



Regional Fixed Income Market Watch

Georgia, Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine, Russia, Turkey, Uzbekistan

Regional | Fixed Income
Monthly
September 6, 2023

Regional sovereign Eurobond market: AZERB 24 and TURKEY 26 were the best performers in Aug-23, with yields decreasing 11.2bps and 3.4bps, respectively. Meanwhile, UZBEK 24 was the worst performer of the month, with the yield widening by 81.3bps.

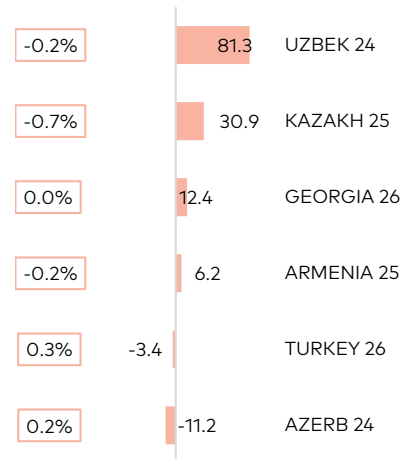
Georgian corporate Eurobond market: Among the Georgian corporate issuers, GEOCAP 24 was the best performer in Aug-23, with yields decreasing by 101.7bps. TBC 24 was the worst performer with yield widening by 34.2bps.

FX market: During Aug-23, Turkish lira (TRY) and Ukrainian hryvnia (UAH) strengthened against US dollar by 0.9% m/m and 0.2% m/m, respectively, while Russian ruble (RUB) and Kazakh tenge (KZT) lost 4.2% m/m and 3.0% m/m, respectively.

Georgia money market: In Aug-23, GEL 223.4mn treasury notes and GEL 40mn treasury bills were sold. Interest rates reduced on all instruments m/m (except 6-month T-bills). Weighted average interest rate on 10-year notes was 8.121%, 5-year notes was 8.083%, on 2-year notes was 8.405%, on 1-year instrument was 9.331%, and it came in at 9.573% for 6-month instruments. Notably, non-residents' treasury holdings decreased slightly by 0.5% y/y to GEL 355.5mn and the share of non-residents in total outstanding holdings stood at 4.6% (-0.1ppts m/m) in Aug-23.

