



Regional Fixed Income Market Watch

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

Regional | Fixed Income
Monthly
February 2, 2023

Regional sovereign Eurobond market: Regional Eurobonds yields continued to tighten m/m in Jan-23. GEORGIA 26 was the best performer of the month followed by KAZAKH 25, with yields tightening by 41.2bps and 25.8bps, respectively. TURKEY 26 was the worst performer of the month, with yield widening by 36.5bps.

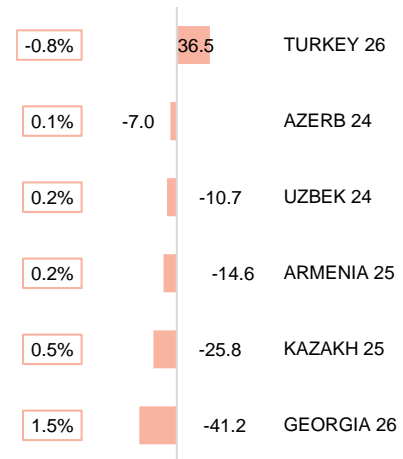
Georgian corporate Eurobond market: Among the Georgian corporate issuers, GEOCAP 24 and Silknet 27 were the best performers in Jan-23, with yields decreasing by 136.0bps and 110.1bps, respectively. BOG 23 was the worst performer with 27.1bps m/m increase in yield.

FX market: During Jan-23, Russian ruble (RUB), Georgian lari (GEL) and Kazakh tenge (KZT) strengthened against US dollar by 5.4% m/m, 1.5% m/m and 0.5% m/m, respectively, while Turkish lira (TRY) and Armenian dram (AMD) lost 0.6% m/m and 0.2% m/m, respectively.

Georgia money market: In Jan-23, GEL 193.3mn treasury notes and GEL 40mn treasury bills were sold. Interest rates reduced further on all instruments m/m explained by high demand on government securities. Weighted average interest rate on 10-year notes was 8.812%, 5-year notes was 8.679%, on 2-year notes was 8.834%, on 1-year instrument was 9.414%, and it stood at 9.590% for 6-month instruments. Notably, non-residents' treasury holdings increased by 20.3% m/m to GEL 342.7mn in Jan-23, after growing by 18.8% m/m in Dec-22 and the share of non-residents in total outstanding holdings stood at 5.1% (+1.0ppts m/m) in Jan-23.

