

# AT - A GLANCE

January 4, 2011

## Market Comment

**Good Start...** We've had a good start to the new year from local equities, despite there being no concrete reason for the rise. One thing was particularly interesting, and might prove to be a key for the whole of 2011; namely that industrials were stronger than financials -except for Halkbank. Mid-caps like Bagfas, Aksa Enerji, Gubretas and Turk Traktor were much stronger than others. Thus, 2011 might be the year of small & mid-caps. For today we foresee another positive showing.

## Macro News

- Surprising decrease in December inflation...
- Exports exceed expectations - according to TIM...

## Sector News

## Company News

- Stake sale registration from Akcansa's <AKCNS TI> shareholders...
- Potential SPO of THY <THYAO TI> and Turk Telekom <TTKOM TI>...

## Agenda

- 05.01 • Consumer Loans Statistics for November
- 06.01 • Non- Residents Holdings of Securities  
• for the week of 27 December
- 07.01 • Foreign Trade Indices for November

## Market Data

Indices	Daily	Weekly	YTD	Last	Vol. *	Mcap **
ISE 100	▲ 2.4%	1.9%	28.0%	67,608	2,603	351
ISE 30	▲ 2.3%	1.4%	24.3%	83,240	1,435	274
Financials	▲ 2.2%	1.4%	27.7%	101,836	1,335	228
Industrials	▲ 2.7%	3.7%	42.3%	53,920	1,403	100
Banking	▲ 2.4%	1.2%	23.1%	147,134	733	171

Most Active	Perf.	Vol. *	Best	Worst
ISCTR	▲ 2.9%	196	KONYA 10.6%	PNSUT -3.4%
GARAN	▲ 2.0%	177	MGROS 9.2%	FFKRL -1.9%
KONYA	▲ 10.6%	116	EGSER 8.5%	PRKTE -1.5%
AFYON	▲ 4.4%	116	MARTI 8.1%	NETAS -1.1%
VAKBN	▲ 4.3%	107	KARTN 7.1%	NTHOL -0.7%

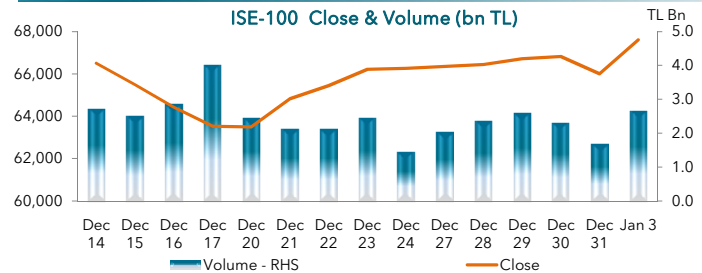
\* in Tlmn., \*\* in Tlbn

## Key Valuation Parametrics

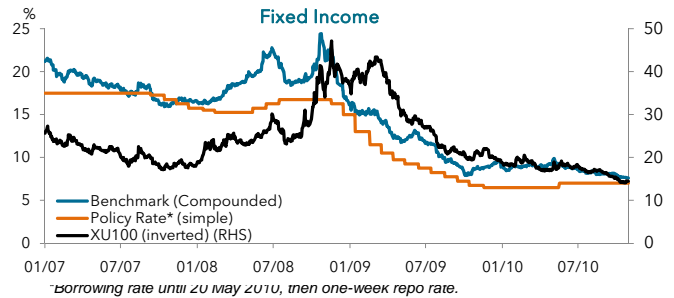
Multiples **	2009	2010E	2011E	Growth	2010E
P/E	12.3	11.0	9.7	Net Earnings	13%
EV/EBITDA	8.9	6.1	5.5	EBITDA	13%
EV/Sales	1.2	0.9	0.8	Sales	14%
P/BV(Banks)	2.5	1.9	1.6	BV	13%

\*\* in TL, based on AtaInvest Coverage (c.82% of ISE MCap)

ISE-100 Close & Volume (bn TL)



