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The LEBANON WEEKLY MONITOR

Economy

p.2 NEW CABINET GETS OVERWHELMING VOTE OF CONFIDENCE IN PARLIAMENT

Probably the most recent significant development in Lebanon is the Cabinet formation, with the appointment of a Government of National Unity, putting an end to 8 months of political deadlock since the parliamentary elections of May of last year. Following the Cabinet formation of January 31st, the Cabinet received last week an overwhelming vote of confidence, with 111 votes among 128 MPs voting for the New Government on the basis of its Policy Statement.

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p.9 LIFTING OF SAUDI BAN PROVIDES ADDITIONAL SUPPORT TO CAPITAL MARKETS

While the new government was awaiting the Parliament's vote of confidence, and amid a wave of optimism, and following the Saudi decision to lift travel ban to Lebanon, the country's capital markets witnessed this week a heavy foreign bid on the Eurobond market, a continuous demand for the Lebanese pound on the FX market, and price gains on the equity market. In details, internationals showed a noticeable demand for Lebanese bonds amid improved investor confidence following the recent domestic political developments. The average yield fell below the 9% threshold, closing at 8.76%. On the FX market, market players continued to show demand for LP, as a relaxed mood started to govern since the cabinet formation and given the attractiveness of interest rates on LP deposits relative to US\$ deposits (8.0% and 4.89% on average respectively at end-2018). On the equity market, the BSE price index rose by 1.7% week-on-week, supported by price gains in Solidere and some banking shares.

LEBANON MARKETS: WEEK OF FEBRUARY 11 - FEBRUARY 17, 2019

Money Market



Certificates of Deposits Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



GDR Market



Eurobond Market



CDS Market



ECONOMY

NEW CABINET GETS OVERWHELMING VOTE OF CONFIDENCE IN PARLIAMENT

Probably the most recent significant development in Lebanon is the Cabinet formation, with the appointment of a Government of National Unity, putting an end to 8 months of political deadlock since the parliamentary elections of May of last year. Following the Cabinet formation of January 31st, the Cabinet received last week an overwhelming vote of confidence, with 111 votes among 128 MPs voting for the New Government on the basis of its Policy Statement.

The Government's Policy Statement included a number of economic reforms and talked about tough and painful measures that are necessary to avoid economic and financial deterioration in the country. The policy statement commits to bringing down the debt-to-GDP ratio by boosting the size of the economy and reducing the budget deficit. Echoing a pledge made by the previous Government at last year's Paris donor conference (CEDRE), the policy statement says the government is committed to a "financial adjustment" equal to at least 1% of GDP a year over five years, starting with the 2019 budget.

Fiscal adjustment is set to be achieved by boosting revenues and cutting spending, starting with transfers to the state-run power company, which the World Bank has said represent a "staggering burden" on the public finances and ensuring 24/24h hour electricity in a foreseeable horizon along with raising tariffs. The policy statement also said the government would freeze state hiring in 2019 in all its forms. State hiring in the four years to follow would be half the number of retirees and only on condition the deficit reduction targets had been met.

Among other promised measures, we mention fighting tax evasion and fiscal leakages that we estimate at US\$ 4.8 billion annually (the equivalent of 9% of DP), reducing the consumption expenditures of the Government by no less than 20% in the 2019 budget relative to the 2018 budget, improving the business environment through enacting a number of laws that would provide incentives to the investment framework and closing the tender of the second bidding round for offshore oil and gas exploration prior to end-2019.

It is worth mentioning that the delay in Cabinet formation had adversely impacted private investment and growth, in addition to Cedre pledges and reforms. Now with the completion of the government formation, it is likely that some of those adverse effects would be reversed.

The first reaction was from the international community that strongly welcomed the cabinet formation, including the US, France, Great Britain and GCC countries. There are talks that GCC countries, namely KSA, UAE and Kuwait, might place deposits at the Lebanese Central Bank, following the Qatari announcement of its willingness to buy US\$ 500 million in Lebanese sovereign eurobonds last month.

The second reaction was from the markets themselves that welcomed the cabinet formation. The news of Cabinet formation generated a noticeable rise in Lebanese Eurobond prices and a drop in their yields and spreads, a significant contraction in CDS spreads and a trend reversal on the FX and money markets.

