

# TSE Monthly Bulletin

December 2006

*Dept. of International Affairs*

## December 2006 At a Glance

### Market Summary

For the 21 trading days in December, the TSE evidenced transactions in 1,612.47 million shares and rights worth \$927.90 million. These figures demonstrate a 49.04 and 117.07 percent increase related to the volume and value of trades respectively over the previous month. Of the 332 listed companies in the TSE, shares and rights of 229 companies were traded for the month of December. Market price rose for 134 companies, while it fell for 81 companies, and showed no change for the remaining 14 companies.

Total market capitalization for November rose to \$37,943.33 million, demonstrating a 4.56% increase as compared to the previous month (\$36,287.57 million in November).

The number of purchasers and number of trades were 113,535 and 212,028 respectively for the month. These figures demonstrate a 29.00 and 32.55 percent increase in the numbers of purchasers and trades respectively compared to the previous month (88,009 and 159,955 in November).

25,039 Participation Certificates worth \$2.71 million were also traded during this month.

### Indices

Index	December 2006	November 2006	Change (%)
TEPIX <sup>1</sup>	10,074.48	9,760.48	3.22▲
Industrial Index	8,083.81	7,831.04	3.23▲
Financial Index	18,068.84	17,516.58	3.15▲
TEDIX <sup>2</sup>	5,120.73	5,114.91	0.11▲
TEDPIX <sup>3</sup>	31,207.64	30,200.57	3.33▲
TSE-50 <sup>4</sup>	698.97	685.20	2.01▲

1. TSE Price Index
2. TSE Dividend Index
3. TSE Dividend & Price Index
4. TSE 50 Most Active Companies Index

### Top Performers

#### Top Gainers

"Iran Tire", a tire producer, has a capital of \$8.59 million. Share price for this company increased by 89.60% rising to 2,188 IRR at the end of December. During the past 6 months, "Iran Tire" has evidenced trades of 1.61 million shares worth \$0.36 million, while its share price demonstrated an increase of 113.46% over the same period. This company is listed on the Second Trading Floor.

#### Top Gainers:

Name	Type of Company	Price Movement	
		(IRR*)	(%)
Iran Tire	Tire Producer	1,034	89.60
Bank Karafarin	Commercial Bank	1,288	58.81
Technotar	Petroleum Pump Manufacturer	1,830	58.11
Faravayr Mavvad Madani Iran	Zinc Alloy & Sheet Manufacturer	17,652	34.73
Pteroshimi Khark	Petrochemicals	4,947	30.21

#### Top Losers

"Saipa Diesel", a bus and heavy truck manufacturer, has a capital of \$65.07 million. Share price decreased by 51.12% falling to 1,429 IRR at the end of December. During the past 6 months, "Saipa Diesel" has evidenced trades of 30.67 million shares worth \$9.60 million. As one of the most actively traded companies on the TSE (the company ranked 41<sup>st</sup> in the latest "TSE-50" list), share price demonstrated a decrease of 71.98% over the same period as well.

#### Top Losers:

Name	Type of Company	Price Movement	
		(IRR)	(%)
Saipa Diesel	Bus & Heavy Truck Manufacturer	(1,495)	(51.12)
Siman Kerman*	Cement Producer	(7,642)	(47.83)
Mohandesi Nasir Machine**	Automobile Spare Parts Manufacturer	(1,383)	(45.13)
Farsit Ahwaz	Asbestos-Cement Pipes Manufacturer	(414)	(41.44)
Paksan	Detergent Producer	(920)	(31.47)

\* The decrease in the share price was due to a 100% capital increase.

