



MACROECONOMICS

# Tracking The Recovery

29.04.2021

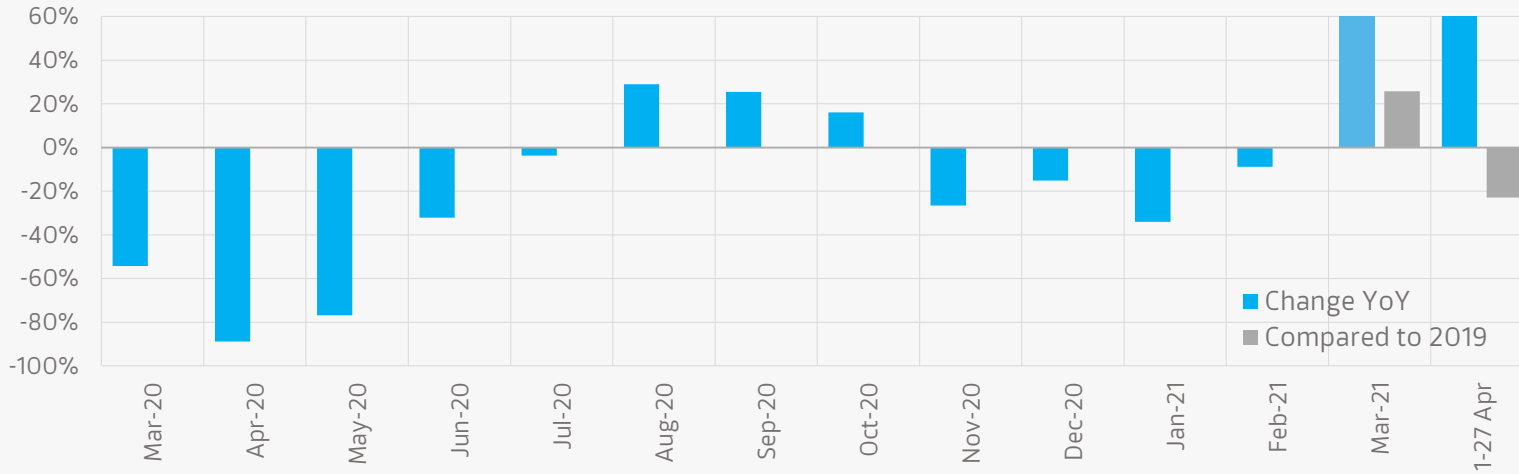
[www.tbccapital.ge](http://www.tbccapital.ge)

# KEY DEVELOPMENTS

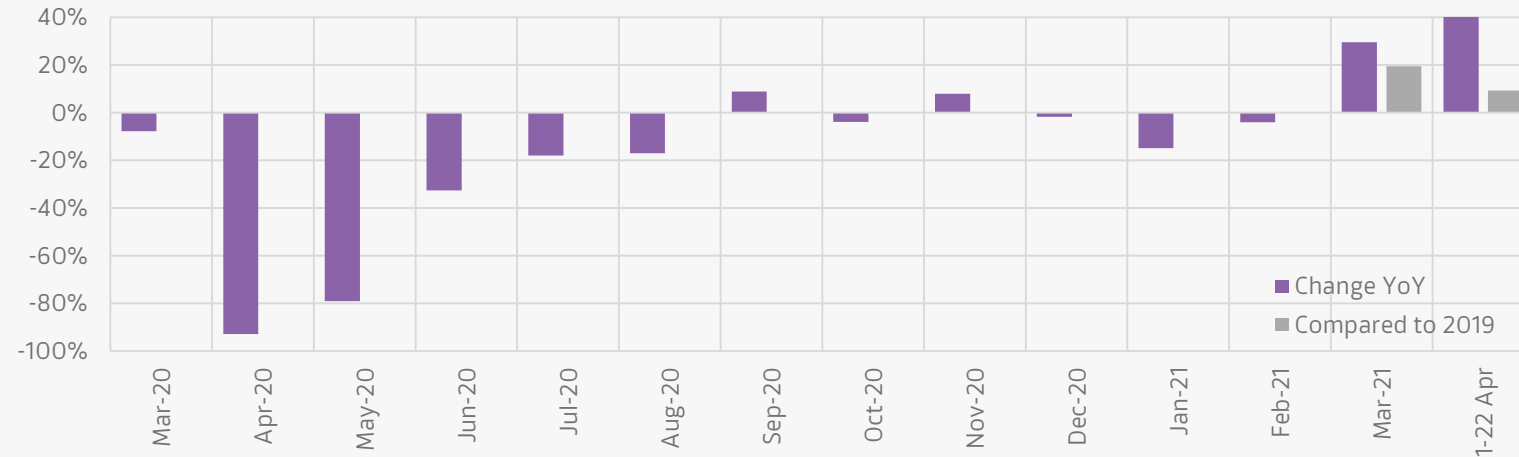
- **New mortgage issuance weakened, following sharp increase in March**
- **Growth of total non-cash spending by residents slightly down compared to the previous week, albeit still remaining sizable**
- **Growth of non-resident non-cash spending strengthened in April as compared to March, remaining stable over previous weeks**
- **After demonstrating an improvement over the past two weeks, non-cash spending on entertainment worsened**
- **Growth weakened for non-cash spending on furniture and electronics, up marginally for construction materials**
- **Non-cash spending on fuel & transport remained stable, while growth slowed down for car repair**
- **Non-cash spending on doctor visits and medical equipment maintain solid growth**
- **Growth of remittance inflows picked up after slowing down throughout the week**

Note: Sector growth is based on POS and E-commerce payments through TBC channels; Growth rates may differ from total turnover dynamics due to the changing share of non-cash transactions and TBC market share

**Dynamics of new mortgages issued by TBC**  
(% Change, FX-adjusted)



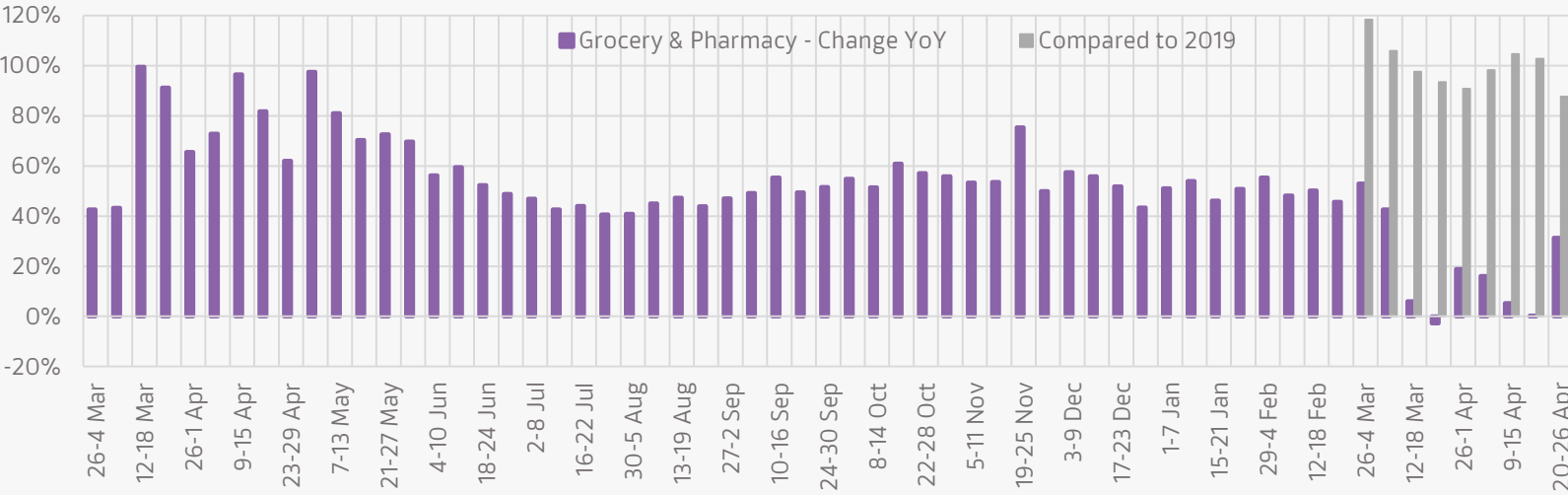
**Number of residential properties sold in Tbilisi**  
(% Change)



