



## Economy

### Annual inflation was 2.2% in Jun-24

In Jun-24, annual inflation reached 2.2%, up from the 2.0% print in previous month. This increase was primarily driven by a 2.8% y/y rise in domestic inflation (+2.5% y/y in May-24), followed by a 3.3% y/y increase in imported inflation (+3.8% y/y in May-24). Notably, core inflation, excluding volatile food, energy and tobacco prices, slowed to 1.4% y/y in Jun-24 from 1.7% y/y recorded in previous month.

By categories, annual inflation in Jun-24 was mostly driven by price changes in transport (+11.0% y/y, +1.31ppts), food and non-alcoholic beverages (+1.9% y/y, +0.63ppts), hotels & restaurants (+7.5% y/y, +0.25ppts), alcoholic beverages & tobacco (+3.4% y/y, +0.23ppts) and education (+3.8% y/y, +0.17ppts) categories.

### International reserves at US\$ 4.6bn in Jun-24

Gross international reserves decreased by 9.6% y/y to US\$ 4.6bn in Jun-24, according to NBG. On a monthly basis, the reserves were down by 0.4% (-US\$ 19.0mn). Notably, there was one FX auction in June, where NBG sold US\$ 60.0mn. Other changes in reserves were attributed to the government and/or banking sector FX operations, and likely also to NBG's FX trading via BMatch platform (information will be available on 25 July).

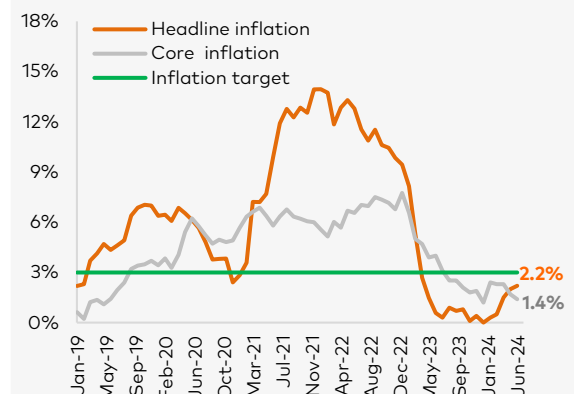
### Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	7.0%
GDP per capita (ppp)	23,344	24,870
GDP per capita (US\$)	8,210	8,693
Population (mn)	3.7	3.7
Inflation (average)	2.5%	3.0%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	4.4%	5.6%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	39.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

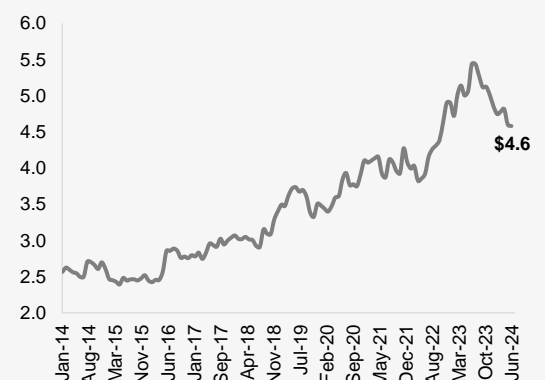
\*Latest sovereign credit ratings

### Annual inflation in Georgia



Source: Geostat, NBG

### Gross International Reserves, US\$ bn



Source: NBG



## Money market

### Ministry of Finance T-bills/T-notes:

3.5-year GEL 40.0mn (US\$ 14.3mn) Benchmark bonds were sold at the auction held at NBG on July 2, 2024. Total demand was 2.1x higher and the weighted average yield was fixed at 9.166%, up by 1.047ppts from previous auction held in Jun-24.

6-month GEL 20.0mn (US\$ 7.1mn) Benchmark bonds were sold at the auction held at NBG on July 2, 2024. Total demand was 3.0x higher and the weighted average yield was fixed at 7.904%, down by 0.084ppts from previous auction held in Jun-24.

