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2022.02.16

Currency	Rate	24H Chg		
EUR/USD	1.1355	-0.04%		
USD/CNY	6.3389	0.06%		
USD/RUB	75.3665	0.02%		
USD/JPY	115.71	0.09%		
USD/KRW	1197	-0.25%		
AUD/USD	0.7152	-0.07%		
GBP/USD	1.3546	0.00%		
Index	Unit	24H Chg		
Dow Jones	34988.8	1.22%		
S&P 500	4471.1	1.58%		
NASDAQ	14139.8	2.53%		
FTSE 100	7608.9	1.03%		
Nikkei 225	27368.3	1.87%		
DAX	15412.7	1.98%		
Hang Seng	24355.7	-0.82%		
Commodity	Price	24H Chg		
Gold	1851.01	-0.14%		
Silver	23.30	-0.27%		
Coal (Qinhuangdao Port)	166.43	#VALUE!		
Copper 3M Future	9968.5	0.49%		
Iron Ore	708.50	-2.68%		
Crude Oil	92.32	0.27%		
LIBOR	Yield	24H Chg		
US 1M LIBOR	0.13%	-34.23%		
US 3M LIBOR	0.46%	-9.45%		
US 6M LIBOR	0.79%	-5.54%		
US 12M LIBOR	1.32%	-5.04%		
Government Bonds	Yield	24H Chg		
US Treasury 10Y	2.03%	-0.43%		
UK Treasury 10Y	1.58%	-0.44%		
GE Treasury 10Y	0.31%	8.83%		
JP Treasury 10Y	0.22%	-1.83%		
Mongolian Bonds	Coupon	Mature Date	Yield	24H Chg
Chinggis	5.13%	12/5/2022	3.10%	0.08%
Gerege	5.63%	5/1/2023	3.41%	0.00%
DBM 2023	7.25%	10/23/2023	4.26%	-0.05%
Khuraldai	8.75%	3/9/2024	4.01%	-0.05%
MMC	9.25%	4/15/2024	24.00%	-1.82%
MHK 2024	8.85%	8/2/2024	11.24%	-0.03%
Nomad	5.13%	4/7/2026	4.74%	-0.04%
Mongol 27	3.50%	7/7/2027	4.98%	-0.05%
Mongol 31	4.45%	7/7/2031	5.40%	-0.17%
Samurai JPY	1.52%	12/25/2023	0.03%	0.00%

## Highlights

- The U.S. Federal Reserve will kick off its tightening cycle in March with a 25-basis-point interest rate rise, a Reuters poll of economists found, but a growing minority say it will opt for a more aggressive half-point move to tamp down inflation.
- U.S. producer prices increased by the most in eight months in January amid a surge in the cost of hospital outpatient care and goods such as food and motor vehicles, another sign that high inflation could persist through much of this year. The producer price index for final demand jumped 1.0% last month, the biggest advance since May, after climbing 0.4% in December, the Labor Department said.

## Forex

The euro held on to overnight gains in early Asian trade on Wednesday having jumped on reports that some Russian forces had moved away from the Ukraine border, though, with tensions still elevated, the common currency failed to make further progress. The common European currency was steady at \$1.1356 on Wednesday, having jumped 0.45% the day before. By contrast, the safe haven yen softened slightly and was last at 115.65 per dollar, having briefly touched 114.99 on Monday, when tensions were higher. Rate hikes are also supporting the British pound, which was at \$1.3543. The Aussie stood at \$0.7146, after firming 0.35 overnight. The kiwi dollar reached \$0.6639, having gained 0.4% overnight and away from support at \$0.6593.

## Gold

Gold prices slipped on Wednesday, pulling further away from an eight-month peak scaled in the previous session, as signs of a slight de-escalation in the Russia-Ukraine standoff diminished the appeal of safe havens. Spot gold XAU= was down 0.1% at \$1,850.91 per ounce, as of 0110 GMT. U.S. gold futures GCv1 dropped 0.2% to \$1,852.40.

## Copper

Copper prices ticked higher on Tuesday after Russia returned some troops to base after exercises near Ukraine, easing fears about a potential invasion and boosting financial markets. Three-month copper CMCU3 on the London Metal Exchange (LME) rose 0.5% to \$9,965 a tonne by 1700 GMT after a 0.6% gain the previous day. Comex copper HGcv1 gained 0.6% to \$4.54 a lb.

China's January copper cathode output from major smelters fell 7.49% from the prior month due to maintenance and the holiday season, state-backed research house Antaika said on Tuesday. Production at 22 smelters surveyed by Antaika, representing around 83% of China's total capacity, stood at 742,100 tonnes last month, down from a revised

Stock	Price	24H Chg
Turquoise Hill Resources	21.11	3.23%
Mongolian Mining Corp	2.01	0.50%
Erdene Resource Dev	0.44	1.15%
Centerra Gold	10.93	0.46%

Macro economic indicator	Date	Actual
Inflation rate	2022 (I)	14.6%
Policy rate	2022 (I)	6.5%
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
GE ZEW Current Conditions	-8.1	-7.0	-10.2
GE ZEW Economic Sentiment	54.3	53.5	51.7
UK ILO Unemployment Rate	4.1%	4.1%	4.1%
JP GDP QQ Annualized	5.4%	5.8%	-3.6%
JP GDP QQ	1.3%	1.4%	-0.9%

Expected today	Time	Survey	Prior
US Retail Sales MM	21:30	2.0%	-1.9%
US Industrial Production MM	22:15	0.4%	-0.1%
UK CPI YY	15:00	5.4%	5.4%
CN CPI YY	9:30	1.0%	1.5%
CN PPI YY	9:30	9.5%	10.3%

Expected tomorrow	Time	Survey	Prior
JP Trade Balance Total Yen	7:50	-1607B	-582.4B
JP Imports YY	7:50	37.1%	41.1%
JP Exports YY	7:50	16.5%	17.5%
JP Machinery Orders YY	7:50	0.6%	11.6%
JP Machinery Orders MM	7:50	-1.8%	3.4%

December output of 802,200 tonnes.

#### Crude Oil

Oil pared some losses in early Asian trading on Wednesday after an over 3% fall the previous day, as investors weighed an easing Russia-Ukraine tension against overall tight global supplies. Talks between German Chancellor Scholz and President Putin supported market expectations that an imminent Russian invasion seems less likely.

#### Fixed Income

Treasuries ended Tuesday mixed with the curve steeper after the long end underperformed in the late U.S. session amid a heavy corporate new-issue calendar. Into 3pm ET the 30-year yield topped 2.36%, cheapest level since May. Stock benchmarks held gains of 1%-2%, adding to downside pressure on Treasuries, amid speculation that geopolitical tensions could be easing. Steepening pressure on Treasuries also precedes Wednesday's \$19b 20-year bond auction.

#### Stock Market

Shares were up in Japan, Hong Kong and China, where slowing inflation is boosting the central bank's scope to ease policy to prop up growth. U.S. contracts fell after tech stocks helped the S&P 500 snap three days of losses. Russia announced a partial pullback of thousands of troops massed near the Ukrainian border and appeared to favor a diplomatic solution to the crisis there. President Joe Biden said the U.S. has yet to verify Moscow's claims and an invasion remains possible, which the Kremlin has repeatedly denied.

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