



## Economy

### International reserves at US\$ 5.4bn in Jul-23

Gross international reserves increased by 30.8% y/y to a new record high level of US\$ 5.4bn in Jul-23, according to NBG. On a monthly basis, the reserves were up by 7.3% (+US\$ 369.3mn). Changes in reserves were attributed to the government and banking sector FX operations, likely also to NBG's FX purchases (information will be available on 25 August).

### Tourism revenues estimated at US\$ 530mn in Jul-23

According to our estimates, tourism revenues increased by 11.2% y/y, reaching US\$ 530.0mn in Jul-23. Overall, tourism revenues reached US\$ 2.3bn (+44.2% y/y) in 7M23, based on our estimate.

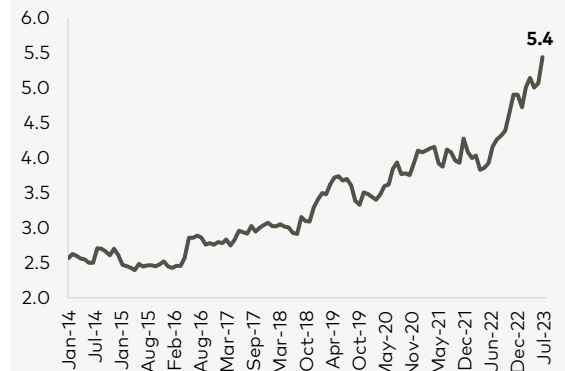
### Key macro indicators

	2021	2022
Real GDP growth (% change)	10.5%	10.1%
GDP per capita (ppp)	16,997	20,244
GDP per capita (US\$)	5,023	6,672
Population (mn)	3.7	3.7
Inflation (eop)	13.9%	9.8%
Gross reserves (US\$ bn)	4.3	4.9
CAD (% of GDP)	10.4%	4.0%
Fiscal deficit (% of GDP)	6.1%	3.1%
Total public debt (% of GDP)	49.7%	39.8%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

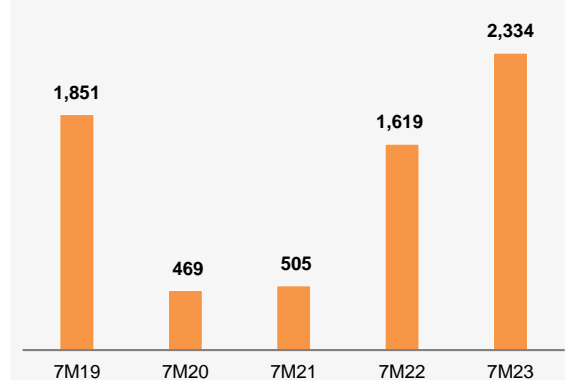
\*Latest sovereign credit ratings

### Gross international reserves, US\$ bn



Source: NBG

### Tourism revenues, US\$ mn



Source: NBG, Galt & Taggart

# Money market

## Ministry of Finance T-bills/T-notes:

10-year GEL 25.0mn (US\$ 9.6mn) Benchmark bonds were sold at the auction held at NBG on August 8, 2023. Total demand was 1.7x higher and the weighted average yield was fixed at 8.138%, up by 0.155ppts from previous auction held in Jul-23.

1-year GEL 20.0mn (US\$ 7.7mn) T-Bills were sold at the auction held at NBG on August 8, 2023. Total demand was 1.9x higher and the weighted average yield was fixed at 9.331%, down by 0.118ppts from previous auction held in Jul-23.

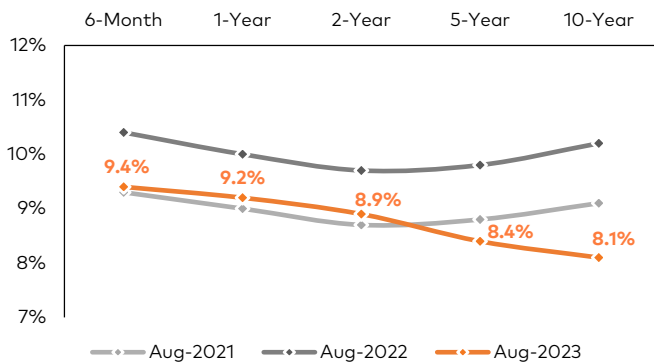
The nearest treasury security auction is scheduled for August 15, 2023, where GEL 60.0mn nominal value 10-year Benchmark Bonds will be sold.

