



Weekly Market Report

Week ended 07th March, 2018

Saturday thru Wednesday inclusive

Contents

1. Market Report

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

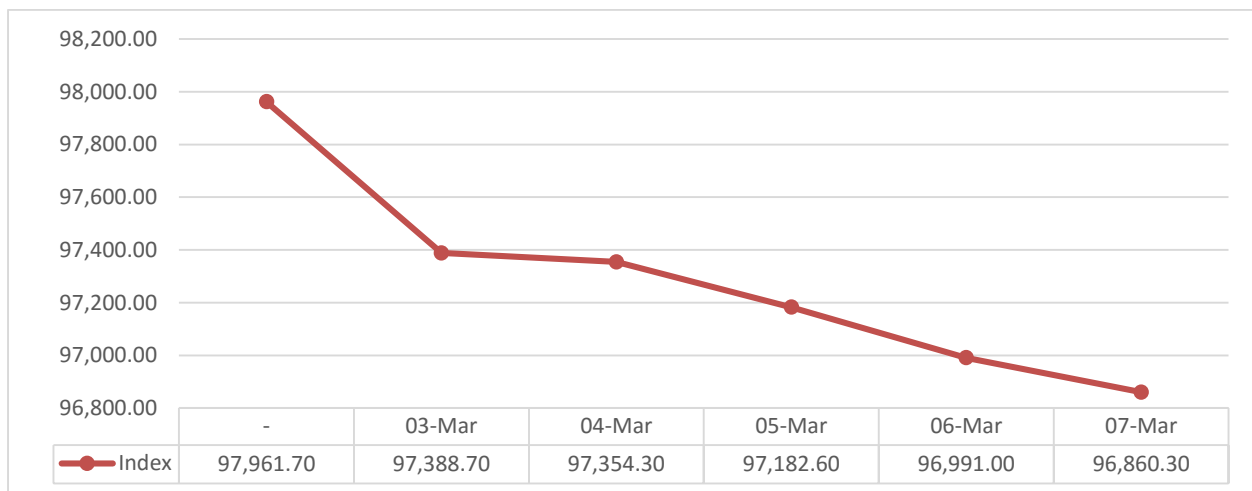
2. Detailed Market information

3. Economic News



1. Market Report-The Indices

- All Share Index



- Market indices

Title	February 28, 2018	March 7, 2018	Unit change	Change %
All-Share Index	97,961.75	96,860.30	-1,101.45	-1.12%
Fara Bourse Index	1,092.2	1,080.2	-12.00	-1.10%
Index Of 30 Largest Co.	4,351.4	4,290.9	-60.51	-1.39%
Index Of 50 Most Active Co.	4,074.0	4,031.9	-42.13	-1.03%
P/E	7.16	7.08	-0.08	-1.12%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	37,728,963	53,282,928	15,553,965	41.23%



- **Market Analysis**

- **The Market**

The all-share index continued its subdued and negative mood over the last four consecutive weeks losing 1,101 points (1.12%) closing at 96,860. This was partly due to the lowering of world prices of Base Metals and partly due to the lowering of IRR's value against US Dollar. Moreover the uncertainties surrounding President Trump's challenges against Iran nuclear deal did also have a dominating negative effect on the investors.

As a result the return on investments since the beginning of the year (21st March) dropped to 25%. This has been achieved while the value of IRR against US Dollar and Euro dropped by 27.6% and 36.6% respectively.

- **Market Trading Value**

The total trading value of the market reached US\$811.199 million showing a rise of 50% against last week. The largest trading value related to Iran Telecommunication Co worth US\$62.683 million.

- **Market Activities**

During the week there was a rumour that the value of cement exports to Iraq would increase resulting in a high demand for the shares of cement companies. However this was later denied and all the relevant shares went negative.

The Federal Reserves policy to increase the interest rates during 2018 generally unsettled the commodity market throughout the world. Moreover the recent suggestion by President Trump to impose tariffs over Steel and Aluminum appears to have caused a trade war among the US trading partners affecting the share prices of commodity based companies as well as those of petrochemicals and refineries.

In the meantime the drop in the value of IRR against major world currencies also caused chaos amongst the share prices of larger caps and those of export led companies.

