



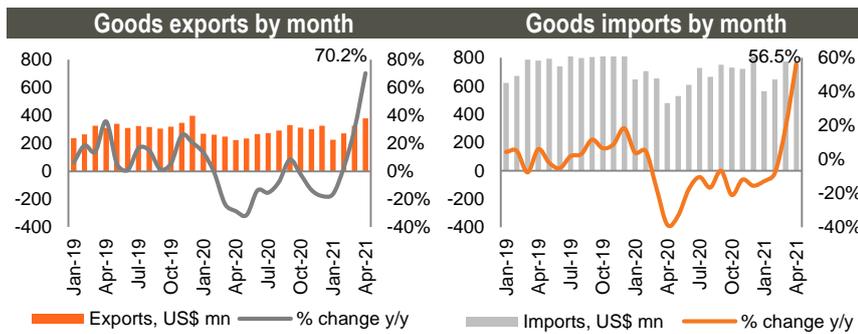
Weekly Market Watch

Weekly Market Watch | Georgia
May 17, 2021

Economy

Exports up by 70.2% y/y in April 2021

In April 2021, exports surged by 70.2% y/y to US\$ 378.3mn after increasing by 30.6% y/y in previous month. Notably, exports were also up by 21.7% compared to April 2019 level. Imports increased by 56.5% y/y to US\$ 749.1mn, after growing 18.5% y/y in previous month. As a result, trade deficit widened by 44.7% y/y to US\$ 370.7mn in April. Overall in 4M21, trade deficit was up by 3.6% y/y to US\$ 1.5bn, as exports increased by 19.6% y/y to US\$ 1.2bn and imports increased by 10.1% y/y to US\$ 2.7bn.



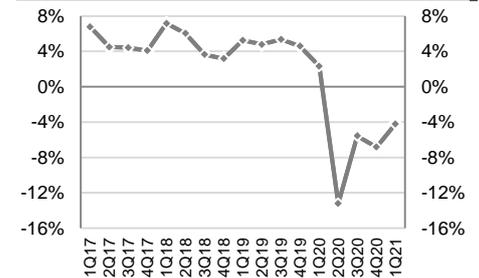
Source: Geostat

Key macro indicators

	2018	2019	2020
GDP (% change)	4.8%	5.0%	-6.2%
GDP per capita (ppp)	14,584	15,613	14,918
GDP per capita (US\$)	4,722	4,696	4,275
Population (mn)	3.7	3.7	3.7
Inflation (eop)	1.5%	7.0%	2.4%
Gross reserves (US\$ bn)	3.3	3.5	3.9
CAD (% of GDP)	6.8%	5.5%	12.3%
Fiscal deficit (% of GDP)	2.3%	2.1%	9.3%
Total public debt (% of GDP)	38.9%	40.4%	60.0%

Source: Official data

Real GDP growth, %



Source: Geostat

International ranking, 2019-21

- Ease of Doing Business # 7 (Top 10)
- Economic Freedom Index # 12 (mostly free)
- Global Competitiveness Index # 74

Source: World Bank, Heritage Foundation and World Economic Forum

Georgia sovereign credit ratings

 BB Negative Affirmed Feb-2021	 Ba2 Stable Affirmed Aug-2020	 BB Negative Affirmed Feb-2021
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Source: Rating agencies



Money market

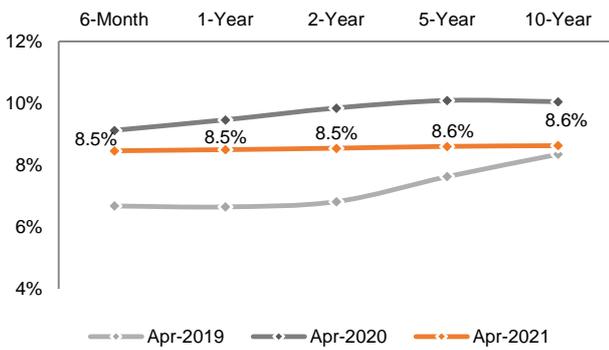
There was no treasury securities auction last week. The nearest treasury security auction is scheduled for May 25, 2021, where GEL 35.0mn nominal value 5-year Benchmark bonds will be sold.

