

WEEKLY MARKET UPDATE

2018.09.03-09.07

GLOBAL MARKET PERFORMANCE

United States: Stocks recorded declines over the holiday-shortened week. The value-oriented energy sector performed worst within the S&P 500 Index as oil prices fell sharply in response to rising U.S. inventories and concerns about demand from emerging markets. Technology stocks were also weak, while industrials shares outperformed.

On Wednesday, shares in Facebook and Twitter fell after executives from the two social media giants testified before Congress about efforts to curb foreign interference in U.S. elections through their platforms.

Uncertainty about U.S. trade policy seemed to weigh on sentiment generally. After falling apart the previous week, talks between Canada and the U.S. on a revised North American Free Trade Agreement appeared to make little progress. Meanwhile, investors braced themselves for the implementation of tariffs on another \$200 billion in Chinese goods after the public comment period on the threatened tariffs closed on Thursday. In addition, reports surfaced that the Trump administration was next planning to set its sights on trade with Japan.

On Friday, the Labor Department reported that job growth picked up in August, while average hourly earnings increased by 2.9% on a year-over-year basis, the fastest rate to date in the economic expansion that began in 2009.

Europe: The unpredictability of the U.S. government in relation to trade is driving stocks lower, as it leaves companies uncertain about where to invest, while the overall global slowdown and high valuations of many European stocks have added to the impulse to sell.

The Italian FTSE MIB Index was the outlier, rising for the week after Italy's populist government tried to reassure the market that it would respect European Union fiscal restrictions.

Germany's trade surplus narrowed in July to its lowest level in more than four years as exports fell and imports rose. Other data also showed weakness in Europe's largest economy. In July, industrial output dropped by 1.1%, and factory orders fell 0.9%.

Japan: Japanese stocks posted their largest weekly decline in over two months, weighed down by the effects of a severe typhoon and an earthquake on the northern island of Hokkaido. The yen ended the week at ¥111.0 per U.S. dollar, lower for the week, but 1.5% stronger than its ¥112.7 level at the end of 2017.

China: China's benchmark stock index fell for the week, as investors braced for another round of U.S. tariffs after the deadline for public comments on fresh U.S. trade levies ended Thursday.

Source: Reuters, Troweprice

WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	19,915.05	0.37% ▲
Dow Jones	USA	25,916.54	-0.19% ▼
S&P 500	USA	2,871.68	-1.03% ▼
Nasdaq	USA	7,902.54	-2.55% ▼
S&P/TSX	Canada	16,090.27	-1.06% ▼
FTSE 100	GB	7,277.70	-2.08% ▼
S&P/ASX 200	Australia	6,143.80	-2.91% ▼
Nikkei 225	Japan	22,307.06	-2.44% ▼
Hang Seng	Hong Kong	26,973.47	-3.28% ▼

MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.7%	108.53
Mongol 2023 (Gerege)	USD	5.6%	95.74
Mongol 2022 (Chinggis)	USD	5.1%	95.27
Mongol 2021 (Mazalai)	USD	10.8%	112.48
DBM' 23 (Samurai)	JPY	1.5%	104.27
TDBM' 2020	USD	9.3%	105.48

MARKET RATES

Rates	Last	Change /w/
Libor 1M	2.131	0.02 ▲
Libor 3M	2.331	0.01 ▲
Libor 6M	2.542	0.01 ▲
Libor 1YR	2.846	0.01 ▲
US 6M Bond	2.296	0.04 ▲
US 2YR Bond	2.697	0.07 ▲
US 3YR Bond	2.764	0.07 ▲
US 5YR Bond	2.813	0.07 ▲
US 10YR Bond	2.931	0.07 ▲

EXCHANGE RATES

Against MNT	2018.09.07	Change /w/
USD	2,479.46	0.26% ▲
CNY	362.64	0.18% ▲
EUR	2,887.58	-0.06% ▼
RUB	35.87	-1.35% ▼
KRW	2.21	-0.45% ▼
JPY	22.39	0.31% ▲

