



Securities & Exchange
Organization

Iran Capital Market Insight

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Department of Research, Development
and Islamic Studies

Statistics and Risk Analysis Group

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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

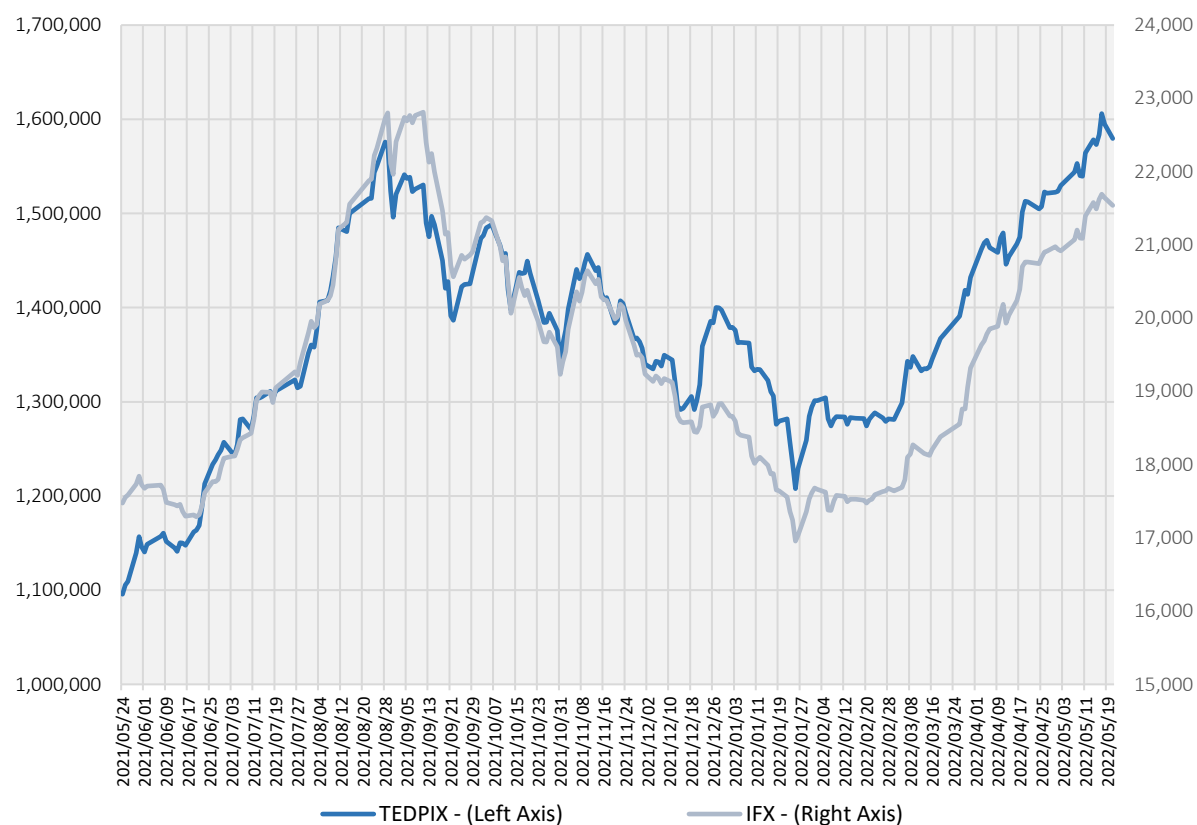
The end of month figure of Iran stock market major indices including the TSE's (TEDPIX) and the IFB's total return index (IFX) is compared with that of the previous month in Table 1.

Table 1: Stock Market Indices

Index	May 2022	Apr 2022	Change (%)
TEDPIX	1,579,687	1,512,219	4.46%
IFX	21,538	20,763	3.73%