T-bills / T-notes in 2021

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	45	120	90
1-year	45	120	540
2-year	60	160	1,270
5-year	148	280	2,373
10-year	44	56	1,262
Total	342	736	5,535

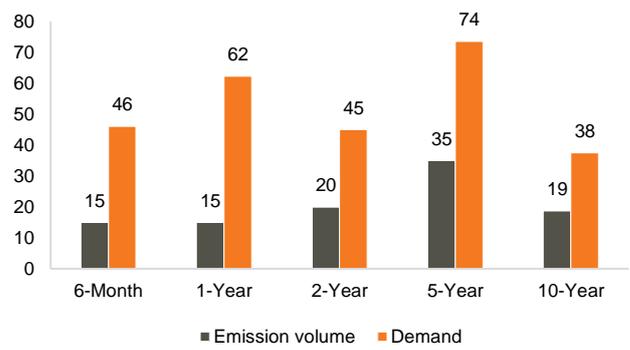
Source: MoF
Note: * As of 31 March 2021

T-bills / T-notes, yield curve



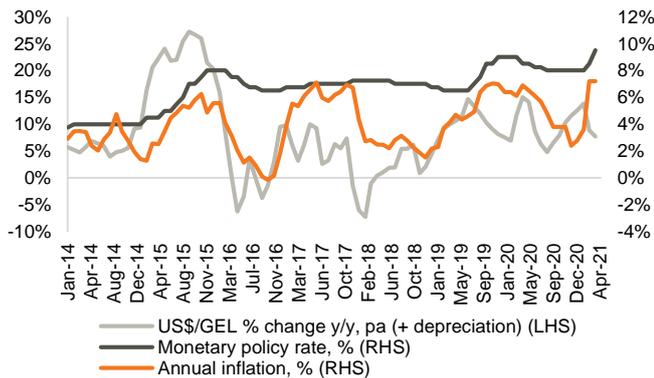
Source: NBG

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



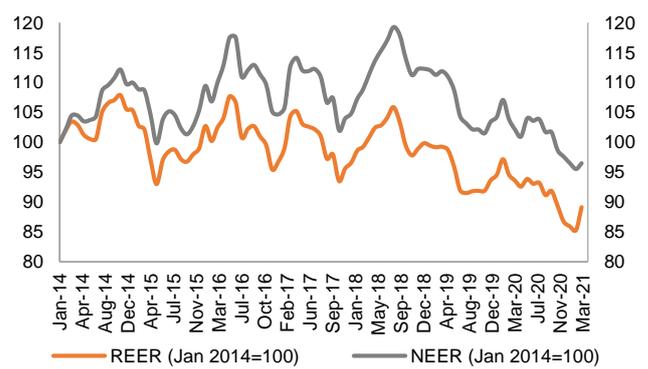
Source: NBG

Monetary policy rate, inflation and FX rate



Source: NBG

Nominal effective exchange rate and Real effective exchange rate



Source: NBG

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

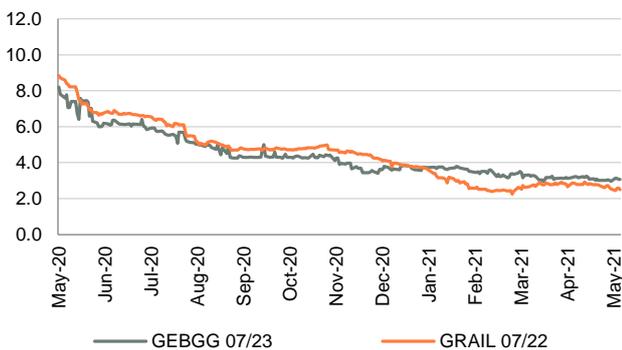
Fixed income

Corporate Eurobonds: Bank of Georgia Group Eurobonds (GEBGG) closed at 3.04% yield, trading at 106.21 (-0.24% w/w). Georgia Capital Eurobonds (GEOCAP) were trading at 101.33 (-0.25% w/w), yielding 5.61%.

Georgian Railway Eurobonds (GRAIL) traded at a premium at 105.93 (-0.01% w/w), yielding 2.47%.

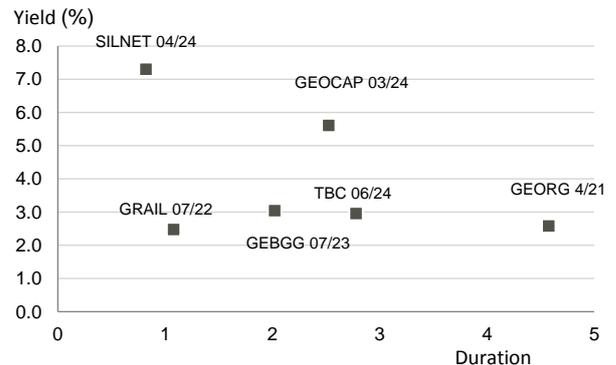
Georgian Sovereign Eurobonds (GEORG) closed at 100.77 (-0.06% w/w) at 2.58% yield to maturity.

Georgian Eurobonds, YTM (%)



Source: Bloomberg

Georgian Eurobond universe



Source: Bloomberg

Note: For Silknet duration calculation call date is taken as maturity.

