



Economy

Money transfers increased by 127.1% y/y in Mar-23

Money transfers were up by 127.1% y/y to US\$ 438.4mn in Mar-23, after growing by 103.0% y/y in previous month, according to NBG. From major remitting countries, money transfers increased from Russia (+728.0% y/y, accounting for 51.0% of total), followed by Italy (+20.4% y/y, 9.9% of total), USA (+40.4% y/y, 8.2% of total), Greece (+3.3% y/y, 4.5% of total), Israel (+10.5% y/y, 4.3% of total), Germany (+55.2% y/y, 4.0% of total), Kazakhstan (+130.8% y/y, 4.0% of total) and Turkey (+22.1% y/y, 2.3% of total). Overall, in 1Q23 remittances increased by 130.3% y/y to US\$ 1.3bn.

Producer price index reduced in Mar-23

Annual PPI for industrial goods reduced by 5.2% in Mar-23, after falling by 1.0% in previous month, according to Geostat. This decline was mainly driven by price reduction in manufacturing (-3.2% y/y) and mining (-22.5% y/y) sectors.

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 33.7% y/y to US\$ 688.3mn, 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.

The top 5 exported commodities were cars (+683.6% y/y), copper (-45.7% y/y), fertilizers (+86.5% y/y), wine (+74.4% y/y) and spirits (+187.5% y/y) in Mar-23. A 17.9% of exports were directed to the EU (+97.9% y/y), 59.1% to the CIS (+205.7% y/y) and 23.0% to other countries (-51.0% y/y). The top 5 imports were cars (+82.8% y/y), petroleum (+13.4% y/y), gases (-24.2% y/y), pharmaceuticals (+33.0% y/y) and telephones (+112.0% y/y) in Mar-23.

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.

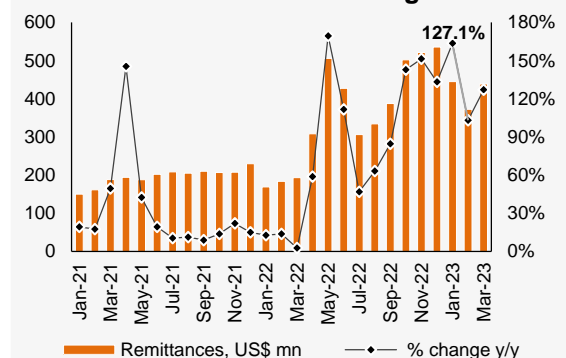
Key macro indicators

	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

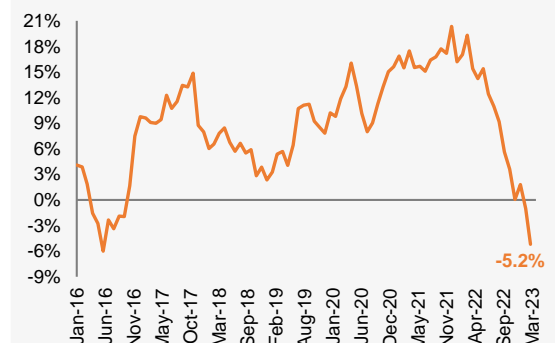
*Latest sovereign credit ratings

Remittances in Georgia



Source: NBG

Producer Price Index, % change y/y



Source: Geostat



Money market

Ministry of Finance T-notes:

10-year GEL 60.0mn (US\$ 23.8mn) Benchmark bonds were sold at the auction held at NBG on April 18, 2023. Total demand was 1.5x higher and the weighted average yield was fixed at 8.736%, up by 0.034ppts from previous auction held in Mar-23.

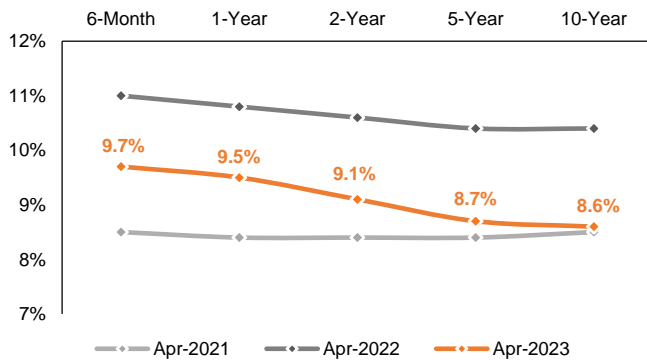
The nearest treasury security auction is scheduled for April 25, 2023, where GEL 90.0mn nominal value 5-year Benchmark bonds will be sold.

