

WEEKLY MARKET UPDATE

2018.04.02-04.06

GLOBAL MARKET PERFORMANCE

United States: The major benchmarks ended lower after another week of significant volatility. Consumer discretionary and energy stocks fared best, while health care, industrials, and technology shares lagged.

President Donald Trump continued his Twitter attacks on Amazon.com blaming that it financially hurts the United States Postal Service. The week was also notable for the initial public offering of streaming music company Spotify. Heightened trade tensions between China and the U.S. continued to dominate sentiment during the week. China announced that it would retaliate on U.S. aluminum and steel tariffs with \$3 billion in new tariffs of its own, targeting roughly 130 U.S. products and concentrated on agricultural exports. On Tuesday, the U.S. further upped the ante, outlining a list of \$50 billion in proposed tariffs on 1,300 Chinese products, and China responded on Wednesday with its own \$50 billion list of tariffs on U.S. soybeans, cars, and aircraft.

The Labor Department's monthly employment summary showed a much smaller rise in payrolls than expected.

Europe: European stocks weathered a volatile week as trade hostilities between the U.S. and China prompted investor sentiment to vacillate between optimism and pessimism about the prospect of a global trade war.

The economic recovery in Europe continued to strengthen, according to some measures. Unemployment in the 19 countries that use the euro fell to its lowest level since December 2008, according to statistics agency Eurostat. But inflation remains well below the European Central Bank's target of just under 2%. Weak domestic demand caused German industrial production to fall 1.6% in February. Basic resources, including mining and metals stocks, and technology shares lagged the rest of the European market.

Japan: Japanese stocks posted a modest gain for the week. The yen weakened slightly and traded on Friday at ¥107.11 per U.S. dollar.

Data released by the International Monetary Fund showed that the Japanese yen accounted for a growing proportion of countries' global foreign exchange reserves as of the end of 2016, even after adjusting for changes in currency valuations. The yen tends to benefit in times of global uncertainty and risk aversion.

Source: Reuters, Troweprice

WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	21,021.83	-2.14 ▼
Dow Jones	USA	24,103.11	2.42% ▲
S&P 500	USA	2,640.87	2.03% ▲
Nasdaq	USA	7,063.44	1.01% ▲
S&P/TSX	Canada	15,367.29	0.94% ▲
FTSE 100	GB	7,056.61	1.95% ▲
S&P/ASX 200	Australia	5,759.40	-1.05% ▼
Nikkei 225	Japan	21,454.30	4.06% ▲
Hang Seng	Hong Kong	30,093.38	-0.71% ▼

MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.7%	112.98
Mongol 2023 (Gerege)	USD	5.6%	99.36
Mongol 2022 (Chinggis)	USD	5.1%	98.36
Mongol 2021 (Mazalai)	USD	10.8%	115.51
Mongol CNY (Dimsam)	CNY	7.5%	100.38
DBM' 23 (Samurai)	JPY	1.5%	104.80
TDBM' 2020	USD	9.3%	107.63

MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.897	0.01 ▲
Libor 3M	2.337	0.03 ▲
Libor 6M	2.472	0.02 ▲
Libor 1YR	2.708	0.05 ▲
US 6M Bond	1.880	-0.03 ▼
US 2YR Bond	2.282	0.00 ▲
US 3YR Bond	2.416	0.01 ▲
US 5YR Bond	2.603	0.01 ▲
US 10YR Bond	2.788	0.02 ▲

EXCHANGE RATES

Against MNT	2018.04.06	Change /w/
USD	2,391.58	-0.05% ▼
CNY	379.30	-0.55% ▼
EUR	2,924.18	-0.82% ▼
RUB	41.35	-0.93% ▼
KRW	2.24	-0.44% ▼
JPY	22.27	-1.15% ▼

COMMODITY PRICE

Commodity	Last Price	Change /w/
Gold /spot/	1,330.93	0.41% ▲
Silver /spot/	16.40	0.18% ▲
Copper	305.20	0.88% ▲
Coal	93.00	1.97% ▲
Crude Oil WTI	62.25	-4.14% ▼
Crude Oil Brent	67.35	-2.87% ▼
Natural Gas	2.68	-1.83% ▼

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 60 companies' 5,160,170 shares worth MNT 1,737.1 million were traded.