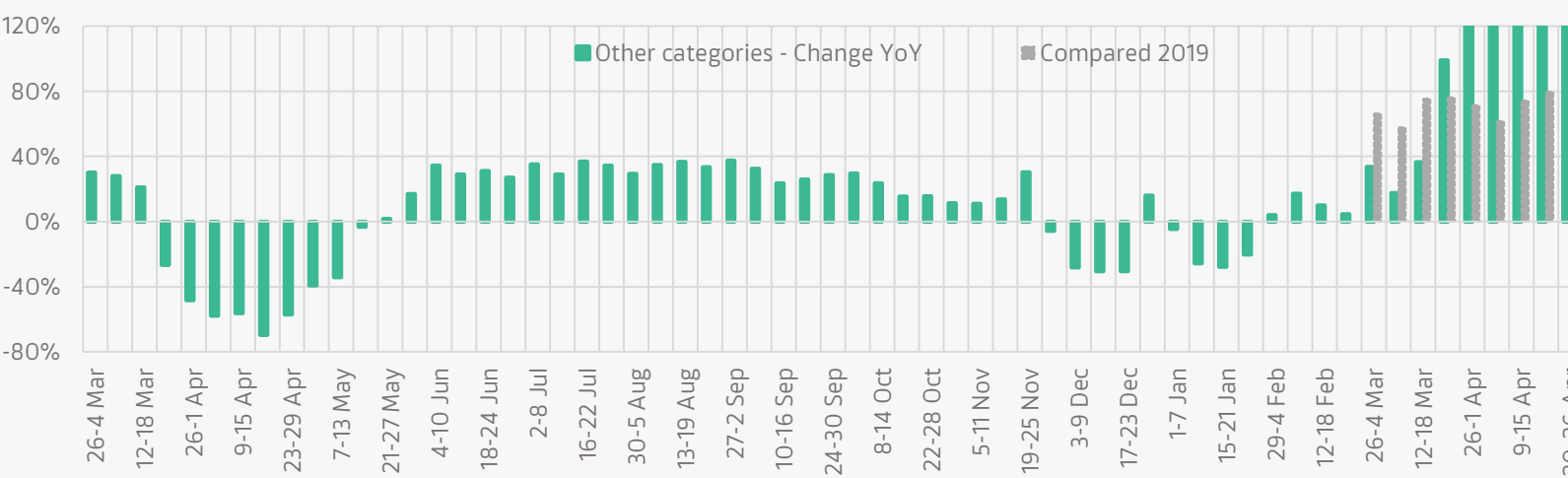
- The value of new mortgages issued decreased by -22.8% in the period of 1-27 April, compared to 2019 (7x increase YoY)
- Tbilisi’s residential real estate transactions displayed an 9.2% increase in the period of 1-22 April, relative to 2019

# GROWTH OF TOTAL NON-CASH SPENDING BY RESIDENTS SLIGHTLY DOWN COMPARED TO THE PREVIOUS WEEK, ALBEIT STILL REMAINING SIZABLE

**Grocery & Pharmacy: Resident non-cash spending (% Change)**



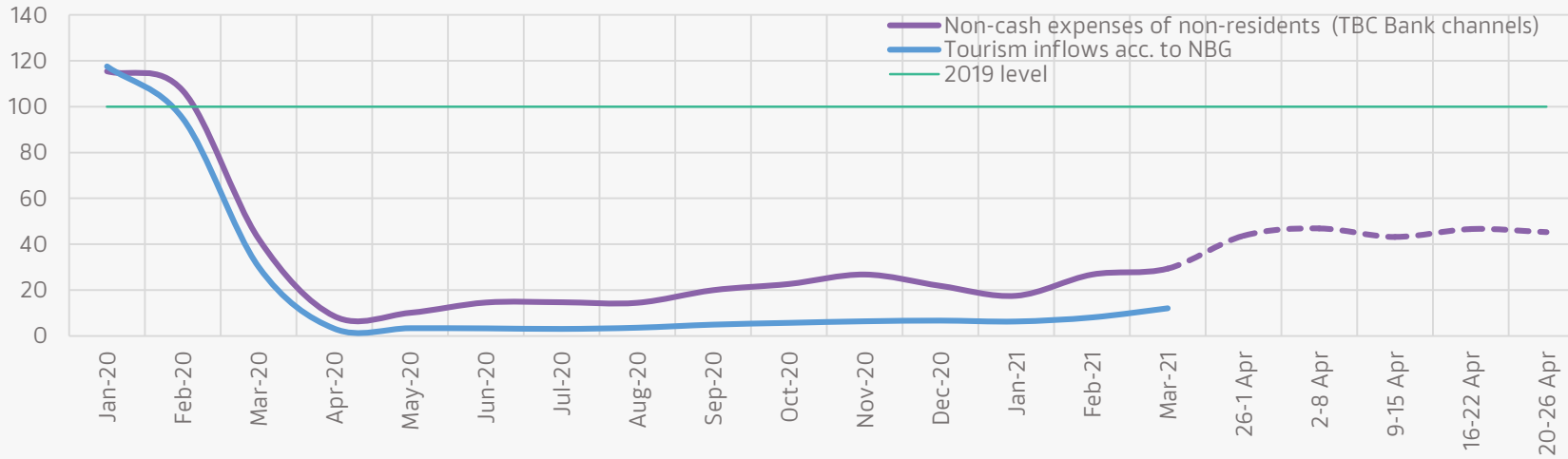
**Categories excluding Grocery & Pharmacy: Resident non-cash spending (% Change)**



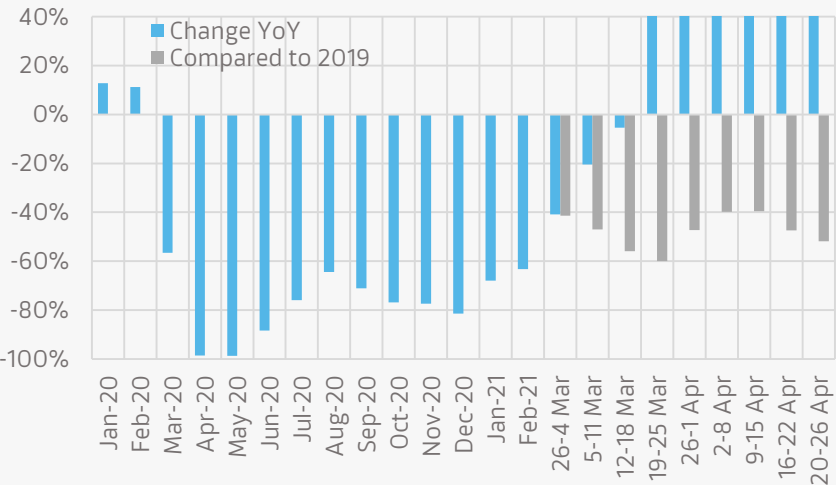
- Non-cash spending by residents on grocery & pharmacy showed an increase of 31% YoY in the period of 20-26 April
- Non-cash spending on categories excluding grocery and pharmacy increased by 70% relative to 2019

