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The LEBANON WEEKLY MONITOR

Economy

p.2 A US\$ 4.7 BILLION OF 10-MONTH BALANCE OF PAYMENTS DEFICIT AMID AN 18% DROP IN INFLOWS

The first 10 months of 2019 saw an 18% drop in financial inflows to Lebanon, which, within the context of a 4% contraction in trade deficit, generated pressures on the balance of payments. The latter reported a deficit of US\$ 4.7 billion year-to-October 2019, against a deficit of US\$ 3.1 billion over the same period last year.

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Lebanon's future economic policy would concentrate on improving fiscal management and attracting foreign financial support, according to the Economist Intelligence Unit (EIU). The latter would require significant adjustments in politically sensitive areas, notably in dealing with the loss-making electricity company, Electricité du Liban (EdL).

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AM Bank registered net losses of US\$ 0.4 million in 2018, edging down from net profits of US\$ 0.2 million in 2017, as per Bankdata Financial Services.

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p.9 CALL FOR BINDING PARLIAMENTARY CONSULTATIONS SUPPORTS CAPITAL MARKETS

The call for binding Parliamentary consultations to name a new PM next Monday, the new BDL circular imposing interest rate caps on LP and US dollar deposits, and the calls for an international meeting to mobilize support for Lebanon provided preliminary signals for a possible soft landing scenario in the Lebanese economy. Within this context, the international demand returned to the Eurobond market, which resulted into weekly price improvements of up to 4.88 pts across the yield curve. Concurrently, Lebanon's five-year CDS spreads contracted by 45 bps to 2,388 bps. The FX market saw reduced FC conversions amid exceptional banking directives that have limited the commercial demand for the greenback. This was reflected by a gradual decline in the overnight rate from a 100% level seen in the past few weeks to 10% at the end of this week. In parallel, BDL's foreign assets registered during the second half of November 2019 their first expansion since end-September 2019 to reach US\$ 38 billion at end-November 2019.

LEBANON MARKETS: WEEK OF DECEMBER 02 - DECEMBER 08, 2019

Money Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



Eurobond Market



CDS Market



ECONOMY

A US\$ 4.7 BILLION OF 10-MONTH BALANCE OF PAYMENTS DEFICIT AMID AN 18% DROP IN INFLOWS

The first 10 months of 2019 saw an 18% drop in financial inflows to Lebanon, which, within the context of a 4% contraction in trade deficit, generated pressures on the balance of payments. The latter reported a deficit of US\$ 4.7 billion year-to-October 2019, against a deficit of US\$ 3.1 billion over the same period last year.

In parallel, banking statistics suggest a drop in the deposit base of banks by US\$ 5.9 billion over the first 10 months of 2019, coupled with a contraction of US\$ 5.2 billion in their loan portfolio amid de-risking efforts on behalf of Lebanese banks at large.

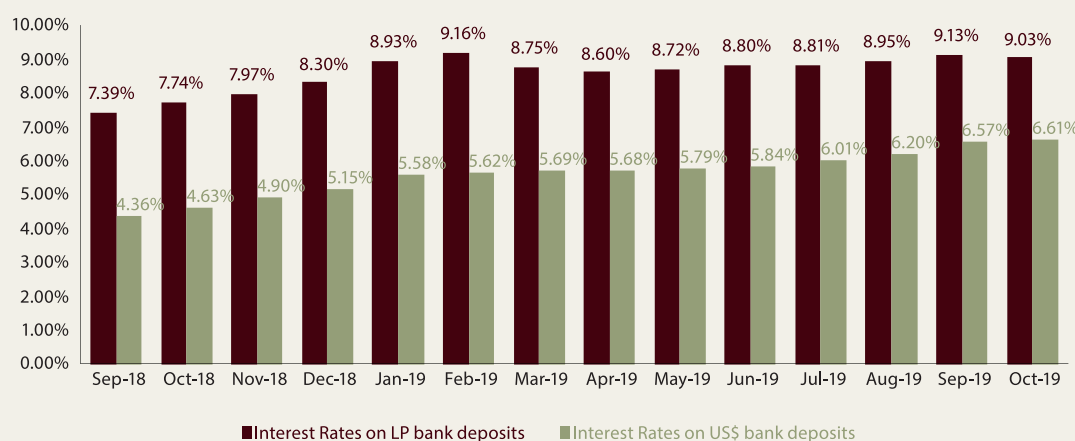
The breakdown of deposits by currency suggests that LP deposits contracted by US\$ 6.5 billion, while FX deposits rose by US\$ 0.6 billion. As such, deposits dollarization reported 73.4% in October, a 12-year high, against 70.6% in December 2018. The breakdown of deposits by residence suggests that deposits of residents contracted by US\$ 3.7 billion, while deposits of non-residents dropped by US\$ 2.2 billion.

