

## WEEKLY MARKET UPDATE

2019.03.11-03.15

## MACROECONOMIC UPDATE OF MONGOLIA (AS OF FEBRUARY)

**Money:** The money supply (broad money or M2) reached MNT 19.6 trillion at the end of February 2019, showing a decrease of MNT 60.7 billion (0.3%) from the previous month, while it shows an increase of MNT 3.7 trillion (23.1%) from the same period of previous year.

At the end of February 2019, the national currency in circulation reached MNT 854.1 billion, showing a decrease of MNT 185.1 billion (17.8%) from the previous month, whereas it showing an increase of MNT 3.7 billion (0.4%) from the same period of previous year.

**Loan:** In February 2019, the amount of outstanding loan to entities, enterprises and citizens amounted MNT 17.2 trillion, increased by MNT 28.0 billion (0.2%) from the previous month and by MNT 3.4 trillion (24.7%) from the same period of previous year.

**Exchange rate:** Nominal average exchange rate of MNT to US dollars announced from Bank of Mongolia in February 2019 was MNT 2,633.37 to one USD (USD 1), which is depreciated by 9.6% from the same period of previous year, while it appreciated by 0.6% from the previous month.

**General government budget:** In the first 2 months of 2019, total equilibrated revenue and grants of the General Government Budget amounted to MNT 1454.3 billion and total expenditure and net lending amounted to MNT 1152.3 billion, resulting a surplus of MNT 302.1 billion in the equilibrated balance.

In February, equilibrated revenue and grants of the General Government Budget reached MNT 763.8 billion, increased by MNT 73.2 billion or 10.6% and total expenditure and net lending reached MNT 594.0 billion, increased by MNT 35.8 billion or 6.4% from the previous month.

At end of the 2018, general government debt reached MNT 22.4 trillion, decreased by MNT 390.1 billion or 1.7% compared to previous year. In general government debt, foreign debt was MNT 18.9 trillion (84.3%), domestic debt was MNT 1.6 trillion (7.0%), government debt guarantee was MNT 1.1 trillion (5.1%) and concessions was MNT 806.0 billion (3.6%).

**External trade:** In the first 2 months of 2019, Mongolia traded with 108 countries from all over the world and total trade turnover reached USD 1.9 billion, of which USD 1.1 billion were made up by exports and USD 837.5 million by imports. In February 2019, exports and imports reached to USD 486.4 million and USD 503.5 million, respectively. Compared to the same period of previous month, exports and imports increased by USD 120.9 million and USD 170.4 million.

**Prices:** In February 2019, consumer price index at the national level increased by 0.5% from the previous month, by 1.1% from the end of the previous year and by 6.9% from the same period of the previous year.

The 1.1% increase in CPI from the end of the previous year was mainly due to increases in prices for food and non-alcoholic beverages group by 4.5% (meat and meat products by 9.7%) and alcoholic beverages, tobacco and clothing, cloth and footwear each group by 1.1% respectively.

**Source:** National Statistical Office

### WORLD INDICES

| Index       | Country   | Last Price | Change /w/ |
|-------------|-----------|------------|------------|
| MSE TOP 20  | Mongolia  | 20,744.91  | -1.40% ▼   |
| Dow Jones   | USA       | 25,848.87  | 1.57% ▲    |
| S&P 500     | USA       | 2,822.48   | 2.89% ▲    |
| Nasdaq      | USA       | 7,688.53   | 3.78% ▲    |
| S&P/TSX     | Canada    | 16,140.35  | 0.90% ▲    |
| FTSE 100    | GB        | 7,228.28   | 1.74% ▲    |
| S&P/ASX 200 | Australia | 6,175.20   | -0.46% ▼   |
| Nikkei 225  | Japan     | 21,450.85  | 2.02% ▲    |
| Hang Seng   | Hong Kong | 29,012.26  | 2.78% ▲    |

