



Regional Fixed Income Market Watch

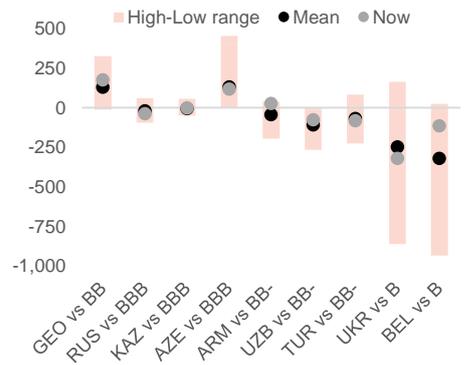
Georgia, Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine, Russia, Turkey, Uzbekistan

Regional | Fixed Income
Monthly Market Watch
July 7, 2020

Highlights

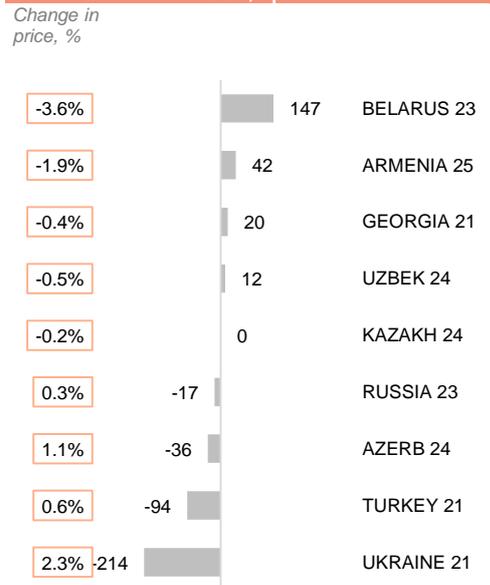
- IMF updated its World Economic Outlook in June 2020, slashing the 2020 global growth by 1.9ppts to negative 4.9% compared to April 2020 projections. Among the regional economies, detailed forecast is available only for Russia, with 6.6% contraction (vs. 5.5% in April 2020 update) expected in 2020, while Emerging and Developing Europe is forecasted to shrink by 5.8%. The IMF team expects a partial rebound in output from 2021, with global economy expected to grow by 5.4%, however this level is 6.5ppts lower compared to the pre-COVID-19 projections.
- The IMF underlined the degree of disconnect between the financial markets and real economy. Credit spreads have significantly narrowed, trimming c. 70% of recent widening. The report highlighted that the US investment grade corporate bond spreads are quite low, against higher spreads experienced during other economic shocks.
- Most of the regional central banks cut monetary policy rates during June. Notably, Georgia lowered key rate by 25bps to 8.25%, Armenia by 50bps to 4.5%, Azerbaijan by 25bps to 7.0%, Belarus by 75bps to 8.0%, Ukraine by 200bps to 6.0%, and Russia and Turkey cut the rates by 50bps to 4.5% and 8.25%, respectively. Kazakhstan and Uzbekistan have kept policy rates unchanged, at 9.5% and 15.0%, respectively.
- Exchange rates in most of the regional countries stabilised. GEL gained the most against USD during June, appreciating by 3.2%, KZT also strengthened by 1.5% in the same period. Other currencies remained mostly flat, with AMD and UAH appreciating slightly (+0.8% and +0.6%, respectively) and BYN and TRY losing value slightly (-0.3% and -0.4%, respectively), while RUB depreciated 1.5% during June.
- The market sentiments on the regional Eurobonds were mixed during June. UKRAINE 21 (4.6% YTM; 103.5 price) performed strongest, with the yield decreasing by 214bps in June, followed by TURKEY 21 (3.1% YTM; 100.3 price) down by 94bps during June. AZERB 24 (2.8% YTM; 106.7 price) and RUSSIA 23 (1.3% YTM; 109.2 price) gained 36bps and 17bps in yield, respectively. BELARUS 23 (6.7% YTM; 100.4 price) was the worst performer in June, with the yield increasing by 147bps, followed by ARMENIA 25 (4.2% YTM; 112.7 price) up by 42bps and GEORGIA 21 (3.8% YTM; 102.3 price) up by 20bps. Yield on UZBEK 24 (3.1% YTM; 105.5 price) increased slightly, up by 12bps, while KAZAKH 24 (1.7% YTM; 109.2 price) remained mostly flat.
- Among Georgian placements, GOGC 21 was the top performer with the yield dropping by 213bps in June, while another quasi-government GRAIL 22 decreased by 54bps in the same period. Among the Georgian banks, yield on BOG 23 dropped most, down 140bps in June, while yield on TBC 24 remained mostly flat (up 3.1bps). Yield on GEOCAP 24 widened by 25.1bps, while SILKNET 24 performed relatively better, with the yield decreasing by 85bps in June.

Regional sovereign Eurobond spreads vs peers, YTD



Source: Bloomberg, Galt & Taggart Research

Change in sovereign Eurobond yields in June 2020, bps



Source: Bloomberg

Country ratings

Country	Fitch	Moody's	S&P
Georgia	BB	Ba2	BB
Russia	BBB	Baa3	BBB
Kazakhstan	BBB	Baa3	BBB-
Azerbaijan	BB+	Ba2	BB+
Armenia	BB-	Ba3	n/a
Uzbekistan	BB-	B1	BB-
Turkey	BB-	B1	BB-
Belarus	B	B3	B
Ukraine	B	Caa1	B

Source: Fitch, Moody's, S&P

Eva Bochorishvili - Head of Research
| evabochorishvili@galt.com | +995 32 2401 111 ext. 8036