The breakdown of loans by currency suggests that LP loans contracted by US\$ 2.3 billion, while FX loans contracted by US\$ 3.0 billion. As such, loan dollarization reported 70.4% in October, a 3-year high, against 69.2% in December 2018.

Interest rates continued their upward trend in the past few months, amid the rising risk premium in the country. As a matter of fact, the average rate on local currency deposits moved from 8.30% at end-2018 to 9.03% at end-October 2019, up by 73 bps so far this year. Similarly, the average interest rate on US dollar deposits moved from 5.15% at end-2018 to 6.61% at end-October 2019, a more noticeable increase of 146 bps since the start of this year.

With respect to liquidity, the FX primary liquidity in foreign banks contracted from US\$ 12.0 billion in December 2018 to US\$ 8.4 billion in October 2019. In parallel, banks liquidated part of their Eurobond portfolio. The latter dropped from US\$ 16.0 billion in December 2018 to US\$ 14.8 billion in October 2019, the equivalent of 11.9% of FX deposits.

EVOLUTION OF KEY INTEREST RATES



Source: BDL

As to capitalization, Lebanese banks shareholders equity reported US\$ 20.6 billion at end-October 2019, against US\$ 20.2 billion at end-December 2018. Shareholders equity thus represent circa 8% of shareholders total assets and circa 17.6% of risk-weighted assets. It is worth recalling that the newly issued BDL circular aims to raise shareholders' equity by 20%, the equivalent of US\$ 4 billion.

MERCHANDISE AT THE PORT OF BEIRUT DOWN BY A YEARLY 13.3% IN FIRST TEN MONTHS OF 2019

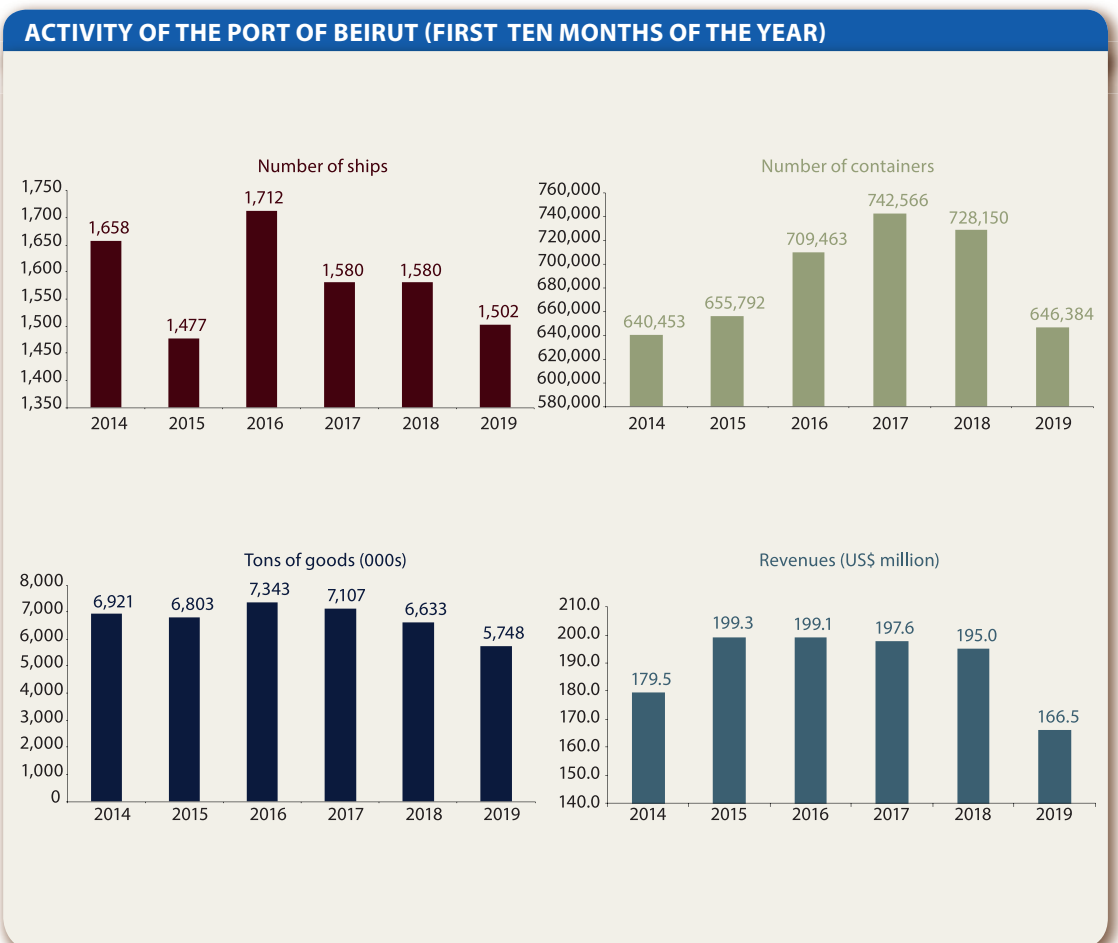
The latest statistics released by the Port of Beirut revealed a decline of 14.6% in the Port's revenues in the first ten months of 2019 compared to the same period of the previous year.

