



Regional Fixed Income Market Watch

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

Regional | Fixed Income
Monthly
March 2, 2023

Regional sovereign Eurobond market: The most of the Regional Eurobonds yields widened m/m in Feb-23. Armenia 25 was the best performer of the month with the yield tightening 2.0bps, followed by AZERB 24 and KAZAKH 25 with the yields widening 1.3bps and 17.5bps, respectively. UZBEK 24 was the worst performer of the month, with yield widening by 68.4bps.

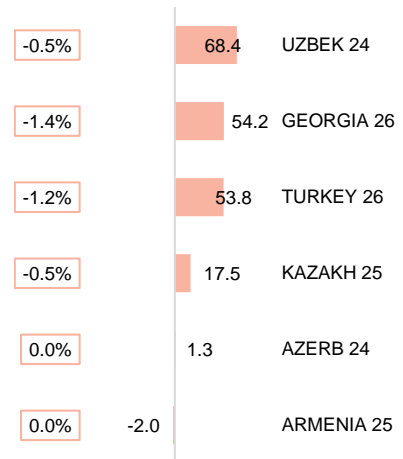
Georgian corporate Eurobond market: Among the Georgian corporate issuers, GEOCAP 24 and TBC perp were the best performers in Feb-23, with yields decreasing by 100.3bps and 42.2bps, respectively. TBC 24 was the worst performer with 9.3bps m/m increase in yield.

FX market: During Feb-23, Kazakh tenge (KZT), Georgian lari (GEL) and Armenian dram (AMD) strengthened against US dollar by 3.4% m/m, 1.6% m/m and 1.5% m/m, respectively, while Russian ruble (RUB) and Turkish lira (TRY) lost 6.9% m/m and 0.4% m/m, respectively.

Georgia money market: In Feb-23, GEL 201.4mn 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 8.651%, 5-year notes was 8.635%, on 2-year notes was 8.699%, on 1-year instrument was 9.394%, and it stood at 9.477% for 6-month instruments. Notably, non-residents' treasury holdings reduced by 12.2% m/m to GEL 300.8mn in Feb-23, after growing by 20.3% m/m in Jan-23 and the share of non-residents in total outstanding holdings stood at 4.6% (-0.5ppts m/m) in Feb-23.

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

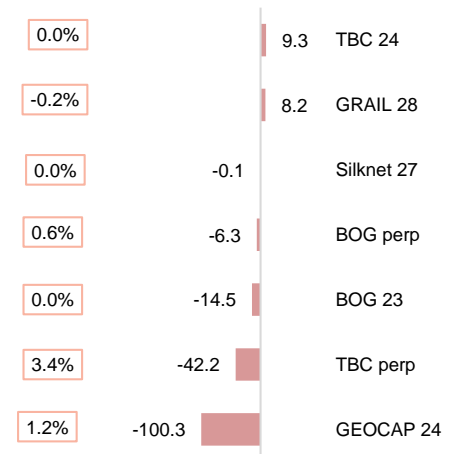
Change in price, %



Source: Bloomberg, Galt & Taggart

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

Change in price, %



Source: Bloomberg, Galt & Taggart

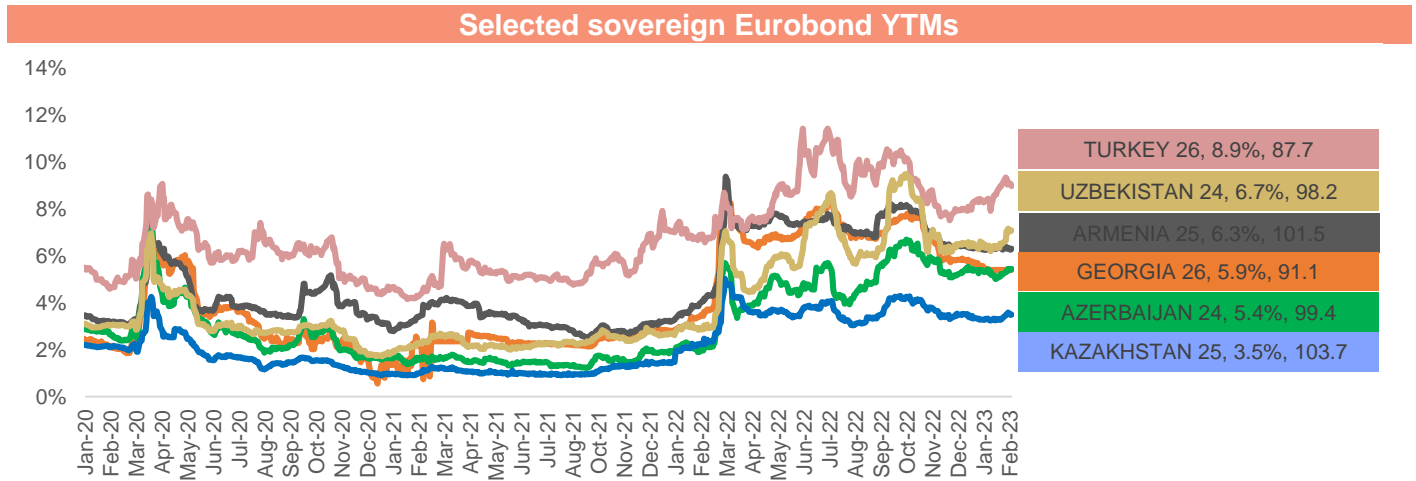
Eva Bochorishvili - Head of Research
| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Lasha Kavtaradze - Head of Macro Analysis
| lashakavtaradze@gt.ge | +995 32 2401 111 ext. 7473

