

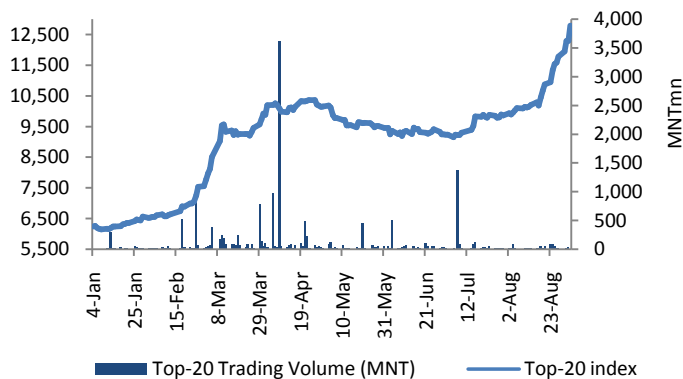
## Mongolia Daily

September 2, 2010 (Thursday)

### Politics and Economy

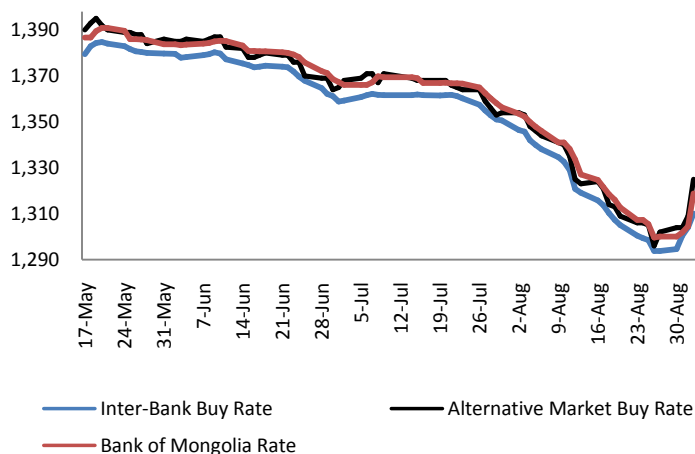
- Mongolia to Harvest 329,800t of Wheat

### MSE TOP-20 Index



Source: MSE

### MNT/US\$ rate



Source: Bank of Mongolia, Eurasia Capital

### Selected Worldwide Indices

Index	Close price <sup>a</sup>	Performance	
		1D chg	y-t-d
MSE TOP 20	12,794.73	4.05%	106.7%
MonBiz Hong Kong <sup>b</sup>	98.30	0.29%	-26.6%
MonBiz Mongolia <sup>c</sup>	1,383.67	-0.75%	31.7%
Dow Jones	10,269.47	2.54%	-1.5%
FTSE 100	5,366.41	2.70%	-0.8%
Nikkei	9,062.84	1.52%	-14.1%
MSCI EM Asia	399.57	1.25%	-0.5%
Hang Seng	20,868.92	1.19%	-4.6%
Shanghai	2,921.39	1.30%	-18.3%
KASE	1,404.69	-0.27%	-20.6%
RTS	1,449.99	2.03%	0.4%

<sup>a</sup> Yest. close price for Dow Jones, FTSE100, KASE, RTS

<sup>b</sup> Launched Jul.1, 2010. y-t-d since Jan.28, 2010.

<sup>c</sup> Launched Jul.15, 2010. y-t-d since Feb.11,2010.

### Top Movers on MSE

#### Best performers

Stock	Close price, MNT	Performance	
		1D chg	y-t-d
Baganuur	6,900	15.00%	97.1%
Tavan Tolgoi	449,650	15.00%	233.1%
Ar Khust Shunkhlai	16	14.29%	14.3%
Suu	3,500	9.38%	-10.3%
Makh Impex	1,450	3.57%	26.1%

