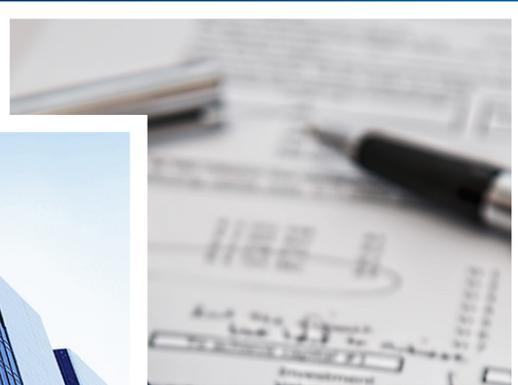


WEEKLY MARKET UPDATE

06.29 - 07.03



GLOBAL MARKET UPDATE

U.S: Stocks recorded solid gains for the holiday-shortened week, helping push the technology-heavy Nasdaq Composite Index to a record intraday high, while the S&P 500 Index touched its best level since June 10. Within the S&P 500, communication services shares were particularly strong, helped by gains in Netflix and video game stocks, as was the small real estate sector. Financial and energy shares lagged. The week closed out the best quarters for the Dow Jones Industrial Average and S&P 500 since 1987 and 1998, respectively. Markets were closed Friday in advance of the Fourth of July holiday.

Worries remained about the continuing resurgence of the coronavirus across the South and Southwest, and governors in several states announced reversals or pauses in reopening plans. The rate of increase in cases nationally slowed early in the week, however, and optimism about progress in developing a vaccine may have helped support sentiment. Indeed, Wednesday brought news of encouraging early-stage test results for a vaccine under joint development by Pfizer and BioNTech, and investors seemed further encouraged by the companies' aggressive timeline for possible regulatory approval.

Europe: European stocks rose through Thursday on encouraging news related to the development of a potential coronavirus vaccine and improving economic data. In local currency terms, the pan-European STOXX Europe 600 Index ended 2.11% higher for the first four days of the week. Germany's DAX Index rose 3.33%, France's CAC-40 Index added 2.41%, and Italy's FTSE MIB Index gained 3.11%. The UK's FTSE 100 Index increased 0.58%.

Economic data indicated that the slump continued to ease in June as lockdown restrictions were lifted and shops and businesses reopened. The number of people out of work in Germany rose by a less-than-expected 69,000 to 2.943 million people, Labor Office data showed. The unemployment rate climbed to 6.4% from 6.3% in May. German retail sales jumped 13.9% sequentially in May, much stronger than the consensus estimate of 2.8%. Retail sales rose 3.8% year over year, whereas economists had expected a 3.5% drop.

Japan: Stocks in Japan lost ground for the week through Thursday. The Nikkei 225 Stock Average fell 366.12 points (-1.6%) and closed at 22,145.96. The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, also finished lower, with small-caps underperforming large-caps. After a strong rally in May and early June, equity gains have largely stalled over recent weeks, with the Nikkei benchmark down 4.7% from its recent high on June 8.

China: Stocks in China rallied for the week until Thursday after several data points suggested that the economy was firmly recovering after a historic contraction in the year's first quarter. On Thursday, the blue chip CSI 300 Index closed at its highest level since January 26, 2018, while the benchmark Shanghai Composite Index rose to its highest close since January. China's sovereign 10-year bond yield was broadly flat for the week until Thursday.

