

### Agenda

#### 26 Monday

- CBRT to announce capacity utilization rate for November.
- CBRT to announce real sector confidence index for November.

#### 27 Tuesday

- CBRT to announce MPC's meeting minutes.
- U.S., October durable goods order figures.
- U.S., November CB consumer confidence.

#### 28 Wednesday

- German, October CPI figures.
- U.S., November new home sales figures.

#### 29 Thursday

- CBRT to announce Financial Stability Report
- Eurozone, November business climate indicator.
- U.S., jobless claims.
- U.S., 3Q12 GDP figures.
- U.S., October pending home sales.

#### 30 Friday

- TurkStat to announce foreign trade figures for October.
- Treasury to announce domestic borrowing strategy for December-February.
- Eurozone, November CPI figures.
- Eurozone, November unemployment rate figures.
- U.S., October personal income and spending figures.

### Outlook:

Low interest rates shield ISE from hard sell-offs: Good morning, The ISE is continuing to maintain its upward trend on the back of historically low interest rates. Yesterday, the index ended the day 0.66% higher at 72,449, having peaked at 72,892 on a volume of TRY 2.87bn. The benchmark bonds closed at their historic low of 5.98%, and the USD also closed down at 1.7862 against the TRY, and is trading slightly lower this morning at TRY 1.7850. The positive mood was also observed in the international markets due to much better than expected home sales data from the US, and low interest rates. We would like to remind our short-term investors that Tofas (TOASO.TI; Outperform) stock will be included in the MSCI as of Monday, December 3, 2012, and thus we expect a positive opening for it today. We may also see a positive movement in Uyum Gida (UYUM.TI; N/C) shares after the company announced their stake sale to Makro markets, as opposed to UK retailer Tesco Kipa (KIPA.TI; N/C). Today, we expect more of the positive mood at the opening bell, and meanwhile November foreign trade data will be announced, where the CNBC estimate is for a USD 8bn deficit, versus Seker's USD 7.6bn. Meanwhile, on the international front, the German assembly will be voting on the Greek bailout plan, although no great surprise is expected there.

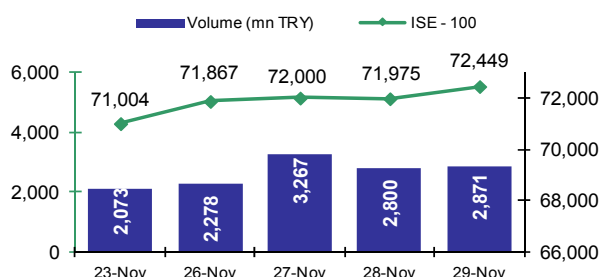
### Money Market:

The lira was bullish yesterday as the local currency gained 0.36% to close at 1.7862. Additionally, the lira appreciated by 0.19% against the basket composed of \$0.50 and €0.50. Meanwhile, the local fixed income market was relatively negative. The two-year benchmark bond traded within a tight range of 5.96% - 6.05%, ending at 5.98%, thus 10bps below the previous finish.

### Domestic Headlines:

**Nothing new affecting markets in Financial Stability Report** According to the CBT's bi-annual Financial Stability Report released yesterday, the Bank stressed the importance of positioning against potential excess volatility in the currency due to increased risk appetite for the Turkish economy, supporting expectations that the Bank will likely cut policy rate and/or ON borrowing rate in the upcoming months. While, the Bank expects continued decline in loan rates in the upcoming months, it expects 14% year-end loan growth. In addition, it prefers loan growth to remain below 15% on average in the upcoming years in order to consolidate price and financial stability. The CBRT also said that the Reserve Option Mechanism, still under construction, would be used in the forthcoming period against a potential short-term capital flood and resulting appreciation pressure on the lira.

