

AT - A GLANCE

April 12, 2011

SAVE THE DATE Ata Invest's Investor Conference in Istanbul
May 15-17th at Four Seasons Bosphorus
 One-on-Ones and Major Business Owners discussing Growth Strategies

Market Comment

We expect local equities to continue struggling at around current levels. The lack of fresh positive drivers will likely keep the market under pressure. Meanwhile, a slightly negative opening looks possible. Resistances are @ 69,000 & 69,700, with supports @ 67,700 and 67,000.

Sector News

- Ronesans REIC reveals plans to sell 25% stake through IPO...
- Privatization Board approves privatization of 8 distribution companies...

Macro News

- CAD In Line with Expectations...
- Market View...
- IMF reports 4.6% growth in 2011...

Company News

- Abdulrahman El Khereiiji completes disposal of 6.96 mn lot s of BIM <BIMAS TI> shares... (Positive)

Agenda

- 13.04 • FDI for February
- RWE&Turcas NGCCPP construction ceremony
- 15.04 • Employment Statistics for January
- Central Government Budget Realizations for March
- 19.04 • Turk Telekom <TTKOM TI> 1Q11 Earnings
- 20.04 • Central Government Domestic and External Debt for March
- <TTKOM TI> 1Q11 Results - Conference Call (5:30 p.m)
- 21.04 • MPC Rate Decision
- Central Bank's Second Expectation Survey for April
- General Assembly of Turkcell <TCELL TI>
- 22.04 • Foreign Visitor Statistics for March
- 26.04 • Capacity Utilization for April
- 28.04 • Central Bank's Inflation Report
- MPC Meeting Minutes

Market Data

Indices	Last	Daily	Weekly	YTD	Vol. *	Mcap *
ISE 100	▲ 68,195	0.1%	0.9%	3.3%	2.5	351
ISE 30	▼ 83,546	-0.1%	0.9%	2.7%	1.5	274
Financials	▲ 101,777	0.0%	1.3%	2.2%	1.5	228
Industrials	▲ 57,327	0.4%	1.9%	9.2%	0.9	100
Banking	▼ 141,532	-0.2%	1.0%	-1.5%	1.0	171

Most Active

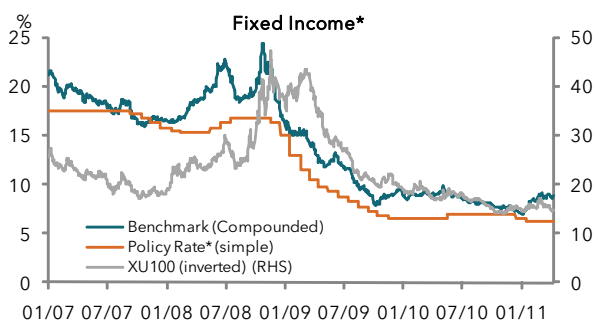
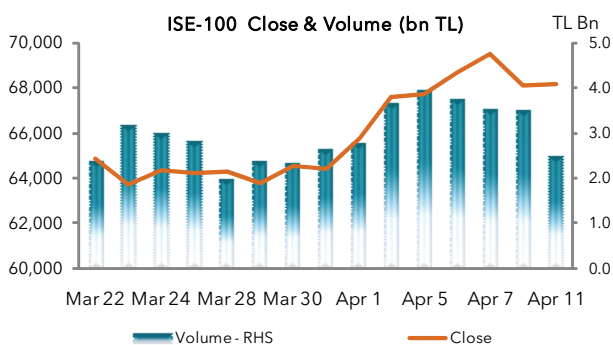
	Perf.	Vol.	Best	Worst
GARAN	▲ 0.7%	379	RHEAG 7.7%	MGROS -7.1%
ISCTR	▲ 0.8%	230	ITTFH 7.1%	ANELE -4.7%
EKGYO	▲ 1.4%	104	IHEVA 6.3%	GOLTS -4.5%
THYAO	▲ 0.7%	94	IPMAT 5.0%	IHLAS -2.2%
IHEVA	▲ 6.3%	87	AKENR 4.4%	GLYHO -2.1%

* in TLbn

Key Valuation Parametrics

Multiples *	2010E	2011E	2012E	Growth	2011E
P/E	11.5	11.0	10.0	Net Earnings	5%
EV/EBITDA	8.1	7.4	6.7	EBITDA	9%
EV/Sales	1.2	1.0	0.9	Sales	12%
P/BV(Banks)	1.8	1.7	1.4	BV	5%