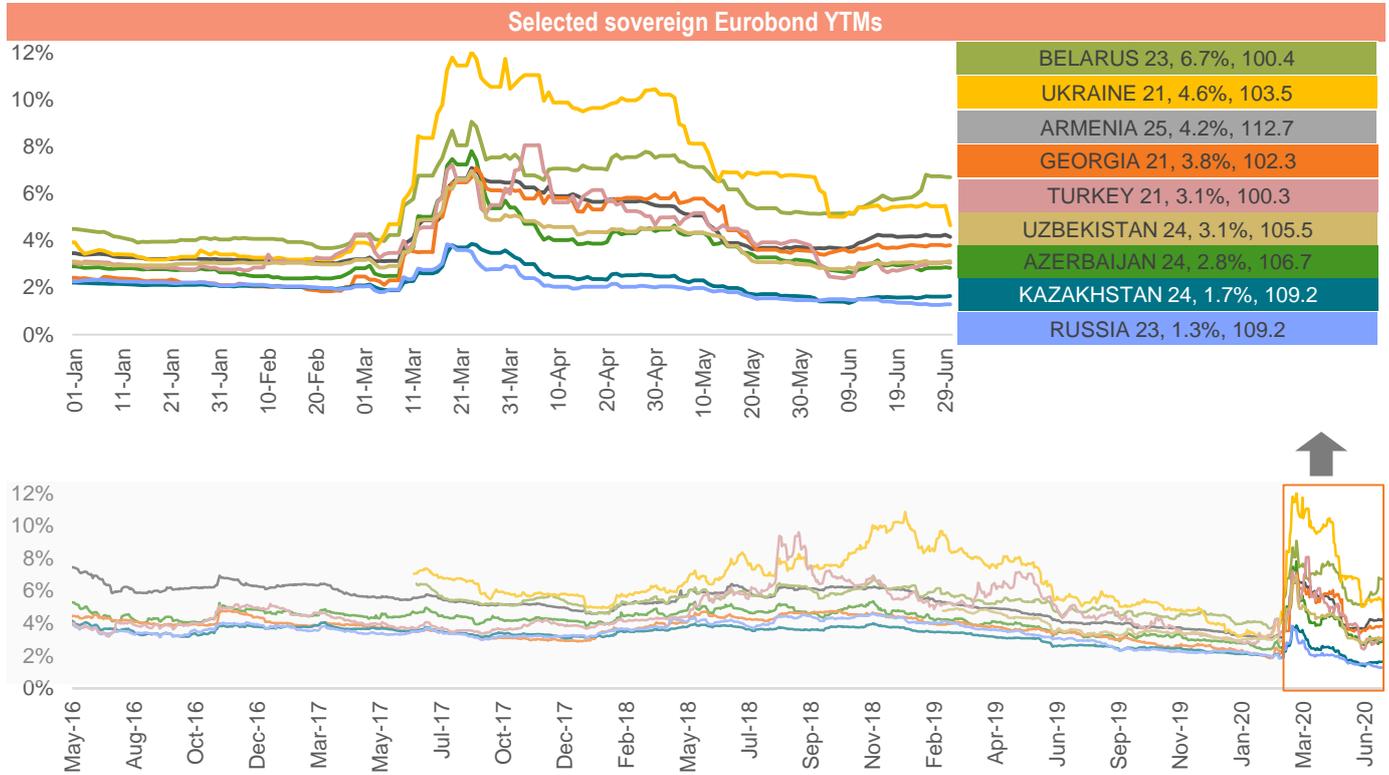
Ana Nachkebia - Senior Analyst
| ananachkebia@galt.com | +995 32 2401 111 ext. 8137

Giorgi Iremashvili - Head of Analytics
| giremashvili@galt.com | +995 32 2401 111 ext. 4691

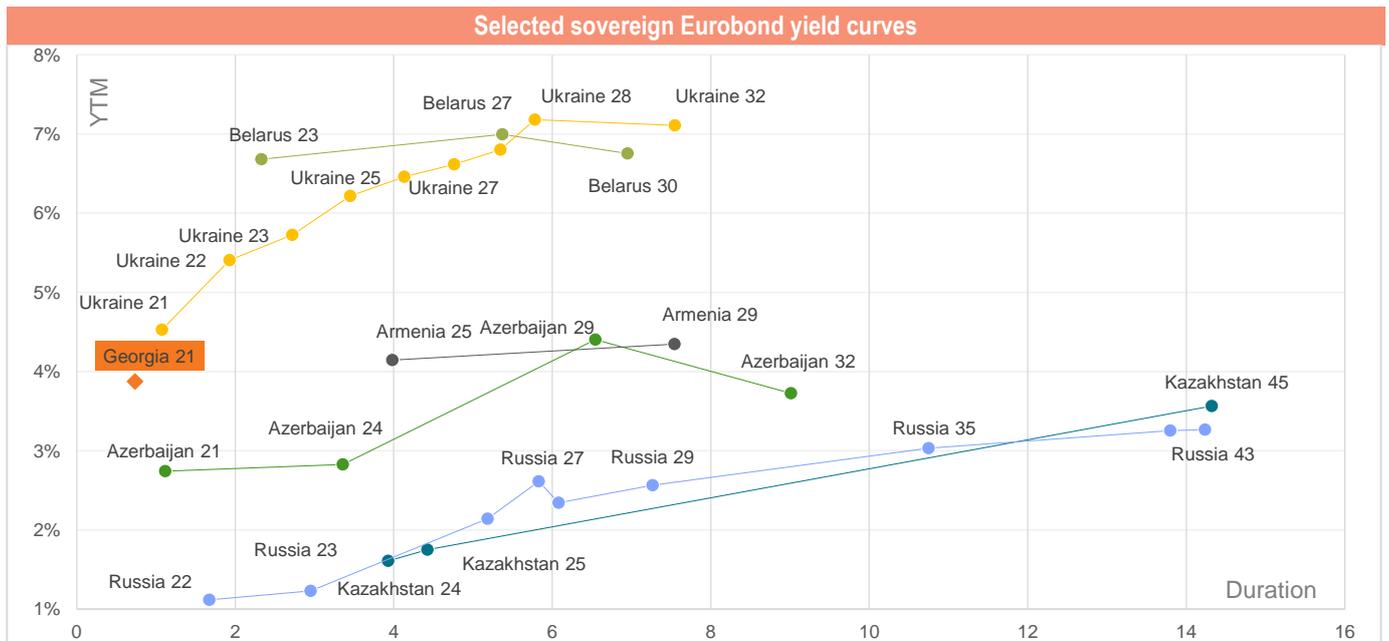
Nika Megutnishvili - Analyst
| nmegutnishvili@galt.com | +995 32 2401 111 ext. 7875



