

## Navigating Wait-and-See Mode

### Market overview

Between April 7 and 21, 2025, the Armenian stock market exhibited mixed dynamics, with investors likely adopting a wait-and-see approach in anticipation of forthcoming macroeconomic statistics. An exception to this trend was Telecom Armenia (AMTL), whose shares surged by 5.0%, surpassing the psychological threshold of \$200 per share, yet remaining 4.2% below their value at the start of 2025. Despite a modest rebound in AMTL shares, the telecommunications services sector posted lackluster results, with revenue falling 1.2% year-over-year. Meanwhile, Acba Bank shares slipped by 1.3% over the period, reflecting weak data across several economic sectors. However, the bank's shares remain proximate to their peak valuations over the preceding 12-month period. Real estate sector data, meanwhile, pointed to sustained investor interest in the segment—an indication that capital continues to flow into property. This ongoing trend may be exerting pressure on demand for traditional financial investment instruments.

The AMX three-year corporate bond price index held steady, reflecting a lack of major macroeconomic catalysts and continued monetary policy stability from the Central Bank. In the corporate bond space, a notable development was the listing of The Crowdfunding Formula (TCF) bonds on the AMX. The bonds carry a 36-month maturity and a coupon yield of 12.75%, translating to a solid yield to maturity (YTM) of 12.2% as of April 22, according to Cbonds data. During the period, the dram exchange rate edged up slightly by 1.1%, yet it stayed within its familiar 12-month corridor of 385-403 AMD/USD.

### Economic news

Between April 7 and 21, 2025, the National Statistical Committee of Armenia released economic data across various sectors. The telecommunications industry, alongside industrial production and the manufacturing sector, faced sustained pressure, an impact that will likely be evident in the country's GDP figures for Q1 2025. Conversely, the services sector demonstrated robust performance, maintaining positive momentum despite a decline in tourist influx.

- Revenue in Armenia's telecommunications services sector dropped 1.2% year-over-year and 4.5% month-over-month in February. As a result, the sector saw a 1.4% decline in revenue for the first two months of the year. Meanwhile, manufacturing output plunged 33.3% year-over-year in February and fell 9.5% compared to January. Notably, metal production (which accounts for 14.6% of the sector) plummeted by 77% year-over-year in January-February, though food and tobacco product volumes showed growth. Overall, February industrial production remained under pressure, down 26.6% year-over-year, although compared to January it saw only a slight 0.6% fall.
- The services sector, however, remains relatively robust, with February showing a 12.1% year-over-year growth, despite a slight 1.3% month-to-month dip. For January-February, the sector saw a 12.4% year-over-year increase. However, tourism activity has cooled, with the number of tourists declining nearly 11% year-over-year in Q1.
- In February, real estate transactions in Armenia surged by 28% compared to January, with sales transactions rising 26% month-over-month. Construction volumes also remained strong, growing 12.7% year-over-year in February. Overall, the real estate market continues to experience heightened activity and demand, reflecting sustained investor interest in the sector. This ongoing demand is likely placing pressure on investment interest in other financial instruments.

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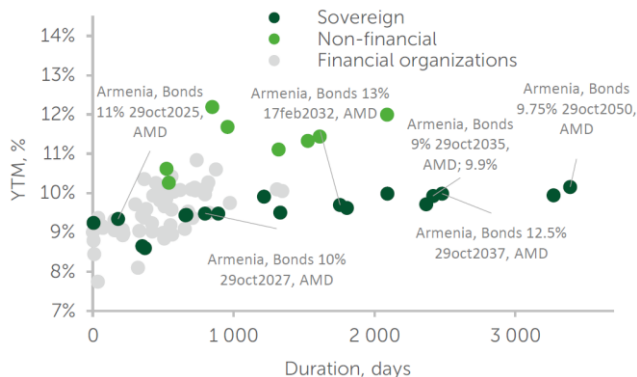
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### Key economic indicators

	Growth YoY	Growth MoM
CPI - Mar	3.3%	0.5%
GDP - 4Q	3.7%	10.4% QoQ
Economic activity index - Feb	1.4%	-5.3%

