

Daily Bulletin

Thursday, September 2, 2010



Headlines

Finance Minister Simsek said that Turkish economy might have grown by 10% in the first half of the year and the current account deficit could be the only concern about Turkish economy. Simsek also noted that the fiscal program may fill in for the fiscal rule.

The Turkish Exporters' Assembly (TIM) announced that the exports in August have increased by 11.44% when compared to the same month of last year, to USD 8.56 billion. The year to date data shows the exports have increased by 13%, up to USD 73 billion when compared to the first eight months of 2009.

Istanbul Chamber of Commerce (ITO) announced the August inflation of Istanbul which differs from the national data. According to ITO, retail prices soared by 0.75% in August while wholesale prices also rose by 0.26%. The national data will be released on Friday. The Central Bank has noted in its lately released policy meeting notes that the inflation is expected to display a significant rise in August due to sharp increases in fruit prices, but then trend downwards in the last quarter with the support of a reversal in last year's food price base effects.

Markets Summary	01-Sep	Daily (%)	Monthly (%)
ISE-100	60,686	1.19	1.4
US Dollar/TL	1.5155	-0.36	0.7
Euro/TL	1.9361	0.43	-1.2
Euro/US Dollar	1.2775	0.79	-1.9
	Last	Previous	
Benchmark G-Bond (01/25/12)	8.08	8.13	
Eurobond (01/15/30)	170.75	170.25	

ISE Indices	01-Sep	Daily (%)	Monthly (%)
ISE-100	60,686	1.19	1.37
ISE-100 (cents)	4.00	1.55	0.63
ISE Financial	93,924	1.39	-0.47
ISE Industrial	44,934	1.25	3.70
ISE Services	38,166	0.10	4.87

ISE100 Summary	01-Sep	31-Aug
Trading Volume (US\$m)	1,109.4	905.3
Mcap of ISE100 shares (US\$bn)	230.3	227.5
Free Float Mcap of ISE100 shares (US\$bn)	80.3	79.1

ISE Comment

The ISE100 index rallied on the second consecutive day and tested 60,750. The manufacturing data from China showing a rebound in August and US ISM manufacturing index showing an advance while a contraction was expected helped the markets. While the advances in foreign markets were more than 2.5%, the local stocks closed the day with 1.2% daily gain while the index was at 60,685. The US ADP report was disappointing as there was a small amount of job losses in the private sector in August but the ISM index managed to save the day. The local bonds also gained value on the second day as the compound yield of the benchmark paper tested 8.04% downwards. The Central Bank mentioning its previously stated comments in the inflation report about risks about the monetary policy, including possible conditions that may urge a new easing cycle in the monetary policy meeting notes triggered the latest advance in the bond market.

The markets will be watching US weekly initial claims of the last week of August which has gained more importance after the ADP report showing a loss in payrolls in August. The European Central Bank's policy meeting and governor Trichet's speech will draw attention. The revision on the euro zone second quarter GDP together with the US pending home sales and factory orders will also be released today. The local stock exchange has been staging an advance on the last four days and is about to set a new record level, beating the 60,950 set by the end of July. The advances in foreign markets seem to cool down in the morning hours in US futures. Still ISE100 index may test 61,000. The supports will be at 60,300-500.

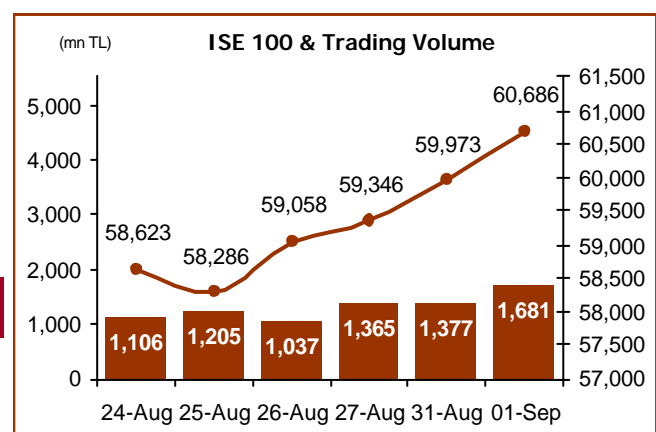
Foreign Stock Exchanges	Close	Daily (%)
US (DJ Ind.)	10,269	2.54
US (Nasdaq Comp.)	2,177	2.97
Brazil (Bovespa)	67,073	2.96
Frankfurt (DAX)	6,084	2.68
Paris (CAC 40)	3,624	3.81
London (FTSE 100)	5,366	2.70
Hong Kong (Hang Sang)	20,886	1.31
Tokyo (Nikkei 225)	9,063	1.52

TSKB Funds	Price (YTL)	Daily (%)	YTD* (%)
A Type Stock Fund	0.035549	0.83	9.93
B Type Var. Four Season Fund	0.054458	0.06	4.43
B Type Variable Fund	4.179478	0.05	3.04
B Type Liquid Fund	1.556738	0.01	2.19
B Type Notes'n Bonds	5.929241	0.05	3.69

*Year to date

Corporate News

THY (THYAO); launched talks for partnership prospects in the South Africa and Russia.



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