

MSE Market Commentary

- MSE Top-20 Index was down 0.30%, MSE A Index ended lower 0.56%, and MSE B Index decreased 0.24% Market capitalization amounted to 2,577.9 billion and average volume of 1,391,420 shares were traded at an aggregate average value of MNT 145.8 million.
- Genco Tour Bureau (JTB) was the most actively traded stock with an aggregate value of MNT 500.5 million. Following was APU (APU) with its total value of MNT 49.1 million.
- Tier 1 top gainers of the week were BDsec (BDS), Gobi (GOV), and Tavantolgoi (TTL) on the other hand Bayangol Hotel (BNG) lost as much as 8.82% of its value and closed at MNT 25,000.

Mongolia Headlines

Erdene Resource Development: The first production of Bayan Khundii Gold Project to be started in early 2022 *(bloombergtv.mn)*

- Erdene Resource Development Corporation company listed on Mongolian and Toronto Stock Exchanges announced its Independent Feasibility Study of Bayan Khundii Gold Project.
- CEO of the company stated that they are planning to start the first production of the project in early 2022. He continued that 18,000 meters exploration program is underway, currently focused on upside in the Bayan Khundii area and initial drilling of the recently discovered Dark Horse prospect. This program has the potential to add to Bayan Khundii reserves and to expand resources across the broader district.
- According to the Feasibility Study, the company is going to mine 63,500 ounces gold in the first year and 77,600 ounces gold in the second year after commencement of the production. The project is going to be continued for 8 years. In accordance with the Feasibility Study, the company's income before taxes and depreciation will be USD 257 million.

Winter preparation of Baganuur and Shivee Ovoo deposits is at 75% *(ikon.mn)*

- Winter preparation of Baganuur and Shivee Ovoo deposits to compose over 90% of total coal consumption of central thermal power plants is being continued with 75%.
- 60-70% of mining equipment of Baganuur and Shivee Ovoo should be upgraded urgently. Therefore, Erdenes Mongol company is going to take measures on the matter and upgrade the technics by finance of Japan Bank for International Cooperation.
- Currently they are working on establishment of the agreement to purchase 20 new technics. As a result of technical upgrade, operation of above deposits will be continued permanently.
- Within the framework of operation to provide winter preparation, they are working on paying their debt and receivable via expanding their cooperation with domestic thermal power plants. Currently Baganuur deposit will receive MNT 5.8 billion and Shivee Ovoo deposit will receive MNT 3.4 billion from the thermal plants.

CSD is distributing dividend of 1072 shares *(bloombergtv.mn)*

- Dividend money of 1072 shares of Erdenes Tavan Tolgoi JSC has started to transfer to its shareholders account since last Thursday. CEO of Central Securities Depository informed that they have started to distributed dividend money.
- 2.5 million citizens of Mongolia own 1072 shares of the company of which 1.6 million people have already been opened their securities account. 839.5 thousand out of them have been confirmed their bank account.
- Erdenes Tavan Tolgoi company had already transferred MNT 179 billion. Therefore, the Central Securities Depository will be responsible for distribution of the dividend money.

New clearance of capital market *(Today Newspaper)*

- Shivee Ovoo JSC has not submitted its operational and financial report of the first half of this year to Mongolian Stock Exchange. MSE has submitted list of companies not to have sent their semi-annual operational and financial report to Financial Regulatory Commission.
- S.Tserendash Head of Securities Department of FRC said that they are pursuing a policy to develop capital market with a few companies to be good governance. In other words, the company shall fulfill its obligation to send their financial and operational report to the public on time so considering at the current situation, more than 100 companies listed on MSE may be delisted from MSE.
- Mongolian Stock Exchange delists 20-30 companies annually. The policy will be continued in the future so current listed companies must fulfill their obligation. Furthermore, many companies would like to list on MSE but FRC requirement to list on MSE will be higher so a few companies to operate with profit and to be good governance may be received their approval to issue an IPO and register in FRC and MSE.

Precious metal to have been bought by Central Bank increases by 5 tons *(Today Newspaper)*

- Bank of Mongolia has purchased 1.7 tons precious metal last month. As a result, Central Bank has bought 14.8 tons precious metal since the beginning of 2020, which increased by 5 tons compared with same period of last year.
- Bank of Mongolia has purchased 13.1 tons gold and 1.7 tons white silver during the period. The Central Bank bought 87.8 kg precious metals from Darkhan-Uul province and 209.7kg was from Bayankhongor province in August. They have purchased 1.1 tons precious metal from above two provinces.

