

August 4th 2014

Mongolia Investors Cockpit

Monthly Report



MSE Top 20 Index, 1 year performance

15,819.21 +10.96% YOY



MSE Top 20 Stocks

(Share Price, Monthly performances)

Company name	4-Jul	4-Aug	%
Shivee Ovoo JSC (SHV)	5,300	6,100	15.1%
Suu JSC (SUU)	110,000	126,500	15.0%
Silikat JTB (SIL)	225	250	11.1%
Bayangol ZB JSC (BNG)	53,000	58,000	9.4%
Baganuur JSC (BAN)	3,500	3,800	8.6%
Shariin Gol JSC (SHG)	6,500	7,020	8.0%
APU JSC (APU)	3,630	3,910	7.7%
Telecom Mongolia JSC (MCH)	1,460	1,550	6.2%
Talkh Chikher JSC (TCK)	19,000	19,800	4.2%
Mongol Shiltgeen JSC (MSH)	896	919	2.6%
Genco tour bureau JSC (JTB)	87	89	2.3%
Gobi JSC (GOV)	7,850	8,000	1.9%
Khukh gan JSC (HGN)	110	110	0.0%
Tavantolgoi JSC (TTL)	4,998	4,808	-3.8%
Remicon JSC (RMC)	158	150	-5.1%
Mongolia Development Resources (MDR)	699	650	-7.0%
State Department Store JSC (UID)	591.5	550	-7.0%
Mogoin Gol JSC (BDL)	15,000	13,500	-10.0%
Ulaanbaatar ZB JSC (ULN)	120,000	100,000	-16.7%
BDSEc JSC (BDS)	2,675	2,200	-17.8%

Source: MSE

Mongolia in the global context

Index	YOY perf.	YTD perf.
DJIA (US)	+7.82%	+0.77%
Nikkei 225 (JP)	+8.98%	-3.94%
Hang Seng (HK)	+15.45%	+8.87%
DAX 30 (DE)	+9.55%	-3.58%
SMI (CH)	+7.96%	+4.72%
MSE20	+10.96%	-3.33%

Source: Bloomberg

Foreign Exchange Rates

(Monthly performances)

USD-MNT	1,867.78	+2.19%
JPY - MNT	18.14	+0.61%
EUR-MNT	2,499.37	+1.23%
CHF-MNT	2,053.52	+0.52%

Source: Mongol Bank

July Trading

Total trading on the MSE was 831 million MNT including block trade of SIL 489 million MNT. This was 1.48 times more than during the same period in 2013. It was also less than 4 billion trading last month. Less trading caused of Naadam holidays became five days and summer holidays. Out of the MSE TOP 20 BDS shares fell the most (-17.8%) and SHV rose the highest (+15.1%).

New MSE Listing rule approved

After Angar Davaasuren became the new CEO some work has been done. One of them New MSE Listing rules was approved on June 30 by MSE Board of directors and certificated by FRC on July 24. Most important changes are: Listing procedure for MSE period became only max 35 work days after approval from FRC and listing cost has been decreased. Listing companies will divided into 3 groups. In group I: companies with stable 3 past years sales income of at least 10 bln MNT, in group II: companies with stable 2 years past track record and In group III group new projects and small and medium enterprises which have a higher risk and mining companies which have exploration and mining licenses.

New MSE ALL pilot index has been started

MSE has started the MSE ALL pilot index on 28 July and it includes 221 companies trading reports. This index is different from MSE top-20 index and it is improved in the way that it is balancing out the effect of companies which have large market capitalization and small amount of trading to the index. The new index was created with Footsie.

Futures and international custodian to be introduced

During a meeting with the new CEO of MSE our analyst has learned that the MSE will introduce commodity futures and an international custodian later this year. Both are good news and we hope for increased liquidity on the MSE.

Listed Companies:

Additional shares of BDSEc JSC /BDS/

The FRC approved the issuance of 6 million additional shares of BDS on 7 July 2014. Shares outstanding: 11,000,000, The rights issue size: 35.29% of company. Record date for exercising the rights of date is 03 march 2014. That share owners have preemptive right and exercising price is 1,931 MNT per share. End of the rights exercise period is 26 August 2014. 04 Aug price is 2,200 MNT. Please contact to your broker if you want to exercise your rights. You can find from [here](#) the Mongolian prospectus of BDS additional shares.

