



Regional Fixed Income Market Watch

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

Regional | Fixed Income
Monthly
May 2, 2023

Regional sovereign Eurobond market: ARMENIA 25 and UZBEK 24 were the best performers of the month with yields tightening 19.5bps and 18.1bps, respectively. TURKEY 26 was the worst performer of the month, with the yield widening by 43.6bps.

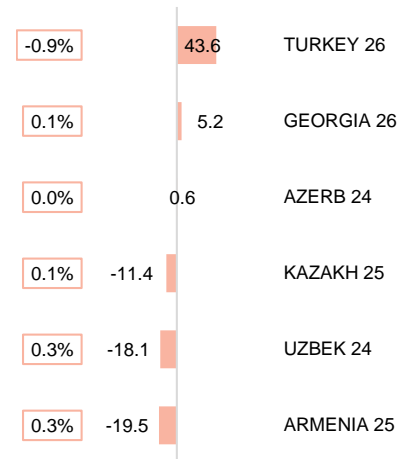
Georgian corporate Eurobond market: Among the Georgian corporate issuers, BOG perp was the best performer in Apr-23, with yield decreasing by 8.1bps. GEOCAP 24 and GRAIL 28 were the worst performers with yields widening by 39.0bps and 6.1bps, respectively.

FX market: During Apr-23, Georgian lari (GEL), Kazakh tenge (KZT) and Armenian dram (AMD) strengthened against US dollar by 2.4% m/m, 0.8% m/m and 0.7% m/m, respectively, while Russian ruble (RUB) and Turkish lira (TRY) lost 2.8% m/m and 1.4% m/m, respectively.

Georgia money market: In Apr-23, GEL 200.6mn treasury notes and GEL 40mn treasury bills were sold. Interest rates slightly increased further on all instruments m/m (except 6 month T-bills). Weighted average interest rate on 10-year notes was 8.736%, 5-year notes was 8.726%, on 2-year notes was 8.617%, on 1-year instrument was 9.767%, and it came in at 9.378% for 6-month instruments. Notably, non-residents' treasury holdings increased by 6.0% m/m to GEL 355.3mn in Apr-23, after a 5.0% m/m growth in Mar-23 and the share of non-residents in total outstanding holdings stood at 5.0% (+0.1ppts m/m) in Apr-23.

