

# GEORGIA BIWEEKLY MARKET REPORT

## Weekly Highlights

**International reserves at US\$ 4.8bn**  
 in Apr-24 Gross international reserves decreased by 6.3% y/y to US\$ 4.8bn in Apr-24, according to NBG. Meanwhile, on a monthly basis, the reserves increased by 0.8% (+US\$ 37.4mn). Changes in reserves were attributed to the government and banking sector FX operations, likely including NBG's FX purchases (information will be available on 27 May). Notably, the NBG added monetary gold to its FX reserves, purchasing \$529.4mn worth in March and April 2024, representing 11.0% of its international reserves.

## IFI GEL Bonds

Issuer	Currency	Size of issue(mn)	Maturity	coupon rate	Rating (Fitch)	Coupon rate terms
ADB	GEL	30	15-Jul-24	9.51%	AAA	3m GEL CD NBG Rate + 20 bps
EBRD	GEL	92	20-Oct-26	10.28%	AAA	3m TIBR
EBRD	GEL	93	20-Jul-24	10.28%	AAA	3m TIBR

## Perpetual Bonds

Georgian Issuer	Currency	Amount (mn)	First Reset Date	Current coupon	Rating (Fitch)	%	Z-Spread (bps)
TBC AT1	USD	125	3-Oct-24	10.775%	B-	12.88%	846.40
BGEO AT1	USD	100	28-Jun-24	11.125%	B-	13.45%	631.63

## Domestic GEL Bonds

Issuer	Currency	Amount (mn)	Maturity	Yield	Fitch Rating	Coupon	Z-spread (bps)
Cellfire	GEL	65	Dec-23	n/a	--	TIBR6M + 3.50%	n/a
EVEK	GEL	50	Nov-24	n/a	--	Ref rate + 3.10%	n/a
Nikora trade	GEL	35	Nov-24	n/a	--	TIBR3M + 3.50%	n/a
Nikora	GEL	35	Nov-25	n/a	--	TIBR3M + 3.50%	n/a
TBC Leasing	GEL	100	Mar-26	n/a	BB	TIBR3M + 2.75%	n/a
TBC Leasing	GEL	15	Jun-26	n/a	BB	TIBR3M + 3.00%	n/a
Tegeta Motors	GEL	150	Dec-25	n/a	--	TIBR3M + 3.50%	n/a
Tegeta Motors	GEL	20	Dec-25	n/a	--	TIBR6M + 3.50%	n/a
MFO Crystal	GEL	25	Feb-25	n/a	B-	TIBR6M + 4.75%	n/a
MFO MBC	GEL	15	Dec-24	n/a	--	TIBR3M + 4.50%	n/a
MFO Rico Express	GEL	130	Mar-26	n/a	--	TIBR1D + 2.00%	n/a

## Domestic FX Bonds USD

Issuer	Currency	Amount (mn)	Maturity	Yield	Fitch Rating	Coup. rate	Mid Price
Bakhvi Hydro Power	USD	1.2	Nov-27	n/a	--	9.4%	n/a
Energy Development C	USD	10	Jun-25	n/a	--	8.5%	n/a
Georgia Real Estate	USD	35	Oct-24	8.50%	--	8.5%	100
Geo. Renewable Powe	USD	80	Oct-27	7.00%	--	7.0%	100
Geosteel	USD	15	Apr-25	9.0%	--	9.0%	100
IG Development	USD	15	Jan-24	6.88%	--	6.88%	99.94
IG Development	USD	15	Jul-24	8.75%	--	8.5%	99.80
Lisi Lake Development	USD	12	Dec-24	6.75%	--	6.5%	99.72
Lisi Lake Development	USD	10	Dec-24	8.5%	--	8.5%	100
Silk Real Estate	USD	20	Apr-26	9.0%	--	9.0%	100.01
Georgia Capital	USD	150	Aug-28	8.19%	--	8.5%	101.20
Silk Real Estate	USD	20	Sep-26	8.63%	--	9.25%	101.23
Prime Concrete	USD	7.5	Sep-27	n/a	--	10.5%	n/a
Austrian-Georgian Dev	USD	15	Oct-25	n/a	--	9.0%	n/a
Tegeta Motors	USD	20	Apr-25	8.75%	--	8.5%	99.64

