



## Weekly Market Report

Week ended 14<sup>th</sup> February, 2018

Saturday thru Wednesday inclusive

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## 1. Important Notice

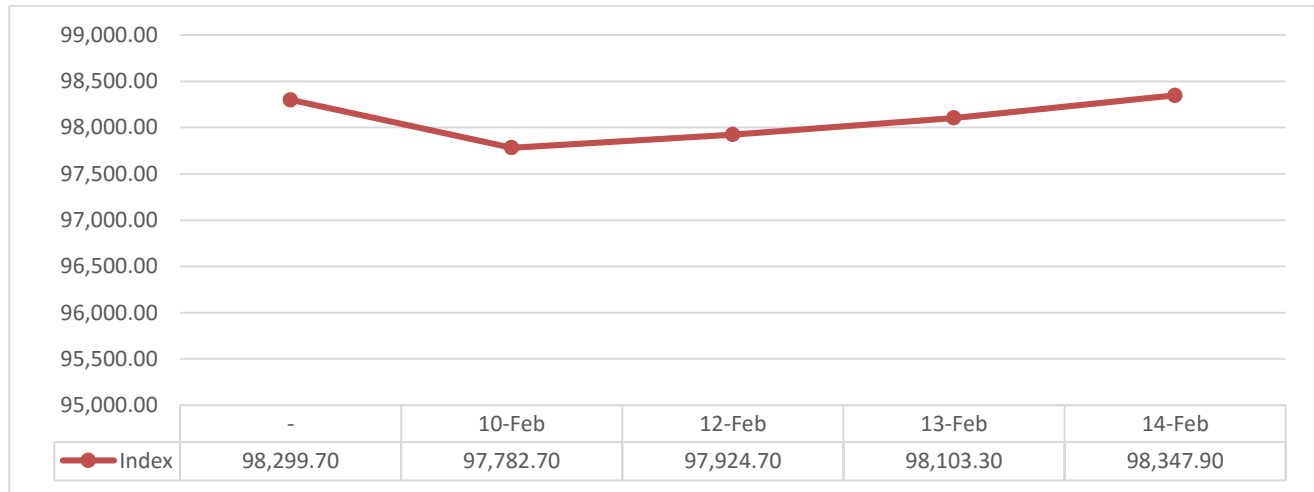
Under the new Security Exchange Organization's regulations brokerage companies are no longer authorized to manage mutual or any other types of funds in the future. In future these funds have to be managed by a separate specialist company which has obtained an appropriate license from the SEO.

Accordingly we no longer report on our mutual fund. Once our new structure is set up we shall report on our performance under a separate cover.



## 2. Market Report-The Indices

- All Share Index



- Market indices

Title	February 7, 2018	February 14, 2018	Unit change	Change %
All-Share Index	98,299.74	98,347.92	48.19	0.05%
Fara Bourse Index	1,103.8	1,107.8	4.00	0.36%
Index Of 30 Largest Co.	4,354.2	4,363.4	9.20	0.21%
Index Of 50 Most Active Co.	4,101.1	4,103.7	2.59	0.06%
P/E	7.20	7.20	0.00	0.00%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	53,829,640	31,198,997	-22,630,643	-42.04%



- **Market Analysis**

- **The Market**

Despite a significant rise in the value of US Dollar against IRR along with those of Euro and Pound Sterling the all-share index only rose by 48 points (0.05%) closing at 98,347.

This shows the value of the stock market since the beginning of this year (21st March, 2017) to date has risen by 27.34%.

The values of the US Dollar and Euro against IRR since the beginning of this year have risen by 30% and 48% respectively.

- **Trading Value**

The total trading value of the market this week reached US\$308.612 million showing a decline of 38% against last week. The highest trading value this week related to the Auto & Spare Parts sector which reached US\$3.920 million.

- **Market Activities**

Due to a public holiday on Monday the market was very low on activity and most of the trading values related to the Auto sector.

Moreover on the last trading day the new IPO "Shoyandeh" after rising by 10% still ended up with a long queue for over 40 million shares. This pushed up the all-share index by 245 points turning a negative growth into a small positive rise at the end of this trading week.

Due to certain unauthorised announcements in the market a number of transactions principally relating to the Auto industry was cancelled followed by closing three tickers for further investigations.