Investor sentiment brightened after two separate gauges showed a pickup in the country's manufacturing sector: On Wednesday, the Caixin/Markit Manufacturing Purchasing Managers' Index rose to a six-month high reading of 51.2 in June from May's 50.7.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,497.72	2.09% ▲
Dow Jones	USA	25,827.36	3.25% ▲
S&P 500	USA	3,130.01	4.02% ▲
Nasdaq	USA	10,207.63	4.62% ▲
S&P/TSX	Canada	15,596.75	2.68% ▲
FTSE 100	Great Britain	6,157.30	-0.03% ▼
S&P/ASX 200	Australia	6,057.90	2.60% ▲
Nikkei 225	Japan	22,306.48	-0.91% ▼
Hang Seng	Hong Kong	25,373.12	3.35% ▲

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	108.63
Mongol 2023 (Gerege)	USD	5.625%	100.43
Mongol 2022 (Chinggis)	USD	5.125%	99.89
Mongol 2021 (Mazalai)	USD	10.875%	104.33
DBM' 23 (Samurai)	JPY	1.520%	100.70
DBM' 2023	USD	7.250%	96.38
MGMTGE' 2022 (Hoelun)	USD	9.750%	87.83

Rates	Last	Change /w/
Libor 1M	0.163	-0.09 ▼
Libor 3M	0.276	-0.10 ▼
Libor 6M	0.366	0.01 ▲
Libor 1YR	0.506	-0.11 ▼
US 2YR Bond	0.157	-0.07 ▼
US 3YR Bond	0.186	0.00 ▲
US 5YR Bond	0.302	0.00 ▲
US 10YR Bond	0.686	0.07 ▲

Exchange rates	2020.07.03	Change /w/
USD	2,826.14	0.18% ▲
CNY	399.92	0.34% ▲
EUR	3,175.17	0.23% ▲
RUB	40.07	-1.74% ▼
KRW	2.36	0.43% ▲
JPY	26.29	-0.34% ▼
CAD	2,084.48	0.90% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,772.05	0.04% ▲
Silver /spot/	USD/t oz.	18.02	1.18% ▲
Copper	USD/lb.	273.00	1.90% ▲
Coal	USD/MT	54.27	-0.48% ▼
Crude Oil WTI	USD/bbl.	40.44	5.07% ▲
Crude Oil Brent	USD/bbl.	42.80	4.34% ▲
Natural Gas	USD/MMBtu	1.75	16.67% ▲

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

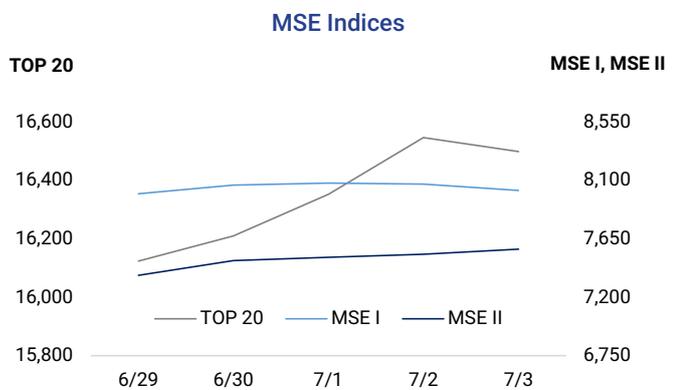
In this week, a total of 43 companies' 2,972,367 shares worth MNT 677.3 million were traded in the secondary market.

"Shivee Ovoo" /SHV/ company's shares rose 30.59 percent to MNT 2,220.00, while "Teever Darkhan" /TEE/ company's share fell 14.47 percent to MNT 6,500.00.

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

On the corporate bond market, "Lendmn NBF1" JSC's 11 units of securities were traded for MNT 2.2 million on the secondary market.

As of July 3, total market capitalization of MSE is MNT 2,507.0 billion. The TOP-20 index increased by 2.09% to stand at 16,497.72 units.



