

## WEEKLY MARKET UPDATE

2018.04.09-04.13

## GLOBAL MARKET PERFORMANCE

**United States:** Markets remained volatile as investors appeared to remain focused on the turbulent political environment rather than the upcoming release of first-quarter corporate earnings reports. Concerns over growing trade tensions with China started to loose as Chinese President Xi Jinping repeated a vow to ease access to sectors ranging from banking to auto manufacturing and to protect intellectual property in a “new phase of opening up”. Stocks fell sharply in early trading Tuesday, following a tweet from President Trump threatening a missile strike on Syria in response to the Assad regime’s alleged chemical attack on dissident areas the previous weekend. Stocks rallied on Thursday after the President appeared to calm tensions on both fronts, tweeting that a Syria strike might not be imminent.

Friday brought the release of the first major first-quarter earnings reports, with JPMorgan Chase, Wells Fargo, and Citigroup all declining in early trading despite topping analysts’ estimates. Due in part to recent tax cuts, it is anticipated that earnings for the S&P 500 as a whole will rise more than 17% on a year-over-year basis.

The technology-heavy Nasdaq Composite Index performed best, helped by a rally in Facebook shares as investors seemed to react favorably to Facebook CEO Mark Zuckerberg’s testimony before Congress on Tuesday and Wednesday. While tech shares performed well, energy stocks led the gains in the S&P 500 Index, helped by a rally in crude prices to their highest level since late 2014.

**Europe:** With geopolitical tensions in focus, European stock markets ended the week higher. The FTSE 100 Index, rose about 1%, but the index has been underperforming its European counterparts largely due to the strong pound. News of a decline in factory output did not seem to unsettle investors.

**Japan:** Japanese stocks posted gains for the week. The yen weakened modestly and closed Friday’s trading at ¥107.7 per U.S. dollar, which is about 4.4% stronger than at the end of 2017.

Haruhiko Kuroda recently started his second five-year term as the Bank of Japan’s governor. Kuroda’s goal when he was first appointed in 2013 was to snuff out deflation and to achieve an annual inflation rate of 2%. Kuroda confirmed for the markets that there would be no change in the central bank’s monetary policy stance in the near term.

**Russia:** Russian markets tumbled, with stocks suffering their biggest decline in four years, and aluminum prices shot higher after the U.S. imposed wide-ranging sanctions on Russian oligarchs, officials, and 12 related companies, including “Rusal”, one of the world’s largest aluminum producer. The ruble-denominated MOEX Russia Index sank almost 9% on Monday as markets opened following the news that the U.S. had imposed sharp penalties on Russia for allegedly meddling in the 2016 presidential elections and other aggression under the Countering America’s Adversaries through Sanctions Act. By the week’s end the MOEX was off 4%, and the ruble was 6% lower against the U.S. dollar.

### WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	19,429.62	-3.12 ▼
Dow Jones	USA	24,360.14	1.07% ▲
S&P 500	USA	2,656.30	0.58% ▲
Nasdaq	USA	7,106.65	0.61% ▲
S&P/TSX	Canada	15,273.97	-0.61% ▼
FTSE 100	GB	7,264.56	2.95% ▲
S&P/ASX 200	Australia	5,854.90	1.66% ▲
Nikkei 225	Japan	21,778.74	1.51% ▲
Hang Seng	Hong Kong	30,808.38	2.38% ▲

### MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.7%	112.48
Mongol 2023 (Gerege)	USD	5.6%	98.44
Mongol 2022 (Chinggis)	USD	5.1%	97.40
Mongol 2021 (Mazalai)	USD	10.8%	115.25
Mongol CNY (Dimsam)	CNY	7.5%	100.31
DBM’ 23 (Samurai)	JPY	1.5%	104.65
TDBM’ 2020	USD	9.3%	107.39

### MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.896	0.00 ▼
Libor 3M	2.353	0.02 ▲
Libor 6M	2.490	0.02 ▲
Libor 1YR	2.731	0.02 ▲
US 6M Bond	1.932	0.05 ▲
US 2YR Bond	2.365	0.08 ▲
US 3YR Bond	2.508	0.09 ▲
US 5YR Bond	2.681	0.08 ▲
US 10YR Bond	2.840	0.05 ▲

