



## Economy

### Annual inflation was 1.3% in Nov-24

In Nov-24, annual inflation was 1.3%, up from 0.3% posted in October. This increase was mainly driven by a rise in mixed goods inflation to 3.1% y/y (-0.6% y/y in Oct-24). Meanwhile, inflation for domestically produced goods and services remained stable at 1.8% y/y, while imported inflation decreased by 1.7% y/y (-1.5% y/y in previous month). Notably, core inflation, excluding volatile food, energy and tobacco prices, rose further to 1.6% y/y in Nov-24 from 1.2% y/y in October.

By categories, annual inflation in Nov-24 was largely driven by price changes in food and non-alcoholic beverages (+3.1% y/y, +1.00ppts), alcoholic beverages & tobacco (+5.1% y/y, +0.34ppts), education (+4.9% y/y, +0.25ppts), hotels & restaurants (+7.1% y/y, +0.24ppts), transport (-2.1% y/y, -0.27ppts), utilities (-3.7% y/y, -0.32ppts) and communication (-12.9% y/y, -0.48ppts) categories.

On a monthly basis, there was a 0.7% y/y inflation in Nov-24, mainly due to rising prices in food and non-alcoholic beverages (+2.2% m/m, +0.74ppts) category.

### Tourism revenues estimated at US\$ 280mn in Nov-24

Tourism revenues increased by 6.3% y/y to US\$ 280mn in Nov-24, according to our estimates. Overall, in 11M24 tourism revenues reached US\$ 4.1bn (+6.5% y/y) by our estimates.

### International reserves at US\$ 4.1bn in Nov-24

Gross international reserves decreased by 19.5% y/y to US\$ 4.1bn in Nov-24, according to NBG. On a monthly basis, the reserves were up by 1.0% (+US\$ 39.0mn). In November, changes in reserves were attributed to the government and/or banking sector FX operations and also NBG's FX purchase in the amount of US\$ 124.5mn, according to NBG's Acting Governor comment (official statistics will be available on 25 December). Notably, as of Nov-24, monetary gold accounted for 14.8% of total international reserves.

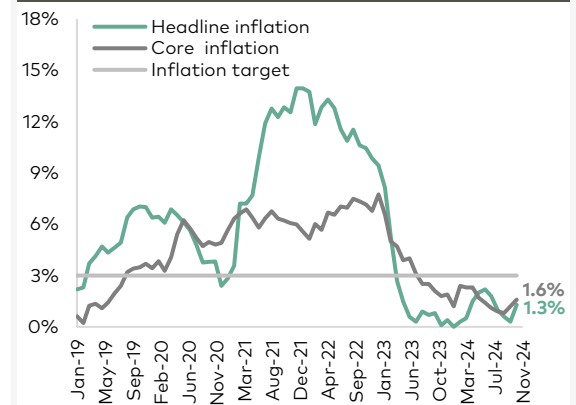
### Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.8%	9.7%
GDP per capita (ppp)	25,188	28,059
GDP per capita (US\$)	8,284	9,108
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.1%
Gross reserves (US\$ bn)	5.0	4.6
CAD (% of GDP)	5.6%	4.9%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	38.9%	36.8%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

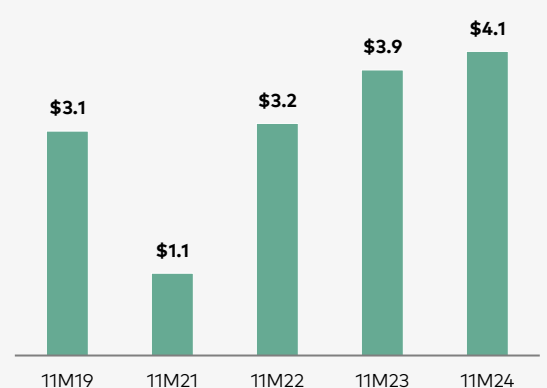
\*Latest sovereign credit ratings

### Annual inflation



Source: Geostat

### Tourism revenues, US\$ bn



Source: NBG, Galt & Taggart

# Money market

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

3.1-year GEL 50.0mn (US\$ 17.6mn) Benchmark bonds were sold at the auction held at NBG on December 3, 2024. Total demand was 2.3x higher and the weighted average yield was fixed at 8.365%, up by 0.048ppts from previous auction held in Nov-24.

