

WEEKLY MARKET UPDATE

03.30 - 04.03



GLOBAL MARKET UPDATE

US: The major indexes closed lower for the week and rounded out their worst monthly and quarterly performances since 2008. The smaller-cap benchmarks trailed by a large margin, with the small-cap Russell 2000 Index falling by around 7%.

Energy shares handily outperformed within the S&P 500 Index. Oil prices surged following a Thursday tweet from President Donald Trump that he expects Saudi Arabia and Russia to cut production (see Saudi Arabia section below). Investors also reacted to reports that the Saudis had called an emergency OPEC meeting, while China was moving forward with plans to buy oil for its emergency reserves. A renewed decline in longer-term bond yields weighed heavily on interest rate-sensitive sectors, including financials and real estate shares. Consumer discretionary stocks were also especially weak, with shares of cruise line operators tumbling to new multiyear or even multi-decade lows.

Europe: Stocks in Europe lost momentum over the week, ending little changed as data indicated that the economy would suffer a severe recession this year triggered by the coronavirus. The STOXX Europe 600 Index ended 0.45% lower. Germany's Xetra DAX Index declined 1%, France's CAC 40 Index fell 4.26%, and Italy's FTSE MIB slipped 1.75%. The UK's FTSE 100 Index weakened 1.3%, partly due to a stronger UK pound, which weighs on exporters, a significant part of the benchmark.

Insurance and banking stocks fell as the Bank of England and the European Insurance and Occupational Pensions Authority asked banks, insurers, and reinsurers to suspend dividends and share buybacks temporarily to ride out the hit from the coronavirus crisis.

Japan: Japanese stocks fell for the week. The Nikkei 225 Stock Average declined 1,569 points (8.1%) and closed at 17,820.19, down 24.7% for the year-to-date period. The large-cap TOPIX Index and the TOPIX Small Index also posted steep losses for the week and are down 23.0% and 28.2%, respectively, in 2020. The yen was modestly stronger for the week and traded in a range near ¥108 per U.S. dollar on Friday.

For the Japanese fiscal year, which ended on Tuesday, March 31, combined net profits at listed companies are forecast to decline 13%, nearly twice as much as the estimates tallied in November. The earnings shortfall is due to the coronavirus pandemic, falling demand, and ongoing supply chain disruptions from the U.S.-China trade war. According to the latest earnings revisions, companies are expected to lose ¥1.3 trillion (\$12 billion).

China: Equity markets in China were relatively stable over the week, supported by above-consensus March purchasing managers' index (PMI) data and by further policy announcements, including both a rate cut and a reduction in the required reserve ratio from the People's Bank of China (PBoC). The Shanghai Composite Index and the CSI 300 Index of large-cap stocks both eased back on Friday by 0.6% to end the week broadly flat.

Markets appeared to draw comfort from the statement that followed the weekly Politburo meeting of China's leaders on March 27. Without giving details, it called for more fiscal stimulus to help stabilize the economy, signaling a willingness to adopt a larger budget deficit for 2020. If the delayed National People's Congress goes ahead in April, fiscal policy measures are likely to be announced then.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,911.09	-1.46% ▼
Dow Jones	USA	21,052.53	-2.70% ▼
S&P 500	USA	2,488.65	-2.08% ▼
Nasdaq	USA	7,373.08	-1.72% ▼
S&P/TSX	Canada	12,938.30	1.97% ▲
FTSE 100	Great Britain	5,415.50	-1.72% ▼
S&P/ASX 200	Australia	5,067.50	4.65% ▲
Nikkei 225	Japan	17,820.19	-8.09% ▼
Hang Seng	Hong Kong	23,280.06	-0.87% ▼

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	96.16
Mongol 2023 (Gerege)	USD	5.625%	90.49
Mongol 2022 (Chinggis)	USD	5.125%	90.78
Mongol 2021 (Mazalai)	USD	10.875%	99.69
DBM' 23 (Samurai)	JPY	1.520%	102.33
DBM' 2023	USD	7.250%	89.75
TDBM' 2020	USD	9.375%	98.72
MGMTGE' 2022 (Hoelun)	USD	9.750%	79.26

Rates	Last	Change /w/
Libor 1M	0.985	0.00 ▼
Libor 3M	1.387	-0.06 ▼
Libor 6M	1.209	0.14 ▲
Libor 1YR	1.050	0.08 ▲
US 2YR Bond	0.237	0.00 ▼
US 3YR Bond	0.310	0.03 ▲
US 5YR Bond	0.402	0.02 ▲
US 10YR Bond	0.625	-0.02 ▼