### MONGOLIA RELATED BONDS

| Issuer                  | Currency | Coupon  | Last Price |
|-------------------------|----------|---------|------------|
| Mongol 2024 (Khuraldai) | USD      | 8.750%  | 111.93     |
| Mongol 2023 (Gerege)    | USD      | 5.625%  | 100.24     |
| Mongol 2022 (Chinggis)  | USD      | 5.125%  | 99.77      |
| Mongol 2021 (Mazalai)   | USD      | 10.875% | 111.50     |
| DBM' 23 (Samurai)       | JPY      | 1.520%  | 104.68     |
| DBM' 2023               | USD      | 7.250%  | 102.79     |
| TDBM' 2020              | USD      | 9.375%  | 104.26     |

### MARKET RATES

| Rates        | Last  | Change /w/ |
|--------------|-------|------------|
| Libor 1M     | 2.481 | -0.01 ▼    |
| Libor 3M     | 2.625 | 0.03 ▲     |
| Libor 6M     | 2.671 | -0.01 ▼    |
| Libor 1YR    | 2.840 | -0.02 ▼    |
| US 2YR Bond  | 2.442 | -0.03 ▼    |
| US 3YR Bond  | 2.397 | -0.04 ▼    |
| US 5YR Bond  | 2.402 | -0.03 ▼    |
| US 10YR Bond | 2.594 | -0.04 ▼    |

### EXCHANGE RATES

| Against MNT | 2019.03.15 | Change /w/ |
|-------------|------------|------------|
| USD         | 2,631.60   | -0.11% ▼   |
| CNY         | 391.83     | -0.23% ▼   |
| EUR         | 2,981.21   | 0.06% ▲    |
| RUB         | 40.24      | 0.73% ▲    |
| KRW         | 2.32       | -0.43% ▼   |
| JPY         | 23.56      | -0.04% ▼   |
| CAD         | 1,979.69   | 0.97% ▲    |

### COMMODITY PRICE

| Commodity       | Unit      | Last Price | Change /w/ |
|-----------------|-----------|------------|------------|
| Gold /spot/     | USD/t oz. | 1,303.96   | 0.44% ▲    |
| Silver /spot/   | USD/t oz. | 15.34      | 0.00% ▲    |
| Copper          | USD/lb.   | 293.15     | 1.31% ▲    |
| Coal            | USD/MT    | 91.25      | -2.41% ▼   |
| Crude Oil WTI   | USD/bbl.  | 58.43      | 4.21% ▲    |
| Crude Oil Brent | USD/bbl.  | 67.24      | 2.28% ▲    |
| Natural Gas     | USD/MMBtu | 2.79       | -2.79% ▼   |

### MONGOLIAN MACRO ECONOMIC INDICATORS

| Indicators                               | Reference | Amount |
|--|-----------|--------|
| Inflation Rate                           | 2019. II  | 6.90%  |
| Policy Rate                              | 2019. II  | 11.00% |
| Interbank Rate                           | 2019. I   | 11.10% |
| Deposit Interest Rate /MNT/              | 2019. I   | 12.10% |
| Deposit Interest Rate /Foreign currency/ | 2019. I   | 4.90%  |
| Loan Interest Rate /MNT/                 | 2019. I   | 16.80% |
| Loan Interest Rate /Foreign currency/    | 2019. I   | 10.60% |

**Source:** National Statistical Office, Bank of Mongolia, Bloomberg

## MSE TRADING UPDATE

In this week, "Ard Credit NBFJ" JSC offered 25 percent of its shares and attracted MNT 5.2 billion in the primary stock market. Also, a total of 42 companies' 2,026,106 shares worth MNT 751.6 million were traded in the secondary market.

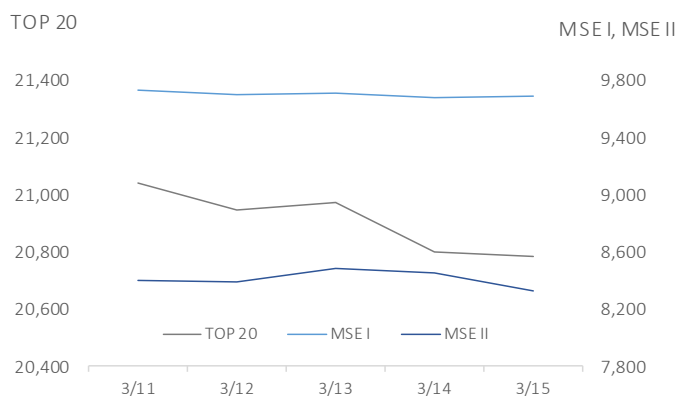
'Erchim Bayan Ulgii' /BOE/ company's share rose 21.95 percent to MNT 1,000.0 while 'Durvun Uul' /DRU/ company's share fell 22.22 percent to MNT 1,050.0.

