



Weekly Market Report

Week ended 06th November, 2018

Saturday thru Wednesday inclusive

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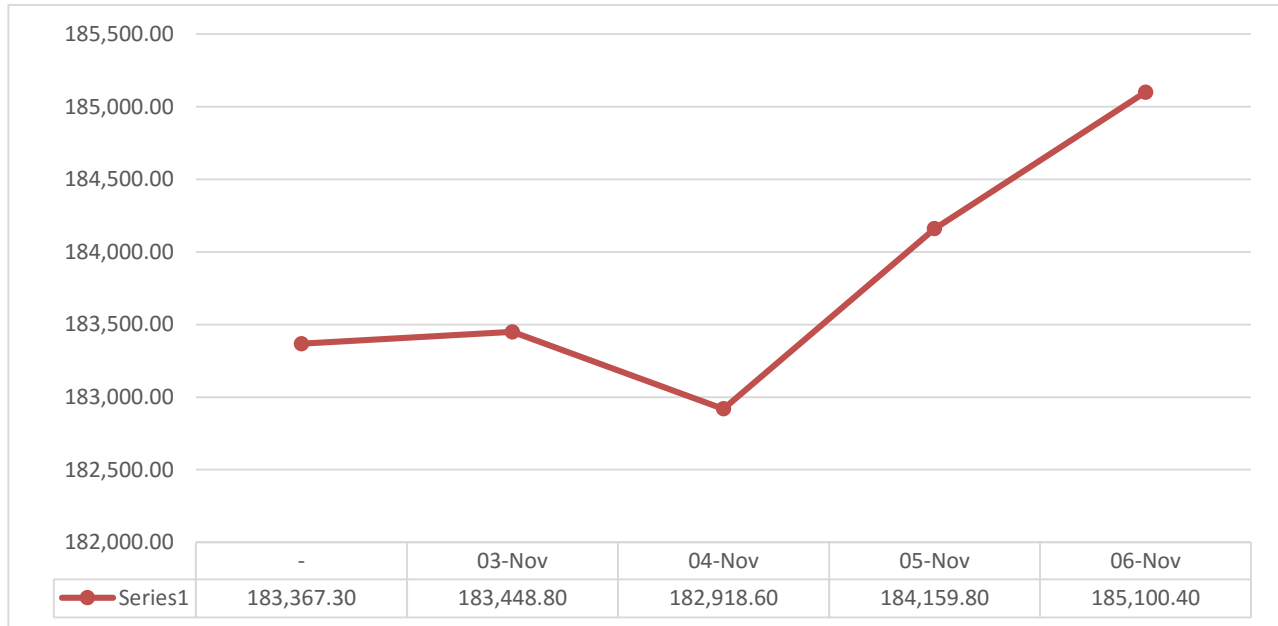
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1. Market Report-The Indices



Title	October 31, 2018	November 7, 2018	Unit change	Change %
All-Share Index	183,367.34	185,100.30	1,732.96	0.95%
Fara Bourse Index	2,018.2	2,025.7	7.58	0.38%
Index Of 30 Largest Co.	9,129.5	9,211.9	85.99	1.06%
Index Of 50 Most Active Co.	8,104.4	8,190.3	82.44	0.90%
P/E	8.29	8.26	-0.03	-0.36%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	45,314,202	52,925,659	7,611,457	16.80%



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

Market Information Week ended 31th October 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	185,100	1,733	0.9%	183,367	96,290	88,810	92.2
Stocks Trading Value	\$ 273 m	(32)	(10.5%)	\$ 305 m	–	–	–
Debt Securities Trading Value	\$ 40 m	6	15.0%	\$ 34 m	–	–	–
Market Return in IRR to date	92%	2%	-	90%	–	–	–
Exchange Rate US\$/IRR	145,308	4,456	3.2%	140,852	–	–	–
Exchange Rate EURO/IRR	165,629	-	0.0%	165,629	–	–	–
US Dollar index	96.84	0.56	0.6%	96.28	89.5	7.34	8.20
Gold Value per ounce	1,219	(17)	(1.4%)	1,236	1,268	(49)	(3.86)

Note 1 : The interest rates achieved by TBs (discounted rate), Fixed Income Fund and ETF were 24%, 22% and 21% respectively.

