



Weekly Market Report

Week ended 21th November, 2018

Saturday thru Wednesday inclusive

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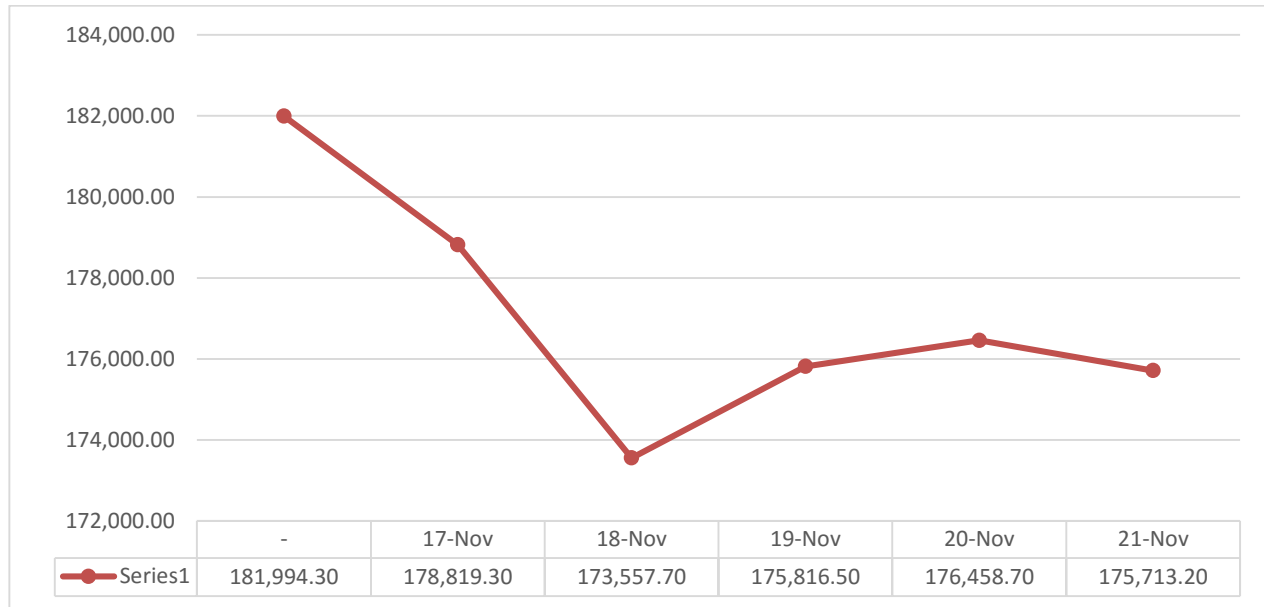
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1. Market Report-The Indices



Title	November 14, 2018	November 21, 2018	Unit change	Change %
All-Share Index	181,994.32	175,713.15	-6,281.17	-3.45%
Fara Bourse Index	1,957.2	1,908.2	-48.93	-2.50%
Index Of 30 Largest Co.	9,161.0	8,781.8	-311.17	-3.87%
Index Of 50 Most Active Co.	8,030.7	7,719.6	-379.17	-4.14%
P/E	7.41		-7.41	-100.00%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	71,968,748	62,323,182	-9,645,565	-13.40%



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

Market Information Week ended 21th November 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	175,713	(9,387)	(5.1%)	185,100	96,290	79,423	82.5
Stocks Trading Value	\$ 520 m	\$ 12 m	2.4%	\$ 508 m	–	–	–
Debt Securities Trading Value	\$ 132 m	\$ 43 m	48.3%	\$ 89 m	–	–	–
Market Return in IRR to date	83%	(7%)	-	89%	–	–	–
Exchange Rate US\$/IRR	126,585	(4,862)	(3.7%)	131,447	–	–	–
Exchange Rate EURO/IRR	146,683	(3,202)	(2.1%)	149,885	–	–	–
US Dollar index	96.73	(0)	(0.2%)	96.95	89.5	7.23	8.08
Gold Value per ounce	1,222	6	0.5%	1,216	1,268	(46)	(3.63)

Note 1 : In the debt market the interest rates achieved by TBs (discounted rate), Fixed Income Fund and ETF were 24%, 22% and 21% respectively.

Note 2: The largest trading value this week belonged to Bank Mellat worth US\$14 million.

Central Bank Governor has reported that the value of Iran's annual exports currently stands at US\$40 billion and if half of this is paid in IRR we will have difficulty in balancing our foreign trading. He also indicated that a total of US\$31 billion has already been paid for imports this year.

