

December 4<sup>th</sup> 2014

# Mongolia Investors Cockpit

## Monthly Report

### MSE Top 20 Index, 1 year performance

15,023.85 -4.1% YOY



### MSE Top 20 Stocks

(Share Price, Monthly performances)

Company name	4-Nov	4-Dec	%
Mongol Shiltgeen JSC (MSH)	650	690	+6.15%
State Department Store JSC (UID)	552	560	+1.45%
APU JSC (APU)	3,700	3,752	+1.41%
Genco tour bureau JSC (JTB)	84	84	+0.00%
Silikat JTB (SIL)	225	225	+0.00%
Mogoin Gol JSC (BDL)	10,000	10,000	+0.00%
Remicon JSC (RMC)	101	100	-0.99%
Telecom Mongolia JSC (MCH)	1,270	1,240	-2.36%
Bayangol ZB JSC (BNG)	60,000	58,000	-3.33%
Gobi JSC (GOV)	7,700	7,400	-3.90%
Tavantolgoi JSC (TTL)	4,800	4,590	-4.38%
Mongolia Development Resources (MDR)	520	495	-4.81%
Darkhan Nekhii (NEH)	184,000	175,000	-4.89%
Suu JSC (SUU)	126,500	120,000	-5.14%
Khukh gan JSC (HGN)	117	110	-5.98%
Talkh Chikher JSC (TCK)	19,950	18,500	-7.27%
BDSec JSC (BDS)	2,499	2,284	-8.60%
Baganuur JSC (BAN)	3,700	3,299	-10.84%
Shariin Gol JSC (SHG)	6,550	5,810	-11.30%

Source: MSE

### Mongolia in the global context

Index	YOY perf.	YTD perf.
DJIA (US)	+15.37%	+10.49%
Nikkei 225 (JP)	+18.05%	+11.53%
Hang Seng (HK)	+6.94%	+6.60%
DAX 30 (DE)	+9.37%	+4.66%
SMI (CH)	+16.86%	+14.62%
MSE20	-4.13%	-7.84%

Source: Bloomberg

### Foreign Exchange Rates

(Monthly performances)

	4-Nov	4-Dec	%
USD-MNT	1,869.21	1,875.37	0.33%
JPY - MNT	16.46	15.64	-4.98%
EUR-MNT	2,337.73	2,307.74	-1.28%
CHF-MNT	1,938.91	1,917.16	-1.12%

Source: MongolBank

## Market news

### November Trading

Total trading on the MSE was 2.55 billion MNT including block trades of 44.5% of MBG (Mon-It buligaar JSC 1.27 billion MNT) and 5% of BAN (Baganuur JSC). The total monthly trading was 3.54 times larger compared to the same period of 2013 and compared to the previous month's trade volume of 668.1 million MNT, it had increased by 3.81 times. ULN stock has changed which was in Top-20 index portfolio, by NEH.

### Government of Mongolia retail bond trading is continuing

Last months' 4 times government bond trading was successfully and total value was 12.76 billion MNT.

Date	Period, (weeks)	Annual yields	Traded bond	Value, (billion MNT)
2014/11/04	12	15.795%	45,020	4.50
2014/11/11	52	16.25%	2,304	0.23
2014/11/18	12	15.99%	55,337	5.53
2014/11/25	28	16.30%	24,961	2.49
Total			127,622	12.76

Source: MSE

The Ministry of Finance Mongolia decided to continue trading Government retail bond through MSE. Here is the information of next trading bonds:

No	Bond code	Period (weeks)	Coupon payment type	Annual yield	Subscription start date	Subscription end date
1	3ГЭБ-Б-12	12	Discount	15.96%	2014.11.26	2014.12.02
2	3ГЭБ-Б-52	52	Monthly	-	2014.12.03	2014.12.09
3	3ГЭБ-Б-12	12	Discount	-	2014.12.10	2014.12.16
4	3ГЭБ-Б-28	28	Discount	-	2014.12.17	2014.12.23
5	3ГЭБ-Б-12	12	Discount	-	2014.12.24	2014.12.30

Source: MSE

The Secondary trading market is beginning after 20<sup>th</sup> December. After this secondary trading Mongolian long term government bond which has a 3,5,10 and 30 years, could be trading through the MSE.

### Possibility of financing 888 SMEs from Capital market

Mongolian Development Bank and The Ministry of Economic Development have chosen the 888 projects to replace import and increase export outputs. 15% of all those projects were financed from Development Bank and 85% haven't financed. FRC, MSE and MOFA organized discussions within project owners and underwriters. Average one project's financing capital could approximately 1.5 billion MNT /0.8 million USD/. There are also 23 underwriters in Mongolian capital markets.

### Merex JSC

Merex JSC which listed on 10 April 2014 and began its main operations officially received its special license for producing of concrete on 13 Oct 2014 from MCUD. Now the company has made deal with Standard Property group to supply 80,000m<sup>3</sup> concrete during next 4 years. The company is projecting 1bln MNT profit for 2015 and will distribute at least 25% of its profit as dividends.

## Macro economy news

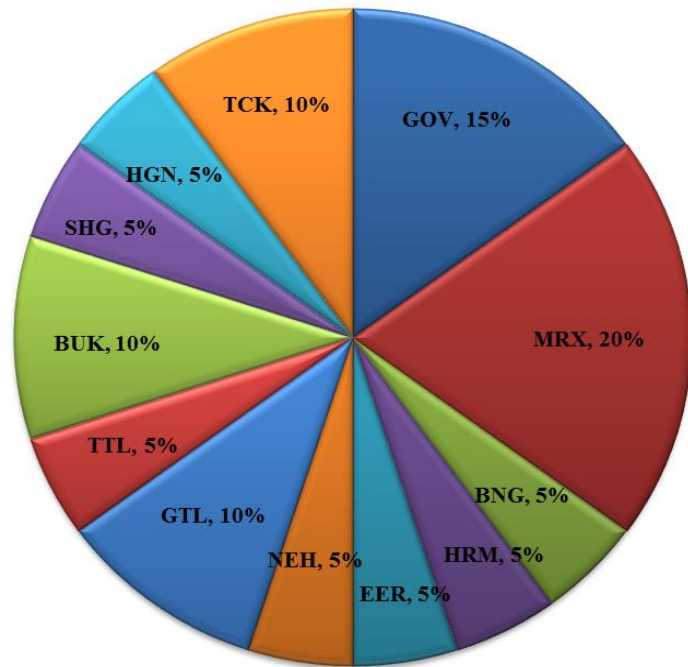
### 28th Prime Minister Saikhanbileg Chimed and his promises

Saikhanbileg Chimed has been elected as Mongolian 28th Prime Minister on 21<sup>st</sup> November. His first promise was diagnose of Mongolian economic system and subsidy the private sector by promote business-friendly environment and reducing burden of taxation and customs legislation. This fulfillment of the promises is impact to Mongolian capital market.

### Standard Investment MSE Portfolios

We made portfolio from companies which have low P/B ratios and comparatively promising future plans. And this portfolio would work in long term.

Stocks	%
GOV	15%
MRX	20%
BNG	5%
HRM	5%
EER	5%
NEH	5%
GTL	10%
TTL	5%
BUK	10%
SHG	5%
TCK	10%
HGN	5%



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