VALUE OF CLEARED CHECKS DOWN BY A YEARLY 17% IN FIRST MONTH OF 2019

Total value of cleared checks, an indicator of consumption and investment spending in the Lebanese economy, declined by 17.2% year-on-year in the first month of 2019 pointing to a deceleration in spending during the aforementioned month.

The value of cleared checks reached US\$ 4,901 million in the first month of 2019, against US\$ 5,919 million in the corresponding month of 2018.

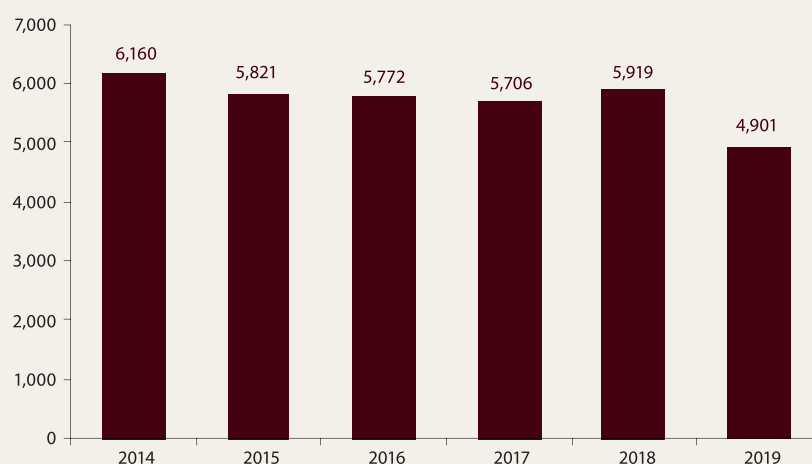
A breakdown by currency shows that the banks' clearings in Lebanese Pounds amounted to LP 2,798 billion (-5.7%) in the first month of 2019 while those in FC amounted to US\$ 3,045 million (-23.0%).

Furthermore, the number of cleared checks registered 860,158 in the first month of 2019, down by 15.6% from 1,019,236 in the corresponding month of 2018.

The average value per check dropped by 1.9% year-on-year to stand at US\$ 5,698 in the aforementioned month of 2019.

It is worth noting that the value of returned checks registered US\$ 131 million in the first month of 2019, up by a yearly 7.7%. The number of returned checks actually stood at 23,998 in the first month of this year, up from 22,028 in the same period of last year.

CLEARING ACTIVITY (FIRST MONTH OF THE YEAR, US\$ MILLION)



Sources: Association of Banks in Lebanon, Bank Audi's Group Research Department

SLOWDOWN IN THE PERFORMANCE OF THE PORT OF BEIRUT IN JANUARY 2019

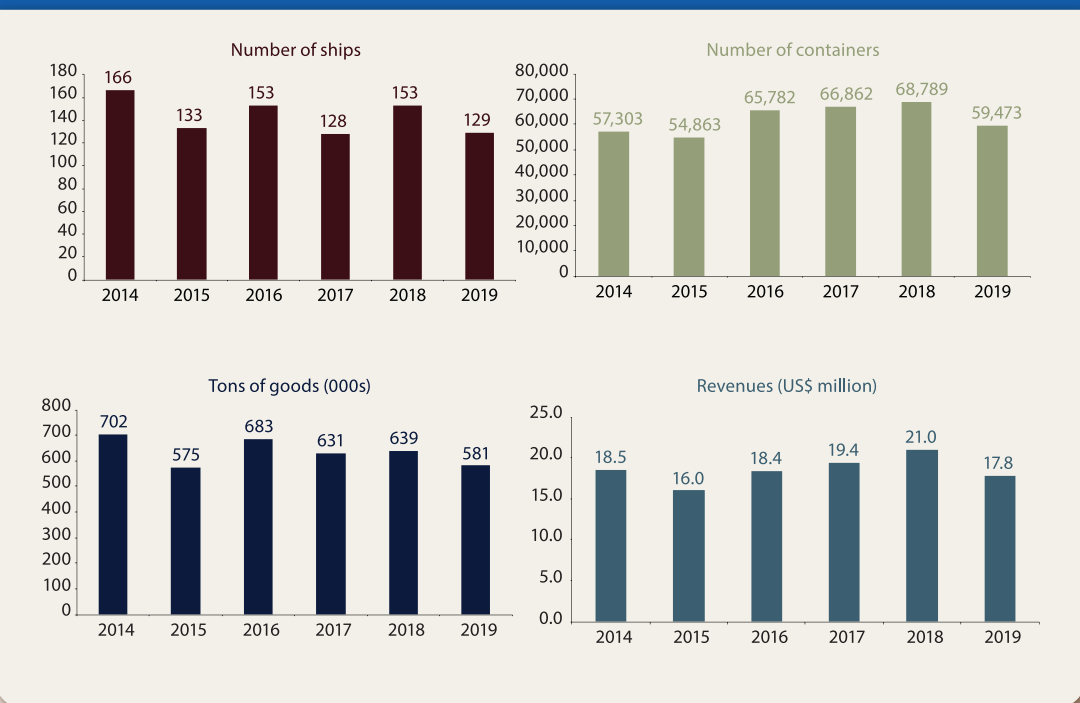
The latest statistics released by the Port of Beirut revealed a yearly 15.5% decline in the Port's revenues in the first month of 2019 compared to the same month of the previous year. The Port's revenues reached US\$ 17.8 million in the first month of 2019.

