

Agenda

01 Monday

- Germany, June retail sales
- Germany and Eurozone, July Markit mfg. PMI
- U.S., July Markit mfg. PMI
- U.S., June construction spendings
- U.S., July ISM manufacturing

02 Tuesday

03 Wednesday

- TurkStat, July inflation
- China, July Caixin non-mfg. PMI
- Germany and Eurozone, July Markit non-mfg. PMI
- Eurozone, June PPI
- Eurozone, June retail sales
- U.S., July Markit non-mfg. PMI
- U.S., June factory orders
- U.S., July ISM non-manufacturing

04 Thursday

- CBRT, July inflation assessment
- Germany, June factory orders
- BoE, interest rate decision
- U.S., jobless claims

05 Friday

- U.S., July hourly earnings
- U.S., July non-farm payrolls and unemployment rate

Outlook:

The BIST-100 Index started Thursday on a positive trend, strengthened its rise led by the Banking Index and tested the new historical peak of 2,733.80. The Index closed at 2,723.67, up 1.46%. The Banking Index continued its positive divergence, up 3.82%. As risk appetite rebounded with weakened recession concerns, major stock markets ended the day with a mixed outlook. The VIX Index fell below 22, and as the Index remains below 24, it can be expected that even if there is selling pressure in the U.S. Stock Markets, this will remain limited and the reactionary upward trend will continue. The BIST continues to strengthen its positive divergence amid strong corporate earnings and expectations. It is expected that the Index, which still has room for further valuation, will continue its uptrend by testing new peak levels unless there is a major deterioration in global stock markets. However, in case of sales in global stock markets, short-term profit sales may also be experienced in the Index, which has seen a strong short-term rise. Stock-based movements are expected to continue with solid corporate earnings expectations for listed names at the BIST. Although the strong outlook for the Index continues, we think that the risk of profit-selling, albeit limited, has increased after the short-term strong rise. The eyes of the markets will be on the employment data to be announced in the USA today. In the event that the data is much weaker than the expectations, recession concerns will likely strengthen again and sales in global stock markets will occur. Despite the negative growth of the USA for two consecutive quarters, Fed Chairman Powell has stated that the U.S. economy was not in a recession by pointing to the strong course in employment. The VIOP-30 Index closed the evening session up 0.18%. According to the BIST close, the U.S. and German futures were slightly positive, while the Asian Stock Markets were in an uptrend. Locally, we expect the Benchmark Index to start the day with a positive trend and continue its upward move. There may be profit sales in the Index, albeit limited, during the day. SUPPORT: 2,701 - 2,682 RESISTANCE: 2,734 - 2,766.

Money Market:

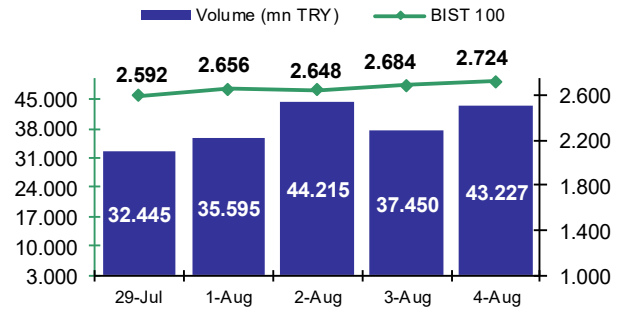
The Lira was positive yesterday, gaining 0.18% compared to the USD to close to 17.9400. In addition, the currency depreciated by 0.20% against the basket composed of \$0.50 and €0.50. Meanwhile, the local fixed income markets were positive. The ten-year benchmark bond was ending at 17.23%, 45 bps below its previous closing.

Sector News:

FC deposits rose by USD4bn over the last two weeks. According to BRSA data as of July 29, 2022, the sector's FC deposits (in \$ terms) rose by USD2.8bn over the previous week (+1.2%) to USD236.2bn. This brings the total increase to USD4bn in the last two weeks. The Ytd decline has reached USD23bn (-8.9%).

There was a visible 2.7% weekly rise in FC deposits (in \$ terms) at state deposit banks. For foreign and private deposit banks FC deposits rose by 0.2% and 0.5%, respectively. FC deposits' weight in total deposits rose 10bps to 56.4%.

Currency-protected TRY deposit growth rose 3.0% weekly. Total volume has reached TRY1,134bn (USD63.6bn), corresponding to 26.9% of the total FC deposit base.



