

### Agenda

#### 08 Monday

- Regular Cabinet Meeting.
- Turk Stat to announce industrial production figures for January.
- CBRT to announce the first expectation survey for March.
- Treasury will hold a 6-months maturity bond auction.

#### 09 Tuesday

- Treasury will hold 4-years maturity T-Bill auction.

#### 10 Wednesday

- Treasury will redeem TRY 2 bn of domestic debt.

#### 11 Thursday

- CBRT to announce balance of payment figures for January.
- US, jobless claims.
- US, January international trade figures.

#### 12 Friday

- Euro Zone, January industrial production figures.
- US, February retail sales figures.
- The first US Michigan consumer figures on March.

#### Outlook:

Good Morning! US stocks advanced for the third consecutive day, pushing S&P500 index to its highest level in 2010 on speculations that the health care reform would not pass through the US parliament. Asian markets are following a mixed course this morning. On the domestic front, the ISE dropped by 0.71% yesterday in line with its European peers and closed the day at 52.376, just above its intraday support level with a significantly low volume of TRY 1.245Mn. The market was quite weak in the lack of international flow. Today, we foresee a slightly positive opening followed by a range bound trading. The market participants would like to see the upcoming term with the non-IMF scenario. Technically, we anticipate the index to hold over 52.200 level. However, if not, then 51.200 seems likely. 52.800 and 53.800 are the respective resistance levels.

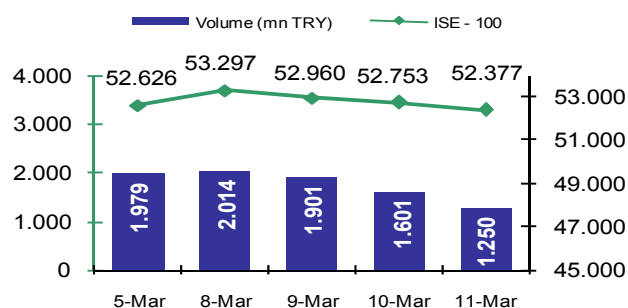
#### Money Market:

Turkish financial markets continued to trade sideways on Thursday although Turkey decided not to sign a IMF deal after all. November 2011 benchmark yields appreciated by 4bps to 9.22% while the currency markets remained relatively strong. TL appreciated against the US\$ and closed the trading day at TL1.535. We do not expect the Treasury to have trouble to serve its domestic and external redemption program this year as the 1Q10 results indicate. But, lack of IMF funding is likely to put pressure on Turkey' macro outlook. Thus, although the initial reactions from the markets to the developments seem muted, its affects will be gradual starting from putting pressure on the CBRT to accommodate to rising inflation risks.

#### Domestic Headlines:

**January CA deficit: Worse-than-expected** The current account (CA) balance posted a deficit of US\$2.95bn in January, worse than market consensus of US\$2.4bn deficit (Şeker Securities: -US\$2.6). Foreign trade balance has already been revealed whereas tourism revenues kicked-off the year with poor record with 4% YoY decline, becoming main reasons for our estimate deviation along with the weak current transfers for the month. Moreover, the rolling 12 month CA deficit climbed to US\$16.32bn in January from US\$13.85bn in December. Annual CA deficit closed the last year at US\$13.83bn due to the contracting economic activity and the collapse of the commodity prices after hitting to US\$41.94bn in 2008. We expect the upward trend in the external gap to continue as the economy has already started to recover in 4Q09. In our recent scenario for annual 4.0% growth (down from its previous 4.5% due to the lack of IMF funding), should oil prices remain at US\$80 per barrel on average in 2010, the CA deficit will rise to around US\$25bn (3.3% of estimated GDP). Note that the risks on our CA estimates are upside given the weak start on the export front this year. Nevertheless, the data will fail to move the markets and get minor attention from the market participants since it will remain at manageable levels for a while.

**Treasury raised US\$1bn through 2021 Eurobond** The Treasury successfully borrowed US\$1bn through issuing US\$-denominated Eurobond maturing at 2021 with 5.75% yield at the international markets this week. The Treasury aims to raise US\$5.5 borrowing through Eurobond financing in 2010 while it has already raised US\$3bn so far.