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

On the secondary market of Government securities, 20,600 units of securities were traded for MNT 1,860.7 million.

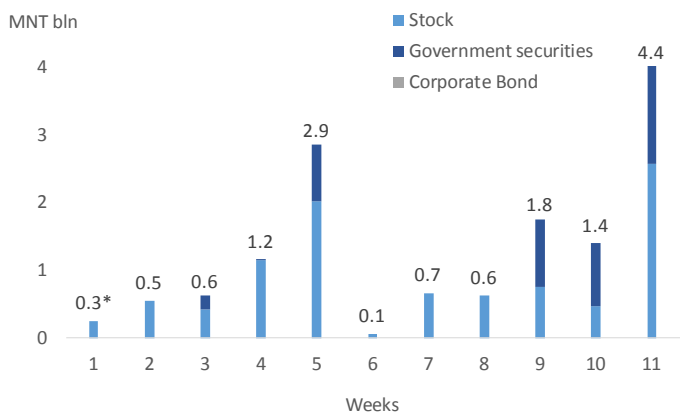
As of March 15, total market capitalization of MSE is MNT 2,467.8 billion. The TOP-20 index decreased by 1.40% to stand at 20,744.91 units.

### MSE Indices



Source: Mongolian Stock Exchange

### Trading Value /week by week/



\*Excluded the trading value of December 31, 2018

Source: Mongolian Stock Exchange

### STOCK MARKET REVIEW

| Review                | Total amount /MNT mln/ |
|-----------------------|------------------------|
| Total Value           | 4,423.1                |
| Market Capitalization | 2,467,825.8            |

### STOCK MARKET INDICES

| Index        | Last Price | Change /w/ |
|--------------|------------|------------|
| MSE Top 20   | 20,744.91  | -1.40% ▼   |
| MSE I Index  | 9,665.58   | -0.61% ▼   |
| MSE II Index | 8,293.48   | -1.34% ▼   |

### ACTIVELY TRADED SECURITIES

| Company               | Volume    | Turnover /MNT/ |
|-----------------------|-----------|----------------|
| Khuvsgul Altan Duulga | 1,311,856 | 1,283,047,665  |
| Ard Credit NBFJ       | 5,294,235 | 475,335,481    |
| Ard Insurance         | 291,846   | 202,399,216    |
| APU                   | 278,639   | 176,003,098    |
| Nogoon Khujjil        | 678,000   | 101,700,000    |
| Undesnii Negdel       |           |                |

### SECURITIES WITH MOST GROWTH

| Company            | Last Price /MNT/ | Change /w/ |
|--------------------|------------------|------------|
| Erchim Bayan Ulgii | 1,000.00         | 21.95% ▲   |
| Mongol Nekhmel     | 2,070.00         | 14.94% ▲   |
| Aduunchuluun       | 1,950.00         | 14.71% ▲   |
| Nekheesgui Edlel   | 2,340.00         | 14.71% ▲   |
| Remicon            | 33.30            | 13.65% ▲   |

### SECURITIES WITH MOST DECLINE

| Company             | Last Price /MNT/ | Change /w/ |
|---------------------|------------------|------------|
| Durvun Uul          | 1,050.00         | -22.22% ▼  |
| Kherlen Khivs       | 73.50            | -15.52% ▼  |
| Bulgan Guril Tejeel | 900.00           | -12.20% ▼  |
| Tumen Shuvuut       | 174.90           | -7.96% ▼   |
| Atar Urguu          | 65,050.00        | -7.07% ▼   |

### MOST ACTIVE BROKERAGE FIRMS

| Company                         | Trading amount /MNT/ |
|---------------------------------|----------------------|
| Tenger Capital                  | 3,600,000,000        |
| BDSec                           | 2,696,779,168        |
| Bumbat Altai                    | 2,467,431,031        |
| Ard Securities                  | 1,700,321,500        |
| Mirae Asset Securities Mongolia | 1,696,395,590        |