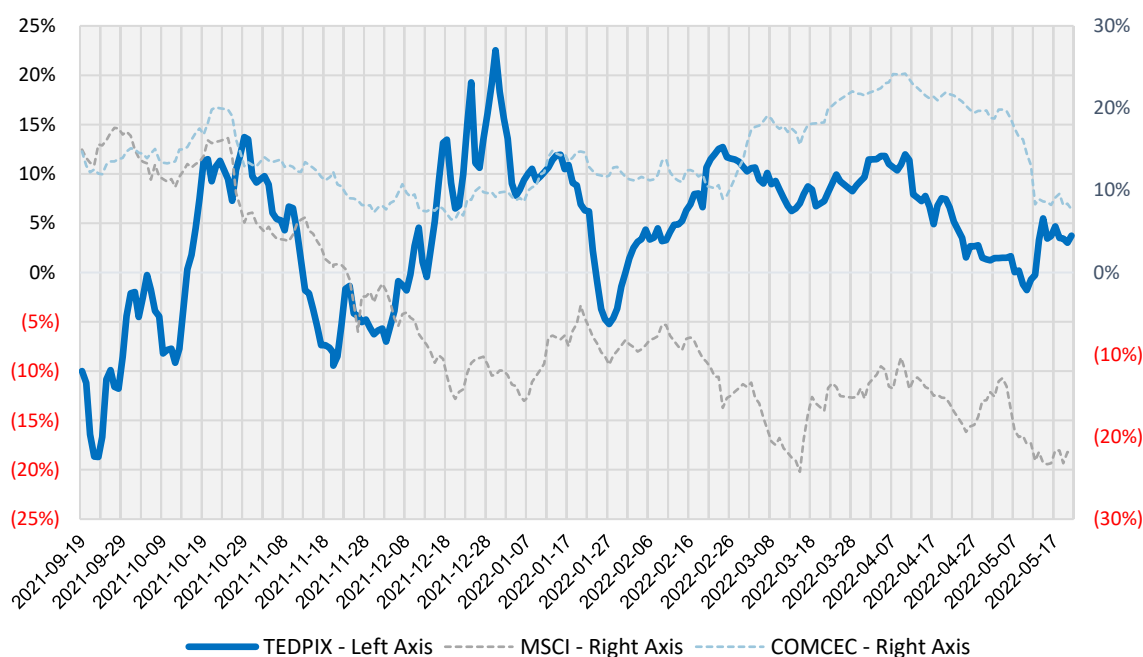
The past year's trend of the indices is illustrated in the following figure.

Figure 1: Major Indices



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).

Figure 2: TEDPIX, MSCI, COMCEC Annual Returns in a Window



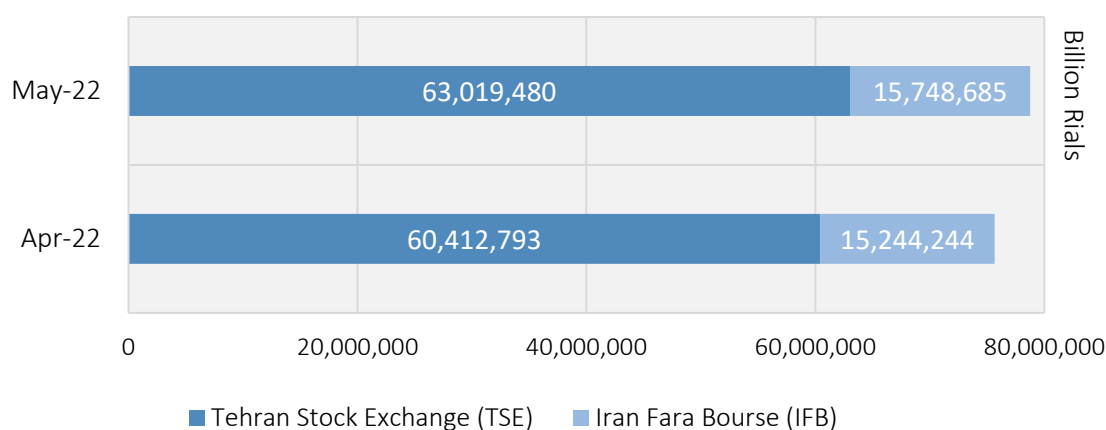
MSCI Emerging Market TRI: The index includes securities from 23 countries; however, it excludes stocks from emerging and frontier economies.

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 Apr is demonstrated below. The IFB is younger and smaller; yet, has differentiated itself in hosting state-of-the-art financial instruments.