6-month GEL 20.0mn (US\$ 7.0mn) T-bills were sold at the auction held at NBG on December 3, 2024. Total demand was 2.8x higher and the weighted average yield was fixed at 7.560%, down by 0.250ppts from previous auction held in Nov-24.

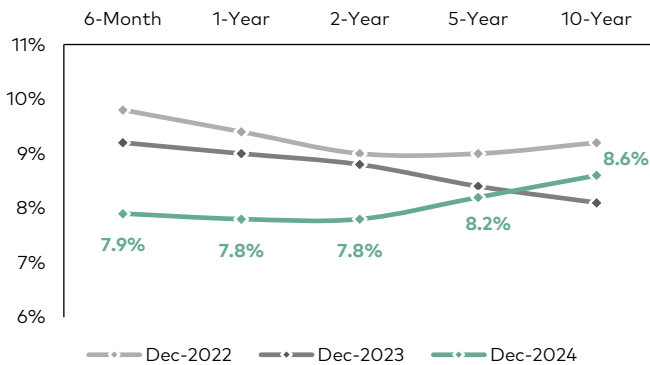
The nearest treasury security auction is scheduled for December 10, 2024, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10-year Benchmark Bonds will be sold.

## T-bills / T-notes in 2024

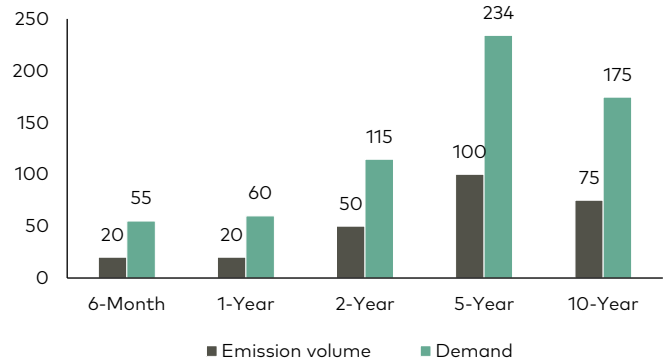
Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	510	20	360
Long-term (over 1-year)	2,772	205	8,862
<b>Total</b>	<b>3,282</b>	<b>225</b>	<b>9,222</b>

Source: MoF  
\*As of October 2024

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



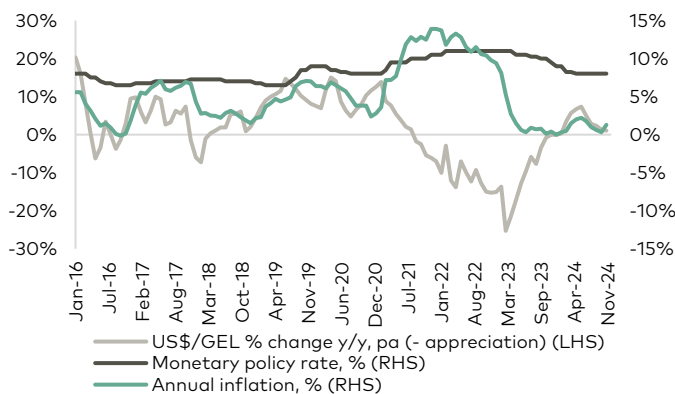
## Emission volume vs. demand on latest T-bills / T-notes auctions, GEL mn



