

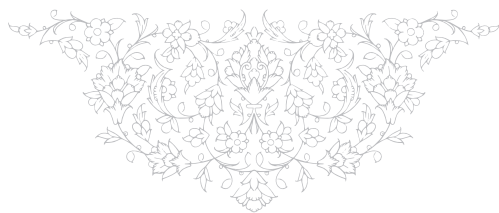
IME Quarterly

Iran Mercantile Exchange
Quarterly Newsletter

Winter 2016 , Vol. 3



IN THE NAME OF GOD



Contents

5	Editorial Column
6	CEO's Post
8	Introduction to IME
10	IME's Outlook
12	General News
19	Derivatives Markets
21	Currency Derivatives
22	Cement Derivatives
24	Certificate of Deposit for Steel Products
26	Certificate of Deposit for Gold Coin
27	Certificate of Deposit for Maize
30	Certificate of Deposit for Petrochemical Products
31	Spot Market Events
32	Top 10 Suppliers in IME in Winter 2016
35	Statistics of IME Business

IME Quarterly

Iran Mercantile Exchange Quarterly Newsletter

Winter 2016 , Vol. 3

Publisher: Iran Mercantile Exchange (IME)

Adviser: Dr. Hamed Soltaninejad
IME CEO

Editorial Board: Zahra Rahmati, Amin Najari,
Mohammad Reza Tahmasbi

Design: Mohsen Hadi

No 351, Taleghani St, Vali Asr Ave, Tehran, Iran

Tel: +98(21)8564000-2

International Relations Dept: +98(21)85641024-29

www: ime.co.ir

Email: international@ime.co.ir



Editorial Column

Along with the rebirth of nature, Iran's capital market is also expecting a rebirth in a potentially vibrant economy as the country is reopening its doors to the international economy after the lifting of sanctions.

Reconnection with the rest of the world will open up new vistas for all the people that they might enjoy better living conditions in the upcoming year and has the allure of a bonanza for international and local investors.

Iran is already being treated as an indispensable player in both international and regional economy, but the economic transition the country is experiencing and reintegration with global economy will inevitably embolden new players to enter a big rivalry. Bearing that in mind, the IME, along with the rest of Iran's capital market bodies, is taking reasonable steps that will be decisive for developing solutions to meet the challenges lying ahead.

IME's winter quarterly which is the 3rd volume of it is to reflect the company's performance as a whole in the last 3 months of the solar hijri year 1394. In addition, there will be a report of the events in the period and the development plans among which currency exchange derivatives market will be a recurring theme.

The editorial team is happy to present you with this issue in order to help you keep abreast of the latest changes, operations, achievements, strategies, market data and statistics of IME at the turn of the Iranian Year. We heartily wish all of you who celebrate Nowruz a beautiful and prosperous year blooming with plenty of golden opportunities.

CEO's Post



Dr. Hamed Soltaninejad
the IME CEO

Ever increasing challenges of the current century have put organizations and institutions on their guard; seeking the most appropriate reaction against the probable crises looming on the horizon. In the meantime, they are considering the best strategies to adopt in order to deal with the trials and tribulations they face with in the electric atmosphere of the competitive world they breathe in.

Goal orientation will play a pivotal role in achieving these aims as well as policies devised to advocate a focus on pre-planned objectives. Going forward the IME is in urgent need to come to a better understanding of what lies in the future for both national and international economy.

Accordingly, it has put preparing the groundwork for a thorough grasp of the ever-changing business atmosphere high on agenda within the upcoming year so as to play its peerless role in the national economy in face of predicaments and challenges that might lie ahead.

Although it is not a long time since it has been established, the IME has been able to carve niches in the country's capital market, giving it the potential, with the implementation of "Resistance Economy" policies in the post-sanction era, to smooth the way for foreign investments to flow into Iran's economy, which in turn will lead to the IME becoming a price-making body in the region as it would have the potent force in facilitating international financing.

Securitization will take center stage in the IME's strategies over the coming year, as it marries up the real sector of the economy with its financial sector leading to a flourishing economy and a bullish market.

Another task at hand to be further developed within the next year will be launching and expanding financial instruments as well as hedging policies both of which, evidence shows, are among the irreplaceable means to foster incremental development of the

capital market with higher trade values and volumes.

Given the initiation of the certificate of deposit in the current year (1394 Solar Hijri), the IME will be following development policies pertinent to it. Commodity funds are also among the most efficient financing instruments on the top of priority for the IME for which a lot of preparatory work is being done; through it various industries will be absorbing capital to finance their projects and expansion plans. In a similar way, the IME is considering launching foreign currency investment funds as a mechanism to finance country's industries with foreign currencies.

As to risk management, derivatives contracts, more specifically futures, are of the most productive instruments, which the IME has done much work to institutionalize and expand them in the market. In line with that, launching these contracts on a number of new underlying assets is on the agenda, including foreign currency futures market.

Further to the above-mentioned items the IME is about to take other measures which will be: expansion of the export ring, collaboration with global commodity exchanges and enhancing its standards, retail trading development, qualitative and quantitative enhancement of market participants, launching immovable property transactions in the second market, implementing Article 33 of Agricultural Productivity Law for a wider range of products and extending it to more provinces and finally the whole country, and providing the infrastructures to facilitate public access to the IME's trading floor, to name but a few.

I hope the New Year will be a new leaf to turn for hardworking team members and assiduous managers of the IME's big family and the IME will take big steps towards economic expansion of the country and pave the path to success under the auspices of God.

Introduction to IME

Iran Mercantile Exchange was established on September 20, 2007 in accordance with the article 95 of the new law of the Securities Market of the Islamic Republic of Iran and following the merger of the agricultural and metal exchanges of Tehran. The merger marked a new chapter in Iran capital market providing endless trading opportunities for the clients in and out of the country.

Iran Mercantile Exchange is the leading multi-commodity exchange and the only multi-faceted market in Iran and the Middle East.

Enjoying the state-of-the-art technology, full-electronic trading floor, fully electronic derivatives market, low latency and efficient trading system, and unmatched sound and fast settlement-delivery mechanism, the IME has been able to provide a transparent, competitive marketplace where investment needs and trade requirements of a nationwide range of market participants and foreign entities are met in the best manner. The scope of the exchange services to the industry producers to offer their products ranging from agricultural, oil and petrochemical as well as metals and industrial products to the petroleum and oil-related products has made it a world-class and viable market rendering services to the individual and institutional suppliers and buyers at internationally certified level. Having in place spot market alongside with derivatives market especially the futures contracts has brought about a robust mechanism for the trade counterparties and clients to sell and purchase their industry requirements. The exchange has provided risk management services to the market. This service helps market participants manage their risks and take part in the

prompt delivery process and at the same time take reverse positions in the futures contracts in order to hedge against the adverse market movements.

Complying fully with the rules and regulations of not only Iranian capital market but also the global standards and as a self-regulated entity, needless to point at the Securities and Exchange Organization of Iran (SEO) as the regulatory and supervisory body of the Iranian capital market, IME actually serves a broad spectrum of members and beneficiaries from the public and private industries through to retail investors. IME has always been the cynosure of the market as a price setter based upon the logic of supply and demand. With recourse to different mechanisms, IME is deemed as a touchstone for the market transparency; and this fact, by and large, has contributed to the betterment of policy-making in realm of commodity markets, leading to a decrease in the expenses of domestic and international trading, while hedging the potential risks, and an increase in FPI.

Trading Floors

IME has two main trading floors as following:

1. Local Trading Floor

Place: Tehran

Trading Groups: Metals and Minerals, Oil and Petrochemical, Agricultural Products, Future Gold

2. Export Trading Floor

Place: Kish Island (Persian Gulf)

Trading Groups: Metals and Minerals, Oil and Petrochemical, Agricultural Products

Listed Products and Commodities in Different Markets of IME

Various products and commodities are listed

and traded in IME which are categorized in three classifications:

Spot Market:

- Industrial Products and Commodities including Ferrous metals, Non-Ferrous metals, Minerals and Precious Metals,
- Oil Products and Petrochemicals including Plastics and Oil-products,
- Agricultural range from cereals to oil seeds to oil cakes and other grains.

Derivatives Contracts (from different groups of products):

- Gold Coins
- Cumin Seeds
- Soybean Meal
- Gold Bullion
- Steel Products
- Maize

Secondary Market (from different groups of products)

- Non-transferable Properties: including the real estate and properties of various usages and applications such as administrative, commercial, inhabitable and agricultural lands and terrains. The prerequisites for trading such properties are subject to approval of the offering Committee of IME.
- Transferable Properties:
 - Those listed commodities which couldn't be traded in the spot pit of IME due to suspension or delisting, and their offering sellers can offer them again in IME.
 - Other commodities or underlying assets approved by the SEO



The Export Pit of IME Will Witness Settlement of Transactions via Global Currencies on the New Year



Definitely, with economic opportunities flourishing, and benefiting from banking systems capacities and international banks cooperation, on the new Iranian year, Iran Mercantile Exchange will put settlement of transactions via foreign currencies such as Dollar and Euro on its export trading floor high on agenda.

Dr. Hamed Soltaninejad, the CEO of IME, on Sunday, 6th of March, on the press conference touched on the business environment in the current year and stated that over this year we witnessed a relative stability in the currency market as well as a reduction in inflation rate from 16.3% in the last year to 13.2% over the current year.

Pointing to 0% growth in GDP, he noted that Iran has experienced a significant reduction in oil revenues leading to a decrease in civil construction investments which based on the reports is equal to a 15% decrease in issuing construction permits comparing to the last year.

He added: in the meantime, the dumping in prices of basic products such as cheap steel imported from China as well as the fall in global commodity prices (especially metals) in global markets have influenced the IME's transactions.

Soltaninejad pointed to implementation of Barjam and providing new opportunities in Iran's economy, and said that transactions in IME are directly dependent on economic realities and economic forecasts do not have special effects on the IME transactions, such as those of stock market. Therefore, with economic opportunities flourishing, and benefiting from domestic banking capacities and cooperation with international banks, IME will definitely put settlement of transactions via foreign currencies such as Dollar and Euro on its export trading floor high on agenda to experience a noteworthy growth in export trading volume, and to witness an increase in trade communications with international exchanges and institutions in addition to attracting foreign investors to the country.

Listing IME's Warehouses in the Middle East

The IME CEO announced that launching the IME's trading warehouses in our neighboring countries is one of our earnest policies to provide the opportunity to develop and enhance marketing and exporting Iranian commodities through listing and storing them in foreign warehouses. Given that the interrelations among commodity exchanges are more frequent than those of stock exchanges, we are negotiating to enhance the export of Iranian commodities to neighboring countries and the next step will be initiating talks with highly recognized commodity exchanges of the world.

IME's Future Plans

IME CEO referred to the exchanges, future plans in four areas: spot market, derivatives market, operations and information technology, and highlighted that in the spot market, IME is going to expand the export pit, extend warehouses to international markets and implement the Article No. 33 of the Law of Increasing Productivity in Agriculture and Natural Resources for other agricultural commodities in the country. Also, in derivatives market, launching certificate of deposit for gold coin, PVC, steel billet and aluminum ingot, establishing a 24-hour online trading system for gold coin futures contracts and launching commodity funds and currency funds are among the most pressing priorities in the IME. Furthermore, the IME is considering the possibility of providing finance for market participants through new financial instruments and making the instruments publicly available.

Implementing the Broker-Based System

Soltaninejad elaborated on systematization of the process of listing commodities in the primary and secondary markets and creating a database of basic prices as IME's future plans in operations and information technology area and said: the IME is ready to integrate the cash trading systems with export trading and certificate of deposit transactions by launching the comprehensive trading system and developing surveillance systems based on business intelligence and information dissemination system. He added: producing electronic delivery system, creating web-based trading system and implementing the broker-based system on the futures trading system are the future plans of the IME in the information technology area.

IME Outlook

In the near future, IME is seeking to be a price reference for basic commodities in the Middle East and to be among the first choices of suppliers for

financing and hedging. Assessing IME's strategies including expanding the size and depth of the market for the selected commodities to be a price reference, benefiting from financial institutions to promote the business, customer service and providing high quality services and promoting trade with international markets will be followed in the coming year.

The Second Generation of Trading in Commodity Exchanges

Dr. Soltaninejad in the press conference held in IME pointed to the second generation of trades in commodity exchanges in the world and said: over the past years, the IME has been matured in cash and spot trading and is migrating to the second generation by securitization of commodity transactions. After promoting and developing the commodity-based securities and orienting market participants with its advantages, we will move towards the third generation or the futures and options or a mixture of them to trade most of our commodities through financial instruments, like other authentic and progressive commodity exchanges in the world.

IME's Most Noteworthy Measures on 1394

- Implementing guaranteed price policy

Soltaninejad added: by launching electronic system for issuing certificates of deposit and opening over 7,000 trading accounts for suppliers, approximately 190 KT of maize from Khuzestan in certificate of deposit worth more than 40 million USD were traded in IME.

Listing 9 warehouses in Kermanshah for barely and 26 warehouses in Khuzestan for maize alongside with holding 3,520 h/p training courses for suppliers, managers and warehousemen have been among the measures taken by the IME. He also added that implementing the guaranteed price policy decreased government expenditures significantly.

- Launching Gold Coin Certificate of Deposit

Launching gold coin certificate of deposit, conducting feasibility study to launch bitumen futures contract, initiating maize and saffron futures contracts, increasing trading hours for gold coin futures contract to 07:00 pm (as the first stage of establishing a 24-hour online trading system) are remarkable accomplishments in the derivatives market.

