

Утас: 7010-0261, 7010-0263 | И-мэйл: info@tdbcapital.mn | Вэб хаяг: www.tdbcapital.mn | Facebook: www.facebook.com/tdbcapital

## GLOBAL MARKET PERFORMANCE

**United States:** Stocks recorded sharp losses for the week. Information technology and consumer staples shares held up best in the S&P 500 Index, while industrials and business services shares fared worst. A decline in industrials giant Caterpillar weighed especially on the narrowly focused Dow Jones Industrial Average, while the smaller-cap benchmarks and the technology-heavy Nasdaq Composite Index fared best.

Interestingly, Trump's threat of a trade war seemed to have a more durable effect on the bond market. After declining for much of the week, the yield on the 10-year Treasury note bounced following the president's tweets, seemingly due to fears that heightened prices for steel and aluminum—and perhaps more goods to come—would feed through into higher inflation. Municipals underperformed U.S. Treasuries as buyers remained cautious, according to T. Rowe Price analysts. However, the secondary market picked up a bit, as flows into funds seemed to turn positive again after a slight negative turn in the preceding weeks.

**Canada:** Canada's main stock index slipped to a two-week low on Friday, ending the week with a 1.6 percent decline, as the threat of a global trade war weighed on energy and industrial shares. S&P/TSX composite index ended down 9.36 points, or 0.06 percent, at 15,384.59, its lowest close since Feb. 14.

**Europe:** European stocks ended the week lower amid subdued trading volumes, lackluster economic news, and fears about a brewing trade war following President Donald Trump's announcement of tariffs on steel and aluminum. Both the pan-European STOXX 600 and the German DAX 30 fell just over 1%. The UK's blue chip FTSE 100 fared slightly better but still posted a decline of just over 2%. FTSE 100 shares were weak following UK Prime Minister Theresa May's rejection of the European Union Brexit treaty draft.

**Japan:** Japanese stocks registered modest gains early in the week but declined as the week progressed amid growing concerns about rising interest rates in the U.S. and a stronger U.S. dollar. The bellwether Nikkei 225 Stock Average ended the week at 21,181.64, a loss of 3.25% (711 points) versus the prior week. The Nikkei average has lost 6.95% (1,583 points) since the beginning of 2018. The yen closed the week at 105.41 versus the U.S. dollar, a slight decrease of 1.08% versus the prior week. The yen has lost 6.34% against the dollar so far in 2018.

However, the biggest shock occurred with President Trump's announcement that he would impose steep tariffs on imported steel and aluminum. Japan's automakers are a particular area of concern. Even though a majority of cars sold in the U.S. by major Japanese automakers are assembled in the U.S., largely from U.S.-sourced steel and aluminum, the tariffs could signal a global move toward higher prices for a number of raw materials that could pressure global automakers.

**Source:** Reuters.com, Troweprice.com

### WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	19,615.58	-3.12% ▼
Dow Jones	USA	24,538.06	-3.05% ▼
S&P 500	USA	2,691.25	-2.04% ▼
Nasdaq	USA	7,257.87	-1.08% ▼
S&P/TSX	China	15,384.59	-1.62% ▼
FTSE 100	GB	7,069.90	-2.41% ▼
S&P/ASX 200	Australia	5,928.90	-1.18% ▼
Nikkei 225	Japan	21,181.64	-3.25% ▼
Hang Seng	Hong Kong	30,583.45	-2.19% ▼

### MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.7%	114.05
Mongol 2023 (Gerege)	USD	5.6%	99.91
Mongol 2022 (Chinggis)	USD	5.1%	98.74
Mongol 2021 (Mazalai)	USD	10.8%	116.83
Mongol CNY (Dimsam)	CNY	7.5%	100.48
DBM' 23 (Samurai)	JPY	1.5%	104.83
TDBM' 2020	USD	9.3%	108.80

### MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.691	0.06 ▲
Libor 3M	2.025	0.07 ▲
Libor 6M	2.228	0.05 ▲
Libor 1YR	2.497	0.04 ▲
US 6M Bond	1.831	-0.01 ▼
US 2YR Bond	2.222	-0.01 ▼
US 3YR Bond	2.368	-0.01 ▼
US 5YR Bond	2.598	-0.01 ▼
US 10YR Bond	2.839	-0.02 ▼

