

WEEKLY MARKET UPDATE

06.08 - 06.12



GLOBAL MARKET UPDATE

US: Stocks suffered their worst weekly decline in almost three months, as investors appeared to harvest recent gains and respond to a worsening of the pandemic in parts of the country. Slower-growing value stocks surrendered their recent market leadership and recorded the steepest drops, and smaller-cap shares also underperformed. Relatedly, two prominent value sectors—energy and financials—fared worst within the S&P 500 Index, while the fast-growing information technology sector held up best.

The week saw a dramatic reversal in sentiment, with retail- and travel-oriented shares getting off to a strong start Monday, as investors appeared to welcome reopening steps in hard-hit New York and elsewhere. T. Rowe Price traders noted that sentiment also got a lift from White House Senior Advisor Kevin Hassett, who placed the odds of another fiscal stimulus package at near 100%. The gains boosted the S&P 500 into positive territory for the year to date, while the technology-focused Nasdaq Composite Index established new record highs.

The market's momentum began to fade at midweek, with investors seemingly spending much of their time trying to predict what Federal Reserve Chair Jerome Powell would say after the central bank's scheduled policy meeting concluded on Wednesday afternoon. The meeting brought few surprises, according to the firm's traders, with the policymakers predicting an extended period of low interest rates but not announcing any new immediate stimulus measures.

Europe: Equities in Europe fell—snapping four weeks of gains—on fears of a resurgence of coronavirus infections and a delayed economic recovery. The pan-European STOXX Europe 600 Index ended the week 4.99% lower. Among European markets, Germany's Xetra DAX Index fell 6.13%, France's CAC 40 Index declined 6.05%, and Italy's FTSE MIB Index dropped 5.77%. The UK's FTSE 100 Index slid 4.89%.

Gross domestic product (GDP) in the UK shrank by a record 20.4% in April from March as the country spent the month in a coronavirus lockdown, official data showed. The economy contracted by 24.5% year on year.

Japan: Stocks in Japan declined for the week. The Nikkei 225 Stock Average fell 558 points (2.4%) and closed at 22,305.48. The widely watched benchmark has returned -5.7% for the year-to-date period. The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, recorded similar-sized weekly losses. The yen strengthened versus the U.S. dollar and traded near JPY 107 per U.S. dollar on Friday.

China: Stocks in China declined amid disappointing credit data and weaker global sentiment. The domestic large-cap CSI 300 Index was unchanged from the previous week, while the benchmark Shanghai Composite Index slipped 0.4%. China's sovereign 10-year bond yield declined as inflation continued to slow and stayed below the government's full-year target.

China's broad credit growth, as measured by total social financing, rose to 12.5% year on year in May compared with 10.7% last December, though a surge in net issuance of government debt appeared to drive the increase.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,072.38	-0.87% ▼
Dow Jones	USA	25,650.54	-5.39% ▼
S&P 500	USA	3,041.31	-4.78% ▼
Nasdaq	USA	9,588.81	-2.30% ▼
S&P/TSX	Canada	15,256.57	-3.77% ▼
FTSE 100	Great Britain	6,105.18	-5.85% ▼
S&P/ASX 200	Australia	5,847.80	-2.52% ▼
Nikkei 225	Japan	22,305.48	-2.44% ▼
Hang Seng	Hong Kong	24,301.38	-1.89% ▼

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	107.52
Mongol 2023 (Gerege)	USD	5.625%	99.78
Mongol 2022 (Chinggis)	USD	5.125%	99.60
Mongol 2021 (Mazalai)	USD	10.875%	104.49
DBM' 23 (Samurai)	JPY	1.520%	100.52
DBM' 2023	USD	7.250%	96.50
TDBM' 2020	USD	9.375%	87.41

Rates	Last	Change /w/
Libor 1M	0.195	0.02 ▲
Libor 3M	0.321	0.01 ▲
Libor 6M	0.432	-0.05 ▼
Libor 1YR	0.593	-0.04 ▼
US 2YR Bond	0.181	-0.02 ▼
US 3YR Bond	0.206	-0.07 ▼
US 5YR Bond	0.304	-0.16 ▼
US 10YR Bond	0.664	-0.23 ▼

Exchange rates	2020.06.12	Change /w/
USD	2,813.22	0.13% ▲
CNY	397.56	0.75% ▲
EUR	3,186.11	1.23% ▲
RUB	40.38	-0.83% ▼
KRW	2.34	1.30% ▲
JPY	26.25	1.90% ▲
CAD	2,074.34	-0.21% ▼