# GROWTH OF NON-RESIDENT NON-CASH SPENDING STRENGTHENED IN APRIL AS COMPARED TO MARCH, REMAINING STABLE OVER PREVIOUS WEEKS

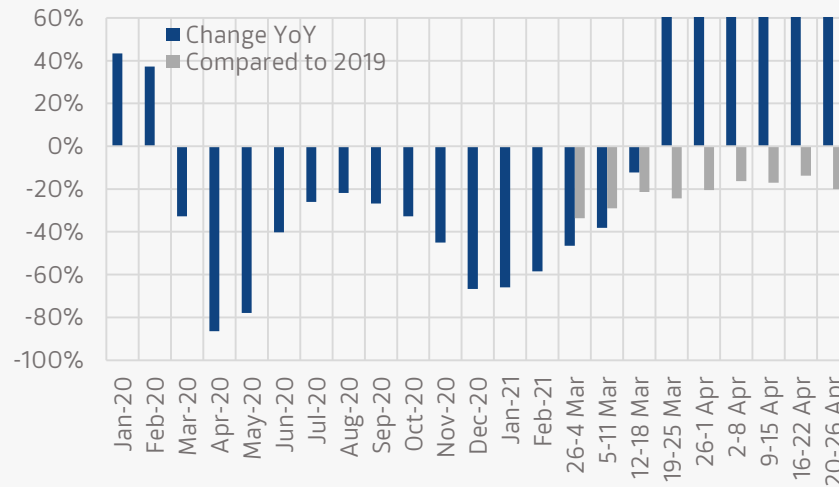
**Non-cash expenses of non-residents and tourism inflows**  
(Same period of 2019=100, in USD)



**Hotels: Non-cash spending**

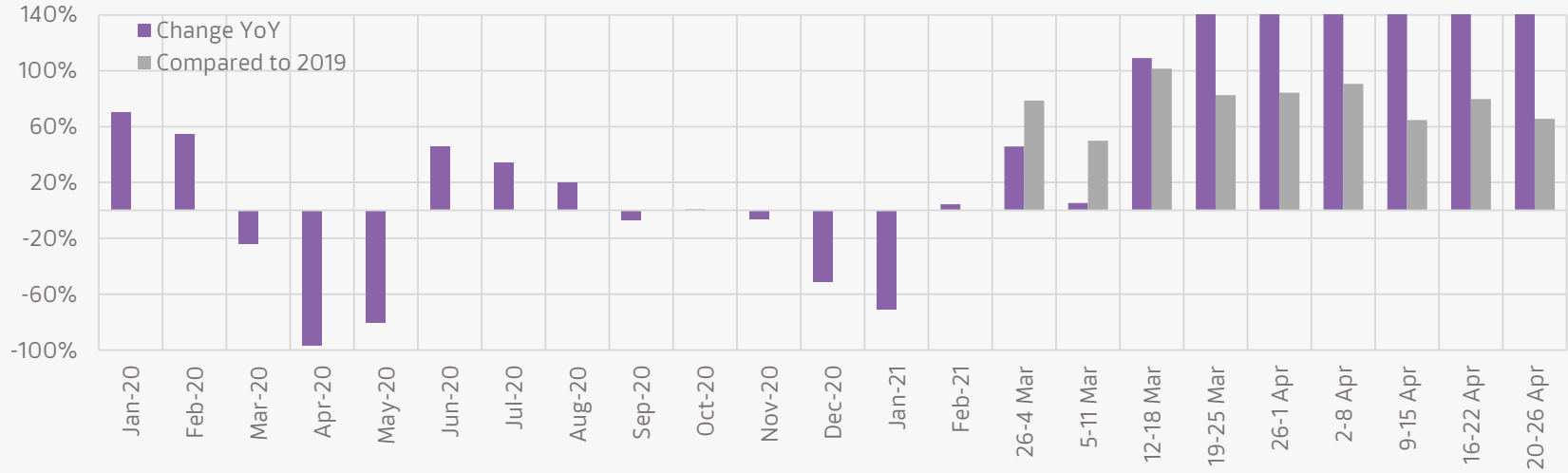


**Restaurants & Cafes: Non-cash spending**

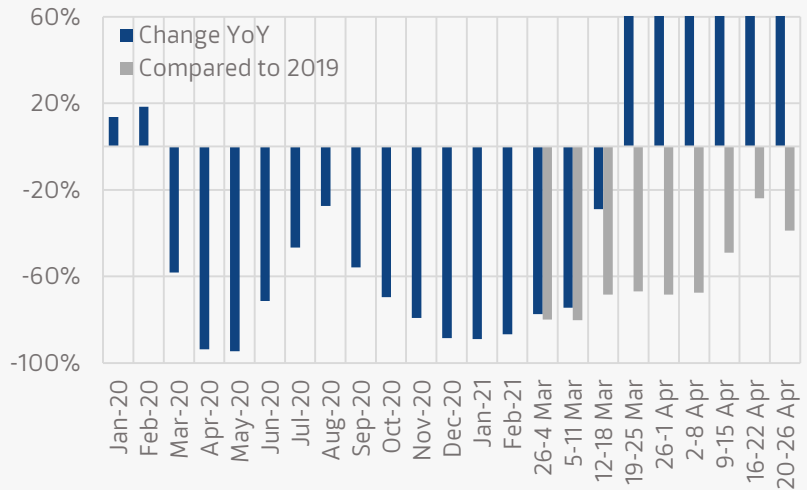


- Growth rate of non-cash spending by non-residents totaled -55% in the week ending on 26<sup>th</sup> April, relative to 2019
- The growth rate of non-cash spending fell to -52% for hotels and -20% for restaurants & cafes, in the period of 20-26 April

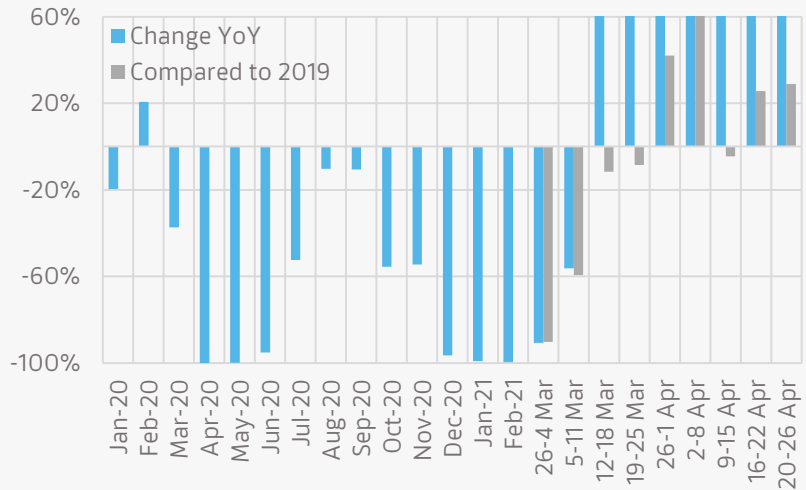
## Apparel & accessories: Non-cash spending