### EXCHANGE RATES

Against MNT	2018.03.02	Change /w/
USD	2,393.75	-0.16% ▼
CNY	376.96	-0.34% ▼
EUR	2,936.05	-0.40% ▼
RUB	42.26	-0.33% ▼
KRW	2.22	0.00%
JPY	22.64	0.98% ▲

### COMMODITY PRICE

Commodity	Last Price	Change /w/
Gold /spot/	1,322.17	-0.50% ▼
Silver /spot/	16.49	0.28% ▲
Copper	3.1010	-3.35% ▼
Coal	102.90	-3.35% ▼
Crude Oil WTI	61.25	-3.62% ▼
Crude Oil Brent	64.37	-4.37% ▼
Natural Gas	2.70	2.67% ▲

### MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2018.I	6.90%
Policy Rate	2018.I	11.00%
Interbank Rate	2018.I	13.63%
Deposit Interest Rate /MNT/	2018.I	12.50%
Deposit Interest Rate /Foreign currency/	2018.I	5.80%
Loan Interest Rate /MNT/	2018.I	19.40%
Loan Interest Rate /Foreign currency/	2018.I	10.80%

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

## MSE TRADING UPDATE

In this week, a total of 97 companies' 612,679 shares worth MNT 584,636,717 were traded.

Euroasia Capital Holding /SUN/ company's share rose 32.19 percent to MNT 505, while Sharyn Gol /SHG/ company's share fell 16.99 percent to MNT 2,160.06l.

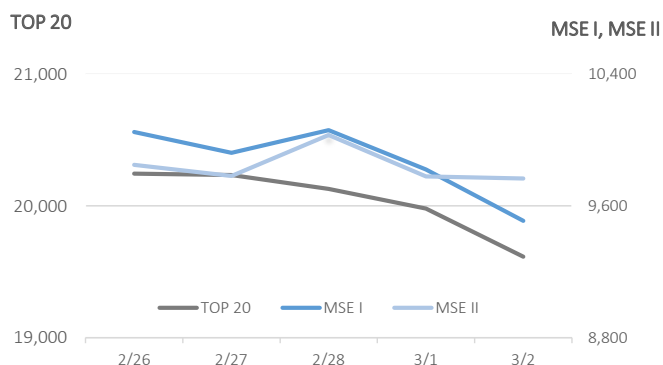
No government securities were issued on the primary market during the week spanning February 26 to March 02, 2018.

On the secondary market trading of Government securities, 10,073 units of securities were traded for MNT 1,050,565,040 through 14 trading sessions.

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

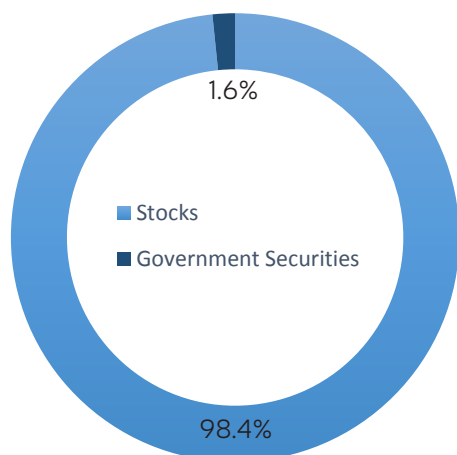
As of March 02, total market capitalization of MSE is MNT 2,455 billion. The TOP-20 index decreased by 3.12% to stand at 19,616 units.

MSE Indices



Source: MSE

Trading Volume



Source: MSE

### STOCK MARKET REVIEW

Review	Total amount /MNT/
Total Value	1,635,201,757
Market Capitalization	2,361,274,011,509

### STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20*	19,615.58	-3.12% ▼
MSE I Index	9,510.62	-6.30% ▼
MSE II Index	9768.08	0.05% ▲

### MOST ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
Tavantolgoi	30,444	296,458,820
APU	167,685	111,206,456
Gobi	2,005	45,859,860
Mongol Post	32,704	17,867,323
iTools	139,250	17,066,570

### SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Euroasia Capital Holding	505.00	32.19% ▲
Darkhan Hotel	132.00	32.00% ▲
Erdenet Auto Zam	1,100.00	19.57% ▲
Auto Zam	4,710.00	17.72% ▲
Mongol Shiltgeen	464.08	16.02% ▲

### SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Sharyn Gol	2,160.06	-16.99% ▼
Merex	32.00	-14.83% ▼
Tavan Tolgoi	9,530.00	-13.28% ▼
iTools	121.44	-9.43% ▼
Teever Darkhan	11,500.00	-7.93% ▼

### MOST ACTIVE BROKERAGE FIRMS

Company	Trading Amount /MNT/
BDSec	436,025,403
Lifetime Investment	141,517,284
Golomt Capital	125,643,905
Bumbat-Altai	79,891,300
Standart Investment	71,427,248

### COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	648.19	689,791
Tavan Tolgoi	9,530.00	501,899
MIK Holding	10,000.00	207,093
Gobi	22,580.00	176,149
Suu	219.89	75,642

## GOVERNMENT SECURITY AND BOND TRADING

Government securities /primary market/

Nº	Name	Volume	Turnover /MNT/	Price /MNT/	Weeks	Annual interest rate
-	-	-	-	-	-	-

Government securities /secondary market/

Nº	Name	Volume	Turnover /MNT/	Price /MNT/	Weeks	Annual interest rate
1	ZBEG-BD-09/05/19-A0242-15.995	230	23,450,800	101,960	104	15.995
2	ZBEG-BD-09/05/19-A0242-15.995	99	10,068,300	101,700	104	15.995
3	ZBEG-BD-18/07/20-A0275-15.14	400	40,480,000	101,200	156	15.140
4	ZBEG-BD-11/04/19-A0230-18	1,742	181,969,320	104,460	104	18.000
5	ZBEG-BD-11/04/19-A0230-18	1,742	186,568,200	107,100	104	18.000
6	ZBEG-BD-20/06/20-A0260-15.14	760	78,356,000	103,100	156	15.140
7	ZBEG-BD-20/06/20-A0260-15.14	760	81,418,800	107,130	156	15.140
8	ZBEG-BD-25/04/20-A0236-16.993	479	50,908,120	106,280	156	16.993
9	ZBEG-BD-25/04/20-A0236-16.993	479	52,761,850	110,150	156	16.993
10	ZBEG-BD-27/03/20-A0225-18	500	53,940,000	107,880	156	18.000
11	ZBEG-BD-27/03/20-A0225-18	500	55,830,000	111,660	156	18.000
12	ZBEG-BL-24/04/18-A0235-0	1,141	112,023,380	98,180	52	16.081
13	ZBEG-BL-24/04/18-A0235-0	1,141	112,354,270	98,470	52	16.081
14	ZBEG-BD-22/05/20-A0248-15.87	100	10,436,000	104,360	156	15.870

Corporate Bond /secondary market/

Nº	Name	Volume	Turnover /MNT/	Price /MNT/	Weeks	Annual interest rate
-	-	-	-	-	-	-

## DIVIDEND INFORMATION

Nº	Ticker	Company	Total dividend /MNT mln/	Dividends per share /MNT/	Decision of the Board (Date)	Record date	Payment date
1	AEL	And-Energy	13.3	0.5	2018.02.24	2018.03.16	N/A
2	GTL	Gutal	2,055.7	1,270.0	2018.02.19	N/A	from 2018.07.06
3	BNG	Bayangol Hotel	150.2	355.0	2018.02.19	N/A	from 2018.09.01
4	APU	APU	10,641.8	10.0	2018.02.19	N/A	within 2018.06.01
5	BTG	Bayanteeg	25.3	100.0	2018.02.19	2018.03.12	within 2018.06.01
6	MIE	Materialimpex	13.7	10.0	2018.02.19	2018.03.26	within 2018.12.31
7	MNP	Mongolian Post	273.5	2.7	2018.02.13	N/A	from 2018.05.01
8	MMX	Makhimpex	380.1	100.0	2018.02.13	2018.04.05	from 2018.10.01
9	TCK	Talkh-Chikher	174.0	170.0	2018.02.12	2018.04.06	from 2018.07.01
10	ADL	Aduunchuluun	409.7	130.0	2018.02.07	2018.03.01	N/A
11	TAH	Takhi Ko	128.1	108.0	2018.02.05	N/A	within 2018.05.01
12	UBH	Ulaanbaatar Khiivs	40.5	100.0	2018.02.05	2018.02.26	from 2018.05.01
13	GOV	Gobi	1,716.2	220.0	2018.02.02	N/A	from 2018.04.24
14	HRM	Hermes centre	392.7	5.0	2018.01.24	2018.02.15	from 2018.03.06