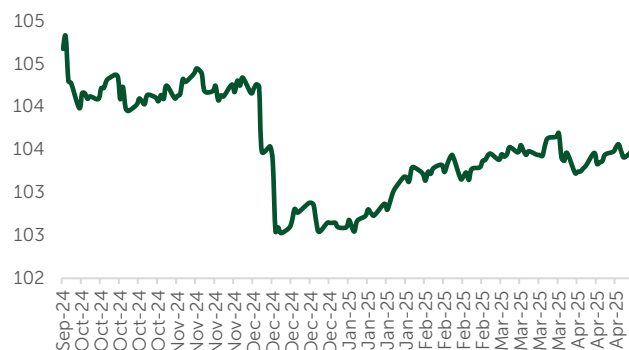
Source: armstat.am, Freedom Broker Armenia

### Armenian issuers' bonds denominated in AMD



Source: cbonds.com, Freedom Broker Armenia

### Three-year corporate bonds index in AMD \*



Source: amx.am, Freedom Broker Armenia

\*The historical comparison of the index is irrelevant - since September 10 the calculation method was revised

### Company news

- The Crowdfunding Formula (TCF; ISIN: AMCRFOB21ER6), a tech enterprise, debuted its bonds on the Armenian AMX exchange. The firm has floated AMD 400 million (approx. \$1.03 million) in debt securities. Each bond holds a face value of AMD 100,000 and offers a coupon rate of 12.75%, with a tenure extending 36 months. As of April 22, the yield to maturity stands at approximately 12.2%, as reported by Cbonds.

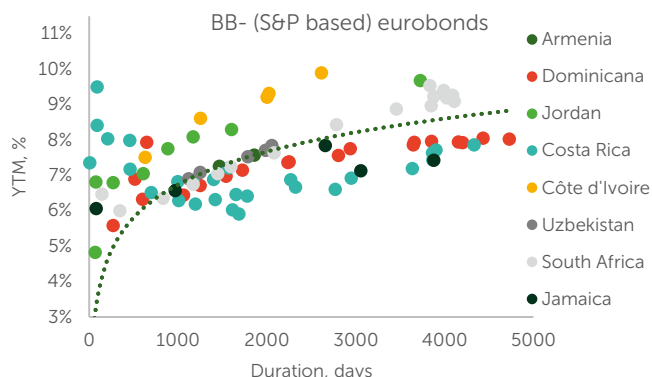
### Outlook for the next two weeks

A lineup of critical macroeconomic indicators is slated for release between April 25 and May 5, 2025. During this period, we might also see updated or refined metrics on previously announced statistics.

The upcoming release of March data on Armenia's economic activity and industrial production is poised to illuminate current trends in the nation's economy. Forecasts suggest a lack of unexpected developments, indicating a modest quickening in the decline of industrial production to -26.6% and a deceleration in economic activity from 1.5% in February to 0.9% in March. Furthermore, retail sales statistics might point to a deceleration in growth, dipping from 6.0% to 3.9% year-over-year. Coupled with this, anticipated foreign trade figures are likely to reveal an expanding trade deficit. Should these indicators align with or even underperform expectations, we could see a mild dent in investor sentiment, suggesting a subtly negative turn in broader economic trends.

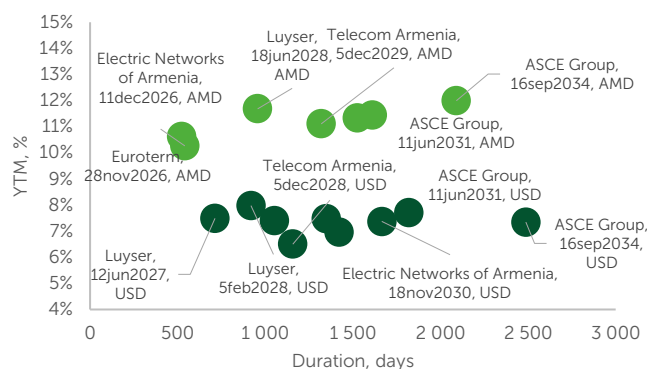
At the same time, the producer price index is expected to show a rise in inflation, increasing from 1.6% year-over-year in February to 3.2% in March, in line with the country's March CPI dynamics. However, if inflation continues to accelerate in the coming months, it could reduce the likelihood of further monetary policy easing by the Central Bank of Armenia in the near term.

