



Weekly Market Report

Week ended 24th July, 2019

Saturday thru Wednesday inclusive

Contents

1. Market Report

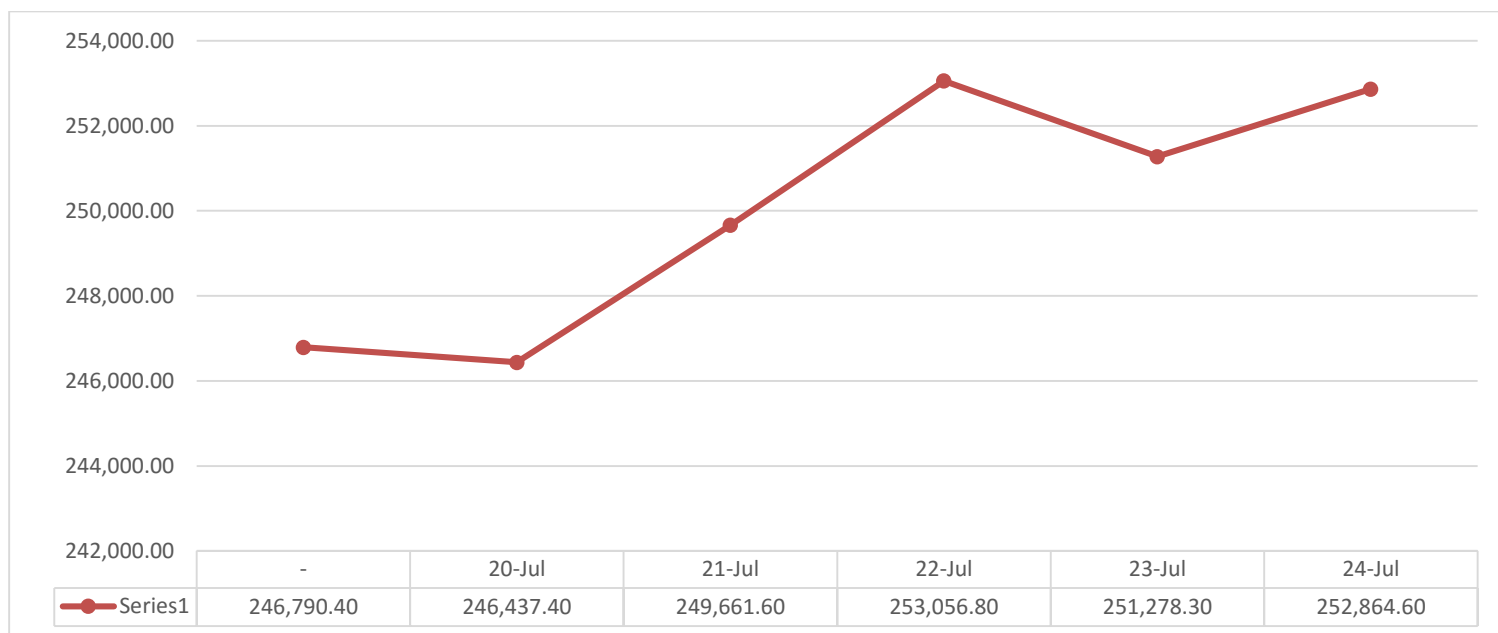
- The Indices
- Market Performance and the related information
- Market Analysis
- Worldwide prices of oil & gas, major currencies precious metals and basic metals
- Industry Index Information

2. Detailed Market information

3. Economic News



1. The Indices



| Title | July 17, 2019 | July 24, 2019 | Unit change | Change % |
|-----------------------------|---------------|---------------|-------------|----------|
| All-Share Index (Bourse) | 246,790.4 | 252,864.7 | 6,074.29 | 2.46% |
| Fara Bourse Index | 3,206.9 | 3,292.0 | 85.12 | 2.65% |
| Index Of 30 Largest Co. | 11,130.5 | 11,507.6 | 322.95 | 3.23% |
| Index Of 50 Most Active Co. | 9,994.3 | 10,317.2 | 377.06 | 3.39% |
| P/E (Bourse) | 6.76 | 5.89 | -0.87 | -12.87% |

| Daily Average Trading Value (Bourse) | Last Week (\$) | Current Week (\$) | Amount Of Change (\$) | Change Percentage |
|--------------------------------------|----------------|-------------------|-----------------------|-------------------|
| | 120,193,228 | 88,718,371 | -31,474,856 | -26.19% |