## Entertainment: Non-cash spending



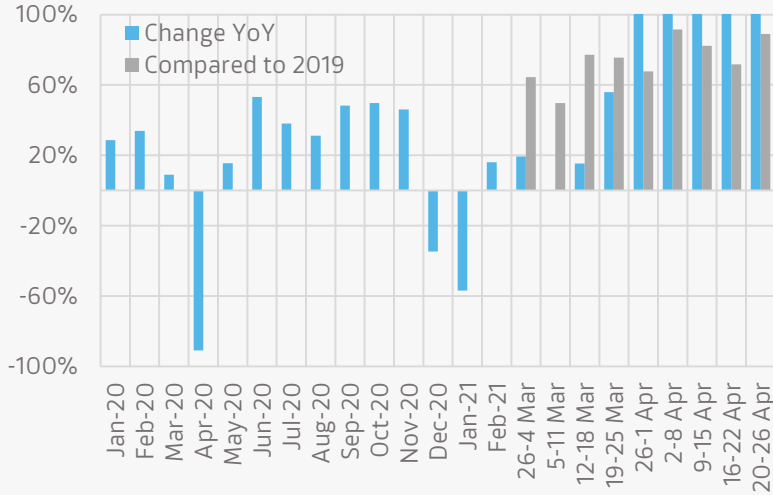
## Fitness: Non-cash spending



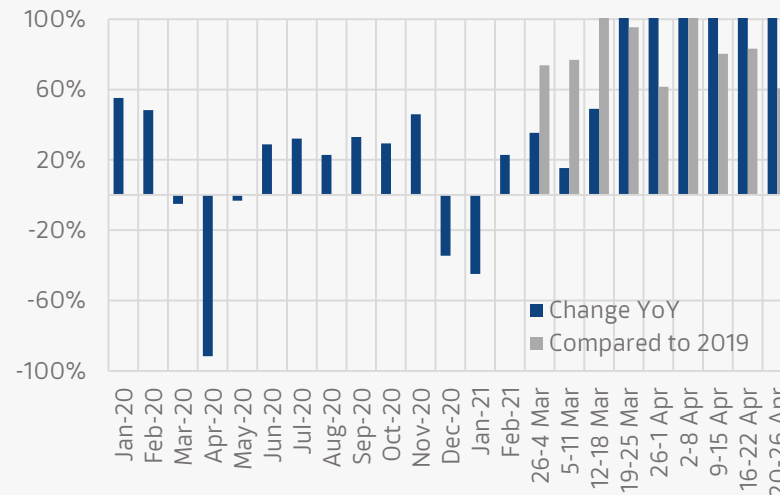
- Non-cash spending on apparel and accessories displayed an increase of 66% in the 20-26 April period, down compared to the previous week
- Growth rate of non-cash spending on fitness totaled 29%
- Growth rate of non-cash spending on entertainment stood at -39% in the period of 20-26 April, compared to 2019

# GROWTH WEAKENED FOR NON-CASH SPENDING ON FURNITURE AND ELECTRONICS, UP marginally FOR CONSTRUCTION MATERIALS

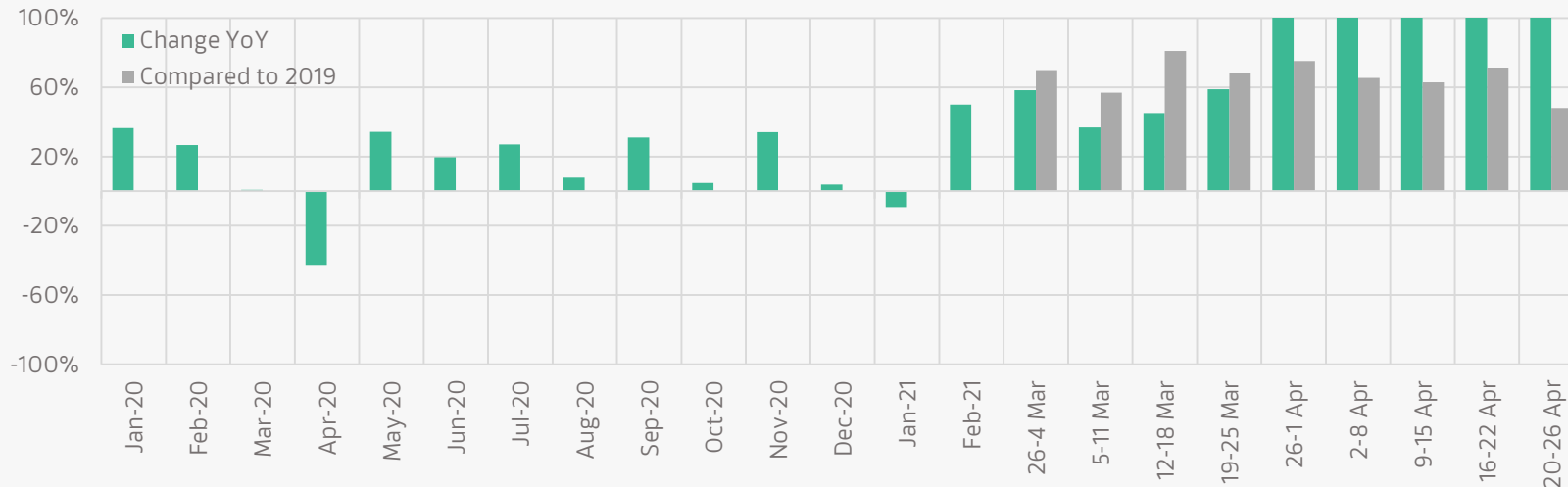
**Construction materials: Non-cash spending**



