



سازمان بورس و اوراق بهادار
Securities & Exchange Organization

Iran Capital Market Insight

October 2019



Department of Research, Development and Islamic Studies
Statistics and Risk Analysis Group

Contents

Stock Market Indices	3
TSE and IFB Market Capitalization.....	4
Industries Market Capitalization	5
Exchanges' Trading Statistics	6
Instruments' Trading Statistics	7
Share of Institutional and Individual Investors in Trading Value	8
Institutional and Individual Transactions	8
Sukuk.....	9
Number of Listed and Unlisted Companies.....	9
Initial Public Offerings.....	10

Abbreviation

IFB	Iran Fara Bourse
IFX	Iran Fara Bourse Index
IME	Iran Mercantile Exchange
IRENEX	Iran Energy Exchange
SPS	Standard Parallel Salam
TEDPIX	Tehran Dividend and Price Index
TRI	Total Return Index
TSE	Tehran Stock Exchange

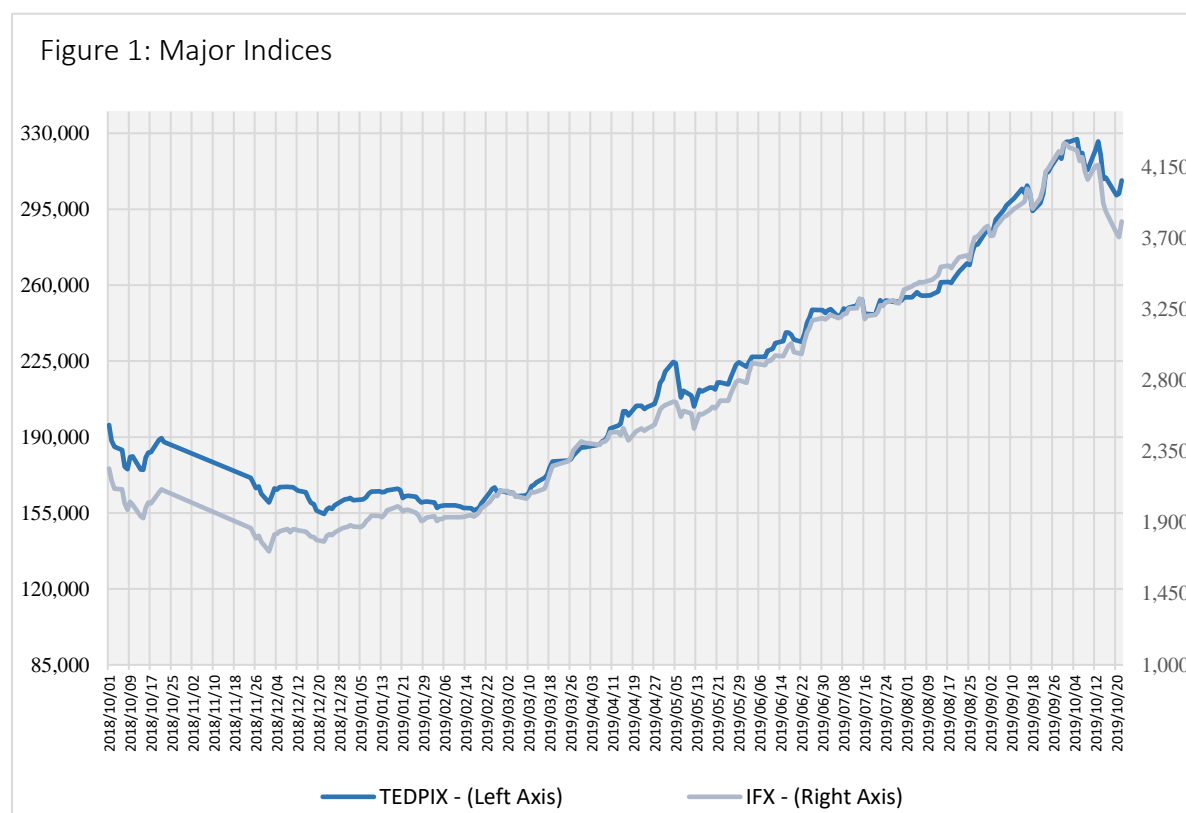
Stock Market Indices

The end of month figure of Iran stock market major indices including the TSE's (TEDPIX) and the IFB's total return index (IFX) is compared with that of the previous month in Table 1.

