tepav

TEPAV RETAIL CONFIDENCE INDEX (TEPE)

NEWS BULLETIN
02.04.2010 Issue 4

TEPE MARCH-2010 RESULTS ANNOUNCED …

A. Solid recovery in TEPE continues: TEPE March-2010 improved by *11.6 points* compared to the same period in 2009. Though the index still moves at the negative zone, possibility of a rise to the positive zone strengthens.

Figure-1. TEPE (March 2009-March 2010)

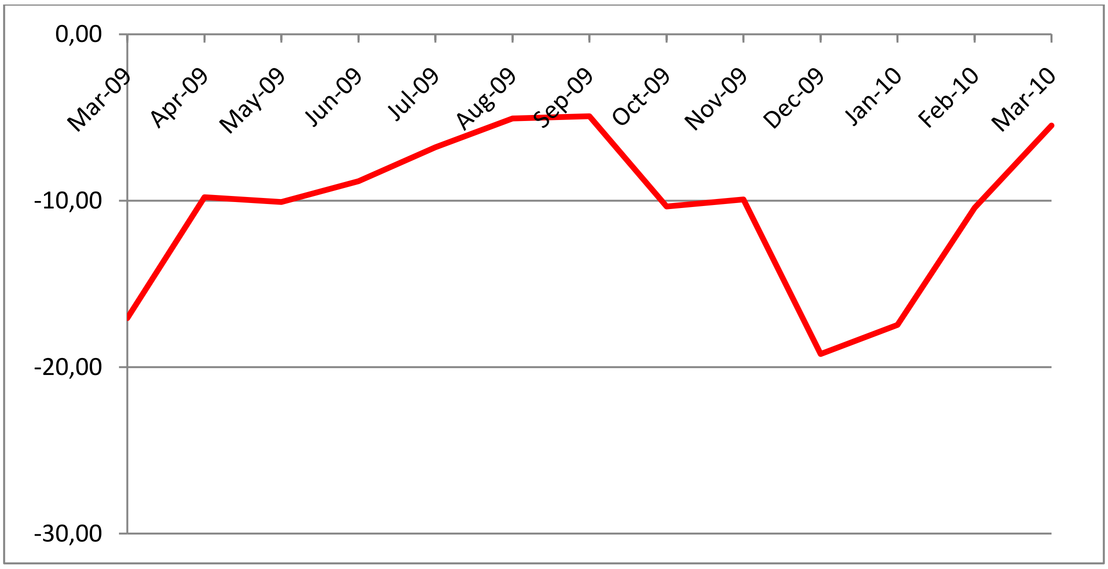
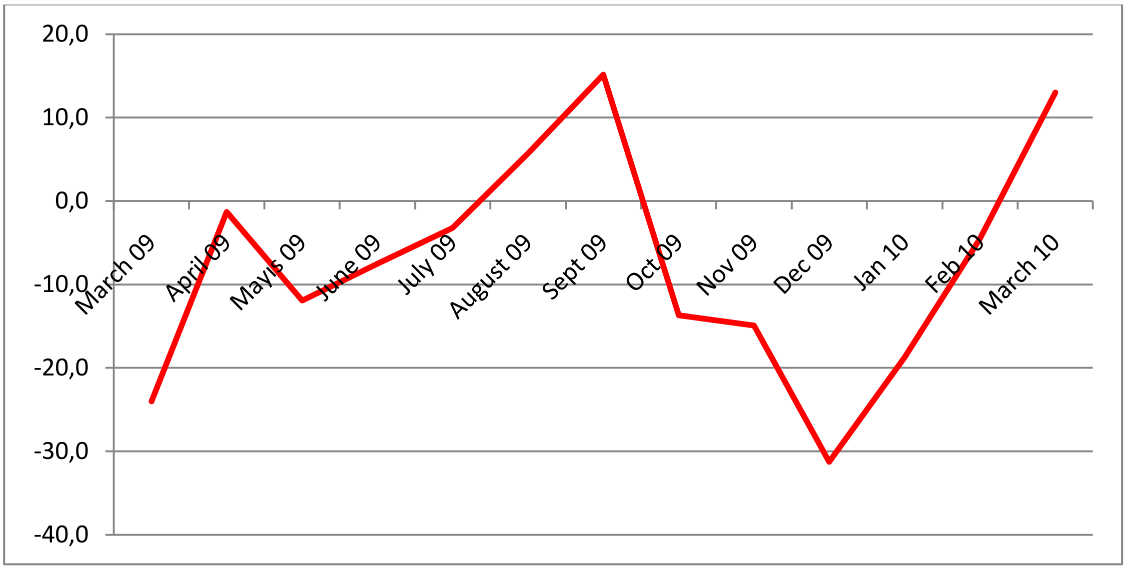


