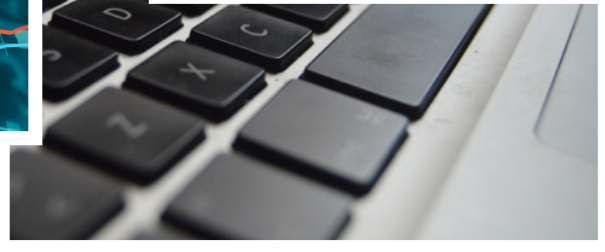


# WEEKLY MARKET UPDATE

06.15 - 06.19



## GLOBAL MARKET UPDATE

**US:** Stocks recorded gains and erased part of the previous week's steep declines. The technology-heavy Nasdaq Composite Index fared best and briefly moved close to the all-time intraday high it established on June 10. Energy stocks led the rebound, helped by signs that major oil-exporting nations were adhering to previously agreed production cuts as well as optimism for increased global demand. Health care and materials stocks also outperformed, while Boeing and airline stocks were especially strong early in the week, boosted by reports of a resurgence in air travel. The small real estate and utilities sectors lagged.

Stocks had a poor start to the week, as concerns over the worsening of the pandemic in several states as well as a new outbreak in Beijing seemed to continue weighing on sentiment. The market then rebounded late Monday following the Federal Reserve's announcement that it will begin buying a broad portfolio of U.S. corporate bonds. The purchases will be made by the Fed's Secondary Market Corporate Credit Facility, an emergency lending program that to date has purchased only exchange-traded funds

**Europe:** Equities in Europe ended the week higher, supported by stimulus efforts and the reopening of key economies. However, a resurgence of COVID-19 cases in the U.S. and China cast doubt on a quick recovery and hindered the advance. The pan-European STOXX Europe 600 Index ended the week 3.31% higher, while Germany's Xetra DAX Index climbed 3.51%, France's CAC 40 Index added 3.23%, and Italy's FTSE MIB Index advanced 3.99%. The UK's FTSE 100 Index rose 2.93%.

Core eurozone bond yields were mixed on the week. Yields edged up following the Federal Reserve's move to buy corporate debt, reducing demand for safe-haven assets. However, yields declined later in the week after it emerged that eurozone banks had borrowed a record EUR 1.31 trillion under the European Central Bank's targeted longer-term refinancing operations (TLTRO).

**Japan:** Stocks in Japan produced small gains for the week. The Nikkei 225 Stock Average advanced 173.31 points (0.78%) and closed at 22,478.79. The widely watched benchmark has made up much of the ground lost in February and March but remained down about 5% for the year-to-date period. The TOPIX Small Index was up 1.6% for the week, outperforming both the Nikkei and the large-cap TOPIX Index.

Japan's Finance Ministry reported that the country's exports declined 28.3% year over year in May as the coronavirus impacted global demand. Vehicle exports dropped by more than 60% during the period, and total Japanese exports to the U.S. also fell by about half.

**China:** China's domestic large-cap index, the CSI 300 Index, gained 2.4% for the week, outpacing the 1.6% advance in the country's benchmark Shanghai Composite Index. The gains in Chinese stocks came despite a reported surge in new COVID-19 cases in Beijing over the June 13 weekend, highlighting the risk of a second wave of infections. In response, Beijing returned to tight movement restrictions, though not a complete lockdown, after the new cases were traced to a wholesale food market. Despite fears of another wave, public health experts believe that China will be able to better manage a resurgence in infections given the country's extensive experience in battling the coronavirus.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,203.99	0.82% ▲
Dow Jones	USA	25,871.46	0.86% ▲
S&P 500	USA	3,097.74	1.86% ▲
Nasdaq	USA	9,946.12	3.73% ▲
S&P/TSX	Canada	15,474.20	1.43% ▲
FTSE 100	Great Britain	6,292.60	3.07% ▲
S&P/ASX 200	Australia	5,942.60	1.62% ▲
Nikkei 225	Japan	22,478.79	0.78% ▲
Hang Seng	Hong Kong	24,643.89	1.41% ▲

