



Weekly Market Report

Week ended 05th September, 2018

Saturday thru Wednesday inclusive

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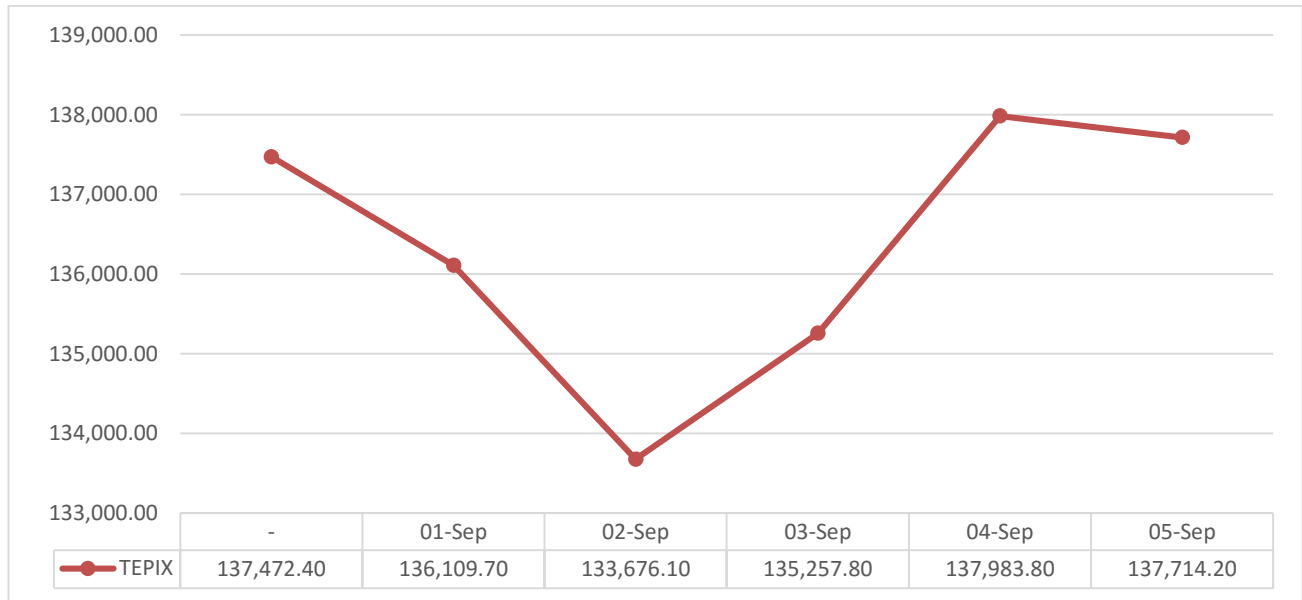
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1. Market Report-The Indices

- All Share Index



- Market indices

Title	August 29, 2018	September 5, 2018	Unit change	Change %
All-Share Index	137,472.36	137,714.15	241.80	0.18%
Fara Bourse Index	1,556.4	1,579.9	23.57	1.51%
Index Of 30 Largest Co.	6,730.5	6,696.4	-21.49	-0.36%
Index Of 50 Most Active Co.	5,971.1	5,949.6	-34.10	-0.51%
P/E	7.08	7.20	0.12	1.69%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	79,326,519	65,792,058	-13,534,461	-17.06%



- Market Analysis

- Market Performance and the related information

Market Information Week ended 05th September 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	137,714	242	0.2	137,472	96,290	41,424	43.0
Stocks Trading Value	\$ 621 m	\$ (68) m	(9.8)	\$ 690 m	-	-	-
Debt Securities Trading Value	\$ 156 m	\$ 29 m	22.9	\$ 127 m	-	-	-
Market Return in IRR	37%	0.5%	-	36.2	-	-	-
Market Return in USD	(51)%	(0.15)%	-	(36.4)%	-	-	-
Market Return in EURO	(50)%	(12)%	-	(38)%	-	-	-
US Dollar index	95.03	0.3	0.3	94.75	89.5	5.53	6.18
Gold Value per ounce	1,207	-	-	1,207	1,268	(61)	(4.81)

Note 1: The interest rates achieved by T-bills (discounted rate), Fixed Income Funds and ETF were 28%, 22% and 21% respectively.

