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The LEBANON WEEKLY MONITOR

Economy

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BDL's coincident indicator, a weighted average of a number of real sector indicators released this week by the Central Bank of Lebanon, reported an average of 297.1 over the first ten months of this year, contracting by 3.4% year-on-year and suggesting the economy is on the brink of recession. The average growth of the indicator in the previous three years was positive at 3.8%.

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Banque BEMO published its financial results showing a decline in net profits to stand at US\$ 13 million in the first three quarters of 2019.

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Markets In Brief

p.9 2019 CRITICAL YEAR FOR LEBANESE CAPITAL MARKETS, AWAITING SIGNS OF BREAKTHROUGH IN 2020

The year 2019 was a critical year for Lebanon's capital markets amid nationwide civic protests, rising cabinet uncertainties, lack of US dollar liquidity, surge in overnight rate, contractions in BDL's foreign assets and unprecedented drop in Lebanese bond prices to historical low levels. This came along international calls to form a credible cabinet that can carry swift reforms before providing any international support to Lebanon. Within this context, BDL issued new circulars organizing the import of vital goods, reinforcing banks' capital and reducing interest rates on deposits. Under these conditions, the FX market saw a wave of FC conversions with the deposit dollarization rate reaching its highest level in more than 10 years, while Lebanese banks put restrictions on transfers outside the country and withdrawals in the aim of maintaining the good flow of work and for public interest. The increased demand for US dollar lifted the overnight rate on the money market to 100% sometimes before sliding below 10% at year-end. In parallel, the Lebanese bond market saw downward price corrections and net selling operations amid rising domestic uncertainties and credit rating cuts by international rating agencies.

LEBANON MARKETS: WEEK OF DECEMBER 23 - DECEMBER 29, 2019

Money Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



Eurobond Market



CDS Market



ECONOMY

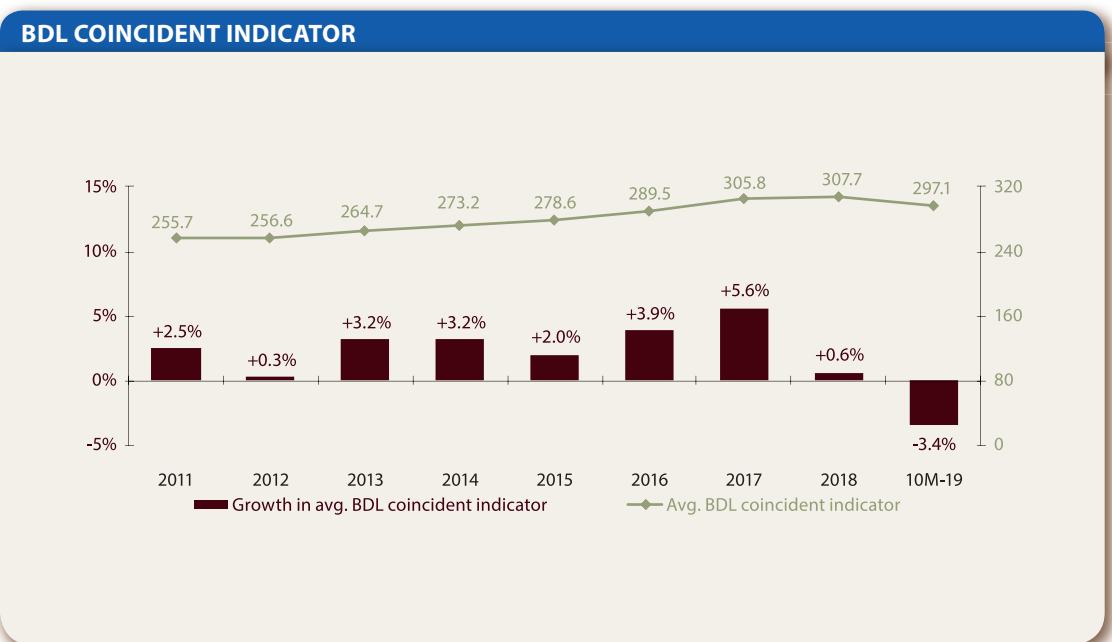
REAL SECTOR ECONOMY ON THE BRINK OF RECESSION

BDL's coincident indicator, a weighted average of a number of real sector indicators released this week by the Central Bank of Lebanon, reported an average of 297.1 over the first ten months of this year, contracting by 3.4% year-on-year and suggesting the economy is on the brink of recession. The average growth of the indicator in the previous three years was positive at 3.8%. The real sector economy worsened further in the last quarter of this year in the aftermath of the recent political developments.