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	108.03
Mongol 2023 (Gerege)	USD	5.625%	100.28
Mongol 2022 (Chinggis)	USD	5.125%	99.75
Mongol 2021 (Mazalai)	USD	10.875%	104.36
DBM' 23 (Samurai)	JPY	1.520%	100.55
DBM' 2023	USD	7.250%	96.53
TDBM' 2020	USD	9.375%	87.46

Rates	Last	Change /w/
Libor 1M	0.190	-0.01 ▼
Libor 3M	0.305	-0.02 ▼
Libor 6M	0.415	-0.02 ▼
Libor 1YR	0.576	-0.02 ▼
US 2YR Bond	0.188	0.01 ▲
US 3YR Bond	0.218	0.01 ▲
US 5YR Bond	0.327	0.02 ▲
US 10YR Bond	0.692	0.03 ▲

Exchange rates	2020.06.19	Change /w/
USD	2,819.57	0.23% ▲
CNY	398.33	0.19% ▲
EUR	3,160.46	-0.81% ▼
RUB	40.54	0.40% ▲
KRW	2.33	-0.43% ▼
JPY	26.36	0.42% ▲
CAD	2,076.19	0.09% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,743.87	0.76% ▲
Silver /spot/	USD/t oz.	17.62	0.76% ▲
Copper	USD/lb.	262.80	0.36% ▲
Coal	USD/MT	54.12	0.26% ▲
Crude Oil WTI	USD/bbl.	39.75	9.62% ▲
Crude Oil Brent	USD/bbl.	42.19	8.93% ▲
Natural Gas	USD/MMBtu	1.67	-3.47% ▼

Indicators	Reference	Amount
Inflation Rate	2020.V	3.3%
Policy Rate	2020.V	9.00%
Interbank Rate	2020.V	8.93%
Deposit Interest Rate /MNT/	2020.V	11.20%
Deposit Interest Rate /Foreign currency/	2020.V	4.48%
Loan Interest Rate /MNT/	2020.V	17.06%
Loan Interest Rate /Foreign currency/	2020.V	10.41%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

## MSE TRADE UPDATE

In this week, a total of 41 companies' 4,409,090 shares worth MNT 597.6 million were traded in the secondary market.

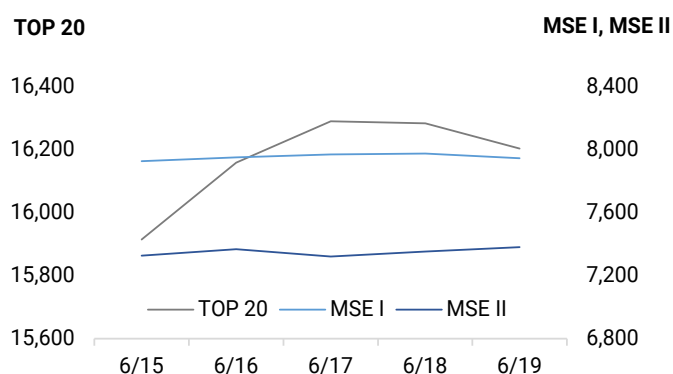
"Ulsyn Ikh Delguur" /UID/ company's shares rose 28.85 percent to MNT 800.00, while "BDSec" /BDS/ company's share fell 13.81 percent to MNT 861.00.

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

On the secondary market trading of Government securities, 3,819 units of securities were traded for MNT 383.5 million.

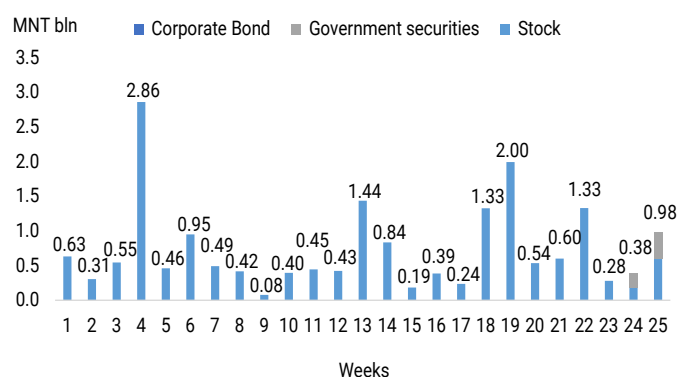
As of June 19, total market capitalization of MSE is MNT 2,458.2 billion. The TOP-20 index increased by 0.82% to stand at 16,203.99 units.

