

E-Newsletter



35th edition

News Brief



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INFORMATION ON TRADING PARTICIPATION



MONGOLIAN CAPITAL MARKET IS TO BE REVIEWED AS "FRONTIER MARKET" IN 2016 BY FTSE

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"MN STOCK" MOBILE APPLICATION AVAILABLE ON ANDROID OPERATING SYSTEM

Events

- Since 2015, the total transaction value reached to MNT356.0 billion which is the highest in the history of the 25 years of the Mongolian Stock Exchange trading.
- MSE, received an official letter from Mr. Christopher Woods, Managing Director of Governance Policy of FTSE Group.
- Scope of this co-operation with Bloomberg, the financial information and profile of MSE listed companies started placing on Bloomberg Terminal.
- Mongolian Stock Exchange is working on to introduce Repo Trading on October of this year.

STATISTICAL INFORMATION OF SECURITIES MARKET

- Trading information of September, 2015

TRAINING

Fundamental training of Capital market will start from October 26. For detailed information please contact at:

11-313747/126.



BOLOR.M APPOINTED AS ACTING CEO OF MONGOLIAN STOCK EXCHANGE

According to the Resolution of shareholder meeting and Resolution of Board of Directors meeting of Mongolian Stock Exchange /MSE/, dated on 28 September 2015, Angar.D resigned as the Acting CEO of MSE and Bolor.M appointed as Acting CEO of Mongolian Stock Exchange.

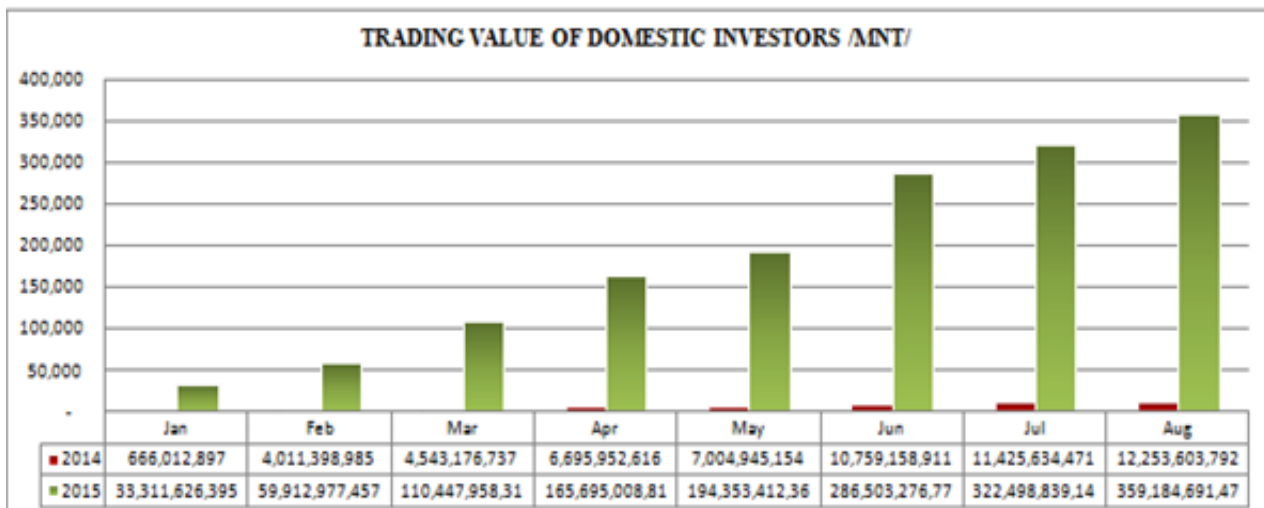
Mr. Bolor Munkhsaikhan enhanced his career at Economic School in Berlin, Germany and Rice University in Texas, USA. He received his Master of Science in Bank and Finance from the University of Luxembourg.

He started his career as an economist in Monetary Policy and Research Department of Mongol Bank. During the ten years of working at Mongol bank, he was working on to create the model for commercial banks' balance sheet, loan statement, statement and research bulletin of municipal that introduced throughout of country. Also, he published research papers in topic of "Mongolian Macroeconomic Model and its sector Structure". On 2013, he established his "Eludei" LLC, a research consulting firm.

INFORMATION ON TRADING PARTICIPATION

As of August 2015, the trading participation of foreign investors has been increased by 5.3 times from the same period of the previous year and reached to MNT469.6 million. On the other hand, domestic investors' trading participation has been increased by 43.3 times and reached to MNT36.7 billion.

