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The LEBANON WEEKLY MONITOR

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p.9 SHY WEEKLY BOND PRICE GAINS, AWAITING APPROVAL OF AUSTERITY BUDGET

Amid continuous cabinet's discussions on an austerity draft budget, Lebanon's capital markets witnessed this week shy price increases on the Eurobond market along with stability in CDS spreads, small price declines on the equity market amid low trading volumes, and continuous net conversions in favor of foreign currencies on the FX market. In details, the Eurobond market saw net international buying in modest volumes, which resulted into weekly price gains across the board of up to 1.0 pt, noting that shorter-term sovereigns were the top gainers. Accordingly, the weighted average bond yield declined by 7 bps to 9.40%, while Lebanon's five-year CDS spreads remained stable at 800 bps. On the stock market, Lebanese equities posted shy price declines, as reflected by a 0.4% retreat in the BSE price index, while activity remained quite shy. Finally, activity stayed in favor of foreign currencies on the FX market. BDL's foreign assets reached US\$ 38 billion at end-April 2019, covering 75% of LP money supply. Within this context, BDL's Governor reiterated this week that "the Lebanese pound is stable and would remain stable".

LEBANON MARKETS: WEEK OF APRIL 29 - MAY 05, 2019

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

ECONOMY

RENEWED RISE IN BANKING SECTOR DEPOSITS IN MARCH ALONG WITH A DROP IN LP INTEREST RATES

According to figures released by the BDL, the month of March was a relatively good month for banking sector activity, with a positive growth in deposits along with a decline in LP interest rates and a stability in US\$ interest rates.

Sector deposits grew by US\$ 550 million during March (growing both in LP and FX), while average LP interest rates declined by 41 bps (from 9.16% in February to 8.75% in March) and average US\$ interest rates stabilized at 5.69% during the month. Out of the additional March deposits, 72% were in foreign currencies and 28% in local currency, and these were almost equally distributed between the resident and non-resident sectors.

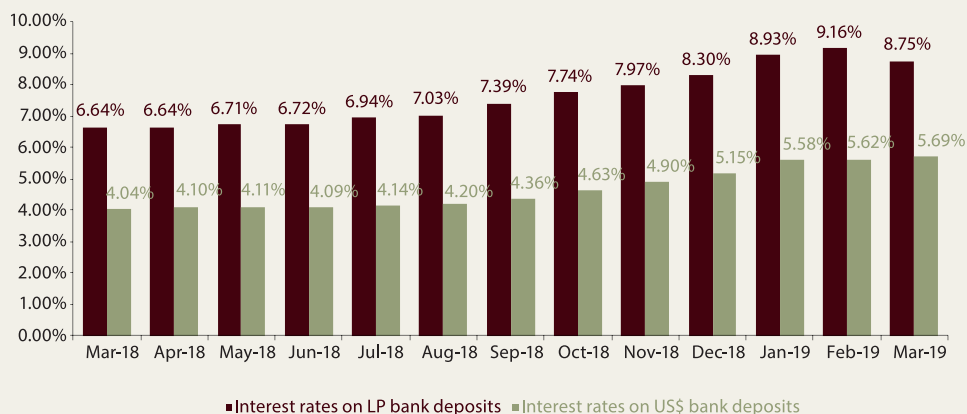
Banks continued to collect deposits despite looming uncertainties over the covered period while beefing up their liquidity levels. Banks FX liquidity abroad slightly rose by US\$ 0.2 billion, moving from US\$ 10.5 billion in February to US\$ 10.7 billion in March. The financial system's foreign assets did not report further contraction in March, as witnessed by a quasi-equilibrated balance of payments during the month, following a cumulative deficit of US\$ 1.9 billion over the first two months of the year.

In parallel, banks are still shying away from extending new waves of loans to customers and corporates in the currently prevailing overall economic conditions and preference to place at BDL. Banks' loan portfolio to the private sector so far declined by close to 3% in the 12 months to March 2019, mostly due to a contraction in the LP lending portfolio of the resident sector, noting that the non-resident sector benefited from a slight increase in credit over the covered period.

As to capital adequacy, banks shareholders' equity stood at US\$ 22.0 billion in March, the equivalent of 8.7% of total assets. Their Basle III capital adequacy ratio actually stands at 16.56%, suggesting a sound coverage of credit, markets and operational risks by banks own funds. It is worth mentioning that the average emerging markets ratio stood at 16.02% in 2018.

