



Weekly Market Report

Week ended 24th October, 2018

Saturday thru Wednesday inclusive

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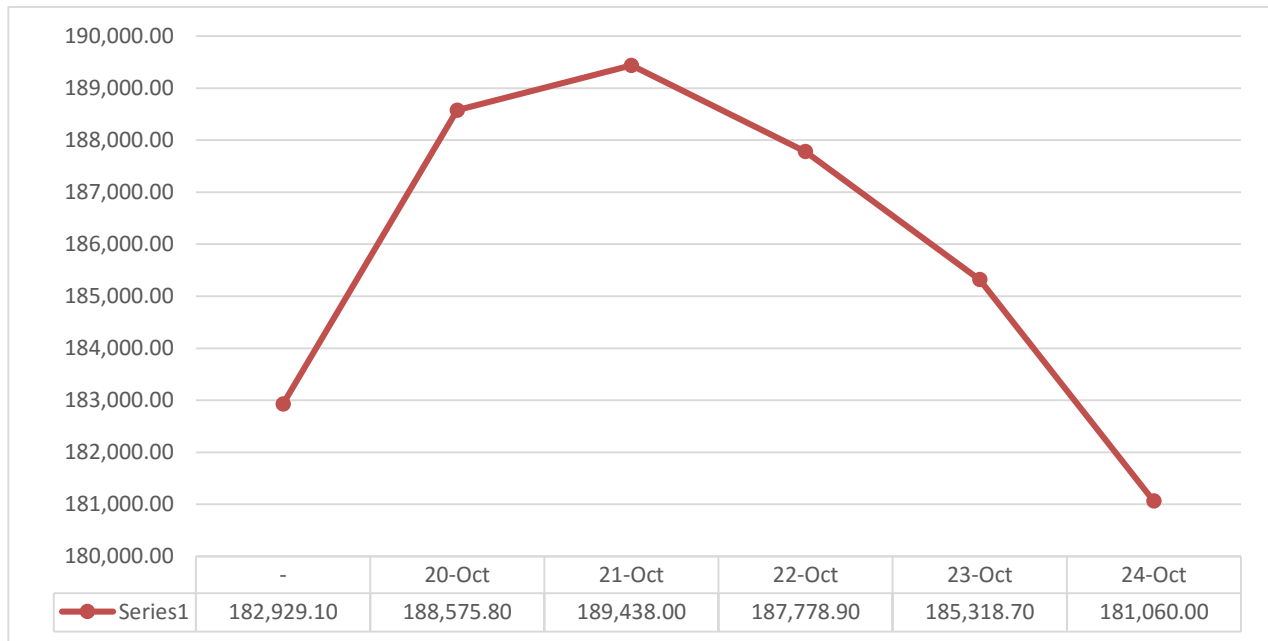
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1. Market Report-The Indices



Title	October 17, 2018	October 24, 2018	Unit change	Change %
All-Share Index	182,929.09	181,060.04	-1,869.05	-1.02%
Fara Bourse Index	2,020.4	2,065.2	44.71	2.21%
Index Of 30 Largest Co.	9,168.5	9,058.3	-37.33	-0.46%
Index Of 50 Most Active Co.	8,060.4	8,023.1	-110.20	-1.20%
P/E	9.82	8.36	-1.46	-14.87%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	65,827,625	74,312,977	8,485,351	12.89%



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

Market Information Week ended 24th October 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	181,060	(1,869)	(1%)	182,929	96,290	84,770	88.0
Stocks Trading Value	\$ 581 m	\$ 45 m	8%	\$ 536 m	–	–	–
Debt Securities Trading Value	\$ 90 m	\$ 6 m	7%	\$ 84 m	–	–	–
Market Return in IRR to date	88%	8%	–	80%	–	–	–
Exchange Rate US\$/IRR	135,613	(3,599)	(2.6)	139,212	–	–	–
Exchange Rate EURO/IRR	156,471	(5,394)	(3.3)	161,865	–	–	–
US Dollar index	96.58	0.5	0.6	96.03	89.5	7.08	7.91
Gold Value per ounce	1,238	9	0.7	1,229	1,268	(30)	(2.37)

Note 1. The interest rates achieved by TBs(discounted rate), Fixed Income Fund and ETF were 25%, 22% and 21% respectively.

Note 2. Of the total trading value shown above Tosea Mining & Base Metals Holdings had the single largest trading value worth US\$24 million.

- **Market Activities**

This week coincided with the end of the half yearly reports of most companies and hence there was some nervousness in the market before any decisions could be made. As a result and also in the light of forthcoming risks arising from US sanctions on 4th November and the fall of oil prices on the international market led to a negative sentiment hanging over the market with a high volume of sales particularly in the Auto and Banking sectors.

In the meantime the average daily volume of transactions fell against last week reaching US\$64 million.

