

## WEEKLY MARKET UPDATE

2018.03.19-03.23

## GLOBAL MARKET PERFORMANCE

**United States:** Stocks suffered steep losses for the week against a remarkably turbulent geopolitical backdrop. The technology-heavy Nasdaq Composite performed even worse, weighed down in part by a steep drop in Facebook shares following revelations about undisclosed use of customer data. Trade war fears grow: the Trump administration's announced that it was planning on imposing tariffs on \$60 billion worth of imports from China. Chinese officials declared that they would target \$3 billion in U.S. goods with import duties of their own in response to previously announced U.S. steel and aluminum tariffs. Another important event in USA was the Federal Reserve announced another quarter-point rate hike, as was widely expected.

**Europe:** As trade friction increased, European stocks dipped to lows not seen since early 2017. Investor sentiment remained fragile as tensions between U.S. and China heightened. While the U.S. temporarily exempted European Union nations from looming steel and aluminum tariffs, it apparently was not enough to quell concerns from investors about a potential trade war between the world's two biggest economies. Trade uncertainty saw both the euro and the British pound rise against the U.S. dollar.

**Japan:** Most of the weekly loss occurred on Friday following and President Trump's announcement of new China tariffs. The Trump administration also removed earlier steel and aluminum tariffs from many countries in Europe and South Korea but left them in place for Japan.

**China:** China's benchmark stock indexes slumped Friday and recorded their worst weekly performance in six weeks amid fears of an escalating trade war with the U.S.

**Mongolia:** In February 2018, 3.2 million pieces of securities worth of MNT 3.6 billion were traded on the national stock market, which is decreased by MNT 231.3 billion (98.5%) compared to the previous month. The traded securities number decreased by 1.6 (34.0%) million compared to the same period of previous year. Trade of government bonds in secondary markets amounted MNT 1.9 billion in February 2018, which decreased by MNT 230.4 billion (99.2%) compared to the previous month and by MNT 22.0 billion (92.2%) from the same period of 2017. In February 2018, average of top 20 indexes of the financial markets was 21116.0, decreased by 31.21 units from the previous month while it was increased by 8993.78 units from the same period of 2017. In February 2018, total value of joint stock companies operating in stock market reached MNT 2.5 trillion, increased by MNT 0.9 trillion (62.3%) from the same period of the previous year.

Average exchange rate of MNT to US dollars announced from Bank of Mongolia in February 2018 was MNT 2402.9, which appreciated by 3.0% from the same period of the previous year and by 0.9% from the previous month. Average exchange rate of MNT to Chinese Yuan announced from Bank of Mongolia in February 2018 was MNT 380.19, which depreciated by 5.5% from the same period of the previous year and by 0.8% from previous month.

### WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	21,481.20	2.34 ▲
Dow Jones	USA	23,533.20	-5.67% ▼
S&P 500	USA	2,588.26	-5.95% ▼
Nasdaq	USA	6,992.67	-6.54% ▼
S&P/TSX	Canada	15,223.74	-3.10% ▼
FTSE 100	GB	6,921.94	-3.39% ▼
S&P/ASX 200	Australia	5,820.70	-2.16% ▼
Nikkei 225	Japan	20,617.86	-4.88% ▼
Hang Seng	Hong Kong	30,309.29	-3.79% ▼

### MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.7%	111.87
Mongol 2023 (Gerege)	USD	5.6%	97.77
Mongol 2022 (Chinggis)	USD	5.1%	97.15
Mongol 2021 (Mazalai)	USD	10.8%	114.92
Mongol CNY (Dimsam)	CNY	7.5%	100.37
DBM' 23 (Samurai)	JPY	1.5%	104.91
TDBM' 2020	USD	9.3%	107.63

### MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.875	0.05 ▲
Libor 3M	2.292	0.09 ▲
Libor 6M	2.450	0.09 ▲
Libor 1YR	2.666	0.05 ▲
US 6M Bond	1.893	-0.03 ▼
US 2YR Bond	2.270	-0.02 ▼
US 3YR Bond	2.411	-0.04 ▼
US 5YR Bond	2.610	-0.04 ▼
US 10YR Bond	2.825	-0.03 ▼

