



Weekly Market Report

Week ended 02th January, 2019

Saturday thru Wednesday inclusive

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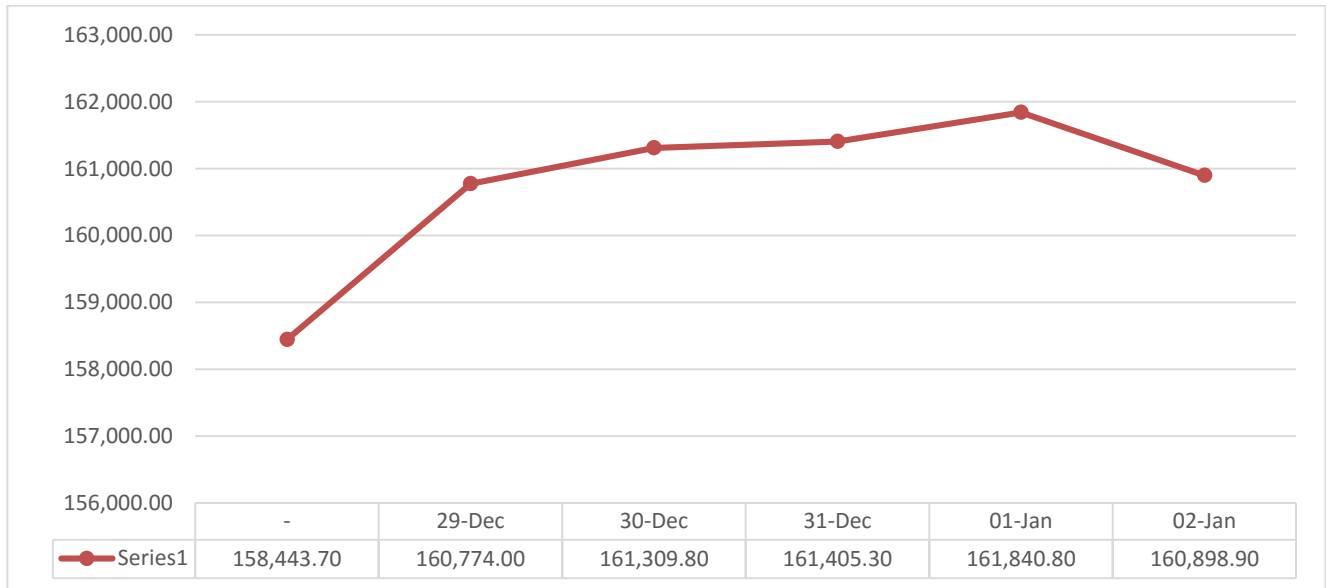
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1. Market Report-The Indices



Title	December 26, 2018	January 2, 2019	Unit change	Change %
All-Share Index	158,443.72	160,898.86	2,455.13	1.55%
Fara Bourse Index	1,836.8	1,875.5	38.65	2.10%
Index Of 30 Largest Co.	7,756.2	7,840.6	76.90	1.13%
Index Of 50 Most Active Co.	6,823.2	6,900.1	84.41	1.09%
P/E	6.96	6.97	0.01	0.14%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	59,567,458	70,115,270	10,547,812	17.71%



- **Market Analysis**
- **Market Performance and the related information**

Market Information Week ended 02th January 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	160,898	2,454	1.5%	158,444	96,290	64,608	67.1
Stocks Trading Value	\$ 512 m	\$ 60 m	13.2%	\$ 452 m	–	–	–
Debt Securities Trading Value	\$ 69 m	(43)	-38.5%	\$ 112 m	–	–	–
Market Return in IRR to date	70%	-19%	-	89%	–	–	–
Exchange Rate US\$/IRR	105,704	(8,616)	-7.5%	114,320	–	–	–
Exchange Rate EURO/IRR	125,176	(6,714)	-5.1%	131,890	–	–	–
US Dollar index	96.20	(0.1)	-0.1%	96.34	89.5	6.70	7.49
Gold Value per ounce	1,296	13	1.0%	1,283	1,268	28	2.21

Note 1: The interest rates achieved in the debt market this week by TBills (discounted rate), Fixed Income Funds and ETF were 21%, 20% and 21% respectively.

Note 2: The largest trading value this week belonged to Mobarakeh Steel Co worth US\$37 million.

- **Market Activities**

On Saturday being the first day of the week the all-share index rose cautiously following a recovery in the oil and commodity prices this week.

On Sunday due to the publications of good results of companies for the 3rd quarters of the year, an improvement on the commodity prices on the Mercantile Market and a rise in exports the all-share index rose by 535 points and reached 161,000 level.

