



# WEEKLY MARKET UPDATE

2019.06.10-06.14

## MACROECONOMIC UPDATE OF MONGOLIA (AS OF MAY)

### Money, loan

The money supply (broad money or M2) reached MNT 20.3 trillion at the end of May 2019, showing an increase of MNT 385.6 billion (1.9%) from the previous month and by MNT 3.2 trillion (19.1%) from the same period of previous year.

At the end of May 2019, the national currency in circulation reached MNT 939.7 billion, increased by MNT 6.7 billion (0.7%) from the previous month and by MNT 3.9 billion (0.4%) from the same period of previous year.

At the end of May 2019, the amount of outstanding loan to entities, enterprises and citizens amounted MNT 18.0 trillion, increased by MNT 314.1 billion (1.8%) from the previous month and by MNT 3.0 trillion (20.0%) from the same period of previous year.

### General Government Budget

In the first 5 months of 2019, total equilibrated revenue and grants of the General Government Budget amounted to MNT 4.0 trillion and total expenditure and net lending amounted to MNT 3.8 trillion, resulting a surplus of MNT 146.1 billion in the equilibrated balance.

In May 2019, equilibrated revenue and grants of the General Government Budget reached MNT 819.9 billion, decreased by MNT 148.7 billion or 15.4% from the previous month, and total expenditure and net lending reached MNT 960.3 billion, increased by MNT 83.9 billion or 9.6% from the previous month.

At the first quarter of the 2019, general government debt reached MNT 22.4 trillion, increased by MNT 873.9 billion or 4.1% compared with the same period of previous year. In general government debt, foreign debt was MNT 18.9 trillion (84.7%), domestic debt was MNT 1.5 trillion (6.9%), government debt guarantee was MNT 1.1 trillion (4.9%) and concessions was MNT 807.9 billion (3.6%).

### Balance of payment

In the first 4 months of 2019, current and capital account balance deficit by preliminary result reached to USD 396.6 million, increased by USD 6.0 million compared to the same period of last year.

Current account deficit reached USD 397.1 million, which was mainly due to USD 709.0 million deficit in services account and USD 408.3 million deficit in primary account.

Overall balance of payment was in surplus of USD 322.9 million, increased by USD 369.9 million compared to the same period of previous year.

### Prices

In May 2019, consumer price index at the national level increased by 1.4% from the previous month, by 4.2% from the end of previous year and by 7.9% from the same period of previous year.

The 1.4% increase in CPI from previous month was mainly due to increases in prices of food and non-alcoholic beverages group by 4.2%, clothing, cloth and footwear group by 0.5% and alcoholic beverages and tobacco group by 0.4%.

**Source:** National Statistical Office of Mongolia

### WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	19,689.76	0.63% ▲
Dow Jones	USA	26,089.61	0.41% ▲
S&P 500	USA	2,886.98	0.47% ▲
Nasdaq	USA	7,796.66	0.70% ▲
S&P/TSX	Canada	16,301.91	0.44% ▲
FTSE 100	GB	7,345.78	0.19% ▲
S&P/ASX 200	Australia	6,554.00	1.71% ▲
Nikkei 225	Japan	21,116.89	1.11% ▲
Hang Seng	Hong Kong	27,118.35	0.57% ▲

### MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.750%	111.52
Mongol 2023 (Gerege)	USD	5.625%	100.61
Mongol 2022 (Chinggis)	USD	5.125%	99.76
Mongol 2021 (Mazalai)	USD	10.875%	110.42
DBM' 23 (Samurai)	JPY	1.520%	104.43
DBM' 2023	USD	7.250%	102.81
TDBM' 2020	USD	9.375%	103.48

### MARKET RATES

Rates	Last	Change /w/
Libor 1M	2.280	-0.13 ▼
Libor 3M	2.400	-0.05 ▼
Libor 6M	2.270	-0.10 ▼
Libor 1YR	2.250	-0.10 ▼
US 2YR Bond	1.865	-0.02 ▼
US 3YR Bond	1.809	-0.05 ▼
US 5YR Bond	1.859	-0.03 ▼
US 10YR Bond	2.105	-0.01 ▼

