



Regional Fixed Income Market Watch

Georgia, Armenia, Azerbaijan, Kazakhstan, Turkey, Uzbekistan

Regional | Fixed Income
Monthly
November 5, 2024

In Oct-24, global fixed income markets faced volatility due to US economic resilience and uncertainty over US post-election policy shifts. Treasury yields rose across the curve as the economic data (non-farm payrolls, jobs report, and consumer confidence) remained strong. Following the solid figures, expectations for deep rate cuts from Fed gradually faded. Market participants adjusting their expectations on future rate cuts resulted in 2-year US treasury yield reaching 4.17% (+53bps) and the 10-year yield increasing to 4.29% (+50bps).

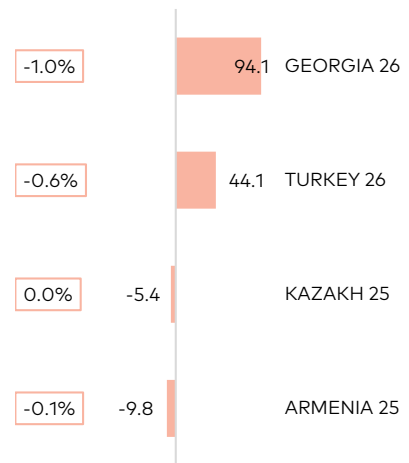
In regional sovereign Eurobond markets Georgia and Turkey experienced increase in yields, with the largest change in Georgia (+94.1bps). Uniform dynamic was observed in Georgian corporate Eurobond market - all Eurobonds experienced a rise in yields, with GRAIL posting the largest increase (+77.1bps).

Georgia money market

In Oct-24, GEL 266.7mn treasury notes and GEL 40mn treasury bills were sold. Notably, interest rates decreased on all instruments m/m. The weighted average interest rate on 10-year notes was 8.385%, 5-year notes was 8.353%, on 2-year notes was 8.351%, on 1-year instrument was 7.695%, and it came in at 7.790% for 6-month instruments. Notably, non-residents' treasury holdings decreased by 10.1% m/m to GEL 287.0mn, after a 4.0% m/m growth in Sep-24 and the share of non-residents in total outstanding holdings came in at 3.1% (-0.4ppts m/m) in Oct-24.