On Tuesday this week at long last the block share belonging to 19.5% of Iran Aluminum Co was offered for sale to the public on behalf of Steel Investment Holding Co and sold at a base price of IRR200 per share.

On Wednesday the share block of 16% of non-controlling Iran Smelting Co was sold at a base price of IRR750 per share.

During this week Alborz Insurance block share of 17% was purchased by a consortium of investors but the block share of 18% belonging to Asia Insurance has remained unsold due to non-eligibility of the potential investor. This we believe will be offered to the public once again before the year-end (21st March).



- **New Issue**

On Wednesday this week 10% of the shares of Shafa Daron Investment Holding Co were offered for sale to the public at a price of IRR4,150 per share on book building.

- **Debt Market**

The total trading value of the debt market following the issue of "Manfaat Sukuk" reached US\$431.864 million showing 52% rise against last week.

During this week the rates of interest achieved by Treasury Bills , Fixed Income Fund and ETF Fund were 22%, 20% and 20% respectively.

The new sukuk debt issue has a coupon of 20% interest p.a. Payable six monthly with no market maker but guaranteed by the Government.

- **Foreign Investments**

During this week a financing project worth US\$700 million for the construction of a railway between Shiraz and Bushehr was signed with China. The value of this project is estimated to be around US493 million and the balance will be used for the construction of 7 other railways throughout the country.

CBI announced that so far a total of US\$55.3 billion worth of financing projects has been signed with European and large Asian countries.

- **Base Metals & Mining**

World prices per ton of:	In Iran
Copper US\$6,800.	US\$6,822
Lead US\$2,343.	US\$2,298
Zinc US\$3,200.	US\$3,405
Aluminum US\$2,107.	US\$2,182

President Trump despite warning of a trade war amongst the US and the US trading partners approved the imposition of tariffs of 25% and 10% on Steel and Aluminum respectively. However Canada and Mexico will be exempt from this tariff.

During this week following a decline in Steel prices, the price of Iron Ore also dropped to US73 per ton. Moreover the price of Zinc managed to break through the price barrier of the last two months and reached US\$3,273 per ton.

The price of copper dropped close to its 2018 lows and Iron Ore prices plunged on Thursday after customs data showed imports of raw materials by China weakening sharply in February.



In brisk trading New York Comex copper for delivery in May gave up over 2% compared to Wednesday settlement price trading at US\$3.07 a pound (US\$6,770 per ton). Copper is down by 7% year to date. February customs data from China showed import volumes of unwrought copper falling for the third month in a row and down 20% from January's shipments totaling 352,000 tons. The slowdown in imports have coincided with a 70% jump in copper inventories in Shanghai since end -2017. Last year's annual total came in at 4.7m tons down 5.7% from 2016.

- **Oil & Energy**

The prices of Brent oil and US oil remained unchanged this week at US\$64 and US\$60 per barrel respectively.

US Shale and OPEC share steak in uneasy truce at Houston dinner.

This week an agreement for the development of Sosangerd oil site was signed between IDRO Oil of Iran and ONGC VIDISH of India. The Ministry of Oil announced that three agreements for the development of new oil sites have been signed during this year in which the winning partners will have a beneficial interest of the oil sites for the next 20 years.

- **FX & Gold**

During this week the US\$ index dropped by 0.03% against last week and reached 90.17.

The value of IRR against US\$ dropped by 0.07% against last week. The value of US Dollar and Euro reached IRR47,860 and IRR56,120 respectively. Gold was at US\$1,320 per ounce.

- **Macro Economy**

According to the latest report Iran trade balance was negative by US\$5.967 billion since the beginning of this year.

The total value of Iran non-oil exports reached US\$41.690 billion since the beginning of this year showing a 4.96% increase against the corresponding period last year.

