

Spring 2016, Vol. 4

IME

Quarterly

Iran Mercantile Exchange Quarterly Newsletter

IN THE NAME OF GOD

IME Quarterly

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Spring 2016, Vol.4

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Editorial Post

The Islamic republic is willing to take its interaction with foreign countries to a strategic level in order to reorganize and strengthen its trade and economic ties with them and to open doors to foreign investment institutions to explore the potential of Iran's market based on mutual interest and to compete for their share of this market. In the nature of things, Iran Mercantile Exchange (IME) as one of the pillars of the country's capital market takes center stage in preparing the groundwork for the surge in burning desire from the outside world to reap the benefits of countless opportunities in this untapped hotbed of business activities. However, IME is taking prudent and vigilant steps to ensure it is acting in conformity with the guidance offered by the regulatory body, Securities and Exchange Organization (SEO), which is in turn



in compliance with approaches Iran has towards foreign policy and international economic patterns.

With major changes today's world has gone through like the British voting to leave the EU, lots of equations have been altered and surprisingly things have got heated, leaving policy-making officials all over the world with half-hearted decisions. Yet, as easing of sanctions has boosted confidence in economy for Iranians, IME is following its previous plans which in a nutshell would be designing and implementing solutions for financing trades. If all goes well, this will help create jobs and shore up production sector.

Along with IME's measures, there will be the pivotal role of the banking sector which is inseparable from IME's goals getting materialized. After years of being isolated from the global banking network, due to sanctions, Iran's banking system is in dire need to get connected to interbank payment systems, providing IME and other Iranian market players with cross-border transfer services. It raises a big question that how much faith IME can put in agreement talks underway in terms of banking reconnection. That's another reason why IME is considering pliable strategies capable of modification in their course of implementation. Nonetheless, IME sees the prospects of future promising and is doing everything in its power to prepare the infrastructures needed to realize its mission. You will find the evidence that IME is up and running, paving the path towards success vigorously in this spring quarterly which is the 4th volume of a series aimed at providing the readers, who are mostly IME's beneficiaries with the latest events, changes, achievements, operations, financial instruments, performance, market data and statistics of IME within a three-month period as of 20th June 2016 up to 20th June 2016. IME's editorial team hopes that the information in this issue will be helpful to you.



CEO's Post

IME, Embodiment of Competitive Economy

Commodities markets historically have had tremendous economic impacts on all nations.

There have been wars throughout history with their roots in the shortage of critical commodities while oversupply can have a devastating impact on a region by devaluing the prices of core commodities.

As commodity exchanges trade a vast array of commodities in the modern world, their might could be viewed as

proportionate to their ability to create, manage and facilitate complex trading systems. Also their reputation and reliability are critical underpinning to secure the trust of investors, traders and suppliers. In view of that, all IME's efforts, in terms of development policies have been geared towards designing new solutions in order to promote modern approaches of trading commodities. I believe that IME's prosperous future lies in







expanding into international markets. Hence, while observing the obligations of Sharia, we need to devise instruments and implement infrastructures which are compatible to global trends and procedures of trade.

However, IME is only one of the pillars of Iran's capital market and the capital market is in turn only one of the decision makers in the economy of the country. To materialize IME's goals, one of the most important steps is to be taken by the parliament. We are in the dire need that parliament pass a law to make it binding for strategic commodities to be offered on IME, on one side, as a means of preventing price volatilities and disruptions in their production, and the initial offering of import commodities be carried out on IME, on the other hand, to fight against dumping and the harm it causes to domestic production. IME plays an unparalleled role in structural transparency of the economy and expects the parliament to take measures against corruption and make it too costly for market players to get engaged in non-transparent activities. Only under such circumstances IME will be able to fulfil its main functions including fair and efficient price discovery, providing financing facilities and hedging services, and setting benchmarks at a regional or even

global level for commodities with relative advantages.

In line with Iran's policies to attract foreign capitals to the country's capital market and to promote foreign investment in Iran's economy, regarding its lucrative untapped opportunities, IME has been striving for a long time to launch the futures market for foreign currencies which, on the condition that other entities involved cooperate with IME, will be the best way to hedge against the risk of changes in foreign exchange rates and to receive financing facilities from beyond the borders of the country. Another measure which is in close relation to this is IME's plans to promote its export ring based on which IME is thinking of mechanisms to give market players enough incentives to get involved in this market. None of these will be plausible unless IME expands into the global market. That's why one of IME's main missions is to initiate ties with global exchanges all over the world and to prepare the groundwork for implementing international standards for all services it provides. Among other activities of IME with regards to foreign investment and financing facilities are issuing commodity-based securities, Parallel Salam contracts in foreign currencies, forfeiting in foreign currencies and currency-based commodity





funds. As commodity exchanges can prove instrumental in trading commodity-based securities along with their activities in the spot market, IME was also focused on securitization of trades during the last year. We believe that it will provide both the real sector and the financial sector of the economy with the opportunity to interact with each other and work shoulder to shoulder in the hope of mutual benefits. In addition to that, IME has also launching commodity funds on the agenda which, combined with the rest of its activities, will lead to a bullish market and a more efficient economy.

Among the greatest achievements of IME are implementing Article 33 of the Act of Increasing Productivity of Agricultural Sector regarding the Guaranteed Price Plan replacing the Guaranteed Purchase policy for Maize and Barley for the first time (which is about to be extended to more agricultural products), launching certificates of deposit for gold coins and issuing Parallel Salam Contracts for seven commodities which resulted in about 200 million dollars of financing facilities for producers, a 180-percent increase in the value of IME's newly-established financial market.

Last but not least is the big challenge that faces IME as it goes

along with its activities, duties and functions.

Transparency and reliable data dissemination are the fundamentals of a successful market with the prospects of attracting foreign investments. Needless to say that non-productive intermediary practices, increasingly non-transparent activities and corruption are major threats to a healthy economy. To eliminate such trends, IME has been struggling to produce reliable information, render transparency to transactions, provide the groundwork for competition, provide security and reduce risks, and promote the regulatory mechanisms on transactions.

This has caused some challenges for IME, as those involved with old institutionalized structures feel that they are in danger and resist transparency.

IME is, however determined to eradicate corruption and non-transparent activities step by step so that there will be only room for legal and transparent practices in the market. IME is even trying to incorporate the activities of those that IME consider to be non-productive into the legal procedures of the market. We hope that one day we will have a productive intermediary sector in our market which contributes to a more liquid market instead of disturbing its balance.



Introduction to IME





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

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

Enjoying the state-of-the-art technology, full-electronic trading floor, fully electronic derivatives market, low latency and efficient trading system, and unmatched sound and fast settlement-delivery mechanism, the IME has been able to provide a transparent, competitive marketplace where investment needs and trade requirements of a nationwide range of market participants and foreign entities are met in the best manner. The scope of the exchange services to the industry producers to offer their products ranging from agricultural, oil and petrochemical as well as metals and industrial products to the petroleum and oil-related products has made it a world-class and viable market rendering

Trading Floors IME has two main trading floors as following

1. Local Trading Floor

Place: Tehran

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

2. Export Trading Floor

Place: Kish Island (Persian Gulf)

Trading Groups: Metals and Minerals, Oil and Petrochemical, Agricultural Products
Listed Products and Commodities in Different

services to the individual and institutional suppliers and buyers at internationally certified level. Having in place spot market alongside with derivatives market especially the futures contracts has brought about a robust mechanism for the trade counterparties and clients to sell and purchase their industry requirements. The exchange has provided risk management services to the market. This service helps market participants manage their risks and take part in the prompt delivery process and at the same time take

Markets of IME

Various products and commodities are listed and traded in IME which are categorized in three classifications:

Spot Market:

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

Derivatives Contracts (from different groups of products)

- Gold Coins
- Cumin Seeds
- Soybean Meal
- Gold Bullion

■ Steel Products

■ Maize

Secondary Market (from different groups of products)

■ Non-transferable Properties:

include the real estate and properties of various usages and applications such as administrative, commercial, inhabitable and agricultural lands and terrains. The prerequisites for trading such properties are subject to approval of the offering Committee of IME.

Transferable Properties

■ Those listed commodities which couldn't be traded in the spot pit of IME due to suspension or delisting, and their offering sellers can offer them again in IME.

■ Other commodities or underlying assets approved by the SEO

reverse positions in the futures contracts in order to hedge against the adverse market movements.

Complying fully with the rules and regulations of not only Iranian capital market but also the global standards and as a self-regulated entity, needless to point at the Securities and Exchange Organization of Iran (SEO) as the regulatory and supervisory body of the Iranian capital market, IME actually serves a broad spectrum of members and beneficiaries from the public and private industries

through to retail investors. IME has always been the cynosure of the market as a price setter based upon the logic of supply and demand. With recourse to different mechanisms, IME is deemed as a touchstone for the market transparency; and this fact, by and large, has contributed to the betterment of policy-making in realm of commodity markets, leading to a decrease in the expenses of domestic and international trading, while hedging the potential risks, and an increase in FPI.

Interview with Mr. Mansour Yazdizadeh, Chairman of IME

Interview with Board of Directors

Custodian Deposit Receipt (CDRs), An Important Milestone in IME's History
IME's Annual General Meeting (AGM) will be held in July and the last year is an indication of the company's efforts to develop new instruments, perhaps being one of the priorities of Iran in economic transition from traditional to modern. In line with that, Mr. Mansour Yazdizadeh, Chairman of the IME, believes that the most significant measures of the IME over the last year were developing financial instruments in IME, including standard parallel forwards SALAM contracts, Custodian Deposit Receipt (CDRs) and implementation of Article 33 of the law of "increasing agricultural sector productivity" and maintains that due to its large-scale application and its potent force, the Custodian Deposit Receipt (CDRs) could be considered as one of the milestones in IME's performance over the last year. According to Mr. Yazdizadeh, the IME is a place for transparency and price discovery through supply and demand correlative functions; under such circumstances, producers, are accountable to their shareholders as they sell their products at a reasonable price, while, at the same time, they can benefit from various instruments provided in the market. The chairman of the IME emphasizes that the IME, by facilitating and regulating the trading processes between suppliers and buyers has restored a kind of business confidence in industrial companies and has proved to be playing a pivotal role in the national economy. Meanwhile, IME has institutionalized a mechanism which automatically leads to the elimination of intermediaries and eradication of corruption in the trading market.

How do you assess the performance of the IME over the last year? What do you consider to be a turning point in IME's performance over the last year?

Although last year was a very difficult one for the economy, capital market, manufacturers and suppliers, IME's performance could be assessed as successful both in terms of providing shareholders with reasonable profits and playing a constructive role on the national scale. 2015 (1394 hijri) was the starting point for a series of appropriate measures in the capital market including standard parallel forwards SALAM contracts, Custodian Deposit Receipt (CDRs) and implementation of Article 33 of the law of "increasing agricultural sector productivity", etc. And due to its potent force in providing businesses with financing facilities, I consider the Custodian Deposit Receipt (CDRs) as IME's feat over the last year which is in fact a turning point in the history of IME's performance. Today, IME is enjoying the attempts of competent and assiduous



managers whose national views have made a large contribution in establishing and maintaining transparent market. Hence, IME is armed with various financial instruments which makes return to the past trends and procedures impossible for suppliers.

What is your assessment of the IME's trading processes especially on the metals and minerals trading floor?

As I mentioned before, last year was a very difficult year for manufacturers and suppliers of commodities especially as to industrial products. International and domestic recession and low prices resulted in reduced volume of demand, production and consequently led to a drop in the IME's trading volume and value. However, the total revenues in operational and non-operational sector brought about proper gains for shareholders.

what are the IME's advantages for various industries? And how this market can help all market participants?

IME is a place for transparency

and price discovery through supply and demand correlative functions; under such circumstances, producers, are accountable to their shareholders as they sell their products at a reasonable price, while, at the same time, they can benefit from various instruments provided in the market. The IME, by facilitating and regulating the trading processes between suppliers and buyers has restored a kind of business confidence in industrial companies and has proved to be playing a pivotal role in the national economy. Meanwhile, IME has institutionalized a mechanism which automatically leads to the elimination of intermediaries and eradication of corruption in the trading market. While the IME led to transparency and reduction of intermediaries in metals market, some of the suppliers and demanders of various industries in the country, do not have enough knowledge about the advantages of trading on IME and the exchange should clarify trading advantages in this market through better communication with beneficiaries and more notifications.

How do you assess the IME's role in financing steel companies via standard parallel forwards SALAM contracts?


Standard parallel forwards

SALAM contract is a very favorable instrument to finance working capital and last year Isfahan Steel Company benefited from this instrument. This instrument benefits both parties.

Those demanding securities will give their capital to the producer, in the hope of reasonable profits while the producer provides their shareholders with these profits by making use of the working capital in running their projects with a higher turnover. Especially, in last year's difficult conditions, the effectiveness of this tool was doubled. Other forms of financing and hedging in the steel industry are Salam contracts, Custodian Deposit Receipt (CDRs), commodity funds and derivative contracts. In addition to the normal Salam contracts on the IME, which finance the steel industry with the lowest cost and in the shortest possible time, the standard parallel forward SALAM contracts are also new financial instruments.

Given that steel companies usually have stocks piled in the warehouses, how can these companies use Custodian Deposit Receipt (CDRs)?

Custodian Deposit Receipt (CDRs)



This instrument benefits both parties. Those demanding securities will give their capital to the producer, in the hope of reasonable profits while the producer provides their shareholders with these profits by making use of the working capital in running their projects with a higher turnover

is an effective and efficient financing instrument, which in particular on the condition that the manufacturer has stocks available in warehouses, is considered as financial backing for the manufacturer. The instrument can be applied by large steel suppliers such as

Isfahan Steel Company which have equipped and reliable warehouses.

It is worth noting that the Custodian Deposit Receipt (CDRs) as a financial instrument can provide the groundwork for Steel Companies to increase their sales.

Interview with Mr. Mohammad Reza Soroush, Member of the Board of Directors of the IME

Annual Performance of the IME is Acceptable

IME's Annual General Meeting (AGM) was an opportunity for us to review the activities of the exchange over the last year. Although, over the last year, the economic conditions of the country resulted in reduction in IME's trading value, we witnessed the IME's transition from spot and physical trading and its growth in derivatives markets and using modern instruments. Now, regarding the fact that the IME is a dynamic market in which transactions are carried out transparently and without corruption and greed, we should see that how the IME's growth can affect economic growth. Moreover, we should expect the government's measures to support the IME in order to control the corruption in the non-productive sectors of the economy. In line with that, we can refer to instruments newly added to the IME's financing services to protect consumers and finance producers, such as automobile standard parallel forward SALAM contracts and Custodian Deposit Receipt (CDRs) for automobile.

How do you assess the performance of the IME over the last year? What do you consider to be a milestone in IME's performance?

Volatility and fluctuations in general economic conditions over 2015 (1394 hijri) obviously affected the IME. On that account, last year, steel, iron ore and industrial sector products witnessed a slowdown along with the IME's poor performance compared to 2014 (1393 hijri). The roots of such economic predicaments could be traced in general business climate of the country. During 2015, appropriate measures were taken to develop the IME using new financial instruments and investments in derivative instruments and we hope to benefit from the positive results of these investments in the current year.

In fact, it seems you maintain that derivative instruments are the Milestones in IME's Performance. Is it true?

Yes that's right. However, last year the IME witnessed

a change in management and it took some time for the new team to get settled. After that, the exchange faced with market restrictions due to reduced demands. Given that the IME's new policy was adopted to be making use of derivatives in the market, attempts were geared towards launching new financial tools.



As you mentioned, automobile standard parallel forward SALAM contracts is one of the new instruments on the IME. Do you think that these securities will gain widespread acceptance?

Yes, of course this tool will bring about benefits for automakers and the people. But it seems that considering the current situation, it is essential to spend more time on introducing the effectiveness of this tool in the market. In the nature of things, if the instrument is introduced well, useful measures can be taken to finance manufacturers and increase the quality of their products.

As you know, it has

been planned to issue the commodity based securities for Pride (a make of car).

Do you believe these securities can solve financing difficulties for car makers?

These securities can be effective both in sales and financing businesses. In the current situation, regarding the concerns in the automotive market, these securities can guarantee sales and finance the automakers.

In this context, Custodian Deposit Receipt (CDRs) for automobile will be launched after automobile standard parallel forward SALAM contracts, how do you think the CDRs can help automakers?

