

February 17th 2015

Mongolia Investors Cockpit

Monthly Report

MSE Top 20 Index, 1 year performance

13,884.69 **-19.05% YOY**



MSE Top 20 Stocks

(Share Price, Monthly performances)

Company name	17/1/2015	17/2/2015	%
Shivee Ovoo JSC (SHV)	4,500	6,200	+37.8%
Khukh gan JSC (HGN)	99	118	+19.2%
Talkh Chikher JSC (TCK)	18,500	19,580	+5.8%
Material impex (MIE)	14,000	14,500	+3.6%
Remicon JSC (RMC)	90	91.05	+1.2%
Bayangol ZB JSC (BNG)	55,000	55,500	+0.9%
Darkhan Nekhi (NEH)	17510	17600	+0.5%
Genco tour bureau JSC (JTB)	88	88.38	+0.4%
Gobi JSC (GOV)	7,400	7,400	+0.0%
Mongolia Development Resources (MDR)	475	475	+0.0%
Makh impex (MMX)	3,550	3,520	-0.8%
Telecom Mongolia JSC (MCH)	1,379	1,350	-2.1%
Shariin Gol JSC (SHG)	5,805	5,605	-3.4%
APU JSC (APU)	3,750	3,586	-4.4%
State Department Store JSC (UID)	570	526	-7.7%
Hermes center (HRM)	155	141.45	-8.7%
Tavantolgoi JSC (TTL)	4,300	3,900	-9.3%
BDSec JSC (BDS)	2,280	1,999	-12.3%
Baganuur JSC (BAN)	2,680	2,344	-12.5%

Source: MSE

Mongolia in the global context

Index	YOY perf.	YTD perf.
DJIA (US)	+14.18%	+1.48%
Nikkei 225 (JP)	+27.08%	+3.08%
Hang Seng (HK)	+14.33%	+5.03%
DAX 30 (DE)	+11.94%	+10.25%
SMI (CH)	+5.64%	-3.21%
MSE20	-19.05%	-6.53%

Source: Bloomberg

Foreign Exchange Rates (Monthly performances)

	17-Jan	17-Feb	%
USD-MNT	1,932.86	1,968.61	+1.85%
JPY - MNT	16.59	16.61	+0.12%
EUR-MNT	2,248.59	2,234.37	-0.63%
CHF-MNT	2,212.14	2,108.40	-4.69%

Source: MongolBank

Market news

January Trading

Total trading on the MSE was 949.98 billion MNT including block trades of HGN (Khukh gan JSC 480.8 million MNT). The total monthly trading was 1.03 times larger compared to the same period of 2014 and compared to the previous month's trade volume of 4.1 billion MNT, it had decreased by 4.31 times. MSH, SUU, BDL, SIL stocks removed from Top-20 portfolio and added MIE, MMX, HRM, BUK stocks.

Government of Mongolia retail bond trading

Since 06.Jan.2015 till today there were 6 times gov.bond tradings and it's total volume was 34.77 bln MNT calculated by discounted price.

Date	Period (weeks)	Annual yield	Traded amount	Traded volume, bln MNT
2015.01.06	52	16.625%	-	-
2015.01.13	12	14.69%	130,077	12.6
2015.01.20	28	15.292%	3,293	0.3
2015.01.27	12	14.840%	202,750	19.6
2015.02.03	52	16.125%	1,652	0.16
2014.02.10	12	14.896%	21,874	2.11
Нийт			359,646	34.77

Source: MSE

Secondary market trading is began 19th Jan. Till today there were 3 secondary market tradings.

№	Date	Period (weeks)	Traded amount	Traded volume, mln MNT
1	2015.01.19	52	500	50
2	2015.01.28	52	50	5
3	2015.01.29	12	12	12.26
Total				67.26

Source: MSE

Advantages of investing to Mongolian government bond.

- Interest income of government securities is exempt from tax
- Government securities are considered to be the most reliable and risk-free securities, because the government guarantees repayment.
- Convertible. If you need money while you are holding a bond, you can sell a bond back on the market and don't have to wait until maturity.
- By Public procurement law of Mongolia, attenders can show the government bond to this bid bonds & performance bonds & advance payment.

