

**MSE Market Commentary**

- MSE Top-20 Index was up 0.11%, MSE A Index ended higher 0.19%, and MSE B Index increased 0.59% Market capitalization amounted to 2,531.3 billion and average volume of 1,330,971 shares were traded at an aggregate average value of MNT 610.6 million.
- Invescore NBFI (INV) was the most actively traded stock with an aggregate value of MNT 2,459 million. Following was Genco Tour Bureau (JTB) with its total value of MNT 341.6 million.
- Tier 1 top gainers of the week were Darkhan Nekhii (NEH), Tavantolgoi (TTL), and Gobi (GOV) on the other hand Suu (SUU) lost as much as 1.96% of its value and closed at MNT 200.

**Mongolia Headlines****FRC allows fungibility of dual listed stocks** ([mse.mn](#))

- In 2018, the dual listing was introduced to the market and it has become a significant development milestone for Mongolian capital market in that it will enable foreign-listed mining companies operating in Mongolia to be listed on the MSE, giving the Mongolian public the opportunity to share the rewards and risks of their businesses.
- In order to improve the legal environment of dual listed stocks, FRC Regulation on Dual Listing was amended by the FRC Meeting of August 12, 2020. These amendments will allow the fungibility of dual listed stocks between the markets, which will benefit the liquidity of the stocks, provide investors with opportunity to take advantage of price differences of the markets as well as increase supply of the stocks in the domestic market.
- According to these amendments, the shareholders of dual-listed 'Erdene Resource Development Corporation' will be entitled to trade their shares on the Toronto Stock Exchange by contacting the MCSD or their brokerage company.

**Operational and financial report of Makhimpex JSC** ([mse.mn](#))

- Makhimpex JSC listed on Tier-I of MSE presented its semi-annual operational and financial report through online.
- The company has earned MNT 14.5 billion from its sales as of the first half year. As a result, the company operated with loss of MNT 293.3 million. Meat production and export suspended due to Covid-19 pandemic as well as meat sales of the company in local market and its rental revenue were decreased. Moreover, net profit of the company fell by 2.5 times compared with same period of last year.
- The company purchased pumping ammonia by MNT 16 million within the framework to renew facilities and provide normal operation of cooling facilities and imported ammonia refrigeration from Russia. The company also bought meat machinery of MNT 50.3 million for processing the meat.
- Furthermore, in order to increase the meat export, the company is planning to cooperate with government, concentrate to retail trading of the meat in local market, start online shopping service and increase types of the product.

**Talkh Chikher JSC presents its 2020 semi-annual report to public at MSE** ([Today Newspaper](#))

- "Talkh Chikher" JSC, a Tier 1 listed company, presented its semi-annual financial and operational report to public. Compared to the same period of 2019, the Company has achieved the following results:
  - The Company has started to develop online trading platform for customer.
  - It introduced 3 types of new products with the ingredients of ghee, sour cream and molasses
  - Within the framework of enhancing its social responsibility, it successfully implemented the Immunity Supporting Program and the Confronting the Crisis Together Program.
  - It successfully introduced the new burger and hotdog bread - Khan Brand.
- "Talkh Chikher" JSC also informed that the company is aiming at maintaining new product development policy and introducing internationally well-known products to the local market this year.
- For financial performances of the company, its sales revenue has reached MNT 28.8 billion as of the first half of this year, which rose by 12.3% compared with same period of last year. Finally, the company operated with profit of MNT 818.2 million in H1, which increased by 8.9% from same period of 2019.

**State Department Store: Profit and revenue decreases in H1** ([marketinfo.mn](#))

- The main financial performances of State Department Store have shown a decrease as of the first half of 2020. Sales revenue of the company has totaled MNT 2.5 billion during the period, which decreased by 6% compared with same period of last year as well as profit of the company fell by 78% and amounted to 37.4 million.
- A fire broke out at building of State Department Store in June. In order to indemnify damages from the fire and resume operation of the company, the company has acquired financing from Nomin Holding LLC and its affiliates which are under ownership of State Department Store JSC's big shareholder.
- State Department Store has been a debt to be paid to the affiliates of its shareholders for a long time as well as the debt has been increasing due to above financing. Total debt amount of the company is going to be a clear by its final report of 2020. As of the first half of this year, the company's total liabilities have amounted to MNT 9.15 billion.

