



Weekly Market Report

Week ended 12th December, 2018

Saturday thru Wednesday inclusive

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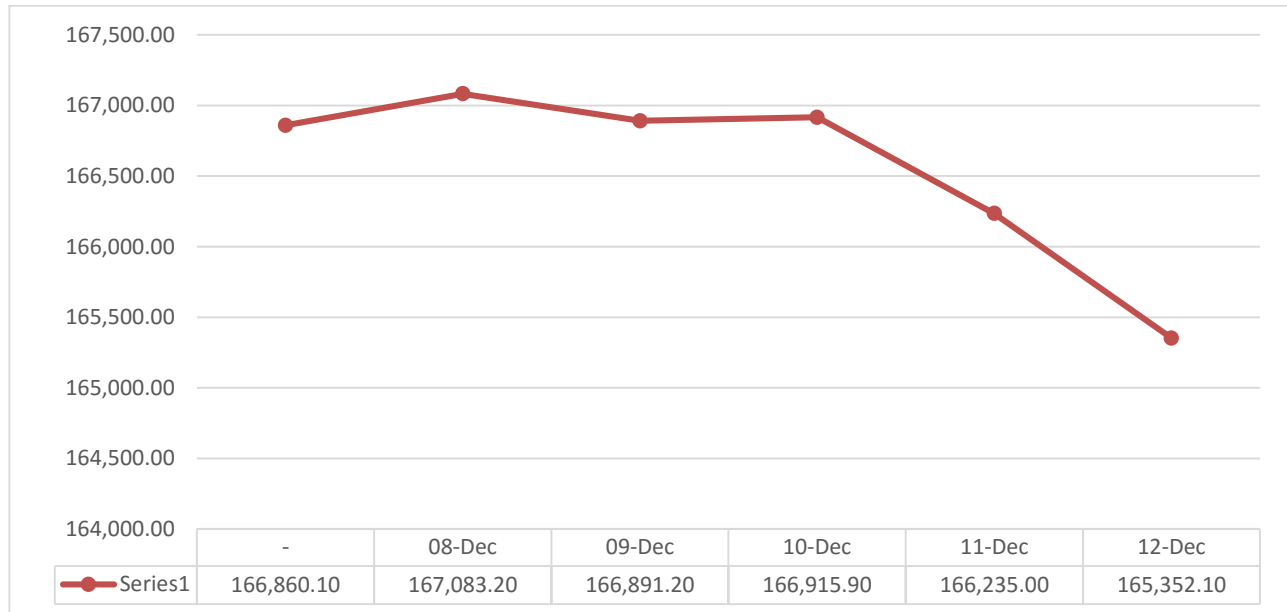
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1. Market Report-The Indices



Title	December 5, 2018	December 12, 2018	Unit change	Change %
All-Share Index	166,860.10	165,352.07	-1,508.03	-0.90%
Fara Bourse Index	1,844.6	1,851.2	6.60	0.36%
Index Of 30 Largest Co.	8,302.3	8,139.9	-107.50	-1.48%
Index Of 50 Most Active Co.	7,284.8	7,177.3	-162.35	-1.96%
P/E	7.24	7.13	-0.11	-1.52%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	61,461,253	53,387,779	-8,073,474	-13.14%



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

Market Information Week ended 12th December 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	165,352	(1,508)	(0.9%)	166,860	96,290	69	71.7
Stocks Trading Value	\$ 439 m	(\$ 108 m)	(19.8%)	\$ 547 m	–	–	–
Debt Securities Trading Value	\$ 143 m	(\$ 67 m)	(31.8%)	\$ 210 m	–	–	–
Market Return in IRR to date	70%	(19%)	-	89%	–	–	–
Exchange Rate US\$/IRR	102,603	(10,022)	(8.9%)	112,625	–	–	–
Exchange Rate EURO/IRR	124,216	(4,680)	(3.6%)	128,896	–	–	–
US Dollar index	97.15	0.3	0.3%	96.88	89.5	7.65	8.55
Gold Value per ounce	1,244	0	0.0%	1,244	1,268	(24)	(1.89)

- **Note 1:** The interest rates achieved in the debt market this week on TBills (discounted rate), Fixed Income Fund and ETF were 23%, 20% and 21% respectively.
- **Note 2 :** The largest trading value this week belonged to Tejarat Bank worth US\$15 million.
- **Market Activities**

From the beginning of the week there were signs of negativity in the market which eventually spread throughout the week.

