

### Agenda

#### 04 Monday

- TurkStat to announce inflation figures for May.
- Eurozone, April PPI figures.
- U.S. April factory orders figures.

#### 05 Tuesday

- CBRT to announce Price Developments Report for May.
- Eurozone, April retail sales figures.
- U.S. May ISM non-manufacturing index figures.

#### 06 Wednesday

- Treasury to pay down TRY 0.8bn (USD 0.6bn) in debt.
- Eurozone, 1Q12 GDP figures.
- ECB to announce interest rate decisions.

#### 07 Thursday

- CBRT to announce the First Survey of Expectation for June.
- BoE to announce interest rate decisions.
- U.S. jobless claims.

#### 08 Friday

- TurkStat to announce industrial production figures for April.
- Treasury to announce cash budget realizations for May.
- U.S. April international trade balance figures.

### Outlook:

Good morning! Despite lingering global pessimism and fears of a global slowdown, the ISE-100 decoupled positively from its peers towards the end of Friday afternoon's session to close 0.85% (469 pts) higher at 55,568 on a TRY 2.1bn volume. The Index traded between 54,366-55,574. Elsewhere, the benchmark bonds closed lower at 9.35%, whereas the USD is currently trading higher against the TRY at 1.8606. Today, May CPI data will be announced, with investors also still tracking developments in the Euro zone. We expect a slightly negative opening for the ISE-100 this morning, with support levels at 55.5k and 55k, and resistance levels of 56.1k and 56.9k, respectively.

### Money Market:

The lira was bullish on Friday and the local currency weakened 0.5% to close at 1.8577 to the dollar. On the other hand, the lira gained 0.06% against the basket composed of \$0.50 and €0.50. Meanwhile, the two-year benchmark bond moved within a range of 9.32% and 9.55% to close at 9.35%, thus 10 bps below its previous close.

### Domestic Headlines:

**We revise our May inflation forecast to 0.3% from 0% following the ICC release** On Friday the Istanbul Chamber of Commerce released May's Cost of Living Indices for Istanbul Wage Earners, known as Istanbul Inflation. Accordingly, retail prices rose 1.1% MoM. Meanwhile, food group prices rose 0.81% MoM in May. Recall that the market consensus for May inflation is 0.32% (CNBC-e survey), while we had been expecting a flat CPI for the month over April on the back of our forecast of a 2.6% decline in food group prices on lower fruit and vegetable prices, and 1.4% MoM decline in transportation prices on lower gasoline prices. While the headline ICC index is not a good indicator of headline CPI, the ICC food group is a better proxy for the food group under TurkStat's CPI. Therefore, despite still expecting negative monthly food group inflation, albeit mild, we revise our monthly inflation forecast up to 0.3% from the previous 0%. TurkStat is to release May inflation figures today at 10:00 (8:00 UK time).

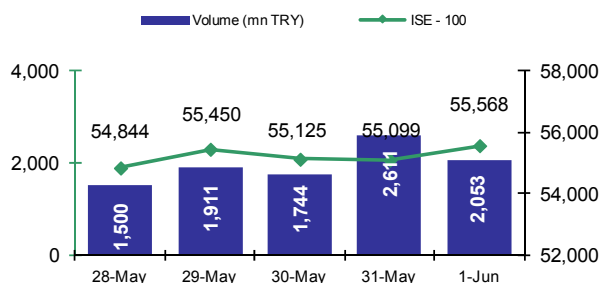
### Company News:

**Aksa Akrilik (AKSA.TI; Outperform)** has announced the decision to transfer its TRY 158,999,992 nominal shares in Aksa Carbon Elyaf to a company in Holland valued at \$ 185mn as real capital. Accordingly, Aksa Akrilik is to establish a 100%-owned company in that country.

**Anadolu Cam (ANACM.TI; Outperform)** has decided to increase its paid-in capital to TRY 398,185,637 through a 15% bonus issue.

EU Minister and Chief Negotiator Egemen Bagis has denied that **Aselsan's (ASELS.TI; Market Perform)** 51% stake had been sold to Israel.

**Finansbank (FINBN.TI; N/C)** has announced that the book building process for the public offering of TRY 400mn in bills would be held between June 04 -06, 2012.



Indices (TRY)	Previous	Last	Chg.	YTD
ISE-100	55,099	55,568	0.85%	8.39%
ISE-30	66,272	66,852	0.88%	8.35%
ISE-Financial	76,752	77,529	1.01%	9.28%
ISE-Industrial	49,477	50,226	1.51%	4.11%
ISE-Services	38,087	37,800	-0.75%	10.21%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
ARTOG	21.40	INFO	-7.60	AKBNK	297,512,726
ATAYO	12.50	ALYAG	-6.91	GARAN	282,440,779
KONYA	10.68	SAFGY	-6.42	ISCTR	235,243,329
KARTN	9.73	ALTIN	-6.28	KARTN	108,430,915
ORGE	7.60	BURVA	-5.78	VAKBN	91,837,863

Money Market	Previous	Last	Pr. Mn	YE11
O/N Repo (%)	9.95	10.01	9.60	10.55
Euro Bond (30 year, \$)	168.25	167.38	170.00	164.00
Bond (Benchmark, %)	9.45	9.35	9.33	11.14