Source: NBG

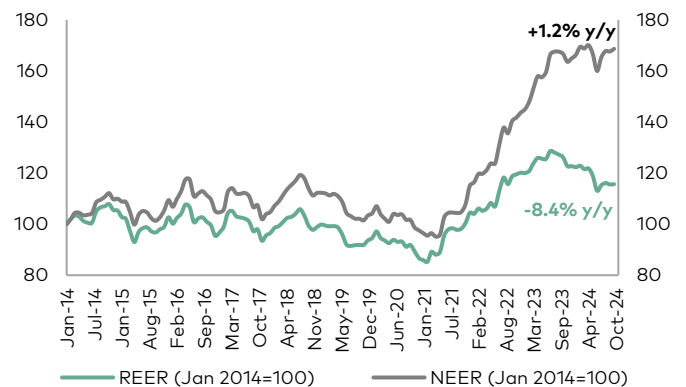
Source: NBG

## 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	94.37	7.14	312.65
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.22	7.90	411.25
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.20	10.00	624.89
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.52	8.10	377.81
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.54	11.28	736.32
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.37	10.43	667.66
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	100.93	8.62	477.84

■ 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
<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	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

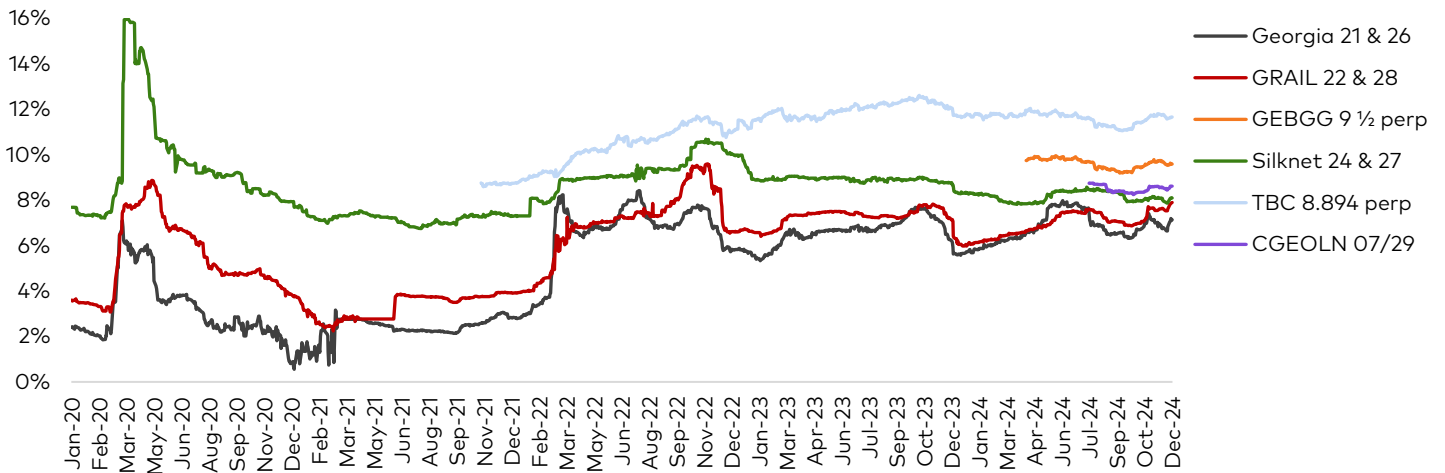
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
<b>EUR</b>								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
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%
<b>GEL</b>								
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	60	TIBR3M + 3.25%	Oct-24	Oct-29	-/-/BB-	n/a	n/a

