



Weekly Market Report

Week ended 28th March, 2018

Saturday thru Wednesday inclusive

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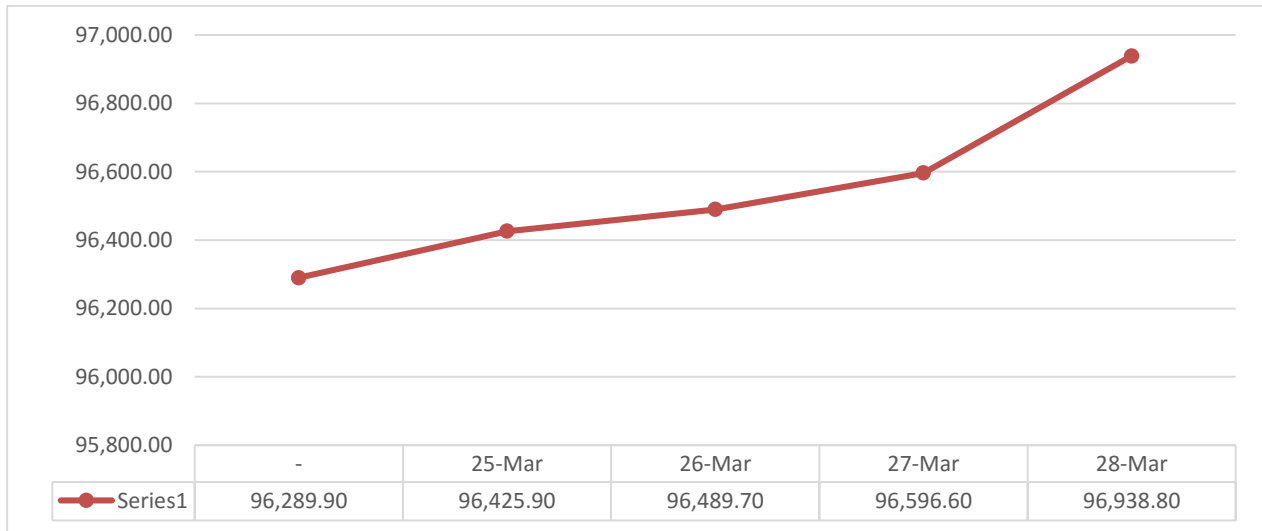
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1. Market Report-The Indices

- All Share Index



- Market indices

Title	March 19, 2018	March 28, 2018	Unit change	Change %
All-Share Index	96,289.99	96,938.88	648.89	0.67%
Fara Bourse Index	1,096.6	1,106.9	10.30	0.94%
Index Of 30 Largest Co.	4,292.7	4,323.7	31.07	0.72%
Index Of 50 Most Active Co.	4,036.3	4,068.3	31.99	0.79%
P/E	7.07	7.11	0.04	0.57%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	214,414,200	17,690,954	-196,723,246	-91.75%



- **Market Analysis**

- **Year-end Reports**

At the end of the year (21st March, 2018) the all-share index closed with an annual return of 24.7% while the return on bank deposits ranged between 15% p.a. and 20% p.a.

The following sectors achieved the highest growth for the year 2016/2017:

Telecommunications +100%

Base Metals. +72%

Oil & Gas. +70% (this includes refineries)

The sector with the lowest growth was:

Oil drilling and explorations. - 48%

There are 39 sectors in the market of which 56% were in a negative territory by the end of the year. Moreover due to a high level of liquidity in the system and a fear of rising inflation the return on Government bonds rose to over 25% p.a. (discounted rate) during the last month of the year. This came about in the background of lower interest rates below 20% just prior to the last month of the year.

In the meantime the value of US Dollar and Euro against IRR rose by 32% and 48% respectively by the end of the year.

According to the latest report by the CBI the total value of trade with China during last year was US\$39 billion of which 52% was the value of Iran's exports and 48% was China's imports into the country.

- **The Market**

Following the end of the year rush to raise funds to cover the costs of festivities of the season and the rise in the share prices of some selected individual companies during the last days and hours of the year the all-share index rose by 649 (0.7%) closing at 96,938. In the meantime the parities of US\$ and Euro against IRR rose by 2.8% and 2.9% respectively during the three trading days following the year-end.

- **Trading Value**

The trading volume was significantly low during these three days to the extent that the value of trade dropped by 88% against last year and reached US\$218.922 million. The highest value of trade belonged to Iran Telecommunications Co.

It is believed that one of the main reasons for such a low trading value/volume was to do with the block share sale of Asia Insurance Co and high value of sale of the Government Treasury Bonds with no coupon just before the year-end.



