

**MSE Market Commentary**

- MSE Top-20 Index was down 1.23%, MSE A Index ended lower 4.43%, and MSE B Index decreased 1.63% Market capitalization amounted to 2,387.4 billion and average volume of 289,432 shares were traded at an aggregate average value of MNT 47.5 million.
- Arig Gal (EER) was the most actively traded stock with an aggregate value of MNT 35 million. Following was Ard Financial Group (AARD) with its total value of MNT 33.7 million.
- Tier 1 top gainers of the week were Makhimpex (MMX), Suu (SUU), and Mongolian Post (MNP) on the other hand Tavantolgoi (TTL) lost as much as 16.35% of its value and closed at MNT 4,467.

Mongolia Headlines**APU's dividend distribution to reach record high** *(The Official Gazette)*

- APU JSC, which has the highest market capitalization on the MSE, has held its annual general meeting of shareholders on April 20, 2020, and approved the 2019 activity report. The company's Board of Directors has decided to pay a total of MNT 74.6 billion MNT 71 per share in dividends to its shareholders. This is the highest dividend distribution in the company's history.
- Last year, the company sold 133 million liters of 344 products and earned MNT 473 billion. APU's sales revenue rose 11 percent and net profit reached MNT 76 billion, which was shown an increase of MNT 28 billion from a year earlier. The company highlighted that cost-effective management and the economic situation in Mongolia attributed this growth.
- The company is pursuing a policy to increase dividends in the future, Erdenebileg.Ts, Chief Executive officer of APU JSC stated at the shareholders meeting.

Suu JSC will issue 85.5 million shares *(Today Newspaper)*

- Suu JSC listed on Mongolian Stock Exchange held its annual general meeting of shareholders virtually last Friday. The company solely composed 49 percent of total dairy products and 73 percent of liquid dairy products in domestic market.
- Suu JSC planned to spend MNT 27.1 billion for introducing new product and improving businesses of the company in 2020 as well as they estimated to increase its sales amount by 16 percent. Also, they expected that dairy products' market will rise by 30 percent next five years.
- Shareholders of the company supported a proposal to issue FPO at the meeting. As a result, the company will issue 85,589,000 shares which equal with 25 percent of current outstanding shares of the company. According to the approval of Financial Regulatory Commission and Mongolian Stock Exchange, FPO will be issued, moreover, National Securities company is going to work as underwriter of the FPO issuance. Currently market capitalization of the company totaled MNT 65.8 billion.

Hermes Centre JSC distributed dividend of the last half year of 2019 *(marketinfo.mn)*

- Central Securities Depository informed that Hermes Centre JSC has placed its dividend which was distributed from net profit of 2019 at the securities account of its shareholders.
- The company allocates dividend twice a year and above dividend distribution was granted from net profit of the last half year of 2019. In particular, the company distributed MNT 3.69 per share or MNT 41.2 million to 950 shareholders on April 16, 2020.
- Hermes Centre JSC earned MNT 1.4 billion and operated with profit of MNT 820 million last year.

Net profit of Itools JSC increased by 20.3 percent in 2019 *(bloombergvtv.mn)*

- Itools JSC announced its operating report of 2019 and the company highlighted that number of clients increased by 26.8 percent and totaled 7,790.
- The company has supplied more than 30 types of products and services to the market during the period as well as its sales revenue and net profit increased by 106.2 percent and 20.3 percent last year. Also, the company addressed that they acquired "Sinet" LLC as an internet service provider in May, in 2019. Also, the company introduced website based on cloud computing.
- Furthermore, LendMN JSC informed that the company granted MNT 122.8 billion loan to around 175 thousand clients via its application in the Q1, 2020, which was shown increase of 20.9 percent from previous quarter. As a result, total loan amount of the company has reached MNT 705 billion.
- Furthermore, nonperformance loan of the company decreased by 11 percent from previous quarter and reached MNT 1.6 billion. The company will distribute dividend of MNT 1.2 billion from net profit of 2019 on April 30. Share price of the company closed at MNT 34 and market cap of the company totaled MNT 27.2 billion.

Market capitalization of Mongolian capital market decreased by MNT 200 billion *(The Official Gazette)*

- Mongolian market capitalization of local capital market has decreased by MNT 200 billion since the beginning of this year. In other words, the market capitalization reached to MNT 2.4 trillion, which lowered by around 7 percent,
- Furthermore, Top 20, MSE A and MSE B indexes of Mongolian capital market has fallen by 12 percent, 17 percentage points and 3 percent during the period. Moreover, total value of stock trading decreased by 10 times in March comparing to the same period of 2019.
- Kh. Altai CEO of Mongolian Stock Exchange addressed that the fall of stock trading value was driven by delay of new IPO issuance with regards to the Covid-19 and the decrease of stock trading activity in secondary market.

