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## Highlights

- Growth in China's factory activity slowed in January as a resurgence of COVID-19 cases and tough lockdowns hit production and demand. The official PMI registered 50.1 in January, remaining above the 50-point mark that separates growth from contraction, but slowing from 50.3 in December.
- Japan's factory output shrank for the first time in three months in December as a decline in machinery production outweighed a small rise in autos, casting a cloud over the strength of the economic recovery. Factory output lost 1.0% in December from the previous month, data showed on Monday.

## Forex

The dollar was near a year-and-a-half high against the euro on Monday with equities markets volatility expected to push it higher in the short-term as traders eyed upcoming Australian, UK and European central bank meetings. The euro EUR= was at \$1.1148, just off last Friday's low of \$1.1119, its weakest since June 2020. The Aussie dollar was at \$0.6991, also languishing near Friday's 18-month low, while sterling was at \$1.34015, near the one-month low hit last week.

The Russian rouble pared gains to weaken on Friday in another volatile session but held onto most of the previous session's hefty gains as Moscow sought to ease fears over the Ukraine crisis. Russia's more conciliatory tone had soothed investors' concerns earlier in the session, but by 1555 GMT, it was 0.2% weaker against the dollar at 78.14.

## Gold

Gold prices fell for a fourth consecutive session on Monday and were set for their biggest monthly drop since last September, as the U.S. dollar strengthened ahead of key central bank meetings, Spot gold XAU= was down 0.2% at \$1,788.41 per ounce, as of 0140 GMT, hovering near the previous session's \$1,779.20 - its lowest since Dec. 16. U.S. gold futures GCv1 were up 0.1% at \$1,788.20. The metal has declined more than 2% so far this month.

## Copper

Copper rebounded in early trade on Monday, after touching a three-week low in the previous session, but the metal was poised for a monthly loss. Three-month copper on the London Metal Exchange CMCU3 advanced 0.7% to \$9,575 a tonne by 0236 GMT. It hit a three-week low of \$9,496 on Friday and has fallen more than 1% in January. The Shanghai Futures Exchange will reopen on Feb. 7.

## Crude Oil

Oil rose 1% on Monday, hovering near 7-year highs hit in the previous session, amid concerns over tight supply as well as geopolitical tensions in Eastern Europe and the Middle

Currency	Rate	24H Chg		
EUR/USD	1.1163	0.11%		
USD/CNY	6.3716	0.07%		
USD/RUB	77.8662	0.07%		
USD/JPY	115.51	0.22%		
USD/KRW	1205.9	0.28%		
AUD/USD	0.7008	0.04%		
GBP/USD	1.3411	0.00%		
Index	Unit	24H Chg		
Dow Jones	34725.5	1.65%		
S&P 500	4431.9	2.43%		
NASDAQ	13770.6	3.13%		
FTSE 100	7466.1	-1.17%		
Nikkei 225	27094.7	1.41%		
DAX	15319.0	-1.32%		
Hang Seng	23927.9	1.60%		
Commodity	Price	24H Chg		
Gold	1786.81	-0.26%		
Silver	22.28	-0.84%		
Coal (Qinhuangdao Port)	153.34	0.00%		
Copper 3M Future	9507.5	-2.81%		
Iron Ore	797.50	3.50%		
Crude Oil	87.85	1.19%		
LIBOR	Yield	24H Chg		
US 1M LIBOR	0.11%	1.23%		
US 3M LIBOR	0.32%	5.88%		
US 6M LIBOR	0.53%	3.03%		
US 12M LIBOR	0.95%	2.85%		
Government Bonds	Yield	24H Chg		
US Treasury 10Y	1.79%	1.21%		
UK Treasury 10Y	1.24%	1.30%		
GE Treasury 10Y	-0.05%	23.73%		
JP Treasury 10Y	0.18%	2.34%		
Mongolian Bonds	Coupon	Mature Date	Yield	24H Chg
MIK 2022	9.75%	1/29/2022	11.19%	-0.18%
Chinggis	5.13%	12/5/2022	3.06%	0.00%
Gerege	5.63%	5/1/2023	3.71%	-0.05%
DBM 2023	7.25%	10/23/2023	4.21%	-0.18%
Khuraldai	8.75%	3/9/2024	3.99%	-0.09%
MMC	9.25%	4/15/2024	22.08%	0.20%
MIK 2024	8.85%	8/2/2024	11.19%	-0.18%
Nomad	5.13%	4/7/2026	4.70%	-0.10%
Mongol 27	3.50%	7/7/2027	4.84%	-0.03%
Mongol 31	4.45%	7/7/2031	5.31%	-0.03%
Samurai JPY	1.52%	12/25/2023	0.03%	0.00%

