



## Weekly Market Report

Week ended 01<sup>th</sup> August, 2018

Saturday thru Wednesday inclusive

## **Contents**

### **1. Market Report**

- The Indices
- Market Analysis and the related schedules
- Market movements since the lifting of the sanctions
- Worldwide prices of oil & gas, major currencies precious metals and basic metals
- Industry Index Information

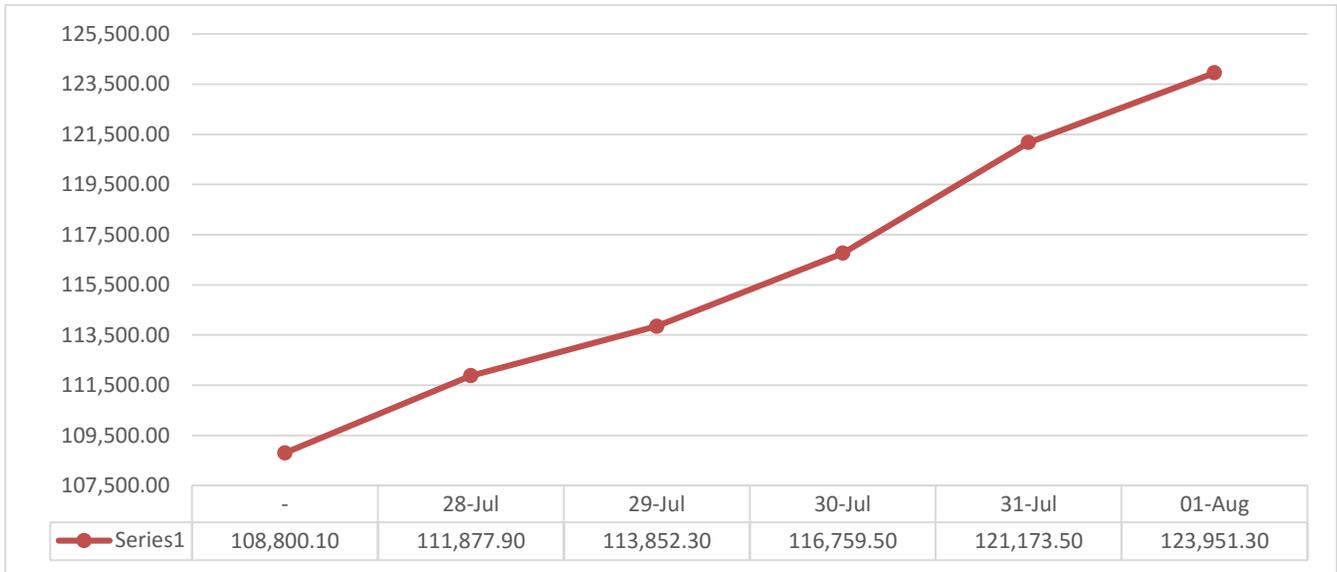
### **2. Detailed Market information**

### **3. Economic News**



## 1. Market Report-The Indices

- All Share Index



- Market indices

Title	July 25, 2018	August 1, 2018	Unit change	Change %
All-Share Index	108,800.13	123,951.30	15,151.17	13.93%
Fara Bourse Index	1,232.5	1,409.6	177.08	14.37%
Index Of 30 Largest Co.	5,202.1	6,137.1	745.40	16.15%
Index Of 50 Most Active Co.	4,616.6	5,362.0	935.00	17.97%
P/E	5.88	5.90	0.02	0.34%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	51,368,484	68,932,878	17,564,394	34.19%



- **Market Analysis**

- **The Market**

The all-share index showed a spectacular rise of 15,151 (13.9%) closing at 123,951. This came about as a result of the permission of the exchange of foreign currencies earned by export led companies at market rates and President Trump's offer of talks with Iranian authorities with no preconditions.

This pushed up the rate of return of the market to 28.7% since the beginning of the year (21st March, 2018) whilst the value of IRR against US Dollar showed a drop of 120% within the same period.