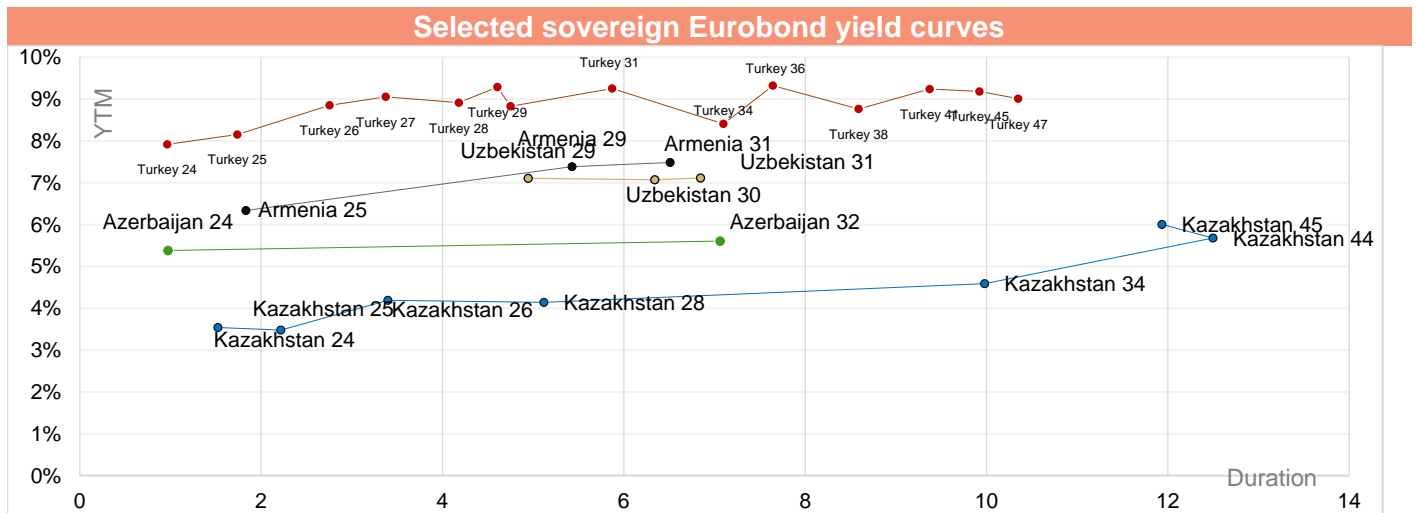
Giorgi Iremashvili - Head of Analytics
| giremashvili@gt.ge | +995 32 2401 111 ext. 4691



