



## Economy

### Goods exports surged by 32.9% y/y in Mar-23

In Mar-23, goods exports surged by 32.9% y/y to US\$ 546.7mn, after a modest growth of 6.3% y/y in previous month. Similarly, imports also showed a marked increase, soaring by 33.4% y/y to US\$ 1.2bn in March, after falling by 4.5% y/y in February. As a result, the trade deficit increased by 33.8% y/y to US\$ 688.4mn, after a 12.3% y/y decline in February. Exports and imports figures suggest that both the external and domestic markets are experiencing a robust demand for goods.

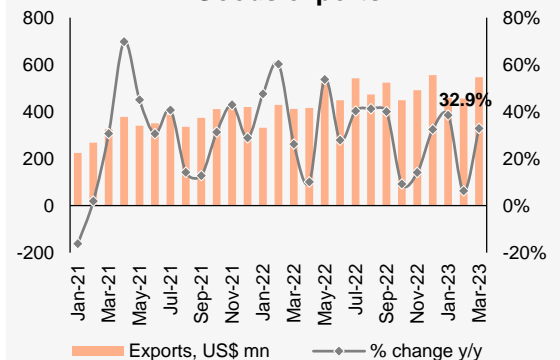
Overall, in 1Q23, trade deficit increased by 18.2% y/y to US\$ 1.9bn, as exports increased by 24.7% y/y to US\$ 1.5bn, while imports were up by 21.0% y/y to US\$ 3.3bn.

### 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%	4.1%
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

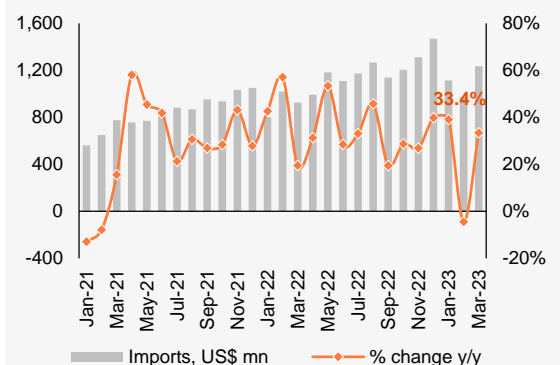
Source: Official data, Rating agencies, Galt & Taggart  
\*Latest sovereign credit ratings

### Goods exports



Source: Geostat

### Goods imports



Source: Geostat

# Money market

## Ministry of Finance T-Bills:

1-year GEL 20.0mn (US\$ 7.9mn) T-Bills were sold at the auction held at NBG on April 11, 2023. Total demand was 1.9x higher and the weighted average yield was fixed at 9.767%, up by 0.152ppts from previous auction held in Mar-23.

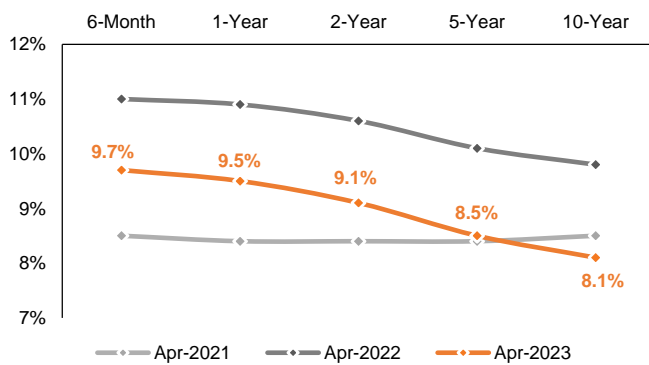
The nearest treasury security auction is scheduled for April 18, 2023, where GEL 60.0mn nominal value 10-year Benchmark bonds will be sold.