Regional Sovereign Eurobond yields, change m/m in January 2023, bps

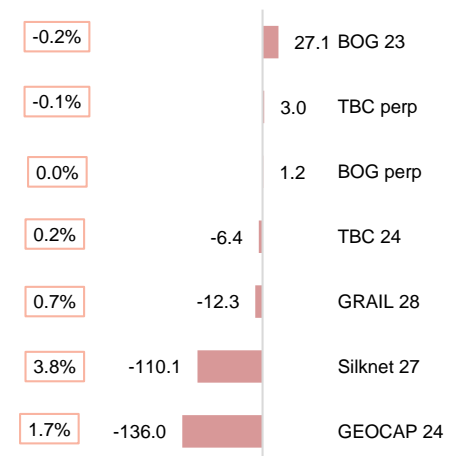
Change in price, %



Source: Bloomberg, Galt & Taggart

Georgian Corporate Eurobond yields, change m/m in January 2023, bps

Change in price, %



Source: Bloomberg, Galt & Taggart

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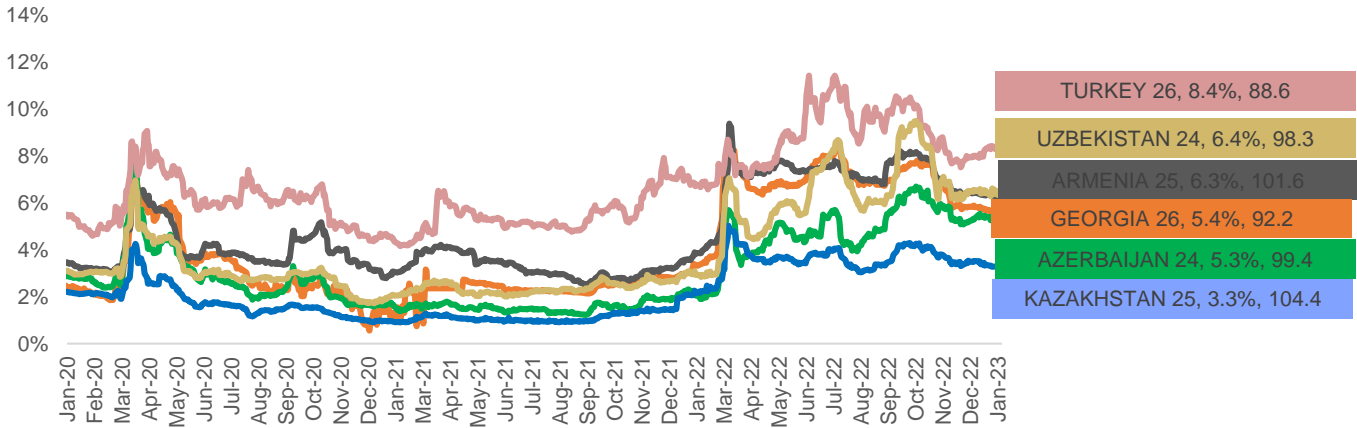
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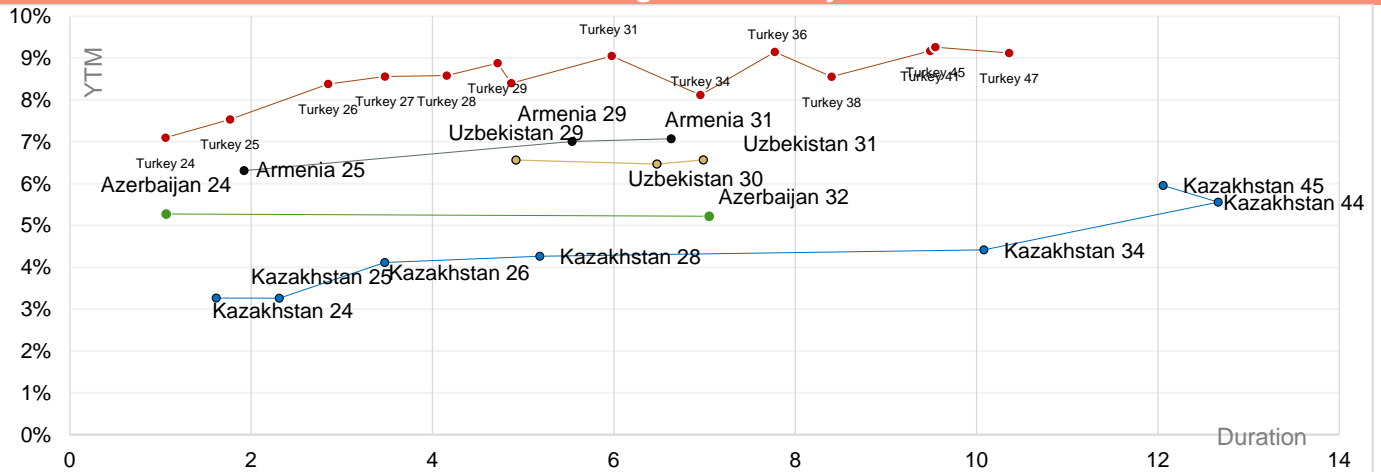
Sovereign Eurobond yields

Selected sovereign Eurobond YTM



Source: Bloomberg

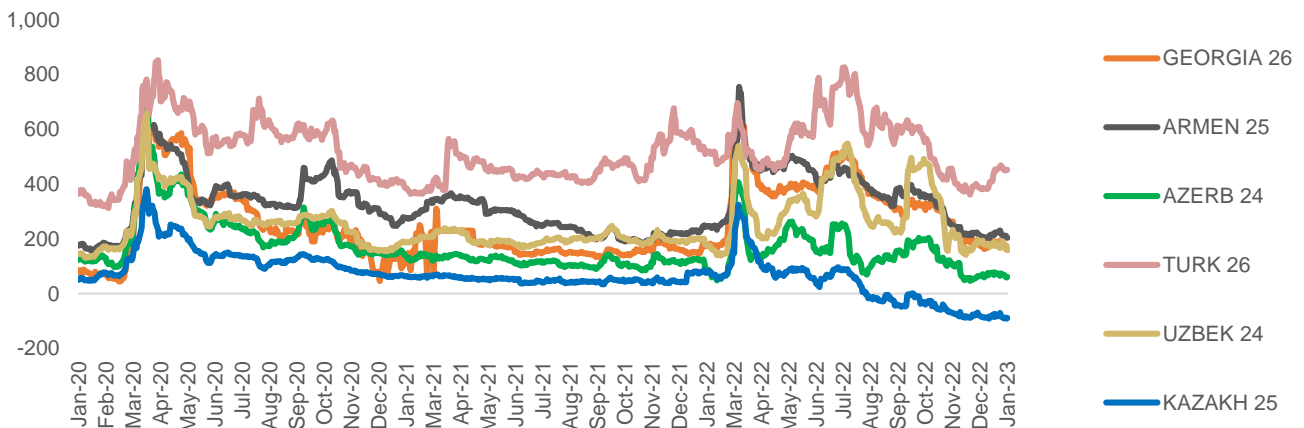
Selected sovereign Eurobond yield curves



