



Securities & Exchange
Organization

Iran Capital Market Insight

April 2020



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

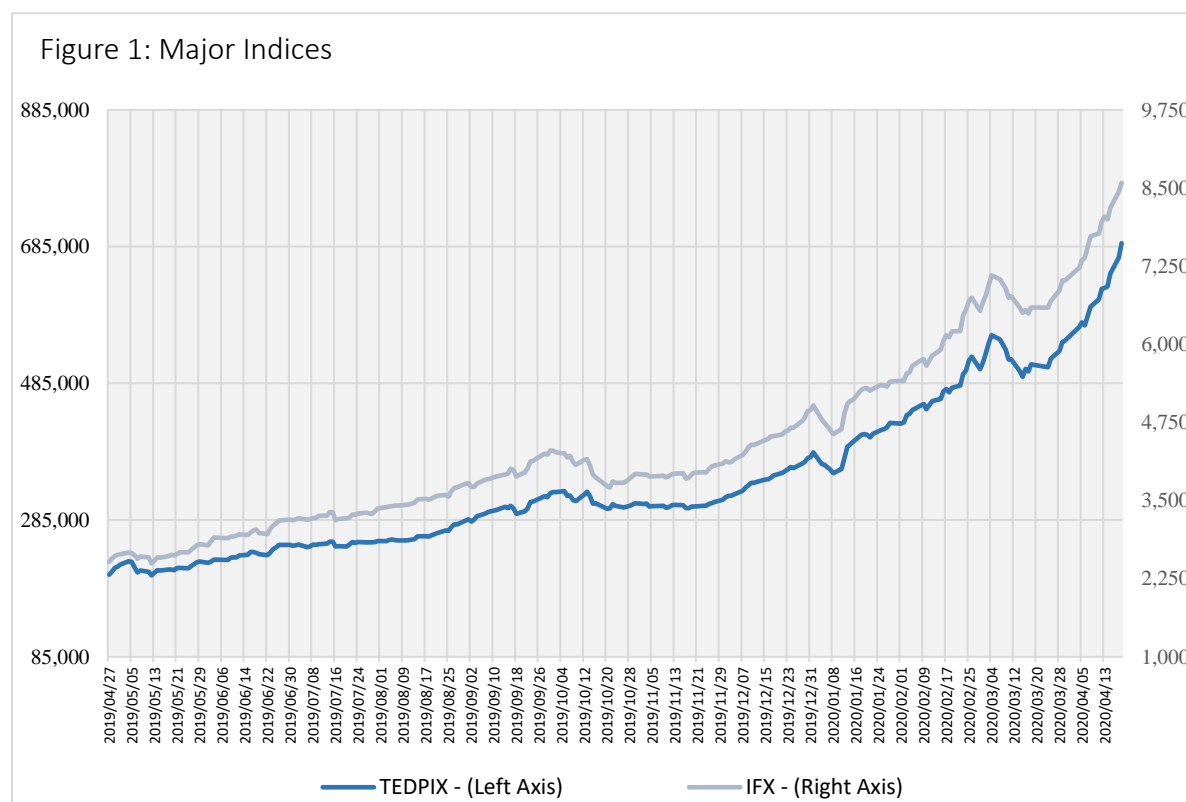
Stock Market Indices

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.

