

July 07th, 2015

Mongolia Investors Cockpit

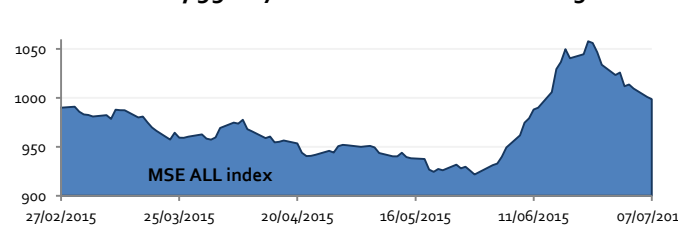
Monthly Report



MSE Top 20 Index, 14,357.4 -10.16% YOY



MSE ALL Index, 998.67 +0.18% since 10th Feb 2015



MSE Top 20 Stocks (Monthly performances)

Company name	Opinion	7- July	%
Khukh Gan JSC (HGN)	Hold	142	71.1%
Baganuur JSC (BAN)	Hold	3,100	42.3%
Shariin Gol JSC (SHG)	Buy	6,400	20.8%
Genco Tour Bureau JSC (JTB)	Hold	98	19.5%
Shivee Ovoo JSC (SHV)	Hold	5,300	15.7%
Ulaanbaatar BUK JSC (BUK)	Hold	40,000	14.3%
Gobi JSC (GOV)	Buy	9,745	13.9%
State Department Store JSC (UID)	Hold	509	7.2%
APU JSC (APU)	Hold	3,650	5.5%
Remicon JSC (RMC)	Hold	77	5.5%
Talkh Chikher JSC (TCK)	Buy	19,000	2.6%
Darkhan Nekhii (NEH)	Buy	17,150	0.8%
Hermes Center (HRM)	Buy	144	-0.7%
Bayangol ZB JSC (BNG)	Hold	49,080	-1.8%
BDSec JSC (BDS)	Buy	1,621	-4.6%
Tavantolgoi JSC (TTL)	Hold	3,650	-6.4%
Material Impex (MIE)	Buy	14,500	-6.5%
Telecom Mongolia JSC (MCH)	Hold	910	-8.8%
Mongolia Development Resources (MDR)	Hold	449	-9.8%
Makh Impex (MMX)	Buy	3,050	-12.9%

Source: MSE

Mongolia in the global context

Index	2015.07.07	1 yr return
DJIA (US)	17,776.98	+4.42%
Nikkei 225 (JP)	20,376.59	+32.49%
Hang Seng (HK)	24,975.31	+6.09%
DAX 30 (DE)	10,676.78	+7.78%
SMI (CH)	8,764.11	+1.76%
MSE 20	14,357.40	-10.16%

Source: Bloomberg

Foreign Exchange Rates (Monthly performances)

	07-June	07-July	%
USD - TӨГ	1,877.91	1,972.54	5.04%
EUR - TӨГ	2,113.87	2,175.42	2.91%
JPY - TӨГ	15.08	16.08	6.63%
CHF - TӨГ	2,013.84	2,087.34	3.65%

Source: MongolBank

Market news

June trading

Total trading of the MSE in June was 165 billion MNT. The total monthly trading was 2.63 times larger compared to the same period in 2014. Compared to the previous month's trade value of 353.4 million MNT, it had increased by 4.29 times. Please find more information on Government bonds on page 4.

Binse JSC is continuing to take order of additional shares

Last month Binse JSC announced the offering additional shares to public. Firstly company sold 27.5% of 500,000 shares and authorities decided to continue take orders of additional shares from investors. Investors who want to buy this share should contact their securities company and ask for more information.

Sharyn gol JSC commissioned coal wash plant

Sharyngol JSC has announced that company successfully commissioned its new wash plant which has the capacity to wash 600,000 tons of raw coal per year. This coal wash plant is Mongolia's second operating coal wash plant. The company also executed a memorandum of understanding with Mongol Sammok Logistics LLC, which is a joint venture between the Mongolian state and Sammok's shipping company in South Korea. Under the terms of agreement, both parties have agreed to cooperate to export Sharyngol's washed coal to the South Korean market through Russia rail and Rajin port of North Korea.

