



## Weekly Market Report

Week ended 05<sup>th</sup> December, 2018

Saturday thru Wednesday inclusive

## **Contents**

### **1. Market Report**

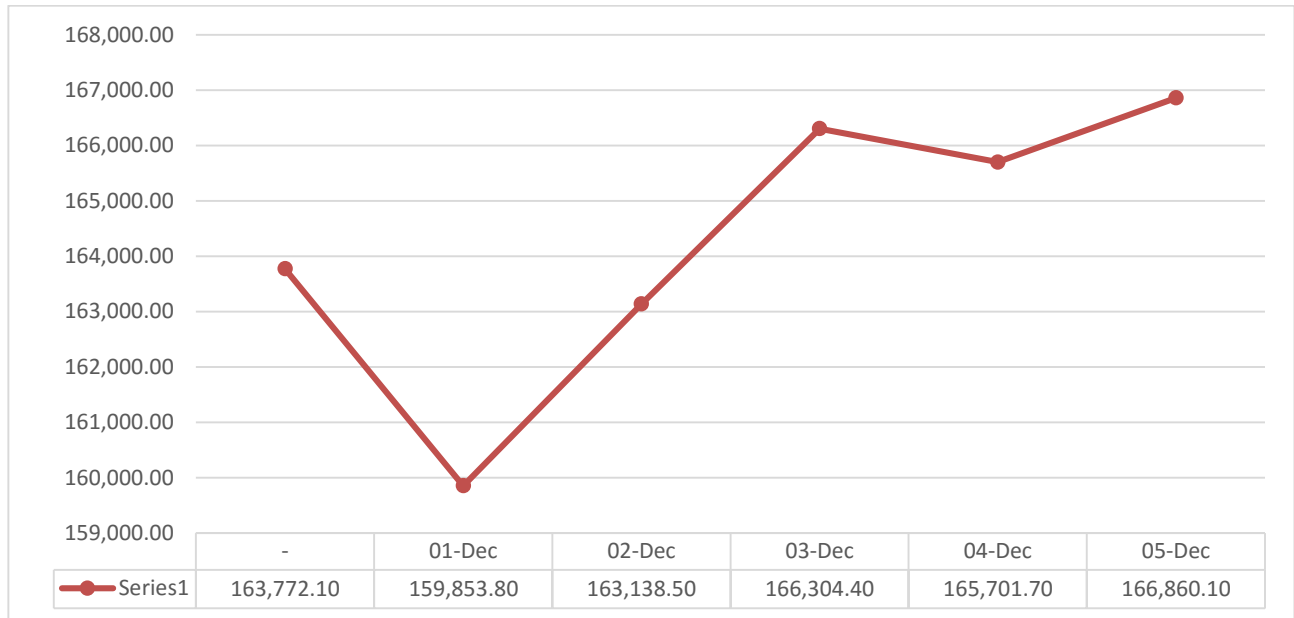
- The Indices
- Market Performance and the related information
- Market movements since the lifting of the sanctions
- Worldwide prices of oil & gas, major currencies precious metals and basic metals
- Industry Index Information

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

### **3. Economic News**



## 1. Market Report-The Indices



| Title                       | November 28, 2018 | December 5, 2018 | Unit change | Change % |
|-----------------------------|-------------------|------------------|-------------|----------|
| All-Share Index             | 163,772.11        | 166,860.10       | 3,087.99    | 1.89%    |
| Fara Bourse Index           | 1,777.5           | 1,844.6          | 67.14       | 3.78%    |
| Index Of 30 Largest Co.     | 8,089.5           | 8,302.3          | 154.46      | 2.17%    |
| Index Of 50 Most Active Co. | 7,130.3           | 7,284.8          | 212.79      | 2.63%    |
| P/E                         | 6.99              | 7.24             | 0.25        | 3.58%    |

| Daily Average Trading Value | Last Week (\$) | Current Week (\$) | Amount Of Change (\$) | Change Percentage |
|-----------------------------|----------------|-------------------|-----------------------|-------------------|
|                             | 51,958,271     | 61,461,253        | 9,502,982             | 18.29%            |



