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The LEBANON WEEKLY MONITOR

Economy

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Lebanese banks have gone through a difficult year in 2018, amid domestic political tensions and the lack of a government formation for the better part of the year. But they managed to grow their deposit base by an annual growth that is more enough to meet the borrowing needs of the Lebanese economy.

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p.9 RESUMED DEMAND FOR LP AFTER POSITIVE POLITICAL DEVELOPMENTS

The formation of a new government and the cabinet's swift approval of the policy statement provided a relief to Lebanon's capital markets this week, and boosted confidence that the new government would move forward in accessing more than US\$ 11 billion in grants and soft loans that were pledged by international donors at CEDRE conference. In details, the FX market was characterized this week by a resumed demand for the local currency following a wave of net foreign currency conversions in the previous months. This would help reinforcing the role of Lebanese pound as a store of value after the deposit dollarization rate has reached 70.6% at end-December 2018. On the Eurobond market, the weighted average yield remained stable at 9.16%, as price gains realized at the beginning of the week were counterbalanced by downward price corrections towards the end of the week, mainly tracking emerging market weakness.

LEBANON MARKETS: WEEK OF FEBRUARY 04 - FEBRUARY 10, 2019

Money Market	↓	BSE Equity Market	↓
Certificates of Deposits Market	↔	GDR Market	↓
LP Tbs Market	↑	Eurobond Market	↔
LP Exchange Market	↑	CDS Market	↓

ECONOMY

SOUND BANK LIQUIDITY AND SATISFACTORY DEPOSIT GROWTH IN A DIFFICULT YEAR

Lebanese banks have gone through a difficult year in 2018, amid domestic political tensions and the lack of a government formation for the better part of the year. Nonetheless, confidence in the banking system and the sticky deposit base, coupled with banks' sound liquidity at hand, have allowed the sector to withstand difficult times and post a growth -albeit more modest than in previous years- in deposits, its traditional engine of growth.

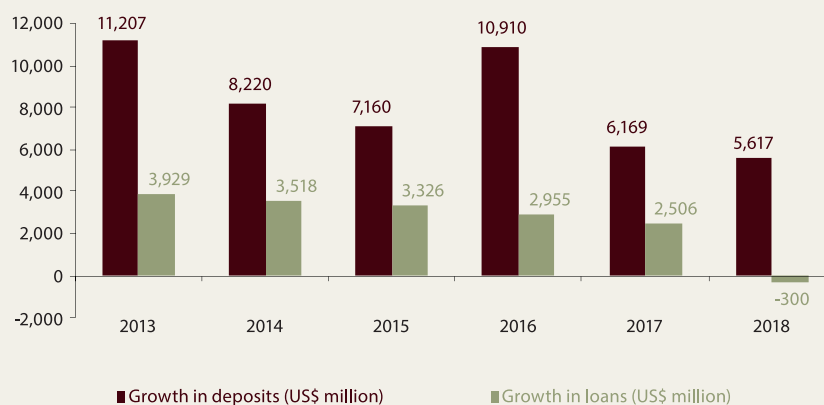
Measured by the aggregated assets of banks operating in the country, banking sector activity grew by 13.5% to reach the equivalent of US\$ 250 billion at end-2018. Banking sector deposits, the major activity driver accounting for 70% of the total balance sheets, rose by a moderate 3.3% in 2018, the equivalent of US\$ 5.6 billion (US\$ 6.8 billion when including financial sector deposits), after a strong month of December (partly favored by window-dressing).

Deposit growth during 2018 was accounted for by foreign currencies with a 6.2% growth while Lebanese pound deposits posted a 2.9% contraction year-on-year. Having said that, the deposit dollarization ratio rose to reach 70.6% by year-end, against 68.7% at end-2017, thus outpacing for the first time the 70% threshold since October 2008. Close to half of new deposits were accounted for by the non-resident sector which accounts for 22% of the total deposit base in Lebanon (against a share in growth of 19% in the previous year).

Higher interest rates (which is also a trend globally) have helped entice deposits during 2018. The sector's average LP term deposit interest rate reported 9.13% in December 2018 (rising by 222 bps on an annual basis), while the sector's average US\$ term deposit interest rate reported 5.76% (rising by 134 bps on an annual basis).

It is worth noting that the annual deposit growth is enough to meet the borrowing needs of the Lebanese economy in its private and public sector components especially that banks are not lending to the private sector. Banks loans to the private sector contracted by US\$ 300 million last year or 0.5%, against a growth of US\$ 2.5 billion in 2017 and an average growth of US\$ 3.2 billion in the past five years. As to the breakdown by residence, loans to residents contracted by US\$ 1.3 billion in 2018 while loans to non-residents increased by US\$ 1.0 billion.

