

### Agenda

#### 16 Monday

- TurkStat, July labor statistics
- MoF, September budget realizations
- U.S., October Empire manufacturing index

#### 17 Tuesday

- Treasury auctions
- Germany, October ZEW survey
- U.S., September industrial production and CUR

#### 18 Wednesday

- U.S., September housing starts and building permits

#### 19 Thursday

- U.S., jobless claims
- U.S., October Philadelphia Fed business outlook

#### 20 Friday

- U.S., September existing home sales

### Outlook:

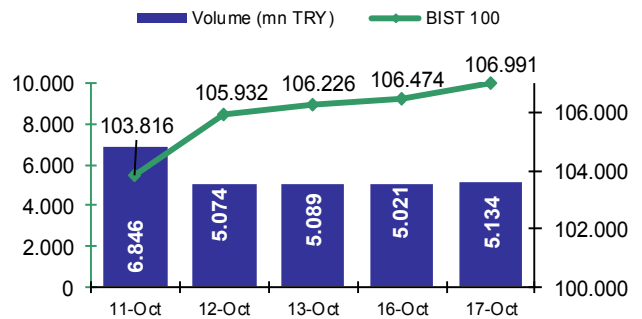
Major stock indices ended Tuesday rather flatly, while decoupling positively. The BIST100 closed 0.5% higher at 106,991, having reaching 107k levels within the day. A US delegation has arrived in Ankara to resolve the diplomatic dispute regarding the suspension of travel visa services, and investors in Turkey will remain tuned to related developments. Elsewhere, US September housing starts and building permits data, and ECB President Draghi's and Fed members' pronouncements will be followed. Asian markets have been trading rather flatly, and European markets are expected to open positively today. We expect the BIST to open flatly, and we may well observe some profit taking during the day. We, nevertheless, expect the uptrend to continue with positive expectations for 3Q earnings announcements. RESISTANCE: 107,700-108,600 SUPPORT: 106,800-106,000.

### Money Market:

The Lira was negative yesterday, weakening 0.80% against the USD to close at 3.6655. Additionally, the currency depreciated by 0.53% against the basket composed of \$0.50 and €0.50. The local fixed income markets were relatively flat. The two-year benchmark bond was traded within a tight range of 12.20%-12.22%, ending the day at a low of 12.20%, 2 bps above its previous close.

### Company News:

**Turkish Airlines (THYAO.TI; OP)** has started negotiations and signed an MoA with SATS Investments, the chief ground-handling and in-flight catering service provider at Singapore Changi Airport, for the procurement of catering services at Istanbul's third airport (IGA), planned to be the new base of Turkish Airlines after its expected opening in 3Q18. Upon the fulfillment of conditions in the MoA signed with SATS, including legal, governmental and regulatory approvals; SATS will be able to undertake investment into catering services at the IGA. Turkish Airlines currently obtains its catering services from Turkish Do&Co, and together with other passenger services, these comprise ca. 5.1% of the carrier's total operational costs (1H17; 2016: 5.7%). The development is likely to have a mildly positive impact on Turkish Airlines' stock performance in that it carries the prospect of lightening its moving expenses (estimated to reach a total of US\$1.5bn ultimately) at the new Istanbul Airport. And vice versa, it could continue to create negative sentiment around Do&Co's (DOCO TI, N/C) stock performance as the firm attains nearly 65% of its revenues from airline catering services, with Turkish Airlines being its biggest client.