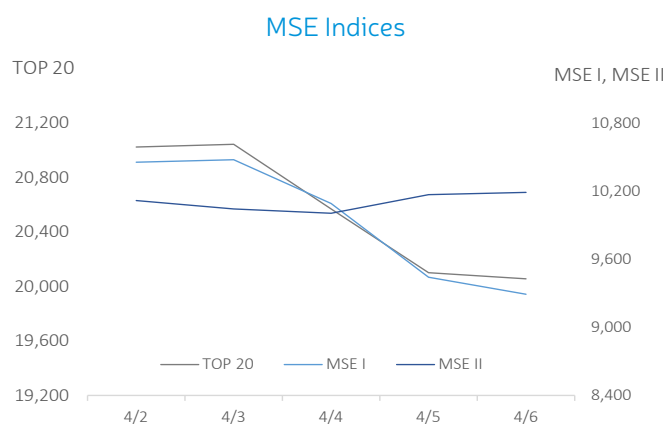
Darkhan guril tejeel /DAR/ company's share rose 32.25 percent to MNT 684.39, while Tavan Tolgoi /TTL/ company's share fell 24.44 percent to MNT 8,750.

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

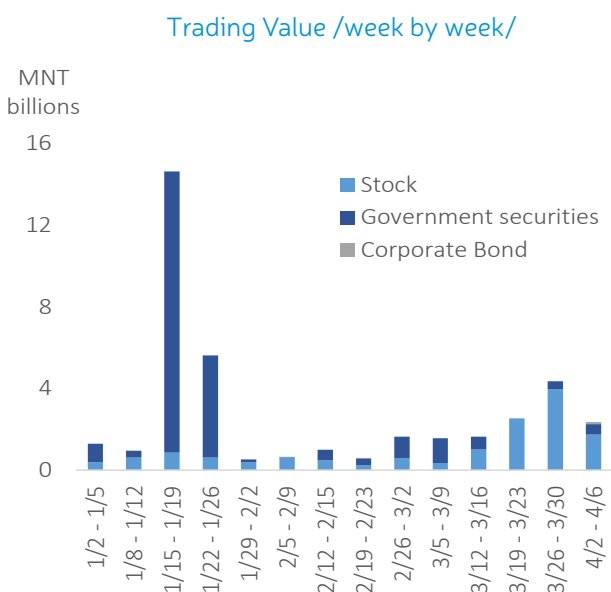
On the secondary market trading of Government securities, 5,240 units of securities were traded for MNT 519.9 million through 3 trading sessions.

During this week, corporate bonds were traded for MNT 100 mln on the secondary market.

As of April 6, total market capitalization of MSE is MNT 2,404.4 billion. The TOP-20 index decreased by 4.6% to stand at 20,055.7 units.



Source: MSE



Source: MSE

STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	2,357.0
Market Capitalization	2,404,473.6

STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	20,055.70	-4.60% ▼
MSE I Index	9,291.99	-11.10% ▼
MSE II Index	10,186.77	0.71% ▲

ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
Darkhan Nekhii	40,604	743,053,000
Tavan Tolgoi	44,566	452,255,335
LendMN	3,582,654	156,165,050
BDSec	89,641	107,556,524
APU	144,183	90,041,162

SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Darkhan Guril Tejeel	684.39	32.25% ▲
Silk Net	734.57	32.25% ▲
Songolon Barmat	1,086.00	32.23% ▲
Mon Nab	4,025.00	15.00% ▲
Erdenet Zandan	1,976.00	14.95% ▲

SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Tavan Tolgoi	8,750.00	-24.44% ▼
Ulaansan	900.00	-18.18% ▼
Nekheesgui Edlel	2,125.00	-14.97% ▼
Sor	1,235.00	-14.83% ▼
Nogoon Hugjil Undesnii	130.00	-10.34% ▼
Negdel		

MOST ACTIVE BROKERAGE FIRMS

Company	Trading Amount /MNT/
Delgerkhangai Securities	1,493,270,725
BDSec	398,169,601
Ard Capital Group	214,330,576
TDB Capital	170,337,544
Bumbat-Altai	147,191,893

COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	612.82	652,151
Tavan Tolgoi	8,750.00	460,820
MIK Holding	11,290.00	233,808
Gobi	23,000.00	179,425
Suu	230.00	79,120

GOVERNMENT SECURITY TRADING /SECONDARY MARKET/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
1	ZBEG-BD-04/07/19-A0266-14.82	230	23,082,800	100,720	100,000	104	14.820
2	ZBEG-BD-16/10/20-A0342-13.91	3,698	369,800,000	100,000	100,000	156	13.910
3	ZBEG-BD-18/07/20-A0275-15.14	93	9,393,000	101,000	100,000	156	15.140

CORPORATE BOND TRADING /SECONDARY MARKET/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
3	SUUB-BD-29/06/18-C0006-17.5	1,000	100,000,000	100,000	100,000	52	17.500

DIVIDEND INFORMATION

Nº	Ticker	Company name	Total dividend /MNT mln/	Dividends per share /MNT/	Decision of the Board /Date/	Record date	Payment date
1	TTL	Tavan Tolgoi	on the annual meeting		2018.03.26	2018.04.03	N/A
2	DSS	Darkhan Selengiin Tshilgaan Tugeekh Suljee	587.7	56.6	2018.03.07	2018.03.27	from 2018.07.02
3	AEL	And-Energy	13.3	0.5	2018.02.24	2018.03.16	N/A
4	SUL	Juulchin Duty Free	653.6	10,000.0	2018.02.23	2018.04.11	from 2018.05.01
5	SUU	Suu	1,032.0	3.0	2018.02.14	2018.04.05	within 2018.12.31
6	GTL	Gutal	2,055.7	1,270.0	2018.02.19	2018.03.18	from 2018.07.06
7	BNG	Bayangol Hotel	150.2	355.0	2018.02.19	2018.04.06	from 2018.09.01
8	APU	APU	10,641.8	10.0	2018.02.19	2018.03.29	within 2018.06.01
9	BTG	Bayanteeg	25.3	100.0	2018.02.19	2018.03.12	within 2018.06.01
10	MIE	Materialimpex	13.7	10.0	2018.02.19	2018.03.26	within 2018.12.31
11	MNP	Mongol Post	367.2	3.7	2018.02.13	2018.04.13	from 2018.05.01
12	MMX	Makhimpex	380.1	100.0	2018.02.13	2018.04.05	from 2018.10.01
13	TCK	Talkh Chikher	174.0	170.0	2018.02.12	2018.04.06	2018.07.01-ээс
14	ADL	Aduunchuluun	409.6	130.0	2018.01.24	2018.03.01	N/A
15	UBH	Ulaanbaatar Khivs	40.4	100.0	2018.02.05	2018.02.26	within 2018.05.01
16	TAH	Takhi-Ko	128.5	108.0	2018.02.05	2018.03.30	within 2018.05.01
17	GOV	Gobi	1,716.2	220.0	2018.02.02	2018.03.27	from 2018.04.24
18	HRM	Hermes Center	392.7	5.0	2018.01.24	2018.02.15	from 2018.03.06