COMMODITY PRICE

Commodity	Unit	Last Price	Change /w/
Gold /spot/	USD/t oz.	1,196.92	-0.10% ▼
Silver /spot/	USD/t oz.	14.17	-2.21% ▼
Copper	USD/lb.	262.25	-1.67% ▼
Coal	USD/MT	113.00	2.59% ▲
Crude Oil WTI	USD/bbl.	67.75	-2.99% ▼
Crude Oil Brent	USD/bbl.	76.83	-1.02% ▼
Natural Gas	USD/MMBtu	2.78	-4.14% ▼

MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2018. VII	7.70%
Policy Rate	2018. VII	10.00%
Interbank Rate	2018. VII	9.80%
Deposit Interest Rate /MNT/	2018. VII	12.30%
Deposit Interest Rate /Foreign currency/	2018. VII	5.20%
Loan Interest Rate /MNT/	2018. VII	17.60%
Loan Interest Rate /Foreign currency/	2018. VII	10.70%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADING UPDATE

In this week, a total of 45 companies' 1,602,675 shares worth MNT 767.1 million were traded.

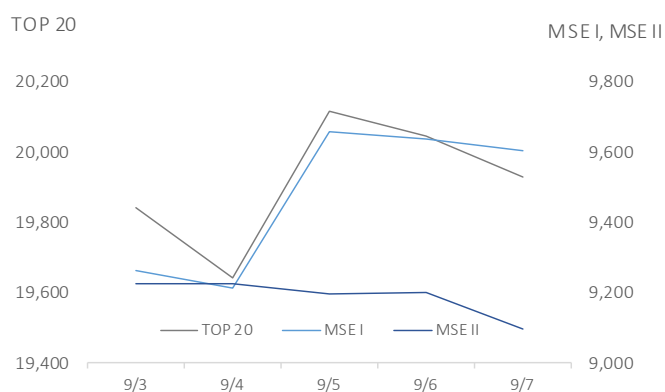
'Tavan Tolgoi' /TTL/ company's share rose 17.99 percent to MNT 8,100 while 'Mongol Shiltgeen' /MSH/ company's share fell 25.00 percent to MNT 300.

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

On the secondary market of Government securities, 1,502 units of securities were traded for MNT 152.0 million.

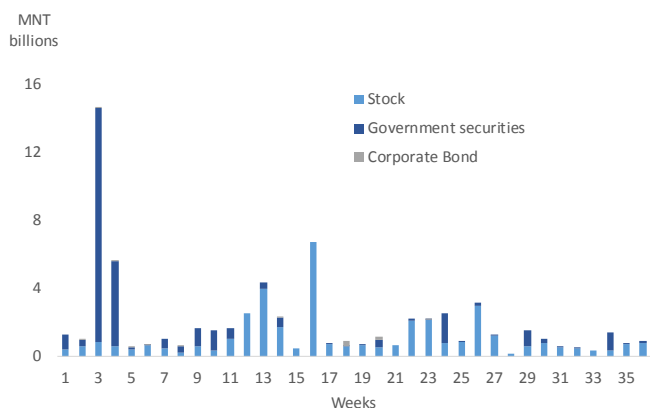
As of September 7, total market capitalization of MSE is MNT 2,314.9 billion. The TOP-20 index increased by 0.37% to stand at 19,915.05 units.

MSE Indices



Source: Mongolian Stock Exchange

Trading Value /week by week/



Source: Mongolian Stock Exchange

STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	919.1
Market Capitalization	2,314,925.3

STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	19,915.05	0.37% ▲
MSE I Index	9,580.44	3.45% ▲
MSE II Index	9,107.07	-1.28% ▼

ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
Telecom Mongolia	517,656	280,541,526
LendMN	407,328	27,243,658
APU	179,427	99,672,252
Mongol Basalt	169,933	58,118,685
Erdene Resource Development Corp.	78,612	50,502,965

SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Tavan Tolgoi	8,100.00	17.99% ▲
Atar Urguu	69,900.00	15.54% ▲
Dornod Impex	138.86	15.00% ▲
Altain Zam	11,320.00	14.98% ▲
Jinst Uvs	17,300.00	8.64% ▲

SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Mongol Shiltgeen	300.00	-25.00% ▼
Tav	13,100.00	-14.94% ▼
Uvs Chatsargana	600.00	-11.11% ▼
Sharyn Gol	2,000.00	-11.11% ▼
Darkhan Nekhii	17,300.00	-10.22% ▼

MOST ACTIVE BROKERAGE FIRMS

Company	Trading amount /MNT/
Mirae Asset Securities Mongol	660,658,524
Bumbat-Altai	351,466,035
BDSec	249,734,897
Golomt Capital	244,045,797
TDB Capital	123,427,382

COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	542.50	577,318
Tavan Tolgoi	8,100.00	426,588
Gobi	31,340.00	244,487
Mongolian Mortgage Corporation	10,980.00	227,388
Suu	208.00	71,552

GOVERNMENT SECURITY TRADING

Government securities /primary market/

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

Government securities /secondary market/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
1	ZGEB-BD-20/06/20-A0260-15.14	760	76,000,000	100,000	100,000	156	15.140%
2	ZGEB-BD-20/06/20-A0260-15.14	760	76,030,400	100,040	100,040	156	15.140%

DIVIDEND INFORMATION

Nº	Ticker	Company name	Dividend per share /MNT/	Total dividend /MNT mln/	Date of resolution	Record date	Payment date
1	HRM	Hermes Center	5.00	392.72	2018.08.31	2018.09.10	2018.10.01-2018.11.30
2	ERS	Mongol Alt	150.00	39.88	2018.04.27	2018.04.05	within 2018.12.31
3	TEE	Teever Darkhan	500.00	81.67	2018.04.27	2018.04.05	within 2018.12.31
4	TTL	Tavan Tolgoi	2,410.00	126,923.13	2018.04.16	2018.04.03	paid on 2018.06.12
5	EER	Arig Gal	21.33	74.21	2018.04.25	2018.04.02	from 2018.09.01
6	BDL	Mogoin gol	100.00	82.96	2018.04.26	2018.01.18	paid on 2018.06.26
7	DSS	Darkhan Selengiin tsakhilgaan tugeekh suljee	56.60	7.66	2018.03.07	2018.03.27	from 2018.07.02
8	TAL	Talyn Gal	50.00	34.71	2018.03.05	2018.04.26	within 2018.12.31
9	BRC	Barilga Corporation	700.00	28.46	2018.02.24	2018.03.16	N/A
10	AND	And Energy	1.27	99.15	2018.02.24	2018.03.16	N/A
11	SUL	Juulchin Duty Free	10,000.00	653.62	2018.02.23	2018.04.11	from 2018.05.01
12	GTL	Gutal	1,270.00	83.01	2018.02.19	2018.03.18	from 2018.07.06
13	BNG	Bayangol Hotel	355.00	150.19	2018.02.19	2018.04.06	from 2018.09.01
14	APU	APU	10.00	10,641.82	2018.02.19	2018.03.29	paid on 2018.05.17
15	BTG	Bayanteeg	100.00	25.26	2018.02.19	2018.03.12	within 2018.06.01
16	MIE	Materialimpex	10.00	13.68	2018.02.19	2018.03.26	paid on 2018.04.17
17	HRD	Khurd	497.00	67.23	2018.02.15	2018.02.23	within 2018 .06.30
18	SUU	Suu	3.00	1,032.00	2018.02.14	2018.04.05	paid on 2018.06.04
19	MNP	Mongol Post	3.68	366.48	2018.02.13	2018.04.13	paid on 2018.06.05
20	MMX	Makhimpex	100.00	380.07	2018.02.13	2018.04.05	from 2018.10.01
21	TCK	Talkh Chikher	170.00	174.03	2018.02.12	2018.04.06	from 2018.07.01
22	GHC	Gan Khiits	100.00	24.25	2018.02.09	N/A	N/A
23	ADL	Aduunchuluun	130.00	409.67	2018.02.07	2018.03.01	paid on 2018.06.26
24	TAH	Takhi Ko	108.00	128.52	2018.02.05	2018.03.30	within 2018.05.01
25	UBH	Ulaanbaatar Khivs	100.00	40.48	2018.02.05	2018.02.26	from 2018.05.01
26	GOV	Gobi	220.00	1,716.25	2018.02.02	2018.03.27	paid on 2018.04.24
27	HRM	Hermes Center	5.00	392.72	2018.01.24	2018.02.15	paid on 2018.04.12

