

# Economic Outlook and Market Expectations

## Monthly Update

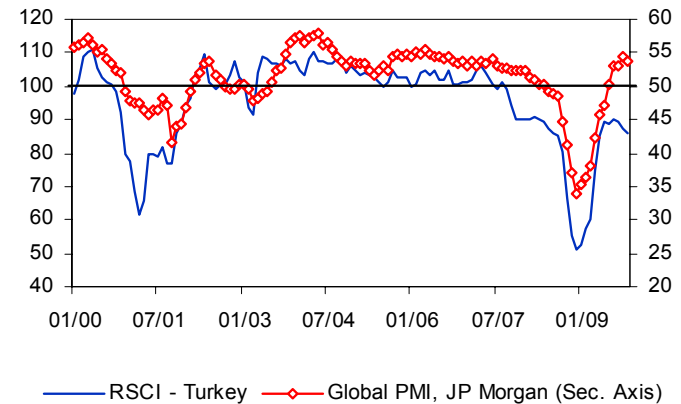


# Economic Outlook

# There Are Still Risks On The Strength Of Global Recovery...

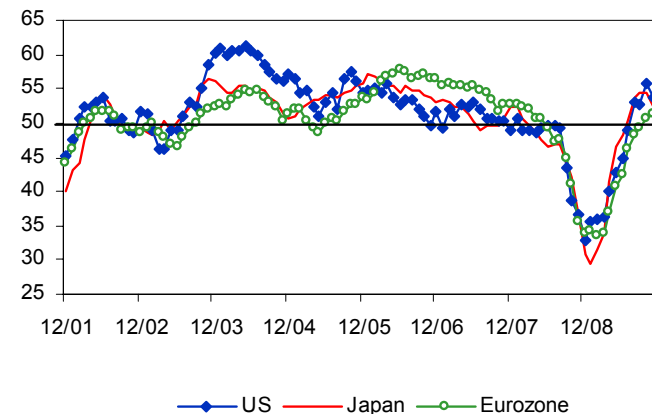
- The year 2010 is hoped to bring us closer to the good old days. These hopes are based on the scenario of economic growth finding more profound support by 2H10 the latest, as the finance sector problems are resolved. In that case, the central banks would even be urged to increase the interest rates. While even a slight recovery would bring along interest rate hikes since the monetary policy is fairly loose across the globe, we are not that optimistic about the pace of economic recovery in 2010.
- After some limited revisions, the medium term framework that we depicted for the growth outlook in the beginning of 2009 remains valid. The industrial production data in the World assures that the economic activity keeps depicting a U-type recovery with an extended bottom. Based on IMF forecasts, the global growth rate would be 3.1% which is slightly higher than 2008. However, this figure will be lower than 4.9% average registered in 2004-2007.
- The Global All-industry PMI output index, which is the leading indicator for the global growth outlook, fell by a sharp 2.6 points to 51.6 in November. The expectations regarding the new orders remain positive, hinting that the retrenchment in PMI would not be permanent. On the other hand, the Eurozone index which is more important for Turkey rose by another 0.5 point to 51.2. Accordingly, index remained above the critical 50-threshold second time in a row. The recent improvement especially in the Eurozone outlook is a positive development for Turkey.

**Turkey and Global Economic Activity**



*PS: RSCI (Real Sector Confidence Index) and PMI (Purchasing Managers Index) are composite indices, compiled via expectations surveys conducted amongst real sector managers and signals changes in economic activity in the near term. RSCI above 100 and PMI above 50 suggest economic expansion whilst below values indicate contraction in economic activity. The 2007 values of the RSCI index have been adjusted to make it compatible with ex-RSCI.*

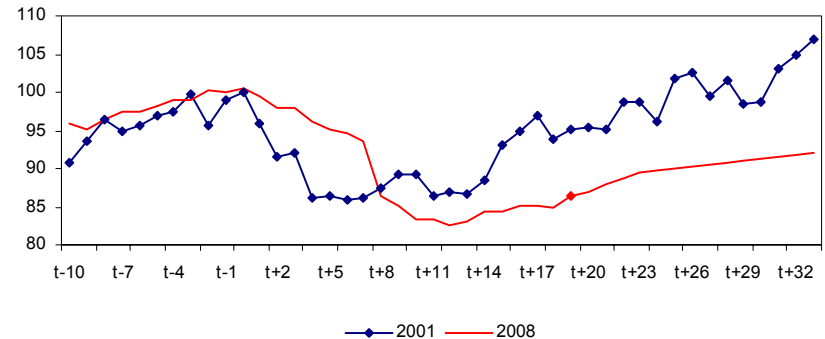
**Japan, US and Eurozone PMI**



# Turkey's Growth May Lag Behind The World...

- Coming to the domestic arena, Turkish PMI has been in a downtrend over the last 4 months as opposed to the increase in global PMI. This suggests that there is a possibility that Turkey's growth rate may remain weaker than the tendencies in the rest of the World.
- The industrial production rose by 6.5% y/y in October, surprising the consensus for 2.1% contraction (our forecast was 2.5% increase). Last year's weak base effect and the higher number of working days this year were influential on the positive change.
- Meanwhile, we reckon that the seasonally adjusted figures, which are important for the underlying trend increased by 2-3% vs. the month before. This outlook is broadly in line with our baseline scenario and unless output displays a stronger outlook in the upcoming few months than the tendency we depicted below, there would be no need to change our forecasts.
- Turkey started to depict a poor performance in terms of economic growth in 2006. Based on IMF figures, Turkey's growth rate was standing at the 40th and 118th rows on average among 150 developing countries in 2002-2006 and 2007-2008 periods, respectively. In other words, Turkey's relative performance entered into a visible downtrend.
- All in all, this poor performance, which is continuing over the last 4 years and which has become more apparent due to the global recession over the last 2 years, creates a very weak base term. As a more clear explanation, while GDP posted 6% contraction in 2009 a top of 1% expansion in 2008, even a limited revival in 2010 would be enough to secure a high y/y growth rate (our forecast is 5%). We made small revisions in our forecasts after the fresh data. **We increased our 2010 growth estimate to 5% from 4% linked to the weak base year effect, since the growth performance is set to remain significantly below the potential over the last two years. On the other hand, we downgraded our growth forecasts for the following years from 5% to 4%.**

Industrial Output Indices in the Crisis Period (March 2008 (the beginning of the crisis) = 100)

