

Selected Economic Indicators

Analysis on Capital Market Developments

- Tehran Stock Exchange Price Index (TEPIX) and the Over-the-Counter (OTC) general index topped 1,496,201 and 19,173 points in Azar 1401 (December 2022), registering growth rates of respectively 6.2 and 3.6 percent compared with the month before (November 2022). The main reason behind this growth was the increase in the earnings and favorable prospects of profitmaking by exporting companies. The Equal Weight Index (EWI) of the TSE (Tehran Stock Exchange), assigning equal weight to all the stocks in the index, grew by 10.2 percent compared with the month before (November 2022). Growth in EWI in the first nine months of 1401 (April-December 2022) compared with the respective period in 2021 was 28.0 percent, which, in comparison with the growth rate of the TEPIX in the same period (13.5 percent), is indicative of improvements in the profitability of small businesses as compared with that of large industries.
- Total market capitalization in the TSE amounted to 55,505.7 trillion rials in December 2022, indicating a growth rate of 6.2 percent compared with the month before. Over the same period, market value of equity in the OTC market grew by 4.8 percent compared with November, to reach 14,372.0 trillion rials. Growth rates of the mentioned indices during April-December 2022 compared with the respective period of 2021 were 4.6 and 6.3 percent, respectively.
- The market value of debt in the TSE rose by 16.8 percent compared with November 2022, while that of the OTC market grew by 1.3 percent. The mentioned variables amounted to 521.2 trillion rials and 4,265.4 trillion rials in December 2022, indicating increases by 67.5 and 25.9 percent, respectively, during the period April-December 2022 compared with the respective period in the previous year. The main factor behind the increase in the market value of debt during the said nine-month period was the lower yields in the capital market, which in turn pushed investors towards low-risk investments in assets like debt instruments issued by municipalities and companies.
- A review on the performance of debt instruments in the OTC market, as decomposed by the issuance factor, indicated that debt instruments issued by the government, municipalities, and companies experienced growth rates of 8.9, 67.5 and 143.7 percent, respectively, during April-December 2022 as compared with the respective period of 2021. Debt instruments issued by the government accounted for 73.5 percent of total, with those issued by municipalities and companies constituting shares of 2.1 and 24.4 percent, respectively, over the said nine-month period.
- Over the period April-December 2022, the value of share trading on the TSE indicated a decrease of 8.3 percent to reach 6,650.8 trillion rials, while the number of shares showed an increase of 20.3 percent compared with the corresponding period in 2021 and amounted to 1,318.6 billion.

- Total financing through the capital market¹ declined by 39.4 percent from 5,265.0 trillion rials during April-December 2021 to 3,190.3 trillion rials in April-December 2022. Furthermore, a decrease by 97.9 percent in the "capital increase of public joint-stock companies out of the excess funds resulting from revaluation of assets (based on license)", relating to the "capital increase" group, was the main reason for the decrease in total financing through the capital market during the said period, compared with the respective period in the previous year.

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¹ Total financing through the capital market is done via "issuance of various financing instruments" as well as "capital increase". The latter is further divided into four sub-headings, namely "establishment of public joint-stock companies", "capital increase of public joint-stock companies (based on license)", "capital increase of public joint-stock companies out of the excess funds resulting from revaluation of assets (based on license)", and "companies' Initial Public Offerings (IPOs) in TSE and OTC".