Source: Mongolian Stock Exchange



Source: Mongolian Stock Exchange

Market Review	Total amount /MNT mln/
Total Value	1,342.52
Market Capitalization	2,506,998.35

Market Indices	Last Price	Change /w/
MSE Top 20	16,497.72	2.09% ▲
MSE I Index	8,021.03	0.40% ▲
MSE II Index	7,568.59	3.91% ▲

Actively Traded Securities	Volume	Amount/MNT/
Makhimpex	190,047	459,915,030
BDSec	460,000	455,400,000
Bayangol Hotel	6,056	181,352,000
Bodi Insurance	386,709	43,190,901
APU	60,644	32,857,586

Securities with most growth	Last Price /MNT/	Change /w/
Shivee Ovoo	2,220.00	30.59% ▲
Arig Gal	3,000.00	15.38% ▲
BDSec	990.00	14.98% ▲
Mongol Savkhi	517.00	14.89% ▲
Erdene Resource Development	660.00	11.86% ▲

Securities with most decline	Last Price /MNT/	Change /w/
Teever Darkhan	6,500.00	-14.47% ▼
Autoimpex	1,125.00	-13.46% ▼
Aduun Chuluun	900.00	-11.76% ▼
Bayangol Hotel	26,000.00	-11.56% ▼
Bodi Insurance	103.95	-5.89% ▼

Most Active Brokerage Firms	Amount/MNT/
BDSec	1,734,276,068.80
Ard Securities	719,596,326.96
Standart Investment	37,303,901.75
Bumbat-Altai	27,267,558.10
TDB Capital	27,036,400.21

Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	542.66	577,489
Tavan Tolgoi	5,525.00	290,975
MIK Holding	12,990.00	269,014
Invescore NBF1	2,514.00	180,324
Gobi	197.67	154,205

Government securities /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
1	LNBO-BD-19/06/21-C0008-17	10	987,900.00	98,700.00	99,000.00	52	17%
2	LNBO-BD-19/06/21-C0008-17	10	998,000.00	98,000.00	100,000.00	52	17%
3	LNBO-BD-19/06/21-C0008-17	1	100,800.00	100,800.00	100,800.00	52	17%
4	LNBO-BD-19/06/21-C0008-17	1	99,980.00	99,980.00	99,980.00	52	17%

DIVIDEND INFORMATION

№	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

In accordance to the FRC's Resolution No: 689 of June 29, 2020, the decision to issue additional 85,589,000 ordinary shares of 'Suu' /MSE: SUU/ JSC was approved. Therefore, the number of 'Suu' /MSE: SUU/ JSC's total shares was amended to 429,589,000 in the securities list.

The company is offering 77,030,100 additional shares to strategic investors and 8,558,900 shares to the public at the price of MNT 218.00 per share.

Source: Mongolian Stock Exchange

NEWS ON JOINT STOCK COMPANIES

"Ard Financial Group" /MSE: AARD/ JSC distributed dividend to its shareholders.

As a result of "Ard Financial Group" /MSE: AARD/ JSC's Board of Directors' external vote of February 18, 2020, the company has decided to distribute MNT 1 billion or 29.4% of the company's net profit of 2019 as dividend with a record date of April 7, 2020.

Pursuant to this decision, the dividends of a total of 4,234 shareholders, who held shares on the date of record, were transferred to the account of the Mongolian Central Securities Depository on June 30, 2020.

Source: TDB Capital SC

"Ard Daatgal" / MSE: AIC / JSC participates in court as a plaintiff and defendant.

On Article 3.2.2.11 of the "Securities Issuer Information Transparency Procedure" it is stated that "The company shall keep the activities of plaintiffs and defendants transparent to the public." Therefore, "Ard Daatgal" / MSE: AIC / JSC has provided the FRC and the public with relevant information regarding its participation in the lawsuit as a plaintiff and defendant.

According to the statement of June 25, 2020, "Ard Daatgal" / MSE: AIC/ JSC has filed a lawsuit against the "EPP" LLC, "Happy Veritas" LLC and "MIAT" LLC in the Civil Court. The company is also participating as a defendant in civil cases against "SHUBH" LLC and citizen "N".

These legal disputes are pending in court and have not been resolved.

Source: Mongolian Stock Exchange

Statement of the Financial Regulatory Commission on the implementation of the legal obligations of the JSC's.