Figure 3: TSE and IFB Market Capitalization Comparison

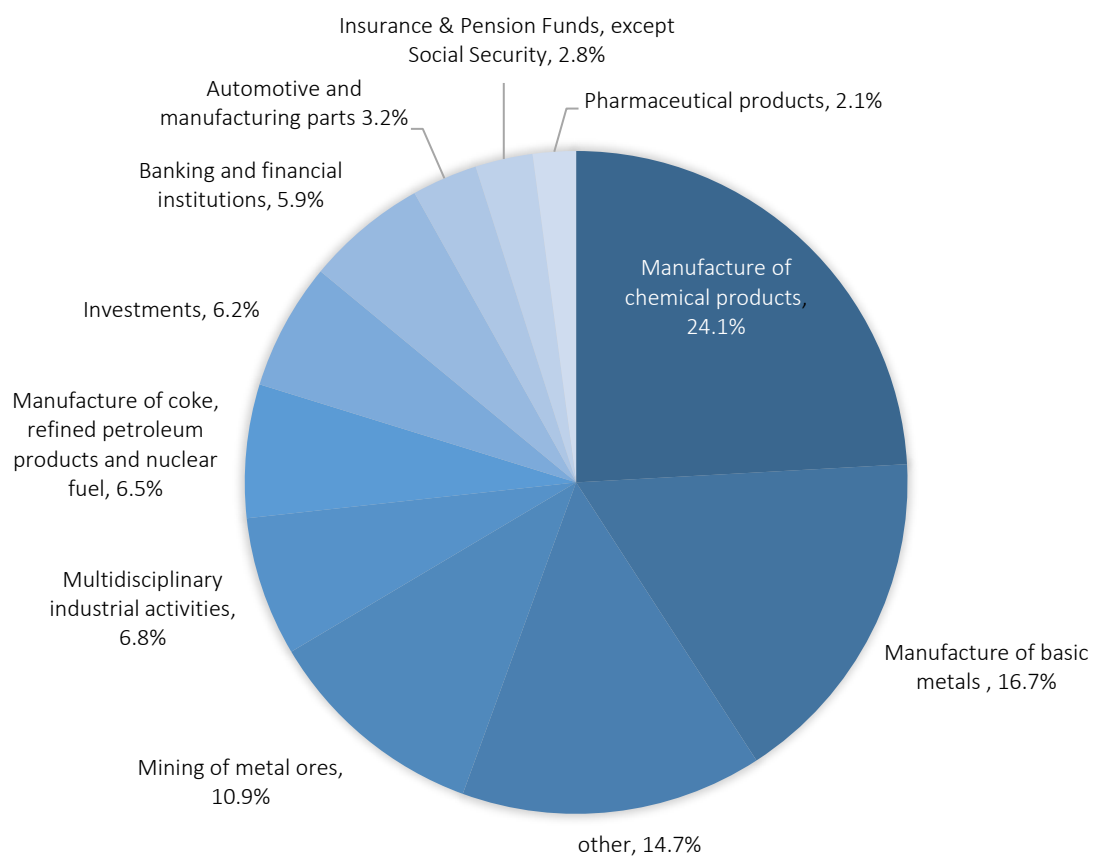


Industries Market Capitalization

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	
		May-22	Apr-22	May-21	compared to month previous	compared to previous year
Tehran Stock Exchange	Stock	886,707	816,119	433,649	8.65%	104.48%
	Sukuk	47,423	29,645	10,291	59.97%	360.83%
	ETFs	282,161	278,651	243,338	1.26%	15.95%
Iran Fara Bourse	Stock	390,809	261,743	93,554	49.31%	317.74%
	Sukuk	7,206,494	5,820,659	1,301,244	23.81%	453.82%
	ETFs	133,150	132,150	66,976	0.76%	98.80%
IME	Physical Market	727,151	614,275	406,576	18.38%	78.85%
	ETFs	7,557	5,332	1,413	41.73%	434.82%
IRENEX	Physical Market	105,495	76,341	74,869	38.19%	40.91%
	ETFs	0	9	0	-	-
Grand Total		9,786,948	8,034,924	2,631,910	21.81%	271.86%
Daily Average		543,719	422,891	131,595	28.57%	313.17%

