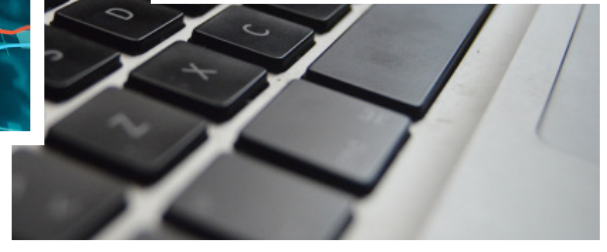


WEEKLY MARKET UPDATE

11.16 - 11.20



GLOBAL MARKET UPDATE

U.S: The major indexes ended mixed, as good news on the coronavirus vaccine front continued to be offset by worries about the worsening of the pandemic in most parts of the country. The Dow Jones Industrial Average, the S&P MidCap 400 Index, and the small-cap Russell 2000 Index all reached new intraday highs in the first part of the week before surrendering some of their gains. Energy shares outperformed as oil prices rose on hopes for an end to the pandemic in 2021, as well as signals that OPEC and other major oil exporters would delay a global production increase planned for January. Health care and utilities shares lagged.

Europe: Shares in Europe rose for a third consecutive week amid optimism on potential coronavirus vaccines. However, concerns that soaring rates of infection might trigger harsher restrictions curbed gains. In local currency terms, the pan-European STOXX Europe 600 Index ended the week 1.15% higher, while Germany's DAX Index advanced 0.46%, France's CAC 40 gained 2.15%, and Italy's FTSE MIB climbed 3.84%. The UK's FTSE 100 Index added 0.55%.

Core eurozone bond yields fell slightly on the week. Yields rose at the start, with the German 10-year bund yield moving from -0.55% to about -0.52%, after more positive coronavirus vaccine news spurred a sell-off in debt that the market views as a haven. Lingering concern over the high infection rate, Hungary's and Poland's vetoes to the European recovery fund, and orders from the U.S. Treasury to pull money from some pandemic lending programs dragged yields lower, however.

Japan: Japanese stocks ended the week with relatively modest gains. The Nikkei 225 Stock Average advanced 0.6% (142 points) and closed at 25,527.37. The widely watched market yardstick climbed above 26,000 on Tuesday but trended lower for the remainder of the week and closed the year-to-date period ahead 7.9%. The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, also recorded positive returns. The yen strengthened versus the U.S. dollar and traded near JPY 104 on Friday.

Japan's economy grew at an annualized 21.4% clip in the quarter ended September 30, which was its fastest growth rate since 1968, well ahead of the consensus estimate for 18.9% growth and the first quarter of growth in a year. The primary gross domestic product (GDP) growth driver was net external demand, which contributed more than half of the headline gain, led by a resurgence in global auto demand, strong domestic private demand, and a decline in imports.

China: Chinese stocks rose strongly after solid economic data lifted investors' risk appetite. For the week, the large-cap CSI 300 Index gained 1.78% while the benchmark Shanghai Stock Exchange Composite Index added 2.04%, according to Reuters data. In fixed income markets, the yield on the sovereign 10-year bond increased six basis points to 3.34%. In currency trading, the renminbi strengthened by 0.6% against the U.S. dollar to close at 6.570. The People's Bank of China (PBOC) injected RMB 800 billion (about USD 121 billion) in medium-term loans into the banking system and left interest rates on hold for the seventh straight month. The central bank also kept its one-year medium-term lending facility rate to financial institutions unchanged at 2.95%.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	17,584.77	0.47% ▲
Dow Jones	USA	29,263.48	-0.73% ▼
S&P 500	USA	3,557.54	-0.77% ▼
Nasdaq	USA	11,854.97	0.22% ▲
S&P/TSX	Canada	17,019.10	2.06% ▲
FTSE 100	Great Britain	6,351.45	0.56% ▲
S&P/ASX 200	Australia	6,539.20	2.09% ▲
Nikkei 225	Japan	25,527.37	0.56% ▲
Hang Seng	Hong Kong	26,451.54	1.13% ▲

Bond	Currency	Coupon	YTM
Mongol 2024 (Khuraldai)	USD	8.750%	3.56%
Mongol 2023 (Gerege)	USD	5.625%	3.29%
Mongol 2022 (Chinggis)	USD	5.125%	3.09%
Mongol 2021 (Mazalai)	USD	10.875%	1.15%
DBM' 23 (Samurai)	JPY	1.520%	1.06%
DBM' 2023	USD	7.250%	4.80%
MGMTGE' 2022 (Hoelun)	USD	9.750%	9.39%
Mongol 2026 (Nomad)	USD	5.125%	3.92%

