



Weekly Market Report

Week ended 11th April, 2018

Saturday thru Wednesday inclusive

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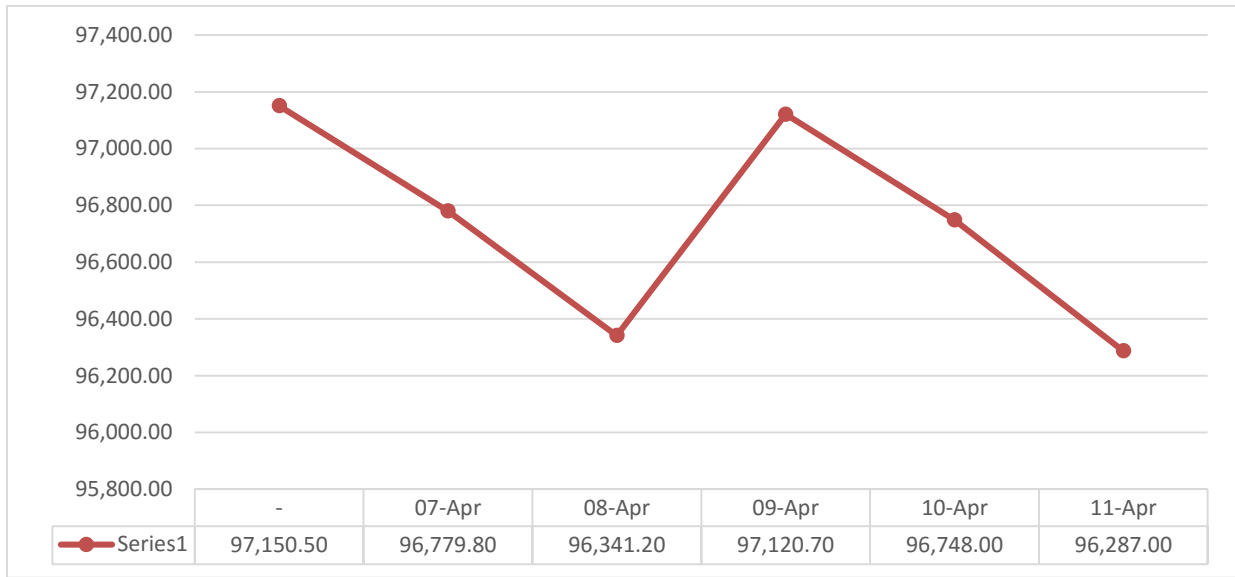
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1. Market Report-The Indices

- All Share Index**



- Market indices**

Title	April 4, 2018	April 11, 2018	Unit change	Change %
All-Share Index	97,150.58	96,287.05	-863.53	-0.89%
Fara Bourse Index	1,106.9	1,064.1	-42.81	-3.87%
Index Of 30 Largest Co.	4,341.1	4,307.9	-33.19	-0.76%
Index Of 50 Most Active Co.	4,079.4	4,064.3	-15.10	-0.37%
P/E	7.11	7.06	-0.05	-0.70%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	21,827,201	34,384,930	12,557,729	57.53%



- **Market Analysis**

- **The Market**

The all-share index following currency exchange volatilities during this week dropped by 863 points(0.9%) closing at 96,287.

- **Trading Value**

The total trading value however rose by 337% against last week (two days of trading) and reached US\$360.481 million of which the largest value related to Isfahan Steel Co worth US\$8.725 million. The main reason for such a rise was due to a short week of two trading days as well as being during the festive season of Norooz.

- **Market Activities**

At the start of week the market was in a subdued mood but later on due to significant volatilities in foreign exchange transactions we witnessed a substantial increase in both the number of transactions and their values of export lead companies. However the announcement of the unification of foreign currencies (official rates and market rates) the share prices of export lead companies dropped against a rise in the share prices of the Auto sector. This only lasted for one day and on Wednesday all shares were down with long queues of sales. Clearly the market was overshadowed by the turmoil in the fx market.

This turmoil severely affected the cost of the raw materials for Petrochemicals by virtue of a rise in USD exchange rate from IRR38,000 to IRR42,000. Equally the conversion rate for their sales from IRR50,000 to IRR42,000.

The value of Zagros Petrochemical Co for instance dropped by US\$200 million over a two day period this week. Similarly the values of two of the underlying companies of Saipa and Bahman Group dropped and were forced to be transferred to the (J) base market being the lowest market.

It was announced that the Privatization Organization sold 60% of the shares of IMIDRO worth US\$6 billion. The sale proceeds were used to settle its debts to third parties.

It was further announced that in addition to the above US\$600,000 was paid to public Non-Governmental Organizations in the form of "Edalat " shares.

The head of the Stock Exchange declared that the trading volume during the year 2017/2018 rose by 26% against last year and that the average return of both the stock market and Farabourse market was 25%.