- **Market Activities**

The continuation of the fall in oil prices under President Trump 's pressure has resulted in the lowering of the share prices of Petrochemical and Refinery sectors.

Nonetheless we have been witnessing a rise in the share prices of both Auto and Banking sectors this week.

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In the Base Metals sector the share prices of both Mobarakeh Steel Co and Iran National Copper Industry were subdued whilst Isfahan Steel Co was virtually unchanged. The share prices Kaveh Co and Aluminum R Co were in positive territory.

In the Chemical sector in particular the detergent companies performed better whilst Behshahr Ind , Paxan, Goltash, Saipa Co , Pars Int Mfg had a good growth this week.



In the Mining sector Gohar Zamin (the new IPO) performed well. However the sector in general showed a lower growth than the market average. Gol-e-Gohar , Saba Noor, Bafgh Mining, Bama, and Iran Mn Mines were all in negative territory whilst Gohar Zamin managed to gain 20% over the week.

In the Oil Products sector the share prices were virtually negative across the board and lost on average 15% of their value. In the meantime Sepahan Naft, Behran Oil and NPSZ were in negative territory.

In the Construction sector following the publications of their financial statements which indicate of the lowering of their losses their share prices rose and in particular those of Tehran Const, Iran Const Inv , Kerman Inv. and A.S. P. Co.

In the Banking sector we initially witnessed a positive mood and after a slight fall in the share prices of other banking companies Bank Melat and Bank Saderat turned to be more favorable.

In the IT sector the atmosphere was more positive than others and the most favorable shares were DPI and Iran Argham.

In the Auto sector the share prices due to the possibility of a rise in the prices of motor vehicles was most favorable in particular Zamyad , Saipa did fairly well. In the Auto Spare Parts sector the most favorable were Iran Tractor . F , Iran Casting and Nirou Moharreke.

In the Food sector there was a high demand for the shares throughout the week and in the Sugar sector the companies performed fairly well.

- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	1,972	6,212	2,570	1,944
Iran	1,800	4,214	2,437	1,845

The utilization of steel per capita in Iran in the current year has reached 201 kg which is lower than that of the Middle East and that of the World and is significantly lower than that of Turkey. This clearly shows the steel industry has to focus more on exports than domestic market.

According to CISA of China the Chinese steel production during the last 11 days of November shows 6.6% growth reaching 1.92 million tons a day. During the last 3 weeks the steel prices have fallen by more than 15% due to winter season and the lowering of demand. However during this period there has been a rise in the demand for both Iron Ore and Coal to the extent that the prices have risen by more than US\$7 per ton against the corresponding period last year.



The world stockpiles of Copper during the last 8 months of the year shows a lowering trend and as much as 624,000 tons (-43%) reaching the level of 811,000 tons.

According to the WBMS being an international institution the demand in China for Copper has risen by 5% in 2018 and according to ICSG research the market has a shortage of 260,000 tons against the corresponding period last year.

The stockpiles of Lead at LME for the mast 5 months have fallen by 18% and currently stand at 110,500 tons.

According to ILZSG research there is a shortage of 123,000 tons of Lead and Zinc during 2018 and 17,000 tons during 2019. During the last 9 months there has been a shortage of 110,000 tons in the Lead market.

- **Oil & Energy**

Oil & Energy		
	Brent Oil U\$\$	Texas Oil U\$\$
Price	62	53

According to API the US oil stockpiles show a drop of 1.5 million barrels which is the first lowest level after 4 weeks.

Oil prices slumped to 2018 lows on Friday in thin but volatile trading, pulled down by concerns of an emerging global supply overhang amid a bleak economic outlook.

Even an expectation that the Organization of the Petroleum Exporting Countries (OPEC) producer group will start withholding supply in 2019 to rein in any glut provided little support, traders said.

Amid the plunge, Brent and WTI price volatility has surged in November to approach levels not seen since the the market slump of 2014-2016 and, before that, the financial crisis of 2008-2009.

The divergence between U.S. and international crude comes as surging North American supply is clogging the system and depressing prices there, while global markets are somewhat tighter - in part because of reduced exports from Iran due to newly imposed U.S. sanctions.

Overall, however, global oil supply has surged this year, with the top-three producers of the United States, Russia and Saudi Arabia pumping out more than a third of global consumption, which stands at around 100 million barrels per day (bpd).



High production comes as the demand outlook weakens on the back of a global economic slowdown. Oil prices have plunged by around 30 percent since their last peaks in early October, as global production started to exceed consumption in the fourth quarter of this year, ending a period of undersupply that started in the first quarter of 2017, according to data in Refinitiv Eikon.