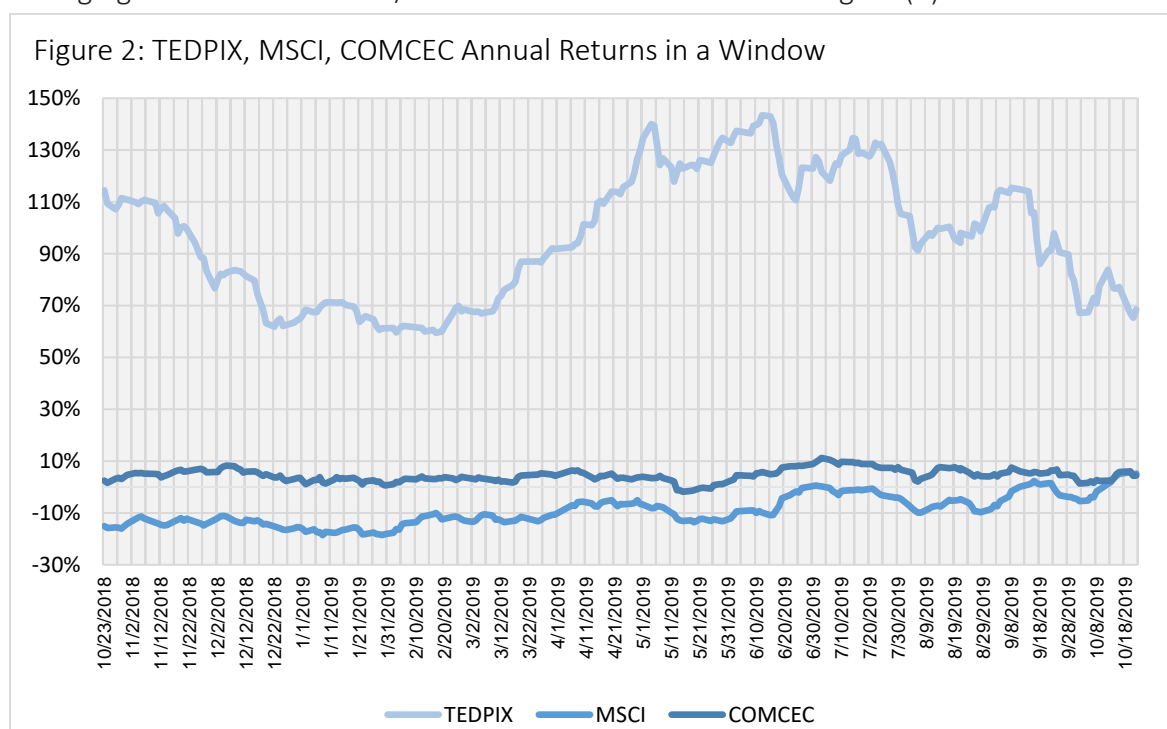
Table 1: Stock Market Indices

Index	October 2019	September 2019	Change (%)
TEDPIX	308,315	302,104	2.1%
IFX	3,805	4,017	-5.3%

The past year's trend of the indices is illustrated in the following figure.



In addition, the performance (annual return in percent) of TEDPIX is compared with MSCI Emerging Market TRI and S&P/OIC COMCEC 50 SHARIAH TRI in figure (2).

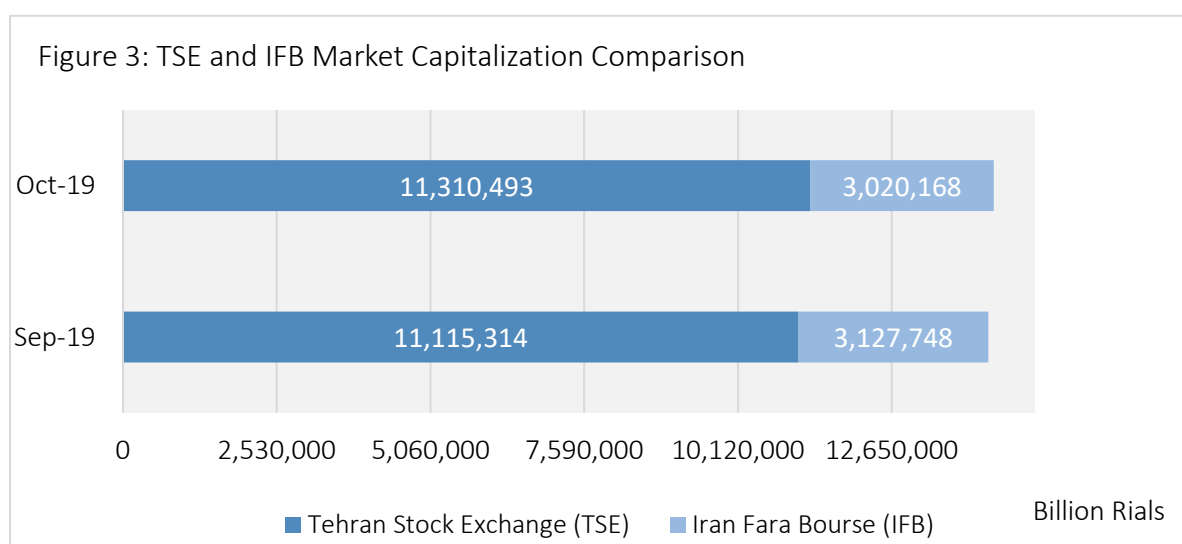


MSCI Emerging Market TRI: The index includes securities from 23 countries; however, it excludes stocks from emerging and frontier economies.

COMCEC: The S&P/OIC COMCEC 50 Shariah is designed to provide investors with a Shariah-compliant benchmark that measures the performance of leading companies from the Organization of Islamic Cooperation (OIC) member states.