- **Debt Market**

The total value of the market rose by 373% and reached US\$152.981 million. The return on T Bills , Fixed Income Funds and ETF Funds reached 23%, 20% and 21% respectively.

- **Base Metals & Mining**

The prices per ton of the following were:

	World Prices.	Iran Prices
	US\$.	US\$
Lead.	2,339.	2,018
Copper.	6,827.	6,046
Zinc.	3,114.	3,075
Aluminum	2,281.	1,950

In view of the latest US Federal Reserves it is expected that the rate of inflation will rise and will affect the Base Metals prices in the future.

The stock reserves of Copper at LME has declined Ned by 50 million tons and 16,000 tons of sales of copper at the ports of Clang of Malaysia and Taiwan have been cancelled.

From a fundamental viewpoint we expect a pick-up in seasonal demand from China in the second quarter which should result in tighter fundamentals, lower inventories and the rebuilding of long positioning in copper.

China's ten largest copper smelters have set the base level for their treatment and refining charges (TCs/RCs) for the second quarter of this year 10.3% lower than in the first quarter.

The price of Iron Ore following the rise of 1.2% in the price of billets in Tashkent, China reached US\$65.8 per ton. The stock reserves of Iron Ore in China have also declined by 45 million tons which could be the main cause of a further rise in the prices.

ANZ Research , China strong PMI print for March reinforces our view that Q1 GDP growth will be higher than the official target of 6.5%. We also believe there is a high possibility that China's growth momentum will extend into Q2.

- **Oil & Energy**

Due to rising tensions in the Middle East the price of Brent oil rose to US\$71.78 per barrel and US oil to US\$66.85 per barrel.

The missile attack against Saudi Arabia's oil installations by Yemenis' rebels combined with US, UK and France's missile attacks against Syria pushed the oil prices to the highest level for the last 40 months. US oil production rose to 10.46 million barrels a day and the number of US drillings rose by 10 reaching a total of 808 drillings.



Oil prices also rose on Monday , supported by a rebound in the stock market as concerns of a trade war between the United States and China eased.

Saudi Crown Prince Mohammad: We believe oil prices will get higher in this year and also get higher in 2019 so we are trying to pick the right time for Aramco IPO, is now aiming for next year.

Riyadh is counting on declining Venezuela oil production, the likely imposition of new US sanctions on Iran and continued demand growth to absorb US Shale production for US\$80 per barrel.

- **FX & Gold**

The US Dollar index declined by 0.03% against last week and reached 89.77.

Members of the Federal Reserves believe the rate of interest will reach 2% p.a. soon and that the Central Bank should endeavor to raise the rates above that level.

The minutes of the Federal Reserves showed US Central bankers wrestling to match a policy to an economy that is receiving a boost from tax cuts and Government spending at a time when unemployment is low and growth , by their estimate is above its long -run speed limit.

During this week there were significant volatilities in the foreign exchange market and the Government in order to control the market and bring about some calm into the market fixed the exchange rate against US Dollar at IRR42,000. Accordingly all importers and exporters , travelers , students etc have to obtain their Dollars at the above rate.

Under this directive all exporters are obliged to sell their currencies to either a bank or to authorized money exchangers or using the currencies for the use of importing goods for their purpose. Should an opportunity arise to swap their foreign currencies with importers the rate of exchange will be the agreed rate between the parties concerned.

Due to this unification of the currency the gold price rose to US\$1,350 per ounce. However after a lower tension between the US and Russia the price dropped to US\$1,332 per ounce.

- **Housing**

Under a new package developers will be entitled to receive a loan between IRR400 million and IRR900 million per unit depending on the area(s) of the development. This could increase to IRR1,100 million for the developments in large cities. This can be repaid over a period between 12 and 15 years.

- **Macro Economy**

According to the latest CBI report the total liquidity in the economy passed the level of US\$275.741 billion showing a rise of 23% against February 2017 and 18.8% against March, 2017.



- **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	30/03/2018	13/04/2018	Change%
Opec	Barrel/Dollar	64.480	68.730	6.6%
Petrol	Gallon/Dollar	1.9859	2.0632	3.9%
Natural Gas	One Million-BTU	2.6800	2.7370	2.1%

Currency (IRR)				
Currency		30/03/2018	13/04/2018	Change%
Dollar	Official Rate	37,819	42,000	11.06%
	Free Market Rate	50,940	42,000	-17.6%
Euro		62,250	51,650	-17.0%
Pound		71,100	78,000	9.7%

Precious Metal				
Metal	Unit	30/03/2018	13/04/2018	Change%
Gold	Dollar/ Ounce	1,326.62	1,345.47	1.42%
Silver	Dollar/ Ounce	16.3650	16.6450	1.71%

Basic Metal				
Product	Unit	30/03/2018	13/04/2018	Change%
Aluminum	Dollar/ Tonne	2,017.25	2,281.00	13.1%
Lead	Dollar/ Tonne	2,384.50	2,302.75	-3.4%
Zinc	Dollar/ Tonne	3,243.50	3,110.00	-4.1%
Copper	Dollar/ Tonne	6,817.00	6,832.50	0.2%



