

### Agenda

#### 23 Monday

- Treasury auction

#### 24 Tuesday

- Treasury auction
- Japan, March Markit mfg. & non-mfg. PMI
- Germany and Eurozone, March Markit mfg. PMI
- Germany and Eurozone, March Markit non-mfg. PMI
- U.K., March Markit mfg. & non-mfg. PMI
- U.S., March Markit mfg. & non-mfg. PMI
- U.S., February new home sales

#### 25 Wednesday

- CBRT, March capacity utilization & confidence index
- Germany, March IFO business climate
- U.K., February CPI & PPI
- U.S., February durable goods orders

#### 26 Thursday

- Germany, April GfK consumer confidence
- U.K., February retail sales
- BoE, policy meeting
- U.S., 4Q19 GDP Growth
- U.S., jobless claims
- U.S., February trade balance
- U.S., February wholesale inventories

#### 27 Friday

- U.S., February personal income and spending
- U.S., March Michigan Consumer sentiment

### Outlook:

Global stock markets climbed higher on Wednesday, on reports that Republican and Democrat Senators had agreed on an unprecedented and substantial economic relief package worth nearly US\$2tn. The BIST100, however, diverged negatively to close 0.25% lower at 89,063, while the industrials index closed with an advance. After a volatile day in trading, the TRY also depreciated, underperforming its EM peers, while Turkey's CDS rates declined slightly to 461bps. Meanwhile, the VIX also remained high at 64, suggesting that volatility in the US and global markets is likely to continue. We believe we have to see this index retreating further below 43-45 for recent volatility in the US markets to ease and reactionary buying to gain traction. The decisions taken by the US Federal Reserve and other major central banks of the world, and the unprecedented fiscal measures taken by the developed countries have eased the panic mode in the global stock markets. However, until the spread of the COVID-19 coronavirus is contained and/or a cure or a vaccine are found, the recent upturn in the global markets could be utilized as an opportunity for profit taking. Going forward, the BIST is expected to move in parallel to the course of major international equity markets and remain relatively resilient at times of downturn. However, similar to yesterday, the Turkish equity market is unlikely to outperform the world equity markets in times of strong upsurges, as the number of COVID-19 cases in the country currently continues to increase. Investors will today focus on the BoE's policy decision, and the US jobless claims data, along with the US' 4Q19 GDP growth, February trade balance, and wholesale inventories, Germany's April GfK consumer confidence and the UK's February retail sales data. The Dow Jones futures have been declining, and the Asian markets have seen mixed trading today. We expect the BIST to open slightly negatively and caution that possible reactionary buying during the day could be utilized for profit taking. SUPPORT: 88.100 - 86.600 RESISTANCE: 90.500 - 92.000

### Money Market:

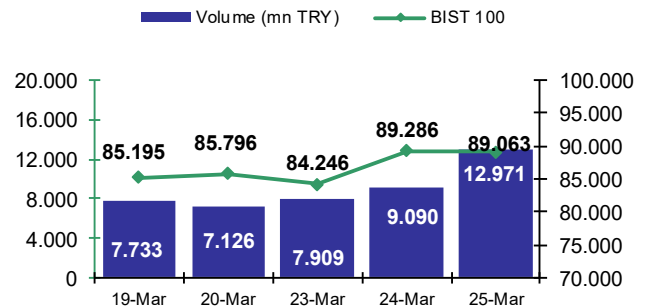
The Lira was positive yesterday, gaining 0.05% against the USD to close at 6.4170. Additionally, the currency depreciated by 0.39% against the basket composed of \$0.50 and €0.50. Meanwhile, the local fixed income markets were positive. The ten-year benchmark bond ended at 12.70%, 56 bps below its previous close.

### Domestic Headlines:

**Real sector confidence and capacity utilization points to a slight deterioration in March, yet:** The real sector confidence index fell to 98.6 in March from 106.7 in February, while the seasonally-adjusted capacity utilization rate fell slightly MoM to 76.2% from 76.6%. Separately, the service sector confidence index fell to 92.5 from 98.5, while construction sector confidence continued to improve to 77.2 from 74.5. Note that the surveys cover only a part of March (half month), whereby the real impact of business shutdowns due to the new Corona virus is not yet seen. As such, we will most likely see a very significant deterioration in April.

