



Economy

Real GDP growth was 7.5% y/y in Nov-24

Georgia's economic growth slowed to 7.5% in Nov-24, after growing by 11.0% in previous month. Cumulatively, real GDP growth came in at 9.4% in 11M24. In November, real growth was recorded in the professional & scientific, ICT and transport sectors, while the manufacturing sector contracted. Due to November's growth being lower than anticipated, we expect real GDP growth of 9.4% for the full year-2024, down from our earlier projection of 9.7% (see latest macro review [here](#)).

Annual inflation was 1.9% in Dec-24

In Dec-24, annual inflation was 1.9%, up from 1.3% posted in November. This increase was mainly driven by an acceleration in mixed goods inflation to 3.9% y/y (+3.1% y/y in Nov-24), along with, inflation for domestically produced goods and services standing at 2.2% y/y (+1.8% y/y in Nov-24). Meanwhile, imported inflation declined by -0.9% y/y (-1.7% y/y in the previous month). Notably, core inflation, excluding volatile food, energy and tobacco prices, rose further to 2.3% y/y in Dec-24 from 1.6% y/y in November.

By categories, annual inflation in Dec-24 was largely driven by price changes in food and non-alcoholic beverages (+3.6% y/y, +1.18ppts), alcoholic beverages & tobacco (+5.9% y/y, +0.40ppts), healthcare (+3.7% y/y, +0.35ppts), hotels & restaurants (+7.7% y/y, +0.27ppts), education (+5.1% y/y, +0.26ppts), transport (-1.4% y/y, -0.18ppts), utilities (-3.2% y/y, -0.27ppts) and communication (-12.7% y/y, -0.47ppts) categories.

On a monthly basis, there was a 0.7% y/y inflation in Dec-24, mainly due to rising prices in food and non-alcoholic beverages (+1.3% m/m, +0.46ppts) category.

Notably, average annual inflation came in at 1.1% in 2024, down from 2.5% in 2023.

CA surplus at 0.7% of GDP in 3Q24

Current account (CA) recorded a surplus of US\$ 61.4mn, or 0.7% of GDP in 3Q24, according to NBG. The annual improvement in the 3Q24 CA balance was mainly driven by a 14.2% y/y growth in service balance, along with a 6.9% y/y reduction in goods trade deficit.

Overall, CA deficit reduced by 19.1% y/y to US\$ 866.1mn, or 3.5% of GDP in 9M24, down from 4.8% of GDP in 9M23. Moreover, when excluding reinvestments (recorded in both CA and its funding categories), the CA balance showed a surplus of 0.1% of GDP in 9M24, compared to 0.5% of GDP in 9M23.

We forecast CA deficit at 4.9% of GDP in 2024, down from 5.6% in 2023.

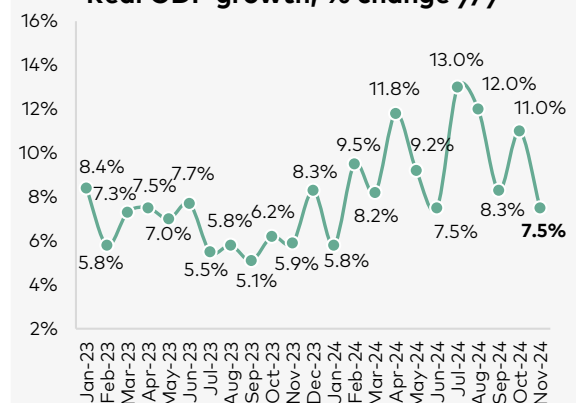
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.8%	9.4%
GDP per capita (ppp)	25,188	28,119
GDP per capita (US\$)	8,284	9,128
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.1%
Gross reserves (US\$ bn)	5.0	4.6
CAD (% of GDP)	5.6%	4.9%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	38.9%	36.8%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