## T-bills / T-notes in 2023

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	160	80	420
1-year	160	80	
2-year	341	160	
5-year	681	450	7,021
10-year	470	550	
<b>Total</b>	<b>1,812</b>	<b>1,320</b>	<b>7,441</b>

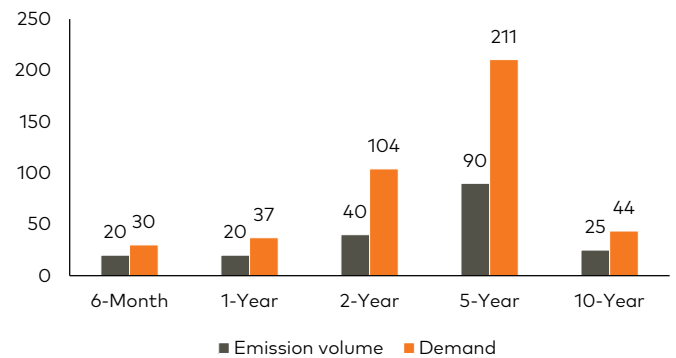
Source: MoF  
\*As of June 2023

## T-bills / T-notes, yield curve



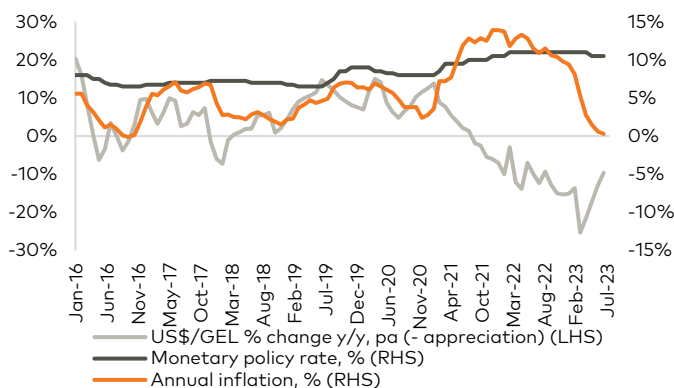
Source: NBG

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



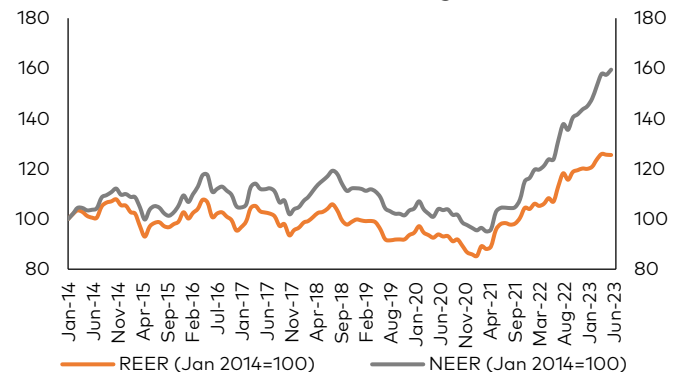
Source: NBG

## Monetary policy rate, inflation and FX rate



Source: NBG

## Nominal effective exchange rate and Real effective exchange rate



Source: NBG

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

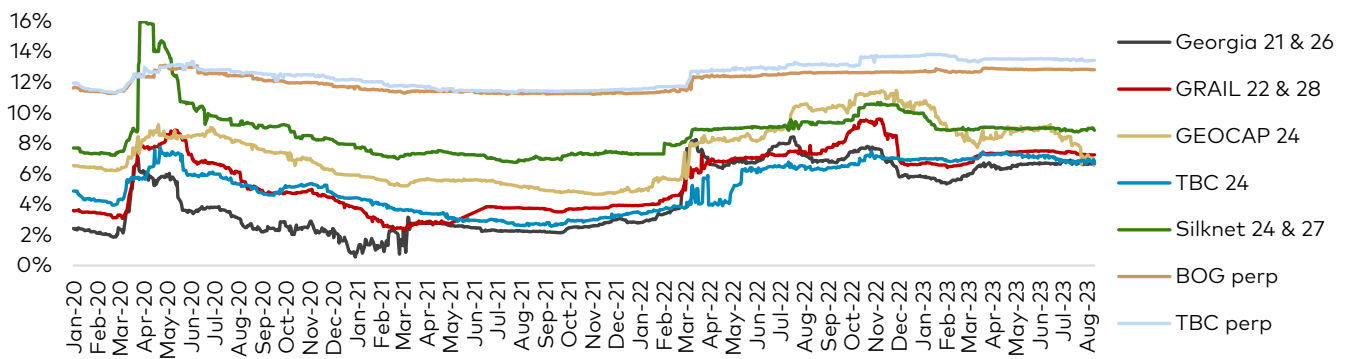
## Fixed income

**Corporate Eurobonds:** Georgia Capital Eurobonds (GEOCAP) were trading at 99.69 (+0.24% w/w), yielding 6.67%.

Georgian Railway Eurobonds (GRAIL) traded at 86.93 (+0.05% w/w), yielding 7.25%.

**Georgian Sovereign Eurobonds** (GEORG) closed at 90.44 (-0.03% w/w) at 6.70% yield to maturity.

### Georgian Eurobonds, YTM



Source: Bloomberg

### Georgian Eurobonds performance

Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Mood y/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-26	BB/BB/Ba2	90.44	6.70	218.95
