

E-Newsletter

22st edition



МОНГОЛЫН ХӨРӨНГИЙН БИРЖ
MONGOLIAN STOCK EXCHANGE

The image shows the facade of the Mongolian Stock Exchange building. It features a classical architectural style with large, white, fluted columns and a dark grey base. A golden emblem is visible on the left side of the base, and a stone lion sculpture is positioned in the foreground. The sky is blue with some clouds.

AUGUST 2014



**MESSAGE
FROM ANGAR.D,
ACTING CEO OF
MONGOLIAN
STOCK EX-
CHANGE**

**DECISIONS OF FINANCIAL
REGULATORY COMMISSION**



**MSE PREPARES TO ORGANIZE
THE TRADING OF GOVERNMENT
SECURITIES**

**MSE PREPARES TO LAUNCH
DERIVATIVES TO THE MARKET**



**MSE STARTS TO CALCULATE
"MSE ALL" PILOT INDEX**

**REVISED "LISTING RULE"
CAME INTO FORCE**



**MSE WILL LAUNCH MOBILE
APPLICATION**

Events

- Mr.Xavier Rolet, CEO of the London stock exchange group, has sent a congratulation letter
- MSE shareholders appointed the new board of directors of MSE.
- Appointed as a head of working group
- Decisions of Financial regulatory commission
- MSE starts to launch "MSE ALL" pilot index
- MSE extended the membership of AOSEF
- Gobi JSC organizes meeting
- Working as a member of working group
- Guidelines by the Ministry of Finance to MSE
- FX Futures and options will be traded on MSE
- MSE meets the delegations of Bloomberg company
- Revised Listing Rule in effect
- Custodian workshop
- MSE cooperates with European Bank of Reconstruction and development

**STATISTICAL INFORMATION
OF SECURITIES MARKET**

- Trading information of August, 2014

TRAINING

Fundamental training of Capital market will start from Sep 22. For detailed information please contact at:

11-313747/116.



GREETINGS FROM ANGAR.D ACTING CEO OF MONGOLIAN STOCK EXCHANGE

Through this e-newsletter I'm giving sincere greetings to Mongolian Stock Exchange's all generations of leaders, professional colleagues, all our partners, and dear readers, also wish you all the best, success and happiness.

Together with a foundation of the stock market in Mongolia, the Mongolian Stock Exchange has been established and now already past 23 years. The stock market is considered as a courier of a development in the country and a key of the investment and prosperity. Our colleagues endeavor organizing fair, open and transparent securities trading according to the global standards and set the principles of transparency by learning from international experiences in order to developed stock market and add value to the Mongolian economic development.

Dear readers, we will distribute fresh and updated information providing our policy and guidelines and latest news of activities in the market through this e-newsletter.

We are confident that a tight cooperation of market participants, national professionals and issuers will have a positive impact on the development of capital market in Mongolia.



**London
STOCK EXCHANGE**

A CONGRATULATION LETTER FROM LSE

Mr. Xavier Rolet, CEO of the London Stock Exchange Group, has sent a congratulation letter to Mr. Angar.D for his appointment as an acting CEO of MSE.

In his letter, Mr. Xavier Rolet emphasized that LSE is looking forward to continuing relation with MSE and the main mission of the collaboration between LSE and MSE would remain as to position the Mongolian capital market in global financial community.



MONGOLIAN STOCK EXCHANGE'S NEW BOARD OF DIRECTORS HAS BEEN APPOINTED



САНГИЙН ЯАМ

According to the Resolution No.152 of Mongolian Government, dated on 10 May 2014, shareholder's rights and duties of Mongolian Stock Exchange transferred to the Ministry of Finance. Accordingly, shareholder(s) of MSE appointed a new Board of Directors as follows:

Chairman:

B.Nyamaa, Head of Financial policy, debt management department, Ministry of Finance

Board Members:

B.Daajamba, Deputy Chairman of Financial Regulatory Commission of Mongolia

B.Sukh-Ochir, Head of the internal audit, monitoring and evaluating division

N.Munkhbat, Executive Director of the Development Bank of Mongolia

N.Enkhbayar, Head of Economic, Finance and Investment division of Strategic policy and Planning department, Ministry of Finance

