

January 3<sup>rd</sup> 2014

# Mongolia Investors Cockpit

## Monthly Report

**MSE Top 20 Index, 1 year performance**  
16,255.70 **-8.72% YOY**



### MSE Top 20 Stocks

(Share Price, Monthly performances as of 1/3/2014)

Tavantolgoi JSC (TTL)	5,710	+32.0%
State Department Store JSC (UID)	541.27	+20.3%
Mongolia Development Resources (MDR)	780	+18.2%
Bayangol ZB JSC (BNG)	59,000	+18.0%
Gobi JSC (GOV)	5800	+16.0%
Sikilate JSC(SIL)	230	+15.0%
Talkh Chikher JSC (TCK)	14,400	+10.7%
Telecom Mongolia JSC (MCH)	1,350	+7.9%
Suu JSC(SUU)	89,520	+6.6%
Mogoin Gol JSC (BDL)	16,670	+5.6%
Ulaanbaatar ZB JSC (ULN)	93,040	+3.4%
Shariin Gol JSC (SHG)	7,700	+1.3%
Baganuur JSC (BAN)	4600	+0.0%
Mongol Shiltgeen JSC (MSH)	970	-0.7%
Apu JSC (APU)	4,100	-2.4%
Shivee Ovoo JSC (SHV)	7,800	-2.5%
Remicon JSC (RMC)	165.01	-2.9%
Khukh Gan (HGN)	130	-6.5%
Jenco Tour Bureau JSC (JTB)	89	-7.3%
BDSec JSC (BDS)	2,400	-11.1%

Source: MSE

### Mongolia in the global context

Index	YOY perf.	YTD perf.
DJIA (US)	+25.83%	-0.80%
Nikkei 225 (JP)	+59.28%	+0.00%
Hang Seng (HK)	+1.36%	-1.77%
DAX 30 (DE)	+21.19%	-1.59%
SMI (CH)	+19.52%	+0.00%
MSE20	-8.69%	-0.24%

Source: Bloomberg

### Foreign Exchange Rates

(Monthly performances)

USD-MNT	1,678	-2.2%
JPY - MNT	15.93	-1.8%
EUR-MNT	2,304	-0.2%
CHF-MNT	1,877	-2.6%

Source: Mongol Bank

## The new year starts with an IPO

We are happy to announce that IPO of Merex JSC for which Standard Investment LLC is the book runner was accepted by FRC in December last year.

<http://mse.mn/news/show/id/695> (Announcement on mse.mn)

Merex JSC is a concrete manufacturer established in 2012. The securities issuer now has issued 26,000,000 new shares which are being sold at 100 MNT per share. The IPO accounts to 40% of the company giving Merex JSC an initial market cap of 6,500,000,000 MNT.

The company lists at book value and Standard Investment expects the share price to significantly rise during the first years of trading. Following the company's projections and calculating with an assumed PE ratio of 7.5, the share price could go up from 100 MNT to as much as 400.16 MNT per share. It is possible to participate in the offering from 1 share. (100MNT= 6 US cents)

For additional information contact us. [jargal@standardinvestment.mn](mailto:jargal@standardinvestment.mn)

## Outlook for 2014

As we all know the Mongolian economy heavily depends on resource export. Although 2013 was a weak year in terms of export (Down 5%) the start of OT copper export and the coal off take deal with Shenhua are good news. For 2014 we expect an annual increase in export up to 50%.

The pressing challenge for Mongolia however is to keep its public debt under control and to keep the budget deficit at a lower level. A good read on this topic is the December 26<sup>th</sup> UB Post article by Jargal de facto

<http://ubpost.mongolnews.mn/?p=7086>

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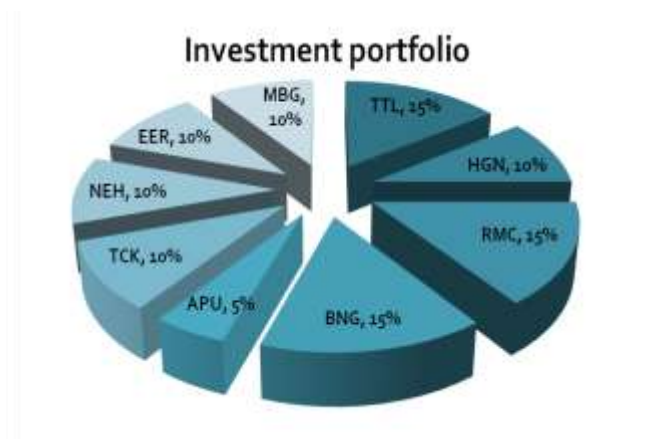
partner site <http://www.emergingfrontiers.com/standard-capital>

## List of IPOs' of last years

#	Company name	Date of IPO	IPO share price, MNT	Total share number	Market capitalization 03.01.2014
1	Mongol Shiltgeen JSC	2005	290	10,000,000	9,700,000,000
2	Jenco Tour Bureau JSC	2006	100	100,000,000	8,900,000,000
3	BDSec JSC	2006, 2008	100	11,000,000	26,400,000,000
4	HBOil JSC	2007, 2007, 2010	100	9,234,268	3,139,651,120
5	Olloo JSC	2007	100	9,700,497	1,338,668,586
6	Hermes JSC	2008	100	78,543,001	12,925,036,245
7	Remicon JSC	2008	100	78,679,464	12,982,898,355
8	Naco Tulsh JSC	2008, 2010	100	12,615,721	2,636,685,689
9	Khukh Gan JSC	2008	100	101,317,557	13,185,466,868
10	E-trans Logistic	2012	120	46,200,000	5,220,600,000

Source: MSE

## Standard Investment MSE20 Portfolios



This investment portfolio is recommended for long term investors.



This trading portfolio is targeting short term gains.

For further information please contact our brokers.

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