Georgian bonds performance

Georgian Eurobonds performance

Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-26	BB/BB/Ba2	100.77	2.58	171.02
GRAIL 07/22	USD	500	7.750%	Jul-22	BB-/B+/-	105.93	2.47	228.39
GEBGG 07/23	USD	350	6.000%	Jul-23	BB-/Ba2	106.21	3.04	275.11
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/-	108.96	9.16	736.65
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B/B2	101.33	5.61	520.22
SILKNET 04/24	USD	200	11.000%	Apr-24	B-/B1	109.41	7.30	580.35
TBC 06/24	USD	300	5.750%	Jun-24	BB-/Ba2	108.18	2.96	249.79
TBC PERP	USD	125	10.775%	n/a	B-/-	109.49	9.35	702.50
GGU 07/25	USD	250	7.750%	Jul-25	B+/B/-	105.73	6.18	528.22

Georgian local bonds performance

KTW 12/22	USD	10	9.00%	Dec-22	-/-/-	n/a	n/a	n/a
GWP 12/21	GEL	30	12.50%	Dec-21	BB-/B+/-	n/a	n/a	n/a
M2CA 12/21	USD	30	7.50%	Dec-21	-/-/-	100.00	7.50	n/a
M2RE 10/22	USD	35	7.50%	Oct-22	-/-/-	100.43	7.20	n/a
GLC 06/21	USD	5	6.50%	Jun-21	-/-/-	n/a	n/a	n/a
GLC 08/21	USD	10	7.50%	Aug-21	-/-/-	100.00	7.50	n/a
GLC 08/22	USD	10	7.50%	Aug-22	-/-/-	n/a	n/a	n/a
Nikora Trade 08/21	GEL	25	9.00%	Aug-21	-/-/B+	n/a	n/a	n/a
SILKNET 04/24	GEL	34	12.50%	Apr-24	B+/B1/-	n/a	n/a	n/a
Geo. Beer Company	GEL	25	13.00%	Dec-23	-/-/BB-	n/a	n/a	n/a
Lisi Lake Development	USD	12	8.00%	Dec-21	-/-/B+	n/a	n/a	n/a
Tegeta 04/22	GEL	30	10.75%	Apr-22	-/-/BB-	n/a	n/a	n/a
Swiss Capital 09/21	GEL	10	14.25%	Sep-21	B-/-/-	100.00	14.25	n/a
EVEX 11/24	GEL	50	12.10%	Nov-24	-/-/BB-	n/a	n/a	n/a

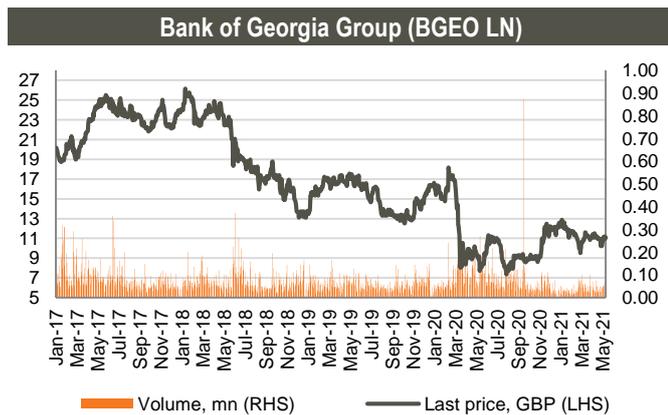
Source: Bloomberg

Equities

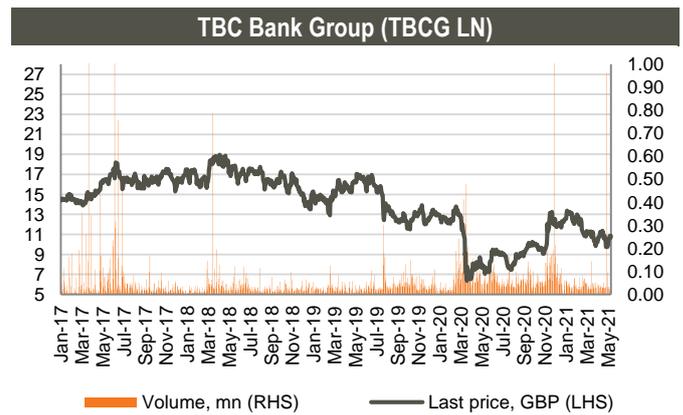
Bank of Georgia Group (BGEO LN) shares closed at GBP 11.10/share (unchanged w/w and -1.60% m/m). More than 196k shares traded in the range of GBP 10.80 - 11.30/share. Average daily traded volume was 39k in the last 4 weeks. The volume of BGEO shares traded was at 0.40% of its capitalization.

Georgia Capital (CGEO LN) shares closed at GBP 6.25/share (+5.04% w/w and +5.93% m/m). More than 503k shares traded in the range of GBP 5.78 - 6.57/share. Average daily traded volume was 57k in the last 4 weeks. The volume of CGEO shares traded was at 1.05% of its capitalization.

