

**MSE Market Commentary**

- MSE Top-20 Index was up 1.48%, MSE A Index ended lower 1.11%, and MSE B Index decreased 0.54% Market capitalization amounted to 2,432.6 billion and average volume of 2,363,877 shares were traded at an aggregate average value of MNT 107.3 million.
- Standart agriculture group (SOH) was the most actively traded stock with an aggregate value of MNT 395.5 million. Following was Silk net (GFG) with its total value of MNT 72.2 million.
- Tier 1 top gainers of the week were Tavantolgoi (TTL) on the other hand Mongolian Post (MNP) lost as much as 10.04% of its value and closed at MNT 600.

**Mongolia Headlines****Bayan Khundii gold project value to double as gold price rises** *(The Official Gazette)*

- The value of the gold projects has been increased during the time when the gold price climbs. According to the Erdene Resource Development Corporation's (ERD) feasibility study, the price of gold reflected to stand at USD 1,300 per ounce, but it has risen to USD 1,700 currently, the project's value has almost doubled to USD 188 million.
- Additionally, ERD's stock traded at CAD 0.21 on the Toronto Stock Exchange on Thursday. The company, which has received mining licenses for the Khundii gold project, is working to complete a detailed feasibility study by mid-2020.
- At the same time, some discussions related to financing gold companies have been revealed. Moreover, Parliament Speaker highlighted that implementing the gold 2 program and providing funding to gold companies will help increase foreign exchange reserves and ensure the stability of the Mongolian MNT.
- Furthermore, The annual meeting of the shareholders of Erdene Resource Development Corporation JSC (TSX:ERD | MSE:ERDN) will be held online in Halifax, Nova Scotia on June 25, 2020 at 4 pm (June 26, 2020 at 3 am).
- Agenda of the meeting is as follows:
  - Introduce the audited financial statements of the Corporation for the year ended December 31, 2019;
  - To elect directors of the Corporation for the forthcoming year;
  - To appoint the auditor of the Corporation for the forthcoming year;
  - To approve and confirm the continuance of the Corporation's Amended and Restated Shareholder Rights Plan Agreement dated June 14, 2017 (the "Amended and Restated Rights Plan")
  - To pass a resolution amending the Corporation's deferred stock unit plan;
- Only the Shareholders of record as of the May 21, 2020 ("Record Date") are entitled to receive notice of the Meeting, and except as noted in the attached Circular, to vote at the Meeting.

**ETT transfers dividends of one million shareholders** *(The Official Gazette)*

- As of Today, dividends of 1,072 shares of about one million people have been transferred to the Central Securities Depository, according to the information of Erdenes Tavan Tolgoi JSC (ETT). The company's Board of Directors in February made a decision to distribute MNT 200 billion with MNT 90 per share and resolved to give MNT 96,000 to 1,072 shares. ETT earned USD 1.3 billion from its sales in 2019.
- The company emphasized that this applies to individuals who have opened a securities account without any registration violations. Currently 2.5 million people have stakes in the company, while 1.8 million people have securities accounts. The government owns 85 percent of the company. According to Erdenes Tavan Tolgoi JSC, it will take time to review the records of 2,513,000 people.
- The Board has approved for the first time to distribute dividends to shareholders according to the Company Law. "ETT has never distributed dividends in accordance with the Company Law in the last decade or so it has operated. In the past, the state used its preferential rights to buy stakes from some people in cash. This time, it is not payout but legal dividend distribution," said Minister of Mining and Heavy Industry Sumiyabazar Dolgorsuren.

**Some companies distributed their dividend for 2019** *(marketinfo.mn)*

- 36 companies listed on Mongolian Stock Exchange issued a decision to distribute dividend from net profit of 2019 to their shareholders. Currently below companies distributed their dividend to their shareholders.
  - Takhi Ko JSC distributed dividend of MNT 97.2 per share. Total number of outstanding shares of the company is 280,000,000 and share price of the company closed at MNT 73.
  - LendMN JSC allocated its dividend for 2019 on April 30, 2020 as well as current outstanding shares of the company is 800 million. Therefore, the company granted around MNT 1.1 billion.
  - Ard Credit JSC distributed MNT 982.8 million or MNT 3.51 per share to its shareholders.
  - Ulaanbaatar Khivs JSC granted dividend of MNT 270 per share on May 13, 2020.
  - Hermes Centre JSC distributed MNT 3.69 per share on April 16, 2020. The company allocates dividend twice a year.
- Furthermore, APU and Tavan Tolgoi JSC as the biggest companies listed on MSE will distribute their dividend for 2019 according to the plan within May, 2020.