Out of 11 real sector indicators, 3 were up and 8 were down over the first ten months of 2019 relative to the previous year's corresponding period. Among indicators with positive growth, we mention total exports with a growth of 25.8%, the number of tourists with a rise of 5.0% and the number of passengers at the Airport with an increase of 1.7%. Among indicators with negative growth, we mention construction permits with a fall of 30.4%, cement deliveries with a decrease of 29.7%, new car sales with a decline of 27.2%, value of property sales with a contraction of 20.7%, cleared checks with a decline of 18.4%, merchandise at the Port with a fall of 13.3%, electricity production with a decrease of 1.9% and total imports with a slight decline of 1.5% year-on-year.

Growth enhancement and job creation is key to meet with the socioeconomic demands of the massive crowds that took the street since mid-October. Real GDP growth is forecasted by the IMF at a low of 0.2% and is likely to be negative next year. Having said that, a careful analysis of real and financial sector requirements suggests that reinforcing real GDP growth is technically possible looking forward, yet it requires a supportive political environment and the launch of structural reforms that would stimulate demand for goods and services, reinforce the competitive edges of the Lebanese economy along with strengthening the overall confidence factor.

The key here is to stimulate private demand because government demand is apt to be contractionary within the context of the fiscal adjustment requirement. The corollary sub-challenge is to stimulate private investments, noting that investment has the largest impact on growth through the investment multiplier effect. Lebanon needs to raise the private investment to GDP ratio which is now at a 20-year record low of below 20%. The investment growth would reinforce the job component of growth that calls for the creation of job opportunities to absorb more than 30,000 Lebanese who join the labor force every year. Today, the latter rises among critical issues, given that the unemployment rate has doubled



Source: BDL

over the past half a decade to exceed 25% today.

The stimulation of private investment is linked to the improvement in the business environment through the reduction of operating costs and the improvement of the ease of doing business in Lebanon. It is worth mentioning that according to the Ease of doing business indicator published by the World Bank, Lebanon's global rank retreated from 103rd in 2010 to 143rd this year, suggesting a weakened business environment and sluggish investment framework at large.

MERCHANDISE AT THE PORT OF BEIRUT DOWN BY A YEARLY 15.3% IN FIRST 11 MONTHS OF 2019

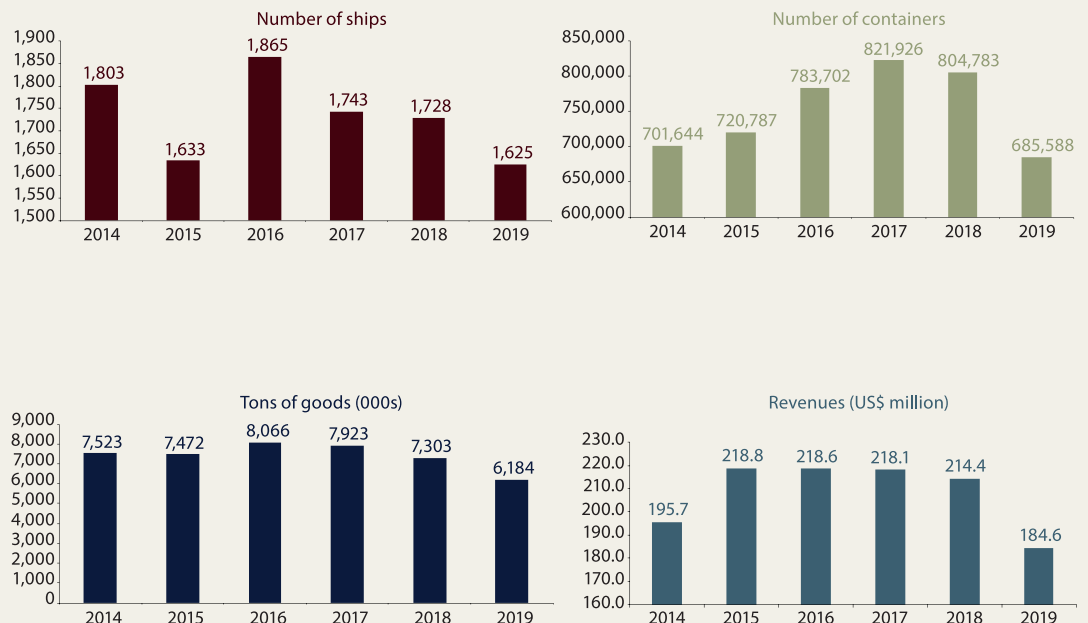
The latest statistics released by the Port of Beirut revealed a decline of 13.9% in the Port's revenues in the first 11 months of 2019 compared to the same period of the previous year.

