



Weekly Market Report

Week ended 28th February, 2018

Saturday thru Wednesday inclusive

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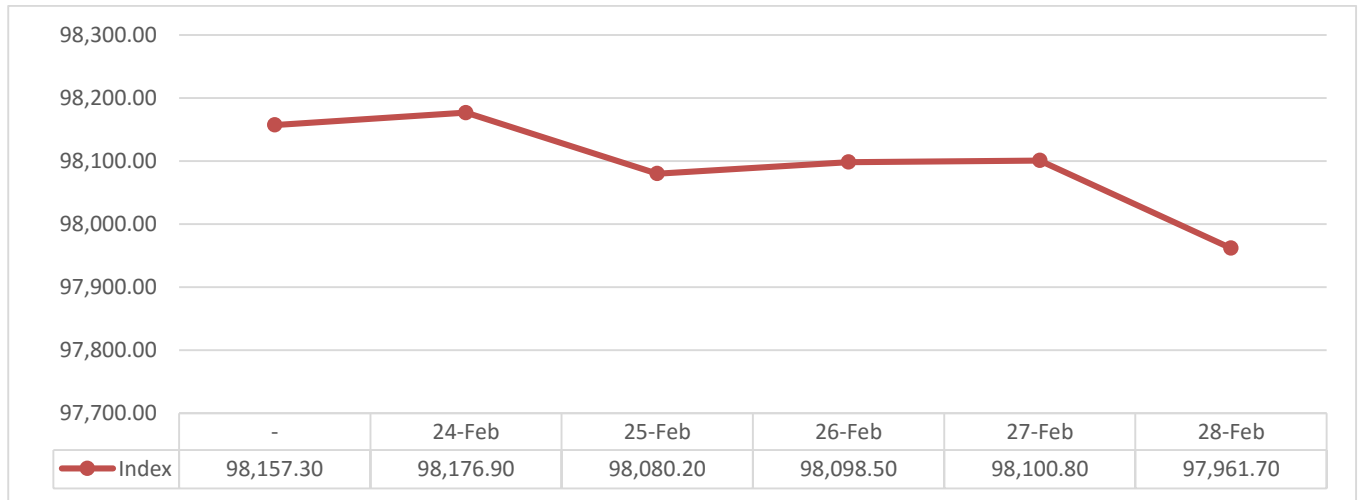
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1. Market Report-The Indices

- All Share Index



- Market indices

Title	February 21, 2018	February 28, 2018	Unit change	Change %
All-Share Index	98,157.30	97,961.75	-195.55	-0.20%
Fara Bourse Index	1,097.0	1,092.2	-4.80	-0.44%
Index Of 30 Largest Co.	4,346.0	4,351.4	5.41	0.12%
Index Of 50 Most Active Co.	4,084.2	4,074.0	-10.15	-0.25%
P/E	7.18	7.16	-0.02	-0.28%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	60,802,416	38,139,060	-22,663,356	-37.27%



- **Market Analysis**

- **The Market**

The all-share index continued its subdued mood this week and lost 195 points (0.02%) closing at 97,961. This has been going on for the last three weeks following the uncertainties surrounding the Iran nuclear deal relating to the rejection of a major part of its terms by President Trump and a significant devaluation of IRR against US Dollar and other major currencies leading to a rise in inflation and interest rates. Unless and until a coherent and all embracing measures are taken by CBI and other Government institutions it is expected the current mood to continue.

Since the beginning of the year the value of the market has risen by 27%.

This has been achieved in the light of a 26% rise in the value of US Dollar against IRR and 32% rise in the value of Euro against IRR during the said period.

- **Trading Value**

The total trading value declined by 0.03% against last week and reached US\$545.853 million. Trading activities in the shares of Mining Investment Holding CO was the largest amounting to US\$92.455 million.

- **Market Activities**

As mentioned above the market was subdued and mainly remained quiet during this week. At the beginning of the week most of the trading activities were concentrated in the shares of the Auto Spare Parts companies. Some of them even hit the daily ceiling of 5% with long queues. However this trend by mid week stabilised to negative but by the end of the week most of the shares rose again and remained in positive territory.

However, the share prices of KRIRI, MESI1 similar to SPDZ continued their rise during the week.

Moreover during this week a relatively low risk leasing group companies with the leadership of Iranian Leasing were also the centre of attraction by some investors and ending the week in positive territory.