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

**Market Information Week ended 05th December 2018**

|                                      | This week | Changes  | %      | Last week | At 21.03.18 | Changes | %      |
|--------------------------------------|-----------|----------|--------|-----------|-------------|---------|--------|
| <b>All-Share Index</b>               | 166,860   | 3,088    | 1.9%   | 163,772   | 96,290      | 70,570  | 73.3   |
| <b>Stocks Trading Value</b>          | \$ 547 m  | \$ 198 m | 56.8%  | \$ 349 m  | –           | –       | –      |
| <b>Debt Securities Trading Value</b> | \$ 210 m  | \$ 122 m | 140.0% | \$ 87 m   | –           | –       | –      |
| <b>Market Return in IRR to date</b>  | 70%       | (19%)    | -      | 89%       | –           | –       | –      |
| <b>Exchange Rate US\$/IRR</b>        | 112,625   | (4,171)  | (3.6%) | 116,796   | –           | –       | –      |
| <b>Exchange Rate EURO/IRR</b>        | 128,896   | (5,127)  | (3.8%) | 134,023   | –           | –       | –      |
| <b>US Dollar index</b>               | 96.88     | 0        | 0.1%   | 96.79     | 89.5        | 7.38    | 8.25   |
| <b>Gold Value per ounce</b>          | 1,244     | 15       | 1.2%   | 1,229     | 1,268       | (24)    | (1.89) |

**Note 1:** The interest rates achieved in the debt market during this week through TBills (discounted rate), Fixed Income Funds and ETF were 23%, 20% and 21% respectively.

**Note 2:** The largest trading value this week belonged to Mobarakeh Steel Co worth US\$8 million.

- **Market Activities**

On Saturday being the first trading day of the week the market opened in a negative territory across the board in particular in the Auto and Banking sectors. Refineries and oil related products sectors also started the week with low volume of trading.

Whilst the corporate investors were buying with great caution the individual investors appeared to be acting nervously and placing themselves in a selling position.

By the end of Saturday, however calmness appeared to come back and some sign of improvements in the share prices of larger companies such as B.A. Oil Refine, Isf Oil Ref. Co., Ghadir Inv. , Pension Fund, Gol-E-Gohar and Chadermalu were observed.

On Sunday great improvement was observed following a large decline the day before. This appeared to have come about as a result a rise in the international markets. Great improvements in the share prices of larger caps were observed.

In the metal sector there was a high demand for the shares in particular for the Zinc group's whose share prices went up following a rise in the international prices and a 3% rise in the share prices of Mobarakeh Steel Co. It is expected that this trend to continue next week given the reduction in the tension of trade war between the US and China.



Isfahan Steel after the increase of its share capital by 12% turned negative but recovered slightly before the end of the day.

On Monday most of the share prices were up following an improvement in the international markets. This was further improved following the news of the reduction in the tension between the US and China and the all-share index ended up higher by 2000 points and most share prices turned positive.

On Tuesday however there was a tendency by the investors to sell their holdings to take advantage of two rises in share prices during the last two days and this caused the share prices to decline across the board.

On Wednesday being the last trading day of the week it started with a rise in the share prices of the Auto sector but with a low volume in the other sectors.

In the metal sector Isfahan Steel turned to be the focus of attention and Calcimine following the opening of its ticker rose by 6% and Iran Mineral P. and Zamin Madan Co in the Zinc group turned to be the favorite of the market. Iran Copper Industry and Mobarakeh Steel also turned positive but with low volume of trading.

- **Base Metals & Mining**

| Basic Metals |              |                |              |                  |
|--------------|--------------|----------------|--------------|------------------|
| Price        | Lead<br>US\$ | Copper<br>US\$ | Zinc<br>US\$ | Aluminum<br>US\$ |
| <b>World</b> | 1,997        | 6,173          | 2,634        | 1,956            |
| <b>Iran</b>  | 1,935        | 4,825          | 2,641        | 2,054            |

During the first few days of the week the market in these sectors were positive following the apparent reduction in the tension of the trade war between the US and China. However after the G20 summit and President Trump's twitter the atmosphere turned negative and we witnessed once again a decline in commodity prices.

According to the head of Glencore, being the largest trader of Copper and Zinc in the world the commodity prices in 2019 will be higher than this year.

The total average world investments in the mining industry during the last ten year has reached US\$43 billion and yet in this year alone the total investments has reached US\$37 billion and it is however expected this to decline gradually reaching US\$32 billion by 2022.

The current stockpiles of copper in the world can only meet 12 days of the world's consumption and in the case of Zinc to last only 7 days.



It is anticipated that the average world price of Zinc during the 4 quarters of this year to hit the price of US\$2,662 per ton and for the first three months of 2019 to reach US\$2,760 per ton.