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	2.684	2.724	1,46%	46,62%
BIST 30	2.877	2.921	1,53%	44,27%
BIST-Financial	2.659	2.700	1,54%	53,91%
BIST-Industrial	4.531	4.597	1,45%	35,03%
BIST-Services	2.112	2.129	0,76%	59,64%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
DARDL	10,00	KZBGY	-9,99	THYAO	6.055.347.414
DAGHL	10,00	SRVGY	-9,96	SISE	2.775.911.565
KLMSN	9,99	SNGYO	-9,95	KARSN	1.755.546.789
TMSN	9,99	TURGG	-8,96	HEKTS	1.586.602.258
ORCAY	9,97	BRKO	-7,41	SASA	1.470.196.562

Money Market	Previous	Last	Pr. Mn	YTD
O/N Repo (%)	14,00	14,00	15,00	7,69%
Bond (Benchmark, %)	22,01	21,93	23,93	-3,39%

Currency	Previous	Last	Chg.	YTD
US\$	17,9339	17,9602	0,15%	35,31%
Euro	18,37	18,3622	-0,04%	21,56%
Euro/Dolar	1,0243	1,02239	-0,19%	-10,13%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	92,8	94,0	1,26%	20,90%
Gold (Ounce, \$)	1.791,2	1.789,1	-0,12%	-2,21%
Silver (XAG, \$)	20,2	20,2	0,19%	-13,17%

Şeker Funds	Previous	Last*	Chg.	YTD
Fiba Portfoy Şekerbank Money	2,511285	2,512776	0,06%	10,55%
Fiba Portfoy Şekerbank Short T.	0,029129	0,029144	0,05%	10,11%

* Prices as of 05-Aug-22

Steep rise in commercial FC deposits. Individual FC deposits (in \$ terms) rose USD322mn over the previous week to USD149.2bn. Commercial institutions' FC deposits (in \$ terms) rose by a steep USD2.4bn weekly to USD81.6bn. Lastly, official and other institutions FC deposits (in \$ terms) increased by USD118mn weekly.

Sharp increase in individual TRY deposits. On the TRY side, deposits rose by TRY62bn (+1.9%) over the previous week. Individual deposits increased sharply by TRY42bn (+2.5%) while those of commercial institutions rose by TRY184mn. Other institutions' TRY deposits rose by TRY20bn (+4.5%) WoW.

Strong TRY loan growth. The sector's TRY loan reached 1.6% weekly, vs. a 0.7% decline in the previous week. This brings Ytd growth to 40.1%. FC loans (in \$ terms) fell 0.3% over the previous week. The sector's 13-week moving average (FC adj.) lending growth decelerated to 71.1%, vs. 96.7% in 2Q22.

Decelerated consumer loan growth. Total consumer loan growth eased to 0.6% from 0.8% WoW in the previous week. This brings Ytd growth to 19.3%. Mortgage and auto loans rose 0.5% and 2.2%, respectively. GPLs growth decelerated to 0.6% from 1.2% WoW.

Ongoing growth in credit cards weekly. Consumer and CC commercial credit cards rose 3.0% and 3.7% weekly. This brings Ytd growth to 40.3% and 43.1%, respectively.

Commercial installment loans rose 1.5% WoW. Commercial installment loans rose 1.5%, vs. a 0.8% rise in the previous week. Ytd growth is 22.4%.

Asset quality improved 74bps Ytd. The sector's NPL ratio fell 4bps WoW to 2.42% (2Q22: 2.47%). Stage 3 coverage rose by 7bps weekly to 81.0%.

State deposit banks' FC short net general position eased to USD88mn. State deposit banks delivered a USD88mn FC net short position, vs. a USD225mn FC net short position in the prior week. FC long positions at foreign deposit banks fell 6% to USD1,792mn. They rose 4% among private deposit banks to USD1,887mn weekly, respectively.