Important financial numbers of some JSC from half of 2014 financial report

#	Symbol	Total assets		Sales income,		Net Profit/Loss,		EPS		P/E		P/B	
		Thous MNT	Return %	Thous MNT	Return %	Thous MNT	Return %	Return %	Return %	Return %	Return %		
1	APP	782,964	-59%	-	-100%	(56,226)	-16%	(16)	-92%	(154.97)	20%	312.28	305%
2	OLL	334,786	-34%	64,602	-37%	(41,188)	305%	(4)	305%	(28.50)	-79%	156.16	867%
3	MSC	683,704	no	2,890	no	(20,331)	no	(1)	no	(1,950.68)	no	91.48	no
5	BUK	20,148,263	41%	2,020,636	-8%	(822,315)	429%	(729)	429%	(54.88)	-62%	22.70	115%
6	MNB	188,595	no	-	no	-	no	-	no	-	no	12.46	no
7	SOI	810,640	59%	705,831	132%	1,601	-101%	3	-101%	1,480.98	-7608%	10.52	-65%
8	SHV	88,856,860	4%	16,066,016	4%	(3,286,152)	92%	(245)	92%	(22.46)	-64%	8.45	6%
9	BDL	2,798,712	-5%	421,236	12%	(7,195)	-93%	(9)	-93%	(1,556.64)	998%	7.91	-24%
10	GTJ	491,468	no	16,470	no	900	no	2	no	2,734.98	no	7.27	no
11	HBO	9,655,054	no	242,707	no	221,319	no	24	no	17.52	no	7.12	no
12	TAH	1,906,080	7%	729,955	59%	19,092	-82%	16	-82%	685.62	776%	6.94	46%
13	SUL	1,104,874	24%	1,072,807	14%	306,339	45%	4,687	45%	9.46	-7%	5.12	12%
14	MUDX	701,794	25%	-	no	-	-100%	-	-100%	no	no	4.50	-29%
15	APU	260,087,655	23%	92,678,974	-2%	(17,305,813)	-243%	(233)	-243%	(16.67)	-175%	4.23	46%
16	GTL	5,457,097	1%	11,677	-69%	690,498	331%	427	331%	29.37	-52%	3.95	113%
17	HGN	19,802,523	no	198,117	no	(816,377)	no	(8)	no	(14.77)	no	3.91	no
18	BDS	9,321,020	-3%	1,121,634	144%	(409,435)	18%	(37)	18%	(59.11)	-42%	2.90	-23%
19	VIK	179,738	10%	-	no	(3,518)	-77%	(17)	-77%	(97.88)	574%	2.33	47%
20	ULN	15,044,468	23%	2,739,756	5%	1,174,204	16%	3,502	16%	28.56	-21%	2.32	-26%
21	SUU	37,766,891	17%	20,086,178	18%	947,494	-55%	2,754	-55%	45.93	253%	2.32	9%
22	TAV	1,368,324	1%	347,469	-59%	5,461	-87%	48	-87%	441.22	273%	2.30	-51%
23	SHG	63,421,980	44%	8,324,257	-11%	(4,706,716)	227%	(460)	227%	(15.87)	-73%	2.30	-4%
24	HRM	8,584,366	3%	609,272	2%	480,103	73%	6	73%	27.81	-11%	2.21	49%
25	MIB	4,662,468	no	1,250,327	no	48,174	no	3	no	88.94	no	2.10	no
26	AHH	398,454	-3%	-	-100%	(8,194)	59%	(3)	59%	(66.98)	-37%	2.06	-5%
27	UYN	1,669,101	0%	-	no	(2,934)	419%	(1)	419%	(1,105.10)	-77%	2.01	19%
28	NKT	3,289,136	61%	86,769	no	(237,176)	419%	(19)	419%	(14.62)	-74%	1.80	5%
29	ATR	8,716,314	12%	5,820,863	-25%	129,465	222%	743	222%	87.43	-60%	1.73	28%
30	BAZ	36,300	-4%	-	no	(1,708)	15%	(21)	15%	(28.09)	no	1.67	no
31	ZOO	2,490,790	45%	402,324	71%	167,358	43%	45	43%	23.33	-30%	1.64	-32%
32	NXE	9,272,206	55%	319,630	42%	256	-103%	0	-103%	9,070.50	-2764%	1.48	-27%
33	GOV	99,551,764	39%	18,040,705	41%	2,432,277	216%	312	216%	25.66	-49%	1.40	32%
34	MRX	6,192,003	no	-	no	(178,479)	no	(3)	no	(40.79)	no	1.21	no
35	GFG	125,746	-1%	-	no	(1,471)	-4%	(4)	-4%	(99.22)	140%	1.16	134%
36	DAZ	196,431	5%	266,497	24%	(13,716)	-825%	(183)	-825%	(14.09)	no	1.11	no
37	JTB	9,676,260	-2%	1,214,747	-22%	(38,030)	-188%	(0)	-188%	(223.74)	-214%	1.05	5%
38	ETR	6,529,608	no	2,206,606	no	70,015	no	2	no	65.82	no	0.92	no
39	TUS	2,523,265	4%	208,547	81%	(62,765)	-1511%	(144)	-1511%	(22.16)	-114%	0.90	106%
40	BNG	37,191,585	no	2,743,747	no	1,186,963	no	2,806	no	20.67	no	0.81	no
41	MDR	16,765,640	-7%	394,893	28%	(173,382)	-187%	(13)	-187%	(54.72)	-191%	0.62	-20%
42	TLP	21,978	13%	72,640	19%	900	-17%	3	-17%	14.93	no	0.61	no
43	TEX	17,411,807	10%	18,773,115	38%	521,259	-15%	360	-15%	1.93	no	0.15	no
44	BOE	1,876,116	0%	1,515,209	17%	2,901	-188%	5	-188%	79.92	-214%	0.15	11%
45	HRD	11,094,129	-4%	1,280,222	544%	5,792	167%	43	167%	28.56	-62%	0.06	-11%
46	NRS	1,424,780	no	405,932	no	(35,446)	no	(192)	no	(0.53)	no	0.04	no
47	BAJ	10,974	0%	-	no	-	no	-	no	-	no	0.02	no
48	SUN	2,794,247	0%	372,266	0%	5,034	0%	2	0%	8.12	0%	0.02	0%
49	MMH	1,484,032	-26%	223,965	-72%	9,980	-84%	172	-84%	0.72	no	0.01	no
50	DGS	82,106,043	no	41,820,812	no	1,308,803	no	4	no	-	no	-	no
51	DKS	13,271,840	no	7,185,860	no	(185,474)	no	(10)	no	-	no	-	no
52	DSD	407,879,351	no	89,629,068	no	(436,130)	no	(1)	no	-	no	-	no
53	DZG	1,156,947	1%	192,638	16%	10,737	-1109%	120	-1109%	-	-100%	-	-100%
54	DZS	10,148,168	no	651,216	no	(937,136)	no	(12)	no	-	no	-	no
55	HBJ	9,041,960	no	1,614,826	no	(685,938)	no	(37)	no	-	no	-	no

