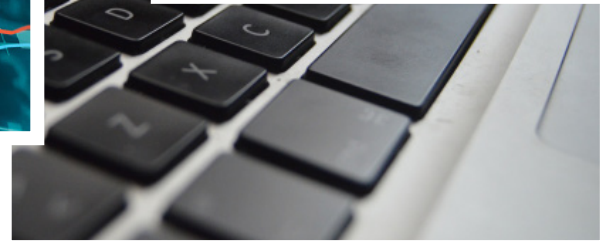


WEEKLY MARKET UPDATE

11.09 - 11.13



GLOBAL MARKET UPDATE

U.S: Most of the major benchmarks added to the previous week's sharp gains, bolstered by positive vaccine news. The narrow Dow Jones Industrial Average and the smaller-cap benchmarks performed best, while slower-growing value shares easily outperformed their growth counterparts. Relatedly, the technology-heavy Nasdaq Composite Index lagged, and tech shares within the S&P 500 Index trailed most other sectors. The small real estate and materials sectors were also weak, while energy shares recorded solid gains.

Stock futures were solidly higher before trading started Monday, seemingly boosted by media declarations on Saturday that former Vice President Joe Biden crossed the 270 electoral vote threshold needed to win the presidential election. At about 6:40 a.m. ET, S&P 500 futures shot even higher after Pfizer announced that preliminary data showed that the coronavirus vaccine candidate it had developed in partnership with Germany's BioNTech was over 90% effective in preventing infections—a level well above expectations. Investors also seemed encouraged that the company announced that it could begin rollout of the vaccine in limited quantities by the end of the year.

Europe: Shares in Europe rallied with global markets on encouraging news regarding the development of a vaccine to combat the novel coronavirus, although surging coronavirus infections and lockdowns in key European economies capped the gains. In local currency terms, the pan-European STOXX Europe 600 Index ended the week 5.13% higher. Major European indexes also posted strong gains: Germany's DAX Index climbed 4.78%, France's CAC 40 surged 7.45%, and Italy's FTSE MIB added 6.21%. The UK's FTSE 100 Index rose 6.88%.

Core eurozone bond yields climbed after Pfizer and BioNTech disclosed that their vaccine candidate had exhibited strong efficacy in Phase III trials. The movement in 10-year German bond prices was especially pronounced. Yields subsequently moderated on rising coronavirus cases, ongoing lockdown measures, and the European Central Bank's (ECB's) dovish comments.

Japan: Japanese stocks posted strong back-to-back weekly performances. For the week, the Nikkei 225 Stock Average advanced 4.4% (1,061 points) and closed at 25,385.87. The widely watched market yardstick climbed further into positive territory for the year-to-date period (+7.3%). The large-cap TOPIX Index and the TOPIX Small Index, broader measures of Japanese stock market performance, also recorded positive returns, although both are still in the red in 2020. The yen weakened and traded near JPY 105 versus the U.S. dollar.

More than 30% of the listed Japanese companies with fiscal years ending in March have increased their forecasts for full-year earnings, when they reported their first-half (April–September) results. However, the full-year net profit forecast for these companies is still widely expected to be about one-third lower than in fiscal 2019, due to the impact of the coronavirus and the effects of the social distancing mandates.

China: Chinese stocks declined slightly for the week as unfavorable macro news outweighed generally positive corporate earnings. The Shanghai Composite Index shed 0.1%, while the large-cap CSI Index ended down 0.6%. In credit markets, the yield on China's 10-year sovereign bond increased by six basis points to end at 3.28%, as solid monthly trade data underscored the strong post-pandemic recovery. Corporate bonds sold off following a default by state-owned Yongcheng Coal & Electricity, an event that proved disruptive to China's money markets and led the country's central bank to inject liquidity into the financial system.

Source: Troweprice.com

International indices	Country	Last Price	Change /w/
MSE TOP 20	Mongolia	17,503.16	-0.08% ▼
Dow Jones	USA	29,479.81	4.08% ▲
S&P 500	USA	3,585.15	2.16% ▲
Nasdaq	USA	11,829.29	-0.55% ▼
S&P/TSX	Canada	16,675.64	2.41% ▲
FTSE 100	Great Britain	6,316.39	6.88% ▲
S&P/ASX 200	Australia	6,405.20	3.47% ▲
Nikkei 225	Japan	25,385.87	4.36% ▲
Hang Seng	Hong Kong	26,156.86	1.73% ▲