TSE and IFB Market Capitalization

Share of the IFB and the TSE market capitalization in comparison with the end of September is demonstrated below. The IFB is younger and smaller; yet, has differentiated itself in hosting state-of-the-art financial instruments.

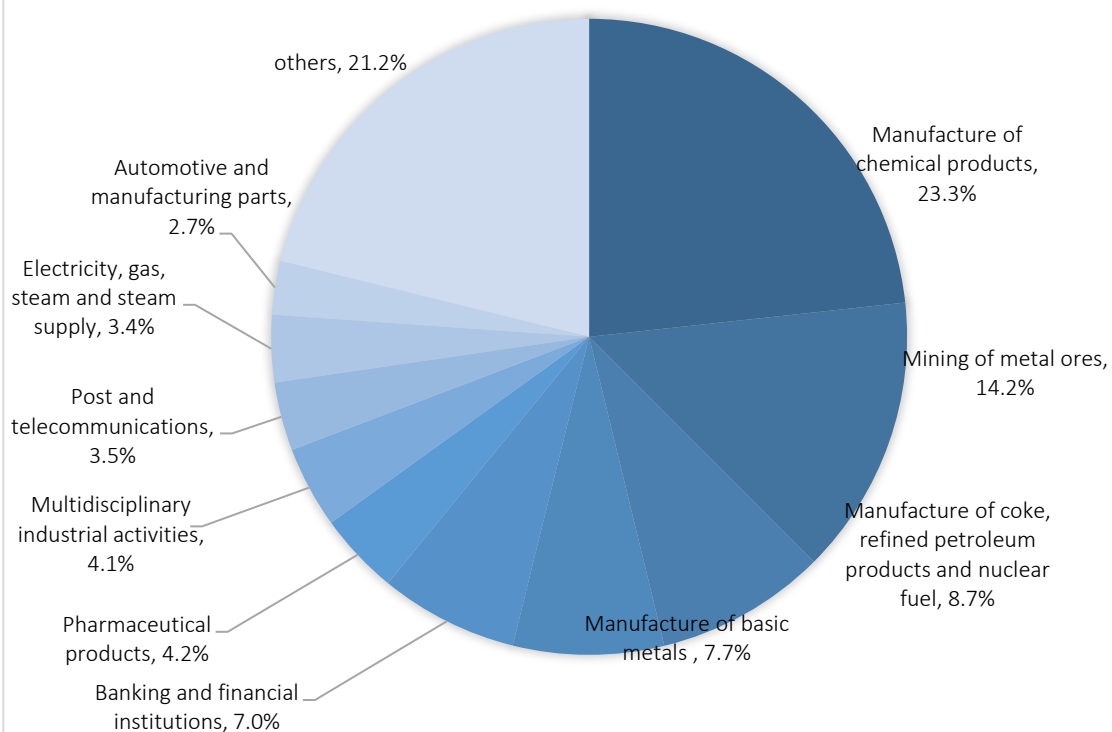


Industries Market Capitalization

Tehran Stock Exchange and Iran Fara Bourse

The break-down of top industries' market capitalization in the aggregate of the IFB and the TSE is depicted in the following figure.

