

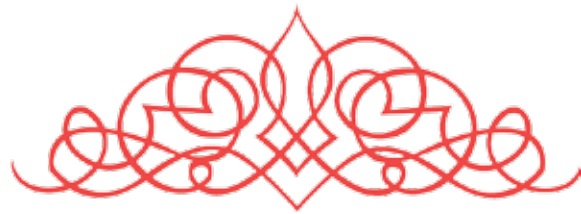
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Iran Mercantile Exchange Quarterly Newsletter



In the Name of God



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Editorial Note

Amin Najari

E-Commerce Development Goes Hand in Hand with Growth in Trade of Commodities

The merits intrinsic to e-commerce include encouraging competitiveness in the market of services and commodities, transparency of market data and elimination of unnecessary middlemen between producers and final consumers, to name but a few.

Access to data and information about market is of great value to traders, but in the real world it's not achievable without spending a lot of time and money. E-commerce is, in fact, an answer to the need. Eliminating unnecessary middlemen, another important advantage, has led to an unprecedented decline in global prices and has provided customers with more bargaining power and more benefits, while in the real world they are constrained by geographical distance. In other words, e-commerce is an opportunity to sell products to a range of customers which encompasses the whole people in the world. Interestingly, e-commerce has created a tug of war between conventional businesses and those operating based on networking available in the virtual world. Each relies on its specific methods and mechanisms in some cases based on philosophies in trade, yet having areas in common. The latter has been able to surpass its rival in many newly-established businesses through implementing policies shaped by virtual market networking and other potentials of e-commerce.

As a pioneering entity in Iran's economy, the Iran Mercantile Exchange also runs its entire trading platforms based on an electronic infrastructure, freeing the procedures of the red tape. The public seems to have benefited most, as now they have direct access to trading systems across the country and to the data disseminated accordingly in a transparent atmosphere.

According to a Report by E-Commerce Development Centre of Iran, if e-commerce is defined merely based on electronic methods of payment, there has been a total trading value of 1,600 thousand billion rilas recorded as the share of e-commerce in the country in the hijri year 1396, accounting 11 % of Iran's GDP. The figure amounts to 20% for developed countries. Yet, with a more comprehensive definition, all the trades done in the IME are assessed as various modes of e-commerce as they are all run on an electronic infrastructure. Having that in mind, it's worth mentioning that only on IME the total trading

value of commodities and other services sold has been 1,170 thousand billion rials and 1,780 billion rials in 1396 and 1397 hijri years respectively.

Currently, well-known commodity exchanges of the world like CME, LME and SHFE have set aside old and traditional modes of trade and are using electronic infrastructures to not only eliminate unnecessary bureaucracy but also to provide a secure platform for trades with lower costs. We are also following the same path on the IME and have developed a venue on which the public has access to trades of commodities in a secure and transparent atmosphere, enjoying all the merits available in other commodity exchanges across the world.

But, there is a hurdle our economy is grappling with in this regard and that's we are lagging behind as to setting up a reliable legal framework which is updated on a regular basis to match the arising needs of both domestic and international markets. For example, there has never been an authority assigned to defining and implementing electronic signature. In addition to that, the IME is in need of developing modern warehousing mechanisms, while most of our warehouses across the country are using outdated facilities and technologies, which do not meet our exchange-level requirements. Another shortcoming is limited and slow access of market participants to basic services like registry, banking and identification services.

That is where we believe the government should step in, as it is not within the power and authority of the private sector to take care of all the issues to come up finally with an integrated and comprehensive system, which is transparent, secure and convenient enough to win market participants' trust. On the one hand, the system should be linked to international markets to comply with international laws of commerce and to adhere to globally recognized mechanisms of governance on the other hand, which again seems impossible without government's help. We hope that in the near future, the IME will be able to extend the reach of Iranian goods across the globe with an extensively bigger number of potential customers via the financial instruments already designed and launched on the exchange.

CEO Post



Once again Allah Almighty blesses us with a new spring for which we are thankful to Him, as this way He teaches us that the whole universe is subject to change and begets freshness and novelty again and again each time it perishes. Now, thanks to Him, we are beginning the New Year with high hopes for the future.

The hijri year 1397 with all the ups and downs came to an end while we were fighting in an all-encompassing economic war waged against us by our enemies, who did everything in their power to spoil our happiness and crush our hopes on the threshold of the 40th anniversary of our Islamic Revolution. Yet, their dreams turned to nightmares as Iranians were vigilant and clear-sighted enough to unite against them and ruin their vicious plans. Iran's economy was tested to its limits, which revealed even more of its downsides and shortcomings. We are needed to unite here as well to work out solutions to remedy problems in our economy instead of denying weaknesses.

Given that, Iran's capital market, in my opinion, paid its share of contribution to the economy with positive results and outstanding achievements. Statistics show that the capital market set a record trading value of 400,000 billion rials, which speaks of the increasingly productive role of the capital market in the structure of Iran's economy. While the problem of idle capitals is weighing on the shoulders of our economy, absorbing this much of liquidity was a really effective step.

Among the Iranian capital market exchanges, the Iran Mercantile Exchange occupied

the first position in 1397 with a trading value of 180,000 billion rilas, experiencing a 54% increase as compared to the year before that. Under severe sanction conditions, IME is believed to have scored well.

The IME also took initiatives to open up new vistas in the current year for growth and development; launching futures on saffron is but one, which will be hopefully extended to more underlying assets. However, nothing compares to IME's policy to improve the market infrastructure for industrial and petrochemical products by designing a mechanism of setting purchase quotas for consuming industries. In other words, despite facing unkindness and unfaithfulness, the IME prepared the groundwork for downstream industries to buy their fair share of commodities to meet their manufacturing or production needs. That was accomplished while upstream industries were given the maximum amount of protection for their interests.

One last point worth paying attention to is that interwoven in instabilities of the previous year was a very important lesson; there are market laws that we need to respect, we cannot get away with the negative impacts of any kind of disregard for the fundamentals of supply and demand. Experience says that, by and large, governmental intervention in the market and price control policies will end up in rent-seeking and smuggling of commodities. I think we took our lesson and have to look for better ways to support and protect the rights of producers and consumers rather than extending subsidies to various sectors of the economy by the government.

Finally, I would like to extend my best wishes to all my countrymen, my colleagues in Iran's capital market and the team I work with at the IME in a year full of prosperity and success. I also hope that through basic economic reforms, we will be witnessing a more efficient economy, booming industries and thriving markets with numerous opportunities.



IME's Plans within the Year Called "Production Boost" by Iran's Supreme Leader

Launching commodity funds on agro-products, introducing established investment funds as underlying assets for futures and options markets, launching certificates of deposit on copper and rebar, launching debt securities and license auctions along with a newly-designed settlement method in IME's physical market are among IME's most notable plans for the coming year, Soltaninejad was quoted as saying in an interview with IRNA. With aim of adding more transparency to IME's market of base commodities like oil products, petrochemicals, metal and minerals and agro-products on the one hand and in order to provide the infrastructure for well-established procedures for the exportation of such commodities on the other, IME is paving the way for them to be offered on its trading platform in larger quantities and is also running more financial instruments relevant to such underlying assets.

One of the benefits of offering commodities on IME is eliminating unnecessary intermediaries, which leads to the main profit of production to be in the pocket of real producers and manufacturers.

Moreover, regarding the problems that our banking system is struggling with and the impotency of banks in meeting the financing needs of economic projects, we are witnessing an increasing interest in Iran's capital market, including IME, from various industries for raising funds.

Could you elaborate on the volume and value of trades done on IME?

IME traded in the first 11 months of the hijri year 1397 a record breaking amount, since IME's establishment, of 1,576 trillion rials: a 60% increase as compared to the same period in the previous year.

IME's physical market share of the above-mentioned amount was 773 trillion rials, and 884 trillion rials was for commodity-based securities.

IME's physical market in that period saw a 73% rise in value of trades of which 477 trillion rials (62%) was the share of cash contracts and 296 (38%) trillion rials for Salam trades.

IME sold 283 trillion rials of metals and minerals in the first 11 months of the previous hiri year which showed a 55 % increase.

In its petrochemical trading floor, IME traded more than 4,232,000 tonnes of various products valued at more than 266 trillion rials, which was again a new record.

The value of oil products was 193.882 trillion rials which showed a %116 increase.

In IME derivatives market, there were 14,607,000 futures and options contracts traded which showed a 283% and 41% increase in volume and value respectively.

Within the period mentioned IME accounts for 41% of the total trading value of Iran's capital market which makes it the leading exchange.

What are IME's plans for developing new contracts?

IME currently enjoy various trading contracts and is about to add new products as the underlying assets to its market. For example, IME plans to launch new commodity funds on agro-products in order to absorb idle capitals in the country in order to cover the financing needs of the industrial sector.

Also there will be investment funds running on IME as new underlying assets for futures and options contracts in order to develop its derivatives market. Furthermore, with the consent of SEO, IME will be launching certificates of deposit of copper and rebar.

What about the new financial instruments?

In addition to expanding the number of underlying assets on the currently established financial instruments, IME has decided to launch and introduce more instruments to market participants.

Among our plans are also launching trades of license auction and debt securities. Debt securities will be a good solution to the problem of financing they are struggling with, which leads to more liquidity in the idle financial assets of the producers.

License auction trades will be a great help to increase transparency.

Along with the new financial instruments, IME will hopefully introduce a new settlement procedure in its physical market, which is a multi-phase one and will meet some requirements of the buyers and purchasers in combination with demand oriented (tender based) trades.

Does IME have in mind any programs for developing its export ring?

IME plans to join IOSCO (International Organization of Securities Commissions) as a globally-recognized body to promote adherence to internationally-recognized standards

for securities regulation.

We have also another plan to change our membership to the World Federation of Exchanges from affiliate to full member which is on the agenda.

As to the derivatives market IME has been as an active member to AFM(Association of Futures Markets in relation to new products, trading technologies and has been sending keynote speakers to its annual conferences on various subjects including blockchain.

What do you think was the biggest challenge of IME with regards to its trades within the previous fiscal year?

Within the previous year all commodity markets were influenced by foreign exchange rates volatilities and IME was no exception. In some periods we witnessed commodities offered on IME based on the dollar exchange rate of 4,200 tomans, which led to an increase in demand and hence rising trading volumes.

After such volatilities we saw disturbance in foreign exchange market with middlemen taking advantage of the out of control conditions. What measures did you take to fight against such negative effects?

Due to low prices of underlying assets, there was an increasing demand for petrochemicals. Manufacturing companies asked for more raw materials

because they were confronted to better conditions for exports to supply even for their coming months' needs.

In order to alleviate the negatives results, all the relevant entities came to an agreement and eliminated the competition ceiling and the free prices automatically decreased demands. Anyhow, after a period of low demand, due to the difference between the exchange rates of SENA and NIMA systems we again witnessed a sharp rise in trades of polymeric products, with a record trade of 90,000 tonnes a week.

Were there any initiatives to redress the balance in other commodity groups of the exchange?

Unfortunately, in some commodities like the aluminum we are always dealing with scarcity of supply. With the rearrangements in the management system of the Almahdy Aluminum Company, We hope the issue will be resolved.

The ministry of industry, mine and trade is also trying to supply IME's market with minimum offering of bloom, rebar etc. so that there will be no scarcity of supply on our market.



What do you think should be done to strengthen IME's position in trades of commodities and also to promote transparency?

With the events we saw last year in the country's economy, it has been clarified what a crucial role IME can play in our economy. Therefore, our policy makers are needed to provide IME with everything required so that IME can play a more effective role.

One of the failures for IME last year was termination of gold coin futures trades on the exchange, what was the reason behind the decision?

Futures contracts are among the most reliant ones in big commodity exchanges around the world. Using such contracts, market participants can cover their risks. In fact, as price volatilities are not desirable incidents for some of them, they can eliminate the destructive results of price volatilities, remedy the uncertainty of future and increase their power of planning.

The thing is futures contracts are designed based on a mechanism of putting up collaterals with the exchange, and IME is following the same structure in work in international exchanges.

The increase in prices of gold coins during the previous year required collaterals to be risen to higher amounts in order for controlling the risk of the market. This extreme increase in amount of collateral on the other hand hurts the futures markets with regards to its function as an instrument to manage risks.

Futures markets can function properly within the bounds of a logical market with no extreme volatilities. That's why IME decided to temporarily close the market after clearing the accounts of active customers and freeing their collaterals.

Could you tell us about the issues that arose on IME relating to bitumen?

Lack of a clear process of price setting for barter vacuum bottom (base product for production of bitumen) which is offered outside of the exchange, having two rates of this product, some misdeeds like exporting the vacuum bottom which is about to be used in domestic projects and lack of proper supervision are among the shortcomings of the bitumen market. There were also problems rooted in sanction against Iran's oil products and also the transportation difficulties arising from that, which all interfered in the regular procedures of trading this product on IME.

Iran's Economy in Need of Risk Management Solution Available in its Capital Market

The CEO of IME stated that with regards to the ups and downs in our economy last year, it seems to be an urgent need for the economy to take advantage of risk coverage available in the capital market, especially derivatives.

Soltaninejad said to Bourse News that due to the insistence of economic officials of the country in the recent years, there has been a flow of capital to the capital market and we hope that the capital market will be able to play the same role properly in the coming year and absorb a good amount of capital in order to meet financing needs of the industries.

He also added that with all the ups and downs during the last year, IME showed that it has a big potential for providing the infrastructure for commodity trades of the country, which leads to more transparency in this regard.

He continued that in spite of those who believe this big rise in the total trading value of IME last year has been due to

changes in foreign exchange rate and as a result of that the inflation, statistics show that trades of new commodities and underlying assets of last year and the increase in volume of such commodities traded on IME's physical market has also a big share of contribution.