### EXCHANGE RATES

Against MNT	2019.06.14	Change /w/
USD	2,654.41	0.09% ▲
CNY	383.35	-0.13% ▼
EUR	2,996.03	0.32% ▲
RUB	41.21	1.05% ▲
KRW	2.24	0.00% ▲
JPY	24.53	0.33% ▲
CAD	1,989.81	0.16% ▲

### COMMODITY PRICE

Commodity	Unit	Last Price	Change /w/
Gold /spot/	USD/t oz.	1,341.70	0.06% ▲
Silver /spot/	USD/t oz.	14.88	-0.94% ▼
Copper	USD/lb.	263.10	0.13% ▲
Coal	USD/MT	73.00	-2.67% ▼
Crude Oil WTI	USD/bbl.	52.51	-2.74% ▼
Crude Oil Brent	USD/bbl.	62.01	-2.02% ▼
Natural Gas	USD/MMBtu	2.39	2.14% ▼

### MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2019. V	7.90%
Policy Rate	2019. V	11.00%
Interbank Rate	2019. IV	11.02%
Deposit Interest Rate /MNT/	2019. IV	11.83%
Deposit Interest Rate /Foreign currency/	2019. IV	4.95%
Loan Interest Rate /MNT/	2019. IV	17.11%
Loan Interest Rate /Foreign currency/	2019. IV	10.57%

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

## MSE TRADING UPDATE

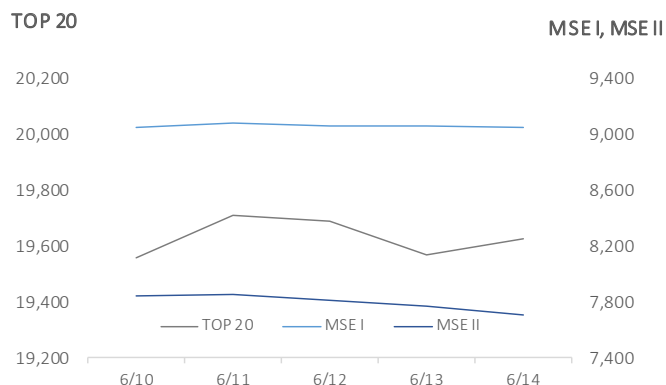
In this week, a total of 52 companies' 3,199,380 shares worth MNT 639.8 million were traded in the secondary market.

'Invescore NBFI' /INV/ company's share rose 14.50 percent to MNT 1,832.0 while 'Takhi Ko' /TAH/ company's share fell 13.56 percent to MNT 10,200.0.

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

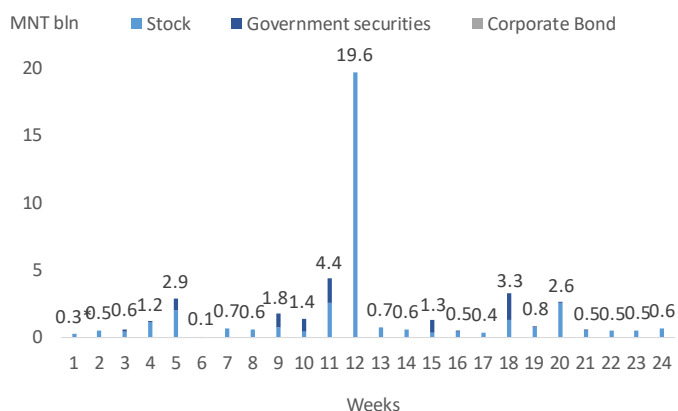
As of June 14, total market capitalization of MSE is MNT 2,472.4 billion. The TOP-20 index increased by 0.63% to stand at 19,689.76 units.