Regional Sovereign Eurobond yields, change m/m in October 2024, bps

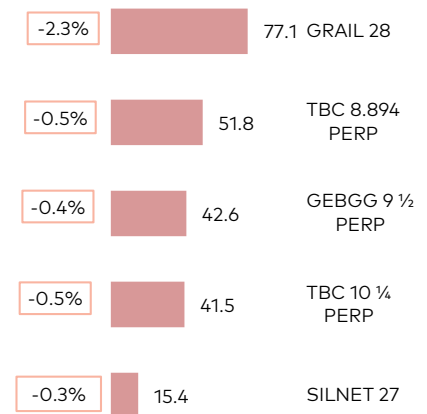
Change in price, %



Source: Bloomberg, Galt & Taggart

Georgian Corporate Eurobond yields, change m/m in October 2024, bps

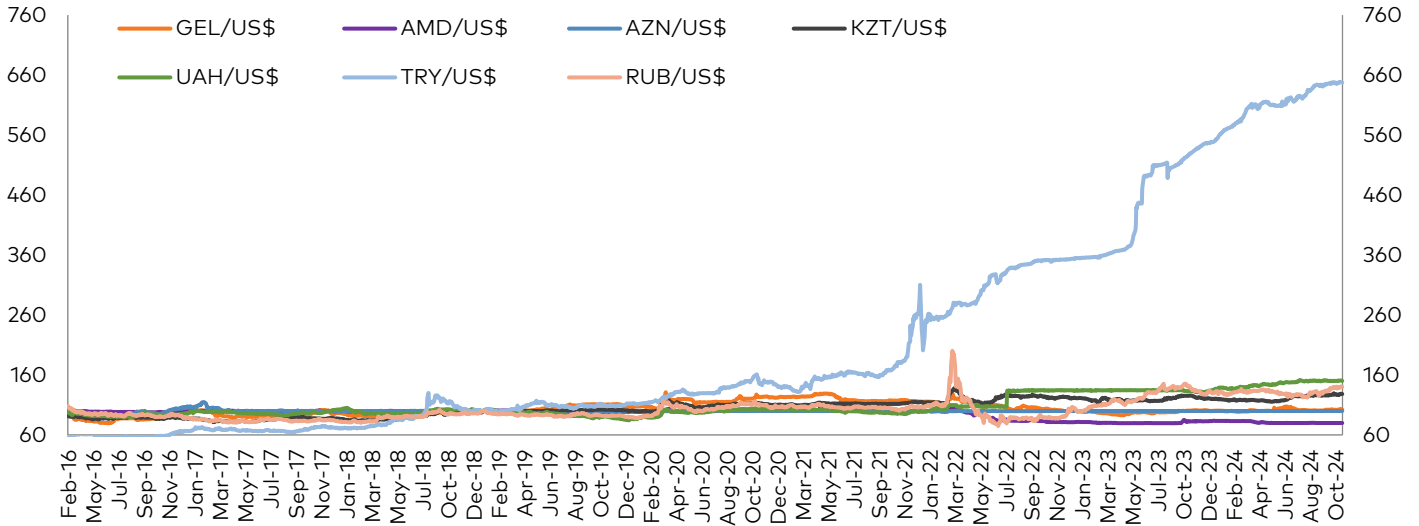
Change in price, %



Source: Bloomberg, Galt & Taggart



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



Source: Bloomberg

Central banks' monetary policy rates

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
Georgia	10.00%	10.00%	10.00%	9.50%	9.00%	9.00%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Armenia	9.75%	9.50%	9.50%	9.25%	8.75%	8.75%	8.50%	8.25%	8.25%	8.00%	7.75%	7.75%	7.50%	7.25%
Azerbaijan	9.00%	9.00%	8.50%	8.00%	8.00%	7.75%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Belarus	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%
Ukraine	20.00%	16.00%	16.00%	15.00%	15.00%	15.00%	14.50%	13.50%	13.50%	13.00%	13.00%	13.00%	13.00%	13.00%
Kazakhstan	16.50%	16.00%	15.75%	15.75%	15.25%	14.75%	14.75%	14.75%	14.50%	14.50%	14.25%	14.25%	14.25%	14.25%
Russia	13.00%	15.00%	15.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	18.00%	18.00%	19.00%	21.00%
Uzbekistan	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	13.50%	13.50%
Turkey	30.00%	35.00%	40.00%	42.50%	45.00%	45.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%	50.00%
FED	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.00%	5.00%
ECB*	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.75%	3.75%	3.75%	3.50%	3.25%

Source: Central banks

*Effective 18 September 2024, Deposit Facility Rate (DFR) is used by the ECB to steer the monetary policy stance



Georgian local bonds

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	6.75%
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	8.13%
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%
Tegeta Motors	USD	5	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	8.63%
Tegeta Motors	USD	5	8.50%	Jul-24	Jul-26	-/-/-/BB-	n/a	n/a
MP Development	USD	5	8.75%	Jul-24	Jul-26	-/-/-/-	n/a	8.75%
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	-/-/-/-	n/a	7.00%
Georgia Real Estate	USD	25	8.50%	Aug-24	Aug-26	-/-/-/-	n/a	8.50%
Chavchavadze 64B	USD	10	8.75%	Aug-24	Aug-26	-/-/-/-	n/a	8.75%