MSE Top Movers

Indexes	Points	% Change
MSE Top-20 Index	17,092.7	-0.30%
MSE A Index	8,243.13	-0.56%
MSE B Index	7,340.62	-0.24%

Market Summary	Value (USD)
Market capitalization	903,469,041
Daily average turnover	51,111.83

Trading Value Leaders	Close (MNT)	Value (MNT)
Genco Tour Bureau (JTB)	84.9	500,464,882
APU (APU)	574.38	49,110,495
Invescore NBFi (INV)	2,654	27,550,735

Top Gainers	Close (MNT)	% Change
Tier 1		
BDsec (BDS)	750	+4.75%
Gobi (GOV)	199.8	+1.01%
Tavantolgoi (TTL)	5,840	+0.95%
Tier 2 & 3		
Baganuur (BAN)	1,138	+26.44%
Khar Tarvagatai (TVT)	4,945	+15.00%
Juulchin Duty Free (SUL)	70,000	+12.63%

Top Losers	Close (MNT)	% Change
Tier 1		
Bayangol Hotel (BNG)	25,000	-10.71%
Makhimpex (MMX)	2,552	-8.82%
LendMN (LEND)	30.17	-4.13%
Tier 2 & 3		
Berkh-Uul (BEU)	510	-15.00%
Materialimpex (MIE)	7,005	-12.98%
Gankhiits (GHC)	10,500	-12.50%

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	2019
APU	APU	Consumer S	I	574	3,093	21,596	1,064.2	611	215	555	8.2	14.8	1.3	1.3	4.2	10.6	8.0%	12.4%
SUU	SUU	Consumer S	I	199	266	3,804	344.0	69	24	98	12.1	33.0	2.7	2.5	6.9	21.9	1.7%	2.5%
Tumenshuvuut	TUM	Consumer S	I	158	381	7,627	200.0	32	11	38	9.8	15.6	1.4	1.3	9.0	16.9	0.0%	3.0%
Monos Foods	MFC	Consumer S	I	63	435	18,841	286.2	18	6	22	23.6	45.0	1.1	1.1	18.1	36.9	0.0%	1.6%
Talkh Chikher	TCK	Consumer S	I	14,990	88	21	1.0	15	5	19	6.2	18.8	0.3	0.3	3.0	20.1	1.3%	1.5%
Makhimpex	MMX	Consumer S	I	2,552	4,437	5,228	3.8	10	3	15	11.8	n/m	2.9	3.2	5.9	-49.8	4.7%	4.7%
Gobi	GOV	Consumer D	I	200	1,400	20,607	780.1	156	55	425	68.9	n/m	2.0	2.7	8.8	-21.2	3.4%	0.0%
Darkhan Nekhii	NEH	Consumer D	I	15	297	9,775	1,105.5	16	6	27	0.0	58.1	0.0	0.4	6.7	34.6	0.0%	1.4%
Lend.mn	LEND	Financial	I	30	2,340	212,659	800.0	24	8	-	4.9	8.6	1.4	1.3	n/m	n/m	3.3%	5.0%
Ard Credit	ADB	Financial	II	66	1,009	39,868	210.0	14	5	-	5.8	25.1	1.3	1.4	n/m	n/m	0.0%	6.4%
Invescore NBF1	INV	Financial	II	2,654	8,665	11,124	61.0	162	57	-	16.6	26.5	3.9	3.5	n/m	n/m	0.0%	0.0%
Mandal Insurance	MNDL	Financial	I	44	949	6,322,635	624.3	27	10	-	4.8	12.8	1.3	1.3	n/m	n/m	2.3%	9.1%
Ard Insurance	AIC	Financial	I	700	1,750	7,096	25.0	18	6	-	10.2	29.9	1.5	1.5	n/m	n/m	3.6%	4.9%
BDSec	BDS	Financial	I	750	1,350	3,902	13.5	10	4	-	507.1	n/m	0.6	0.6	n/m	n/m	0.0%	1.3%
Bodi Insurance	BODI	Financial	I	116	1,516	38,473	235.3	27	10	-	13.7	35.7	2.7	2.2	n/m	n/m	n/a	n/a
Tavan Tolgoi	TTL	Mining	I	5,840	850	438	52.7	308	108	256	6.4	78.6	3.4	6.1	3.9	60.3	14.6%	14.1%
Erdene Resource Dev.	ERDN	Exploration	III	885	1,246	4,575	184.7	163	57	163	-	-	-	-	-	-	0.0%	0.0%
Bayangol Hotel	BNG	Hospitality	I	25,000	634	62	0.4	11	4	-1	5.0	n/m	0.3	0.3	-0.3	3.0	1.4%	1.4%
Genco Tour Bureau	JTB	Tourism	II	85	1,687	50,790	100.0	8,49	3	9	6.8	n/m	0.8	1.0	4.0	-15.3	0.0%	11.8%
Hermes Centre	HRM	R/E	II	142	9	197	78.5	11	4	10	13.6	21.0	1.4	1.3	8.7	16.3	6.2%	6.9%
Mongol Basalt	MBW	Industrial	II	192	231	3,249	56.4	11	4	12	32.3	559.1	0.4	0.4	10.7	609.6	0.5%	2.1%
Juulchin Duty Free	SUL	Retail	II	70,000	599	22	0.1	5	2	5	6.8	304.9	2.0	1.9	5.7	251.2	14.3%	0.0%

