



## Economy

### Exports soared by 38.5% y/y in Jan-23

In Jan-23, exports experienced significant growth, expanding by 38.5% y/y to US\$ 459.0mn, after a 32.5% y/y growth in the previous month. Imports, on the other hand, grew at a slower pace, with a 25.2% y/y increase to US\$ 1.0bn in January, compared to a 33.0% y/y rise in December.

As a result, the trade deficit grew by 15.8% y/y to US\$ 543.9mn, following the 33.3% y/y growth rate seen in December.

### Money transfers maintain strong growth in Jan-23

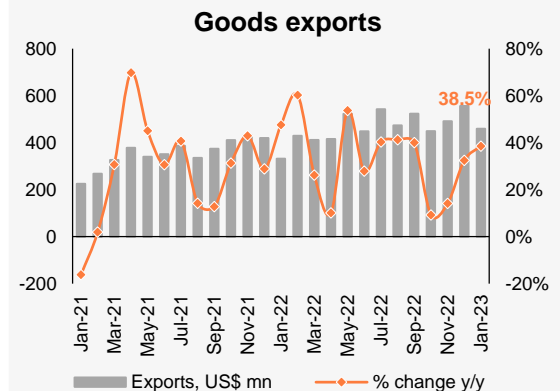
According to the NBG, money transfers demonstrated a continuation of an impressive growth trend, increasing by 163.5% y/y to reach US\$ 445.0mn in Jan-23, after a 133.2% y/y growth in the previous month. The majority of the money transfers came from Russia, which saw a 10-fold increase y/y and accounted for 60.1% of the total. Some of these funds were related to migration. Other major remitting countries included Italy (+18.9% y/y, 8.9% of total), USA (+40.8% y/y, 6.4% of total), Greece (+7.0% y/y, 4.1% of total), Israel (+14.5% y/y, 3.8% of total) and Germany (+61.8% y/y, 3.2% of total).

### Key macro indicators

	2021	2022E
Real GDP growth (% change)	10.5%	10.1%
GDP per capita (ppp)	16,937	19,456
GDP per capita (US\$)	5,023	6,656
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%	3.1%
Fiscal deficit (% of GDP)	6.1%	3.1%
Total public debt (% of GDP)	49.6%	39.8%
Fitch/S&P/Moody's*	BB/BB/Baa2	

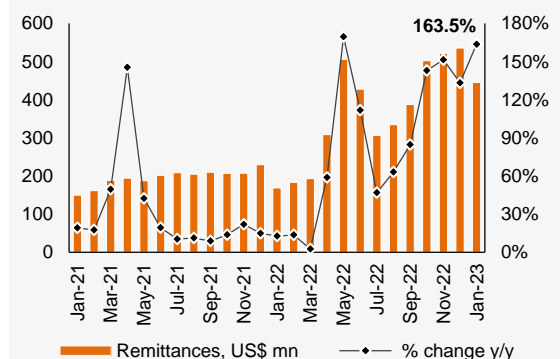
Source: Official data, Rating agencies, Galt & Taggart

\*Latest sovereign credit ratings



Source: Geostat

### Remittances in Georgia



Source: NBG



# Money market

## Ministry of Finance T-Bills:

1-year GEL 20.0mn (US\$ 7.5mn) T-Bills were sold at the auction held at NBG on February 14, 2023. Total demand was 1.7x higher and the weighted average yield was fixed at 9.394%, down by 0.020ppts from previous auction held in Jan-23.

The nearest treasury security auction is scheduled for February 21, 2023, where GEL 60.0mn nominal value 10-year Benchmark bonds will be sold.