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

Figure5: Annual trend of total transaction value by exchanges

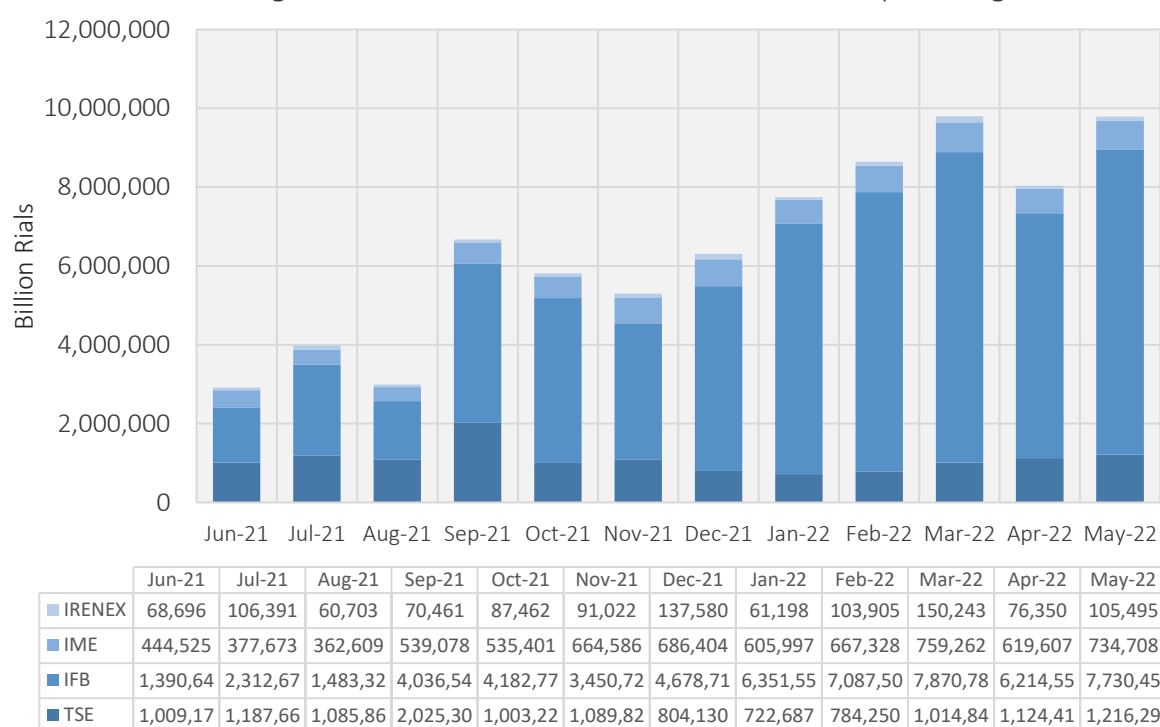


Figure 6: IME Trade Value of Different Groups

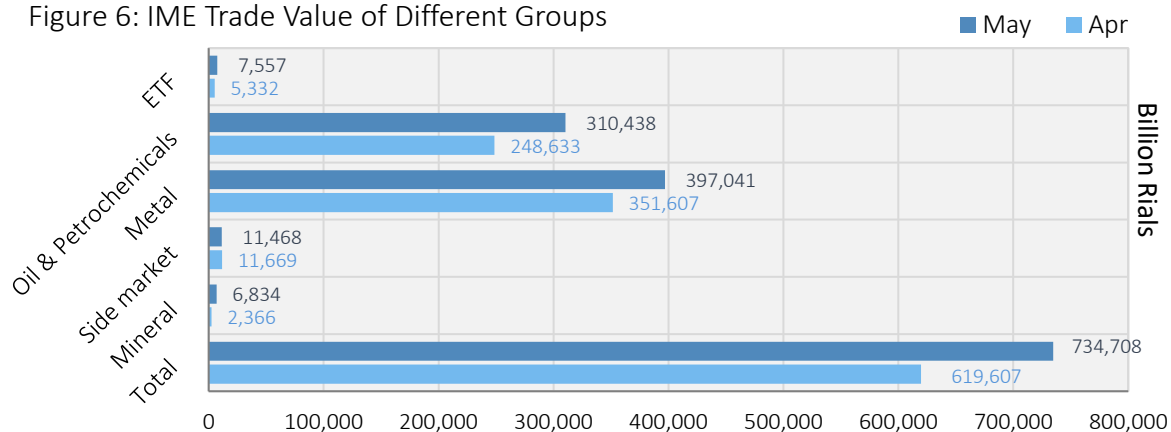
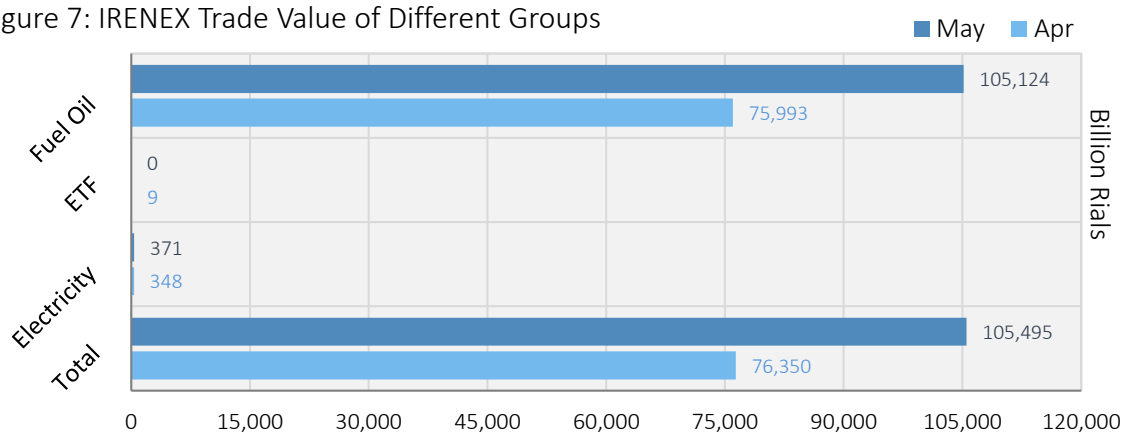
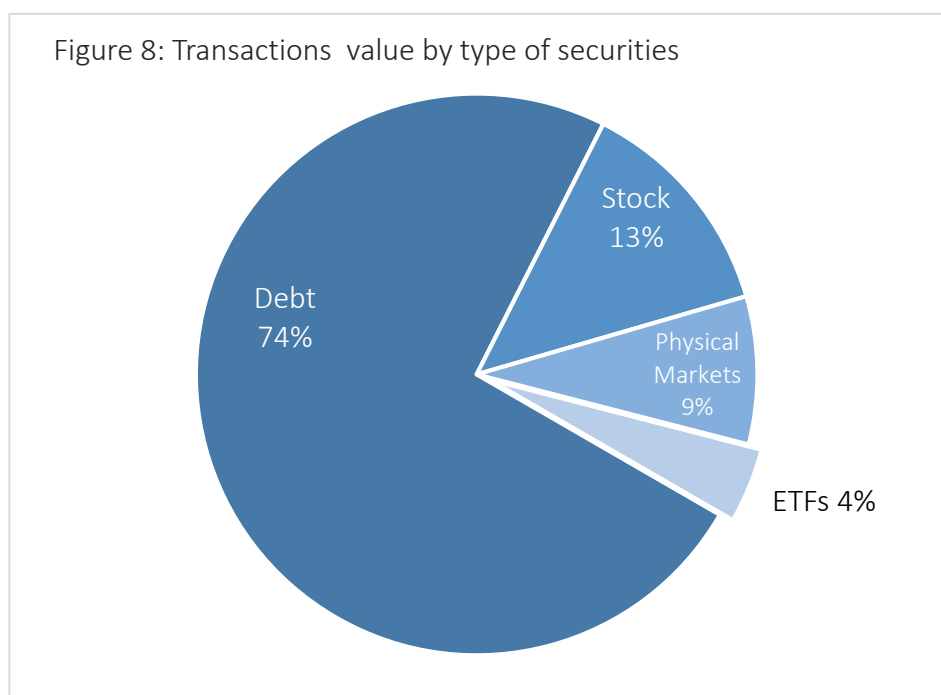