### COMPANIES WITH HIGHEST MARKET CAPITALIZATION

| Company                        | Last Price /MNT/ | Market Cap. /MNT mln/ |
|--------------------------------|------------------|-----------------------|
| APU                            | 619.42           | 659,175               |
| Tavan Tolgoi                   | 7,210.00         | 379,716               |
| Mongolian Mortgage Corporation | 12,800.00        | 265,079               |
| Gobi                           | 316.53           | 246,929               |
| 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-20/06/20-A0260-15.14 | 600    | 60,741,000     | 100,090       | 102,380       | 156   | 15.140%              |
| 2  | ZGEB-BD-27/03/20-A0225-18    | 20,000 | 1,800,000,000  | 90,000        | 90,000        | 156   | 18.000%              |

## DIVIDEND INFORMATION

| Nº | Ticker | Company name                                 | Net profit of 2018 /MNT mln/ | Total dividend amount /MNT mln/ | Dividend payout ratio | Dividends per share /MNT/ | Date of resolution | Record date | Payment date      |
|----|--------|--|------------------------------|---------------------------------|-----------------------|---------------------------|--------------------|-------------|-------------------|
| 1  | HRM    | Hermes Center                                | 783.4                        | 298.5                           | 38.1%                 | 3.8                       | 2019.01.25         | 2019.02.18  | 2019.03.15        |
| 2  | LEND   | LendMN NBF1                                  | 2,560.3                      | 800.0                           | 31.2%                 | 1.0                       | 2019.01.30         | 2019.02.22  | within 2019.05.01 |
| 3  | MBW    | Mongol Basalt                                | 217.2                        | 56.4                            | 26.0%                 | 1.0                       | 2019.02.01         | 2019.03.25  | from 2019.10.01   |
| 4  | BTG    | Bayanteeg                                    | 1,771.4                      | 1,000.0                         | 56.5%                 | 3,958.7                   | 2019.02.11         | 2019.03.04  | from 2019.06.01   |
| 5  | SUL    | Juulchin Duty Free                           | 1,384.5                      | 653.6                           | 47.2%                 | 10,000.0                  | 2019.02.12         | N/A         | from 2019.05.31   |
| 6  | GOV    | Gobi   | 17,764.2                     | 5,304.8                         | 29.9%                 | 6.8                       | 2019.02.13         | 2019.03.28  | from 2019.04.25   |
| 7  | ADU    | Khuvsgul Altan Duulga                        | 399.2                        | 1,888.1                         | 473.0%                | 120.0                     | 2019.02.13         | 2019.04.01  | from 2019.05.01   |
| 8  | TCK    | Talkh Chikher                                | 1,975.9                      | 204.7                           | 10.4%                 | 200.0                     | 2019.02.14         | 2019.04.03  | from 2019.07.01   |
| 9  | MMX    | Makhimpex                                    | 778.6                        | 456.1                           | 58.6%                 | 120.0                     | 2019.02.14         | 2019.04.03  | from 2019.10.01   |
| 10 | BUK    | UB-BUK                                       | 566.4                        | 131.5                           | 23.2%                 | 1.0                       | 2019.02.14         | N/A         | from 2019.05.01   |
| 11 | TAH    | Takhi Ko                                     | 799.1                        | 128.5                           | 16.1%                 | 108.0                     | 2019.02.15         | N/A         | within 2019.05.01 |
| 12 | BNG    | Bayangol Hotel                               | 3,433.1                      | 150.2                           | 4.4%                  | 355.0                     | 2019.02.16         | N/A         | from 2019.09.01   |
| 13 | MNP    | Mongol Post                                  | 1,560.3                      | 468.1                           | 30.0%                 | 4.7                       | 2019.02.18         | N/A         | from 2019.05.01   |
| 14 | HRD    | Khurd  | N/A                          | 74.4                            | N/A                   | 550.0                     | 2019.02.18         | 2019.03.04  | within 2019.06.01 |
| 15 | MNDL   | Mandal Insurance                             | 3,868.3                      | 624.3                           | 16.1%                 | 100.0                     | 2019.02.18         | N/A         | in May            |
| 16 | GTL    | Gutal  | 2,225.8                      | 1,257.7                         | 56.5%                 | 777.0                     | 2019.02.18         | 2019.03.13  | from 2019.05.06   |
| 17 | TEX    | Technicimport                                | 2,702.0                      | 723.4                           | 26.8%                 | 500.0                     | 2019.02.18         | 2019.03.11  | from 2019.04.11   |
| 18 | APU    | APU  | 57,851.7                     | 48,952.4                        | 84.6%                 | 46.0                      | 2019.02.19         | N/A         | within 2019.12.31 |
| 19 | AIC    | Ard Insurance                                | 1,263.4                      | 631.8                           | 50.0%                 | 25.3                      | 2019.02.19         | 2019.03.15  | within 2019.06.29 |
| 20 | GHC    | Gan Khiits                                   | 20.3                         | 12.1                            | 59.7%                 | 50.0                      | 2019.02.19         | 2019.03.22  | 2019.10.01        |
| 21 | TAL    | Talyn Gal                                    | 255.9                        | 34.7                            | 13.6%                 | 50.0                      | 2019.02.25         | 2019.03.26  | N/A               |
| 22 | BRC    | Barilga Corporation                          | 1,311.0                      | 40.1                            | 3.1%                  | 985.0                     | 2019.02.26         | 2019.03.18  | N/A               |
| 23 | UBH    | Ulaanbaatar Khivs                            | 235.6                        | 48.6                            | 20.6%                 | 120.0                     | 2019.02.26         | 2019.03.18  | within 2019.05.31 |
| 24 | DSS    | Darkhan Selengiin Tsakhilgaan Tugeekh Suljee | 11.5                         | 11.4                            | 99.2%                 | 1.1                       | 2019.03.01         | 2019.03.21  | 2019.07.02        |