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Source: Bloomberg

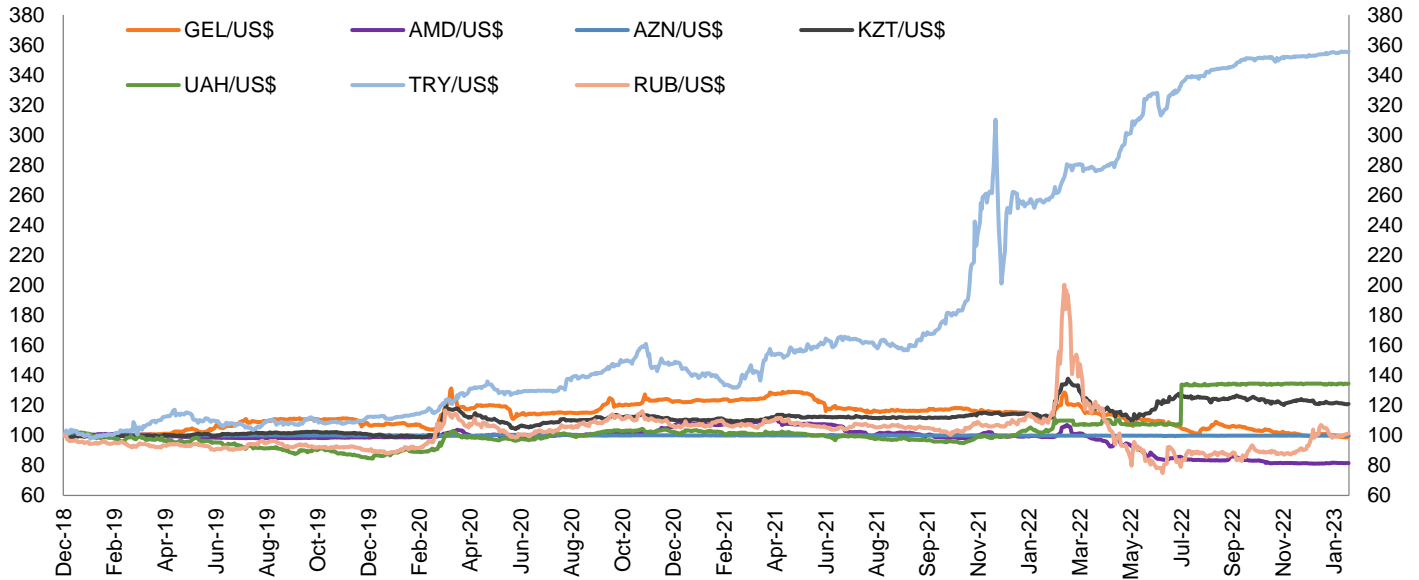
Selected sovereign Eurobond yields vs respective US treasuries, bps



