



## Economy

### Real GDP growth was 5.5% y/y in Jul-23

Georgia's economic growth slowed to 5.5% y/y in Jul-23 from the previous month's robust 7.7% y/y increase. Cumulatively, real growth came in at 7.2% y/y in 7M23. The growth in July was driven primarily by the financial, construction, trade and professional, scientific-technical sectors, while the manufacturing, mining and ICT sectors experienced a contraction. We expect GDP growth at 6.8% for the full year 2023 (see more [here](#)).

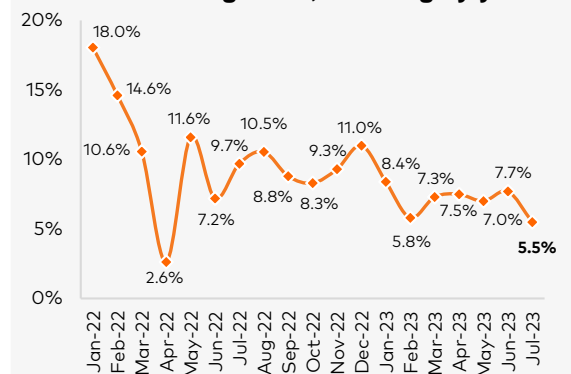
### Key macro indicators

	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

### Real GDP growth, % change y/y



Source: Geostat

# Money market

**There was no treasury securities auction last week.**

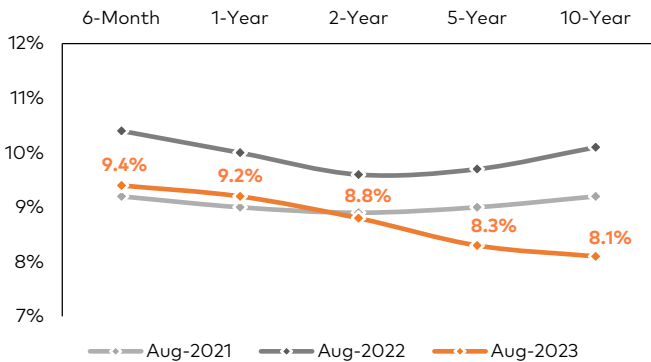
The nearest treasury security auction is scheduled for September 5, 2023, where GEL 20.0mn 6-month T-bills and GEL 40.0mn nominal value 2-year Benchmark Bonds will be sold.

## T-bills / T-notes in 2023

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	160	80	410
1-year	160	80	
2-year	341	160	
5-year	771	360	7,181
10-year	530	490	
<b>Total</b>	<b>1,962</b>	<b>1,170</b>	<b>7,591</b>