The Privatisation Department stopped the IPO of 60% of the shares of a loss-making company "Hepco" during this week.

The deputy Minister of Economy blamed the delay in granting permits to set up foreign currency funds on the inadequacy of the capitalisation of the fund management companies. The required initial capital for such companies ranges from IRR20billion to IRR100 billion.

On Tuesday this week the offer for the sale of 2.395 billion shares of ( SNMA1) at the base price of IRR1,900 per share on the basis of 30% cash and the remaining balance by instalments was accepted by Industrial Development Investment Holdings Co being a company with the highest number of private shareholders in the market.



- **Debt Market**

The total trading value of the debt market this week reached US\$113.857 million showing a 21% decline against last week.

The interest rates achieved by Treasury Bills, Fixed Income Funds and ETF Funds during this week were 16%, 17% and 20% respectively.

In view of an impending change in the policy of the Central Bank to allow the issuance of deposit certificates by all banks bearing interest at 20% with effect from next week will certainly disturb the balance in the interest rates in the days and months ahead. This measure was taken with some haste to combat further erosion in the value of IRR against major world currencies.

- **Foreign Investments**

The Minister of Industry & Commerce has announced that US\$3.9 billion of direct foreign investments have been made in the country since Iran Nuclear Deal and according to the High Council for Attracting Foreign Investments a total of US\$9.7 billion has so far been recorded.

- **Base Metals & Mining**

The world prices per ton of Lead, Copper, Zinc and Aluminium during this week were US\$2,615, US\$7,182, US\$3,579 and US\$2,162 respectively.

In Iran these prices per kilograms were:

Copper IRR324,960, Zinc IRR169,000, Lead IRR108,000 and Aluminium IRR109,380.

Goldman Sachs has predicted that the price of Copper will reach US\$8,000 per ton during this current year.

According to Golgohar Mining Co their daily production of Iron Ore Concentrate has reached 50,000 tons and their daily production of other products has reached 86,105 tons.

Esfahan Steel Co has announced that its underlying steel company Hormozgan has a target to produce 1.4 tons of slab this year and so far this year has produced 1,163 tons of slab showing an increase of 27% against last year.

- **Oil & Energy**

Whilst there was a price pressure on world oil prices at the beginning of this week by the end of the week the prices of Brent oil and US oil reached US\$64.5 and US\$61.5 per barrel respectively. The MD of Total Oil in his visit to the US White House has requested President Trump to respect the Iran Nuclear Deal as he believes adequate time has not been given to Iranian authorities to clear any misunderstanding between the US and Iran.



The Management of Iranian shipping lines have reported a significant rise in their exports of LPG during 2018. The total exports of LPG during January has reached its highest level of 520,000 tons since the lifting of sanctions. The exports in January shows an increase of 146,000 ton against December 2017 showing 39.4% increase against the total exports in December of 373,000 tons.

Iranol Company has reported the introduction of 4 new products to the market ( 3 of which with a highest quality) during the last three months and also production of more products under the partnership with Petronas during the year 2018.

He indicated that by reducing the sale of crude oil by 30% and increase in sales they have managed to increase the sector's profitability by 39% and its own company's profit by 36%.

In the meantime Petrochemical companies have managed to break their records for the first time and increase their production and exports to reach 18.5 million tons with a street's value of US\$9.6 billion showing an increase of US\$2.3 billion during the last ten months.

- **FX & Gold**

During this week the US Dollar index declined by 1.67% and reached 88.71. However the values of USDollar and Euro significantly rose against IRR and reached IRR50,000 and IRR61,000 respectively. As a result the Governor of the Central Bank warned that the money brokers transactions beyond certain limits have to be subject to taxation.

In order that the Central Bank can control inappropriate fall in the value of IRR against world major currencies a new temporary directive (for only two weeks) has been issued under which all banks will be authorised to issue deposit certificates of 20% per annum and also currency deposits bearing interest at 4.5% p.a. Full details of these measures including the price of gold coins will be reported in our next week report.

- **Housing**

It has been reported that there has been a 16.6% rise in the value of a square meter of accommodation in Tehran against the corresponding period of last year.