Soltaninejad expressed hopes that we will not be witnessing such price volatilities within the coming year. Yet he maintains that we need to make use of the potentials available in our capital market to cover and mitigate risks and also to help industries and their projects with their financing needs.

The chief executive of IME explained that in the previous hijri year all the main variants of economy in our country like the foreign exchange rates, banking interest rates, tariffs on exports and import of commodities were influenced by policies which lead to a turmoil in the market of commodities in the country. In fact, we had an increased demand for commodities which are offered on IME with a purchase limit. Policy makers intended to have commodities received by real consumers with fair appropriate prices, but in the end, the aim was not realized.



The thing is that a big share of the subsidies specified to such commodities was in reality in the pocket of distributors of commodities. Fortunately, there were some corrections in their policy which led to a more balanced and steady market.

Soltaninejad also said that it's true that elements like foreign exchange rates affected even the markets of IME, but market participant should not be under the influence of transient emotional phases. Within the previous year, market participants came to realize how well the physical and securities markets are interlinked, which was partly due to knowledge sharing via media.

Last year very vividly showed the need for a strong derivatives market in our country. Such a market can manage our commodity storage in critical periods with the help of financial resources with the lowest risk and costs.

Soltaninejad continued that within the hijri year 1397 IME sold the record amount of more than 4 million tonnes of chemical and petrochemical products, which is unprecedented in the history of IME.

He explained that in the previous year downstream participants used various methods of order placing like direct, cooperative and new modes of trading including certificates of deposit.

He insisted that we need to have a strong cash market to establish our derivatives market on it. He added that many of the downstream participants of the petrochemical market were exposed to risk created by price volatilities. That's why we decided to form a strong and deep cash market so that we could discover the daily prices of petrochemicals using certificates of deposit based on which we could establish our derivatives market. We did our best but all to no avail. We hope that step by step we can reach that goal when the market begins to feel more eased.

Soltaninejad continued that we are about to launch certificates of deposit on other underlying assets like copper, steel and other base commodities, as this will provide policymakers with the opportunity to detect and supervise the markets.

He said that we need to make a distinction between middleman activities and fundraising for commodity markets. Part of the market of petrochemical products is for unnecessary middlemen, but as to fundraising we can provide a transparent atmosphere.

As to IME's saffron market, Soltaninejad added that in Iran each year farmers produce 400 tonnes of saffron and IME has sold 100 tonnes of saffron up to now. There has been 1,200 tonnes of saffron traded on IME's derivatives market. Although trades on this market do not end in delivery, the leverage of such markets absorbs capitals, creates relative advantage and covers the farmer's risks.

CEO of IME added that Iranian saffron farmers can cover their risk through futures trades of saffron. They can also make use of certificates of deposit to eliminate unnecessary middlemen. Another possibility is investment funds. Before this, those who were active in the financial market could not invest on commodities, but now that IME has launched investment funds on commodities, they have this possibility too. In regards with options trades of saffron that IME has recently launched, the derivatives chain of trades of saffron has been completed, which will benefit market participants and farmers a lot.



Central Role of Iran Mercantile Exchange in Realization of the Slogan of 1398 (2019)

The Vice Chairman of Iran's Chamber of Commerce believes that the emphasis of the Supreme Leader on the prosperity of production is a very clever decision to overcome the problems.

In the meantime, last year we faced the controlled economy and the return of the pricing system once again, which led to a decrease in the production incentives. Hence, for this year, promoting fundamentals of supply and demand and discovering the price of raw materials and other products on Iran Mercantile Exchange is considered as an essential factor for the production boom.

Hossein Selahvarzi, the Vice Chairman of Iran's Chamber of Commerce, in an interview with Mehr news agency, said that while the United States and some other countries had a widespread planning for making hostile sanctions with the aim of striking a

blow to the country's economy, creating dissatisfaction and economic pressure on the people, naming of the year 1398 (2019) by the Supreme Leader as "boom in the production" indicates the focus and attention on the national production capacity, which is a very clever strategy. He continued: "based on the current situation, the production boom is considered as a necessity, security and priority, which should be sought to pass through the slogan, in which the whole government should seriously try to enhance the production capacity in practice.

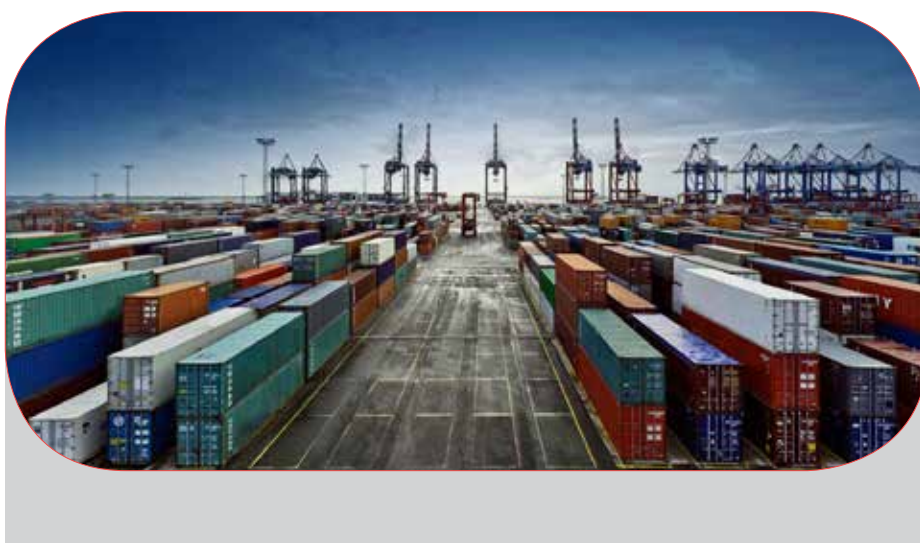
Selahvarzi pointed to the factors influencing the realization of the production boom and explained: if the production boom and support of the production is reduced to the injection of money and financing of the production units, it seems so naive, but it should

be noted that the strengthening and boom of the national production will be occurred only by a serious impetus to improve the business environment, reduce unnecessary and redundant regulations, provide a platform for the increased production capacity, implement uncompleted projects and also through serious and effective presence of the private sector in this field.

Selahvarzi continued: "We have not been able to keep pace with the state economy for all these years and no positive initiatives have been taken in the country's economy. Now, if there is no serious determination to remove some obstacles, we will see in the end of the year that no positive measures are done in the realization of the slogan of the year.

After that, the Vice Chairman of Iran's Chamber of Commerce said that one of the false economic practices of the past year was the return of the pricing system for commodities and the controlled economy and said: "We must learn from the experiences of the year of 1397(2018) in the direction of regulating markets and supporting people and consumers, so that the policy of fixing prices will not go away without taking into account other components of the economy such as cash money in circulation and inflation and will only lead to a reduction in the producers incentives. Selahvarzi considered more utilization from the IME's capacities to create transparency and increase incentives for producers and consumers as one of the main routes for realization of the slogan of the year, and said: "Iran Mercantile Exchange is an important and efficient platform for offering commodities produced in the country, so that offering products on the IME's trading board significantly contributes to the competitiveness, health and transparency of the Iran's economy, and producers and consumers are always eager to trade in a safe and transparent atmosphere with no unnecessary restrictions exerted on trades done on the exchange."

"IME is one of the mechanisms that eliminates monopoly, and contributes to production planning and motivates industry activists via fair price discovery and transparency of trades ", he asserted at the end".





Variety of Contracts and Financial Instruments on the IME's Agenda

CEO of IME, regarding to the most important programs of the IME in 1398 (2019), said: "A wider range of contracts and financial instrument are on the agenda of the IME in the new year, so that we will be witnessing new events in the offering in the physical market, futures market and options, in the field of commodity funds and trades of certificates of deposit and introducing modern financial instruments."

Hamed Soltaninejad, in an interview with IBENA, by noting to naming this year with the slogan of "production boom" in connection with the most important programs of Iran Mercantile Exchange in the new year, acknowledged: "The IME has created various trading contracts since establishment, and in new year and in the coming years, it also plans to introduce new products as the underlying assets of the existing tools."

CEO of IME explained that one of the programs of the IME for the New Year is to offer commodity investment funds on the agricultural products, and he added that "idle capitals will be absorbed into the financing of the agricultural sector.

He added: "In 1398 (2019), the IME plans to introduce commodity investment funds as a new underlying asset for futures markets and options for the market participants and develop the derivatives market."

In the field of commodity certificate of deposit, the IME has already provided the foundations for establishing trades of certificate of deposit on copper and rebar, which will be launched later on these two products on the consensus of the CEO, Soltaninejad said.

He added: "In addition to developing the underlying assets on the existing tools, we plan to introduce new tools for economic activists in new year, in which "debt securities" as a new financing tool and "License auctions" are but two.

Soltaninejad continued: "trades of debt security when launched would seriously open up the bottlenecks in financing businesses; thereby we will also observe the increase in

the liquidity of idle financial assets of the producers.”

By explaining that IME can also help to increase transparency by launching the license auctions securities and developing the market, he said: in addition, regarding paying more attention to customers' needs, new trading and settlement methods in the physical market will be introduced in the new year and by providing the possibility of conducting demand-oriented trades (tender-based) and by providing the possibility of performing multi-phase settlement in the transactions, some current needs of suppliers and buyers of commodity in IME will be met.

Easy Access of Producers to Raw Materials by Establishing Provincial Branches of IME

Former senior adviser to the president said: establishing IME branches in different provinces would lead to easier and cheaper access of consumers and producers to their products and raw materials.

Akbar Torkan, in an interview with IRNA, referred to the status of commodity distribution networks in Iran traditional market, and stated that there were always two intermediaries called “main distributors” and “middle distributors” among the producer and the consumer; this has been always taken into account as one of the main problems of transactions in the country.

He added, for example, a merchant who imports textiles is considered as a main distributor, who distributes it to an intermediary distributor, and ultimately, the intermediary distributor distributes it

among textiles vendors and brings it for people. By explaining that intermediaries are always placed between distributors and vendors to deliver the commodity to the final consumer, he added: this system in Iran has caused the commodity delivered to the consumer to be always higher than normal price. Accordingly, the gardener sells fruit at a rate of three thousand tomans, but the consumer should buy it at a rate of 10 thousand tomans. In the meantime, the major gain will be for intermediaries, and the gardener cannot earn much profit from its produce.

Torkan pointed to the arrangements made in the industrial system of the country and said: Recently, among the buyers and manufacturers, there are distribution companies that are responsible for feeding retailers such as shops and stores, which reduces intermediaries in the market as well as putting commodities at low rates in the final consumer's hands.

The former senior advisor of the president referred to the role of IME in the country's economy and regulating the market and explained: IME is a platform of the modern distribution system that can play a positive role in delivering commodities, especially raw materials at the real price to the consumer. He also said that one of the discussed issues in the IME is that the amount of supply be such that the retail consumers can easily buy the product from main manufacturer. This resulted in the steel market to have the offering volumes to be decreased to 22 tonnes.

Later on, the former senior advisor of the president emphasized on the impact of controlled pricing on the country's

economy, and said: the government decided to allocate foreign currency with the subsidized rate of 4200 tomans to importers with the aim of supplying commodities at cheap prices for people, but we observed that the essential commodities that were supposed to be imported with foreign currency of 4200 tomans in the country ended up to be mobile phones and cars.

According to him, importers imported cars or mobile phones to the country with the subsidized foreign currency rated 4200 tomans, while they were seeking to sell them at a free exchange rate to the customers. That's why the existing problems have not yet been resolved. Torkan added: currently we are witnessing unnecessary middlemen in

all markets with the destructive role of causing prices to go up with the gain in their own pockets not in those of the farmers.

The former senior adviser to the president, by explaining that the separate policies should be adopted for the supply of domestic and foreign commodities added that the origin of concern in the field of imports is the import of commodities into the country, whose conditions of production are provided within the country; import of such commodities into the country while imposing serious damage to the producer and rising unemployment leads to a large amount of foreign currency leave the country.



Production Boom by Offering Production Chain on IME / Energy Exchange Resolved to Offer Crude Oil on its Trading Board

Bahador Bizhani, the Vice Chairman of SEO in International Affairs of Foreign Investment said: "If the entire product chain is traded on the IME, we will see a transparent information chain in the country, and the government will no longer be concerned about the false prices of a part of the chain, and it can use statistics and detailed information to support a sector or entire production chain.

Last week for the first time in 1398 (2019), light crude oil of the National Iranian Oil Company (IRN), with a base price of \$ 63 and 36 cents per barrel, was offered on the export ring of the energy exchange.

The eighth phase of the supply of oil on the Energy Exchange was conducted for about one million barrels a day, when its trades remained without demand, and no customer was found to trade this commodity on the exchange. Seyed Ali Hosseini, chief executive officer of the Energy Exchange declared the case of this issue last week as "the high risk of oil trades on the energy Exchange," "issues concerning export warrants," as well as "transportation". Now, with respect to the low demand for crude oil on the IRENEX, the ministry of oil in a notification published the news of supply of one million barrels of condensate of Southern Pars on the export ring of Energy Exchange at a base price of \$ 67 and 85 cent per barrel. The terms of supply in this period are like the supply of crude oil. The of Paying of 6% prepayment in foreign currency is mandatory and buyers can use the foreign exchange mechanisms approved by the National Iranian Oil



Company to settle the trade and pay the remaining part of the price. Buyers can deliver the cargo up to four months after the transaction, and delivery of cargo in other areas is subject to approval by the National Iranian Oil Company. At this stage, a million barrels of condensate will be delivered in 35,000-barrel cargos.

Familiarity with new products in the IME is time consuming. Bahador Bijani, the advisor to chairman of SEO, told IRNA that not only in Iran, but also in the whole world it takes time to get consumers of commodities familiarized with the mechanism of supplying new commodities on an exchange. By explaining that the market situation was similar in the case of the bonds, he added: the derivatives trades rose after the acquaintance of shareholders and market participants with these bonds. Bijani pointed that one of the important reasons for the low oil supply in the energy market is that the market has been created after many years waiting and their growth like other commodities supplied on the IME or the energy exchange requires time.

