

WEEKLY MARKET UPDATE

2019.11.25 - 11.29

MACROECONOMIC UPDATE OF MONGOLIA

Foreign exchange reserves reaches USD 3.7 billion, eight months of imports

On November 20, the Parliamentary Standing Committee on Economy conducted the first discussion of a draft resolution on approval of the State Policy on Monetary Policy for 2020. The state policy is aimed at strengthening economic and financial system stability and supporting financial market development. In 2020, an annual inflation rate is projected at 8 percent and mid-term targeted inflation rate is set at 6 percent.

Some measures of legislative reforms in the bank and financial sector and improvement of risk management of the banking sector were also reflected in the draft. The Bank of Mongolia's operations will be focusing on ensuring economic stability and making its activities more accessible to the public, maintaining positive changes happening in the Mongolian economy and preventing from potential risks.

During the meeting, some statistical information was provided. As of September 2019, the total credit of Mongolia's banking sector increased by 10 percent compared to the same period of last year. Indicating that the economic recession period of Mongolia has ended to move forward to period of growth, the actual growth of the economy was at 7.3 percent in the first half of this year and the total foreign exchange reserves held by the central bank was USD 3.7 billion, which is enough to cover imports of 8-9 months.

After reflecting suggestions and proposals from the standing committee members, the draft resolution was forwarded for the parliamentary plenary meeting's discussion.

Source: Montsame.mn

MNT340 billion disbursed for mortgage

As of November 15, financing worth MNT340.3 billion was disbursed for mortgage purpose to 4905 borrowers in total, of which MNT155.2 billion was issued through the source of the Bank of Mongolia to 2161 people, MNT89.8 billion through the source of government to 1453 people and MNT95.2 billion from the commercial banks to 1291 people.

Furthermore, financing worth MNT76 billion will be disbursed for mortgage until the end of this year.

Source: Montsame.mn

WORLD INDICES

Index	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	18,774.08	1.09% ▲
Dow Jones	USA	28,051.41	0.63% ▲
S&P 500	USA	3,140.98	0.99% ▲
Nasdaq	USA	8,665.47	1.71% ▲
S&P/TSX	Canada	17,040.20	0.50% ▲
FTSE 100	GB	7,346.53	0.27% ▲
S&P/ASX 200	Australia	6,846.00	2.03% ▲
Nikkei 225	Japan	23,293.91	0.78% ▲
Hang Seng	Hong Kong	26,346.49	-0.93% ▼

MONGOLIA RELATED BONDS

Issuer	Currency	Coupon	Last Price
Mongol 2024 (Khuraldai)	USD	8.750%	112.87
Mongol 2023 (Gerege)	USD	5.625%	102.81
Mongol 2022 (Chinggis)	USD	5.125%	101.93
Mongol 2021 (Mazalai)	USD	10.875%	109.42
DBM' 23 (Samurai)	JPY	1.520%	103.39
DBM' 2023	USD	7.250%	105.58
TDBM' 2020	USD	9.375%	102.49
MGMTGE' 2022 (Hoelun)	USD	9.750%	97.53

MARKET RATES

Rates	Last	Change /w/
Libor 1M	1.700	0.00
Libor 3M	1.900	0.01 ▲
Libor 6M	1.910	-0.01 ▼
Libor 1YR	1.940	0.01 ▲
US 2YR Bond	1.626	0.00
US 3YR Bond	1.614	0.01 ▲
US 5YR Bond	1.629	0.02 ▲
US 10YR Bond	1.765	0.04 ▲

EXCHANGE RATES

Against MNT	2019.11.29	Change /w/
USD	2,715.22	0.32% ▲
CNY	386.41	0.43% ▲
EUR	2,989.86	-0.17% ▼
RUB	42.36	-0.28% ▼
KRW	2.30	0.00%
JPY	24.80	-0.48% ▼
CAD	2,044.29	0.29% ▲

COMMODITY PRICE

Commodity	Unit	Last Price	Change /w/
Gold /spot/	USD/t oz.	1,463.98	0.14% ▲
Silver /spot/	USD/t oz.	16.92	-0.60% ▼
Copper	USD/lb.	266.15	0.09% ▲
Coal	USD/MT	72.00	-1.40% ▼
Crude Oil WTI	USD/bbl.	55.17	-4.50% ▼
Crude Oil Brent	USD/bbl.	62.43	-1.51% ▼