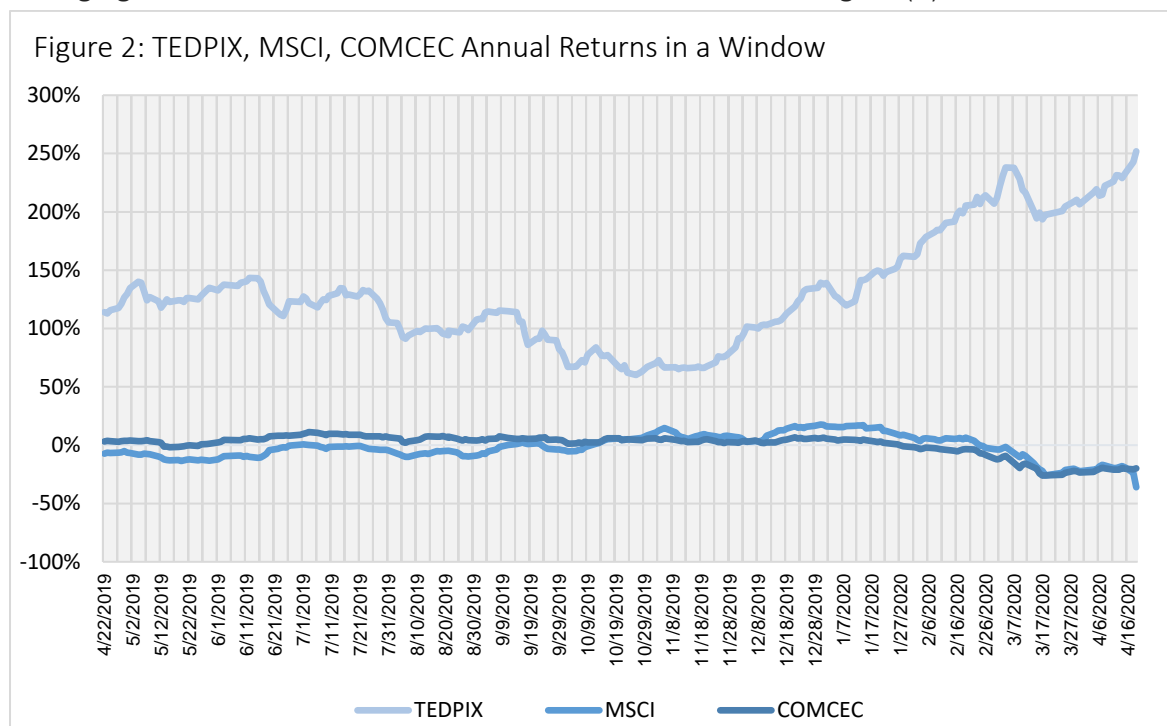
Table 1: Stock Market Indices

Index	April 2020	March 2020	Change (%)
TEDPIX	690,037	512,900	34.5%
IFX	8,583	6,591	30.2%

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).

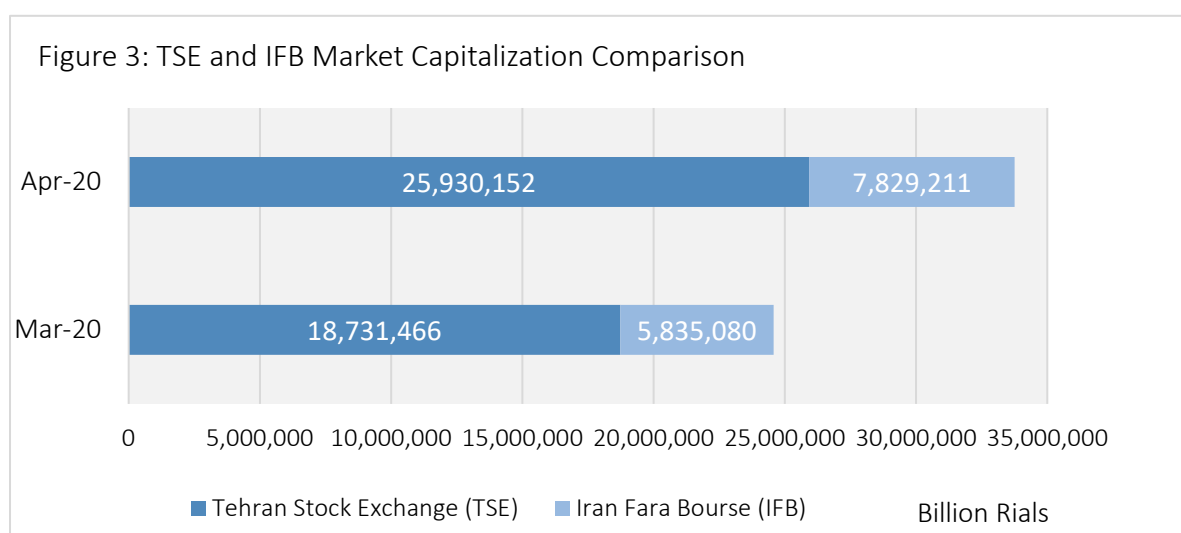


MSCI Emerging Market TRI: The index includes securities from 23 countries; however, it excludes stocks from emerging and frontier economies.