The Port's revenues actually reached US\$ 184.6 million in the first 11 months of 2019. In parallel, the number of containers recorded an annual fall of 14.8% to attain a total of 685,588 in the first 11 months of 2019.

The number of ships posted a retreat of 6.0% year-on-year to reach a total of 1,625 vessels in the first 11 months of 2019. The quantity of goods decreased by a yearly 15.3% to 6,184 thousand tons in the first 11 months of 2019, following a fall of 7.8% reported in the first 11 months of 2018.

Transshipments rose by 18.2% year-on-year to attain 469,326 containers in the first 11 months of 2019.

ACTIVITY OF THE PORT OF BEIRUT (FIRST 11 MONTHS OF THE YEAR)



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

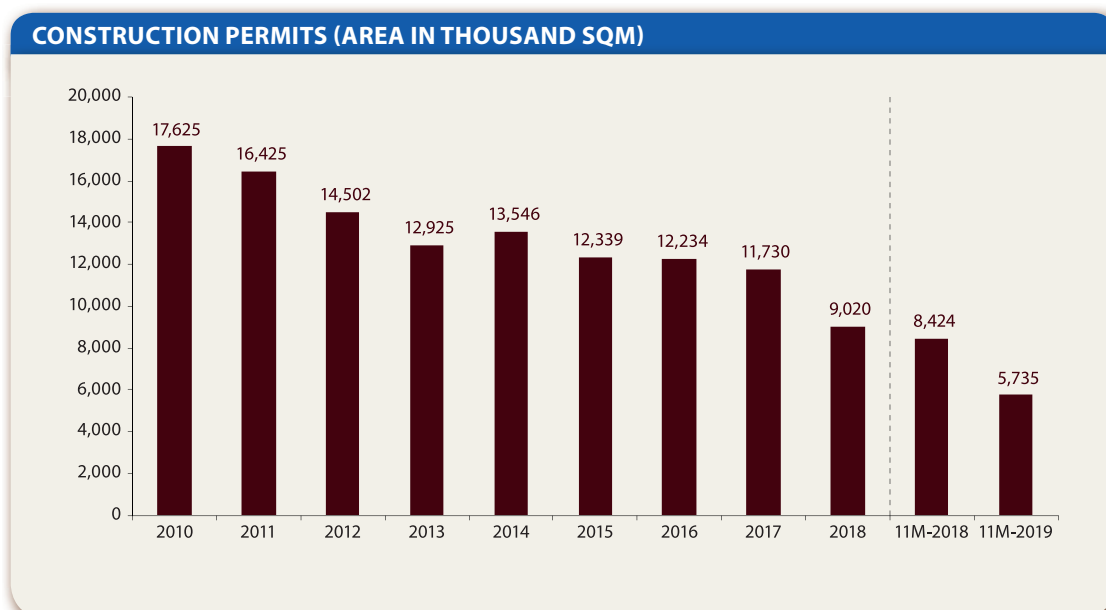
CONSTRUCTION PERMITS REGISTER YEARLY DECLINE OF 31.9% IN FIRST 11 MONTHS OF 2019

According to the figures provided by the Order of Engineers of Beirut and Tripoli, construction permits, an indicator of forthcoming construction activity, posted a 31.9% year-on-year decrease during the first 11 months of 2019, amidst the continued slowdown in the sector whereby some developers are slowing down or sometimes halting their construction works.

In fact, construction permits covered an area of 5,734,966 square meters in the first 11 months of 2019, against an area 8,423,901 square meters in the same period of last year. This followed a yearly contraction of 22.2% registered in the first 11 months of 2018.

The breakdown by region shows that most of the regions reported contractions in construction permits with Mount-Lebanon and the North reporting the highest contractions of 38.5% and 35.7% respectively in the first 11 months of 2019.

As for the breakdown of construction permits, Mount-Lebanon continued to capture the highest share in newly issued construction permits in the first 11 months of 2019 with a share of 34.9%.



