

MSE Market Commentary

- MSE Top-20 Index was down 0.84%, MSE A Index ended higher 1.68%, and MSE B Index increased 0.78% Market capitalization amounted to 2,514.4 billion and average volume of 415,825 shares were traded at an aggregate average value of MNT 253.2 million.
- Invescore NBFI (INV) was the most actively traded stock with an aggregate value of MNT 984.2 million. Following was Erdene Resource Dev. (ERDN) with its total value of MNT 63.3 million.
- Tier 1 top gainers of the week were Darkhan Nekhii (NEH), Bayangol Hotel (BNG), and Govi (GOV) on the other hand BDsec (BDS) lost as much as 11.47% of its value and closed at MNT 841.

Mongolia Headlines

The first half year report of Bodi Insurance JSC (mse.mn)

- G.Bilguun Chief Investment officer of Bodi Insurance JSC listed on Tier-I of MSE announced the company's financial and operational report of the first half year, 2020. The company successfully issued IPO in June and raised MNT 5.3 billion from the public.
- Net premium income of Bodi Insurance JSC has totaled MNT 7.7 billion during the period, which increased by 5.3% compared with same period of last year. However, net profit of the company declined by MNT 765 million due to growth of claims paid and operational expenses.
- The company will further deepen its technology upgrade, offer international health insurance service of AXA group to the public and introduce new products such as "Gravity" and "Solution" to the market.
- The company introduced the first international health insurance service and online insurance service in Mongolia. Furthermore, the company is planning to increase its net profit by 31.5% and reach to MNT 2.2 billion this year.
- Furthermore, in accordance with the Board Resolution No.20/04 of July 24, 2020 of "Bodi Insurance" JSC, the Extraordinary Shareholders' Meeting of "Bodi Insurance" JSC shall be held on September 9, 2020 at 11 am. Record date is August 17, 2020 as well as below issues will be discussed at the meeting:
 - To discuss semi-annual operational and financial report of the Company;
 - To introduce the business plan for the second half of 2020;
 - To approve the Company's charter;
 - To elect independent members of the Board of Directors;
 - To approve budget of the Board of Directors.

Financial and operational report of Mandal Insurance JSC (mse.mn)

- G.Ganzorig Chief Investment Officer of Mandal Insurance JSC presented the company's financial and operational report of the first half year via online.

- Premium income of Mandal Insurance JSC reached MNT 20.6 billion in the first half, which rose by 13% from same period of last year but its net profit decreased to MNT 2.3 billion due to 45 percent growth of claims paid expenses.
- The company introduced new product as named "Covid" to the market and 82,000 customers of the company were insured without payment as well as they introduced new insurance product for mobile phone screen.
- Mandal Insurance JSC's total assets amounted to MNT 51.9 billion. As a result, the company has led insurance sector by its amount of total assets, premium income and net profit.

Financial and operation report of listed companies (mse.mn)

- Listed companies on MSE presented their financial and operational report of the first half year, 2020.
- Darkhan Nekhii JSC's total assets rose by 3.9% (MNT 2.4 billion) and reached to MNT 63.1 billion in the first half. Moreover, the company has been successfully implementing two big projects which were introduced in H1, 2019. For instance, operation of Grand YAK Hotel was started on May 25, 2020 as well as they have been implementing the project of squeezed leather. It will be completed soon.
- Also, the company has cooperated with EBRD and received advisory service of ISO9001:2015 standard, moreover, they have been implementing quality management system to three subsidiaries of Darkhan Nekhii JSC. Therefore, ISO standard to above three subsidiaries will be introduced by September, 2020.
- Furthermore, 8 types of products of the company will be exported to Russia in accordance with the plan. Sales revenue of the company amounted to MNT 5.9 billion in H1, which decreased by MNT 2 billion from same period of last year. Whereas net profit of the company resulted with MNT 276.1 million profit, which slightly decreased from H1, 2019.
- Mongol Basalt JSC listed on Tier-II of Mongolian Stock Exchange presented its financial and operational report of the first half of 2020 via online.
- The company has earned MNT 1.45 billion from its sales, which rose by MNT 333 million or 29.8% compared with H1, 2019 whereas net profit of the company decreased and reached MNT 19.4 million.
- Furthermore, the company has completed installation work of furnace heat exchanger and executed work of security camera system. Also, they have been supplying M-50 Basalt flex product for apartment to the market since H1 of this year as well as the company is producing hydroponics system which consumes about 80-90% less water compared to the cultivation in soil and exporting it to South Korea.

