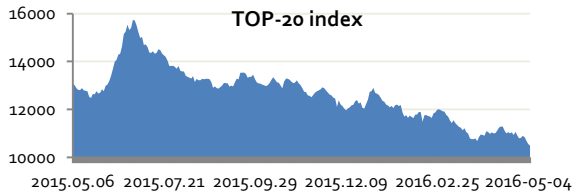


May 6th, 2016

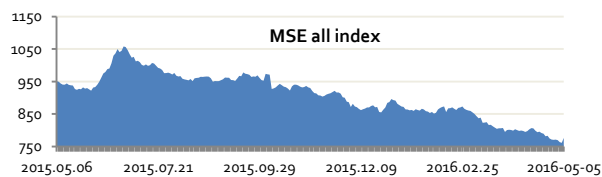
Mongolia Investors Cockpit

Monthly Report

MSE TOP 20 Index, 10,812.28 -16.06% YOY



MSE ALL Index, 802.58 -16.90% YOY



MSE Top 20 Stocks (Monthly performances)

Company name	April 6	May 6	Change
UB BUK JSC (BUK)	35,000	25,660	-26.69%
E-Trans Logistic JSC (ETR)	111.90	90	-19.57%
Genco Tour Bureau JSC (JTB)	80	65	-18.75%
Makh impex JSC (MMX)	2,902	2,378	-18.06%
Bayangol ZB JSC (BNG)	45,000	37,500	-16.67%
Darkhan Nekhii JSC (NEH)	18,000	15,120	-16.00%
Hermes Center JSC (HRM)	125	110.05	-11.96%
Hi Bi Oil JSC (HBO)	380	336	-11.58%
Arig Gal JSC (EER)	2,200	2,000	-9.09%
Ulsiin Ikh Delguur JSC (UID)	551.65	504.06	-8.63%
BDSec JSC (BDS)	1,684	1,600	-4.99%
Gobi JSC (GOV)	8,155	7,905	-3.07%
Talkh Chikher JSC (TCK)	17,000	16,500	-2.94%
Merex JSC (MRX)	70.42	70	-0.60%
Khukh Gan JSC (HGN)	60	60	+0.00%
APU JSC (APU)	3,699	3,746	+1.27%
Shivee Ovoo JSC (SHV)	2,250	2,500	+11.11%
Sharyn Gol JSC (SHG)	2,050	2,301	+12.24%
BaganuurJSC (BAN)	1,467	2,232	+52.15%
Tavan Tolgoi JSC (TTL)	999.98	1,540	+54.00%

Source: MSE

Mongolia in the global context

Index	YOY perf	YTD perf
DJIA (US)	+0.04%	+1.81%
Nikkei 225 (JP)	-14.92%	-14.92%
Hang Seng (HK)	-24.07%	-7.77%
DAX 30 (DE)	-15.71%	-8.13%
SMI (CH)	-9.97%	-12.80%
MSE 20	-16.06%	-16.17%

Source: Bloomberg

Foreign Exchange Rates (Monthly performances)

	April 6, 2016	May 6, 2016	%
USD - MNT	2042.75	2,021.03	1.06%
EUR - MNT	2320.56	2,306.80	0.59%
JPY - MNT	18.51	18.89	-2.05%
CHF - MNT	2130.75	2,087.84	2.01%

Source: MongolBank

Market news

April trading

Total trading of the MSE in April was 3.7 billion MNT, which was 12.5 times larger compared to the same period in 2015. Also, compared to the previous month's trade value of 0.52 billion MNT, it had increased by 7.1 times.

Government bond trading

The total Government bond trade reached 42.7 billion MNT in April. From this 91.3 percent were short term bonds.

Weeks	number	Yields	Total volume, bln MNT
12	120,000	13.19%	11.6
28	100,000	14.05%	9.3
52	100,000	14.32%	8.8
39	100,000	14.39%	9.0
104	19,995	13.19%	2.0
156	19,995	15.75%	2.0
Total	459,990		42.7

Source: MSE

Please note that The Ministry of Finance of Mongolia announced that Government bonds' primary market trade will be temporarily stopped from May 2nd due to the Treasury cash flow planning.

S&P affirmed Mongolia as "B"

Standard & Poor's Rating Services affirmed its "B" long and short term sovereign credit ratings on Mongolia as STABLE on April 28th. Mongolia's economic outlook remains weak, with GDP growth averaging 4.6% over 2016-2019. Upward pressure could build on the rating if the development of the Oyu Tolgoi and Tavan Tolgoi mines accelerates economic growth and improves fiscal and external performances more than currently expected.

India's Exim Bank extends credit of 1 billion USD to Mongolia

The Exim Bank of India has extended a line of credit worth 1 bln USD to Mongolia for developing railways and related infrastructure. This is the second largest Exim bank credit line to any country and agreement was signed on April 28th. The loan conditions are: annual interest rate - 1.7%, maturity - 25 years, first 7 years are free from principal payment.

Oyu Tolgoi's underground mine project will start mid-2016

Rio Tinto, Government of Mongolia and Turquoise Hill Resources approved the next stage in the development of the Oyu Tolgoi copper and gold mine in Mongolia on May 6th. Development of the underground mine will start in mid-2016 following of a 5.3 billion investment by the partners and the recent granting of all necessary permits. The production from the underground, which has an average copper grade of 1.66% more than three times higher than the open pit, is expected in 2020. When the underground is fully ramped up in 2027, Oyu Tolgoi is expected to produce more than 500,000 tonnes per year, compared with current annual production of 175,000-200,000 tonnes.

The initial project finance tranche of 4.4 bln USD was secured in December 2015 and is expected to be drawn during the Q2 of 2016.

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