As of first 8 months of 2015, the trading participation of foreign investors has been increased by 2.7 times from the same period of the previous year and reached to MNT6.0 billion. On the other hand, domestic investors' trading participation has been increased by 29.3 times and reached to MNT359.2 billion.



SECONDARY MARKET OF “ERCHIM BOND” OPENED



On 11 September 2015, Mr. Angar Davaasuren, Acting CEO of MSE, received an official letter from Mr. Christopher Woods, Managing Director of Governance Policy of FTSE Group, a global leader provider of stock market indices and associated data services. According to the official letter, the FTSE Russel Governance Board has determined to retain Mongolia on the FTSE Watch List for a further year and review the possible inclusion of Mongolia as a Frontier market at the next annual review in September 2016.

To be included as FTSE Frontier Market, MSE needs to introduce custodian services, upgrade the security settlement process, improve liquidity, introduce security lending /short sell, stock lending/ and introduce derivative market and off-exchange transaction into the Mongolian capital market.

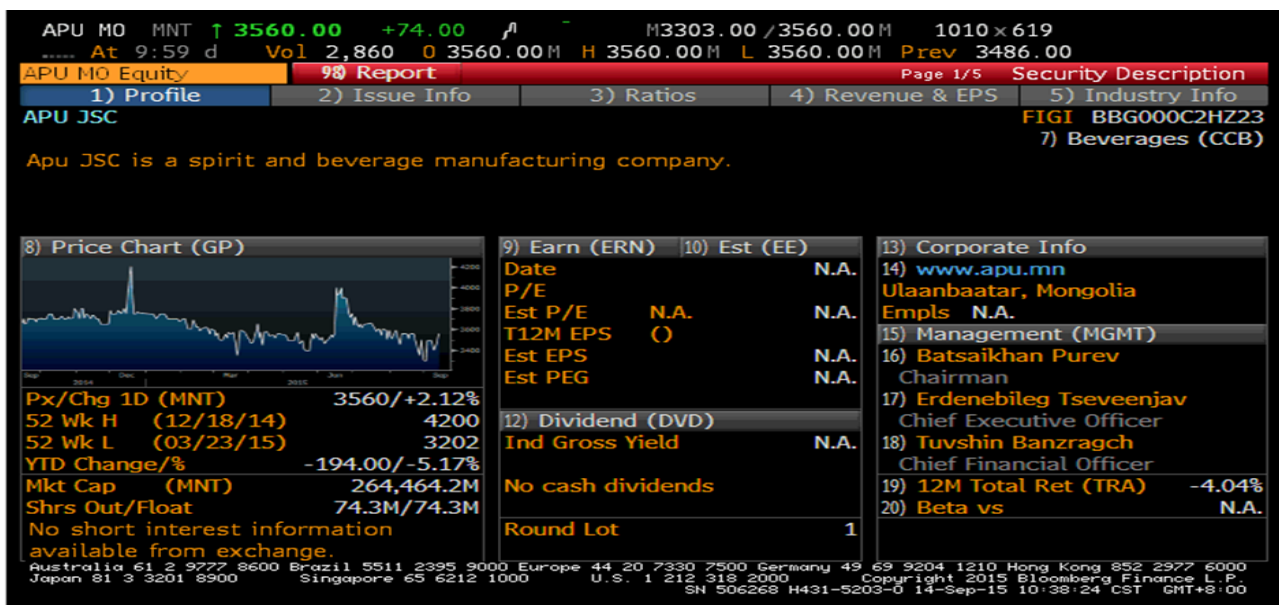
Note: The FTSE Group operates 250,000 indices including real-time indices calculated across 80 countries in the world, and there were 76 Capital market well developed countries out of 168 graded by FTSE Group.

INFORMATION OF MSE LISTED COMPANIES STARTED PLACING IN BLOOMBERG TERMINAL



Mongolian Stock Exchange /MSE/ is working on to introduce Mongolian capital market to foreign investors, furthermore, attract the international investors to Mongolian capital market and activate the capital market via placing information of MSE listed companies on Bloomberg Terminal.

Scope of this co-operation, the financial information and profile of MSE listed companies started placing on Bloomberg Terminal. As the information is placed on Bloomberg, it will open the opportunity to spread quickly information on the Mongolian stock market in much more open and transparent, and pleasant step to attracting foreign investors.