## Eurobonds

Georgian Issuer	Currency	Amount (mn)	Maturity	Mid yield	Rating (Fitch)	Coupon rate	Z-Spread (bps)
GEO Sovereign	USD	500	Apr-26	7.63%	BB	2.75%	279.81
GEORAIL	USD	500	Jun-28	7.78%	BB-	4.00%	316.31
TBC	USD	300	Jun-24	6.78%	BB-	5.70%	128.55
Silknet	USD	300	Jan-27	8.98%	B	8.37%	423.89

## Short Term Central Bank Facilities

	O/N	6 months	2 years	Issuer
GEL	9.00%	10.50%	10.50%	NBG
USD	5.30%	5.00%	4.46%	US FED
EUR	3.90%	3.60%	2.80%	ECB

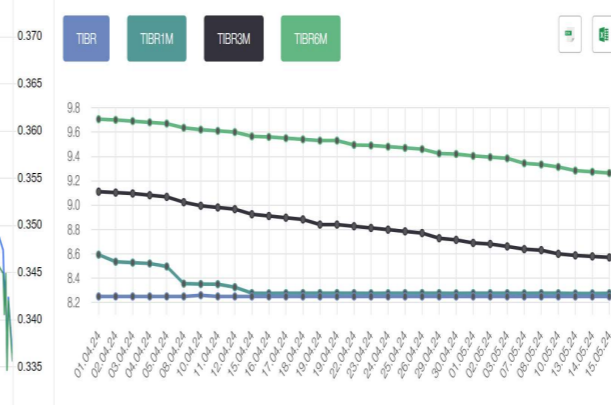
## Geo Ministry of Finance T-Bills

Term	Currency	Outstanding amount	%	Remaining placements
6-month	GEL	410	9.3	380
1-year	GEL		9.1	40
2-year	GEL		8.8	80
5-year	GEL	7,569	8.5	2670
10-year	GEL		8.3	170
<b>Total</b>		<b>7979</b>		<b>3340</b>

## Georgian Lari (GEL) spot FX rates



## GEL Interbank Deposit Rates (TIBR)



## Customer deposit rates

% p.a.	BGEO	TBC
<b>GEL</b>		
3 months	9.31	9.84
1 year	9.51	9.98
2 years	9.37	9.82
<b>USD</b>		
3 months	0.80	0.80
1 year	1.50	1.5
2 years	1.98	1.95
<b>EUR</b>		
3 months	0.00	0.3
1 year	0.40	0.4
2 years	0.60	0.6

## Georgia Macro-Economic Data

	2023E	2024F
Real GDP growth (% change)	7.5%	6.0%
GDP per capita (ppp)	22,371	24,349
GDP per capita (US\$)	8,170	8,685
Population (mn)	3.7	3.7
Inflation (average)	2.5%	3.0%
Gross reserves (US\$ bn)	5.0	5.2
CAD (% of GDP)	4.5%	4.3%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.1%	38.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