**Today's releases** Today TurkStat is to disclose October's foreign trade data at 10:00 (8:00 London time). At USD 7.6bn, our trade deficit forecast for the month is slightly below the market consensus of USD 8.0bn. (We forecast USD 13bn of exports against USD 20.6bn in October.) Our monthly figure would bring the 12-month rolling trade deficit slightly down to USD 86.8bn from the USD 87.2bn registered in September. We expect net gold exports to remain at an elevated level in October, as Deputy Prime Minister Ali Babacan said that gold exports to Iran were related to payments to that country for natural gas imports.



Indices (TRY)	Previous	Last	Chg.	YTD
ISE-100	71,975	72,449	0.66%	41.32%
ISE-30	89,647	90,256	0.68%	46.29%
ISE-Financial	104,591	105,308	0.69%	48.44%
ISE-Industrial	60,376	60,645	0.45%	25.71%
ISE-Services	45,687	46,081	0.86%	34.35%

Advances		Declines		Most Active	
Stocks	(%)	Stocks	(%)	Stocks	Vol (TR)
PIMAS	7.00	BLCYT	-10.13	HALKB	337,806,953
KONYA	6.98	ERICO	-7.63	GARAN	325,473,925
MEMS1	6.52	UZERB	-5.82	IPEKE	255,028,316
ORGE	6.11	IPEKE	-5.37	ISCTR	208,684,467
HITITY	5.65	BRKO	-4.76	KOZAA	182,118,058

Money Market	Previous	Last	Pr. Mn	YE11
O/N Repo (%)	5.03	5.00	5.16	10.55
Euro Bond (30 year, \$)	198.25	198.50	163.70	164.00
Bond (Benchmark, %)	5.98	5.97	7.22	11.14

Currency	Previous	Last	Chg.	YTD
US\$	1.7905	1.7865	-0.22%	-5.50%
Euro	2.3125	2.3185	0.26%	-5.27%
Euro/Dolar	1.2977	1.3021	0.34%	0.62%

Commodity	Previous	Last	Chg.	YTD
Oil (Brent spot, \$)	110.2	110.7	0.47%	3.27%
Oil (NYMEX future, \$)	88.1	87.9	-0.16%	-11.77%
Gold (Ounce, \$)	1,725.0	1,729.8	0.28%	10.50%
Silver (XAG, \$)	34.2	34.3	0.18%	22.10%

Şeker Funds	Previous	Last*	Chg.	YTD
Şekerbank A T. Shares	0.271037	0.272300	0.47%	22.23%
Şekerbank B T. Bond&Bill	0.019723	0.019718	-0.03%	1.38%
Şekerbank B T. Liquid	0.822546	0.822650	0.01%	6.94%
Şeker Yat. A T. Mix	0.015276	0.015309	0.22%	-3.26%
Şeker Yat. B T. Gold	0.017622	0.017534	-0.50%	-1.12%
Şekerbank B T. Short T. Bond&Bill	0.010153	0.010154	0.01%	-

\*Prices as of 30-Nov-12

Therefore, we continue to expect net gold exports at least until year-end, hence a USD 53bn current account deficit for this year, notably below the market consensus (CNBC-e survey: USD 57.9bn).

Separately, the Treasury is to release its Domestic Borrowing Strategy for December-February at 17:00 (15:00 London time). Recall that it has a trivial TRY 1.6bn debt redemption for December according to the Domestic Borrowing strategy for November-January.

**According to various media sources**, there could be an electricity price hike in the wake of the Turkish Petroleum Pipeline Corporation's (BOTAS) 37% increase in the price of natural gas delivered to public electricity power plants.

### Company News:

**Is Bank (ISCTR.TI; Market Perform)** has sold TRY 285,618,950 of its NPL book to LBT Varlik for TRY 50,126,958.

**Petkim (PETKM.TI; Marketperform)** has signed tenancy contract with the Izmir Department of Revenues to construct a port and back fill in land belonging to the Undersecretariat of the Treasury and Foreign Trade. The amount of the tenancy for the first year is TRY 6.4mn, thereafter to increased in line with the PPI index till 2047.