MSE Top Movers

Indexes	Points	% Change
MSE Top-20 Index	16,506.86	-1.23%
MSE A Index	7,504.81	-4.43%
MSE B Index	7,380.43	-1.63%

Market Summary	Value (USD)
Market capitalization	857,027,536
Daily average turnover	17,052.33

Trading Value Leaders	Close (MNT)	Value (MNT)
Arig Gal (EER)	2,900	35,003,100
Ard Financial Group (AARD)	1,440	33,699,233
Ard Credit (ADB)	71.9	31,659,764

Top Gainers	Close (MNT)	% Change
Tier 1		
Makhimpex (MMX)	2,690	+13.98%
Suu (SUU)	204.16	+6.67%
Mongolian Post (MNP)	670	+4.69%
Tier 2 & 3		
Genco Tour Bureau (JTB)	87.7	+6.95%
Merex (MRX)	15.6	+4.00%
Erdene Resource Dev. (ERDN)	505	+1.00%

Top Losers	Close (MNT)	% Change
Tier 1		
Tavantolgoi (TTL)	4,467	-16.35%
Mongolian Mortgage Corp. (MIK)	11,000	-7.64%
Talkh Chikher (TCK)	13,500	-3.57%
Tier 2 & 3		
Standart agriculture group (SOH)	62.66	-18.62%
Sharyn Gol (SHG)	872	-16.95%
Azyk (ALD)	2,560	-13.86%

Please visit the link for MSE stock quotes: <http://bdsec.mn/trade/>

Mongolia Review

Company	Ticker	Sector	"MSE Category"	"Price Last Close"	Avg. value traded per day in \$*	Avg. volume traded per day*	"Shares Out. (net, m)"	MCap		EV '19		P/E		P/B		EV/EBITDA**		Yield***	
								MNTbn	USDm	MNTbn	2018	2019	2018	2019	2018	2019	2018	2019	
APU	APU	Consumer S	I	534	4,276	20,103	1,064.2	568	204	520	11.8	7.6	1.3	1.2	5	3.9	8.6%	13.3%	
SUU	SUU	Consumer S	I	204	620	8,599	344.0	70	25	94	17.0	12.4	2.7	2.8	11.6	13.5	1.6%	2.4%	
Tumenshuvuut	TUM	Consumer S	II	140	723	13,216	200.0	28	10	30	10.5	8.7	2.5	1.2	8.4	8.1	0.0%	3.4%	
Monos Foods	MFC	Consumer S	II	68	789	32,118	286.2	19	7	22	27.0	25.5	2.0	1.2	14.6	19.4	0.0%	1.5%	
Talkh Chikher	TCK	Consumer S	I	13,500	110	20	1.0	14	5	19	7.0	5.6	0.3	0.3	2.8	2.8	1.5%	1.7%	
Makhimpex	MMX	Consumer S	I	2,690	157	178	3.8	10	4	7	13.1	12.5	3.4	3.1	8.6	6.3	4.5%	4.5%	
Gobi	GOV	Consumer D	I	197	1,551	18,193	780.1	154	55	362	8.6	67.8	1.3	1.9	5.8	8.8	3.5%	0.0%	
Darkhan Nekhii	NEH	Consumer D	I	13,200	33	7	1.1	15	5	26	13.9	6.3	-	0.3	10.4	6.4	0.0%	1.6%	
Lend.mn	LEND	Financial	I	35	975	69,419	800.0	28	10	-	10.9	5.7	2.1	1.6	n/m	n/m	2.9%	4.3%	
Ard Credit	ADB	Financial	II	72	3,704	132,740	210.0	15	5	-	44.1	6.4	4.0	1.4	n/m	n/m	0.0%	5.9%	
Invescore NBF1	INV	Financial	III	2,510	6,236	8,047	61.0	153	55	-	30.3	15.7	11.0	3.7	n/m	n/m	0.0%	0.0%	
Mandal Insurance	MNDL	Financial	I	43	4,125	6,646,931	624.3	27	10	-	7.0	4.7	1.7	1.3	n/m	n/m	2.3%	9.2%	
Ard Insurance	AIC	Financial	I	699	1,552	5,937	25.0	17	6	-	13.8	10.2	1.6	1.5	n/m	n/m	3.6%	4.9%	
BDSec	BDS	Financial	I	896	275	901	13.5	12	4	-	8.0	605.8	0.7	0.7	n/m	n/m	0.0%	1.1%	
Tavan Tolgoi	TTL	Mining	I	4,467	1,288	566	52.7	235	84	178	4.5	4.9	2.6	2.6	1.7	2.7	19.1%	n/m***	
Erdene Resource Dev.	ERDN	Exploration	III	505	246	1,381	184.7	93	33	93	n/m	n/m	2.8	-	-	-	0.0%	0.0%	
Bayangol Hotel	BNG	Hospitality	I	27,000	127	13	0.4	11	4	0	3.3	5.4	0.4	0.4	0.3	0.0	1.3%	1.3%	
Genco Tour Bureau	JTB	Tourism	II	88	41	1,480	100.0	9	3	8	43.4	7.0	1.0	0.9	14.1	4.1	0.0%	11.4%	
Hermes Centre	HRM	R/E	II	127	88	1,990	78.5	10	4	8	12.7	12.2	1.2	1.2	8.1	7.6	6.9%	7.7%	
Mongol Basalt	MBW	Industrial	II	210	435	4,996	56.4	12	4	12	54.6	35.4	0.4	0.4	15.7	11.7	0.5%	1.9%	
Juulchin Duty Free	SUL	Retail	II	75,000	218	8	0.1	5	2	5	3.5	7.2	2.1	2.1	3.0	6.1	13.3%	0.0%	

