

WEEKLY MARKET UPDATE

07.13 - 07.17



GLOBAL MARKET UPDATE

U.S: The major indexes ended the week mixed. The S&P 500 Index marked its third consecutive week of gains and reached intraday levels not seen since the market sell-off began in late February; at its Wednesday peak, the index was also briefly in positive territory for the year. A shift out of higher-valuation growth shares into value stocks caused the technology-heavy Nasdaq Composite Index to pull back from its all-time highs, however. The market rotation was also evident in the outperformance of smaller-cap stocks, which have lagged considerably in recent months. Within the S&P 500, industrials shares outperformed by a wide margin, while technology stocks lost ground.

The week marked the unofficial start of the earnings season, with 32 of the S&P 500 companies scheduled to report second-quarter results, according to Refinitiv. Several major banks reported steep drops in profits as they set aside billions of dollars in anticipation of writing down bad loans, but investors seemed encouraged in some cases by gains in underwriting and trading revenues.

Europe: European shares rose over the week on reports of progress in the development of a coronavirus vaccine. The pan-European STOXX Europe 600 Index ended the week 1.6% higher. The major country indexes also climbed, with Germany's Xetra DAX up 2.26%, France's CAC 40 1.99% higher, and Italy's FTSE MIB ahead by 3.24%. The UK's FTSE 100 Index added 3%.

European Union (EU) leaders started a two-day summit Friday to discuss the proposed EUR 750 billion EU recovery fund, amid market hopes for a deal by the end of summer. The size of the fund, distribution criteria, and the proportion of grants to loans are the main areas of disagreement. The Netherlands, Sweden, Denmark, and Austria want to link loans to reforms designed to boost productivity and jobs. Italy and Spain, which were hit hard by the coronavirus, seek a simplified reform agenda and distribution of funds via grants.

Japan: Japanese stocks posted gains for the week. The Nikkei 225 Stock Average advanced 406 points (1.8%) and closed at 22,696.42. Japan's widely watched benchmark has returned -4.1% for the year-to-date period. The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, also rallied for the week.

At its policy meeting, the Bank of Japan (BoJ) decided to keep short- and long-term rates unchanged. The board voted 8-1 to stand pat on monetary policy, as expected, although it lowered its growth forecasts and cautioned that risks to economic activity and prices were skewed to the downside. The central bank believes that the economy will contract 4.7% in fiscal 2020, which ends March 31, 2021.

China: Chinese stocks slumped in a volatile trading week amid indications of economic weakness, renewed U.S. trade tensions, and profit taking following recent gains. The large-cap CSI 300 Index fell 4.4%, its biggest weekly decline since February, while the country's benchmark Shanghai Composite Index lost 5.0%. China's sovereign 10-year bond yield declined by nine basis points to 3.04% on the week through Friday. China's economy grew a better-than-expected 3.2% in the second quarter from a year earlier, reversing a historic 6.8% contraction in the first quarter, according to preliminary data from the country's statistics bureau.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,543.86	0.71% ▲
Dow Jones	USA	26,671.95	2.29% ▲
S&P 500	USA	3,224.73	1.25% ▲
Nasdaq	USA	10,503.19	-1.08% ▼
S&P/TSX	Canada	16,123.48	2.61% ▲
FTSE 100	Great Britain	6,290.30	3.20% ▲
S&P/ASX 200	Australia	6,033.60	1.93% ▲
Nikkei 225	Japan	22,696.42	1.82% ▲
Hang Seng	Hong Kong	25,089.17	-2.48% ▼

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	109.31
Mongol 2023 (Gerege)	USD	5.625%	100.74
Mongol 2022 (Chinggis)	USD	5.125%	100.15
Mongol 2021 (Mazalai)	USD	10.875%	104.36
DBM' 23 (Samurai)	JPY	1.520%	100.77
DBM' 2023	USD	7.250%	101.27
MGMTGE' 2022 (Hoelun)	USD	9.750%	90.08

