

### Agenda

#### 18 Monday

- CBRT & TurkStat to announce consumer confidence index for May.

#### 19 Tuesday

- CBRT to release net int'l investment position for April.
- Treasury to re-issue 2-year fixed-coupon bond today.
- German, ZEW survey figures.
- U.S. May housing starts figures.

#### 20 Wednesday

- Treasury to announce central gov't debt statistics for May.
- Treasury to pay down TRY 0.4bn (USD 0.2bn) in debt.
- U.S. Fed to announce interest rate decisions.

#### 21 Thursday

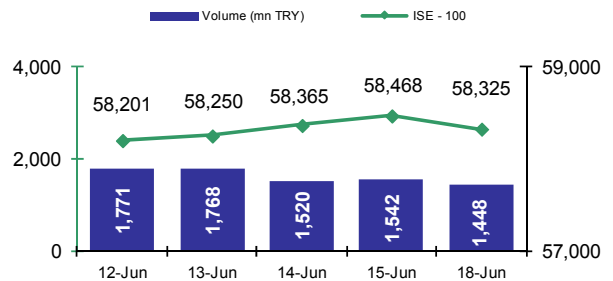
- CBRT to release Survey of Expectation for June.
- CBRT: MPC to announce interest rate decisions.
- U.S. jobless claims.
- U.S. May existing home sales.
- US, Philadelphia Fed to release its business outlook survey for June.

#### 22 Friday

- N/A

### Outlook:

Twist and Shout Well lads and lasses, the month of June is becoming more and more interesting as each chapter closes. While the Federal Reserve gets ready for a "risk management" strategy pioneered by its good old chairman (and perhaps another go for the twist operation) to stimulate US growth, the IMF yesterday literally cried for help from the "emerging markets"! Yes, the emerging markets. This is a new high (or a new low) in the global crisis. Now with their raised voting rights the BRICS have become a pressure group in the IMF, and hence the fund has more fire power to finance the euro-zone crisis. Though the increased voting rights of the BRICS are well-deserved, the big picture looks heartbreaking. The Euro-zone crisis is biting everyone and this may be the final attack before we all go under. Most probably the markets would greet the increased IMF fire power with cheers, especially when the Spanish yields are now hovering at an all-time-high. But sooner or later they shall realize that it's not about the aid and bailouts, and that actual structural changes matter. For the latter no action is on the agenda, yet! So, as that Los Cabos summit is going "better than expected" we are expecting a positive response from the local market following a relatively stronger EUR:USD.



Indices (TRY)	Previous	Last	Chg.	YTD
ISE-100	58,468	58,325	-0.24%	13.77%
ISE-30	70,415	70,205	-0.30%	13.79%
ISE-Financial	82,670	82,249	-0.51%	15.93%
ISE-Industrial	52,566	52,459	-0.20%	8.74%
ISE-Services	38,234	38,286	0.14%	11.62%

### Money Market:

The USD /TRY parity was traded within a range of 1.8012-1.8182 to close at 1.8118, remained unchanged. Additionally, the lira appreciated by 0.31% against the basket composed of \$0.50 and €0.50 due to depreciation in EUR/USD parity. Meanwhile, the two-year benchmark bond was traded within a range of 9.04%-9.14%, closing at 9.12%, thus 1 bps above its previous close.

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
ORGE	9.89	GSRAY	-62.31	GARAN	166,626,678
TSPOR	6.85	AVOD	-15.61	GSRAY	102,845,898
HATEK	6.66	DOGUB	-8.38	ISCTR	87,730,194
IPEKE	6.53	BFREN	-6.45	AKBNK	76,305,159
KAPLM	4.82	ARTOG	-5.64	IPEKE	67,931,808

### Domestic Headlines:

**Please recall that Turkish media sources reported over the weekend that three Iranian banks**, including Pasargad and Bank Tejerat, had applied to the BRSA for a banking license to operate in Turkey. However, according to Reuters, a BRSA official confirmed that only Iranian Bank Pasargad had recently applied for a licence. Moreover, it seems that the attempt has a limited chance of success given global sanctions against Iran.

### Company News:

Carrefour's CEO has stated that they would exit from their partnership **CarrefourSA (CARFB.TI, CARFA.TI; N/C)** in Turkey. Rumors regarding the exit of Carrefour have been circulating in the market over the past couple of months, and **Sabancı Holding's CEO (SAHOL.TI; Outperform)** had stated that they wanted to retain the majority stake in CarrefourSA, and would start talks on this issue with Carrefour.

The following cash dividends are scheduled to commence today (June 19, 2012): **Eczacıbasi Ilac (ECILC.TI; N/C)** 10% and **Eczacıbasi Yatırım (ECZYT.TI; N/C)** 15%.

**Emlak Konut REIT (EKGYO.TI; Outperform)** has announced selling 489 homes and recording net sales revenue of TRY 164.7mn in May 2012. The company has also sold 3,104 homes and recorded a net sales revenue of TRY 927.5mn as of the first five month of 2012.