SHAREHOLDERS MEETINGS

Nº	Sym bol	Company name	Record	Meeting date	Nº	Sym bol	Company name	Record	Meeting date
1	DAZ	Dornod autozam	2018.03.12	2018.04.09 15:00	13	HTS	Khutuliin cement shokhoi	2018.03.28	2018.04.16 10:00
2	GTL	Gutal	2018.03.18	2018.04.09 15:00	14	HUV	Khuvsgul geology	2018.03.29	2018.04.17 10:00
3	HUZ	Khuvsgul usan zam	2018.02.26	2018.04.09 -	15	GOV	Gobi	2018.03.27	2018.04.17 14:00
4	UBH	Ulaanbaatar khivs	2018.02.26	2018.04.10 11:00	16	HVL	Khuvsgul	2018.03.28	2018.04.17 14:00
5	OLL	Olloo	2018.03.19	2018.04.10 14:00	17	HHS	Khuvsgul khuns	2018.03.28	2018.04.17 17:00
6	ALI	Standart noos	2018.02.26	2018.04.10 15:00	18	TGS	Nomin Khishig	2018.03.29	2018.04.18 10:00
7	HRL	Kherlen khivs	2018.03.19	2018.04.10 -	19	SOR	Sor	2018.03.28	2018.04.18 10:00
8	ETR	E-trans logistics	2018.03.23	2018.04.11 10:00	20	ARH	Selenge ar khuvch	2018.03.30	2018.04.18 14:00
9	HUN	Uvs khuns	2018.03.23	2018.04.13 9:00	21	HHN	Kharkhorin	2018.03.30	2018.04.18 14:00
10	BRC	Barilga Corporation	2018.03.16	2018.04.14 10:00	22	MIE	Materialimpex	2018.03.26	2018.04.20 10:30
11	DBL	Davaanbulag	2018.03.24	2018.04.14 14:00	23	TAV	Tav	2018.03.28	2018.04.20 11:00
12	TEX	Technicimport	2018.03.28	2018.04.16 15:00					