- **Market Activities**

Most of the share prices were in positive territory this week in particular the Base Metals, the Petrochemicals, the Chemicals and the Refineries sectors. Base Metals trading value reached US\$49 million and that of Chemicals reached US\$45million. The share prices of export led companies also reached their daily ceiling of 5% during the week.

During this week 16% of the shares of Tamin Holdings was offered for sale whilst the council of ministers approved the merger of Topico with Persian Gulf Holding Co.

In the meantime in the Pharmaceutical sector the results of Production & Export of Rishmac Co showed a 220% rise per share based on IRR75,000=1US\$ against a net profit forecast of IRR1,448 per share to IRR4,636 per share for the year to 21st March 2018 whilst the forecast of the results for the 6 months' period showed a further rise of 48% and reached IRR2,228 per share.

- **Base Metals & Mining**

The Base Metals prices were :

	World.	Iran
	US\$	US\$
Copper.	6,124.	6,785
Lead.	2,113.	4,194
Zinc.	2,560.	6,234
Aluminum	2,039.	2,803

Iran prices are based on IRR43,950=1US\$

China's economy has slowed down following the trade war between US and China.

Trump admin is considering raising its planned 10% tariffs on \$200 billion in Chinese imports to 25%, a move that would ratchet up pressure on Beijing to return to the negotiating table.

Shanghai 's stock market this week declined by 3.5% and reached a total downfall of 16.6% since the beginning of this year.



China's imports 50% of the world's raw materials and hence the flight of capitals from the market becomes the main cause for the decline in the value of the market.

Recent data from China has not been great, and they'll want to see that improve. The country has clamped down on shadow banking and wants to accelerate its infrastructure program – if that happens, China will start buying metal again!

China 's PMI index for July shows 51.2 against the forecast of 51.4 whilst last month's index was 51.5.

China's Zinc producers' promise to reduce their production level to improve prices has come to fruition and according to China's Statistic Centre the production of Zinc in July after declining by 5% has reached 475,000 tons which is the lowest level over the previous year.

Metal Bulletin ☞ Cash-strapped zinc smelters in China have been cutting back on refined production, with data from the country's National Bureau of Statistics showing total output fell 5 % year on year to 475,000 tonnes in June... This comes at a time when China is running short of refined zinc, with SHFE stocks at 48,135 tonnes, a fresh 2018 low .

Iran Aluminum's production has been reduced by 55% to 29,319 tons during the first three months of this year whilst the total exports declined by 31% to 17,413 tons.

Iran's Base Metals exports worth US\$7.3 billion is currently under threat by the US sanction.

- **Oil & Energy**

The prices of Brent oil and Texas oil were US\$73.4 per barrel and US\$69.1 per barrel respectively.

Overall U.S. crude oil inventories actually rose by 3.8 million barrels last week to 408.74 million barrels, according to data from the Energy Information Administration (EIA), however stocks at the key Cushing storage hub in Oklahoma fell by 1.3 million barrels, the EIA data showed.

Oil prices edged lower on Friday after strong gains the previous day, easing on persistent supply concerns as Russia increased production in July and Saudi Arabia cut the price of crude for its Asian customers.

Russian oil output rose by 150,000 barrels per day in July from a month earlier, surpassing the amount Moscow had said it would add following a meeting of global oil producers in Vienna in June, energy ministry data showed on Thursday.

Saudi Arabia, Russia, Kuwait and the United Arab Emirates have increased production to help to compensate for an anticipated shortfall in Iranian crude supplies once planned U.S. sanctions take effect later this year.

The Organization of the Petroleum Exporting Countries and partners including Russia had earlier cut output to rebalance supply and demand.



Saudi Aramco cut its September price for its Arab Light grade for Asian customers by \$0.70 a barrel versus August to a premium of \$1.20 a barrel to the Oman/Dubai average, it said on Thursday.

Barclays Bank has predicted that Iran oil exports will reduce by 700,000 barrels a day once the US sanction on Iran oil comes into effect.