## ANNUAL SHAREHOLDERS MEETINGS

| Nº | Ticker | Company name              | Record date | Meeting date | Meeting time |
|----|--------|---------------------------|-------------|--------------|--------------|
| 1  | LEND   | LendMN NBF1               | 2019.02.22  | 2019.03.23   | 12:00        |
| 2  | DLH    | MND                       | 2019.03.11  | 2019.03.28   | 15:00        |
| 3  | EAZ    | Erdene Auto Zam           | 2019.03.14  | 2019.03.29   | 10:00        |
| 4  | BTG    | Bayanteeg                 | 2019.03.04  | 2019.04.01   | 10:00        |
| 5  | GTL    | Gutal                     | 2019.03.10  | 2019.04.01   | 11:00        |
| 6  | AHH    | Khoroyn Khoyordugaar Baaz | 2019.03.11  | 2019.04.01   | 13:00        |

## ANNUAL SHAREHOLDERS MEETINGS

| Nº | Ticker | Company name                                 | Record date | Meeting date | Meeting time |
|----|--------|--|-------------|--------------|--------------|
| 7  | MNB    | Mon Nab                                      | 2019.03.14  | 2019.04.04   | 14:00        |
| 8  | MIB    | Moninjbar                                    | 2019.02.05  | 2019.04.05   | 14:30        |
| 9  | HRD    | Khurd  | 2019.03.04  | 2019.04.05   | 16:00        |
| 10 | VIK    | Bayan Aldar                                  | 2019.03.04  | 2019.04.08   | 10:00        |
| 11 | HUZ    | Khuvsgul Usan Zam                            | 2019.02.28  | 2019.04.08   | 09:00        |
| 12 | MIE    | Materialimpex                                | 2019.03.11  | 2019.04.09   | 10:30        |
| 13 | HRL    | Kherlen Khivs                                | 2019.03.21  | 2019.04.09   | 10:00        |
| 14 | AZH    | Altan Zam                                    | 2019.03.19  | 2019.04.10   | 16:00        |
| 15 | BHL    | Buunii Khudaldaa                             | 2019.03.14  | 2019.04.10   | 16:00        |
| 16 | DBL    | Davaanbulag                                  | 2019.03.23  | 2019.04.10   | 14:00        |
| 17 | ALI    | Standart Noos                                | 2019.03.18  | 2019.04.10   | 15:00        |
| 18 | CND    | ASBI   | 2019.03.22  | 2019.04.11   | 10:00        |
| 19 | DSS    | Darkhan Selengiin Tsakhilgaan Tugeekh Suljee | 2019.03.21  | 2019.04.11   | 11:00        |
| 20 | TEX    | Technicimport                                | 2019.03.11  | 2019.04.11   | 15:00        |
| 21 | UBH    | Ulaanbaatar Khivs                            | 2019.03.18  | 2019.04.11   | 11:00        |
| 22 | DES    | Dornod Khudaldaa                             | 2019.03.22  | 2019.04.12   | 14:00        |
| 23 | TLP    | Tulpar                                       | 2019.03.11  | 2019.04.15   | 15:00        |
| 24 | ERS    | Mongol Alt                                   | 2019.03.27  | 2019.04.17   | 11:00        |
| 25 | TEE    | Teever Darkhan                               | 2019.03.27  | 2019.04.17   | 14:00        |
| 26 | BRC    | Barilga Corporation                          | 2019.03.18  | 2019.04.18   | 10:00        |