No	Sym bol	Company name	Record	Meeting date	No	Sym bol	Company name	Record	Meeting date
24	APU	APU	2018.03.29	2018.04.20 15:00	70	JLT	Nogoon khugjil undesnii negdel	2018.03.22	2018.04.28 14:00
25	NOG	Achit Alkaby	2018.03.27	2018.04.20 15:00	71	TUS	Tushig Uul	2018.03.29	2018.04.28 14:00
26	DSS	Darrkhan Selengiin tsakhilgaan tugeekh suljee	2018.03.27	2018.04.20 16:00	72	MOG	Mongeo	2018.04.09	2018.04.29 9:00
27	HSG	Khuvsgul trade	2018.03.23	2018.04.21 12:00	73	HCH	E-Monie	2018.04.08	2018.04.29 11:00
28	AEL	And-Energy	2018.03.16	2018.04.21 12:00	74	HBZ	Khunnu management	2018.04.08	2018.04.29 11:00
29	CHR	Uvs Chatsargana	2018.03.23	2018.04.22 11:00	75	DAR	Darkhan guril tejeel	2018.04.10	2018.04.29 13:00
30	BNB	Bayalag Nalaikh	2018.03.30	2018.04.22 15:00	76	DOT	Dornod teeveer	2018.04.08	2018.04.29 14:00
31	BDS	BDSec	2018.04.02	2018.04.23 10:00	77	TVT	Khar tarvagatai	2018.04.09	2018.04.29 15:00
32	SDT	Khot Development	2018.04.03	2018.04.23 10:00	78	HSR	Khasu Mandal	2018.03.23	2018.04.29 15:00
33	BEU	Berkh Uul	2018.04.03	2018.04.23 12:00	79	SUL	Juulchin Duty Free	2018.04.11	2018.04.30 10:00
34	MNS	Monnoos	2018.03.31	2018.04.23 15:00	80	DMA	Devshil Mandal	2018.04.06	2018.04.30 9:00
35	UYN	Mongol Savkhi	2018.04.05	2018.04.24 10:00	81	NXE	Nekheesgui edlel	2018.04.06	2018.04.30 9:00
36	JGV	Juulchin Gobi	2018.04.05	2018.04.24 13:00	82	ALA	Altain Negdel	2018.03.30	2018.04.30 10:00
37	MNG	Mandal Gobi ipmex	2018.04.05	2018.04.24 15:00	83	BAZ	Lux Zanadu Group	2018.04.06	2018.04.30 10:00
38	BHG	Bukhug	2018.03.23	2018.04.25 10:00	84	MIK	MIK Holding	2018.04.11	2018.04.30 10:00
39	TAH	Takhi Ko	2018.03.30	2018.04.25 10:00	85	MNP	Mongol Post	2018.04.13	2018.04.30 10:00
40	BBD	Standart property group	2018.04.10	2018.04.25 11:00	86	TMZ	Tumriin zavod	2018.04.09	2018.04.30 10:00
41	BUK	UB BUK	2018.04.03	2018.04.25 11:00	87	NRS	Shinest	2018.04.10	2018.04.30 10:00
42	BDL	Mogoin gol	2018.04.04	2018.04.25 12:00	88	BAN	Baganuur	2018.04.13	2018.04.30 11:00
43	EER	Arig gal	2018.04.02	2018.04.25 17:00	89	GTJ	Bulgan guril tejeel	2018.04.06	2018.04.30 11:00
44	HJL	Orkhon khugji;	2018.04.03	2018.04.25 -	90	BLC	Buteelch Uils	2018.04.05	2018.04.30 11:00
45	MMX	Makhimpex	2018.04.05	2018.04.26 14:00	91	JGL	Goviin Undur	2018.04.09	2018.04.30 11:00
46	TTL	Tavan tolgoi	2018.04.03	2018.04.26 14:00	92	MCH	Mongolian Telecom	2018.04.06	2018.04.30 11:00
47	SHG	Sharyn gol	2018.04.02	2018.04.26 15:30	93	RMC	Remicon	2018.04.12	2018.04.30 11:00
48	BNG	Bayangol Hotel	2018.04.06	2018.04.26 16:00	94	SOH	Uujim khangai	2018.04.12	2018.04.30 11:00
49	MBG	Mon-It bulejaar	2018.04.05	2018.04.27 9:00	95	EAZ	Erdenet autozam	2018.04.06	2018.04.30 11:00
50	JTB	Genco tour bureau	2018.04.04	2018.04.27 10:00	96	BAJ	Bayalag Sumber	2018.04.12	2018.05.01 11:00
51	UID	Ulsyn ikh delguur	2018.03.30	2018.04.27 10:00	97	NKT	Naco Tulsh	2018.04.03	2018.04.30 12:00
52	BUN	Bulgan udraga	2018.04.06	2018.04.27 11:00	98	AHH	Khorin khoyordugaar baaz	2018.03.23	2018.04.30 13:00
53	ERS	Mongol alt	2018.04.05	2018.04.27 11:00	99	HZB	Gan Kherlen	2018.04.06	2018.04.30 14:00
54	MNH	Mongol nekhmel	2018.03.30	2018.04.27 11:00	100	INT	Ingettolgoi	2018.04.09	2018.04.30 14:00
55	MIB	Moninjbar	2018.03.20	2018.04.27 11:00	101	MSH	Mongol Shiltgeen	2018.04.06	2018.04.30 14:00
56	CHE	Khorgo khairkhan	2018.04.06	2018.04.27 11:00	102	HBO	HBOil	2018.04.10	2018.04.30 14:00
57	SUN	Euroasia capital holding	2018.03.20	2018.04.27 12:00	103	HGN	Khukh gan	2018.04.06	2018.04.30 14:00
58	BOE	Erchim Bayan Ulgii	2018.04.05	2018.04.27 12:00	104	SHV	Shivee ovoo	2018.04.05	2018.04.30 14:00
59	ALD	Azyk	2018.03.28	2018.04.27 14:00	105	JRG	Evlel	2018.04.09	2018.04.30 14:00
60	ATR	Atar Urguu	2018.04.10	2018.04.27 14:00	106	TAS	Erdenet khuns	2018.03.31	2018.04.30 14:00
61	DZG	Darkhan Hotel	2018.03.28	2018.04.27 14:00	107	ITLS	ltools	2018.04.06	2018.04.30 15:00
62	GFG	Silk Net	2018.03.20	2018.04.27 14:00	108	GUR	Guril	2018.04.07	2018.04.30 15:00
63	TCK	Talkh Chikher	2018.04.06	2018.04.27 14:00	109	SUU	Suu	2018.04.05	2018.04.30 15:00
64	TEE	Teeveer Darkhan	2018.04.05	2018.04.27 14:00	110	MDR	Frontier land group	2018.04.06	2018.04.30 15:00
65	DHU	Darkhan Khuns	2018.04.05	2018.04.27 14:00	111	HAM	Mongoliin khugjil undesnii negdel	2018.04.09	2018.04.30 17:00
66	MRX	Merex	2018.04.07	2018.04.28 10:00	112	BSKY	Bluesky securities	2018.03.30	2018.04.30 18:00
67	ECV	Ereentsav	2018.04.09	2018.04.28 11:00	113	ONH	Undurkhaan	2018.04.12	2018.04.30 13:00
68	AMT	Khar khorum properties	2018.04.09	2018.04.28 12:00	114	HTS	Khutuliin cement shokhoi	2018.04.17	2018.05.07 10:00
69	MBG	JInst Uvs	2018.04.12	2018.04.28 14:00	115	LND	LendMN	2018.04.11	2018.05.10 18:00