At the beginning of the week there was a positive mood in the banking sector but following the publication of the interim accounts of Melat Bank showing a net profit of IRR80 per share great pressure brought about on the banking shares. This was despite the fact that Melat Bank's net profit this year showed a 119% rise against last year. The expected gain on the foreign exchange never materialized.



Moreover in the Refinery sector the changes in the calculation of the exchange rates for the cost of the feed for refineries at Market Rate led to a negative sentiment in the sector and we were witnessing large pressure on their share prices. However in the Motor Oil sector their half yearly results were significantly higher than last year leading to higher share prices virtually across the sector.

In the Petrochemical sector their results were positive reflecting a superior position against other sectors. Amongst the companies in this sector Pars, Zagros, Khorasan and Shefan were the best performers. It is expected the IPO of Noor Petrochemical CO will be introduced next week. The share prices in the Base Metals sector were somehow subdued.

The steel sector did well this week in particular Arfa, Hormuz did better reaching the daily ceiling of 5%. However the Auto sector did not do well resulting in a large pressure on their share prices.

- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	2,000	6,155	2,621	1,986
Iran	1,724	4,464	2,198	1,755

The current stockpiles of coal in India have reached 30 million tons which has led to a shortage of coal. Of 123 power companies using coal 68 have less than 3 working days of coal.

The coal imports of India during the third quarter of this year have risen by 35% reaching 42.7 million tons and this has pushed the prices of coal higher on the international market.

Iran's exports of iron ore this week has risen by 12.8% for a purity of 54% and 3.9% for the Concentrate with a purity of 65%.

An increase in China's demand for steel during this winter against forecast has led to higher prices of iron ore.

According to Hydro of Norway the demand for Aluminum for the third quarter of this year was: 64% of the anticipated production for the 4th quarter has already been presold.

Currently the production of Alunorte of Brazil along with Albras being an aluminum producing company are working at their 50% capacity which means the price of Aluminum will continue to remain high.



The Aluminum market for the first 3 months of the second half of the year is expected to continue with a shortage of production. The growth in production outside China is expected to reach a maximum of 27.8 million tons against a demand of 30 million tons.

The international society of WorldSteel with 66 members across the world has published its report for September, 2018 showing the following results:

A jump of 7.5% in China's production in September and for the 9 months in 2018 shows 6.1% growth which has led to higher international prices of coal and iron ore.

The total world steel production in September 2018 shows 4.5% growth compared with 4.7% for the 9 months to September this year.

In Iran the growth in production in September was 4.3% and for the 9 months of this year was 20%. Turkey being a competitor of Iran showed a decline in steel production of 5.9% in September and remained unchanged for the 9 months to September this year.

- **Oil & Energy**

Oil & Energy		
	Brent Oil U\$S	Texas Oil U\$S
Price	76	66

Iran oil production was 1.9 million barrels a day against 2.7 million in July showing a reduction of 800,000 barrels representing 29.6%.

Oil prices fell on Friday and were heading for a third weekly loss, pulled down as Saudi Arabia's OPEC governor said the market may become oversupplied soon and after a slump in global equities clouded the outlook for demand.

"Bearish sentiment could force a re-test of support in the low \$70.0 per barrel range," Fitch Solutions said in a note on Friday.

Saudi Arabia's OPEC governor said on Thursday that the oil market could face oversupply in the current quarter.

"The market in the fourth quarter could be shifting towards an oversupply situation as evidenced by rising inventories over the past few weeks," Adeb Al-Aama told Reuters.



Saudi Arabia Energy Minister Khalid Al-Falih said there could be a need for intervention to reduce oil stockpiles after increases in recent months.

U.S. crude oil stockpiles rose last week for the fifth consecutive week, while gasoline and distillate inventories fell, the Energy Information Administration said this week.

Falls in stock markets have roiled oil prices this week as Wall Street had its biggest daily decline since 2011.

"The near \$10 per barrel drop in Brent crude seen over October is a spillover from the global sell-off in equities and broader risk-off sentiment in the market," said Fitch Solutions.

Financial markets have been hit hard by a range of worries, including the U.S.-China trade war, a rout in emerging market currencies, rising borrowing costs and bond yields, and economic concerns in Italy. There are also signs of a slowdown in global trade, with container and bulk freight rates dropping away after rising for most of 2018.

Despite this, Fitch Solutions said "fundamentals in oil ... remain broadly bullish", largely because of the U.S. sanctions against Iran's oil exports, which start on Nov. 4.

Washington is putting pressure on governments around the world to stop importing oil from Iran. Most, including its biggest customer China, are falling in line, and Iran has turned to storing its unsold oil on its tanker fleet in the hope that it can sell the crude off quickly once the sanctions are lifted again.

- **Housing**

The average price of a unit of accommodation in Tehran during this month against last month has risen by 6.3% and against the corresponding period last year has risen by 83%.