Rates	Last	Change /w/
Libor 1M	0.150	0.01 ▲
Libor 3M	0.205	-0.02 ▼
Libor 6M	0.249	0.00 ▲
Libor 1YR	0.337	0.00 ▼
US 2YR Bond	0.163	-0.01 ▼
US 3YR Bond	0.213	-0.02 ▼
US 5YR Bond	0.376	-0.03 ▼
US 10YR Bond	0.829	-0.07 ▼

Exchange rates	2020.11.20	Change /w/
USD	2,848.94	-0.02% ▼
CNY	433.23	0.62% ▲
EUR	3,378.27	0.34% ▲
RUB	37.60	1.84% ▲
KRW	2.56	0.00%
JPY	27.29	0.63% ▲
CAD	2,184.52	0.78% ▲

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,870.99	-0.96% ▼
Silver /spot/	USD/t oz.	24.18	-2.00% ▼
Copper	USD/lb.	331.00	3.92% ▲
Coal	USD/MT	65.35	4.23% ▲
Crude Oil WTI	USD/bbl.	42.15	5.03% ▲
Crude Oil Brent	USD/bbl.	44.93	5.03% ▲

Indicators	Reference	Amount
Inflation Rate	2020.X	2.40%
Policy Rate	2020.X	8.00%
Interbank Rate	2020.X	7.67%
Deposit Interest Rate /MNT/	2020.X	10.65%
Deposit Interest Rate /Foreign currency/	2020.X	3.83%
Loan Interest Rate /MNT/	2020.X	16.82%
Loan Interest Rate /Foreign currency/	2020.X	10.47%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

MSE TRADE UPDATE

In this week, a total of 37 companies' 9,867,443 shares worth MNT 501.1 million were traded in the secondary market.

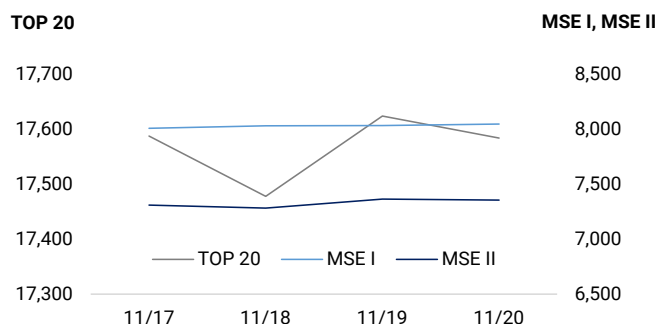
"Talkh Chikher" /MSE: TCK/ company's shares rose 20.54 percent to MNT 17,020.00, while "Khukh Gan" /MSE: HGN/ company's share fell 16.03 percent to MNT 55.00.

No government securities were traded on the primary and secondary market during this week.

On the corporate bond market, "Lendmn NBF1" /MSE: LEND/ JSC's 171 units of securities were traded for MNT 17.3 million on the secondary market.

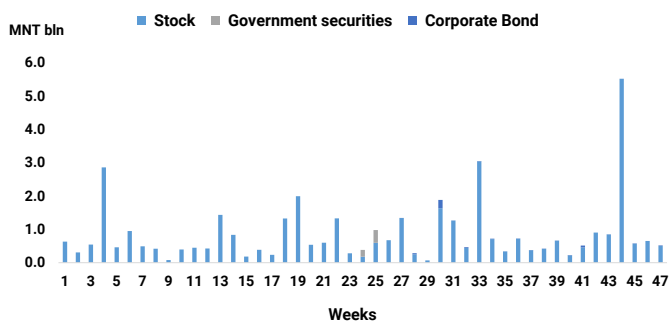
As of November 20, total market capitalization of the MSE is MNT 2,586.3 billion. The TOP-20 index increased by 0.47% to stand at 17,584.77 units.

