimin tekrar edilmesi kararından, seçimin tekrar edildiği tarihe kadar geçen 7 haftalık süreçteki Borsa İstanbul'un performansı örnek olay olarak incelenmektedir. Bu araştırma içerisinde Türkiye'de 2019 yılında yapılan yerel seçimler döneminde, İstanbul Büyükşehir Belediye Başkanlık seçiminin tekrar edilmesi kararının alındığı tarihten, seçimin tekrar yapıldığı 7 haftalık süreçte Borsa İstanbul'daki beş endeksin performansı ortaya konulmuştur. Ayrıca söz konusu dönem yatırım yapmış 10 bireysel küçük yatırımcı ile yarı yapılandırılmış derinlemesine mülakat tekniği ile görüşme yapılmıştır. Araştırmanın bulgularına göre; medya, hisse senedi piyasasını ve bireylerin yatırım kararlarını etkilemektedir. Ayrıca 2019 yılında İstanbul Büyükşehir Belediye Başkanlığı seçimlerinin tekrar edilmesi kararı Borsa İstanbul'un performansını etkilemiştir. Ancak diğer yandan seçimin tekrar edilmesi kararının bireysel küçük yatırımcılara olan etkisi tartışmalıdır. Bu çalışma kapsamında; gazetecilerin yurttaşların çıkarlarını koruyacak haberler yapması, haberlerde kamu yararını gözetmesi, haber ajanslarının ücretli abonelik sistemini sınırlaması, haberlere tüm yurttaşların anında erişiminin sağlanması ve öğrencilere ilköğretim seviyesinden itibaren finansal okuryazarlık ve medya okuryazarlığı eğitimlerinin tüm eğitim hayatı boyunca verilmesi tavsiye edilmiştir.

Anahtar kelimeler: Borsa, medya ve borsa, küçük yatırımcı, ekonomi gazeteciliği.

Abstract

This study aims to discuss the effects of media inequalities on access to stock markets, stock choices, individual small investors, and news media. In line with this purpose, in the period of local elections held in Turkey in 2019, some aspects, such as how individual small investors perceived the news headlines in the news media in the decision to re-run the İstanbul Metropolitan Municipality mayoral election, how they steered their investments, and Borsa İstanbul's performance in the seven weeks from the decision to repeat the election to the date of the re-election are analyzed as a case in this study. In this research, during the local elections held in Turkey in 2019, the performance of five indexes in Borsa İstanbul in the seven weeks from the date of the decision to repeat the İstanbul Metropolitan Municipality Mayoral election to the date of the re-election has been presented. In addition, interviews were conducted with ten individual small investors who had invested in the period above, using the semi-structured in-depth interview technique. According to the research findings, the news media affect the stock market and individuals' investment decisions. In addition, the decision to re-run the İstanbul Metropolitan Municipality elections in 2019 affected Borsa İstanbul's performance. On the other hand, the impact of the re-election decision on individual small investors is controversial. Within the scope of this study, it has been recommended

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that journalists should make news that will protect the interests of citizens, that they should Look after the public interest in the news, that news agencies should limit the paid subscription system, that all citizens should have instant access to the news, and that financial literacy and media literacy education should be given to students throughout their education life, starting from the primary education level.

Keywords: Stock market, news media and stock market, small investor, financial journalism.

Introduction

Market participants and the news media are closely intertwined. They have become increasingly reliant on each other, with market participants able to influence journalists and vice versa. Journalists serve as the primary sources of information for free market participants (Oberlechner & Hocking, 2004: 418). Investigative news about publicly traded companies is almost nonexistent, as journalists typically receive news in the form of press releases. This lack of independent news production makes it challenging to disseminate damaging information about companies, and as a result, investors generally receive information from the companies' perspective (İşleyen, 2021: 76).

How the news is framed and presented is also essential in individuals' investment decisions. The words and repetitions used in the news affect the perception formed in the minds of individuals and, thus, their investment behavior. According to a study by Tversky and Kahneman in 1973, the more repetitions about an item, the greater the interest in that item (Tversky and Kahneman, 1973: 221). In addition, individuals cannot always act rationally when making decisions in uncertain, complex, and risky situations. Tversky and Kahneman's study also revealed that individuals tend to avoid loss. However, frames come into play to enable individuals to take risks and make investments. The media can develop unique frames with different reference points, including how the news is presented, and make the existing risk appear more moderate. Individuals seem more inclined to accept frames as given to them (Akin, 2017: 91-95). According to a study by Dan Ariely (Ariely 2013, cited in Akin, 2017: 95), individuals are open to manipulating the frames presented when making choices. Individuals' preferences are influenced by how information is presented. Frames can make something look better than it is (Akin, 2017: 95-96). In this context, it is assumed that framing, such as how news is presented, the quality of the words used, and the number of repetitions of words, can affect individuals' investment decisions in a way that can manipulate them.

1. Critical Economic Policy Approach and Agenda-Setting Approach

Two main views on the political economy emerge in media debates. One of these is the liberal political economy approach. This approach glorifies 'pluralism' by emphasizing that capital owners do not determine media content and that content is produced for the general benefit of the public. The liberal political economy approach, which opposes the view that capital ownership is dominant, points to competition and emphasizes that the communication industry broadcasts independently of political power. Another view at the heart of media debates is the critical political economy approach, which offers a vital perspective to the liberal approach. This approach emphasizes that capital ownership is the dominant factor in the content production of the media industry and claims that content is produced under the direction of power and the advertising industry (Golding and Murdock, 2008: 67). In this context, the critical political economy approach emphasizes that the discourse of 'pluralism' is an illusion. Within mass communication research, the crucial approach tradition, which originated in continental Europe, takes Marxism as a reference. This approach offers a historical and holistic perspective on the position of mass media in the capitalist system.

Political economy studies also examine the media market in international terms. Robert Shiller (2000), who researches the political economy of the media, thinks that the need for the growth of capital necessitates the expansion of the press to the rest of the world at the point where the domestic market is exhausted and seeks an answer to the problematic of the political economy of the media with the concept of 'media imperialism.' Shiller puts forward the instrumentalist perspective that assumes a direct relationship between macro-economic needs and media content (Adaklı, 2006: 24). When the media field is approached from a macro

perspective, the concepts of multinational corporations, transnational broadcasting freedom, and international monopolization emerge.

Communication is a reciprocal activity in which the sender and receiver are active. It is not an equal activity. However, it is functional for the parties. Communication fulfills a need or provides satisfaction. Wherever there is a social relationship, there is necessarily a communication activity. Communication is, therefore, considered a social network. (Erdoğan and Alemdar, 2002: 230). According to Stuart Hall (Hall 1992, cited in Özsoy, 2011: 39), to understand the communication process, it is necessary to reveal the production of meaning and the complex network of relations at the moment of encoding and decoding. In this context, communication is a holistic process encompassing production, circulation, consumption, and reproduction. Hall mentions the existence of a network of meaning reflecting the dominant ideology in every text (Özsoy, 2011: 39). Based on this perspective; it is seen that in journalism, which is the main task of mass media today, the coding of the news texts transmitted is formed by traditional narrative fiction. The conventional narrative structure has a beginning, middle, and end. Theoretically, each narrative consists of two parts. These are story and discourse. The story deals with 'what happened to whom,' and the discourse deals with 'how the story is told' (Çelenk, 2005: 69-70). Since the 1980s, communication researchers have started to treat the news agenda as a "dependent variable" and the public agenda as an "independent variable." In the past, the news agenda was treated as an independent variable. This idea has become a little more flexible when introducing new media. The interest has changed from "Who sets the public agenda?" to "Who sets the news agenda?". The answer to this question is that the dominant influence comes from the news media (Erdoğan and Alemdar, 2002: 228).