## T-bills / T-notes in 2023

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	80	160	415
1-year	80	160	
2-year	171	320	
5-year	294	810	6,125
10-year	180	840	
<b>Total</b>	<b>805</b>	<b>2,290</b>	<b>6,540</b>

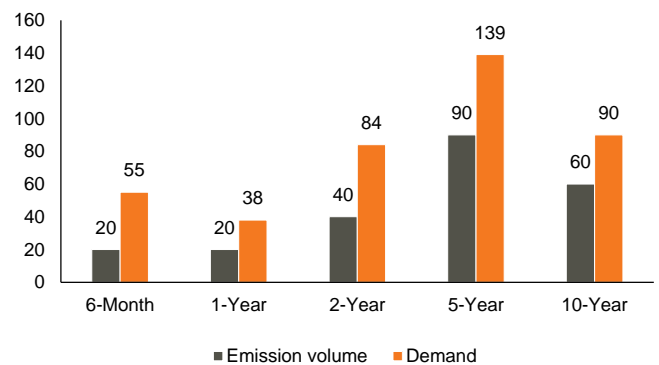
Source: MoF  
\*As of February 2023

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



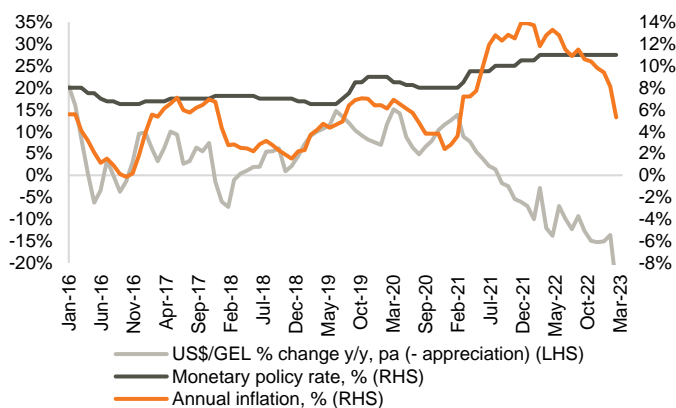
Source: NBG

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



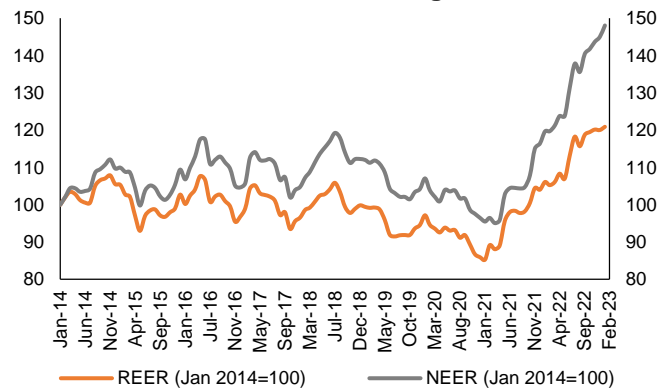
Source: NBG

## Monetary policy rate, inflation and FX rate



Source: NBG

## Nominal effective exchange rate and Real effective exchange rate



Source: NBG

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

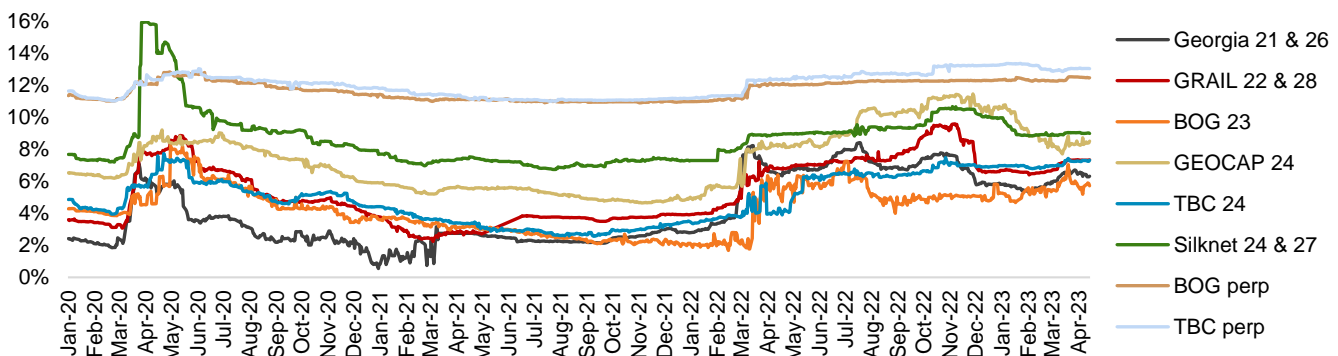
## Fixed income

**Corporate Eurobonds:** Bank of Georgia Group Eurobonds (GEBGG) closed at 5.73% yield, trading at 100.05 (-0.02% w/w). Georgia Capital Eurobonds (GEOCAP) were trading at 97.97 (-0.14% w/w), yielding 8.52%.

Georgian Railway Eurobonds (GRAIL) traded at 85.83 (-0.02% w/w), yielding 7.35%.

**Georgian Sovereign Eurobonds (GEORG)** closed at 90.32 (+0.42% w/w) at 6.33% yield to maturity.

### Georgian Eurobonds, YTM



Source: Bloomberg