Sources: Orders of Engineers of Beirut and Tripoli, Bank Audi's Group Research Department

ELECTRICITY PRODUCTION DOWN BY 1.9% IN FIRST TEN MONTHS OF 2019

Data published by the Central Bank of Lebanon shows that electricity production fell by 1.9% year-on-year in the first eight months of 2019. The production totaled 12,524 million Kilowatt Hour (kWh) in the first ten months of 2019, down from 12,773 million kWh in the first eight months of 2018.

In a backward look, electricity production rose by a yearly 1.4% last year from 15,030 million kWh in 2017 to 15,247 million kWh in 2018.

SURVEYS

LEBANON GROWTH TO BE SLIGHTLY NEGATIVE IN 2020, SAYS BLOOMBERG

According to a recent survey conducted by Bloomberg, the Lebanese economy is expected to be in stagnation mode with growth at 0.0% in 2019, -0.1% in 2020, and 1.1% in 2021.

It is worth noting that the survey was completed by nine economists and conducted between December 13 and December 18. With regards to inflation, the country's CPI is estimated to reach 2.9% in 2019, forecast at 2.9% in 2020, and is forecast to hit 3.0% in 2021.

Lebanon's current account balance is anticipated to attain a deficit of 22.5% of GDP in 2019, a deficit of 23.0% of GDP in 2020, and a deficit of 20.1% GDP in 2021.

Last but not least, the country's budget balance, as a percentage of GDP, is estimated to post a deficit of 9.8% in 2019. The latter is expected to reach deficits of 10.8% of GDP in 2020 and 10.1% of GDP in 2021. Bloomberg also noted that the probability of a recession in Lebanon is set at 65% today.

LEBANON'S HOSPITALITY SECTOR ON POSITIVE TREND IN FIRST TEN MONTHS, AS PER EY

Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East in 10M 2019 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed an improvement in occupancy rates, alongside an improvement in average room rates and room yields.

As a matter of fact, the occupancy rate of four and five-star hotels within the capital reached 69.8% in the first ten months of 2019, against 64.2% in the same period of 2018. The occupancy rate within Beirut was the fifth highest among 14 cities included in the survey. It was directly surpassed by Ras Al Khaimah (73.5%) and Dubai (73.5%), while Doha (68.1%) and Makkah (66.4%) came directly after Beirut.

Beirut's room rate notably moved up from the first ten months of 2018 to attain US\$ 204 in 10M 2019 from US\$ 186 in the past year. It is worth noting that the city's growth rate ranked top out of 14 surveyed cities.

ERNST & YOUNG MIDDLE EAST HOTEL BENCHMARK SURVEY

	Occupancy (%)		Average Room Rate (US\$)		Room Yield (US\$)	
	10M-2019	10M-2018	10M-2019	10M-2018	10M-2019	10M-2018
Abu Dhabi	77.4	74.7	98	95	76	71
Cairo-City	75.0	71.6	114	112	85	80
Dubai	73.5	74.0	217	254	160	188
Ras al Khaimah	73.5	71.3	142	160	104	114
Beirut	69.8	64.2	204	186	143	120
Doha	68.1	59.6	111	119	76	71
Makkah	66.4	61.8	180	190	119	118
Madinah	64.8	65.4	151	148	98	97
Riyadh	61.6	54.4	159	172	98	94
Amman	61.5	58.6	146	151	90	88
Jeddah	60.5	60.3	289	302	175	182
Muscat	59.3	55.4	122	138	73	76
Kuwait City	55.7	56.2	161	175	90	98
Manama	52.3	49.9	164	162	86	81

Sources: Ernst & Young, Bank Audi's Group Research Department

The rate of the capital's hotels was the third highest in the region. It exceeded that of Makkah (US\$ 180) and Manama (US\$ 164), while being surpassed by Dubai (US\$ 217) and Jeddah (US\$ 289).

The rooms' yield rose by 19.2% annually to reach US\$ 143 in 10M 2019 compared to US\$ 120 in the same period of 2018. Beirut ranked first in terms of variation in the region when assessing this indicator.

The room yield in Beirut was the third highest, surpassed by Dubai (US\$ 160) and Jeddah (US\$ 175) and higher than Makkah (US\$ 119) and Ras Al Khaimah (US\$ 104), as per EY.