**Furniture & appliance**

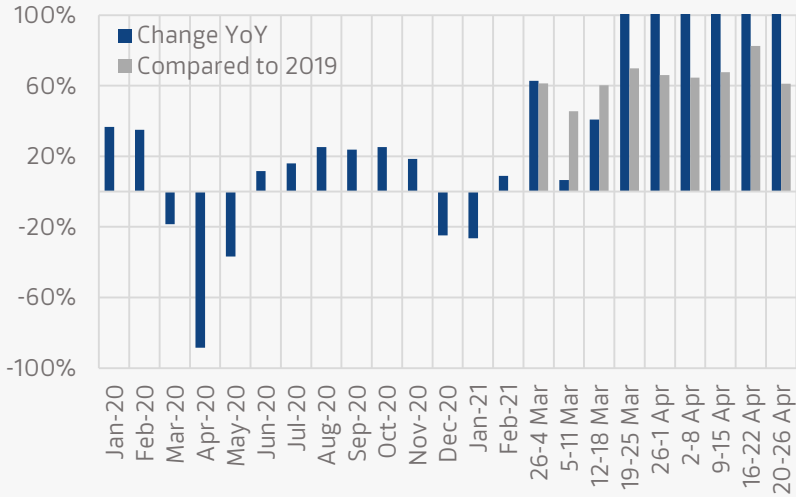


**Electronics**

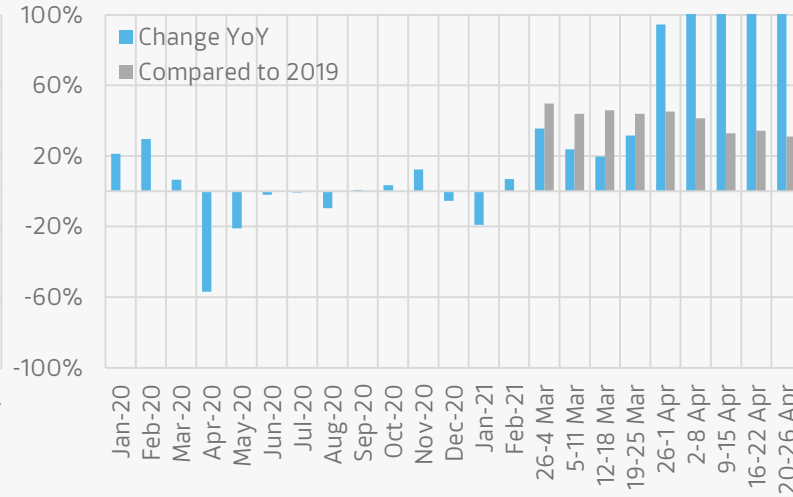


- Non-cash spending on construction materials showed an increase of 89% in the 20-26 April period, relative to 2019
- Growth of non-cash spending on furniture and appliances totaled 61% in the period of 20-26 April, down marginally compared to the previous week
- Compared to 2019, growth of non-cash spending on electronics totaled 48%

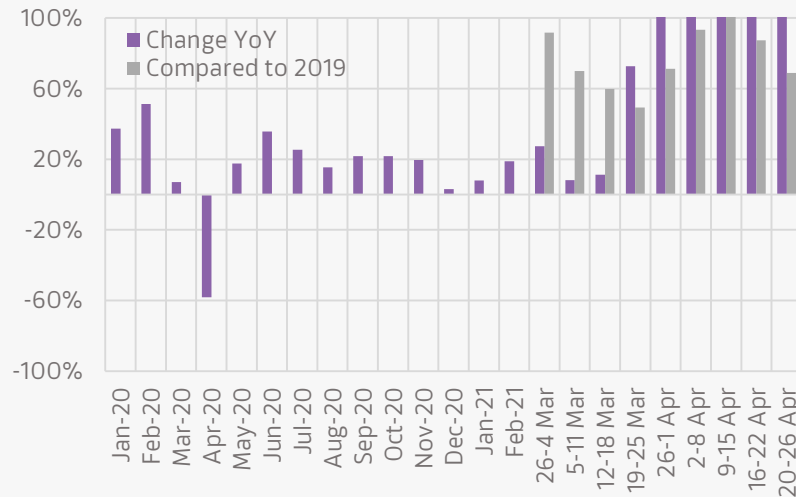
## Personal care: Non-cash spending



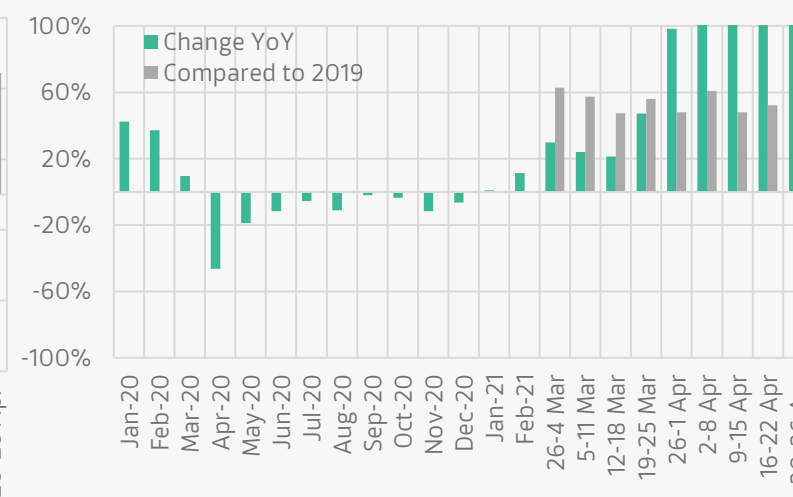
## Other consumer goods: Non-cash spending



