

AT - A GLANCE

June 6, 2011

Market Comment

Summer doldrums continue in local equities with the benchmark index moving in a tight trading range. Though the sentiment is still slightly positive and looking around for the reasons to kick off a short term mini rally. The downgrade of Portugal into junk level is another headache here but possibly would be ignored for now. We expect another flat trading pattern between positive and negative territories. Watch out for GARAN, if it manages to climb above 7.54 in the short run, it may pull the index higher.

Sector News

- Banking Weekly, insistently up with 1H11 closings...

Macro News

- Notes and Comments on CBT's Economists Meeting...

Company News

- Tav Airports <TAVHL TI> 6M11 pax figures...
- CMB froze the assets of Libya on the ISE, including Libyan Investment Authority's 3.5% stake in Emlak REIC...
- Albaraka <ALBRK TI> to raise US\$ 200mn of funds through syndication...
- Turkish Airlines <THYAO TI> to distribute 20% bonus shares starting from July 11...
- Saglam REIC <SAGYO TI> owned by Yildiz Holding, will merge with Saf Gayrimenkul Gelistirme...

Agenda

- | | |
|-------|---|
| 7.07 | Central Bank's First Expectation Survey for July |
| 8.07 | Industrial Production for May |
| | Treasury Cash Balance Realizations for June |
| 11.07 | Balance of Payment for May |
| 13.07 | FDI for May |
| 15.07 | Central Government Budget for June |
| | Private Sector External Debt for May |
| 15.07 | Consumer Confidence Index for June |
| 21.07 | MPC Rate Decision |
| | Central Bank's Second Expectation Survey for July |
| 22.07 | Foreign Visitor Statistics for June |
| 25.07 | Capacity Utilization for July |
| 28.07 | Inflation Report for 2Q. |
| | International Reserves and FX Liq. for June |
| 29.07 | Foreign Trade Statistics for June |

Market Data

Indices		Last	Daily	Weekly	YTD	Vol. *	Mcap *
ISE 100	▼	63,866	-0.5%	1.7%	-3.2%	2.0	351
ISE 30	▼	77,868	-0.6%	1.7%	-4.3%	1.2	274
Financials	▼	93,907	-0.4%	1.8%	-5.7%	1.0	228
Industrials	▲	55,686	0.3%	2.6%	6.1%	0.5	100
Banking	▼	132,438	-0.4%	1.8%	-7.8%	0.7	171

Most Active

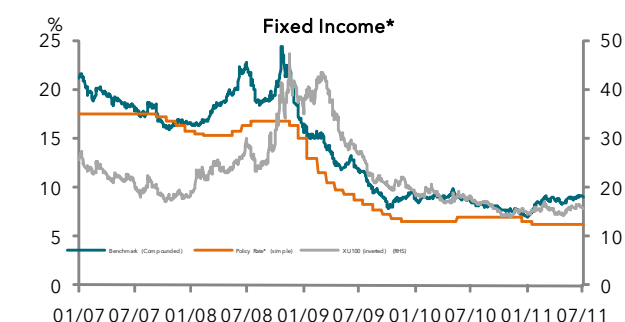
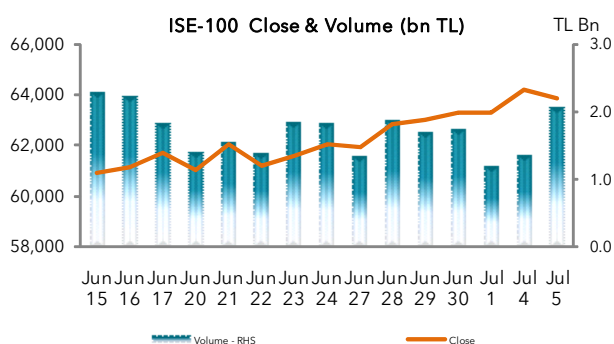
	Perf.	Vol.	Best	Worst
GARAN	▼ -0.3%	325	TRKCM 5.5%	FENER -11.7%
FENER	▼ -11.7%	212	TSPOR 4.2%	TTKOM -7.7%
BJKAS	▼ -1.5%	135	EGSER 3.9%	IHEVA -2.4%
ISCTR	▼ -0.4%	131	ECILC 3.2%	GLYHO -2.4%
THYAO	▼ -2.1%	90	TKFEN 2.9%	HURGZ -2.2%

* in TLbn

Key Valuation Parametrics

Multiples *	2011E	2012E	Growth	2011E
P/E	10.5	9.8	Net Earnings	9%
EV/EBITDA	7.2	6.4	EBITDA	20%
EV/Sales	1.0	0.9	Sales	23%
P/BV(Banks)	1.5	1.3	BV	8%

* 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

Notes and Comments on CBT's Economists Meeting...