The Port's revenues actually reached US\$ 166.5 million in the first ten months of 2019.

In parallel, the number of containers recorded an annual fall of 11.2% to attain a total of 646,384 in the first ten months of 2019.

The number of ships posted a retreat of 4.9% year-on-year to reach a total of 1,502 vessels in the first ten months of 2019. The quantity of goods decreased by a yearly 13.3% to 5,748 thousand tons in the first ten months of 2019, following a fall of 6.7% reported in the first ten months of 2018.

Transshipments rose by 14.9% year-on-year to attain 419,668 containers in the first ten months of 2019.



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

NUMBER OF TOURISTS UP BY 5.0% YEAR-ON-YEAR IN FIRST TEN MONTHS OF 2019

The latest figures released by the Ministry of Tourism showed that the number of tourists posted a 5.0% yearly increase in the first ten months of 2019 following a similar increase in the same period of the previous year.

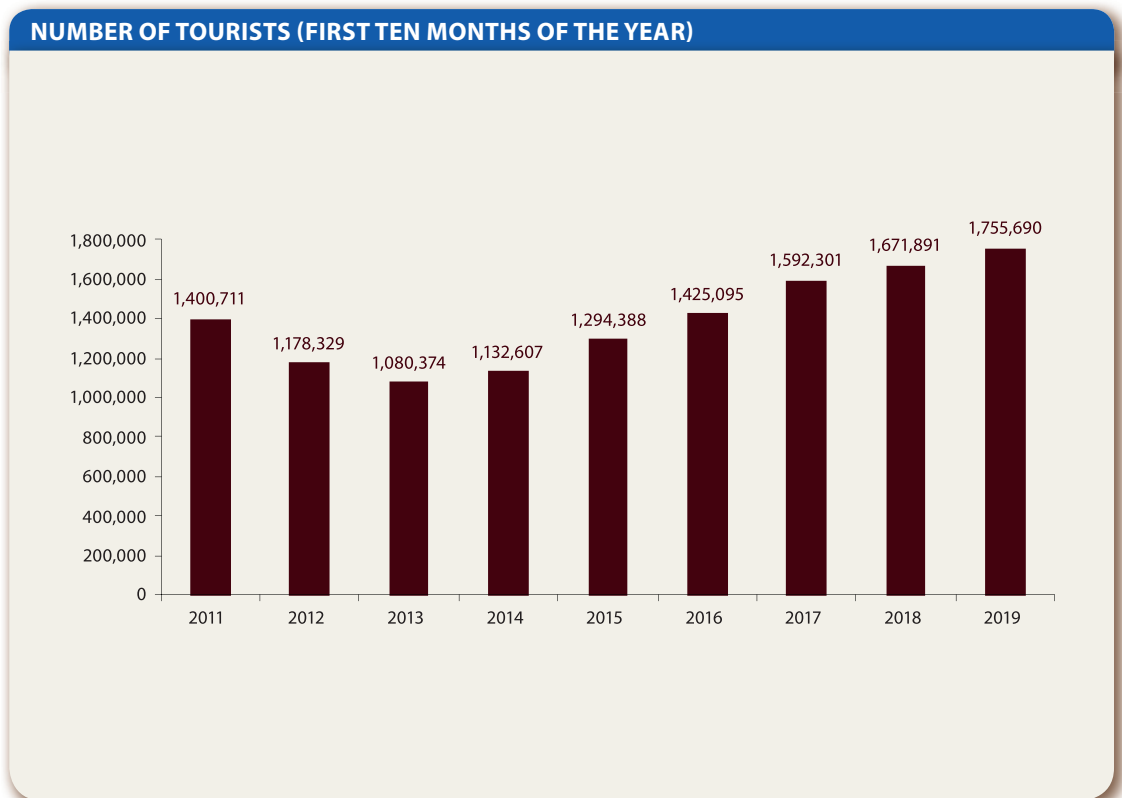
In fact, the number of tourists registered 1,755,690 in the first ten months of 2019, compared to 1,671,891 tourists posted in the same period of 2018.