This issue is one of the positive aspects of supplying this product via the Energy Exchange.

Customer Care on the Energy Exchange

By explaining that the customer care should be considered in the energy exchange, he added: First, we need to see that what customers, both domestic and foreign, are looking for, and that the exchange as a facilitator of transactions should seek to promote transparency in order to meet the needs of customers so

that the buyer can buy his/her product in the best possible way.

Bijani pointed out: customer care should be included within the framework of the law and the facilities available in the capital market, so that can help to boost oil trades on the energy exchange.

By explaining that before the energy exchange, offering of crude oil was conducted on the Iran Mercantile Exchange, the advisor to the chairman of Securities and Exchange Organization of Iran said that the performance of IME and Energy Exchange is acceptable," the IME is now one of the major commodity exchanges in the region, so that is in terms of trading value and IME's contribution to the gross domestic production (GDP), it stands out among the world commodity exchanges.

He added that the IME has made transparency in the market for metal products, petrochemicals, and petroleum products as well as agricultural products, the effects of which in the whole economy is undeniable.

According to Bijani, base commodities and intermediary commodities are generally traded on the IME, and these products are used in the production of other finished commodities, so that the transparency of the raw materials trades of the final commodities plays a crucial role in setting the final price of the produced product.

"If the entire supply chain is traded on the IME," he said, "we will observe the creation of transparent data on trades of commodities in the country, and the government will no longer be worried about the false rise of prices and it can support a sector or entire production chain by using reliable statistics and detailed information.

Energy Exchange Resolved to Offer Crude Oil on its Trading Board

In the following, the consultant to the chief of the Securities and Exchange Organization pointed to the plans for offering oil on the energy exchange and said: the decision was carefully reviewed and considerations have been negotiated from various perspectives. By stating that the use of capacities of the energy exchange for selling crude oil is a constructive step, he concluded that: We hope that with the provision of the necessary facilities, we will see the oil futures flourish on this exchange. Bijani added that the successive supply of oil on the capital market, despite the lack of the customer, is indicative of the resolve for this plan in our capital market.

Deputy Minister of Industry, Mine and Trade: IME does not Determine Prices, it is a Trading Platform

"Deputy Minister of Industry, Mine and Trade said: "Iran Mercantile Exchange is a platform to discover commodity



prices on the basis of supply and demand. Therefore, attributing growth or reduction in the price of a product to IME is theoretically a wrong conclusion, and everyone should realize that IME is a transparent trading platform."

Jafar Sargheini stated: "One of the IME's main functions is the price discovery of commodities on the basis of supply and demand mechanism, so that attribution of the increase or decrease in the price of a commodity to the IME, is theoretically a wrong conclusion."

According to Sargheini, the exchange does not determine the price, but it provides groundwork to record supply and demand of sellers and buyers of a product, and the price is discovered by competition.

Deputy Minister of Industry, Mine and Trade expressed: "The role of Iran Mercantile Exchange has been effective in creating the transparency and balance of the steel and metals market, especially in the recent crisis, and now transactions are ongoing favorably."

Sargheini said: "On the exchange, there are rules for market participants to trade based on them, for example, if it is announced that 60,000 tonnes of a commodity is going to be offered on the exchange, we should be careful that this supply does not have a drop in volume, leading to higher prices. On the other hand, we must also be careful to make sure that buyers announce their real demand, in order to eliminate the unrealistic price reduction on the market"



New U.S. Sanctions carries No Weight for Policy making in Iran's Capital Market

The chairman of Iranian Parliament Committee on Economic said: "New U.S. sanctions against Iran's economy are inefficacious, and Iran's capital market carries no weight for this new round of sanctions and threats by the United States."

Mohammad Reza Pour Ebrahimi said: " In the context of negotiation with Iran, Americans were endeavoring to gain new concessions in Iran, by sanctioning Iranian petrochemicals." Pointing out that all Iranian economic companies were subject to economic sanctions last year by imposing currency sanctions and faced with difficulties for currency transfers, he stated: "the petrochemicals have suffered from the problem of currency transfer since last year, and sanctioning the Iranian petrochemicals is not a new measure."

" Petrochemicals are private companies and they have found their means for sale, so sanctions do not affect them," he said. The sanctions on petrochemicals were a psycho-economic war to influence the behavior of the Islamic Republic of Iran in the negotiations. Sanctions against Iran have become fruitless. The head of the Economic Committee of the Parliament, referring to the fact that the sanctions on petrochemicals do not affect the Iran's economy and sanctions currently is inefficacious, added: "Up to now, Americans used all of their capability to sanction Iran's economy and it seems they don't have any new sanctions."

Pour Ebrahimi stated: "we examined the post-sanction stock indices, and realized that not only the stocks of petrochemical companies were not negated, but also the stocks of some of them have been bullish.

He added:"These economic indicators show that the capital market is not sensitive to new sanctions. Earlier, every time the United States started a psychological warfare, they had some effects on the Iran's capital market, but this time the capital market did not react to US actions."

The head of the Economic Committee of the Parliament expressed that we went through sanctions. So, we have difficult days ahead , however, we have to run the economy of the country efficiently, which is not related to US sanctions and hostilities.

Special Attention to Offering Base Commodities on IME

One of the ways to regulate the base commodity market is transparency in transactions, which can be achieved with the special attention to offering commodities on Iran Mercantile Exchange as one of the transparent economic elements of the country to balance the market and reduce turbulences. Hamid Reza Haji Babaei believes that a large part of the country's economic problems in recent months is related to internal management and decision making and we should not attribute all problems to sanctions. Today, we are also witnessing that in commodity market regulation a system of price control is still in place, which has been always a failure. The member of Plan, Budget and Audit Committee of Islamic Parliament of Iran said that we are in "The Year of Boosting Production" and in order to achieve this slogan, we should not take counterproductive measures such as adopting a price control policy for the producer. Haji Babaei added: "First of all, we must admit that in a non-transparent environment, it is not possible to support the domestic producer pragmatically, because in the absence of reliable statistics, the market regulation cannot be met, so that we first must provide transparency for economic activities." He added: "The second issue is the importance of monitoring and avoiding the price control policy. It has been proven in all global economies that the price control policy will lead to two market rates for the same product, resulting in widespread rent seeking which will blemish the manufacturer, at first hand." According to member of Plan and Budget and Audit Committee, price control propagates rent seeking and dealership in the economy. To avoid this, all the capacities of the parliament, the judicial system and the government of Iran should be used to improve the livelihoods of the public and enhance the booming of production. Haji Babaei said: "One way to prevent false prices and regulate the base commodity markets is to have transparency in transactions, which can be achieved with the special attention to offering commodities on Iran Mercantile Exchange as one of the transparent economic elements of the country to balance the market and reduce turmoils." The member of Plan and Budget and Audit Committee of Islamic Parliament of Iran emphasized that it is very difficult to support a domestic producer in a non-transparent, lacking statistical information environment, but today, using IME's trading statistics, officials can increase the supply and demand of commodities in the exchanges which will undoubtedly reduce current problems of our economy.

Solving Two Challenges to the Iraqi Market via Exchange

Hamed Soltaninejad, CEO of IME said: "In the past three years, following the investigation on the shortcomings of the Iraqi market, two serious challenges for Iraqi businessmen in trade with other countries, including Iran were identified."

Soltaninejad added: "The first challenge is the issue of "continuous supply" of Iranian products in the Iraqi market. In this regard, Iraqi businessmen or producers are not always sure of the continuity of the supply of a product and cannot accurately plan their production or consumption. The second challenge is the "product quality". Both challenges can be addressed by IME via providing a platform dedicated to Iraqi purchasers and traders in order to eliminate additional costs incurred by the intermediaries to the final consumers." He said that there are problems in the areas of settlement, clearing and foreign currenc

Iran-Qatar Trade Boost Potential via IME corridor

Chairman of the Iran-Qatar Joint Chamber of Commerce (IQCC) says modern trade through electronic and transparent platforms in the world markets is common practice so we can use the IME's infrastructure and mechanisms to facilitate trade with Qatar as well.

Adnan Mousapoor, chairman of the joint chamber of commerce of Iran and Qatar is of the opinion that trade with Qatar is by no means an opportunity anymore and it stands in need for a "competition", so we will have no recourse but to get engaged in a smart struggle with our rivals to seize our share of the market from this country. He maintains that Qatar enjoys high capacity to play the role of intermediary for Iran in global trade, having capability of covering most of transactions of the Islamic Republic of Iran. The chief of IQCC believes further, modern trade via electronic, transparent infrastructures is prevailing in the world markets, and likewise we can use trading platforms of IME to promote trade with Qatar.

You can read the full text of the interview taken by YJC news agency as follows:

Given the economic situation of the country and the existing sanctions, what are the IQCC's standpoints to promote export of Iranian commodities to Qatar?

There are two measures to take in order to lessen the impact of sanctions, one inside the country and the other one outside of our boundaries. With respect to the export sector particularly for Qatar, so long as we create ever-increasing obstacles, and enforce new regulations without true understanding of the condition under the sanctions, no problem would be resolved. For instance, I can refer to foreign currency repatriation contract, which was of no avail to our export, and shrank it instead.

To what extent is the Qatari counterpart prepared to embrace boosting of trade with Iran?

Some countries have favorable status due to geographical and cultural proximity to our country and Qatar, being no exception, enjoys good political ties with Iran. Once, we looked at Qatar as an opportunity; however, I hereby declare, as the head of the IQCC, that, that opportunity has gone. Now, we have reached "competition" era and anyone who is capable of investing in this country would win, biting a bigger chunk than the rivals would. Unequivocally, Qatar would adhere to realities when it comes to banking issue and it might not be able to do anything peculiar for Iran under the sanctions. Notwithstanding, Qatar's markets are still an attractive and suitable choice for the Iranian brands, and in the same way, governments and the private sectors of the two nations can work out and put into effect joint efforts.

You put the capacities existing for joint actions on perspective; nowadays, we are witnessing international transactions taken place in commodity exchanges, and a number of experts regard boosting interaction between the IME and Qatar among the attainable objectives having positive effect on bilateral ties of the two countries; is it a realistic attitude?

Yes it is. It definitely is feasible through developing required infrastructure, using capacities of commodity exchanges to expand mutual trade between Iran and Qatar. However, the first and foremost pre-requisites are shortening the procedures for exporting commodities and encouraging domestic exporters. Currently, Qatar is developing trade in the agricultural products sector, having direct access to Turkish and German traders, so we need to adopt measures to make commodity trading of Iran attractive, taking into consideration that linkage of exchanges of the two countries can be efficient in this area.

What is your working solution?

Issues can be resolved occasionally by negotiation between governments and at times through private sectors deliberation. As with boosting bilateral trade via IME, a few meetings must be held in order to examine the operational mechanism and to develop the necessary infrastructure before going through final phase of operation.

Are there chances for private sector traders of the two countries to trade on the IME platform without engaging the governments?

To prepare the ground in a realistic manner, we need first to establish a task force comprised of the representatives of the state and private sectors of the two sides; then, the advantages of trading via exchange platform must be identified. At the same time, collaboration of both exchanges can be put on the agenda of the joint economic commission of the two countries in order to pave the operational ground. Concluding my remarks, I should reiterate that, today, transactions are being implemented in modern and efficient modes, so timely and proper utilization of capacities and potentials of platforms like IME is not at all far from reality and access.

Equilibrium Occurs between Domestic Supply and Exports on the Iran Mercantile Exchange

Chief Executive Officer of the IME focusing on the importance of market equilibrium said to Gostaresh News that due to lack of transparency in statistics available in minerals market, there is no access to exact data on the amount of supply and demand of the domestic market for such commodities. Yet, on account of foreign exchange rates volatilities, exports of such commodities are very appealing to producers. That's where the IME can step in under article 37 of the law on Elimination of Production Barriers, and help for obtaining permits of exporting oversupply of mineral



commodities. Soltaninejad explained that the IME has been active as a venue to trade minerals for more than a decade. Within the last year there has been price volatilities, making export of such commodities really profitable to manufacturers. On the other hand, our domestic market is also in need of minerals and that's why we need to reach a balance to provide downstream consumers of minerals with their needs and export the oversupply. The IME as a transparent environment can resolve the issue so that we clearly know how much is to be supplied to our domestic markets.

He then mentioned that minerals are among the first commodities traded on the IME, commodities like iron ore, zinc and lead dust. Yet, due to price volatilities some mineral commodities stopped offering on the IME and some cut down on the amount of their supplies. Such trends have caused problems for the production chain. In the previous hijri year for example the IME attempted to offer iron ore for the domestic market and even we saw a few successful offerings, but as I said the price volatilities made export of iron ore much more appealing and led to intricacies as to our policies.

IME's plans for exports

As to the IME's export ring Soltaninejad added that we are ready to make the most of the IME's potentials to help producers export their products. Currently, The IME's export ring is active for some products including bitumen. He insisted that the IME is the best place to regiment domestic consumption and the export quota of minerals. Currently, we are lacking in a transparent system to reflect the statistics in this regard and the IME could play a crucial role to reach equilibrium between these two markets.

He elaborated on the mechanism and said that offering such products on the IME could be the best strategy to move towards a balanced condition as suppliers could find their permanent customers via continuous offerings on the IME and provide domestic consumers with their needs, which naturally come first. Afterwards, the oversupply could be offered on the IME's export ring. The biggest advantage is that, as times goes by, we come to realize precisely how much of such commodities are needed domestically and the share we can count on for exports.