- Providing Currency Derivatives Market Infrastructure in IME

Given the approval of the High Council of Exchange to launch currency futures, Soltaninejad said: IME has prepared all requirements, prerequisites and infrastructures to establish currency futures

market and once the central bank of Iran announces readiness for cooperation, we will launch the market within a week's time.

IME's Trade Statistics over the year

Soltaninejad said: in comparison with last year, the metals and minerals trading floor has experienced a 20% and 37% decrease in volume and value of trading, respectively. On the other hand, by implementing the Article No. 33 of the Law of Increasing Productivity in Agriculture and Natural Resources a growth of 600% and 922% in trading volume and value were experienced in agricultural products trading floor, respectively.

The petrochemical trading floor witnessed a decrease of 14% in trading volume and a decrease of 22% in trading value. The oil products trading floor saw a 16% growth in trading volume and a 24% reduction in trading value, respectively.

Over the year, the total trading volume faced a 3% reduction and the total trading value witnessed a 27% reduction. It is noteworthy that 25% of the total 27% reduction in trading value is due to the fall in global commodity prices in global markets and the total volume of trading in spite of the economic downturn and the improper situation in the world commodity markets, has experienced a 3% decrease and according to this report, decrease in transactions was related to exogenous variables.

The futures contracts market has faced a 15% reduction in trading value compared to the last year and by taking into account the final months of the year and the boost witnessed in transactions, it is expected the value of trading will increase, considerably.

Dr. Soltaninejad regarding the standard parallel forwards contracts (SALAM) said: in this area, as a result of increase in financing companies through IME, the volume of these transactions experienced a growth of 50% and the value of trading faced 37% growth. Moreover, trading certificate of deposit for maize from Khuzestan and barely from Kermanshah resulted in an increase in trading commodity-based securities in IME.

He declared that taking into account both spot market and commodity-based securities, the total trading value hits 13.2 billion USD which decreased by 23% compared to the figures in the same period in the previous year.

Trading volume of the export pit of IME is about 5 million and 600 thousand tonnes and the Trading value is more than 894 million USD.

IME CEO in a Conference on Resistance Economy and Development of Downstream Petrochemical Industries:

IME's Preparedness to provide financing and hedging Services to Iran's Petrochemical Industry



Dr. Hamed Soltaninejad, in a Conference on Resistance Economy and Development of Downstream Petrochemical Industries in which were present the top managers of petrochemical industries, economy, and labor and social affairs of the country in Milad Tower convention center, expressed: we are completely prepared to provide financing and hedging services to the petrochemical industry and we are able to form the financial market for a majority of both upstream and downstream products of this industry in order for these products to be traded based on the securities; this requires serious collaboration between the IME and the petrochemical industry.

Soltaninejad added: financing and hedging the commodity price fluctuations are known as primary results of establishing and strengthening financial markets in the IME. We can claim to have a strong financial market only when most of our commodities are traded based on securities. Referring to the launching of the foreign currency derivatives in IME, he said: the market will be shaped in IME in a close future and this can be considered as a trustable path to attract foreign investment and hedge the local market participants against currency exchange rate volatilities and we must be prepared to explicate these new contracts to market participants through holding education conferences.

He continued: Today oil is traded in commodity or oil exchanges of the world in advanced financial markets, having a big impact on people's life. For example: West-Texas Intermediate with a one-million-

barrel trade volume is considered as a pricing index in the world markets, which affects the whole world through financial markets. Having a look on statistics, we will see that the highest level of oil production stands on 80 million barrel per day, but twice as much this volume is traded via financial instruments by market participants, which does not lead to the delivery of the product. That is how the price of oils is discovered and determined.

CEO of IME said: Markets in the modern world have abandoned their traditional ways and moved toward financial markets. Nowadays developed countries are making the best of these financial instruments leading to their prominence in the world' economic arena. He also referred to the fact that commodity exchanges in the world play a crucial role in financial markets and that they were originally spot markets in which goods were traded physically, but as time went by the requirements of the modern world little by little led to the development of financial markets in commodity exchanges.

Focusing on empowering the financial markets of the country, he pointed to a newly released map on the net, depicting countries based on their financial markets which has shows the size of Singapore, Taiwan and Hong Kong to be much bigger than that of Russia due their attempts to develop the financial market of their countries. SALAM contracts which are traded in the IME are known as forward transactions in the world and these are the second generation of commodities traded in mercantile exchanges. Exchanges have moved towards selling their products in the form of securities before their production, which are to be delivered at the due date. He added: Exchange are moving towards organized structure and using certificates of deposit based on which goods are stored in authorized warehouses and customers are given the securities issued on these goods. This is what IME is after, as it will provide us, just like developed countries which are using option and futures contracts, to surpass our borders and affect the whole world's financial markets.

IME CEO in National Conference on Information Technology
Online Trading Picking Up:

Online trading is gaining in popularity in Iran. The trend is likely to continue, as more traders flock to the stock market following the lifting of sanctions and exchanges and brokers offer better platforms.



Today, 70% to 80% of trading on Tehran Stock Exchange is done online," says Iran Mercantile Exchange's chief executive, Hamed Soltaninejad.

Online trading allows individual investors and traders to buy and sell securities over an electronic network, typically with a brokerage firm. This type of trading and investing has become the norm for individual investors and traders since the late 1990s with many brokers offering services via a wide variety of online trading platforms.

The service started in the Iranian fiscal year starting March 21, 2010, as part of an overhaul of securities market regulations in Iran.

The regulatory reforms transformed Iran's capital markets. Iran Fara Bourse over-the-counter market and the IME were created as a result, allowing for expansion of debt securities and derivatives, albeit slowly.

Online trading has been one of the outcomes of this overhaul.

Gold futures were introduced to IME, as Iran's first proper venture into derivatives. Leverage offered on the contracts has always been capped below 10, to protect novel investors and curb volatility in the market.

"Now on IME's gold coin futures floor, we have 20,000 transactions per day," Soltaninejad told IRNA, adding that online trading takes the lion's share as it features between 60% and 70% of the transactions.

Because institutional investors have shied away from speculation on gold futures, their trading has been dominated by individuals. This is not the case with stocks though. Institutions are the largest traders

and shareholder as in the rest of the world.

So, while TSE is dominated by online trading these days, the picture is skewed, because institutional investors are currently staying away from trading. Their reluctance to trade is due realizing the losses their portfolios have sustained during the past two years. The improving economic horizon also promotes a long-term investment strategy. Meanwhile, the relatively incomprehensible market conditions for investment professionals and ongoing skepticism of the rally that started this January due to the removal of sanctions against Iran's economy are also curbing large trades by institutional investors.

Moving forward, trading by institutional investors will pick up and diminish the dominance of online trading. But if global trends are anything to go by, the future of trading lies online.

Online trading has given anyone who has a computer, enough money to open an account and a reasonably good financial history the ability to invest in the market. You don't have to have a personal broker or a disposable fortune to do it.

In Iran, capital markets are expanding but trading volume and the market's size are still small. This makes room for their manipulation, both by the government and high net-worth individuals.

Regulation and investor protection are in their infancy. Insider trading is rife and institutional investors sometimes make deals under the table to make a buck.

These will scare people away from the market. But once traders are protected and the markets become credible, online trading will truly dominate securities trading.

Soltaninejad also referred to blockchain databases and said that in this system central banks are not authorized to govern the money in a country anymore and the system goes as far that databases will make the money on their own. He also added that there will be difficulties in fighting against money laundering if this system is to be implemented as the control we have on money is when it is in the banking system only.

CEO of Aras Free Zone Organization Stressed on the Role of IME in Improving Industries' Business and Finance

On the workshop of "Financing methods through IME using new financial instruments", attended by 130 senior managers of various industries in the Aras Free Zone, the CEO of Aras Free Zone Organization stressed on IME's role in the realization of the Resistance Economy and the betterment of the business and finance conditions for industries.

Mohsen Khadem Arab Baghi, CEO of Aras Free Zone Organization, with an emphasis on the necessity of using capital market new tools in various industries, especially in post-sanction era, said IME's specialized training programs and using its advantages will improve the business and marketing environment, and will affect the amount of targeted risk appetite and realization of the Resistance Economy policies.

Arab Baghi emphasized that the IME can achieve this goal via providing raw materials for businesses and financing them through its financial instruments in this market.

IME Contributes 7% to Iran's overall GDP

Javad Fallah, head of economic studies and risk assessment department of IME, by comparing mechanism of IME with other commodity exchanges of the world noted that IME is moving forwards to homogenize its mechanism with those of other commodity exchanges.

He outlined the transparency and price discovery as the main function of physical market of IME, and then provided a description of the other functions



of IME, including risk management, financing instruments such as standard parallel forwards SALAM, IME's contribution to standardization of products, information production, and anti-corruption policies.

At the workshop, Fallah said that in 2014 trading value of IME was 18 billion USD, which is about 6 to 7 percent of GDP. Also, in 2014, the export turnover of IME was about 5.5 million tons worth over 1.3 billion USD.

Commodity-Based Securities Development

The CEO of Tose'e Sarmaye Donya Brokerage, as one of the other lecturers of the workshop, explaining the mechanisms of IME, focused on the services and advantages provided by IME and added: in developed countries, the financing methodologies are not limited to banking systems and issuing service and commodity-based securities are some examples of new financing methods which are also developing in Iran.

The Chairman of SEO:

Financing Petrochemical Industries, IME's Best Attraction

Dr. Mohammad Fetanat, the Chairman of the SEO, on SEO's fourth press conference attended by the country's economic elites, said leaving IME is a backward policy for petrochemical companies and regarding the announced position of government about this subject, it seems that the case of leaving IME by petrochemical companies is closed.

Pointing to consensus among economic elites that the petrochemical companies should not leave the IME, Fetanat added: over various sessions on this subject with IME managers and Iran capital market authorities, it seems that by providing related statistics and analysis, the authorities of Ministry of Industries and Business have been persuaded to quiet disputes.

He stated that some of petrochemical products are being offered and traded outside of the IME and we hope, with the support of Ministry of Industries and Business, most of the petrochemical commodities will be offered in IME due to its transparent mechanisms.

Announcing that IME is going to finance petrochemical companies, Fetanat declared that providing working capital for these companies is IME's best attraction for them to continue having their products traded in the IME.



policy for wheat could be accomplished in IME. Over the past years the government purchased agricultural commodities, which made the suppliers and government to run into difficulties. But, this year by accomplishing the guaranteed price policy in the IME, 189 KT of maize worth over 40 million USD from Khuzestan were traded based on certificate of deposit. 6,800 of trading accounts were opened for Khuzestan's suppliers and regarding the advantages of this policy, it seems that the government is eager to extend this program to other agricultural commodities and implement them in other provinces.

Guaranteed Price Policy Will Evolve the Agricultural Sector

Fetanat by expressing that expansion and growth in the Agricultural Sector is dependent on development of guaranteed price policy in IME continued that, in the not too distant future, the guaranteed price

Platts to Establish Ties with IME The Senior Editor of the Markets of Platts paid a visit to the IME and met with Dr. Soltani Nejad, IME CEO, on Wednesday, February 17.

During the meeting, Ms. Diana Kinch, the senior market editor of Platts, was briefed on the IME structure, markets and instruments and general operations. Then, the IME CEO elaborated on the role of the exchange trading system in the sound price discovery for the industrial sector of the country, especially on metals market.

He further referred to the IME prices that are quoted by the international price publishers such as Argus and ICIS. The senior market editor of Platts expressed her interest in the metals market of IME and emphasized



the key role a platform of cooperation between the IME and Platts will play in preparing the grounds to publish the long and flat steel sections prices traded on the IME. The two sides agreed on sharing market information based on which the traded prices will be transmitted on a weekly basis by the IME to be published later by Platts.

It's the first time that such a meeting has been held between Platts and the IME officials that may lead to a durable collaboration between the two entities. After the meeting Ms. Kinch paid a visit to the trading pit of the exchange and was briefed on trading processes in details.

Note: Platts is the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to Platts' expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets and help them make better informed trading and business decisions. Founded in 1909, Platts' coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping. A division of McGraw Hill Financial, Platts is headquartered in London and employs over 1,000 people in more than 15 offices worldwide.

A Visit to Bandar Emam & Amir Kabir Petrochemical Complexes CEO of Iran Mercantile Exchange paid a visit to Bandar Emam & Amir Kabir Petrochemical Complexes.

Dr. Hamed Soltaninejad; IME CEO, Mohammad Ehtiati; CEO of Amir Kabir petrochemical complex, vice president of Bandar Emam petrochemical complex and a group of senior managers of the companies, the IME managers stressed IME's readiness to finance petrochemical industry via issuing standard parallel forwards contract and certificate of deposit.

Over the meeting, the IME CEO, emphasizing on the contribution of the IME to the development of petrochemical commodities transactions, described



steps taken towards listing international petrochemical warehouses and promoting our products in foreign markets, and introduced the use of Exchange Traded Commodities (ETCs) in IME.

Based on the report, the senior managers of Amir Kabir and Bandar Emam Petrochemical Complexes welcomed expansion of cooperation and stressed on the importance of the IME's position in national economy and market transparency.

After the meeting the IME CEO paid a visit to the petrochemical complexes and was briefed on the production process in details.

It is worth noting that Polyethylene, Caustic Soda and PVC from Bandar Emam and Amir Kabir Petrochemical Complexes are traded in IME.

IME's Readiness to Develop Cooperation with Borsa Istanbul

The CEO of IME in the meeting with senior managers of Borsa Istanbul announced IME's readiness to develop cooperation.