**MSE Top Movers**

Indexes	Points	% Change
MSE Top-20 Index	19,558.21	+0.11%
MSE A Index	8,085.04	+0.19%
MSE B Index	7,452.7	+0.59%

Market Summary	Value (USD)
Market capitalization	888,813,472
Daily average turnover	214,404.07

Trading Value Leaders	Close (MNT)	Value (MNT)
Invescore NBFI (INV)	2,650	2,459,637,081
Genco Tour Bureau (JTB)	89	341,610,647
Erdene Resource Dev. (ERDN)	985	54,229,710

Top Gainers	Close (MNT)	% Change
<b>Tier 1</b>		
Darkhan Nekhii (NEH)	15.98	+7.03%
Tavantolgoi (TTL)	5,595	+1.73%
Gobi (GOV)	194.22	+1.38%
<b>Tier 2 &amp; 3</b>		
Teever Darkhan (TEE)	7,475	+15.00%
HBOil (HBO)	64	+14.29%
Mogoin Gol (BDL)	7,990	+14.14%

Top Losers	Close (MNT)	% Change
<b>Tier 1</b>		
Suu (SUU)	200	-1.96%
Makhimpex (MMX)	2,800	-1.75%
Ard Insurance (AIC)	700	-1.20%
<b>Tier 2 &amp; 3</b>		
Niislel Urguu (NUR)	3,000	-18.92%
Darkhan Hotel (DZG)	127.5	-15.00%
Guril Tejeel Bulgan (GTJ)	510	-13.56%

**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	549	2,958	20,893	1,064.2	584	205	528	7.9	14.2	1.2	1.2	4.0	10.1	8.4%	12.9%
SUU	SUU	Consumer S	I	200	240	3,393	344.0	69	24	98	12.1	33.1	2.7	2.5	6.9	22.0	1.7%	2.5%
Tumenshuvuut	TUM	Consumer S	I	154	374	7,493	200.0	31	11	37	9.5	15.2	1.3	1.2	8.8	16.6	0.0%	3.1%
Monos Foods	MFC	Consumer S	I	63	465	19,815	286.2	18	6	22	23.5	44.7	1.1	1.1	18.0	36.6	0.0%	1.6%
Talkh Chikher	TCK	Consumer S	I	12,500	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	2,800	4,631	5,444	3.8	11	4	16	13.0	n/m	3.2	3.5	6.7	-53.0	4.3%	4.3%
Gobi	GOV	Consumer D	I	194	1,315	19,015	780.1	152	53	421	66.9	n/m	1.9	2.6	8.7	-21.0	3.5%	0.0%
Darkhan Nekhii	NEH	Consumer D	I	16	288	5,636	1,105.5	18	6	28	0.0	64.0	0.0	0.4	7.1	36.7	0.0%	1.3%
Lend.mn	LEND	Financial	I	33	1,968	177,375	800.0	26	9	-	5.3	9.2	1.5	1.4	n/m	n/m	3.1%	4.6%
Ard Credit	ADB	Financial	II	64	1,046	41,177	210.0	13	5	-	5.7	24.5	1.2	1.3	n/m	n/m	0.0%	6.6%
Invescore NBF1	INV	Financial	II	2,650	9,571	12,173	61.0	162	57	-	16.5	26.5	3.9	3.5	n/m	n/m	0.0%	0.0%
Mandal Insurance	MNDL	Financial	I	41	1,275	7,957,998	624.3	26	9	-	4.5	11.9	1.2	1.3	n/m	n/m	2.4%	9.8%
Ard Insurance	AIC	Financial	I	700	1,696	6,885	25.0	18	6	-	10.2	29.9	1.5	1.5	n/m	n/m	3.6%	4.9%
BDSec	BDS	Financial	I	841	1,373	3,968	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	120	1,511	38,366	235.3	28	10	-	14.2	36.9	2.8	2.3	n/m	n/m	n/a	n/a
Tavan Tolgoi	TTL	Mining	I	5,595	901	457	52.7	295	104	243	6.1	75.3	3.3	5.9	3.7	57.3	15.2%	14.7%
Erdene Resource Dev.	ERDN	Exploration	III	985	1,067	4,190	184.7	182	64	182	-	-	-	-	-	-	0.0%	0.0%
Bayangol Hotel	BNG	Hospitality	I	32,900	641	62	0.4	14	5	2	6.6	n/m	0.4	0.4	0.9	-5.7	1.1%	1.1%
Genco Tour Bureau	JTB	Tourism	II	89	33	1,073	100.0	8.90	3	9	7.1	n/m	0.9	1.0	4.2	-16.1	0.0%	11.2%
Hermes Centre	HRM	R/E	II	125	6	120	78.5	10	3	8	12.0	18.5	1.2	1.2	7.5	14.0	7.0%	7.8%
Mongol Basalt	MBW	Industrial	II	198	264	3,626	56.4	11	4	12	33.3	576.2	0.4	0.4	11.0	626.8	0.5%	2.0%
Juulchin Duty Free	SUL	Retail	II	63,100	629	23	0.1	4	1	4	6.1	274.9	1.8	1.8	5.1	226.3	15.8%	0.0%

