



Weekly Market Report

Week ended 18th April, 2018

Saturday thru Wednesday inclusive

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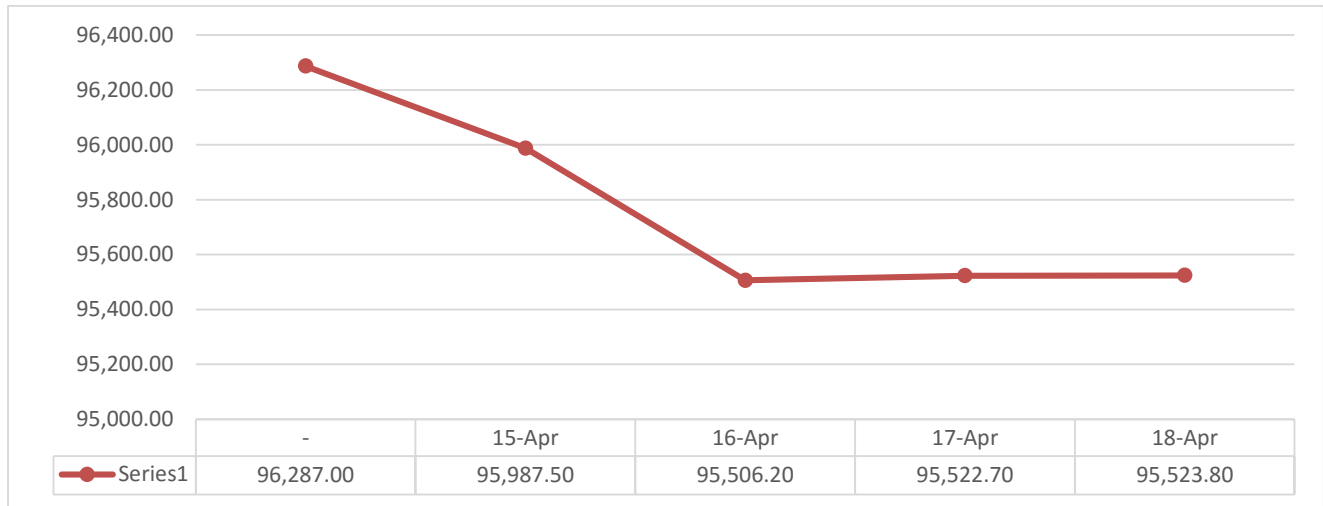
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1. Market Report-The Indices

- All Share Index



- Market indices

Title	April 11, 2018	April 18, 2018	Unit change	Change %
All-Share Index	96,287.05	95,523.89	-763.15	-0.79%
Fara Bourse Index	1,064.1	1,063.8	-0.30	-0.03%
Index Of 30 Largest Co.	4,307.9	4,271.5	-36.41	-0.85%
Index Of 50 Most Active Co.	4,064.3	4,029.8	-34.55	-0.85%
P/E	7.06	7.01	-0.05	-0.71%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	34,384,930	19,328,932	-15,055,998	-43.79%



• **Market Analysis**

• **The Market**

In the background of a large IRR devaluation against all major currencies, political tensions in Syria and a possible withdrawal of the Trump Administration from the Iran Nuclear deal the all share index dropped by 763 points (0.79%) closing at 95,523. This resulted in a negative return of 0.8% for the month (21st March, 2017 thru 20th April, 2018).

• **Trading Value**

The total trading value for the week reached US\$248.519 million of which US\$3.978 million related to the value of Ansar Bank's trade. This was 31% lower than last week.

• **Market Activities**

The CBI recent announcement to unify the currency(official rate with market rate) at a fixed rate of 1USD=IRR42,000 brought about great confusion and despair in the market across the board. As a result all activities other than some small valued stocks were either remained unchanged or declined.

The share prices of Petrochemical and Refinery sectors were up although there were some ambiguities surrounding the cost of the feed for liquid based Petrochemical companies such as Jam Petrochemical, Khark Petrochemical and Noori Petrochemical (being one of the underlying companies of Fars Petrochemical Group).