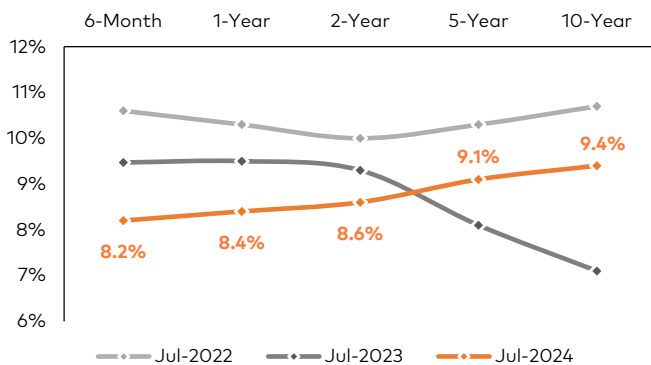
The nearest treasury security auction is scheduled for July 9, 2024, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10-year Benchmark Bonds will be sold.

### T-bills / T-notes in 2024

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	310	220	410
Long-term (over 1-year)	1,599	1,340	8,022
<b>Total</b>	<b>1,909</b>	<b>1,560</b>	<b>8,432</b>

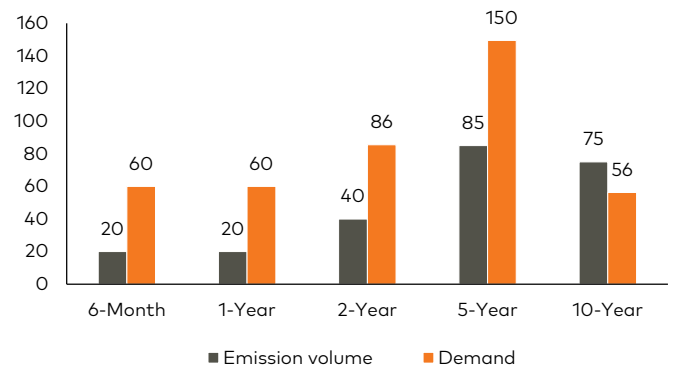
Source: MoF  
\*As of May 2024

### T-bills / T-notes, yield curve



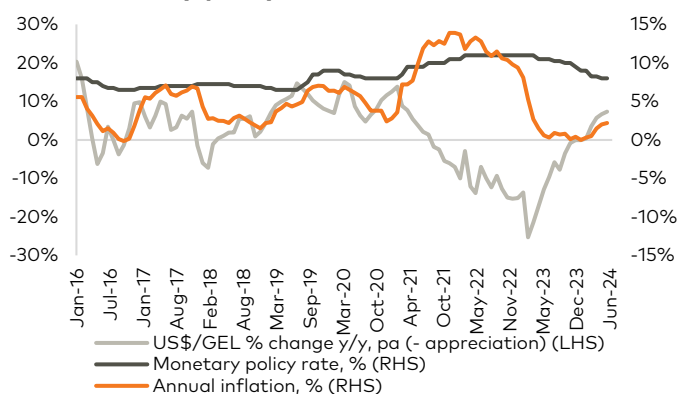
Source: NBG

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



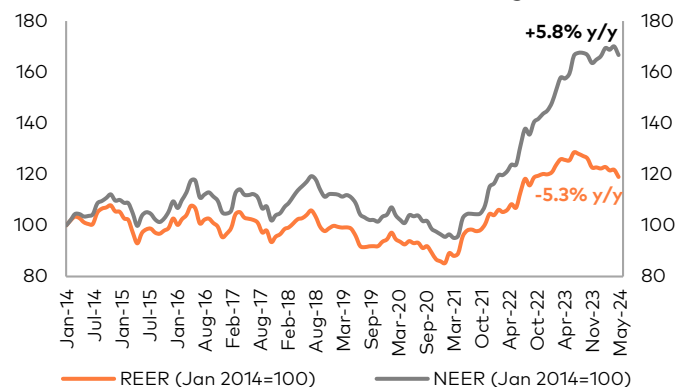
Source: NBG

### Monetary policy rate, inflation and FX rate



Source: NBG, Geostat

### Nominal and real effective exchange rates



Source: NBG

Note: Index growth/decline means appreciation/depreciation of exchange rate



## Fixed income

### Georgian Eurobonds performance

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Mood y/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	91.83	7.73	318.37
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.31	7.48	341.63
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.56	10.13	612.42
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	99.89	8.42	409.53
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.15	9.82	448.41
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.80	10.80	647.65
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.29	10.67	658.50