Sovereign Eurobond yields

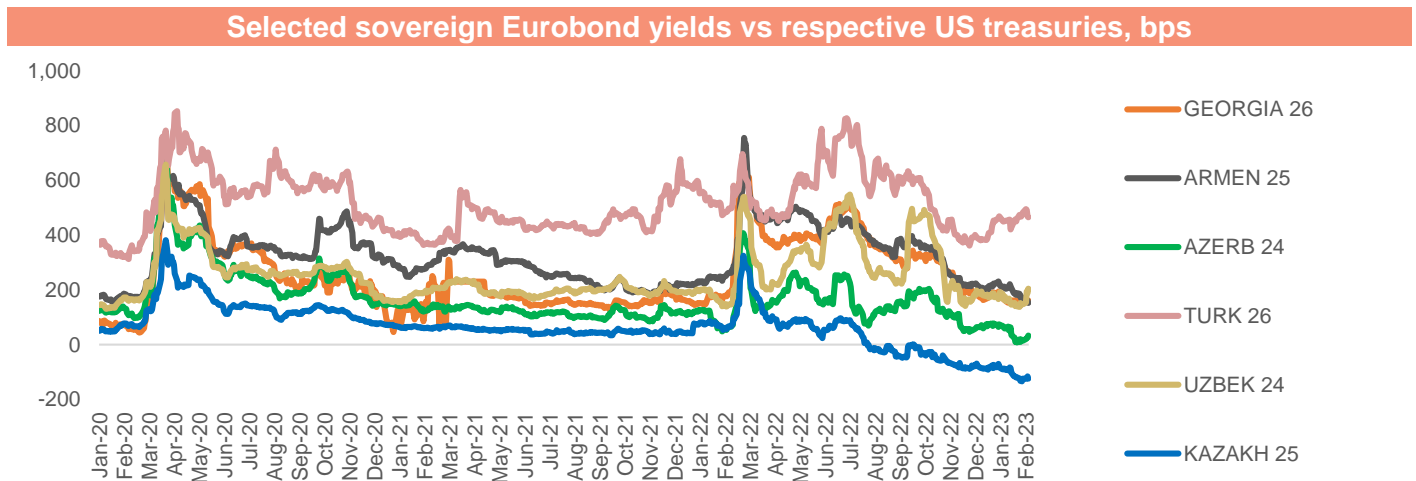


Source: Bloomberg



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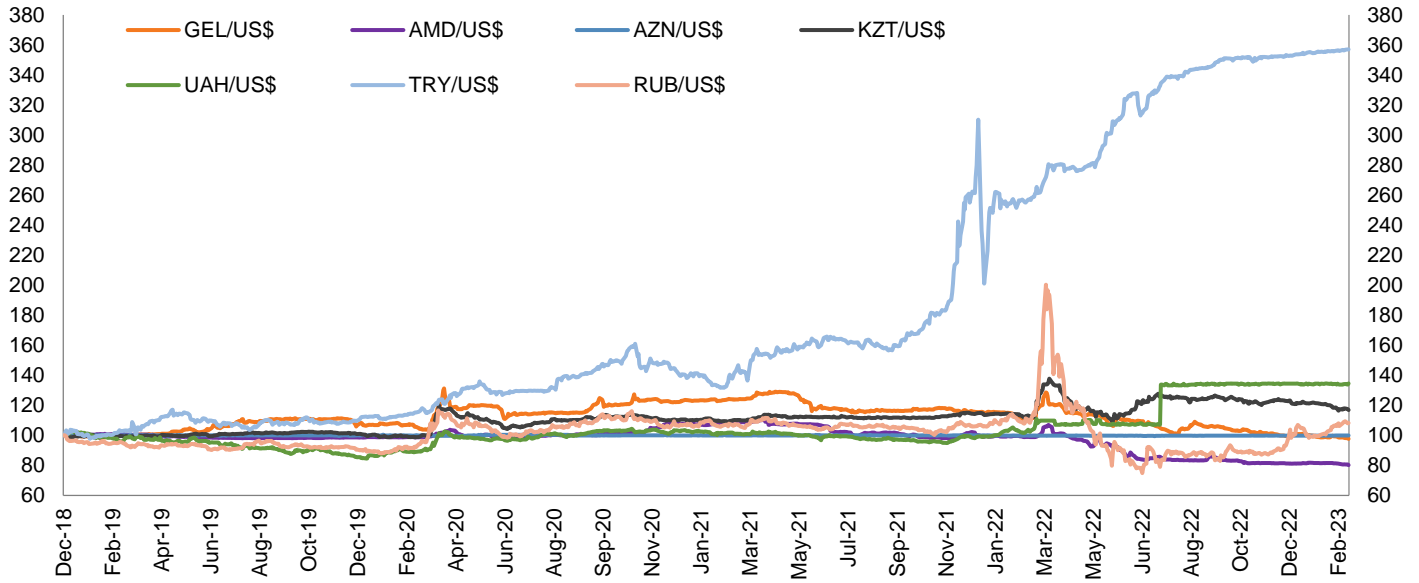
Source: Bloomberg