EVOLUTION OF MAIN BANKING AGGREGATES



Source: BDL

Banks' liquidity position strengthened further during 2018. In particular, banks' liquidity in foreign banks reported a net improvement towards the end of the year, partly benefitting from the BDL cash settlement of two Eurobonds maturing during the month of November for a total of US\$ 1.5 billion. As such, banks liquidity in foreign banks rose from US\$ 9.6 billion in October to US\$ 11.2 billion in November and to US\$ 12.0 billion in December, thus replenishing all the FX liquidity lost during the year and exceeding its end-2017 level (US\$ 11.3 billion). It is worth mentioning that banks' liquidity at foreign banks, coupled with banks' deposits at BDL, constitute around half of customers FX deposits, highlighting the relatively liquid nature of the overall system.

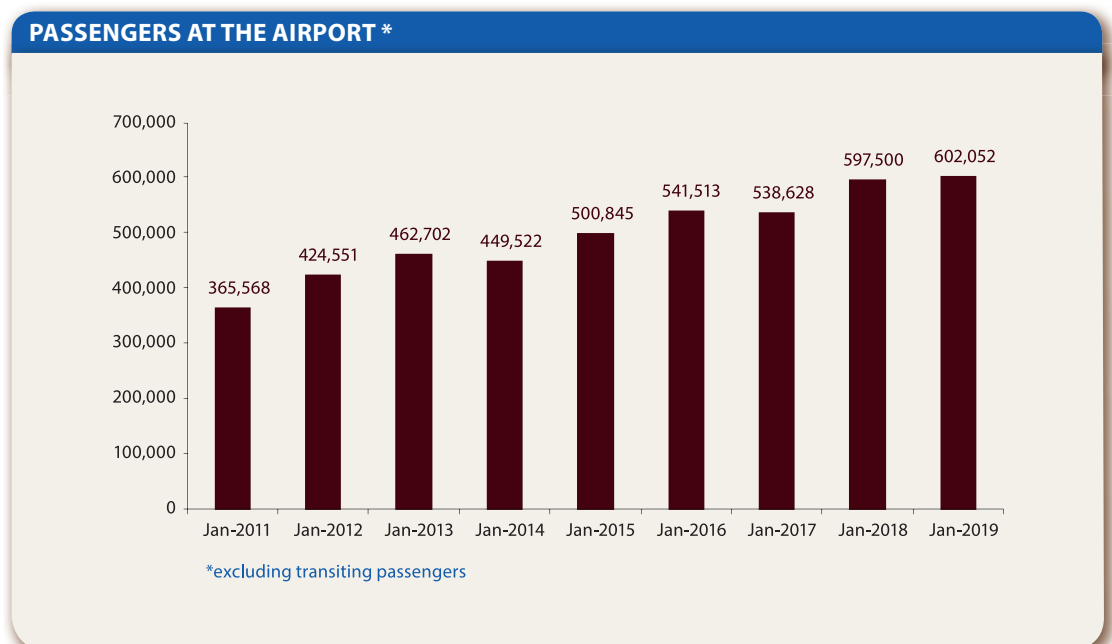
TOTAL NUMBER OF PASSENGERS AT THE AIRPORT UP BY 0.8% IN JANUARY 2019

Figures released by the Hariri International Airport revealed that the total number of passengers recorded a yearly 0.8% increase in the first month of 2019. The number of aircraft posted a rise of 5.0% year-on-year in the aforementioned month. However, the total freight handled by the airport edged down by 8.4% year-on-year in the aforementioned month.

A detailed look at the activity shows that the number of incoming passengers fell by a yearly 1.3%, while that of departing passengers rose by 2.5% to reach 269,655 and 332,397 respectively in the first month of 2019. The number of transiting passengers increased to attain 4,709 in the first month of 2019. When including the latter mentioned category, the total number of passengers using the airport attained 606,761, up by a yearly 1.5%. Excluding transiting passengers, the total would be 602,502, i.e. 0.8% higher than the level seen in the first month of 2018.

Looking at the aircraft activity, landings and take-offs recorded a 5.0% increase each with the former amounting to 2,814 planes and the latter reporting 2,815 planes in the first month of 2019.