In details, Europe and Arab countries got the lion’s share in the contribution to the number of tourists with 36.7% (643,729 tourists) and 30.6% (536,694 tourists) respectively.

These were followed by tourists from America which took over a share of 18.8% (329,355 tourists). Tourists from Asia came in after with a share of 6.8% (119,172 tourists), while those of Oceania followed with a share of 4.0% (69,752 tourists).

It is worth noting that tourists from most continents registered a positive performance with the highest growth coming from the Arab countries’ tourists that grew by a yearly 14.1%.

This was followed by an increase in European tourists by 7.3%, American tourists by 6.4% and Asian tourists by 2.5%, while the number of tourists Africa and Oceania fell by a yearly 43.2% and 6.7% respectively.



Sources: Ministry of Tourism, Bank Audi’s Group Research Department

SURVEYS

LEBANON'S FUTURE ECONOMIC POLICY TO CONCENTRATE ON IMPROVING FISCAL MANAGEMENT AND ATTRACTING FOREIGN FINANCIAL SUPPORT, SAYS EIU

Lebanon's future economic policy would concentrate on improving fiscal management and attracting foreign financial support, according to the Economist Intelligence Unit (EIU). The latter would require significant adjustments in politically sensitive areas, notably in dealing with the loss-making electricity company, Electricité du Liban (EdL).

The Lebanese authorities would have to prioritize improving the country's dire power provision and precarious finances (EdL absorbs 10-15% of state spending in most years) in the hope of reducing EdL's fiscal burden, according to EIU.

The government has committed to a five-year "financial correction" strategy (launched in 2019), to cut the fiscal deficit-proposed measures include cost-cutting, restructuring EdL, public-sector employment changes and tax rises. Nonetheless, progress would be hampered by Lebanon's divisive political environment, although public pressure for meaningful reforms will provide some momentum initially, as per the report.

Foreign-currency liquidity will also be strained early in the forecast period, given concerns about exchange-rate stability and a large stock of government debt (equivalent to 150% of GDP at end-2018), which is making fiscal sustainability increasingly challenging.

Weak investor sentiment, poorly performing private and government consumption and short-term political uncertainty will damage growth prospects. Increased market jitters have led to faltering faith in the currency and will dampen investor sentiment, as per the EIU.

The economy stagnated in the first half of 2019, as businesses and consumers continued to await a clearer sense of direction from the new government. Nonetheless, the Syrian regime's territorial consolidation and the start of reconstruction will help to support Lebanese economic growth in 2020 at 1.8% as the reopening of some trade routes lifts exports and as Gulf investors in particular use Lebanon as a base for their Syrian interests. Rising oil prices in the second half of the forecast period (averaging US\$ 73.3/barrel in 2022-24) will support increased Gulf investment and economic activity in Lebanon, as per the report.

Consumer price growth will strengthen over the forecast period, in line with increasing global oil prices. The reports expect inflation to average 3.8% in 2020-21, following tax rises and owing to modest growth in domestic demand in particular in 2021.

Lebanon's current-account deficit will ease only gradually over the forecast period, from 17.7% of GDP in 2020 to 14.8% of GDP in 2024, as per the EIU. Goods exports will be supported by a further cooling of the Syrian conflict as Lebanon's neighbor enters its reconstructions phase.

A strengthening in domestic demand, together with higher average oil prices in 2021-24, will keep import costs elevated, and import spending will continue to dwarf export earnings as the trade deficit expands, to a peak of US\$ 19.1 billion in 2023. The services account will remain in surplus, given the contribution from travel and financial services. The tourism sector has benefited from the lifting of the Saudi travel advisory in February 2019, and the recent lifting of the same travel advisory in the UAE will also add to tourism numbers.