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

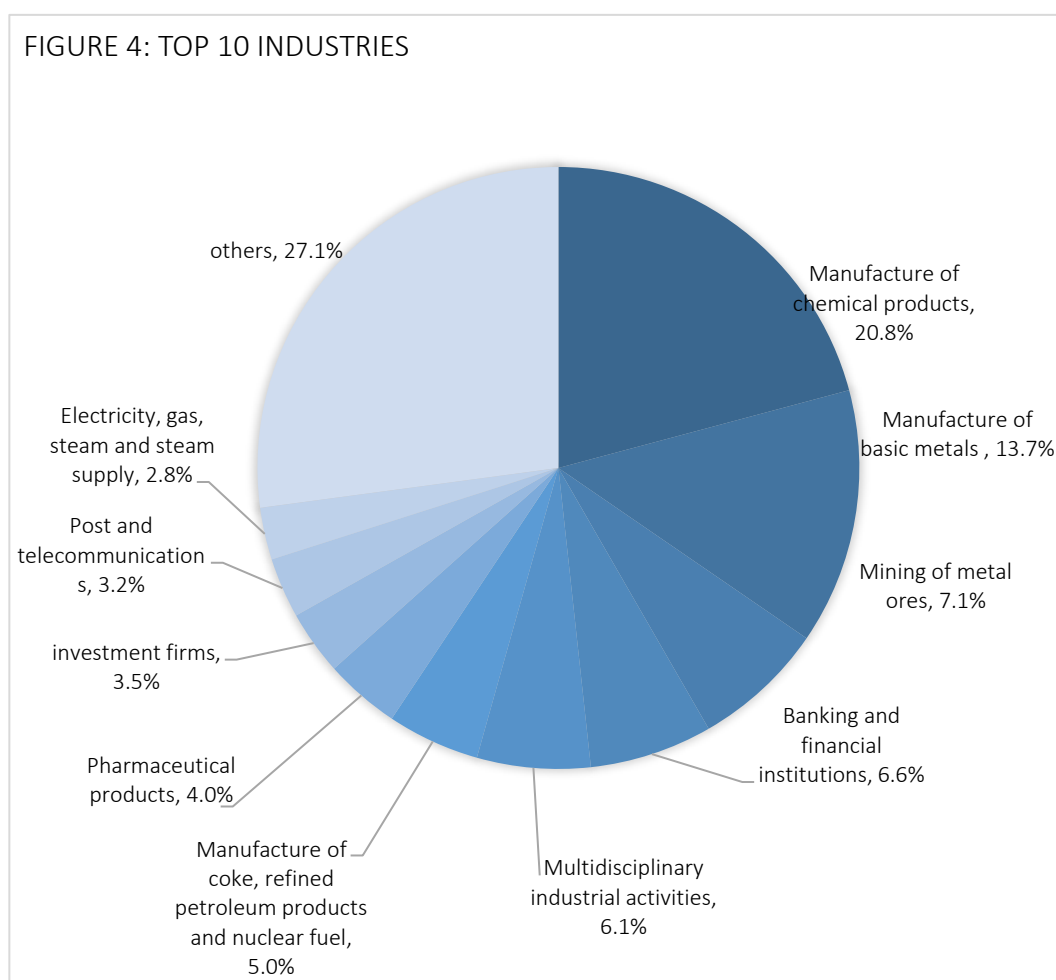
Share of the IFB and the TSE market capitalization in comparison with the end of April is demonstrated below. The IFB is younger and smaller; yet, has differentiated itself in hosting state-of-the-art financial instruments.



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.



