



Weekly Market Report

Week ended 28th November, 2018

Saturday thru Wednesday inclusive

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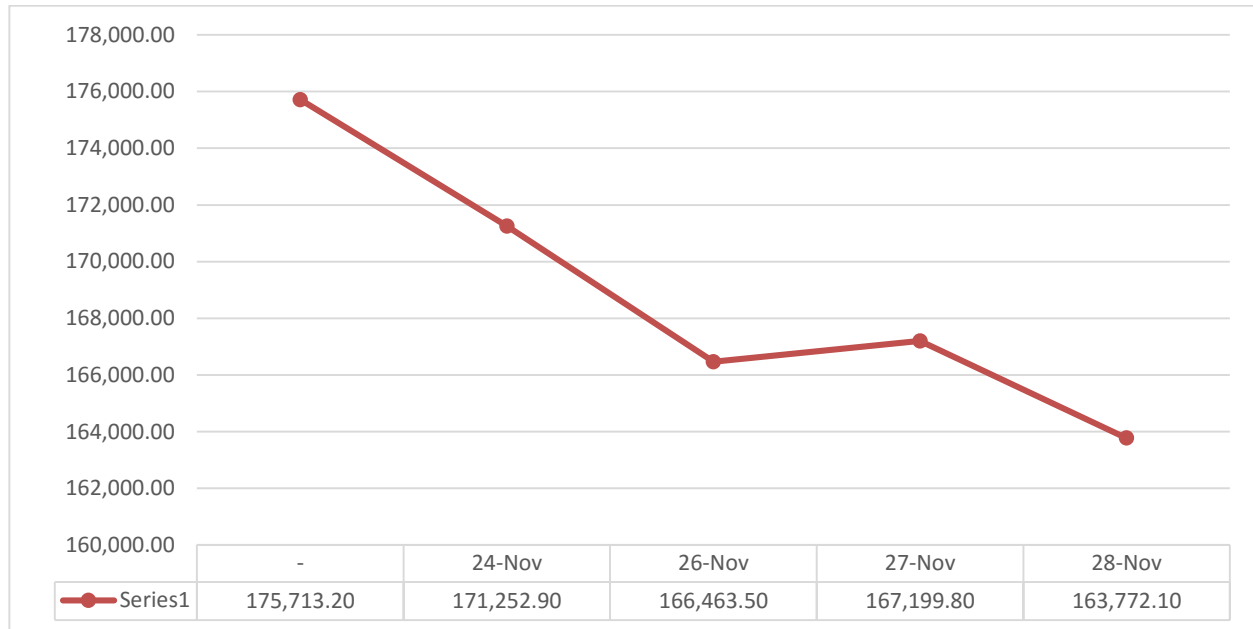
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1. Market Report-The Indices



Title	November 21, 2018	November 28, 2018	Unit change	Change %
All-Share Index	175,713.15	163,772.11	-11,941.04	-6.80%
Fara Bourse Index	1,908.2	1,777.5	-130.74	-6.85%
Index Of 30 Largest Co.	8,781.8	8,089.5	-589.26	-7.63%
Index Of 50 Most Active Co.	7,719.6	7,130.3	-692.34	-7.88%
P/E	7.41	6.99	-0.42	-5.67%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	67,544,350	51,958,271	-15,586,079	-23.08%



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

Market Information Week ended 28th November 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
All-Share Index	163,772	(11,941)	(6.8%)	175,713	96,290	67,482	70.1
Stocks Trading Value	\$ 349 m	(171)	(32.9%)	\$ 520 m	-	-	-
Debt Securities Trading Value	\$ 87 m	(45)	(34.1%)	\$ 132 m	-	-	-
Market Return in IRR to date	70%	(19%)	-	89%	-	-	-
Exchange Rate US\$/IRR	116,796	(9,789)	(7.7%)	126,585	-	-	-
Exchange Rate EURO/IRR	134,023	(12,660)	(8.6%)	146,683	-	-	-
US Dollar index	96.79	0	0.1%	96.73	89.5	7.29	8.15
Gold Value per ounce	1,229	7	0.6%	1,222	1,268	(39)	(3.08)

Note 1: The interest rates achieved by Government Bonds (discounted rate), Fixed Income Funds and ETF were 24%, 22% and 21% respectively.

Note 2: The largest trading value belonged to Tejarat Bank worth US\$8 million.

- **Market Activities**

On Monday & Tuesday the all share - index following a sharp fall in the value of the shares of Petrochemical and Refineries dropped by over 8,000 points reaching the level of 166,000.

At the beginning of the week the weakness in the market was triggered by the fall in the share prices of two major sectors namely Banking and Auto. This followed by the stoppage of certain tickers and the clarification of the value of the shares of Zamiyad Co. However on Tuesday the market turned positive and the all share-index rose by 700 points crossing the border of 167,000 level.

