



## Economy

### Goods exports increased by 5.8% y/y in Jun-24

In Jun-24, goods exports increased by 5.8% y/y to a record high monthly level of US\$ 582.1mn, after a 7.3% y/y reduction in previous month. Imports declined by 9.6% y/y to US\$ 1.2bn, following a 0.8% y/y fall in previous month. Consequently, the trade deficit narrowed by 20.2% y/y to US\$ 632.4mn in Jun-24.

The top 5 exported commodities were cars (-0.8% y/y), ferro-alloys (+61.5% y/y), precious metals (+4.7x y/y), spirits (+86.6% y/y) and fruit (+94.1% y/y) in Jun-24. A 9.1% of exports were directed to the EU (+16.9% y/y), 65.3% to the CIS (+0.8% y/y) and 25.7% to other countries (+16.7% y/y).

The top 5 imports were cars (-36.1% y/y), petroleum (+21.5% y/y), pharmaceuticals (+10.6% y/y), automatic data processing machines (+81.5% y/y) and phones (-32.3% y/y) in Jun-24.

Overall, in 1H24, trade deficit increased by 5.0% y/y to US\$ 4.6bn, as exports declined by 6.7% y/y to US\$ 2.8bn, while imports were merely up by 0.2% y/y to US\$ 7.5bn.

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

Money transfers were down by 20.9% y/y to US\$ 281.1mn in Jun-24, after falling by 27.1% y/y in previous month, due to the last year's high base and normalization in transfers from Russia. From top countries, there were increases in remittances from EU (+6.9% y/y, 43.9% of total) and USA (+22.2% y/y, 17.0% of total), while remittances from Israel were nearly flat, with a slight 0.1% y/y increase (6.9% of total). Meanwhile, transfers reduced from Russia (-62.3% y/y, 17.4% of total), Kazakhstan (-37.4% y/y, 3.8% of total) and Türkiye (-24.9% y/y, 2.9% of total). Overall, in 1H24 remittances decreased by 30.3% y/y to US\$ 1.7bn.

### Producer price index increased by 9.3% y/y in Jun-24

Annual PPI for industrial goods increased by 9.3% in Jun-24, after increasing by 6.7% y/y in previous month. The annual growth was primarily driven by a rise in prices in the manufacturing sector (+8.2% y/y), followed by mining sector (+22.1% y/y) and electricity supply (+10.9% y/y).

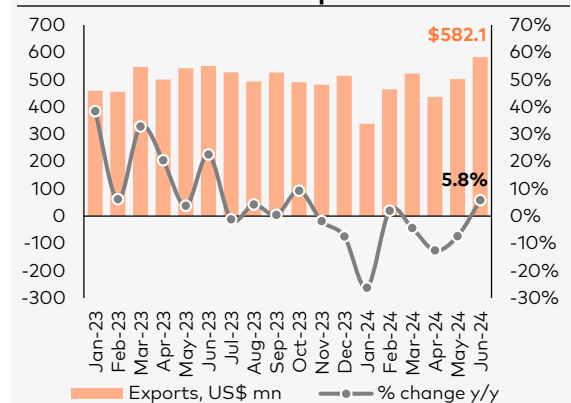
### Key macro indicators

	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

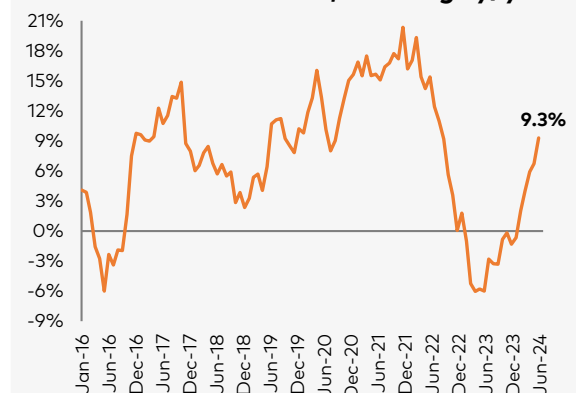
\*Latest sovereign credit ratings

### Goods exports



Source: Geostat

### Producer Price Index, % change y/y



Source: Geostat

# Money market

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

7-year GEL 75.0mn (US\$ 27.7mn) Benchmark bonds were sold at the auction held at NBG on July 16, 2024. Total demand was 2.9x higher and the weighted average yield was fixed at 9.798%, down by 0.152ppts from previous auction held in Jun-24.

