

6/10/2024

GEORGIA BIWEEKLY MARKET REPORT

Weekly Highlights

NBG cut its key rate by 25bps to 8.00%

On May 22, 2024, the NBG's Monetary Policy Committee reduced its key rate by 25bps to 8.00%, considering the low inflation environment. Based on NBG's latest forecast, inflation is expected to remain below the target of 3.0% in 1H24, while stabilizing close to it in the medium term. The next committee meeting is scheduled for 19 June 2024.

Producer price index increased by 5.9% y/y in Apr-24

Annual PPI for industrial goods increased by 5.9% in Apr-24, after increasing by 4.0% y/y in previous month. The annual growth was primarily driven by a rise in prices in the mining sector (19.7% y/y) followed by manufacturing sector (+4.5% y/y), and electricity supply (+9.0% y/y).

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

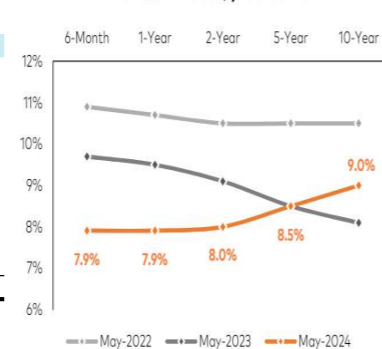
Short Term Central Bank Facilities

	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	280
1-year	GEL		9.1	40
2-year	GEL		8.8	80
5-year	GEL	8,165	8.5	2090
10-year	GEL		8.3	170
Total		8575		2660

T-bills / T-notes, yield curve



Georgian Lari (GEL) spot FX rates



GEL Interbank Deposit Rates (TIBR)



Customer deposit rates

% p.a.	BGEO	TBC
GEL		
3 months	9.31	9.4
1 year	9.51	9.55
2 years	9.37	9.4
USD		
3 months	0.80	0.80
1 year	1.50	1.5
2 years	1.98	1.95
EUR		
3 months	0.00	0.3
1 year	0.40	0.4
2 years	0.60	0.6

Georgia Macro-Economic Data

	2023	2024F
Real GDP growth (% change)	7.5%	6.0%
GDP per capita (ppp)	23,344	25,387
GDP per capita (US\$)	8,210	8,874
Population (mn)	3.7	3.7
Inflation (average)	2.5%	3.0%
Gross reserves (US\$ bn)	5.0	5.2
CAD (% of GDP)	4.3%	4.7%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	39.0%	38.0%
Fitch/S&P/Moody's*		BB/BB/Baa2

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

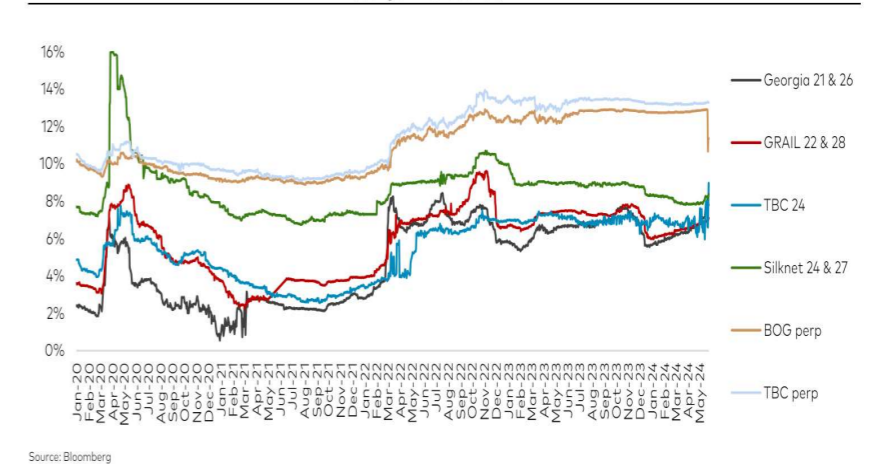
Bond Market News

Ministry of Finance T-bills/T-notes:

7.2-year GEL 75.0mn (US\$ 27.2mn) Benchmark bonds were sold at the auction held at NBG on May 21, 2024. Total demand was 1.5x higher and the weighted average yield was fixed at 9.058%, up by 0.695ppts from previous auction held in Apr-24.

The nearest treasury security auction is scheduled for May 28, 2024, where GEL 85.0mn nominal value 5-year Benchmark Bonds will be sold.

