



Regional Fixed Income Market Watch

Georgia, Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine, Russia, Turkey, Uzbekistan

Regional | Fixed Income
Monthly
October 11, 2022

Regional sovereign Eurobond market: Regional Eurobonds yields widened m/m in Sep-22. TURKEY 26 was the best performer of the month, followed by GEORGIA 26 among regional sovereign Eurobonds, with yields widening by 35.2bps and 56.8bps, respectively. UZBEK 24 was the worst performer of the month, with yield widening by 284.4bps.

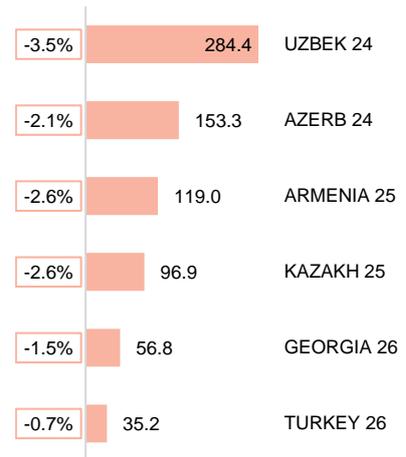
Georgian corporate Eurobond market: Among the Georgian corporate issuers, BOG 23 was the best performer in Sep-22, with yield declining by 14.2bps m/m. Other bonds saw slight reduction or widening in yields with the exception of GRAIL 28, posting 112.0bps increase in yield.

FX market: During Sep-22, regional currencies remained stable against US dollar. Georgian lari (GEL) was the best performer gaining 2.9% m/m, while the worst performer Turkish lira (TRY) lost 1.8%.

Georgia money market: In Sep-22, GEL 171.7mn treasury notes and GEL 50mn treasury bills were sold. Interest rates reduced on all instruments m/m explained by high demand on government securities. Weighted average interest rate on 5-year notes was 9.296%, on 2-year notes was 9.554%, on 1-year instrument was 9.807%, and it stood at 10.195% for 6-month instruments. Notably, non-residents' treasury holdings decreased by 9.2% m/m to GEL 306.9mn in Sep-22, after a 4.6% m/m reduction in Aug-22 and the share of non-residents in total outstanding holdings stood at 4.8% in Sep-22.

