

## Macro Statistics Indicate a Stabilization & Some Strengthening in the Economy

### Market overview

From July 14 to 28, the Armenian stock market experienced mixed movements. Shares of Telecom Armenia (AMTL) corrected by 0.5% during this period, while the overall decline since the start of the month reached 2.1%, bringing the stock prices closer to their annual average. Fundamentally, the company announced the launch of a new solar power plant in Gegharkunik, with an annual output of 16 million kWh, thereby strengthening its position in the renewable energy sector. Meanwhile, shares of ACBA Bank (ACBA) remained relatively unchanged due to a lack of significant news.

The 3-Year Corporate Bond Index stayed stable, reflecting steady inflation rates and the anticipation of a neutral monetary policy from the Central Bank. Additionally, the AMD/USD exchange rate remained stable, hovering near multi-year lows. The primary support for the national currency comes from the improved foreign trade balance: June data reveal a robust recovery in exports, leading to a reduced trade deficit. If persistent, this trend, combined with a consistent inflow of remittances, could bolster the local currency moving forward.

Overall, Armenia's macroeconomic landscape is indicative of an economy undergoing "healthy normalization." Following a phase of brief spikes, economic activity is, as expected, decelerating to a more sustainable pace. Inflation is stabilizing near its target, and both the Industrial sector and foreign trade balance are showing positive developments.

### Economic news

Between July 14 and 28, 2025, the Statistical Committee of Armenia released macroeconomic statistics on the country. There was a modest recovery in foreign trade, attributed to an increase in exports in June. Economic activity continued to grow at a strong pace, despite a slight month-on-month slowdown. Furthermore, industrial sector data also indicated positive trends.

- Foreign trade is showing signs of recovery. In June, foreign trade turnover declined by 16.6% y/y, but it increased by 9.4% m/m. Specifically, Armenian exports fell by 15.9% compared to the previous year but grew by 23.0% from the previous month, reaching nearly \$730 million. Imports decreased by 17.1% y/y to approximately \$1,002 million, yet were 0.9% higher than in May. These dynamics resulted in a decrease in the foreign trade deficit to around \$272 million, defying expectations of maintaining it at around the May level of \$400 million. This trend continues to bolster the exchange rate of the dram, which remains near multi-year lows against the dollar.
- Economic activity growth remains robust, albeit with a slight month-over-month cooling. The economic activity index increased by 8.6% y/y and 8.8% m/m in June, slightly below the expectations of +9.0% y/y and May's growth of 10.4% y/y. However, the figure was still much above the YTD average of +5.7% y/y. The primary growth driver was the construction sector (+22.6% y/y), supported by large infrastructure projects like the Kajaran tunnel. The services sector (excluding trade) also expanded by 8.2% y/y, which, along with retail trade statistics (+2.8% y/y in June vs. expectations of -0.4%), indicated improved consumer demand in the country.
- The Producer Price Index (PPI) growth moderately accelerated in June to 2.5% y/y, (forecast: 3.0%). Paired with a slowdown in the industrial downturn, this may signal the start of a recovery in the sector. If this recovery continues sustainably, it could provide additional positive momentum to the country's economic growth.

### Rafael Mkrtchyan

Senior Analyst, Capital Markets Research  
rafayel.mkrtchyan@ffin.am

### Vadim Merkulov

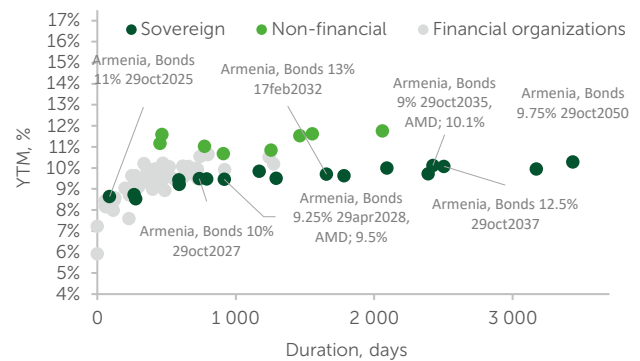
Director, Capital Markets Research  
vadim.merkulov@ffin.am

### Key economic indicators

	Growth YoY	Growth MoM
CPI - June	3.9%	-1.3%
GDP - 1Q 2025	5.2%	-34.4% QoQ
Economic activity index - June	8.6%	8.8%

