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GLOBAL MARKET PERFORMANCE

United States: Stocks recorded solid gains, helping push all of the major benchmarks back into positive territory for the year to date.

By the end of the week, data and analytics firm FactSet was anticipating that overall earnings for the S&P 500 had grown by 24.9% in the quarter over the year before, with nearly four out of five companies beating analysts' earnings and revenue estimates.

A rise in domestic crude prices provided a particular boost to the energy sector. The price of a barrel of West Texas Intermediate crude hovered above \$70 for much of the week, the first time it had crossed that barrier since late 2014. Saudi Arabian officials were reportedly prepared to guide international oil prices to \$80 per barrel, and the potential disruption to Iranian supplies also pushed prices higher.

Europe: Key European indexes ended the week higher—buoyed by rising oil prices and positive corporate news. Trading volumes were low, and reduced volatility reflected a relatively calm market.

As the first-quarter corporate earnings season wound down, more European companies than usual continued to surpass earnings estimates.

The blue chip FTSE 100 Index ended the holiday-shortened week on an upswing after briefly touching a three-month high. A pullback in the pound, which helps multinational companies that earn revenue in foreign currencies, provided a lift to the index. The Bank of England reduced its forecast for second-quarter inflation to 2.4% from 2.7%, as well as its forecast for gross domestic product to 1.4% from 1.8%.

Japan: Japanese stocks advanced for the week. The yen was little changed, closing trading on Wednesday at ¥109.2 per U.S. dollar, which is about 3.0% stronger than at the end of 2017.

While official figures have yet to be released, analyst polled by Reuters believe the Japanese economy contracted in the first quarter, due to tepid private consumption, faltering export demand, and weak housing investment. In aggregate, analysts believe that it could just be a temporary soft patch because higher food costs and poor winter weather crimped consumer spending. While the decline in gross domestic product is expected to be modest, it would be the first contraction in Japan's economic growth since late 2015, bringing to an end a streak of eight consecutive quarters of expansion.

China: Trade tensions between the U.S. and China remained in the news as both sides entered a second round of trade talks in Washington to try and head off a damaging trade war. The latest bilateral trade negotiations occur as the Trump administration is reportedly finalizing a list of Chinese products that it has targeted for punitive tariffs.

Source: Reuters, Troweprice

WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	19,253.48	-3.16% ▼
Dow Jones	USA	24,831.17	2.34% ▲
S&P 500	USA	2,727.72	2.41% ▲
Nasdaq	USA	7,402.88	2.68% ▲
S&P/TSX	Canada	15,959.50	1.46% ▲
FTSE 100	GB	7,724.55	2.08% ▲
S&P/ASX 200	Australia	6,116.20	0.88% ▲
Nikkei 225	Japan	22,758.48	1.27% ▲
Hang Seng	Hong Kong	31,122.06	3.99% ▲

MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.7%	110.00
Mongol 2023 (Gerege)	USD	5.6%	97.19
Mongol 2022 (Chinggis)	USD	5.1%	95.82
Mongol 2021 (Mazalai)	USD	10.8%	112.84
Mongol CNY (Dimsam)	CNY	7.5%	100.20
DBM' 23 (Samurai)	JPY	1.5%	104.59
TDBM' 2020	USD	9.3%	106.34

MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.919	-0.01 ▼
Libor 3M	2.343	-0.03 ▼
Libor 6M	2.515	-0.01 ▼
Libor 1YR	2.766	-0.01 ▼
US 6M Bond	2.027	0.00 ▲
US 2YR Bond	2.535	0.04 ▲
US 3YR Bond	2.685	0.06 ▲
US 5YR Bond	2.830	0.05 ▲
US 10YR Bond	2.960	0.01 ▲

EXCHANGE RATES

Against MNT	2018.05.11	Change /w/
USD	2,401.46	-0.05% ▼
CNY	378.56	0.12% ▲
EUR	2,860.14	-0.53% ▼
RUB	38.90	2.31% ▲
KRW	2.25	0.90% ▲
JPY	21.97	-0.27% ▼

COMMODITY PRICE

Commodity	Last Price	Change /w/
Gold /spot/	1,321.85	0.56% ▲
Silver /spot/	16.72	1.15% ▲
Copper	311.85	1.07% ▲
Coal	99.75	2.20% ▲
Crude Oil WTI	70.69	1.39% ▲
Crude Oil Brent	77.1	2.98% ▲
Natural Gas	2.82	4.06% ▲

MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2018.III	6.60%
Policy Rate	2018.III	10.00%
Interbank Rate	2018.III	10.07%
Deposit Interest Rate /MNT/	2018.III	12.80%
Deposit Interest Rate /Foreign currency/	2018.III	5.20%
Loan Interest Rate /MNT/	2018.III	19.10%
Loan Interest Rate /Foreign currency/	2018.III	11.30%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADING UPDATE

In this week, a total of 53 companies' 5,675,874 shares worth MNT 672.7 million were traded.