CI LOWERS THE LONG-TERM FOREIGN CURRENCY RATINGS OF LEBANESE BANKS

Capital Intelligence (CI) lowered the Long-Term Foreign Currency Ratings (LT FCR) of Lebanese banks to "SD" (selective default) from "C+". At the same time, the Short-Term Foreign Currency Ratings (ST FCR) of the banks have been lowered to "SD" from "C".

The rating actions follow the recent issuance of circular no. 536 by Banque du Liban (BdL), which compels banks to pay in local currency half of the interest due on foreign currency (FC) deposits that were placed prior to the measure taking effect.

In CI's view, the implementation of this regulatory measure represents an adverse change to the terms of the original contractual agreement in highly stressed conditions and therefore constitutes a default under our rating definitions and criteria.

The regulatory intervention follows a series of capital controls imposed by banks over the past few months (alongside unofficial BdL measures), including restrictions on deposit withdrawals and on FC transfers abroad.

These controls have been deemed necessary to stem FC outflows from the banking system in the face of rising sovereign risk, declining investor confidence, and falling official reserves.

Moreover, given the BdL's own tight FC liquidity position, its ability to meet banks' FC liquidity requirements is increasingly vulnerable. The balance sheets of Lebanese banks remain very concentrated in BdL CDs and government securities.

The BSRs of the banks were affirmed at "c", reflecting the severely stressed conditions in Lebanon and the elevated risk that they would be unable to meet financial obligations on time and in full without de facto capital controls being in place.

The FCRs could be removed from "SD" when regulatory impediments to the full and timely servicing of financial obligations are removed and the banks' ability to meet their FC deposit and other financial obligations in accordance with their terms and conditions is restored.

The rating agency would expect higher ratings to be supported by the easing of capital controls and the return of depositor confidence to the banking system. However, this scenario is not seen as being likely in the short-term given the pressure on BdL FX reserves and the sharp reduction of FC inflows from non-resident depositors.

It is worth noting that CI recently downgraded Lebanon's Long-Term Foreign Currency Rating (LT FCR) and Long-Term Local Currency Rating (LT LCR) to "C+" from "B-". At the same time, CI lowered the sovereign's Short-Term Foreign Currency Rating (ST FCR) and Short-Term Local Currency Rating (ST LCR) to "C" from "B". The outlook for the ratings remains "negative".

CORPORATE NEWS

BANQUE BEMO'S ASSETS UP BY 1.3% IN FIRST NINE MONTHS OF 2019 TO REACH US\$ 2.1 BILLION

Banque BEMO published its financial results showing a 1.3% rise in total assets since the end of last year to reach US\$ 2.1 billion at end-September 2019.

Net loans contracted by 9.2% over the covered period to attain US\$ 661.3 million at end-September 2019.

Customer deposits retreated by 5.4% since end-2018 to reach US\$ 1.2 billion at end-September 2019 while total equity rose by 2% to US\$ 193 million at end-September 2019.

At the level of the income statement, net profits of Banque BEMO reached US\$ 13 million in the first nine months of this year, down from US\$ 13.3 million over the corresponding period of 2018.

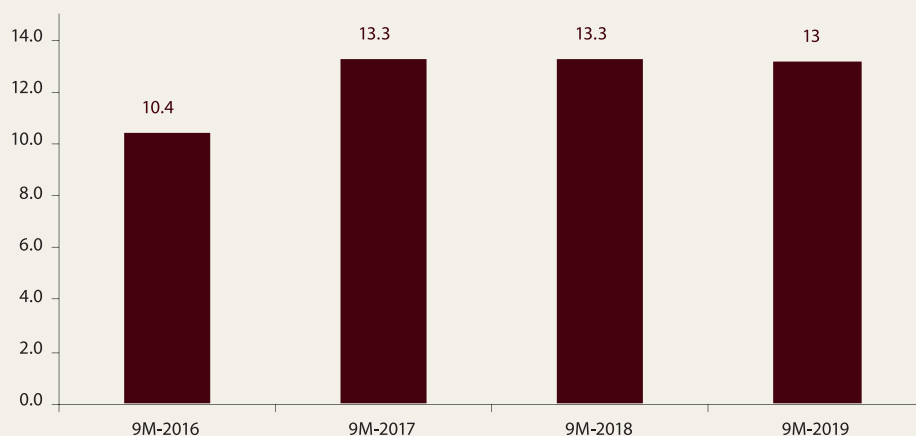
Net interest income rose by 28.2% on a yearly basis, moving from US\$ 26.3 million in the first nine months of 2018 to US\$ 33.7 million in the covered period of this year.