MSE Top Movers

Indexes	Points	% Change
MSE Top-20 Index	16,403.43	-0.84%
MSE A Index	8,069.96	+1.68%
MSE B Index	7,409.07	+0.78%

Market Summary	Value (USD)
Market capitalization	883,390,114
Daily average turnover	88,973.34

Trading Value Leaders	Close (MNT)	Value (MNT)
Invescore NBFI (INV)	2,600	984,187,320
Erdene Resource Dev. (ERDN)	922.43	63,277,948
Bodi Insurance (BODI)	113	45,545,134

Top Gainers	Close (MNT)	% Change
Tier 1		
Darkhan Nekhii (NEH)	14.93	+29.83%
Bayangol Hotel (BNG)	32,800	+5.81%
Govi (GOV)	191.57	+1.92%
Tier 2 & 3		
Standart agriculture group (SOH)	60	+9.09%
Ub-Buk (BUK)	440	+8.91%
Noyot Khairkhan (NIE)	363	+6.76%

Top Losers	Close (MNT)	% Change
Tier 1		
BDsec (BDS)	841	-11.47%
APU (APU)	547	-5.69%
Suu (SUU)	204	-1.45%
Tier 2 & 3		
Sor (SOR)	650	-13.33%
Darkhan Khuvun (DAH)	7,985	-13.21%
Khuvsgul altan duulga (ADU)	600	-13.04%

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	2019	2020H1	2019	2020H1	2019	2020H1	2018
APU	APU	Consumer S	I	547	3,668	24,097	1,064.2	582	205	526	7.8	14.1	1.2	1.2	4.0	10.1	8.4%	13.0%
SUU	SUU	Consumer S	I	204	234	3,314	344.0	70	25	100	12.4	33.8	2.8	2.6	7.0	22.3	1.6%	2.5%
Tumenshuvuut	TUM	Consumer S	I	150	384	7,622	200.0	30	11	36	9.3	14.9	1.3	1.2	8.6	16.2	0.0%	3.2%
Monos Foods	MFC	Consumer S	I	63	479	20,340	286.2	18	6	22	23.7	45.1	1.1	1.1	18.1	36.9	0.0%	1.6%
Talkh Chikher	TCK	Consumer S	I	12,440	98	23	1.0	13	4	16	5.2	15.6	0.3	0.3	2.6	17.3	1.6%	1.8%
Makhimpex	MMX	Consumer S	I	2,850	4,633	5,444	3.8	11	4	16	13.2	n/m	3.2	3.6	6.9	-53.7	4.2%	4.2%
Gobi	GOV	Consumer D	I	192	1,339	19,045	780.1	149	53	419	66.0	n/m	1.9	2.6	8.7	-20.9	3.5%	0.0%
Darkhan Nekhii	NEH	Consumer D	I	15	278	2,216	1,105.5	17	6	27	0.0	59.8	0.0	0.4	6.8	35.2	0.0%	1.4%
Lend.mn	LEND	Financial	I	33	1,987	177,707	800.0	26	9	-	5.4	9.3	1.5	1.4	n/m	n/m	3.0%	4.6%
Ard Credit	ADB	Financial	II	66	1,058	41,602	210.0	14	5	-	5.8	25.2	1.3	1.4	n/m	n/m	0.0%	6.4%
Invescore NBF1	INV	Financial	II	2,600	9,579	12,176	61.0	159	56	-	16.2	26.0	3.8	3.4	n/m	n/m	0.0%	0.0%
Mandal Insurance	MNDL	Financial	I	41	1,258	7,812,466	624.3	25	9	-	4.4	11.8	1.2	1.2	n/m	n/m	2.5%	9.8%
Ard Insurance	AIC	Financial	I	709	1,700	6,894	25.0	18	6	-	10.3	30.3	1.5	1.5	n/m	n/m	3.6%	4.8%
BDSec	BDS	Financial	I	841	1,386	4,009	13.5	11	4	-	568.6	n/m	0.7	0.7	n/m	n/m	0.0%	1.2%
Bodi Insurance	BODI	Financial	I	113	1,381	35,484	235.3	27	9	-	13.4	34.7	2.7	2.2	n/m	n/m	n/a	n/a
Tavan Tolgoi	TTL	Mining	I	5,500	945	473	52.7	290	102	238	6.0	74.0	3.2	5.8	3.6	56.1	15.5%	14.9%
Erdene Resource Dev.	ERDN	Exploration	III	922	910	3,703	184.7	170	60	170	-	-	-	-	-	-	0.0%	0.0%
Bayangol Hotel	BNG	Hospitality	I	32,800	640	62	0.4	14	5	2	6.6	n/m	0.4	0.4	0.9	-5.6	1.1%	1.1%
Genco Tour Bureau	JTB	Tourism	II	88	28	921	100.0	8.80	3	9	7.0	n/m	0.9	1.0	4.2	-15.9	0.0%	11.4%
Hermes Centre	HRM	R/E	II	130	6	123	78.5	10	4	9	12.5	19.3	1.2	1.2	7.9	14.7	6.8%	7.5%
Mongol Basalt	MBW	Industrial	II	199	294	3,963	56.4	11	4	12	33.5	579.1	0.4	0.4	11.1	629.7	0.5%	2.0%
Juulchin Duty Free	SUL	Retail	II	67,150	638	23	0.1	4	2	4	6.5	292.5	1.9	1.9	5.4	240.9	14.9%	0.0%