M.Batgerel, Head of Policy and Implementation Department of SPC



MR.ANGAR.D, ACTING CEO OF MSE APPOINTED AS A HEAD OF WORK- ING GROUP

In scope of state privatization program in 2014-2016, the State Property Committee issued a decree No.A/155 on 23 July 2014 appointing Mr.Angar.D, acting CEO of MSE, as a head of working group for accelerating capital market development in Mongolia. The working group comprises delegations of SPC, MSE, SCHCD and MASD, the main aim of which is to implement a fair, transparent and efficient privatization process of state owned companies through the MSE by introducing possible new financial products in the market.



DECISIONS OF FINANCIAL REGULATORY COMMISSION

ISSUED LICENSES

Investment management license is issued to "Exponential Fund Management" LLC and "BBC" LLC.

LISTING AMENDMENTS

Listing amendments made for following securities:
"Ariljaa Impex" JSC,
"Bornuur" JSC,
"Tushig-Uul" JSC and
"SUU" JSC

REINSTATED THE SECURITIES TRADING

Securities trading of "Devshilmandal" JSC and "Bayanbogd" JSC have been reinstated.

REVOKED LICENSES

Following broker dealer companies' license for brokerage and securities dealing activities were revoked:

"Monkhan trade" LLC,
"Niki" LLC,
"Tengri securities" LLC,
"TenDiSec" LLC,
"UGS" LLC,
"Rescap securities" LLC,
"London Asia Capital Mongolia" LLC and
"Financial Development Invest" LLC

DELISTED FROM MSE SECURITIES LISTING

Following securities were delisted from MSE securities listing:

"Undramtuv" JSC,
"DarkhanImpex" JSC,
"HiitsUvs" JSC,
"Tegsh" JSC and
"Altantaria" JSC

JOINT STOCK COMPANIES DIVIDENDS

Following joint stock companies decided to distribute dividends:

"Khurd" JSC,
"AtarUrguu" JSC,
"GanKherlen" JSC,
"Eermel" JSC,
"Ulaanbaatar hotel" JSC,
"Mogoingol" JSC,
"Gutal" JSC,
"Teeverdarkhan" JSC,
"Mongol Alt" JSC,
"Barilga corporation" JSC,
"Bayanteeg" JSC and
"Tavantolgoi" JSC.



MSE EXTENDS THE MEMBERSHIP OF ASIAN AND OCEANIAN STOCK EXCHANGES FEDERATION



“Mongolian Stock Exchange” State-owned Joint Stock Company became a member of Federations of Euro-Asian Stock Exchanges in October 1, 1998 and a member of Asian and Oceania Stock Exchange Federation in April 10, 2008 to cooperate with other member exchanges. In July 2014, MSE extended the membership of AOSEF that consists of 19 countries exchanges including Australia, Japan, Hong Kong and Korea aiming to develop capital market in the region.



GOBI JSC ORGANIZES MEETING

In order to improve corporate governance and information disclosure of listed companies MSE with cooperation of Capital Market Research Development Institute and member companies are planning to organize corporate events on the MSE.



Accordingly, on 25 July 2014, “Gobi” JSC introduced its semiannual reports to the public.

Analysts of “Standard Investment”, “Ard Capital”, “Darkhan Broker”, “Tavan Bogd”, “Prevalent”, “Monsec” and “Gauli” LLC’s participated in the meeting and asked their concerned questions from Naranbaatar.D, senior deputy director of “Gobi” JSC. The main goal of this event was to motivating the capital market by improving transparency of listed companies.



MSE STARTS TO LAUNCH “MSE ALL” PILOT INDEX

Starting from July 28, 2014, "MSE All" pilot index is calculated from 1000 base points including all publicly traded securities. MSE is aiming to disclose an authentic market trend by moderating an effect of abrupt price fluctuations and large company's dominance in the market capitalization.

MSE WILL LAUNCH MOBILE APPLICATION



Mongolian stock exchange started the preparation for dissemination of daily trading and price information to the public through mobile application.

This application will distribute the real time index and price information of that trading day to the customers. Application has its advantages which enable customers to create their own portfolio and give signals on the higher price fluctuation.

