



E-Newsletter

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September 2014

News Brief



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FEE OF 2013-2014

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MSE ATTENDED THE "INVEST MONGOLIA-2014"
CONFERENCE SUCCESSFULLY



Events

- FRC Establishes non-standing policy council of the securities market
- Government Bonds delisted from MSE securities list
- Mongolia selects Bloomberg as official auction platform for Government Bonds
- MSE attended the "Invest Mongolia-2014" conference successfully
- Internal audit report conducted on the MSE activities of 2012-2014
- MSE receives representatives of International Monetary Fund
- MSE proposed to cooperate with EBRD to develop Mongolian capital market
- MSE conducts Custodian & Securities Masterclass

STATISTICAL INFORMATION OF SECURITIES MARKET

- Trading information of September, 2014

TRAINING

Fundamental training of Capital market will start from Oct 27. For detailed information please contact at:

11-313747/116.



MSCH&CD WILL BE REORGANIZED

Government of Mongolia issued a resolution during a cabinet meeting held on 18th of September, announcing the decision regarding to reorganization of Securities Clearing House and Central Depository LLC.

According to this decision, the full ownership of the legal entity in charge of securities clearing and settlement is transferring to the Mongolian Stock Exchange.

DECISIONS OF FINANCIAL REGULATORY COMMISSION

ESTABLISHES NON-STANDING POLICY COUNCIL ON SECURITIES MARKET

A non-standing policy council of the securities market was established by Chairman's decree No.237 of FRC dated on September 3, 2014.

The council will discuss the issues on securities market development, policy and regulatory, as well as making proposals and conclusions on securities market trends and prospects.

The council is consisting of representatives of FRC, Ministry of Finance, Mongolbank, MSE, MSCH&CD, Corporate Governance Development Center, Mongolian Association of Securities Dealers, Financial Markets Association and the university scholars.



REVOKED LICENSES

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

1. "UBBD" LLC
2. "OCB" LLC
3. "Mars Capital" LLC
4. "Orchlon oyu" LLC
5. "Treasure Capital" LLC
6. "Geegen Securities" LLC
7. "Global trust Securities" LLC
8. "Zuunii Garts Securities" LLC
9. "Soyombo Investment" LLC
10. "Skykhan Capital" LLC
11. "Chono Capital" LLC
12. "Ochir-Erdene Invest" LLC
13. "Great Securities" LLC

DELISTED FROM SECURITIES LISTING

Following securities were delisted from securities listing:

1. "Uguumur-Uul" JSC

MSE DECREASES MEMBERSHIP FEE OF 2013-2014

Considering the MASD's comments, to support member broker-dealer companies, MSE has decided to reduce the annual membership fees.

The membership fee has reduced from MNT 2.5-3.5 million to MNT 1.5 million, Exchange system access or Terminal usage fee /per month MNT 195,000, annually MNT 2.3 million/ were exempted until the end of 2014.

By exercising these discount and exemptions, each member companies could save approximately MNT 8 million.



COOPERATION BETWEEN MONGOLIAN STOCK EXCHANGE AND FTSE GROUP HAS BEEN CONTINUED SUCCESSFULLY

Chris Woods, Governance and Policy Director of FTSE Group, a world-leader in the provision of global index and analytical solutions, sent official letter to Mongolian Stock Exchange JSC on Sep 17, 2014.

In this letter, on Sep12 2014, the FTSE Governance Board has ratified that Mongolia should remain on the FTSE Watch List and be reviewed again for possible inclusion as Frontier Market at the next review in September 2015.

Also he stated that he thanks for our continued engagement and cooperation.

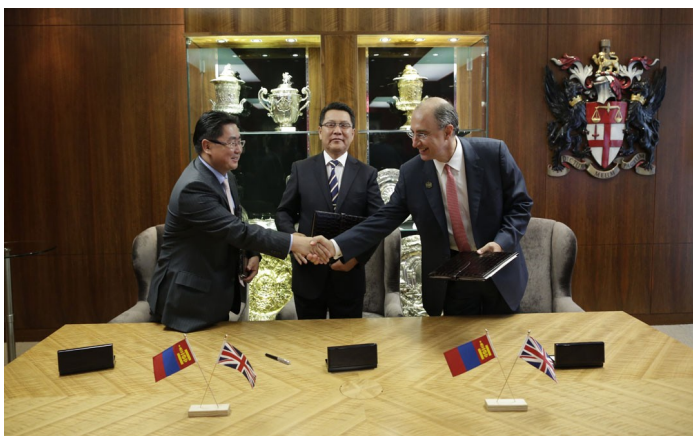
Ps: FTSE Group, based in Great Britain capital London, is a leading index provider in the world which calculates over 120,000 end-of-day and real time indices covering more than 80 countries.

