

Daily Bulletin

Monday, September 6, 2010



Headlines

The CPI increased by 0.40% monthly while the PPI surged by 1.15% in August. Both data were released to be higher than the estimates. The yearly change in headline CPI soared over 8% to 8.33% from 7.58% of July. The yearly inflation according to PPI also rose to 9.03% from 8.24%. The central bank has been mentioning about its expectation on temporary increase in inflation until the last quarter of the year and had underlined in its lately published monetary policy meeting notes that the inflation will be displaying a significant rise in August due to sharp increases in fruit prices. While the food prices rose by 2.95% in August and carried the headline CPI up, the core inflation indices retreated on the second consecutive month.

ISE Comment

The markets gained strength with the support of US economic data releases. The ISE100 index refreshed its record high slightly upwards while foreign markets rallied 4-5% as well. The US nonfarm payrolls showing less than expected decline boosted the markets. The ISE100 index hit 61,250 and closed at 61,000 with a limited daily advance of 0.22%. The bond yields tested 8.03% despite the yearly headline inflation surging over 8% with the release of the august data where the central bank had hinted temporary increase. The US markets soared 1.2-1.5% after the nonfarm payrolls data while the US futures still reflect the optimism on the new week together with the Asian markets in the early hours of Monday.

The local markets will be having a holiday shortened week but will still be busy. The industrial production of July will be released on Tuesday. The Treasury will be conducting two auctions; one will be the reissue of the benchmark paper. The foreign markets agenda is also heavy with three central bank meetings, from Japan, England and Canada. The US president Obama's speech will be watched and is expected to comment on new actions to support the economic recovery. The local stock market will be testing to increase over 61,000 but may hesitate ahead of the referendum to be held on September 12, on the latest constitutional amendment package. The resistance levels of the index will be at 61,300-700 while the supports are at 60,700-400.

Corporate News

Turcas Petrol (TRCAS); decided to increase its paid-in capital by 65% via a full bonus issue.

TEB (TEBNK); provided a loan from the international markets composed of two parts of US\$100mn and 190mn euros. The loan will cost $\text{libor/euribor} + 1.3\%$ to the bank.

Banking sector; According to Turkey's banking regulator (BDDK) banking sector loans were up 25.1% YoY in July. For the January-July time frame the sector's net profit expanded by 6.5%.

Markets Summary	03-Sep	Daily (%)	Monthly (%)
ISE-100	60,999	0.22	1.5
US Dollar/TL	1.4994	-0.40	0.9
Euro/TL	1.9241	-0.30	-2.1
Euro/US Dollar	1.2832	0.10	-3.0
	Last	Previous	
Benchmark G-Bond (01/25/12)	8.08	8.11	
Eurobond (01/15/30)	170.88	171.50	

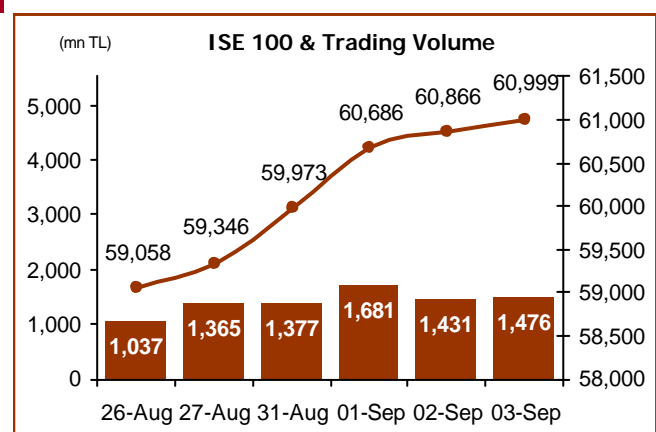
ISE Indices	03-Sep	Daily (%)	Monthly (%)
ISE-100	60,999	0.22	1.53
ISE-100 (cents)	4.07	0.62	0.64
ISE Financial	94,481	0.23	0.44
ISE Industrial	45,165	0.26	2.72
ISE Services	38,435	0.38	4.11

