



*Karun River in Khuzestan Province of Iran*

## Summary

### ■ Equity Market

For the past two months, the Tehran Stock Exchange has been experiencing some volatility after its initial positive reaction to the lifting of sanctions. The main index fell 4.6% in Euro terms in April causing it to lose almost all the 5% it had gained during the month of March. This fall is the result of difficulties faced by foreign investors with regards to money transfers into the Iranian market. Until now, international banks have been reluctant to involve themselves with the Iranian financial market, but, hopefully, more banks will be willing to come into Iran taking in to consideration the diplomatic efforts encouraging remarks to the UK and European banks.

### ■ Economic Review

This issue reviews the Iran's first non-oil trade surplus and Producer Price Index (PPI) released by the Trade Promotion Organization and Central Bank of Iran. In addition, we have included sections to cover the latest macroeconomic data published by reputed organizations and senior macroeconomic strategists in a factsheet report and the economic calendar released by the Statistical Center of Iran.

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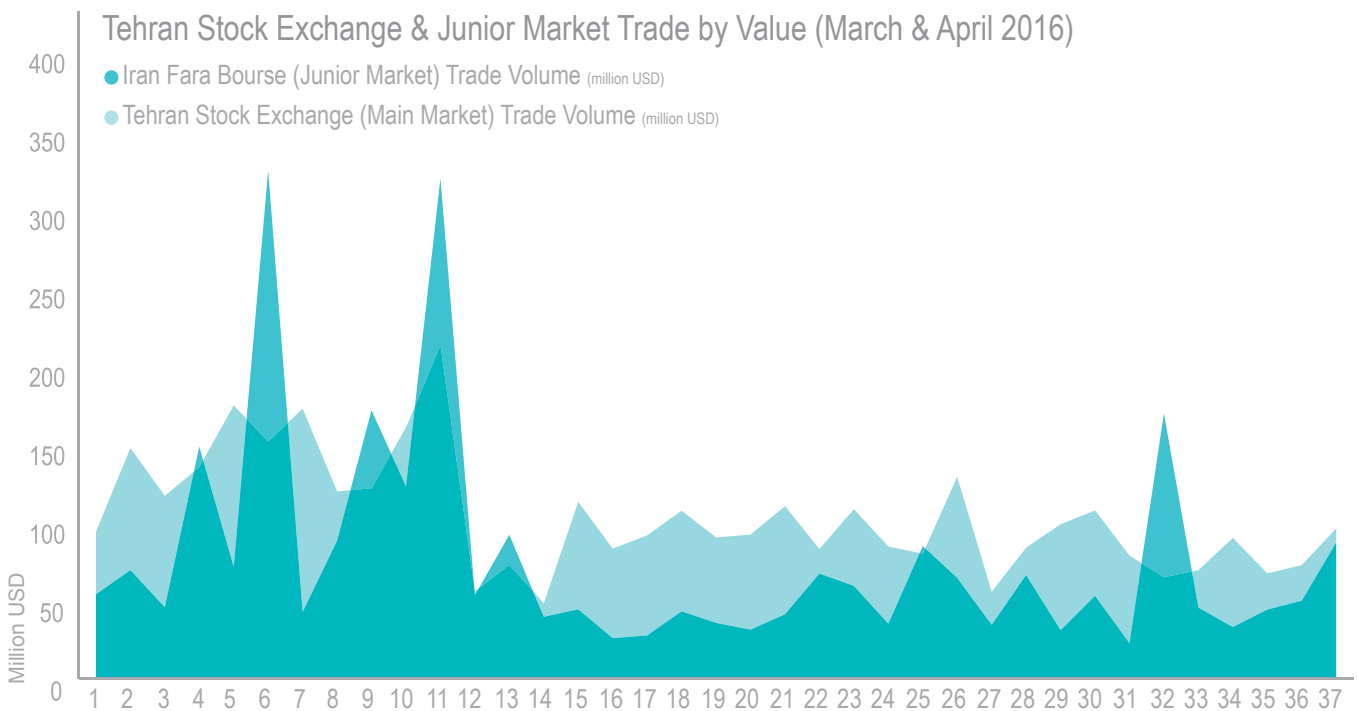
## Market Commentary

For the past two months, the Tehran Stock Exchange has been experiencing some volatility after its initial positive reaction to the lifting of sanctions. The main index fell 4.6% in Euro terms in April causing it to lose almost all the 5% it had gained during the month of March.

This fall is the result of difficulties faced by foreign investors with regards to money transfers into the Iranian market. Until now, international banks have been reluctant to involve themselves with the Iranian financial market, but, hopefully, more banks will be willing to come into Iran taking in to consideration the diplomatic efforts encouraging remarks to the UK and European banks.

Large global banks are still circumspect mainly due to the lingering uncertainties in relation to US attitude towards sanctions. According to analysts, secretary Kerry's remarks will only provide a minor vote of confidence for European and US corporations looking to access the Iran opportunity.

Perhaps the most surprising and positive development for Iran, is the opening of discussions with regards to the provision of aircrafts by Boeing, the famous US aircraft manufacturer. The \$25 billion deal struck with Airbus to sell 118 aircrafts to Iran was a clear catalyst for Boeing to seek permission from the US state department to



Source: Tehran Stock Exchange  
Iran Fara Bourse Company  
All figures in USD are converted from IRR at the free market rate

initiate talks with Iran on similar opportunities. Expectations are that parallel opportunities will now surface in industries such as oil and automotive. The availability of services such as shipping insurance and trade credit will continue to cause delays in trade, but, with the sums of money involved, there is no question that businesses will find a way to overcome these obstacles. More significant trade sectors continue to take advantage of the economic freedom provided by recent developments in the country.

In April, year on year Inflation fell to 7.4%, significantly exceeding all previous projections. This has allowed interest rates in the interbank lending market to go down by a further 1% to 17%. This will cause investors to move closer to the tipping point where they will start to see more value in the equity market with a 12% dividend yield than in keeping their money in deposits. Large number of agreements and MOU's were signed over the last few weeks with countries and multinational companies across all sectors of the Iranian economy relating

to infrastructure, inward investment and international trade. Highlights include a planned \$4 billion investment by the German firm BASF, an agreement with Italy's Vitali to build a new terminal for Tabriz airport and a license obtained by Peugeot from the Iranian government to invest in Iran Khodro, the biggest car manufacturer in the country.

In addition to the above, Italian financing agencies are setting up a 5 billion Euro line of credit and guarantees to fund infrastructure projects in Iran, 4 billion Euro for infrastructure deals and 800 million Euro funding for Italian SME's doing business in Iran. A number of small transactions have already taken place proving that Italians are committed to do business in Iran. This development is likely to encourage a large number of mid-size banks and SME's to follow the lead. In March, Iran and Italy signed an agreement in Tehran when the Italian Prime Minister visited with a delegation of business leaders aiming to increase trade between the two countries in addition to reinforcing industrial cooperation. The deal was signed between the National Textiles and Fashion Association Sistema Moda Italia (SMI) and its Iranian counterpart the Tehran Garment Union (TGU). SMI represents a sector worth more than 52 billion Euro (\$59 billion) in revenues. This deal aims to pave the way for the Italian companies to obtain the TGU license required to operate in Iran. We estimate that with Iran's population of 80 million people, more than 3 million high net worth individuals exist who are regular buyers of luxury goods.