Sovereign Eurobond yields



Source: Bloomberg



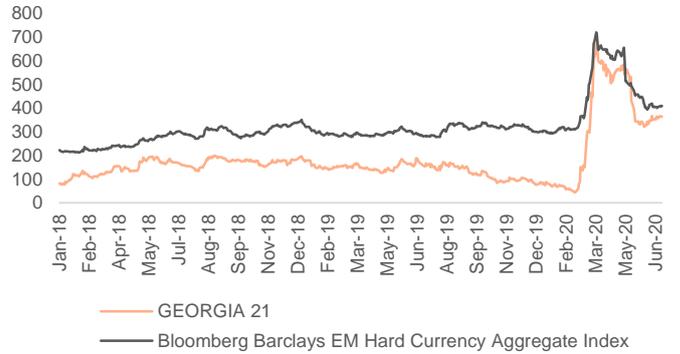
Source: Bloomberg
Note: data as of 30 June 2020



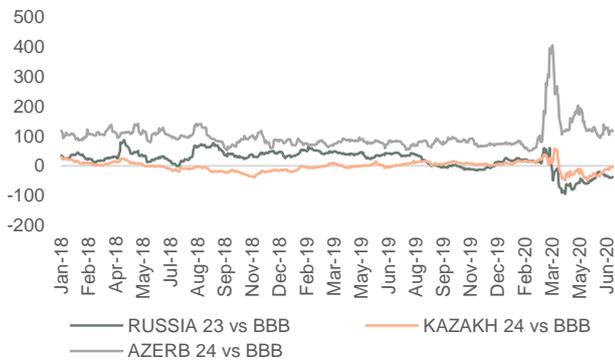
Georgia vs BB peers



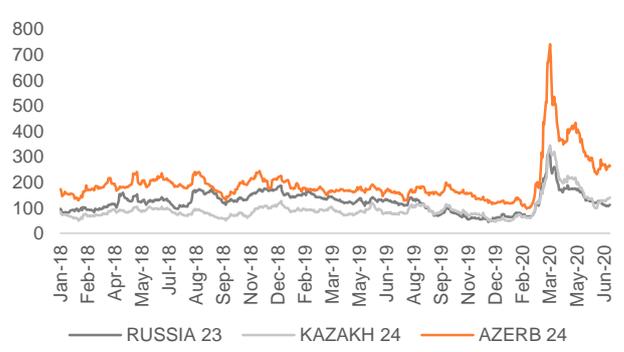
Spreads over US treasury, bps



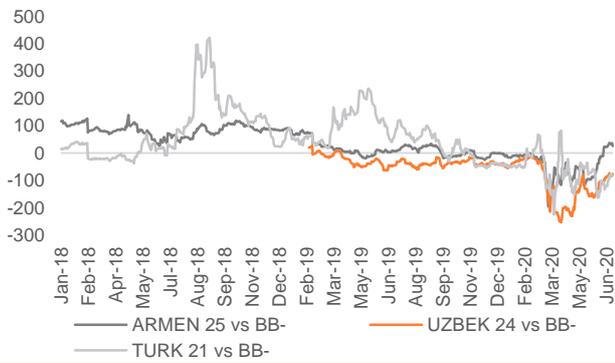
Russia, Kazakhstan and Azerbaijan vs BBB peers



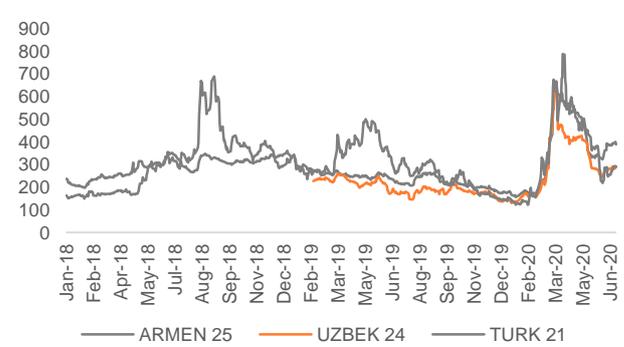
Spreads over US treasury, bps



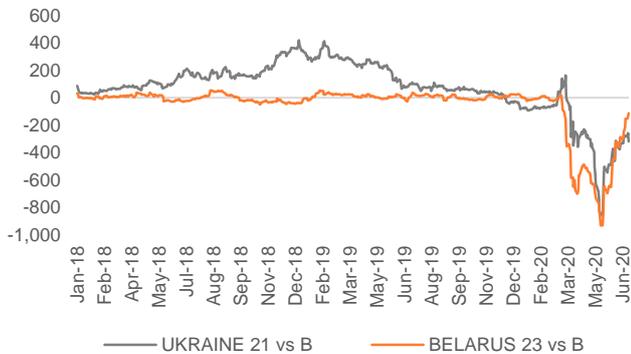
Armenia, Uzbekistan and Turkey vs BB- peers