## CAPITAL MARKET NEWS

### Sales income of "Bayangol Hotel" company increased by 14.5 percent in 2017

Sales income of "Bayangol Hotel" with market capitalization of MNT 14.2 billion has increased by 14.5 percent to 6.4 MNT billion in 2017. Net income of the company decreased by 23 percent to MNT 2.5 billion. The Mongolian Stock Exchange reported that the Bayangol Hotel has been paying dividends to shareholders for 22 years. Last year, the company paid MNT 355 per share. A total of MNT 150.2 million which was equal to 4.6 percent of the 2016 net income was distributed. The "Bayangol Hotel" has four stars and 211 rooms. The company's share price fell by 16.3 percent year-on-year to MNT 34,000.

The National Statistical Office reports that currently 532 hotels with international and domestic investments are operating in Mongolia. 81 hotels among them meet the requirements of II-V stars.

Source: BloombergTv.mn

### Net income of "And-Energy" company reached MNT 121.4 million

Sales of "And-Energy" company that produces LED lamps has reached MNT 944.3 million, and net income has reached MNT 121.4 million. The report shows that 60.2 percent of the sales income is generated by LED lamps and lighting productions. The remaining 39.8 percent is generated by assembly of electrical equipments, maintenance and industrial automation. The company is planning to launch at least three new products every year. The company also aims to provide 5 percent of the domestic light market in 2018-2021 by meeting international standards. The company will allocate 5-8 percent of its annual net income as dividends. In the future, the net profit margin for dividends will be increased every year.

The Mongolian Securities Exchange reported that "And-Energy" company's shares have been traded with a total of 73 transactions worth of MNT 100 million since the IPO in November 2017. "And-Energy" company's shares fell by 26.7 percent over the past three months. As a result, the stock has now reached MNT 44.

Source: BloombergTv.mn

### Fitch: MAK's bond issuance has been delayed

Fitch Rating announced that Mongolyn Alt (MAK) LLC has received an extension on the expiry of its consent and waivers for its loans from the European Bank for Reconstruction and Development and Deutsche Investitions to March 31, 2018 from February 28, 2018, as a proposed bond issuance has been delayed. The extension will not affect the expected Long-Term Issuer Default Rating of "CCC+" on MAK and the expected rating of "CCC+" on its proposed US dollar notes that Fitch Ratings assigned on 31 January 2018. Fitch reported that it will continue to monitor closely the company's refinancing and restructuring efforts. MAK's expected ratings reflects the Mongolia-based coal miner's adequate liquidity and debt maturity profiles, assuming it completes the proposed bond deal and debt restructuring. The company plans to repay some of its existing loan facilities that are in default with proceeds from the proposed bond.

The remaining loans will be restructured based on terms outlined in the signed consents and waivers from each respective lender. MAK intends to repay the loans from EBRD and DEG with the proceeds from the proposed bond issuance. The consent and waivers from the company's other lenders expire on May 31, June 30, and August 31. In addition, the EKF loan consents and waivers require MAK to complete its proposed bond issuance by March 31, 2018.

Source: BloombergTV.mn

### "Nogoon Hugjil Undesnii Negdel" JSC has been upgraded to board II

Based on The Clause No.: 20.2 and 20.3.1 of Listing Rules of MSE and the company's request to upgrade to Board II dated 2 February 2018, "Nogoon Khugjil Undesnii Negdel" JSC has been upgraded to Board II meeting all the requirements set for the Board. authorities of the Financial Regulatory Commission (FRC) reported on February 26 that all indicators of stock market had growth in 2017.