Already, the Italian's optimism for doing businesses in Iran has resulted in a Florence-based fashion house Roberto Cavalli to open its first shop in Iran in 2016, following in the footsteps of leather goods maker Piquadro and men's shirt company Camicissima. Versace is due to open a flagship boutique in Tehran soon, in franchise with a local commercial partner.

The question is, how are these purchases are being financed? An easy answer is found in the oil export numbers. Under sanctions, Iran was able to export 1.1 million barrels of oil per day. Recent reports suggest that the number rose to 1.45m bpd in March and above 2 million bpd in April.

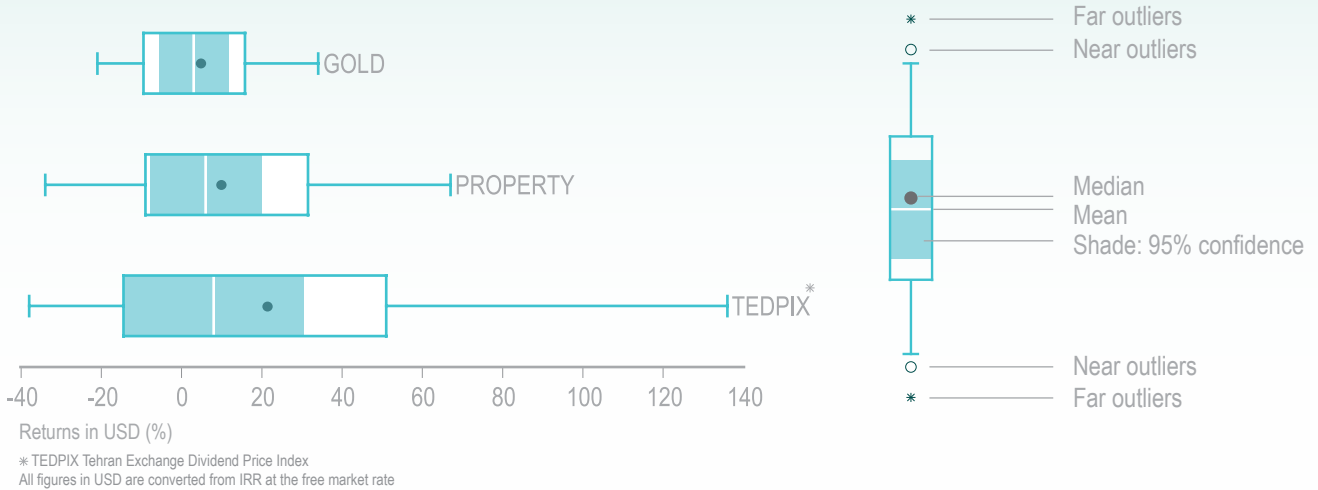
Oil production and exports have also far exceeded expectations with Iranian oil production backed in April to pre-sanctions levels of 3.5m bpd, a feat that has taken only three months versus the consensus analyst's view that it would take at least a year, if at all. Satisfying Iranian pent-up demand for infrastructure related products and luxury goods and increasing oil exports are the natural first step of the reintegration of the Iranian economy into global trade flows. As the barriers to trade are slowly removed and Iranian companies start to access export opportunities, we believe higher margins, lower transaction costs, increased employment and higher velocity of money will start to create higher economic growth in the country.

# Market Overview

April & May 2016 - Volume 10, No 115

## Markets Snapshot - March 2016

### Iran: A 20 Year Snapshot, Asset Class Returns in USD (%)



## Iran & International Markets

### Tehran Stock Exchange

Average P/E

7.73

Annual Performance in \$<sup>1</sup>

22.08%

Annualized 10 Year in \$<sup>2</sup>

9.47%



Sector	Breakdown (%)
Chemicals	21.9
Monetary Intermediation	12.6
Post & Telecommunications	8.1
Basic Metals	7.9
Diversified Holdings	7.2
Others	42.3

### MSCI Emerging Markets<sup>3</sup>

Average P/E

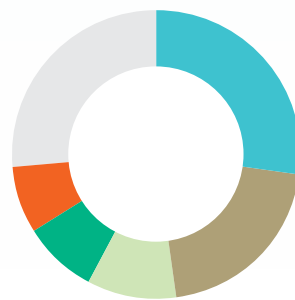
13.68

Annual Performance in \$

-11.70%

Annualized 10 Year in \$

3.34%



Sector	Breakdown (%)
Financial Sector	27.4
Information Technology	20.7
Consumer Dis.	9.8
Consumer Staples	8.3
Energy	7.7
Others	26.2

### MSCI Frontier Markets<sup>4</sup>

Average P/E

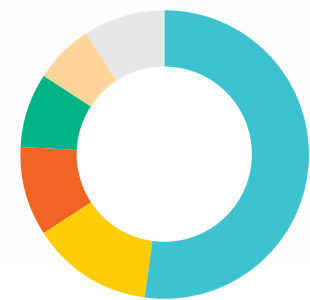
10.11

Annual Performance in \$

-12.15%

Annualized 10 Year in \$

-0.61%



Sector	Breakdown (%)
Financials	52.3
Telecom. Services	13.7
Energy	9.8
Consumer Staples	8.3
Materials	6.9
Others	8.9

1. TEDPIX Tehran Exchange Dividend Price Index (Dividend & Price Index) performance calculated in USD for the Period of March 2015 to March 2016

2. TEDPIX Tehran Exchange Dividend Price Index (Dividend & Price Index) 10 year annualized performance calculated in USD

3. MSCI Emerging Markets Index (USD) - March 2016

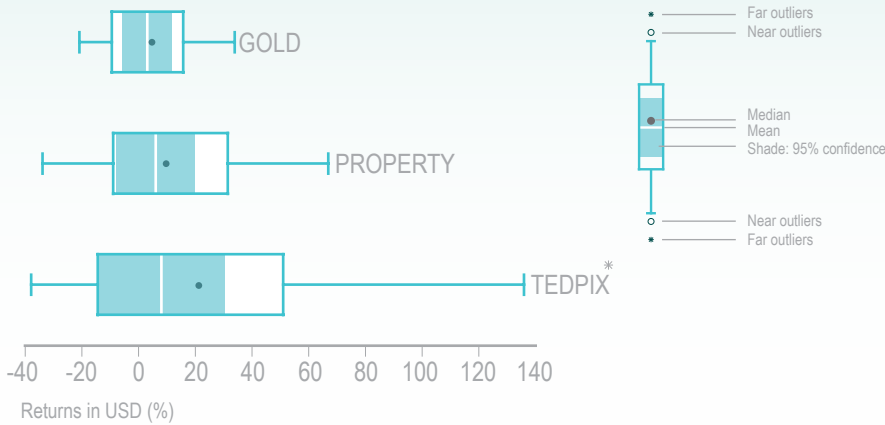
4. MSCI Frontier Markets Index (USD) - March 2016

Source: Tehran Stock Exchange - Central Bank of Iran - MSCI Inc.