- **Market Activities**

During this short week the shares of the companies within the Auto sector were under heavy pressure for sale but by the end of the week most of the queues for sale were dealt with. The general mood in the market was subdued awaiting for some good news to come to life again. The ticker of Bank Saderat after many months of closure was opened and its share price rose by 20% on the day closing at IRR630 per share.

In the Petrochemical sector the mood was mainly positive and the prices of most of the shares such as Zagros, Jam, Khark and Parsan were in positive territory. The main incentive in this sector was the rising in the value of US\$ which would lead to higher profits for the sector.

Equally the share prices in the Base Metals sector were also in positive territory for the same reason in particular on Wednesday being the last day of the week. It appeared that one of the main reasons for this optimism was also to do with the agreement reached between US and China on the tariffs of Zinc although the rise in the parity of the US\$ against IRR was indeed one of the main contributing factors.

In the meantime the unaudited result of Hamrah Aval (the mobile Co) showed a net profit of IRR3,286 per share showing a rise of 10% against that of last year and 1% against that of the budget.

Isfahan Steel CO's total sales for the last month of the year reached US\$340 million and for the last 12 months reached US\$3 billion which was well in excess of its budget.

- **Debt Market**

The total trading value of the debt market during this short week showed a reduction of 89% against last week of the year and reached US\$114.431 million. This was mainly due to no trade for Government bonds.

The rates of interest achieved during this week were:

- I. Treasury Bonds 23% (discounted rate)
- II. Fixed Income Funds 18%
- III. ETF Funds 20%

- **Foreign Investments**

It has been reported that whilst Iran's credit rating during last year rose by one point it managed to attract US\$55 billion of foreign Investments into the country.



- **Base Metals & Mining**

The world and Iran current prices for Base Metals were:

	World. US\$	Iran US\$
Copper.	6,738.	6,402
Lead.	2,396.	2,196
Zinc.	3,277	3,156
Aluminum.	2,004.	2,048

Due to China's pollution reduction policy the future price index of steel at Shanghai market rose by 0.6% for April and 0.3% for May.

Due to a rise of 18% in the stock reserves of Aluminum at LME at the beginning of 2018 the price of Aluminum dropped by 0.6% to US\$1,996 per ton.

According to World Steel reports the total Iran steel production during the two months of 2018 jumped by 48.9% and reached 4.46 million tons. In February the steel production rose by 48.6% against the corresponding period last year.

- During the last two months of this year the growth in the steel production in the following countries were:

Turkey 8.1%
China 5.9%
India 2.9%
World 4%

- **Oil & Energy**

The price of Brent oil is currently US\$69.35 per barrel and West Texas US\$64.91 per barrel. The total US oil imports since the beginning of the year has risen by 1 million barrels per day and has reached 8.4 million barrels a day. According to Baker Hughes the number of US drillings has reduced by 6 units and has reached 798.

The US oil stock reserves have currently reached 429.9 million barrels showing a rise of 1.64 million barrels whilst economists had predicted the US oil reserves to drop by 280,000 barrels.

The oil prices were under pressure due to API 's prediction that there would be a rise of 5.3 million barrels in the US oil reserves during the above period.

" OPEC , Russia and other oil producers are expected to limit their output until the end of 2018. Rising US crude stockpiles and output is capping oil prices .



- Shanghai crude oil futures have fallen by 10% since Monday's launch.
Oil prices rose on Thursday as the equities markets rallied and as market participants weighed a rise in the US crude inventories and production against continued OPEC supply curbs.
The oil price touched US\$71 per barrel on Tuesday , near its high for the year, but has struggled to gain further traction since then, despite supportive comments from the OPEC."

- **FX & Gold**

The US Dollar index reached 90.1 this week showing a rise of 0.07%.

Good economic news about the US Economy was the main reason for the rise in the index.

The US GDP showed a growth of 2.9% during the last three months of 2017 which was above expectation of 2.7%. This was achieved whilst the growth in housing showed a rise of 3.1% against the prediction of 2.1%.

The CPI index during the fourth quarter of 2017 reached 4% which was well above the prediction of 3.8%.

The value of US Dollar against IRR during the current week rose from IRR49,600 to IRR51,000 and for Euro reached the price of IRR62,800.

The Governor of CBI has made the following comments on the rise in the value of US\$:

That the balance of our foreign exchange currencies is at a good level and that it is not expected major fluctuations in the future. The current volatilities in the market do not reflect the real demand of the market and has no economic justifications and will only affect the market in short term. He did not believe this could be repeated in the future.

The price of gold currently stands at US\$1,325 per ounce.