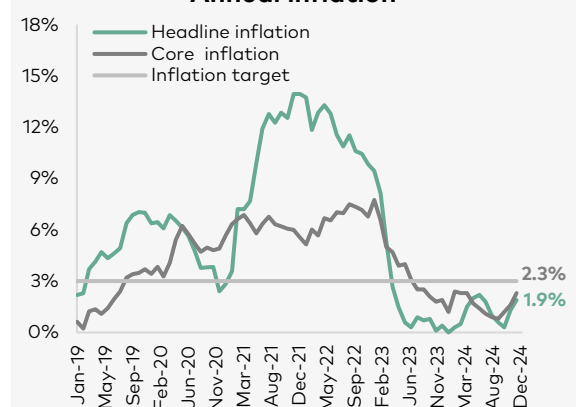
*Latest sovereign credit ratings

Real GDP growth, % change y/y



Source: Geostat

Annual inflation



Source: Geostat, NBG

Money market

There was no treasury securities auction last week.

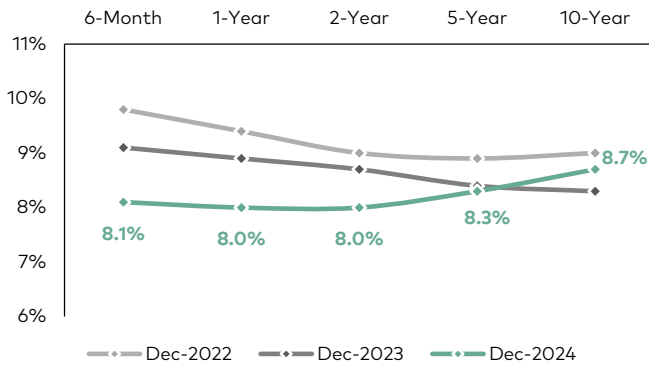
The nearest treasury security auction is scheduled for January 6, 2025, where GEL 50.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 3.0-year Benchmark Bonds will be sold.

T-bills / T-notes in 2025

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	0	570	360
Long-term (over 1-year)	0	2,380	9,088
Total	0	2,950	9,448