		World Indices			
		Previous	Last	Chg.	YTD
America					
Dow Jones (US)		32.813	32.727	-0,26%	-9,94%
Nasdaq (US)		12.668	12.721	0,41%	-18,69%
S&P 500 (US)		4.155	4.152	-0,08%	-12,89%
Europe					
Dax (Germany)		13.588	13.663	0,55%	-13,99%
FTSE 100 (UK)		7.446	7.448	0,03%	0,86%
CAC 40 (France)		6.472	6.513	0,64%	-8,94%
PSI20 (Portugal)		6.030	6.036	0,10%	8,37%
RTSI (Rusia)		1.132	1.145	1,09%	-28,26%
Asia					
Nikkei (Japan)		27.742	27.932	0,69%	-2,99%
Hang Seng (Hong Kong)		19.767	20.174	2,06%	-13,78%
Shanghai Comp. (China)		3.164	3.189	0,80%	-12,38%
KOSPI (South Korea)		2.461	2.473	0,47%	-16,94%
Sensex (India)		58.351	58.299	-0,09%	0,08%

Turkdex (Set. Price)		Previous	Last	Chg.	YTD
INX30 (August 22)		2.957	2.997	1,35%	42,89%
USD (August 22)		18,4415	18,443	0,01%	27,17%
EURO (August 22)		18,7980	18,888	0,48%	13,18%
GOLD (August 22)		1049,16	1063,45	1,36%	23,30%

Portfolio	Inclusion	Inclusion	Last	Chg.	BIST
Recommend.	Date	Price	Close	(%)	Relative
Coca-Cola Icecek	08/12/21	96,10	150,40	56,5%	15,2%
Akbank	20/01/22	7,84	9,11	16,2%	-14,1%
Bim	09/06/22	82,30	95,30	15,8%	9,3%
Ford Otosan	09/06/22	297,20	312,10	5,0%	-0,9%
Şişecam	18/01/21	7,82	23,76	203,8%	70,1%
Erdemir	18/01/21	15,19	27,84	83,3%	2,6%
Yapi Kredi Bank	07/07/21	2,22	5,06	127,9%	27,6%
TAV Airports	01/08/22	56,50	58,85	4,2%	-0,9%
Portfolio Yield (yoy)				143,1%	28,3%
Portfolio Yield (mom)				13,7%	-1,0%

Company News:

Kardemir (KRDMD.TI; UR) has disclosed a net profit of TRY 1,119mn for 2Q22 up 21.7% YoY (- 4.4% QoQ). The company announced a net profit of TRY 919.4mn in 2Q21. The net profit was realized in line with our expectation of TRY 1,108mn and the average market expectation of TRY 1,117mn. Total net profit for 1H22 reached TRY 2,290mn (1H21: TRY 1,421mn). Sales revenues amounted to TRY 6,828mn, on 87.6% YoY top-line growth in 2Q22, (2Q21: TRY 3,640mn). Thus they printed slightly above both our estimate of TRY 6,189mn and the average market expectation of TRY 6,457mn. EBITDA/ton of main product continued to decrease by 12.7% YoY (+ 4.4% QoQ) to USD 214/ton in 2Q22 (2Q21: USD 245/ton, whereby quarterly EBITDA rose by 33.5% YoY (10.5% QoQ) in TRY terms to TRY 1,678mn (2Q21: TRY 1.257mn); the EBITDA margin fell to 24.6% in 2Q22 from 34.5% in 2Q21, on a 9.9pp YoY deterioration. While our EBITDA estimate was TRY 1,513mn, the average market expectation was TRY 1,565mn.

According to the news published on the Voice of America (VOA) website, judges of the US Constitutional Court will hold a meeting on September 28 to evaluate **Halkbank's (HALKB.TI; MP)** appeal and the appeal made by the Attorney General's Office. Before the conference meeting to be held on Halkbank's appeal on September 28, the Constitutional Court Clerk will convey to the judges the petitions and documents submitted by the parties to the court so far. Against the objections of US Attorney General Elizabeth B. Prelogar, which were included in the 25-page petition submitted to the Constitutional Court on July 18 for the rejection of the appeal, Halkbank submitted a 17-page petition containing its own legal arguments the previous day. In its petition to the US Constitutional Court dated August 2, Halkbank stated that they are a public institution belonging to the Republic of Turkey and argued that they cannot be prosecuted in the USA according to the "Independent Foreign State Immunity Act". Halkbank argued that it was the first time in the last 200 years that the United States had imposed a sentence on them under the "Immunity of Independent Foreign State Law".

Vakifbank (VAKBN.TI; OP) has bought 2.5 mn **Vakif Investment Trust (VKFYO.TI; N/C)** shares for TRY5.28/share price and increased its stake to 1.01% (Neutral).

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