- **Macro Economy**

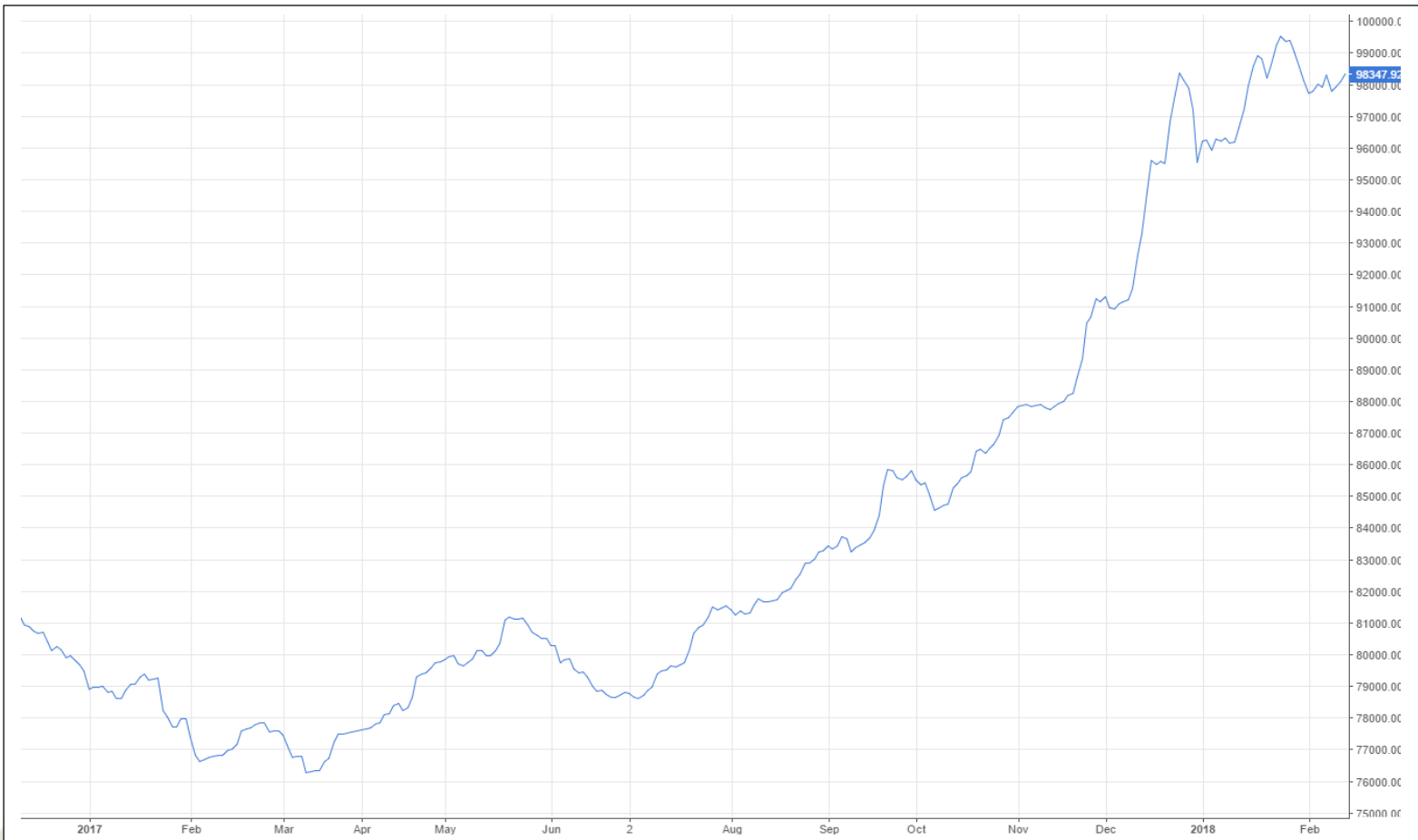
According to the Central Bank the Monetary Base at the end of last month showed a growth of 10.9% for the last 9 months of the year. The volume of the Monetary Base at the above date reached US\$40.7 billion with a Money Multiplier of 7.2.