The media fulfills its agenda-setting function in various ways. These can be done through the selection of topics, the distribution of attention, the framing of the subject, the filtering of information, and the limitation of the subject through emphasis and intonation (Yaylagül, 2008: 15). Western media and news agencies dominate all these processes in the world. These agencies have dominated the international news flow for many years (Herman, 2004: 53). For example, Reuters, Associated Press, and AFP news agencies provide the vast majority of international raw news sources today (Bakker, 2015: 187). In addition, four major Western news agencies determine 80% of the national and international news agenda. These are Reuters, Associated Press, United Press International, and Agence France-Press news agencies (Chomsky, Herman, Peterson, and Podor, 2004: 45). According to some studies, 70% of the news in neighboring countries under the influence of the United States is provided by American news agencies, British news agencies supply 50% of the news in British former colonial governments, and French news agencies offer 45% of the news in French former colonial countries. The dependency paradigm emerges (Uluç, 2003: 234). Although some studies today argue that social media is equal to mainstream media, social media is still driven by capitalist corporations. For example, according to Annika Kay Larson's study (2017), "Donald Trump's Twitter and His Influence on the Media: A Study of How Political Social Media Accounts Impact Press Coverage," on Trump's use of Twitter to manipulate mainstream media coverage of the 2016 elections, Trump used Twitter to turn mainstream media attention to the sexual harassment issue as election interference.

1.1. Stock Market and Media Relations

Many countries in the world have stock exchanges. Moreover, some countries also have political stock markets. These exchanges are traded on the market according to the percentage of votes political parties will receive in elections. The logic of political stock markets is based on the instantaneous price of a political party in the market according to the percentage of votes it will receive. For example, if a party or candidate is predicted to receive 30% of the votes, that party candidate is valued at 0.30 kurus on the electoral exchange. Until election

day, this rate has constantly changed according to the buying and selling transactions in the market. In the electoral stock exchange, the price is determined by the voting behavior of the masses, their beliefs, and their behavior in the stock exchange. As a result of this price, the parties' or candidates' estimated vote rate emerges. However, according to studies, manipulation in the electoral exchange, like polls, affects the voting behavior of the masses. When considered together with media influence, electoral exchanges contribute to the manipulation of the masses in the voting market and influence the voting behavior of the masses (Hansen, J., Schmidt, C., Strobel, M. 2004: 3-4). Therefore, electoral exchanges are traded in the free market just like the stock exchanges of companies and are open to manipulation.

During a speculative bubble, the media is instrumental in further inflating prices. The press builds news stories around price movements. As prices increase, the media embellishes news stories with extra details and legitimizes price formation. When news stories incentivize price increases, expectations for future growth are reflected as further price increases. During speculative movements, this cycle continues repeatedly as price-story-price (Shiller, 2008: 38). various legal practices may also lead to bubble formation. For example, restrictions such as short-selling bans may lead to price bubbles (Wolfers and Zitzewitz, 2004: 118). This creates opportunities for manipulators. Generally, stock market manipulation can be defined as creating and exploiting arbitrage opportunities. Manipulation of stocks occurs either through a direct trading strategy or through disseminating distorted price-sensitive information. Manipulative behavior in the stock market takes two forms. First, it is done deliberately placing trades in different directions or making short-term losses to turn opportunities in the desired direction. The second is through the use of platforms where information is disseminated quickly and easily, such as the media, investment blogs, online forums, and e-mail (Delort, Arunasalam, Milosavljevic and Leung, 2009: 3). At this point, the existence of behavioral economics should not be ignored. In addition, the impact of the media that drives the masses to this behavior should also be discussed.

One of the most influential news items in financial news is the 'bandwagon' effect that accompanies the formation of a market bubble. This effect, identified as herd psychology, is also known as the effect of riding the train of a market that has risen too much, in the belief that it will increase even more. Media coverage is a good channel for creating market bubbles. The media is a source for spreading news from Wall Street to 'Main Street' and thus to society. The spread of speculative news is also effective in creating market bubbles. The first modern speculative bubble in history was the famous tulip bulb event in 1637. This event took place in Germany and the Netherlands, where the earliest printed newspapers emerged, and is a clear example of the relationship between media and stock market manipulation (Theil, 2013: 3-4).

Another issue is the reflection of economic news content within certain limitations. These limitations are most evident through tabloidization and exaggeration. For example, during the European Euro Crisis, the media distorted the issue's reality and focused on politicians' conflicts. The press primarily analyzed the crisis through the disagreements between German Chancellor Angela Merkel, French President Nicolas Sarkozy, and Greek Prime Minister George Papandreou. While the main issue was the distribution of assets taken from taxpayers to states, banks, and investors, it was distorted from reality, salinized by the media, and reflected in the context of personal-political debate (Theil, 2013: 13). The media often exaggerate negative news about the markets. This causes panic in the markets, which in turn leads to excessive selling. One of the clearest examples is the 'Black Monday' event of 1987. From 1982 until 1987, the positive pricing in the stock markets suddenly plummeted due to concerns that the markets would deteriorate. The Dow Jones index fell 22% in the US in one day. The media compared this decline to the 'Great Depression' of 1929. However, the rapid recovery in the real economy over time showed that this decline was not related to the 'Great Depression' crisis (Theil,

2013: 21). How information or economic news influences market panics, irrational exuberance, and prices that sometimes do not reflect the actual value is a controversial issue. Some studies show that news media create market panic (Strauss, 2019: 277).

2. Problematic of the Research

Political elections, practiced in democratic countries as the people going to the polls, also carry the meaning of uncertainty for many countries. Political stability is considered necessary for investors. Assuming that money generally behaves rationally, it is thought to stay away from uncertainty. Therefore, political elections in any country shortly will bring economic problems. This study focuses on the effects of the uncertainty following the municipal elections held in Turkey on March 31, 2019, the cancellation of the polls for Istanbul province on May 6, 2019, and the decision to renew the elections on June 23, 2019, on Borsa Istanbul and the situation and thoughts of individual investors who traded in the stock market during the stock market investment. In the first part of the study, the movements of the municipal elections in Istanbul on the selected indices from May 6, 2019, to June 23, 2019, when the elections were repeated, were examined by event data analysis. Within the scope of the research, the direction and rates in which the selected indices in Borsa Istanbul moved during the period of the chosen dates were revealed. In the last part of the study, in-depth interviews were conducted with ten individuals selected purposively and randomly to obtain information such as the impact of news headlines, the impact of the decision to renew the elections, the impact of the media, and whether they made a profit or loss during this period in the investment decisions of individual small investors who invested between May 6, 2019, when the elections were repeated. June 23, 2019, when the elections were held again, during the period of the decision to renew the municipal elections in Istanbul, and answers to the following central problems were sought:

- 1-) Did the news presented in the media about the election re-run impact Borsa Istanbul?
- 2-) Does the news coverage in Turkey impact the stock market?
- 3-) Does the media impact the stock choices of individual small investors?
- 4-) In the 2019 local elections, did the decision to re-run the Istanbul Metropolitan Municipality election affect the investment behavior of small individual investors?

