

Agenda

09 Monday

- Germany, August industrial production
- TurkStat, August industrial production

10 Tuesday

- N/A

11 Wednesday

- CBRT, August balance of payments

12 Thursday

- U.S., jobless claims
- U.S., September PPI

13 Friday

- U.S., September retail sales
- U.S., September CPI
- U.S., October Michigan consumer confidence

Outlook:

Trading at the major stock markets overall was flat on Thursday, with just a slight recovery in Europe and declines in the US ahead of the CPI data announcement. Having opened on a positive note, the BIST100 reached 106,000 levels during the day to close up 2.0% at 105,932, thanks to expectations of a resolution to the US suspension of new visa services with the expected arrival of a committee. Today, market participants will be following September CPI, retail sales and October Michigan consumer confidence data from the US. Investors in Turkey will remain tuned to developments pertaining to the political dispute with the US, plus operations in Idlib, Syria. Asian markets have been trading positively today, yet the European markets are expected to open with some selling. We expect a slightly positive opening at the BIST. RESISTANCE: 106,800-107,500 SUPPORT: 105,100-104,400.

Money Market:

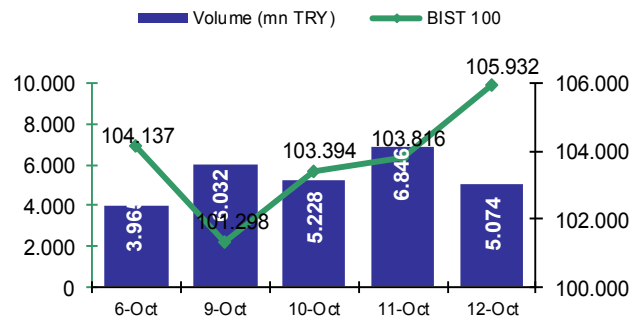
The Lira was positive yesterday, gaining 0.33% against the USD to close at 3.6555. Additionally, the currency appreciated by 0.37% against the basket composed of \$0.50 and €0.50. The local fixed income markets were positive. The two-year benchmark bond was traded within a tight range of 12.06%-12.16%, ending at the 12.14%, 11 bps below its previous close.

Company News:

Ayen Energy (AYEN.TI; NR) has announced that the Ayen and Albanian Fusha Shpk JV has submitted the highest bid at the BOT model tender for the Kalavic Hydro Power plant (111 MW installed capacity) in Albania. Ayen also stated that the assessment process continues (Positive).

Pegasus Airlines (PGSUS.TI; OP) has applied to the Tax Settlement Commission of the Revenue Administration, regarding the additional tax liability and tax penalties (of a total of ca.TRY 97.3mn: TRY 38.6mn income tax and TRY 0.3mn stamp tax liabilities, TRY 58.0mn income tax and TRY 0.4mn stamp tax penalties) imposed against the it following the audit conducted for the year 2014, in respect of income tax withholding on flight indemnity and flight indemnity difference payments made to its pilots and its flight crew. In line with this application, and according to its belief in being in full compliance with the applicable tax law, Pegasus has decided not to request partial tax relief within the scope of Restructuring of Certain Receivables Law. The company has also not recorded any contingent liabilities in this respect in its financial statements either. At this point, it is not certain whether the carrier will be required to pay said charges in full corresponding to ca.45% of the company's 2017E NI; the assumption of Pegasus reimbursing these charges totally would negatively impact our TP for the carrier by ca.2%.

Turkish Airlines (THYAO.TI; OP), Pegasus (PGSUS.TI; OP) According to news on web portal Airporthaber, Hungarian LCC WizzAir is interested in purchasing Borajet, a privately-owned Turkish air carrier, formerly offering services within Turkey and to Cyprus, Iraq, Lebanon, Germany and Italy. The development, while yet confirmed by other news sources, has the prospect of a possible increase in competition, which might create jittery sentiment around air carriers Turkish Airlines and Pegasus' stocks. Borajet had suspended its operations by April 2017, when it had a fleet size of 10 aircraft, planning to resume them sometime next year. Various media outlets had then reported the company was facing bankruptcy and/or >>>



Indices (TRY)	Previous	Last	Chg.	YTD
BIST 100	103.816	105.932	2,04%	35,57%
BIST 30	127.232	129.979	2,16%	36,11%
BIST-Financial	126.434	128.315	1,49%	23,86%
BIST-Industrial	117.852	120.853	2,55%	44,59%
BIST-Services	69.597	71.002	2,02%	43,08%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
BANVT	19,98	MSGYO	-8,38	THYAO	1.144.836.521
PEGYO	12,62	UTPYA	-4,53	TUPRS	359.403.153
ASUZU	10,62	MAKTK	-3,54	GARAN	313.370.374
SANFM	10,47	IPEKE	-3,03	KRDMD	224.760.706
YAZIC	8,22	ROYAL	-2,86	EREGL	197.951.335

