

WEEKLY MARKET UPDATE

06.22 - 06.26



GLOBAL MARKET UPDATE

U.S: Stocks gave back the previous week's gains, as worries over a resurgence in the coronavirus offset enthusiasm over some positive economic data. Growth stocks handily outperformed value shares, and the technology-heavy Nasdaq Composite Index fared best relative to other benchmarks. The declines pushed the S&P 500 Index back into correction territory (i.e., down more than 10% from its February peak), according to a broadly used definition.

The overall market swung between gains and losses for much of the week, but bank stocks were particularly volatile. On Thursday, financials rallied on news that the Federal Reserve was easing restrictions put in place following the financial crisis of 2008–2009, including allowing certain types of riskier investments and lowering some margin requirements. Financials fell back sharply Friday morning, however, on the previous evening's news that the Fed was planning to restrict banks' ability to pay out profits to shareholders through dividends and share repurchases.

Europe: European shares fell amid trepidation about a resurgence of coronavirus infections that could halt an economic recovery and a flare-up in trade tensions between the U.S. and Europe. The pan-European STOXX Europe 600 Index ended the week 1.89% lower, with major European indexes mixed. Germany's DAX Index declined 2.09%, while Italy's FTSE MIB Index slipped 2.33%, and France's CAC-40 Index slid 1.34%. The UK's FTSE 100 Index fell 0.87%.

Upbeat economic data provided signs that the coronavirus-induced slump in the eurozone may be bottoming out, reviving hopes of a V-shaped recovery. The flash IHS Markit Eurozone Composite Purchasing Managers' Index (PMI) surged to 47.5 in June from 31.9 in May, the second-biggest jump in the survey's history. Although the PMI reached its highest level since February, the data still point to a drop in business output. German and French business confidence recovered at record rates in June and more than expected by most economists, although they were still well below pre-pandemic levels, two national surveys showed.

Japan: Stocks in Japan were flat for the week. The Nikkei 225 Stock Average advanced 33.29 points (0.15%) and closed at 22,512.08. The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, were also little changed. After a strong rally in May and early June, equity gains have largely stalled over the past two weeks.

Concerns about rising numbers of coronavirus cases in some countries and reports of increasing trade tensions weighed on stocks at times. However, Japanese equities recovered on Friday following Thursday's late rally in the U.S.

China: China's large-cap CSI 300 Index and benchmark Shanghai Composite Index rose 1.0% and 0.4%, respectively, in a week containing few major economic readings. On Thursday, China's government said that it would increase the number of sectors open to foreign investment starting July 23, mostly via shorter "negative lists." The move was viewed as part of Beijing's efforts to bolster overseas investment to support an economy battered by the coronavirus pandemic. Previously, the number of sectors listed as off-limits to foreign investors was lowered to 33 from 40.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,160.76	-0.27% ▼
Dow Jones	USA	25,015.45	-3.31% ▼
S&P 500	USA	3,009.05	-2.86% ▼
Nasdaq	USA	9,757.22	-1.90% ▼
S&P/TSX	Canada	15,188.98	-1.84% ▼
FTSE 100	Great Britain	6,159.30	-2.12% ▼
S&P/ASX 200	Australia	5,904.10	-0.65% ▼
Nikkei 225	Japan	22,512.08	0.15% ▲
Hang Seng	Hong Kong	24,549.99	-0.38% ▼

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	108.13
Mongol 2023 (Gerege)	USD	5.625%	100.19
Mongol 2022 (Chinggis)	USD	5.125%	99.67
Mongol 2021 (Mazalai)	USD	10.875%	104.24
DBM' 23 (Samurai)	JPY	1.520%	100.68
DBM' 2023	USD	7.250%	97.52
TDBM' 2020	USD	9.375%	87.94

Rates	Last	Change /w/
Libor 1M	0.178	-0.06 ▼
Libor 3M	0.308	0.01 ▲
Libor 6M	0.361	-0.13 ▼
Libor 1YR	0.566	-0.02 ▼
US 2YR Bond	0.168	-0.10 ▼
US 3YR Bond	0.187	-0.15 ▼
US 5YR Bond	0.304	-0.07 ▼
US 10YR Bond	0.643	-0.07 ▼

Exchange rates	2020.06.26	Change /w/
USD	2,821.08	0.05% ▲
CNY	398.56	0.06% ▲
EUR	3,167.79	0.23% ▲
RUB	40.78	0.59% ▲
KRW	2.35	0.86% ▲
JPY	26.38	0.08% ▲
CAD	2,065.97	-0.49% ▼

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,771.29	1.57% ▲
Silver /spot/	USD/t oz.	17.81	1.02% ▲
Copper	USD/lb.	267.90	1.94% ▲
Coal	USD/MT	54.53	0.76% ▲
Crude Oil WTI	USD/bbl.	38.49	-3.17% ▼
Crude Oil Brent	USD/bbl.	41.02	-2.77% ▼
Natural Gas	USD/MMBtu	1.50	-10.18% ▼

