



## Weekly Market Report

Week ended 25<sup>th</sup> April, 2018

Saturday thru Wednesday inclusive

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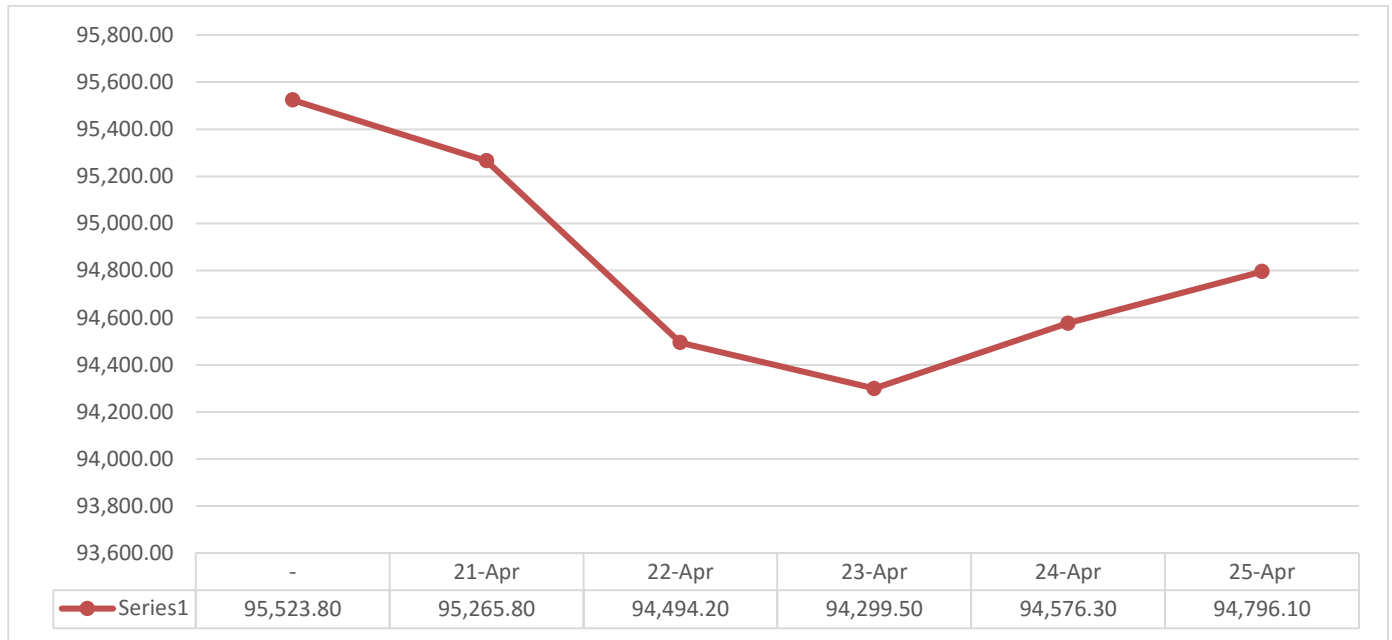
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## 1. Market Report-The Indices

- All Share Index



- Market indices

Title	April 18, 2018	April 25, 2018	Unit change	Change %
All-Share Index	95,523.89	94,796.14	-727.75	-0.76%
Fara Bourse Index	1,063.8	1,060.7	-3.10	-0.29%
Index Of 30 Largest Co.	4,271.5	4,220.9	-50.59	-1.18%
Index Of 50 Most Active Co.	4,029.8	3,991.7	-38.05	-0.94%
P/E	7.01	6.96	-0.05	-0.71%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	20,709,570	37,573,692	16,864,122	81.43%



- **Market Analysis**

- **The Market**

The fear of US withdrawal from the Iran Nuclear Deal, the ambiguity surrounding the unification of the currency and the imposition of stricter rules on gold coin futures introduced by the CBI resulted in a decline of 727 points (0.76%) in all-share index closing at 94,796. This reflects a negative return of -1.6% so far this year.