Commodity Smuggling Resolved via Mechanisms Available on IME:

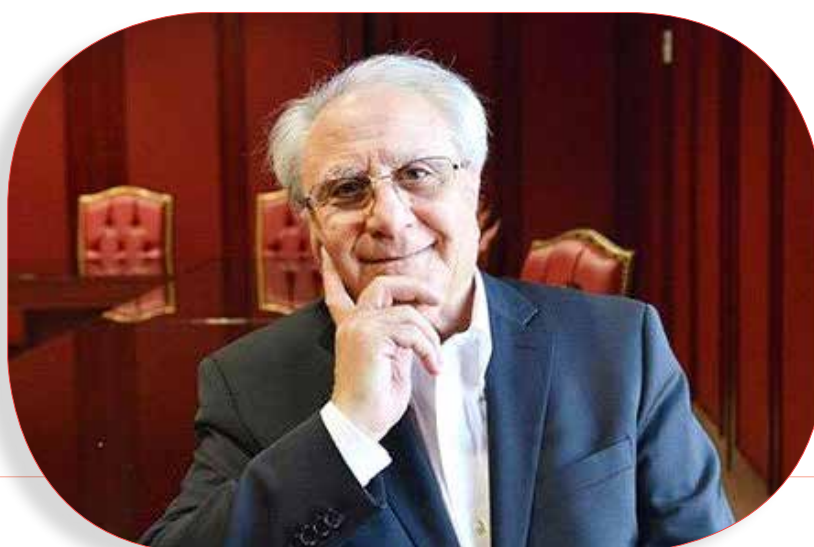
Vice-chairman of Iran-Afghanistan Chamber of Commerce, Industries and Mines stated: "The biggest problem of trade between the two countries is the smuggling issue, and the existence of a platform like Iran Mercantile Exchange can largely solve this problem and play the role of the antidote for commodity smuggling from Iran to Afghanistan."

Hossein Salimi said: "The Afghan market needs Iranian products and this potential should be used."

Regarding Iran's economic conditions and sanctions, the steps taken by Iran-Afghanistan Chamber of Commerce to improve the export of Iranian goods, the vice-chairman of Iran-Afghanistan Chamber of Commerce expressed: "Under Sanctions, one of the best ways to trade is to get in touch with neighboring countries. Trading non-sanctionable goods is allowed, and the best way for us is to increase our business exchanges with neighboring countries."

He added: "The other thing is that we may face difficulties for transporting our goods, for example, our shipping will be subject to sanctions, but we share borders with Afghanistan, which makes it easy to work with them. We need to have continuous economic meetings with neighboring countries, such as Iraq and Afghanistan, in order to increase the volume of trade with them, rather than exporting our goods to other countries."

The official said that development of trade with neighboring countries is one of the effective ways that Iran should make maximum use of it. We are looking for it and commodity



trading between us and Afghanistan has been brought up in the Iran-Afghanistan Chamber of Commerce. The structure of currency exchanges is proposed to the central bank, and we are negotiating with neighboring countries to find a solution such as barter in order to increase the volume of exports and imports. This approach is also appropriate for Afghans, since they no longer have to import commodities from distant countries, and of course, having the same language is also a great help for both countries.

Vice-chairman of Iran-Afghanistan Chamber of Commerce pointing to the possibility of using IME's capacity to increase market share and expand the trade between Iran and Afghanistan, stated: "The commodities that Afghanistan purchases from Iran, like all types of petrochemical products, are now being traded on the IME's trading floor. In this area, they are buying a lot of Iranian goods because our goods are cheaper than Turkey's and more favourable to the Afghans."

He added: "The negative point is the smuggling of goods, which will be surely resolved via exchange of both countries commodities on the IME's trading platforms."

Salimi added: "We are negotiating with the Ministry of Agriculture Jihad to reach an agreement under which we decide on how to take care of packaging and transportation for commodities

purchased by Afghanistan after being offered on the IME."□ Referring to the positive attitudes of Afghans towards the IME, vice-chairman of Iran-Afghanistan Chamber of Commerce said: "They need steel as we have a variety of high quality steel products, and regarding the transportation costs, it is also beneficial to Afghanistan to buy from us rather than, for example, from Turkey. Of course, Afghanistan now purchases steel from us, but on a small scale. If we reach an agreement on the trading of commodities through IME, we will witness an increase in exports. If these methods have not yet been operational, it is our fault and we must accelerate our activities and deepen our relationships."

Salimi emphasized "First, we have to reform the structure of our business, and then to initiate commodity trades between two countries. There is the possibility of exporting and importing goods between the two countries through the exchange. At a meeting with the Afghan ambassador, we declared readiness to supply all kinds of goods to Afghanistan, so that they are now thirsting for our products like petrochemicals, steel and automobiles and we need to increase our share of the market through mechanisms such as the Iran Mercantile Exchange."



Signing MoU between Basra Chamber of Commerce and Iran Mercantile Exchange

Concurrent with the visit of Iraqi Prime Minister, Adel Abdul Mahdi to Tehran, less than a month after President Hassan Rouhani's visit to Iraq, which reflects the determination of the two countries in implementing the agreements, a Memorandum of Understanding on cooperation was signed between the Iran Mercantile Exchange and the Basra Chamber of Commerce, in line with boosting bilateral trade between the two countries.

In order to facilitate commodity trading and create a transparent, secure market and reduce the risks and costs of trade between Iran and Iraq, Hamed Soltaninejad, CEO of Iran Mercantile Exchange and Majed Mowzan, head of Basra Chamber of Commerce, inked the agreement.

Solving Two Challenges to the Iraqi Market via Exchange

Hamed Soltaninejad, CEO of IME said: "In the past three years, following the investigation on the shortcomings of the Iraqi market, two serious challenges for Iraqi businessmen in trade with other countries, including Iran were identified." Soltaninejad added: "The first challenge is the issue of "continuous supply "of Iranian products in the Iraqi market. In this regard, Iraqi businessmen or producers are not always sure of the continuity of the supply of a product and cannot promptly plan their production or consumption. The second challenge is the "product quality". Both challenges can be addressed by the IME via providing a platform dedicated to Iraqi purchasers and traders in order to eliminate additional costs incurred by the intermediaries to the final consumers."

He said that there are problems in the areas of settlement, clearing and foreign currency that can be resolved through mechanism of the commodity exchange trading platforms and financial transactions.

The CEO of the Iran Mercantile Exchange added: "Launching a joint commodity exchange with Iraq is one of the measures that provides commodity exchanges with a systematic and competitive structure to render continuous supply, price discovery and financial clearing services with ease.

Improving Iraqi Production by Exchanging Goods through IME

Majed Mowzan, head of Basra Chamber of Commerce, said: "The economic condition of Iraq is special, as the country's budget is spent mainly on importing commodities. Hence, to develop production and industry, by incorporating commodity trading through the IME we could promise better production orientation in Iraq."

The head of Basra Chamber of Commerce added that although there is not much goods to be exported from Iraq to Iran, conditions should be provided to export the goods and materials to Iraq in a desirable manner and achievable through IME's mechanisms.

Mowzan stated: "Iraq is aware of the high economic power of Iran, and given the geographical, cultural and religious proximity of the two countries, Iraq's priority for trade relations is Iran; hence, we ask the Iranian economic and capital market authorities to enter Iraqi trade, and we will also provide the ground for their presence."



Price Discovery for Petrochemicals on a Daily Basis Using Certificates of Deposit

Chief Executive Officer of IME said that in the last hijri year there was a record for trades of petrochemicals on IME since establishment. We are about to run strong cash trades for petrochemicals,



create a daily mechanism for price discovery of such products using the instrument of certificates of deposit and finally pave the way for derivatives market of petrochemicals.

He continued that the IME sold a record amount of 4 million tonnes of petrochemicals and chemicals last year. Downstream market participants of petrochemicals can meet their needs through various methods of direct, cooperative and certificates of deposit, which this final one was not put into practice.

He insisted on the fact that without a strong and deep spot market, it is impossible to run a functional derivatives market. Market participants of such products were exposed to high risks of price volatilities. That's why we decided

to build up a strong spot market, establish a mechanism for price discovery of petrochemicals using certificates of deposit and then move towards a well-structured derivatives market, especially for highly consumable commodities like PVC; a plan which was not finalized in the end.

He explained that this plan is not going to be limited to petrochemicals and will be extended to copper for example. We are about to define certificates of deposit on copper as well, because we are one of the main producers of this mineral in the world although we are not on the top of the list.

At the end of his talks Soltaninejad made a distinction between middlemen activities and fund raising for commodities. He approved of the fact that no one will like destructive activities of middlemen, but certificates of deposit will increase transparency of trades and financing and the process of delivery for commodities after trades.

Three Companies Ready to Run Certificates of Deposit on Gold Bar

Physical market development manager of the IME said that three companies, Zarshouran, Zarbag and Takht-e-Soleiman, are ready to participate in launching certificates of deposit for gold coins on the IME.

In the meeting, in which there were representatives of the above-mentioned companies and also experts from Lotus Parsian investment bank, Amin investment bank, Saman bank and Saderat bank. There were also

officials of the IME including director of market development and economic studies, manager of physical market development, and the manager of financial affairs department of the IME.

First, manager of the physical market of the IME talked about the history of running certificates of deposit in the IME on gold coins, saffron and pistachios since 1394 hijri year. He then elaborated on the criteria for

selecting the underlying asset for launching this instrument, which included imperishability, high liquidity, oversupply of the underlying asset in the market, standards of the underlying assets and price fluctuation of the underlying asset.

Another factor is that the underlying asset should not be subject to controlled pricing by the government of monopolies in supply and demand.

He added that in the hijri year of 1397 the IME saw an increase of 1,255% in the trading volume as compared to the previous year, and in 1396, witnessed an increase of 185 % to the year before that, which speaks of a bullish market for this security.

He then continued that there are a few

pre-requisites to launching certificates of deposit on gold bars: listing of depository vaults on the IME for keeping gold bars, enough gains for the vaults to participate in the project, logical trading fees, assessment costs and warehousing for the customer, providing the possibility of issuing bills by real and legal persons in certificates of deposit, provision of a mechanism for tax exemption of such securities and also VAT.



The director of market development and economic studies then added that the most serious problem in running certificates of deposit for gold coins and gold bars is the value added tax in case that the trades will end in physical

delivery. Although, under the law of "developing financial securities", certificates of deposit are tax exempt, there are some vague points when it comes to cases of physical delivery, which we hope will be resolved in the not too distant future.

The other problem he stated is that investment funds are not allowed to purchase certificates of deposit; an issue to be eliminated as

the IME is trying to obtain the permissions for certificates of deposit on gold bars to be purchased by investment funds, as such funds will potentially play a crucial role in market making of these securities.

He called for the cooperation of all companies that produce and mine gold in running trades of certificates of deposit on gold bars in the best way possible.

In view of that, attendees put forward their viewpoints, vague points and the challenges involved including depository vaults needed for keeping gold bars, issues companies have in putting up collaterals, assaying methods and consensus on specific standards for gold bars. It was also stated that we will be in need of making use of the experiences of other exchanges around the world in trades of gold bars, market making for securities, costs of laboratories and the risks exposed to banks as the holders of depository vaults. Another point to come to an agreement on was said to be the minimum weight of the gold bar to be traded as the underlying asset for trades of certificates of deposit.

Converting Certificates of Deposit to Tokens

The manager of economic studies and risk assessment of the IME spoke of converting certificates of deposit securities to token in the near future

Javad Fallah said to Bourse News that the IME will be making use of blockchain technology to change certificates of deposit to tokens.

He added that this provide us with the possibility of doing some trades within a blockchain system in a way that some assets are convertible to others.

He explained that there are some tokens already available in the market along with other cryptocurrencies. New tokens introduced to the market are capable of being traded by other coins or tokens.

Fallah continued that in case the IME is able to convert certificates of deposits to tokens, such certificates will be tradable 24 hours a day. That's how new participants can enter the capital market and do whatever trades they like. This means that IME will have a more developed and deeper market in the future.



Running Credit Trades on IME via Launching Commodity-Based Debt Securities

Upon launching debt securities, customers interested in doing their trades in credit on the IME can sell their commodities here and receive the price beforehand.

Javad Fallah, manager of economic studies and risk management said to Bourse News that debt securities are among IME's plans to meet the needs of those customers who are interested in credit trades.

According to Fallah, through such securities, customers can convert their debts to securities and sell them on the IME. For example, a person who is to receive 1 billion tomans from a purchaser can convert this amount of money to securities and receive the amount of money in less than a second upon selling them on the IME.

He added that we have conducted enough studies and investigations on the issue and have asked the SEO for the required permits and their approval to run the instrument.

The advantage of such instrument Fallah explained is that when a customer sells his commodity on credit cannot receive his money before the maturity date, but using debt securities, the amount of money which is to be paid to him then, could be converted to debt securities, sold on the IME and be in his pocket in a fraction of a second. That is to say, his money is not locked till the maturity date of the credit contract and can be absorbed from the market via this instrument beforehand.

Fallah believes that such possibility makes the mechanism of supply and

demand more appealing to businesses and helps the market get deeper and more developed.

Specifications and Advantages of Commodity Funds for Investors

Chief Executive Officer of Iran Mercantile Exchange said in an interview that those who are interested in investment on a regulated commodity market, commodity funds are a good option as they are based on commodities as underlying assets.

He explained that people can give money to managers of such funds within a transparent atmosphere and the managers can invest their money on their behalf on commodity markets.

Soltaninejad continued that such commodity funds absorb capitals to regulated and official markets and control them in a way that prevents unexpected volatilities in the market.

the IME CEO added that there are currently 4 funds running on IME with the total trading value reaching up to 4,000 billion rials, which is a good capacity for absorbing capitals.

He said that these funds are specifically focused on gold and one of their merits is that they cover one of the most important risks of gold physical market, which is fake gold.



The other advantage is that such commodities cut down on trading fees and, due to the transparent market they establish, have got the potential to automatically make other markets follow them.

