



## Weekly Market Report

Week ended 12<sup>th</sup> September, 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

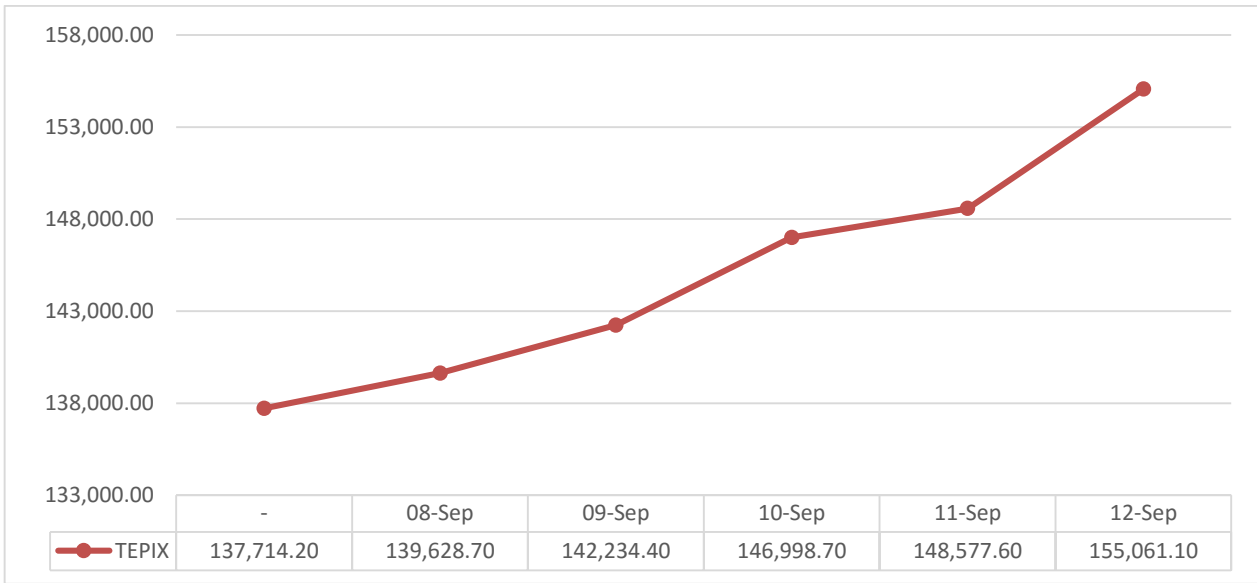
### **2. Detailed Market information**

### **3. Economic News**



## 1. Market Report-The Indices

- All Share Index*



- Market indices*

Title	September 5, 2018	September 12, 2018	Unit change	Change %
All-Share Index	137,382.78	153,769.34	16,386.56	11.93%
Fara Bourse Index	1,579.9	1,771.3	191.33	12.11%
Index Of 30 Largest Co.	6,696.4	7,637.5	761.49	12.80%
Index Of 50 Most Active Co.	5,949.6	6,711.1	941.07	14.05%
P/E	7.20	8.19	0.99	13.75%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	59,167,219	97,989,554	38,822,336	65.61%



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

**Market Information Week ended 05th September 2018**

	This week	Changes	%	Last week	At 21.03.18	Changes	%
<b>All-Share Index</b>	155,061	17,347	12.6	137,714	96,290	58,771	61.0
<b>Stocks Trading Value</b>	\$ 559 m	(62)	(10.1)	\$ 621 m	–	–	–
<b>Debt Securities Trading Value</b>	\$ 140 m	(16)	(10.1)	\$ 155 m	–	–	–
<b>Market Return in IRR</b>	54%	17%	–	37%	–	–	–
<b>Market Return in USD</b>	(45)%	6%	–	(51)%	50,000	40,830	82
<b>Market Return in EURO</b>	(43.5)%	7%	–	(50)%	60,000	(49,230)	(82)
<b>US Dollar index</b>	94.47	6%	(0.6)	95.03	89.5	4.97	5.55
<b>Gold Value per ounce</b>	1,211	4	0.3	1,207	1,268	(57)	(4.50)

**Note1.** The return on the debt market for Treasury Bills (discounted rate), Fixed Income Fund and ETF were 28%, 22% and 21% respectively.

**Note2.** As you will observe from the above schedule the total value of trading reached US\$559 million of which the largest trade belonged to Mobarakeh Steel Co worth US\$35 million.