Exchange rates	2020.04.03	Change /w/
USD	2,779.78	0.16% ▲
CNY	391.86	0.08% ▲
EUR	3,001.19	-1.95% ▼
RUB	36.02	0.92% ▲
KRW	2.26	-0.88% ▼
JPY	25.69	0.71% ▲
CAD	1,962.98	-0.69% ▼

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,620.81	-0.45% ▼
Silver /spot/	USD/t oz.	14.39	-0.55% ▼
Copper	USD/lb.	219.25	0.94% ▲
Coal	USD/MT	63.82	-9.71% ▼
Crude Oil WTI	USD/bbl.	28.34	31.75% ▲
Crude Oil Brent	USD/bbl.	34.11	36.82% ▲

Indicators	Reference	Amount
Inflation Rate	2020. II	6.4%
Policy Rate	2020. II	11.00%
Interbank Rate	2020. II	10.95 %
Deposit Interest Rate /MNT/	2020. II	11.33%
Deposit Interest Rate /Foreign currency/	2020. II	4.71%
Loan Interest Rate /MNT/	2020. II	17.01%
Loan Interest Rate /Foreign currency/	2020. II	10.35%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

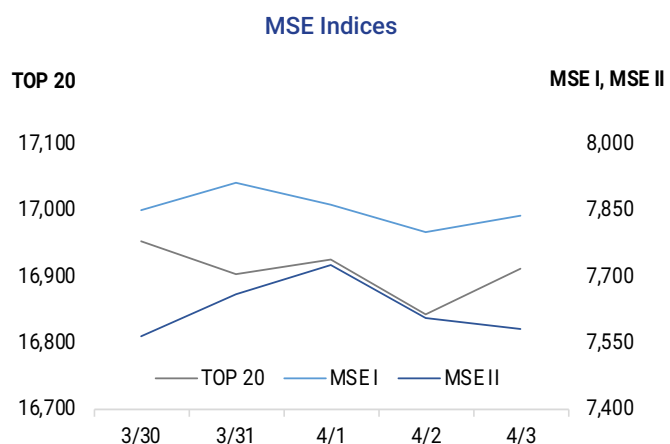
MSE TRADE UPDATE

In this week, a total of 50 companies' 2,534,086 shares worth MNT 835.9 million were traded in the secondary market.

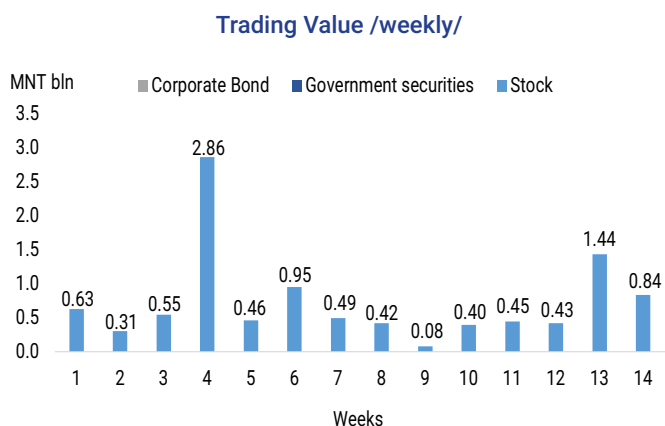
"Monnoos" /MNS/ company's shares rose 14.87 percent to MNT 2,240.00, while "Sharyn Gol" /SHG/ company's share fell 14.51 percent to MNT 1,025.00.

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

As of April 03, total market capitalization of MSE is MNT 2,478.7 billion. The TOP-20 index decreased by 1.81% to stand at 16,911.09 units.



Source: Mongolian Stock Exchange



Source: Mongolian Stock Exchange

Market Review	Total amount /MNT mln/
Total Value	835.9
Market Capitalization	2,478,662.4

Market Indices	Last Price	Change /w/
MSE Top 20	16,911.09	-1.81% ▼
MSE I Index	7,836.91	-1.08% ▼
MSE II Index	7,581.52	-0.52% ▼

Actively Traded Securities	Volume	Amount/MNT/
Ard Financial Group	346,687	522,645,327
APU	96,897	50,319,908
Mongol Alt	8,754	48,147,000
Mandal Daatgal	773,576	34,932,146
Ard Credit NBFI	336,404	25,055,069

Securities with most growth	Last Price /MNT/	Change /w/
Monnoos	2,240.00	14.87% ▲
HBOil	62.99	14.53% ▲
UB-BUK	450.00	13.64% ▲
Khukh Gan	79.50	13.57% ▲
Frontier Land Group	340.00	13.33% ▲