CAPITAL MARKET NEWS

Shareholders of “Khuvs gul Altan Duulga” JSC have become entitled to demand the Company to redeem its shares

According to the Annual Shareholders' Meeting dated 02 April 2017 of “Khuvs gul Altan Duulga” JSC, a resolution to additionally issue common shares of 4,405,600 and offer to public which is deemed as a major transaction under the provision 87.1.2 of the Company Law of Mongolia was approved.

In accordance with the provisions 53 and 54 of the Company Law of Mongolia, “Khuvs gul Altan Duulga” JSC hereby gives the 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 decision.

Record date for entitlement to redemption shares: 02 April 2017

The shareholders can present its demand for redemption to the company at the price of MNT 8095 per share until 15 May, 2018.

Source: MSE.mn



FRC: Most of the customers of the liquidated brokers will be transferred to “Bumbat Altai” securities company

The Financial Regulatory Commission has reported that the customers of 8 liquidated securities companies will be transferred. Most of the 31 thousand customers of 8 companies such as ‘I-trade’, ‘MWTS’, Finance link group, Goviin noyon nuruu’, ‘Prevalent’, ‘BBSS’ will be transferred to ‘Bumbat-Altai’ securities company. The rest 1 thousand will be transferred to ‘BDSec’ and ‘Undurkhaan invest’ companies. Therefore, more than 31 thousand customers will be able to use their securities accounts without any additional costs and fees. ‘Bumbat Altai’ which is increasing its customers by 30 thousand earned net income of MNT 4.3 million in 2017. This is 4.3 times higher than the previous year..

Source: BloombergTV.mn

MSE: Canadian company is listed in the Tier 3

In connection with the dual-listing application received from the Toronto Stock Exchange listed company dated on 12 March 2018, MSE listed its up to 4,000,000 shares worth 1.2 million Canadian dollar in the Tier 3. The Mongolian Stock Exchange will publicly disclose the dual-listing company after FRC has reviewed the process. For now, the company has yet to be named officially by MSE. However, Erdene Resource Development that listed on the Toronto Stock Exchange announced before that the company was planning to have dual-list on the Mongolian Stock Exchange, and the results will have been shown in the second quarter of the year. ‘The company is developing three significant new gold discoveries Bayan Khundii, Altan arrow and Altan Nar projects. The exploration stage is turning to the mining stage’ said the CEO Peter Akerley. Thus, the company is planning to build processing plant for the three mine. As of April 5, 2018, the company’s shares fell 1.33 percent to CAD 0.37 on the TSX. Stocks of the company are generally downgraded since March 19.