Source: MSE

### Minimum amount of securities block trading has been changed

According to requests of the market participants, the minimum amount of securities block trading was changed to MNT100.0 million from MNT250.0 million by the Order No.: A/32 of CEO of MSE, dated 28 February 2018. The change in the minimum amount of securities block trading is effective from 1 March 2018.

Source: MSE

### Goldman Sachs: A rise in rates to 4.5 percent would cause a decline in equity prices

If the 10-year U.S. Treasury yield hits 4.5 percent by year-end, the economy would probably muddle through-stocks, not so much, according to Goldman Sachs Group Inc. "A rise in rates to 4.5 percent by year-end would cause a 20 percent to 25 percent decline in equity prices," the bank's economist said. While a recent drop in stocks may have been fueled by concerns tied to the 10-year yield approaching 3 percent, many strategists have said they felt equities could continue to rise until reaching 3.5 percent or 4 percent. A 20 percent to 25 percent drop in stocks, as measured from the S&P 500's Jan. 26 peak close of 2,872.87, would take the gauge to a range of approximately 2,155-2,298.

Source: BloombergTV.mn

### Stock market value reaches historic high level

Authorities of the Financial Regulatory Commission (FRC) reported on February 26 that all indicators of stock market had growth in 2017.

Specifically, a total stock market value reached MNT 2.4 trillion in 2017 which showed the highest indication in its history. In 2016, the stock market value was MNT 1.4 trillion and it was raised by 65 percent within one year period. Thus, the stock market equals to 9 percent of Gross domestic product (GDP). Newly issued securities were traded well showing that market demand has increased in the sector.

As of 2017, a total asset of savings and credit cooperatives, non-bank financial institutions (NBFI) and insurance field amounted to MNT 1.4 trillion. It was went up by 23 percent compared to 2016 and makes up 5 percent of the GDP.

A total capital of insurance was MNT 244.7 billion as of the end of 2017, showing 17.4 percent rise than the previous year. A total premium income went up by 26.1 percent, insurance compensation by 31 percent and net profit raised by 15.7 percent compared to 2016.

Amount of total capital of non-bank financial sector reached MNT 969.2 billion in 2017, equalling to 3.6 percent of GDP. As a result of raising threshold of NBFI share capital, loan supply went up and monthly weighted interest rate decreased to 3.4 percent from 4 percent. FRC considers the interest rate can be declined down to 2.1 percent by 2020.

Moreover, savings and credit cooperatives' capital totals MNT 151.3 billion, having 55,624 members and a total net profit of MNT 5.5 billion. It is the highest growth since 2012 and also amount of total credit of the sector reached MNT 105 billion.

Source: Montsame.mn

## COMMODITY MARKET NEWS

### Mongolbank purchases 1,518 kg gold in first two months of 2018

The Bank of Mongolia has purchased 390 kg gold as of February 26, which shows 47.4 percent decrease against the same period of 2017. In February, 2017, 741 kg gold was sold to the central bank.

In February, gold price stood at MNT 102,833.87 on average per gram, corresponding to low rate at the London Metal Exchange. The decrease in gold purchase is linked to the low price and gold mining.

Source: Montsame.mn



### Cabinet decides to ban raw coal consumption in 2019

The Cabinet has resolved to ban consumption of raw coal in Ulaanbaatar starting from May 15, 2019, in an effort to reduce air pollution.

The decision, made on February 28, won't be effective in thermal power plants and power stations operating in Bayanzurkh, Chingeltei, Sukhbaatar, Bayangol, Khan-Uul and Songinokhairkhan districts.

The Cabinet ordered the Mayor of Ulaanbaatar and the corresponding Ministers to study the demand, supply and ways to ensure the price stability of refined coal, and reach a decision by July 1 this year.

The Cabinet sees that it is possible to replace the raw coal consumed by the capital city residents with 600 thousand tons of compressed fuel. In other words, a household that burns 4-5 tons of coal in heating season will consume 3 tons of compressed fuel, which is an economically beneficial alternative. For instance, coal from Nalaikh is purchased at MNT 170 thousand per ton. Five tons of coal will cost MNT 850 thousand whereas three tons of refined coal will cost MNT 660 thousand, thus saving MNT 190 thousand.

The replacement of raw coal by refined coal is expected to significantly reduce carbon dioxide emissions, thus resulting in the decrease of air pollution.