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



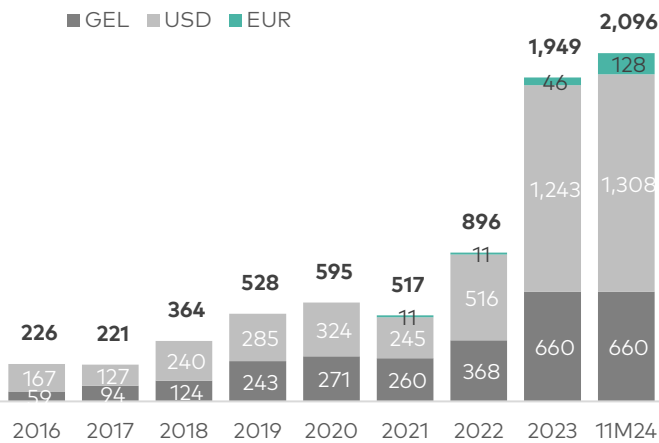
# Fixed income

**Georgian Eurobonds, YTM**



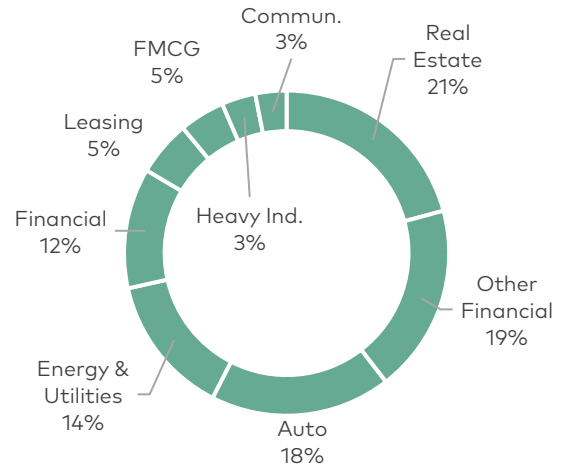
Source: Bloomberg

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



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

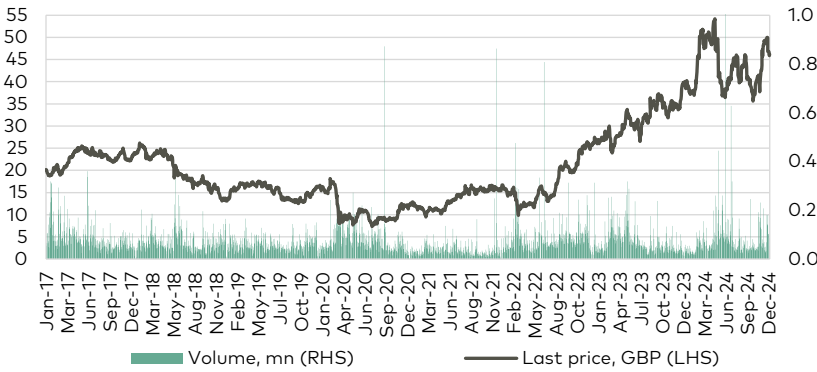
**Georgian local corporate public bonds outstanding by sector**



Source: Galt & Taggart

# Equities

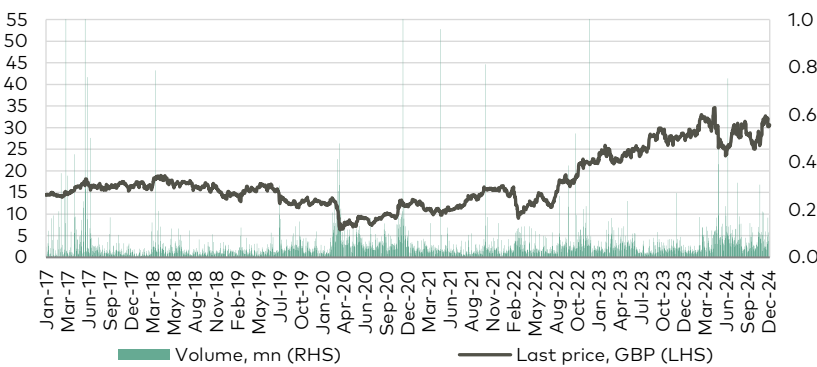
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 46.15/share (-1.49% w/w and unchanged m/m). More than 431k shares traded in the range of GBP 44.20 - 50.00/share. Average daily traded volume was 87k in the last 4 weeks. The volume of BGEO shares traded was at 0.97% of its capitalization.