■ Galt & Taggart-led and/or co-managed deals  
Source: Bloomberg

### Georgian local bonds performance

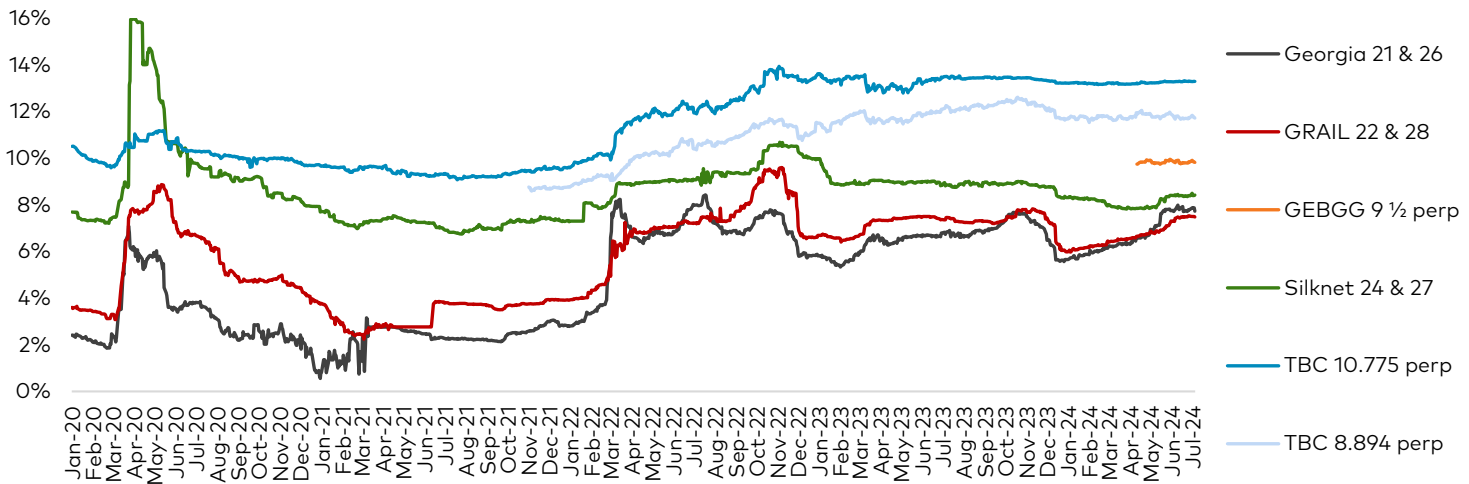
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
USD								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/-/B+	n/a	n/a
IG Development	USD	15	8.50%	Jul-22	Jul-24	-/-/-/-	99.92	8.75
Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-/-	99.97	8.50
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	99.99	8.50
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.99	9.00
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00
Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.77	8.75
Energy Development Georgia	USD	10	8.50%	Jun-23	Jun-25	-/-/-/-	n/a	n/a
Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/-/	101.08	8.19
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	100.91	8.63
Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-/-	99.63	8.75
IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.61	8.75
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/-/BB-	99.77	7.25
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/-/BB-	99.63	7.25
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/-/BB-	100.37	6.50
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	99.60	7.25
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/-/BB-	n/a	n/a
GEL								
Vian (Evex)	GEL	50	Ref rate + 3.10%	Nov-19	Nov-24	-/-/-/BB	n/a	n/a
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/-/BB-	n/a	n/a
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/-/BB-	n/a	n/a
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/-/B	n/a	n/a
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/-/BB-	n/a	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/-/	n/a	n/a
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/-/B+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/	n/a	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/-/BB-	n/a	n/a
Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/-/BB-	n/a	n/a
Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/-/BB-	n/a	n/a