Currency	Previous	Last	Chg.	YTD
US\$	1.8685	1.8575	-0.59%	-1.75%
Euro	2.3095	2.3025	-0.30%	-5.92%
Euro/Dolar	1.2364	1.23819	0.14%	-4.32%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	101.8	98.8	-2.99%	-7.86%
Oil (NYMEX future, \$)	86.5	83.7	-3.25%	-15.99%
Gold (Ounce, \$)	1,560.4	1,611.8	3.30%	2.96%
Silver (XAG, \$)	27.7	28.5	2.73%	1.39%

Şeker Funds	Previous	Last*	Chg.	YTD
Şekerbank A T. Shares	0.233891	0.234076	0.08%	5.07%
Şekerbank B T. Bond&Bill	0.019553	0.019545	-0.04%	0.49%
Şekerbank B T. Liquid	0.797954	0.798533	0.07%	3.80%
Şeker Yat. A T. Mix	0.015105	0.015114	0.06%	-4.49%
Şeker Yat. B T. Gold	0.016915	0.016966	0.30%	-4.32%

**Gözde Girişim (GOZDE.TI; N/C)** - The Competition Board has approved Gözde Girişim's 51% subsidiary, Kobin Madencilik İnşaat's, purchase of Kumas Manyezit from the SDIF (Savings Deposit Insurance Fund).

**Hürriyet's (HURGZ.TI; N/R)** General assembly is to be held on June 26, 2012.

**Turkish Airlines (THYAO.TI; Outperform)** has announced withdrawing from talks on a possible partnership with Poland's LOT. The company has stated that the deal would have made just a limited contribution to its medium-to-long term plans.

America	World Indices			
	Previous	Last	Chg.	YTD
Dow Jones (US)	12,394	12,119	-2.22%	-0.81%
Nasdaq (US)	2,827	2,747	-2.82%	5.46%
S&P 500 (US)	1,310	1,278	-2.46%	1.63%
Bovespa (Brasil)	54,490	53,403	-2.00%	-5.90%
Merval (Argentina)	2,257	2,215	-1.84%	-10.05%
Mexico Bolsa (Mexico)	38,071	37,182	-2.33%	0.28%

Europe	World Indices			
	Previous	Last	Chg.	YTD
Dax (Germany)	6,264	6,050	-3.42%	2.58%
FTSE 100 (UK)	5,321	5,260	-1.14%	-5.60%
CAC 40 (France)	3,017	2,950	-2.21%	-6.63%
WSE WIG (Poland)	37,794	37,312	-1.27%	-0.75%
Prague (Czech Republic)	866	859	-0.74%	-5.70%
Budapest (Hungary)	16,100	16,384	1.76%	-3.48%
RTSI (Rusya)	1,250	1,227	-1.78%	-11.09%

Asia/Africa	World Indices			
	Previous	Last	Chg.	YTD
Nikkei (Japan)	8,543	8,440	-1.20%	-0.18%
Hang Seng (Hong Kong)	18,630	18,558	-0.38%	0.51%
Shanghai Comp. (China)	2,385	2,372	-0.52%	8.20%
KOSPI (South Korea)	1,845	1,843	-0.08%	0.97%
JSE Africa All Shr.(S.Africa)	33,143	33,107	-0.11%	3.51%

Turkdex (Set. Price)	Previous	Last	Chg.	YTD
INX100 (JUNE 12)	55.850	55.425	-0.76%	6.43%
INX30 (JUNE 12)	66.625	67.050	0.64%	7.54%
USD (JUNE 12)	1.878	1.871	-0.37%	-2.37%
EURO (JUNE 12)	2.323	2.325	0.09%	-6.29%
COTTON (MAY 12)	4.035	4.035	0.00%	4.94%
WHEAT (MAY 12)	0.609	0.609	0.00%	-2.01%
GOLD (JUNE 12)	93.825	96.795	3.17%	-0.46%

Recommend.	Date	Price	Close	(%)	Relative
Tofas	08.09.11	5.84	6.24	6.8%	6.2%
TAV Airports Holding	08.01.10	4.75	8.88	86.9%	84.9%
Garanti Bank	04.05.12	6.40	6.00	-6.3%	0.0%
Turkish Airlines	01.06.12	2.52	2.59	2.8%	1.9%
Turkcell	04.05.12	8.83	8.32	-5.8%	0.5%
Aksa Akirlik	10.01.12	3.90	3.93	0.8%	-9.6%
Halkbank	04.05.12	12.00	12.00	0.0%	6.7%
Arçelik	08.09.11	6.32	8.00	26.6%	25.8%
Portfolio Yield					89.0%

\*Starting date of portfolio 30/11/2004

This document has been prepared by the Equity Research Department of Şeker Securities. The information and data used in this report have been obtained from public sources that are thought to be reliable and complete. However, Şeker Securities does not accept responsibility for any errors and omissions. This document should not be construed as a solicitation to buy or sell securities herein. This document is to be distributed to qualified emerging market investors only.