• **Market Performance**

Market Information Week ended 24th July 2019

| | <i>This Year</i> | | | | <i>Last Year</i> | | |
|--------------------------------------|------------------|------------------|-------------------|----------------|--------------------|----------------|-------------|
| | This week | Last week | Changes | % | At 21.03.18 | Changes | % |
| All-Share Index | 252,865 | 246,790 | 6,075 | 2.5% | 178,659 | 74,206 | 41.5 |
| Shares Trading Value | \$ 740 m | \$ 939 m | \$ (199) m | (21.2%) | - | - | - |
| Debt Securities Trading Value | \$ 122 m | \$ 127 m | \$ (5) m | (3.8%) | - | - | - |
| Market Return in IRR to date | 72% | 70% | 2% | - | - | - | - |
| Exchange Rate US\$/IRR | 122,000 | 118,550 | 3,450 | 2.9% | - | - | - |
| Exchange Rate EURO/IRR | 139,500 | 134,800 | 4,700 | 3.5% | - | - | - |
| US Dollar index | 97.72 | 96.86 | 0.9 | 0.9% | 96.32 | 1.40 | 1.45 |
| Gold Value per ounce | 1,423 | 1,440 | (17) | (-1.2%) | 1,308 | 115 | 8.79 |

• **Market Analysis**

• **The Debt Market**

The effective interest rates achieved by TBills (discounted rate), Fixed Income Funds and ETF this week were 19%p.a. , 20%p.a. and 20% p.a. respectively.

• **Largest Valued Trade**

The largest Valued Trade this week worth US\$63 million belonged to Tamin Daro Co.

• **Market Activities**

The market reached stability following intense volatilities last week. The quarterly financial reports this week were mainly positive and in most cases particularly in the larger caps their net profits had exceeded expectation. This mainly related to Base Metals, Mining and Oil Related Products sectors.

In the Oil Related Products sector Bandar Abbas Refinery, Palayesh Naft, Lavan Oil Ref, Palayesh Tehran and Oil Ind. Inv. produced good results.

In the Metal sector Isfahan Steel performed well and its price crossed over the barrier of IRR1,500 per share. In the Mining sector there were some volatilities but among the companies within the sector Iran Mn. Mines and Iran Zinc Mines produced better results.

In the Banking sector Bank of M.E. and Melat Crdit Inst. were positive but the clouds over Melat Bank concerning its foreign exchange gains still remained in place. Saderat Bank ticker was opened this week but with volatilities.



The Construction sector had a lot of volatilities and generally remained negative. However Azerbaijan Inv was exceptionally positive.

The Cement sector faced some volatilities but a fewer number of companies did fairly well such as Sabzevar Cement.

In the Auto sector Saipa was positive but at the end of the week turned negative. In the Spare Parts sector the companies were more stable and some did better such as Khavar Spring.

In the Chemical sector the larger caps were positive such as Kermanshah Petr, Pardis Petr, Khorasan Petr ,Shazand Petr, Maroon Petr, Zagros Petr, Shiraz Petr, Khalij Fars, Petrochemical INV, Khark Petr and Fanavaran Petr.

In the Communications sector the trend was positive but Mobil One Kish was an exception and faced a negative trend. The ticker of HiWeb in the meantime remained closed after being closed for a long time.

In the Power sector Omid Taban Hoor, Niro INV and Kahnooj Mahtab Pow were in a good position and were positive.

In the Food and Pharmaceutical sector the most favourable were Shaholab Khorasan, Zahravi Phar and Daro Pakhsh .

In the Insurance sector almost all the companies were showing good results.

In the Tyre, Plastic and Ceramic sectors the market faced some volatilities and remained so to the end of the week.

- **Base Metals & Mining**

| Basic Metals | | | | |
|---------------------|----------------------|------------------------|----------------------|--------------------------|
| Price | Lead US\$ | Copper US\$ | Zinc US\$ | Aluminum US\$ |
| World | 2,074 | 5,987 | 2,449 | 1,822 |
| Iran | 1,844 | 5,737 | 2,336 | 2,040 |

According to WorldSteel the growth in the industry has been widespread , positive and in line with its production. Iran has remained competitive amongst its competitors.