- **Trading Value**

The total trading value this week reached US\$307.509 million showing an increase of 26% against last week. Iran Aluminum Co with a trading value of US\$37 million formed the largest value of this week.

- **Market Activities**

During this week there was a general improvement in the share prices of a great number of sectors including construction, refineries, IT, food, Base Metals and leasing as the prospect of US withdrawal from the Iran Nuclear Deal was slightly lower than last week although the ultimate result of the all-share index turned negative by the end of the week.

The purchase of a block shares of 17.34% of Alborz Insurance Co was not approved by the Central Insurance Authorities. On the other hand the sale of block shares of 18.84% of Asia Insurance Co at a price of IRR1,920 per share was finally settled during this week.

The IPO of Pars Petrochemical Co being one of the largest petrochemical companies was approved this week and ready to be offered to the public soon. Last year the net profit of the company reached IRR4,500 per share but this year the net profit per share is expected to reach IRR3,500 although the value of IRR against US Dollar has risen to IRR42,000.

During this week there was a high demand for the shares of refineries and at some stage some of the share prices nearly touched the high daily ceiling of 5% in particular Tabriz Refinery Co.

- **Debt Market**

The total value of the debt market reached US\$105.218 million showing a reduction of 25% against last week.

The interest rates achieved by T Bills , Fixed Income Funds and ETF Funds were 22% ( discounted rate) 19% and 21% respectively.

During this week two new bonds relating to Iran Telecommunications Co and Saipa ( an Auto Manufacturing Co) were issued valued at US\$150 million and US\$70 million at a nominal rate of 16% p.a. respectively. However the actual interest rate in both cases is expected to rise to 20%p.a.



- **Mining & Base Metals**

The prices per ton of the following Metals were:

	US\$.	US\$
	World.	Iran
Lead.	2,337.	2,642
Copper.	6,939.	6,813
Zinc.	3,129.	4,119
Aluminum.	2,274.	2,446

In the commodity market we witnessed a rise in the price of Aluminum to US\$2,400 level following the imposition of US sanctions against Rusal Co being a Russian company.

US companies who had dealings with Rusal Co have been given until 23rd October to terminate their dealings with Rusal Co. This has resulted in the lowering of Aluminum world price to less than US\$2,240 per ton.

The futures prices of Rebar and Hot Roll Steel at Shanghai market are expected to rise by 2% and 2.3% respectively in October this year.

Investors are currently calculating possible restrictions on steel prices this year arising from a price rise of iron ore of 2.48% and of coal of 3.28% during this winter.

It has been announced at the CRU Aluminum conference in London that the construction of an Aluminum plant in the south of Iran with a total capacity of 300,000 tons will be ready this year. This plant will increase the production of Iran's Aluminum by 70% resulting in Iran self-sufficiency.

It is anticipated the Aluminum's production will rise by one million tons a year by 2025.

It was also announced that Iran's steel production in 2013 reached 20 million tons of which one million tons were exported. However last year this was increased to 9 million tons of exports and by 2025 the current total production of 31 million tons will reach 55 million tons.

- **Oil & Energy**

The Brent oil is currently US\$74.57 per barrel and Texas oil US\$68.06 per barrel.

On Tuesday Brent oil price reached its highest price of US\$75.20 per barrel since 27th November, 2014. This was principally due to a possible US withdrawal from the Iran Nuclear Deal. This subsequently went negative following a report by API of a rise of 1.1 million in US oil production for the week ended 20th April, 2018. However the lowering of oil production of 100,000 barrels a day in Venezuela has exacerbated the rise in oil prices across the world.



- **FX & Gold**

The US Dollar index this week rose by 1.9% against last week closing at 91.68.

During this week the yield on a ten year US T Bill broke through a psychological barrier of 3% p.a. leaving investors in doubts as to the impact on the world economy in the future. This has resulted in a rise in the US Dollar index this week which combined with a rise in oil prices may lead to a higher inflation. This is indicative of a higher interest rates by the US Federal Reserves in the future.

The gold price on the other hand was down and reached US\$1,317 per ounce.