Ahead of the return of the U.S. sanctions on Iran, India's state refiners boosted their Iranian oil purchases, pushing up Indian oil imports from Iran by 30 percent from June, to a record 768,000 bpd in July, Reuters reported on Thursday, citing preliminary tanker arrival data it had obtained from trade sources.

Iran 's production of petrol has risen by 95.5 million litres in recent months which will make Iran self sufficient for petrol for the fist time in the history of the country.

- **FX & Gold**

The US Dollar index declined by 0.03% against last week and reached 95.13.

The price of gold after a reduction of US\$10 per ounce reached US\$1,213 per ounce.

The Fed delivered rather hawkish comments in the statement emphasizing the strength of the U.S. economy, There was no big surprise in last night's statement, but the overall tone was a little bit stronger than last one!

Gold prices traded lower while the dollar was little changed ahead of the U.S. July job reports due later in the day.

In Iran the rate of exchange against US Dollar in the free market after rising by IRR17,000 reached IRR110,000 whilst the official fixed rate of exchange was IRR44,110.

Deutsche Bundesbank passed on Wednesday a new financial policy that will effectively bar the transfer of nearly 400\$ million in cash to the Iran! The bank expanded its business conditions to include a section on "cash payment transfers" in order to reject financial transfers of partners of the Deutsche Bundesbank... →The changes to the general terms and conditions of the Bundesbank apply from 25 August.

According to Money & Credit council of the Central Bank of Iran the fixed rate of exchange will be used for the imports of essential goods which will be paid for out of the oil revenue whilst the remaining foreign currencies earned by other industries will be exchanged at a free market. This will clear the way for the importers to obtain their required foreign currencies.

- **Housing**

There has been an average rise of 4.3% in the price of housing this month.



- **Macro Economy**

According to CBI the Base date for establishing the growth in production has changed from 1390 to 1395. This is expected to provide more accurate figures in the future.

The CPI index for the 12 months ended 21st July, 2018 has risen by 13.1%.

- **Market Observers**

- 1. Market expert**

He hopes the new governor of CBI will come up with a policy that could overcome the current chaos in the foreign exchange market and preventing the mis-use of the foreign currencies in the future.

