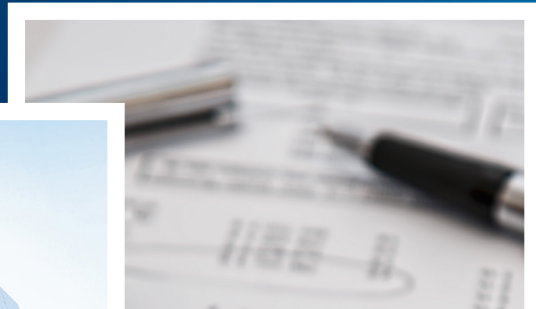


WEEKLY MARKET UPDATE

03.02 - 03.06



GLOBAL MARKET UPDATE

US: The major stock indexes ended mixed after a second week of extraordinary volatility driven by COVID-19 fears. The large-cap benchmarks and the technology-heavy Nasdaq Composite Index recorded gains, thanks to sharp rallies on Monday and Wednesday, but the smaller-cap indexes ended modestly lower.

Within the S&P 500 Index, the typically defensive utilities sector performed best. Health care shares were also strong after the prospects for Senator Bernie Sanders' "Medicare for All" system seemed to diminish following former Vice President Joe Biden's solid performance in many presidential primary elections on Super Tuesday. Energy shares again led the declines as U.S. oil prices plunged to multiyear lows on Friday following OPEC's failure to convince non-OPEC member Russia to agree to production cuts.

Europe: European shares resumed their decline as the rapid spread of the coronavirus intensified fears of a global economic downturn. The slide wiped out earlier gains triggered by hopes for coordinated stimulus efforts to mitigate the worst effects of COVID-19.

Some big European economies either implemented or prepared to take fiscal measures to deal with the impact from the coronavirus outbreak. Italy, where the outbreak has been worst, started with EUR €900 million for the hard-hit northern regions, rapidly followed by a EUR €3.6 billion stimulus package, which it subsequently doubled to €7.5 billion. German Finance Minister Olaf Scholz said that Germany would be ready to enact a fiscal stimulus package should the epidemic spark a global economic crisis. Germany has the means to act fast and decisively, he said.

Japan: After losing more than 9% the previous week, the Nikkei index staged a modest rebound through Thursday's trading as supportive actions from the Federal Reserve and comments from other central banks boosted investor sentiment. However, fears about the domestic and global effects of COVID-19 weighed on Japanese equities at the end of the week, with stocks dropping about 3% on Friday.

In response to the uncertainties caused by the spread of the coronavirus, Bank of Japan (BoJ) Governor Haruhiko Kuroda issued a statement on Monday saying that the central bank "will closely monitor future developments, and will strive to provide ample liquidity and ensure stability in financial markets through appropriate market operations and asset purchases."

China: Equity markets appeared to engage in a tug-of-war between fears about coronavirus-driven disruptions to the global economy and expectations for further support from central banks after the Fed's emergency interest rate cut. The Chinese government is also providing greater policy support to bolster the flagging economy. The Shanghai Composite A-share index closed 5.4% higher week-on-week, while the CSI 300 large-cap index gained 5.0%. The indices strengthened until Thursday but fell by 1.2% and 1.6%, respectively, on Friday in response to the sharp losses in overseas stock markets from midweek.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	18,851.58	-0.92% ▼
Dow Jones	USA	25,864.78	1.79% ▲
S&P 500	USA	2,972.37	0.61% ▲
Nasdaq	USA	8,575.62	0.11% ▲
S&P/TSX	Canada	16,175.02	-0.54% ▼
FTSE 100	Great Britain	6,462.55	-1.79% ▼
S&P/ASX 200	Australia	6,216.20	-3.49% ▼
Nikkei 225	Japan	20,749.75	-1.86% ▼
Hang Seng	Hong Kong	26,146.67	0.06% ▲

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	111.75
Mongol 2023 (Gerege)	USD	5.625%	101.24
Mongol 2022 (Chinggis)	USD	5.125%	100.46
Mongol 2021 (Mazalai)	USD	10.875%	106.60
DBM' 23 (Samurai)	JPY	1.520%	103.75
DBM' 2023	USD	7.250%	106.90
TDBM' 2020	USD	9.375%	100.65
MGMTGE' 2022 (Hoelun)	USD	9.750%	97.31

Rates	Last	Change /w/
Libor 1M	0.863	-0.65 ▼
Libor 3M	0.896	-0.57 ▼
Libor 6M	0.880	-0.52 ▼
Libor 1YR	0.846	-0.54 ▼
US 2YR Bond	0.327	-0.44 ▼
US 3YR Bond	0.376	-0.38 ▼
US 5YR Bond	0.428	-0.39 ▼
US 10YR Bond	0.538	-0.51 ▼

