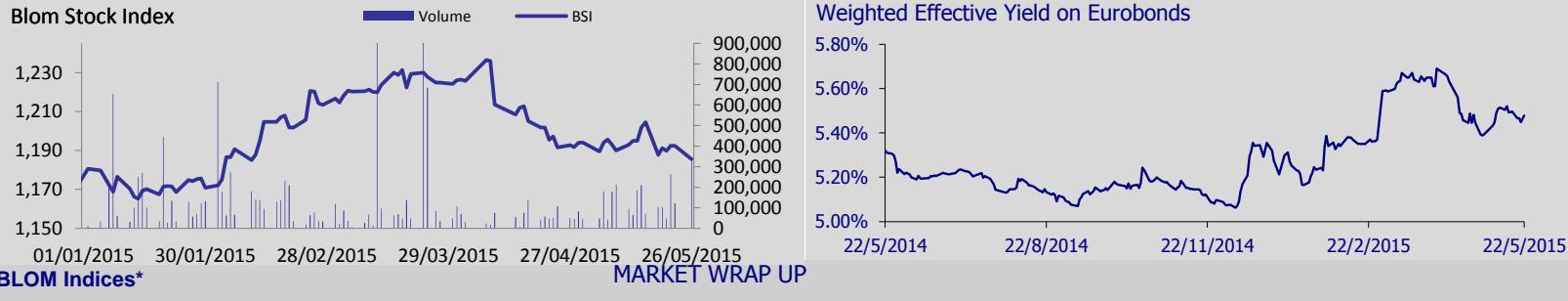


Daily Market Bulletin

Tuesday May 26, 2015



BLOM Indices*

	Last	Previous	% Change
BSI	1,185.48	1,191.57	-0.51%
High	1,192.88	1,193.12	
Low	1,183.12	1,190.36	
Vol	334,657	122,946	172.20%
Val	1,912,542	1,971,146	-2.97%

The Lebanese Bourse experienced poor performance on Tuesday, as the BLOM Stock Index (BSI) declined by 0.51% to settle at 1,185.48 points. In the banking sector, Byblos Bank preferred 2008 and 2009 shares gained 0.30% and 0.10% to close the session at respective quotes of \$100.50 and \$100.40, while Bank Audi GDR shares lost 4.43% to \$6.26. Seven out of the ten traded stocks, in the banking sector, traded at their previous quotes. These were Byblos Bank listed shares, Bank of Beirut preferred shares class "H" and "I", BLOM Bank common and its 2011 preferred shares, BEMO Bank listed shares and Bank Audi preferred class "G" shares. In the real estate sector, Solidere shares class "A" downturned by 1.83% to \$11.29 while class "B" shares augmented by 0.35% to end up at \$11.45.

	Last	Previous	% Change
BPSI	104.49	104.44	0.05%
Vol	19,667	75,571	
Val	\$947,057	\$1,429,738	

The BLOM Bond Index (BBI) dropped by 0.06% to 107.50 points, as demand for long-term Lebanese Eurobonds fell on Friday. Yield on the 10Y Lebanese Eurobonds upticked by 1 basis point (bp) to 6.01% while that of the 5Y steadied at 5.20%. On the US front, demand for medium-term U.S notes declined, illustrated by the 4 bps increase in their yield to end up at 1.57%. Accordingly, the spread between the yields on the 5Y Lebanese Eurobonds and their US equivalent narrowed by 4 bps to 363 bps. Lebanon's 5Y Credit Default Swaps (CDS) slightly drifted from a previous quote of 370-395 bps to 369-396 bps.

	Last	Previous	% Change
BBI	107.50	107.56	-0.055%
10Y Yield	6.01%	6.00%	1
Spread10Y US	380	381	-1

In a recent publication, RAMCO revealed that the total bulk of apartments that were unsold in 2014 stood at 271, in Municipal Beirut, worth approximately \$480M. In details, the census was based on 56 completed projects throughout 51 neighborhoods in the capital. In addition, the sales ratio (residential area sold out of the total residential stock under construction) stood at 76% in 2014 comparing to 78% and 82% in 2013 and 2012, respectively. It is highly expected that the sales ratio will maintain its bearish trend given that the majority of real estate apartments are usually sold off-plan, which means before the effective construction of the units that could take up to 3 years on average. Accordingly, and noting that the deterioration of real estate demand mainly started in 2012, the sales ratio is projected to drop further, as it will mainly reflect the real estate demand of the previous three years. Raja Makarem, Managing Director of RAMCO, believes that the underlying problem was the lack of understanding of the Lebanese real estate market dynamics. This led developers to fail in meeting the actual market demand and selling their units. Mr. Makarem anticipates that the unsold stocks of apartments illustrate the relative stagnation of the residential market.

	22/05/2015
Cedars A (\$)	\$ 7,550.35
Cedars B (\$)	\$ 5,400.13
Cedars C (\$)	\$ 5,734.54
Petra A (JOD)	\$ 2,911.89
Petra B (\$)	\$ 4,839.52
BBF**	\$ 9,481.98
Pyramids	\$ 5,756.69

	Last	Change	Volume	Vwap	Price	Yield
Solidere (A)	\$11.29	-1.83%	32,839	\$11.41		
Solidere (B)	\$11.45	0.35%	5,278	\$11.48	Nov. 2016	100.500 4.39%
BLOM GDR	\$10.00	-	-	\$11.48	Mar. 2017	107.750 4.53%
BLOM Listed	\$9.50	-	4,134	\$9.50	Oct. 2017	101.000 4.55%
Audi GDR	\$6.26	-4.43%	10,000	\$6.26	Jun. 2018	101.000 4.79%
Audi Listed	\$6.12	-	-	-	Nov. 2018	100.630 4.95%
BLOM Pref 2011	\$10.10	-	573	\$10.10	Apr. 2019	101.130 5.18%
Byblos Listed	\$1.62	-	252,499	\$1.62	Mar. 2020	104.250 5.36%
Byblos Pref 08	\$100.50	0.30%	1,360	\$100.51	Apr. 2020	101.500 5.45%
Byblos Pref 09	\$100.40	0.10%	3,734	\$100.34	Apr. 2021	113.250 5.58%
BoB Pref H	\$25.50	-	400	\$25.50	Oct. 2022	102.000 5.76%
BoB Pref I	\$25.35	-	12,600	\$25.35	Jan. 2023	101.250 5.79%
Audi Pref G	\$100.30	-	1,000	\$100.30	Dec. 2024	107.130 6.01%
BEMO listed	\$1.89	-	10,240	\$1.89	Feb. 2025	101.130 6.04%
BSI	BPSI	BBI	NEER		Nov. 2026	103.500 6.17%
Year to date	1.30%	-1.36%	0.03%	11.68%	Nov. 2027	104.500 6.23%
Cedars A	Cedars B	Petra A	Petra B		Feb. 2030	102.750 6.36%
Year to date	2.42%	2.42%	3.82%	3.68%		