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

- Team Telecom Armenia (AMTL) has recently introduced a solar power plant in Gegharkunik, delivering an annual output of 16 million kWh, thereby reinforcing its stance in the renewable energy sector. This project aligns with Armenia's high solar potential (1,720 kWh/m<sup>2</sup> annually) and the government's commitment to promoting clean energy. In the medium term, this development could have a moderately positive impact on the company's stock, as enhanced infrastructure and self-sufficient energy access may enable the company to gradually increase profit margins in its core business.
- Armenian startup DeepSat, in collaboration with Redwire Space Corporation, has announced the launch of a constellation of satellites in a very low Earth orbit (VLEO) for Earth observation. This initiative will utilize Redwire's Acorn 2.0 and DEMSI technologies. Announced through Arka Telecom, the project enhances Armenia's standing in the global space industry.

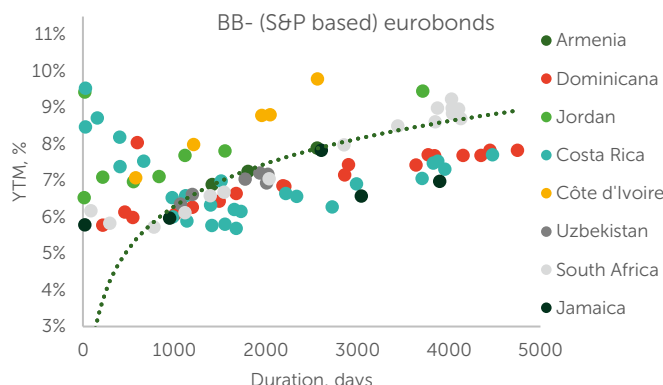
## Outlook for the Next Two Weeks

Between August 1 and 11, 2025, a slew of significant macroeconomic data for June is expected to be released. We may also see updated and clarified statistics on previously released metrics.

In the upcoming week, investors will be closely monitoring the release of July's inflation data (CPI) and the Central Bank's decision regarding the refinancing rate. The market forecast suggests that inflation will slow to 3.5% y/y in July, down from 3.9% in the previous month. The refinancing rate decision at the next meeting is not anticipated to spring any major surprises; in our baseline scenario, we expect the rate to remain at 6.75%, as inflation has remained close to the Central Bank's target range in recent months. However, the decision will hinge, among other factors, on July's inflation statistics and the absence of significant surprises in that data. These two events are likely to be pivotal in shaping market sentiment in the short term.

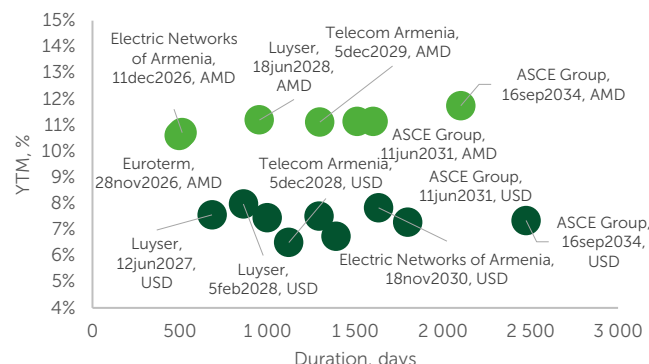
The Q2 GDP growth figures will be released shortly after this period. The previous figure stood at 5.2% y/y, indicating that the economic growth rate remains stable. The new data will help adjust expectations for the growth trajectory in the second half of the year and provide additional insights into the state of domestic demand, production activity, and the entire economy.