It was announced that serious discussions have been held with the authorities of Istanbul stock market with a view to reaching agreement for a dual quotation on the respected markets. Moreover preliminary discussions with other regional markets are also on going.

During this week it was agreed to privatise 24 Government-owned companies worth US\$1.263 billion. It was also agreed that the Privatisation Dept to arrange the sale of 16.67% of the shares of Isfahan Smelting Co on behalf of Steel Company Employee Pension Fund. This will be offered to the public next week.



The unaudited accounts of Tabriz and Bandar Abbas Refineries for the 9 months ended 21st December, 2017 were published this week:

Tabriz

85% of the annual projected net profit of Tabriz (IRR887 per share) has already been achieved showing 184% rise against the corresponding period last year.

- **Bandar Abbas**

In the case of Bandar Abbas the results were even better as 90% of its projected annual profit has been achieved (IRR895 per share) showing 119% rise against the corresponding period last year.

These profits have been achieved due to a rise in their operating profits.

However upon the publication of these results the share prices of both companies were lower as the market was expecting even better results.

- **Debt Market**

The total value of the debt market rose by 35% against last week and reached US\$286.189 million. This was mainly due to the issuance of some highly rewarded Government bonds. There is no coupon to these bonds. The price is determined by the market based on the level of discounts the contractors receiving these bonds are prepared to accept.

The current interest rates achieved on Government bonds, Fixed Income Funds and ETF Funds were 21%, 20% and 20%.

- **Foreign Investments**

Ares Bank of Spain announced on Tuesday the readiness of this bank for issuing a credit line of short-term finance of Euro 100 million between Iran and Spain.

- **Base Metals & Mining**

This week the world prices of Base Metals per tonne of Lead, Copper, Zinc and Aluminium were US\$2,452, US\$6,922, US\$3,392 and Aluminium US\$2,137.

- **In Iran these prices in tonnes were:**

Copper US\$6,770, Zinc US\$3,452, Lead 2,294 and Aluminium US\$2,302.

The prices of Base Metals were under pressure following a rise in the value of US Dollar against major currencies. The rumour of the return of additional 800 million capacity was also dominating the market and it is expected more clear indication of the level of production capacity in February.

In the case of Zinc the stock reserves at LME showed a drop of 2% (2,750 tonnes) reaching 138,000 tonnes.

The price of Iron Ore following a reduction in the stock reserves of steel manufacturers and the continuous rise in the prices in China reached US\$79.4 per tonne.



In Iran the price of steel rose by 2.5% and reached US\$520 per tonne. For exports the price rose even higher by 3.4% and reached US\$535 per tonne. These included exports of 50,000 tonnes to UAE and 20,000 tonnes to Oman. For Oman the price was between US\$525 and US\$540 per tonne. Moreover contracts of sale have been signed with Egypt and the prices are between US\$510 and US\$515 per tonne fob.

It has been reported that Negin Mokran Steel Manufacturing Steel Co in Chah Bahr will be ready for production in the Iranian next year.

- **Oil & Energy**

The price of Brent oil after declining by US\$3 reached US\$63.8 per barrel and that of US oil reach US \$60.8 per barrel.

Oil prices pressured by demand concerns after weak Asian industrial data.

Weak Asian industrial data, a report of rising US crude stockpiles and soaring American oil production are weighing on the oil market.

Chinese factory growth slowed to the lowest level since July 2016 while Japan's industrial output took the biggest dive since 2011.

US stockpiles of crude oil and gasoline rose last week according to an industry report that previews Wednesday 's official government data.

The oil prices were lower in view of the US interest rates and the lowering of world indices. In the meantime the OPEC members' production reached its lowest level since 10 months ago in February. UAE has also entered into the oil market this week and therefore it is expected lower oil prices in the future.

The US is considering oil-related sanctions on OPEC member Venezuela to pressure its socialist President Nicolas Maduro The sanctions could target a military -run oil services company and restrict insurance coverage for Venezuelan oil shipments ahead of the country's election on April 22.

- **FX & Gold**

The US Dollar index rose by 1% this week and reached 90.5. However in Iran despite stringent measures taken by CBI the value of IRR dropped by 5.5% against US Dollar. During this week the value of US Dollar against IRR rose to IRR47,500 and against Euro rose to IRR55,000. However the price of gold following the speech by the Federal Reserves Chairman dropped to US1,302 per ounce.