On Monday 29th of February, Dr. Hamed Soltaninejad in the meeting with senior managers of Borsa Istanbul held in Espinas Hotel, Tehran, in addition to hope for developing cooperation with Borsa Istanbul said: Iran Mercantile Exchange has the required infrastructures to attract foreign markets participants.

He stated: As we have provided risk management and collateral management instruments in IME, I think if we want to have efficient market via internationalizing the market, we can use these opportunities and



potentials of commodity exchanges, and as I know the Borsa Istanbul has some experiences in derivatives market for gold and foreign currency and other products, so if we are to extend cooperations to a deeper level, I believe exchanges are a good potential to prepare the ground for collaboration between market role player. If we use these infrastructures we can attract foreign markets participants.

Dr. Soltaninejad added: IME was established in 2007, by merging two exchanges including Tehran Metal Exchange and Iran Agricultural Commodity. Iran Mercantile Exchange is a self-regulated organization and is fully complied with Iran Capital Market rules and regulations and we have different market and different trading floors. We have spot market, with domestic trading floor with local market participants and the export trading floor located in Kish Island trades commodities such as Iron ore, bitumen, insulation and other commodities which are exported to foreign markets. Also we have derivatives market in IME in which there are many different instruments including a type of forwards contracts (SALAM) and certificate of deposit receipt (CDR). These instruments are defined on maize, gold and barley and we are going to apply these instruments to the other products. Moreover, IME has some warehouses in Iran and is also planning to extend these markets to foreign warehouses.

A delegation from the Turkish capital market, headed by the Borsa Istanbul, visited the IME on Monday, Feb 29.

The IME side was presided over by Dr. Eshghi, the IME Vice President and Dr. Mohammadi, the Senior Advisor of the exchange CEO, with senior officials from market development and operation departments in attendance. Turkish side was represented by Mr. Cetin Ali Donmes, the head of Market Development department of the Borsa Istanbul, with officials from the Turkish Capital Markets Association, UNLU Investment bank and Ketenci Law firm.

At the beginning of the meeting Dr. Mohammadi



welcomed the guests and introduced the IME team. Then the visitors were briefed on the exchange's history, structure development, markets, and products and trading, international cooperation and the future plans through a presentation made by Mr. Tahmasbi, from the IME International Relations Department.

After the presentation, the two sides discussed the practical ways to cooperate practically, especially in terms of dual listing of the potential commodities. Dr. Eshghi touched upon the opportunities and the financial instruments IME can provide for foreign investors. Dr. Mohammadi, in his turn, referred to the potentials existing between the two markets and proposed a designated futures contract to be launched between the two markets with bitumen as the flagship underlying asset. Mr. Donmes welcomed the initiative and asked for further details of the scenario and also called for listing a future contract on long or flat steel products shared between the two exchanges. Dual listing, connection of the two markets, providing channels of market data distribution for the IME by the Borsa Istanbul, developing custodianship relations, warehousing and steel products derivatives were among the areas of interest for both sides.

The 2nd Conference of Risk Management and Financial Engineering

Financing methods and solutions through Iran Mercantile Exchange were discussed in the 2nd Conference of Risk Management and Financial Engineering held in Tehran University.

Javad Fallah, head of office for economic studies and risk management in IME, in an educational workshop counted forward contracts, SALAM contracts, and commodity based certificate of deposits, ETCs, foreign exchange funds, debt purchase, and forfaiting and commodity derivatives as the industrial financing solutions provided by IME. He continued that SALAM contracts have been developed to manage risks and to finance the sellers which are considered as one of the most important solutions for industries, as these industries can make use of them to meet their financing needs and hedge their risks without much red tape.

According to the head of office for economic studies and risk management in the IME added, taking into account that liquidity and price fluctuation risk is quite high for the lack of a secondary market in SALAM contracts; SALAM contracts are designed and launched in IME. He continued: SALAM contracts, besides facilitating long term financing, will also increase the level of working capital and are considered as an efficient means for long term planning by producers. Mentioning PVC and iron ore SALAM contracts, he expressed: IME has financed Abadan petrochemical industries in the current year with the value of 500 billion IRR and for the Golgozar and Chadormalu with the value of 830 and 800 billion IRR, respectively.

Also, he mentioned the plans for launching new contracts on the underlying assets such as iron ore

concentrate for Golgozar Company and cathode copper. He pointed to the certificate of deposit as one of the other modern financial instruments in IME and said: Using this method, inventories are converted to deposits and then they will be tradable. This strategy protects suppliers from being forced into selling their products at a low price because of lack of financial resources, leading to lower production costs and increased liquidity of their commodities. Certificates of deposit like other securities have the potential to be offered to Banking system as guarantees. They will also provide the IME with the opportunity to offer its commodities in international markets with much more ease of delivery.

He also touched upon forfaiting as another financing solution which can be employed by all industrial sections of the country. Forfaiting is used for mid-term financing purposes (3 to 5 years) but can be also used from 6 months to 10 years with both fixed and floating interest rates. Forfaiting is the purchasing of an exporter's receivables (the amount importers owe the exporter) at a discount by paying cash. The forfaiter, the purchaser of the receivables, becomes the entity to whom the importer is obliged to pay its debt. By purchasing these receivables, the forfaiter frees the exporter from credit and from the risk of not receiving payment from the importer who purchased the goods on credit. While giving the exporter a cash payment, forfaiting allows the importer to buy goods for which it cannot immediately pay in full.



Golgozar Mining and Industrial Company raising funds close to 1,121 billion IRR (over 37 million USD) through Iran Mercantile Exchange.

According to the report by IME International Affairs and PR, to complete its development plan, Golgozar Mining and Industrial Co. will issue 750 KT of iron ore concentrate in standard parallel forwards contracts SALAM priced at 1.495 million IRR/T with the total value of approximately 1,121 billion IRR (over 37 million USD) in the IME, and the rate of return for these securities on the maturity date will be between 25-28%. The size of each contract,

being offered publicly, is equal to one tonne iron ore concentrate with a fixed price and trading volume will be unlimited.

Furthermore, trading these securities in the secondary market will be from February 29th, 2016 to February 15th, 2017 and the purchasing price in the secondary market is equal to the initial price plus a 22% profit on a simple daily basis.

Financing Suppliers through IME is in Line with the Policy of Getting out of Recession.

CEO of Omid Investment Bank announced that financing the manufacturing sector of the country is one of the main of economic and financial objectives, in line with the policy of getting out of recession.

On the meeting of initial public offering of iron ore concentrate from Golgohar, Habibreza Haddadi, the CEO of Omid Investment Bank said that design and innovation in the financial instruments are core programs of the Omid Investment Bank which has tried to benefit the country's debt market by issuing standard parallel forwards contract (SALAM) through the IME.

Haddadi, referring to the standard parallel forwards contract (SALAM) for iron ore concentrate having gained acceptance by investors added: The forwards contracts were traded in the less than a second. It is pleasing that a large number of shareholders and investors place their trust in the capital market and all of those involved in the market.

He said that IME has helped many companies by its financial instruments and we are happy to benefit from opportunities created in the capital market to realize the economic objectives of the government.

Stating that the return rate in maturity date is between 25 and 28 percent, Haddadi said that the maximum volume of offering of these securities is equal to 750 KT of iron ore concentrate, and the volume of each contract is 1 tonne priced at 1,495,000 IRR.

Finally he mentioned that participating of retail investors in this sector and the public issuance of these securities will provide the opportunity of

financing development projects and enterprises through even modicum resources.

The CEO of Sepah Bank Brokerage Company: Financing iron ore companies from IME hit 100 million USD

Financing iron ore companies over the previous and current year through issuing forwards contracts for Gol Gohar and Chador Malu companies in the IME has reached 100 million USD.

On the meeting of initial public offering of iron ore concentrate from Golgohar, Mehrdad Nemati, the CEO of Sepah Bank Brokerage Co. said: Taking into account the initial public offering for iron ore concentrate from Golgohar, approximately 100 million USD financing for the industry has been done once for Chador Malu and twice for Gol Gohar.

Mehrdad Nemati added: This method of financing through the IME will provide the ground work for providing working capital and it seems that making known the advantages of financing through standard parallel forwards contract (SALAM) to other companies in different industries will lead to pervasiveness of this method.



It is worth noting that on the maturity date, the buyer can settle the transaction physically or in cash.

According to the offering notice, in terms of the liquidity of these securities, Tamin Sarmaye Omid Brokerage, based on a market making model of guaranteed minimum price, will undertake the liquidity of these securities before the maturity date and is obliged to purchase the securities at the initial price plus a 22% profit on a simple daily basis.



Financing via Iran Capital Market Welcomed by Suppliers On the meeting of initial public offering of iron ore concentrate from Golgohar

CEO of Iran Mercantile Exchange expressed that suppliers welcomed financing through Iran capital market.

On the meeting attended by Dr. Hamed Soltaninejad, CEO of IME, Mr. Shahidi, financial manager of Golgohar Mining & Industrial Co., Dr. Hadadi, CEO of Tamin Sarmaye Omid Brokerage and Dr. Nemati, CEO of Sepah Bank Brokerage Co. and a group of TV and radio reporters, the meeting of initial public offering of iron ore concentrate from Golgohar with the IME as the host was held, and during the meeting, 750 KT of the commodity worth over 1,112 billion IRR (more than 37 million USD) with a 22% profit on a daily basis were traded by customers.

At the beginning of the meeting, CEO of IME, pointing to the standard parallel forwards contract SALAM for this product being welcomed by the investors, stated that Iran capital market including the



IME, brokerages and funding companies have carried out significant work in order to realize the government's goals regarding financing through the market and accurate implementation of non-inflationary exit from recession policy. In line with that, financing process of the Golgohar Company, as one of the most prominent companies in the Middle East mining field was finalized.

He added that in addition to being a pricing system, financing various industries is another significant duty for the commodity exchanges all over the world, and IME is not an exception. Since transition of a bank based economy to a market-based economy is one of government's significant programs, the capital market is endeavoring to increasingly reduce dependence of the manufacturing sector on the money market through launching financial instruments.

IME, a Basis to Finance Iranian Steel Industry in Post Sanction Era

On 6th Iranian Steel Market Conference (ISMC), CEO of Iran Mercantile Exchange expressed that IME is a basis to finance Iranian steel industry in post sanction era.

Dr. Hamed Soltaninejad on the 6th ISMC held in IRIB International Conference Center, attended by senior officials and managers of international companies, stated that on the third national development plan, great emphasis was put on the establishment of the IME in order to leave the traditional structures behind and move towards a free market economy and eliminate the role of government in price making and promote the role of supply and demand mechanisms in the process.

Pointing to the growing trend of crude steel production in recent years simultaneous with the offering and trading it in IME, he added: the transparent and systematic infrastructures of IME have enhanced the Iranian Steel Industry and we are endeavoring to create new capacities for the steel industry. Forwards



contracts, standard parallel forwards SALAM, commodity based certificate of deposit and exchange traded commodities (ETC) are among the most important financial instruments useful to finance Iranian steel industry in post sanction era.

Soltaninejad highlighted: from the beginning of the year to the end of the last week, 5.4 million tonnes of steel products worth over 77,000 billion IRR (2.5 billion USD) has been traded in IME, 69,000 billion IRR of which is traded in forwards contracts to finance the suppliers. Moreover, during this period, 2.6 million tonnes of iron ore worth 1500 billion IRR has been traded in the exchange.

He also pointed to listing standard parallel forwards contracts, SALAM, for 8 major suppliers and said: as the standard parallel forwards contracts was launched, various companies have raised funds via this instrument and the volume of financing through this instrument will hit 20,000 billion IRR including issuing several new securities in the upcoming months.

Iran Economy Needs Currency Derivative Market

During 24th working breakfast of Iranian Institutional Investors Association (IIIA) focused on "pros and cons of currency derivatives market" attended by senior managers of money and capital markets, Chambers of Commerce and a number of economic experts, Dr. H. Soltaninejad outlined the necessities and advantages of establishing currency derivatives market.

Over this session, CEO of IME said: all over the world the size of capital market is considered as a index for development. Even, in economic theories, there is a direct correlation between development of countries and development of financial markets.

He added: according to conducted surveys and global experiences, existence of a market covering currency rate fluctuations is one of the most important pieces of development puzzle, which Iran's market is suffering the lack of it. However, by creating a currency derivatives market, the synergy



among other sectors of capital market will be increased.

Admitted by many experts, at present, the economy of Iran needs to attract foreign investments and resources, to achieve the goal of 8% economic growth. On the other hand, to attract foreign investors, required infrastructures, financial structures and secure market hedging currency rate fluctuations must be provided, Soltaninejad

maintained.

CEO of IME added: over its 8-years of experience, IME has gained valuable practical knowledge regarding derivatives market. Although gold coin and foreign currency are different practically, we must concede that these two markets have lots of similarities in terms of nature and pricing mechanism. To move toward a market oriented economy, establishing a currency derivative market is one of the most important steps.

Currency Derivatives Market is of crucial role in Attracting Foreign Investors.

Secretary General of Iranian Institutional Investors Association (IIIA) said that foreign investors will not tolerate the extra risk of exchange rate fluctuations added to the faulty infrastructures of our economy. Therefore, Currency Derivatives Market is of crucial role in attracting and assuring foreign and domestic investors in our economy.

Over the 24th working breakfast of Iranian Institutional Investors Association (IIIA) focused on "dos and don'ts of currency derivatives market", attended by senior managers of money and capital markets, chamber of commerce and a number of economic experts, Dr. Behrouz Khodarahmi, the Secretary General of Iranian Institutional Investors Association (IIIA) stated that today, exchange rate fluctuations is one of the biggest concerns of industries and producers of the country and also the biggest barrier to foreign investment in Iran. In the meantime, fortunately, due to the stability in some economic factors such as the exchange rate over the past year, an accurate and effective planning is needed to enter the era of economic prosperity.

