

MACROECONOMIC UPDATE OF MONGOLIA

New ADB Country Director for Mongolia Assumes Office

The Asian Development Bank (ADB) has appointed Mr. Pavit Ramachandran as its new Country Director for Mongolia. As the head of the country office, he will work as the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners.

Mr. Ramachandran is an accomplished development professional whose experience spans both public and private sectors in developing and managing complex country and regional programs and projects. His diverse operational expertise includes investment projects as well as policy and knowledge support covering rural development, environment, energy, agriculture, and water sectors. Mr. Ramachandran has more than two decades of experience facilitating and enacting policy reforms, mobilizing financing, and promoting capacity development across multiple countries in Asia and the Pacific.

Mr. Ramachandran joined ADB in May 2009 and has progressed through different positions in charge of programming, processing, and administration of projects and knowledge work. In his most recent role as Principal Environment Specialist of ADB's East Asia Department, he was leading policy dialogue and program lending operations in Mongolia including the preparation of the Ulaanbaatar Air Quality Improvement Program.

"ADB and Mongolia have a very strong and long-standing relationship of 28 years," said Mr. Ramachandran. "In addition to focusing on financial assistance to meet the pressing economic and social needs of the country, we will work on expanding into thematic areas and sectors such as gender, climate change, and private sector development. Knowledge and innovation will be increasingly critical in our support to Mongolia."

An Indian national, Mr. Ramachandran holds master's degrees in public management from the University of Maryland in the United States (US), and in development sociology from the Delhi School of Economics in India. His previous experience includes consulting stints with ADB on regional cooperation themes and with management consulting firms in the US focusing on energy regulation and policies and on climate change abatement strategies.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. In 2018, it made commitments of new loans and grants amounting to \$21.6 billion. Established in 1966, it is owned by 68 members—49 from the region.

Source: ADB.com

WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	18,457.36	0.69% ▲
Dow Jones	USA	27,681.24	1.22% ▲
S&P 500	USA	3,093.08	0.85% ▲
Nasdaq	USA	8,475.31	1.06% ▲
S&P/TSX	Canada	16,877.42	1.71% ▲
FTSE 100	GB	7,359.38	0.78% ▲
S&P/ASX 200	Australia	6,724.10	0.82% ▲
Nikkei 225	Japan	23,391.87	2.37% ▲
Hang Seng	Hong Kong	27,847.23	2.75% ▲

MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.750%	113.82
Mongol 2023 (Gerege)	USD	5.625%	103.31
Mongol 2022 (Chinggis)	USD	5.125%	102.41
Mongol 2021 (Mazalai)	USD	10.875%	109.92
DBM' 23 (Samurai)	JPY	1.520%	103.41
DBM' 2023	USD	7.250%	105.58
TDBM' 2020	USD	9.375%	102.54
MGMTGE' 2022 (Hoelun)	USD	9.7505	97.90

MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.760	-0.01 ▼
Libor 3M	1.900	0.01 ▲
Libor 6M	1.920	0.02 ▲
Libor 1YR	2.000	0.07 ▲
US 2YR Bond	1.674	0.09 ▲
US 3YR Bond	1.703	0.13 ▲
US 5YR Bond	1.746	0.17 ▲
US 10YR Bond	1.942	0.19 ▲

EXCHANGE RATES

Against MNT	2019.11.08	Change /w/
USD	2,702.87	0.07% ▲
CNY	386.99	0.86% ▲
EUR	2,986.00	-0.95% ▼
RUB	42.40	0.52% ▲
KRW	2.34	0.86% ▲
JPY	24.73	-1.16% ▼
CAD	2,049.73	-0.22% ▼

COMMODITY PRICE

Commodity	Unit	Last Price	Change /w/
Gold /spot/	USD/t oz.	1,459.00	-3.65% ▼
Silver /spot/	USD/t oz.	16.81	-7.26% ▼
Copper	USD/lb.	268.20	1.09% ▲
Coal	USD/MT	69.95	0.00%
Crude Oil WTI	USD/bbl.	57.24	1.85% ▲
Crude Oil Brent	USD/bbl.	62.51	1.33% ▲

MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2019. IX	9.00%
Policy Rate	2019. IX	11.00%
Interbank Rate	2019. IX	11.12%
Deposit Interest Rate /MNT/	2019. IX	11.37%
Deposit Interest Rate /Foreign currency/	2019. IX	4.95%
Loan Interest Rate /MNT/	2019. IX	16.91%
Loan Interest Rate /Foreign currency/	2019. IX	10.76%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADING UPDATE

In this week, a total of 47 companies' 2,051,014 shares worth MNT 644.0 million were traded in the secondary market.