### EXCHANGE RATES

Against MNT	2018.03.23	Change /w/
USD	2,396.35	-0.04% ▼
CNY	378.71	-0.07% ▼
EUR	2,953.02	0.01% ▲
RUB	41.95	0.58% ▲
KRW	2.22	-1.33% ▼
JPY	22.82	0.57% ▲

### COMMODITY PRICE

Commodity	Last Price	Change /w/
Gold /spot/	1,347.33	2.52% ▲
Silver /spot/	16.57	1.41% ▲
Copper	299.30	-3.68% ▼
Coal	90.42	-6.93% ▼
Crude Oil WTI	65.88	5.68% ▲
Crude Oil Brent	70.45	6.40% ▲
Natural Gas	2.59	-3.72% ▼

### MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2018.II	6.90%
Policy Rate	2018.II	10.00%
Interbank Rate	2018.II	11.00%
Deposit Interest Rate /MNT/	2018.II	12.90%
Deposit Interest Rate /Foreign currency/	2018.II	5.20%
Loan Interest Rate /MNT/	2018.II	19.10%
Loan Interest Rate /Foreign currency/	2018.II	11.50%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

## MSE TRADING UPDATE

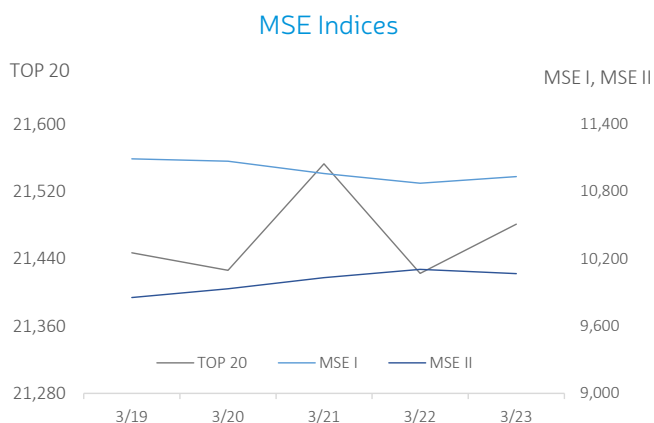
In this week, a total of 59 companies' 31,941,116 shares worth MNT 2,533.2 million were traded.

Khuvsgul altan duulga /HCH/ company's share rose 32.16 percent to MNT 8,095, while Ar Bayankhangai /ABH/ company's share fell 21.74 percent to MNT 900.

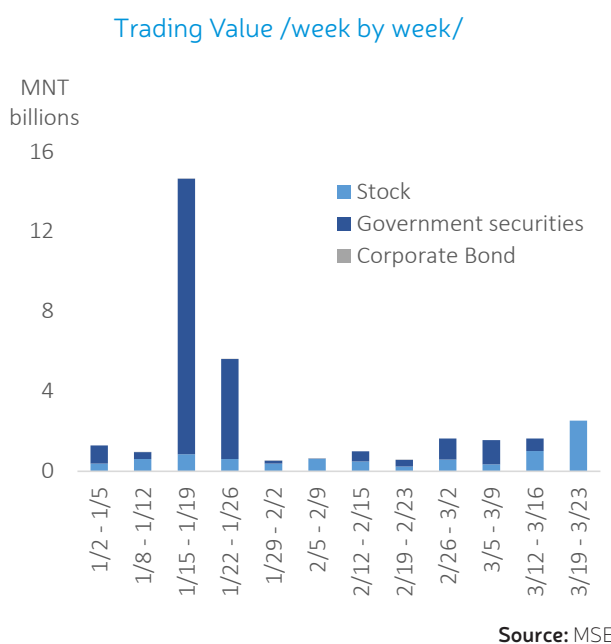
No government securities were issued and traded on the primary and secondary market during the week spanning March 19 to March 23, 2018.

No corporate bonds were traded on the secondary market during this week.

As of March 23, total market capitalization of MSE is MNT 2,671.3 billion. The TOP-20 index increased by 2.34% to stand at 21,481.20 units.