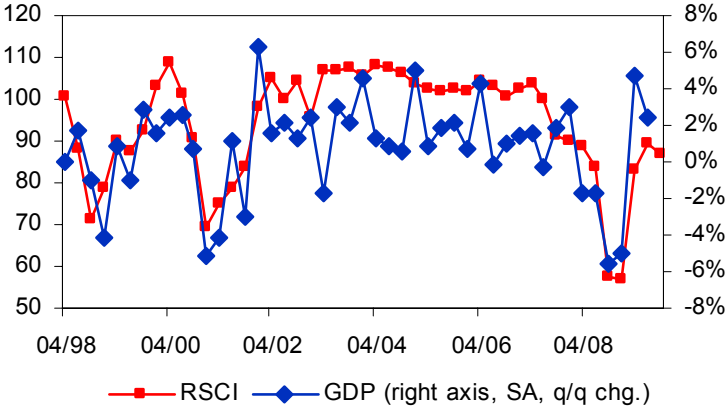


# There Are Obstacles Against A Pick Up In Growth Rate...

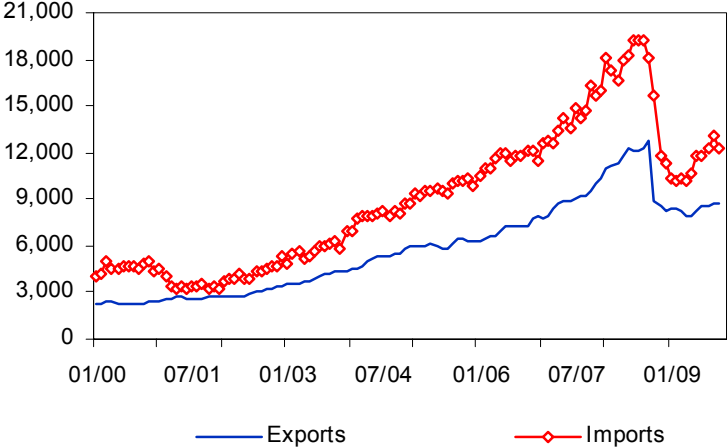
- There seem to be obstacles against a pick up in growth rate. Because: **1)** The banking sector is unlikely to be equally helpful to economic recovery. The Treasury's domestic debt roll-over ratio is set to remain at around 100% in 2010. **2)** We assumed no IMF deal in our base scenario and hence there is no IMF loan incorporated into the financing program. **3)** We anticipate unemployment rate rising further to 15.5% in 2010. Thereby, it would not be realistic to presume a visible revival in credit demand or visible easing in the banks' credit standards. Therefore, depending on the improvement in the conditions of external borrowing, the credit growth would unlikely bring much momentum to the economy.
  
- Other important revision are: **1)** We expect the current account deficit to widen to US\$35.7bn (5.1% of GDP) on the back of US\$75 oil price assumption and our forecast for a mild recovery in industrial production. Our assumption that the debt rollover ratios of the corporates and banks will be at relatively high 110% and 130%, respectively, yields an external financing deficit of US\$14bn. **2)** The 2009 year-end central government budget is likely to be slightly better than expected. We anticipate the program-defined consolidated government sector primary deficit receding to 0.5% of GDP next year from an estimated deficit of 1.8% this year. Accordingly, the EU-defined debt stock is likely to rise by 1 pp to 47.9% of GDP in 2010.
  
- In conclusion, even though the economic outlook in 2010 seems better than 2009, this would not satisfy the optimists who expect a return to the pre-crisis conditions. the country-specific jitters are set to continue in 2010 due to the delayed economic reforms in the pre-crisis period and the lack of a concrete economic reform program even today. This means that problems would exist in terms of the economic performance, if not in the financial markets. Meanwhile, the optimism linked to the recent rating upgrade for Turkey and the expectation of high growth rate in 2010 which is purely related with technical reasons would unlikely have permanent impact on the fundamental outlook and the prospects for the country.

# Economic Outlook of Turkey...

**Growth Trend & Real Sector confidence Index**

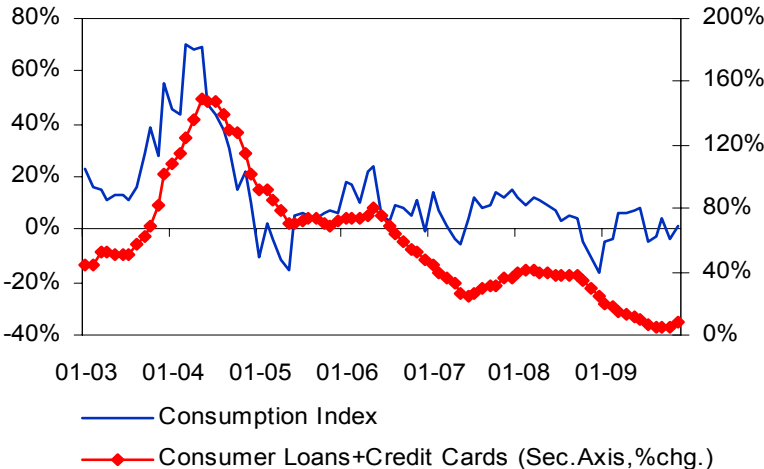


**Seasonally Adjusted Foreign Trade**

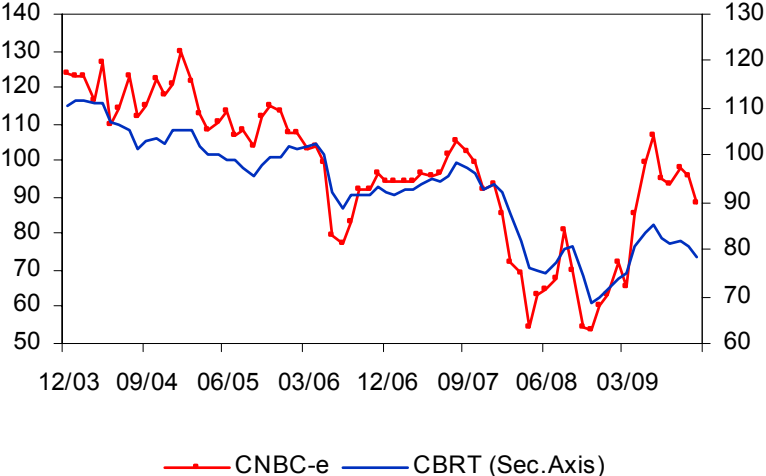


*P.S.: 2007 values of the RSCI index have been adjusted to make it compatible with ex-RSCI. The graph includes the quarterly figures. The Tramo-Seats is used in seasonal adjustment of GDP and Islamic holidays are taken into account*