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

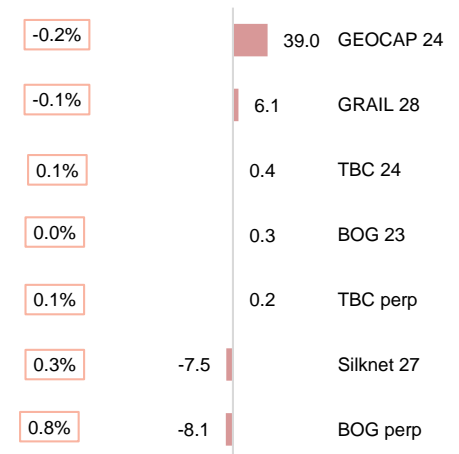
Change in price, %



Source: Bloomberg, Galt & Taggart

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

Change in price, %



Source: Bloomberg, Galt & Taggart

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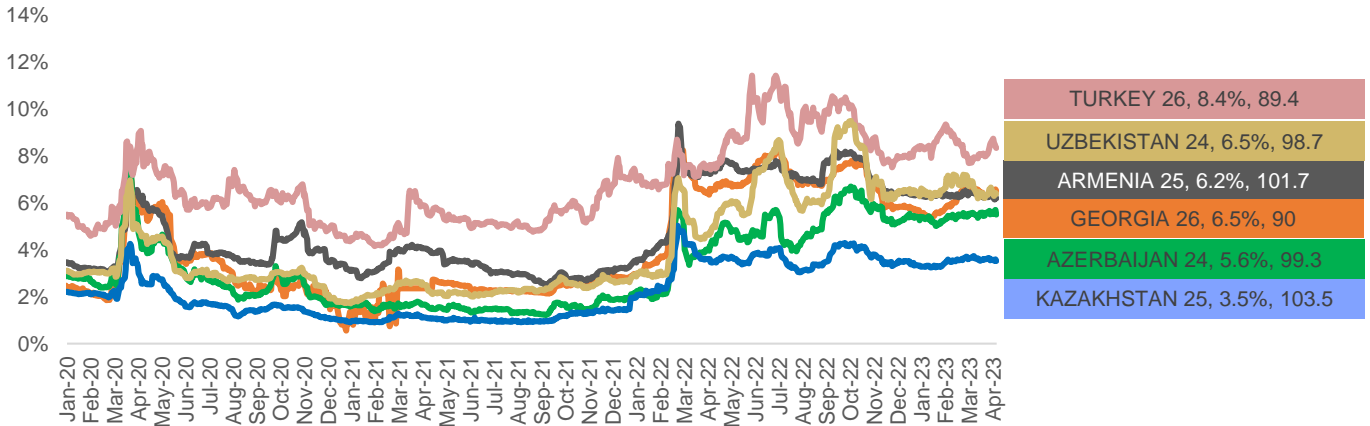
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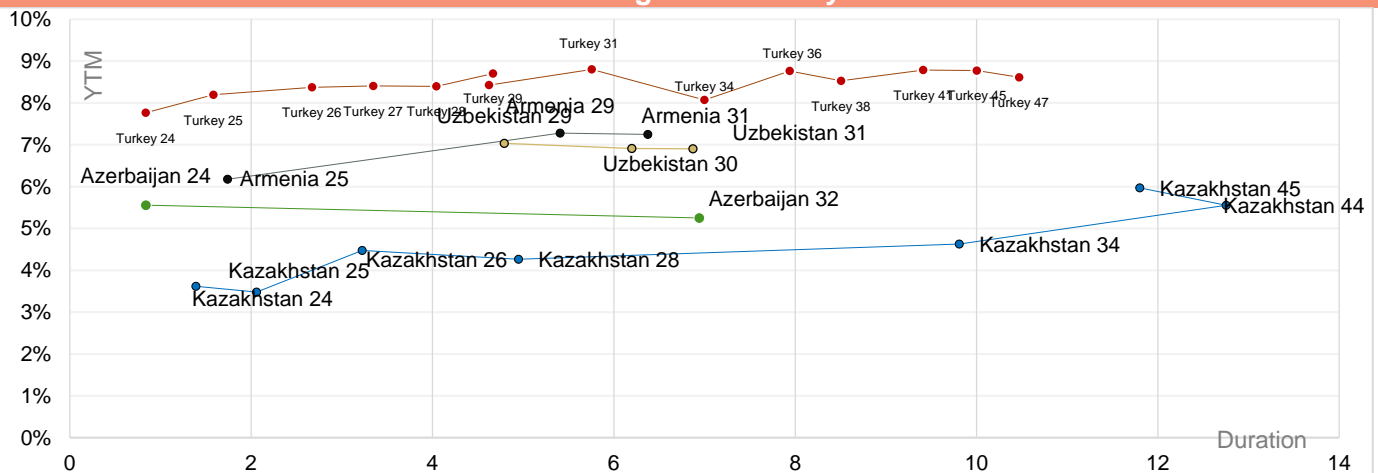
Sovereign Eurobond yields