MONGOLIAN MACRO ECONOMIC INDICATORS

Indicators	Reference	Amount
Inflation Rate	2019. X	7.60%
Policy Rate	2019. X	11.00%
Interbank Rate	2019. X	11.06%
Deposit Interest Rate /MNT/	2019. X	11.48%
Deposit Interest Rate /Foreign currency/	2019. X	4.82%
Loan Interest Rate /MNT/	2019. X	16.90%
Loan Interest Rate /Foreign currency/	2019. X	10.61%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADING UPDATE

In this week, a total of 46 companies' 3,220,857 shares worth MNT 12,753.3 million were traded in the secondary market.

'Khukh Gan' /HGN/ company's share rose 17.57% percent to MNT 87.0 while 'Ulsyn Ikh Delguur' /UYD/ company's share fell 18.44 percent to MNT 1,101.0.

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

As of November 22, total market capitalization of MSE is MNT 2,530.5 billion. The TOP-20 index increased by 1.09% to stand at 18,774.08 units.

STOCK MARKET REVIEW

Review	Total amount /MNT mln/
Total Value	12,753.3
Market Capitalization	2,530,514.0

STOCK MARKET INDICES

Index	Last Price	Change /w/
MSE Top 20	18,774.08	1.09% ▲
MSE I Index	8,448.15	-2.69% ▼
MSE II Index	7,708.40	-0.24% ▼

ACTIVELY TRADED SECURITIES

Company	Volume	Turnover /MNT/
MIK Holding	895,610	12,183,883,800
Mogoin Gol	13,346	120,114,000
Ard Credit NBFI	1,242,275	97,221,568
Ard Financial Group	41,218	70,515,108
Suu	319,439	61,620,980

SECURITIES WITH MOST GROWTH

Company	Last Price /MNT/	Change /w/
Khukh Gan	87.00	17.57% ▲
Agrotechimpex	911.00	13.93% ▲
Materialimpex	6,800.00	13.33% ▲
Aduun Chuluun	1,440.00	12.06% ▲
BDSec	948.00	10.23% ▲

SECURITIES WITH MOST DECLINE

Company	Last Price /MNT/	Change /w/
Ulsyn Ikh Delguur	1,101.00	-18.44% ▼
Remicon	26.52	-15.70% ▼
Sor	964.75	-15.00% ▼
Kherlen Khivs	50.00	-13.79% ▼
Moninjbar	101.00	-11.44% ▼

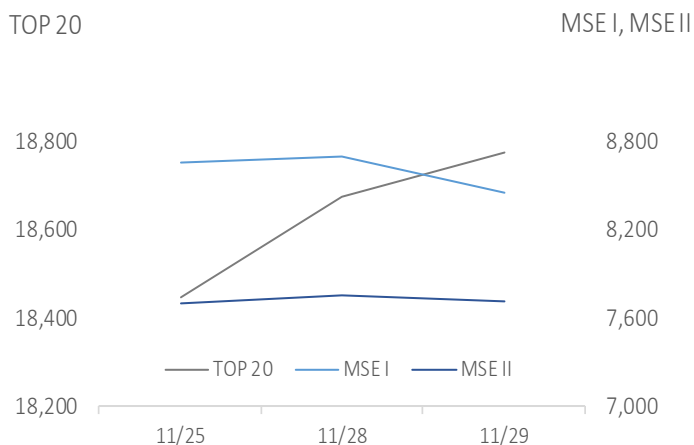
MOST ACTIVE BROKERAGE FIRMS

Company	Trading amount /MNT/
TDB Capital	24,405,004,518
BDSec	266,757,130
Gauli	249,318,217
Ard Securities	198,320,214
Golomt Capital	101,365,510

COMPANIES WITH HIGHEST MARKET CAPITALIZATION

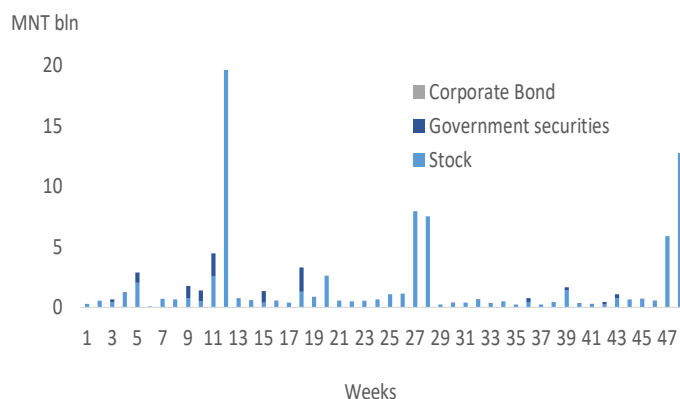
Company	Last Price /MNT/	Market Cap. /MNT mln/
APU	577.01	614,043
Tavan Tolgoi	6,500.00	342,324
MIK Holding	12,230.00	253,275
Gobi	252.33	196,846
Invescore NBFI	2,148.00	154,072

