

**MSE Market Commentary**

- MSE Top-20 Index was up 0.01%, MSE A Index ended higher 2.81%, and MSE B Index increased 1.74% Market capitalization amounted to 2,432.5 billion and average volume of 784,080 shares were traded at an aggregate average value of MNT 265.7 million.
- Frontier Land Group (MDR) was the most actively traded stock with an aggregate value of MNT 641.3 million. Following was Juulchin Duty Free (SUL) with its total value of MNT 173.1 million.
- Tier 1 top gainers of the week were BDSec (BDS), Bayangol Hotel (BNG), and Tavantolgoi (TTL) on the other hand Makhimpex (MMX) lost as much as 5.39% of its value and closed at MNT 2,545.

Mongolia Headlines**Tavantolgoi JSC distributes 90 percent of net profit** *(bloombergtv.mn)*

- Tavantolgoi JSC listed on Tier-I of MSE decided to distribute 90 percent of net profit of 2019 to its shareholders. In particular, R.Seddorj CEO of the company informed that they issued a decision to distribute MNT 821 per share at the meeting of shareholders.
- The company distributed MNT 853 per share or MNT 44.9 billion last year. Sales revenue of the company rose by around 16 percent and reached MNT 263.5 billion in 2019. Whereas net profit of the company decreased by approximately 9 percent and totaled MNT 48 billion.
- Tavantolgoi JSC has sold around 600 thousand tons coal since the beginning of this year, which decreased by two times comparing to the same period of last year. Coal mining and sales of the company is likely to continue but its soils stripping has been suspended since April 16, 2020.
- Share price of the company decreased by around 20 percent from the beginning of 2020 and closed at MNT 4,926.

Mongol Daatgal JSC: Main performances of 2020 plan decreases by 13-15 percent *(bloombergtv.mn)*

- Economic difficulties due to Covid-19 negatively affected to the insurance companies' business listed on Mongolian Stock Exchange. For instance, Mongol Daatgal JSC announced that the company planned to decrease its main performances of 2020 plan by 13-15 percent.
- Furthermore, the company has created an opportunity to work from home to its employees and decreased working time of some employees by up to 50 percent. Also, the company has been introducing online insurance service, moreover, they have tested artificial intelligence system for damage assessment and compensation in order to solve driver's liability insurance claims quickly. The artificial intelligence system will be introduced from May 01, 2020.
- Mongol Daatgal JSC operated with profit of MNT 105 million in 2019 but the company decided not to distribute dividend for 2019.

- In addition, Net profit of Mandal Insurance JSC rose by around 50 percent in 2019 and reached MNT 5.9 billion. The company announced that they will distribute MNT 2.5 billion dividend for 2019 at the shareholders meeting which was held on April 23, 2020. Share price of the company rose by 2.02 percent and closed at MNT 43.88 but its share price has decreased by 12.3 percent since the beginning of this year.

Share price of mining companies have been fallen the most for last 2 months *(bloombergtv.mn)*

- Considering at the stock trading on Mongolian Stock Exchange, share price of mining company has been fallen the most for last two months. For instance, Share price of Aduunchuluun JSC listed on Tier-II of MSE has lowered by 26.4 percent and its market cap has decreased by MNT 1.2 billion during the period. Whereas share price of Bayanteeg JSC has decreased by 12.2 percent as well as stock trading of the company has been executed for 6 times since February. Moreover, stock trading of Berkh Uul JSC has been executed for one time during the period.
- In addition, share price of Sharyn Gol JSC listed on Tier-II of MSE closed at MNT 850 yesterday, which decreased by 2.5 percent from previous day and 37 percent from since the beginning of February. Also, it has been the lowest level for last 10 years.
- Sharyn Gol JSC earned MNT 61.9 billion in 2019 but the company operated with loss of MNT 1.8 billion last year.
- Furthermore, share prices of Arig Gal JSC and Moninjbar JSC have lowered by 9.3 percent and 11.5 percent during the period. Income of construction sector decreased by more than 40 percent according to the research of Mongolian National Chamber of Commerce.