REPO TRADING WILL BE INTRODUCED AT MSE

Mongolian Stock Exchange has been organizing the Government securities trading with maturity date of 12, 28 and 52 weeks since November 2014. As of today, approximately total worth of MNT 400.0 billion Government Securities has been traded on primary and secondary market of MSE.

In order to increase the market liquidity for Government securities, to determine the interest rate of short-term loan in economy and to create new opportunities for investors to circulate their securities assets which from invested securities before its maturity date into economy; Mongolian Stock Exchange is working on to introduce Repo Trading on October of this year.

CAPITAL MARKET OPEN DOOR EVENT WILL BE HELD AT SELENGE PROVINCE

On 8 October 2015, capital market “Open Door” event will be held at Sukhbaatar sum, the capital of Selenge province by cooperation with Mongolian Stock Exchange and Government of Selenge province. During the “Open Door” event, following services will be provided to citizens and business entities from an open window service:

Guide to how to participate stock trading, information for MSE listed companies

- Information and advices on how to issue stock and bonds
- Information and introduction of the Government securities\
- Dividends information
- Investment advices
- Open the brokerage account
- Search account
- Comment requests from citizen regarding securities
- Guide on how to participate trading on the Government securities in 2015-2016.

First half of this year, Mongolian Stock Exchange were organized capital market "Open Door" events in Ulaanbaatar and Orkhon province successfully. During the events, citizens provided information of most concerning issues like Tavantolgoi's 1,072 shares, pink and blue vouchers, and dividends information. More market “Open Door” events will be held throughout in provinces of Mongolia in future.

ANGAR.D: PRIVATIZATION OF STATE-OWNED COMPANIES IS POSSIBLE TO BE PERFORMED ON LAWFUL TIMELINE

-How many state-owned companies' privatization will go through Mongolian Stock Exchange?

-Mongolian Parliament affirmed the Resolution No.: 70 to privatize or reorganize some state-owned companies in year 2015-2016. The Resolution stated privatization of 9 out of 15 companies will privatize through Mongolian Stock Exchange including 5 thermal power stations, Baganuur, Shivee-Ovoo, Mongol Post and Telecom Mongolia. Also, the Resolution No.: 330 of Mongolian Government which states the specific timeline and person who is responsible for this action were affirmed. According to the Order of Minister of Finance, the working team for privatization and reorganization of state-owned companies were established. Ministry of Finance will be lead the working group and representatives of Mongolian Stock Exchange, Mongolian Securities Clearing House and Central Depository, Development Bank of Mongolia, Financial Regulatory Commission, State Property Committee and Cabinet Secretariat of Government of Mongolia will be participated.

-How many companies will be privatized in this year?

-30% of 7 state-owned companies will be traded at Mongolian Stock Exchange in fourth quarter of the year.

-For example?

-5 thermal power stations, Mongol Post, and Telecom Mongolia.

-Does Mongolian Stock Exchange have ability to do privatization of these companies? There is a doubt that privatization can't be done in fourth quarter of this year.



-Since the Government resolution has been approved, the work must be done with no doubt. If the privatization get postponed or voided, trust of public and foreign investors will be discouraged. We shall implement this state order with no doubt. Other countries and public will be observing how the privatization will process. If the work get delayed for longer amount of time, Mongolian capital market will never develop. In addition, investment of foreign countries will stop. No one want to invest in a country where the government rule can be ignored, therefore, we must be responsible.

-The Resolution of Mongolian Parliament and Government cannot be delayed, does it?

-If we ignore the government Resolution, the capital market would never develop. Most importantly, as we go by rule, trust will be built. No one can delay government's resolution and regulation; therefore, we must launch privatization of state-owned companies and trade its stocks to the public in the time frame. I also want to note that all related organizations have to be responsible for this job.

-You mentioned about organizing the trading in the public. How preparatory work is going on?

-First of all, these companies should have audited their past year's balance sheet. And, the valuation of assets should be done. In addition, the legal assessment report for conduct trading through Mongolian Stock Exchange which shall meet rules and regulations.

-How much money will be used for the process?