All figures in USD are converted from IRR at the free market rate.

## Markets Snapshot - April 2016

### Iran: A 20 Year Snapshot, Asset Class Returns in USD (%)



\* TEDPIX Tehran Exchange Dividend Price Index  
 All figures in USD are converted from IRR at the free market rate

### Iran & Regional Markets

Fundamental Ratio	Comparison
MSCI Morocco	18.7
MSCI Egypt	17.8
Kuwait	15.4
MSCI Arabian Markets	13.7
MSCI GCC Countries	13.6
Saudi Arabia	13.4
Qatar	12.4
UAE	10.4
Iran	7.6
Turquoise Iran Fund <sup>*</sup>	5.5

\* Class B/C

## Iran & International Markets

### Tehran Stock Exchange

Average P/E

7.58

Annual Performance in \$<sup>1</sup>

14.07%

Annualized 10 Year in \$<sup>2</sup>

8.99%



Sector Breakdown (%)	Sector
23.2	Chemicals
11.8	Monetary Intermediation
8.0	Basic Metals
7.2	Post & Telecommunications
7.1	Diversified Holdings
42.7	Others

### MSCI Emerging Markets<sup>3</sup>

Average P/E

13.77

Annual Performance in \$

-17.56%

Annualized 10 Year in \$

2.69%



Sector Breakdown (%)	Sector
27.4	Financial Sector
19.8	Information Technology
9.7	Consumer Dis.
8.4	Consumer Staples
8.1	Energy
26.5	Others

### MSCI Frontier Markets<sup>4</sup>

Average P/E

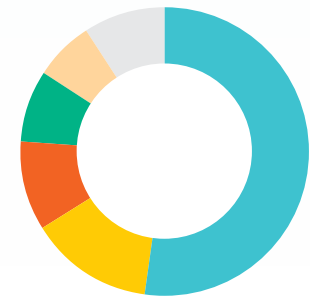
10.44

Annual Performance in \$

-12.73%

Annualized 10 Year in \$

-0.15%



Sector Breakdown (%)	Sector
52.4	Financials
13.9	Telecom. Services
9.9	Energy
8.1	Consumer Staples
6.7	Materials
8.9	Others

1. TEDPIX Tehran Exchange Dividend Price Index (Dividend & Price Index) performance calculated in USD for the Period of April 2015 to April 2016

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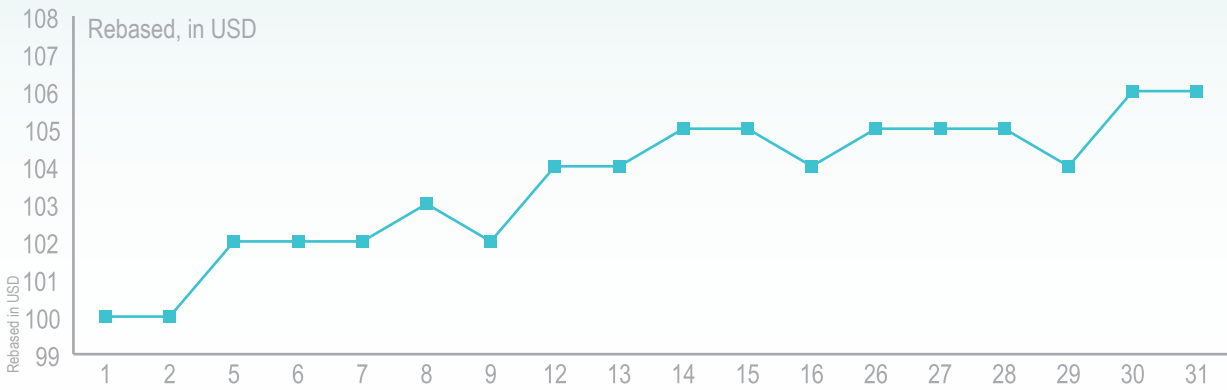
4. MSCI Frontier Markets Index (USD) - April 2016

Source: Tehran Stock Exchange - Central Bank of Iran - MSCI Inc., Kamcoonline.

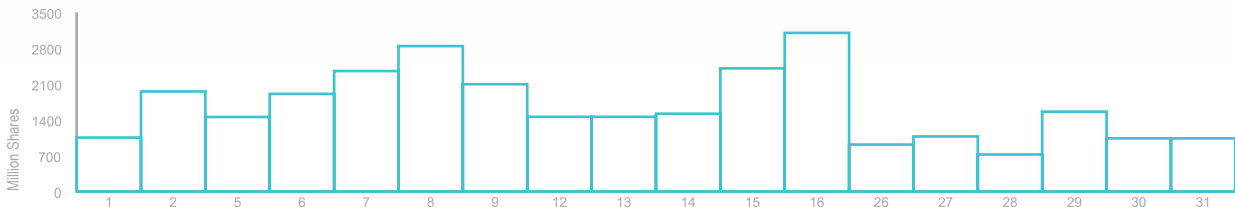
All figures in USD are converted from IRR at the free market rate.

■ TSE & Junior Market Performance

Tehran Stock Exchange: TEDPIX\*, March 2016

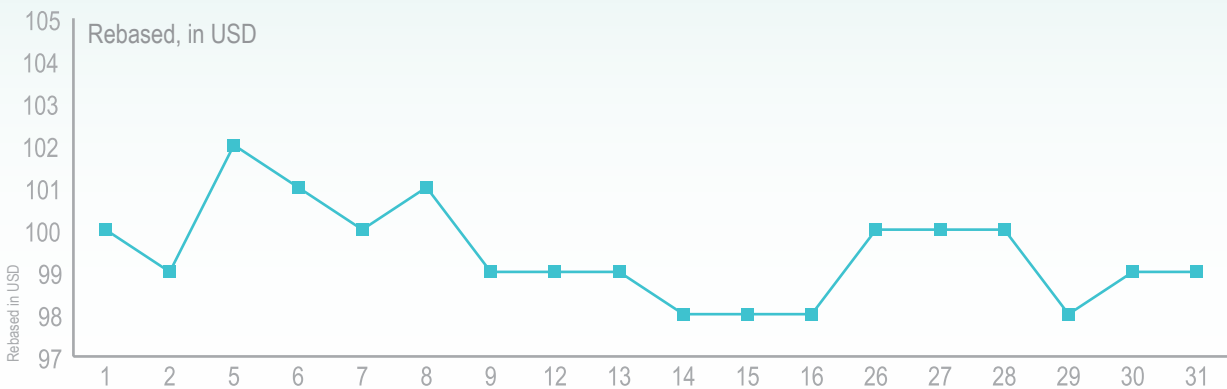


Volume million shares

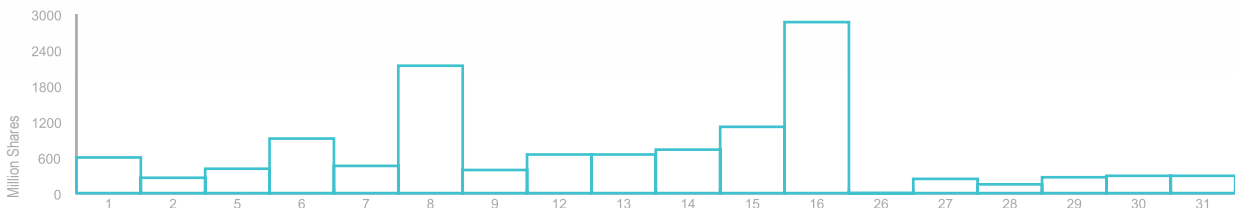


Source: Tehran Stock Exchange  
 \*TEDPIX Tehran Exchange Dividend Price Index (Dividend & Price Index)  
 All figures in USD are converted from IRR at the free market rate.

