

Agenda

08 Monday

- TurkStat, November industrial production
- Germany, November factory orders
- Eurozone, November retail sales

09 Tuesday

- Treasury auctions
- Germany, November industrial production

10 Wednesday

- U.S., November wholesale inventories

11 Thursday

- Eurozone, November industrial production
- U.S., jobless claims
- U.S., December PPI

12 Friday

- CBRT, November balance of payments
- U.S., December CPI
- U.S., December Retail Sales

Outlook:

Major global stock markets generally advanced on Thursday, on optimism over global growth and the upcoming US corporate earnings season. The decline in US PPI and Treasury yields also supported the advance. The BIST100, too, rose 1.0% to close at 114,719, where the average advance among banking sector stocks was at 1.3%. Total trading volume was at TRY 8.2bn. Today, the CBRT will announce November balance of payments data; the market expectation is for a deficit of US\$3.9bn (Şeker Invest est.: US\$4.1bn). From abroad, investors will be following December CPI and December Retail Sales data from the US. Asian markets have been trading flatly today, and European counterparts are expected to follow suit. We expect the BIST to open with some buyers today, and with the uptrend to continue during the day. RESISTANCE: 115,800-116,800 SUP-PORT: 114,400-113,000.

Money Market:

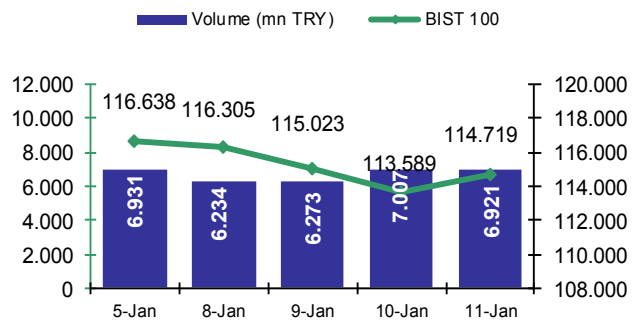
The Lira was positive yesterday, gaining 0.75% against the USD to close at 3.7718. Additionally, the currency appreciated by 0.2% against the basket composed of \$0.50 and €0.50. Meanwhile, the local fixed income markets were stayed flat. The two-year benchmark bond was traded within a range of 13.39%-13.42%, ending at the 13.42%, 2 bps below its previous close.

Company News:

Kardemir (KRDMD.TI; OP) has shared a new price list reducing its rebar prices by 2.6% in TRY terms to TRY 2,050 – TRY 2,615 for the first time since June 2017. The prices of all other products were maintained unchanged. We have yet to see whether this latest price action would define a wider trend throughout 2018E; currently, we expect Kardemir to be able to attain strong operating profitability in 4Q17E and 1Q18E. Hence, at this point we do not expect the price action to have a significant effect on the company's share performance.

On another note, the government has once again reduced customs taxes for imported construction steel to 0% from the previous 10% (which was earlier reduced from 30%, in July 2017) effective from the beginning of 2018. Being designed to facilitate imports, this reduction may increase competition in the market, limiting the price-increase capabilities of long steel producers in the local market to an extent. The development could, therefore, potentially reflect somewhat negatively on long steel producer Kardemir's operating performance.

Petkim (PETKM.TI; OP) has mandated Goldman Sachs International and J.P. Morgan Securities for the issuance of its debt securities for up to US\$500mn to be sold beyond Turkey (planned to be listed on the Irish stock exchange) through one or more issuances. Starting from January 15th, Petkim will be on a roadshow, meeting with investors in the UK and USA in this regard. Meanwhile, Fitch Ratings has assigned a Long Term Issuer Default Rating of 'B' to the company with a 'Stable' outlook, and Moody's has assigned a 'B1' corporate family rating and B1 - PD probability of default rating with a 'Stable' outlook. Both agencies cite Petkim's increasing leverage as their rating constraints (Neutral).