### MSE Indices



Source: Mongolian Stock Exchange

### Trading Value /weekly/



Source: Mongolian Stock Exchange

Market Review	Total amount /MNT mln/
Total Value	981.2
Market Capitalization	2,458,173.4

Market Indices	Last Price	Change /w/
MSE Top 20	16,203.99	0.82% ▲
MSE I Index	7,945.65	-0.30% ▼
MSE II Index	7,381.11	1.06% ▲

Actively Traded Securities	Volume	Amount/MNT/
Ard Insurance	504,303	353,041,802
Lendmn NBF1	3,170,817	98,338,648
APU	53,228	28,926,076
Bodi Insurance	225,212	25,592,842
Gobi	89,889	17,114,103

Securities with most growth	Last Price /MNT/	Change /w/
Ulsyn Ikh Delguur	800.00	28.85% ▲
Sharyn Gol	1,139.00	26.56% ▲
Sor	805.00	15.00% ▲
Khar Khorum Properties	420.00	12.90% ▲
Standart Agriculture Group	38.00	11.76% ▲

Securities with most decline	Last Price /MNT/	Change /w/
BDSec	861.00	-13.81% ▼
Nekheesgui Edlel	1,900.00	-13.64% ▼
Technicimport	7,005.00	-12.44% ▼
Autoimpex	1,300.00	-10.34% ▼
Darkhan Nekhii	12,000.00	-8.75% ▼

Most Active Brokerage Firms	Amount/MNT/
BDSec	797,033,975
Bumbat-Altai	108,996,302
Rhinos Investment	56,081,647
Ard Securities	53,642,209
Mirae Asset Securities Mongolia	37,132,764

Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	546.00	581,043
Tavan Tolgoi	5,490.00	289,132
MIK Holding	12,650.00	261,973
Invescore NBF1	2,498.00	179,176
Gobi	194.98	152,106

### Government securities /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
1	ZGEB-BD-18/07/20-A0275-15.14	2,818	282,973,970	100,370	100,460	156	15.140%
2	ZGEB-BD-18/07/20-A0275-15.14	1,001	100,550,450	100,450	100,450	156	15.140%

## DIVIDEND INFORMATION

Nº	TICKER	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	WITHIN 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



“Capital Market Corporation SC” LLC’s license for conducting brokerage and securities dealing services in the securities market was revoked by the Resolution No. 476 of the Financial Regulatory Commission. The company clients will be transferred to other brokerage firms in accordance with the relevant regulations.

Source: Mongolian Stock Exchange

## NEWS ON JOINT STOCK COMPANIES

### According to the board meeting of “Gobi” JSC, Mr. Bolorbat .O was appointed as CEO of “Goyo” LLC.

“Gobi” /MSE: GOV/ JSC, a company listed on tier I of the Mongolian Stock Exchange, one of the leading companies of Mongolia’s cashmere industry, has previously announced that it will hold its board meeting on 24 April, 2020. As a result of the board meeting, all shareholders confirmed to appoint Mr. Bolorbat .O as CEO of “Goyo” LLC, because Mr. Surenragchaa .N who was the previous CEO of “Goyo” LLC resigned on a voluntary basis.

Source: TDB Capital SC

### Attention to the shareholders of “Erdene Resources Development Corporation” /MSE: ERDN, TSE: ERD/ JSC

“Erdene Resource Development Corporation” /MSE: ERDN, TSE: ERD/ JSC has provided a drilling update for the Company’s 100%-owned Khundii Gold Project.

“The current drill program has confirmed continuity of a new near-surface gold zone, southeast of the main Midfield orebody, with multiple intersections containing visible gold,” said Peter Akerley, Erdene’s President and CEO. “The success of this drilling program demonstrates the potential for isolated gold intersections adjacent to the existing reserves to be expanded, which could add very-high grade resources in the near-surface. Samples have been collected and shipped to SGS Laboratories for analysis, with results expected early in Q3. Results will be used to plan future drill programs.”

The current drilling program is designed to test for mineralization in zones classified as waste or low-grade stockpile material identified as having the potential to add significant value at the earliest stages of mining. The first area tested is southeast of the main Midfield orebody where previous drilling (BKD-262) identified a high-grade intersection within 10 meters of surface that returned 3 meters of 52.9 g/t gold but was relatively isolated. This intersection is located at the northern corner of the current eighteen-hole drill program designed to cover an area of approximately 50 meters by 50 metres south and east of BKD-262.