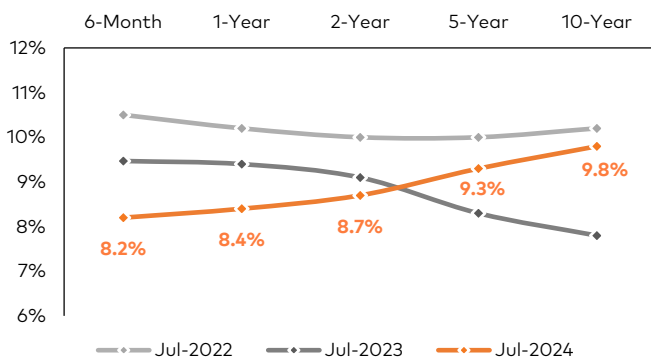
The nearest treasury security auction is scheduled for July 23, 2024, where GEL 85.0mn nominal value 5-year Benchmark Bonds will be sold.

## 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)	1,704	1,235	8,203
<b>Total</b>	<b>2,034</b>	<b>1,435</b>	<b>8,613</b>

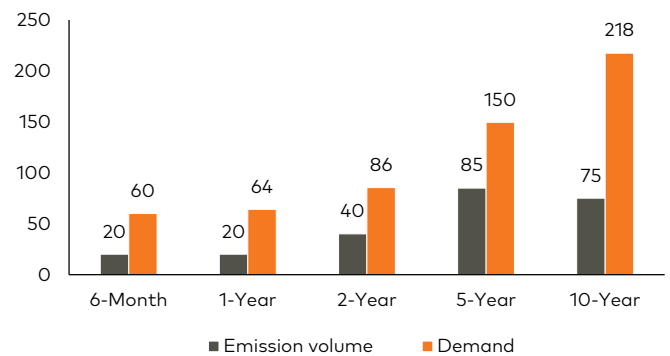
Source: MoF  
\*As of June 2024

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



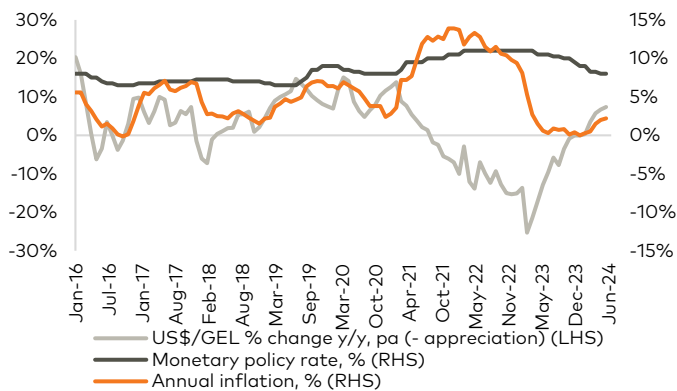
Source: NBG

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



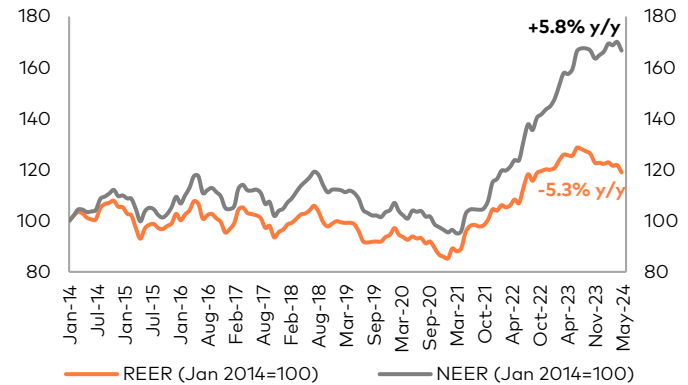
Source: NBG

## 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 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	92.17	7.62	319.65
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.33	7.51	353.68
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.65	10.11	618.84
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	99.71	8.51	429.85
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.32	8.79	344.09
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.50	10.98	676.49
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.26	10.68	667.71

