



Economy

Tourism revenues estimated at US\$ 600mn in Jul-24

Tourism revenues increased by 23.5% y/y to US\$ 600mn in Jul-24, according to our estimates. Overall, in 7M24 tourism revenues reached US\$2.5bn (+9.1% y/y) by our estimates. We forecast tourism revenues at US\$ 4.3bn for 2024, up from US\$ 4.1bn in 2023.

International reserves at US\$ 4.7bn in Jul-24

Gross international reserves decreased by 14.1% y/y to US\$ 4.7bn in Jul-24, according to NBG. Meanwhile, on a monthly basis, the reserves were up by 2.0% (+US\$ 90.5mn). The changes in reserves were attributed to the government and/or banking sector FX operations. Notably, monetary gold accounts for 11.9% of total international reserves as of Jul-24.

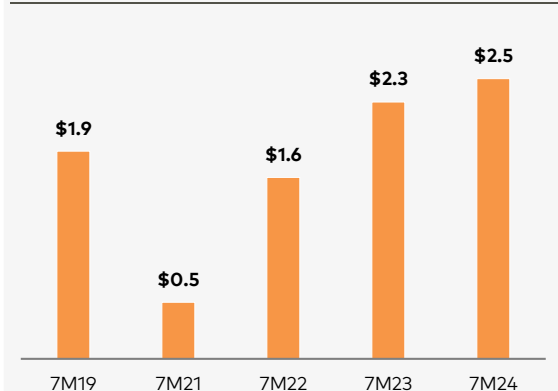
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	7.0%
GDP per capita (ppp)	23,344	24,967
GDP per capita (US\$)	8,210	8,727
Population (mn)	3.7	3.7
Inflation (average)	2.5%	2.5%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	4.4%	5.6%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	39.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

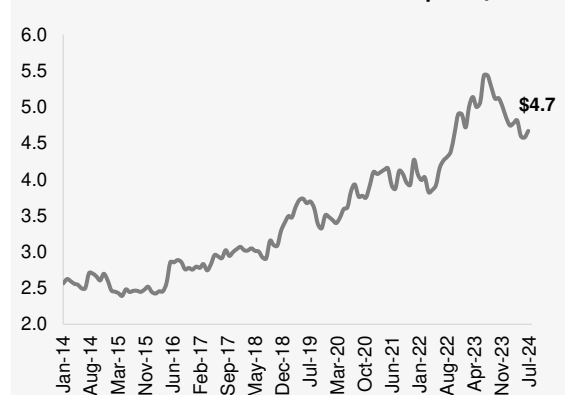
*Latest sovereign credit ratings

Tourism revenues, US\$ bn



Source: NBG, Galt & Taggart

Gross International Reserves, US\$ bn



Source: NBG

Money market

Ministry of Finance T-bills/T-notes:

3.4-year GEL 40.0mn (US\$ 14.8mn) Benchmark bonds were sold at the auction held at NBG on August 6, 2024. Total demand was 3.5x higher and the weighted average yield was fixed at 9.082%, down by 0.084ppts from previous auction held in Jul-24.

6-month GEL 20.0mn (US\$ 7.4mn) Benchmark bonds were sold at the auction held at NBG on August 6, 2024. Total demand was 2.5x higher and the weighted average yield was fixed at 7.825%, down by 0.079ppts from previous auction held in Jul-24.

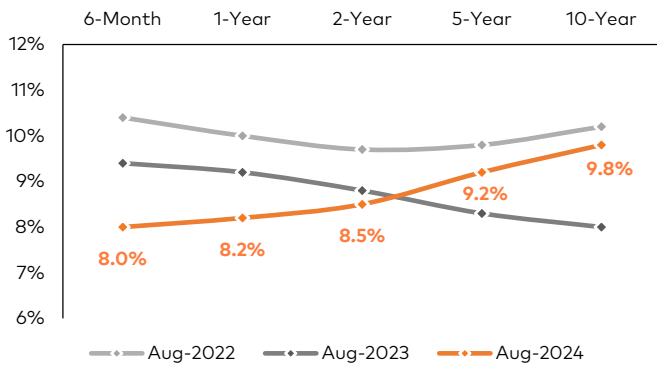
The nearest treasury security auction is scheduled for August 13, 2024, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10-year Benchmark Bonds will be sold.