The purpose of the IME is to provide instruments in order to protect manufacturers and consumers. The philosophy behind it is not establishing a mechanism to empty the warehouses of the automakers.

Although financial instruments will assist the automotive industry significantly, IME's duty is not to empty out the manufacturers' warehouses at the snap of a finger.

As you mentioned, the

IME's management has changed during the last year, therefore, with this change of management, the focus has transferred from physical markets to securities transactions. How do you assess this change? And what kind of characteristics this change can impose on the IME?

Once IME had expanding physical markets high on agenda but later on the policy of developing derivative instruments was followed.

Thus we naturally had no other choice but to have our physical markets developed first and then go for derivatives markets, launching new instruments and after initiating of commodity based securities transactions.

All the said, I personally, regarding the economic conditions of the country, assess IME's performance as acceptable and I hope by solving the IME's problems, we witness more progress.

How do you see the prospects for the IME in the current year?

IME has the potential to contribute to the country's economy in various aspects and on the account of its upward



Those demanding securities will give their capital to the producer, in the hope of reasonable profits while the producer provides their shareholders with these profits by making use of the working capital in running their projects with a higher turnover

trend, it is to play a crucial role in the national economy in terms of transparency and a stable and safe market in addition to its preventive role in fighting against corruption and discouraging greed.

This latter point is partly dependent on the overall

policies of the government regarding the exchanges.

In fact the government is expected to promote exchanges and give them more reigns in the country's economy.

We believe this to lead to a ban against non-productive sectors of the economy.

Interview with Mr. Vahid Begheri, Member of the Board of Directors of the IME

Market Development and Strengthening the Position of the IME's First Strategy

By changing the IME's Board of Directors and CEO in the last year's Annual General Meeting (AGM), the IME entered a new phase in its performance. In fact, designing and using new instruments and issuing standard parallel forwards SALAM contracts and Custodian Deposit Receipt (CDRs) is only a part of the IME's activities during last year. On the other hand, financing through the IME has been accelerated and is entering a new phase. Moreover, for the first time, the IME is considering the launch of the currency derivatives market as a means to hedge against foreign currency fluctuations and in line with that has provided the necessary groundwork to carry out one of the largest structural reforms in its currency system with the central bank's authorization. Furthermore, the IME has taken crucial measures toward transparency in the prices of petrochemical products over last the year and through convincing all influential institutions as to the continuance of offering petrochemical products on the IME, it has taken an important step in creating transparency in the economy of Iran.

Mr. Vahid Begheri, Member of the Board of Directors of the IME says that the IME's another strategy which will actually revolutionize the IME is the shift from physical transactions to expansion of derivatives trading on physical commodities. Another issue regarding the future plans of the IME is initiating ties with the world's major exchanges and to tapping into these international exchange experiences and providing the possibility of joint and dual transactions on some products.

According to the arrival of IME's Annual General Meeting (AGM) in July, how would you evaluate the IME's performance? Especially by changing the management how has the exchange's performance changed compared to the year before this?

Over the past year, Dr. Soltaninejad as the IME's CEO has put efforts into development of the IME that is very admirable. In fact, with management changes in the IME, the new board has the plans to be focused on entering the derivatives market and issuing securities on physical commodities. In this respect, the IME's market development measures especially for petrochemical products are very noticeable. In addition, much effort has also been made for more transparency in the IME's performance. However, over the last year, the standard parallel forwards SALAM contracts has been launched as a short-term financing instrument being a milestone among IME's activities during the period.



Given that one of the most important economic sectors

is agriculture sector, what kind of measures the IME has taken in this regard and how would you assess the performance of the IME in this area?

Since the government's policies obliged the IME to be more active in the agricultural sector and to provide groundwork for trading these commodities, of course, the agricultural sector is in dire need of extra effort. So, pre-purchasing the agricultural products and providing groundwork to trade CDRs were considered and the sector was strengthened. There were measures on maize for Khouzestani farmers which won their widespread approval. Also it was decided that the IME use the instrument to solve the country's trading problem on maize and feed barley in the current year. Implementation of this instrument on the IME not only has positive effects on its own performance but also has positive influences on the national economy such as improving and expanding markets for agricultural products and creating trust between the agricultural sector and the government.

How do you assess the IME's performance in trading petrochemical products?

In fact, market development and initiation of derivatives and physical markets on petrochemical and agricultural products has been pretty appropriate, and problems as to some of the agricultural products were solved by frequent follow-ups by the IME. The Competition Committee, economic committees and other decision making institutions have repeatedly emphasized that petrochemical products should not exit the IME and they maintain that offering these commodities on the IME will cause transparent price discovery.

One of the biggest plans IME is about to put into practice is launching the futures market for foreign currencies. How do you assess IME's performance in that regard and what do you think will be the obstacles on the way to achieving this goal?

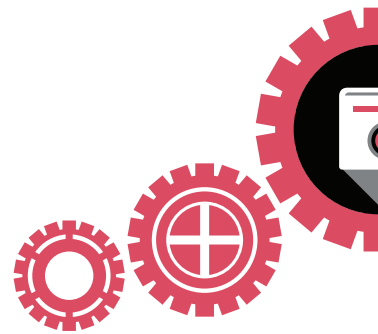
in Iran's economy the Central Bank manages the foreign currency affairs. Therefore, the Central Bank is to take the first initiative for launching futures market for foreign currencies. At present, IME is capable of initiating the market and has prepared the infrastructure

it needs to do the job on the consent of the Central Bank. But, in the nature of things, The Central bank as the entity in charge of this has concerns in this regard which are to be lifted and questions to be answered before any practical measures to be taken. IME has always been ready to make its share of contribution to starting this market in Iran as one of its national duties.

What are IME's strategies for the next year until the next General Assembly Meeting?

as to the future plans of IME, what takes center stage is that IME's CEO and Board of Directors are mostly focused on putting the strategies into practice. The first strategy is to bolster the market and push it forward towards a stable position as an efficient exchange in Iran's economy, while a transparent trading atmosphere for all commodities comes next.

It is worth noting that developing IME's market will not only strengthen IME as a role player within the country's economy but it will also have the effect of keeping its shareholders happy as it provides IME with new markets. Hence, one of other important tasks of IME is preparing the groundwork for developing





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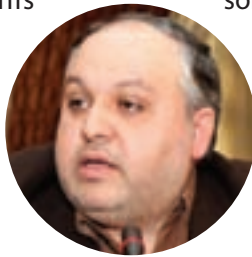
new markets.
IME's another strategy is to change a phase.
IME is experiencing a transition from physical trade towards expanding trade of derivatives instruments on physical products.
IME has also on the agenda initiating ties with international

exchanges across the globe and tapping into their experiences and the opportunity of cross-listing and mutual trading on some commodities.
There have been attempts to reach that goal and we look forward to accomplishing the task in the near future.

Fundamental Structural Change in IME with the New Managing Style of Hossein Khaz'ali Kharazi



CEO of Bank-e-Keshaavarzi and Member of the Board of Directors stated that I firmly believe that that 2015 was the most difficult year for IME since its establishment, and I am not exaggerating. This year witnessed a big drop in global prices for Oil, Petrochemical and metal products which in turn led to a decrease in trade volumes and revenues over the country. In view of that, there was a change in managerial level last year; in July last year the new Board Members and the new CEO were appointed. Consequently IME went through a change in other layers of management. It could be put this way that IME changed from an all-inclusive commercial market to a real exchange with an orientation to trade security-base commodities. There is no need to say that without



cooperation with governmental bodies, all these changes for the better were not possible at all. Over the last years we had to deal with opposing governmental bodies and some financial role players, which is still a common trend. But, through the changes IME has experienced and the new connections it has with its global counterparts, the only way it can go is up. All in all, I think the whole government had better take a straightforward approach towards the IME. That is to say, if the government really wants an organized entity for price discovery and changing sizeable commodity assets to securities. I am of the opinion that lots of role players in Iran's economy do not have clear understanding of IME, and that's why they are inclined to cling to their traditional ways which inevitably involves corruption and misuse.



IME'S

Outlook

The CEO of IME Explained

IME's Strategic Plans In Line With Resistance Economy Policies and SEO's Programs

The CEO of Iran Mercantile Exchange stated that the strategic plans of the IME are finalized in line with the policies of the Resistance Economy and the programs announced by the Securities and Exchange Organization (SEO).

Regarding the IME's strategic map for 2016 (1395 Solar Hijri) Dr. Hamed Soltaninejad, the CEO of IME, said that the IME's plans have developed conforming to key activities and strategic goals of SEO in order for different sectors of Iran's capital market to come to a mutual understanding for paving the path toward realization of Resistance Economy policies. Pointing to IME's strategic plan and its prospects for the next 5 years-till 2021- Dr. Soltaninejad



stated that, within that period of time, the IME will become the price reference for basic commodities and intermediate raw materials in the Middle East region and the preferred option of producers for financing services and hedging against commercial risks.

"IME's mission has been promulgated to be", Dr. Soltaninejad added "in line with Iran's 20-year vision plan" and in order to pay its share of contribution to the country's capital market, IME has been relying on an efficient organizational structure, taking advantage of state-of-the-art technologies, new and varied financial instruments as well as risk management with a view to enhancing market and product diversity, defining

He added that the IME's strategic plan has been divided into 8 main categories being ranked in order of given scores:

- [1] Securitization and development of derivatives instruments;**
- [2] Designing and using a variety of financing and trading instruments tailored to meet customers' requirements;**
- [3] Extending the size and the depth of market for selected commodities to become a price reference in the market;**
- [4] Using the capacity of financial institutions to develop IME's business;**
- [5] Putting customer satisfaction and quality control first in providing services to beneficiaries;**
- [6] Continuous optimization and updating information technology (IT) capabilities commensurate with the market and tools developments;**
- [7] Promoting the functions and improving the position of IME on the business environment and the media;**
- [8] Development of IME's activities to enhance the country's trading with international markets**

new standards, increasing transparency, facilitating processes, improving its position in the society and also becoming a price discovery reference in the country and the region, in pursuance of being recognized as a highly-credited exchange across the world.

The CEO of IME went on to say that IME's strategic plan which is based on the Balanced Score Card covers 4 areas of interest; "financial", "market and client", "internal processes" ,and "capacity and growth" . He outlined the practical action plans to meet the above 8 main strategies, such as launching

currency futures market, 24-hour futures gold coin trading, launching automobile trading investment certificates, development of trading certificates of deposit, setting up a mechanism for forfaiting, implementation of Article 33 of the law of increasing productivity of agricultural sector, development of price index calculation system, establishing commodity funds, development of electronic interaction between the IME and the customs on export transactions, expanding the IME's warehousing network in international and domestic markets, to name but a few.

IME's General

News

IME's General News

CEO of IME Announced in a Note: "Resistance Economy" Put into Practice in IME

The CEO of the Iran Mercantile Exchange expounded on the details of IME's Plans to implement "Resistance Economy" policies.

Dr. Soltaninejad announced in the note:

Along with the rest of the entities, bodies, institutions and organisations of the country, the IME holds itself responsible to do everything within its power to pay its share of contribution to the implementation of the policies determined by the Supreme Leader, Ayatollah Khamenei and approved by the high-ranking state officials. IME could prove more instrumental in this regard, as it is directly engaged with real aspects of the economy with concrete results. The key measures on the top of priority for the IME in 2016 will be as follows:

IME's programs will be pivoting on Increasing Transparency, Export Development and Growth in Financing.

1. Increasing Transparency:

Given the policies stated in "Resistance Economy" decree which include reforming the structure of state revenues so that a bigger share will be from taxes, transparent economy and eradicating corruptive practices in monetary, commercial and currency sections, transparency and efficiency in distribution and pricing systems, updated market surveillance mechanisms and extending standardisation to all domestic products, IME believes that it can play a key role in realization of them under the auspices of the revered Parliament and the government.

Practical Measures

To reach this goal the IME needs the Parliament and the government to support trade of commodities in IME. If all the trade procedures for commodities which have been excluded from the list of pricing are done in the IME, on the condition that all transaction receipts and documents are offered to relevant authorities, it would be plausible to supervise all the procedures involved and in turn the governments can use it as a means for market surveillance and management, increasing tax revenues and fight contraband. A comprehensive trading system for petrochemical products, steel, oil

products, agriculture products and so on can be much help for the governments in line with its goals. Completion of plans like execution of article 33 in the field of agriculture can help the government reduce its financial costs and expedite payments to suppliers. On 17th of April, it was stipulated the whole feed barley and maize produced in all provinces be traded through the IME, showing that the government looks on it with favour.

Launching currency derivatives market in the IME for which the infrastructures have been prepared, is among the items to become operational by the end of summer in the current year; a huge leap forward in transparency of the monetary system and currency markets.

2. Export Development:

In the post-sanction era, international business is one of the areas in which IME can be active. In the "Resistance Economy" the following items have been mentioned in this regard:

All-inclusive support for goal-oriented export of commodities and services proportionate to value added, net flow of foreign exchange and reducing vulnerability to economic shocks resulting from volatility in oil and gas export revenues and plans to strengthen economy.

Assuming that, IME has set an agenda to hit the following targets:

Variety in selling methods,



developing export markets, initiating ties with neighbouring countries, facilitating export procedures, standardization of commodities and prevention of contraband and facilitating the procedures pertinent to collaterals and settlement of transactions.

Practical Measures:

Using warrants or certificates of deposit in their current form could

lead to a kind of flexibility in selling strategies depending on the target markets. To achieve this objective, some warehouses are needed to be listed by the IME in target market localities. Warehouses in free trade zones could also serve the same role.

In order to enhance trade with and have more efficient presence in the markets of neighbouring



countries such as Iraq, Middle-Asian countries and Russia with the aim of reducing transactions costs and marketing costs, expediting customs procedures, offering transportation and insurance services, establishing a mutual commodity exchange with above-mentioned countries or launching a new branch of IME there, could be a solution, which is in line with

export development strategies of the country.

There is no need to mention the key role that IME can play in clearing and settlement for transactions in foreign currencies, collaterals and standardisation, which means a facilitated trading system between countries. International settlement of international transactions is among the most critical issues that all sections of Iran's capital market are to take seriously and for which come to an all-inclusive resolution.

3. Financing:

In 1394 IME was able to provide 5,628 billion Rials of funds using standard parallel forwards contracts SALAM for petrochemical and mineral products, which is to be increased in the future and also be extended to other economic sectors. Another item on the agenda for the IME in 1395 will be using commodity funds(OTC) and provision of funds based on the warehouse deposits of companies in order for contributing to the real part of the country's economy with concrete results. The IME will have covered the policies of article 9 of "Resistance Economy" and the decree issued by vice-president to the Ministry of Economy, obliging the policy of financing for different economic sectors through the country's capital market, upon execution of the above-mentioned plans.



Initiation of the Process of Transferring IME's Clearing and Settlement to CSDI

On a meeting attended by Iran mercantile Exchange and Central Securities Depository of Iran's board of directors and SEO's representatives, the process of transferring clearing and settlement of

the IME's transactions to the CSDI began.

In line with implementation of the third section of Article 99 from the Fifth Five-Year National Development Plan, transferring IME's clearing



Based on the report, in the meeting, managers and experts of IME presented a full explanation of the process of how to gradually transfer clearing and settlement system in IME to the CSDI

and settlement to CSDI, which had been under investigation from several months ago, was initiated last week.

Based on the report, in the meeting, managers and experts of IME presented a full explanation of the process of how to gradually transfer the clearing and settlement system in IME to the CSDI.

It is worth noting that, over the meeting, the IME's board of directors raised the IME's beneficiaries' concerns regarding transferring the

clearing and settlement to CSDI and CSDI's board of directors promised to relieve IME's concern.

Finally, it was decided that, in view of the need to implement the third section of Article 99 from the Fifth Five-Year National Development Plan, which its extended deadline will end within the next few months, however, the proceedings should be done within the next few days without any interruption in the IME's clearing and settlement processes.

At the Kharazmi University, Faculty of Economics, CEO of IME Raised:

IME's Collaboration with Academics to Develop the Capital Market

In order to expand knowledge of financial markets, the IME tries to develop the capital market through vast collaboration with academics and the elites as well as tapping into findings of academic surveys.