Regional Sovereign Eurobond yields, change m/m in August 2023, bps

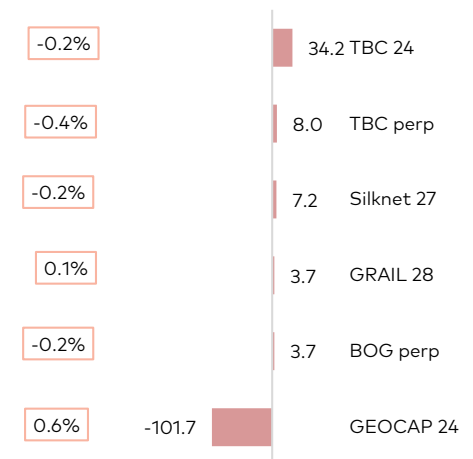
Change in price, %



Source: Bloomberg, Galt & Taggart

Georgian Corporate Eurobond yields, change m/m in August 2023, bps

Change in price, %



Source: Bloomberg, Galt & Taggart

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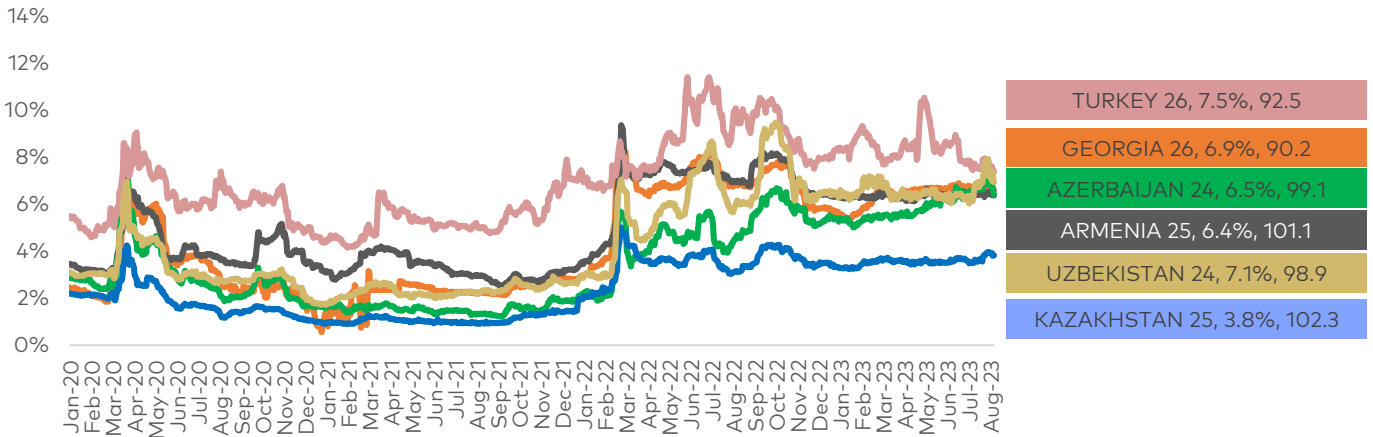
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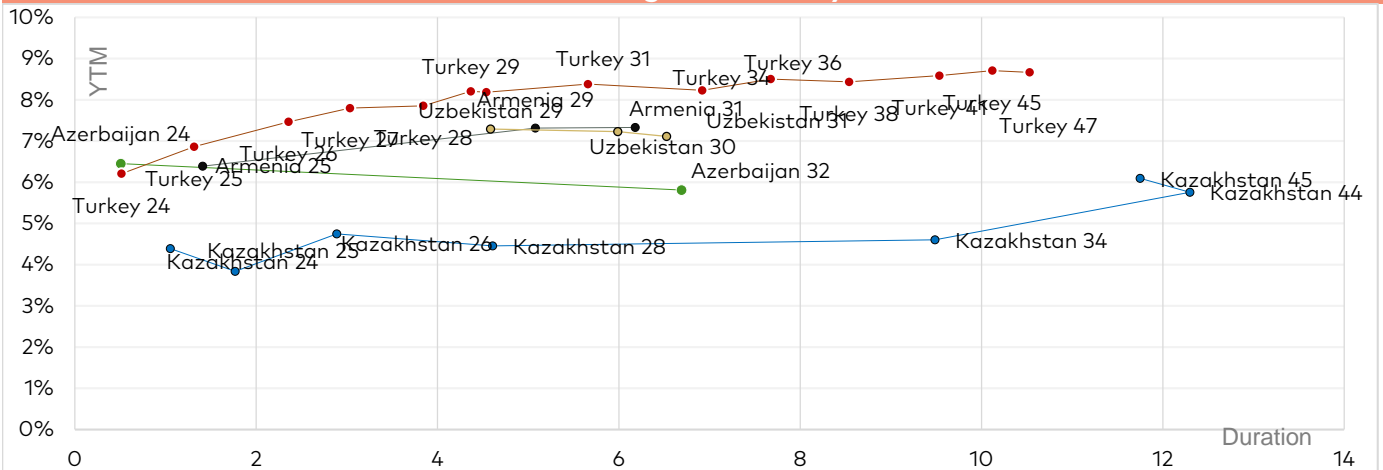
Sovereign Eurobond yields

