



## Economy

### Unemployment rate was 13.9% in 2024

The unemployment rate reduced by 2.5ppts y/y to a historical low level of 13.9% in 2024, amid robust economic growth. During this period, the number of hired employed individuals increased by 4.3% y/y, accounting for 68.5% of total employment, while self-employed persons rose by 6.7% y/y. Notably, labor force participation rate increased by 1.5ppts y/y to 54.8% in 2024.

We forecast unemployment rate at 13.5% in 2025.

### Money transfers at US\$ 242.4mn in Jan-25

Money transfers decreased by 8.5% y/y to US\$ 242.4mn in Jan-25, after a 8.2% y/y decline in previous month. Among the top countries, money transfers increased from the EU (+7.8% y/y, 46.5% of total), the USA (+23.2% y/y, 19.5% of total), Israel (+19.1% y/y, 8.8% of total) and Kyrgyzstan (+126.2% y/y, 2.5% of total) in January. In contrast, transfers reduced from Russia (-62.4% y/y, 10.5% of total) and Kazakhstan (-49.5% y/y, 2.0% of total).

We forecast money transfers at US\$ 3.2bn in 2025, down from US\$ 3.4bn in 2024.

### Goods exports increased by 19.3% y/y in Jan-25

In Jan-25, goods exports increased by 19.3% y/y to US\$ 403.9mn, after a 6.8% y/y growth in previous month. Goods imports grew by 45.5% y/y to US\$ 1.6bn, following a 22.2% y/y growth in previous month. Consequently, the trade deficit increased by 57.2% y/y to US\$ 1.2bn in Jan-25.

The top 5 exported commodities were cars (+16.0% y/y), spirits (+10.2% y/y), copper (+US\$ 13.8mn y/y), mineral waters (+46.6% y/y) and wine (-28.0% y/y) in Jan-25. A 13.2% of exports were directed to the EU (+45.9% y/y), 64.2% to the CIS (+15.8% y/y) and 22.6% to other countries (+16.7% y/y).

The top 5 imports were paintings/drawings (+US\$481.1mn y/y), cars (-23.1% y/y), petroleum (+32.9% y/y), gases (+8.7% y/y) and pharmaceuticals (-20.2% y/y) in Jan-25.

### Producer price index increased by 7.2% y/y in Jan-25

Annual PPI for industrial goods increased by 7.2% in Jan-25, after a 7.9% y/y rise in previous month. The annual growth was mainly driven by an increase in prices in the manufacturing sector (+6.1% y/y), followed by mining (+24.1% y/y) and electricity supply (+8.0% y/y) sectors.