Dr. Hamed Soltaninejad, the CEO of IME, in the meeting with professors and students of the Kharazmi University, Faculty of Economics, expressing the above-mentioned idea and introducing the IME's research priorities to support students theses stated that today by dissecting mechanisms of developed countries' markets, plenty of officials have realized that the IME, having many advantages, is the best market to trade commodities; a fact which needs to be scientifically established by the elite, credible

and educated people of our country.

Hamed Soltaninejad, pointing to the activities of the largest research institute in the world, said that the Defense Advanced Research Projects Agency (DARPA) from the USA, having 300 of the world's top elites to make comprehensive decisions, has been able to make significant contributions to the economy of various countries. This institution investigates given issues from all over the world and finally provides justifiable action plans. I maintain that we also need these mechanisms to be applied in the capital market of our country and the IME as well, but it is better to pave the path through universities.

Referring to the fact that our



“Unfortunately, in Iran’s financial market speculators have always been looked down upon.

country suffers the lack of a breeding ground for the exquisite talents of its youths, Soltaninejad expressed hopes that such shortcomings will be overcome in the future.

CEO of the IME highlighted the necessity of adopting new views on financial markets and said: to create a successful financial market we need to take more cautious steps. We should change our minds about speculators in the financial markets.

“Unfortunately, in Iran’s financial market speculators have always been looked down upon. They are sometimes called middlemen (dealer) and are removed from the market. But I believe that we can canalize these speculators in the financial so that their activities will be

for the good of the country’s economy. Like other countries, we can make the best of their presence financially. They provide their speculators with the opportunities to direct their money toward investment, which leads to a more liquid financial market and more production, rather than letting them destabilize the market. This way, the speculator will be dealing in securities market with people of his like. He will not be competing with manufacturer or consumers.” Soltaninejad added. Giving an example in this regard and pointing to launching the custodian deposit receipts (CDRs) for agricultural commodities in the IME, he said that when a farmer wants to sell his harvested product, he will no longer face with a dealer

(speculator) causing increase in the prices, because the farmer will deposit his products in the IME's warehouses and will receive a certificate of deposit tradable on a public market like the IME with secure, clarified and transparent mechanisms for trading. Moreover, this market will have many advantages for spectators as well such as eliminating the shipping costs for the commodity and benefiting from tax and VAT exemption.

He referred to the global markets and said that for example on the LME over 99% of transactions will not result in physical delivery and this indicates that 99% of transactions done on the LME are speculative transactions. He said that even the hedger that enters the market to cover the risk of price fluctuations may not be interested in the commodity to be delivered to him. That is to say, only on this market he covers the risk and after entering the actual market will receive his commodity.

The CEO of IME by mentioning that the IME is the first and oldest derivatives market in Iran added that trading gold coin futures contracts was initiated in the IME from 2008 and it was so widespread that at times it accounted half the IME's trading value. In fact IME's market,

despite the long way ahead of it to pave in various respects, is a rich one and has been able to absorb a considerable amount of financial resources.

Dr. Soltaninejad pointed to the IME's experience in the derivatives market and said that considering the history of IME's performance, we realize that despite its great efforts to launch derivative contracts for other products such as wires, copper, gold bullion, cumin seeds and other products, none of these efforts have been as successful as gold coin futures, mostly because of having a large number of players in this market. Finally he added that looking at the IME's trading trends, it is obvious that over the last year, in excess of 26 million tonnes of commodities were traded on the spot and financial markets resulting in the total value of 15,409 million USD (470,000 billion Rials). It is worth noting that 5,245 million USD (160,000 billion Rials) of the total trading volume is related to trading gold coin futures, while total production of Isfahan Steel Company, Mobarakeh Steel Company and many products of petrochemical manufacturers altogether were up to 9,508 million USD (290,000 billion Rials). So, when derivative contracts are conducted, it will create leverage causing an increase in the volume of transactions.

IME CEO in International Public Relations
Research Symposium Stated:

Iran Mercantile Exchange as the Second Commodity Exchange in the Region

Dr. Hamed Soltaninejad, the CEO of IME, combined with the above statement at a meeting of members of the International Public Relations Symposium Policy Council which was held on Monday in the IME, said that the second rank for the IME in the region is a national glory for all officials and people who have prepared the groundwork for launching the IME over last few years, and we hope we will be able to bolster the

IME both domestically and internationally.

Based on the report, in the meeting attended by PR managers of various industrial banking and insurance organizations and institutions, as well as university professors in the field of communications and relationships, Hooshmand Sefidi, the Secretary-General of Iran International Public Relations Symposium stated that IME has been able to build up a good rapport

with other institutions and the symposium resulting in election of the IME's CEO as the best PR-friendly Business Leaders of Iran in the eleventh edition of the International Public Relations Symposium. Pointing to the position of the IME as a pillar of the Iran capital market in the national economy, he added that in the current situation of the country, the role of the capital market especially that of the IME is of paramount importance to the country's economy. Hence, the society and market participants in particular are in dire need of more familiarity with IME and one cannot assume a better means to institutionalize it being an inseparable part of the economy than the publicity which is attainable via Public Relations.

The Secretary-General of Iran International Public Relations Symposium said that through proper institutionalization, stagnant capitals of the society can flow into the capital market leading to the country's economic development.

A Shift from Controlling Mechanism to Surveillance in the Economy

Over the meeting, Soltaninejad outlined the IME's functions

in the economy and said that investigations demonstrate that our economy has always faced pricing problems for the base commodities with their negative effects on people's lives, since commodities prices have been set arbitrarily through a controlling mechanism. But all over the globe, the pricing system is shifting from controlling mechanism to surveillance mechanism; this means that instead of dictating the price to market participants and traders and tightening their freedom and creativity, transactions take place in a free and transparent framework and institutions in charge are able to easily view and monitor their transactions. He added that commodity exchanges are the symbol of regulatory systems having various functions in the world. The commodity exchanges have provided a monitoring mechanism for pricing and an efficient price discovery in addition to their other missions, and the IME is progressing in this regard as well.

IME's Trading Turnover Equal to 5-7% of GDP of Iran

Soltaninejad referring to metal and mineral, oil and petrochemical and agricultural products being traded on the IME, expressed that over the



The IME is ranked second comparing to the other commodity exchanges in the region in terms of trading volume and value.

previous years the IME's trading turnover was equal to 5-7% of GDP of Iran. The IME is ranked second comparing to the other commodity exchanges in the region in terms of trading volume and value.

The importance of public relations

Pointing to the importance of public relations in organizations, Soltaninejad said that today, if people in charge of economic and non-economic companies do not have a proper understanding of public relations, even if they do well in other respects, will face difficulties in collaboration

with other organizations and the development of their activities.

The CEO of IME added that currently a significant attention is paying to social responsibility, corporate governance and community-based issues. This approach construes each of the organizations and agencies as the members of a community who must live together with continuous interaction. He maintains that if you consider an organization as a person, undoubtedly the public relation plays the role of the person's language to communicate and interact with other people or entities.

IME's International

Events

IME's International Events

IME Host Participants of the 8th International Course on Islamic Capital Market

The participants of the 8th International Course on Islamic Capital Market visited the Iran Mercantile Exchange.

A meeting attended by the participants of the 8th International Course on Islamic Capital Market from 10 countries including China, Gambia, Germany, Greece, India, Indonesia, Jordan, South Korea, Kosovo, Nigeria, Pakistan, Russia, Syria, Switzerland, Turkey, UAE and UK, IME's senior managers and experts, was held in IME.

The attendees were briefed shortly on IME performance, mechanisms of its activities, its status in Iran's capital market and its plans to be more active in the international arena.

At the end of the visit, the attendees were presented the trading procedures in IME's pit at the trading hour.

It is worth noting that the 8th International Course on Islamic Capital Market will hopefully provide all the participants with active and comprehensive

programs on this topics:

Structure and Performance of Islamic Mutual Funds, Fixed Income Funds in Islamic Teachings: How We Can Face the Issues, A Look at Exchange Traded Funds in Shariah Compliant Structure, Financial Risks of Investing in Islamic Funds Units, Shariah Governance in Islamic Financial Institutions (IFIs), An Overview of Types of Investment Funds in Islamic Framework, Role of Financial Screening in Islamic Funds, Regulatory Systems for Handling Islamic Funds, Investment Banking Industry Services in a Shariah Compliant Theme, Role of Brokerage Firms in Islamic Financial System.



The CEO of IME Announced

IME to Launch a Joint Trading Platform with Indonesian Capital Market

The CEO of IME in a meeting with officials of Central Depository Company of Indonesia (KSEI) spoke of establishing a joint trading platform between Iran and Indonesia capital markets. In the meeting attended by Dr. Soltaninejad, the CEO of IME, officials of Central Depository Company of Indonesia (KSEI) and managers of Central Securities Depository of Iran (CSDI), development of cooperation between the two countries' capital markets was stressed.

Based on the report, pointing to Indonesia as the biggest bitumen consumer, Soltaninejad stated that Iranian bitumen is among the highest quality bitumen in the region and establishing a joint trading platform in the capital markets of the two countries has many advantages as eliminating the intermediaries, preserving the original quality of Iranian bitumen by removing the possibility of manipulation and adding impurities as well

as fair and real price discovery. Pointing to launching bitumen futures contracts in IME in the near future, Soltaninejad added that the IME is ready to export other commodities to Indonesia including iron ore, chemical products as well as PVC products. Moreover, having warehouses in Iran's free zones, the IME can provide the possibility of trading commodities from Indonesia along with issuing certificate of deposit for both sides. It is worth noting that after briefing the officials of Central Depository Company of Indonesia on IME's history and trading mechanism by the International Affairs expert of IME, a question and answer session on methods of controlling the quality of products and other issues was held.



CEO of IME in an Interview with THE WORLD FOLIO

IME eases investment in Iranian commodities

Connecting the Iranian economy to global financial markets has now been made possible with the lifting of sanctions earlier this year. Dr Hamed Soltaninejad, CEO of Iran Mercantile Exchange, the country's Tehran-based commodities exchange, looks at the best ways for foreign investors to enter Iran's financial market.

In an interview of the World Folio (<http://www.theworldfolio.com/>) with Dr. Hamed Soltaninejad, CEO of Iran Mercantile Exchange, the best ways for foreign investors to enter Iran's financial market have been explained:

Iran's sanctions lift on Implementation Day is day of victory, power and diplomacy. A new chapter has begun in international relations for Iran and a broader world. How do you see this new era impacting Iranian economy and society?

I think there were many limitations and constraints against the Iranian economy due to sanctions. This impacted our communication with the world economy. Iran lost out on the many opportunities to attract fresh money and to export goods, being the largest holder of proven natural resources in terms of oil and gas. So yes, the sanctions did not allow Iran to exploit economic and financial opportunities.

Accessing global markets and reconnecting to the SWIFT system will change the perspective of the whole banking industry. How important is this for supporting economic growth, exports and industrial development?

After the lifting of the sanctions, I think there is plenty of room for using fresh money from the world's financial markets. And there are many opportunities in Iran in both foreign direct investment and also in foreign portfolio investment. Take the Tehran Stock Exchange, for example, that offers great opportunities for portfolio investment, as the Exchange represents multiple diversified

industries. If anybody wants to buy goods to export from Iran, they will need the infrastructure given by Iran Mercantile Exchange, including risk management procedures and information providing data dissemination services. This infrastructure is provided for the foreigners who are looking for Iranian products and commodities that are traded here. When foreigners want to buy something from Iran, they usually are not in direct contract with the supplier. They prefer to use the infrastructure, the routine procedures that are standard. IME has provided this infrastructure especially for the export train. There are many goods that foreigners are interested such as bitumen or iron ore. Iran Mercantile Exchange can be a platform for providing the services to the foreign buyers. As far as I know, for any foreign investor who wants to enter into a market, they usually use proxies. With proxies I mean our investment banks, our private banks, even our commercial banks. So if anyone wants to enter into a market, they will need intermediaries. These are easier to use as they do KYC procedures, assure payments and other related services, hence paving way for foreigners to enter into Iranian markets, facilitating foreign investments.

Leading up to the 2008 crisis, commodity markets

crashed. Looking at today's performance of commodity markets, would you say that we can expect similar difficulties, and how is the Iranian commodity market faring in comparison to its neighbors?

In many commodities, Iranian products are cheaper than in its neighboring countries, in petrochemicals, mining, industrial products, steel products... So, if they're looking for more investment in these industries, first we will have to provide the facilities to sell these products to the foreigners. IME has provided the right infrastructure in terms of the physical market and financial market for all of the investors. So if we want to cover the currency exchange risks, first we need to provide facilities to solve this problem. One of the common procedures for covering the currency exchange fluctuations is using the 'Market Mechanism'. By 'Market Mechanism', I mean using a derivatives market. All financial markets have provided these facilities for the real market, providing for investors with regards to fluctuations and the currency exchange. These were provided these by a 'Market Mechanism'.

In Iran, we do not have active rating agencies, which is why I think the Iran Mercantile Exchange is a good choice for providing the infrastructure for the Iranian market. According to the recent rules and regulations

approved by parliament, the government is supposed to provide these facilities to foreign investors. And we are looking to provide the 'Market Mechanism' to cover the currency exchange fluctuations. Therefore it is important to have a well functioning currency exchange derivatives market that would be a big competitive advantage in comparison with our neighbors, as the prices of goods are cheaper in Iran in comparison with neighboring countries. This will give us the opportunity to export more and more goods and services to the other countries.

The other competitive advantage that we can make use of is to use increased financial infrastructure. By financial infrastructure I mean the CDR mechanism, the Certificate of Deposit Mechanism, which we use for maize produced in one of Iran's provinces. By using this mechanism to export, we will have the opportunity to be closer to the markets. For example, anyone who wants to buy bitumen from Iran will be able to buy it from Iran Mercantile Exchange in the near future, and IME will deliver bitumen to the buyer in any warehouse near his or her position, without dealing with intermediaries. It will be the same procedure as the LME (London Metal Exchange) that we will provide to buyers and sellers on the IME. After depositing the goods and services in warehouses, you will have the

opportunity to issue a warrant, a financial security that you can sell on the financial markets. So, we are looking to develop these financial instruments to facilitate the investment in Iran. That's why we do not believe that such liberalization will lead to crisis.

Iran has a dual currency exchange issue, which IME is trying to tackle. What are the major challenges that the IME is facing to actually implement its objectives and strategies to make the Iranian Rial currency exchange more attractive?

One of the challenges is compliance. Being compliant with the rules and regulations. During the sanction, we could not connect with the foreign regulatory bodies. So, we did not have the opportunity to be compliant with the international rules and regulations. Today's necessity is how we can gain that compliance, how we can comply with the international rules and regulations.

The other challenge is how we can cooperate with foreign banks in terms of clearing settlement and other services we are looking for. The sanctions are lifted but, as yet, we do not have any European bank that has entered Iran. Maybe some of them want to establish branches in Iran. But, they will need authorization by the Central Bank of Iran. Maybe we need to be more compliant with international rules and regulations so that foreign banks

can establish their branches in Iran.

We have a rule that foreign banks have the opportunity to establish their own branch in free zones in Iran, like the export zone located in Kish. So there is opportunity for foreign banks to provide clearing settlement, KYC. Maybe some of the investment banks are eager to provide delivery services as well. I think there is an opportunity for foreign banks and foreign bodies who are compliant with globally accepted rules and accepted regulations to provide services to Iranian bodies like IME. We welcome any suggestions from foreign banks to provide these services as well as foreign investment banks, foreign role-players.

In the financial market, we have many different role-players. Most of them are as speculators. Iranians are not very familiar with this. Some industrial activists are not familiar with the financial market. They don't know how they can cover themselves against the risks, by hedging themselves. Maybe we need some international role-players to establish the financial market. We have had been working very hard in terms of establishing the financial markets in IME. The most successful part of the financial market was the Gold Coin Derivatives Market. Gold coin is a popular type of asset in Iran. Most of the Iranians follow the prices of the Gold Coin. This market has many role-players.

So we decided to establish the financial market based on this underlying asset, which was somehow successful. We have tried some other underlying assets in terms of agricultural products, some industrial products, but we weren't successful because we didn't have enough role-players in those markets. This shows that one of the opportunities is to provide the room for the foreign role-players to establish and to assault the financial market covering underlying assets that are very important for Iranians to cover the price fluctuations.