USD/MNT Rate 2,846

* 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	2020H1	% Y-o-Y	2020H1	% Y-o-Y	2019	2020H1	2019	2020H1	2019	2020H1
APU	APU	Beverages	-5.7%	-5.7%	-14%	-17%	198.3	-9%	41.2	43%	29%	26%	16%	21%	16%	9%
SUU	SUU	Dairy	-1.4%	-1.5%	-3%	-6%	38.5	3%	2.1	-50%	18%	12%	8%	5%	22%	7%
Tumenshuvuut	TUM	Egg & Poultry	-2.9%	-2.9%	-7%	-11%	11.7	12%	2.0	-2%	18%	19%	16%	17%	19%	8%
Monos Foods	MFC	Consumer goods	0.0%	-0.1%	-10%	-14%	5.4	18%	0.4	18%	12%	11%	8%	7%	6%	2%
Talkh Chikher	TCK	Bread & Pastry	0.1%	0.0%	-18%	-21%	28.8	14%	0.8	9%	12%	3%	4%	3%	5%	2%
Makhimpex	MMX	Meat	0.0%	-0.1%	8%	4%	13.2	16%	-0.3	-167%	3%	-2%	2%	-2%	26%	-10%
Gobi	GOV	Cashmere	1.9%	1.9%	-29%	-32%	37.5	-44%	-21.5	-638%	20%	-53%	1%	-57%	2%	-31%
Darkhan Nekhii	NEH	Leather	29.8%	29.8%	7%	3%	5.9	3592%	0.3	14594%	20%	13%	11%	5%	-	-
Lend.mn	LEND	NBFI	1.4%	1.3%	-23%	-26%	9.9	27%	2.8	10%	-	-	26%	28%	32%	17%
Ard Credit	ADB	NBFI	-3.1%	-3.2%	-20%	-23%	4.2	59%	0.5	-49%	-	-	38%	13%	32%	6%
Invescore NBFI	INV	NBFI	2.6%	2.5%	18%	14%	15.2	84%	6.1	52%	-	-	27%	40%	35%	15%
Mandal Insurance	MNDL	Insurance	1.2%	1.1%	-19%	-23%	20.6	13%	2.2	-36%	-	-	20%	10%	32%	11%
Ard Insurance	AIC	Insurance	-0.2%	-0.3%	-11%	-15%	7.8	33%	0.6	-56%	-	-	15%	8%	15%	5%
BDSec	BDS	Brokerage	-11.5%	-11.5%	-1%	-5%	1.0	67%	-0.6	-10%	-	-	1%	-61%	0%	-4%
Bodi Insurance	BODI	Insurance	4.6%	4.6%	n/a	n/a	9.7	-55%	0.8	-22%	-	-	6%	8%	21%	12%
Tavan Tolgoi	TTL	Coal Mining	-0.4%	-0.4%	-15%	-19%	91.7	-26%	3.9	-83%	25%	5%	18%	4%	53%	7%
Erdene Resource Dev.	ERDN	Gold Exploration	2.9%	2.9%	96%	89%	0.0	-	0.0	n/m	-	-	-	-	0%	0%
Bayangol Hotel	BNG	Hospitality	5.8%	5.7%	21%	17%	0.5	-79%	-0.4	-8911%	42%	-84%	31%	-86%	7%	-1%
Genco Tour	JTB	Tourism	-1.1%	-1.2%	18%	14%	0.1	-94%	-0.6	-769%	42%	-403%	27%	-403%	13%	-6%
Hermes Centre	HRM	Shopping mall	0.0%	-0.1%	-2%	-6%	0.8	10%	0.5	10%	74%	76%	57%	69%	10%	6%
Mongol Basalt	MBW	Insulation	3.6%	3.5%	-23%	-26%	1.5	30%	0.0	-84%	23%	1%	8%	1%	1%	0%
Juulchin Duty Free	SUL	Duty Free	0.0%	-0.1%	-32%	-34%	0.6	-68%	0.0	-96%	22%	3%	18%	3%	29%	1%

USD/MNT Rate 2,846



BDSEC JSC

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Mongolia's Largest Broker

Weekly Market Update

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