T-bills / T-notes in 2024

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	350	180	410
Long-term (over 1-year)	1,829	1,110	8,203
Total	2,179	1,290	8,613

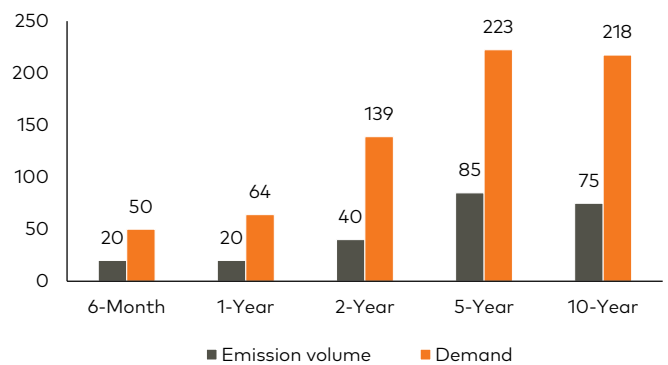
Source: MoF
*As of June 2024

T-bills / T-notes, yield curve



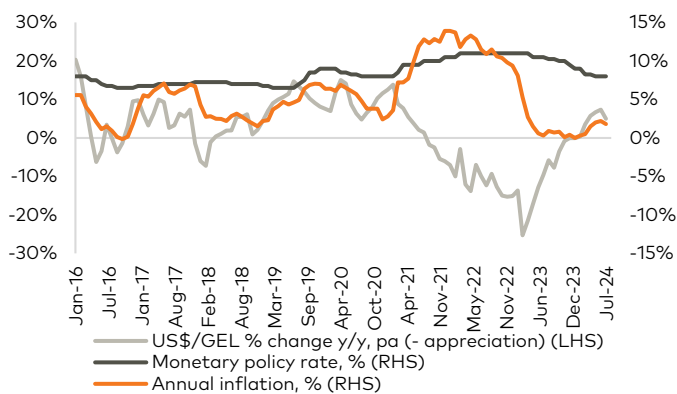
Source: NBG

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



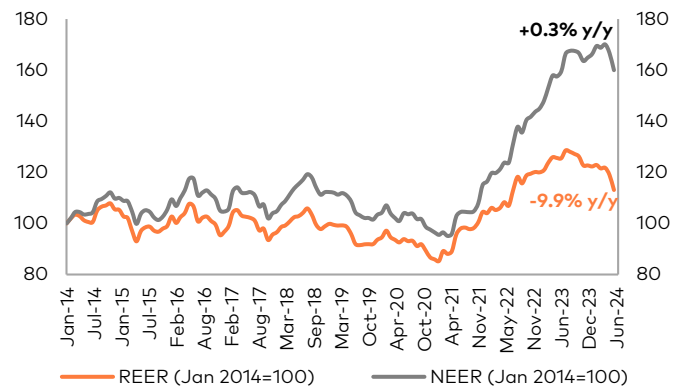
Source: NBG

Monetary policy rate, inflation and FX rate



Source: NBG, Geostat

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	93.43	6.93	298.46
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.60	7.46	390.76
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.88	10.05	652.53
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	99.77	8.48	473.04
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.68	5.62	32.18
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.74	10.90	714.26
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.49	10.62	700.37
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	100.70	8.70	509.33

■ 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, %
USD								
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
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 Developm.	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	n/a
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-BB-	n/a	n/a
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-	n/a	n/a
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	n/a
JSC BasisBank	USD	20	7.00%	Jul-24	Jul-27	-/-/-	n/a	n/a
m2	USD	25	8.50%	Jul-24	Jul-26	-/-/-	n/a	n/a

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

Fixed income

Georgian local bonds

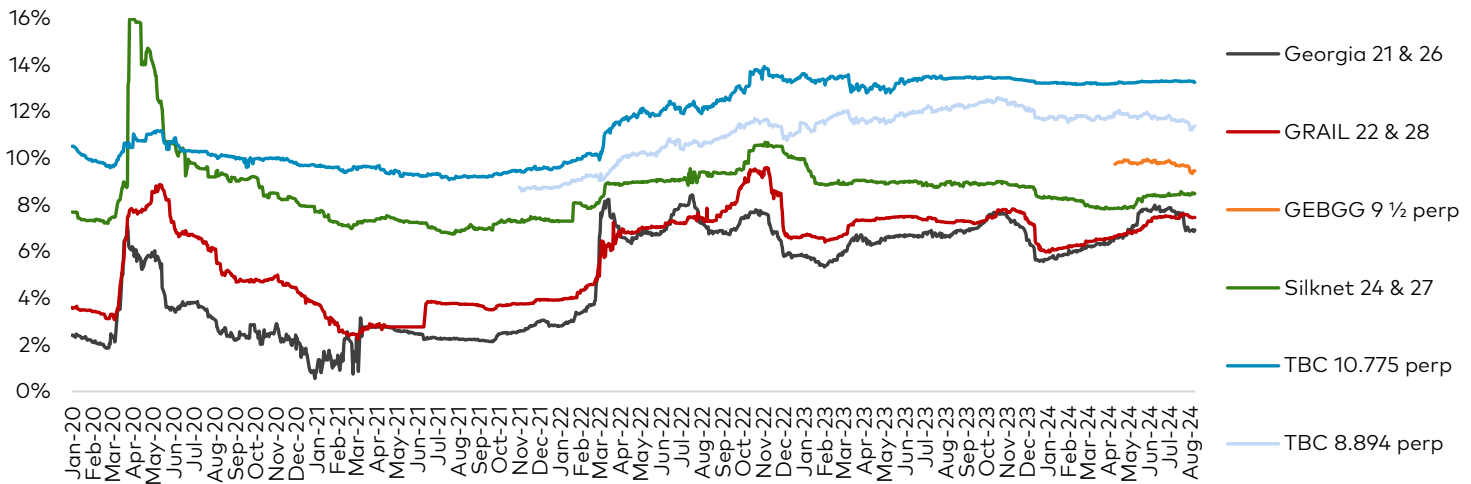
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.50
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
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/-	n/a	n/a
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-	n/a	n/a
GEL								
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
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-	n/a	n/a