CAPITAL MARKET NEWS

Listing board classification updated

In accordance with the provision 20.1 of the Listing Rules of MSE, the classification of listing boards have been updated by the CEO's Order No.A/100 of September 04, 2018 taking into account the listed companies' performance in the year of 2017 and 2018.

Within the framework of this update, "Bayangol Hotel" JSC has been upgraded to Board I, "Jinst Uvs" JSC, "Khuvsgul Altanduulga" JSC and "Lendmn NBF" JSC have been upgraded to Board II while "Tushig Uul" JSC has been downgraded to Board III.

Source: Mongolian Stock Exchange

Attention to the shareholders of 'Khuvsgul Altanduulga' JSC

To honor the occasion of the opening of the stock subscription of Mandal Daatgal IPO, Mr. Bayarsaikhan, Vice Chairman of FRC, Mr. Ganzorig, Board Chairman of "Mandal Daatgal" JSC, Mr. Javkhan, CEO of "Mandal Daatgal" JSC and Mr. Amarbayasgalan, CEO of "Golomt Capital" LLC visited Mongolian Stock Exchange on September 4th and rang the bell to start the 5799th securities trading of MSE.

The company is offering its 25 percent of total outstanding shares or 1,560,754 shares for MNT4800 per share and aiming to raise MNT7.49 billion. The subscription will be open from September 4 until 3 pm September 18, 2018.

Source: Mongolian Stock Exchange



'Hermes Center' JSC to pay dividends

In accordance with Board Resolution No.1 of "Hermes Centre" JSC (HRM) dated August 31, 2018, "Hermes Centre" JSC announced that the Company will distribute MNT392.7 million to its shareholders from its net profit for the first half of 2018 by a dividend of MNT5.0 per share. The record date is September 10, 2017 and the dividends will be placed in the shareholders' accounts held at Mongolian Central Securities Depository.

Source: Mongolian Stock Exchange

Securities trading of 'Altain Zam' JSC resumed

According to the official notification of State Inspector of Financial Regulatory Commission dated August 31, 2018, the securities trading of "Altain Zam" JSC has been resumed from September 03, 2018 as the legal proceedings have been finalised.

The securities trading was halted on June 20, 2018 due to the transactions of its limited size of shares that caused sharp price increases.

Source: Mongolian Stock Exchange

Attention to shareholders of 'Zoos Goyol' JSC

Based on the decision of the Shareholders meeting of 'Zoos Goyol' JSC on transforming the company form to Limited Liability Company dated on 29 April 2017, Mongolian Stock Exchange and Financial Regulatory Commission issued a decision to delist the securities from the listing.

In accordance with the provisions 53 and 54 of the Company Law of Mongolia, "Zoos Goyol" JSC hereby gives a notice that the shareholders who voted against or who did not participate in the voting have become entitled to demand that the Company to redeem its shares with respect to the above mentioned decisions.

Date of announcement: 29 August 2018

Redemption price: MNT289,440

Note: This is a unit consolidated in accordance with the Resolution No.:366 of FRC of 2015 (1 unit=288 shares before the Resolution 366)

Deadline of the redemption: 15 October 2018

The related rules, guidelines and forms can be found on the company website.

Source: Mongolian Stock Exchange

'Tavan Tolgoi' JSC announcement

"Tavantolgoi" JSC has informed that the Company's sales operation had resumed starting from August 16, 2018 and started selling coaking, low-coaking and general coals through the transportation routes of Tavantolgoi-Tsagaan Khad and Tsagaan Khad-Gants Mod customs inspection area.