Additional shares of BDSec JSC

BDSec JSC got the permission of issuing the additional shares in 07 July 2014 and by Jan 2015 company founded about 5 bln MNT from public.

Macro economy news

The monetary policy rate increased

The Monetary Policy Council dated in 2015.01.14 and monetary policy rate increased by 1 point and reached to 13. By growth of foreign exchange rates and government regulated price effect to inflation and it is still high as 12.6% . For this reason monetary policy council done decision for support this short-term macro-economic external balance of this.

Government Bond auction details up 2015.02.11

Total Government Bond trading value is 73.5 billion MNT since November 2014 which is trading through MSE. Please find all details of traded Government bond.

Mongolian government Bond features:

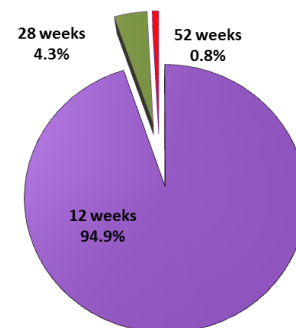
The issuer's name:	Mongolian Ministry of Finance
The purpose of the issuance of bond:	Financing Mongolia's budget deficit
Scope of offer:	Offering to the public
Type of securities:	Government securities
Face/par value:	100,000 MNT
Bond terms:	12, 28, 52 weeks
Benefits:	<ul style="list-style-type: none"> - Risk free - Interest income of gov.bond is exempt from tax - Secondary market is available

Traded government bonds informations:

Date	Period	Coupon rate	Discount value	Traded amount	Volume of traded bonds /by discounted value/	Maturity date
11/4/2014	12	15.795%	96,493	45,020	4,344,114,860	2015.01.27
11/11/2014	52	16.25%	-	2,304	230,400,000	2015.11.10
11/18/2014	12	15.99%	96,451	55,337	5,337,308,987	2015.02.10
11/25/2014	28	16.30%	91,952	24,961	2,295,213,872	2015.06.09
12/2/2014	12	15.96%	96,457	26,816	2,586,590,912	2015.02.24
12/9/2014	52	16.63%	-	2,057	205,700,000	2015.12.08
12/16/2014	12	15.73%	96,506	152,978	14,763,294,868	2015.03.10
12/23/2014	28	16.44%	91,890	4,888	449,158,320	2015.06.07
12/30/2014	12	15.65%	96,523	61,178	5,905,084,094	2015.03.24
1/6/2015	52	16.63%	-	-	-	-
1/13/2015	12	14.69%	96,730	130,077	12,582,348,210	2015.04.07
1/20/2015	28	15.29%	92,411	3,293	304,309,423	2015.08.04
1/27/2015	12	14.84%	96,698	202,750	19,605,519,500	2015.04.21
2/3/2015	52	16.125%	100,000	1,652	165,200,000	2016.02.02
2/10/2015	12	14.896%	96,686	21,874	2,114,909,564	2015.05.05
Total				735,185	70,889,152,610	

Classification of different terms of the government bonds and its percentage in total volume.

