IME Quarterly

Iran Mercantile Exchange
Quarterly Newsletter

Fall 2015 , Vol. 2

IN THE NAME OF GOD

Contents

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Fall 2015 , Vol. 2

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Editor's Post

As we are approaching the New Year's Eve and autumn is nearing its end, I would like to take the opportunity to recap the exciting past three months of the IME activities in collaboration with the domestic and international stakeholders and partners in the framework of the second edition of the IME Quarterly. The January issue of the IME's bulletin is comprised of three parts: general news, international events and market developments and financial instruments.

During the past quarter our impressive operation brought about brilliant outcomes. Gains have been remarkable enough to be considered as the solid evidence for us having accomplished our mission successfully as the dedicated provider of the modern and efficient trading infrastructures.
It is gratifying that the global financial and commodity industries' willingness to invest in the IME contracts and transactions has taken a positive turn during this period. Given that most of the sanctions will have been lifted by that time, we expect this to continue into 2016.

IME, in the Direction of Development, Prepared to Collaborate with International Market Players

An image of the Earth was recently released on social networks drawing each world country as big as the size of its financial market. The idea of the illustrator suggested how amazingly the size of a country varied when compared to the financial size as a measure. Interestingly, by this measure, small countries who enjoyed a large financial market turned out to become even larger than geographical large countries. Today, countries endeavor to achieve a proper position in the world's economy through expansion of the financial markets. In other words, the financial markets will manifest the power of the countries in the near future. Due to this necessity and owing to the worldwide movement towards expanding the financial markets, Iran Mercantile Exchange has crafted its future development plan in direction of financial markets development, bolstering the financial markets as its first priority. Due to the trading infrastructures of the IME in the physical market as well as the economic advantages and potentials of the Islamic Republic of Iran, the development of the financial market in the areas of petrochemical and petroleum products has been put on the agenda of the exchange. Financial market development, especially in asphalt and petrochemical products can open a new avenue for the participation of international players in Iran Mercantile Exchange.

In addition to the expansion of the financial market of the petrochemical and petroleum products, the launch of the currency futures exchange will be realized in this period. At present, the establishment of the currency exchange has been approved by the High Council of Exchange and the required trading infrastructure has been developed; and it is planned to be opened after making the necessary coordination with the Central Bank.

As the country approaches to the lifting of sanctions, economic openness and facilitation of international trade, the IME works out plans to expand its activities at international level. Development and expansion of the export trading floor (Export Ring) of the IME, aimed at boosting trade through promoting the fringe benefits of trading in the IME, can be highlighted among the priorities in the post-sanction era.

Financing exports through international finance institutions, international marketing specially in the field of petrochemical products, as well as using the worldwide network of warehouses in order to use commodity certificate of deposit and warehouse warrant systems are also projects through which the foreign trade of Iran will be promoted relying on the quality of Iranian products and brands; to this end, important steps will be taken in the future.

Iran Mercantile Exchange, in the new era of its economic activity, is highly interested in constructive interaction with the economic agents of states, financial institutions, commodity exchanges, businesses, traders and economic players of countries around the world; and to this effect, firmly supports cooperation and warmly welcomes collaborative and durable economic relations.

Dr. Hamed Soltaninejad
the IME CEO

IME, Driving National Trade and Development

Launched in 2007 by the merger of metal and agriculture commodity exchanges, Iran Mercantile Exchange has developed to the leading and most transparent and diverse spot and derivatives marketplace in the MENA region handling, on average, 25 million tonnes of all asset classes from industrial to petrochemical and petroleum as well as agriculture products worth approximately 14 billion USD annually. The company provides a trading platform for buyers and sellers, bringing together industries, trade and economic sectors, individuals, companies and institutions that trade physical commodities in the spot market and hedge or gain profit by accepting risk in the derivatives market.

The IME Export Trading Floor (Export Ring) in the Persian Gulf offers the worldwide traders and end users the widest range of global benchmark products across all major asset classes, including asphalt and bitumen grades as petroleum products, iron ore and minerals as well as chemicals and polymers. The prices of the export ring are quoted as reference by the renowned international price vendors and publishers including Argus, ICIS and Metal Bulletin.

As part of the exchange commitment to providing innovative financial tools and risk-management solutions to the marketplace, Iran Mercantile Exchange also offers a wide array of exchange-cleared instruments like futures, parallel and standard Salam, commodity certificate of deposit and warrants. The exchange is planning to launch currency futures as its flagship derivatives contract in the very near future.

The IME clearing house renders spot and derivatives clearing and risk management services through electronic platform acting as the counterparty to every trade to protect the market integrity against third-party credit risks.

Photo: S.Faraji

Photo: S.Faraji

News

the IME on the 11th International Symposium of Public Relations

IME CEO Awarded at the International PR Symposium

The eleventh edition of the International Public Relations Symposium recognized the IME CEO among the best PR-friendly Business Leaders of Iran. During the awarding ceremony held at Niroo Research Institute on December 15 in Tehran, Dr. Hamed SoltaniNejad, CEO of Iran Mercantile Exchange, was praised and named by the jury as one of the top 7 communication and PR-centered managers across the nation. proper interaction with domestic and foreign media, interactive working relations with the staff and supporting the PR division and communication-oriented character were among the key features of the IME CEO to fit the criteria and win the title in view of the electing jury comprised of the distinguished international PR leaders and keynote lecturers from Iran, Italy, Spain, Hungary and the Netherlands.

» Reputed international PR gurus from Iran, Italy, Spain, Hungary and the Netherlands voted in favor of the IME CEO to win the Award

IME and the Capital Market in the Post-sanction Economy

The Post-sanction Economy Conference, held in November in the Persian Gulf resort of Kish Island, was attended by the capital market entities and institutions in order to explore solutions to boost the national economy in the post-sanction era. During the forum Dr. SoltaniNejad touched upon various issues including the foreign investment and stressed the need to have more diversified risk management and hedging tools to safeguard the investors against volatilities in the market.

The IME CEO maintained that since the exchanges are organized markets and operate in compliance with the rules and regulations, they are considered by the foreign investors as the first choice of investment after easing the sanctions, so the authorities should in no time pave the ground to link the real economy to the financial market in order to lure foreign investors. He stressed that launching the currency derivatives platform should be high on the agenda in order to attract the overseas investors who would like to benefit from the opportunities laid in Iran's economy and to protect them in market uncertainties. Elsewhere in his remarks SoltaniNejad referred to the IME role in the Economy of Resistance and the capacities and infrastructures of the commodity exchange for sound price discovery of the strategic commodities in different sectors, not to mention the export.

The Role of the IME in International Financial Markets in Post-Sanction Era

» Iran is a large market with a young, educated population, relatively high per capita income and great technical and absorptive Capacities

Investment Banks Briefed on IME Developmental Plans

A group of the Iranian investment banks' representatives met with Dr. SoltaniNejad, the IME CEO, and his team at the headquarters of the exchange. The purpose of the meeting was to mainly enlighten the attendees as with the future developmental plans of the IME. The meeting had two sections; the first section included a concise presentation from the IME side and the second section covered the attendees' questions and IME's answers. The capital market gusts were presented on topics varying from securitization, Salam transactions, foreign currency futures contracts, certificates of deposit, warehouse receipts, warrants and other financials.

CEO of the IME in the Seminar of Post-Sanction Iran's e conomy

» Investment banks is a financial institution that assists individuals, corporations, and governments in raising financial capital by underwriting or acting as the client's agent in the issuance of securities (or both). An investment bank may also assist companies involved in mergers and acquisitions (M&A) and provide ancillary services such as market making, trading of derivatives and equity securities, and FICC services (fixed income instruments, currencies, and commodities)

Photo: S.Faraji

Events

IME Delegates Appear in FEAS Annual Meeting

IME Attends 21st FEAS AGM in Isfahan

The 21st annual general meeting of the FEAS members was held from 17-18 of November in Isfahan. The event was organized by the Tehran Stock Exchange and the FEAS Secretariat. IME took part in the gathering in a delegation presided by Dr. SoltaniNejad, the IME CEO. A wide scope of items including market surveillance, regulation with an approach to new financial market rules in the EU, investor relations and a review of exchange analytics and financials was discussed in the Working Committee session. The Executive Board and General Assembly focused on developing a multi-year strategy of the Federation in further assisting the members along with discussing executive and financial elements of the FEAS business. Among the highlights of the meeting there was a plan developed by the Working Committee and Secretariat to launch an investment networking platform to include all participants of the FEAS member's capital markets from exchanges, brokers, traders, investment banks through to the SMEs. During the GA, the members welcomed Cyprus Stock Exchange as a full member and European Bank of Reconstruction and Development (EBRD) as an affiliate member. Such additions highlight the inclusive role of the Federation which is filling a gap for development of small to medium-size markets in the Eurasia region. The members will convene in Bucharest, Romania for the Spring Meetings in May, 2016 and in Manama, Bahrain for the Annual Meetings in fall 2016.

Delegates from Global Investment Holding Paid a Visit to the IME

IME Invited to the SSE Global Dialogue Forum

The Sustainable Stock Exchanges is a United Nations UNCTAD initiative aimed at exploring how exchanges can work together with their investors, regulators, and companies to enhance corporate transparency, and ultimately performance on ESG (environmental, social and corporate governance) issues and encourage responsible long-term approaches to investment. Following the introduction of the SSE initiative in the FEAS meeting in Isfahan, the IME wrote to the UN SSE headquarter in Geneva in order to inform them of the IME enthusiasm for joining the initiative. To this effect, the UN affiliated office welcomed the IME's aspirations and invited Iran Mercantile Exchange to participate as the first commodity exchange in the next edition of the Global Dialogue, the flagship event of the project, to be convened as of September 2016 in Singapore. Among SSE partner exchanges it can be referred to Borsa Istanbul, Bombay Stock Exchange, the Colombian Securities Exchange, Deutsche Borse, the Jamaica Stock Exchange, the Johannesburg Stock Exchange, the Egyptian Exchange, the Kazakhstan Stock Exchange, the London Stock Exchange Group, the Mexican Exchange, Nasdaq, the New York Stock Exchange, the Stock Exchange of Thailand and the Warsaw Stock Exchange.

IME-ICIS Collaboration on Publishing Polymer Prices

Iran Mercantile Exchange and the ICIS, the world largest publisher of the petrochemical markets analyses and prices, opened a new chapter of cooperation in the plastics market of the Middle East.The historic data transmission deal was clinched in a meeting held at the IME headquarter in Tehran attended by the IME, ICIS and JPC officials. Based on the agreement, the ICIS will publish the prices of the petrochemical and polymeric products traded on the IME platform as market reference in a timely and continuous manner. Seamless market transparency and liquidity as well as sound price discovery mechanism based on supply and demand shaped the core of the ICIS market assessment and final judgment in embracing the trading data of the IME, the most diversified commodity market of the region. the IME has started transmission of the closing prices of Polyethylene, as the first designated commodity, to ICIS as of December 16 on a weekly basis. The prices of the IME are being quoted in the Asia-Pacific episode of ICIS Pricing Bulletin.

the IME Holds Webinar on Currency Derivatives with KRX

IME Holds Webinar on Currency Derivatives with KRX

Following the signing of MoU between the Securities and Exchange Organization of Iran (capital market regulator) and the Korea Exchange in Tehran, Iran Mercantile Exchange organized a webinar and conference call with its Korean counterpart focused on commodity and currency derivatives. During the virtual meeting various issues pertaining to the currency futures contracts ranging from licenses, currency spot market drivers and participant, contract specifications, margining and risk management strategies and algorithms, market liquidity and participants and the status of foreign investors, final settlement and post trade including delivery of the underlying asset were discussed by the IME and KRX senior derivatives officials and experts. Both exchanges are due to further relations under auspices of SEO-KRX MoU with the IME-KRX training workshop on derivatives in Busan or Tehran on the calendar.

Delegates from Global Investment Holding Paid a Visit to the IME

The Greece and Turkey Financial Market Delegates Visit IME

The representative of the capital markets of the Greece and Turkey met with the IME senior officials in separate meetings. Throughout the meetings the delegations were briefed on the role and position of IME in the Iranian capital market and the two sides explored possible avenues for the international partnership and linkage of the capital markets of their capital markets. The Greece capital market delegation vowed at the amazing volume of the commodity market transactions in the IME and called for mutual collaboration to launch a commodity exchange in Athena.The Turkish side, the Global Investment Holding, being a founding member of Borsa istanbul and TakasBank, called for developing trading relations with the IME as a structured commodity market.

A Visit of the Russian Sort

The IME hosted in December a special guest from the Russian FX market, the Alpari, a Saint Petersburg-domiciled operator of FX market with branches in Moscow, Europe and Mauritius. According to Sergey Vyazmin, the Alpari Global Business Manager, the Russian platform provide access to the fx market for the domestic and international traders through Metatrader. The meeting aimed at how IME could benefit from Alpari experiences in launching the currency futures market. Both sides shared view on the importance of launching a currency market collocated with the commodity business for the presence of foreign as well as domestic investors. Launching a Ruble-IRR currency trading platform was among the highlights of the meeting proposed by the IME CEO Senior Advisor as a solution to stimulate more trade leads between the two countries and to abandon the USD in the mutual trade which was welcomed by the Russian firm and promised to pursue the idea with the Russian exchanges on establishment of such a necessary instrument.

IME Attends 11th CFA International Derivatives Forum

The IME delegates participated in 11th China Futures Association's International Derivatives Forum, in Shenzhen.The major theme of the conference was about internationalization of RMB as a reserve currency and all the aspects around such a big achievement to be fulfilled from economic affairs to back-office and IT support. From Chinese participants, Mr.Yin Zhongqing delivered a very interesting lecture targeting social and political goals, incentives and infrastructure for RMB internationalization through global scale future contracts and legislative perspectives of it. On the technical hand, Mr. Leo Melamed, the pioneer figure in IMM (International Money Market) who has been serving as chairman of CME group for long years, throw a lecture on his experiences about the impact of derivatives the impact market on US economy. For the IME, the experience made by Chinese counterpart is crucially important when taking first steps in inauguration of a dedicated market under IME for currency futures contacts to gain benefits and avoid pitfalls aiming towards better efficiency for the economic atmosphere of Iran

FX market

Foreign Exchange Futures Market

The Necessity of Establishing Foreign Currency Futures Contract

Selling and purchasing commodities, trading financial assets, direct investments and all economic decisions, will depend on prediction and expectations of future prices. Future prices are not predictable; however, everyone decides based on his expected future price, and concerns about probable conflict between what he expects and what truly will happen. As far as the instability and uncertainty are increasing in economy cycle, predicting the future will become more difficult and due to incorrect prediction and probable costs, in some cases, plenty of economic actors might not be willing to take any decision: leading to recession. The incidence and persistence of these conditions will impose exorbitant costs on country's economy such as failure, or at least reduction in investment and economic growth in the future.