### Market Capitalization / Sector

	Industrial Group	Market Cap. (million US\$)			Change (%)		% of Total MC
		December 31, 2006	November 30, 2006	December 31, 2005	November 30, 2006	December 31, 2005	
1	Chemicals & By-products	7,001.39	6,283.81	5,638.27	11.42	24.18	18.45
2	Non-metallic Mineral Products	5,686.61	5,715.16	7,750.55	(0.50)	(26.63)	14.99
3	Motor Vehicles, Trailers	5,559.03	5,317.26	6,728.62	4.55	(17.38)	14.65
4	Mining of Metal Ores	4,837.92	4,182.02	1,933.00	15.68	150.28	12.75
5	Diversified Holding Companies	4,244.98	4,259.44	4,543.19	(0.34)	(6.56)	11.19
6	Financial Intermediation	3,190.64	3,094.80	4,336.19	3.10	(26.42)	8.41
7	Real Estate Activities	1,566.31	1,700.85	1,817.08	(7.91)	(13.80)	4.13
8	Basic Metals	1,546.70	1,446.99	993.40	6.89	55.70	4.08
9	Food Products & Beverages	919.21	931.74	1,041.53	(1.34)	(11.74)	2.42
10	Refined Petroleum Products & Nuclear Fuel	631.83	574.76	538.24	9.93	17.39	1.67
11	Machinery & Equipment	459.53	446.51	515.75	2.92	(10.90)	1.21
12	Rubber & Plastic Products	446.21	435.41	582.40	2.48	(23.38)	1.18
13	Electric Machinery & Apparatus	441.62	454.01	526.57	(2.73)	(16.13)	1.16
14	Computer & Related Activities	370.89	371.35	364.23	(0.12)	1.83	0.98
15	Construction	365.66	365.86	468.29	(0.05)	(21.92)	0.96
16	Fabricated Metal Products	165.45	165.76	165.48	(0.19)	(0.02)	0.44
17	Land Transport	162.86	186.47	249.88	(12.66)	(34.82)	0.43
18	Radio, TV & Communication Equipment	94.18	95.84	196.82	(1.73)	(52.15)	0.25
19	Paper & By-products	50.41	48.36	47.57	4.24	5.97	0.13
20	Publishing, Printing & Reproduction Media	45.97	44.59	30.36	3.09	51.42	0.12
21	Other Transport Equipment	23.40	23.42	32.41	(0.09)	(27.80)	0.06
22	Furniture	23.16	29.95	2.88	(22.67)	704.17	0.06
23	Mining of Coal & Lignite	22.20	23.27	20.26	(4.60)	9.58	0.06
24	Tanning & Dressing of Leathers	18.62	18.52	49.56	0.54	(62.43)	0.05
25	Textiles	15.88	16.69	93.79	(4.85)	(83.07)	0.04
26	Other Mining & Quarrying	14.68	15.25	15.13	(3.74)	(2.97)	0.04
27	Medical, Precision & Optical Instruments	14.15	15.27	17.62	(7.33)	(19.69)	0.04
28	Agriculture	9.30	9.29	8.81	0.11	5.56	0.02
29	Other Business Activities	8.66	9.26	9.63	(6.48)	(10.07)	0.02
30	Wood & By-products	5.64	5.64	5.71	0.00	(1.23)	0.01
	<b>Total</b>	<b>37,943.33</b>	<b>36,287.57</b>	<b>38,723.81</b>	<b>4.56</b>	<b>(2.02)</b>	<b>100</b>

## Market Capitalization:

Market Capitalization for "Petroshimi Khark" reached \$2.31 billion in December. During the past 6 months, "Petroshimi Khark" has evidenced trades of 74.00 million shares worth \$134.78 million while its share price demonstrated an increase of 82.22% over the same period. "Petroshimi Khark" with a capital of \$ 108.45 million is a company engaged in petrochemicals.