**Domestic Consumption and Loans (% y/y change)**



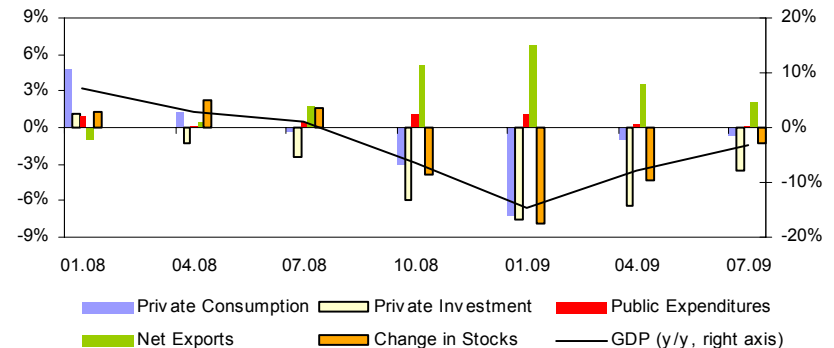
**Consumer Confidence Indices**



# 3Q GDP Is In Line With Expectations...

- 3Q09 GDP contracted by 3.3% y/y, coming in line with our forecast and consensus for 3.5% contraction. While 2Q09 GDP was revised down to 7.9% decline from the previous 7.0% fall, 1Q09 GDP was also revised down to 14.7% contraction from the preceding -14.3%.
- We estimate around 2.5% q/q increase based on seasonally adjusted figures. Under this scene, the recovery continues albeit at a slower pace vs. the quarter before.
- The negative contribution of the private consumption to the GDP kept narrowing, remaining at a limited 0.6 pp. On the other hand, even though the negative impact of private investments decreased, as well, this item which erased 3.5 pp from GDP remained as the major reason behind the economic contraction.
- The increase in the public expenditures was offset by the declining investments. In that respect, the public sector added a tiny 0.1 pp to GDP. Finally, while the stock changes deleted 1.3 pp off GDP, the net exports added 2.0 pp.
- All in all, 3Q GDP reading did not bring any major change to our assumptions.
- Coming to 4Q, while the October reading of industrial production indicated a good start, the leading indicators for November have so far suggested that the recovery tendency will continue.
- Accordingly, we expect the economy to expand annually in 4Q09.
- Separately, we forecast that the GDP would grow by 5.0% in 2010, after contracting by 5.7% in 2009.

**Contribution of Expenditures to Overall Growth**



# 2010 Monetary Policy And Financing Framework...

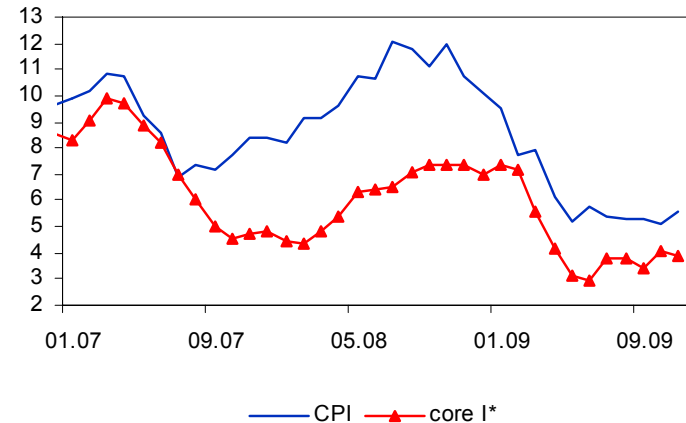


- The Treasury released the Financing Program for 2010 and The Central Bank disclosed the 2010 monetary policy framework in December.
- While the Treasury planned a domestic debt rollover of 99.5%, in line with our estimate, the total domestic debt service at TRY182.6bn (TRY153.6bn to the market, TRY20.4bn to the public sector and TRY8.6bn to the Central Bank) was slightly higher than our forecast for TRY170bn. In brief, this outlook suggested that the Treasury's financing need is set to remain elevated in the following year.
- The Treasury will start to issue 3-year fixed coupon bonds on a regular basis, in addition to the currently available bond types. Meanwhile, depending on the market conditions, the Treasury may also issue 10-year TRY-denominated bond.
- The Treasury's borrowing strategies which are announced on the last day of each month and include the financing plot of the following month will cover following three-month period from now on.
- Meanwhile, the Central Bank announced that from December 23rd onwards they will hold government bond purchasing auctions two times in a week, on Wednesday and Friday. The first part of the auctions will continue until June 23rd 2010. The maximum amount to be purchased will be TRY100mn and this will include the 1 and 5-year bonds. In December, the government bonds maturing on 03.08.2011 and 11.05.2011 will be purchased.
- The Treasury's redemptions to the Central Bank are pretty much in line with our estimates. While TRY5.0bn portion will be redeemed on May 10th 2010, there will be TRY1.0bn redemptions each on July 10th, September 10th and December 10th next year. The total government bond purchases will be around TRY8.0bn. In other words, the net amount of redemption to the Bank will be TRY1.0bn.
- Separately, as of January 8th 2010, the Central Bank will give more flexibility to banks in meeting their required TRY reserves in order to reduce the fluctuations in the O/N rates and to increase the flexibility in banks' liquidity management. In any required reserve period, the Banks will be allowed to meet 10% of the required TRY reserves in the following period and the excess reserves will be able to be deducted from the following period's obligation.
- While the 2010 and 2011 inflation targets remained unchanged at 6.5% and 5.5%, respectively, the 2012 inflation target was announced at 5.0%.
- In the meantime, both the Treasury and the Central Bank assumes that there will be no IMF deal in their baseline scenario.

# Inflation Is Higher Than Expected...

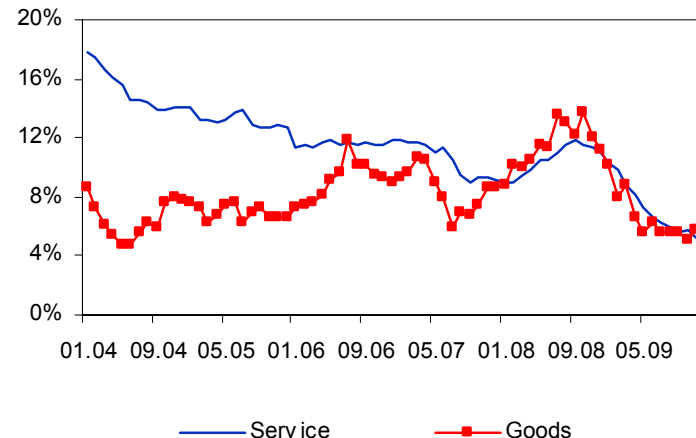
- While the CPI rose by 1.27% m/m in November, higher than both consensus and our forecast for 1.0% increase. The food prices rose by 2.2%, which was above the same month of last year. Elsewhere, the depressed demand conditions continued to put downward pressure on prices.
- Impact of the termination of tax cuts was felt partially on prices in October, this impact had been foreseen to continue in November, as well. However, the real picture was different. The data showed that there were even discounts in white good prices.
- The annual CPI rose by 0.4 pp to 5.5%, with the weak base year effect pushing the figure higher. Inflation may continue ascending in the following 3 months, due to very low inflation a year ago.
- In conclusion, the food prices pushed headline index higher, while the favorable outlook in the core indicators suggest that the underlying inflation trend is still downwards. This in essence suggests a slightly better outlook than we had presumed.