The Auto and Banking sectors were most affected with high volume of trading although in some instances due to certain support the Banking sector turned positive.

This continued throughout the week despite rumors of an increase in the prices of motor vehicles. In this connection day traders were most sensitive which adversely affected the direction of the market.

The effect of sanctions on export led companies was also considered as a major contributor for the negativity of the market.

This negative sentiment in the light of the impending submission of next year's budget increased the level of uncertainties. Moreover there were also other factors which were affecting the negativity of the market namely the direction of oil prices, volatilities in foreign exchange markets, future development projects, taxes and the level of salary increases in the coming year. There were also two more factors troubling the market one being the rate of exchange to be used by banks in their balance sheet and the other the increase of their share capital by way of revaluation of their assets.



This combined with an expected higher rate of inflation in China did exacerbate the negativity in the market. The Chinese CPI this month showed a higher rise against expectation.

- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	1,945	6,120	2,547	1,929
Iran	2,192	5,317	2,501	2,230

According to foreign trade statistics the total value of Iran exports of Base Metals and mining products during the last 8 months of the year was 39,882,882 tons worth US\$6,874,130,000. This against last year shows a reduction of 10% in weight but an increase in value of 7%.

During the same period steel products worth US\$3,298,923,000 were exported which shows a 46% rise against the corresponding period last year and the total value of Iran copper and other items of lower value exports was US\$514,817,000 which was 1% higher than last year. In the meantime the value of Iran cement exports was US\$391,433,000 which was 3% lower than the previous year.

During this period we have witnessed an outstanding increase in Iron Ore exports by 1,611% worth US\$335,104,671 whilst stones exports of various quality worth US\$26,716,537 showed a 4% decrease against the same period.

The value of Iran Zinc exports worth US\$187,809,000 showed a 30% decline whilst the value of exports of Aluminium worth US\$145,742,000 showed a 40% decline. The value of Lead exports showed a 41% decline worth US\$92,398,000.

- **Oil & Energy**

Oil & Energy		
	Brent Oil U\$S	Texas Oil U\$S
Price	61	52

According to the International Energy Agency there will be a shortage of supply in oil in the second quarter of 2019 if the OPEC undertaking for the reduction of oil supply comes into effect.



Oil prices fell on Friday as investors cashed in gains of more than 2 percent made during the previous session on concerns demand may slump amid slowing economic growth, though there are still expectations for producer supply cuts to support prices.

China, the world's second-largest economy and the largest crude importer, on Friday reported some of the slowest retail sales and industrial output growth in years for November, highlighting the risks of the country's trade dispute with the United States.

Oil refinery throughput in November in China fell from October, which was the second-highest month on record, suggesting an easing in Chinese oil demand, though runs were 2.9 percent higher than a year earlier.

However, some support for prices remains because of the output cuts agreed between the Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC producers including Russia. That could create a supply deficit by the second quarter of next year, the International Energy Agency said on Thursday.

Brent crude oil futures were at \$61.09 per barrel at 0353 GMT, down 36 cents, or 0.6 percent, from their last close.

U.S. West Texas Intermediate (WTI) crude futures were at \$52.47 per barrel, down 11 cents, or 0.2 percent, from their last settlement.

"I think after the big moves overnight there's a little bit of self-shock among traders, volumes are well down... I don't see a great deal of follow through on last night's moves," said Michael McCarthy, chief markets strategist at CMC markets.

International benchmark Brent crude rose 2.2 percent on Thursday, while WTI climbed 2.8 percent. "After the big move yesterday, it's a little bit of consolidation that's happening," said Jonathan Barratt, chief investment officer at Probes Securities in Sydney.

For the week, however, Brent is set to drop 0.9 percent and WTI is set to fall 0.3 percent. As a part of the OPEC supply-cutting deal agreed last week, its de facto leader Saudi Arabia plans to reduce its output to 10.2 million barrels per day (bpd) in January.

In China, refineries processed 50.46 million tones of crude oil last month, or 12.28 million bpd, up 2.9 percent from the same month last year, the National Bureau of Statistics reported.