The chairman indicated that the US rate of inflation is on an upward trend and was positive about the future of the US Economy.



In Iran the price of 18 karat gold was IRR1,479,750 per gm.

- **Housing**

According to the CBI's latest report the sales of apartments in Tehran rose by 17.7% and reached 18,400 units.

- **Macro Economy**

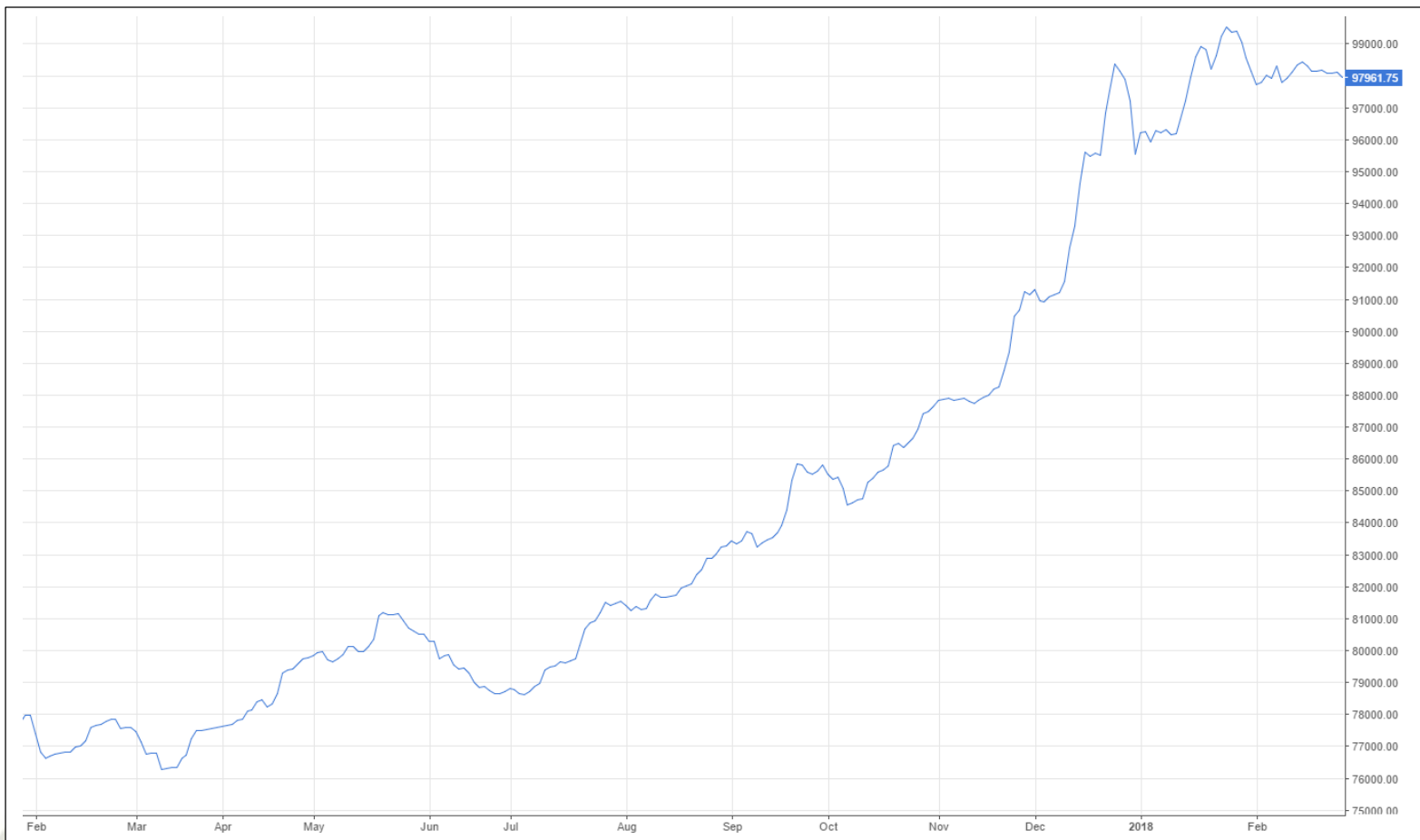
CBI announced that the interest rates will be adjusted depending on how the FX market reacts to the recent measures taken. The issuance of the certificate of deposits of 20% p.a. Has now been stopped by CBI while the monthly rate of inflation remains on a single digit of 9.9%. It was also confirmed that the rate of the inflation for the last 12 months is at 9.9%.