The world six monthly production this year reached 924 million tonnes (+4.9%). The world production in June 2019 was 159.2 million tonnes (+4.8%) which was slightly lower than the first half yearly production this year.



Iran steel production was accelerated during the month of June and reached 2,165 tonnes showing 6.1% higher than the growth achieved in the first six months of the year which was 12,780 tonnes (+5.6%).

Iran production of sponge steel during June this year also shows a jump of 16.3% which is higher than the growth of the first six months of this year (+15.2%).

According to Vela of Brazil its iron ore production during the 2nd quarter of this year shows a reduction of -33.6% against the corresponding period last year. The production of its pellets also shows a fall of 29.3% for the same period.

The prices of Zinc has been on a rise this week and that they have exceeded the border of US\$2,100 per tonne.

The stockpiles at LME for the world dropped by 2.3% during this week and has reached 56,100 tonnes which is the lowest level during the last 125 months. On the other hand the demand has risen to 4,700 contracts this week which has been the highest during last week and is anticipated to remain so for a short period.

China's production of Lead during June this year has increased by 18.2% and stands at 455,000 tonnes and the multiple of TC indicates a continuing rise in demand in the world.

In the world Auto industry the consumption of Lead is on a decline as there has been a reduction of 3.1% in Europe, 9.6% in China and 1.5% in the US during this year.

- **Oil & Energy**

| Oil & Energy | | |
|-------------------------|----------------------------|----------------------------|
| | Brent Oil U\$\$ | Texas Oil U\$\$ |
| Price | 63 | 56 |

Oil prices edged higher on Friday on worries about Middle East tensions, offset by a flagging global economic growth outlook amid the U.S.-China trade war.

“Growing challenges in the macroeconomic environment have kept bullish bets in check as risk appetites remain soft over potential weakness in global fuel demand,” said Benjamin Lu, commodities analyst at Singapore-based brokerage Phillip Futures.



A global economic growth rut risks deepening, despite expectations that major central banks will cut rates or ease policy further, according to Reuters polls of over 500 economists who remain worried about the U.S.-China trade war.

Increasing pessimism is clear from the latest polls taken July 1-24, which show the growth outlook for nearly 90% of over 45 economies polled was either downgraded or left unchanged. That applied not just to this year but also 2020.

While concerns over Middle East supply disruptions have led to recent price spikes, oil has generally been under pressure from worries about global economic growth amid growing signs of harm from the rumbling Sino-U.S. trade war over the past year.

“Bullish wagers will be held hostage to the soggy global growth outlook,” Stephen Innes, managing partner at Vanguard Markets, said in a note.

A week after Iran seized a British-flagged tanker in the Gulf, Britain has sent a warship to accompany all British-flagged vessels through the Strait of Hormuz, a change in policy announced on Thursday after the government previously said it did not have resources to do so.

U.S. Secretary of State Mike Pompeo said in a television interview on Thursday that he would go to Iran for talks if it was necessary, amid the tensions between Tehran and Washington.

- **Housing**

According to the Central Bank the number of housing transactions during last month reached 6,000 which shows a decline of 59.8% against the corresponding month last year. The average price of one square meter in Tehran has reached US\$1,065 which against last month and the corresponding month last year shows an increase of 4.9% and 104.3% respectively.

- **Macro Economy**

According to Iran Statistical Dept the rate of inflation during the 12 months ended last month reached 40.4% which reflects a rise of 2.8% against the corresponding period last year. The point to point inflation however shows a fall from 50.4% to 48%.



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

| Oil | | | | |
|-------------|-----------------|------------|------------|---------|
| | Unit | 26/07/2019 | 19/07/2019 | Change% |
| Opec | Barrel/Dollar | 64.55 | 63.10 | 2.3% |
| Petrol | Gallon/Dollar | 1.8786 | 1.8492 | 1.6% |
| Natural Gas | One Million-BTU | 2.175 | 2.257 | -3.6% |

| Currency (IRR) | | | | |
|----------------|------------------|------------|------------|---------|
| Currency | | 26/07/2019 | 19/07/2019 | Change% |
| Dollar | Official Rate | 42,000 | 42,000 | 0% |
| | Free Market Rate | 119,500 | 115,000 | 3.9% |
| Euro | | 137,460 | 134,000 | 2.6% |