On Monday there were two sectors which were most active and doing well with high volumes of trade namely Banking and Auto. The value of trade for the Auto sector during the day reached IRR770 billion whilst the performance of Banking on the day turned negative despite the fact they did well during the last two days.

On Tuesday virtually half of the trading value belonged to the banking sector. However in reality most of the rise in trading was due to the opening of the ticker of Pasargad Bank after nearly two years of closure.

On Wednesday there was a fall in all-share index due to two factors firstly a rise in the share prices during the week hitting resistant levels and secondly due to the continuation of high demand for the shares of Pasargad Bank absorbing most of the liquidity in the market.



- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	1,951	5,848	2,478	1,865
Iran	1,797	5,215	2,440	1,904

Iran steel market in the second quarter of the year appears to be going through a major change resulting in the lowering of export prices in slabs and billets by 5.2% and 1.3% respectively.

Locally there has been lower prices in Auto Spare Parts by 70% and in Construction sector due to the lowering of the demand resulting from the devaluation of IRR against major currencies was no better.

This combined with the lowering of the oil prices on the international market the budget for development projects was badly affected.

The bullish weekly close in the week to December 28 is a positive technical development for LME lead. The metal has reclaimed \$2,000 per ton and its positive micro-dynamics - falling global inventories, the tightening of the nearby forward curve and the forthcoming period of improved seasonal demand - are likely to enable the price to retrace higher in the coming weeks.

The Cyclone Penny blowing towards the coal terminals at Queensland of Australia is expected to push the prices of coal higher in the days ahead.

coal Keep an eye on Cyclone Penny; currently forecasted to curl back in the direction of coking coal terminals and coking coal fields by Saturday.

The price index of iron ore with purity of 62% at Chinese ports rose to US\$72.62 per ton whilst the steel prices index at Shanghai were on the move. This has come about as a result of the lifting of the restrictions imposed on Centering production units in the north of China since 20th December this year.

Spot iron ore trading at Chinese ports became more active in the day and prices picked up for some brands. One trader in east China said he stopped selling while waiting for higher prices.

Whilst a trade war is continuing between China and the US the plans to combat this have remained in place pushing China's Central Bank (PBOC) to reduce the statutory banks' deposits (RRR) with the Bank to increase the liquidity in the market enabling the banks to provide financial support to medium and small companies. This liquidity could produce up to US\$110 billion of liquidity.



- Oil & Energy

Oil & Energy		
	Brent Oil U\$\$	Texas Oil U\$\$
Price	56	47

The OPEC oil production during the month of December fell to its lowest level during the last 24 months whilst the oil production of Saudi Arabia dropped by 420,000 barrels. The overall fall of the oil production by OPEC was 530,000 barrels resulting in a total oil production of 32.6 million barrels a day.

Oil prices steadied on Friday after China said it would hold talks with Washington on Jan. 7-8 aimed at solving trade disputes between the two world's biggest economies.

Crude prices had previously fallen after the United States followed most other major economies into a manufacturing downturn.

Both crude benchmarks were down earlier in the session on concerns that the Sino-American trade war would lead to a global economic slowdown.

Traders said the firmer prices came after China's commerce ministry said on Friday that it would hold vice ministerial level trade talks with U.S. counterparts in Beijing on Jan. 7-8, as the two sides look to end a dispute that is inflicting increasing pain on both economies and roiling global financial markets.

The two nations have been locked in a trade war for much of the past year, disrupting the flow of hundreds of billions of dollars worth of goods and stoking fears of a global economic slowdown.

Data for December from the Institute for Supply Management (ISM) on Thursday showed the broadest U.S. slowdown in growth for more than a decade, as the trade conflict with China, falling equity prices and increasing uncertainty started to take a toll on the world's biggest economy.

Leading economies in Asia and Europe have already reported a fall in manufacturing activity.

"Led by a sharp fall in the U.S. ISM and China's PMI falling below 50, the global manufacturing PMI fell to 51.5 in December (52.8 previously), a 27-month low," Morgan Stanley said in a note following the release of the ISM data.

"The recent run of incoming data, coupled with global tightening financial conditions, has increased the downside risks to an already moderating global growth outlook," the U.S. bank said.
OPEC cuts



Despite the global market turmoil, traders said oil prices are expected to receive some support as supply cuts announced late last year by the Organization of the Petroleum Exporting Countries (OPEC) start to kick in.

OPEC oil supply fell by 460,000 barrels per day (bpd) between November and December, to 32.68 million bpd, a Reuters survey found on Thursday, as top exporter Saudi Arabia made an early start to a supply-limiting accord, while Iran and Libya posted involuntary declines.

