



# Regional Fixed Income Market Watch

Georgia, Armenia, Azerbaijan, Kazakhstan, Turkey, Uzbekistan

Regional | Fixed Income  
Monthly  
July 3, 2024

In June 2024, global fixed income markets saw moderate price volatility. In Developed Markets, yields generally fell during the month, with more profound declines in shorter-term securities (2-year US treasury and German bund yields declined by 11bps and 22bps, respectively). Meanwhile, corporate bonds saw smaller changes in yields. Importantly, yields on all segments of US and European fixed income markets remain elevated compared to the start of 2024.

**In regional sovereign bond market,** Kazakhstan, Georgia, and Armenia all saw slight increases in yields. In contrast, dynamics were mixed in Georgian corporate bond market, with GRAIL 28 experiencing a 20bps rise in yield and TBC PERP yield falling by 14.4bps.

## Regional central banks

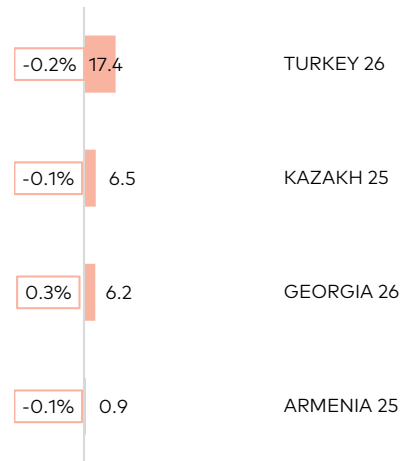
In June, National Bank of Ukraine and Central Bank of Armenia cut interest rates by 25bps and 50bps, respectively.

## Georgia money market

In June 2024, GEL 217.6mn treasury notes and GEL 40mn treasury bills were sold. Notably, interest rates increased month-over-month for all instruments except for 6-month and 1-year T-bills. The weighted average interest rates were as follows: 10-year notes at 9.950%, 5-year notes at 9.631%, 2-year notes at 8.119%, 1-year instruments at 7.948%, and 6-month instruments at 7.988%. The non-residents' treasury holdings decreased by 19.3% m/m to GEL 205.7mn in June 2024. Consequently, the share of non-residents in total outstanding treasury holdings dropped to 2.4%.