- **Housing**

The rise in house prices during Autumn and the early part of winter have gone negative during this first month of this year. This is believed to relate to the attraction of investing in foreign currencies and gold following the devaluation of IRR against major currencies.

The interest rates for the first time buyers have been reduced from 8%p.a. to 6%p.a. for under developed areas and for other areas from 9.5% p.a. to 8%.p.a.

- **Macro Economy**

According to CBI's latest report the rate of inflation for the first month of the year has reached 9.2%. The CPI for this month reached 115.6 showing a 0.8% rise against last month. World Bank has estimated Iran will achieve the highest growth in the region of 4.1% this year.

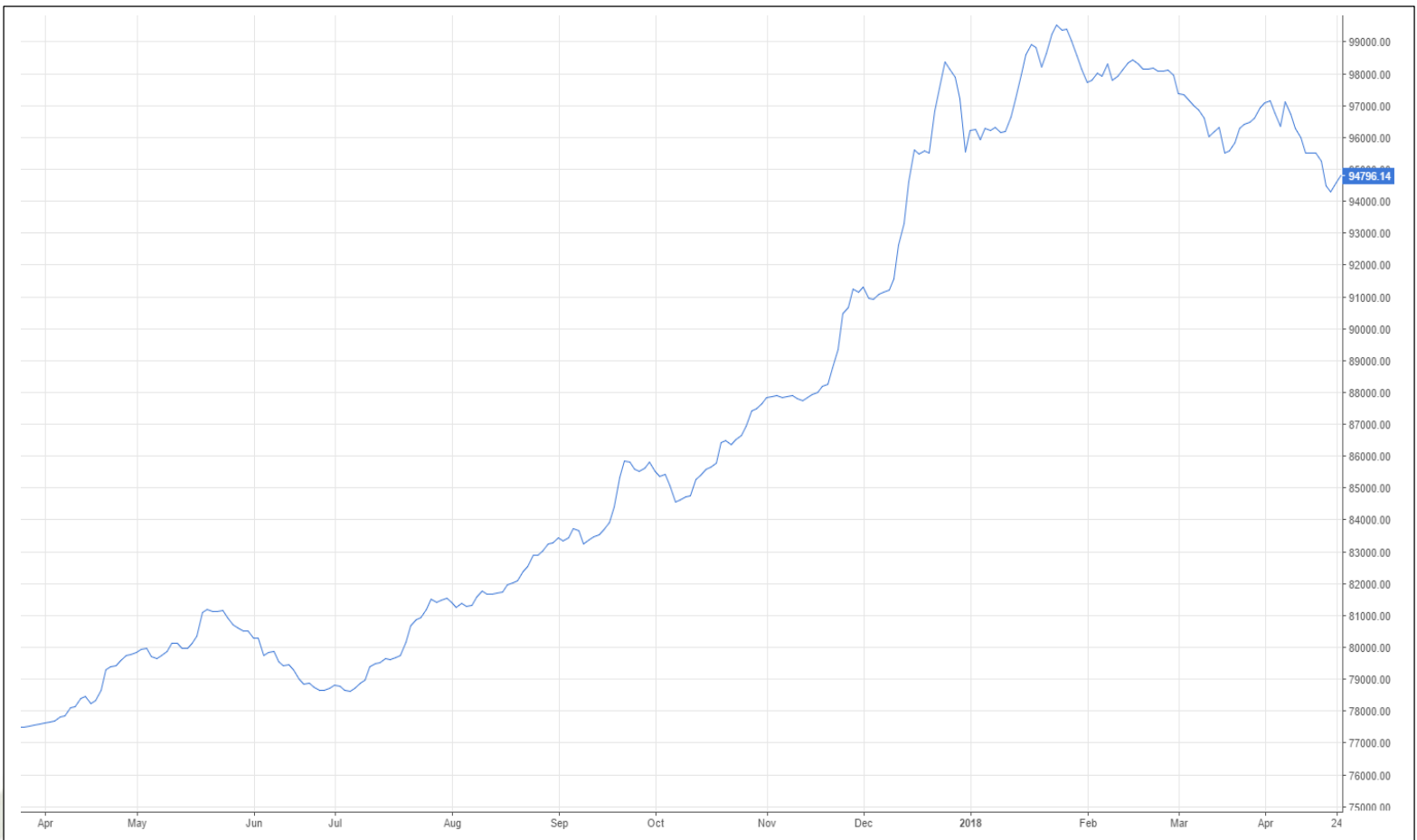
US\$9 billion of the Government debt to the Social Security will be set off this year. The total Government debt to the Social Security currently stands at US\$15 billion.

