



E-Newsletter

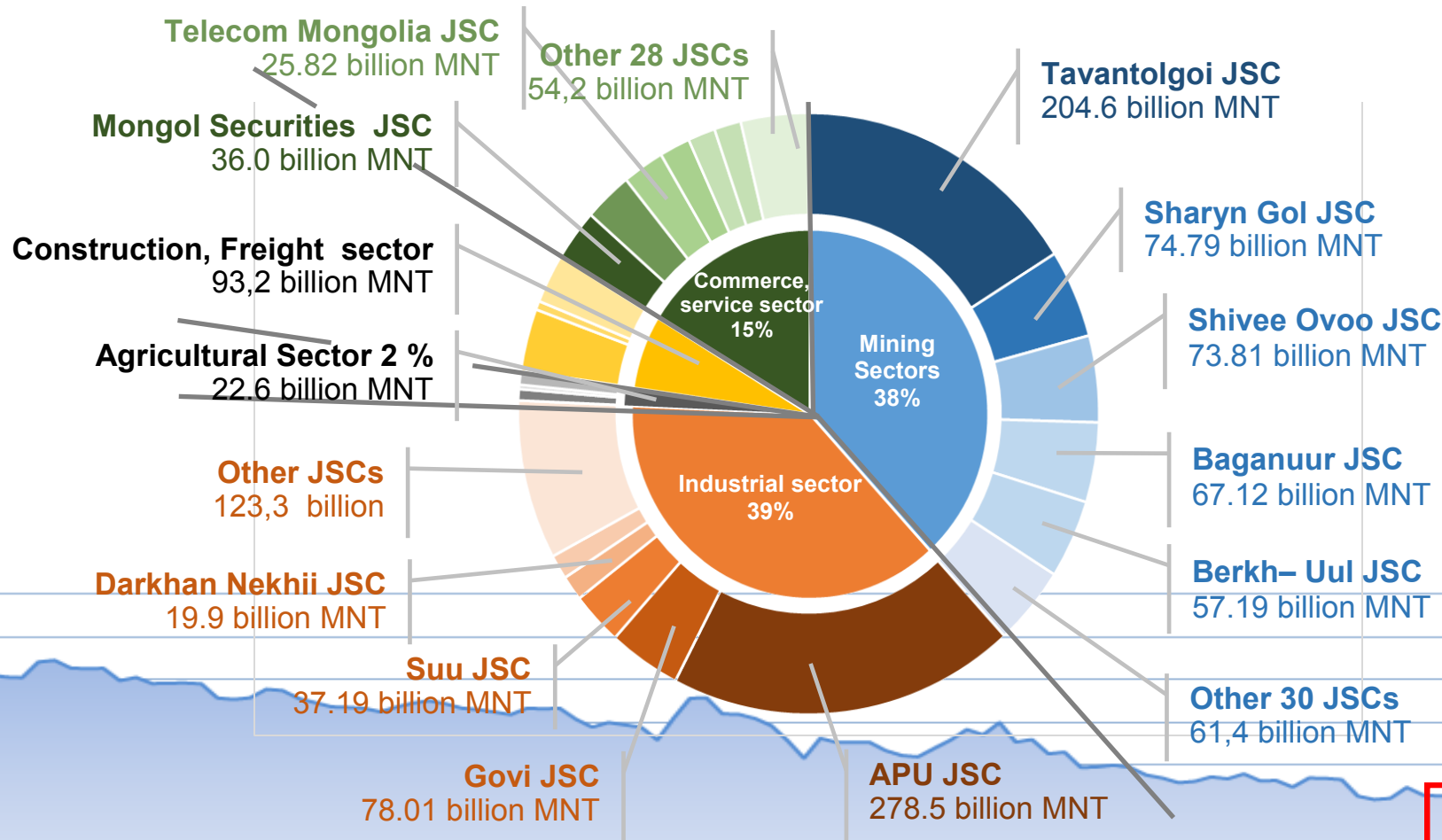
33rd edition

SECURITIES MARKET

Semi-Annual Report of 2015



DATA INFORMATION



MARKET CAPITALIZATION

1,408.5
Billion MNT

High
1,455.6

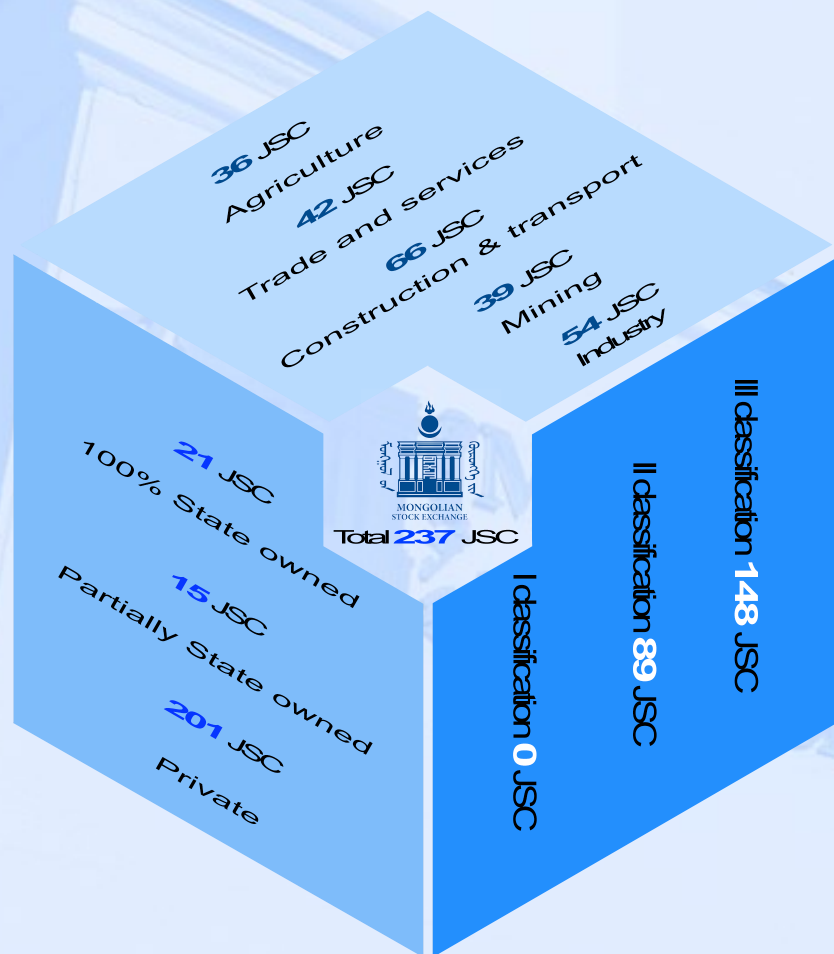
Average
1,343.4

Low
1,244.9

DATA INFORMATION



LISTED joint stock companies



MEMBERSHIP securities companies

62

Total

43

Participate in trading

MOST ACTIVE

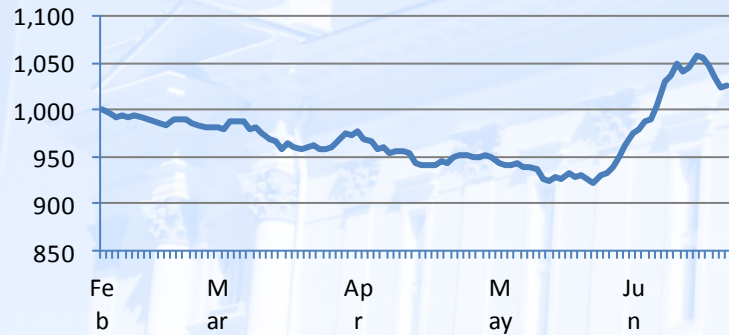
Securities companies on trading

		Billion MNT/ %	
1	Tenger Capital	136.4	45.8
2	TDB Capital	84.1	28.2
3	Ard Capital Group	38.1	12.8
4	BDSec	15.6	5.3
5	Golomt Securities	13.4	4.5
6	Daewoo Securities	3.1	1.0
7	Standard Investment	1.1	0.4
8	Altan Khoromsog	0.8	0.3
9	Gatsuurt Trade	0.5	0.2
10	Mongol Securities	0.5	0.2

DATA INFORMATION



MSE ALL index **1,025.89** (+25.89)



1,057.86

High

971.20

Average

921.67

Low

TOP-20 index **15,023.81** (+257.76)