However, that is down from October and from the record of 12.49 million bpd reported in September. Still for the first 11 months of the year, refinery output gained 7.2 percent to 554.48 million tones, or 12.12 million bpd, on track for an annual record.



- **Housing**

According to various Government departments the value of housing in Tehran has increased by 6.4% last month which has pushed the average price per square meter for apartments to US\$895(IRR91,900,000).

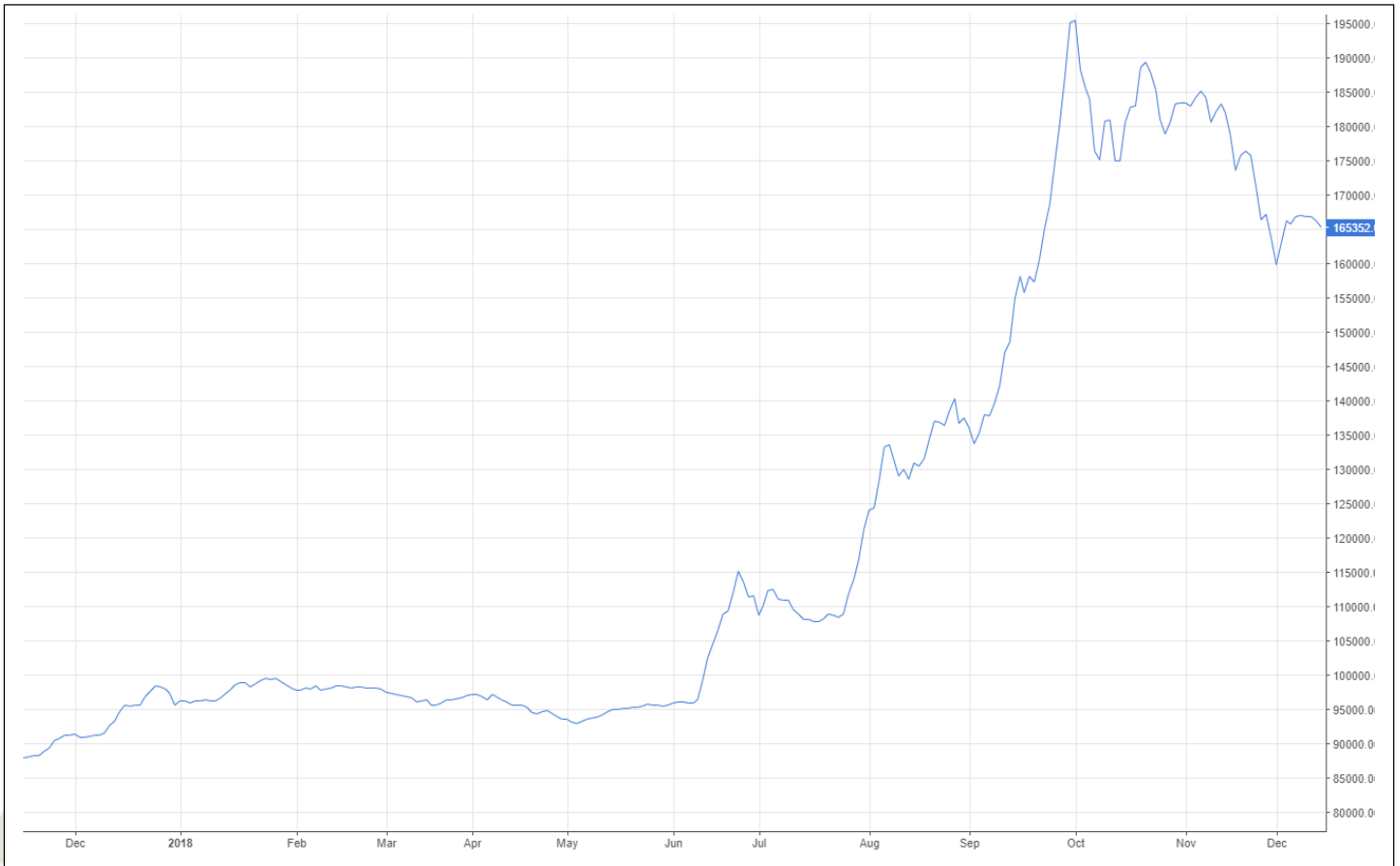
- **Macro Economy**

According to the Central Bank Governor the deposit interest rate as per the Council of Money & Credit has to be 15% p.a. However if some banks do not follow this directive we will deal with this on a step by step manner until it is resolved in full and will severely punish those banks that currently pay interest more than 20% p.a.