Note 2: The largest trading value during this week belonged to Melat Bank worth US\$36 million.

- Foreign Exchange Market

According to CBI reports physical cash in various currencies were made available through authorized money exchangers to the market this week. The sources of these funds were from partly purchased currencies and partly from cash acquired from exports. This is in addition to the availability of currencies through the system of "Nima" which has been set up in the last couple months for the exchange of foreign currencies for IRR acquired through exports.

According to CBI's latest reports a total of €5.5 billion have been exchanged through Nima exclusively to purchase essential goods so far this year. Moreover a total sum of €3 billion have been exchanged for IRR arising from Petrochemical and other exports through the secondary market (Nima) so far this year.

- Market Activities

During this week investors' focus was on the price movements and volume of transactions on goods exchanged through the Mercantile Market. The price of Mobarakeh Steel products were sold at 15% above the base price and the products of Iran Copper were sold at higher values leading to a rise in the share prices of commodity and export led based companies.

According to market experts the rise in both the CPI and PCI higher inflation is expected in the weeks and months ahead. As a result the share prices of food and consumable goods based companies were on a rise.



It is believed the current gold prices have a 30% bubble.

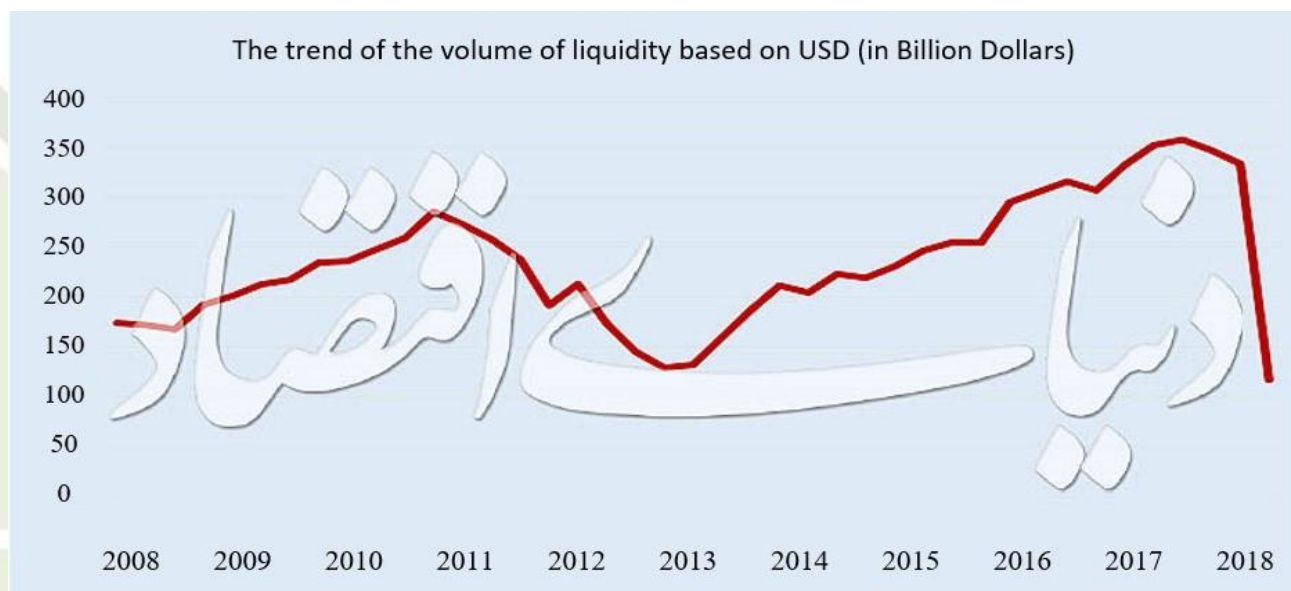
The rise in the value of US Dollar during this week is not welcome by the people in the streets but has caused the share prices of export led companies to rise in the recent weeks and may continue until the devaluation of IRR comes to a halt.

In the meantime the prices of new cars produced by Iran Khodro and Saipa in recent weeks have gone up by 20% due to a rise in the value of US Dollar against IRR.