- **Market Activities**

The market was once again on a rise and managed to break through the physiological barrier of 150,000 and after rising by 12.6% reached 17,347.

This came about following an announcement by the Government to allow free market principles to apply to both commodities and Petrochemical products in the market.

In the meantime the share prices of mining companies also followed suit and rose by 19.5%. Similarly the share prices of the Chemical sector rose by 10.5% and those of Base Metals rose by 13%.

It is anticipated that this rise should continue over next week and we should be witnessing further breaking of barriers in the days and weeks ahead. It should be borne in mind however that the main reason for this rise is to do with the devaluation of IRR against US\$ which has brought about higher profits for commodity based and export led companies.



The possibility of this trend to continue is being debated by some market experts and whilst some are very positive about the future of the market based on the current share prices and an expected significant rise in the companies' profits there are some who do not feel so positive as the impending US sanctions and the current recession in the market may slow down this rise and consequently this trend may prove to be short lived.

- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
<b>World</b>	2,035	5,973	2,343	2,051
<b>Iran</b>	2,223	4,843	3,080	2,198

Due to the Government 's obligatory curtailment of steel exports by 20% the level of steel stockpiles are on a rise locally whilst the steel exports of larger steel companies have dropped by 24% and has reached 483,000 tons. Steel exports of Smelting Co have dropped by 15%, Khuzestan Steel Co by 36% and Khorasan Steel Co by 75%. The only company that has a positive rise in exports is Mobarakeh Steel company showing a jump of 91%.

In the meantime the price of coal at Chinese ports rose by 6% and hit the price of US\$209.90 per ton. This was US\$200 per ton at Australian ports. One of the main reasons for this rise is to do with a higher demand and production by India which has become the second largest consumer of coal after Japan.

- **Oil & Energy**

Oil & Energy		
	Brent Oil US\$	West Texas Oil US\$
<b>Price</b>	78.25	68.83

Oil prices climbed higher on Wednesday, after the EIA report showed a 5.3 million barrel draw in U.S. crude oil inventories. October WTI rose above \$71.00 a barrel, while Brent closed in on \$80.20, the high for the year. The ascent in oil prices, which began early in the session, was accelerated by the inventory report, thereupon pushing prices as much as 1.6% higher on the move. October WTI peaked the session at \$71.26 a barrel before paring gains to settle at \$70.32, up \$1.12, or 1.62%. Brent for November delivery added 68 cents, or 0.86%, settling at \$79.74 a barrel.



The fundamental scenario for oil is shifting more toward the supportive side, given the pending U.S. sanctions against Iran, and dwindling spare capacity from the likes of Saudi Arabia. These factors, combined with the arrival of peak hurricane season should continue to provide near term support. In its monthly report, OPEC further cut its forecast for 2019 global oil demand growth and said the risk to the economic outlook was skewed to the downside. OPEC said world oil demand next year would increase by 1.41 million bpd, 20,000 bpd less than last month and the second consecutive reduction in the forecast. OPEC also stated that oil output from its 15 members increased in August by 278,000 bpd to 32.56 million bpd following June's agreement to ease a supply-cutting deal. OPEC said the world will need 32.05 million bpd from its 15 members in 2019, unchanged from last month. This suggests there will be a 500,000 bpd surplus in the market should OPEC keep pumping the same amount and other things remain equal. OPEC said it expects non-OPEC production to expand by 2.15 million bpd next year, 20,000 bpd more than forecast last month.

Russia's Energy Minister, Alexander Novak, warned of the impact of US sanctions imposed against Iran. He said global oil markets were fragile due to geopolitical risks and supply disruptions. Oil market risks look "skewed to the upside" and \$100/barrel crude is "not out of the question given the increasing lack of global spare capacity! HSBC raises #Brent forecast by \$10 to \$80 for 2019, sees \$85 in 2020.

- **Housing**

According to Iran Statistical Centre there has been a drop of 48% in the number of housing transactions whilst there has been a rise of 62% in the value of housing units.