Net fees and commission income edged down by 2.3% year-on-year, moving from US\$ 4.7 million in the first nine months of last year to US\$ 4.6 million in this year's similar period.

On the other hand, Banque BEMO saw its net interest and other gain (loss) on fair value through profit or loss portfolio category moved from -US\$ 0.6 million to -US\$ 0.4 million over the covered period, and its other operating income decline by 4.0% to US\$ 4.5 million in the first nine months of 2019.

Net financial revenues increased by 20.9% year-on-year to stand at US\$ 42.3 million in the first three quarters of 2019. In parallel, total expenses edged up by 30.2% to reach US\$ 25.9 million due to an 8.6% rise in staff costs on a yearly basis to attain US\$ 12.9 million in this year's first nine months, noting that other operating expenses expanded by 15.5% yearly to stand at US\$ 8.4 million in the aforementioned period of this year.

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



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

NET PROFITS OF FEDERAL BANK OF LEBANON UP TO US\$ 0.4 MILLION IN 2018

Federal Bank of Lebanon posted net profits of US\$ 0.4 million in 2018, against a loss of US\$ 4.4 million reported in 2017, as per Bankdata Financial Services.

The bank's net interest income attained US\$ 5.7 million in 2018, falling from US\$ 7.6 million in 2017.

Net fee income increased by 11.9% year-on-year to stand at US\$ 1.2 million in 2018. Net gain on financial instruments at fair value through profit & loss fell year-on-year to register US\$ 0.1 million.

Total operating income decreased by a yearly 28.4% from US\$ 9.7 million in 2017 to US\$ 7.0 million in 2018.

Allowance for expected credit losses moved from -US\$ 0.7 million in 2017 to -US\$ 9.6 million in 2018.

This was accompanied by a 10.4% yearly rise in total operating expenses, which amounted to US\$ 16.1 million in 2018. Among the latter category, staff expenses increased by 6.8% year-on-year to reach US\$ 9.0 million in 2018 and administrative and other operating expenses edged up by a yearly 23.8% to register US\$ 5.8 million in 2018.

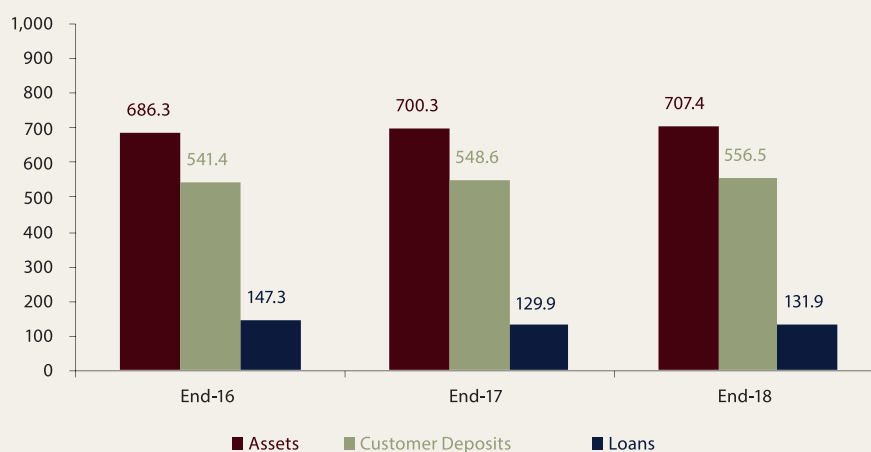
The bank's total assets amounted to US\$ 707.4 million at end-2018, up by 1.0% from end-2017.

Deposits from customers stood at US\$ 556.5 million at end-2018, up by 1.4% from end-2017. Loans to customers registered US\$ 131.9 million at end-2018, up from US\$ 129.9 million at end-2017.

The loans to deposits ratio stood at 23.7% at end-2018 unchanged from its level at end-2017. The net primary liquidity to deposits ratio edged up to reach 57.0% at end-2018.

Shareholders' equity totaled US\$ 62.7 million at end-2018, down by 0.9% from end-2017.