D. Khodarahmi, stressing on covering the risk of exchange rate fluctuation as the primary demand of foreign investors, added that in our economy with its faulty infrastructures we cannot impose additional risks such as exchange rate fluctuations to foreign investor. Therefore, Currency Derivatives Market is of crucial



role in attracting and assuring foreign and domestic investors in our economy.

Pointing to some of the oppositions to establish currency derivatives market after launching the markets, Khodarahmi divided the opponents of the currency derivatives market into three categories and said that the first category refers to people who do not have enough familiarity with financial instruments and facilities that capital markets can offer to market participants.

The second category consists of a group that prefers its corporate interest to the national and professional interest, so cannot find the market in line with their interests.

Stating that it is better to address the third group as critics rather than opponents, he mentioned that at least the last group are smart and knowledgeable people having some issues with the plan and also suggestions to establish currency derivatives market, and the capital market welcomes experience and knowledge of these people with open arms for better implementation of this national plan.

Finally he pointed to the role of speculators in this market and said that as experience has shown that by no means speculators can be eliminated from the market, one of the biggest advantages of currency derivative market is to transfer the speculators from spot currency market to the financial currency market.

CEO of IME in a TV Show: Foreign Investors Demand Hedging Foreign Currency Fluctuations in Iran



In a TV show, CEO of IME introduced currency derivatives market as a prerequisite to achieve a market-based economy and stated: to enter the economy of Iran, foreign investors demand launching instruments to hedge foreign currency fluctuations.

Pointing to the existence of the required infrastructures and legal basis as well as having the experience of launching gold coin derivatives market in IME, he said: Technical basis such as powerful processors to trade derivatives, legal and religious requirements are prepared in IME and we are ready to launch currency derivatives market. He emphasized that we are not going to establish a new Exchange as Foreign Currency Exchange. We will benefit from Iran capital market and IME facilities to launch the currency derivatives market and will resolve concerns of Central Bank of Iran, the Islamic parliament and market participants before establishing the market.

Soltaninejad continued: Considering developed economies in the world, it is evident that their financial markets are very deep and due to existence of various types of rates in their financial markets, the market acts as self-controlled system to manage the currency rate fluctuations. In some countries such as Turkey, Argentina and Brazil which have economies similar to that of Iran, the majority of currency is supplied by their central banks, as the main participant of currency market, and their financial market is self-regulated and self-controlled. In these countries, to move toward developed economies, the currency market policy makers have used derivatives tools to hedge the risk of currency rate fluctuations.

Soltaninejad added: If we are to follow developed countries in this regard and attract foreign investors, we must strengthen our financial markets and introduce hedging tools in this market.

Seif on Islamic Finance Conference: Central Bank of Iran (CBI) Cooperates with IME to launch the currency derivatives market.



Dr. Valiollah Seif, the chairman of Central Bank of Iran, announced that the CBI is fully consent with launching the currency derivatives market in the IME.

Dr. Seif said that in the high Council of Exchange, we discussed launching currency derivatives market and came to the conclusion that the market certainly can help the country's financial market stability.

The chairman of CBI added: Establishing the currency derivatives market has been approved by the high Council of Exchange and we believe that launching this market will be done after Barjam, as the currency derivatives market will contribute highly to the economic stability.

At the end, he stated that the Central Bank of Iran will directly support launching the currency derivatives market in the IME in order to cover the foreign exchange rate fluctuations.

IME's Readiness to Finance the Cement Industry in Iran

In the seminar of "Quality, Selling Standards and Exporting Cement", it was outlined that Iran Mercantile Exchange is ready to finance the cement industry of Iran through financial tools.



In a seminar attended by a group of cement industry managers and experts on 8th International Exhibition of Cement in Tehran International Permanent Fairground, Javad Fallah, head of Economic Studies and Risk Assessment Department of IME, referred to the most important financing approaches in IME including forwards, standard parallel forwards SALAM, certificates of deposit, exchange traded commodities (ETCs), foreign exchange investment funds, debt purchase agreement, forfaiting and commodity derivatives and said: Cement Industrialists can benefit from each one of these financial tools in accordance with special features and properties of the cement industries.

Fallah delivered a summary on these financial tools and outlined advantages of each one to be used in cement transactions in Iran.

The Beginning of Financing Cement Industry in IME

After long-term providing of financing services to petrochemical and mining companies through the standard parallel SALAM in Iran Mercantile Exchange, it is time for companies involved in the cement industry to choose another approach to provide working capital rather than banking system.

Sepahan Cement Company will be funded 200 billion IRR (over 66 million USD) through issuing standard parallel SALAM for 200 KT of cement Portland type 2 in IME. Profits of these securities are equal to 23%, on a daily basis, and the return rate on the maturity date is 24% to 28%.

According to the contract, on the maturity date, the buyers can deliver the physical commodity or do the cash settlement based on the call options or put options price regarding the underlying asset's price on the maturity date.

The amount of each contract is equal to 10 tonnes and the maturity date is 1 year after the initial public offering. Also, the initial public offering of these securities will be done on a fixed price method and their transactions are unlimited.

The secondary trading of these securities, which will be done through a network of brokers of IME, will be done up to 10 working days after delivery.

Successful Fund Raising for the Cement Industry through IME.



On Monday, 25th of January, Sepahan Cement Company succeeded to raise fund by 200 billion IRR (over 66 million USD) through issuing parallel standard SALAM in IME.

According to the report from IME International Affairs and PR, after long-term financing petrochemical and mining companies through the standard parallel SALAM in Iran Mercantile Exchange, it was the time for companies involved in the cement industry to choose another approach rather than banking system to provide working capital. In this regard, today, Sepahan Cement Company succeeded to raise fund by 200 billion IRR (over 66 million USD) through issuing standard parallel SALAM for 200 KT of cement Portland type 2 in IME.

Pointing to the 1,300 billion IRR demand for standard parallel forwards contract of Sepahan Cement Co. versus 200 billion IRR (over 66 million USD) supply, Esmaeil Binaiee, the portfolio and sales manager of Tamin Sarmaye Amin Brokerage said: today these securities were offered publicly in IME to provide working capital for Sepahan Cement Co. and were traded on the first second of offering.

He continued: the volume of the initial public offering of standard parallel forwards contract was 200 KT of cement Portland type 2 and the profit of these securities is equal to 23%, on a daily basis, and the return rate on the maturity date is 24% to 28%. Based on the contract, on the maturity date, the buyers can deliver the physical commodity or do the cash settlement based on the maturity date price of the underlying asset or based on the call options or put options prices.

Binaiee highlighted financing the cement industry through IME in current condition is one of the accessible and easy ways to finance cement companies.

Forwards Contracts; a New Approach to Finance Steel Industry

IME CEO on the meeting of issuing I-Beam standard parallel forwards contracts (SALAM) introduced the instruments as a new approach to finance steel industry of the country.

CEO of IME, on the inauguration of I-Beam standard parallel forwards contracts (SALAM) from Isfahan Steel Co., held on Monday, March 07th, in IME and attended by CEOs of Isfahan Steel Co., Amin Investment Bank and Amin Brokerage Company, emphasized that Isfahan Steel Co. is one of the major suppliers in the IME and today for the first time, a one-year financing will be provided for this company through I-Beam standard parallel forwards contracts (SALAM).

Soltaninejad added that the I-Beam produced by Isfahan Steel Co. is one of the best quality steel products in Iran and the Middle East. The liquidity of the commodity is very high and delivery of products on the maturity date of the contract is highly guaranteed.

He added: Financing Isfahan Steel Co. close to 83 million USD was approved in the listing committee of the IME in order to raise the working capital of the



company and on the first stage 50 million USD standard parallel forwards contracts were issued.

The volume of each contract is 1 MT of I-Beam #14 and the total offering volume is approximately 111 KT. Also, the minimum and maximum return rates are equal to 24% and 27%, respectively. Moreover, Amin Investment Bank has guaranteed a 23% return rate on a daily basis.

During the meeting, CEO of IME mentioned the certificate of deposit and said: steel market participants witness offering of steel products in IME once or twice a week. However, to create a steady and daily market to discover prices, securitization of commodity transactions is the prerequisite to trade the commodity based securities in IME, daily. For instance, Isfahan Steel Co. can issue certificates of deposit for its warehouses' inventory and convert them into cash. The other benefit of certificates of deposit is to provide funds for companies so that in the near future certificates of deposit can be replaced by collaterals in issuing standard parallel forwards contracts.

Launching Variegated Financial Instruments; a Necessity for the Capital Market

CEO of Amin Investment Bank announced that designing and diversifying financial instruments is a necessity for the capital market and the IME has provided the groundwork for the industry participants and investors in this regard.

On the opening day of standard parallel forwards contracts (SALAM) for I-Beam from Isfahan Steel Co., Mr. Sanginian, the CEO of Amin Investment Bank emphasized that now, many of the manufacturing companies are faced with problems in financing and raising working capital, which will be resolved after the instruments have been fully institutionalized, encouraging these companies to employ such instruments including standard parallel forwards contracts (SALAM).

He added that the standard parallel forwards contracts (SALAM) is a novel instrument resulting from the developmental perspective of capital market authorities' on mechanisms to finance companies, but complexity of financing process through the



capital market as well as unfamiliarity of financial managers of companies with such instruments are the most important barriers to benefit from the instrument.

Therefore, due to current economic conditions and predictions of price trends in the next few years, we cannot count on banks credit and government spending. Thus we naturally need to put more efforts into promoting the capital market.

Sanginian maintained that if we move towards promoting the capital market as a means of financing as well as facilitating its procedures, there will be more companies to prefer it to the banking system.

Finally, he reiterated that although guarantees are the inseparable part of the financing process, facilitating its proceedings like those of standard parallel forwards contracts (SALAM) will attract more companies to the capital market to meet their financing needs.

Financing through IME; a Panacea for the Steel Industry Problems

On the opening day of standard parallel forwards contracts (SALAM) for I-Beam from Isfahan Steel Co., Mr. Sadeghi, the CEO of Isfahan Steel Company, said financing through IME is a panacea for the steel industry's problems.

Mr. Sadeghi, the CEO of Isfahan Steel Company and founder and Secretary General of Tehran Metal Exchange on 2003, on the inauguration of standard parallel forwards contracts (SALAM) for I-Beam said, "Today, I feel at home."

Recalling the past years, Mr. Sadeghi said: on 1992, due to the high levels of bribery in the trading public goods especially steel products, the idea of establishing a market in order to organize trading of the commodities was raised, but at that time, the country's condition was not conducive to opening the market.

He then said that since 1998 there had been efforts to remedy the shortcomings of the country's steel sector which had high turnover, but to no avail.



"Finally, I was assigned the mission and the Tehran Metal Exchange was established", he added.

Sadeghi pointing to the transparency and fair price discovery based on supply and demand as one of the primary benefits of IME, said: At the same time of launching Metal Exchange, we were seeking to solve the liquidity problems as well as financing companies and today we witness that IME is financing various kinds of industries.

He asserted, "Financing 50 million USD for Isfahan Steel Co. through standard parallel forwards contracts (SALAM) in IME is not a considerable amount, but I am really glad to attend this meeting, because the IME is paving the path of solving problems facing industries of which the problem of financing is one of the biggest. I hope launching standard parallel forwards contracts (SALAM) for I-Beam from Isfahan Steel Co. will be an initiation to financing steel industry of the country through the IME."

Issuing of Gold Certificate of Deposit in IME and a Novel Record for IME GCFCs

CEO of IME informed the capital market about issuing of gold certificate of deposit for Zarshooran gold mines in the near future and also setting a novel trading record in the IME gold coin futures contracts.

Referring to this issue, Soltaninejad the CEO of IME added: Strengthening the financial markets based on the commodities was one of the goals of the IME within recent months. In line with that we have been after developing standard parallel forward contracts to finance industries and also launching certificate of deposit for agricultural products and other commodities, in addition to being focused on implementing the resolution of the High Council of Exchange calling for launching futures foreign currency contracts.

He continued, enjoying a seven year experience of trading gold coin futures contracts, we have passed all the events, fluctuations and tough conditions in



the gold and currency rates and their effects on the GCFCs and thanks to the presence of a professional network of futures traders in brokerage firms, exact clearing and settlement mechanisms, we have achieved enough knowledge and experience to support launching of new derivatives contracts such as foreign currency. .

He also pointed to setting a record for GCFCs in 10th of January 2016 with number of contracts hitting 16,425 contracts for 4 different maturity dates, showing a real market depth, high number of market participants and therefore security for the investors in this area.

He maintained that the growth witnessed in two key variables, international gold and USD conversion rates, which determine the gold coin price, has attracted investors to the gold coin futures market, as they have different predictions of the market.

Gold Coin certificate of deposit Will be on IME trading board by March 2016

CEO of IME has mentioned launching of gold coin certificate of deposit by March 2016 and superior gold bullion in the next Iranian year (From April 2016) in an interview with An Iranian News Agency (IRNA). One of the goals of this plan, he added, is to increase the security of the gold coin transport. Hamed Soltaninejad maintained that the risk of the transport of gold coin is so high that many of the potential investors prefer not to enter this market and this issue will be resolved by using certificate of deposit for gold coin.

He continued that some banks have defined and equipped a treasury system for gold coins, so only the documents related to the gold coin will be transported and the financial sources will witness better flow of financial sources in gold coin sector.

