

WEEKLY MARKET UPDATE

07.27 - 07.31



GLOBAL MARKET UPDATE

U.S: The major indexes ended mostly higher for the week, as investors reacted to a flood of quarterly earnings reports and some prominent economic data. Large-caps and growth stocks outperformed, putting at least a temporary end to the rotation into small-caps and value shares over the previous two weeks. Within the S&P 500 Index, real estate investment trusts fared best as longer-term bond yields fell, making their dividends more attractive in comparison. The much larger technology sector was also strong, helped by earnings beats from Apple and chipmakers AMD and Qualcomm. Energy stocks recorded the largest declines, dragged lower by Chevron and ExxonMobil following reports of steep second-quarter losses. Materials shares were also weak.

Corporate earnings were in the spotlight during the week, with 189 of the S&P 500 companies slated to post second-quarter results, according to Refinitiv. The imprint of the pandemic was clearly visible, with diversified industrial and materials companies such as 3M and Ecolab reporting sharp declines in revenues. Analysts polled by FactSet are predicting overall earnings for the S&P 500 to have declined by roughly 36% versus the year before, the biggest drop since the end of 2008. FactSet reports that more companies than usual have been beating estimates, however.

Europe: Equities in Europe fell on concerns about an economic recovery due to a resurgence in coronavirus infections, U.S.-China tensions, and disappointing company earnings. In local currency terms, the pan-European STOXX Europe 600 Index ended the week about 3.0% lower, Germany's DAX Index fell 4.1%, and France's CAC 40 slid 3.5%. The UK's FTSE 100 Index dropped 3.7%.

The German and French economies slumped in the second quarter as household spending, business investment, and exports collapsed during the coronavirus pandemic, according to preliminary data. Germany's GDP shrank by a record 10.1% quarter on quarter, and in France, where restrictions were stricter, the economy contracted 13.8%.

Japan: Stocks in Japan recorded five consecutive daily declines and the worst weekly market return since April. The Nikkei 225 Stock Average fell 1,042 points (4.6%) and closed at 21,710.00. The widely watched market benchmark has returned -8.2% for the year-to-date period. The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, also posted steep losses. The yen strengthened and ended the week below JPY 105 per U.S. dollar, which has market participants rattled as currency strength will be a headwind for exporters.

China: Mainland equity markets rallied on positive data despite elevated U.S.-China tensions and floods in the country's Yangtze River basin. The large-cap CSI 300 Index rose 4.2%, and the benchmark Shanghai Composite Index gained 3.5%, reversing the previous week's declines. A-share funds suffered outflows during the week after a correction the previous Friday, with institutional outflows outweighing retail investor inflows. Northbound Stock Connect (investments in mainland stocks by Hong Kong-based foreign investors) saw significant net outflows, especially in financial stocks.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,523.81	0.18% ▲
Dow Jones	USA	26,428.32	-0.16% ▼
S&P 500	USA	3,271.12	1.73% ▲
Nasdaq	USA	10,745.27	3.69% ▲
S&P/TSX	Canada	16,169.20	1.08% ▲
FTSE 100	Great Britain	5,897.76	-3.69% ▼
S&P/ASX 200	Australia	5,927.80	-1.60% ▼
Nikkei 225	Japan	21,710.00	-4.58% ▲
Hang Seng	Hong Kong	24,595.35	-0.45% ▼

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	110.56
Mongol 2023 (Gerege)	USD	5.625%	102.10
Mongol 2022 (Chinggis)	USD	5.125%	101.04
Mongol 2021 (Mazalai)	USD	10.875%	104.59
DBM' 23 (Samurai)	JPY	1.520%	100.79
DBM' 2023	USD	7.250%	101.96
MGMTGE' 2022 (Hoelun)	USD	9.750%	91.40

Rates	Last	Change /w/
Libor 1M	0.155	-0.10 ▼
Libor 3M	0.249	0.01 ▲
Libor 6M	0.306	-0.04 ▼
Libor 1YR	0.449	-0.02 ▼
US 2YR Bond	0.111	-0.24 ▼
US 3YR Bond	0.125	-0.25 ▼
US 5YR Bond	0.223	-0.19 ▼
US 10YR Bond	0.554	-0.06 ▼