GRAIL 06/28	USD	500	4.000%	Jun-28	BB-/BB-/-	86.93	7.25	314.10
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/-/-	99.42	12.82	638.30
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B+/B1	99.69	6.67	903.39
SILKNET 01/27	USD	300	8.375%	Jan-27	B+/-/B1	98.57	8.86	451.06
TBC 06/24	USD	300	5.750%	Jun-24	BB-/B/Ba2	99.26	6.66	121.66
TBC PERP	USD	125	10.775%	n/a	B-/-/-	97.00	13.44	840.55

Source: Bloomberg



## Fixed income

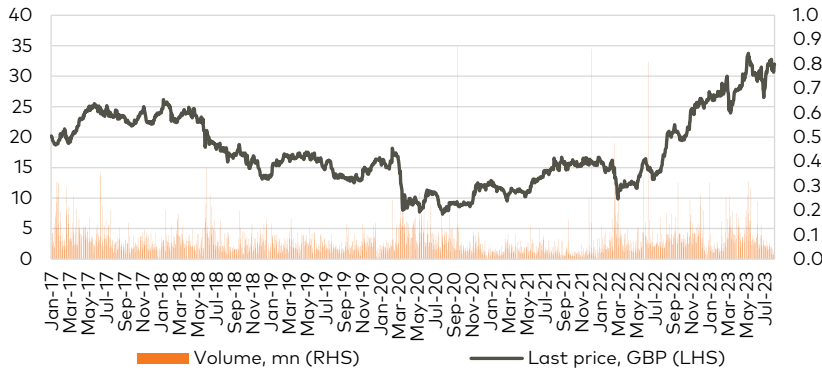
### Georgian local bonds performance

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	-/-/-	99.78	8.65	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-27	-/-/-	99.04	7.25	n/a
Geosteel	USD	15	9.00%	Apr-25	-/-/-	n/a	n/a	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	98.23	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.80	8.65	n/a
Lisi Lake Development	USD	12	6.50%	Dec-24	-/-/B+	99.59	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/B+	n/a	n/a	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	-/-/-	n/a	n/a	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-	n/a	n/a	n/a
Tegeta Motors	EUR	5	7.00%	Apr-25	-/-/BB-	n/a	n/a	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-/	n/a	n/a	n/a