Iran Fara Bourse (Junior Market): IFX\*, March 2016



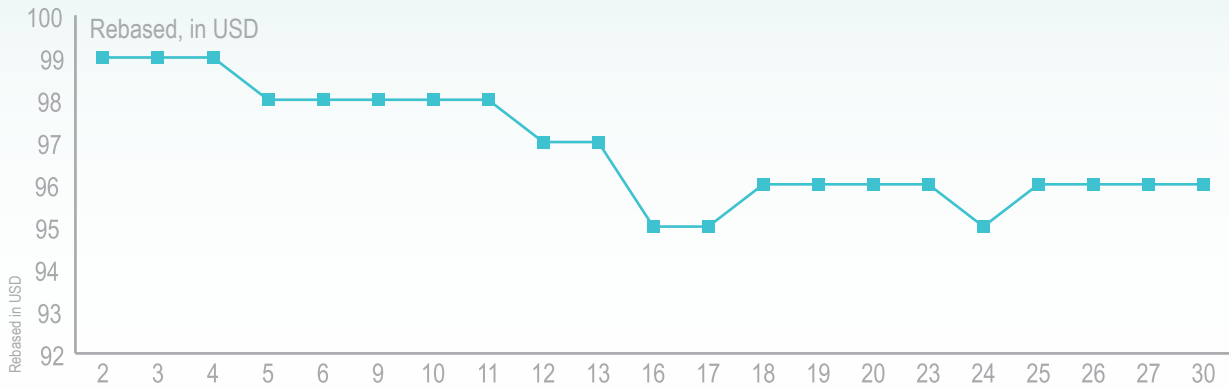
Volume million shares



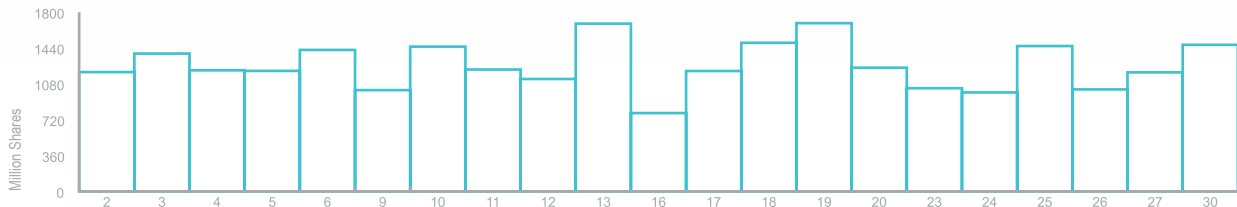
Source: Iran Fara Bourse Company  
 \*Iran Fara Bourse (Junior Market) Overall Index (Total Return)  
 All figures in USD are converted from IRR at the free market rate.

## TSE & Junior Market Performance

### Tehran Stock Exchange: TEDPIX\*, April 2016

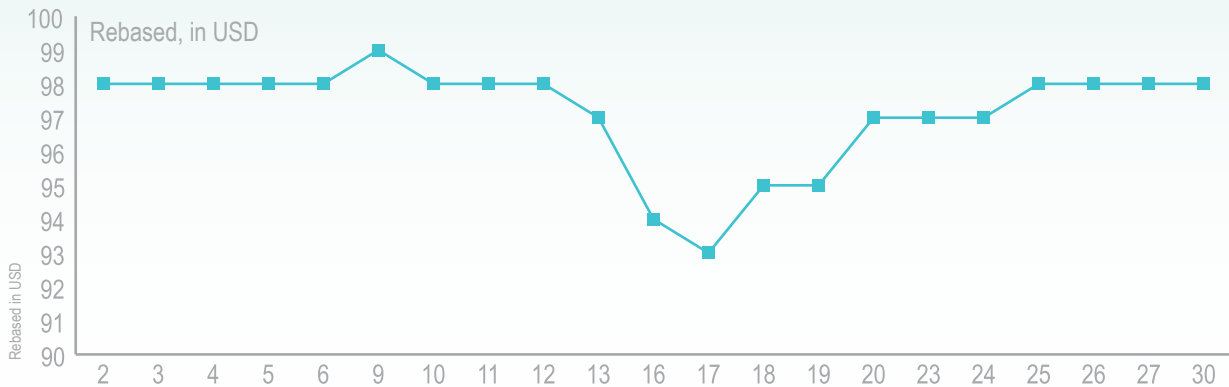


Volume million shares

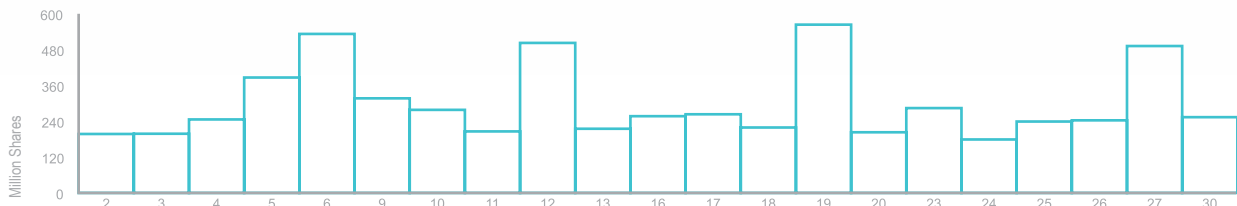


Source: Tehran Stock Exchange  
 \*TEDPIX Tehran Exchange Dividend Price Index (Dividend & Price Index)  
 All figures in USD are converted from IRR at the free market rate.

### Iran Fara Bourse (Junior Market): IFX\*, April 2016



Volume million shares



Source: Iran Fara Bourse Company  
 \*Iran Fara Bourse (Junior Market) Overall Index (Total Return)  
 All figures in USD are converted from IRR at the free market rate.



## ■ Top Ranked Companies - March 2016

Top 5 Traded by Value

SAIPA is the second largest Iranian vehicle manufacturer. Saipa Investment Group is the investment arm of Saipa Group and specialises in managing the financial assets of the group in the public markets.

SAIPA Investment Co.

Turnover Value (\$Million)

43.4

% of Total Turnover

1.9%

Founded in 1962, Iran Khodro Industrial Group (also known as IKCO) is the leading Iranian vehicle manufacturer. IKCO produces c.65% of all domestic vehicles, and is the largest automotive manufacturer in the Middle East.

