



## Weekly Market Report

Week ended 29<sup>th</sup> August, 2018

Saturday thru Wednesday inclusive

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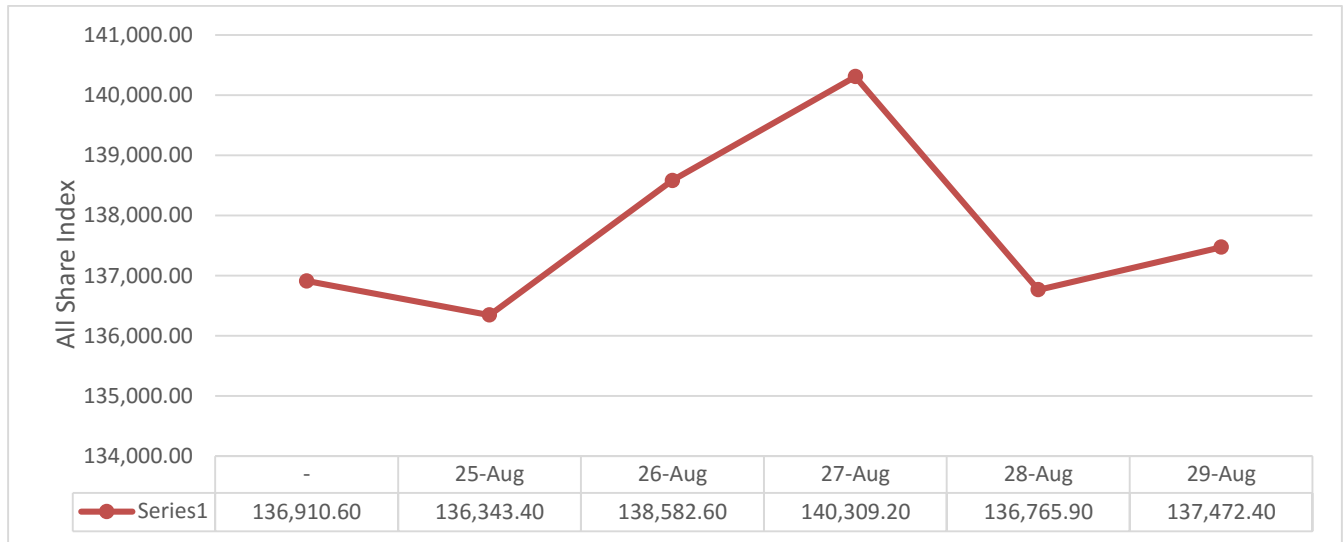
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## 1. Market Report-The Indices

- All Share Index



- Market indices

Title	August 21, 2018	August 28, 2018	Unit change	Change %
All-Share Index	136,910.60	137,472.36	561.75	0.41%
Fara Bourse Index	1,553.3	1,556.4	3.09	0.20%
Index Of 30 Largest Co.	6,801.4	6,730.5	-20.13	-0.34%
Index Of 50 Most Active Co.	5,991.2	5,971.1	-70.87	-1.04%
P/E	7.07	7.08	0.01	0.14%

Daily Average Trading Value	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	101,998,836	81,118,019	-20,880,817	-20.47%



- **Market Analysis**

- **The Market performance & the related information**

### Market Information Week ended 29<sup>th</sup> August, 2018

	This week	Changes	%	Last week	At 21.03.18	Changes	%
<b>All-Share Index</b>	137,472	562	0.4	136,910	96,290	41,182	42.8
<b>Stocks Trading Value</b>	\$ 689 m	\$ 112 m	19.4	\$ 577 m	–	–	–
<b>Debt Securities Trading Value</b>	\$ 126 m	\$ 35 m	38	\$ 92 m	–	–	–
<b>Market return in IRR</b>	36.2%	0.3%	–	35.9%	–	–	–
<b>Market return in USD</b>	(36.4)%	0.1%	–	(36.5)%	–	–	–
<b>Market return in EURO</b>	(38)%	(1.6)%	–	(36.4)%	–	–	–
<b>US Dollar index</b>	94.75	(1)	(0.6)	95.36	89.5	5.25	5.87
<b>Gold Value per ounce</b>	1,207	16	1.3	1,191	1,268	(61)	(4.81)

**Note 1.** In the debt market the effective rates of interest achieved by TBills( discounted rate), the Fixed Income Funds and ETF were **29%**, **22%** and **21%** respectively.