OPEC, Russia and other non-members - an alliance known as OPEC+ - agreed last December to reduce supply by 1.2 million bpd in 2019 versus October 2018 levels. OPEC's share of that cut is 800,000 bpd. "If OPEC is faithful to its agreed output cut together with non-OPEC partners, it would take 3-4 months to mop up the excess inventories," energy consultancy FGE said.

Considering the planned cuts versus ongoing increases in U.S. crude production, which hit a record 11.7 million bpd by late 2018, FGE said it expected Brent prices to range between \$55-\$60 per barrel in the first months of 2019.

- **Housing**

According to the head of Estate Agents Association there has been a 67% fall in the number of housing transactions this month against the corresponding month last year.

- **Macro Economy**

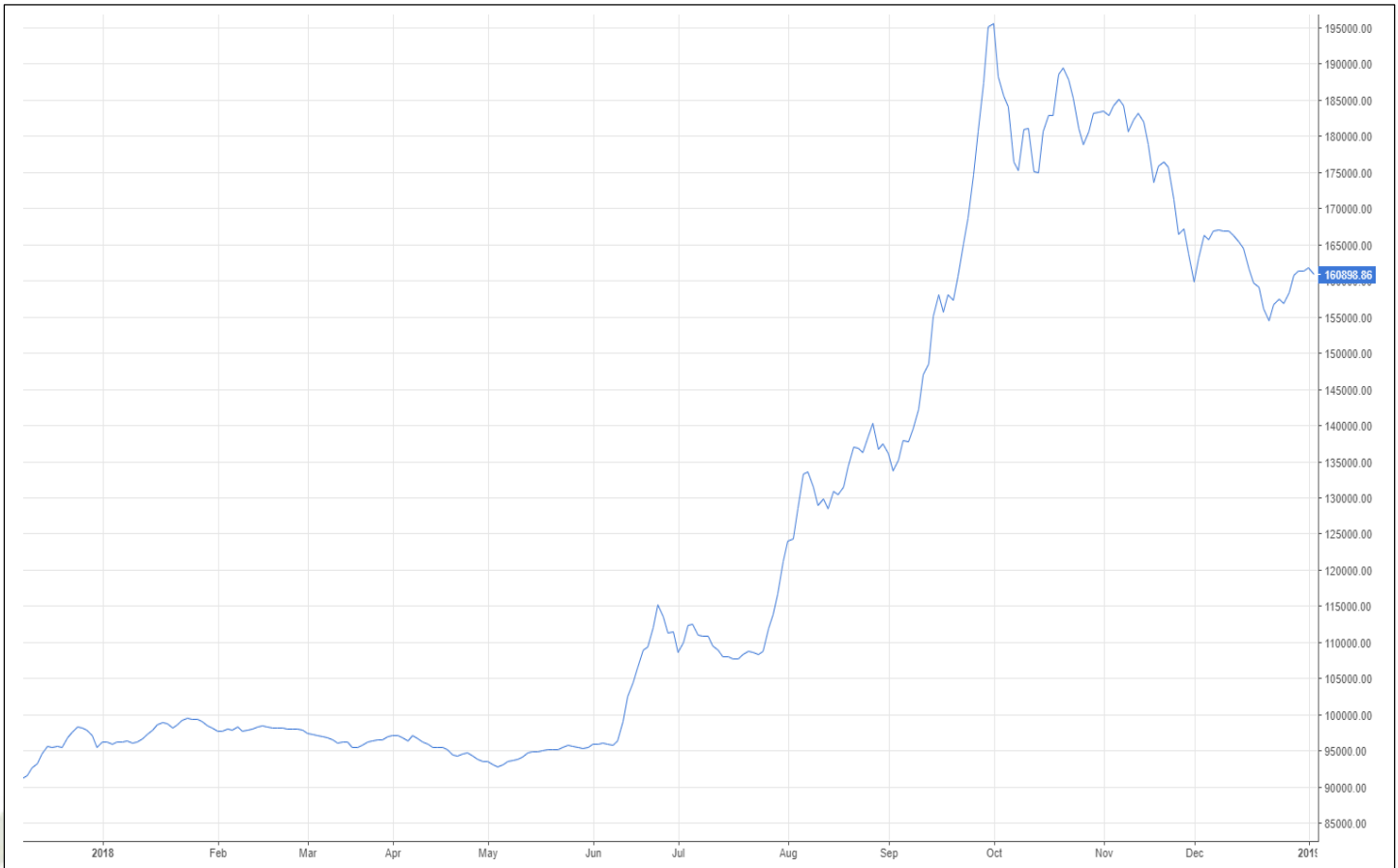
According to the latest statistics the rate of labour participation in the economy after rising by 0.6% during this Fall has reached 40.5% whilst the rate of unemployment has reached 11.7%. This indicates that there has been no improvement in the rate of unemployment as after rising by 72,000 this year has reached 3.174 million.

