



Top Picks Update

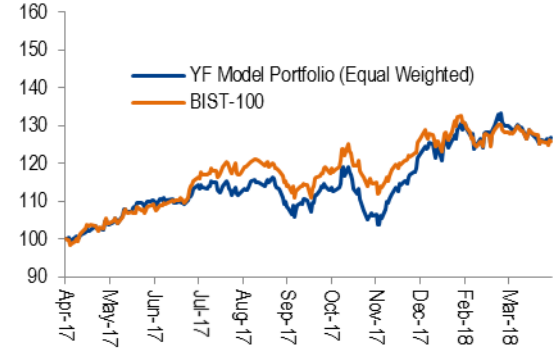
9 April 2018

Removing PETKM from our model portfolio

We removed Petkim from our model portfolio following we have revised down our TP to TL8.30/s (previous: TL9.40/s). Our 12m TP denotes a mere 4% upside potential for the stock hence we downgrade our rating to Market Perform.

We have revised down our estimates for 2018: Despite a strong reading in ethylene/naphtha spread during 1Q18 we project high base of 1H17 on skyrocketed by-product prices would eliminate y/y improvement in 1Q18. Besides we prefer to remain on the conservative side for ethylene/naphtha spread in 2H18 considering the projected CAGR of 4.3% in global ethylene capacity between 2017 and 2019, while global demand growth is foreseen to lag behind at 3.8% We expect EBITDA as TL1,562mn (down by 11% y/y) and net income as TL1,073mn (down 23% y/y) for 2018.

Our model portfolio outperformed BIST100 by 4.2% year-to-date.



YF Research Model Portfolio

	Stocks		Price			Market Cap.		Return in Portfolio	
	Company	Ticker	Current	Target	Upside	TLmn	US\$m	Relative	Absolute
Maintained	Akbank	AKBNK	9.6	12.3	28%	38,520	9,505	3%	4%
Maintained	Ereğli Demir Çelik	EREGL	10.7	14.6	37%	37,275	9,198	8%	9%
Removed	Petkim	PETKM	8.0	9.4	18%	12,000	2,961	0%	1%
Maintained	T. Vakıflar Bankası	VAKBN	6.5	8.44	31%	16,150	3,985	-3%	-2%
Maintained	Anadolu Hayat Emek.	ANHYT	7.7	9.6	25%	3,311	817	0%	1%
Maintained	Anadolu Efes Biracılık	AEFES	27.2	32	18%	16,105	3,974	2%	1%
Maintained	Arçelik	ARCLK	18.1	23.8	31%	12,244	3,021	2%	2%

*Inclusion and exclusion prices are calculated using daily vwap prices

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