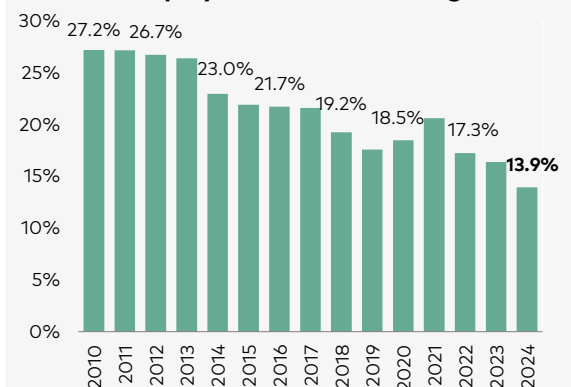
### Key macro indicators

	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

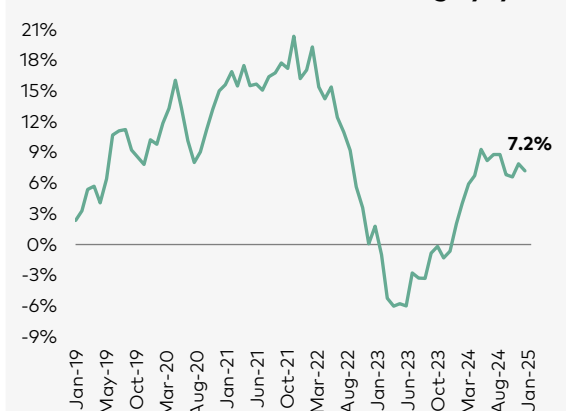
\*Latest sovereign credit ratings

### Unemployment rate in Georgia



Source: Geostat

### Producer Price Index, % change y/y



Source: Geostat

# Money market

## Ministry of Finance T-bills/T-notes:

7.8-year GEL 50.0mn (US\$ 17.7mn) treasury notes were sold at the auction held at NBG on February 18, 2025. Total demand was 1.9x higher and the weighted average yield was fixed at 8.701%, unchanged from previous auction held in Jan-25.

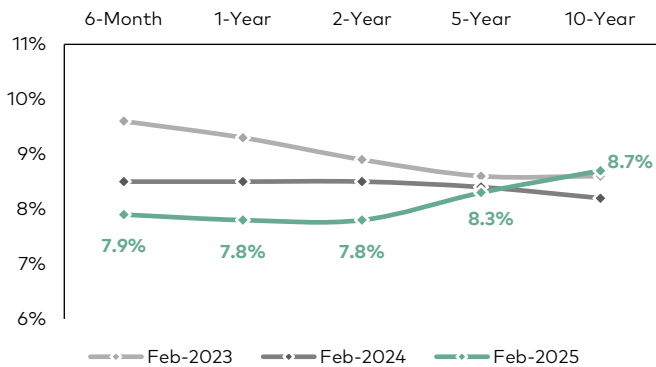
The nearest treasury security auction is scheduled for February 25, 2025, where GEL 80.0mn nominal value 5.2-year treasury notes will be sold.

## T-bills / T-notes in 2025

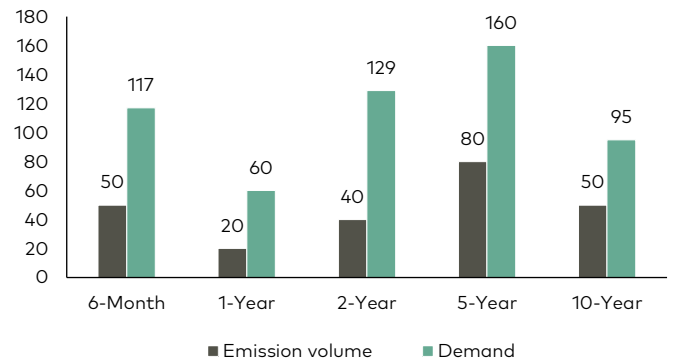
Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	140	430	390
Long-term (over 1-year)	325	2,060	9,514
<b>Total</b>	<b>465</b>	<b>2,490</b>	<b>9,904</b>