Currently, development of economic, financial and trade relations among countries has been remarkable than ever before. In this situation, the currency rate being conversion of domestic and foreign prices, will play the significant role in decision making of economic actors particularly those who have international exposures and interactions. For instance, a foreign investor seeking to invest in real or financial market of another country, will consider the currency rate and its expected changes as key factors in his decisions, whereas weakness of the national currency of the investee country will affect the investor's expected profit.

Fluctuations in currency rate will cause autonomous volatility in products foreign prices, domestic prices of services and assets as well as foreign assets and services costs. Thus, the currency rate fluctuation is a key factor affecting economic decisions and its costs through creating volatility in prices.

After the collapse of the Bretton Woods System in 1973 and changing the fixed rate foreign exchange currencies system into a floating rate system, the fluctuations in currency rates rose sharply.

Fluctuations in currency rates made it difficult to forecast future rates and led to increases in the cost of international economic, trade and finance activities. In this condition, Chicago Mercantile Exchange the (CME), for the first time, provided hedging tools for the foreigh though introducing currency futures contracts. In order to attract foreign investments and to reduce transaction costs, some developing countries such as Mexico, South Korea, Brazil, Turkey, South Africa and India have introduced currency rate hedging instruments, over the three past decades.

Unfortunately, Iran's economy, despite sharp fluctuations in exchange rates, has not any hedging tools to manage currency price movements. This condition will result in an extreme rise in investment risk for the foreign investors in the real and financial markets of Iran and will take away incentives to enter Iran's market. Whereas, in the general policies of Islamic Republic of Iran, it has been highly focused on luring foreign investments (The Resistance Economy general policies; paragraph 10, the general policies of National Production, Supporting Iranian Capital and Labor; Paragraph 17 and the general policies of encouraging investment; paragraph 8&9). On the other hand, lack of these tools has increased dramatically the cost of domestic economic actors, and in some cases has led to the closure of firms and bankruptcy.

Fortunately, the eleventh government of Iran has paid attention to this essential need of Iran's economy, the financial instruments to cover the risk of currency rate fluctuations, in the law of Competitive Production Barriers Removal, and has obliged the Ministry of Economic Affairs and Finance to prepare regulations to cover currency rate fluctuations in cooperation with Central Bank of Iran, The Securities and Exchange Organization and Central Insurance of Iran.

The currency Futures contracts which are popular instruments to cover the risk of currency rate fluctuations were presented for the first time by CME. Also, in Iran, IME, being successful to establish and implement Gold Coin futures, has the required infrastructures and enough experience to launch the currency futures.

The currency futures, the main and most important function of which is to cover currency rate fluctuations, gives foreign investors and domestic economic actors the possibility to act freely regardless of the currency rate fluctuations. Establishing the currency futures exchange will facilitate foreign investment in Iran and will deepen and internationalize the capital market of the country. In addition, foreign direct investment (FDI) in the real sector of the economy will be expanded.

The Launch of the Currency Exchange without Having to Lift Sanctions or Having Unified Exchange Rate

There are two approaches to the formation of Currency Futures Exchange (CFE) in Iran. In the first approach, the formation of the CFE is dependent on (subject to) the lifting of sanctions, unification of the exchange rate and re-opening of the interbank currency market. In other words, in the case of non-realization of the above, the formation of the currency exchange either would not be possible or would lead to increased volatility in the currency market in the event of the establishment. The basis for this approach is the formation of the CFEs in other countries because the formation of the currency spot markets precedes the formation of the currency derivative markets in terms of time sequence. In this context, foreign currency derivatives are established under financial markets structure and due to the liquidity of the interbank currency market and its position in the foreign exchange market, the central bank would not normally intervene in the currency derivatives markets.

In the second approach, the CFE can be established even in the current situation of the two-tiered currency regime, and without re-opening of the interbank market. In addition, the formation of this market will provide many profits for the economy in general and the currency market in particular.

The most importent in the currency futures which is also specified in thr contract, is to have an exchange rate in the future, so that the parties may determine the rate as agreed upon. Furthermore, in the current situation, only a limited number of the foreign currency applicants (buyers) have access to the currency provided by the central bank. Consequently, this is actually the free market that is reference for a majority of the market participants in the economy. In fact, the supply of foreign currency by the central bank at the official rate is the subsidy earmarked for some commodities and economic activities, so its extent of influence is very limited. Therefore, in the event of formation of the CFE, the rate of spot market can become reference for the decisions taken or laid by the market participants.

The interbank currency market and its activity are not substantially associated to the currency futures exchange because the interbank market, as being clear from its title, refers to the transactions done among and between the banks and the central bank while the futures exchange will be established and operated in the capital market of Iran.

The reason why the emphasis is made on the development of the interbank market is that this market is somehow controlling foreign exchange derivatives markets. Accordingly, considering that the possibility of central bank intervention in currency futures exchange can be embedded and built, the central bank will be able to control currency futures rate fluctuations in its intended range.

Therefore, the formation of CFE will be possible even in the current economic situation of Iran. On the other hand, the establishment of the currency futures exchange provides room for traders, who currently operate in the informal spot and forward markets determining the free exchange rate in a sphere of ambiguity, to participate in a transparent, secure and manageable marketplace. In other words, currency futures exchange provides the room for market speculators who are working in the informal market to participate in the organized and lawful markets, thereby reducing the informal market power.

In addition, the formation of the currency futures market provides an instrument for the central bank to make policy in the foreign exchange market. Although most central banks do the intervention and policymaking in the currency market through the interbank market, some of them also use currency derivatives in their policymaking efforts for the currency market. By formation of the currency futures exchange, the central bank may manage the unusual volatilities in the currency futures rates, or channel the foreign exchange rate in the manner it has designed on the basis of its goals and purposes and the economic situation. At present, to influence the activities of speculators in the informal market, the central bank supplies foreign currency through its brokers in the market, which results in the reduction of the country's foreign exchange reserves. But, the currency futures exchange will give the central bank an opportunity to control the speculative activities without having to reduce the foreign currency reserves. With the help of God and with the launch of the currency exchange, the economy of Iran will take a big step towards future.

Central Banks Interventions in FX Markets

1. Brazil

After the abandonment of the currency peg against the US Dollar, in January 1999, the Brazilian Central Bank started to operate under a floating exchange rate regime. Since mid-1999, the main objective of the monetary authority has been to meet the explicit inflation target that is set in advance by the Conselho Monetario Nacional (CMN). The Central Bank also acts in foreign exchange markets in order to curb excessive exchange rate volatility.

Since March 2002, the Brazilian Central Bank has used public currency swap auctions as an instrument that is aimed at ensuring the smooth functioning of the foreign exchange market, as well as to ensure that there is a proper supply of hedging instruments in the market. These swap contracts, to some extent, replaced domestic government bonds that were linked to the exchange rate.

Swap contracts are registered at the BM&FBovespa exchange as"SCC - Contrato de Swap Cambial com Ajuste Periodico". Auctions are always announced through the Central Bank's communication system, establishing the exact time of the auction typically a few minutes after the announcement, the quantity of contracts that the Central Bank is offering to buy or sell, as well as the maturities that are on offer. Each participating institution is allowed to place up to five bids, specifying the quantity and price (i.e. the implicit interest rate) for each. After bids are placed, the Central Bank has the discretion to accept any volume of contracts up to the maximum amount that is on offer. If the Central Bank is offering to buy these derivative contracts, the financial institution receives the equivalent of the exchange rate variation over the time of the contract plus a local onshore US$ interest rate, all paid in Brazilian Real. At the same time, the Central Bank receives the cumulative interbank interest rate.

The BCB carried out 61 currency swap auctions between January 1st, 2011 and March 31st, 2013. During this period, the timing and the volumes on offer did not follow any pre-announced rule. The local market convention has been to label auctions as traditional swaps when the Central Bank is buying contracts (which may have the effect of limiting the depreciation of the Brazilian Real), and as reverse swaps when the Central Bank is selling these contracts. Even though there is no exchange of foreign currency involved and the Central Bank does not alter the supply of

foreign exchange, market participants typically see traditional swaps as being the financial equivalent to a sale of USD Dollars in the futures market by the BCB. To the extent that a change in the supply of SCC derivatives alters the supply of hedging instruments that are available in the market, such auctions will have an effect on the relative demand for USD dollars in the marketplace and, as a consequence, the prevailing USDBRL exchange rate.

• Kohlscheen, E., & Andrade, S. C. (2014). Official FX interventions through derivatives. Journal of International Money and Finance, 47, 202-216.

2. Argentina

The central bank's foreign

exchange transactions take place during normal business hours via direct trading in the wholesale spot market. The results of these transactions are published via a daily press release which states that an intervention has occurred and gives information about its size. These daily press releases are summarized in the regular weekly Exchange Report, which comes out with a minimum lag and describes the dates and size of interventions. This policy of quickly providing full ex-post information to the market contrasts with the practices of most central banks, which tend to tactically use secrecy in their foreign exchange interventions.

• Irigoyen, C. (2005, May). Foreign exchange intervention in Argentina: motives, techniques and implications. In Participants in the meeting (p. 114).

3. Indonesia

Just like other central banks, Bank Indonesia has the authority to carry out foreign currency intervention at both policy and operational levels. Foreign currency intervention policies are mainly intended to maintain exchange rate stability, particularly at times when there are factors that impact negatively on the Rupiah. Nevertheless, foreign exchange intervention is only undertaken when moral suasion is ineffective in influencing market participants and curbing excessive exchange rate movements.

Under the existing law, Bank Indonesia has the right to conduct all types of foreign currency transactions for intervention purposes. Yet Bank Indonesia intervenes mainly through spot transactions which dominate the domestic foreign exchange market. The choice of spot transactions for intervention relates to factors such as:

– The volume of spot transactions is relatively large in the domestic market.

– Spot transactions have the potential to influence price movement immediately.

– Spot transaction patterns can indicate speculative market behavior.

– Spot transaction volumes can reflect the volatility of the exchange rate. For example, spot transaction volumes are almost in line with Rupiah volatility, so they can be used as consideration in the decision to intervene.

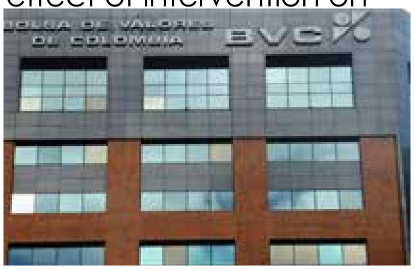
• Indonesia Bank (2005). Foreign exchange intervention and policy: Bank Indonesia experiences. BIS Papers chapters, 24, 177-87

4. South Korea

Foreign exchange market intervention has been used as a main instrument in achieving foreign exchange market stabilization in Korea. As is also the case in other countries with floating exchange rate systems, the objective of foreign exchange intervention in Korea is to (i) mitigate short-term exchange rate volatility, (ii) stabilize the foreign exchange market,

(iii) pre-empt speculative attacks, and iv) acquire foreign reserves, rather than to maintain a certain exchange rate target. In fact, it is true that with its thin foreign exchange market Korea faces the possibility of severe exchange rate volatility caused by various external shocks, due to changes in the global economic environment and even geopolitical risks surrounding the Korean Peninsula. In addition, the Korean foreign exchange authorities have also played the role of market maker through intervention by supplying sufficient liquidity in the market and filling the gaps between bids and offers in the market. After the currency crisis in 1997, intervention was, unusually, utilized to increase international reserves in order to enhance Korea's credit rating and avoid the possibility of additional crisis.

As for the intervention tools, verbal intervention by the authorities (MOFE and BOK) and real intervention in the spot market are typically used. Verbal intervention is used to facilitate foreign exchange market stability beforehand or to give speculative forces a warning by conveying the authorities' concerns and intention related to exchange rate movements. However, intervention in the forward market has been employed as rarely as possible, except during the currency crisis period and in the second half of last year, when there was severe speculative trading in the off-shore non-deliverable forwards (NDF) market. In fact, intervention in the NDF market should be done cautiously: intervention operations could become all too frequent since the settlement for intervention is not needed immediately, and the effect of intervention on



the exchange rate at maturity would then be the opposite of what was initially intended.

• Rhee, G. J., & Lee, E. M. (2005, May). Foreign exchange intervention and foreign exchange market development in Korea. In Participants in the meeting (p. 196).

5. Colombia

The Colombian central bank began systematic currency market interventions following the introduction of a floating exchange rate regime and the adoption of inflation-targeting monetary policy in 1999.

Colombia is one of the few countries to date that have auctioned call and put options to mitigate exchange rate volatility and adjust reserve holdings. Colombia's central bank stated clearly that when issuing options contracts, its main objectives were not only to avoid excessive volatility in the exchange rate but also to do it in a way that would uphold inflation targets, strengthen the international liquidity position domestically and smooth any deviations of the exchange rate from its long run trend. The auctions of options contracts in Colombia were fully transparent and the benefits of these auctions were derived from the hedging operations of market participants.

For the purposes of reserve accumulation and decumulation, the central bank auctioned options contracts on a monthly basis. To accumulate reserves, the central bank auctioned put options with a maturity of 30 days, which give the buyer of the contract the right to sell US dollars at a given price (strike price) to the central bank at maturity. The central bank was obligated to fulfill this contract, and therefore accumulated US dollars when the contract was exercised. To decumulate reserves, call options with a maturity of 30 days were auctioned. The owner of the call option had the right to buy US dollars at a given price (strike price) from the central bank, and in turn, by fulfilling its contractual obligations, the central bank decreased the amount of foreign reserves that it held. The options were exercised when the exchange rate appreciated or depreciated with respect to the 20-day moving average mean.

