

## Diverse Trends with a Focus on Corporate News

### Market overview

During the period of November 4-18, 2024, the Armenian stock market exhibited mixed trends. Telecom Armenia shares edged up by 4.7%, despite the reports about the Communications sector's revenue declining by 3.1% y/y. Meanwhile, ACBA Bank stock dropped 1.6% during this period, even though Ruben Melikyan, Chairman of the Union of Banks of Armenia (UBA), suggested that the banking system has the potential to achieve net earnings of \$1.0 billion. For context, the revenue was approximately \$567.8 million in 2023 and \$682 million for the first nine months of 2024. Furthermore, the bank announced an expansion of its partnership with American Express.

The 3-year corporate bond price index rose by 0.1%, making a slight correction after hitting its highest point since the end of August. Overall, the changes in the index are insignificant, with the upward trend attributed to a cycle of monetary policy easing through interest rate cuts in the economy. Conversely, the exchange rate of the dram against the U.S. dollar has remained stable, showing a slight appreciation of 0.5%, despite the U.S. dollar strengthening against major global currencies, as indicated by the DXY's 2.2% increase. This suggests relative stability for the country's currency. However, the potential further strengthening of the U.S. dollar, influenced by the policies of newly-elected President Donald Trump, could exert some downward pressure on the Armenian dram (AMD).

### Economic news

During this timeframe, the Statistical Committee of Armenia released data on construction volumes in Yerevan and statistics on real estate transactions nationwide. The figures reflect a robust balance of supply and demand in the Real Estate sector, which in turn places some strain on investment activity in the Financial sector. The International Monetary Fund (IMF) has also adjusted its inflation expectations for Armenia downward.

- In September, construction activity in Yerevan increased by 16.5% y/y. Over the nine months of 2024, the growth was 15.9% y/y. Continued construction activity was generally anticipated amid the lack of short-term pressures, but the gradual phase-out of the government mortgage program in the capital starting in early 2025 may temper real estate activity in the long term.
- The number of real estate transactions in the country experienced a slight monthly decline of 3.9%, totaling 4,643 transactions. However, this figure remains much higher (by 26.7%) than in the previous year. These statistics suggest that demand in the real estate market remains robust, which, in our opinion, might dampen investment interest in financial instruments.
- The IMF lowered its inflation forecast for Armenia to 0.2% for 2024, down from the previous estimate of 3.1%, and to 3.1% from 3.7% for 2025. Projected economic growth is 6.0% for 2024 and 4.9% for 2025. Separately, the Central Bank of Armenia expects inflation to approach 2.0% in 2024 and reach 4.0% in 2025.

### Company news

- Akba Bank has announced the expansion of its exclusive partnership with American Express regarding the issuance and servicing of American Express cards, according to the bank's press service. The bank will also collaborate with sales and service points that accept payments with American Express cards.
- ServiceTitan, an Armenian IT company, has filed for an IPO on the Nasdaq stock exchange under the ticker TTAN, as reported on the Nasdaq website. The IPO's underwriters include Goldman Sachs, Morgan Stanley, Wells Fargo, and Citigroup. ServiceTitan plans to reserve up to 5% of the shares in the IPO for eligible customers, friends and family members of the founders, and others through a direct distribution program.



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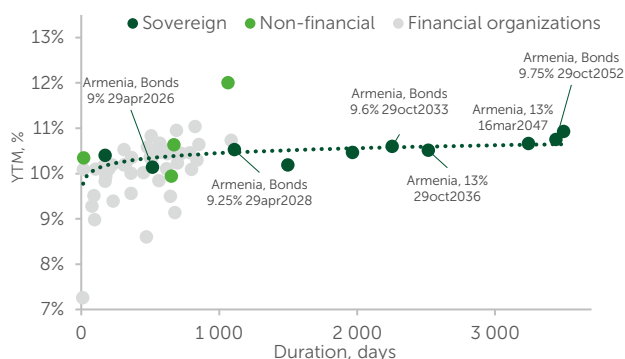
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### Key economic indicators

	Growth YoY	Growth MoM
CPI - Oct	0.6%	0.3%
GDP - 2Q	6.4%	16.0% QoQ
Economic activity index - Sep	7.0%	6.6%

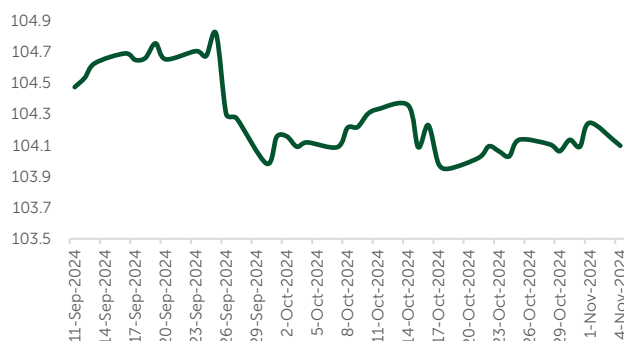
Source: armstat.am, Freedom Broker Armenia