- GDP is expected to remain flat in Q211 while the capacity utilization remained low due to weak external demand conditions. As a result of the upcoming slowdown in domestic demand, need for tightening is diminished.
- The current account deficit is likely to start healing in Q411.
- A benign inflation outlook
- With the recent measures including reserve requirements, the maturity structure of the deposits extended in the banking sector.
- With the measures taken by the regulatory body, the growth in consumer credit will be controlled. CBT expects the growth rate in credits to narrow down to 25% levels from current 35%.
- Given the uncertainty in international markets, CBT expect no need for additional reserve requirement hikes in H211.

Comment: Given the expectation of a slowdown in growth in H211, following a strong upside in Q111 at 11% and CPI at better than expected levels of an annual 6.24%, CBT is likely to keep rates low for longer in line with its unorthodox monetary policy. CBT also said, it will cut daily fx auctions. Such a decision will reduce Lira liquidity in the markets. If Lira gets weaker than a steady state target, CBT is likely to first reduce the amount on the daily auctions, than hike the bid ratio and then lower the offer corridor to prevent volatility on Lira during the increased volatility in international markets. We think such announcements are likely to reduce rate hike expectations in 2011, pressuring bond yields down.

Banking Sector News...Central Bank of Turkey (CBT) declared yesterday in a presentation that, average maturity of time deposits tend to rise thanks to recent amendment that differentiated reserve requirements according to the maturities. In addition to this, with the termination of base effect as of 3Q11, the total loan book growth would be limited to 25%, expected the Bank. Accordingly, the Bank unveiled its belief that recent measures taken by banking watchdog BRSA would help consumer loans put on the break.

Company News

Tav Airports	OUTPERFORM	Share Price: TL 8.18
TAVHL TI	P/E: 16.4x	Target Share Price: TL 9.6
Aviation	EV/EBITDA: 8.3x	Upside Potential: 17%

Tav Airports <TAVHL TI> 6M11 pax figures...

State Airports Authority announced passenger numbers for June 2011. Accordingly international passengers using TAV's (TAVHL TI) flagship Ataturk Airport has increased by 13% y/y and reached 10.5mn as of 6M11. Total passengers (domestic + international) using Ataturk Airport as of 6M11 has increased by 12% y/y, reaching 16.7mn. On the other hand total pax growth was 21% y/y in Ankara Esenboga Airport reaching 4.3mn, while international pax growth was realized at 50% y/y, reaching 805K in the same period. Meanwhile, total passenger growth in all the airports that TAV operates has amounted to a 10% y/y growth, reaching 23.5mn. The growth in international pax numbers was 9% y/y reaching 13.8mn and 12% y/y in domestic pax reaching 9.7mn.

Comment: We foresee 34.49mn passengers for Ataturk Airport (domestic+international) by year end 2011. We think TAV may exceed our estimates at Ataurk Airport given the high seasonality effect in 2H11.

Emlak REIC	OUTPERFORM	Share Price: TL 2.74
EKGYO TI	P/E: 21.8x	Target Share Price: TL 3.34
REIC	EV/EBITDA: 15.2x	Upside Potential: 22%

CMB froze the assets of Libya on the ISE, including Libyan Investment Authority's 3.5% stake in Emlak REIC...

has frozen the assets of Libya on ISE. Recall that, Libyan Investment Authority had purchased 3.5% stake in Emlak REIC from the IPO. The effect on the stock will be limited as ownership of the Libyan Investment Authority in the company was widely known.

Albaraka Turk	MARKETPERFORM	Share Price: TL 2.26
ALBRK TI	P/E: 7.9x	Target Share Price: TL 2.9
Banking	P/B: 1.4x	Upside Potential: 28%

Albaraka <ALBRK TI> to raise US\$ 200mn of funds through syndication...

Albaraka Turk plans to secure US\$ 200mn through a murabaha transaction-Islamic syndicated loan, reported Bloomberg, citing the bank's group chief executive. The Islamic syndicated loan will be the bank's second. The Istanbul-based lender obtained a US\$ 240 mn, one-year murabaha Islamic syndicated loan in September. Albaraka Turk also plans to sell \$180 million in Islamic bonds before mid-July, reported Bloomberg.

Turkish Airlines	OUTPERFORM	Share Price: TL 4.16
THYAO TI	P/E: 9.6x	Target Share Price: TL 6.56
Aviation	EV/EBITDA: 7.2x	Upside Potential: 58%

Turkish Airlines <THYAO TI> to distribute 20% bonus shares starting from July 11...

Turkish Airlines announced that it will be distributing 20% bonus shares starting from July 11. In a separate report, THY's GM Temel Kotil said the company may stay slightly below its 2011 pax target of 35mn (Ata Pax Est: 35mn). He also underlined the negative impact of the volatility in oil prices on fuel costs might be limited on an annual basis. Mr. Kotil also announced that Turkish Airlines has ordered 10 new planes to be used in their flight destined to Africa. Delivery of the planes will initiate in September. (Neutral)

Saglam REIC	N/R	Share Price: TL 1.21
SAGYO TI	P/E: -	Target Share Price: -
REIC	EV/EBITDA: -	Upside Potential: -

Saglam REIC <SAGYO TI> owned by Yildiz Holding, will merge with Saf Gayrimenkul Gelistirme...