FIGURE 4: TOP 10 INDUSTRIES



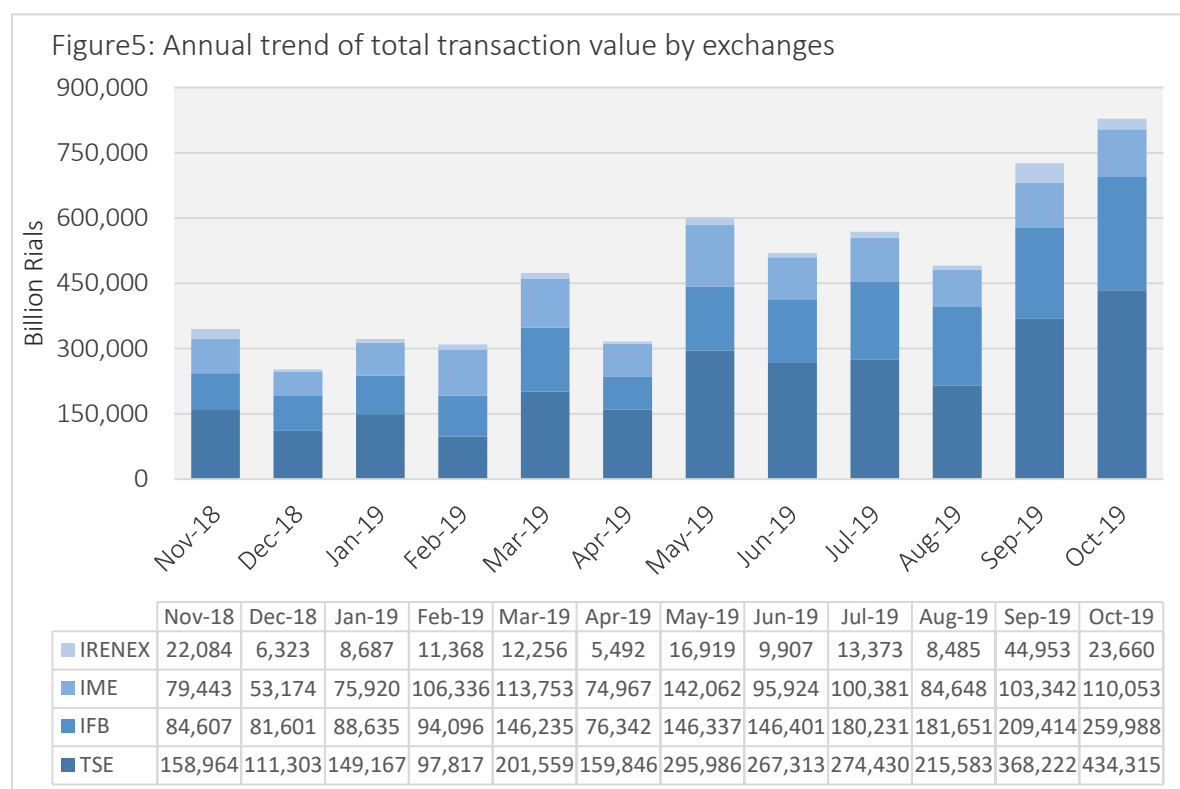
Exchanges' Trading Statistics

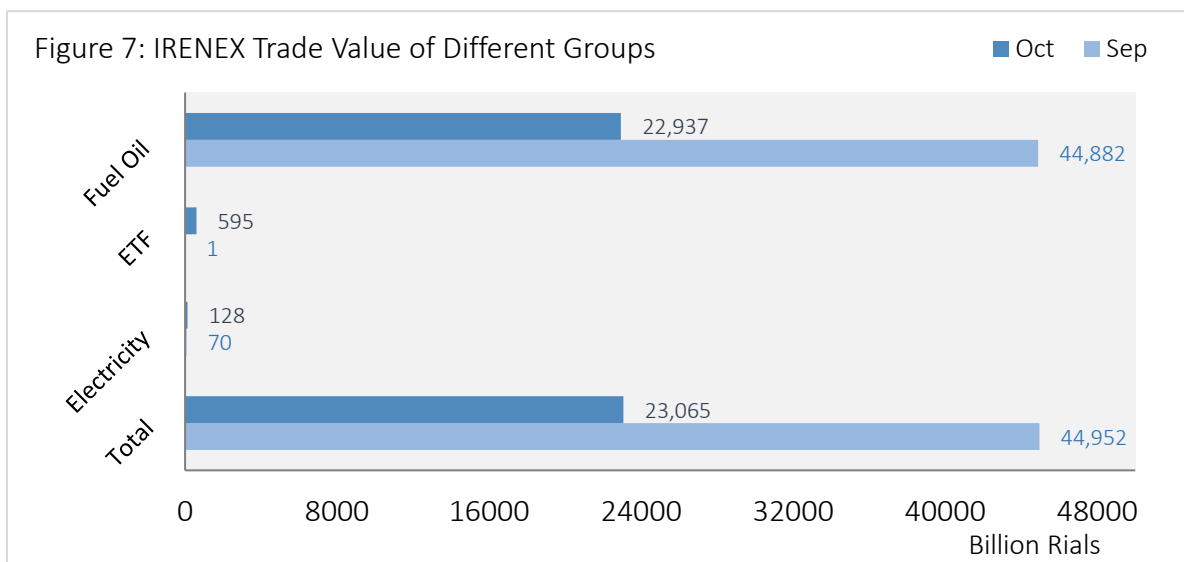
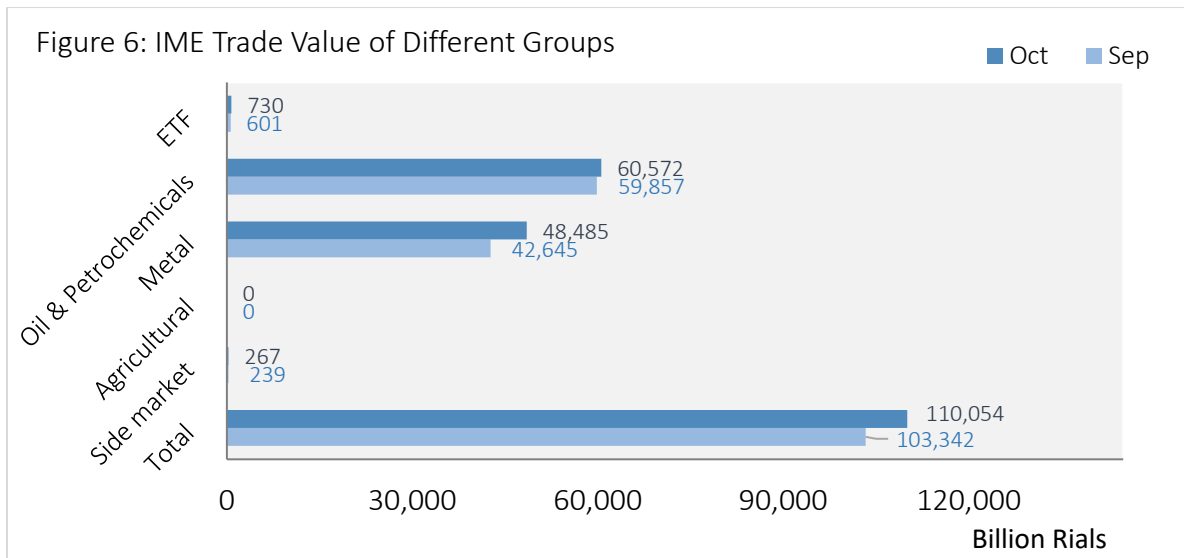
The value of trades for each exchange is depicted in the following table.