Source: Mongolian Stock Exchange

### Attention to shareholders of “Khar Khorum Properties” /MSE: AMT/ JSC

“Erdene Real Estate” LLC, 100 percent subsidiary of “Khar Khorum Properties” JSC, a company listed on tier III of the Mongolian Stock Exchange, was granted a “Real estate brokerage license” in accordance with Resolution No: 327 of the Financial Regulatory Commission, and was registered by General Authority for State Registration on June 08, 2020.

With the license, the company has obtained the right to offer intermediary services in the management, sale, purchase, lease, rental and repair of real estate assets.

Source: Mongolian Stock Exchange

### “Lendmn bond” was traded successfully in the primary market

Lendmn bond, issued by “LendMN NBF” /MSE: LEND/ JSC, a company listed on tier 1 of the Mongolian Stock Exchange, has successfully raised MNT 5.0 billion from the primary market, with 17% annual interest rate, 1-year maturity and MNT 100,000 nominal price. The orders were received from June 15, 2020 until June 19, 2020.

The subscription for the bond from the public reached MNT 6,742,400,000, resulting in an oversubscription of 34.8%, and was ordered by a total of 528 individuals and entities.

In accordance with the bond allocation rules of ‘Lendmn bond’, order up to MNT28.8 million were fulfilled fully and the remaining were allocated pro-rata at 58.8%.

Investors shall receive the extra funds placed for bond order when the FRC’s declares the company’s bond issuance as successful.

Source: Mongolian Stock Exchange

## OTHER NEWS

### HIGHLIGHTS

National statistics office of Mongolia announced that in the first quarter of this year, median wage was MNT 917,179 and average wage was MNT 1,259,700. The average wage is 1.5 times more than it was in 2015, while real wage which expresses purchasing power of citizens, climbed 16.2%. Also, the average wage per employee increased by 8.8% or by MNT 101.8 thousand. One of the larger contributing sectors was mining sector and according to the National Statistics Office, the average monthly salary of employees in this sector increased by 12% or 337.9 thousand MNT.

Source: Bloombergtv.mn



### MACROECONOMIC NEWS

In first 4 months of this year, foreign investment fell by 21.5% y-o-y and reached USD 491.4 million. "Oyu Tolgoi" project constitutes more than 90% of total foreign investment. Investors decreased the amount of investing for the underground shaft of Oyu Tolgoi from between USD 1.2 trillion and USD 1.3 trillion to between USD 1 trillion and USD 1.1 trillion due to the current state of the pandemic. Also, the cost to open cut mining was planned to be USD 120 million, but the to USD 80 million and USD 100 million. In first quarter, 2020, "Oyu Tolgoi" project has 13,600 employees and Mongolians are its 94%. Reducing investment and slowing upbuilding of underground directly affect activity of executive companies.

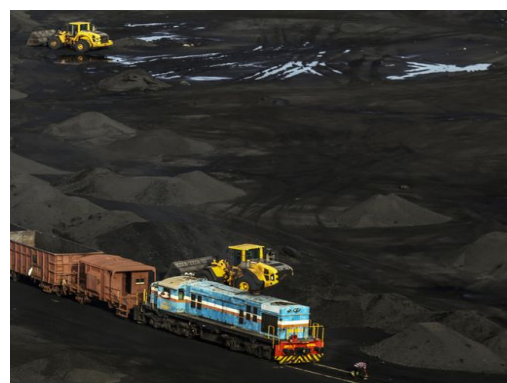
Source: BloombergTV.mn

### COMMODITY MARKET NEWS

As of June 10, Mongolia extracted 839.7 thousand barrels of oil and exported 740.2 thousand barrels, reports the Ministry of Mining and Heavy Industry.

This year, Mongolia expected to produce and export 6.6 million barrels of crude oil in total. Export plan is running with 11% performance over the first five months of this year. Moreover, income worth MNT 335.6 billion is planned to be accumulated to the state budget this year from petroleum export and its fulfillment is 11.4% currently.

Source: Montsame.mn



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