Attention to Standard Properties Group JSC's /Old name Bayanbogd JSC/ shareholders

According to the Company law of Mongolia provision 53.1 and 53.2, Standard Property Group JSC is announcing to its shareholders that the company buying its own shares at a rate of 100 MNT from shareholders who want to sell back. This shareholder's right comes after reverse merger of Standard Property Group LLC to the Bayanbogd JSC.

New financial product "The corporate bonds of Insured companies" is coming

MSE and Mongolian Insurers Association (MIA) signed a memorandum of understanding to work together on the development of Mongolian capital market through launching the corporate bonds of insured companies, bringing insurance funds into the capital market, giving an assistance from MSE to insurance companies to issue IPOs. This memorandum will assist in the issuing of new bonds, help in reducing the risk of investment and increase investment opportunities.

Khaan Bank took permission of custodian services from FRC

By the 17th of the FRC meeting Khaan bank received the custodian services license in June. This was the third custody bank of Mongolia. Custody banks give the following services to investors:

safekeeping of financial instruments and investment assets, performing corporate actions and securities payment, asset servicing for investment funds, provision of all types of required reports and tax related services.

Mongolia has now an OTC market

"Dealers' trade center" LLC was approved by the FRC to operate an Over-The-Counter (OTC) market. This is the first private company that gives securities trading, clearing and settlement activities. In this market, smaller companies would trade their own stock which couldn't trade on stock exchanges. The listing requirement of this market is less stringent than listing requirements of official stock exchanges. "Dealers' trade center" LLC will use NASDAQ QMX group's electronic trading system and its target market will be fiscal and foreign investment, community organizations, insurance and commercial banking assets of financial institutions.

Government retail bond information

There were 5 rounds of short term government bond trading in July and the total volume was 91.6 billion MNT.

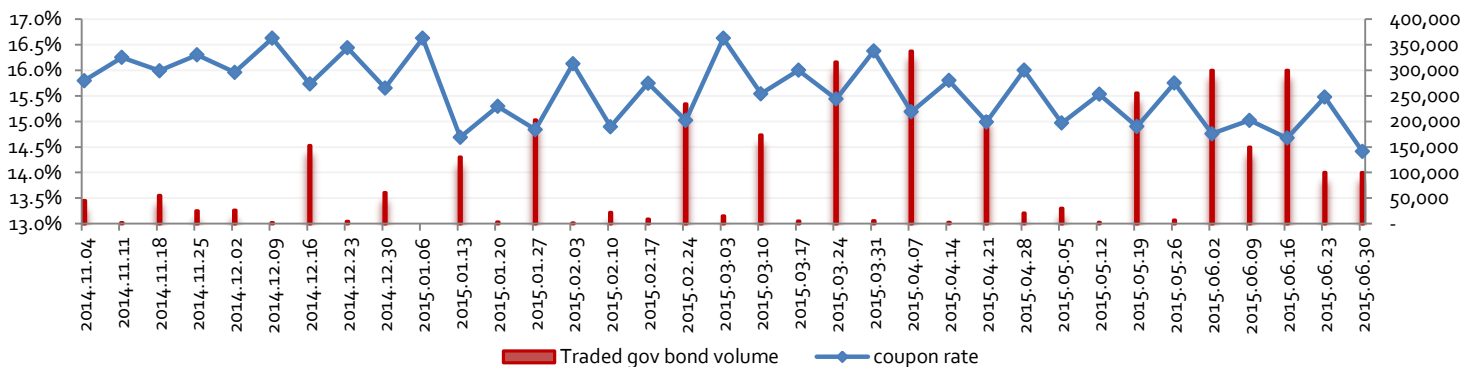
Date	Period (weeks)	Annual nominal yield	Volume traded	Value traded (bln MNT)
02.06.2015	12	14.758%	300,000	29.01
09.06.2015	28	15.020%	150,000	13.88
12.06.2015	12	14.674%	300,000	29.02
23.06.2015	52	15.473%	100,000	10.00
30.06.2015	12	14.415%	99,990	9.67
Total			949,990	91.59

Source: MSE

There are 2 rounds of long term of government bonds offered to public. But the Ministry of Finance Mongolia didn't supply.

