



Weekly Market Report

Week ended 13th June, 2018

Saturday thru Wednesday inclusive

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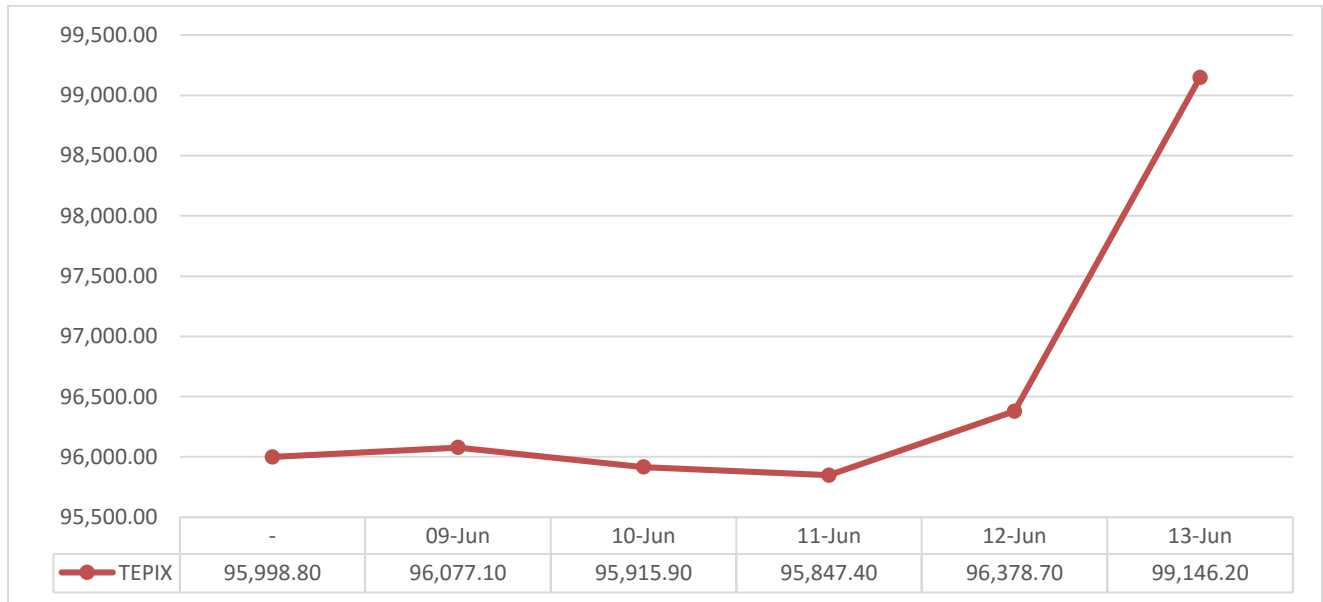
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1. Market Report-The Indices

- All Share Index**



- Market indices**

Title	June 3, 2018	June 10, 2018	Unit change	Change %
All-Share Index	95,998.86	99,146.28	3,147.42	3.28%
Fara Bourse Index	1,111.6	1,153.8	42.12	3.79%
Index Of 30 Largest Co.	4,521.3	4,720.6	199.24	4.41%
Index Of 50 Most Active Co.	4,043.5	4,172.5	129.07	3.19%
P/E	6.91	7.13	0.22	3.18%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	47,601,584	55,089,932	7,488,348	15.73%



- **Market Analysis**

- The all -share index under the influence of rising international Base Metal prices, the rising value of US\$ against IRR and the rumours surrounding the exemption of US Dollar proceeds earned by the exporters of foodstuffs and medicines from the new system of exchange control rose by 3,147 points (3.3%) closing at 99,146. Moreover the possibility of export permits becoming exchangeable in the open market brought about great positive mood to the market which is expected to continue dominating the market for days and weeks ahead.

As a result of the above rise the market growth since the beginning of the year turned positive for the first time reaching 3%.

- **Trading Value**

The total trading value of the market after rising by 188% against last week reached US\$344 million. The highest value of the transaction related to a new IPO , Saman Kish Payment System Co worth US\$16 million.

- **Market Activities**

Following the domination of a positive mood on the market and the introduction of three separate rates for US Dollar v IRR (to include open market rates) the prices of most sectors turned positive and in some cases ended up in queues after the share prices reached the daily ceiling of 5%. This pushed the index to hit the magic number of 99,000 and beyond for the first time.

The most favourite shares were those of Mobarekeh Steel,Khouz. Steel, Persian Gulf Group, Gol-E-Gohar, I.N.C. Industry, Jam Petrochemical, Tamin Petrochemical , Bandar Abbas Refinery, Metal & Mining Investment Group and Ghadir Investment Holdings Co that pushed up the index by approximately 2,800 points. Dana Insurance and Inf. Services amongst the larger caps were the only ones that turned negative.