Rates	Last	Change /w/
Libor 1M	0.180	0.03 ▲
Libor 3M	0.271	0.01 ▲
Libor 6M	0.334	-0.03 ▼
Libor 1YR	0.470	-0.02 ▼
US 2YR Bond	0.143	-0.13 ▼
US 3YR Bond	0.172	-0.12 ▼
US 5YR Bond	0.276	-0.10 ▼
US 10YR Bond	0.618	-0.04 ▼

Exchange rates	2020.07.17	Change /w/
USD	2,834.50	0.08% ▲
CNY	404.91	0.20% ▲
EUR	3,228.78	1.07% ▲
RUB	39.49	-0.85% ▼
KRW	2.35	-0.42% ▼
JPY	26.46	-0.19% ▼
CAD	2,086.95	0.29% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,810.42	0.65% ▲
Silver /spot/	USD/t oz.	19.33	3.24% ▲
Copper	USD/lb.	290.45	0.24% ▲
Coal	USD/MT	54.27	0.54% ▲
Crude Oil WTI	USD/bbl.	40.59	0.10% ▲
Crude Oil Brent	USD/bbl.	43.14	-0.23% ▼
Natural Gas	USD/MMBtu	1.72	-4.97% ▼

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

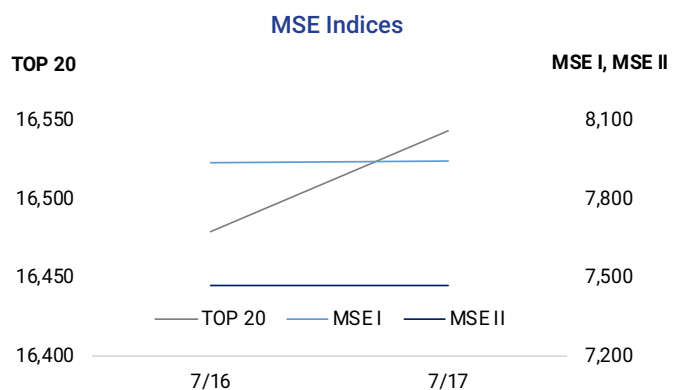
MSE TRADE UPDATE

In this week, a total of 23 companies' 287,312 shares worth MNT 70.3 million were traded in the secondary market.

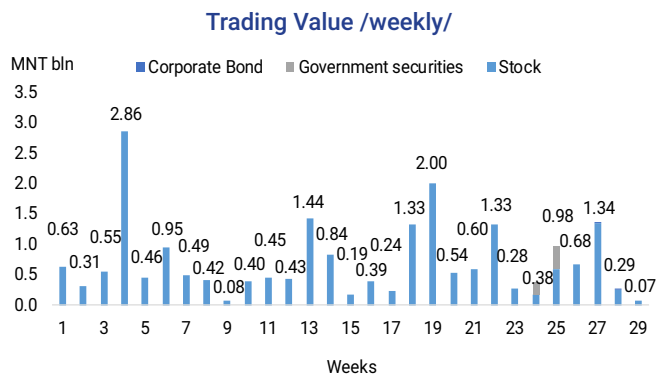
"Ard Credit NBF" /MSE: ADB/ company's shares rose 18.12 percent to MNT 71.00, while "Arig Gal" /MSE: EER/ company's share fell 13.33 percent to MNT 2,600.00.

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

As of July 17, total market capitalization of MSE is MNT 2,508.2 billion. The TOP-20 index increased by 0.71% to stand at 16,543.86 units.