MSE Indices



Source: Mongolian Stock Exchange

Trading Value /week by week/



Source: Mongolian Stock Exchange

GOVERNMENT SECURITY TRADING

Government securities /secondary market/

Nº	Name	Volume	Turnover /MNT/	Minimum /MNT/	Maximum /MNT/	Weeks	Annual interest rate
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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 NBF1	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

“Bayalag Sumer” JSC changes its company name to “Global Life Technology” JSC

In relation to “Bayalag sumer” JSC’s decision to change its official name and amend its Charter, a decision which was made on the Extraordinary Shareholders’ Meeting of July 1, 2019, the company’s name has been changed to “Global Life Technology” JSC by the Mongolian Stock Exchange’s CEO’s Order No.A/60 of August 20, 2019 and the FRC’s Chairman’s Order of November 14, 2019.

Source: Mongolian Stock Exchange

Announcement of offer to purchase shares of “Atar-Urguu” JSC

According to the provision 22.11 of the Securities Market Law which states that an offer to purchase the shares of a company shall be made by a shareholder of the company alone or together with its connected persons, or else a person that is not a shareholder, making an offer for the purchase of all or more than a controlling block of the shares of the company on a voluntary basis, “Tavan Bogd Invest” LLC has made an offer to purchase the 55.95% of common shares that amounts 97,423 shares of “Atar Urguu” JSC, a Tier 2 company, on November 13, 2019.

According to Financial regulation committee’s provision of 5.4 of the “Regulation on making an offer to purchase and purchasing the shares of Joint Stock Company”, “Tavan Bogd Invest” LLC has made a purchase offer again.

Offeror: ‘Tavan bogd invest’ LLC

Offering price: MNT60,200

Number of shares to purchase: 97,423

Starting date: November 13, 2019

Closing date: 1pm, December 16, 2019

Payment date: December 17, 2019

Share ownership of the offeror: 76,713 shares or 44.05 percent

Securities Company of the offeror: “BDSec” JSC / Contact: +976-75551919-04/

Address to receive an offer: 10th floor, Khan Bank tower, Chinggis Avenue-6, Stadium Orgil-1, Khan-Uul district, Ulaanbaatar 17010, Mongolia,

Tel: 976- 75112222.

E-mail address: invest@tavanbogd.com

Source: Mongolian Stock Exchange

Block trade worth MNT 12.2 billion took place on the MSE

On November 25, 2019, 2 block trades on the shares of “MIK Holding” JSC /MSE: MIK/ took place. A total of 895,610 shares worth MNT 12.2 billion were traded, of which, 539,500 shares were traded at MNT 14,940 per share while 356,110 shares were traded at MNT 11,580 per share.

As of 2019, there have been a total of 5 block trades of “MIK Holding” JSC’s shares. Latest of which, took place on November 22, 2019, where a total shares worth MNT 4.1 billion were traded.

Source: TDB Capital SC

FRC’s XVI meeting of 2019 took place

On the FRC’s XVI meeting of 2019, a total of 31 issues were resolved.

During the meeting, license for investment management operations were granted to “Niislel Umchit Ulaanbaatar” LLC and “Erdene Asset Management” LLC. Also, debt instruments issued by “Khuvsgul Altan Duulga” JSC and “LendMN NBF1” JSC were registered.

Additionally, the issue concerning “Mandal Daatgal” JSC’s stock split has been resolved, documentation of “Ochun Capital” private investment fund has been accepted, 3 companies’ stock isolations were cancelled and 1 company’s security was removed from the list of securities that has the approval to offer the security to public.

Furthermore, some insurance companies’ reinsurance operation, representative offices, and insurance products were registered while some insurance companies’ license for insurance intermediary operations were suspended and some branches removed from registration.