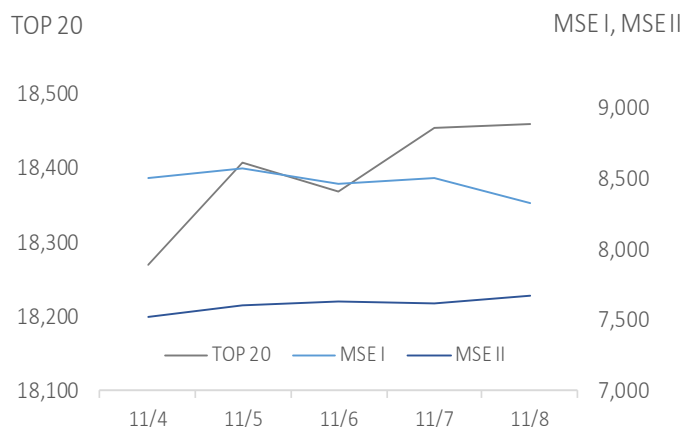
'Khorgo Khairkhan' /CHE/ company's share rose 15.00% percent to MNT 69.0 while 'Standard Property Group' /BBD/ company's share fell 14.29 percent to MNT 78.0.

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

On the secondary market trading of Government securities, 500 unit of securities were traded for MNT 50.5 million

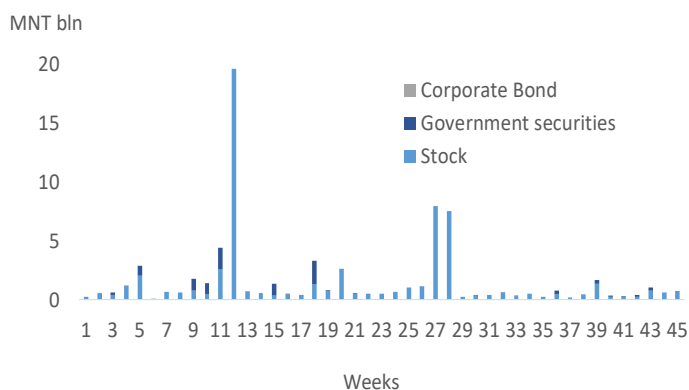
As of November 8, total market capitalization of MSE is MNT 2,436.5 billion. The TOP-20 index increased by 0.69% to stand at 18,457.36 units.

MSE Indices



Source: Mongolian Stock Exchange

Trading Value /week by week/



Source: Mongolian Stock Exchange

STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	694.4
Market Capitalization	2,436,487.9

STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	18,457.36	0.69% ▲
MSE I Index	8,326.25	-2.19% ▼
MSE II Index	7,663.44	2.45% ▲

ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
Ard Financial Group	114,701	197,404,215
APU	155,021	78,256,231
Mandal Daatgal	12,096	58,092,205
Mongol Savkhi	76,729	49,873,850
Ard Credir NBFI	610,388	48,335,613

SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Khorgo Khairkhan	69.00	15.00% ▲
Ard Financial Group	1,763.00	14.55% ▲
Frontier Land Group	200.00	14.29% ▲
Atar-Urguu	60,300.00	13.77% ▲
Remicon	28.98	13.65% ▲

SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Standard Property Group	78.00	-14.29% ▼
Guril Tejeel Bulgan	800.00	-13.04% ▼
MIK Holding	11,000.00	-9.98% ▼
Autoimpex	1,698.00	-8.22% ▼
Talkh Chikher	16,500.00	-5.71% ▼

MOST ACTIVE BROKERAGE FIRMS

Company	Trading amount /MNT/
Ard Securities	387,860,072
BDSec	273,378,078
Golomt Capital	153,365,679
Central Securities	102,633,000
Bumbat-Altai	93,161,196