2.1. Aim of the Study

This research aims to discuss how the news headlines were framed and presented in the media during the decision to repeat the Istanbul Metropolitan Municipality mayoral election in the local elections held in Turkey in 2019, the effects of the news of the period on the stock market, and how individual small investors directed their investments due to the political news in the media. In addition, this study analyzes the situation of five indices in Borsa Istanbul during the 2019 local elections in Turkey, from the decision to re-run the Istanbul Metropolitan Municipality elections to when the elections were held again. In addition, this study aims to discuss issues such as the effects of media on stock markets and financial markets in general, the impact of media on stock elections, news on individual investors, and inequalities in access to media news on individual investors. This study's findings will significantly contribute to the literature.

2.2. Limitations of the Study

The research focuses on the decision to re-run the Istanbul Metropolitan Municipality election in the local elections held in Turkey in 2019, the media coverage of this decision, individuals' media perceptions, their investment decisions based on these perceptions, and the performance of the 100 leading indices, national all indices, 30 indices, bank indices, and industrial indices selected for this decision period in Borsa Istanbul.

The individual investors from the research samples consist of 10 purposively and randomly selected individuals who comment on the stock market indices and various stocks pages of the 'www.investing.com' website in Turkish. This part of the research is limited to the interviewees' thoughts on the media perceptions after the decision to repeat the Istanbul Metropolitan Municipality Mayoral election in 2019 and their comments on their investments during this period.

2.3. Population and Sample of the Study

In this research, the first part of the sample consists of graphical and numerical -decline and rise- data of the movements in the BIST 100 main index, BIST National All index, BIST 30 index, BIST Banking index, and BIST Industrial indices of Borsa Istanbul during the seven weeks from Monday, 06.05.2019, the day of the decision to repeat the election of the Istanbul Metropolitan Municipality, to Monday, 24.06.2019, the day after the election was held on 23.06.2019 when the stock market transactions opened. In the second sample part of the study, ten individual small investors who invested on May 6, 2020, the day of the decision to repeat the Istanbul Metropolitan Municipality mayoral election, were selected as the sample. The ten individual small investors were selected purposively and randomly from the Turkish language users of the "www.investing.com" website, who comment on the stock market indices and various stock pages with the announcement on the said website.

2.4. Profile of Participants

In the research, 10 participants were selected as individual small investors invested in the Istanbul metropolitan municipality mayoral election re-run decision period. The gender, age, occupation, and duration of investment experience of the participants are as follows:

Investor 1: Male, 62 years old, a retired veterinarian, investing for 32 years.

Investor 2: Male, 53 years old, shopkeeper, investing for 21 years.

Investor 3: Male, 43 years old, faculty member, investing for 25 years.

Investor 4: Male, 24 years old, tradesman, investing for three years.

Investor 5: Female, 46 years old, housewife, investing for eight years.

Investor 6: Male, 38 years old, financial advisor, investing for four years.

Investor 7: Male, 32 years old, teacher, investing for nine years.

Investor 8: Male, 41 years old, econometrician, investing for four years.

Investor 9: Male, 37 years old, computer technician, investing for six years.

Investor 10: Male, 24 years old, trainee financial advisor, investing for three years.

The participants did not request specific information, such as monthly income and investment amounts.

2.5. Methodology of the Research

This study is based on qualitative research methodology, using framing analysis, case study, and semi-structured in-depth interviews. Qualitative research is a knowledge generation process that seeks to understand individuals' lifestyles, stories, behaviors, and social transformation (Özdemir, 2010: 325). Using the qualitative research method, different analysis techniques can be used according to the research subject.

The media coverage of the re-run of the Istanbul Metropolitan Municipality election was analyzed through a case study. Case studies are also used with different names, such as case studies or case studies. A case study is a phenomenon observed during a specific period (Subaşı & Okumuş, 2017: 419). In case studies, multiple data are usually used to collect systematic information. Thus, the research is examined in depth, and a methodological approach is created (Subaşı and Okumuş, 2017: 420). A case study is a type of systematic design that includes collecting information, organizing the collected data, and interpreting and reaching

research findings. As a result of the case study, it is understood why the event happened the way it did and what to focus on for future research (Aytaçlı, 2012: 3). In case studies, the number of participants or sample size is chosen to be small. Thus, the research is conducted in detail and in-depth. Sampling is usually carried out with individuals and groups related to the subject being studied (Aytaçlı, 2012: 5). Therefore, in the case study, the subject being researched and the documents related to the topic should be revealed, and generalization of the research should be ensured by selecting individuals to be used in the sample related to the research subject.

Within the scope of this research, the graphical and numerical data of the movements in the BIST 100 main index, BIST National All index, BIST 30 index, BIST Banking index and BIST Industrial indices of Borsa Istanbul during the seven weeks from Monday, 06.05.2019, the day of the decision to re-run the election of the Istanbul Metropolitan Municipality, to Monday, 24.06.2019, the day after the re-run of the election on 23.06.2019, when the stock market transactions were opened, were presented as a case study. In the second part of the study, some news headlines published in the print and online media on May 6, 2019, and May 7, 2019, the day of the decision to repeat the Istanbul Metropolitan Municipality mayoral election, were selected. The selected news headlines were shown to 10 investors who were interviewed in-depth, and issues such as the perception created by the news headlines and whether this perception would affect their investment decisions were analyzed. In addition, in-depth interviews were conducted with ten small individual investors who had invested during the seven weeks from the election decision until the re-election and whether they experienced gains or losses from their investments during the selected period. The interview transcripts are interpreted concerning the responses and presented under relevant headings.

3. Discussion

3.1. Graphical Data of Selected Borsa Istanbul Indices between May 6, 2019 and June 24, 2019

The first bar on the charts in the blue hatched area is May 6, 2019. The last bar is the first opening of the market on June 24, 2019, the day after the election. It should be noted that the decision to repeat the election was announced on May 6, 2019, after the market closing time 18.00. Therefore, the decision's impact started appearing in the markets on May 7, 2019. Thus, the data is taken between the market closing price on May 6, 2019, and the market closing price on June 24, 2019.

3.1.1. BIST 100 Main Index Data

On May 6, 2019, the BIST 100 main index closed at '929.82' points. On May 7, 2019, the BIST 100 main index opened with '908.01' points, saw a low of '906.98' points during the day, reached a high of '919.27', and closed with '914.82' points. The closing difference between May 6, 2019, and May 7, 2019, was a 1.61% decrease.



Figure 1. Movements of the BIST100 Main Index between May 6, 2019 and June 24, 2019

The main index generally followed a downward trend during the 12 business days following May 6, 2019. The BIST100 main index, which was '929.82' points on May 6, 2019, closed at 836.75 on May 22, 2019. The difference between the closing of the main index on May 6, 2019, and the main index on May 22, 2019, was 10% downward. As of May 23, 2019, the index entered an uptrend and generally followed an upward trend in the following days. On May 23, 2019, the BIST100 main index opened at '835.35' points and closed at '845.96' points. The daily opening and closing movements were up by 1.27%. During the next eight business days, the index showed an upward trend and closed at '938.09' points on June 7, 2019. Between May 23, 2019, and June 7, 2019, the BIST100 main index showed an upward trend of 12.29%. The BIST100 main index, which fluctuated up and down in the following days, opened with '960.39' points on June 24, 2019, the day after June 23, 2019. On the dates within the scope of the research, the BIST100 main index saw the lowest point of '835.35' on May 23, 2019, and the highest point of '962.12' on June 24, 2019. Within the scope of the research, the difference between the lowest and highest levels of the BIST100 main index was determined as a 15.17% increase.