## Regional Sovereign Eurobond yields, change m/m in June 2024, bps

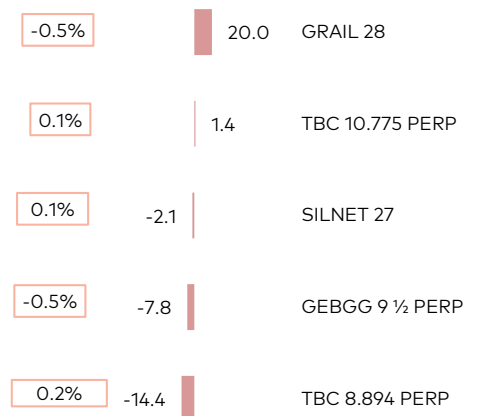
Change in price, %



Source: Bloomberg, Galt & Taggart

## Georgian Corporate Eurobond yields, change m/m in June 2024, bps

Change in price, %



Source: Bloomberg, Galt & Taggart

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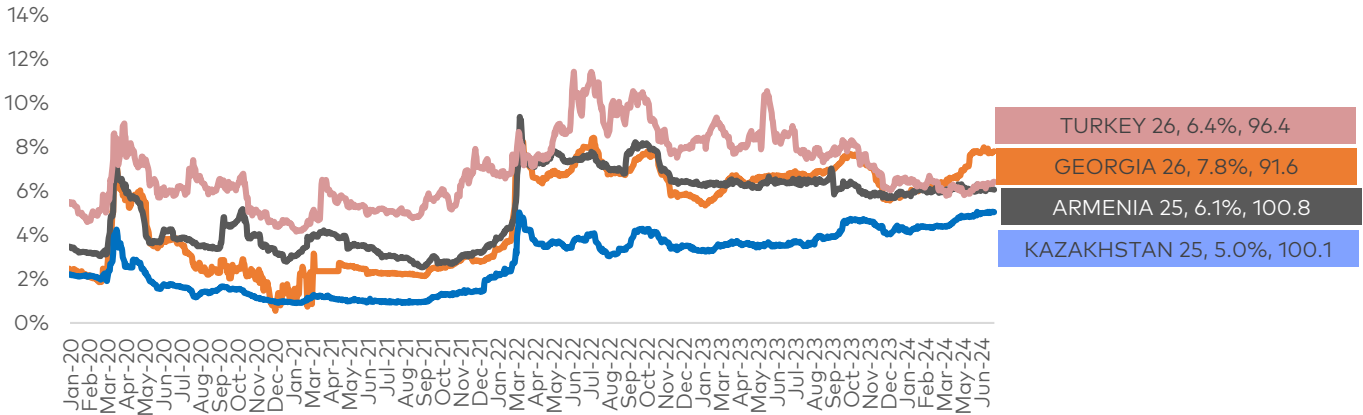
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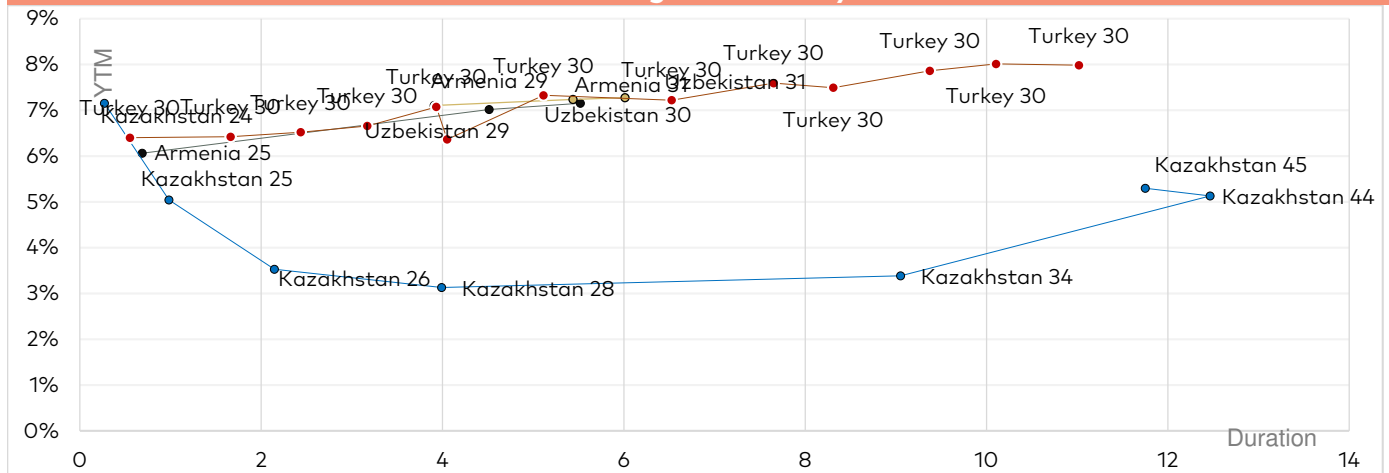
## Sovereign Eurobond yields