The IME is already cooperating with the Swiss Futures and Options Association, the FIA, and the Interexchange Electronic Union, and is celebrating its 10th anniversary next year. What does the IME want to accomplish in the next 10 years, and why are you the right man for the job?

In terms of cooperation with institutions, organizations and other exchanges, I think the most appreciated field of cooperation is in terms of sharing knowledge. In commodity exchanges, there are many, many solutions to provide facilities for the market role-players. In some countries, they have done their own and they have invented their own procedures for addressing difficulties to facilitate the financial market and connect it

to the real economy. So, there are many experiences we can learn from different countries in terms of the commodity exchanges. Most of the securities exchanges are similar to each other. But in terms of commodity exchanges, this rule is not true. CME, as one of the largest commodity exchanges, has its own rules and regulations, its own procedures, its own accepted commodities, its own registered investors.

So I think we can share knowledge first, and then at a second level, we can cooperate in order to dual list financial instruments. Commodity exchanges have done dual listing in terms of financial instruments. So, I think it's an opportunity for Iran Mercantile Exchange to cooperate with foreign commodity exchanges in terms of dual listing, in terms of sharing the role-players. For example, if I'm compliant with the minimum rules and regulations accepted in a foreign country, I can provide the facility for that foreign country by listing my securities, my asset-backed securities on their exchange and the other way around.

There are many financial role-players in countries. Mexico has done similar procedures. Some of the market role-players in Mexico were supposed to take some positions in the CME that is based in US. So, it was a type of cooperation in terms of connecting the real economy of a country with the financial

THE WORLDFOLIO

After the lifting of the sanctions, I think there is plenty of room for using fresh money from the world's financial markets

market of an economy that is more developed. This is an obvious opportunity in terms of connecting the Iranian economy to the global financial markets and in the near future, the IME will provide that window to enter more progressed financial markets.

The reason why I was appointed at IME on the exact day of the JCPOA signing was a coincidence.

You previously held the position of President and CEO of the CSDI, and worked as a director for the Kerman and Karaj regional exchanges. What experiences do you bring to the table that will make you stand out as CEO of the IME?

My plan for the IME is to provide or to follow the same procedure of other mercantile exchanges in the world. First, try

to improve their spot market. By a spot market, I mean a market where all of the commodities are traded, and as an exchange you just provide the supply and demand procedure for price discovery. And delivery is done under the supervision of Mercantile Exchange. You provide risk management services, by clearing our settlements on the basis of a Delivery Versus Payment (DVP) model. So after establishing a well functioning spot market, the next level is a financial market based on some simple financial instruments, like forwards. So, now we need to make a financial market based on a Forward Contract or Certificate of Depository Receipt that is simple to navigate.

And then we can move on to including some progressed

financial markets like the futures market, options market and others. Now we are at the stage of providing this second level of financial market instruments. As I mentioned earlier, we have the Gold Coin Future's market, which is a good example. We have active role-players in the Gold Coin market, but a lack of role-players in other markets. First, we have to make the market role-players familiar with financial market, with securities. They are not familiar with securities. They have to learn about securitization. What's your benefit if you do securitization based on the assets? It is a step-by-step approach; we have to make them familiar with the financial market and then move to the next generation of financial market based on derivatives. I think the second progressed derivatives market that we can provide for the market role-players is currency exchange derivatives. There are many, many role-players in traditional markets. So, if we provide the platform of clearing our settlements based on a DVP procedure for them, they will come to our market.

Attracting foreign investors is an important factor for Iran to reach its 8% growth target. It is said that Iran needs between \$30-\$90 billion of foreign investments a year to be able to actually reach that target. What would you tell investors



who are interested in Iran, in IME and its opportunities?

I would tell them to take the opportunity of investing in Iran. We have to provide the facilities for foreign investors. As far as I know, we have not considered participation of foreign financial market role-players in Iran's economy. We can just sell Iranian goods and services that we produce as a country, but that is not investment. If the financial players of the world



economy enter Iran, then we can judge that something is going to happen in the financial market. Furthermore, the best gateway for entering Iran's financial market is through its banking system and capital markets. If I were in a foreign investor's shoes, I would try to establish some institutions like investment banks in Iran. Or I would buy 50% of a brokerage house or a financial institution in Iran and start doing business. If they

want to start doing business directly from their own country, it might get difficult because of the unfamiliarity with the rules and regulations, with customs, with everything really.

So if they want to participate in the economy of Iran, and if we Iranians want to attract the fresh money from the foreign economy and foreign financial markets, we need to pave the way for the financial institutions to enter into Iranian economy.

Agriculture

Market Events

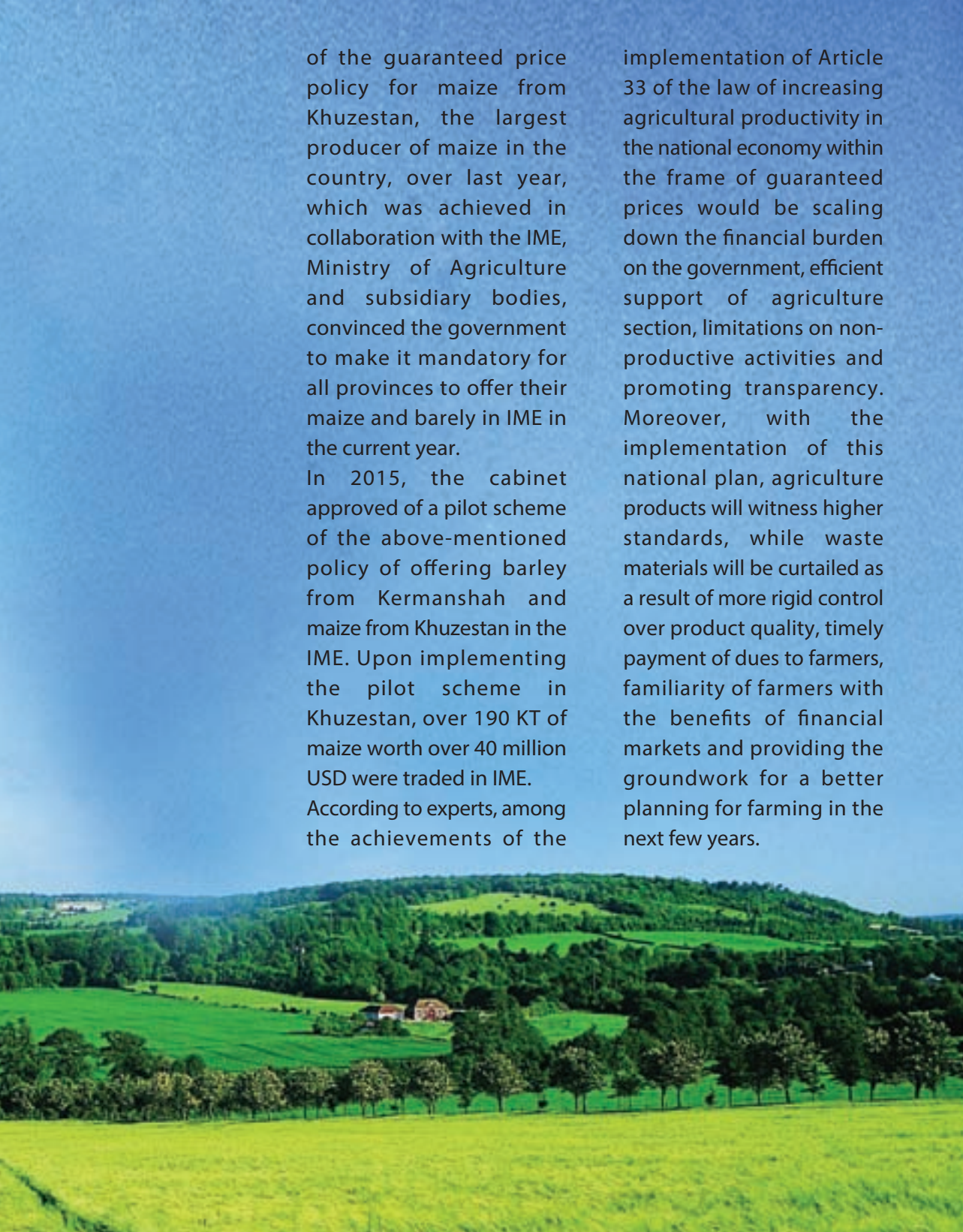
The Government's Trust in Capital Market

Happened at a Cabinet Meeting Led by Dr. Rouhani: Maize and Barely to be offered by all Provinces in Iran Mercantile Exchange

On Sunday, 17th of April, at a cabinet meeting led by Dr. Rouhani, maize and barely production of all provinces was adopted to be offered in the IME; a decision which spoke of the government's trust in the capital market. To enhance the quality of agricultural commodities

and products, and also to lead buyers' and the banking system funds into the production cycle of such products, the cabinet obliged all provinces to offer their maize and barely in IME over 2016.

Based on the report, successful implementation



of the guaranteed price policy for maize from Khuzestan, the largest producer of maize in the country, over last year, which was achieved in collaboration with the IME, Ministry of Agriculture and subsidiary bodies, convinced the government to make it mandatory for all provinces to offer their maize and barely in IME in the current year.

In 2015, the cabinet approved of a pilot scheme of the above-mentioned policy of offering barley from Kermanshah and maize from Khuzestan in the IME. Upon implementing the pilot scheme in Khuzestan, over 190 KT of maize worth over 40 million USD were traded in IME.

According to experts, among the achievements of the

implementation of Article 33 of the law of increasing agricultural productivity in the national economy within the frame of guaranteed prices would be scaling down the financial burden on the government, efficient support of agriculture section, limitations on non-productive activities and promoting transparency. Moreover, with the implementation of this national plan, agriculture products will witness higher standards, while waste materials will be curtailed as a result of more rigid control over product quality, timely payment of dues to farmers, familiarity of farmers with the benefits of financial markets and providing the groundwork for a better planning for farming in the next few years.

A Note from the CEO of IME

Requirements for Successful Execution of CDR Transactions for Agriculture Products and the Listing of Warehouses through IME in 2016 (1395)

In a note, the CEO of the IME investigated the requirements for successful execution of CDR transactions for agriculture products and the listing of warehouses through IME in 2016 (1395)

In the note, Dr. Hamed Soltaninejad, the CEO of the IME, stated that the Supreme Leader of Iran in his remarks on Nowrouz commanded the officials to implement the policies of the "Resistance Economy". On the other hand, the government has begun the New Year with appropriate measures in this

regard being able to provide a perspicuous and measurable report of its performance in the "Resistance Economy" era, at the end of the year. The proclamation on tasks and duties of governmental bodies issued by the first vice president of Hassan Rouhani's government indicates the seriousness of the government about realizing the policies of the "Resistance Economy".

In addition, last week, with extensive efforts of the Minister of Agriculture and the Minister of Economic Affairs and Finance,

the government passed a law obliging "maize and barley from all provinces to be traded through the IME". The decision which spoke of the government's trust in the capital market and the IME, in case of success, can be a significant step towards fulfilling the "Resistance Economy".

In the policies of the "Resistance Economy", sufficient prominence has been given to: "reduction in public spending with an emphasis on reforming the structures, shrinking and restructuring the government to avoid parallel activities and unnecessary expenses, reforming the structure of government revenues by increasing the share of government's tax revenue, improving the economic transparency, purifying the economy and preventing corruptive measures and activities in monetary, trade, currency etc. systems, facilitating the distribution and pricing systems, updating the methods of monitoring the market and promoting domestic products via improving their standards."

2015 witnessed gains in trading maize from Khuzestan,

resulting from implementation of the above-mentioned policies, and we hope, by expanding these measures, the IME be able to contribute more towards implementation of the "Resistance Economy".

It is worth noting that an exchange is a tool that can be used by various beneficiaries to implement different kinds of policies. In the same way, the most important duty of the IME is providing the groundwork and required infrastructures.

But, since the proposed projects in the field of agriculture is national and different governmental bodies are also involved, cooperation and coordination among the entire governmental bodies including the Ministry of Agriculture, Management and Planning Organization, Ministry of Economic Affairs and Finance and the subordinate organizations is needed for projects to be successful. Such cooperation and coordination among those entities in 2015 resulted in successful implementation of the pilot project of the Article No. 33 regarding guaranteed price policy for maize from Khuzestan in the IME.



To this purpose, the CEO of IME outlined the following items as the requirements of successful CDR trading for agriculture commodities in the IME:

- 1. A legal person as the custodian for listing warehouses, (complying with other commodity exchanges in the world)**
- 2. Standard warehouses in terms of technical conditions relative to the products,**
- 3. Warehouses to be equipped with the necessary communications infrastructure such as the Internet and hardware (computers, printers, fax, etc.),**
- 4. Having safety insurance for commodities and warehouses**
- 5. Warehouses to be equipped with the laboratory and quality measurement equipment and loading and unloading equipment,**
- 6. Having the high storage capacity to ensure profitability for warehousing and having enough motivation to be listed in the IME (at least 5 thousand tonnes)**
- 7. Timely introduction of standard warehouses by the custodians of listing warehouses (The Animal Husbandry Company and the Central Organization Rural Cooperatives of Iran) and submitting the filled listing application forms,**
- 8. Timely introduction of market-makers by the Ministry of Agriculture and forming the market-making committee to monitor the prices before initiating transactions in the IME,**
- 9. Providing accurate identification data and bank account of the suppliers by the Ministry of Agriculture for the IME to issue trading accounts, deposit transactions value, preparing the list of paying the difference between prices and preventing re-entry of the commodities into the cycle of guaranteed price,**
- 10. Cooperation of the Ministry of Agriculture with the IME in training and promotional and educational activities in all provinces and cities,**

- 11. Identifying maize drying centers in all provinces before harvesting the maize by - The Animal Husbandry Company and the Central Organization Rural Cooperatives of Iran (regarding maize)**
- 12. Signing contracts with equipped maize drying centers by Support of Animal Husbandry and Rural Cooperative Organization and introducing them to the IME before harvesting the maize,**
- 13. Monitoring the maize drying centers by Support of Animal Husbandry and Rural Cooperative Organization,**
- 14. Adopting the necessary measures by the Ministry of Agriculture to prevent the entry of imported products to guaranteed price cycle,**
- 15. Prohibiting the sales of last year's products in the harvest season by Support of Animal Husbandry and Rural Cooperative Organization.**
- 16. The current status in implementation of guaranteed price policy for feed barley in the IME**
- 17. The IME has developed a specialized warehouse inspection checklist in the field of agriculture, for the first time.**
- 18. The Animal Husbandry Company and the Central Organization of Rural Cooperatives of Iran have been designated as the custodian of listing warehouses by the Ministry of Agriculture.**
- 19. The most important reason for choosing the Support of Animal Husbandry and Rural Cooperative Organization for this purpose is it possesses the largest storage capacity.**
- 20. Identifying standard warehouses, filling in listing application forms and submitting the necessary collaterals to Central Securities Depository and Clearing House of Iran are among the duties of the custodians of listing warehouses.**

It is hoped that with the cooperation of all agencies and institutions involved in the project, the successful implementation of the policy brings about transparency and efficiency in the economy of the country.