Source: MoF  
\*As of January 2025

## T-bills / T-notes, yield curve

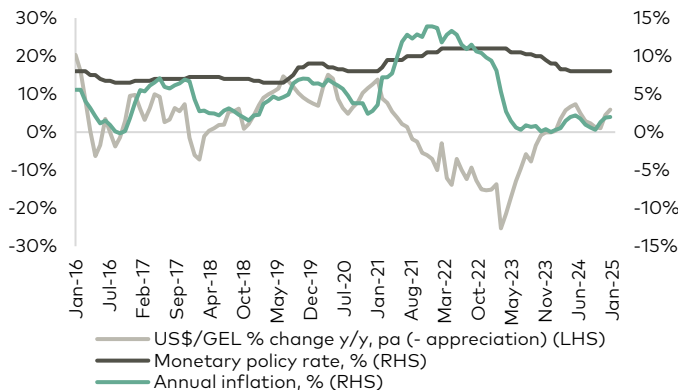


## Emission volume vs. demand on latest T-bills / T-notes auctions, GEL mn



Source: NBG

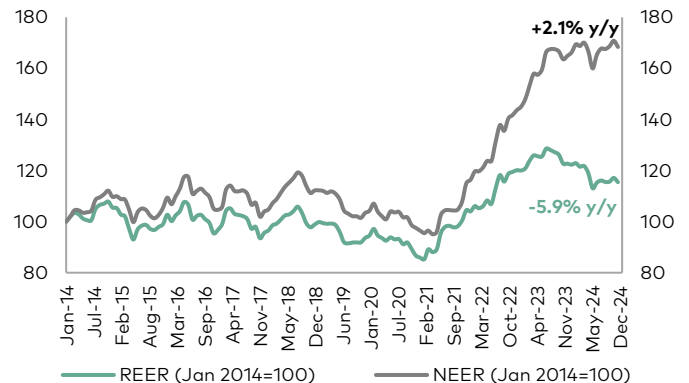
## Monetary policy rate, inflation and FX rate



Source: NBG, Geostat

Source: NBG

## 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 (Fitch/S&P/Mood y/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	95.23	7.11	293.12
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.10	8.17	412.18
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.31	9.98	590.94
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.10	7.74	287.20
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.89	10.71	659.36
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	100.35	10.15	610.32
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.33	8.50	436.29

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

### Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield
<b>USD</b>								
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

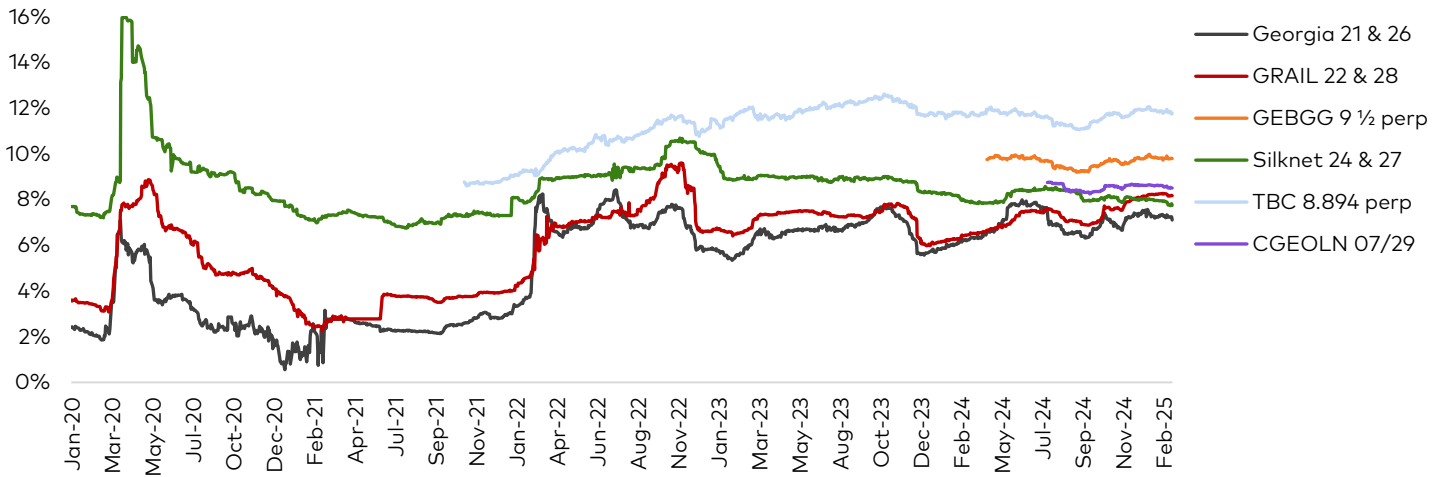
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
<b>EUR</b>								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	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%
<b>GEL</b>								
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 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