On Wednesday due to an improvement in export lead companies the share prices relating to the Auto sector went negative although food and sugar stocks were positive.

The 11th Banking & Insurance exhibition opened this week and lasted for three days.

It was announced that the capital of Isfahan Steel Co would be increased by 90% through a revaluation of its assets under section 141 company law in the middle of this year.

• **Debt Market**

The total value of the debt market reached US\$144.611 million showing a decline of 5% against last week. The rates of interest for the T Bills, Fixed Income Funds and ETF Funds were 22% (discounted rate), 19% and 21% respectively.

• **Mining & Base Metals**

The Base Metals local and international prices were:

	Iran. US\$.	International US\$
Lead.	2,158.	2,334
Copper.	6,260.	6,974
Zinc.	2,535.	3,226
Aluminum.	1,902.	2,418



According to the Steel International Society the international demand for steel will rise by 1.8% during this year and will reach 1,616 billion tons and in 2019 the demand will rise by a further 0.7% and will reach 1,627 billion tons.

Isfahan Steel Co is planning to reduce its Steel production during this year due to water shortages in the region. The price of water for the company will rise from 14 cents to US\$2.2 per cubic meter.

Iron ore spot and futures prices jumped on Wednesday , underpinned by strong Chinese property data and a modest liquidity boost from the People's Bank of China.

The benchmark spot price now sits at the highest level since March 22.

According to the metal Bulletin, the spot price for benchmark 62% fines jumped 2.1% to US\$65.88 a ton, its largest percentage gain since March 29.

During this week the Chinese stock reserves of copper dropped by 8.3% to 280,836 tons.

Although the stock reserves of Zinc declined by 8% this week the 23,000 tons of exports did not result in the lowering of the price.

Iran produced 69,499 tons of secondary lead and 68,100 tons of primary lead in 2017 and is a major exporter of units to India and Southeast Asia. 60% of the Iranian exporters are now taking a wait and see attitude because of the currency devaluation.

- **Oil & Energy**

Brent oil reached US\$73.74 per barrel and US Texas oil US\$68.22 per barrel.

The main reasons are:

1. OPEC members have remained loyal to the agreed target production (instead of 1.2 million barrels reduction per day they have reduced their production by 1.8 million barrels a day)
2. Saudi Arabia is planning to float the shares of ARAMCO their principal oil company on international markets and hence it desires to push the oil prices to the level of US\$80 to US\$100 per barrel.
3. The oil production in Venezuela is on a decline and there is a good possibility that the Trump Administration withdraws from the Iran Nuclear Deal thus reducing Iran's oil production by 1million barrels of oil.
4. The stockpile of oil by developed countries has dropped from 340 million barrels in January 2017 to 43 millions barrels of oil today.
5. The US demand for oil is still strong and during this week although the number of US drillings rose to 815 (being the highest level during the last 3 years) we witnessed a drop of 1 million barrels of oil in their stockpile and also a drop of 2.9 million barrels of petrol during this week.

According to the latest statistics Iran's export to South Korea in March this year dropped by 40% against March last year.



The World Bank announced this week that with the exception of certain gas projects belonging to poor countries it would no longer provide finance for the development of oil and gas projects in the world. This announcement was made in the light of a warning issued by president Macron of France concerning a serious threat to the world environment brought about by significant changes in the environment.

- **FX & Gold**

The US Dollar index this week rose by 0.1% closing at 89.94.

The first Letter of Credit based on a currency swap between IRR and Turkish Lira to finance certain mutual projects was issued this week. This was originally established last year but was put into effect this year.

Iranian Government will replace US Dollar by Euro in its future dealings. The current rate of Euro against IRR is IRR68,000. The channel Nima being a centralized system for this purpose will be established next week through which all currency dealings will be conducted.