## 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

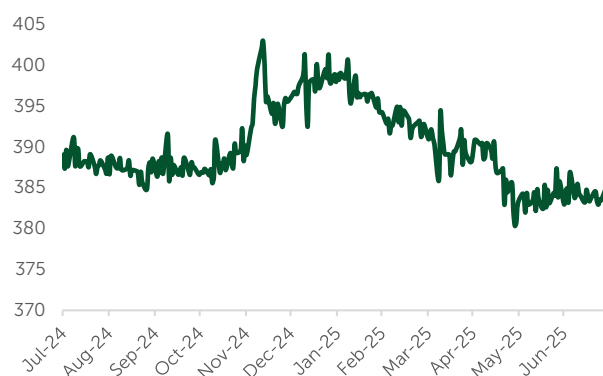


Chart 1: Currency rate dynamics

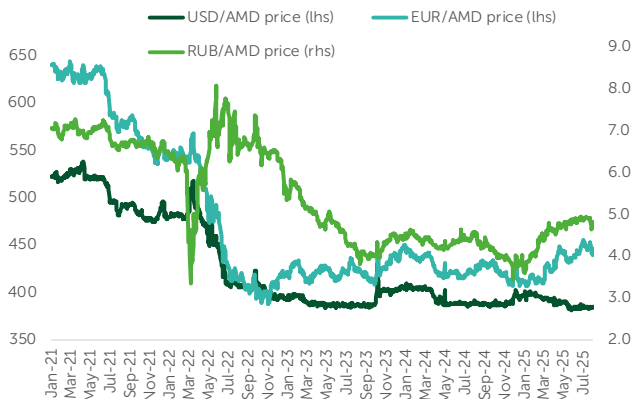


Chart 3: Armenian export breakdown by countries

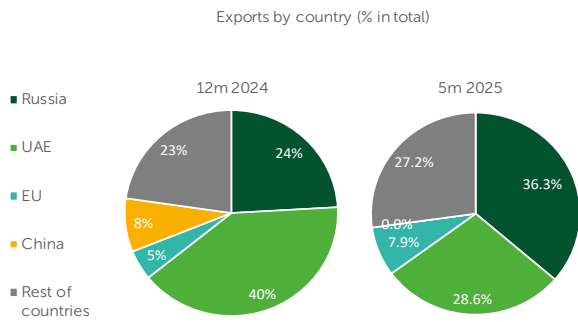


Chart 5: Armenian export breakdown by products

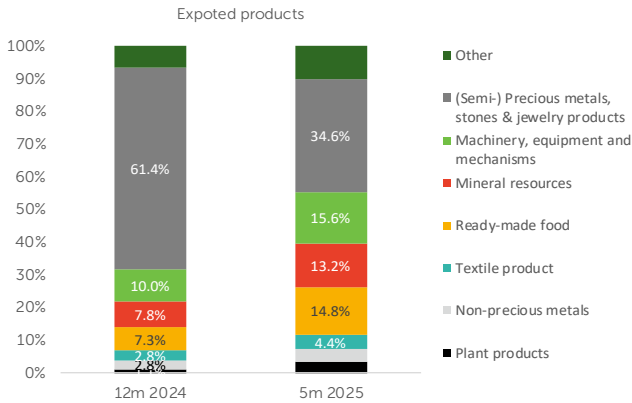


Chart 6: Construction price index

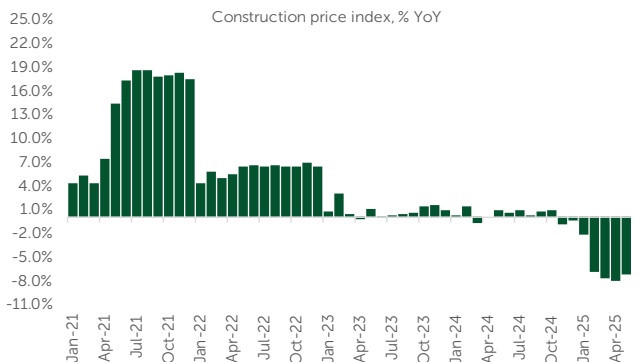


Chart 2: CPY vs refinancing rates of RA

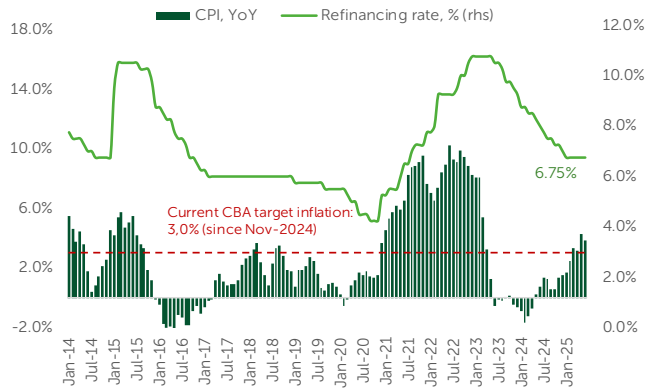


Chart 4: Armenian import breakdown by origin countries

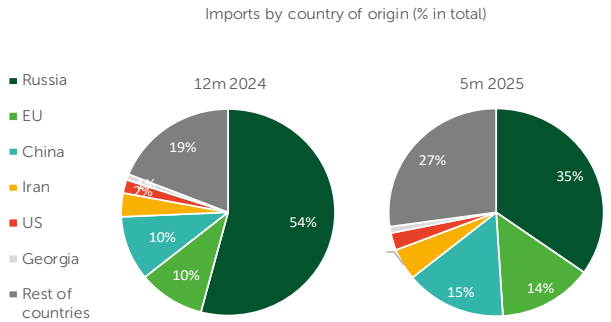


Chart 5: Armenian import breakdown by products

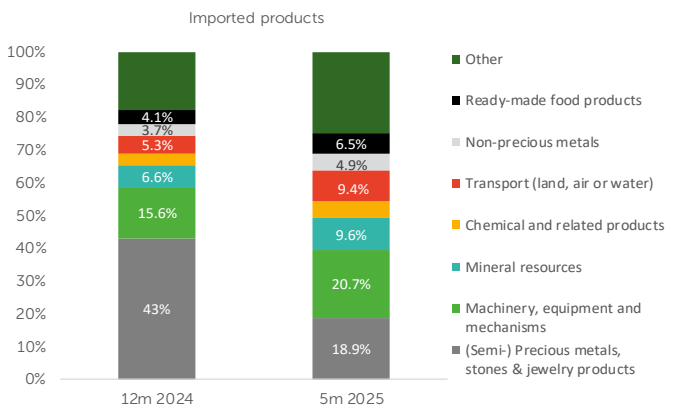
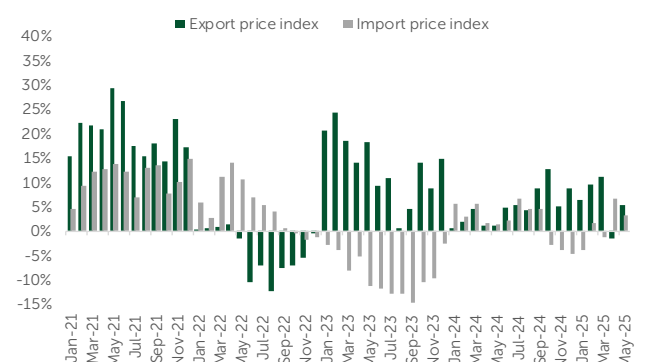


Chart 7: Export and import price indices



# Freedom Broker Armenia

«Ֆրիդոմ ֆինանսս Արմենիա» ՍՊԸ-ն վերահսկվում է ՀՀ Կենտրոնական բանկի կողմից, լիցենզիա՝ ՆԸ 0021: Հանդիսանում է «Freedom Holding Corp.»-ի անդամ՝ գործելով Freedom Broker ապրանքանշանի ներքո:

"Freedom Finance Armenia" LLC is regulated by the Central Bank of the Republic of Armenia, license ՆԸ 0021. It is a member of "Freedom Holding Corp." operating under the Freedom Broker brand.

[ffin.am/](https://ffin.am/)+37412252252