Regarding the freight movement within the airport, a total of 4,151 thousand tons were imported and unloaded during January 2019 while 2,243 thousand tons were loaded and exported. The first mentioned activity posted a decrease of 8.8% and the latter posted a 7.8% fall on a yearly basis in the first month of 2019.



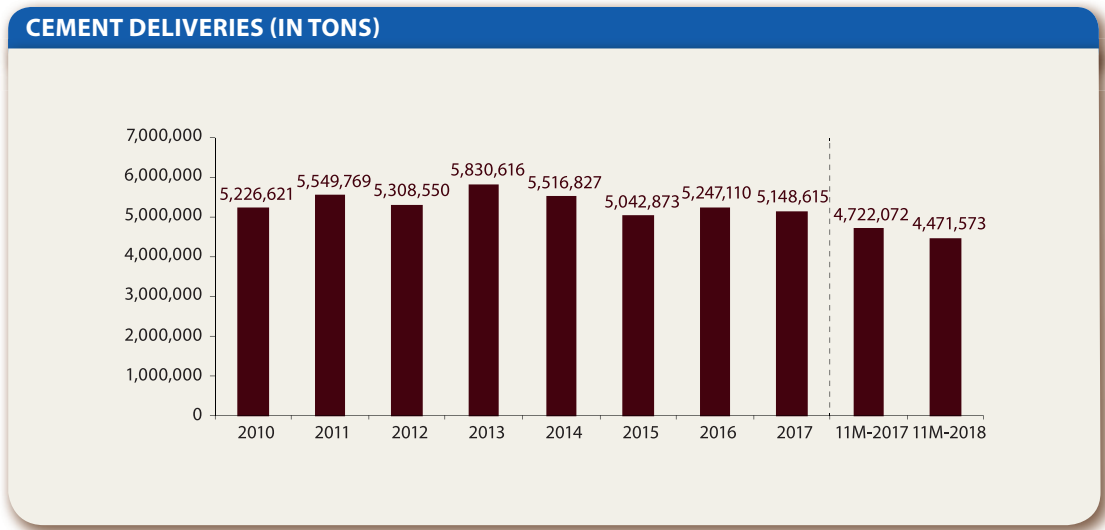
Sources: Rafic Hariri International Airport, Bank Audi's Group Research Department

CEMENT DELIVERIES DOWN BY A YEARLY 5.3% IN FIRST 11 MONTHS OF 2018

Figures released by the Central Bank of Lebanon show that cement deliveries, a coincident indicator of construction activity, declined by a yearly 5.3% in the first 11 months of 2018.

Cement deliveries actually reached circa 4,471,573 tons in the first 11 months of 2018, down from 4,722,072 tons in the corresponding 11 months of 2017.

It is worth recalling that cement deliveries reached 5,148,615 tons in 2017, down from 5,247,110 tons in 2016.

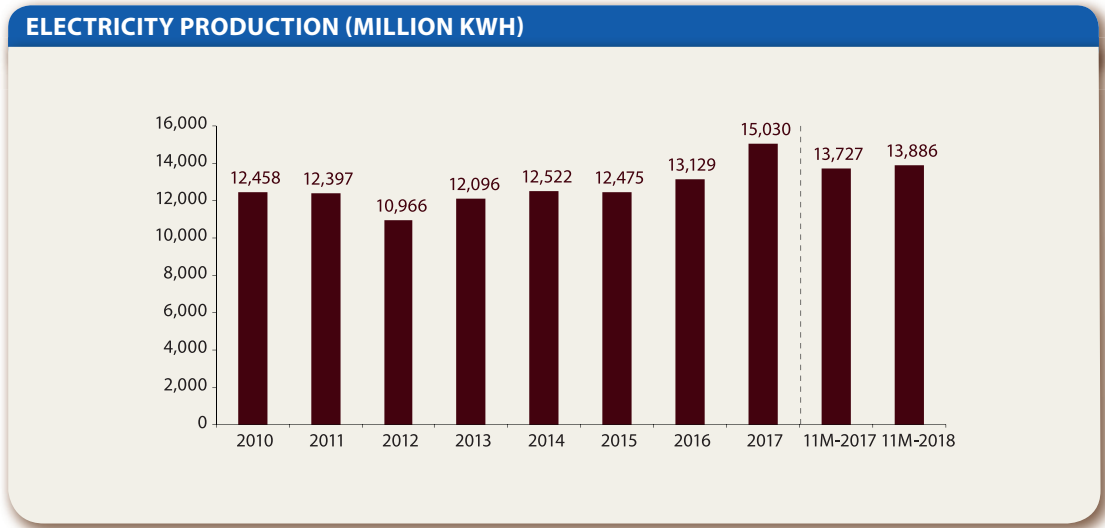


Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

ELECTRICITY PRODUCTION UP BY 1.2% IN FIRST 11 MONTHS OF 2018

Data published by the Central Bank of Lebanon shows that electricity production rose by 1.2% year-on-year in the first 11 months of 2018. The production totaled 13,886 million Kilowatt Hour (kWh) in the first 11 months of 2018, up from 13,727 million kWh in the first 11 months of 2017.