Iran Khodro

37.4

1.7%

SAIPA is the second largest Iranian vehicle manufacturer. The company was established in 1966, with 75% Iranian ownership, to assemble Citroëns under license for the Iranian market. Currently, it builds mainly Korean cars, but also has developed its own engine and range of cars.

SAIPA Group

36.8

1.6%

Iran Transfo Corporation was established in 1966 by Tehran Regional Electric Company and Siemens Co. The company is a leading manufacturer in the Middle East for small transformers and distribution transformers specifically tailored to industry needs.

Iran Transfo

17.3

0.8%

Bahman Group is the leading Iranian vehicle manufacturer which was founded in 1952. The company assembles a number of different classes of vehicles by Japan automobile producer; Mazda.

Bahman Group

16.3

0.7%

Top 5 by Market Capitalization

PGPIC was established in the first phase of the privatization of Iran's petrochemical sector when the National Petrochemical Company (NPC) transferred its shares in a number of petrochemical companies to PGPIC, paving the way for the formation of Iran's first private petrochemical holding company. NPC has continued in its role as a policy making body.

Persian Gulf Petrochemical Industry Co.

Market Cap (\$Million)

9,124

% of Total Market Cap.

8%

The Mobile Telecommunication Company of Iran, also known as MCI, is the country's largest mobile phone operator with a market share of over 54%. The first SIM card was issued in Iran by MCI in 1994 and a network for 9,200 mobile phone numbers was created. The company currently has more than 57 million clients providing full range of services including 3G and 4G.

Mobile Telecommunications Company of Iran

4,966

4%

Mobarakeh Steel Company, one of the largest industrial complexes in the country, started its operations in 1991 with a nominal capacity of 2.4 million tons per annum. Mobarakeh Steel is the largest steel producer in Middle East and North Africa region. The company produces more than 50% of Iran's steel and operates in seven industrial complexes.

Mobarakeh Steel Manufacturing

3,668

4%

Parsian Oil & Gas Development Company was established in 2008 with the aim of creating a specialized holding company. Since 2010, the company has stakes in some of the largest petrochemical companies in Iran.

Parsian Oil & Gas

3,521

3%

Islamic Republic of Iran Shipping Lines was established in 1967 under the name of Iranian National Shipping Company and commenced its commercial operations by employing two home trade vessels and 4 larger ocean going vessels.

Islamic Republic of Iran Shipping Lines Co.

3,439

3%

Source: Tehran Stock Exchange - Turquoise Partners  
All figures in USD are converted from IRR at the official rate.

## ■ Top Ranked Companies - April 2016

Turnover Value  
(\$Million)

% of Total Turnover

Top 5 Traded by Value

Founded in 1962, Iran Khodro Industrial Group (also known as IKCO) is the leading Iranian vehicle manufacturer. IKCO produces c.65% of all domestic vehicles, and is the largest automotive manufacturer in the Middle East.

Iran Khodro

30.7

1.4%

SAIPA is the second largest Iranian vehicle manufacturer. The company was established in 1966, with 75% Iranian ownership, to assemble Citroëns under license for the Iranian market. Currently, it builds mainly Korean cars, but also has developed its own engine and range of cars.

SAIPA Group

24.3

1.1%

SAIPA is the second largest Iranian vehicle manufacturer. Saipa Investment Group is the investment arm of Saipa Group and specialises in managing the financial assets of the group in the public markets.

SAIPA Investment Co.

23.8

1.1%

Established in 1967, Pars Khodro Group is the leading Iranian vehicle manufacturer. Currently assembles and manufacture a range of automobiles for the Iranian market. In 2000, 51% of Pars Khodro's shares were purchased by SAIPA,

Pars Khodro Co.

18.2

0.9%

Founded as Khawar Industrial Group in early 1966. In 1999, the company merged with Iran Khodro heavy vehicles' production units to be the leading manufacturer in various types of heavy vehicles domestically and regionally.

Iran Khodro Diesel Co.

14.8

0.7%

Market Cap  
(\$Million)

% of Total Market Cap.

Top 5 by Market Capitalization

PGPIC was established in the first phase of the privatization of Iran's petrochemical sector when the National Petrochemical Company (NPC) transferred its shares in a number of petrochemical companies to PGIPC, paving the way for the formation of Iran's first private petrochemical holding company. NPC has continued in its role as a policy making body.

Persian Gulf Petrochemical Industry Co.

9,306

8%

The Mobile Telecommunication Company of Iran, also known as MCI, is the country's largest mobile phone operator with a market share of over 54%. The first SIM card was issued in Iran by MCI in 1994 and a network for 9,200 mobile phone numbers was created. The company currently has more than 57 million clients providing full range of services including 3G and 4G.

Mobile Telecommunications Company of Iran

3,924

3%

Mobarakeh Steel Company, one of the largest industrial complexes in the country, started its operations in 1991 with a nominal capacity of 2.4 million tons per annum. Mobarakeh Steel is the largest steel producer in Middle East and North Africa region. The company produces more than 50% of Iran's steel and operates in seven industrial complexes.

Mobarakeh Steel Manufacturing

3,471

3%

Tamin Oil, Gas and Petrochemical Investment Company was formed with the merger of Tamin Oil and Gas holding with Tamin Petrochemical and Chemical Industries holding in 2011. The company is invested in 19 listed companies and 19 non-listed companies in the oil products, petrochemical, chemical and rubber industries.

Tamin Petrochemical Co.

3,313

3%

Islamic Republic of Iran Shipping Lines was established in 1967 under the name of Iranian National Shipping Company and commenced its commercial operations by employing two home trade vessels and 4 larger ocean going vessels.

Islamic Republic of Iran Shipping Lines Co.

3,224

3%

Source: Tehran Stock Exchange - Turquoise Partners  
All figures in USD are converted from IRR at the official rate.

## TSE Monthly Statistics - March 2016

### TSE Top 5 Gainers

Company	Close USD 24-Feb-16	% Change
Polyacryl Iran Co.	13.4	26.2
Fibre Iran Co.	19.5	24.9
Petrochemical Industries Inv. Co.	6.4	23.8
Sabanour Mining & Ind. Dev. Co.	7.1	21.7
Charkheshgar Co.	4.2	18.9

### TSE Top 5 Losers

Company	Close USD 24-Feb-16	% Change
Butane Industrial Co.	8.3	-12.0
Rena Investment Co.	7.9	-11.3
Zamyad Co.	4.4	-10.6
Electricity Meter Manufact. Co.	187	-10.0
SAIPA Diesel Co.	5.7	-9.8

### Index Information

Index Info	Close 24-Feb-16	% 21 March 16
TSE Overall Index	81,480	30.3
TSE30	3,450	19.9
Iran Fara Bourse Overall Index	814	21.8

Description	This Period 24-Feb-16	Last Period
Market P/E	8	8

### Trade Statistics

Average Daily Trade Volume	This Period 24-Feb-16	Last Period	% Change
(Million USD)	76	557	-86

## FX Movements

FX Information	3 March 2016	10 March 2016	17 March 2016	30 March 2016	% March
Official USD - IRR	30,201	30,222	30,240	30,260	0.1
Market USD - IRR	34,564	34,288	34,306	34,917	0.2
Official EUR - IRR	32,802	33,174	33,935	34,178	0.7
Market EUR - IRR	38,087	37,681	38,224	39,019	0.2
Official GBP - IRR	42,508	42,912	43,089	43,508	0.9
Market GBP - IRR	48,800	49,200	49,100	50,033	0.2

Source: Firouzeh Asia Brokerage.  
All figures in USD are converted from IRR at the free market rate.