COMPANIES WITH HIGHEST MARKET CAPITALIZATION

Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	505.00	537,412
Tavan Tolgoi	6,595.00	347,327
MIK Holding	11,000.00	227,803
Gobi	264.84	206,605
Invescore NBFI	2,081.00	149,266

GOVERNMENT SECURITY TRADING

Government securities /secondary market/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
1	ZGEB-BD-20/06/20-A0260-15.14	500	50,450,000	100,900	100,900	156	15.140%

DIVIDEND INFORMATION

Nº	Ticker	Company name	Net profit of 2018 /MNT mln/	Total dividend amount /MNT mln/	Dividend payout ratio	Dividends per share /MNT/	Date of resolution	Record date	Payment date
1	HRM	Hermes Center	783.4	298.5	38.1%	3.8	2019.01.25	2019.02.18	paid on 2019.03.18
2	LEND	LendMN NBFi	2,560.3	800.0	31.2%	1.0	2019.01.30	2019.02.22	paid on 2019.03.28
3	MBW	Mongol Basalt	217.2	56.4	26.0%	1.0	2019.02.01	2019.03.25	paid on 2019.06.14
4	BTG	Bayanteeg	1,771.4	1,000.0	56.5%	3,958.7	2019.02.11	2019.03.04	from 2019.06.01
5	SUL	Juulchin Duty Free	1,384.5	653.6	47.2%	10,000.0	2019.02.12	2019.04.10	from 2019.05.31
6	GOV	Gobi	17,764.2	5,304.8	29.9%	6.8	2019.02.13	2019.03.28	from 2019.04.25
7	ADU	Khuvsgul Altan Duulga	399.2	1,888.1	473.0%	120.0	2019.02.13	2019.04.01	from 2019.05.01
8	TCK	Talkh Chikher	1,975.9	204.7	10.4%	200.0	2019.02.14	2019.04.03	from 2019.07.01
9	MMX	Makhimpex	778.6	456.1	58.6%	120.0	2019.02.14	2019.04.03	from 2019.10.01
10	BUK	UB-BUK	566.4	131.5	23.2%	1.0	2019.02.14	2019.04.05	from 2019.05.01
11	TAH	Takhi Ko	799.1	128.5	16.1%	108.0	2019.02.15	2019.04.05	paid on 2019.04.24
12	BNG	Bayangol Hotel	3,433.1	150.2	4.4%	355.0	2019.02.16	2019.04.05	from 2019.09.01
13	MNP	Mongol Post	1,560.3	468.1	30.0%	4.7	2019.02.18	2019.04.05	from 2019.05.01
14	HRD	Khurd	751.1	74.4	9.9%	550.0	2019.02.18	2019.03.04	within 2019.06.01
15	MNDL	Mandal Insurance	3,868.3	624.3	16.1%	100.0	2019.02.18	2019.04.10	paid on 2019.05.27
16	GTL	Gutal	2,225.8	1,257.7	56.5%	777.0	2019.02.18	2019.03.13	from 2019.05.06
17	TEX	Technicimport	2,702.0	723.4	26.8%	500.0	2019.02.18	2019.03.11	from 2019.04.11
18	APU	APU	57,851.7	48,952.4	84.6%	46.0	2019.02.19	2019.04.04	paid on 2019.05.20
19	AIC	Ard Insurance	1,263.4	631.8	50.0%	25.3	2019.02.19	2019.03.15	paid on 2019.06.17
20	GHC	Gan Khiits	20.3	12.1	59.7%	50.0	2019.02.19	2019.03.22	paid on 2019.10.21
21	HUV	Khuvsgul Geology	107.4	14.4	13.4%	100.0	2019.02.19	2019.04.03	from 2019.04.29
22	HHS	Khuvsgul Khuns	11.3	2.6	23.4%	10.0	2019.02.19	2019.04.03	from 2019.05.15
23	TAL	Talyn Gal	255.9	34.7	13.6%	50.0	2019.02.25	2019.03.26	paid on 2019.07.19
24	BRC	Barilga Corporation	1,311.0	40.1	3.1%	985.0	2019.02.26	2019.03.18	on 2019.03.18
25	UBH	Ulaanbaatar Khivs	235.6	48.6	20.6%	120.0	2019.02.26	2019.03.18	within 2019.05.31
26	DSS	Darkhan Selengiin Tsakhilgaan Tugeekh Suljee	11.5	11.4	99.2%	1.1	2019.03.01	2019.03.21	from 2019.07.02
27	ADL	Aduunchuluun	547.1	409.7	74.9%	130.0	2019.03.11	2019.04.03	paid on 2019.07.26
28	TEE	Teever Darkhan	22.3	81.7	365.5%	500.0	2019.04.17	2019.03.27	within 2019.12.31
29	ERS	Mongol Alt	6.3	39.9	631.2%	150.0	2019.04.17	2019.03.27	within 2019.12.31
30	TTL	Tavan Tolgoi	52,858.1	44,923.4	85.0%	853.0	2019.04.26	2019.04.01	paid on 2019.06.11
31	EER	Arig Gal	449.3	109.4	24.3%	32.5	2019.04.26	2019.03.27	within 2019.09.30
32	HRM	Hermes Center	481.3	447.7	93.0%	5.7	2019.08.15	2019.09.02	paid on 2019.09.18
33	SUU	Suu	5,706.4	1,143.4	20.0%	3.3	2019.09.09	2019.04.05	paid on 2019.10.24

