



Mongolia Growth Group April 2015 Economic Update

April News Highlights

MILLENNIUM CHALLENGE LOOKS FORWARD TO A SECOND COMPACT

Representatives of Mongolia will take part in an initial analysis period in developing the second compact for programs from the Millennium Challenge Corp. In December 2014, the board of the U.S. government's Millennium Challenge approved Mongolia for a second development compact. While the first compact included projects across five sectors, the second compact is expected to focus on one or two areas identified during this analysis phase. The first compact received USD285 million for programs related to areas such as the environment and infrastructure. *(Source: Office of the President of Mongolia)*

RISEN ENERGY RAISES \$400MN FOR SOLAR IN MONGOLIA, CHINA, MEXICO

Risen Energy Co., a Chinese solar-panel maker, raised CNY 2.5 billion (USD400 million) from investors to develop 379 megawatts of solar projects in countries in Asia, such as Mongolia, and Latin America. The funds will be invested in 279 megawatts of grid-connected solar projects in Mongolia and Mexico, plus 100 megawatts of projects in four Chinese provinces. The projects are part of the company's goal to install one gigawatt of solar generation capacity. *(Source: Bloomberg)*

MONGOLIAN CHEAP COAL RISES

Mongolia is becoming a worry for coal producers in top exporter Australia, as it ramps up its shipments to its southern neighbor. Imports from Mongolia stood at 2.2 million tons for the first two months of 2015, a gain of 70 percent over the same period last year, while those from Australia dropped 25.4 percent to 3.8 million tons. Chinese customs data shows that for February this year, the cost of coking coal from Mongolia was USD40.45 a ton, compared to USD110.04 for Australian cargoes. *(Source: Reuters)*

PROPOSED RUSSIA-CHINA-MONGOLIA ECONOMIC ALLIANCE GAINS STEAM

The possibility of an economic corridor between Russia, China and Mongolia may be discussed at a summit of the Shanghai Cooperation Organization (SCO) in July, Ou Xiaol, a Chinese state committee for national development and reform commission representative, said on Friday. The proposed alliance is being considered within the economic belt Silk Road framework, Xiaol said. The European Development Bank said China is hoping that this project will be implemented quickly to increase cooperation between Mongolia and Russia. *(Source: CISTran Finance)*

TURKISH FM SEEKS TO BOOST TRADE VOLUME TO \$250MN

Turkey and Mongolia agreed to improve relations during an official visit by the Turkish foreign minister. "Our current economic relations and bilateral trade volume actually do not reflect our political relations and friendship, and we think they lag behind our friendship," Turkish Foreign Minister Mevlut Cavusoglu said. Trade volume between the two countries has reached USD40 million, according to the Turkish foreign ministry website. Cavusoglu said Turkey is "determined" to raise the trade volume to USD250 million. *(Source: Turkish Weekly)*

MONGOL BANK TRIPLES CAPITAL REQUIREMENTS OF BANKS TO MNT 50BN

The Bank of Mongolia (BoM) announced on 17 April that it has raised the minimum paid-in capital requirements of commercial banks to MNT50 billion, under a resolution from the central bank governor issued on April 1. Banks will have varying deadlines, but must comply at the latest by 31 December 2017. The Bank of Mongolia last raised the paid-in-capital minimum to MNT 16 billion in May 2013. *(Source: Cover Mongolia)*

CONSUMER PRICE INDICIES: 2015/Apr

CPI March	Month	YTD	YOY
Ulaanbaatar	0.8	2.4	8.8
Mongolia	0.9	2.9	9.2







MONETARY INDICATORS: 2015/Apr

	bln ₮	YOY %
Reserve money	2205.6	(15.1%)
M2 Money	9705.0	(4.9%)

INTEREST RATES 2015/ Apr

Policy rate	13.0%
Overnight repo	15.0%
Overnight deposit	11.0%
Repo	13.5%

OFFICIAL EXCHANGE RATES*: 4/30/2015

	1 USD	1960.4₮
	1 EUR	2181.2₮
	1 CNY	316.1₮
	1 GBP	3024.8₮
	1 RUB	38.2₮
	1 CAD	1628.6₮

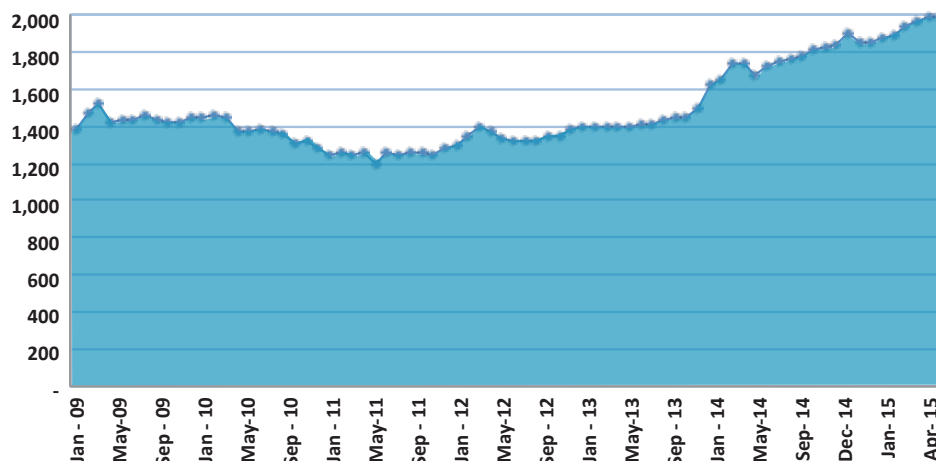
*Mongol Bank

EXTERNAL SECTOR

<i>mIn USD</i>	Apr 2015	Apr 2014	Change %
Exports	374.6	445.5	(15.9%)
Imports	332.6	530.2	(37.3%)
Net exports	42.0	(84.7)	--

Source: National Statistics Office

MONGOLIAN TUGRIK VS US DOLLAR



	Apr 30	Mar 31	MONTHLY CHANGE
MSE TOP 20 INDEX	13,082.0	13,095.8	(0.1%)
Market Cap (USD)	653,685,961	660,583,327	(1.0%)

MONGOLIAN STOCK EXCHANGE CHART