### Georgian Eurobonds performance

Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-26	BB-/BB/Ba2	90.32	6.33	248.51
GRAIL 06/28	USD	500	4.000%	Jun-28	BB-/BB/-	85.83	7.35	383.99
GEBGG 07/23	USD	350	6.000%	Jul-23	BB-/Ba2	100.05	5.73	n/a
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/B-	98.53	12.49	775.17
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B+/B1	97.97	8.52	379.69
SILKNET 01/27	USD	300	8.375%	Jan-27	B+/-/B1	98.01	9.00	526.77
TBC 06/24	USD	300	5.750%	Jun-24	BB-/Ba2	98.25	7.33	257.55
TBC PERP	USD	125	10.775%	n/a	B-/B-	95.71	13.06	974.13

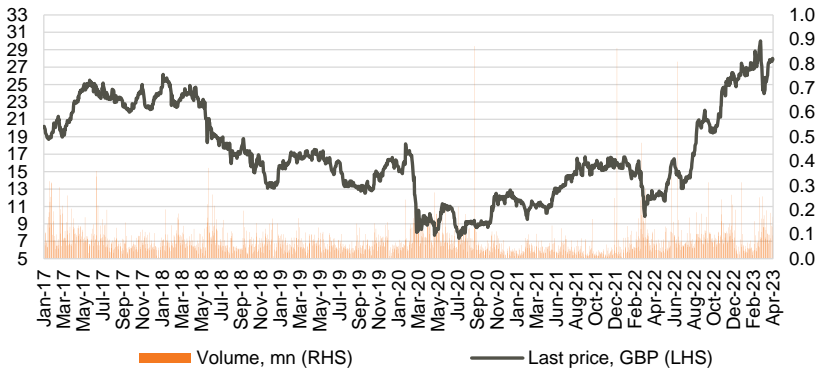
### Georgian local bonds performance

GLC	USD	12	5.75%	Jul-23	-/-/-	99.94	5.88	n/a
GLC	EUR	3	4.75%	Jul-23	-/-/-	99.99	4.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-23	-/-/-	99.59	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/-	n/a	n/a	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	98.23	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.80	8.65	n/a
Georgia Real Estate	USD	35	8.50%	Oct-24	-/-/-	99.78	8.65	n/a
Geo. Beer Company	GEL	25	15.50%	Dec-23	-/-/-	n/a	n/a	n/a
Evex Hospitals	GEL	50	13.60%	Nov-24	-/-/-	n/a	n/a	n/a
Nikora Trade	GEL	35	13.62%	Nov-24	-/-/-	n/a	n/a	n/a
Geo Renewable Power Oper.	USD	80	7.00%	Oct-27	-/-/-	99.04	7.25	-/-/-

