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## Highlights

- China's July industrial output rose 4.8% from a year earlier, data showed on Friday, expanding for the fourth straight month but growth was less than expected as the economy gradually recovers from coronavirus-related lockdowns.
- President Donald Trump said on Thursday he was blocking Democrats' effort to include funds for the U.S. Postal Service and election infrastructure in a new coronavirus relief bill, a bid to block more Americans from voting by mail during the pandemic.
- The jobless rate of France fell to 7.1%, from 7.8% in the first quarter, dropping to its lowest since the second quarter of 1983.

## Forex

The dollar traded firmly against the risk-sensitive Australian and New Zealand dollars, with the Aussie subdued after the central bank governor emphasized the long road back to recovery in testimony before parliament. The Aussie was last 0.2% softer at \$0.7138 and has settled in to a range around that level after pulling back from a 18-month high hit a week ago. The kiwi was under pressure at \$0.6537 as the country faces a fresh COVID-19 outbreak and after dovish comments from the central bank this week.

This week has also been a bad one for the Japanese yen, which is headed for its biggest weekly drop against the dollar in two months as a jump in U.S. yields has attracted flows from Japan. The yen was a tad weaker on the dollar at 106.95 in morning trade and is a little less than 1% softer for the week. Other majors were mostly flat, but the euro hovered above \$1.18. Elsewhere the pound was marginally weaker at \$1.3059.

## Gold

Gold prices rose for a third straight session on Friday, supported by a weaker U.S. dollar, with investors awaiting the release of Chinese economic data due later in the day. Spot gold XAU= was up 0.4% at \$1,960.29 per ounce by 0044 GMT. However, bullion has fallen nearly 4% so far this week and was on track for its first weekly decline since early June. U.S. gold futures GCv1 eased 0.2% to \$1,967.50 per ounce. SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, said its holdings rose 0.1% to 1,252.09 tonnes on Thursday.

## Copper

Shanghai copper prices on Friday were set to rack up a loss for the week, as disappointing data from China and uncertainty around a U.S. stimulus package squeezed prices. The most-traded September copper contract on the Shanghai Futures Exchange SCFcv1 fell 1% to 49,970 yuan (\$7,192.10) a tonne by 0303 GMT, down 2.8% on a weekly basis. Three-month copper on the London Metal Exchange CMCU3, rose

Currency	Rate	24H Chg		
EUR/USD	1.1806	-0.07%		
USD/CNY	6.9467	-0.10%		
USD/RUB	72.9482	0.00%		
USD/JPY	106.99	0.06%		
USD/KRW	1187.25	0.33%		
USD/CHF	0.9101	-1.02%		
AUD/USD	0.714	0.07%		
GBP/USD	1.3054	0.00%		
Index	Unit	24H Chg		
Dow Jones	27896.7	-0.29%		
S&P 500	3373.4	-0.20%		
NASDAQ	11042.5	0.27%		
FTSE 100	6185.6	-1.50%		
Nikkei 225	23228.5	-0.09%		
DAX	12993.7	-0.50%		
Hang Seng	25230.7	-0.05%		
SHCOMP	3320.7	0.04%		
Commodity	Price	24H Chg		
Gold	1952.02	-0.09%		
Silver	27.3634	-0.51%		
Coal (Qinhuangdao Port)	566	0.00%		
Thermal Coal	33.3	-0.09%		
Copper 3M Future	6256	-2.74%		
Iron Ore	824.5	0.06%		
Crude Oil	42.27	0.07%		
Government Bonds	Yield	24H Chg		
US 1M LIBOR	0.16%	-3.73%		
US 3M LIBOR	0.26%	4.44%		
US 6M LIBOR	0.34%	-0.04%		
US 12M LIBOR	0.46%	-0.05%		
US Treasury 10Y	0.71%	-1.36%		
UK Treasury 10Y	0.24%	2.53%		
GE Treasury 10Y	-0.41%	7.83%		
JP Treasury 10Y	0.05%	31.43%		
Bond issued by Mongolia	Coupon	Mature Date	Yield	24H Chg
Gerege	5.63%	5/1/2023	4.37%	0.21%
Mazaalai	10.8%	4/6/2021	3.56%	-0.01%
Khuraldai	8.75%	3/9/2024	5.00%	0.05%
Chinggis	5.13%	12/05/2022	4.18%	0.16%
Samurai	5.75%	12/25/2023	1.32%	-0.01%
DBM 2023	7.25%	10/23/2023	5.91%	0.14%
MIK 2022	9.75%	1/29/2022	12.24%	0.58%
MMC	9.25%	4/15/2024	20.61%	-0.26%