MSE Indices



Source: Mongolian Stock Exchange

Trading Value /weekly/



Source: Mongolian Stock Exchange

Market Review		Total amount /MNT mln/	
Total Value		518.3	
Market Capitalization		2,586,311.0	
Market Indices		Last Price	Change /w/
MSE Top 20	17,584.77	0.47%	▲
MSE I Index	8,051.05	0.24%	▲
MSE II Index	7,358.37	0.00%	▼
Actively Traded Securities		Volume	Amount/MNT/
Mandal Insurance	2,742,938	136,355,373	
Lendmn NBF1	596,846	17,553,854	
Erdene Resource Development Corp	14,389	12,229,208	
APU	20,906	12,229,208	
Tumen Shuvuut	58,681	9,199,694	
Securities with most growth		Last Price /MNT/	Change /w/
Talkh Chikher	17,020.00	20.54%	▲
Merex	23.00	15.00%	▲
Teever Darkhan	9,880.00	14.95%	▲
Ulsyn Ikh Delguur	1,300.00	8.06%	▲
Itools	78.00	6.25%	▲
Securities with most decline		Last Price /MNT/	Change /w/
Khukh Gan	55.00	-16.03%	▼
Ulaanbaatar Khivs	18,000.00	-14.69%	▼
Mongol Post	600.00	-6.25%	▼
Aduun Chuluun	901.00	-5.16%	▼
Moninjbar	85.00	-5.04%	▼
Most Active Brokerage Firms		Amount/MNT/	
Bumbat-Altai	284,029,687		
Goodsec	273,547,701		
Ard Securityess	205,787,194		
Apex Capital	127,407,915		
BDSec	39,970,051		
Top 5 Companies With Largest Market Capitalization		Last Price /MNT/	Market Cap. /MNT mln/
APU	588.09	625,834.53	
Tavantolgoi	5,780.00	304,404.86	
MIK Holding	11,000.00	227,802.52	
Invescore NBF1	2,914.00	209,015.15	
Gobi	190.00	148,221.38	

Corporate bond /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
1	LNBO-BD-19/06/21-C0008-17	171	17,250,000	100,000	102,500	52	17%