Selected sovereign Eurobond YTM



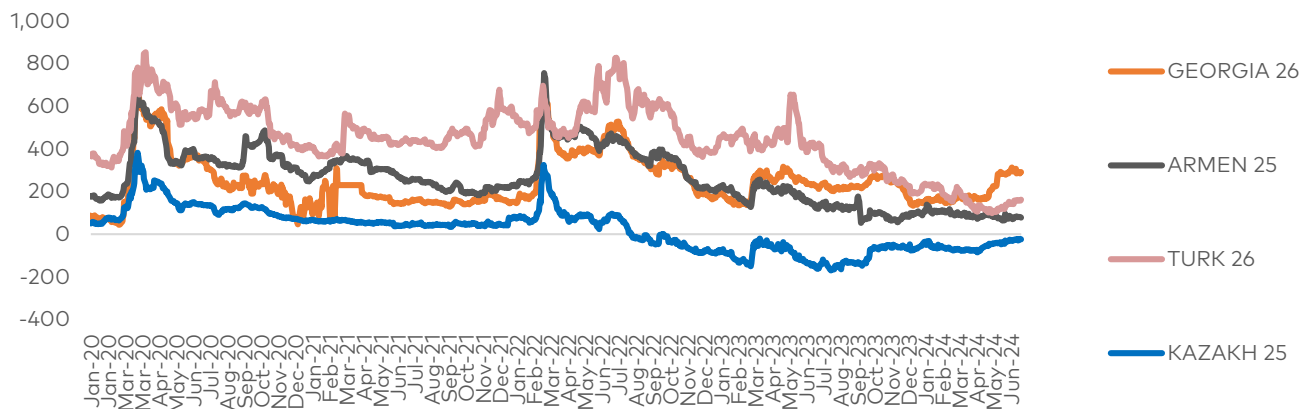
Source: Bloomberg

Selected sovereign Eurobond yield curves



Source: Bloomberg

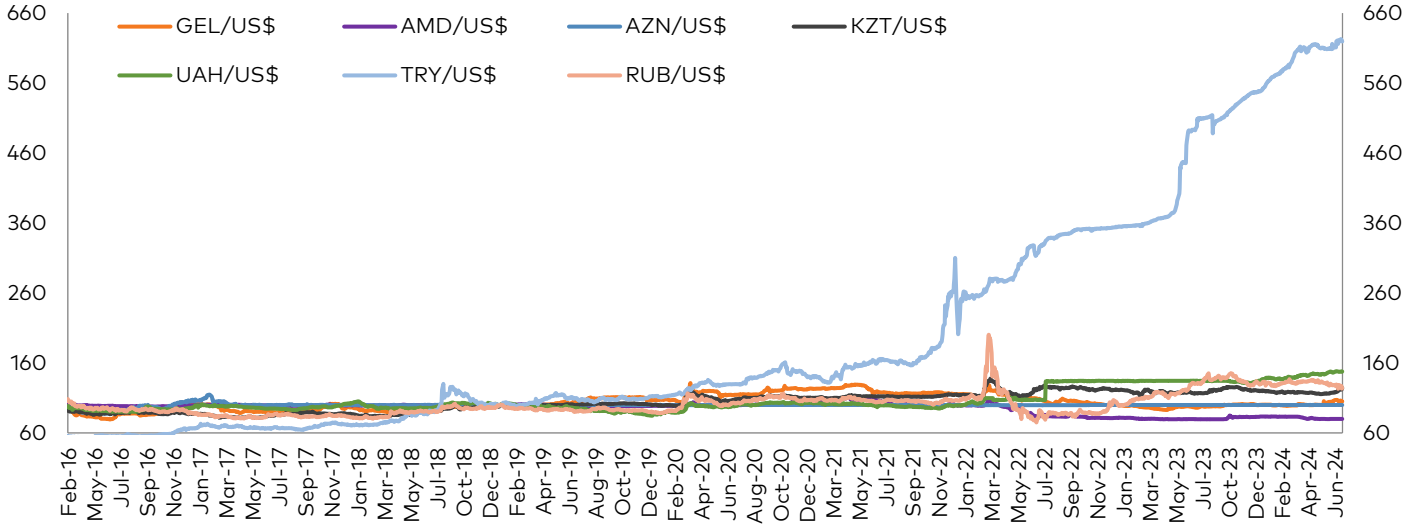
Selected sovereign Eurobond yields vs respective US treasuries, bps



Source: Bloomberg



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



Source: Bloomberg

**Central banks' monetary policy rates**

	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Georgia	10.50%	10.50%	10.50%	10.25%	10.00%	10.00%	10.00%	9.50%	9.00%	9.00%	8.25%	8.25%	8.00%	8.00%
Armenia	10.75%	10.50%	10.50%	10.25%	9.75%	9.50%	9.50%	9.25%	8.75%	8.75%	8.50%	8.25%	8.25%	8.00%
Azerbaijan	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.50%	8.00%	8.00%	7.75%	7.50%	7.50%	7.25%	7.25%
Belarus	10.00%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Ukraine	25.00%	25.00%	22.00%	22.00%	20.00%	16.00%	16.00%	15.00%	15.00%	15.00%	14.50%	13.50%	13.50%	13.00%
Kazakhstan	16.75%	16.75%	16.75%	16.50%	16.50%	16.00%	15.75%	15.75%	15.25%	14.75%	14.75%	14.75%	14.50%	14.50%
Russia	7.50%	7.50%	8.50%	12.00%	13.00%	15.00%	15.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
Uzbekistan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Turkey	8.50%	15.0%	17.5%	25.00%	30.00%	35.00%	40.00%	42.50%	45.00%	45.00%	50.00%	50.00%	50.00%	50.00%
FED	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
ECB	3.75%	4.00%	4.25%	4.25%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.25%