Selected sovereign Eurobond YTM



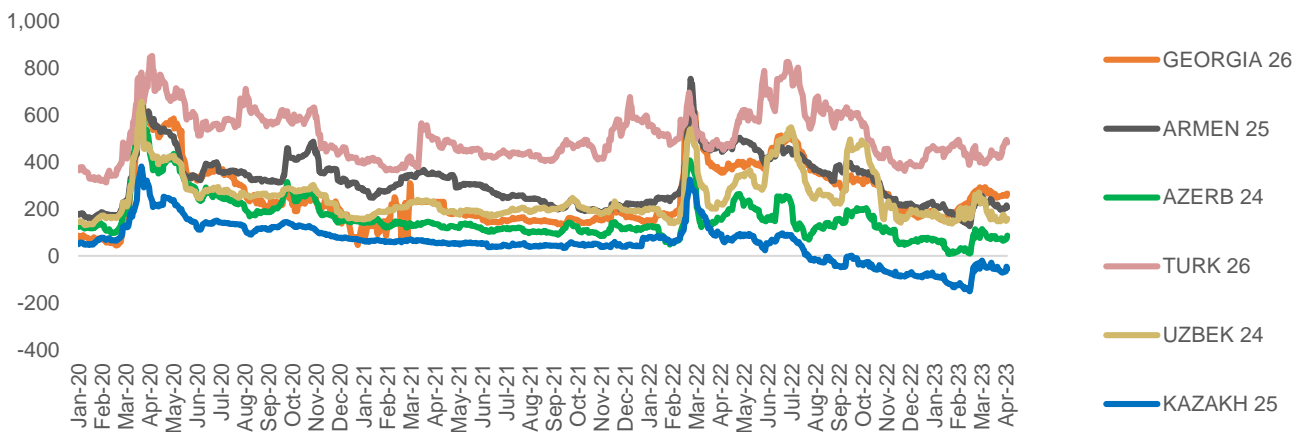
Source: Bloomberg

Selected sovereign Eurobond yield curves



Source: Bloomberg

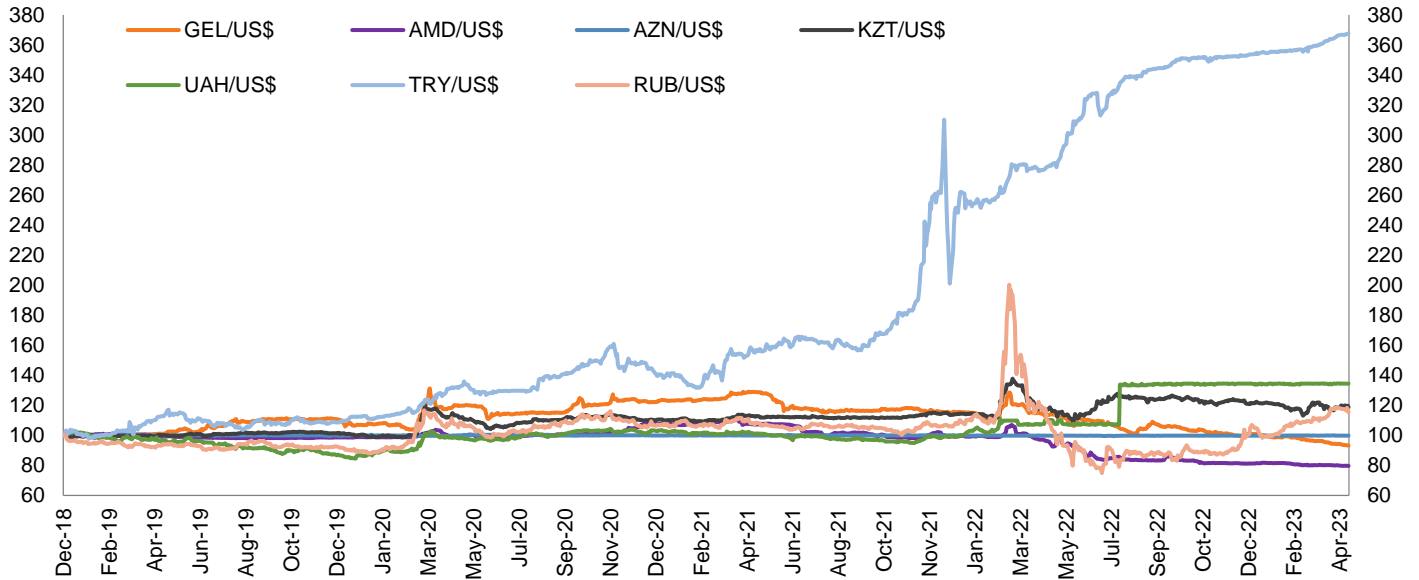
Selected sovereign Eurobond yields vs respective US treasuries, bps



