



## Economy

### Annual inflation was 0.3% in Oct-24

In Oct-24, annual inflation was 0.3%, down from 0.6% posted in September. This slowdown was mainly driven by a decrease in imported inflation (-1.5% y/y, down from +1.4% y/y in the previous month), followed by a 0.6% y/y decline in mixed goods inflation (-1.1% y/y in Sep-24). Meanwhile, inflation for domestically produced goods and services accelerated, increasing by 1.8% y/y in Oct-24, following a 1.2% y/y increase in previous month. Notably, core inflation, excluding volatile food, energy and tobacco prices, rose to 1.2% y/y in Oct-24 from 0.8% y/y in September.

By categories, annual inflation in Oct-24 was largely driven by price changes in hotels & restaurants (+7.6% y/y, +0.26ppts), education (+5.0% y/y, +0.25ppts), alcoholic beverages & tobacco (+3.3% y/y, +0.22ppts), utilities (-3.0% y/y, -0.25ppts), and communication (-12.7% y/y, -0.47ppts) categories.

On a monthly basis, there was a 0.3% y/y inflation in Oct-24, mainly due to rising prices in clothing and footwear (+6.7% m/m, +0.25ppts) and food and non-alcoholic beverages (+0.4% m/m, +0.15ppts) categories. Meanwhile, prices in transport (-1.4% m/m, -0.18ppts) category dropped in October.

### Tourism revenues estimated at US\$ 390mn in Oct-24

Tourism revenues increased by 6.7% y/y to US\$ 390mn in Oct-24, according to our estimates. Overall, in 10M24 tourism revenues reached US\$ 3.9bn (+6.5% y/y) by our estimates. We forecast tourism revenues at US\$ 4.4bn for 2024, up from US\$ 4.1bn in 2023.

### International reserves at US\$ 4.1bn in Oct-24

Gross international reserves decreased by 20.2% y/y to US\$ 4.1bn in Oct-24, according to NBG. On a monthly basis, the reserves were down by 13.3% (-US\$ 627.5mn). In October, the NBG conducted 4 FX auctions, selling US\$ 213.4mn to support the GEL amid pre-election pressures. 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 November). Notably, as of Oct-24, monetary gold accounted for 15.4% of total international reserves.

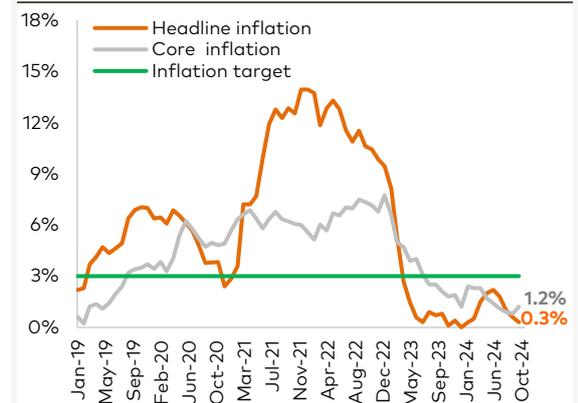
### Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	9.0%
GDP per capita (ppp)	24,990	27,683
GDP per capita (US\$)	8,219	8,986
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.3%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	5.6%	5.0%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	36.5%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

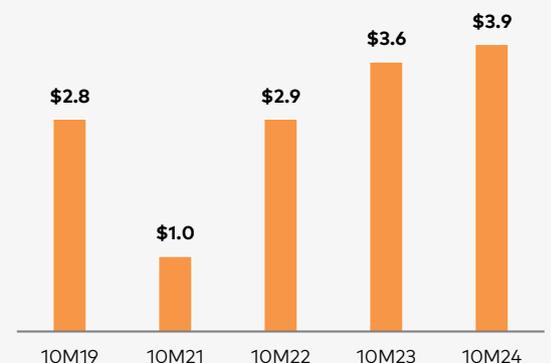
\*Latest sovereign credit ratings

### Annual inflation



Source: Geostat, NBG

### Tourism revenues, US\$ bn



Source: NBG, Galt & Taggart

# Money market

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

3.2-year GEL 50.0mn (US\$ 18.3mn) Benchmark bonds were sold at the auction held at NBG on November 5, 2024. Total demand was 1.4x higher and the weighted average yield was fixed at 8.317%, down by 0.034ppts from previous auction held in Sep-24.

6-month GEL 20.0mn (US\$ 7.3mn) T-bills were sold at the auction held at NBG on November 5, 2024. Total demand was 1.5x higher and the weighted average yield was fixed at 7.810%, up by 0.020ppts from previous auction held in Sep-24.