Note 2 : The largest trading value this week belonged to Bank Mellat worth US\$15 billion.

- **Market Activities**

The market was generally dominated by two sectors namely Banking and Auto although the market remained in negative territory all week. The domination of the above sectors was due to partly by banks raising their capital and partly due to an expected rise in the prices of motor vehicles.

The Medical sector was mainly positive despite high volume of sales in particular share prices of Loghman Pharm and Zahravi Pharm were most favorable.

In the steel and base metals sectors the share prices of Isfahan Steel due to the increase of its share capital through the revaluation of its assets reached the daily ceiling of 5% and also the share prices of Mobarakeh Steel and Iran Copper Indu turned positive. Moreover the share prices of Bahonar Copper Yazd Fold, Sepahan Group and Sepanta became the most favorable.

In the Oil Products sector we witnessed a downturn in the share prices but by the end of the week they recovered slightly. In the meantime the share price of Isfahan Oil Ref Co reached above IRR9,000 and Palayesh Tehran reached IRR6,700. However their tickers were closed by the Market Supervisory Board due to clarification of its new production line of Bitumen.

The share prices of Rebar rose by 2% whilst those of Iranol and Behran oil turned negative.

The decline in the price of oil stopped while the volatilities in the share prices of the sector continued in particular Palayesh Tehran. The ticker of Oil Ind. Inv after some clarification was opened and its share price rose by 6% on the day.



• **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminium US\$
World	1,966	6,085	2,497	1,970
Iran	1,662	4,408	2,463	1,650

The Commodity Market Expert Committee has made the following recommendations:

1. In order to increase demand access to commodity market should be allowed for everyone.
2. The exchange rate for IRR/USD should be based on the price achieved in "Nima" foreign exchange market in stead of the current fixed rate of IRR42,000.
3. The buyers of Sponge Iron should not be obliged to sell their goods in the form of bars and that its price should be based on 50% of Steel price.

The above recommendations are subject to the approval of the main committee.

It was noted that the exchange rates for exports will be determined by the average prices achieved on "Nima" foreign exchange market. Previously this was based on a fixed rate of IRR42,000.

The current continuous lowering of China's steel and iron ore stockpiles and falling below the lowest level during the last 12 months and reaching a weekly reduction of 1.3% is expected to push the commodity prices higher in the near future.

The stockpiles of Billets at Tashkant of China have dropped to the lowest level in the last 11 months reducing at the rate of 25.7% per week. The stockpiles of Rebar are also declining at the rate of 6.7%.

• **Oil & Energy**

Oil & Energy		
	Brent Oil US\$	Texas Oil US\$
Price	70	60

Oil prices fell to multi-month lows on Friday as global supply increased and investors worried about the impact on fuel demand from of lower economic growth and trade disputes.

Benchmark Brent crude oil fell below 70\$ a barrel for the first time since early April, down more than 18 percent since reaching four-year highs at the beginning of October.



Brent fell 66 cents to a low of 69.99\$ a barrel before recovering slightly to trade around 70.10\$ by 1010 GMT, down 3.5 percent for the week and more than 15 percent this quarter.

U.S. light crude oil was 55 cents lower at 60.12\$, down 4.7 percent this week and off more than 20 percent since early October, putting it officially in "bear market" territory, borrowing a definition commonly used in stock markets.

"There is no slowing down the bear train," said Stephen Brennock, analyst at London brokerage PVM Oil. "Instead, the energy complex has extended a rout driven by swelling global supplies and a softening demand outlook.