FEDERAL BANK OF LEBANON'S MAJOR BALANCE SHEET AGGREGATES (US\$ MILLION)



Sources: Bankdata Financial Services, Bank Audi's Group Research Department

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE CLOSES THE YEAR 2019 AT 5% AFTER HITTING RECORD HIGH LEVELS

The money market came under pressure over the year 2019 amid a wave of conversions in favor of foreign currencies on the foreign exchange market and an increase in the deposit dollarization rate to its highest level since July 2008 (73.4%). Within this context, the money market suffered from a lack of local currency liquidity, which led to a surge in the overnight rate to historical high levels of 100%.

Yet, the said rate declined gradually towards the end of the year 2019 to reach 5% at end-December amid exceptional banking directives that have put restrictions on the volume of conversions from LP holdings to FC holdings on the foreign exchange market, and due to technical reasons related to CNS deposits at commercial banks.

INTEREST RATES

	27/12/19	20/12/19	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: LOWER NOMINAL SURPLUS IN 2019 RELATIVE TO PREVIOUS YEAR

After remaining stable for more than six years, Lebanon's Ministry of Finance lifted in 2019 LP rates on the three-month, six-month, one-year, two-year, three-year, five-year and seven-year LP Tbs categories at a range of 0.86% to 1.92%. This followed a previous increase in LP interest rates on longer-term 10-year and 15-year categories in December 2018.

The financial system's total subscriptions in LP Treasury bills amounted to circa LP 17,405 billion in 2019 against LP 28,557 billion in 2018, down by 39%. These compared to maturities of circa LP 12,792 billion, which led to a nominal surplus of circa LP 4,613 billion in 2019 versus a higher surplus of LP 11,665 billion in 2018. In parallel, the Central Bank of Lebanon continued to play the role of an intermediary between banks and the sovereign in 2019 and subscribed in the ten-year Tbs category in November and December 2019 for a total amount of LP 3,000 billion at a yield of 1%. This was reflected by a LP 9,416 billion expansion in BDL's LP securities portfolio between end-2018 and mid-December 2019 and compared to a much lower growth of LP 2,361 billion in 2018.

TREASURY BILLS

	27/12/19	20/12/19	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%	↔
10-year	-	10.00%	10.00%	
Nom. Subs. (LP billion)		182	98	
Short-term (3&6 mths)		6	4	
Medium-term (1&2 yrs)		60	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		-	83	
Long-term (10 yrs)		116	-	
Maturities		80	124	
Nom. Surplus/Deficit		102	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: BDL'S FOREIGN ASSETS DOWN IN 2019 AMID NET FC CONVERSIONS

The FX market was marked in 2019 by increased demand for FC and reduced US dollar liquidity, which posed an import crisis. This has prompted the Central Bank of Lebanon to issue new circulars organizing the funding of imports of essential goods. In parallel, Lebanese banks gathered efforts to meet customers' needs during these critical times, while putting restrictions on transfers outside the country and withdrawals in the aim of maintaining the good flow of work and for public interest.

BDL's foreign assets contracted by US\$ 2.1 billion between end-2018 and 15th of December 2019 to reach US\$ 37.6 billion, noting that BDL holds in its balance sheet US\$ 5.7 billion Lebanese Eurobonds. The contraction came within the context of continuous FC conversions, in addition to a US\$ 2,650 million bond redemptions and coupon payments of US\$ 2,074 million in 2019.

EXCHANGE RATES

	27/12/19	20/12/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,970.00	1,965.78	1,905.78	↓
LP/¥	13.77	13.79	13.66	↑
LP/SF	1,543.78	1,538.27	1,529.68	↓
LP/Can\$	1,150.59	1,147.52	1,107.48	↓
LP/Euro	1,679.20	1,676.19	1,724.73	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: EXTENDED PRICE DROPS IN LEBANESE EQUITIES IN 2019

Lebanese equities continued to trace a downward trajectory over the year 2019, in a market that suffers from a lack of liquidity and efficiency. The BSE price index plunged by 17.3% following a 14.6% drop in 2018, amid rising domestic political tensions. 15 out of 26 listed stocks registered price falls in 2019 ranging between 0.4% and 37.1%, while two stocks posted price gains and nine stocks saw no price change in 2019.

Equity prices falls in 2019 were coupled by a slight increase in price volatility, as the latter, measured by the ratio of the standard deviation in prices to the mean of prices reached 7.52%, as compared to 7.05% in 2018. On the back of significant price drops, the BSE market capitalization contracted by 17.7% year-on-year to reach US\$ 7,506 million at end-2019. The BSE total trading value reached US\$ 196 million in 2019 as compared to US\$ 376 million in 2018, down by 48.0%. The banking shares captured 82.4% of activity, followed by Solidere shares with 17.3% and the industrial and trading shares with 0.3%. That being said, the BSE total turnover ratio, measured by the annual trading value to market capitalization, continued to lag way behind regional, emerging markets and global turnover ratios, reaching 2.6% in 2019 as compared to 4.1% in 2018.