It was indicated that at the beginning of next week following the termination of the issuance of term deposits at 20%p.a. the Government will issue short dated Treasury Bills carrying 20.5% p.a. Moreover it was further announced that with effect from next week no US Dollar L/C for imports will be permitted to be issued.



- **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	23/02/2018	02/03/2018	Change%
Opec	Barrel/Dollar	63.080	62.230	-1.3%
Petrol	Gallon/Dollar	1.8115	1.9048	5.2%
Natural Gas	One Million-BTU	2.6230	2.7120	3.4%

Currency (IRR)				
Currency		23/02/2018	02/03/2018	Change%
Dollar	Official Rate	37,210	37,330	0.32%
	Free Market Rate	44,930	44,690	-0.5%
Euro		55,230	54,490	-1.3%
Pound		67,070	68,000	1.4%

Precious Metal				
Metal	Unit	23/02/2018	02/03/2018	Change%
Gold	Dollar/ Ounce	1,329.96	1,321.83	-0.61%
Silver	Dollar/ Ounce	16.5050	16.5150	0.06%

Basic Metal				
Product	Unit	23/02/2018	02/03/2018	Change%
Aluminum	Dollar/ Tonne	2,148.75	2,151.00	0.1%
Lead	Dollar/ Tonne	2,537.50	2,454.25	-3.3%
Zinc	Dollar/ Tonne	3,509.50	3,366.75	-4.1%
Copper	Dollar/ Tonne	7,111.25	6,914.00	-2.8%



2. Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
GSHI	Manufacture of sugar	Shirin Khorasan	57.42	22.16%
RTIR	Manufacture of motor vehicles <trailers and="" semi-trailers<="" td=""><td>I. T. Foundry</td><td>6.56</td><td>21.17%</td></trailers>	I. T. Foundry	6.56	21.17%
MESI	Manufacture of motor vehicles <trailers and="" semi-trailers<="" td=""><td>Iran Kh. A. M.</td><td>5.92</td><td>20.97%</td></trailers>	Iran Kh. A. M.	5.92	20.97%
LIRZ	Other financial intermediation	Iranian Lizing	3.55	20.95%
SPDZ	Manufacture of motor vehicles <trailers and="" semi-trailers<="" td=""><td>Saipa Diesel</td><td>2.48</td><td>18.98%</td></trailers>	Saipa Diesel	2.48	18.98%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
ZAGZ	Manufacture of basic metals	Zangan Industry	22.52	-22.08%
FIBR	Manufacture of wood and of products of wood	Iran Board	9.17	-14.07%
MRGN	Manufacture of food products and beverages except sugar	Margarin	3.90	-11.63%
BHSM	Manufacture of structural non-refractory clay and ceramic products	Behceram	4.97	-11.46%
DADE	Computer and related activities	DPI	6.80	-10.25%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
SPDZ	Manufacture of motor vehicles·trailers and semi-trailers	Saipa Diesel	2.48	6.1
FOLD	Manufacture of basic metals	Mobarakeh Steel	6.40	4.8
PKOD	Manufacture of motor vehicles·trailers and semi-trailers	Pars Khodro	1.98	4.7
KAVR	Manufacture of motor vehicles·trailers and semi-trailers	Iran Khodro D.	1.71	4.6
PNES	Manufacture of coke·refind petroleum products and nuclear fuel	Isf. Oil Ref. Co.	9.78	3.8



3.Economic News

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.

Iran-Pakistan Gas Project Still 'Alive': Islamabad

Pakistan's Foreign Office Spokesman Mohammad Faisal said a long-awaited gas pipeline project between Iran and Pakistan is still in place amid reports that Islamabad has been under pressure to follow other options, including a pipeline from Turkmenistan, nicknamed TAPI.

Iran's Oil Exports to South Korea Slide in January after Sanchi Tragedy

South Korea's crude oil imports from Iran decreased by almost a half in January compared to the same period last year.

Iran's Zarif, Bulgarian Economy Minister Meet in Sofia

Iranian Foreign Minister Mohammad Javad Zarif and Bulgarian Minister of Economy Emil Karanikolov exchanged views about ways to boost bilateral trade between the two countries.