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



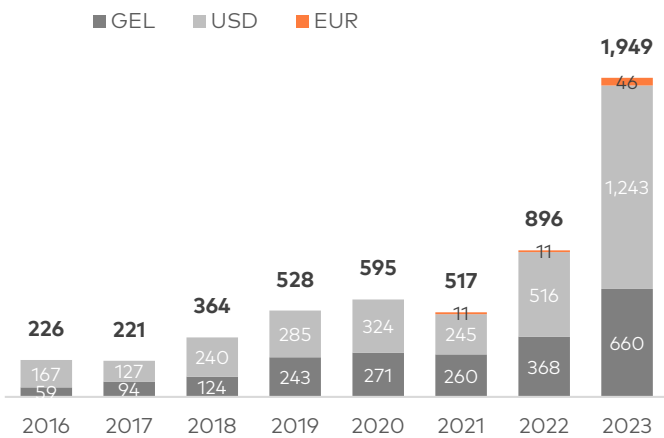
Fixed income

Georgian Eurobonds, YTM



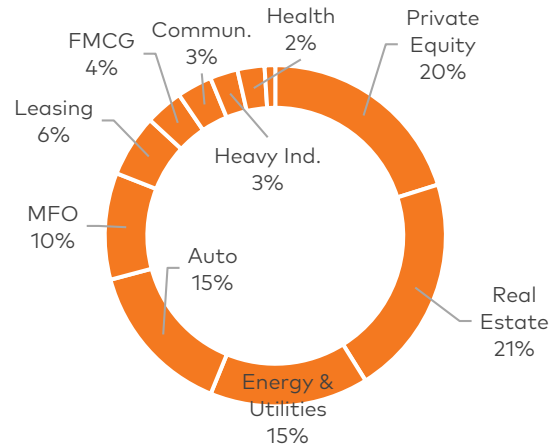
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

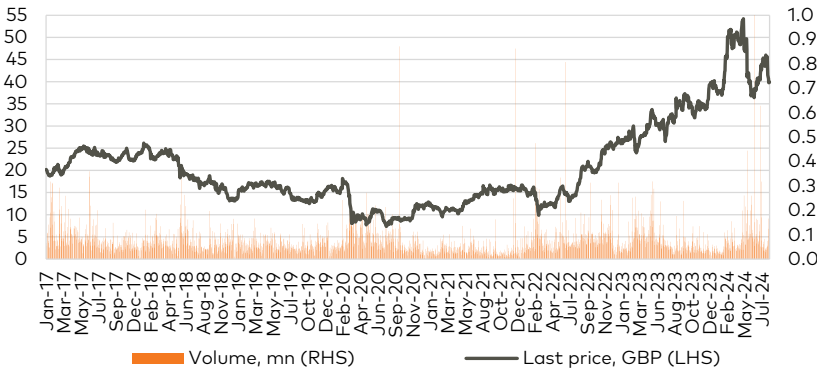
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

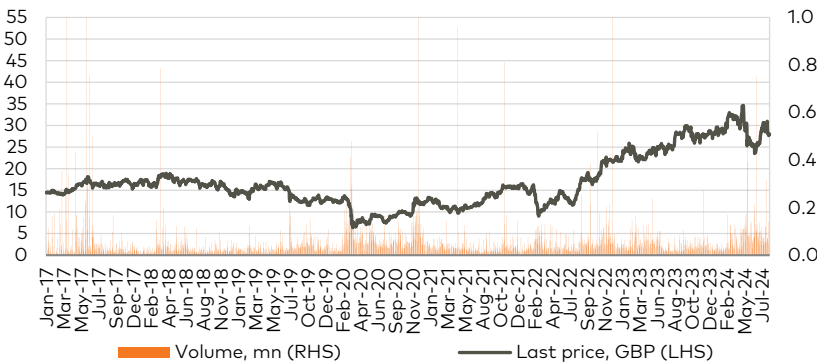
Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 39.95/share (-3.73% w/w and -6.33% m/m). More than 538k shares traded in the range of GBP 39.05 - 41.90/share. Average daily traded volume was 64k in the last 4 weeks. The volume of BGEO shares traded was at 1.18% of its capitalization.