- **Macro Economy**

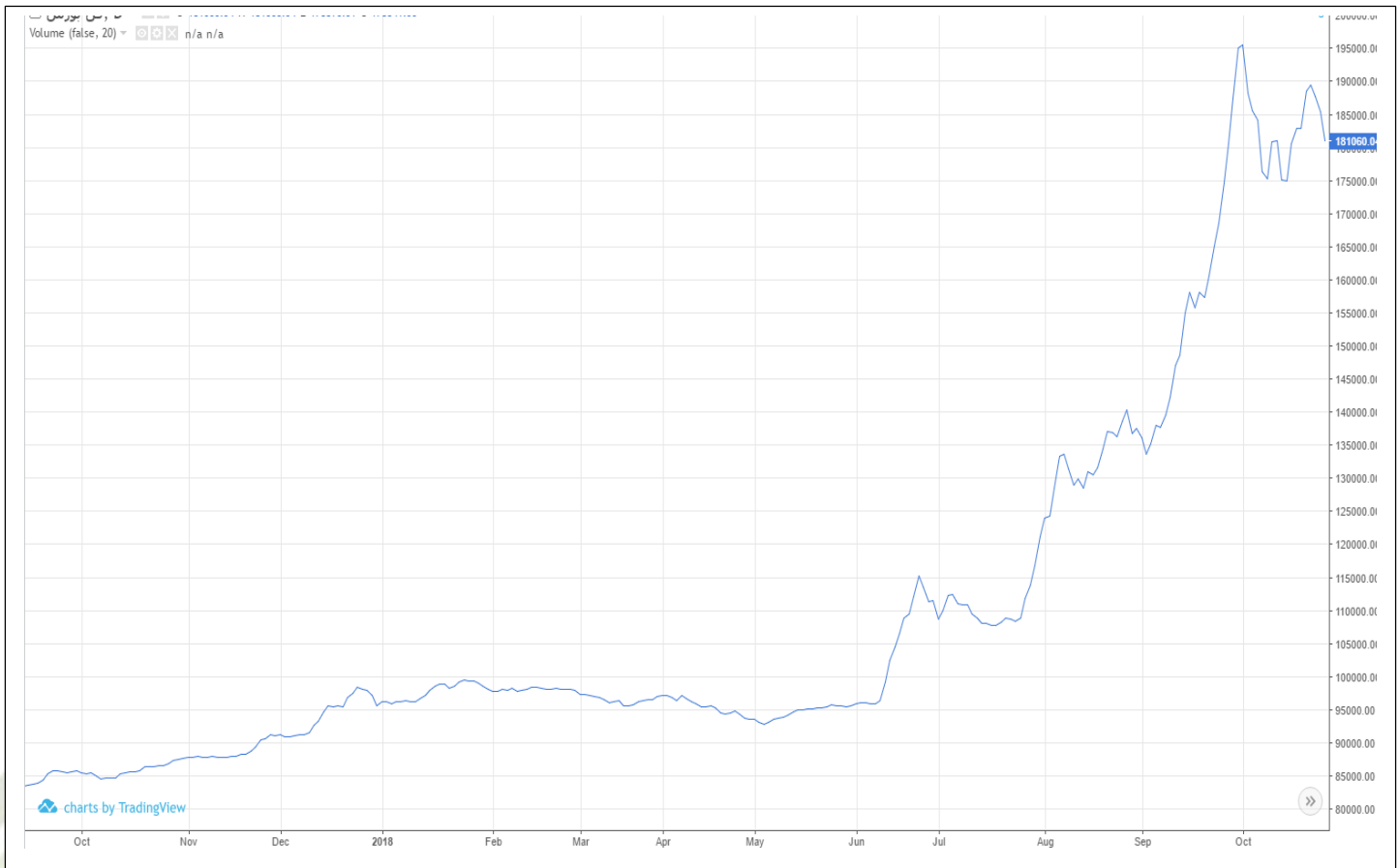
According to the Statistic Office latest report the rate of point to point inflation this month has risen by 7.1% this month reflecting an increase from 25.7% to 32.8% during this month.

In the food and drinks sector the rate of inflation has risen by 47.5% this month against last month.