**MSE Top Movers**

Indexes	Points	% Change
MSE Top-20 Index	16,295.41	-1.48%
MSE A Index	7,780.61	-1.11%
MSE B Index	7,396.09	-0.54%

Market Summary	Value (USD)
Market capitalization	869,337,173
Daily average turnover	38,357.40

Trading Value Leaders	Close (MNT)	Value (MNT)
Standart agriculture group (SOH)	34	395,493,272
Silk net (GFG)	720	72,205,200
APU (APU)	539	14,892,784

Top Gainers	Close (MNT)	% Change
<b>Tier 1</b>		
Tavantolgoi (TTL)	5,560	+0.45%
<b>Tier 2 &amp; 3</b>		
E Trans Logistics (ETR)	158	+13.67%
Bluesky Securities (BSKY)	1,600	+10.34%
Erdene Resource Dev. (ERDN)	515	+9.57%

Top Losers	Close (MNT)	% Change
<b>Tier 1</b>		
Mongolian Post (MNP)	600	-10.04%
LendMN (LEND)	32.43	-6.27%
Gobi (GOV)	192.62	-5.81%
<b>Tier 2 &amp; 3</b>		
Standart agriculture group (SOH)	34	-18.31%
Autoimpex (AOI)	1,700	-13.27%
Tsagaantolgoi (TSA)	725	-9.38%

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	540	4,322	20,361	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	207	480	6,647	344.0	71	26	95	17.2	12.6	2.7	2.8	11.6	13.5	1.6%	2.4%
Tumenshuvuut	TUM	Consumer S	II	137	638	11,690	200.0	27	10	29	10.3	8.5	2.4	1.2	8.2	7.9	0.0%	3.5%
Monos Foods	MFC	Consumer S	II	66	737	30,048	286.2	19	7	21	26.3	24.9	2.0	1.2	14.3	18.9	0.0%	1.5%
Talkh Chikher	TCK	Consumer S	I	13,300	112	21	1.0	14	5	19	6.9	5.5	0.3	0.3	2.7	2.8	1.5%	1.7%
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	193	1,438	17,627	780.1	150	54	358	8.5	66.4	1.3	1.9	5.7	8.7	3.5%	0.0%
Darkhan Nekhii	NEH	Consumer D	I	13,000	273	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	32	1,026	76,713	800.0	26	9	-	10.1	5.3	1.9	1.5	n/m	n/m	3.1%	4.6%
Ard Credit	ADB	Financial	II	73	2,992	108,199	210.0	15	5	-	44.7	6.5	4.1	1.4	n/m	n/m	0.0%	5.8%
Invescore NBF1	INV	Financial	III	2,525	6,049	7,830	61.0	154	55	-	30.4	15.8	11.1	3.7	n/m	n/m	0.0%	0.0%
Mandal Insurance	MNDL	Financial	I	42	3,996	7,364,272	624.3	26	9	-	6.8	4.6	1.7	1.3	n/m	n/m	2.4%	9.5%
Ard Insurance	AIC	Financial	I	705	1,520	5,866	25.0	18	6	-	14.0	10.3	1.6	1.5	n/m	n/m	3.6%	4.8%
BDSec	BDS	Financial	I	1,000	162	528	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	5,560	1,226	559	52.7	293	105	235	5.5	6.1	3.2	3.3	2.5	3.6	15.3%	14.8%
Erdene Resource Dev.	ERDN	Exploration	III	515	230	1,289	184.7	95	34	95	n/m	n/m	2.8	-	-	-	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	81	39	1,429	100.0	8	3	8	40.2	6.5	0.9	0.8	13.1	3.8	0.0%	12.3%
Hermes Centre	HRM	R/E	II	125	33	719	78.5	10	4	8	12.5	12.0	1.2	1.2	8.0	7.5	7.0%	7.8%
Mongol Basalt	MBW	Industrial	II	215	419	4,933	56.4	12	4	12	55.9	36.2	0.4	0.4	16.2	12.0	0.5%	1.9%
Juulchin Duty Free	SUL	Retail	II	79,950	685	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 2,797