Selected sovereign Eurobond YTM



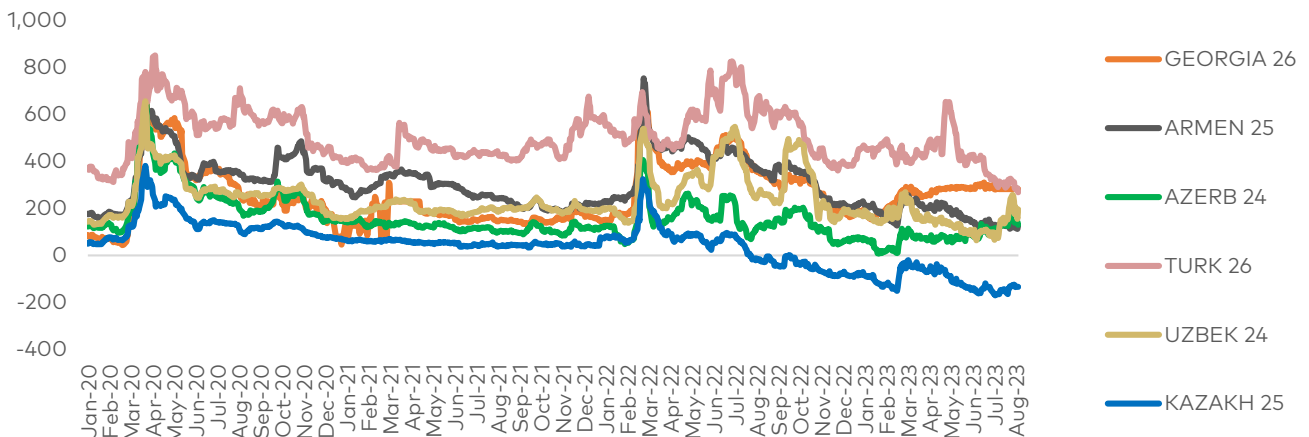
Source: Bloomberg

Selected sovereign Eurobond yield curves



Source: Bloomberg

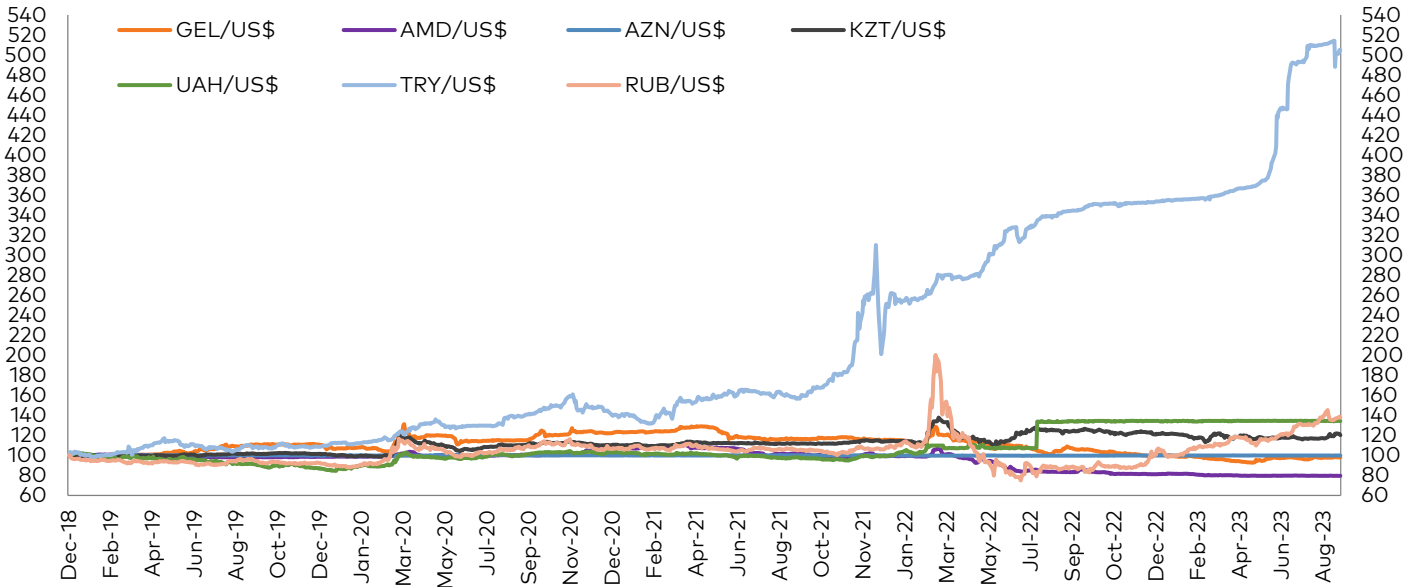
Selected sovereign Eurobond yields vs respective US treasuries, bps