T-bills / T-notes in 2023

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	80	160	420
1-year	80	160	
2-year	171	320	6,424
5-year	294	810	
10-year	240	780	
Total	865	2,230	6,844

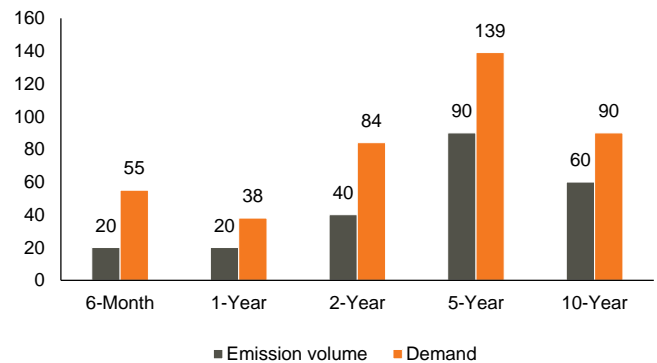
Source: MoF
*As of March 2023

T-bills / T-notes, yield curve



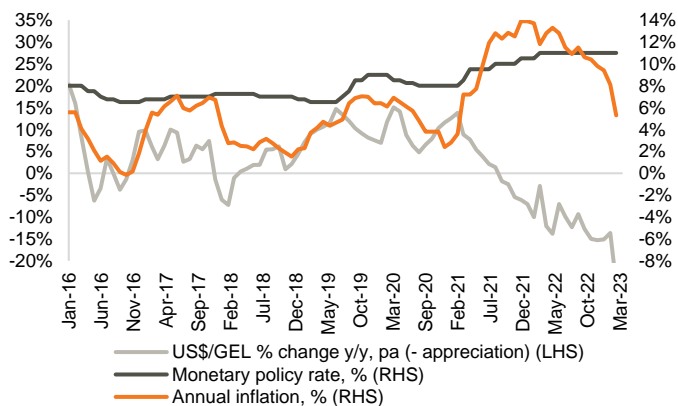
Source: NBG

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



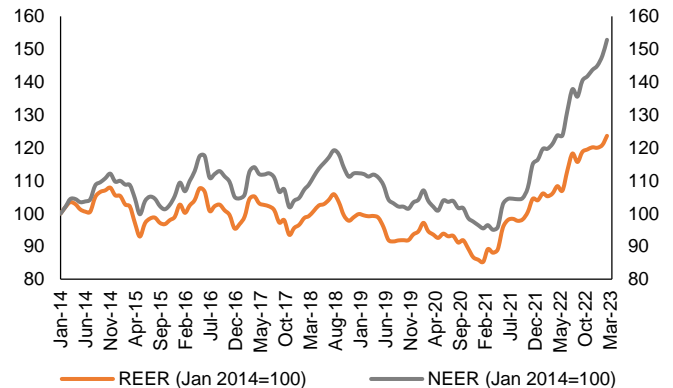
Source: NBG

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



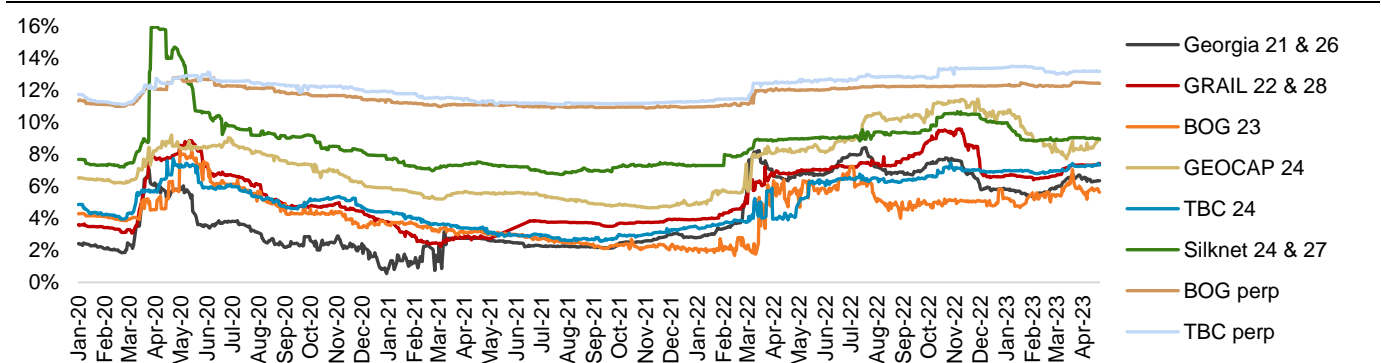
Fixed income

Corporate Eurobonds: Bank of Georgia Group Eurobonds (GEBGG) closed at 5.64% yield, trading at 100.07 (+0.02% w/w). Georgia Capital Eurobonds (GEOCAP) were trading at 97.70 (-0.28% w/w), yielding 8.91%.

