

# WEEKLY MARKET UPDATE

08.03 - 08.07



## GLOBAL MARKET UPDATE

**U.S:** Stocks recorded solid gains for the week, pushing the technology-heavy Nasdaq Composite Index to new highs and lifting the S&P 500 to within roughly 1.2% of its February record peak. The small-cap Russell 2000 Index outperformed by a wide margin, helping it recover some of its lost ground for the year to date. Industrials shares benefited from hopes for new aid to airlines, while health care stocks lagged. It was the last major week of the earnings season, with 132 S&P 500 companies scheduled to report second-quarter results, according to Refinitiv.

Stocks drifted higher through much of the week, although T. Rowe Price traders noted that catalysts for the move were perhaps harder to identify than usual, and trading was subdued relative to recent months. The week's busy economic calendar appeared to play some part in supporting sentiment. Manufacturing signals remained encouraging, with July factory orders rising more than expected and the Institute for Supply Management's gauge of factory activity surprising on the upside to reach its highest level since early 2019. The Institute's services sector gauge also came in better than expected.

**Europe:** European shares rose on signs that an economic recovery may be gaining traction and hopes for more U.S. stimulus. However, escalating tensions between the U.S. and China and fears that Europe could suffer a resurgence of coronavirus cases curbed equity markets' gains. In local currency terms, the pan-European STOXX Europe 600 Index ended the week 2.03% higher, Germany's Xetra DAX Index rose 2.94%, France's CAC 40 gained 2.21%, and Italy's FTSE MIB climbed 2.22%. The UK's FTSE 100 Index advanced 2.28%.

Eurozone business activity strengthened in July, signaling the fastest growth rate in two years, according to final data based on surveys. The composite index, which combines manufacturing and services output, rose six points to 54.9. However, firms operated with considerable spare capacity and continued to shrink their headcounts. German industrial production continued to recover in June, rising 8.9% on the month, compared with 7.4% in May. On a year-over-year basis, the country's industrial output declined 11.5%

**Japan:** Following a steep decline at the end of July, Japanese stocks rallied in the first week of August. The Nikkei 225 Stock Average advanced 620 points (2.9%) and closed at 22,329.94. The widely watched market benchmark has returned -5.6% 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 strong gains. The yen was little changed over the week and remained below JPY 106 per U.S. dollar.

**China:** Mainland Chinese markets rallied after data lifted confidence in the economic recovery. The large-cap CSI 300 Index and benchmark Shanghai Composite Index each posted solid gains, even after declining on Friday on news that the Trump administration tightened restrictions on Chinese social media networks TikTok and WeChat in the U.S. In another sign of the growing tech rift between the U.S. and China, San Jose-based video conferencing company Zoom, which gained popularity during the pandemic, said that it would halt direct sales to China and only provide video conferencing services through third-party partners.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	16,403.43	-0.73% ▼
Dow Jones	USA	27,433.48	3.80% ▲
S&P 500	USA	3,351.28	2.45% ▲
Nasdaq	USA	11,010.98	2.47% ▲
S&P/TSX	Canada	16,544.48	2.32% ▲
FTSE 100	Great Britain	6,032.18	2.28% ▲
S&P/ASX 200	Australia	6,004.80	1.30% ▲
Nikkei 225	Japan	22,329.94	2.86% ▲
Hang Seng	Hong Kong	24,531.62	-0.26% ▼

Bond	Currency	Coupon	Last price
Mongol 2024 (Khuraldai)	USD	8.750%	111.43
Mongol 2023 (Gerege)	USD	5.625%	102.57
Mongol 2022 (Chinggis)	USD	5.125%	101.59
Mongol 2021 (Mazalai)	USD	10.875%	104.63
DBM' 23 (Samurai)	JPY	1.520%	100.71
DBM' 2023	USD	7.250%	103.30
MGMTGE' 2022 (Hoelun)	USD	9.750%	96.33

Rates	Last	Change /w/
Libor 1M	0.163	0.05 ▲
Libor 3M	0.253	0.02 ▲
Libor 6M	0.309	0.01 ▲
Libor 1YR	0.449	0.00 ▲
US 2YR Bond	0.129	0.16 ▲
US 3YR Bond	0.141	0.13 ▲
US 5YR Bond	0.231	0.03 ▲
US 10YR Bond	0.564	0.02 ▲

Exchange rates	2020.08.07	Change /w/
USD	2,846.32	0.06% ▲
CNY	408.89	0.29% ▲
EUR	3,370.33	-0.06% ▼
RUB	38.72	0.34% ▲
KRW	2.4	0.42% ▲
JPY	26.96	-0.81% ▼
CAD	2,133.67	0.63% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	2,035.55	3.02% ▲
Silver /spot/	USD/t oz.	28.30	16.04% ▲
Copper	USD/lb.	279.25	-2.63% ▼
Coal	USD/MT	56.27	6.03% ▲
Crude Oil WTI	USD/bbl.	41.22	2.36% ▲
Crude Oil Brent	USD/bbl.	44.40	2.54% ▲
Natural Gas	USD/MMBtu	2.24	24.44% ▲