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

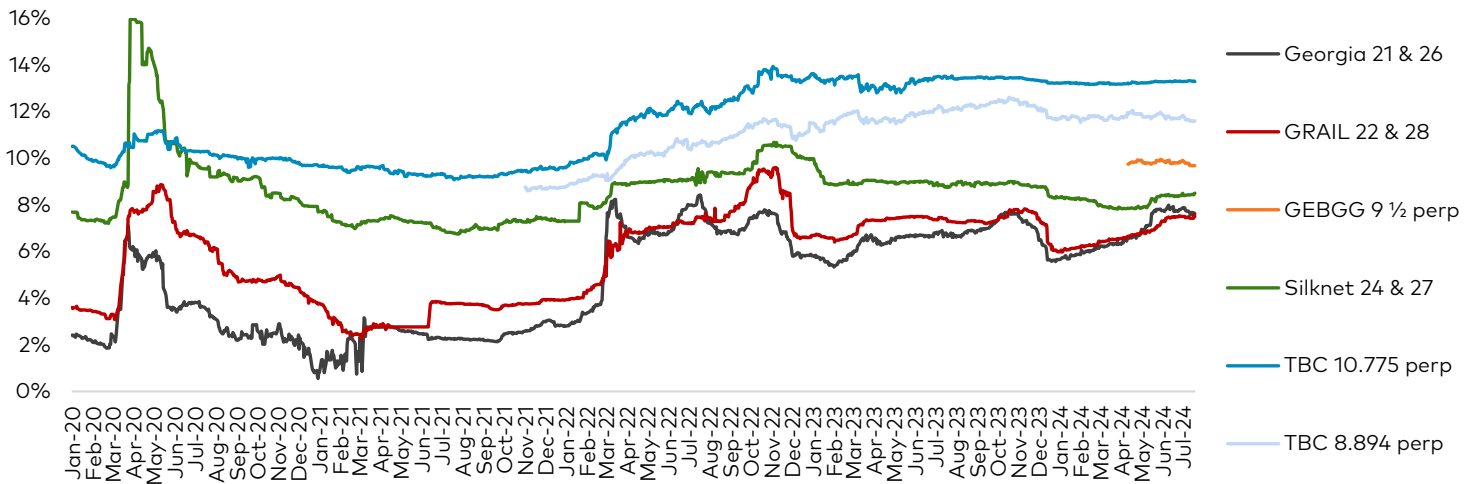
## Georgian local bonds performance

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

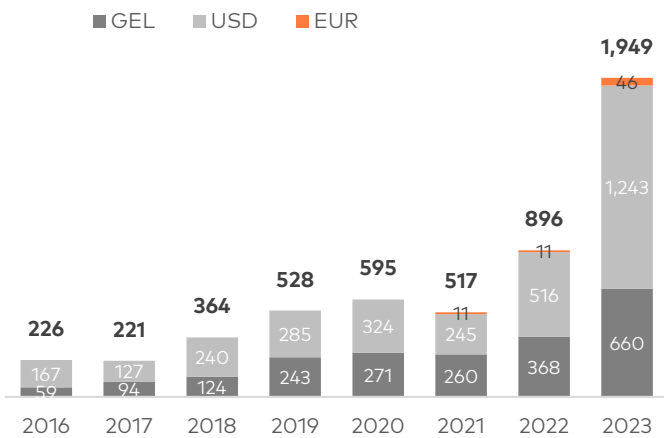
# Fixed income

**Georgian Eurobonds, YTM**



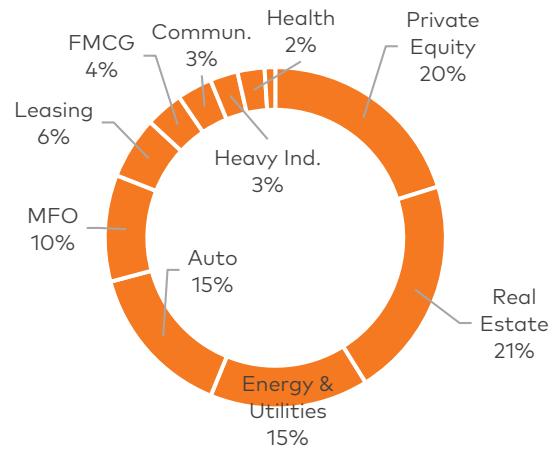
Source: Bloomberg

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



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

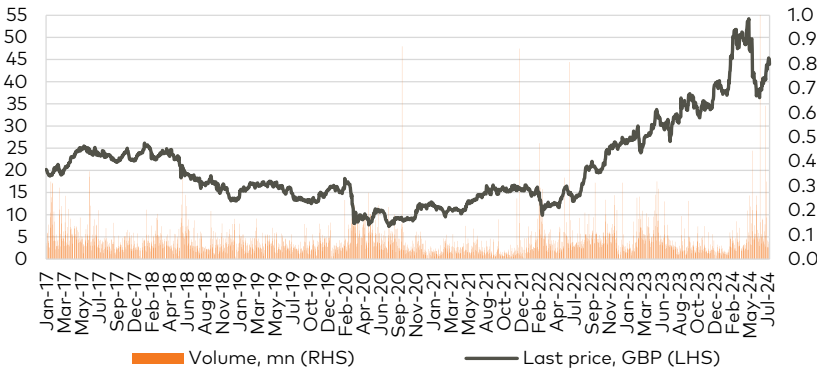