15,737.17

High

13,744.84

Average

12,477.28

Low

2014.06

2015.06

Change

DIVIDENDS

27 JSC

17 JSC

-10 JSC

52.2 billion MNT

6.8 billion MNT

-45.4 billion MNT

NUMBER of shares

4,743.9 mil

4,929.8 mil

+185.9 mil

2,038.5 mil

2,210.8 mil
State Owned

+172.3 mil

2,705.4 mil

2,719.1 сая
Private

+13.6 mil

INVESTORS

6,610

11,540

+4,930

New to market

Trading Value of foreign investors

2.1

Billion MNT

4.0

Billion MNT

Increased by
189.38%

Trading Value of domestic investors

10.7

Billion MNT

33.3

Billion MNT

Increased by
309.61%

SECURITIES TRADING



Total trading value

2015

290.6

Billion MNT

2014

OH

12.9

Billion MNT

Increased by **22.5** from previous

Average trading value

2015

2.3 billion MNT

2014

100.7 million MNT

Number of TRADING days

125
/days/

Traded SECURITIES

19.2
/million

Share Price

32
UP

12
UNCHANGE

57
DOWN

HIGHLIGHTS



“MARKET MAKER” FINANCIAL INSTRUMENT INTRODUCED

“MSE ALL” INDEX LAUNCHED

SECOND VERSION OF MOBILE APPLICATION LAUNCHED

FPO OF BINSE JSC TRADED ON PRIMARY MARKET

OPEN DOOR CAPITAL MARKET EVENT ORGANIZED SUCCESSFULLY

Jan

Feb

Mar

Apr

May

Jun

COMMISSION OF SECURITIES TRADING DECREASED BY 60%

CUSTODIAN SERVICE LAUNCHED

INSURED CORPORATE BONDS WILL BE INTRODUCED ON MARKET

SECONDARY MARKET TRADING OF GOVERNMENT SECURITIES LAUNCHED

SETTLEMENT OF SECURITIES TRADING

SMALL AND MEDIUM INTERPRISES COULD MAKE IPO

HIGHLIGHTS



“MSE ALL” INDEX INTRODUCED ON MARKET

Mongolian Stock Exchange
MSE ALL
index

Since 09 February 2015, “MSE ALL” index which consist of total of 160 MSE listed joint stock companies has been calculated officially. “MSE ALL” index has been calculated from 1,000 units, and it is introducing in order to express the real trend of stock price movements and its 15% limitation, due to the price movement of even a single security heavily influences the value of the index, and a relatively small shift in the price of a large company heavily influences the value of the index.

SECONDARY MARKET TRADING OF GOVERNMENT BOND LAUNCHED

On 19 January 2015, Erdenebat.J, Finance minister of Mongolia, rang the opening bell of 4,896th securities trading and acquainted with operation of Mongolian Stock Exchange. On this day, which coincidences with 24th anniversary of Mongolian stock market, secondary market trading of government securities launched officially.

By launching secondary market trading of government securities, liquidity and assess will be increased, and possibilities of buying government securities on daily basis, settlement and buying back of government securities before its maturity date will be feasible.

Therefore, benchmark and yield curve of Mongolian capital market will be settled in competitive real situation, and new data which shows economic trend will be established.



HIGHLIGHTS



MARKET MAKER INTRODUCED INTO DOMESTIC MARKET

Performance of brokerage companies plays an important role in improving daily turnover and liquidity. Even though brokerage companies of Mongolian stock exchange have double duties for broker and dealer, activities of brokerage companies mainly limited by implementing buy and sell order of its clients.

Thereupon investors face problems with buying and selling their shares at any time they want, and it has a negative impact on market liquidity. Therefore, Mongolian Stock Exchange has been preparing to introduce international capital market structure of “Market Makers” from 16 February 2015. Today, member companies of Mongolian Stock Exchange, such as “BDSec” JSC, “Standart Investment” LCC, “Capital Market Corporation” LLC and “Tenger Capital” LLC received the ratification as “Market maker” and signed the agreement with MSE.

Brokerage companies with “Market maker” ratification will participate in daily shares and government securities trading and hence, liquidity of securities in the primary and secondary market will increase as well. In near future, introduction of market makers structure will be available in stocks and derivatives market.



HIGHLIGHTS



On 6 and 7 of February, “OPEN DOOR CAPITAL MARKET” event organized at Mongolian Stock Exchange building in Ulaanbaatar, on 3 of June, “OPEN DOOR CAPITAL MARKET” event organized in City of Erdenet in Orkhon province.

During the Open Door Capital Market events, single window service provided answers of most concerned questions, claims and complains such as “Erdenes Tavantolgoi” LLC’s 1072 shares which distributed to every citizens of Mongolia and pink and blue vouchers which distributed to citizens back in 1990s.