| Indices (TRY)  | Previous | Last   | Chg.   | YTD    |
|----------------|----------|--------|--------|--------|
| ISE-100        | 52.753   | 52.377 | -0,71% | -0,85% |
| ISE-30         | 65.505   | 65.025 | -0,73% | -2,94% |
| ISE-Financial  | 79.443   | 78.772 | -0,84% | -1,24% |
| ISE-Industrial | 40.986   | 40.700 | -0,70% | 7,39%  |
| ISE-Services   | 35.104   | 34.892 | -0,61% | -3,44% |

| Advances |       | Declines |       | Most Active |             |
|----------|-------|----------|-------|-------------|-------------|
| Stocks   | (%)   | Stocks   | (%)   | Stocks      | Vol (TR)    |
| PKENT    | 17,39 | KARTN    | -7,46 | GARAN       | 106.366.647 |
| ATLAS    | 11,70 | KONYA    | -5,15 | ISCTR       | 103.911.320 |
| KLMSN    | 9,02  | CMBTN    | -5,00 | PETKM       | 53.552.268  |
| ERSU     | 8,57  | BROVA    | -4,69 | VAKBN       | 46.684.869  |
| TRNSK    | 8,55  | BRISA    | -4,67 | IHEVA       | 40.116.908  |

| Money Market            | Previous | Last   | Pr. Mn | YTD    |
|-------------------------|----------|--------|--------|--------|
| O/N Repo (%)            | 6,50     | 6,50   | 6,50   | 6,66   |
| Euro Bond (30 year, \$) | 161,25   | 161,00 | 125,00 | 161,50 |
| Bond (Benchmark, %)     | 9,27     | 9,24   | 8,97   | 8,80   |

| Currency   | Previous | Last   | Chg.  | YTD    |
|------------|----------|--------|-------|--------|
| US\$       | 1,5335   | 1,5345 | 0,07% | 2,47%  |
| Euro       | 2,0925   | 2,096  | 0,17% | -2,47% |
| Euro/Dolar | 1,3656   | 1,3669 | 0,10% | -4,51% |

| Commodity              | Previous | Last    | Chg.   | YTD   |
|------------------------|----------|---------|--------|-------|
| Oil (Brent spot, \$)   | 79,2     | 79,4    | 0,21%  | 2,55% |
| Oil (NYMEX future, \$) | 82,1     | 82,0    | -0,10% | 3,13% |
| Gold (Ounce, \$)       | 1.108,5  | 1.106,6 | -0,18% | 0,86% |
| Silver (XAG, \$)       | 17,0     | 17,1    | 0,53%  | 1,45% |

| Şeker Funds              | Previous | Last*    | Chg.   | YTD    |
|--------------------------|----------|----------|--------|--------|
| Şekerbank A T. Variable  | 0,256591 | 0,256721 | 0,05%  | -1,41% |
| Şekerbank B T. Bond&Bill | 0,018127 | 0,018124 | -0,02% | 0,46%  |
| Şekerbank B T. Liquid    | 0,720573 | 0,720619 | 0,01%  | 0,55%  |
| Şeker Yat. B T. Variable | 0,016618 | 0,016625 | 0,04%  | 0,28%  |
| Şeker Yat. B T. Gold     | 0,011520 | 0,011326 | -1,68% | 2,30%  |

\* Prices of 12-Mar-10

**Sweden Parliament approves the so-called Armenian genocide** Sweden Parliament has approved a resolution calling World War I-era killings of Armenians and other minorities during the last days of the Ottoman Empire as "genocide". Turkey recalled its Ambassador for Stockholm to Ankara for consultations after the development. PM cancelled its visit to the country. The move may jeopardize Turkey's relationship with Sweden.

### International Headlines:

**US jobless claims figures dropped slightly by 6,000** The number of US citizens applying for the jobless claim benefits has climbed to 462,000. Economists expected jobless claim figures to decrease to 460,000 levels. On the other hand, previous jobless claim figures were revised to 468,000 levels. Meanwhile, the number of continuing claims has climbed by 37,000 to 4,558,000 levels

**US foreign trade deficit in line with expectations** According to the data released by the US Commerce department, the trade deficit was recorded as USD 37.2 billion. Economists had expected the trade deficit to reach USD 41 billion. Exports figures were recorded as USD 142.6 billion while the import figures were recorded as USD 179.0 billion.

**US consumer confidence index is expected to increase** Economists expect the US consumer confidence index released by Michigan University to reach 74 point levels. In February, the index was recorded as 73.6 points. Index figures will be released today at 2:55 p.m. London time.

**US retailing sales figures are expected to decrease** Economists expect US retailing figures to decrease by 0.2% compared to the previous month data. In January, US retailing figures have climbed by 0.5. US retail figures will be released today at 1:30 p.m. London time.