Brief news of the market *(marketinfo.mn)*

- Ard Credit JSC placed its dividend of 2019 at its shareholders account. In particular, the company has granted MNT 173.3 million to 1,634 shareholders of the company.
- Annual general meeting of shareholders of Berkh Uul JSC was held and shareholders of the company supported the issue to change company type. As a result, Berkh Uul JSC will become Limited Liability Company.
- The maturity to hold shareholders meeting of companies listed on MSE is expired Today.
- Financial Regulatory Commission (FRC) nullified underwriter license of MonSec securities company as well as Apex Capital securities company get its license of investment advisory service from FRC.

MSE Top Movers

Indexes	Points	% Change
MSE Top-20 Index	16,507.69	+0.01%
MSE A Index	7,715.46	+2.81%
MSE B Index	7,508.56	+1.74%

Market Summary	Value (USD)
Market capitalization	872,190,175
Daily average turnover	95,281.10

Trading Value Leaders	Close (MNT)	Value (MNT)
Frontier Land Group (MDR)	300	641,339,700
Juulchin Duty Free (SUL)	79,950	173,058,000
APU (APU)	539.99	132,926,938

Top Gainers	Close (MNT)	% Change
Tier 1		
BDSec (BDS)	1,030	+14.96%
Bayangol Hotel (BNG)	31,000	+14.81%
Tavantolgoi (TTL)	5,000	+11.93%
Tier 2 & 3		
Gutal (GTL)	19,780	+15.00%
Khuvsgul usan zam (HUZ)	494	+14.82%
Khar khorum properties (AMT)	228	+12.40%

Top Losers	Close (MNT)	% Change
Tier 1		
Makhimpex (MMX)	2,545	-5.39%
Darkhan Nekhii (NEH)	13,000	-1.52%
Mandal Insurance (MNDL)	43.01	-0.65%
Tier 2 & 3		
Standart agriculture group (SOH)	41.62	-33.58%
Darkhan guril tejeel (DAR)	3,613	-27.74%
State Department Store (UID)	900	-13.88%