During the events, experts of MSE and brokerage companies provided advises about how to make an IPO on domestic market and other related issues to small and medium enterprises.

OPEN DOOR CAPITAL MARKET EVENT ORGANIZED SUCCESSFULLY



2015

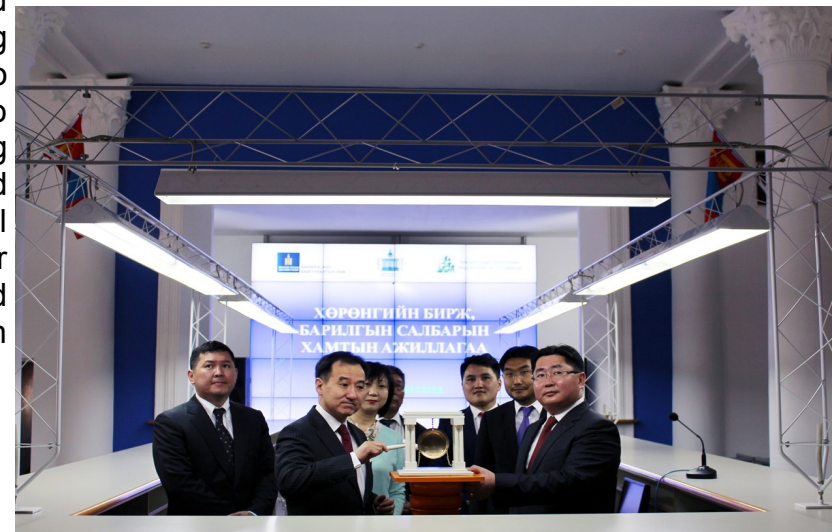
MONGOLIAN STOCK EXCHANGE

HIGHLIGHTS



NEW PRODUCT AS INSURED CORPORATE BONDS WILL BE INTRODUCED INTO MARKET

Framework of accelerating the development of Mongolian capital market, Mongolian Stock Exchange has been cooperating with Ministry of Construction and Urban Development, Mongolian National Construction Association (MNCA), Mongolian Professional Institute of Geosciences and Mining (MPIGM) and Mongolian Insurers Association (MIA). To beginning of co-operation, parties signed the Memorandum of Understanding with Mongolian Stock Exchange on June 2015. A Memorandum of Understanding consist of operation areas including, launching the corporate bonds of insured companies, dual list foreign listed mining companies at MSE, bringing insurance funds into capital market, giving an assistance from MSE to insurance companies to issue IPO, organizing meetings, seminars and workshops between investors, clients and official organizations on capital market or MRC Code or MHT regulations. In order to issue “Insured corporate bonds” at MSE, we are working on preparation.



HIGHLIGHTS



CUSTODIAN SERVICE LAUNCHED

Within the framework of strategic partnership between Mongolian Stock Exchange and London Stock Exchange Group, to introduce world standard infrastructure into Mongolian capital market and one of the important step is to launching custodian service into market. On May, Trade and Development Bank of Mongolia officially launched the custodian service and conducted opening ceremony. Mongolian Stock Exchange and London Stock Exchange organized the advanced level of custodian service course to specialists from commercial banks and other related field.



Custodian bank is a specialized financial institution responsible for safeguarding foreign and domestic firm's or individuals' securities and other financial assets, collecting information on a dividends and other earning on the securities and exercising the rights of the securities by the proxy voting in the company's general shareholder's meeting and defending the rights of the small shareholders to the relevant securities.

