

## AT - A GLANCE

### Market Comment

We expect the positive mood in local equities to continue amid selective activity. Banks were strong yesterday, and will likely be so again. Halkbank may outpace others in the short run, as it was heavily punished by last month's drop. Mid & Small-Cap focus is likely to be intact too.

### Macro News

- Erdogan Says 2010 GDP Exceeded TL 1 trn...
- Employment to exceed 2010 performance in 2011...
- Increase in airline passengers...

### Sector News

- IDO privatization procedures to commence...
- Inquiry conducted into ten cement producers...

### Company News

- Aksigorta <AKGRT TI> - Strategic partnership talks nearing to conclusion...
- Takeaways from interview of Gubretas' <GUBRF TI> Chief Executive...

### 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

January 5, 2011

### Market Data

Indices	Daily	Weekly	YTD	Last	Vol. *	Mcap **
ISE 100	▲ 0.9%	2.7%	29.1%	68,222	3,477	351
ISE 30	▲ 1.1%	2.5%	25.6%	84,173	2,062	274
Financials	▲ 1.1%	2.3%	29.1%	102,980	1,969	228
Industrials	▲ 0.5%	4.0%	43.0%	54,186	1,606	100
Banking	▲ 1.4%	2.5%	24.8%	149,203	1,021	171

Most Active	Perf.	Vol. *	Best	Worst
GARAN	▲ 1.8%	270	PETKM 5.4%	AEFES -4.2%
ISCTR	▲ 1.4%	218	KONYA 5.3%	MARTI -2.5%
PETKM	▲ 5.4%	145	GOLTS 4.5%	FFKRL -2.2%
YKBNK	▲ 2.4%	116	SELEC 4.5%	NTTUR -1.9%
AKGRT	▲ 1.7%	111	BAGFS 4.3%	KOZAL -1.9%

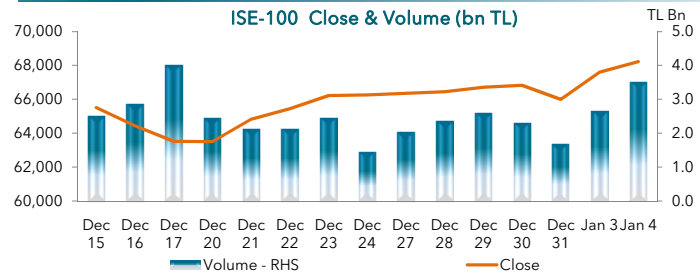
\* in TLmn., \*\* in TLbn

### Key Valuation Parametrics

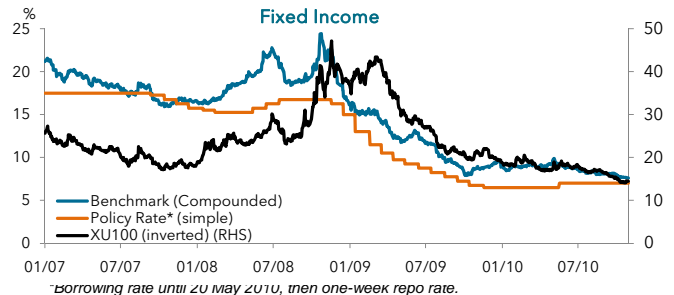
Multiples **	2009	2010E	2011E	Growth	2010E
P/E	12.3	11.0	9.7	Net Earnings	13%
EV/EBITDA	8.9	6.1	5.5	EBITDA	13%
EV/Sales	1.2	0.9	0.8	Sales	14%
P/BV(Banks)	2.5	1.9	1.6	BV	13%

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

ISE-100 Close & Volume (bn TL)



Fixed Income



\*borrowing rate until 20 May 2010, then one-week repo rate.

Futures



Currency



## What the Day Heralds

**Erdogan Says 2010 GDP Exceeded TL 1 trn...** Turkey's 2010 gross domestic product exceeded TL 1 trn (US\$644 bn), state-run Anatolia news agency quoted Prime Minister Recep Tayyip Erdogan as saying in a speech at his party's meeting in parliament in Ankara yesterday. The government forecast GDP at TL 1.1 trn in 2010 and TL 1.2 trn in 2011, according to a medium-term economic program announced in October.