Bond	Currency	Coupon	YTM
Mongol 2024 (Khuraldai)	USD	8.750%	3.62%
Mongol 2023 (Gerege)	USD	5.625%	3.33%
Mongol 2022 (Chinggis)	USD	5.125%	3.20%
Mongol 2021 (Mazalai)	USD	10.875%	1.79%
DBM' 23 (Samurai)	JPY	1.520%	1.09%
DBM' 2023	USD	7.250%	4.66%
MGMTGE' 2022 (Hoelun)	USD	9.750%	10.26%
Mongol 2026 (Nomad)	USD	5.125%	3.99%

Rates	Last	Change /w/
Libor 1M	0.136	0.01 ▲
Libor 3M	0.222	0.02 ▲
Libor 6M	0.246	0.00 ▲
Libor 1YR	0.339	0.01 ▲
US 2YR Bond	0.175	0.02 ▲
US 3YR Bond	0.229	0.03 ▲
US 5YR Bond	0.403	0.05 ▲
US 10YR Bond	0.900	0.09 ▲

Exchange rates	2020.11.13	Change /w/
USD	2,849.48	-0.01% ▼
CNY	430.58	0.08% ▲
EUR	3,366.80	-0.22% ▼
RUB	36.92	-0.03% ▼
KRW	2.56	0.79% ▲
JPY	27.12	-1.56% ▼
CAD	2,167.65	-0.66% ▼

Commodity	Unit	Last price	Change /w/
Gold /spot/	USD/t oz.	1,889.20	-3.18% ▼
Silver /spot/	USD/t oz.	24.67	-3.67% ▼
Copper	USD/lb.	318.50	0.98% ▲
Coal	USD/MT	62.70	0.37% ▲
Crude Oil WTI	USD/bbl.	40.13	8.05% ▲
Crude Oil Brent	USD/bbl.	42.78	8.44% ▲

Indicators	Reference	Amount
Inflation Rate	2020.IX	1.70%
Policy Rate	2020.IX	8.00%
Interbank Rate	2020.IX	8.22%
Deposit Interest Rate /MNT/	2020.IX	10.75%
Deposit Interest Rate /Foreign currency/	2020.IX	3.76%
Loan Interest Rate /MNT/	2020.IX	16.91%
Loan Interest Rate /Foreign currency/	2020.IX	10.46%

Source: National Statistical Office, Bank of Mongolia, Bloomberg

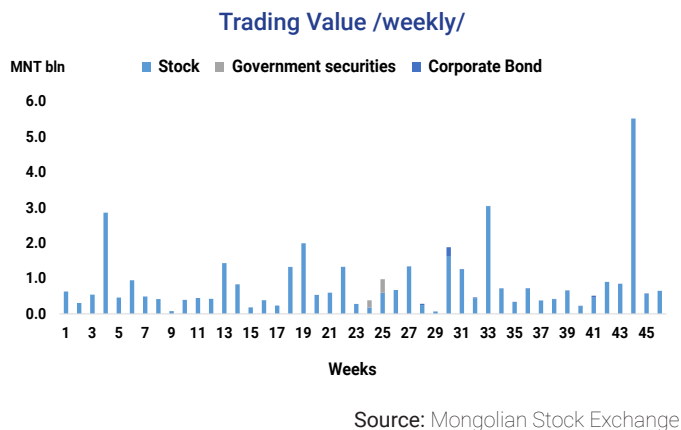
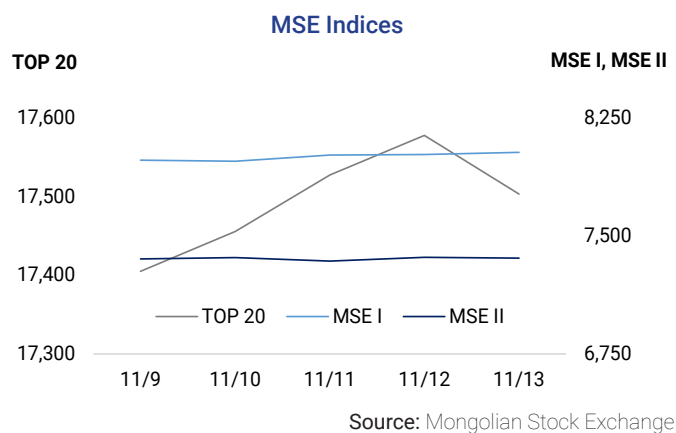
MSE TRADE UPDATE

In this week, a total of 41 companies' 4,007,218 shares worth MNT 651.8 million were traded in the secondary market.

"Mongol Alt" /MSE: ERS/ company's shares rose 14.94 percent to MNT 7,270.00, while "Khukh Gan" /MSE: HGN/ company's share fell 13.11 percent to MNT 65.50.