CEO of IME added: In the first step, these certificates will be issued on full gold coins (most expensive and the biggest in size) and in response to the question: "will this market disturb the gold coin futures contracts?" He also said: Not only this market will not be disturbing the gold coin futures market but also has the potential to augment the market because when the futures market investors need to deliver the gold coins at the due date, these certificates are possible to be used instead of the gold coin.

According to him, IME is has the potential to launch the new market; but the suppliers must be equipped to gold extraction and processing techniques so that they can produce and supply bullions with standard 999. If our products have the international standards, they will have the potential to be sold over the world commodity exchanges. He also pointed the presence of foreign investors in Iran's Commodity Market, through the export trading floor of Iran Mercantile Exchange accounting for 10 to 15 percent of the total volume of the trade in the exchange. These trades are mostly on the commodities which have the relative benefit for foreigners because of their competitive prices.



Soltaninejad said: If there were no export trading floor of IME, some of the suppliers would be forced to decrease the price to increase the sales and that might lead to delisting of the Iranian commodities from the international market competitions.

CEO of IME maintained that the activation of international marketing program is in the list of upcoming development programs and by running this project, POs will be send to all potential buyers through electronic platforms and written media and this is considered as a sort of marketing. These potentials and possibilities will be available in the new English portal of IME.

Regarding the agricultural trading floor of IME, Soltaninejad referred to the successful experimental offering of corn in the IME with participation of Cattle Breeding Support Company which is about to bring about positive results.

The next step, he said, will be launching the plan on the bigger scale, which will face with the issue of non-standard warehouses. One possible way out of this problem will be employing a broker who has warehousing experience so that we can settle the "collaterals issue" for warehouses. Another alternative method will be direct offering of commodities in the IME and withoutmaking use of warehousing structure. He also expressed hopes for finalizing the solutions for such issuesafter meetings with Ministry of Agricultur and Management and Planning Organization.

IME Launched Trading Gold Certificate of Deposit



Trading certificate of deposit for Bahar Azadi gold coin was started in Iran Mercantile Exchange on Monday, 22nd of December, aiming to create a systematic, transparent and secure structure for trading gold coins in cash.

According to the report by IME International Affairs and PR, by launching the certificate of deposit (CD) on Monday 22nd of December, 11 gold coin CDs on the same day and 7 CDs on Tuesday were traded in IME.

Based on the report, Pardis treasury of Refah Bank has been introduced as the IME's warehouse to trade gold coin CDs, which after receiving Bahar Azadi gold coin (Imam Khomeini), weighing 8.133 grams, issued in 1386 (2007), will authenticate coins and issue the certificate of deposit.

It is worth noting that the Bahar Azadi gold coin (Imam Khomeini), issued in 1386 (2007), is the same as the coins traded in gold coin futures contracts and IME is to provide the opportunity of clearing the coin futures contracts through gold coin certificate of deposits. The report declares that the transactions of gold coins certificate of deposit will be carried out on weekdays from Saturday to Wednesday so that the pre-opening period will be from 8:30 am to 9:00 am and the opening period and continuous trading will be from 9:00 am to 12:30.

Based on the report, the gold coin depositor is obliged to open a trading account via one of the authorized brokerages before delivering the commodity to the warehouse and is required to pay the coins evaluation costs for coins equal to 5,000 IRR per coin. Needless to say that, if the coins do not comply with the required standards, the evaluation costs will not be refunded. Also, having by the buyer or his legal representative is obliged to offer identification documents to receive the coins from the warehouse.

It should be noted that the storage fee for each coin is 50 IRR, daily and 18,000 IRR, annually.

Successful Implementation of Guaranteed Price Policy through IME

CEO of IME outlined the campaign of this Exchange in order to successfully implement the Article 33 of the law of increasing agriculture and natural resources productivity through guaranteed price policy.

Dr. H. Soltaninejad, CEO of IME, pointing to proclamation by the Council of Ministers regarding implementation of guaranteed price policy instead of guaranteed purchasing for barely from Kermanshah and maize from Khuzestan via IME, stated that weaknesses of the guaranteed purchasing system made the government to fix the flaws of the system through guaranteed price policy to deliver the commodities to warehouses controlled by IME and trade them via certificate of deposit in IME.

In this regard, the IME identified and listed 9 warehouses in Kermanshah for barely and 26



warehouses in Khuzestan for maize and in addition to connecting the se warehouses to certificate of deposit electronic system, various kinds of marketing and promoting activities including producing animations, brochures, launching messaging system and holding training courses have been conducted in collaboration with the Ministry of Agriculture.

CEO of IME continued: From the first day of harvesting maize to 3rd of January, over 132,796 MT of this commodity supplied by 5,817 suppliers were traded in certificate of deposit through IME and the trading value for this commodity exceeded 27.5 million USD. It is worth noting that 46% and 54% of trading volume have been allocated to natural and legal persons, respectively. Also, more than 7,000 of suppliers from Khuzestan have been registered for trading account.

He emphasized that according to the applied standards and expertise, in long term, the quality of agricultural products will be improved through implementation of guaranteed price policy in the IME and these commodities will be more likely to be offered in global markets.

Internationalization of Trading Certificates of Deposit

The SEO Chairman, Dr. Mohammad Fetanat, on the official launching day for certificate of deposit announced that the internationalization of trading "certificate of deposit" beyond the borders of Iran will not be beyond the bounds of possibility.

Dr. Mohammad Fetanat, the SEO chairman, on the official launching day for certificate of deposit said that by development of trading certificate of deposit in the country, in the near future, IME will contribute to development of non-oil exports as well as financing international sector by listing warehouses overseas and issuing certificate of deposit based on inventories. Moreover, certificate of deposit will not be limited to agricultural products and will be expandable to various types of commodities. "The day of marrying up the capital market and the agricultural sector will go down in history as this sector will be utilizing financial instruments from now on, a strategy in line with the national interest."

Dr. Fetanat appreciated the efforts of IME CEO and



experts for realization of this national project and said that I maintain that the capital market is beholden to young, creative and hard-working people which are taking new steps towards economic development every day. Also, with the cooperation and support of the Ministry of Agriculture, transactions of certificate of deposit have been initiated in the country and I, on behalf of the capital market, announce our full readiness to continue the plan vigorously.

Pointing to the possibility of expanding certificate of deposit overseas, the SEO chairman stated that previously, financing through the capital market was mainly dedicated to the construction and industry sectors, but today, we witness that the capital market and the agricultural sector are linked, resulting to development of the agricultural sector.

He added: Each year, on the season of the harvesting agricultural products, the banking system faced with a throng of farmers and rural cooperatives asking loans and credits. Even, pistachio growers which are the most successful sectors of the economy, on the season of the harvest confront with financial difficulties. These problems stem from lack of financial instruments that with launching certificate of deposit will be solved to a large extent.

Government to Use IME's Potential to Develop Agricultural Sector

Deputy Minister of Agriculture Jihad on the official launching day for certificate of deposit announced that government shall use the IME's potential to develop the agricultural sector.

The agricultural products market in Iran is antiquated and now it is time for modernizing this market and the government is needed to use the IME's potential to develop the agricultural sector.

Mr. Mehrfard, the Deputy Minister of Agriculture Jihad, on the official launching day for certificate of deposit outlined the advantages of such financial transactions and said, "One of the immediate outcomes of utilizing certificates of deposit will be their anti-dumping impact; suppliers will not be forced to sell their products at low prices, as they trade their products at IME based on the guaranteed price policy. Governmental support will eliminate farmers concerns in this regard."

This plan fully supports suppliers and in addition to providing transparent price discovery, by trading



the products at a fair price and quick payments, will motivate suppliers to produce high quality products.

He also noted that this policy will reduce the government's costs, as it will be paying the difference between guaranteed purchase price and the guaranteed prices instead of the whole price.

Regarding the role of the Central Organization of Rural Cooperatives of Iran in the successful implementation of guaranteed price policy, Mehrfard said that by introducing warehouses to the IME, the organization tries to play a role in the trading agricultural products to implement the new policy efficiently in this transparent market.

According to the official, one of the main problems of the government in guaranteed purchase of agricultural products is the delay in payment to suppliers, but fortunately by implementing the guaranteed price policy in IME, we will be witnessing a bullish market in this sector using modernized financial tools like certificate of deposit.

A 60% Decrease in Government's Expenditures by Implementing the Guaranteed Price Policy for Agricultural Products

The official launching day for certificate of deposit held at the Espinas Hotel and attended by the president of Securities and Exchanges Organization (SEO), Deputy Minister of Agriculture, CEOs of Refah Bank and Saman Bank, CEO of Central Organization for Rural Cooperatives of Iran and Iran's SLAL and a group of senior managers of the government, capital market, agricultural bank and industry.

The report declares that, on the opening day, Dr. Hamed Soltaninejad, the IME CEO, in addition to appreciating the efforts of all those involved in the implementation of the guaranteed price policy for maize from Khuzestan and barley from Kermanshah in line with the Article 33 of the Law of Increasing Productivity in Agriculture and Natural Resources, said that the success achieved in the guaranteed price plan is the fruit of hard work of the IME, Ministry of Agriculture and related agencies, the Central

projects of the farmers as certificates of deposited, being considered as securities inherently, could be accepted by banks as a kind of lien.

Soltaninejad added that by launching the electronic system for issuing certificates of deposit and opening over 7,000 trading accounts for suppliers, approximately 190 KT of maize from Khuzestan in certificate of deposit worth more than 40 million USD were traded in the IME.

Listing 9 warehouses in Kermanshah for barely and 26 warehouses in Khuzestan for maize alongside with holding 3,520 h/p training courses for suppliers, managers and warehousemen have been among the measures taken by the IME. He also added that implementing the guaranteed price policy decreased government expenditures significantly.

Finally, he mentioned the initiation of gold coin certificate of deposit transactions supported by Refah Bank, and stated that gold coins are a popular way of saving for some people and hence is a suitable asset to issue certificates of deposit.

At the end of his lecture, he outlined functions of the gold coin certificate of deposit which are to facilitate trading of futures contracts on maturity date, to be used as a tool to launch one-day futures contracts market and a means for implementing commodity funds.

Then he said that launching certificates of deposit is applicable to petrochemical and industrial products which, is among the issues IME has at hand.



Organization for Rural Cooperatives and Iran's SLAL.

He added that in the Article 33 of the Law of Increasing Productivity in Agriculture and Natural Resources it has been declared that the government can offer the agricultural products in the exchange through the policy of guaranteed price instead of guaranteed purchase of agricultural products, and after transactions and price discovery in the IME, pay the difference between the price discovered in the exchange and the guaranteed price.

By implementing the guaranteed price policy for maize from Khuzestan, the government experienced over 60% reduction in its expenditures and the same policy could be applied for more agricultural commodities.

He declared that the possibility of selling stagnant commodity supplies, reducing the cost of warehousing and handling of goods, managing the interval between production and sale of products, reducing the instability and volatility in agricultural markets, financing suppliers and standardization of products are of the main advantages of trading commodity through certificates of deposit in IME.

He also referred to the role that the certificates of deposit can play for financing the forthcoming

Completion of Phase III of Pardis Petrochemical Company by Issuing Forwards Contracts

Launching proceedings of phase III of Pardis Petrochemical Company goes back to 2011 and according to the announced plans, this phase is scheduled to be operational in 2016. Accordingly, the company will be financed more than 100 million USD through IME's financial instrument within two stages to start phase three of the company in the next year.

On the meeting of initial public offering of standard parallel forwards contract (SALAM) for urea from Pardis Petrochemical Co. attended by Dr. Hamed Soltaninejad, CEO of IME, Mr. Ali Oskouei, financial manager of Pardis Petrochemical Co., Mr. Ali Sanginian, CEO of Tamin Sarmaye Amin Brokerage and Mr. Nabizadeh, financial manager of Parsian Oil & Gas Development Group, the CEO of IME stated that Pardis Petrochemical Company is the largest producer of ammonia and urea in the Middle East and is one of the largest producers of these commodities in the world which in order to complete its Phase III is

issuing the standard parallel forwards contract (SALAM) for urea through the IME.

He said that the standard parallel forwards contract (SALAM) which is being considered by producers in various industries as having the least risk and is the most legally supported instrument, as these securities will be issued on the basis of actual production of companies and certainly, by institutionalizing this method of financing, we will witness an evolution in financing companies.

By promoting IME's capacity to finance producers and manufacturing companies, Soltaninejad expressed, these securities can be issued based on commodities and their production conditions with a maturity date of over one year or even more.





Listing Magnesium Ingot from Middle East's Largest Producer by IME

Magnesium ingot from Royal Magnesium Ingot Company, the largest magnesium producer in Middle East, was listed on the 19th secondary market committee session of Iran Mercantile Exchange.

Emphasizing on the rules and regulations of the IME in our national economy, Faramarz Kafi, CEO of Royal Magnesium Ingot Co., stated that we hope to eliminate the unreasonable intermediaries off this commodity market and reduce the costs of this industry.

Pointing to the financing role of the IME for suppliers in the country, he added: IME, by financing production in Iran, provides security and safety for the buyers and producers and we are trying to benefit from this Exchange's potentials such as forwards contracts and standard parallel forwards contracts.

He continued: Magnesium, as the third millennium metal, is used in aluminum, steel, defense, aerospace, automotive, oil and packaging industries and the world is rapidly replacing the other metals with it. We now have customers from Turkey, Germany, Britain and America that once sanctions are lifted, commercial dealings with them will be started and we will use IME's export infrastructures in this regard.