### EXCHANGE RATES

Against MNT	2018.04.13	Change /w/
USD	2,393.93	0.10% ▲
CNY	380.96	0.44% ▲
EUR	2,954.11	1.02% ▲
RUB	38.99	-5.71% ▼
KRW	2.24	0.00% ▲
JPY	22.24	-0.13% ▼

### 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

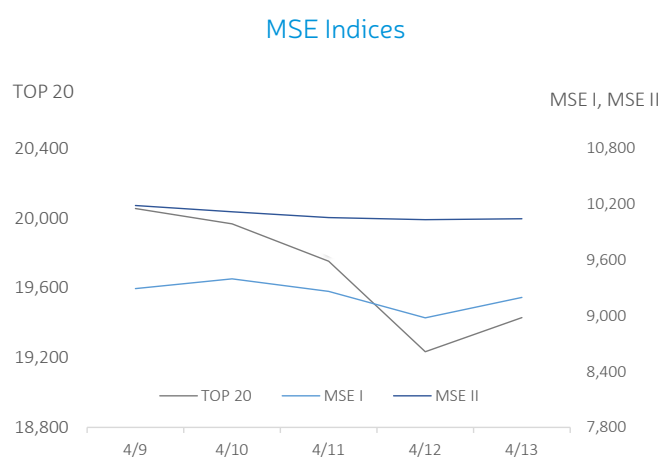
In this week, a total of 42 companies' 5,060,815 shares worth MNT 454.3 million were traded.

Nogoon Khugjil Undesnii Negdel /JLT/ company's share rose 80.77 percent to MNT 235, while Undurkhaan /ONH/ company's share fell 14.59 percent to MNT 9,600.

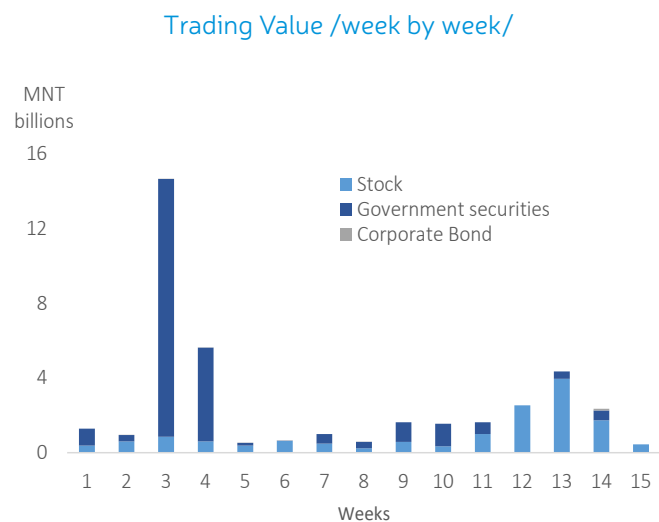
No government securities were issued on the primary market and traded on the secondary market during this week.

No corporate bonds were traded on the secondary market.

As of April 13, total market capitalization of MSE is MNT 2,375.6 billion. The TOP-20 index decreased by 3.12% to



Source: MSE



Source: MSE

### STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	454.3
Market Capitalization	2,375,635.9

### STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	19,429.62	-3.12% ▼
MSE I Index	9,197.72	-1.01% ▼
MSE II Index	10,045.05	-1.39% ▼

### ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
LendMN	4,313,011	180,072,695
Tavan Tolgoi	8,838	77,513,920
APU	93,604	55,734,984
Gobi	1,840	39,681,600
Jinst Uvs	9,162	15,907,012

### SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Nogoon khugjin undesnii negdel	235.00	80.77% ▲
Azyk	2,972.00	14.97% ▲
Euroasia capital holding	1,010.00	14.37% ▲
Jinst Uvs	1,758.00	12.97% ▲
Khukh gan	110.05	9.23% ▲

### SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Undurkhaan	9,600.00	-14.59% ▼
Mongol savkhi	919.00	-14.59% ▼
Bulgan guril tejeel	1,275.00	-14.20% ▼
Gutal	19,000.00	-10.63% ▼
Juulchin Duty Free	100,500.00	-8.64% ▼

### MOST ACTIVE BROKERAGE FIRMS

Company	Trading Amount /MNT/
Mirae Asset Securities Mongolia	135,500,719
TDB Capital	120,705,326
Golomt Capital	112,675,883
BDSec	105,432,374
Bumbat-Altai	82,351,724

### COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	603.76	642,510
Tavan Tolgoi	9,040.00	476,093
MIK Holding	10,510.00	217,654
Gobi	21,980.00	171,468
Suu	220.00	75,680

## GOVERNMENT SECURITY TRADING /SECONDARY MARKET/

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

## CORPORATE BOND TRADING /SECONDARY MARKET/

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

## 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 Tshahilgaan 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	GHC	Gan khiits	24.2	100.0	2018.02.09	N/A	N/A
15	ADL	Aduunchuluun	409.6	130.0	2018.01.24	2018.03.01	N/A
16	UBH	Ulaanbaatar Khivs	40.4	100.0	2018.02.05	2018.02.26	within 2018.05.01
17	TAH	Takhi-Ko	128.5	108.0	2018.02.05	2018.03.30	within 2018.05.01
18	GOV	Gobi	1,716.2	220.0	2018.02.02	2018.03.27	from 2018.04.24
19	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

### LendMN JSC removes the issue of share buyback from the shareholder meeting agenda

'LendMN' JSC, the most recent company listed on the MSE, announced that it will convene its Extraordinary Shareholders' Meeting on 10 May 2018 and the meeting agenda included the discussion on 'Approval of the share buyback'.

In accordance with the Clause 33.7 of Company Law of Mongolia, the shares bought back by the company are considered to be authorized but not issued share. Therefore, the reduction in the number of issued shares may present the risk of failure to comply with the listing requirements set by the Mongolian Stock Exchange. In accordance with the direction given by the Mongolian Stock Exchange, 'LendMN' JSC removed the issue of 'share buyback' from the agenda of the Shareholders' Meeting, scheduled on 10 May 2018.

**Source:** MSE.mn

### Block trading of "Telecom Mongolia" JSC's shares will take place on the MSE

According to the agreement between the Government of Mongolia and Korea's "Korea Telecom" JSC, a block trading of 40% of the "Telecom Mongolia" JSC 's shares that listed in Tier II will take place on the MSE.

"Mongolian Telecom" JSC was established in 1921 and provides telecommunications, internet, cable TV and directory services in central and local areas within the jurisdiction of authorized agencies. The Government of Mongolia owns 54.67 percent of the company's shares, Korea's Telecom of Republic of Korea owns 40 percent, and the rest 5.33 percent is owned by Mongolian and foreign individuals and entities. As a result of this block trading, the share of the Government of Mongolia in "Mongolian Telecom" JSC will reach 94.67 percent.

**Source:** MSE.mn

### 'Gan Khiits JSC will distribute MNT 24.2 million as dividends despite losses in 2017

Gan Khiits is planning to increase sales income and earn MNT 2.1 billion in 2018. The company produced 240 tons of metal products and earned MNT 1.6 billion in 2017. The company is planning to build a plant that produces steel railroad tie concrete pillow sleepers, high voltage pillars and sandwich panels in Nalaikh district this year. The project requires a total of MNT 32 billion investment and the company planned MNT 11 billion for the first batch of plants. The factory is capable of producing 3000 reinforced concrete pillars and 300-350 thousand steel tie concrete pillows per year. Gan Khiits JSC is searching for the possibility of raising funds in the capital market to finance plant equipment and projects. Although the company had losses in 2017, the Board of Directors decided to distribute a total of MNT 24.2 million or MNT 100 per share dividends for its shareholders.

**Source:** BloombergTv.mn

### Standart Noos JSC will produce 300 tons of wool this year

Standart Noos JSC plans to prepare 300 tons of wool from herders this year. The company plans to install a fully equipped wool washing plant and build a new storage facility with a capacity of 1000 tons of wool. The company prepared 122 tons of wool from Bayankhongor aimag, made the primary processing and supplied it to 'Ulaanbaatar Khivs' company in 2017. According to the company, the solution of investment problems and wool purchase of buyers will affect the 2018 plan. The company's shares rose to MNT 780 in 2014. In February, the exchange rate was around MNT 500.

67.8% of the company's shares are held by one shareholder, and the rest 32.7% is owned by 539 minor shareholders. The company was originally engaged in the material-technical supply base in Bayankhongor aimag, called "AriLjaa Impex" JSC. In 2016 it changed its name to "Standart Noos" and started to operate in the wool processing and wool washing plant.