On Wednesday this week the head of Tehran Stock Exchange announced that in order to attract foreign investors into the market a proposal for opening an international market in Kish Island would be submitted to the high council of the Stock Exchange within the next two months. In this market it is expected that all share prices would be expressed in Euro.

- **Debt Market**

The total trading value of the debt market this week after rising by 143% against last week reached US\$93.551 million.

During this week the interest rates earned on Tbills , Fixed Income Funds and ETF Funds were 26%, 21% and 21% respectively. The highlight of the debt market was the rise in the discount rate of Government bond to 26% which clearly is indicative of a rise in inflation.



- **Base Metals & Mining**

	World. US\$	Iran US\$
Copper.	7,161.	7,855
Lead.	2,460.	3,690
Zinc.	3,165.	4,857
Aluminum.	2,247.	2,670

The Iran prices have been based on IRR42,000=1US\$

China's Index for investments so far this year has dropped from 7% to 6.1% which has been the lowest since 1996. This clearly is indicative of banks in China shying away from high risks investments emphasising on healthy macro Economy. Similarly the CPI index which is dominated by volume of investments has also dropped from 7% to 6.8% whilst the market expectation was 6.9%. As a result it is anticipated China's current year's GDP declines to 6.5% against the market expectation of 6.9%.

According to WorldSteel China has submitted a discussion paper to the CISA representing coal mining & rails industry to minimise the effect of pollution of steel production by 2025. Under this plan the pollution effect of 480 million tons of steel production by 2020 and 580 million tons of steel production by 2022 should be below the minimum standard. Moreover at least 80% of iron ore of the steel industry should be transported by either conveying belts or railways or pipelines.

Iran billet prices went up by 1.5% this week and reached US\$505 per ton. It appears that Iran's international customers are increasing their purchases of Iron Ore before US sanctions on Iran due on 7th August.

It looks like traders are taking a long position on Iran for August production... Market participants doubted that Asian customers would take the risk of continuing to buy Iranian billet under renewed sanctions, but they also assumed that buyers in the neighboring Gulf Co-operation Council nations (GCC) would find a way to arrange payments and shipments and to continue the billet trade with Iran.

- **Oil & Energy**

Brent oil was US\$75.88 per barrel and West Texas oil was US\$66.80 per barrel.

Oil prices were little changed in early Asian trade on Friday, as investors eyed a key OPEC meeting in Vienna as Saudi Arabia and Russia, architects of a producer deal to cut output, indicated they want production to rise.

The Organization of the Petroleum Exporting Countries, Russia and other producers meet in Vienna on June 22-23 to decide whether a pact curbing output needs to be adjusted in order to rein in oil prices that topped \$80 a barrel last month.



Brent and WTI hit 3-1/2-year highs in May but have since drifted lower, indicating investors expect the market to soon become better supplied as U.S. crude production rises and as OPEC and its allies look poised to increase output.

Russian Energy Minister Alexander Novak said after talks with Saudi Energy Minister Khalid al-Falih in Moscow that both nations "in principle" supported the gradual exit from the deal.

"We in general support this. but specifics we will discuss with the ministers in a week," Novak said, adding that one option would involve gradually hiking output by 1.5 million bpd, possibly starting from July 1.

Saudi's Falih did not offer specific guidance on what any deal in Vienna could look like. But he said: "We will see where we go, but I think we'll come to an agreement that satisfies, most importantly, the market."

Iraq, Iran and Venezuela who are three members of five members of OPEC have objected to an increase in oil production suggested by Saudi Arabia.

US crude oil stockpile last week dropped by 4.14 million barrels and that of US gasoline dropped by 2.27 million barrels for the same period.

International Energy spokesman believes the rise in demand for oil is due partly by an improvement in oil transportation and partly due to a rise in demand by Petrochemical companies.

India's total oil imports from Iran during May this year reached 705 million barrels which shows an increase of 10% against last month and 45% against this month last year. This is despite the fact that India will not comply with the US sanctions against Iran. In 2012 India had adopted the same policy for Iran oil imports.

The Government has agreed to charge the cost of feeds for Petrochemical Industry at the rate of IRR38,000=1US\$ for this year.

- **FX & Gold**

The US Dollar index reached 95 this week showing a drop of 0.05% against last week. The price of gold reached US\$1,300 per ounce.

In Iran the value of US Dollar in the unofficial market rose by 6.8% and reached IRR70,000 whilst the official rate is hovering around IRR42,320.

- **Macro Economy**

According to CBI Iran GDP growth for last year reached 3.7%.

According to World Bank the Economy of Asia and the Middle East has generally improved but the political tensions in the region has prevented the full potential of the economy.

Under a new agreement signed between Iran and China the currencies of both countries will be used in their future transactions. The approval of FATF (Financial Action Task Force) was postponed by two months by Iran parliament this week.