**CPI and Core CPI (% chg. y/y)**



(\*) Çekirdek I Endeksi: Gıda ve alkolsüz içecekler, alkollü içkiler ile tütün ürünleri, enerji ve altın hariç TÜFE

**Annual Change in Goods and Service Prices**



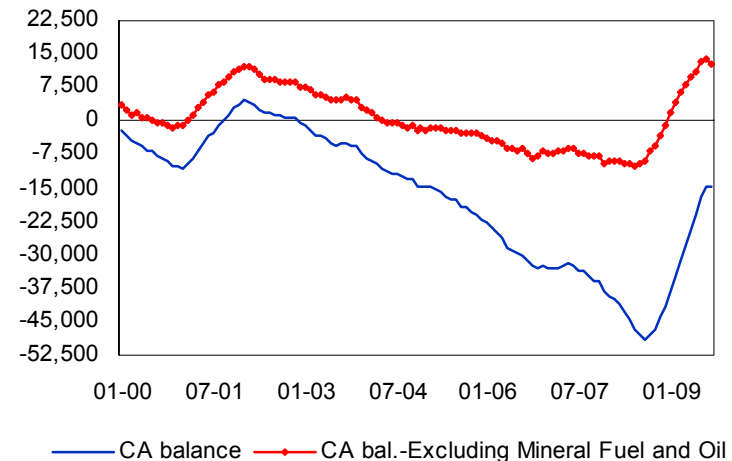
# MPC Ended The Rate Cut Period...

- The Central Bank ended the rate cut period that started in November last year, keeping the policy rate unchanged at 6.5%.
- This was in line with our call, as well as the majority of the views in the markets.
- The Bank dropped their earlier emphasis on gradual and slow economic recovery, describing the economic recovery as moderate.
- The Bank also warned against the likely visible surge in headline inflation in December due to base effect, noting that the underlying trend would remain benign.
- In brief, the Bank still takes a positive take on inflation outlook.
- As for the interest rates, the previous phrase of “it would be necessary for the monetary policy to maintain an easing bias for a long period of time” is now dropped, indicating that the rate cut period ended. On the other hand, the Bank reiterated that it would be necessary to keep the policy rates at low levels for a long period of time, which was assertive of the expectations for flat interest rate for the major part of 2010. We foresee that the Central Bank would start hiking rates in 4Q10, possibly by a total of 150 bps until the end-2010.
- Meanwhile, the Bank also dropped the phrase that future rate decisions would be conditional on data, not leaving much option for the rate decisions.

# Balance Of Payments And The External Financing

- Turkish C/A balance produced US\$0.7bn surplus in October, coming better than our forecast for US\$0.2bn surplus and market forecast for US\$0.2bn deficit. Based on the 12-month rolling figures, the C/A deficit regressed to US\$11.4bn from the preceding US\$14.5bn.
- Our deficit forecast is US\$14.4bn ( 2.3% of GDP) for the year-end. Meanwhile, the 12-month rolling current account balance excluding mineral fuel and oil (this group includes oil and natural gas) is in US\$15.3bn surplus as of October.
- On the financing front, the outlook in the private sector loans was positive. The non-bank private sector rolled over 70% of long term debt in September, while the ratio was 139% for the banks.
- Over the last 12 months, while there were US\$11.9bn long-term capital outflow, FDI stood at US\$7.6bn, accompanied with US\$1.8bn short term capital outflow and US\$0.1bn portfolio outflow.

**Current Account Deficit (Mn US\$)**



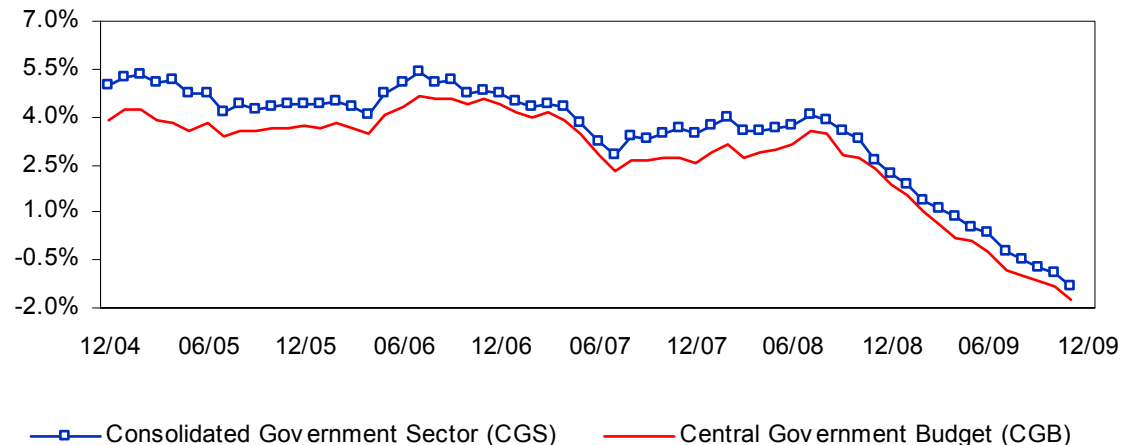
**The Structure of Capital Movements in Turkey (US\$ mn)**



# The Fiscal Performance...

- The central government budget produced TRY1.2bn primary deficit in November. The increase in the social security and health expenditures were influential on this deficit. Even though there is not a substantial weakening in the total tax collection, the proceeds of some tax items have been delayed to December and this prevented a more positive performance. Considering TRY2.1bn PS registered in last November, deterioration in the fiscal outlook continued.
- The IMF defined figures, which do not include one-off incomes and which are more importance to reflect the underlying trend, confirmed the similar deterioration. Based on our estimates, the IMF-defined central government primary balance produced TRY1.9bn deficit (the preceding years figure is TRY1.8bn PS) and 12-month program-defined primary deficit to GDP ratio rose to 1.7%. In the preceding month, this ratio was 1.3%.
- The latest available data for the SEEs is for August, while September data is released for the non-budgetary and unemployment funds. Assuming that the missing data will be unchanged vs. last year, we reckon that 12-month primary deficit to GDP ratio rose to 1.3% from 0.9% a month ago. We reckon that the deficit in the CGS may remain slightly lower than the official deficit forecast at 2.1% for the year-end.