-Basically, there are three fundamental job should be done for one company. MNT50.0 million for each; therefore, MNT150.0 million will be used in one company for privatization. Total of MNT1.0 billion will be circulated into economy. Certainly, this will be concerned with State Property Committee, Ministry of Finance and other related organizations. Then,

make a contract with Underwriter Company which has high amount of cost. Stock trading of State-owned companies will conduct legally. In other words, issued shares of company should be sold 100% and we suggesting that the underwriter company that fully responsible for this matter should work with them.

-Where does the public can get information about the privatization and reorganization of the companies?

-Underwriting companies will work on advertising the stock and provide information to the public.

-70% of the above mentioned companies will be owned by state, when will the shareholders start to claim dividends?

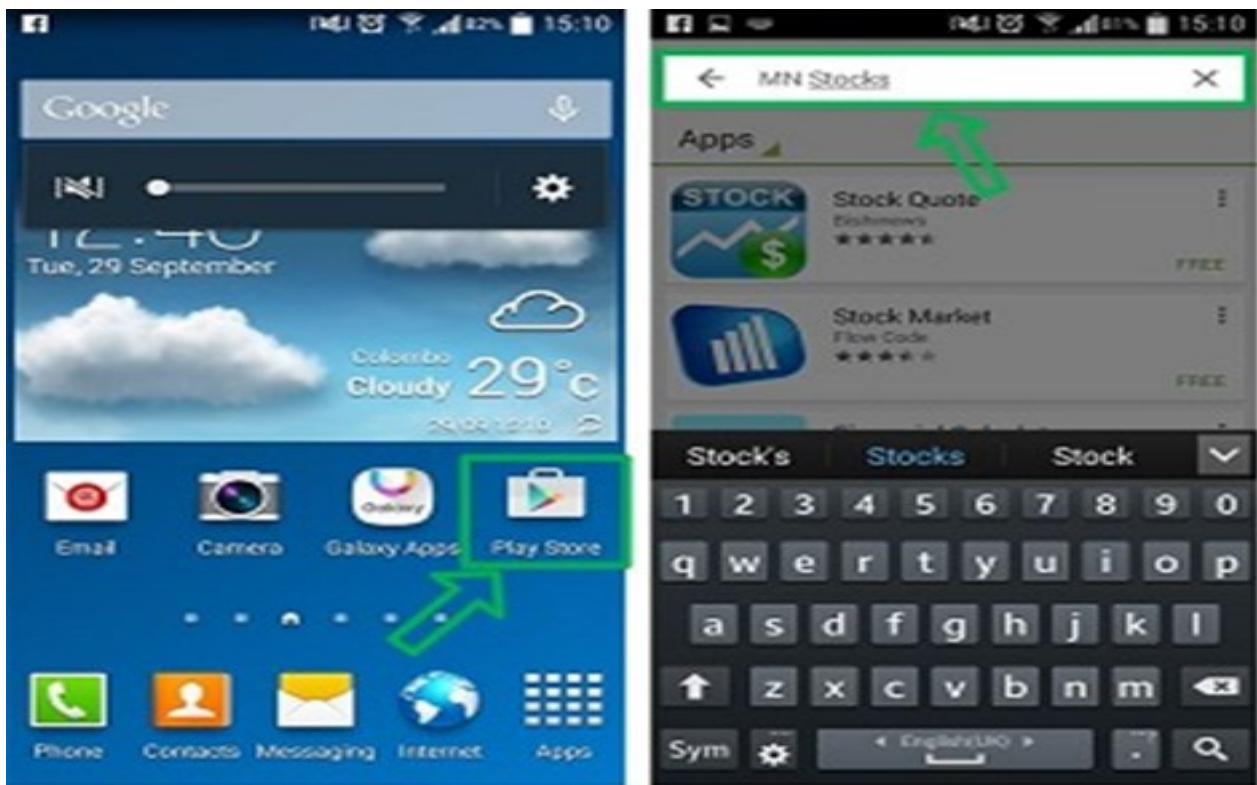
-That is obligation of the companies. The government will work on to protect shareholder's right, claiming dividends and increase the value of stocks. Before, the companies were 100% owned by state, now the companies will be monitored by the public and become more transparent. The dead expenses will be decreased, revenue and profits will be main purpose of the company to exist and there will be significant value to the capital market. If companies still report loss after privatization, it will be considered as theft from the public.