In parallel, the number of containers recorded an annual decrease of 13.5% to attain a total of 59,473 in the first month of 2019. The number of ships posted a fall of 15.7% year-on-year to reach a total of 129 vessels in the first month of 2019. During the corresponding period of 2018, the former had registered an increase of 2.9% year-on-year and the latter rose by 19.5%.

The quantity of goods fell by a yearly 9.0% to 581 thousand tons in the first month of 2019, following a rise of 1.3% reported in the first month of 2018.

Transshipments contracted by 17.0% year-on-year to attain 31,508 containers in the first month of 2019, following a rise of 25.1% in the corresponding period of 2018.

ELECTRICITY PRODUCTION (MILLION KWH)



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

GROSS PUBLIC DEBT AT US\$ 85.1 BILLION AT END-2018

The data published by the Ministry of Finance in Lebanon showed that the country's gross debt reached US\$ 85.1 billion at end-2018, up by 7.1% from the level seen at end-2017.

Domestic debt was higher by 5.1% from end-2017 to reach a total of US\$ 51.6 billion at end-2018. Lebanon's foreign debt grew by 10.2% from end-2017 to stand at around US\$ 33.5 billion at end-2018.

In this context, the public sector deposits at the Central Bank declined by 14.8% from end-2017 to stand at US\$ 5.0 billion at end-2018. The public sector deposits at commercial banks edged up by 1.9% from end-2017 to reach US\$ 4.4 billion at end-2018.

As such, net public debt, which excludes the public sector deposits at the Central Bank and commercial banks from overall debt figures, increased by 9.2% from end-2017 to reach a total of US\$ 75.7 billion at end-2018.

Accordingly, net domestic debt amounted to US\$ 42.2 billion at end-2018, up by 8.5% from end-2017.

SURVEYS

GOVERNMENT FORMATION IN LEBANON LOWERS NEAR-TERM RISKS, SAYS CI

According to Capital Intelligence (CI), the formation of a new national unity government in Lebanon would help reduce near-term political risk, restore domestic confidence, as well as provide an opportunity to implement measures to revive economic growth and address the country's large macroeconomic imbalances.

Developments throughout the last year aggravated the significant vulnerabilities of the Lebanese economy, namely sluggish economic growth (less than 1% in 2018), large public debt (157% of GDP), large fiscal and current account deficits, high financing needs (28% of GDP in 2019), and reliance on non-resident deposits. Moreover, the risks associated with these imbalances have increased in view of ongoing high geopolitical risk factors, as per CI.

Against this background, the absence of an effective government and speculation of a possible debt restructuring as a way of reducing the very large cost of debt service (interest accounts for 44% of total revenues) weighed heavily on the government's refinancing risks, as per CI.

Higher risk perceptions along with reduced investor appetite for Lebanese government paper led to increased deposit dollarization (71% of total deposits in 2018) in the banking system. There is anecdotal evidence of ongoing delays in transferring converted funds abroad. The Lebanese banks remain the largest holders of government securities, with their holdings representing a high multiple of total capital, according to Capital Intelligence.

CI considers the formation of a government an important positive development for Lebanon as this could facilitate passing of the budget draft for 2019, as well as the introduction of postponed fiscal measures, such as raising VAT on a broad range of goods and services, reintroducing taxes on petroleum products and increasing electricity tariffs.