Spreads over US treasury, bps



Ukraine and Belarus vs B peers



Spreads over US treasury, bps

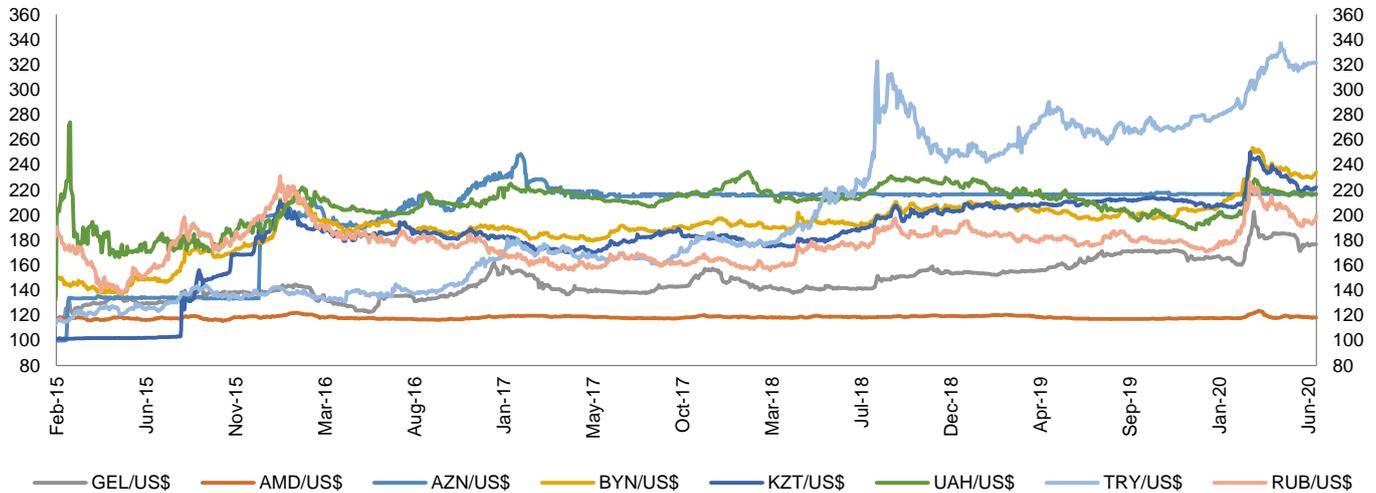


Source: Bloomberg, Galt & Taggart Research

Source: Bloomberg, Galt & Taggart Research



Regional currencies vs. US\$



Source: Bloomberg

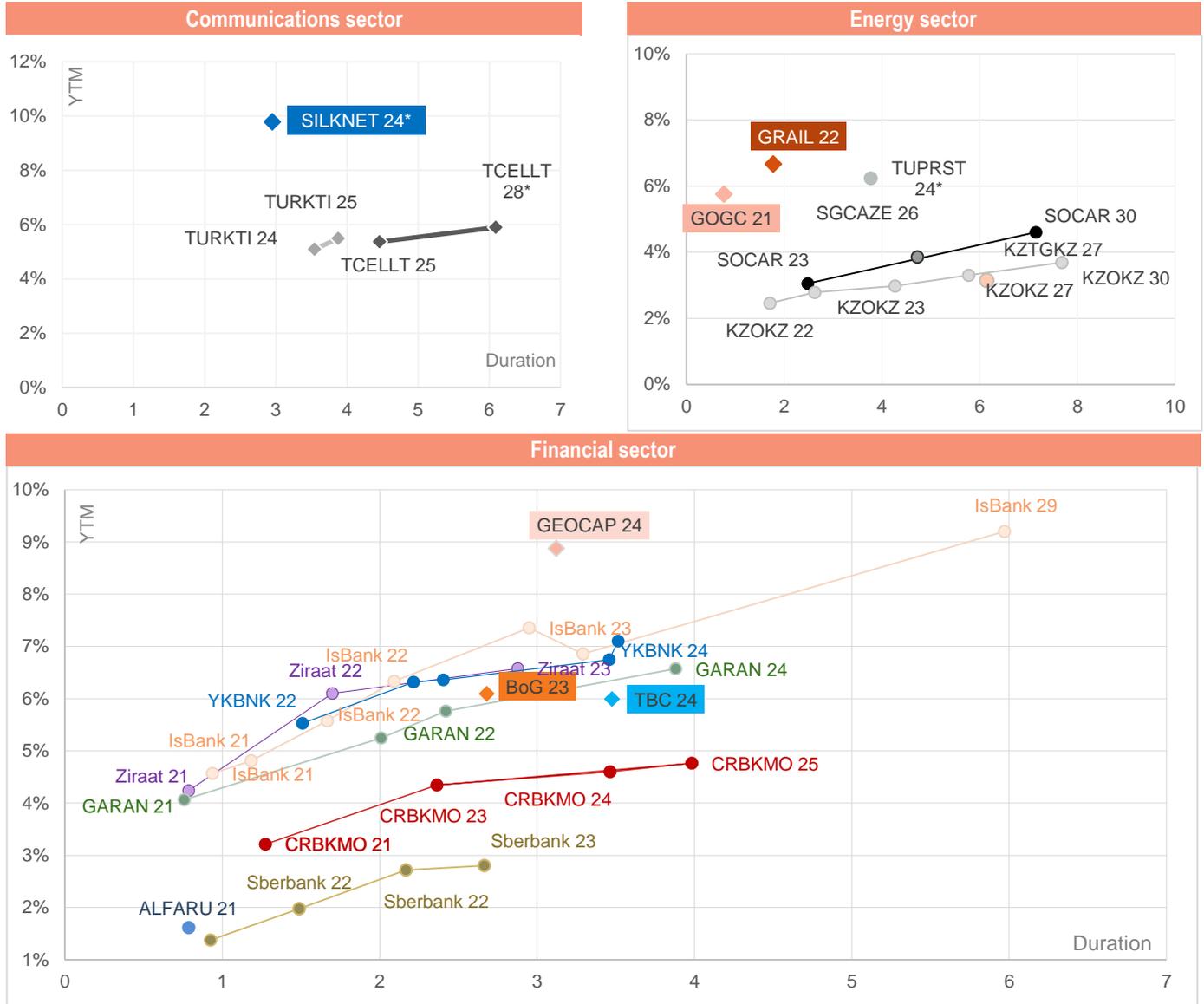
Central banks' monetary policy rates

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Georgia	6.50%	6.50%	6.50%	6.50%	7.50%	8.50%	8.50%	9.00%	9.00%	9.00%	9.00%	8.50%	8.25%
Armenia	5.75%	5.75%	5.75%	5.75%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.25%	5.00%	4.50%
Azerbaijan	8.75%	8.50%	8.25%	8.25%	8.00%	7.75%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.00%
Belarus	10.00%	10.00%	9.50%	9.50%	9.50%	9.50%	9.00%	9.00%	9.00%	8.75%	8.75%	8.75%	8.00%
Ukraine	17.50%	17.50%	17.00%	17.00%	16.50%	15.50%	13.50%	11.00%	11.00%	11.00%	10.00%	8.00%	6.00%
Kazakhstan	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	12.00%	9.50%	9.50%
Russia	7.75%	7.50%	7.25%	7.25%	7.00%	6.50%	6.50%	6.25%	6.25%	6.00%	6.00%	5.50%	4.50%
Uzbekistan	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	15.00%
Turkey	24.00%	24.00%	19.75%	19.75%	16.50%	14.00%	14.00%	12.00%	11.25%	10.75%	9.75%	8.75%	8.25%
FED	2.50%	2.50%	2.25%	2.25%	2.00%	1.75%	1.75%	1.75%	1.75%	1.75%	0.25%	0.25%	0.25%
ECB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Central banks