#### Worst performers

Hermes	50	-1.96%	-33.3%
State Department Store	455	-0.44%	19.7%

### Major Commodities

Commodity	Last price	Performance	
		1D chg	y-t-d
Copper, \$/t	7,593.25	2.25%	3.4%
Gold, \$/oz	1,247.78	0.37%	14.4%
Coal <sup>1</sup> , \$/t	112.67	-	0.6%
Iron ore <sup>2</sup> , \$/t	171.89	0.05%	36.4%
Uranium, \$/lb	44.00	-5.38%	-1.1%
Crude (WTI), \$/bbl	73.92	1.79%	-11.3%

### MNT vs Major Currencies

Name	Rate, MNT	MNT app.(-) or dep.(+)	
		1D chg	y-t-d
US\$	1,318.81	1.09%	-8.6%
Euro	1,665.02	0.82%	-19.6%
Japanese Yen	15.55	0.39%	-0.7%
Chinese Yuan	192.18	0.30%	-9.1%
Russian Rouble	42.49	0.52%	-10.9%

Source: Bloomberg, MSE, Eurasia Capital

<sup>1</sup> Qinhuangdao, Steam Coal

<sup>2</sup> China Import Price Qingdao Port

<sup>3</sup> Central bank rate

## Politics and Economy

### Mongolia to Harvest 329,800t of Wheat

Preliminary estimates suggest that Mongolia will harvest 329,800 tonnes of wheat in the current year, Mr. Badamjunai, the Minister of Food, Agriculture and Light Industry said in an interview to *Udriin Sonin* newspaper published today. Mongolia is also going to harvest 156,100 tonnes of potatoes, 90,100 tonnes of other vegetables, 20,500 tonnes of oil-yielding plants and 19,600 tonnes of fodder. The Minister said total grain reserves could reach 339,400 tonnes after the harvest. 247,700 tonnes of flour could be milled from this grain reserve, which is enough to satisfy Mongolia's annual demand, according to the Minister.

Since Russia's ban on wheat exports, the Mongolian Government has been reassuring the population that the country has sufficient reserves of wheat to satisfy all internal demand. In our view, Mongolia will still need to import substantial amounts of wheat and flour. According to the official statistics, Mongolia harvested 388,100 tonnes of grain in 2009. The country still imported 114,700 tonnes of wheat and 105,700 tonnes of flour. In 7M2010, Mongolia imported 64,200 tonnes of wheat and 56,100 tonnes of flour.

*Dosbergen Musaev*

[dosbergen.musaev@eurasiac.com](mailto:dosbergen.musaev@eurasiac.com)

*Batbayar Bat-Erdene*

[batbayar.bat-erdene@eurasiac.com](mailto:batbayar.bat-erdene@eurasiac.com)

## MSE and Mongolia-focused International Mining Companies

### Stocks Performance Summary

#### MSE TOP-20 (September 2, 2010)

Name	Price		Market Cap		Performance		Daily Volume			P/E
	MNT	US\$	MNTmn	US\$'000	1D chg	y-t-d	Shares	MNTmn	US\$'000	
Tavan Tolgoi	449,650	343.51	236,809.07	180,911.15	15.0%	233.1%	30	13.49	10.31	5.54
Baganuur	6,900	5.27	144,723.08	110,561.72	15.0%	97.1%	-	-	-	-
APU	1,800	1.38	133,717.86	102,154.24	1.0%	185.7%	745	1.34	1.02	16.57
Shivee Ovoo	7,101	5.42	95,289.04	72,796.40	0.0%	115.2%	50	0.36	0.27	-
Mongolian Telecom	3,500	2.67	90,545.97	69,172.92	0.0%	52.8%	399	1.40	1.07	17.02
Shariin Gol	9,500	7.26	68,698.20	52,482.23	0.0%	460.1%	-	-	-	312.38
Gobi	5,800	4.43	45,246.53	34,566.25	0.0%	43.2%	36	0.21	0.16	30.13
State Department Store	455	0.35	16,747.57	12,794.37	-0.4%	19.7%	1,197	0.54	0.42	367.61
Khukh Gan	158	0.12	16,008.17	12,229.50	0.0%	32.8%	8,108	1.28	0.98	-
Genco Tour Bureau	97	0.07	10,670.00	8,151.39	0.0%	2.1%	-	-	-	52.09
UB Hotel	30,000	22.92	10,058.91	7,684.54	0.0%	53.8%	-	-	-	11.96
Bayangol Hotel	23,000	17.57	9,730.50	7,433.65	0.0%	27.8%	-	-	-	4.00
Makh Impex	1,450	1.11	5,511.05	4,210.18	3.6%	26.1%	278	0.40	0.31	-
Mogoin Gol	6,500	4.97	5,392.54	4,119.65	0.0%	229.9%	2,032	13.21	10.09	1,346.68
Eermel	1,450	1.11	5,045.01	3,854.16	0.0%	11.5%	-	-	-	10.30
Nako Tulsh	290	0.22	3,190.00	2,437.01	0.0%	46.5%	-	-	-	-
Talkh Chikher	3,100	2.37	3,173.48	2,424.39	0.0%	55.0%	-	-	-	3.55
Berkh Uul	150	0.11	2,859.31	2,184.38	0.0%	0.0%	4,000	0.60	0.46	-
Darkhan Nekhii	2,400	1.83	2,653.15	2,026.88	0.0%	14.3%	-	-	-	3.40
Zoos Goyol	700	0.53	2,628.46	2,008.02	0.0%	26.1%	-	-	-	-