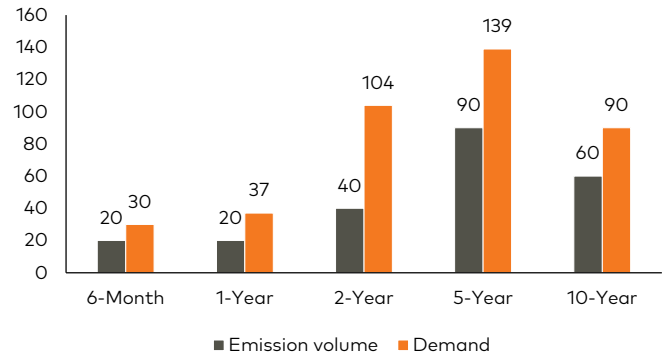
Source: MoF  
\*As of July 2023

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



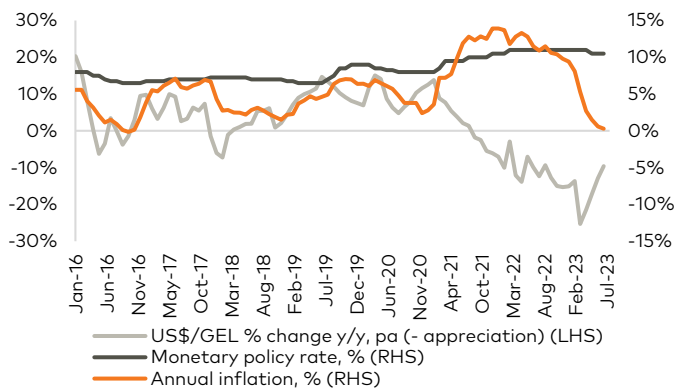
Source: NBG

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



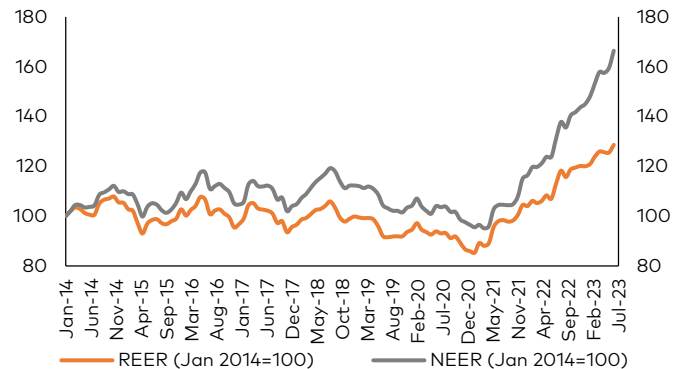
Source: NBG

## Monetary policy rate, inflation and FX rate



Source: NBG

## Nominal and real effective exchange rates



Source: NBG

Note: Index growth/decline means appreciation/depreciation of exchange rate

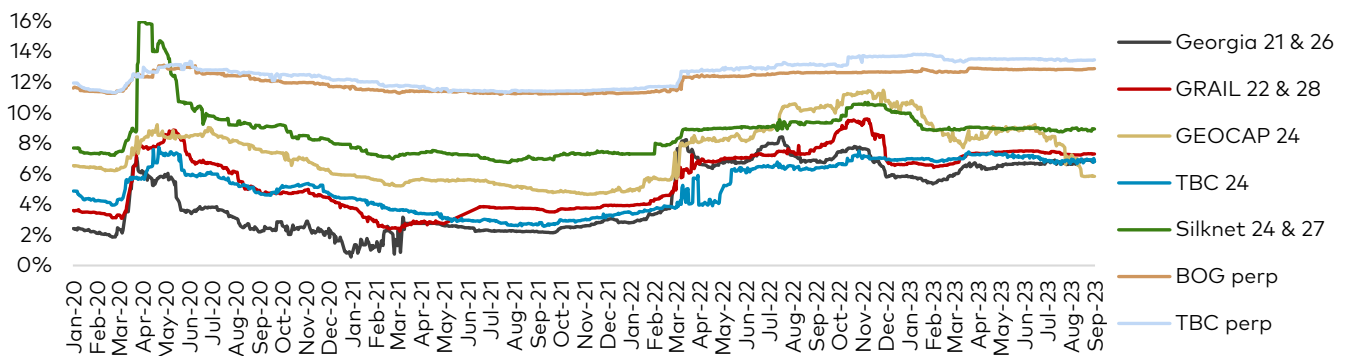
## Fixed income

**Corporate Eurobonds:** Georgia Capital Eurobonds (GEOCAP) were trading at 100.15 (+0.01% w/w), yielding 5.84%.

Georgian Railway Eurobonds (GRAIL) traded at 86.87 (+0.11% w/w), yielding 7.30%.

**Georgian Sovereign Eurobonds** (GEORG) closed at 90.35 (+0.26% w/w) at 6.82% 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	90.35	6.82	229.66
GRAIL 06/28	USD	500	4.000%	Jun-28	BB-/BB-/-	86.87	7.30	316.84
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/-/-	98.96	12.89	701.94
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B+/B1	100.15	5.84	64.04
SILKNET 01/27	USD	300	8.375%	Jan-27	BB-/-/B1	98.37	8.94	456.82
TBC 06/24	USD	300	5.750%	Jun-24	BB-/-/Ba2	99.20	6.80	134.49
TBC PERP	USD	125	10.775%	n/a	B-/-/-	96.89	13.47	865.13