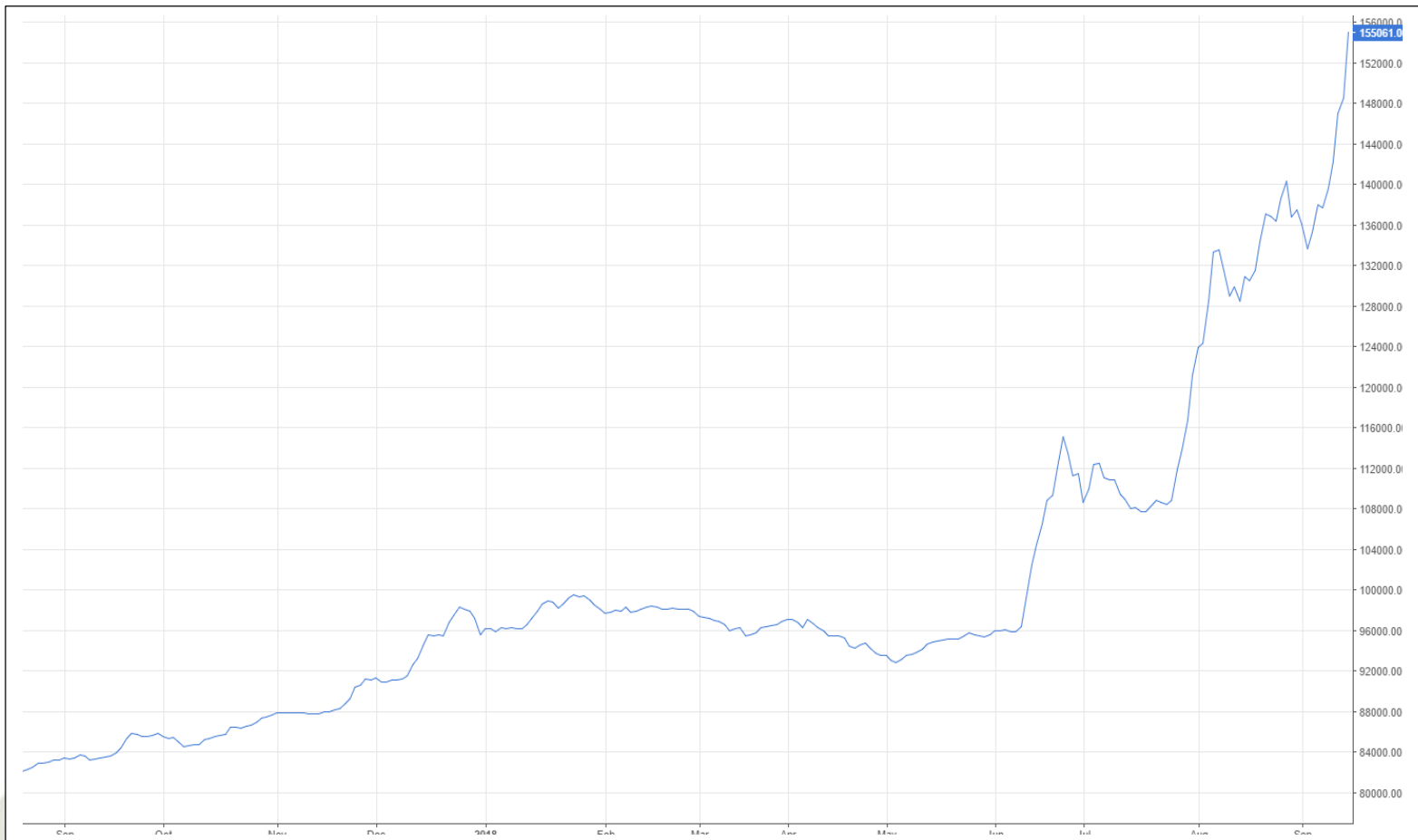
- **Macro Economy**

Accordingly to CBI latest report the value of liquidity during last month reached US\$178 billion showing a rise of 20.1% rise against the corresponding month last year. This against March last year was higher by 4.7%.



- **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	07/09/2018	14/09/2018	Change%
Opec	Barrel/Dollar	74.510	76.460	2.6%
Petrol	Gallon/Dollar	1.9735	1.9741	0.0%
Natural Gas	One Million-BTU	2.7790	2.7680	-0.4%

Currency (IRR)				
Currency		07/09/2018	14/09/2018	Change%
Dollar	Official Rate	42,000	42,000	0.00%
	Free Market Rate	42,000	42,000	0.0%
Euro		157,300	160,650	2.1%
Pound		175,110	180,310	3.0%

Precious Metal				
Metal	Unit	07/09/2018	14/09/2018	Change%
Gold	Dollar/ Ounce	1,195.95	1,194.39	-0.13%
Silver	Dollar/ Ounce	14.1900	14.1100	-0.56%