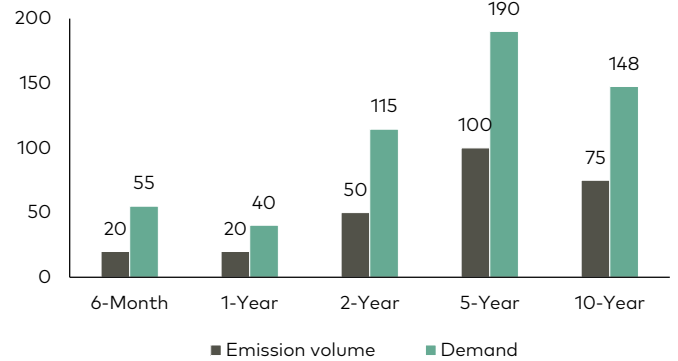
Source: MoF
*As of November 2024

T-bills / T-notes, yield curve



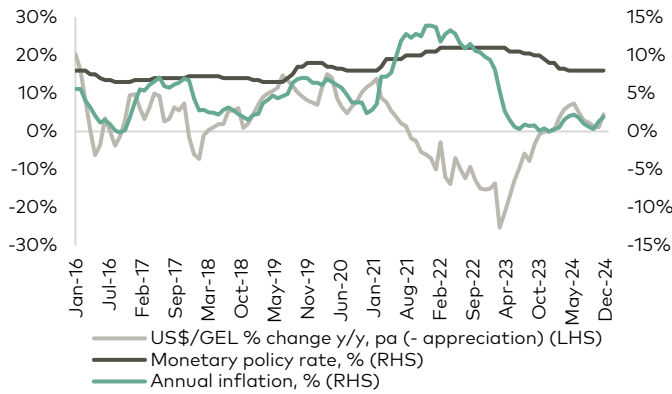
Source: NBG

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



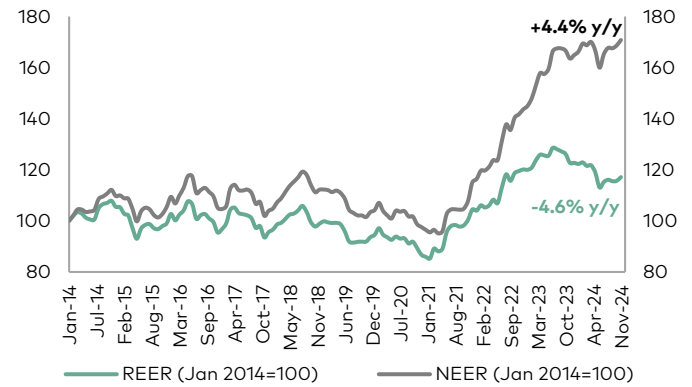
Source: NBG

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	94.27	7.48	334.12
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	87.64	8.19	411.87
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.99	10.01	599.73
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.68	8.01	350.00
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.80	11.31	710.29
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.38	10.42	635.71
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	100.97	8.61	447.84

■ 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
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
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%
Tegeta Motors	USD	5	8.25%	Dec-24	Dec-26	-/-/-/BB-	n/a	n/a

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



Fixed income

Georgian local bonds

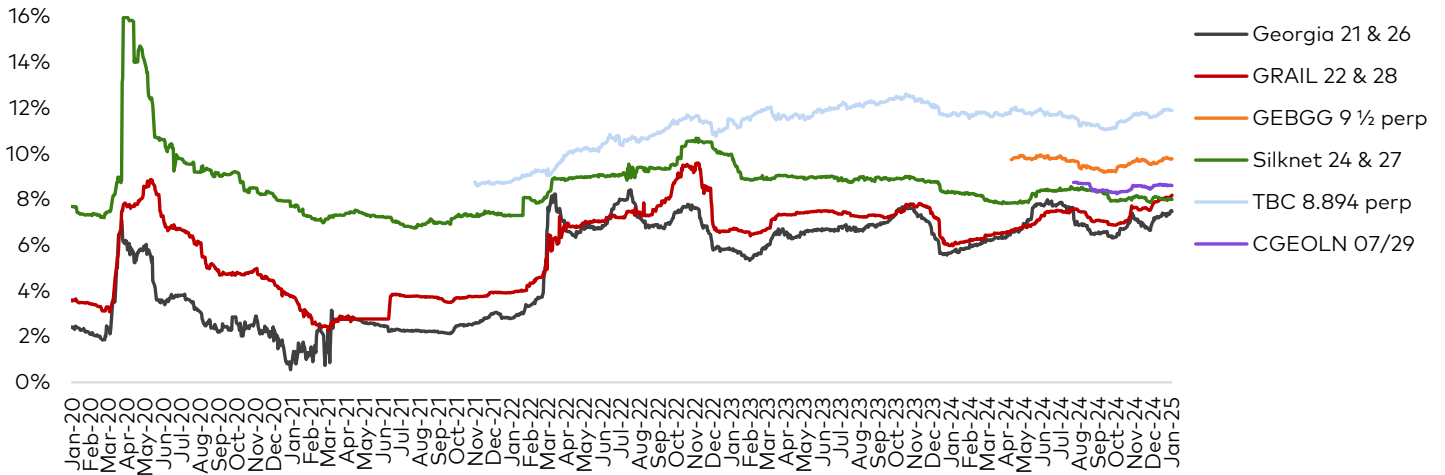
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	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%
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	60	TIBR3M + 3.25%	Oct-24	Oct-29	-/-/BB-	n/a	n/a

