

**Slight Gains in Currency Rates**

Forex rates in Tehran were rather stable on Sunday compared to the past several weeks as traders exercised extra caution due to the Central Bank of Iran's presence in the market. According to Eghtesad News website, one dollar was sold at 269,500 rials – up 2,500 rials or 0.95%. Euro also gained 1,160 rials, or 0.34%.

# FINANCIAL TRIBUNE

**New Silos Under Construction**

A wheat silo with a storage capacity of 100,000 tons will be inaugurated in Semnan Province's Gamsar County by the end of the current Iranian year on March 20, 2021.



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PRICE SILVER RIAL  
1.00 EURO • 4.00 AED

MONDAY

SEPTEMBER 20, 2020  
MHR 7, 1399  
SRR 11, 142

USD 291,700 Rial | EUR 338,950 Rial | GBP 371,050 Rial | AED 79,500 Rial | JPY 27,600 Rial | CNY 42,700 Rial | Coin 130,000 Rial

## Gov't to Continue Supply of Subsidized Essential Goods

The government plans to continue subsidizing essential goods in the next fiscal year (March 2021-22). According to Vice President

Mohammad Bagher Nobakht, who doubles as the chairman of Iran's Plan and Budget Organization, the government will channel earnings from oil exports to import essential

goods at the subsidized rate of 42,000 rials per US dollar.

He made the remarks on the sidelines of a meeting of the so-called Budget Headquarters

1400 (the Iranian year starting March 2021). Mehr News Agency reported.

The Plan and Budget Organization held the first meeting of the headquarters on Aug. 22.

### Market Volatility Foreseeable



Many strategists expect the S&P 500 to decline all the way to its 200-day moving average that was 3,107 on Friday.

### TEDPIX Falls Under Relentless Sell-Off

Tehran's bourse was again counting its losses on Sunday as a bruising sell-off swept through a majority of small and large cap shares.

The main index of Tehran Stock Exchange, TEDPIX, lost 43,373 points and fell 2.68% for the day to retreat below 1.6 million points and close trade at 1,572,158.

Giart listed companies in the banking, refinery, auto, petrochemical, mineral and steel sector were hit harder, pulling down the TSE 30 Index by a solid 4%. The index tracks the performance of 30 listed companies with highest market capitalization.

The equal-weighted index closed trade 1.15% lower. The index offers a better picture on the performance of penny stocks.

### Industrial Productivity Growth Low Despite Rising Power Consumption

Power consumption of industries has increased by 12% since the beginning of the current fiscal in March compared to a year ago, but the rise has not transformed into decent productivity growth, head of the Mining and Mining Industries Commission of Iran's Chamber of Commerce, Industries, Mining and Agriculture said.

"More than 50% of manufacturing units in industrial towns are either closed or work at half capacity. As such, rise in power consumption has little, or nothing, to do with their productivity growth. What it does show is that most of the machinery is old and have outlived their usefulness," Bahram Shakouri was quoted as saying by Barq News.

### Oil Offer to Bondholders

The Ministry of Economy on Sunday offered to settle payment to holders of Islamic bonds by delivering crude oil.

In a notice published on its news portal, Shadair, the ministry said the "provision" would be available only to bonds maturing on May 2021.

It asked bondholders who may be interested in the offer to submit their request to the ministry's debt management office.

Applications will be reviewed by the office and sent to the Plan and Budget Organization. After approval, the PBO will introduce bondholders to the National Iranian Oil Company to receive crude oil equivalent to the value of bonds.

The notice didn't provide details, including the price of crude oil to be delivered.

### Clashes Erupt Between Armenia and Azerbaijan Over Nagorno-Karabakh

Armenia declared martial law and mobilized its male population on Sunday after clashes with Azerbaijan over the breakaway Nagorno-Karabakh region in which sources on both sides reported fatalities.

Auhtorities in Nagorno-Karabakh, a mainly ethnic Armenian region inside Azerbaijan which declared independence in 1991, also announced martial law and mobilized the male population after clashes which the two sides blamed on each other, Reuters reported.