The planned reforms are expected to assist the government reduce the budget deficit, improve the policymaking environment and, in turn, unlock the US\$ 11 billion CEDRE aid pledges. The latter are considered crucial for improving Lebanon's short to medium economic growth prospects. In this context, Capital Intelligence notes that Eurobond prices have partly recovered from a ten-year low reached a couple of weeks ago.

Furthermore, with a government now in place, Lebanon can also expect to receive additional regional financial assistance. As a matter of fact, Qatar recently purchased US\$ 500 million of Eurobonds with financial support from Saudi Arabia also likely to be forthcoming.

Notwithstanding the high implementation risk given the socially sensitive nature of the planned reforms, the proposed economic measures, together with final disbursement of CEDRE aid funds, are expected to help reduce Lebanon's very high refinancing risks and restore investors' confidence to some degree.

CI would continue to closely monitor political and economic developments in Lebanon. Any delay in introducing serious fiscal corrective measures and economic reforms could postpone the release of pledged financial assistance and increase the government's high refinancing risks. This would then prompt a review of Lebanon's current sovereign ratings.

LEBANON HAS SECOND HIGHEST FREEDOM AGGREGATE SCORE IN MENA REGION, SAYS FREEDOM HOUSE

According to a report by Freedom House entitled "Freedom in the World 2019", Lebanon ranked second in the Middle East and North Africa (MENA) with an aggregate score of 45.

In this report, only one out of 17 surveyed MENA countries was perceived as "free", four others as "partly free", whereas the other 12 were perceived as being "not free".

Freedom in the World 2019 evaluates the state of freedom in 195 countries and 14 territories during calendar year 2018. Each country and territory is assigned between 0 and 4 points on a series of 25 indicators, for an aggregate score of up to 100. These scores are used to determine two numerical ratings, for political rights and civil liberties, with a rating of 1 representing the most free conditions and 7 the least free.

The top performing country within the "partly free" category was Lebanon, earning a score of 5 in terms of political rights and 4 in terms of civil liberties. Lebanon's aggregate score was 45.

In the MENA region, Lebanon was preceded only by Tunisia, which was considered the only "free" country in the region earning a score of 2 in terms of political rights and 3 in terms of civil liberties.

Lebanon came before Morocco and Jordan which ranked 3rd and 4th respectively in the Middle East and North Africa region. Both Morocco and Jordan were classified as partly free countries.

Morocco got a score of 5 in terms of political rights and 5 in terms of civil liberties, with an aggregate score of 39. Jordan also attained a score of 5 in terms of political rights and 5 in terms of civil liberties, posting an aggregate score of 37.

FREEDOM IN THE WORLD 2019 MENA COUNTRIES RANKS AND SCORES

	Freedom Status	Political Rights	Civil Liberties	Aggregate Score
Tunisia	Free	2	3	69
Lebanon	Partly Free	5	4	45
Morocco	Partly Free	5	5	39
Jordan	Partly Free	5	5	37
Kuwait	Partly Free	5	5	36
Algeria	Not Free	6	5	34
Iraq	Not Free	5	6	32
Qatar	Not Free	6	5	25
Oman	Not Free	6	5	23
Egypt	Not Free	6	6	22
United Arab Emirates	Not Free	7	6	17
Bahrain	Not Free	7	6	12
Yemen	Not Free	7	6	11
Libya	Not Free	7	7	9
Saudi Arabia	Not Free	7	7	7
Sudan	Not Free	7	7	7
Syria	Not Free	7	7	0

Sources: Freedom House, Bank Audi's Group Research Department

CORPORATE NEWS

NEWLY REGISTERED CARS AT 1,837 IN JANUARY 2019, DOWN BY A YEARLY 26.2%

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 1,837 in January 2019, falling by 26.2% from a total of 2,489 in the same month of 2018.

It is worth noting that commercial vehicle registrations reached 111 in January 2019, against 147 in the same month of the previous year.

According to the same source, this is due to the currently prevailing economic and political situation in Lebanon, to the 25% down payment imposed on car loans and to the increase in interest rates on car loans, among others.