On the liabilities side, resident customer deposits registered US\$ 166.4 million at end-September 2019, up by 5.5% from end-2018. Non-resident customer deposits decreased to US\$ 18.7 million at end-September 2019, from US\$ 20.4 million at end-2018.

Resident financial sector liabilities stood at US\$ 321.6 million at end-September 2019, declining by 13.7% from end-2018. Non-resident financial sector liabilities decreased from US\$ 143.3 million at end-2018 to US\$ 122.0 million at end-September 2019.

Public sector deposits stood at US\$ 3.0 million at end-September 2019, down from US\$ 4.5 million at end-2018. Debt securities issued declined from US\$ 149.1 million at end-2018 to US\$ 105.2 million at end-September 2019. Capital accounts reported US\$ 486.8 million at end-September 2019, up from US\$ 468.3 million at end-2018.

FITCH SOLUTIONS REVISES DOWN FORECAST FOR REAL GDP GROWTH IN LEBANON TO -1.5% IN 2019 AND 1.2% IN 2020

According to a recent report by Fitch Solutions, Lebanon's real GDP growth was revised down to -1.5% in 2019 and 1.2% in 2020, compared with 1.1% and 1.3% previously.

The revision comes on the back of weak high-frequency indicator readings over the last several months and, more importantly, the escalation of social unrest and political uncertainty since nationwide protests broke out on October 17. The latter has significantly disrupted economic activity, and severely dented already-subdued investor confidence.

To begin with, the latest PMI survey reading paints a bleak picture of business conditions in the private sector. Output and new orders have contracted throughout 2019, but registered a particularly sharp decline in November as liquidity dried up and unrest stifled domestic demand.

Input costs also spiked on the back of dollar shortages, banks' informal capital controls, and a resultant widening of the gap between the official and parallel market exchange rates. Meanwhile, employment and staff costs were down as businesses responded to slowing demand and tighter margins by shedding jobs and cutting wages. Together, these trends took the headline index down to 37.0 in November – by far the weakest reading on record since the survey commenced in May 2013.

Moreover, Banque du Liban (BdL)'s rate cut, while a positive step, will not be enough to turn the situation around, as per the report. The BdL issued a circular directing banks to lower rates on US dollar and Lebanese pound deposits to 5.0% and 8.5% respectively.

The bank, which simultaneously announced it would begin to pay 50% of interest taken out on dollar deposits in pounds, said its measures would help revive the economy, in addition to protecting foreign reserves

Granted, elevated interest rates have been a major restriction on private sector activity in recent years, and lowering them – aided by capital controls – will help limit businesses' debt servicing costs and theoretically make it easier to borrow, as per Fitch Solutions.

That said, the ongoing social unrest and political uncertainty is still continuing to feed through to direct economic disruption, weak investor confidence and slowing domestic demand, meaning most businesses are highly unlikely to embark on any major expansion plans in the near term.

Lebanon's future economic growth trajectory depends on how the current political crisis plays out. The government will likely have to put forward a new reform plan that is accepted, or at least tolerated, by a large share of protesters in order to calm unrest and shore up confidence, as per Fitch Solutions.

At present, it remains unclear when or whether that will happen. In a best case scenario, the government is able to pass reforms relatively quickly and halt further deterioration in its fiscal and public debt trajectory. This would likely unlock some financial assistance from external backers, help ease pressure on reserves (and the de facto exchange rate), and support a moderate uptick in economic activity.

Conversely, should political uncertainty and policy paralysis persist for an extended period of time, then Lebanon would be at risk of experiencing a sharp fiscal and/or exchange rate adjustment. This would send inflation soaring and cause credit conditions to tighten even further, limiting businesses and households' already-restricted ability to spend and service debt. In turn, economic growth would probably head deeper into negative territory, while unemployment and poverty rates would rise – again fuelling risks of more elevated social unrest further down the line, as per the report.

CORPORATE NEWS

AM BANK ASSETS TOTALED US\$ 2.6 BILLION AT END-2018

AM Bank registered net losses of US\$ 0.4 million in 2018, edging down from net profits of US\$ 0.2 million in 2017, as per Bankdata Financial Services.

Net interest income amounted to US\$ 21.2 million in 2018, up by 2.5% from US\$ 20.7 million recorded in 2017.

Net fee income rose by 16.5% year-on-year from US\$ 12.7 million in 2017 to US\$ 14.8 million in 2018.

Net operating income increased by 15.0% to attain US\$ 36.0 million in 2018.

Total operating expenses expanded by 20.2% year-on-year to US\$ 36.6 million in 2018.

