

Agenda

24 Monday

- CBRT, April real sector confidence index and CUR
- Germany, April IFO business climate

25 Tuesday

- Treasury auctions
- U.S., April CB consumer confidence
- U.S., March new home sales

26 Wednesday

- CBRT: MPC announcement

27 Thursday

- BoJ and ECB announcement
- U.S., March durable goods orders
- U.S., jobless claims

28 Friday

- CBRT: Inflation Report (2017-II)
- Germany, March retail sales
- U.S., 1Q17 GDP
- U.S., April Chicago PMI
- U.S., April Michigan consumer confidence

Outlook:

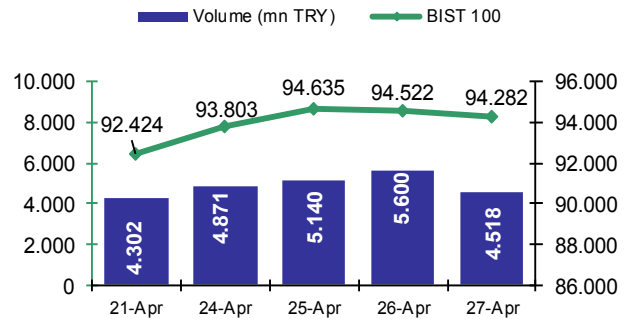
Major world equity indices remained largely unchanged, while some closed only slightly lower on Thursday following the announcement of the US tax reform, which received an unenthusiastic reaction. The Euro has been weakening since ECB President Draghi's speech. Meanwhile, risk assets remained supported by the revival of investment confidence, and the BIST100 printed its record-high index value of 95,196 during the day, supported also by the decline in benchmark yields and the TRY's relative strengthening. The benchmark BIST100 index, nevertheless, closed slightly lower by 0.3% at 94,282 amid profit taking, particularly in banking shares. Total trading volume was at TY5.2bn. Today, markets will be following the March retail sales data due out from Germany, and 1Q17 GDP figures along with April Chicago PMI and April Michigan consumer confidence index data from the US. Domestically, the CBRT is expected to share its 2nd inflation report of the year at 10:00 Istanbul time (GMT+2). Also, EU foreign ministers will hold an informal meeting today and tomorrow, where Turkey's membership prospects are expected to be discussed. Asian markets have been declining and European markets are expected to open flat today. And meanwhile, we foresee the BIST also opening flat and tracing the performance of major international markets during the day. RESISTANCE LEVELS: 94,700 – 95,500 / SUPPORT LEVELS: 93,800 – 93,200.

Money Market:

The Lira was positive yesterday, gaining 0.5% against the USD to close at 3.5609. Additionally, the currency appreciated by 0.6% against the basket composed of \$0.50 and €0.50. The local fixed income markets were negative. The two-year benchmark bond was traded within a tight range of 11.24%-11.44%, ending the day at a 11.44%, 11 bps above its previous close.

Company News:

Yapi Kredi (YKBNK:TI; MP) has announced a 1Q17 net income of TRY1,001mn (+76% QoQ, +42% YoY), thus above the market consensus (TRY895mn) and our forecast (TRY872mn). Yapi Kredi's earnings would be 5% higher, if adjusted for TRY50mn of free provisions set aside in 1Q. Higher-than-expected other income thanks to strong collections caused the main deviation from our estimates. Core revenues (in-line) scaled up 10% QoQ thanks to seasonally-high CPI-linker yields and strong fees, despite a contracted core spread. The trading line was unresponsive, due to relatively costly currency swaps, while collections were strong and opex remained muted. Provisioning costs declined, linked to decelerated NPL inflows and normalized generic provisioning. The sale of the NPL book (TRY531mn), on the other hand, improved the NPL ratio and boosted other banking revenues. In light of these results, we maintain our 17E and 18E net earnings forecasts, which indicate 10% and 16% YoY growth, respectively. Yapi Kredi trades at 24% and 7% discounts to Tier-I peers on 17E P/BV of 0.6x and P/E of 5.2x, respectively, while 17E ROE is at 14% (peers 16%) and the 2016-19E EPS CAGR at 19% (peers 17%). **We maintain our 'Marketperform' rating for Yapi Kredi with a GGM based 12M TP of TRY4.36/sh., implying a limited 2% upside.**



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	94,522	94,282	-0,25%	20,66%
BIST 30	116,393	116,090	-0,26%	21,56%
BIST-Financial	125,368	124,582	-0,63%	20,26%
BIST-Industrial	98,854	99,509	0,66%	19,05%
BIST-Services	59,381	59,160	-0,37%	19,21%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
PIMAS	19,46	CEMAS	-4,76	GARAN	736.059.370
SKTAS	10,34	TMSN	-4,56	THYAO	673.055.933
PARSN	8,75	RTALB	-4,30	EREGL	358.669.059
ANSGR	7,47	DGKLB	-4,23	HALKB	287.969.263
PEGYO	6,38	BRKO	-3,70	AKBNK	207.109.739

