



Weekly Market Report

Week ended 31th October, 2018

Saturday thru Wednesday inclusive

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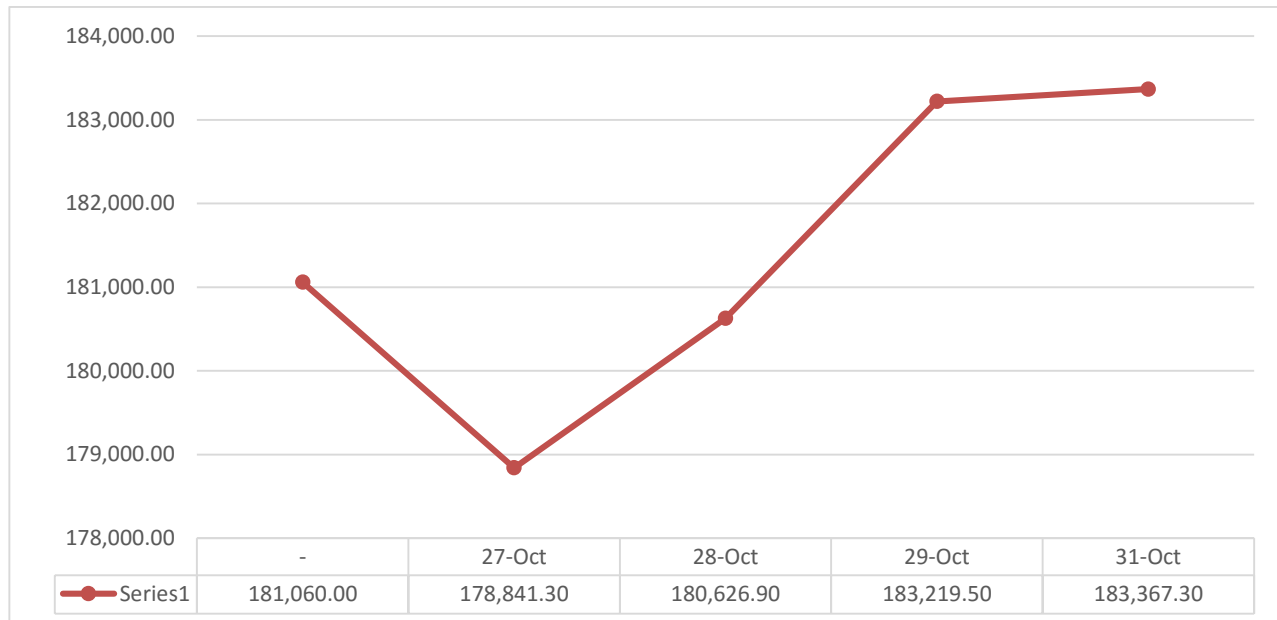
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1. Market Report-The Indices



| Title | October 24, 2018 | October 31, 2018 | Unit change | Change % |
|-----------------------------|------------------|------------------|-------------|----------|
| All-Share Index | 181,060.04 | 183,367.34 | 2,307.30 | 1.27% |
| Fara Bourse Index | 2,065.2 | 2,018.2 | -46.99 | -2.28% |
| Index Of 30 Largest Co. | 9,058.3 | 9,129.5 | 81.27 | 1.01% |
| Index Of 50 Most Active Co. | 8,023.1 | 8,104.4 | 71.18 | 0.79% |
| P/E | 8.36 | 8.29 | -0.07 | -0.84% |

| Daily Average Trading Value | Last Week (\$) | Current Week (\$) | Amount Of Change (\$) | Change Percentage |
|-----------------------------|----------------|-------------------|-----------------------|-------------------|
| | 71,548,900 | 46,906,054 | -24,642,846 | -34.44% |