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



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

What the Day Heralds

CAD In Line with Expectations... Turkey's current account deficit (CAD) registered at US\$ 6.1 bn in February, in line with market expectations of US\$ 6.2 bn. The February CAD reading of US\$ 6.1 bn represented deterioration from a deficit of US\$ 2.7 bn compared to the same period of last year. Furthermore, CAD amounted to US\$12.1bn in the January-February period; the deficit was at US\$ 5.8 in the same period of 2010. Exports gained ground in February rising to US\$ 10.8 bn from US\$ 8.9 bn in February 2010. The main culprit of CAD deterioration was the rise in the trade deficit triggered by strong domestic demand recovery. The trade deficit amounted to US\$ 11.8 bn in January-February, compared to a deficit of US\$ 5.2 bn in the same month of the previous year. The main reason behind the deteriorating trade balance was a sharp rise in oil prices from US\$ 100 per barrel at end January to US\$ 117 at end-February and to US\$ 125 currently.

On the capital account front, inflows to equities declined by US\$ 0.6 bn in February, while inflow to debt securities amounted to US\$ 2.3 bn. Meanwhile, net errors and omissions posted a significant February inflow of US\$ 3.3 bn, financing over 50% of the current account deficit.

Comment: Fifty three percent of the current account deficit was financed by fund inflows through net errors and omissions in February. Clearly, inflows continued in March, as the Lira appreciated from 1.61 levels at end-January to 1.50 today. In February, despite the US\$ 2.3 bn inflows to fixed income securities, benchmark bond yields have risen from 8.33% levels as at end January to 8.77% currently, peaking at over 9% during March. We believe that inflows from net errors and omissions are likely to continue in the upcoming period, helping benchmark bond yields decline further. Hence, current bond yields may be considered a short term buying opportunity. Further inflows are likely to result in Lira appreciation towards 1.48-1.45 levels. Subsequently, we expect the ISE to test new highs, despite occasional corrections and profit taking. (*See our Macro Note: Balance of Payments-February 2011 of April 11*).

Market View... The high current account deficit of US\$ 12 bn (on high global oil prices) has mainly been financed through inflows from the net errors and omissions column of the Balance of Payments account, financing nearly half of the deficit (46%) during the first two months of the year. We consider widening CAD to be bad news for the dynamics of the economy, and that it justifies the CBT's unorthodox policy of keeping rates low, while hiking reserve requirement ratios. In addition, the current CPI reading of 3.99% is also supportive of the CBT's "low for longer" policy.

FX inflows to fixed income securities amounted to US\$ 5 bn, limiting pressure on fixed income yields in February. Given the all-time-low inflation reading of 3.99%, current bond yields represent a handsome real return of nearly 5%. And given the

FED's global outlook and interest rate policy, we expect further FX inflows to fixed income securities at such attractive current yields of 8.79%, pressuring rates downwards. Hence, we recommend our investors to consider current 8.79% levels as a short term buying opportunity.

On the currency front, inflows brought the Lira down to 1.50 levels against the USD. We expect it to gain further strength in fact, mainly due to the declining dollar index in international markets and continued FX inflows to Turkey. The currency is likely to strengthen further towards 1.48-1.45 levels in the near term. Lira has moved up to 1.60 against the USD, in line with our expectations published in our annual strategy report early in the year. Currently we expect Lira to strengthen further towards 1.48-1.45 levels in the short term.

EM growth is expected to decelerate, but remain high in 2011, while the EMEA is expected to grow faster than Asia given China's risk of overheating. Turkey registered remarkable 8.9% growth in 2010, mainly on domestic demand. And strong growth momentum continued in 1Q11, which will likely reflect on 1Q earnings. Subsequently, the ISE is likely to test new highs on the back of 1Q results, despite occasional profit taking and corrections. Since our last call "tactical buy" on the 15 of March, the ISE has climbed 13%. (*See our Macro Note: Market Views of April 11*).

Ronesans REIC reveals plans to sell 25% stake through IPO... The company is to apply to the CMB to sell 71.5 mn new shares and 6.2 mn existing shares, with an over-allotment option of 11.7 mn shares.