According to Iran Customs the trade balance of the country for the first month of the year was positive at US\$6.4 million whilst the total value of non-oil exports rose by 15%.



- **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	20/04/2018	27/04/2018	Change%
Opec	Barrel/Dollar	70.960	71.000	0.1%
Petrol	Gallon/Dollar	2.0855	2.1195	1.6%
Natural Gas	One Million-BTU	2.7440	2.7720	1.0%

Currency (IRR)				
Currency		20/04/2018	27/04/2018	Change%
Dollar	Official Rate	42,000	42,000	0.00%
	Free Market Rate	42,000	42,000	0.0%
Euro		68,600	68,210	-0.6%
Pound		78,270	78,150	-0.2%

Precious Metal				
Metal	Unit	20/04/2018	27/04/2018	Change%
Gold	Dollar/ Ounce	1,335.58	1,324.31	-0.84%
Silver	Dollar/ Ounce	17.1150	16.4750	-3.74%

Basic Metal				
Product	Unit	20/04/2018	27/04/2018	Change%
Aluminum	Dollar/ Tonne	42,000	2,228.25	-9.9%
Lead	Dollar/ Tonne	42,000	2,347.00	0.5%
Zinc	Dollar/ Tonne	68,600	3,132.50	-3.4%
Copper	Dollar/ Tonne	78,270	6,813.25	-2.4%



## 2.Detailed Market information

### TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
MNGZ	Mining of metal ores	Iran Mn. Mines	21.11	25.58%
ABAD	Real estate activities	Abadgaran	5.12	22.45%
LMIR	Manufacture of basic metals	Iran M. & P. M.	12.22	20.39%
MRJZ	Manufacture of other non-metallic mineral product	Marjan Kar	28.34	19.15%
GSKE	Manufacture of machinery and equipment	A. I. S. D.	8.04	18.41%

### TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
MAVA	manufacture of chemicals and chemical products	Fiber Prod.	2.73	-25.95%
SLVZ	Real estate activities	Alvand Housing Inv	4.57	-10.73%
DBRZ	Investment	Tadbigaran Inv	3.02	-9.99%
KHSH	Manufacture of motor vehicles·trailers and semi-trailers	E. Kh. Shargh	10.07	-9.46%
MESI	Manufacture of motor vehicles·trailers and semi-trailers	Iran Kh. A. M.	5.71	-8.81%





## TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.80	4.7
PZGZ	manufacture of chemicals and chemical products	Zagros Petro.	77.93	3.6
PNTB	Manufacture of coke·refind petroleum products and nuclear fuel	Tabriz.Oil.Refine	18.21	3.5
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	10.73	3.3
BTEJ	Monetary intermediation & banks	Tejarat Bank	1.51	3.2



### **3.Economic News**

#### **Iran Replaces US Dollar with Euro for Official Reporting Currency**

The Iranian cabinet on Wednesday approved a plan to replace the US dollar with euro in reporting foreign currency amounts.

#### **All Capacities to Be Tapped to Foil Trump Attempts to Hit Iran Economy: Zanganeh**

Iranian Oil Minister Bijan Namdar Zanganeh made assurances that the country would use all its capacities to thwart US President Donald Trump's attempts to deal a blow to the Islamic Republic's economy through re-imposing sanctions against Tehran.

#### **Iran Resolved to Establish Sustainable Security along Makran Coasts: Minister**

Iranian Defense Minister Brigadier General Amir Hatami said his ministry is resolved to establish "sustainable security" in Makran, a stretch of coast southeast of Iran emerging as a major naval base and a hub of maritime trade.