**Note 2.** The largest trading value this week belonged to Iran Copper Industry worth **US\$18** million.

- **Market Activities**

This week the market was subject to many volatilities!!

A sudden reversal of using fixed rates instead of free market rates for refineries brought about large volatilities bringing down the values of the shares of most of the oil related companies. In the meantime a decline in the US Dollar index improved the commodity prices in the market. However the swing in the share prices of the Cement, the Auto Manufacturing and the Medical Equipment sectors by between 20% and 50% caused large volatilities in the market. In the meantime Steel and Aluminum were in better positions and attracted great attention but at the end more doubts were cast on Aluminum prices. This will be clearer when the market opens next week. We also witnessed an improvement in Zinc prices affecting the share prices of most of the larger companies in this sector.

In the chemical sector following an improvement in the world prices we witnessed an improvement in the share prices of this sector.

The discussions surrounding the calculations of commodity prices remained doubtful which brought about a negative mood in the mining sector.

In the banking sector the share prices of Melat Bank and Tejarat Bank rose significantly and in the case of Melat Bank they reached 20% limit with very high volume of trade.



In the Medical sector the share prices of almost all the companies were on a rise backed by high volume across the board.

The basis of calculating commodity prices on a fixed rate of IRR42,000=1US\$ created confusion and chaos in the market and unless and until this fixed price arrangement is removed and left to free market prices the market will remain in large volatilities with negative sentiment.

The other major worry of the market is the effect of US sanctions on the EPS of most of the companies. This will certainly cause massive volatilities in the market in the weeks ahead.

- **Base Metals & Mining**

Base Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	2,071	6,066	2,485	2,127
Iran	2,312	5,236	3,187	1,460

The Iran export price of billets was down by 2.6% to US\$460 per ton this week.

The exporters apart from the money transfers are concerned about the transportation of their products from Iran to GCC and East Asian countries. Considering the above decline in the billets prices the overall drop in the prices was 9.6% in 2018.

Zinc's three-month price remains well supported above \$2,500 per tonne, similarly strengthened by a significant drawdown in LME on-warrant material, which is down more than 19% since August 20.

The copper prices after hitting the bottom price of US\$5,773 per ton on 15th August this year is on a rise again by US\$381(6.6%) due to the lowering in the stockpiles at China and the cancellation of the permit for the sale of 100,000 tons at LME.

Friday's strong showing from the base metals was driven by a steadier macro picture and short-covering. Furthermore, last week's LME on-warrant stock draws across the metals show signs of a pick-up in physical demand which, while of a seasonal nature, has been supportive.

- **Oil & Energy**

Oil & Energy		
	Brent Oil US\$	West Texas Oil US\$
Price	77.69	70.25



Oil prices inched up on Thursday, extending solid gains from the previous session on a fall in U.S. crude inventories and expected disruptions to supply from Iran and Venezuela.

The rises came after crude hit multi-week highs during the previous session.

U.S. commercial crude inventories fell by 2.6 million barrels in the week to Aug. 24, to 405.79 million barrels.

U.S. production was flat from the previous week's record 11 million barrels per day (bpd).

"Oil prices rose on the back of an unexpected U.S. inventory draw, the second week in a row of declines, together with gasoline demand reaching a record high.

The Organization of the Petroleum Exporting Countries (OPEC), of which Iran is the third biggest producer, will discuss in December whether it can compensate for a sudden drop in Iranian oil supply after U.S sanctions against Tehran start in November, the head of Iraq's state-oil marketer SOMO, Alaa al-Yasiri, said on Wednesday.

Iran's August crude oil exports will likely drop to just over 2 million bpd, versus a peak of 3.1 million bpd in April, as importers bow to American pressure to cut orders.

The International Energy Agency (IEA) warned of a tightening market towards the end of the year, due to a combination of supply concerns, such as Iran and also Venezuela, and strong demand especially in Asia.

- **Housing**

According to the Central Bank the average price of housing per square meter across Tehran last month against the month before and the year before that rose by 6.1% and 6.2% respectively reaching US\$740 per square meter.

- **Macro Economy**

According to the Central Bank the rate of inflation for the last 12 months ended last month against the corresponding year last year rose by 11.5%. The rate of point to point inflation after rising by 6.2% reached 24.2%.