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	106.474	106.991	0,49%	36,92%
BIST 30	130.578	131.148	0,44%	37,33%
BIST-Financial	128.645	128.838	0,15%	24,37%
BIST-Industrial	121.486	121.573	0,07%	45,45%
BIST-Services	71.545	72.797	1,75%	46,69%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
MRGYO	19,40	PEGYO	-12,50	THYAO	902.026.844
MARTI	16,47	AKFGY	-5,32	KRDMD	401.917.358
TMSN	13,15	MAALT	-4,25	GARAN	372.291.138
AVOD	8,20	ANELT	-3,85	TCELL	236.289.264
IPEKE	7,94	KRDMD	-3,65	TMSN	202.068.568

Money Market	Previous	Last	Pr. Mn	YE15
O/N Repo (%)	11,79	11,76	11,79	9,50
Euro Bond (30 year, \$)	160,23	160,23	162,13	147,10
Bond (Benchmark, %)	12,18	12,20	11,62	10,94

Currency	Previous	Last	Chg.	YTD
US\$	3,6365	3,6655	0,80%	3,62%
Euro	4,2885	4,3015	0,30%	16,08%
Euro/Dolar	1,1766	1,17625	-0,03%	12,24%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	58,1	58,2	0,28%	2,61%
Oil (NYMEX future, \$)	51,9	52,1	0,37%	-3,38%
Gold (Ounce, \$)	1.285,2	1.285,2	0,01%	11,62%
Silver (XAG, \$)	17,0	17,0	0,05%	7,01%

Şeker Funds	Previous	Last*	Chg.	YTD
Şeker Portfoy Equity Fund	0,446118	0,448348	0,50%	32,48%
Şeker Portfoy Debt Instruments	0,026273	0,026281	0,03%	7,08%
Şeker Portfoy Money Market	1,199484	1,199847	0,03%	8,48%
Şeker Portfoy Mix Fund	0,023053	0,023109	0,24%	17,39%
Şeker Portfoy Gold Fund	0,023240	0,023141	-0,43%	12,67%
Şeker Portfoy Short T. Debt	0,014326	0,014331	0,03%	8,19%

\* Prices as of 18-Oct-17

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	22.957	22.997	0,18%	16,37%	
Nasdaq (US)	6.624	6.624	-0,01%	23,05%	
S&P 500 (US)	2.558	2.559	0,07%	14,32%	
Bovespa (Brasil)	76.892	76.201	-0,90%	26,52%	
Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	13.004	12.995	-0,07%	13,19%	
FTSE 100 (UK)	7.527	7.516	-0,14%	5,23%	
CAC 40 (France)	5.361	5.361	0,00%	10,26%	
MIB30 (Italy)	22.338	22.338	0,00%	16,13%	
PSI20 (Portugal)	5.451	5.451	0,00%	16,49%	
ASE (Greece)	766	762	-0,51%	18,36%	
RTSI (Rusia)	1.158	1.147	-1,00%	-0,50%	
Asia	Previous	Last	Chg.	YTD	
Nikkei (Japan)	19.275	21.336	10,69%	11,62%	
Hang Seng (Hong Kong)	27.668	28.697	3,72%	30,44%	
Shanghai Comp. (China)	3.365	3.372	0,20%	8,65%	
KOSPI (South Korea)	2.344	2.484	6,00%	22,60%	
Sensex (India)	31.688	32.609	2,91%	22,47%	
Turkdex (Set. Price)	Previous	Last	Chg.	YTD	
INX30 (OCTOBER 17)	131,375	131,525	0,11%	36,61%	
USD (OCTOBER 17)	3,7222	3,758	0,97%	5,40%	
EURO (OCTOBER 17)	4,4023	4,425	0,51%	17,41%	
GOLD (OCTOBER 17)	153,63	152,85	-0,51%	14,67%	
Portfolio Recommend.	Inclusio Date	Inclusio Price	Last Close	Chg. (%)	BIST Relative
Tofas	30.01.17	25,84	30,42	17,7%	-7,8%
Tupras	03.10.17	121,90	128,10	5,1%	1,1%
Migros	09.11.15	19,05	26,54	39,3%	6,7%
Turk Telekom	02.08.17	7,08	6,81	-3,8%	-4,2%
Turkcell	22.02.17	11,80	14,11	19,6%	-0,6%
Portfolio Yield (yoy)				50,5%	12,4%
Portfolio Yield (mom)				4,3%	2,3%

\*Starting date of portfolio 30/11/2004

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