## TSE Monthly Statistics - April 2016

### TSE Top 5 Gainers

Company	Close USD 24-Feb-16	% Change
Nirou Trans Co.	19.8	27.6
Sina Chemical Industries Co.	48	25.1
Jaam Darou Industrial Co.	80.2	24.9
SAIPA Group	4.8	24.0
Iran Etebar Investment Co.	7.1	22.8

### TSE Top 5 Losers

Company	Close USD 24-Feb-16	% Change
Bama Mining & Ind. Co.	11.2	-12.7
Khouzestan Steel Co.	7.8	-12.3
Electricity Meter Mfg. Co.	194	-10.3
Tecnotar Co.	5.2	-10.0
Iran Manganese Mines Co.	5.6	-9.3

### Index Information

Index Info	Close 24-Feb-16	% 21 March 16
TSE Overall Index	78,404	-2.3
TSE30	3,259	-3.6
Iran Fara Bourse Overall Index	802	-0.4

Description	This Period 24-Feb-16	Last Period
Market P/E	7.8	7.6

### Trade Statistics

Average Daily Trade Volume	This Period 24-Feb-16	Last Period	% Change
(Million USD)	81	95	-14.7

## FX Movements

FX Information	7 April 2016	14 April 2016	20 April 2016	28 April 2016	% April
Official USD - IRR	30,274	30,290	30,296	30,310	0.0
Market USD - IRR	34,832	34,695	34,657	34,701	-0.2
Official EUR - IRR	34,508	34,130	32,454	34,366	0.2
Market EUR - IRR	39,528	39,759	39,420	39,275	0.2
Official GBP - IRR	42,717	42,863	43,575	44,071	0.3
Market GBP - IRR	49,250	49,200	49,800	50,450	0.2

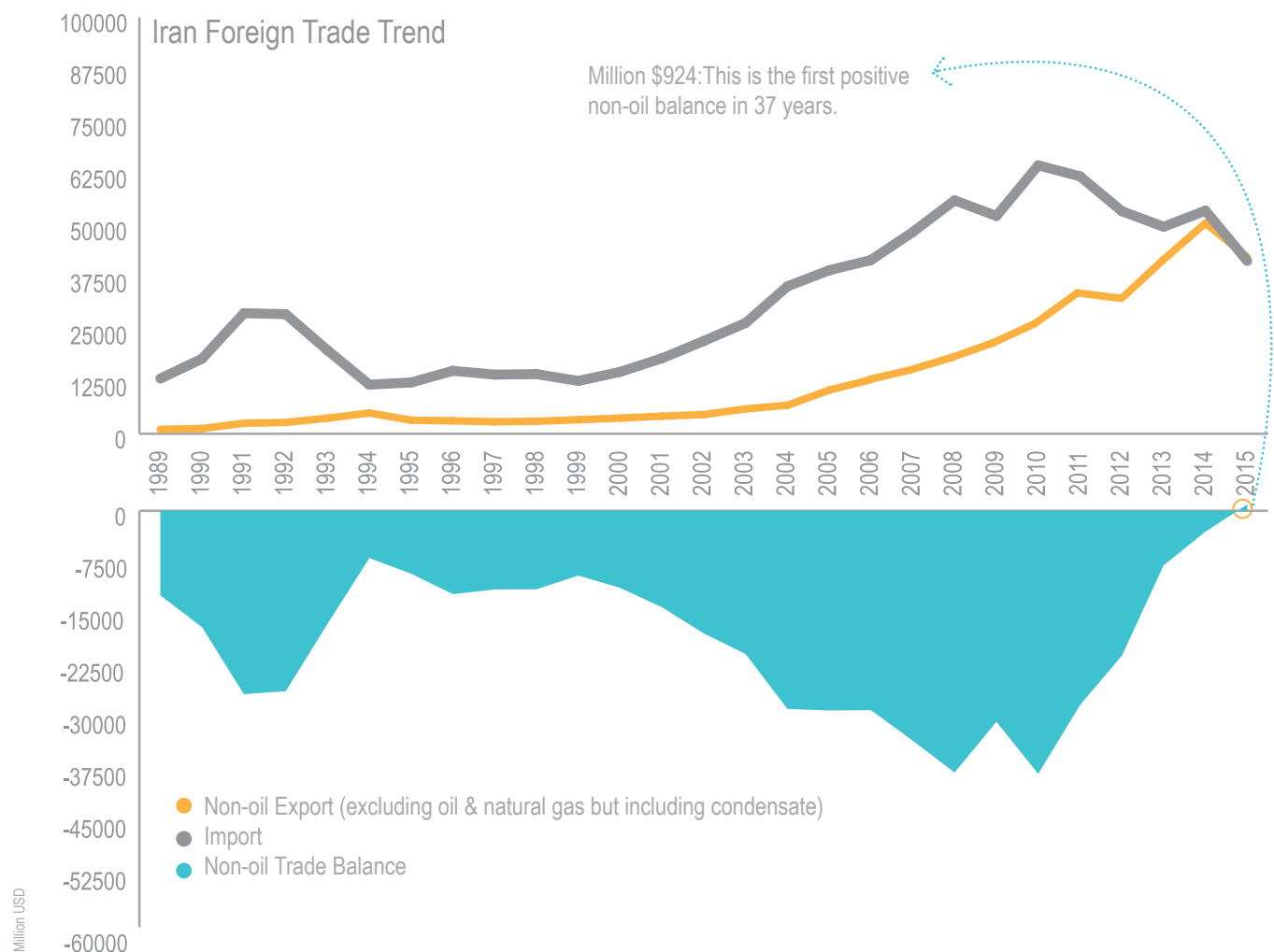
Source: Firouzeh Asia Brokerage.  
All figures in USD are converted from IRR at the free market rate.

## ■ Highlights

### Iran's first non-oil trade surplus in the first month of the New Year

The Customs Administration and Trade Promotion Organization of Iran has released a report on foreign trade for the 12 months up to March 2016. Total exports (excluding oil & natural gas but including condensate) stood at \$42,414 million – a decline of 16% compared to the same 12 month period a year ago. Total imports were \$41,490 million – a decline of 22%. The country ran a non-oil trade surplus of \$924 million over the period; the figure for the same period a year ago was a deficit of \$3.0 billion. This is the first positive non-oil balance in 30 years. This is due to a substantial decrease in imports. Domestic macroeconomic policies aimed at curbing inflation, export-oriented strategies and monetary discipline have also played a major role.