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

Market Information Week ended 31th October 2018

| | This week | Changes | % | Last week | At 21.03.18 | Changes | % |
|--------------------------------------|-----------|---------|---------|-----------|-------------|---------|--------|
| All-Share Index | 183,367 | 2,307 | 1.3% | 181,060 | 96,290 | 87,077 | 90.4 |
| Stocks Trading Value | \$ 305 m | (276) | (47.5%) | \$ 581 m | – | – | – |
| Debt Securities Trading Value | \$ 35 m | (54) | (60.7%) | \$ 89 m | – | – | – |
| Market Return in IRR to date | 90% | 0 | - | 88% | – | – | – |
| Exchange Rate US\$/IRR | 140,852 | 5,239 | 3.9% | 135,613 | – | – | – |
| Exchange Rate EURO/IRR | 165,629 | 9,158 | 5.9% | 156,471 | – | – | – |
| US Dollar index | 96.28 | (0) | (0.3%) | 96.58 | 89.5 | 6.78 | 7.58 |
| Gold Value per ounce | 1,236 | (2) | (0.2%) | 1,238 | 1,268 | (32) | (2.52) |

Note : The interest achieved by TBs (discounted rate), Fixed Income Funds and ETF were 25%, 22% and 21% respectively.

- **Market Activities**

The market began this week with negative mood but soon thereafter both the shares of the large and small caps turned positive once again. This came about as a result of the publication of half yearly reports some of which were not as good as expected, the fall of share prices on the international markets and the fear of the new US sanctions due on 4th November.

On the Base Metals sector initially the share prices fell but recovered by midweek in particular the share prices of steel and smelting producing companies. The share prices of Chador-Malu, Saba Noor, and Metal &Min became more popular and those of Gol-e-gohar remained within the range of IRR8,000 per share.

In the Oil Products and the Refinery sectors most prices turned negative throughout the week and in some instances the prices fell by more than 15%. However the Motor Oil sector did better in particular Sepahan Naft, Behran Oil and Pasargad Oil were most favorable.

In the Auto & Spare Parts sector due to an anticipated price rise the share prices turned positive and remained so to the end of the week.

In the Banking sector Bank Mellat , Bank Tejarat and Bank Dey continued their high performance during this week. However for the remaining Banks in the sector the share prices turned negative throughout the week.



In the Food & Beverages sector most of the share prices turned positive and remained at high levels throughout the week and in some instances reached the daily ceiling of 5% such as Behshahr Ind., Tabarok Ind Group, Pak Dairy, Kalber Dairy, Shahdab Khorasan, W. Azar Pegah, Margarin Co, Khorasan Pegah Dairy, Piazar Agro and Behnoosh Iran. However in the Sugar sector most of the share prices were in negative territory except Marvdasht Sugar Co which turned positive during this week.

In the Chemical sector the share prices were subdued and remained so to the end of the week.

- **Base Metals & Mining**

| Basic Metals | | | | |
|--------------|--------------|----------------|--------------|------------------|
| Price | Lead US\$ | Copper US\$ | Zinc US\$ | Aluminum US\$ |
| World | 1,957 | 6,123 | 2,536 | 1,970 |
| Iran | 1,632 | 4,445 | 2,463 | 1,650 |

The Government is planning to increase the prices of the feed of Petrochemical, Refineries and Steel companies based on the average prices achieved over "Nima" foreign exchange market and use the proceeds to assist lower income families. This will certainly affect the profitability of these companies in the months and years ahead.

China's PMI in steel in November rose by 0.1% and reached 52.1 with very high demand for Iron Ore and Coal which is good news for the investors in this sector.

Rio Tinto has also indicated that they have resold almost all their stocks as they are facing great demand for their products.

Fortescue CEO: Demand remained very strong and the customers were very positive and very buoyant about the economic environment and the outlook for at least the next 12 months!

The prices of Iron Ore have been rising steadily against last year showing a rise of 31.6% so far this year.

During the last two months the prices in China have risen by 16.5% which is indicative of a growth in Chinese steel before winter season. Currently the stockpiles of Coal and Iron Ore in China are low with limited level of high purity of Iron Ore.

It is expected a new trade agreement between China and US to be signed in the near future. This pushed the US share prices to rise on New York stock market.