Source: Mongolian Stock Exchange



Source: Mongolian Stock Exchange

Market Review	Total amount /MNT mln/
Total Value	70.29
Market Capitalization	2,508,150.18

Market Indices	Last Price	Change /w/
MSE Top 20	16,543.86	0.71% ▲
MSE I Index	7,944.61	0.01% ▲
MSE II Index	7,469.57	1.21% ▲

Actively Traded Securities	Volume	Amount/MNT/
Invescore NBF	9,107	22,913,640
Erdene Resource Development	28,629	21,522,098
Ard Credit NBF	58,902	4,097,247
Tumen Shuvuut	28,646	3,946,996
Suu	17,252	3,540,088

Securities with most growth	Last Price /MNT/	Change /w/
Ard Credit NBF	71.00	18.12% ▲
Ard Daatgal	750.00	10.29% ▲
Khukh Gan	86.90	8.63% ▲
Mongol Post	600.00	5.26% ▲
Erdene Resource Development	770.50	2.73% ▲

Securities with most decline	Last Price /MNT/	Change /w/
Arig Gal	2,600.00	-13.33% ▼
Sharyn Gol	1,200.00	-7.69% ▼
Tsagaantolgoi	1,250.00	-7.41% ▼
Tandem Invest NBF	21.50	-5.70% ▼
Gobi	190.70	-2.80% ▼

Most Active Brokerage Firms	Amount/MNT/
TDB Capital	41,973,079.60
Ard Securities	33,486,665.05
BDSec	27,557,805.20
Invescore Capital	9,232,900.00
Golomt Capital	6,079,733.64

Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	548.40	583,597
Tavan Tolgoi	5,530.00	291,239
MIK Holding	12,990.00	269,014
Invescore NBF	2,515.00	180,396
Gobi	190.70	148,767

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 June 2020, "MCSD" LLC opened 11,056 new accounts, 2,951 connection accounts.

Of these accounts, 99.9% or 11,042 accounts were of local individuals. On the other hand 6 accounts were of foreign individuals, 8 of local institutions. No foreign institutions opened accounts in June 2020.

Source: Mongolian Central Securities Depository

NEWS ON JOINT STOCK COMPANIES

"Erdene Resource Development Corporation" /MSE: ERDN, TSX: ERD/ JSC exploration news.

"Erdene Resource Development Corporation" /MSE:ERDN, TSX:ERD/ has announced drilling results from the Striker Southwest zone and exploration results for the new Dark Horse gold prospect, discovered 3.5 km north of the Bayan Khundii gold deposit, on the Bayan Khundii Gold Project.

"The results from our Q2 2020 exploration program are outstanding, with near-surface, high-grade gold intersections in all the areas targeted," said Peter Akerley, Erdene's President and CEO. "Today's results, combined with those announced recently for the new Midfield SE zone, give us three distinct new highgrade zones to target additional exploration drilling within the Bayan Khundii gold district in Q3 2020."

"At Striker SW, we intersected one metre grading 353 g/t gold within 15 metres of 29 g/t gold in an area near the periphery of the Bayan Khundii resource. Along with the results from the new Midfield SE zone announced last week, including one metre of 582 g/t gold within an intersection of 5.5 metres grading 126 g/t gold, we have expanded mineralization in areas of the Bayan Khundii resource currently classified mainly as sub-grade. We expect to incorporate these results, along with those from the planned Q3 program in an updated resource at Bayan Khundii later this year," said Mr. Akerley.

"The discovery of high-grade gold in trenches at Dark Horse reinforces our belief that this prospect is the best on-license target since the discovery of Bayan Khundii. We are preparing for a Q3 drill program to further unlock the potential of this very exciting new gold prospect," added Mr. Akerley.

Source: Mongolian Stock Exchange

"LendMN NBFI" /MSE: LEND/ JSC participation in court as a plaintiff or defendant.

The company is disclosing the following information According to Article 3.2 of the "Regulation on transparency of issuer information" approved by the Financial Regulatory Commission by Resolution No. 443 of 2015, Article 3.2.2.11 states "participation as a plaintiff or a defendant " shall be included in the "Information to be disclosed by the company periodically".

Information on "Lendmn NBFI" / MSE: LEND / JSC as a plaintiff as of June 30, 2020:

Nº	TYPE	NUMBER	VALUE
1	CONTRACT DISPUTES	419	MNT 196,650,171

These claims are pending in the Court of First Instance and have not been finally resolved.