Nogoon hugjil undesnii negdel /JLT/ company's share rose 31.46 percent to MNT 211, while Uvs Chatsargana /CHR/ company's share fell 15.00 percent to MNT 935.

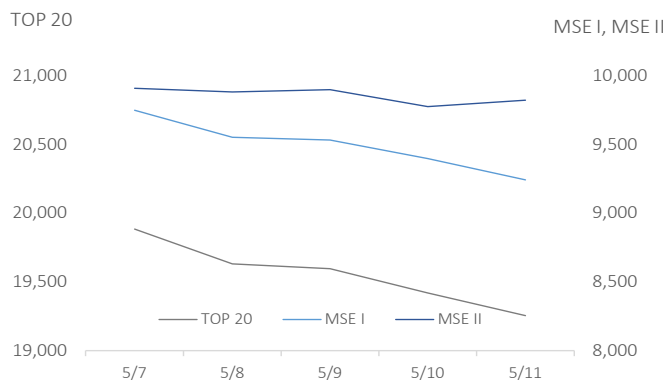
No government securities were issued on the primary market during this week.

On the secondary market of Government securities, 429 units of securities were traded for MNT 42.9 million through 2 trading sessions.

No corporate bonds were traded on the secondary market.

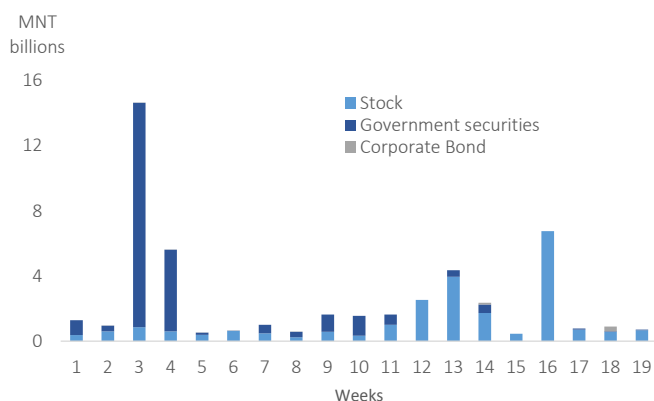
As of May 11, total market capitalization of MSE is MNT 2,385 billion. The TOP-20 index decreased by 3.16% to stand at 19,253.48 units.

MSE Indices



Source: MSE

Trading Value /week by week/



Source: MSE

STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	715.6
Market Capitalization	2,385,014.1

STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	19,253.48	-3.16% ▼
MSE I Index	9,240.81	-5.18% ▼
MSE II Index	9,818.81	-0.89% ▼

ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
LendMN	5,006,211	236,283,115
APU	300,574	184,142,097
Gobi	3,119	67,416,580
Tavan Tolgoi	5,891	57,998,120
Baganuur	19,172	36,875,369

SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Nogoon hugjil undesnii negdel	211.00	31.46% ▲
Mon-It Buligar	10,900.00	14.14% ▲
Euroasia capital holding	1,150.00	13.86% ▲
Mongol nekhmel	3,345.00	11.35% ▲
Auto zam	4,500.00	9.76% ▲

SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Uvs Chatsargana	935.00	-15.00% ▼
Shivee Ovoo	2,050.00	-14.41% ▼
Moninjbar	150.00	-14.29% ▼
Tsagaantolgoi	2,400.00	-11.11% ▼
Khishig Uul	900.00	-10.00% ▼

MOST ACTIVE BROKERAGE FIRMS

Company	Trading amount /MNT/
BDSec	222,449,276
Mirae Asset Securities Mongolia	200,844,693
TDB Capital	128,311,277
Bumbar-Altai	112,884,827
Standart Investment	111,655,650

COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	597.24	635,572
Tavan Tolgoi	9,535.00	502,163
Mongolian Mortgage Corporation	10,510.00	217,655
Gobi	21,340.00	166,476
Suu	210.00	72,240

GOVERNMENT SECURITY TRADING

Government securities /secondary market/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
1	ZGEB-BD-25/04/20-A0236-16.993	427	42,700,000	100,000	100,000	156	16.993%
2	ZGEB-BD-26/09/19-A0326-13.955	2	220,540	110,340	110,200	104	13.955%

CORPORATE BOND TRADING

Corporate bond /secondary market/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
-	-	-	-	-	-	-	-

DIVIDEND INFORMATION

Nº	Ticker	Compan name	Dividends per share /MNT/	Total dividend /MNT mln/	Net profit of 2017 /MNT mln/	Dividend payout ratio /%/	Decision date	Record date	Payment date
1	TTL	Tavan Tolgoi	2,410.00	126,923.13	141,054.64	90.0%	2018.04.16	2018.04.03	from 2018.04.27
2	EER	Arig Gal	21.33	74.21	148.46	50.0%	2018.04.25	2018.04.02	from September, 2018
3	BDL	Mogoin gol	100.00	82.96	245.55	33.8%	2018.04.26	2018.01.18	-
4	DSS	Darkhan Selengiin tsakhilgaan tugeekh suljee	56.60	7.66	2,329.13	0.3%	2018.03.07	2018.03.27	from 2018.07.02
5	TAL	Talyn Gal	50.00	34.71	143.25	24.2%	2018.03.05	2018.04.26	within 2018.12.31
6	AND	And-Energy	1.27	99.15	121,400.00	0.1%	2018.02.24	2018.03.16	-
7	SUL	Juulchin Gobi	10,000.00	653.62	1,070.68	61.0%	2018.02.23	2018.04.11	from 2018.05.01
8	GTL	Gutal	1,270.00	83.01	2,492.84	3.3%	2018.02.19	2018.03.18	from 2018.07.06
9	BNG	Bayangol Zochid Buudal	355.00	150.19	2,481.23	6.1%	2018.02.19	2018.04.06	from 2018.09.01
10	APU	APU	10.00	10,641.82	24,871.94	42.8%	2018.02.19	2018.03.29	within 2018.06.01
11	BTG	Bayanteeg	100.00	25.26	1,131.61	2.2%	2018.02.19	2018.03.12	within 2018.06.01
12	MIE	Materialimpex	10.00	13.68	492.98	2.8%	2018.02.19	2018.03.26	within 2018.12.31
13	HRD	Khurd	497.00	67.23	694.41	9.7%	2018.02.15	2018.02.23	within 2018 .06.30
14	SUU	Suu	3.00	1,032.00	2,430.13	42.5%	2018.02.14	2018.04.05	from 2018.05.21
15	MNP	Mongol Post	3.68	366.48	911.83	40.2%	2018.02.13	2018.04.13	from 2018.05.01
16	MMX	Makhimpex	100.00	380.07	354.75	107.1%	2018.02.13	2018.04.05	from 2018.10.01
17	TCK	Talkh Chikher	170.00	174.03	1,128.02	15.4%	2018.02.12	2018.04.06	from 2018.07.01
18	GHC	Gan khiits	100.00	24.25	-158.94	-	2018.02.09	-	-
19	ADL	Aduunchuluun	130.00	409.67	435.50	94.1%	2018.02.07	2018.03.01	-
20	TAH	Takhi KO	108.00	128.52	790.06	16.3%	2018.02.05	2018.03.30	within 2018.05.01
21	UBH	Ulaanbaatar khivs	100.00	40.48	247.12	16.4%	2018.02.05	2018.02.26	from 2018.05.01
22	GOV	Gobi	220.00	1,716.25	17,474.71	9.8%	2018.02.02	2018.03.27	from 2018.04.24
23	HRM	Hermes Center	5.00	392.72	715.41	54.9%	2018.01.24	2018.02.15	from 2018.03.06

CAPITAL MARKET NEWS

'Mongol basalt' JSC: Subscription offering begins on May 14

"Mongol Basalt" closed joint stock company becomes an open joint stock company. The company is offering 30 percent of its shares at MNT 380 to the public. Although the company is offering its shares at MNT 380, the business valuation of a stock is equal to MNT 639. According to the CEO of 'Mongol Basalt' CJSC, the company is offering its shares 40.5 percent less than the fair value of a share.