**Georgian corporate public bonds outstanding by sector**



Source: Galt & Taggart

# Equities

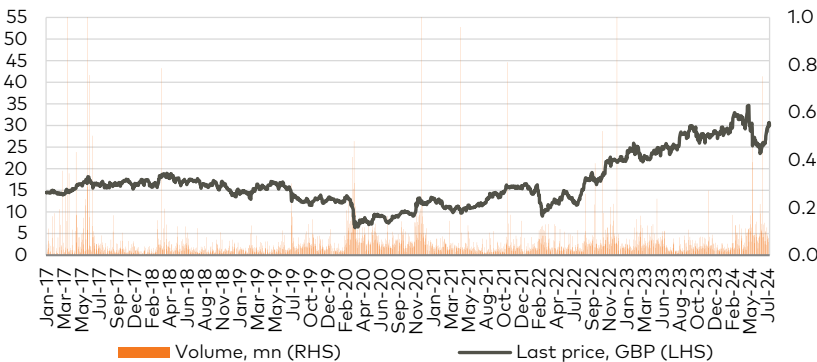
## Bank of Georgia Group (BGEO LN)



**Bank of Georgia Group (BGEO LN)** shares closed at GBP 43.90/share (unchanged w/w and +15.07% m/m). More than 248k shares traded in the range of GBP 43.60 - 45.85/share. Average daily traded volume was 119k in the last 4 weeks. The volume of BGEO shares traded was at 0.55% of its capitalization.