3.1.2. BIST National All Index data

On May 6, 2019, the BIST National All index closed at '939.40' points. On May 7, 2019, the BIST National All index opened with '917.65' points, saw its lowest 'of 916.74' points during the day, reached its highest 'of 929.61' points, and closed with '925.50' points. The closing difference between May 6, 2019, and May 7, 2019, was 1.47%.



Figure 2. Movements of the BIST National All Index between May 6, 2019 and June 24, 2019

During the 12 business days following May 6, 2019, the BIST National All index generally followed a downward trend. BIST National All index, which was '939.40' points on May 6, 2019, closed at '847.70' on May 22, 2019. The difference between the closing of the National All index on May 6, 2019, and the closing on May 22, 2019, was a decrease of 9.76%. As of May 23, 2019, the index entered an uptrend and generally followed an upward trend in the following days. On May 23, 2019, the BIST National All index opened with '846.32' points and closed with '855.92' points. The daily opening and closing movement was up by 1.13%. During the next eight business days, the index showed an upward trend and closed at '945.60' points on June 7, 2019. Between May 23, 2019, and June 7, 2019, the BIST National All index showed an upward trend of 11.73%. The BIST National All index fluctuated up and down the following days and opened with '968.20' points on June 24, 2019, the day after June 23, 2019. On the dates covered by the research, the BIST National All index saw its lowest level on May 23, 2019, with '846.32' points, and its highest level on June 24, 2019, with '969.86' points during the day. Within the scope of the research, the difference between the lowest and highest levels of the BIST National All index was determined as a 14.59% increase.

3.1.3. BIST30 Index data

On May 6, 2019, the BIST 30 index closed at 1161.79 points. On May 7, 2019, the BIST 30 index opened with 1133.69 points, saw a low of 1132.58 points during the day, reached a high of 1147.43 points, and closed with 1140.95 points. The closing difference between May 6, 2019, and May 7, 2019, was a 1.79% decrease.



Figure 3. BIST 30 Index Movements between May 6, 2019 and June 24, 2019

During the 12 business days following May 6, 2019, a downward trend was generally observed in the BIST 30 index. The BIST 30 index, which was '1161.79' points on May 6, 2019, closed at 1045.03 on May 22, 2019. The difference between the closing of the BIST 30 index on May 6, 2019, and the closing on May 22, 2019, was a decrease of 10.05%. As of May 23, 2019, the index entered an uptrend and generally followed an upward trend in the following days. On May 23, 2019, the BIST 30 index opened at '1043.24' points and closed at '1057.52' points. The daily opening and closing movement was up by 1.37%. During the next eight business days, the index showed an upward trend and closed at '1176.52' points on June 7, 2019. Between May 23, 2019, and June 7, 2019, the BIST 30 index showed an upward trend of 12.78%. The BIST 30 index fluctuated up and down in the following days, opening with '1205.09' points on June 24, 2019, the day after June 23, 2019. On the dates

covered by the research, the BIST 30 index saw its lowest level on May 23, 2019, with '1043.24' points, and its highest level on June 24, 2019, with '1206.89' points during the day. Within the scope of the research, the difference between the lowest and highest levels of the BIST 30 index was determined as a 15.69% increase.

3.1.4. BIST Banks Index data

On May 6, 2019, the BIST Banks index closed with 1200.04 points. On May 7, 2019, the index opened with 1158.93 points, saw its lowest of 1157.62 points during the day, reached its highest of 1179.21 points, and closed with 1166.85 points. The closing difference between May 6, 2019, and May 7, 2019, was a 2.77% decrease.



Figure 4. Movements of the BIST Banks Index between May 6, 2019, and June 24, 2019

During the 12 business days following May 6, 2019, the BIST Banks index generally followed a downward trend. BIST Banks index, which was '1200.04' points on May 6, 2019, closed with '1082.73' points on May 22, 2019. The difference between the closing of the BIST Banks index on May 6, 2019, and the closing on May 22, 2019, was a decrease of 9.78%. As of May 23, 2019, the index entered an upward trend and generally followed an upward trend in the following days. On May 23, 2019, the BIST Banks index opened with '1080.91' points and closed with '1091.91' points. The daily opening and closing movement was up by 1.02%. During the next eight business days, the index showed an upward trend and closed at '1241.21' points on June 7, 2019. Between May 23, 2019, and June 7, 2019, the BIST Banks index showed an upward trend of 14.89%. The BIST Banks index fluctuated up and down in the following days, opening with '1343.94' points on June 24, 2019, the day after June 23, 2019. On the dates covered by the research, the BIST Banks index saw its lowest level on May 23, 2019, with '1091.31' points, and its highest level on June 24, 2019, with '1344.32' points during the day. Within the scope of the research, the difference between the lowest and highest levels of the BIST Banks index was determined as a 24.44% increase.

3.1.5. BIST Industrial Index data

On May 6, 2019, the BIST Industrial index closed at '1114.23' points. On May 7, 2019, the BIST Industrial Index opened with '1094.85' points, saw the lowest '1090.26' points during the day, reached the highest '1108.81' points, and closed with '1106.88' points. The closing difference between May 6, 2019, and May 7, 2019, was a 0.65% decrease.



Figure 5. Movements in the BIST Industrial Index between May 6, 2019, and June 24, 2019

During the 12 business days following May 6, 2019, the BIST Industrial index generally followed a downward trend. On May 6, 2019, the BIST Industrials index closed at '1114.23' points and closed at 1015.67 on May 22, 2019. The difference between the closing of the BIST Industrial Index on May 6, 2019, and the closing on May 22, 2019, was 8.84%. As of May 23, 2019, the index entered an upward trend and generally followed an upward trend in the following days. On May 23, 2019, the BIST Industrial Index opened at '1014.17' points and closed at '1022.96' points. The daily opening and closing movement was up by 0.86%. During the next nine business days, the index showed an upward trend and closed at '1110.52' points on June 10, 2019. Between May 23, 2019, and June 10, 2019, the BIST Industrials index showed an upward trend of 9.50%. The BIST Industrials index fluctuated the following days, opening with '1108.36' points on June 24, 2019, the day after June 23, 2019. On the dates covered by the research, the BIST Industrial Index saw its lowest level on May 23, 2019, with '1013.46' points, and its highest level on June 11, 2019, with '1117.88' points during the day. Within the scope of the research, the difference between the lowest and highest levels of the BIST Industrial Index was determined as a 10.30% increase.

4. In-depth Interviews with Randomly Selected Individual Investors

Permission for the interviews with individual investors was obtained from the Istanbul University Social Sciences and Humanities Research Ethics Committee on 07.06.2021. Face-to-face in-depth interviews were randomly conducted with ten individual investors who had invested in the period of the Istanbul Metropolitan Municipality Mayoral election re-run decision, who volunteered through a call to the comment section in the content of some stocks and stock market indices on the Turkish version of the "investing.com" website, the interviewees were asked the following questions and the answers received were categorized into headings according to the course of the interview. During the semi-structured in-depth interviews, it was observed that

some of the questions were repeated according to the course of the interview, and the sections where some participants gave similar answers were removed. The interview answers were not transcribed verbatim, and some parts were edited by considering the spelling rules without distorting the meaning. Not all individual small investors answered all questions. Some investors were not asked some questions to avoid similarities, as they had answers to other questions. Therefore, categorizing the questions ensured that the answers of all investors were collected under fewer headings. All interviews were audio recorded. It is envisaged that the recordings will be kept on the researcher's personal computer for five years.