Despite the above Iran export prices have continued their downward trend and for both slaps and billets show a weekly reduction of between 2.4% and 1.9% respectively.

- Oil & Energy

| Oil & Energy |                   |                   |
|--------------|-------------------|-------------------|
|              | Brent Oil<br>U\$S | Texas Oil<br>U\$S |
| Price        | 59                | 51                |

According to Iran customs the total value of Petrochemical products during the last 8 months of this year has reached US\$10 billion and in terms of weight has reached 21,000 tons. This shows an increase of 32% against the corresponding period last year. In the meantime the total value of exports of gas related exports has reached US\$2.7 billion which shows a decline of 37% whilst the total value of exports of other products show a rise of 17% .

Oil prices fell on Friday, pulled down by OPEC's decision to delay a final decision on output cuts, awaiting support from non-OPEC heavyweight Russia.

The declines came after crude slumped by almost 3 percent the previous day, with the Organization of the Petroleum Exporting Countries (OPEC) ending a meeting at its headquarters in Vienna, Austria, on Thursday without announcing a decision to cut crude supply, instead preparing to debate the matter on Friday.

"OPEC has decided to meet Friday again...(as) Russia remains the sticking point," said Stephen Innes, head of trading for Asia/Pacific at futures brokerage Oanda in Singapore.

Analysts still expect some form of supply reduction to be decided.

"We are beginning to witness the outline of the next iteration of production cuts, with OPEC conforming to cut its own production by around 1 million barrels per day, with the cartel lobbying non-OPEC members to contribute more," Japanese bank MUFG said in a note.

Supply surge, price plunge Oil producers have been hit by a 30-percent plunge in crude prices since October as supply surges just as the demand outlook weakens amid a global economic slowdown.



Oil output from the world's biggest producers - OPEC, Russia and the United States - has increased by 3.3 million bpd since the end of 2017, to 56.38 million bpd, meeting almost 60 percent of global consumption.

That increase alone is equivalent to the output of major OPEC producer the United Arab Emirates. The surge is largely down to soaring U.S. crude oil production, which has jumped by 2.5 million bpd since early 2016 to a record 11.7 million bpd, making the United States the world's biggest oil producer.

As a result, the United States last week exported more crude oil and fuel than it imported for the first time on records going back to 1973, according to data released on Thursday.

- **Housing**

In view of the rising house prices the loans for urban areas have increased to US\$9,700 and for rural areas have increased to US\$6,200.