| Precious Metal | | | | |
|----------------|---------------|------------|------------|---------|
| Metal | Unit | 26/07/2019 | 19/07/2019 | Change% |
| Gold | Dollar/ Ounce | 1,414.62 | 1,426.40 | -0.83% |
| Silver | Dollar/ Ounce | 16.3720 | 16.2180 | 0.95% |

| Basic Metal | | | | |
|-------------|---------------|------------|------------|---------|
| Product | Unit | 26/07/2019 | 19/07/2019 | Change% |
| Aluminum | Dollar/ Tonne | 1,804.75 | 1,847.00 | -2.3% |
| Lead | Dollar/ Tonne | 2,072.25 | 2,044.50 | 1.4% |
| Zinc | Dollar/ Tonne | 2,440.75 | 2,424.25 | 0.7% |
| Copper | Dollar/ Tonne | 5,964.50 | 6,074.75 | -1.8% |



TSE TOP 5 Gainers

| Symbol | Sector | Company Name | close (USD Cent) | %change |
|--------|---|---------------------------|---------------------|---------|
| MAVA | manufacture of chemicals and chemical products | Fiber Prod. Abadgaran | 56.93 | 32.67% |
| TRKP | hotels & restaurant | Kish | 11.51 | 28.50% |
| NOSH | Manufacture of food products and beverages except sugar | Noush Maz. | 3.91 | 27.56% |
| GMEL | Tanning and dressing of leather:manufacture of footwear | Melli Ind. Grp. Fanavaran | 52.51 | 26.65% |
| PFAN | manufacture of chemicals and chemical products | Petr. | 57.79 | 23.01% |

TSE TOP 5 LOSERS

| Symbol | Sector | Company Name | close (USD Cent) | %change |
|--------|---|----------------------|---------------------|---------|
| SKRN | Manufacture of cement·lime and plaster | Karoon Cement Shahed | 5.33 | -17.66% |
| OSHZ | Real estate activities | Development | 2.03 | -16.85% |
| ASAL | Manufacture of machinery and equipment | Absal | 20.03 | -16.59% |
| KDPS | Manufacture of food products and beverages except sugar | P. Animal Feed | 24.42 | -15.26% |
| SAKH | Real estate activities | Iran Const. Inv | 5.11 | -14.94% |



TSE TOP 5 VALUE LEADERS

| Symbol | Sector | Company Name | close (USD Cent) | Trade Value (USD Million) |
|--------|--|----------------|------------------------|------------------------------------|
| PLAK | manufacture of chemicals and chemical products | Iran Polyacryl | 6.63 | 17.0 |
| PZGZ | manufacture of chemicals and chemical products | Zagros Petro. | 55.12 | 13.4 |
| NURZ | manufacture of chemicals and chemical products | Barzouyeh Co. | 30.87 | 11.5 |
| BDYZ | Monetary intermediation & banks | Day Bank | 2.50 | 11.5 |
| KRMZ | Real estate activities | Kerman Invest | 26.18 | 11.1 |



3.Economic News

OPEC Calls for Quick Resolution to Tensions between US, Iran, Venezuela

OPEC has asked for a timely settlement to the tensions that have flared up between the United States and Iran and Venezuela, a report said.

Iran Begins Bartering Oil for Industrial Projects

A barter system that allows the companies, investors and contractors to carry out projects in Iran in exchange for oil will take effect in coming days, an energy official announced.

World Hunger Not Going Down, Obesity Still Growing: UN Report

An estimated 820 million people did not have enough to eat in 2018, up from 811 million in the previous year, which is the third year of increase in a row, according to a new report.

France's Macron to Speak to Rouhani, Putin, Trump to Ease Tensions

French President Emmanuel Macron said he would speak to Iranian President Hassan Rouhani, Russian President Vladimir Putin and US President Donald Trump this week as part of a French initiative to reduce tensions between Tehran and Washington.

Minister Vows Uninterrupted Sale of Iran's Oil

Iran's Oil Minister Bijan Namdar Zanganeh assured the country's lawmakers on Tuesday that the export of oil will not come to a halt under any circumstances.

South Ossetia Willing to Boost Cooperation with Iran

South Ossetia's Minister of Foreign Affairs Dmitry Medoyev voiced the autonomous region's willingness to boost relations with Iran in all spheres.