Among the latter, staff expenses reached US\$ 16.1 million in 2018, 9.6% higher than those reported in 2017, while administrative and other operating expenses recorded US\$ 18.3 million in 2018, 30.6% higher than those in 2017.

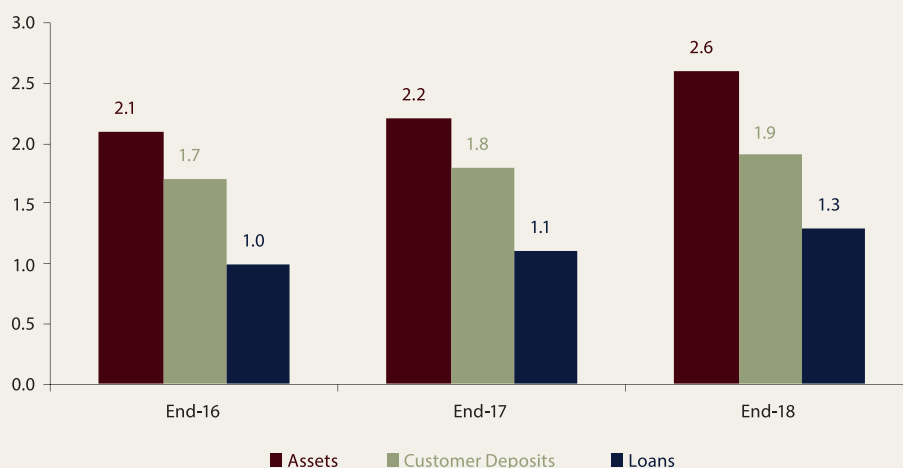
The bank's interest margin shrank from 1.06% in 2017 to 0.97% in 2018.

AM Bank assets totaled US\$ 2.6 billion at end-2018, up by 15.8% from end-2017. Net loans and advances stood at US\$ 1.3 billion at end-2018, up from US\$ 1.1 billion at end-2017.

The gross credit impaired loans (stage 3) to gross loans ratio stood at 16.97% at end-2018, nearly unchanged from its level at end-2017. The loan loss reserves on credit impaired loans (stage 3) to credit impaired loans (stage 3) ratio decreased from 60.4% at end-2017 to 59.4% at end-2018.

Customers' deposits amounted to US\$ 1.9 billion at end-2018, up by 8.6% from end-2018. Shareholders' equity totaled US\$ 31.3 million at end-2018, down by 2.0% from end-2017.

AM BANK'S MAJOR BALANCE SHEET AGGREGATES (US\$ BILLION)



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

NET PROFITS OF BANQUE MISR LIBAN UP TO US\$ 20.0 MILLION IN 2018

Banque Misr Liban posted net profits of US\$ 20.0 million in 2018, up from US\$ 13.8 million reported in 2017, as per Bankdata Financial Services.

The bank's net interest income attained US\$ 41.6 million in 2018, rising from US\$ 30.3 million in 2017. Net fee income fell by 0.7% year-on-year to stand at US\$ 3.5 million in 2018. Net gain on financial instruments at fair value through profit & loss fell by 78.6% year-on-year.

Total operating income increased by a yearly 34.8% from US\$ 42.8 million in 2017 to US\$ 57.7 million in 2018.

This was accompanied by a 7.9% yearly rise in total operating expenses, which amounted to US\$ 30.6 million in 2018, up from US\$ 28.3 million in 2017.

Among the latter category, staff expenses increased by 17.8% year-on-year to reach US\$ 20.3 million in 2018 and administrative and other operating expenses edged down by a yearly 9.5% to register US\$ 7.3 million in 2018.

The bank's total assets amounted to US\$ 2.1 billion at end-2018, up by 3.4% from US\$ 2.0 billion at end-2017.

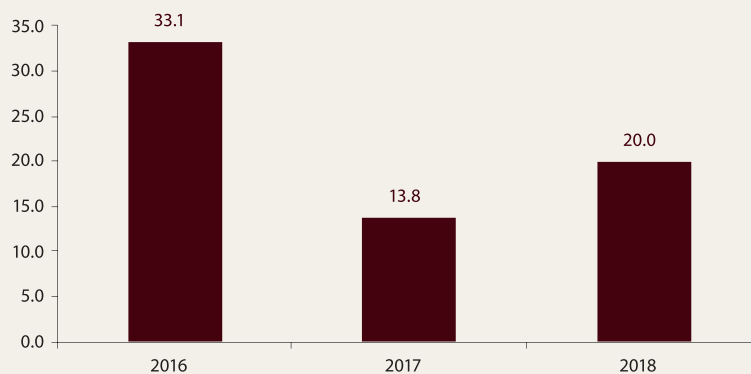
Deposits from customers stood at US\$ 1.4 billion at end-2018, down by 2.5% from end-2017.