- 2. FX expert**

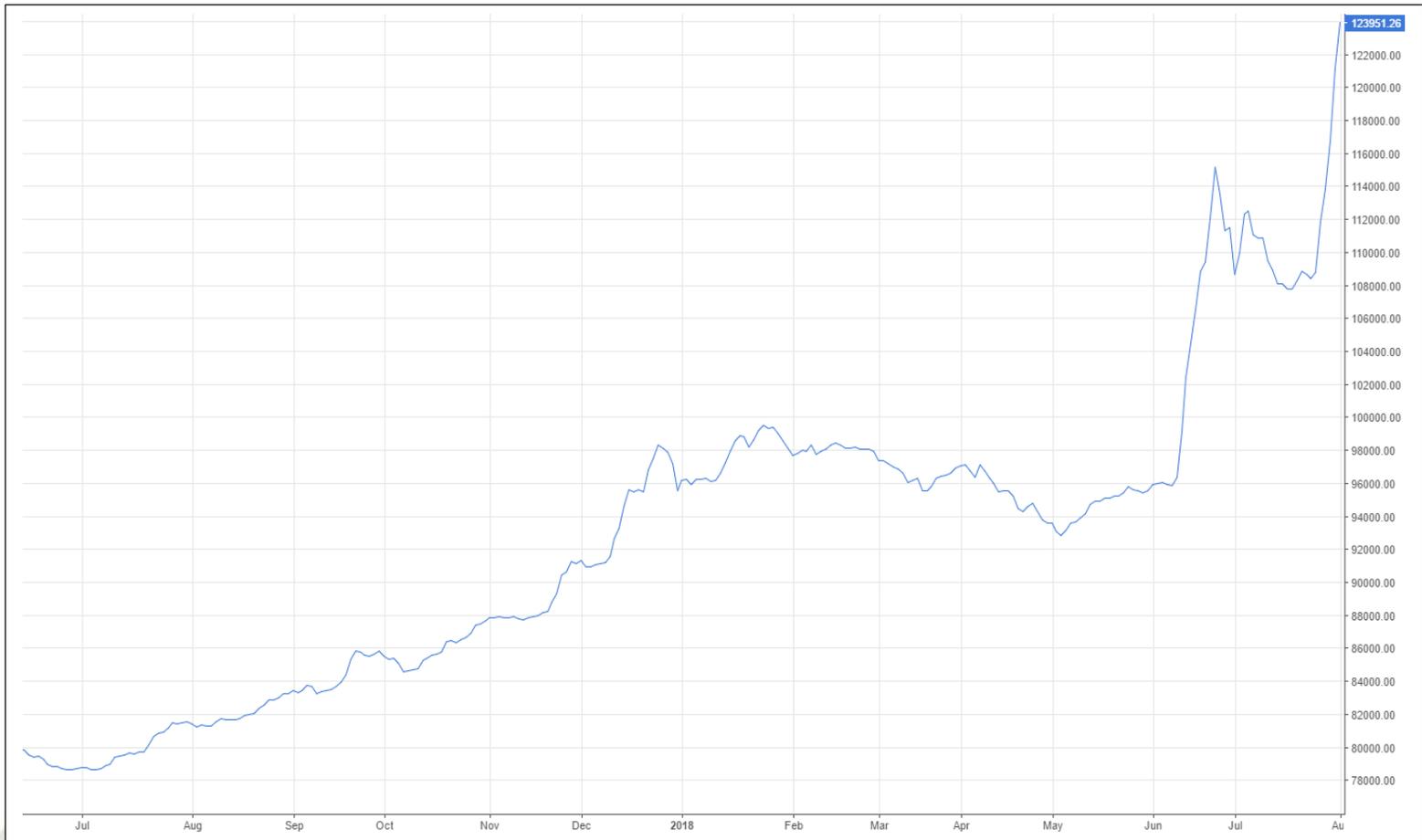
He suggests the following:

- . The allocation of Government foreign currencies to essential goods such as medicine etc.
- . Allowing free market foreign exchange transactions by money brokers.
- . Allowing the exports and imports to utilise the free market to obtain their required currencies.
- . A ban on travellers' currencies.
- . Allowing banks to determine their own deposit interest rates.



- **Market movements since the lifting of the sanctions**

- The following chart shows the movements in the prices of the shares on the Tehran Stock Market since the lifting of the sanctions:





- Worldwide prices of oil & gas, major currencies, precious metals and basic metals

Oil				
	Unit	27/07/2018	03/08/2018	Change%
Opec	Barrel/Dollar	73.620	71.610	-2.7%
Petrol	Gallon/Dollar	2.1615	2.0685	-4.3%
Natural Gas	One Million-BTU	2.7810	2.8490	2.4%

Currency (IRR)				
Currency		27/07/2018	03/08/2018	Change%
Dollar	Official Rate	43,950	44,110	0.36%
	Free Market Rate	42,000	42,000	0.0%
Euro		109,210	130,610	19.6%
Pound		122,870	146,650	19.4%

Precious Metal				
Metal	Unit	27/07/2018	03/08/2018	Change%
Gold	Dollar/ Ounce	1,222.64	1,213.76	-0.73%
Silver	Dollar/ Ounce	15.4900	15.4500	-0.26%

Basic Metal				
Product	Unit	27/07/2018	03/08/2018	Change%
Aluminum	Dollar/ Tonne	2,061.00	2,028.00	-1.6%
Lead	Dollar/ Tonne	2,134.50	2,112.25	-1.0%
Zinc	Dollar/ Tonne	2,589.00	2,606.50	0.7%
Copper	Dollar/ Tonne	6,245	6,175	-1.1%