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

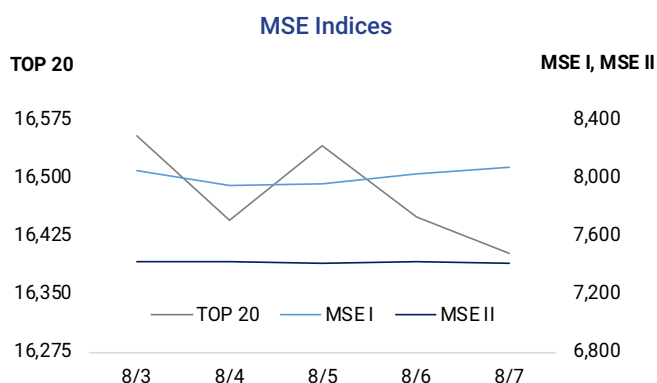
In this week, a total of 45 companies' 1,031,280 shares worth MNT 444.0 million were traded in the secondary market.

"Standart Agriculture Group" /MSE: SOH/ company's shares rose 9.09 percent to MNT 60.00, while "Darkhan Nekhii" /MSE: NEH/ company's share fell 29.80 percent to MNT 14.93.

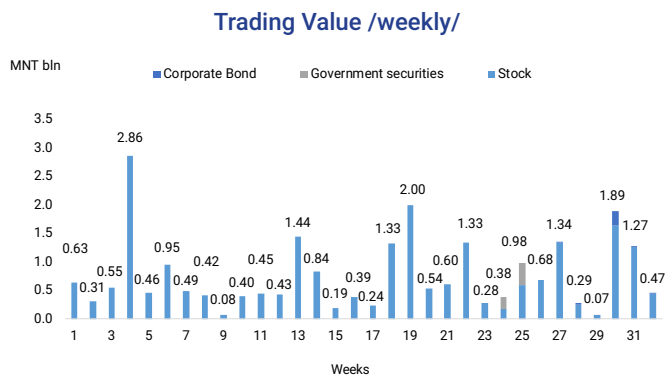
No government securities were traded on the primary and secondary market during this week.

On the corporate bond market, "Lendmn NBF1" /MSE: LEND/ JSC's 214 units of securities were traded for MNT 21.4 million on the secondary market.

As of August 7, total market capitalization of MSE is MNT 2,514.4 billion. The TOP-20 index decreased by 0.73% to stand at 16,403.43 units.



Source: Mongolian Stock Exchange



Source: Mongolian Stock Exchange

Market Review		Total amount /MNT mln/	
Total Value		465.4	
Market Capitalization		2,514,411.0	
Market Indices		Last Price	Change /w/
MSE Top 20	16,403.43	-0.73%	▼
MSE I Index	8,069.96	0.26%	▲
MSE II Index	7,409.07	0.18%	▲
Actively Traded Securities		Volume	Amount/MNT/
Invescore NBF1	96,428	250,037,804	
Erdene Resource Development	50,439	49,684,026	
Gobi	156,354	29,912,473	
APU	43,339	23,977,151	
Tavan Tolgoi	3,357	18,368,870	
Securities with most growth		Last Price /MNT/	Change /w/
Standart Agriculture Group	60.00	9.09%	▲
UB-BUK	440.00	8.91%	▲
Noyot Khairkhan	363.00	6.76%	▲
Bayangol Hotel	32,800.00	5.80%	▲
Mongol Nekhmel	2,100.00	5.00%	▲
Securities with most decline		Last Price /MNT/	Change /w/
Darkhan Nekhii	14.93	-29.80%	▼
Sor	650.00	-13.33%	▼
Darkhan Khuvun	7,985.00	-13.20%	▼
Khusvgul Altanduulga	600.00	-13.04%	▼
BDSec	841.00	-11.47%	▼
Most Active Brokerage Firms		Amount/MNT/	
Invescore Capital	518,525,822		
BDSec	89,421,543		
TDB Capital	50,334,044		
Standard Investment	48,003,530		
MIBG	30,413,341		
Top 5 Companies With Largest Market Capitalization		Last Price /MNT/	Market Cap. /MNT mln/
APU	547.00	582,107.31	
Tavan Tolgoi	5,500.00	289,658.60	
MIK Holding	12,990.00	269,014.07	
Invescore NBF1	2,600.00	186,492.59	
Gobi	191.57	149,446.15	

### 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	214	21,396,000	100,000	98,000	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	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

"Darkhan Nekhii" /MSE: NEH/ JSC's securities trading has been resumed starting from August 08, 2020 according to the official State Inspector's notification No: 99 of the Financial Regulatory Commission.

According to the official notification No: 96 of July 8, 2020 by of the FRC's State Inspector, "Darkhan Nekhii" /MSE: NEH/ JSC's trading was halted due to the listing amendment of a stock split of 1000-for-1.

Source: Mongolian Stock Exchange

## NEWS ON JOINT STOCK COMPANIES

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

In relation to the fire damage occurred at the the building of "Ulsyn Ikh Delguur" /MSE: UID/ JSC on June 7, 2020, the General Police Department of Mongolia has issued the investigation report on the case.