Indicators	Reference	Amount
Inflation Rate	2020.V	3.30%
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

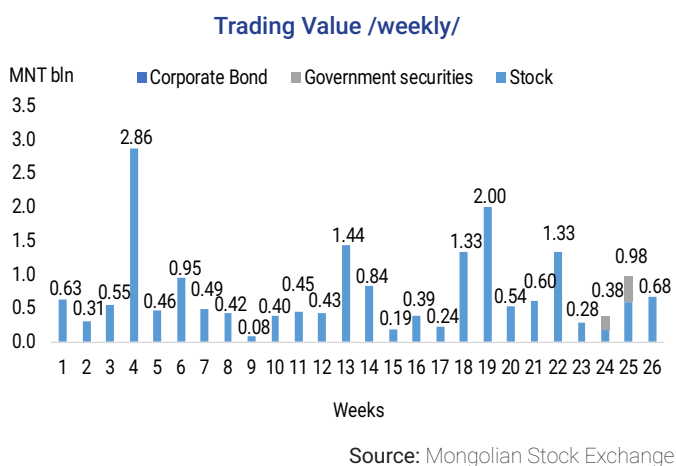
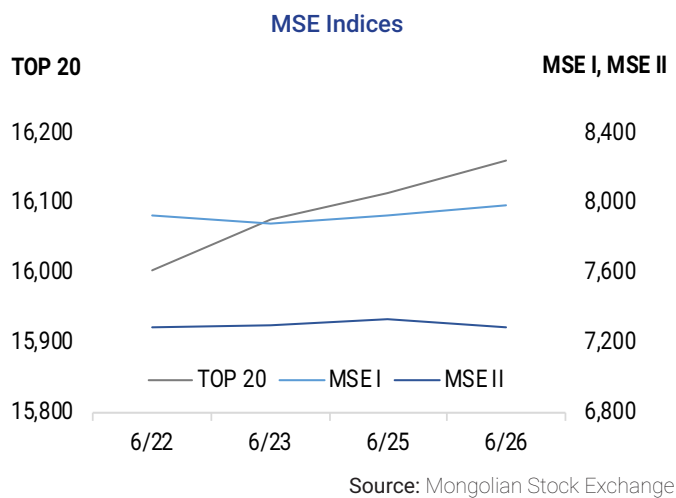
MSE TRADE UPDATE

In this week, a total of 41 companies' 1,211,709 shares worth MNT 677.3 million were traded on secondary market.

"Bayangol hotel" /MSE: BNG/ company's shares rose 12.99 percent to MNT 24,900.00, while "E-Trans logistic" /MSE: ETL/ company's share fell 17.72 percent to MNT 130.00.

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

As of June 26, total market capitalization of MSE is MNT 2,463.9 billion. The TOP-20 index decreased by 0.27% to stand at 16,160.76 units.



Market Review		Total amount /MNT mln/
Total Value		677.3
Market Capitalization		2,463,923.8
Market Indices	Last Price	Change /w/
MSE Top 20	16,160.76	-0.27% ▼
MSE I Index	7,989.01	0.55% ▲
MSE II Index	7,283.75	-1.32% ▼
Actively Traded Securities	Volume	Amount/MNT/
Makhimpex	227,551	550,679,295
Invescore NBFI	15,148	37,585,747
APU	47,219	25,575,998
Lendmn NBFI	683,885	20,949,464
Tavan Tolgoi	1,803	9,901,165
Securities with most growth	Last Price /MNT/	Change /w/
Bayangol Hotel	29,400.00	12.99% ▲
Ulsyn Ikh Delguur	896.62	12.08% ▲
Sharyn Gol	1,236.00	8.52% ▲
Baganuur	949.50	5.50% ▲
Talkh Chikher	11,500.00	4.55% ▲
Securities with most decline	Last Price /MNT/	Change /w/
E-Trans Logistic	130.00	-17.72% ▼
Mongol Basalt	194.90	-9.32% ▼
Ard Financial Group	1,250.00	-5.23% ▼
Ard Credit NBFI	68.03	-4.02% ▼
Durvun-Uul	560.00	-3.45% ▼
Most Active Brokerage Firms		Amount/MNT/
BDSec		1,144,255,482
TDB Capital		38,689,966
Invescore Capital		30,091,747
Bumbat-Altai		21,110,665
Mirae Asset Securities Mongolia		17,824,601
Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	542.00	576,691
Tavan Tolgoi	5,500.00	289,659
MIK Holding	12,990.00	269,014
Invescore NBFI	2,515.00	180,396
Gobi	193.00	150,655

Government securities /secondary market/

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

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	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

In accordance with Article 46, Section 46.5 of the Company Law, a total of 31 JSC Board of Directors submitted their dividend distribution decisions to the FRC with a total dividend of MNT 94.2 billion for 4.8 billion shares in 2020. As of May 31, 2020, 8 JSCs entered into agreements with the Central Securities Depository LLC and placed a total dividend of MNT 4.3 billion to 315.0 million shares belonging to 16,507 shareholders.