Source: Bloomberg



## Fixed income

### Georgian local bonds performance

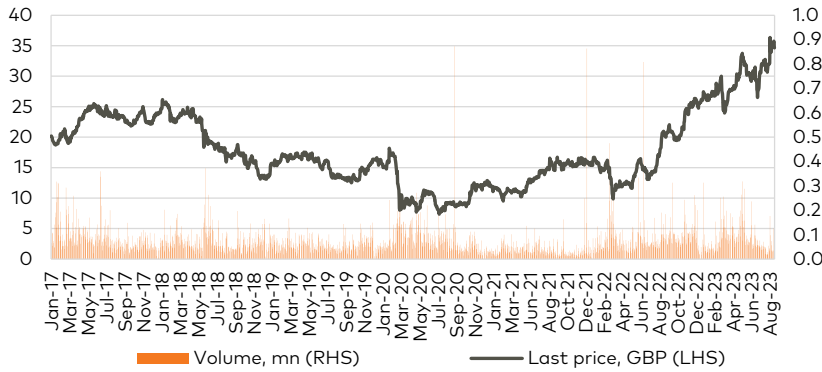
Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-27	-/-/-	n/a	n/a	n/a
Energy Development Georgia	USD	10	8.50%	Jun-25	-/-/-	n/a	n/a	n/a
Evex Hospitals	GEL	50	Ref rate + 3.10%	Nov-24	-/-/BB	n/a	n/a	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	-/-/-	99.98	9.00	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	99.93	6.88	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.77	8.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-24	-/-/B+	99.68	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	-/-/-	99.99	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-	99.59	8.75	n/a
Tegeta Motors	EUR	5	7.00%	Apr-25	-/-/BB-	99.59	7.25	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Dec-25	-/-/BB-	n/a	n/a	n/a
Georgia Capital	USD	150	8.5%	Aug-28	-/BB-/-	99.99	8.50	n/a

Source: Bloomberg



# Equities

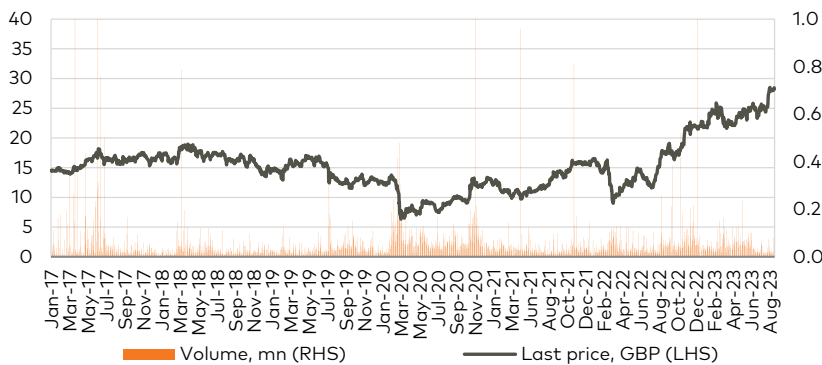
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 34.65/share (-0.43% w/w and +5.80% m/m). More than 277k shares traded in the range of GBP 34.30 - 36.20/share. Average daily traded volume was 55k in the last 4 weeks. The volume of BGEO shares traded was at 0.60% of its capitalization.