Source: Bloomberg



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



Source: Bloomberg

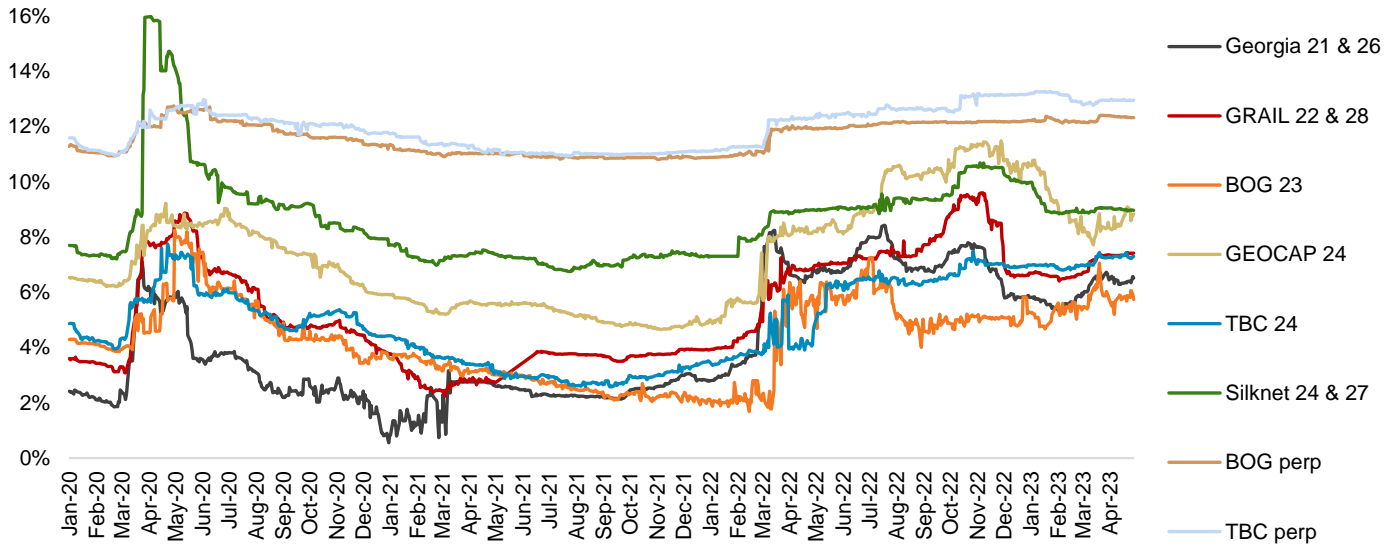
Central banks' monetary policy rates

	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23
Georgia	11.00%	11.00%	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	9.25%	9.25%	9.25%	9.25%	9.25%	9.50%	10.00%	10.00%	10.50%	10.75%	10.75%	10.75%	10.75%	10.75%
Azerbaijan	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%	8.00%	8.25%	8.50%	8.50%	8.75%	8.75%
Belarus	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	11.50%	11.50%	11.00%	10.50%
Ukraine	10.00%	10.00%	10.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Kazakhstan	13.50%	14.00%	14.00%	14.00%	14.50%	14.50%	14.50%	16.00%	16.00%	16.75%	16.75%	16.75%	16.75%	16.75%
Russia	20.00%	17.00%	11.00%	9.50%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%
Uzbekistan	17.00%	17.00%	17.00%	16.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	14.00%	14.00%
Turkey	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	10.50%	9.00%	9.00%	9.00%	8.50%	8.50%	8.50%
FED	0.50%	0.50%	1.00%	1.75%	2.50%	2.50%	3.25%	3.25%	4.00%	4.50%	4.50%	4.75%	5.00%	5.00%
ECB	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	1.25%	2.00%	2.00%	2.50%	2.50%	3.00%	3.50%	3.50%

Source: Central banks



Georgian corporate Eurobond YTM



Source: Bloomberg

Georgian local bonds performance

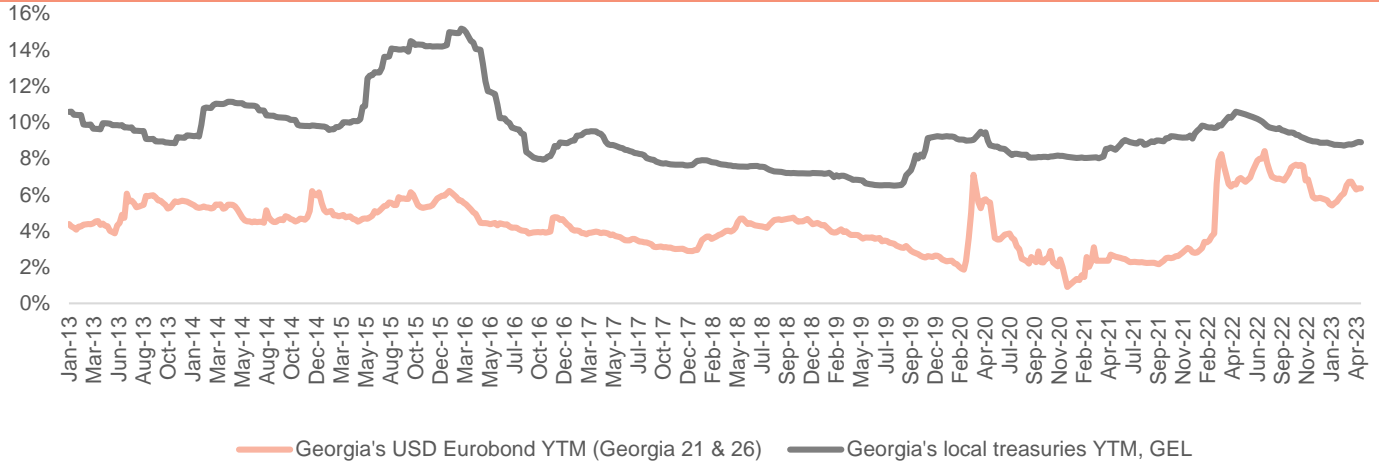
Issuer	Currency	Amount, mn	Coupon	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
GLC	USD	12	5.75%	Jul-23	-/-/-	99.94	5.88	n/a
GLC	EUR	3	4.75%	Jul-23	-/-/-	99.99	4.75	n/a
Lisi Lake Development	USD	12	6.50%	Dec-24	-/-/B+	99.59	6.75	n/a
Lisi Lake Development	USD	10	8.50%	Dec-24	-/-/B+	n/a	n/a	n/a
IG Development	USD	15	6.75%	Jan-24	-/-/-	98.23	8.90	n/a
IG Development	USD	15	8.50%	Jul-24	-/-/-	99.80	8.65	n/a
Georgia Real Estate	USD	35	8.50%	Oct-24	-/-/-	99.78	8.65	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-27	-/-/-	99.04	7.25	n/a
SRG Real Estate	USD	20	9.00%	Apr-26	-/-/-	n/a	n/a	n/a
Geosteel	USD	15	9.00%	Apr-25	-/-/-	n/a	n/a	n/a
Tegeta Motors	USD	20	8.50%	Apr-25	-/-/BB-	n/a	n/a	n/a
Tegeta Motors	EUR	5	7.00%	Apr-25	-/-/BB-	n/a	n/a	n/a
Geo. Beer Company	GEL	25	15.00%	Dec-23	-/-/BB-	n/a	n/a	n/a
Evex Hospitals	GEL	50	14.10%	Nov-24	-/-/BB	n/a	n/a	n/a
Nikora Trade	GEL	35	14.50%	Nov-24	-/-/B+	n/a	n/a	n/a
TBC Leasing	GEL	58.4	14.25%	Mar-26	BB-/-/-	n/a	n/a	n/a