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



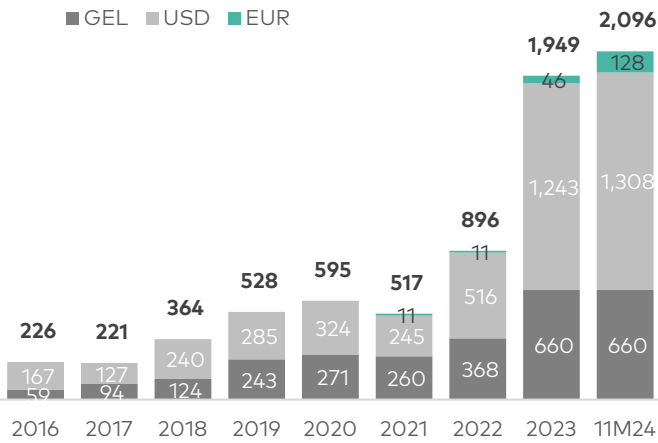
Fixed income

Georgian Eurobonds, YTM



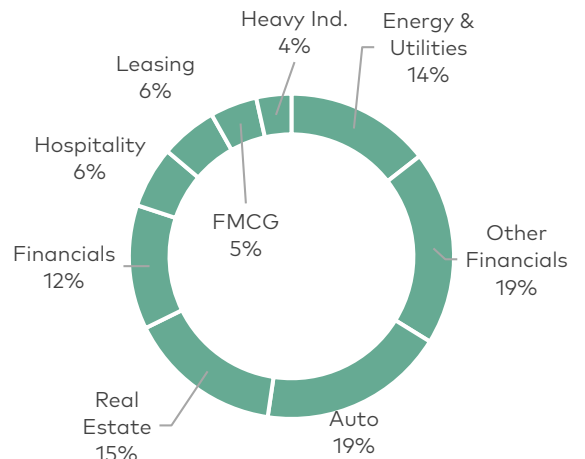
Source: Bloomberg

Georgian 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

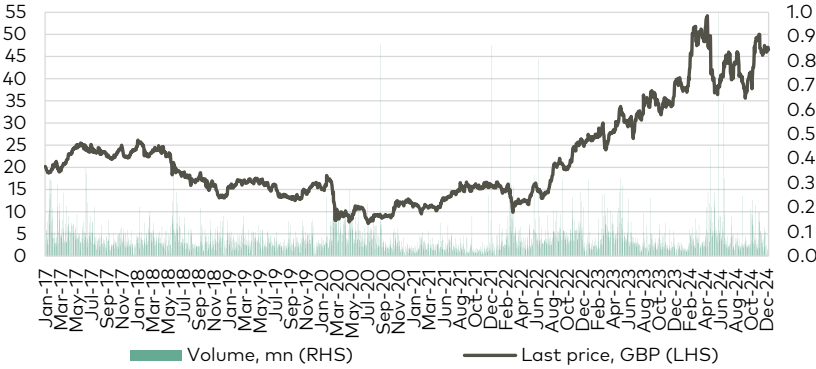


Source: Galt & Taggart



Equities

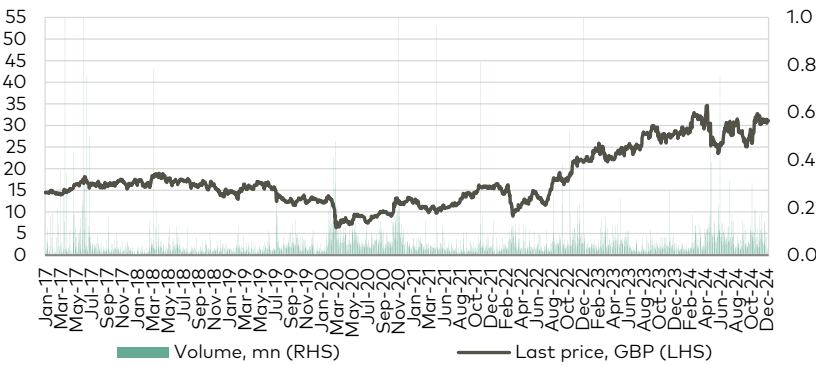
Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 46.50/share (+1.09% w/w and -0.32% m/m). More than 95k shares traded in the range of GBP 45.35 - 47.45/share. Average daily traded volume was 54k in the last 4 weeks. The volume of BGEO shares traded was at 0.22% of its capitalization.