■ Galt & Taggart-led and/or co-managed deals  
Source: Bloomberg, Galt & Taggart



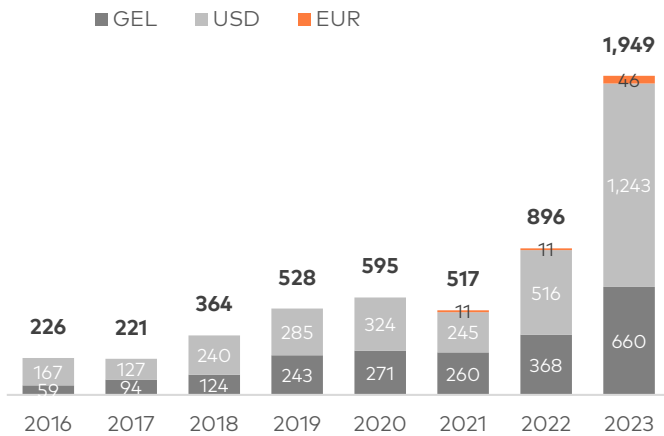
## Fixed income

**Georgian Eurobonds, YTM**



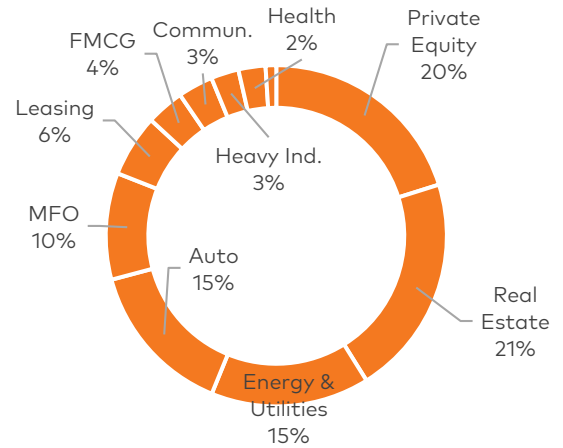
Source: Bloomberg

**Georgian corporate public bonds outstanding, GEL mn**



Source: Galt & Taggart  
Note: USD and EUR bonds are converted into GEL as of issuance date

**Georgian corporate public bonds outstanding by sector**

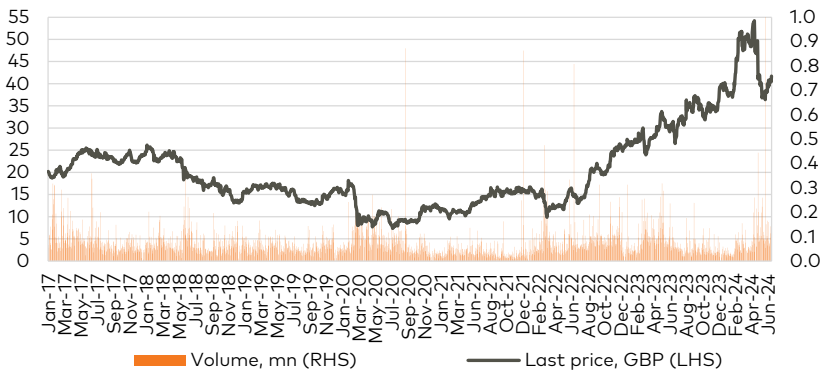


Source: Galt & Taggart



## Equities

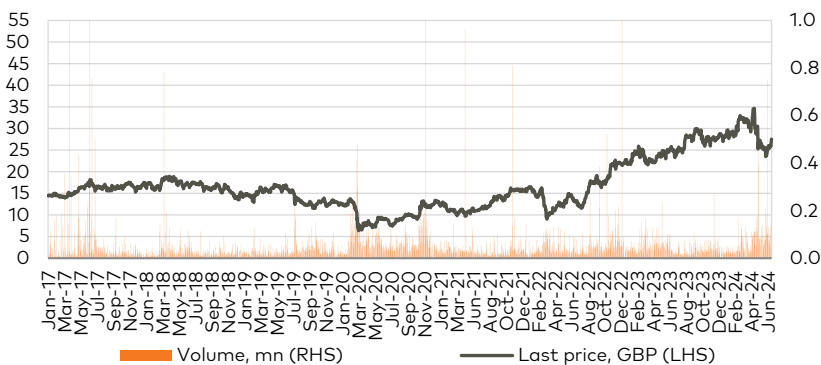
### Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 41.70/share (+3.35% w/w and +12.86% m/m). More than 1.03mn shares traded in the range of GBP 39.65 - 41.95/share. Average daily traded volume was 171k in the last 4 weeks. The volume of BGEO shares traded was at 2.26% of its capitalization.