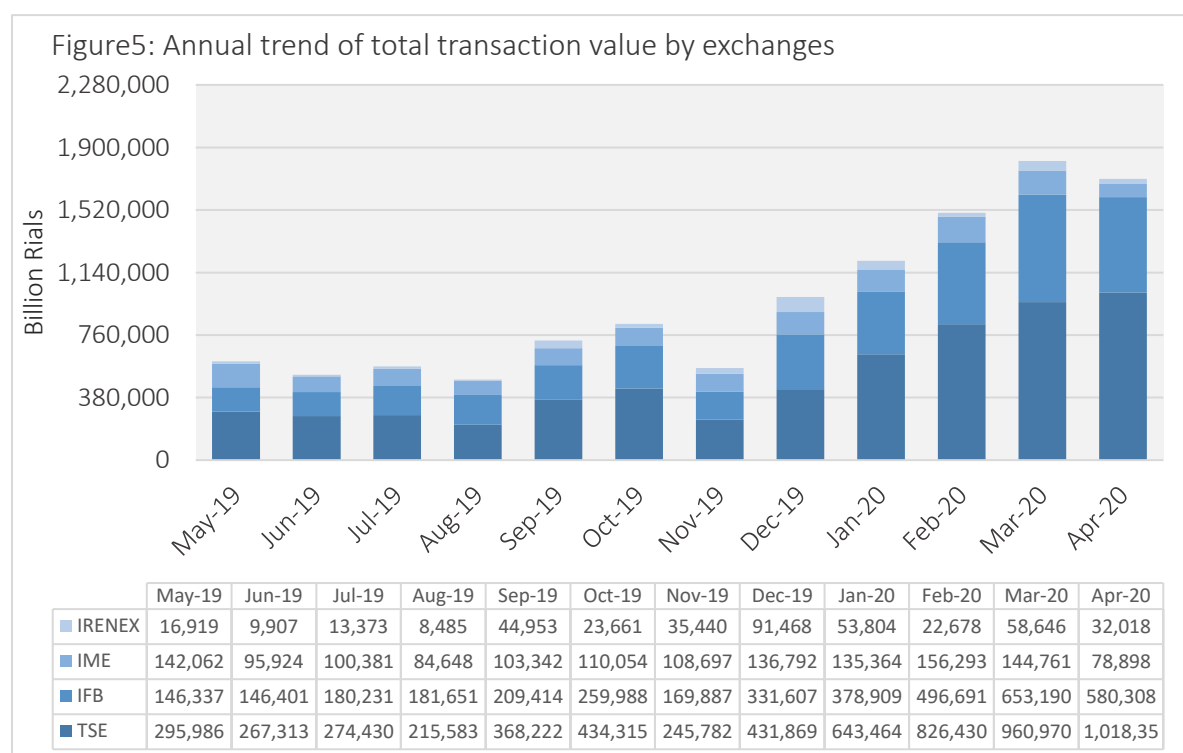
Exchanges' Trading Statistics

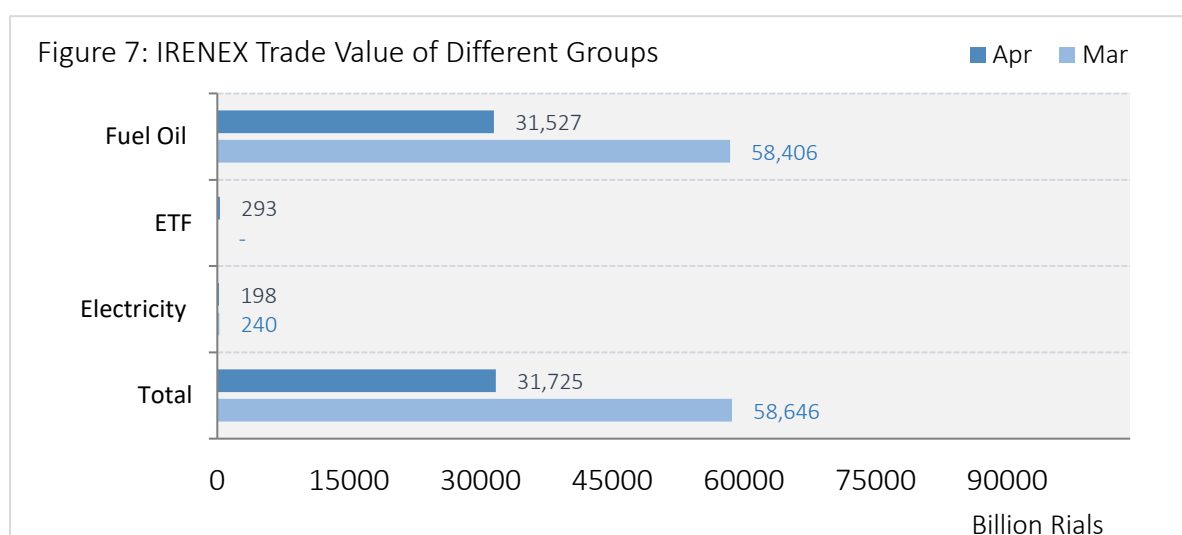
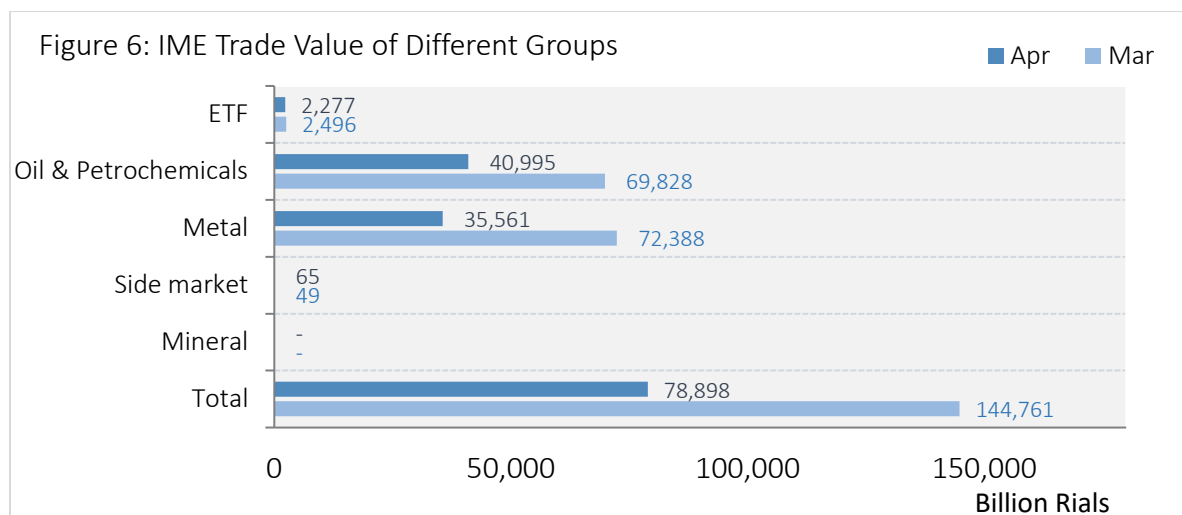
The value of trades for each exchange is depicted in the following table.