### Market Capitalization:

	Name	Type of Company	Market Cap. (million \$)	% of Total MC
1	Petroshimi Khark	Petrochemicals	2,312.11	6.09
2	Sarmayegozari Ghadir	Investment Company	2,236.15	5.89
3	Saipa	Automobile Manufacturer	1,915.30	5.05
4	Chadormalou	Mining	1,581.61	4.17
5	Sange Ahan Golgozar	Mining	1,508.53	3.98
6	Petroshimi Arak	Petrochemicals	1,297.55	3.42
7	Iran Khodro	Automobile Manufacturer	1,255.67	3.31
8	Siman Fars va Khouzestan	Cement Producer	1,075.59	2.83
9	Sarmayegozari Sandoogh Bazneshastegi	Investment Company	1,055.16	2.78
10	Sarmayegozari Bank Melli Iran	Investment Company	953.67	2.51

## Value of Trades:

Value of trades for "Beinolmelali Towse'e Sakhteman" reached 276.93 million in December due to large block trades. This company has not evidenced any trades for the past 12 months until now, when it demonstrated trades of 500.88 million shares worth \$256.33 million. "Beinolmelali Towse'e Sakhteman" with a capital of \$108.45 million is a company engaged in housing.

### Value of Trades:

	Name	Type of Company	Turnover Value. (million \$)
1	Bainlomelali Towse'e Sakhteman	Housing	276.93
2	Sange Ahan Golgozar	Minings	67.58
3	Towse'e Maaden Rooy	Minings	65.73
4	Petroshimi Khark	Petrochemicals	56.04
5	Chadormalou	Minings	36.79
6	Bama	Minings	36.06
7	Sarmayegozari Sakhteman Iran	Investment Company	35.07
8	Bank Karafarin	Commercial Bank	31.02
9	Petroshimi Isfahan	Petrochemicals	26.09
10	Petroshimi Arak	Petrochemicals	25.50

## Volume of Trades:

Volume of trades for "Beinolmelali Towse'e Sakhteman" reached 500.88 million in December. Details regarding this company is furnished above.

### Volume of Trades:

	Name	Type of Company	Turnover Volume (million)
1	Beinolmelali Towse'e Sakhteman	Housing	500.88
2	Sarmayegozari Sakhteman Iran	Investment Company	111.45
3	Sarmayegozari Sandoogh Bazneshastegi	Investment Company	105.31
4	Bank Parsian	Commercial Bank	74.78
5	Bank Karafarin	Commercial Bank	53.51
6	Towse'e Maaden Rooy	Minings	52.35
7	Sarmayegozari Towse'e Maaden va Felezat	Mining Holding	52.05
8	Sarmayegozari Sepah	Investment Company	41.41
9	Siman Fars va Khouzestan	Cement Producer	27.58
10	Chadormalou	Minings	24.27

## New Listings

Shares of "Gostaresh Sarmayegozari Iran Khodro (Iran Khodro Investment Development Co.)" were offered for the first time after being listed on the TSE.

There were no new listings; the number of listed companies remained at 332.

It should be stated that for the first time, some 12 companies have delisted from the TSE in November 2005, while some 90 companies have been relegated to the new "Unofficial Board" as from October 2006.

## News in Brief

### TSE Future Outlook for 2007

Regulations on Foreign Portfolio Investment have been ratified by Cabinet in June 2005. Initially, there will be a 10 percent limits on the percentage of ownership in each corporation by foreign investors. The door of the Iranian Capital Market is now open to foreigners.

There have been numerous efforts for the geographical expansion of the exchange. There are now regional trading floors in more than 20 provinces that are fully operational.

The TSE intends to play more active role among FEAS member countries, actively participate in the Working Committee and Task Forces.

There is also a plan for cross-listing of the TSE's listed companies at the other Exchanges.

It is expected that the user acceptance testing of the new trading engine which has bought from "Atos Euronext Market Solutions (AEMS)" to be started in the 1<sup>st</sup> quarter of 2007, and the new system will go live during 2<sup>nd</sup> quarter of 2007.

Based on the decision of the government, some 80 percent of the shares of large state-run entities will be ceded to public through stock exchange; a new economic reform in the country. The TSE expects a sharp jump in the value and volume of turnover; a very bright future for the coming year.