**Source:** BloombergTv.mn



### Sales of And Energy JSC has increased by 24 percent in the first quarter

Sales of the And Energy JSC listed on the Mongolian Securities Exchange has increased by 24 percent in the first quarter of this year. The company produced 5.5 thousand led lamps and sold 2.2 thousand of it. The company signed a supply contract with 'Sharyn Gol' and 'Ulaanbaatar Railway' companies. According to the CEO of 'And Energy' company, the company is committed to work with other major Mongolian companies in order to increase its sales. The company also announced that it will open a store in Ulaanbaatar so as to increase its market share. The construction of a new plant will start at the end of this month.

In March of this year, trading worth a total of MNT 39.4 million was made, which is three times higher than in the previous month. The share price reached 50 cents, reaching its highest point since its opening date. The shareholders meeting of the company is on April 21.

**Source:** BloombergTv.mn

## COMMODITY MARKET NEWS



### Rio Tinto: Oyu Tolgoi's copper concentrate will be exported to Japan and South Korea

After the beginning of Oyu Tolgoi's underground mining, the company plans to export copper concentrate to Japan and South Korea. According to Rio Tinto's CEO, the company is expecting a dialogue with the working group established by the Parliament of Mongolia in connection with the implementation of fundamental principles of all the contracts relating to Oyu Tolgoi. He also expressed hope that the investment scope of "Oyu Tolgoi" was established equally and fair among both shareholders and Mongolia.

In the meantime, a working group established by the Chairman of the Parliament has started to check the implementation of the Oyu Tolgoi Investment Agreement, which will take two months to complete.

**Source:** BloombergTv.mn

### NSO: Coal exports reached the highest level in last six months

According to data revealed by the National Statistics Office, Mongolia's exports in the first quarter of 2018 were valued at \$1.5 billion, while imports stood at \$1.1 billion, taking total trade turnover to \$2.6 billion, which is 25.9% or \$2536.7 million more than the corresponding figure in the previous year. Exports rose 14% or \$182.5 million, mainly because gold exports fetched \$80.8 million and precious metals, semi-precious stones and metal products exports fetched \$80.8 million. On the other hand, imports increased by 45.6% or \$354.2 million, mainly because mineral products rose \$86.8 million, heavy machinery and equipment, electrical appliances and metallic items rose \$75.8 million, vehicles and their spare parts rose \$57.7 million. This means foreign trade at the end February still showed a surplus, but the amount dropped by 67.4% y-o-y to \$112.4 million.

In the first quarter of 2018, foreign trade surplus reached USD 351.9 million, which decreased by USD 171.7 (32.8%) million from USD 523.7 million in the same period of 2017.

Minerals exports reached \$1.25 billion, accounting for 84.5% of total exports. Minerals exports has increased by 8 percent year-on-year. Coal picked up \$514.5 million which is 41% of total minerals export and 34.7% of total export value. Altogether 3.52 million tonnes of coal was exported in first quarter, 2,267 tonnes or 181% higher than in February.

Coal export in the first quarter was weaker than in the same period last year. The volume was around 6.77 million tonnes, a y-o-y decrease of 16.8%, and revenue dropped by 4.9% y-o-y to \$514.5 million. In February, copper export income was more than that from coal, but this month it has been the other way around.

Copper concentrate export reached 337,700 tonnes, a y-o-y drop of 7.7%, but the \$462.5 million earned was 21.6% more. In the case of refined copper, the drop was seen in volume, falling by 14.7% to 3,500 tonnes and the \$15.8 million earned was 2.5% more y-o-y.

The 2.9 tonnes of gold exported and the \$124.3 million earned marked 2.7 and 2.8 times increase respectively y-o-y.

Crude oil exports reached 1.63 million barrels and earned \$101 million, a y-o-y drop of 11.3% in terms of volume while income rose by 8.5%.

At 1.44 million tonnes, iron ore export showed a y-o-y rise of 30.2% but the income of \$63.9 million was 8.9% less.

Export of zinc concentrate increased by 20% y-o-y and reached 32.9 thousand tonnes, while the \$60.2 million revenue was up 49.3%.

