



Economy

Annual inflation was 2.0% in Jan-25

In Jan-25, annual inflation was 2.0%, up from 1.9% posted in Dec-24. The annual inflation was primarily driven by a 2.3% y/y rise in domestic inflation (+2.2% y/y in Dec-24), followed by a 3.5% y/y increase in mixed goods inflation (+3.9% y/y in Dec-24). Meanwhile, imported inflation declined by -0.4% y/y (-0.9% y/y in the previous month). Notably, core inflation, excluding volatile food, energy and tobacco prices, slowed to 2.0% y/y in Jan-25 from 2.3% y/y in December.

By categories, annual inflation in Jan-25 was largely driven by price changes in food and non-alcoholic beverages (+3.0% y/y, +1.03ppts), alcoholic beverages & tobacco (+6.2% y/y, +0.41ppts), healthcare (+3.8% y/y, +0.34ppts), education (+5.1% y/y, +0.26ppts), hotels & restaurants (+6.8% y/y, +0.23ppts), transport (-1.0% y/y, -0.12ppts) and communication (-12.5% y/y, -0.46ppts) categories.

On a monthly basis, there was a 0.4% inflation in Jan-25, mainly due to rising prices in food and non-alcoholic beverages (+1.1% m/m, +0.40ppts) category.

We forecast average annual inflation at 3.9% in 2025.

Tourism revenues estimated at US\$ 290mn in Jan-25

Tourism revenues increased by 1.4% y/y to US\$ 290mn in Jan-25, according to our estimates. We forecast tourism revenues to reach US\$ 4.5bn in 2025.

International reserves at US\$ 4.4bn in Jan-25

Gross international reserves decreased by 8.7% y/y to US\$ 4.4bn in Jan-25, according to NBG. On a monthly basis, the reserves were down by 0.4% (-US\$ 18.5mn). Changes in reserves were attributed to the government and/or banking sector FX operations, and likely also to NBG's FX trading via BMatch platform (information will be available on 25 February). Notably, as of Jan-25, monetary gold accounted for 14.4% of total international reserves.

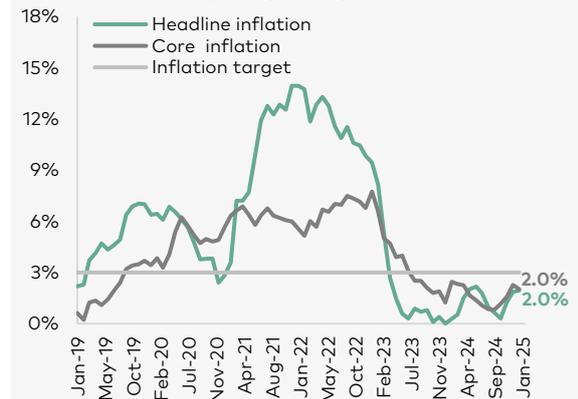
Key macro indicators

	2024E	2025F
Real GDP growth (% change)	9.5%	5.0%
GDP per capita (ppp)	28,106	29,154
GDP per capita (US\$)	9,124	9,466
Population (mn)	3.7	3.7
Inflation (average)	1.1%	3.9%
Gross reserves (US\$ bn)	4.4	4.2
CAD (% of GDP)	4.9%	5.5%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	36.2%	37.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

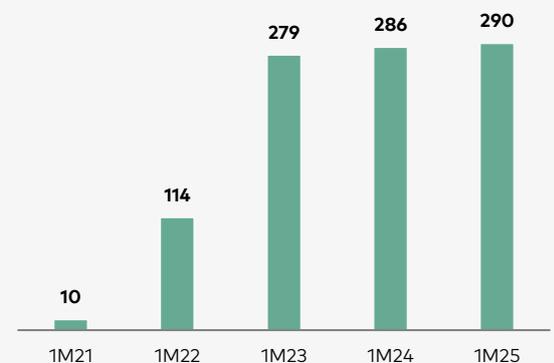
*Latest sovereign credit ratings

Annual inflation



Source: Geostat, NBG

Tourism revenues, US\$ mn



Source: NBG, Galt & Taggart

Money market

Ministry of Finance T-bills/T-notes:

2.9-year GEL 40.0mn (US\$ 14.1mn) benchmark bonds were sold at the auction held at NBG on February 4, 2025. Total demand was 3.2x higher and the weighted average yield was fixed at 8.473%, down by 0.082ppts from previous auction held in Jan-25.