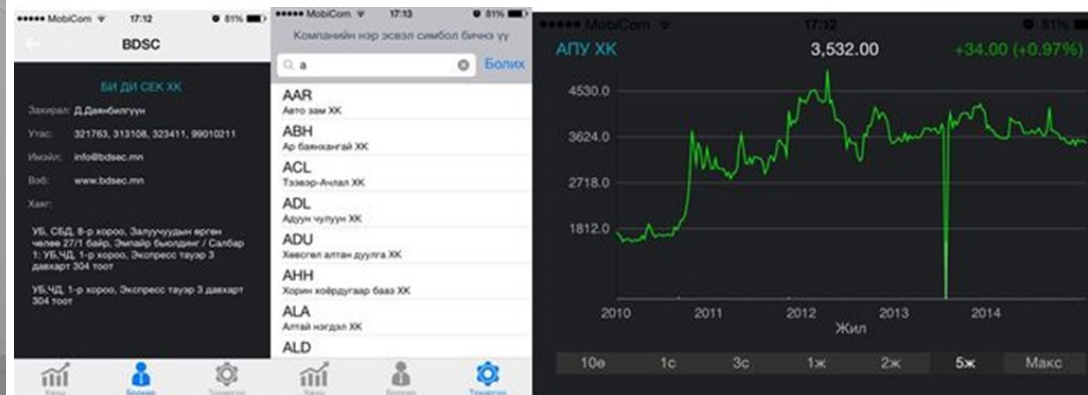
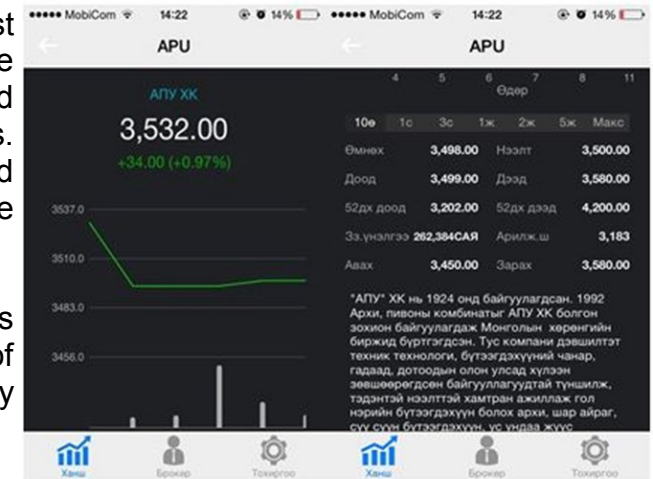
HIGHLIGHTS



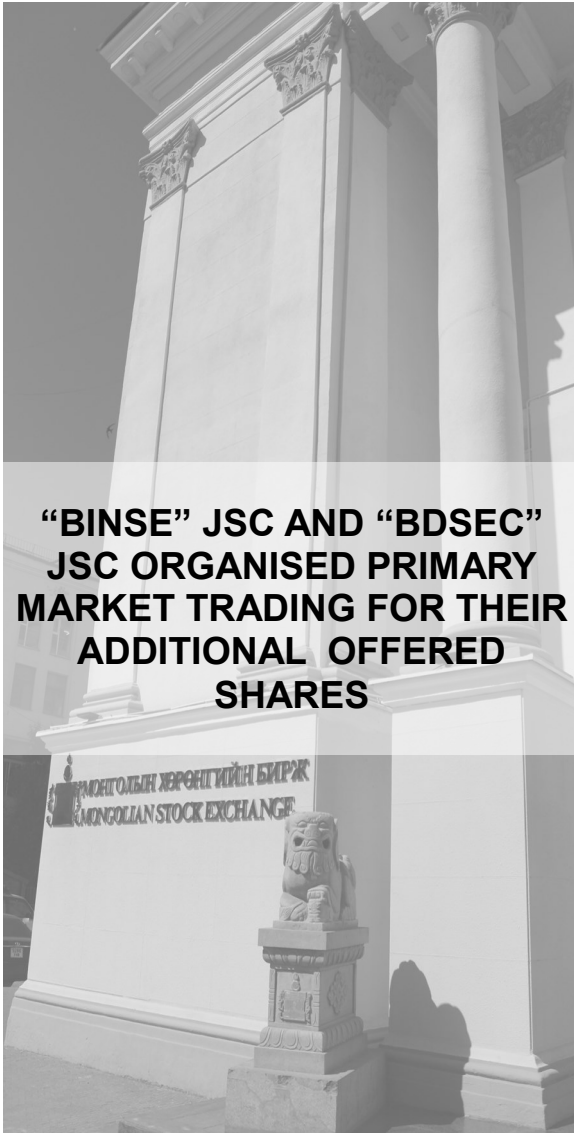
SECOND VERSION OF MSE MOBILE APPLICATION BECAME AVAILABLE AT APPLE STORE

First version of Mobile Application of MSE, which consist information of daily stock price data became available since 24 November 2014. Since then users of application had been requested to set more functions on applications. Therefore, accordance with requests from users, the second version of Mobile Application of MSE were became available at Apple Store.

Updated second version of application consist of addresses of MSE's member securities companies, Information of company management and the charts which display historical share prices for 10 days to 5 years.