AUDI INDICES FOR BSE

22/1/96=100	27/12/19	20/12/19	28/12/18	
Market Cap. Index	316.37	309.04	384.30	↑
Trading Vol. Index	24.97	8.66	227.09	↑
Price Index	69.36	67.75	83.87	↑
Change %	2.37%	0.63%	-0.70%	↑
	27/12/19	20/12/19	28/12/18	
Market Cap. \$m	7,506	7,332	9,117	↑
No. of shares traded (Exc. BT)	333,997	121,003	4,241,140	↑
Value Traded \$000 (Exc. BT)	2,294	995	21,393	↑
o.w. : Solidere	2,294	673	1,208	↑
Banks	0	317	20,107	↓
Others	0	5	78	↓

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

BOND MARKET: LEBANESE BOND PRICES AT RECORD LOW LEVELS IN 2019

Lebanese bond prices reached record low levels in 2019 amid nationwide civic protests, rising cabinet uncertainties, and following credit rating cuts by three international rating agencies. In fact, Fitch downgraded Lebanon's long-term foreign currency IDR twice in August and December 2019 to "CC" level. Moody's downgraded Lebanon's issuer ratings twice in January and November 2019 to "Caa2". Standard & Poor's downgraded Lebanon's credit rating to "CCC" in November 2019. This came along international calls to form a credible cabinet that can carry swift economic and fiscal reforms before providing any financial support to Lebanon.

Within this context, the Lebanese Eurobond market saw downward price corrections and net selling operations from international institutional investors. Accordingly, sovereigns maturing between 2020 and 2037 registered price contractions ranging between 8.13 pts and 38.38 pts in 2019. The weighted average bond yield reached unprecedented levels in 2019 to close at 30% at year-end and compared to a much lower level of 9.95% at end-2018. As to the cost of insuring debt, Lebanon's five-year CDS spreads expanded from 770 bps at end-2018 to 2,429 bps at end-2019, in a sign of a deterioration in the market perception of sovereign risks at large.

EUROBONDS INDICATORS

	27/12/19	20/12/19	28/12/18	
Total tradable size \$m	29,564	29,564	32,214	↔
o.w.: Sovereign bonds	28,314	28,314	30,964	↔
Average Yield	29.99%	29.47%	9.95%	↑
Z-Spread (bid in bps)	3,045	2,971	764	↑
Average Life	7.50	7.51	7.83	↓
Yield on US 5-year note	1.71%	1.75%	2.61%	↓

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	27-Dec-19	20-Dec-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	109.46	109.48	109.61	0.0%	-0.1%
\$/£	1.308	1.300	1.275	0.6%	2.5%
\$/Euro	1.118	1.108	1.147	0.9%	-2.5%
STOCK INDICES					
Dow Jones Industrial Average	28,645.26	28,455.09	23,327.46	0.7%	22.8%
S&P 500	3,240.02	3,221.22	2,506.85	0.6%	29.2%
NASDAQ	9,006.62	8,924.96	6,635.28	0.9%	35.7%
CAC 40	6,037.39	6,021.53	4,730.69	0.3%	27.6%
Xetra Dax	13,337.11	13,318.90	10,558.96	0.1%	26.3%
FT-SE 100	7,644.90	7,582.48	6,728.13	0.8%	13.6%
NIKKEI 225	23,837.72	23,816.63	20,014.77	0.1%	19.1%
COMMODITIES (in US\$)					
GOLD OUNCE	1,510.56	1,478.22	1,282.49	2.2%	17.8%
SILVER OUNCE	17.77	17.20	15.50	3.3%	14.7%
BRENT CRUDE (per barrel)	68.16	66.14	53.80	3.1%	26.7%
LEADING INTEREST RATES (%)					
1-month Libor	1.80	1.76	2.50	0.04	-0.70
US Prime Rate	4.75	4.75	5.50	0.00	-0.75
US Discount Rate	2.25	2.25	3.00	0.00	-0.75
US 10-year Bond	1.88	1.92	2.68	-0.04	-0.80

Sources: Bloomberg, Bank Audi's Group Research Department

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