Volatility options with 30-day contract maturity were auctioned whenever the exchange rate changed more than a given percentage variation with respect to the 20-day moving average. Until December 2001, the maximum percentage variation was set to 5%; 4% from December 2001 to February 6, 2006; 2% from February 6, 2006 to June 24, 2008; and 5% from June 24, 2008 to October 13, 2011. The volatility option could be exercised at any time within contract period when COPUSD appreciated or depreciated more than the established percentage variation with respect to the 20-day moving average. In many cases, the option was auctioned and immediately exercised on the same day or the following day as the option premium and the corresponding change in COPUSD relative to the 20-day moving average.

During periods when the COPUSD appreciated by more than the given percentage variation, volatility put options were auctioned to mitigate the appreciation pressure. By auctioning put options, the central bank was obligated to buy US dollars (or equivalently, to sell pesos) from the owners of the contract at maturity or at the exercise date. Through the expectations or signaling channel, this action was aimed to show the central bank's commitment to increasing the relative supply of Colombian pesos to US dollars through the purchase of US dollars (or sale of Colombian pesos) at contract maturity or exercise date. By doing so, the volatility put options created depreciationary pressure to counteract the appreciation over the 20-day moving average.

During periods when the COPUSD depreciated by more than the set percentage change with respect to the 20-day moving average, volatility call options were auctioned to counter the depreciation. By auctioning call options, the central bank was obligated to sell US dollars (or equivalently, to buy pesos) to the owners of the contract at maturity or at the exercise date. This action was aimed to show the central bank's commitment to decreasing the relative supply of Colombian pesos to US dollars in the market through the sale of US dollars (or purchase of Colombian pesos) at contract maturity or date of exercise. By doing so, the volatility call options introduced appreciationary pressure to counter the depreciation over the 20-day moving average.

For the volatility options contracts, the maximum amount exercised was US$ 180million. In addition, the amount to be auctioned in the subsequent month was determined at the end of each contract. From 1999 to 2009, there were a total of 38 volatility options contracts auctioned by the Colombian central bank, consisting of 21 volatility put options and 17 volatility call options. The options intervention strategy was abandoned when the central bank switched intervention strategies to a daily discrete intervention plan, where the central bank purchases an average of US$ 20 million per day.

• Keefe, H. G., & Rengifo, E. W. (2015). Options and central bank currency market intervention: The case of Colombia. Emerging Markets Review, 23, 1-25.

Markets

Petrochemical Market

The National Iranian Petrochemical Company (NIPC), a subsidiary to the Iranian Petroleum Ministry, is owned by the government of the Islamic Republic of Iran. It is responsible for the development and operation of the country's petrochemical sector. Founded in 1964, the NIPC began its activities by operating a small fertilizer plant in Shiraz. Today, the NIPC is the second largest producer and exporter of petrochemicals in the Middle East. Over these years, it has not only expanded the range and volume of its products, but it has also taken steps in areas such as R&D to achieve more self-sufficiency.

IME-NIPC Close Relations: A Symbol of Cooperation between the Trade and Production Sectors

Iran Mercantile Exchange and the National Iranian Petrochemical Company (NIPC) convened several meetings during the last quarter in order to promote relations and design the roadmap for revitalization of production and trading of strategic petrochemicals through the IME market solutions including securitization, financial instruments, risk management and other mechanisms. Various issues and plans were discussed and both sides reiterated on close cooperation for shaping a transparent and efficient market catering the needs of a wide spectrum of beneficiaries from macroeconomics and the upstream through to downstream industries and petrochemical production units, to traders and end users. To this end, the IME CEO unveiled a number of plans, services and trading solutions to support and finance the capital-hungry production sector and traders and investors through financial instruments including Standard Salam contract, Parallel Salam, ETCs, foreign currency funds, derivatives and certificates of depository as well as warrants.

Dr. SoltaniNejad in his remarks maintained that Salam contracts have great advantages to finance the industry at lowest costs and in shortest period. Mr. Sheri Moghaddam, the NPC managing director in his turn, welcomed the IME plans as a great opportunity for the petrochemical sector to ensure a robust value chain of market products.

» Iran has a diversified petroleum product basket with more than 70 products.The main exports are polyethylene, methanol, benzene, ammonia, sulphur, PVC and propylene. Iran exported $8.613 billion worth of different types of petrochemical products in Iranian year 2010-2011.

» Methanol: Iran is a key player in supplying the world's methanol demand. Currently, Iran has the capacity to produce more than 5 million tonnes of methanol annually, which constitutes 10% of the world's methanol production. Of this amount, approximately 90% is exported.

Trading PVC Standard Salam Contracts in IME

In order to finance the petrochemical industry of Iran, the IME initiated trading of PVC Standard Salam Contracts. Based on this financial instrument, the opportunity of a (one-year and multi-year) long term financing of petrochemical complexes was provided and Abadan Petrochemical Company gained 1.66 million USD of its working capital through issuing this contract.It is worth noting that these securities were Tax-Exempt and held in the customer's name. The minimum and the maximum profit of 24% and 27.5%, respectively, have been guaranteed for these securities.

Also, the return rate for closing the contract before maturity was 23% on a daily basis. The PVC Salam Contracts were issued at two stages. At the first stage, the initial offering was done through the "wide offering on a fixed price" method including the offering of 9,500 MT of PVC priced at 26,316 IRR/Kg, at the second stage the trading rolled out to the Secondary Market of the IME having lasted till 31 of October.

PVC

Polyvinyl chloride, more correctly but unusually poly(vinyl chloride),commonly abbreviated PVC, is the third-most widely produced synthetic plastic polymer, after polyethylene and polypropylene.PVC comes in two basic forms: rigid (sometimes abbreviated as RPVC) and flexible. The rigid form of PVC is used in construction for pipe and in profile applications such as doors and windows. It is also used for bottles, other non-food packaging, and cards (such as bank or ID cards). It can be made softer and more flexible by the addition of plasticizers, the most widely used being phthalates. In this form, it is also used in plumbing, electrical cable insulation, imitation leather, signage, inflatable products, and many applications where it replaces rubber.

Metals and Minerals

Mining in Iran is underdeveloped,yet the country is one of the most important mineral producers in the world, ranked among 15 major mineral-rich countries,holding some 68 types of minerals, 37 billion tonnes of proven reserves and more than 57 billion tonnes of potential reserves worth $770 billion in 2014.Mineral production contributes only 0.6 per cent to the country’s GDP.Add other mining-related industries and this figure increases to just four per cent (2005). Many factors have contributed to this, namely lack of suitable infrastructure, legal barriers, exploration difficulties, and government control over all resources.

26 Million USD, Worth of Trade of the Iron Ore Salam

Following welcoming mineral industry by market participants, more than 26 million USD Iron Ore Standard Salam contracts from Chadormalu Mining & Industrial Company the (CMIC) were traded by customers at the first minute of trading. In order to finance the mineral industry of Iran and implementation of government policies to use the capacities of financial markets and the commodity exchanges to finance businesses, trading of the underlying asset gained momentum in the IME and over 1000KT of Salam iron ore were traded worth of 26 million USD during the while.

Using this Salam Forward Contracts, the Chadormalu Mining & Industrial Co. found opportunity to finance though securities with one year maturity and garnered 26 million USD fund through issuing this contracts. It is worth noting that these securities were Tax-Exempt and held in the customer's name. The minimum and the maximum profit of 25% and 28%, respectively, have been guaranteed for these securities. Also, the return rate was 22% on a daily basis, during the period.

IME Financial Services to the Steel Industry

Iran Mercantile Exchange has provided an array of financial market services to different levels of market participants from industrial suppliers to the final users of the listed commodities and underlying assets via both spot and derivatives platforms. The historic visit of the IME delegation, headed by Dr. SoltaniNejad, to the Esfahan Steel Company on November 17 marked a new spotlight in the IME relations with the giant steel producer and supplier of the Middle East. The IME meeting with the senior managers of ESC including Mr. Sadeghi, managing director and Mr. Yazdizadeh the deputy MD in Planning and Development and Chairman of the Board of the IME, focused on the ways to promote the steel industry through new financial and trading instruments of the IME including Salam and Forward. The listing, trading mechanism and settlement of the new instruments as well as its delivery system were enlightened during the presentations. Both sides emphasized that the diversified services like Salam, warrant and certificates of commodity deposit can be considered as financial instruments to improve production and sales for steel suppliers in a method that the production line has always a guaranteed source of capital and the inventories can be securitized and converted to this type of certificates. the ESC called for the IME to share experience in setting up the retail market in Isfahan and organize international marketing of steel products using its global business relations.

B2X; an Approach to Curtail Production-Consumption Intervals

Generally, the volume of transactions for some commodities in Iran Mercantile Exchange is so huge that a number of minor actors do not dare to participate in this market. So, Isfahan Steel Company is one of suppliers launching a sales network to cover its products market and shorten the path between production and consumption. On the other hand, IME tends to complete financial services value chain through B2X (B2G. B2B. B2C) in order to optimize its service chain, curtail production-consumption intervals, and improve its efficiency.Briefly, B2X is a system of purchasing a product in large quantities by a large trader and distributing to its agencies to sell the product.

In the context of an exchange, B2X not only will provide competitive opportunities for major and minor actors in the market, but also will result in flexible transactions and lower trading costs and risks. According to this system, the large traders purchase the commodity of the spot market of the IME, as regular procedure, and store it in a warehouse (controlled by the IME). The warehouse will issue a certificate of deposit for the commodity and register it in the system of B2X. In the next phase, minor natural or legal persons, with various accesses to the system, can buy their required commodity in smaller amount. The commodity will be delivered to the last buyer and the selling data will be registered in the system. This online comprehensive market is 24/7 service and the customers can purchase their commodity in cash or credit. In this process, the credit risk and delivering risk are being covered. Organizing commercial activities through the IME, risk management, establishment of information distribution system, flexible transactions, meeting the needs of retail customers, online access to the market, providing the possibility of regulating the market in the retail customers level, public access to standard products and more competitive market, geographic expansion through less market intermediaries and reducing transaction costs are among the most important advantages of establishing a B2X market. This plan will be accomplished for the first stage on metal products of Isfahan Steel Company and after that will be administered on other commodities offered in the IME. This plan will be accomplished for the first sage on metals products of Isfahan Steel Company and after that will be administered on other commodities offered in the IME.

» B2X is the leading provider of customer care solutions for electronic devices to manufacturers, insurance providers, mobile network operators and retailers globally.B2X has created the first shared services platform for unparalleled customer care solutions. Our Smart Service Platform consists of a global organization of highly experienced staff, a trusted and reliable operational fulfillment partner network and best practice service delivery processes.

Agricultural

Roughly one-third of Iran’s total surface area is suited for farming, but because of poor soil and lack of adequate water distribution in many areas, most of it is not under cultivation. Only 12% of the total land area is under cultivation (arable land, orchards and vineyards) but less than one-third of the cultivated area is irrigated; the rest is devoted to dry farming. Some 92 percent of agro products depend on water.The western and northwestern portions of the country have the most fertile soils. Iran’s food security index stands at around 96 percent.

Article 33, Booster of Agriculture Trades in IME

The life-term negotiations between the IME and the Ministry of Agriculture Jihad paid off and for the first time in the IME history over 100,000 tonnes of maize was deposited, offered and traded on the exchange platform via commodity certificates of deposit as a financial commodity instrument. Each year by the beginning of the harvest season in late November in Khuzestan province, the largest maize production hub in the southwestern of Iran, the farmers rush to carry and deliver their crop to the maize drying stations in order to dry and store the cereal in the warehouses to be sold later in future for higher prices. However, since a majority of the maize growers are retail farmers they are almost in dire need for cash so they may have to sell the commodity at a lower price for subsistence. On the other hand, the government according to the law was responsible to buy directly from farmers in the framework of the guaranteed-purchase mechanism designed to encourage and support the agriculture sector to grow strategic products like wheat and barley. Yet, the plan was not successful as the government just played the role of a purchasing machine regardless of the quality of the commodity. Moreover, the government had no efficient tools to sell or distribute the purchased crop at market price or higher. So the government had to allocate huge annual budgets to fund the plan and buy agricultural products at production hubs; therefore it sustained a very great loss during the past years by spending large amounts of subsidies to protect the farmers who more often than not used to deliver low or medium grade crops to the provincial purchase centers, as no mandatory standards were levied by the plan or required by the centers.According to the article 33 of Agriculture Sector Productivity Rising Act, passed by the Iranian parliament 2012, the government was mandated to follow its agriculture sector protection policies using the IME experience and potentials and infrastructures; and to delegate the whole duty to the exchange to organize auctions, trade and clear the commodity transactions in the spot market to attain the best results and eliminate wasting resources and funds. At last, the great expectations were met by the IME taking the leadership in purchasing the commodity by means of the guaranteed price mechanism fostered and employed by exchange to cover the supply chain from the field to the exchange accredited warehouses issuing certificates of deposit for the farmers. The IME was accordingly mandated to employ best practices for the fair and transparent price discovery of the agriculture products specially barley, wheat and maize and to set up the mechanism for the purchase in compliance with the standard quality of the product as the main criterion to accept the commodity at the designated warehouses, and issue the deposit certificates to the farmers.

At the same time, the IME held responsibility to offer, trade, settle and deliver the crop to the end users as promptly as possible. According to the guaranteed price plan the ministry of agriculture would set and offer the price of the crop on an annual basis. The farmers deliver the commodity to the exchange and receive the certificates of deposit and then offer the product to sell in the exchange. After trading of the commodity in the IME the value of the traded commodity is paid swiftly by the clearing house to the seller. According to the settlement formula, if the closing price of the standard quality product in IME is higher than the price of the government, the trade is all set and the transaction will be settled in full; but in the event that the traded price of the IME is lower than the government price, the balance and difference will be paid by the ministry of agriculture to the seller. Many of the emerging market economies have experienced successful implementation of such projects with the same scenarios in different episodes. The purchase of agricultural products through the guaranteed price mechanism, fostered by the IME, is a national-level mandate vested in the exchange. The plan provides undeniably plenty of benefits to the government, farmers, intermediaries, service providers, consumers, and all players in the marketplace to spend funds and budgets properly, to ensure the farmers of a fair system of price discovery and trading, eliminating the concerns of the farmers about selling their products at the harvest time, to encourage farmers to employ best production practices to grow Standard and healtliy product, to preserve soil and water resources, to bring high nutrition and healthy food in the consumers' diet, to create jobs and new services and , last but not least, to add value to the supply chain of the agriculture commodities and the national economy as well.