Source: Financial Regulatory Commission

NEWS ON JOINT STOCK COMPANIES

"Erdene Resource Development Corporation" /TSX: ERD, MSE: ERDN/ JSC announces results of its annual general meeting of shareholders.

"Erdene Resource Development Corporation" /TSX: ERD, MSE: ERDN/ JSC ("Erdene" or the "Company") announced that its shareholders voted in favor of all items of business brought before them at the Company's Annual and Special Meeting of Shareholders ("AGM") held on June 25, 2020 in Halifax, Nova Scotia.

Following the AGM, Erdene's board of directors appointed its officers for the coming year, namely: President and Chief Executive Officer – Peter Akerley; Chairman of the Board – T. Layton Croft; Chief Financial Officer – Robert Jenkins; and Corporate Secretary – Suzan Frazer.

At the AGM, shareholders approved the continuance of the shareholder rights plan ("Rights Plan"). The Rights Plan was adopted by Erdene's board of directors to ensure the fair treatment of shareholders in connection with any takeover offer for the Company. Under the terms of the Rights Plan, the shareholders of Erdene must affirm the Rights Plan every three years.

Source: Mongolian Stock Exchange

Shareholders structure of "Ard Daatgal" /MSE: AIC/ JSC has changed significantly.

"Ard Daatgal" /MSE: AIC/ JSC has undergone significant changes in its shareholder structure.

Before this, the largest shareholders of the company were "Ard Financial Group" /MSE: AARD/ JSC (66.78%), "BDSec" /MSE: BDS/ JSC (5.77%) and an unknown third. As of June 19, 2020, the major shareholders owned 76.96% of the company's total shares.

As a result of the aforementioned change, "Ard Daatgal" /MSE: AIC/ JSC now has 2 major shareholders with their total shares being held decreasing to 71.25% of total shares while the total shares held by minor shareholders rising to 28.75% with their numbers reaching 1,925.

Source: Marketinfo.mn



Attention to shareholders of "Ulsyn Ikh Delguur" /MSE: UID/ JSC.

Due to the burning of the "Ulsyn Ikh Delguur" /MSE: UID/ JSC's building, the Mongolian Stock Exchange has requested the company to promptly provide the shareholders and the public with accurate information on the situation. The response to the official letter sent on June 8, 2020 has been received. The response stated that:

- "Ulsyn Ikh Delguur" /MSE: UID/ JSC is working with National Emergency Management Agency, Metropolitan Professional Inspection Department, the Forensic Science Institute, the police force and insurance experts to determine the extent of the damage, reduce the damage and resolve any issues that have arisen, but the extent of the damage has not yet been determined.
- "Ulsyn Ikh Delguur" /MSE: UID/ JSC had a Real Estate Insurance and Corporate Liability Insurance Agreement with "Nomin Daatgal" LLC.
- Further action would be taken after an official opinion is issued and that all available information will be made available to the public through the media promptly.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

In a new report, the Asian Development Bank stressed the importance of sustainable reform in Mongolia.

Asian Development Bank says that by focusing on improving macroeconomic management, strengthening human development, expanding international trade, and diversifying the economy based on the knowledge and experience gained in the mining and other sectors, Mongolia can build a stable and inclusive economy.

Source: BloombergTV.mn



MACROECONOMIC NEWS

At the scheduled meeting held on 26th of June 2020, the Monetary Policy Committee decided to:

1. Keep the policy rate unchanged, considering the current macroeconomic and financial market developments, their prospects, and uncertainties in the domestic and external environment.
2. Reduce remuneration on MNT reserve requirements issued to banks by the amount corresponding to the ratio of foreign currency-denominated (FX) deposits with relatively higher rates and FX current accounts charging any rate to total FX deposits and current accounts. It will promote financial stability in the banking system by discouraging bank deposit dollarization and maintaining relative returns on the domestic currency.

Source: Bank of Mongolia

COMMODITY MARKET NEWS

From the beginning of the year to June 18, 7.7 million tons of coal were exported for 623.2 million USD.

According to the preliminary data of the General Customs Administration, compared to the same period of the previous year, the physical volume is 2.1 times lower and the monetary amount is 2.3 times lower. For the past month, the Gashuunsukhait port has been exporting 400-700 trucks of coal a day, while the Shivee Khuren port reports that about 450-500 trucks of coal were exported a day.

Source: BloombergTV.mn



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