Source: Galt & Taggart



Georgian local treasury bonds

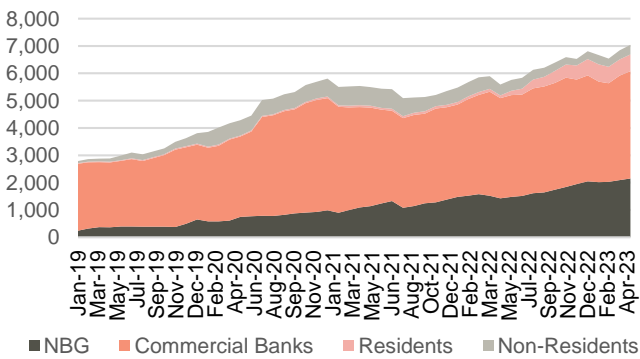
Georgia sovereign Eurobond vs. Georgian treasuries



Source: Bloomberg, NBG, Galt & Taggart Research

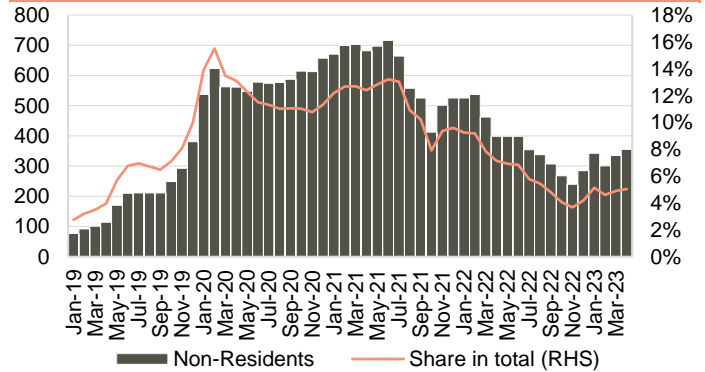
Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond

Georgian treasury securities by holder, GEL mn



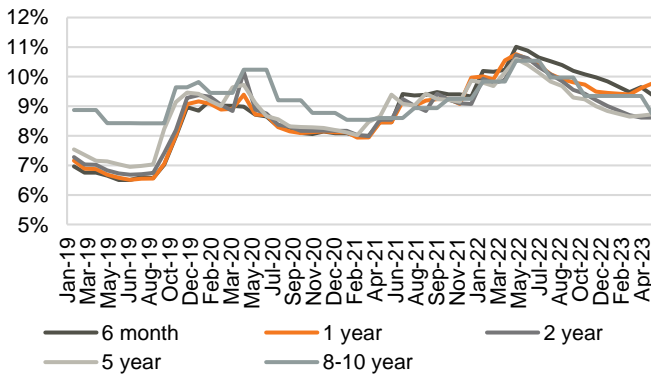
Source: NBG

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



Source: NBG

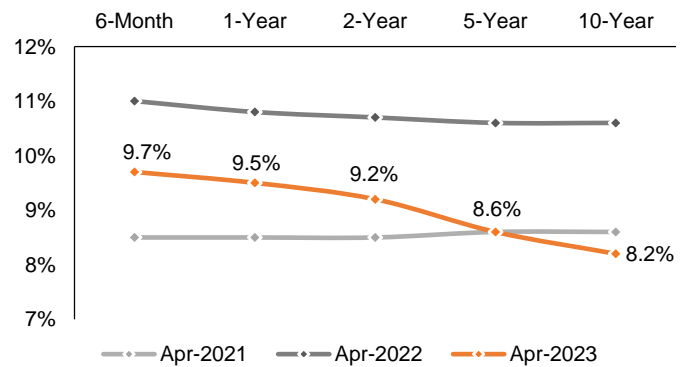
Interest rates on Georgian treasury securities