Source: MSE



Source: MSE

### STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	2,533.2
Market Capitalization	2,651,390.2

### STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	21,481.20	2.34% ▲
MSE I Index	10,932.81	3.28% ▲
MSE II Index	10,068.59	1.25% ▲

### ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
Lend	31,126,081	1,683,450,613
Tavan Tolgoi	28,870	384,584,510
APU	281,729	186,248,344
Darkhan Nekhii	2,793	66,525,300
Gobi	2,039	48,950,840

### SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Khuvsgul altan duulga	8,095.00	32.16% ▲
Jinst-Uvs	1,850.00	26.63% ▲
Merex	36.80	22.67% ▲
LendMN	46.12	21.34% ▲
Technicimport	18,000.00	19.92% ▲

### SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Ar Bayankhangai	900.00	-21.74% ▼
Gan Khiits	10,300.00	-14.88% ▼
Nogoon hugjil undesnii negdel	150.00	-14.71% ▼
Mogoin Gol	7000.00	-10.14% ▼
Mongol Savkhi	380.00	-5.00% ▼

### MOST ACTIVE BROKERAGE FIRMS

Company	Trading Amount /MNT/
Mirae Asset Securities	759,561,624
Novel Investment	552,163,819
TDB Capital	541,737,673
Golomt Capital	529,782,353
BDSec	414,993,570

### COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	662.54	705,062
Tavan Tolgoi	12,640.00	665,688
MIK Holding	11,000.00	227,802
Gobi	23,840.00	185,978
Suu	238.00	81,872

## DIVIDEND INFORMATION

Nº	Ticker	Company name	Total dividend /MNT mln/	Dividends per share /MNT/	Decision of the Board /Date/	Record date	Payment date
1	DSS	Darkhan Selengiin Tsahilgaan Tugeekh Suljee	587.7	56.6	2018.03.07	2018.03.27	from 2018.07.02
2	AEL	And-Energy	13.3	0.5	2018.02.24	2018.03.16	N/A
3	SUL	Juulchin Duty Free	653.6	10,000.0	2018.02.23	Record date for annual meeting	from 2018.05.01
4	SUU	Suu	1,032.0	3.0	2018.02.14	2018.04.05	within 2018.12.31
5	GTL	Gutal	2,055.7	1,270.0	2018.02.19	2018.03.18	from 2018.07.06
6	BNG	Bayangol Hotel	150.2	355.0	2018.02.19	Record date for annual meeting	from 2018.09.01
7	APU	APU	10,641.8	10.0	2018.02.19	2018.03.29	within 2018.06.01
8	BTG	Bayanteeg	25.3	100.0	2018.02.19	2018.03.12	within 2018.06.01
9	MIE	Materialimpex	13.7	10.0	2018.02.19	2018.03.26	within 2018.12.31
10	MNP	Mongolian Post	273.5	2.7	2018.02.13	2018.04.13	from 2018.05.01
11	MMX	Makhimpex	380.1	100.0	2018.02.13	2018.04.05	from 2018.10.01
12	TCK	Talkh Chikher	174.0	170.0	2018.02.12	2018.04.06	2018.07.01-ээс
13	ADL	Aduunchuluun	409.6	130.0	2018.01.24	2018.03.01	N/A
14	UBH	Ulaanbaatar Khivs	40.4	100.0	2018.02.05	2018.02.26	within 2018.05.01
15	TAH	Takhi-Ko	128.5	108.0	2018.02.05	2018.03.30	within 2018.05.01
16	GOV	Gobi	1,716.2	220.0	2018.02.02	2018.03.27	from 2018.04.24
17	HRM	Hermes Center	392.7	5.0	2018.01.24	2018.02.15	from 2018.03.06