DIVIDEND INFORMATION

Nº	TICKER	COMPANY NAME	NET PROFIT OF 2019 /MNT MLN/	TOTAL DIVIDEND AMOUNT /MNT MLN/	DIVIDEND PAYOUT RATIO	DIVIDENDS PER SHARE /MNT/	RECORD DATE	PAYMENT DATE
1	APU	APU	74,411.5	75,471.2	101.4%	71.0	2020.02.14	PAID ON 2020.05.28
2	MNDL	MANDAL DAATGAL	5,820.3	2,497.2	42.9%	4.0	2020.04.01	PAID ON 2020.06.29
3	GTL	GUTAL	2,403.7	2,436.0	101.3%	1,520.0	2020.03.13	ON 2020.05.05
4	LEND	LENDMN NBFI	4,910.2	1,200.0	24.4%	1.5	2020.02.25	PAID ON 2020.04.30
5	ADB	ARD CREDIT NBFI	2,369.4	1,184.7	50.0%	4.2	2020.04.08	PAID ON 2020.04.29
6	AARD	ARD FINANCIAL GROUP	715.9	1,000.0	139.7%	35.0	2020.04.07	PAID ON 2020.06.30
7	TUM	TUMEN SHUVUUT	3,232.9	960.0	29.7%	4.8	2020.04.07	PAID ON 2020.06.30
8	AIC	ARD DAATGAL	1,718.7	850.0	49.5%	34.0	2020.04.09	WITHIN 2020.06.30
9	JTB	GENCO TOUR BUREAU	1,253.8	799.9	63.8%	10.0	2020.03.27	WITHIN 2020.06.30
10	TEX	TECHNICIMPORT	2,718.2	723.4	26.6%	500.0	2020.03.01	PAID ON 2020.08.06
11	BUK	UB-BUK	2,465.3	526.2	21.3%	4.0	2020.03.30	PAID ON 2020.07.09
12	MMX	MAKHIMPEX	819.3	456.1	55.7%	120.0	2020.04.03	FROM 2020.10.01
13	MFC	MONOS KHUNS	761.9	408.9	53.7%	1.0	2020.03.11	PAID ON 2020.09.07
14	DSS	DARKHAN SELENGIIN TSAKHILGAAN TU- GEEKH SULJEE	581.8	391.8	67.3%	37.7	2020.03.20	ON 2020.09.02
15	MNP	MONGOL POST	1,103.6	331.1	30.0%	3.3	2020.04.05	PAID ON 2020.07.30
16	HRM	HERMES CENTRE	820.0	322.0	39.3%	4.1	2020.02.28	PAID ON 2020.04.16
17	NEH	DARKHAN NEKHII	2,327.6	230.8	9.9%	210.0	2020.02.25	FROM 2020.09.30
18	TCK	TALKH CHIKHER	2,456.0	230.3	9.4%	225.0	2020.02.18	FROM 2020.06.20
19	MBW	MONGOL BASALT	335.0	225.7	67.4%	4.0	2020.03.09	PAID ON 2020.07.03
20	BNG	BAYANGOL HOTEL	2,117.8	152.3	7.2%	360.0	2020.04.05	ON 2020.09.01
21	BDS	BDSEC	19.9	136.9	687.0%	10.0	2020.03.09	WITHIN 2020.12.31
22	EER	ARIG GAL	225.8	131.0	58.0%	38.9	2020.03.27	PAID ON 2020.07.08
23	TAH	TAKHI KO	489.0	128.5	26.3%	108.0	2020.04.10	PAID ON 2020.05.04
24	UBH	ULAANBAATAR KHIVS	298.8	121.4	40.6%	300.0	2020.03.06	PAID ON 2020.04.17
25	HRD	HURD	722.6	72.4	10.0%	535.0	2020.03.02	WITHIN 2020.06.30
26	ATR	ATAR URGUU	280.4	60.9	21.7%	350.0	2020.04.01	PAID ON 2020.07.31
27	MCH	TELECOM MONGOLIA	62.0	25.9	41.7%	1.0	2020.04.06	PAID ON 2020.06.29
28	HUV	KHUVSGUL GEOLOGY	324.7	21.6	6.7%	150.0	2020.04.03	FROM 2020.05.01
29	SUU	SUU	5,668.0	1,715.1	30.3%	5.0	2020.03.27	FROM 2020.05.01
30	HZB	GAN KHERLEN	31.9	15.0	46.9%	150	2020.04.06	WITHIN 2020.09.30
31	BTG	BAYANTEEG	2,166.2	500.0	23.1%	1,979.3	2020.02.07	WITHIN 2020.12.01
32	TTL	TAVANTOLGOI	48,062.7	43,238.0	90.0%	821.0	2020.04.03	PAID ON 2020.07.21
33	ERS	MONGOL ALT	71.3	39.9	55.9%	150.0	2020.04.29	WITHIN 2020.12.31
34	TEE	TEEVER DARKHAN	10.9	0.8	749.1%	500.0	2020.04.29	WITHIN 2020.12.31
35	HRM	HERMES CENTRE	530.2	65.1	12.3%	6.3	2020.09.09	PAID ON 2020.09.28
36	APU	APU	41,168.2	39,861.6	96.8%	37.5	2020.09.02	PAID ON 2020.11.02

CAPITAL MARKET UPDATE



HIGHLIGHTS

In accordance with the Government decision to declare all-out readiness for Covid-19 disaster protection, the Mongolian Stock Exchange will switch to remote operation mode and securities trading will be conducted online.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

According to the General Authority for Social Insurance, the social insurance fund's revenue reached MNT 2.1 trillion in the first 10 months of 2020, reflecting a decrease of MNT 148.3 billion or 6.5% compared to the same period of the previous year. The MNT 148.3 billion decrease in the social insurance fund's revenue was mainly affected by the decrease in IAOD insurance fund revenue by MNT 49.3 billion or 28.8% from the same period of the previous year.

In the first 10 months of 2020, the fund's expenditure was MNT 2.6 trillion, showing an increase of MNT 489.4 billion or 23.5% compared to the same period of the previous year. The MNT 489.4 billion increase in the social insurance fund's expenditure was mainly due to increases in pension fund expenditure by MNT 273.2 billion or 17.9%, IAOD insurance fund expenditure by MNT 228.0 billion or 3.1 times from the same period of the previous year.

Source: National Statistics Office

MACROECONOMIC NEWS

Gross domestic product

In the first 9 months of 2020, by preliminary estimation of production approach, Gross domestic product (GDP) at current prices was MNT 26.4 trillion, which is decreased by MNT 953.5 billion (3.5%) compared to the first 9 months of 2019. GDP at 2010 constant prices was MNT 12.7 trillion, which is decreased by MNT 1.0 trillion (7.3%) compared to the first 9 months of 2019.

The 7.3% decrease in GDP at 2010 constant prices from the first 9 months of 2019 was mainly due to MNT 595.5 billion or 20.7% decrease in value added of the mining and quarrying sector and MNT 401.4 billion or 7.0% decrease in value added of the service sector.