HIGHLIGHTS



“BINSE” JSC AND “BDSEC” JSC ORGANISED PRIMARY MARKET TRADING FOR THEIR ADDITIONAL OFFERED SHARES



BDSec JSC sold 1,956,625 shares out of total 6,000,000 at MNT1,931.00 which was lower than market price on primary market to its shareholders, and rest of 4,043,375 shares offered to the public at MNT2,146.00. The primary market trading of BDBSec JSC went between 26 December 2014 and 07 January 2015.

In addition, according to the resolution No.:70 of Financial Regulatory Commission, MSE registered 1,000,000 shares of Binse JSC /old name Bayan Khaikhan JSC/ which is equal to 78.8 percent of total 1,268,320 shares. 200,000 shares of them owned to shareholders accordance with the agreement of converting loan to shares, and rest of 800,000 shares offered to the public with MNT744.00. Primary market trading started from 3 June 2015.

HIGHLIGHTS



SECURITIES SETTLEMENT PROCEDURE CHANGED TO T+1

In order to increase participation of securities trading and investment, the securities settlement procedure changed to T+1 from T+3.



SECURITIES COMMISSION OF MONGOLIAN STOCK EXCHANGE DECREASED BY 60 PERCENT

Mongolian Stock Exchange amended its “Trading Regulation” in electronic trading system, decreased commission of securities trading to 0.15% in period between 15 May 2015 to 15 August 2015.

HIGHLIGHTS



The listing amendment made to the Listing Regulation of Mongolian Stock Exchange. The amendment made changes which divided Joint Stock Companies in three categories resulting, to listing at MSE became more easy for small and medium sized companies by lowering requirements.

Mongolian Stock Exchange cooperated with capital market participate institutions and organized the capital market trainings twice since 2015.

During the training, MSE invited representatives from small and medium enterprises provide information on how to conduct IPO at MSE, and connect them with underwriter companies.

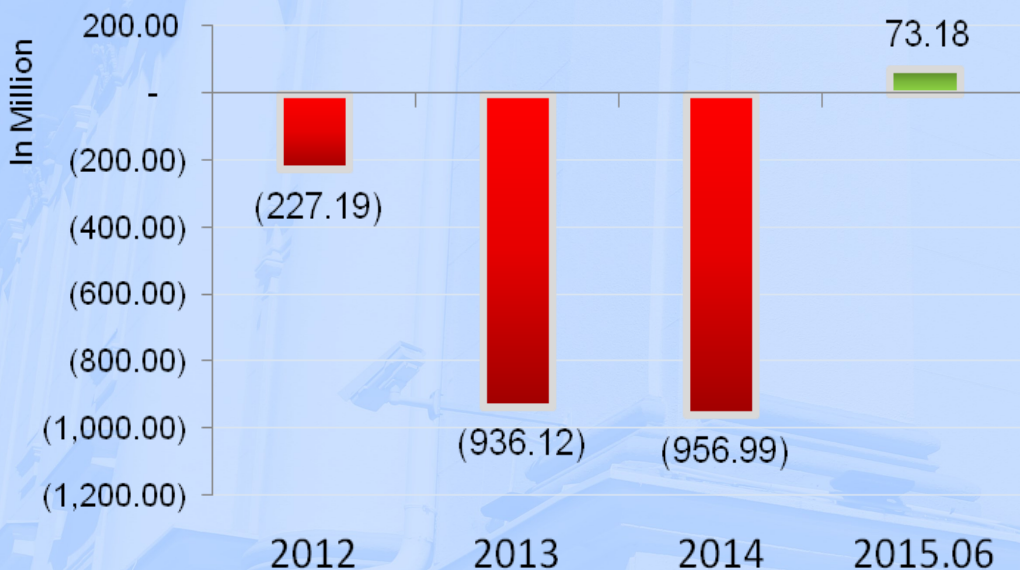


SMALL AND MEDIUM ENTERPRISES CONDUCT IPO ON CAPITAL MARKET

FINANCIAL INDICATOR



Net Profit (Loss)



Үзүүлэлтүүд	2014	2015		percentage
		Planned	Executed	
Total Revenue	729,928.6	1,146,288.5	762,372.7	66.5
Total expenses	1,686,396.7	1,141,646.8	565,116.3	49.5
Profit /loss/	(956,985.3)	4,177.6	197,256.4	47.2 times

In last 3 years, Mongolian Stock Exchange worked with loss of MNT2.1 billion. As of 30 June 2015, Mongolian Stock Exchange has been working with profit with revenue of MNT762.3 billion, expenses of 565.2 million and profit of MNT197.2 million. MSE paid tax amount of MNT19.8 million to State fund.