On Wednesday despite the resumption of a rise in the world oil prices and good annual results of export led companies such as Petrochemicals and Mining companies and a serious European discussion in setting up a SPV arrangement to allow Iran to receive and remit funds abroad freely without using US Dollar the market was in a volatile state mainly due to the lowering of the Dollar value against IRR, the possibility of no vote of confidence in the Foreign Minister and the Head of Parliament. This caused the all-share index to drop to 163,000 level for the first time after reaching a peak of over 190,000 only two months ago.

In the Oil Products sector all share prices turned negative making them favorable for a buy in the near future.



In the Base Metals sector Mobarakeh Steel dropped sharply below IRR5,000 and along that I N C Ind, Calcimine, Khouz Steel and Yazd Fold followed suit.

In the Mining Sector most of the shares were negative and Gohar Zamin Iran's share price stood at IRR8,500. Saba Noor after a short support dropped its value. In the meantime the prices of Gol-e-Gohar, Chadormalo, Iran Zinc Mines and Metals & Mines dropped by the end of the week.

The Chemical sector was also in negative territory but the share prices of Khark Petro, Ghadir Petro, Parsian Oil & Gas , Kermanshah Petro , Shiraz Petro and Fanavaran Petro remained stable but the share prices of Iran Amlah, Niro Cholor, Iran Carbon and Pars Int. Mfg were in positive territory.

In the Cement sector the share prices were positive due to a price rise of 7%. However it is expected the volume of sales drops in the months ahead.

- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	1,957	6,183	2,483	1,933
Iran	1,909	4,653	2,354	2,054

PMI index of China during the month of November reached the lowest level in the last 29 months edging at 50 which is half way between recession and growth. This was against market expectation of 50.2 which was similar to that of last month. This caused China's GDP to reach 6.4% in the second half of the year.

The PMI in steel is on a reducing trend reaching at 45 which clearly is indicative of a recession in the steel industry.

As a result production managers are determined to take appropriate actions to rectify this position and we understand that ING of Netherlands has already earmarked a package of ten trillion Yuan (US\$1.438 billion) for the years 2019 and 2020.

China has also taken measures to reduce the production of Aluminum by 30% for environmental reasons and Xinfra has stated that its production of Aluminum in the province of Shandong will continue for a foreseeable future and will reach 1.4 million tons.

Whilst the stockpiles of Zinc at LME have dropped to their lowest level during the last ten years there is still a continuing decline in both demand. Similarly the level of stockpiles of Lead is decreasing whilst it has reached its lowest level since 2009.



On Tuesday the price of iron ore for exports at Bandar Abbas slightly rose but in comparison to a weekly export shows a drop of 15.6%. This was mainly due to a decline in the prices at China's ports by 8% which gave a shock to the steel industry on Monday this week.

We are also witnessing a continuing decline in the prices of steel bars in Iran. Iran billet and Slab prices have dropped to US\$415 and US\$400 respectively showing a decline of 18% during the year 2018. The gap in Iran billet prices and those of CIS countries is currently around US\$37 which is relatively high.

• Oil & Energy

Oil & Energy		
	Brent Oil U\$S	Texas Oil U\$S
Price	62	53

According to the head of SVB International Energy Iran oil exports this year despite providing exemption for exporting oil to 8 countries will remain between 1.1 and 1.3 million barrels a day.

Oil prices firmed on Friday on expectations that OPEC and Russia will agree some form of production cuts next week, although swelling U.S. supplies kept markets in check.

Despite the firmer prices, crude oil has lost almost a third in value since early October because of an emerging supply glut following a global surge in production, including from the United States, Russia and by the Middle East-dominated Organization of the Petroleum Exporting Countries (OPEC).

To rein in the glut, OPEC and its main partner Russia are moving closer to an agreement around further production cuts.

ANZ bank said on Friday that oil prices were rebounding "as signs that OPEC+ was moving closer to an agreement around further production cuts." The producer group plus non-OPEC member Russia will gather on Dec. 6 and 7 in Vienna to discuss output policy.

Before that, the world's top three producers - the United States, Russia and Saudi Arabia - will be part of a meeting of the Group of 20 industrialized nations in Buenos Aires, Argentina, this weekend.

Part of the glut is swelling supply in the United States, where commercial crude oil inventories rose by 3.6 million barrels in the week to Nov. 23 to 450.49 million barrels, according to the Energy Information Administration (EIA). Production remained at a record 11.7 million barrels per day (bpd).

Crude reserves increased 6.4 billion barrels, or 19.5 percent, to 39.2 billion barrels at year-end 2017, marginally higher than the previous record of 39 billion barrels set in 1970, the EIA said.