It is worth noting that Royal Metal Ingot Company, the first producer of Magnesium in Iran and Middle East, is founded to extract magnesium from dolomite ore by using Pidgeon Process. Having an annual production capacity of 6000 tonnes, it is located in the city of Ferdows, South-Khorasan province, Iran.

After financial and credit funds being supplied, the erection and execution of this plant commences in early 2010 with the private sector investment and cooperation of local manufactures.

Offering of Expanded Polystyrene (EPS) (Self Extinguishing Grade) for the First time in IME

CEO of Banjar Polymer Company said: On Tuesday, 12th of January, 200 MT of expanded polystyrene (EPS) (self-extinguish grade) will be offered in Iran Mercantile Exchange.

He also added: This grade of EPS falls into the category of super flame retardant and has been produced by Banjar Polymer Company, for the first time in Iran.

Niazi continued: Mass production of this grade of EPS started after getting quality and performance approval and the commodity will be offered in IME.

He outlined usages of this commodity in producing plastome (Yonolit) for packaging and construction parts and said that the special feature of this product comparing with other grades of expanded polystyrene is its ability of self-extinguishing and low density. The EPS will be offered in the IME in three different volume grades.

Niazi emphasized that the production capacity of EPS is 7,000 MT monthly, and this company will offer other grades of EPS such as regular, flame retardant and graffiti grades in IME, too.



Top 10 Suppliers in IME in Winter 2016

Rank	Supplier	Offering	Demand	Trading	Trading Value (IRR)	Trading Value (USD)
1	Esfahan Steel Company	979,950	1,068,077	771,067	9,340,561,886	264,417,888
2	Mobarakeh Steel Company	42,500	378,247	377,267	5,961,768,846	168,769,111
3	National Iranian Copper Industries Company	239,749	80,348	77,488	5,573,355,765	157,773,695
4	Khuzestan Steel Company	622,100	499,950	490,350	5,527,834,900	156,485,064
5	Amir Kabir Petrochemical Company	214,228	198,201	99,938	3,829,433,635	108,405,765
6	Bandar Imam Petrochemical Company	276,264	420,147	124,844	3,364,117,573	95,233,335
7	Jey Oil Refining Company	2,815,586	621,029	501,675	2,660,671,109	75,319,777
8	Shahid Tondgooyan Petrochemical Company	216,741	110,140	94,046	2,618,116,649	74,115,121
9	Tehran Oil Refining Company	607,350	608,270	486,860	2,125,618,590	60,173,208
10	Bandar Abbas Oil Refining Company	546,500	1,191,000	428,500	1,883,417,955	53,316,856

Esfahan Steel Company (www.esfahansteel.com/en)

Esfahan Steel Company (ESCO) is the first and largest manufacturer of constructional steel products in Iran.

This complex started production in 1971 with annual capacity of 600,000 MT. Taking advantage of state of the art world technology, this company has been reconstructed and expanded recently.

Production of fully-killed and killed steel through use of modern steel making technology as well as proper deoxidizers, existence of important elements in steel i.e. Titanium and Vanadium (coming from the qualified iron ore), low concentration of impurities such as sulfur in molten steel are substantial parameters for high quality of ESCo.

By regular tensile and bending tests along with metallography, uniform crystallized structure and favorable mechanical properties of ESCo., products are controlled and conformity of technical specifications with proposed standards is guaranteed.



Tehran Oil Refining Company (www.tehranrefinery.ir)

Refinery No. 1
Owing to domestic petroleum product's needs, construction of this refinery was launched in 1968 and ended in 1971. Initial nominal capacity of the refinery was 85000 BPSD which increased to 125000 BPSD after process debottlenecking project in 1976.

Refinery No. 2

In response to the rising consumption rate of petroleum products and to meet the domestic market demands, second refinery with nominal capacity of 100000 BPSD was established in 1973. Similarly, in 2003 nominal capacity of this refinery was increased to 125000 BPSD. The feed of both refineries is provided by two 24 and 26 inch pipelines from south oil fields of Maroon Ahvaz, Saraje Qom and Middle Asian countries.



National Iranian Copper Industries Company

(www.nicico.com)

In 1972 (1351H.), Sarcheshmeh Copper Mines Joint Stock Co. of Kerman was established; and, later, in 1976 (1355H.), it was renamed as National Iranian Copper Industries Co. to involve all copper mines operations throughout the country. This company has numerous responsibilities including extraction and utilization of copper mines, production of copper concentrates and manufacturing copper products such as cathodes, slabs, billets and 8mm wire rods. Sarcheshmeh and Miduk mines in Kerman province and Sunegoon mine in Eastern Azerbaijan province are of the most significant copper mines in the country.



Khouzestan Steel Company

(www.ksc.ir/en)

Khouzestan steel company is one of the crude steel producers in Islamic Republic of IRAN and one of the most pioneering economic agencies in the country which plays a vital role in the region and national interests.

This company was established in 1973 and built on 3.8 square kilometers in the vicinity of Ahwaz city, which is the capital of Khouzestan province in the Southwest of Iran.

This company is the first producer of Iron and steel in the country based on Direct Reduction method and electric arc furnaces technology (EAF) which was officially operated in 1989 and have achieved the nominal capacity of (1.5) million tonnes per year. Then, by executing the expansion projects the capacity increased up to 2.4 by the first phase and by the second phase it is increased up to 3.6 million tonnes per year. During these years Khouzestan steel company was fully committed to satisfy its customers in both quality and services, the certificates such as quality management system ISO 9000:2000, ISO 14001:2004, OHSAS 18001:2007 and ISO 27001:2005 are evidences to this fact.



Esfahans' Mobarakeh Steel Company

(<http://en.msc.ir/>)

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.



Bandar Imam Petrochemical Company

(<http://bipc.org.ir>)

Petrochemical Commercial Co. (PCC), established in 1990, is one of the largest business corporations in the Middle-East involved in marketing and sales of petrochemical products in the international markets as well as supplying Iran's petrochemical downstream industries.

Since January 2010, in line with the goals of Article 44 of Iran Constitutional Law and by transferring more than 52 percent of PCC's share to Iran Investment Company (IIC), PCC is changing to a TRADING HOUSE with new business and financial activities.

PCC's new corporate goal is to achieve the status of a truly business leader in the Middle-East. In this regard, PCC's entire staff and its management are working closely to have a company with excellent financial fundamentals, sound international operations, and a well-defined business system.

Meanwhile, PCC with nine foreign offices and subsidiaries around the globe, including ENGLAND, GERMANY, CHINA, SINGAPORE, INDIA, U.A.E, S. KOREA and TURKEY, as well as cooperating with more than 30 agents in different countries, is seeking new business developments to strengthen its global presence and successfully expand trade activities.

Eventually, by improving its quantitative and qualitative facilities and services, PCC endeavors to fulfill its customers' requirements thoroughly.



Top 10 Suppliers in IME in Winter 2016

Jey Oil Refining Company (www.jeyoil.com)

Jey Oil Refining Company is a leading company in bitumen industry which was established in 2003. Its head office is located in Tehran, Iran and the factory is next to Isfahan Refinery. Jey owns one of the largest bitumen production units in the Middle East which is producing various types of top quality bitumen in the world. 70% of their products are exporting globally. They have over 40% of total bitumen production share in the country. One of the major objectives of this company is to fulfill domestic demands based on the latest standards as well as successful presence in global markets by providing high quality products. Specialized knowledge, efficient staffs, customer satisfaction and compliance with environmental requirements are the core basis of this company.



Jey Oil Refining Company export 80% of its products to different European, Asian and African Countries. The refinery has four separate bitumen production Units which are producing blown bitumen by two 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, they have ISO 14001: 2004 & OHSAS 18001:1999 Certificates, too.

Bandar Abbas Oil Refining Company (www.baorco.ir)

Bandar Abbas Oil Refining Company is one of the 9 Iranian petroleum refining companies. It was erected on an approximate area of 700 Hectares on the North coastline of the Persian Gulf near Bandar Abbas city. The company was started up in 1997.

It started with a capacity of 232000 b/d (barrel per day) to cater to domestic demands of oil products and also target the export market. The nominal capacity of company increased to 320,000 b/d in July 2008 with attempts of committed domestic manpower. In 2012, by increasing 30,000 barrels of condensate to distillation units feedstock via setting up an innovative capacity improvement project without any extra investment, this company managed to upgrade its capacity to 350,000 b/d.



Shahid Tondgooyan Petrochemical Company (www.stpc.ir)

In Order Produce the Purified Terephthalic Acid (PTA) and Polyethylene Terephthalate (PET), Shahid Tondgoyan Petrochemical Company with the approval of the Respected board Of NPC was established in April 26, 1998. National Petrochemical Company considering the usage of these productions in local and external markets and to fulfill some of its 2nd five-year-plan's commitment, National Petrochemical Company implemented this plan to meet the following goals: Moving towards self-reliance and Independency Increase in Petrochemicals exports Technology Transmission and human resource training



First and second PTA/PET plans were constructed in North west corner of Persian Gulf in Khoozestan province and Mahshahr port's special economic petrochemical zone. The construction site was 34 acres wide.

Pure Terephthalic acid is one of the most important key ingredients used in the production of Polyethylene. Polyethylene Terephthalic is one of the most important key ingredients used as a precursor to the polyester, which is used in the production of fibers for textile industries, plastic films industry, producing various kinds of soda bottles, cans and utensils which are used in packaging foods, drugs and hygienic materials. These ingredients have an outstanding growth in both production and consumption.

PET/PTA plans are implemented in two phases. Phase one has been initiated. PTA-2 unit and F and H production lines of PET-2 factory are initiated in phase 2. Also G Production line is in the final phase of construction operations and installation and the beginning of the Exploitation operations. Also Textile production lines (POY, Staple) are in the phase of system and utilization equipment preparations

Amir Kabir Petrochemical Company (www.akpc.ir)

To facilitate executive activities of petrochemical industries and employing domestic and foreign cooperation and investment, National Iranian Petrochemical Co. established Amir Kabir Petrochemical Co. as the leader of the projects at hand. The latter was selected to execute 6th Olefin Project in May 1998. This project is among the ones enacted during the Second Five-Year Plan of National Iranian Petrochemical Co.

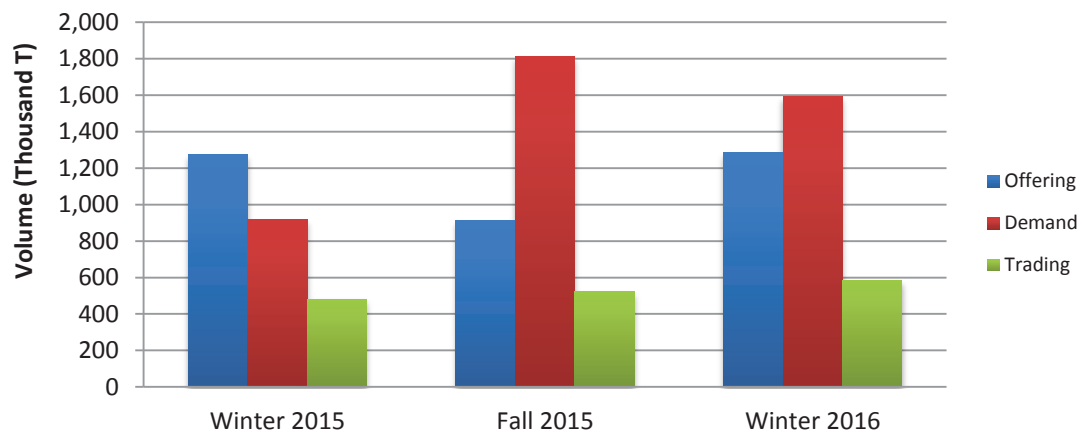


Statistics of IME Business

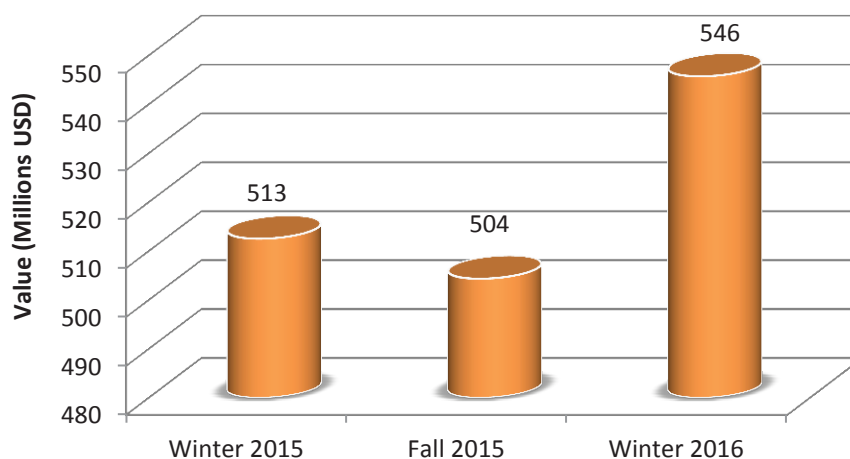
In this chapter, you will find statistical data related to IME business in 6 subdivisions as following on a quarterly basis:

- 1- Polymer Products**
- 2- Chemical Products**
- 3- Oil Products**
- 4- Metals and Minerals Products**
- 5- Agricultural Product**
- 6- Export Pit at a Glance**
- 7- An Overview to Total Spot Market Trading Statistics**
- 8- Derivatives Market Statistics**