### Sovereign Eurobonds of developing countries with BB-rating, in USD



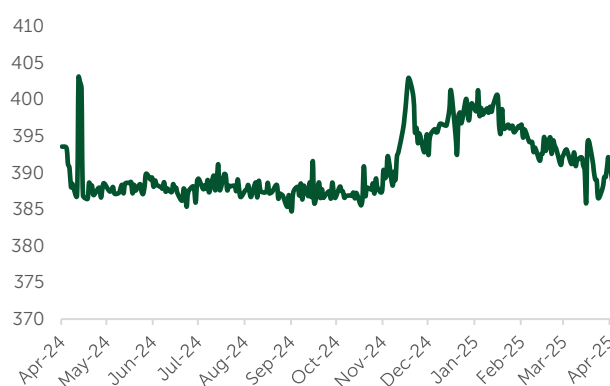
Source: amx.am, cbonds.com, Freedom Broker Armenia

### Non-financial organizations' bonds of RA



Source: cbonds.com, Freedom Broker Armenia

### USD/AMD dynamics



Source: amx.am, Freedom Broker Armenia

Chart 1: Currency rate dynamics

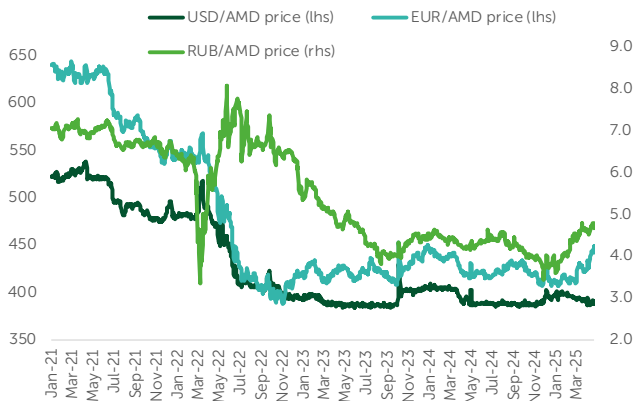


Chart 2: CPY vs refinancing rates of RA

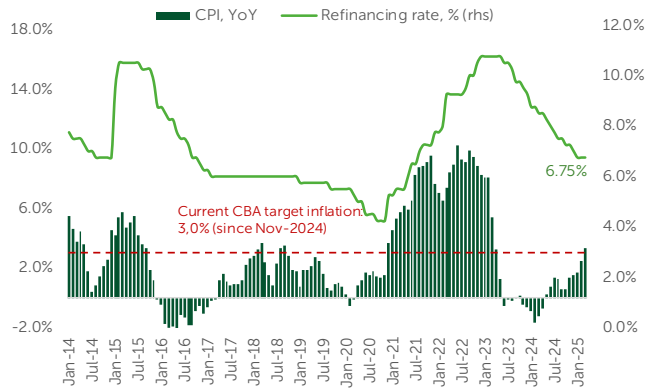


Chart 3: Armenian export breakdown by countries