## ANNUAL SHAREHOLDERS MEETINGS

Nº	Symbol	Company name	Record date	Date of meeting	Time of meeting
1	HRM	Hermes Center	2018-02-15	2018-03-07	15:00
2	NEH	Darkhan Nekhii	2018-02-22	2018-03-17	-
3	BLG	Zavkhan Bayalag	2018-02-27	2018-03-19	10:00
4	VIK	Bayan-Aldar	2018-03-09	2018-03-27	10:00
5	ADL	Aduunchuluun	2018-03-01	2018-03-28	14:00
6	DLH	MND	2018-03-09	2018-03-28	15:00
7	BTG	Bayanteeg	2018-03-12	2018-04-02	10:00
8	ADU	Khuvsgul altan duulga	2018-03-12	2018-04-02	11:00
9	BHL	Buunii khudaldaq	2018-03-05	2018-04-04	13:00
10	HRD	Hurd	2018-02-23	2018-04-04	16:00
11	AZH	Altain zam	2018-03-01	2018-04-04	16:00
12	HBT	Khungun Beton	2018-03-13	2018-04-04	17:00
13	MNB	Mon Nab	2018-03-14	2018-04-05	14:00
14	SSG	Songolon Barmat	2018-03-09	2018-04-06	10:00
15	GHC	Gan khiits	2018-03-06	2018-04-06	11:00
16	DAZ	Dornod autozam	2018-03-12	2018-04-09	15:00
17	GTL	Gutal	2018-03-18	2018-04-09	15:00
18	HUZ	Khuvsgul altan duulga	2018-02-26	2018-04-09	-
19	UBH	Ulaanbaatar khivs	2018-02-26	2018-04-10	11:00
20	OLL	Olloo	2018-03-19	2018-04-10	14:00
21	ALI	Standart noos	2018-02-26	2018-04-10	15:00
22	ETR	E-Trans logistics	2018-03-23	2018-04-11	10:00
23	HUN	Uvs khuns	2018-03-23	2018-04-13	9:00
24	BRC	Barilga corporation	2018-03-16	2018-04-14	10:00
25	DBL	Davaanbulag	2018-03-24	2018-04-14	14:00

Nº	Symbol	Company name	Record date	Date of meeting	Time of meeting
26	TEX	Technicimport	2018-03-28	2018-04-16	15:00
27	HUV	Khuvsgul Geology	2018-03-29	2018-04-17	10:00
28	GOV	Gobi	2018-03-27	2018-04-17	14:00
29	HVL	Khuvsgul	2018-03-28	2018-04-17	14:00
30	HHS	Khuvsgul khuns	2018-03-28	2018-04-17	17:00
31	SOR	Sor	2018-03-28	2018-04-18	10:00
32	TGS	Nomin Khishig	2018-03-29	2018-04-18	10:00
33	HHN	Kharkhorin	2018-03-30	2018-04-18	14:00
34	ARH	Selenge ar khuvch	2018-03-30	2018-04-18	14:00
35	MIE	Materialimpex	2018-03-26	2018-04-20	10:30
36	TAV	Tav	2018-03-28	2018-04-20	11:00
37	NOG	Achit Alkaby	2018-03-27	2018-04-20	15:00
38	APU	APU	2018-03-29	2018-04-20	15:00
39	DSS	Darkhan Selengiin tsakhilgaan tugeekh suljee	2018-03-27	2018-04-20	16:00
40	HSG	Khusug trade	2018-03-23	2018-04-21	12:00
41	AEL	And-Energy	2018-03-16	2018-04-21	12:00
42	CHR	Uvs Chatsargana	2018-03-23	2018-04-22	11:00
43	BNB	Bayalag Nalaikh	2018-03-30	2018-04-22	15:00
44	SDT	Khot development	2018-04-03	2018-04-23	10:00
45	BDS	BDSec	2018-04-02	2018-04-23	10:00
46	BEU	Berkh Uul	2018-04-03	2018-04-23	12:00
47	MNS	Monnoos	2018-03-31	2018-04-23	15:00
48	UYN	Mongol savkhi	2018-04-05	2018-04-24	10:00
49	JGV	Juulchin gobi	2018-04-05	2018-04-24	13:00
50	MNG	Mandal gobi impex	2018-04-05	2018-04-24	15:00
51	BHG	Bukhug	2018-03-23	2018-04-25	10:00
52	TAH	Takhi Ko	2018-03-30	2018-04-25	10:00
53	BUK	UB-BUK	2018-04-03	2018-04-25	11:00
54	BBD	Standart property group	2018-04-10	2018-04-25	11:00
55	BDL	Mogoin gol	2018-04-04	2018-04-25	12:00
56	EER	Arig gal	2018-04-02	2018-04-25	17:00
57	HJL	Orkhon hugjil	2018-04-03	2018-04-25	-
58	MMX	Makhimpex	2018-04-05	2018-04-26	14:00
59	TTL	Tavan Tolgoi	2018-04-03	2018-04-26	14:00
60	SHG	Sharyn gol	2018-04-02	2018-04-26	15:30
61	UID	Ulsyn ikh delguur	2018-03-30	2018-04-27	10:00
62	JTB	Genco tour bureau	2018-04-04	2018-04-27	10:00
63	MIB	Moninjbar	2018-03-20	2018-04-27	11:00
64	MNH	Mongol nekhmel	2018-03-30	2018-04-27	11:00
65	CHE	Khorgo Khairkhan	2018-04-06	2018-04-27	11:00
66	BUN	Bulgan undraga	2018-04-06	2018-04-27	11:00
67	ERS	Mongol alt	2018-04-05	2018-04-27	11:00
68	SUN	Euroasia capital holding	2018-03-20	2018-04-27	12:00
69	BOE	Erchim bayan ulgii	2018-04-05	2018-04-27	12:00
70	GFG	Silkj net	2018-03-20	2018-04-27	14:00
71	ALD	Azyk	2018-03-28	2018-04-27	14:00
72	DZG	Darkhan Hotel	2018-03-28	2018-04-27	14:00
72	TCK	Talkh Chikher	2018-04-06	2018-04-27	14:00
73	TEE	Teever darkhan	2018-04-05	2018-04-27	14:00
74	MBG	Mon-It Buligaar	2018-04-05	2018-04-27	9:00