Source: Bloomberg

# Equities

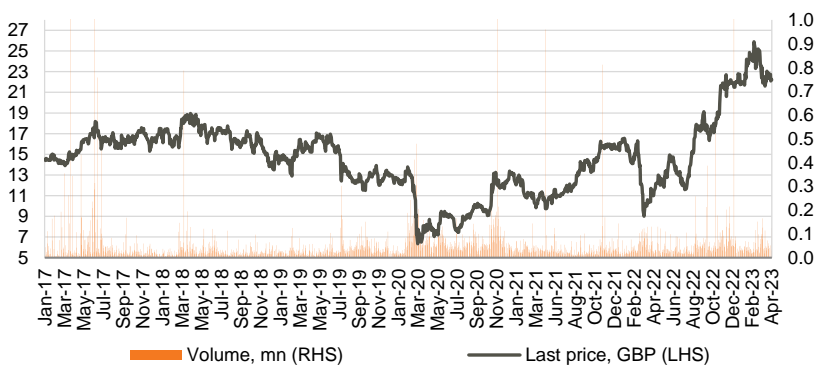
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 27.85/share (+0.36% w/w and +7.95% m/m). More than 533k shares traded in the range of GBP 27.45 - 28.25/share. Average daily traded volume was 113k in the last 4 weeks. The volume of BGEO shares traded was at 1.09% of its capitalization.