Figure 7: IRENEX Trade Value of Different Groups



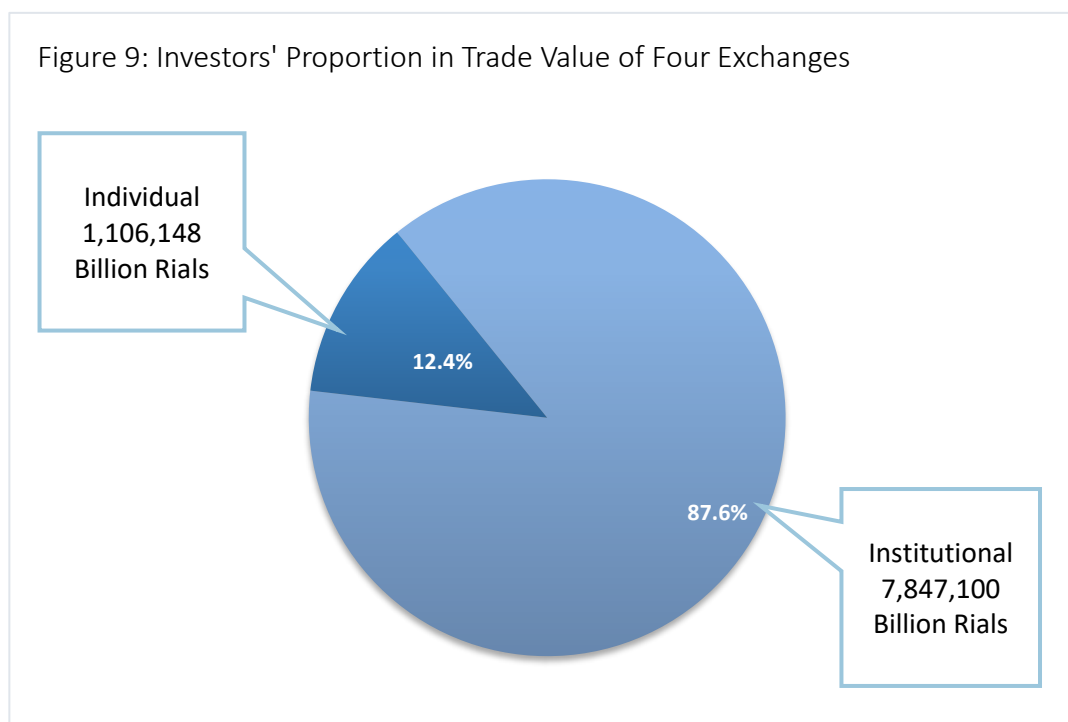
Instruments' Trading Statistics

Figure 8: Transactions value by type of securities



Share of Institutional and Individual Investors in Trading Value

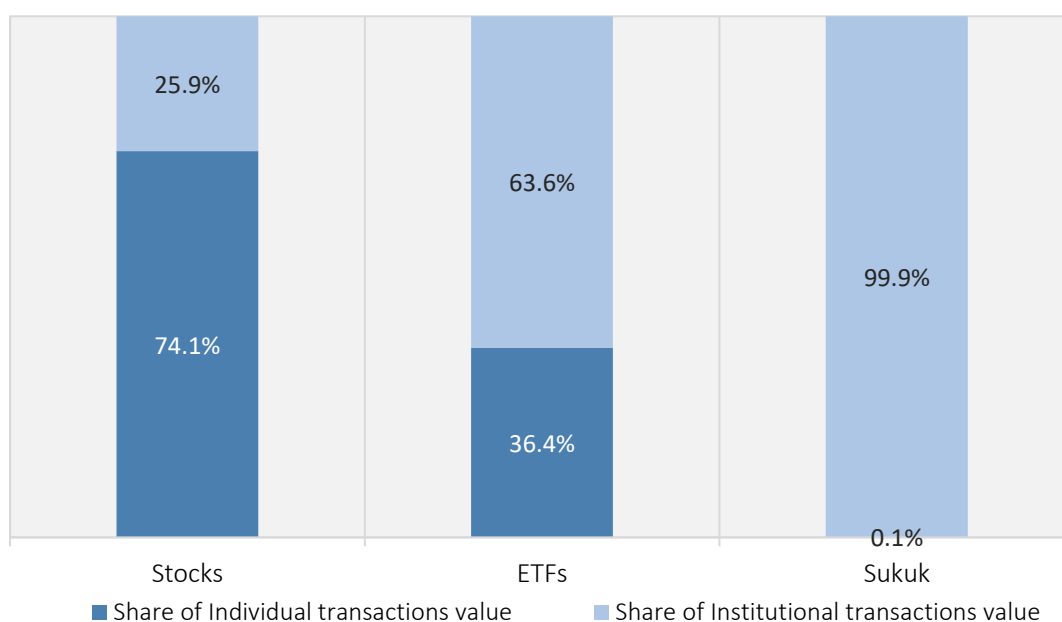
Figure 9 reveals the proportion of individual and institutional investors in the total market trading value of TSE and IFB.