- **Oil & Energy**

| Oil & Energy | | |
|--------------|--------------------|--------------------|
| | Brent Oil U\$\$ | Texas Oil U\$\$ |
| Price | 73 | 63 |

According to US Ministry of Energy the daily production of oil has risen by 385,000 barrels reaching a daily total of 11,346 barrels. This is indicative of 2.1 million additional barrels a day against last year and has been the highest level of production since 1998.

Oil prices fell 3 percent on Thursday, with U.S. crude hitting its lowest level in nearly seven months as last month's steep losses continued into November.

Both benchmarks posted their worst monthly drop since July 2016 in October, with WTI down nearly 11 percent and Brent tumbling almost 9 percent.

Crude futures got caught up in a broader sell-off in global equity markets in October, sinking as investors sold risk assets. But oil prices have continued to drop even as stocks claw back some gains.

U.S. crude is now trading at levels not seen since the month before President Donald Trump restored sanctions against Iran, OPEC's third biggest oil producer. The looming sanctions on Iran's energy sector, which go into full force next week, have played a major role in the oil market's rally to nearly four-year highs just one month ago.

Iran's oil exports have shrunk by about a third as crude importers wind down their purchases ahead of Washington's Nov. 4 deadline.

Iran was still selling about 1.7 million to 1.9 million barrels per day in September. The Trump administration is reportedly nearing deals with India and South Korea that would allow the countries to keep buying some of Iranian oil.

The market is also growing confident that output from other sources can offset the declines. "The Trump administration was saying we're going to go to zero in terms of the amount of exports that Iran was going to be allowed to push out into the market, and in reality the decline in exports from both Iran and Venezuela was more than offset by the increase in exports from other OPEC countries," Michael Cohen, head of energy research at Barclays told CNBC's "Squawk Box" on Thursday.



OPEC managed to hike output in September even as production from Iran and Venezuela fell. A Reuters survey forecasts that the 15-nation producer group pumped at its highest level since 2016 in October.

Meanwhile, U.S. production hit an all-time high at 11.3 million barrels per day in August, according to the Energy Information Administration's first reading of monthly data released on Thursday. The nation's stockpiles of crude oil have increased for six consecutive weeks, another EIA report showed on Wednesday.

At the same time, forecasters now think growth in oil consumption will be weaker than anticipated. Continuing trade tensions between the United States and China is raising concerns that slower economic growth will impact demand for oil.