56	HBZ	147,602	no	-	no	(666)	no	(13)	no	-	no	-	no
57	MTZ	437,813,937	no	1,059,568	no	(5,995,189)	no	(29)	no	-	no	-	no
58	UDS	116,731,772	no	39,968,116	no	3,083,148	no	20	no	-	no	-	no
59	UTS	113,408,469	no	101,451,078	no	(2,327,777)	no	(56)	no	-	no	-	no
60	DSH	1,597,074	no	784,265	no	(93,503)	no	(5)	no	-	no	-	no
61	DMA	11,170	no	-	no	-	no	-	no	no	no	-	no
62	SDT	264,491	no	-	no	(83,025)	no	(2,082)	no	(0.03)	no	(0.02)	no
63	HML	6,692,935	44610%	3,237,294	no	(46,676)	246%	(435)	246%	(0.52)	1%	(0.03)	-97%
64	TAL	654,818	-2%	126,483	92%	2,898	-105%	4	-105%	2.87	no	(0.07)	no
65	AMT	-	-100%	-	no	-	-100%	-	-100%	-	-100%	(0.99)	-2111%
66	BAN	96,261,365	-9%	41,136,460	4%	(7,590,304)	3601%	(362)	3601%	(10.50)	-98%	(1.38)	-40%
67	BSKY	35,724	-45%	4,730	217%	(23,477)	-10%	(268)	-10%	(11.09)	30%	(4.13)	-85%
68	BEU	22,188,265	1746%	303,313	97%	(2,074,604)	48%	(109)	48%	(44.43)	-22%	(9.83)	-35%
69	HAM	45,582	0%	-	no	(4,789)	6%	(96)	6%	(45.00)	-31%	(50.02)	-108%
70	BNB	54,246	no	4,319	no	(1,151)	no	(4)	no	(162.59)	no	(166.96)	no
71	HHN	4,920,589	21%	15,654	11%	(65,580)	4%	(122)	4%	(12.34)	106%	(598.44)	-25110%