Source: Central banks



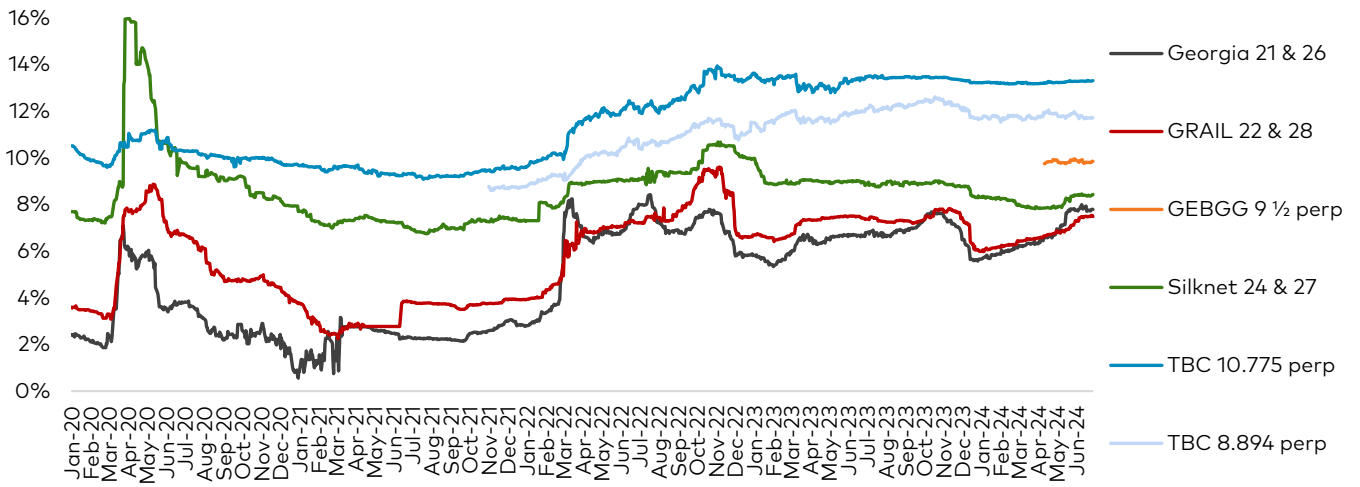
**Georgian local bonds performance**

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
Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	n/a
IG Development	USD	15	8.50%	Jul-22	Jul-24	-/-/-/	99.92	8.75
Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-/	99.97	8.50
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/	100.00	7.00
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	99.99	8.50
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	8.19
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
<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	6.50
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/	99.60	7.25
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/-/BB-	n/a	n/a
<b>GEL</b>								
Vian (Evex)	GEL	50	Ref rate + 3.10%	Nov-19	Nov-24	-/-/-/BB	n/a	n/a
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/-/BB-	n/a	n/a
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/-/BB-	n/a	n/a
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/-/B	n/a	n/a
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/-/BB-	n/a	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/	n/a	n/a
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/-/B+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	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-25	-/-/-/BB-	n/a	n/a