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



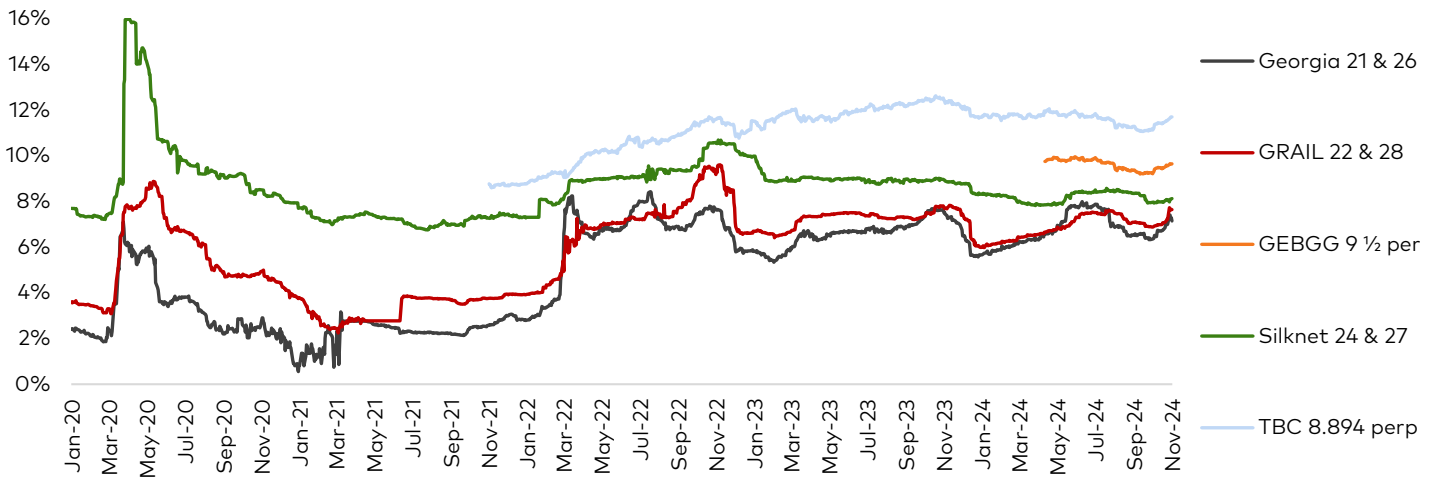
Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
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	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	6.15%
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/BB-	n/a	n/a
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
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-	100.00	11.58%
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/BB-	100.00	12.83%
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-/BB-	100.00	13.22%
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/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-	100.00	12.33%
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	15	13.50%	Aug-24	Aug-26	-/-/BB-	100.00	13.50%
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/BB-	n/a	n/a

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

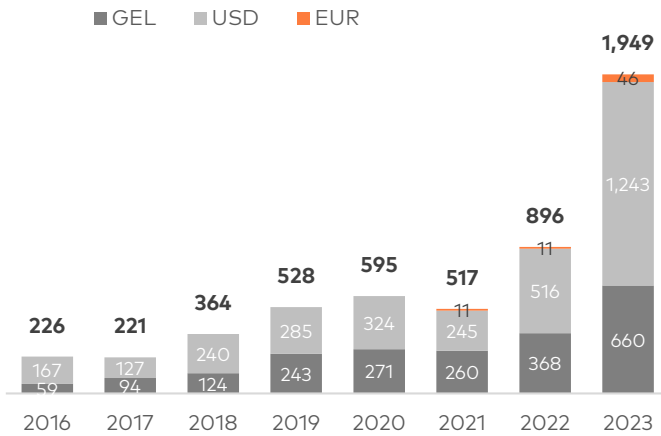


Georgian Eurobonds, YTM



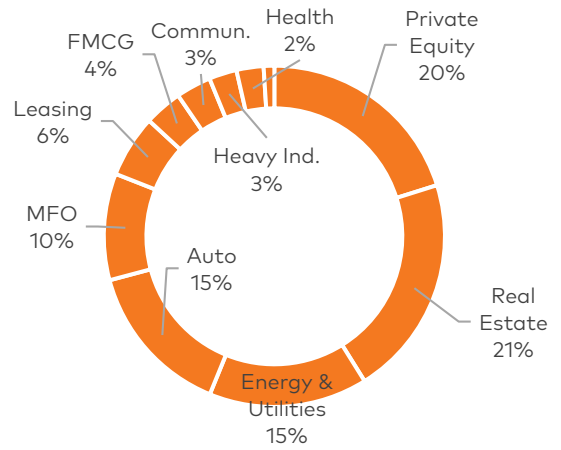
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

