



Economy

Unemployment rate stood at 13.8% in 3Q24

The unemployment rate reduced by 1.8ppts y/y to 13.8% in 3Q24, though it saw a slight increase from 13.7% in 2Q24. During this period, the number of hired employed individuals increased by 3.3% y/y, accounting for 69.2% of total employment, while self-employed persons rose by 2.4% y/y. Notably, labor force participation rate increased by 1.0ppts y/y to 54.7% in 3Q24.

We forecast unemployment rate at 13.8% in 2024, down from 16.4% in 2023.

Goods exports surged by 39.0% y/y in Oct-24

In Oct-24, goods exports surged by 39.0% y/y to US\$ 681.7mn, after a 17.0% y/y growth in previous month. Goods imports increased by 5.8% y/y to US\$ 1.4bn, after falling by 0.3% y/y in previous month. Consequently, the trade deficit narrowed by 12.8% y/y to US\$ 758.8mn in Oct-24.

The top 5 exported commodities were cars (+21.3% y/y), ferro-alloys (+25.9x y/y), spirits (+40.8% y/y), precious metals (+19.7x y/y) and wine (-5.2% y/y) in Oct-24. A 9.7% of exports were directed to the EU (+41.3% y/y), 62.8% to the CIS (+19.2% y/y) and 27.4% to other countries (+122.2% y/y).

The top 5 imports were cars (-11.1% y/y), petroleum (-3.6% y/y), pharmaceuticals (-5.4% y/y), phones (+7.0% y/y) and gases (-6.1% y/y) and in Oct-24.

Overall, in 10M24, trade deficit widened by 3.1% y/y to US\$ 8.1bn, as exports increased by 7.4% y/y to US\$ 5.5bn and imports were up by 4.8% y/y to US\$ 13.6bn.

Producer price index increased by 6.8% y/y in Oct-24

Annual PPI for industrial goods retreated to 6.8% in Oct-24, from 8.8% in the previous month. The annual growth was mainly driven by a rise in prices in the manufacturing (+5.3% y/y) and mining (+29.7% y/y) sectors.

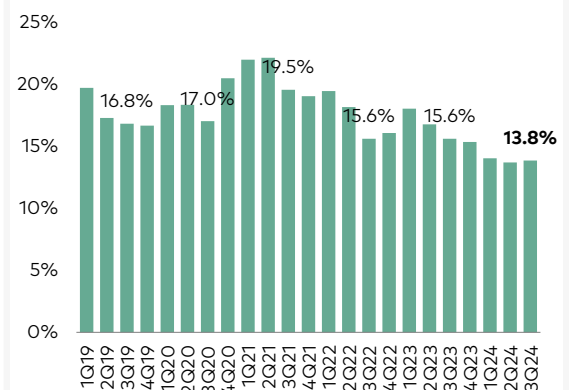
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.8%	9.0%
GDP per capita (ppp)	25,188	27,903
GDP per capita (US\$)	8,284	9,058
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.0%
Gross reserves (US\$ bn)	5.0	4.5
CAD (% of GDP)	5.6%	4.9%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	38.9%	36.5%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

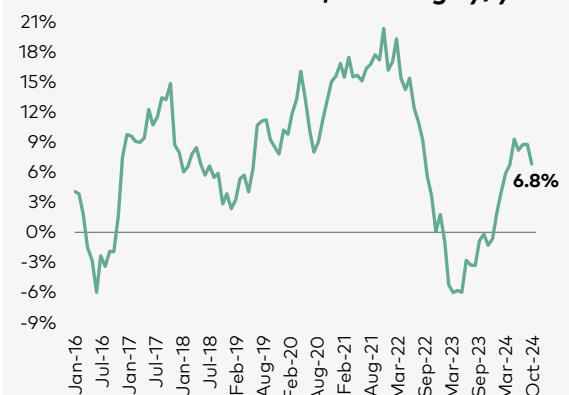
*Latest sovereign credit ratings

Unemployment rate in Georgia



Source: Geostat

Producer Price Index, % change y/y



Source: Geostat

Money market

Ministry of Finance T-bills/T-notes:

6.7-year GEL 75.0mn (US\$ 27.5mn) Benchmark bonds were sold at the auction held at NBG on November 19, 2024. Total demand was 2.3x higher and the weighted average yield was fixed at 8.401%, up by 0.016ppts from previous auction held in Oct-24.