Exchange rates	2020.07.31	Change /w/
USD	2,844.70	0.09% ▲
CNY	407.72	0.71% ▲
EUR	3,372.39	2.31% ▲
RUB	38.59	-2.77% ▼
KRW	2.39	1.27% ▲
JPY	27.18	1.57% ▲
CAD	2,120.22	0.21% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,975.86	3.88% ▲
Silver /spot/	USD/t oz.	24.39	7.13% ▲
Copper	USD/lb.	286.80	-0.85% ▼
Coal	USD/MT	53.07	-0.47% ▼
Crude Oil WTI	USD/bbl.	40.27	-2.47% ▼
Crude Oil Brent	USD/bbl.	43.30	-0.09% ▼
Natural Gas	USD/MMBtu	1.80	-0.55% ▼

Indicators	Reference	Amount
Inflation Rate	2020.VI	2.80%
Policy Rate	2020.VI	9.00%
Interbank Rate	2020.VI	8.95%
Deposit Interest Rate /MNT/	2020.VI	10.98%
Deposit Interest Rate /Foreign currency/	2020.VI	4.33%
Loan Interest Rate /MNT/	2020.VI	17.03%
Loan Interest Rate /Foreign currency/	2020.VI	10.43%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADE UPDATE

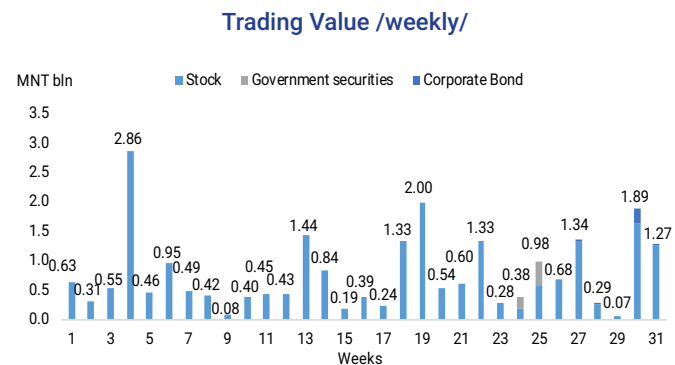
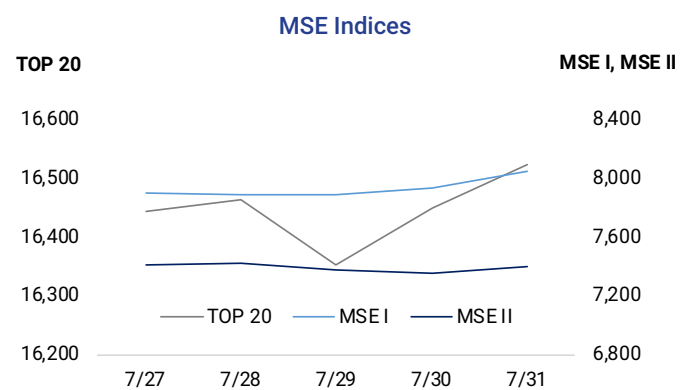
In this week, a total of 46 companies' 2,079,115 shares worth MNT 1,264.9 million were traded in the secondary market.

"Bayangol Hotel" /MSE: BNG/ company's shares rose 19.23 percent to MNT 31,000.00, while "Juulchin Duty Free" /MSE: SUL/ company's share fell 15.00 percent to MNT 67,150.00.

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

On the corporate bond market, "Lendmn NBFI" /MSE: LEND/ JSC's 13 units of securities were traded for MNT 1.3 million on the secondary market.

As of July 31, total market capitalization of MSE is MNT 2,635.2 billion. The TOP-20 index increased by 0.18% to stand at 16,523.81 units.



Market Review		Total amount /MNT mln/
Total Value		1,266.23
Market Capitalization		2,635,154.02

Market Indices	Last Price	Change /w/
MSE Top 20	16,523.81	0.18% ▲
MSE I Index	8,049.18	1.44% ▲
MSE II Index	7,395.87	-0.32% ▼

Actively Traded Securities	Volume	Amount/MNT/
Invescore NBFI	458,054	984,187,320
Erdene Resource Development	77,759	63,277,949
Bodi Insurance	421,780	45,545,134
APU	53,756	29,860,207
Ard Insurance	33,655	24,029,789

Securities with most growth	Last Price /MNT/	Change /w/
Bayangol Hotel	31,000.00	19.23% ▲
Mongol Daatgal	1,725.00	15.00% ▲
Arig Gal	2,990.00	14.96% ▲
Mongol Nekhmel	2,000.00	14.29% ▲
APU	579.99	5.73% ▲