In the third quarter of 2020, seasonally adjusted GDP (at 2010 constant prices) increased by 4.4% compared to the previous quarter.

In terms of contribution of sectors to the 7.3% decrease in GDP at 2010 constant prices, contribution of mining and quarrying sector, industrial and construction sector and service sector were (-4.3), (-0.6) and (-2.9) percentage points, respectively, and contribution of net taxes on products was (-1.1) percentage points.

In the first 9 months of 2020, the value added of the agriculture sector at 2010 constant prices was MNT 2.2 trillion, increased by 11.3% compared to the first 9 months of 2019.

The value added of mining and quarrying sector at 2010 constant prices was MNT 2.3 trillion, decreased by 20.7% compared to the first 9 months of 2019. This decrease was mainly due to decreases in the extraction of coal, copper and crude oil.

The value added of the industrial and construction sector (excluding mining and quarrying) at 2010 constant prices was MNT 1.4 trillion, decreased by 5.2% compared to the first 9 months of 2019.

The decrease in manufacturing sector was mainly due to decreases in manufacture of textiles, manufacture of coke and refined petroleum products, manufacture of wearing apparel, manufacture of chemicals and chemical products by 38.8-14.2 percent.

The value added of the service sector at 2010 constant prices was MNT 3.3 trillion, decreased by MNT 294.9 billion or 8.2% compared to the first half of 2019.

Source: National Statistics Office

OTHER NEWS (CONTINUED)

COMMODITY MARKET NEWS

According to the preliminary results, the gross industrial output reached MNT 13.1 trillion in the first 10 months of 2020, decreased by MNT 1.9 trillion (12.5%) from the same period of previous year. This decrease was mainly due to MNT 1.8 trillion (16.3%) decrease in mining and quarrying gross output. However, the electricity, thermal energy and water supply production output increased by MNT 67.8 billion (7.7%) compared to same period of previous year.

By preliminary results, the mining and quarrying gross output reached MNT 9.1 trillion, in the first 10 months of 2020, decreased by MNT 1.8 trillion (16.3%) from the same period of previous year. This decrease was mainly due to decreases in mining of coal and lignite by MNT 2.0 trillion (44.5%), and extraction of crude petroleum by MNT 533.8 billion (62.8%) compared to same period of previous year.

In October 2020, the gross industrial output reached MNT 1.9 trillion, increased by MNT 235.9 billion (14.3%) from the previous month. This increase was mainly due to MNT 180.8 billion (14.8%) increase in mining and quarrying output.

By the preliminary results of mining and quarrying sector, in the first 10 months of 2020, extraction of iron ore and gold increased by 4.7-31.3% compared to the same period of previous year. In manufacturing sector, production of bottled water, soft drink, juice, alcoholic beverage, alcohol, wheat flour, cement, milk and coal briquette increased by 2.4-90.7% compared to the same period of previous year. Also, production of face mask increased by 11.8 times more compared to the same period of previous year.

However, in mining and quarrying sector, extractions of brown coal, fluor spar, copper concentrate, hard coal and crude oil decreased by 4.5-47.4%. In manufacturing sector, productions of lime, meat, combed cashmere, copper cathode, cashmere products, concentrated coal metal steed and cigarettes decreased by 3.7-50.4% compared to the same period of previous year.



By the preliminary results of the first 10 months of 2020, the sales of industrial output reached MNT 15.3 trillion, decreased by MNT 1.9 trillion (11.2%) compared to the same period of previous year. This decrease was mainly resulted from MNT 1.7 trillion (14.4%) decrease in sales of mining and quarrying output and MNT 316.4 billion (7.2%) decrease in sales of manufacturing output.

The sales of mining and quarrying output decreased by MNT 1.7 trillion (14.4%) compared to the same period of previous year. This decrease was mainly resulted MNT 1.8 trillion (41.8%) decrease in sales of coal mining output and MNT 508.9 billion (63.0%) decrease in sales of crude petroleum output, respectively.

In the total sales of industrial output, MNT 8.7 trillion (56.8%) was export, of which MNT 7.3 trillion (83.8%) was export of mining and quarrying output.

In the total of MNT 7.3 trillion export of mining and quarrying output, 62.0% was metal ores, 32.0% was coal and lignite, 4.1% was crude petroleum, 1.9% was other mining and quarrying output.

Source: National Statistics Office

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