| 27 | GOV    | Gobi   | 2019.03.18  | 2019.04.18   | 10:00        |
| 28 | DAZ    | Dornod Auto Zam                              | 2019.03.25  | 2019.04.18   | 15:00        |
| 29 | NEH    | Darkhan Nekhii                               | 2019.03.23  | 2019.04.21   | 12:00        |
| 30 | ADL    | Aduunchuluun                                 | 2019.04.03  | 2019.04.22   | 14:00        |
| 31 | BDS    | BDSec  | 2019.03.22  | 2019.04.23   | 10:00        |
| 32 | ADU    | Khuvsgul Altan Duulga                        | 2019.04.01  | 2019.04.23   | 11:00        |
| 33 | SHV    | Shivee Ovoo                                  | 2019.03.14  | 2019.04.25   | 14:00        |
| 34 | BHG    | Bukhug                                       | 2019.03.25  | 2019.04.25   | 10:00        |
| 35 | TCK    | Talkh Chikher                                | 2019.04.03  | 2019.04.25   | 14:00        |
| 36 | SHV    | Shivee Ovoo                                  | 2019.03.14  | 2019.04.25   | 14:00        |
| 37 | ALD    | Azyk   | 2019.04.01  | 2019.04.26   | 14:00        |
| 38 | ALA    | Altain Negdel                                | 2019.03.25  | 2019.04.26   | 11:00        |
| 39 | EER    | Arig Gal                                     | 2019.04.02  | 2019.04.26   | 17:00        |
| 40 | GHC    | Gan Khiits                                   | 2019.03.22  | 2019.04.26   | 11:40        |
| 41 | DZG    | Darkhan Hotel                                | 2019.03.28  | 2019.04.26   | 14:00        |
| 42 | MMX    | Makhimpex                                    | 2019.04.03  | 2019.04.26   | 14:00        |
| 43 | MNH    | Mongol Nekhmel                               | 2019.03.25  | 2019.04.26   | 10:00        |
| 44 | NRS    | Shinest                                      | 2019.03.20  | 2019.04.26   | 10:00        |
| 45 | AIC    | Ard Insurance                                | 2019.03.15  | 2019.04.27   | 09:00        |
| 46 | HSG    | Khusug Trade                                 | 2019.04.01  | 2019.04.27   | 12:00        |
| 47 | JGL    | Goviin Undur                                 | 2019.03.28  | 2019.04.29   | 09:00        |
| 48 | MBW    | Mongol Basalt                                | 2019.03.25  | 2019.04.29   | 15:00        |
| 49 | TTL    | Tavan Tolgoi                                 | 2019.04.01  | 2019.04.29   | 14:00        |
| 50 | BSKY   | Bluesky Securities                           | 2019.03.20  | 2019.04.30   | 18:00        |
| 51 | JLT    | Nogoon Khugjil Undesnii Negdel               | 2019.04.05  | 2019.04.30   | 14:00        |
| 52 | TAL    | Talyn Gal                                    | 2019.03.26  | 2019.04.30   | 14:00        |
| 53 | HGN    | Khukh Gan                                    | 2019.03.28  | 2019.04.30   | 14:00        |

## CAPITAL MARKET NEWS

### FRC: Update on insider information regulations and registered IPO issuance

The Financial Regulatory Commission held its regular meeting on March 13th and discussed, resolved about 20 problems.