Source: Bloomberg



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



Source: Bloomberg

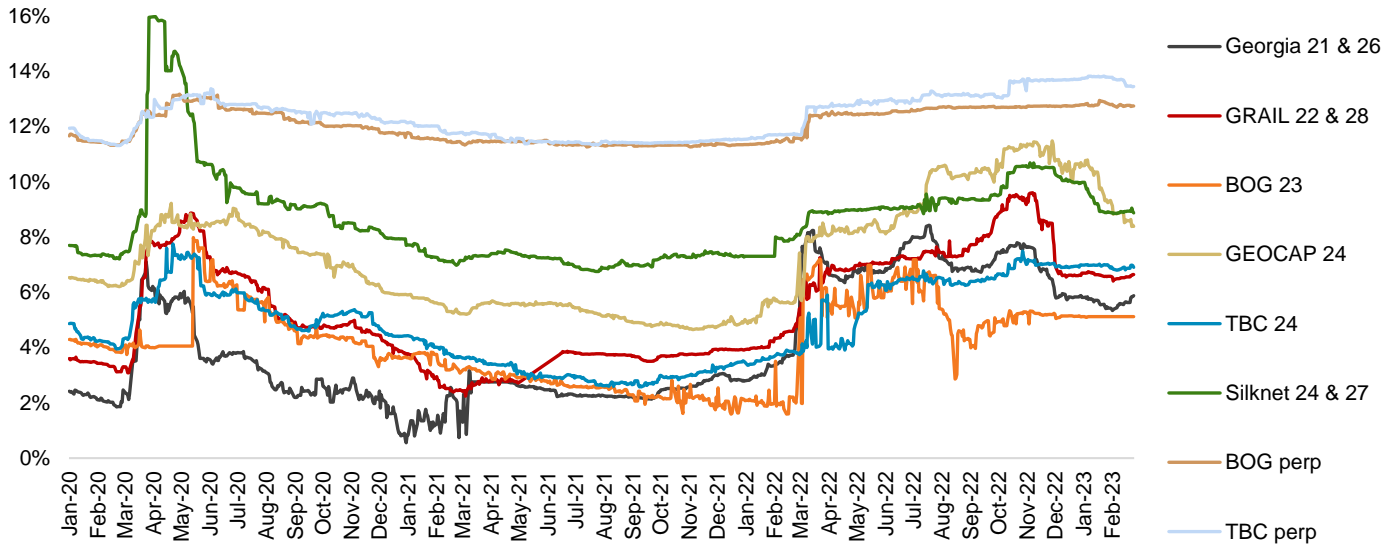
Central banks' monetary policy rates

	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	Feb-23
Georgia	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%	11.00%
Armenia*	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%	10.75%
Azerbaijan	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%	8.50%
Belarus	9.25%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	11.50%	11.50%
Ukraine	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%	25.00%
Kazakhstan	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%	16.75%
Russia	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%	7.50%
Uzbekistan	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%	15.00%
Turkey	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%	8.50%
FED*	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%	4.75%
ECB	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%	3.00%

Source: Central banks



Georgian corporate Eurobond YTM



Source: Bloomberg

Georgian local bonds performance

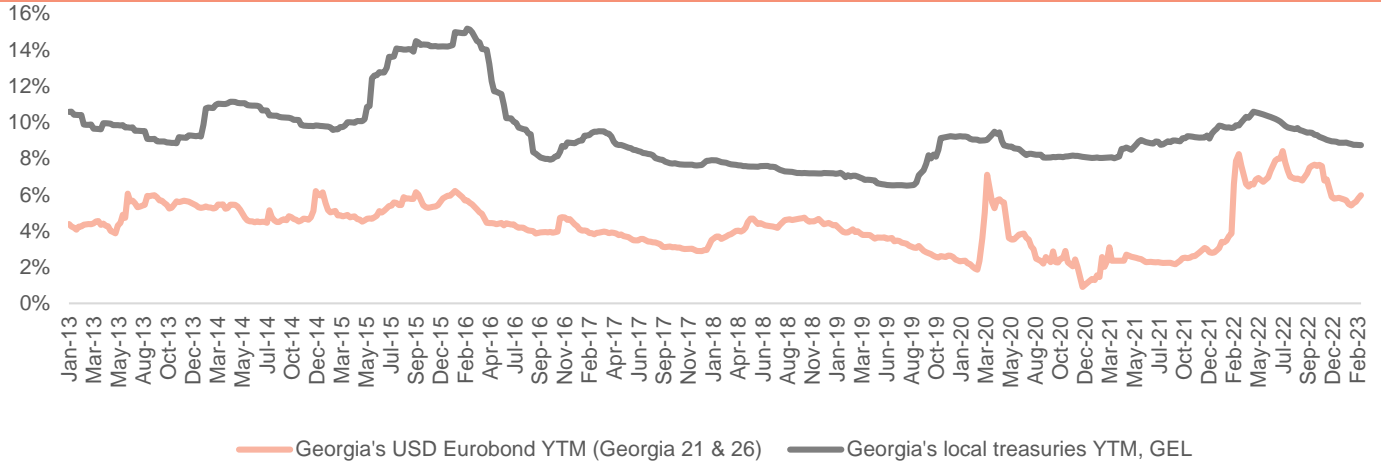
Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
GLC	USD	12	5.75%	Jul-23	-/-/-	99.94	5.88	n/a
GLC	EUR	3	4.75%	Jul-23	-/-/-	99.99	4.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-23	-/-/-	99.56	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/-	n/a	n/a	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	98.04	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.79	8.65	n/a
Georgia Real Estate	USD	35	8.50%	Oct-24	-/-/-	99.75	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

