

Agenda

24 Monday

- CBRT, June capacity utilization & confidence index
- Germany, June IFO business climate

25 Tuesday

- U.S., May new home sales
- U.S., June CB consumer confidence

26 Wednesday

- Germany, July GfK consumer confidence
- U.S., May durable goods orders
- U.S., May trade balance

27 Thursday

- Eurozone, June Consumer Confidence
- Eurozone, June industrial production
- Germany, June CPI
- U.S., jobless claims
- U.S., 1Q19 GDP Growth
- U.S., May pending home sales

28 Friday

- Japan, May industrial production
- U.K., 1Q19 GDP Growth
- Eurozone, June CPI
- U.S., May personal income and spending
- U.S., June Chicago PMI
- U.S., June Michigan Consumer sentiment

Outlook:

Global stock markets closed mixed on the last trading day of the week, as risk appetite decreased with rising geopolitical tension between the US and Iran. The BIST100 also declined slightly by 0.1% to close at the index level of 94,022. TRY-based assets remained under pressure and the TRY diverged negatively from its peers amid increasing oil prices and rising geopolitical tension. The Turkey 5-year CDS rates, which had retreated to 430bps following the US Fed's interest rate decision, have increased towards 444bps with increasing geopolitical risk and concern over possible US sanctions against Turkey. The rerun of the Istanbul mayoral elections yesterday has lifted major uncertainty, with consequent appreciation of the TRY, and we may observe reactionary buying and a slightly positive opening at the BIST today. Market participants will this week focus on President Erdogan and his US counterpart's meeting on the sidelines of the G-20 summit, and will follow the CBRT's June CUR and business tendency data and real sector confidence index, plus Germany's June IFO business climate data. We expect trading at the BIST to remain cautious ahead of the leaders' meeting in Japan; further upturns in the index could at times be utilized for profit taking. That said, the world's leading central banks' resumption of accommodative monetary policies is expected to reflect positively on the performance of TRY-based assets. Duly, as long as global risk appetite remains elevated, any downturn at the index could also be exploited as a buying opportunity. SUPPORT: 93,600-92,600 - RESISTANCE: 94,400 – 95,400.

Money Market:

The Lira was negative on Friday, weakening 0.66% against the USD to close at 5.8020. Additionally, the currency depreciated by 0.68% against the basket composed of \$0.50 and €0.50. Meanwhile, the local fixed income markets were relatively flat. The ten-year benchmark bond was traded within a range of 16.43%-16.59%, ending the day at a low of 16.43%, 4 bps above its previous close.

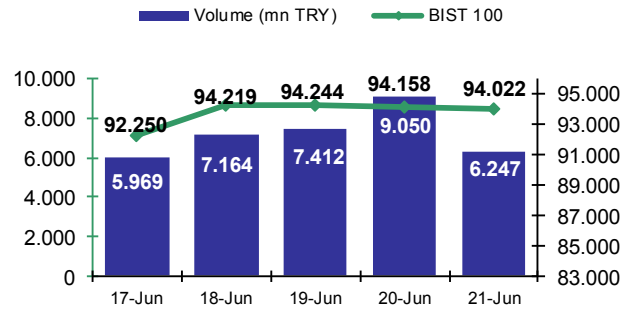
Domestic Headlines:

Opposition leader Imamoglu wins Istanbul elections with a clear victory: The opposition Millet alliance candidate Ekrem Imamoglu became the winner of the Istanbul municipality election, garnering 54% of the votes, while the governing Cumhur alliance candidate Binali Yildirim got 45%. In the previous election, Imamoglu had won 48.8% to 48.6%, with some 13.7K margin. The margin yesterday rose to 806K, according to Anka agency. Both, Binali Yildirim and President Erdogan offered their congratulations after the election. Meanwhile, the participation rate also seems to have risen slightly to 84% from 83%.

Company News:

Anadolu Cam (ANACM.TI; OP) has put into operation a furnace with a total 80k ton capacity at its Mersin plant (**Neutral**).

Arcelik (ARCLK. TI; OP), Vestel White Goods (VESBE.TI; N/C), Vestel Electronics (VESTL.TI, N/C) – As published in the Official Gazette, >>>



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	94.158	94.022	-0,14%	3,01%
BIST 30	117.831	117.767	-0,05%	2,99%
BIST-Financial	108.739	108.949	0,19%	8,24%
BIST-Industrial	109.872	109.466	-0,37%	4,38%
BIST-Services	69.054	68.696	-0,52%	-3,99%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
NUGYO	19,90	KATMR	-14,29	GARAN	1.181.335.632
BOYP	19,88	SRVGY	-5,79	THYAO	701.594.364
VANGD	9,27	AEFES	-5,53	SASA	332.405.521
IZFAS	8,86	SMART	-5,48	KRDMD	321.050.299
MARKA	8,06	CMENT	-5,46	AKBNK	287.399.441

Money Market	Previous	Last	Pr. Mn	YE15
O/N Repo (%)	24,50	25,00	25,49	25,48
Bond (Benchmark, %)	20,22	19,92	25,92	19,73

Currency	Previous	Last	Chg.	YTD
US\$	5,7640	5,803	0,68%	9,82%
Euro	6,5075	6,5825	1,15%	8,98%
Euro/Dolar	1,1290	1,13776	0,78%	-0,47%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	65,3	65,4	0,12%	18,78%
Oil (NYMEX future, \$)	57,4	57,8	0,68%	24,24%
Gold (Ounce, \$)	1.399,1	1.404,0	0,35%	9,43%
Silver (XAG, \$)	15,3	15,4	0,06%	-1,06%

Şeker Funds	Previous	Last*	Chg.	YTD
Fiba Portfoy Şekerbank Money	1,597595	1,600651	0,19%	11,13%
Fiba Portfoy Şekerbank Short T.	0,018752	0,018783	0,17%	10,25%

* Prices as of 24-Jun-19

>>> the number of credit cards installments for the purchase of white goods and other electrical home appliances has been increased to 18 months, and for consumer electronics - including cellular phones - that have a higher price than TRY 3,500 to 6 months. The development is likely to reflect positively on home appliances producers Arcelik, Vestel White Goods and Vestel Electronics' shares performances at the BIST.