Privatization Board approves privatization of 8 distribution companies... Aksa Elektrik is to hold Trakya DisCO, with two Istanbul DisCos being bought by MMEKA, while Akdeniz DisCO will be acquired by Park Holding and Dicle DisCo goes to Karavil-Ceylan JV. Gediz DisCO will be acquired by Eti Gumus.

IMF reports 4.6% growth in 2011... According to the IMF economic outlook report, Turkey's GDP is expected to register 4.6% growth in 2011 and 4.5% in 2012, while the global economy will grow by 4.4% in 2011 and by 4.5% in 2012. Rapid economic recovery in Turkey is forecast to continue according to the report. The consumer price index, is expected to see a 5.7% rise in 2011 and 6% in 2012. Turkey's current account balance to GDP ratio is forecast at -8 % in 2011 and -8.2% in 2012. The IMF report predicts Turkey's unemployment rate at 11.4% in 2011 and 11% in 2012. In developed economies, the annual economic growth rate is expected at 2.4% this year and 2.6% in 2012. And in developing countries, the figure is expected at 6.5%.

Company News

BIM	OUTPERFORM	Share Price: TL 53.25
BIMAS TI	P/E: 28.5x	Target Share Price: -
Retail	EV/EBITDA: 18.6x	Upside Potential: -

Abdulrahman El Khereiji completes disposal of 6.96 mn lots of BIM <BIMAS TI> shares... (Positive)

Yesterday, one of BIM's main shareholders, Abdulrahman El Khereiji, announced completing the disposal of 6.96 mn lots of BIM shares (constituting 4.58% of total capital). Following the disposal, his share in BIM has declined to 8%, from 12.59%.

Comment: BIM's stock performance was under pressure last week, and following the completion of this disposal, we may now expect recovery in the stock performance.

Corporate Actions

Company	Ticker	Cash Dividend Distribution			Capital Increase			Date	Ref Price (TL)
		Total (TL mn)	Gross per share (TL)	Gross Yield	Bonus Issue	Rights Issue	Post-increase Capital (TL mn)		
Celebi	CLEBI	37	1.5362	5.8%				5-May	
Anadolu Cam	ANACM	26	0.0750	2.0%				31-May	
Anadolu Efes	AEFES	216	0.4800	2.1%				27-May	
Adana Cimento	ADANA	32	0.3581	6.4%				31-May	
Adana Cimento (B)	ADBGR	21	0.2547	7.1%				31-May	
Adana Cimento (C)	ADNAC	6	0.0354	4.1%				31-May	
Bagfas	BAGFS	20	6.5774	3.4%				18-May	
BIM	BIMAS	182	1.2000	2.3%					
Bolu Cimento	BOLUC	11	0.0784	4.6%				31-May	
Coca Cola Icecek	CCOLA	70	0.2752	1.4%				26-May	
Dogan Yayin Holding	DYHOL					100.0%	2,000		
Enka Insaat	ENKAI	160	0.0727	1.2%	13.6%		2,500	16-May	
Eregli Demir Celik	EREGL	450	0.2813	4.9%				31-May	
Halk Bank	HALKB	395	0.3164	2.4%				27-May	
Hektas	HEKTS	12	0.1572	9.1%				30-May	
Koc Holding	KCHOL	550	0.2277	2.8%				14-Apr	
Mardin Cimento	MRDIN	71	0.6476	8.1%					
Netas	Netas	18	2.7500	2.0%				25-May	
Sekerbank	SKBNK	13	0.0167	0.9%	3%		775		
Sinpas REIC	SNGYO	30	0.0600	2.8%					
Sise Cam	SISE	46	0.0400	1.1%				31-May	
Tekfen Holding	TKFEN	53	0.1430	2.3%				27-May	
Trakya Cam	TRKCM	45	0.0750	2.0%				31-May	
Turk Telekom	TTKOM	2,244	0.6411	8.0%				30-May	
Turkcell	TCELL	1,329	0.6040	6.6%				16-May	
Turkish Airlines	THYAO				20.0%		1,200		
Unye Cimento	UNYEC	45	0.3670	7.8%					
Vakif Bank	VAKBN	34	0.0137	0.3%					

Celebi Ground Handling <CLEBI TI > is to propose a TL 37 mn cash dividend at its AGM. This corresponds to 5.8% dividend yield.

At Anadolu Cam's <ANACM TI>AGM, a TL 26 mn dividend distribution has been ratified. The dividend payment will be on May 31. and yields 2%.



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