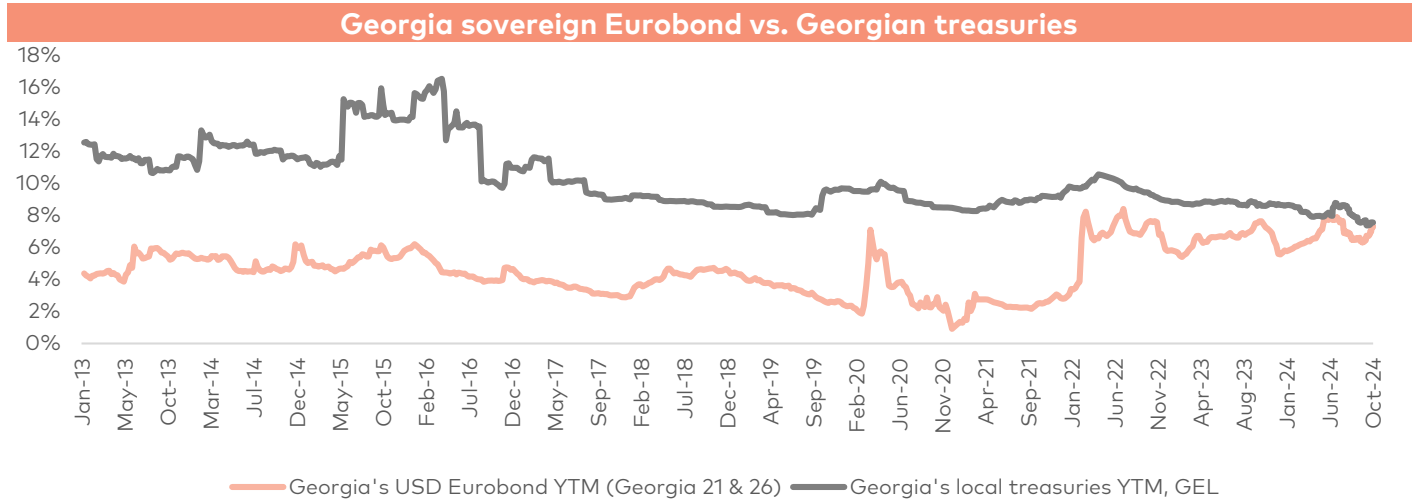
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