The rate of the participation of men last Autumn was 64% (this year 64.4%) and that of women was 15.6% (this year 16.4%).



- **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	28/12/2018	04/01/2019	Change%
Opec	Barrel/Dollar	53.92	52.95	-1.8%
Petrol	Gallon/Dollar	1.3200	1.3595	3.0%
Natural Gas	One Million-BTU	3.304	3.032	-8.2%

Currency (IRR)				
Currency		28/12/2018	04/01/2019	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	114,320	105,704	-8%
Euro		131,890	125,176	-5%

Precious Metal				
Metal	Unit	28/12/2018	04/01/2019	Change%
Gold	Dollar/ Ounce	1,280.92	1,284.81	0.30%
Silver	Dollar/ Ounce	15.4500	15.7600	2.01%

Basic Metal				
Product	Unit	28/12/2018	04/01/2019	Change%
Aluminum	Dollar/ Tonne	1,846.25	1,881.00	1.9%
Lead	Dollar/ Tonne	2,044.75	1,957.50	-4.3%
Zinc	Dollar/ Tonne	2,442.25	2,498.00	2.3%
Copper	Dollar/ Tonne	5,992.25	5,933.75	-1.0%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
ZOBZ	Manufacture of basic metals	Isfahan Steel	1.63	18.81%
KZIZ	Manufacture of basic metals	Zarin Madan Co.	6.92	15.66%
KZGZ	Manufacture of basic metals	Kimia Zanjan Co	9.16	15.45%
FAIR	Manufacture of basic metals	Iran Fold Cultur.Herit.	2.46	15.06%
IMFZ	hotels & restaurant	Inv.	4.17	14.72%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
MSTI	Manufacture of motor vehicles, trailers and semi-trailers	Motorsazan	4.21	-12.71%
BVMA	Insurance and pension funding, except compulsory social security	Bime Ma Co.	1.55	-11.09%
SSOF	Manufacture of cement, lime and plaster	Soufian Cement	2.25	-10.72%
SMBZ	Transportation and storage	Sina Marine srv	9.63	-10.15%
GLOR	Manufacture of sugar	Lorestan Sugar	5.39	-9.99%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
ZOBZ	Manufacture of basic metals	Isfahan Steel	1.63	10.1
FOLD	Manufacture of basic metals	Mobarakeh Steel	4.97	4.8
SIPA	Manufacture of motor vehicles·trailers and semi-trailers	Saipa	1.13	4.7
BTEJ	Monetary intermediation & banks	Tejarat Bank	1.18	4.6
BMLT	Monetary intermediation & banks	Mellat Bank	2.10	4.5



3.Economic News

Iran to Inaugurate Qazvin-Rasht Railroad in February: Minister

Iran's Minister of Roads and Urban Development Mohammad Eslami said the Qazvin-Rasht railroad line in north of the country, a major segment of the North-South Corridor, is planned to come into service in late February 2019.

Iran Exports to China Nears \$20bln in 11 Months

The total value of Iranian exports to China from January to November this year reached about \$20 billion, data released by the East Asian country's customs showed.

Iran, EU Reviewing Comprehensive Customs Agreement: Report

Iran and the European Union are reviewing a comprehensive customs agreement and other related cooperation programs, media reports said on Wednesday.

Iran Oil Minister Summoned to Parliament over Total Corruption Case

Iranian Oil Minister Bijan Namdar Zanganeh has been summoned to the parliament to explain about several issues, including a recent verdict to fine French oil and gas group Total (TOTF.PA) for bribing foreign officials in a case related to Iranian contracts in 1997, an MP said.

Iran's Foreign Debt to Decrease to \$9.3bln by Year End: World Bank

Iran's foreign debt will drop to \$9.3 billion by the end of the current Iranian year (March 20, 2019) as the country's oil exports will stand at one million barrels per day (bpd) next year, the World Bank predicted.

Iran's Reliance on Oil Revenues to Decrease by 28%: VP

Iranian Vice President Mohammad Baqer Nobakht reiterated the country's policy to reduce its reliance on oil exports and said in the next Iranian calendar year (which will begin on March 21), the country's dependency on oil would decrease by 28 percent.

Iran, India to Start Banking Exchanges in Coming Days: Envoy

India's Ambassador to Iran Saurabh Kumar said the two countries are set to begin banking transactions in coming days as New Delhi has agreed to grant tax exemption to banks trading with Tehran.