Source: BloombergTV.mn

‘Khukh gan’ JSC’s stock price has risen 67.8 percent year-on-year

Since idle in 2015, “Khukh Gan” has announced its plans to produce DRI and hermalonate in 2018. “Khukh Gan” launched its IPOs in 2008 and raised MNT 3.2 billion from the public. It has built an iron production plant with a capacity of 30,000 tons of iron-in Erdenet city. Currently, Beren Group holds 52.5 percent and ‘BDSec’ securities company holds 25.7 percent of the company’s shares. The shareholders meeting of “Khukh gan” company will be held on the 30th of this month.

The company’s share price has increased by 67.8 percent over the past year, reaching MNT 100. As a result, the market capitalization has reached MNT 10.2 billion.

Source: BloombergTV.mn



Dividend distribution of Bayangol JSC is 97 percent complete

The Bayangol Hotel JSC, which owns 7.9% of the hotel market, exceeded its plans and earned sales income of MNT 6.4 billion. The company offered 402 beds for JCI in May 2017, 1380 beds for Body Building World Cup in October 2017. Thus, the company diversified its products and services as well as reduced its prices. As a result, bed-day increased by 12 percent and meal production increased by 7 percent. For the last one year, stock price of the company decreased by 12.5 percent to MNT 35 thousand, and market capitalization reached MNT 14.8 billion. The Mongolian Stock Exchange reported that the company has distributed dividends 22 times. In 2017, dividend per share equals MNT 355 or a total of MNT 135.3 million. Of these, 13 percent was distributed through Mongolian Central Securities Depository and the rest was distributed on the company. The dividend distribution is 97 percent complete, according to the Bayangol Hotel JSC.

National Statistical Office reported that a total of 532 international and domestic hotels operate in Mongolia. Two international hotels are expected to open this year.

Source: BloombergTv.mn

Material Impex JSC earned net profit of MNT 492.98 million

Material Impex JSC, listed in the Tier 2 on the Mongolian Stock Exchange, imported 1392 freight imports containers in 2017 increasing by 62 percent from 2016. Import of freight wagons increased by 5 times and reached 155 wagons in 2017. Container export fell 50 percent. 56 percent of cargo transportation were new and old vehicles and their spare parts, while 38 percent were food products. Transportation of new and old vehicles increased by 45 percent compared to the previous year, according to Material Impex JSC. The company earned net profit of MNT 492.98 million in 2017 dropping 49 percent year-on-year. It is explained by the banned flour import from the government. Wheels of flour from the Russian Federation has stopped.

In addition, Russia's restriction on transit imports from Ukraine reduced imports of candies. Material Impex JSC decided to distribute a total of MNT 13.68 million dividends or MNT 10 per share. It is the 8th time when the company is distributing dividends since its IPO.

Stock price of Material Impex JSC with market capitalization of MNT 13 billion increased by more than 10 percent year-on-year and reached MNT 9500.

Source: BloombergTv.mn



Talkh Chikher JSC sold 37.5 tons of products and earned sales income of 36.4 billion

Talkh Chikher JSC, the food manufacturer, announced that it will update its equipment, diversify its products and boost its capacity in 2018. The company sold 37.8 tons of 98 products and earned MNT 36.4 billion. Sales income of the company rose 11.8 percent from the previous year. Talkh Chikher JSC which is listed in the Tier 1 on the Mongolian Stock Exchange put into use the vacuum storage system of 500 tons of flour from Italy and breadfruit system from Czech. The company decided to distribute a total of MNT 174.03 million dividends or MNT 170 per share in 2017. This equal 15.4 percent of net income. The company has distributed dividends 19 times since its IPO.

Source: BloombergTv.mn

APU JSC paid MNT 129.4 billion taxes and earned net profit of MNT 24.8 billion

In 2017, APU JSC, which is listed on the MSE and has the highest market capitalization, produced 97.2 liters of 166 products increasing by 4 percent from the previous year. Thus, the company paid MNT 129.4 billion and earned net income of MNT 24.8 billion.