In a backward look, electricity production rose by a yearly 14.5% last year from 13,129 million kWh in 2016 to 15,030 million kWh in 2017.



Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

SURVEYS

FORMATION OF NEW GOVERNMENT IN LEBANON IS CREDIT "POSITIVE", SAYS MOODY'S

According to Moody's, the announcement of the formation of a new government in Lebanon is credit "positive" because the rating agency expects the new government to implement necessary fiscal reforms to unlock the US\$ 11 billion five-year investment package committed by international donors during the CEDRE conference in April last year.

However, credit risks remain elevated given that weak growth would challenge the government's fiscal consolidation efforts, as per Moody's. Moreover, Lebanon's fiscal and external positions would remain weak as long as a lack of investor confidence continues to weigh on deposit growth, thus increasing the risk that the government's response would include a debt rescheduling or other liability management exercise that may constitute a default under Moody's definition.

The new 30-member cabinet would meet immediately to discuss the budget and implementation of long-delayed economic reforms. Key priorities outlined earlier by Finance Minister include spending cuts and tax and electricity reforms to meet the requirements of the investment package agreed with the international donor community. These reforms aim to address the fiscal deficit that the rating agency expects would exceed 10% of GDP in 2018, reflecting an interest bill that absorbs about 50% of revenue and contributes to gross financing needs of over 30% of GDP annually, as per the report.

The CEDRE package includes around US\$ 10.2 billion of concessional loans and US\$ 800 million in grants, with US\$ 4.4 billion from the IBRD (World Bank, "Aaa stable"), US\$ 1.4 billion from the European Bank for Reconstruction and Development ("Aaa stable"), and the renewal of a US\$ 1 billion credit line from Saudi Arabia ("A1 stable").

The first phase of the capital investment programme (CIP) targets the transportation sector, water and irrigation, and electricity, with each getting a 20%-25% share, followed by the solid waste management and wastewater sectors. If accompanied by efficiency improvements, the CIP has the potential to significantly boost economic growth. Evidence that fiscal consolidation is underway would also likely shore up investor and depositor confidence.

However, fiscal consolidation in line with these targets would remain challenging because real GDP growth of 1%-2% over the next three years would put the burden on the spending side, including cuts to wages and transfers to the loss-making electricity utility, Electricité du Liban, according to Moody's.

In addition, bank deposit growth – the key funding channel for the government's large fiscal and external imbalances – remains weak, reflecting persistently large current-account deficits exceeding 20% of GDP and weaker capital inflows since 2011. Unless this formation of a government is followed by improved depositor and investor confidence that leads to a sustained turnaround in capital inflows, Lebanon's fiscal and external positions would remain among the weakest among the sovereigns rated, as per Moody's.

The rating agency also accounts for Lebanon's historical challenges implementing fiscal reform, persistent sectarian tensions in the region, and geopolitical risk assessment.

ADOPTION OF 2019 BUDGET ONE OF THE MOST PRESSING ISSUES, SAYS BARCLAYS

According to Barclays, although the list of priorities facing the new Lebanese government is long and diverse, the adoption of the 2019 budget would be one of the most pressing issues.

Almost nine months after Lebanon's May general elections, the Prime Minister successfully formed his long awaited third cabinet amid complex political negotiations and a changing regional landscape. The government's policy statement has almost been finalized after the 10-member committee successfully avoided any major disagreements.

Treasury advances allowed Ministries to finance their non-budget expenses for over a decade in the past, but the adoption of a new budget would send a strong message about the sense of urgency, as per Barclays. The Ministry of Finance finalized the preliminary 2019 draft budget in September but the Council of Ministers was unable to send it to parliament in the absence of a new cabinet. The new government would also need to send to parliament the final fiscal accounts between 1993 and 2015 after these are approved by the Audit Court.