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	1.7	500	101.7	6.2	B+/-/Ba3
ARMEN	USD	3.950	9/26/2029	5.4	500	83.2	7.3	B+/-/Ba3
ARMEN	USD	3.600	2/2/2031	6.4	750	78.7	7.2	B+/-/Ba3
AZERBJ	USD	4.750	3/18/2024	0.8	1,250	99.3	5.6	BB+/-/Ba1u
AZERBJ	USD	3.500	9/1/2032	6.9	1,077	87.2	5.3	BB+/-/Ba1u
GEORG	USD	2.750	4/22/2026	2.8	500	90.0	6.5	BB/BB-/Ba2
KAZAKS	USD	3.875	10/14/2024	1.4	1,500	100.4	3.6	BBB/BBB-/Baa2
KAZAKS	USD	5.125	7/21/2025	2.1	2,500	103.5	3.5	BBB/BBB-/Baa2
KAZAKS	USD	6.500	7/21/2045	11.8	1,500	106.5	6.0	BBB/BBB-/Baa2
KAZAKS	USD	4.875	10/14/2044	12.8	1,000	91.6	5.6	BBB/BBB-/Baa2
KAZAKS	EUR	0.600	9/30/2026	3.2	500	88.0	4.5	BBB/BBB-/Baa2
KAZAKS	EUR	2.375	11/9/2028	4.9	525	90.9	4.3	BBB/BBB-/Baa2
KAZAKS	EUR	1.500	9/30/2034	9.8	650	72.7	4.6	BBB/BBB-/Baa2
KAZAKS	EUR	1.550	11/9/2023	0.5	525	99.0	3.6	BBB/BBB-/Baa2
TURKEY	USD	5.750	3/22/2024	0.8	2,500	98.3	7.8	B-/B3
TURKEY	USD	7.375	2/5/2025	1.6	3,250	98.7	8.2	B/NR/B3
TURKEY	USD	4.250	4/14/2026	2.7	1,500	89.4	8.4	B-/B3
TURKEY	USD	6.000	3/25/2027	3.3	3,250	92.1	8.4	B-/B3
TURKEY	USD	5.125	2/17/2028	4.0	2,000	87.3	8.4	B-/B3
TURKEY	USD	11.875	1/15/2030	4.6	1,500	117.3	8.4	B/NR/B3
TURKEY	USD	7.625	4/26/2029	4.7	3,000	95.1	8.7	B-/B3
TURKEY	USD	5.950	1/15/2031	5.8	2,250	84.3	8.8	B-/B3
TURKEY	USD	8.000	2/14/2034	7.0	1,500	99.5	8.1	B/NR/B3
TURKEY	USD	6.875	3/17/2036	7.9	2,750	85.6	8.8	B/NR/B3
TURKEY	USD	7.250	3/5/2038	8.5	1,000	89.3	8.5	B/NR/B3
TURKEY	USD	6.000	1/14/2041	9.4	3,000	75.2	8.8	B/NR/B3
TURKEY	USD	6.625	2/17/2045	10.0	3,000	79.3	8.8	B-/B3
TURKEY	USD	5.750	5/11/2047	10.5	3,500	71.1	8.6	B-/B3
TURKEY	USD	6.350	8/10/2024	1.2	2,250	98.3	7.8	B-/B3
TURKEY	USD	7.250	12/23/2023	0.6	2,000	100.3	6.7	B-/B3
TURKEY	EUR	4.375	7/8/2027	3.5	1,500	92.3	6.5	B-/B3
TURKEY	USD	6.375	10/14/2025	2.2	2,500	95.3	8.6	B-/B3
TURKEY	EUR	5.200	2/16/2026	2.5	1,500	97.6	6.2	B-/B3
TURKEY	EUR	4.625	3/31/2025	1.8	1,250	98.3	5.6	B-/B3
TURKEY	USD	5.250	3/13/2030	5.4	2,000	82.5	8.7	B-/B3
TURKEY	USD	4.250	3/13/2025	1.7	2,000	93.1	8.3	B-/B3
TURKEY	USD	4.875	4/16/2043	10.8	3,000	66.9	8.3	B-/B3
TURKEY	USD	6.500	9/20/2033	7.1	1,500	84.9	8.7	B-/B3
TURKEY	USD	8.600	9/24/2027	3.6	2,000	100.1	8.6	B-/B3
TURKEY	USD	4.875	10/9/2026	3.0	3,000	89.7	8.4	B-/B3
TURKEY	USD	4.750	1/26/2026	2.4	1,750	91.3	8.4	B-/B3
TURKEY	USD	5.600	11/14/2024	1.4	2,500	96.4	8.1	B-/B3
TURKEY	EUR	3.250	6/14/2025	1.9	1,000	95.4	5.6	B-/B3
TURKEY	USD	6.750	5/30/2040	8.9	2,000	80.6	9.0	B/NR/B3
TURKEY	USD	6.125	10/24/2028	4.5	2,750	89.8	8.5	B-/B3
TURKEY	USD	5.875	6/26/2031	6.0	1,750	83.6	8.7	B-/B3
UZBEK	USD	4.750	2/20/2024	0.8	500	98.7	6.5	BB-/BB-/Ba3u
UZBEK	USD	5.375	2/20/2029	4.8	500	92.2	7.0	BB-/BB-/