The Company's sales revenue will increase when the road jam which created a 50-70-km-long queue of coal trucks in the long route of Tavantolgoi-Gants Mod, is reduced.

During the period of interruption of sales, the Company was running its surface mining, internal affairs and other daily tasks which would help to increase its sales.

Source: Mongolian Stock Exchange

NEW IPO

	'Mandal Insurance' JSC	'Ard Insurance' JSC
Share info		
Issuer:	'Mandal Insurance' JSC	'Ard Insurance' JSC
Ticker:	MNDL	AIC
MSE Tier:	Tier 1	Tier 1
Number of issued shares:	25,000,000 units	25,000,000 units
Shares outstanding:	5,000,000 units	17,500,000 units
Treasury shares:	1,243,016 units	0 units
Number of shares offered to public:	1,560,754 units	7,500,000 units
Percentage of shares offered to public:	25.00%	30.00%
Nominal share price:	MNT 1,000	MNT 200
Share price offered to public:	MNT 4,800	MNT 700
Book price:	MNT 1,200	MNT 299
Equity value:	MNT 4,723.83-5,041.72	MNT 1,164
Discount:	4.8% (estimated from MNT 5,041.72)	39.9%
Fund raised:	MNT 7,491,619,200	MNT 5,250,000,000
Use of proceeds:	To increased share capital amount	To increased share capital amount and shareholders' equity
Primary market subscription period:	September 4 - September 18, 2018	September 17 - September 26, 2018
Share allotment:	MNT 1 billion of shares will be allocated equally to all investors and the remaining MNT 6.49 billion of shares will be allocated on a pro-rata basis.	Will be discussed with the Mongolian Stock Exchange
Dividend policy:	No dividends for recent years	30-50% of net profit
Company info, 2017		
Established date:	2011	1994
Shareholders:	1. "Golomt Financial Group" LLC - 51%; 2. "UMC Capital" LLC - 49%	1. "Ard Financial Group" JSC - 95.31%; 2. "Energy International Capital" LLC - 4.69%
Number of branches:	280 branches of banks	24 branches, 238 agents
Number of insured:	45,997	26,979
Market share:	16%	11%
Total asset:	MNT 21,472 million	MNT 11,727 million
Underwriting income:	MNT 22,533 million	MNT 10,355 million
Income share proceeds:	50%	32%
Net underwriting income:	MNT 10,081 million	MNT 6,912 million
Net profit:	MNT 1,103 million	MNT 1,124 million
Net profit margin:	4.90%	10.85%
Mid-term goals:	1. To increase market share; 2. To reduce reinsurance costs; 3. To increase investments; 4. Merge small insurance companies	1. To increase market share; 2. To increase investments; 3. To provide its insurance services through branches of 'Mongol Post' JSC

COMMODITY MARKET NEWS

Ministry of Mining and Heavy Industry: The border price on AI-92 petroleum increased

The border price of petroleum products imported from Russia increased from USD 8 to USD 10 in September, according to the Ministry of Mining and Heavy Industry. The border price of AI-92 auto petrol was USD 721 and diesel fuel price was USD 673.

According to the Central Bank, fuel prices have risen by 40 percent or about MNT 250 from the same period last year. However, the Government and the Minister of Mining and Industry have already said that the government will discuss with the importing companies for tax regulation and negotiate with the International Monetary Fund.

As of August 28, there is a 38-day oil reserve for general consumption. On exports, as of August 15, 569 thousand tons of crude oil was mined and 558 thousand tons were exported, according to the Ministry of Mining and Heavy Industry.

Source: BloombergTv.mn



'Discover Mongolia 2018' highlights

On the second day of 'Discover Mongolia 2018' conference, researchers emphasized that the tax environment in Mongolia should be more favorable for foreign investors and competitive. For example, it is suggested that the current 2.5 percent royalty rate should continue. On the first day of the session, mining and exploration, production and value-added processing industries, as well as infrastructure projects, are expected to need investment of USD 20 billion by 2030, according to Minister of Mining and Heavy Industry D.Sumiyabazar. He also noted that the exploration license must be able to be obtained not by tenders, but by applications.

