

**MSE Market Commentary**

- MSE Top-20 Index was up 0.19%, MSE A Index ended higher 1.98%, and MSE B Index decreased 0.96% Market capitalization amounted to 2,456.7 billion and average volume of 3,369,861 shares were traded at an aggregate average value of MNT 399.2 million.
- Monos Foods (MFC) was the most actively traded stock with an aggregate value of MNT 830.9 million. Following was Mongolian Post (MNP) with its total value of MNT 600 million.
- Tier 1 top gainers of the week were Tavantolgoi (TTL), Bayangol Hotel (BNG), and Gobi (GOV) on the other hand BDSec (BDS) lost as much as 2.91% of its value and closed at MNT 1,000.

Mongolia Headlines**R.Seddorj: If more than 500 coal trucks are crossed through Gashuunsukhait port, coal export will be normal** *(The Official Gazette)*

- Tavantolgoi JSC listed on Tier-I of MSE introduced its dividend distribution. R.Seddorj CEO of the company gave an interview on the matter.
- Annual General Meeting of shareholders was held on April 29, 2020. The company decided to distribute dividend of MNT 43.2 billion or MNT 821 per share to its shareholders at the meeting of shareholders, which equaled with 90 percent of its net profit of 2019 as well as MNT 22 billion out of MNT 43.2 billion will be allocated to budget of Umnugobi province. Dividend amount of the company lowered by MNT 2 per share from previous year due to its net profit's decrease.
- Furthermore, shareholders of the company obliged to produce feasibility study for construction of coal concentration plant to the executives of the company. Currently the company has sold 556 thousand tons coal since the beginning of 2020 as well as more than 700 thousand tons coal has been a ready to be loaded in Tsagaan Khad port. Therefore, executives of the company said that they will export its coal in Tsagaan Khad port initially.
- CEO of the company said, "If more than 500 trucks are exported coal through Gashuunsukhait port in per day, the coal export of Mongolia will be a normal. However, 160-170 coal trucks cross through the port in per day. Also, coal price decreased by USD 20 per ton compared with last autumn but there are no sharp changes for price of coal, moreover, we did not cancel our agreement of coal sales whereas we are considering number of coal trucks which are crossed through the port."

LendMN JSC will distribute MNT 266.1 million to shareholders*(Today Newspaper)*

- LendMN JSC will distribute dividend of MNT 1.2 billion or MNT 1.35 per share from net profit of 2019 to its shareholders. The company issued 800,000,000 shares.

- Total assets of the company reached MNT 58.1 billion, which rose by 2.2 times as well as liabilities of the company totaled MNT 40.9 billion, which increased by 3.7 times in 2019. However, the company operated with profit of MNT 4.9 billion last year.
- Furthermore, Ard Credit NBFJ JSC decided to allocate around MNT 1.2 billion dividend for 2019. As a result, 1,364 shareholders of the company will receive dividend.

Ard Financial Group JSC held its AGM via online *(Today Newspaper)*

- Ard Financial Group JSC held its annual general meeting of shareholders virtually last week. Ard Financial Group JSC decided to distribute MNT 1 billion to its shareholders.
- Ch.Gankhuyag Chairman of Board of Directors of Ard Financial Group JSC said that Ard Financial Group merged with Jinst Uvs company and registered on Mongolian Stock Exchange in August, 2019. Board of Director of the company approved business plan of 2020-2022. The company is aiming to expand its business in Central Asia region.
- Also, the company recapitalized Ard Life company by MNT 15 billion. If government would approve draft of law on private pension fund, Ard Life company would be leading company in the sector.
- Furthermore, B.Zolboo Chief Financial Officer of Ard Financial Group JSC informed that the company increased its investment to MNT 68.2 billion with regards to IPO of Ard Credit and Ard Life company. As a result, total assets of the company amounted to MNT 78.4 billion in 2019, which rose by 29 percent from previous year. Moreover, its net profit totaled MNT 3.4 billion.
- B.Zolboo added that they aimed to decrease expenses and liabilities of the company. Within the framework of above goal, the company will issue a bond.

Baganuur company will mine and sell 4 million tons coal in 2020*(marketinfo.mn)*

- Baganuur JSC planned to mine and sell 4 million thermal coal this year, which is lower 100 thousand tons than performances of 2019. In particular, the company sold 4.1 million tons coal in 2019, earned MNT 138.5 billion from the sales and operated with profit of MNT 69.7 million. Also, earnings per share of the company equaled with MNT 3.32.
- However, the company's accumulated debts are being the biggest problem for its effectiveness as well as liabilities amount of the company is increasing year by year. For instance, its total liabilities had been MNT 165.8 billion by the end of 2018 whereas the amount increased to MNT 174 billion last year.
- As a result, share price of the company has been decreasing during the period. For instance, share price of the company closed at MNT 825 yesterday, which has been the lowest price since 2009.