Saglam REIC will merge with Saf Gayrimenkul Gelistirme, a joint-venture of Yildiz Holding, Sinpas REIC and Akkok group, and the new company, named Saf REIC will be one of the biggest five REICs in Turkey with its financial structure.

Corporate Actions

Company	Ticker	Cash Dividend Distribution			Bonus Issue	Capital Increase		Date	Ref Price (TL)
		Total (TL mn)	Gross per share (TL)	Gross Yield		Rights Issue	Post-increase Capital (TL mn)		
Sinpas REIC	SNGYO				20%		600		
Turkish Airlines	THYAO				20.0%		1,200	11-Jul	

This material was produced by Ata Yatırım Menkul Kıymetler A.Ş. ("ATA"), or its Affiliates, solely for information purposes and for the use of the recipient. It is not to be reproduced under any circumstances, and is not to be copied, or made available to any person other than the recipient. It is distributed in the United States of America by Enclave Capital LLC., and elsewhere in the world by ATA, or an authorized affiliate of ATA (such entities and any other entity, directly or indirectly, controlled by ATA, the "Affiliates"). This document does not constitute an offer of, or an invitation by or on behalf of ATA or its Affiliates, 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 ATA or its Affiliates consider to be reliable. None of ATA or its Affiliates accept any liability or responsibility whatsoever 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. Emerging securities markets may be subject to significantly higher risks than more established markets. In particular, the political and economic environment, company practices and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to significantly lower information quantity and quality. By accepting this document, you agree to be bound by all of the preceding provisions.

ATA or its Affiliates may or may not be the beneficial owners of 1% or more of the securities mentioned in this report; ATA or its affiliates may or may not have managed or co-managed a public offering of these securities, or received compensation for investment banking services from the issuer of these securities in the past 12 months. However, one or more of ATA or its Affiliates 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. As of the publication date of this report ATA does not make a market in the subject securities. ATA or its Affiliates 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 investment banking, or other securities business from any entity referred to in this report.

Enclave Capital LLC. distributes this document in the United States of America. ATA accepts responsibility for its contents. However, ATA is not a US-registered broker-dealer, and therefore this research and these disclosures are not subject to all the standards and disclosures that are applicable to research prepared by US based brokers-dealers. Any US customer wishing to effect transactions in any securities referred to herein, or options thereon should do so only by contacting a representative of Enclave Capital LLC.

Stock Ratings:

For the purposes of our research report, our rating system is defined as follows;

OUTPERFORM - The stock is expected to return above the benchmark index (ISE-100) over 12 months in the market, or else provides the best risk/reward ratio.

MARKETPERFORM - The stock is expected to return in line with the benchmark index (ISE-100) over 12 months in the market, or else does not offer a compelling risk/reward profile.

UNDERPERFORM - The stock is expected to return below the benchmark index (ISE-100) over 12 months in the market, or else with unacceptable risk relative to the potential reward.

NEUTRAL - There are crucial uncertainties surrounding stock performance preventing us from attaching a relative rating compared to the benchmark.

Emirhan Cad. No: 109 Atakule 34349 Istanbul - TURKEY Tel-PBX: 90-212-310-6200 www.atainvest.com

	Title	Tel	E-mail
Nergis Kasabali	SVP Research and Institutional Sales	90-212-310-6282	nkasabali@atainvest.com

Sales	Title	Tel	E-mail
Mehmet Ilgen	Director	90-212-310-6267	milgen@atainvest.com
Nalan Cakir	Asst. Director	90-212-310-6265	ncakir@atainvest.com
Mujde Erdogan	Asst. Director	90-212-310-6263	merdogan@atainvest.com
Belit Tasdemir	Associate	90-212-310-6262	btasdemir@atainvest.com

Research	Title	Tel	E-mail
A. Onder Zorba	Director	90-212-310-6285	ozorba@atainvest.com
Nurhan Toguc	Chief Economist	90-212-310-6281	ntoguc@atainvest.com

Level 2, 206, GV 05, DIFC, Sheikh Zayed Road, P.O. Box 506709, Dubai, UAE Tel-PBX: 9714 -375 56 35

	Title	Tel	E-mail
Kaan Ferhatoglu	Senior Executive Officer	917-4-375-5629	k.ferhatoglu@atainvestdubai.ae

19 West 44th Street suite 1410., New York, NY 10036 Tel-PBX: 1-646-454-8600 www.enclavecapital.com

Sales&Trading-USA	Title	Tel	E-mail
Scott Fauver	Head of Brokerage	1-646-454-8686	sfauver@enclavecapital.com
Hulusi Zarpli	Director - Turkish Equity	1-646-454-8650	hzarpli@enclavecapital.com

For additional information, please contact:

Mehmet Sami, Executive Board Member

Tel-D : 90-212-310 6240

e-mail : msami@atainvest.com