



## Economy

### International visitors at 1.5mn in 2Q24

In 2Q24, international visitors to Georgia increased by 4.6% y/y to 1.5mn persons. This growth was driven by a 9.2% y/y increase in tourist arrivals, which accounted for 77.4% of total arrivals. Meanwhile, same-day arrivals declined by 8.8% y/y in the same period. Accordingly, we estimate tourism revenues at US\$ 1.1bn (+9.8% y/y) in 2Q24.

Türkiye was the top source country by international arrivals (24.1% of total) in 2Q24, followed by Russia (20.4% of total) and Armenia (12.8% of total). Notably, most visitors traveled to Georgia via land (61.8% of total), followed by air (37.6% of total).

Overall, 2.7mn international visitors traveled to Georgia in 1H24, with tourist arrivals comprising 2.1mn individuals (99.8% of 1H19 level). Additionally, there were 0.6mn same-day arrivals, recovering at 51.2% of 1H19 level. Based on our estimate, tourism revenues reached US\$ 1.9bn (+6.2% y/y) in 1H24.

We forecast tourism revenues at US\$ 4.3bn for 2024.

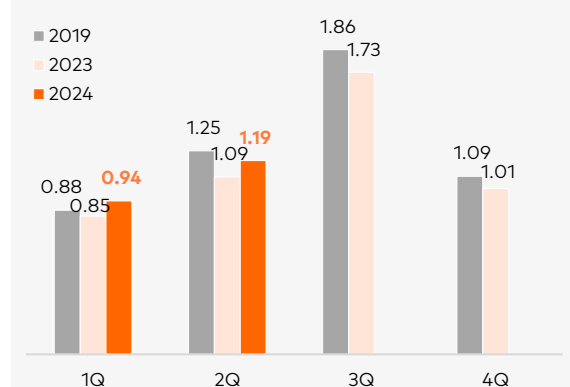
### Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	7.0%
GDP per capita (ppp)	23,344	24,870
GDP per capita (US\$)	8,210	8,693
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

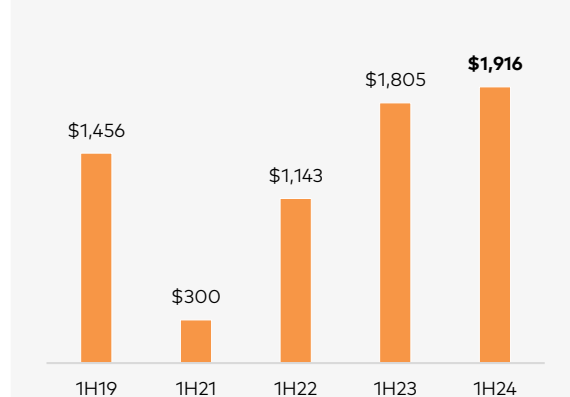
\*Latest sovereign credit ratings

### Tourist arrivals, mn persons



Source: GNTA

### Tourism revenues, US\$ mn



Source: NBG, Galt & Taggart

# Money market

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

10-year GEL 30.0mn (US\$ 10.9mn) Benchmark bonds were sold at the auction held at NBG on July 9, 2024. Total demand was 3.1x higher and the weighted average yield was fixed at 9.910%, up by 0.833ppts from previous auction held in Jun-24.

1-year GEL 20.0mn (US\$ 7.3mn) Benchmark bonds were sold at the auction held at NBG on July 9, 2024. Total demand was 3.2x higher and the weighted average yield was fixed at 7.852%, down by 0.096ppts from previous auction held in Jun-24.

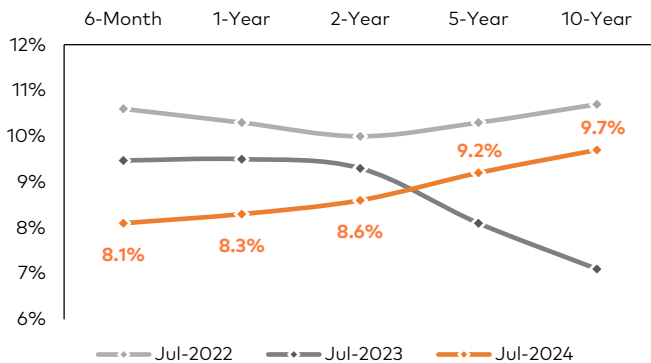
The nearest treasury security auction is scheduled for July 16, 2024, where GEL 75.0mn nominal value 7-year Benchmark Bonds will be sold.