Oil peaked in October on concerns that U.S. sanctions on Iran that came into force this week would deprive the oil market of substantial volumes of crude, draining inventories and bringing shortages in some regions.

But other big oil producers, such as Saudi Arabia, Russia and shale producers in the United States, have increased output steadily, more than compensating for lost Iranian barrels.

The United States, Russia and Saudi Arabia are all now pumping at or near record highs, producing more than 33 million barrels per day (bpd), a third of the world's oil.

The U.S. sanctions, meanwhile, are unlikely to cut supply as much as expected. Washington has granted exemptions to Iran's biggest buyers, allowing them to buy limited amounts of oil for at least another six months.

China National Petroleum Corp said it was still taking oil from Iranian fields in which it has stakes. Washington has said it wants to force Iranian oil exports down to zero, but Bernstein Energy now expects "Iranian exports will average 1.4 million to 1.5 million bpd," during the exemption period, about half the volume in mid-2018.

"As OPEC exports continue to rise, inventories continue to build, which is putting downward pressure on oil prices," Bernstein said. "A slowdown in the global economy remains the key downside risk to oil."

A glut in the refining sector, where a wave of unsold gasoline has pulled profit margins into negative territory, may also lead to a slowdown in new crude orders as refiners scale back operations.

Housing

According to the deputy minister of housing the ministry will be obligated to provide up to 200,000 new homes in new cities before the year 1400 (2021/2022).



- **Macro Economy**

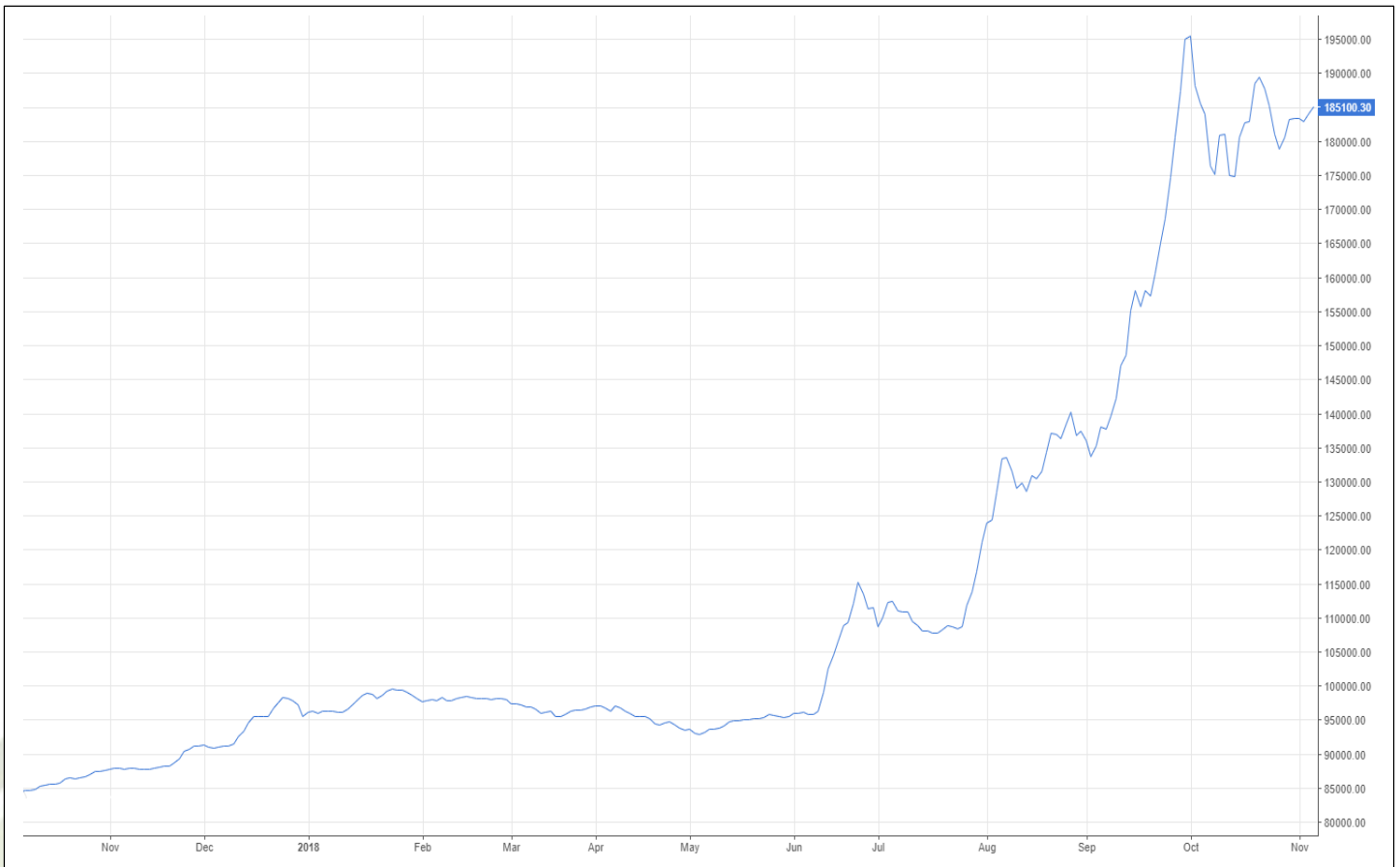
According to the latest report by the Statistical Dept the rate of unemployment for people with ten year history at summer of this year against that of last year has increased by 0.7% whilst the total unemployment across the country has risen by 237,000 reaching 3.326 million during the same period.