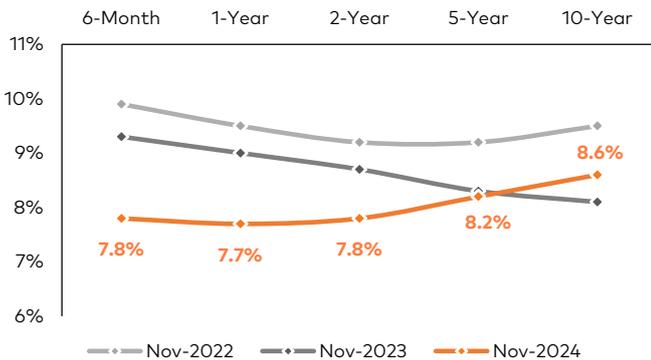
The nearest treasury security auction is scheduled for November 12, 2024, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10-year Benchmark Bonds will be sold.

## 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)	470	60	360
Long-term (over 1-year)	2,582	460	8,824
<b>Total</b>	<b>3,052</b>	<b>520</b>	<b>9,184</b>

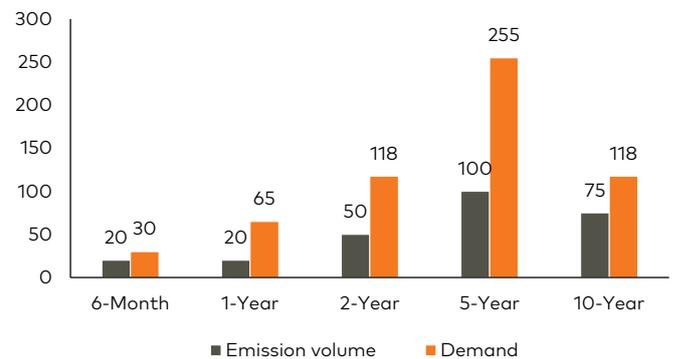
Source: MoF  
\*As of September 2024

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



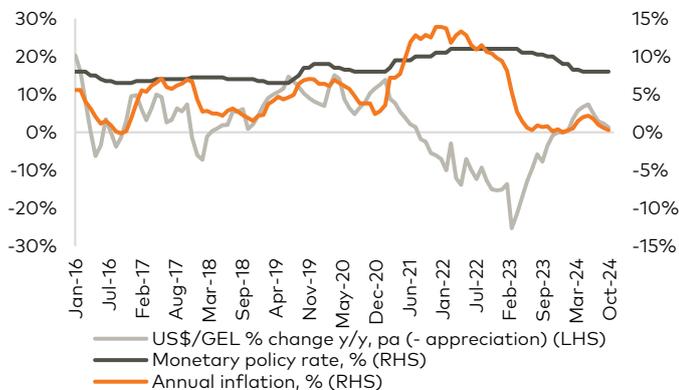
Source: NBG

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



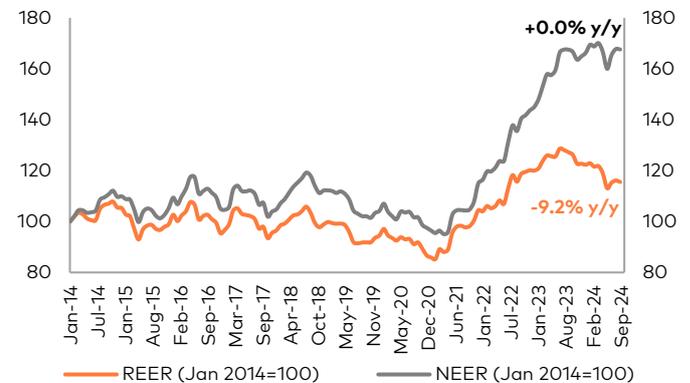
Source: NBG

## 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	94.29	6.98	284.46
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	89.03	7.54	361.55
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.76	10.11	622.17
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.64	8.04	358.33
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.85	11.03	699.11
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.54	10.66	676.41
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	100.96	8.62	463.40

■ 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
<b>USD</b>								
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