As to the IME's futures market on gold coins Soltaninejad mentioned that we are to restart this market once again within a new framework, after brainstorming sessions with all market participants, so that national interests are taken into consideration as well.

Soltaninejad spoke of no specific date as to this issue, but promised that it will be run in the not too distant future.



Ensured Sales of Exporting Bitumen via IME's financial Instruments

As Twelve premium contracts of export bitumen 60/70 of Jay oil refining company are scheduled to be offered next Sunday in IME, the managing director of the complex enumerated the objectives of utilizing such trading instruments as large-quantity sales of the product, and also realization of the sales plans of the firm.

Majid Azami, managing director of Jay, said in an interview with Tasnim news

agency that the main objective for offering the export bitumen of Jay in the form of deliverable premium contracts in the IME has been to sell large quantities of the product. He was quoted as saying that the Jay Company had been already engaged as consumer and buyer in this type of contract for procuring its VB requirement from the IME.

Azami added "we schedule to sell our products through premium contracts of IME in our upcoming offering next week in order to realize our sales plan in the best manner for the forthcoming months".

The CEO of the Jay oil refinery, stating that the premium contract is a frequently used and well-recognized trading instrument across exchange markets, said that the contract can be employed for selling the products in the months to come. In addition, it offers significant help to producers to ensure the future sales level and ensures consumers of a reliable supply source for their requirements for the future months. It provides risk hedging solutions as well. to conclude his remarks Azami said: "using the reliable and safe financial instruments of the IME is seen as an advantage for producers. By using such contracts both as buyer of VB and seller of the bitumen, Jay will no longer have concerns about production and sales of its products in the future, therefore, we have been given an appropriate opportunity for planning as a result."

Trading Certificates of Deposit on Cumin Seeds will be Launched Soon

Alireza Naserpour announced that the certificates of deposit on cumin seeds will be launched on Iran Mercantile Exchange. In this method, cumin seeds

holders, with determined qualitative specifications, can deliver their product to the warehouse listed by the IME and receive a Certificate of Deposit.

He added that holders of certificates of deposit, through completing the application forms in brokerages, can sell their product on the exchange or store it in the IME's warehouse for a certain period of time.

Advantages of Certificates of Deposit on Cumin Seeds

Market Development and Economic Studies director of Iran Mercantile Exchange, regarding the most important benefits of a deposit certificate for cumin seeds market participants, said:

“Lack of physical delivery and product handling, significant reduction in overhead costs, the possibility of continuous trading without product handling as well as ensuring product quality and listed warehouse's responsibility for the quality and quantity of the product are the benefits of the certificate of deposit for cumin seeds market participants.”

Nasserpour stated: “The possibility of selling the product at a real price, especially by increasing the trading volume of certificates of deposit for cumin seeds on the exchange, standardizing the acceptable product in the warehouse and increasing the commitment to the product standard between buyers and sellers, the online dissemination of price information and trading volumes and international levels and the possibility of direct international buyers are other

benefits of certificate of deposit for cumin seeds on the IME.”

According to him, it is possible to fund producers with certificates of deposits for cumin seeds if banks accept the certificate of deposit as collateral, given that the legal frame work is available on the IME.

He stated that producers can deliver their product with determined quality specifications announced by IME to the warehouse of Kimia Bazr Firm in Torbat Heydarieh in Khorasan Razavi province, and receive warehouse receipt or the certificate of deposit.

Trading Details

Nasserpour said that the certificates of deposit can be traded from 9:00 to 15:30 on Saturday to Wednesday.

Market Development and Economic Studies director of the Iran Mercantile Exchange on the process of physical delivery of commodity said: “To get the product, the buyer or his/her legal representative, having obtained purchase approval of the product from the broker, should go to the warehouse and, after authentication by the warehouse, check the product and control and confirm its quantity and quality and pay warehousing charges after taking final delivery.”

He stated that the maximum time for storage of cumin seed in the warehouses is up to the maturity date of the warehouse symbol, and if the product is not delivered before the due date, the provisions of the instructions for acceptance of the warehouse and the issuance, trading and settlement of the certificate of deposit approved by the Securities and Exchange Organization (SEO) will be implemented. Also, the minimum amount of purchase or sale of cumin seeds is one kilogram.





Offering Commodities on IME is a Necessity for Agricultural Sector

Members of the Iranian Parliament Committee on Agriculture, Water and Natural Resources maintain that in the near future, we must move from the traditional trading in agricultural sector to the modern trades of commodities through the Iran Mercantile Exchange; they say this is a necessity for organizing the agricultural sector.

The Government Commission on Economic Affairs has just agreed to trade the country's maize and feed barley through the IME with the objective of "increasing transparency of trades", "increasing satisfaction of farmers and buyers of these products " and "reducing the financial burden of the government."

The Need for Informing and Educating Farmers

Ali Vaghfchi, member of Iranian Parliament Committee on Agriculture, said: "Today, there are plenty of problems in the agricultural sector including high production, smallholder farmers, numerous brokers, fully traditional transactions, lack of transparency and lack of estimation of annual demand for production and planning for production.

He added: "In the current situation, fortunately, the government has a positive attitude towards the exchange. The government's new policy of supplying maize and feed barley via the IME will bring a lot of positive outcomes to farmers and will lead to the structural reform of the agricultural sector. Meanwhile, it is crucially important to inform and educate farmers about the benefits of the commodity exchange.

Emphasizing the need to facilitate the direct supply of products and the farmers' presence in the IME's market, the member of the Iranian Parliament Committee on Agriculture, stated: "The first advantage of supplying agricultural commodities via IME is to inform farmers of the real price of their products. If the farmers, directly or through the related cooperatives or warehouses, can offer their products on the exchange, they will be informed of the actual market prices, and thus the farmer will receive a genuine profit."

Ali Vaghfchi said: " In addition to a significant reduction in the role of intermediaries, we are gradually abandoning traditional transactions with no guarantees, so online transactions will develop this sector and increase productivity."

According to this member of Iranian Parliament, It is obvious that with this population and

production volume, we cannot traditionally manage the market and in order to develop the sector, transparency of data and modern exchanges are regarded as essential elements. Therefore, IME should be recognized among farmers so that it becomes a demand from the farmers' side to offer their products on this market.

He said: "The lack of an estimate of the annual demand for production and planning is also a major shortcoming of the agricultural sector, which will be largely removed by focusing on the IME, due to the exchange's statistical transparency."

In the end, he argued: "On the other hand, because of the possibility of monitoring transactions, price fluctuations are logical and predictable and far from intermediation, which will also be in the favor of the buyer, farmer, and economic policymakers in the market."

Today's difficult conditions; Threats or Opportunities?

In this regard, Ali Mohammad Shaeri, a member of the Board of the Committee on Agriculture, said: "We in Parliament strongly agree to supply agricultural products via the exchange because this is an important step towards transparency and confronting monopoly and rent seeking."

He added: "by supporting the IME, we will provide conditions to ensure perfect competition between all customers and suppliers, so prices will be competitively discovered, which will provide benefits for both the producer and the consumer identically."

Shaeri stated: "We demand the IME to convert the existing threats in the economy, especially in the agricultural sector, into an opportunity. These threats are misleading price fluctuations and traditional non-transparent modes of trading. Of course, this has its roots in the government's attitude towards market regulation, but we hope that by concentrating on the offering of products on IME, we will witness high speed of trading and supplying of the raw materials required by the producers, as well as real and fair prices of the economy."

The board member of the Committee on Agriculture concluded: "The offering of agricultural products on the exchange means that farmers can collect their debts earlier, and the problem of delayed payment of their money will be eliminated, which will enhance farmers' incentives for production."





Growth in Iran's Share of Trades of Red Gold via Iran Mercantile Exchange

In order to increase Iran's share of global saffron trades and become the global price reference, international standards should be defined in the field of quality and production of saffron, and according to these standards, the product should be placed on the IME's trading board. More than one year has passed since the first supply of saffron on the IME, with the aim of securing the interests of producers and increasing the export capacity of this product, according to the "IME's Report".

Iran, with production of 85 percent of world's saffron is standing in the first place and could therefore aspire to the pioneering role in the international trades of Red Gold. But in order to globalize these trades, there must be a transparent platform along with international standards. That's while the commodity exchanges are now the only way to discover fair prices and to promote transparency in the world. Therefore, the entry of saffron into the IME seems to be an important step towards increasing the share of Iran in global markets; as before that, the price of saffron in the country was subject to the speculators' opinion, which had a lot of difference with world prices. But by offering and discovering the price of this valuable product on the IME, the way for international and organized trade of saffron was paved.

Satisfaction of farmers and cooperatives from entry of saffron into the IME

In this regard, Nazar Afzali, representative of the South Khorasan in the Islamic Consultative Assembly and a member of the Agricultural Commission of Majlis said: "since the most important prerequisite for participation in the IME is the transparency, the supply of saffron on the IME led to eliminating unreliable and insecure transactions for farmers. He explained that before the presence of saffron on the IME, there was little profit from saffron yields for saffron-growers, since one of the benefits of commodity

advantages of entry of commodities to the IME.

The member of the parliament's agricultural committee, stating some points about the presence of Iran's saffron on global markets, said: since Iran is the largest producer of Red Gold in the world, farmers and saffron producers have to determine the status and price of the Iran's saffron in the global market. Hence, manufacturers with the standardization and observation of hygienic practices in the production of their products can observe customer rights on global markets with the development of a modern model, in which case buyers will welcome this product.

Introducing International Standards to Farmer

On the other hand, Ali Hosseini, producer and member of the Saffron National Council, said: "If we want active presence of Iranian saffron in the world and international markets, we must provide infrastructure for this issue." He identified one of these infrastructures as defining international standards for farmers to produce high-quality, competitive products. As a result, the IME has created the necessary platforms, and there will be a good opportunity for the export of saffron to the world from Iran; because through IME, prices would be transparent, and the farmer hopes that he can sell his product under various conditions and at fair prices and at the right moment.

This saffron producer has also considered another way of accelerating the internationalization of saffron trades in the IME by raising the level of farmers' knowledge and said that for the more

exchange is to remove unnecessary middlemen. Initiation of saffron trades on the IME shortens the production-to-consumption path of Red Gold. Hence, by removing unnecessary middleman, farmers and saffron growers earn more profit.

He also commented on the satisfaction of saffron farmers and cooperatives on the supply and trade of saffron on the IME and said: "At meetings with representatives of farmers in Khorasan province, by expressing their satisfaction with the presence of saffron on the IME, they showed their tendency and interest toward the continuation of this trend. According to Afzali, the other strength of trading saffron on the IME is the possibility of selling this product before harvest through futures trades of saffron. In this way, the farmer will not suffer the risks for pre-sales of his product. Because in traditional mode, he had to pre-sell his product for cheque and promissory notes but with the presence of the IME and the possibility of futures trades, this risk was also eliminated. In general, since both seller and buyer are needed to put up collaterals with the IME, trading in this market will have the least risk for the parties of the transaction.

The Role of Farmers in Determining Prices

From the other side, Ali Ebrahimi, a representative of Markazi province and another member of the parliament's agricultural committee, by pointing out the benefits of the IME to boost the production of saffron, said: one of the main functions of the commodity exchanges is the fair price discovery based on supply and demand, and this is accounted as one of the main

active and intense participation of saffron farmers and producers in the IME, a provision should be made, so that they can also be present on the commodity exchange without intermediaries.

At the end, Hosseini by explaining that, unlike other products such as pistachio, saffron merchants are limited in the world, he said: by having 90 percent of the country's saffron production, we can claim that we put our heart and soul on saffron more than any person in the world. Therefore, the experiences of our colleagues in this field can be effective in promoting the best trades of saffron in Iran and the world.

IME Assists Small-Holder Farmers of Saffron

Deputy Minister of agriculture, Hasan Shirzad mentioned the plans to develop trades of agro-products on IME. He said that last year there were measures to organize trades of saffron and support small-holder farmers of saffron through launching relevant instruments.

He added that saffron in Iran has been revolving around a retailing system of sales. That's why it has been suffering issues like lack of transparency, low prices at harvest time, fake and unhealthy saffron with no brands and unfair prices.

Hence, the added value of saffron trades was in the pocket of those used to buy it from farmers in bulks. Moreover, the traditional saffron market of Iran was an uncompetitive market but with an upward trend which was so volatile. The market lacked strategic industries and there is also negative competition among active merchants of saffron.

He continued that the drying technology of saffron in Iran is very insufficient and under-developed. Furthermore, more than 95 % of saffron in Iran is harvested by hand and due to various layers of middlemen in this market, the benefits of this product is not in the pocket of the real producers, especially as far as the fair price discovery of saffron for exports is concerned. Yet, with the arrival of saffron on IME's market, such shortcomings are to be eliminated.



IME's contribution in setting a national standard for saffron

Pointing to the fact that IME has been able to eliminate the problems of saffron market, he mentioned that we are in need of registering companies in our target markets so that we can fixate the national standard for saffron. IME has been a great help in this regard. Another solution for farmers is options trades on saffron for them so that they have the opportunity to sell part of the harvest on IME. It's a right which could be exercised but it's not an obligation. This right could be even sold before maturity on IME's secondary market.

59 active companies in Iran's saffron market with no proper place in its global market.

Concerning the fact that Iranian saffron is mostly sold in global markets in filaments and in bulk and there is no integrity in the production chain (production, supply, processing and export), there are 59 active companies in this market which has been never able to find the position they deserve.

He added that the Central Organization of Rural Cooperatives has been making efforts to organize and regulate the value chain of saffron which include farmers, buyers of saffron strands, domestic and foreign processing companies, real purchasers, wholesale networks inside and outside of Iran and other entities like the exporters of medicinal herbs. He insisted that we needed to attach a research and development sector to this chain.