Exchange rates	2020.03.06	Change /w/
USD	2,764.36	0.06% ▲
CNY	397.89	0.80% ▲
EUR	3,107.69	2.25% ▲
RUB	40.94	-0.53% ▼
KRW	2.32	1.75% ▲
JPY	26.13	3.00% ▲
CAD	2,063.11	0.42% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,673.83	5.56% ▲
Silver /spot/	USD/t oz.	17.35	4.10% ▲
Copper	USD/lb.	256.05	0.81% ▲
Coal	USD/MT	66.27	-0.79% ▼
Crude Oil WTI	USD/bbl.	41.28	-7.77% ▼
Crude Oil Brent	USD/bbl.	45.27	-10.39% ▼

Indicators	Reference	Amount
Inflation Rate	2020. I	5.6%
Policy Rate	2020. I	11.00%
Interbank Rate	2020. I	10.86 %
Deposit Interest Rate /MNT/	2020. I	11.42%
Deposit Interest Rate /Foreign currency/	2020. I	4.74%
Loan Interest Rate /MNT/	2020. I	17.06%
Loan Interest Rate /Foreign currency/	2020. I	10.30%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

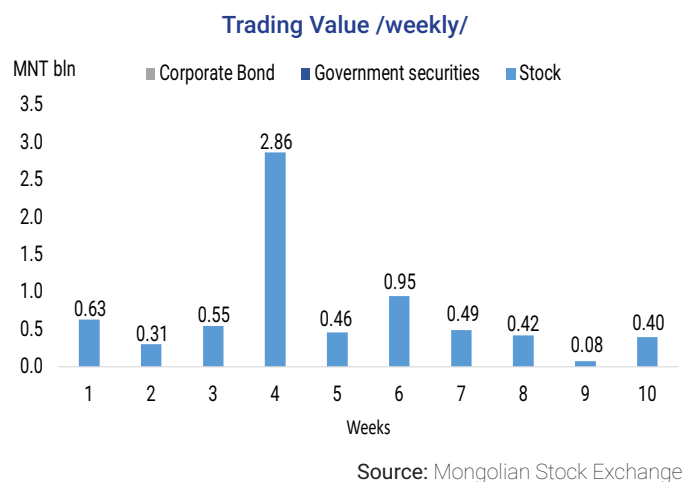
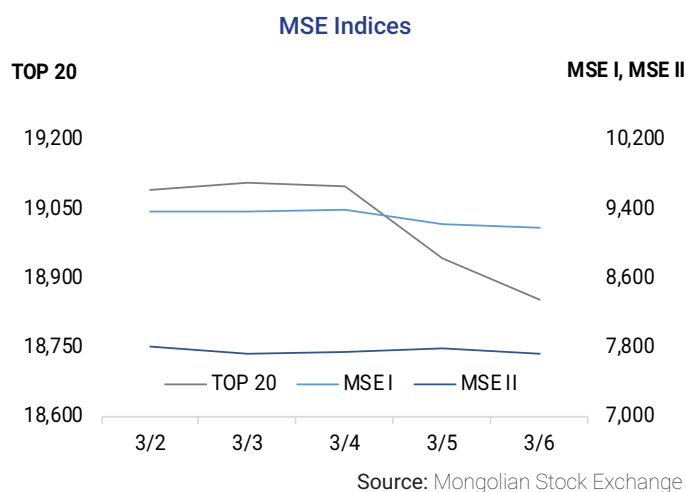
MSE TRADE UPDATE

In this week, a total of 63 companies' 716,314 shares worth MNT 398.1 million were traded in the secondary market.

"Mongol Daatgal" /CHE/ company's shares rose 32.22 percent to MNT 1,190.00, while 'Darkhan Nekhii' /NEH/ company's share fell 14.82 percent to MNT 13,450.00.

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

As of March 06, total market capitalization of MSE is MNT 2,736.4 billion. The TOP-20 index decreased by 1.26% to stand at 18,851.58 units.