Այս բաժնի նյութերը հրապարակված են միայն տեղեկատվական նպատակներով, ուղղված են Ընկերության հաճախորդներին, չեն հանդիսանում ոչ անհատական ներդրումային առաջարկություն, ոչ էլ տարբեր ընկերությունների ֆինանսական գործիքներում ներդրումներ կատարելու առաջարկ: Արժեթղթերի և այլ ֆինանսական գործիքների սեփականությունը միշտ ռիսկ է պարունակում. արժեթղթերի և այլ ֆինանսական գործիքների արժեքը կարող է աճել կամ նվազել: Նախկինում կատարված ներդրումների արդյունքները չեն երաշխավորում ապագայում դրանց վերադարձը: Գործող օրենսդրության համաձայն Ընկերությունը չի երաշխավորում և չի խոստանում ներդրումների ապագա շահույթը, չի երաշխավորում հնարավոր ներդրումների հուսալիությունը և հնարավոր եկամտի չափի կայունությունը:

The materials in this section are published for informational purposes only, are addressed to the Company's clients, do not constitute neither an individual investment recommendation nor an offer to invest in financial instruments of various companies. Ownership of securities and other financial instruments always involves risk: the value of securities and other financial instruments may rise or fall. Results of investments in the past do not guarantee returns in the future. Under applicable legislation the Company does not guarantee and does not promise future returns on investments, does not guarantee the reliability of possible investments and stability of the amount of possible income.