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,730.75	0.03% ▲
Silver /spot/	USD/t oz.	17.49	-2.09% ▼
Copper	USD/lb.	261.85	7.96% ▲
Coal	USD/MT	53.98	-2.42% ▼
Crude Oil WTI	USD/bbl.	36.26	2.17% ▲
Crude Oil Brent	USD/bbl.	38.73	9.62% ▲
Natural Gas	USD/MMBtu	1.73	-6.49% ▼

Indicators	Reference	Amount
Inflation Rate	2020. IV	4.7%
Policy Rate	2020. IV	9.00%
Interbank Rate	2020. IV	9.87%
Deposit Interest Rate /MNT/	2020. IV	11.32%
Deposit Interest Rate /Foreign currency/	2020. IV	4.57%
Loan Interest Rate /MNT/	2020. IV	17.06%
Loan Interest Rate /Foreign currency/	2020. IV	10.36%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADE UPDATE

In this week, a total of 49 companies' 2,050,051 shares worth MNT 180.2 million were traded in the secondary market.

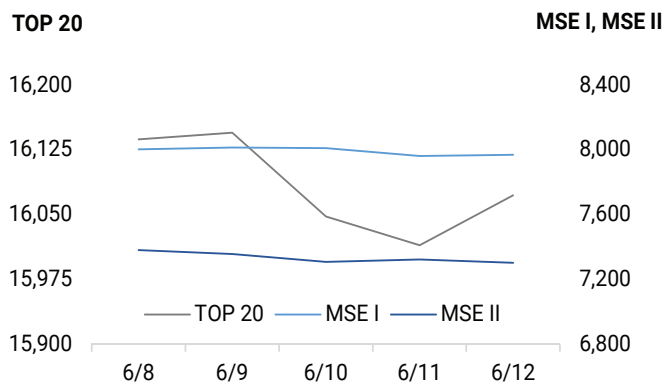
"Standart Noos" /ALI/ company's shares rose 14.58 percent to MNT 275.00, while "Bayangol Hotel" /BNG/ company's share fell 21.21 percent to MNT 26,000.00.

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

On the secondary market trading of Government securities, 2,006 units of securities were traded for MNT 203.3 million.

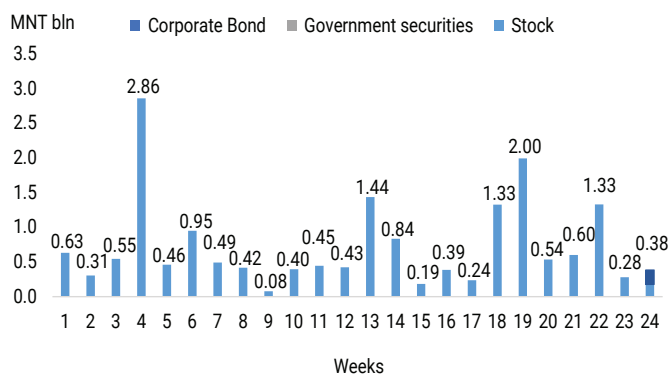
As of June 12, total market capitalization of MSE is MNT 2,443.9 billion. The TOP-20 index decreased by 0.87% to stand at 16,072.38 units.

MSE Indices



Source: Mongolian Stock Exchange

Trading Value /weekly/



Source: Mongolian Stock Exchange

Market Review		Total amount /MNT mln/
Total Value		383.5
Market Capitalization		2,443,873.8
Market Indices	Last Price	Change /w/
MSE Top 20	16,072.38	-0.87% ▼
MSE I Index	7,969.51	-0.41% ▼
MSE II Index	7,303.69	0.28% ▲
Actively Traded Securities	Volume	Amount/MNT/
Lendmn NBFI	1,373,065	42,551,222
APU	77,338	41,883,673
Tumen Shuvuut	95,051	12,244,787
Gobi	56,019	10,739,986
Monos Khuns	131,910	8,569,443
Securities with most growth	Last Price /MNT/	Change /w/
Standart Noos	275.00	14.58% ▲
Khar Khorum Properties	372.00	12.73% ▲
Makhimpex	2,650.00	10.19% ▲
Lendmn NBFI	32.06	6.26% ▲
Monos Khuns	68.44	3.70% ▲
Securities with most decline	Last Price /MNT/	Change /w/
Bayangol Hotel	26,000.00	-21.21% ▼
Shivee Ovoo	1,625.00	-14.47% ▼
Udurkhaan	1,200.00	-13.67% ▼
Merex	13.50	-12.90% ▼
Naco Tulsh	30.00	-11.76% ▼
Most Active Brokerage Firms		Amount/MNT/
Mirae Asset Securities Mongolia		429,289,768
BDSec		76,342,115
Bumbat-Altai		30,261,381
Ard Securities		25,975,751
Rhinos Investment		25,324,319
Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	541.55	576,308
Tavan Tolgoi	5,500.00	289,659
MIK Holding	12,650.00	261,973
Invescore NBFI	2,500.00	179,320
Gobi	191.56	149,438