Pegasus' (PGSUS.TI; OP) total passenger traffic retreated by 11.7% YoY to 2.2mn PAX in May 2019, prolonging a contraction of 5.2% YoY in Apr 2019. Yet the carrier's international PAX growth (46% of total) remained healthy, decelerating to 11.3% YoY (Apr 2019: +23.4% YoY). Load factor also declined 4.0 pp YoY to 80.7%, due mainly to the significant 22.7% YoY capacity expansion over international routes and declining domestic demand. The data announcement confirms expectations of relative weakness in the carrier's passenger traffic data for May, and its strategy of diverting its capacity to international routes. Hence, we think that it may lead to just temporary profit taking in the carrier's shares, which have advanced 71%, outperforming the BIST100 by 66% Ytd.

- **Total PAX declined 11.7% YoY in May 2019, due to the ongoing 23.7% YoY retreat in domestic PAX.** Pegasus' domestic PAX (54% of total PAX in May 2019), continued to retreat at an accelerating pace of 23.7% YoY (Apr 2019: -22.4% YoY) to 1.2mn in May 2019. Its international scheduled PAX growth also decelerated to 11.3% YoY (Apr 2019: +23.4% YoY), as the Easter holiday, which had moved into the month of April in 2019, had boosted international demand significantly in the previous month.
- **Load factor declined markedly by 4.0 pp YoY (Apr 2019: -1.3 pp YoY) to 80.7% in May 2019 (Apr 2019: 87.6%) due to significant capacity expansion over international routes and declining domestic demand –** Pegasus' international load factor retreated by 3.5 pp YoY to 75.6% in May 2019 (Apr 2019: -1.9 pp YoY), as a result of its strong international capacity expansion of 22.7% YoY (Apr 2019: +35.2% YoY), which led to an overall capacity increase of 3.1% YoY (Apr 2019: +11.9% YoY). And due to relatively lower demand, the domestic load factor also retreated by 2.6 pp YoY to 85.7% in May 2019 (Apr 2019: +1.0 pp YoY), with ongoing capacity controls 23.5% less capacity allocation over domestic routes in May 2019). Meanwhile, aircraft utilization >>>

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	26.753	26.719	-0,13%	14,54%	
Nasdaq (US)	8.051	8.032	-0,24%	21,05%	
S&P 500 (US)	2.954	2.950	-0,13%	17,70%	
Bovespa (Brasil)	100.303	102.013	1,70%	16,07%	
Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	12.355	12.340	-0,13%	16,87%	
FTSE 100 (UK)	7.424	7.408	-0,23%	10,10%	
CAC 40 (France)	5.536	5.528	-0,13%	16,86%	
MIB30 (Italy)	21.361	21.389	0,13%	16,72%	
PSI20 (Portugal)	5.097	5.126	0,58%	8,34%	
ASE (Greece)	837	839	0,23%	36,76%	
RTSI (Rusia)	1.391	1.375	-1,16%	28,66%	
Asia	Previous	Last	Chg.	YTD	
Nikkei (Japan)	21.463	21.259	-0,95%	6,21%	
Hang Seng (Hong Kong)	28.550	28.474	-0,27%	10,17%	
Shanghai Comp. (China)	2.987	3.002	0,50%	20,37%	
KOSPI (South Korea)	2.131	2.126	-0,27%	4,14%	
Sensex (India)	39.602	39.194	-1,03%	8,67%	
Turdex (Set. Price)	Previous	Last	Chg.	YTD	
INX30 (June 19)	118,375	118,325	-0,04%	0,25%	
USD (June 19)	5,7937	5,821	0,48%	6,65%	
EURO (June 19)	6,5574	6,586	0,44%	4,74%	
GOLD (June 19)	257,83	260,51	1,04%	15,10%	
Portfolio Recommend.	Inclusion Date	Inclusion Price	Last Close	Chg. (%)	BIST Relative
Tofaş	08/04/19	18,90	18,46	-2,3%	0,7%
Turkish Airlines	06/12/17	12,80	12,83	0,2%	13,3%
Pegasus	06/03/18	35,64	39,10	9,7%	36,5%
Arcelik	08/05/19	16,80	19,37	15,3%	10,7%
Turkcell	01/11/18	11,93	12,48	4,6%	2,8%
Garanti Bank	17/01/19	9,25	8,55	-7,6%	-0,9%
Portfolio Yield (yoy)				-8,6%	-8,2%
Portfolio Yield (mom)				19,2%	10,0%

*Starting date of portfolio 30/11/2004

- >>> (rose by 2.3% YoY to 12.5 block hours during the month (Apr 2019: 12.8 hrs).

Soda Sanayii (SODA.TI; N/C) has signed an equal shareholding agreement with Imperial Natural Resources Trona Mining Inc., a subsidiary of Ciner Group for the production investment of 2.7mn tons of natural soda (2.5mn tons of soda and 200k tons of sodium bicarbonate) production in the USA.

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