



Economy

Geostat revised 2023 real GDP growth upwards

In 2023, real GDP growth was 7.8% y/y, revised upwards from 7.5% y/y based on the annual survey. In addition, Geostat has adjusted 1Q24 and 2Q24 GDP figures, increasing them to 8.7% y/y and 9.7% y/y, respectively, up from 8.4% y/y and 9.6% y/y. Consequently, the cumulative real GDP growth for 1H24 stands at 9.2%. Considering the rapid estimate of 11.1% y/y for 3Q24, Georgia's economy grew by 9.9% y/y in 9M24.

We forecast real GDP to grow by 9.0% in 2024 and 6.0% in 2025.

Goods exports surged by 39.0% y/y in Oct-24

In Oct-24, goods exports surged by 39.0% y/y to US\$ 681.7mn, after a 17.0% y/y growth in previous month. Goods imports increased by 5.6% y/y to US\$ 1.4bn, after falling by 0.3% y/y in previous month. Consequently, the trade deficit narrowed by 13.2% y/y to US\$ 756.0mn in Oct-24.

Overall, in 10M24, trade deficit widened by 3.0% y/y to US\$ 8.1bn, as exports increased by 7.4% y/y to US\$ 5.5bn and imports were up by 4.8% y/y to US\$ 13.6bn.

Money transfers stood at US\$ 281.1mn in Oct-24

Money transfers decreased by 1.5% y/y to US\$ 281.1mn in Oct-24, after a 1.1% y/y decline in previous month. Among the top countries, money transfers increased from the EU (+11.5% y/y, 45.9% of total), the USA (+20.6% y/y, 18.1% of total) and Israel (+23.1% y/y, 7.5% of total) in October. In contrast, transfers reduced from Russia (-44.5% y/y, 12.2% of total) and Kazakhstan (-53.8% y/y, 2.7% of total). Overall, in 10M24 money transfers decreased by 20.6% y/y to US\$ 2.8bn. We expect money transfers at US\$ 3.4bn for the full year of 2024, down from US\$ 4.1bn in 2023.

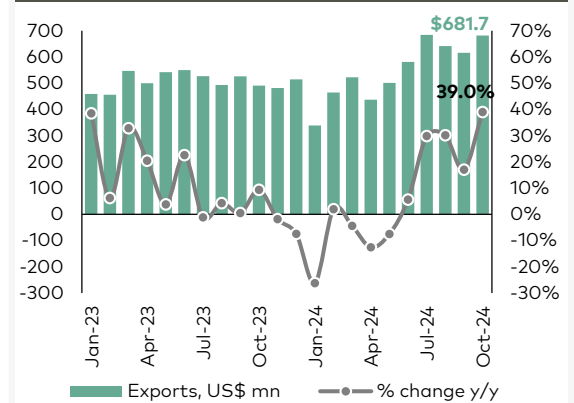
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.8%	9.0%
GDP per capita (ppp)	25,188	27,903
GDP per capita (US\$)	8,284	9,058
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.0%
Gross reserves (US\$ bn)	5.0	4.5
CAD (% of GDP)	5.6%	4.9%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	38.9%	36.5%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

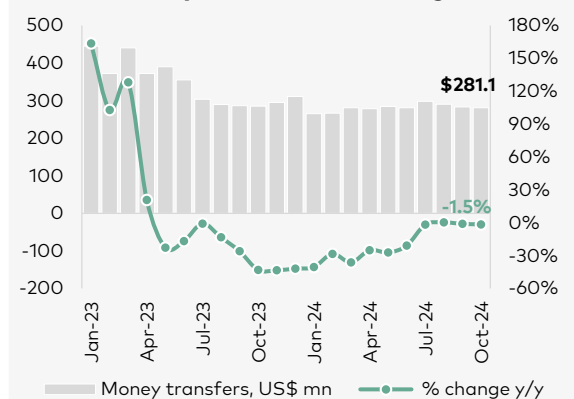
*Latest sovereign credit ratings

Goods exports



Source: Geostat

Money transfers to Georgia



Source: NBG

Money market

Ministry of Finance T-bills/T-notes:

10-year GEL 30.0mn (US\$ 11.0mn) Benchmark bonds were sold at the auction held at NBG on November 12, 2024. Total demand was 2.3x higher and the weighted average yield was fixed at 8.460%, up by 0.099ppts from previous auction held in Oct-24.

1-year GEL 20.0mn (US\$ 7.3mn) T-bills were sold at the auction held at NBG on November 12, 2024. Total demand was 3.0x higher and the weighted average yield was fixed at 7.624%, down by 0.071ppts from previous auction held in Oct-24.