Government securities /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
1	ZGEB-BD-16/10/20-A0342-13.91	2,006	203,338,190	101,200	101,530	156	13.910%

DIVIDEND INFORMATION

Nº	TICK-ER	COMPANY NAME	NET PROFIT OF 2019 /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	2020.02.14	WITHIN 2020.08.31
2	MNDL	MANDAL DAATGAL	5,820.3	2,497.2	42.9%	4.0	2020.04.01	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	2020.04.07	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	2020.03.27	WITHIN 2020.06.30
10	TEX	TECHNICIMPORT	2,718.2	723.4	26.6%	500.0	2020.03.01	FROM 2020.04.24
11	BUK	UB-BUK	2,465.3	526.2	21.3%	4.0	2020.03.30	FROM 2020.06.01
12	MMX	MAKHIMPEX	819.3	456.1	55.7%	120.0	2020.04.03	FROM 2020.10.01
13	MFC	MONOS KHUNS	761.9	408.9	53.7%	1.0	2020.03.11	WITHIN 2020.08.31
14	DSS	DARKHAN SELENGIIN TSAKHILGAAN TU- GEEKH SULJEE	581.8	391.8	67.3%	37.7	2020.03.20	ON 2020.09.02
15	MNP	MONGOL POST	1,103.6	331.1	30.0%	3.3	2020.04.05	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 AND 2020.12.30
18	TCK	TALKH CHIKHER	2,456.0	230.3	9.4%	225.0	2020.02.18	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	2020.04.05	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	2020.03.27	WITHIN 2020.06.30
23	TAH	TAKHI KO	489.0	128.5	26.3%	108.0	2020.04.10	WITHIN 2020.05.01
24	UBH	ULAANBAATAR KHIVS	298.8	121.4	40.6%	300.0	2020.03.06	BETWEEN 2020.05.01 AND 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	2020.04.01	WIHTIN 2020.08.01
27	MCH	TELECOM MONGOLIA	62.0	25.9	41.7%	1.0	2020.04.06	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	2020.03.27	FROM 2020.05.01
30	HZB	GAN KHERLEN	31.9	15.0	46.9%	150	2020.04.06	WITHIN 2020.09.30
31	BTG	BAYANTEEG	2,166.2	500.0	23.1%	1,979.3	2020.02.07	WITHIN 2020.12.01
32	TTL	TAVANTOLGOI	48,062.7	43,238.0	90.0%	821.0	2020.04.03	WITHIN 2020.05.31
33	ERS	MONGOL ALT	71.3	39.9	55.9%	150.0	2020.04.29	WITHIN 2020.12.31
34	TEE	TEEVER DARKHAN	10.9	0.8	749.1%	500.0	2020.04.29	WITHIN 2020.12.31

CAPITAL MARKET UPDATE

HIGHLIGHT



Based on the FRC's Resolution No.482 of June 10, 2020, the FRC has listed and approved 50,000 units of debt instruments worth MNT 5 billion, each instrument with MNT 100,000 nominal value and 17% annual coupon rate, offered by the 'LendMN NBFI' JSC and collateralized by its shares.

'Ard Capital' LLC is serving as the lead underwriter with 'Mirae Asset Securities Mongolia' LLC as the supporting underwriter. The primary market trading orders will be received through MSE's member brokerage companies between 10:00-17:00 during June 15-18, 2020 and between 10:00-15:00 on the last day of order, June 19, 2020.

Source: Mongolian Stock Exchange

NEWS ON JOINT STOCK COMPANIES

'Erdene Resource Development Corporation' /MSE: ERDN, TSE: ERD/ JSC announces completion of the environmental and social impact assessment of the khundii gold project.