Finally, based on the new Iranian Capital Market Law which has been passed by the lawmakers and now become operational, changing in the Iranian Capital Market in general and the TSE structure in particular has been taken place; the Tehran stock Exchange has been demutualized now. Based on the new Law, following activities have been forecasted:

- Editing supervisory rules and regulations
- Establishing new financial institutions, such as: Rating agencies, Mutual Funds, Investment Banks, etc.
- Introducing new financial instruments, such as: Different kinds of bonds, Derivatives, etc
- Establishing new financial markets, such as: OTC and Primary Market

### Turnover

	No. Shares Traded (million)	Turnover (million \$)	Daily Average Turnover (million \$)	Turnover Velocity
Jan - 06	715.14	270.31	12.29	0.71
Feb - 06	485.55	182.43	10.14	0.49
Mar - 06	984.25	427.80	25.16	1.17
Apr - 06	791.28	292.68	15.40	0.82
May - 06	1,083.91	403.83	17.56	1.13
Jun - 06	986.54	390.41	21.69	1.08
Jul - 06	693.04	280.50	12.20	0.79
Aug - 06	1,195.29	358.46	17.92	1.03
Sep - 06	1,539.26	475.48	23.77	1.33
Oct - 06	792.00	448.62	22.43	1.24
Nov - 06	1,081.88	427.46	20.35	1.18
Dec - 06	1,612.47	927.90	44.18	2.50
<b>Total</b>	<b>11,960.61</b>	<b>4,885.88</b>	<b>20.19</b>	<b>12.75</b>

### Indices & P/E Analysis

	Industrial Group	Index			Change (%)		P/E*
		December 31, 2006	November 30, 2006	December 31, 2005	November 30, 2006	December 31, 2005	
1	Mining of Metal Ores	2,139.84	1,848.73	843.36	15.75	153.73	13.31
2	Chemicals & By-products	677.12	585.53	545.91	15.64	24.04	7.54
3	Banks, Credit & Other Financial Institutions	61.89	54.74	84.11	13.06	(26.42)	4.15
4	Refined Petroleum Products & Nuclear Fuel	29,891.54	27,176.77	26,376.15	9.99	13.33	6.82
5	Basic Metals	3,598.88	3,364.69	2,262.60	6.96	59.06	7.46
6	Paper & By-products	1,776.33	1,703.11	1,609.90	4.30	10.34	4.75
7	Publishing, Printing & Reproduction Media	15,556.89	15,083.41	10,133.91	3.14	53.51	7.60
8	Machinery & Equipment	2,535.88	2,462.68	2,375.04	2.97	6.77	4.96
9	Rubber & Plastic Products	2,663.43	2,597.55	3,230.32	2.54	(17.55)	6.71
10	Ceramic & Tile	258.64	253.66	350.79	1.96	(26.27)	5.40
11	Tanning & Dressing of Leathers	78.18	77.73	205.24	0.58	(61.91)	5.78
12	Other Transport Equipment	1,017.26	1,017.26	1,089.21	0.00	(6.61)	12.40
13	Construction	1,559.89	1,559.89	1,969.98	0.00	(20.82)	3.06
14	Agriculture	222.50	222.50	208.12	0.00	6.91	6.57
15	Wood & By-products	4,197.52	4,197.52	4,193.92	0.00	0.09	4.57
16	Computer & Related Activities	264.41	264.59	256.05	(0.07)	3.26	5.91
17	Fabricated Metal Products	2,153.55	2,156.48	1,805.71	(0.14)	19.26	10.40
18	Diversified Holding Companies	961.20	963.96	1,014.45	(0.29)	(5.25)	5.45
19	Pharmaceuticals	506.72	509.54	362.44	(0.55)	39.81	7.04
20	Non-sugar Products	285.44	288.79	347.56	(1.16)	(17.87)	6.93
21	Other Financial Intermediation	290.36	294.91	453.73	(1.54)	(36.01)	3.81
22	Radio, TV & Communication Equipment	723.70	736.03	816.92	(1.68)	(11.41)	3.51
23	Sugar & By-products	652.84	664.39	457.26	(1.74)	42.77	5.46
24	Other Non-metallic Mineral Products	161.33	165.42	188.45	(2.47)	(14.39)	5.92
25	Cement, Lime & Gypsum	220.43	226.48	308.11	(2.67)	(28.46)	9.49
26	Electric Machinery & Apparatus	31,809.71	32,684.16	38,702.61	(2.68)	(17.81)	5.43
27	Motor Vehicles, Trailers	3,585.03	3,684.35	4,620.30	(2.70)	(22.41)	2.68
28	Investment Companies	280.14	289.46	392.08	(3.22)	(28.55)	4.97
29	Other Mining & Quarrying	1,563.32	1,623.10	1,441.58	(3.68)	8.44	6.37
30	Mining of Coal & Lignite	227.07	237.89	204.36	(4.55)	11.11	7.83
31	Textiles	131.32	137.97	139.46	(4.82)	(5.84)	6.02
32	Other Business Activities	79.46	84.93	87.10	(6.44)	(8.77)	4.55
33	Medical, Precision & Optical Instruments	97.28	104.87	130.56	(7.24)	(25.49)	4.80
34	Real Estate Activities	301.56	327.28	346.27	(7.86)	(12.91)	11.27
35	Land Transport	151.78	173.70	229.65	(12.62)	(33.91)	4.23
36	Furniture	175.33	226.55	173.58	(22.61)	1.01	5.06