6-month GEL 50.0mn (US\$ 17.6mn) T-bills were sold at the auction held at NBG on February 4, 2025. Total demand was 2.3x higher and the weighted average yield was fixed at 7.538%, down by 0.045ppts from previous auction held in Jan-25.

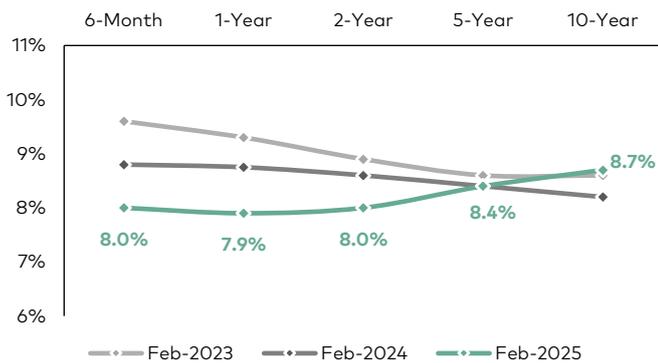
The nearest treasury security auction is scheduled for February 11, 2025, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 11.6-year treasury notes will be sold.

T-bills / T-notes in 2025

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	120	450	360
Long-term (over 1-year)	245	2,140	9,313
Total	365	2,590	9,673

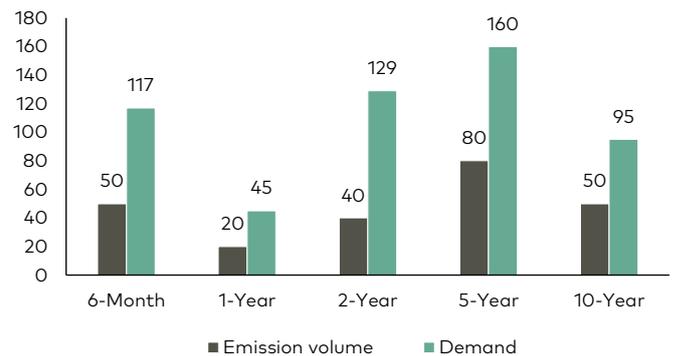
Source: MoF
*As of December 2024

T-bills / T-notes, yield curve



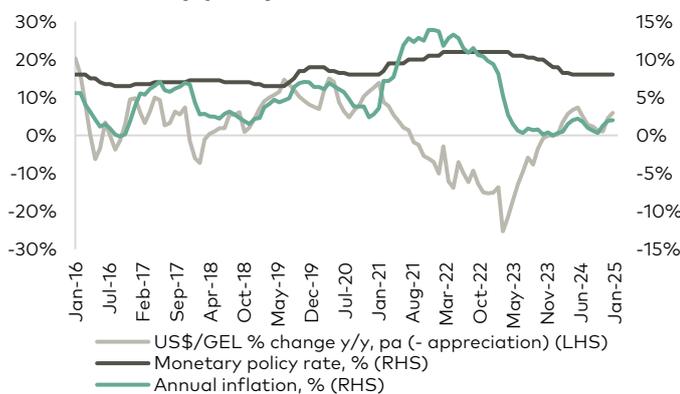
Source: NBG

Emission volume vs. demand on latest T-bills / T-notes auctions, GEL mn



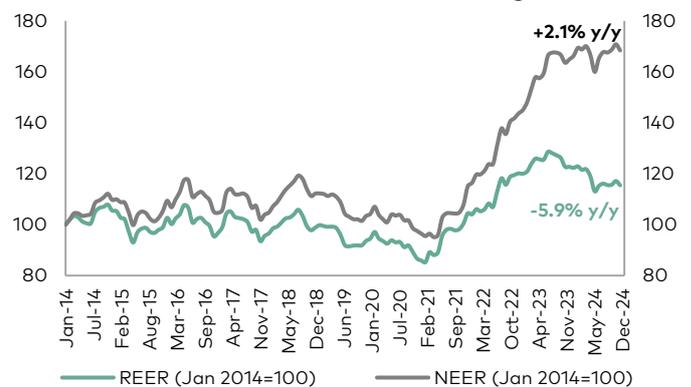
Source: NBG

Monetary policy rate, inflation and FX rate



Source: NBG, Geostat

Nominal and real effective exchange rates



Source: NBG

Note: Index growth/decline means appreciation/depreciation of exchange rate



Fixed income

Georgian Eurobonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings	Mid price	Mid yield, %	Z-spread, bps
						(Fitch/S&P/Moody/Scope)			
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	94.86	7.30	311.24
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	87.78	8.25	416.61
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.96	10.08	600.82
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.81	7.92	324.02
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.17	11.10	696.50
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.66	10.34	627.33
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.06	8.58	443.06

