



## Weekly Market Report

Week ended 21<sup>th</sup> February, 2018

Saturday thru Wednesday inclusive

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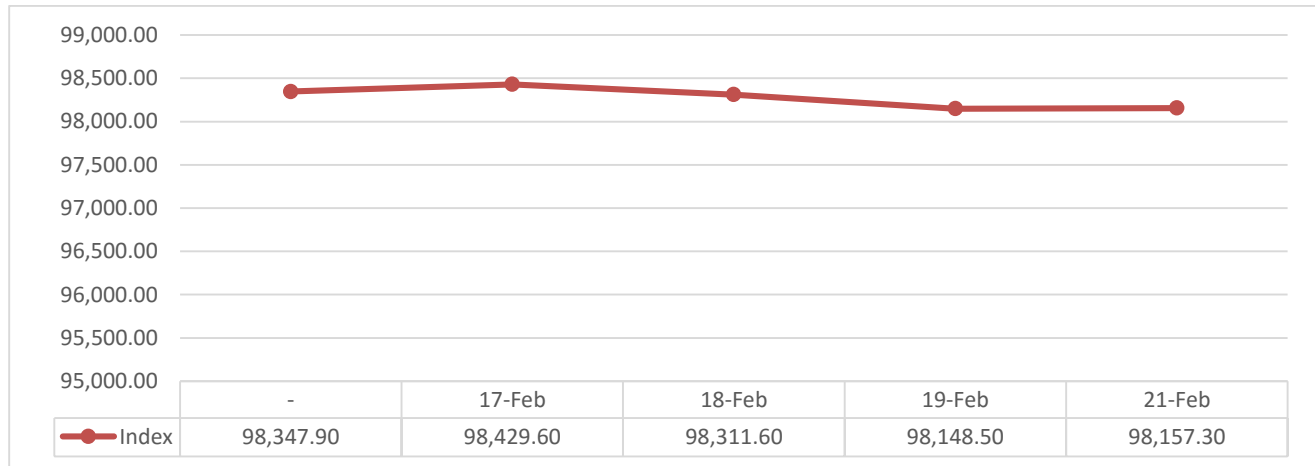
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## 1. Market Report-The Indices

- All Share Index**



- Market indices**

Title	February 14, 2018	February 21, 2018	Unit change	Change %
All-Share Index	98,347.92	98,157.30	-190.62	-0.19%
Fara Bourse Index	1,107.8	1,097.0	-10.80	-0.97%
Index Of 30 Largest Co.	4,363.4	4,346.0	-17.42	-0.40%
Index Of 50 Most Active Co.	4,103.7	4,084.2	-19.57	-0.48%
P/E	7.20	7.18	-0.02	-0.28%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	32,699,322	62,153,581	29,454,258	90.08%



- **Market Analysis**

- **The Market**

Following the CBI's immediate decision regarding the raising of the deposit interest rates from 15% to 20% p.a. for banks and a decline in the parity of the US Dollar against IRR the all-share index declined by 190 points(0.19%) closing at 98,157.

This shows that since the beginning of this year (21st March, 2017) the rate of growth of the index has reached 27%. This has been achieved whilst the parity rates of IRR against both US\$ and Euro since that date shows a decline of 20% and 27% respectively.

- **Trading Value**

The total trading value of the market which includes trading in debt papers rose by 72% and reached US\$578.022 million mainly due to the exchange of a share block of 51% of the shares of Industrial & Mining Investment Holdings Co worth US\$96.889 million.

- **Market Activities**

The parliament approved the tax exemption of the gains arising on the revaluation of the assets of the companies whose net equities fall below the level required by the Commercial Law under section 141 provided that no profit distribution is made. This led to a number of companies in the Auto Industry Sector to apply for such exemption.

As a result we witnessed a rise in the share prices of most of the Auto Spare Parts companies. However the share prices of larger cap of Auto Industry sector were not so fortunate and turned negative to stable.

In the Construction Industry sector the share prices were either negative or stable although last week most of the share prices of this sector were positive showing good growth.

The only shares which were in positive territory were single individual companies and those of the companies selling their shares in the "base market" with a ceiling of +10%.

It has been reported that the shares of the following 5 Government-owned companies will be offered for sale to the public by the Privatisation Office within the current month:

Iran Aluminium Co

Ahwaz Pipe Co

Amin Re Co

Alborzi Insurance Co and Asia Insurance Co

The unaudited 9 month financial results of most refineries were published this week including that of Tehran Refinery. The net profit of Tehran Refinery for the last 9 months was IRR588 per share which covered 79% of its annual projected net profit. Last year this was only IRR281 per share showing 109% rise in its profit. The main reason for such a rise relates to a 33% higher operating profit this year.



- **Debt Market**

The total value of the debt market reached US\$223.267 million showing 80% growth against last week. This was mainly due to the issues of IRR16,000 billion Treasury Bills under tickers of 608 and 609 each worth IRR8,000 billion. As a result the interest rates of the Fixed Income Funds, the Treasury Bills and ETF Funds reached 21%, 20% and 20% respectively.