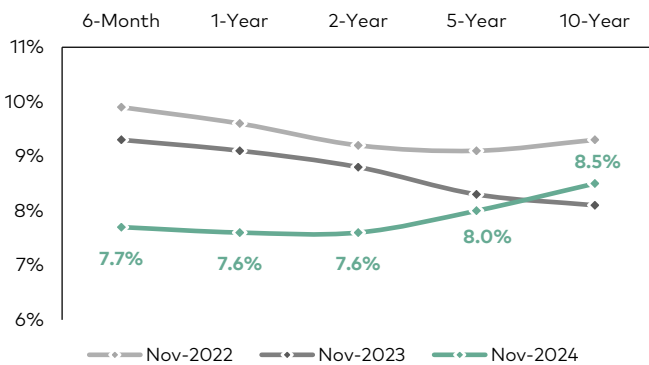
The nearest treasury security auction is scheduled for November 19, 2024, where GEL 75.0mn nominal value 6.7-year Benchmark Bonds will be sold.

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)	490	40	360
Long-term (over 1-year)	2,612	430	8,824
Total	3,102	470	9,184

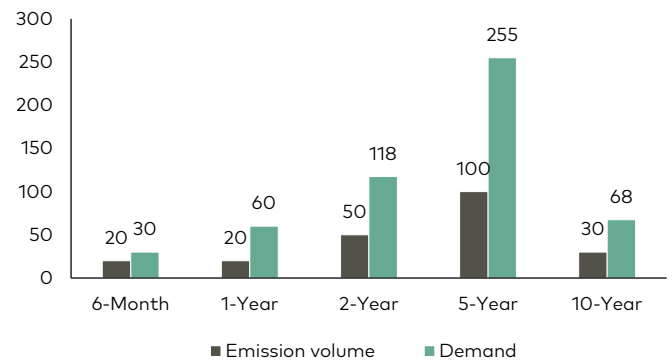
Source: MoF
*As of September 2024

T-bills / T-notes, yield curve



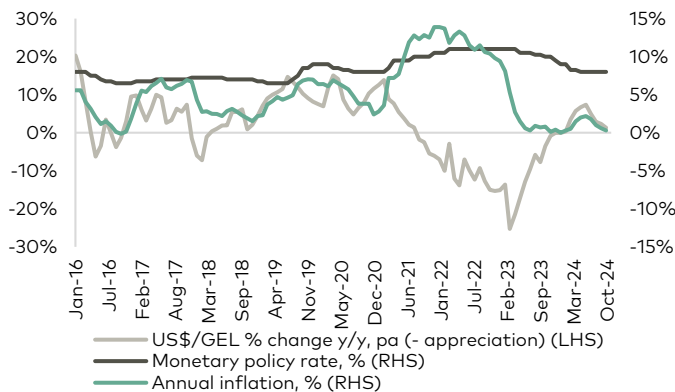
Source: NBG

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



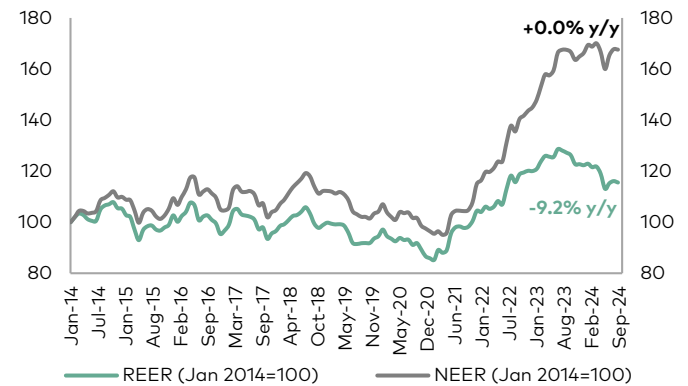
Source: NBG

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	94.43	6.92	273.06
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.77	7.65	363.14
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.89	10.08	608.83
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.62	8.05	354.91
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/	95.83	11.81	694.78
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.91	10.18	656.29
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.03	8.60	451.87

■ 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	6.75%
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	8.13%
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	8.63%
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	8.63%
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	8.75%
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	-/-/-/-	n/a	7.00%
Georgia Real Estate	USD	25	8.50%	Aug-24	Aug-26	-/-/-/-	n/a	8.50%
Chavchavadze 64B	USD	10	8.75%	Aug-24	Aug-26	-/-/-/-	n/a	8.75%