Table-1: TEPE

	January	February	March	April	May	June	July	August	September	October	November	December
2008					-19.6	-23.8	-20.6	-7.8	-9.4	-20.7	-27.2	-30.8
2009	-29.5	-26.0	-17.1	-9.8	-10.1	-8.8	-6.8	-5.1	-4.9	-10.3	-9.9	-19.2
2010	-17.5	-10.4	-5.5									

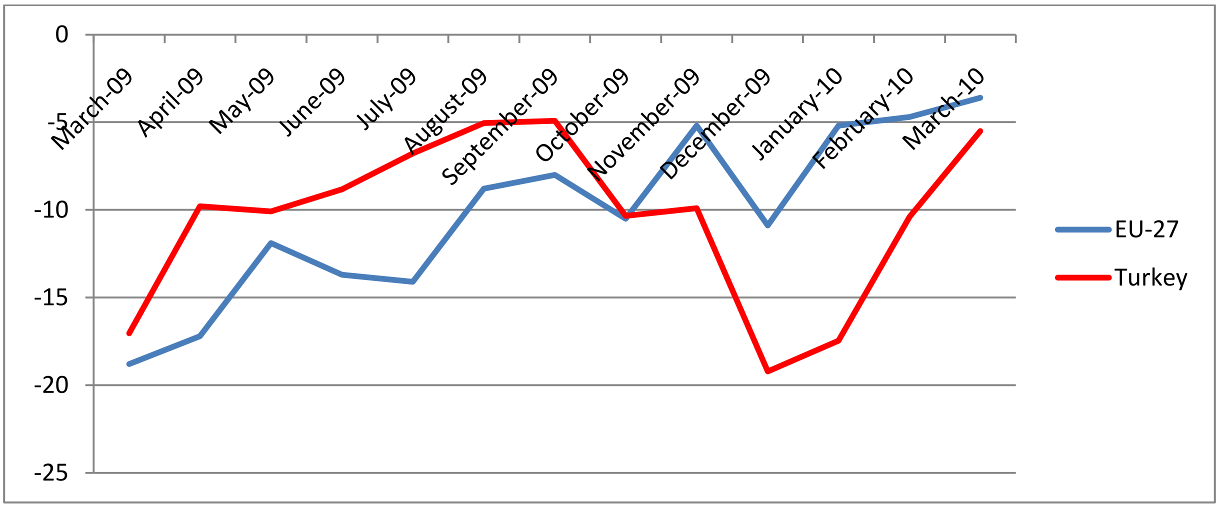
B. Prospective expectations achieved the positive zone: *44.1* percent of survey participants in March 2010 expect an improvement in their business activities over the three months ahead while *31.1* expect deterioration in their business activities. This signals a recovery by *37.0* points.