## 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)	330	200	410
Long-term (over 1-year)	1,629	1,310	8,022
<b>Total</b>	<b>1,959</b>	<b>1,510</b>	<b>8,432</b>

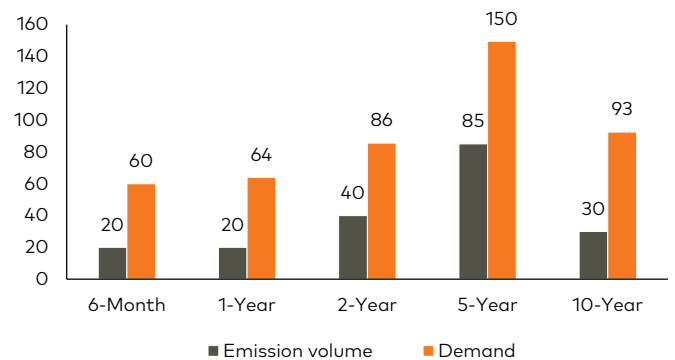
Source: MoF  
\*As of May 2024

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



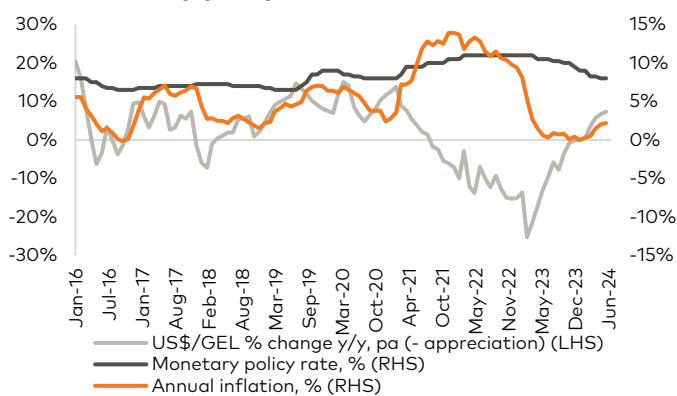
Source: NBG

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



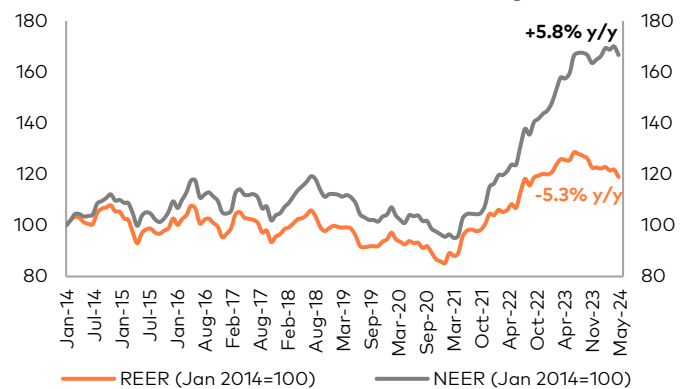
Source: NBG

## 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 performance

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	92.16	7.57	317.10
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.48	7.44	351.13
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.69	10.10	621.76
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/B1	99.84	8.45	426.77
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/	99.95	10.68	534.75
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/	95.50	10.96	677.47
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.34	10.66	669.51