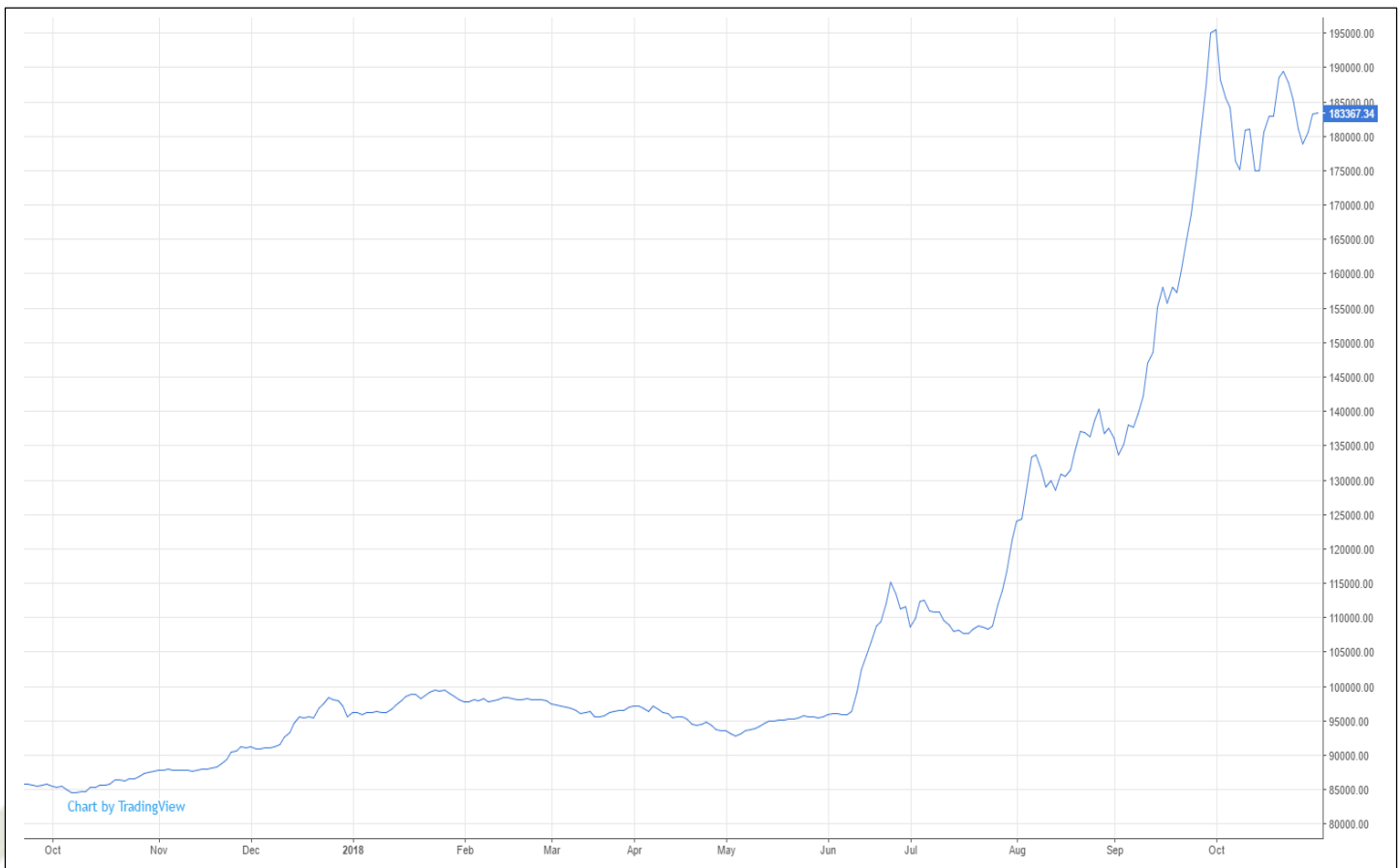
"Demand at \$80 to \$85 oil prices has started to slow, so overall we're looking at a balance for next year that actually flips back into surplus," Cohen said. "And so the question now is whether OPEC is going to let that happen, and we're not going to know until really that first week of December when they have their next meeting."

OPEC, Russia and several other producers have aimed to keep 1.8 million bpd off the market since 2017. The group agreed in June to increase output after cutting more deeply than it intended. Last week, a committee of oil producers said it may reverse course once again given current economic conditions.



- **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 | 26/10/2018 | 02/11/2018 | Change% |
| Opec | Barrel/Dollar | 75.04 | 72.64 | -3.2% |
| Petrol | Gallon/Dollar | 1.8180 | 1.7010 | -6.4% |
| Natural Gas | One Million-BTU | 3.2010 | 3.2960 | 3.0% |

| Currency (IRR) | | | | |
|----------------|------------------|------------|------------|---------|
| Currency | | 26/10/2018 | 02/11/2018 | Change% |
| Dollar | Official Rate | 42,000 | 42,000 | 0% |
| | Free Market Rate | 135,613 | 140,852 | 4% |
| Euro | | 156,471 | 165,629 | 6% |

| Precious Metal | | | | |
|----------------|---------------|------------|------------|---------|
| Metal | Unit | 26/10/2018 | 02/11/2018 | Change% |
| Gold | Dollar/ Ounce | 1,233.60 | 1,232.88 | -0.06% |
| Silver | Dollar/ Ounce | 14.7100 | 14.7500 | 0.27% |

| Basic Metal | | | | |
|-------------|---------------|------------|------------|---------|
| Product | Unit | 26/10/2018 | 02/11/2018 | Change% |
| Aluminum | Dollar/ Tonne | 1,992.25 | 1,978.75 | -0.7% |
| Lead | Dollar/ Tonne | 1,995.75 | 2,005.25 | 0.5% |
| Zinc | Dollar/ Tonne | 2,659.50 | 2,548.50 | -4.2% |
| Copper | Dollar/ Tonne | 6,181.50 | 6,306.00 | 2.0% |