MSE Indices



Source: Mongolian Stock Exchange

Trading Value /week by week/



\*Excluded the trade value of December 31, 2018

Source: Mongolian Stock Exchange

### STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	639,8
Market Capitalization	2,472,354.2

### STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	19,689.76	0.63% ▲
MSE I Index	9,061.75	0.18% ▲
MSE II Index	7,783.69	-0.76% ▼

### ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
Invescore NBFI	92,369	159,835,337
Mongol Basalt	268,942	77,678,431
APU	115,723	65,157,534
Monos Khuns	831,936	59,532,210
LendMN NBFI	968,712	57,849,604

### SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Invescore NBFI	1,832.00	14.50% ▲
Shivee Ovoo	1,800.00	12.50% ▲
Mongol Post	588.50	9.18% ▲
Mongol Savkhi	650.00	7.41% ▲
BDSec	814.00	5.95% ▲

### SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Takhi Ko	10,200.00	-13.56% ▼
Binse	300.00	-11.76% ▼
HBOil	42.00	-10.64% ▼
Mongol Shevro	1,800.00	-10.00% ▼
Baganuur	1,025	-7.91% ▼

### MOST ACTIVE BROKERAGE FIRMS

Company	Trading amount /MNT/
TDB Capital	19,701,531,303
Invescore Capital	17,226,214,750
Gauli	274,632,659
BDSec	261,316,646
Golomt Capital	239,834,521

### COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	561.18	597,197
Tavan Tolgoi	6,880.00	362,337
Mongolian Mortgage Corporation	12,500.00	258,867
Gobi	285.26	222,535
Invescore NBFI	1,832.00	131,406

## 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
-	-	-	-	-	-	-	-

## 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	paid on 2019.03.18
2	LEND	LendMN NBF1	2,560.3	800.0	31.2%	1.0	2019.01.30	2019.02.22	paid on 2019.03.28
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	2019.04.10	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	2019.04.05	from 2019.05.01
11	TAH	Takhi Ko	799.1	128.5	16.1%	108.0	2019.02.15	2019.04.05	paid on 2019.04.24
12	BNG	Bayangol Hotel	3,433.1	150.2	4.4%	355.0	2019.02.16	2019.04.05	from 2019.09.01
13	MNP	Mongol Post	1,560.3	468.1	30.0%	4.7	2019.02.18	2019.04.05	from 2019.05.01
14	HRD	Khurd	751.1	74.4	9.9%	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	2019.04.10	from 2019.05.01
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	on 2019.04.11
18	APU	APU	57,851.7	48,952.4	84.6%	46.0	2019.02.19	2019.04.04	paid on 2019.05.20
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	from 2019.10.01
21	HUV	Khuvsgul Geology	107.4	14.4	13.4%	100.0	2019.02.19	2019.04.03	from 2019.04.29
22	HHS	Khuvsgul Khuns	11.3	2.6	23.4%	10.0	2019.02.19	2019.04.03	from 2019.05.15
23	TAL	Talyn Gal	255.9	34.7	13.6%	50.0	2019.02.25	2019.03.26	N/A
24	BRC	Barilga Corporation	1,311.0	40.1	3.1%	985.0	2019.02.26	2019.03.18	on 2019.03.18
25	UBH	Ulaanbaatar Khivs	235.6	48.6	20.6%	120.0	2019.02.26	2019.03.18	within 2019.05.31
26	DSS	Darkhan Selengiin Tsakhilgaan Tugeekh Suljee	11.5	11.4	99.2%	1.1	2019.03.01	2019.03.21	from 2019.07.02
27	ADL	Aduunchuluun	547.1	409.7	74.9%	130.0	2019.03.11	2019.04.03	within 2019.12.31
28	TEE	Teever Darkhan	22.3	81.7	365.5%	500.0	2019.04.17	2019.03.27	within 2019.12.31
29	ERS	Mongol Alt	6.3	39.9	631.2%	150.0	2019.04.17	2019.03.27	within 2019.12.31
30	TTL	Tavan Tolgoi	52,858.1	44,923.4	85.0%	853.0	2019.04.26	2019.04.01	paid on 2019.06.11
31	EER	Arig Gal	449.3	109.4	24.3%	32.5	2019.04.26	2019.03.27	within 2019.09.30