Securities with most decline	Last Price /MNT/	Change /w/
Juulchin Duty Free	67,150.00	-15.00% ▼
Berkh Uul	600.00	-14.29% ▼
Tsagaantolgoi	1,150.00	-8.00% ▼
Tandem Invest NBFI	17.90	-7.25% ▼
Noyot Khairkhan	340.00	-6.34% ▼

Most Active Brokerage Firms	Amount/MNT/
Invescore Capital	1,938,008,875.00
BDSec	200,522,120.71
Ard Securities	138,210,060.29
TDB Capital	46,129,326.43
Standard Investment	32,209,012.13

Top 5 Companies With Largest Market Capitalization	Last Price /MNT/	Market Cap. /MNT mln/
APU	579.99	617,214.66
Tavan Tolgoi	5,520.00	290,711.90
MIK Holding	12,990.00	269,014.07
Invescore NBFI	2,535.00	181,830.27
Gobi	187.97	146,637.75

Corporate bond /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
1	LNBO-BD-19/06/21-C0008-17	5	500,000	100,000	100,000	52	17%
2	LNBO-BD-19/06/21-C0008-17	4	400,000	100,000	100,000	52	17%
3	LNBO-BD-19/06/21-C0008-17	4	400,000	100,000	100,000	52	17%

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	PAID ON 2020.05.28
2	MNDL	MANDAL DAATGAL	5,820.3	2,497.2	42.9%	4.0	2020.04.01	PAID ON 2020.06.29
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	PAID ON 2020.04.30
5	ADB	ARD CREDIT NBFI	2,369.4	1,184.7	50.0%	4.2	2020.04.08	PAID ON 2020.04.29
6	AARD	ARD FINANCIAL GROUP	715.9	1,000.0	139.7%	35.0	2020.04.07	PAID ON 2020.06.30
7	TUM	TUMEN SHUVUUT	3,232.9	960.0	29.7%	4.8	2020.04.07	PAID ON 2020.06.30
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	PAID ON 2020.07.09
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	PAID ON 2020.07.30
16	HRM	HERMES CENTRE	820.0	322.0	39.3%	4.1	2020.02.28	PAID ON 2020.04.16
17	NEH	DARKHAN NEKHII	2,327.6	230.8	9.9%	210.0	2020.02.25	FROM 2020.09.30
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	PAID ON 2020.07.03
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	PAID ON 2020.07.08
23	TAH	TAKHI KO	489.0	128.5	26.3%	108.0	2020.04.10	PAID ON 2020.05.04
24	UBH	ULAANBAATAR KHIVS	298.8	121.4	40.6%	300.0	2020.03.06	PAID ON 2020.04.17
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	PAID ON 2020.07.31
27	MCH	TELECOM MONGOLIA	62.0	25.9	41.7%	1.0	2020.04.06	PAID ON 2020.06.29
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	PAID ON 2020.07.21
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



HIGHLIGHTS

"Mongol Daatgal" /MSE: MDIC/ JSC's securities trading has been resumed starting from July 29, 2020 according to the official State Inspector's notification No: 97 of the Financial Regulatory Commission.

"Mongol Daatgal" /MSE: MDIC/ JSC's trading was suspended on July 06, 2020 due to the company's request to change its ticker from CHE to MDIC.

Source: Mongolian Stock Exchange

NEWS ON JOINT STOCK COMPANIES

"Ard Insurance" /MSE: AIC/ JSC presents its 2020 semi-annual report at the MSE.

"Ard Insurance" /MSE: AIC/ JSC, a company listed on tier I of the MSE, presented its semi-annual financial and operational report on July 29th, 2020 at the MSE. During the reporting period:

- The company's total assets reached MNT 23.6 billion, which showed an increase of MNT 1.7 billion or 7.8 percent compared to the previous year;
- The company's total income from insurance commission reached MNT 7.7 billion and the net commission income increased by 32.7 percent.
- The company's net income reached MNT 585 million which is a decrease of 57 percent compared to the same period of the previous year.
- The company has paid a total dividend of MNT 850 million to its shareholders from the net income of 2019.

Source: Mongolian Stock Exchange

"Ard Credit NBFI" /MSE: ADB/ JSC presents its 2020 semi-annual report at the MSE.