4.1. Questions Prepared for the Subjects

- 1-) How did the news headlines you read affect you? What are your thoughts in general?
- 2-) Would you invest in a country's stock market where these news headlines appeared, considering that these news headlines were not in Turkey?
- 3-) Thinking that this news was outside of Turkey, how would you direct your investments if you invested in a country's stock market where the news broke? (Would you increase your investments more? Would you keep them? Would you partially or entirely remove them?)
- 4-) Thinking that this news was in Turkey, would you invest in the stock market as a new investor if you had never invested in the Turkish stock market?
- 5-) Thinking that this news was in Turkey, how would you direct your investments if you had investments in the Turkish stock market? (Would you increase your investments more? Would you keep them? Would you take them out partially or entirely?)
- 6-) Generally, do news discourses published in Turkey affect the stock market?
- 7-) In general, do you think the news discourse in Turkey affects your investments? If so, are these effects short-term? Long term?
- 8-) Do you think the media influence your stock picks? If so, are these effects short-term or long-term? Long term?
- 9-) Did the decision to repeat the Istanbul elections affect your investments? If so, in which direction?
- 10-) Did the decision to repeat the Istanbul elections cause temporary or permanent financial damage to your investments?
- 11-) Did the decision to repeat the Istanbul elections affect your investments positively or negatively?
- 12-) Do you think that the decision to repeat the Istanbul elections has caused any temporary or permanent financial damage to the investments of individual small investors like you?
- 13-) Do you think that the decision to repeat the Istanbul elections has positively or negatively affected the investments of individual small investors like you?
- 14-) Do you think the decision to repeat the Istanbul elections affected the shares of companies traded on Borsa Istanbul? If you think it did, in which direction and why might this effect be caused?

4.2. Framing of News and Tendency towards Sensationalism

Regarding the opinions of individual investors on news headlines, seven of the individual investors interviewed made negative comments on news headlines. Among these comments, some think that the Republican People's Party candidate was unfairly treated. In addition, regarding the effects of the news on the market, they stated that the stock market does not like uncertainty, that this uncertainty disturbs individuals, and that it may have adverse effects, primarily on individual small investors. For example, 'Investor 7' stated that the news created insecurity in him, that investing in the capital market was risky, and that he was considering turning to

cryptocurrencies. The period of the interview coincides with the period when cryptocurrencies maintained their popularity. In this framework, it can be interpreted that 'in essence, the media' makes cryptocurrency look positive. While individuals move away from investment instruments with negative news, they show interest in investment instruments with positive news.

On the other hand, news headlines were also evaluated within the framework of the concept of democracy for investors. For example, 'investor 9', who thought the news had a negative impact, stated that the news implied that democracy and law were damaged and made him believe there was no democracy in Turkey. 'Investor 8', on the other hand;

... This kind of news shows that democracy is flawed. ... In any case, there is a lot of there is a severe crisis of democracy (Investor 8, personal communication, July 20, 2021)

said. Moreover, some investors emphasized that democracy is essential for making investments. In this framework, it can be said that small individual investors prefer to invest in a more democratic country.

4.3. Turkey's Economy Carries High Risks for New Foreign Investors According to Turkish Investors

The purpose of evaluating individual investors' decisions to make a greenfield investment in a foreign country in the event of similar news in that country is to understand from a different perspective how individual small investors view Turkey from the perspective of foreign investors.

Six investors stated in this part of the study that they would not invest from scratch in a country with similar news. Five of these investors emphasized the democracy problem and said that they would not invest. In addition, most of these investors also noted an insecure environment. For example, 'investor 1' stated that there is an insecure environment and no democracy. 'Investor 2';

I think it would be suicide to invest. ... in a country where the media is suppressed, where judges and prosecutors cannot breathe, where they are manipulated ... what do you expect? Will people trust you? (Investor 2, personal interview, July 7, 2021)

said. 'Investor 6', comparing the countries Romania and Germany;

For example, if you asked me whether I should invest in Romania or Germany, I would invest in Germany. If you ask me why, I have the impression that democracy is established, the law is established, and there is no gangster and mafia-like state (Investor 6, personal interview, July 15, 2021)

said. 'Investor 7' stated that he would not invest because those intervening in the election may also intervene in the market. 'Investor 9';

... In a country with no democracy, you cannot expect there to be law. I think there is a risk of losing my money and not getting it back (Investor 9, personal interview, July 21, 2021)

in a statement.

In this framework, it can be said that investors with a negative approach to the issue generally think that there is an insecure environment for investment in Turkey, that democracy is weak, and that the legal system has flaws.

On the other hand, some investors mentioned the possibility that countries such as Turkey, although risky, have the potential for gains. For example, 'investor 3';

If I were a foreigner, I would look at the profit. I can invest. Money looks at earning potential. It doesn't look at the democracy of the country. There are opportunities in developing countries. If I see a chance there, I take advantage of it. I don't look at the country's election or the level of democracy. If there were only democracy to

manage the economy, countries like China, which does not have democracy under harsh conditions, would be far behind. It is not only about democracy (Investor 3, personal interview, July 8, 2021)
said. 'Investor 4' emphasized that this situation is temporary and creates opportunities.

4.4. Turkey is a Country of Opportunities for Foreign Investors

When the opinions of individual investors about their investment behavior in the event of similar news in a foreign country are evaluated, it is seen that the way they direct their investments differs partially between investing in a foreign country from scratch and investing in a foreign country where they already have investments.

Four investors will look for ways to exit with the most minor loss. For example 'Investor 2'

... I think an intelligent investor can't invest in a country where such news is constantly circulating (Investor 2, personal interview, July 7, 2021)

said. This sentence shows short-term opportunities can be utilized in such countries, but it is wrong to make long-term investments. The same investor continued,

However, it depends on the psychology of the moment, saying that such things are opportunities, but an intelligent person does not want to lose his money (Investor 2, personal interview, July 7, 2021)

said. Similarly, it is revealed that there is a desire to see and use an opportunity. 'Investor 2' also mentioned the problems related to governance in Turkey;

... Can you imagine that the head of a country's central bank changes every two or three months? Judges and prosecutors have been replaced. ... If we think about the stock market, we have seen very recently how much turbulence this kind of news creates in the stock market. The stock market dropped 20,000 points in two days. Why did it fall? Can the head of the central bank in such reliable countries be dismissed immediately? Can he be replaced and then replaced again a month later? Is there such nonsense? It seems strange to me. These kinds of things suddenly turn the stock market into chaos. The dollar suddenly went up by 10 percent. I lost 500 thousand liras in 10 days last year (Investor 2, personal interview, July 7, 2021)

The investor's statement is a clear indication of this. When the investor's discourse is considered, it becomes clear that sharp short-term movements in the stock market also create opportunities, and those who take advantage of the opportunities make big profits quickly.