Source: MSE, Eurasia Capital

#### Selected 5 Non-MSE TOP-20 Member Largest Companies (September 2, 2010)

Name	Price		Market Cap		Performance		Daily Volume			P/E
	MNT	US\$	MNTmn	US\$'000	1D chg	y-t-d	Shares	MNTmn	US\$'000	
Mongolian Development Resources	1,100	0.84	15,125.00	11,554.80	0.0%	11.1%	-	-	-	31.02
Mongol Em Impex	210	0.16	8,402.20	6,418.89	0.0%	0.0%	-	-	-	-
Remicon	60	0.05	7,658.56	5,850.78	0.0%	-20.0%	14,000	0.84	0.64	-
Hotel Mongolia	400	0.31	4,000.00	3,055.81	0.0%	-33.6%	-	-	-	-
Atar Urguu	19,000	14.52	3,308.58	2,527.60	0.0%	22.6%	-	-	-	4.11

Source: MSE, Eurasia Capital

## International Listed Companies (September 2, 2010)

Name	Ticker	Currency	Close Price	MktCap	Price		Performance		Daily Volume (52Wk)
					US\$m	52 wk high	52 wk low	1D chg	y-t-d
IVANHOE MINES LTD	IVN US	USD	18.71	9,143.70	18.99	10.37	0.00%	28.06%	29.20
CENTERRA GOLD INC	CG CN	CAD	14.87	3,326.95	15.57	6.55	-0.67%	37.69%	9.75
MONGOLIA ENERGY CO LTD	276 HK	HKD	3.03	2,378.59	5.79	2.54	-0.33%	-23.87%	9.26
SOUTHGOBI RESOURCES LTD	1878 HK	HKD	80.60	1,908.68	130.00	75.00	0.81%	-	2.09
EAST ASIA MINERALS CORP	EAS CN	CAD	5.62	386.59	8.73	1.70	-2.26%	21.12%	2.27
PETRO MATAD LTD	MATD LN	Gbp	134.50	324.18	166.50	13.00	-2.89%	627.03%	0.24
ENTREE GOLD INC	ETG CN	CAD	2.58	278.46	3.59	1.84	3.61%	1.18%	0.33
KIU HUNG ENERGY HOLDINGS LTD	381 HK	HKD	0.44	272.38	0.59	0.20	2.33%	14.29%	4.15
NORTH ASIA RESOURCES HOLDING	61 HK	HKD	1.50	150.01	3.19	1.18	0.00%	-37.24%	0.60
HUNNU COAL LTD	HUN AU	AUD	0.88	128.78	1.28	0.20	0.00%	-	0.87
PROPHECY RESOURCE CORP	PCY CN	CAD	0.49	49.86	0.99	0.33	0.00%	25.22%	0.14
SOLARTECH INTL HLDGS LTD	1166 HK	HKD	0.02	38.47	0.32	0.02	15.00%	-85.16%	1.27
BESTWAY INTL HOLDINGS LTD	718 HK	HKD	0.18	35.42	0.56	0.17	-3.70%	-54.50%	0.18
ERDENE RESOURCE DEVELOPMENT	ERD CN	CAD	0.32	27.17	0.70	0.22	6.67%	14.29%	0.09

