



Economy

Nominal wages up 11.1% y/y in 2Q24

In 2Q24, average monthly nominal wages in Georgia increased by 11.1% y/y (+9.0% in real terms) to GEL 2,005, after growing by 13.2% y/y in 1Q24, according to Geostat. By economic activity, the highest monthly average wages were recorded in the following sectors: information and communication (GEL 3,963, +4.3% y/y), financial and insurance (GEL 3,642, +14.5% y/y), construction (GEL 2,946, +13.7% y/y) and professional and scientific activities (GEL 2,873, +13.8% y/y). The lowest average monthly wages were in education (GEL 1,146, +9.2% y/y), water supply (GEL 1,248, +8.5% y/y) and agriculture (GEL 1,449, +13.4% y/y) in 2Q24.

Money transfers stood at US\$ 290.6mn in Aug-24

Money transfers increased slightly by 0.3% y/y to US\$ 290.6mn in Aug-24, marking the first rise since May-23. Among the top countries, money transfers increased from the EU (+12.7% y/y, 46.5% of total), the USA (+24.9% y/y, 17.5% of total) and Israel (+18.2% y/y, 6.8% of total). In contrast, transfers reduced from Russia (-29.7% y/y, 14.6% of total), Kazakhstan (-52.2% y/y, 3.1% of total) and Türkiye (-5.2% y/y, 3.0% of total) in August. Overall, in 8M24 money transfers decreased by 24.4% y/y to US\$ 2.2bn.

Goods exports increased by 30.1% y/y in Aug-24

In Aug-24, goods exports continued to grow robustly, rising by 30.1% y/y to US\$ 641.7mn, following a 29.9% y/y growth in previous month. In contrast, imports declined by 4.8% y/y to US\$ 1.3bn, after a 11.2% growth y/y in previous month. Consequently, the trade deficit decreased by 23.5% y/y to US\$ 702.4mn in Aug-24.

The top 5 exported commodities were cars (+49.7% y/y), precious metals (+494.9% y/y), spirits (+53.3% y/y), wine (+16.6% y/y) and ferro-alloys (+392.7% y/y) in Aug-24. A 7.4% of exports were directed to the EU (-18.4% y/y), 75.3% to the CIS (+37.7% y/y) and 17.4% to other countries (+31.7% y/y).

The top 5 imports were cars (-35.5% y/y), petroleum (+2.4% y/y), pharmaceuticals (-1.7% y/y), phones (-1.3% y/y) and bars & rods of iron (+157.8% y/y) in Aug-24.

Overall, in 8M24, trade deficit increased by 3.8% y/y to US\$ 6.4bn, as exports increased by 2.5% y/y to US\$ 4.2bn and imports were up by 3.3% y/y to US\$ 10.5bn.

Producer price index increased by 8.8% y/y in Aug-24

Annual PPI for industrial goods rose by 8.8% in Aug-24, after increasing by 8.2% y/y in previous month. The annual growth was mainly driven by a rise in prices in the manufacturing sector (+8.1% y/y) and mining (+20.6% y/y) sectors.

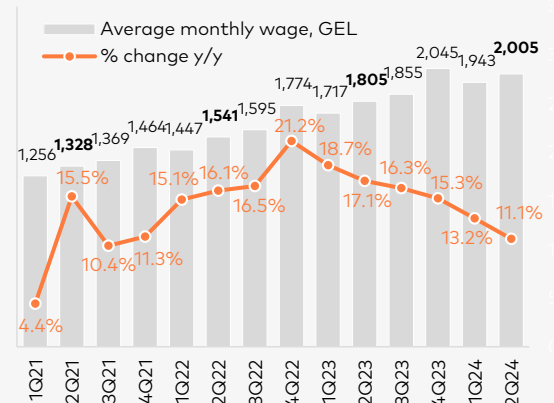
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	8.0%
GDP per capita (ppp)	23,344	25,373
GDP per capita (US\$)	8,210	8,869
Population (mn)	3.7	3.7
Inflation (average)	2.5%	2.0%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	4.4%	4.8%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	38.6%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