Top Suppliers in IME

Esfahan Mobarakeh Steel Company

MSC at a Glance

Mobarakeh Steel is the largest steel producer in Middle East and Northern Africa and the largest DRI producer in the world. Guided by a mission to play the leading role in Iran's industrial, financial, and social growth, it is the quality producer of more than 50% of Iran's steel in all major markets including automotive, construction, household appliances, and packaging. Mobarakeh Steel operates in seven industrial complexes and employs more than 20,000 people in different parts of the country.

History of MSC

Mobarakeh Steel Company, now one of the largest industrial units in Iran, was constructed in an area of 35 square kilometers near the city of Mobarakeh and 75 km to the southwest of Isfahan.

Construction operations began in 1981 and into the years of war and under aerial attacks of enemy fighters. Building and technical operations done during the construction phase of Mobarakeh Steel are unique in the Middle East, for example near 18.7 million cubic meters of excavation and over 1.845 million cubic meters of concrete, 1.8 million square meters of formwork and 80,000 tonnes of reinforcement bars. About 150 thousand tonnes of metal structures, one million square meters of roofing and more than 500 tonnes of equipment and machinery were installed.

The first electric arc furnace went functional in October 1991 and factory production lines were inaugurated by the then president on January 12, 1992. With the introduction of company's steel products to the market and the gradual increase of production up to the nominal capacity of 2.4 million tonnes a major part of this strategic need of country was satisfied.

In the years after reaching the nominal capacity, to meet the increasing demands of domestic and foreign markets, the company planned increases in its capacity in the form of expansion projects, using the experience and financial credit from domestic and foreign sales, the first phase of development projects were carried out. The production capacity of the company is planned to reach 11.5 million tonnes as the following expansion projects are being executed:

• Steel-making under-roof development plan in two phases of 5.4 and 7.2 million tonnes capacity increases. All the projects of the 5.4-million-tonne-phase are in their final stages and regarding the 7.2-million-tonne-phase the necessary permits have been acquired and the needed infrastructures are in place.

• Development project of Saba Hot-rolling Plant which was annexed to Mobarakeh steel in 2006 has increased the plant's capacity from 700thousand tonnes to 1.6 million tonnes.

• Also Hormozgan steel was merged with Mobarakeh Steel on March 2011 and its capacity is planned to be increased from 1.5 million tonnes to 3 million tonnes.

Esfahans' Mobarakeh Steel Company began trading its products in Tehran Metal Exchange on 2003 and has joined Iran Mercantile Exchange on October 2007 and trades its products on domestic metals and minerals trading floor of the IME. The following table demonstrates offering, demand and trading of the company in the IME, on Fall 2015.

Mobarakeh Steel Company in IME - Fall 2015

operation in	Offered Vol. (KT)	Demand Volume (KT)	Traded Vol (KT)	Value (Milion USD)	Share from Total
Domestic Trading Floor	556	1,805	1,802	868	31%

Jey Oil Refining Company

Jey Oil Refining Company is a leading company in the Iran's oil downstream and bitumen industry established in 2003. The refinery is located in Isfahan province and its main office is centered in Tehran. Jey company owns one of the largest bitumen production sites and units in the Middle East producing a diverse range of quality bitumen types and grades in the industry. Approximately 70% of the Jey Oil bitumen production is exported to the global destinations of Europe, Asia and Africa. Jey refinery volume of production accounts for over 40% of total bitumen production share in the country. One of the major objectives of this company is to meet domestic demands based on the latest standards as well as successful presence in the global markets by providing high quality products and imposing its brand name across the market. Specialized knowledge, efficient staffs, customer satisfaction and compliance with environmental requirements are the core basis of this company. The refinery has four separate bitumen production Units which are producing blown bitumen by two processing units, bitumen emulsion and cutback bitumen.

Air Blown Asphalt Capacity 40,000 BPD, Cutback Bitumen Capacity 7100 BPD, Bitumen Emulsion Capacity 20 T/hr, Storage Capacity 500,000 Barrels. The products are in line with international standards (Penetration

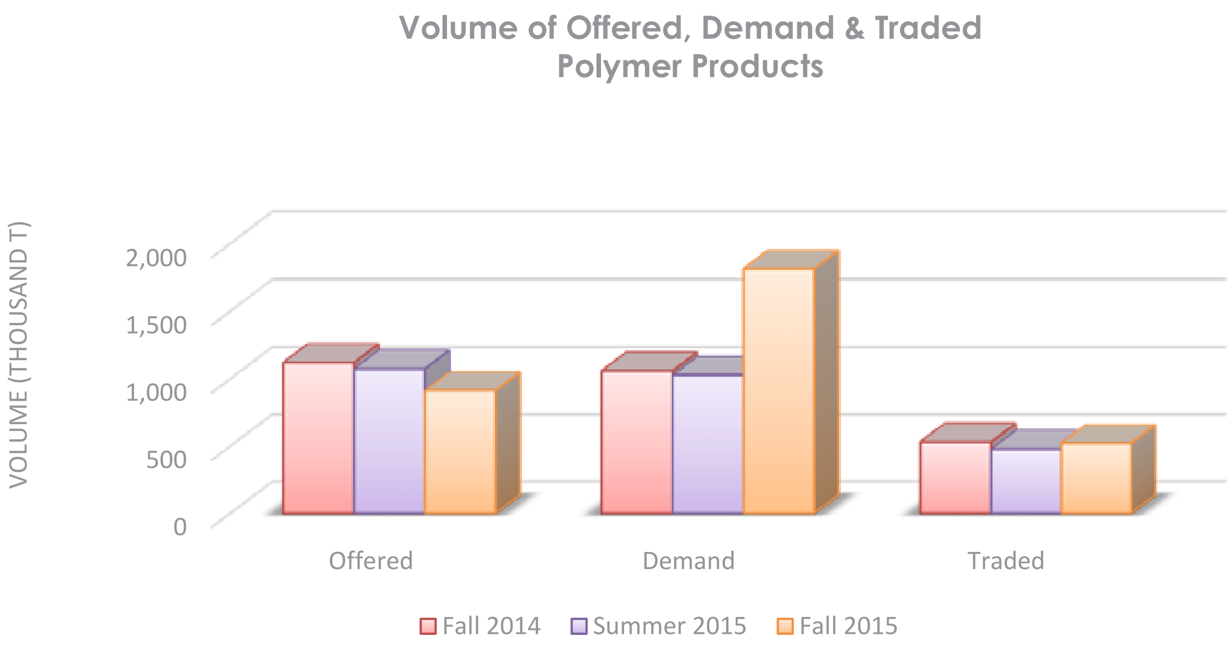
Grade (ASTM), Viscosity Grade (VG)) and this company has the ability to produce performance grade (PG) & modified bitumen. Delivery services are in bulk, drum & Jumbo Bags. The company is proud of having certificates of CE, ISO/IEC 17025: 2005, ISO9001:2000, ISO/TS 29001:2003, and because of their respect to standards of Health, Safety and Environment, it has ISO 14001; 2004 & OHSAS 18001:1999 Certificates, too. Jey Oil Refining Company has joined Iran Mercantile Exchange on September 2009 and since then has proved one of the most trusted and reliable suppliers listed on the exchange offering products on domestic and export trading floors of the IME. The following table recaps a summary of the offering, demand and trading statistics of Jey Oil Refinery Company in the IME, during the fall 2015.

Jey Oil Refining Company in IME - Fall 2015

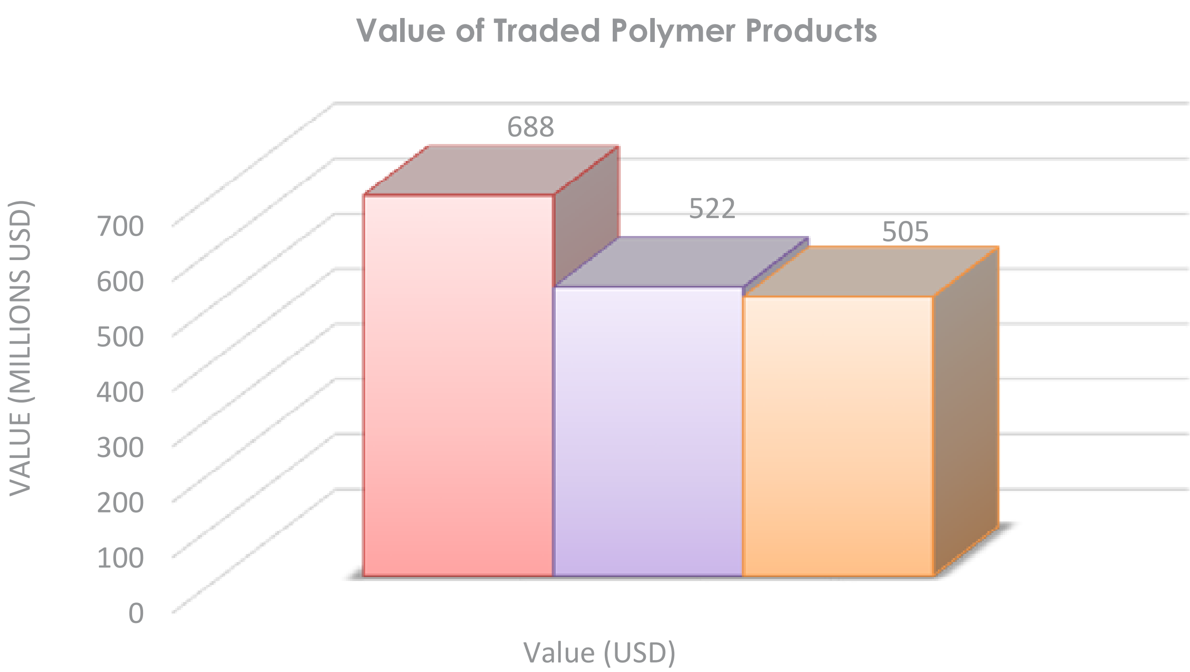
operation in	Offered Vol. (KT)	Demand Volume (KT)	Traded Vol (KT)	Value (Milion USD)	Share from Total
Domestic Trading Floor	5,545	1,265	1,250	324	19%
Export Trading Floor	1,847	664	654	169	26%

Statistics

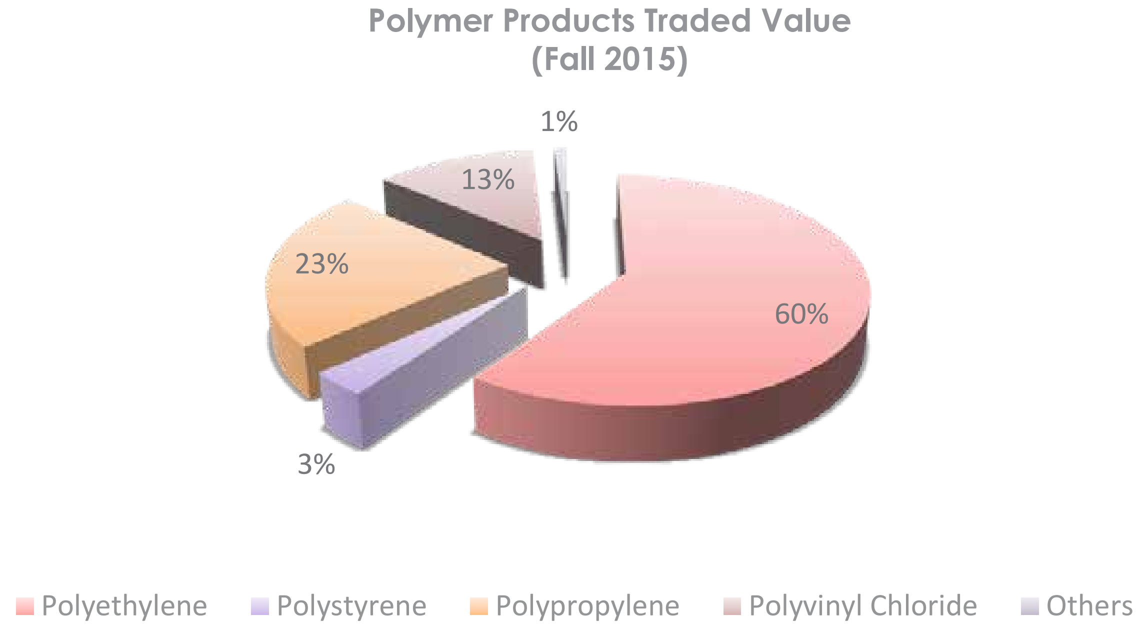
Polymer Products



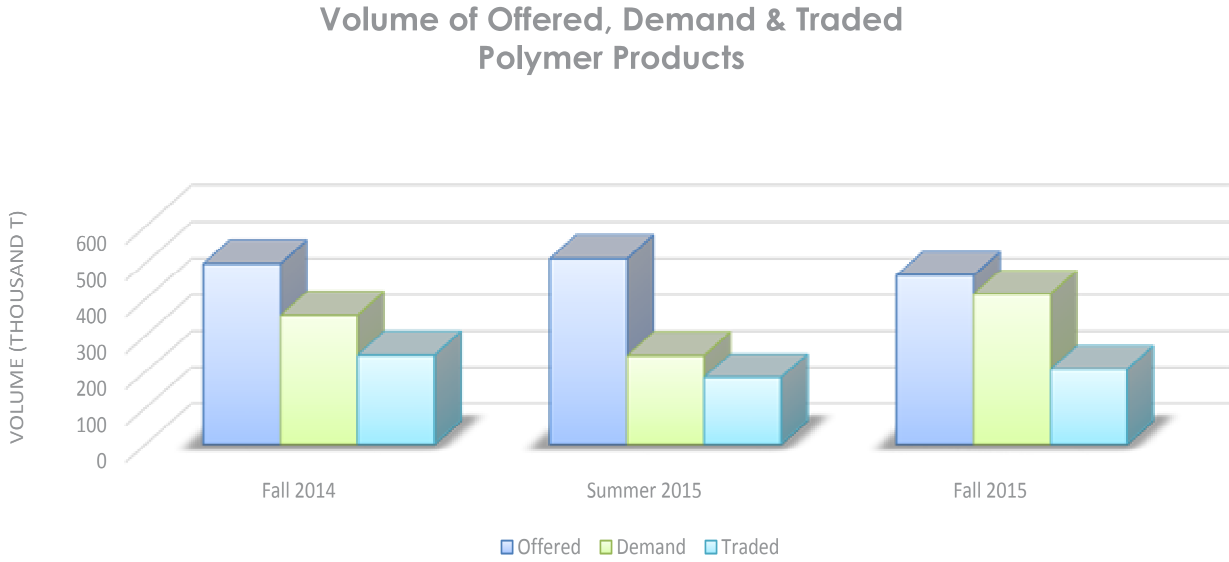
	Offered	Demand	Traded
Fall 2014	1,120,881	1,059,509	531,107
Summer 2015	1,074,989	1,028,152	478,016
Fall 2015	913,974	1,812,408	521,219