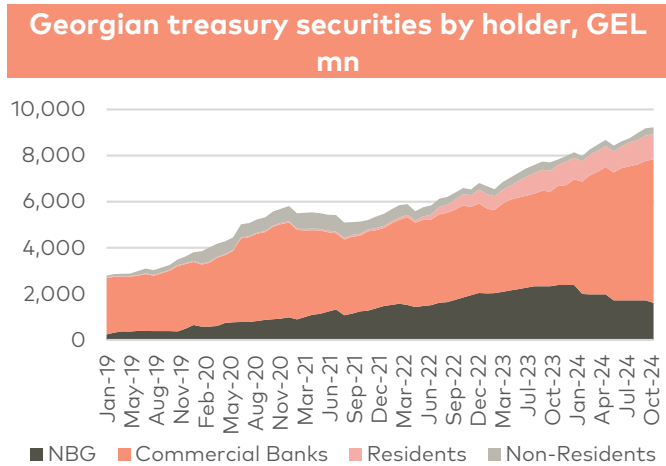


Georgian local treasury securities

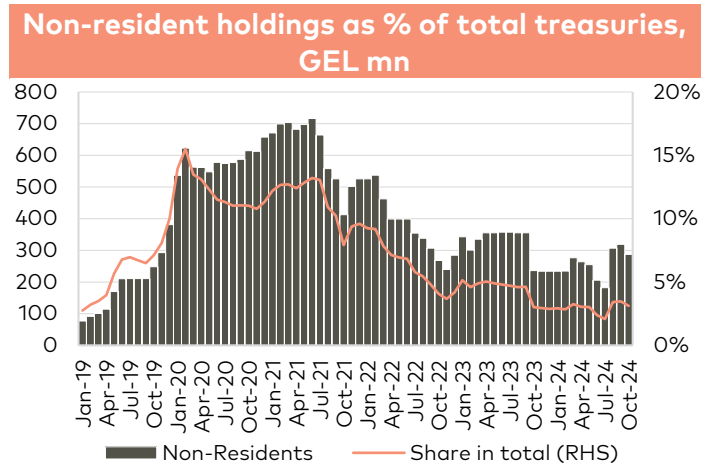


Source: Bloomberg, NBG, Galt & Taggart Research

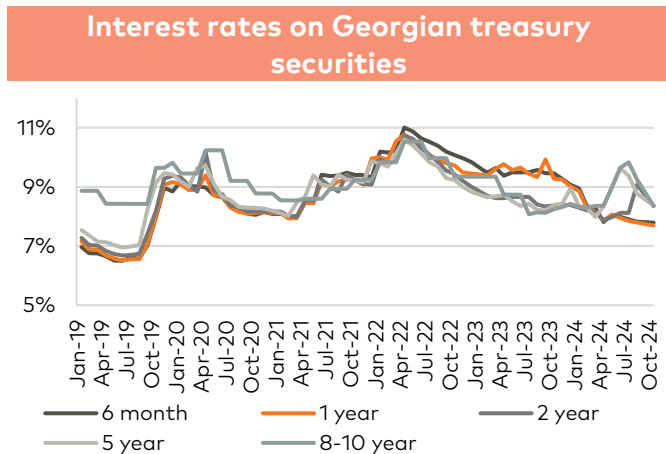
Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond



Source: NBG

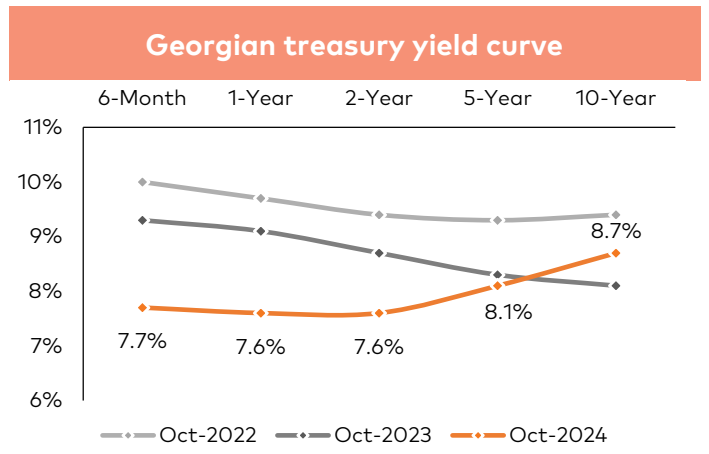


Source: NBG



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



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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	0.4	500	100.6	5.5	BB-/-/Ba3
ARMEN	USD	3.950	9/26/2029	4.3	500	88.8	6.7	BB-/-/Ba3
ARMEN	USD	3.600	2/2/2031	5.3	750	84.0	6.8	BB-/-/Ba3
AZERBJ	USD	3.500	9/1/2032	5.8	1,077	86.9	5.6	BBB-/-/Ba1u
GEORG	USD	2.750	4/22/2026	1.4	500	93.8	7.3	BB/BB/Ba2
KAZAKS	USD	5.125	7/21/2025	0.7	2,500	100.1	5.0	BBB/BBB-/Baa1
KAZAKS	USD	6.500	7/21/2045	11.7	1,500	112.0	5.5	BBB/BBB-/Baa1
KAZAKS	USD	4.875	10/14/2044	12.4	1,000	94.1	5.4	BBB/BBB-/Baa1
KAZAKS	EUR	0.600	9/30/2026	1.8	500	95.0	3.3	BBB/BBB-/Baa1
KAZAKS	EUR	2.375	11/9/2028	3.7	525	96.8	3.2	BBB/BBB-/Baa1
KAZAKS	EUR	1.500	9/30/2034	8.9	650	84.6	3.4	BBB/BBB-/Baa1
TURKEY	USD	7.375	2/5/2025	0.2	3,250	100.7	4.6	BB-/NR/B1
TURKEY	USD	4.250	4/14/2026	1.4	1,500	98.8	5.1	BB-/-/B1
TURKEY	USD	6.000	3/25/2027	2.2	3,250	101.2	5.5	BB-/-/B1
TURKEY	USD	5.125	2/17/2028	2.9	2,000	97.8	5.9	BB-/-/B1
TURKEY	USD	11.875	1/15/2030	3.9	1,500	126.8	5.8	BB-/NR/B1
TURKEY	USD	7.625	4/26/2029	3.8	3,000	104.6	6.4	BB-/-/B1
TURKEY	USD	5.950	1/15/2031	5.0	2,250	95.6	6.8	BB-/-/B1
TURKEY	USD	8.000	2/14/2034	6.5	1,500	107.6	6.9	BB-/NR/B1
TURKEY	USD	6.875	3/17/2036	7.7	2,750	97.0	7.3	BB-/NR/B1
TURKEY	USD	7.250	3/5/2038	8.4	1,000	101.1	7.1	BB-/NR/B1
TURKEY	USD	6.000	1/14/2041	9.5	3,000	84.5	7.7	BB-/NR/B1
TURKEY	USD	6.625	2/17/2045	10.2	3,000	87.4	7.9	BB-/-/B1
TURKEY	USD	5.750	5/11/2047	10.7	3,500	77.5	7.9	BB-/-/B1
TURKEY	EUR	4.375	7/8/2027	2.5	1,500	101.6	3.7	BB-/-/B1
TURKEY	USD	6.375	10/14/2025	0.9	2,500	101.5	4.8	BB-/-/B1
TURKEY	EUR	5.200	2/16/2026	1.2	1,500	102.4	3.3	BB-/-/B1
TURKEY	EUR	4.625	3/31/2025	0.4	1,250	100.6	3.0	BB-/-/B1
TURKEY	USD	5.250	3/13/2030	4.5	2,000	94.5	6.5	BB-/-/B1
TURKEY	USD	4.250	3/13/2025	0.3	2,000	99.8	4.8	BB-/-/B1
TURKEY	USD	4.875	4/16/2043	10.7	3,000	71.9	7.8	BB-/-/B1
TURKEY	USD	6.500	9/20/2033	6.5	1,500	96.3	7.1	BB-/-/B1
TURKEY	USD	8.600	9/24/2027	2.5	2,000	108.0	5.6	BB-/-/B1
TURKEY	USD	4.875	10/9/2026	1.8	3,000	99.2	5.3	BB-/-/B1
TURKEY	USD	4.750	1/26/2026	1.2	1,750	99.8	4.9	BB-/-/B1
TURKEY	USD	5.600	11/14/2024	0.0	2,500	100.1	3.8	BB-/-/B1
TURKEY	EUR	3.250	6/14/2025	0.6	1,000	100.1	3.1	BB-/-/B1
TURKEY	USD	6.750	5/30/2040	9.0	2,000	92.5	7.6	BB-/NR/B1
TURKEY	USD	6.125	10/24/2028	3.5	2,750	100.4	6.0	BB-/-/B1
TURKEY	USD	5.875	6/26/2031	5.3	1,750	94.8	6.9	BB-/-/B1
UZBEK	USD	5.375	2/20/2029	3.7	500	95.3	6.6	BB-/BB-/-
UZBEK	USD	3.700	11/25/2030	5.1	555	84.6	6.8	BB-/BB-/-
UZBEK	USD	3.900	10/19/2031	5.8	635	83.6	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)
GEBGG	Georgia	USD	9.500	1/8 PERP	3.7	300	97.7	10.1	B-/-/B2
TBCBGE	Georgia	USD	8.894	894 PERP	1.9	75	95.6	11.2	B-/-/-
TBCBGE	Georgia	USD	10.250	10 1/4 PERP	3.7	300	98.3	10.7	-/-/B2
DBKAZ	Kazakhstan	USD	5.750	5/12/2025	0.5	500	99.9	6.0	BBB/-/Baa1
SAMRUK	Kazakhstan	USD	2.000	10/28/2026	1.9	500	93.9	5.3	BBB/BBB/-
DBKAZ	Kazakhstan	USD	2.950	5/6/2031	5.7	500	85.9	5.6	BBB/-/Baa1
DBKAZ	Kazakhstan	USD	6.000	3/23/2026	1.3	107	100.4	5.7	BBB/BBB-/Baa1
AKBNK	Turkey	USD	5.125	3/31/2025	0.4	500	99.9	5.4	BB-/-/B1
ISCTR	Turkey	USD	8.100	12/3/2029	3.8	50	104.0	7.1	BB-/-/NR
VAKBN	Turkey	USD	6.500	1/8/2026	1.1	750	101.1	5.5	B+/-/B1
AKBNK	Turkey	USD	6.800	2/6/2026	1.2	500	101.8	5.3	BB-/-/B1
TCZIRA	Turkey	USD	5.375	3/2/2026	1.2	600	99.8	5.5	B+/-/B1
VAKBN	Turkey	USD	5.500	10/1/2026	1.8	500	99.5	5.8	B+/-/-
VAKBN	Turkey	USD	5.250	2/5/2025	0.2	750	100.0	5.3	B+/-/B1
TSKBTI	Turkey	USD	5.875	1/14/2026	1.1	350	100.3	5.6	B+/-/B1
TSKBTI	Turkey	USD	6.000	1/23/2025	0.2	400	100.1	5.3	B+/-/B1
FCFIN	Turkey	USD	7.250	11/9/2027	0.0	150	100.0	7.8	B/-/B1
GARAN	Turkey	USD	5.250	12/20/2024	0.1	50	100.1	4.1	BB-/-/-
ISCTR	Turkey	USD	5.050	2/25/2026	1.2	13	98.3	6.4	BB-/-/NR
AKBNK	Turkey	USD	6.050	11/15/2024	0.0	50	100.2	-0.4	BB-/-/-
YKBNK	Turkey	USD	6.050	12/10/2024	0.1	50	100.3	3.3	BB-/-/B1
EXCRTU	Turkey	USD	5.750	7/6/2026	1.5	750	99.8	5.9	BB-/-/B1
IPTBZU	Uzbekistan	USD	5.500	11/19/2025	1.0	300	98.4	7.1	BB-/BB-/-
SQBNZU	Uzbekistan	USD	5.750	12/2/2024	0.1	300	99.8	7.7	BB-/BB-/-
NBUZB	Uzbekistan	USD	4.850	10/21/2025	0.9	300	98.4	6.6	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	4.1	500	98.5	6.6	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	1.2	300	100.9	8.0	BB-/-/B1
TURKTI	Turkey	USD	6.875	2/28/2025	0.4	500	100.6	5.4	BB-/BB-/-
TCELLT	Turkey	USD	5.750	10/15/2025	1.0	500	100.6	5.1	BB-/BB-/B1u
TCELLT	Turkey	USD	5.800	4/11/2028	3.0	500	98.3	6.3	BB-/BB-/-