**Program-Defined Primary Surplus (% of GNP)**



# Macro Economic Forecasts...

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## Macro Economic Outlook of 2008 - 2012

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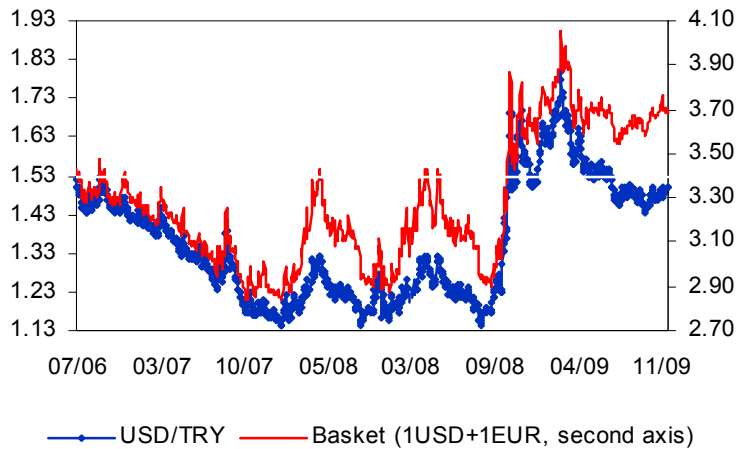
	Forecast				
	2008	2009	2010	2011	2012
<b>GDP (TRY - bln)</b>	950.1	976.6	1,087.2	1,190.2	1,293.6
<b>GDP (US\$ - bln)</b>	734.9	630.0	701.4	723.9	775.8
<b>GDP Growth (y/y % chg)</b>	0.9	-5.7	5.0	4.0	4.0
<b>PPI (y/y % chg)</b>	8.1	6.0	5.0	4.0	4.0
<b>CPI (y/y % chg)</b>	10.1	5.9	6.5	5.5	4.0
<b>Trade Balance (US\$ - bln)</b>	-69.8	-38.2	-64.8	-65.6	-67.8
<b>Exports (FOB, excl. luggage trade)</b>	132.0	100.4	127.0	122.9	134.9
<b>Imports (CIF, incl. gold)</b>	201.7	138.6	191.8	188.5	202.8
<b>Current Account Balance (US\$ - bln)</b>	-41.8	-14.4	-35.7	-34.5	-33.7
<b>Current Account Balance / GDP (%)</b>	-5.7	-2.3	-5.1	-4.7	-4.3

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# Markets and Strategy

# Current Market Developments

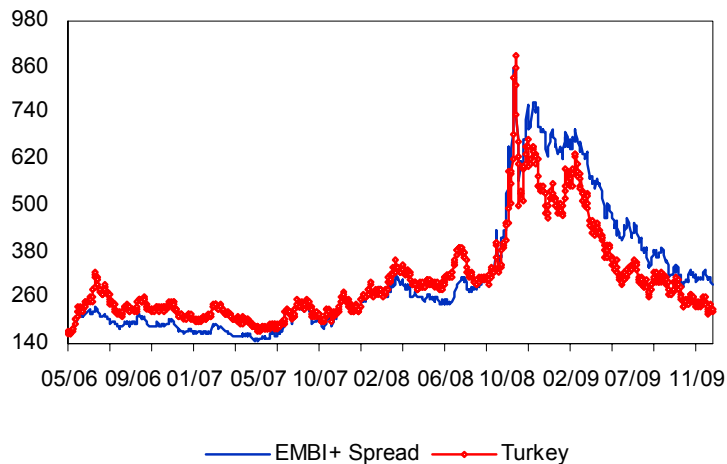
**USD/TRY and Currency Basket**



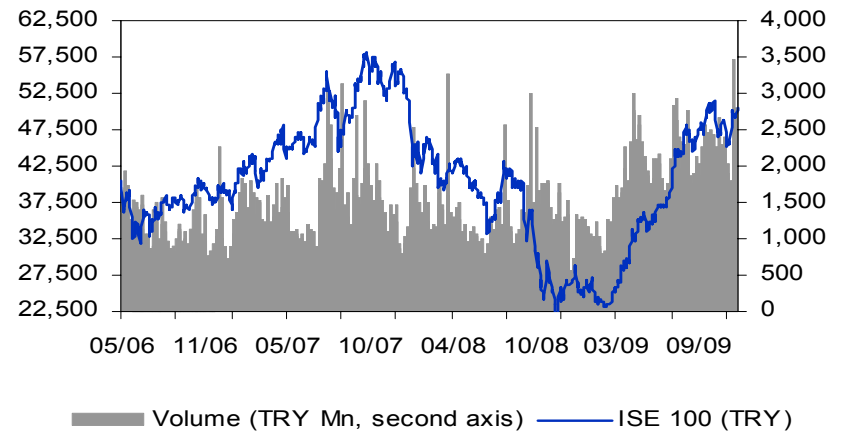
**Benchmark Bond Yield (% c.a)**



**EMBI+ and EMBI Turkey Spreads**



**ISE100 Index and Trading Volume**



# Interest Rate Hikes Are Expected In 4Q10...

- Despite all the economic uncertainties and weaknesses, the year of 2009 was quite positive for the markets in Turkey. While the Central Bank slashed the O/N rate thanks to the favorable repercussions of economic recession on inflation, the benchmark bond yield regressed more than 7 pp since end-2008. On the other hand, the declining interest rates had negative impact on the F/X rates. Despite the reviving risk appetite and strengthening currencies of other emerging markets, the F/X basket (1 US\$/TRY + 1 EUR/TRY) did not change visibly vs. end-2008 levels.
- Along with the interest rates, the most substantial change was in the stock markets. ISE100 index surged more than 80%, thanks to the favorable impact of the falling O/N rates on the banking sector profits (banks have 40% share in the ISE100 Index) and the appeal of the low prices that emerged after preceding year's sharp decline. These developments also raised the bar for investors' future expectations.
- In 2010, most likely from 4Q10 onwards the O/N rates would start increasing towards normal levels. Even though there have been signals that recession is ending since the beginning of 2009, there is not a clear indication to suggest that the economic recovery is gathering momentum.
- There has been a very slow recovery in the countries outside of Asia. Although Turkey's outlook is not much different than the general trend, Turkey displayed a relatively poor performance. This outlook fed the expectations that there would not be additional pressure on inflation for a considerable period and separately it showed that the economy would need the monetary policy support for some more time.
- Even though a number of countries, with stronger economic performance than the general economic cycle already started to hike rates, majority of the countries are expected to start raising rates in 4Q10. Based on Reuters poll, the interest rates are foreseen to increase by a limited 75 bps in 4Q in the U.S. Coming to the Eurozone, the timing of interest rate hikes is anticipated to be similar and the total amount of hike is foreseen to be limited at 50 bps for 2010.