Iran Khodro has been authorised by the Security Exchange Organisation to raise its working capital by issuing bonds worth IRR7,000 billion at the coupon rate of 18% p.a. payable quarterly and repayable in 4 years. We understand this will be issued before the end of this year.

- **Foreign Investments**

Mr Rouhani accompanied by his Road Minister in their visit to India have secured an Indian direct investment of approximately IRR90,000 billion in respect of The construction of Cha Bahr Port and the production of railways and locomotives. This has been regarded as a major foreign investment in Iran since President Trump election.

- **Base Metals & Mining**

The world prices of Lead, Copper, Zinc and Aluminium this week were US\$2,542, US\$7,133, US\$3,500 and US\$2,187 per tonne respectively . However local prices per kilograms in Iran were: Lead IRR109,000, Copper IRR332,820, Zinc IRR168,000 and Aluminium IRR109,380.

Iranian suppliers continued to increase their offer prices, supported by the fact that customers have accepted higher prices as well as the positive sentiment in the global semi-finished steel market..... Recent offer prices for April billet were heard within the range of US\$510-520 per tonne for southern ports of Iran.

The price of coal despite the Chinese New Year has continued its rise and in Australia a rise of 4.5% has been achieved during this week reaching the price of US\$232.5 per tonne fob. During last week Indians were keen to buy coal at the price of US\$245.25 per tonne CFR India.

- **Oil & Energy**

The price of Brent rose by US\$2 against last week and reached US\$66.5 per barrel whilst US oil reached US\$62.8 per barrel.

Iran has offered to raise the freight discount on oil sales to India in return for New Delhi agreeing to boost imports, as the OPEC member is keen to eat into the market share of other producers including top rivals Saudi Arabia and Iraq.

Iran is pushing to retain customers for its oil in Asia hoping concessions will boost the appeal of its crude compared with other Middle Eastern suppliers, even as the threat looms of potential further US sanctions on the country.

For 2017/18 Tehran had reduced the discount to 62% of the formula from 80% but Iran has offered to change this if India refineries step up purchases , three sources familiar with the matter said on Saturday.



- **FX & Gold**

The US Dollar index rose by 1.33% and reached 89.9 this week. However the value of IRR against the Dollar declined by 10% following great pressure being felt over the value of IRR last week.

This week the Dollar dropped to the level of IRR45,000 and Euro to IRR56,500.

With effect from this Saturday CBI will set up a unified computer system for all foreign exchange transactions which will provide healthy competition amongst money exchangers and at the same time ensures uniformity throughout.

The price of gold following a rise in the US interest rates dropped by US\$30 and reached US\$1,327 per ounce.

In Iran the price for 18 carat gold was IRR143,400 per gm.

- **Macro Economy**

The parliament approved a budget of US\$88.5 billion this week. No price was specified for US Dollar and as a result the Government has free hand to set the price as desired.

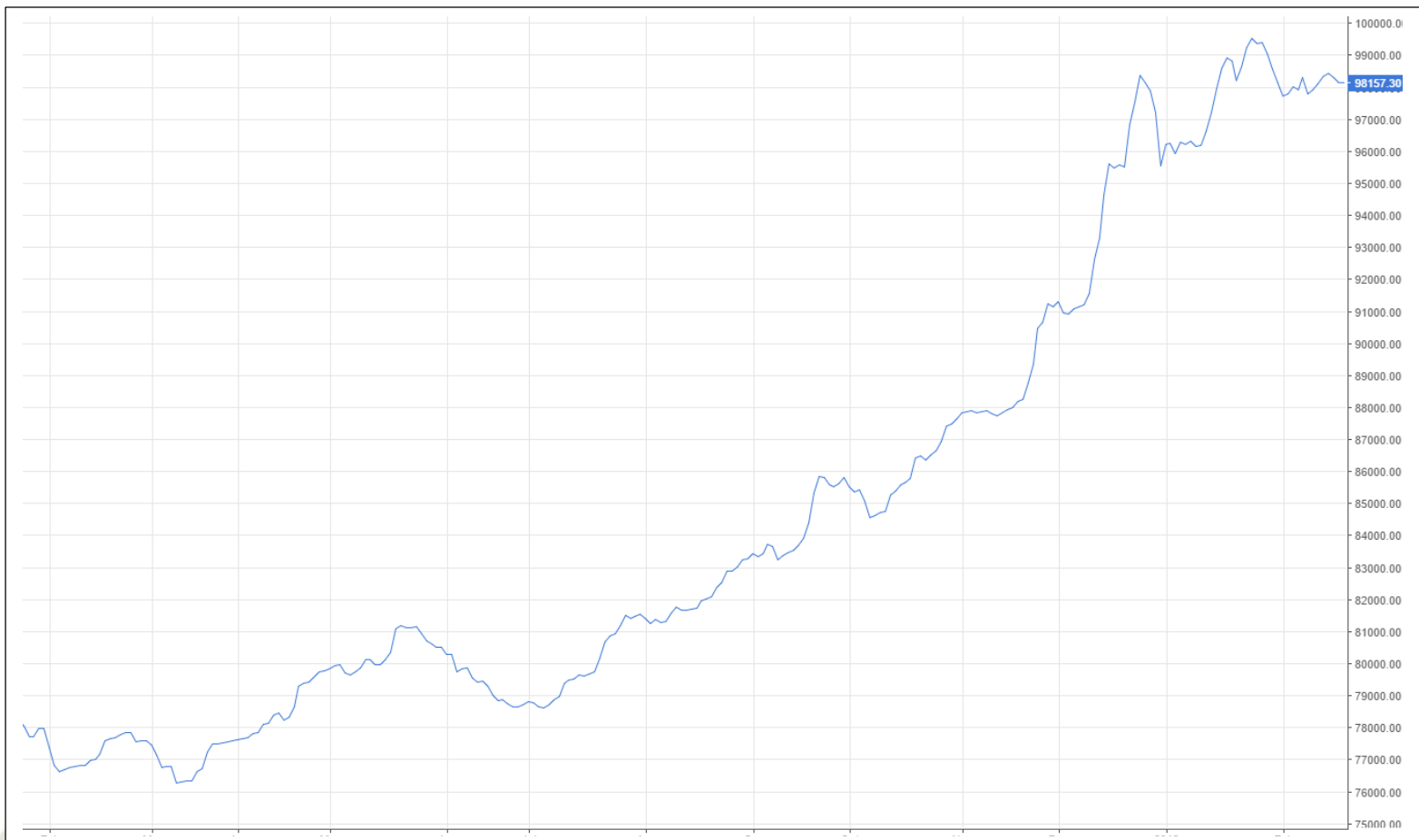
It has been reported that the CPI for the whole country for the last 12 months ended 21st February, 2018 was 8.3% and within the urban areas was 8.2% and for rural areas 9.1%.