USD/MNT Rate 2,786

* Based on the last 6 months

** EBITDA is based on BDSEC estimates

*** TTL paid a dividend on 2018 earnings but have not yet declared a dividend on 2019 earnings

Mongolia Review

Company	Ticker	Sector Details	Price (%chg. w/w)		Price (YTD%)		Sales MNTbn		Earnings MNTbn		EBITDA Margin %		Net Margin %		ROE %	
			MNT	USD	MNT	USD	2019	% Y-o-Y	2019	% Y-o-Y	2018	2019	2018	2019	2018	2019
APU	APU	Beverages	0.1%	0.1%	-16%	-18%	468.6	8%	74.4	3%	24%	29%	17%	16%	12%	16%
SUU	SUU	Dairy	6.7%	6.6%	-2%	-4%	73.9	4%	5.7	37%	16%	18%	6%	8%	27%	25%
Tumenshuvuut	TUM	Egg & Poultry	-0.4%	-0.4%	-14%	-15%	20.1	16%	3.2	24%	22%	18%	15%	16%	25%	19%
Monos Foods	MFC	Consumer goods	0.0%	-0.1%	-3%	-5%	9.4	18%	0.8	6%	21%	12%	9%	8%	13%	6%
Talkh Chikher	TCK	Bread & Pastry	-3.6%	-3.6%	-11%	-13%	54.9	18%	2.5	24%	12%	12%	4%	4%	4%	5%
Makhimpex	MMX	Meat	14.0%	13.9%	2%	0%	41.0	5%	0.8	5%	3%	3%	2%	2%	28%	26%
Gobi	GOV	Cashmere	-1.8%	-1.9%	-27%	-28%	210.4	21%	2.3	-87%	27%	20%	10%	1%	16%	2%
Darkhan Nekhii	NEH	Leather	0.0%	-0.1%	-6%	-7%	20.3	-12%	2.3	121%	9%	20%	5%	11%	3%	5%
Lend.mn	LEND	NBFI	2.5%	2.4%	-18%	-20%	18.8	163%	4.9	92%	-	-	36%	26%	26%	32%
Ard Credit	ADB	NBFI	-4.0%	-4.1%	-12%	-14%	6.3	182%	2.4	593%	-	-	15%	38%	9%	32%
Invescore NBFI	INV	NBFI	-4.5%	-4.6%	-18%	-20%	36.8	213%	9.8	93%	-	-	43%	27%	44%	35%
Mandal Insurance	MNDL	Insurance	0.8%	0.7%	14%	12%	28.9	4%	5.7	47%	-	-	14%	20%	36%	32%
Ard Insurance	AIC	Insurance	0.0%	-0.1%	-13%	-14%	11.4	-12%	1.7	36%	-	-	10%	15%	16%	15%
BDSec	BDS	Brokerage	0.0%	-0.1%	5%	3%	1.4	-71%	0.0	-99%	-	-	31%	1%	9%	0%
Tavan Tolgoi	TTL	Coal Mining	-16.3%	-16.4%	-31%	-33%	263.5	16%	48.1	-9%	31%	25%	23%	18%	41%	53%
Erdene Resource Dev.	ERDN	Gold Exploration	1.0%	0.9%	7%	5%	0.0	-	0.0	n/m	-	-	-	-	-7%	-
Bayangol Hotel	BNG	Hospitality	0.0%	-0.1%	0%	-2%	6.8	-1%	2.1	-38%	62%	42%	50%	31%	11%	7%
Genco Tour	JTB	Tourism	7.0%	6.9%	18%	16%	4.7	-2%	1.3	520%	14%	42%	4%	27%	2%	13%
Hermes Centre	HRM	Shopping mall	0.0%	-0.1%	-4%	-6%	1.4	4%	0.8	5%	74%	74%	56%	57%	10%	10%
Mongol Basalt	MBW	Insulation	-2.3%	-2.4%	-19%	-20%	4.3	23%	0.3	54%	17%	23%	6%	8%	1%	1%
Juulchin Duty Free	SUL	Duty Free	0.0%	-0.1%	-24%	-25%	3.7	-36%	0.7	-51%	28%	22%	24%	18%	71%	29%

USD/MNT Rate 2,786

**BDSEC JSC****sec**

Mongolia's Largest Broker

Weekly Market Update**April 27, 2020****Institutional Sales & Research Department**

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