Also, the issue to extend, issue, suspend and terminate the licenses of some securities companies, savings and credit cooperatives, NBFIs were discussed and resolved.

Source: Financial Regulatory Commission

Securities trade of “Mandal Daatgal” JSC was suspended

According to the official notification No.: 79 of State Inspector of Financial Regulatory Commission of November 28, 2019, ‘Mandal Daatgal’ JSC’s securities trading has been suspended starting from November 29, 2019 due to the listing amendment of a stock split of 100-for-1.

Source: Mongolian Stock Exchange

COMMODITY MARKET NEWS

Oil-importing companies to store at least 30 days of petroleum stocks

During the Cabinet meeting held today, November 19, some 22 oil-importing entities were given a task to set aside reserves of crude oil enough for 30-day consumption next year. Based on the imported petroleum quantity and their types, the total volume of stocks was redefined at 133 thousand tons.

This year, 26 companies are responsible to save up 6000 tons of A80 fuel, 35500 tons of AI92 fuel, 71750 tons of diesel fuel and 3500 tons of T1 aviation fuel. In accordance with government resolution, the stock is reserved at not less than 116 thousand 550 tons.

Since August 2018 until August 2019, oil-importing companies have imported 1.6 million tons of oil.

Source: Montsame.mn

Mongolian delegation participates in Mines and Money London 2019

Minister of Mining and Heavy Industry D.Sumiyabazar and other officials took part in the 17th Mines and Money London international event series for capital-raising and mining investment.

Minister D.Sumiyabazar informed about the Mongolian Government's policies on mining and development trends in the sector, saying, "The Government of Mongolia is working towards the goal of developing responsible, transparent, environmentally-friendly/green, inclusive, and equitable mining and heavy industry sectors. For Mongolia, mining is an important economic sector that makes up 24 percent of the country's GDP, 72 percent of the total industrial production, 70 percent of foreign direct investment, and 89 percent of export products."

"The rule of law equally applies to both foreign and domestic investors in Mongolia and the country's tax system is internationally competitive. The stability of tax rate is ensured through stabilization certificates and investment agreements. We are working on eliminating overlaps and gaps in laws," he added.

In addition, Erdenes Tavan Tolgoi JSC, Erdenes Mongol LLC, and the Erdene Resource Development Corporation introduced their activities at the event.

Source: Montsame.mn

Second joint committee meeting between Agricultural Ministries of Mongolia and Canada takes place

According to the Memorandum of Cooperation established between the Ministry of Food, Agriculture, and Light Industry of Mongolia (MFALI), and the Ministry of Agriculture and Agri-Food of Canada (AAFC) on September 28, 2010, the second joint committee meeting between the two ministries was held in Ulaanbaatar on November 20. The meeting was co-chaired by Head of Policy and Planning Department (MFALI) M.Enkh-Amar, and Director General of the Market Access Secretariat at AAFC Kathleen Donohue.

The sides introduced the operations and current state of the sector of the two countries and discussed further developing partnership between the two countries in the agricultural sector, promoting the sector to Canadian investors, learning from the technical and standard practices of Canada, and organizing workshops and training.

Noting their satisfaction in creating favorable conditions for developing partnership in bilateral trade, economy, and the agricultural sector as a result of the increasing number of regular mutual high-level visits being organized between Mongolia and Canada, the Mongolian officials requested to increase the opportunities for partnership in areas, such as farming, seed varieties, irrigation system, accelerated farming, and fodder production, sharing practices, testing and introducing Canadian technology, noting similar environment and climate of the two countries.

Source: Montsame.mn

Minister of Agriculture meets business entities of cashmere industry

Minister of Food, Agriculture and Light Industry Ch.Ulaan along with officials of the ministry took part in a monthly 'Business breakfast' meeting hosted by the Mongolian National Chamber of Commerce and Industry (MNCCI) to exchange views with business people from the agricultural industry.

The participating representatives of the agricultural business organizations put forward their views and suggestions to the Minister Ch.Ulaan, including the lack of government regulations, legislation and financial support in the agriculture industry as well as a necessity to facilitate tax burden on exports of washed cashmere.

After hearing their views, Minister Ch.Ulaan expressed his agreement with the opinions and pledged to work with Development Bank of Mongolia and relevant organizations without delay on providing soft loans to business entities of cashmere industry.

Source: Montsame.mn

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