A reliable market to the benefit of real producers

Deputy minister of agriculture explained that IME, with the aim of improving saffron market has launched certificates of deposit, futures and options contracts on saffron along with the physical market of saffron on IME in order to lower the risk of trades for farmers on the one hand and to increase saffron market participants on the other to give it enough depth so that saffron could be offered according to globally-recognized standards.

In fact, offering saffron on IME introduced Iranian saffron as a reference price and not only gives more depth to its domestic market but also IME will be a venue for promoting the branding of Iranian saffron on a global level.

Currently, thanks to IME, saffron is offered and traded based on the fundamentals of supply and demand and its price is discovered through a fair mechanism. With modern financial instruments, there will be room for competition, market regulation and supervision with no latency, which all result in an organized market for this product. This way, the real producer will benefit from it.

Certificates of deposit are also another opportunity for farmers to store their produce in warehouses authorized by IME and sell the certificates at the right time.

Another good point is that upon receiving the saffron a team of experts analyze it and store it with the analysis attached to it. This way, all the products are stored according to IME's standards based on a consensus between all the relevant entities and authorities.

Certificates of deposit make this market more liquid

The other merit of trading saffron in certificates of deposit is that they help the market increase its liquidity and farmer can put the receipt up as collateral with banks to raise funds. In the not too distant future, with the listing of more standard warehouses in IME,

even small-holder farmers can also deposit their produce there and sell it on a competitive market. In view of that, the Central Organization for Rural Cooperatives is interested in this financial instrument and until now, there has been two warehouses listed on IME in Mashad and Torbat Heydariye with the possibility of more of them to be added.

Farmers Gained Power against Saffron Brokers/

Issuing 3,000 Trading Codes in Torbat Heydarieh

A saffron market expert evaluated as favourable the performance of the saffron futures market over the past year, and spoke of the farmers' resistance to sell commodities to middlemen at low prices through transparency in prices via Iran Mercantile Exchange. Regarding the effect of saffron future market on the commodities transactions, Gholamreza Karimi said: "Launching these futures contracts over the past year has helped farmers to refuse to sell their product to brokers at low prices, as the IME's transaction have provided transparency in pricing mechanisms for the producer.

He added: "Using IME's structure, the producer can also manage his annual sales throughout the year; so that, based on the capacity created in the warehouses listed by IME, when the price trend is bearish in the traditional market, the farmer can deliver his product to IME's warehouses and sell his saffron at real price. Conversely, if market prices are bullish, the farmer can receive his product and sell it in the free traditional market. So, the relationship between the traditional market and the exchange is balanced, and the traditional market players who formerly considered the exchange as their rival, have gradually become familiar with the benefits and functions of IME, and today they are using this platform."



Exchange is not detrimental, It is beneficial

According to him, after a year of launching the futures market, the market participants believed that not only IME is not a disadvantage for the traditional market, but also it is a potential and win-win game for the market and its actors.

Predicting Growth in Expressing Gratitude to IME by Farmers

Saying that in the new harvesting season in this year, more farmers and producers are expected to offer their saffron on the IME, Karimi stated: "Considering the benefits that the exchange has brought to saffron farmers in the previous year, we expect to witness growth in expressing gratitude to IME by farmers. In this regard, several meetings are held in Torbat-e-Heydarieh to familiarize producers with the benefits of trading via the exchange in order to avoid the past price fluctuations and damages of the traditional market through this market's mechanisms and trading instruments.

We have 3,000 Trading Codes

He reported that more than 3,000 trading codes for saffron farmers in Torbat Heydarieh are active on the exchange system and said: "This number includes saffron farmers and

market traders, and this number could be increased by presence of the public and other actors in the exchange, leading to more job creation in the saffron production chain.”

The saffron market expert pointed out the possibility of forecasting prices in the futures market for the upcoming months and said: “In order to further development of the futures market and providing the chance of trading in this market by farmers, we need to improve the level of training of the farmers on the benefits of IME's futures and options contracts.” He emphasized on the role of media as an important factor in the development of such trades and luring of idle capitals to the IME's agricultural market and said: “Khorasan Razavi Province has the highest rank in producing saffron, pistachios and cumin seed in the country and people can get information from the prices of these agricultural products today through trading boards of the exchange.”





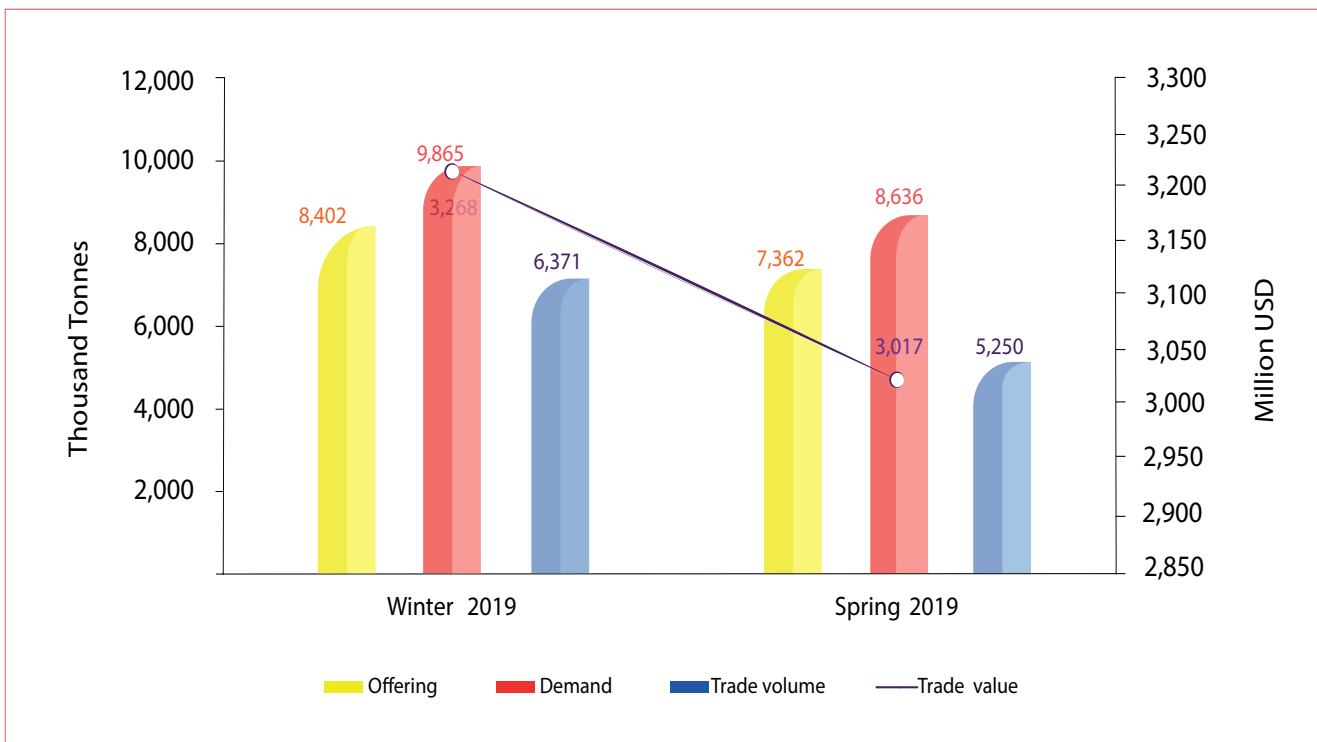
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An Overview of IME's Physical Market

Within the first quarter of 1398 Hijri year (21 March, 2019– 21 June, 2019), IME saw trade of a total 5.2 million tonnes of commodities on its physical market, the value of which stood at 3,017 million USD. The figures show a downward trend as compared to the fourth quarter of the last year with an 18 percent decrease in trading volume and an 8 percent decline in trading value.

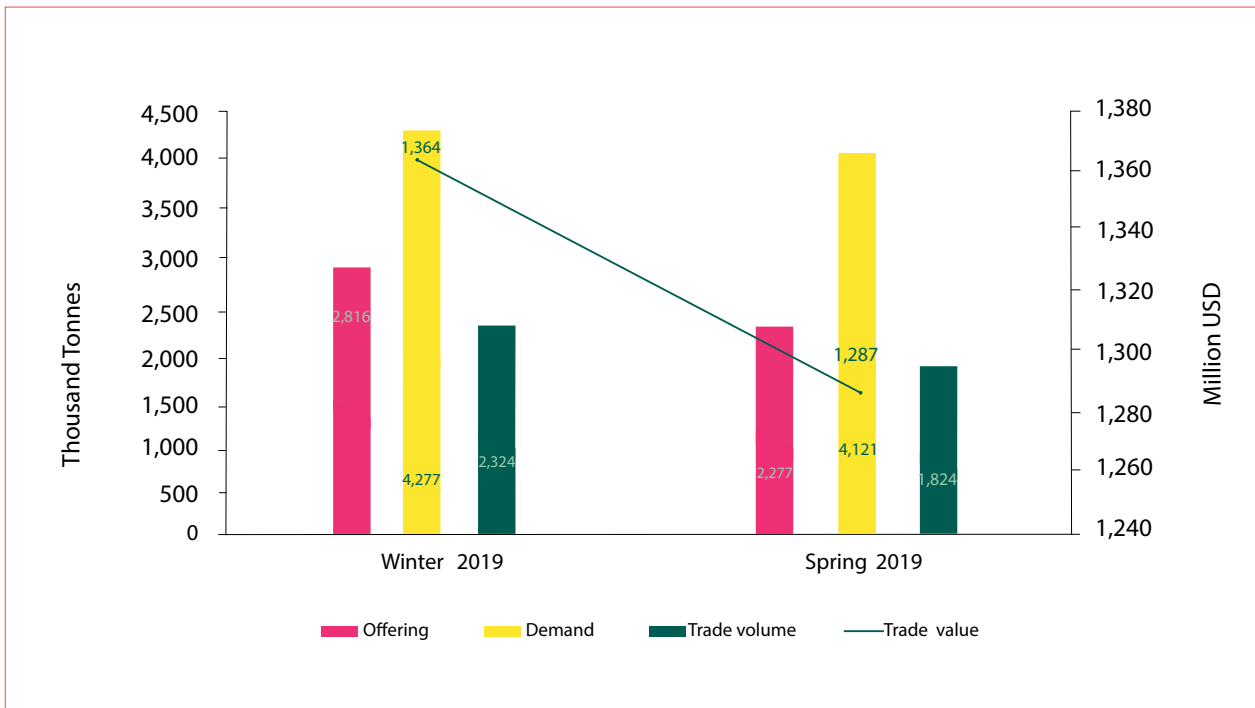
This fall in volume and value of trades within spring is first and foremost rooted in the New Year's holidays of the Iranian year in spring. Furthermore, good export opportunities in winter 2019 and high domestic demands on the verge of the Iranian New Year enticed producers to buy large amounts of raw materials; hence they had enough of them stored to run part of their production during spring as well.



Industrial Products

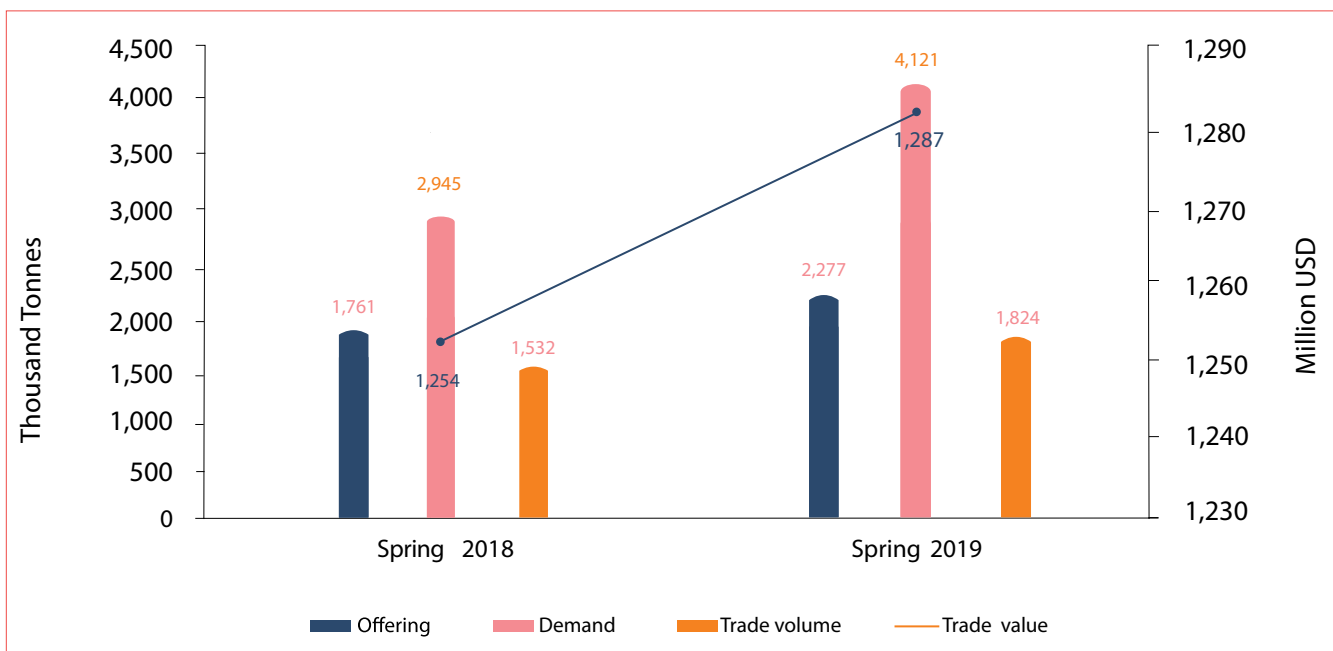
The industrial trading floor of Iran Mercantile Exchange witnessed a trading volume of 1.8 million tonnes valued at 1,287 million USD in the first quarter of 1398 Hijri year (21 March, 2019– 21 June, 2019), showing 22 and 6 percent of decline in volume and value respectively, as compared to a 3-month period before that. Determining the minimum volume of supply by the Ministry of Industry, Mining and Commerce for steel products and some aluminum and copper products led to continuous supply and control of artificial demands.