About 202 thousand households in the ger areas of Ulaanbaatar burn 1.1 million tons of raw coal in winter, producing around 80 percent of smog in the capital city.

Source: Montsame.mn

### Will the political instability affect Mongolia's metals export?

Analysts at Bloomberg Intelligence believe that political instability and volatility of metal prices will affect Mongolian exports to China. Especially Mongolia's relations with neighboring countries may affect the metals export to China. According to Bloomberg analysts' preliminary estimate, China's imports will decline and production prices will not recover this year. Bloomberg analysts emphasize that anti-pollution measures in Mongolia are likely to intensify, and real estate sector might slow down, which will adversely affect domestic demand. In February, the prices of metals in the Chinese market were quite volatile and mixed. For instance, steel and iron ore prices rose, with major drops in key metals.

Source: Bloomberg.Tv.mn

### TRQ: "Oyu Tolgoi" copper production and gold production will increase by 340 percent and 150 percent respectively in 2018-2025

Turquoise Hill Resources, which is listed on the Toronto and New York Stock Exchange, introduced an "Oyu Tolgoi" project at BMO Global Metals and Mining Conference. Copper production is expected to rise by 340 percent from 2018 to 2025 in the Oyu Tolgoi project, which is expected to become the world's third largest copper mine. According to Turquoise Hill Resources, gold production will increase by 150 percent over the same period. In addition, the cash flow of Oyu Tolgoi project reached \$ 2 billion over the period from 2014 to 3Q2017. The free cash flow from 2022-2026 is estimated to be 9.5 billion dollars. In 2025, Oyu Tolgoi's production is expected to peak. According to the Turquoise Hill Resources, the demand for copper from 2017 to 2025 will increase by about six times, depending on the use of electric cars. As for Rio Tinto, Rio Tinto may raise up to \$ 5 billion in assets in 2018, according to UBS Bank. Experts estimate that the company is able to raise assets by receiving \$ 1.8-2.3 billion from the sale of Pacific Aluminum, about \$ 1.3-1.6 billion from the Canadian Iron Ore Company, and \$ 3.8 billion from Grasberg's gold and copper projects.

In addition, Rio Tinto may seek a chance to sell its shares in Sohar's smelter in Oman. Therefore, "Rio Tinto" may be able to increase its \$ 2.7 billion repurchase program, and it may be possible to provide a special dividend in August, according to UBS.

Source: BloombergTV.mn

### Oyu Tolgoi will pay MNT 861.5 million tax and fine to the state budget

Oyu Tolgoi LLC rejected the result of the inspection of Customs Organization and the Customs Inspector's act on the company. In February last year, Oyu Tolgoi LLC filed a lawsuit in Administrative Cases Court in the Capital City. The Administrative Cases Court and the Court of Appeal in the Capital City have been reviewed the lawsuit and concluded that the lawsuit was fully legal.

Specifically, the administrative case was reviewed by the Supreme Court of Mongolia, and the court decided to retain the appeal court decision.

As a result, Oyu Tolgoi will pay MNT 861.5 million tax and fine to the state budget for the 13.2 billion MNT to increase the customs value of electricity purchased from China in 2013-2015. The General Customs Office has announced that the company will pay an additional 1-1.5 billion MNT annually to the state budget for the cost of purchasing electricity.

Source: Montsame.mn

### Web platform provides information on Mongolian small-scale mining

The Ministry of Mining and the Swiss Agency for Development and Cooperation launched web platform 'Artisanal and Small Scale Mining Knowledge Hub' on March 1.

The web platform was created with aims to introduce good example of artisanal and small scale mining in Mongolia and contribute to promote it. Moreover, the web platform is suitable to store, share and receive information.

It is now possible to get information about legal acts through the web platform, adding that engagement of artisanal and small scale mining operators, researchers and the public and their initiatives are significant to develop the web platform further.

Source: Montsame.mn

## OTHER NEWS

### Donald Trump Announced Stiff Steel, Aluminum Tariffs

President Donald Trump invited a trade war after slapping tariffs on steel and aluminum imports, daring other countries to act on threats of retaliation. "When a country (USA) is losing many billions of dollars on trade with virtually every country it does business with, trade wars are good, and easy to win," Trump said in an early morning tweet on Friday. Trump is facing anger from manufacturers and trade partners in China and Europe after announcing tariffs of 25 percent on imported steel and 10 percent on aluminum for "a long period of time." The formal order is expected to be signed next week.