MSE Top Movers

Indexes	Points	% Change
MSE Top-20 Index	16,539.45	+0.19%
MSE A Index	7,867.87	+1.98%
MSE B Index	7,436.56	-0.96%

Market Summary	Value (USD)
Market capitalization	880,082,803
Daily average turnover	143,021.19

Trading Value Leaders	Close (MNT)	Value (MNT)
Monos Foods (MFC)	67	830,877,240
Mongolian Post (MNP)	667	600,000,000
Ard Credit (ADB)	74.99	314,615,958

Top Gainers	Close (MNT)	% Change
Tier 1		
Tavantolgoi (TTL)	5,535	+10.70%
Bayangol Hotel (BNG)	32,860	+6.00%
Gobi (GOV)	204.5	+1.91%
Tier 2 & 3		
Genco Tour Bureau (JTB)	88	+3.53%
Nekheesgui Edlel (NXE)	2,400	+2.56%
Mongol Basalt (MBW)	208.4	+1.99%

Top Losers	Close (MNT)	% Change
Tier 1		
BDSec (BDS)	1,000	-2.91%
Makhimpex (MMX)	2,500	-1.77%
Suu (SUU)	208.73	-1.54%
Tier 2 & 3		
State Department Store (UID)	820	-8.89%
Darkhan guril tejeel (DAR)	3,300	-8.66%
Erdene Resource Dev. (ERDN)	470	-7.48%

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	543	4,441	20,928	1,064.2	578	207	529	12.0	7.8	1.3	1.2	5	4.0	8.5%	13.1%
SUU	SUU	Consumer S	I	209	554	7,648	344.0	72	26	96	17.4	12.7	2.7	2.8	11.6	13.5	1.6%	2.4%
Tumenshuvuut	TUM	Consumer S	II	139	673	12,316	200.0	28	10	30	10.4	8.6	2.4	1.2	8.3	8.0	0.0%	3.5%
Monos Foods	MFC	Consumer S	II	67	767	31,268	286.2	19	7	21	26.6	25.2	2.0	1.2	14.4	19.1	0.0%	1.5%
Talkh Chikher	TCK	Consumer S	I	13,700	111	21	1.0	14	5	19	7.1	5.7	0.3	0.3	2.8	2.8	1.5%	1.6%
Makhimpex	MMX	Consumer S	I	2,500	182	207	3.8	10	3	7	12.2	11.6	3.2	2.8	8.0	5.7	4.8%	4.8%
Gobi	GOV	Consumer D	I	205	1,488	18,060	780.1	160	57	368	9.0	70.5	1.4	2.0	5.9	8.9	3.3%	0.0%
Darkhan Nekhii	NEH	Consumer D	I	13,000	275	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	1,036	76,489	800.0	28	10	-	10.8	5.6	2.1	1.6	n/m	n/m	2.9%	4.3%
Ard Credit	ADB	Financial	II	75	3,269	117,638	210.0	16	6	-	46.0	6.6	4.2	1.4	n/m	n/m	0.0%	5.6%
Invescore NBF1	INV	Financial	III	2,550	6,107	7,896	61.0	155	56	-	30.7	15.9	11.2	3.7	n/m	n/m	0.0%	0.0%
Mandal Insurance	MNDL	Financial	I	43	3,992	7,261,985	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	708	1,567	6,038	25.0	18	6	-	14.0	10.3	1.7	1.5	n/m	n/m	3.6%	4.8%
BDSec	BDS	Financial	I	1,000	174	567	13.5	13	5	-	8.9	676.1	0.8	0.8	n/m	n/m	0.0%	1.0%
Tavan Tolgoi	TTL	Mining	I	5,535	1,239	562	52.7	292	104	234	5.5	6.1	3.2	3.3	2.5	3.6	15.4%	14.8%
Erdene Resource Dev.	ERDN	Exploration	III	470	230	1,290	184.7	87	31	87	n/m	n/m	2.6	-	-	-	0.0%	0.0%
Bayangol Hotel	BNG	Hospitality	I	32,860	117	12	0.4	14	5	3	4.0	6.6	0.4	0.4	0.9	0.9	1.1%	1.1%
Genco Tour Bureau	JTB	Tourism	II	88	39	1,413	100.0	9	3	8	43.5	7.0	1.0	0.9	14.1	4.2	0.0%	11.4%
Hermes Centre	HRM	R/E	II	126	86	1,947	78.5	10	4	8	12.6	12.1	1.2	1.2	8.0	7.6	7.0%	7.8%
Mongol Basalt	MBW	Industrial	II	208	416	4,843	56.4	12	4	12	54.1	35.1	0.4	0.4	15.5	11.6	0.5%	1.9%
Juulchin Duty Free	SUL	Retail	II	79,950	695	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 2,791