Institutional and Individual Transactions

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

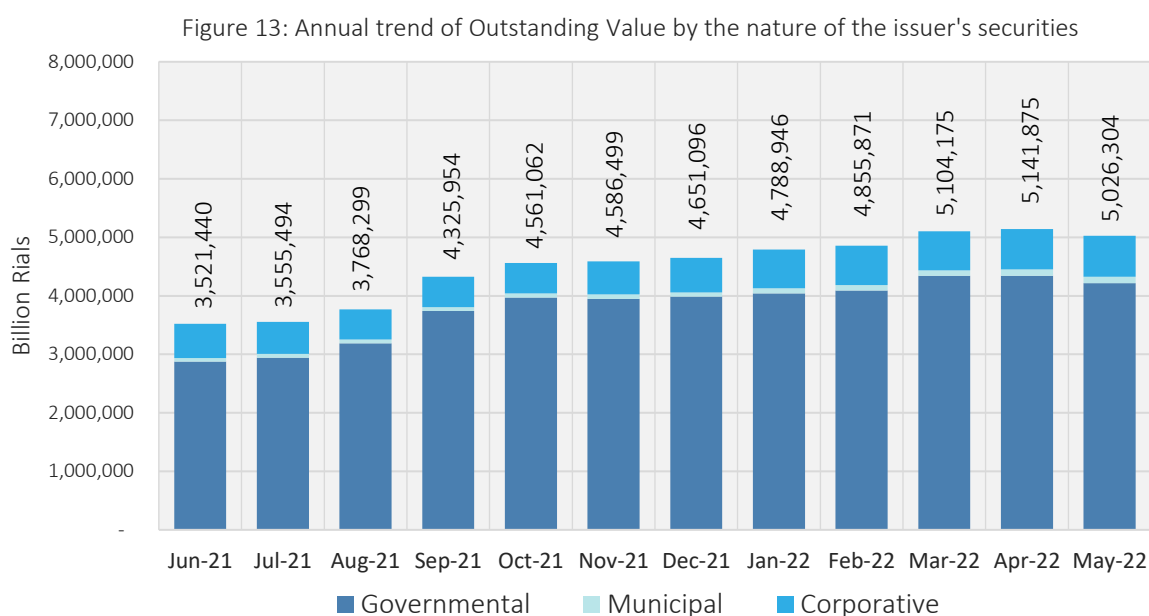
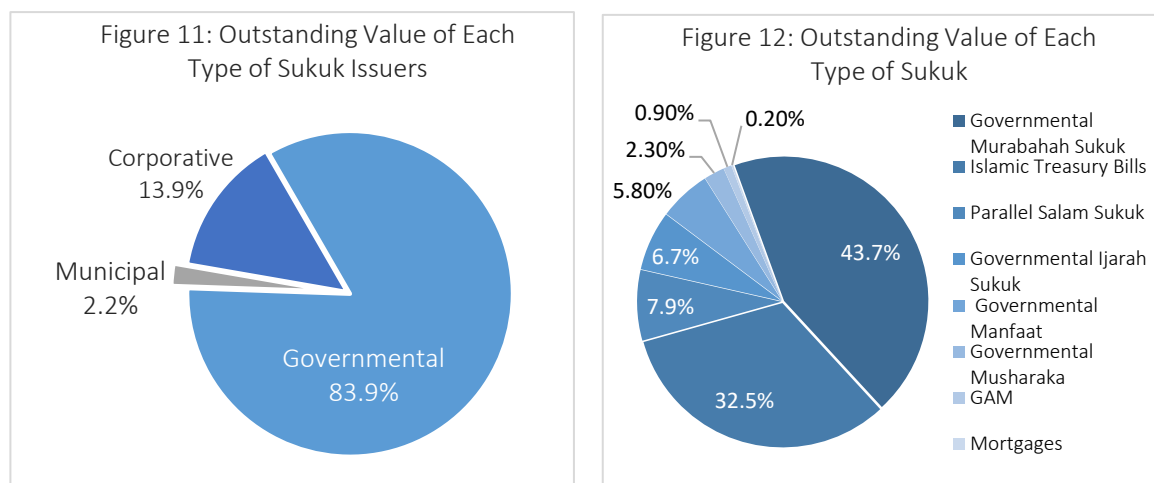
Figure 10: Investors Trading Value of Securities



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.