Money Market	Previous	Last	Pr. Mn	YE15
O/N Repo (%)	11,76	11,76	11,78	9,50
Euro Bond (30 year, \$)	160,23	160,23	162,13	147,10
Bond (Benchmark, %)	12,25	12,14	11,61	10,94

Currency	Previous	Last	Chg.	YTD
US\$	3,6675	3,6555	-0,33%	3,34%
Euro	4,3435	4,3255	-0,41%	16,73%
Euro/Dolar	1,1830	1,18495	0,16%	13,07%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	56,4	56,5	0,20%	-0,41%
Oil (NYMEX future, \$)	50,6	50,9	0,61%	-5,53%
Gold (Ounce, \$)	1.293,8	1.296,5	0,21%	12,60%
Silver (XAG, \$)	17,2	17,3	0,12%	8,41%

Şeker Funds	Previous	Last*	Chg.	YTD
Şeker Portfoy Equity Fund	0,433726	0,443693	2,30%	31,10%
Şeker Portfoy Debt Instruments	0,026183	0,026262	0,30%	7,00%
Şeker Portfoy Money Market	1,197276	1,198022	0,06%	8,31%
Şeker Portfoy Mix Fund	0,022788	0,022891	0,45%	16,28%
Şeker Portfoy Gold Fund	0,023254	0,023118	-0,58%	12,56%
Şeker Portfoy Short T. Debt	0,014299	0,014310	0,08%	8,03%

* Prices as of 13-Oct-17

>>> was preparing to offer services from the new Istanbul Grand Airport refurbishing its fleet. WizzAir, on the other hand, has been growing rapidly; the carrier plans to reach a fleet size of 92 aircraft by 2018, and expects 110 A321neo deliveries from 2019 onwards, increasing its fleet size by about 60% over the next 6 years. Growth has been a key focus of Wizz Air, as with most other carriers, and the LCC had recorded a Pax increase of 19% in 2017 (its fiscal year ends in March), a year in which over-expansion had hit most of carriers, and a further 25% in 1Q18. WizzAir currently operates flights to various European destinations from its central and eastern European bases in Belgrade, Budapest and Varna. The carrier had recently announced Luton-London as a new base.

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	22.873	22.841	-0,14%	15,58%	
Nasdaq (US)	6.604	6.592	-0,18%	22,45%	
S&P 500 (US)	2.555	2.551	-0,17%	13,94%	
Bovespa (Brasil)	76.897	76.660	-0,31%	27,28%	
Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	12.971	12.983	0,09%	13,08%	
FTSE 100 (UK)	7.534	7.556	0,30%	5,79%	
CAC 40 (France)	5.361	5.361	0,00%	10,25%	
MIB30 (Italy)	22.399	22.399	0,00%	16,45%	
PSI20 (Portugal)	5.457	5.457	0,00%	16,63%	
ASE (Greece)	749	751	0,37%	16,73%	
RTSI (Rusia)	1.143	1.144	0,06%	-0,73%	
Asia	Previous	Last	Chg.	YTD	
Nikkei (Japan)	19.275	20.955	8,72%	9,63%	
Hang Seng (Hong Kong)	27.668	28.459	2,86%	29,36%	
Shanghai Comp. (China)	3.365	3.386	0,62%	9,10%	
KOSPI (South Korea)	2.344	2.475	5,59%	22,12%	
Sensex (India)	31.688	32.182	1,56%	20,87%	
Turkdex (Set. Price)	Previous	Last	Chg.	YTD	
INX30 (OCTOBER 17)	128,175	130,775	2,03%	35,83%	
USD (OCTOBER 17)	3,7558	3,739	-0,45%	4,85%	
EURO (OCTOBER 17)	4,4703	4,437	-0,74%	17,74%	
GOLD (OCTOBER 17)	153,41	153,20	-0,14%	14,93%	
Portfolio Recommend.	Inclusio Date	Inclusio Price	Last Close	Chg. (%)	BIST Relative
Tofas	30.01.17	25,84	30,54	18,2%	-6,5%
Tupras	03.10.17	121,90	127,50	4,6%	1,6%
Migros	09.11.15	19,05	24,60	29,1%	-0,1%
Turk Telekom	02.08.17	7,08	6,89	-2,7%	-2,1%
Turkcell	22.02.17	11,80	13,54	14,7%	-3,6%
Portfolio Yield (yoy)				49,7%	11,9%
Portfolio Yield (mom)				-2,4%	-0,3%

*Starting date of portfolio 30/11/2004

This document has been prepared by the Equity Research Department of Şeker Invest. The information and data used in this report have been obtained from public sources that are thought to be reliable and complete. However, Şeker Invest 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.