# The Long Term Yields May Start Increasing Earlier...

- We expect that rate hike period would start in a similar period in Turkey and the total amount to be raised in 2010 would be 150 bps. We presume that there would be further 200 bps rate hike in 2011, with the O/N rate stabilizing at around 10% at the end of the tightening period.
- Despite this outlook in the O/N rates and the fact that the Central Bank is very unlikely to raise rates in the short term, the long term yields may start increasing earlier. This is because, all the expected interest rate movements during the life of the investment instrument are taken into account in the valuation of long term interest rates.
- For example, based on our own O/N forecasts, in a 2-year time span, there is no difference between receiving O/N rate and going long in benchmark bond at a yield of 8.4% today. Under this scene, the current level of benchmark bond at 9.3% seems attractive.
- Yet, there should be a premium for taking this market risk for 2 years and this justifies the gap. Going other way around, if the Central Bank raises the policy rate to 12%, higher than our expectation for 10%, that would be the fair correspondence for the current level of the benchmark bond yield.
- As we come closer to the rate hike period, the low interest rate periods are dropped and replaced by higher interest rates in the life of the long term bond. In that respect, even though the expectations remain unchanged, the long term yields are obliged to start ascending earlier.
- **We expect the benchmark bond yield to increase gradually and complete the year of 2010 at a level of 11.0%, after surfacing in the range of 9.5% - 10.0% in 1Q10.** Separately, coming to the end of the interest rate cuts is by itself enough to show that the maximum possible price level has been reached for these bonds. This curbs the investor appetite and also puts additional pressure on yields through the fund flows. Note that this kind of investor behavior may cause abrupt fluctuations in the bond yields in the short term.

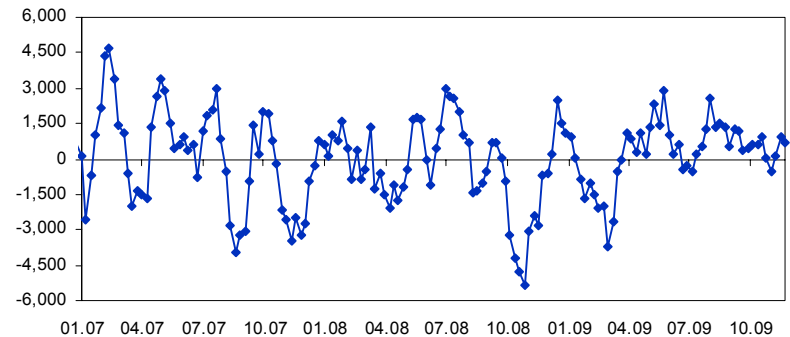
# The F/X And Stock Market Outlook...

- **On the F/X front, the interest rate differentials may appear more important, going forward.** The countries which exit from the recession earlier either started raising rates or they are anticipated to start tightening earlier.
- Therefore, these countries' currencies would normally depict better performances. Meanwhile, in parallel to the exit from the crisis and normalization trend in the financial markets, the risk appetite is set to revive gradually, prompting appreciation tendency in the emerging market currencies.
- We expect a slightly weaker performance in the Turkish economy. Therefore, interest rate hikes are set to come later and accordingly TRY would continue underperforming the peers. Yet, combined with the global risk appetite, this may lead to a flat pattern, rather than visible surge in F/X rates.
- **For the stock market performance, the pace of economic recovery will be important.** In tandem with the signals which suggested that the worst point of the crisis is over in 1H09, the equity markets had priced that the economy would normalize in the upcoming period. Accordingly, the losses suffered in the crisis period were reversed to a great extent.
- However, for the continuation of the uptrend there must be strong signals which suggest the production and consumption will improve towards their pre-crisis levels.
- The data regarding manufacturing industry and labor market still point to the continuation of weak outlook.
- This is in line with our baseline scenario which assumes a U-type recovery with an extended bottom.
- In line with this scenario, the recovery signs should be expected to become more apparent in 1H10.
- Accordingly, although we can not say that the outlook is much promising in terms of the stock markets in the short term, the uptrend may continue in the medium-long term.

# Foreigners' Fund Flows

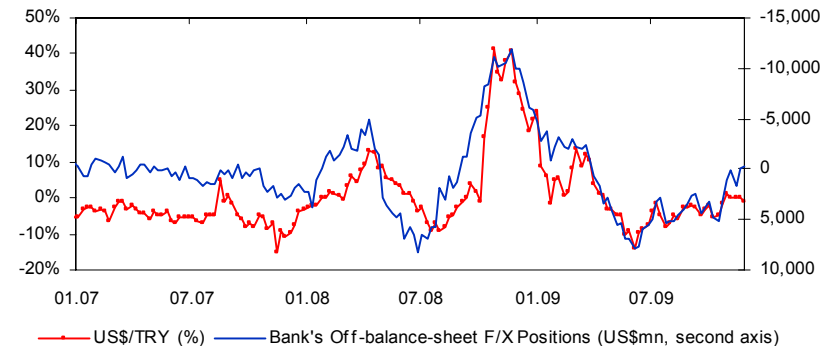
- In the recent term, foreign investors' fund inflows depict a volatile and weak outlook. Coming to November, this tendency has not changed much. Based on data adjusted for the prices, foreigners increased their portfolio by US\$0.7bn in November after adding a limited US\$0.1bn in October. Lately, the investors are mostly interested in the bond market. While there was some US\$0.5bn inflow to the bond market, the inflows to the equity market remained limited at US\$0.1bn.
- Besides the traditional channels, there are other channels for fund flows that we can monitor indirectly. We monitor the banks' off-balance-sheet F/X positions as a reference here. After the banks' off-balance sheet long F/X positions fell by a tiny US\$0.2bn in October, there was some US\$1.5bn decline in November. This is another indicator that confirms the investment appetite for the Turkish financial assets kept depicting a weak tendency.
- Coming to December, based on BRSA data, foreigners sold US\$0.8bn from their bond positions in the first 9 days of December. While the residents' purchases also remained limited, the banks were the major buyers of government debt. There was a limited US\$0.3bn inflow to the equity market in the first 15 days of the month. In addition to this, although banks' off-balance long positions rose by US\$1.1bn in the first week of the month, this does not imply a change in the above-mentioned tendencies as it came after the preceding month's sharp decline.