The report concluded that the employees of the "ITN" LLC, who was fixing the roof of the building, caused the fire due to the failure of operational safety. The investigation is being continued to determine the loss incurred by the "Ulsyn Ikh Delguur" /MSE: UID/ JSC and its rentees.

As the financial capacity of the "Ulsyn Ikh Delguur" /MSE: UID/ JSC to get over the fire damages is low, it was provided with financial and human supports by the Nomin Insurance LLC and its affiliates and reopened its ground and first floor of the building starting from July 03, 2020.

Moreover, we have been informed that the issuer was insured by the real estate insurance while the rentees of the building were insured by the inventory insurance according to the rental agreement.

Source: Mongolian Stock Exchange

### Attention to the shareholders of "MIK Holding" /MSE: MIK/ JSC.

In accordance with Bank of Mongolia's decision of approving the merger between Trade and Development Bank of Mongolia and Ulaanbaatar City Bank on June 23rd, 10 percent or 2,070,912 shares of "MIK Holding" JSC /MSE:MIK/ have been transferred to TDBM from UBCB.

Consequently, TDBM's ownership in "MIK Holding" JSC /MSE:MIK/ has reached 19.99 percent.

Source: Mongolian Stock Exchange



### "Bodi Insurance" /MSE: BODI/ JSC to hold extraordinary shareholders' meeting.

In accordance with the Board Resolution No.20/04 of July 24, 2020 of "Bodi Insurance" JSC, the Extraordinary Shareholders' Meeting of "Bodi Insurance" /MSE: BODI/ JSC shall be held on September 9, 2020 at 11 am.

Date of the meeting: September 9, 2020 at 11 am

Record date: August 17, 2020

Venue: Novotel Hotel Ulaanbaatar, 4th floor, Baga toiruu 14201, Khoroo 6, Sukhbaatsr district, Ulaanbaatar

Agenda of the meeting:

- To discuss semi-annual operational and financial report of the Company;
- To introduce the business plan for the second half of 2020;
- To approve the Company's charter;
- To elect independent members of the Board of Directors; and
- To approve budget of the Board of Directors.

Contact number: 70110280

Source: Mongolian Stock Exchange

## OTHER NEWS

### HIGHLIGHTS

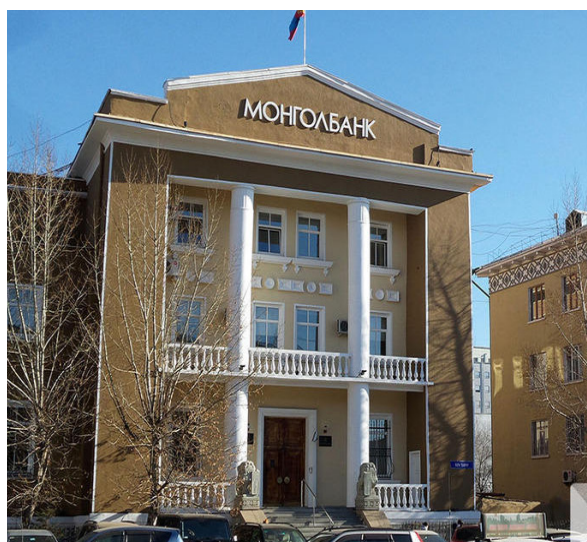
The bilateral currency swap agreement between the Bank of Mongolia and the People's Bank of China has been successfully renewed on July 31 for another 3 years until 2023.

Until its recent renewal, the agreement was established between the banks with the currency swap amount of CNY 15 billion or MNT 6 trillion to support trade and economic cooperation between the two countries.

Source: Bank of Mongolia



### MACROECONOMIC NEWS



The Monetary Policy Committee held an unscheduled meeting on 7th of August 2020. The Committee decided to prolong the implementation of restructuring and extending the maturity on consumer loans for lenders experiencing difficulties in their loan repayments due to the current economic circumstances by 31st of December 2020.

This is a continuation of the decision made by the Committee on 13th of April 2020. Under this decision, lending contracts of around 76 thousand borrowers have been amended for issuance of consumer loans amounting to 663 billion MNT. This measure has been providing support to alleviate the extent of economic contraction by easing negative impact on household consumption and financial burden on borrowers related to the pandemic and ensuring stability of the banking system.

Extracts of the meeting minutes will be released in two weeks on the Bank of Mongolia's official website.

Source: Bank of Mongolia

### COMMODITY MARKET NEWS

In July 2020, the precious metal purchase of the Bank of Mongolia (BoM) was 2.2 tons, raising the BoM's total precious metal purchase of 2020 to 13 tons, of which 11.3 tons were gold and 1.7 tons were silver. It means the amount of precious metal purchase increased by 5.5 tons compared with the same period of previous year.

In July, the BoM branches in Darkhan-Uul and Bayankhongor aimags bought 81.7 kg and 169 kg of precious metals respectively. The average price of BoM's purchase of 1 gram of gold was MNT 167,504.44 in July.

Source: Bank of Mongolia



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