ISE100 Summary	03-Sep	02-Sep
Trading Volume (US\$m)	984.4	950.6
Mcap of ISE100 shares (US\$bn)	233.9	232.7
Free Float Mcap of ISE100 shares (US\$bn)	81.6	81.1

Foreign Stock Exchanges	Close	Daily (%)
US (DJ Ind.)	10,448	1.24
US (Nasdaq Comp.)	2,234	1.53
Brazil (Bovespa)	66,679	-0.19
Frankfurt (DAX)	6,135	0.83
Paris (CAC 40)	3,672	1.12
London (FTSE 100)	5,428	1.06
Hong Kong (Hang Sang)	21,249	1.32
Tokyo (Nikkei 225)	9301	2.05

TSKB Funds	Price (YTL)	Daily (%)	YTD* (%)
A Type Stock Fund	0.035873	0.45	10.93
B Type Var. Four Season Fund	0.054501	0.09	4.51
B Type Variable Fund	4.181766	0.04	3.10
B Type Liquid Fund	1.557324	0.03	2.23
B Type Notes'n Bonds	5.932976	0.07	3.76

*Year to date



TSKB

Research

research@tskb.com.tr
MECLISI MEBUSAN CAD. NO 81
FINDIKLI ISTANBUL 34427, TÜRKİYE
(90) 212 334 50 50 fax: (90) 212 334 52 34

TSKB Research

Gündüz Fındıkçoğlu	<i>Head of Research</i>	(Economy, Strategy, Banking, Leasing, Cement, Automotive)	+90 (212) 334 52 71	findikciog@tskb.com.tr
Şebnem Mermertaş	<i>Manager</i>	(Conglomerates, Telecom, Media, Energy, Steel, Airline Services, Cement)	+90 (212) 334 53 60	mermertass@tskb.com.tr
Sibel Alpsal	<i>Senior Analyst</i>	(Banking, Insurance, Consumer Durables, Retail, REIT)	+90 (212) 334 53 65	alpsala@tskb.com.tr
Başar Yıldırım	<i>Senior Analyst</i>	(Economy, Fixed Income Securities, Automotive, Data Analysis)	+90 (212) 334 52 59	yildirim@tskb.com.tr

This document was produced by Türkiye Sınai Kalkınma Bankası A.S. ("Industrial Development Bank of Turkey") ("TSKB") solely for information purposes and for the use of registered broker or dealer, whether the registered broker or dealer is acting as principal for its own account or as agent for others, or a bank acting in a broker or dealer capacity as permitted by U.S.A. law. This document shall not be reproduced under any circumstances and is not to be copied or made available to any person other than the recipient. It is produced and distributed in the Republic of Turkey. This document does not constitute an offer of, or an invitation by or on behalf of TSKB or any other company to any person, to buy or sell any security. The information contained herein has been obtained from published information and other sources which TSKB considers to be reliable. No liability or responsibility whatsoever is accepted by TSKB for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are made as of the date of this document. TSKB may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon either on their own account or on behalf of their clients. TSKB may, to the extent permitted by law, act upon or use the above material or the conclusions stated above or the research or analysis on which they are based before the material is published to recipients and from time to time provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this document.

Any customer wishing to effect transactions in any securities referred to herein or options thereon should do so only by contacting a representative of TSKB.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior consent of Türkiye Sınai Kalkınma Bankası A.S.

This document does not constitute an offer to sell, or an invitation to subscribe for or purchase, any of the offer shares in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by TSKB and the managers to inform themselves about and to observe any such restrictions. No person has been authorised to give any information or to make any representation except as contained in this publication.

In making an investment decision investors must rely on their own examination of the Company and the terms of the offering including the merits and risk involved.

Industrial Development Bank of Turkey

Meclisi Mebusan Caddesi, No:81 34427 Fındıklı/İstanbul

Phone: +90 (212) 334-5340

Fax: +90 (212) 243-2975

Email: research@tskb.com.tr

Homepage: www.tskb.com