- **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	02/11/2018	09/11/2018	Change%
Opec	Barrel/Dollar	72.64	70.68	-2.7%
Petrol	Gallon/Dollar	1.7010	1.6155	-5.0%
Natural Gas	One Million-BTU	3.2960	3.724	13.0%

Currency (IRR)				
Currency		02/11/2018	09/11/2018	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	140,852	145,308	3%
Euro		165,629	165,629	0%

Precious Metal				
Metal	Unit	02/11/2018	09/11/2018	Change%
Gold	Dollar/ Ounce	1,232.88	1,209.76	-1.88%
Silver	Dollar/ Ounce	14.7500	14.1300	-4.20%

Basic Metal				
Product	Unit	02/11/2018	09/11/2018	Change%
Aluminum	Dollar/ Tonne	1,978.75	1,956.50	-1.1%
Lead	Dollar/ Tonne	2,005.25	1,965.75	-2.0%
Zinc	Dollar/ Tonne	2,548.50	2,504.50	-1.7%
Copper	Dollar/ Tonne	6,306.00	6,039.25	-4.2%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
NSTH	Real estate activities	Tehran Const. Hegmatan	1.90	27.27%
GHEG	Manufacture of sugar	Sugar Fars Chem. Ind.	5.98	21.05%
SHFS	manufacture of chemicals and chemical products	Pegah Fars Co.	2.09	20.72%
GFRZ	Manufacture of food products and beverages except sugar	Oil Ind. Inv.	9.11	20.68%
NAFT	Manufacture of coke•refind petroleum products and nuclear fuel		2.54	19.94%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
BHSM	Manufacture of structural non-refractory clay and ceramic products	Behceram	2.83	-37.27%
KSAD	Manufacture of structural non-refractory clay and ceramic products	Saadi Tile Pakhsh	1.55	-19.39%
PKSH	manufacture of chemicals and chemical products	Alborz Tehran Const.	1.14	-13.52%
NSTH	Real estate activities	Shahrood N.E.	3.14	-12.86%
KSGZ	Minig of coal and lignit•extraction of peat		4.26	-11.25%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
BMLT	Monetary intermediation & banks	Mellat Bank	2.00	14.9
BTEJ	Monetary intermediation & banks	Tejarat Bank	0.86	9.2
ZOBZ	Manufacture of basic metals	Isfahan Steel Cultur.Herit. Inv.	1.80	7.3
IMFZ	hotels & restaurant		3.62	6.4
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	6.21	5.5



3.Economic News

S. Korea, India to Keep Importing Iranian Oil

South Korea and India agreed with the US on the outline of deals that would allow it to keep importing some Iranian oil after it asked the United States for "maximum flexibility" this week, according to Asian officials.