During the conference, David Polly, managing director of 'Aspire Mining' company, has reported that the company has discovered a reserve of coking coal that can supply 20-30 percent of coking coal export. Also known as the 'Xanadu Mines' company, the cost of using the 'Kharmagtai' deposit has been established. In addition, 'Erdenes Mongol' LLC has been setting up a company in oil and gas field and has been working to incorporate company's preferred shares into five million.

Also, 'Erdene Resource Development' is planning to exploit a deposit of 1.5 million ounces of gold in 2020-2021. The annual gold output is estimated to be 60-70 thousand ounces.

Furthermore, 'Oyu Tolgoi' LLC has approved its budget for completion of energy and electricity related studies and solutions. 'Investor 'Rio Tinto' and the Ministry of Energy continue to discuss' said Armando Torres, CEO of 'Oyu Tolgoi' LLC.

Source: BloombergTv.mn



Mongolia exports 100 percent of its unrefined gold to Great Britain

In the first 7 months of this year, Mongolia exported USD 4,166.7 million of raw materials and products, and imported USD 3,265.7 million raw materials and products.

According to the Ministry of Mining and Heavy Industry, the exports has increased by USD 596.4 million or 16.9 percent and imports has risen USD 929.0 million or 39.8 percent comparing with the same period of the previous year. The difference between exports and imports were USD 851.0 million positive. 100 percent of crude oil, iron ore and zinc concentrate, 99.8 percent of copper concentrates, 53.7 percent of fluorospar are exported to China, 46.0 percent of exported to Russia, and 100 percent of unrefined and half refined gold is exported to Great Britain. Mongolia exports its products and raw materials to 60 countries, of which 92.3 percent of them is exported to China, 3.8 percent to the United Kingdom and 1.2 percent to Russia. These countries share 97.3 percent in total exports of Mongolia.

In total imports, machinery, equipment and spare parts accounted for USD 683.6 million or 20.9 percent, and mineral products accounted for USD 730.4 million or 22.4 percent, the petroleum products accounted for USD 604.0 million or 82.7 percent, base metals and manufactured products accounted for USD 318.9 million or 9.8 percent, and chemical and industrial products accounted for USD 205.1 million or 6.3 percent. Total trade turnover reached USD 7,382.3 million, up by USD 1,525.3 million or 26.0 percent compared to the previous year.

Source: Montsame.mn

CRU: By 2020 coking coal consumption expected to reach 1.13 billion ton

Due to the decision to prohibit raw coal inflows to Ulaanbaatar, briquette manufacturers created a consortium.

The 12 companies in the consortium are aiming to manufacture 80 thousand tons of briquettes this year. The capital's ger districts use approximately 1.1 million tons of briquettes a year according to the City Governor's Office. In order to replace raw coal usage with briquettes the city requires 600-800 tons of briquettes a year.

"Mongolian briquette manufacturers association" noted that output can be increased for the 12 briquette manufacturers with policy changes. Moreover the government's decision to subsidize briquettes with MNT 50 thousand per ton decreases the price to the customer to MNT 150 thousand or below the price of raw coals according to the manufacturers. Although Ulaanbaatar's ger districts use 20 percent of the total fuel it creates 80 percent of the total pollution. Traffic creates 10 percent and 6 percent is created by the thermal power plants.

Briquettes are a short term solution to the air pollution problem and longer term solutions include solving heat loss problems in ger district houses and finding better apartment financing options according to participants in "Coal Mongolia" conference.

Source: BloombergTv.mn

OTHER NEWS

Mongolia's central bank purchases 12.2 tons of gold so far this year

The Bank of Mongolia said Thursday that it had purchased 12.2 tons of gold from legal entities and individuals in the first eight months of this year.

The figure is the same as the amount of gold purchases in the first eight months of 2017, the central bank said in a statement.