Loans to customers registered US\$ 401.3 million at end-2018, down from US\$ 432.1 million at end-2017.

The loans to deposits ratio declined from 29.8% at end-2017 to 28.4% at end-2018. The net primary liquidity to deposits ratio edged up to reach 47.4% at end-2018.

Shareholders' equity totaled US\$ 145.0 million at end-2018, down by 2.1% from end-2017.

BANQUE MISR LIBAN'S NET PROFITS (US\$ MILLION)



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

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE DOWN TO 10% AS LP LIQUIDITY RETURNS TO MARKET

The overnight rate declined gradually over this week, moving from 50% on Monday to 10% on Friday, as the local currency liquidity returned to the money market after the CNSS re-deposited its funds in the Lebanese banking sector, and given reduced conversions in favor of foreign currencies on the foreign exchange market.

INTEREST RATES

	06/12/19	29/11/19	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 DEFICIT OF LP 462 BILLION

The latest Treasury bills auction results for value date 5th of December 2019 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the six-month category (offering a yield of 5.85%), the three-year category (offering a coupon of 7.50%) and the seven-year category (offering a coupon of 9.0%).

In parallel, the Treasury bills auction results for value date 28st of November 2019 showed that total subscriptions amounted LP 1,069 billion and were distributed as follows: LP 8 billion in the three-month category (offering a yield of 5.30%), LP 15 billion in the one-year category (offering a yield of 6.50%) and LP 1,046 billion in the five-year category (offering a coupon of 8.0%). These compare to maturities of LP 1,531 billion, resulting into a nominal weekly deficit of LP 462 billion.

On a cumulative basis, subscriptions reached LP 16,969 billion during the first eleven months of 2019. Longer-term categories maturing between three years and ten years accounted for the bulk of subscriptions (around 84.1%). In details, the seven-year category accounted for 29.7% of the total, followed by the ten-year category (26.9%), the five-year category (20.7%), and the three-year category (9.2%), while the three-month, six-month, one-year and two-year categories accounted for the remaining 13.5% during the first eleven months of 2019. These compare to total maturities of LP 12,454 billion, resulting into a nominal surplus of LP 4,515 billion during the first eleven months of 2019. In parallel, the Central Bank of Lebanon's LP securities portfolio expanded by LP 7,568 billion during the first eleven months of 2019, shedding light on BDL's continuous intervention on the primary Tbs market to bridge the gap between maturities and subscriptions.

TREASURY BILLS

	06/12/19	29/11/19	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)		1,069	98	
Short-term (3&6 mths)		8	4	
Medium-term (1&2 yrs)		15	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		1,046	83	
Maturities		1,531	124	
Nom. Surplus/Deficit		-462	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: BDL'S FOREIGN ASSETS UP TO US\$ 38 BILLION END-NOVEMBER 2019

The foreign exchange market continued to witness this week reduced conversions in favor of foreign currencies when compared to the previous week, amid exceptional banking directives that have put restrictions on overseas transfers and contributed to limiting the commercial demand for the greenback.

In parallel, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 30th of November 2019 showed that BDL's foreign assets grew by US\$ 966 million during the second half of the month to reach US\$ 38.1 billion at end-November 2019. Accordingly, the contraction in BDL's foreign assets narrowed to US\$ 1.6 billion during the first eleven month of 2019.

EXCHANGE RATES

	06/12/19	29/11/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,978.59	1,943.17	1,905.78	↓
LP/¥	13.88	13.76	13.66	↓
LP/SF	1,525.81	1,507.95	1,529.68	↓
LP/Can\$	1,144.21	1,134.31	1,107.48	↓
LP/Euro	1,672.87	1,659.15	1,724.73	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: SHY EQUITY PRICE DECLINES WEEK-ON-WEEK

The BSE total trading value amounted to US\$ 14.6 million this week (excluding block trades of US\$ 5.5 million on Bank of Beirut Preferred shares "I"), and compared to a much lower turnover of US\$ 731 thousand last week and an average weekly trading value of US\$ 3.9 million since the beginning of the year 2019. The banking shares captured 96.5% of activity, followed by Solidere shares with 3.44% and the industrial shares with 0.06%.