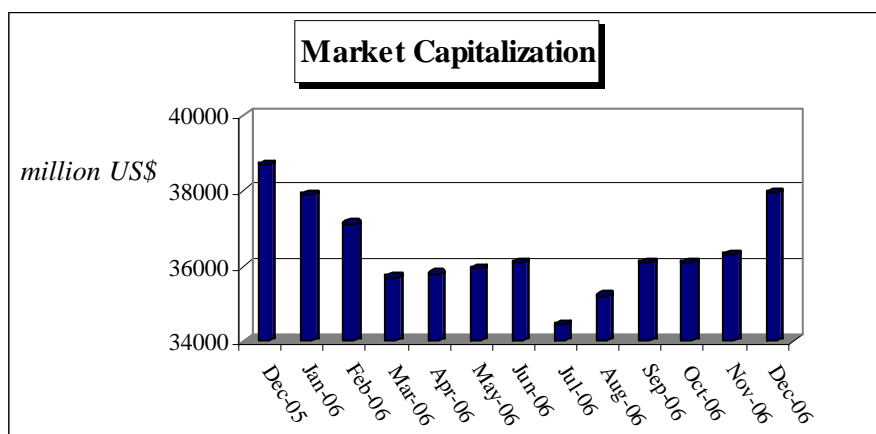
\* P/E for the month of December was 5.73