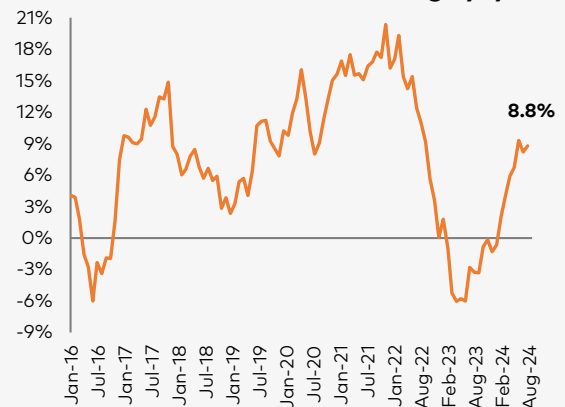
*Latest sovereign credit ratings

Average monthly nominal wage



Source: Geostat

Producer Price Index, % change y/y



Source: Geostat

Money market

Ministry of Finance T-bills/T-notes:

6.8-year GEL 75.0mn (US\$ 27.8mn) Benchmark bonds were sold at the auction held at NBG on September 17, 2024. Total demand was 2.3x higher and the weighted average yield was fixed at 8.658%, down by 0.494ppts from previous auction held in Aug-24.

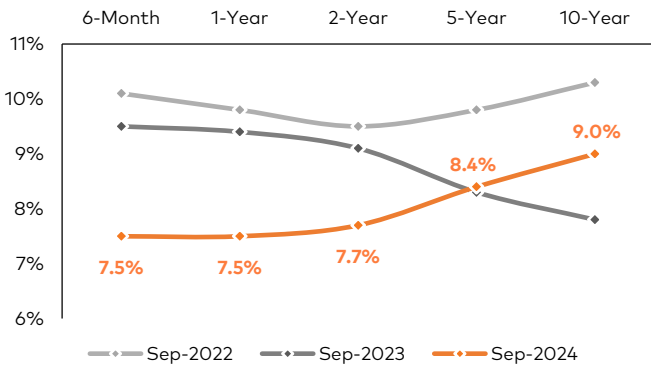
The nearest treasury security auction is scheduled for September 24, 2024, where GEL 85.0mn nominal value 5-year Benchmark Bonds will be sold.

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)	410	120	360
Long-term (over 1-year)	2,170	850	8,394
Total	2,580	970	8,754