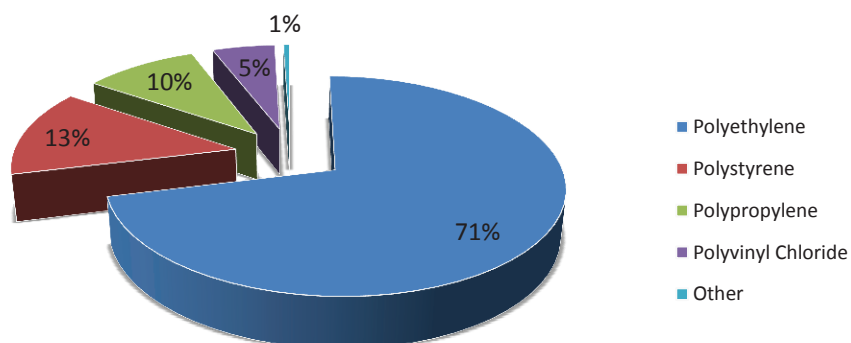
Volume of Offering, Demand & Trading Polymer Products



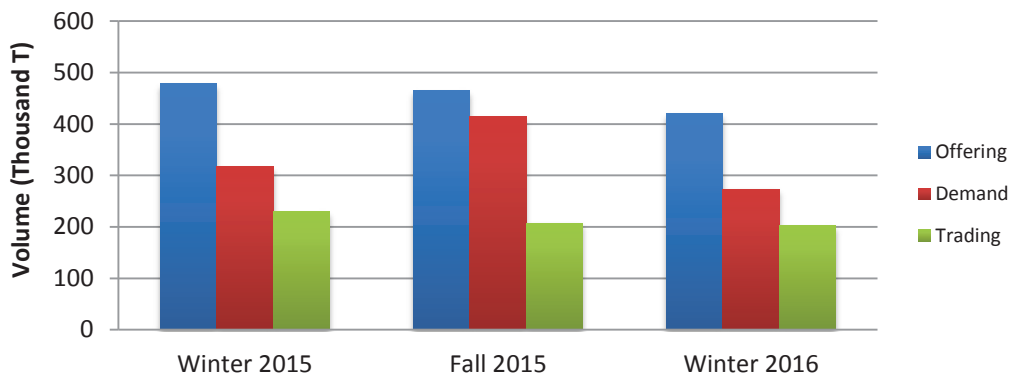
Value of Trading Polymer Products



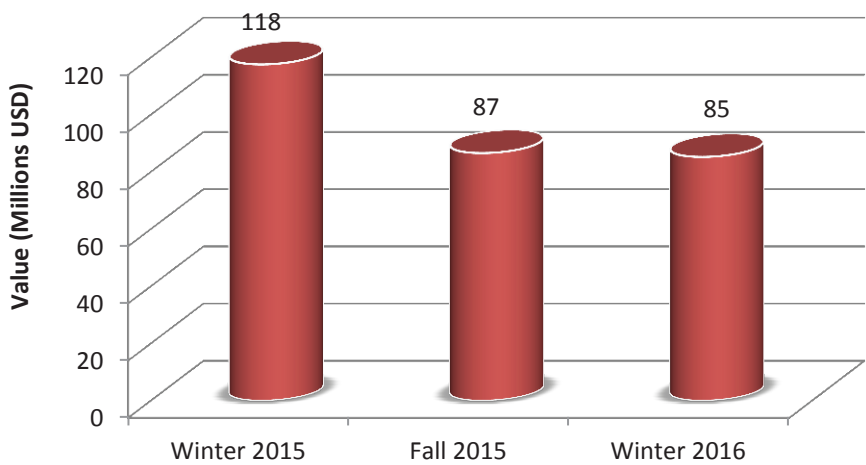
Polymer Products Trading Value (Winter 2016)



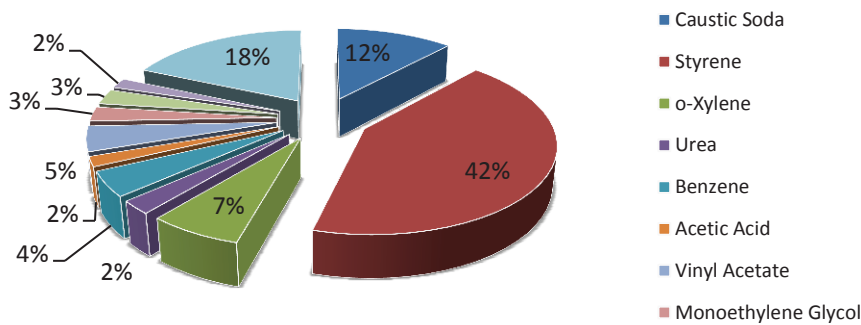
Volume of Offering, Demand & Trading
Chemical Products



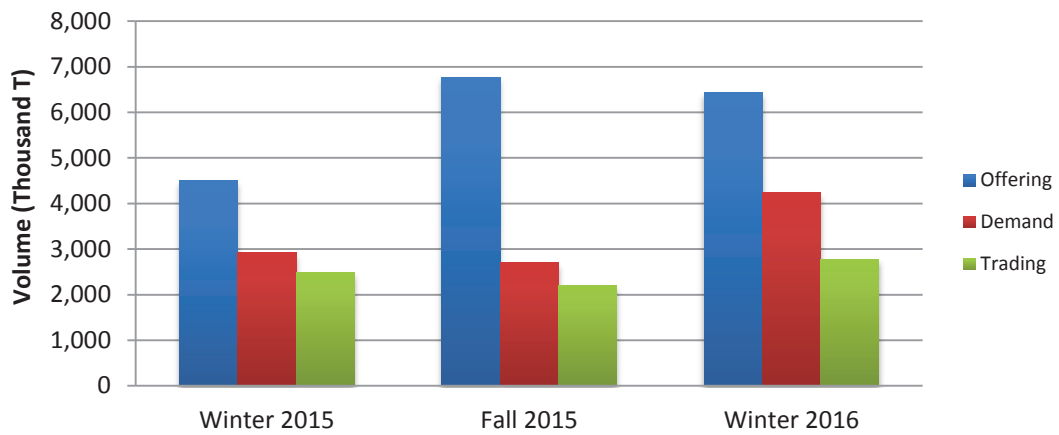
Value of Trading Chemical Products



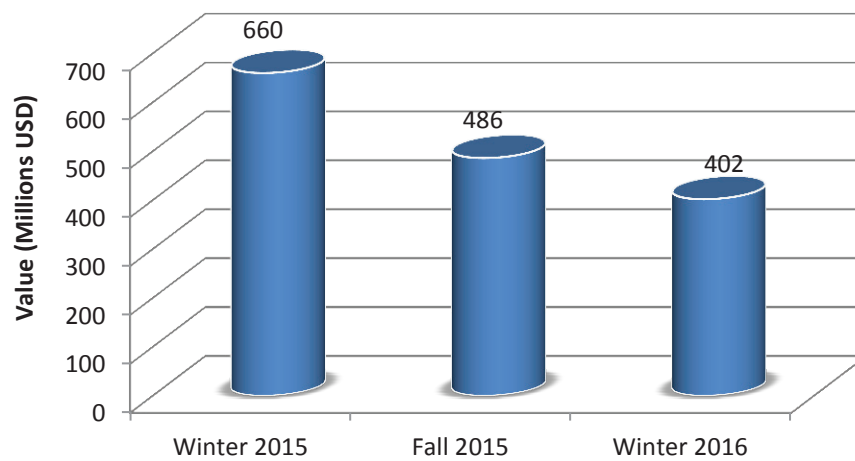
Chemical Products Trading Value
(Winter 2016)



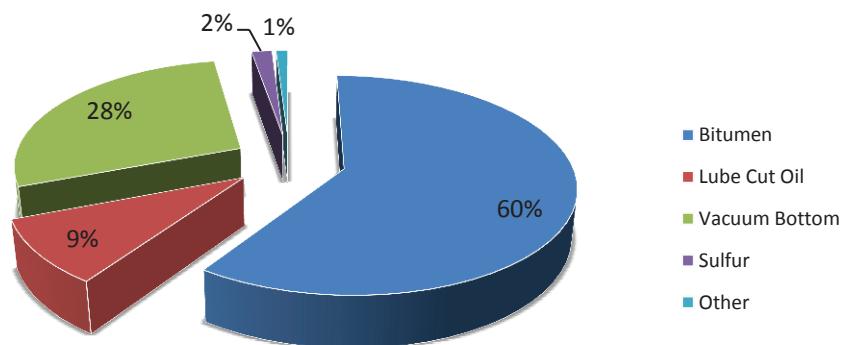
Volume of Offering, Demand & Trading Oil Products



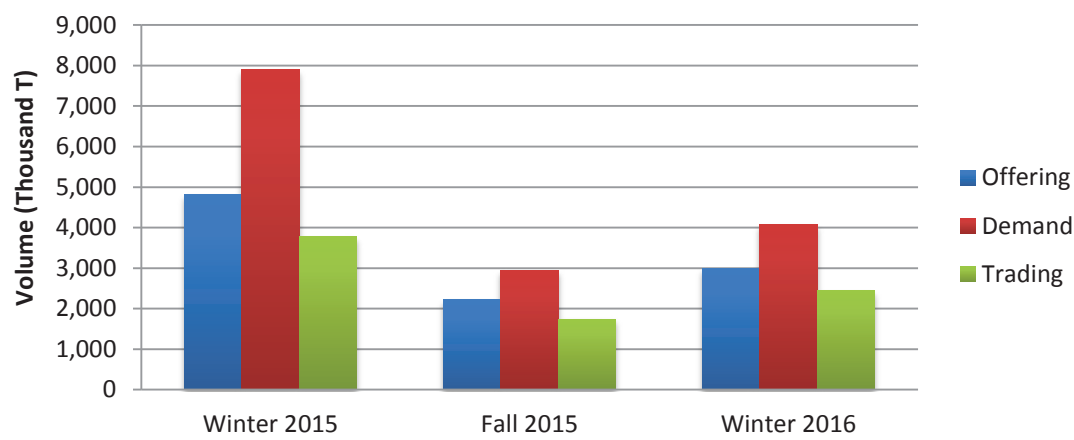
Value of Trading Oil Products



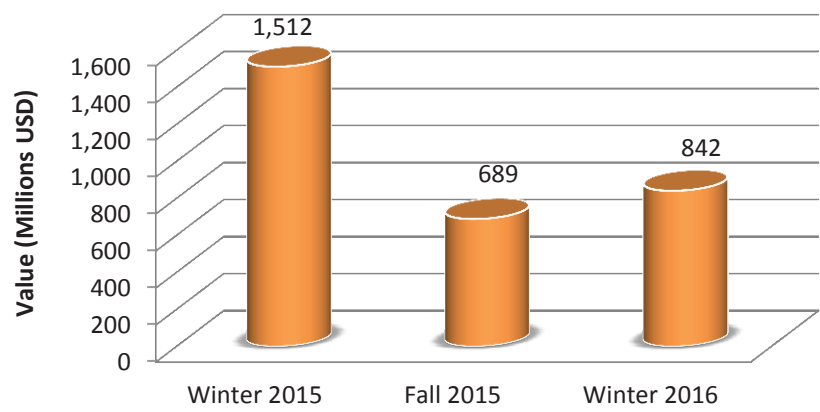
Oil Products Trading Value (Winter 2016)



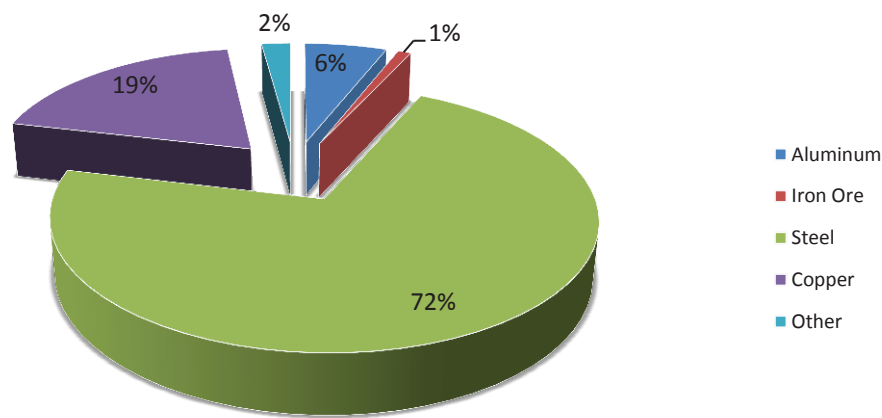
Volume of Offering, Demand & Trading
Metals & Minerals Products



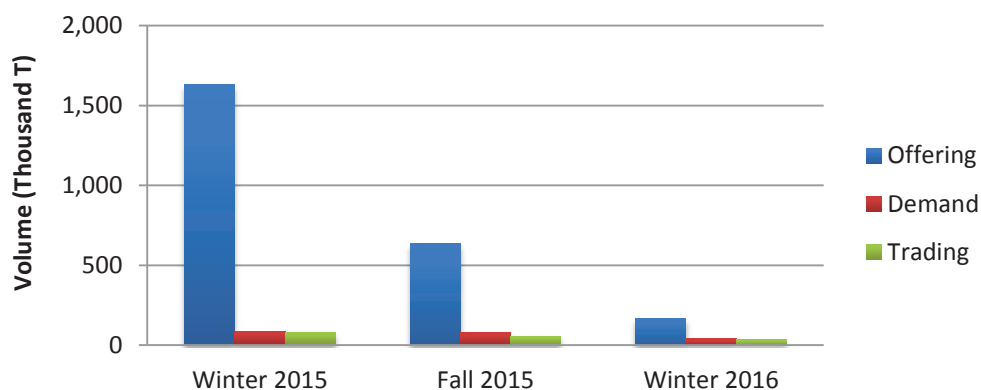
Value of Trading Metals & Minerals Products