Table 2: Value of trades for each exchange

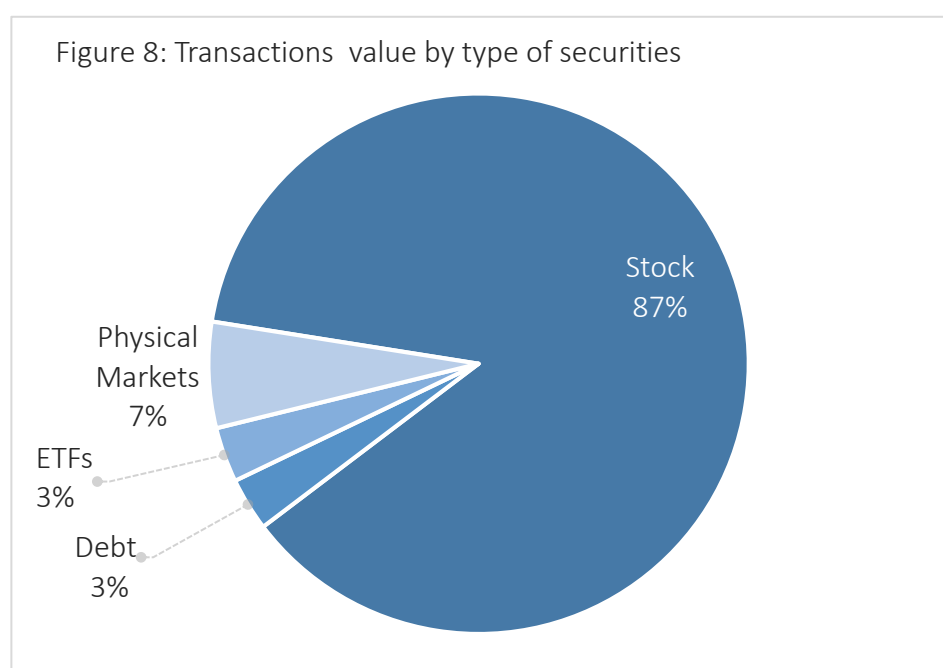
Exchange	Securities	Trade Value (Billion Rials)			change Percent	
		Apr-20	Mar-20	Apr-19	compared to previous month	compared to previous year
Tehran Stock Exchange	Stock	983,714	878,832	150,238	11.93%	554.77%
	Sukuk	5,375	22,011	765	-75.58%	602.73%
	ETFs	29,269	60,127	8,842	-51.32%	231.01%
Iran Fara Bourse	Stock	506,850	424,104	50,259	19.51%	908.47%
	Sukuk	49,006	197,294	19,353	-75.16%	153.23%
	ETFs	24,452	31,793	6,731	-23.09%	263.28%
IME	Physical Market	76,621	142,265	73,149	-46.14%	4.75%
	ETFs	2277	2496	1,818	-8.77%	25.26%
IRENEX	Physical Market	31,725	58,646	5,492	-45.90%	477.66%
	ETFs	293	0	-	-	-
Grand Total		1,709,582	1,817,567	316,647	-5.94%	439.90%
Daily Average		100,564	95,661	19,790	5.12%	408.14%