MSE is creating this new product by using local resources and planned to upload it on AppStore starting from Oct 1st 2014.

MR.ANGAR.D, ACTING CEO OF MSE, JOINED A WORKING GROUP



The acting CEO of MSE, Mr.Angar.D has been elected as a member of working group which is focused on the implementation of the State's mineral sector policy documents adopted by the Parliament's Resolution No. 18 of 2014 and Government's action program for the year 2012-2016. The working group shall prepare a proposal and decision drafts on establishing mineral exchange, creating legal environment and making one-stop operations on the Export.



САНГИЙН ЯАМ

GUIDELINES BY THE MINISTRY OF FINANCE TO MSE

On July 30, 2014, the Ministry of Finance consigned a working guide to the MSE to conduct research on implementation possibility for the Government securities trading IT systems, listing, clearing and settlement services according to relevant rules and regulations. Starting from 2012, the Bank of Mongolia has started to manage the Government bond trading activities which was performed by the MSE before the date.



REVISED LISTING RULE IN EFFECT

MSE' Board of directors approved the revised "Listing Rule" of MSE and has started to enforce it from July 1, 2014. Amendments to this regulation enabled securities listing of foreign legal entities on the Mongolian Stock Exchange, as well as dual listing and registration of local legal entities on foreign exchanges.

According to the new rule, the listing fees are decreasing and listing procedure on MSE will be comparatively easy for issuers. Furthermore, listing boards are divided into 3 categories, introducing a new category III, in which small and medium businesses are provided an opportunity to attract investment from the stock market. Moreover, additional issues such as, information disclosure duties of listed companies and compliance principles of corporate governance are expanded.

At the same time, MSE is preparing to renew its surveillance and membership rules aiming to enhance the surveillance of securities trading and the member companies' control system, and it will be an important step towards strengthening the member companies' capability and responsibility.



MEETING WITH BLOOMBERG DELEGATIONS

BLOOMBERG TERMINAL

Within the preparation of Government securities trading through MSE, the MSE is conducting research on possibility of Primary market trading via Bloomberg terminal, and in this regard, the acting CEO of MSE, Mr. Angar.D met Bloomberg Asian financial market delegations on August 4, 2014.



During the meeting, the parties exchanged their views on the utilization of "Bloomberg terminal" electronic trading system on the Government securities trading.

Incidentally, "Bloomberg terminal" electronic system is used in countries such as Great Britain, Sweden, Belgium, South Africa, Finland and Georgia.



FX FUTURES AND OPTIONS WILL BE TRADED ON MSE

Within the implementation framework of Securities market law, Mongolian Stock Exchange has started to draft regulation for Derivatives trading on MSE.

The introduction of derivatives products in a local market would favor investors and entities to manage their investment risks wisely.

In the first phase, MSE is going to introduce FX futures and options trading and further more other instruments based on commodities.



Custody training

CUSTODIAN & SECURITIES SERVICES MASTERCLASS

In scope of introducing custodian service to Mongolian capital market, MSE offered Custody & Securities Services Masterclass, which has been conducted at MSE on 6th and 7th of August 2014.

This training was dedicated for market participants who planning to be involved in this business. The Masterclass has been presented by Bruce Lawrence, Senior Post Trade Advisor of London Stock Exchange group, who has over 30 years of experience in this field. The objectives of the Masterclass were to acquaint the proposed organizations with the intricacies of the Custody and Security industry and at the same time assist them in their on-going development as a Mongolian sub-custodian. This Masterclass has addressed the important principles of the business and the produces and services required by the international investor community.



European Bank
for Reconstruction and Development

COOPERATION WITH EBRD

On July 9th 2014, Angar D, the acting CEO of Mongolian Stock Exchange met with Azjargal U, the deputy representative of European Bank of Reconstruction and Development exchanging their views on developments of the capital market.

During the meeting, European Bank of Reconstruction and Development (EBRD) was offered to introduce products from the Mongolian stock market to the European market.

As of today EBRD has invested around \$1 billion in the Mongolian stock market.