Vice President to Announce a
Ministerial Decree

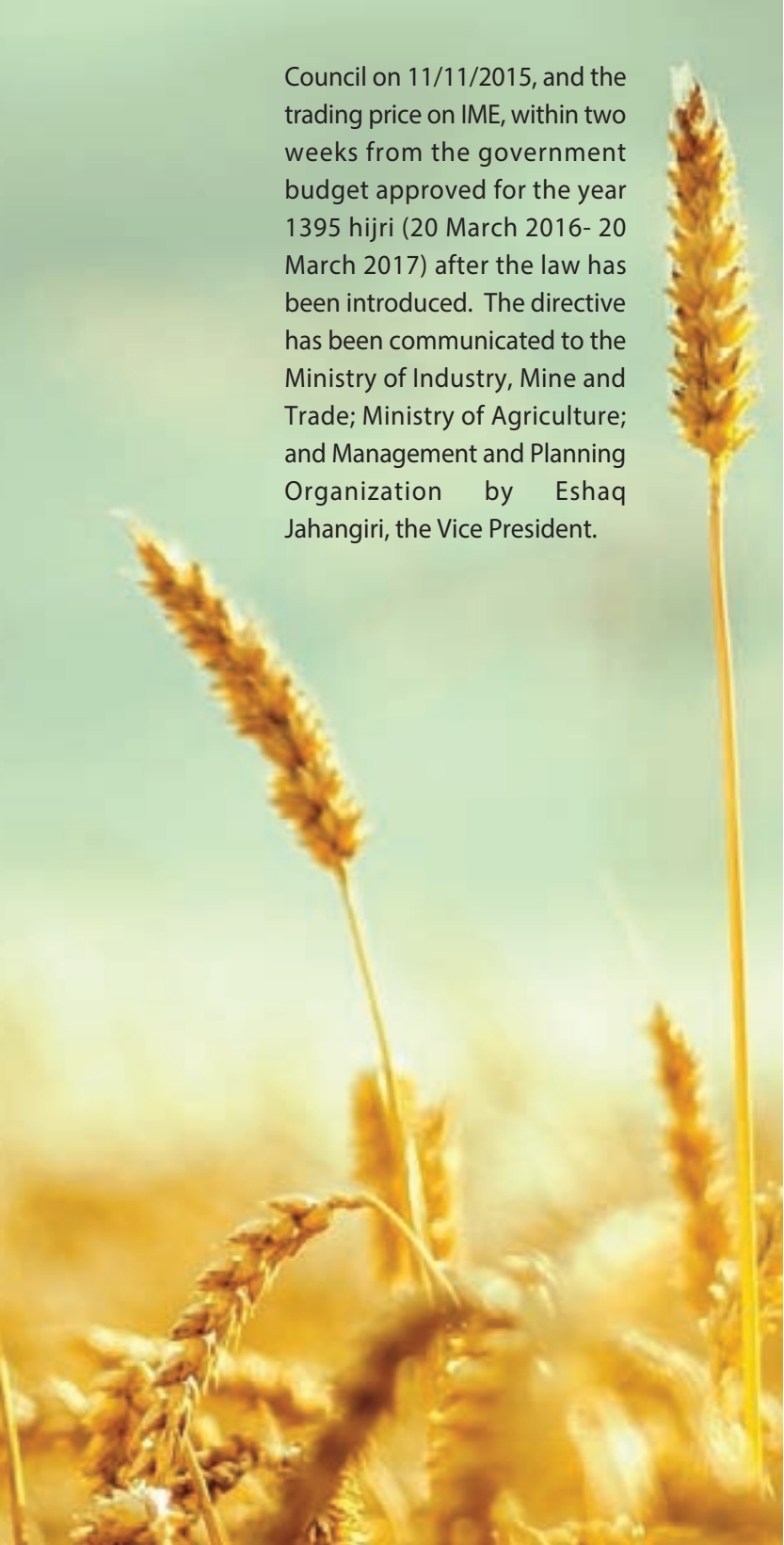
Offering Wheat and Barley on IME

Wheat and barley produced in all provinces were stipulated by board of ministers to be offered on IME According to Iranian Government Information Center (Dolat.ir), the order issued by the board of ministers is as follows:

1. Wheat and barley produced in all provinces are set to be offered on the IME.

2. A mutual suggestion by Ministry of Agriculture and the Iran Mercantile Exchange Company will determine the costs involved.

3. Management and Planning Organization is responsible to pay the difference between guaranteed price of wheat and barley, based on the directive No: 216774 of the Economy



Council on 11/11/2015, and the trading price on IME, within two weeks from the government budget approved for the year 1395 hijri (20 March 2016- 20 March 2017) after the law has been introduced. The directive has been communicated to the Ministry of Industry, Mine and Trade; Ministry of Agriculture; and Management and Planning Organization by Eshaq Jahangiri, the Vice President.

Reduction in Base Price of Feed Barley from Khuzestan on IME

The Cattle Breeding Support Company reduced the base price of offering feed barley from Khuzestan province.

In line with the Article 33 of the law of "increasing agricultural and natural resources productivity", and in view of the decree of the cabinet which obliged all provinces to offer their feed barley produce on the IME over 2016, the Cattle Breeding Support Company after a three-day offering at a base price of 8,000 Rials, in the absence of the expected demands, decided to reduce the base price of the product.

In this way, the base price of feed barley fell by 500 Rials/Kg so that the base price for a kilo of the 452-tonne consignment was set at 7,500 Rials. The commodity is being offered on the spot market of the IME and the place of delivery is in southern Khuzestan.



Minister of Agriculture Stated:

Necessity of Development of the IME in the Agricultural Sector and Extending Guaranteed Price Policy to All Agricultural Commodities



Minister of Agriculture on the fringes of the Biennial Conference of Iranian Agricultural Economics referred to the necessity of development of the IME in the agricultural sector and extending guaranteed price policy to all agricultural commodities.

Mr. Mahmoud Hojjati, Minister of Agriculture, in the margins of the Biennial Conference of Iranian Agricultural Economics spoke about the role of IME in flourishing the agricultural



economy and said: "Iran has not yet used IME's capacities in agriculture commodities despite IME's long history in the area."

He insisted that we need to put IME's full potential into practice in the field of agriculture products.

Hojjati expressed that today, major agricultural commodities are traded on the main global exchanges, but unfortunately we could not use this mechanism as it should be.

Minister of Agriculture referred to the fifth 5-year development plan as a mechanism to release the capacity of the IME and said that in the law of the fifth 5-year development plan "the guaranteed purchase policy" was replaced by

"the guaranteed price policy" in the IME and the plan was implemented for maize and feed barley over the last year and this year

we have extended it across the country. At the end of the conversation, Hojjati expressed his hope that this mechanism will be developed and other agricultural commodities also will be traded on the IME through this approach.

In News Section of TV Channel 1, the Market Development and Economic Studies Deputy of IME expounded on the

Details of Offering Maize and Feed Barely from all Provinces on IME

Dr. Mohammad Eskandari, the Market Development and Economic Studies Deputy of the IME, following the announcement of offering feed barley and maize on the IME by the Council of Ministers, went to the studio of News section of TV channel 1 to give explanations in this regard. At the beginning of the program the host started with an opening as follows:

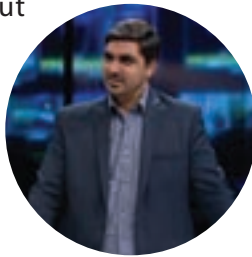
Maize and feed barley will be traded on the IME from now on. The decision was adopted today by the Council of Ministers.

It was already possible to trade maize and feed barley on the IME, but this time, the government has authorized the IME to implement "the guaranteed price policy" and according to the today' resolution, suppliers who want to sell their maize and feed barley to the government at a guaranteed price, must offer their products on the IME. In the IME, the buyers suggest their bid prices without the interference of middlemen and purchase the commodity online.

"Management and Planning Organization of Iran" is also responsible for payment of the difference between the guaranteed price and the IME's rates within two weeks at the latest. In fact, trading any commodity on the IME will result in the removal of intermediaries and bribery.

Are there any required infrastructures to implement the plan and are the farmers familiar with it?

Eskandari answered: an exchange is a place in which brokers work as dealer institutions and those who want to trade on an exchange need to go to the brokers. He thanked the national media for putting on the agenda the issue and said that by doing this of the national media will enhance the knowledge of farmers and activists on the financial market about the legal procedures involved. Last year 60% of all the maize produced in the country was harvested in Khuzestan province and was offered on the IME within the framework of guaranteed price plan. Moreover, a lot of briefings and promotional activities were conducted to put this National Plan into practice. Educational materials were distributed along with numerous conferences in association with the Islamic Republic of Iran Broadcasting Corporation. Today the senior executive managers of the Agriculture Organization across all provinces and related entities are fully informed about



the implementation of the “guaranteed prices policy”. It is worth noting that this year, like previous years, the “guaranteed purchase plan” is being executed in 28 provinces but via IME within the framework of a transparent mechanism; as before the farmers submit their consignments to the buying agents, which are currently the “Animal Husbandry Support” centers and “Agriculture Organization” centers in cities.

A number of farmers from Khuzestan have complained of not getting the difference between the IME’s rates and the guaranteed price from the government, what explanations do you have about?

If Khuzetani farmers knew how long it took the farmers from other provinces to receive their money, they would be grateful, as IME deposited 70 percent of the trading value of their produce 2 days after IME has sold their products. Of course, the “Management and Planning Organization of Iran” is responsible for the payment of the difference between the guaranteed price and the IME’s rates.

Although it was not able to fulfill its commitments properly, Khuzestani farmers were much happier than farmers from other provinces. However, this year, due to the allocation of credits from the outset, institutions and organizations responsible for managing the plan will be hopefully paying the difference on time, and these concerns will be completely resolved.



Are farmers familiar with offering and trading process in the IME?

Given that implementing the plan in this year is not much different from the last year, farmers are not going through a different procedure; they just need to make sure that their names are on the list provided by service centers, official centers of the Agriculture Organization and the Cattle Breeding Support Company so that they can submit their goods.

As to the Khusestani farmers' concerns about late payments, the Market Development and Economic Studies Deputy of IME announced that 200 billion Rials of 650 billion Rials difference between the guaranteed price and the IME's rates is being paid and the remaining part will be paid next week.



Oil & Petrochemical

Market Events



IME Attends the 21st International Oil, Gas Refining & Petrochemical Exhibition (IRAN Oil Show 2016)

From Thursday 5th of May to Sunday 8th of May, Iran Mercantile Exchange will be attending the 21st International Oil, Gas Refining & Petrochemical Exhibition (IRAN Oil Show 2016) to be held in Iran International Fair in Tehran.

During the exhibition, the IME will host visitors in the exhibition stand of Iran Capital Market in Hall 8-9 No. 123 from 10:00 to 18:00.

Based on the report, over 2015 (1394) more than 12.5 million tonnes of oil and petrochemical

Oil, Gas, Refining Exhibition

016
ment Fairground



commodities worth over 5.2 billion USD were traded on the IME's oil and petrochemical trading floor and on IME's export pit, more than 3.5 million tonnes of bitumen products, insulation, sulfur and lube cut oil were traded by foreign customers. The report declares that, over 2015, the first financing project was launched for the petrochemical industry of the country. A 500 billion IRR fund for Abadan Petrochemical Company and 1,500 billion IRR fund for Pardis Petrochemical Company were raised for the first time in the Iran's capital market through the IME.

It is worth noting that the second largest OPEC producer, Iran sits atop 11 percent of oil and 18 percent of gas reserves in the world. Every year, the country hosts an international Oil Show in different oil, gas, refining and petrochemical sectors.

It is among the most significant oil and gas events in the world in terms of the number of participants and its diversity.

The presence of famous foreign companies as well as domestic producers and industrialists provide a good chance for mutual cooperation upon signing the contracts.

Minister of Industry, Mine and Trade Visits IME's booth at International Oil, Gas Refining & Petrochemical Exhibition (IRAN Oil Show 2016)

Minister of Industry, Mine and Trade Visits IME's booth at International Oil, Gas Refining & Petrochemical Exhibition (IRAN Oil Show 2016)

Mohammad Reza Nemat Zadeh, Minister of Industry, Mine and Trade visited Iran Mercantile Exchange booth in the Iranian capital market's pavilion in the 21st International Oil, Gas Refining & Petrochemical Exhibition (IRAN Oil Show 2016).

Given that a good number of petrochemical and oil products are traded on IME, there were swarms of people visiting IME's booth at the exhibition.

Furthermore, over 2015 (1394 hijri), volume of transactions on IME reached amounts in excess of 12.5 million tonnes of oil and petrochemical products worth more than 158 thousand billion Rials equivalent to 5.1 billion USD and on the export pit over 3.5 million tonnes of bitumen,

insulation, sulfur and lube-cut were traded to be exported to the global markets.

report also indicates that during 2015 (1394 hijri) the petrochemical industry was financed for the first time in the capital market of Iran via the IME: Abadan Petrochemical Company and Pardis Petrochemical Company received 500 billion Rials and 1,500 billion Rials of financing facilities respectively, the former for PVC and the latter for Urea, through issuance of standard parallel forwards contracts SALAM.



CEO of IME in Argus Iran Bitumen Conference Expressed:

Launching Bitumen Futures and SALAM Contracts in IME, in the Not Too Distant Future

The CEO of IME, in the Argus Iran Bitumen Conference announced that in the not too distant future, Iran Mercantile Exchange will launch futures and SALAM contracts for bitumen products. In the Argus Iran Bitumen Conference held in Espinas Palace Hotel Tehran, Iran, on 8-9 May 2016, attended by representatives of the bitumen industry in the world, Dr. Hamed Soltaninejad, the CEO of IME elaborated on trading bitumen in IME and its export through the export ring of IME and said: launching a future market for bitumen to hedge the participants of the commodities market is on high agenda for IME to develop this product's transactions.

Pointing to the IME's other plans in this regard, he added: we have conducted a research study to establish standard parallel forwards contracts SALAM for bitumen.

Moreover, issuing certificate

of deposit for bitumen and launching commodity funds for the product are some other instruments to be offered by IME. It is worth noting that, on the first day of the conference, lecturers from India, Iran, Turkey, Indonesia and Seri Lanka have delivered speeches on the transforming bitumen landscape: global bitumen outlook, general overview of European and Turkish asphalt industry, implementing a framework for quality assurance, producer's perspective: identifying opportunities, international trade outlook: update from Indonesia, new markets in India: demand outlook, international trade outlook: update from Sri Lanka.



Metal & Mineral

Market Events

IME CEO Announced While Paying a Visit to Shad-Abad Iron Market

New Financial Instruments to Pull Iron and Steel Businesses out of Recession/ Preparing the Groundwork for Retail Offering of Iron and Steel.

Newly-launched financial instruments could assist the country's iron and steel markets to overcome recessions, the CEO of the Iran Mercantile Exchange was quoted as saying while visiting the Shad-Abad iron market.

Dr. Hamed Soltaninejad and a group of senior managers went to see the authorities of Iran's iron and steel market in Shad-Abad, Tehran for a brainstorming meeting to investigate the current situation of the country's iron and steel market. They met the head of the Iran's Iron and Steel Union, Mohammad Azad, and a number of managers to this union.

During the meeting Dr. Soltaninejad reiterated that IME will do everything within its power to underpin the industry and referred to the

numerous advantages that IME is capable to provide the Steel industry with, including hedging risks, financing services, assisting the private sector of the country through reducing tax rates, cutting out the unnecessary middlemen, ensuring transparency, as well as fair and logical price discovery, which combined with the new financial instruments could help the industry to resist the recession periods.

IME CEO went on to put forward a suggestion which was welcomed by the Iron and Steel Union; that IME is about to promote demand for steel products through providing the groundwork for retail offering of them on the IME.

IME to Launch the Online Platform for Iron Market

Retail trading of steel products entails the easy access of traders to the trading procedures in IME,

Dr. Soltaninejad said, which is to become feasible by launching an online platform for steel and iron market on the IME. He added that IME is about to provide facilities for manufacturers offering their products on IME, in order for them to go through a straightforward trading procedure.

Retail trading on IME

In the meeting, Mohammad Azad, head of the Iran's Iron and Steel Union, thanked Dr. Soltaninejad for trying to allay the concerns of Iron and Steel market participants and mentioned paying extra tax and LC issues as the main concerns of the market, which he hoped to be relieved with the help of IME.

IME, a Viable Solution to End Recession

Azad continued that the severe recession in iron and steel industry has practically paralysed the economic and financial activities of the industry; an era which seems to be lingering unless the industry is supported by outsiders. He maintained that the industry has been treated unfairly, and he construes IME as the best way to overcome its predicaments.

He also insisted on the fact that

the low rate of tariffs on iron and steel imports has caused the manufacturing of iron and steel to be an unprofitable business.

Referring to the notion that a big share of imports in the industry relates to rebar, iron beam and rails, Azad said, "We are not against imports of raw materials, but a large amount of the imports is manufactured products the logic behind of which I cannot understand."

Last year a number of rebar manufacturing companies were closed and the whole workers were fired.

Drops in demands was also another impetus to encourage the manufacturers enter the imports sector, as hopes were fading that the market might be bullish again, Azad was also quoted as saying. He added that we are hoping that despite the current situation, with the officials' support and IME's contributions, the industry will be able to put an end to this long-lasting hibernation.



IME Cement Exports Make Comeback

According to Financial Tribune, after a four-year hiatus, cement offerings for export have resumed at Iran Mercantile Exchange, the IME chief said. Isfahan Cement Company initiated the offering with 2,000 tons of the construction material on Saturday, 1,000 tons of which were traded on cash payment.