- **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	24/08/2018	31/08/2018	Change%
Opec	Barrel/Dollar	73.010	75.720	3.7%
Petrol	Gallon/Dollar	2.0745	1.9940	-3.9%
Natural Gas	One Million-BTU	2.9180	2.9170	0.0%

Currency (IRR)				
Currency		24/08/2018	31/08/2018	Change%
Dollar	Official Rate	42,000	42,000	0.00%
	Free Market Rate	42,000	42,000	0.0%
Euro		121,150	128,780	6.3%
Pound		134,400	143,700	6.9%

Precious Metal				
Metal	Unit	24/08/2018	31/08/2018	Change%
Gold	Dollar/ Ounce	1,205.58	1,199.15	-0.53%
Silver	Dollar/ Ounce	14.7700	14.5350	-1.59%

Basic Metal				
Product	Unit	24/08/2018	31/08/2018	Change%
Aluminum	Dollar/ Tonne	2,093.00	2,119.75	1.3%
Lead	Dollar/ Tonne	2,078.75	2,088.25	0.5%
Zinc	Dollar/ Tonne	2,532.75	2,461.50	-2.8%
Copper	Dollar/ Tonne	6,069	5,986	-1.4%



## 2. Detailed Market information

### TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
BHSM	Manufacture of structural non-refractory clay and ceramic products	Behceram	4.08	94.74%
SMBZ	Transportation and storage	Sina Marine srv	12.45	57.13%
PLAK	manufacture of chemicals and chemical products	Iran Polyacryl	1.00	45.44%
TAYD	Transportation and storage	Tidewater	4.64	45.11%
SPDZ	Manufacture of motor vehicles, trailers and semi-trailers	Saipa Diesel	0.90	33.27%

### TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
MOBZ	Information and communication	Mobin One Kish	28.03	-14.37%
HWEB	Information and communication	HiWeb	6.24	-11.97%
SORB	Manufacture of basic metals	N. I. L. Z.	7.60	-9.41%
PFAN	manufacture of chemicals and chemical products	Fanavaran Petr.	52.77	-8.79%
PNLZ	Manufacture of coke, refined petroleum products and nuclear fuel	Lavan Oil Ref.	25.00	-8.50%





## TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value USD Million
MSMI	Manufacture of basic metals	I. N. C. Ind.	4.96	18.7
BMLT	Monetary intermediation & banks	Mellat Bank	1.60	17.5
PARS	manufacture of chemicals and chemical products	PARS Petrochemical	42.05	17.2
PNES	Manufacture of coke-refined petroleum products and nuclear fuel	Isf. Oil Ref. Co.	6.91	16.7
ZOBZ	Manufacture of basic metals	Isfahan Steel	2.43	16.0



### **3.Economic News**

#### **Iran Develops Technology to Make Gasoline Refinery Catalysts**

TEHRAN (Tasnim) – An Iranian petrochemical company achieved the technical know-how to make special catalysts used for gasoline production, making Iran the world's second producer of such advanced component and helping it earn as much as \$60 billion a year in export revenue.

#### **Iran's August LPG Exports Leap to 568,000mt**

TEHRAN (Tasnim) – Iran's LPG shipments loaded, or due for lifting, in August rose by 84,000 million tons (mt) versus July to around 568,000 mt, the highest since the previous US-led sanctions against Tehran, fixtures from shipping sources showed recently.

#### **Iraq to Send Delegation to US to Seek Deal on Trade with Iran**

TEHRAN (Tasnim) – Iraqi Prime Minister Haider al-Abadi said Baghdad will send a delegation to the United States seeking an agreement on financial transactions with Iran following Washington's reimposition of sanctions on Tehran.

#### **EU Looking to Sidestep US Iran Sanctions with Payments System Plan**

TEHRAN (Tasnim) – Germany and France said they are working on financing solutions to sidestep US sanctions against countries such as Iran, including a possible role for central banks.

#### **Iran's Non-Oil Exports Rise by 13% in 5 Months**

TEHRAN (Tasnim) – The value of Iran's non-oil exports in the first five months of the current Iranian year grew by 13.7 percent compared to the corresponding period last year, according to the latest figures released by the country's Customs Office.

#### **Iran's Economy Minister Loses Vote of Confidence**

TEHRAN (Tasnim) – Iranian parliamentarians on Sunday gave a vote of no confidence to Minister of Economic Affairs and Finance Massoud Karbasian, terminating the much-criticized minister's term that had begun in August 2017.

#### **Georgia to Remain Committed to Deals with Iran If EU Does So: Envoy**

TEHRAN (Tasnim) – The Georgian ambassador to Iran said after the US sanctions, the Caucasus country will live up to its cooperation agreements with the Islamic Republic if the European Union (EU) also remains committed to its deals with Tehran.