Nº	Symbol	Company name	Record date	Date of meeting	Time of meeting
75	MSC	Mongol Securities	2018-03-23	2018-04-28	13:00
76	JLT	Nogoon hugjil undesnii negdel	2018-03-22	2018-04-28	14:00
77	TUS	Tushig Uul	2018-03-29	2018-04-28	14:00
78	MBG	JInst Uvs	2018-04-12	2018-04-28	14:00
79	MRX	Merex	2018-04-07	2018-04-28	10:00
80	AMT	Khar khorum properties	2018-04-09	2018-04-28	12:00
81	ECV	Ereentsav	2018-04-09	2018-04-28	11:00
82	DAR	Darkhan guril tejeel	2018-04-10	2018-04-29	13:00
83	MOG	Mongeo	2018-04-09	2018-04-29	9:00
84	HCH	E-Monie	2018-04-08	2018-04-29	11:00
85	HBZ	Khunnu management	2018-04-08	2018-04-29	11:00
86	DOT	Dornod teeveer	2018-04-08	2018-04-29	14:00
87	HSR	Khasu Mandal	2018-03-23	2018-04-29	15:00
88	NXE	Nekheesgui edlel	2018-04-06	2018-04-30	9:00
89	ALA	Altain negdel	2018-03-30	2018-04-30	10:00
90	BAZ	Lux zanadu group	2018-04-06	2018-04-30	10:00
91	GTJ	Bulgan guril tejeel	2018-04-06	2018-04-30	11:00
92	BLC	Buteelj uils	2018-04-05	2018-04-30	11:00
93	JGL	Goviin undur	2018-04-09	2018-04-30	11:00
94	EAZ	Erdenet autozam	2018-04-06	2018-04-30	11:00
95	NKT	Naco tulsh	2018-04-03	2018-04-30	12:00
96	AHH	Khorin khoyordugaar baaz	2018-03-23	2018-04-30	13:00
97	HGN	Khukh gan	2018-04-06	2018-04-30	14:00
98	HZB	Gan kherlen	2018-04-06	2018-04-30	14:00
99	MSH	Mongol Shiltgeen	2018-04-06	2018-04-30	14:00
100	TAS	Erdenet khuns	2018-03-31	2018-04-30	14:00
101	ITLS	Itools	2018-04-06	2018-04-30	15:00
102	SUU	Suu	2018-04-05	2018-04-30	15:00
103	MDR	Frontier land group	2018-04-06	2018-04-30	15:00
104	BSKY	Bluesky securities	2018-03-30	2018-04-30	18:00
105	DMA	Devshil mandal	2018-04-06	2018-04-30	9:00
106	INT	Ingettolgoi	2018-04-09	2018-04-30	14:00
107	MIK	MIK Holding	2018-04-11	2018-04-30	10:00
108	MNP	Mongolian post	2018-04-13	2018-04-30	10:00
109	MCH	Mongolia Telecom	2018-04-06	2018-04-30	11:00
110	ONH	Undurkhaan	2018-04-12	2018-04-30	13:00
111	RMC	Remicon	2018-04-12	2018-04-30	11:00
112	TMZ	Tumriin Zavod	2018-04-09	2018-04-30	10:00
113	SOH	uujim Khangai	2018-04-12	2018-04-30	11:00
114	JRG	Evlel	2018-04-09	2018-04-30	14:00

