



Weekly Market Report

Week ended 07th August, 2019

Saturday thru Wednesday inclusive

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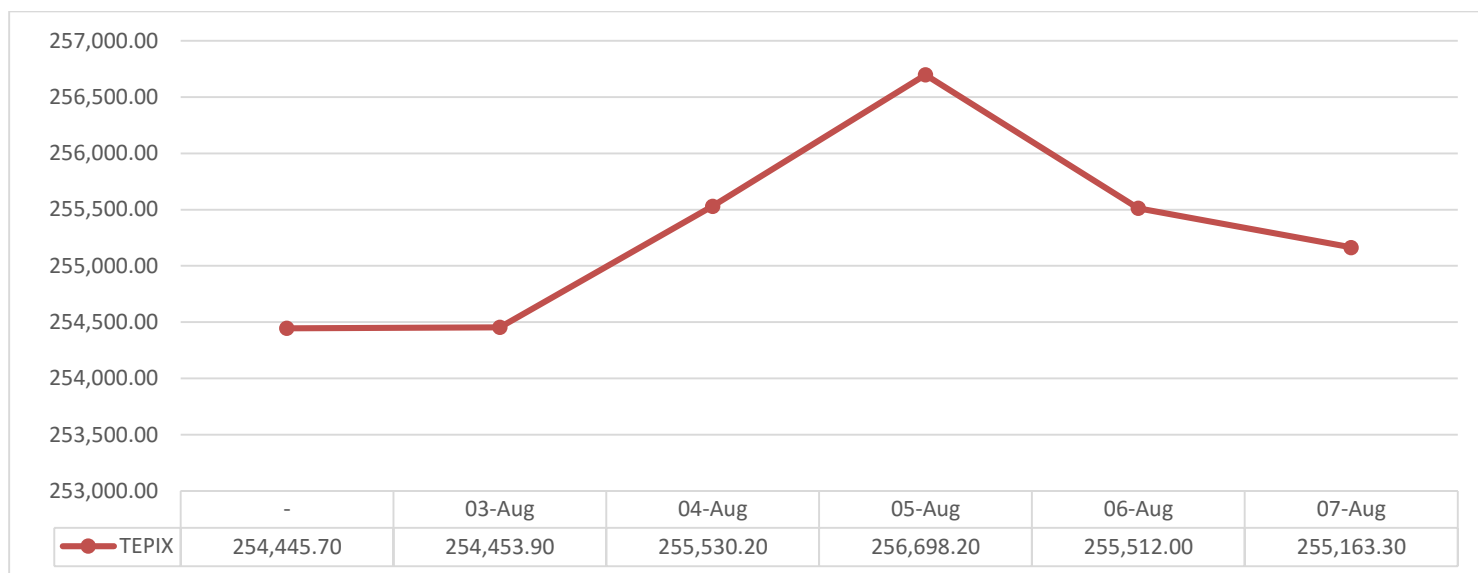
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1. The Indices



Title	July 31, 2019	August 7, 2019	Unit change	Change %
All-Share Index (Bourse)	254,445.7	255,163.3	717.54	0.28%
Fara Bourse Index	3,374.4	3,418.9	44.52	1.32%
Index Of 30 Largest Co.	11,529.6	11,169.4	-104.73	-1.01%
Index Of 50 Most Active Co.	10,330.1	10,225.3	-360.15	-3.12%
P/E (Bourse)	5.82	5.85	0.03	0.52%

Daily Average Trading Value (Bourse)	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	71,547,131	89,856,591	18,309,460	25.59%



- Market Performance

Market Information Week ended 07th August 2019

	This Year				Last Year		
	This week	Last week	Changes	%	At 21.03.18	Changes	%
All-Share Index	255,163	254,446	717	0.3%	178,659	76,504	42.8
Shares Trading Value	\$ 848 m	\$ 664 m	\$ 184 m	27.7%	-	-	-
Debt Securities Trading Value	\$ 114 m	\$ 115 m	(545,638)	(0.5%)	-	-	-
Market Return in IRR to date	72%	70%	2%	-	-	-	-
Exchange Rate US\$/IRR	118,500	118,700	(200)	(0.2%)	-	-	-
Exchange Rate EURO/IRR	133,600	135,700	(2,100)	(1.5%)	-	-	-
US Dollar index	97.62	98.38	(0.8)	(0.8%)	96.32	1.30	1.35
Gold Value per ounce	1,513	1,446	67	4.6%	1,308	205	15.67

- Market Analysis

- The Debt Market

The effective interest rates achieved by TBills (discounted), Fixed Income Funds and ETF this week were 19%p.a., 20%p.a. and 20%p.a. respectively.