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

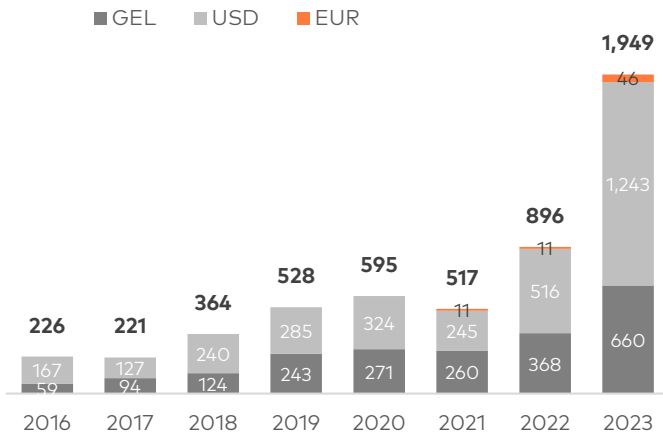


**Georgian Eurobonds, YTM**



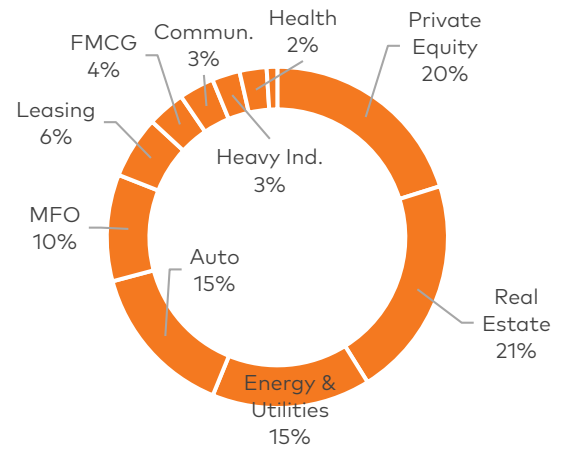
Source: Bloomberg

**Georgian corporate public bonds outstanding, GEL mn**



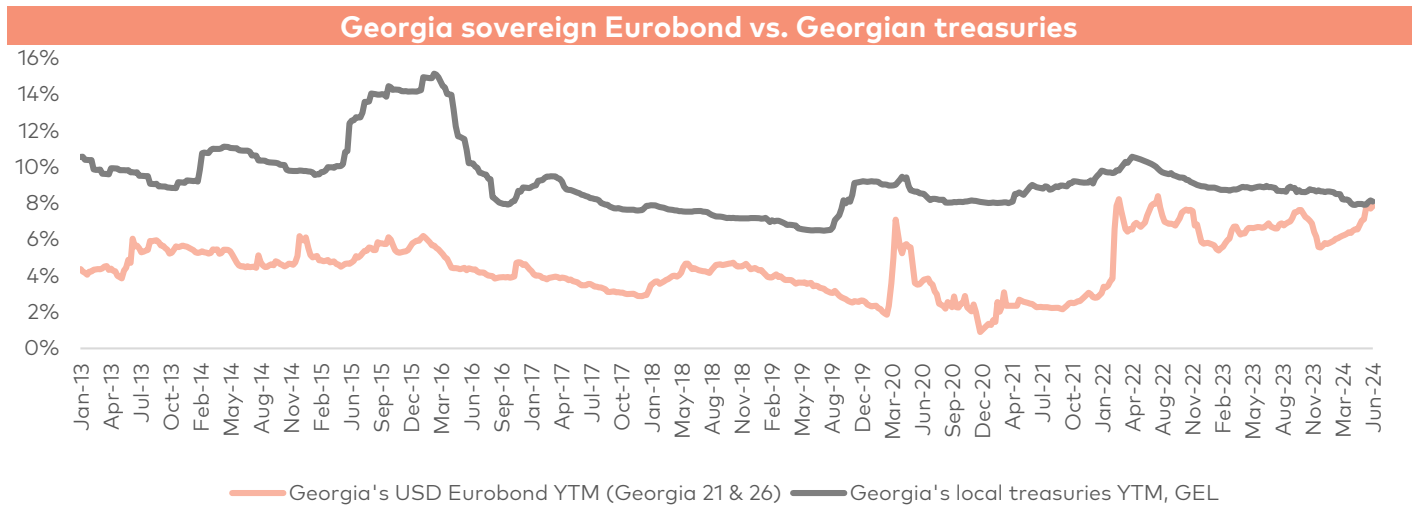
Source: Galt & Taggart  
Note: USD and EUR bonds are converted into GEL as of issuance date