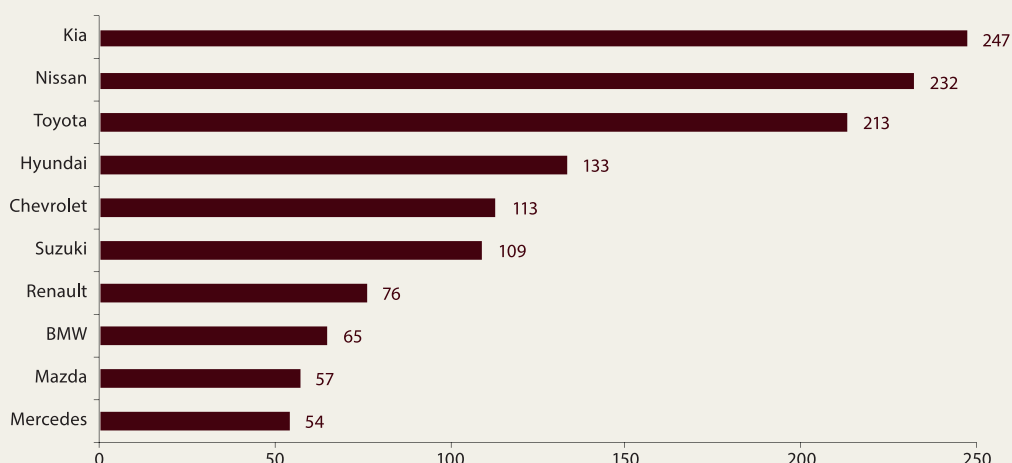
Korea's Kia ranked first in terms of new car registration during January 2019, with a total of 247 cars against a total of 436 cars during the same month of the previous year.

It was followed by Japan's Nissan with a total of 232 newly registered cars in the first month of 2019, against 277 cars in January 2018.

These were followed by Japan's Toyota with a total of 213 newly registered cars in January 2019, compared to a total of 276 cars registered in the year-earlier similar month.

Korea's Hyundai came in the fourth position with a total of 133 newly registered cars in the first month of this year, compared to 277 cars registered in January 2018.

TOP BRANDS OF NEWLY REGISTERED CARS IN JANUARY 2019



Sources: Association of Car Importers in Lebanon, Bank Audi's Group Research Department

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,539 MILLION AT END-2018

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,539.4 million at end-2018, down by 7.8% from end-2017.

In February 2018, the Banque du Liban has implemented the IFRS 9 accounting standards and therefore, some items have been reclassified. The balance sheet components have been compiled backwards till January 2017.

In details, currency and deposits with Central Banks rose from US\$ 23.1 million at end-2017 to US\$ 44.7 million at end-2018.

Claims on resident customers declined by 6.3% from end-2017 to US\$ 674.9 million at end-2018. Claims on non-resident customers rose to US\$ 70.1 million at end-2018.

Claims on resident financial sector fell from US\$ 437.9 million at end-2017 to US\$ 331.8 million at end-2018. Claims on non-resident financial sector increased by 14.1% from end-2017 to US\$ 94.3 million at end-2018.

Claims on the public sector stood at US\$ 4.9 million at end-2018, down from US\$ 5.9 million at end-2017. Securities portfolio registered US\$ 111.4 million at end- 2018, down by 18.3% from end-2017.

Tangible assets reported US\$ 35.1 million at end-2018, down by 7.4% from end-2017. Intangible assets declined from US\$ 170.5 million at end-2017 to US\$ 155.7 million at end-2018.

On the liabilities side, resident customer deposits registered US\$ 157.7 million at end-2018, up by 12.0% from end-2017. Non-resident customer deposits fell to US\$ 20.5 million at end-2018, from US\$ 25.8 million at end-2017.

Resident financial sector liabilities stood at US\$ 372.6 million at end- 2018, declining by 13.6% from end-2017. Non-resident financial liabilities rose from US\$ 105.7 million at end-2017 to US\$ 143.3 million at end-2018.

Public sector deposits stood at US\$ 4.5 million at end-2018, down from US\$ 14.5 million at end-2017. Debt securities issued fell from US\$ 207.1 million at end-2017 to US\$ 149.1 million at end-2018.

Capital accounts reported US\$ 468.4 million at end-2018, down from US\$ 484.9 million at end-2017.

SOUTH LEBANON WATER ESTABLISHMENT TO LAUNCH FOUR PROJECTS WORTH US\$ 50 MILLION

The South Lebanon Water Establishment (SLWE) plans to launch four projects worth US\$ 50 million to enhance water production services, according to its Director General.