The 2019 budget is likely to represent the acid test not only for cohesive decision making but also for the country's commitments during the CEDRE conference, notably to reducing the budget deficit by 5 percentage points of GDP within a five-year period. It is noteworthy that shortly after the Paris conference seven political factions agreed on 22 measures to reduce macro imbalances. For example, political factions agreed to eliminate the deficit of Electricité du Liban (EDL) within three years while building the country's capacity. But, the seven political parties could not reach an agreement on the timing to phase out electricity subsidies before or after electricity production reaches 24 hours coverage. Addressing the endemic issue of EDL transfers (which accounted for 40% of public debt in 1996-2013, according to World Bank estimates) may thus once again prove too contentious.

The broader agreement reached by the seven main political factions in summer 2018 informs about the likely roadmap to fiscal reforms that will be adopted by the new cabinet in coming months. For instance, reforming the social security system with the unification of the different entities, a hiring freeze in public sector in 2019 and replacing only half of the retirements in the following four years, a more transparent framework for hiring in public administration and security forces, reduction of benefits of former MPs, reduction of customs exemptions, and reform of the Public Procurement Law, which was one of the main commitments of the 2006 Paris III conference.

While most political factions agree on the diagnostic, implementation would represent the biggest challenge facing the Prime Minister. Vested interests, corruption perceptions, and capacity implementation would test the government's ability to implement structural reforms, as per Barclays. It would therefore be crucial to quickly rebuild trust over the first 100 days of the cabinet through quick tangible actions while long-term policy actions are gradually introduced to permanently address structural bottlenecks.

It is noteworthy that the majority of financial pledges from the Paris CEDRE conference will be soft loans (US\$ 8.1 billion) from multilateral creditors in order to finance infrastructure spending (e.g. transport and electricity account for more than half of the capital investment programme). For example, the High Council for Privatizations and PPP unveiled an ambitious investment plan ahead of the CEDRE conference with the tendering and bidding of many contracts expected through Q1 20 (e.g. US\$ 500 million expansion of Hariri airport and US\$ 100 million Mouawad airport, US\$ 1.6 billion Nahr Ibrahim expressway, etc).

Not only may such disbursements prove slow and gradual, but they would equally test capacity implementation and the new PPP legal framework, as per Barclays. Since external financing needs remain elevated and disbursements from CEDRE commitments remote in time, the government is likely to accelerate efforts to unlock further GCC financial support to shore up international reserves. The government is in talks with allies to secure financial support, although it remains unclear whether such transfers would be deposited at the Central Bank or used to prop up sovereign debt in secondary markets.

CORPORATE NEWS

NET PROFITS OF BANK OF BEIRUT UP BY A YEARLY 2.8% IN 2018

Bank of Beirut announced full-year 2018 net profits of US\$ 210.2 million, rising by 2.8% from US\$ 204.4 million in 2017.

Net interest income progressed from US\$ 289.6 million in 2017 to US\$ 298.0 million in 2018. Net commission income totaled US\$ 92.9 million in 2018, rising from US\$ 91.1 million in 2017.

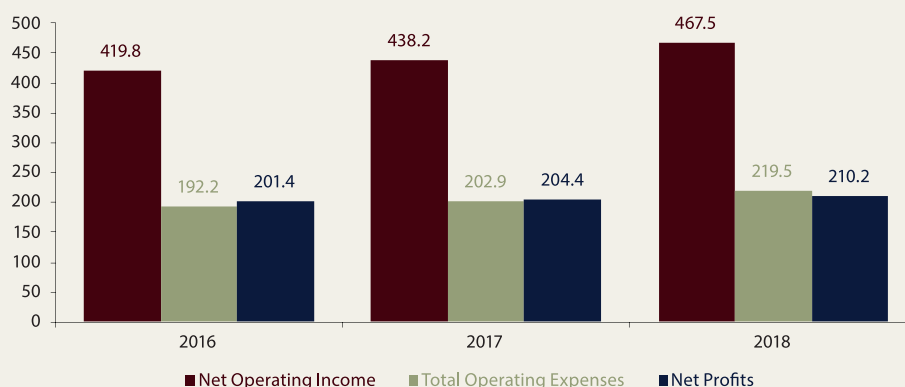
Net operating income progressed from a total of US\$ 438.2 million in 2017 to US\$ 467.5 million in 2018.

Total operating expenses moved from US\$ 202.9 million in 2017 to a higher total of US\$ 219.5 million in 2018, of which US\$ 121.3 million were allocated to staff costs (+4.7% year-on-year) and US\$ 81.5 million to administrative and other operating expenses (+13.4% year-on-year).