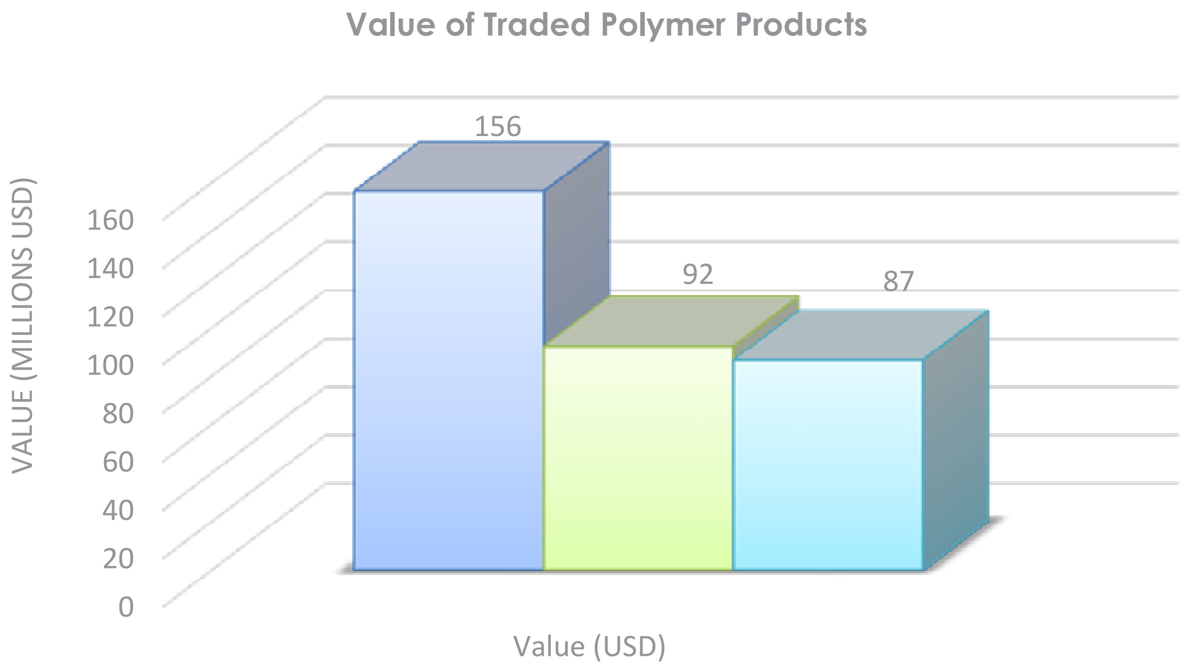
	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	688,191,469
Summer 2015	33,490	522,121,473
Fall 2015	35,417	504,761,490



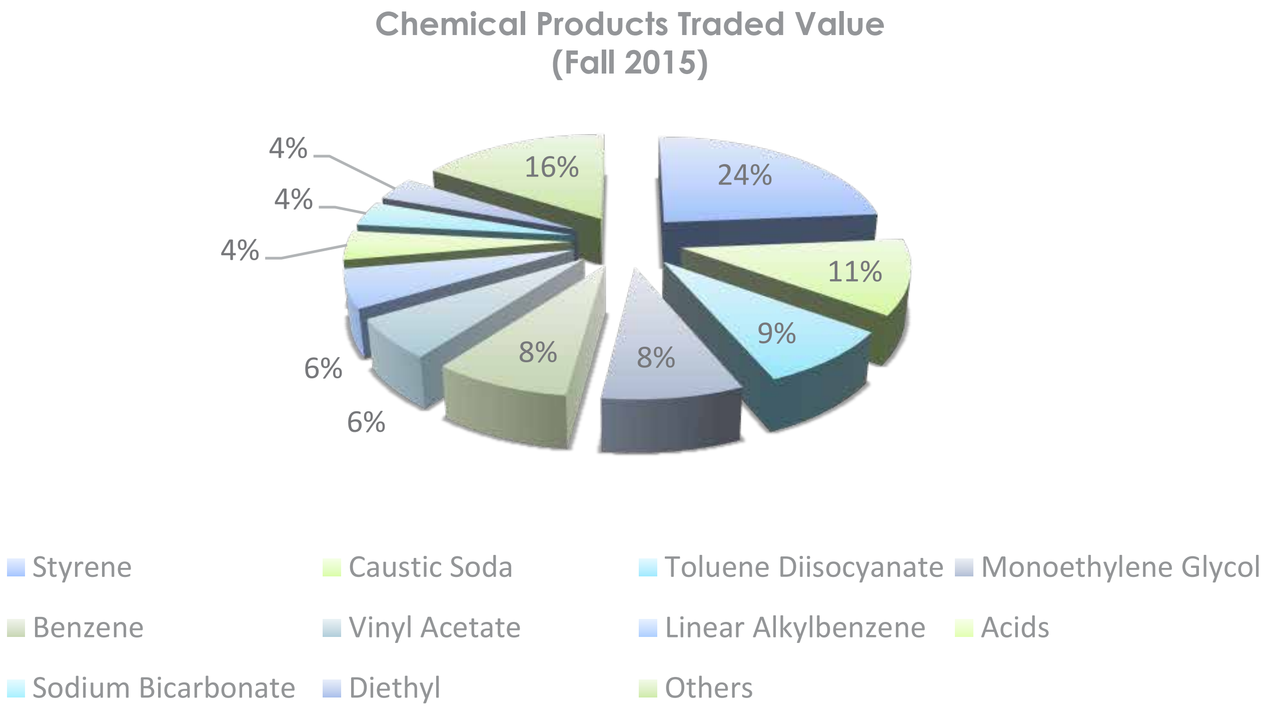
Product	Vol.	Value (IRR)	Value (USD)
Polyethylene	295,386	10,704,177,218,800	302,232,748
Polystyrene	12,270	614,065,520,000	17,338,157
Polypropylene	114,255	4,088,102,955,000	115,427,703
Polyvinyl Chloride	93,356	2,298,512,399,000	64,898,563
Others	5,951	172,279,597,870	4,864,319



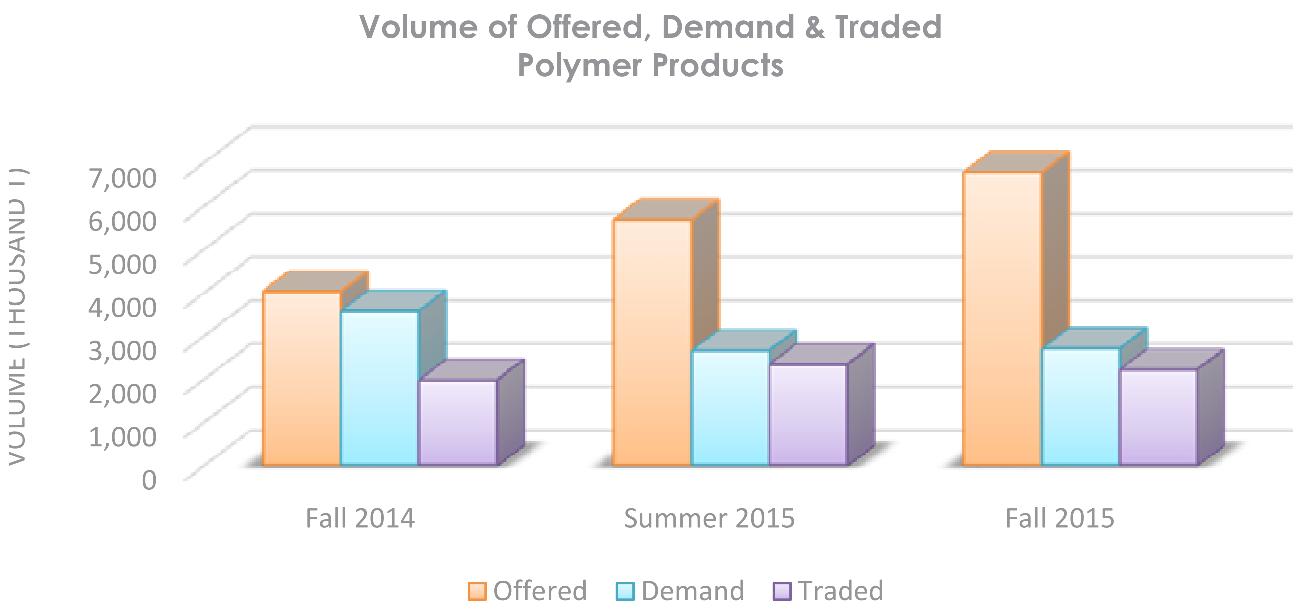
	Offered	Demand	Traded
Fall 2014	497,873	355,261	246,770
Summer 2015	511,763	245,032	184,216
Fall 2015	465,390	413,549	207,086



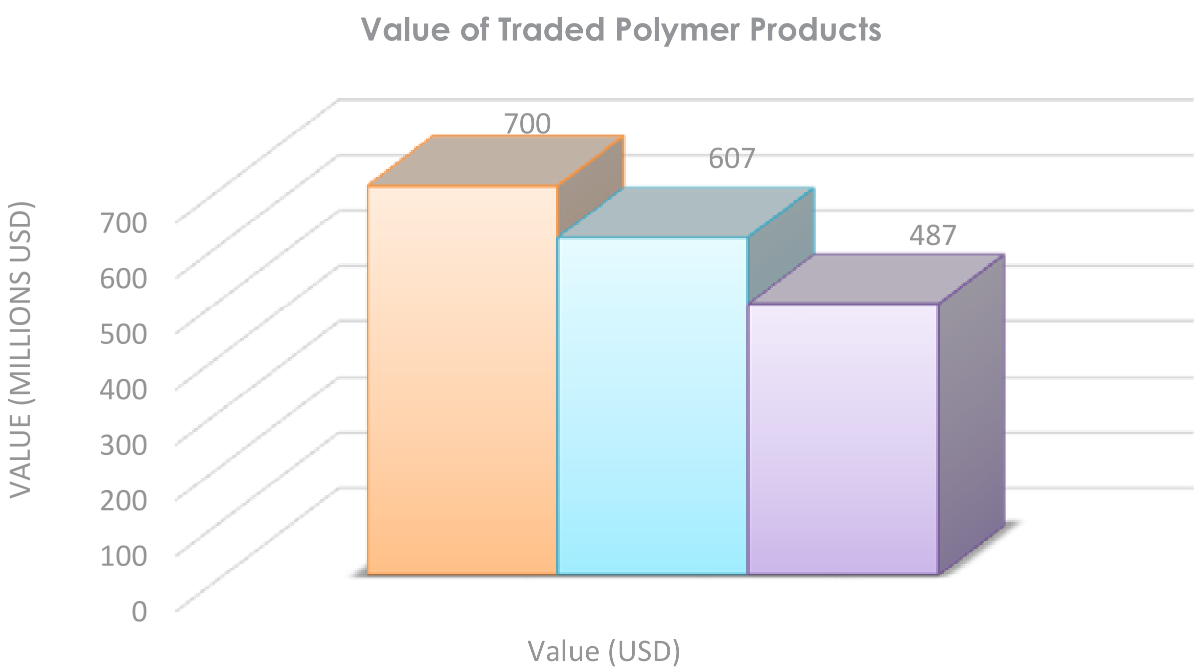
	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	156,365,492
Summer 2015	33,490	92,404,261
Fall 2015	35,417	86,683,858



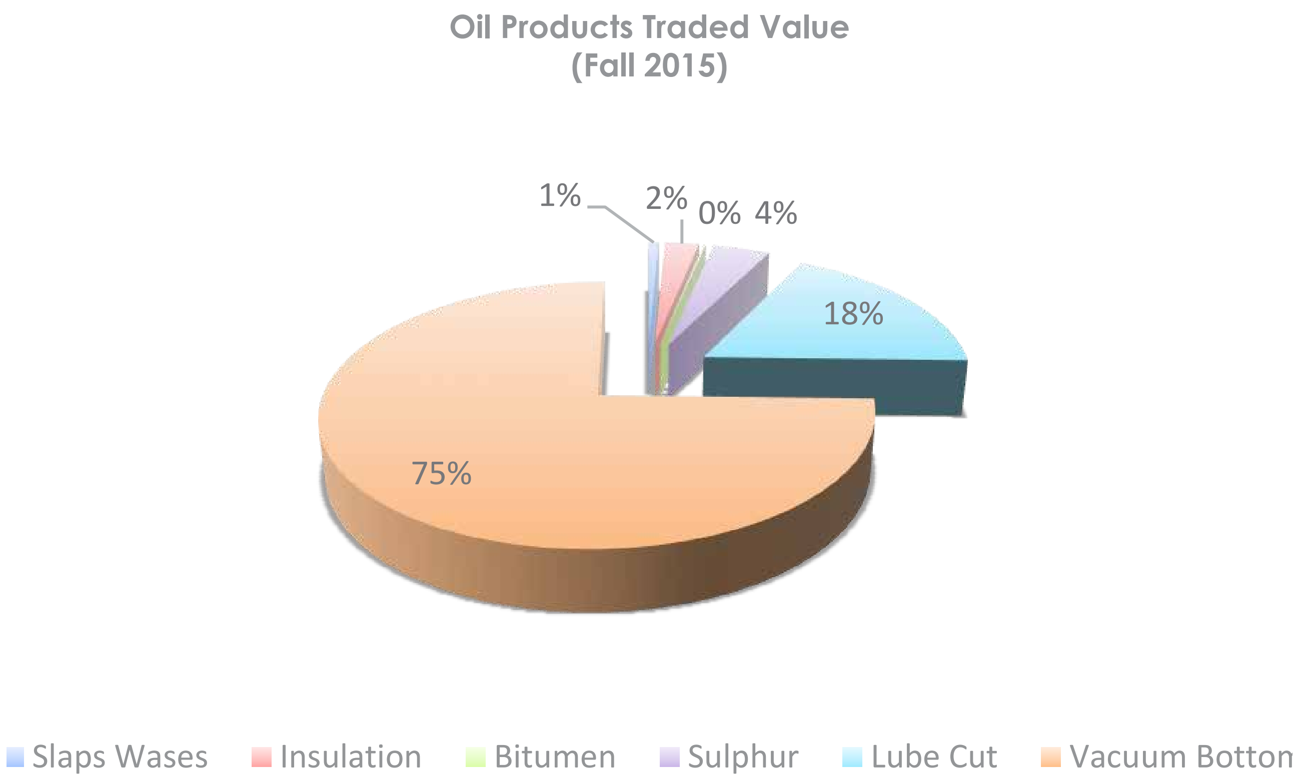
Product	Vol.	Value (IRR)	Value (USD)
Styrene	22,296.00	691,738,248,000.00	19,531,249.06
Caustic Soda	81,070.00	330,194,080,000.00	9,323,039.22
Toluene Diisocyanate	4,000.00	252,000,000,000.00	7,115,227.15
Monoethylene Glycol	12,067.00	247,641,042,000.00	6,992,151.85
Benzene	13,798.00	242,295,010,000.00	6,841,206.48
Vinyl Acetate	6,298.00	177,649,000,000.00	5,015,924.56
Linear Alkylbenzene	4,560.00	170,426,340,000.00	4,811,992.55
Acids	11,745.00	128,997,034,000.00	3,642,234.92
Sodium Bicarbonate	7,500.00	108,851,490,000.00	3,073,424.91
Diethyl	5,390.00	103,594,524,000.00	2,924,994.32
Other	31321.8	469,278,635,600.00	13,250,095.59