The export of gas condensates declined by \$7.3 billion (52%); exports from the mining sector witnessed a decline of 37% in value. These two exports contributed the most to the 16% drop in non-oil exports. China, Iraq, and the UAE were the biggest importers of Iran's non-oil products with \$7.2, \$6.2, and \$4.9 billion of imports respectively, followed by Afghanistan, India and Turkey. These six markets accounted for 69% of Iran's exports. The average price of exports for the period was \$461 per ton – an increase of 1% compared to last year. China and the UAE are the largest exporters to Iran (\$10.4 and \$7.8 billion respectively), followed by South Korea, Turkey, and Switzerland. These countries account for 66% of Iran's imports. The average price of imported



goods was \$1183 per ton – a decrease of 5% compared to last year. Intermediate materials and capital goods contributed 67.9% and 18.5% of the total import value respectively. Imported consumable goods were valued at \$5.4 billion, representing 13% of total import value. The top five exported commodity categories were Crude Petroleum, Propane, Bitumen, Metals and Chemical Products. The top four imported commodity categories were Machines, Food Products (e.g. Soybean Meal, Rice, Wheat), Metals and Chemical Products.

### Two different GDP growth projections in 2016/2017

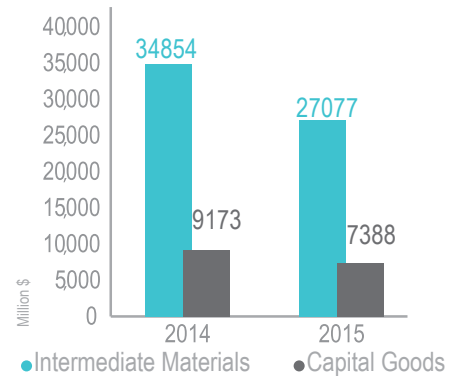
The Tehran Chamber of Commerce held its fifth session of economic strategic meetings. Senior macroeconomic strategists, who are advising the government on economic policy, were invited. The conference was part of the Tehran Chamber of Commerce's economic sessions to update their corporate members on the latest economic outlook and analysis. Regarding GDP projections in the coming year, two growth scenarios were considered:

1- 5% growth: 3% oil sector, 2% other sectors  
This scenario assumes that the oil sector will increase its role in the economy in early 2016 – output already reached 3 million barrels a day in March 2016. Oil is expected to be a major driver of economic growth.

2- Limited growth scenario: the trade of intermediate and capital goods, which constitutes 67.9% of Iran's total trade account, declined by 22% and 19% respectively in 2015. Since there is typically a strong correlation between GDP growth and imports of intermediate materials and capital goods, limited expansion in real GDP is estimated in 2016/17.

Some analysts argue, however, that because a significant number of manufacturing plants are producing under capacity, there is room for growth which does not require capital expenditure. Furthermore, sectors such as tourism and services are expected to be key drivers of growth in 2016; these sectors do not correlate meaningfully with the trade in intermediate goods.

Real GDP Growth - March to December 2015



### PPI growth rate has reached a single digit number

Statistics from the Central Bank of Iran show that year-on-year growth of the Producer Price Index (PPI) was 4.5% in March. Bearing in mind that PPI growth was above 40% in June 2013, it is evident that the index has stabilized significantly since then. As the Consumer Price Index in Iran usually follows the trend of the PPI with a delay, it is expected that inflation will continue its downward trend. This will provide the Central Bank with more leeway to implement its recently announced easing policies.

Recent inflation statistics show that the government implemented looser price control policies on the services sector than the consumer sector. While overall inflation was 7%, consumer goods was 3.5% and services was 12%. This trend is confirmed in the PPI report, which notes that the highest increase in PPI was in sectors such as 'Education', 'Healthcare' and 'Hotel & Restaurant'.

## Economic Data

### Iran Economic Data Calendar

Statistical Center of Iran  
New issue of "Selected  
Economic Indicators".  
Released [May 4, 2016](#)

Central Bank of Iran  
New issue of "Selected  
Economic Indicators".  
Released: [May 4, 2016](#)

Central Bank of Iran  
Economic Trends No 82, Third  
Quarter 1394(2015/2016).  
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World Development Indicators.  
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### Iran Macroeconomic Forecast

Gross Domestic Product	Unit	2016/ 17	2017/ 18	2018/ 19
Nominal GDP	(Billion USD)	386	409	440
Real GDP Growth	(%)	4.0	3.7	3.8
Crude Oil Export	(Million barrels per day)	3.7	4.0	4.2
GDP PPP Per Capita	(USD)	17,888	18,591	19,473
Private Consumption	(Billion USD)	194*	214*	237*
Fiscal Balance	Unit	2016/ 17	2017/ 18	2018/ 19
Current Account	(% GDP at market prices)	-0.8	0.0	0.4
Overall Fiscal Balance	(% GDP)	-1.3	-0.3	-0.3
Fiscal Tax Revenue	(% GDP)	7.2	7.6	7.7
General Government Net Debt	(% GDP)	3.0	3.2	3.2
Monetary & Banking Sector Indicators	Unit	2016/ 17	2017/ 18	2018/ 19
Inflation	(%)	8.9	8.2	6.2
Broad Money Growth (M2)	(%)	17.1	15.4	13.7
Credit to Private Sector Growth	(%)	18.2	17.5	16.0
Net Foreign Assets	(Billion USD)	119	136	152
External Sector	Unit	2016/ 17	2017/ 18	2018/ 19
Total Export	(Billion USD)	81.9	94.8	102.0
Oil & Gas Export	(Billion USD)	48.6	59.8	65.3
Import	(Billion USD)	67.5	74.0	78.5
Trade Balance	(Billion USD)	14.4	20.7	23.4

Sources: Statistical Central of Iran, International Monetary Fund: IMF Country Report No. 15/349, December 2015 - World Economic Outlook, April 2015, Central Bank of Iran: Economic Trends No. 79 Fourth Quarter 1393 Iranian calendar year - Economic Trends No. 82 Third Quarter 1394 Iranian calendar year - New issue of "Selected Economic Indicators". Bahman 1394 Iranian calendar year

\* In-house calculation, private consumption is forecast based on historic average.

## ■ About Turquoise Partners

### Since 2005

Turquoise is a leading investment group based in Iran that offers a wide range of financial services to select investors looking at the Iranian market. The group operates across four core areas: investment management, brokerage, corporate advisory and private equity/venture capital. Turquoise also manages more than 90 per cent of all existing foreign portfolio investments on the Tehran Stock Exchange. Its asset management division offers an equity fund tailored specifically to foreign investors and invests exclusively in the Iranian securities markets. The fund is jointly advised by Turquoise Partners and emerging market specialist Charlemagne Capital.

Firouzeh Asia, the group's brokerage division, is the market leader in foreign investment and execution, and the provision of English language market research, news and analysis. In addition, Turquoise is the only Iranian financial services group to have a significant track record in private equity investing and currently manages two listed private equity investment vehicles.

Turquoise's corporate finance team offers a full suite of advisory services including mergers and acquisitions, restructuring, market entry and capital raising for international clients seeking to enter the Iranian market as well as leading Iranian companies.