Regional Sovereign Eurobond yields, change m/m in September 2022, bps

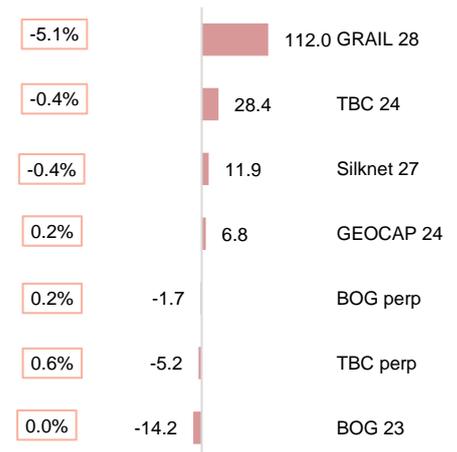
Change in price, %



Source: Bloomberg, Galt & Taggart

Georgian Corporate Eurobond yields, change m/m in September 2022, bps

Change in price, %



Source: Bloomberg, Galt & Taggart

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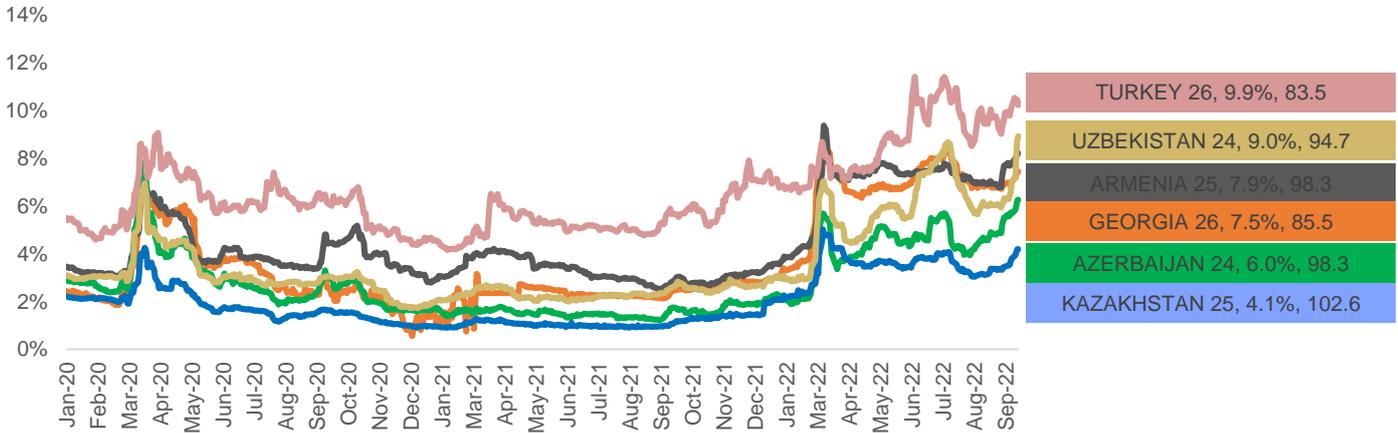
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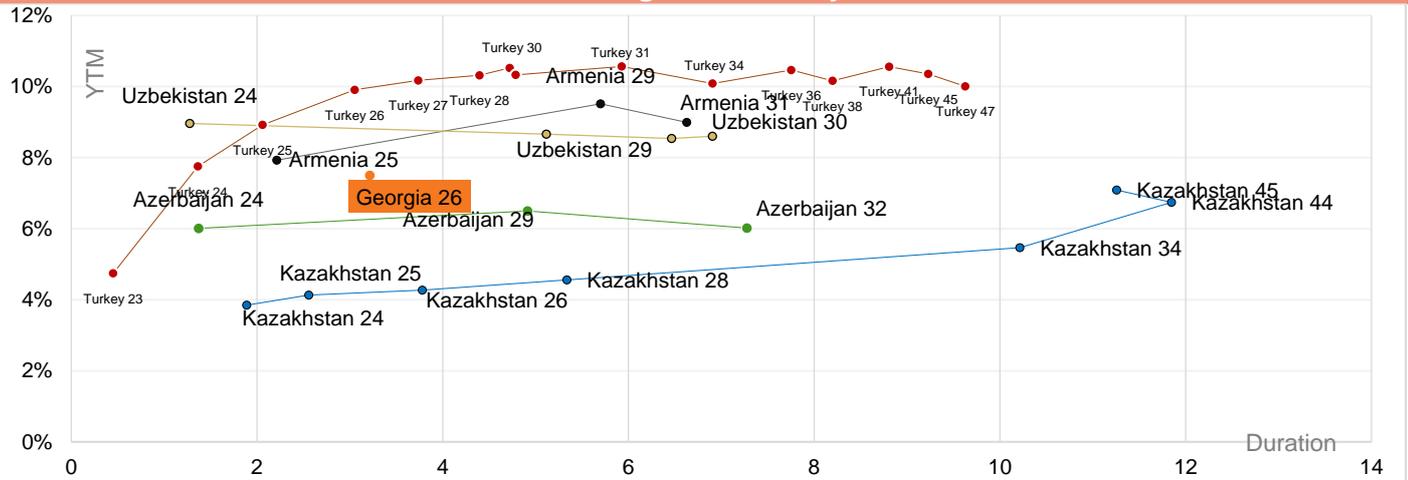
Sovereign Eurobond yields