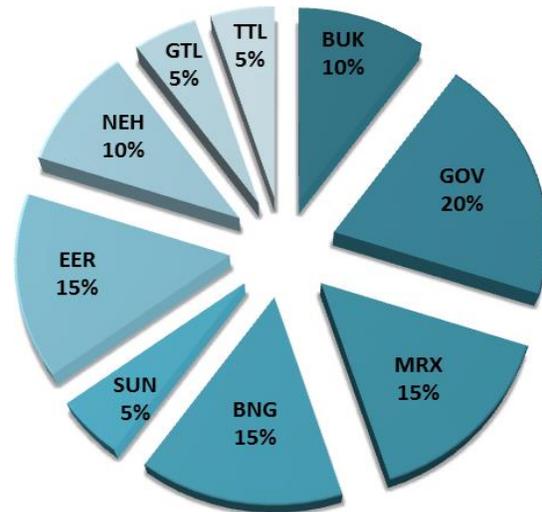
1. "no" is the not defined numbers

2. "Returns,%" are calculated from difference of half year of 2013 and 2014

3. Source: MSE

Standard Investment MSE Portfolios

We made portfolio from companies which have a low P/B ratio and futures plans. And this portfolio would work in long term.



We made portfolio from companies which have a low P/B ratio and futures plans. And this portfolio would work in long term.

For further information please contact chimgee@standardinvestment.mn

Global Network Contacts

MONGOLIA

Standard Investment LLC
Head office
Jigjidjav's Street 5/3
Khoroo 1, Chingeltei District
Ulaanbaatar, Mongolia
Postal address:
POB 1487, Central Post Office
Ulaanbaatar 15160
T +976 7011 3344
info@standardinvestment.mn

EUROPE & MIDDLE EAST

Standard Investment LLC
Representative Office
Switzerland
Bahnhofstrasse 98, 4th Floor
8001 Zurich
T +41 44 500 3220
europe@standardinvestment.mn

HONG KONG

Standard Investment Co. Ltd.
Hong Kong Branch
21st Floor, Fairmont House,
8 Cotton Tree Drive, Central
Hong Kong
T +852 61030227
hk@standardinvestment.mn

Disclosures and Important Information

The information and opinions were prepared by Standard Investment LLC, and/or its affiliates (collectively, "Standard Investment").

Analyst Certification

As to each company mentioned in this report, the respective primary research analyst or analysts covering that company hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct compensation in exchange for expressing specific recommendations or views in this specific report.

Market Research Conflict Management Policy

The equity research analysts or strategists principally responsible for the preparation of Standard Investment's market research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

The fixed income research analysts or strategists principally responsible for the preparation have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts' or strategists' compensation is not linked to investment banking or capital markets transactions performed by Standard Investment or the profitability or revenues of particular trading desks.

Standard Investment and its affiliates and/or sister companies (part of the Standard Group) do business that relates to companies/instruments covered in Standard Investment's research publications, including market making, providing liquidity and specialized trading, risk arbitrage and other proprietary trading, fund management, investment services and investment banking. Standard Investment sells to and buys from customers the securities/instruments of companies covered in our research publications on a principal basis. Standard Investment's may have a position in the debt of the Company or instruments discussed in this report.

INVESTORS ACT ON THEIR OWN RISK. THIS IS NOT AN OFFER TO BUY OR SELL OR THE SOLICITATION OF AN OFFER TO BUY OR SELL ANY SECURITY/INSTRUMENT OR TO PARTICIPATE IN ANY PARTICULAR TRADING STRATEGY.

ALL INFORMATION IN THIS REPORT IS FOR GENERAL INFORMATION ONLY. THE INFORMATION IS DERIVED FROM SOURCES WHICH THE COMPANY BELIEVES TO BE RELIABLE AND PREPARED IN GOOD FAITH. STANDARD INVESTMENT LLC MAKES NO GUARANTEE OF ACCURACY, TIMELINESS AND COMPLETENESS OF THE INFORMATION. NEITHER STANDARD INVESTMENT NOR ITS AFFILIATES SHALL BE LIABLE FOR ANY DAMAGES ARISING OUT OF ANY PERSON'S RELIANCE UPON THIS REPORT.

IT IS NOT ALLOWED TO COPY, REPRODUCE AND/OR DISTRIBUTE PARTS OF THIS RESEARCH REPORT (OR THE WHOLE CONTENT) TO THIRD PARTIES WITHOUT THE WRITTEN CONSENT OF STANDARD INVESTMENT LLC.

© 2014 Standard Investment LLC – "Mongolia Investors Cockpit" is a service mark of Standard Investment LLC.