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

Fixed income

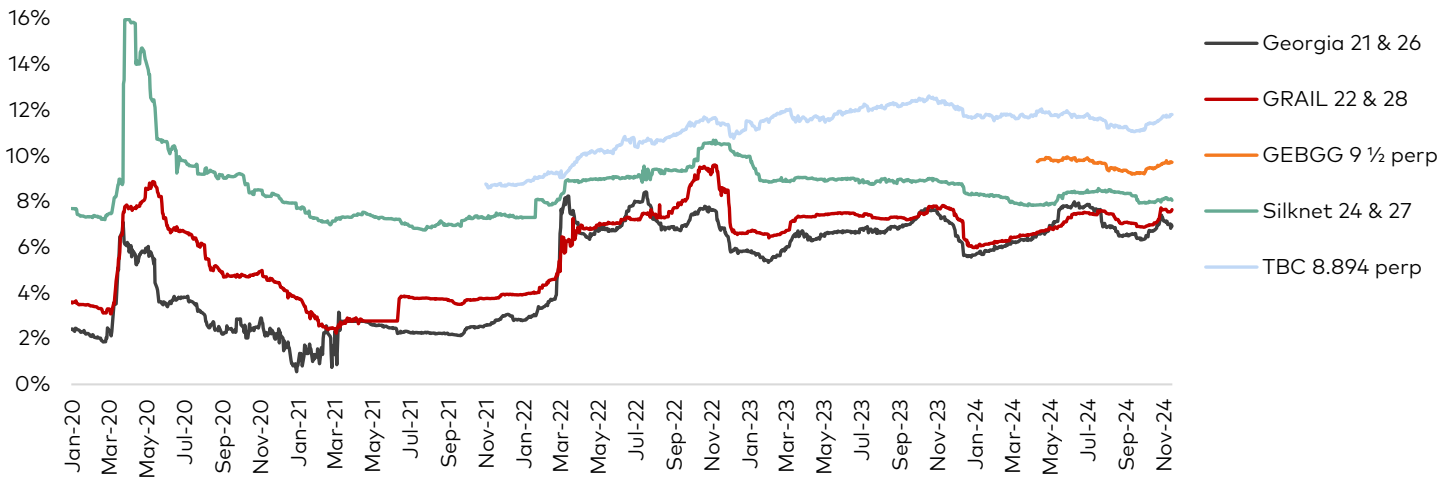
Georgian local bonds

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	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
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	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/BB-	100.00	12.83%
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-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/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-	100.00	12.33%
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-	100.00	13.50%

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

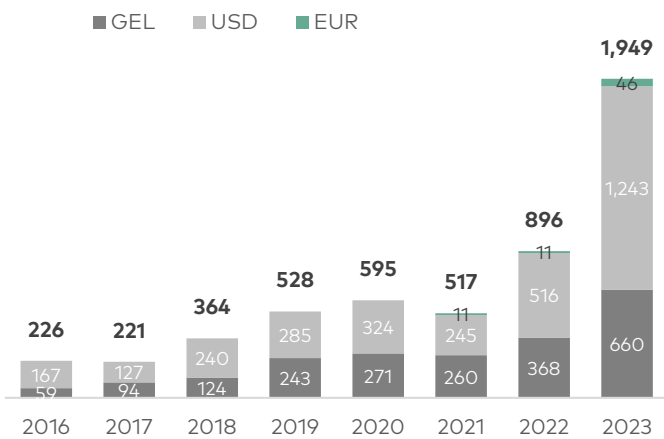
Fixed income

Georgian Eurobonds, YTM



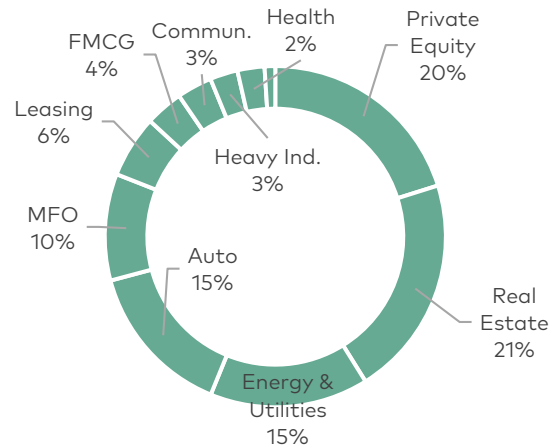
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

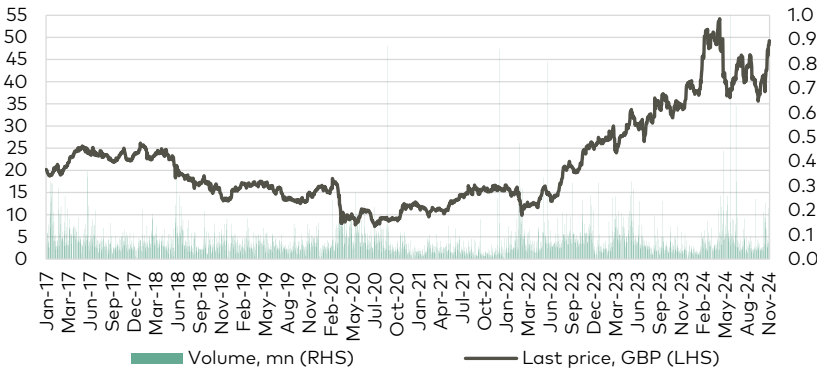
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 49.15/share (+7.43% w/w and +21.81% m/m). More than 424k shares traded in the range of GBP 45.75 - 52.00/share. Average daily traded volume was 102k in the last 4 weeks. The volume of BGEO shares traded was at 0.95% of its capitalization.