Selected sovereign Eurobond YTM



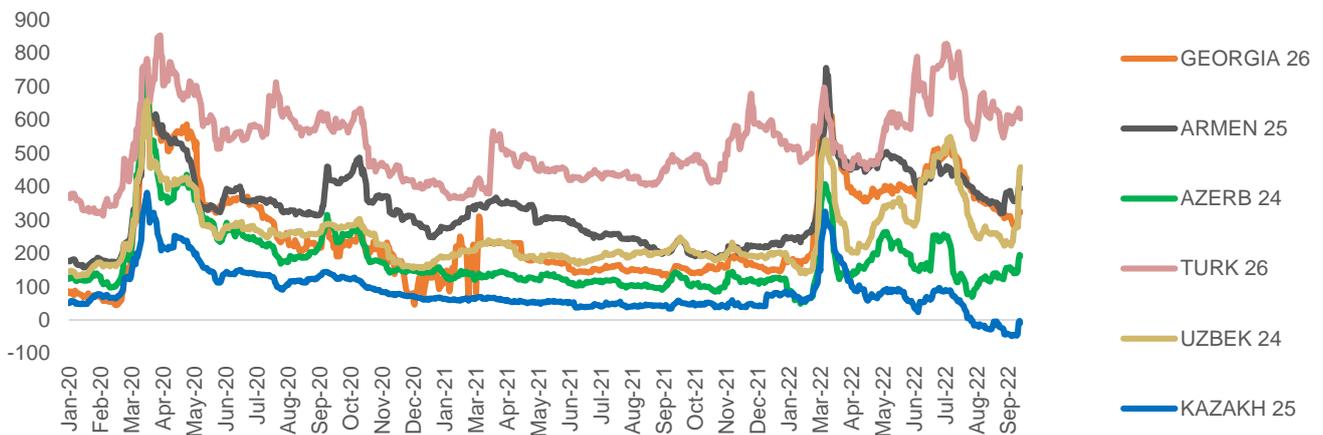
Source: Bloomberg

Selected sovereign Eurobond yield curves



Source: Bloomberg

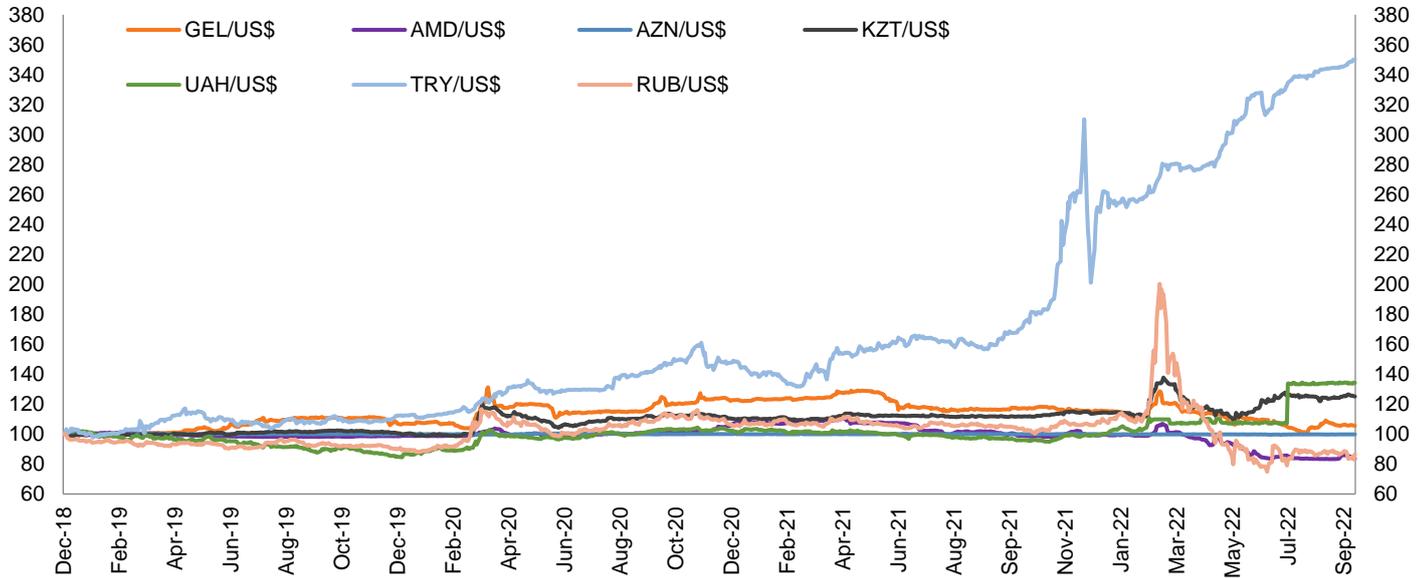
Selected sovereign Eurobond yields vs respective US treasuries, bps