EDUCATION IN SECURITIES MARKET

In purpose of supporting residents and investors to invest efficiently, Mongolian Stock Exchange is organizing beginner's course in securities market since 2005. During this time, more than 3,000 residents are participated in this educational program.

MSE has been paying a high attention for improving public education, and it is considered that an increase of the number of investors in the market is a reflection of the effort.



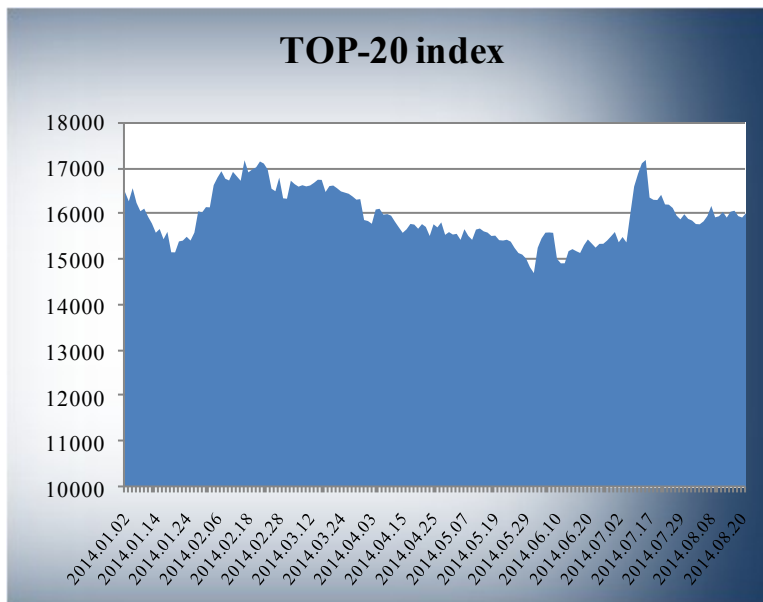


Brief statistics

Traded volume	4,190,618
Total traded value /MNT/	902,749,620
Number of transactions	714
Number of traded securities	61
Market capitalization /MNT/	1,625,530,754,734

TOP-20 Index

Close	15,896.09
Pre-Close	18,871.73
Change/MNT/	24.36
Change /%/	0.15
52 weeks High	17,160.49
52 weeks Low	13,422.43



Actively traded securities:

By volume:

No	Symbol	Securities name	Volume	Price
1	JTB	Genco tour bureau	3 575 898	321,549,210.0
2	MDR	Mongolia Development Resources	227 715	137,026,442.0
3	UID	Ulsyn Ikh Delguur	169 742	100,818,790.0
4	OLL	Olloo	32 113	3,853,674.0
5	RMC	Remikon	27 869	4,185,540.0

By value:

No	Symbol	Securities name	Volume	Price
1	JTB	Genco tour bureau	3 575 898	321,549,210.0
2	MDR	Mongolia Development Resources	227 715	137,026,442.0
3	UID	Ulsyn Ikh Delguur	169 742	100,818,790.0
4	GOV	Govi	11 848	91,936,515.0
5	TTL	Tavan tolgoi	18 028	90,384,015.0

Risers:

No	Symbol	Securities name	Pre-close	Closing price	Change	
					MNT	%
1	NKT	Nako tulsh	274.94	360.0	85	30.94
2	DHU	Darkhan khuns	4,000.0	5,140.0	1,140	28.50
3	AOI	Auto Impex	3,000.0	3,700.0	700	23.33
4	NEH	Darkhan nekhii	15,890.0	19,460.0	3,570	22.47
5	MBG	Mon-it buligaar	6,200.0	7,500.0	1,300	20.97

Fallers:

No	Symbol	Securities name	Pre-close	Closing price	Change	
					MNT	%
1	SOR	Sor	2,644.0	2,000.0	-644	-24.36
2	MCH	Telecom Mongolia	1,800.0	1,451.0	-349	-19.39
3	BTG	Bayanteeg	25,720.0	21,880.0	-3,840	-14.93
4	ETR	E-Trans logistic	114.0	99.0	-15	-13.16
5	NXE	Nekheesgui edlel	1,800.0	1,600.0	-200	-11.11