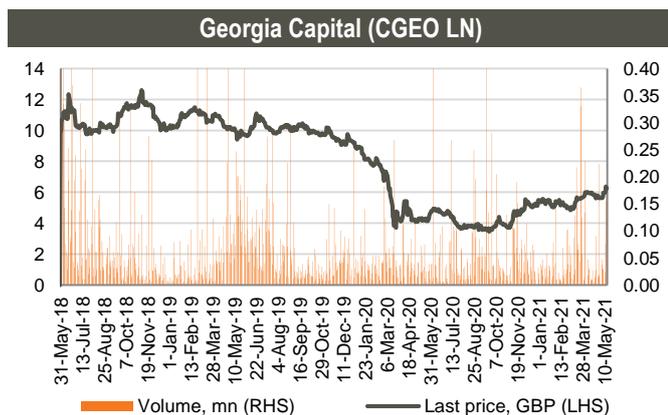
TBC Bank Group (TBCG LN) closed the week at GBP 10.86/share (+3.63% w/w and -2.86% m/m). More than 124k shares changed hands in the range of GBP 10.36 - 10.90/share. Average daily traded volume was 82k in the last 4 weeks. The volume of TBCG shares traded was at 0.23% of its capitalization.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E		P/B	
								2020F	2021F	2020F	2021F
Bank of Georgia	BGEO	GBP	11.10	546	5.7%	44.2%	-9.0%	8.27x	4.76x	0.99x	0.82x
TBC	TBC	GBP	10.86	599	-3.9%	54.0%	-13.1%	6.65x	4.96x	0.93x	0.81x
Sberbank	SBER	USD	16.31	87,994	26.1%	64.5%	12.3%	8.86x	6.46x	1.34x	1.25x
Halyk Bank	HSBK	USD	14.40	4,231	31.5%	72.2%	23.6%	5.78x	5.01x	1.18x	1.10x
VTB Bank	VTBR	USD	1.33	8,593	45.8%	46.4%	38.9%	8.89x	3.50x	0.46x	0.43x
Akbank	AKBNK	TRY	5.03	26,156	-20.3%	-7.2%	-27.4%	3.85x	3.40x	0.38x	0.37x
Garanti	GARAN	TRY	7.68	32,256	-13.3%	-0.1%	-25.9%	4.23x	3.65x	0.45x	0.45x
Isbank	ISCTR	TRY	5.02	22,590	-27.6%	3.9%	-28.3%	2.97x	2.67x	0.30x	0.29x
PKO	PKO	PLN	34.44	43,050	36.9%	66.0%	19.9%	15.18x	12.57x	0.97x	0.95x
PEKAO	PEO	PLN	85.22	22,368	58.1%	71.6%	39.5%	18.81x	14.18x	0.90x	0.85x
Millennium	MIL	PLN	4.50	5,459	58.6%	72.1%	37.6%	78.06x	303.45x	0.61x	0.67x
Mbank	MBK	PLN	276.00	11,693	71.7%	50.3%	54.0%	47.74x	17.78x	0.69x	0.68x
BRD	BRD	RON	15.94	11,109	28.5%	41.8%	7.3%	13.90x	11.01x	1.23x	1.47x
Banca Transilvania	TLV	RON	2.61	14,947	28.3%	50.0%	15.8%	15.53x	10.28x	1.64x	1.38x
OTP	OTPD	USD	22.40	12,544	-1.8%	-1.8%	-1.8%	12.52x	9.90x	0.70x	0.63x
Komercni	KOMB	CZK	686.00	130,374	23.8%	36.4%	4.4%	16.65x	14.02x	1.17x	1.09x
Mean								16.74x	26.73x	0.87x	0.83x
Median								10.70x	8.18x	0.91x	0.82x

Source: Bloomberg, S&P Capital IQ

Investment management companies

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E		P/B	
								2020F	2021F	2020F	2021F
Georgia Capital	CGEO	GBP	6.25	299	38.7%	49.9%	15.7%	na	na	na	na
Tinc Comm	TINC	EUR	12.18	443	-5.9%	-3.3%	-5.9%	na	na	na	na
Sabancı Holding	SAHOL	TRY	8.36	17,058	-21.9%	2.1%	-27.1%	3.13x	3.03x	0.41x	0.37x
Deutsche Beteiligungs	DBAN	EUR	34.55	520	15.4%	39.8%	10.9%	na	6.86x	1.21x	1.09x
Eurazeo	RF	EUR	71.60	5,658	43.3%	83.8%	29.0%	34.60x	9.85x	1.03x	0.91x
Carlyle Group	CG	USD	43.10	15,283	55.0%	81.6%	37.1%	23.22x	17.30x	7.12x	4.79x
Mean								20.32x	9.26x	2.44x	1.79x
Median								23.22x	8.36x	1.12x	1.00x

Source: Bloomberg, S&P Capital IQ

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