As far as prices are concerned, the BSE price index retreated by 0.4% week-on-week. Three out of six traded stocks registered price falls, while three stocks saw no price change week-on-week. Solidere "A"

share price shed 4.5% to US\$ 5.28. Solidere "B" share price closed 1.3% lower at US\$ 5.35. Bank of Beirut Preferred "H" share price declined by 0.4% to US\$ 24.90. On the other hand, Bank of Beirut Preferred "J" and "K" share prices remained unchanged at US\$ 25.0 each. Holcim Liban's share price stood unchanged at US\$ 9.50.

On a cumulative basis, the BSE total trading value amounted to US\$ 177 million during the first eleven months of 2019 as compared to US\$ 349 million during the same period of 2018, down by 49.1%. Accordingly, the total turnover ratio, measured by the annualized trading value to market capitalization, reached 2.6% during the first eleven months of 2019, down from 4.2% during the same period of 2018, remaining way behind regional, emerging markets and global turnover ratios.

AUDI INDICES FOR BSE

22/1/96=100	06/12/19	29/11/19	28/12/18	
Market Cap. Index	307.32	308.66	384.30	↓
Trading Vol. Index	127.24	6.35	227.09	↑
Price Index	67.37	67.67	83.87	↓
Change %	-0.44%	0.59%	-0.70%	↓
	06/12/19	29/11/19	28/12/18	
Market Cap. \$m	7,291	7,323	9,117	↓
No. of shares traded (Exc. BT)	659,482	111,759	4,241,140	↑
Value Traded \$000 (Exc. BT)	14,645	731	21,393	↑
o.w. : Solidere	503	591	1,208	↓
Banks	14,132	140	20,107	↑
Others	10	0	78	↑

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

BOND MARKET: BOND PRICE RECOVERY AFTER CALLING FOR BINDING PARLIAMENTARY CONSULTATIONS

The call for long-awaited binding Parliamentary consultations to name a new PM next Monday was well received by Lebanon's Eurobond market over this week. Lebanese Eurobonds saw upward price corrections, while international institutional investors were net buyers. Within this context, Lebanese sovereigns maturing between 2020 and 2037 registered weekly price gains ranging between 0.88 pt and 4.88 pts.

Accordingly, the weighted average bond yield fell from 31.06% at the end of last week to 28.89% at the end of this week, down by 217 bps. The weighted average bid Z-spread contracted from 3,150 bps at the end of last week to 2,909 bps at the end of this week. As to the cost of insuring debt, Lebanon's five-year CDS spreads contracted from 2,384 -2,481 bps at the end of last week to 2,435-2,341 bps at the end of this week.

EUROBONDS INDICATORS

	06/12/19	29/11/19	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	28.89%	31.06%	9.95%	↓
Z-Spread (bid in bps)	2,909	3,150	764	↓
Average Life	7.54	7.58	7.83	↓
Yield on US 5-year note	1.62%	1.63%	2.61%	↓

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	06-Dec-19	29-Nov-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	108.59	109.49	109.61	-0.8%	-0.9%
\$/£	1.314	1.293	1.275	1.7%	3.0%
\$/Euro	1.106	1.102	1.147	0.4%	-3.5%
STOCK INDICES					
Dow Jones Industrial Average	28,051.06	28,051.41	23,327.46	-0.1%	20.1%
S&P 500	3,145.91	3,140.98	2,506.85	0.2%	25.5%
NASDAQ	8,656.53	8,665.47	6,635.28	-0.1%	30.5%
CAC 40	5,871.91	5,905.17	4,730.69	-0.6%	24.1%
Xetra Dax	13,166.58	13,236.38	10,558.96	-0.5%	24.7%
FT-SE 100	7,239.66	7,346.53	6,728.13	-1.5%	7.6%
NIKKEI 225	23,354.40	23,293.91	20,014.77	0.3%	16.7%
COMMODITIES (in US\$)					
GOLD OUNCE	1,460.17	1,463.98	1,282.49	-0.3%	13.9%
SILVER OUNCE	16.58	17.03	15.50	-2.7%	7.0%
BRENT CRUDE (per barrel)	64.39	60.49	53.80	6.4%	19.7%
LEADING INTEREST RATES (%)					
1-month Libor	1.72	1.70	2.50	0.02	-0.78
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	1.84	1.78	2.68	0.06	-0.84

Sources: Bloomberg, Bank Audi's Group Research Department

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