- **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	08/06/2018	15/06/2018	Change%
Opec	Barrel/Dollar	73.620	73.350	-0.4%
Petrol	Gallon/Dollar	2.1130	2.0155	-4.6%
Natural Gas	One Million-BTU	2.8940	3.0320	4.8%

Currency (IRR)				
Currency		08/06/2018	15/06/2018	Change%
Dollar	Official Rate	42,000	42,320	0.76%
	Free Market Rate	42,000	42,000	0.0%
Euro		76,080	80,110	5.3%
Pound		86,690	91,650	5.7%

Precious Metal				
Metal	Unit	08/06/2018	15/06/2018	Change%
Gold	Dollar/ Ounce	1,299.09	1,279.76	-1.49%
Silver	Dollar/ Ounce	16.7950	16.5700	-1.34%

Basic Metal				
Product	Unit	08/06/2018	15/06/2018	Change%
Aluminum	Dollar/ Tonne	2,308.50	2,212.50	-4.2%
Lead	Dollar/ Tonne	2,471.75	2,404.00	-2.7%
Zinc	Dollar/ Tonne	3,198.50	3,084.50	-3.6%
Copper	Dollar/ Tonne	7,305.00	7,012.75	-4.0%



2.Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
MAVA	manufacture of chemicals and chemical products	Fiber Prod. Sabzevar	6.69	54.60%
SBZZ	Manufacture of cement·lime and plaster	Cement	3.05	22.15%
MRGN	Manufacture of food products and beverages except sugar	Margarin Mobin One	4.27	21.84%
MOBZ	Information and communication	Kish	28.28	21.54%
PKDZ	Manufacture of food products and beverages except sugar	Pakdis Company	8.10	21.19%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
MNGZ	Mining of metal ores	Iran Mn. Mines	13.33	-17.37%
MHKM	Manufacture of motor vehicles·trailers and semi- trailers	Mehrcam Pars Bojnourd	3.83	-10.37%
SBOJ	Manufacture of cement·lime and plaster	Cement	9.65	-8.35%
LEAB	manufacture of chemicals and chemical products	Loabiran	4.08	-8.20%
JOSH	Manufacture of electrical machinery and apparatus	Yazd Jooshkab	16.87	-7.92%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
FOLD	Manufacture of basic metals	Mobarakeh Steel	8.12	19.6
ZOBZ	Manufacture of basic metals	Isfahan Steel	2.39	18.3
MSMI	Manufacture of basic metals	I. N. C. Ind.	6.87	17.2
MARK	Manufacture of fabricated metal products except machinery and equipment	Arak M. Mfg.	2.11	8.6
ROOI	Mining of metal ores	Iran Zinc Mines	8.73	5.1



3.Economic News

Iran to Attend International Labor Conference in Switzerland

Iran's Minister of Cooperative, Labor and Welfare Ali Rabiee will travel to Geneva to attend an annual meeting of the International Labor Conference (ILO), a specialized agency of the United Nations.

Iran Protests at Turkmenistan over Surge in Truck Transit Fees

Iran's Deputy Minister of Roads and Urban Development Abdolhashem Hassannia voiced the country's protest over a recent move by neighboring Turkmenistan to increase transit fees for Iranian trucks traveling to the Central Asian country by 50 percent.

Iran Willing to Buy \$1.5bln Worth of Ukrainian Agricultural Products

Iran has expressed willingness to purchase \$1.5 billion worth of agricultural products from Ukraine, a report said.

Iran Likely to Receive 11 ATR, Airbus Planes by Year End: Official

Head of Iran's flag carrier Iran Air said the country expects to receive 11 passenger planes from Franco-Italian turboprop maker ATR and the European aviation giant Airbus by the end of the current year.

Iran to File Complaint against Boeing over Deal Cancellation

An Iranian lawmaker said the Islamic Republic plans to lodge a complaint with relevant international bodies against Boeing after the US airliner unilaterally canceled its deal with Iran and said it will not deliver aircraft to the country in light of new US sanctions.

Chile to Receive Iran's 1st Crude Shipment in 16 Years: Report

An oil tanker hauling Iranian crude is making the first delivery to Chile in at least 16 years despite impending US sanctions, a report said.

India Picks Iranian Firm to Run Chabahar Port

India Ports Global has picked an Iranian company to run the Chabahar port in Iran as an interim arrangement for about 18 months from mid-June.



Minister Plays Down Concerns over Exit of European Companies from Iran

Iran's Minister of Energy played down concerns that an array of European companies have begun to quit business with Tehran for fear of US penalties under new anti-Iranian sanctions, saying such intermittent cooperation with Iran has recurred several times in the past four decades.

Iran's Mega Water Project to Come on Stream by Year-End: IRGC Construction Base

The commander of Khatam al-Anbia Construction Base, a conglomerate belonging to the Islamic Revolution Guards Corps (IRGC), said a mega project to supply water to the western parts of the country will be operational by the end of the current Iranian year (March 20, 2019).