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



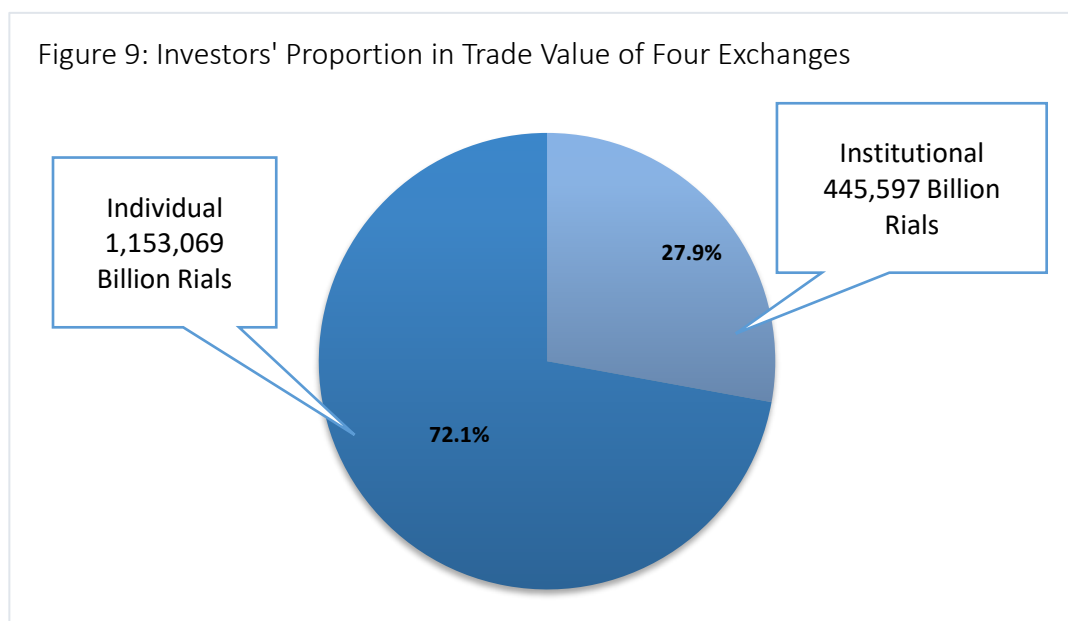


Instruments' Trading Statistics



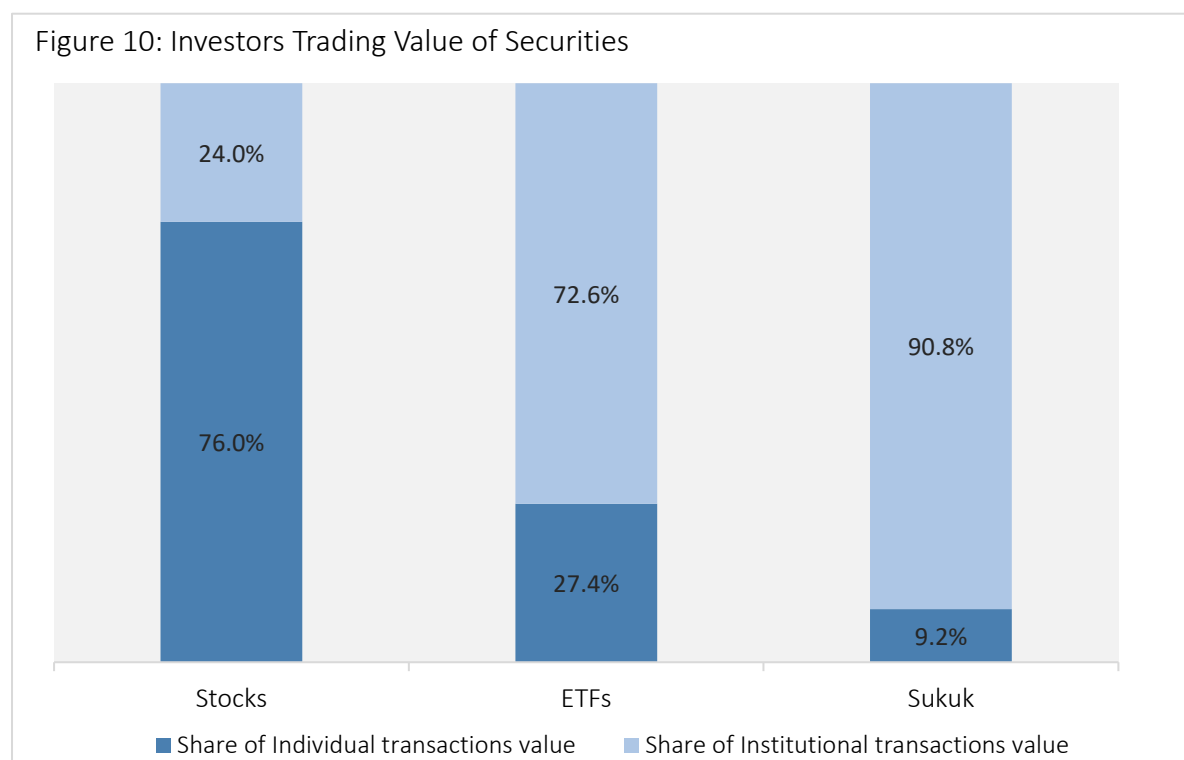
Share of Institutional and Individual Investors in Trading Value