“We intend to expand our export markets for cement and unify prices by exporting the commodity through IME,” Hamed Soltaninejad was also quoted as saying by IRNA. Cement offering at the mercantile exchange began in 2010. About 1 million tons were traded and 63,000 tons were exported in the next two years. However, government-enforced pricings and the subsequent lack of competition caused cement manufacturers to become disillusioned with the exchange and pull out of IME in 2012.

Soltaninejad referred to the glut in the domestic cement market and emphasized that IME’s capability to carry out foreign transactions in dollars

and euros.

“IME’ use of new financial instruments such a standard parallel forwards SALAM contracts (Islamic versions of future contracts) can bolster Iranian producers’ presence in regional markets while providing them with much-needed liquidity,” he said. Cement producers are currently going through a rough patch. They are grappling with weak demand at home, as a result of a dormant construction sector. They recently lost the Iraqi market, one of the main export destinations of Iranian cement. North African countries like Kenya and Ethiopia are currently being considered as alternative markets. Earlier, Mohammad Atabak with the Cement Industry Employers Association said cement prices were expected to rise about 15% in late June, adding that the hike in prices is meant to compensate the rising production costs. More than 15 million tons of cement and clinker—the main material used in cement



production—were exported in the last Iranian year (March 2015-16), with Iraq accounting for close to 65% of this figure. Afghanistan, Kuwait and Qatar were other major destinations. Iran aims to increase production and exports to 120 million and 32 million tons respectively by the end of 2020.

Iran was the world's seventh largest cement producer and second largest exporter in 2015.

Highlight: IME's capability of carrying out foreign transactions in dollars and euros, in addition to using new financial instruments can bolster Iranian producers' presence in regional markets

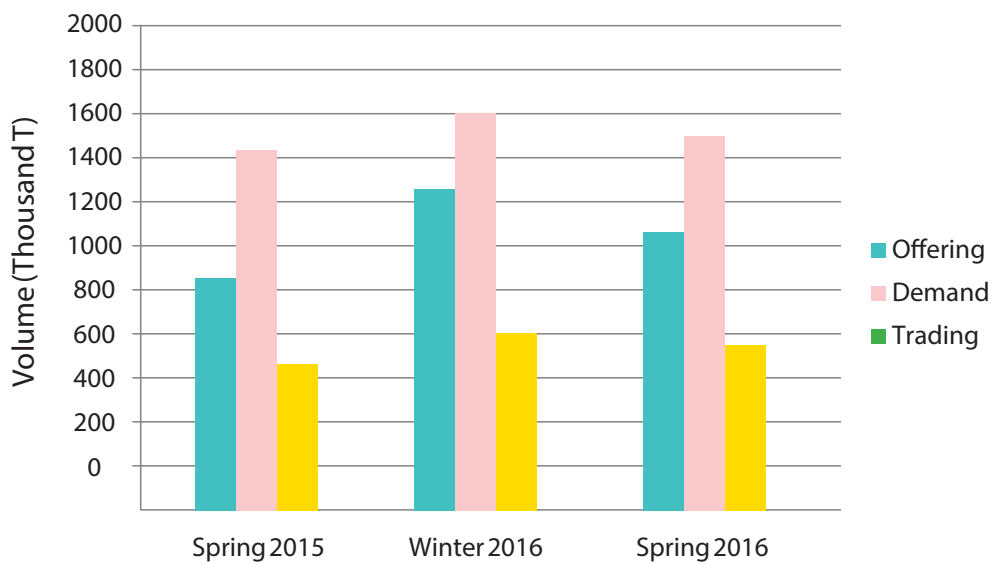
Statistics of

In this chapter, you will find statistical data related to IME business in 8 subdivisions as following on a quarterly basis:

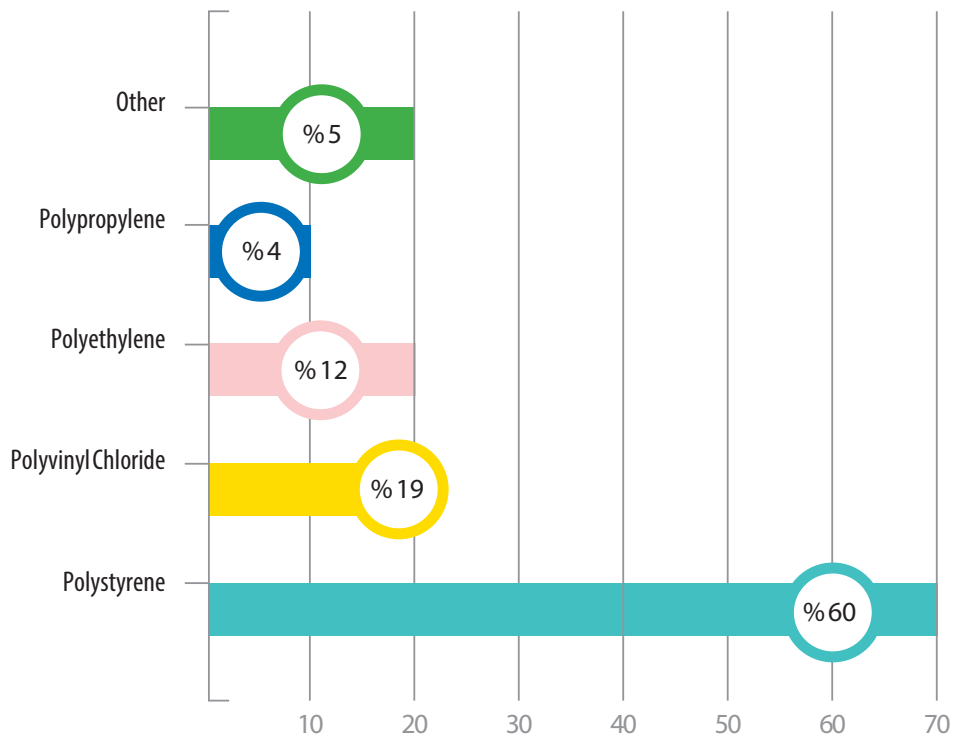
1. Polymer Products
2. Chemical Products
3. Oil Products
4. Metal and Mineral Products
5. Agricultural Products
6. Export Pit at a Glance
7. An Overview to Total Spot Market Trading Statistics
8. Derivative Market Statistics

IME Business

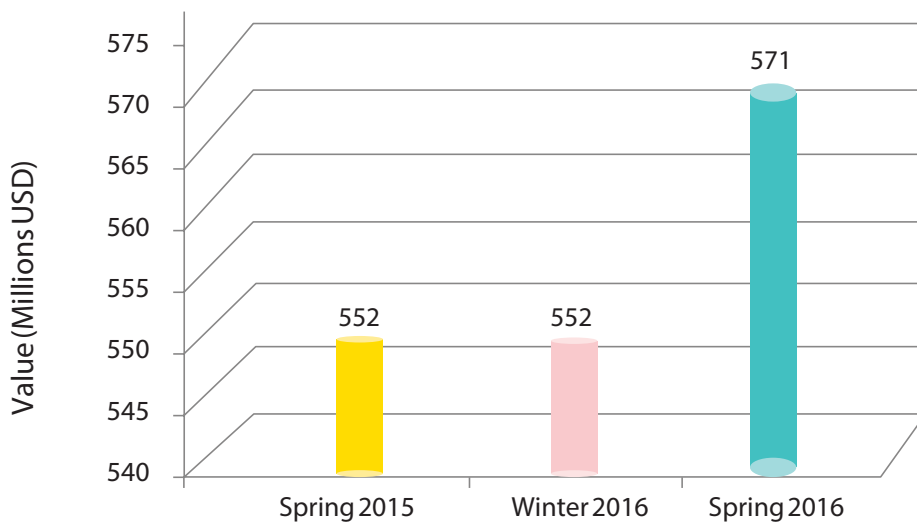
1- Polymer Products Quarterly Statistics



Volume of Offering, Demand & Trading for Polymer Products

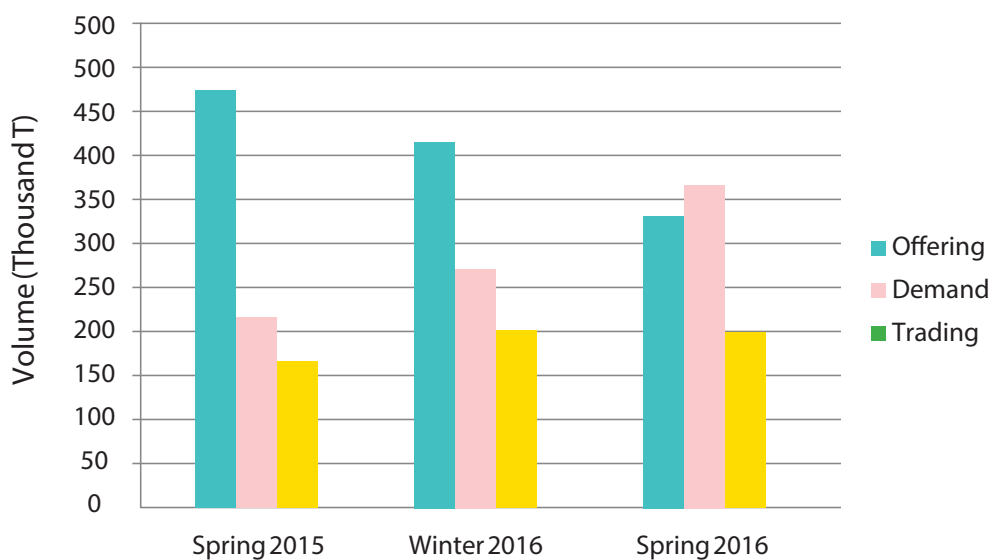


Polymer Products Trading Value
(Spring 2016)

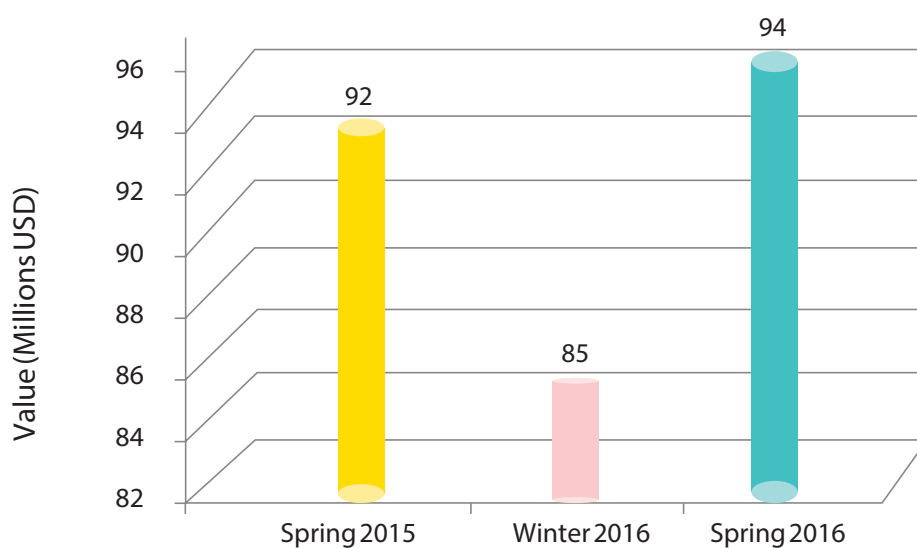


Value of Trading for Polymer
Products

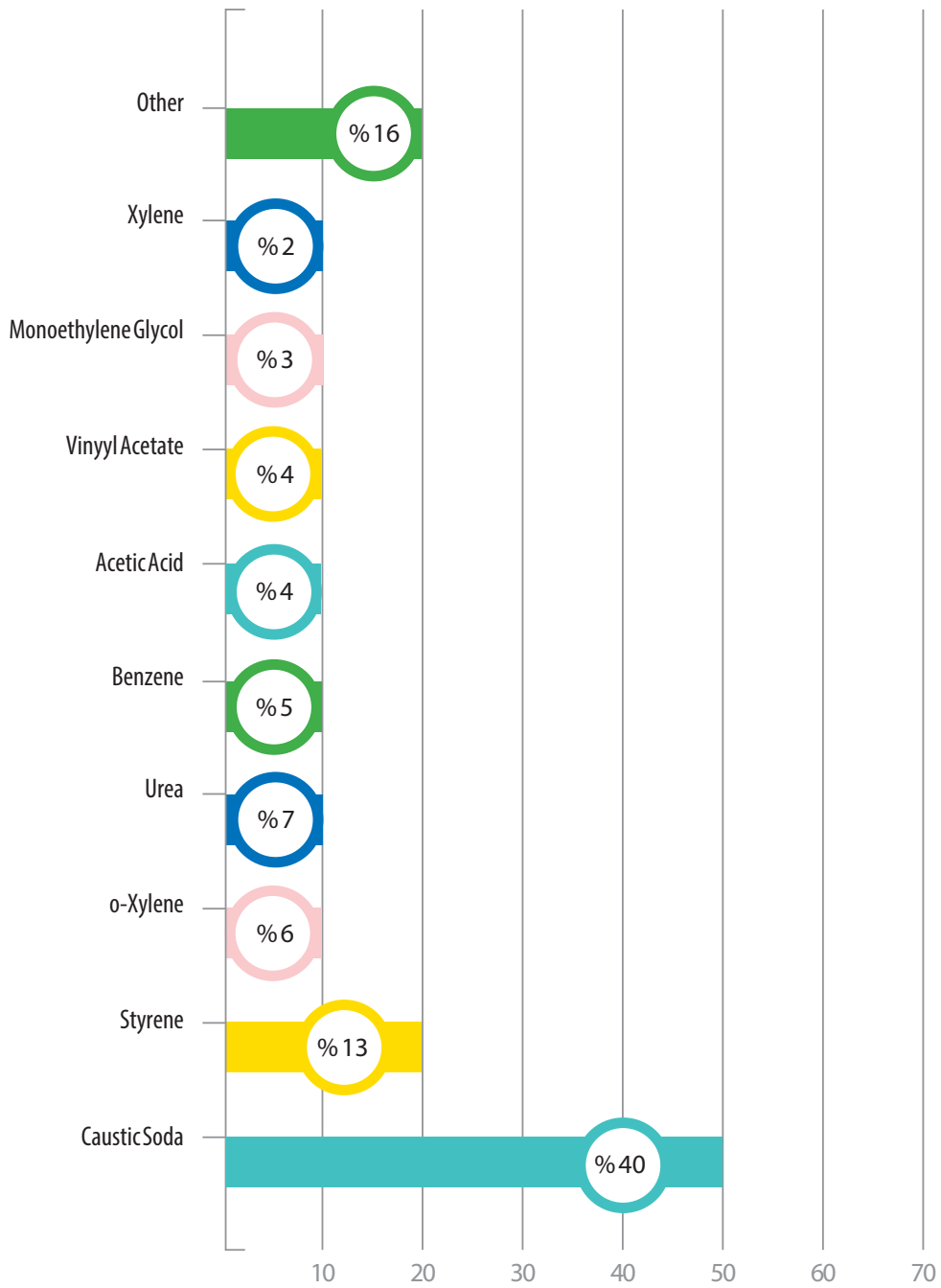
2- Chemical Products Quarterly Statistics