Bank of Beirut's total assets increased from US\$ 18.4 billion at end-2017 to US\$ 18.9 billion at end-2018. Loans and advances totaled US\$ 5.7 billion at end-2018, up by 0.9% from end-2017.

Customers' deposits increased from US\$ 13.3 billion at end-2017 to US\$ 13.4 billion at end-2018. Shareholders' equity remained nearly unchanged from end-2017 at US\$ 2.4 billion at end-2018.

BANK OF BEIRUT'S SELECTED INCOME STATEMENT AGGREGATES (US\$ MILLION)



Sources: Bank of Beirut, Bank Audi's Group Research Department

BANQUE BEMO'S NET PROFITS UP BY 2.5% YEAR-ON-YEAR TO US\$ 18.9 MILLION IN 2018

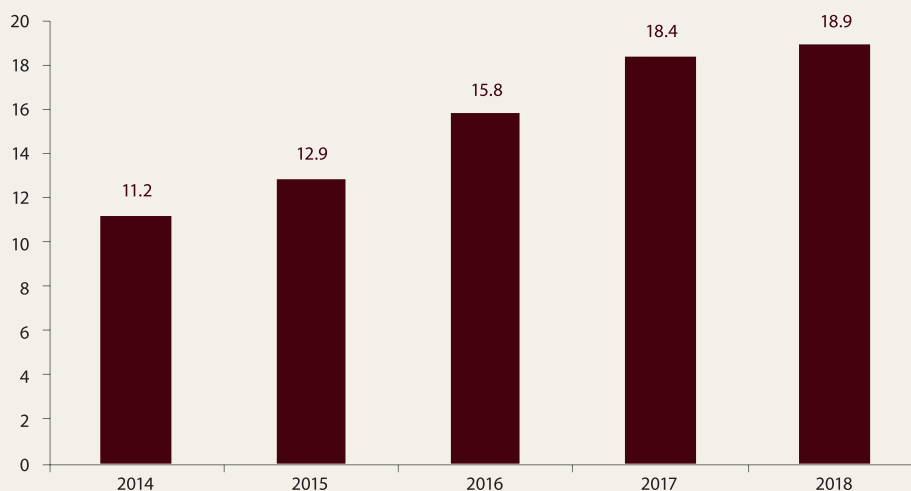
Banque BEMO sal announced 2018 net profits of US\$ 18.9 million, against net profits of US\$ 18.4 million in 2017. Net interest income rose by 26.9% to US\$ 35.2 million in 2018.

Net fees and commission income increased from US\$ 5.7 million in 2017 to US\$ 6.0 million in 2018. Net operating income edged up by 0.9% to attain US\$ 48.4 million in 2018.

Total expenses fell by a yearly 1.5% to US\$ 27.0 million in 2018, of which staff costs reached US\$ 15.8 million, 2.8% lower than those reported in 2017, and other operating expenses registered US\$ 9.9 million, 3.9% lower than those during 2017.

Banque BEMO sal's assets totaled US\$ 2.0 billion at end-2018, up by 14.5% from end-2017. Net loans and advances registered US\$ 727.9 million, down from US\$ 762.6 million at end-2017. Customers' deposits amounted to US\$ 1.3 billion at end-2018, down from US\$ 1.4 billion from end-2017.

The bank's total shareholders' equity rose from US\$ 174.4 million at end-2017 to US\$ 188.8 million at end-2018.

BANQUE BEMO'S NET PROFITS (US\$ MILLION)

Sources: Banque BEMO, Bank Audi's Group Research Department

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE AT 8% AMID RISING DEMAND FOR LP ON FX MARKET

After hovering between 15% and 25% at the beginning of the week due to technical reasons related to the CNSS withdrawal of LP deposits from the banking sector, the overnight rate slid to 8% on Friday amid increased demand for the local currency on the foreign exchange market.

In parallel, total resident banking deposits contracted by LP 496 billion during the week ending 24th of January 2019, according to the latest monetary aggregates released by the Central Bank of Lebanon. This was driven by a LP 387 billion fall in total LP resident deposits amid a LP 55 billion decline in LP demand deposits and a LP 332 billion drop in LP saving deposits, in addition to a LP 109 billion contraction in foreign currency deposits (the equivalent of US\$ 72 million). Within this context, the total money supply in its largest sense (M4) contracted by LP 862 billion over the covered week amid a LP 146 billion retreat in the currency in circulation and a LP 220 billion decrease in the non-banking sector Treasury bills portfolio.