The group produces a widely read monthly electronic newsletter «Iran Investment Monthly» which provides the latest news on Iran's financial market and economy in English.







## Asset Management

Turquoise Asset Management has established an outstanding reputation and robust performance record in the Iranian equities market. The group is known as a leading investment firm with a strategy of value investing and long term capital growth; it specializes in attracting foreign investors to invest in one of the most undervalued financial markets in the world.

Our investment team is comprised of experienced professionals with more than 20 years experience across international and domestic financial markets. Our investment decisions are guided and supported by our investment and advisory committees, access to detailed market information, and our on-the-ground presence in Iranian financial markets over the last 10 years.

Our commitment to maintaining high standards along with our long term growth strategy has led to us gaining an unparalleled reputation as the leading asset management firm inside Iran.

### Asset Management Division: Products & Services

- ◆ Turquoise Partners launched Iran's first equity fund in May 2006, tailored for foreign investors. With over 10 years of track record, the fund has grown to be the largest foreign investor on the Iranian capital markets. The investor base of this fund is almost all European with a mix of institutional, family offices, high net worth individuals and private professional investors.
- ◆ In 2015, Turquoise Partners and Charlemagne Capital launched the first EU regulated alternative investment fund for Iran. This fund is now operational and is open to global investors aiming to get exposure to the Iranian market.

- ◆ Having operated in the Iranian market for over a decade, Turquoise has accumulated a first rate database of market data and information. The firm's electronic newsletter, Iran Investment Monthly, has been consistently published for over 10 years and has a wide readership of over 3,000 investors and Iran enthusiasts. This newsletter and other regular research products of the firm, are the only free source of English language research on the Iranian economy and the capital markets.

For more information about products and services offered by Turquoise Partners please contact: [info@turquoisepartners.com](mailto:info@turquoisepartners.com)

## Corporate Advisory

Turquoise is the leading investment group based in Tehran. We have 10 years of transaction experience on the ground in Iran and an extensive network of partnerships and collaborations with international investors and leading global advisory firms.

Our corporate finance team is comprised of senior Iranian and international bankers based locally and in London. We deliver mergers and acquisition advisory, restructuring, market entry and capital raising services to international clients seeking to enter the Iranian market. We also assist Iranian domestic corporates to access global markets through strategic partnerships. We seek to combine in-depth local knowledge and access with international investment banking best practice.

In cooperation with Turquoise's market leading equity brokerage, we deliver capital markets services, including public markets capital raising and structured products, to Iranian corporate clients and foreign and domestic institutional investors.

### Corporate Advisory Division: Products & Services

- ◆ Advisory Reports: in-depth research reports tailored to the corporate advisory division's policies, providing due diligence research on specific listed or non-listed companies and their sectors' outlooks, in English.

## Brokerage

Firouzeh Asia, the brokerage arm of Turquoise Partners Group, is the leading broker offering access to Iranian securities markets for international investors. Over the years, Firouzeh Asia, as a fully licensed brokerage company under the Securities and Exchange Organization of Iran, has been a pioneer in servicing international investors as well as offering professional services to its domestic clients. Firouzeh Asia has a presence in four major Iranian cities: Tehran, Isfahan, Rasht and Yazd.

### Brokerage Division: Products & Services

- ◆ Securities Dealing
  - ◇ Online trading platform with live market data for all customers
  - ◇ Telephone orders
  - ◇ Block trades
  - ◇ Dedicated trading station for large customers
- ◆ Managed Accounts
  - ◇ Investment Advice (institutional clients only)
- ◆ Capital Market Advisory
  - ◇ Listing and IPO advisory
  - ◇ Fixed income securities issuance and placement
- ◆ Index ETF
  - ◇ Launch of Iran's first index-linked ETF (TSE-30 ILETf) in January 2015
  - ◇ Client Portfolio Management
- ◆ Equity Research Report: an in-depth research report tailored to the Turquoise Investment Strategy which provides the latest developments in a selected number of listed companies (including their sectors), in English.

For more information about products and services offered by Turquoise Partners please contact: [info@turquoisepartners.com](mailto:info@turquoisepartners.com)



## Private Equity

Turquoise is one of the only Iranian financial firm with a significant track record in private equity investing. Our investment team has been working since 2005 and has invested on its own behalf, with co-investment partners, and as a manager in the most attractive growth sectors of the Iranian economy. Transactions have included private investments in FMCG, financial services, real estate and technology-based venture capital.

Our private equity capabilities include experience in all phases of the investment process including market analysis, due diligence of investees in the Iranian environment, interface with regulators and other governmental authorities, investment restructuring, exit management and undertaking all the reporting and investment monitoring expected of a private equity fiduciary.

### Private Equity Division: Products & Services

- ◆ Private Equity Fund: Turquoise launched the first Iran-focused private equity fund with a Swiss-based bank. The fund mainly invests in Iranian consumer goods, pharmaceuticals, consumer finance and hospitality.

For more information about products and services offered by Turquoise Partners please contact: [info@turquoisepartners.com](mailto:info@turquoisepartners.com)

## ■ News & Views

### Events and Announcements

June 17, 2016

Turquoise Partners Investor Call

June 14 to June 17, 2016

Paris & London: Turquoise Partners Investor Day

May 2 to May 4, 2016

Geneva & Zurich: Turquoise Partners Investor Day

March 10, 2016

London: Turquoise Partners Investor Day

February 29 to March 2, 2016

Turquoise Partners Investor Trip

### Recent Research

Iran Daily Market Update – May 2016

[May 18, 2016](#)

[May 17, 2016](#)

[May 16, 2016](#)

[May 15, 2016](#)

Iran Weekly Market Update – May & April 2016

[18 May 2016](#)

[11 May 2016](#)

[04 May 2016](#)

[27 April 2016](#)

### Turquoise in Media

March 11, 2016 - Financial Times

“Is Iran really one of the world’s best investments”

<http://on.ft.com/1Z4LRic>

March 10, 2016 - Bloomberg Television

“Post-Sanctions Iran Offering Investing Opportunities”

<http://bloom.bg/1R9IKXB>

February 28, 2016 - Reuters

“Reformist gains in Iran elections clear way for business boom”

<http://reut.rs/214cmnB>

February 16, 2016 - Bloomberg

“Iran’s 20% Yields Tempt Charlemagne as Tehran Returns From Cold”

<http://bloom.bg/216oBSe>

February 14, 2016 - Reuters

“Defying global slump, Iran stocks soar on sanctions relief”

<http://reut.rs/1XsFgkx>

January 29, 2016 - CNN

“Iranian finance group and Swiss bank team up”

<http://cnn.it/1YbpDuF>

January 28, 2016 - Euromoney

“Sanction removal unveils Iran currency hopes”

<http://bit.ly/23ByGsx>

January 28, 2016 - Bloomberg

“Turquoise to Start Iran Private Equity Fund With Swiss Bank Reyl”

<http://bloom.bg/1LEZ3YQ>

January 23, 2016 - International Business Times

“The Iran rush: European and Asian firms on starting line as sanctions are lifted”

<http://bit.ly/1LYDzRH>



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# Iran Investment

Monthly

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