In the banking sector following a significant rise in Melat Bank's share their share prices were on a rise but due to higher offers the prices were stabilized once again. It is believed the main reason for the rise in their share prices was due to their respective FX holdings.

The rising of the volume of liquidity during the last few years in particular during the last three years has led to higher inflation and rising in the interest rates preventing the manufacturing industry to finance its production lines. Nonetheless major export led companies have been able to increase their market share abroad and hence a significant rise in exports across the board.

The following chart illustrates a continuing rise in the volume of liquidity since 2008 but in US Dollar term sharp drop in recent days which in our opinion contains a 25% to 30% bubble:





• **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	2052	5913	2447	2062
Iran	2312	5279	3187	2264

The lowering of the stockpiles of Zinc at Shanghai and LME for the fifth weeks led to an overall drop of 35% at the end of this week.

In the copper market the price of copper reached IRR410,000 (\$5) per kg against \$3.3 per kg last week. Thus in the opinion of the market experts were justified given the market conditions.

It is expected that the price of Aluminum will be follow the copper prices and will rise soon.

The cost of production at Iralco is currently twice the market price which could lead to some trouble ahead.

At this week's CBI's meeting in was reported that in the event of the oil exports fall below one million barrels a day the value of the exports of steel producing and mining companies would become major producers of foreign currencies to safeguard the well being of the country.

The current estimate of US\$40 billion worth of foreign exchange through Nima has been exaggerated. 90% of the currencies exchanged through Nima so far were from the exports monies produced by Petrochemical companies and it is expected more exports monies come from steel and copper industries in the weeks and months ahead.

Large foreign currencies received from South Korea and India have been made available to the CBI in recent days which will be exchanged for IRR shortly.

• **Oil & Energy**

Oil & Energy		
	Brent Oil US\$	West Texas Oil US\$
Price	76.45	67.77

Oil prices rose on Friday after U.S. crude inventories fell to their lowest levels since February 2015. "Oil inventory data released last night showed a larger-than-expected draw in crude inventories," said William O'Loughlin, investment analyst at Australia's Rivkin Securities.



U.S. commercial crude oil inventories fell by 4.3 million barrels to 401.49 million barrels in the week to Aug. 31, the lowest since February 2015, U.S. Energy Information Administration (EIA) data showed on Thursday.

Despite that, analysts said prices were curbed by a rise in refined product stocks and a relatively weak U.S. peak fuel consumption season this summer.

Gasoline stocks rose by 1.8 million barrels, while distillate stockpiles, which include diesel and heating oil, climbed by 3.1 million barrels, the EIA data showed.

U.S. crude oil production last week remained at a record 11 million barrels per day (bpd), a level it has largely been at since July.

- **Housing**

The recent volatilities in the currency market has led to the lowering of the number of transactions in this sector resulting in a reduction of 20% two months ago and 35% last month against their corresponding months last year.

For the current month this number has dropped by 96% against the corresponding month last year.