Georgian Railway Eurobonds (GRAIL) traded at 85.52 (-0.35% w/w), yielding 7.44%.

Georgian Sovereign Eurobonds (GEORG) closed at 90.32 (-0.01% w/w) at 6.36% 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	6.36	254.87
GRAIL 06/28	USD	500	4.000%	Jun-28	BB-/BB-/	85.52	7.44	396.18
GEBGG 07/23	USD	350	6.000%	Jul-23	BB-/Ba2	100.07	5.64	n/a
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/	98.69	12.44	756.68
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B+/B1	97.70	8.91	391.00
SILKNET 01/27	USD	300	8.375%	Jan-27	B+/B1	98.12	8.97	528.74
TBC 06/24	USD	300	5.750%	Jun-24	BB-/Ba2	98.28	7.33	256.12
TBC PERP	USD	125	10.775%	n/a	B-/	95.75	13.20	953.95

Georgian local bonds performance

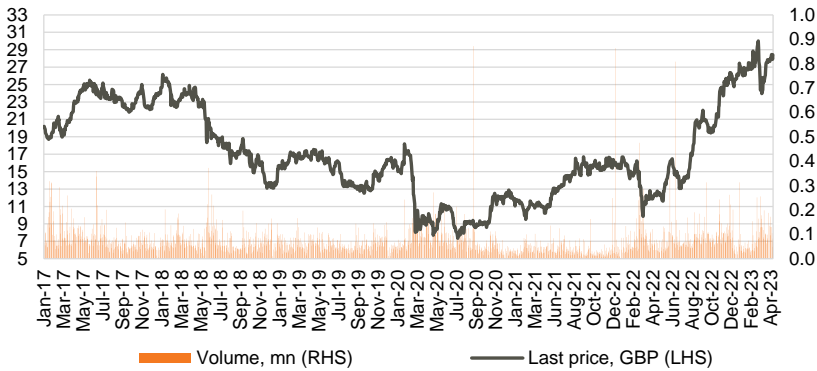
GLC	USD	12	5.75%	Jul-23	-/-/-	99.94	5.88	n/a
GLC	EUR	3	4.75%	Jul-23	-/-/-	99.99	4.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-23	-/-/-	99.59	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/-	n/a	n/a	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	98.23	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	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

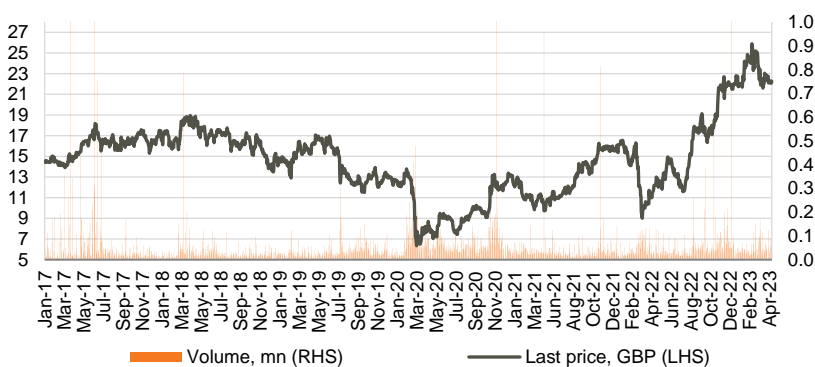
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Bank of Georgia Group (BGEO LN) shares closed at GBP 28.40/share (+1.97% w/w and +10.08% m/m). More than 440k shares traded in the range of GBP 27.60 - 29.05/share. Average daily traded volume was 103k in the last 4 weeks. The volume of BGEO shares traded was at 0.94% of its capitalization.

