

Please contact with our dealers on **319708, 319709** and **TDB Online** to negotiate currency exchange rate.

2022.01.18

Highlights

- At its two-day meeting ending on Tuesday, the Bank of Japan is widely expected to leave unchanged a -0.1% target for short-term interest rates and a pledge to guide long-term rates around 0%.
- The global job market will take longer to recover than previously thought, with unemployment set to remain above pre-COVID-19 levels until at least 2023 due to uncertainty about the pandemic's course and duration, the International Labour Organization said in a report on Monday.

Forex

The yen edged higher ahead of the outcome of a central bank policy meeting on Tuesday, while the dollar seemingly ignored U.S. Treasury yields hitting new near two-year highs on their return from a long weekend break. The dollar slipped as much as 0.15% against the yen in early trading to 114.43 yen per dollar, and was also slightly softer versus the pound and euro. The euro was on the front foot at \$1.1416, while sterling was steady at \$1.3657, after an early rally in both currencies at the start of the year petered out late last week. The Aussie dollar was steady at \$0.722. Yields have been rising this year, with traders expecting the Federal Reserve to begin hiking interest rates as soon as March, but the dollar index, which measures the greenback against six peers has lost 0.52% year to date.

Gold

Gold prices were flat on Tuesday as a weaker dollar partially offset pressure from elevated U.S. Treasury yields, which dim the appeal of a non-yielding bullion. Spot gold XAU= held its ground at \$1,818.87 per ounce, as of 0022 GMT. U.S. gold futures GCv1 edged up 0.1% to \$1,818.50.

Copper

Copper prices came under pressure on Monday as economic data from top consumer China suggested slowing demand for industrial metals while inventories rose in warehouses registered with the London Metal Exchange (LME). Benchmark copper CMCU3 on the LME was little changed at \$9,725 a tonne at 1659 GMT. The metal used widely in the power and construction industries touched \$10,072 last week for its highest since Oct. 21. "Metals-intensive sectors of China's economy continued to cool in December. Investments into the infrastructure and property sectors are still shrinking," said Julius Baer analyst Carsten Menke. Stocks of copper in LME-registered warehouses rose by 6,550 tonnes to 92,850 tonnes, easing fears of tighter supplies on the LME market.

Crude Oil

Oil prices rose on Monday with investors betting that

Currency	Rate	24H Chg		
EUR/USD	1.1419	0.10%		
USD/CNY	6.3495	0.08%		
USD/RUB	76.1035	-0.01%		
USD/JPY	114.52	-0.10%		
USD/KRW	1188.25	-0.36%		
AUD/USD	0.7218	-0.10%		
GBP/USD	1.3658	0.00%		
Index	Unit	24H Chg		
Dow Jones	35911.8	-0.56%		
S&P 500	4662.9	0.08%		
NASDAQ	14893.8	0.59%		
FTSE 100	7611.2	0.91%		
Nikkei 225	28547.8	0.76%		
DAX	15933.7	0.32%		
Hang Seng	24218.0	-0.68%		
Commodity	Price	24H Chg		
Gold	1820.31	0.06%		
Silver	23.03	0.04%		
Coal (Qinhuangdao Port)	132.45	0.00%		
Copper 3M Future	9731	0.12%		
Iron Ore	710.00	0.35%		
Crude Oil	84.36	0.64%		
LIBOR	Yield	24H Chg		
US 1M LIBOR	0.10%	-2.82%		
US 3M LIBOR	0.24%	0.90%		
US 6M LIBOR	0.40%	-0.47%		
US 12M LIBOR	0.73%	1.70%		
Government Bonds	Yield	24H Chg		
US Treasury 10Y	1.82%	1.79%		
UK Treasury 10Y	1.19%	3.13%		
GE Treasury 10Y	-0.03%	45.65%		
JP Treasury 10Y	0.15%	-2.03%		
Mongolian Bonds	Coupon	Mature Date	Yield	24H Chg
MIK 2022	9.75%	1/29/2022	10.54%	-0.11%
Chinggis	5.13%	12/5/2022	2.99%	0.00%
Gerege	5.63%	5/1/2023	3.67%	-0.02%
DBM 2023	7.25%	10/23/2023	4.02%	-0.08%
Khuraldai	8.75%	3/9/2024	3.98%	-0.07%
MMC	9.25%	4/15/2024	20.35%	-0.47%
MIK 2024	8.85%	8/2/2024	10.54%	-0.11%
Nomad	5.13%	4/7/2026	4.67%	-0.02%
Mongol 27	3.50%	7/7/2027	4.83%	0.05%
Mongol 31	4.45%	7/7/2031	5.27%	-0.08%
Samurai JPY	1.52%	12/25/2023	0.03%	-0.01%

Stock	Price	24H Chg
Turquoise Hill Resources	16.25	-2.93%
Mongolian Mining Corp	1.67	-1.76%
Erdene Resource Dev	0.425	-1.16%
Centerra Gold	10.37	0.88%
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 (XI)	7.1%
Interest rate on deposit (for.currency)	2021 (XI)	2.1%
Interest rate on lending (dom.currency)	2021 (XI)	15.6%
Interest rate on lending (for.currency)	2021 (XI)	9.3%

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
JP Machinery Orders YY	11.6%	-	2.9%
JP Machinery Orders MM	3.4%	-	3.8%
CN GDP YY	4.0%	3.6%	4.9%
CN Retail Sales YY	1.7%	3.7%	3.9%
CN Industrial Output	4.3%	3.7%	3.8%
Expected today	Time	Survey	Prior
JP BoJ Rate Decision	-	-0.1%	-0.1%
GE ZEW Current Conditions	18:00	-7.5	-7.4
GE ZEW Economic Sentiment	18:00	32.7	29.9
Expected tomorrow	Time	Survey	Prior
GE HICP Final YY	15:00	5.7%	5.7%
UK CPI YY	15:00	5.2%	5.1%
CA CPI BoC Core MM	21:30	-	0.0%
CA CPI BoC Core YY	21:30	3.5%	3.6%

global supply will remain tight, although restraint by major producers was partially offset by a rise in Libyan output. Meanwhile, Libya's total oil output is back to 1.2 million barrels per day (bpd), according to National Oil Corp. Libyan output was about 900,000 bpd last week owing to a blockade of western oilfields. Brent crude LCOc1 settled up 42 cents, or 0.5%, to \$86.48 a barrel. Earlier in the session, the contract touched its highest price since Oct. 3, 2018, at \$86.71.

Fixed Income

Treasury yields rose Tuesday as investors girded for interest-rate hikes by the Federal Reserve to quell high inflation. The two-year U.S. yield jumped past 1% for the first time since February 2020, while the 10-year yield hit the highest level since January of that year. Calls are growing for the Fed to act more quickly to contain price pressures.

Stock Market

U.S. equity futures fell and Asian stocks were mixed Tuesday amid a jump in Treasury yields as investors girded for interest-rate hikes by the Federal Reserve to quell high inflation. Nasdaq 100 contracts underperformed and European futures were also in the red. U.S. markets will reopen later following a holiday.

Disclaimer

The content on this news, including, quotes, data and other information, is provided by Trade and Development Bank of Mongolia is for your personal information only, and is not intended for trading purposes. This news does not provide investment advice nor recommendations to buy or sell securities. Trade and Development Bank of Mongolia shall not be liable for any errors, inaccuracies or delays in content, or for any actions taken in reliance thereon. If you have on longer interest on receiving this email, please let us know by sending reply with subject of UNSUBSCRIBE.