Information on "Landmn NBFI" / MSE: LEND / JSC as a defendant as of June 30, 2020:

Nº	TYPE	NUMBER	VALUE
1	CONTRACT DISPUTES	1	MNT 12,500

The dispute is pending in the Court of First Instance and has not been finally resolved.

Source: Mongolian Stock Exchange

Report on companies that have published their semi-annual financial statements for 2020.

Pursuant to Article 20.1.6 of the "Law on Securities Market" and Article 10.3 of the "Law on Accounting", a company listed on the Mongolian Stock Exchange has the responsibility to submit its annual and semi-annual financial statements.

As of July 17, 2020, 29 companies have submitted their semi-annual reports for 2020 to the Mongolian Stock Exchange.

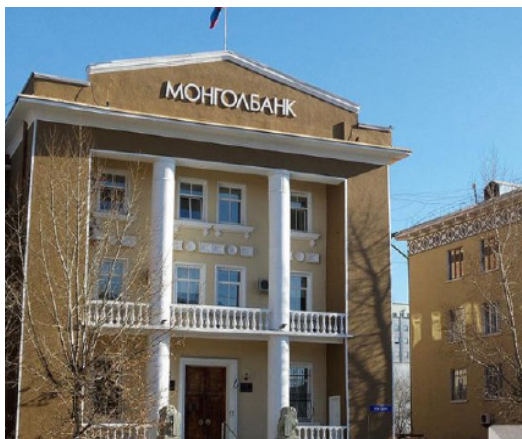
Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

The Bank of Mongolia supplied USD 82.5 million to the electronic currency trading platform at this week's foreign exchange auction. It supplied USD 33.5 million the previous week. Banks did not submit bids for swap and forward trades.

Source: Montsame.mn



MACROECONOMIC NEWS

Money supply (M2) reached MNT 21.2 trillion at the end of June 2020, an increase of MNT 966.0 billion (4.8%) from the same period of the previous year. Foreign currency deposits increased by MNT 1.4 trillion (47.1%), foreign currency current accounts by MNT 105.4 billion (4.7%) and non-depository money by MNT 39.3 billion (6.0%) affecting money supply.

M1 reached MNT 3.6 trillion at the end of June 2020, decreasing by MNT 60.2 billion (1.7%) from the previous month and by MNT 535.6 billion (13.0%) from the same period of the previous year. MNT 2.9 trillion (80.6%) of M1 is MNT current account and MNT 0.7 trillion (19.4%) is non-depository money.

Source: National Statistics Office

COMMODITY MARKET NEWS

In the first half of 2020, Mongolia traded with 135 countries, with a total foreign trade turnover of USD 5.3 billion, of which exports amounted to USD 2.8 billion and imports to USD 2.5 billion. Total external trade turnover decreased by USD 1.5 billion or 22.6% compared to the same period of the previous year, of which exports decreased by USD 1.1 billions or 28.2% and imports decreased by USD 433.7 million or 15.0%. In June 2020, exports reached USD 822.1 million and imports USD 467.7 million, increasing by USD 189.4 million or 29.9% compared to the previous month, and imports by USD 61.6 million or 15.2%, respectively.

Foreign trade balance showed a surplus of USD 1.0 billion in the first half of 2019, while in the first half of 2020 it decreased by USD 677.0 million compared to the same period of the previous year with a surplus of USD 368.2 million.

Our two neighbors make up most of total foreign trade turnover, with USD 3.0 billion trade with China accounting for 56.2% of total foreign trade turnover.

Exports to China accounted for 74.7 percent of Mongolia's total exports. Of products exported to China, 31.2 percent is accounted by Coal, and 35.1 percent by Copper concentrate. Gold accounts for 99.8 percent of exports to Switzerland, 80.2 percent of exports to Singapore, and 68.6 percent of exports to the United Kingdom.

The decrease of USD 1.1 billion in exports compared to the same period of the previous year was mainly due to decreases of USD 321.4 million in Copper concentrate exports and USD 852.7 million in Coal exports..

Source: National Statistics Office

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