According to CBI's report the total facilities granted by banks during the last ten months showed an increase of 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:





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

Oil				
	Unit	16/02/2018	23/02/2018	Change%
Opec	Barrel/Dollar	62.090	63.080	1.6%
Petrol	Gallon/Dollar	1.7495	1.8115	3.5%
Natural Gas	One Million-BTU	2.5630	2.6230	2.3%

Currency (IRR)				
Currency		16/02/2018	23/02/2018	Change%
Dollar	Official Rate	37,091	37,210	0.32%
	Free Market Rate	47,380	44,930	-5.2%
Euro		60,970	55,230	-9.4%
Pound		68,800	67,070	-2.5%

Precious Metal				
Metal	Unit	16/02/2018	23/02/2018	Change%
Gold	Dollar/ Ounce	1,348.66	1,329.96	-1.39%
Silver	Dollar/ Ounce	16.6250	16.5050	-0.72%

Basic Metal				
Product	Unit	16/02/2018	23/02/2018	Change%
Aluminum	Dollar/ Tonne	2,204.50	2,148.75	-2.5%
Lead	Dollar/ Tonne	2,605.25	2,537.50	-2.6%
Zinc	Dollar/ Tonne	3,568.50	3,509.50	-1.7%
Copper	Dollar/ Tonne	7,185.50	7,111.25	-1.0%





## 2.Detailed Market information

### TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
SNRO	Investment	Nirou Inv.	3.04	27.14%
BSMZ	Insurance and pension funding,except compulsory social security	Bime Saman Co.	7.83	13.65%
PABD	manufacture of chemicals and chemical products	Abadan Petr.	5.87	12.76%
BHSM	Manufacture of structural non-refractory clay and ceramic products	Behceram	5.74	12.75%
SPDZ	Manufacture of motor vehicles,trailers and semi-trailers	Saipa Diesel	2.13	12.43%

### TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
MAVA	manufacture of chemicals and chemical products	Fiber Prod. Behshahr Group	4.61	-44.62%
GBEH	Investment	Tamin Daroo	2.24	-9.69%
DTIP	manufacture of chemicals and chemical products	Sobhan Pharm	9.86	-9.40%
DSBH	manufacture of chemicals and chemical products	Zangan Industry	7.87	-9.18%
ZAGZ	Manufacture of basic metals		29.55	-8.78%





## TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
ZOBZ	Manufacture of basic metals	Isfahan Steel	1.85	7.7
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.37	4.0
IKCO	Manufacture of motor vehicles, trailers and semi-trailers	Iran Khodro	6.25	3.7
MADN	Mining of metal ores	Metals & Min.	4.11	3.6
PNBA	Manufacture of coke, refined petroleum products and nuclear fuel	B.A Oil Refineries	16.03	3.1



### **3.Economic News**

#### **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).

#### **EU Ready to Mull Connecting Iran to Southern Gas Corridor: Official**

The EU is ready to discuss the possibility of connecting Iran to the Southern Gas Corridor, European Commission Vice-President for Energy Union Maros Sefcovic said at a press conference in Baku.

#### **Iran Sets Sight on Iraq's Flour Market via Russia Wheat Deal**

Iran is in talks with Russia over a wheat import deal that would allow it to increase flour exports to neighboring Iraq, an Iranian official said.