Money Market	Previous	Last	Pr. Mn	YE15
O/N Repo (%)	11,25	11,31	10,92	9,50
Euro Bond (30 year, \$)	158,08	158,08	154,98	147,10
Bond (Benchmark, %)	11,33	11,44	11,56	10,94

Currency	Previous	Last	Chg.	YTD
US\$	3,5785	3,5635	-0,42%	0,73%
Euro	3,8965	3,8695	-0,69%	4,43%
Euro/Dolar	1,0873	1,08665	-0,06%	3,69%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	52,0	52,3	0,46%	-7,84%
Oil (NYMEX future, \$)	49,0	49,5	0,98%	-8,24%
Gold (Ounce, \$)	1.264,5	1.265,7	0,10%	9,92%
Silver (XAG, \$)	17,3	17,3	0,40%	8,76%

Şeker Funds	Previous	Last*	Chg.	YTD
Şeker Portfoy Equity Fund	0,408737	0,407820	-0,22%	20,50%
Şeker Portfoy Debt Instruments	0,025319	0,025362	0,17%	3,33%
Şeker Portfoy Money Market	1,138420	1,138741	0,03%	2,95%
Şeker Portfoy Mix Fund	0,020804	0,020873	0,33%	6,03%
Şeker Portfoy Gold Fund	0,022433	0,022305	-0,57%	8,60%
Şeker Portfoy Short T. Debt	0,013615	0,013618	0,02%	2,81%

* Prices as of 28-Apr-17

Tekfen (TKFEN.TI; NC) has disclosed a net profit of TRY 165.3mn in 1Q17, up by 9% YoY, and hence above the market consensus net profit estimate of TRY 128mn.

Bizim Toptan (BIZIM.TI; N/A) has announced that a total of 15,000 shares were redeemed in the price range of TRY 11.67 - 11.70 per share (Total: TRY 175k) at the BIST on April 27, 2017. Hence, their weight has reached 1.82% of the company's total shares following these transactions.

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	20.975	20.981	0,03%	6,17%	
Nasdaq (US)	6.025	6.049	0,39%	12,37%	
S&P 500 (US)	2.387	2.389	0,06%	6,70%	
Bovespa (Brasil)	64.862	64.677	-0,29%	7,39%	
Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	12.473	12.444	-0,23%	8,39%	
FTSE 100 (UK)	7.289	7.237	-0,71%	1,32%	
CAC 40 (France)	5.288	5.272	-0,31%	8,42%	
MIB30 (Italy)	20.837	20.597	-1,15%	7,08%	
PSI20 (Portugal)	5.055	5.042	-0,26%	7,75%	
ASE (Greece)	706	707	0,02%	9,77%	
RTSI (Rusia)	1.119	1.107	-1,09%	-3,94%	
Asia	Previous	Last	Chg.	YTD	
Nikkei (Japan)	19.289	19.209	-0,41%	0,50%	
Hang Seng (Hong Kong)	24.578	24.588	0,04%	11,76%	
Shanghai Comp. (China)	3.141	3.142	0,02%	1,22%	
KOSPI (South Korea)	2.208	2.207	-0,04%	8,91%	
Sensex (India)	30.133	29.934	-0,66%	12,42%	
Turdex (Set. Price)	Previous	Last	Chg.	YTD	
INX30 (APRIL 17)	116,525	116,025	-0,43%	20,51%	
USD (APRIL 17)	3,6436	3,627	-0,47%	1,70%	
EURO (APRIL 17)	3,8930	3,870	-0,59%	2,69%	
GOLD (APRIL 17)	145,21	145,00	-0,14%	8,78%	
Portfolio Recommend.	Inclusio Date	Inclusio Price	Last Close	Chg. (%)	BIST Relative
Vakifbank	30.01.17	4,72	6,02	27,5%	13,4%
Tofas	30.01.17	25,84	29,40	13,8%	1,2%
İsbank	26.07.16	4,42	6,94	57,0%	22,7%
Petkim	07.04.17	5,14	4,90	-4,7%	-10,4%
Migros	09.11.15	19,05	24,20	27,0%	10,4%
Tupras	26.08.16	57,65	88,70	53,9%	25,3%
Turkcell	22.02.17	11,80	12,46	5,6%	-0,4%
Portfolio Yield (yoy)				25,7%	11,7%
Portfolio Yield (mom)				4,3%	-1,3%

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