**Georgian corporate public bonds outstanding by sector**



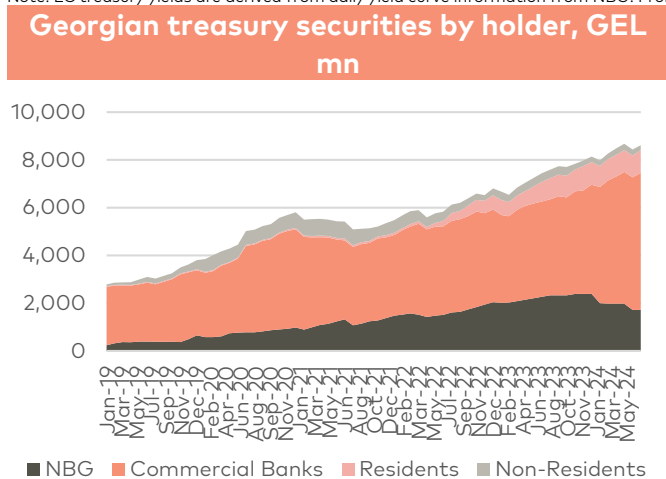
Source: Galt & Taggart

## Georgian local treasury bonds

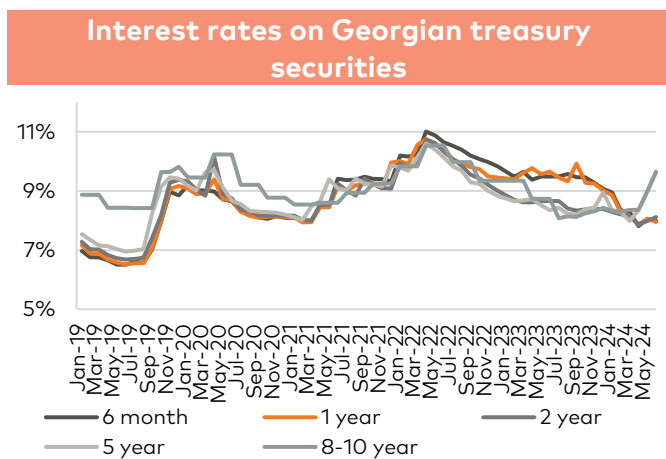


Source: Bloomberg, NBG, Galt & Taggart Research

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

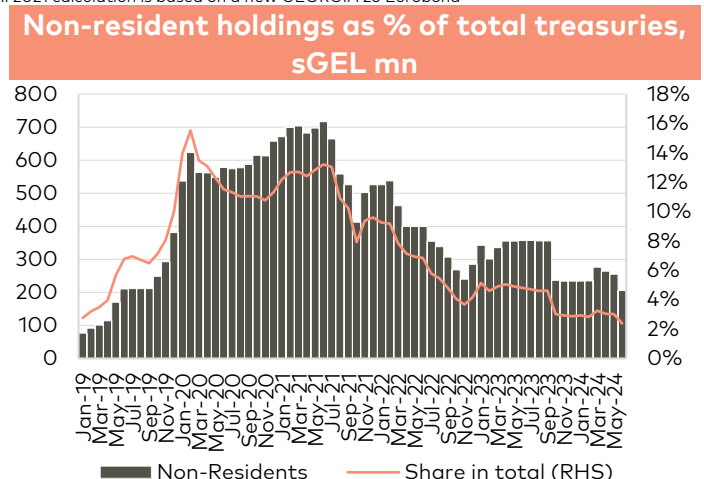


Source: NBG

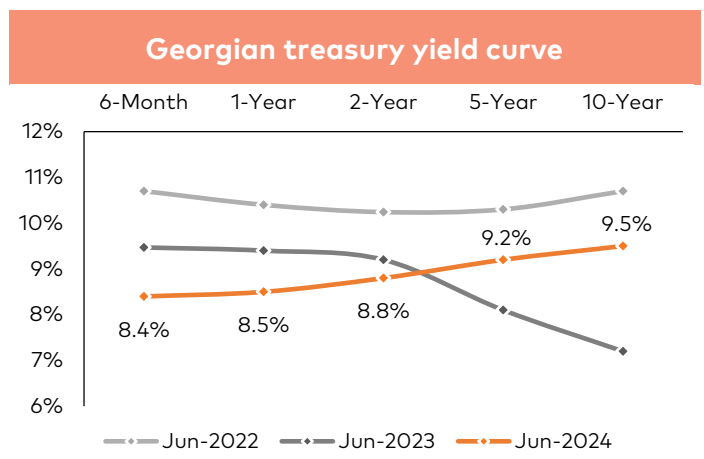


Source: NBG

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



Source: NBG



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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	0.7	500	100.8	6.1	BB-/-/Ba3
ARMEN	USD	3.950	9/26/2029	4.5	500	86.8	7.0	BB-/-/Ba3
ARMEN	USD	3.600	2/2/2031	5.5	750	81.6	7.2	BB-/-/Ba3
AZERBJ	USD	3.500	9/1/2032	6.0	1,077	85.4	5.8	BB+/-/Ba1u
GEORG	USD	2.750	4/22/2026	1.7	500	91.6	7.8	BB/BB/Ba2
KAZAKS	USD	3.875	10/14/2024	0.3	1,500	81.6	7.2	BBB/BBB-/Baa2
KAZAKS	USD	5.125	7/21/2025	1.0	2,500	100.1	5.0	BBB/BBB-/Baa2
KAZAKS	USD	6.500	7/21/2045	11.8	1,500	115.2	5.3	BBB/BBB-/Baa2
KAZAKS	USD	4.875	10/14/2044	12.5	1,000	96.8	5.1	BBB/BBB-/Baa2
KAZAKS	EUR	0.600	9/30/2026	2.1	500	93.8	3.5	BBB/BBB-/Baa2
KAZAKS	EUR	2.375	11/9/2028	4.0	525	97.0	3.1	BBB/BBB-/Baa2
KAZAKS	EUR	1.500	9/30/2034	9.1	650	83.9	3.4	BBB/BBB-/Baa2
TURKEY	USD	7.375	2/5/2025	0.6	3,250	100.6	6.4	B+/NR/B3
TURKEY	USD	4.250	4/14/2026	1.7	1,500	96.4	6.4	B+/-/B3
TURKEY	USD	6.000	3/25/2027	2.4	3,250	98.7	6.5	B+/-/B3
TURKEY	USD	5.125	2/17/2028	3.2	2,000	95.1	6.7	B+/-/B3
TURKEY	USD	11.875	1/15/2030	4.1	1,500	125.4	6.4	B+/NR/B3
TURKEY	USD	7.625	4/26/2029	3.9	3,000	102.2	7.1	B+/-/B3
TURKEY	USD	5.950	1/15/2031	5.1	2,250	92.9	7.3	B+/-/B3
TURKEY	USD	8.000	2/14/2034	6.5	1,500	105.3	7.2	B+/NR/B3
TURKEY	USD	6.875	3/17/2036	7.7	2,750	94.5	7.6	B+/NR/B3
TURKEY	USD	7.250	3/5/2038	8.3	1,000	97.9	7.5	B+/NR/B3
TURKEY	USD	6.000	1/14/2041	9.4	3,000	82.9	7.9	B+/NR/B3
TURKEY	USD	6.625	2/17/2045	10.1	3,000	86.1	8.0	B+/-/B3
TURKEY	USD	5.750	5/11/2047	11.0	3,500	76.7	8.0	B+/-/B3
TURKEY	USD	6.350	8/10/2024	0.1	2,250	100.1	5.2	B+/-/B3
TURKEY	EUR	4.375	7/8/2027	2.6	1,500	99.4	4.6	B+/-/B3
TURKEY	USD	6.375	10/14/2025	1.2	2,500	99.9	6.5	B+/-/B3
TURKEY	EUR	5.200	2/16/2026	1.5	1,500	101.0	4.6	B+/-/B3
TURKEY	EUR	4.625	3/31/2025	0.7	1,250	100.3	4.2	B+/-/B3
TURKEY	USD	5.250	3/13/2030	4.7	2,000	91.6	7.1	B+/-/B3
TURKEY	USD	4.250	3/13/2025	0.7	2,000	98.4	6.6	B+/-/B3
TURKEY	USD	4.875	4/16/2043	10.6	3,000	70.6	7.9	B+/-/B3
TURKEY	USD	6.500	9/20/2033	6.6	1,500	94.0	7.4	B+/-/B3
TURKEY	USD	8.600	9/24/2027	2.7	2,000	105.7	6.6	B+/-/B3
TURKEY	USD	4.875	10/9/2026	2.1	3,000	96.6	6.5	B+/-/B3
TURKEY	USD	4.750	1/26/2026	1.4	1,750	97.4	6.5	B+/-/B3