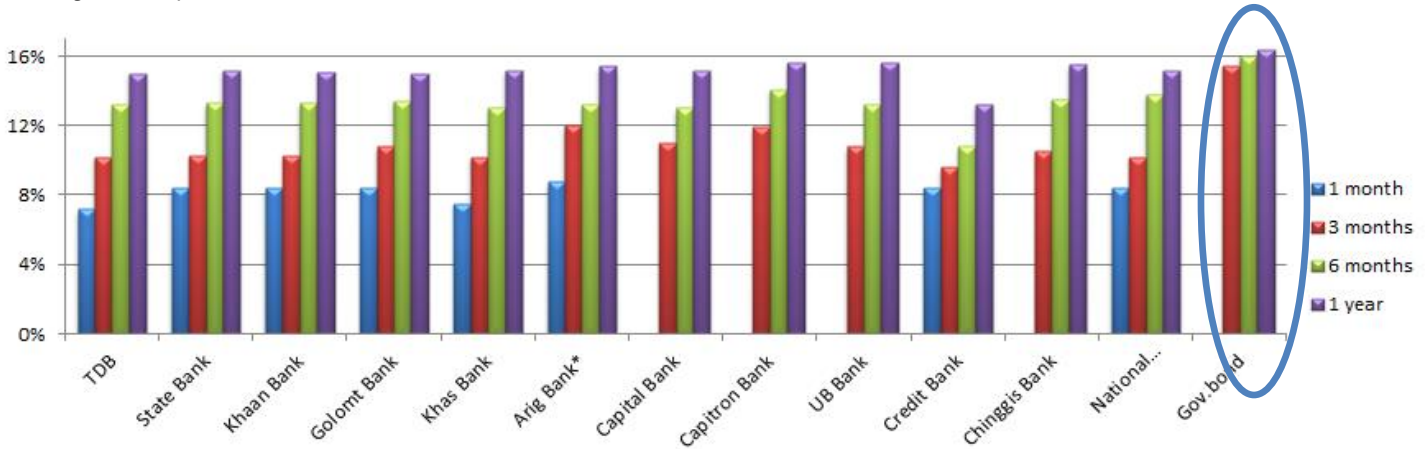
Term (week)	Average coupon rate	Traded volume amount	%
12	15.44%	67,239,170,995	94.85%
28	16.01%	3,048,681,615	4.30%
52	16.41%	601,300,000	0.85%
Total	15.95%	70,889,152,610	100%



The average annual return of gov. bond is higher than Mongolian commercial banks' saving interest rates:

Term	TDB	State Bank	Khaan Bank	Golomt Bank	Khas Bank	Arig Bank*	Capital Bank	Capitron Bank	UB Bank	Credit Bank	Chinggis Bank	National Investment Bank
1 month	7.2%	8.4%	8.4%	8.4%	7.5%	8.75%	-	-	-	8.4%	-	8.4%
3 months	10.2%	10.3%	10.3%	10.8%	10.2%	12% (13.5%)*	11.0%	11.9%	10.8%	9.6%	10.5%	10.2%
6 months	13.2%	13.3%	13.3%	13.44%	13.0%	13.2% (15.2%)*	13.0%	14.06%	13.2%	10.8%	13.5%	13.8%
1 year	15%	15.2%	15.1%	15%	15.2%	15.4% (18%)*	15.2%	15.6%	15.6%	13.2%	15.5%	15.2%

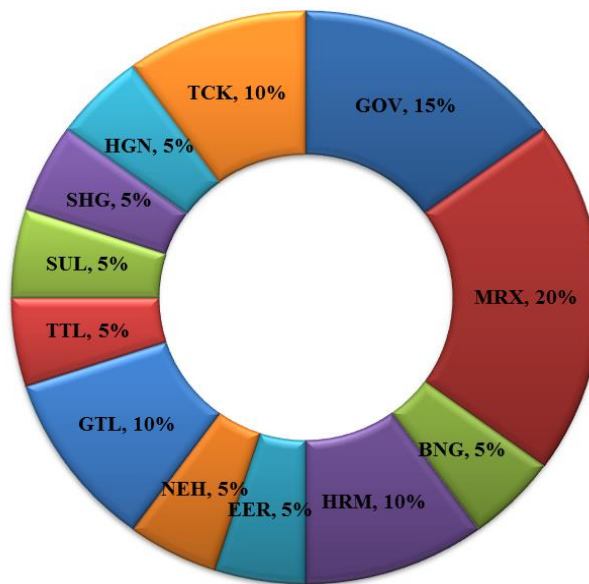
*Arig bank has a promotion till 28.02.2015, in other term bank has a normal interest rates.



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	10%
EER	5%
NEH	5%
GTL	10%
TTL	5%
SUL	5%
SHG	5%
HGN	5%
TCK	10%



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