



Weekly Market Report

Week ended 31th July, 2019

Saturday thru Wednesday inclusive

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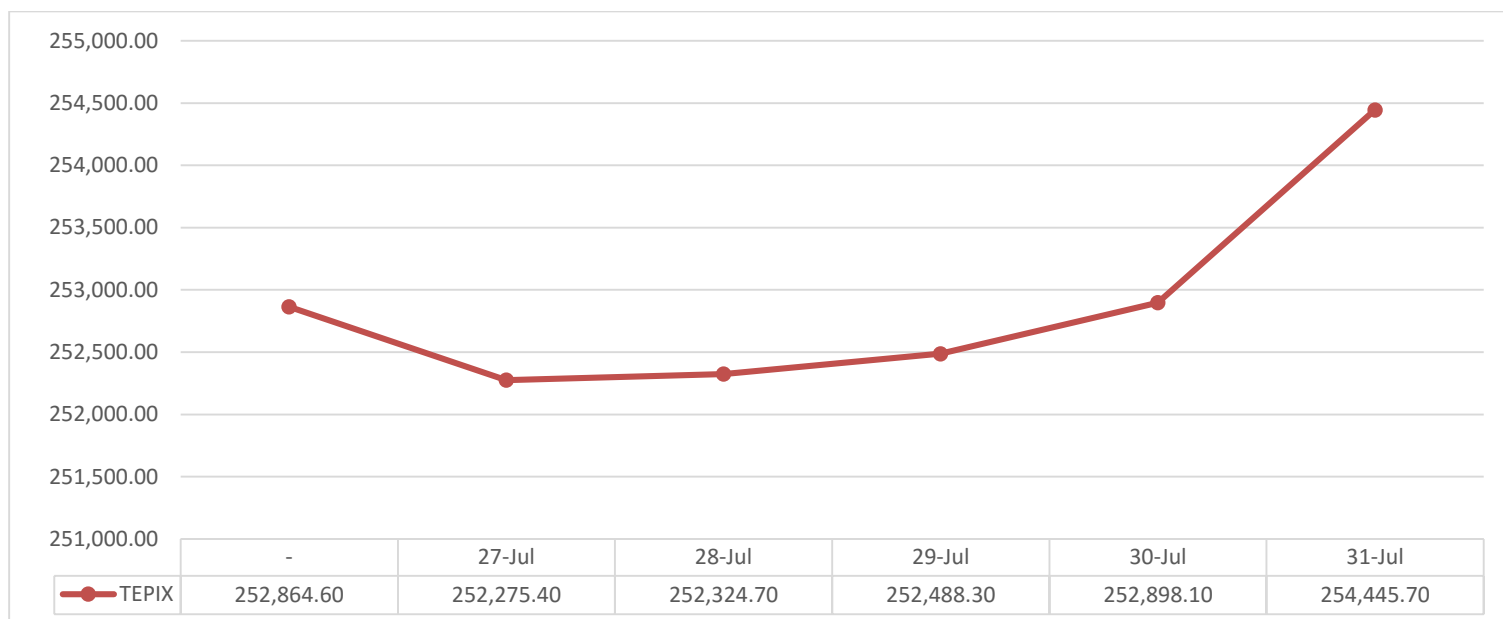
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1. The Indices



Title	July 24, 2019	July 31, 2019	Unit change	Change %
All-Share Index (Bourse)	252,864.6	254,445.7	1,581.14	0.63%
Fara Bourse Index	3,292.0	3,374.4	82.38	2.50%
Index Of 30 Largest Co.	11,507.6	11,529.6	12.83	0.12%
Index Of 50 Most Active Co.	10,317.2	10,330.1	21.97	0.19%
P/E (Bourse)	5.89	5.82	-0.07	-1.19%

Daily Average Trading Value (Bourse)	Last Week (\$)	Current Week (\$)	Amount Of Change (\$)	Change Percentage
	88,718,333	71,547,131	-17,171,202	-19.35%



- Market Performance

Market Information Week ended 31th July 2019

	This Year				Last Year		
	This week	Last week	Changes	%	At 21.03.18	Changes	%
All-Share Index	254,446	252,865	1,581	0.6%	178,659	75,787	42.4
Shares Trading Value	\$ 664 m	\$ 740 m	\$ (76) m	(10.3%)	—	—	—
Debt Securities Trading Value	\$ 115 m	\$ 122 m	\$ (7) m	(5.8%)	—	—	—
Market Return in IRR to date	72%	70%	2%	-	—	—	—
Exchange Rate US\$/IRR	118,700	122,000	(3,300)	(2.7%)	—	—	—
Exchange Rate EURO/IRR	135,700	139,500	(3,800)	(2.7%)	—	—	—
US Dollar index	98.38	97.72	0.7	0.7%	96.32	2.06	2.14
Gold Value per ounce	1,446	1,423	23	1.6%	1,308	138	10.55

- Market Analysis

- The Debt Market

The effective interest rates achieved by TBills (discounted) , Fixed Income Funds and ETF this week were 19%p.a., 20% p.a. and 20%p.a. respectively.