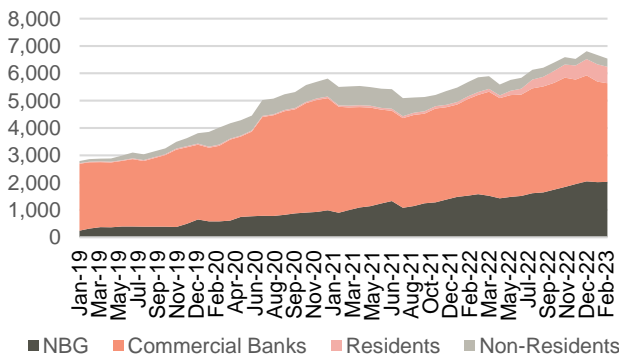
Georgia sovereign Eurobond vs. Georgian treasuries



Source: Bloomberg, NBG, Galt & Taggart Research

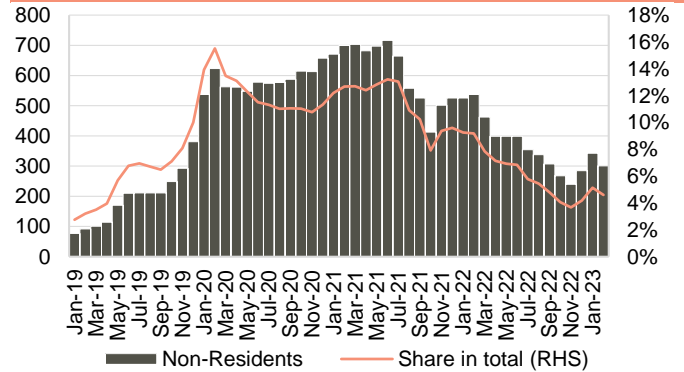
Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond

Georgian treasury securities by holder, GEL mn



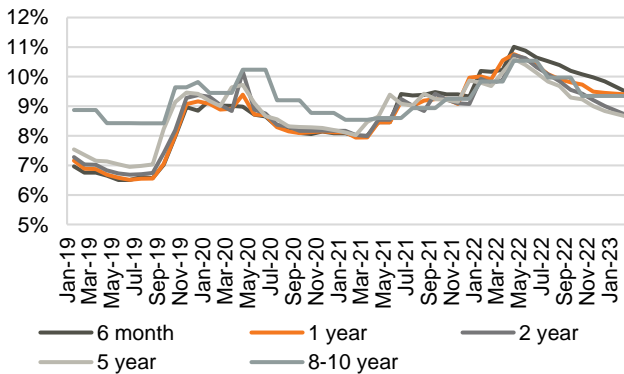
Source: NBG

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



Source: NBG

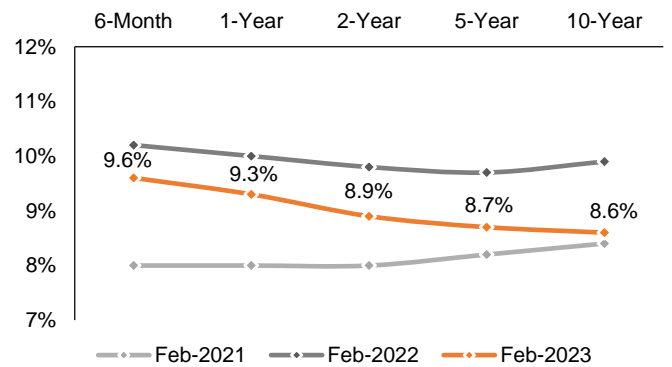
Interest rates on Georgian treasury securities