No government securities, and corporate bonds were traded on the primary and secondary market during this week.

As of November 13, total market capitalization of the MSE is MNT 2,584.3 billion. The TOP-20 index decreased by 0.08% to stand at 17,503.16 units.



Market Review		Total amount /MNT mln/	
Total Value		651.8	
Market Capitalization		2,584,251.1	
Market Indices		Last Price	Change /w/
MSE Top 20		17,503.16	-0.08% ▼
MSE I Index		8,032.14	0.12% ▲
MSE II Index		7,358.42	0.16% ▲
Actively Traded Securities		Volume	Amount/MNT/
Tumen Shuvuut		1,880,260	274,308,031
Ard Insurance		262,181	191,895,386
Mandal Insurance		1,003,346	47,361,689
APU		77,258	44,636,185
Ard Financial Group		12,775	17,906,202
Securities with most growth		Last Price /MNT/	Change /w/
Mongol Alt		7,270.00	14.94% ▲
Khuvsgul Altanduulga		664.95	7.95% ▲
Ard Credit NBFI		70.00	7.38% ▲
Bukhug		1,500.0	5.86% ▲
Khishig Uul		470.00	4.44% ▲
Securities with most decline		Last Price /MNT/	Change /w/
Khukh Gan		65.50	-13.11% ▼
UB-BUK		400.00	-9.09% ▼
Remicon		23.61	-6.64% ▼
Talkh Chikher		14,120.00	-5.87% ▼
Aduun Chuluun		950.00	-5.00% ▼
Most Active Brokerage Firms		Amount/MNT/	
Ard Securities		762,876,087	
Golomt Capital		277,401,332	
BDSec		72,862,204	
Apex Capital		69,195,174	
Standard Investment		37,783,323	
Top 5 Companies With Largest Market Capitalization		Last Price /MNT/	Market Cap. /MNT mln/
APU		585.00	622,546.21
Tavantolgoi		5,805.00	305,721.49
MIK Holding		11,000.00	227,802.52
Invescore NBFI		2,909.00	208,656.51
Gobi		190.66	148,736.25