As of August, the bank's average gold purchase price was 95,042.34 Mongolian tugrik (about 38 U.S. dollars) per gram.

"The Bank of Mongolia has set a target to buy 22 tons of gold this year. If we reach this goal, the foreign exchange reserves will increase by at least 700 million U.S. dollars," Byadran Lkhagvasuren, vice chairman of the Bank of Mongolia, told reporters, adding "September and October are peak season for gold mining. So, we believe the goal will be fulfilled."

Gold miners submitted 20.01 tons of gold to the central bank in 2017, worth over 800 million dollars.

Mongolia's annual gold production has remained below 21 tons since 2005, when it reached a record high at 25 tons.

Source: Montsame.mn



Mongolia ranks 101th at Global Competitiveness Index

Mongolia ranks 101th out of 137 countries at Global Competitiveness Index published by the World Economic Forum.

Switzerland, USA, Germany, Singapore, the Netherlands and Hong Kong topped the rankings, while Russia ranked 38th and China ranked 27th. Using a mixture of quantitative and survey data, The Global Competitiveness Report ranks countries overall by combining 115 indicators grouped under 12 pillars of competitiveness. Mongolia scored 3.90 points out of 7, moved up from 102th.

Mongolia ranked in the first 50 out of 115 indicators. Specifically, the flexibility of wage determination, the total tax rate, the hiring and firing practices, and strength of investor protection indicators ranked 12th to 28th.

As of this year, macroeconomic environment of Mongolia and infrastructure indicators increased by 0.8 and 0.2 point respectively. However, health and primary education and financial market development indicators decreased by 0.1 point respectively.

Source: Montsame.mn

Trade turnover between Mongolia and the Republic of Korea reaches USD 200 million

Bilateral trade turnover between Mongolia and the Republic of Korea reached USD 200 million in 2017, which was estimated barely at USD 2.7 million in 1990.

It was emphasized by President of the Mongolian National Chamber of Commerce and Industry (MNCCI) B.Lkhagvajav during his meeting with delegates of the Daegu Chamber of Commerce and Industry of Korea on September 4.

While introducing about activities of the MNCCI, Mongolia's economy and business environment to the delegation, he cited about successful fulfillment of Economic Partnership Agreement (EPA) established between Mongolia and Japan two years ago, adding that the MNCCI is playing an important role to Mongolia-South Korea Free Trade Agreement (FTA).

"The talk on establishing bilateral EPA between Mongolia and RoK, commenced in 2016, is similar to FTA and by establishing it, there will be a possibility to strengthen bilateral cooperation of industry and investment fields. Currently, bilateral FTA is at the level of study. Trade turnover between the two countries reached USD200 million in 2017, which was estimated barely at USD 2.7 million in 1990," B.Lkhagvajav said.

The Director of Business Supporting Department of the Daegu Chamber of Commerce and Industry introduced about the chamber and requested the MNCCI to support representatives of Daegu city to cooperate with Mongolian businesses and to improve collaboration.

Source: Montsame.mn

Weighted average interest rate of MNT loans issued to individuals in Mongolia decreased by 2.2 percentage point

The weighted average rate of MNT loan issued to individuals was decreased by 2.2 percentage points from the beginning of the year to 18.1 percent at the end of July. Business loans reached 17.5 percent, down 0.5 percentage points from the beginning of the year. The weighted average interest rate of deposits has reached 11.2 percent, down 1.8 percentage points from the beginning of the year. Interest rate savings from private institutions is less than 8.5 percent. The central bank cut its policy rate to 10 percent in the first quarter, the lowest level in nine years. The soft monetary policy has decreased interest rates, according to the Bank of Mongolia.

In Mongolia compared to the average of low-middle income countries and to in East Asia and Pacific countries interest rate of loans are higher by 5 and 10 percentage points respectively. Therefore, the Central Bank has developed a strategy for reducing interest rates and has been introduced to the Parliament. It aims to create a stable macroeconomic environment, monetary policy, and efficient bank management.

Source: BloombergTv.mn

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