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## Highlights

- China cut its benchmark lending rates for corporate and household loans for a second straight month at its January fixing on Thursday, while lowering a mortgage reference rate for the first time in nearly two years. The one-year loan prime rate (LPR) was lowered by 10 basis points to 3.70% from 3.80% and the five-year LPR was reduced by 5 basis points to 4.60% from 4.65%.
- Japan's exports and imports in December hit record highs in terms of their value in yen, data showed on Thursday, as supply bottlenecks eased at the end of 2021 amid rising prices. Yen-denominated exports and imports hit records of 7,881.4 billion yen (\$69 billion) and 8,463.8 billion yen, respectively, biggest since comparable data became available in January 1979, largely as rising inflation affected both flows.

## Forex

Higher commodity prices were supporting the Canadian and Australian dollars on Thursday, while a pause in this week's rally in U.S. Treasury yields meant the dollar also marked time. The Aussie firmed 0.5% on Thursday extending advances the previous day. The Canadian dollar touched a 10-week high on Wednesday with one U.S. dollar worth C\$1.245, before paring gains, also supported by higher Canadian inflation figures. Elsewhere the euro continued to edge higher to \$1.1347, gradually regaining some ground after having its worst day in a month on Tuesday, when the dollar caught a lift from a jump in U.S. Treasury yields.

The rouble strengthened on Wednesday, pulling away from a near two-week low versus the dollar in volatile trade, while Russian stocks made a slight recovery after several sessions of sharp losses, with investors focused on geopolitical concerns. By 1548 GMT, the rouble was 0.5% stronger against the dollar at 76.51.

## Gold

Gold prices on Thursday steadied near a two-month high hit in the previous session, with higher U.S. Treasury yields preventing any gains amid caution building around developments at the U.S. Federal Reserve's meeting due next week. Spot gold XAU= was flat at \$1,839.36 per ounce as of 0031 GMT, steady near its highest since Nov. 22. U.S. gold futures GCv1 were down 0.1% at \$1,840.60. Gold saw its best session in three months on Wednesday as a retreat in the dollar and geopolitical tensions surrounding Ukraine lifted safe-haven appeal, sparking a rally in precious metals.

## Copper

Copper prices firmed on Wednesday, supported by expectations of further policy easing in top metals consumer China offsetting pressure from a firmer U.S. dollar and rise in inventories. Three-month copper on the London Metal

Currency	Rate	24H Chg		
EUR/USD	1.1363	0.18%		
USD/CNY	6.3471	0.15%		
USD/RUB	76.2094	0.01%		
USD/JPY	114.15	-0.16%		
USD/KRW	1189.9	-0.13%		
AUD/USD	0.7242	-0.13%		
GBP/USD	1.3632	0.00%		
Index	Unit	24H Chg		
Dow Jones	35028.7	-0.96%		
S&P 500	4532.8	-0.97%		
NASDAQ	14340.3	-1.15%		
FTSE 100	7589.7	0.35%		
Nikkei 225	27350.1	-0.43%		
DAX	15809.7	0.24%		
Hang Seng	24249.6	0.50%		
Commodity	Price	24H Chg		
Gold	1842.75	0.12%		
Silver	24.12	-0.06%		
Coal (Qinhuangdao Port)	132.50	0.00%		
Copper 3M Future	9841.5	1.71%		
Iron Ore	734.50	0.27%		
Crude Oil	86	-1.10%		
LIBOR	Yield	24H Chg		
US 1M LIBOR	0.10%	0.69%		
US 3M LIBOR	0.25%	2.42%		
US 6M LIBOR	0.43%	2.80%		
US 12M LIBOR	0.79%	2.65%		
Government Bonds	Yield	24H Chg		
US Treasury 10Y	1.84%	-1.24%		
UK Treasury 10Y	1.26%	3.20%		
GE Treasury 10Y	-0.01%	33.33%		
JP Treasury 10Y	0.14%	-6.25%		
Mongolian Bonds	Coupon	Mature Date	Yield	24H Chg
MIK 2022	9.75%	1/29/2022	10.82%	0.00%
Chinggis	5.13%	12/5/2022	3.16%	0.04%
Gerege	5.63%	5/1/2023	4.00%	-0.01%
DBM 2023	7.25%	10/23/2023	3.99%	0.15%
Khuraldai	8.75%	3/9/2024	4.18%	-0.02%
MMC	9.25%	4/15/2024	22.18%	-1.21%
MIK 2024	8.85%	8/2/2024	10.82%	0.00%
Nomad	5.13%	4/7/2026	4.81%	-0.01%
Mongol 27	3.50%	7/7/2027	4.93%	0.03%
Mongol 31	4.45%	7/7/2031	5.34%	0.01%
Samurai JPY	1.52%	12/25/2023	0.02%	0.00%

Stock	Price	24H Chg
Turquoise Hill Resources	16.92	1.38%
Mongolian Mining Corp	1.64	0.00%
Erdene Resource Dev	0.44	8.64%
Centerra Gold	10.44	0.77%

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

Last working day	Actual	Survey	Prior
GE HICP Final YY	5.7%	5.7%	5.7%
UK CPI YY	5.4%	5.2%	5.1%
CA CPI BoC Core MM	0.0%	-	0.0%
CA CPI BoC Core YY	4.0%	3.5%	3.6%

Expected today	Time	Survey	Prior
JP Trade Balance Total Yen	7:50	-784.1B	-955.6B
JP Imports YY	7:50	42.8%	43.8%
JP Exports YY	7:50	16.0%	20.5%
EU HICP Final YY	18:00	5.0%	5.0%
EU HICP Final MM	18:00	0.4%	0.4%
US Existing Home Sales	23:00	6.44M	6.46M

Expected tomorrow	Time	Survey	Prior
UK Retail Sales YY	14:00	3.4%	4.7%
UK Retail Sales MM	14:00	-0.6%	1.4%
CA Retail Sales MM	21:30	1.2%	1.6%
JP CPI, Overall Nationwide	7:30	-	0.6%
JP CPI, Core Nationwide YY	7:30	0.6%	0.5%

Exchange CMCU3 was up 0.4% at \$9,718 a tonne, as of 0725 GMT, while the most-traded March copper contract on the Shanghai Futures Exchange SCFcv1 ended flat at 70,020 yuan (\$11,028.51) a tonne.

#### Crude Oil

Oil prices slipped back on Thursday after hitting their highest levels since 2014 in the previous session on the back of strong demand and short-term supply disruptions, underlying factors that limited losses as investors took profits. Brent crude LCOc1 futures dropped 72 cents, or 0.81%, to \$87.72 a barrel, as of 0152 GMT. The global benchmark touched \$89.13 a barrel in the last session, its highest since October 2014. "The International Energy Agency said global oil demand is on track to hit pre-pandemic levels," analysts at ANZ bank said in a note.

#### Fixed Income

Benchmark Treasury yields look poised to surge past 2%, while their German peers turned positive for the first time in years as traders lay bets on faster policy tightening from the Federal Reserve and other major central banks. Ten-year U.S. yields traded at 1.85% on Wednesday, set for their fastest monthly increase since March 2021.

#### Stock Market

U.S. stocks gave up early gains and turned lower, extending a recent stretch of losses that have pulled major indexes lower to start the year. The technology-heavy Nasdaq Composite Index shed 1.15% and finished the day 10.5% below its all-time closing high from last November. The S&P 500 fell 1%. The benchmark gauge lost 1.8% Tuesday, its second decline in three trading days. The Dow Jones Industrial Average also fell 1%, or 339 points, to 35029.

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