TURKEY	USD	5.600	11/14/2024	0.4	2,500	99.8	6.2	B+/-/B3
TURKEY	EUR	3.250	6/14/2025	0.9	1,000	99.0	4.3	B+/-/B3
TURKEY	USD	6.750	5/30/2040	9.2	2,000	90.6	7.8	B+/NR/B3
TURKEY	USD	6.125	10/24/2028	3.7	2,750	97.6	6.8	B+/-/B3
TURKEY	USD	5.875	6/26/2031	5.6	1,750	92.1	7.3	B+/-/B3
UZBEK	USD	5.375	2/20/2029	3.9	500	93.3	7.1	BB-/BB-/
UZBEK	USD	3.700	11/25/2030	5.4	555	82.1	7.2	BB-/BB-/
UZBEK	USD	3.900	10/19/2031	6.0	635	81.1	7.3	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	0.2	1,000	97.6	18.7	BB-/-/-
GEBGG	Georgia	USD	9.500	PERP	4.0	300	97.5	10.2	B-/-/B3
TBCBGE	Georgia	USD	8.894	PERP	2.2	75	95.5	10.9	B-/-/-
TBCBGE	Georgia	USD	10.775	PERP	0.2	125	100.0	10.6	B-/-/-
TBCBGE	Georgia	USD	10.250	PERP	3.8	300	98.1	10.7	-/-/B2
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	0.8	500	99.8	6.0	BBB-/-/Baa2
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	2.2	500	92.1	5.7	BBB/BBB-/-
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	6.0	500	83.0	6.0	BBB-/-/Baa2
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	1.6	107	99.9	6.1	BBB/BBB-/-/Baa2
AKBNK	Turkey	USD	5.125	3/31/2025	0.7	500	99.0	6.6	B-/-/B3
ISCTR	Turkey	USD	8.100	12/3/2029	4.1	50	100.1	8.1	B-/-/NR
YKBNK	Turkey	USD	8.250	10/15/2024	0.3	500	100.5	6.2	B-/-/B3
VAKBN	Turkey	USD	6.500	1/8/2026	1.4	750	99.5	6.8	B-/-/B3
AKBNK	Turkey	USD	6.800	2/6/2026	1.4	500	100.0	6.8	B-/-/B3
TCZIRA	Turkey	USD	5.375	3/2/2026	1.5	600	97.6	6.9	B-/-/B3
QNBFB	Turkey	USD	6.875	9/7/2024	0.2	650	100.1	6.0	B-/-/B2
VAKBN	Turkey	USD	5.500	10/1/2026	2.0	500	96.8	7.1	B-/-/-
VAKBN	Turkey	USD	5.250	2/5/2025	0.6	750	99.1	6.8	B-/-/B3
TSKBTI	Turkey	USD	5.875	1/14/2026	1.4	350	98.7	6.8	B-/-/B3
TSKBTI	Turkey	USD	6.000	1/23/2025	0.5	400	99.7	6.5	B-/-/B3
FCFIN	Turkey	USD	7.250	11/9/2027	0.3	150	100.1	9.6	B-/-/B1
GARAN	Turkey	USD	5.250	12/20/2024	0.4	50	100.1	5.1	B-/-/-
ISCTR	Turkey	USD	5.050	2/25/2026	1.5	13	95.5	8.1	B-/-/NR
AKBNK	Turkey	USD	6.050	11/15/2024	0.4	50	99.8	6.5	B-/-/-
YKBNK	Turkey	USD	6.050	12/10/2024	0.4	50	99.9	6.4	B-/-/B3
EXCRTU	Turkey	USD	5.750	7/6/2026	1.8	750	97.5	7.1	B-/-/B3
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	1.3	300	97.2	7.7	BB-/BB-/-
SQBNZU	Uzbekistan	USD	5.750	12/2/2024	0.4	300	98.6	9.1	BB-/BB-/-
NBUZB	Uzbekistan	USD	4.850	10/21/2025	1.2	300	96.6	7.7	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	4.2	500	96.0	7.2	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	2.2	300	100.0	8.4	BB-/-/B1
TURKTI	Turkey	USD	6.875	2/28/2025	0.6	500	100.1	6.6	B+/BB-/-
TCELLT	Turkey	USD	5.750	10/15/2025	1.2	500	99.2	6.4	B+/BB-/B2u
TCELLT	Turkey	USD	5.800	4/11/2028	3.3	500	96.3	6.9	B+/BB-/-