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	1.8	500	101.5	6.3	B+/-/Ba3
ARMEN	USD	3.950	9/26/2029	5.4	500	82.4	7.4	B+/-/Ba3
ARMEN	USD	3.600	2/2/2031	6.5	750	77.1	7.5	B+/-/Ba3
AZERBJ	USD	4.750	3/18/2024	1.0	1,250	99.4	5.4	BB+/-/Ba1u
AZERBJ	USD	3.500	9/1/2032	7.1	1,077	84.7	5.6	BB+/-/Ba1u
GEORG	USD	2.750	4/22/2026	2.9	500	91.1	5.9	BB/BB-/Ba2
KAZAKS	USD	3.875	10/14/2024	1.5	1,500	100.5	3.5	BBB/BBB-/Baa2
KAZAKS	USD	5.125	7/21/2025	2.2	2,500	103.7	3.5	BBB/BBB-/Baa2
KAZAKS	USD	6.500	7/21/2045	11.9	1,500	106.0	6.0	BBB/BBB-/Baa2
KAZAKS	USD	4.875	10/14/2044	12.5	1,000	90.1	5.7	BBB/BBB-/Baa2
KAZAKS	EUR	0.600	9/30/2026	3.4	500	88.3	4.2	BBB/BBB-/Baa2
KAZAKS	EUR	2.375	11/9/2028	5.1	525	91.2	4.1	BBB/BBB-/Baa2
KAZAKS	EUR	1.500	9/30/2034	10.0	650	72.7	4.6	BBB/BBB-/Baa2
KAZAKS	EUR	1.550	11/9/2023	0.7	525	99.0	3.0	BBB/BBB-/Baa2
TURKEY	USD	3.250	3/23/2023	0.0	1,500	100.1	0.7	B-/B3
TURKEY	USD	5.750	3/22/2024	1.0	2,500	97.9	7.9	B-/B3
TURKEY	USD	7.375	2/5/2025	1.7	3,250	98.6	8.2	B/NR/B3
TURKEY	USD	4.250	4/14/2026	2.8	1,500	87.7	8.9	B-/B3
TURKEY	USD	6.000	3/25/2027	3.4	3,250	89.8	9.1	B-/B3
TURKEY	USD	5.125	2/17/2028	4.2	2,000	85.1	8.9	B-/B3
TURKEY	USD	11.875	1/15/2030	4.7	1,500	115.4	8.8	B/NR/B3
TURKEY	USD	7.625	4/26/2029	4.6	3,000	92.3	9.3	B-/B3
TURKEY	USD	5.950	1/15/2031	5.9	2,250	81.8	9.3	B-/B3
TURKEY	USD	8.000	2/14/2034	7.1	1,500	97.1	8.4	B/NR/B3
TURKEY	USD	6.875	3/17/2036	7.6	2,750	81.8	9.3	B/NR/B3
TURKEY	USD	7.250	3/5/2038	8.6	1,000	87.5	8.8	B/NR/B3
TURKEY	USD	6.000	1/14/2041	9.4	3,000	71.9	9.2	B/NR/B3
TURKEY	USD	6.625	2/17/2045	9.9	3,000	76.0	9.2	B-/B3
TURKEY	USD	5.750	5/11/2047	10.3	3,500	68.1	9.0	B-/B3
TURKEY	USD	6.350	8/10/2024	1.3	2,250	97.8	8.0	B-/B3
TURKEY	USD	7.250	12/23/2023	0.8	2,000	100.4	6.7	B-/B3
TURKEY	EUR	4.375	7/8/2027	3.6	1,500	88.8	7.5	B-/B3
TURKEY	USD	6.375	10/14/2025	2.3	2,500	94.4	8.8	B-/B3
TURKEY	EUR	5.200	2/16/2026	2.6	1,500	95.6	6.9	B-/B3
TURKEY	EUR	4.625	3/31/2025	1.8	1,250	96.5	6.5	B-/B3
TURKEY	USD	5.250	3/13/2030	5.4	2,000	79.7	9.2	B-/B3
TURKEY	USD	4.250	3/13/2025	1.8	2,000	92.4	8.4	B-/B3
TURKEY	USD	4.875	4/16/2043	10.3	3,000	63.7	8.7	B-/B3
TURKEY	USD	6.500	9/20/2033	6.9	1,500	81.0	9.4	B-/B3
TURKEY	USD	8.600	9/24/2027	3.6	2,000	98.6	9.0	B-/B3
TURKEY	USD	4.875	10/9/2026	3.1	3,000	87.6	9.0	B-/B3
TURKEY	USD	4.750	1/26/2026	2.6	1,750	89.5	9.0	B-/B3
TURKEY	USD	5.600	11/14/2024	1.5	2,500	95.6	8.4	B-/B3
TURKEY	EUR	4.125	4/11/2023	0.1	1,000	99.7	6.9	B-/B3
TURKEY	EUR	3.250	6/14/2025	2.1	1,000	93.3	6.5	B-/B3
TURKEY	USD	6.750	5/30/2040	8.9	2,000	77.6	9.4	B/NR/B3
TURKEY	USD	6.125	10/24/2028	4.5	2,750	87.1	9.1	B-/B3
TURKEY	USD	5.875	6/26/2031	6.1	1,750	79.9	9.4	B-/B3
UZBEK	USD	4.750	2/20/2024	0.9	500	98.2	6.7	BB-/BB-/Ba3u