- **Housing**

According to the latest CBI report the total number of units of apartments in Tehran that were sold during the last month of the year was 12,300 showing a rise of 0.5%. As a result the average price of one square meter during this month reached IRR57.6 million (US\$1,129) showing a rise of 26.1% against the corresponding period last year.

- **Macro Economy**

According to the latest CBI report the rate of inflation for the 12 months ended 21st March, 2018 stood at 9.6%. This was 8.3% for the last month of the this year.



- The main reasons for the rise in inflation against last year were:
 - Smoking 15.9%
 - Leisure 6.7%
 - Food & beverages 1.5%
 - Transport 1%
 - Furniture & Domestic equipment 1.5%
 - Housing 7%
- The growth demotic product with a base production price of 2011 was:
 - 4.4% rise against last year with oil, and
 - 4.7% rise against last year without oil.



- **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	16/03/2018	30/03/2018	Change%
Opec	Barrel/Dollar	62.240	64.480	3.6%
Petrol	Gallon/Dollar	1.9445	1.9859	2.1%
Natural Gas	One Million-BTU	2.6960	2.6800	-0.6%

Currency (IRR)				
Currency		16/03/2018	30/03/2018	Change%
Dollar	Official Rate	37,693	37,819	0.33%
	Free Market Rate	48,650	50,940	4.7%
Euro		59,050	62,250	5.4%
Pound		69,030	71,100	3.0%

Precious Metal				
Metal	Unit	16/03/2018	30/03/2018	Change%
Gold	Dollar/ Ounce	1,313.72	1,326.62	0.98%
Silver	Dollar/ Ounce	16.3250	16.3650	0.25%

Basic Metal				
Product	Unit	16/03/2018	30/03/2018	Change%
Aluminum	Dollar/ Tonne	2,087.00	2,017.25	-3.3%
Lead	Dollar/ Tonne	2,380.50	2,384.50	0.2%
Zinc	Dollar/ Tonne	3,255.25	3,243.50	-0.4%
Copper	Dollar/ Tonne	6,888.25	6,817.00	-1.0%



2.Detailed Market information

TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
TKNO	Manufacture of machinery and equipment	Technotar Iran Mn. Mines	5.26	21.59%
MNGZ	Mining of metal ores		15.18	18.47%
TKSM	Manufacture of structural non-refractory clay and ceramic products	Takceram Zayandeh Maskan	2.97	16.86%
ZNDZ	Real estate activities		2.26	14.37%
KRIR	Manufacture of motor vehicles·trailers and semi-trailers	Irka Part	4.18	13.90%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
RINM	Manufacture of motor vehicles·trailers and semi-trailers	Mashad Wheel	2.60	-10.78%
BPAP	Monetary intermediation & banks	Parsian Bank	1.83	-9.85%
GHAT	Manufacture of motor vehicles·trailers and semi-trailers	Iran Auto- Parts	4.12	-7.99%
MAVA	manufacture of chemicals and chemical products	Fiber Prod.	3.50	-7.69%
BMDZ	Insurance and pension funding·except compulsory social security	Day Bime	1.87	-7.43%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
BSDR	Monetary intermediation & banks	Saderat Bank Investment Banking	1.24	7.9
OMID		Mobarakeh Steel	3.24	2.7
FOLD	Manufacture of basic metals		5.89	2.5
BTEJ	Monetary intermediation & banks	Tejarat Bank Bime Saman Co.	1.27	2.5
BSMZ	Insurance and pension funding, except compulsory social security		7.40	2.2



3.Economic News

Iran Air to Recruit Female Pilots: CEO

CEO of Iran Air Farzaneh Sharafbafi said the country's national flag-carrier airline plans to recruit female pilots for the first time.

Russia's Zarubezhneft to Re-Develop Two Oil Fields in Iran

Russia's state-controlled Zarubezhneft signed an agreement in Tehran on Wednesday to re-develop two oil fields in western Iran.

India Says 'Prerogative' of Iran to Invite China, Pakistan for Chabahar Development

Days after Iran invited China and Pakistan to participate in the development of its strategic Chabahar port, India said it was the prerogative of the Iranian government to choose its partners for the project.

Ban on Iranian Airline's ATR Flights Lifted

The Civil Aviation Organization of Iran lifted a month-long ban that prevented the Aseman Airlines from operating its ATR planes after a fatal crash in February.

Total to Seek Waiver If US Reimposes Sanctions on Iran: CEO

Total CEO Patrick Pouyanne said on Sunday that the French oil and gas company would seek a waiver to continue the development of an Iranian gas field should the United States decide to re-impose sanctions.