## Number of Shares Issued

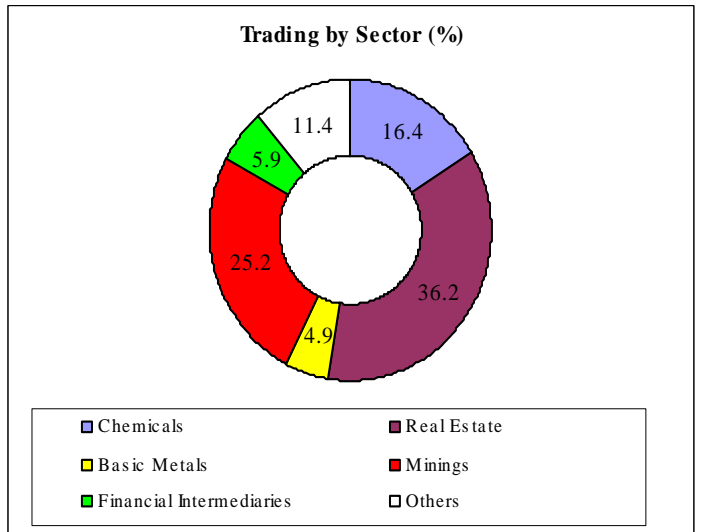
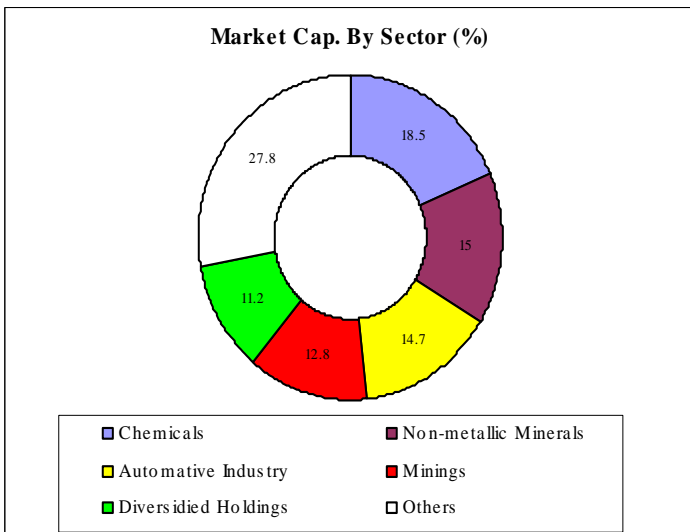
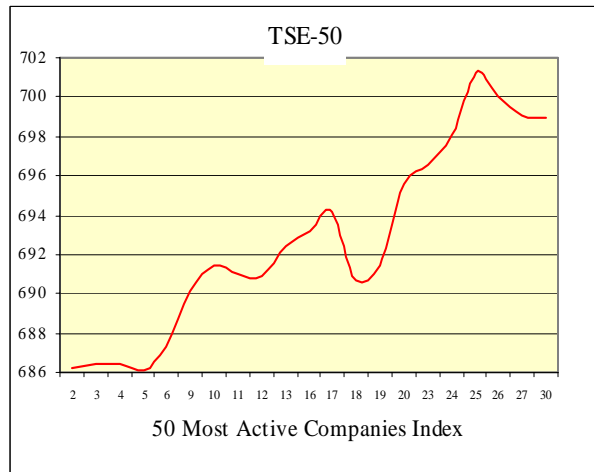
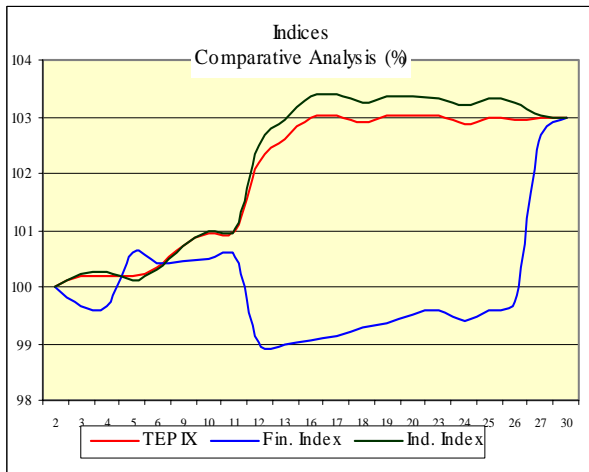
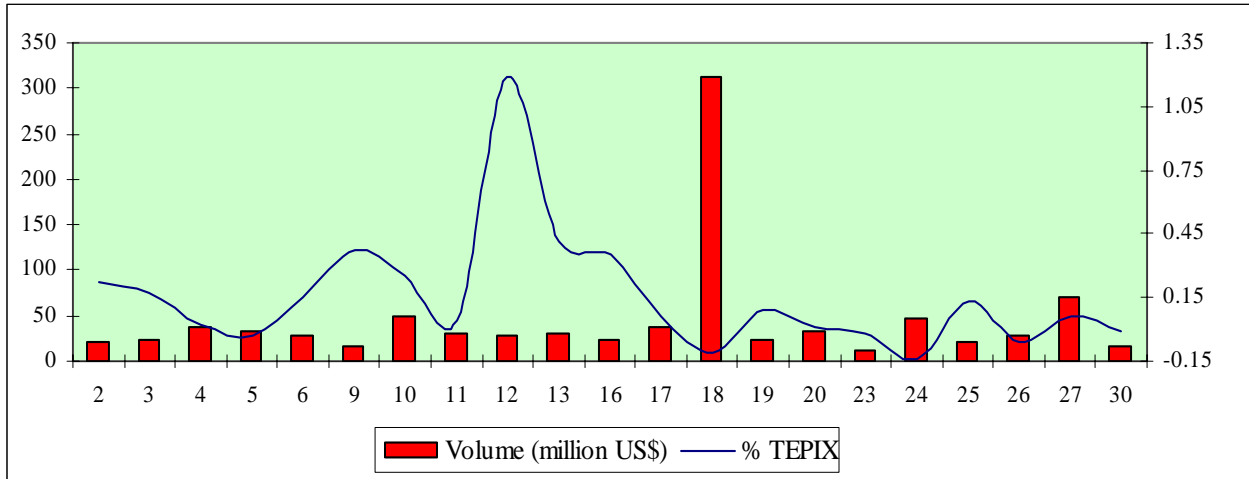
Industry*	# Listed Companies**	December 2006	November 2006	# Shares/Total Shares (%)
		# Shares Issued (million)	# Shares Issued (million)	
Financial Intermediation	20	25,140.00	25,140.00	22.55
Motor Vehicles, Trailers	30	21,681.20	21,701.20	19.45
Diversified Holding Companies	3	13,082.50	13,082.50	11.74
Chemicals & By-products	53	11,260.50	11,375.50	10.10
Non-metallic Mineral Products	53	10,366.20	9,462.30	9.30
Basic Metals	23	5,854.80	5,938.00	5.25
Real Estate Activities	13	4,508.20	4,508.20	4.04
Food Products & Beverages	42	3,694.60	3,933.20	3.31
Mining of Metal Ores	8	3,345.80	3,345.80	3.00
Other Business Activities	2	3,010.00	3,010.00	2.70
Rubber & Plastic Products	13	1,778.50	2,150.00	1.59