■ Galt & Taggart-led and/or co-managed deals
Source: Bloomberg

Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings	Mid price	Mid yield
						(Fitch/S&P/Moody/Scope)		
USD								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.99	9.00%
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00%
Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.77	8.75%
Energy Development Georgia	USD	10	8.50%	Jun-23	Jun-25	-/-/-/-	n/a	n/a
Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/-/-	101.08	8.13%
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	100.91	8.63%
Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-/-	99.63	8.75%
IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.61	8.75%
Tegeta Motors	USD	5	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	8.63%
Tegeta Motors	USD	5	8.50%	Jul-24	Jul-26	-/-/-/BB-	n/a	n/a
MP Development	USD	5	8.75%	Jul-24	Jul-26	-/-/-/-	n/a	8.75%
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	-/-/-/-	n/a	7.00%
Georgia Real Estate	USD	25	8.50%	Aug-24	Aug-26	-/-/-/-	n/a	8.50%
Chavchavadze 64B	USD	10	8.75%	Aug-24	Aug-26	-/-/-/-	n/a	8.75%
Tegeta Motors	USD	5	8.25%	Dec-24	Dec-26	-/-/-/BB-	n/a	n/a

■ Galt & Taggart-led and/or co-managed deals
Source: Bloomberg, Galt & Taggart



Fixed income

Georgian local bonds

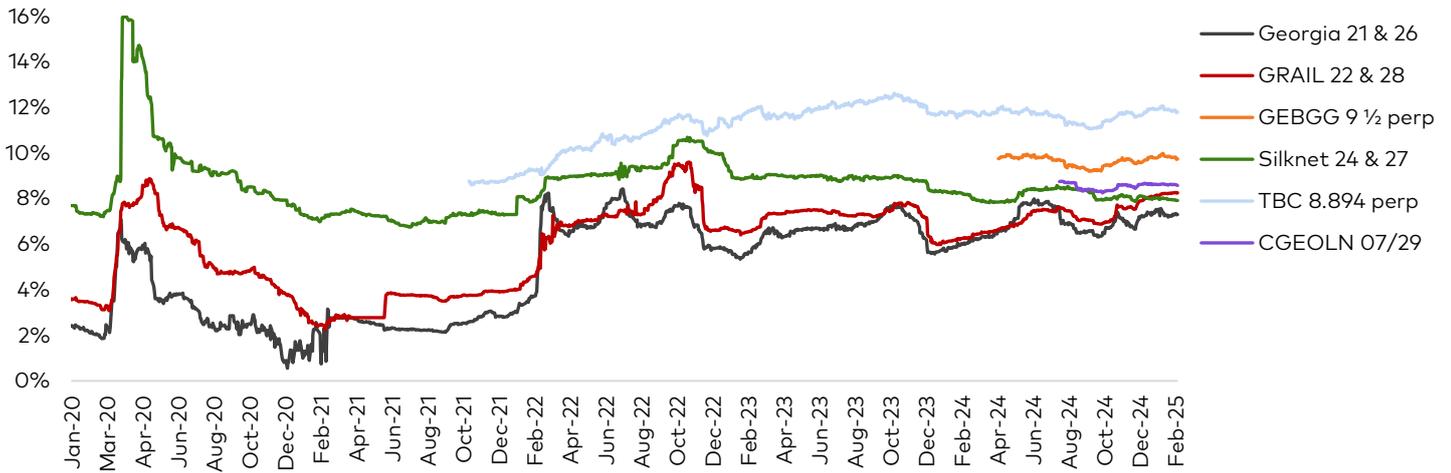
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/BB-	n/a	n/a
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/BB-	n/a	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Feb-23	Feb-25	B-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/BB-	n/a	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/BB-	n/a	n/a
Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-26	-/-/BB-	100.00	12.33%
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	15	13.50%	Aug-24	Aug-26	-/-/BB-	100.00	13.50%
Nikora Trade	GEL	60	TIBR3M + 3.25%	Oct-24	Oct-29	-/-/BB-	n/a	n/a
MFO MBC	GEL	30	TIBR3M + 4.25%	Dec-24	Dec-26	-/-/BB+	n/a	n/a