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	4.4	750	104.8	5.9	BBB-/BB-/NR
SGCAZE	Azerbaijan	USD	6.875	3/24/2026	1.3	2,000	102.1	5.3	BBB-/-/Ba1
CGEO	Georgia	USD	8.875	7/25/2029	3.0	300	95.6	11.7	BB-/BB-/-
TENGIZ	Kazakhstan	USD	4.000	8/15/2026	1.4	1,000	96.9	5.8	-/BB+/Baa2
TENGIZ	Kazakhstan	USD	2.625	8/15/2025	0.7	500	97.5	6.0	-/BB+/Baa2
KZOKZ	Kazakhstan	USD	6.375	10/24/2048	11.9	1,500	95.1	6.8	BBB-/-/Baa1
KZOKZ	Kazakhstan	USD	4.750	4/19/2027	2.3	1,000	99.2	5.1	BBB/BB+/Baa1
KZOKZ	Kazakhstan	USD	5.375	4/24/2030	4.7	1,250	98.9	5.6	BBB-/-/Baa1
KZOKZ	Kazakhstan	USD	3.500	4/14/2033	7.0	750	84.7	5.8	BBB-/-/Baa1
KZTGKZ	Kazakhstan	USD	4.375	9/26/2027	2.6	706	96.3	5.8	BB+/-/Baa2
KZOKZ	Kazakhstan	USD	5.750	4/19/2047	11.8	1,250	88.7	6.7	BBB/BB+/Baa1
TENGIZ	Kazakhstan	USD	3.250	8/15/2030	5.1	750	84.9	6.4	-/BB+/Baa2
AYDEMT	Turkey	USD	7.750	2/2/2027	1.5	750	99.4	8.0	B/B/-
UNGUZB	Uzbekistan	USD	4.750	11/16/2028	3.4	700	87.8	8.4	BB-/B+/-