Source: Bloomberg



Regional currencies vs. US\$, Index Dec-18=100



Source: Bloomberg

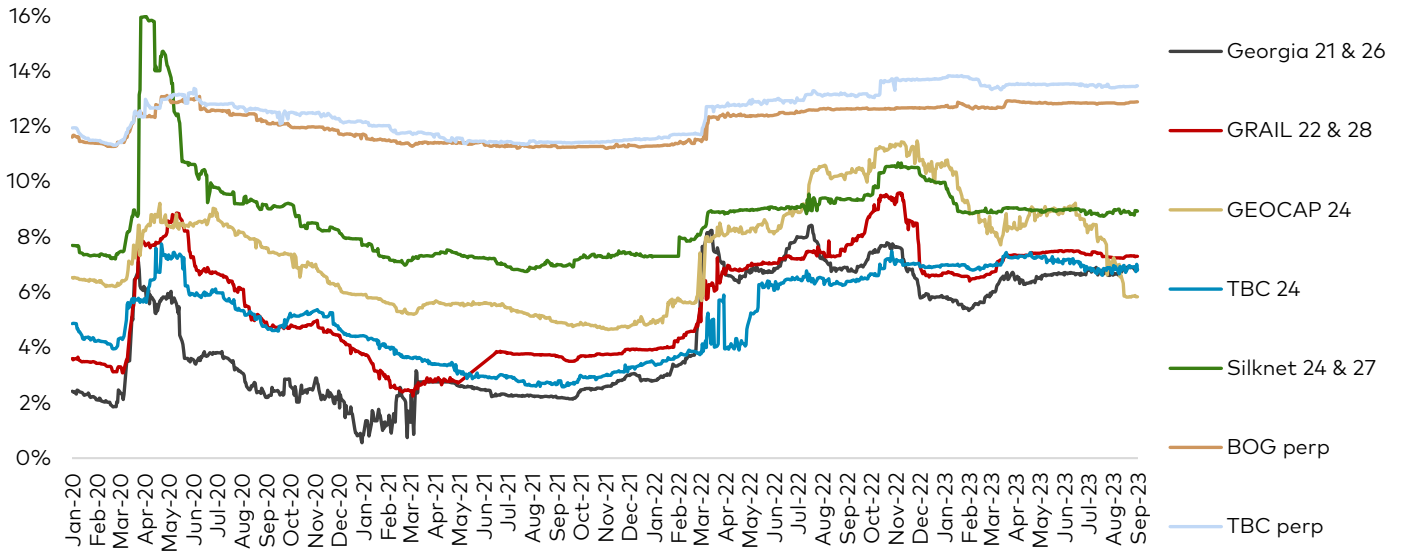
Central banks' monetary policy rates

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Georgia	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	10.50%	10.50%	10.50%	10.25%
Armenia	9.25%	9.50%	10.00%	10.00%	10.50%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.50%	10.50%	10.25%
Azerbaijan	7.75%	7.75%	7.75%	8.00%	8.00%	8.25%	8.50%	8.50%	8.75%	8.75%	9.00%	9.00%	9.00%	9.00%
Belarus	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	11.50%	11.50%	11.00%	10.50%	10.00%	9.50%	9.50%	9.50%
Ukraine	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	22.00%	22.00%
Kazakhstan	14.50%	14.50%	14.50%	16.00%	16.00%	16.75%	16.75%	16.75%	16.75%	16.75%	16.75%	16.75%	16.75%	16.50%
Russia	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	8.50%	12.00%
Uzbekistan	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Turkey	14.00%	13.00%	12.00%	10.50%	9.00%	9.00%	9.00%	8.50%	8.50%	8.50%	8.50%	15.00%	17.50%	25.00%
FED	2.50%	2.50%	3.25%	3.25%	4.00%	4.50%	4.50%	4.75%	5.00%	5.00%	5.25%	5.25%	5.50%	5.50%
ECB	0.50%	0.50%	1.25%	2.00%	2.00%	2.50%	2.50%	3.00%	3.50%	3.50%	3.75%	4.00%	4.25%	4.25%