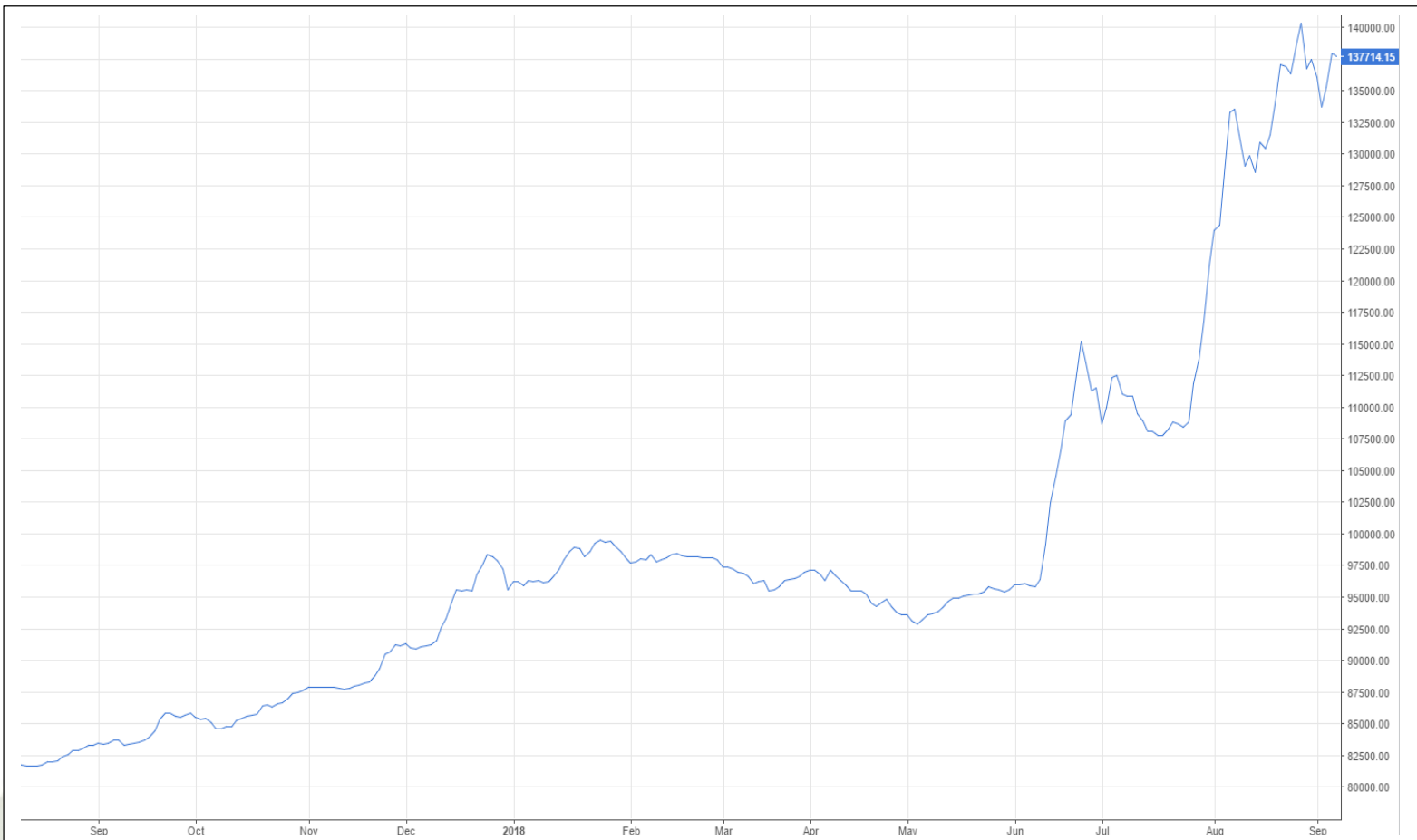
- **Macro Economy**

According to CBI reports the cost of producers index has risen by 6.3% this month against last month whilst the CPI has risen by 5.5% during the same period.



- **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	31/08/2018	07/09/2018	Change%
Opec	Barrel/Dollar	75.720	74.510	-1.6%
Petrol	Gallon/Dollar	1.9940	1.9735	-1.0%
Natural Gas	One Million-BTU	2.9170	2.7790	-4.7%

Currency (IRR)				
Currency		31/08/2018	07/09/2018	Change%
Dollar	Official Rate	42,000	42,000	0.00%
	Free Market Rate	42,000	42,000	0.0%
Euro		130,170	157,300	20.8%
Pound		145,380	175,110	20.4%

Precious Metal				
Metal	Unit	31/08/2018	07/09/2018	Change%
Gold	Dollar/ Ounce	1,199.15	1,195.95	-0.27%
Silver	Dollar/ Ounce	14.5350	14.1900	-2.37%

Basic Metal				
Product	Unit	31/08/2018	07/09/2018	Change%
Aluminum	Dollar/ Tonne	2,119.75	2,060.25	-2.8%
Lead	Dollar/ Tonne	2,088.25	2,059.75	-1.4%
Zinc	Dollar/ Tonne	2,461.50	2,403.75	-2.3%
Copper	Dollar/ Tonne	5,986	5,878	-1.8%



2. Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
SGEN	Manufacture of cement·lime and plaster	Qayen Cement	17.85	37.90%
CHAR	Manufacture of motor vehicles·trailers and semi-trailers	Charkheshgar Khalij Fars	2.30	32.00%
HFRS	Transportation and storage	Trans	10.89	31.75%
BIME	Investment	Insurance Inv.	6.50	29.95%
FIBR	Manufacture of wood and of products of wood	Iran Board	10.83	29.45%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
NPSZ	Manufacture of coke·refind petroleum products and nuclear fuel	NPSZ	5.29	-10.63%
SMBZ	Transportation and storage	Sina Marine srv	10.89	-10.56%
HWEB	Information and communication	HiWeb	5.56	-8.85%
SGOS	Real estate activities	Saman Gostar	1.85	-8.68%
HSHM	Extraction of crude petroleum and natural gas and service activities incidental to·excluding survey	North Drilling	5.03	-8.57%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
BMLT	Monetary intermediation & banks	Mellat Bank	1.67	36.0
FOLD	Manufacture of basic metals	Mobarakeh Steel	5.64	16.2
PNES	Manufacture of coke & refined petroleum products and nuclear fuel	Isf. Oil Ref. Co.	7.27	13.9
ZOBZ	Manufacture of basic metals	Isfahan Steel	2.35	11.3
MSMI	Manufacture of basic metals	I. N. C. Ind.	4.80	10.4



3.Economic News

Iran Develops Technology to Make Gasoline Refinery Catalysts

An Iranian petrochemical company achieved the technical know-how to make special catalysts used for gasoline production, making Iran the world's second producer of such advanced component and helping it earn as much as \$60 billion a year in export revenue.

Japan Says Firm to Secure US Exemption for Iran Oil Imports

Japan remains firmly committed to seeking US exemption for Iranian oil imports as it sees the supplies as important for the country's energy security and businesses, a top government official said.

Iran Seeking to Save Major Oil Deal with Vitol Group: Report

The National Iranian Oil Company (NIOC) is in talks to salvage a \$1 billion oil deal with Swiss trader Vitol Group as companies sever ties with the Islamic Republic ahead of US sanctions.

Iran Ditched Single-Currency Rate Policy to Avoid US Trap, Top Banker Says

Governor of the Central Bank of Iran defended ditching the idea of a single dollar exchange rate as a strategy to avoid the US government's trap and counter its attempts at stepping up economic pressure on Iran.

Brazil Allocates \$1.2bln for Economic Cooperation with Iran: Envoy

Brazilian Ambassador to Tehran Rodrigo de Azeredo Santos said his country has allocated \$1.2 billion to boost cooperation with Iran in diverse economic fields.

Japan to Halt Iran Oil Imports under US Pressure: Reports

Japan's major oil wholesalers are preparing to suspend crude oil imports from Iran in October, amid fears Washington will sanction countries importing Iranian crude, local media reported.

India Allows State Refiners to Use Iran Tankers, Insurance for Oil Imports: Report

India is allowing state refiners to import Iranian oil with Tehran arranging tankers and insurance after firms including the country's top shipper Shipping Corp of India halted voyages to Iran due to US sanctions, sources said.



US Using Dollar as Weapon against Iran, Turkey, Russia: Economic Researcher

An independent economic researcher from Los Angeles said the US is trying to use the power of the Dollar as a weapon to punish all antagonistic countries, including Iran, Turkey, Russia and other nations that are acting independently of Dollar Hegemony and the Washington Consensus.

President: Iran's Energy Industry at Forefront of Economic War

Iran's oil, gas and petrochemical industries are at the forefront of fighting an economic war that the enemy has waged against the Islamic Republic, President Hassan Rouhani said.

Iran's Annual Capacity to Produce Petrochemicals Hits 65.5mln Tons

With the coming into operation of Iran's new petrochemical projects, the country's annual capacity to produce petrochemicals hit more than 65.5 million tons on Tuesday.

Iran's Top Judge Warns of Harsh Punishment for Market Disruption

Head of Iran's Judiciary Ayatollah Sadeq Amoli Larijani cautioned those behind disruption to the country's economy and capital market that they will face severe reaction from the Judiciary.