Source: Bloomberg



Regional currencies vs. US\$, Index Dec-18=100



Source: Bloomberg

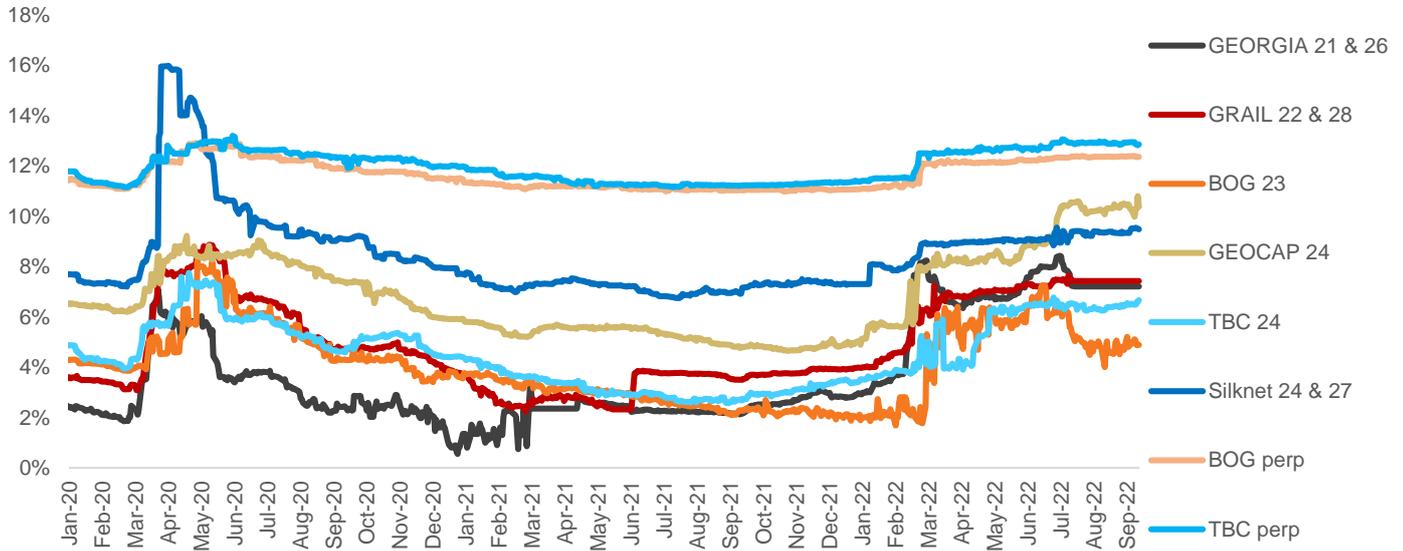
Central banks' monetary policy rates

	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Georgia	10.00%	10.00%	10.00%	10.00%	10.50%	10.50%	10.50%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Armenia	7.00%	7.25%	7.25%	7.25%	7.75%	7.75%	8.00%	9.25%	9.25%	9.25%	9.25%	9.25%	9.50%	10.00%
Azerbaijan	6.25%	6.50%	7.00%	7.00%	7.25%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%
Belarus	9.25%	9.25%	9.25%	9.25%	9.25%	9.25%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Ukraine	8.00%	8.50%	8.50%	8.50%	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	25.00%	25.00%	25.00%	25.00%
Kazakhstan	9.25%	9.50%	9.75%	9.75%	9.75%	10.25%	13.50%	13.50%	14.00%	14.00%	14.00%	14.50%	14.50%	14.50%
Russia	6.50%	6.75%	7.50%	7.50%	8.50%	8.50%	20.00%	20.00%	17.00%	11.00%	9.50%	8.00%	8.00%	7.50%
Uzbekistan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	17.00%	17.00%	17.00%	16.00%	15.00%	15.00%	15.00%
Turkey	19.00%	18.00%	16.00%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%
FED	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	1.00%	1.75%	2.50%	2.50%	3.25%
ECB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	1.25%

Source: Central banks



Georgian corporate Eurobond YTM



Source: Bloomberg

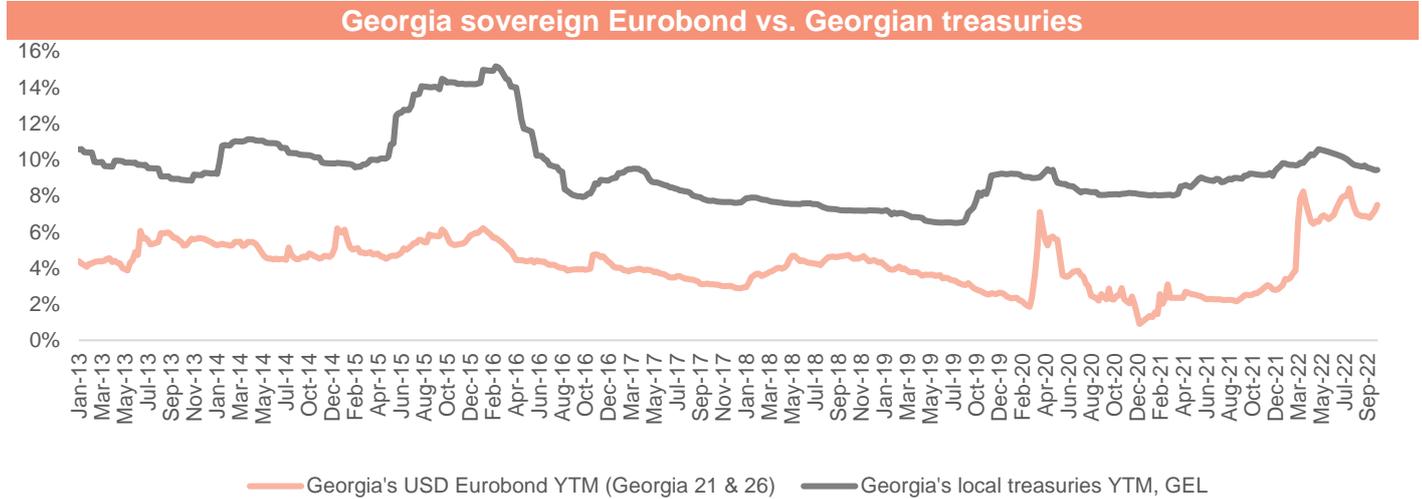
Georgian local bonds performance

Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %	Z-spread, bps
KTW	USD	10	9.00%	Dec-22	-/-/-	99.89	9.50	n/a
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	-/-/-	99.50	6.75	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	97.40	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.74	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
Nikora	GEL	28	14.12%	Oct-22	-/-/-	n/a	n/a	n/a
TBC Leasing	GEL	58.4	13.37%	Mar-23	-/-/-	n/a	n/a	n/a