Source: Bloomberg



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



Source: Bloomberg

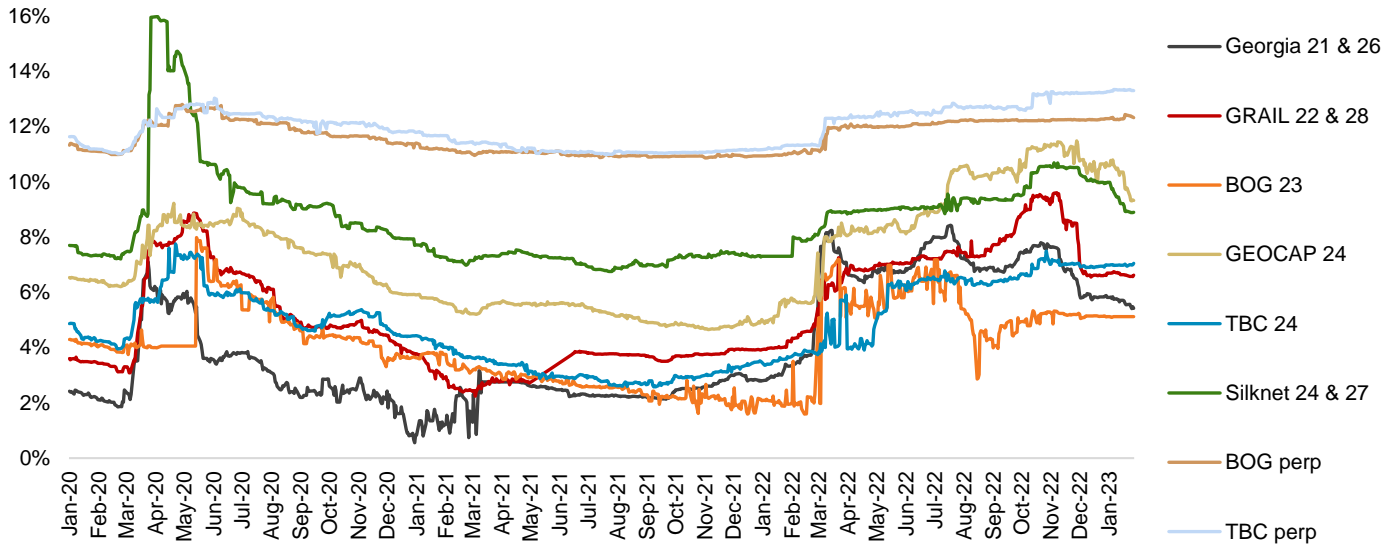
Central banks' monetary policy rates

	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23
Georgia	10.50%	10.50%	10.50%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
Armenia*	7.75%	7.75%	8.00%	9.25%	9.25%	9.25%	9.25%	9.25%	9.50%	10.00%	10.00%	10.50%	10.75%	10.75%
Azerbaijan	7.25%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%	8.00%	8.25%	8.50%
Belarus	9.25%	9.25%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Ukraine	9.00%	10.00%	10.00%	10.00%	10.00%	10.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Kazakhstan	9.75%	10.25%	13.50%	13.50%	14.00%	14.00%	14.00%	14.50%	14.50%	14.50%	16.00%	16.00%	16.75%	16.75%
Russia	8.50%	8.50%	20.00%	20.00%	17.00%	11.00%	9.50%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%
Uzbekistan	14.00%	14.00%	14.00%	17.00%	17.00%	17.00%	16.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Turkey	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	10.50%	9.00%	9.00%	9.00%
FED*	0.25%	0.25%	0.25%	0.50%	0.50%	1.00%	1.75%	2.50%	2.50%	3.25%	3.25%	4.00%	4.50%	4.50%
ECB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	1.25%	2.00%	2.00%	2.50%	2.50%

Source: Central banks



Georgian corporate Eurobond YTM



Source: Bloomberg

Georgian local bonds performance

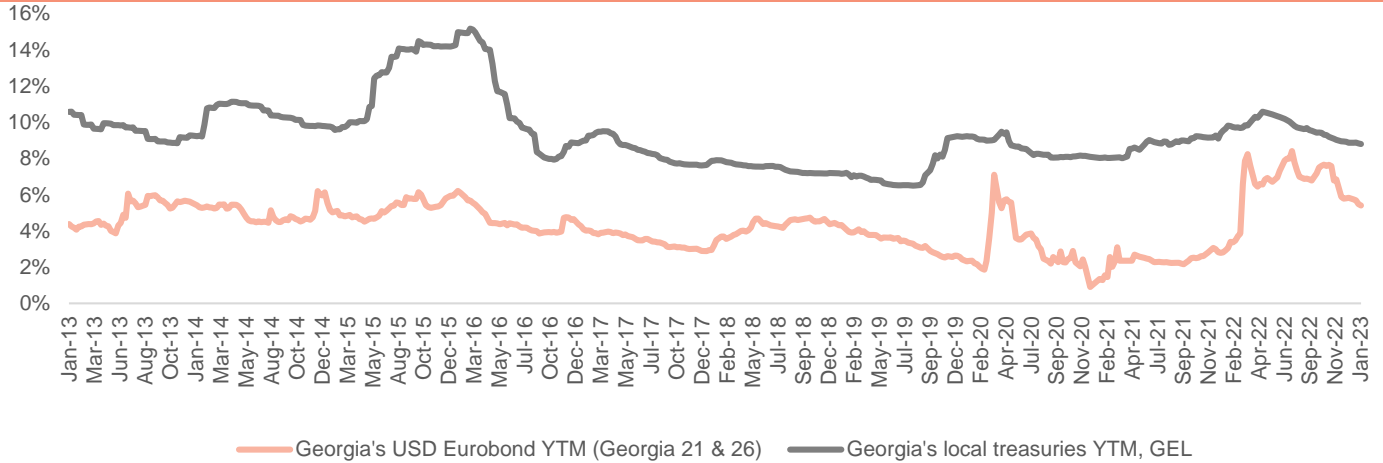
Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
GLC	USD	12	5.75%	Jul-23	-/-/-	99.90	5.88	n/a
GLC	EUR	3	4.75%	Jul-23	-/-/-	99.99	4.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-23	-/-/-	99.49	6.75	n/a
Lisi Lake Development	USD	10	8.50%	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: Galt & Taggart