These projects include the establishment of water pumping stations in Nabeh Alman, Aichieh and Zahrani as well as the expansion of Wazzani pumping station.

The new pumping stations will produce at least 25 million cubic meters combined, and serve a population of over 350,000.

The current status of Wazzani pumping station allows it to produce only one million cubic meters, but once it is restored and expanded, it will have a capacity of over four million cubic meters, as per the same source.

The SLWE has 25 large stations producing a combined 50 million cubic meters with a capacity of 175 million cubic meters.

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE AT SINGLE-DIGIT LEVELS AMID FAVORABLE FX ACTIVITY

The overnight rate slid to single-digit levels over this week, mainly helped by increased demand for the Lebanese pound on the foreign exchange market following the formation of a new government and the subsequent favorable political developments on the local front, and as the CNSS has redeposited its LP funds in the Lebanese banking sector. Yet, it rose to 14% on Friday.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 31st of January 2019 showed that total resident banking deposits registered their first weekly expansion so far this year, in an early sign of improved sentiment and increased depositors' confidence upon the completion of the cabinet formation process. In details, total resident banking deposits rose by LP 135 billion over the covered week, driven by a LP 40 billion increase in total LP resident deposits amid a LP 363 billion growth in LP demand deposits and a LP 323 billion drop in LP saving deposits, in addition to a LP 95 billion growth in foreign currency deposits (the equivalent of US\$ 63 million).

That being said, the total money supply in its largest sense (M4) posted its first weekly expansion since end-2018, growing by LP 768 billion amid a LP 141 billion rise in the currency in circulation and a LP 492 billion surge in the non-banking sector Treasury bills portfolio. The non-banking sector's appetite for LP Tbs came after the Ministry of Finance lifted interest rate on the three-month to seven-year Tbs categories at range of 0.86% to 1.92% in January 2019, after maintaining stability for more than six years.

INTEREST RATES

	15/02/19	08/02/19	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 118 BILLION

The Treasury bills auction results for value date 7th of February 2019 showed that total subscriptions reached LP 295 billion and were distributed as follows: LP 9 billion in the three-month category (offering a yield of 5.30%), LP 113 billion in the one-year category (offering a yield of 6.50%) and LP 173 billion in the five-year category (offering a coupon of 8.0%). In parallel, maturities totaled LP 177 billion, resulting into a nominal weekly surplus of LP 118 billion.

In parallel, the latest Treasury bills auction results for value date 14th of February 2019 showed that the Central Bank of Lebanon has allowed banks to subscribe in full to the six-month category (offering a yield of 5.85%), the two-year category (offering a coupon of 7.0%) and the ten-year category (offering a coupon of 10.0%).

TREASURY BILLS

	15/02/19	08/02/19	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%	↔
10-year	10.00%	-	10.00%	
Nom. Subs. (LP billion)		295	98	
Short-term (3&6 mths)		9	4	
Medium-term (1&2 yrs)		113	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		173	83	
Maturities		177	124	
Nom. Surplus/Deficit		118	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: CONTINUOUS CONVERSIONS IN FAVOR OF LP FOLLOWING DOMESTIC POLITICAL SETTLEMENTS

Some FC-to-LP conversions continued to float on the surface over this week, mainly supported by a relaxed mood that started to sway over the foreign exchange market since the formation of a new government. In addition, flows outside Lebanon were almost absent this week, in a sign of increased depositors' level of confidence.

EXCHANGE RATES

	15/02/19	08/02/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,931.56	1,949.65	1,905.78	↑
LP/¥	13.65	13.72	13.66	↑
LP/SF	1,497.91	1,504.34	1,529.68	↑
LP/Can\$	1,134.48	1,132.01	1,107.48	↓
LP/Euro	1,701.21	1,701.55	1,724.73	↑

Source: Bank Audi's Group Research Department

STOCK MARKET: WEEKLY PRICE GAINS ON THE BSE

The BSE total turnover amounted to US\$ 6.0 million during this week that was shortened to four working days due to official holidays and compared to a shy value of US\$ 0.9 million last week and an average weekly turnover of US\$ 9.4 million since the beginning of the year 2019. The banking shares captured 79.7% of activity, followed by Solidere shares with 20.2% and industrial shares with 0.1%.