2.Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
GSHI	Manufacture of sugar	Shirin Khorasan	91.70	14.60%
VLMT	other Monetary intermediation	Mellat Leasing	2.89	13.51%
SHPZ	Manufacture of food products and beverages except sugar	W. Azar. Pegah	5.02	9.99%
BMDZ	Insurance and pension funding, except compulsory social security	Day Bime	2.30	9.74%
SLMN	Manufacture of food products and beverages except sugar	Salemin Factory	7.97	7.34%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
KSKA	Manufacture of paper and paper products	Kaveh Paper	4.14	-19.32%
KARZ	Computer and related activities	Kharazmi Info.	5.47	-18.01%
SISH	Manufacture of other non-metallic mineral product	Saipa Glass	2.30	-16.37%
KALZ	Manufacture of electrical machinery and apparatus	Alborz Cable	4.08	-16.03%
KSGZ	Minig of coal and lignit, extraction of peat	Shahrood N.E.	9.02	-14.74%



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3.Economic News

Iran, Azerbaijan Inaugurate Joint Car Plant, Railway Project

Iran and Azerbaijan on Thursday launched a joint car plant and a railroad connecting Iran's northern city of Astara to its namesake in the Azerbaijan Republic.

Austria's Oberbank Puts Its Deal with Iran 'On Hold' over Trump

Oberbank, Austria's seventh-largest bank, has put projects "on hold" due to the uncertainties surrounding the 2015 nuclear deal between Tehran and world powers, a report said.

Oil Gains on US Crude Drawdown, Easing of Tension in US-China Spat

Oil prices rose on Thursday, buoyed by the US government data showing a surprise drawdown in crude stockpiles and an easing of tensions over a trade row between Washington and Beijing.

Qatar Says Too Early to Exit OPEC Oil Cuts

OPEC and its allies should maintain oil supply curbs to guarantee healthy price levels which will allow increased investment in the industry and help avoid a big supply and price shock in the long run, OPEC member Qatar said.

Russia's Rosneft Sets Sight on Oil, Gas Projects in Iran's Zagros Region: Document

Russia's state-controlled oil giant Rosneft is interested in oil and gas projects in Iran's western region of Zagros, after signing a deal last year to do business in the country, an official document showed on Friday.

Russia Says to Use National Currencies in Oil Deals with Iran, Turkey

Russian Energy Minister Alexander Novak said his country plans to use national currencies in its oil trade activities with Iran and Turkey.

Iran China's Main Trading Partner in Middle East: Official

Chairman of Iran-China Joint Chamber of Commerce Asadollah Asgaroladi said the Southeast Asian country is now the biggest trading partner of the Islamic Republic.

Iran Oil Ministry: Iraq to Blame for Delay in Oil Swap

Iran's Oil Ministry linked a 4-month delay in the implementation of an oil swap deal with Iraq to the Arab country's unpreparedness and technical problems.

Iranian Bank Cards to Be Activated in Russia, Turkey: Minister

Iranian Minister of Industry, Mine and Trade Mohammad Shariatmadari said Iran and Russia have agreed to link their bank card systems in a bid to boost the trade ties between the two countries.

\$21bln of Capex to Be Spent on Iran's Oil Projects by 2021: Global Data

Almost \$21 billion in capital expenditure (capex) will be spent by Iran on oil projects between 2018 and 2021 to ensure that production grows to around 4.9 million barrels per day in 2021, according to leading market research and analysis firm GlobalData.



Iran, Senegal Resolved to Boost Economic Cooperation: Zarif

Iranian Foreign Minister Mohammad Javad Zarif, who is in Senegal on the first leg of a four-nation tour of Africa and South America, participated in a joint economic meeting between the Islamic Republic and the Western African country

Iran Forms Special Task Force on Currency Slide: Official

Spokesman for the Iranian Administration Mohammad Baqer Nobakht said a special task force has been set up at the behest of President Hassan Rouhani to control the country's currency market as the Iranian rial hit a record low against the US dollar.

Iran Eyes Energy Cooperation with Brazil

Iran's foreign minister highlighted the opportunities available for Tehran and Brasilia to broaden their bilateral economic relations, saying Iran supplied the South American country's energy demands in the past and can now work with it in the oil and gas industry.

Iran Unifies Market Exchange Rates to Halt Currency Slide: CBI Chief

Governor of the Central Bank of Iran (CBI) Valiollah Seif said the country has unified its official and open market exchange rates as the Iranian rial plunged to an all-time low against the US dollar.

Iran Serious in Replacing US Dollar with Euro in Transactions: Official

Governor of the Central Bank of Iran (CBI) Valiollah Seif said the country's cabinet members plan to approve a plan to replace the US dollar with euro in transactions with foreign countries.