



Weekly Market Report

Week ended 26th December, 2018

Saturday thru Wednesday inclusive

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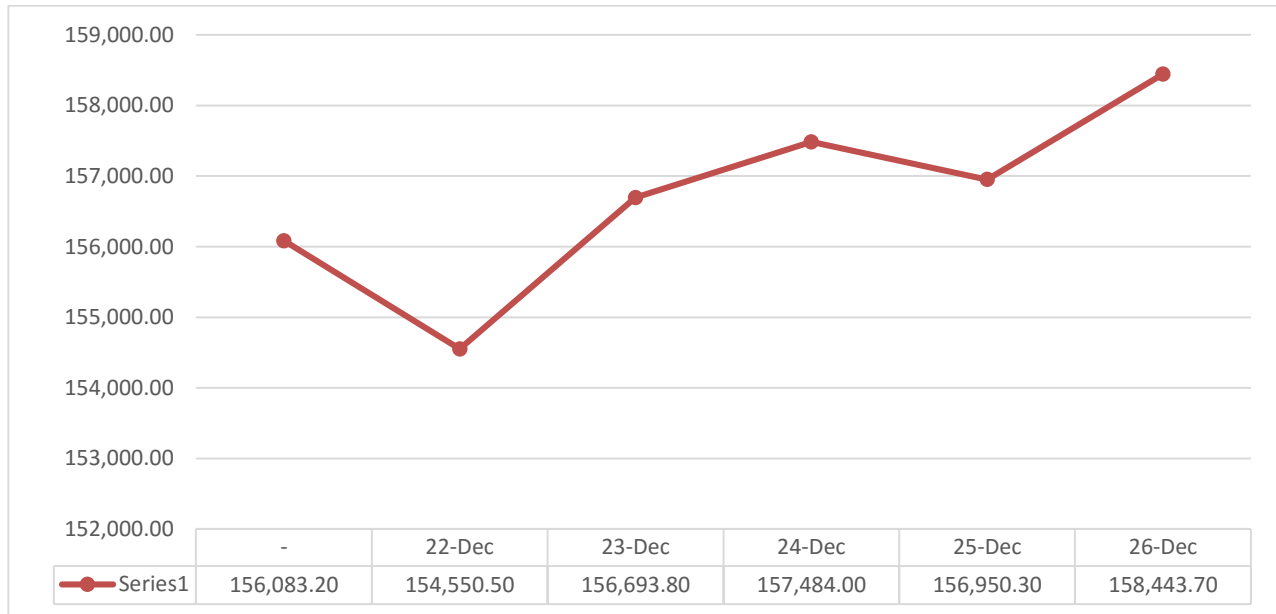
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1. Market Report-The Indices



Title	December 19, 2018	December 26, 2018	Unit change	Change %
All-Share Index	156,083.15	158,443.72	2,360.57	1.51%
Fara Bourse Index	1,791.0	1,836.8	45.84	2.56%
Index Of 30 Largest Co.	7,595.8	7,756.2	85.79	1.27%
Index Of 50 Most Active Co.	6,737.4	6,823.2	160.35	2.11%
P/E	6.66	6.96	0.30	4.50%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	48,842,289	59,567,458	10,725,169	21.96%



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

Market Information Week ended 26th December 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	158,444	2,361	1.5%	156,083	96,290	62,154	64.5
Stocks Trading Value	\$ 452 m	\$ 1 m	0.3%	\$ 451 m	-	-	-
Debt Securities Trading Value	\$ 112 m	(34)	(23.2%)	\$ 146 m	-	-	-
Market Return in IRR to date	70%	(19%)	-	89%	-	-	-
Exchange Rate US\$/IRR	114,320	11,745	11.5%	102,575	-	-	-
Exchange Rate EURO/IRR	131,890	14,816	12.7%	117,074	-	-	-
US Dollar index	96.34	0.3	0.3%	9.04	89.5	6.84	7.64
Gold Value per ounce	1,283	20	1.6%	1,263	1,268	15	1.18

Note 1: The interest rates achieved in the debt market by TBs, Fixed Income Funds and ETF during this week were 21%, 20% and 21% respectively.

Note 2: The largest trading value of the week belonged to Tejarat Bank worth US\$27 million.

- **Market Activities**

Despite negative sentiment on the international market due to the lowering of the oil prices the Iranian market on the first two days of trading was in a positive mood gaining nearly 2,000 points with all-share index reaching 158,000. This was partly due to a rise in the value of US Dollar and partly due to some local support by larger caps and other institutions to the tune of US\$35 million. These funds apparently supported the share prices in the popular sectors such as Base Metals, Steel, Banking, Petrochemical and Refineries. In the meantime on Monday the international price of oil rose by nearly 2% reaching US\$54.58 per barrel and the prices of Zinc reached US\$2,505 per ton and that of Copper reached US\$5,985 per ton.