As far as prices are concerned, the BSE price index rose by 1.7% week-on-week to close at 81.61. Six out of ten traded stocks posted price rises, while four stocks saw no price change. Solidere shares, which are the most vulnerable stocks to domestic political developments, topped the gainers' list on the Beirut Stock Exchange this week. Solidere "B" share price led the advance, climbing by 7.7% to close at US\$ 6.47.

Solidere "A" share price surged by 4.0% to US\$ 6.46. As to banking stocks, Bank Audi's "listed" share price closed 0.2% higher at US\$ 4.65. Bank Audi Preferred "H" share price edged up by 0.1% to US\$ 87.0. BLOM's GDR price went up by 3.2% to US\$ 9.16. Amongst industrials, Holcim Liban's share price rose by 1.1% to close at US\$ 15.50.

The weekly performance of the domestic stock exchange compares to decreases in prices in broader regional stock exchanges (-1.0% as per the S&P Pan-Arab Composite Index) and retreats in prices across emerging markets (-0.4% as per the S&P Emerging Frontier Super Composite Index).

AUDI INDICES FOR BSE

22/1/96=100	15/02/19	08/02/19	28/12/18	
Market Cap. Index	373.92	367.78	384.30	↑
Trading Vol. Index	63.83	7.70	227.09	↑
Price Index	81.61	80.27	83.87	↑
Change %	1.67%	-1.39%	-0.70%	↑
	15/02/19	08/02/19	21/12/18	
Market Cap. \$m	8,871	8,725	9,117	↑
No. of shares traded (Exc. BT)	1,171,736	169,870	4,241,140	↑
Value Traded \$000 (Exc. BT)	6,010	907	21,393	↑
o.w. : Solidere	1,213	550	1,208	↑
Banks	4,791	357	20,107	↑
Others	6	0	78	↑

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

BOND MARKET: AVERAGE BOND YIELDS AT LOWEST LEVEL SINCE EARLY-AUGUST 2018

The Eurobond market benefited from improved sentiment and increased investor confidence following the formation of a new government, the cabinet's swift approval of the policy statement and as the new government is getting close to secure the Lebanese Parliament's vote of confidence. Also, Saudi Arabia's decision to lift travel ban to Lebanon contributed to give a boost to the market, sparking a wide foreign bid across the yield curve.

In details, international institutional investors showed a heavy bid for Lebanese sovereigns maturing between 2020 and 2030, and for papers maturing in 2032 and 2037. Within this context, the weighted average bond yield moved down from 9.16% at the end of last week to 8.76% at the end of this week, which is its lowest level since early-August 2018. Concurrently, the weighted average bid Z-spread shrank from 692 bps last week to 651 bps this week. 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 675-690 bps at the end of this week, in a sign of improved market perception of sovereign risks at large.

EUROBONDS INDICATORS

	15/02/19	08/02/19	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	8.76%	9.16%	9.95%	↓
Z-Spread (bid in bps)	651	692	764	↓
Average Life	7.69	7.71	7.83	↓
Yield on US 5-year note	2.48%	2.45%	2.61%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	15-Feb-19	08-Feb-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	110.47	109.76	109.61	0.7%	0.8%
\$/£	1.289	1.294	1.275	-0.4%	1.1%
\$/Euro	1.130	1.132	1.147	-0.2%	-1.5%
STOCK INDICES					
Dow Jones Industrial Average	25,883.25	25,106.33	23,327.46	3.1%	11.0%
S&P 500	2,775.60	2,707.88	2,506.85	2.5%	10.7%
NASDAQ	7,472.41	7,298.20	6,635.28	2.4%	12.6%
CAC 40	5,153.19	4,961.64	4,730.69	3.9%	8.9%
Xetra Dax	11,299.80	10,906.78	10,558.96	3.6%	7.0%
FT-SE 100	7,236.68	7,071.18	6,728.13	2.3%	7.6%
NIKKEI 225	20,900.63	20,333.17	20,014.77	2.8%	4.4%
COMMODITIES (in US\$)					
GOLD OUNCE	1,322.49	1,314.29	1,282.49	0.6%	3.1%
SILVER OUNCE	15.79	15.82	15.50	-0.2%	1.9%
BRENT CRUDE (per barrel)	66.25	62.10	53.80	6.7%	23.1%
LEADING INTEREST RATES (%)					
1-month Libor	2.48	2.50	2.50	-0.02	-0.02
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	2.66	2.63	2.68	0.03	-0.02

Sources: Bloomberg, Bank Audi's Group Research Department

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