According to media news, **TAV Airports Holding (TAVHL.TI; Outperform)** is to sign a Euro 250mn credit agreement with Unicredit, EBRD Siemens Bank and **Denizbank (DENIZ.TI; N/C)** for the domestic terminal of Izmir Adnan Menderes Airport today. Recall that TAV plans to open the domestic and CIP terminal of Izmir Adnan Menderes Airport, in which it has invested Euro 250mn in 2014 (Neutral).

**Uyum Gida (UYUM.TI; N/C)** has agreed to sell its 47.32% stake (4,536,000 A group and 23,856,000 B group, making a total of 28,392,000 nominal shares) to Makro Market for TRY 81,768,960 at TRY 2.88 per share (accordingly, Uyum's total sales price is TRY 172,800,000). Uyum Gida stated that after this process, a call obligation would not be necessary since the purchase is below the level that would trigger a mandatory tender offer for minority shareholders. The company stated that the transfer would be realized after a Competition Board decision. Uyum Gida's current Mcap is TRY 166,200,000 (TRY 2.77/share). Its shares carry a 4% upside according to the announced sales price.

World Indices					
America	Previous	Last	Chg.	YTD	
Dow Jones (US)	12,985	13,022	0.28%	6.58%	
Nasdaq (US)	2,992	3,012	0.68%	15.62%	
S&P 500 (US)	1,410	1,416	0.43%	12.59%	
Bovespa (Brasil)	56,539	57,853	2.32%	1.94%	
Merval (Argentina)	2,328	2,408	3.47%	-2.21%	
Mexico Bolsa (Mexico)	41,769	41,913	0.34%	13.04%	

Europe	Previous	Last	Chg.	YTD	
Dax (Germany)	7,343	7,401	0.78%	25.48%	
FTSE 100 (UK)	5,803	5,870	1.15%	5.35%	
CAC 40 (France)	3,515	3,569	1.53%	12.95%	
WSE WIG (Poland)	44,605	44,788	0.41%	19.13%	
Prague (Czech Republic)	976	992	1.69%	8.89%	
Budapest (Hungary)	17,635	17,845	1.19%	5.13%	
RTSI (Rusya)	1,415	1,421	0.46%	2.95%	

Asia/Africa	Previous	Last	Chg.	YTD	
Nikkei (Japan)	9,423	9,308	-1.22%	10.09%	
Hang Seng (Hong Kong)	21,709	21,923	0.99%	18.73%	
Shanghai Comp. (China)	1,991	1,974	-0.89%	-9.98%	
KOSPI (South Korea)	1,925	1,913	-0.65%	4.77%	
JSE Africa All Shr.(S.Africa)	37,438	37,909	1.26%	18.52%	

Turkdex (Set. Price)	Previous	Last	Chg.	YTD	
INX100 (DECEMBER 12)	72.175	72.950	1.07%	40.09%	
INX30 (DECEMBER 12)	90.300	90.800	0.55%	45.63%	
USD (DECEMBER 12)	1.800	1.796	-0.25%	-6.29%	
EURO (DECEMBER 12)	2.321	2.334	0.56%	-5.95%	
COTTON (DECEMBER 12)	3.750	3.750	0.00%	-2.47%	
WHEAT (DECEMBER 12)	0.720	0.720	0.00%	15.94%	
GOLD (DECEMBER 12)	99.015	99.435	0.42%	2.26%	

Portfolio Recommend.	Inclusio Date	Inclusio Price	Last Close	Chg. (%)	ISE Relative
Tofas	08.09.11	5.84	10.75	84.1%	40.3%
TAV Airports Holding	08.01.10	4.75	8.76	84.4%	39.9%
Garanti Bank	04.05.12	6.40	8.30	29.7%	6.1%
Turkish Airlines	01.06.12	2.52	5.10	102.4%	53.9%
Turkcell	04.05.12	8.83	10.80	22.3%	0.1%
Aksa Akriklik	10.01.12	3.90	4.81	23.3%	-15.2%
TSKB	21.09.12	1.93	1.97	2.1%	-5.6%
Aygaz	24.08.12	8.44	8.74	3.6%	-5.5%
Portfolio Yield					98.4%

\*Starting date of portfolio 30/11/2004

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