

Agenda

16 Monday

- Ministry of Treasury and Finance, September budget realizations
- Japan, 3Q20 GDP Growth
- China, October industrial production
- ECB, Lagarde's speech
- U.S., October New York Empire State Manufacturing Index

17 Tuesday

- U.S., October retail sales
- U.S., October capacity utilization and industrial production
- BOE, Bailey's speech
- ECB, Lagarde's speech

18 Wednesday

- Eurozone, October CPI
- U.S., October housing starts and building permits
- ECB, Lagarde's speech

19 Thursday

- CBRT, rate decision
- ECB, Lagarde's speech
- U.S., jobless claims
- U.S., October Philadelphia Fed business outlook
- U.S., October existing home sales

20 Friday

- Germany, October CPI
- ECB, Lagarde's speech

Outlook

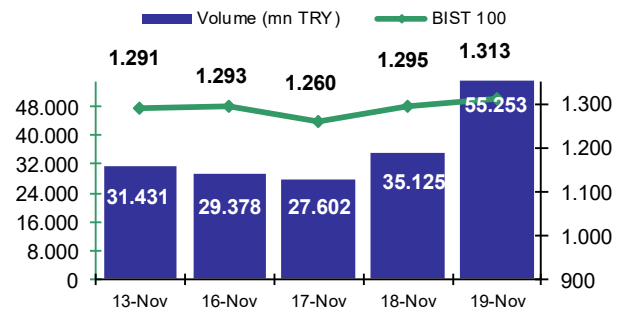
Major global stock markets saw some profit taking on Thursday amid concerns over widening restrictive measures against the further spread of the COVID-19 and ongoing uncertainty regarding the new US fiscal stimulus package. Having started the day rather negatively, the BIST100 faced some profit taking during the day, and has recovered significantly following the announcement of the CBRT's policy decision, dosing 1.41% to reach its new record high level of 1,312.02. The BIST100 tested its historical high of 1,325.70 during the day, while also breaking a record for total trading volume. The banking sector index continued to diverge positively, rising 4.01%. The CBRT has increased its policy (one-week repo) rate by 475bps to 15.0%, in parallel to market expectations, and has simplified its monetary policy by providing funding through quantity repo auctions of one-week maturity, which has also met the market expectation of the Central Bank returning to orthodox policies. The TRY has recovered strongly by an average of c.2% against major currencies, and benchmark yields have dedined; both have supported the advance in the banking sector index. Turkey's CDS premium dedined to 366bps yesterday, suggesting that non-residents' interest in TRY-based assets has been increasing recently, as evidenced in the CBRT's latest statistics on non-residents' data. According to the CBRT, non-residents have increased their holdings at the BIST by US\$514mn, which translates into the highest weekly inflows since August 2017, and that the rally on TRY-based assets is likely to continue for some time. Global stock markets may continue to see further profit taking, yet the BIST is likely to diverge positively with the lead of the banking sector stocks. The VIX, a gauge of volatility expectation in the US markets, remained at around 23 yesterday; we believe that as long as this index remains below 30, any possible profit taking in the US stock markets is likely to remain limited. The US and German futures have been dedining slightly and Asian markets have seen mixed trading today. We expect the BIST to open slightly positively and maintain its uptrend, testing new record highs during the day. SUPPORT: 1,304 – 1,289 RESISTANCE: 1,327 – 1,350.

Money Market:

The Lira was positive yesterday, gaining 1.71% against the USD to close at 7.5531. Additionally, the currency appreciated by 1.87% against the basket composed of \$0.50 and €0.50. Meanwhile, the local fixed income markets were positive. The ten-year benchmark bond was traded within a range of 11.88%-12.07%, ending at the 11.90%, 38 bps below its previous close.

Domestic Headlines:

*** **In the Central Bank's interest rate decision**, which is closely followed by the market, the Monetary Policy Committee (MPC) decided to increase the weekly repo rate by 475 basis points to 15%. In the official statement, it was said that price stability, which is the main objective, would be achieved by complying with the principles of transparency, predictability and accountability, which were not explicitly mentioned before. Explanations stating that the contractionary monetary policy stance would continue until inflationary pressures were brought under control strengthened the expectation that an additional interest rate hike may take place when necessary depending on the inflation outlook. The announcement that all funding would be made through one-week repo (main policy tool) in order to simplify the monetary policy also eliminated uncertainty in the market. The decision to increase interest rates in line with market >>>



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	1,295	1,313	1,41%	14,75%
BIST 30	1,447	1,471	1,64%	5,94%
BIST-Financial	1,394	1,432	2,69%	5,97%
BIST-Industrial	1,955	1,966	0,54%	41,25%
BIST-Services	1,104	1,108	0,31%	26,87%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
KLMSN	10,00	YBTAS	-10,00	GARAN	13.870.089.713
GUBRF	10,00	TKURU	-10,00	YKBK	5.383.904.453
IZTAR	10,00	MARKA	-9,95	KRDMD	5.290.912.245
CASA	10,00	EUYO	-9,93	AKBNK	3.233.996.413
PKENT	10,00	MARTI	-9,70	VAKBN	2.548.458.271