However on Tuesday the oil prices fell sharply reversing all the gains in the above sectors. In the midst of these rapid changes the banking sector turned positive due to a large foreign exchange gains by Bank Melat and the increase of Bank Tejarat's share capital.

On Wednesday being the last day of trading the market turned positive once again due to anticipated foreign exchange gains by banks, a rise in the value of US\$ and the good results of companies for the last 9 months. This pushed the all-share index up reaching 158,000 level once again.



- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	2,050	6,031	2,500	1,856
Iran	1,574	4,670	2,210	1,800

Iran customs issued its directive concerning the exports of sponge steel allowing the export of this item for the first time.

At the International Aluminium conference held in the city of Nanning of China it was decided to reduce the production of steel by 800,000 tons in 2019 in order to support the market in the new year.

According to China the stockpiles of Aluminium at Shanghai stores in December 2016 of 100.2 thousand tons rose by 6 times to 681 thousand tons causing massive drop in Aluminum prices on the international markets.

Several of China's top smelters agreed to reduce another 800,000 tonnes of aluminium capacity in the coming days! Chalco, Hongqiao, Hangzhou Jinjiang Group, Xinfu Group, East Hope and State Power Investment were reported to attend the conference, which aimed to lift confidence in the aluminium industry and in turn added pressure to low prices and negative margins.

According to CISA (Chinese International Steel Association) during the first ten days of December this year China produced 1.92 million tons of steel a day showing only 0.5% increase whilst the level of steel stockpiles remained constant at 12.23 million tons. In November this year due to a high demand the growth in China's steel production reached 10.8% whilst the level of its stockpiles remained unchanged.

- **Oil & Energy**

Oil & Energy		
	Brent Oil U\$S	Texas Oil U\$S
Price	53	45

Oil prices jumped as much as 3 percent on Friday to win back a chunk of the ground they lost in the previous session, but growth in U.S. crude stockpiles and ongoing concerns about the global economy kept markets under pressure.



Oil prices fell to their lowest in more than a year on Thursday, a day after their biggest one-day rally in two years, pulled down by worries about the global economy and a supply glut.

"For the time being, the stock market and the oil market will echo each other," said Ahn Yea-Ha, commodity analyst at Kiwoom Securities in Seoul.

"Global economic slowdown worries have been weighing on stock market movements, and oil prices are not free from those concerns."

Asian stocks edged up on Friday after U.S. shares extended gains for a second straight day.

Stephen Innes, head of trading for Asia-Pacific at futures brokerage Oanda in Singapore, said crude prices had been pressured by slowing economic growth "coupled with the expectation of strong U.S. production in the new year".

U.S. crude inventories for the week to Dec. 21 rose by 6.9 million barrels to 448.2 million barrels on increased refinery output, according to data released on Thursday by industry group the American Petroleum Institute. The U.S. Energy Information Agency (EIA) releases its official report on Friday.

"If the EIA's data shows a rise in U.S. crude inventories, that would cap price gains," Ahn said.

The United States has emerged as the world's biggest crude producer, pumping 11.6 million barrels per day (bpd), more than both Saudi Arabia and Russia.

Meanwhile, Russian Energy Minister Alexander Novak said on Thursday that rising protectionism and the unpredictability of the U.S. administration had greatly contributed to global oil price volatility over the past two years.

Novak also said Russia would cut its crude output by between 3 and 5 million tones in the first half of 2019 as part of a deal between producers.

Earlier this month, the Organization of the Petroleum Exporting Countries (OPEC) and its allies including Russia, agreed to curb output by 1.2 million bpd starting in January in a bid to clear a supply overhang and prop up prices.

- **Housing**

According to the Central Bank the average price of a square meter of housing in Tehran during this month reached IRR95.5 million(US\$835) showing 91.8% rise against the corresponding month last year.

- **Macro Economy**

According to World Bank Iran's foreign debt at the end of 2018 was US\$9.3 billion whilst Iran's oil exports would reach 1.98 million barrels a day.



The rate of inflation for the last 12 months was 18% showing 2.4% increase against the corresponding period last year. In the meantime the rate of point to point inflation this month is 42.3% which has been unprecedented since the corresponding month in 2013.

- **The highlights of the next year's budget in IRR are:**

The budget in IRR shows a 40% increase against last year.

The total oil income is estimated at US\$13 billion plus US\$5.5 billion for project developments.

45% of the budget is allocated to wages.

18% of the budget is for the support of the country 's two major pension funds.

12% of the budget is to spend on insurance premiums for Government employees and rural areas.