Source: Bloomberg

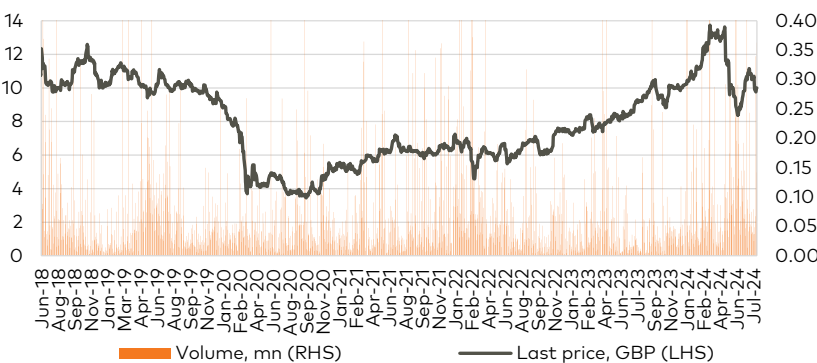
TBC Bank Group (TBCG LN)



TBC Bank Group (TBCG LN) closed the week at GBP 28.00/share (-0.18% w/w and -1.93% m/m). More than 481k shares changed hands in the range of GBP 26.90 - 28.65/share. Average daily traded volume was 89k in the last 4 weeks. The volume of TBCG shares traded was at 0.87% of its capitalization.

Source: Bloomberg

Georgia Capital (CGEO LN)



Georgia Capital (CGEO LN) shares closed at GBP 10.00/share (+0.81% w/w and -4.58% m/m). More than 1.1mn shares traded in the range of GBP 9.55 - 10.22/share. Average daily traded volume was 103k in the last 4 weeks. The volume of CGEO shares traded was at 2.64% of its capitalization.

Source: Bloomberg

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	39.95	1,821	6.5%	28.3%	0.5%	4.36x	3.60x	3.70x	1.19x	na	na
TBC	TBC	GBP	28.00	1,551	-4.8%	11.1%	-1.1%	4.78x	4.35x	3.67x	1.15x	na	na
Halyk Bank	HSBK	USD	17.58	4,794	15.4%	22.3%	16.0%	2.57x	2.82x	2.69x	0.72x	na	na
Akbank	AKBNK	TRY	52.95	275,340	31.5%	71.0%	45.0%	2.86x	4.02x	2.53x	0.90x	1.09x	0.76x
Garanti	GARAN	TRY	110.60	464,520	71.6%	108.7%	89.5%	2.84x	4.63x	3.11x	1.00x	1.47x	0.99x
Isbank	ISCTR	TRY	13.01	325,250	26.0%	84.5%	39.2%	3.23x	3.68x	2.38x	0.87x	1.01x	0.69x
PKO	PKO	PLN	51.92	64,900	-0.5%	32.4%	3.2%	11.44x	6.35x	6.19x	1.39x	1.26x	1.17x
PEKAO	PEO	PLN	145.00	38,058	-8.2%	29.1%	-4.6%	6.07x	5.98x	6.34x	1.32x	1.18x	1.12x
Millennium	MIL	PLN	8.15	9,886	-3.0%	32.3%	-2.5%	17.78x	3.55x	4.15x	1.47x	1.25x	1.09x
Mbank	MBK	PLN	560.80	23,814	2.6%	25.1%	4.8%	na	8.22x	5.32x	1.65x	1.54x	1.18x
BRD	BRD	RON	20.50	14,286	13.5%	42.4%	14.4%	7.62x	9.63x	9.95x	1.42x	1.49x	1.39x
Banca Transilvania	TLV	RON	27.30	21,803	25.8%	54.4%	29.2%	7.76x	6.48x	6.54x	1.82x	1.68x	1.56x
Komerčni	KOMB	CZK	754.00	143,297	-4.8%	6.0%	4.1%	8.76x	9.39x	9.01x	1.09x	1.12x	1.11x
Mean								6.67x	5.59x	5.05x	1.23x	1.31x	1.11x
Median								5.43x	4.63x	4.15x	1.19x	1.25x	1.12x

Source: Bloomberg, S&P Capital IQ

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