

PORTFOLIO MONITOR

Some Profit Taking, Finally...

Turkish assets were subject to profit taking by foreign investors within the week ended February 8. On top of US\$1.1bn outflows via bonds, a further US\$0.1bn came out via equity transactions, whereas money market and Eurobonds attracted minor inflows during the same period.

- **Non-residents were net sellers of local government bonds to the tune of US\$1.1bn.** Accordingly, cumulative inflows in 2013 have come down to US\$1.7bn via the bond market.
- Moreover, non-residents were **net sellers of US\$133mn in Turkish equities**, at which period the ISE-100 remained under selling pressure. This also marked the second weekly outflow in February. Accordingly, cumulative inflows in 2013 have receded to a mere US\$80mn via the stock market.
- On the other hand, **Eurobonds saw a net inflow of US\$82mn** in the same week. This has raised cumulative net inflows to US\$0.5bn into this market.
- There was again an **inflow of US\$0.7bn via swap** transactions with non-residents, according to our calculations based on the BRSA's weekly figures for banks' off-balance sheet FX positions. Accordingly, the short-term money market has attracted US\$4.9bn in net terms so far in 2013.

All in all, cumulative total portfolio flows in 2013 have fallen to US\$7.1bn from US\$7.7bn a week ago.

Exhibit 1: Non-residents' Portfolio Flows, cumulative, US\$ mn



Exhibit 2: Breakdown of Non-residents' Portfolio Flows, US\$ mn

	Week: Feb 8	Ytd: 2013	2012
Equity	-133	81	6,272
Local Gov't Bonds	-1,119	1,686	16,150
Swap	661	4,878	427
Gov't Eurobonds	82	492	5,771
Total	-509	7,137	28,620

Source: BRSA, Burgan Securities

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