- **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	07/12/2018	14/12/2018	Change%
Opec	Barrel/Dollar	58.79	58.67	-0.2%
Petrol	Gallon/Dollar	1.4688	1.4421	-1.8%
Natural Gas	One Million-BTU	4.501	3.788	-15.8%

Currency (IRR)				
Currency		07/12/2018	14/12/2018	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	112,625	102,603	-9%
Euro		128,896	124,216	-4%

Precious Metal				
Metal	Unit	07/12/2018	14/12/2018	Change%
Gold	Dollar/ Ounce	1,248.52	1,238.48	-0.80%
Silver	Dollar/ Ounce	14.7100	14.6400	-0.48%

Basic Metal				
Product	Unit	07/12/2018	14/12/2018	Change%
Aluminum	Dollar/ Tonne	1,961.75	1,925.50	-1.8%
Lead	Dollar/ Tonne	1,994.25	1,954.75	-2.0%
Zinc	Dollar/ Tonne	2,593.75	2,537.75	-2.2%
Copper	Dollar/ Tonne	6,150.25	6,141.50	-0.1%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
TORZ	Transportation and storage	Toucaril Co.	2.27	23.10%
MAVA	manufacture of chemicals and chemical products	Fiber Prod.	8.17	22.52%
TUKZ	Manufacture of other non-metallic mineral product	TUKA Co.	4.90	20.83%
NSTH	Real estate activities	Tehran Const.	2.70	20.26%
SFRS	Manufacture of cement·lime and plaster	Fars Cement	6.23	19.62%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
SSNR	Manufacture of cement·lime and plaster	Neiriz Cement	15.92	-15.16%
DODE	manufacture of chemicals and chemical products	Doode Sanati	7.83	-11.16%
KZGZ	Manufacture of basic metals	Kimia Zanjan Co	8.69	-11.03%
ASIA	Insurance and pension funding·except compulsory social security	Asia Bime	1.68	-10.93%
FRVR	Manufacture of basic metals	Iran Mineral P.	28.15	-10.50%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
ZOBZ	Manufacture of basic metals	Isfahan Steel	2.04	19.2
BTEJ	Monetary intermediation & banks	Tejarat Bank	1.35	15.9
BMLT	Monetary intermediation & banks	Mellat Bank	2.20	10.9
SIPA	Manufacture of motor vehicles, trailers and semi-trailers	Saipa Cultur.Herit. Inv.	1.29	10.5
IMFZ	hotels & restaurant		4.71	9.1



3.Economic News

Gigantic Offshore Platform Held in Place in Iran's South Pars

Iranian experts installed the first platform of Phase 13 of the South Pars gas field after shipping the megastructure in the Persian Gulf on Wednesday.

Iran's Petrochemical Exports Up by 32% in 8 Months

The value of Iran's exports of petrochemical products in the first 8 months of the current Iranian year (March 21 – November 21) increased by 32 percent compared to the same period last year, data released by Iran's Customs Office showed.

Iran Seeks Exemption from OPEC Output Cuts

Iran's oil minister voiced opposition to any decision by the Organization of the Petroleum Exporting Countries (OPEC) that may reduce the country's crude output.

Iran Says Tehran Got Exemption from OPEC-Non-OPEC Oil Output Cuts

Iranian Oil Minister Bijan Zangeneh said Friday that Tehran would be exempt from the oil cuts within the production freeze deal of the Organization of the Petroleum Exporting Countries (OPEC) and non-cartel members.

Iran's Renewable Energy Industry Growing Rapidly: Official

An Iranian energy official highlighted a rapid growth in the number of renewable energy plants across the country, saying more and more capital is being funneled into the industry.

Iran Hails Russia's Role in Oil Production Cuts

Iran's Oil Minister Bijan Namdar Zanganeh said the Organization of the Petroleum Exporting Countries agreed to exempt Iran from a plan for a cut in oil production after tough and intensive talks, noting that Russia played a constructive role in the meeting as a non-OPEC member.