US Grants 8 Nations Oil Waivers under Iran Sanctions

The US has agreed to let eight countries -- including Japan, India and South Korea -- keep buying Iranian oil after it re-imposes sanctions on the OPEC producer on Nov. 5, a senior administration official said.

Some Iranian Planes Refused Fuel in Turkey: Turkish Media

Some Iranian airliners were refused fuel in Turkey's Istanbul airports on Friday and had to cancel at least one flight, while other carriers had to cut the number of passengers on board in order to fly on less fuel, Turkish media reported.

US Warns SWIFT Not to Provide Services to Iran

US Treasury Secretary Steven Mnuchin said Belgian-based financial messaging service SWIFT could be hit with US sanctions if it provides services to Iranian financial institutions that Washington blacklists.

Iran Exports 105 Tons of Saffron to 47 Countries in 6 Months

Iran has exported 105 tons of saffron to 47 countries in the first six months of the current Iranian calendar year (March 21 – September 22), the deputy head of the National Saffron Council said.

US to Grant Iraq Waiver over Iran Sanctions: Iraqi Officials

The United States has told Iraq that it will be allowed to keep importing crucial gas, energy supplies and food items from Iran after Washington reimposes sanctions on Tehran's oil sector, three Iraqi officials said.

Turkey Says Awaiting US Clarification on Waiver for Iran Sanctions

Turkish Trade Minister Ruhsar Pekcan said on Saturday that Turkey has received initial indications that it will be among eight countries to be granted a waiver from US sanctions against Iran, but is awaiting clarification on Monday.



Russia Says Will ‘Do Everything to Preserve’ Intl. Trade Ties with Iran in Sanctions Era

Russia strongly condemned a move by Washington to impose new sanctions on Tehran, stressing that Moscow will “do everything necessary to preserve and expand international trade and economic and financial cooperation” with Iran in the era of sanctions.

Japan Says in Close Communication with US on Iran Sanctions

Japan is in close communication with the United States on Iran sanctions, Japan’s Chief Cabinet Secretary Yoshihide Suga said on Monday.

South Korea Gets US Exemption on Iran Oil Imports

South Korea has been granted a waiver from US sanctions on Iranian oil, a government official said on Monday.

Germany Says Checking How to Protect Companies Affected by Iran Sanctions

A German government spokesman said Berlin is exploring ways to protect companies affected by sanctions reimposed on Iran by Washington by enabling legal business relations with Tehran.

US Sanctions Fail to Cut Iran’s Oil Exports to Zero: Zarif

Iranian Foreign Minister Mohammad Javad Zarif said the fresh round of US sanctions against Iran have failed to cut Tehran's oil exports to zero.

SWIFT Says Suspending Some Iranian Banks' Access to Messaging System

The Belgium-based SWIFT financial messaging service said it is suspending some unspecified Iranian banks’ access to its messaging system following the US resumption of sanctions on Iran.

Iran Has Plans to Counter New US Sanctions, VP Says

Iranian First Vice-President Eshaq Jahangiri made assurances that the administration has been carefully planning to circumvent the new round of US sanctions against the Islamic Republic.

2nd US Soybean Cargo to Dock in Iran Port Soon: Report

For the second straight week, a bulk carrier with soybeans left the US Pacific Northwest destined for Iran, a report said.

CBI Chief Announces Iran’s Special Measures to Counter US Sanctions

Governor of the Central Bank of Iran Abdonnaser Hemmati explained about the CBI’s measures to counter the new round of US sanctions imposed on the Islamic Republic.