### Sector News:

**State deposit banks to implement a new "continuity of business" loan support package to meet the working capital needs of >>>**



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	89.286	89.063	-0,25%	-22,16%
BIST 30	107.401	106.604	-0,74%	-23,21%
BIST-Financial	98.005	97.436	-0,58%	-27,90%
BIST-Industrial	105.783	106.513	0,69%	-23,46%
BIST-Services	75.854	75.657	-0,26%	-13,35%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
HUBVC	10,00	ANHYT	-11,02	GARAN	1.050.995.962
EGCEY	10,00	TOASO	-10,60	THYAO	909.231.123
NATEN	10,00	QNBFL	-9,99	ASELS	751.900.941
EGCYH	10,00	TACTR	-9,73	YKBNK	320.966.898
RYRAS	10,00	METAL	-6,15	HALKB	292.614.767

Money Market	Previous	Last	Pr. Mn	YTD
O/N Repo (%)	8,56	11,00	10,80	11,08
Bond (Benchmark, %)	11,11	10,97	11,79	11,78

Currency	Previous	Last	Chg.	YTD
US\$	6,5030	6,5960	1,43%	10,86%
Euro	6,981	7,051	1,00%	5,65%
Euro/Dolar	1,0735	1,09174	1,70%	-2,67%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	27,2	27,0	-0,71%	-59,52%
Oil (NYMEX future, \$)	24,5	24,1	-1,43%	-60,54%
Gold (Ounce, \$)	1.617,1	1.604,5	-0,78%	4,97%
Silver (XAG, \$)	14,4	14,4	-0,48%	-20,21%

Şeker Funds	Previous	Last*	Chg.	YTD
Fiba Portfoy Şekerbank Money	1,776066	1,776452	0,02%	2,28%
Fiba Portfoy Şekerbank Short T.	0,020918	0,020924	0,03%	2,09%

\* Prices as of 26-Mar-20

>>> primarily SMEs, but also corporate and commercial companies without sector differentiation. Applicants are required to retain their registered employees as of February 2020 as part of the financial stabilization program. The Credit Guarantee Fund will be able to provide a guarantee for those borrowers with inadequate collateral levels. The credit support package will offer loans with a 7.5% annual interest rate and up to 36-month maturity. Besides, there will be a 6-month grace period for the interest and principal amount of the loan. Maximum loan amounts will be up to TRY100mn, TRY25mn and TRY10mn, depending on the annual turnover of the borrowers. Providing loans with favorable lending rates should play an essential role in fulfilling the imminent liquidity needs of real sector companies. Positive.

### Company News:

**Arcelik (ARCLK.TI; OP)** The dividend distribution proposal of Arcelik's BoD, which was decided on February 20th while the effect of the COVID-19 on the domestic and global economy was less predictable, has been dismissed by the Company's General Assembly Meeting held on March 25, 2020. Rather, it is decided that under current conditions, there should be no dividend distribution, and that the entire profit of FY 2019 be allocated as extraordinary reserves. Please recall that Arcelik's BoD had previously resolved to distribute a total gross cash dividend of TRY 500mn (0.7399424/sh.) from its net distributable profit of TRY 925mn in FY 2019. We find the decision to be prudent in view of prevailing macroeconomic and market conditions. Yet it may reflect somewhat negatively on the Company's short-term share performance at the BIST.