Investors who see such news as an opportunity mention that they will take this as an opportunity to increase their purchases in the stock market. For example 'Investor 5';

Let's take Istanbul as an example again. Let's say it happened once in Istanbul, and the election was canceled. It happened again. Since the stock market rose again after that election, I may turn it into an opportunity in a foreign country. When it fell, I would add to it. I would see it as an opportunity (Investor 5, personal interview, July 14, 2021)

said. 'Investor 9' said;

... If I had cash, I would have bought even more. I think maybe it's our habit in general; even if I were at a loss if I felt that it had fallen a lot, I would buy, either for emotional reasons or psychological reasons that I cannot explain (Investor 9, personal interview, July 21, 2021)

he said. Also 'Investor 3' similarly;

As I said, it is not related to the level of democracy; if there is an opportunity at that moment, I increase it; if I do not see an opportunity, I increase or decrease it according to the conjunctural situation, according to the situation in that sector. That process does not affect me at all (Investor 3, personal interview, July 8, 2021)

commented.

4.5. Turkish Lira is Unreliable for Small Investors

When interviewees were asked whether they regretted the investments they made under the economic conditions:

Four investors clearly stated that they would not enter at all. For example 'Investor 1';

... I regret going to the stock market now. I would have gone where the interest rates were the highest. I wouldn't have gone to the stock market. The stock market in developed countries would be more stable. It would be easier to choose a stock there. ... In our country, companies are not audited. Most of the companies announce rights issues every year. It goes away from small investors (Investor 1, personal interview, July 5, 2021)

said. This investor thinks that the stock markets of developed countries are more reliable, auditable, and stable. Similarly, 'Investor 2';

If I had not invested, there would not be such news. If this is happening all the time, I definitely wouldn't invest. For example, I put in 10 liras, so why should I get it back tomorrow at eight liras or nine liras? Now they are saying, exchange your gold. OK, let's exchange it, people exchanged their money before, what happened? The dollar went to nine liras." In addition, 'Investor 7' commented similarly: I would not enter the stock market. I would go for gold. Gold likes an insecure environment. Therefore, I would go for gold. I would think that it is more advantageous to hold a tangible asset in my hand (Investor 2, personal interview, July 7, 2021)

said. That they would not keep their money in Turkish Lira. In this sense, although not asked, people who have a negative view of the stock market in Turkey generally said that they would not keep their money in Turkish Lira in cash either. The exchange rate volatility of the Turkish Lira, which is constantly on the agenda in the news, is sharply imprinted in the memory of individuals. Moreover, such a group generally does not trust the Turkish Lira. They even emphasize gold, even though the gold currency has no tangible return, such as interest. Under normal circumstances, currencies can appreciate against other currencies. However, the established perception in Turkey has been that the currency is constantly depreciating. When the individuals interviewed are evaluated, it can be said that individual investors do not trust the Turkish Lira.

In the face of such news, the opinions of investors who may decide to invest from scratch differed to some extent. For example, while 'Investor 10' stated that he would cautiously enter the stock market, 'Investor 9' stated that he would enter the stock market due to the decline. However, 'Investor 9';

... I would probably risk losing money because of my national feelings. For example, if someone said, '50% of your salary will be deducted this month, and what will it be spent on, armed aerial vehicles and unmanned aerial vehicles', I think many people in Turkey would probably be willing to give half their salary. I see my investments as money that I sacrifice (Investor 9, personal interview, July 21, 2021)

discourse reveals that he invests with his emotions and does not invest rationally. In this sense, if it is assumed that money is always rational, the 'Investor 9' discourse cannot be generalized. On the other hand, 'Investor 6';

I am not affected by these things. It has become a regular thing for us now, as there is a constant discourse of a coup against the national will. So, I invest in companies. Is the company doing well or not? Of course, there are political crises, but I try to isolate myself from them as much as possible. I don't think such news is very effective when making investment decisions in Turkey (Investor 6, personal interview, July 15, 2021)

said. This discourse reveals that markets have gotten used to the frequent political crises in Turkey and that markets can no longer react too negatively.

4.6. Small Investor Losses at Borsa Istanbul

When asked about individual investors' thoughts on their investment behavior in Turkey in the event of similar news in Turkey, only one investor stated that they exited with a loss. For example, 'Investor 7', referring to the rerun of the Istanbul Mayoral elections;

At first, I bought more to offset my losses. However, when I realized things were worsening, I sold 50% of my shares, thinking there might be more chaos. In some cases, there were even shares that I trusted very much. For example, I sold all the shares of state-run companies (Investor 7, personal interview, July 17, 2021)

said. The investor expressed a greater distrust of state-run companies in particular. In recent years, the share values of well-established state-run companies such as Turkish Airlines, Aselsan, Halkbank, and Vakifbank have been considerably cheaper than their peers on a book value basis.

Most other investors interviewed either buy more stocks when they have cash in such situations or leave them untouched and wait for the losses to reverse.' Investor 8;

If I am already in the market and my shares have fallen, I prefer to wait due to these events. I would wait to get out. I would look at the reaction of the market and its movement after the response. Sometimes, prices are very cheap; the market perceives them as cheap. Foreigners manipulate this, and prices start to go up. You wonder why prices have started going up in such a bad environment. For example, Garanti Bank shares have been at the same price since 2008. Even in dollar terms, investors have lost a lot of money. These things are a big problem for long-term investments in Turkey. Nobody is thinking of keeping their money in Turkey for the long term. It would be best if you had a black eye to keep cash in Turkey long-term. Everyone who is holding money for the long term in Turkey has been making losses since 2008 (Investor 8, personal interview, July 20, 2021)

said. This statement similarly suggests that long-term investment in Turkish stock markets is not profitable and that it is more profitable to seize short-term opportunities. On the other hand, based on investors' responses, it is revealed that they generally do not sell shares at a loss. However, it is also observed that they see opportunities and fail to seize them. At this point, the small individual investors interviewed were found to wait at a loss and generally sell their shares when they incur losses. However, when they see an opportunity, if they have cash, they reduce their loss costs by buying again and selling their shares when they reach the price they purchased or make very little profit.

4.7. Media Contributes to Price Bubbles and Economic Crises

Individual investors were asked their opinions on the impact of the media on the Turkish stock market. Eight of the investors interviewed think that the media affects the stock market. For example, 'Investor 6' stated that he believes that the stock market has priced the negative situation sufficiently in response to political news and that if something positive happens, it will have a positive impact. 'Investor 3', on the other hand, approached the issue from the perspective of large investors, explaining that they act according to realities rather than looking at the news and, therefore, think that it does not affect the stock market.

'Investor 8' who thinks that the media influences the stock market;

They are both influencing and deliberately manipulating. Both the media and state officials are manipulating the situation. The media publishes fake news or increases expectations about the issue. For example, this happened with the Petkim stock. The news about natural gas was huge. The news first appeared in Reuters news agency. Natural gas reserves were exaggerated. The President boarded the ship and made a statement, and then the stock suddenly fell sharply. The media raised expectations. The figures were exaggerated ... There was also a crisis during the elections. But if you look at the headlines, they are cumbersome. It is exaggerated a lot. It is terrible for democracy; it is a crisis but not a coup. The weight of these headlines is part of the manipulation. This is affecting the market. They are working primarily on this. For example, if they don't want the stock market to fall after a lousy event, there is one positive news after another. For example, the World Bank keeps announcing that Turkey will grow. Suddenly, positive statements are coming from abroad. The media may only report this news, but the content of the news causes a perception to form. Maybe if the opposite statements came, the stock market would be the opposite (Investor 8, personal interview, July 20, 2021)

said. Dyck and Zingales (2003) found that the media was reluctant to report negative news when the economy was doing well between 1995 and 2000. They stated that this led to an increase in positive expectations among investors, and the bubble pricing in the markets grew even more. However, when the economy was in bad shape in 1991, 1995, and 2001, they found that negative news was reported repeatedly. Journalists avoid negative news when the markets are doing well. However, in a downturn, they report negative news in a row. Dyck and Zingales emphasized that this situation includes the need for more journalists' specialized accounting knowledge, the risks of reporting negative news about companies, and the reliance on company bulletins or expert opinions.