Source: Galt & Taggart



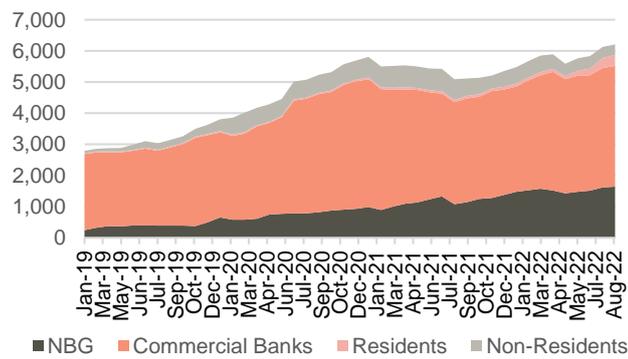
Georgian local treasury bonds



Source: Bloomberg, NBG, Galt & Taggart Research

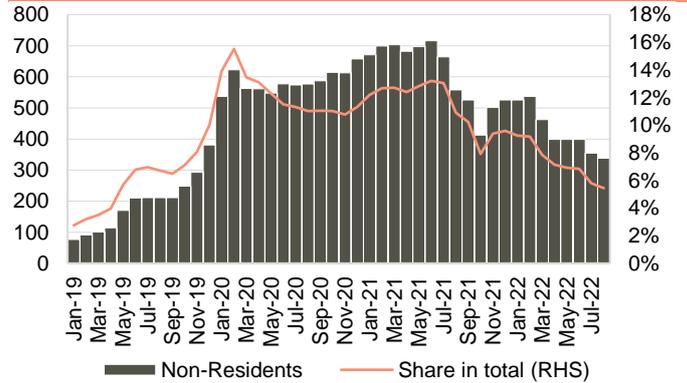
Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond

Georgian treasury securities by holder, GEL mn



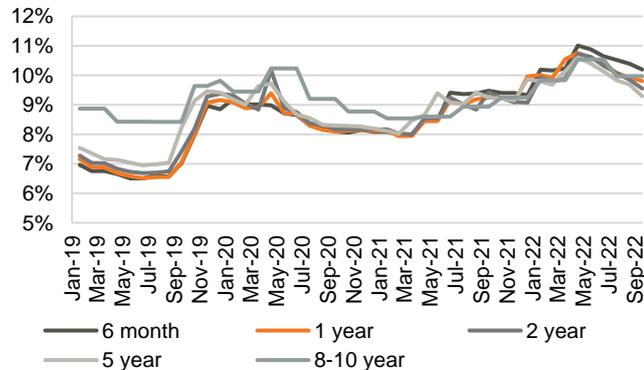
Source: NBG

Non-resident holdings as % of total treasuries, GEL mn



Source: NBG

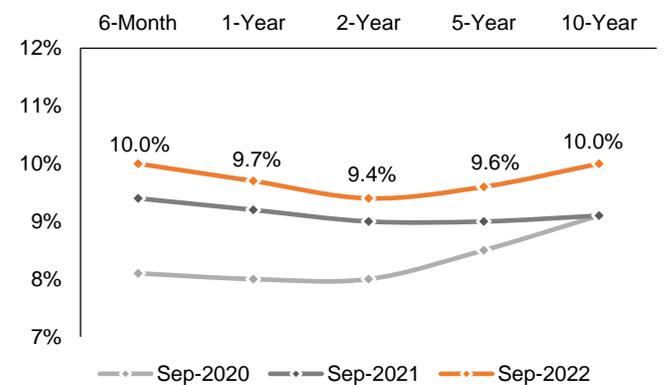
Interest rates on Georgian treasury securities



Source: NBG

Note: The interest rates are taken from actual auctions on T-bills and T-notes.

Georgian treasury yield curve



Source: NBG

Note: The interest rates are taken from actual auctions on T-bills and T-notes.