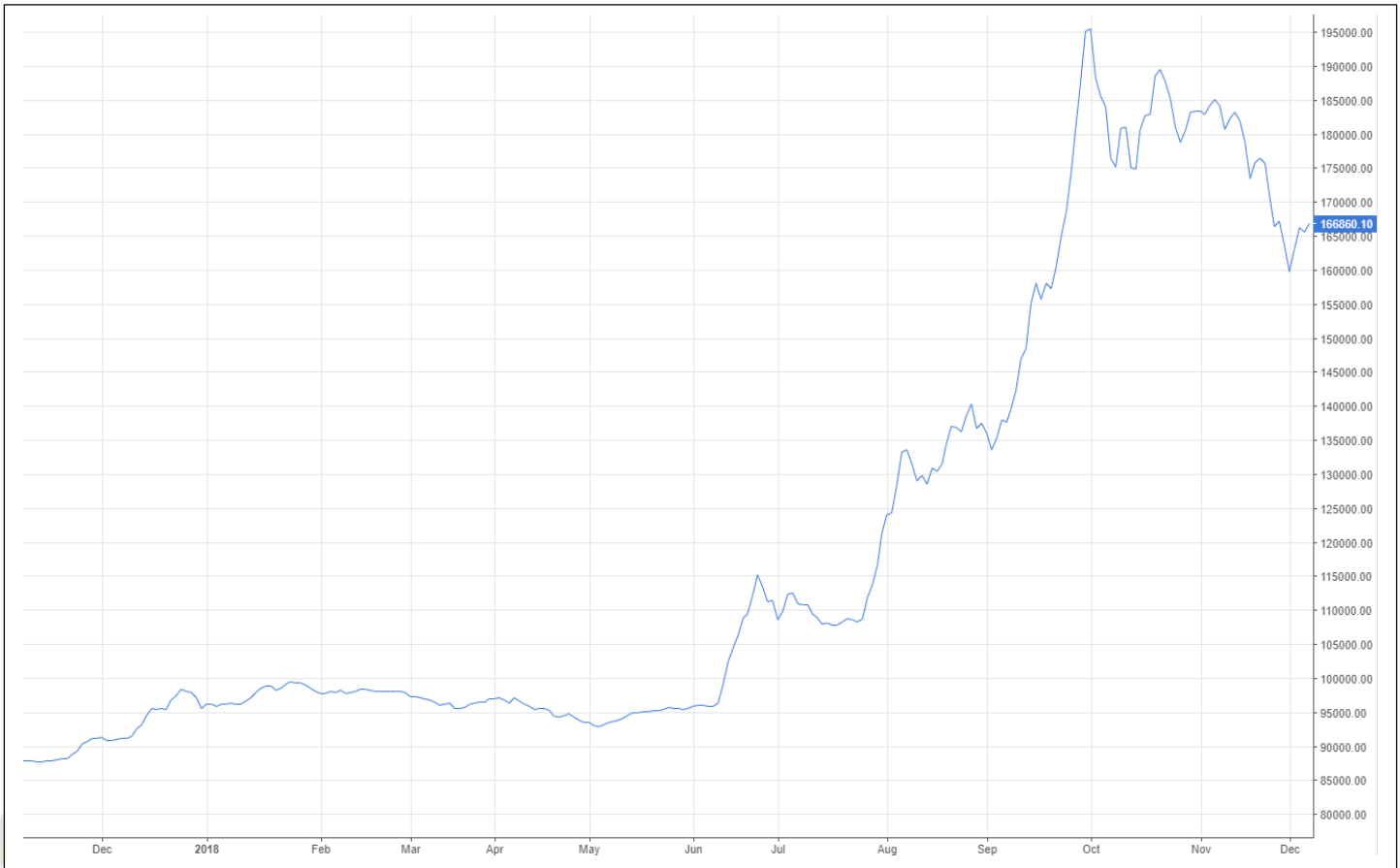
- **Macro Economy**

According to IMF the total Iran reserves of foreign currencies and gold are estimated to be around US\$100 billion. This shows a decline of US\$12 billion against last year. This is expected to continue to decline and reach US\$93.1 billion by the end of next year.



- **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            | 30/11/2018 | 07/12/2018 | Change% |
| Opec        | Barrel/Dollar   | 58.09      | 58.79      | 1.2%    |
| Petrol      | Gallon/Dollar   | 1.3982     | 1.4688     | 5.0%    |
| Natural Gas | One Million-BTU | 4.637      | 4.501      | -2.9%   |

| Currency (IRR) |                  |            |            |         |
|----------------|------------------|------------|------------|---------|
| Currency       |                  | 30/11/2018 | 07/12/2018 | Change% |
| Dollar         | Official Rate    | 42,000     | 42,000     | 0%      |
|                | Free Market Rate | 116,796    | 112,625    | -4%     |
| Euro           |                  | 134,023    | 128,896    | -4%     |

| Precious Metal |               |            |            |         |
|----------------|---------------|------------|------------|---------|
| Metal          | Unit          | 30/11/2018 | 07/12/2018 | Change% |
| Gold           | Dollar/ Ounce | 1,222.24   | 1,248.52   | 2.15%   |
| Silver         | Dollar/ Ounce | 14.2500    | 14.7100    | 3.23%   |

| Basic Metal |               |            |            |         |
|-------------|---------------|------------|------------|---------|
| Product     | Unit          | 30/11/2018 | 07/12/2018 | Change% |
| Aluminum    | Dollar/ Tonne | 1,957.75   | 1,961.75   | 0.2%    |
| Lead        | Dollar/ Tonne | 1,954.50   | 1,994.25   | 2.0%    |
| Zinc        | Dollar/ Tonne | 2,541.25   | 2,593.75   | 2.1%    |
| Copper      | Dollar/ Tonne | 6,196.75   | 6,150.25   | -0.8%   |





## TSE TOP 5 Gainers

| Symbol | Sector   | Company Name    | close<br>(USD<br>Cent) | %change |
|--------|--|-----------------|------------------------|---------|
| MNSR   | Manufacture of motor vehicles·trailers and semi-trailers | Nasir Machine   | 3.33                   | 26.37%  |
| ZOBZ   | Manufacture of basic metals                              | Isfahan Steel   | 1.60                   | 24.19%  |
| DRKH   | Manufacture of rubber and plastics products              | Derakhshan Teh. | 5.50                   | 23.54%  |
| BOTA   | Manufacture of machinery and equipment                   | Butane Group    | 8.25                   | 18.18%  |
| GORJ   | Manufacture of food products and beverages except sugar  | Gorji Biscuit   | 4.48                   | 17.73%  |