Figure-2: Expectations for the three months ahead (%increased- %decreased)



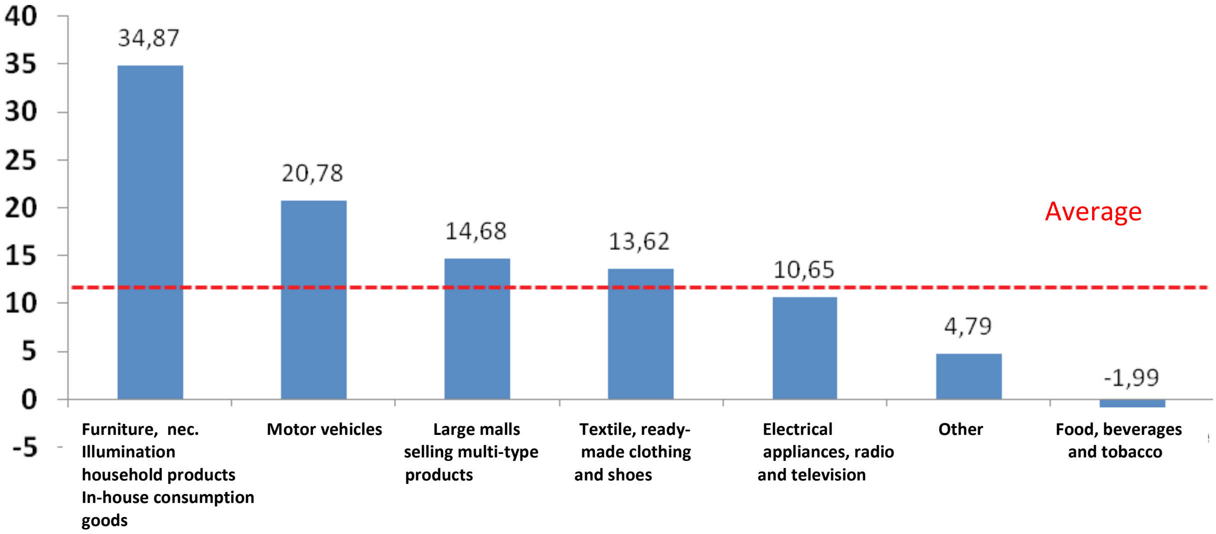
C. TEPE, which moved in parallel with EU retail markets in the aftermaths of the 2008 crisis, started to converge with the EU markets.

Figure-3.Comparison of TEPE and EU-27 Retail Index (March -2009, March -2010)



D. In March 2010, the improvement in TEPE values compared to the same month in the year before was above the average in Furniture-Illumination, Motor Vehicles, Large Malls, and Ready-made Clothing sectors and below the average in Food and Beverages.

Figure-4. Change in TEPE in March-2010 compared to the same period in the last year (points)



E. A comprehensive analysis of TEPE questions reveals that expectations both for the current period and the coming period signal a significant positive trend. Particularly the significant amelioration in the expectations for the coming three months is promising. Another important development is that expectations for employment have turned positive for the first time since the beginning of the crisis. In the light of these, it is possible to conclude that retail sector, as an important source of employment, will start generating employment opportunities in the coming period.

Table 3. Detailed TEPE results by questions (%)

Questions[1]	Index 03/2009	Index 02/2010	Index 03/2010	Change compared to the month before 03/2010	Change compared to the same month in the last year 03/2010
How has your business activity developed over the past three months ? It has...	-65.6	-55.7	**-54.0**	1.7	11.6
Do you consider the volume of inventories you currently hold to be...? [2]	38.5	28.9	**24.5**	-4.4	-14.0
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	-31.1	-21.8	**-3.4**	18.4	27.7
How do you expect your business activity (sales) to change over the next 3 months? It will...	-24.0	-4.5	**13.0**	17.5	37.0
How do you expect your firm's total employment to change over the next 3 months? It will...	-18.1	-13.9	**1.5**	15.4	19.6
How do you expect the prices you charge to change over the next 3 months? They will...	3.3	-5.0	**-1.6**	-3.5	-4.8
How has your business activity developed this year compared to the same period in the last year ? It has...	-64.6	-53.1	**-45.2**	-7.9	19.4
Do you expect an increase in the number of your stores next year?	-1.5	2.5	**3.4**	0.8	4.8

[1] (-) values in Table 3 indicate that negative expectations surpass positive expectations.
[2] Positive stock level indicates that current level of stocks stand below the normal.