Sovereign

Issuer	Currency	Coupon	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
ARMEN	USD	7.150	3/26/2025	2.2	500	98.3	7.9	B+/-/Ba3
ARMEN	USD	3.950	9/26/2029	5.7	500	72.1	9.5	B+/-/Ba3
ARMEN	USD	3.600	2/2/2031	6.6	750	68.9	9.0	B+/-/Ba3
AZERBJ	USD	4.750	3/18/2024	1.4	1,250	98.3	6.0	BB+/-/Ba2u
AZERBJ	USD	3.500	9/1/2032	7.3	1,077	81.4	6.0	BB+/-/Ba2u
GEORG	USD	2.750	4/22/2026	3.2	500	85.5	7.5	BB/BB/Ba2
KAZAKS	USD	3.875	10/14/2024	1.9	1,500	100.1	3.8	BBB/BBB-/Baa2
KAZAKS	USD	5.125	7/21/2025	2.6	2,500	102.6	4.1	BBB/BBB-/Baa2
KAZAKS	USD	6.500	7/21/2045	11.3	1,500	93.4	7.1	BBB/BBB-/Baa2
KAZAKS	USD	4.875	10/14/2044	11.8	1,000	78.8	6.7	BBB/BBB-/Baa2
KAZAKS	EUR	0.600	9/30/2026	3.8	500	86.8	4.3	BBB/BBB-/Baa2
KAZAKS	EUR	2.375	11/9/2028	5.3	525	88.6	4.6	BBB/BBB-/Baa2
KAZAKS	EUR	1.500	9/30/2034	10.2	650	65.8	5.5	BBB/BBB-/Baa2
KAZAKS	EUR	1.550	11/9/2023	1.0	525	98.2	3.3	BBB/BBB-/Baa2
TURKEY	USD	3.250	3/23/2023	0.5	1,500	99.3	4.7	B-/B2
TURKEY	USD	5.750	3/22/2024	1.4	2,500	97.3	7.8	B-/B2
TURKEY	USD	7.375	2/5/2025	2.1	3,250	96.8	8.9	B/NR/B2
TURKEY	USD	4.250	4/14/2026	3.1	1,500	83.5	9.9	B-/B2
TURKEY	USD	6.000	3/25/2027	3.7	3,250	85.3	10.2	B-/B2
TURKEY	USD	5.125	2/17/2028	4.4	2,000	79.0	10.3	B-/B2
TURKEY	USD	11.875	1/15/2030	4.8	1,500	107.7	10.3	B/NR/B2
TURKEY	USD	7.625	4/26/2029	4.7	3,000	86.5	10.5	B-/B2
TURKEY	USD	5.950	1/15/2031	5.9	2,250	74.9	10.6	B-/B2
TURKEY	USD	8.000	2/14/2034	6.9	1,500	86.1	10.1	B/NR/B2
TURKEY	USD	6.875	3/17/2036	7.8	2,750	74.4	10.5	B/NR/B2
TURKEY	USD	7.250	3/5/2038	8.2	1,000	77.5	10.2	B/NR/B2
TURKEY	USD	6.000	1/14/2041	8.8	3,000	63.4	10.6	B/NR/B2
TURKEY	USD	6.625	2/17/2045	9.2	3,000	67.7	10.4	B-/B2
TURKEY	USD	5.750	5/11/2047	9.6	3,500	61.3	10.0	B-/B2
TURKEY	USD	6.350	8/10/2024	1.7	2,250	96.7	8.3	B-/B3
TURKEY	USD	7.250	12/23/2023	1.1	2,000	100.9	6.4	B-/B3
TURKEY	EUR	4.375	7/8/2027	4.0	1,500	85.8	8.1	B-/B3
TURKEY	USD	6.375	10/14/2025	2.6	2,500	91.6	9.7	B-/B3
TURKEY	EUR	5.200	2/16/2026	2.9	1,500	93.8	7.3	B-/B3
TURKEY	EUR	4.625	3/31/2025	2.2	1,250	95.5	6.6	B-/B3
TURKEY	USD	5.250	3/13/2030	5.7	2,000	73.0	10.6	B-/B3
TURKEY	USD	4.250	3/13/2025	2.2	2,000	89.0	9.4	B-/B3
TURKEY	USD	4.875	4/16/2043	9.8	3,000	57.6	9.7	B-/B3
TURKEY	USD	6.500	9/20/2033	7.0	1,500	73.9	10.6	B-/B3
TURKEY	USD	8.600	9/24/2027	3.9	2,000	94.8	10.0	B-/B3
TURKEY	USD	4.875	10/9/2026	3.4	3,000	83.4	10.0	B-/B3
TURKEY	USD	4.750	1/26/2026	2.9	1,750	85.9	9.8	B-/B3
TURKEY	USD	5.600	11/14/2024	1.9	2,500	94.6	8.4	B-/B3
TURKEY	EUR	4.125	4/11/2023	0.5	1,000	100.2	3.7	B-/B3
TURKEY	EUR	3.250	6/14/2025	2.4	1,000	91.9	6.6	B-/B3
TURKEY	USD	6.750	5/30/2040	8.6	2,000	73.0	10.0	B/NR/B3
TURKEY	USD	6.125	10/24/2028	4.6	2,750	81.1	10.4	B-/B3
TURKEY	USD	5.875	6/26/2031	6.1	1,750	73.9	10.5	B-/B3
UZBEK	USD	4.750	2/20/2024	1.3	500	94.7	9.0	BB-/BB-/B1u
UZBEK	USD	5.375	2/20/2029	5.1	500	84.2	8.7	BB-/BB/-
UZBEK	USD	3.700	11/25/2030	6.5	555	72.0	8.5	BB-/BB/-
UZBEK	USD	3.900	10/19/2031	6.9	635	70.9	8.6	BB-/BB/-