According to 'Erdene Resource Development Corporation' /MSE: ERDN, TSE: ERD/ JSC, the Company completed an independent Environmental and Social Impact Assessment for its 100% owned, high grade, open-pit Khundii Gold Project in southwest Mongolia. The ESIA was prepared in accordance with the Performance Requirements of the European Bank for Reconstruction and Development by Sustainability East Asia LLC, in consortium with Ramboll Australia Pty Ltd and Eco Trade LLC.

In this announcement, Erdene announce that "considering the outcomes of the EBRD-compliant ESIA, the Mongolian Statutory Detailed Environmental Impact Assessment ("DEIA") for the Bayan Khundii deposit has been prepared by Eco Trade LLC in accordance with the applicable national standards. Local stakeholder consultations on the DEIA are planned for completion in mid-2020. Following the consultations, the company will submit its statutory DEIA to the Ministry of Environment and Tourism of Mongolia for approval".

Source: Mongolian Stock Exchange

The secondary market trading of "Bodi Daatgal" /MSE: BODI/ JSC starts on June 15, 2020.

The secondary market trading of "Bodi Daatgal" /MSE: BODI/ JSC starts on June 15, 2020, based on Resolution No.1/2494 of June 11, 2020 by the Chairman of the FRC. Upon concluding that the public offering was successful, the Chairman of the FRC granted permission to commence its secondary market trading.

Source: Mongolian Stock Exchange

'Erdene Resource Development Corporation' /MSE: ERDN, TSE: ERD/ JSC's announcement.

'Erdene Resource Development Corporation' /MSE: ERDN, TSE: ERD/ JSC is providing an update on current technical programs and an overview of Q2 field programs on the Company's exploration prospects at its 100%-owned Khundii Gold Project licenses.

The Khundii Gold District provides a multitude of exploration and development opportunities beyond the current open-pit development at Bayan Khundii. These opportunities include the recent (2019) drilling successes within the Bayan Khundii extension zones, the new Dark Horse gold discovery and the identification of very high-grade gold associated with the boiling zone at Altan Nar, reported earlier in 2020.

Source: Mongolian Stock Exchange

MSE provides recommendation to 'Ulsiin Ikh Delguur' /MSE: UID/ JSD due to emergency situation

Mongolian Stock Exchange expressed its condolences for the fire damage that occurred at the building of 'Ulsiin Ikh Delguur' /MSE: UID/ JSC on June 7, 2020, and delivered a recommendation on measures to be taken to ensure the interests of shareholders.

According to the Securities Market Law, FRC Regulation on Securities Issuers' Transparency and the Listing Agreement, a listed company shall have to immediately notify shareholders of any emergency situations that may affect the share price, amount of damage, and further actions to be taken.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

According to the preliminary conclusion, Mongolian state budget has a deficit of MNT 1.6 trillion in first 5 months of this year. Because of the border restrictions caused by the ongoing pandemic, Mongolia has suffered sharp decline in income from mining exports, which led to aggravated state budget situation. Compared 2016, a year when the state budget recorded its largest deficit of MNT 3.6 trillion, the budget of the first five months of 2020 have recorded even greater amount of deficit.

Source: Bloombergtv.mn



MACROECONOMIC NEWS

Chairman of Bank of Mongolia (BoM), Mr. Lhagvasuren, announced that Mongolian commercial banks has agreed to defer payments of mortgage loans worth MNT 500 billion. Due to the current pandemic, commercial banks also restructured about 37 thousand loans. The BoM also pointed out that commercial banks are able to finance mortgage loan from their own fund which equals the financing by BoM. For instance: BoM and the commercial banks are planning to finance mortgage loans worth MNT 50 billion in May. BoM is planning to finance mortgage loans worth MNT 20-25 billion every month until the end of year.

Source: BloombergTV.mn

COMMODITY MARKET NEWS

The Federal Reserve announced that policy rate will be unchanged and due to the risk posed by the second wave of the coronavirus, futures price on gold has increased. The highest grow of the week was on Thursday, as price of gold rose 1.1 percent and reached to \$1,739 in per ounce.

The Federal Reserve Chair Jerome Powell said that we must take all necessary actions in order to support the economy. Also a majority of experts estimated that policy rate will be near the "0" until end of 2020.

Source: BloombergTV.mn



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