Georgian local treasury bonds

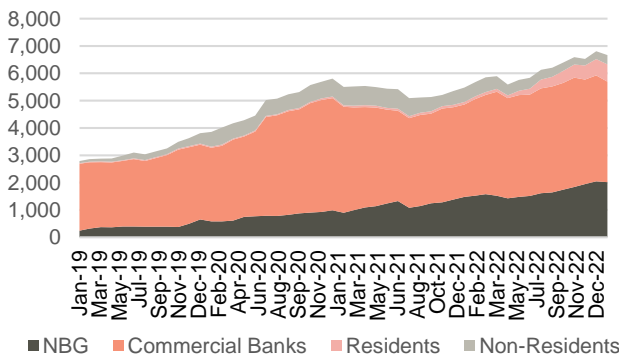
Georgia sovereign Eurobond vs. Georgian treasuries



Source: Bloomberg, NBG, Galt & Taggart Research

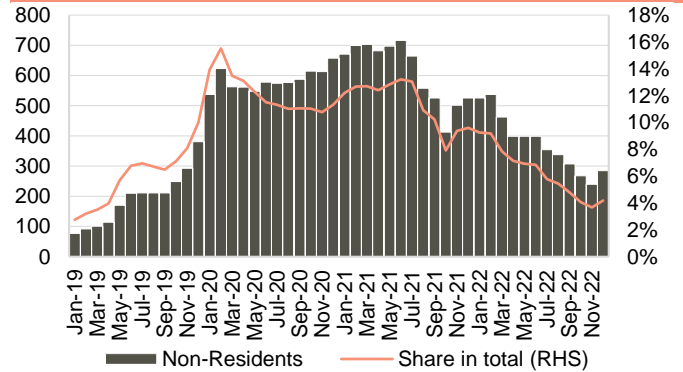
Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond

Georgian treasury securities by holder, GEL mn



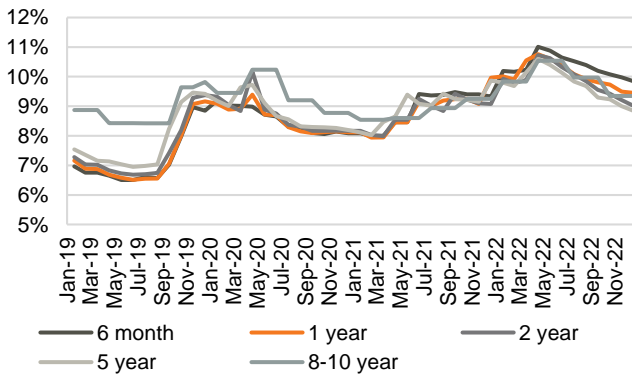
Source: NBG

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



Source: NBG

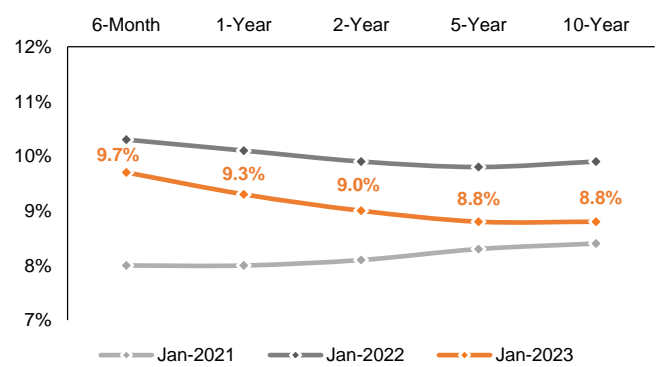
Interest rates on Georgian treasury securities