Source: Bloomberg, Eurasia Capital

Enkhbayar Davaatseren

[enkhbayar.davaatseren@eurasiac.com](mailto:enkhbayar.davaatseren@eurasiac.com)

Sherzod Rakhimov

[sherzod.rakhimov@eurasiac.com](mailto:sherzod.rakhimov@eurasiac.com)

## Contacts

### Research

Sardor Koshnazarov	Head of Research, Oil & Gas	sardor.koshnazarov@eurasiac.com
Dosbergen Musaev	Analyst, Strategy	dosbergen.musaev@eurasiac.com
Akmal Aminov	Analyst, Metals & Mining	akmal.aminov@eurasiac.com
Batbayar Bat-Erdene	Analyst, Metals & Mining	batbayar.bat-erdene@eurasiac.com
Rentsendorj Yondon	Analyst, Mongolia Equities	rentsendorj.yondon@eurasiac.com
Zultsetseg Chuluunbat	Analyst, Mongolia	zultsetseg.chunluunbat@eurasiac.com
Bahadir Uskenbaev	Analyst, Kazakhstan	bahadir.uskenbaev@eurasiac.com

### Sales and Trading

Dima Orazimbetov	Director	dima.orazimbetov@eurasiac.com
Zhyldyz Sadyralieva	Associate	zhyldyz.sadyralieva@eurasiac.com
Sherzod Rakhimov	Analyst	sherzod.rakhimov@eurasiac.com
Bolor Ulziisaikhan	Broker	bolor.ulziisaikhan@eurasiac.com
Enkhbayar Davaatseren	Trader	enkhbayar.davaatseren@eurasiac.com

### Addresses:

#### HONG KONG

33/F One International Finance Centre  
1 Harbour View Street, Central,  
Hong Kong  
Tel.: +852 2824 8716  
Fax: +852 2166 8999

#### MONGOLIA

Suite 71, 7<sup>th</sup> Floor, Grand Office Center  
Jamiyangun Street 12, 1<sup>st</sup> Khoroo,  
Ulaanbaatar  
Tel: +976 7013 0078  
Fax: +976 7013 0078

#### UZBEKISTAN

11A, Almazar Street  
Tashkent 100003  
Tel: +998 71 1403538  
Fax: +998 71 1403533

#### CHINA

11<sup>th</sup> Floor, North Tower, Beijing Kerry Centre  
No.1 Guang Hua Road, Chao Yang District,  
Beijing 100020,  
Tel.: +86 (0) 10 6599 7912  
Fax: +86 (0) 10 6599 9100

#### KAZAKHSTAN

6/F, Forum Business Center  
202 Dostyk Avenue  
Almaty, 050060  
Tel +7 727 295 4514

#### RUSSIA

Moscow Enbankment Tower  
Block C, 18 Krasnopresnenskaya Naberezhnaya  
Moscow 123317  
Tel: +7 495 967 7676  
Fax: +7 495 967 7600

**Eurasia Capital** is a Hong Kong-based pan-regional investment bank with focus on Mongolia, China, Russia and Central Asia. The Firm offers cross border M&A and advisory, capital raising, sales & trading and research services to its international and regional clients including government agencies, major energy and resource companies, sovereign wealth funds, private equity groups and global portfolio investors.

#### DISCLAIMER

This Mongolia Daily is made for information purposes only, and does not constitute an offer, solicitation of an offer to purchase, hold, sell, invest or make any other financial decision. In making decisions, investors may rely on their own examinations of the parties and risks involved. Information contained in this research product is obtained from the sources believed to be accurate and reliable. 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 Eurasia Capital Ltd., in particular, make 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, Eurasia Capital Ltd. have 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 Eurasia Capital Ltd. is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information.

©2010 Eurasia Capital Ltd. All rights reserved.