"With fears over excessive supply and worries about falling demand the primary themes weighing on oil markets, the outlook for Brent Crude and WTI remains bearish," said Luckman Otunuga, analyst at futures brokerage FXTM.



- **Housing**

During the last 8 months of the year the average house prices per square meter within Tehran area have risen by 60% reaching IRR72.840 million(US\$620).

The number of transactions however has dropped by 20% against the corresponding period last year. In last month alone the average price of housing reached IRR91.8 million (US\$785) which against the corresponding month last year and the previous month shows a rise of 91.5% and 6.6% respectively.

- **Macro Economy**

According to CBI the rate of inflation during the last 12 months ended last month against the corresponding 12 months last year shows a rise of 18.6% and the rate of point by point inflation is 39.9%.

Amongst the food and drinks the price of meat has gone up by 50% and that of various types of fish has risen by 60%. In the meantime the prices of Fruit and dry food stuffs have risen by 70%. As a result the prices of food stuffs without being categorized have risen by 100% this year.

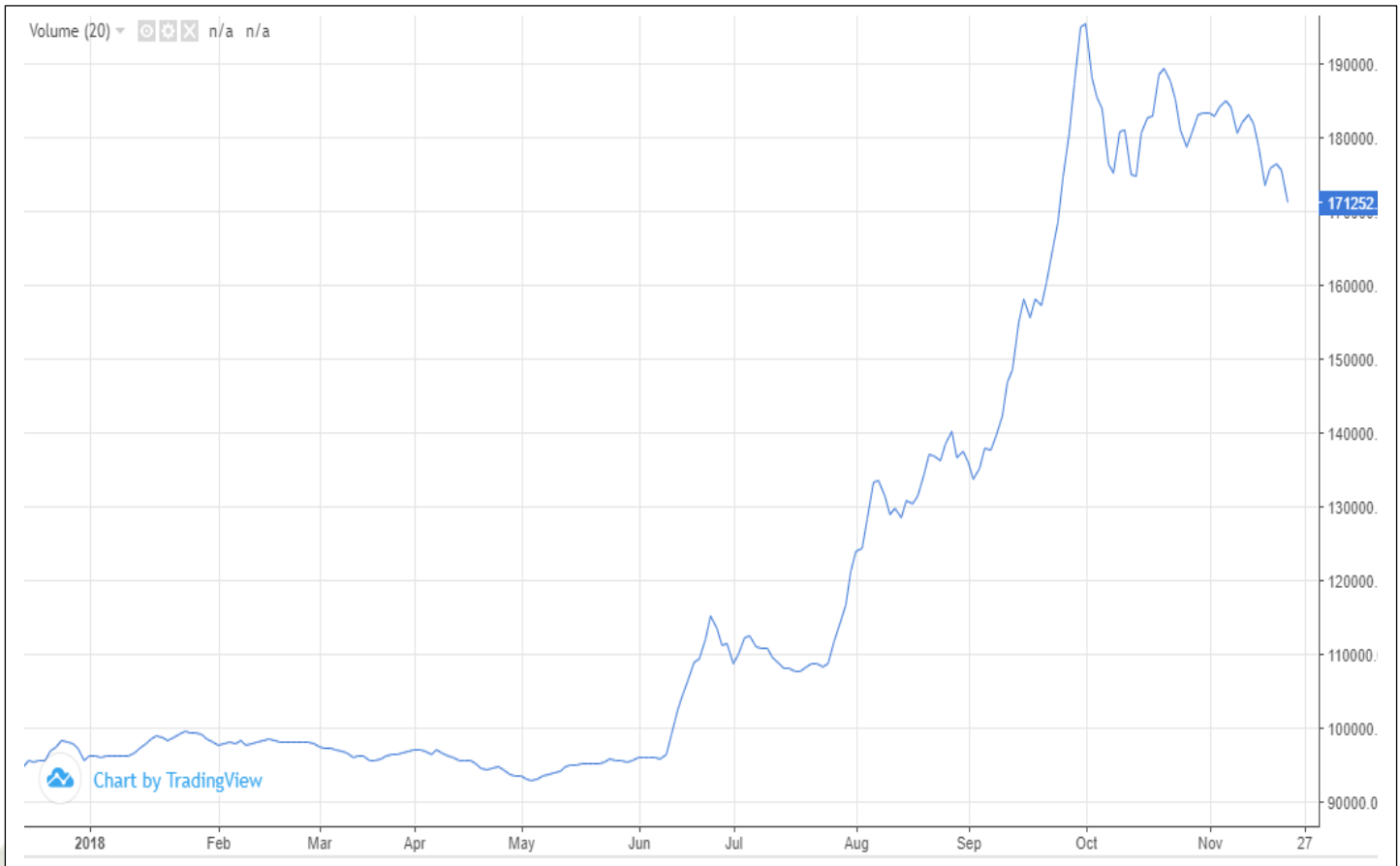
According to the latest reports the Government budget for next year will be based on 1 million barrels of oil a day at an average price of US\$60 per barrel and the rate of exchange of IRR80,000 against 1USDollar.