Source: Bloomberg

# Equities

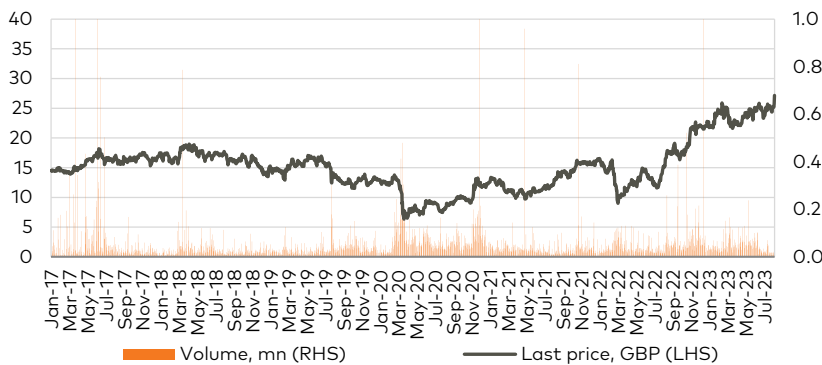
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 32.00/share (+1.91% w/w and +13.48% m/m). More than 140k shares traded in the range of GBP 30.40 - 32.10/share. Average daily traded volume was 41k in the last 4 weeks. The volume of BGEO shares traded was at 0.31% of its capitalization.

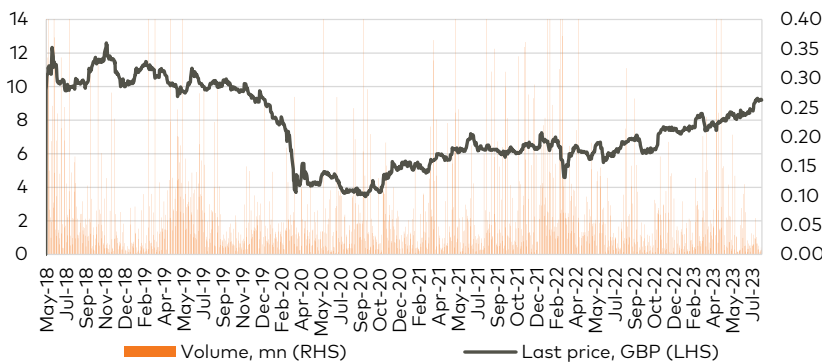
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 27.15/share (+7.95% w/w and +12.19% m/m). More than 161k shares changed hands in the range of GBP 24.55 - 27.20/share. Average daily traded volume was 27k in the last 4 weeks. The volume of TBCG shares traded was at 0.29% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 9.20/share (+0.22% w/w and +5.99% m/m). More than 40k shares traded in the range of GBP 9.15 - 9.28/share. Average daily traded volume was 18k in the last 4 weeks. The volume of CGEO shares traded was at 0.09% of its capitalization.