INTEREST RATES

	08/02/19	01/02/19	28/12/18	
Overnight rate (official)	3.90%	3.90%	3.90%	↔
7 days rate	4.00%	4.00%	4.00%	↔
1 month rate	4.75%	4.75%	4.75%	↔
45-day CDs	4.90%	4.90%	4.90%	↔
60-day CDs	5.08%	5.08%	5.08%	↔

Source: Bloomberg

TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 581 BILLION

The Treasury bills auction results for value date 31st of January 2019 showed that total subscriptions reached LP 638 billion and were distributed as follows: LP 11 billion in the six-month category (offering a yield of 5.85%), LP 180 billion in the three-year category (offering a coupon of 7.50%) and LP 447 billion in the seven-year category (offering a coupon of 9.0%). In parallel, maturities totaled LP 56 billion, resulting into a nominal weekly surplus of LP 582 billion.

In parallel, the latest Treasury bills auction results for value date 7th of February 2019 showed that the Central Bank of Lebanon has allowed banks to subscribe in full to the three-month category (offering a yield of 5.30%), the one-year category (offering a yield of 6.50%) and the five-year category (offering a coupon of 8.0%).

On a cumulative basis, total subscriptions amounted to LP 1,167 billion in January 2019. The seven-year category captured 44% of the total (the equivalent of LP 509 billion), followed by the three-year category with 15% (the equivalent of LP 180 billion), the one-year and five-year categories with 12% each (the equivalent of LP 135 billion and LP 139 billion respectively), the ten-year category with 11% (the equivalent of LP 125 billion), while the three-month, six-month and two-year categories accounted for the remaining 7% (the equivalent of LP 79 billion). In parallel, total maturities reached LP 1,027 billion, resulting into a nominal surplus of LP 140 billion in January 2019.

TREASURY BILLS

	08/02/19	01/02/19	28/12/18	
3-month	5.30%	5.30%	4.44%	↔
6-month	5.85%	5.85%	4.99%	↔
1-year	6.50%	6.50%	5.35%	↔
2-year	7.00%	7.00%	5.84%	↔
3-year	7.50%	7.50%	6.50%	↔
5-year	8.00%	8.00%	6.74%	↔
7-year	-	9.00%	7.08%	
Nom. Subs. (LP billion)		638	98	
Short-term (3&6 mths)		11	4	
Medium-term (1&2 yrs)		-	11	
Long-term (3 yrs)		180	-	
Long-term (5 yrs)		-	83	
Long-term (7 yrs)		447	-	
Maturities		56	124	
Nom. Surplus/Deficit		582	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: INCREASED DEMAND FOR LP AFTER LOCAL POLITICAL SETTLEMENTS

The formation of a new government and the cabinet's swift approval of the policy statement provided a relief to the foreign exchange market. Market participants started to show demand for the Lebanese pound after months-long wave of net conversions in favor of foreign currencies. Within this context, the Central Bank governor said that the US dollar was on offer on the foreign exchange market since the formation of the new government, signaling that "this strengthens the role of the Lebanese pound as a vehicle for savings".

EXCHANGE RATES

	08/02/19	01/02/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,949.65	1,966.68	1,905.78	↑
LP/¥	13.72	13.84	13.66	↑
LP/SF	1,504.34	1,518.43	1,529.68	↑
LP/Can\$	1,132.01	1,147.09	1,107.48	↑
LP/Euro	1,701.55	1,728.80	1,724.73	↑

Source: Bank Audi's Group Research Department

STOCK MARKET: SLOW MOOD CONTINUES TO GOVERN BSE ALONG WITH WEEKLY PRICE DECLINES

A slow mood continued to govern the Beirut Stock Exchange during this week. The total trading value was limited to US\$ 0.9 million as compared to US\$ 2.1 million in the previous week and an average weekly trading value of US\$ 10.8 million since the beginning of the year 2019. Solidere shares captured 61% of activity, while the banking shares accounted for the remaining 39%.

As far as prices are concerned, Lebanese equities traced a downward trajectory over this week, with seven out of eight traded stocks posting price falls. This resulted into a 1.4% week-on-week decline in the BSE price index to close at 80.27. Solidere "B" shares led the drop on the Beirut Stock Exchange, posting

an 8.1% plunge in prices to close at US\$ 6.01, followed by Solidere "A" shares with -7.5% to US\$ 6.21. As to banking stocks, Byblos Bank "Preferred shares class 2008" registered price declines of 2.8% to close at US\$ 70.0, followed by BLOM's "listed" shares with -1.2% to US\$ 8.94, Byblos "listed" shares with -0.7% to US\$ 1.35 and BLOM's GDRs with -0.1% to US\$ 8.88.