### 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

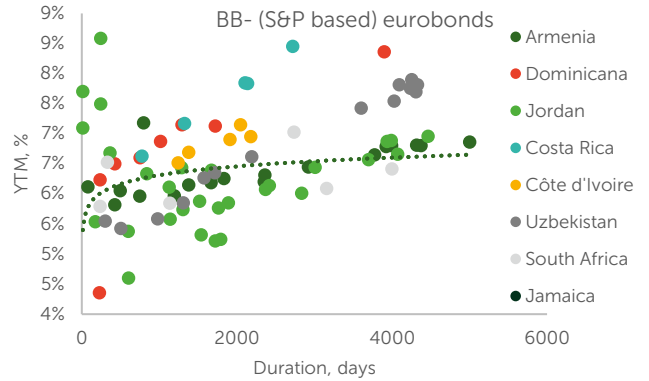
\*The historical comparison of the index is irrelevant - since September 10 the calculation method was revised

**Outlook for the next two weeks**

Between November 22 and December 2, 2024, statistics on a few macroeconomic indicators are expected to be released. The publication of the economic activity index for October, along with data on industrial output and retail sales, should provide clearer insights into economic trends.

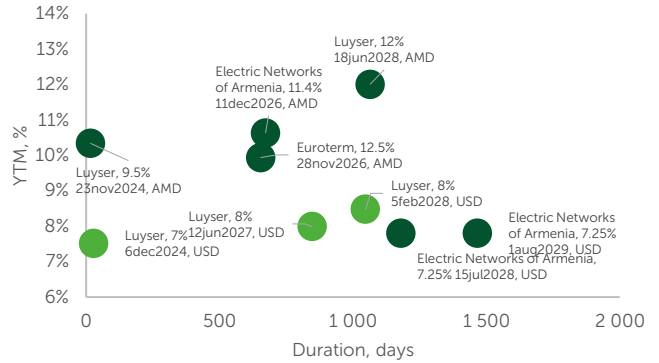
The Producer Price Index (PPI) for October is unlikely to bring major surprises and is expected to remain close to previous levels (+2.9% y/y), given the recent cooling trend in the CPI. Armenia's trade balance for October will also be announced, and its results should already be fully factored into the country's currency valuations.

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



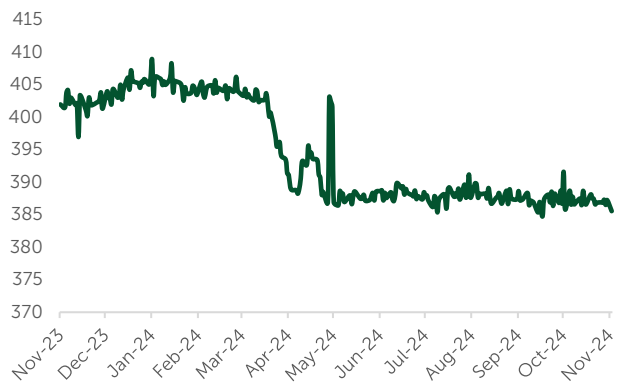
Source: amx.am, cbonds.com, Freedom Broker Armenia