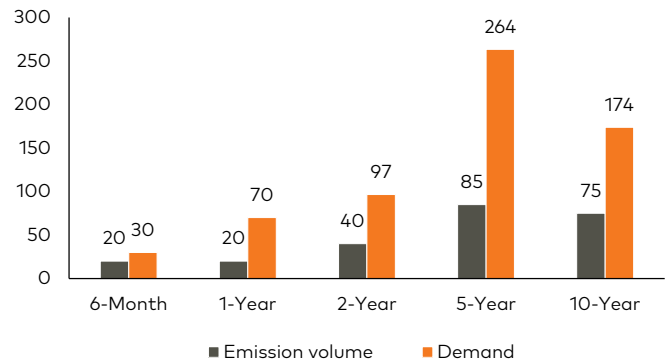
Source: MoF
*As of July 2024

T-bills / T-notes, yield curve



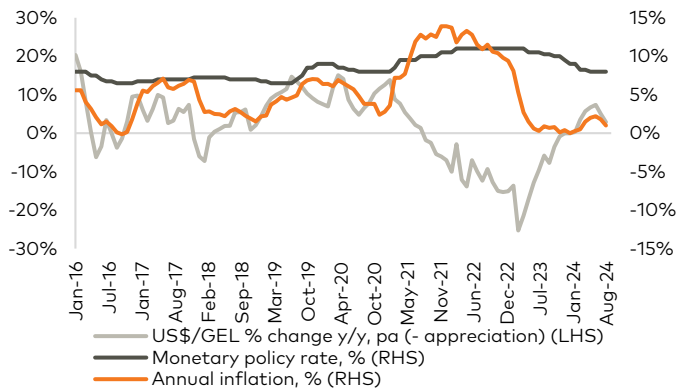
Source: NBG

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



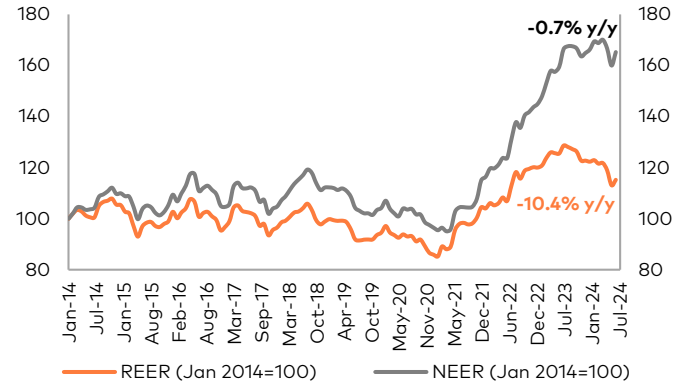
Source: NBG

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	Mid price	Mid yield, %	Z-spread, bps
						(Fitch/S&P/Moody/Scope)			
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	94.52	6.46	293.84
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	90.49	6.94	368.34
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.17	9.90	674.45
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.64	8.06	421.42
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.32	10.25	n/a
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.09	10.80	742.13
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.81	10.55	720.37
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	102.07	8.34	496.71

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

Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings	Mid price	Mid yield
						(Fitch/S&P/Moody/Scope)		
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%
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	8.40%
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

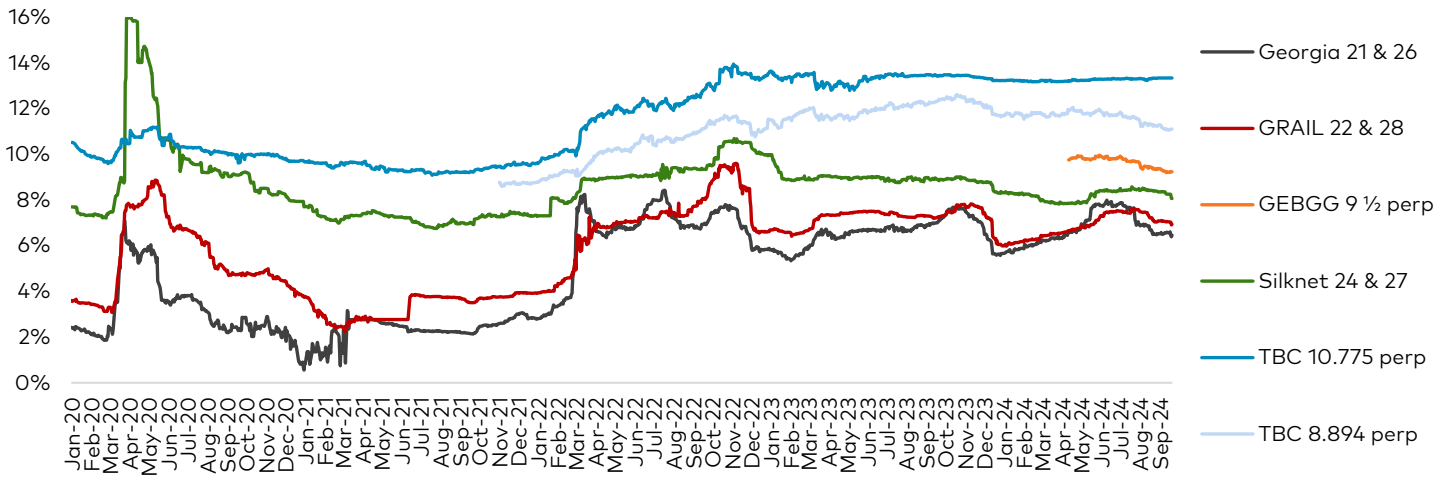
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.00%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.00%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.75%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	7.00%
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 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-	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%
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/BB-	n/a	n/a