UZBEK	USD	3.700	11/25/2030	6.2	555	81.3	6.9	BB-/BB-/
UZBEK	USD	3.900	10/19/2031	6.9	635	81.0	6.9	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	1.3	1,000	95.7	7.0	BB-/-
GEBGG	Georgia	USD	6.000	7/26/2023	0.2	350	100.0	6.0	BB-/-/Ba2
TBCBGE	Georgia	USD	5.750	6/19/2024	1.0	300	98.4	7.3	BB-/-/Ba2
GEOCAP	Georgia	USD	6.125	3/9/2024	0.8	300	97.7	9.0	-/B+/B1
GEBGG	Georgia	USD	11.125	1/8 PERP	1.0	100	98.6	12.4	B-/-
TBCBGE	Georgia	USD	8.894	894 PERP	3.0	75	89.6	11.7	B-/-
TBCBGE	Georgia	USD	10.775	775 PERP	1.2	125	95.8	13.0	B-/-
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	1.8	500	100.7	5.4	BBB-/-/Baa2
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	3.3	500	91.1	4.8	BBB/BBB-/-
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	6.7	500	78.7	6.4	BBB-/-/Baa2
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	2.6	107	99.8	6.1	BBB/BBB-/-/Baa2
AKBNK	Turkey	USD	5.125	3/31/2025	1.8	500	94.9	8.1	B-/-/B3
ISCTR	Turkey	USD	6.125	4/25/2024	0.9	1,250	98.1	8.2	B-/-/B3
ISCTR	Turkey	USD	8.100	12/3/2029	4.3	50	74.0	14.5	B-/-/NR
YKBNK	Turkey	USD	5.850	6/21/2024	1.0	500	97.8	7.9	B-/-/B3
TCZIRA	Turkey	USD	5.125	9/29/2023	0.4	500	99.3	6.9	B-/-/B3
YKBNK	Turkey	USD	8.250	10/15/2024	1.3	500	100.4	8.0	B-/-/B3
VAKBN	Turkey	USD	6.500	1/8/2026	2.3	750	93.2	9.4	B-/-/B3
AKBNK	Turkey	USD	6.800	2/6/2026	2.4	500	96.0	8.5	B-/-/B3
TCZIRA	Turkey	USD	5.375	3/2/2026	2.5	600	90.2	9.4	B-/-/B3
QNBFB	Turkey	USD	6.875	9/7/2024	1.3	650	100.1	6.8	B-/-/B3
VAKBN	Turkey	USD	5.500	10/1/2026	3.0	500	89.1	9.3	B-/-
VAKBN	Turkey	USD	8.125	3/28/2024	0.8	600	100.1	8.0	B-/-/B3
VAKBN	Turkey	USD	5.250	2/5/2025	1.6	750	94.5	8.7	B-/-/B3
TSKBTI	Turkey	USD	5.875	1/14/2026	2.4	350	91.9	9.3	B-/-/B3
TSKBTI	Turkey	USD	6.000	1/23/2025	1.6	400	95.5	8.9	B-/-/B3
FCFIN	Turkey	USD	7.250	11/9/2027	0.4	150	92.2	11.9	B-/-/B2
GARAN	Turkey	USD	5.250	12/20/2024	1.5	50	105.0	2.1	B-/-
ISCTR	Turkey	USD	5.050	2/25/2026	2.3	13	82.4	12.9	B-/-/NR
AKBNK	Turkey	USD	6.050	11/15/2024	1.4	50	97.3	8.0	B-/-
YKBNK	Turkey	USD	6.050	12/10/2024	1.5	50	97.7	7.6	B-/-/B3
EXCRTU	Turkey	USD	8.250	1/24/2024	0.7	500	99.9	8.4	B-/-/B3
EXCRTU	Turkey	USD	5.750	7/6/2026	2.7	750	90.5	9.3	B-/-/B3
EXCRTU	Turkey	USD	5.375	10/24/2023	0.5	500	99.1	7.4	B-/-/B3
EXCRTU	Turkey	USD	6.125	5/3/2024	0.9	500	98.1	8.2	B-/-/B3
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	2.2	300	91.2	9.5	BB-/BB-/-
SQBZU	Uzbekistan	USD	5.750	12/2/2024	1.4	300	93.2	10.6	BB-/BB-/-
NBUZB	Uzbekistan	USD	4.850	10/21/2025	2.3	300	92.7	8.2	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	5.0	500	93.2	7.6	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	3.1	300	98.1	9.0	B+/-/B1