Source: Oyunchimeg.D, Zuunii Medee Sonin, 2015.09.18

“MN STOCK” MOBILE APPLICATION AVAILABLE ON ANDROID OPERATING SYSTEM

Mobile application of Mongolian Stock Exchange has been available at Apple Store under the name of “MN STOCK” since October 2014. According to the requests of many citizens and individuals, Mongolian Stock Exchange launched the Mobile Application that suitable for Android operating system.

Now “MN STOCK” mobile application available at “Play Store” for Android operating system, which is used by variety of mobile phone manufacturers including Motorola, HTC, Samsung, Google Nexus, LG and Sony.





MSE'S BEGINNER COURSE CONDUCTED SUCCESSFULLY



Mongolian stock exchange's "Capital market beginner course" for the residents has successfully conducted from 10 August 2015 to 14 August 2015.

This beginner course consists of combination of theory and practical aspects and capital market basic comprehensions, legal adjustment, participant's operation, practice lessons and securities trading at MSE, taught by specialists of Mongolian stock exchange and other professional organizations and professors of Mongolian Universities.

Numbers of people who want to enroll this course have increased day by day. Therefore, we plan to set next course on 10 October 2015.



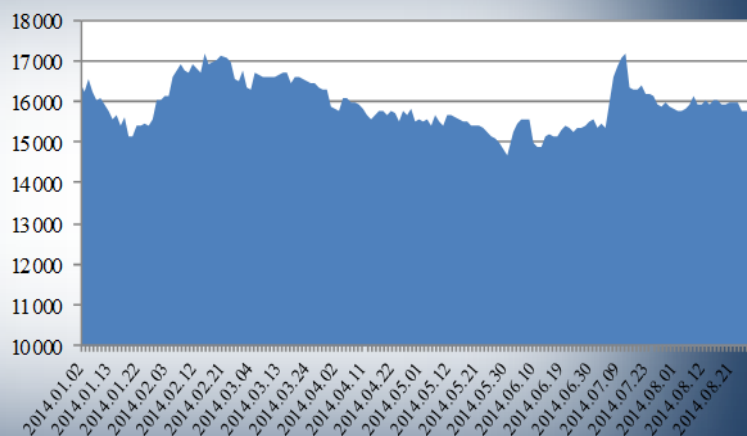
Brief Statistic

Traded Volume	1,889,420
Total Value /MNT/	623,786,488
Number of Transactions	652
Number of Traded Securities	71
Market Capitalization /MNT/	1,289,804,963,251

Top-20 Index

Close	13,129.04
Previous month closing	12,890.12
Change	238.92
Change /%/	1.85
52 w eeks high	17,160.49
low	13,422.43

TOP-20 INDEX



Most actively traded securities:

Volume:					Value:				
No	Symbol	Securities Name	Volume	Value	No	Symbol	Securities Name	Volume	Value
1	RMC	REMICON	1,506,296	111,377,310	1	BDSC	BDSEC	87,286	152,143,860
2	MERC	MEREX	156,960	12,338,354	2	APU	APU	34,459	120,692,630
3	BDSC	BDSEC	87,286	152,143,860	3	RMC	REMICON	1,506,296	111,377,310
4	APU	APU	34,459	120,692,630	4	HZB	GAN KHERLEN	14,542	82,016,870
5	HZB	GAN KHERLEN	14,542	82,016,870	5	MMX	MAKHIMPEX	4,834	15,644,200

Most gainer securities

No	Symbol	Securities Name	Last month closing price	Closing Price	Change	
					MNT	Percentage
1	NKT	NACO TULSH	274.94	360.00	85	30.94
2	DHU	DARKHAN KHUNS	4,000.00	5,140.00	1,140	28.50
3	AOI	AUTO IMPEX	3,000.00	3,700.00	700	23.33
4	NEH	DARKHAN NEKHII	15,890.00	19,460.00	3,570	22.47
5	MBG	MON-IT BULIGAR	6,200.00	7,500.00	1,300	20.97

Most loser securities:

No	Symbol	Securities Name	Last month closing price	Closing Price	Change	
					MNT	Percentage
1	SOR	SOR	2,644.00	2,000.00	-644	-24.36
2	MCH	TELECOM MONGOLIA	1,800.00	1,451.00	-349	-19.39
3	BTG	BAY ANTEEG	25,720.00	21,880.00	-3,840	-14.93
4	ETR	E-TRANS LOGISTIC	114.00	99.00	-15	-13.16
5	NXE	NEKHEESGUI EDLEL	1,800.00	1,600.00	-200	-11.11