CAPITAL MARKET NEWS

Erdene announces positive pre-feasibility study results for the Bayan Khundii gold project

Erdene Resource Development Corp. (TSX:ERD; MSE:ERDN) ("Erdene" or the "Company") is announcing the results of an independent Technical Report for the 100%-owned, high-grade, open-pit, Khundii Gold Project in southwest Mongolia, including a Pre-Feasibility Study ("PFS") for its Bayan Khundii Gold Deposit ("Bayan Khundii" or "BK") and an updated Preliminary Economic Assessment ("PEA") for its Altan Nar Deposit ("Altan Nar" or "AN"), located 16 km from Bayan Khundii. The Technical Report also includes an updated mineral resource as well as a statement of mineral reserves for Bayan Khundii. The Technical Report was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") by Tetra Tech Inc. ("Tetra Tech"). The Technical Report, pursuant to NI 43-101 guidelines, will be filed on SEDAR within 45 days.

Source: Erdene.com

Erdene provides khundii gold district exploration & technical program update

Erdene Resource Development Corporation (TSX:ERD | MSE:ERDN) ("Erdene" or the "Company") is prodigizing the results from the second phase of the 2019 gold exploration program, and to announce the commencement of the Q4 2019 drill program at its 100%-owned Khundii Gold Project.

"Our exploration results, including the successful step-out drilling at the Bayan Khundii ("BK") deposit and the new Khar Mori (Dark Horse) discovery on the Khundii Mining Licence continue to demonstrate the potential of the Khundii Gold District," said Peter Akerley, Erdene's President and CEO. "First identified in 2015 by Erdene, the pace of discoveries is a testament to the virgin nature of this fertile district. These new prospects provide significant opportunities to grow resources at our high grade, open-pit development."

"The final 2019 exploration program, focused on following up on the Khar Mori discovery, drilling on the Ulaan license and completing geotechnical and metallurgical drilling will kick-off this week," continued Mr. Akerley. "Erdene is targeting first gold production in 2021 as a first step in our journey to becoming a major regional gold producer. The Khundii Gold District provides the potential for significant growth through continued exploration and acquisition."

Source: Erdene.com

"MIK Holding" JSC to change the company's rules

"MIK Holding" JSC /MSE: MIK/ is going to hold its shareholders' extraordinary meeting on January 17, 2020 in order to change the company's rules.

The board's decision was made on October 31 and the record date is November 22, 2019.

"MIK Holding" JSC /MSE: MIK/ has about 100 shareholders and the company's shares are listed on tier I of the MSE.

As of November 8, 2019 the closing price of the company's share is at MNT 11,000 and the market capitalization of the company is MNT 227.8 billion.

Source: MarketInfo.mn

"Mongol Savkhi" JSC's 3.1% of total shares was traded for MNT 49.8 million.

On November 7, 2019, 3.1% of the total shares or 76,659 shares of "Mongol Savkhi" JSC /MSE: UYN/, a company listed on tier II of the MSE, was traded.

The trade was conducted by a single transaction with a price of MNT 650 per share.