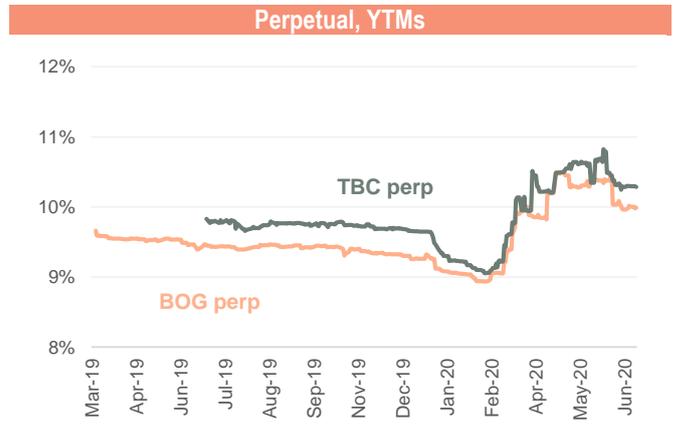
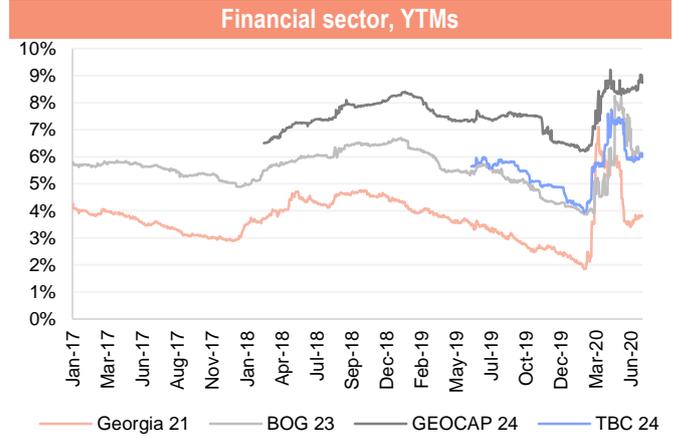
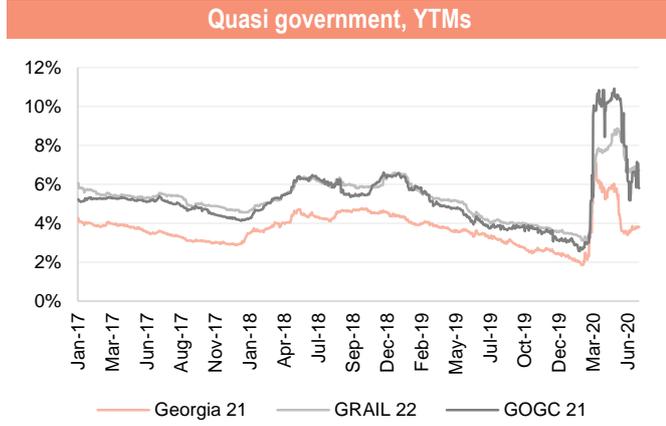
Selected corporate Eurobonds in regional countries



Source: Bloomberg, as of 30 June 2020
Note: GEOCAP is an investment holding company
* The notes are callable



Georgian corporate Eurobond YTM



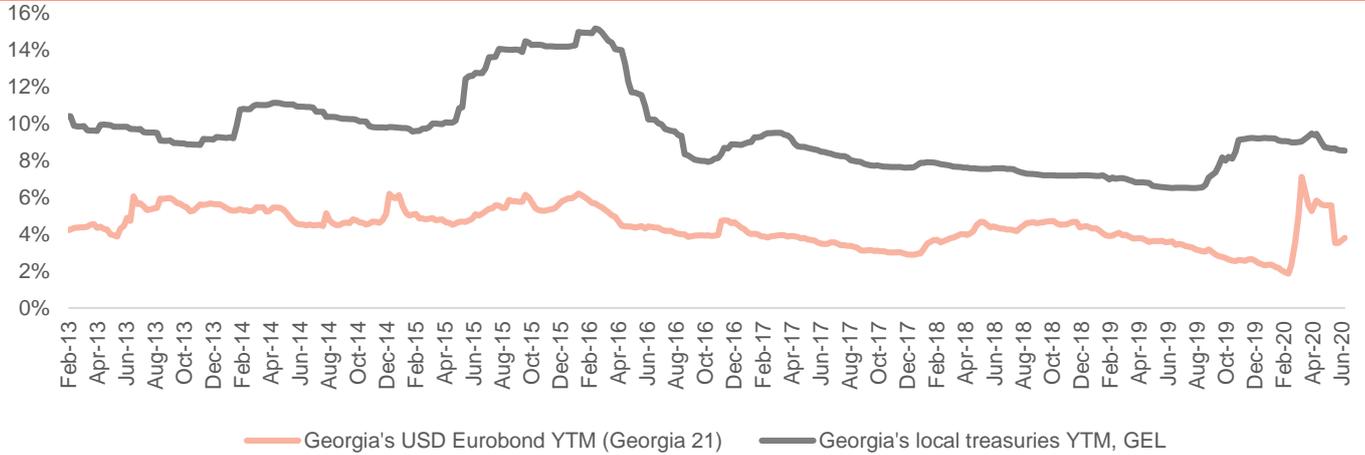
Source: Bloomberg

Source: Bloomberg



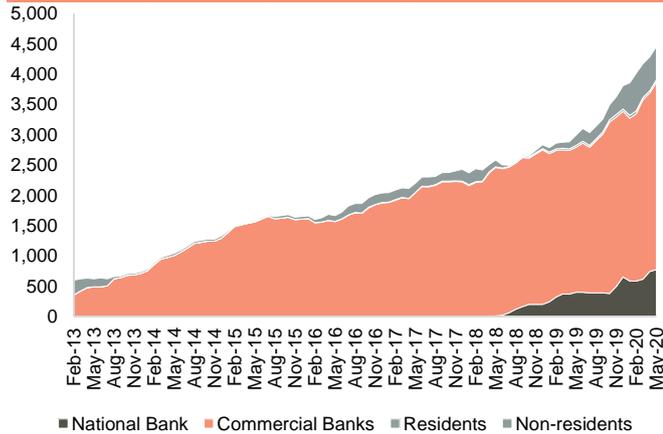
Georgian local treasury bonds

Georgia sovereign Eurobond vs. Georgian treasuries

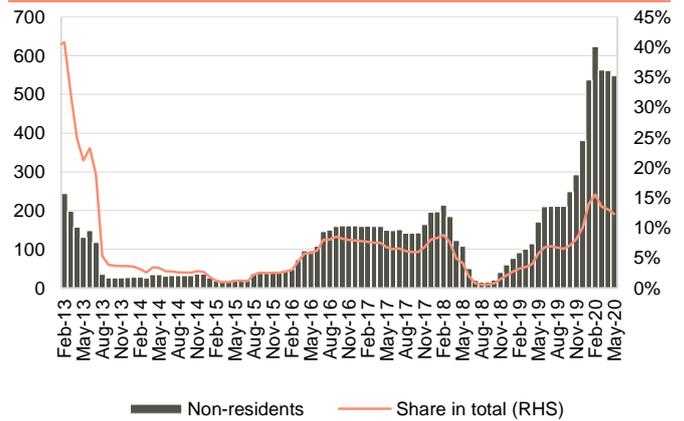


Source: Bloomberg, NBG, Galt & Taggart Research
Note: LC treasury yields are derived from daily yield curve information from NBG