Market Review	Total amount /MNT mln/
Total Value	398.1
Market Capitalization	2,736,405.7

Market Indices	Last Price	Change /w/
MSE Top 20	18,851.58	-1.26% ▼
MSE I Index	9,191.45	-1.97% ▼
MSE II Index	7,734.17	-1.00% ▼

Actively Traded Securities	Volume	Amount/MNT/
Invescore NBFi	87,838	221,344,393
APU	40,946	25,860,979
Ulsyn Ikh Delguur	17,292	24,618,781
Tavantolgoi	3,244	21,366,725
Gobi	76,280	17,683,134

Securities with most growth	Last Price /MNT/	Change /w/
Mongol Daatgal	1,190.00	32.22% ▲
Uvs Chatsargana	300.00	25.00% ▲
Ingettolgoi	182.50	15.00% ▲
Technicimport	8,625.00	15.00% ▲
Merex	19.00	11.76% ▲

Securities with most decline	Last Price /MNT/	Change /w/
Darkhan Nekhii	13,450.00	-14.82% ▼
Autoimpex	1,960.00	-14.78% ▼
Shariin Gol	1,100.00	-12.35% ▼
Juulchin Govi	7,900.00	-11.04% ▼
Shivee Ovoo	2,090.00	-9.13% ▼

Most Active Brokerage Firms	Amount/MNT/
Invescore Capital	418,761,745
BDSec	113,515,952
Ard Securities	38,535,801
TDB Capital	32,178,915
Granddevelopment	31,795,633

Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	643.58	684,886
Tavan Tolgoi	6,590.00	347,064
MIK Holding	14,400.00	298,214
Invescore NBFi	2,585.00	185,417
Gobi	228.12	177,959

Government securities /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
-	-	-	-	-	-	-	-

DIVIDEND INFORMATION

Nº	TICKER	COMPANY NAME	NET PROFIT OF 2018 /MNT MLN/	TOTAL DIVIDEND AMOUNT /MNT MLN/	DIVIDEND PAYOUT RATIO	DIVIDENDS PER SHARE /MNT/	RECORD DATE	PAYMENT DATE
1	APU	APU	74,411.5	75,471.2	101.4%	71.0	DATE OF AGM	WITHIN 2020.08.31
2	MNDL	MANDAL DAATGAL	5,820.3	2,497.2	42.9%	4.0	DATE OF AGM	WITHIN 2020.06.30
3	GTL	GUTAL	2,403.7	2,436.0	101.3%	1,520.0	2020.03.13	ON 2020.05.05
4	LEND	LENDMN NBFI	4,910.2	1,200.0	24.4%	1.5	2020.02.25	ON 2020.04.30
5	ADB	ARD CREDIT NBFI	2,369.4	1,184.7	50.0%	4.2	2020.04.08	WITHIN 2020.06.30
6	AARD	ARD FINANCIAL GROUP	715.9	1,000.0	139.7%	35.0	2020.04.07	WITHIN 2020.04.30
7	TUM	TUMEN SHUVUUT	3,232.9	960.0	29.7%	4.8	DATE OF AGM	ON 2020.06.24
8	AIC	ARD DAATGAL	1,718.7	850.0	49.5%	34.0	2020.04.09	WITHIN 2020.06.30
9	JTB	GENCO TOUR BUREAU	1,253.8	799.9	63.8%	10.0	DATE OF AGM	
10	TEX	TECHNICIMPORT	2,718.2	723.4	26.6%	500.0	2020.03.1	FROM 2020.04.24
11	BUK	UB-BUK	2,465.3	526.2	21.3%	4.0	DATE OF AGM	FROM 2020.06.01
12	MMX	MAKHIMPEX	819.3	456.1	55.7%	120.0	DATE OF AGM	FROM 2020.10.01
13	MFC	MONOS KHUNS	761.9	408.9	53.7%	1.0	DATE OF AGM	WITHIN 2020.08.31
14	DSS	DARKHAN SELENGIIN TSAKHILGAAN TU- GEEKH SULJEE	581.8	391.8	67.3%	37.7	2020.03.20	
15	MNP	MONGOL POST	1,103.6	331.1	30.0%	3.3	DATE OF AGM	FROM 2020.05.01
16	HRM	HERMES CENTRE	820.0	322.0	39.3%	4.1	2020.02.28	FROM 2020.03.15
17	NEH	DARKHAN NEKHII	2,327.6	230.8	9.9%	210.0	2020.02.25	BETWEEN 2020.09.30- 2020.12.30
18	TCK	TALKH CHIKHER	2,456.0	230.3	9.4%	225.0	DATE OF AGM	FROM 2020.06.20
19	MBW	MONGOL BASALT	335.0	225.7	67.4%	4.0	2020.03.09	WITHIN 2020.06.30
20	BNG	BAYANGOL HOTEL	2,117.8	152.3	7.2%	360.0	DATE OF AGM	ON 2020.09.01
21	BDS	BDSEC	19.9	136.9	687.0%	10.0	2020.03.09	WITHIN 2020.12.31
22	EER	ARIG GAL	225.8	131.0	58.0%	38.9	DATE OF AGM	WITHIN 2020.06.30
23	TAH	TAKHI KO	489.0	128.5	26.3%	108.0	DATE OF AGM	WITHIN 2020.05.01
24	UBH	ULAANBAATAR KHIVS	298.8	121.4	40.6%	300.0	2020.03.06	BETWEEN 2020.05.01- 2020.05.15
25	HRD	HURD	722.6	72.4	10.0%	535.0	2020.03.02	WITHIN 2020.06.30
26	ATR	ATAR URGUU	280.4	60.9	21.7%	350.0	DATE OF AGM	WITHIN 2020.08.01
27	MCH	TELECOM MONGOLIA	62.0	25.9	41.7%	1.0	DATE OF AGM	FROM 2020.06.01
28	HUV	KHUVSGUL GEOLOGY	324.7	21.6	6.7%	150.0	2020.04.03	FROM 2020.05.01
29	SUU	SUU	5,668.0	1,715.1	30.3%	5.0	2020.04.03	FROM 2020.05.01