4.8. Media Influences Individual Investors

When individual investors were asked whether the news affected their investments, seven said it did. Two investors stated that it did not. One of these two investors explained that he generally does not sell shares and saves in the stock market to avoid investing his money in interest. The other investor explained that he acts according to his views, has a different approach from the political level, and moves in the direction where the money flows. 'Investor 10', who was not asked a question, in another question;

... On TV, I listen to people who are experts in the field of economy and make comments. What they say inevitably affects my investments (Investor 10, personal interview, July 21, 2021)

said. Therefore, eight investors stated that the media impacted their investments.

'Investor 9' stated that the news had a positive impact on their investments;

It affects me. It affects me positively, but it also affects others negatively. For example, I am watching the A Haber channel right now, and everything seems rosy. ... I also have a favorable view of Aselsan stock, but my investments do not make money (Investor 9, personal interview, July 21, 2021)

he said. There is a contradiction in the investor's statement. It was previously observed that 'Investor 9' invested with national sentiments. Therefore, 'Investor 9' is aware that he makes his investments emotionally. He also risks losing money because of his national feelings. Therefore, 'Investor 9' cannot be accepted as rational.

'Investor 1', on the other hand;

Of course, the news affects me. Negative news also affects the stock market negatively. I would never enter the stock market if I had my current mind. I would not even pass through its door (Investor 1, personal interview, July 5, 2021)

In this context, the interviewed investor was negatively affected. In this context, it follows that the investor is negatively affected. 'Investor 6';

It does. For example, I invested in Turkey because I could not invest in the U.S. I could not read the annual reports of companies in the U.S. because my English was insufficient. If I had the opportunity to obtain the same information, maybe I would not invest in Turkey (Investor 6, personal interview, July 15, 2021)

he said. One of the most frequently discussed issues today is brain drain. In this context, it can be inferred that if the level of education in Turkey increases in a qualified way. Still, problems such as democracy and law are not eliminated; future individuals will invest in foreign companies abroad. Individuals with quality education may want to go overseas and provide added value to developed countries.

'Investor 5' with an emphasis on mainstream media;

I don't follow the news on TV or the internet in Turkey. I don't see unbiased press in Turkey. I am currently doing my reporting. Some pages I follow on Twitter share breaking news, whether it is economic news or issues on the agenda. I follow them (Investor 5, personal interview, July 14, 2021)

and blamed the mainstream media.

4.9. Media Influences Individuals' Stock Selection

Individual investors were asked about their opinions on the influence of the media on their stock choices. In response to this question, only 'Investor 3' did not clearly state it did. Nine investors other than 'Investor 3' indicated that it does. For example, 'Investor 2' criticized the investment behavior of individuals;

Certain perceptions must be forming in people's minds. The stock market is so strange that someone makes a perception. The whole nation follows that perception. Then, even the person who made that perception thinks that his perception is correct. False news suddenly causes some people to be directed to one side or the other. Also, our people are reckless. In other countries, people invest money in the stock market as an investment tool. In Turkey, people look at it as let me put in 10 and get 20 10 days later. People are trying to get rich quickly. In Turkey, you can get rich quickly, but you can also go bankrupt very quickly (Investor 2, personal interview, July 7, 2021)

he said. In this sense, the investment behavior of individuals can also be criticized. The main reasons for this situation include a need for more financial literacy and media literacy. On the other hand, 'Investor 4' mentioned the impact of social media;

The more a stock is talked about on social media, the more I move away from that stock. I have experienced this, but there are new investors around me. Those who are new to the stock market act accordingly. When I first entered the stock market, I followed it, but I always did the opposite. However, when I first started, I started this way too. 90% of newcomers are the same. If there are ten people around me, nine of them started this way (Investor 4, personal interview, July 12, 2021)

in a statement. 'Investor 10' addressing the issue of social media;

Of course, it does. For example, some people have a certain number of followers on social media. Now, a share has reached a specific price, and it signals to buy it when it falls. When he says buy, that share inevitably goes up in a certain way because there is a lot of buying. Those who give suggestions already have that share in their hands. They sell it when it reaches a certain point where they want it and buy it when it drops to a certain point. This is the order (Investor 10, personal interview, July 21, 2021)

said. 'Emphasizing social media in Investor 9;

It does. Today, for example, when I look at Twitter, if a stock is talked about a lot and I think its fundamentals are sound, I would invest (Investor 9, personal interview, July 21, 2021)

said. 'Investor 6' is;

Social media influence many people and make investments. In other words, people are influenced by the advertisements of companies they don't know what they are, and they take a buying position. These are dangerous. It can also be news produced for manipulation from a single source. It can cause serious damage to people (Investor 6, personal interview, July 15, 2021)

'Investor 6 made a discourse. 'Investor 5' comparing social media between the old and the new era;

... For example, I bought a share and read the comments on social media. They say this share is going up, so there is an expectation. But it was not like that in the past. In the past, the news would come, it would rise, and the expectation would be met. But now, expectations are met before the news. When the news comes, it falls. In the past, I used to choose stocks because of the influence of the media, but now I pay more attention to people's comments on social media. Comments on social media influence me more now (Investor 5, personal interview, July 14, 2021)

said.

4.10. Financial Literacy Matters for Small Investors

Four investors stated that they were negatively affected by the decision to repeat the elections for the Istanbul Metropolitan Municipality, which was taken as a case study within the scope of the research. Four other

investors stated that they do not make short-term, daily trades but make long-term investments and, therefore, do not sell in such a situation. In this regard, 'Investor 7';

It certainly did. My portfolio lost about 35% of its value at that time. In stock market parlance, we call this cutting an arm. There were stocks that I exited at a loss by cutting arms. I had this feeling. They lost the election. But even if they lose in the second one, they will not offer this. The people I talked to around me thought there would be a civil war. There were also rumors like that. This is one of the most significant factors that frighten an investor. It scared me a lot. This pastor incident, secondly, this election incident, and thirdly, the recent dismissal of the head of the central bank affected me a lot. During this period, I gave sell orders with the thought that the securities and shares I held could disappear by half. So it had such a negative effect on me (Investor 7, personal interview, July 17, 2021)

said. The discourse of 'Investor 7' shows that this is due to the sensational presentation of media news. How individuals interpret the news impacts whether there will be a civil war, but there is no problem in the end. In addition, how the news is framed also affects individuals' perception of the news. In this sense, the development of media literacy in society is significant.

For example 'Investor 4';

I did not profit in that period but cut a loss close to my cost. Investing in Turkey is not for me. I like to read balance sheets, and I can read graphs more or less on my own, but whenever I do that, the opposite happens. ... For example, I met with a friend just two hours ago. He bought a paper for 20 percent, and it fell to one lira. He believed in that paper. People on social media say that this paper is going up, it will fly, no, gold has gone up, etc., but when you look at the balance sheet, there is nothing. The balance sheet is terrible, but the paper is gone (Investor 4, personal interview, July 12, 2021)

said. In this case, investors' lack of financial literacy should be re-emphasized.