Although the Government has come up with a fixed rate of US Dollar of IRR42,000 a higher exchange rate of IRR54,000 is being used in the black market.

The price of gold is fluctuating between US\$1,332 and US\$1,355 per ounce. At the time of writing this report the price of gold stands at US\$1,344.

- **Housing**

The demand for obtaining permits for housing developments has been on a rise since autumn last year. The number of such permits has risen to 25,500 which shows a rise of 8.6% against last year.

- **Macro Economy**

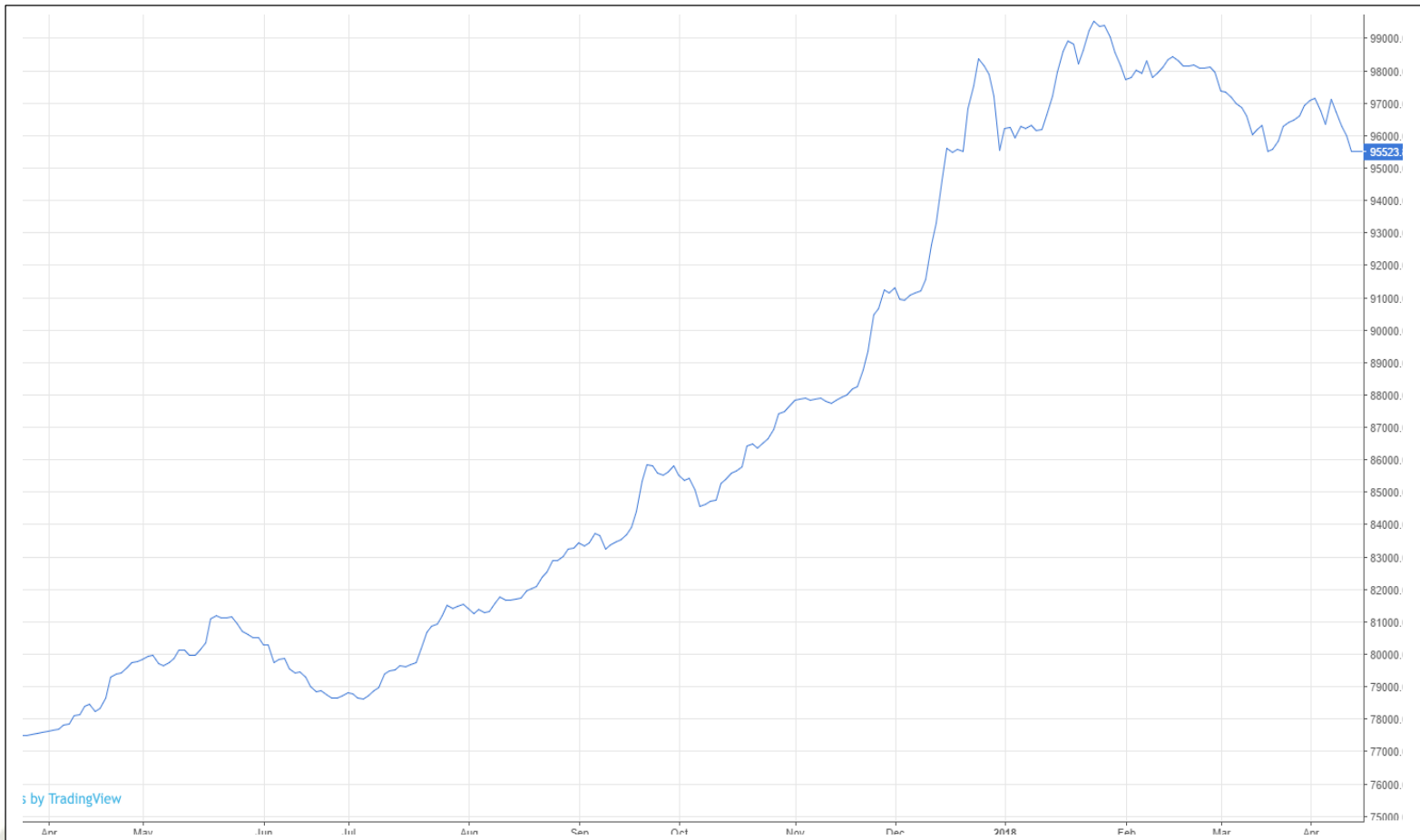
The CBI announced this week that Iran GDP for the last three months has risen by 1% with oil revenue and without oil by 3.6% (US\$86.595 billion based at IRR42,000). For 9 months GDP reached US \$261.562 billion and the liquidity rose by 15.3% (US\$353.810 billion). The rate of unemployment has been announced as 11.9% in the 3rd quarter of last year.