Source: Bloomberg



Financial

Issuer	Country	Currency	Coupon	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
IBAZAZ	Azerbaijan	USD	3.500	9/1/2024	1.8	1,000	94.8	6.5	B/-/
GEBGG	Georgia	USD	6.000	7/26/2023	0.8	350	101.0	4.7	BB-/Ba2
TBCBGE	Georgia	USD	5.750	6/19/2024	1.6	300	98.6	6.7	BB-/Ba2
GEOCAP	Georgia	USD	6.125	3/9/2024	1.3	300	94.1	10.7	-/B+/B1
GEBGG	Georgia	USD	11.125	1/8 PERP	1.5	100	99.6	12.4	B-/
TBCBGE	Georgia	USD	8.894	894 PERP	3.4	75	93.3	11.3	B-/
TBCBGE	Georgia	USD	10.775	775 PERP	1.7	125	98.1	12.8	B-/
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	2.3	500	99.7	5.9	BBB-/Baa2
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	3.7	500	84.6	6.4	BBB/BBB-/
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	7.1	500	77.4	6.4	BBB-/Baa2
DBKAZ	Kazakhstan	USD	4.125	12/10/2022	0.2	564	99.8	5.2	BBB/BBB-/Baa2
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	3.1	107	98.3	6.6	BBB/BBB-/Baa2
AKBNK	Turkey	USD	5.125	3/31/2025	2.2	500	89.9	9.8	B-/B2
GARAN	Turkey	USD	5.875	3/16/2023	0.4	500	100.0	5.9	B-/B2
ISCTR	Turkey	USD	6.125	4/25/2024	1.4	1,250	95.4	9.4	B-/B3
ISCTR	Turkey	USD	8.100	12/3/2029	4.5=	50	80.1	12.4	B-/NR
YKBNK	Turkey	USD	5.850	6/21/2024	1.6	500	95.2	8.9	B-/B2
TCZIRA	Turkey	USD	5.125	9/29/2023	0.9	500	98.0	7.3	B-/B2
YKBNK	Turkey	USD	8.250	10/15/2024	1.7	500	97.9	9.4	B-/B3
VAKBN	Turkey	USD	6.500	1/8/2026	2.8	750	87.8	11.1	B-/B3
AKBNK	Turkey	USD	6.800	2/6/2026	2.8	500	90.2	10.3	B-/B3
TCZIRA	Turkey	USD	5.375	3/2/2026	2.9	600	84.2	11.1	B-/B3
QNBFB	Turkey	USD	6.875	9/7/2024	1.8	650	100.2	6.8	B-/B3
FCFIN	Turkey	USD	6.000	1/25/2023	0.3	300	97.2	15.7	B-/
VAKBN	Turkey	USD	5.500	10/1/2026	3.4	500	82.9	10.9	B-/
YKBNK	Turkey	USD	6.100	3/16/2023	0.4	500	99.8	6.5	B-/B3
VAKBN	Turkey	USD	8.125	3/28/2024	1.4	600	98.5	9.2	B-/B3
VAKBN	Turkey	USD	5.250	2/5/2025	2.1	750	89.3	10.5	B-/B3
TSKBTI	Turkey	USD	5.875	1/14/2026	2.8	350	86.2	11.0	B-/B3
RGYAST	Turkey	USD	7.250	4/26/2023	0.5	300	97.8	11.5	B-/Caa2
VAKBN	Turkey	USD	5.750	1/30/2023	0.3	650	100.1	5.5	B-/B3
TSKBTI	Turkey	USD	6.000	1/23/2025	2.0	400	90.7	10.7	B-/B3
TSKBTI	Turkey	USD	5.500	1/16/2023	0.3	350	99.8	6.1	B-/B3
FCFIN	Turkey	USD	7.250	11/9/2027	0.1	150	91.9	11.1	B-/B2
GARAN	Turkey	USD	5.250	12/20/2024	2.0	50	95.0	7.7	B-/
ISCTR	Turkey	USD	5.050	2/25/2026	2.7	13	82.1	11.7	B-/NR
AKBNK	Turkey	USD	6.050	11/15/2024	1.9	50	93.0	9.8	B-/
YKBNK	Turkey	USD	6.050	12/10/2024	1.9	50	95.8	8.2	B-/B3
EXCRTU	Turkey	USD	8.250	1/24/2024	1.2	500	97.6	10.2	B-/B3
EXCRTU	Turkey	USD	5.750	7/6/2026	3.2	750	83.7	11.2	B-/B3
EXCRTU	Turkey	USD	5.375	10/24/2023	1.0	500	96.4	9.1	B-/B3
EXCRTU	Turkey	USD	6.125	5/3/2024	1.4	500	94.4	10.0	B-/B3
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	2.7	300	85.8	11.0	BB-/BB-/
SQBNZU	Uzbekistan	USD	5.750	12/2/2024	1.9	300	88.5	12.0	BB-/BB-/
NBUZB	Uzbekistan	USD	4.850	10/21/2025	2.7	300	88.4	9.3	BB-/BB-/

Source: Bloomberg

Basic Materials

Issuer	Country	Currency	Coupon	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
PETKM	Turkey	USD	5.875	1/26/2023	0.3	500	99.7	6.9	B-/B3
ELDCN	Turkey	USD	6.250	9/1/2029	5.2	500	76.4	11.3	B+/BB-/B3

