

**MSE Market Commentary**

- MSE Top-20 Index was down 0.02%, MSE A Index ended lower 0.41%, and MSE B Index increased 0.28% Market capitalization amounted to 2,443.8 billion and average volume of 410,411 shares were traded at an aggregate average value of MNT 76.7 million.
- LendMN (LEND) was the most actively traded stock with an aggregate value of MNT 42.6 million. Following was APU (APU) with its total value of MNT 41.9 million.
- Tier 1 top gainers of the week were Makhimpex (MMX), LendMN (LEND), and Suu (SUU) on the other hand Bayangol Hotel (BNG) lost as much as 21.21% of its value and closed at MNT 26,000.

Mongolia Headlines**Subscription of Bodi Insurance IPO successfully closed and its secondary market trading will be start from June 15** *(mse.mn)*

- "Bodi Insurance" JSC, the first IPO of 2020, has closed the offering of its 20 percent or 47.0 million shares to public. The offers were received from May 25, 2020 to 5 pm June 08, 2020.
- The total subscription for the IPO has amounted to MNT 5,318,225,672 subscribed by 959 individuals and business entities.
- "Bodi Insurance" JSC offered 47.0 million shares to the public at the price between MNT113-135 by book building method and to strategic investors at the fixed price of MNT 113. The share price of "Bodi Insurance" JSC will be set at MNT113 based on the subscription price and the proceeds. As a result, the company listed on Tier-I of Mongolian Stock Exchange.
- The secondary market trading of the company will start after the decision to approve primary market trading by the Financial Regulatory Commission. Finally, in accordance with FRC Chairman's resolution No.1/2494 dated June 11, 2020, "Bodi Insurance" JSC get an approval to start secondary market trading of the company from June 15, 2020.

TOP-20 index and share prices growth and decrease *(marketinfo.mn)*

- The MSE Top 20 Index is calculated based on the market capitalization and average daily trade of the top 20 securities listed on the Mongolian Stock Exchange. Top 20 Index has decreased by 18.55 percent since the beginning of this year.
- Considering at the share price changes of companies listed on TOP 20 Index, share price of three companies has increased whereas share price of residual 17 companies has decreased. Below three companies' share price has been increasing since the beginning of this year.
 - Share price of BDSEC JSC rose by 19.18 percent and closed at MNT 1,013.
 - Invescore NBFI JSC's share price increased by 13.74 percent and reached MNT 2,500.
 - Finally, share price of Erdene Resources Development Corporation rose by 12.54 percent and closed at MNT 470.

- Furthermore, share prices of residual 17 companies such as Suu, Monos Foods, Ard Insurance, Tavantolgoi, APU, Mandal Insurance, Mongolian Post, LendMN, Gobi and State Department Store have been decreasing during the period.

LendMN NBFI JSC will issue a bond *(ikon.mn)*

- LendMN NBFI JSC as leading company in Fintech sector of Mongolia get a permission to issue a "LendMN Bond" from Financial Regulatory Commission. "LendMN Bond" is the first bond which is issued by Fintech company on Mongolian capital market.
- LendMN NBFI JSC has introduced new online payment system based on mobile application to the market. The company issued an IPO in 2018 and the company broke the record by amount of IPO subscription.
- Maturity of "LendMN Bond" will be 1 year, annual interest rate will be 17 percent and it will be repaid at the end of the term. They will raise MNT 5 billion from the public and nominal price of the bond will be at MNT 100,000.
- Furthermore, Mirae Asset Securities Mongolia and Ard Capital Securities companies are working as underwriter for the bond issuance. People will be a possibility to submit their buy order via brokerage companies. Currently market capitalization of LendMN JSC has been MNT 24.8 billion.

Environmental and Social Impact Assessment of Khundii Gold Project was completed *(Today Newspaper)*

- Erdene Resource Development Corporation listed on Toronto and Mongolian Stock Exchanges announced that the company completed Environmental and Social Impact Assessment of Khundii Gold Project. The company produced the assessment according to the Performance Requirements of the European Bank for Reconstruction and Development by Sustainability East Asia, in consortium with Ramboll Australia and Eco Trade companies.
- "The independent ESIA details Erdene's commitment to responsible mine development and transparency for all shareholders," said Peter Akerley, Erdene's President and Chief Executive Officer. "This assessment is a decisive point for the evolution of the Khundii Gold Project, which will contribute to the vitality and economic diversification of Bayankhongor province and the development of Mongolia's hard rock gold mining industry."
- Erdene Resource Development Corporation owns "Khundii Gold Project", which will be a possibility to mine gold by open-pit.