## 2.Detailed Market information

### TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
PRZZ	Manufacture of coke•refind petroleum products and nuclear fuel	Palayesh Naft	35.82	36.48%
PNBA	Manufacture of coke•refind petroleum products and nuclear fuel	B.A Oil Refinie	19.99	32.19%
PFAN	manufacture of chemicals and chemical products	Fanavaran Petr.	100.38	31.17%
PNTB	Manufacture of coke•refind petroleum products and nuclear fuel	Tabriz.Oil.Refine	25.71	30.48%
PZGZ	manufacture of chemicals and chemical products	Zagros Petro.	110.93	29.34%

### TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
RFNZ	Manufacture of motor vehicles•trailers and semi-trailers	Ravan Fan Avar	3.96	-13.77%
AZIN	Manufacture of motor vehicles•trailers and semi-trailers	Saipa Azin	3.40	-13.35%
BDYZ	Monetary intermediation & banks	Day Bank Khazar	1.39	-12.93%
SKAZ	Manufacture of cement•lime and plaster	Cement	6.59	-12.83%
DJBR	manufacture of chemicals and chemical products	Jaber Hayan P.	8.77	-12.73%



## TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
FOLD	Manufacture of basic metals	Mobarakeh Steel	10.06	52.6
MSMI	Manufacture of basic metals	I. N. C. Ind. PARS	7.50	47.6
PARS	manufacture of chemicals and chemical products	Petrochemical	71.51	32.4
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	11.34	25.8
ZOBZ	Manufacture of basic metals	Isfahan Steel	3.46	23.7



### **3.Economic News**

#### **Enemy Focusing on Iran's Oil Sales, Banking Transactions: Larijani**

Iranian Parliament Speaker Ali Larijani warned of the US administration's plots to increase pressures against the Islamic Republic in various economic fields, oil exports and banking transactions in particular.

#### **Renault Likely to Leave Iran Because of US Sanctions**

Renault SA is shaping up to be the latest European company to fall victim to US President Donald Trump's renewed sanctions on Iran, as the automaker has raised the possibility of pulling out of Iran for fear of US sanctions.

#### **Iran Offers India Oil Cargo Insurance, Ships to Boost Sales: Sources**

Iran is offering to insure oil cargoes to India after some local insurers stopped providing the service in the face of impending US sanctions, industry sources said, a move that would help Tehran continue supplying its second-biggest oil client.

#### **Joining FATF to Be 'Very Dangerous' for Iran: US Prof.**

An American writer said it would be "very dangerous" for Iran to join the Financial Action Task Force at this time, noting that the European parties of the JCPOA would withdraw from the nuclear agreement if Iran refuses to join the international watchdog.

#### **Iran Lodges Complaint against US Sanctions on Persian Carpets: Official**

The head of Iran National Carpet Center (INCC) deplored the US sanctions on hand-woven Persian carpets as a breach of international protocols and said the Islamic Republic has filed complaints against the embargoes.

#### **Iran Currency's Value Continues to Fall**

While Iran's market has experienced a hike in the value of foreign currencies and gold coin prices in recent months, the Iranian money plunged to a record low against the US dollar in the unofficial market, which is being offered for as much as 110,000 rials Monday.

#### **India Loaded 12% Less Iranian Oil in June: Report**

Indian refiners ordered about 12 percent less Iranian oil in June than in May, when the US said it would reintroduce sanctions on Iran, but sales remained around 50 percent higher than a year ago.



### **France Says 'Hopeful' ATR Can Deliver Planes to Iran**

The French minister of economy and finance expressed hope that the ATR aircraft manufacturer will be able to get permission from the US to deliver eight planes to Iran before August 6 despite the sanctions imposed on Tehran.

### **Iran Prosecutor General Alarms Those Behind Price Hikes**

Prosecutor General of Iran Mohammad Jafar Montazeri gave a stern warning to the elements behind the recent fluctuation in currency rates and price hikes in the country, warning them to stop betraying the nation before facing the consequences of their actions.