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, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
ARMEN	USD	7.150	3/26/2025	1.9	500	101.6	6.3	B+/-/Ba3
ARMEN	USD	3.950	9/26/2029	5.5	500	84.0	7.0	B+/-/Ba3
ARMEN	USD	3.600	2/2/2031	6.6	750	79.1	7.1	B+/-/Ba3
AZERBJ	USD	4.750	3/18/2024	1.1	1,250	99.4	5.3	BB+/-/Ba1u
AZERBJ	USD	3.500	9/1/2032	7.1	1,077	87.1	5.2	BB+/-/Ba1u
GEORG	USD	2.750	4/22/2026	3.0	500	92.2	5.4	BB/BB/Ba2
KAZAKS	USD	3.875	10/14/2024	1.6	1,500	101.0	3.3	BBB/BBB-/Baa2
KAZAKS	USD	5.125	7/21/2025	2.3	2,500	104.4	3.3	BBB/BBB-/Baa2
KAZAKS	USD	6.500	7/21/2045	12.1	1,500	106.7	6.0	BBB/BBB-/Baa2
KAZAKS	USD	4.875	10/14/2044	12.7	1,000	91.5	5.6	BBB/BBB-/Baa2
KAZAKS	EUR	0.600	9/30/2026	3.5	500	88.3	4.1	BBB/BBB-/Baa2
KAZAKS	EUR	2.375	11/9/2028	5.2	525	90.5	4.3	BBB/BBB-/Baa2
KAZAKS	EUR	1.500	9/30/2034	10.1	650	73.9	4.4	BBB/BBB-/Baa2
KAZAKS	EUR	1.550	11/9/2023	0.7	525	99.1	2.7	BBB/BBB-/Baa2
TURKEY	USD	3.250	3/23/2023	0.1	1,500	100.1	2.7	B-/B3
TURKEY	USD	5.750	3/22/2024	1.1	2,500	98.5	7.1	B-/B3
TURKEY	USD	7.375	2/5/2025	1.8	3,250	99.7	7.5	B/NR/B3
TURKEY	USD	4.250	4/14/2026	2.8	1,500	88.6	8.4	B-/B3
TURKEY	USD	6.000	3/25/2027	3.5	3,250	91.2	8.6	B-/B3
TURKEY	USD	5.125	2/17/2028	4.2	2,000	86.1	8.6	B-/B3
TURKEY	USD	11.875	1/15/2030	4.9	1,500	118.0	8.4	B/NR/B3
TURKEY	USD	7.625	4/26/2029	4.7	3,000	94.1	8.9	B-/B3
TURKEY	USD	5.950	1/15/2031	6.0	2,250	82.7	9.1	B-/B3
TURKEY	USD	8.000	2/14/2034	7.0	1,500	99.1	8.1	B/NR/B3
TURKEY	USD	6.875	3/17/2036	7.8	2,750	82.8	9.1	B/NR/B3
TURKEY	USD	7.250	3/5/2038	8.4	1,000	89.0	8.6	B/NR/B3
TURKEY	USD	6.000	1/14/2041	9.5	3,000	72.3	9.2	B/NR/B3
TURKEY	USD	6.625	2/17/2045	9.5	3,000	75.4	9.3	B-/B3
TURKEY	USD	5.750	5/11/2047	10.4	3,500	67.3	9.1	B-/B3
TURKEY	USD	6.350	8/10/2024	1.4	2,250	98.5	7.4	B-/B3
TURKEY	USD	7.250	12/23/2023	0.8	2,000	100.9	6.2	B-/B3
TURKEY	EUR	4.375	7/8/2027	3.7	1,500	91.0	6.8	B-/B3
TURKEY	USD	6.375	10/14/2025	2.4	2,500	95.6	8.2	B-/B3
TURKEY	EUR	5.200	2/16/2026	2.6	1,500	97.2	6.3	B-/B3
TURKEY	EUR	4.625	3/31/2025	1.9	1,250	97.7	5.8	B-/B3
TURKEY	USD	5.250	3/13/2030	5.5	2,000	80.6	9.0	B-/B3
TURKEY	USD	4.250	3/13/2025	1.9	2,000	93.1	7.8	B-/B3
TURKEY	USD	4.875	4/16/2043	10.4	3,000	63.4	8.8	B-/B3
TURKEY	USD	6.500	9/20/2033	7.0	1,500	82.3	9.1	B-/B3
TURKEY	USD	8.600	9/24/2027	3.7	2,000	99.8	8.6	B-/B3
TURKEY	USD	4.875	10/9/2026	3.2	3,000	88.8	8.5	B-/B3
TURKEY	USD	4.750	1/26/2026	2.7	1,750	90.7	8.3	B-/B3
TURKEY	USD	5.600	11/14/2024	1.6	2,500	96.4	7.8	B-/B3
TURKEY	EUR	4.125	4/11/2023	0.2	1,000	99.9	4.4	B-/B3
TURKEY	EUR	3.250	6/14/2025	2.1	1,000	94.6	5.7	B-/B3
TURKEY	USD	6.750	5/30/2040	9.0	2,000	79.5	9.1	B/NR/B3
TURKEY	USD	6.125	10/24/2028	4.6	2,750	88.4	8.7	B-/B3
TURKEY	USD	5.875	6/26/2031	6.2	1,750	81.4	9.1	B-/B3
UZBEK	USD	4.750	2/20/2024	1.0	500	98.3	6.4	BB-/BB-/Ba3u
UZBEK	USD	5.375	2/20/2029	4.9	500	94.2	6.6	BB-/BB/-
UZBEK	USD	3.700	11/25/2030	6.5	555	83.2	6.5	BB-/BB/-
UZBEK	USD	3.900	10/19/2031	7.0	635	82.5	6.6	BB-/BB/-