MSE Top Movers

Indexes	Points	% Change
MSE Top-20 Index	16,072.38	-0.02%
MSE A Index	7,969.51	-0.41%
MSE B Index	7,303.69	+0.28%

Market Summary	Value (USD)
Market capitalization	868,679,627
Daily average turnover	27,265.37

Trading Value Leaders	Close (MNT)	Value (MNT)
LendMN (LEND)	30.17	42,551,221
APU (APU)	541.77	41,883,672
Tumenshuvuut (TUM)	136.77	12,244,787

Top Gainers	Close (MNT)	% Change
Tier 1		
Makhimpex (MMX)	2,650	+10.19%
LendMN (LEND)	32.06	+6.26%
Suu (SUU)	205.47	+1.72%
Tier 2 & 3		
Standart Noos (ALI)	275	+14.58%
Khar khorum properties (AMT)	372	+12.73%
Remicon (RMC)	27.92	+4.37%

Top Losers	Close (MNT)	% Change
Tier 1		
Bayangol Hotel (BNG)	26,000	-21.21%
Tavantolgoi (TTL)	5,500	-3.51%
Gobi (GOV)	191.56	-0.65%
Tier 2 & 3		
Shivee Ovoo (SHV)	1,625	-14.47%
Undurkhaan (ONH)	1,200	-13.67%
Merex (MRX)	13.5	-12.90%

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	542	4,213	25,804	1,064.2	576	205	528	12.0	7.7	1.3	1.2	5	3.9	8.5%	13.1%	
SUU	SUU	Consumer S	I	205	268	3,629	344.0	71	25	95	17.1	12.5	2.7	2.8	11.6	13.5	1.6%	2.4%	
Tumenshuvuut	TUM	Consumer S	II	130	583	10,746	200.0	26	9	28	9.8	8.0	2.3	1.1	7.9	7.5	0.0%	3.7%	
Monos Foods	MFC	Consumer S	II	68	661	27,110	286.2	20	7	22	27.2	25.7	2.1	1.2	14.7	19.5	0.0%	1.5%	
Talkh Chikher	TCK	Consumer S	I	11,020	109	21	1.0	11	4	17	5.7	4.6	0.2	0.2	2.3	2.4	1.8%	2.0%	
Makhimpex	MMX	Consumer S	I	2,650	179	205	3.8	10	4	7	12.9	12.3	3.4	3.0	8.5	6.2	4.5%	4.5%	
Gobi	GOV	Consumer D	I	192	1,455	18,524	780.1	149	53	357	8.4	66.0	1.3	1.9	5.7	8.7	3.5%	0.0%	
Darkhan Nekhii	NEH	Consumer D	I	13,150	270	58	1.1	15	5	26	13.8	6.2	-	0.3	10.4	6.3	0.0%	1.6%	
Lend.mn	LEND	Financial	I	32	1,606	132,212	800.0	26	9	-	10.0	5.2	1.9	1.5	n/m	n/m	3.1%	4.7%	
Ard Credit	ADB	Financial	II	68	2,859	104,450	210.0	14	5	-	42.0	6.1	3.8	1.3	n/m	n/m	0.0%	6.2%	
Invescore NBF1	INV	Financial	III	2,500	2,567	3,095	61.0	152	54	-	30.1	15.6	11.0	3.7	n/m	n/m	0.0%	0.0%	
Mandal Insurance	MNDL	Financial	I	41	3,490	8,789,868	624.3	25	9	-	6.6	4.4	1.6	1.2	n/m	n/m	2.5%	9.8%	
Ard Insurance	AIC	Financial	I	705	1,345	5,211	25.0	18	6	-	13.9	10.3	1.6	1.5	n/m	n/m	3.6%	4.8%	
BDSec	BDS	Financial	I	999	161	525	13.5	13	5	-	8.9	675.4	0.8	0.8	n/m	n/m	0.0%	1.0%	
Tavan Tolgoi	TTL	Mining	I	5,500	1,042	485	52.7	290	103	232	5.5	6.0	3.2	3.2	2.5	3.6	15.5%	14.9%	
Erdene Resource Dev.	ERDN	Exploration	III	561	240	1,343	184.7	104	37	104	n/m	n/m	3.1	-	-	-	0.0%	0.0%	
Bayangol Hotel	BNG	Hospitality	I	26,000	121	13	0.4	11	4	0	3.2	5.2	0.3	0.3	0.2	-0.1	1.4%	1.4%	
Genco Tour Bureau	JTB	Tourism	II	81	38	1,375	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	31	684	78.5	10	3	8	12.5	12.0	1.2	1.2	8.0	7.5	7.0%	7.8%	
Mongol Basalt	MBW	Industrial	II	220	395	4,712	56.4	12	4	12	57.1	37.0	0.4	0.5	16.6	12.2	0.5%	1.8%	
Juulchin Duty Free	SUL	Retail	II	70,000	668	24	0.1	5	2	5	3.3	6.8	2.0	2.0	2.8	5.7	14.3%	0.0%	