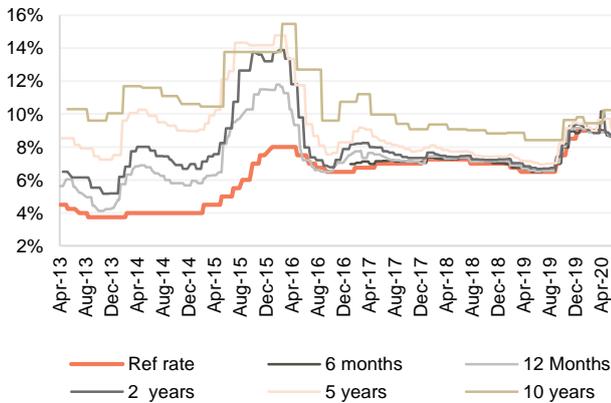
Georgian treasury securities by holder, GEL mn



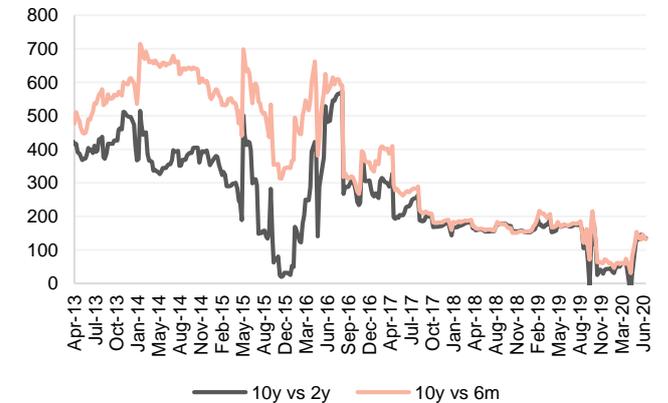
Non-resident holdings as % of total treasuries, GEL mn



Interest rates on Georgian treasury securities



Georgian 10y vs 2y and 10y vs 6m treasury yields, bps



Source: NBG

Source: NBG

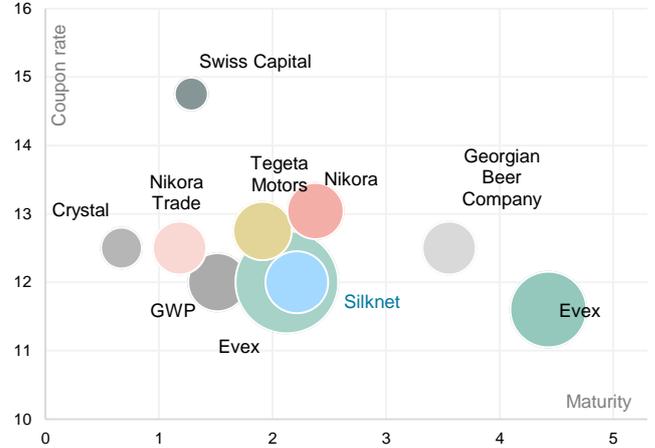
Georgian local corporate bonds

Georgian local corporate bonds, USD



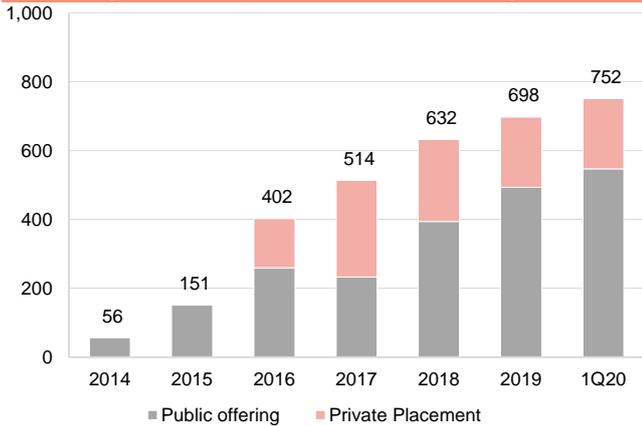
Source: NBG, Galt & Taggart Research
Note: the size of the bubble corresponds to the size of issuance, with max. at US\$ 35mn

Georgian local corporate bonds, GEL



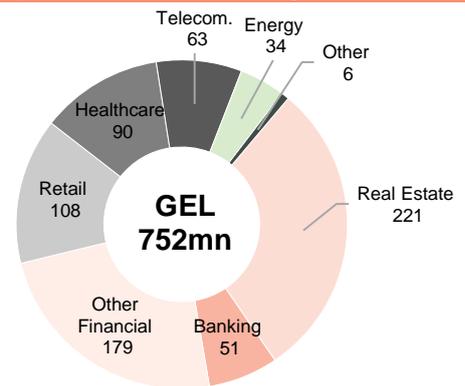
Source: NBG, Galt & Taggart Research
Note: the size of the bubble corresponds to the size of issuance, with max. at GEL 90mn
All GEL denominated bonds are floating, coupons are derived from adding spreads to a current 8.25% ref. rate