## CAPITAL MARKET NEWS

### Steppe Gold is allowed to launch the IPO in the Canadian market

Steppe Gold officially announced that securities regulator of Canada approved the launching of the IPO. The company is expecting to raise CAD 20-30 million on the Toronto Stock Exchange. The primary market orders will be received until the April 13. The official source said that the stock price will be determined on April 16. Steppe Gold's each unit shall be comprised of one common share of company and one-half of one common share purchase warrant. By this warrant, it is able to buy a share with 150 percent of the primary market price in 24 months after launching the IPO. The units will be sold by a syndicate of agents co-led Haywood Securities Inc. And Pi Financial Corporation.

The company is planning to drill 20 thousand meters in the Altan Tsagaan Ovoo Project this year. Also, the company is planning to begin the construction of the mine and planning to release its first production in 2018. The company has reported that the mined gold will be sold to the Bank of Mongolia. The company will also invest \$ 100 million in the project over the next five years and provide 200-250 jobs, the CEO said.

In 2017, Steppe Gold acquired advanced-staged Altan Tsagaan Ovoo Project in Mongolia from Centerra Mongolia for aggregate consideration of USD 9.8 million.

**Source:** BloombergTv.mn

### Minister D.Sumiyabazar meets EBRD and Deutsche Bank representatives

On March 22, Minister of Mining and Heavy Industry D.Sumiyabazar met with Deutsche Bank delegates headed by Heinz-Guenter Bockenheimer, Deutsche Bank Relationship Manager for Asia and Pacific.

At the meeting, Minister D.Sumiyabazar said Deutsche Bank is possible to cooperate with the Erdenes Tavan Tolgoi JSC for issuing later's IPO. Moreover, the Minister informed of lead-up to an upcoming meeting of Mongolia-Germany Intergovernmental Commission.

The same day, Minister D.Sumiyabazar received Nandita Parshad, Managing Director of the European Bank for Reconstruction and Development (EBRD)'s Energy and Natural Resources.

The parties exchanged views on collaboration in resolving water issue Gobi region is confronted with and on technical assistance projects and measures and ways of cooperation within Gold-2 program.

**Source:** Montsame.mn



### The thermal power plants earned MNT 795 million in 2017

In 2017, three of the thermal power plants in Ulaanbaatar earned MNT 795 million. The net income of the Thermal Power Plant III increased by 2 times and reached MNT 449 million. Sales income of the plants increased by 8-10 percent. It's said that if the companies lost their profit as a result of the currency exchange rate in 2016, in 2017, the situation has changed. According to the Thermal Power Plant IV, last year, energy supply target was increased by 180 million kWh per hour, and the heat supply was fulfilled. "We focused on improving financial discipline and corporate governance. Saveable costs have been saved." In addition, the Central Heating Power Plants increased the number of open tenders, which helped to increase the net income.

The Thermal Power Plant IV announced 119 tender products last year, doubling announcements in 2016. In 2018-2019, the Thermal Power Plant IV is planning to extend aging and capacity of the turbo generators N<sup>o</sup>1, 2, 3, 4. After this repair work, the power will increase by 89 mWh, the heat will increase by 150 kcal per hour and the age will be extended by 35 years.

**Source:** BloombergTv.mn



### MARKETINFO: The sales income of 100 joint stock companies that is listed on the MSE has increased by 38.6 percent

The MARKETINFO reported that sales income of 100 joint stock companies that is listed on the MSE has increased by 38.6 percent. Sales income of these companies reached MNT 1.45 billion in 2017. The most growth was due to the companies from MSE TOP-20. Among them, the sales income of Tavan Tolgoi rose the most. Tavan Tolgoi's sales income increased by 142.4 percent and reached MNT 251.4 billion comparing to the previous year. 59 of 100 companies were profitable and earned MNT 269.9 billion in 2017. The net income of the companies rose 81.4 percent comparing to 2016. MARKETINFO.MN reported that unprofitable companies had a loss of MNT 13.5 billion..