Georgian Eurobonds, YTM



Weekly Highlights

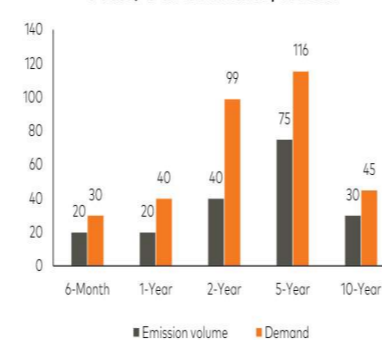
Trade deficit widened by 27.7% y/y in Apr-24

In Apr-24, goods exports reduced significantly by 12.5% y/y to US\$ 437.9mn, after a 4.4% y/y decline in previous month. Imports increased by 11.2% y/y to US\$ 1.4bn, rebounding from a 14.7% y/y reduction in March. Consequently, the trade deficit widened by 27.7% y/y to US\$ 924.0mn in Apr-24. Overall, in 4M24, trade deficit increased by 7.5% y/y to US\$ 3.0bn, as exports declined by 10.1% y/y to US\$ 1.8bn, while imports were merely up by 0.3% y/y to US\$ 4.8bn.

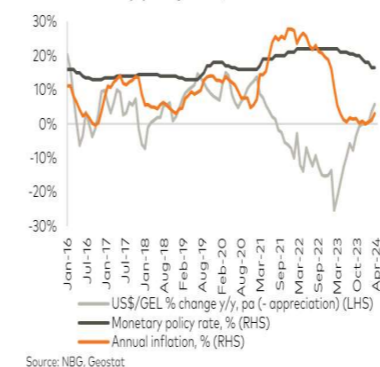
Money transfers stood at US\$ 278.5mn in Apr-24

Money transfers were down by 24.8% y/y to US\$ 278.5mn in Apr-24, after falling by 36.5% y/y in previous month, due to the last year's high base and normalization in transfers from Russia. Meanwhile, on a monthly basis, money transfers were flat. From top countries, there were substantial increases in remittances from EU (+11.9% y/y, 43.0% of total), USA (+35.4% y/y, 16.6% of total) and Israel (+17.2% y/y, 7.1% of total). Meanwhile, transfers reduced from Russia (-69.3% y/y, accounting for 17.6% of total), Kazakhstan (-37.9% y/y, 4.4% of total) and Türkiye (-0.3% y/y, 2.9% of total). Overall, in 4M24 remittances decreased by 33.3% y/y to US\$ 1.1bn

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



Monetary policy rate, inflation and FX rate



Nominal and real effective exchange rates



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

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

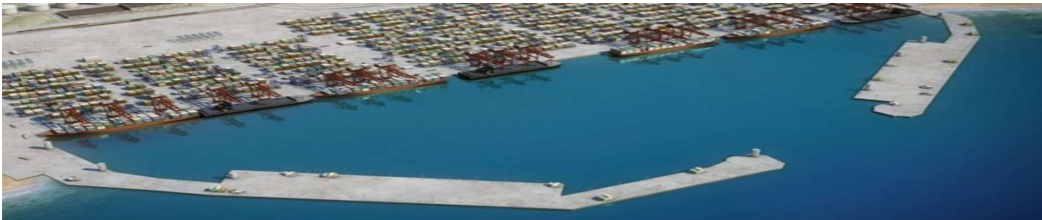


Chinese consortium to be announced as winner of Anaklia port project tender

A Chinese consortium — China Communications Construction Company Ltd, together with China Harbor Investment — was selected as a private investor for the construction of the new deep-water port of Anaklia. The Minister of Economy and Sustainable Development, Levan Davitashvili, announced that a Chinese consortium will be announced as the winner of the Anaklia port project in the coming days.

"In case of victory, the company is free to participate in the implementation of the Anaklia port project," the press service of the ministry said.

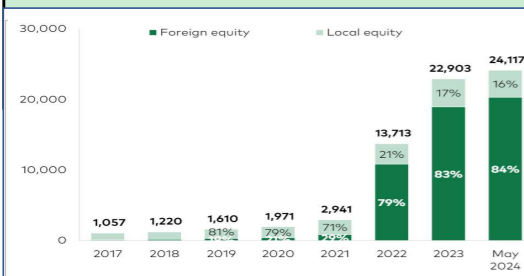
According to the Minister of Economy and Sustainable Development, Levan Davitashvili, the Chinese consortium will be announced as the winner of the Anaklia port project in the coming days. In particular, according to the Minister, the final proposal in the Anaklia Deep Sea Port Development Agency was submitted by the Chinese consortium China Communications Construction Company Limited (China) & China Harbor Investment Pte. Ltd (Singapore). According to Davitashvili, the details of the proposal will be clarified in the next few days, after which the winner will be announced and the process of negotiations on the partnership agreement will begin.



Global Equity Indexes

Index	Prev. Close	Div. Yield	Performance	Date
DJIA	39,005.42	--		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
	38,061.30	--	-4.75%	30-May-24
DAX	17,954.15	--		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
	18,482.05	--	-1.09%	30-May-24
MSCI		Div. Yield		
		from 05/29/2020		
	3,398.58	2.85%		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
	3,423.68	2.85%	-1.18%	30-May-24

IT companies distribution by foreign and local equity



The number of large and medium-sized companies stood at 72, with 84% of IT companies having foreign origins.