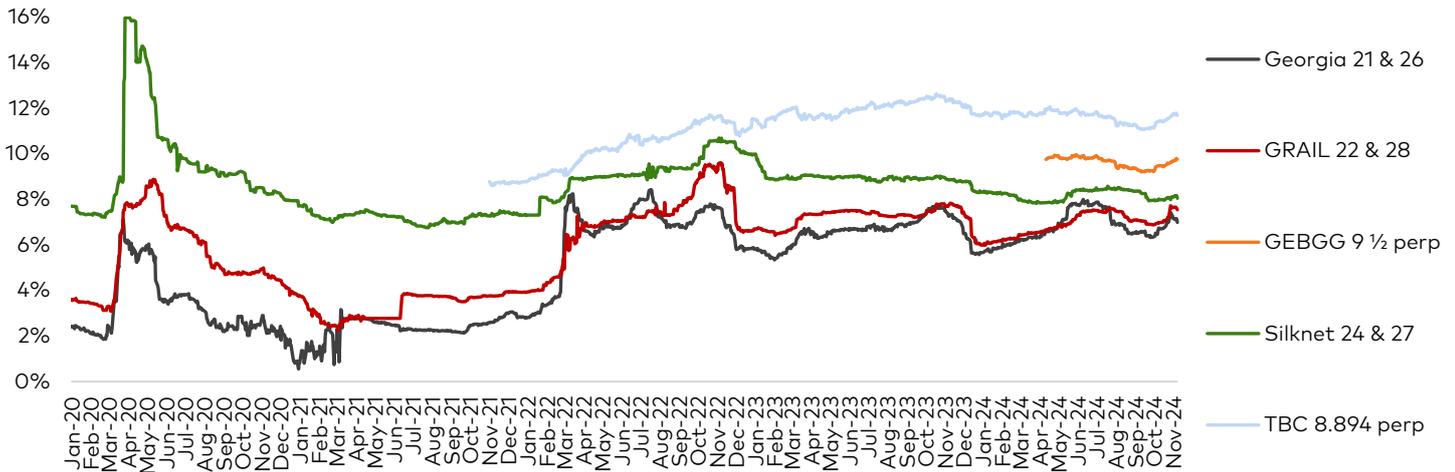
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
<b>EUR</b>								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-	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	-/-/-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/-	n/a	7.75%
<b>GEL</b>								
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	-/-/B	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-/--/-	100.00	13.22%
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-	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



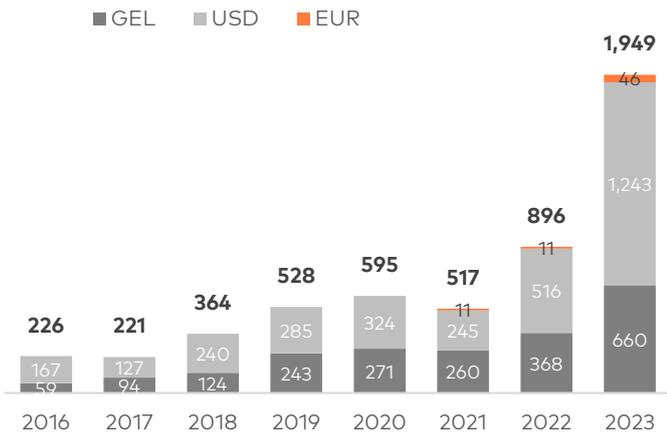
# Fixed income

**Georgian Eurobonds, YTM**



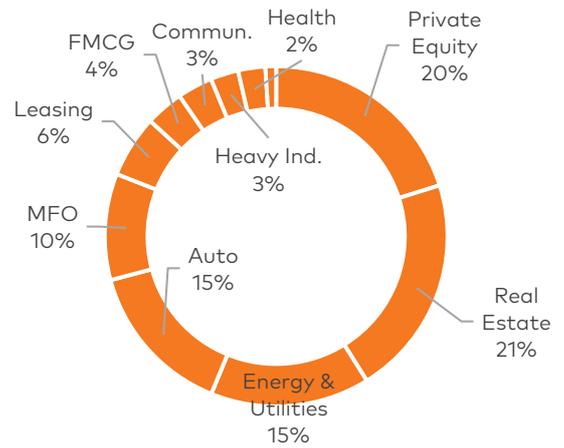
Source: Bloomberg

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



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

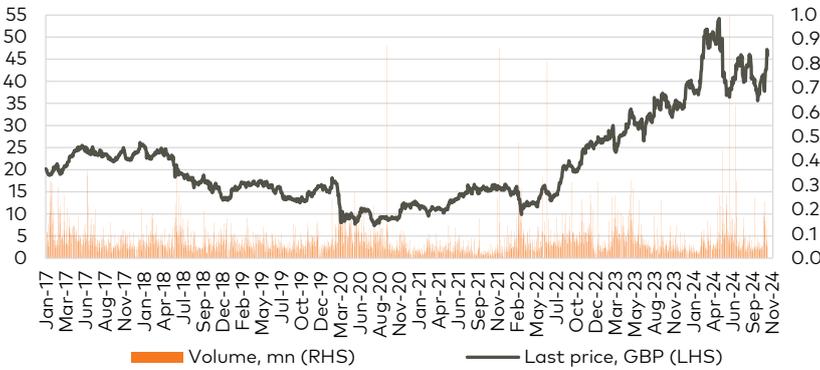
**Georgian local corporate public bonds outstanding by sector**



Source: Galt & Taggart

# Equities

## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 45.75/share (+7.39% w/w and +23.48% m/m). More than 364k shares traded in the range of GBP 42.05 - 47.30/share. Average daily traded volume was 92k in the last 4 weeks. The volume of BGEO shares traded was at 0.82% of its capitalization.