Volume of Offering, Demand & Trading for Chemical Products

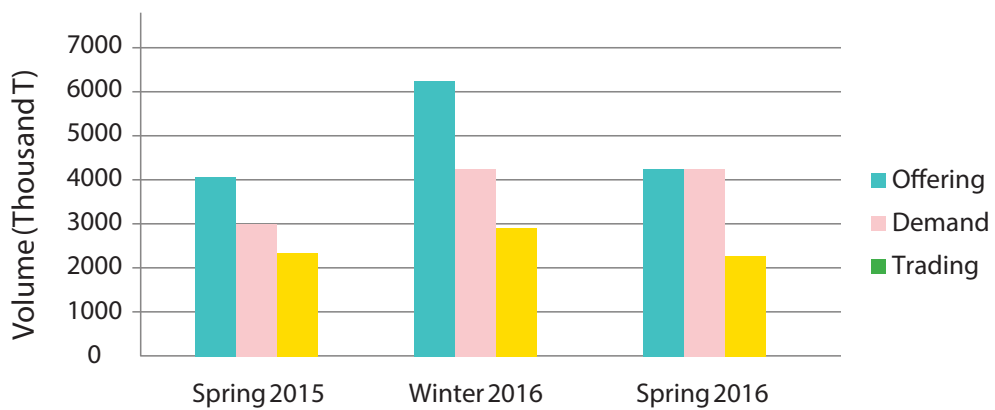


Value of Trading for Polymer Products

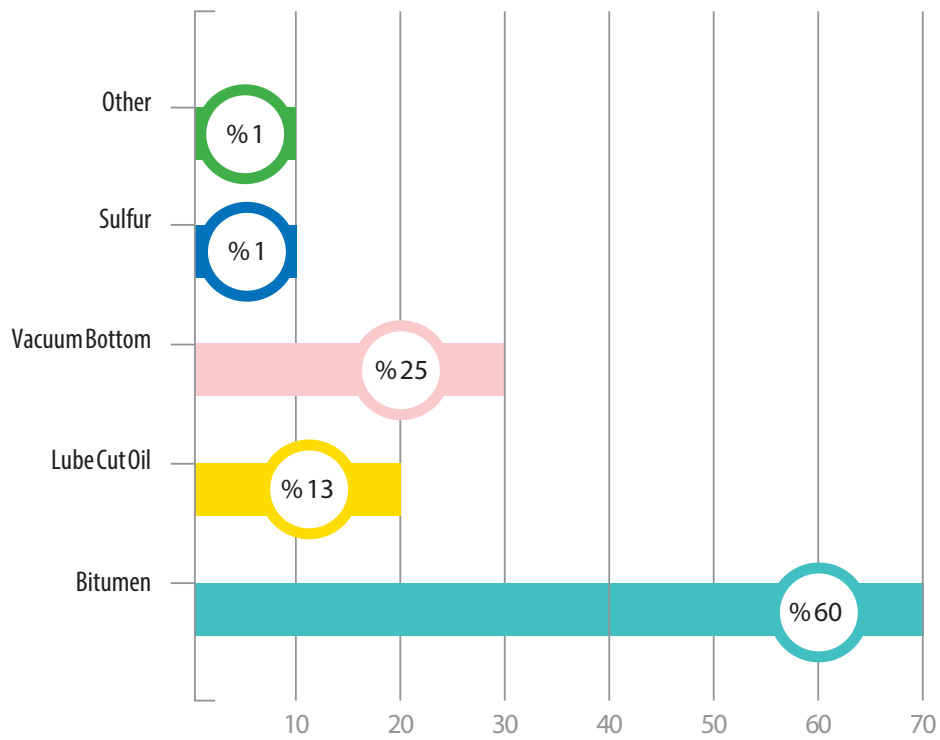


Trading Value for
Chemical Products (Spring 2016)

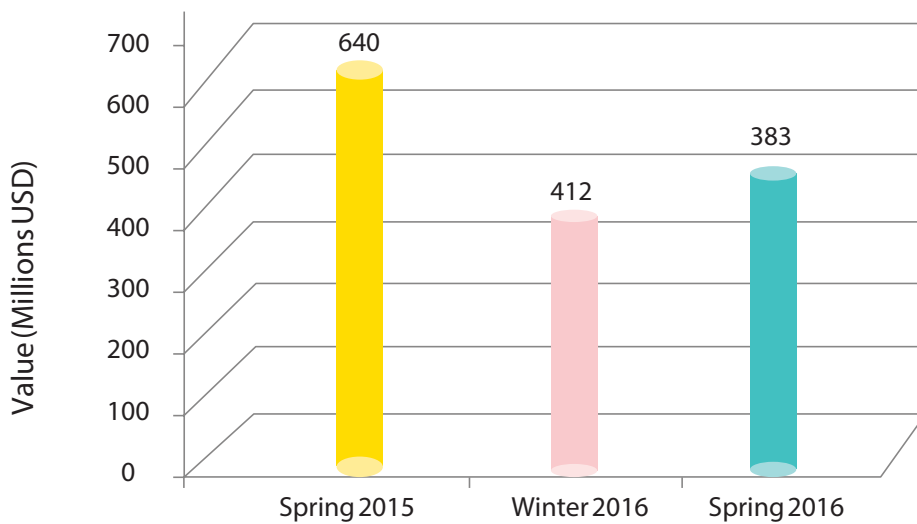
3- Oil Products Quarterly Statistics



Volume of Offering, Demand & Trading for Oil Products

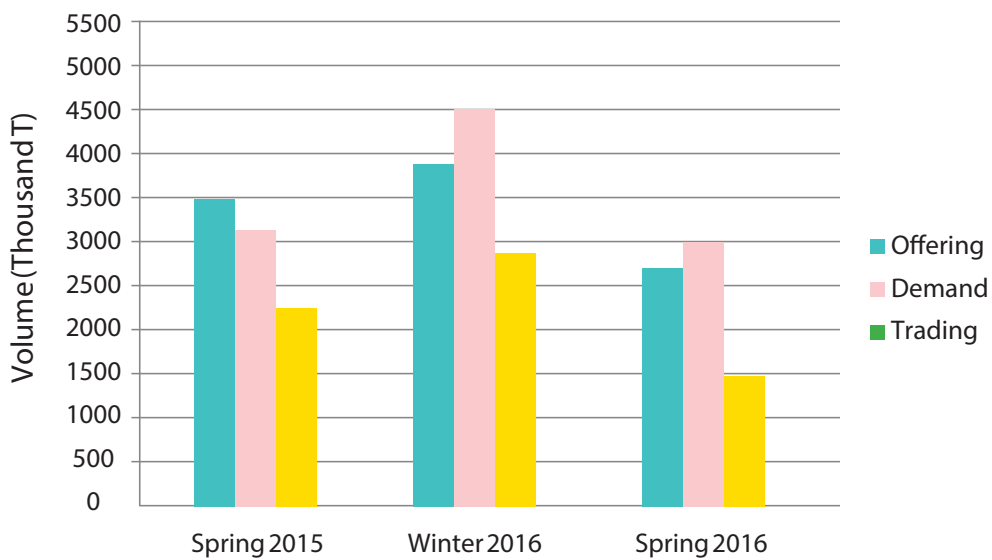


Oil Products Trading Value (Spring 2016)

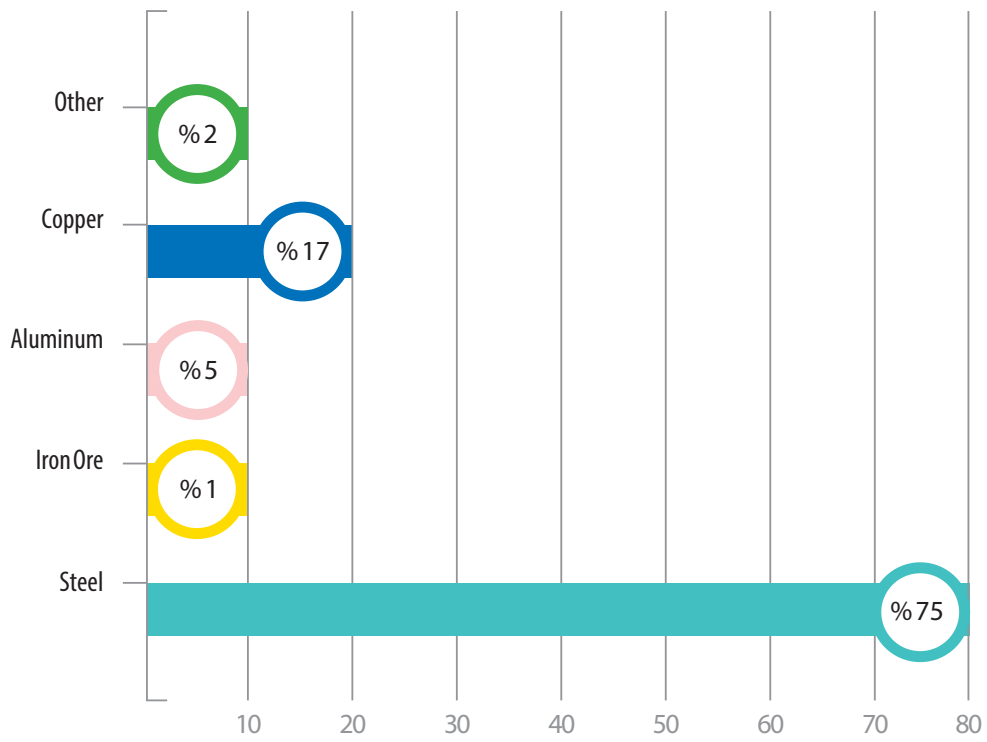


Total Value of Trading for Oil Products

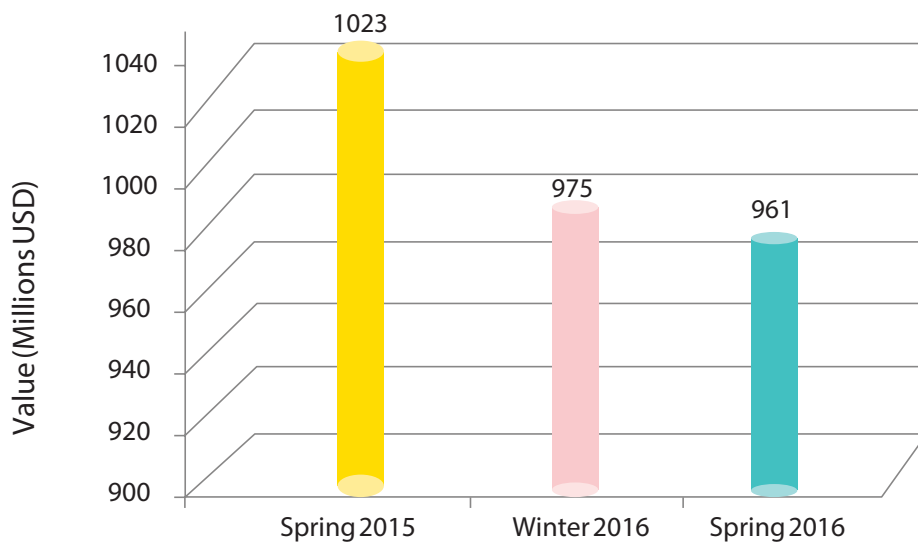
4- Metal & Mineral Products Quarterly Statistics



Volume of Offering, Demand & Trading for
Metal & Mineral Products

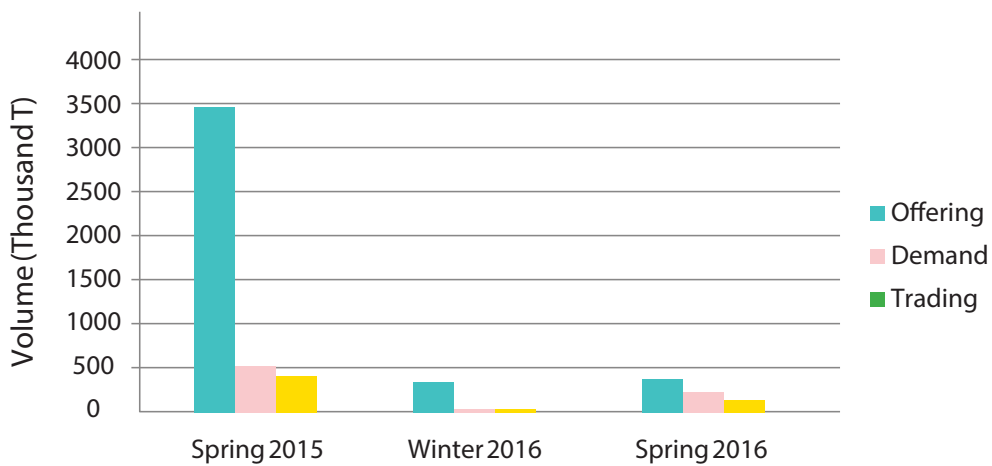


Metal & Mineral Products Trading Value (Spring 2016)

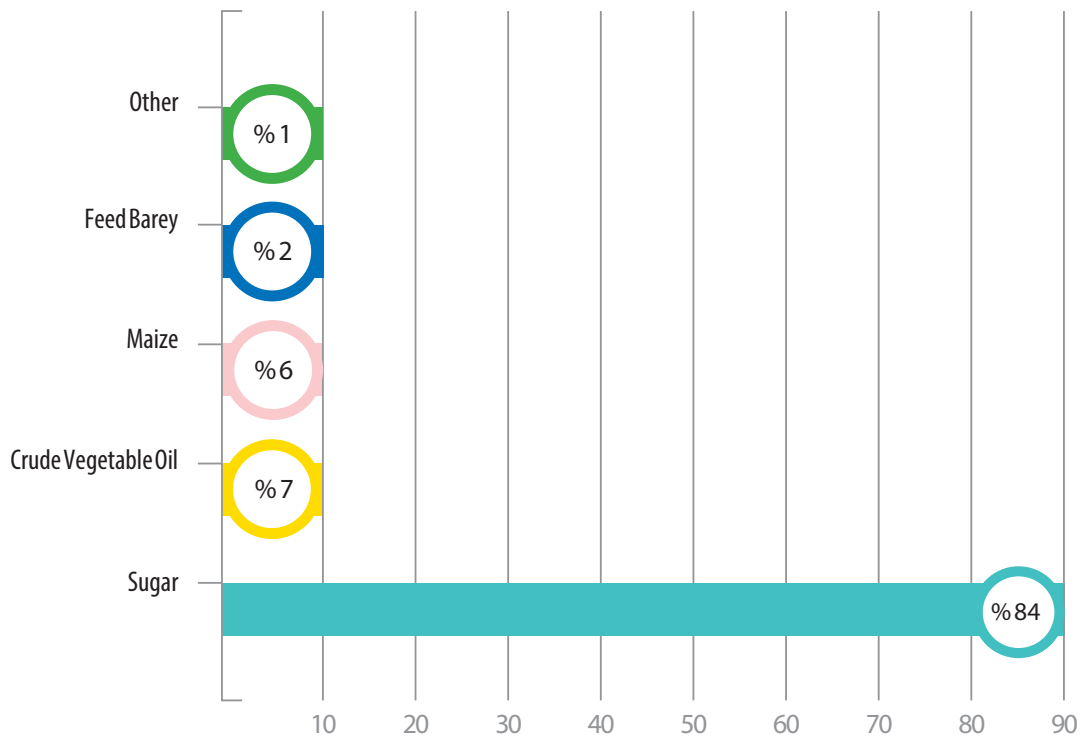


Value of Trading for Metal & Mineral Products

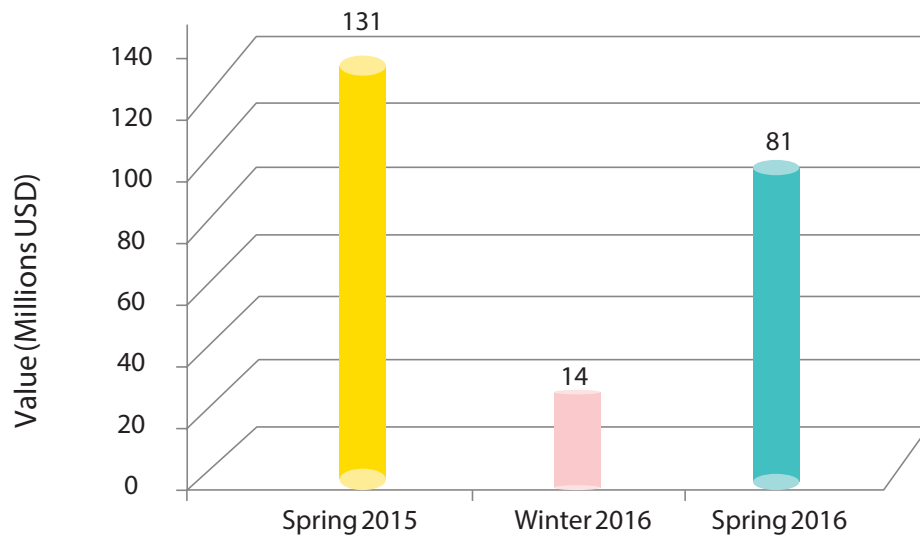
5- Agricultural Products Quarterly Statistics