UZBEK	USD	5.375	2/20/2029	4.9	500	91.7	7.1	BB-/BB/-
UZBEK	USD	3.700	11/25/2030	6.3	555	80.2	7.1	BB-/BB/-
UZBEK	USD	3.900	10/19/2031	6.8	635	79.5	7.1	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	1.4	1,000	95.4	6.8	BB-/-
GEBGG	Georgia	USD	6.000	7/26/2023	0.4	350	100.2	5.4	BB-/-/Ba2
TBCBGE	Georgia	USD	5.750	6/19/2024	1.2	300	98.5	7.0	BB-/-/Ba2
GEOCAP	Georgia	USD	6.125	3/9/2024	0.9	300	98.0	8.2	-/B+/B1
GEBGG	Georgia	USD	11.125	1/8 PERP	1.2	100	100.0	12.7	B-/-
TBCBGE	Georgia	USD	8.894	894 PERP	3.2	75	90.4	11.9	B-/-
TBCBGE	Georgia	USD	10.775	775 PERP	1.3	125	96.5	13.4	B-/-
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	2.0	500	100.6	5.5	BBB-/-/Baa2
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	3.4	500	88.2	5.6	BBB/BBB-/-
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	6.9	500	78.9	6.3	BBB-/-/Baa2
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	2.7	107	99.6	6.1	BBB/BBB-/-/Baa2
AKBNK	Turkey	USD	5.125	3/31/2025	1.9	500	93.5	8.6	B-/-/B3
GARAN	Turkey	USD	5.875	3/16/2023	0.0	500	100.0	4.5	B-/-/B3
ISCTR	Turkey	USD	6.125	4/25/2024	1.0	1,250	97.6	8.4	B-/-/B3
ISCTR	Turkey	USD	8.100	12/3/2029	4.5	50	74.4	14.2	B-/-/NR
YKBNK	Turkey	USD	5.850	6/21/2024	1.2	500	97.0	8.3	B-/-/B3
TCZIRA	Turkey	USD	5.125	9/29/2023	0.5	500	99.1	6.8	B-/-/B3
YKBNK	Turkey	USD	8.250	10/15/2024	1.4	500	99.8	8.4	B-/-/B3
VAKBN	Turkey	USD	6.500	1/8/2026	2.5	750	91.7	9.9	B-/-/B3
AKBNK	Turkey	USD	6.800	2/6/2026	2.6	500	94.2	9.1	B-/-/B3
TCZIRA	Turkey	USD	5.375	3/2/2026	2.7	600	88.4	9.9	B-/-/B3
QNBFB	Turkey	USD	6.875	9/7/2024	1.4	650	100.5	6.5	B-/-/B3
VAKBN	Turkey	USD	5.500	10/1/2026	3.0	500	87.1	9.9	B-/-
YKBNK	Turkey	USD	6.100	3/16/2023	0.0	500	99.9	8.4	B-/-/B3
VAKBN	Turkey	USD	8.125	3/28/2024	1.0	600	99.9	8.3	B-/-/B3
VAKBN	Turkey	USD	5.250	2/5/2025	1.8	750	93.3	9.2	B-/-/B3
TSKBTI	Turkey	USD	5.875	1/14/2026	2.5	350	90.9	9.6	B-/-/B3
RGYAST	Turkey	USD	7.250	4/26/2023	0.1	300	99.5	10.3	B-/-/Caa2
TSKBTI	Turkey	USD	6.000	1/23/2025	1.7	400	94.4	9.3	B-/-/B3
FCFIN	Turkey	USD	7.250	11/9/2027	0.2	150	92.2	11.8	B-/-/B2
GARAN	Turkey	USD	5.250	12/20/2024	1.6	50	94.4	8.7	B-/-
ISCTR	Turkey	USD	5.050	2/25/2026	2.5	13	82.5	12.4	B-/-/NR
AKBNK	Turkey	USD	6.050	11/15/2024	1.5	50	96.2	8.5	B-/-
YKBNK	Turkey	USD	6.050	12/10/2024	1.6	50	96.5	8.2	B-/-/B3
EXCRTU	Turkey	USD	8.250	1/24/2024	0.8	500	99.5	8.8	B-/-/B3
EXCRTU	Turkey	USD	5.750	7/6/2026	2.9	750	88.7	9.8	B-/-/B3
EXCRTU	Turkey	USD	5.375	10/24/2023	0.6	500	99.1	6.7	B-/-/B3
EXCRTU	Turkey	USD	6.125	5/3/2024	1.1	500	97.3	8.6	B-/-/B3
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	2.4	300	94.0	8.0	BB-/BB-/-
SQBZU	Uzbekistan	USD	5.750	12/2/2024	1.6	300	94.8	9.0	BB-/BB-/-
NBUZB	Uzbekistan	USD	4.850	10/21/2025	2.4	300	94.2	7.3	BB-/BB-/-