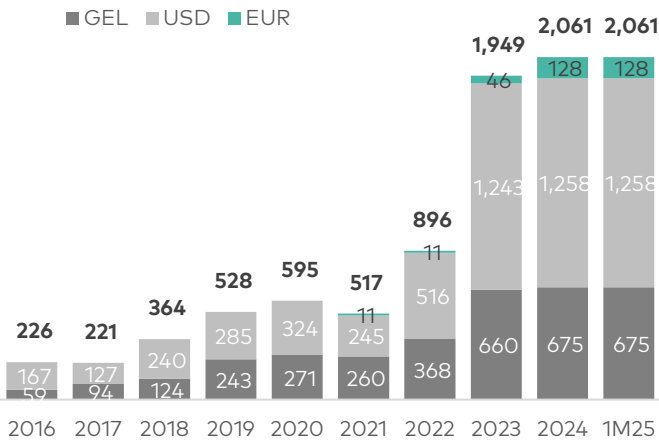
# Fixed income

**Georgian Eurobonds, YTM**



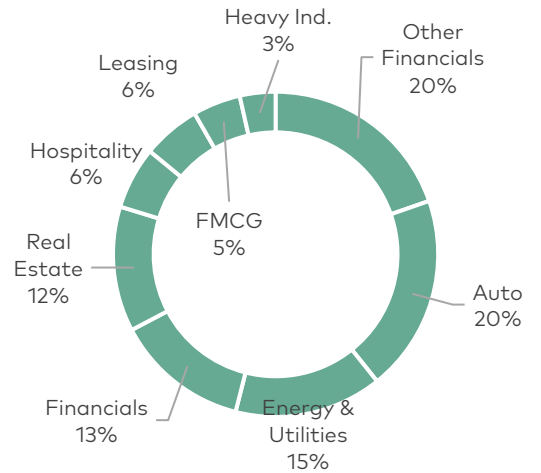
Source: Bloomberg

**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**

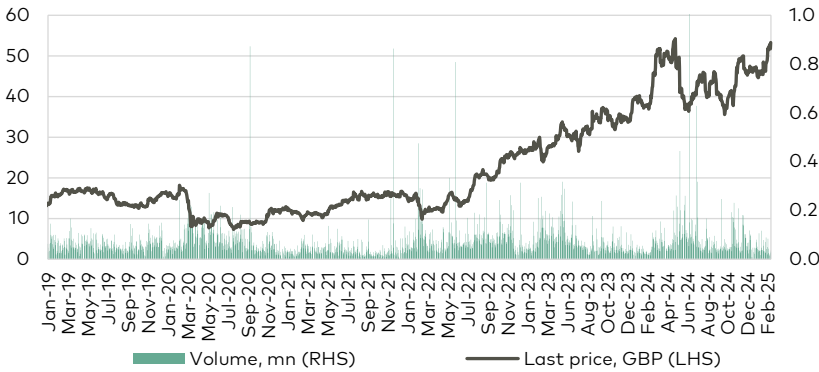


Source: Galt & Taggart



# Equities

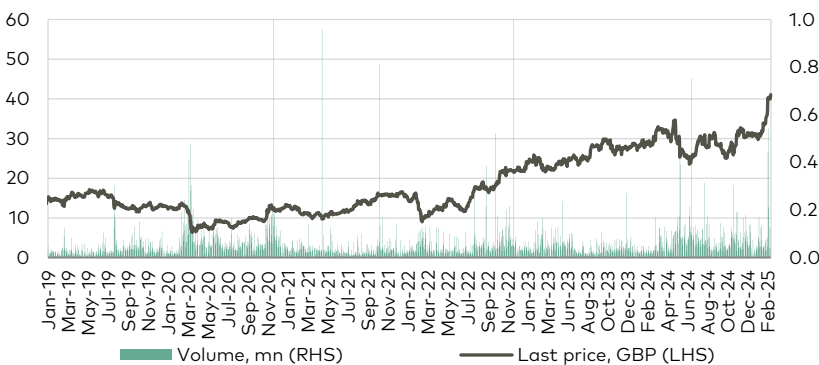
## Lion Finance Group (BGEO LN)



Source: Bloomberg

**Lion Finance Group (BGEO LN)** shares closed at GBP 53.30/share (+2.30% w/w and +16.00% m/m). More than 122k shares traded in the range of GBP 50.90 - 53.80/share. Average daily traded volume was 42k in the last 4 weeks. The volume of BGEO shares traded was at 0.28% of its capitalization.