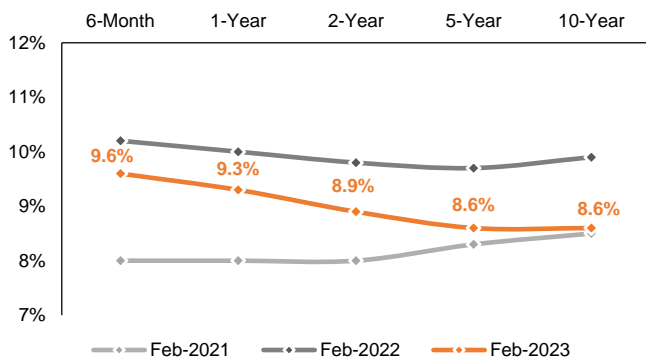
## T-bills / T-notes in 2023

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
6-month	40	200	415
1-year	40	200	
2-year	83	400	6,254
5-year	99	990	
10-year	60	660	
<b>Total</b>	<b>322</b>	<b>2,450</b>	<b>6,669</b>

Source: MoF

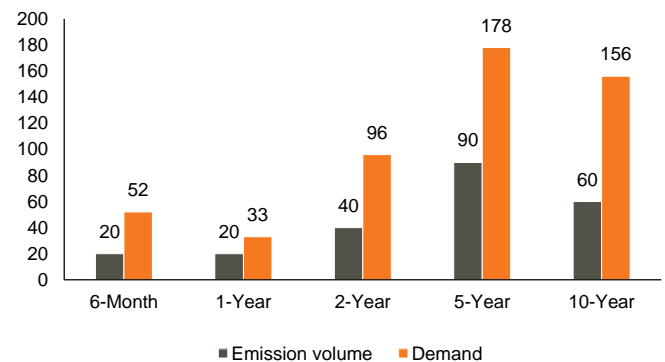
\*As of January 2023

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



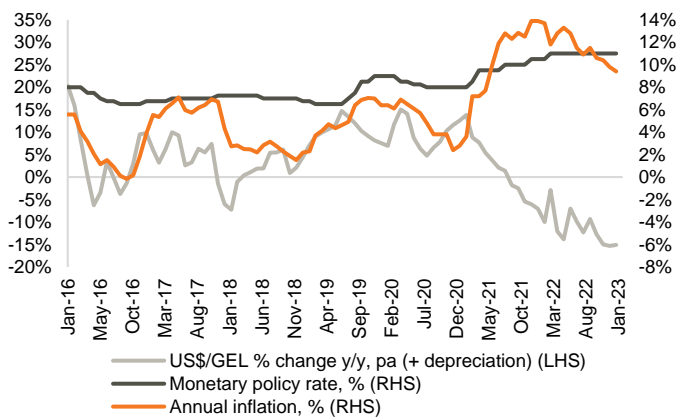
Source: NBG

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



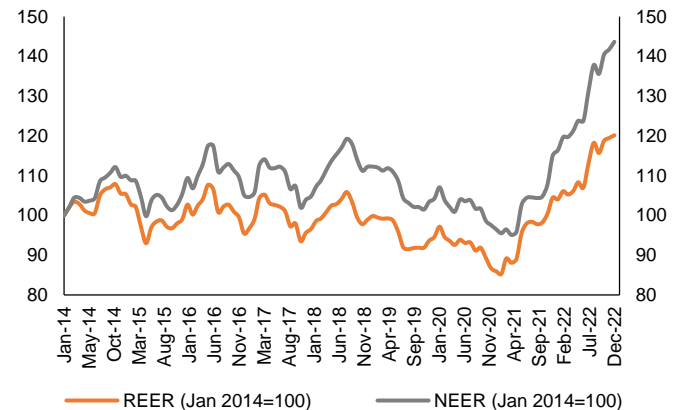
Source: NBG

## 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



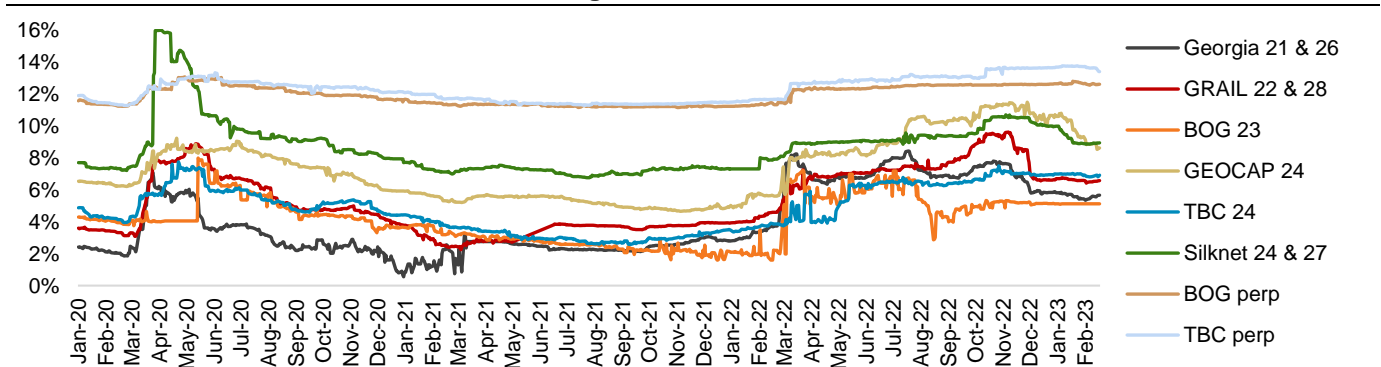
## Fixed income

**Corporate Eurobonds:** Georgia Capital Eurobonds (GEOCAP) were trading at 97.56 (+0.33% w/w), yielding 8.61%.

Georgian Railway Eurobonds (GRAIL) traded at 88.61 (-0.17% w/w), yielding 6.57%.

**Georgian Sovereign Eurobonds** (GEORG) closed at 91.68 (-0.15% w/w) at 5.66% 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	91.68	5.66	144.29
GRAIL 06/28	USD	500	4.000%	Jun-28	BB-/BB-/	88.61	6.57	274.90
