

Georgian Weekly Digest

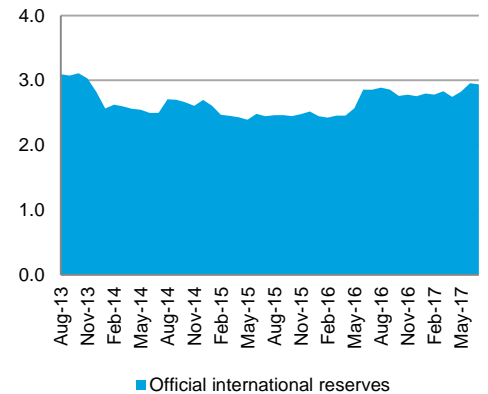
4 August 2017 - 11 August 2017

Economy

National Bank of Georgia (NBG) purchased US\$ 20mn at 2.3910 exchange rate on 7 August 2017. This marked the 8th time in 2017 the national bank intervened in FX markets. So far in 2017 NBG bought net amount of US\$ 129.75mn through its currency auctions.

Georgia's gross international reserves stood at US\$ 2.94bn (up 2.9% y/y and down 0.6% m/m) as of 31 July 2017. The NBG did not purchase currency during June. Georgia's foreign reserves equal 3.9 months' worth of imports.

Georgia's foreign currency reserves

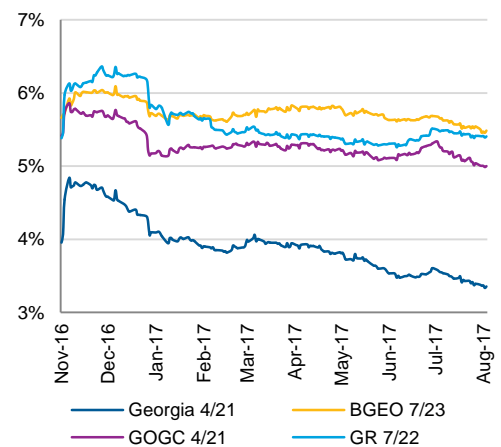


Source: NBG

Debt and Money Market

Eurobonds: during the week Georgia's Sovereign Eurobond (GEORG 4/21) price was unchanged w/w at 112.0 (YTM 3.4%). BGEO Group JSC (BGEOLN 7/23) price was down 0.1% w/w to 102.6 (YTM 5.5%), Georgian Oil & Gas Corporation (GEOROG 4/21) price was unchanged w/w at 105.8 (YTM 5.0%), while Georgian Railway (GRAIL 7/22) price was down 0.1% w/w to 110.0 (YTM 5.4%).

Eurobond yield performance



Source: Bloomberg

Equity Market

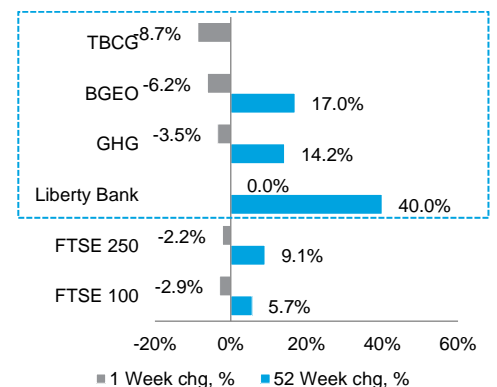
On Friday's trading session, **TBC Bank Group PLC (TBCG LN)** shares closed at GBP 15.60, down by 8.7% w/w. During the week 105.0 thousand shares traded on the London Stock Exchange.

During the week 257.9 thousand of **BGEO Group PLC (BGEO LN)** shares traded, closing at GBP 33.92 (down by 6.2% w/w) on Friday's trading session.

Georgia Healthcare Group PLC (GHG LN) shares were down by 3.5% w/w closing at GBP 3.45 on Friday. During the week 147.4 thousand GHG shares changed hands on the LSE.

No trades were recorded on the **Georgian Stock Exchange**.

Georgian stock & index performance



Source: Bloomberg

Georgian Stock Performance

Name	Ccy	Mcap, mn	Price	Change			Multiples		
				1W	YTD	52W	12t P/E	12f P/E	P/B
TBC Bank	GBP	826	15.60	-8.7%	7.4%	33.9%	8.08x	6.51x	1.64x
BGEO Group	GBP	1,337	33.92	-6.2%	13.7%	17.0%	9.67x	7.74x	1.83x
Georgia Healthcare Group	GBP	454	3.45	-3.5%	-3.4%	14.2%	27.77x	16.59x	2.84x
Liberty Bank	GEL	116	0.0210	0.0%	23.5%	40.0%	3.67x	n/a	0.93x

Source: Bloomberg, TBC Capital

Georgian and Eastern European Sovereign Eurobond Price Performance

Name	Size, mn	YTM (mid)	Price (mid)	Change			Key Parameters		
				1W	YTD	52W	Dur.	S&P/Moody's/Fitch	Z-Spread, bps
Georgia 6.875% 4/2021	500	3.4%	112.0	-0.1%	1.9%	0.2%	3.3	BB-/Ba3/BB-	156
BGEO Group 6.00% 7/2023	350	5.5%	102.6	-0.1%	1.9%	0.6%	5.1	-/B1/BB-	380
GOGC 6.75% 4/2021	250	5.0%	105.8	0.0%	1.1%	1.0%	3.3	B+/-/BB-	326
Georgian Railway 7.75% 7/2022	500	5.4%	110.0	-0.1%	2.6%	-1.8%	4.2	B+/-/B+	353
Azerbaijan 4.75% 3/2024	1,250	4.5%	101.5	-0.9%	1.8%	-2.4%	5.6	-/BB+	249
Armenia 6% 9/2020	500	4.0%	105.8	-0.3%	1.9%	1.1%	2.8	-/B1/B+	223
Belarus 8.95% 1/2018	800	2.6%	102.8	0.0%	-1.4%	-2.5%	0.4	B-/Caa1/-	107
Kazakhstan 3.875% 10/2024	1,500	3.4%	102.8	-0.1%	2.3%	-0.6%	6.3	BBB-/Baa3/BBB	139
Romania 6.75% 2/2022	2,250	2.8%	116.5	0.1%	2.2%	-3.2%	4.0	BBB-/Baa3/BBB-	98
Russia 5% 4/2020	3,500	2.7%	106.1	-0.1%	-0.3%	-1.1%	2.5	BB+/Ba1/BBB-	95
Slovenia 5.5% 10/2022	823	2.5%	114.6	0.0%	3.6%	-0.2%	4.6	A+/Baa3/A-	56
Turkey 5.625% 3/2021	2,000	3.3%	109.9	-0.3%	2.2%	-1.5%	2.6	NR/Ba1/BB+	157

Source: Bloomberg

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