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



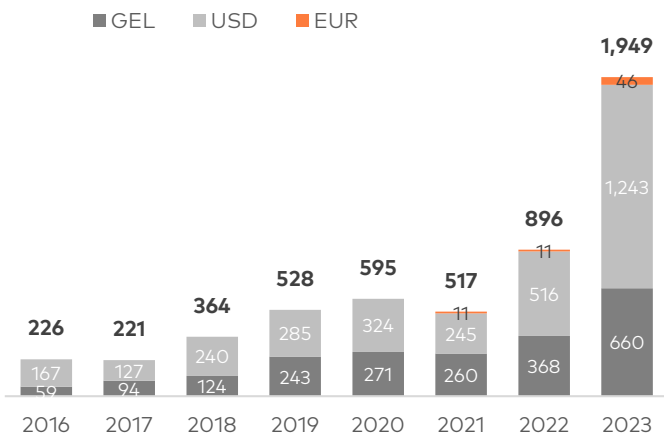
Fixed income

Georgian Eurobonds, YTM



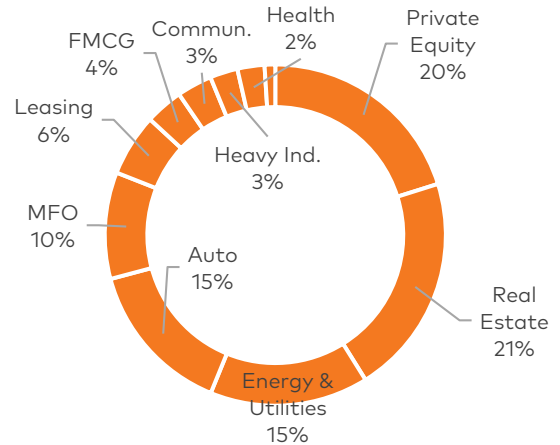
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

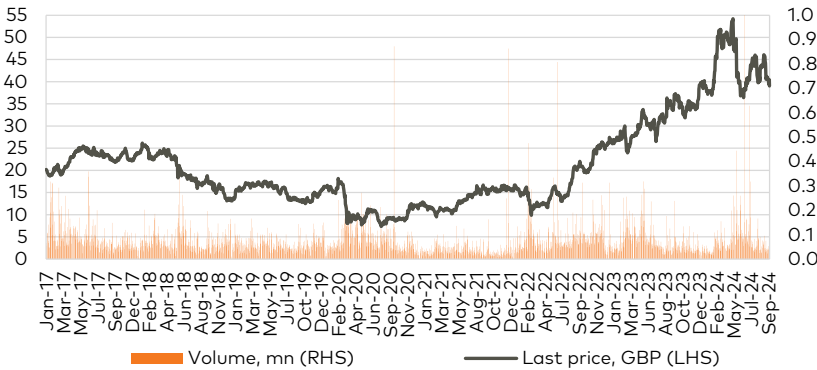
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

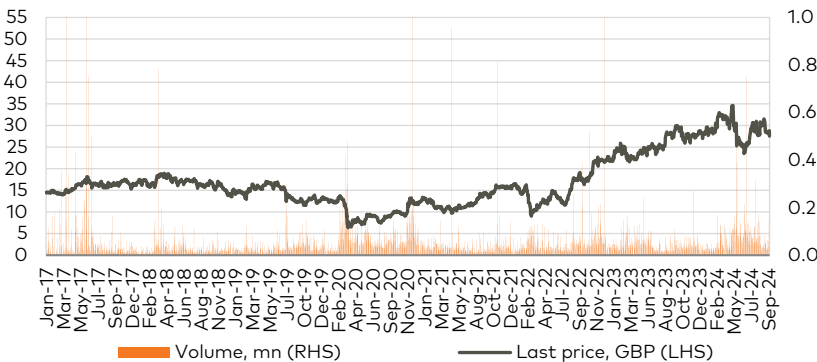
Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 39.05/share (-4.41% w/w and -9.50% m/m). More than 425k shares traded in the range of GBP 38.60 - 41.00/share. Average daily traded volume was 59k in the last 4 weeks. The volume of BGEO shares traded was at 0.93% of its capitalization.

