



Economy

Goods exports growth accelerated in Jun-23

In Jun-23, goods exports growth accelerated, up by 22.0% y/y to US\$ 547.4mn, after a 3.6% y/y growth in previous month. Goods imports also experienced an uptick, rising by 10.0% to US\$ 1.2bn in June, after growing by 3.4% y/y in May. Consequently, the trade deficit expanded by 1.8% y/y to US\$ 668.4mn, after a 3.2% y/y growth in May.

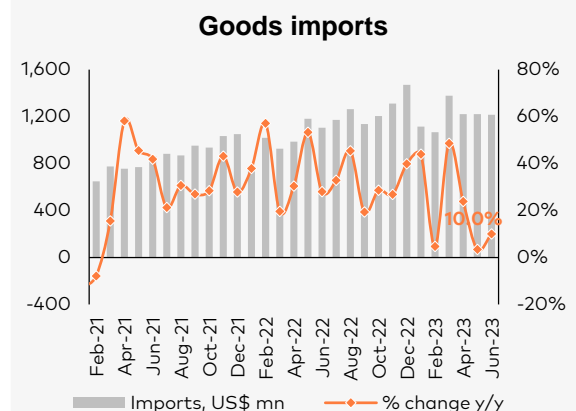
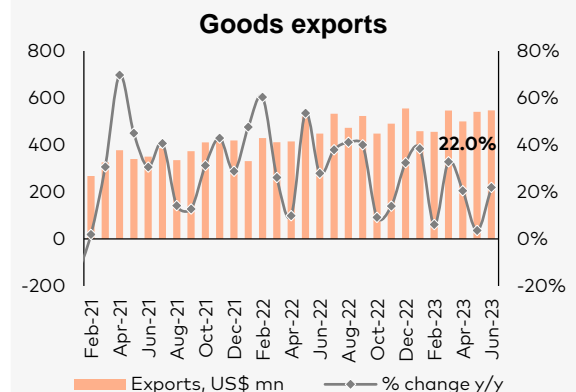
Overall, in 1H23, trade deficit increased by 21.3% y/y to US\$ 4.2bn, as exports increased by 19.2% y/y to US\$ 3.1bn, while imports were up by 20.4% y/y to US\$ 7.2bn.

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





Money market

Ministry of Finance T-bills/T-notes:

10-year GEL 25.0mn (US\$ 9.7mn) Benchmark bonds were sold at the auction held at NBG on July 11, 2023. Total demand was 2.4x higher and the weighted average yield was fixed at 7.983%, down by 0.206ppts from previous auction held in Jun-23.

1-year GEL 20.0mn (US\$ 7.7mn) T-Bills were sold at the auction held at NBG on July 11, 2023. Total demand was 1.8x higher and the weighted average yield was fixed at 9.449%, down by 0.206ppts from previous auction held in Jun-23.

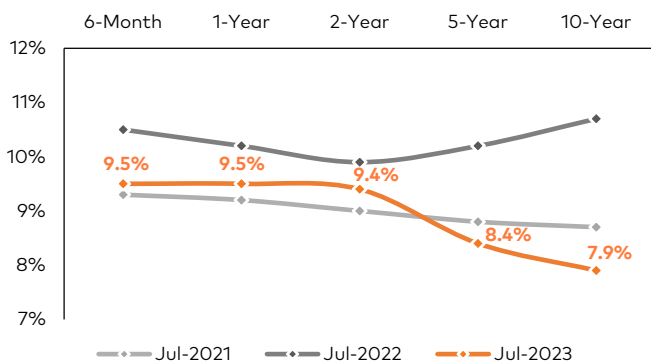
The nearest treasury security auction is scheduled for July 18, 2023, where GEL 60.0mn nominal value 10-year Benchmark Bonds will be sold.

T-bills / T-notes in 2023

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	140	100	420
1-year	140	100	
2-year	299	200	
5-year	575	540	7,021
10-year	385	635	
Total	1,539	1,575	7,441