GEBGG 07/23	USD	350	6.000%	Jul-23	BB-/B-/Ba2	n/a	n/a	n/a
GEBGG 11 1/8 PERP	USD	100	11.125%	n/a	B-/B-/	99.73	12.60	628.08
GEOCAP 03/24	USD	300	6.125%	Mar-24	-/B+/B1	97.56	8.61	344.38
SILKNET 01/27	USD	300	8.375%	Jan-27	B+/-/B1	98.16	8.94	486.56
TBC 06/24	USD	300	5.750%	Jun-24	BB-/B-/Ba2	98.55	6.91	186.04
TBC PERP	USD	125	10.775%	n/a	B-/B-/	95.72	13.39	887.47

**Georgian local bonds performance**

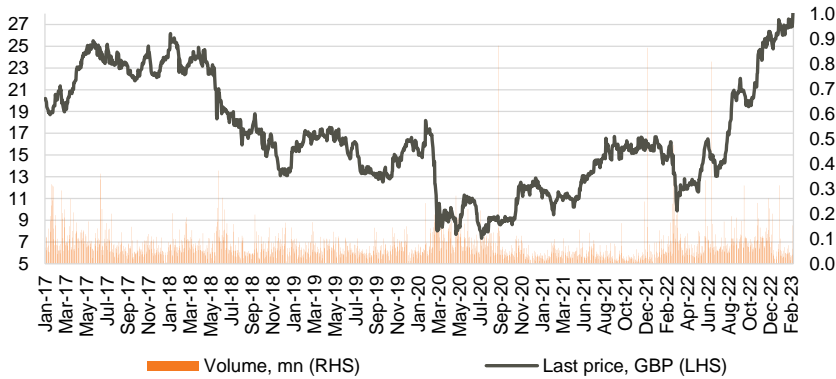
GLC	USD	12	5.75%	Jul-23	-/-/-	99.90	5.88	n/a
GLC	EUR	3	4.75%	Jul-23	-/-/-	99.99	4.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-23	-/-/-	99.49	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/-	n/a	n/a	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	97.35	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.77	8.65	n/a
Georgia Real Estate	USD	35	8.50%	Oct-24	-/-/-	99.73	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
TBC Leasing	GEL	58.4	13.37%	Mar-23	-/-/-	n/a	n/a	n/a
Geo Renewable Power Oper.	USD	80	7.00%	Oct-27	-/-/-	n/a	n/a	-/-/-