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	3.2	500	88.6	7.6	BB-/BB-/-
SISETI	Turkey	USD	6.950	3/14/2026	1.0	700	101.9	5.5	BB-/-/B1
ACKAF	Turkey	EUR	3.000	5/27/2026	1.5	350	98.4	4.1	BB/BB/-
PGSUST	Turkey	USD	9.250	4/30/2026	0.5	375	102.9	7.2	BB-/B+/-
THYAO	Turkey	USD	4.200	3/15/2027	1.3	182	96.3	5.9	BB+/BB+/Ba3
ULKER	Turkey	USD	6.950	10/30/2025	0.9	650	101.2	5.7	BB/BB/-
CCOLAT	Turkey	USD	4.500	1/20/2029	3.7	500	96.3	5.5	BBB/BB+/-
AEFES	Turkey	USD	3.375	6/29/2028	3.3	500	88.5	7.0	BB+ */-/BB+/-
LIMISK	Turkey	USD	9.500	7/10/2036	5.1	370	94.4	10.3	B-/B3
KCHOL	Turkey	USD	6.500	3/11/2025	0.1	750	100.1	6.1	-/BB/WR
TURKSK	Turkey	USD	7.250	2/24/2027	2.1	3,000	103.3	5.7	BB-/-/B1
TURKSK	Turkey	USD	5.125	6/22/2026	1.5	2,500	99.4	5.5	BB-/-/B1
TURKSK	Turkey	USD	4.489	11/25/2024	0.0	1,000	100.1	2.4	BB-/-/B1
ISTNBL	Turkey	USD	10.750	4/12/2027	2.1	305	108.2	7.0	BB-/-/B1
ISTNBL	Turkey	USD	6.375	12/9/2025	1.0	580	100.0	6.4	BB-/-/B1
UZAMTS	Uzbekistan	USD	4.850	5/4/2026	1.4	300	95.8	7.9	BB-/B+/-

Source: Bloomberg

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