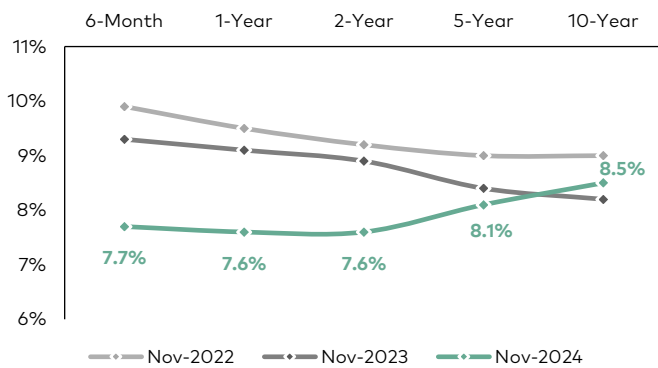
The nearest treasury security auction is scheduled for November 26, 2024, where GEL 100.0mn nominal value 5-year Benchmark Bonds will be sold.

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)	490	40	360
Long-term (over 1-year)	2,687	355	8,862
Total	3,177	395	9,222

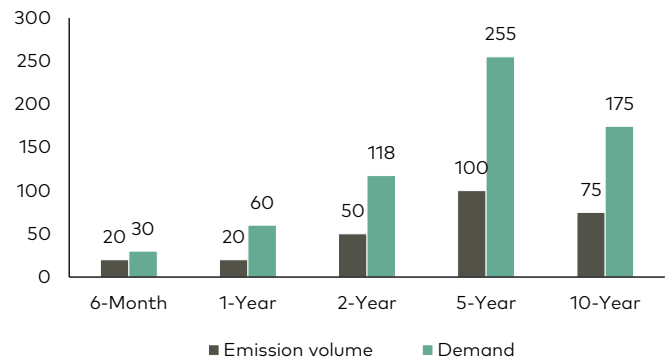
Source: MoF
*As of October 2024

T-bills / T-notes, yield curve



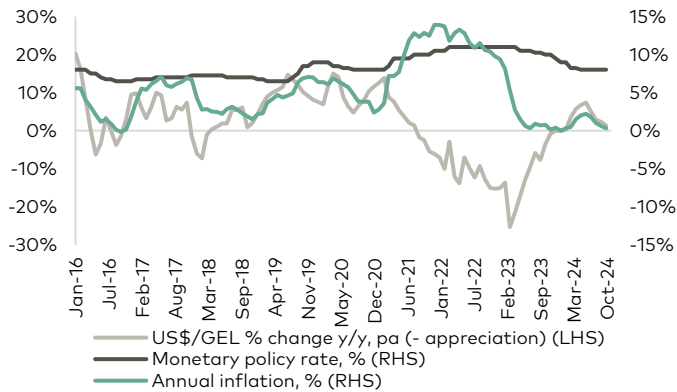
Source: NBG

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



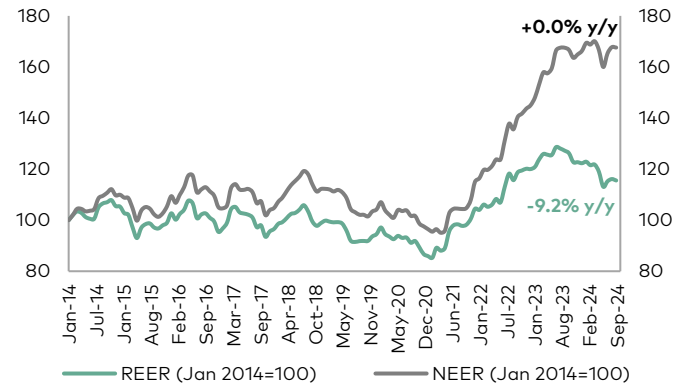
Source: NBG

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

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	94.63	6.82	257.43
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.88	7.63	359.94
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.66	9.96	587.79
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.78	7.97	334.29
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.00	11.00	683.29
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.60	10.45	637.36
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.35	8.51	440.22