### Company News:

Central Registry Agency announced that in order to maintain price stability in **Aslan Cimento (ASLAN.TI)** and **Afyon Cimento (AFYON.TI)** shares, the companies' stocks would be traded on a gross clearing basis effective with already-executed trades of 11.03.2010. On the other hand, the CRA informed that clearing claims would be distributed to investors and brokerage houses starting from the end of the shares' clearing period.

| World Indices         |          |        |        |       |
|-----------------------|----------|--------|--------|-------|
| America               | Previous | Last   | Chg.   | YTD   |
| Dow Jones (US)        | 10.567   | 10.612 | 0,42%  | 1,76% |
| Nasdaq (US)           | 2.359    | 2.368  | 0,40%  | 4,38% |
| S&P 500 (US)          | 1.146    | 1.150  | 0,40%  | 3,15% |
| Bovespa (Brasil)      | 69.979   | 69.885 | -0,14% | 1,89% |
| Merval (Argentina)    | 2.332    | 2.332  | 0,00%  | 0,49% |
| Mexico Bolsa (Mexico) | 32.506   | 32.603 | 0,30%  | 1,50% |

| Europe                  | Previous | Last   | Chg.   | YTD    |
|-------------------------|----------|--------|--------|--------|
| Dax (Germany)           | 5.937    | 5.929  | -0,14% | -0,48% |
| FTSE 100 (UK)           | 5.641    | 5.617  | -0,41% | 3,78%  |
| CAC 40 (France)         | 3.944    | 3.929  | -0,37% | -0,19% |
| WSE WIG (Poland)        | 40.991   | 41.004 | 0,03%  | 2,55%  |
| Prague (Czech Republic) | 1.177    | 1.177  | -0,04% | 5,33%  |
| Budapest (Hungary)      | 22.853   | 22.863 | 0,05%  | 7,71%  |
| RTSI (Rusya)            | 1.501    | 1.508  | 0,44%  | 4,36%  |

| Asia/Africa                   | Previous | Last   | Chg.    | YTD     |
|-------------------------------|----------|--------|---------|---------|
| Nikkei (Japan)                | 10.564   | 10.656 | 0,87%   | 1,04%   |
| Hang Seng (Hong Kong)         | 21.208   | 21.134 | -0,35%  | -3,38%  |
| Shanghai Comp. (China)        | 3.049    | 2.306  | -24,37% | -29,64% |
| KOSPI (South Korea)           | 1.662    | 1.442  | -13,23% | -14,29% |
| JSE Africa All Shr.(S.Africa) | 28.088   | 27.911 | -0,63%  | 0,89%   |

| Turkdex (Set. Price) | Previous | Last   | Chg.   | YTD    |
|----------------------|----------|--------|--------|--------|
| INX100 (MARCH 10)    | 52,825   | 52,475 | -0,66% | -0,43% |
| INX30 (APRIL 10)     | 65,200   | 64,800 | -0,61% | -3,07% |
| IR365 (APRIL 10)     | 86,800   | 86,800 | 0,00%  | -2,58% |
| USD (APRIL 10)       | 1,552    | 1,550  | -0,16% | 3,68%  |
| EURO (APRIL 10)      | 2,111    | 2,113  | 0,12%  | -1,86% |
| COTTON (MARCH 10)    | 3,015    | 3,015  | 0,00%  | 15,96% |
| WHEAT (MARCH 10)     | 0,559    | 0,559  | 0,00%  | -1,76% |
| GOLD (APRIL 10)      | 55,455   | 55,620 | 0,30%  | 5,82%  |

| Portfolio Recommend. | Inclusio Date | Inclusio Price | Last Close | Chg. (%) | ISE Relative |
|----------------------|---------------|----------------|------------|----------|--------------|
| Akbank               | 25.02.10      | 7,95           | 8,75       | 10,1%    | 4,4%         |
| Vestel               | 06.01.10      | 2,72           | 2,44       | -10,3%   | -7,3%        |
| Tav Havalimanları    | 08.01.10      | 4,88           | 5,85       | 19,9%    | 25,8%        |
| Halkbank             | 25.02.10      | 9,55           | 9,90       | 3,7%     | -1,7%        |
| Doğuş Otomotiv       | 14.12.09      | 4,44           | 5,45       | 22,7%    | 17,6%        |
| Alarko Holding       | 06.01.10      | 4,12           | 3,82       | -7,3%    | -4,2%        |
| Anadolu Cam          | 06.01.10      | 1,93           | 1,91       | -1,0%    | 2,2%         |
| Ford Otosan          | 13.01.10      | 9,90           | 9,50       | -4,0%    | -1,7%        |
| Portfolio Yield      |               |                |            | 21,3%    | 36,4%        |