## Equities, continued

### Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E			P/B		
								2022	2023F	2024F	2022	2023F	2024F
Bank of Georgia	BGEO	GBP	32.00	1,469	19.6%	83.9%	22.8%	2.74x	4.45x	4.17x	0.90x	0.91x	0.78x
TBC	TBC	GBP	27.15	1,497	12.4%	75.6%	19.6%	4.10x	4.77x	4.15x	1.04x	1.08x	0.92x
Halyk Bank	HSBK	USD	14.40	3,927	30.9%	51.6%	29.7%	2.69x	2.80x	2.50x	0.78x	0.75x	0.64x
Akbank	AKBNK	TRY	30.88	160,576	110.1%	206.7%	58.0%	1.40x	3.08x	3.27x	0.55x	0.82x	0.73x
Garanti	GARAN	TRY	55.50	233,100	163.5%	207.1%	84.8%	1.91x	3.85x	4.32x	0.73x	1.25x	1.03x
Isbank	ISCTR	TRY	17.30	172,999	81.7%	181.3%	35.5%	0.84x	2.66x	2.85x	0.60x	0.79x	0.63x
PKO	PKO	PLN	39.00	48,750	21.4%	52.9%	28.8%	10.98x	7.98x	7.42x	1.03x	1.14x	1.06x
PEKAO	PEO	PLN	112.30	29,475	22.3%	52.6%	29.8%	na	5.70x	6.50x	na	1.06x	1.00x
Millennium	MIL	PLN	6.13	7,430	25.8%	55.1%	33.7%	na	2.37x	3.12x	1.04x	1.13x	0.98x
Mbank	MBK	PLN	448.70	19,054	45.0%	83.4%	51.6%	na	3.97x	5.57x	1.10x	1.22x	1.06x
BRD	BRD	RON	14.48	10,091	7.3%	1.4%	11.4%	6.81x	6.77x	7.39x	1.31x	1.29x	1.23x
Banca Transilvania	TLV	RON	20.36	16,261	15.5%	7.9%	15.4%	na	6.91x	6.62x	1.60x	1.42x	1.27x
Komerčni	KOMB	CZK	715.00	135,885	-3.4%	13.5%	9.2%	8.36x	8.59x	8.95x	1.21x	1.01x	1.00x
<b>Mean</b>								<b>4.42x</b>	<b>4.91x</b>	<b>5.14x</b>	<b>0.99x</b>	<b>1.07x</b>	<b>0.95x</b>
<b>Median</b>								<b>2.74x</b>	<b>4.45x</b>	<b>4.32x</b>	<b>1.04x</b>	<b>1.08x</b>	<b>1.00x</b>

Source: Bloomberg, S&amp;P Capital IQ

### Investment management companies

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E			P/B		
								2022	2023F	2024F	2022	2023F	2024F
Georgia Capital	CGEO	GBP	9.20	403	21.1%	40.0%	26.0%	na	na	na	0.38x	na	na
Tinc Comm	TINC	EUR	12.10	440	-3.4%	-9.8%	-3.2%	18.33x	na	na	0.99x	na	na
Sabancı Holding	SAHOL	TRY	61.85	126,199	66.5%	156.2%	37.2%	1.77x	3.59x	3.18x	0.77x	0.72x	0.61x
Deutsche Beteiligungs	DBAN	EUR	30.50	574	-1.9%	5.0%	9.3%	na	5.29x	5.59x	1.00x	0.85x	0.76x
Eurazeo	RF	EUR	54.65	4,330	-14.6%	-16.1%	-5.9%	8.89x	11.53x	7.34x	0.78x	0.49x	0.45x
Carlyle Group	CG	USD	31.63	11,454	-8.7%	-7.9%	6.0%	8.50x	10.39x	7.82x	1.70x	3.20x	2.19x
Wendel SE	MF	EUR	85.95	3,817	-13.7%	-0.2%	-1.4%	6.63x	6.96x	6.86x	na	1.18x	1.06x
HgCapital Trust	HGT	GBP	4.03	1,845	12.7%	0.9%	15.0%	na	na	na	na	na	na
NB Private Equity Partners	NBPE	GBP	16.20	706	-0.6%	3.8%	1.3%	na	na	na	na	na	na
Oakley Capital Investments	OCI	GBP	4.60	817	-1.0%	8.9%	9.7%	na	na	na	na	na	na
Princess Private Equity	PEY	EUR	10.40	719	5.7%	-9.8%	23.2%	na	na	na	0.65x	na	na
Symphony International Holding	SIHL	USD	0.41	210	-4.7%	-8.7%	-8.5%	na	na	na	0.47x	na	na
<b>Mean</b>								<b>8.82x</b>	<b>7.55x</b>	<b>6.16x</b>	<b>0.84x</b>	<b>1.29x</b>	<b>1.01x</b>
<b>Median</b>								<b>8.50x</b>	<b>6.96x</b>	<b>6.86x</b>	<b>0.78x</b>	<b>0.85x</b>	<b>0.76x</b>

Source: Bloomberg, S&amp;P Capital IQ

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