USDMNT Rate 2,853

* 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	-1.5%	-1.6%	-10%	-13%	198.3	-9%	41.2	43%	29%	26%	16%	21%	16%	9%
SUU	SUU	Dairy	0.0%	-0.1%	-5%	-9%	38.5	3%	2.1	-50%	18%	12%	8%	5%	22%	7%
Tumenshuvuut	TUM	Egg & Poultry	-5.0%	-5.0%	-3%	-7%	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	0.0%	0.0%	-2%	-6%	28.8	14%	0.8	9%	12%	3%	4%	3%	5%	2%
Makhimpex	MMX	Meat	-8.8%	-8.8%	-3%	-7%	13.2	16%	-0.3	-167%	3%	-2%	2%	-2%	26%	-10%
Gobi	GOV	Cashmere	1.0%	1.0%	-26%	-29%	37.5	-44%	-21.5	-638%	20%	-53%	1%	-57%	2%	-31%
Darkhan Nekhii	NEH	Leather	-0.4%	-0.4%	4%	-1%	5.9	3592%	0.3	14594%	20%	13%	11%	5%	-	-
Lend.mn	LEND	NBFI	-4.1%	-4.2%	-29%	-32%	9.9	27%	2.8	10%	-	-	26%	28%	32%	17%
Ard Credit	ADB	NBFI	-0.4%	-0.5%	-20%	-23%	4.2	59%	0.5	-49%	-	-	38%	13%	32%	6%
Invescore NBFI	INV	NBFI	0.0%	-0.1%	21%	16%	15.2	84%	6.1	52%	-	-	27%	40%	35%	15%
Mandal Insurance	MNDL	Insurance	-0.6%	-0.7%	-13%	-16%	20.6	13%	2.2	-36%	-	-	20%	10%	32%	11%
Ard Insurance	AIC	Insurance	-4.1%	-4.1%	-12%	-16%	7.8	33%	0.6	-56%	-	-	15%	8%	15%	5%
BDSec	BDS	Brokerage	4.7%	4.7%	-12%	-15%	1.0	67%	-0.6	-10%	-	-	1%	-61%	0%	-4%
Bodi Insurance	BODI	Insurance	2.7%	2.6%	n/a	n/a	9.7	-55%	0.8	-22%	-	-	6%	8%	21%	12%
Tavan Tolgoi	TTL	Coal Mining	1.0%	0.9%	-10%	-14%	91.7	-26%	3.9	-83%	25%	5%	18%	4%	53%	7%
Erdene Resource Dev.	ERDN	Gold Exploration	0.8%	0.8%	88%	80%	0.0	-	0.0	n/m	-	-	-	-	0%	0%
Bayangol Hotel	BNG	Hospitality	-10.7%	-10.7%	-7%	-11%	0.5	-79%	-0.4	-8911%	42%	-84%	31%	-86%	7%	-1%
Genco Tour	JTB	Tourism	-0.1%	-0.1%	14%	9%	0.1	-94%	-0.6	-769%	42%	-403%	27%	-403%	13%	-6%
Hermes Centre	HRM	Shopping mall	1.4%	1.4%	7%	2%	0.8	10%	0.5	10%	74%	76%	57%	69%	10%	6%
Mongol Basalt	MBW	Insulation	-0.8%	-0.8%	-26%	-29%	1.5	30%	0.0	-84%	23%	1%	8%	1%	1%	0%
Juulchin Duty Free	SUL	Duty Free	12.6%	12.6%	-29%	-32%	0.6	-68%	0.0	-96%	22%	3%	18%	3%	29%	1%

USD/MNT Rate 2,853



BDSEC JSC

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Mongolia's Largest Broker

Weekly Market Update

September 7, 2020

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