Volume of Offering, Demand & Trading
Agricultural Products

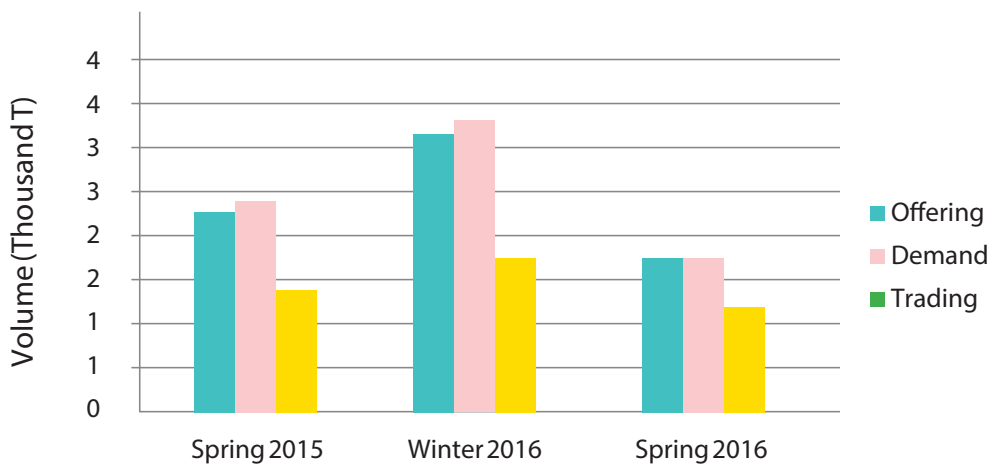


Agricultural Products Trading Value (Spring 2016)

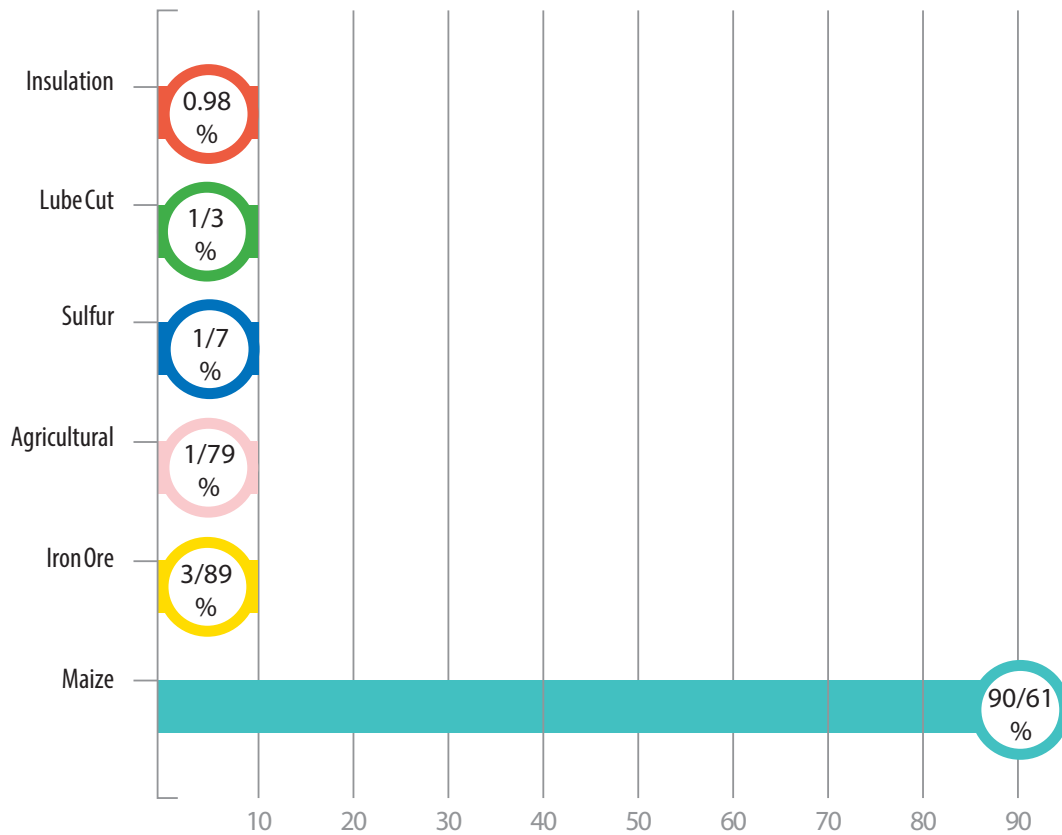


Value of Trading Agricultural Products

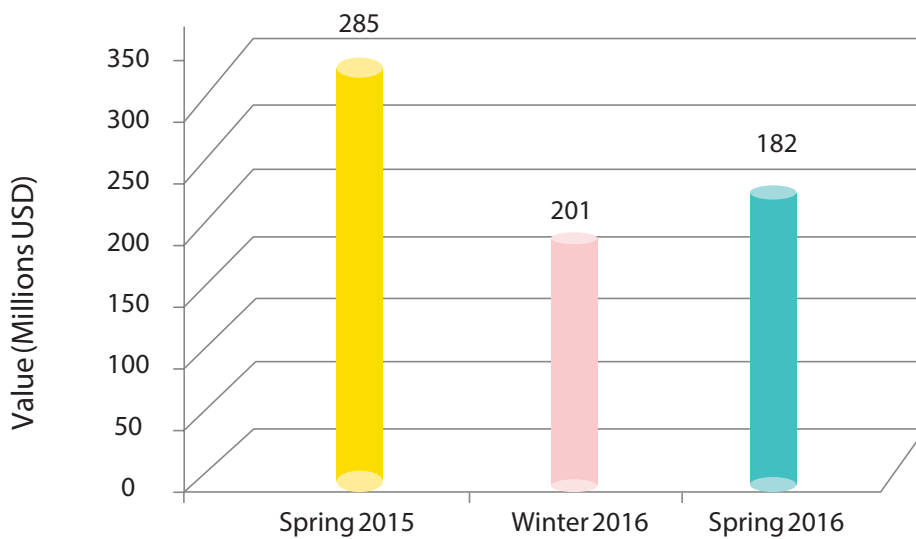
6- Export Pit of IME at a Glance



Volume of Offering, Demand & Trading on Export Pit

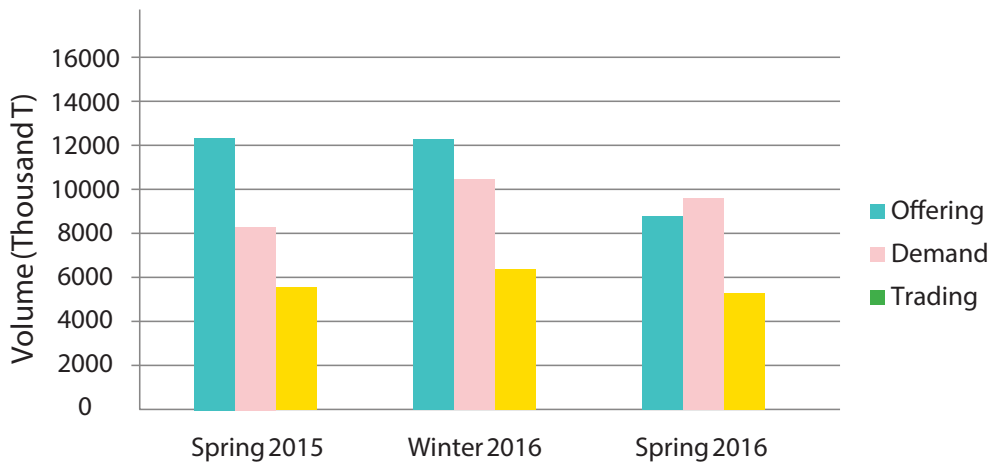


Export Pit Trading Value
(Spring 2016)

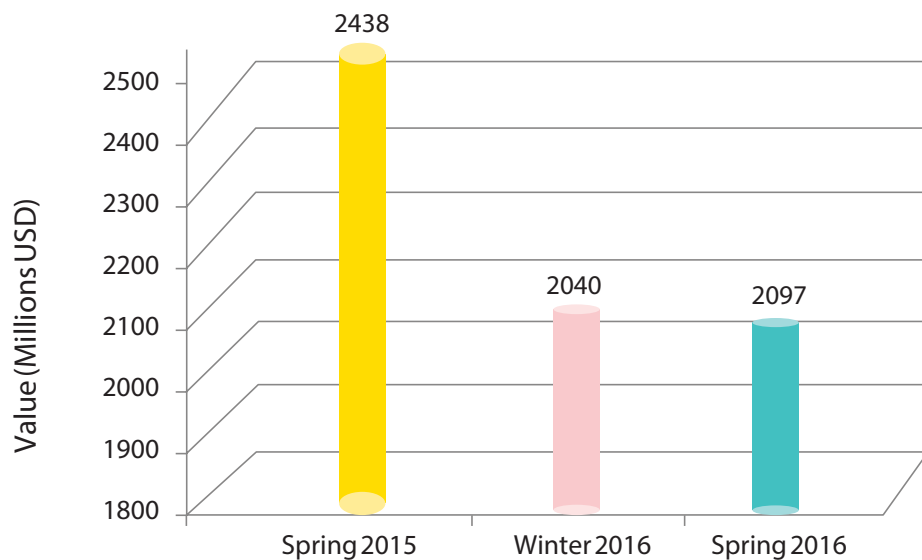


Value of Trading on
Export Pit

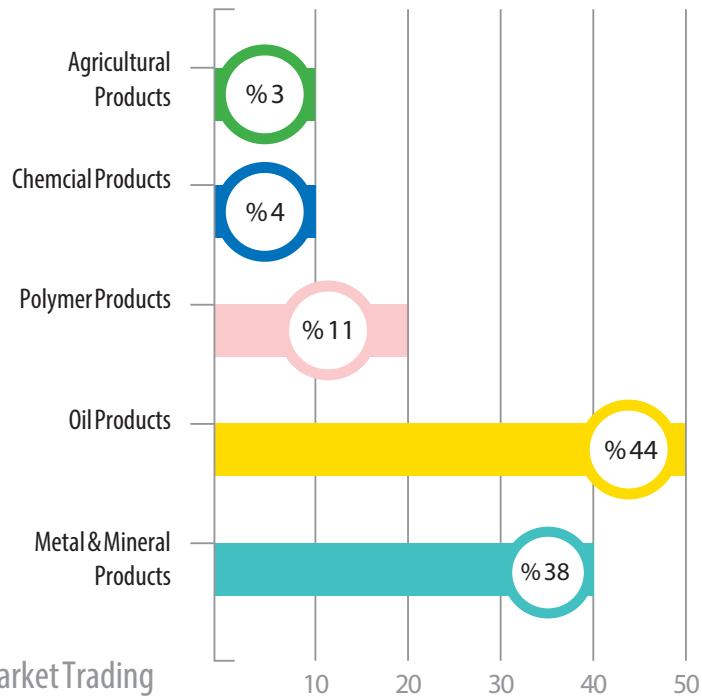
7- IME Business Statistics in Spot Market



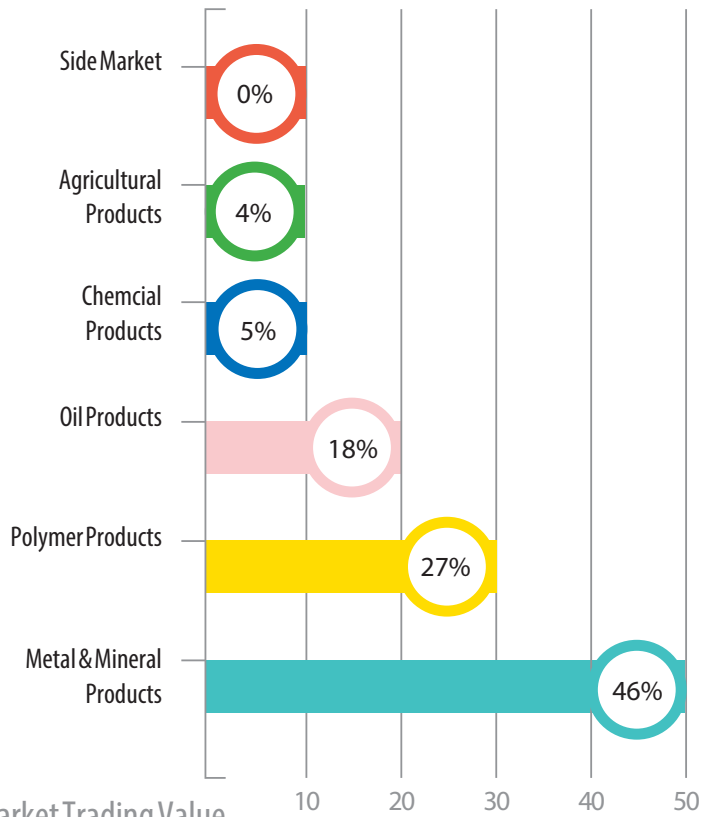
Total Volume of Offering, Demand & Trading in Spot Market



Total Value of Trading in Spot Market

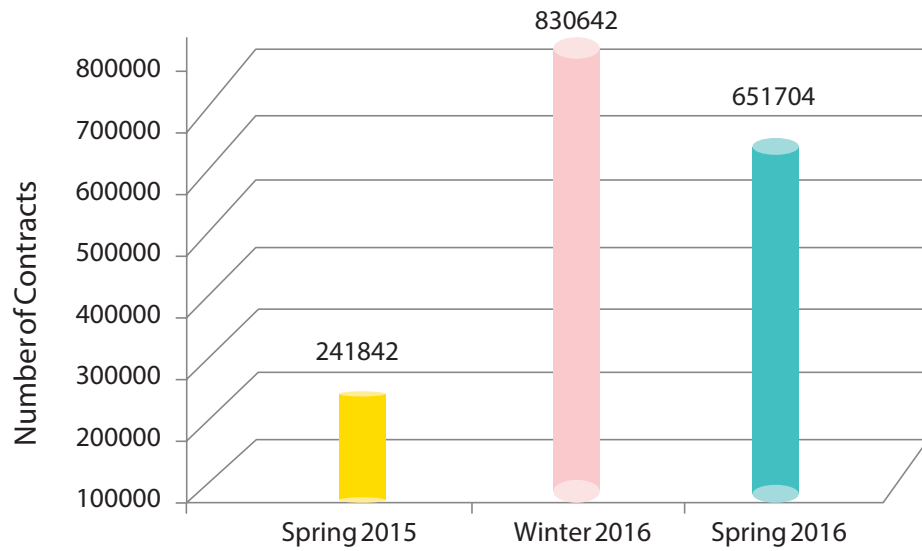


Spot Market Trading Volume (Spring 2016)

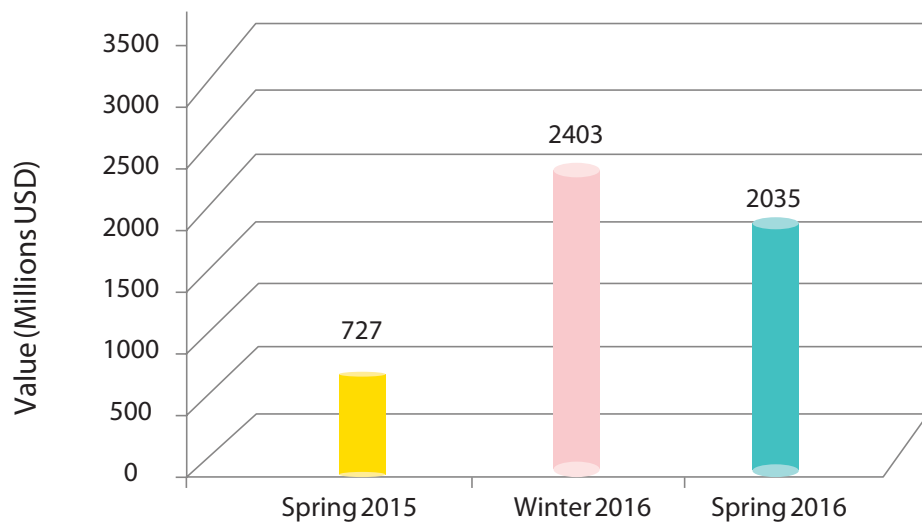


Spot Market Trading Value (Spring 2016)

8- IME Derivative Market Statistics



Number of Futures Contracts



Value of Futures Contracts



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Tel: +98(21)8564000-2

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