In the meeting, "Securities market insider information list, and its reporting regulation" was updated and approved. The regulation specifies exactly what information is considered insider, the principles to follow when reporting said information, who the owner of inside information is, prohibited activities concerning the individuals, and liabilities for violations. During times when the security market is developing rapidly, this regulation is passed to help against risks of abusing insider information, doing deceptive trades and manipulating price or quantities of trades to mislead clients and investors.

Moreover in the meeting, "Monos Khuns" LLC (Monos Food LLC) shares were registered and 30% or 122,655,128 shares were accepted to be offered in an IPO at a fixed price of 70 tugriks. Monos Foods is offering 50 percent or 61.3 million shares to strategic investors and the remaining 50 percent or 61.3 million shares to the public and planning to raise MNT 8.5 billion. "Golomt Capital" LLC is providing underwriting services, with "Grant tornton" LLC providing audit services, "Advicact ELC" partnership providing legal consulting and "Itgelt-estimate" LLC providing valuation services.

Moreover, "Rhino Asset Management Mongol" LLC and "TB Asset management" LLC were given investment management operation licenses.

**Source:** Financial Regulatory Commission of Mongolia



### Securities trading of "Bayan-Aldar" JSC resumes

According to the official notification of State Inspector of Financial Regulatory Commission dated March 15, 2019, the securities trading of "Bayan-Aldar" JSC has been resumed from March 18, 2019.

The securities trading was halted on December 17, 2018 due to the listing amendment to made in connection the merger with "Mongorumatrix Ginko" LLC.

**Source:** Mongolian Stock Exchange

### 90 percent of MSE listed companies have revealed their annual financial report of 2018

As of March 15, 177 out of 198 MSE listed companies have revealed their annual financial report of 2018.

In other words, approximately 90 percent of listed companies published their annual reports. Last year, 111 out of 225 or only 50 percent of joint stock companies published their annual report. The Mongolian Stock Exchange enhanced the compliance of listed companies by taking some measures and even delisting companies not fulfilling their regulatory obligations.

In 2018, 83 companies operated with profit, 72 with loss and 22 companies did not conduct any operating activities. Among them 'APU', 'MIK Holding' and 'Tavan Tolgoi' JSCs earned net income of more than MNT 50 billion.

**Source:** BloombergTv.mn

### 27 percent of the MSE listed companies announced their annual shareholders' meeting statement

As of Friday, 53 out of 198 companies listed on the MSE announced their annual shareholders' meeting statement, and three of them have organized the meeting.

'Hermes Center', 'Ikh Barilga' and 'Erdenet Suvraga' JSCs held their annual shareholders' meeting this year. Joint stock companies are obligated to announce their annual shareholders' meeting before March 21, and organize the meeting within April 30.

In 2018, more than 130 companies organized their shareholder's meeting during the legal period, according to the MSE. 'LendMN NBF' JSC is scheduled to hold an annual meeting on March. The company will decide whether to redeem the company's shares in terms and conditions set by the Board for the purpose of implementing a medium-term incentive policy for executives and employees.

In addition, "Mongol Basalt", which has been issuing IPO a year ago, will decide whether to repurchase its shares during its meeting to be held on April 29th. 'APU' and 'Suu' companies are planning to hold their annual meeting at the end of April.

**Source:** BloombergTv.mn



## COMMODITY MARKET NEWS

### Minerals export increased by 20 percent

In the first two months of 2019, total foreign turnover of Mongolia reached MNT 1.9 billion, of which USD 1.1 billion were made up by exports and USD 837.5 million – by imports.

Total trade turnover increased by 23.4%, of which exports by 30.4% and imports by 15.4% respectively compared to the same period of the previous year. Foreign trade surplus reached USD 256.1 million, increased by USD 143.7 million from the same period of previous year.

In the first two months of 2019, minerals exports reached USD 826.4 million, increased by 19.6% from the same period previous year.

Coal export volume in the first two months was 4.07 million, a y-o-y increase of 25.5%, and revenue increased by 36.2% to USD 334.2 million. However, coal export volume decreased by 251 thousand tons or about 12 percent to 1.91 million tons in February.