Last year this figure was US\$34.785 billion which has since risen by 17% this 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	09/02/2018	16/02/2018	Change%
Opec	Barrel/Dollar	62.690	62.090	-1.0%
Petrol	Gallon/Dollar	1.7004	1.7495	2.9%
Natural Gas	One Million-BTU	2.6100	2.5630	-1.8%

Currency (IRR)				
Currency		09/02/2018	16/02/2018	Change%
Dollar	Official Rate	36,978	37,091	0.31%
	Free Market Rate	47,270	47,380	0.2%
Euro		60,640	60,970	0.5%
Pound		68,200	68,800	0.9%

Precious Metal				
Metal	Unit	09/02/2018	16/02/2018	Change%
Gold	Dollar/ Ounce	1,316.14	1,348.66	2.47%
Silver	Dollar/ Ounce	16.3100	16.6250	1.93%

Basic Metal				
Product	Unit	09/02/2018	16/02/2018	Change%
Aluminum	Dollar/ Tonne	2,123.75	2,204.50	3.8%
Lead	Dollar/ Tonne	2,537.25	2,605.25	2.7%
Zinc	Dollar/ Tonne	3,370.25	3,568.50	5.9%
Copper	Dollar/ Tonne	6,749.00	7,185.50	6.5%





### 3.Detailed Market information

#### TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
ZAGZ	Manufacture of basic metals	Zangan Industry	30.91	19.35%
SPDZ	Manufacture of motor vehicles·trailers and semi-trailers	Saipa Diesel	1.81	18.47%
NSTH	Real estate activities	Tehran Const.	3.13	18.15%
RINM	Manufacture of motor vehicles·trailers and semi-trailers	Mashad Wheel	2.62	12.35%
TMKH	Manufacture of motor vehicles·trailers and semi-trailers	VAMCO	4.37	12.21%

#### TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
SSIN	manufacture of chemicals and chemical products	Iran Chem. Ind.	7.39	-13.07%
DARO	manufacture of chemicals and chemical products	Daroupakhsh	19.50	-9.77%
LEAB	manufacture of chemicals and chemical products	Loabiran	6.02	-9.47%
GNJN	Manufacture of sugar	Naghsh Jahan S.	10.42	-7.39%
ASAL	Manufacture of machinery and equipment	Absal	4.78	-6.74%



## TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
PKOD	Manufacture of motor vehicles·trailers and semi-trailers	Pars Khodro	1.88	4.1
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	9.84	4.1
ZMYD	Manufacture of motor vehicles·trailers and semi-trailers	Zamyad	1.66	3.6
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.34	3.3
PKLJ	manufacture of chemicals and chemical products	Khalij Fars	11.87	3.2



#### **4.Economic News**

##### **France to Urge Firms to Do Business in Iran: Official**

France will encourage its firms to do business in Iran despite nuclear deal limbo, a senior French finance official said on Thursday.

##### **China Reports Rise in Annual Trade with Iran**

Data released by the Chinese Customs Administration indicate that the value of China's trade exchange with Iran in 2017 has increased by 19 percent compared to the previous year.

##### **Iranian Diplomat Calls for Closer Iran-Pakistan Trade Ties**

Iran's Consul General in Islamabad Mohammad Rafiei said the volume of trade between Iran and Pakistan currently stands at \$1.5 billion per year, noting that Tehran plans to raise the turnover to \$5 billion.

##### **No US License Needed to Buy Sukhoi Superjet-100: Iranian Official**

The modifications that Sukhoi has made to its Superjet-100 passenger plane would allow the Russian aircraft manufacturer to sell the plane to Iran without the need for a license from the US Treasury's Office of Foreign Assets Control (OFAC), an Iranian official announced.

##### **Total CEO Urges Trump to Honor JCPOA**

The head of French oil major Total has urged US President Donald Trump to stick with the 2015 nuclear deal between Tehran and world powers, a report said.

##### **3 Bodies from Iranian Oil Tanker Returning Home: Report**

The bodies of three of the sailors on the Sanchi oil tanker, which sank after colliding with a Chinese freighter, are on their way to Iran, a report said.

##### **165 Afghan Firms Given OK to Start Work at Iran's Chabahar Port: Report**

The government of Iran has issued licenses to 165 Afghan companies to invest and operate in the country's strategic port of Chabahar that is on a course to open a transport corridor to landlocked Central Asian nations.

##### **Iran Attracts about \$10bln in Foreign Investment Post-JCPOA: Minister**

Iranian Minister of Industry, Mine and Trade Mohammad Shariatmadari said the country has managed to attract \$9.7 billion in foreign investment since the coming into force of the 2015 nuclear deal with six world powers, known as the Joint Comprehensive Plan of Action (JCPOA).