**4-Week Cumulative Change in Portfolio Investment of Non-Residents(\*)**

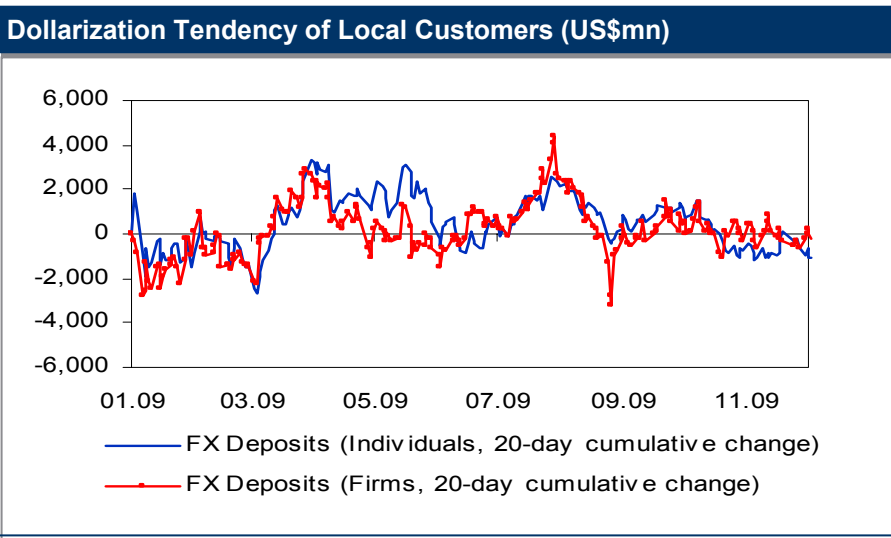
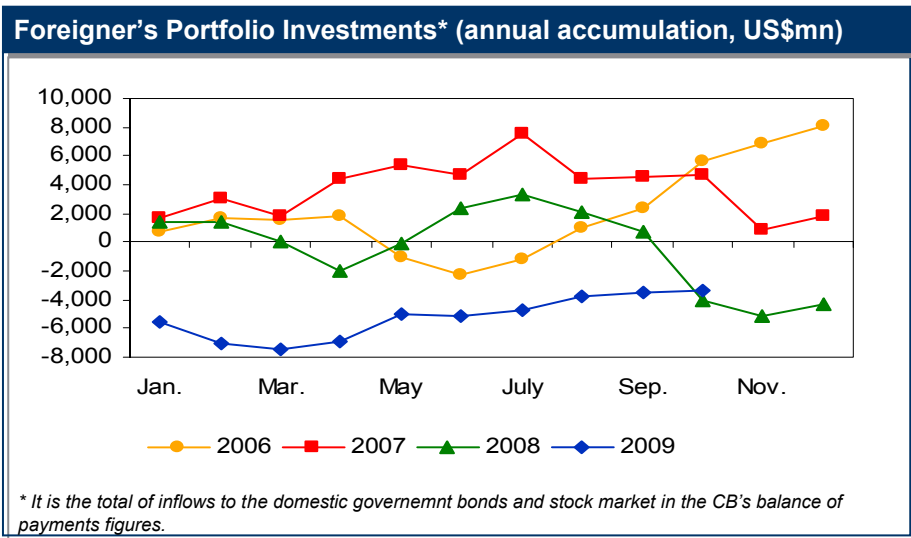
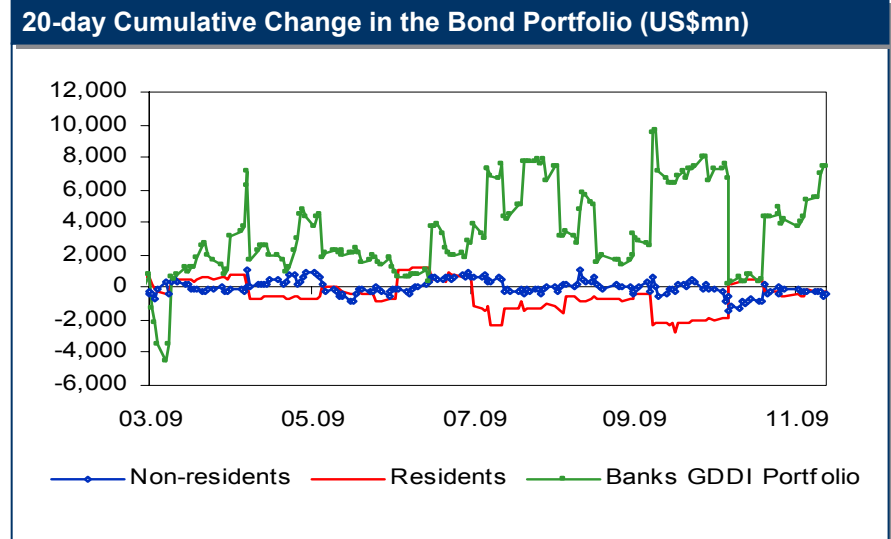
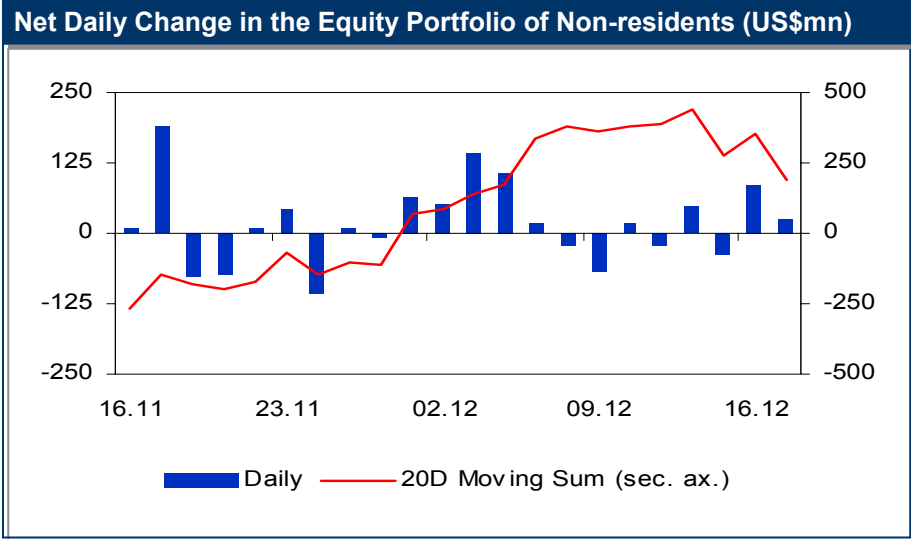