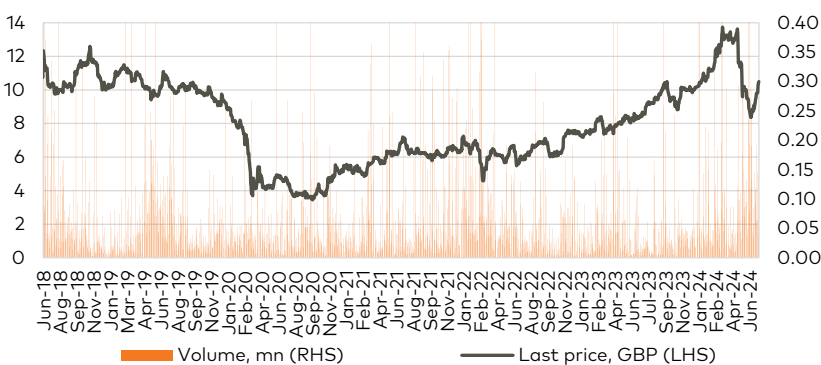
### TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 27.55/share (+7.20% w/w and +9.76% m/m). More than 440k shares changed hands in the range of GBP 25.75 - 27.75/share. Average daily traded volume was 135k in the last 4 weeks. The volume of TBCG shares traded was at 0.79% of its capitalization.

### Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 10.50/share (+7.14% w/w and +18.51% m/m). More than 354k shares traded in the range of GBP 9.76 - 10.60/share. Average daily traded volume was 114k in the last 4 weeks. The volume of CGEO shares traded was at 0.83% of its capitalization.



## Equities, continued

### Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	41.70	1,901	8.5%	51.4%	4.9%	4.36x	4.18x	4.00x	1.19x	na	na
TBC	TBC	GBP	27.55	1,526	-1.3%	18.2%	-2.7%	4.78x	4.44x	3.69x	1.15x	na	na
Halyk Bank	HSBK	USD	17.80	4,854	19.5%	26.2%	17.4%	2.57x	2.85x	2.72x	0.72x	na	na
Akbank	AKBNK	TRY	66.75	347,100	81.5%	220.0%	82.8%	2.86x	4.84x	3.08x	0.90x	1.31x	0.92x
Garanti	GARAN	TRY	122.40	514,080	113.2%	264.3%	109.8%	2.84x	5.35x	3.50x	1.00x	1.56x	1.06x
Isbank	ISCTR	TRY	16.20	405,000	74.7%	184.2%	73.4%	3.23x	4.52x	2.83x	0.87x	1.20x	0.82x
PKO	PKO	PLN	61.04	76,300	22.7%	69.6%	21.3%	11.44x	7.40x	7.53x	1.39x	1.49x	1.40x
PEKAO	PEO	PLN	165.95	43,557	12.5%	61.3%	9.1%	6.07x	6.94x	7.37x	1.32x	1.37x	1.29x
Millennium	MIL	PLN	9.40	11,403	13.3%	69.1%	12.5%	17.78x	4.31x	4.96x	1.47x	1.52x	1.29x
Mbank	MBK	PLN	622.60	26,439	18.5%	57.0%	16.4%	na	5.14x	5.95x	1.65x	1.76x	1.32x
BRD	BRD	RON	21.10	14,705	21.4%	55.1%	17.7%	7.62x	10.04x	10.37x	1.42x	1.55x	1.45x
Banca Transilvania	TLV	RON	32.60	26,036	34.3%	68.9%	34.4%	7.76x	8.76x	8.57x	1.82x	1.81x	1.55x
Komerční	KOMB	CZK	788.50	149,854	6.8%	17.8%	8.8%	8.76x	9.78x	9.45x	1.09x	1.20x	1.18x
<b>Mean</b>								<b>6.67x</b>	<b>6.04x</b>	<b>5.69x</b>	<b>1.23x</b>	<b>1.48x</b>	<b>1.23x</b>
<b>Median</b>								<b>5.43x</b>	<b>5.14x</b>	<b>4.96x</b>	<b>1.19x</b>	<b>1.50x</b>	<b>1.29x</b>

Source: Bloomberg, S&P Capital IQ



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