Source: Bloomberg

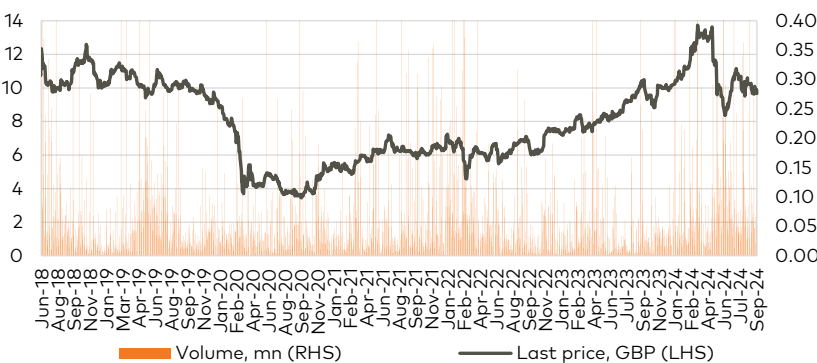
TBC Bank Group (TBCG LN)



TBC Bank Group (TBCG LN) closed the week at GBP 27.55/share (-2.48% w/w and -9.52% m/m). More than 365k shares changed hands in the range of GBP 27.50 - 28.95/share. Average daily traded volume was 50k in the last 4 weeks. The volume of TBCG shares traded was at 0.66% of its capitalization.

Source: Bloomberg

Georgia Capital (CGEO LN)



Georgia Capital (CGEO LN) shares closed at GBP 9.67/share (-4.26% w/w and -5.93% m/m). More than 313k shares traded in the range of GBP 9.57 - 10.20/share. Average daily traded volume was 121k in the last 4 weeks. The volume of CGEO shares traded was at 0.73% 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	39.05	1,780	-18.1%	6.1%	-1.8%	4.36x	3.58x	3.65x	1.19x	na	na
TBC	TBC	GBP	27.55	1,526	-14.8%	-7.7%	-2.7%	4.78x	4.50x	3.83x	1.15x	na	na
Halyk Bank	HSBK	USD	17.68	4,821	0.2%	29.2%	16.6%	2.57x	2.76x	2.66x	0.72x	na	na
Akbank	AKBNK	TRY	60.15	312,780	41.1%	103.2%	64.7%	2.86x	4.63x	2.93x	0.90x	1.20x	0.85x
Garanti	GARAN	TRY	119.20	500,640	85.7%	131.5%	104.3%	2.84x	5.08x	3.44x	1.00x	1.53x	1.03x
Isbank	ISCTR	TRY	13.41	335,250	25.0%	49.0%	43.5%	3.23x	3.66x	2.31x	0.87x	1.00x	0.69x
PKO	PKO	PLN	55.74	69,675	-0.8%	56.4%	10.8%	11.44x	6.33x	6.25x	1.39x	1.38x	1.28x
PEKAO	PEO	PLN	149.00	39,108	-13.9%	43.5%	-2.0%	6.07x	6.06x	6.47x	1.32x	1.24x	1.17x
Millennium	MIL	PLN	8.82	10,699	-12.5%	58.1%	5.6%	17.78x	3.91x	4.39x	1.47x	1.37x	1.19x
Mbank	MBK	PLN	657.00	27,900	-7.3%	64.0%	22.8%	na	6.40x	6.13x	1.65x	1.83x	1.43x
BRD	BRD	RON	20.05	13,973	-0.7%	30.2%	11.9%	7.62x	9.55x	9.76x	1.42x	1.46x	1.36x
Banca Transilvania	TLV	RON	28.00	22,362	16.9%	40.2%	32.5%	7.76x	6.74x	6.80x	1.82x	1.58x	1.63x
Komerčni	KOMB	CZK	774.00	147,098	-4.2%	15.4%	6.8%	8.76x	9.41x	9.41x	1.09x	1.17x	1.17x
Mean								6.67x	5.59x	5.23x	1.23x	1.38x	1.18x
Median								5.43x	5.08x	4.39x	1.19x	1.38x	1.18x

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)