Adjusting to lower demand, top crude exporter Saudi Arabia said on Thursday that it may reduce supply.

"We will not sell oil that customers don't need," Saudi Energy Minister Khalid al-Falih told reporters. Saudi Arabia is pushing OPEC to cut oil supply by as much as 1.4 million bpd to prevent a supply glut.

The group officially meets on Dec. 6 to discuss its supply policy.

U.S. bank Morgan Stanley said it saw "a far greater probability that OPEC reaches an agreement to balance the market in 2019" than not, adding that this would likely support oil prices "in the high-\$50s, at least near term."

- **Housing**

According to the Central Bank's Governor the current level of housing loan is not consistent with the norm in the market and has to be revised.

At September this year the highest level of the loan stood at IRR1,600,000,000 (US\$13,000) for a 60 sq m unit of accommodation which compared against the average price in Tehran shows a drop of 22%.

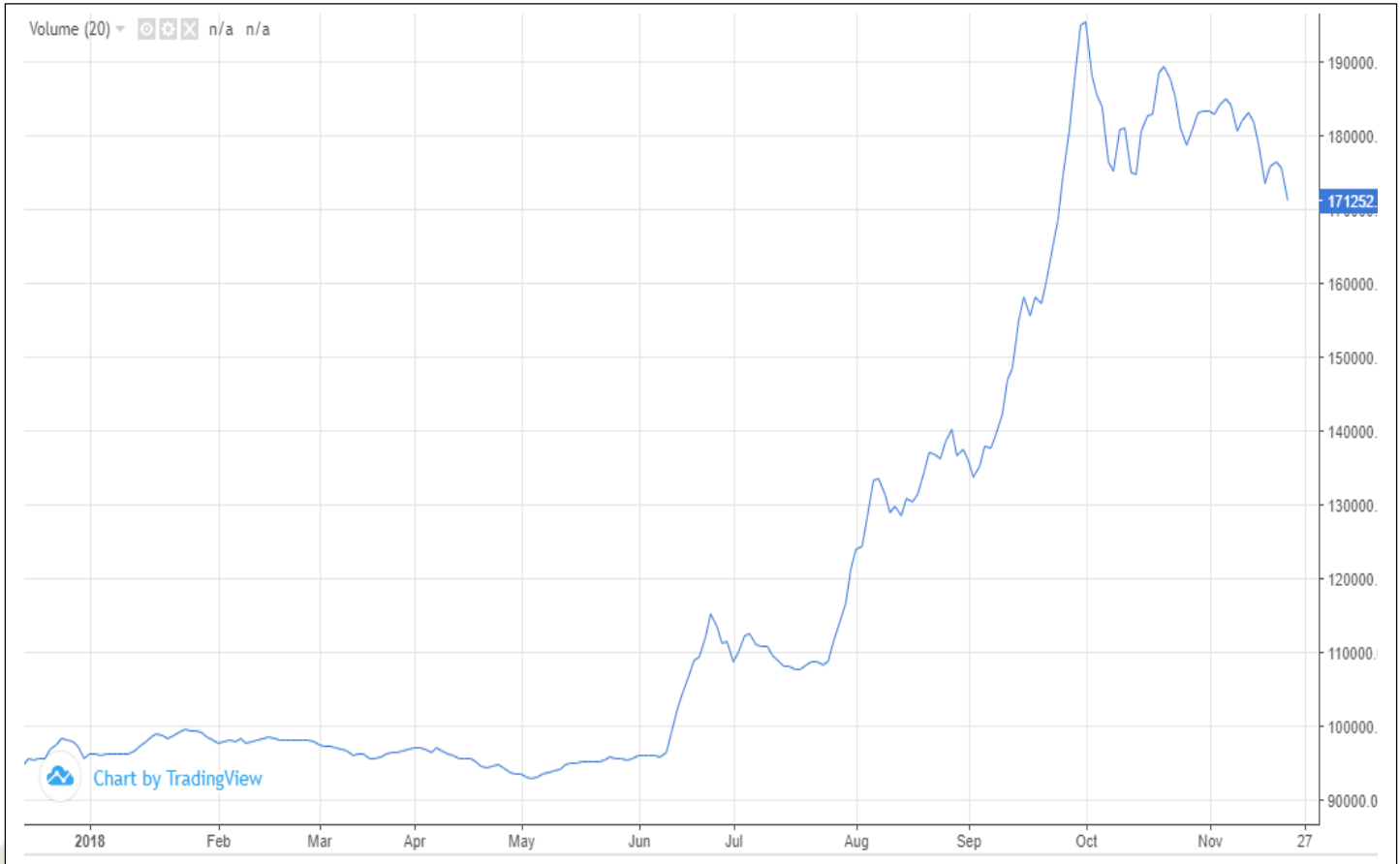
- **Macro Economy**

According to the Minister of Economy the biggest headache of the Ministry of Economy and the Government under the current US sanctions is the control of inflation which has currently by 34% against the corresponding period last 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	16/11/2018	23/11/2018	Change%
Opec	Barrel/Dollar	65.28	62.08	-4.9%
Petrol	Gallon/Dollar	1.5810	1.3885	-12.2%
Natural Gas	One Million-BTU	4.377	4.309	-1.6%

Currency (IRR)				
Currency		16/11/2018	23/11/2018	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	131,447	126,585	-4%
Euro		149,885	146,683	-2%

Precious Metal				
Metal	Unit	16/11/2018	23/11/2018	Change%
Gold	Dollar/ Ounce	1,221.66	1,223.08	0.12%
Silver	Dollar/ Ounce	14.3900	14.2600	-0.90%

Basic Metal				
Product	Unit	16/11/2018	23/11/2018	Change%
Aluminum	Dollar/ Tonne	1,946.75	1,942.25	-0.2%
Lead	Dollar/ Tonne	2,002.00	1,962.25	-2.0%
Zinc	Dollar/ Tonne	2,626.00	2,508.25	-4.5%
Copper	Dollar/ Tonne	6,243.75	6,168.50	-1.2%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
GNJN	Manufacture of sugar	Naghsh Jahan S.	5.13	51.23%
KGND	Manufacture of electrical machinery and apparatus	Ghandi Cables.	2.50	23.34%
FTIR	manufacture of chemicals and chemical products	Iran Parenteral	6.50	21.95%
RIIR	Manufacture of motor vehicles trailers and semi-trailers	Iran Casting	1.36	21.46%
PSER	Manufacture of other non-metallic mineral product	Pars Ceram	5.69	20.11%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