**Coca Cola İçecek (COLA.TI, Rec.: HOLD) receives US\$ 360 million loan.** Coca Cola announced that the company has completed a 3 year term, US\$ 360 million loan. Furthermore, the company informed that the loan would be utilized to refinance the company's debt maturing in March 2010 along with maturing bilateral facilities of some of Coca Cola İçecek's subsidiaries and their planned early payments as well as general corporate purposes. The subject loan issued has a per annum interest of LIBOR + 2.6% and would be repaid at maturity. US\$ 201 million of the loan will be utilized by CCI and the remaining part will be utilized by CCI's fully consolidated subsidiaries, The Coca-Cola Bottling Company of Jordan Ltd, J.V. Coca-Cola Almaty Bottlers LLP and CCI International Holland BV. CCI will guarantee the subsidiary facilities.

**Zorlu Enerji (ZOREN.TI) increases number of wind tribunes.** Zorlu Enerji said yesterday that Rotor Elektrik Üretim has received provisional acceptances for another 7 wind tribunes (out of 54). Following the completion of the new tribunes, the company's total number of wind tribunes will increase from 31 to 38 with their respective capacity from 77.5 MW to 95 MW. In our opinion, since the increase is not that much, the effect on revenues will be quite limited but a positive sign for the company's growth strategy in the long run.

**Ulker's (ULKER.TI) parent Yıldız Holding says plans for major global strategic partnership.** Yıldız Holding, the parent company of Ulker Group said yesterday that the company was looking for a new major global partnership. Moreover, the company plans to invest around TRY 100 million in personal care business, particularly of toilet paper, paper napkin and paper towel. The company plans to grow its consolidated sales in food business approx. by 12% this year.

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According to the news in Vatan Newspaper, **TAV Airport Company's (TAVHL.TI, Rec: BUY)** main shareholder Akfen Holding is planning for the IPO of the 33,58% of its issued capital. Main stakeholders of Akfen Construction Company, Akfen Construction Company and Hamdi Akın are expected to go public for 4,124,903 shares, and 6,230,987 shares, respectively.

**TAV Airports Holding Inc. (TAVHL.TI, Rec: BUY)** announced TRY 108,7 million net profit for 2009 in line with our estimate of TRY 114 million (market consensus at TRY 87 mn), compared to the net profit of TRY 7,7 million recorded during 2008. Encouraging passenger figures continued to support TAV's expansion ( TAV's passengers reached to 42 million during 2009 with an increase of 3%). TAV's yearly revenues have climbed by 25.3% to TRY 1.844 million from TRY 1.472 million in line with our estimate at TRY 1,838 million (market consensus at TRY 1,738 million) within the corresponding period. The company's EBITDA has climbed to TRY 553,7 million from TRY 471,9 million, indicating a 17% increase. On a quarterly basis, TAV's revenues climbed by 10,8% to TRY 381,3 million in 4Q09 from TRY 344,1 million in 4Q08 and net income, despite its EBITDA shrinking by 5.5% from TRY 116,4 million to TRY 110,0 million, climbed to TRY 36 mn in 4Q09 from a net loss of 10.6 mn in 4Q08 thanks to the deferred tax gain of TRY 34 million in the last quarter.

| TRY Million         | 2008/12 | 2009/12 | YoY   | 4Q08  | 4Q09  | YoY    | 3Q09  | QoQ    |
|---------------------|---------|---------|-------|-------|-------|--------|-------|--------|
| Revenues            | 1.472,2 | 1.844,2 | 25,3% | 344,1 | 381,3 | 10,8%  | 488,4 | -21,9% |
| Gross Profit        | 280,6   | 366,6   | 30,6% | 30,0  | 72,1  | 140,3% | 145,8 | -50,6% |
| Gross Profit Margin | 19,1%   | 19,9%   |       | 8,7%  | 18,9% |        | 29,9% |        |
| EBIT                | 117,9   | 164,8   | 39,8% | 18,7  | 12,8  | -31,5% | 98,4  | -87,0% |
| EBIT Margin         | 8,0%    | 8,9%    |       | 5,4%  | 3,4%  |        | 20,2% |        |
| EBITDA              | 471,9   | 553,7   | 17,3% | 116,4 | 110,0 | -5,5%  | 200,9 | -45,2% |
| EBITDA Margin       | 32,1%   | 30,0%   |       | 33,8% | 28,9% |        | 41,1% |        |
| Net Profit          | 7,7     | 108,7   | n.m.  | -10,6 | 36,5  | n.m.   | 76,7  | -52,5% |
| Net Profit Margin   | 0,5%    | 5,9%    |       | -3,1% | 9,6%  |        | 15,7% |        |

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