Largest Valued Trade

The largest Valued Trade worth US\$6 million this week belonged to Tejarat Bank.

According to the Central Bank the average exchange rate of IRR/USD over the first 3 months of Iranian Calendar year (ended 21st June 2019) was IRR138,770. Currently this rate is lower around IRR120,000 mark.

- Market Activities

Despite large volatilities among both larger and smaller caps the all share index ended up rising by 2.3% and reaching over 254,000 mark this week. Clearly the P/E ratios of the market is well below the historical levels and most companies in particular larger caps are showing good returns. The political tensions in the region arising from the US sanctions have been the main cause of uncertainty in the market which at times lead to higher volatilities.

The opening of the ticker of Nor Petrochemical Co this week and following the announcement of a net profit of IRR6,500 per share did indeed help with the rising of the index.



Traditionally the market goes into a rest during the last months of summer. However this year due to higher profits the market has remained active during this hot summer.

The most popular sectors were the Leather and Publishing groups this week.

According to the Central Bank with effect from The Haj festivity the foreign exchange market will commence with only 100 money exchangers and the daily rates will be announced through the website of www.ice.ir thereafter. In the meantime it is expected the market remains calm for the time being.

- **Base Metals & Mining**

Basic Metals				
Price	Lead US\$	Copper US\$	Zinc US\$	Aluminum US\$
World	1,957	5,795	2,358	1,778
Iran	1,844	5,804	2,401	2,040

The US Central Bank this week reduced its interest rate by 0.25% following its change of policy to stimulate the market. However the Federal Reserves chairman has indicated that this trend is not going to continue and may make appropriate adjustments as necessary in the future.

This caused the value of USD to rise against other major currencies leading to a higher volume of purchases of USD and selling gold by market speculators. Previously 35% of market specialists were expecting several cuts in the interest rates but this has now fallen to 12%.

The Chinese economy in the meantime has done better than expected in July this year as their PMI has risen from 49.4 to 49.7 which was slightly better than expected of 49.6.

US President Trump says US to place new 10% tariff on remaining \$300bn in Chinese imports amid slow-moving trade talks, effective Sept 1.

Weekly changes in the world stockpiles

Aluminum reduced by 6.1% to 396,400 tonnes at Shanghai.

Copper reduced by 0.08% to 294,125 tonnes at LME combined with a reduction of 3.5% at Shanghai.

Zinc reduced by 5% to 75,700 tonnes at LME and at the same time a reduction of 0.07% at Shanghai to 74,984 tonnes.



- Oil & Energy

Oil & Energy		
	Brent Oil U\$S	Texas Oil U\$S
Price	62	55

Oil prices rose more than \$1 on Friday, rebounding from their biggest falls in years after U.S. President Donald Trump imposed more tariffs on Chinese imports, intensifying the trade war between the world's two biggest economies and crude consumers.

Brent crude futures slumped more than 7% on Thursday, their steepest drop in more than three years. U.S. West Texas Intermediate (WTI) crude futures fell nearly 8%, posting its worst day in more than four years.

The collapse ended a fragile rally built on steady drawdowns in U.S. inventories, even as global demand looked shaky because of the trade dispute.

Trump said on Thursday he would impose a 10% tariff on \$300 billion of Chinese imports from Sept. 1 and could raise tariffs further if China's President Xi Jinping fails to move more quickly to strike a trade deal.

The announcement extends Trump's tariffs to nearly all of China's imports into the United States and marks an abrupt end to a temporary truce in a trade war that has disrupted global supply chains and roiled financial markets.

Brent and U.S. crude are heading for their first weekly declines in three, on track for falls of more than 2%.

"Global growth estimates have been under pressure from the tariff war and the move by the U.S. erases all the goodwill gained earlier in the week when U.S. negotiators were in Shanghai to kick start trade talks," Alfonso Esparza, market analyst at OANDA said in a note.

There have been mounting signs this week of the economic toll of the trade dispute between the United States and China, which reported this week slowing manufacturing activity in July.

U.S. manufacturing activity also slipped last month, dropping to a near three-year low, and construction spending fell in June as investment in private construction projects tumbled to its lowest level in 1-1/2 years.



The economic slowdown has translated into falling oil demand in the United States, the world's biggest oil consumer.

The amount of crude processed at U.S. oil refineries averaged 17.2 million barrels per day over the past four weeks, down 1.3% from the same time a year ago, U.S. government data showed this week.