* 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	0.5%	0.4%	-15%	-16%	468.6	8%	74.4	3%	24%	29%	17%	16%	12%	16%
SUU	SUU	Dairy	-1.5%	-1.6%	0%	-2%	73.9	4%	5.7	37%	16%	18%	6%	8%	27%	25%
Tumenshuvuut	TUM	Egg & Poultry	-1.0%	-1.1%	-15%	-16%	20.1	16%	3.2	24%	22%	18%	15%	16%	25%	19%
Monos Foods	MFC	Consumer goods	-2.7%	-2.8%	-5%	-7%	9.4	18%	0.8	6%	21%	12%	9%	8%	13%	6%
Talkh Chikher	TCK	Bread & Pastry	1.5%	1.4%	-10%	-12%	54.9	18%	2.5	24%	12%	12%	4%	4%	4%	5%
Makhimpex	MMX	Meat	-1.8%	-1.9%	-5%	-7%	41.0	5%	0.8	5%	3%	3%	2%	2%	28%	26%
Gobi	GOV	Cashmere	1.9%	1.8%	-24%	-26%	210.4	21%	2.3	-87%	27%	20%	10%	1%	16%	2%
Darkhan Nekhii	NEH	Leather	0.0%	-0.1%	-7%	-9%	20.3	-12%	2.3	121%	9%	20%	5%	11%	3%	5%
Lend.mn	LEND	NBFI	-1.3%	-1.3%	-19%	-21%	18.8	163%	4.9	92%	-	-	36%	26%	26%	32%
Ard Credit	ADB	NBFI	-3.4%	-3.5%	-9%	-10%	6.3	182%	2.4	593%	-	-	15%	38%	9%	32%
Invescore NBFI	INV	NBFI	-7.3%	-7.4%	-21%	-23%	36.8	213%	9.8	93%	-	-	43%	27%	44%	35%
Mandal Insurance	MNDL	Insurance	1.4%	1.3%	16%	14%	28.9	4%	5.7	47%	-	-	14%	20%	36%	32%
Ard Insurance	AIC	Insurance	-0.3%	-0.4%	-12%	-13%	11.4	-12%	1.7	36%	-	-	10%	15%	16%	15%
BDSec	BDS	Brokerage	-2.9%	-3.0%	18%	15%	1.4	-71%	0.0	-99%	-	-	31%	1%	9%	0%
Tavan Tolgoi	TTL	Coal Mining	10.7%	10.6%	-15%	-17%	263.5	16%	48.1	-9%	31%	25%	23%	18%	41%	53%
Erdene Resource Dev.	ERDN	Gold Exploration	-7.5%	-7.6%	0%	-2%	0.0	-	0.0	n/m	-	-	-	-	-7%	-
Bayangol Hotel	BNG	Hospitality	6.0%	5.9%	22%	19%	6.8	-1%	2.1	-38%	62%	42%	50%	31%	11%	7%
Genco Tour	JTB	Tourism	3.5%	3.4%	18%	16%	4.7	-2%	1.3	520%	14%	42%	4%	27%	2%	13%
Hermes Centre	HRM	Shopping mall	-0.8%	-0.9%	-5%	-7%	1.4	4%	0.8	5%	74%	74%	56%	57%	10%	10%
Mongol Basalt	MBW	Insulation	2.0%	1.9%	-19%	-21%	4.3	23%	0.3	54%	17%	23%	6%	8%	1%	1%
Juulchin Duty Free	SUL	Duty Free	0.0%	-0.1%	-19%	-20%	3.7	-36%	0.7	-51%	28%	22%	24%	18%	71%	29%

USDMNT Rate 2,791

**BDSEC JSC****sec**

Mongolia's Largest Broker

Weekly Market Update**May 11, 2020****Institutional Sales & Research Department**

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