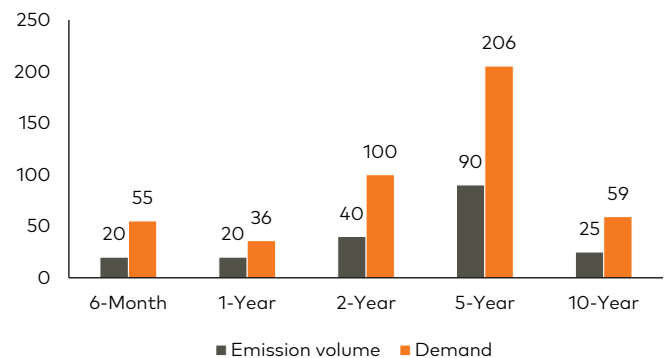
Source: MoF
*As of June 2023

T-bills / T-notes, yield curve



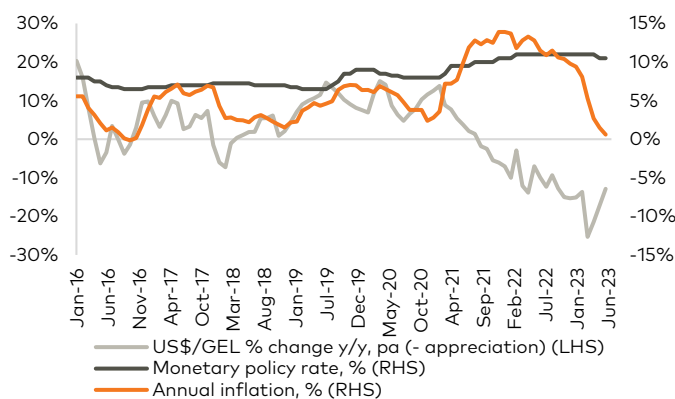
Source: NBG

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



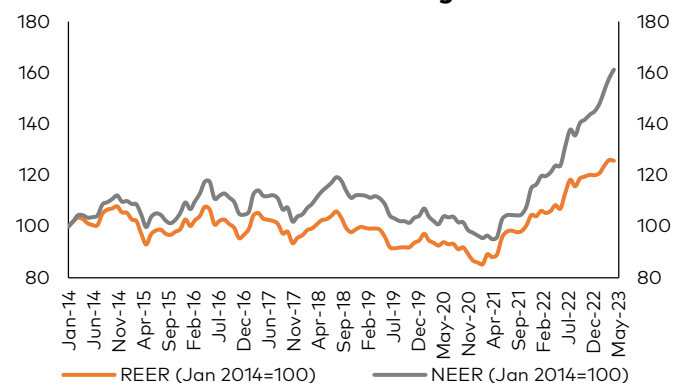
Source: NBG

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



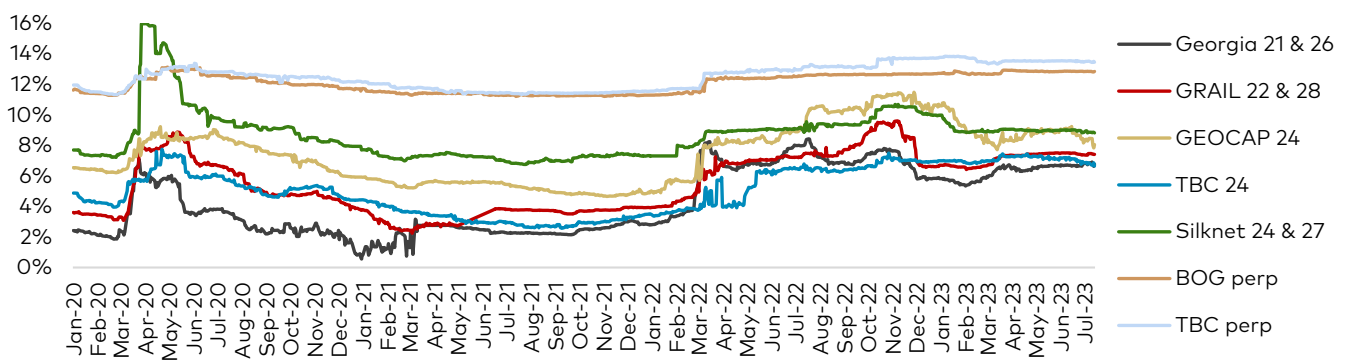
Fixed income

Corporate Eurobonds: Georgia Capital Eurobonds (GEOCAP) were trading at 98.81 (+0.30% w/w), yielding 8.05%.

Georgian Railway Eurobonds (GRAIL) traded at 86.15 (+0.28% w/w), yielding 7.41%.

Georgian Sovereign Eurobonds (GEORG) closed at 90.04 (+0.28% w/w) at 6.76% 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	90.04	6.76	244.43
GRAIL 06/28	USD	500	4.000%	Jun-28	BB-/BB/-	86.15	7.41	355.32
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/B1	99.16	12.84	670.85
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B+/B1	98.81	8.05	257.06
SILKNET 01/27	USD	300	8.375%	Jan-27	B+/-/B1	98.70	8.81	467.14
TBC 06/24	USD	300	5.750%	Jun-24	BB-/B2	99.21	6.65	126.20
TBC PERP	USD	125	10.775%	n/a	B-/B1	96.76	13.45	856.54