Table 2: Value of trades for each exchange

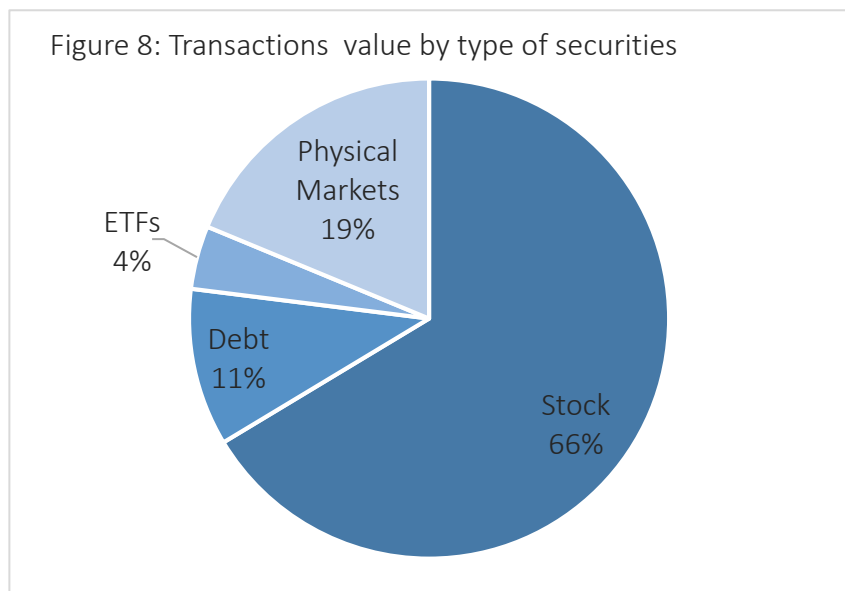
Exchange	Securities	Trade Value (Billion Rials)			change Percent	
		Oct-19	Sep-19	Oct-18	compared to the previous month	compared to the previous year
Tehran Stock Exchange	Stock	393,717	335,012	294,769	17.52%	33.57%
	Sukuk	6,697	7,148	5,528	-6.30%	21.15%
	ETFs	33,901	26,062	10,010	30.08%	238.67%
Iran Fara Bourse	Stock	157,663	151,638	84,025	3.97%	87.64%
	Sukuk	85,662	42,957	55,034	99.41%	55.65%
	ETFs	16,663	14,819	9,503	12.44%	75.34%
IME	Physical Market	109,324	102,741	90,400	6.41%	20.93%
	ETFs	729	601	3,999	21.27%	-81.76%
IRENEX	Physical Market	23,065	44,952	16,608	-48.69%	38.88%
	ETFs	595	0.66	825	90139.02%	-27.90%
Grand Total		828,017	725,931	570,702	14.06%	45.09%
Daily Average		39,429	36,297	25,941	8.63%	52.00%

The trading value of each exchange is depicted in the following figures.