## CAPITAL MARKET NEWS

### 'Erdene Resource Development Corporation' JSC announces private placement

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) has announced that it intends to issue, by way of a non-brokered private placement, up to 10,000,000 units of the Company at a price of \$0.20 per Unit, for gross proceeds of up to \$2,000,000.

Proceeds of the Private Placement will be used to fund completion of the independent Pre-Feasibility Study of the Company's Khundii Gold Project, mining license applications for the Project's properties, acquisition and exploration, including step-out holes to test continuity of the Bayan Khundii extension identified in Q2-2019, and for general working capital purposes.

**Source:** Mongolian Stock Exchange



### IX regular meeting of the FRC was held

A total of 30 issues were discussed during the 9th regular meeting of the Financial regulatory commission of Mongolia held on June 14.

Four issues regarding securities market were discussed. The FRC licensed "MIK Asset Nine" special purpose to issue asset-backed securities and registered the latter. Registered documents of "Misheel Real Estate Fund" private investment fund as well as registered "Mahoniliotta" PIU as a legal adviser to the securities market participants.

**Source:** Financial Regulatory Commission of Mongolia

### "Tavan Tolgoi" JSC has allocated 2018 dividends to its shareholders' accounts

'Tavan Tolgoi' JSC has allocated a total of MNT 645.6 million or MNT 762.7 per share after tax dividends from net profit of 2018 to its 1,991 minority shareholders' accounts on June 11, 2019.

**Source:** Mongolian Central Securities Depository

### Attention to shareholders of 'Invescore NBF' JSC

According to the Resolution No.: A/20-T of Board of Meeting of 'Invescore NBF' JSC, dated on June 07, 2019, the Company has called an Extraordinary Shareholders Meeting on July 25, 2019.

Date: July 25, 2019 at 2 pm

Record date: July 01, 2019

Venue: Event Hall of the Corporate and Convention Center, Mahatma Gandhi Street - 39, Khoroo #15, Khan-Uul district, Ulaanbaatar, Mongolia

Agenda of the meeting:

1. To report financial and operational reports of the first half of 2019;
2. To approve Chapter of the Company;
3. To nominate and elect executive and non-executive members of the Board;
4. To approve remuneration of the Board.

Contact phone number: 9191-9392, 7017-2141.



### Attention to shareholders of 'Monnab' JSC

According to the Resolution No.: 19/15 of Board of Meeting of 'Monnab' JSC, dated on June 07, 2019, the Company has called an Extraordinary Shareholders Meeting.

Date: July 18, 2019 at 2 pm

Record date: June 28, 2019

Venue: Government Building 11, Door# 1206, Khoroo #4, Chingeltei district, Ulaanbaatar

Agenda of the meeting: To nominate general and independent members of BOD

The shareholders who would like to review the agenda, draft resolutions and other relevant documents of the meeting, may visit the Company Office during 9-5pm on business days or contact the Meeting Organizing Commission.

Head of Meeting Organizing Commission: Oyun-Erdene.Sh, member Bolortsetseg.D

Contact phone number: 9191-9392, 7017-2141.

**Source:** Mongolian Stock Exchange

## COMMODITY MARKET NEWS

### In the first 5 months of this year, coal exports increased by 7 percent to 15.1 million tons

In the first 5 months of the year, coal exports reached 15.1 million tons, up 7 percent y-o-y. In terms of value, revenue from coal exports increased by 15 percent to USD 1.2 billion, according to the Customs Office of Mongolia.

Coal sales of “Erdenes Tavan Tolgoi” JSC increased by 20 percent y-o-y to 7 million tons. As of June 6, sales revenue reached MNT 1.26 trillion, according to the company. “Erdenes Tavan Tolgoi” JSC plans to sell 15 million tons of coal this year.

