

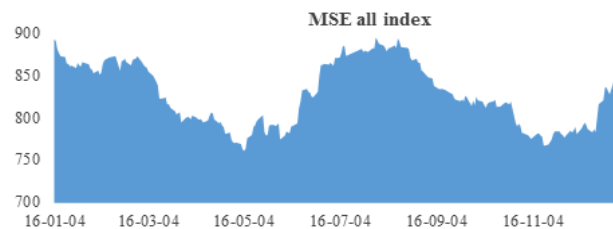
January 7th, 2017

Mongolia Investors Cockpit Monthly Report

MSE TOP 20 Index, 12,418.07 -3.72% YOY



MSE ALL Index, 858.5 -4.19% YOY



MSE Top 20 Stocks (Monthly performances)

Company name	30 th NOV	28 th DEC	Change
UB BUK JSC (BUK)	300	455	+51.67%
Tavantolgoi JSC (TTL)	1,893	2,711	+43.21%
Sharyn Gol JSC (SHG)	2,025	2,750	+35.80%
Mongolian Telecom JSC (MCH)	600	777	+29.50%
Remicon JSC (RMC)	50	62	+24.00%
Mongol Post JSC (MNP)	278	339.86	+22.25%
MIK Holding JSC (MIK)	10,000	12,200	+22.00%
Ulsiin Ikh Delguur JSC (UID)	510	614	+20.39%
Merex JSC (MRX)	52	60	+15.38%
Gobi JSC (GOV)	8,800	10,150	+15.34%
Genco Tour Bureau JSC (JTB)	60	68	+13.33%
Talkh Chikher JSC (TCK)	17,100	18,130	+6.02%
Bayangol Hotel JSC (BNG)	40,000	42,000	+5.00%
Baganuur JSC (BAN)	1,910	2,000	+4.71%
Baganuur JSC (BAN)	2,649	2,750	+3.81%
Arig gal JSC (EER)	2,241	2,300	+2.63%
Darkhan Nekhii JSC (NEH)	19,000	19,500	+2.63%
Material Impex (MIE)	8,790	9,000	+2.39%
APU JSC (APU)	400	396.22	-0.94%
Suu JSC (SUU)	134	128.16	-4.36%

Source: MSE

Mongolia in the global context

Index	YOY perf	YTD perf
DJIA (US)	+12.59%	+15.24%
Nikkei 225 (JP)	+1.84%	+3.60%
Hang Seng (HK)	-0.62%	+3.16%
DAX 30 (DE)	+7.02%	+11.65%
SMI (CH)	-5.58%	-5.04%
MSE 20	-3.72%	-2.11%

Source: Bloomberg

Foreign Exchange Rates (Monthly performances)

	30 th November	31 st December	Change
USD - MNT	2,466.64	2,489.53	+0.93%
EUR - MNT	2,620.31	2,605.79	-0.55%
JPY - MNT	21.88	21.19	-3.15%
CHF - MNT	2,428.87	2,423.37	-0.23%

Source: MongolBank

Market news

December stock trading

Total trading at the MSE in the last month of 2016 was 1,987.3 million MNT, which was 28 percent larger compared to the same period in 2015. Compared to the previous month's trade value of 1,036.7 million MNT, stock trading increased by 92 percent due to 681 million MNT trade of Mongol Post (MSE:MNP).

Government bond trading

In total 97.6 billion MNT Government retail bonds were traded through MSE in December 2016. The 52-weeks bond's coupon rate reached 17.5% the highest rate of the year.

Traded period/date, (average annual rate)	12-weeks bond	28-weeks bond	39-weeks bond	52-weeks bond
November 2014 - April 2016	14.67%	14.72%	14.74%	15.37%
September 2016	15.70%	16.40%	16.96%	17.00%
October 2016	16.84%	16.88%	16.96%	17.00%
November 2016	16.72%	16.98%	16.98%	16.99%
December 2016	17.00%	17.28%	16.99%	17.53%

Source: MSE

MNP called an extraordinary meeting

On December 12, the board of Mongol Post JSC issued a decree to call for an extraordinary shareholders meeting. The meeting will be held on Jan 25, 2017 to discuss following issues:

- Re-approval of the investment plan (use of IPO proceeds)
- Re-election of the Board of Directors' independent members and members representing the Government

Davaanbulag JSC stock trading resumed

Since the Parliament election in June 2016, FRC was appointed a new Chair Ms S. Davaasuren and 4 members of the Supervisory Board. The newly established board held its 1st meeting in December and approved the reinstating of MSE:DBL (Davaanbulag JSC) stock trading since the 2007 suspension. According to the MSE, Davaanbulag locates in the Central Province and engages in agricultural business.

Economic news

The Bank of Mongolia lowers its policy rate

In December 2016, Mongolbank decreased its policy rate by 1 percentage point to 14%. Within a year, the policy rate was lowered to 10.5% in May, then the new management of the central bank increased it to 15% with an aim to hold the tugrik depreciation. By slightly lowering the rate, the Bank of Mongolia intends to support the real sector and stimulate business activities.

Deflation ceased

Due to slow consumption, price of food and non-food products had decreased with deflation occurring throughout Q3. High levels of meat supply on the market while the demand was weak, caused meat price drop and hence the decrease in the price of food products. However, since November, the deflation turned into 0.2% inflation due to increase of demand and price of winter clothes and goods.

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