■ Galt & Taggart-led and/or co-managed deals
Source: Bloomberg, Galt & Taggart



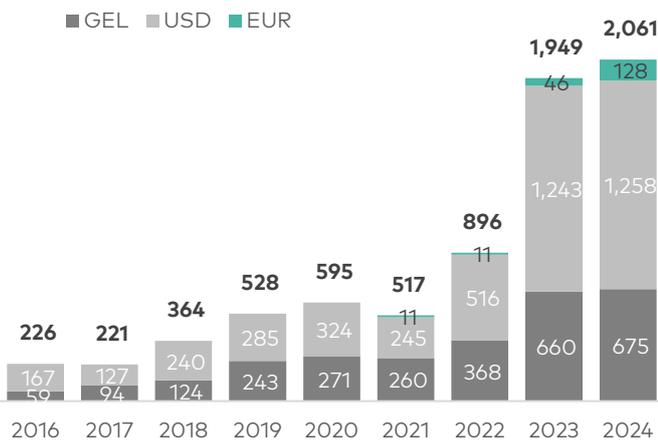
Fixed income

Georgian Eurobonds, YTM



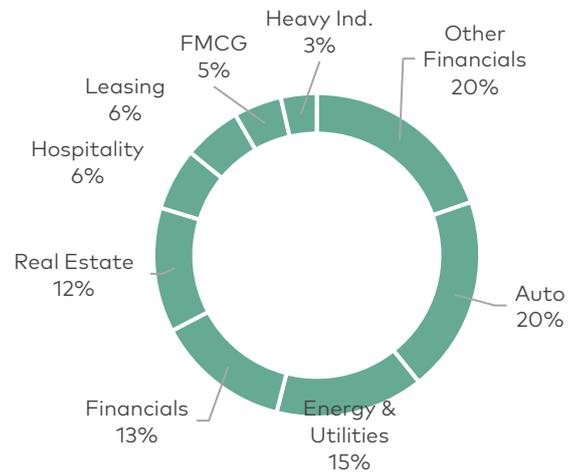
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



Source: Galt & Taggart
Note: USD and EUR bonds are converted into GEL as of issuance date

Georgian local corporate public bonds outstanding by sector

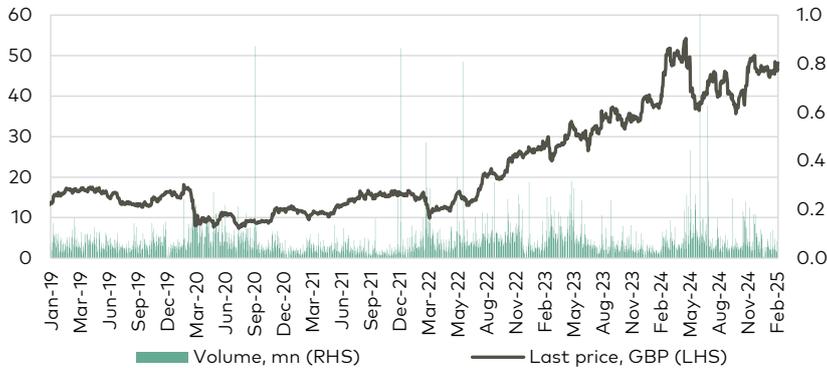


Source: Galt & Taggart



Equities

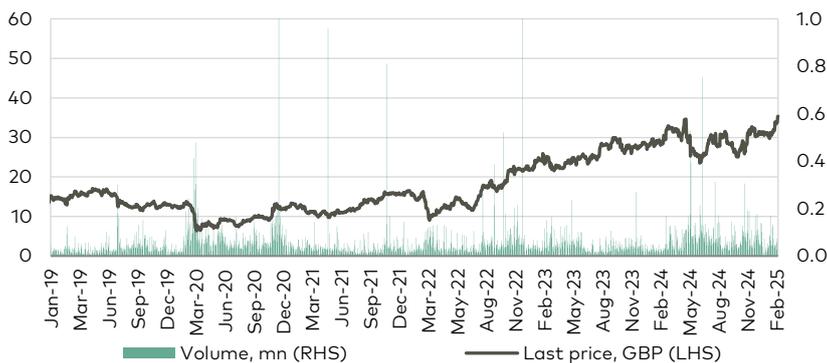
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 48.15/share (+1.26% w/w and +3.10% m/m). More than 254k shares traded in the range of GBP 45.50 - 48.40/share. Average daily traded volume was 50k in the last 4 weeks. The volume of BGEO shares traded was at 0.57% of its capitalization.