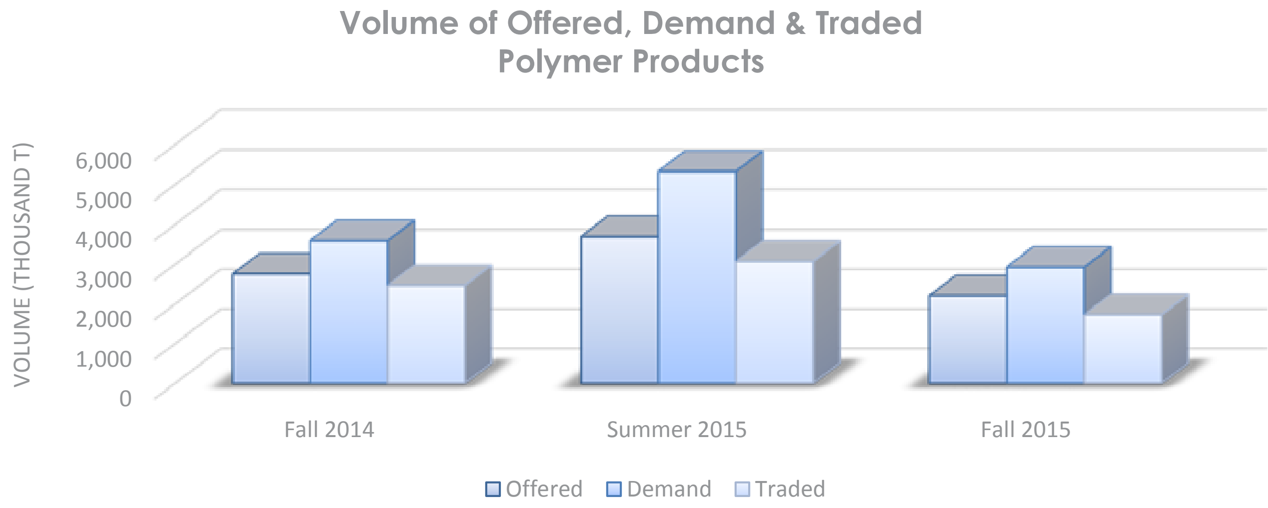
	Offered	Demand	Traded
Fall 2014	4,022,700	3,572,725	1,970,738
Summer 2015	5,673,953	2,654,983	2,335,960
Fall 2015	6,770,617	2,698,368	2,211,027



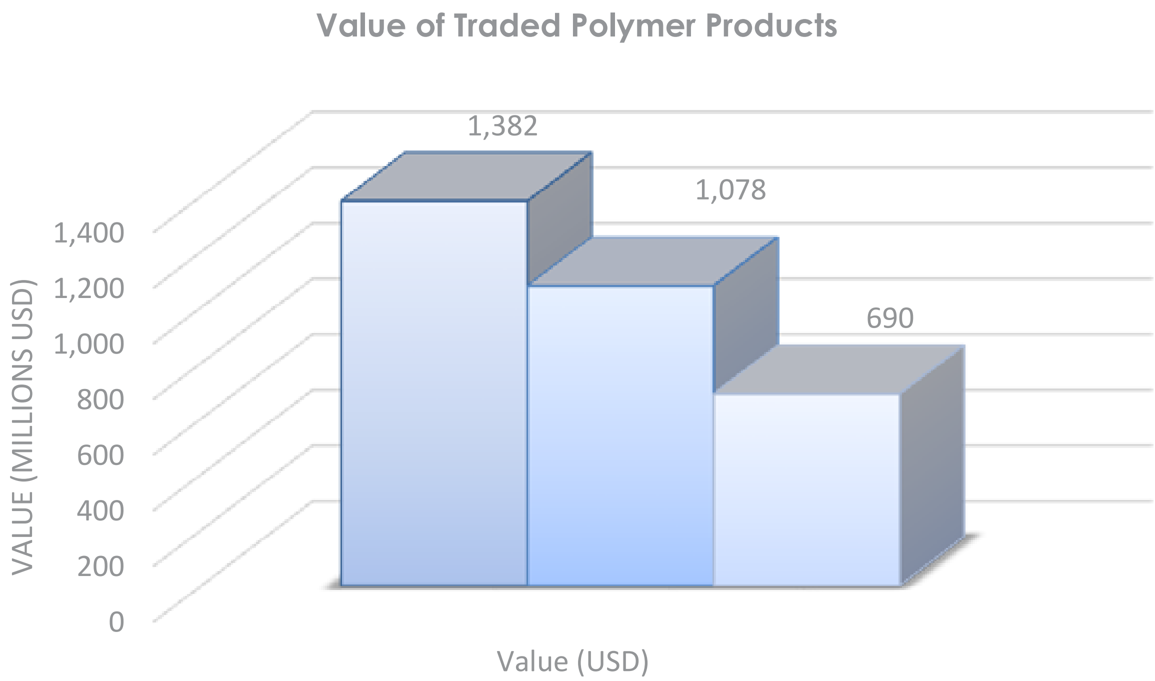
	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	699,634,885
Summer 2015	33,490	606,778,992
Fall 2015	35,417	486,544,362



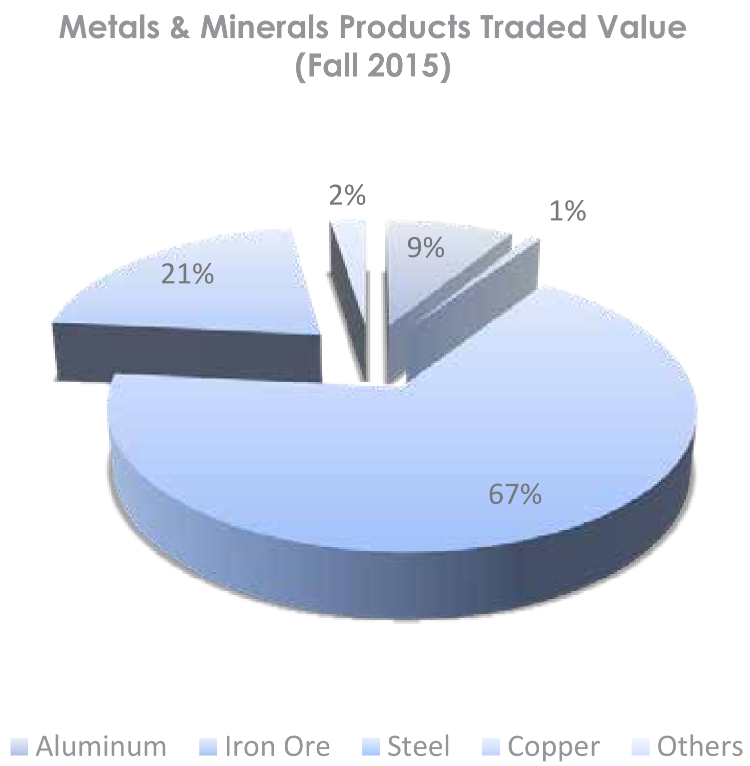
Product	Volume	Value (IRR)	Value (USD)
Slaps Wases	7,500	50,608,000,000	1,428,918
Insulation	15,464	166,486,386,540	4,700,748
Bitumen	1,194,303	10,425,688,362	294,370
Sulphur	84,830	277,633,625,000	7,838,993
Lube Cut	168,750	1,226,413,400,000	34,627,817
Vacuum Bottom	740,180	5,085,111,910,000	143,578,279



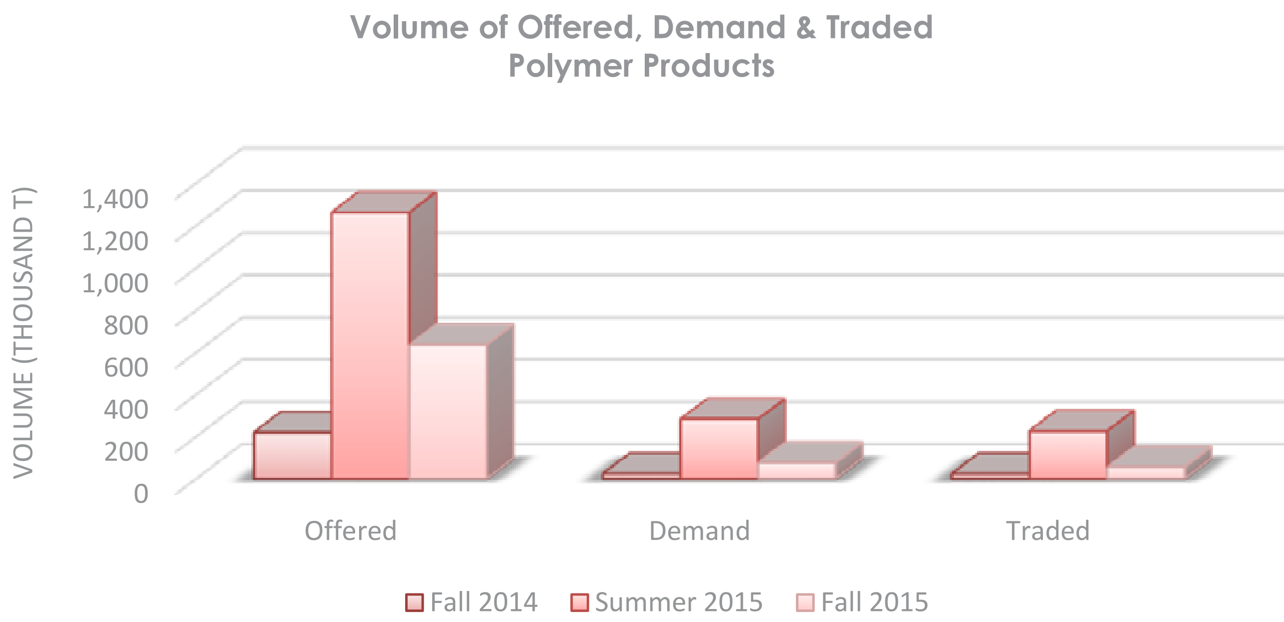
	Offered	Demand	Traded
Fall 2014	2,762,609	3,601,062	2,478,946
Summer 2015	3,703,491	5,336,775	3,086,238
Fall 2015	2,214,585	2,936,500	1,741,174



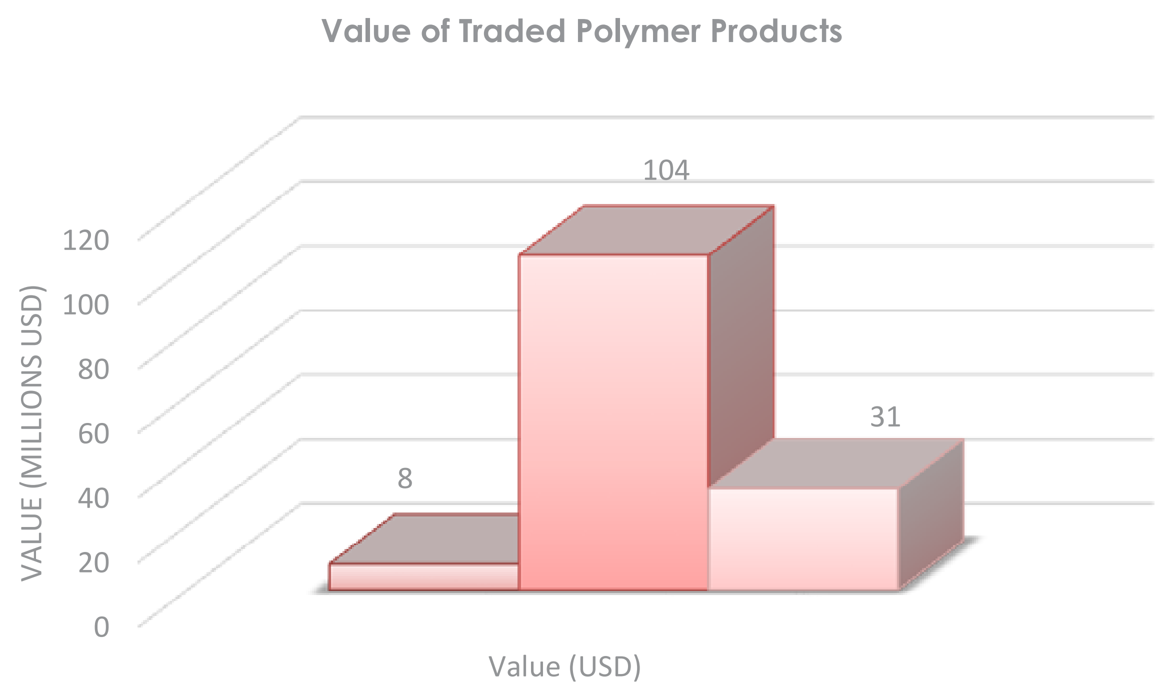
	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	1,381,606,325
Summer 2015	33,490	1,078,004,208
Fall 2015	35,417	689,538,415