Source: Central banks



Georgian corporate Eurobond YTM



Source: Bloomberg

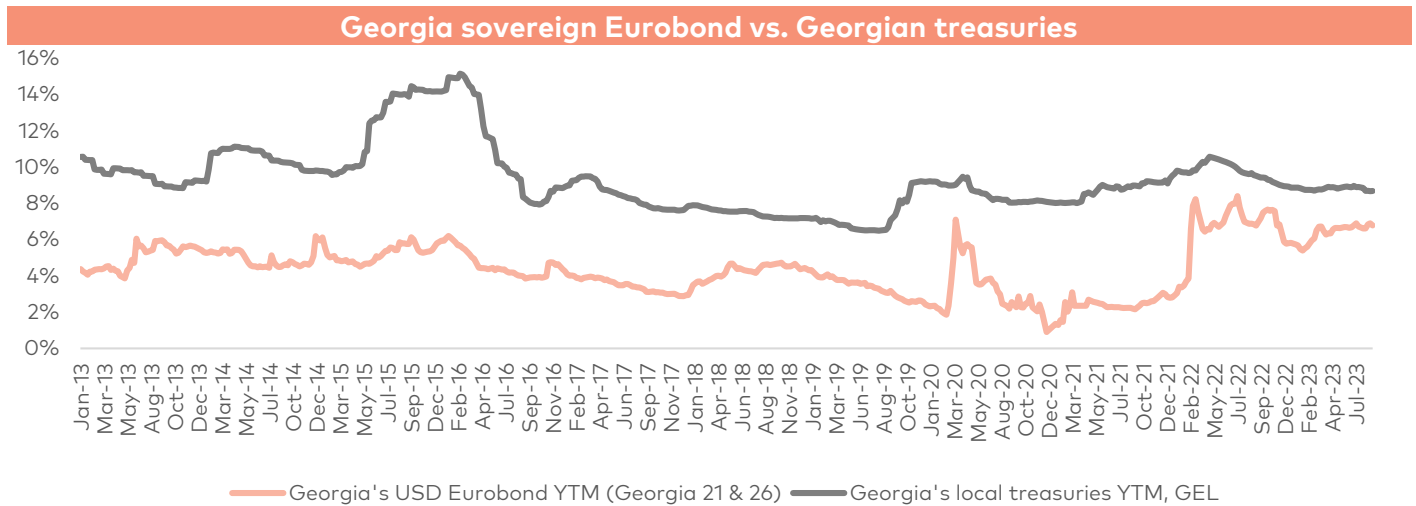
Georgian local bonds performance

Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-27	-/-/-/	n/a	n/a	n/a
Energy Development Georgia	USD	10	8.50%	Jun-25	-/-/-/	n/a	n/a	n/a
Evex Hospitals	GEL	50	Ref rate + 3.10%	Nov-24	-/-/-/BB	n/a	n/a	n/a
Geo. Beer Company	GEL	25	Ref rate + 4.00%	Dec-23	-/-/-/BB-	n/a	n/a	n/a
Georgia Real Estate	USD	35	8.50%	Oct-24	-/-/-/	99.98	8.50	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-27	-/-/-/	99.99	7.00	n/a
Geosteel	USD	15	9.00%	Apr-25	-/-/-/	99.98	9.00	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-/	99.93	6.88	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-/	99.77	8.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-24	-/-/-/B+	99.68	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/-/B+	100.00	8.50	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Feb-25	B/-/-/-/	n/a	n/a	n/a
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-24	-/-/-/B+	n/a	n/a	n/a
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-26	-/-/-/B+	n/a	n/a	n/a
Nikora	GEL	35	TIBR3M + 3.50%	Nov-25	-/-/-/B+	n/a	n/a	n/a
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-24	-/-/-/B+	n/a	n/a	n/a
SRG Real Estate	USD	20	9.00%	Apr-26	-/-/-/	99.99	9.00	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-26	BB/-/-/-/	n/a	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-26	BB/-/-/-/	n/a	n/a	n/a
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-25	-/-/-/BB-	n/a	n/a	n/a
Tegeta Motors	USD	20	8.50%	Apr-25	-/-/-/BB-	99.59	8.75	n/a
Tegeta Motors	EUR	5	7.00%	Apr-25	-/-/-/BB-	99.59	7.25	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Dec-25	-/-/-/BB-	n/a	n/a	n/a
Georgia Capital	USD	150	8.5%	Aug-28	-/BB/-/-/	99.99	8.50	n/a

Source: Galt & Taggart

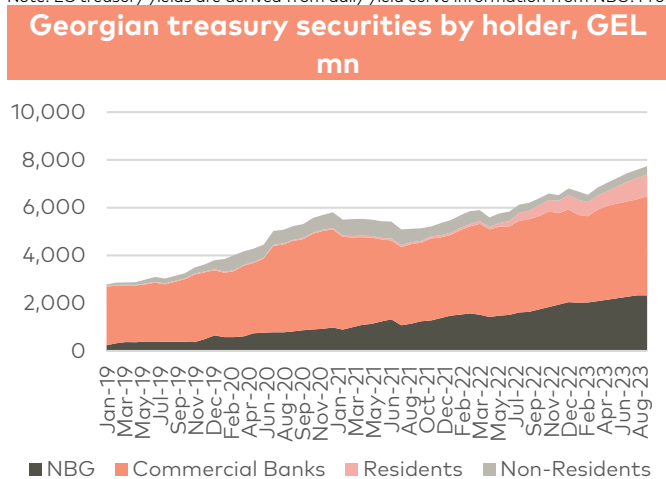


Georgian local treasury bonds

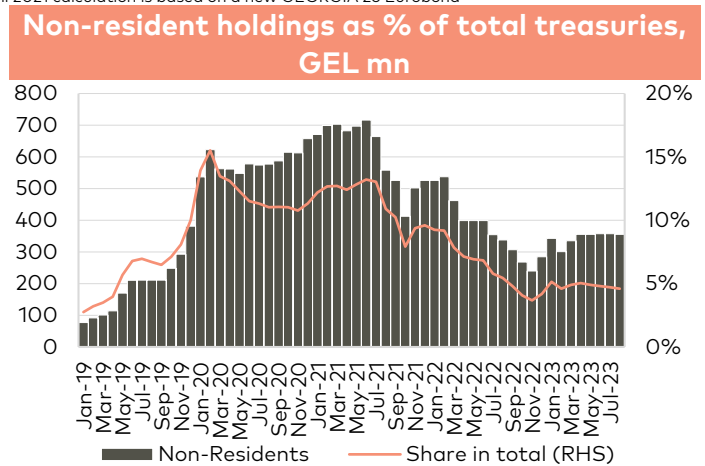


Source: Bloomberg, NBG, Galt & Taggart Research

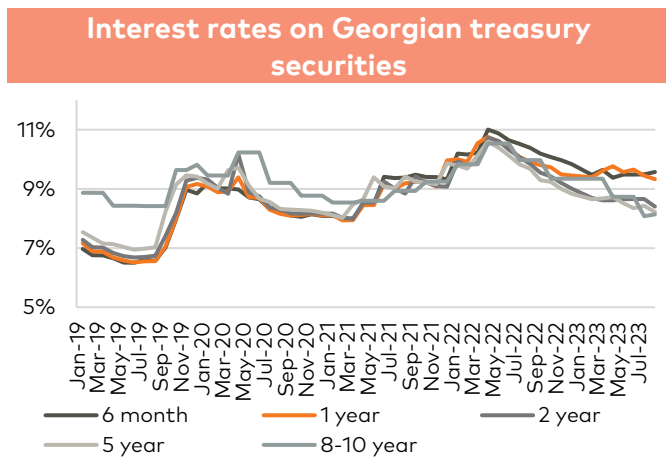
Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond



Source: NBG

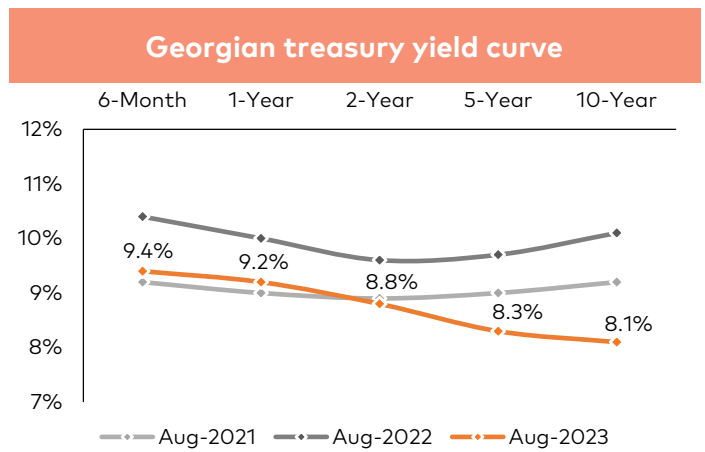


Source: NBG



Source: NBG

Note: The interest rates are taken from actual auctions on T-bills and T-notes.



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Sovereign

Issuer	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
ARMEN	USD	7.150	3/26/2025	1.5	500	101.1	6.4	BB-/-/Ba3
ARMEN	USD	3.950	9/26/2029	5.2	500	83.8	7.3	BB-/-/Ba3
ARMEN	USD	3.600	2/2/2031	6.3	750	79.0	7.3	BB-/-/Ba3
AZERBJ	USD	4.750	3/18/2024	0.6	1,250	99.1	6.5	BB+/-/Ba1u
AZERBJ	USD	3.500	9/1/2032	6.7	1,077	84.0	5.8	BB+/-/Ba1u
GEORG	USD	2.750	4/22/2026	2.5	500	90.2	6.9	BB/BB-/Ba2
KAZAKS	USD	3.875	10/14/2024	1.1	1,500	99.4	4.4	BBB/BBB-/Baa2
KAZAKS	USD	5.125	7/21/2025	1.9	2,500	102.3	3.8	BBB/BBB-/Baa2
KAZAKS	USD	6.500	7/21/2045	12.0	1,500	104.8	6.1	BBB/BBB-/Baa2
KAZAKS	USD	4.875	10/14/2044	12.5	1,000	89.3	5.8	BBB/BBB-/Baa2
KAZAKS	EUR	0.600	9/30/2026	3.0	500	88.4	4.7	BBB/BBB-/Baa2
KAZAKS	EUR	2.375	11/9/2028	4.7	525	90.6	4.5	BBB/BBB-/Baa2
KAZAKS	EUR	1.500	9/30/2034	9.6	650	73.6	4.6	BBB/BBB-/Baa2
KAZAKS	EUR	1.550	11/9/2023	0.3	525	99.2	5.8	BBB/BBB-/Baa2
TURKEY	USD	5.750	3/22/2024	0.6	2,500	99.8	6.2	B/-/B3
TURKEY	USD	7.375	2/5/2025	1.4	3,250	100.7	6.9	B/NR/B3
TURKEY	USD	4.250	4/14/2026	2.4	1,500	92.5	7.5	B/-/B3
TURKEY	USD	6.000	3/25/2027	3.1	3,250	94.5	7.8	B/-/B3
TURKEY	USD	5.125	2/17/2028	3.8	2,000	89.9	7.9	B/-/B3
TURKEY	USD	11.875	1/15/2030	4.6	1,500	118.0	8.2	B/NR/B3
TURKEY	USD	7.625	4/26/2029	4.5	3,000	97.4	8.2	B/-/B3
TURKEY	USD	5.950	1/15/2031	5.8	2,250	86.8	8.4	B/-/B3
TURKEY	USD	8.000	2/14/2034	6.8	1,500	98.4	8.2	B/NR/B3
TURKEY	USD	6.875	3/17/2036	7.8	2,750	87.6	8.5	B/NR/B3
TURKEY	USD	7.250	3/5/2038	8.3	1,000	90.2	8.4	B/NR/B3
TURKEY	USD	6.000	1/14/2041	9.7	3,000	76.9	8.6	B/NR/B3
TURKEY	USD	6.625	2/17/2045	9.9	3,000	79.9	8.7	B/-/B3
TURKEY	USD	5.750	5/11/2047	10.7	3,500	70.8	8.7	B/-/B3
TURKEY	USD	6.350	8/10/2024	0.9	2,250	100.0	6.4	B/-/B3
TURKEY	USD	7.250	12/23/2023	0.4	2,000	100.6	5.1	B/-/B3
TURKEY	EUR	4.375	7/8/2027	3.5	1,500	94.3	6.1	B/-/B3
TURKEY	USD	6.375	10/14/2025	2.0	2,500	98.0	7.4	B/-/B3
TURKEY	EUR	5.200	2/16/2026	2.3	1,500	99.2	5.5	B/-/B3
TURKEY	EUR	4.625	3/31/2025	1.5	1,250	99.5	5.0	B/-/B3
TURKEY	USD	5.250	3/13/2030	5.2	2,000	84.9	8.3	B/-/B3
TURKEY	USD	4.250	3/13/2025	1.5	2,000	96.0	7.1	B/-/B3
TURKEY	USD	4.875	4/16/2043	10.6	3,000	66.2	8.4	B/-/B3
TURKEY	USD	6.500	9/20/2033	6.9	1,500	88.4	8.2	B/-/B3
TURKEY	USD	8.600	9/24/2027	3.3	2,000	102.3	7.9	B/-/B3
TURKEY	USD	4.875	10/9/2026	2.8	3,000	92.5	7.6	B/-/B3
TURKEY	USD	4.750	1/26/2026	2.3	1,750	94.0	7.5	B/-/B3
TURKEY	USD	5.600	11/14/2024	1.2	2,500	98.6	6.8	B/-/B3
TURKEY	EUR	3.250	6/14/2025	1.7	1,000	97.0	5.1	B/-/B3
TURKEY	USD	6.750	5/30/2040	9.1	2,000	83.3	8.7	B/NR/B3
TURKEY	USD	6.125	10/24/2028	4.3	2,750	92.3	8.0	B/-/B3
TURKEY	USD	5.875	6/26/2031	6.0	1,750	85.9	8.4	B/-/B3
UZBEK	USD	4.750	2/20/2024	0.5	500	98.9	7.1	BB-/BB-/Ba3u
UZBEK	USD	5.375	2/20/2029	4.6	500	91.5	7.3	BB-/BB-/
UZBEK	USD	3.700	11/25/2030	6.1	555	80.4	7.2	BB-/BB-/
UZBEK	USD	3.900	10/19/2031	6.6	635	80.4	7.1	BB-/BB-/