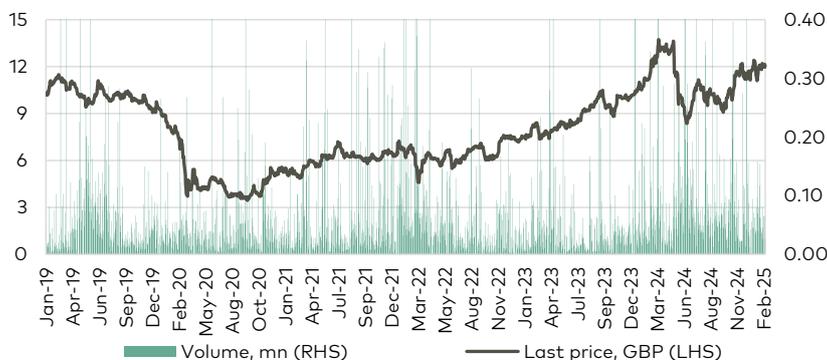
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 35.40/share (+5.99% w/w and +15.88% m/m). More than 262k shares changed hands in the range of GBP 32.75 - 35.40/share. Average daily traded volume was 67k in the last 4 weeks. The volume of TBCG shares traded was at 0.47% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 12.00/share (-0.99% w/w and -1.96% m/m). More than 249k shares traded in the range of GBP 11.76 - 12.28/share. Average daily traded volume was 68k in the last 4 weeks. The volume of CGEO shares traded was at 0.63% of its capitalization.

Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Lion Finance	BGEO	GBP	48.15	2,140	21.1%	28.7%	2.2%	4.36x	4.16x	3.68x	1.19x	na	na
TBC	TBC	GBP	35.40	1,994	26.0%	23.6%	13.5%	4.78x	5.45x	4.61x	1.15x	na	na
Halyk Bank	HSBK	USD	19.24	5,245	11.2%	27.6%	-1.0%	2.57x	3.15x	3.09x	0.72x	na	na
Akbank	AKBNK	TRY	63.50	330,200	14.0%	57.0%	-2.1%	2.86x	7.34x	4.34x	0.90x	1.37x	1.06x
Garanti	GARAN	TRY	128.60	540,120	10.9%	100.9%	3.4%	2.84x	5.63x	4.49x	1.00x	1.61x	1.21x
Isbank	ISCTR	TRY	13.83	345,750	1.2%	34.3%	2.1%	3.23x	7.60x	4.16x	0.87x	1.14x	0.88x
PKO	PKO	PLN	67.48	84,350	35.4%	27.3%	12.9%	11.44x	7.98x	7.51x	1.39x	1.69x	1.55x
PEKAO	PEO	PLN	164.35	43,137	13.7%	2.9%	19.2%	6.07x	6.75x	6.92x	1.32x	1.36x	1.26x
Millennium	MIL	PLN	10.24	12,422	27.0%	20.7%	15.1%	17.78x	4.51x	5.14x	1.47x	1.62x	1.28x
Mbank	MBK	PLN	668.20	28,396	22.3%	18.7%	22.1%	na	10.64x	7.07x	1.65x	1.83x	1.48x
BRD	BRD	RON	18.52	12,907	-9.4%	1.9%	-0.6%	7.62x	8.94x	8.49x	1.42x	1.34x	1.25x
Banca Transilvania	TLV	RON	27.45	25,168	-0.7%	26.7%	1.7%	7.76x	5.95x	6.92x	1.82x	1.54x	1.47x
Komerčni	KOMB	CZK	977.00	185,678	27.3%	29.0%	15.1%	8.76x	12.14x	12.35x	1.09x	1.47x	1.48x
Mean								6.67x	6.94x	6.06x	1.23x	1.50x	1.29x
Median								5.43x	6.75x	5.14x	1.19x	1.50x	1.27x

Source: Bloomberg, S&P Capital IQ

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