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	113.589	114.719	0,99%	-0,53%
BIST 30	138.731	140.123	1,00%	-1,40%
BIST-Financial	133.763	135.434	1,25%	-0,60%
BIST-Industrial	130.304	131.686	1,06%	1,76%
BIST-Services	80.795	81.160	0,45%	-2,42%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
INTEM	19,97	MRGYO	-6,88	THYAO	986.616.457
DENCM	18,15	EGCYH	-4,76	KARSN	521.472.326
FLAP	8,68	SILVR	-4,26	VESTL	387.477.702
ZOREN	8,59	FMIZP	-4,21	KRDMD	382.862.779
YAYLA	8,40	ADNAC	-3,74	PETKM	332.449.609

Money Market	Previous	Last	Pr. Mn	YE15
O/N Repo (%)	12,06	12,08	11,78	12,27
Euro Bond (30 year, \$)	156,83	156,83	151,53	156,43
Bond (Benchmark, %)	13,44	13,42	13,27	13,40

Currency	Previous	Last	Chg.	YTD
US\$	3,7905	3,7915	0,03%	0,08%
Euro	4,5455	4,5615	0,35%	0,51%
Euro/Dolar	1,2031	1,20485	0,15%	0,57%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	69,1	69,2	0,19%	4,42%
Oil (NYMEX future, \$)	63,8	63,6	-0,28%	5,86%
Gold (Ounce, \$)	1.321,9	1.328,6	0,51%	2,20%
Silver (XAG, \$)	17,0	17,1	0,79%	1,26%

Şeker Funds	Previous	Last*	Chg.	YTD
Şeker Portfoy Equity Fund	0,479435	0,484091	0,97%	-0,86%
Şeker Portfoy Debt Instruments	0,026719	0,026729	0,04%	0,32%
Şeker Portfoy Money Market	1,231065	1,231443	0,03%	0,31%
Şeker Portfoy Mix Fund	0,024671	0,024768	0,39%	0,19%
Şeker Portfoy Gold Fund	0,024388	0,024421	0,14%	2,28%
Şeker Portfoy Short T. Debt	0,014732	0,014737	0,03%	0,38%

* Prices as of 12-Jan-18

Mavi Giyim's (MAVI.TI; N/C) shareholder Blue International Holding BV is to sell TRY 9,507,103 nominally valued shares representing 19.1% of the capital of Mavi Giyim within the scope of wholesale transactions on 12/01/2018, at TRY 52,25 per TL 1 nominally valued share (total amount TRY 496.7mn).

According to Bloomberg HT, UniCredit SPA and Koc Holding have initiated a capital increase for US1bn for **Yapı Kredi Bank (YKBNK.TI; MP)**. Please note that Yapı Kredi Bank had raised US500mn of Tier II debt in March 2017, and that its total capital adequacy ratio was at 14.9% as of 3Q17. There has yet to be an official announcement (Slightly negative).

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	25.369	25.575	0,81%	2,97%	
Nasdaq (US)	7.154	7.212	0,81%	3,76%	
S&P 500 (US)	2.748	2.768	0,70%	2,98%	
Bovespa (Brasil)	78.201	79.365	1,49%	3,88%	
Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	13.281	13.203	-0,59%	2,21%	
FTSE 100 (UK)	7.749	7.763	0,19%	0,98%	
CAC 40 (France)	5.489	5.489	0,00%	2,89%	
MIB30 (Italy)	23.305	23.305	0,00%	6,02%	
PSI20 (Portugal)	5.644	5.644	0,00%	4,90%	
ASE (Greece)	836	847	1,28%	5,84%	
RTSI (Rusia)	1.235	1.249	1,14%	9,21%	
Asia	Previous	Last	Chg.	YTD	
Nikkei (Japan)	23.710	23.603	-0,45%	3,68%	
Hang Seng (Hong Kong)	31.120	31.278	0,51%	4,54%	
Shanghai Comp. (China)	3.425	3.427	0,05%	3,62%	
KOSPI (South Korea)	2.488	2.487	-0,05%	0,78%	
Sensex (India)	6.386	6.386	0,00%	-81,25%	
Turkdex (Set. Price)	Previous	Last	Chg.	YTD	
INX30 (FEBRUARY 18)	141,275	142,750	1,04%	-1,69%	
USD (FEBRUARY 18)	3,8249	3,804	-0,55%	-1,29%	
EURO (FEBRUARY 18)	4,5881	4,589	0,03%	-1,04%	
GOLD (FEBRUARY 18)	164,26	164,01	-0,15%	1,12%	
Portfolio Recommend.	Inclusio Date	Inclusio Price	Last Close	Chg. (%)	BIST Relative
Tofas	30.01.17	25,84	32,08	24,1%	-9,3%
Turkish Airlines	06.12.17	12,80	15,66	22,3%	13,3%
Migros	09.11.15	19,05	25,90	36,0%	-2,9%
Turk Telekom	02.08.17	7,08	6,16	-13,0%	-19,2%
Turkcell	22.02.17	11,80	14,50	22,9%	-4,7%
Portfolio Yield (yoy)				39,8%	0,3%
Portfolio Yield (mom)				-0,8%	-6,4%

*Starting date of portfolio 30/11/2004

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