(\*) The exchange rate fixed on end-2003 for the estimation of changes in TRY deposits and Central Bank's data, adjusted to price changes, were used for the weekly changes in equity and GDDI portfolio.  
Source: CBT, BRSA, Capital Markets Board, Central Registration Institution, Fortis Research

**Banks' Off-Balance-Sheet Transactions and F/X Market (3-month change)**



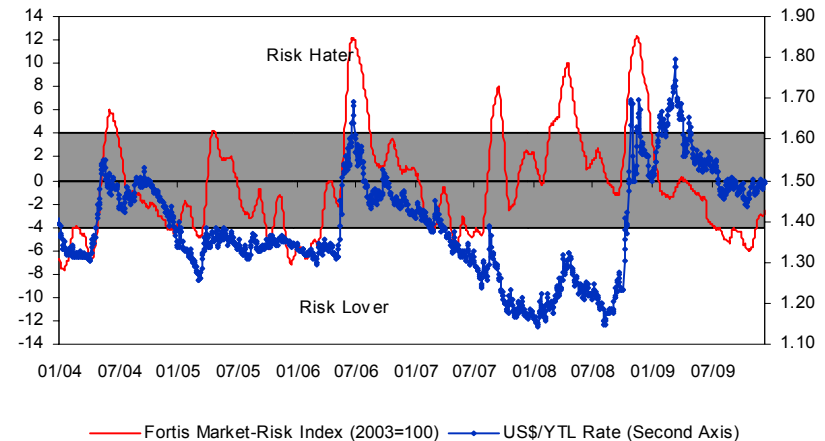
# Short-Term Indicators Of Fund Flows



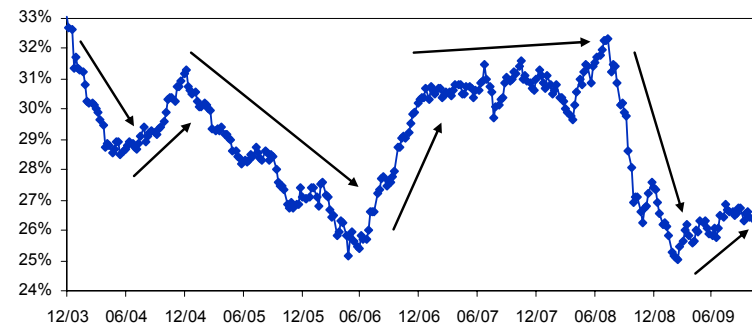
# Risk Appetite & Dollarization Tendency Of Locals

- The decline in the *Market Risk Index* that measures the general volatility in Turkish markets paused in November and there was some slight increase in December. Nevertheless, the index remained close to the territory that is consistent with strong risk appetite. The chance of a potential positive affect on the F/X rates from this channel has increased.
- The residents lowered their hard currency accounts as the F/X rates started to increase in end-November. In the past, residents used to increase their portfolio in an environment of sliding F/X rates, as a typical trading strategy. Accordingly, the dollarization ratio, or the share of F/X-denominated assets in overall investment, regressed to 25.8% in end-November from 26.3% registered in end-October.
- The F/X deposits regressed by US\$1.4bn in the whole month. This was influential on the decline of dollarization ratio. While we continue to anticipate that the residents' hard currency demand will depend on the F/X rate levels in the upcoming period, we do not expect any important change in the dollarization ratio as long as markets lack any event that would result in visible fluctuations in the F/X rates.

**Fortis Market-Risk Index vs. US\$/TRY**



**Investments in FX / Total Investments\***



(\* Total investments include non-bank sector's portfolio of deposits, GDDI, stock, Eurobond, repo, mutual funds and SFI accounts. TRY-denominated investments are converted to US\$ using a fixed rate.

Source: CBT, BRSA, Capital Markets Board, Fortis Research

# Investment Portfolio Of Residents

Investment Tendency of Non-Bank Sector						
	2007	2008	2009	2009	2010	
	Dec.	Dec.	September	October	November	Diff.
Non-Bank Sector TL Investments (TRY-mn)				(1)	(2)	(2)-(1)
Deposits	218,952	278,170	292,173	297,441	307,583	10,143
GDDI *	67,492	74,620	81,940	79,749	79,473	-276
Repo	2,733	1,816	1,775	2,044	1,784	-261
Stocks	31,246	20,365	37,650	37,747	35,996	-1,751
Investment Funds	26,480	23,985	30,637	32,022	31,022	-1,000
SFI	7,742	10,915	15,011	15,524	16,169	644
Non-Bank Sector FX Investments (US\$-bln)						
Deposits	97.6	94.6	103.4	102.7	101.3	-1.4
GDDI *	4.6	3.6	3.0	3.0	3.0	0.0
SFI	5.9	5.4	6.6	6.6	6.6	0.0
Eurobond	6.1	7.0	6.8	6.7	6.9	0.2
FX / Total (**)	31.0%	27.4%	26.7%	26.3%	25.8%	-0.5%

Source: CBT, BRSA, Capital Markets Board, Central Registration Institution, Fortis Economic Research and Strategy

Banks' off-shore branches are included

(\*) Government Domestic Debt Instruments (excluding investment funds)

(\*\*) Calculated using end-2003 TRY/US\$ rate, to eliminate the effect of changing currency rates.

# Financial Indicators Forecasts

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## Financial Indicators Forecasts

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	<b>Dec. 18<sup>th</sup></b>	<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>12M</b>	<b>2009</b>	<b>2010</b>
<b>US\$/TL</b>	1.5099	1.5200	1.5400	1.5700	1.5600	1.5200	1.5600
<b>EUR/TL</b>	2.1702	2.1850	2.2300	2.2600	2.2500	2.1850	2.2500
<b>FX Basket</b>	3.6801	3.7000	3.7700	3.8300	3.8100	3.7000	3.8100
<b>EUR/US\$</b>	1.4373	1.4400	1.4500	1.4400	1.4400	1.4400	1.4400
<b>O/N</b>	6.50%	6.50%	6.50%	6.50%	8.00%	6.50%	8.00%
<b>Benchmark Bond</b>	9.30%	9.40%	9.70%	10.10%	11.00%	9.20%	11.00%

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