

Daily Bulletin

Wednesday, September 1, 2010



Headlines

The minutes of the Central Bank's monetary policy meeting was released yesterday. The bank noted once again that that inflation would increase temporarily in the short term before reverting back to a declining path by the last quarter of the year. The committee has also discussed that the delay in the enactment of the fiscal rule has increased the importance of the current fiscal policy implementation.

The Treasury released the September borrowing program. The Treasury intends to borrow 11.4 billion lira via domestic borrowing to finance the redemption of 14 billion lira. Five auctions will be held, including a 5 year fixed coupon bond and a 7 year FRN.

Turkish Statistics Institute (TUIK) announced the foreign trade deficit of July as USD 6.4 billion, showing 69% widening when compared to the same month of last year. The deficit of the first seven months of the year is USD 34.9 billion. While the exports increases by 6% to USD 9.6 billion, the imports have also risen by 25% to USD 16 billion in July.

ISE Comment

Despite the weak trading in European markets, local stocks managed to start the day with limited loss and bounced back shortly after the opening. The index soared in the afternoon hours, starting ahead of the US data releases and closed with the support of the last minute efforts to touch 60,000, with more than 1% gain. The US data released yesterday on home prices and consumer confidence both beat the estimates. The US markets started the day higher but failed to preserve the early gains after the release of the Fed's policy meeting minutes.

While the week is data loaded, the US private sector employment report will be the first of the A rated ones. The expectations have been upwardly revised after the increase in consumer confidence. The markets will also watch the euro zone PMI, the US ISM index and the July construction spending. Apart from the ADP report, the other US data releases may fail to impress the markets. The ISE100 index is testing 60,000 and has staged a fast breakthrough from the short term declining trend of last month yesterday. Depending on the US ADP report the index may manage to remain over 60,000. The supports will be at 59,000 – 200.

Corporate News

AFM (AFMAS); Eurasia Cinemas completed the sale of 88% of AFM to Esas Holding.

Bagfas (BAGFS); took an order of US\$1mn from Croatia. The delivery will be completed in August.

Markets Summary	31-Aug	Daily (%)	Monthly (%)
ISE-100	59,973	1.06	0.2
US Dollar/TL	1.5209	0.37	1.1
Euro/TL	1.9278	0.05	-1.6
Euro/US Dollar	1.2675	-0.32	-2.7
	Last	Previous	
Benchmark G-Bond (01/25/12)	813	814	
Eurobond (01/15/30)	170.25	169.50	

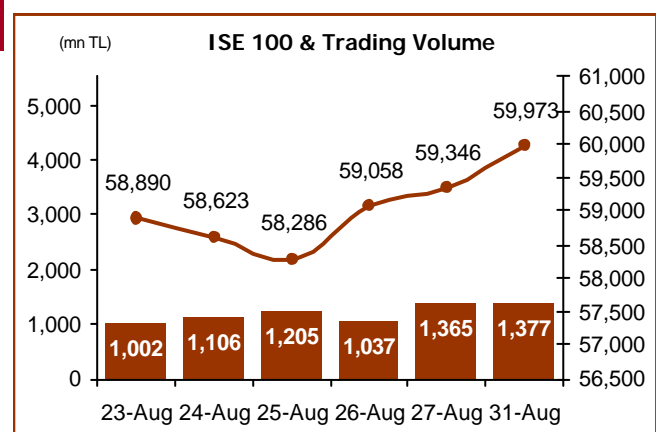
ISE Indices	31-Aug	Daily (%)	Monthly (%)
ISE-100	59,973	1.06	0.18
ISE-100 (cents)	3.94	0.68	-0.90
ISE Financial	92,632	1.17	-1.84
ISE Industrial	44,381	0.87	2.42
ISE Services	38,128	0.56	4.76

ISE100 Summary	31-Aug	27-Aug
Trading Volume (US\$m)	905.3	900.8
Mcap of ISE100 shares (US\$bn)	227.5	226.0
Free Float Mcap of ISE100 shares (US\$bn)	79.1	78.6

Foreign Stock Exchanges	Close	Daily (%)
US (DJ Ind.)	10,015	0.05
US (Nasdaq Comp.)	2,114	-0.28
Brazil (Bovespa)	65,145	1.38
Frankfurt (DAX)	5,925	0.22
Paris (CAC 40)	3,491	0.11
London (FTSE 100)	5,225	0.45
Hong Kong (Hang Sang)	20,617	0.51
Tokyo (Nikkei 225)	8,927	1.17

TSKB Funds	Price (YTL)	Daily (%)	YTD* (%)
A Type Stock Fund	0.035255	0.38	9.02
B Type Var. Four Season Fund	0.054427	0.01	4.37
B Type Variable Fund	4.177409	0.03	2.99
B Type Liquid Fund	1.556560	0.01	2.18
B Type Notes'n Bonds	5.926317	0.01	3.64

*Year to date



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