TURKTI	Turkey	USD	4.875	6/19/2024	1.0	500	95.1	9.6	B/B/-
TURKTI	Turkey	USD	6.875	2/28/2025	1.6	500	95.4	9.7	B/B/-
TCELLT	Turkey	USD	5.750	10/15/2025	2.2	500	94.7	8.2	B/B/B3u
TCELLT	Turkey	USD	5.800	4/11/2028	4.1	500	88.5	8.7	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	103.7	6.3	BB+/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	2.6	2,000	102.9	5.8	BB+/-/Ba1
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	2.7	1,000	89.3	7.8	-/BB+/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	2.1	500	89.9	7.5	-/BB+/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/24/2025	1.9	500	97.8	5.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	11.3	1,500	83.6	7.9	BBB-/Baa2
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	3.5	1,000	95.0	6.2	BBB-/BB+/Baa2
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	5.6	1,250	91.2	7.0	BBB-/Baa2
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	7.9	750	76.6	6.8	BBB-/Baa2
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	3.9	706	92.9	6.2	BBB-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	11.4	1,250	78.3	7.8	BBB-/BB+/Baa2
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	6.1	750	75.7	7.7	-/BB+/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	2.6	750	83.9	13.4	B/B/-
TUPRST	Turkey	USD	4.500	10/18/2024	1.4	700	95.4	7.9	B-/B3
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	4.5	700	80.6	9.3	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	4.4	500	85.7	7.4	BB-/BB/-
SISETI	Turkey	USD	6.950	3/14/2026	2.5	700	97.4	8.0	B-/B3
ACKAF	Turkey	EUR	3.000	5/27/2026	2.7	350	91.2	6.2	BB-/BB/-
PGSUST	Turkey	USD	9.250	4/30/2026	2.6	375	99.9	9.3	BB-/B/-
THYAO	Turkey	USD	4.200	3/15/2027	1.9	182	87.7	7.9	BB-/B/B2
ULKER	Turkey	USD	6.950	10/30/2025	2.2	650	87.2	13.2	B/B/-
CCOLAT	Turkey	USD	4.500	1/20/2029	4.8	500	88.5	7.0	BBB-/BB+/-
CCOLAT	Turkey	USD	4.215	9/19/2024	1.3	300	97.4	6.3	BBB-/B3
AEFES	Turkey	USD	3.375	6/29/2028	4.5	500	79.4	8.4	BB+ */-BB+/-
LIMISK	Turkey	USD	9.500	7/10/2036	5.4	370	82.8	12.1	B */-B3 */-
MERSIN	Turkey	USD	5.375	11/15/2024	1.4	600	96.4	7.9	B/B/-
KCHOL	Turkey	USD	6.500	3/11/2025	1.7	750	98.7	7.3	-/B/B3
TURKSK	Turkey	USD	7.250	2/24/2027	3.2	3,000	96.2	8.4	B-/B3
TURKSK	Turkey	USD	5.125	6/22/2026	2.8	2,500	91.2	8.4	B-/B3
TURKSK	Turkey	USD	4.489	11/25/2024	1.4	1,000	95.9	7.3	B-/B3
ISTNBL	Turkey	USD	10.750	4/12/2027	3.1	305	99.2	11.0	B-/B3
ISTNBL	Turkey	USD	6.375	12/9/2025	2.2	580	90.7	10.6	B-/B3
ZOREN	Turkey	USD	9.000	6/1/2026	2.1	300	85.6	15.0	B-/CCC+/-
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	2.7	300	86.5	10.2	BB-/B+/-

Source: Bloomberg

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