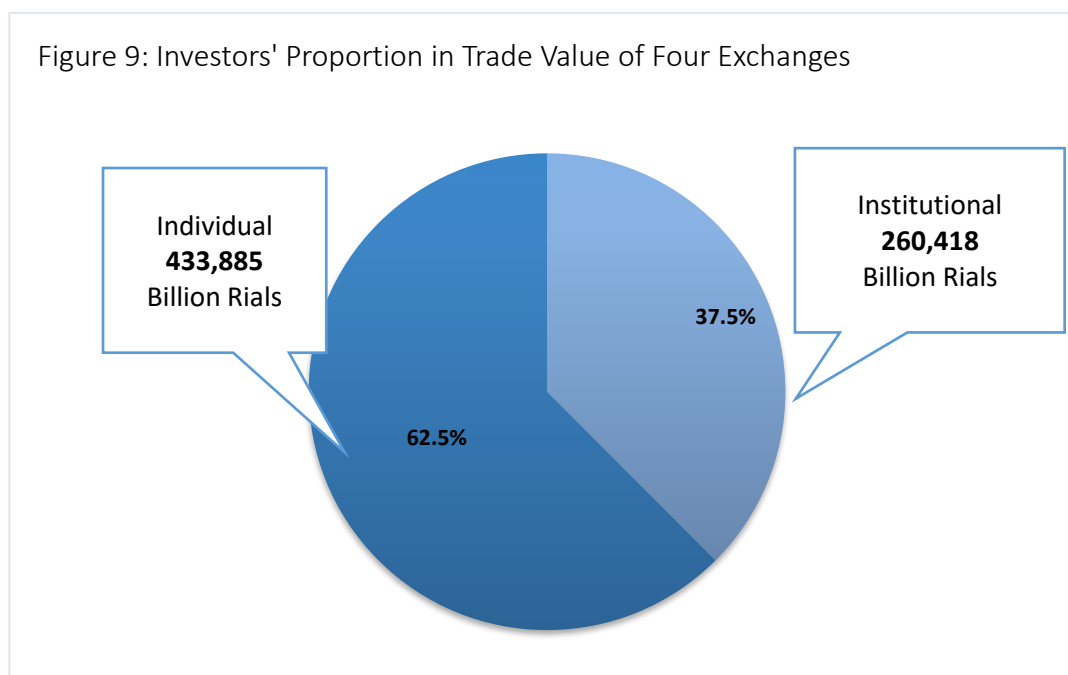


Instruments' Trading Statistics



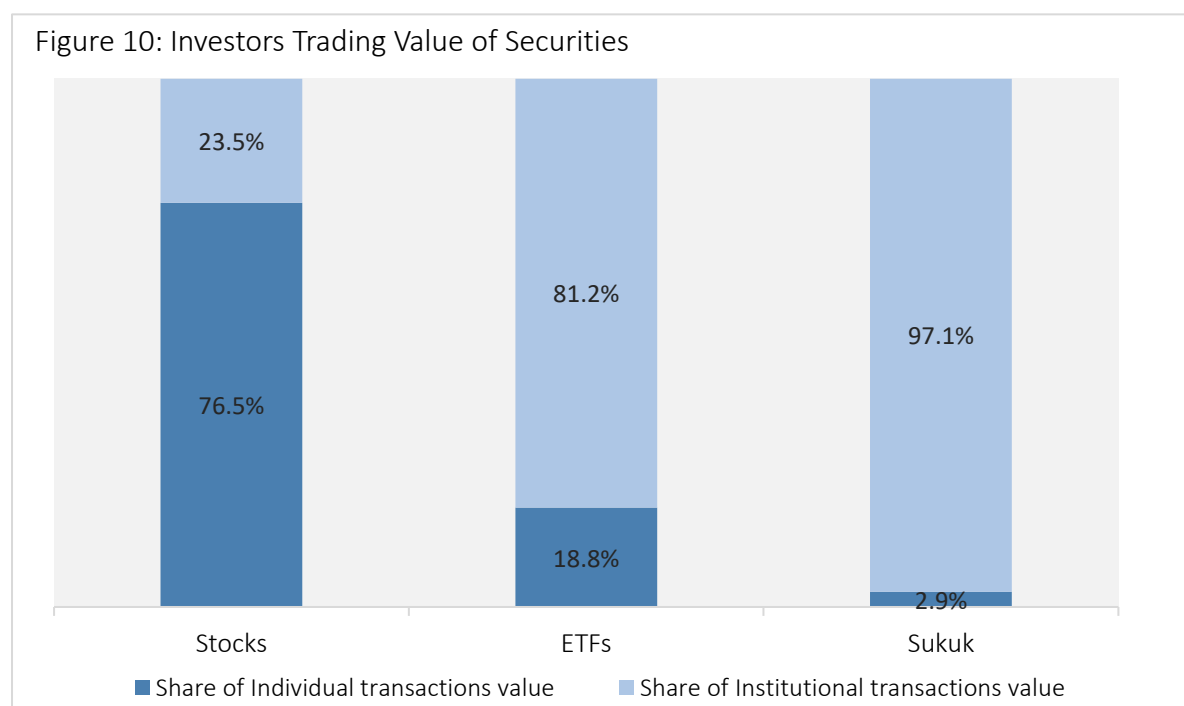
Share of Institutional and Individual Investors in Trading Value

Figure 9 reveals the proportion of individual and institutional investors in the total market trading value of TSE and IFB.



Institutional and Individual Transactions

Institutional and Individual contribution for each category of instruments in TSE and IFB is demonstrated in the following figure.



Sukuk

Outstanding Sukuk

The outstanding value of each Islamic securities (Sukuk) is presented in the following figures. It is noteworthy that all instruments in the Iran capital market are Shariah-compliant.