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

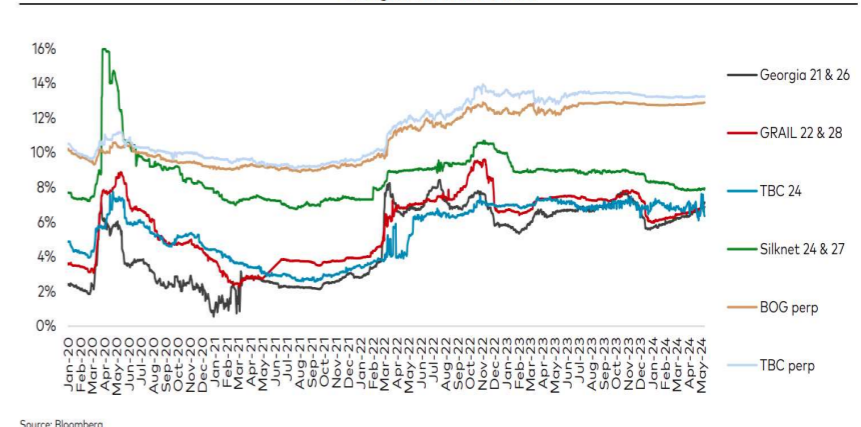
## Bond Market News

**Ministry of Finance T-bills/T-notes:**  
 2.7-year GEL 40.0mn (US\$ 14.9mn) Benchmark bonds were sold at the auction held at NBG on May 7, 2024. Total demand was 2.5x higher and the weighted average yield was fixed at 7.983%, up by 0.104ppts from previous auction held in Apr-24.

6-month GEL 20.0mn (US\$ 7.5mn) T-Bills were sold at the auction held at NBG on May 7, 2024. Total demand was 1.5x higher and the weighted average yield was fixed at 8.048%, up by 0.237ppts from previous auction held in Apr-24.

The nearest treasury security auction is scheduled for May 14, 2024, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10-year Benchmark Bonds will be sold.

## Georgian Eurobonds, YTM



Source: Bloomberg

## Weekly Highlights

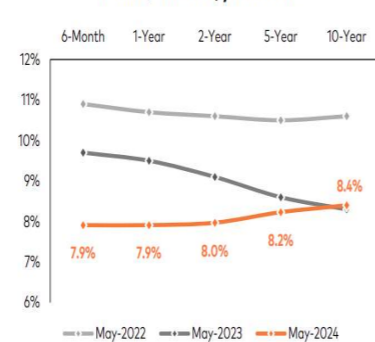
### Tourism revenues estimated at US\$ 300mn

in Jan-24 Tourism revenues reached US\$ 300mn (+26.6% y/y, excluding migration effect) in Jan-24, according to our estimates. We forecast tourism revenues at US\$ 4.5bn (+10.0% y/y) for 2024, assuming that international visits to Georgia will fully recover to pre-pandemic levels. International reserves at US\$ 4.9bn in Jan-24 Gross international reserves decreased by 0.9% y/y to US\$ according to NBG. On a monthly basis, the reserves reduced by 3.1% (-US\$ 156.4mn). Changes in reserves were attributed to the government and banking sector FX operations.

### International reserves at US\$ 4.9bn

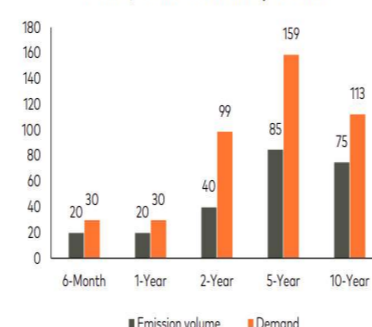
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## T-bills / T-notes, yield curve



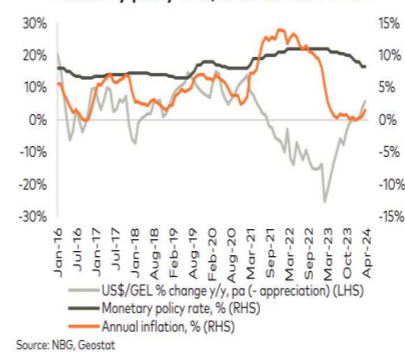
Source: NBG

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



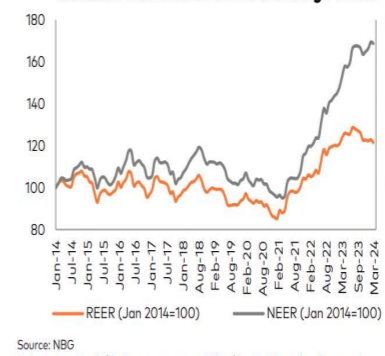
Source: NBG

## Monetary policy rate, inflation and FX rate



Source: NBG, Geostat

## Nominal and real effective exchange rates



Source: NBG

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

Sources: TBC Capital, Galt & Taggart, Bank of Georgia, NBG, GEOSTAT, MarketWatch, Trading Economics...