**Source:** BloombergTv.mn

## COMMODITY MARKET NEWS

### Mineral Exploration increased

The 10th Mongolian Mineral Exploration Forum and Exhibition is being held on March 22-23 at the Corporate Hotel & Convention Center at the initiative of the Mongolian Industrial Geologists Association. Present at the forum were Minister of Mining and Heavy Industry D.Sumiyabazar, Director of the Mineral Resources and Petroleum Authority Kh.Kherlen, Second Secretary of the Embassy of Japan in Mongolia Akihito Yamashita, Director of Mining and Infrastructure of the British Embassy in Mongolia A.Elbegsaikhan and representatives from aimags. In the frame of the forum, delegates exchanged views on Government policy in mineral sector, legal environment, implementation of laws, geological survey and methodologies and technologies of deposit exploration. Mining amount of some mineral resources including gold and copper has been increased as a result of legal reform in mineral sphere. Moreover many advantages have been created, particularly, opportunities to augment investment through issuing exploration licenses newly and to boost production of construction material in rural area, encouraging decentralization. Also, discussions were held on outcomes of the projects in geology and mining and current state of mining sector.

An award presenting ceremony for 'Outstanding Geologist', 'Best Team of Mapping', 'Best Team of Exploration' and exhibitions entitled 'Mongolian Nature in the Eyes of Explorers' and 'Collection and Sample of Minerals' and Student Scientific Conference were organized as well. The forum is being co-organized by the Ministry of Mining and Heavy Industry, the Mineral Resources and Petroleum Authority, the General Agency for Specialized Inspection, the National University of Mongolia, the Mongolian University of Science and Technology and the Institute of Paleontology and Geology of the Mongolian Academy of Sciences.

**Source:** Montsame.mn

### TRQ: Oyu Tolgoi announces completion of underground vertical Shaft 5 sinking at the final depth

Turquoise Hill Resources announces that Oyu Tolgoi completed the sinking of vertical Shaft 5, reaching the final depth of 1,178 meters. In the fourth quarter of 2017, the installation of the air-conditioning fan in the Shaft 5 has begun, and it is planned to be completed in the second quarter of 2018. Shaft 5 is a ventilation shaft that has a diameter of 6.7 meters. The Shaft 5 will help to improve the operating capacity of the underground mine. In addition, the Shaft 2 sinking was completed in January, 2018. In 2018, the company is planning to complete equipment installation. The construction of the underground mine continues successfully, said Turquoise Hill Resources. Shares of the company declined 1.17 percent on the Toronto Stock Exchange on Tuesday. Rio Tinto's shares rose 0.67 percent on the Australian Securities Exchange this Wednesday.

**Source:** MSE

### Morgan Stanley: Aluminum is a commodity with the highest return

Aluminum is Morgan Stanley's preferred base metal, with supply reforms in China as well as higher costs and stronger demand poised to push prices higher over the second half.

The metal will average \$2,114 a metric ton this year, and while prices may ease to \$2,072 a ton next quarter amid continued oversupply, they'll rise to \$2,094 in the third, and reach \$2,116 in the final three months, analysts including Susan Bates said in a note. Aluminum last traded at \$2,081.50.

Last year's top-performing base metal has flipped to become this year's worst, falling last week to a three-month low amid concerns about stubbornly high supply in China even as the government presses on with a drive to limit capacity growth and combat pollution. In addition, investors have been tracking the fallout from President Donald Trump's planned tariff on imports, with Morgan Stanley saying the impact is reflected in rising premiums in the U.S.

Although the post-winter restart of capacity in China and U.S. trade barriers are headwinds, the "price has fallen to a level that reflects this, and risks deterring necessary investment in new capacity ex-China," the analysts wrote. Demand in China is set to recover as infrastructure construction picks up, including spending on the electricity grid, she said.

**Source:** BloombergTv.mn



### The Geopolitical Risk Index hit a 15 year high

The Global Geopolitical Risk Index has reached its highest level since the 2003, according to the Saxo bank's analyst. Experts believe that it is likely to break the "cool" gold market. The gold price is less volatile by percent since 2012, and by USD since 2007. However, international political and geopolitical risks, changes in the economy and in the capital markets, have risen the market risk. The gold price dropped to the lowest level of 2018 on Friday, but it has increased by \$ 80 from last year.