There has also been a rumor in the market that in the next year's budget it has been envisaged that a tax exemption may be given to those companies which can raise their capital through the revaluation of their assets.



- **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	23/11/2018	30/11/2018	Change%
Opec	Barrel/Dollar	62.08	58.09	-6.4%
Petrol	Gallon/Dollar	1.3885	1.3982	0.7%
Natural Gas	One Million-BTU	4.309	4.637	7.6%

Currency (IRR)				
Currency		23/11/2018	30/11/2018	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	126,585	116,796	-8%
Euro		146,683	134,023	-9%

Precious Metal				
Metal	Unit	23/11/2018	30/11/2018	Change%
Gold	Dollar/ Ounce	1,223.08	1,222.24	-0.07%
Silver	Dollar/ Ounce	14.2600	14.2500	-0.07%

Basic Metal				
Product	Unit	23/11/2018	30/11/2018	Change%
Aluminum	Dollar/ Tonne	1,942.25	1,957.75	0.8%
Lead	Dollar/ Tonne	1,962.25	1,954.50	-0.4%
Zinc	Dollar/ Tonne	2,508.25	2,541.25	1.3%
Copper	Dollar/ Tonne	6,168.50	6,196.75	0.5%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
PSER	Manufacture of other non-metallic mineral product	Pars Ceram	7.44	20.63%
KDPS	Manufacture of food products and beverages except sugar	P. Animal Feed	8.13	17.22%
NMOH	Manufacture of motor vehicles·trailers and semi- trailers	Nirou Moharreke	2.00	16.53%
DMOR	Manufacture of food products and beverages except sugar	Dasht Morghab	8.97	15.55%
SHAD	Manufacture of food products and beverages except sugar	Shahdiran Inc.	4.94	15.32%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
FRVR	Manufacture of basic metals	Iran Mineral P.	25.64	-17.40%
KZGZ	Manufacture of basic metals	Kimia Zanzan Co	7.53	-16.92%
KNRZ	Mining of metal ores	Saba Noor	4.39	-16.49%
GNJN	Manufacture of sugar	Naghsh Jahan S.	4.71	-15.38%
KSAD	Manufacture of structural non-refractory clay and ceramic products	Saadi Tile	1.95	-14.41%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
BTEJ	Monetary intermediation & banks	Tejarat Bank	1.02	8.2
BMLT	Monetary intermediation & banks	Mellat Bank	1.95	7.4
SIPA	Manufacture of motor vehicles, trailers and semi-trailers	Saipa	1.04	6.3
FOLD	Manufacture of basic metals	Mobarakeh Steel	4.32	5.8
HWEB	Information and communication	HiWeb	5.98	5.1



3.Economic News

Iran's Economy Ministry to Form 'Anti-Sanctions Management Room': MP

The chairman of the Iranian Parliament's Economic Commission said the country's Economy Ministry plans to establish an "anti-sanctions management room" in a bid to counter the latest economic embargoes imposed by Washington against Tehran.

Iraq Cannot Stop Trading with Iran: Top Diplomat

Iraq's new Foreign Minister Mohamed Ali Alhakim highlighted the importance of bilateral relations with Iran and said the Arab country cannot cut off its trade ties with the Islamic Republic due to the US sanctions.

Iran's Bank Melli Rejects Report on Cut-Off of German Telecom Services

Iran's Bank Melli vehemently dismissed as unfounded a report that the bank has seen its German branch disconnected from phone and internet services under pressure of US sanctions.

China to Resume Iran's Oil Imports: Report

China will start loading the crude again in November after it halted purchases in October, according to people with knowledge of the matter.

Foreign Banks Can Set Up Branches in Iran with €5m in Capital

The Central Bank of Iran (CBI) announced that foreign banks can apply for a license to establish their branches in Iran with at least 5 million euros in capital.

Chinese Firm Replaces Total in Iran's South Pars Project: Minister

Iranian Oil Minister Bijan Namdar Zanganeh said the China National Petroleum Company (CNPC) has officially replaced French company Total which has backed out of a deal on development of Iran's South Pars gas field.

France, Germany May Host SPV to Maintain Trade with Iran: Report

France and Germany may host the European Union's payment system, Special Purpose Vehicle (SPV), to allow businesses to continue trading with the Islamic Republic in the US sanctions era, a report said.

SIPRI Chief Warns about Iran's Oil Exports Disruption Consequences

The director of the Stockholm International Peace Research Institute (SIPRI), a leading think tank on global security issues, warned that the world would face a high risk of economic recession in case of disruption of oil supply from Iran.