BAHN	Manufacture of basic metals	Bahonar Copper	6.38	-14.47%
PGLZ	Manufacture of food products and beverages except sugar	Pegah Golestan	5.66	-14.40%
KIMI	manufacture of chemicals and chemical products	Chimidarou Cultur.Herit.	2.73	-13.46%
IMFZ	hotels & restaurant	Inv.	3.49	-11.81%
DMVN	Mining of metal ores	Damavand Min.	23.04	-11.80%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
BMLT	Monetary intermediation & banks	Mellat Bank	1.95	14.2
BTEJ	Monetary intermediation & banks	Tejarat Bank	1.06	14.2
ZOBZ	Manufacture of basic metals	Isfahan Steel	2.12	11.2
SIPA	Manufacture of motor vehicles·trailers and semi-trailers	Saipa	1.00	8.7
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	6.32	8.1



3.Economic News

Tehran Frustrated by EU's Slow Pace in Efforts to Save JCPOA: FM Zarif

Iranian Foreign Minister Mohammad Javad Zarif said Tehran is frustrated by the slow pace of EU moves to help Iran reap the full benefits of the JCPOA after Washington's pullout from the international deal.

Russia to Open €3bln Credit Line for North-South Corridor: Iranian Minister

Iran's Minister of Roads and Urban Development Mohammad Eslami said Russia has decided to open a €3 billion credit line to finance the international North-South Transport Corridor (NSTC) which connects India to Russia via Iran.

Global Economy Still 'Very Fragile' despite Iran Oil Waivers: IEA Chief

Waivers on Iranian sanctions granted by the United States provided some relief to oil markets but the global economy is still very fragile, the head of the International Energy Agency said on Tuesday.

US Fines French Bank over Iran, Cuba Sanctions

US officials fined Societe Generale US \$1.3 billion after charging the French bank with violating US sanctions on Cuba, Iran and other countries in a criminal settlement unveiled on Monday.

Enemy Could Never Cut Iran's Oil Exports to Zero: Rouhani

Iranian President Hassan Rouhani said even if the US had not granted waivers to countries purchasing Iranian crude, the country's oil exports could never be cut down to zero.

Iran's Economy Ministry to Form 'Anti-Sanctions Management Room': MP

The chairman of the Iranian Parliament's Economic Commission said the country's Economy Ministry plans to establish an "anti-sanctions management room" in a bid to counter the latest economic embargoes imposed by Washington against Tehran.