On a cumulative basis, the BSE total trading value almost doubled year-on-year in January 2019, reaching US\$ 55 million as compared to US\$ 28 million in January 2018. Accordingly, the total turnover ratio, measured by the annualized trading value to market capitalization, increased from 3.1% in January 2018 to 7.4% in January 2019, shedding light on the BSE increased activity.

AUDI INDICES FOR BSE

22/1/96=100	08/02/19	01/02/19	28/12/18	
Market Cap. Index	367.78	372.97	384.30	↓
Trading Vol. Index	7.70	17.65	227.09	↓
Price Index	80.27	81.40	83.87	↓
Change %	-1.39%	0.65%	-0.70%	↓
	08/02/19	01/02/19	21/12/18	
Market Cap. \$m	8,725	8,848	9,117	↓
No. of shares traded (Exc. BT)	169,870	293,712	4,241,140	↓
Value Traded \$000 (Exc. BT)	907	2,079	21,393	↓
o.w. : Solidere	550	1,023	1,208	↓
Banks	357	1,020	20,107	↓
Others	0	36	78	↓

Sources: Beirut Stock Exchange, Bank Audi's Group Research Department

BOND MARKET: WEEKLY STABILITY IN BOND YIELDS

The positive developments on the local political front, namely the government formation and the cabinet's approval of the policy statement, boosted investor confidence in the government agenda and left their imprints on the Lebanese Eurobond market over this week. Within this context, Moody's said that the cabinet formation is "credit positive", as it would help to unlock the US\$ 11 billion five-year investment package committed by international donors during the CEDRE conference in April 2018.

Under these conditions, Lebanese Eurobonds initiated the week with price gains, yet witnessed some downward price corrections towards the end of the week, mainly tracking emerging market weakness on concerns over a slowdown in the global economy and a lack of any clear sign of a resolution to the US-China trade row. Accordingly, the Lebanese weighted average bond yield remained stable at 9.16% at the end of this week, after crossing below the 9% threshold on Thursday. Within this context, it is worth noting that Lebanese Eurobonds have registered year-to-date price gains of up to 6.75 pts, mainly on improved sentiment after recent positive political developments. As to the cost of insuring debt, Lebanon's five-year CDS spreads moved from 700-720 bps at the end of last week to 705-735 bps at the end of this week.

EUROBONDS INDICATORS

	08/02/19	01/02/19	28/12/18	
Total tradable size \$m	32,214	32,214	32,214	↔
o.w.: Sovereign bonds	30,964	30,964	30,964	↔
Average Yield	9.16%	9.15%	9.95%	↑
Z-Spread (bid in bps)	692	691	764	↑
Average Life	7.71	7.73	7.83	↓
Yield on US 5-year note	2.45%	2.46%	2.61%	↓

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	08-Feb-19	01-Feb-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	109.76	109.49	109.61	0.2%	0.1%
\$/£	1.294	1.308	1.275	-1.0%	1.5%
\$/Euro	1.132	1.146	1.147	-1.2%	-1.3%
STOCK INDICES					
Dow Jones Industrial Average	25,106.33	25,063.89	23,327.46	0.2%	7.6%
S&P 500	2,707.88	2,706.53	2,506.85	0.0%	8.0%
NASDAQ	7,298.20	7,263.87	6,635.28	0.5%	10.0%
CAC 40	4,961.64	5,019.26	4,730.69	-1.1%	4.9%
Xetra Dax	10,906.78	11,180.66	10,558.96	-2.4%	3.3%
FT-SE 100	7,071.18	7,020.22	6,728.13	0.7%	5.1%
NIKKEI 225	20,333.17	20,788.39	20,014.77	-2.2%	1.6%
COMMODITIES (in US\$)					
GOLD OUNCE	1,314.29	1,317.98	1,282.49	-0.3%	2.5%
SILVER OUNCE	15.82	15.91	15.50	-0.5%	2.1%
BRENT CRUDE (per barrel)	62.10	62.75	53.80	-1.0%	15.4%
LEADING INTEREST RATES (%)					
1-month Libor	2.50	2.51	2.50	-0.01	0.00
US Prime Rate	5.50	5.50	5.50	0.00	0.00
US Discount Rate	3.00	3.00	3.00	0.00	0.00
US 10-year Bond	2.63	2.68	2.68	-0.05	-0.05

Sources: Bloomberg, Bank Audi's Group Research Department

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