Machinery & Equipment	17	1,662.90	2,417.00	1.49
Fabricated Metal Products	10	1,112.50	1,178.40	1.00
Electrical Machinery & Apparatus	11	1,106.90	1,136.60	0.99
Construction	1	940.00	940.00	0.84
Refined Petroleum Products & Nuclear Fuel	4	879.20	879.20	0.79
Computer & Related Activities	3	393.40	393.40	0.35
Radio, TV & Communication Equipment	3	325.40	625.40	0.29
Land Transport	4	290.50	290.50	0.26
Tanning & Dressing of Leathers	1	247.40	773.00	0.22
Other Transport Equipment	2	203.00	249.60	0.18
Furniture	1	200.00	200.00	0.18
Textiles	3	119.20	729.50	0.11
Medical, Precision & Optical Instruments	1	105.00	105.00	0.09
Paper & By-products	5	98.30	98.30	0.09
Publishing, Printing & Reproduction Media	1	50.00	50.00	0.04
Wood & By-products	2	20.60	20.60	0.02
Mining of Coal & Lignite	1	15.00	15.00	0.01
Agriculture	1	12.50	12.50	0.01
Other Mining & Quarrying	1	10.50	10.50	0.01
<b>TOTAL</b>	<b>332</b>	<b>111,514.60</b>	<b>113,771.20</b>	<b>100</b>