Source: Bloomberg

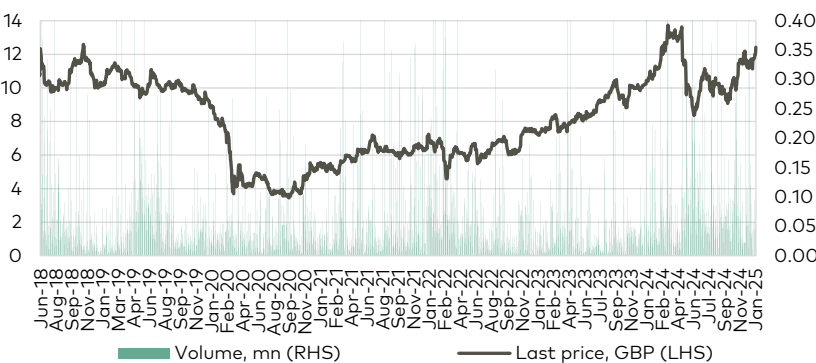
TBC Bank Group (TBCG LN)



TBC Bank Group (TBCG LN) closed the week at GBP 31.10/share (+1.80% w/w and +1.97% m/m). More than 62k shares changed hands in the range of GBP 30.35 - 31.50/share. Average daily traded volume was 60k in the last 4 weeks. The volume of TBCG shares traded was at 0.11% of its capitalization.

Source: Bloomberg

Georgia Capital (CGEO LN)



Georgia Capital (CGEO LN) shares closed at GBP 12.42/share (+5.97% w/w and +6.52% m/m). More than 211k shares traded in the range of GBP 11.56 - 12.52/share. Average daily traded volume was 109k in the last 4 weeks. The volume of CGEO shares traded was at 0.53% of its capitalization.

Source: Bloomberg



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	46.50	2,066	13.6%	19.4%	-1.3%	4.36x	4.07x	3.59x	1.19x	na	na
TBC	TBC	GBP	31.10	1,752	17.6%	15.2%	-0.3%	4.78x	4.89x	4.14x	1.15x	na	na
Halyk Bank	HSBK	USD	20.50	5,589	15.0%	39.3%	5.5%	2.57x	3.36x	3.29x	0.72x	na	na
Akbank	AKBNK	TRY	66.20	344,240	-0.1%	87.3%	2.1%	2.86x	6.60x	3.95x	0.90x	1.45x	1.10x
Garanti	GARAN	TRY	129.10	542,220	8.7%	128.5%	3.8%	2.84x	5.62x	4.02x	1.00x	1.64x	1.22x
Isbank	ISCTR	TRY	14.08	352,000	-14.3%	56.9%	4.0%	3.23x	6.63x	3.49x	0.87x	1.18x	0.90x
PKO	PKO	PLN	60.30	75,375	-2.3%	20.5%	0.9%	11.44x	6.90x	6.71x	1.39x	1.48x	1.38x
PEKAO	PEO	PLN	140.40	36,851	-16.3%	-6.6%	1.8%	6.07x	5.63x	5.95x	1.32x	1.13x	1.08x
Millennium	MIL	PLN	9.18	11,136	-1.7%	13.5%	3.1%	17.78x	3.96x	4.55x	1.47x	1.42x	1.23x
Mbank	MBK	PLN	552.00	23,458	-12.7%	4.6%	0.9%	na	10.02x	5.88x	1.65x	1.48x	1.19x
BRD	BRD	RON	19.16	13,353	-7.2%	7.3%	2.8%	7.62x	9.21x	9.41x	1.42x	1.39x	1.30x
Banca Transilvania	TLV	RON	27.70	25,398	-1.1%	33.1%	2.6%	7.76x	5.98x	6.98x	1.82x	1.54x	1.48x
Komercni	KOMB	CZK	857.00	162,872	9.2%	18.6%	1.0%	8.76x	10.31x	10.50x	1.09x	1.29x	1.30x
Mean								6.67x	6.40x	5.57x	1.23x	1.40x	1.22x
Median								5.43x	5.98x	4.55x	1.19x	1.44x	1.22x

Source: Bloomberg, S&P Capital IQ

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