The Company Law stipulates that the Board of Directors of a joint stock company must convene a regular shareholders meeting within four months after the end of the fiscal year, or before May 1 of each year.

However, as 63 joint stock companies did not convene their regular shareholders meeting of 2019 in accordance with the relevant legislation, the board of directors of these 63 joint stock companies will have no authority other than to convene an extraordinary shareholders meeting as stated in Article 59.5 of the Company Law. The Article states that "If the regular shareholders meeting is not convened within the period specified in Article 59.4 of this law The powers of the Board of Directors (in its absence, the executive body) established by this law and the company's charter shall be terminated, except for the convening of a special shareholders meeting." These 63 companies included "Autozam" JSC, "Dornod" JSC, "Bornuur" JSC and others.

Source: Financial Regulatory Commission

The shareholders of "Darkhan Nekhii" / MSE: NEH / JSC has decided to split its shares with a 1: 1000 ratio.

"Darkhan Nekhii" /MSE: NEH/ JSC has registered a total of 1,105,475 shares with a nominal price of MNT 100 per share on the Mongolian Stock Exchange. On January 30, 2020, the company's Board of Directors has decided to divide the company's share with a 1:1000 ratio.

As a result, the company will have a total of 1,105,479,000 shares with a nominal price of MNT 0.1 per share.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

A merger between Trade and Development Bank of Mongolia (TDBM), and Ulaanbaatar City Bank (UBCB) has been approved. TDBM accounts for 19.4% of the total assets of the banking system, has about 1,900 employees and 58 branches, while UBCB accounts for 3.8% of the total assets of the banking system, has about 400 employees and 33 branches.

Pursuant to the Company Law and the Banking Law, the Bank of Mongolia approved the merger through a reorganization of the bank on June 23, 2020. Mergers on the banking sector has has the advantage of expanding the banking operations, increasing market share and customers satisfaction, improving service quality and financial performance.

Ulaanbaatar City Bank's branches and settlement centers have merged with the Trade and Development Bank and continue to operate normally.

In international practice, the formation of a merger of banks and financial institutions is normal, and the Bank of Mongolia states that the Trade and Development Bank continues to Its operate normally.

Source: Bank of Mongolia



MACROECONOMIC NEWS

In October 2019, Mongolia made a high-level political commitment to work with the FATF and the Asia-Pacific Joint Group to establish an effective anti-money laundering and anti-terrorist financing system and eliminate related deficiencies.

In this context, the FATF online meeting of June 24, 2020 concluded that Mongolia has adequately implemented its action plan.

It also decided to conduct an on-site inspection to assess the effectiveness of the anti-money laundering and anti-terrorist financing system and to determine whether there is a political effort to ensure further implementation.

Source: Bank of Mongolia

COMMODITY MARKET NEWS

From the beginning of the year to June 28, Mongolia has exported a total of 8.5 million tons of coal worth USD 677.7 million. This is 2.1-2.2 times less compared to the same period last year.

Coking coal imports of China, a major consumer market, fell to 4.79 million tons in May, down 19% from a year earlier and 24% from a month earlier.

According to Sxcoal.com, the average price of imported coking coal reached USD 117.9 per ton, down USD 10 from a year ago and USD 16 from a month ago.

Source: BloombergTV.mn



DISCLAIMER/DISCLOSURE

This publication has been prepared on behalf of TDB Capital LLC solely for the information of its clients. It is not investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, TDB Capital LLC makes no representation that it is accurate or complete. The information herein is subject to change without notice. Because of the possibility of human or mechanical error as well as other factors such information provided "as is" without warranty of any kind and TDB Capital LLC, in particular, makes no representation or warranty, express or implied, as to accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances, TDB Capital LLC has any liability to any person or entity (-ies) for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligible or otherwise) or other circumstances or contingency within or outside the control of any of their directors, managements, officers, employees, or agents in connection with compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, loss profits) even if TDB Capital LLC is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information.