Source: Bloomberg



Financial

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
IBAZAZ	Azerbaijan	USD	3.500	9/1/2024	1.0	1,000	95.8	8.1	BB-/-/-
TBCBGE	Georgia	USD	5.750	6/19/2024	0.8	300	98.9	7.2	BB-/Ba2
GEOCAP	Georgia	USD	6.125	3/9/2024	0.6	300	100.1	5.8	-/B+/B1
GEBGG	Georgia	USD	11.125	1/8 PERP	0.8	100	99.0	12.9	B-/-/-
TBCBGE	Georgia	USD	8.894	894 PERP	2.9	75	90.0	12.2	B-/-/-
TBCBGE	Georgia	USD	10.775	775 PERP	1.0	125	96.8	13.5	B-/-/-
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	1.6	500	100.1	5.6	BBB-/Baa2
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	3.0	500	89.6	5.7	BBB/BBB-/-
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	6.6	500	79.5	6.4	BBB-/Baa2
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	2.4	107	100.3	5.9	BBB/BBB-/Baa2
AKBNK	Turkey	USD	5.125	3/31/2025	1.5	500	97.0	7.2	B-/-/B3
ISCTR	Turkey	USD	6.125	4/25/2024	0.7	1,250	99.8	6.5	B-/-/B3
ISCTR	Turkey	USD	8.100	12/3/2029	4.2	50	80.2	12.9	B-/-/NR
YKBNK	Turkey	USD	5.850	6/21/2024	0.8	500	99.2	6.9	B-/-/B3
TCZIRA	Turkey	USD	5.125	9/29/2023	0.2	500	100.1	2.9	B-/-/B3
YKBNK	Turkey	USD	8.250	10/15/2024	1.1	500	101.6	6.7	B-/-/B3
VAKBN	Turkey	USD	6.500	1/8/2026	2.2	750	96.7	8.1	B-/-/B3
AKBNK	Turkey	USD	6.800	2/6/2026	2.2	500	98.2	7.6	B-/-/B3
TCZIRA	Turkey	USD	5.375	3/2/2026	2.3	600	93.2	8.5	B-/-/B3
QNBFB	Turkey	USD	6.875	9/7/2024	1.0	650	100.5	6.4	B-/-/B3
VAKBN	Turkey	USD	5.500	10/1/2026	2.7	500	92.7	8.2	B-/-/-
VAKBN	Turkey	USD	8.125	3/28/2024	0.6	600	100.9	6.4	B-/-/B3
VAKBN	Turkey	USD	5.250	2/5/2025	1.4	750	97.0	7.5	B-/-/B3
TSKBTI	Turkey	USD	5.875	1/14/2026	2.2	350	94.3	8.6	B-/-/B3
TSKBTI	Turkey	USD	6.000	1/23/2025	1.4	400	97.1	8.3	B-/-/B3
FCFIN	Turkey	USD	7.250	11/9/2027	0.3	150	97.3	10.4	B-/-/B2
GARAN	Turkey	USD	5.250	12/20/2024	1.3	50	102.4	3.3	B-/-/-
ISCTR	Turkey	USD	5.050	2/25/2026	2.1	13	85.2	12.3	B-/-/NR
AKBNK	Turkey	USD	6.050	11/15/2024	1.2	50	98.2	7.7	B-/-/-
YKBNK	Turkey	USD	6.050	12/10/2024	1.3	50	99.4	6.6	B-/-/B3
EXCRTU	Turkey	USD	8.250	1/24/2024	0.5	500	100.8	6.2	B-/-/B3
EXCRTU	Turkey	USD	5.750	7/6/2026	2.6	750	93.9	8.2	B-/-/B3
EXCRTU	Turkey	USD	5.375	10/24/2023	0.2	500	100.0	5.3	B-/-/B3
EXCRTU	Turkey	USD	6.125	5/3/2024	0.7	500	99.7	6.5	B-/-/B3
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	2.1	300	92.5	9.4	BB-/BB-/-
SQBNZU	Uzbekistan	USD	5.750	12/2/2024	1.2	300	95.2	9.9	BB-/BB-/-
NBUZB	Uzbekistan	USD	4.850	10/21/2025	2.0	300	94.2	7.8	BB-/BB-/-