Money Market	Previous	Last	Pr. Mn	YE11
O/N Repo (%)	9.89	9.91	9.87	10.55
Euro Bond (30 year, \$)	174.25	175.13	170.00	164.00
Bond (Benchmark, %)	9.11	9.12	9.51	11.14

Currency	Previous	Last	Chg.	YTD
US\$	1.8115	1.8145	0.17%	-4.02%
Euro	2.2885	2.285	-0.15%	-6.64%
Euro/Dolar	1.2640	1.25958	-0.35%	-2.67%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	98.9	96.4	-2.53%	-10.07%
Oil (NYMEX future, \$)	84.0	83.1	-1.13%	-16.64%
Gold (Ounce, \$)	1,626.2	1,622.0	-0.26%	3.61%
Silver (XAG, \$)	28.7	28.7	0.10%	2.22%

Şeker Funds	Previous	Last*	Chg.	YTD
Şekerbank A T. Shares	0.246888	0.247013	0.05%	10.88%
Şekerbank B T. Bond&Bill	0.019634	0.019634	0.00%	0.95%
Şekerbank B T. Liquid	0.801340	0.801652	0.04%	4.21%
Şeker Yat. A T. Mix	0.015404	0.015397	-0.05%	-2.70%
Şeker Yat. B T. Gold	0.017082	0.017061	-0.12%	-3.78%

\*Prices as of 19-Jun-12

According to the daily Vatan newspaper, **Karsan (KARSN.TI; N/C)** has revealed its Concept V1 taxi model in London, which is electric powered, and has the steering wheel on the right side. It is predicted that the new taxis in 2015 will have to be electric powered, and 21k automobiles are assumed to be effected by this new regulation, and 1000 taxis that are older than 15 years old will need to be modified according to the new regulations by 2012.

**Rhea Girism (RHEAG.TI; N/C)** has announced applying to the CMB to issue corporate bonds of TRY 60mn.

**Turkish Airlines (THYAO.TI; Outperform)** has decided to establish a company called THY Aydin Cildir Havalimani Isletme A.S. with TRY 50,000 capital having won the tender for Aydin Cildir Airport. Recall that on April 9, 2012, THY won the operating rights for the Cildir Airport located in Aydin, a city in the Aegean part of Turkey, and is to pay 7% of its annual profit as a concession fee to State Airports Authority for a period of 20 years. This airport is now inactive. We do not expect this news to have an effect on THY's shares.

According to daily Vatan, the hassle regarding the appointment of **Turkcell's (TCELL.TI; Outperform)** independent board members drags on. The company's major shareholders TeliSonera, Alfa and Cukurova Holding cannot agree on the nominees of the independent board members. It seems that each group wants to have some certain degree of "dependency" on the board members. Thus, we believe that the ongoing turmoil is not positive for the company, and that no near-term solution is visible.

**Turkcell (TCELL.TI; Outperform)** has presented the independent candidates for its Board of Directors to Capital Markets Board ahead of the General Assembly on June, 29.

America	World Indices			
	Previous	Last	Chg.	YTD
Dow Jones (US)	12,767	12,742	-0.20%	4.29%
Nasdaq (US)	2,836	2,895	2.08%	11.14%
S&P 500 (US)	1,329	1,345	1.18%	6.93%
Bovespa (Brasil)	56,105	56,195	0.16%	-0.98%
Merval (Argentina)	2,273	2,270	-0.14%	-7.83%
Mexico Bolsa (Mexico)	37,739	37,739	0.00%	1.78%

Europe	World Indices			
	Previous	Last	Chg.	YTD
Dax (Germany)	6,139	6,248	1.79%	5.93%
FTSE 100 (UK)	5,467	5,491	0.44%	-1.46%
CAC 40 (France)	3,088	3,066	-0.69%	-2.96%
WSE WIG (Poland)	39,739	39,725	-0.04%	5.66%
Prague (Czech Republic)	886	885	-0.08%	-2.89%
Budapest (Hungary)	17,256	17,552	1.71%	3.40%
RTSI (Russia)	1,335	1,344	0.68%	-2.62%

Asia/Africa	World Indices			
	Previous	Last	Chg.	YTD
Nikkei (Japan)	8,569	8,721	1.77%	3.14%
Hang Seng (Hong Kong)	19,234	19,428	1.01%	5.22%
Shanghai Comp. (China)	2,296	2,307	0.47%	5.22%
KOSPI (South Korea)	1,871	1,858	-0.71%	1.78%
JSE Africa All Shr.(S.Africa)	33,960	34,439	1.41%	7.67%

Turkdex (Set. Price)	World Indices			
	Previous	Last	Chg.	YTD
INX100 (JUNE 12)	58.750	58.075	-1.15%	11.52%
INX30 (JUNE 12)	70.525	70.225	-0.43%	12.63%
USD (JUNE 12)	1.821	1.819	-0.08%	-5.06%
EURO (JUNE 12)	2.300	2.294	-0.24%	-7.54%
COTTON (JULY 12)	3.370	3.370	0.00%	-12.35%
WHEAT (JULY 12)	0.609	0.609	0.00%	-2.01%
GOLD (JUNE 12)	95.280	94.640	-0.67%	-2.67%

Recommend.	Date	Price	Close	(%)	Relative
Tofas	08.09.11	5.84	6.80	16.4%	10.3%
TAV Airports Holding	08.01.10	4.75	9.04	90.3%	79.4%
Garanti Bank	04.05.12	6.40	6.38	-0.3%	1.3%
Turkish Airlines	01.06.12	2.52	2.82	11.9%	5.7%
Turkcell	04.05.12	8.83	8.40	-4.9%	-3.3%
Aksa Akilik	10.01.12	3.90	4.03	3.3%	-11.7%
Halkbank	04.05.12	12.00	12.95	7.9%	9.7%
Arçelik	08.09.11	6.32	8.56	35.4%	28.3%
Portfolio Yield					90.1%

\*Starting date of portfolio 30/11/2004

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