Export volume of fluorspar increased by 47.3% y-o-y to stand at 78.3 thousand tonnes, and revenue rose by 2.1 times to reach \$25 million.

Lead export reached 4,020 tonnes, earning \$10.64 million, 1.6% and 2.2% higher respectively y-o-y.

The 1,400 tonnes of molybdenum exported was down 18.6% y-o-y, though the \$10.1 million revenue was 17.3% higher.

**Source:** MongolianMiningJournal.com

## OTHER NEWS

### ADB: Mongolia's GDP growth will moderate to 3.8 percent in 2018

Mongolia's economic growth will remain solid in 2018 and 2019, albeit with slight moderation, following a strong performance in 2017 as coal exports and mining investments strengthened, according to a new Asian Development Bank (ADB) report.

ADB projects Mongolia's gross domestic product (GDP) growth to moderate to 3.8% in 2018 before rising again to 4.3% in 2019 from the 5.1% growth in 2017. This is following the 1.2% growth in 2016. Continued investment in mining, particularly in the development of the Oyu Tolgoi underground mine, will continue to drive growth. Transportation bottlenecks, however, will prevent coal exports from matching 2017 performance, although these will ease somewhat in 2019.

Inflation will accelerate to 8% in 2018 and ease to 7% in 2019, from the 4.3% recorded in 2017 following the 24.7% depreciation of the Mongolian togrog in 2016, which affected import prices on top of higher commodity prices due to drought and higher excise taxes. Rising domestic demand and international oil and food prices, coupled with the effects of looser monetary policy in 2017, will continue to drive inflation higher in 2018. These effects will be less pronounced in 2019 as oil prices and domestic demand subside.

Mongolia's budget deficit is projected to equal 6.4% of GDP in 2018 and 5.1% in 2019, from 3.9% of GDP in 2017, as expenditure on social insurance, welfare, and equipment increases, coupled with a likely reduction in budget revenue as reforms to ease reporting requirements and the tax burden for small and medium-sized enterprises take place. A sharp recovery in foreign direct investment, financial support from multilateral development partners, and better terms of trade allowed the country to refinance a major part of its external debt. Gross reserves more than doubled, reaching 5.5 months of imports. These developments pushed the value of the togrog up by 2.5% against the US dollar. The current account deficit will narrow to 6.3% in 2018 before widening to 7% in 2019.

**Source:** ADB.org

### NSO: Mongolia's macroeconomic indicators as of first quarter

The money supply (broad money or M2) reached MNT 16.1 trillion at the end of March 2018, showing an increase of MNT 164.6 billion (1.0%) from the previous month and by MNT 3.8 trillion (31.1%) from the same period of the previous year.

At the end of March 2018, the amount of outstanding loan to entities, enterprises and citizens amounted MNT 14.1 trillion, increased by MNT 314.1 billion (2.3%) from the previous month and by MNT 1.5 trillion (11.5%) from the same period of the previous year.

At the end of March 2018, the principals in arrears amounted MNT 935.9 billion, decreased by MNT 57.0 billion (5.7%) from the previous month and by MNT 59.2 billion (6.0%) from the same period of the previous year. The principals in arrears makes up to 6.6% of total loans, showing a decrease of 0.6 points from the previous month and by 1.2 points from the same period of the previous year.

At the end of March 2018, the non-performing loans at the level of the bank system amounted MNT 1.2 trillion, decreased by MNT 34.3 billion (2.7%) from the previous month, while it increased by MNT 196.3 billion (19.0%) from the same period of the previous year. The non-performing loans at the level of the bank makes up to 8.7% of total loans, showing a decrease of 0.5 points from the previous month, while it increased by 0.5 points from the same period of the previous year .

In the first quarter of 2018, total equilibrated revenue and grants of the General Government Budget amounted to MNT 1.8 trillion and total expenditure and net lending amounted to MNT 1.8 trillion, representing a deficit of MNT 25.8 billion in the equilibrated balance. A decrease of MNT 229.3 billion in deficit of the equilibrated balance from the same period of the previous year was mainly affected by the revenue growth which is 16.0 points higher than expenditure.

In March 2018, consumer price index at the national level increased by 0.9% from the previous month, by 3.2% from end of the previous year and by 6.6% from the same period of the previous year.

**Source:** NSO.mn

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