



# SUNSEEDMAN

*Your Sunflower Market Eye*

## DAILY FINANCE PANORAMA

**16 JULY 2018**



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# TURKISH FINANCE MARKETS



- EVEN THOUGH **PARTLY CLOUDY** abroad by daytime, the technical corrections were active. In this connection ;
- **Borsa İstanbul/BIST**, was **SLIGHTLY REBOUNDED** as **0.36% ↑**, BUT still remained below the critical **90.000** level ( **89.898** ).
- **2-year-Interest Rate** was **LOWER** ( **20.21%** ).



→ ↑ ? ( The parity signed the record of **4.9796** by 11 July 2018! **FDAY**, so **volatile!** ).

## a) FRIDAY:

- By following **4.8197 – 4.8810** range, it made a closure around **4.855** level. USD/TL parity made a start to **FDAY** around **4.87** in Asian hours and performed mostly **DEFENSIVE** mode by closing the day with **DAILY LOSS** of **0.28%**.

## b) BEARISH & BULLISH FUNDAMENTALS IN USD/TRY PARITY

- The finalization of the earlier elections and the formation of the new Cabinet,
- The abolishment of State of Emergency after 18 July,
- Partly recovering economies in Europe, main export destination of Turkey,
- Active tourism season ( record turists by Jan/Jun18 ),
- Huge interest rates ( Central Bank, 17.75% and current markets, over 20% ),
- The tight stance of Turkish Central Bank,
- “ Lower USD/TL parity is likely “ statement from ERDOGAN,
- Relatively favorable economical figures ( 7.4% of Growth Rate by Q1 and 10.1% of Jobless Rate etc ),
- **SERIOUS ANXIETIES** on the new Cabinet’s Economy Staff, Turkish Central Bank structure and independency,
- Fed’s interest rate hikes ( already to 1.75 – 2.0% by Jun18 and further 1 or 2 ones are likely for the rest of 2018 albeit the angst of trade wars ),
- Global trade wars of TRUMP ( mainly with China, but also others including Turkey ),
- The aggressive policies of TRUMP for Middle East ( esp. on Quds and Iran including Nuke Deal by threatening other countries making business with Iran )
- Political and geopolitical risks of Turkey,
- Unfavorable economical figures ( 57.64 Mrd Dollar of Current Account Deficit, 15.39% of Inflation Rate etc ),
- Credit Note Downgradings ( last FDAY, FITCH, BB-, **NEGATIVE** ) and strong warnings,
- STILL KEEP THE PARITY SOLID.**



SOURCE : INO

## c) TODAY/PROJECTION:

- It moves at **4.8425 – 4.8675** range, being partly below the new-record **4.9796** of **11 July 2018**.
- The Big Picture is **TOTALLY BULLISH** as long as the parity remains over critical and psycho **4.5** level.
- The huge zigzags are possible ahead next week’s Turkish Central Bank monthly meeting ( **24 July** ),
- The markets are looking forward to seeing the concrete steps from the Economical Staff of the new Cabinet
- Please pay more attention for TRUMP-PUTIN summit of **TODAY** and also Turkish Jobless Rate of **TODAY**.

# GLOBAL FINANCE MARKETS



- **By FRIDAY, ahead week-end,** the bourses were once **MOSTLY APPRECIATED**.



- **EU bourses** ( **DAX, 0.38% ↑** ) were once **PARTLY RECOVERED** with further technical correction, weaker EUR/USD parity and stronger BRENT Crude before cloure and **1.85% UP** in Japanese NIKKEI Bourse **ALBEIT 0.23% DOWN** in Chinese SHANGHAI Bourse, political uncertainties in UK, Italy and Spain, banking crisis ( Deutsche Bank etc ), war tam-tams in Middle East, Iranian Nuke Deal questionmark, trade wars ( **threats in btw EU and USA as well as RU/China etc** ), TRUMP uncertainty, stimulus winding down by ECB ( **30 Mrd EUR/month vs 60** ), banking crisis in EU members, BREXIT/UK angst, terror fears and global political/geopolitical risks.



- **US bourses** ( **DOW, 0.38 % ↑** ), were also further **BOUNCED** with once technical correction and weaker Dollar and stronger NYMEX Crude before cloure **IN SPITE OF** mixed European/Asian Bourses, war tam-tams in Middle East, Quds/Jerusalem issue, Iranian Nuke Deal questionmark, hawkish Fed, **trade wars** ( **esp in btw USA and China** ), terror risks and Trump questionmark.



EUR / USD

- **EUR/USD parity** moved at **1.1613 – 1.1687** range by **FRIDAY** and now moves around **1.1685** level ( **ALMOST FLATTISH** right now ). By **FDAY**, the parity discounted globally **WEAKER** Dollar ( in late hours ) by walking away from **1.15** bottomline.



- **Crude** was **PARTLY STRONGER** with output angst ( **0.25 – 0.50% ↑** ).

- **ALBEIT** TRUMP demand from OPEC to hike output further and drop prices, higher weekly Drilling Rigs No, increasing trade wars ( **esp. in btw USA and China** ), global abundancy and sluggish demands, more US/global output forecasts and output hike ( **1 Mln Barrel/Day** ) by OPEC ; weaker Dollar before closure, lower US Weekly Crude

stockpiles, US threat for Iranian Crude importers ( mainly China and India ), war tam-tams in Middle East, tension in Quds/Jerusalem, withdrawal of USA from Iranian Nuke Deal ( also increasing sanctions ), North Iraqi tension, Saudi Arabian tension, geopolitical risks resulted in **some gains**.

- In this connection, Brent moved at **73.23 – 75.92 \$/Barrel** ( now, **74.90** ), and NYMEX also moved at **69.84 – 71.66 \$/Barrel** range ( now, **69.55** ).
- Today, **PARTLY LOWER** prices exist in Asian hours.
- **Brent remains below 75 \$/Barrel.**
- **Please pay more attention for the applicability/sustainability of the relevant deal of OPEC/Non-OPEC members and geopolitical risks! Let's also follow Nuke Deal developments/Saudis Outlook/Middle East Tension/Iranian Demonstrations/trade wars!**