USD/MNT Rate 2,813

* Based on the last 6 months

** EBITDA is based on BDSec estimates

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	0.0%	-0.2%	-15%	-17%	468.6	8%	74.4	3%	24%	29%	17%	16%	12%	16%
SUU	SUU	Dairy	1.7%	1.6%	-2%	-5%	73.9	4%	5.7	37%	16%	18%	6%	8%	27%	25%
Tumenshuvuut	TUM	Egg & Poultry	-4.9%	-5.1%	-20%	-22%	20.1	16%	3.2	24%	22%	18%	15%	16%	25%	19%
Monos Foods	MFC	Consumer goods	3.7%	3.6%	-3%	-5%	9.4	18%	0.8	6%	21%	12%	9%	8%	13%	6%
Talkh Chikher	TCK	Bread & Pastry	0.1%	0.0%	-28%	-30%	54.9	18%	2.5	24%	12%	12%	4%	4%	4%	5%
Makhimpex	MMX	Meat	10.2%	10.0%	0%	-2%	41.0	5%	0.8	5%	3%	3%	2%	2%	28%	26%
Gobi	GOV	Cashmere	-0.6%	-0.8%	-29%	-31%	210.4	21%	2.3	-87%	27%	20%	10%	1%	16%	2%
Darkhan Nekhii	NEH	Leather	1.2%	1.0%	-6%	-9%	20.3	-12%	2.3	121%	9%	20%	5%	11%	3%	5%
Lend.mn	LEND	NBFI	6.3%	6.1%	-25%	-27%	18.8	163%	4.9	92%	-	-	36%	26%	26%	32%
Ard Credit	ADB	NBFI	-5.1%	-5.2%	-17%	-19%	6.3	182%	2.4	593%	-	-	15%	38%	9%	32%
Invescore NBFI	INV	NBFI	-2.9%	-3.1%	-24%	-26%	36.8	213%	9.8	93%	-	-	43%	27%	44%	35%
Mandal Insurance	MNDL	Insurance	0.0%	-0.1%	14%	11%	28.9	4%	5.7	47%	-	-	14%	20%	36%	32%
Ard Insurance	AIC	Insurance	0.1%	0.0%	-12%	-14%	11.4	-12%	1.7	36%	-	-	10%	15%	16%	15%
BDSec	BDS	Brokerage	0.0%	-0.1%	18%	14%	1.4	-71%	0.0	-99%	-	-	31%	1%	9%	0%
Tavan Tolgoi	TTL	Coal Mining	-3.5%	-3.6%	-15%	-18%	263.5	16%	48.1	-9%	31%	25%	23%	18%	41%	53%
Erdene Resource Dev.	ERDN	Gold Exploration	-5.0%	-5.1%	19%	16%	0.0	-	0.0	n/m	-	-	-	-	-7%	-
Bayangol Hotel	BNG	Hospitality	-21.2%	-21.3%	-4%	-6%	6.8	-1%	2.1	-38%	62%	42%	50%	31%	11%	7%
Genco Tour	JTB	Tourism	0.0%	-0.1%	9%	6%	4.7	-2%	1.3	520%	14%	42%	4%	27%	2%	13%
Hermes Centre	HRM	Shopping mall	2.5%	2.3%	-6%	-9%	1.4	4%	0.8	5%	74%	74%	56%	57%	10%	10%
Mongol Basalt	MBW	Insulation	2.5%	2.3%	-15%	-17%	4.3	23%	0.3	54%	17%	23%	6%	8%	1%	1%
Juulchin Duty Free	SUL	Duty Free	2.6%	2.5%	-29%	-31%	3.7	-36%	0.7	-51%	28%	22%	24%	18%	71%	29%

USDMNT Rate 2,813

**BDSEC JSC****sec**

Mongolia's Largest Broker

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