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	4.6	750	102.5	6.4	BB+/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	1.6	2,000	100.7	6.4	BB+/-/Ba1
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	1.7	1,000	95.7	6.2	-/BB+/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	1.1	500	96.1	6.3	-/BB+/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	11.7	1,500	93.4	6.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	2.5	1,000	96.8	6.0	BBB/BB+/Baa2
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	4.9	1,250	97.4	5.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	7.2	750	81.5	6.3	BBB-/Baa2
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	2.9	706	93.9	6.5	BB+/-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	11.6	1,250	86.5	6.9	BBB/BB+/Baa2
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	5.3	750	82.6	6.8	-/BB+/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	1.8	750	97.9	8.7	B/B/-
TUPRST	Turkey	USD	4.500	10/18/2024	0.3	700	99.3	6.8	BB-/B2
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	3.8	700	84.2	9.2	BB-/B+/-

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	3.5	500	88.2	7.5	BB-/BB-/-
SISETI	Turkey	USD	6.950	3/14/2026	1.3	700	100.4	6.7	BB-/B2
ACKAF	Turkey	EUR	3.000	5/27/2026	1.8	350	96.6	4.9	BB/BB/-
PGSUST	Turkey	USD	9.250	4/30/2026	0.8	375	101.5	8.3	BB-/B+/-
THYAO	Turkey	USD	4.200	3/15/2027	1.4	182	95.0	6.2	BB/BB+/B2
ULKER	Turkey	USD	6.950	10/30/2025	1.2	650	101.4	5.9	BB-/BB/-
CCOLAT	Turkey	USD	4.500	1/20/2029	3.9	500	92.2	6.5	BBB/BB+/-
CCOLAT	Turkey	USD	4.215	9/19/2024	0.2	300	99.5	6.3	BBB-/WR
AEFES	Turkey	USD	3.375	6/29/2028	3.6	500	87.0	7.2	BB+ */BB+/-
LIMISK	Turkey	USD	9.500	7/10/2036	5.1	370	92.3	10.7	B-/B3
KCHOL	Turkey	USD	6.500	3/11/2025	0.6	750	99.8	6.8	-/BB/B2
TURKSK	Turkey	USD	7.250	2/24/2027	2.3	3,000	101.4	6.6	B+/-/B3
TURKSK	Turkey	USD	5.125	6/22/2026	1.8	2,500	97.7	6.4	B+/-/B3
TURKSK	Turkey	USD	4.489	11/25/2024	0.4	1,000	99.3	6.2	B+/-/B3
ISTNBL	Turkey	USD	10.750	4/12/2027	2.3	305	107.2	7.8	B+/-/B3
ISTNBL	Turkey	USD	6.375	12/9/2025	1.3	580	98.7	7.3	B+/-/B3
ZOREN	Turkey	USD	9.000	6/1/2026	1.6	300	98.5	9.9	B-/CCC+/-
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	1.7	300	93.8	8.6	BB-/B+/-

Source: Bloomberg

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