USD/MNT Rate 2,848

\* 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	0.4%	0.3%	-14%	-17%	198.3	-9%	41.2	43%	29%	26%	16%	21%	16%	9%
SUU	SUU	Dairy	-2.0%	-2.0%	-4%	-8%	38.5	3%	2.1	-50%	18%	12%	8%	5%	22%	7%
Tumenshuvuut	TUM	Egg & Poultry	2.5%	2.5%	-5%	-9%	11.7	12%	2.0	-2%	18%	19%	16%	17%	19%	8%
Monos Foods	MFC	Consumer goods	-0.8%	-0.9%	-11%	-15%	5.4	18%	0.4	18%	12%	11%	8%	7%	6%	2%
Talkh Chikher	TCK	Bread & Pastry	0.5%	0.4%	-18%	-21%	28.8	14%	0.8	9%	12%	3%	4%	3%	5%	2%
Makhimpex	MMX	Meat	-1.8%	-1.8%	6%	2%	13.2	16%	-0.3	-167%	3%	-2%	2%	-2%	26%	-10%
Gobi	GOV	Cashmere	1.4%	1.3%	-28%	-31%	37.5	-44%	-21.5	-638%	20%	-53%	1%	-57%	2%	-31%
Darkhan Nekhii	NEH	Leather	7.0%	7.0%	14%	10%	5.9	3592%	0.3	14594%	20%	13%	11%	5%	-	-
Lend.mn	LEND	NBFI	-1.1%	-1.1%	-24%	-27%	9.9	27%	2.8	10%	-	-	26%	28%	32%	17%
Ard Credit	ADB	NBFI	-2.9%	-2.9%	-22%	-25%	4.2	59%	0.5	-49%	-	-	38%	13%	32%	6%
Invescore NBFI	INV	NBFI	1.9%	1.9%	21%	16%	15.2	84%	6.1	52%	-	-	27%	40%	35%	15%
Mandal Insurance	MNDL	Insurance	0.9%	0.9%	-19%	-22%	20.6	13%	2.2	-36%	-	-	20%	10%	32%	11%
Ard Insurance	AIC	Insurance	-1.2%	-1.3%	-12%	-16%	7.8	33%	0.6	-56%	-	-	15%	8%	15%	5%
BDSec	BDS	Brokerage	0.0%	-0.1%	-1%	-5%	1.0	67%	-0.6	-10%	-	-	1%	-61%	0%	-4%
Bodi Insurance	BODI	Insurance	6.1%	6.0%	n/a	n/a	9.7	-55%	0.8	-22%	-	-	6%	8%	21%	12%
Tavan Tolgoi	TTL	Coal Mining	1.7%	1.7%	-14%	-17%	91.7	-26%	3.9	-83%	25%	5%	18%	4%	53%	7%
Erdene Resource Dev.	ERDN	Gold Exploration	6.8%	6.7%	110%	101%	0.0	-	0.0	n/m	-	-	-	-	0%	0%
Bayangol Hotel	BNG	Hospitality	0.3%	0.2%	22%	17%	0.5	-79%	-0.4	-8911%	42%	-84%	31%	-86%	7%	-1%
Genco Tour	JTB	Tourism	1.1%	1.1%	20%	15%	0.1	-94%	-0.6	-769%	42%	-403%	27%	-403%	13%	-6%
Hermes Centre	HRM	Shopping mall	-3.8%	-3.8%	-6%	-10%	0.8	10%	0.5	10%	74%	76%	57%	69%	10%	6%
Mongol Basalt	MBW	Insulation	-0.5%	-0.6%	-23%	-27%	1.5	30%	0.0	-84%	23%	1%	8%	1%	1%	0%
Juulchin Duty Free	SUL	Duty Free	-6.0%	-6.1%	-36%	-38%	0.6	-68%	0.0	-96%	22%	3%	18%	3%	29%	1%

USD/MNT Rate 2,848



**BDSEC JSC**

**sec**

Mongolia's Largest Broker

**Weekly Market Update**

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