The interviewed individual investors were asked their opinions on the impact of the decision to repeat the election on other small investors. Almost all of the investors who responded to this question said they thought individual small investors were negatively affected by such news. For example 'Investor 1';

Turkish people could be more panicky. I liken small investors in Turkey to schools of small fish in documentaries. The small investor calls the prominent investor a whale. Whales create a panic atmosphere for small investors. While the small investor runs away in panic, the whales recover. The people get fired after a year or two, which happens similarly. Our stock market is a place to fleece the small investor. We are always doomed to lose. Companies announce rights issues and take them away. Then, the brokerage houses take a commission. So whales, companies, and brokerage houses all skim off us (Investor 1, personal interview, July 5, 2021)

said. Similarly, 'Investor 4';

They panic a lot. An economist recently shared an example: a small investor has tied his 20 thousand liras to the stock exchange, and when news comes, he sells it directly. He is scared. We have a lot of panic selling (Investor 4, personal interview, July 12, 2021)

in the interview. In the same way, 'Investor 6';

It did. If there is a decline, it must have affected people. It also talks about investment methods. I've seen people around me who have nothing to do with the stock market. They take a position somehow, but they don't know why. They enter without really knowing. When there is a sell-off, they can panic and get out (Investor 6, personal interview, July 15, 2021)

said.

Based on the interviews, it is also optimistic that the investors interviewed did not make significant losses. In this context, it is seen that individuals who use the stock market for long-term, actual investment purposes and who are not very interested in the news do not suffer 'direct' losses. However, it was found that the losses of

those who invested by following the media were more significant. Therefore, it is impossible to say that the news media positively affects individuals' investments. On the contrary, the news media has adverse effects due to the perception it creates in individuals. Although there is a need for more media literacy among citizens here, it is essential to question the education system in the first place. In recent years, the education system in Turkey has been changed frequently.

4.11. Democracy Has an Impact on Listed Companies

Most investors interviewed on this issue think the decision to repeat the elections impacts listed companies. 'Investor 7' on this issue;

Of course, it did. This is not just about the municipal elections but about the manifestation of democracy. You will talk about the independence of the market and the rule of law in the country, but you are not respecting the will of the nation, and you are interfering by not delivering a right that was won through elections held in this country through legal means. Stock markets also move according to political discourse. Companies grow their businesses with the investments of individuals and share their earnings with investors. If there are no investors and no money flow, it will affect companies badly. I think most companies borrowed money during that period (Investor 7, personal interview, July 17, 2021)

said. In addition, 'Investor 10' said that even if it does not affect directly, it will affect indirectly;

When there is uncertainty, investment instruments change anyway. Generally, people turn to investments such as dollars, gold, and silver. The rise in the dollar price affects industrial companies and those importing products from abroad. So, it has indirectly affected them. The dollar moves 10-15 cents, even a lira at times. We have seen it recently. Maybe it is not very important for us, but it is essential for those companies (Investor 10, personal interview, July 21, 2021)

explained the imbalance between imports and exports. 'Investor 1' referred to the imbalance between imports and exports;

... So this kind of news affects companies negatively. Our companies in Turkey do not have a balance between exports and imports. We are constantly running a current account deficit. To close this current account deficit, money has to come from outside. Now, if you say there is no democracy here, then foreign investors will stop coming to Turkey. Repeating the Istanbul elections will also drive these foreign investors away from Turkey. Investors will not come to an insecure environment. Automatically, everyone will suffer (Investor 1, personal interview, July 5, 2021)

said. In this sense, foreign investors must bring their money and invest in companies they value in Turkey.

Conclusion

This study found that media news, especially political news, affects the stock market. How the news is framed in the media may be more effective for individuals who need financial and media literacy education. Therefore, this study argues that individual small investors who make stock market transactions in Turkey are vulnerable to behavioral errors due to media influence.

There are inequalities in access to media news between individual small investors who invest in the stock market and professional investment organizations or individuals who trade with vast sums of money. This inequality stems primarily from news agency subscriptions. Experienced investors who subscribe to news agencies can obtain information first-hand. If the news reaches the small investor even within seconds, the pricing of that information in the stock market will have already been realized. In this sense, the inequality in small investors' access to media news calls into question the existence of perfect competition in the free market. Small investors are always at a disadvantage due to this inequality in the media. In this sense, the media, by its very nature, contributes to capitalism, supports the capitalist market, and provides advantages to capital owners.

Today, one of the most essential pillars of the capitalist system is the existence of a liberal democracy. In this sense, there are differences between countries with developed capitalism and countries without fully developed capitalism. To give an example of the two most significant economic powers in the world, the United States, the most important economic power today, is quite effective in terms of liberal economy and liberal democracy. On the other hand, in China, the second largest economy in the world, the liberal economy is developing, and liberal democracy is almost non-existent. In this context, when the stock markets of both countries are considered, the US stock markets give more confidence to investors, attract more investors, and are much more prominent in volume. However, the Chinese stock markets are less efficient and extensive than the US ones. Therefore, it can be said that there is a link between liberal democracy and stock markets. However, more research is needed to make more explicit comments on how and to what extent this link exists.

The early stages of journalism are directly proportional to the provision of commercial information flow. In this context, the existence of commerce as the basis of journalism is an undeniable reality. From this perspective, trade will also be limited without commercial information flow. If we evaluate the stock markets in this sense, the existence of stock markets is almost nonexistent or very shallow in the absence of information and news flow. Today, the values of some companies on the stock exchange are priced well above their actual values. These prices are based on the consensus of market participants. For example, the US company Apple is priced well above its intrinsic value. This pricing is based on the consensus of the participants in the stock market, taking into account many factors, such as the future expectations of the company, the business activities of the company, and the economy of the country where the company is located. At the most fundamental point of this consensus is journalism.

In a world without journalism and news flow, it would not be possible to talk about the development of capitalism. Therefore, today's journalism constantly contributes to the development of trade and capitalism without breaking away from its historical context. Today, similar to the practices in many fields of journalism, it cannot be said that 'economic journalism' is published for the benefit of citizens. They publish more in favor of the rulers in terms of ruler-governed relations, such as market participants, government, and investors. Even when economic crises occur in the world, while the poor pay the heaviest bill for the crisis, economic journalists usually base their news on elite sources in the economy, present political news in a tabloidized manner, and look for ways to save the system instead of questioning the foundations of the economic system. At this point, it would be an incomplete point of view to blame the newspaper laborers. Considering the historical origins of journalism, it is necessary to question many points, such as news writing rules, editorial independence, ownership structure, journalistic language, and ethics.

Considering the title of this study, "The Effects of Media Manipulation on Borsa Istanbul, Bull Trap for Small Investors," it is thought that the media does not always convey financial information accurately and simultaneously, thus leading to different interpretations of information by investors and that inaccurate, incomplete and asynchronous information provided by the media causes manipulation. In this context, small investors who follow economic and political news are more vulnerable to making mistakes and incurring losses. When analyzed within the term "bull trap," this situation represents the perception that the markets are buoyant and suddenly turn hostile, and investors suffer huge losses.

In the context of this study, journalism today is indeed the fourth estate, reporting to protect the interests of citizens. This study also recommends limiting the paid subscription system to news agencies and ensuring that all citizens have access to news simultaneously and under equal conditions. In addition, Financial, media, and even social media literacy should be taught to students at all levels of education, from primary education to

teachers. This study aims to contribute to the literature on stock and financial markets from a communication perspective and calls for further studies.

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