Source: Bloomberg



Communications

Issuer	Country	Currency	Coupon	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
SILNET	Georgia	USD	8.375	1/31/2027	3.5	300	95.0	9.8	B-/B1
TURKTI	Turkey	USD	4.875	6/19/2024	1.5	500	88.5	12.6	B/B+/-
TURKTI	Turkey	USD	6.875	2/28/2025	2.1	500	88.6	12.5	B/B+/-
TCELLT	Turkey	USD	5.750	10/15/2025	2.6	500	88.8	10.2	B/B+/B2u
TCELLT	Turkey	USD	5.800	4/11/2028	4.3	500	80.3	10.6	B/B+/-

Source: Bloomberg

Energy

Issuer	Country	Currency	Coupon	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
SOIAZ	Azerbaijan	USD	6.950	3/18/2030	5.7	750	97.6	7.4	BB+/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	3.0	2,000	98.7	7.3	BB+/-/Ba1
SOIAZ	Azerbaijan	USD	4.750	3/13/2023	0.4	1,000	99.3	6.5	BB+/BB-/Ba1
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	3.2	1,000	83.4	9.2	-/BBB- */-/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	2.6	500	83.9	9.2	-/BBB- */-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/24/2025	2.3	500	92.7	8.0	BBB-/-/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	9.8	1,500	70.1	9.5	BBB-/-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	3.8	1,000	84.2	9.1	BBB-/BB+/Baa2
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	5.7	1,250	79.7	9.2	BBB-/-/Baa2
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	7.9	750	67.3	8.2	BBB-/-/Baa2
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	4.3	706	83.7	8.5	BBB-/-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	10.2	1,250	67.8	9.0	BBB-/BB+/Baa2
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	6.5	750	71.4	8.3	-/BBB- */-/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	2.9	750	74.4	16.2	B/B/-
TUPRST	Turkey	USD	4.500	10/18/2024	1.8	700	91.7	9.0	B-/B3
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	4.9	700	76.1	10.1	BB-/BB-/-

Source: Bloomberg

Other

Issuer	Country	Currency	Coupon	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
GRAIL	Georgia	USD	4.000	6/17/2028	4.8	500	78.4	8.9	BB-/B+/-
SISETI	Turkey	USD	6.950	3/14/2026	2.9	700	92.6	9.5	B-/B3
ACKAF	Turkey	EUR	3.000	5/27/2026	3.2	350	84.4	8.1	BB-/BB+/-
ACKAF	Turkey	USD	5.000	4/3/2023	0.5	500	99.4	6.2	BB-/BB+/-
PGSUST	Turkey	USD	9.250	4/30/2026	2.8	375	92.3	12.0	B+/B/-
THYAO	Turkey	USD	4.200	3/15/2027	2.2	182	84.5	8.4	BB-/B/B2
ULKER	Turkey	USD	6.950	10/30/2025	2.4	650	69.2	21.1	B */-/B- */-/
CCOLAT	Turkey	USD	4.500	1/20/2029	5.2	500	82.4	8.1	BBB-/BB+/-
CCOLAT	Turkey	USD	4.215	9/19/2024	1.8	300	95.5	6.7	BBB-/-/WR
AEFES	Turkey	USD	3.375	6/29/2028	4.9	500	72.5	9.8	BB+ */-/BB+/-
AEFES	Turkey	USD	3.375	11/1/2022	0.1	180	99.8	6.9	-/BB+/WR
LIMISK	Turkey	USD	9.500	7/10/2036	5.5	370	82.5	12.1	B-/B3
MERSIN	Turkey	USD	5.375	11/15/2024	1.9	600	92.4	9.4	B/B+/-
KCHOL	Turkey	USD	6.500	3/11/2025	2.2	750	94.4	9.1	-/B+/B3
KCHOL	Turkey	USD	5.250	3/15/2023	0.4	750	99.6	6.1	-/B+/B3
TURKSK	Turkey	USD	7.250	2/24/2027	3.6	3,000	96.4	8.2	B-/B3
TURKSK	Turkey	USD	5.125	6/22/2026	3.2	2,500	91.2	7.9	B-/B3
TURKSK	Turkey	USD	4.489	11/25/2024	1.9	1,000	94.1	7.5	B-/B3
TURKSK	Turkey	USD	5.004	4/6/2023	0.5	1,250	99.7	5.7	B-/B3
ISTNBL	Turkey	USD	10.750	4/12/2027	3.2	305	89.2	14.1	B-/B3
ISTNBL	Turkey	USD	6.375	12/9/2025	2.6	580	80.5	14.2	B-/B3
ZOREN	Turkey	USD	9.000	6/1/2026	2.4	300	73.1	19.6	B-/CCC+/-
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	3.0	300	78.7	12.4	B+/B+/-

Source: Bloomberg

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