Source: Bloomberg

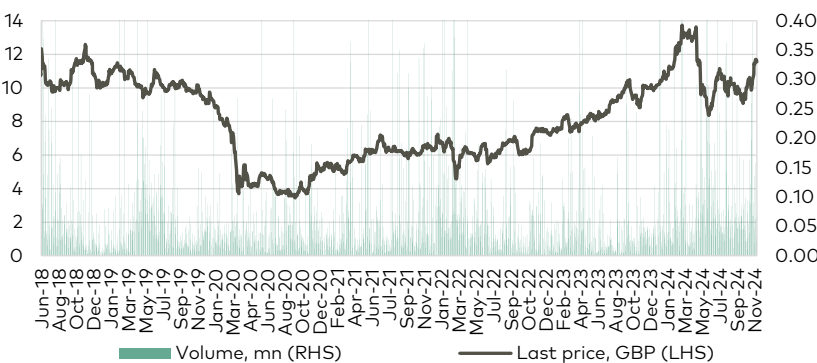
TBC Bank Group (TBCG LN)



TBC Bank Group (TBCG LN) closed the week at GBP 31.90/share (+4.25% w/w and +17.93% m/m). More than 417k shares changed hands in the range of GBP 30.55 - 32.55/share. Average daily traded volume was 101k in the last 4 weeks. The volume of TBCG shares traded was at 0.75% of its capitalization.

Source: Bloomberg

Georgia Capital (CGEO LN)



Georgia Capital (CGEO LN) shares closed at GBP 11.56/share (+1.40% w/w and +13.56% m/m). More than 353k shares traded in the range of GBP 11.12 - 12.12/share. Average daily traded volume was 123k in the last 4 weeks. The volume of CGEO shares traded was at 0.83% of its capitalization.

Source: Bloomberg

Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn6M	chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	49.15	2,190	19.7%	42.5%	23.6%	4.36x	4.34x	3.75x	1.19x	na	na
TBC	TBC	GBP	31.90	1,785	26.1%	19.9%	12.7%	4.78x	4.96x	4.18x	1.15x	na	na
Halyk Bank	HSBK	USD	19.16	5,223	13.6%	45.2%	26.4%	2.57x	2.99x	2.89x	0.72x	na	na
Akbank	AKBNK	TRY	54.85	285,220	-4.1%	91.8%	50.2%	2.86x	5.48x	3.06x	0.90x	1.13x	0.86x
Garanti	GARAN	TRY	113.00	474,600	28.6%	144.6%	93.7%	2.84x	4.86x	3.29x	1.00x	1.45x	1.00x
Isbank	ISCTR	TRY	12.72	318,000	-7.8%	58.1%	36.1%	3.23x	5.40x	2.54x	0.87x	0.99x	0.73x
PKO	PKO	PLN	56.38	70,475	-2.1%	22.6%	12.0%	11.44x	5.82x	6.46x	1.39x	1.34x	1.28x
PEKAO	PEO	PLN	143.25	37,599	-15.0%	5.4%	-5.8%	6.07x	6.03x	6.16x	1.32x	1.15x	1.11x
Millennium	MIL	PLN	9.00	10,918	-1.5%	17.7%	7.7%	17.78x	3.99x	4.47x	1.47x	1.39x	1.21x
Mbank	MBK	PLN	558.40	23,730	-15.0%	3.7%	4.4%	na	8.27x	5.20x	1.65x	1.55x	1.22x
BRD	BRD	RON	19.20	13,381	-8.1%	9.2%	7.1%	7.62x	9.29x	9.43x	1.42x	1.40x	1.30x
Banca Transilvania	TLV	RON	29.15	26,727	11.4%	46.1%	37.9%	7.76x	6.66x	7.48x	1.82x	1.50x	1.57x
Komerčni	KOMB	CZK	821.00	156,030	3.1%	21.3%	13.3%	8.76x	10.01x	9.97x	1.09x	1.24x	1.24x
Mean								6.67x	6.01x	5.30x	1.23x	1.31x	1.15x
Median								5.43x	5.48x	4.47x	1.19x	1.37x	1.22x

Source: Bloomberg, S&P Capital IQ

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Galt & Taggart

Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia

Tel: +995 32 2401 111

Research: research@gt.ge

Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge

Tel: +995 32 2401 111 (4132)

Investment Banking: ib@gt.ge

Tel: +995 32 2401 111 (7457)