Corporate bond /secondary market/

Nº	NAME	VOLUME	TURNOVER /MNT/	MINIMUM /MNT/	MAXIMUM /MNT/	WEEKS	ANNUAL INTEREST RATE
-	-	-	-	-	-	-	-

DIVIDEND INFORMATION

Nº	TICKER	COMPANY NAME	NET PROFIT OF 2019 /MNT MLN/	TOTAL DIVIDEND AMOUNT /MNT MLN/	DIVIDEND PAYOUT RATIO	DIVIDENDS PER SHARE /MNT/	RECORD DATE	PAYMENT DATE
1	APU	APU	74,411.5	75,471.2	101.4%	71.0	2020.02.14	PAID ON 2020.05.28
2	MNDL	MANDAL DAATGAL	5,820.3	2,497.2	42.9%	4.0	2020.04.01	PAID ON 2020.06.29
3	GTL	GUTAL	2,403.7	2,436.0	101.3%	1,520.0	2020.03.13	ON 2020.05.05
4	LEND	LENDMN NBFI	4,910.2	1,200.0	24.4%	1.5	2020.02.25	PAID ON 2020.04.30
5	ADB	ARD CREDIT NBFI	2,369.4	1,184.7	50.0%	4.2	2020.04.08	PAID ON 2020.04.29
6	AARD	ARD FINANCIAL GROUP	715.9	1,000.0	139.7%	35.0	2020.04.07	PAID ON 2020.06.30
7	TUM	TUMEN SHUVUUT	3,232.9	960.0	29.7%	4.8	2020.04.07	PAID ON 2020.06.30
8	AIC	ARD DAATGAL	1,718.7	850.0	49.5%	34.0	2020.04.09	WITHIN 2020.06.30
9	JTB	GENCO TOUR BUREAU	1,253.8	799.9	63.8%	10.0	2020.03.27	WITHIN 2020.06.30
10	TEX	TECHNICIMPORT	2,718.2	723.4	26.6%	500.0	2020.03.01	PAID ON 2020.08.06
11	BUK	UB-BUK	2,465.3	526.2	21.3%	4.0	2020.03.30	PAID ON 2020.07.09
12	MMX	MAKHIMPEX	819.3	456.1	55.7%	120.0	2020.04.03	FROM 2020.10.01
13	MFC	MONOS KHUNS	761.9	408.9	53.7%	1.0	2020.03.11	PAID ON 2020.09.07
14	DSS	DARKHAN SELENGIIN TSAKHILGAAN TU- GEEKH SULJEE	581.8	391.8	67.3%	37.7	2020.03.20	ON 2020.09.02
15	MNP	MONGOL POST	1,103.6	331.1	30.0%	3.3	2020.04.05	PAID ON 2020.07.30
16	HRM	HERMES CENTRE	820.0	322.0	39.3%	4.1	2020.02.28	PAID ON 2020.04.16
17	NEH	DARKHAN NEKHII	2,327.6	230.8	9.9%	210.0	2020.02.25	FROM 2020.09.30
18	TCK	TALKH CHIKHER	2,456.0	230.3	9.4%	225.0	2020.02.18	FROM 2020.06.20
19	MBW	MONGOL BASALT	335.0	225.7	67.4%	4.0	2020.03.09	PAID ON 2020.07.03
20	BNG	BAYANGOL HOTEL	2,117.8	152.3	7.2%	360.0	2020.04.05	ON 2020.09.01
21	BDS	BDSEC	19.9	136.9	687.0%	10.0	2020.03.09	WITHIN 2020.12.31
22	EER	ARIG GAL	225.8	131.0	58.0%	38.9	2020.03.27	PAID ON 2020.07.08
23	TAH	TAKHI KO	489.0	128.5	26.3%	108.0	2020.04.10	PAID ON 2020.05.04
24	UBH	ULAANBAATAR KHIVS	298.8	121.4	40.6%	300.0	2020.03.06	PAID ON 2020.04.17
25	HRD	HURD	722.6	72.4	10.0%	535.0	2020.03.02	WITHIN 2020.06.30
26	ATR	ATAR URGUU	280.4	60.9	21.7%	350.0	2020.04.01	PAID ON 2020.07.31
27	MCH	TELECOM MONGOLIA	62.0	25.9	41.7%	1.0	2020.04.06	PAID ON 2020.06.29
28	HUV	KHUVSGUL GEOLOGY	324.7	21.6	6.7%	150.0	2020.04.03	FROM 2020.05.01
29	SUU	SUU	5,668.0	1,715.1	30.3%	5.0	2020.03.27	FROM 2020.05.01
30	HZB	GAN KHERLEN	31.9	15.0	46.9%	150	2020.04.06	WITHIN 2020.09.30
31	BTG	BAYANTEEG	2,166.2	500.0	23.1%	1,979.3	2020.02.07	WITHIN 2020.12.01
32	TTL	TAVANTOLGOI	48,062.7	43,238.0	90.0%	821.0	2020.04.03	PAID ON 2020.07.21
33	ERS	MONGOL ALT	71.3	39.9	55.9%	150.0	2020.04.29	WITHIN 2020.12.31
34	TEE	TEEVER DARKHAN	10.9	0.8	749.1%	500.0	2020.04.29	WITHIN 2020.12.31
35	HRM	HERMES CENTRE	530.2	65.1	12.3%	6.3	2020.09.09	PAID ON 2020.09.28
36	APU	APU	41,168.2	39,861.6	96.8%	37.5	2020.09.02	PAID ON 2020.11.02

CAPITAL MARKET UPDATE



HIGHLIGHTS

In accordance with the Government decision to declare all-out readiness for Covid-19 disaster protection, the Mongolian Stock Exchange will switch to remote operation mode and securities trading will be conducted online.

Source: Mongolian Stock Exchange

NEWS ON JOINT STOCK COMPANIES

“Erdene Resource Development Corp.” /TSX: ERD; MSE: ERDN/ provided third quarter financial and Bayan Khundii Gold Project update.

“Erdene Resource Development Corp.” /TSX: ERD; MSE: ERDN/ JSC has announced operating and financial results for the three and nine months ended September 30, 2020 and provided an update on the Bayan Khundii Gold Project. This release should be read in conjunction with the Company’s Q3-2020 Financial Statements, MD&A and Annual Information Form, available on the Company’s website or SEDAR.

“We made significant progress during the third quarter on our two core objectives of advancing the Bayan Khundii Gold Project (“Bayan Khundii” or “BK”) towards development and expanding high-grade gold resources in the Khundii Gold District,” said Peter Akerley, Erdene’s President and CEO.

“The recently announced BK Feasibility Study results demonstrate the strong economics of the high-grade Project, employing conventional mining and processing techniques,” continued Mr. Akerley. “With the proceeds from the August 2020, C\$20 million equity raise and the execution of a debt financing mandate letter with Export Development Canada, we have visibility to the funding required for development. Construction readiness activities are underway as we fast track to production on this foundational project.”