The decision was primarily made due to the lower prices of such products in the domestic market compared to foreign markets, which had resulted in rising demands for these products. Now, the issue has been resolved and domestic producers have access to enough raw materials and their needs are met on the IME.



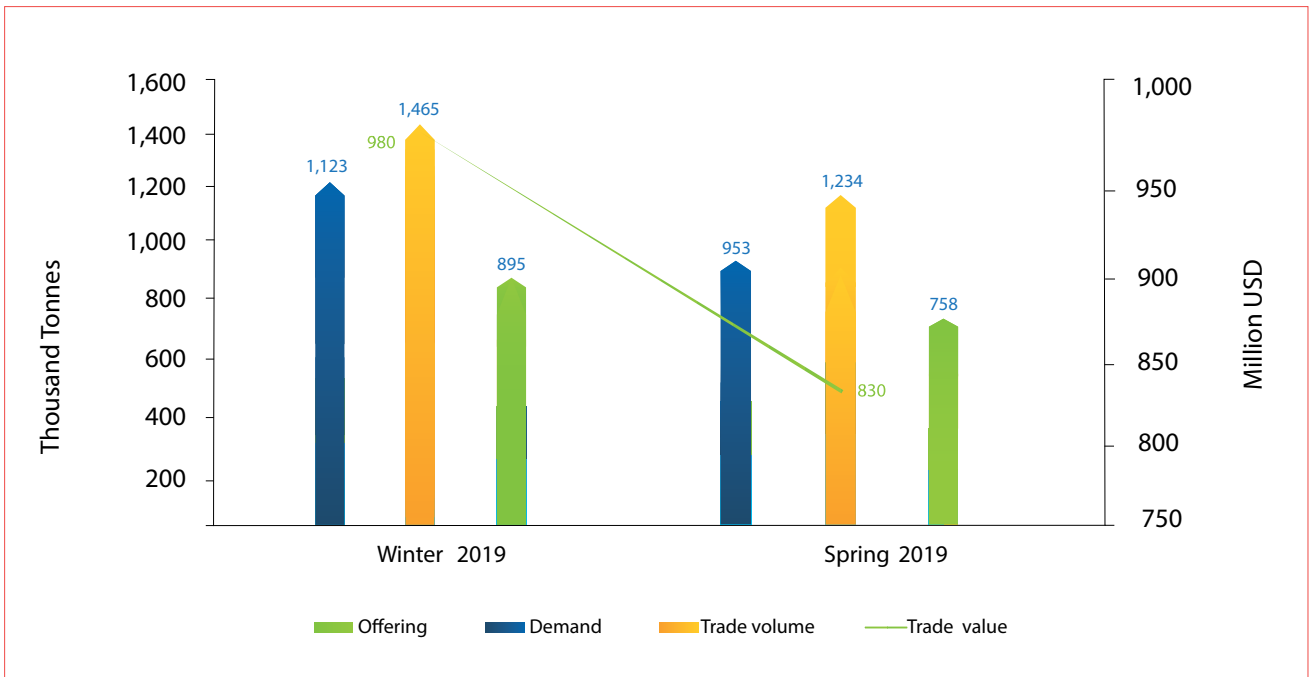
Statistics of IME Business

Moreover, comparing trading volume and value between the first quarter of 1398 Hijri year (21 March, 2019– 21 June, 2019) and the same period in the previous year reveals that IME saw a 19 percent growth in trading volume and a 3 percent growth in trading value.



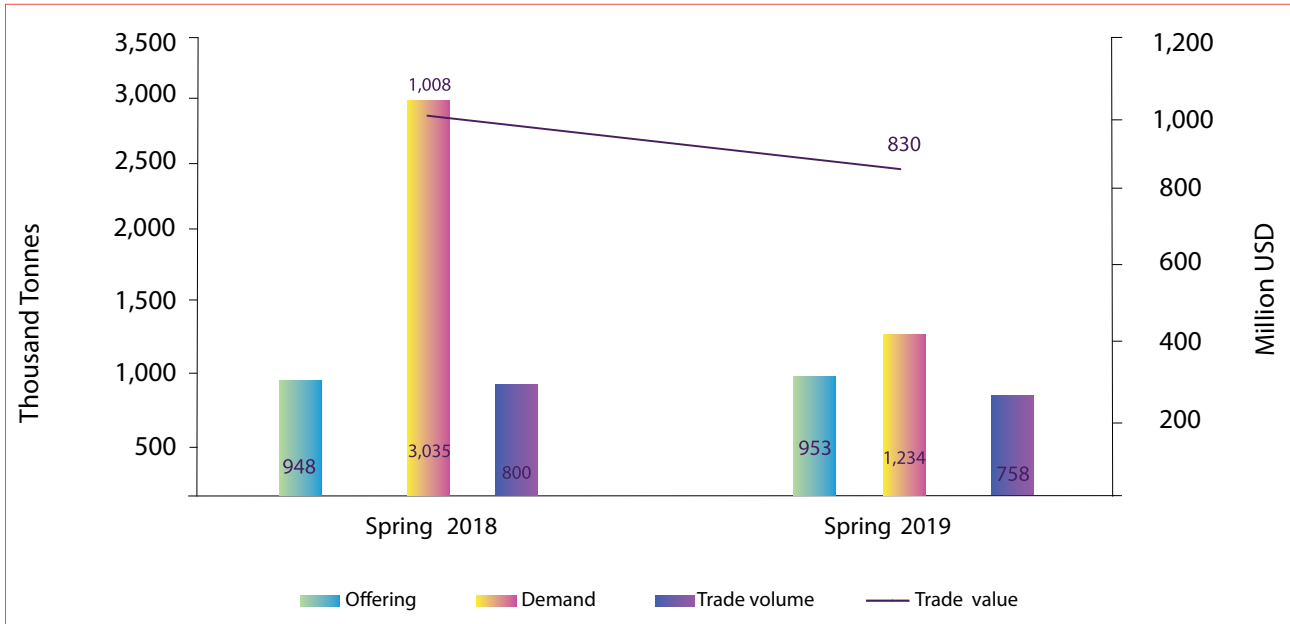
Polymeric Products

In the first quarter of 1398 Hijri year (21 March, 2019– 21 June, 2019), volume and value of trades on IME’s physical market for polymeric products stood at 758 thousand tonnes and 830 million USD respectively, witnessing a decline of 15 and 15 percent in trading volume and value, respectively, comparing to the 4th quarter of the previous Hijri year. In the first quarter of 1398 Hijri year, the market for petrochemicals and polymeric products was more balanced due to the fact that petrochemical products prices were approaching free-market prices as a result of the reduction in the difference between NIMA exchange and that of the free. And as shown in the graphs, the volume of demand has dropped significantly during this period compared to the first and fourth quarter of the previous year. Of course, due to the shrinking gap between the IME’s and the free market prices, and eliminating artificial demands from the market, also, as a result of rising prices and lackluster demand in the market, the trading volume has decreased.



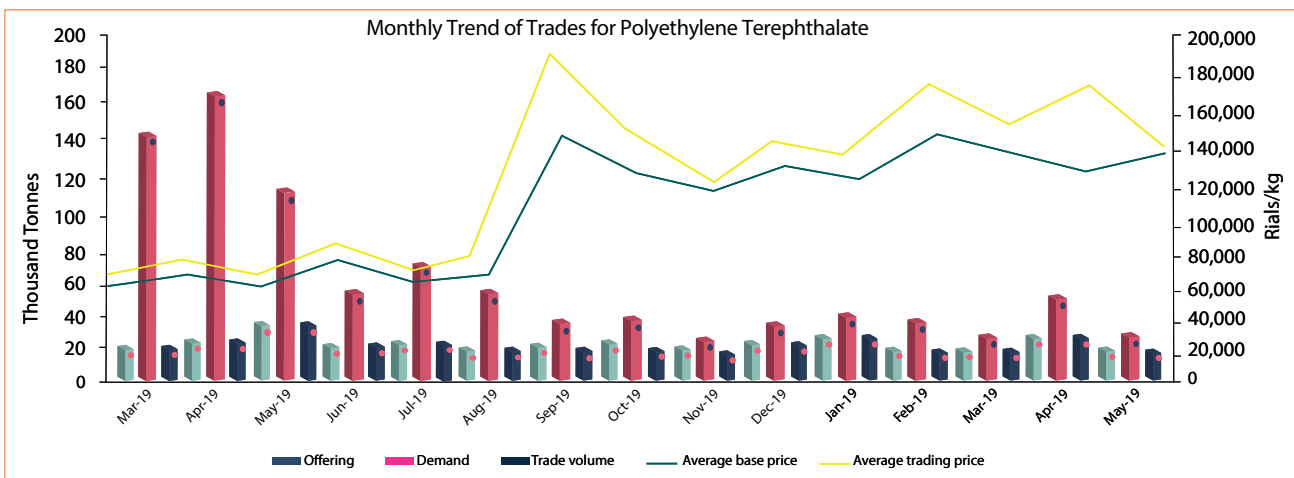
Statistics of IME Business

Moreover, comparing volume and value of trades between the first quarter of 1398 Hijri year (21 March, 2019– 21 June, 2019) and the same period in the previous Hijri year reveals that IME saw 5 and 18 percent of decline in trading volume and value, respectively.



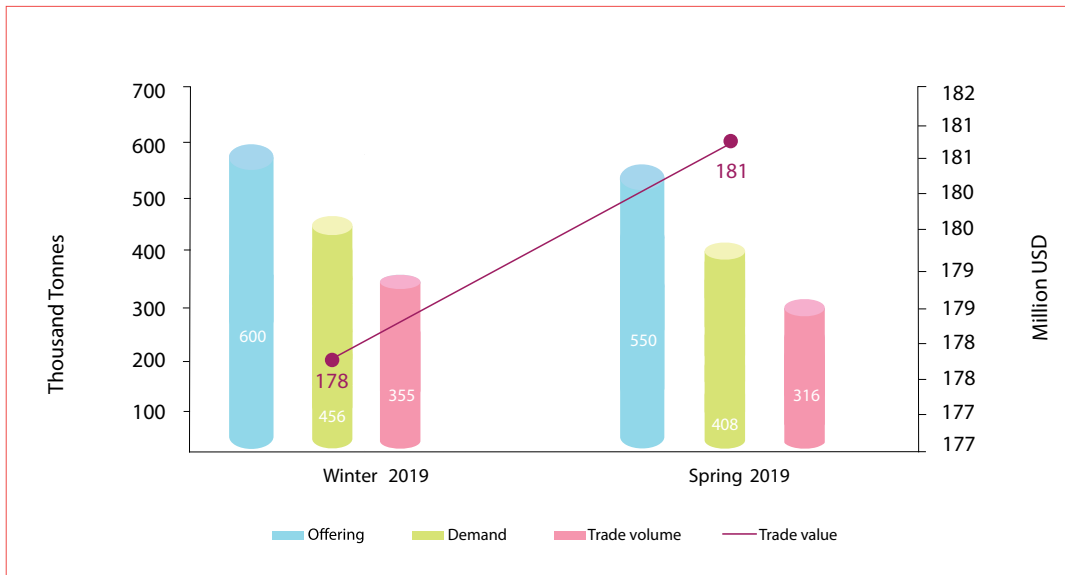
Polyethylene Terephthalate

The polyethylene terephthalate (bottle grade) is one of the commodities that have been exposed to severe fluctuations since the beginning of volatilities in the currency market. The product market was roughly balanced in June this year.

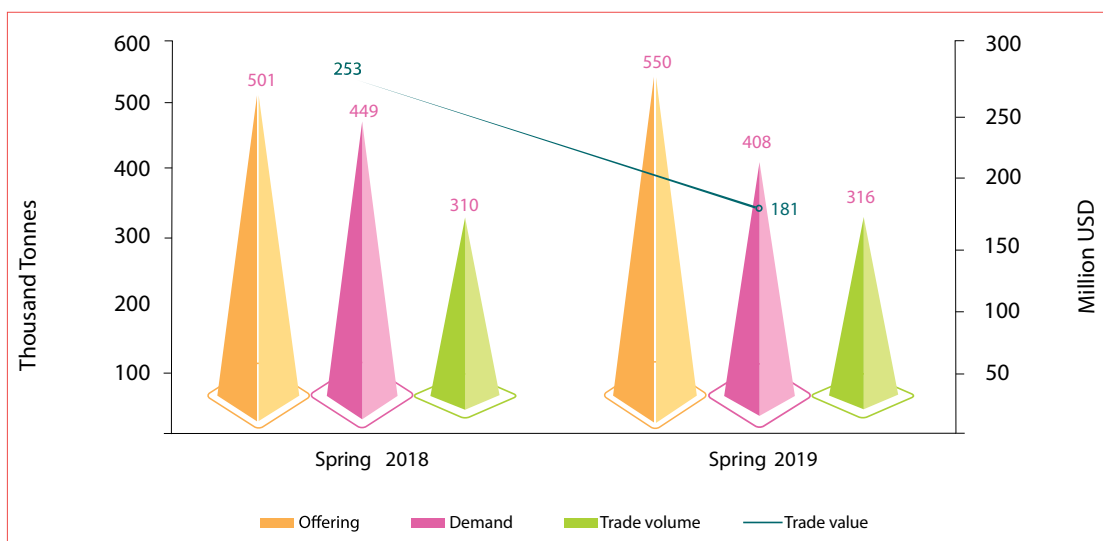


Chemical Products

Within the first quarter of the current Hijri year (21 March, 2019– 21 June, 2019), IME traded 316 thousand tonnes of chemicals valued at 181 million USD, showing 11 percent decline in trading volume and 2 percent growth in trading value, in comparison to the fourth quarter of the previous Hijri year (22 December, 2018– 19 March, 2019).