CAPITAL MARKET UPDATE

HIGHLIGHT



Annual general meeting (AGM) of shareholders shall be convened in accordance with the Company Law and the updated "Procedure for Announcement of Shareholders' Meetings of a Joint Stock Company" by the Financial Regulatory Commission's Resolution 377 of December 14, 2018 and when submitting the materials and related resolutions of the AGM to the Commission, entities should comply with the obligation specified in Section 20.1.8 of Article 20 of the Securities Market Law and submit the materials in accordance to the deadlines.

NEWS ON JOINT STOCK COMPANIES

Despite the continuous progress in the domestic capital market, in order to continue to make a significant contribution to the economic development of Mongolia, to develop the market and bring the capital market to a new level, all stakeholders in the securities market need to take a number of important steps together. The MSE is encouraging all market participants to:

1. Establish professional investors
2. Increase the variety of available products and services
3. Establish tax policies that support for the capital market
4. Reduce the cost of the capital market
5. Increase the participation of citizens in the capital market
6. Maintain reliable operation of the infrastructure of the capital market



OTHER NEWS

According to the Company Law, the highest governing body of a company is its shareholders' meeting and it's regulated that a joint stock company must convene its annual general meeting within 4 months after the end of the fiscal year.

However, in connection with the global outbreaks of COVID-19, the Government of Mongolia approved Resolution 62 of 2020 to prevent the new coronavirus infection, and partially transferred administrative, territorial units, state and local government bodies and legal entities nationwide to the higher level of disaster protection readiness from February 13, 2020, to March 2, 2020 and later extended the period to March 30, 2020.

Due to a special circumstance, JSCs listed on the Mongolian Stock Exchange will not be able to convene an annual general meeting at a regular time within the statutory period.

Therefore, the Board of Directors of a joint stock companies may convene the annual general meeting of shareholders without gathering the shareholders in one place and use electronic devices, online technologies or other means that fits the specific need of the company and the companies must ensure that the rights and participation of shareholders are being protected.

OTHER NEWS

HIGHLIGHT

- As of first two months of 2020, the Bank of Mongolia (BoM) has purchased 4.3 tons of gold.
- Fitch Affirms Mongolian Mining at 'B'; Outlook Stable
- Bank of Mongolia: Exports could decrease by USD 1.6 billion in 2020



MACROECONOMIC NEWS

As of first two months of 2020, the Bank of Mongolia (BoM) has purchased 4.3 tons of gold in total, of which 952 kg was purchased in February. This represents an increase of 856 kg compared to February, 2019 which was 96 kg.

In February, 2020, the BoM branches in Darkhan-Uul and Bayankhongor aimags bought 16 kg and 18 kg respectively.

The average value of BoM's purchase of 1 gram of gold was MNT 140,292.94 in February, 2020.

COMMODITY MARKET NEWS

The BoM reduced its export outlook this year due to a sharp drop in exports of mineral products, especially coal in the first two months of the year. Decrease in coal exports were the main reason Mongolia's total exports in the first two months decreased by 35.9%.

In addition, the BoM has lowered the forecast for iron ore exports by 720,000 tonnes or USD 53.7 million, and oil exports by 720,000 tonnes or USD 53.7 million.

The Bank of Mongolia, however, expects a slight decrease in copper exports to 5900 tonnes, but due to a higher price projection than the previous quarter, copper exports is expected to increase by USD 32.7 million.



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