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

May 2022	
Listed Companies in the TSE	381
Listed Companies in the IFB	155
Unlisted Companies in the IFB	186
Total	722

Initial Public Offerings

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

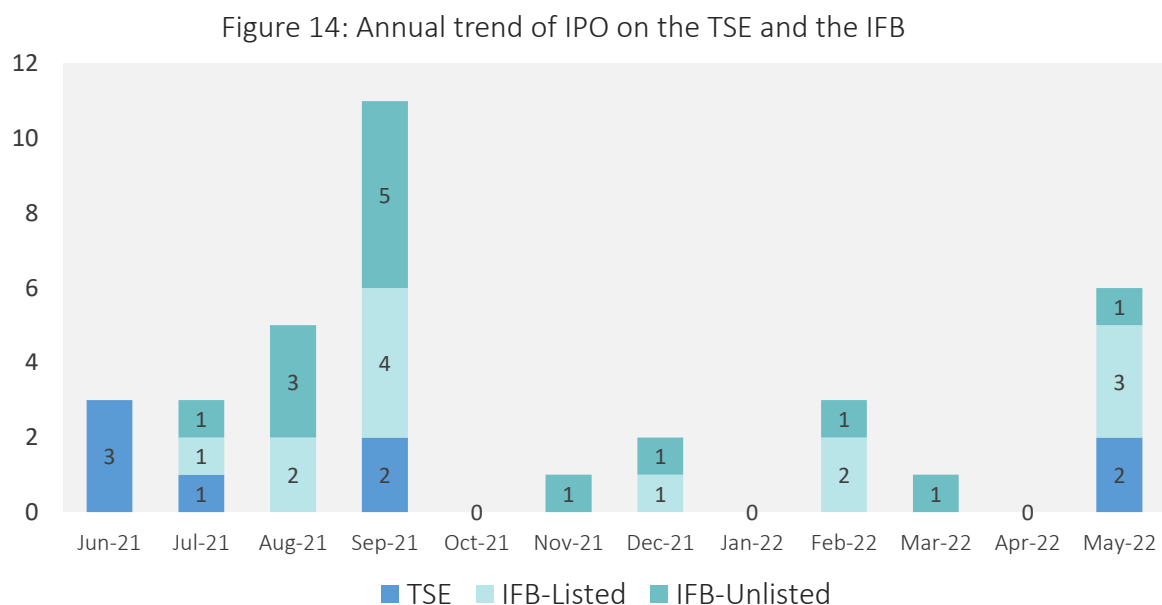


Table 4: detail of IPOs

Exchange	Industry	Company Name	Ticker	No.Shares (Milion)	Trade-Value (Billion Rials)	Percent of Supply (%)	Offering Date
TSE - Listed	Information & Communicatin	Asiatech	ASTC	2,000	~ 6,259	34%	2022/04/27
TSE - Listed	Cement, Lime & Plaster	Abiak Cement	ABIK	2,959	~ 4,384	12%	2022/05/18
IFB - Listed	Land Transportation & Storage	Gohar Tarabar	GTTZ	4,440	~ 5,072	17%	2022/05/10
IFB - Listed	Base Metals	Ferrosil. Khomein	FERZ	800	~ 1,262	6%	2022/05/11
IFB - Listed	Manufacture of Pharmaceuticals	Daana Pharma Co	DPHZ	2,400	~ 3,455	5%	2022/05/16
IFB - Unlisted	Investment	Arzesh Afarinan	AFRP	300	~ 667	7%	2022/05/18

UNVEILING THE NEW PAYMENT SYSTEM

Dr. Majid Eshghi, the SEO Chairman, unveiled the "Pars Group Payment System".

In the inauguration ceremony, he said: "In recent years, we faced rapid changes and increased number of capital market shareholders to almost 60 million".

Upgrading the existing infrastructure is a necessity, therefore, a new system designed to integrate profit sharing between shareholders will solve this problem. He stressed on the importance of cash dividends payment to shareholders, hence, based on current year's Budget Bill, cash dividends will be paid centrally through the SEJAM system only.

Mechanized implementation of group payment, elimination of manual processes, reduction of settlement risk, submission of integrated reports by each symbol, increasing the quality of the payment process, the possibility of paying multiple lists in single day, and reducing commissions are among the most important advantages and features of this new system.

NEW DEPARTMENT TO UPDATE CAPITAL MARKET REGULATIONS

One of the important missions of the SEO as a supervisory body is to make up-to-date, transparent, and efficient regulations.