Largest Valued Trade

The largest Valued Trade this week worth US\$11 million belonged to Saipa Auto Co.

- Market Activities

The market this week was a mixed bag of volatilities and recovery arising from principally the trade war between US and China which affected the values of Base Metals and Mining products.

The recent imposition of the US sanctions on Iran foreign minister did not have any bearing on the market.

As a result the all-share index rose by 717 points (+0.43%) and reached 255,163 by the end of the week. During this week more investors were attracted to smaller caps companies and generally the shares of larger caps remained either subdued or negative.

The highlight of the market was the rise in the values of Food & Beverages, Pharmaceutical and Agriculture sectors due to the abandonment of the Government subsidy to provide the lower exchange rate of IRR42,000=1US\$. The applicable exchange rates are now in line with the open market which is effectively similar to Niema market.



- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	2,068	5,781	2,279	1,778
Iran	1,898	5,687	2,279	1,925

The recent escalation in the trade war could cost the already fragile world economy, global GDP would be 0.6% lower in 2021 if the market slumps during an all-out trade war, compared to a no trade war scenario = \$1.2 trillion!

In order to nullify the effect of the US tariffs of 10% on Chinese goods worth US\$300bn Chinese Government has taken the following measures:

1. China has imposed a 25% tariffs on US imports worth US\$60bn.
2. The imports of rare earth into the US have been restricted while China owns more than 80% of the world reserves. This is expected to create a big shock to the US Industry.
3. Some major US companies which have been hostile to China in the trade war with the US have been black listed and will soon be published.

In the midst of the US/China trade war China's balance of trade for July indicates a rise of 3.3% in exports and a decline of 5.6% in imports. These have resulted in a trade surplus of US\$45.6bn against expectation. The total goods exported by China during the last 7 months has reached US\$1,354bn (+6.7%) against the total imports of US\$1,132bn (+1.3%). This has been achieved despite the US/China trade war resulting in a net trade surplus of US\$221bn (+47.4%).

Despite the above trade surplus the rate of producers' inflation and that of consumers in July 2019 have not been satisfactory.

China's PPI index for the first time during the last 3 years has turned negative by (-0.3%) due to a fall in demand and higher rate of sales discounts by the producers.

China's CPI showed a rise of 2.8% which was above expectation although this has still been lower than the forecasted rate of 3% by China's central bank PBOC. This , however has been well above the Central bank's expectation during the last 16 months allowing the Bank to adopt an expansionary policy for injecting money into the economy in the future.



The iron ore weekly index at Chinese ports for Concentrates this week fell by 14% in line with the market prices. In the light of this the price of Iran export concentrates at Bandar Abbas fell within the range of US\$71.7 per tonne which is 49% higher than the domestic market causing a substantial rise in Iran market prices despite the lowering of domestic demand.

The price of billets in Iran domestic market was in the range of US\$298 per tonne which is 22% and 37% cheaper than the prices of Iran exports and CIS index respectively. The steel producers are pushing for an increase in prices in the domestic markets.

As a result the total sales of the 20 largest steel producers during last month and the last 4 months have reached US\$1bn (+85%) and US\$4bn (+93%) respectively. The total sales of these companies represent 27% of that of quoted companies on Iran stock market.

- **Oil & Energy**

Oil & Energy		
	Brent Oil U\$\$	Texas Oil U\$\$
Price	58	53

Oil prices inched higher on Friday supported by expectations of more OPEC production cuts despite the International Energy Agency (IEA) reporting demand growth at its lowest level since the financial crisis of 2008.

Brent crude futures were at \$57.80 a barrel by 0854 GMT, up 42 cents from their previous settlement. West Texas Intermediate (WTI) futures were at \$52.80 per barrel, up 26 cents.

“Despite a further cut in oil demand growth by the IEA, oil prices are trading marginally higher, as the demand growth cut was already announced previously by the head of the IEA and the agency still expects larger inventory draws for 2H19,” UBS analyst Giovanni Staunovo said.

The IEA said global oil demand in the first half of 2019 grew at its slowest pace since 2008 hurt by mounting signs of an economic slowdown and a ramping up of the U.S.-China trade war.

Oil prices have lost more than 20% from peaks reached in April, putting them in bear territory. Rystad Energy said the oil market was going “from gloomy to gloomier”, calling into question the consultancy’s own bullish view for the first part of 2020.

“Economic recession risk and further escalation of the U.S.-China trade war are key concerns in the near term. How long OPEC+ is willing to continue to manage production adds uncertainty,” said Bjørnar Tonhaugen, head of oil market analysis at Rystad Energy.



The Organization of the Petroleum Exporting Countries, Russia and other producers, an alliance known as OPEC+, agreed in July to extend their supply cuts until March 2020 to boost oil prices.