Figure 11: Outstanding Value of Each Type of Sukuk Issuers

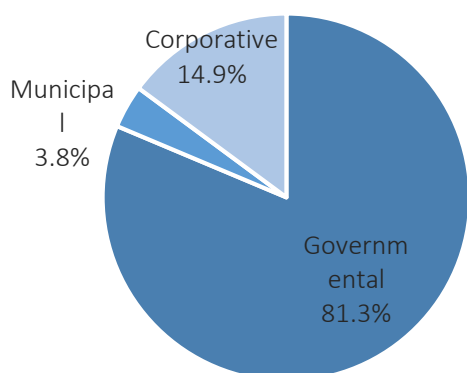


Figure 12: Outstanding Value of Each Type of Sukuk

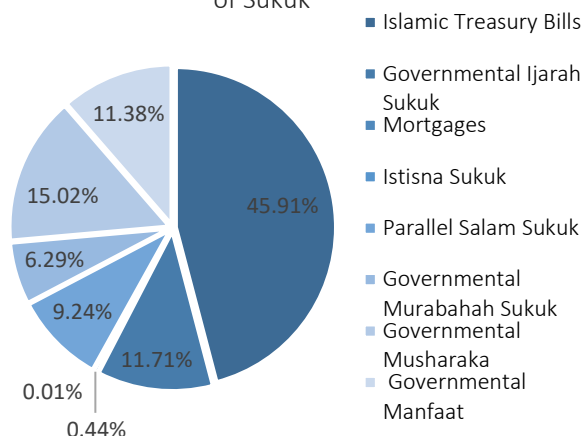
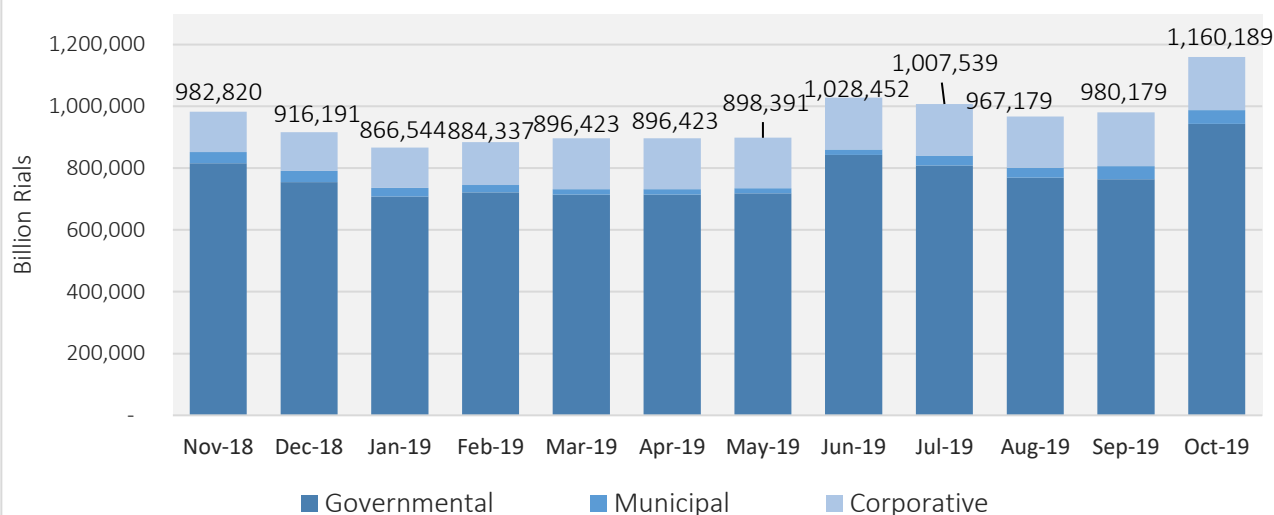


Figure 13: Annual trend of Outstanding Value by the nature of the issuer's securities



Number of Listed and Unlisted Companies

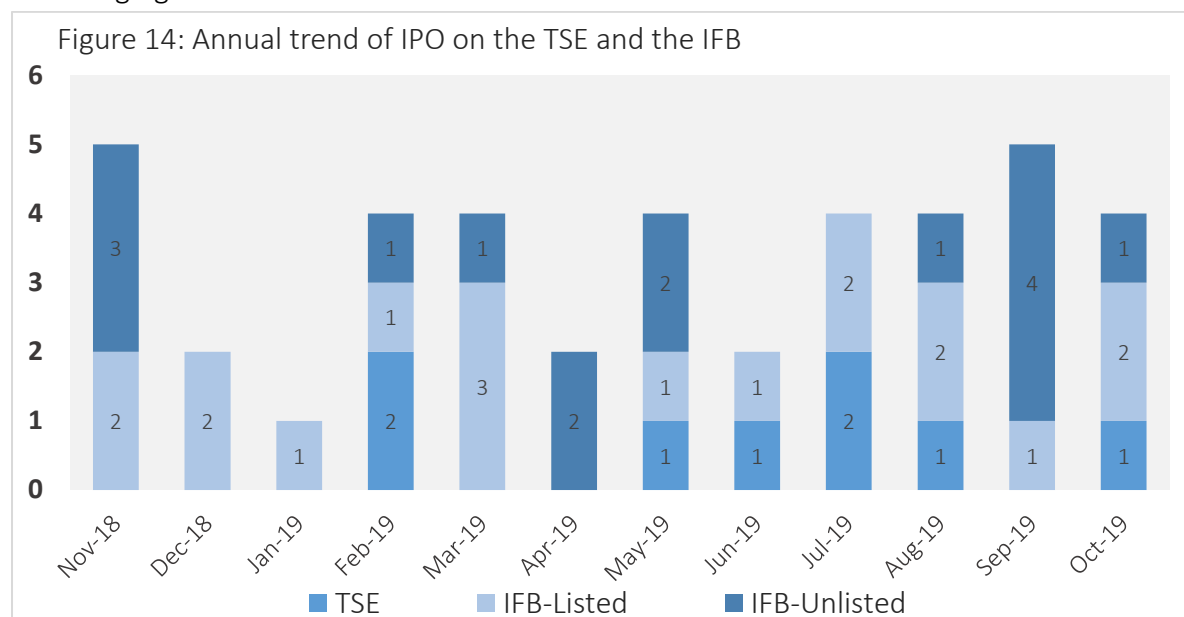
The number of listed and registered companies on the TSE and the IFB are presented in the following table.