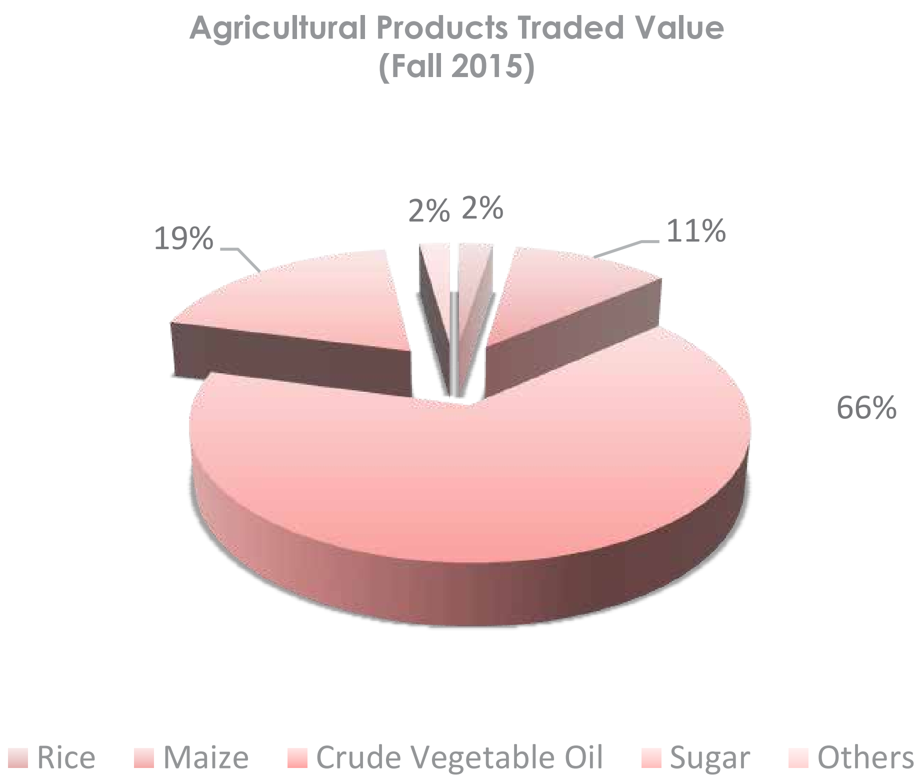
Product	Volume	Value (IRR)	Value (USD)
Aluminum	34,300	2,114,510,240,000	59,703,257
Iron Ore	440,000	205,527,245,000	5,803,068
Steel	1,183,875	16,382,293,138,000	462,554,512
Copper	79,790	5,131,196,175,000	144,879,470
Others	3,209	587,855,258,055	16,598,110



	Offered	Demand	Traded
Fall 2014	220,769	24,414	23,939
Summer 2015	1,262,648	284,125	227,805
Fall 2015	638,535	78,075	57,350

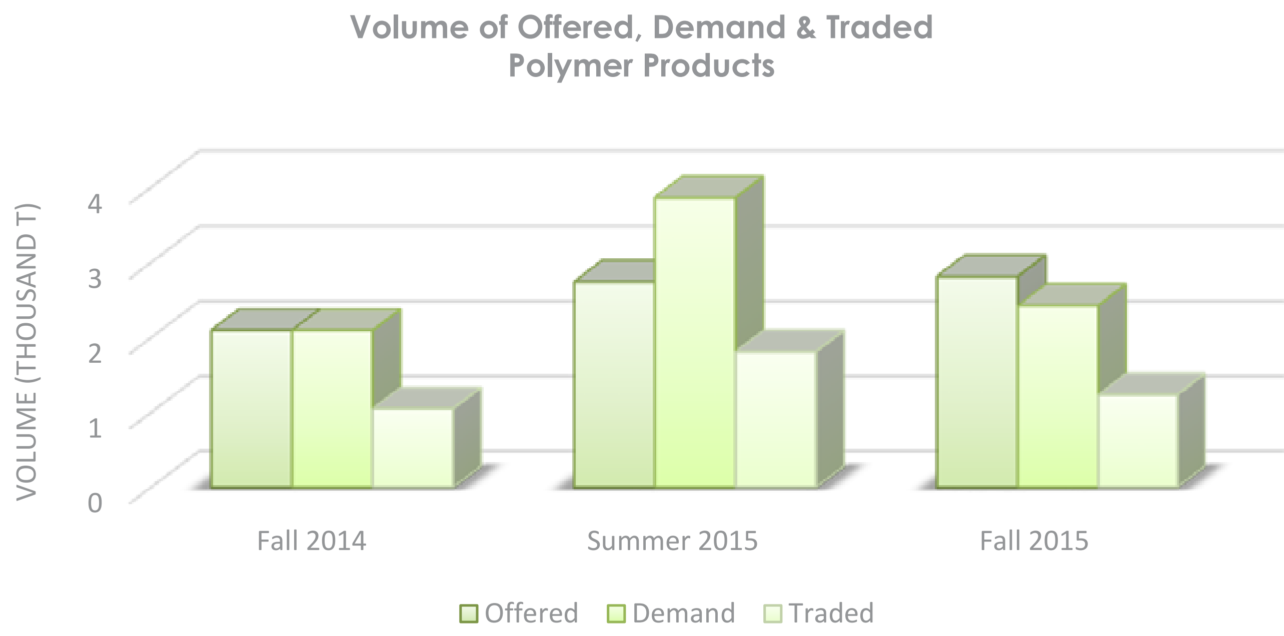


	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	7,983,473
Summer 2015	33,490	103,599,032
Fall 2015	35,417	31,333,453

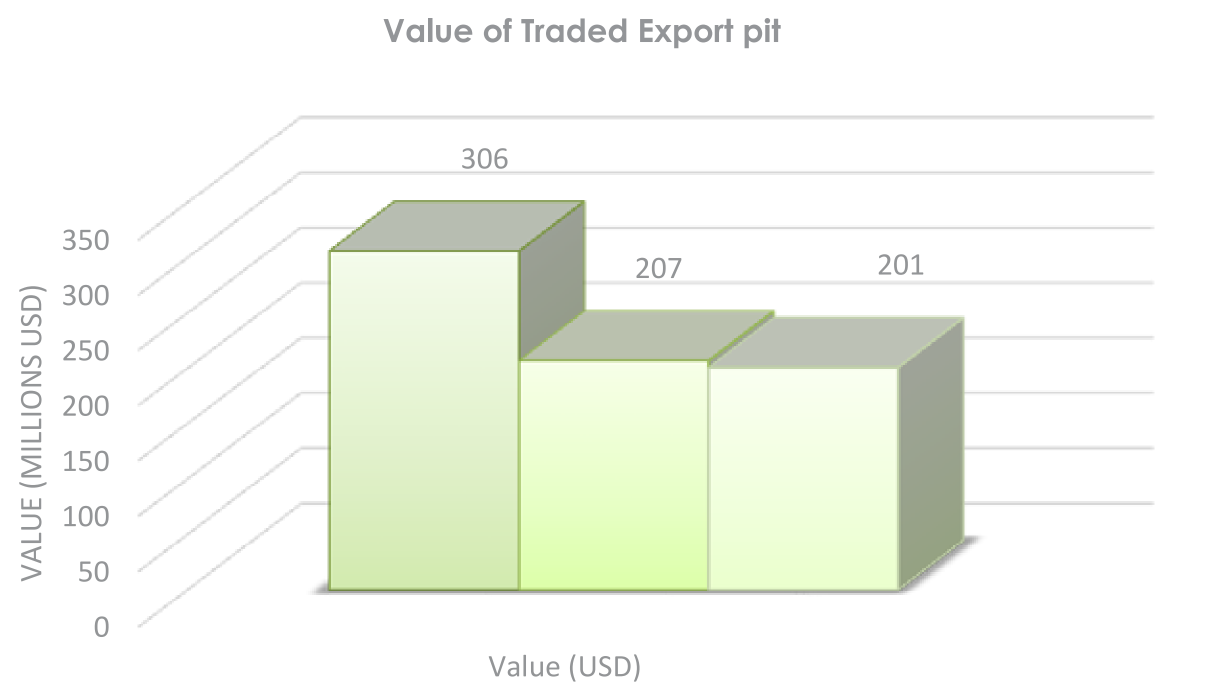


	Volume	Value (IRR)	Value (USD)
Rice	930	27,197,500,000	767,922
Maize	17,745	124,673,895,000	3,520,171
Crude Vegetable Oil	26,820	726,337,500,000	20,508,160
Sugar	9,370	207,163,235,000	5,849,260
Others	2,485	24,364,770,000	687,940
		1,109,736,900,000	31,333,453

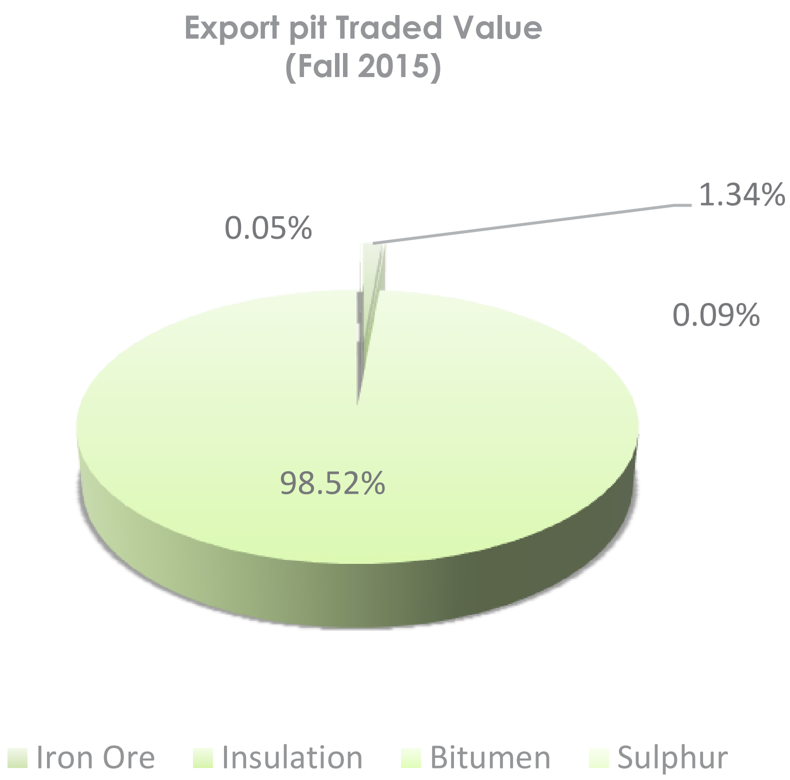
Export Pit



	Offered	Demand	Traded
Fall 2014	2,099,840	2,098,749	1,055,749
Summer 2015	2,744,867	3,867,158	1,818,658
Fall 2015	2,817,681	2,432,439	1,241,814

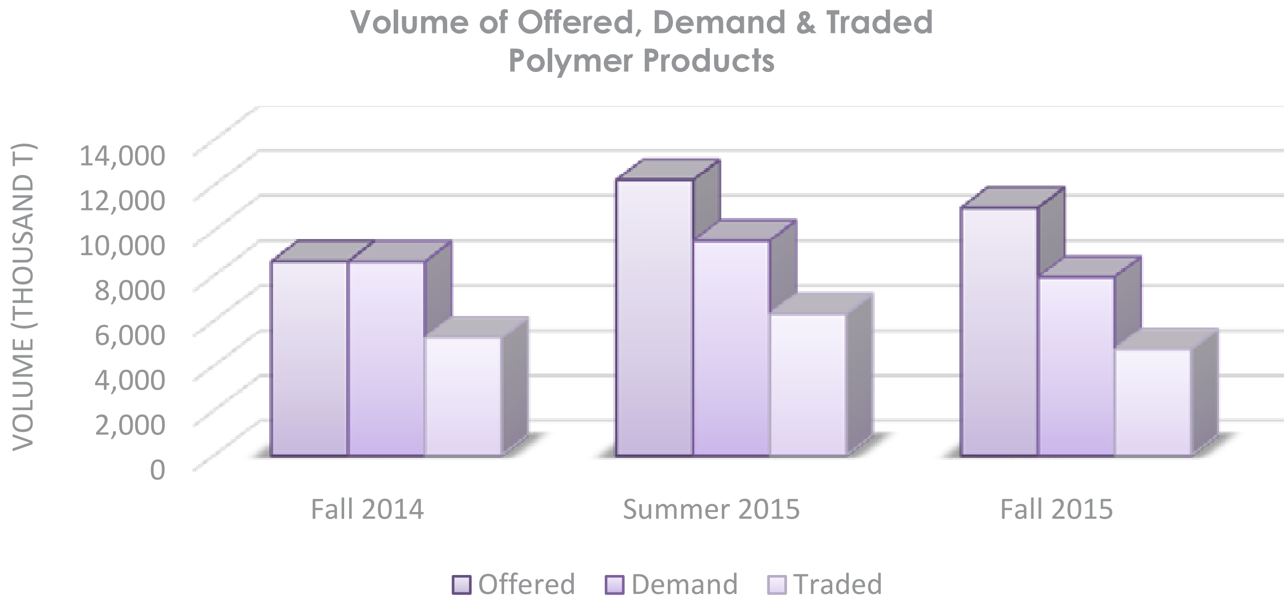


	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	306,288,917
Summer 2015	33,490	207,190,365
Fall 2015	35,417	201,068,205