TSE TOP 5 Gainers

| Symbol | Sector | Company Name | close (USD Cent) | %change |
|--------|--|--------------------|------------------------|---------|
| IBKZ | Monetary intermediation & banks | Investment Bank | 0.83 | 48.10% |
| SPDZ | Manufacture of motor vehicles·trailers and semi-trailers | Saipa Diesel | 1.10 | 30.44% |
| MAVA | manufacture of chemicals and chemical products | Fiber Prod. | 5.20 | 27.86% |
| IMFZ | hotels & restaurant | Cultur.Herit. Inv. | 3.56 | 24.66% |
| RFNZ | Manufacture of motor vehicles·trailers and semi-trailers | Ravan Fan Avar | 3.40 | 21.91% |

TSE TOP 5 LOSERS

| Symbol | Sector | Company Name | close (USD Cent) | %change |
|--------|--|-----------------|------------------------|---------|
| PNLZ | Manufacture of coke·refind petroleum products and nuclear fuel | Lavan Oil Ref. | 16.65 | -14.02% |
| KIMI | manufacture of chemicals and chemical products | Chimidarou | 3.03 | -13.43% |
| DSNZ | manufacture of chemicals and chemical products | Ankolojy Sobhan | 1.29 | -12.89% |
| DMVN | Mining of metal ores | Damavand Min. | 20.37 | -12.44% |
| NSPS | Manufacture of other non-metallic mineral product | Pars Refract. | 3.00 | -11.47% |



TSE TOP 5 VALUE LEADERS

| Symbol | Sector | Company Name | close (USD Cent) | Trade Value (USD Million) |
|--------|--|-----------------------|------------------------|------------------------------------|
| BMLT | Monetary intermediation & banks | Mellat Bank | 1.93 | 12.8 |
| PNES | Manufacture of coke·refind petroleum products and nuclear fuel | Isf. Oil Ref. Co. | 6.48 | 9.9 |
| FOLD | Manufacture of basic metals | Mobarakeh Steel | 4.25 | 6.0 |
| PARK | manufacture of chemicals and chemical products | Shazand Petr. | 3.64 | 5.8 |
| PARS | manufacture of chemicals and chemical products | PARS Petrochemical | 30.03 | 5.4 |



3.Economic News

Report: US Far From Zero Iran Oil Exports Target

While a fresh wave of US sanctions with the purpose of driving Iranian oil exports down to zero is looming, the White House is still far from that target, as Tehran was still selling up to 1.9 million barrels per day of crude in September, a leading business website reported.

Iran Denies Reports Russia Is to Help with Sale of Oil

Iran's oil minister denied reports that Russia would help Tehran to circumvent the upcoming US sanctions by reselling Iranian crude.

Planned Corridor to Link India to Europe via Iran

Officials from Iran, India, and Russia will meet next month to discuss the operation of a 7,200 km trade and transport corridor that would present a cheaper and shorter alternative to the traditional route through the Suez Canal.

India Reportedly Granted Waiver from Iran Sanctions

Indian oil companies will continue to import about 2.5 million tons of oil a month till March from Iran, Indian sources said.

US Not to Reach Goals behind Anti-Iran Sanctions: Cleric

Tehran's provisional Friday Prayers leader highlighted the US government's isolation following its withdrawal from the 2015 Iran nuclear deal and re-imposition of anti-Tehran sanctions said Washington would never reach its goals behind the embargoes.

S. Korea, India to Keep Importing Iranian Oil

South Korea and India agreed with the US on the outline of deals that would allow it to keep importing some Iranian oil after it asked the United States for "maximum flexibility" this week, according to Asian officials.