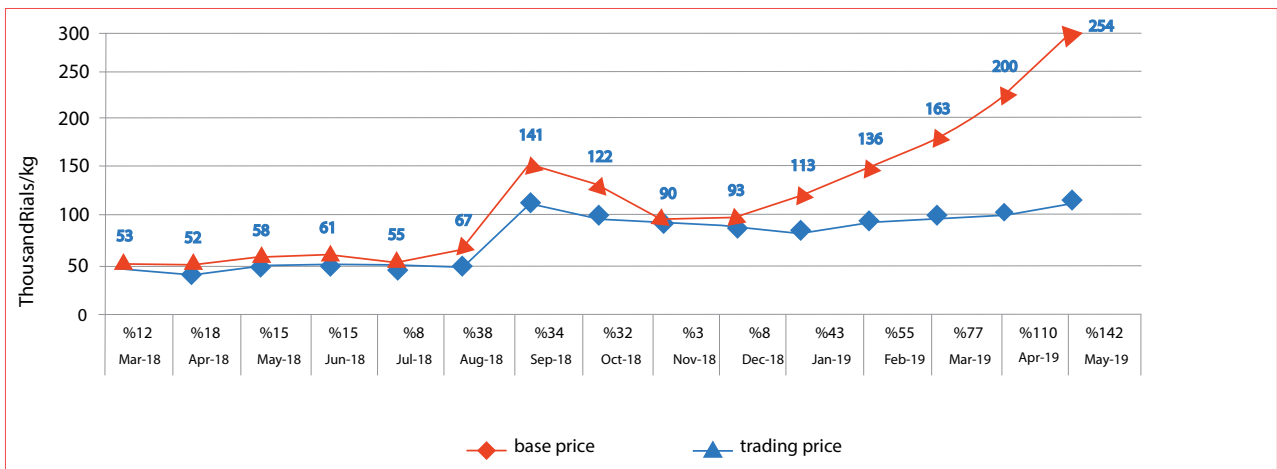


Whiten the same period in the previous Hijri year (21 March, 2018– 21 June, 2018), trading volume of chemical products shows 2 percent of growth and the trading value witnessed 28 percent of decline.



2-Ethylhexanol

Due to yet high levels of competition over 2-ethylhexanol despite the IME's measures to do otherwise, there seems to be no remedy but to import this product and increase the offering volume. In fact, there is enough demand to justify imports of this product for offering on the IME's board. It's worth noting that in 1397 hijri year the IME sold 53,702 tonnes of this product valued at 6.6 million dollars.

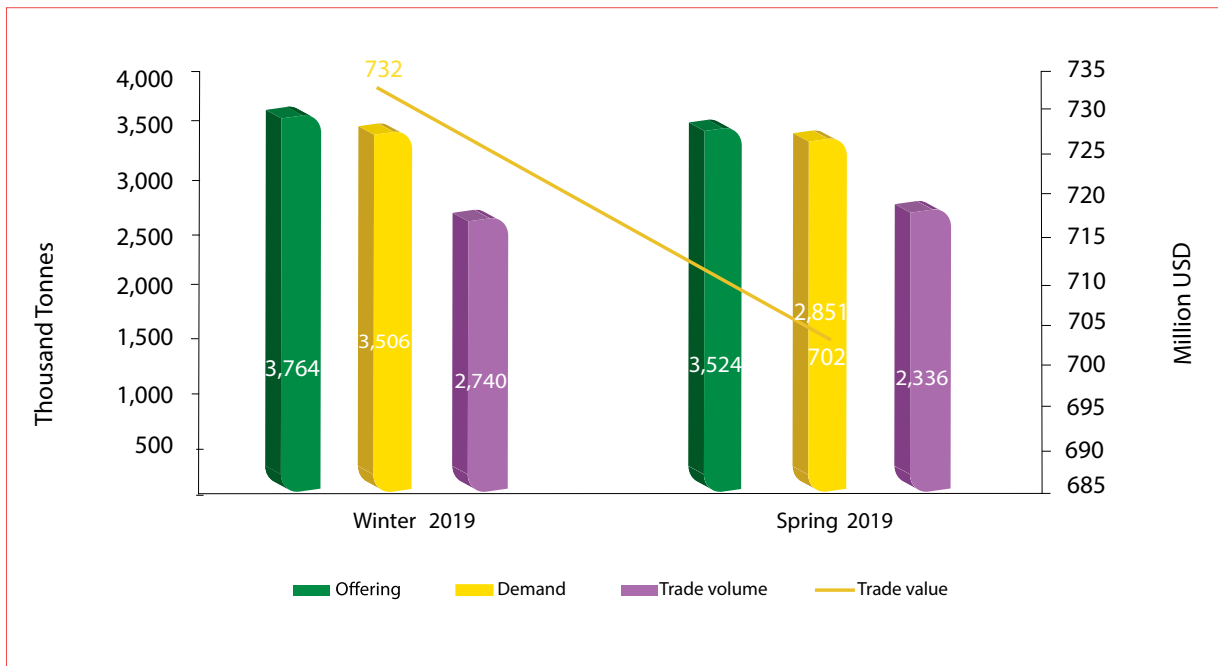


Oil Products

Within the first quarter of the current Hijri year (21 March, 2019– 21 June, 2019), there were 2.3 million tonnes of oil products traded on IME in total, including bitumen, vacuum bottom, lube cut etc., valued at 702 million USD, which showed a 15 and 4 percent decline in trading volume and value, respectively, as compared to the fourth quarter of the last Hijri year (22 December, 2018 – 19 March 2019).

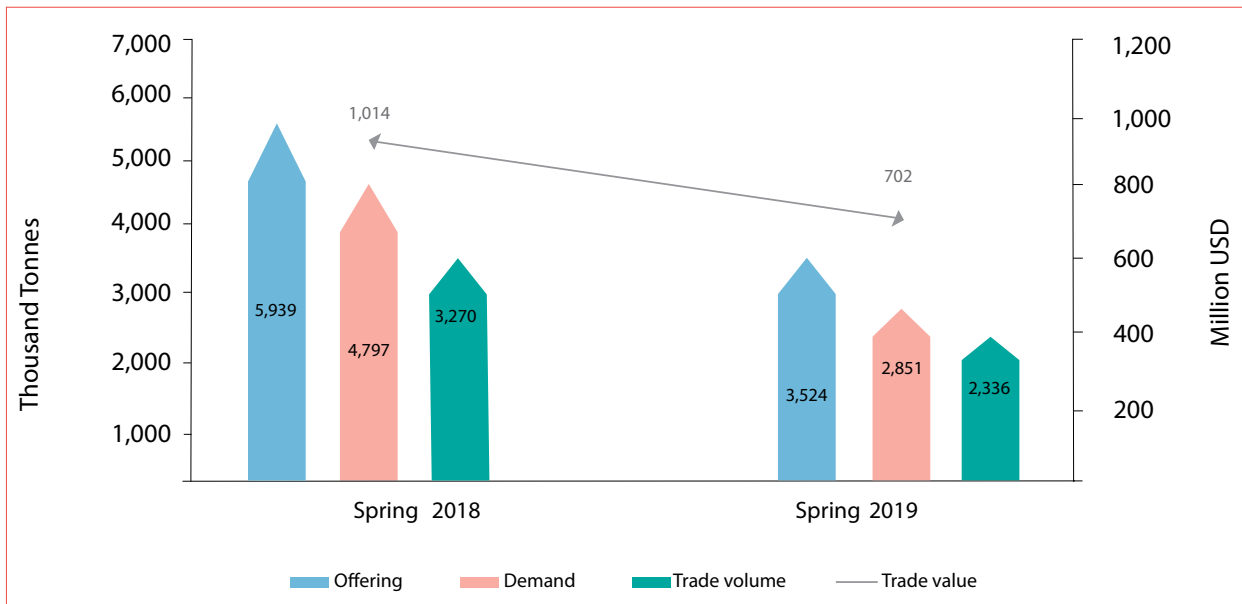
The decrease in the volume of transactions in the oil products sector in the spring of 1398 Hijri compared to the fourth quarter of 1397 Hijri is mainly due to a 400 thousand tonnes decrease in trading volume of bitumen, because of a seasonal decline in demand for this product. Also, the growth of about 64 percent of the trading value (in Rials) despite the decrease in volumes in the spring of 1398 compared to the same period of the last year was often due to the increase in the dollar exchange rate during this period.

One of the most important developments during the first quarter of 1398 Hijri year in the oil products sector is the trade of premium contracts on bitumen products by Jey Oil Company in IME’s export ring for the first time in the Iran Mercantile Exchange. These contracts were traded after last year’s successful launch of premium contracts for VB feed stock by Isfahan Oil Company.



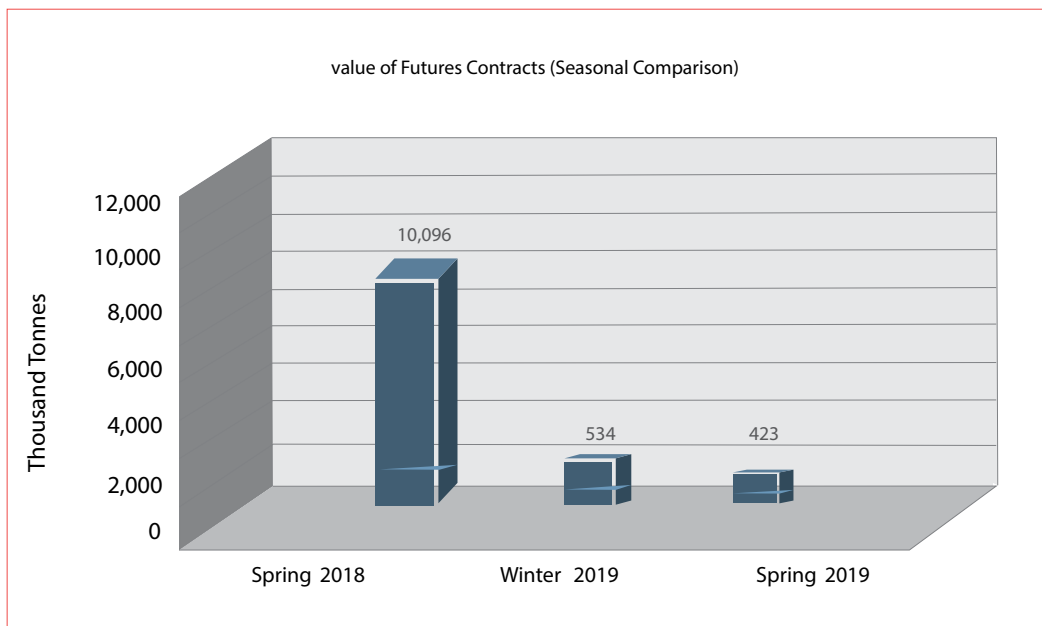
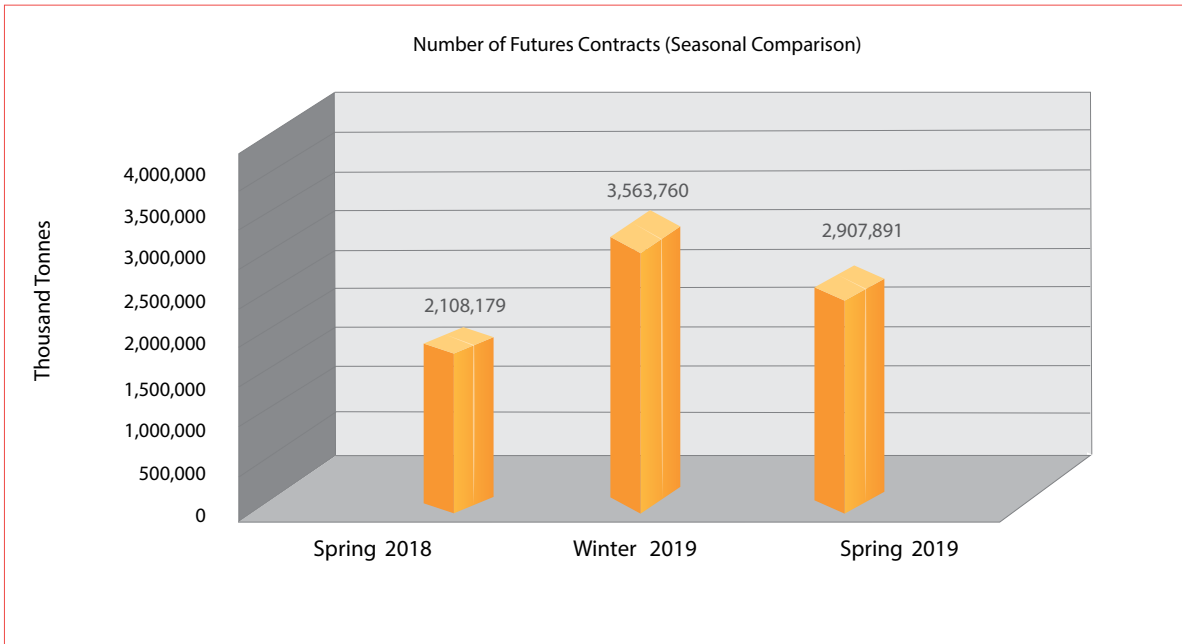
Statistics of IME Business

The figures for this period compared with the same period in the previous Hijri year are 29 and 31 percent of decrease in trading volume and value, respectively.



Derivatives Market

Within the first quarter of the current Hijri year (21 March, 2019– 21 June, 2019), IME traded 2,907,891 saffron futures contracts valued at 423 million USD, showing 18 and 41 percent of decline in trading volume and value, respectively, in comparison to the fourth quarter of the previous Hijri year (22 December, 2018– 19 March, 2019).



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