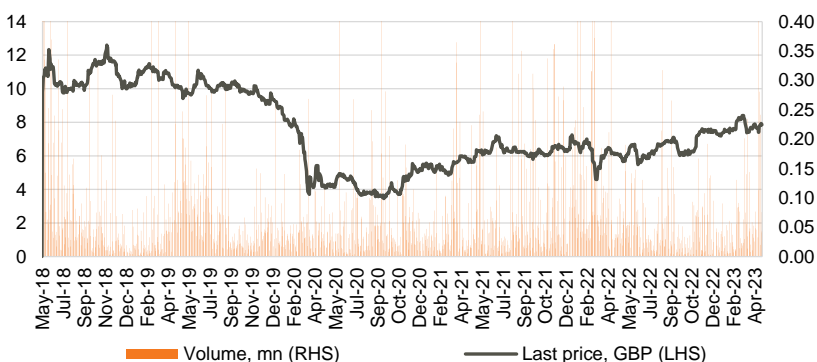
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 22.25/share (+0.23% w/w and -1.11% m/m). More than 295k shares changed hands in the range of GBP 21.90 - 22.75/share. Average daily traded volume was 53k in the last 4 weeks. The volume of TBCG shares traded was at 0.54% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 7.85/share (+1.03% w/w and +4.53% m/m). More than 421k shares traded in the range of GBP 7.77 - 8.01/share. Average daily traded volume was 190k in the last 4 weeks. The volume of CGEO shares traded was at 0.94% 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	28.40	1,327	40.2%	122.6%	9.0%	2.74x	4.06x	3.57x	0.90x	0.83x	0.78x
TBC	TBC	GBP	22.25	1,224	20.3%	71.2%	-2.0%	4.10x	3.73x	3.31x	1.04x	0.85x	0.70x
Halyk Bank	HSBK	USD	11.92	3,251	9.4%	12.7%	7.4%	2.69x	2.72x	2.55x	0.78x	0.68x	0.56x
Akbank	AKBNK	TRY	17.70	92,040	13.8%	85.7%	-9.5%	1.40x	2.22x	2.08x	0.55x	0.52x	0.43x
Garanti	GARAN	TRY	28.14	118,188	12.7%	94.2%	-6.3%	1.91x	2.62x	2.26x	0.73x	0.59x	0.46x
Isbank	ISCTR	TRY	11.86	118,600	20.7%	140.0%	-7.1%	0.84x	2.47x	2.18x	0.60x	0.53x	0.43x
PKO	PKO	PLN	32.58	40,725	34.4%	-16.2%	7.6%	10.98x	6.18x	6.45x	1.03x	1.01x	0.93x
PEKAO	PEO	PLN	97.44	25,575	35.3%	-13.2%	12.6%	na	5.61x	6.20x	na	0.98x	0.90x
Millennium	MIL	PLN	5.03	6,102	41.8%	-18.2%	9.8%	na	2.45x	2.64x	1.04x	0.99x	0.88x
Mbank	MBK	PLN	366.40	15,548	59.6%	8.9%	23.8%	na	7.98x	5.65x	1.10x	1.05x	0.88x
BRD	BRD	RON	12.74	8,879	12.1%	-26.8%	-2.0%	6.81x	6.17x	6.15x	1.31x	1.08x	1.05x
Banca Transilvania	TLV	RON	19.50	13,799	12.7%	-11.7%	-2.1%	na	5.99x	5.63x	1.60x	1.24x	1.11x
Komerční	KOMB	CZK	758.50	144,152	9.8%	-11.4%	15.8%	8.36x	9.52x	9.34x	1.21x	1.08x	1.04x
Mean								4.42x	4.75x	4.46x	0.99x	0.88x	0.78x
Median								2.74x	4.06x	3.57x	1.04x	0.98x	0.88x

Source: Bloomberg, S&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	7.85	351	24.4%	28.7%	7.5%	na	na	na	0.38x	na	na
Tinc Comm	TINC	EUR	12.05	438	-5.1%	-11.3%	-3.6%	18.33x	na	na	0.99x	na	na
Sabancı Holding	SAHOL	TRY	40.52	82,677	20.7%	95.0%	-10.1%	1.77x	2.12x	1.72x	0.77x	0.65x	0.48x
Deutsche Beteiligungs	DBAN	EUR	28.05	527	20.9%	-5.4%	0.5%	na	6.59x	5.18x	1.00x	0.81x	0.73x
Eurazeo	RF	EUR	67.05	5,312	23.3%	-15.6%	15.4%	8.89x	9.78x	8.57x	0.78x	0.71x	0.68x
Carlyle Group	CG	USD	29.95	10,844	13.4%	-27.8%	0.4%	8.50x	8.45x	6.52x	1.70x	2.05x	1.63x
Wendel SE	MF	EUR	100.50	4,463	31.0%	3.7%	15.3%	6.63x	8.19x	8.07x	na	1.38x	1.24x
HgCapital Trust	HGT	GBP	3.37	1,543	-1.6%	-25.8%	-3.9%	na	na	na	na	na	na
NB Private Equity Partners	NBPE	GBP	15.00	654	-5.7%	-6.3%	-6.3%	na	na	na	na	na	na
Oakley Capital Investments	OCI	GBP	4.58	814	27.2%	11.2%	9.2%	na	na	na	na	na	na
Princess Private Equity	PEY	EUR	9.42	651	-2.7%	-26.4%	11.6%	na	na	na	0.65x	na	na
Symphony International Holding	SIHL	USD	0.41	210	0.2%	-21.2%	-8.5%	na	na	na	0.47x	na	na
Mean								8.82x	7.03x	6.01x	0.84x	1.12x	0.95x
Median								8.50x	8.19x	6.52x	0.78x	0.81x	0.73x

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

Email: research@gt.ge