Fixed income

Georgian local bonds performance

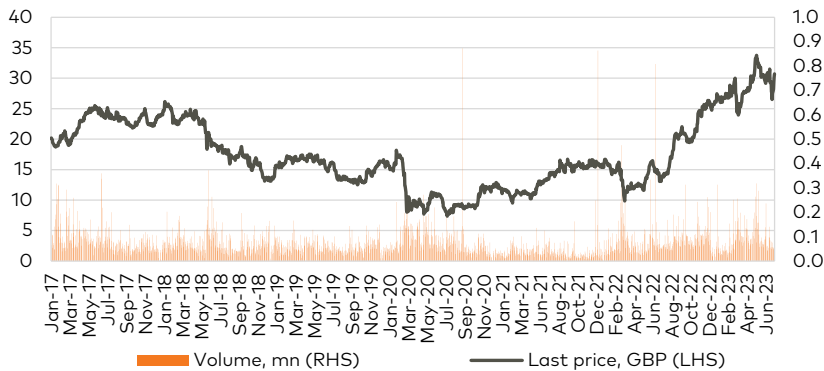
Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %	Z-spread, bps
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-27	-/-/-/-	n/a	n/a	n/a
Energy Development Georgia	USD	10	8.50%	Jun-25	-/-/-/-	n/a	n/a	n/a
Evex Hospitals	GEL	50	Ref rate + 3.10%	Nov-24	-/-/-/BB	n/a	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	-/-/-/-	99.98	8.50	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-27	-/-/-/-	99.99	7.00	n/a
Geosteel	USD	15	9.00%	Apr-25	-/-/-/-	100.00	9.00	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-/-	100.06	6.63	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-/-	99.75	8.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-24	-/-/-/B+	99.65	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/-/B+	100.00	8.50	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	-/-/-/-	100.01	9.00	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-	99.58	8.75	n/a
Tegeta Motors	EUR	5	7.00%	Apr-25	-/-/-/BB-	99.58	7.25	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Dec-25	-/-/-/BB-	n/a	n/a	n/a

Source: Bloomberg



Equities

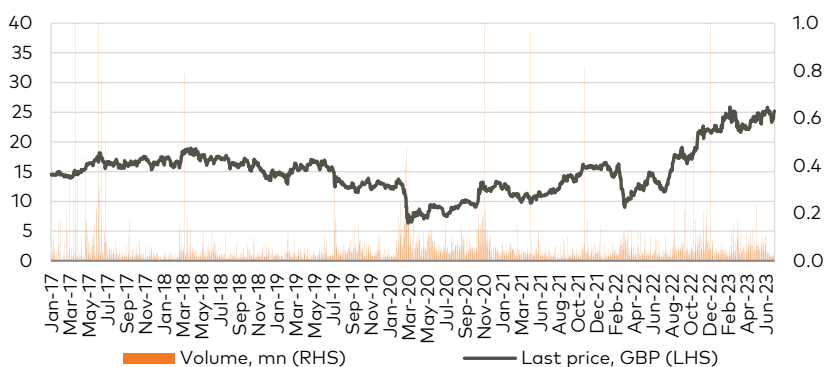
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Bank of Georgia Group (BGEO LN) shares closed at GBP 30.70/share (+11.64% w/w and +4.78% m/m). More than 287k shares traded in the range of GBP 27.20 - 31.00/share. Average daily traded volume was 67k in the last 4 weeks. The volume of BGEO shares traded was at 0.62% of its capitalization.