## Car repair: Non-cash spending



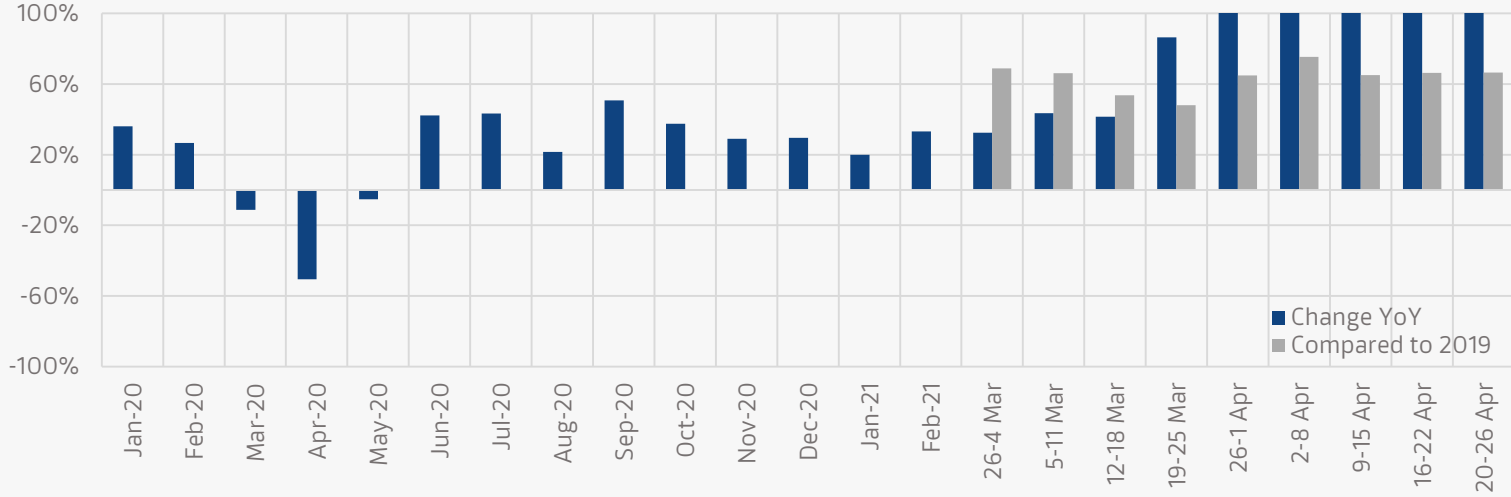
## Fuel & Transport: Non-cash spending



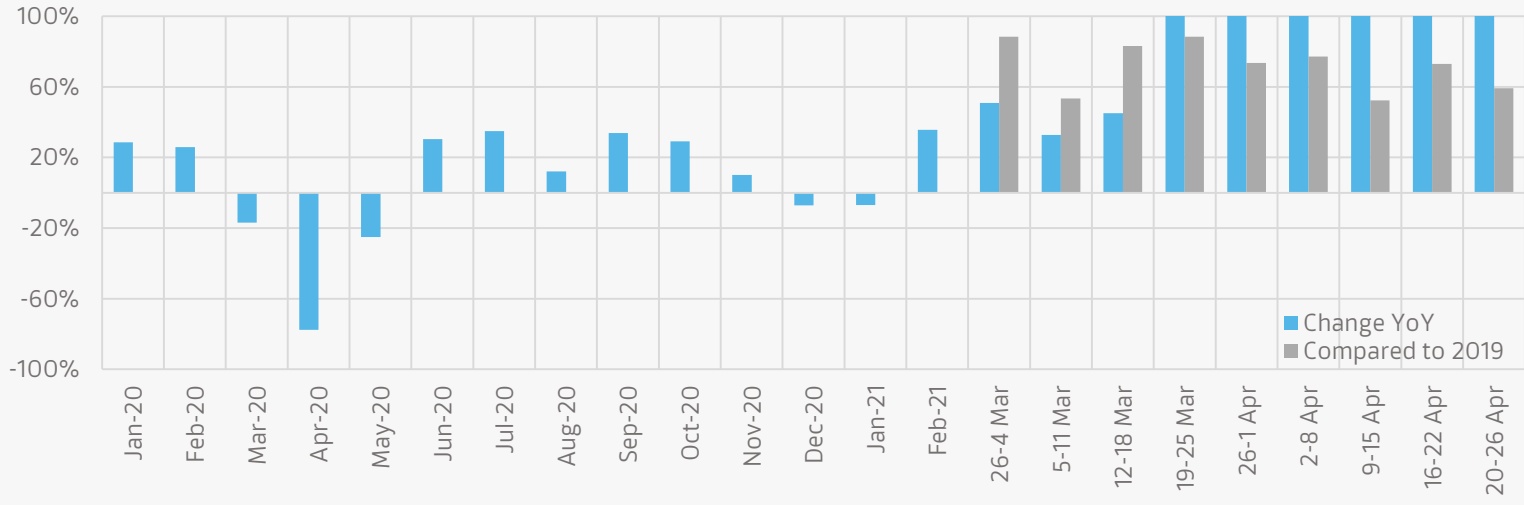
- Non-cash spending on personal care increased by 61% in the 20-26 April period, relative to 2019. Growth of spending on other consumer goods stood at 31% in the same period, down slightly compared to the previous week
- Non-cash spending on car repair services grew by 69% in the 20-26 April period, as compared to 2019
- Non-cash expenditure on fuel and transport posted a 51% increase in the same period