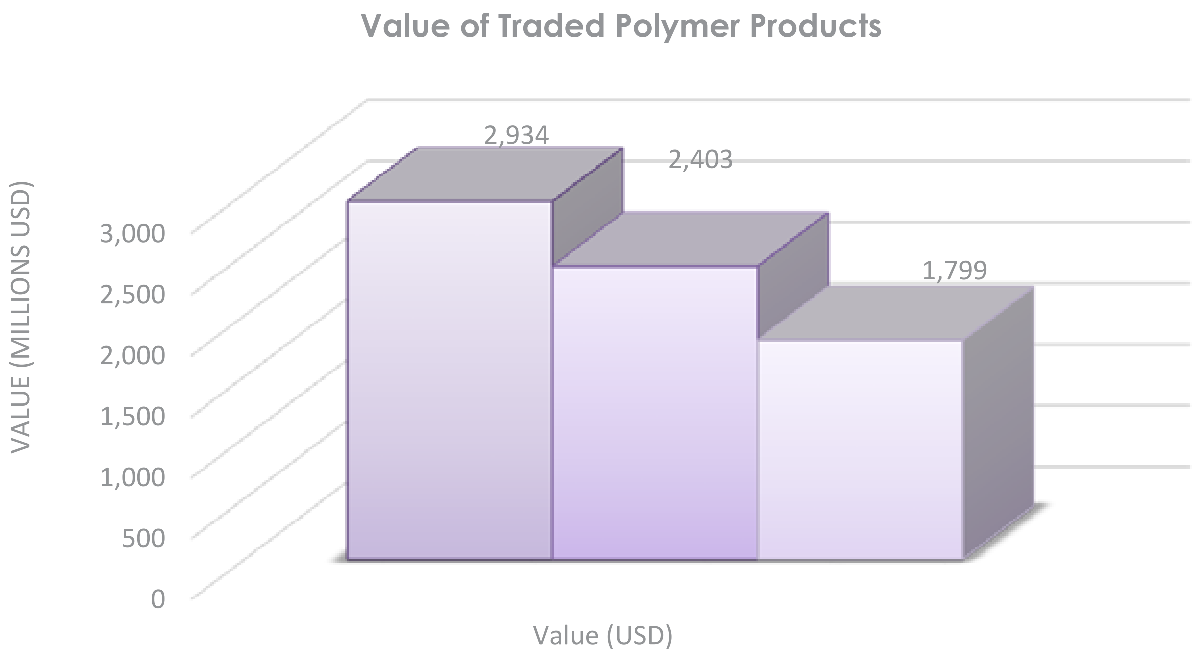


Product	Volume	Value (IRR)	Value (USD)
Iron Ore	440,000	205,527,245,000	5,803,068
Insulation	15,464	166,486,386,540	378,378
Bitumen	738,350	6,585,426,535,410	425,855,311
Sulfur	48,000	163,792,465,000	221,836

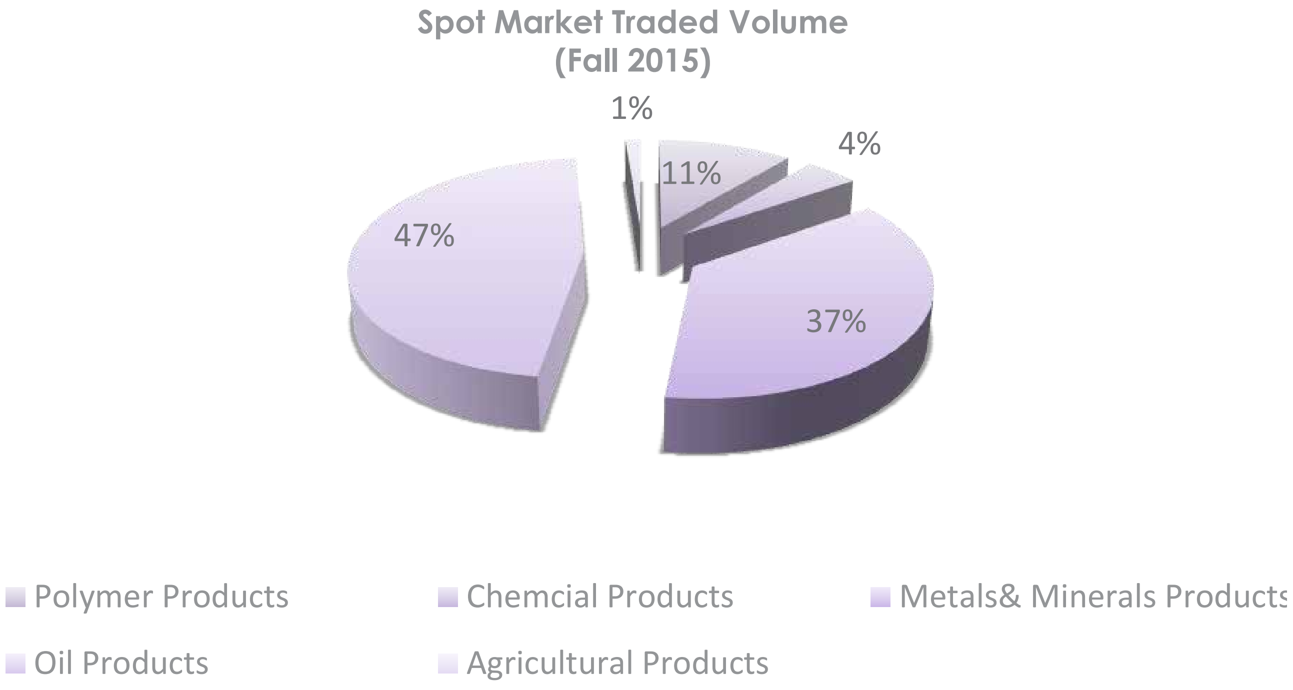
Total

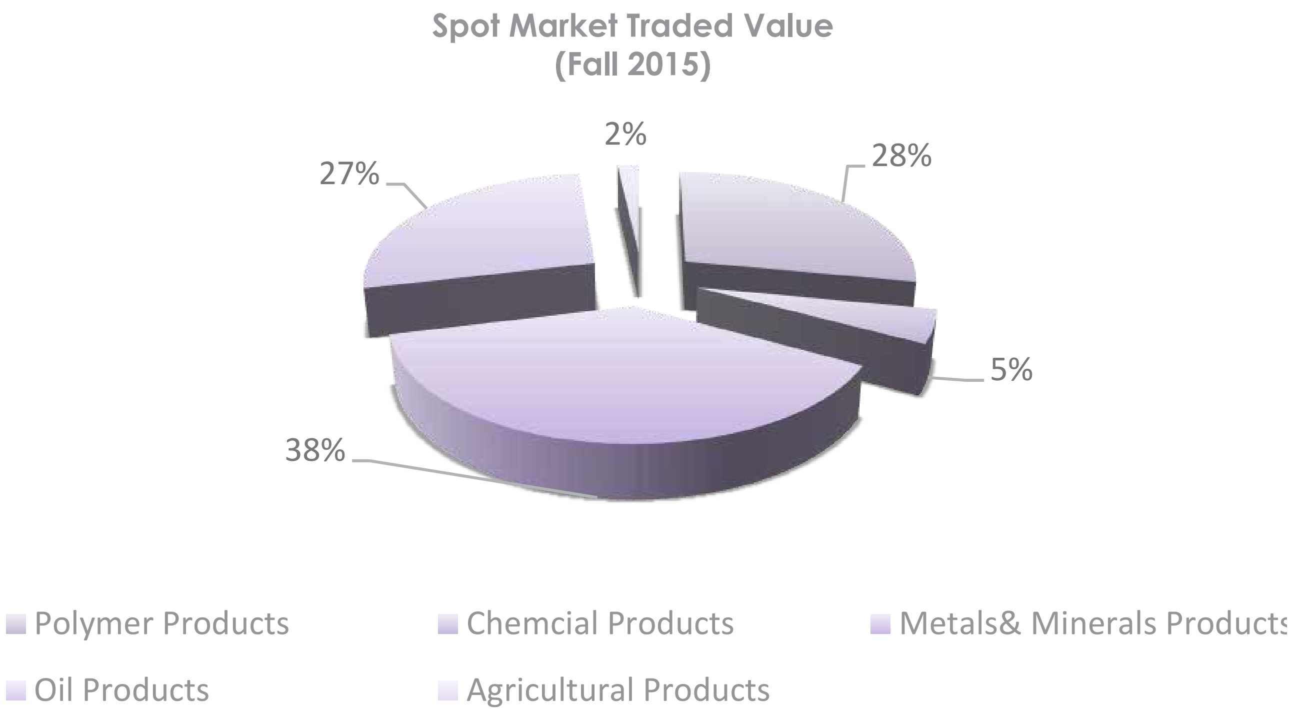


	Offered	Demand	Traded
Fall 2014	8,624,832	8,612,971	5,251,501
Summer 2015	12,226,844	9,549,068	6,312,236
Fall 2015	11,003,101	7,938,900	4,737,856



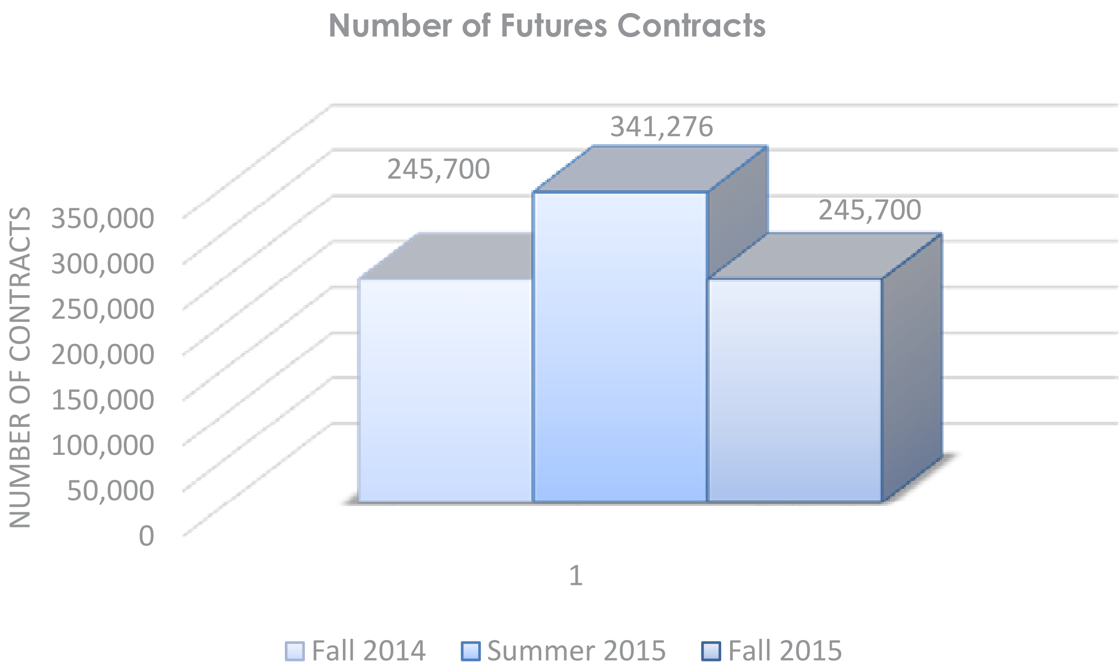
	Currency Rate Ave.	Value (USD)
Fall 2014	32,931	2,933,781,645
Summer 2015	33,490	2,402,907,966
Fall 2015	35,417	1,798,861,578

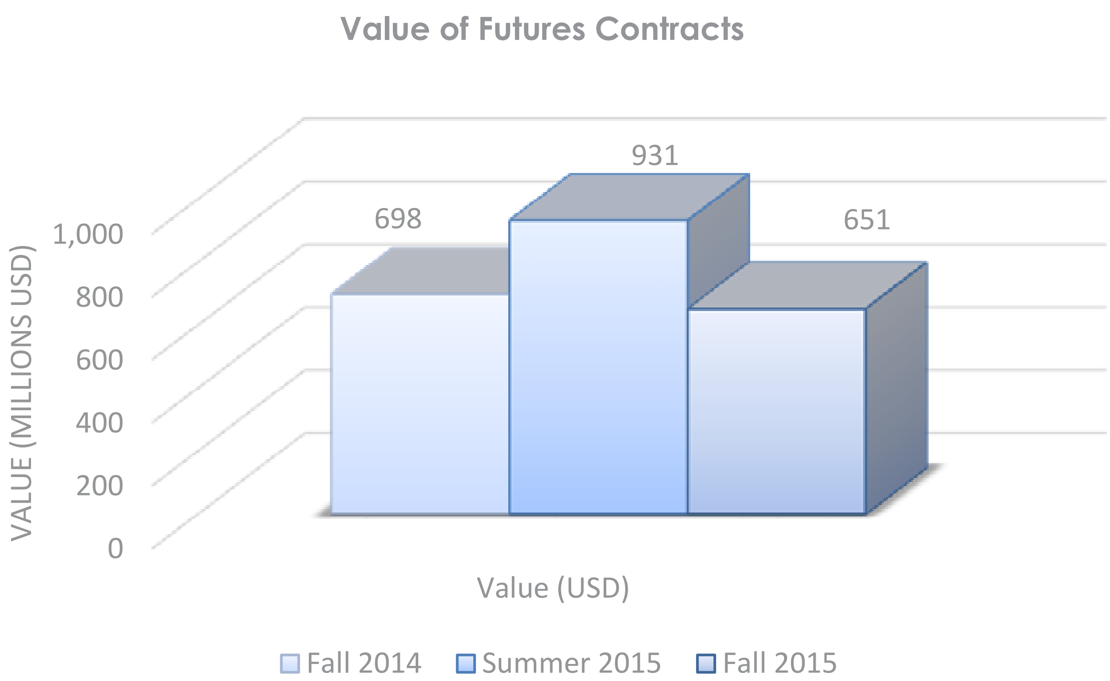




Row Labels	Offered	Demand	Traded	Value (IRR)	Currency Rate Ave.	Value (USD)
Polymer Products	913,974	1,812,408	521,219	17,877,137,690,670	35,417	504,761,490
Chemcial Products	465,390	413,549	207,086	3,070,082,183,600	35,417	86,683,858
Metals& Minerals Products	2,214,585	2,936,500	1,741,174	24,421,382,056,055	35,417	689,538,415
Oil Products	6,770,617	2,698,368	2,211,027	17,231,941,683,950	35,417	486,544,362
Agricultural Products	638,535	78,075	57,350	1,109,736,900,000	35,417	31,333,453

Futures Contracts





	Offered	Demand	Traded
Fall 2014	8,624,832	8,612,971	5,251,501
Summer 2015	12,226,844	9,549,068	6,312,236
Fall 2015	11,003,101	7,938,900	4,737,856

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