“MONGOLIAN CAPITAL MARKETS DAY” EVENT WAS CONDUCTED SUCCESSFULLY IN LONDON

The Mongolian Stock Exchange and the London Stock Exchange were together co-hosted “Mongolian Capital Market Day” event in London on September 9, 2014. On this event, on behalf of the Mongolian Government, the representatives headed by Ulaan.Ch, the Minister of Finance, were participated.



At the event, the extension agreement of the partnership between LSEG and MSE, has been signed for a further three years and allowed the two companies to build on the



progress achieved to date. The signing was followed by roundtable discussions attended by both the Mongolian businesses and British investors and introduced MSE’s activities and policies pursued by the Government regarding to increase foreign investment in Mongolia.



GOVERNMENT BONDS DELISTED FROM MSE SECURITIES LIST

According to Mongolian Stock Exchange CEO’s Decree No.136 dated 3rd of September, 2014, 15,210 government bonds coded 1032, and according to Mongolian Stock Exchange CEO’s Decree No.142 dated 16th of September, 2014, 19,970 government bonds coded 1035, 4,790 government bonds coded 1087 and 30 government bonds coded 1089, issued by the Ministry of Finance and traded through the Mongolian stock exchange, were delisted from MSE securities list due to their full payment of the principal and interest payments.



MONGOLIA SELECTS BLOOMBERG AS OFFICIAL PLATFORM FOR GOVERNMENT BONDS

Ministry of Finance of Mongolia has chosen Bloomberg for the electronic auction and allocation of Mongolian Government Bonds. Ministry of Finance of Mongolia and Bloomberg signed a Memorandum of Understanding commencing the partnership. The Government of Mongolia has made significant progress in developing its Government Bond Market since its launch. The Ministry of Finance is implementing comprehensive measures to increase market efficiency, transparency, ease of accessibility and open the market to a broader investor base. The decision to conduct auction and allocation of Mongolian Government Bonds on the Bloomberg Auction System reflects the ongoing desire and objective of the Ministry of Finance to ensure that the Mongolian market is as efficient, transparent and competitive as possible. The Bloomberg Bond Auction System for Mongolian Government Bond is expected to launch in Q4 2014.

MSE ATTENDED THE “INVEST MONGOLIA-2014” CONFERENCE SUCCESSFULLY

“Invest Mongolia-2014” conference was successfully held on 2nd -3rd September 2014 with almost 500 participants attended from almost over 10 countries in the world including global investors and financial organizations taking place in Mongolia to talk about Mongolian social and economic



condition and investment climate. Throughout this conference, delegates from Mongolian Stock Exchange presented their operation and provided information for investors and issuers on how to invest in and issue shares. Therefore we gave advices and guidelines by providing real time and online trading information to people who were interested in capital market. Acting CEO of Mongolian Stock Exchange, D.Angar presented at the panel discussion on current situation of Mongolian Stock Exchange, trend of capital market development, policies and investment opportunities throughout the panel.



MSE PARTICIPATES AS SUPPORTER AT "I LIKE MONGOLIAN CAPITAL MARKET" EVENT

In purpose of supporting residents and investors, to invest efficiently, to make actively responsible share holders, to share social wealth fairly and to increase public participation in the capital market, the brokerage firm - "BDSec" JSC has initiated and organized this event on September 5, 2014.

At the event, over 1,000 people participated and the students, residents interested in the capital market were provided by basic knowledge about the stock market from the young scholars, experts and sectors officials.

The acting CEO of MSE, Angar.D gave speeches on topic – "Current situation of capital market, implementation programs and goals", the acting deputy CEO of MSE, Chingunjav.B gave speeches on topic – "Trading software and pilot trading" and gave information of core operations and the officers worked on advertisement, guidance and advice.

EDUCATION IN SECURITIES MARKET

MSE's regular beginner's course for the residents interested in capital market and securities trading, has successfully conducted from 22nd to 26th of September 2014.

Myagmarsuren.J, Head of Market Development congratulated and handed certificates to 24 students who have successfully completed the course.





САНГИЙН ЯАМ

INTERNAL AUDIT REPORT CONDUCTED ON THE MSE ACTIVITIES OF 2012-2014

In accordance with the directives of the Ministry of Finance, an internal audit working group was appointed and conducted financial inspection on MSE 2012-2014 performance.

Accordingly, MSE received the audit group's report and recommendations on September 1, 2014, in which 16 conflicts were revealed and 13 recommendations were assigned to the Board of Directors and executive management of MSE. The report concluded that; when performance was not meet core target, the authorized officials allocated bonuses without permission, and didn't reported results of foreign trips, overstating its expenses, and were not implemented the recommendations given by external audit in previous years, etc. Also was given a recommendation on the reimbursement of costs that spent without evidenced primary records and for individuals' private use.



Custody training

MSE CONDUCTED CUSTODIAN & SECURITIES SERVICES MASTERCLASS

In scope of introducing custodian service to Mongolian capital market, MSE conducted Custody Services Masterclass at MSE on 19th of September 2014, specifically for banking specialists.