In the first two months of 2019, copper concentrate export reached 229.4 thousand tons, increasing by 11.8%. The export revenue is accounted for USD 309 million, increasing 12.5%. 1,521 tons of processed pure copper worth USD 8.9 million were exported, dropped by 34.5% and 43.8% in terms of volume and value respectively.

Crude oil exports reached 1 million barrels, staying at the same level, and earned USD 53 million, a y-o-y drop of 15.4%.

The 4.7 tons of unrefined gold exported and the USD 196 million earned marked 2.8 and 2.7 times increase respectively y-o-y. However, the Bank of Mongolia purchased 84.1 kg of gold in the first two months of 2019, which is 81% down comparing to the same period of the previous year.

Iron ore exports reached 1.2 million tons and earned USD 52.2 million, a y-o-y rise of 26.7% and 31.8% in terms of volume and value respectively.

Exports of zinc concentrate increased by 16.5% y-o-y and reached 24.6 thousand ton, while the USD 34.4 million revenue was down by 7.3%.

Export volume of fluorspar increased by 39.9% y-o-y to 69.2 thousand tons, and revenue rose 49.1% to reach USD 23.3 million.

Lead export reached 3 thousand tons, earning USD 7 million, 22.5% and 5.8% higher respectively y-o-y.

The 0.9 thousand tons of molybdenum exported was down a bit, though the USD 8.2 revenue was 34.8% higher.

Tungsten ore exports reached 45 tons and earned USD 495.3 thousand, a y-o-y rise of 11.6% and 19.2% y-o-y respectively.

**Source:** MongolianMiningJournal.com

### Turquoise Hill reports fourth quarter 2018 production for Oyu Tolgoi, 2019 guidance

Oyu Tolgoi is expected to produce 125,000 to 155,000 tonnes of copper and 180,000 to 220,000 ounces of gold in concentrates this year, Turquoise Hill Resources (TSX: TRQ; NYSE: TRQ) reports.

Last year the Mongolian copper-gold mine produced 159,100 tonnes of copper, up 1.1% from 2017, and 285,000 ounces of gold, up 150% from 2017.

The government of Mongolia owns 34 percent of Oyu Tolgoi with the remainder held by Turquoise Hill Resources, which in turn is 51% owned by Rio Tinto.

The mine, 80 km north of Mongolia's border with China and roughly 550 km south of the capital, Ulaanbaatar, is one of the world's largest.

Turquoise Hill says Oyu Tolgoi has the potential to operate for about 100 years from five known mineralized deposits, the first of which (Oyut), went into production as an open pit in 2013. "Turquoise Hill expects Oyu Tolgoi will be the world's third-largest copper producer at peak metal production in 2025"

A second deposit, Hugo North (Lift One), is under development as an underground operation and is scheduled to begin sustainable production in 2021. The other three deposits, Hugo North (Lift Two), Hugo South and Heruga, are not yet scheduled for development.

Turquoise Hill expects Oyu Tolgoi will be the world's third-largest copper producer at peak metal production in 2025.

Turquoise Hill expects average production from 2025 to 2030 to be more than 550,000 tonnes of copper and over 450,000 ounces of gold per year, all from the Oyut open pit and the Hugo North Lift One underground operation.

This year Turquoise Hill says open-pit operations are expected to mine phase four with mill throughput forecast to be about 40 million tonnes. Meanwhile, the company expects underground development will advance 15-16 km.

At the end of 2018, the company signed a power source framework agreement between Oyu Tolgoi and the Mongolian government that provides a binding framework to build a power plant that offers a long-term domestic power solution for the mine.

**Source:** Mining.com

### DISCLAIMER/DISCLOSURE

This publication has been prepared on behalf of TDB Capital LLC solely for the information of its clients. It is not investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, TDB Capital LLC makes no representation that it is accurate or complete. The information herein is subject to change without notice. Because of the possibility of human or mechanical error as well as other factors such information provided "as is" without warranty of any kind and TDB Capital LLC, in particular, makes no representation or warranty, express or implied, as to accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances, TDB Capital LLC has any liability to any person or entity (-ies) for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligible or otherwise) or other circumstances or contingency within or outside the control of any of their directors, managements, officers, employees, or agents in connection with compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, loss profits) even if TDB Capital LLC is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information.