As a result 'Mongol Basalt', the producer of Rockwool insulation, is raising MNT 6.4 billion. Of which 50 percent or MNT 3.2 billion will be attracted from strategic investors. However, the Financial Regulatory Commission has stated that the primary market transaction will be considered successful if it sells 100 percent of publicly traded shares. The primary market subscription offering will be held from 14-23 May. MNT 6.4 billion will expand the capacity of production and increase product quality. Therefore, it will open new markets abroad for export.

Source: BloombergTv.mn

Attention to shareholders of 'Khuvsgul Altan Duulga' JSC

According to the Resolution No.: 170 of Financial Regulatory Commission, dated on 04 May 2018 and the CEO's Order No.A/51 of Mongolian Stock Exchange dated on April 6, 2018, 'Khuvsgul Altan Duulga' JSC will implement a share split of 100-for-1 which will result in increase of shares to a total of 11,328,600 units with par value of MNT 10 per share from 113,286 units with par value of MNT 100.

Source: MSE.mn

'Genco Tour Bureau' JSC: 'Chinggis Khaan' equestrian statue and 'XIII Century' complex will be renovated

This year, 'Genco Tour Bureau' JSC agreed to work with 6 companies, including 'Trip Addekua' and 'Fram Travel'. As a result, 'Genco Tour Bureau' received reservations from 100 French tourists. In 2017, sales income from 'Chinggis Khaan' equestrian statue complex exceeded the plan by 119 percent, while 'XIII Century' complex brought 80.7 percent of the planned sales income. In 2018, renovations of 'Chinggis Khaan' equestrian statue and 'XIII Century' complex were approved on the annual shareholders meeting.

Source: BloombergTv.mn

Net loss of 'Entree Resources' JSC decreased by 46 percent in the first quarter of this year

Net loss of 'Entree Resources' JSC, listed on the Toronto Stock Exchange, decreased by 46 percent to USD 0.7 million, comparing to the same period in 2016. Operational cash flow of the company reached USD 0.2 million.

Ending balance of cash and cash equivalents reached USD 6.6 million in the end of March. 'Entree Resources' owns 20-30 percent of 'Heruga' and 'Hugo North' extensions of 'Oyu Tolgoi' project through its joint investment company with 'Oyu Tolgoi' LLC. Therefore, the development of 'Oyu Tolgoi' project is important for the company. 'Entree Resources' estimates its management and marketing expenses to be USD 1.2-1.5 million.

Source: BloombergTv.mn

Significant increase in resource estimate for Erdene's Altan Nar project

Canada-based resource company Erdene Resource Development Corp. (Erdene) has announced an updated mineral resource estimate (Mineral Resource) for its 100%-owned Altan Nar gold-polymetallic project (Altan Nar) in southwest Mongolia.

Erdene's President and CEO, Peter Akerley, commented: "We are extremely pleased with the significant increase in size and grade of today's Altan Nar Resource and believe it will be an excellent complement to a Global Resource Estimate expected in 3Q18 incorporating our near-surface, high-grade Bayan Khundii gold project, 16 km to the southeast, where drilling continues."

"It is important to recognise that while Altan Nar has expanded significantly this remains an early-stage discovery with multiple untested targets over the 5.6 km Altan Nar trend, with limited drilling at depth. This reflects the fact that no modern exploration took place in this new district prior to the Erdene discoveries.

Altan Nar is considered to be a carbonate-base metal gold (CBMG) deposit that is characterised by multiple, sub-parallel, moderately to steeply dipping, epithermal vein and breccia zones that in all cases remain open at depth and along strike throughout the 5.6 km long Altan Nar trend, presenting a significant opportunity for resource expansion. Mineralised zones in typical CBMG deposits are commonly restricted to fault/breccia zones that can extend for more than 500 m vertically. The average drill depth of the 122 holes completed at Altan Nar is 157 m (angled, not vertical) with approximately 90% of the Mineral Resource within 150 m of surface. .

Source: BloombergTv.mn

Aspire Mining Limited to start coal transportation testing

Aspire Mining Limited listed on Australian Securities Exchange is focusing on Nuurstei Coking Coal Project in Khuvsgul aimag. The company's 2018 plan for 54 drillings was approved by the Mineral Resources and Petroleum Authority and it is planned to start the work in the near future.