Basic Metal				
Product	Unit	07/09/2018	14/09/2018	Change%
Aluminum	Dollar/ Tonne	2,060.25	2,036.75	-1.1%
Lead	Dollar/ Tonne	2,059.75	2,036.75	-1.1%
Zinc	Dollar/ Tonne	2,403.75	2,309.75	-3.9%
Copper	Dollar/ Tonne	5,878	5,906	0.5%





## 2.Detailed Market information

### TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
SEIL	Manufacture of cement·lime and plaster	Ilam Cement	3.85	70.72%
PLAK	manufacture of chemicals and chemical products	Iran Polyacryl	1.46	50.57%
KAVR	Manufacture of motor vehicles·trailers and semi-trailers	Iran Khodro D.	0.88	45.29%
KIMI	manufacture of chemicals and chemical products	Chimidarou	4.61	39.62%
MAVA	manufacture of chemicals and chemical products	Fiber Prod.	7.83	37.93%

### TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
HFRS	Transportation and storage	Khalij Fars Trans	9.24	-5.65%
SHPZ	Manufacture of food products and beverages except sugar	W. Azar. Pegah	4.53	-4.46%
KRTI	Manufacture of paper and paper products	Iran Carton	7.11	-3.42%
SGEN	Manufacture of cement·lime and plaster	Qayen Cement	15.85	-1.30%
KBRS		0 TSE Brokers	5.37	-1.01%





## TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.03	35.5
MSMI	Manufacture of basic metals	I. N. C. Ind.	4.65	18.4
PARS	manufacture of chemicals and chemical products	PARS Petrochemical	39.94	17.8
PTAP	manufacture of chemicals and chemical products	Tamin Petro.	2.04	14.6
PNES	Manufacture of coke refined petroleum products and nuclear fuel	Isf. Oil Ref. Co.	7.49	14.6



### **3.Economic News**

#### **US, India in 'Very Detailed' Talks about Iran Oil Imports: Official**

The United States and India are engaged in “very detailed conversations” over Washington’s request to completely stop India’s oil imports from Iran, a senior US State Department official told reporters.

#### **Second Platform Held in Place in Iran’s South Pars Phase 14**

The second platform of Phase 14 of Iran’s giant South Pars gas field was installed by Iranian technicians and will be operational soon.

#### **US’ Unilateral Measures Jeopardizing Maritime Trade: Iranian Official**

The managing director of the Islamic Republic of Iran Shipping Lines (IRISL) said unilateral measures adopted by the US government over the past months have endangered international trade.

#### **CBI Chief Hails Iran’s Economic Deals with Russia, Turkey**

The governor of the Central Bank of Iran (CBI) hailed his bilateral talks with Russian and Turkish officials on Friday as “beneficial and constructive” and said Iran and the two countries reached agreements on various economic topics, including oil and gas exports and banking ties.

#### **Iran Says to Refund Total When Major Gas Project Operational**

Iran will reimburse French oil and gas major Total for its investment in the South Pars natural gas field but not until phase 11 of the multibillion-dollar project becomes operational, Iranian Oil Minister Bijan Zangeneh said.

#### **US Energy Chief to Meet Russian, Saudi Counterparts ahead of Iran Sanctions**

US Energy Secretary Rick Perry will meet his counterparts from Saudi Arabia and Russia starting on Monday ahead of Washington’s renewed sanctions on Iran’s crude exports.

#### **Indians Running, Not in Control of Iran’s Chabahar Port: Official**

An Iranian officials dismissed reports that the country’s southeastern port of Chabahar has been handed over to India, saying an Indian company is in charge of running the port as a mere operator.

#### **Iran Issues Tender to Buy 30,000 Tons Rice from India**

Iran’s state grains buyer GTC (Government Trading Corporation of Iran) has issued an international tender to buy 30,000 tons of rice to be sourced from India, European traders said on Monday.



### **Iran Storing Oil in Fleet of Supertankers: Report**

Iran is starting to store oil on its fleet of supertankers again as US sanctions on the country's oil industry loom.

### **Official Shrugs Off US Warning about Iran's Airspace**

An Iranian official dismissed a warning from the US to the airlines operating over Iran, saying the attempts by Western media to damage the image of Iran's airspace would have no impact in practice.

### **Not Possible for US to Bring Iran's Oil Export down to Zero: Ryabkov (+Video)**

Russian Deputy Foreign Minister Sergei Ryabkov said he believes it is not possible for the "unrealistic" US to bring down Iran's oil export to zero, as Washington is almost isolated internationally on this particular issue.