Securities with most decline	Last Price /MNT/	Change /w/
Sharyn Gol	1,025.00	-14.51% ▼
Mon-it Buligar	6,300.00	-12.50% ▼
Ikh Barilga	2,290.00	-11.92% ▼
Khuvsgul Altan Duulga	580.01	-10.77% ▼
Aduunchuluun	1,031.00	-6.10% ▼

Most Active Brokerage Firms	Amount/MNT/
Ard Securities	1,095,269,609
Darkhan Broker	96,294,000
BDSec	94,790,458
Standard Investment	75,007,542
Golomt Capital	53,560,138

Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	531.00	565,080
Tavan Tolgoi	5,440.00	286,499
MIK Holding	11,910.00	246,648
Invescore NBFI	2,490.00	178,603
Gobi	180.00	140,420

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	WIHTIN 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



According to the Financial Regulatory Commission's Resolution No. 29 of January 29, 2020, the FRC decided to introduce the T+2 settlement procedure and the DvP 2 delivery vs payment system starting March 31, 2020. The introduction of procedures will have a positive impact on reducing trading fees and costs of market participants, improving market liquidity, and creating favorable conditions for foreign and domestic investors to participate in securities trading.

Source: Financial Regulatory Commission

NEWS ON JOINT STOCK COMPANIES

The Board of Directors of "Gan Khiits" JSC has decided not to distribute dividends.

"Gan Khiits" JSC, a company listed on tier II of the MSE, has operated with a net loss of MNT 240.8 million in 2019 thus the company's Board of Directors decided not to distribute dividends this year.

Source: BloombergTV.mn

The annual general meeting of "Makhimpex" JSC will be organized digitally

In accordance with the State Emergency Commission's decision of March 20, 2020 and the recommendations of the Financial Regulatory Commission, "Makhimpex" JSC has decided to hold an electronic voting on the issues to be discussed at the annual general meeting on April 24, 2020 at 2:00 PM.

Source: Mongolian Stock Exchange

Attention to shareholders of "Monos Khuns" JSC

Due to the situation of COVID-19 disease, the Board of Directors of "Monos Khuns" JSC decided to postpone the shareholders' meeting of April 6th, 2020. However, it's unclear when the spread of virus will decrease. Therefore, "Monos Khuns" JSC has decided to hold the shareholders' meeting online along with the FRC's recent recommendation and is preparing to organize the online meeting.

Source: Mongolian Stock Exchange

The annual general meeting of "Gobi" JSC will be organized digitally

In order to prevent from the spread of COVID-19 and in accordance with the FRC's recent recommendation, "Gobi" JSC decided to hold its annual general meeting online at 10 am on April 24, 2020.

Source: Mongolian Stock Exchange

The annual general meeting of "Talkh Chikher" JSC will be organized digitally

In order to prevent from the spread of COVID-19 and in accordance with the FRC's recent recommendation, "Gobi" JSC decided to hold its annual general meeting online at 2 pm on April 20, 2020.

Source: Mongolian Stock Exchange

The annual general meeting of "Mongol Basalt" JSC will be organized digitally

In order to prevent from the spread of COVID-19 and in accordance with the FRC's recent recommendation, "Mongol Basalt" JSC decided to hold its annual general meeting online at 3 pm on April 03, 2020.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

The Mongolian economy is largely dependent on the massive Chinese economy next door. Given the near shutdown of many elements of the Chinese economy in February resulting from the spread of the Coronavirus, the supply chains based in Mongolia necessarily have felt the pressure.

The only good news is that in March many Chinese Sales Managers did start to report some lifting of the Coronavirus induced gloom. There is concrete evidence that parts of the Chinese economy are being revived. So next month Mongolian Sales Managers are likely to report slightly better news than that featured in March's report.

Source: World Economics



MACROECONOMIC NEWS

The Bank of Mongolia, the Ministry of Finance, the Mongolian Mortgage Corporation, and commercial banks have jointly deferred principal and interest payments of 8% and 5% interest rate mortgage loans for up to three months once the borrower requests a change in the repayment schedule.

In this context, this arrangement will apply to borrowers who had their loan repayments disrupted after January 31, 2020, and the deferral period will be calculated from the day their loan repayment was disrupted.

Source: BloombergTV.mn

COMMODITY MARKET NEWS

In the first quarter of 2020, Mongolia exported 3.1 million tons of coal. This was a decrease of 59.8% from the same period last year. In monetary terms, the decrease was 39% with total export reaching USD 250.6 million.

Although coal exports are recovering, with coal being exported through Gashuunsukhait, Shiveekhuren, Zamyn-Uud and Khangii ports, the export volume is smaller than usual.

Эх сурвалж: BloombergTV.mn



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