Table 3: Number of Listed and Registered Companies on TSE and IFB

October 2019	
Listed Companies in the TSE	331
Listed Companies in the IFB	116
Unlisted Companies in the IFB	172

Initial Public Offerings

The trend of the number of initial public offerings in the TSE and the IFB is presented in the following figure.



The detail of IPOs in the TSE and the IFB is shown in the following table.

Table 4: detail of IPOs

Exchange	Industry	Company Name	Ticker	No.Shares	Offering Date
TSE - Listed	basic metals	Sepid Farab Kavir	KVIR	2,400,000,000	2019/10/09
IFB - Listed	Electricity, gas, steam and steam supply	Jahrom Power Plant	JPPZ	24,145,332,082	2019/09/25
	Pharmaceutical products	Daroupakhsh Distr.	DPDZ	600,000,000	2019/10/13
IFB - UnListed	Engineering, analysis and technical testing activity	Iran Ind.Eng.Insp.	IEIP	150,000,000	2019/10/21

SEO Chief: Taxes on Stock dividends Stay Intact

The SEO Charmin retracted all spread rumors on levying new taxes on stock dividends, calling them immaterial and baseless.

Dr. Shapour Mohammadi said that there has been no plan to levy new taxes on distributed dividends whatsoever; confirmed by the Minister of Finance.

"Our aim is to even reduce the existing taxation on distributed dividends in line with our general policy of supporting the capital market practitioners and that is quite contrary to what has recently rumored in the cyber space about imposition of additional taxes on dividends." he added.

Dr. Mohammadi concluded: traders and market practitioners can be assured that there is no alteration on taxation of stock market other than plummeting the existing rates.

Cabinet Approves “Retail Investors’ Rights Protection Bill”

The Cabinet spokesperson, among other approvals by the Cabinet, mentioned the approval of the “Retail Investors’ Rights Protection” Bill, in which the corporate governance issues will be expanded and more attention will be levied on the small investors.

This Bill not only welcomes more participation of the retail investors, but also assists foreign investors to obtain more guarantees for their investment in the capital market.

The “Document for Prevention of Offences and Crimes Commission” Approved by Exchange High Council

Approval of this document demonstrates the SEO’s concentration on and gives strict priority to prevent market misconduct and to increase market transparency and fairness.

This “Document” applies to all market participants including the SROs and will be operated considering their assistance and efforts. “Document for Prevention of Offences and Crimes Commission” has been edited aiming to reach two main goals: to develop soundness of capital market atmosphere, and to extirpate the bases of criminal conducts and offences within the capital market by deploying preventive criminal and non-criminal techniques.

Some of the main methods and techniques highlighted in the said “Document” are given below:

1. To prepare reporting models and gather data in all fields of capital market, i.e. trading, licenses, communications, supervisions, meetings, prosecutions, crimes, etc.; and updating them on a regular basis,
2. To introduce and strengthen supervision system, and to early recognition capital market misconducts in order to identify ambiguous and offensive bottlenecks,

3. To review rules and regulations on a regular basis, including directives, circulars, etc.,
4. Deregulation and qualitative improvements of regulations,
5. E-protection via empowering the IT system, introduce terminals and e-processing,
6. Organizing, integrating and developing licensing processes,
7. Free access to information in order to increase more transparency and to protect citizenship rights based on the rules and regulations,
8. To establish preventive offices in the capital market organs and SROs; and to protect, strengthen and develop them,
9. To review dispute resolution in order to speed up the investigation process,
10. To increase financial literacy, and general and legal awareness among market practitioners,
11. To utilize incentives to public, in order to detect market misconducts, violations and crimes,
12. To develop advisory services.

In order to better implement this “Document”, several steering committees and relative working groups and commissions have been set up.

At the end of October 2019, the market capitalization reached 14,330,661 billion IR, which represents 0.6% growth compare with the previous month.

The TSE's total return index (TEDPIX) at the end of one-month trading session in October 2019 increased by 2.1% and touched 308,315, while the IFB's total return index (IFX) reached 3,805, which demonstrates a 5.3% decline.

The total trading value of four exchanges (TSE, IFB, IME, and IRENEX) amounted to 828,017 billion IR in October 2019, which shows 14% increase comparing to the last month.