Source: Bloomberg



## Equities

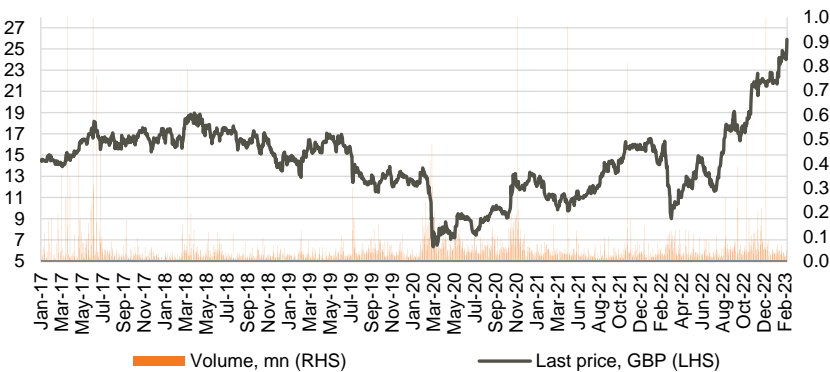
### Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 28.85/share (+7.85% w/w and +10.96% m/m). More than 378k shares traded in the range of GBP 26.60 - 30.05/share. Average daily traded volume was 51k in the last 4 weeks. The volume of BGEO shares traded was at 0.77% of its capitalization.

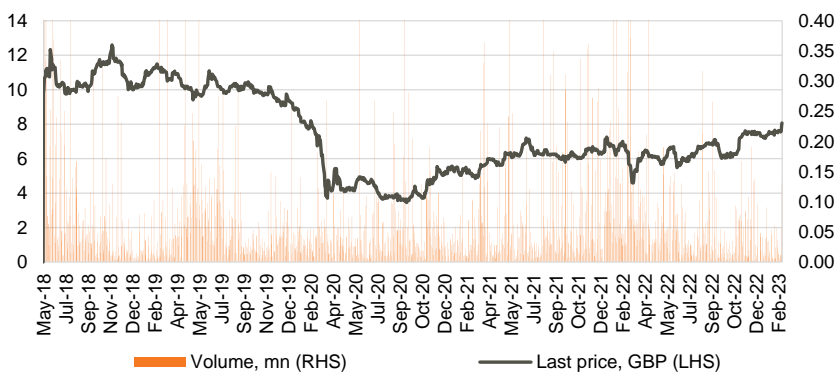
### TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 25.90/share (+7.25% w/w and +17.73% m/m). More than 152k shares changed hands in the range of GBP 23.35 - 25.90/share. Average daily traded volume was 33k in the last 4 weeks. The volume of TBCG shares traded was at 0.28% of its capitalization.

### Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 8.07/share (+6.18% w/w and +8.91% m/m). More than 218k shares traded in the range of GBP 7.55 - 8.16/share. Average daily traded volume was 29k in the last 4 weeks. The volume of CGEO shares traded was at 0.47% 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		
								2021	2022F	2023F	2021	2022F	2023F
Bank of Georgia	BGEO	GBP	28.85	1,419	46.1%	85.6%	10.7%	4.58x	3.55x	4.62x	1.06x	1.11x	0.94x
TBC	TBC	GBP	25.90	1,429	47.3%	74.3%	14.1%	4.75x	4.79x	4.51x	1.04x	1.03x	0.89x
Halyk Bank	HSBK	USD	11.80	3,218	14.1%	-15.7%	6.3%	2.60x	3.12x	3.15x	0.76x	0.80x	0.67x
Akbank	AKBNK	TRY	15.99	83,148	41.4%	104.0%	-18.2%	6.04x	1.44x	2.09x	0.96x	0.65x	0.44x
Garanti	GARAN	TRY	22.68	95,256	6.9%	92.2%	-24.5%	7.12x	1.75x	2.20x	1.20x	0.71x	0.55x
Isbank	ISCTR	TRY	10.92	49,140	60.8%	184.8%	-14.5%	2.87x	0.92x	1.04x	0.99x	0.53x	0.45x
PKO	PKO	PLN	31.92	39,900	32.5%	-31.4%	5.4%	6.63x	11.07x	6.40x	0.86x	1.12x	1.01x
PEKAO	PEO	PLN	92.10	24,173	29.4%	-29.3%	6.5%	9.22x	8.21x	5.86x	0.84x	1.03x	0.92x
Millennium	MIL	PLN	4.81	5,835	21.9%	-43.7%	5.0%	na	2.39x	2.74x	0.81x	1.20x	0.97x
Mbank	MBK	PLN	322.00	13,648	30.9%	-31.5%	8.8%	na	na	13.90x	0.83x	1.07x	0.82x
BRD	BRD	RON	13.26	9,241	-7.5%	-35.9%	2.0%	6.06x	7.14x	6.28x	0.81x	1.43x	1.21x
Banca Transilvania	TLV	RON	19.86	125,346	-6.3%	-16.0%	-0.3%	na	na	na	1.24x	1.35x	1.21x
OTP	OTPD	USD	22.00	12,320	0.0%	0.0%	0.0%	8.76x	8.75x	8.53x	0.65x	0.66x	0.57x
Komerční	KOMB	CZK	741.50	140,922	18.9%	-24.0%	13.2%	11.10x	8.50x	9.28x	1.14x	1.13x	1.07x
<b>Mean</b>								<b>6.34x</b>	<b>5.14x</b>	<b>5.43x</b>	<b>0.94x</b>	<b>0.99x</b>	<b>0.84x</b>
<b>Median</b>								<b>6.06x</b>	<b>4.17x</b>	<b>4.62x</b>	<b>0.91x</b>	<b>1.05x</b>	<b>0.91x</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		
								2021	2022F	2023F	2021	2022F	2023F
Georgia Capital	CGEO	GBP	8.07	376	20.8%	24.5%	10.5%	1.80x	4.37x	3.24x	0.41x	na	na
Tinc Comm	TINC	EUR	12.42	452	-7.2%	-5.5%	-0.6%	13.85x	na	na	0.94x	na	na
Sabancı Holding	SAHOL	TRY	39.90	81,412	59.9%	152.7%	-11.5%	5.61x	2.18x	3.34x	1.31x	0.86x	0.64x
Deutsche Beteiligungs	DBAN	EUR	30.90	581	11.2%	-17.2%	10.8%	2.57x	na	7.63x	0.68x	1.16x	0.91x
Eurazeo	RF	EUR	64.95	5,146	0.7%	-9.2%	11.8%	2.91x	14.66x	10.25x	0.72x	0.72x	0.70x
Carlyle Group	CG	USD	34.75	12,380	1.5%	-23.8%	16.4%	3.34x	8.01x	8.75x	1.87x	2.99x	2.34x
Wendel SE	MF	EUR	101.20	4,528	18.6%	9.4%	16.1%	3.45x	8.41x	8.32x	1.35x	1.59x	1.39x
HgCapital Trust	HGT	GBP	3.66	1,664	-4.2%	-14.2%	4.3%	na	na	na	na	na	na
NB Private Equity Partners	NBPE	GBP	16.30	711	5.2%	-0.3%	1.9%	na	na	na	na	na	na
Oakley Capital Investments	OCI	GBP	4.71	840	11.4%	15.0%	12.2%	na	na	na	na	na	na
Princess Private Equity	PEY	EUR	9.72	672	-14.0%	-22.2%	15.2%	3.10x	na	na	0.52x	na	na
Symphony International Holding	SIHL	USD	0.42	217	-8.3%	2.9%	-5.8%	1.78x	na	na	0.45x	na	na
<b>Mean</b>								<b>4.27x</b>	<b>7.53x</b>	<b>6.92x</b>	<b>0.92x</b>	<b>1.46x</b>	<b>1.20x</b>
<b>Median</b>								<b>3.10x</b>	<b>8.01x</b>	<b>7.98x</b>	<b>0.72x</b>	<b>1.16x</b>	<b>0.91x</b>

Source: Bloomberg, S&amp;P Capital IQ

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