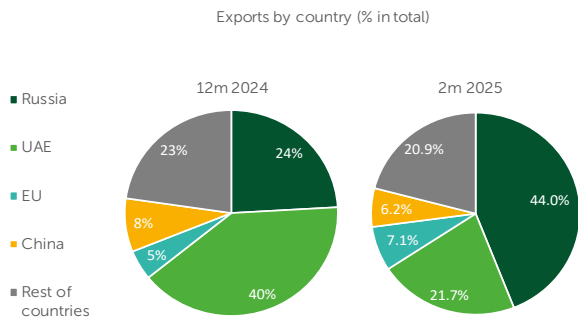


Chart 4: Armenian import breakdown by origin countries

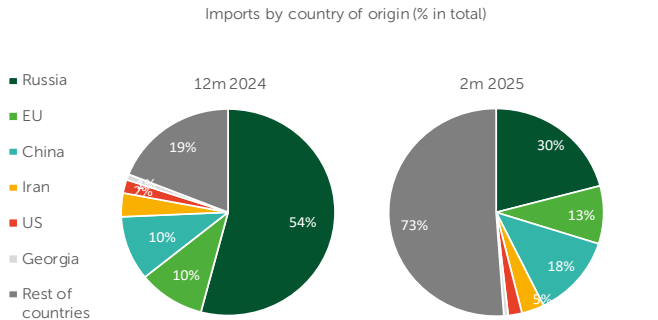


Chart 5: Armenian export breakdown by products

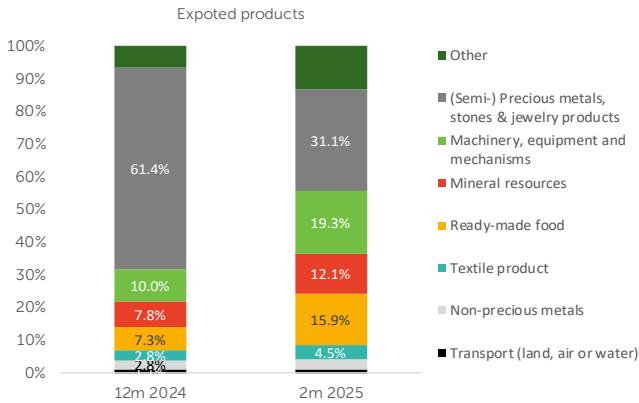


Chart 5: Armenian import breakdown by products

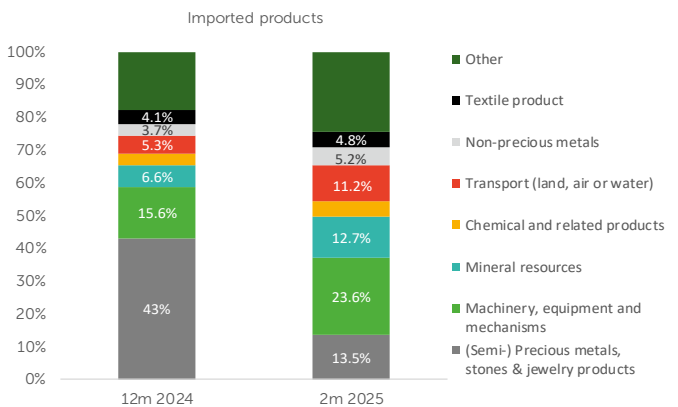


Chart 6: Construction price index

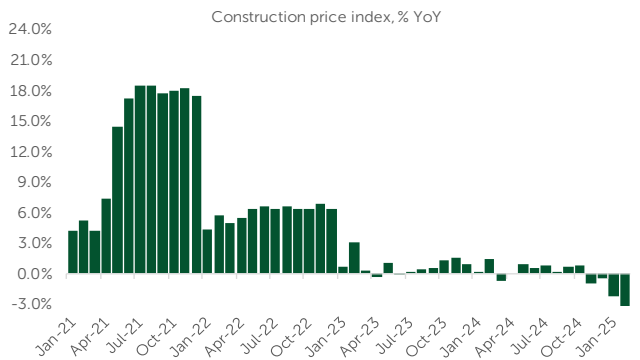
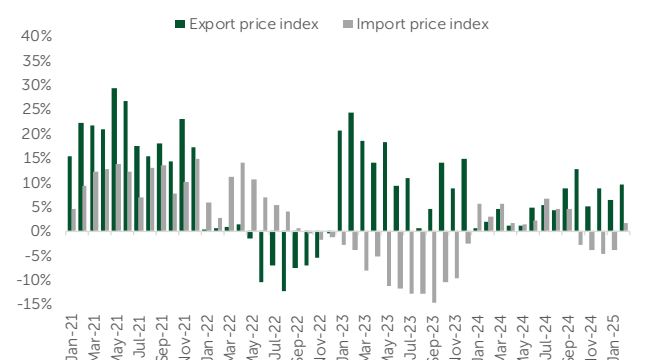


Chart 7: Export and import price indices



# Freedom Broker Armenia

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