IMF reported this week that Iran's growth for 2017 was 3.4% with the rate of inflation of 9.9% and rate of unemployment was 11.8%.



- **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:



by TradingView



- Worldwide prices of oil & gas, major currencies, precious metals and basic metals

Oil				
	Unit	13/04/2018	20/04/2018	Change%
Opec	Barrel/Dollar	68.730	70.960	3.2%
Petrol	Gallon/Dollar	2.0632	2.0855	1.1%
Natural Gas	One Million-BTU	2.7370	2.7440	0.3%

Currency (IRR)				
Currency		13/04/2018	20/04/2018	Change%
Dollar	Official Rate	42,000	42,000	0.00%
	Free Market Rate	42,000	42,000	0.0%
Euro		51,650	68,600	32.8%
Pound		78,000	78,270	0.3%

Precious Metal				
Metal	Unit	13/04/2018	20/04/2018	Change%
Gold	Dollar/ Ounce	1,345.47	1,335.58	-0.74%
Silver	Dollar/ Ounce	16.6450	17.1150	2.82%

Basic Metal				
Product	Unit	13/04/2018	20/04/2018	Change%
Aluminum	Dollar/ Tonne	2,281.00	42,000	0.00%
Lead	Dollar/ Tonne	2,302.75	42,000	0.0%
Zinc	Dollar/ Tonne	3,110.00	68,600	32.8%
Copper	Dollar/ Tonne	6,832.50	78,270	0.3%



2.Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
GSHI	Manufacture of sugar	Shirin Khorasan	109.07	18.95%
MESI	Manufacture of motor vehicles <trailers and="" semi-trailers<="" td=""><td>Iran Kh. A. M.</td><td>5.85</td><td>15.54%</td></trailers>	Iran Kh. A. M.	5.85	15.54%
NSTH	Real estate activities	Tehran Const.	3.62	15.46%
GESF	Manufacture of sugar	Isfahan Sugar	21.42	14.50%
TSBE	Manufacture of food products and beverages except sugar	Behshahr Inv.	3.38	13.16%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
KRIR	Manufacture of motor vehicles <trailers and="" semi-trailers<="" td=""><td>Irka Part Talise</td><td>3.97</td><td>-12.09%</td></trailers>	Irka Part Talise	3.97	-12.09%
TLIZ	Agriculture and related service activities	Company	12.79	-11.59%
HJPT	Transportation and storage	Petr. Tran.	5.43	-10.51%
MAVA	manufacture of chemicals and chemical products	Fiber Prod.	3.44	-10.36%
ASAL	Manufacture of machinery and equipment	Absal	4.20	-10.30%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
ZOBZ	Manufacture of basic metals	Isfahan Steel	1.66	3.7
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.26	3.7
BSDR	Monetary intermediation & banks	Saderat Bank	1.38	2.5
PZGZ	manufacture of chemicals and chemical products	Zagros Petro.	74.16	2.2
MSMI	Manufacture of basic metals	I. N. C. Ind.	5.91	2.2



3.Economic News

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.

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.

Speaker Calls for Closer Iran-Vietnam Trade Ties

Iranian Parliament Speaker Ali Larijani said Iran and Vietnam's business people should be informed of the economic capacities of the two countries as part of efforts to boost bilateral trade.