\*n/a – currently not available, subject of further research



## Georgian central bank sells \$60m in response to "recent volatility" in currency market

The National Bank of Georgia on Thursday said it had intervened with a \$60 million injection at a foreign exchange auction in response to "recent volatility" in the currency market.

This decision was made to provide liquidity and address the excess demand for currency which resulted from recent large, one-time transactions that exerted additional pressure on the Georgian national currency exchange rate", the body said.

The bank noted recent fluctuations were "short-term" and not driven by fundamental macroeconomic factors, adding "key economic indicators" remained "strong".

International reserves are at a historic high, foreign inflows are stable, the current account deficit is at a historic low and high economic growth has been recorded over the past three years. Additionally, inflation is below the three percent target and both the fiscal balance and public debt are at sustainable levels", the body said.



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National Bank of Georgia

## Georgian Equities

Equities		London STX				
Issuer	Price (GBX)	MarkCap (£ mn)	Div. Yield	Rec.Date	Earnings per share	
BGEO	4185.0	£ 1,859.40	-	16-May-24	15.2	
CGEO	959.0	£ 560.74	-	16-May-24	15.4	
TBCG	2670.0	£ 1,401.46	-	16-May-24	20.7	
<b>Total Top 4</b>		<b>£ 3,821.60</b>				

### Georgian Stock Exchange Market

#### A Listing

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
GEB	Bank of Georgia JSC	Stock	27,993,660	43,308,125	GEL	43,308,125	GE1100000276

#### B Listing

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
BANK	Liberty Bank JSC	Stock	4,489,682,955	29,000,000,000	GEL	44,896,829.55	GE1100000300
GIGB	Green Insurance Georgia JSC	Stock	9,000,000	9,000,000	GEL	9,000,000	GE1100003965
MEHBB	Metro Euphoria Hotel Batumi JSC	Stock	54,476,929	54,476,929	GEL	54,476,929	GE1100003932

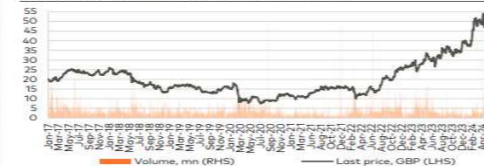
#### Admitted to Trading

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
AEST	Telasi JSC	Stock	112,429,418	112,429,418	GEL	112,429,418	GE1100000474
ENIS	Sarajishvili JSC	Stock	1,813,667	1,813,667	GEL	10,353,989.13	GE1100000482
UGB	VTB Bank Georgia JSC	Stock	209,008,277	209,008,277	GEL	209,008,277	GE1100000029

### Equities overview by Galt and Taggart

#### Equities

##### Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 49.40/share (+4.55% w/w and -0.80% m/m). More than 424k shares traded in the range of GBP 46.40 - 50.20/share. Average daily traded volume was 90k in the last 4 weeks. The volume of BGEO shares traded was at 0.93% of its capitalization.

##### TBC Bank Group (TBCG LN)



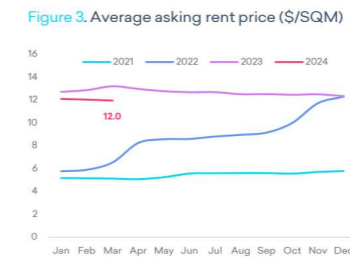
TBC Bank Group (TBCG LN) closed the week at GBP 30.00/share (+0.17% w/w and -4.15% m/m). More than 454k shares changed hands in the range of GBP 28.05 - 30.25/share. Average daily traded volume was 81k in the last 4 weeks. The volume of TBCG shares traded was at 0.82% of its capitalization.