Armenia said Azerbaijan had carried out an air and artillery attack on Nagorno-Karabakh, but Azerbaijan said it had responded to Armenian shelling.

Armenian human right activists said two civilians, a woman and a child, had been killed by Azeri shelling. Baku said an unspecified number of Azeri civilians had been killed and six wounded, and Nagorno-Karabakh said 10 of its military staff had been killed. The reports could not be independently confirmed.

Russia's Foreign Ministry, a mediator in decades of conflict between majority Christian Armenia and mainly Muslim Azerbaijan, urged both sides to cease fire immediately and hold talks.

The two countries have long been at odds over Nagorno-Karabakh, which broke away from Azerbaijan in a conflict that broke out as the Soviet Union collapsed.

### Israelis Protest Against Netanyahu Despite Coronavirus Lockdown

Thousands of Israelis gathered anew in Be'el-Muqaddas (Jerusalem) to demand the resignation of Prime Minister Benjamin Netanyahu, a day after the country tightened its lockdown aimed at stemming surging coronavirus cases, news outlets said Sunday.

Long processions of cars carrying people from throughout the country caused traffic jams in the city, with hundreds of small protests held at bridges and junctions nationwide.

According to Israeli media reports, protesters also gathered in Tel Aviv and Caesarea – as well as online – and organizers were quoted as saying that around 16,000 joined the demonstrations in person.

Israel began a second nationwide lockdown on Sep 19 in a bid to bring down the world's highest coronavirus infection rate per capita.

On Friday, restrictions were tightened further, including limiting international travel and attending indoor prayers.

But lawmakers blocked a government proposal that would have limited protest gatherings to groups of 20 or less and required that all protesters be within a kilometer of their homes.

Netanyahu, in a video issued Saturday night, slammed the populist decision in parliament to cancel the limitations the government imposed after we saw the rise in the infections.

### ECB's Policymaker Says Euro Strength Is a Worry

A recent strengthening in the euro's exchange rate is a worry and will warrant a reaction from the European Central Bank if it drags inflation farther away from its goal, ECB policymaker Ignazio Visco said on Sunday.

The euro hit its highest level since mid-2018 on Sept. 1 at \$1.211, but has since given up half of its gains for the year, closing at \$1.1630 on Friday amid a new surge in coronavirus cases in Europe, Reuters reported.

Visco also derided ECB policymakers were divided on the matter and said his views echoed those of the executive board. "The euro's recent strengthening is worrying us because it generates further downward pressures on prices at a time when inflation is already low," Visco, Italy's central bank governor, told an event in Trento. "The monetary policy implications are obvious: if the downward pressures jeopardize our price stability objective, we'll have to intervene."

### Biggest Independent Oil Trader Sees Price Gains Unlikely in 2020

Crude prices will have little room to rise in the next quarter because the recovery in global demand is slowing due to new coronavirus-related restrictions on the economy, according to Vital Group executive committee member Chris Baka. "The conventional wisdom going into the fourth quarter was that things were going to improve," Baka said on a conference call hosted by Dubai consultant Gulf Intelligence. "It doesn't feel like we have a huge catalyst," and demand is more "uncertain," he said, Bloomberg reported Sunday. Vital is the world's biggest independent oil trader.

### Macron's Party Faces Struggle In French Senate Elections

Nearly half of France's senate seats are up for grabs Sunday in an election that is likely to leave the chamber dominated by conservatives and serve a new electoral blow to President Emmanuel Macron's centrist party. The election is indirect, with senators chosen primarily by some 75,000 local elected officials like city councilors. They are voting for 172 of the 348 seats in the senate, whose senators serve six-year terms, AP reported.

The conservative Republicans party is expected to keep its majority, now at 143 seats. Macron's Republic on the Move party was created just four years ago and has 23 seats in the outgoing senate. It has lost popularity since the last election in 2017 because of yellow vest protests against policies seen as favoring the rich, party infighting and voter disenchantment with Macron's leadership, including its management of the coronavirus crisis. French Senate elections are held every three years, with part of the chamber replaced each time.

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