APU JSC's merger with "Heineken" will make it possible to expand its market into Southeast Asia, the European Union and North America. According to the operational report of the company, the company paid MNT 43.9 billion loan repayments to international banks and invested MNT 3.5 billion in production. In 2017, the sales volume increased by 5 percent to 93 million liters.

In 2017, APU's tax payment equals 1.6 percent of total budget revenue of Mongolia, 2.1 percent of tax revenue, 18.3 percent of excise tax and 1.3 percent of value added tax revenue.

In addition, the company intends to set up a dairy business unit as a stand-alone profit center, and separated the milk business last year. This will allow investors to be more specific in assessing the value of each company's business.

APU signed a deal with Heineken, whose products are sold in 170 countries worldwide, last year. As a result of the transaction, APU is aiming to introduce "Heineken" global beer know-how and deliver new products and services to consumers. It plans to expand production and distribution networks and increase profitability through reduced cost and administration costs.

Furthermore, the company will increase its market cap and dividend distribution. APU plans to expand its product range and produce 133.7 million liters of 218 products in 2018. It also plans to sell products worth MNT 433.7 billion. Exports to Russia, China, Inner Mongolia, Japan and Korea are exported. The company exports its products to Russia, Inner Mongolia of China, Japan and Korea.

Source: BloombergTv.mn

COMMODITY MARKET NEWS

Mongolbank purchases 734 kg gold in March

The Bank of Mongolia purchased 734 kg gold in March, it reported on April 2.

As such, the bank has purchased 2.3 tons of gold in the first three months of 2018, which shows 2.1 percent increase against the same period of last year.

As of the third month of 2018, the central bank's average gold purchase rate was MNT 101,822.3 per gramm.

According to officials, the comparatively less amount of gold sold to the central bank in the first season of this year is linked to the fact that placer deposits have not yet started their operations and only hard rock deposits are running.

Gold mining reaches its peak of activity in August, September and October.

Source: Montsame.mn

Ministry of Energy: 20 percent of total energy will be renewed by 2019

In February, a total of 502.3 million kilowatt-hours of energy was produced in the country, and about seven percent of the total production was renewable. Mongolia is committed to provide 20 percent of the energy demand by renewable sources within the framework of the Sustainable Development Concept. The Chairman of the Energy Policy and Planning Department emphasized that this year's goal is possible to be fulfilled. Representatives of the Ministry of Energy visited the Sainshand wind farm this month and concluded that the work is ongoing according to the plan. However, the supply of renewable energy fluctuates depending on the environmental conditions, if the capacity exceeds 200 megawatts, the system is not able to absorb the all of the energy. The Ministry of Energy also informed the need for legal reform.

The energy cost in the Central region is MNT 145.8 per kilowatt-hour, while the price of renewable energy is estimated in USD which makes it more expensive 2-3 times. In this regard, the Ministry of Energy has submitted a bill for the price of MNT. It also announced that there will not be any price minimums.

Source: BloombergTv.mn

OTHER NEWS



The Bank of Mongolia: Inflation is expected to stabilize at a target rate of 8 percent

If the inflation was accelerating in 2017, it is expected to stabilize this year, according to the report of the Bank of Mongolia's inflation forecast. With the season's tendency, meat prices have risen in the first half of 2018 and expected to drop in the second half of the year, but food inflation rate will be less than in 2017. The tax increase, consumer basket rebound and sharp solid fuel price increase will start to offset in the first quarter of 2018 and reduce non-food inflation rate. Even though the inflation rate is likely to rise following the economic growth, further inflation rate expected to stabilize at the target level. Growth in non-mining sectors, which had a major impact on economic growth in recent years, will slow down from 2018, while mining sector growth will intensify. In 2018, trade conditions will improve, with the metal's recovery in the concentration copper concentrate of Oyu Tolgoi mine.

Growth in foreign direct investment and loan increase in private sector will continue the growth of non-mineral production, but it is likely to slow down further.

Source: BloombergTV.mn

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.