Money Market	Previous	Last	Pr. Mn	YTD
O/N Repo (%)	14,76	14,76	13,25	11,08
Bond (Benchmark, %)	13,64	13,82	13,65	11,78

Currency	Previous	Last	Chg.	YTD
US\$	7,5512	7,5793	0,37%	27,38%
Euro	8,972235	9,00576	0,37%	34,94%
Euro/Dolar	1,1882	1,18826	0,01%	5,94%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	44,5	44,3	-0,45%	-33,61%
Oil (NYMEX future, \$)	41,9	41,8	-0,14%	-31,61%
Gold (Ounce, \$)	1.866,7	1.867,4	0,04%	22,17%
Silver (XAG, \$)	24,1	24,1	0,12%	34,03%

Şeker Funds	Previous	Last*	Chg.	YTD
Fiba Portfoy Şekerbank Money	1,884507	1,885200	0,04%	8,55%
Fiba Portfoy Şekerbank Short T.	0,022076	0,022084	0,04%	7,75%

* Prices as of 20-Nov-20

>>> expectations will have an upward impact on TL assets and a downward short-term impact on exchange rates and inflation. The medium and long-term impact will depend on the effectiveness of the monetary policy transmission mechanism and forward guidance channels.

Company News:

Aselsan (ASELS.TI; MP) has signed a three export sales contracts with one of its international clients regarding the supply of Electro-Optics and Communication Systems for USD 38.8mn. Deliveries will be made between the years 2021-2022. The latest deal represents 0.4% of the company's total backlog (Slightly Positive).

Isbank Pension Fund has applied to the Central Securities Depository to make its 50mn nominal value **Isbank Group C (ISCTR.TI; OP)** shares tradeable (Slightly Negative).

TAV Airports Holding's (TAVHL.TI; MP) BoD is set to participate in the tender to be held by the General Directorate of State Airports Authority on November 20, 2020 for the construction of Cukurova Airport superstructure facilities using the BOT model and the transfer of the airport's operating rights. The decision, and the prospect of TAV Airports Holding winning the tender at reasonable cost, should create positive sentiment around the Group stock.

World Indices				
America	Previous	Last	Chg.	YTD
Dow Jones (US)	29.438	29.483	0,15%	3,31%
Nasdaq (US)	11.802	11.905	0,87%	32,68%
S&P 500 (US)	3.568	3.582	0,39%	10,87%
Europe	Previous	Last	Chg.	YTD
Dax (Germany)	13.202	13.086	-0,88%	-1,23%
FTSE 100 (UK)	6.385	6.334	-0,80%	-16,02%
CAC 40 (France)	5.511	5.475	-0,67%	-8,42%
PSI20 (Portugal)	4.418	4.368	-1,14%	-16,24%
RTSI (Rusia)	1.277	1.259	-1,40%	-18,72%
Asia	Previous	Last	Chg.	YTD
Nikkei (Japan)	25.728	25.634	-0,36%	7,54%
Hang Seng (Hong Kong)	26.544	26.357	-0,71%	-6,50%
Shanghai Comp. (China)	3.347	3.363	0,47%	10,26%
KOSPI (South Korea)	2.546	2.547	0,07%	15,91%
Sensex (India)	44.180	43.600	-1,31%	5,55%

Turkdex (Set. Price)	Previous	Last	Chg.	YTD
INX30 (December 20)	1.469	1.488	1,33%	6,95%
USD (December 20)	7,7929	7,604	-2,43%	27,89%
EURO (December 20)	9,2473	9,002	-2,65%	35,00%
GOLD (December 20)	472,75	457,64	-3,20%	57,20%

Portfolio Recommend.	Inclusion Date	Inclusion Price	Last Close	Chg. (%)	BIST Relative
Tofas	06/09/19	18,98	28,06	47,8%	11,5%
Coca-Cola İçecek	10/11/20	53,55	58,50	9,2%	3,4%
Turk Telekom	11/05/20	6,88	7,95	15,6%	-13,9%
Isbank	07/10/20	5,26	6,91	31,4%	15,4%
Yapi Kredi Bank	11/05/20	2,10	3,11	48,1%	10,3%
Petkim	13/07/20	4,32	4,90	13,4%	2,3%
Turkcell	01/11/18	11,93	16,00	34,1%	-5,6%
Garanti Bank	17/01/19	9,25	9,52	2,9%	10,4%
Portfolio Yield (yoy)				31,1%	6,6%
Portfolio Yield (mom)				9,7%	1,1%

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