Among mining companies operating on Nariin Sukhait group of deposits, “Mongolyn Alt Corporation” LLC exported 1.7 million tons of coal in the first five months of the year. The deputy president of the company, Tsog.G, said that coal exports decreased from the previous year mostly due to the internal factors. This year the company plans to export 8 million tons of coal.

Additionally, “Usukh Zoos” LLC has been preparing to commission a coal washing plant. As for the first 5 months of the year, fundraising activity among coal exporters was relatively successful.

“Terracom” company, which is listed on the Australian Stock Exchange and operates on Baruun Noyon Uul deposit, issued 60.9 million of additional shares to raise USD 35.34 million last month. The company has set a goal to export 3 million tons of coal per year.

Also, “Energy Resource” company or the Mongolian Mining Corporation, which operates at Ukhaa Khudag and Baruun Naran deposits, has successfully issued USD 440 million bond with coupon rate of 9.25 percent which matures in 2024.

**Source:** BloombergTv.mn

### In the first 5 months of 2019, crude oil exports decreased by 4 percent to MNT 2.62 million barrels

In the first five months of the year, crude oil exports fell roughly by 4 percent to 2.62 million barrels.

The average price of the barrels dropped to USD 571. As a result, revenue generated from exports of crude oil decreased by 15 percent to USD 150 million, according to the Customs Office of Mongolia. Main exporters, “PetroChina Daqing Tamsag” and “Donshin” companies are planning to export 50 million tons in 2019, respectively. “PetroChina Daqing Tamsag” company has requested to intensify its further exploration work, according to the Ministry of Mining and Heavy Industry.

In 2019, the oil sector is planned to raise revenue of MNT 223.4 billion to the state budget. In terms of petroleum exploration, “Petro Matad” company plans to conduct the first drilling in its XX field. Therefore, the company is taking its preparatory actions in the area located in Matad soum of Dornod province and Erdenetsagaan soum of Sukhbaatar province.

**Source:** BloombergTv.mn

### In the first 5 months of the year, major minerals exports increased

In the first five months of 2019, Mongolia’s minerals exports rose due to the increased demand from foreign markets.

During the same period, 624.3 thousand tons of copper concentrate was wholly exported to China, up 4 percent from a year earlier. By the end of the year, the National Statistical Office reported an increase in export revenue by 8.5 percent to USD 893 million. The key exporter, “Oyu Tolgoi” LLC, is planning to produce 125-155 thousand tons of copper and 180-220 thousand ounces of gold in 2019. Last year, the company tested copper concentrate export to Japan. According to data from the National Statistical Office, exports of copper concentrate supplied to Japan reached USD 6.9 million.

However, CEO of the company, Armando Torres said “The company will study new markets, however the infrastructure problems remain”.

In the first 5 months of the year, fluorspar exports increased by 44.4 percent to 221.5 thousand tons. According to the National Statistical Office, export revenue increased by 48 percent to USD 74.8 million.

67% of the fluorspar was supplied to China and 32.5% to Russia. China still remains to be the key market. The rest of the fluorspar was exported to South Korea. “Posco” company of South Korea is interested in the Mongolian fluorspar industry. Currently, there are 20 fluorspar factories registered in Mongolia, of which 9 are have mining licenses, according to the Ministry of Mining and Heavy Industry.

In the first 5 months of 2019, iron ore exports increased by 26 percent to 3.5 million tons. Export revenue increased by 58 percent to USD 207.4 million, according to the National Statistical Office. On January 25, After the collapse of the “Vale” iron ore mine on January 25, price on the commodity rose dramatically due to supply risks.

Zinc exports increased by 24 percent to 64.8 thousand tons in the first five months of the year. Export revenue rose 3.3 percent to USD 95.8 million, according to the National Statistics Office.

**Source:** BloombergTv.mn

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