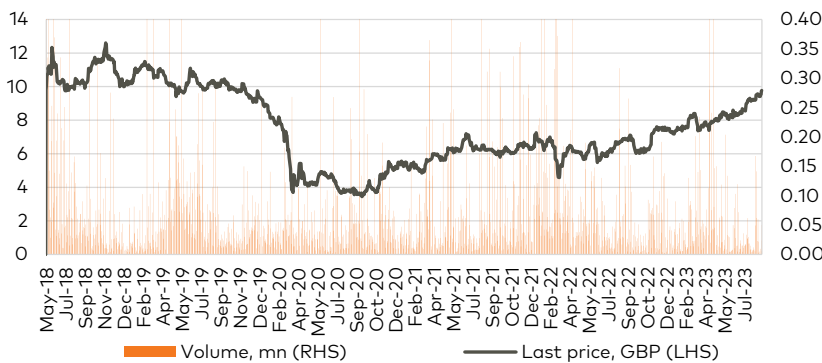
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 28.25/share (+0.89% w/w and +15.31% m/m). More than 178k shares changed hands in the range of GBP 27.95 - 28.55/share. Average daily traded volume was 30k in the last 4 weeks. The volume of TBCG shares traded was at 0.32% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 9.77/share (+3.72% w/w and +5.51% m/m). More than 89k shares traded in the range of GBP 9.48 - 9.85/share. Average daily traded volume was 35k in the last 4 weeks. The volume of CGEO shares traded was at 0.20% 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	34.65	1,591	20.7%	72.8%	33.0%	2.74x	4.22x	4.27x	0.90x	1.00x	0.85x
TBC	TBC	GBP	28.25	1,558	13.7%	63.9%	24.4%	4.10x	4.86x	4.27x	1.04x	1.12x	0.95x
Halyk Bank	HSBK	USD	13.98	3,812	24.8%	36.3%	25.9%	2.69x	2.73x	2.44x	0.78x	0.73x	0.62x
Akbank	AKBNK	TRY	29.38	152,776	66.8%	147.9%	50.3%	1.40x	2.92x	3.10x	0.55x	0.78x	0.70x
Garanti	GARAN	TRY	50.85	213,570	115.8%	123.8%	69.3%	1.91x	3.53x	3.96x	0.73x	1.14x	0.94x
Isbank	ISCTR	TRY	21.36	213,599	83.5%	165.7%	67.3%	0.84x	3.59x	3.29x	0.60x	0.91x	0.75x
PKO	PKO	PLN	37.86	47,325	20.8%	71.4%	25.0%	10.98x	7.67x	7.14x	1.03x	1.08x	1.02x
PEKAO	PEO	PLN	109.10	28,635	21.6%	77.5%	26.1%	na	5.59x	6.19x	na	1.04x	0.96x
Millennium	MIL	PLN	6.04	7,321	32.2%	66.4%	31.8%	na	2.46x	3.09x	1.04x	1.06x	0.98x
Mbank	MBK	PLN	428.00	18,175	32.2%	107.8%	44.6%	na	6.74x	5.46x	1.10x	1.17x	1.01x
BRD	BRD	RON	14.46	10,077	10.4%	11.9%	11.2%	6.81x	6.75x	7.37x	1.31x	1.28x	1.23x
Banca Transilvania	TLV	RON	21.14	16,884	21.7%	22.2%	19.8%	na	7.00x	6.75x	1.60x	1.47x	1.31x
Komercni	KOMB	CZK	699.50	132,939	-6.5%	22.7%	6.8%	8.36x	8.35x	8.70x	1.21x	0.99x	0.99x
<b>Mean</b>								<b>4.42x</b>	<b>5.11x</b>	<b>5.08x</b>	<b>0.99x</b>	<b>1.06x</b>	<b>0.95x</b>
<b>Median</b>								<b>2.74x</b>	<b>4.86x</b>	<b>4.27x</b>	<b>1.04x</b>	<b>1.06x</b>	<b>0.96x</b>

Source: Bloomberg, S&amp;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	9.77	428	18.1%	42.8%	33.8%	na	na	na	0.38x	na	na
Tinc Comm	TINC	EUR	11.90	433	-2.8%	-12.5%	-4.8%	18.33x	na	na	0.99x	na	na
Sabancı Holding	SAHOL	TRY	61.45	125,383	38.3%	144.6%	36.3%	1.77x	3.47x	3.16x	0.77x	0.96x	0.60x
Deutsche Beteiligungs	DBAN	EUR	31.90	600	7.4%	19.3%	14.3%	na	5.53x	5.85x	1.00x	0.89x	0.80x
Eurazeo	RF	EUR	54.65	4,330	-15.3%	-4.7%	-5.9%	8.89x	8.61x	7.34x	0.78x	0.54x	0.45x
Carlyle Group	CG	USD	32.96	11,933	-4.3%	0.9%	10.4%	8.50x	10.82x	8.14x	1.70x	3.33x	2.28x
Wendel SE	MF	EUR	84.45	3,750	-19.6%	12.2%	-3.2%	6.63x	6.85x	6.75x	na	1.16x	1.04x
HgCapital Trust	HGT	GBP	3.84	1,758	5.2%	6.7%	9.6%	na	na	na	na	na	na
NB Private Equity Partners	NBPE	GBP	15.38	671	-9.5%	-3.6%	-3.9%	na	na	na	na	na	na
Oakley Capital Investments	OCI	GBP	4.50	799	-4.3%	11.0%	7.3%	na	na	na	na	na	na
Princess Private Equity	PEY	EUR	10.90	754	11.7%	0.5%	29.1%	na	na	na	0.65x	na	na
Symphony International Holding	SIHL	USD	0.40	205	-2.9%	-17.2%	-10.9%	na	na	na	0.47x	na	na
<b>Mean</b>								<b>8.82x</b>	<b>7.06x</b>	<b>6.25x</b>	<b>0.84x</b>	<b>1.38x</b>	<b>1.03x</b>
<b>Median</b>								<b>8.50x</b>	<b>6.85x</b>	<b>6.75x</b>	<b>0.78x</b>	<b>0.96x</b>	<b>0.80x</b>

Source: Bloomberg, S&amp;P Capital IQ

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