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Georgian Equities

Equities	London STEx					
Issuer	Price (GBX)	MarkCap (£ mn)	Div. Yield	Rec.Date	Earnings per share	
BGEO	3795.0	£ 1,859.40	-	30-May-24	15.2	
CGEO	956.0	£ 560.74	-	30-May-24	15.4	
TBCG	2635.0	£ 1,401.46	-	30-May-24	20.7	
Total Top 4		£ 3,821.60				

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	GE110000276

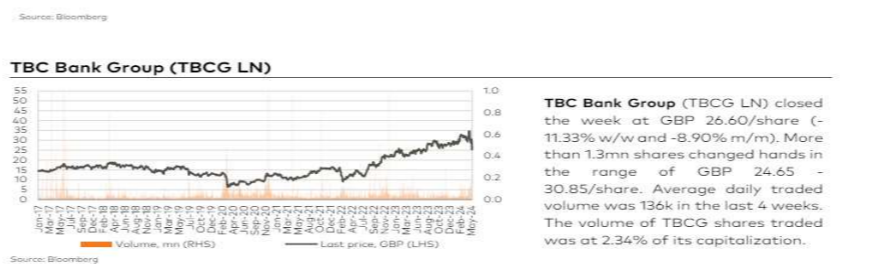
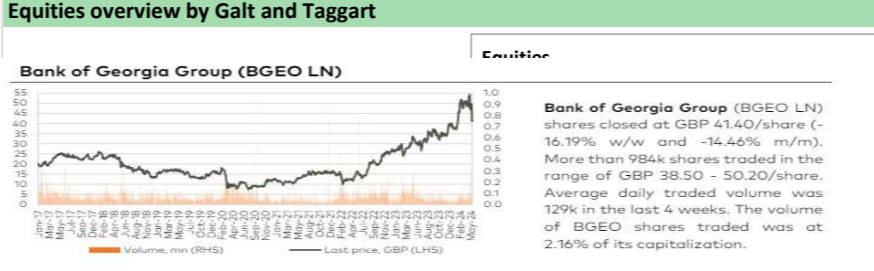
B Listing

Ticker	Issuer	Type of Security	Volume	Size of Issue	Trading Currency	Charter Capital	ISIN
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

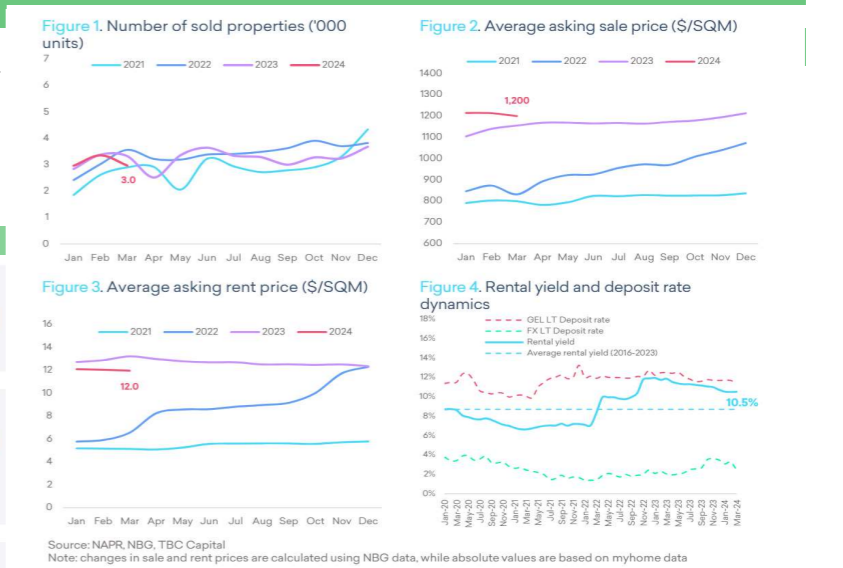
Admitted to Trading

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
BANK	Liberty Bank JSC	Stock	4,489,682,955	29,000,000,000	GEL	44,896,829.55	GE1100000300
ENIS	Sarajshvili 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



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

Rooms Hotel is planning to issue bonds for the fall.

Rooms Hotel is working with investment banks Galt & Taggart and TBC Capital, as well as international financial institutions, to issue 25 million dollars worth of bonds. Valery Checheria, the company's executive director, says that the company is waiting for the stabilization of the economic environment to issue bonds.

"We want to release the bonds by autumn. We are working on bonds worth 25 million dollars. We are also working with international financial institutions in several directions. We are talking to EBRD, IFC and ADB, that they should be one of the biggest buyers of our bond, which will give us the opportunity to go with this amount and develop the brand in the European market." - Valery Checheria explained.

Source: www.bm.ge



ROOMS HOTELS

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