Source: Bloomberg

Basic Materials

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
ELDCN	Turkey	USD	6.250	9/1/2029	4.7	500	85.9	9.4	B+/BB-/B3

Source: Bloomberg



Communications

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
SILNET	Georgia	USD	8.375	1/31/2027	3.0	300	98.3	9.0	BB+/-/B1
TURKTI	Turkey	USD	4.875	6/19/2024	0.8	500	97.8	7.7	B/B/-
TURKTI	Turkey	USD	6.875	2/28/2025	1.4	500	98.1	8.3	B/B/-
TCELLT	Turkey	USD	5.750	10/15/2025	2.0	500	97.1	7.3	B/B/B3u
TCELLT	Turkey	USD	5.800	4/11/2028	3.9	500	92.9	7.7	B/B/-

Source: Bloomberg

Energy

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
SOIAZ	Azerbaijan	USD	6.950	3/18/2030	5.2	750	103.2	6.3	BB+/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	2.3	2,000	101.2	6.4	BB+/-/Ba1
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	2.5	1,000	90.7	7.6	-/BB+/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	1.9	500	90.8	7.8	-/BB+/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	11.4	1,500	83.6	7.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	3.3	1,000	94.2	6.6	BBB/BB+/Baa2
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	5.4	1,250	91.0	7.1	BBB-/Baa2
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	7.7	750	75.2	7.1	BBB-/Baa2
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	3.6	706	91.9	6.7	BBB-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	11.6	1,250	80.4	7.5	BBB/BB+/Baa2
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	5.9	750	76.7	7.6	-/BB+/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	2.5	750	89.0	11.8	B/B/-
TUPRST	Turkey	USD	4.500	10/18/2024	1.1	700	97.5	6.9	B/-/B3
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	4.4	700	82.0	9.2	BB-/BB-/

Source: Bloomberg

Other

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
GRAIL	Georgia	USD	4.000	6/17/2028	4.3	500	86.9	7.3	BB-/BB-/
SISETI	Turkey	USD	6.950	3/14/2026	2.3	700	98.3	7.7	B/-/B3
ACKAF	Turkey	EUR	3.000	5/27/2026	2.6	350	93.5	5.6	BB-/BB-/
PGSUST	Turkey	USD	9.250	4/30/2026	1.5	375	101.5	8.6	BB-/B+/-
THYAO	Turkey	USD	4.200	3/15/2027	1.7	182	90.3	7.4	BB-/B/B2
ULKER	Turkey	USD	6.950	10/30/2025	2.0	650	94.8	9.7	B/B/-
CCOLAT	Turkey	USD	4.500	1/20/2029	4.7	500	90.0	6.7	BBB/BB+/-
CCOLAT	Turkey	USD	4.215	9/19/2024	1.1	300	97.7	6.5	BBB-/WR
AEFES	Turkey	USD	3.375	6/29/2028	4.3	500	82.8	7.7	BB+ */-BB+/-
LIMISK	Turkey	USD	9.500	7/10/2036	5.5	370	90.5	10.9	B */-/B3
MERSIN	Turkey	USD	5.375	11/15/2024	1.2	600	98.2	7.0	B/B/-
KCHOL	Turkey	USD	6.500	3/11/2025	1.5	750	99.5	6.8	-/B+/B3
TURKSK	Turkey	USD	7.250	2/24/2027	3.0	3,000	99.0	7.6	B/-/B3
TURKSK	Turkey	USD	5.125	6/22/2026	2.6	2,500	94.3	7.4	B/-/B3
TURKSK	Turkey	USD	4.489	11/25/2024	1.2	1,000	97.6	6.6	B/-/B3
ISTNBL	Turkey	USD	10.750	4/12/2027	2.9	305	100.7	10.5	B/-/B3
ISTNBL	Turkey	USD	6.375	12/9/2025	2.1	580	93.6	9.6	B/-/B3
ZOREN	Turkey	USD	9.000	6/1/2026	2.0	300	93.3	11.9	B-/CCC+/-
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	2.4	300	88.1	10.1	BB-/B+/-

Source: Bloomberg

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