**Source:** MSE



## OTHER NEWS

### Mongolbank sets policy rate at 10 percent

The Mongolbank's Monetary Policy Council has decided to reduce its policy rate to 10 percent.

At its meeting on March 23, the Council also resolved to fix the amount of its MNT reserve ratio at 10.5 percent and foreign exchange reserve ratio at 12 percent. The Council sees that the decision will reduce short-term savings rate of banks and support businesses through the reduced interest.

"Reduced policy rate will augment the economy. The policy rate has been reduced based on the assumption to maintain inflation within the targeted level" said B.Bayardavaa, Head of Monetary Policy Department of the Mongolbank. In specific, inflation measured by consumer price index was 6.9 percent on the national level and 8.1 percent in Ulaanbaatar as of February.

According to officials, external demand has exceeded expectations, and export price has been maintained high, thus leaving positive impact on the balance of payments and economic outlook.

**Source:** Montsame.mn

### The Federal Reserve lifts rates by a 25 percentage point

The U.S. Federal Reserve raised interest rates by a quarter of a percentage point to a range of 1.50 percent to 1.75 percent and forecast at least two more hikes for 2018, highlighting its growing confidence that tax cuts and government spending will boost the economy and inflation and spur more aggressive future tightening. The rate hike was the latest step away from years of stimulating the world's largest economy in the wake of the 2007-2009 financial crisis and recession.

Fed policymakers projected U.S. economic growth of 2.7 percent in 2018, an increase from the 2.5 percent forecast in December, and also marked up growth for next year. The Fed's preferred measure of inflation was expected to end 2018 at 1.9 percent, unchanged from the previous forecast, but it is seen rising a bit above the target next year.

The U.S. unemployment rate by the end of 2018 is expected to edge down to 3.8 percent, indicating the Fed sees more room for the labor market to run. Fed officials predicted the longer-run rate would settle at 4.5 percent, slightly lower than the forecast from December.

The Fed also raised the estimated longer-term "neutral" rate, the level at which monetary policy neither boosts nor slows the economy, a touch, in a sign the current gradual rate hike cycle could go on longer than previously thought.

**Source:** BloombergTV.mn

### China's Central Bank raises a key market interest rate, following Fed's move

China's central bank increased the cost of short-term loans to commercial lenders by 5 basis points, tightening policy in step with the U.S. Federal Reserve.

The People's Bank of China raised the interest rates it charges on 7-day reverse-repurchase agreements by five basis points, the central bank said in a statement. The move is "in line with market expectations and a normal reaction to the Fed's rate hike", the PBOC said in a statement on the website.

**Source:** BloombergTV.mn

### U.S. hits China with \$60 billion punishing tariffs

President Trump embarked Thursday on the sharpest trade confrontation with China in nearly a quarter-century, moving toward imposing tariffs on \$60 billion in Chinese goods and limiting China's freedom to invest in the U.S. technology industry.

The Chinese government fired back hours later, threatening to hit \$3 billion in U.S. goods with tariffs. Trump's announcement was "typical unilateralism and protectionism," China's Commerce Ministry said in a statement, and it had set a "very bad precedent."

"China does not want to fight a trade war, but it is absolutely not afraid of a trade war," it said in a statement issued Friday morning in Beijing. "We are confident and capable of meeting any challenge. It is hoped that the U.S. side will be able to make a swift decision and not to drag bilateral economic and trade relations into danger."

**Source:** BloombergTV.mn

### Facebook CEO Zuckerberg admits mistakes in data leak scandal

Facebook CEO Mark Zuckerberg admitted on Wednesday that his company has made mistakes in a data leak that caused grave concern about user privacy possibly abused for political purposes. "We also made mistakes, there's more to do, and we need to step up and do it," he said in a statement. Facebook has been plunged into a turmoil after U.S. and British media reported that the data of more than 50 million Facebook users were inappropriately used by a British data analysis company, Cambridge Analytica, in activities allegedly connected with U.S. President Donald Trump during his 2016 campaign. Zuckerberg said Facebook will take measures to prevent this from happening again. "I've been working to understand exactly what happened and how to make sure this doesn't happen again," he said.

**Source:** BloombergTV.mn

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