Therefore, the Board of Directors of the SEO approved changes in the current structure of this area of the capital market in order to develop and improve specialized regulation.

The establishment of a department entitled "Codification, Expurgation and Compliance of the Capital Market Laws and Regulations" is one of the most important changes in the legal department of the SEO. This department was set up to establish a professional regulatory system, publish laws and regulations, and conduct research and legal studies related to the market regulation.

Other goals in this area are the implementation of capital market processes and procedures, expurgation, and compliance of the capital market laws and regulations, as well as recognition of rights and obligations related to the capital market.

INCREASE SHAREHOLDER'S CREDIT

The SEO announced the amount of credit received by shareholders will increase from 60 to 65 percent in the first, considering their portfolios. This decision has been taken in order to strengthen the demand side of the market.

Based on this directive:

- Regarding the listed shares of TSE, the First and Second Markets of the IFB: 65% of the final price;
- Adjustment coefficients of rights issues in the TSE and the First and Second Markets of the IFB, rights issues of shares listed in each of the IFB Unlisted Trading Privileges (UTP) markets and also investment units of other tradable investment funds: to increase proportionally;
- The new above-mentioned coefficients will be effective from February 16, 2022, and can be calculated in the relevant monitoring systems.

SEO HIGH COUNCIL RECENT APPROVALS

The most important resolutions and approvals of the SEO High Council since the beginning of the new government are as follows:

1. Deciding on a Joint Marketing Development Fund as a market maker in the IPO of public companies;
2. Appointing the Chairman and members of the board of directors of the SEO;
3. Approval of strategic and operational plans of the capital market;
4. Deciding on the block trading of Sina Bank;
5. Determining the implementation mechanism of Para A, Note 2 of the "2021 Budget Law";
6. Approval of the proposed articles of association of investment funds;
7. Implementation Instructions of Para A, Note 2 of the "2021 Budget Law";
8. Determining the commission fee or the interest received on credits granted to brokerage clients;
9. Amending Article (9) of the Trading Regulations of the Tehran Stock Exchange (TSE);
10. Amending the regulation of buyers' criteria for TSE and IFB block trading of shares and rights, in connection with Iranian Privatization Organization (IPO) share offerings.

MORE ATTENTION TO KNOWLEDGE-BASED COMPANIES

A member of the Economic Commission of the Iranian Parliament said, "Infrastructures for knowledge-based companies are being formed that will facilitate their entry into the IFB market."

The new law removes various obstacles, including the regulation to evaluate the intangible assets of such companies.

"With the recognition of the Leap Law, more companies will enter the capital market," he said, adding that hopefully the number of knowledge-based companies to top 20,000; with the cooperation of the government and of course, the words of the Supreme Leader.

FUTURES CONTRACTS TO BE TRADED IN IRENEX

The SEO announced the instructions for futures contracts transaction on the Iran Energy Exchange (IRENEX). This leads to an increase the level of predictability for hydrocarbon products, therefore, increased profitability and transparency among energy carriers companies.

IRENEX regulatory infrastructure is now in place for these transactions, and the company is equipping its technical infrastructure to run the futures market.

The most important advantages of launching the futures market in the energy exchange described as follows:

- Suppliers, purchasers and investors may benefit from the price discovery in IRENEX,
- Risk coverage from commodity price fluctuations,
- Guarantee transactions by the clearinghouse and thus reduce of default risk,

No doubt, launching the futures market in the Iran Energy Exchange sets a great opportunity for the Ministry of Petroleum, its subsidiaries, and refining and petrochemical industries to manage and cover the risk, and increase transparency and profitability.

SEO - CBI JOINT COMMITTEE

The Iranian Minister of Economic Affairs and Finance and the Governor of the Central Bank of Islamic Republic of Iran (CBI) emphasized setting up a joint committee between the SEO and the CBI.

This Committee works jointly to further coordinate monetary and capital market policies.

This Committee will focus, but not limited to, on the important and common issues as follow:

- Removing current restrictions in the field of activity of financial institutions, especially investment banks,
- Enhancing the country's financial system and instructions for investing in securities approved by the CBI's "Credit and Monetary Council",
- Reviewing and amending the regulations governing bank guarantees regarding the guarantees at a rate of more than 18%,
- Determining and announcing the exchange rate of banks in coordination with Iranian National Tax Administration,
- Increase transparency in banks / government dealings, and
- Establishment of a single portal between the CBI, the SEO, and the Companies Registration Office.

At the end of **May 2022**, the market capitalization reached 78,768,165 billion IR, which represents 4.11% increase compare with the previous month.

The TSE's total return index (TEDPIX) at the end of one-month trading session in **May 2022** increased by 4.46% and touched 1,579,687, while the IFB's total return index (IFX) reached 21,538, which demonstrates a 3.73% increase.

The total trading value of four exchanges (TSE, IFB, IME, and IRENEX) amounted to 9,786,948 Billion IRR in **May 2022**, which shows 21.81% decrease comparing to the last month.



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