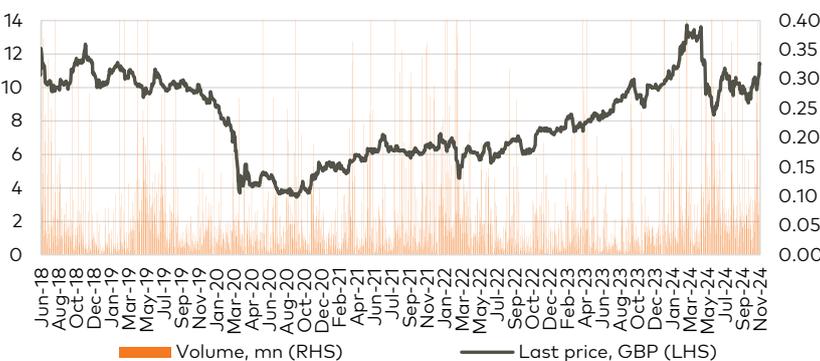
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 30.60/share (+9.09% w/w and +22.16% m/m). More than 479k shares changed hands in the range of GBP 27.95 - 31.40/share. Average daily traded volume was 93k in the last 4 weeks. The volume of TBCG shares traded was at 0.86% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 11.40/share (+8.78% w/w and +18.87% m/m). More than 364k shares traded in the range of GBP 10.40 - 11.56/share. Average daily traded volume was 118k in the last 4 weeks. The volume of CGEO shares traded was at 0.85% 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	45.75	2,039	-3.4%	29.2%	15.1%	4.36x	3.99x	4.06x	1.19x	na	na
TBC	TBC	GBP	30.60	1,712	6.6%	11.7%	8.1%	4.78x	4.85x	4.09x	1.15x	na	na
Halyk Bank	HSBK	USD	19.06	5,196	0.8%	46.6%	25.7%	2.57x	2.97x	2.87x	0.72x	na	na
Akbank	AKBNK	TRY	51.20	266,240	-14.7%	71.8%	40.2%	2.86x	4.81x	2.79x	0.90x	1.05x	0.80x
Garanti	GARAN	TRY	109.80	461,160	27.7%	125.3%	88.2%	2.84x	4.70x	3.19x	1.00x	1.41x	0.97x
Isbank	ISCTR	TRY	11.80	295,000	-12.9%	42.2%	26.3%	3.23x	4.99x	2.35x	0.87x	0.92x	0.68x
PKO	PKO	PLN	59.58	74,475	-2.0%	40.7%	18.4%	11.44x	7.67x	6.77x	1.39x	1.45x	1.34x
PEKAO	PEO	PLN	155.10	40,709	-9.8%	23.4%	2.0%	6.07x	6.53x	6.62x	1.32x	1.19x	1.20x
Millennium	MIL	PLN	9.05	10,979	-3.7%	21.9%	8.3%	17.78x	3.97x	4.46x	1.47x	1.39x	1.21x
Mbank	MBK	PLN	584.00	24,818	-16.1%	11.7%	9.2%	na	8.58x	5.39x	1.65x	1.61x	1.26x
BRD	BRD	RON	18.90	13,171	-7.6%	8.1%	5.5%	7.62x	9.09x	9.23x	1.42x	1.37x	1.27x
Banca Transilvania	TLV	RON	28.30	25,948	12.0%	43.8%	33.9%	7.76x	7.79x	7.83x	1.82x	1.58x	1.63x
Komerčni	KOMB	CZK	823.00	156,411	3.1%	23.3%	13.6%	8.76x	10.11x	9.97x	1.09x	1.23x	1.23x
<b>Mean</b>								<b>6.67x</b>	<b>6.16x</b>	<b>5.35x</b>	<b>1.23x</b>	<b>1.32x</b>	<b>1.16x</b>
<b>Median</b>								<b>5.43x</b>	<b>4.99x</b>	<b>4.46x</b>	<b>1.19x</b>	<b>1.38x</b>	<b>1.22x</b>

Source: Bloomberg, S&amp;P Capital IQ

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