



## Georgian Weekly Market Watch (July 28 - August 01)

### Market comment

Last week, London traded Bank of Georgia Holdings (BGEO LN) closed at GBP 24.76 (-1.6% w/w). During the week, more than 170 000 shares were traded in the range of GBP 24.02 – 25.32. TBC Bank closed the week at US\$14.00 (-1.8% w/w), more than 226 000 GDRs changed hands in the range of US\$ 13.77 – 14.20.

In the debt world, Bank of Georgia (GEBGG 07/17, -0.2% to 107.6), Georgian Railway (GRAIL 07/22, -0.3% to 113.6), and Georgian Sovereign (GEORG 04/21, -0.4% to 113.3 Eurobond prices went down. While, Georgian Oil and Gas Corporation (GEOROG, 0.0% to 107.2) Eurobond price remained unchanged.

On the Georgian stock exchange, only Liberty Bank shares were traded at GEL 0.015 (-3.23% w/w). As a result, BG Index decreased to the level of 911.66 (-0.01% w/w).

### Money market

Last week, the National Bank of Georgia (NBG) issued 7-day refinancing loans in the amount of GEL 530mn with an average yield amounting 4.00% (-0.25% w/w). NBG also sold 91-day, GEL 35mn certificates of deposits. The average yield was 4.23% (down by 2bps).

As for treasury debt, on July 30, total of GEL 30mn 336-day T-Bills of Ministry of Finance were sold at the auction held at NBG. Minimum yield was 6.000%, maximum yield was 6.320% and the weighted average yield was fixed at 6.247%. The nearest treasury securities auction is scheduled to be held on August 6, 2014, where GEL 10mn nominal value 10-year T-Notes with coupon rate 11.6% will be sold.

### Economy

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#### Georgia's real GDP grew at 6.4% y/y in June 2014

Last week, GeoStat announced its rapid estimate for June 2014 economic growth at 6.4% y/y. As a result, real GDP growth was recorded at 5.1% y/y in 2Q14 and at 6.0% y/y in 1H14. Monthly rapid estimations are based on VAT turnover, fiscal and monetary statistics.

### Exchange rate

#### NBG purchases US\$ 20mn

On August 1, NBG purchased US\$ 20mn on foreign exchange auction. The weighted average exchange rate was 1.7361. NBG last intervened the FX market more than 5 months ago.

#### Georgian national currency appreciates against USD and EUR

According to the official exchange rate of the NBG, during the week Georgian Lari has appreciated against USD and EUR. 1 US Dollar equalled GEL1.7359 (-1.0% w/w) and 1 EUR reached to GEL 2.3252 (-1.4% w/w).

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