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

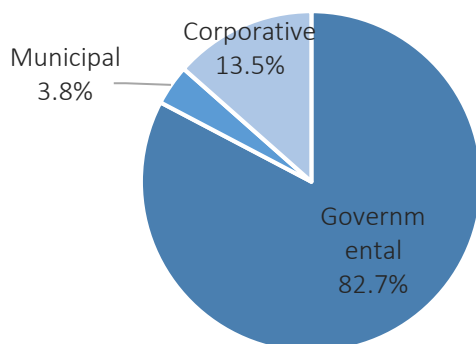


Figure 12: Outstanding Value of Each Type of Sukuk

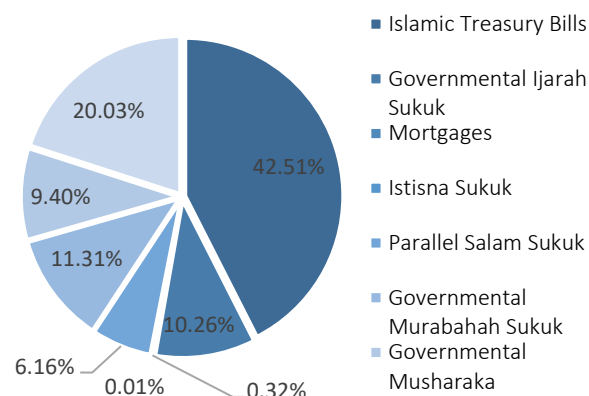
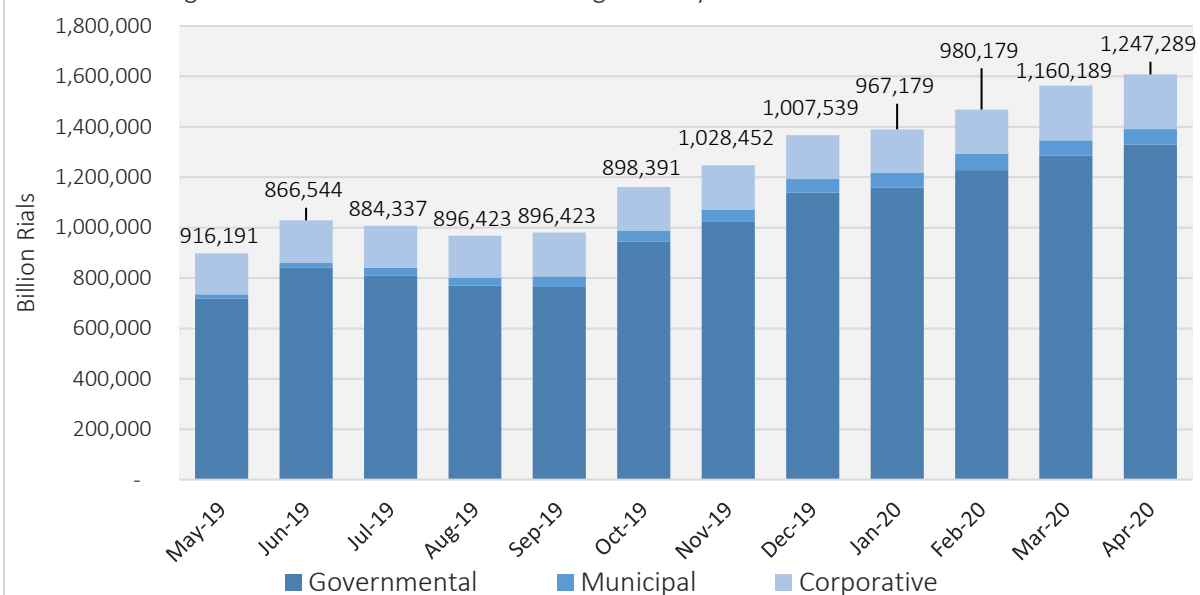


Figure 13: Annual trend of Outstanding Value by the nature of the issuer's securities



Number of Listed and Unlisted Companies

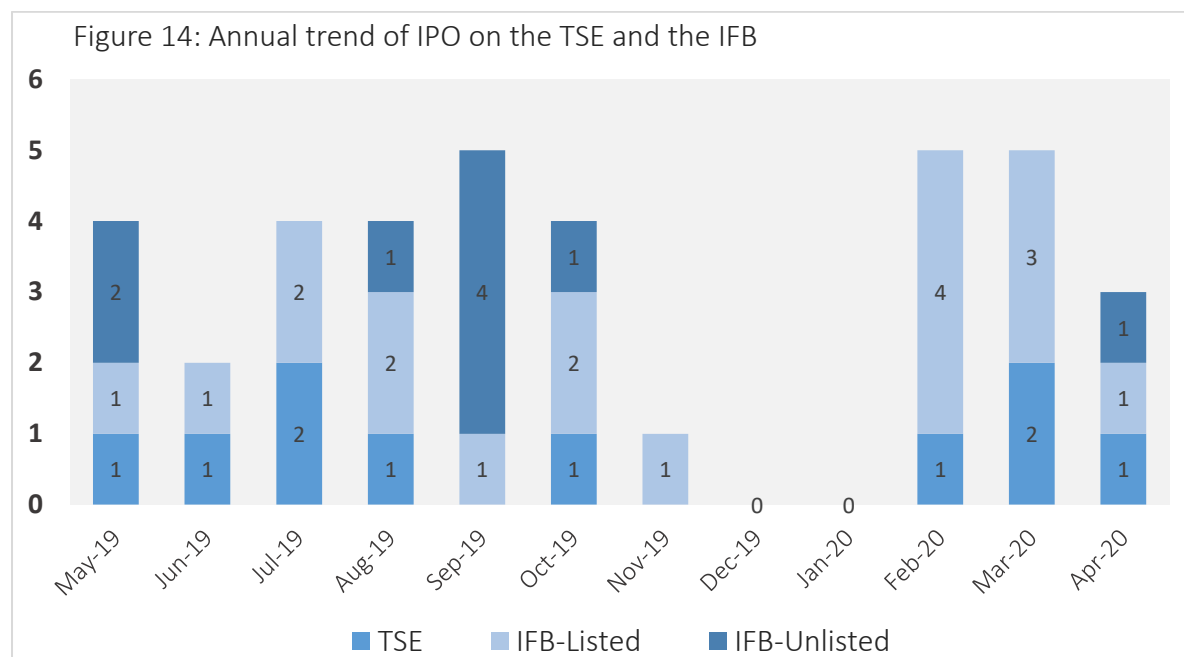
The number of listed and registered companies on the TSE and the IFB are presented in the following table.