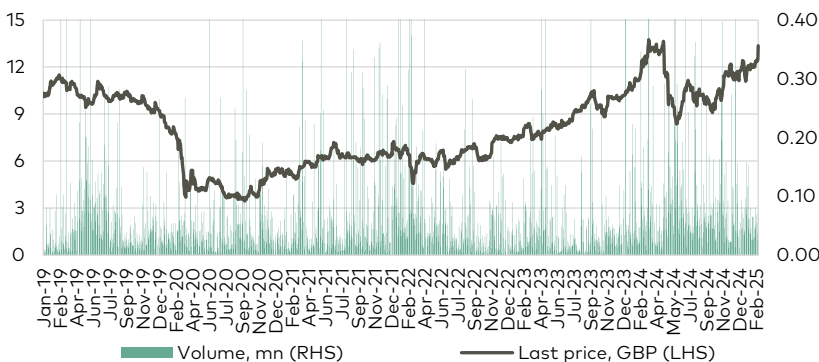
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 41.10/share (+1.73% w/w and +31.73% m/m). More than 383k shares changed hands in the range of GBP 39.35 - 41.20/share. Average daily traded volume was 109k in the last 4 weeks. The volume of TBCG shares traded was at 0.68% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 13.36/share (+8.62% w/w and +10.41% m/m). More than 262k shares traded in the range of GBP 12.14 - 13.42/share. Average daily traded volume was 50k in the last 4 weeks. The volume of CGEO shares traded was at 0.66% 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
Bank of Georgia	BGEO	GBP	53.30	2,369	23.4%	21.6%	13.2%	4.36x	4.69x	4.16x	1.19x	na	na
TBC	TBC	GBP	41.10	2,315	34.3%	42.7%	31.7%	4.78x	6.45x	5.51x	1.15x	na	na
Halyk Bank	HSBK	USD	20.00	5,452	9.9%	22.7%	2.9%	2.57x	3.27x	3.21x	0.72x	na	na
Akbank	AKBNK	TRY	64.80	336,960	9.6%	49.0%	-0.1%	2.86x	7.38x	4.43x	0.90x	1.37x	1.10x
Garanti	GARAN	TRY	128.00	537,600	13.9%	87.1%	2.9%	2.84x	5.53x	4.47x	1.00x	1.58x	1.21x
Isbank	ISCTR	TRY	14.46	361,500	8.4%	26.2%	6.8%	3.23x	7.83x	4.48x	0.87x	1.18x	0.90x
PKO	PKO	PLN	70.94	88,675	26.9%	28.0%	18.7%	11.44x	8.55x	7.89x	1.39x	1.82x	1.63x
PEKAO	PEO	PLN	175.10	45,958	10.5%	4.3%	27.0%	6.07x	7.35x	7.38x	1.32x	1.48x	1.35x
Millennium	MIL	PLN	11.44	13,878	30.4%	20.2%	28.5%	17.78x	5.15x	5.74x	1.47x	1.85x	1.43x
Mbank	MBK	PLN	740.00	31,448	19.9%	12.3%	35.2%	na	12.04x	7.53x	1.65x	2.07x	1.52x
BRD	BRD	RON	18.16	12,656	-15.7%	-2.7%	-2.6%	7.62x	8.86x	8.33x	1.42x	1.33x	1.23x
Banca Transilvania	TLV	RON	28.20	25,856	-2.3%	26.6%	4.4%	7.76x	6.18x	7.11x	1.82x	1.60x	1.51x
Komerčni	KOMB	CZK	1,047.00	198,982	36.3%	26.0%	23.4%	8.76x	13.19x	11.65x	1.09x	1.60x	1.56x
<b>Mean</b>								<b>6.67x</b>	<b>7.42x</b>	<b>6.30x</b>	<b>1.23x</b>	<b>1.59x</b>	<b>1.34x</b>
<b>Median</b>								<b>5.43x</b>	<b>7.35x</b>	<b>5.74x</b>	<b>1.19x</b>	<b>1.59x</b>	<b>1.39x</b>

Source: Bloomberg, S&amp;P Capital IQ

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