\* 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%	-0.8%	-15%	-17%	468.6	8%	74.4	3%	24%	29%	17%	16%	12%	16%
SUU	SUU	Dairy	-0.8%	-1.1%	-1%	-3%	73.9	4%	5.7	37%	16%	18%	6%	8%	27%	25%
Tumenshuvuut	TUM	Egg & Poultry	-1.1%	-1.3%	-16%	-17%	20.1	16%	3.2	24%	22%	18%	15%	16%	25%	19%
Monos Foods	MFC	Consumer goods	-1.1%	-1.4%	-6%	-8%	9.4	18%	0.8	6%	21%	12%	9%	8%	13%	6%
Talkh Chikher	TCK	Bread & Pastry	-2.9%	-3.2%	-13%	-15%	54.9	18%	2.5	24%	12%	12%	4%	4%	4%	5%
Makhimpex	MMX	Meat	0.0%	-0.2%	-5%	-7%	41.0	5%	0.8	5%	3%	3%	2%	2%	28%	26%
Gobi	GOV	Cashmere	-5.8%	-6.0%	-29%	-30%	210.4	21%	2.3	-87%	27%	20%	10%	1%	16%	2%
Darkhan Nekhii	NEH	Leather	0.0%	-0.2%	-7%	-9%	20.3	-12%	2.3	121%	9%	20%	5%	11%	3%	5%
Lend.mn	LEND	NBFI	-6.3%	-6.5%	-24%	-26%	18.8	163%	4.9	92%	-	-	36%	26%	26%	32%
Ard Credit	ADB	NBFI	-2.9%	-3.2%	-11%	-13%	6.3	182%	2.4	593%	-	-	15%	38%	9%	32%
Invescore NBFI	INV	NBFI	-3.9%	-4.1%	-24%	-26%	36.8	213%	9.8	93%	-	-	43%	27%	44%	35%
Mandal Insurance	MNDL	Insurance	-1.0%	-1.2%	15%	12%	28.9	4%	5.7	47%	-	-	14%	20%	36%	32%
Ard Insurance	AIC	Insurance	-0.4%	-0.6%	-12%	-14%	11.4	-12%	1.7	36%	-	-	10%	15%	16%	15%
BDSec	BDS	Brokerage	0.0%	-0.2%	18%	15%	1.4	-71%	0.0	-99%	-	-	31%	1%	9%	0%
Tavan Tolgoi	TTL	Coal Mining	0.5%	0.2%	-14%	-16%	263.5	16%	48.1	-9%	31%	25%	23%	18%	41%	53%
Erdene Resource Dev.	ERDN	Gold Exploration	9.6%	9.3%	10%	7%	0.0	-	0.0	n/m	-	-	-	-	-7%	-
Bayangol Hotel	BNG	Hospitality	0.0%	-0.2%	22%	19%	6.8	-1%	2.1	-38%	62%	42%	50%	31%	11%	7%
Genco Tour	JTB	Tourism	-7.7%	-7.9%	9%	7%	4.7	-2%	1.3	520%	14%	42%	4%	27%	2%	13%
Hermes Centre	HRM	Shopping mall	-0.8%	-1.0%	-6%	-8%	1.4	4%	0.8	5%	74%	74%	56%	57%	10%	10%
Mongol Basalt	MBW	Insulation	3.2%	2.9%	-17%	-19%	4.3	23%	0.3	54%	17%	23%	6%	8%	1%	1%
Juulchin Duty Free	SUL	Duty Free	0.0%	-0.2%	-19%	-21%	3.7	-36%	0.7	-51%	28%	22%	24%	18%	71%	29%

USD/MNT Rate 2,797



**BDSEC JSC**

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Mongolia's Largest Broker

**Weekly Market Update**

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