**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

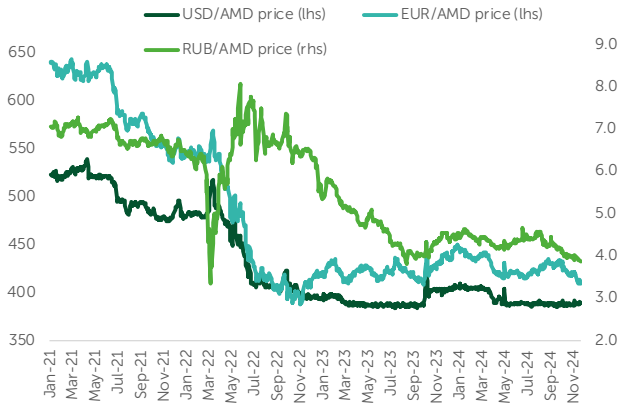


Chart 2: CPY vs refinancing rates of RA

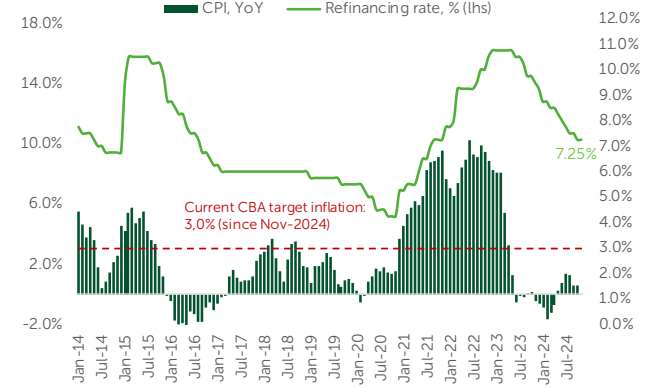


Chart 3: Armenian export breakdown by countries

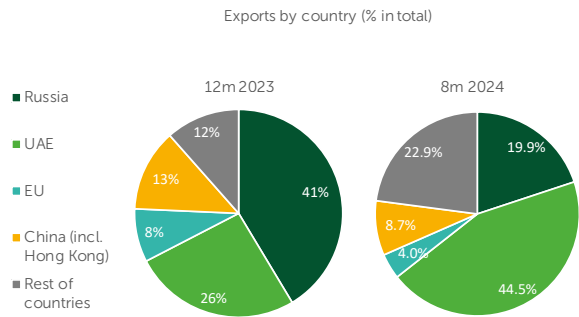


Chart 4: Armenian import breakdown by origin countries

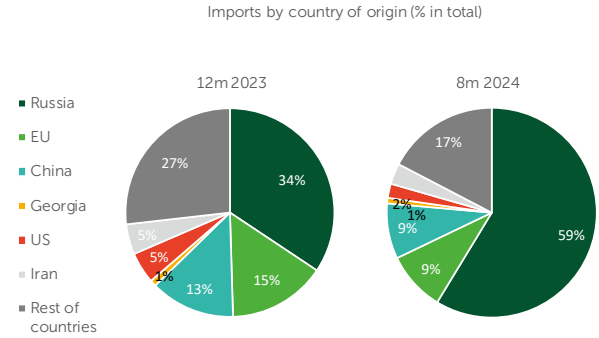


Chart 5: Armenian export breakdown by products

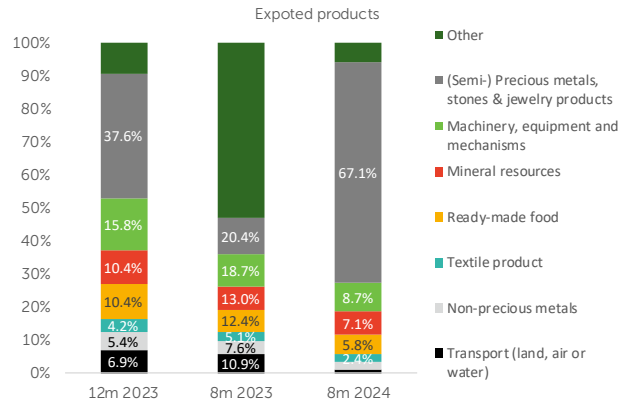


Chart 5: Armenian import breakdown by products

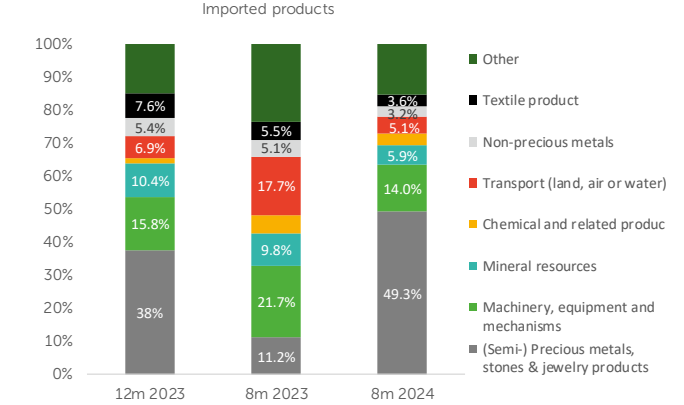


Chart 6: Construction price index

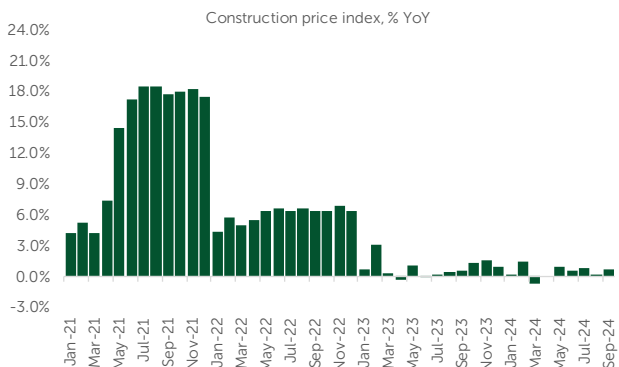
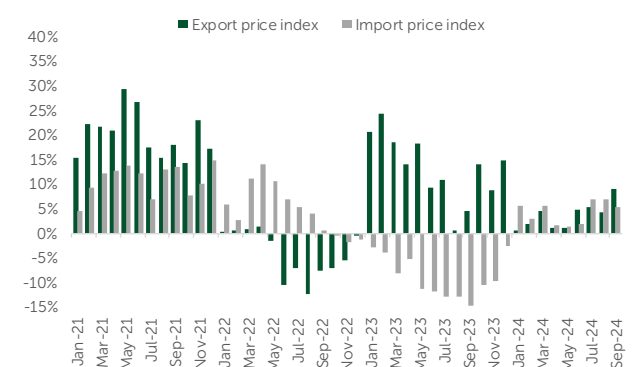


Chart 7: Export and import price indices



Source: armstat.am, cba.am, FactSet, Bloomberg, Freedom Broker Armenia

# Freedom Broker Armenia

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

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