Saudi Arabia, de facto leader of the OPEC, plans to maintain its crude oil exports below 7 million barrels per day in August and September to bring the market back to balance and help absorb global oil inventories, a Saudi oil official said on Wednesday.

“Market focus in oil has clearly shifted. It is squarely on future demand, rather than on supply,” said Harry Tchilinguirian, global oil strategist at BNP Paribas in London.

The United Arab Emirates also will continue to support actions to balance the oil market, energy minister Suhail al-Mazrouei said in a tweet on Thursday.

The minister said the OPEC and non-OPEC ministerial monitoring committee would meet in Abu Dhabi on Sept. 12 to review the oil market.

- **Housing**

According to the latest report the total number of empty housing units across the country is around 2.5 million units of which 500,000 units are in Tehran and there is no law against their status as being left unused.

- **Macro Economy**

According to the banking association the cost of money in the hands of commercial as well as Government owned banks has fallen by 1.5% due to the recent change of policy in calculating daily deposit interest.

The Ministry of Economy has also reiterated that all banks must comply with the policy of the CBI at all times.



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

Oil				
	Unit	09/08/2019	02/08/2019	Change%
Opec	Barrel/Dollar	57.82	63.54	-9.0%
Petrol	Gallon/Dollar	1.6695	1.7755	-6.0%
Natural Gas	One Million-BTU	2.114	2.133	-0.9%

Currency (IRR)				
Currency		09/08/2019	02/08/2019	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	118,400	119,000	-0.5%
Euro		133,500	135,000	-1.1%

Precious Metal				
Metal	Unit	09/08/2019	02/08/2019	Change%
Gold	Dollar/ Ounce	1,497.24	1,441.63	3.86%
Silver	Dollar/ Ounce	16.9530	16.2380	4.40%

Basic Metal				
Product	Unit	09/08/2019	02/08/2019	Change%
Aluminum	Dollar/ Tonne	1,774.50	1,773.50	0.1%
Lead	Dollar/ Tonne	2,062.50	1,952.25	5.6%
Zinc	Dollar/ Tonne	2,238.00	2,353.25	-4.9%
Copper	Dollar/ Tonne	5,768.25	5,720.50	0.8%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
HWEB	Information and communication	HiWeb	7.61	30.46%
SPDZ	Manufacture of motor vehicles·trailers and semi-trailers	Saipa Diesel	2.33	28.45%
NOSH	Manufacture of food products and beverages except sugar	Noush Maz.	6.11	27.55%
PETR	manufacture of chemicals and chemical products	Petro. Inv.	3.69	27.48%
FRIS	Manufacture of basic metals	Iran Ferr.	8.92	27.37%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
STEH	Manufacture of cement·lime and plaster	Tehran Cement	6.33	-10.63%
SHSI	manufacture of chemicals and chemical products	Sina Chem. Ind.	35.09	-8.68%
TBAS	Minig of coal and lignit·extraction of peat	Negin Tabas L.	10.73	-8.57%
SROD	Manufacture of cement·lime and plaster	Shahroud Cement	2.47	-7.99%
MSMI	Manufacture of basic metals	I. N. C. Ind.	3.53	-7.29%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
HWEB	Information and communication	HiWeb	7.61	17.2
NURZ	manufacture of chemicals and chemical products	Barzouyeh Co.	28.20	13.3
KRMZ	Real estate activities	Kerman Invest	26.81	11.7
SMGP	Agriculture and related service activities	Simorgh Co.	10.21	10.8
MAPN	Engineering and other technical activities	MAPNA	6.97	9.0



3.Economic News

President to Inaugurate Major Projects in Visit to NW Iran

Iranian President Hassan Rouhani plans to pay a visit to the northwestern province of East Azarbaijan on Thursday and inaugurate several major development projects there, the governor of the province said.

Official Highlights Opportunity for Iranian Firms to Participate in Iraq's Reconstruction

The secretary-general of the Iran-Iraq Joint Chamber of Commerce highlighted the war-hit country's move to allocate \$300 billion to its reconstruction and said there are proper opportunities for Iranian companies to take part in the process.

Iran to Remove 4 Zeros from Currency

The Iranian cabinet passed a motion on Wednesday to lop off four zeros from the national currency, rial.

Iran Defense Ministry to Manufacture 470 Auto Parts: MP

The chairman of the Iranian Parliament's Industries and Mines Commission said the Defense Ministry has signed a contract with domestic automakers to produce 470 auto parts that were previously imported.

Iranian Gasoline Sold at IRENEX

Iran has offered 10,000 tons of gasoline for sale in the international ring of the Iran Energy Exchange (IRENEX).