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

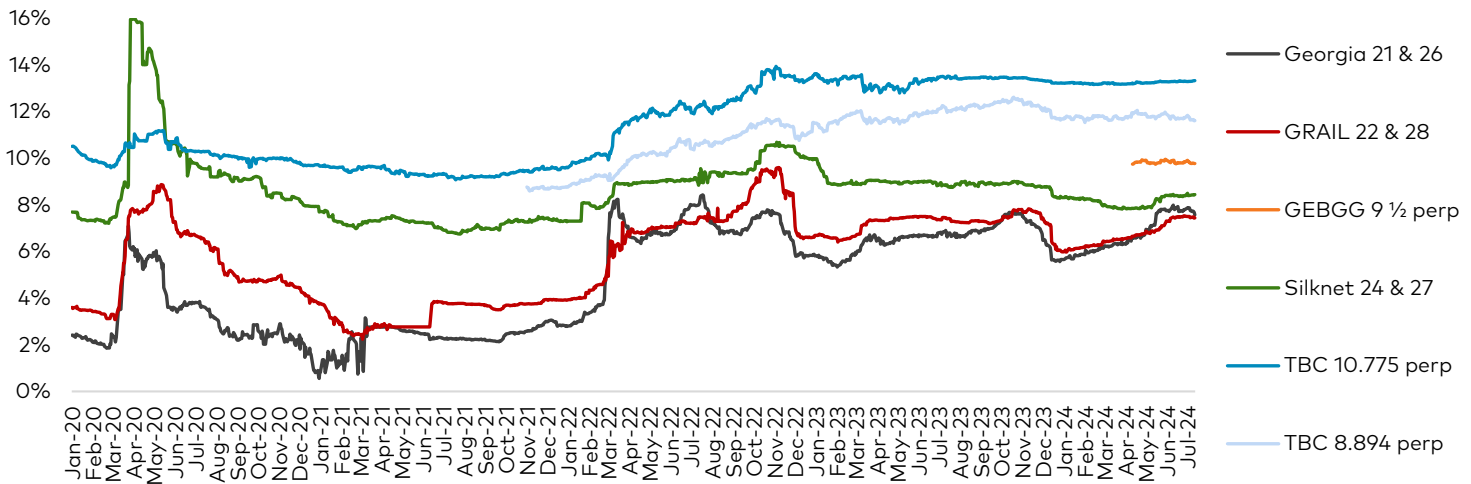
## Georgian local bonds performance

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
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
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
<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
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/BB-	n/a	n/a

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

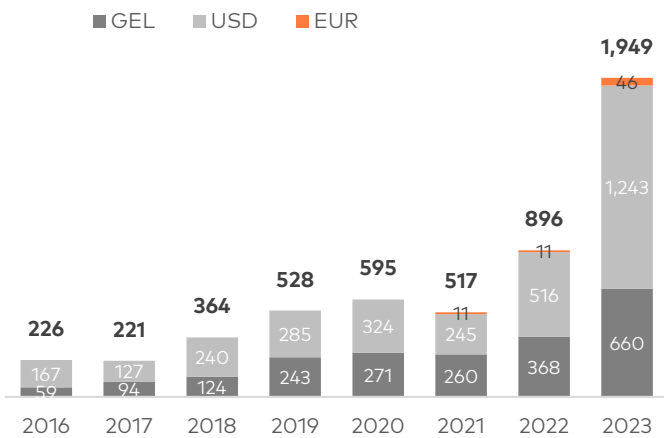
# Fixed income

**Georgian Eurobonds, YTM**



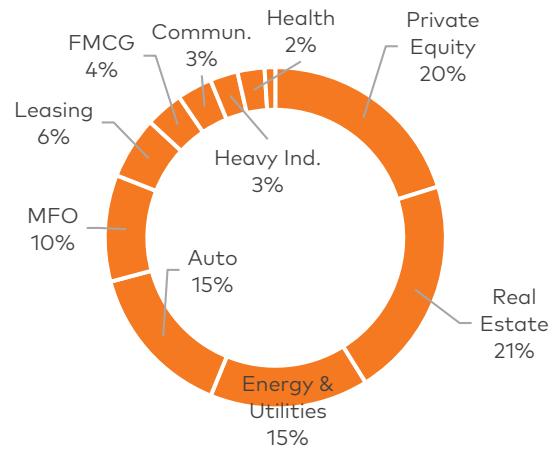
Source: Bloomberg

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



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

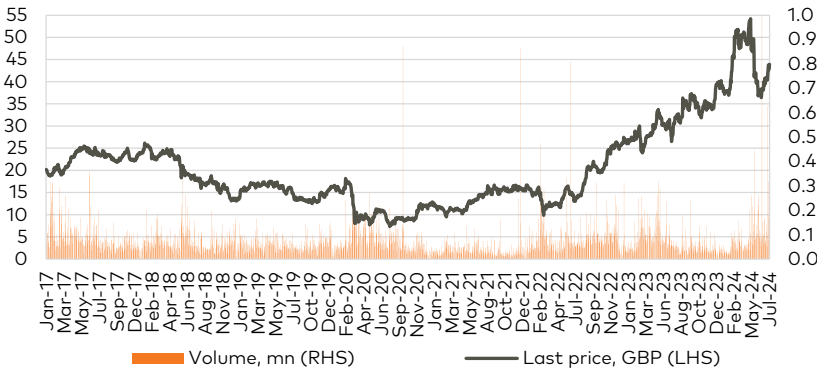
**Georgian corporate public bonds outstanding by sector**



Source: Galt & Taggart

# Equities

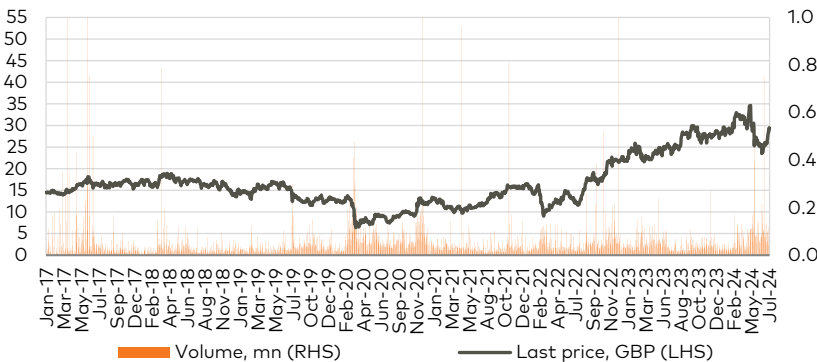
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 43.90/share (+5.28% w/w and +17.85% m/m). More than 660k shares traded in the range of GBP 41.50 - 44.10/share. Average daily traded volume was 133k in the last 4 weeks. The volume of BGEO shares traded was at 1.45% of its capitalization.