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

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



Fixed income

Georgian local bonds

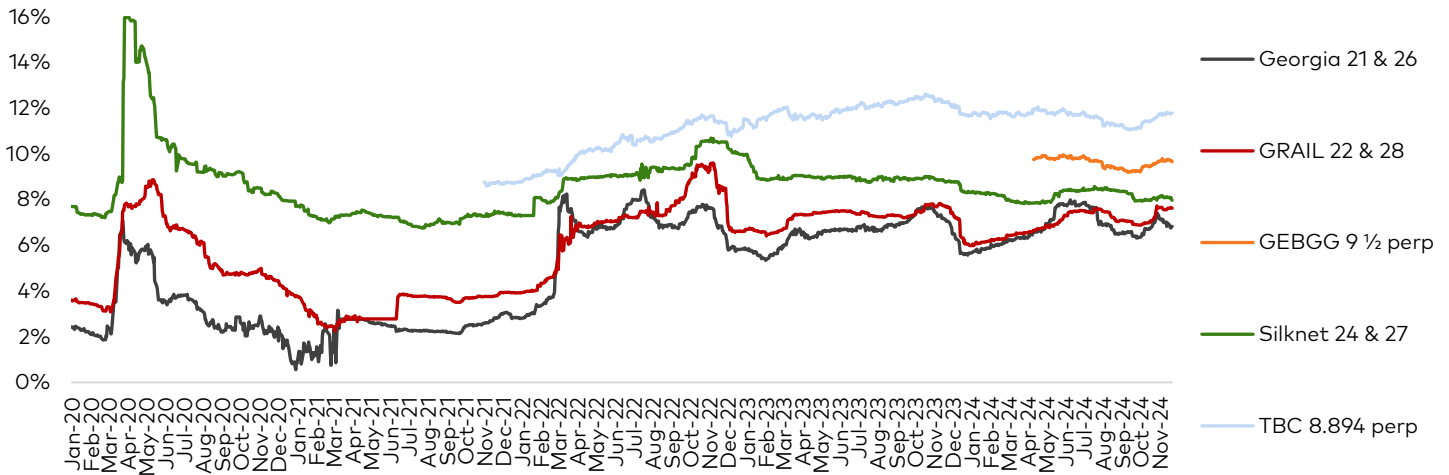
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	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	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%