##### Georgia Capital (CGEO LN)

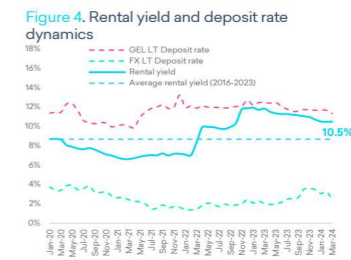


Georgia Capital (CGEO LN) shares closed at GBP 11.66/share (+0.52% w/w and -10.72% m/m). More than 312k shares traded in the range of GBP 11.20 - 11.86/share. Average daily traded volume was 67k in the last 4 weeks. The volume of CGEO shares traded was at 0.73% of its capitalization.

## Tbilisi Residential Market Update



Source: NAPR, NBG, TBC Capital  
Note: changes in sale and rent prices are calculated using NBG data, while absolute values are based on myhome data



### Global Equity Indexes

Index	Prev. Close	Div. Yield	Performance	Date
<b>DJIA</b>	39,131.12	--		26-Feb-24
	39,005.42	--	-0.32%	13-Mar-24
	39,786.91	--	1.96%	27-Mar-24
	38,225.26	--	-4.09%	2-May-24
	39,869.38	--	4.12%	16-May-24
<b>DAX</b>	17,426.65	--		26-Feb-24
	17,954.15	--	2.94%	13-Mar-24
	18,496.55	--	2.93%	27-Mar-24
	17,993.19	--	-2.80%	2-May-24
	18,684.25	--	3.70%	16-May-24
<b>MSCI</b>		Div. Yield		
		from 05/29/2020		
	3,334.40	2.85%		26-Feb-24
	3,398.58	2.85%	1.89%	13-Mar-24
	3,435.82	2.85%	1.08%	27-Mar-24
	3,321.81	2.85%	-3.43%	2-May-24
	3,464.05	2.85%	4.11%	16-May-24

### Commodity price dynamics report

Commodity	Price	Change, m/m	Change, YTD	Price change from January 2021 up to date
Ammonium Nitrate	182.5	-24.0%	+1.4%	
Brent Oil	87.9	+0.4%	+14.0%	
Copper	9,892.4	+12.8%	+16.9%	
Ferrosilicon (China)	1,315.0	+7.3%	-1.5%	
Ferrosilicon (Europe)	1,441.7	-4.6%	+4.2%	
Gold	2,286.3	+2.5%	+10.8%	
Natural gas	31.7	+5.4%	+1.7%	
Wheat	203.0	+4.1%	-22.6%	

Source: Bloomberg  
Note: prices as of 30 April, 2024

### Georgian banks on the London Stock Exchange

The value of the shares of the two largest Georgian banks on the London Stock Exchange is falling sharply.

In just one day, the price of "Bank of Georgia" shares fell by 20%, and since the beginning of the month, the decline is more than 26%.

As for "TBC Bank Group", shares on the stock exchange depreciated by 15% in one day, and by 25% since the beginning of the month.

Source: Forbes Georgia

## EBRD, USAID sign memorandum on development of Middle Corridor through Georgia

The European Bank for Reconstruction and Development and the United States Agency for International Development have signed a memorandum to develop the Trans-Caspian International Transport Route that connects Central Asia and Europe while passing through Georgia.

The EBRD on Thursday said the partnership would benefit the route - also known as the Middle Corridor - by expanding trade, green energy, investment in new industries, as well as transport and digital infrastructure in Armenia, Azerbaijan and Georgia.

"Strengthening the Middle Corridor will create new, transformative economic opportunities across the region and provide an alternative transport route to existing commercial corridors", the Bank said.

The memorandum seeks to enhance planning, design and construction of critical energy, transport, digital and agricultural infrastructure in the region, the EBRD said.

Source: www.agenda.ge



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