Stock	Price	24H Chg
Turquoise Hill Resources	0.8553	0.01%
Mongolian Mining Corp	0.455	-2.15%
Mongolian Energy Corp	0.58	11.54%
Centerra Gold	16.52	1.91%

Macro economic indicator	Date	Actual
Inflation rate	2020 (VI)	2.8%
Policy rate	2020 (IV)	9.0%
Interbank rate	2020 (V)	8.9%
Interest rate on deposit (dom.currency)	2020 (VI)	11.0%
Interest rate on deposit (for.currency)	2020 (VI)	4.3%
Interest rate on lending (dom.currency)	2020 (VI)	17.0%
Interest rate on lending (for.currency)	2020 (VI)	10.4%

#### Forecasts

Currency	Q3 20	Q4 20	Q1 21	Q2 21	2021
EUR/USD	1.12	1.14	1.14	1.15	1.17
GBP/USD	1.25	1.26	1.28	1.29	1.32
USD/CNY	7.05	7.04	7.02	6.94	6.99
USD/JPY	107	107	107	107	107
USD/RUB	70	70	69.5	68.0	69.1

#### Commodity

Gold	1789	1806	1821	1824	1824
Copper	6073	6072	6075	6086	6092
Coal	46.0	48.0	49.0	49.0	47.0

#### Economic Calendar

Source: Bloomberg

Last working day	Actual	Survey	Prior
JP Corp Goods Price MM	0.6%	0.3%	0.6%
JP Corp Goods Price YY	-0.9%	-1.1%	-1.6%
GE HICP Final YY	0.0%	0.0%	0.0%
US Initial Jobless Claim	963k	1120k	1186k
Expected today	Time	Survey	Prior
CN Industrial Output YY	10:00	5.1%	4.8%
CN Retail Sales YY	10:00	0.1%	-1.8%
EU GDP Flash Estimate QQ	17:00	-12.1%	-12.1%
EU GDP Flash Estimate YY	17:00	-15.0%	-15.0%
US Retail Sales MM	20:30	1.9%	7.5%
US Industrial Production MM	21:15	3.0%	5.4%
US U Mich Sentiment Prelim	22:00	72.0	72.5
Expected tomorrow	Time	Survey	Prior
JP GDP QQ	7:50	-7.6%	-0.6%
JP GDP QQ Annualised	7:50	-27.2%	-2.2%
JP GDP QQ Pvt Consmp Plim	7:50	-7.1%	-0.8%
JP GDP QQ Capital Expend.	7:50	-4.2%	1.9%
JP GDP QQ External Demand	7:50	-3.2%	-0.2%

0.8% to \$6,303.50 a tonne, however, as falling inventories MCUSTX-TOTAL lent support.

#### Crude Oil

Oil prices advanced on Friday and were heading for a second week of gains amid growing confidence that demand for fuel is starting to pick up despite the coronavirus pandemic that has slammed economies worldwide. Brent crude LCOc1 was up 14 cents, or 0.3%, at \$45.10 by 0043 GMT, heading for a gain of about 1.6% this week. West Texas Intermediate CLc1 had gained 12 cents, or 0.3%, to \$42.36. The U.S. benchmark is heading for a gain of nearly 3% this week.

The International Energy Agency (IEA) cut its 2020 oil demand forecast on Thursday, warning that reduced air travel due to the coronavirus pandemic would lower global oil demand this year by 8.1 million barrels per day (bpd).

#### Fixed Income

Global funds outflow in emerging Asian bond and equity markets were high based on available data compiled by Bloomberg. Foreign funds bought a net 9.29 million in South Korean listed bonds on Aug 12 but sold a net \$92.2 million in Indian bonds on Aug 12, according to finance ministry data.

#### Stock Market

The S&P 500 ended slightly lower on Thursday after briefly trading above its record closing high level for a second day, and the Dow also fell in the wake of a disappointing forecast from Cisco Systems Inc. The S&P 500 during the session broke above its record high closing level of 3,386.15 from Feb. 19, just before investors sold shares in anticipation of what proved to be the biggest slump in the U.S. economy since the Great Depression. A slump in Cisco Systems weighed on the Dow and S&P 500 after the company forecast first-quarter revenue and profit below estimates. Unofficially, the Dow Jones Industrial Average .DJI fell 80.12 points, or 0.29%, to 27,896.72, the S&P 500 .SPX lost 6.9 points, or 0.20%, to 3,373.45 and the Nasdaq Composite .IXIC added 29.27 points, or 0.27%, to 11,041.51.

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