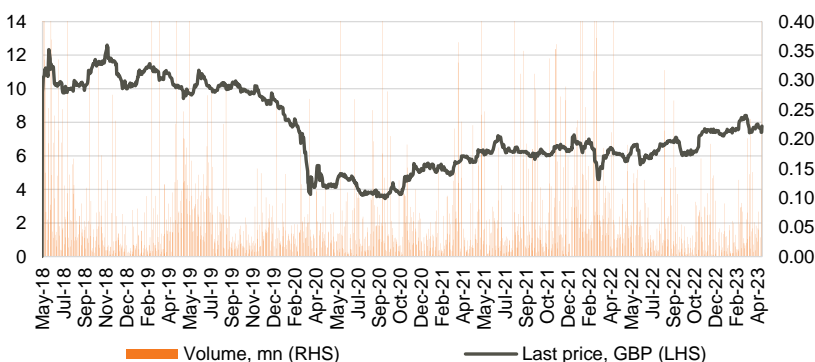
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 22.20/share (-2.42% w/w and -5.33% m/m). More than 240k shares changed hands in the range of GBP 21.90 - 22.80/share. Average daily traded volume was 50k in the last 4 weeks. The volume of TBCG shares traded was at 0.44% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 7.77/share (+1.30% w/w and +5.43% m/m). More than 2607k shares traded in the range of GBP 7.25 - 7.94/share. Average daily traded volume was 181k in the last 4 weeks. The volume of CGEO shares traded was at 5.59% 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	27.85	1,230	42.5%	126.4%	6.9%	2.74x	3.78x	3.32x	0.90x	0.82x	0.76x
TBC	TBC	GBP	22.20	1,224	29.8%	82.0%	-2.2%	4.10x	3.75x	3.32x	1.04x	0.85x	0.70x
Halyk Bank	HSBK	USD	12.16	3,316	12.6%	17.6%	9.5%	2.69x	2.25x	2.60x	0.78x	0.69x	0.57x
Akbank	AKBNK	TRY	17.57	91,364	30.1%	90.2%	-10.1%	1.40x	2.21x	2.09x	0.55x	0.51x	0.43x
Garanti	GARAN	TRY	27.34	114,828	24.8%	99.6%	-9.0%	1.91x	2.55x	2.19x	0.73x	0.57x	0.44x
Isbank	ISCTR	TRY	12.12	54,540	41.9%	152.2%	-5.1%	0.84x	1.13x	1.00x	0.60x	0.54x	0.44x
PKO	PKO	PLN	31.29	39,113	38.8%	-17.7%	3.3%	10.98x	5.77x	6.20x	1.03x	0.97x	0.90x
PEKAO	PEO	PLN	93.50	24,541	38.8%	-14.6%	8.1%	na	5.73x	6.15x	na	0.95x	0.87x
Millennium	MIL	PLN	5.30	6,429	55.5%	-14.0%	15.7%	na	3.00x	3.15x	1.04x	0.93x	0.85x
Mbank	MBK	PLN	356.60	15,114	89.4%	3.3%	20.5%	na	8.82x	6.12x	1.10x	0.91x	0.84x
BRD	BRD	RON	13.22	9,213	19.1%	-24.1%	1.7%	6.81x	6.41x	6.38x	1.31x	1.12x	1.09x
Banca Transilvania	TLV	RON	19.67	124,147	16.1%	-11.8%	-1.3%	na	na	na	1.60x	1.25x	1.12x
Komercni	KOMB	CZK	752.50	143,012	10.6%	-9.8%	14.9%	8.36x	9.45x	9.27x	1.21x	1.08x	1.03x
<b>Mean</b>								<b>4.42x</b>	<b>4.57x</b>	<b>4.31x</b>	<b>0.99x</b>	<b>0.86x</b>	<b>0.77x</b>
<b>Median</b>								<b>2.74x</b>	<b>3.77x</b>	<b>3.32x</b>	<b>1.04x</b>	<b>0.91x</b>	<b>0.84x</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	7.77	362	26.3%	25.9%	6.4%	na	na	na	0.38x	na	na
Tinc Comm	TINC	EUR	12.05	438	-0.6%	-12.4%	-3.6%	18.33x	na	na	0.99x	na	na
Sabanci Holding	SAHOL	TRY	41.06	83,779	44.2%	89.0%	-8.9%	1.77x	2.15x	1.75x	0.77x	0.66x	0.49x
Deutsche Beteiligungs	DBAN	EUR	27.75	522	25.3%	-3.5%	-0.5%	na	6.85x	5.16x	1.00x	0.82x	0.74x
Eurazeo	RF	EUR	66.25	5,249	24.1%	-15.6%	14.0%	8.89x	9.67x	8.47x	0.78x	0.70x	0.67x
Carlyle Group	CG	USD	30.45	10,850	19.7%	-28.7%	2.0%	8.50x	8.26x	6.48x	1.70x	2.05x	1.62x
Wendel SE	MF	EUR	98.30	4,399	30.0%	3.7%	12.7%	6.63x	8.07x	7.96x	na	1.35x	1.21x
HgCapital Trust	HGT	GBP	3.46	1,575	0.0%	-21.2%	-1.3%	na	na	na	na	na	na
NB Private Equity Partners	NBPE	GBP	15.14	660	-3.6%	-8.2%	-5.4%	na	na	na	na	na	na
Oakley Capital Investments	OCI	GBP	4.53	809	22.1%	8.6%	8.0%	na	na	na	na	na	na
Princess Private Equity	PEY	EUR	9.20	636	-9.4%	-23.7%	9.0%	na	na	na	0.65x	na	na
Symphony International Holding	SIHL	USD	0.46	234	4.8%	-2.6%	1.6%	na	na	na	0.47x	na	na
<b>Mean</b>								<b>8.82x</b>	<b>7.00x</b>	<b>5.96x</b>	<b>0.84x</b>	<b>1.12x</b>	<b>0.95x</b>
<b>Median</b>								<b>8.50x</b>	<b>8.07x</b>	<b>6.48x</b>	<b>0.78x</b>	<b>0.82x</b>	<b>0.74x</b>

Source: Bloomberg, S&amp;P Capital IQ

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