Source: Bloomberg



Financial

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
IBAZAZ	Azerbaijan	USD	3.500	9/1/2024	1.5	1,000	96.4	5.9	IBAZAZ
GEBGG	Georgia	USD	6.000	7/26/2023	0.5	350	100.2	5.5	GEBGG
TBCBGE	Georgia	USD	5.750	6/19/2024	1.3	300	98.5	6.9	TBCBGE
GEOCAP	Georgia	USD	6.125	3/9/2024	1.0	300	96.8	9.2	GEOCAP
GEBGG	Georgia	USD	11.125	1/8 PERP	1.3	100	99.3	12.3	GEBGG
TBCBGE	Georgia	USD	8.894	894 PERP	3.1	75	90.2	11.6	TBCBGE
TBCBGE	Georgia	USD	10.775	775 PERP	1.4	125	93.3	13.4	TBCBGE
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	2.1	500	100.8	5.4	DBKAZ
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	3.5	500	88.5	5.5	SAMRUK
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	7.0	500	79.6	6.1	DBKAZ
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	2.8	107	100.4	5.9	DBKAZ
AKBNK	Turkey	USD	5.125	3/31/2025	2.0	500	95.4	7.5	AKBNK
GARAN	Turkey	USD	5.875	3/16/2023	0.1	500	100.2	3.9	GARAN
ISCTR	Turkey	USD	6.125	4/25/2024	1.1	1,250	98.7	7.2	ISCTR
ISCTR	Turkey	USD	8.100	12/3/2029	4.6	50	79.0	12.9	ISCTR
YKBNK	Turkey	USD	5.850	6/21/2024	1.3	500	97.9	7.5	YKBNK
TCZIRA	Turkey	USD	5.125	9/29/2023	0.6	500	99.2	6.3	TCZIRA
YKBNK	Turkey	USD	8.250	10/15/2024	1.5	500	101.1	7.5	YKBNK
VAKBN	Turkey	USD	6.500	1/8/2026	2.6	750	93.6	9.0	VAKBN
AKBNK	Turkey	USD	6.800	2/6/2026	2.6	500	96.1	8.3	AKBNK
TCZIRA	Turkey	USD	5.375	3/2/2026	2.7	600	89.9	9.2	TCZIRA
QNBFB	Turkey	USD	6.875	9/7/2024	1.5	650	101.7	5.8	QNBFB
VAKBN	Turkey	USD	5.500	10/1/2026	3.1	500	89.0	9.1	VAKBN
YKBNK	Turkey	USD	6.100	3/16/2023	0.1	500	100.1	5.0	YKBNK
VAKBN	Turkey	USD	8.125	3/28/2024	1.1	600	100.7	7.5	VAKBN
VAKBN	Turkey	USD	5.250	2/5/2025	1.8	750	94.5	8.3	VAKBN
TSKBTI	Turkey	USD	5.875	1/14/2026	2.6	350	92.6	8.8	TSKBTI
RGYAST	Turkey	USD	7.250	4/26/2023	0.2	300	99.9	7.7	RGYAST
TSKBTI	Turkey	USD	6.000	1/23/2025	1.8	400	95.9	8.3	TSKBTI
FCFIN	Turkey	USD	7.250	11/9/2027	0.2	150	91.8	11.9	FCFIN
GARAN	Turkey	USD	5.250	12/20/2024	1.7	50	98.3	6.2	GARAN
ISCTR	Turkey	USD	5.050	2/25/2026	2.5	13	84.8	11.2	ISCTR
AKBNK	Turkey	USD	6.050	11/15/2024	1.6	50	97.7	7.4	AKBNK
YKBNK	Turkey	USD	6.050	12/10/2024	1.7	50	98.5	6.9	YKBNK
EXCRTU	Turkey	USD	8.250	1/24/2024	0.9	500	100.8	7.3	EXCRTU
EXCRTU	Turkey	USD	5.750	7/6/2026	3.0	750	90.6	9.0	EXCRTU
EXCRTU	Turkey	USD	5.375	10/24/2023	0.7	500	99.4	6.3	EXCRTU
EXCRTU	Turkey	USD	6.125	5/3/2024	1.2	500	98.2	7.6	EXCRTU
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	2.5	300	93.8	8.0	IPTBZU
SQBZU	Uzbekistan	USD	5.750	12/2/2024	1.7	300	95.8	8.3	SQBZU
NBUZB	Uzbekistan	USD	4.850	10/21/2025	2.4	300	94.1	7.3	NBUZB