Stock	Price	24H Chg
Turquoise Hill Resources	17.64	-4.13%
Mongolian Mining Corp	1.46	-6.41%
Erdene Resource Dev	0.395	-1.25%
Centerra Gold	10.17	0.20%

Macro economic indicator	Date	Actual
Inflation rate	2021 (XII)	13.4%
Policy rate	2021 (XII)	6.0%
Interbank rate	2021 (XI)	6.08%
Interest rate on deposit (dom.currency)	2021 (XII)	7.04%
Interest rate on deposit (for.currency)	2021 (XII)	2.04%
Interest rate on lending (dom.currency)	2021 (XII)	15.54%
Interest rate on lending (for.currency)	2021 (XII)	9.07%

#### Forecasts

Currency	Q1 22	Q2 22	Q3 22	Q4 22	2023
EUR/USD	1.12	1.13	1.15	1.15	1.17
GBP/USD	1.34	1.35	1.36	1.37	1.40
USD/CNH	6.39	6.35	6.40	6.44	6.40
USD/JPY	114	115	115	115	115
USD/RUB	73.0	72.0	73.07	73.0	73.5

#### Commodity

Gold	1775	1750	1700	1680	1650
Copper	9500	9350	9400	9500	9550
Coal	138.13	109.38	93.13	79.38	62.50

#### Economic Calendar

Source: Bloomberg

Last working day	Actual	Survey	Prior
FR GDP Preliminary QQ	0.7%	0.5%	3.0%
GE GDP Flash QQ SA	-0.7%	-0.3%	1.7%
JP CPI, Overall Tokyo	0.5%	-	0.8%
US Consumption, Adjusted MM	-0.6%	-0.6%	0.6%

Expected today	Time	Survey	Prior
GE HICP Prelim YY	21:00	4.7%	5.7%
GE CPI Prelim YY	21:00	4.3%	5.3%
JP Industrial O/P Prelim MM	7:50	-0.8%	7.0%
EU GDP Flash Prelim QQ	18:00	0.3%	2.2%

Expected tomorrow	Time	Survey	Prior
JP Unemployment Rate	7:30	2.8%	2.8%
GE Unemployment Rate	16:15	5.2%	5.2%
GE Markit/BME Mfg PMI	16:30	60.5	60.5
JP Jibun Bank Mfg PMI	8:30	-	54.6
US ISM Manufacturing PMI	23:00	57.5	58.7

East. Brent crude LCOc1 rose 92 cents, or 1.0%, to \$90.95 a barrel. Tensions between Russia and the West also underpinned crude prices. Russia, the world's second-largest oil producer, and the West have been at loggerheads over Ukraine, fanning fears that energy supplies to Europe could be disrupted.

#### Fixed Income

Treasury futures decline at Asian open after a two-day rally. Australian bonds extend gains before RBA meets Tuesday. Treasury 10-year futures fall 5/32 to 127 27/32. Consensus is building in the world's largest bond market that there's a rough ride ahead as the Federal Reserve moves to pull back pandemic-era stimulus.

#### Stock Market

Blackstone Inc. has amassed \$11 billion to buy companies in Asia after raising its second private-equity fund for the region, nearly tripling its previous pool of capital raised in 2018. The world's largest alternative asset manager raised \$6.4 billion and will receive an additional \$4.6 billion from Blackstone global funds for the pool, said Amit Dixit, the Asia head of private equity, in an interview. Since 2018, the firm has invested in deals valued at \$20 billion in Asia, half which was done last year.

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