Trump in a follow-up tweet Monday morning warned of more trade actions ahead, casting them as reciprocal taxes, a term he has used for imposing levies on imports from countries that charge higher duties on U.S. goods than the U.S. currently charges.

"We will soon be starting RECIPROCAL TAXES so that we will charge the same thing as they charge us. \$800 Billion Trade Deficit-have no choice!" Trump said in the tweet.

The aggressive stance has stoked fears of trade retaliation and roiled global markets. The U.S. dollar weakened for a second day against a basket of currencies, while equity markets across the U.S., Asia and Europe have declined.

Trump hasn't given the details of his proposed action on steel and aluminum tariffs, including whether any products or countries would be exempted.

The planned tariffs, justified on the basis that cut-price metals imports hurt both American producers and national security, now raise the prospect of retaliatory curbs on American exports and higher prices for domestic users. While the practical impact may yet turn out to be limited, the political environment for global trade has just taken a turn for the worse.

Source: BloombergTV.mn

### Jerome Powell: the Federal Reserve raising U.S. interest rates four times this year

Jerome Powell opened the door to the Federal Reserve raising U.S. interest rates four times this year as he acknowledged stronger economic growth may prompt policy makers to rethink their plan for three hikes.

"My personal outlook for the economy has strengthened since December," the Fed chairman said Tuesday in response to a question about what would cause the central bank to step up the pace of policy tightening. He then listed four events that are causing him to revise up his outlook.

"We've seen continuing strength in the labor market," Powell told the House Financial Services Committee in his first hearing as Fed chief. "We've seen some data that will in my case add some confidence to my view that inflation is moving up to target. We've also seen continued strength around the globe, and we've seen fiscal policy become more stimulative."

Powell is taking over the Fed at a time when the world's largest economy may be shifting gear to faster growth and declining unemployment, though inflation remains below the central bank's 2 percent goal. Adding to the momentum are tax cuts and spending increases agreed to by Republican lawmakers and signed by President Donald Trump.

Economists said the signal was clear. The economic outlook is improving, and the chairman used the testimony to invite policy makers to reassess their December forecast for three hikes this year.

Source: BloombergTV.mn



### Foreign Minister highlights economic recovery at BCM monthly meeting

On February 27, Foreign Affairs Minister D. Tsogtbaatar attended as a panelist in the monthly meeting of the Business Council of Mongolia.

Under the theme 'Improving trade & investment and opportunities in 2018', the Minister introduced actions of Mongolian government on increasing foreign direct investment and trade, creating favorable investment environment and protecting the interest of investors, as well as outcomes and further goals.

Foreign Minister D. Tsogtbaatar also noted that certain measures on recovering and diversifying economy and building sustainable environment of macro economy taken by the Government over the past one and half year have resulted in improving economic downturn.

"Mongolia's economic growth for 2017 reached 5.1 percent. International banking and financial organizations such as the World Bank and IMF have perspectives for Mongolia's economic growth in 2018-2020 to be around 4-8 percent," he added.

"As of 2017, Mongolia's foreign trade turnover reached USD10.5 billion, an increase of 27.3 percent against the previous year. Mongolia's export volume reached USD6.2 billion, increased by 26.1 percent as compared with the previous year. Moreover, effective economic policy restores the confidence of investors, causing the foreign direct investment to rise to USD1.3 billion by the end of 2017. It contributed to raising Mongolia's foreign currency reserve and stabilizing Tugrug currency rate," highlighted the Minister.

In addition, the Minister expressed a position of Mongolian government to pay a special attention on improving investment environment and satisfying stability. Moreover SMEs operating in non-mining sectors will be supported under the specific policy to diversify economy, he said.

Along with Foreign Affairs Minister D. Tsogtbaatar, German Ambassador Stefan Duppel, Australian Ambassador John Langtry and Italian Ambassador Andrea De Felip took part in the BCM monthly meeting.

Source: Montsame.mn

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