\* The TSE uses the International Standard for Industrial Classification (ISIC) system.

\*\* For the first time, some 12 companies have delisted from the TSE in November 2005. Some 44 companies have been relegated to the new "Unofficial Board" in October 2006 which in fact is a "Temporary Board". Deadline for the companies listed in this Board to promote to the TSE Secondary Board will be up to the end of current Iranian year (ends March 21<sup>st</sup>); failing to meet the TSE Secondary Board listing criteria will cause to de-list them forever.



## Indices December 2006



## Trading /Sector

Industry*	Trading Value (\$)		Trading Volume	
	December	2006	December	2006
Real Estate Activities	336,049,502	618,984,519	682,380,431	1,326,292,107
Mining of Metal Ores	230,977,695	679,578,068	154,418,574	752,149,326
Chemicals & By-products	119,059,554	443,255,327	87,508,485	632,969,315
Basic Metals	45,432,047	361,535,354	46,102,218	367,559,493
Banks, Credit & Other Financial Institutions	45,110,894	364,266,200	161,092,992	1,166,136,136
Pharmaceutical	33,226,891	153,147,849	35,781,855	227,899,268
Diversified Holding Companies	24,003,274	447,429,786	105,439,028	1,000,863,939
Machinery & Equipment	21,139,124	204,410,751	59,735,975	452,719,257
Motor Vehicles, Trailers	20,809,820	1,178,230,382	78,169,109	2,338,406,672
Cement, Lime & Gypsum	18,368,030	419,799,738	45,436,474	533,613,253
Investment Companies	8,564,454	436,583,636	85,127,044	1,370,097,492
Refined Petroleum Products & Nuclear Fuel	7,290,423	46,892,853	5,703,342	69,877,967
Non-sugar Products	3,788,359	205,681,033	14,363,482	161,495,530
Electrical Machinery & Apparatus	3,269,084	33,678,481	15,997,158	96,088,959
Land Transport	2,247,445	29,461,927	2,790,750	40,129,803
Radio, TV & Communication Equipment	1,597,482	37,146,282	1,602,103	96,706,443
Other Non-metallic Mineral Products	1,301,457	20,656,966	8,768,261	75,332,689
Mining of Coal & Lignite	1,276,604	9,322,442	846,674	6,241,484
Other Financial Intermediation	1,153,483	67,527,482	9,841,872	173,018,855
Ceramic & Tile	859,396	6,653,248	3,597,185	19,533,889
Computer & Related Activities	677,205	60,438,446	1,050,269	103,130,023
Rubber & Plastic Products	640,932	45,430,646	3,586,124	106,111,989
Paper & By-products	337,335	2,754,086	747,158	5,285,817
Sugar & By-products	178,259	15,574,172	492,117	35,825,672
Other Business Activities	166,413	2,196,940	190,589	2,491,325
Publishing, Printing & Reproduction Media	111,065	628,555	120,364	696,000
Textiles	108,314	1,127,302	557,008	1,591,267
Medical, Precision & Optical Instruments	67,618	4,397,494	487,047	8,056,652
Furniture	23,458	153,823	203,070	1,073,117
Other Mining & Quarrying	22,149	4,804,897	15,730	4,934,113
Fabricated Metal Products	21,525	13,438,830	171,099	46,100,203
Other Transport Equipment	7,521	707,998	69,077	1,477,325
Tanning & Dressing of Leathers	6,020	295,106	79,037	429,121
Construction	0	23,894,104	0	55,933,672
Agriculture	0	269,094	0	206,143
Wood & By-products	0	4,928	0	56,197
<b>TOTAL</b>	<b>927,895,130</b>	<b>4,885,884,868</b>	<b>1,612,471,701</b>	<b>11,960,617,417</b>