Source: Bloomberg

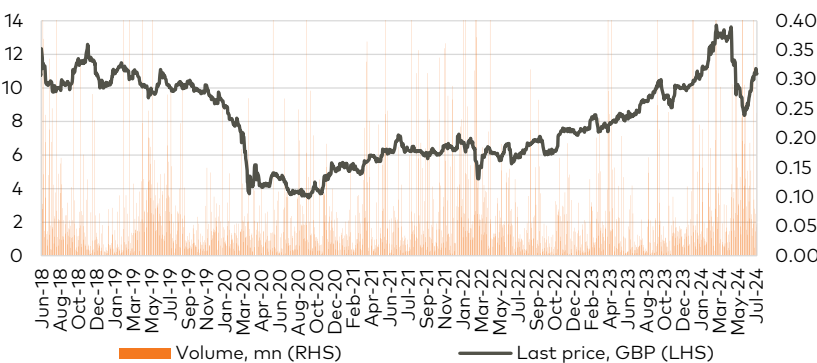
## TBC Bank Group (TBCG LN)



**TBC Bank Group (TBCG LN)** closed the week at GBP 29.90/share (+1.53% w/w and +20.56% m/m). More than 326k shares changed hands in the range of GBP 29.25 - 31.05/share. Average daily traded volume was 79k in the last 4 weeks. The volume of TBCG shares traded was at 0.59% of its capitalization.

Source: Bloomberg

## Georgia Capital (CGEO LN)



**Georgia Capital (CGEO LN)** shares closed at GBP 10.84/share (-0.55% w/w and +23.46% m/m). More than 459k shares traded in the range of GBP 10.54 - 11.40/share. Average daily traded volume was 107k in the last 4 weeks. The volume of CGEO shares traded was at 1.08% 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	43.90	2,001	16.3%	38.1%	10.4%	4.36x	4.30x	4.11x	1.19x	na	na
TBC	TBC	GBP	29.90	1,656	1.0%	16.3%	5.7%	4.78x	4.70x	3.91x	1.15x	na	na
Halyk Bank	HSBK	USD	17.50	4,772	22.2%	19.0%	15.4%	2.57x	2.81x	2.67x	0.72x	na	na
Akbank	AKBNK	TRY	68.75	357,500	68.0%	174.8%	88.3%	2.86x	5.00x	3.16x	0.90x	1.34x	0.95x
Garanti	GARAN	TRY	131.20	551,040	106.5%	250.4%	124.9%	2.84x	5.73x	3.69x	1.00x	1.67x	1.14x
Isbank	ISCTR	TRY	17.57	439,249	72.7%	207.8%	88.0%	3.23x	4.91x	3.07x	0.87x	1.30x	0.89x
PKO	PKO	PLN	60.16	75,200	20.9%	50.8%	19.6%	11.44x	7.36x	7.27x	1.39x	1.47x	1.36x
PEKAO	PEO	PLN	163.60	42,940	13.7%	42.3%	7.6%	6.07x	6.90x	7.22x	1.32x	1.35x	1.27x
Millennium	MIL	PLN	9.67	11,724	21.7%	42.6%	15.7%	17.78x	4.49x	5.10x	1.47x	1.56x	1.36x
Mbank	MBK	PLN	641.00	27,220	28.4%	37.6%	19.8%	na	6.51x	6.13x	1.65x	1.81x	1.36x
BRD	BRD	RON	22.00	15,332	25.0%	59.7%	22.8%	7.62x	10.47x	10.81x	1.42x	1.61x	1.52x
Banca Transilvania	TLV	RON	28.80	23,001	33.0%	60.4%	36.3%	7.76x	7.74x	7.57x	1.82x	1.84x	1.57x
Komerčni	KOMB	CZK	810.00	153,940	9.0%	13.3%	11.8%	8.76x	10.03x	9.71x	1.09x	1.23x	1.21x
<b>Mean</b>								<b>6.67x</b>	<b>6.23x</b>	<b>5.73x</b>	<b>1.23x</b>	<b>1.52x</b>	<b>1.26x</b>
<b>Median</b>								<b>5.43x</b>	<b>5.73x</b>	<b>5.10x</b>	<b>1.19x</b>	<b>1.51x</b>	<b>1.32x</b>

Source: Bloomberg, S&P Capital IQ

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