Source: Bloomberg

Basic Materials

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
ELDCN	Turkey	USD	6.250	9/1/2029	5.1	500	92.4	7.7	B+/BB-/B3

Source: Bloomberg



Communications

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
SILNET	Georgia	USD	8.375	1/31/2027	3.3	300	98.3	8.9	B+/-/B1
TURKTI	Turkey	USD	4.875	6/19/2024	1.3	500	94.7	9.0	B/B/-
TURKTI	Turkey	USD	6.875	2/28/2025	1.8	500	95.4	9.4	B/B/-
TCELLT	Turkey	USD	5.750	10/15/2025	2.4	500	94.5	8.0	B/B/B3u
TCELLT	Turkey	USD	5.800	4/11/2028	4.2	500	87.6	8.8	B/B/-

Source: Bloomberg

Energy

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
SOIAZ	Azerbaijan	USD	6.950	3/18/2030	5.5	750	104.9	6.1	BB+/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	2.7	2,000	103.2	5.7	BB+/-/Ba1
SOIAZ	Azerbaijan	USD	4.750	3/13/2023	0.1	1,000	99.8	6.7	BB+/BB-/Ba1
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	2.9	1,000	89.2	7.5	-/BB+/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	2.3	500	90.0	7.0	-/BB+/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/24/2025	2.1	500	98.3	5.6	BBB-/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	11.3	1,500	85.8	7.6	BBB-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	3.7	1,000	93.1	6.7	BBB-/BB+/Baa2
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	5.7	1,250	92.5	6.7	BBB-/Baa2
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	8.0	750	76.2	6.8	BBB-/Baa2
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	4.0	706	92.2	6.3	BBB-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	11.3	1,250	79.2	7.6	BBB-/BB+/Baa2
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	6.2	750	76.6	7.3	-/BB+/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	2.9	750	85.0	12.6	B/B/-
TUPRST	Turkey	USD	4.500	10/18/2024	1.6	700	95.9	7.1	B-/B3
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	4.8	700	84.6	8.1	BB-/BB/-

Source: Bloomberg

Other

Issuer	Country	Currency	Coupon, %	Maturity	Duration	Amount, mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
GRAIL	Georgia	USD	4.000	6/17/2028	4.7	500	88.5	6.6	BB-/BB/-
SISETI	Turkey	USD	6.950	3/14/2026	2.7	700	97.4	7.9	B-/B3
ACKAF	Turkey	EUR	3.000	5/27/2026	2.9	350	91.1	6.1	BB-/BB+/-
ACKAF	Turkey	USD	5.000	4/3/2023	0.2	500	100.0	5.2	BB-/BB+/-
PGSUST	Turkey	USD	9.250	4/30/2026	1.9	375	100.7	9.0	B+/B/-
THYAO	Turkey	USD	4.200	3/15/2027	1.9	182	87.5	7.8	BB-/B/B2
ULKER	Turkey	USD	6.950	10/30/2025	2.4	650	89.9	11.3	B/B/-
CCOLAT	Turkey	USD	4.500	1/20/2029	5.1	500	87.7	7.1	BBB-/BB+/-
CCOLAT	Turkey	USD	4.215	9/19/2024	1.5	300	97.5	5.8	BBB-/WR
AEFES	Turkey	USD	3.375	6/29/2028	4.7	500	78.4	8.4	BB+ */BB+/-
LIMISK	Turkey	USD	9.500	7/10/2036	5.6	370	88.4	11.2	B-/B3
MERSIN	Turkey	USD	5.375	11/15/2024	1.6	600	96.8	7.3	B/B/-
KCHOL	Turkey	USD	6.500	3/11/2025	1.9	750	99.0	7.0	-/B/B3
KCHOL	Turkey	USD	5.250	3/15/2023	0.1	750	100.0	5.3	-/B/B3
TURKSK	Turkey	USD	7.250	2/24/2027	3.3	3,000	97.6	7.9	B-/B3
TURKSK	Turkey	USD	5.125	6/22/2026	3.0	2,500	91.0	8.2	B-/B3
TURKSK	Turkey	USD	4.489	11/25/2024	1.7	1,000	95.5	7.2	B-/B3
TURKSK	Turkey	USD	5.004	4/6/2023	0.2	1,250	100.1	4.2	B-/B3
ISTNBL	Turkey	USD	10.750	4/12/2027	3.2	305	99.1	11.0	B-/B3
ISTNBL	Turkey	USD	6.375	12/9/2025	2.5	580	90.0	10.5	B-/B3
ZOREN	Turkey	USD	9.000	6/1/2026	2.3	300	84.2	15.2	B-/CCC+/-
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	2.9	300	87.8	9.3	BB-/B+/-

Source: Bloomberg

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