## Doctor visits: Non-cash spending

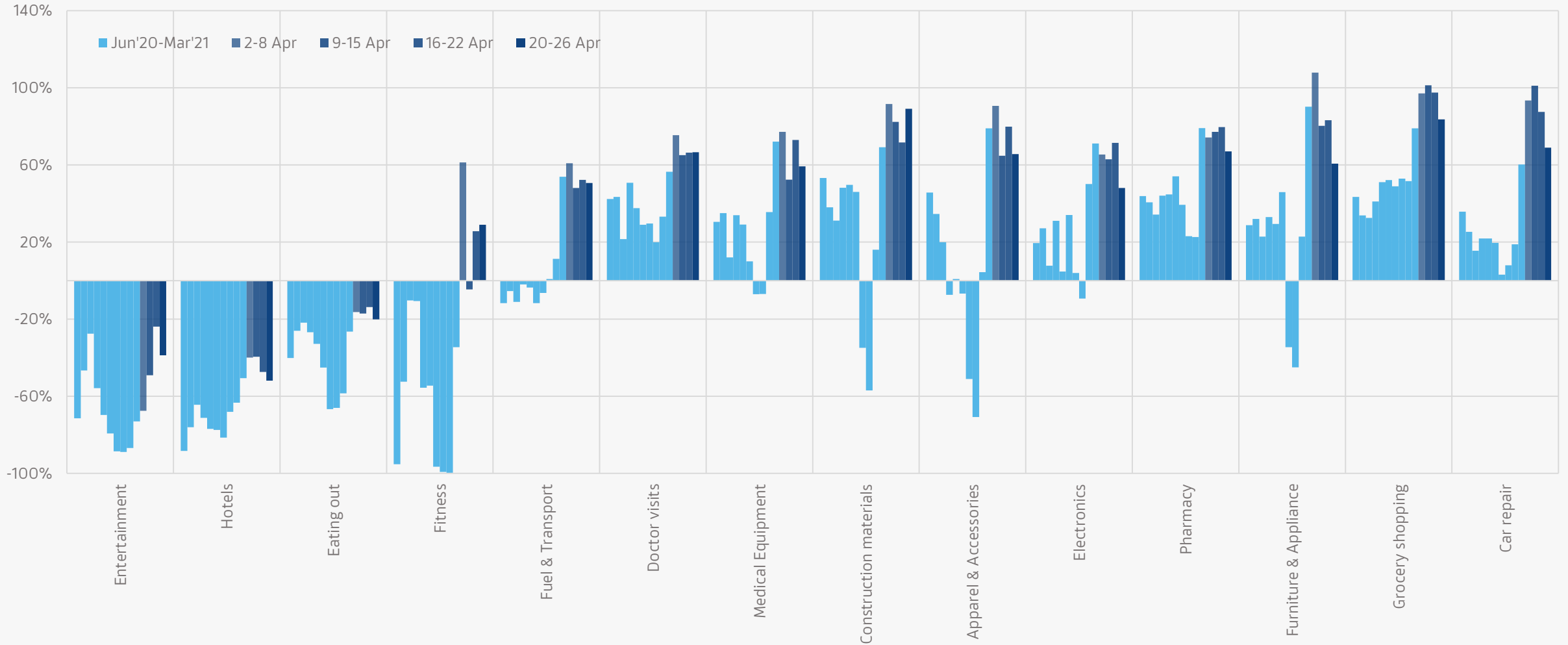


## Medical equipment: Non-cash spending

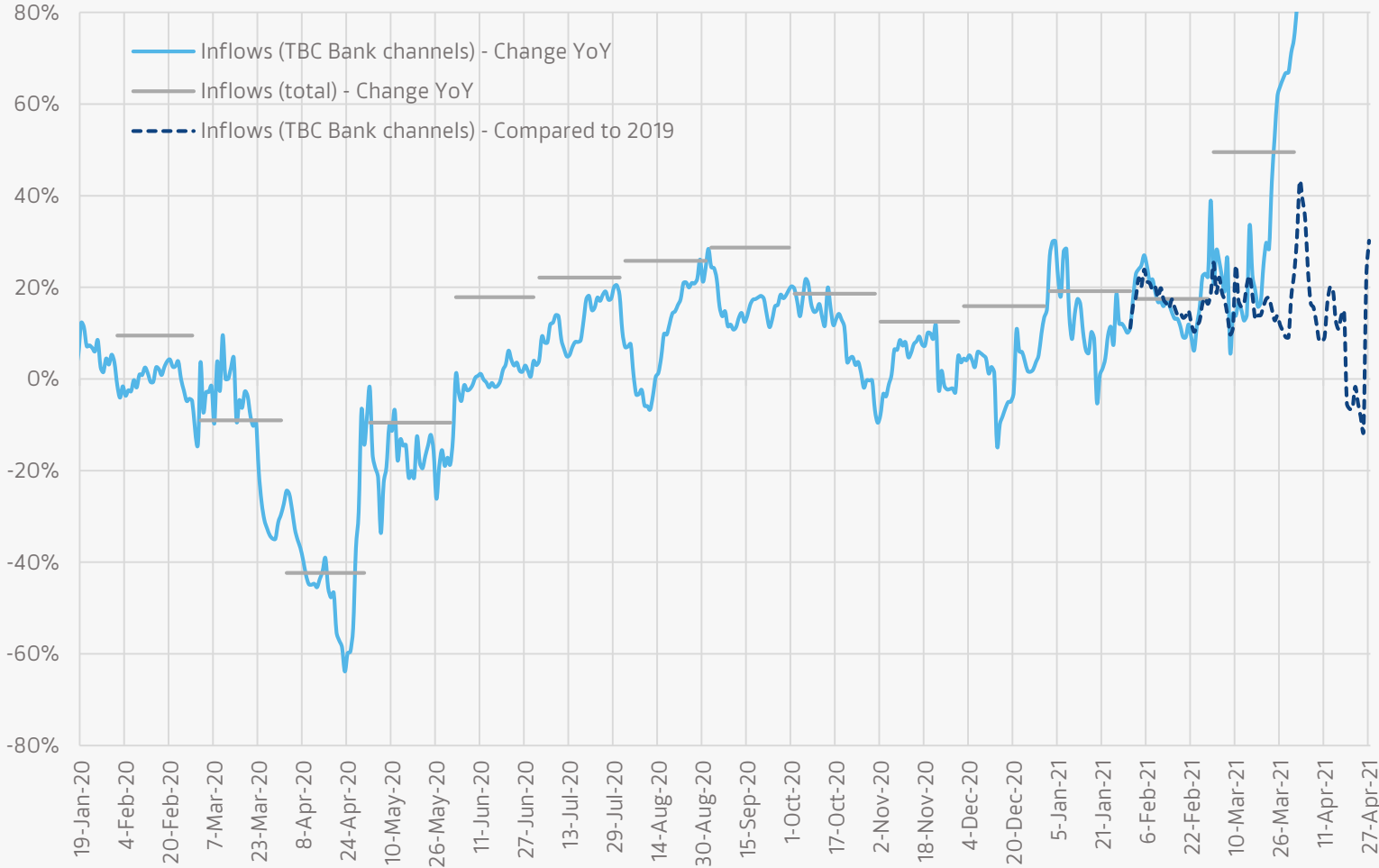


- Growth of non-cash spending on doctor visits stood at 67% in the week ending 26<sup>th</sup> of April
- Growth of non-cash spending on medical equipment stood at 59% in the same period, down slightly compared to previous week

Dynamics of non-cash spending as of April 26<sup>th</sup> (YoY change, Growth compared to 2019 starting from March)

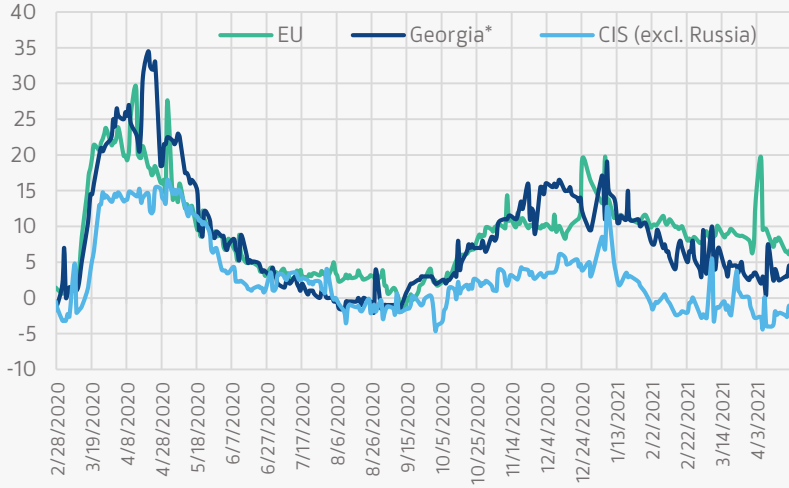


Dynamics of remittances – USD volumes (7 day MA, % change)

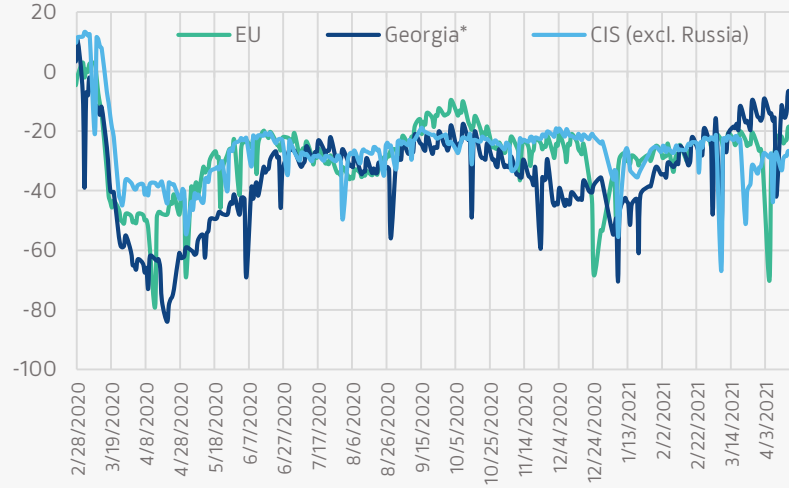


- Total inflows through TBC channels displayed an 30% increase relative to 2019 in the week ending 27<sup>th</sup> of April

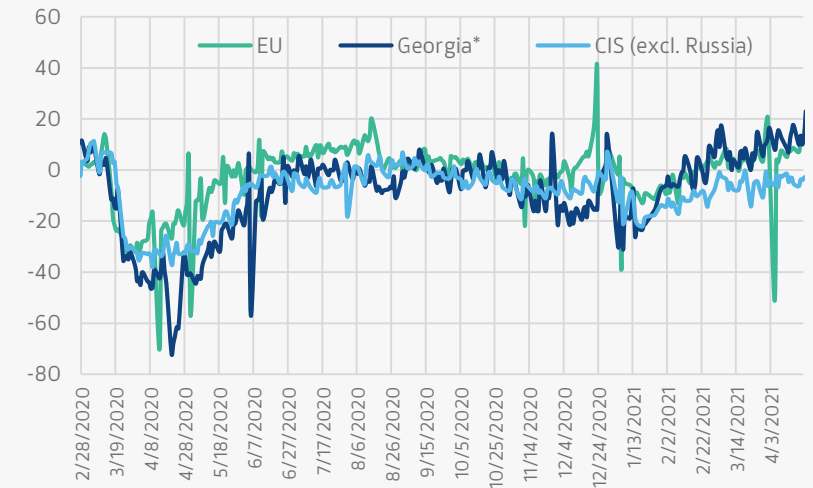
**Mobility in residential area (Change %)**