- **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	19/10/2018	26/10/2018	Change%
Opec	Barrel/Dollar	78.25	75.04	-4.1%
Petrol	Gallon/Dollar	1.9160	1.8180	-5.1%
Natural Gas	One Million-BTU	3.2290	3.2010	-0.9%

Currency (IRR)				
Currency		19/10/2018	26/10/2018	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	139,212	135,613	-3%
Euro		161,865	156,471	-3%

Precious Metal				
Metal	Unit	19/10/2018	26/10/2018	Change%
Gold	Dollar/ Ounce	1,226.32	1,233.60	0.59%
Silver	Dollar/ Ounce	14.6500	14.7100	0.41%

Basic Metal				
Product	Unit	19/10/2018	26/10/2018	Change%
Aluminum	Dollar/ Tonne	2,008.50	1,992.25	-0.8%
Lead	Dollar/ Tonne	1,996.25	1,995.75	0.0%
Zinc	Dollar/ Tonne	2,626.75	2,659.50	1.2%
Copper	Dollar/ Tonne	6,221.75	6,181.50	-0.6%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
SEPA	Manufacture of basic metals	Sepahan Group	3.83	25.58%
FOHZ	Manufacture of basic metals	Hormozgan Co.	3.87	24.84%
PKHA	manufacture of chemicals and chemical products	Khark Petr. Siman Fars	37.07	20.18%
SFNO	Manufacture of cement+lime and plaster	Noe	4.48	19.52%
DDPK	manufacture of chemicals and chemical products	Daroupakhsh	3.19	17.27%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
IBKZ	Monetary intermediation & banks	Investment Bank	0.58	-35.56%
NSTH	Real estate activities	Tehran Const.	3.75	-34.36%
SPDZ	Manufacture of motor vehicles+trailers and semi-trailers	Saipa Diesel	0.87	-26.97%
MSKN	Real estate activities	Housing Inv.	0.70	-26.14%
SBEH	Manufacture of food products and beverages except sugar	Behshahr Ind.	1.99	-21.81%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
BMLT	Monetary intermediation & banks	Mellat Bank	1.85	21.0
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	7.38	20.9
PARS	manufacture of chemicals and chemical products	PARS Petrochemical	32.54	14.8
PTAP	manufacture of chemicals and chemical products	Tamin Petro.	1.91	13.5
PNBA	Manufacture of coke·refind petroleum products and nuclear fuel	B.A Oil Refinie	10.69	13.2



3.Economic News

US Imposes New Sanctions on Iranian Banks, Firms

The United States imposed fresh sanctions on a number of Iranian banks and financial institutions as well as companies two weeks before the Trump administration reimposes a new round of sanctions against Tehran.

Iran-Turkmenistan Gas Dispute in Arbitration: Official

An Iranian deputy minister said the dispute between Iran and Turkmenistan over natural gas trade has gone to arbitration, noting that both sides have filed lawsuits against each other.

Iranian Oil Armada Heads to China ahead of US Sanctions

An unprecedented volume of Iranian crude oil is set to arrive at China's northeast Dalian port this month and in early November before US sanctions on Iran take effect, according to an Iranian shipping source and data on Refinitiv Eikon.

Iran's Power Generation Capacity Nears 80,000 MW

Iran's nominal capacity to produce electricity has reached nearly 80,000 megawatts (MW) following the connection of a number of power plants to the country's national grid over the past weeks.

Europeans Want Iran Bank Connected to World: French Senator

European nations are seeking to ensure at least one Iranian bank stays connected to the world after the US imposed new sanctions against the country, a French senator said in Tehran.

Sri Lanka Seeks Indian Advice on Oil Imports from Iran

Sri Lanka, which is dependent on Iranian light crude, has sought advice from India on its strategy on purchasing oil from the country in the light of tightening US sanctions.

Iran's Oil Exports Unstoppable: Minister

Iranian Oil Minister Bijan Namdar Zanganeh shrugged off US plans to drive the country's crude exports down to zero, saying the Islamic Republic's oil exports cannot be stopped.

FM Zarif Briefs Lawmakers on Iran's Accession to FATF

Iranian Foreign Minister Mohammad Javad Zarif briefed parliamentarians on the process of Iran's accession to Combating the Financing of Terrorism (CFT) standards that are set by the Financial Action Task Force (FATF).



Iran Offers Ideas to India, Afghanistan for Developing Regional Transit: Official

Iranian Deputy Minister of Roads and Urban Development Mohammad Rastad said the country has put forward 10 suggestions to India and Afghanistan in a bid to develop regional transit.

Russia Welcomes Foreign Banks to Join Its Money Transfer Alternative to SWIFT

Foreign banks will soon be able to become part of Russia's money transfer network which serves as an alternative to the traditional SWIFT (Society for Worldwide Interbank Financial Telecommunication) system, a Russian official said.

Zero Iranian Oil Exports Out of Question: Minister

Iranian Oil Minister Bijan Namdar Zanganeh said since Saudi Arabia has acknowledged that it cannot replace the reduced share of the Islamic Republic in global oil markets, the US plot to cut Iran's crude exports to zero is not going to happen.

Iran's Electricity Exports Not to Be Affected by Sanctions: Minister

Iranian Energy Minister Reza Ardekanian said Washington's upcoming sanctions against Tehran have nothing to do with the Islamic Republic's electricity supply to neighboring countries.