## TSE TOP 5 LOSERS

| Symbol | Sector   | Company Name        | close<br>(USD<br>Cent) | %change |
|--------|--|---------------------|------------------------|---------|
| MSTI   | Manufacture of motor vehicles·trailers and semi-trailers | Motorsazan Sabzevar | 3.95                   | -14.07% |
| SBZZ   | Manufacture of cement·lime and plaster                   | Cement              | 1.64                   | -12.24% |
| FRIS   | Manufacture of basic metals                              | Iran Ferr.          | 5.74                   | -11.52% |
| SMBZ   | Transportation and storage                               | Sina Marine<br>srv  | 8.96                   | -10.90% |
| SYNZ   | manufacture of chemicals and chemical products           | Saina<br>Company    | 5.81                   | -10.83% |



## TSE TOP 5 VALUE LEADERS

| Symbol | Sector   | Company Name      | close<br>(USD<br>Cent) | Trade<br>Value<br>(USD<br>Million) |
|--------|--|-------------------|------------------------|------------------------------------|
| ZOBZ   | Manufacture of basic metals                                      | Isfahan Steel     | 1.60                   | 12.5                               |
| FOLD   | Manufacture of basic metals                                      | Mobarakeh Steel   | 4.68                   | 9.7                                |
| BTEJ   | Monetary intermediation & banks                                  | Tejarat Bank      | 1.13                   | 7.5                                |
| SIPA   | Manufacture of motor vehicles, trailers and semi-trailers        | Saipa             | 1.11                   | 7.0                                |
| PNES   | Manufacture of coke, refined petroleum products and nuclear fuel | Isf. Oil Ref. Co. | 6.91                   | 6.9                                |



### **3.Economic News**

#### **Japan's Refiners to Seek Extension of US Waiver to Import Iranian Oil**

Japan's oil refiners will continue to ask the Japanese government to seek an early extension of the US waiver to import oil from Iran, the head of the Petroleum Association of Japan (PAJ), Takashi Tsukioka, said.

#### **Iran-China Banking Obstacles Cleared: Official**

The head of Iran-China Joint Chamber of Commerce said the hurdles in banking transactions between Tehran and Beijing have been cleared.

#### **Russian President Signs Eurasia-Iran FTZ Bill into Law**

Russian President Vladimir Putin signed into law a draft agreement to establish a free trade zone between Iran and the Eurasian Economic Union (EAEU) countries.

#### **Iran-Turkey Bilateral Trade Reaches \$8.2bln in 10 Months**

The value of bilateral trade between Iran and neighboring Turkey in the first 10 months of the current year has amounted to over 8.2 billion dollars, data released by the Turkish Statistical Institute (TurkStat) showed.

#### **Energy Minister Hails Iran-EAEU Free Trade Agreement**

Iranian Energy Minister Reza Ardakanian said with the coming into effect of a free trade agreement with the Eurasian Economic Union (EAEU), bilateral trade between Iran and the EAEU member states would be facilitated.

#### **EU Payment System Not to Address Major Issues in Trade with Iran: US Author**

An American author cast doubt over the practicality of the Special Purpose Vehicle (SPV), a special payment channel created by Europe as part of its efforts to keep trade flowing with Iran in defiance of the US sanctions.

#### **Compensation for Iran's Doomed Oil Tanker Paid, Official Says**

A senior official at Iran Insurers Syndicate said all parties involved in the liability insurance of the Iranian oil tanker "Sanchi" that sank in the East China Sea in January have made their compensation payments.

#### **Qatar to Withdraw from OPEC as of January 2019, Minister Says**

Qatar announced plans to pull out of OPEC on Monday, just days before a crucial meeting between the influential oil cartel and its allies.

#### **Iran Urges OPEC to Cut Output to Curb Oil Price Fall**

Iran's envoy to the Organization of the Petroleum Exporting Countries (OPEC) warned that global oil prices would slump to \$40 a barrel without a significant cut in the output of OPEC and its allies.

#### **Official: Iran's Insurance Industry Unaffected by Sanctions**

Director of the Central Insurance of Iran said the country's insurance industry has successfully avoided being affected by the anti-Iran sanctions.