“On the resource expansion front, the first results from the 18,000 metre Khundii District Gold drill program launched in August were very positive,” concluded Mr. Akerley. “We intersected multiple zones of highgrade gold around the BK economic pit and at the Dark Horse prospect identified in late 2019. The second, 8,000 metre phase of this program kicked off last week and is scheduled to run through to the end of the year. We see the potential to meaningfully add resources in our Khundii Gold District through exploration given the multitude of high-potential targets on license and results to date.”

Source: Mongolian Stock Exchange

The executive management of “Suu” /MSE: SUU/ JSC has changed.

According to “Suu” /MSE: SUU/ JSC’s Board of Directors’ Resolution No. 14 of October 28, 2020, Mandkhai Mendbayar, the CEO of the company, was relieved of her post on October 28, 2020. Erdenechimeg Dorjgotov has been appointed as a temporary replacement.

Source: Mongolian Stock Exchange

First asset backed security was listed on the MSE.

According to Resolution No.938 of Financial Regulatory Commission dated October 21, 2020 and Order No.: A/75 of CEO of the Mongolian Stock Exchange dated November 12, 2020, asset backed securities, issued by “Invescore Active SPC” LLC, were listed on the MSE. The securities have the following conditions:

- Name of securities: Invescore Active ABS
- Volume: 10,000
- Face value: MNT 400,000
- Total value: MNT 4,000,000,000
- Interest: 16.4% per annum
- Period: 24 months
- Frequency of interest payment: every 3 months

This has become the first ABS to be offered publicly in Mongolian capital market, and it will provide investors to invest in product that pays a fixed interest rate and higher interest rate than the average deposit rate.

Source: Mongolian Stock Exchange

OTHER NEWS

HIGHLIGHTS

On November 11, the Cabinet convened a regular meeting and made a decision on measures to be taken in border crossing points with the Russian Federation. Specifically, the Cabinet decided to close Altanbulag border checkpoint for two months starting from November 16 to January 18, 2021 and Tes, Artssuuri, Ulikhan, Ereentsav and Borshoo border points are to be closed for an indefinite period from November 16.

While, Tsagaannuur border checkpoint in Bayan-Ulgii aimag will be open only in the second and fourth weeks of each month beginning from November 23 to allow fuel transport.

Source: Montsame.mn

MACROECONOMIC NEWS

An issue on creating legal environment for establishing a Mortgage Agency has been projected in the Basic Guidelines for State Monetary Policy for 2021, the President of the Bank of Mongolia (BoM) underlined during a press conference held on November 10.

On November 5, the parliament adopted the resolution on the Basic Guidelines for State Monetary Policy for 2021. It reflects to decrease inflation rate to 6 percent, continue to finance mortgage loan, approve and implement national project to avoid being included again in FATF grey list, to lower loan interest rate by one percentage point annually and protect interest of financial customers, President of the BoM B.Lkhagvasuren emphasized.

The first chapter of the basic guidelines included works to be jointly fulfilled by the BoM, the Government, Financial Regulatory Commission and other public organizations while the next chapter reflected planned works of the BoM within the framework of stabilizing financial market.

Source: Montsame.mn

COMMODITY MARKET NEWS

According to the General Customs Administration, in the first ten months of this year, total foreign trade turnover has reached USD 10,423.1 million, which shows a decrease of USD 1,170.1 million or 10.1 percent compared to the same period of the previous year. The export amount has exceeded the import's by USD 1,549.1 million, showing positive index in the foreign trade balance.

Exports of goods and raw materials amounted to USD 5,986.1 million in the first ten months, showing a decrease of 8.3 percent compared to the same period of the previous year. In the total export, the export of mineral products made up 70.6 percent, jewelry and precious stones—22.1 percent, processed leather, fur and leather and fur products – 0.1 percent, and textile items 4.2 percent. The export of above goods accounted for 97 percent of the total exports.

Source: Montsame.mn



DISCLAIMER/DISCLOSURE

This publication has been prepared on behalf of TDB Capital LLC solely for the information of its clients. It is not investment advice or an offer or solicitation for the purchase or sale of any financial instrument. While reasonable care has been taken to ensure that the information contained herein is not untrue or misleading at the time of publication, TDB Capital LLC makes no representation that it is accurate or complete. The information herein is subject to change without notice. Because of the possibility of human or mechanical error as well as other factors such information provided "as is" without warranty of any kind and TDB Capital LLC, in particular, makes no representation or warranty, express or implied, as to accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances, TDB Capital LLC has any liability to any person or entity (-ies) for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligible or otherwise) or other circumstances or contingency within or outside the control of any of their directors, managements, officers, employees, or agents in connection with compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, loss profits) even if TDB Capital LLC is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information.