The average price of oil is estimated to be at US\$54.98 per barrel.



- **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	21/12/2018	28/12/2018	Change%
Opec	Barrel/Dollar	53.92	53.92	0.0%
Petrol	Gallon/Dollar	1.3095	1.3200	0.8%
Natural Gas	One Million-BTU	3.692	3.304	-10.5%

Currency (IRR)				
Currency		21/12/2018	28/12/2018	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	102,575	114,320	11%
Euro		117,074	131,890	13%

Precious Metal				
Metal	Unit	21/12/2018	28/12/2018	Change%
Gold	Dollar/ Ounce	1,255.85	1,280.92	2.00%
Silver	Dollar/ Ounce	14.6900	15.4500	5.17%

Basic Metal				
Product	Unit	21/12/2018	28/12/2018	Change%
Aluminum	Dollar/ Tonne	1,908.25	1,846.25	-3.2%
Lead	Dollar/ Tonne	1,962.50	2,044.75	4.2%
Zinc	Dollar/ Tonne	2,497.75	2,442.25	-2.2%
Copper	Dollar/ Tonne	5,975.25	5,992.25	0.3%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
DMOR	Manufacture of food products and beverages except sugar	Dasht Morghab	9.15	15.38%
SSNR	Manufacture of cement·lime and plaster	Neiriz Cement Marvdasht	16.96	10.22%
GMRO	Manufacture of sugar	Sugar	4.71	10.08%
PSER	Manufacture of other non-metallic mineral product	Pars Ceram	6.92	9.77%
MOBZ	Information and communication	Mobin One Kish	27.81	9.65%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
GNJN	Manufacture of sugar	Naghsh Jahan S.	4.81	-15.38%
PLAK	manufacture of chemicals and chemical products	Iran Polyacryl Investment	0.79	-13.70%
IBKZ	Monetary intermediation & banks	Bank	0.71	-9.97%
PNLZ	Manufacture of coke·refind petroleum products and nuclear fuel	Lavan Oil Ref.	15.62	-9.74%
PZGZ	manufacture of chemicals and chemical products	Zagros Petro.	42.55	-9.69%



TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
GNJN	Manufacture of sugar	Naghsh Jahan S.	4.81	-15.38%
PLAK	manufacture of chemicals and chemical products	Iran Polyacryl Investment Bank	0.79	-13.70%
IBKZ	Monetary intermediation & banks	Bank	0.71	-9.97%
PNLZ	Manufacture of coke·refind petroleum products and nuclear fuel	Lavan Oil Ref.	15.62	-9.74%
PZGZ	manufacture of chemicals and chemical products	Zagros Petro.	42.55	-9.69%



3.Economic News

India to Pay Five Iranian Banks for Oil Purchases: Report

India will deposit payments for crude oil imported from Iran into escrow accounts of five of their banks held with state-run UCO Bank Ltd. after the two nations agreed on a payment mechanism to overcome US sanctions, according to people with knowledge of the matter.

Switzerland Close to Launching Iran Payments Channel

Switzerland is close to launching an initiative to let companies sell food, medicine and medical devices to Iran using a payments channel.

Iran's Power Generation Capacity Tops 80,000 MW

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

Iranian Cargo Ship Transferred to Astara after Reported in Distress

Iranian rescue teams managed to tow a cargo ship named "NARGOL" into a pier off the northwestern city of Astara after it was reported in distress in the Caspian Sea, the governor of Astara said on Friday.

Iran Executes Another Economic Saboteur in Tehran

Another man has been executed in the Iranian capital on charges of economic corruption on Saturday as part of the country's efforts to stem recent financial turmoil.

Germany to Bar Iran's Mahan Air: Report

Germany is to ban flights in and out of the country by Iran's Mahan Air, which is under US anti-Iran sanctions, a newspaper reported.

Iranian MPs to Examine Purchase of Russian, Ukrainian Planes

The Iranian parliament's Civil Commission plans to hold a special meeting on Tuesday to examine the purchase of some planes from Russia and Ukraine, the chairman of the commission said.

Oil Market Likely to Rebalance in Early 2019, OPEC Ministers Say

Oil ministers from leading OPEC nations said Sunday they expect prices will arrest their recent slide and rebalance early next year when a deal on new production cuts takes effect.



Iran to Inaugurate Qazvin-Rasht Railroad in February: Minister

Iran's Minister of Roads and Urban Development Mohammad Eslami said the Qazvin-Rasht railroad line in north of the country, a major segment of the North-South Corridor, is planned to come into service in late February 2019.

Iran Exports to China Nears \$20bln in 11 Months

The total value of Iranian exports to China from January to November this year reached about \$20 billion, data released by the East Asian country's customs showed.