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	88.3	8.6	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	3.2	300	98.3	8.9	B+/-/B1
TURKTI	Turkey	USD	4.875	6/19/2024	1.2	500	94.4	9.6	B/B/-
TURKTI	Turkey	USD	6.875	2/28/2025	1.8	500	94.7	9.9	B/B/-
TCELLT	Turkey	USD	5.750	10/15/2025	2.3	500	93.5	8.6	B/B/B3u
TCELLT	Turkey	USD	5.800	4/11/2028	4.1	500	86.5	9.2	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	5.4	750	102.7	6.5	BB+/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	2.6	2,000	102.0	6.2	BB+/-/Ba1
SOIAZ	Azerbaijan	USD	4.750	3/13/2023	0.0	1,000	99.9	11.8	BB+/BB-/Ba1
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	2.9	1,000	88.4	7.9	-/BB+/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	2.3	500	89.4	7.5	-/BB+/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/24/2025	2.0	500	97.3	6.1	BBB-/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	11.1	1,500	83.8	7.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	3.6	1,000	91.4	7.2	BBB-/BB+/Baa2
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	5.6	1,250	89.9	7.2	BBB-/Baa2
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	7.9	750	74.8	7.0	BBB-/Baa2
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	3.9	706	90.1	6.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	11.3	1,250	79.3	7.6	BBB-/BB+/Baa2
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	6.3	750	75.0	7.7	-/BB+/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	2.7	750	83.1	13.4	B/B/-
TUPRST	Turkey	USD	4.500	10/18/2024	1.5	700	95.2	7.7	B-/B3
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	4.7	700	82.8	8.6	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	4.6	500	88.1	6.7	BB-/BB/-
SISETI	Turkey	USD	6.950	3/14/2026	2.6	700	96.2	8.4	B-/B3
ACKAF	Turkey	EUR	3.000	5/27/2026	2.9	350	90.7	6.3	BB-/BB+/-
ACKAF	Turkey	USD	5.000	4/3/2023	0.1	500	100.0	5.3	BB-/BB+/-
PGSUST	Turkey	USD	9.250	4/30/2026	2.6	375	99.2	9.5	B+/B/-
THYAO	Turkey	USD	4.200	3/15/2027	1.8	182	88.3	7.6	BB-/B/B2
ULKER	Turkey	USD	6.950	10/30/2025	2.2	650	85.8	13.5	B/B/-
CCOLAT	Turkey	USD	4.500	1/20/2029	5.0	500	86.6	7.3	BBB-/BB+/-
CCOLAT	Turkey	USD	4.215	9/19/2024	1.4	300	96.9	6.4	BBB-/WR
AEFES	Turkey	USD	3.375	6/29/2028	4.6	500	77.9	8.6	BB+ */-BB+/-
LIMISK	Turkey	USD	9.500	7/10/2036	5.2	370	77.3	13.1	B */-B3 */-
MERSIN	Turkey	USD	5.375	11/15/2024	1.6	600	95.9	8.0	B/B/-
KCHOL	Turkey	USD	6.500	3/11/2025	1.8	750	97.6	7.8	-/B/B3
KCHOL	Turkey	USD	5.250	3/15/2023	0.0	750	100.0	6.2	-/B/B3
TURKSK	Turkey	USD	7.250	2/24/2027	3.4	3,000	95.6	8.6	B-/B3
TURKSK	Turkey	USD	5.125	6/22/2026	2.9	2,500	89.8	8.7	B-/B3
TURKSK	Turkey	USD	4.489	11/25/2024	1.6	1,000	94.8	7.8	B-/B3
TURKSK	Turkey	USD	5.004	4/6/2023	0.1	1,250	100.1	4.4	B-/B3
ISTNBL	Turkey	USD	10.750	4/12/2027	3.1	305	97.8	11.4	B-/B3
ISTNBL	Turkey	USD	6.375	12/9/2025	2.4	580	89.6	10.8	B-/B3
ZOREN	Turkey	USD	9.000	6/1/2026	2.3	300	84.9	15.0	B-/CCC+/-
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	2.8	300	87.2	9.7	BB-/B+/-

Source: Bloomberg

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Galt & Taggart

Address: 3 Pushkin street, Tbilisi 0105, Georgia

Tel: + (995) 32 2401 111

Email: research@gt.ge