**Employment to exceed 2010 performance in 2011...** Combined with the government's determined stance in the fight against unemployment, the private sector's promises concerning the number of jobs it will create in 2011 shows that it is likely that Turkey will set a new record in job creation, surpassing last year's notable performance of 1 million new jobs. The government is reaching goals set in the Medium-term Economic Program (OVP), which covers the years 2011 to 2013. The targets, published in the Official Gazette in October, give priority to ensuring stable economic growth and increasing employment. The desire to repeat last year's goal of creating 1 million new jobs again this year has sparked hopes among many in the country. While large global corporations laid off employees, the private sector in Turkey provided employment to 953,000 people in the first nine months of 2010. The private sector also targets providing a similar number of jobs this year too. The public sector aims to provide jobs for 120,000 people. With the public and private sector's targets combined, an additional minimum of 1 million people will be employed in 2011.

**Increase in airline passengers...** Tourism authorities in Antalya, in their general evaluation of the 2010 tourism year, cited the increase in the number of tourists arriving in the city via air as a positive sign for the Mediterranean city's economy. While the effects of the financial crisis are still felt in many tourism destinations, the consensus on tourism in Turkey is that it has managed to turn the crisis into an advantage that can be further developed by wise marketing policies, well-thought-out

publicity abroad and sound governmental incentives. According to data from the Antalya Provincial Directorate of Culture and Tourism, the number of tourists arriving in the city increased by almost 11% in 2010 compared to figures from the previous year. While 8,679,517 tourists came to spend their holidays in Antalya in 2008, the number reached 9,580,322 in 2010. Data also indicated that 12,273 tourists had arrived at Antalya International Airport in the first two days of 2011. The figure had been 10,468 in 2010.

**IDO privatization procedures to commence...** The Istanbul Metropolitan municipality announced yesterday that privatization procedures are to start for IDO, the Istanbul Fast Ferries Company. The privatization consists of the entire company and the deadline for submitting offers is set as March 31. IDO owns 25 sea buses, 10 fast ferries and 17 public ferries. The company runs transportation operations within Istanbul and to major ports on the Marmara Sea. Koc Holding <KCHOL TI>, Sabanci Holding <SAHOL TI>, Zorlu Holding, Gubretas <GUBRF TI>, and Brightwell are known to be potential bidders, according to previous news reports.

**Inquiry conducted into ten cement producers...** According to daily Zaman, the Competition Board has conducted an inquiry into ten cement producers in Eastern, South-Eastern and Black Sea regions, namely Kars, Askale, Yurt, Limak, Altinova, Cimko, Cimsa <CIMSA TI>, Adana Cimento <ADANA TI>, KCS Kahramanmaraş and Mardin Cimento <MRDIN TI>, in order to ascertain any antitrust agreements within these companies.

## Company News

Ak Sigorta	MARKETPERFORM	Share Price: TL 2.38
AKGRT TI	P/E: 234.8x	Target Share Price: TL 2.72
Insurance	P/Premium: 0.8x	Upside Potential: 14%

**Aksigorta <AKGRT TI> - Strategic partnership talks nearing to conclusion...**

The CEO of Aksigorta Ugur Gulen has said in an interview that Sabanci Holding is holding talks with more than one possible buyer for potential partnership with Aksigorta. According to the news, negotiations are nearing a conclusion. Recall that Aksigorta is seeking a strategic partnership to strengthen its position in the non-life insurance sector. Prior statements of company officials have been along the lines of a reduction of strategic partnership candidates to one by the end of 2010, and announcement of the deal in the first or second month of 2011. We will await a deal announcement before commenting more comprehensively, but for now we expect the news to have a limited effect on the share price.

<b>Gubretas</b>	<b>OUTPERFORM</b>	Share Price: TL 17.45
GUBRF TI	P/E: 9.2x	Target Share Price: UR
Fertilizer	EV/EBITDA: 4.4x	Upside Potential: -

***Takeaways from interview of Gubretas' <GUBRF TI> Chief Executive...***

In an interview with Reuters, Gubretas' Chief Executive Mehmet Koca stated that:

- 2010 Consolidated revenue target of TL 1.5 bn and close to TL 150 mn net income target is achieved.
- 2010 Sales volume is estimated at 1.5 mn tons.
- 2011 revenues from Razi Petrochemicals to be ~TL 0.8 bn and consolidated revenues to exceed TL 1.5 bn.
- Plans exist to increase Razi's urea capacity from 0.6 mn to 1.6 mn, and the company expects to initiate construction in 2012. (Previously 2014-2015)
- Although subsidies for natural gas usage are lifted, the profitability margin of Razi would at most fall to the 35-40% level from 51%.



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