- **Housing**

According to the latest report on housing the rate of increases in prices in Tehran has fallen from 7% at the beginning of the summer this year to 1.4% this month and declining.

- **Macro Economy**

According to the latest report from IMF, the growth of Iran's economy will fall by 6% this year following the US imposition of sever sanctions on Iran. However it is expected a growth of 0.2% growth in 2020.



- Worldwide prices of oil & gas, major currencies, precious metals and basic metals

Oil				
	Unit	02/08/2019	26/07/2019	Change%
Opec	Barrel/Dollar	63.54	64.55	-1.6%
Petrol	Gallon/Dollar	1.7755	1.8786	-5.5%
Natural Gas	One Million-BTU	2.133	2.175	-1.9%

Currency (IRR)				
Currency		02/08/2019	26/07/2019	Change%
Dollar	Official Rate	42,000	42,000	0%
	Free Market Rate	119,000	119,500	-0.4%
Euro		135,000	137,460	-1.8%

Precious Metal				
Metal	Unit	02/08/2019	26/07/2019	Change%
Gold	Dollar/ Ounce	1,441.63	1,414.62	1.91%
Silver	Dollar/ Ounce	16.2380	16.3720	-0.82%

Basic Metal				
Product	Unit	02/08/2019	26/07/2019	Change%
Aluminum	Dollar/ Tonne	1,773.50	1,804.75	-1.7%
Lead	Dollar/ Tonne	1,952.25	2,072.25	-5.8%
Zinc	Dollar/ Tonne	2,353.25	2,440.75	-3.6%
Copper	Dollar/ Tonne	5,720.50	5,964.50	-4.1%



TSE TOP 5 Gainers

Symbol	Sector	Company Name	close (USD Cent)	%change
TAZB	Real estate activities	Azarbayjan Inv.	11.01	44.57%
KHFZ	Manufacture of structural non-refractory clay and ceramic products	Hafez Tile Tehran Stock Ex	15.98	27.72%
BRSP			7.64	26.87%
TAMI	Other mining and quarrying	Sand Foundry	14.28	26.52%
HJPT	Transportation and storage	Petr. Tran.	11.24	25.23%

TSE TOP 5 LOSERS

Symbol	Sector	Company Name	close (USD Cent)	%change
KFAN	Manufacture of motor vehicles trailers and semi-trailers	Khavar Spring	8.74	-20.27%
PDRO	manufacture of chemicals and chemical products	Pars Darou Sabet Khorasan	15.43	-18.22%
GSBE	Manufacture of sugar		13.39	-14.17%
SPPE	Manufacture of food products and beverages except sugar	I. Pegah Dairy	15.31	-13.74%
PLAK	manufacture of chemicals and chemical products	Iran Polyacryl	6.03	-11.46%



TSE TOP 5 VALUE LEADERS

Symbol	Sector	Company Name	close (USD Cent)	Trade Value (USD Million)
NURZ	manufacture of chemicals and chemical products	Barzouyeh Co.	29.07	23.3
KRMZ	Real estate activities	Kerman Invest	27.66	16.0
PLAK	manufacture of chemicals and chemical products	Iran Polyacryl	6.03	14.0
ZOBZ	Manufacture of basic metals	Isfahan Steel	1.27	9.0
SMGP	Agriculture and related service activities	Simorgh Co.	10.39	7.9



3.Economic News

Brazil Court Orders Petrobras to Refuel Iran Vessels

Brazil's top court ordered state-run oil company Petroleo Brasileiro SA to refuel two Iranian grain vessels stranded on the Brazilian coast due to US sanctions holding up sales of fuel needed for their return trips.

China Importing Iranian Oil in Defiance of US Sanctions: Customs Data

China is still importing oil from Iran weeks after the US imposed sanctions aimed at halting sales of crude from the Persian Gulf nation, Official customs data showed.

Iran's Defense Ministry to Boost Cooperation with Domestic Automakers

The Iranian Defense Ministry plans to boost cooperation with domestic companies producing auto parts in a bid to counter economic sanctions against the Islamic Republic's automotive industry, a deputy defense minister said.

President to Inaugurate Major Projects in Visit to NW Iran

Iranian President Hassan Rouhani plans to pay a visit to the northwestern province of East Azarbaijan on Thursday and inaugurate several major development projects there, the governor of the province said.

Official Highlights Opportunity for Iranian Firms to Participate in Iraq's Reconstruction

The secretary-general of the Iran-Iraq Joint Chamber of Commerce highlighted the war-hit country's move to allocate \$300 billion to its reconstruction and said there are proper opportunities for Iranian companies to take part in the process.

Iran to Remove 4 Zeros from Currency

The Iranian cabinet passed a motion on Wednesday to lop off four zeros from the national currency, rial.