**Arcelik (ARCLK TI, OP); Vestel White Goods (VESBE TI; N/C)** According to White Goods Manufacturers Association's monthly data, the Turkish white goods market grew significantly by c.13% YoY (in 4 MDAs) to 504.6k units in February 2020, while exports declined c.6% YoY to 1,36mn units attributable to the impact of the COVID-19 pandemic on the European market. As a result, Turkish white goods manufacturers' production remained virtually unchanged YoY at 1.9mn units in February 2020. This has brought the domestic market volume growth in 4 MDAs up to %9% YoY in January-February 2020, while the increase in exports retreated to a 4% YoY, and production increased by c.1% YoY. Following the release of >>>

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	20.705	21.201	2,39%	-25,71%	
Nasdaq (US)	7.418	7.384	-0,45%	-17,70%	
S&P 500 (US)	2.447	2.476	1,15%	-23,38%	
Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	9.701	9.874	1,79%	-25,47%	
FTSE 100 (UK)	5.446	5.688	4,45%	-24,58%	
CAC 40 (France)	4.243	4.432	4,47%	-25,86%	
PSI20 (Portugal)	3.882	3.956	1,91%	-24,14%	
RTSI (Rusia)	965	982	1,70%	-36,62%	
Asia	Previous	Last	Chg.	YTD	
Nikkei (Japan)	18.092	19.547	8,04%	-18,00%	
Hang Seng (Hong Kong)	22.663	23.527	3,81%	-16,54%	
Shanghai Comp. (China)	2.722	2.782	2,17%	-8,80%	
KOSPI (South Korea)	1.610	1.705	5,89%	-22,43%	
Sensex (India)	26.674	28.536	6,98%	-30,92%	
Turkdex (Set. Price)	Previous	Last	Chg.	YTD	
INX30 (April 20)	106,350	106,400	0,05%	-23,52%	
USD (April 20)	6,5378	6,513	-0,37%	9,55%	
EURO (April 20)	7,0700	7,055	-0,21%	5,81%	
GOLD (April 20)	341,84	342,14	0,09%	17,53%	
Portfolio Recommend.	Inclusion Date	Inclusion Price	Last Close	Chg. (%)	BIST Relative
Tofas	06/09/19	18,98	18,12	-4,5%	6,1%
Arcelik	06/03/20	17,94	13,05	-27,3%	-10,5%
Vakifbank	14/01/20	6,18	4,67	-24,4%	3,0%
Migros	07/02/20	26,66	23,72	-11,0%	20,9%
Petkim	06/08/19	3,74	3,15	-15,8%	-5,8%
Is Bank	14/01/20	6,74	4,82	-28,5%	-2,5%
Turkcell	01/11/18	11,93	13,30	11,5%	15,6%
Garanti Bank	17/01/19	9,25	7,58	-18,1%	-12,1%
Portfolio Yield (yoy)				12,8%	30,5%
Portfolio Yield (mom)				-16,5%	7,4%

\*Starting date of portfolio 30/11/2004

>>> the monthly sector data, TURKBESD President Dincer stated that a contraction in both the domestic sales and exports of white goods would be inevitable in the coming periods.

**Erdemir (EREGL.TI; OP)** has shared an update on one of the ongoing case against the company regarding Bor-San's demand of c.TRY10.8mn compensation of loss arising out of a sale contract with the company. Latest development in the case had been Ankara Commercial Court of First Instance deciding on the bankruptcy of Bor-San, and Kdz. Ereğli Civil Court of First Instance 3rd deciding for the abatement of proceedings. Erdemir has shared that the next hearing, which were to be held on March 25, 2020 has been postponed to July 8th, 2020, by the court in order to take account of society's health, considering the COVID-19 coronavirus.

**Kardemir (KRDMD.TI; MP)** plans for a total 602k tons of sales in 2Q20E with a significant rise of c.7% YoY over a weaker base in 2Q19. The firm customarily reports its quarterly sales plan to enable advance planning with its customers, and there may be discrepancies between this plan and the actual figures for 2Q20E. Kardemir targets selling c.112.5k tons of rebars, c.260.5k tons of billets & blooms, a total of c.107k tons of profiles & rail & similar products, c.122 tons of wire rod, and 0.5k tons of pig iron in 2Q20E. It's sales plan indicates that the share of less value-added products is likely to rise slightly further in its total sales mix in 2Q20E. Still, as the announcement indicates that Kardemir expects to increase its total sales volume by c.7% YoY in 2Q20E, it may have a relatively positive impact on the short term share performance.

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