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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	540	4,578	21,696	1,064.2	575	206	526	11.9	7.7	1.3	1.2	5	3.9	8.5%	13.1%
SUU	SUU	Consumer S	I	212	580	8,022	344.0	73	26	97	17.6	12.9	2.8	2.9	11.6	13.5	1.6%	2.4%
Tumenshuvuut	TUM	Consumer S	II	140	706	12,942	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	69	793	32,348	286.2	20	7	22	27.3	25.9	2.1	1.2	14.8	19.6	0.0%	1.5%
Talkh Chikher	TCK	Consumer S	I	13,500	116	21	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	2,545	158	180	3.8	10	3	7	12.4	11.8	3.2	2.9	8.1	5.9	4.7%	4.7%
Gobi	GOV	Consumer D	I	201	1,491	17,903	780.1	157	56	365	8.8	69.2	1.3	2.0	5.9	8.9	3.4%	0.0%
Darkhan Nekhii	NEH	Consumer D	I	13,000	276	59	1.1	14	5	25	13.7	6.2	-	0.3	10.3	6.3	0.0%	1.6%
Lend.mn	LEND	Financial	I	35	977	70,664	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	78	3,333	119,722	210.0	16	6	-	47.6	6.9	4.3	1.5	n/m	n/m	0.0%	5.5%
Invescore NBF1	INV	Financial	III	2,516	6,162	7,966	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	4,134	6,956,435	624.3	27	10	-	6.9	4.7	1.7	1.3	n/m	n/m	2.3%	9.3%
Ard Insurance	AIC	Financial	I	710	1,548	5,951	25.0	18	6	-	14.0	10.3	1.7	1.5	n/m	n/m	3.6%	4.8%
BDSec	BDS	Financial	I	1,030	270	888	13.5	14	5	-	9.2	696.4	0.8	0.8	n/m	n/m	0.0%	1.0%
Tavan Tolgoi	TTL	Mining	I	5,000	1,279	578	52.7	263	95	206	5.0	5.5	2.9	2.9	2.1	3.2	17.1%	16.4%
Erdene Resource Dev.	ERDN	Exploration	III	508	236	1,323	184.7	94	34	94	n/m	n/m	2.8	-	-	-	0.0%	0.0%
Bayangol Hotel	BNG	Hospitality	I	31,000	126	13	0.4	13	5	2	3.8	6.2	0.4	0.4	0.7	0.6	1.1%	1.1%
Genco Tour Bureau	JTB	Tourism	II	85	39	1,413	100.0	9	3	8	42.0	6.8	1.0	0.8	13.6	4.0	0.0%	11.8%
Hermes Centre	HRM	R/E	II	127	86	1,948	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	204	428	4,942	56.4	12	4	11	53.1	34.4	0.4	0.4	15.1	11.4	0.5%	2.0%
Juulchin Duty Free	SUL	Retail	II	79,950	698	24	0.1	5	2	5	3.8	7.7	2.3	2.2	3.2	6.5	12.5%	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	1.2%	1.1%	-15%	-17%	468.6	8%	74.4	3%	24%	29%	17%	16%	12%	16%
SUU	SUU	Dairy	3.8%	3.7%	1%	-1%	73.9	4%	5.7	37%	16%	18%	6%	8%	27%	25%
Tumenshuvuut	TUM	Egg & Poultry	0.0%	-0.1%	-14%	-15%	20.1	16%	3.2	24%	22%	18%	15%	16%	25%	19%
Monos Foods	MFC	Consumer goods	1.3%	1.2%	-2%	-4%	9.4	18%	0.8	6%	21%	12%	9%	8%	13%	6%
Talkh Chikher	TCK	Bread & Pastry	0.0%	-0.1%	-11%	-13%	54.9	18%	2.5	24%	12%	12%	4%	4%	4%	5%
Makhimpex	MMX	Meat	-5.4%	-5.5%	-4%	-5%	41.0	5%	0.8	5%	3%	3%	2%	2%	28%	26%
Gobi	GOV	Cashmere	2.0%	1.8%	-26%	-27%	210.4	21%	2.3	-87%	27%	20%	10%	1%	16%	2%
Darkhan Nekhii	NEH	Leather	-1.5%	-1.6%	-7%	-9%	20.3	-12%	2.3	121%	9%	20%	5%	11%	3%	5%
Lend.mn	LEND	NBFI	0.0%	-0.1%	-18%	-20%	18.8	163%	4.9	92%	-	-	36%	26%	26%	32%
Ard Credit	ADB	NBFI	7.9%	7.8%	-5%	-7%	6.3	182%	2.4	593%	-	-	15%	38%	9%	32%
Invescore NBFI	INV	NBFI	4.2%	4.0%	-15%	-17%	36.8	213%	9.8	93%	-	-	43%	27%	44%	35%
Mandal Insurance	MNDL	Insurance	0.2%	0.1%	14%	12%	28.9	4%	5.7	47%	-	-	14%	20%	36%	32%
Ard Insurance	AIC	Insurance	1.6%	1.5%	-11%	-13%	11.4	-12%	1.7	36%	-	-	10%	15%	16%	15%
BDSec	BDS	Brokerage	15.0%	14.8%	21%	19%	1.4	-71%	0.0	-99%	-	-	31%	1%	9%	0%
Tavan Tolgoi	TTL	Coal Mining	11.9%	11.8%	-23%	-25%	263.5	16%	48.1	-9%	31%	25%	23%	18%	41%	53%
Erdene Resource Dev.	ERDN	Gold Exploration	0.6%	0.5%	8%	6%	0.0	-	0.0	n/m	-	-	-	-	-7%	-
Bayangol Hotel	BNG	Hospitality	14.8%	14.7%	15%	13%	6.8	-1%	2.1	-38%	62%	42%	50%	31%	11%	7%
Genco Tour	JTB	Tourism	-3.1%	-3.2%	14%	12%	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	-2.7%	-2.8%	-21%	-23%	4.3	23%	0.3	54%	17%	23%	6%	8%	1%	1%
Juulchin Duty Free	SUL	Duty Free	6.6%	6.5%	-19%	-20%	3.7	-36%	0.7	-51%	28%	22%	24%	18%	71%	29%

USD/MNT Rate 2,786



BDSEC JSC

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Mongolia's Largest Broker

Weekly Market Update

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