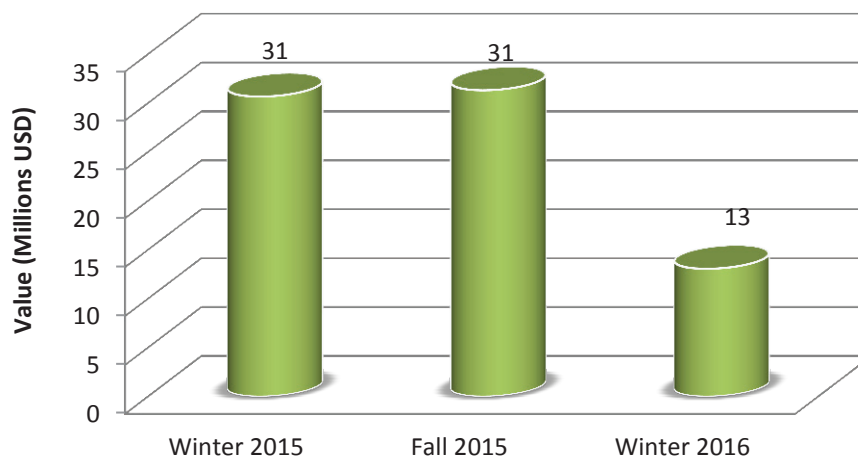
Metals & Minerals Products Trading Value
(Winter 2016)



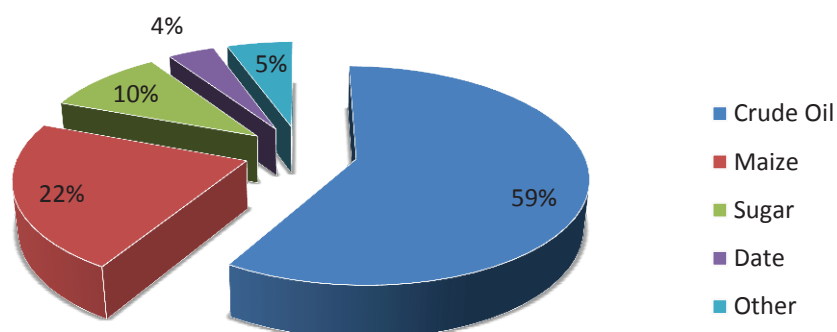
Volume of Offering, Demand & Trading Agricultural Products



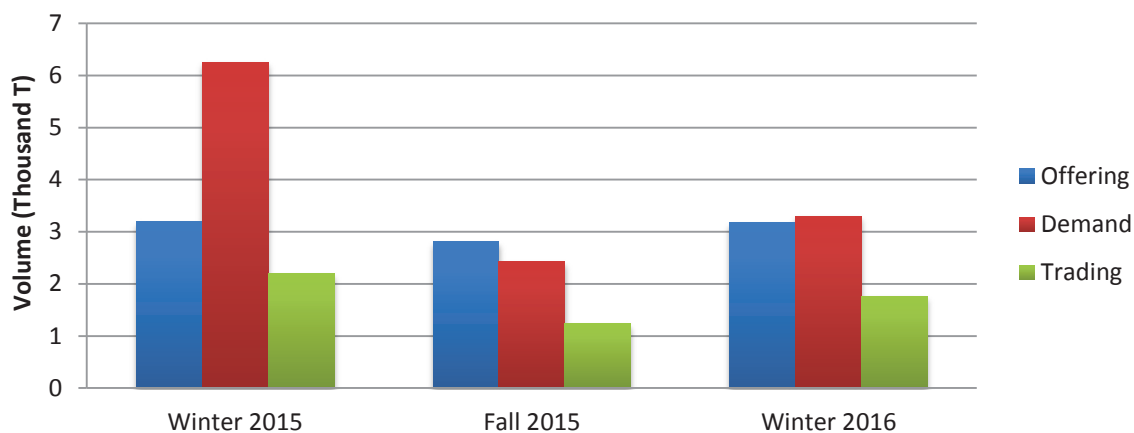
Value of Trading Agricultural Products



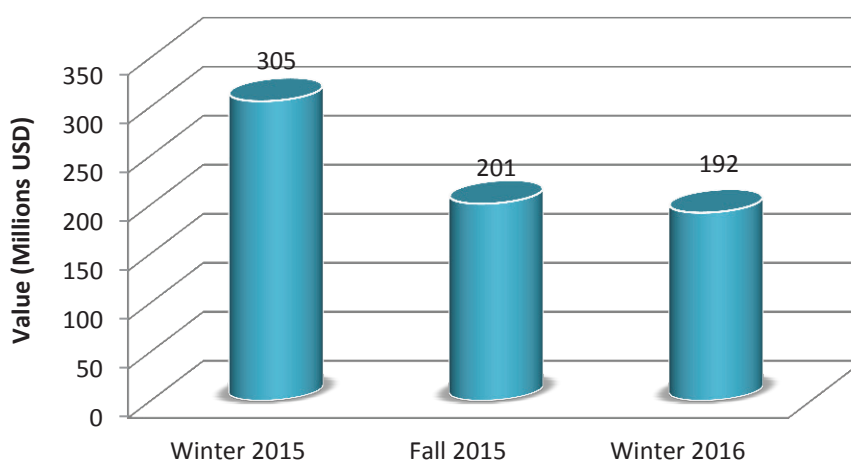
Agricultural Products Trading Value (Winter 2016)



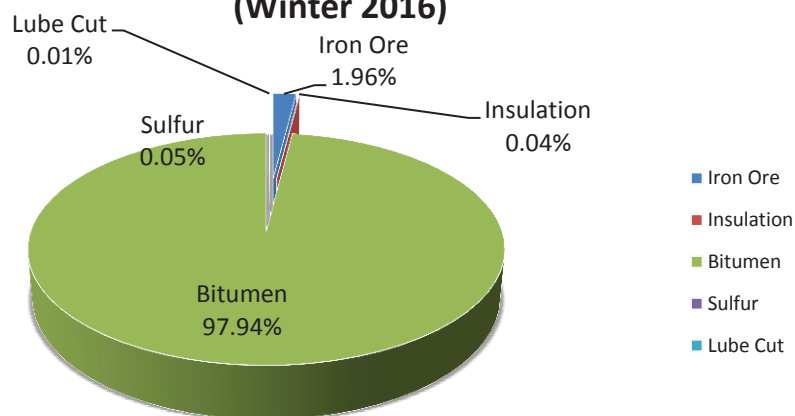
Volume of Offering, Demand & Trading on Export Pit



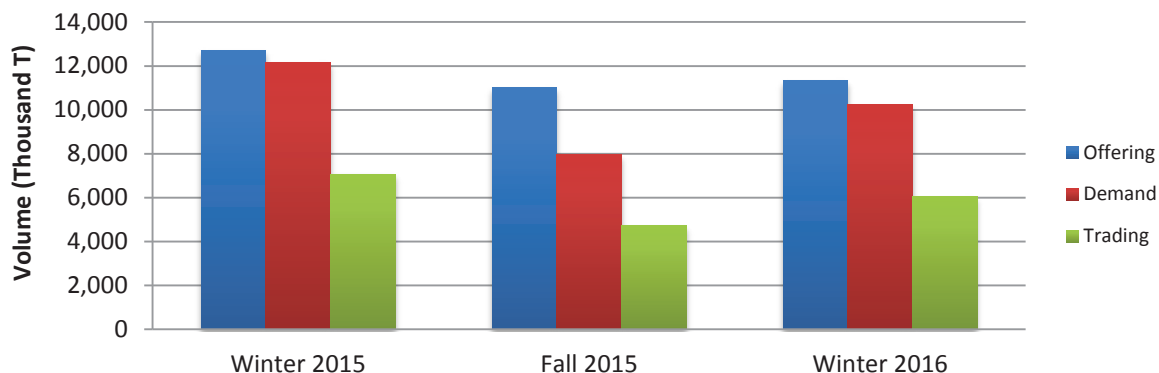
Value of Trading on Export Pit



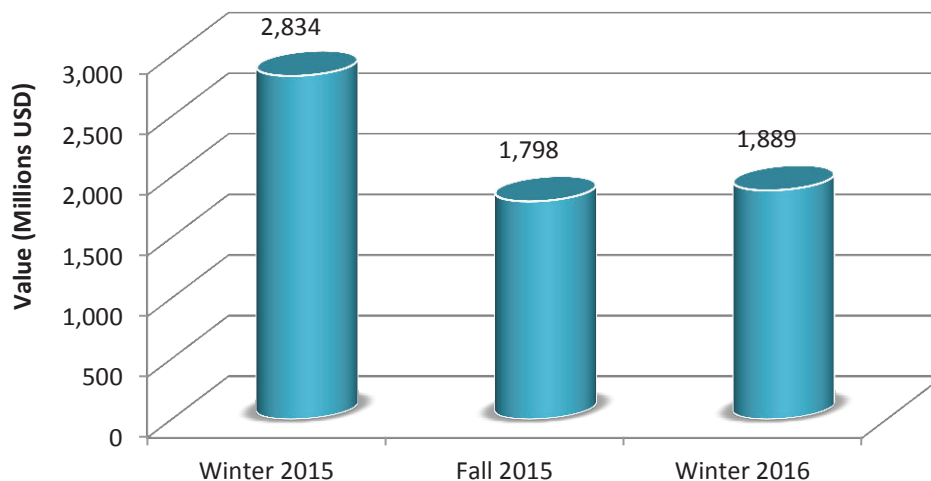
Export Pit Trading Value (Winter 2016)



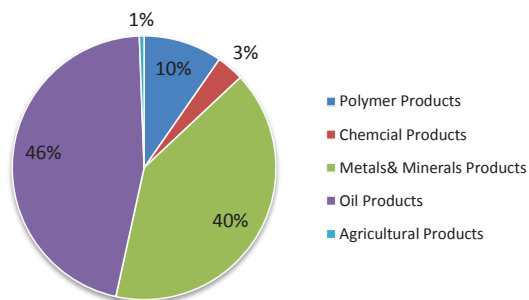
Total Volume of Offering, Demand & Trading in Spot Market



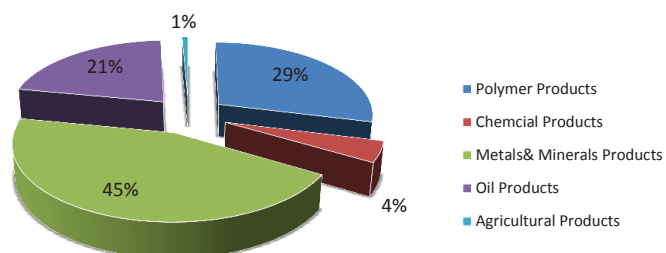
Total Value of Trading in Spot Market



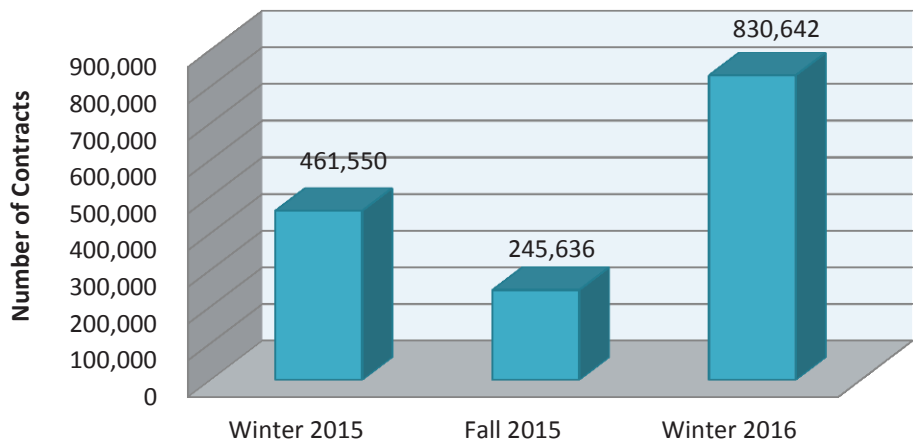
Spot Market Trading Volume (Winter 2016)



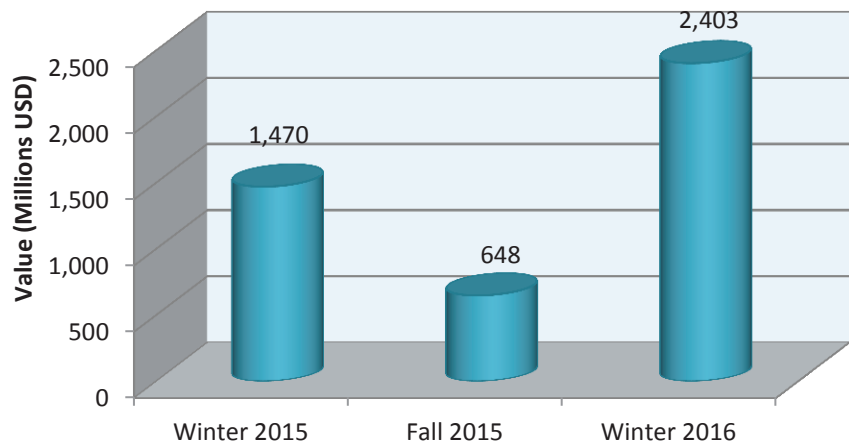
Spot Market Trading Value (Winter 2016)



Number of Futures Contracts



Value of Futures Contracts







www.ime.co.ir

No 351, Taleghani St, Vali Asr Ave,
Tehran, Iran
Tel: +98(21)8564000-2