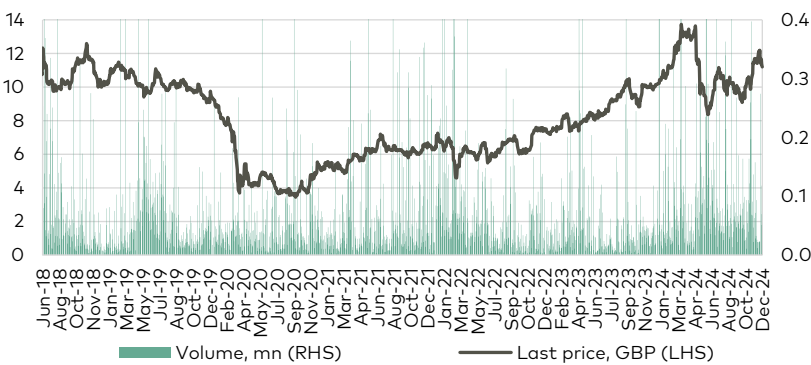
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 30.65/share (+1.16% w/w and +0.49% m/m). More than 551k shares changed hands in the range of GBP 29.00 - 31.60/share. Average daily traded volume was 82k in the last 4 weeks. The volume of TBCG shares traded was at 0.99% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 11.20/share (-5.25% w/w and -2.27% m/m). More than 364k shares traded in the range of GBP 11.14 - 11.98/share. Average daily traded volume was 63k in the last 4 weeks. The volume of CGEO shares traded was at 0.85% of its capitalization.

## 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	46.15	2,057	21.1%	36.9%	16.1%	4.36x	4.19x	3.69x	1.19x	na	na
TBC	TBC	GBP	30.65	1,715	19.5%	12.5%	8.3%	4.78x	4.96x	4.18x	1.15x	na	na
Halyk Bank	HSBK	USD	18.84	5,136	5.5%	33.1%	24.3%	2.57x	2.96x	2.91x	0.72x	na	na
Akbank	AKBNK	TRY	65.30	339,560	6.8%	78.9%	78.8%	2.86x	6.53x	3.65x	0.90x	1.35x	1.02x
Garanti	GARAN	TRY	128.60	540,120	25.2%	114.3%	120.4%	2.84x	5.56x	3.75x	1.00x	1.65x	1.14x
Isbank	ISCTR	TRY	14.17	354,250	-11.9%	56.3%	51.6%	3.23x	6.01x	3.08x	0.87x	1.11x	0.82x
PKO	PKO	PLN	60.98	76,225	5.6%	23.4%	21.2%	11.44x	6.97x	6.92x	1.39x	1.50x	1.39x
PEKAO	PEO	PLN	148.70	39,029	-7.1%	1.5%	-2.2%	6.07x	6.16x	6.45x	1.32x	1.20x	1.15x
Millennium	MIL	PLN	8.84	10,724	1.7%	10.2%	5.8%	17.78x	3.83x	4.38x	1.47x	1.37x	1.18x
Mbank	MBK	PLN	556.00	23,628	-9.9%	-0.7%	3.9%	na	10.13x	5.93x	1.65x	1.49x	1.20x
BRD	BRD	RON	18.30	12,753	-7.6%	5.7%	2.1%	7.62x	8.85x	8.99x	1.42x	1.33x	1.24x
Banca Transilvania	TLV	RON	27.65	25,352	-2.8%	36.4%	30.8%	7.76x	6.32x	7.10x	1.82x	1.43x	1.49x
Komerčni	KOMB	CZK	853.50	162,207	10.1%	18.6%	17.8%	8.76x	10.35x	10.42x	1.09x	1.29x	1.29x
<b>Mean</b>								<b>6.67x</b>	<b>6.37x</b>	<b>5.50x</b>	<b>1.23x</b>	<b>1.37x</b>	<b>1.19x</b>
<b>Median</b>								<b>5.43x</b>	<b>6.16x</b>	<b>4.38x</b>	<b>1.19x</b>	<b>1.36x</b>	<b>1.19x</b>

Source: Bloomberg, S&amp;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)