"Ard Credit NBFI" /MSE: ADB/ JSC, a company listed on tier II of the MSE, presented its semi-annual financial and operational report on July 29th, 2020 at the MSE.

During the reporting period the "Ard Credit NBFI" /MSE: ADB/ JSC's total operating income reached MNT 4 billion resulting in a net income of MNT 548.8 million. The highlights of the report:

- The company's total assets reached MNT 24.5 billion, which is an increase of MNT 5.9 billion or 31.8 percent compared to the previous year.
- The net loan portfolio reached MNT 19.8 billion which showed an increase of MNT 6.8 billion or 52 percent compared to the previous year.

- The Bank of Mongolia granted the digital currency license to "Ard Credit NBFI" /MSE: ADB/ JSC and the Company started to grant e-loans to individuals from the rural areas.
- "Ard Credit NBFI" JSC successfully repaid the loan it took from the Crowd Credit Fund of Japan.

Source: Mongolian Stock Exchange

"Ard Financial Group" /MSE: AARD/ JSC presents its 2020 semi-annual report to public at the MSE.

"Ard Financial Group" /MSE: AARD/ JSC, a company listed on tier II of the MSE, presented its semi-annual financial and operational report on July 29th, 2020 at the MSE.

During the reporting period, "Ard Financial Group" /MSE: AARD/ JSC has made a net profit of MNT 777.9 million with the following highlights:

- The company's total assets reached MNT 73.3 billion, which is an increase of MNT 200 million or 1 percent compared to the previous year.
- Net income reached MNT 777.9 million, which was mostly driven by the increase of investment income.
- The company developed the "Ard App 3.0" which helped to provide more developed services to its customers. It also successfully ran the campaigns such as "Investor Nation in the Europe" and the "Children with shares- Future investors".
- In accordance with the FRC's approval on establishing the closed-end mutual fund, 'Ard Management' LLC is working on setting up the "National Privatization Fund" by the end of this year to raise proceeds from public. This fund would be the first public investment fund in Mongolia.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

The 5th Annual Meeting of Asian Infrastructure Investment Bank was held on July 28 and Minister of Finance Ch.Khurelbaatar took part in the meeting, representing Mongolia. The meeting, where the delegates from 82 countries convened virtually was opened with the address delivered by President of the People's Republic of China Xi Jinping.

Participants in the meeting had a discussion on the current state of macroeconomics in Asia and the support and assistance provided by the bank to the member countries in response to the COVID-19 pandemic, as well as the Bank's medium and long-term action plans. Mongolia is one of the 52 founding countries of the bank. Since its establishment in 2016, AIIB has grown to 102 members from around the world.

Source: Montsame.mn

MACROECONOMIC NEWS



With the aim of supporting Mongolia's fight against COVID-19 pandemic, the Asian Development Bank (ADB) has granted non-refundable aid of USD 1 million to Mongolia.

An additional aid of USD 1.5 million will be provided to Mongolia, confirms ADB Country Director for Mongolia Mr. Pavit Ramachandran during his meeting with Minister of Health T.Munkhsaikhan.

Mr. Pavit Ramachandran said that the aid will be allocated from the Asia-Pacific Disaster Response Fund to promote the activities of Mongolia's healthcare sector.

At the meeting, the Health Minister noted that more attention will be given on accelerating the transportation of medical equipment for a model hospital built in Songinokhairkhan District of Ulaanbaatar city and training of its workforce as well as on getting the hospital commissioned in a timely manner within the framework of the Mongolia-ADB joint Fourth Health Sector Development Project.

Source: Montsame.mn

COMMODITY MARKET NEWS

Minister of Food, Agriculture and Light Industry Z.Mendsaikhan met on July 29, with the delegation of the Asian Development Bank headed by Country Director for Mongolia, Mr. Pavit Ramachandran.

Mr. Pavit Ramachandran emphasized that the agricultural sector is a promising sector to diversify the Mongolian economy and raise employment and income. He continued "ADB has implemented a number of projects in the food, agriculture and light industry sectors of Mongolia. In the coming years, we plan to focus on supporting small local businesses and introducing climate-resistant livestock and scientific advances into herders' lives".

After noting the Government of Mongolia's efforts on the production of value-added products in the agricultural sector and agricultural commercialization, Minister Z.Mendsaikhan expressed his intention to intensify cooperation with ADB and support the further development of industrial parks, supply of agricultural raw materials, and establishment of a storage and protection system.

Source: Montsame.mn

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