Georgian local corporate bonds outstanding, GEL mn



Source: NBG, Galt & Taggart Research

Local corporate bond distribution by sector, 1Q20



Source: NBG, Galt & Taggart Research

Appendix

Issuer	Ticker	ISIN	Currency	Coupon	Sector	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Moody's/Fitch/S&P)
Sovereign Eurobonds											
Republic of Azerbaijan	AZERBJ	XS1678621522	USD	2.8%	Government	9/1/2020	0.2	174	100.1	1.9	Ba2u/BB+/-
Republic of Azerbaijan	AZERBJ	XS1678622090	USD	2.8%	Government	9/1/2021	1.1	174	100.1	2.7	Ba2u/BB+/-
Republic of Azerbaijan	AZERBJ	XS1044540547	USD	4.8%	Government	3/18/2024	3.4	1,250	106.7	2.8	Ba2u/BB+/-
Republic of Azerbaijan	AZERBJ	XS1678623064	USD	5.1%	Government	9/1/2029	6.5	311	105.4	4.4	Ba2u/BB+/-
Republic of Azerbaijan	AZERBJ	XS1678623734	USD	3.5%	Government	9/1/2032	9.0	1,077	97.8	3.7	Ba2u/BB+/-
Republic of Armenia	ARMEN	XS0974642273	USD	6.0%	Government	9/30/2020	0.2	700	99.8	6.6	Ba3/BB-/-
Republic of Armenia	ARMEN	XS1207654853	USD	7.2%	Government	3/26/2025	4.0	500	112.7	4.1	Ba3/BB-/-
Republic of Armenia	ARMEN	XS2010043904	USD	4.0%	Government	9/26/2029	7.5	500	97.0	4.3	Ba3/BB-/-
Republic of Armenia	BELRUS	XS1634369067	USD	6.9%	Government	2/28/2023	2.3	800	100.4	6.7	B3u/B/B
Republic of Armenia	BELRUS	XS1634369224	USD	7.6%	Government	6/29/2027	5.4	600	103.4	7.0	B3u/B/B
Republic of Armenia	BELRUS	XS1760804184	USD	6.2%	Government	2/28/2030	7.0	600	96.1	6.8	B3u/B/B
Kazakhstan	KAZAKS	XS1120709669	USD	3.9%	Government	10/14/2024	3.9	1,500	109.3	1.6	Baa3/BBB/BBB-
Kazakhstan	KAZAKS	XS1263054519	USD	5.1%	Government	7/21/2025	4.4	2,500	116.2	1.8	Baa3/BBB/BBB-
Kazakhstan	KAZAKS	XS1263139856	USD	6.5%	Government	7/21/2045	14.3	1,500	148.4	3.6	Baa3/BBB/BBB-
Kazakhstan	KAZAKS	XS1120709826	USD	4.9%	Government	10/14/2044	15.3	1,000	127.4	3.2	Baa3/BBB/BBB-
Russia	RUSSIA	XS0767472458	USD	4.5%	Government	4/4/2022	1.7	2,000	105.8	1.1	Baa3/BBB/BBB-
Russia	RUSSIA	XS0971721450	USD	4.9%	Government	9/16/2023	3.0	3,000	111.4	1.2	Baa3/BBB/BBB-
Russia	RUSSIA	RU000A0JWHA4	USD	4.8%	Government	5/27/2026	5.2	3,000	114.4	2.1	-/BBB/-
Russia	RUSSIA	XS0088543193	USD	12.8%	Government	6/24/2028	5.8	2,500	172.5	2.6	Baa3/BBB/BBB-
Russia	RUSSIA	RU000A0JXTS9	USD	4.3%	Government	6/23/2027	6.1	2,405	112.2	2.3	-/BBB/-
Russia	RUSSIA	RU000A0ZYYN4	USD	4.4%	Government	3/21/2029	7.3	3,000	114.0	2.6	-/BBB/-
Russia	RUSSIA	RU000A1006S9	USD	5.1%	Government	3/28/2035	10.7	4,000	124.4	3.0	-/BBB/-
Russia	RUSSIA	XS0767473852	USD	5.6%	Government	4/4/2042	13.8	3,000	136.7	3.3	Baa3/BBB/BBB-
Russia	RUSSIA	XS0971721963	USD	5.9%	Government	9/16/2043	14.2	1,500	142.2	3.3	Baa3/BBB/BBB-
Russia	RUSSIA	RU000A0JXU14	USD	5.3%	Government	6/23/2047	16.1	7,000	133.5	3.4	-/BBB/-
Ukraine	UKRAIN	XS1303918939	USD	7.8%	Government	9/1/2020	0.2	1,780	100.6	4.0	B3u/B/B
Ukraine	UKRAIN	XS1303920083	USD	7.8%	Government	9/1/2021	1.1	1,409	103.6	4.5	B3u/B/B
Ukraine	UKRAIN	XS1303921214	USD	7.8%	Government	9/1/2022	1.9	1,384	104.7	5.4	B3u/B/B
Ukraine	UKRAIN	XS1303921487	USD	7.8%	Government	9/1/2023	2.7	1,355	105.7	5.7	B3u/B/B
Ukraine	UKRAIN	XS1303925041	USD	7.8%	Government	9/1/2024	3.4	1,339	105.5	6.2	B3u/B/B
Ukraine	UKRAIN	XS1303925470	USD	7.8%	Government	9/1/2025	4.1	1,329	105.6	6.5	B3u/B/B
Ukraine	UKRAIN	XS1303926528	USD	7.8%	Government	9/1/2026	4.8	1,318	105.6	6.6	B3u/B/B
Ukraine	UKRAIN	XS1303927179	USD	7.8%	Government	9/1/2027	5.3	1,307	105.3	6.8	B3u/B/B
Ukraine	UKRAIN	XS1902171757	USD	9.8%	Government	11/1/2028	5.8	1,600	115.9	7.2	-/B/B
Ukraine	UKRAIN	XS1577952952	USD	7.4%	Government	9/25/2032	7.5	3,000	102.1	7.1	-/B/B
Georgia	GEORG	XS0617134092	USD	6.9%	Government	4/12/2021	0.7	500	102.2	3.9	Ba2/BB/BB