Date	Period (weeks)	Annual nominal yield	Volume traded	Value traded (bln MNT)
09.06.2015	3	16.875%	-	-
23.06.2015	5	16.75%	-	-
Total			-	-

Source: MSE



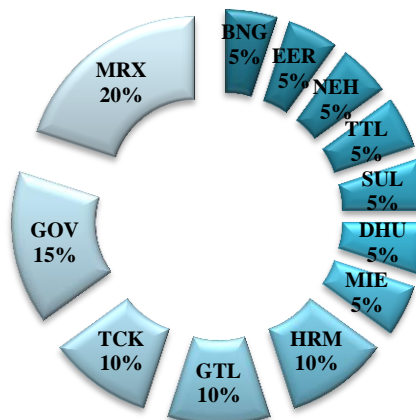
The coupon rate is decreasing and the Ministry of Finance is limiting the volume of trading. Please look at the list of Government bonds trading during the third quarter, 2015.

Period	Announcement date	Trade date	Settlement date	Total value
28 weeks	2015.07.01	2015.07.07	2015.07.07	10.0 billion MNT
3 year	2015.07.01	2015.07.07	2015.07.07	10.0 billion MNT
12 weeks	2015.07.08	2015.07.16	2015.07.16	10.0 billion MNT
52 weeks	2015.07.15	2015.07.21	2015.07.21	10.0 billion MNT
5 year	2015.07.15	2015.07.21	2015.07.21	10.0 billion MNT
12 weeks	2015.07.22	2015.07.28	2015.07.28	10.0 billion MNT
July volume				60.0 billion MNT
28 weeks	2015.07.29	2015.08.04	2015.08.04	10.0 billion MNT
3 year	2015.07.29	2015.08.04	2015.08.04	10.0 billion MNT
12 weeks	2015.08.05	2015.08.11	2015.08.11	10.0 billion MNT
52 weeks	2015.08.12	2015.08.18	2015.08.18	10.0 billion MNT
5 year	2015.08.12	2015.08.18	2015.08.18	10.0 billion MNT
12 weeks	2015.08.19	2015.08.25	2015.08.25	10.0 billion MNT
August volume				60.0 billion MNT
28 weeks	2015.08.26	2015.09.01	2015.09.01	10.0 billion MNT
3 year	2015.08.26	2015.09.01	2015.09.01	10.0 billion MNT
12 weeks	2015.09.02	2015.09.08	2015.09.08	10.0 billion MNT
52 weeks	2015.09.09	2015.09.15	2015.09.15	10.0 billion MNT
5 year	2015.09.09	2015.09.15	2015.09.15	10.0 billion MNT
12 weeks	2015.09.16	2015.09.22	2015.09.22	10.0 billion MNT
28 weeks	2015.09.23	2015.09.29	2015.09.29	10.0 billion MNT
3 year	2015.09.23	2015.09.29	2015.09.29	10.0 billion MNT
September volume				80.0 billion MNT
Third quarter volume				200.0 billion MNT

Standard Investment Portfolio

We have constructed a portfolio of companies which have low P/B ratios and comparatively promising future plans. This portfolio would work in the long term. This portfolio remains the same as our June portfolio.

Stocks	Company	Percent
MRX	Merex	20%
GOV	Gobi	15%
TCK	Talkh Chikher	10%
GTL	Gutal	10%
HRM	Hermes Centre	10%
MIE	Material impex	5%
DHU	Darkhan Khuns	5%
SUL	Gazar Suljmel	5%
TTL	Tavantolgoi	5%
NEH	Darkhan Nekhii	5%
EER	Arig Gal	5%
BNG	Bayangol Hotel	5%



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