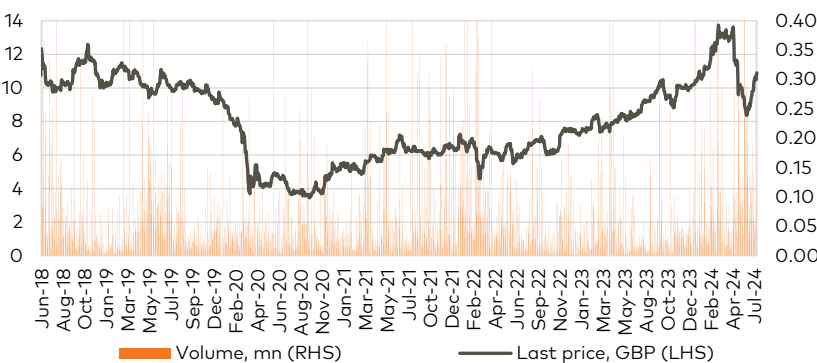
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 29.45/share (+6.90% w/w and +15.49% m/m). More than 392k shares changed hands in the range of GBP 27.40 - 29.80/share. Average daily traded volume was 122k in the last 4 weeks. The volume of TBCG shares traded was at 0.71% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 10.90/share (+3.81% w/w and +29.76% m/m). More than 743k shares traded in the range of GBP 10.28 - 10.94/share. Average daily traded volume was 103k in the last 4 weeks. The volume of CGEO shares traded was at 1.74% 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		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	43.90	2,001	12.4%	49.1%	10.4%	4.36x	4.36x	4.18x	1.19x	na	na
TBC	TBC	GBP	29.45	1,631	3.2%	18.0%	4.1%	4.78x	4.70x	3.91x	1.15x	na	na
Halyk Bank	HSBK	USD	17.72	4,832	19.2%	20.2%	16.9%	2.57x	2.84x	2.71x	0.72x	na	na
Akbank	AKBNK	TRY	66.70	346,840	54.2%	188.7%	82.6%	2.86x	4.84x	3.08x	0.90x	1.30x	0.92x
Garanti	GARAN	TRY	132.50	556,500	95.4%	253.9%	127.1%	2.84x	5.79x	3.79x	1.00x	1.69x	1.15x
Isbank	ISCTR	TRY	17.10	427,499	64.7%	192.4%	83.0%	3.23x	4.78x	2.98x	0.87x	1.26x	0.87x
PKO	PKO	PLN	61.28	76,600	24.0%	58.8%	21.8%	11.44x	7.43x	7.55x	1.39x	1.50x	1.40x
PEKAO	PEO	PLN	170.20	44,672	15.1%	53.1%	11.9%	6.07x	7.21x	7.55x	1.32x	1.40x	1.33x
Millennium	MIL	PLN	9.64	11,694	17.5%	56.2%	15.4%	17.78x	4.42x	5.09x	1.47x	1.55x	1.32x
Mbank	MBK	PLN	643.20	27,314	22.1%	48.6%	20.2%	na	5.31x	6.15x	1.65x	1.82x	1.37x
BRD	BRD	RON	21.20	14,774	19.9%	55.2%	18.3%	7.62x	10.08x	10.41x	1.42x	1.56x	1.46x
Banca Transilvania	TLV	RON	32.70	26,116	31.4%	62.9%	34.8%	7.76x	8.78x	8.60x	1.82x	1.82x	1.56x
Komerčni	KOMB	CZK	787.50	149,664	3.8%	15.0%	8.7%	8.76x	9.74x	9.44x	1.09x	1.19x	1.18x
<b>Mean</b>								<b>6.67x</b>	<b>6.18x</b>	<b>5.80x</b>	<b>1.23x</b>	<b>1.51x</b>	<b>1.26x</b>
<b>Median</b>								<b>5.43x</b>	<b>5.31x</b>	<b>5.09x</b>	<b>1.19x</b>	<b>1.53x</b>	<b>1.32x</b>

Source: Bloomberg, S&amp;P Capital IQ

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