Total value of goods exported during the first 11 months of last year was US\$39.719 billion against a total exports of US\$47.657 billion so far this year showing 23.61% rise against last 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	02/03/2018	09/03/2018	Change%
Opec	Barrel/Dollar	62.230	61.850	-0.6%
Petrol	Gallon/Dollar	1.9048	1.8995	-0.3%
Natural Gas	One Million-BTU	2.7120	2.7310	0.7%

Currency (IRR)				
Currency		02/03/2018	09/03/2018	Change%
Dollar	Official Rate	37,330	37,440	0.29%
	Free Market Rate	44,690	47,890	7.2%
Euro		54,490	56,240	3.2%
Pound		68,000	69,100	1.6%

Precious Metal				
Metal	Unit	02/03/2018	09/03/2018	Change%
Gold	Dollar/ Ounce	1,321.83	1,322.16	0.02%
Silver	Dollar/ Ounce	16.5150	16.6000	0.51%

Basic Metal				
Product	Unit	02/03/2018	09/03/2018	Change%
Aluminum	Dollar/ Tonne	2,151.00	2,120.50	-1.4%
Lead	Dollar/ Tonne	2,454.25	2,386.50	-2.8%
Zinc	Dollar/ Tonne	3,366.75	3,294.25	-2.2%
Copper	Dollar/ Tonne	6,914.00	6,958.25	0.6%



2.Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
CHRZ	Manufacture of sugar	ChaharMahal	16.81	19.23%
GSHI	Manufacture of sugar	Shirin Khorasan	66.94	17.85%
MNGZ	Mining of metal ores	Iran Mn. Mines	11.83	11.74%
KSGZ	Minig of coal and lignit•extraction of peat	Shahrood N.E. Golgasht	11.23	10.45%
GDSZ	Agriculture and related service activities	Nemouneh	8.19	9.23%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
ZAGZ	Manufacture of basic metals	Zangan Industry	17.91	-19.60%
INDM	Manufacture of motor vehicles•trailers and semi-trailers	Indamin	2.09	-15.10%
MRJZ	Manufacture of other non-metallic mineral product	Marjan Kar	22.29	-14.34%
FNAR	Manufacture of motor vehicles•trailers and semi-trailers	Zar Spring	1.96	-12.99%
TUKZ	Manufacture of other non-metallic mineral product	TUKA Co.	6.59	-12.51%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
ZMYD	Manufacture of motor vehicles, trailers and semi-trailers	Zamyad	1.81	9.6
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.17	5.6
ZOBZ	Manufacture of basic metals	Isfahan Steel	1.86	4.6
PKOD	Manufacture of motor vehicles, trailers and semi-trailers	Pars Khodro	1.82	4.0
KSIM	Manufacture of basic metals	Calcimine	12.93	3.8



3.Economic News

Iran Moves Closer to Ditching Dollar in Trade Activities

Iran announced that purchase orders by merchants that are based on the dollar would no longer be allowed to go through import proceedings.

Swiss Firm Denies Major Infrastructure Deal with Iran

Switzerland's Stadler Rail denied reports that it signed a \$1.4 billion infrastructure contract with Iran for 960 wagons for an underground railway system.

Iran, Russia to Discuss Major Energy Projects at Next Joint Economic Commission: Envoy

Iran's Ambassador to Russia Mehdi Sanaei said Tehran and Moscow are set to discuss financing of major transport and energy projects at the 14th Iran-Russia Joint Economic Commission meeting scheduled to be on March 5-6 in Moscow.

Iran Signs Trilateral Wheat Trade Deal

Iran, Russia and Kazakhstan on Sunday concluded a tripartite agreement on trading wheat.

Central Bank Chief Hails Economic Growth in Iran

Governor of the Central Bank of Iran (CBI) Valiollah Seif highlighted the administration's success to push down inflation and stimulate economic growth after years, saying the country's economic growth rate hit 12.5 percent last year.

US Top Court Turns Away Dispute Involving Iran's Bank Melli

The US Supreme Court Monday declined to take up Iranian government-owned Bank Melli's appeal of a lower court ruling that allowed victims of militant attacks allegedly backed by Iran to seek millions of dollars in compensation from the bank.

Iran Plans Major Boost to Tehran Int'l Airport

Under a multi-billion-euro project to expand Tehran's Imam Khomeini International Airport (IKA), new terminals would be built that, along with the existing one, could handle 100 million passengers a year, an official said.

Russian Oil Firms in Talks with Iran on Its Oilfields: Novak

Russian oil companies could sign contracts with Iran by March 21 that would allow them to work on Iranian oilfields, Russia's Energy Minister Alexander Novak said on Tuesday.

Europe Buyer of 40% of Iran's Oil Exports in February

About 40 percent of Iranian oil exports in February was sold to European companies, including the global oil giant Royal Dutch Shell and Italy's Eni.