Issuer	Ticker	ISIN	Currency	Coupon	Sector	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Moody's/Fitch/S&P)
Corporate Eurobonds											
SILKNET JSC	SILNET	XS1843443430	USD	11.0%	Communications	4/2/2024	3.0	200	103.7	9.8	B1/B+/-
TURK TELEKOMUNIKASYON AS	TURKTI	XS1028951264	USD	4.9%	Communications	6/19/2024	3.5	500	99.2	5.1	-/BB-/BB-
TURK TELEKOMUNIKASYON AS	TURKTI	XS1955059420	USD	6.9%	Communications	2/28/2025	3.9	500	105.6	5.5	-/BB-/BB-
TURKCELL ILETISIM HIZMET	TCELLT	XS1298711729	USD	5.8%	Communications	10/15/2025	4.5	500	101.7	5.4	B1u/BB-/BB-
TURKCELL ILETISIM HIZMET	TCELLT	XS1803215869	USD	5.8%	Communications	4/11/2028	6.1	500	99.4	5.9	/BB-/BB-
SOUTHERN GAS CORRIDOR	SGCAZE	XS1319820897	USD	6.9%	Energy	3/24/2026	4.7	2,000	115.4	3.9	Ba2/BB+/-
STATE OIL CO OF THE AZER	SOIAZ	XS0903465127	USD	4.8%	Energy	3/13/2023	2.5	1,000	104.3	3.1	Ba2/BB+/-
STATE OIL CO OF THE AZER	SOIAZ	XS1196496688	USD	7.0%	Energy	3/18/2030	7.1	750	118.2	4.6	NR/BB+/-
GEORGIAN OIL & GAS CORP	GEOROG	XS1319820384	USD	6.8%	Energy	4/26/2021	0.8	250	100.8	5.8	-/BB/BB- *
KAZMUNAYGAS NATIONAL CO	KZOKZ	XS1595713279	USD	3.9%	Energy	4/19/2022	1.7	500	102.5	2.5	Baa3/BBB-/BB
KAZMUNAYGAS NATIONAL CO	KZOKZ	XS0925015074	USD	4.4%	Energy	4/30/2023	2.6	1,000	104.3	2.8	Baa3/BBB-/BB
KAZMUNAYGAS NATIONAL CO	KZOKZ	XS1807299174	USD	4.8%	Energy	4/24/2025	4.3	500	107.9	3.0	Baa3/BBB-/BB
KAZMUNAYGAS NATIONAL CO	KZOKZ	XS1595713782	USD	4.8%	Energy	4/19/2027	5.8	1,000	108.8	3.3	Baa3/BBB-/BB
KAZMUNAYGAS NATIONAL CO	KZOKZ	XS1807300105	USD	5.4%	Energy	4/24/2030	7.7	1,250	113.8	3.7	Baa3/BBB-/BB
KAZTRANS GAS JSC	KZTGKZ	XS1682544157	USD	4.4%	Energy	9/26/2027	6.1	750	107.9	3.1	Baa3/BBB-/BB
TUPRAS-TURKIYE PETROL RA	TUPRST	XS1686704948	USD	4.5%	Energy	10/18/2024	3.8	700	93.6	6.2	B1/BB-/BB
GEORGIAN RAILWAY JSC	GRAIL	XS0800346362	USD	7.8%	Industrial	7/11/2022	1.8	500	102.0	6.7	-/BB-/BB+
INTERNATIONAL BANK OF AZ	IBAZAZ	XS1678463784	USD	3.5%	Financial	9/1/2024	3.7	1,000	91.0	6.0	-/B+/-
BANK OF GEORGIA JSC	GEBGG	XS1405775880	USD	6.0%	Financial	7/26/2023	2.7	350	99.8	6.1	Ba2/BB-/BB
TBC BANK JSC	TBCBGE	XS1843434363	USD	5.8%	Financial	6/19/2024	3.5	300	99.2	6.0	Ba2/BB-/BB
AKBANK TAS	AKBNK	USM0375YAK49	USD	5.0%	Financial	10/24/2022	2.1	500	99.6	5.2	B2/B+/-
AKBANK TAS	AKBNK	XS1210422074	USD	5.1%	Financial	3/31/2025	4.1	500	94.9	6.4	B2/B+/-
TC ZIRAAT BANKASI AS	TCZIRA	XS1223394914	USD	4.8%	Financial	4/29/2021	0.8	500	100.4	4.2	B2/B+/-
TC ZIRAAT BANKASI AS	TCZIRA	XS1605397394	USD	5.1%	Financial	5/3/2022	1.7	600	98.3	6.1	B2/B+/-
TC ZIRAAT BANKASI AS	TCZIRA	XS1691349010	USD	5.1%	Financial	9/29/2023	2.9	500	95.8	6.6	B2/B+/-
TURKIYE GARANTI BANKASI	GARAN	USM8931TAA71	USD	6.3%	Financial	4/20/2021	0.8	500	101.7	4.1	B2/B+/-
TURKIYE GARANTI BANKASI	GARAN	USM8931TAF68	USD	5.3%	Financial	9/13/2022	2.0	750	100.0	5.2	B2/B+/-
TURKIYE GARANTI BANKASI	GARAN	XS1576037284	USD	5.9%	Financial	3/16/2023	2.4	500	100.3	5.8	B2/B+/-
TURKIYE GARANTI BANKASI	GARAN	XS2094608580	USD	5.3%	Financial	12/20/2024	3.9	50	95.0	6.6	-/B+/-
TURKIYE IS BANKASI A.S	ISCTR	XS1079527211	USD	5.0%	Financial	6/25/2021	0.9	750	100.4	4.6	B3/B+/-
TURKIYE IS BANKASI A.S	ISCTR	XS1390320981	USD	5.4%	Financial	10/6/2021	1.2	750	100.7	4.8	B3/B+/-
TURKIYE IS BANKASI A.S	ISCTR	XS1508390090	USD	5.5%	Financial	4/21/2022	1.7	600	99.9	5.6	B3/B+/-
TURKIYE IS BANKASI A.S	ISCTR	XS0847042024	USD	6.0%	Financial	10/24/2022	2.1	1,000	99.3	6.3	Caa2/B-/BB
TURKIYE IS BANKASI A.S	ISCTR	XS1003016018	USD	7.9%	Financial	12/10/2023	3.0	400	101.5	7.4	Caa3/B-/BB
TURKIYE IS BANKASI A.S	ISCTR	XS1578203462	USD	6.1%	Financial	4/25/2024	3.3	1,250	97.6	6.9	B3/B+/-
TURKIYE IS BANKASI A.S	ISCTR	XS2041003901	USD	8.1%	Financial	12/3/2029	6.0	50	93.2	9.2	NR/B+/-

Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia Group plc ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Galt & Taggart
Address: 79 D. Agmashenebeli Avenue, Tbilisi 0102, Georgia
Tel: + (995) 32 2401 111
Email: gt@gt.ge