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



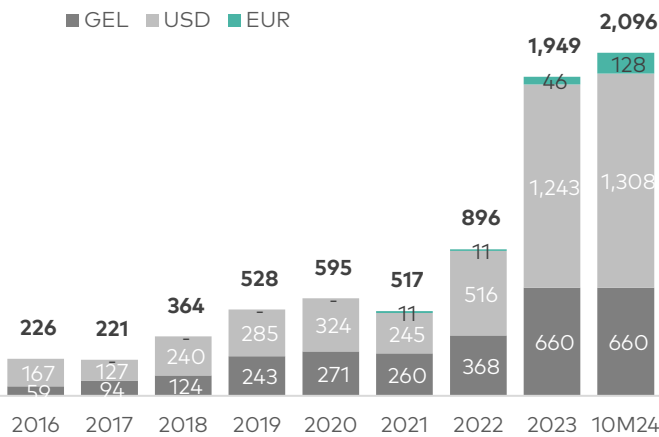
Fixed income

Georgian Eurobonds, YTM



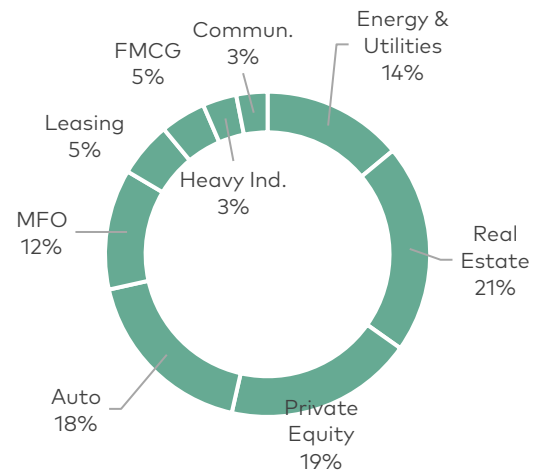
Source: Bloomberg

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

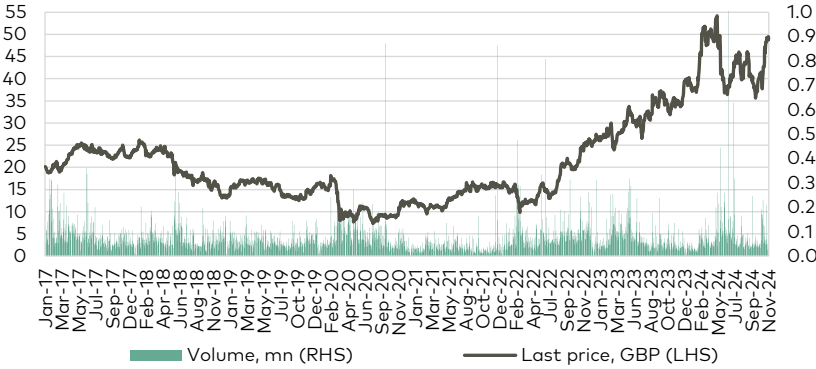


Source: Galt & Taggart



Equities

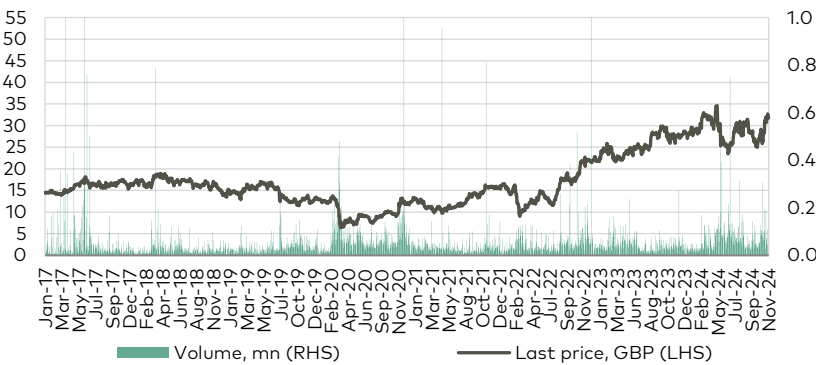
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Bank of Georgia Group (BGEO LN) shares closed at GBP 48.95/share (-0.41% w/w and +17.95% m/m). More than 207k shares traded in the range of GBP 47.95 - 49.90/share. Average daily traded volume was 87k in the last 4 weeks. The volume of BGEO shares traded was at 0.47% of its capitalization.

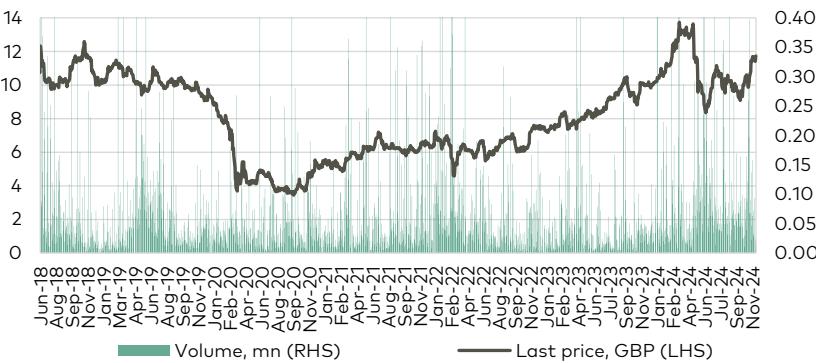
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 31.95/share (+0.16% w/w and +9.61% m/m). More than 266k shares changed hands in the range of GBP 31.30 - 33.15/share. Average daily traded volume was 89k in the last 4 weeks. The volume of TBCG shares traded was at 0.48% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 11.74/share (+1.56% w/w and +10.55% m/m). More than 175k shares traded in the range of GBP 11.28 - 11.80/share. Average daily traded volume was 106k in the last 4 weeks. The volume of CGEO shares traded was at 0.41% of its capitalization.

Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn6M	chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	48.95	2,181	21.5%	43.5%	23.1%	4.36x	4.30x	3.72x	1.19x	na	na
TBC	TBC	GBP	31.95	1,787	17.0%	16.4%	12.9%	4.78x	4.94x	4.17x	1.15x	na	na
Halyk Bank	HSBK	USD	19.48	5,311	7.0%	35.3%	28.5%	2.57x	3.04x	2.93x	0.72x	na	na
Akbank	AKBNK	TRY	60.60	315,120	-8.5%	96.2%	65.9%	2.86x	6.06x	3.39x	0.90x	1.25x	0.95x
Garanti	GARAN	TRY	119.50	501,900	18.7%	141.7%	104.8%	2.84x	5.14x	3.48x	1.00x	1.54x	1.06x
Isbank	ISCTR	TRY	13.60	340,000	-13.7%	60.4%	45.5%	3.23x	5.77x	2.84x	0.87x	1.06x	0.79x
PKO	PKO	PLN	54.36	67,950	-4.6%	15.4%	8.0%	11.44x	5.61x	6.23x	1.39x	1.29x	1.23x
PEKAO	PEO	PLN	139.35	36,575	-10.6%	0.0%	-8.4%	6.07x	5.87x	6.01x	1.32x	1.11x	1.08x
Millennium	MIL	PLN	8.29	10,057	-3.8%	5.2%	-0.8%	17.78x	3.67x	4.12x	1.47x	1.28x	1.12x
Mbank	MBK	PLN	560.40	23,815	-11.0%	-1.5%	4.7%	na	8.31x	5.22x	1.65x	1.56x	1.22x
BRD	BRD	RON	18.86	13,144	-4.3%	9.7%	5.2%	7.62x	9.12x	9.27x	1.42x	1.37x	1.28x
Banca Transilvania	TLV	RON	28.20	25,856	4.8%	40.4%	33.4%	7.76x	6.44x	7.24x	1.82x	1.46x	1.52x
Komerčni	KOMB	CZK	817.00	155,270	4.3%	19.7%	12.8%	8.76x	9.97x	9.93x	1.09x	1.23x	1.23x
Mean								6.67x	6.02x	5.27x	1.23x	1.32x	1.15x
Median								5.43x	5.77x	4.17x	1.19x	1.29x	1.17x

Source: Bloomberg, S&P Capital IQ

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