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

	April 2020
Listed Companies in the TSE	335
Listed Companies in the IFB	124
Unlisted Companies in the IFB	173

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	Diversified Industrials (Holdings)	Social Sec Inv	TAMN	80.000.000.000	2020/04/15
IFB - Unlisted	Extraction of Oil, Gas and Ancillary Services Except Exploration	Oil Engr. Constr	OECP	2.519.041.764	2020/04/14
IFB - Listed	Investment Companies	Saba Tamin Inv	STIZ	15.000.000.000	2020/04/08

SEO New Chairman Appointed

In the last meeting of the Securities and Exchange High Council, Dr. Hasan Ghalibaf Asl was appointed as the new Chairman of the SEO. Having served as the CEO of the Tehran Stock Exchange (TSE) for around 10 years and also as a top manager of different financial institutions, Dr. Ghalibaf holds PhD in finance and is a faculty member of a well-known university in Tehran. The capital market in Iran is familiar with the good performance of Dr. Ghalibaf and his appointment welcomes a new promising future for the entire participants in the market. One of the outstanding and noticeable features of his professional background is the significance he has attached to international activities. To name but a few, he was one of the most active members of FEAS and a member of the board of this association for several terms. During his presence in the TSE, he signed quite many MoUs with their international counterparts and created a fruitful linkage between the TSE and international markets.

All Brokerage Firms Can Own Private Oms Platforms

Based on the Directive approved by the SEO Board of Directors, all brokerage companies may now request to obtain the license for private OMS platform.

This Directive is fully compatible with national and international standards and other capital market regulations and requirements, while all risks, challenges and expertise in this field and during the past decade have been considered to compile this Directive. The SEO may evaluate the applicants in maximum 20 days.

All brokerage companies may either design, implement and support this infrastructure through their technical forces; or establish a subsidiary IT company. Needless to say that, a specialized IT company may have great potential to provide more diversified, more secure and better quality services to their clients.

Executive Mechanism For Offering Remaining Stocks Of State-Owned Companies

According to the Budget Act of current Iranian year (started March 21, 2020) and also based on Article 44 of the Constitutional Law, the executive mechanism to offer the remaining stocks of state-owned companies via the capital market has been approved by the Securities and Exchange High Council. This enactment has been presented to the First Vice President by the Minister of Finance and Economic Affairs who is the Chairman of High Council as well.

The SEO Chairman said that based on the approved mechanism, all remaining stocks of state-owned companies listed on the Tehran Stock Exchange (TSE) and Iran Fara Bourse (IFB) will be offered to public in two stages at a 20 to 25 percent discount.

Dr. Mohammadi continued that for the first phase, these stocks would be offered in the form of ETF. Should any stocks remain; the second phase will be offered based on book-building method to each Iranian national identity code.

Transaction Commission Cut For Etf's

In order to encourage indirect investment and let the new investors enjoy less risky investments, the SEO reduced the transaction commission of ETFs. This act is in line with investor protection and education, which are among the top priorities of the SEO. This way, new investors, particularly disqualified ones, will be directed to the investment in fixed-income products, accordingly, will not be exposed to potential risks of variable-income products.

The details of this decision are as follows:

1. The maximum commission of the Tehran Stock Exchange (TSE), Iran Fara Bourse (IFB), Tehran Securities Exchange Technology Management Company (TSETMC), Central Securities Depository of Iran (CSDI) and brokerage firms by all investment funds (except for investment funds exclusive for market-making) from securities transactions by all investment funds is equal to maximum 25% of the commission of ordinary securities transaction.
2. The maximum commission the for Tehran Stock Exchange (TSE), Iran Fara Bourse (IFB), Tehran Securities Exchange Technology Management Company (TSETMC), Central Securities Depository of Iran (CSDI) and brokerage firms for transactions of the units of investment funds is equal to maximum 25% of the commission of ordinary securities transaction.

Announcement: IPOs On Schedule

The SEO has announced that IPOs will not have any halts and be on the agenda of the market regardless of the rampant Covid-19 and its impact on the market. Investors shall not follow any rumors in this regard.

Announcement: Seo Scrutiny Of Scam And Frauds

One of the main side effects of Covid-19 is spreading rumors on social media with the purpose of misleading investors to make affected and emotional decisions which may end in mis-buying or mis-selling. The Office for Whistle-blowers in the SEO has been taking a close tab on any channels or individuals perpetrating scams or frauds based on the rules and regulations of the market.

At the end of April 2020, the market capitalization reached 33,759,363 billion IR, which represents 27% growth compare with the previous month.

The TSE's total return index (TEDPIX) at the end of one-month trading session in April 2020 increased by 34.5% and touched 690,037, while the IFB's total return index (IFX) reached 8,583, which demonstrates a 30.2% growth.

The total trading value of four exchanges (TSE, IFB, IME, and IRENEX) amounted to 1,709,582 billion IR in April 2020, which shows 6% decies comparing to the last month.



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