This trade was the largest trade since June 2017 where 35.08% of the company's shares was block traded at MNT 486.3 million.

The company currently leases its real estate located in Khan-Uul district. As of first half of 2019, the made a total revenue of MNT 153.3 million but suffered a net loss of MNT 1.3 million.

63.29% of "Mongol Savkhi" JSC's /MSE: UYN/ total shares are held by 2 major shareholders with the remaining 36.71% of total shares belonging to about 9,200 small shareholders.

Source: MarketInfo.mn

"Monos Foods" JSC has published its operational and financial report of the third quarter of 2019

One of the most recent companies to go public, "Monos Foods" JSC /MSE: MFC/, which operates in the food manufacture sector, has published its operational and financial reports of the third quarter of 2019 on the website of the Mongolian Stock Exchange.

As of 30 September, 2019, "Monos Foods" JSC has operated with a revenue of MNT 6.8 billion and a net profit of MNT 0.5 billion.

As of 8 November, 2019, the company's shares are listed on tier II of the MSE with the closing price of MNT 66.9.

Source: TDB Capital SC

COMMODITY MARKET NEWS

Vegetable harvest amounts to 90.8 thousand tons

The necessity to introduce cluster system into the farming sector was highlighted at the National Conference for Vegetable and Fruit Farmers that took place at the State House on November 8.

Discussions were also held on supporting development of irrigated farming and accelerated agriculture through policy. On this matter, Minister of Food, Agriculture, and Light Industry Ch.Ulaan highlighted the importance of increasing irrigated farming areas in order to adapt to climate change and receive as little damage as possible, noting advanced technology is crucial in developing accelerated agriculture.

During the conference, farmers expressed their need of support in financing with low interest, long term loans in order to build greenhouses for growing in fruits and berries during winter aside from growing them in the field. Currently, 92 percent of the total fruits and berries being grown are seabuckthorn, with blackcurrant taking 4.5 percent, and the rest taking 3.2 percent.

As Mongolia imports 20-25 thousand tons of fruits and berries annually, an objective has been set to provide 10 percent of the demand from domestic farmers by 2025, and 15-20 percent by 2030. Currently, only 7-8 percent of the domestic demands are being met by wild and cultivated fruits.

189 thousand tons of potatoes and 90.8 thousand tons of vegetables have been harvested this year, with potatoes meeting 100 percent, and vegetables meeting 40 percent of the domestic needs for 2019. As for fruits and berries, 3 thousand tons have been harvested from 6.4 thousand hectares of area.

Source: Montsame.mn

Turquoise Hill announces completion of Oyu Tolgoi underground mine Shaft 2

Turquoise Hill Resources, owner of 66 percent of the Oyu Tolgoi mine in Mongolia, announced that Shaft 2 construction is complete and has entered into the final stages of commissioning.

Shaft 2 is a 10 metre diameter shaft sunk to approximately 1.3 kilometres below the surface. This is a critical piece of infrastructure that will accelerate the underground development of the world class Oyu Tolgoi mine. The shaft uses the world's largest production hoist motor and can carry 300 people in the service hoist and lift 60 tonne skips in the production hoist. When operating at maximum capacity, the production hoist has the ability to lift 35,000 tonnes of material to the surface daily.

With the construction of Shaft 2 complete, and the service hoist operating permit being granted, the service hoist now allows us to transport 300 people per cage cycle versus a maximum of 60 people per cage cycle through Shaft 1. The 48 tonne capacity cage can now be used to support logistics, transporting supplies and components for development of the mine. "Commissioning of the production hoist continues with over 2,700 tonnes of rock successfully hoisted to surface, and we continue to work with the regulatory agencies to finalize the permitting. The completion of the construction of Shaft 2 is a significant milestone in the underground development of the world class Oyu Tolgoi mine.

Shaft 2 was constructed using almost 5000 tonnes of steel and over 300 kilometres of electrical cabling. Importantly, the shaft was sunk and constructed with a predominantly Mongolian workforce, developing specialized skills and demonstrating the capability of the local work force. We look forward to utilizing this major increase in capacity to accelerate our underground development," said Ulf Quellmann, Chief Executive Officer of Turquoise Hill.

Source: Montsame.mn

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