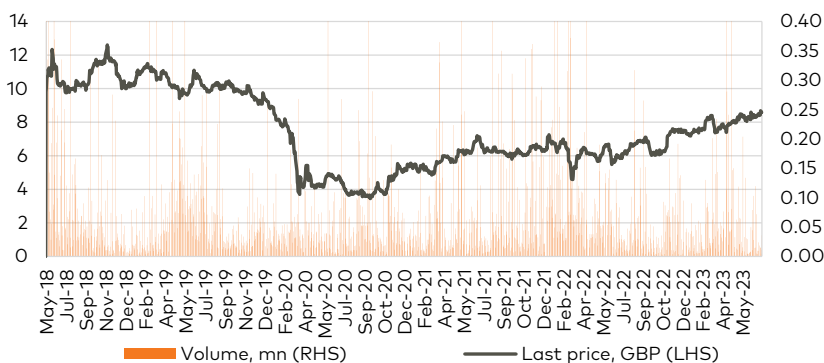
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 25.20/share (+6.11% w/w and +0.60% m/m). More than 87k shares changed hands in the range of GBP 23.60 - 25.25/share. Average daily traded volume was 24k in the last 4 weeks. The volume of TBCG shares traded was at 0.16% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 8.59/share (+2.26% w/w and +5.27% m/m). More than 81k shares traded in the range of GBP 8.40 - 8.70/share. Average daily traded volume was 32k in the last 4 weeks. The volume of CGEO shares traded was at 0.19% 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	30.70	1,427	15.4%	122.5%	17.9%	2.74x	4.41x	4.12x	0.90x	0.87x	0.75x
TBC	TBC	GBP	25.20	1,386	14.5%	117.6%	11.0%	4.10x	4.56x	3.99x	1.04x	1.02x	0.87x
Halyk Bank	HSBK	USD	14.84	4,047	35.2%	70.0%	33.7%	2.69x	2.89x	2.58x	0.78x	0.78x	0.66x
Akbank	AKBNK	TRY	24.76	128,752	49.6%	213.0%	26.6%	1.40x	3.08x	2.81x	0.55x	0.72x	0.60x
Garanti	GARAN	TRY	38.50	161,700	59.4%	172.7%	28.2%	1.91x	3.67x	3.03x	0.73x	0.86x	0.71x
Isbank	ISCTR	TRY	14.49	144,900	34.2%	223.4%	13.5%	0.84x	2.88x	2.60x	0.60x	0.65x	0.52x
PKO	PKO	PLN	38.94	48,675	10.2%	53.3%	28.6%	10.98x	7.22x	7.48x	1.03x	1.14x	1.06x
PEKAO	PEO	PLN	112.20	29,449	11.1%	52.7%	29.7%	na	5.81x	6.70x	na	1.06x	1.01x
Millennium	MIL	PLN	6.54	7,927	18.8%	91.5%	42.7%	na	2.75x	3.58x	1.04x	1.24x	1.05x
Mbank	MBK	PLN	450.00	19,095	31.0%	134.4%	52.0%	na	4.30x	5.79x	1.10x	1.10x	1.02x
BRD	BRD	RON	13.78	9,603	0.0%	17.2%	6.0%	6.81x	6.44x	6.89x	1.31x	1.17x	1.14x
Banca Transilvania	TLV	RON	22.72	16,078	7.7%	15.3%	14.1%	na	6.90x	6.60x	1.60x	1.41x	1.27x
Komerční	KOMB	CZK	698.00	132,654	-1.2%	11.1%	6.6%	8.36x	8.73x	8.88x	1.21x	1.03x	0.98x
Mean								4.42x	4.89x	5.01x	0.99x	1.01x	0.89x
Median								2.74x	4.41x	4.12x	1.04x	1.03x	0.98x

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		
								2022	2023F	2024F	2022	2023F	2024F
Georgia Capital	CGEO	GBP	8.59	379	16.9%	46.6%	17.7%	na	na	na	0.38x	na	na
Tinc Comm	TINC	EUR	12.30	447	-1.9%	-8.5%	-1.6%	18.33x	na	na	0.99x	na	na
Sabancı Holding	SAHOL	TRY	52.50	107,121	32.8%	190.2%	16.5%	1.77x	3.16x	2.70x	0.77x	0.61x	0.51x
Deutsche Beteiligungs	DBAN	EUR	29.50	555	0.2%	20.4%	5.7%	na	5.53x	5.29x	1.00x	0.84x	0.75x
Eurazeo	RF	EUR	62.35	4,940	-1.9%	0.5%	7.3%	8.89x	9.68x	8.20x	0.78x	0.63x	0.57x
Carlyle Group	CG	USD	34.30	12,421	2.3%	12.3%	14.9%	8.50x	11.74x	8.32x	1.70x	2.94x	1.79x
Wendel SE	MF	EUR	92.50	4,108	-3.5%	14.1%	6.1%	6.63x	7.57x	7.46x	na	1.28x	1.15x
HgCapital Trust	HGT	GBP	3.76	1,721	-0.3%	20.5%	7.3%	na	na	na	na	na	na
NB Private Equity Partners	NBPE	GBP	15.32	668	-4.8%	7.9%	-4.3%	na	na	na	na	na	na
Oakley Capital Investments	OCI	GBP	4.40	781	2.2%	10.8%	4.8%	na	na	na	na	na	na
Princess Private Equity	PEY	EUR	10.60	733	26.2%	-10.2%	25.6%	na	na	na	0.65x	na	na
Symphony International Holding	SIHL	USD	0.41	210	-6.0%	-12.0%	-8.7%	na	na	na	0.47x	na	na
Mean								8.82x	7.53x	6.39x	0.84x	1.26x	0.95x
Median								8.50x	7.57x	7.46x	0.78x	0.84x	0.75x

Source: Bloomberg, S&P Capital IQ

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