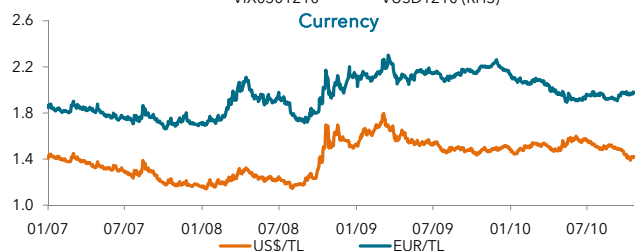
Fixed Income



Futures



Currency



## What the Day Heralds

**Surprising decrease in December inflation...** Consumer prices fell by 0.3% m/m in December, well off the market consensus of a 0.39% increase. Annual consumer inflation declined to 6.40% from 7.29% in November, due to the respective 2.66% and 1.77% decline in food and clothing prices. Accordingly, annual inflation in the food component shed a huge 5.37 pp, to 7.02%, from the previous month. On the other hand, producer prices were up 1.31% m/m, bringing annual PPI to 8.9% from 8.2% in November, with the 8.72% and 6.42% increase in manufacture of coke and basic metal industry prices being the main culprit. Looking into the details, the most significant rise was seen in communication prices -up by 2.65%, m/m. In yearly comparisons, tobacco and restaurant & hotels - were up by 24.66% and 9.76%, respectively, in addition to transportation prices -up by 6.78%. Note that communication prices were down by 3.22% on a yearly comparison.

Comment:

In line with CBT expectations, CPI continued its downward trend in December, easing pressure on the markets in the short-term. Meanwhile, year-end inflation, at 6.40%, also remained below CBT forecasts of 7.50%, as well as the 2010 inflation target of 6.50%, which may help the CBT to cut rates by a further 25 bps to counter hot money flows in the following months. We expect inflationary dynamics to help the CBT during 1H11. However, given excess liquidity in global markets and rising oil prices, we expect inflationary pressures to build in 2H11 leading the CBT to raise rates by 25-50 bps towards the year-end. We also expect the CBT to display creative monetary

policy, and try to stabilize high credit growth rates with other policy instruments, such as reserve requirement ratios and liquidity management facilities. (*See our Macro Note: Inflation - December 2010, of Jan. 3*).

**Exports exceed expectations - according to TIM...** Turkey's exports rose by 11.3% in 2010 exceeding expectations, and reaching more than US\$113 bn, Foreign Trade Minister Zafer Caglayan announced. He shared the December figures of the Turkish Exporters' Assembly (TIM) at a press conference in Ankara on Monday. Exports climbed 11.3% last year to US\$113.6 bn, surpassing the government's target of US\$111.7 bn. He added that the country was expected to make more than US\$130 bn from exports in 2011, at least US\$ 2.5 bn higher than the 2011 target set in the Medium-term Economic Program (OVP). "The OVP program sets the target for exports at US\$127.5 bn, but we will reach well over US\$ 130 bn in 2011," the Minister told reporters during yesterday's press conference. According to TIM officials. December exports were also up by 21.28% over the same month a year earlier, at US\$ 11.6 bn.

## Company News

<b>Akcansa</b>	<b>OUTPERFORM</b>	Share Price: TL 7.54
AKCNS TI	P/E: 20.4x	Target Share Price: TL 9.05
Cement	EV/EBITDA: 11.4x	Upside Potential: 20%

**Stake sale registration from Akcansa's <AKCNS TI> shareholders...**

Certain individual investors have registered 446.3k lots of Akcansa shares to the Central Registration Administration in order to sell these shares at the ISE. This corresponds to a TL 3.4 mn market capitalization.

Comment: Slightly negative for Akcansa, as its average daily trading volume over the past three months has stood at TL 1.5 mn.

<b>Turkish Airlines</b>	<b>OUTPERFORM</b>	Share Price: TL 5.42
THYAO TI	P/E: 12.9x	Target Share Price: TL 6.9
Aviation	EV/EBITDA: 7.8x	Upside Potential: 27%
<b>Turk Telekom</b>	<b>MARKETPERFORM</b>	Share Price: TL 6.68
TTKOM TI	P/E: 9.8x	Target Share Price: TL 7.3
Telecom	EV/EBITDA: 5.8x	Upside Potential: 9%

***Potential SPO of THY <THYAO TI> and Turk Telekom <TTKOM TI>...***

As previously mentioned on several occasions, the government intends to reduce the Treasury's stake in THY and Turk Telekom. The Treasury's share in THY is currently at 49.12%, while it owns a 30% stake in Turk Telekom. Accordingly, there are no plans for a block sale, but a sale to a strategic partner, or else an offering are more likely options.



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