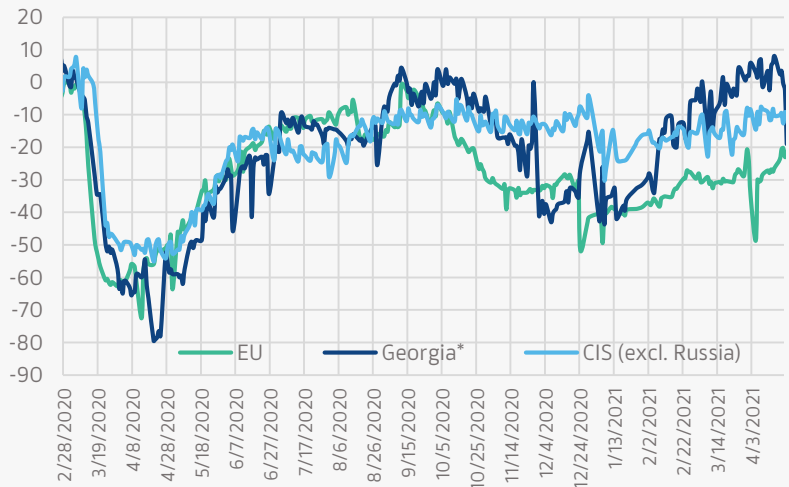
**Mobility in working places (Change %)**



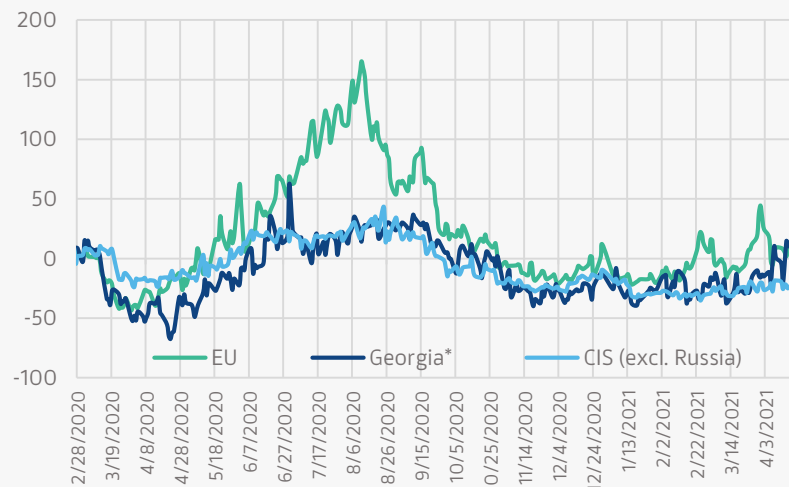
**Mobility in grocery and pharmacy (Change %)**



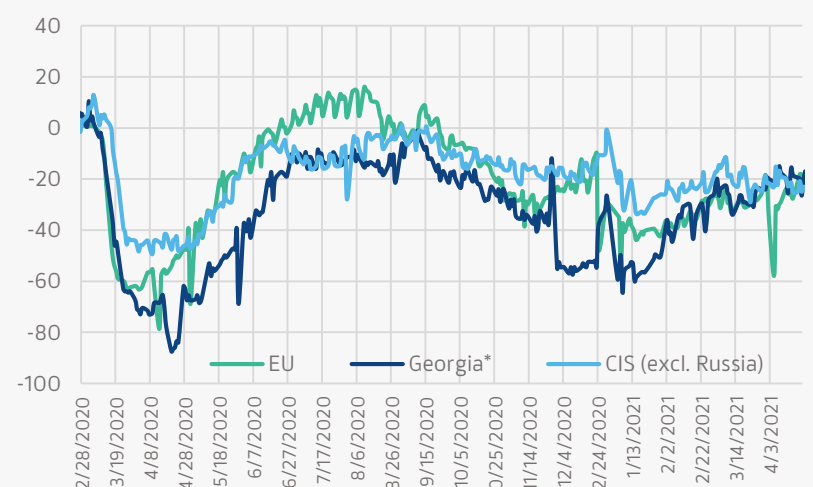
**Mobility in transit stations (Change %)**



**Mobility in parks and recreational area (Change %)**



**Mobility in retail & recreation (Change %)**



# LEGAL NOTICE

This publication (the "Publication") has been produced and distributed by the "TBC Capital" LLC (the "TBC Capital"). It is provided to our clients for information purposes only, and TBC Capital makes no expressed or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this Publication. TBC Capital is operating and performing its professional services on the territory of Georgia and is duly authorized to produce and distribute this Publication on the territory of Georgia. The Publication does not constitute an offer of, or an invitation by or on behalf of, any company indicated in Publication or TBC Capital to subscribe or purchase the investment and shall not form the basis of, nor may it accompany, nor form part of, any contract to acquire the investment in any jurisdiction. The distribution of the Publication and the offer or sale of the investment may be restricted by law in certain jurisdictions and the Publication does not constitute an offer of, or any invitation by or on behalf of any company or TBC Capital to offer or sell the investment in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. Accordingly, the investment may not be offered or sold, directly or indirectly, and the Publication may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable to such jurisdictions. Persons who come to possess the Publication are required by the TBC Capital to inform themselves about and to observe any such restrictions. Neither TBC Capital nor its affiliates accept any liability to any person in relation to the distribution or possession of the Publication in or from any jurisdiction. The Publication is not investment research and has not been prepared in accordance with legal requirements designed to promote the independence of investment research. The Publication is not intended to provide the basis of any investment decision, credit or any other evaluation and is not to be considered as a recommendation by TBC Capital to participate in the transaction/s described therein. All information contained in the Publication is subject to change without notice, and neither TBC Capital nor any of its affiliates is under any obligation to update or keep current the information contained in the Publication. The delivery of the Publication at any time does not imply that the information in it is correct as of any time after its preparation date or that there has been no change in the business, financial condition, prospects, creditworthiness, status or affairs of the Issuer or anyone else since that date. TBC Capital does not undertake to update the Publication or to correct any inaccuracies therein which may become apparent. Descriptions of the companies or the securities or other financial instruments of any company or securities underlying or related to such instruments or the markets or developments mentioned in the Publication are not intended to be complete. The Publication may include forward-looking statements, but not limited to, statements as to future operating results. Any "forward-looking statements", which include all statements other than statements of historical facts, involve known and unknown risks, uncertainties and other important factors beyond TBC Capital's control that could cause the actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment operating in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. No assurances can be given that the forward-looking statements in this document will be realized. TBC Capital does not intend to update such forward-looking statements. All statements of opinion and all projections, forecasts, or statements relating to expectations regarding future events or the possible future performance of investments represent TBC Capital's own assessment and interpretation of information available to them currently. The Publication may not be reproduced, redistributed or published, in whole or in part, without the written permission of TBC Capital, and neither TBC Capital nor any of its affiliates accepts any liability whatsoever for the actions of third parties in this respect. Without limiting any of the foregoing and to the extent permitted by law, in no event shall TBC Capital, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this Publication or its contents.

**Mary Chachanidze, CFA**  
Managing Director

**Andro Tvaliashvili**  
Senior Research Associate

**Luka Chigilashvili**  
Research Associate

**Vladimer Choghoshvili**  
Intern

**Maka Koridze**  
Intern

**Otar Nadaraia**  
Chief Economist, TBC Group

**Ana Mjavanadze**  
Acting Head of Macro-Financial Analysis Division, TBC Bank

**Juli Avlokhshvili**  
Analyst

**Luka Lazviashvili**  
Intern



**TBC CAPITAL**