The Masterclass has been presented by Bruce Lawrence, Senior Advisor of London Stock Exchange group, and given detailed information about the Corporate Actions.

In addition, the previous training provided about the risks, obstacles that may face to Custodian Service in Mongolia, and the International investors' requirements to products and services.



MSE PROPOSED TO COOPERATE WITH EBRD TO DEVELOP MONGOLIAN CAPITAL MARKET

On Sep 16th 2014, Angar.D the acting CEO of Mongolian Stock Exchange met with Mr.Matthieu Le Blan, head of Ulaanbaatar office of European Bank for Reconstruction and Development and handed over the Mongolian official letter to develop Mongolian capital market.

In 2013 Ministry of Finance and Bank of Mongolia have signed a Memorandum of Understanding with this bank which includes 64 member countries to launch “Increase lending in local currency” program and it includes this bank’s roles to develop capital market.

Therefore Ch.Ulaan, the governor of EBRD bank’s Mongolian side raised an official proposal to launch the program efficiently and handed over an official letter to Suma Chakrabarti, the president of EBRD.

MSE RECEIVES REPRESENTATIVES OF INTERNATIONAL MONETARY FUND



Acting executive director of Mongolian Stock Exchange Angar.D received Friday representatives of International Monetary Fund at their request.

During the meeting, the sides focused on matters of the stock exchange operations, registered companies, new goods and services to come on the market in a scope of newly adopted law on financial securities, and on conducting of the trades of government securities through the Stock exchange. The discussion continued on the issues such as possibility for investments in above actions. The the parties shared opinions on status and future trends of stock exchange market.



MONTHLY TRADING REPORT

September, 2014

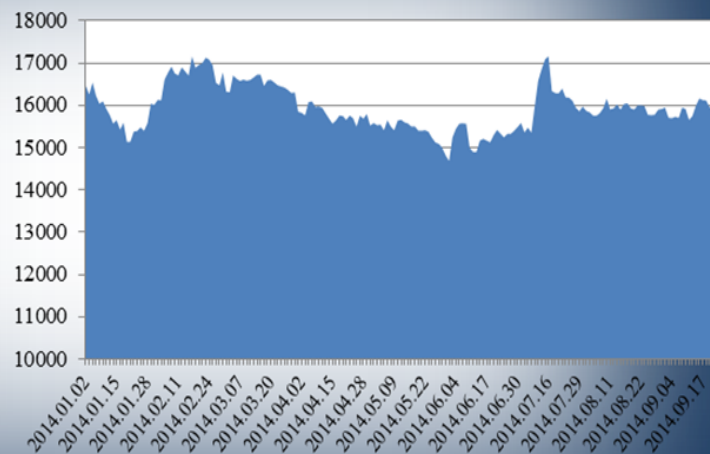
Brief statistics

Traded volume	3,850,955
Total traded value /MNT/	2,268,786,434.60
Number of transactions	891
Number of traded securities	77
Market capitalization /MNT/	1,585,243,789,997

TOP-20 Index

Close	15,797.75
Pre-Close	15,896.09
Change/MNT/	-98.34
Change /%/	-0.62
52 weeks High	17,160.49
52 weeks Low	13,422.43

TOP-20 INDEX



Actively traded securities:

By volume:

No	Symbol	Securities name	Volume	Price
1	MSH	Mongol shiltgeen	3,323,615	1,854,696,600
2	HRM	Hermes Centre	81,558	13,669,496
3	ETR	E-Trans Logistics	73,676	6,797,037
4	JTB	Genco tour bureau	70,038	5,790,202
5	MRX	Merex	58,711	5,539,685

By value:

No	Symbol	Securities name	Volume	Price
1	MSH	Mongol shiltgeen	3,323,615	1,854,969,600
2	APU	APU	19,058	70,982,821
3	TTL	Tavan tolgoi	10,074	52,858,355
4	AOI	Autoimpex	10,614	41,129,420
5	BNG	Bayangol Hotel	416	24,744,000

Risers:

No	Symbol	Securities name	Pre-close	Closing price	Change	
					MNT	%
1	SOR	SOR	2,000	2,449	449	22.45
2	ERS	Mongol Alt	2,940	3,500	560	19.05
3	UND	Undarga Umnugobi	5,300	6,300	1,000	18.87
4	BLC	Buteelch Uils	795	917	122	15.35
5	GFG	Gobi Financial Group	390.18	448.70	59	15.00

Fallers:

No	Symbol	Securities name	Pre-close	Closing price	Change	
					MNT	%
1	HGL	Hangal	1,020	778.97	-241	-23.63
2	CHR	Uvs Chatsargana	3,308	2,550	-758	-22.91
3	BDL	Mogoin gol	13,500	11,000	-2,500	-18.52
4	BEU	Berkh-Uul	4,836	4,000	-836	-17.29
5	GTJ	Guril Tejeel Bulgan	4,312	3,600	-712	-16.51