Aspire Mining Limited signed an agreement with state-owned PSST LLC to purchase 100 thousand tons of coal from the deposit near Nuurstei project. It is planned to export the coal to China, Russia, Korea and Japan through existing railways and calculate transportation logistics and costs for feasibility study of the Nuurstei project.

In addition to Nuurstei project, the company is aiming to build a 547 km railway in Erdenet-Ovoot route. Within the framework of the railway construction Aspire Mining Limited will cooperate with China Gezhouba Group. During Prime Minister U.Khurelsukh's visit to China in April, China Gezhouba Group decided to prolong its investment decision until the railway project capacity is confirmed.

Source: Montsame.mn

COMMODITY MARKET NEWS

Kharmagtai Exploration update new Zarra discovery final assays

Xanadu Mines Ltd is pleased to provide final assay results from the new Zarra porphyry discovery at its flagship Kharmagtai copper and gold project located in the South Gobi region of Mongolia. Xanadu's Managing Director & Chief Executive Officer, Dr Andrew Stewart, said "KHDDH462 is a pivotal drill hole for Xanadu Mines. KHDDH462 represents the largest intercept of continuous mineralisation drilled at Kharmagtai and the best intercept drilled outside the existing resources to date. This demonstrates Kharmagtai's potential for very large mineral systems. With both active drill holes currently in mineralisation the, next month will be an exciting time for Xanadu and Kharmagtai. "Our strategy is clear: to add tonnes and grade to the existing resources by discovering additional high-grade deposits within the Kharmagtai Cu-Au project. With our aggressive and systematic drill program we are delivering on this strategy. The discovery of Zarra reinforces the exploration potential of the fast-growing Kharmagtai porphyry district.

Source: BloombergTv.mn



Government of Mongolia: The feasibility study of the oil refinery is being audited

The feasibility study of the oil refinery in Dornogobi Province is ongoing. According to the preliminary estimates, oil refinery financed by India worth USD 1.5 million will have a capacity to process 1.5 million tons of oil in a year. As a result, the plant will be able to produce 560 thousand tons of gasoline, 670 thousand tons of diesel fuel and 107 thousand tons of liquefied gas that meets Euro 4 and Euro 5 standards. However, these numbers are expected to change after release of a detailed feasibility study.

The construction of the refinery will start later in the third quarter of this year and plans to be ready to operate in 2022.

Source: BloombergTv.mn

OTHER NEWS

IMF sees Mongolian economy as positive in 2018, 2019

The International Monetary Fund (IMF) sees Mongolia's economic outlook "positive" in 2018 and 2019 after its working group visited the Asian country to evaluate the economic bail-out program.

Mongolia's economic growth was higher than expected, said Geoff Gottlieb, who led an IMF team to Ulan Bator, the capital city of Mongolia from Jan. 24 to Feb. 6.

During the evaluation trip, Gottlieb and his team discussed, with the related authorities of Mongolia, the third review of the three-year Extended Fund Facility (EFF) arrangement approved on May 24, 2017, in an amount equivalent to about 434.3 million U.S dollars.

The arrangement is part of 5.5 billion dollars from donor countries, including Japan and South Korea, to support stabilizing the economy and lay the basis for sustainable, inclusive growth.

Mongolia has pledged to end expansionary monetary policies, enforce austerity measures, raise some taxes and reduce welfare spending.

"Mongolia's economy is recovering, reflecting strong international demand for commodities and improving confidence; key macro-economic quantitative targets, including the fiscal deficit and international reserves, have been achieved by large margins," Gottlieb said in a statement.

"However, there are several risks to economic growth. In particular, there is a tendency that external demand for raw materials might reduce and oil price increase," Gottlieb said.

The IMF team leader urged the Mongolian authorities to continue building buffers and implementing the structural reforms necessary for high and sustainable growth.

"Thanks to the IMF's program, many positive changes have been observed in the Mongolian economy," Mongolian Finance Minister Chimed Khurelbaatar said.

"In 2018 and 2019, a decision was made on increasing salaries in line with the inflation rate," he said.

The IMF has noted that its program helped resolve Mongolia's foreign debt issue in a positive way, and Mongolia's foreign currency reserves increased by 1.8 billion dollars.

The IMF has predicted Mongolia's GDP growth at 5.0 percent in 2018 and 6.3 percent in 2019. .

Source: Xinhuanet.com

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