In sum, the relatively ameliorated depositor sentiment has allowed banks to renew with deposit growth in March 2019 after subdued growth in the first month of the year and quasi-stability in February, which augurs well for sector activity should the government proceed with long-awaited reforms. Meanwhile,

EVOLUTION OF KEY INTEREST RATES



Source: BDL

banks display adequate financial standing ratios, with above-peer liquidity ratios, sound capital adequacy metrics and still low (albeit slightly deteriorating) asset quality indicators, thus making sure the country's financial sector steers rather safely through the persisting uncertainties.

NUMBER OF TOURISTS UP BY 3.7% YEAR-ON-YEAR IN FIRST THREE MONTHS OF 2019

The latest figures released by the Ministry of Tourism showed that the number of tourists posted a 3.7% yearly increase in the first three months of 2019 following an increase of 5.0% posted in the same period of the previous year.

In fact, the number of tourists registered 375,815 in the first three months of 2019, compared to 362,398 tourists posted in the same period of 2018.

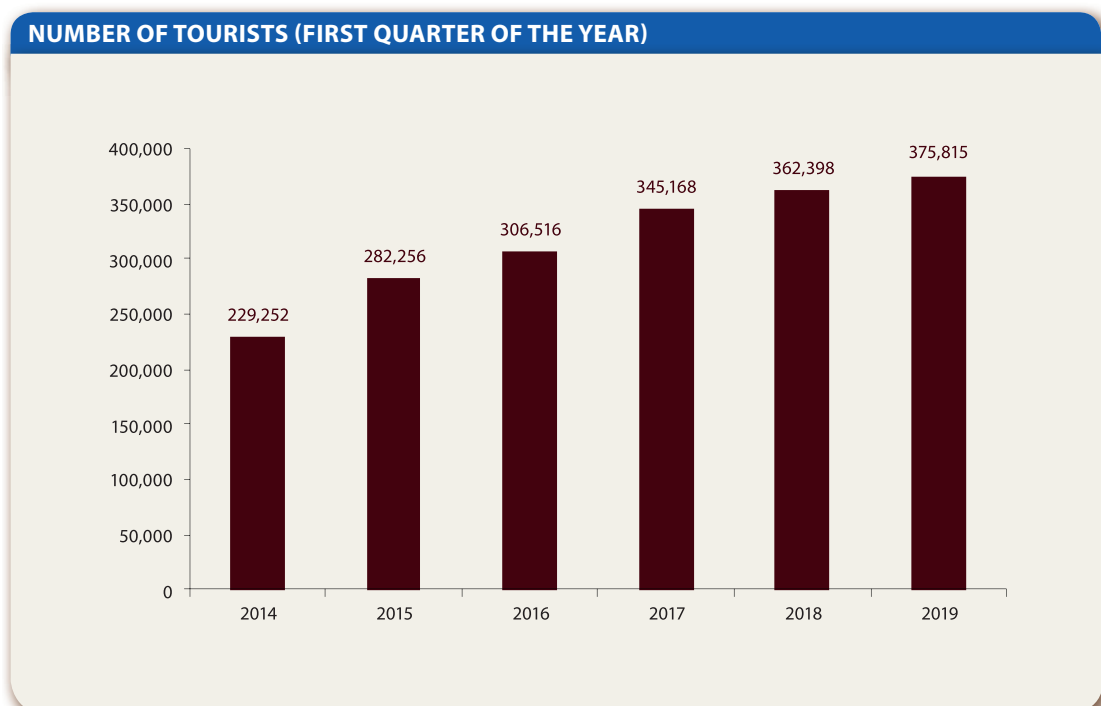
In details, Arab countries and Europe got the lion's share in the contribution to the number of tourists with 36.4% (136,789 tourists) and 35.0% (131,505 tourists) respectively.

These were followed by tourists from America which took over a share of 14.0% (52,773 tourists). Tourists from Asia came in after with a share of 8.2% (30,655 tourists), while those of Africa followed with a share of 3.0% (11,181 tourists).

It is worth noting that tourists from most continents registered a positive performance with the highest growth coming from Arab countries that grew by a yearly 16.4%.

This was followed by an increase in Asian tourists by 5.0%, American tourists by 2.7% and European tourists by 2.6%, while the number of tourists from the Africa reported a yearly decline.

Finally, prospects for the summer touristic season look increasingly promising, with the removal of the Saudi travel ban to Lebanon.



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

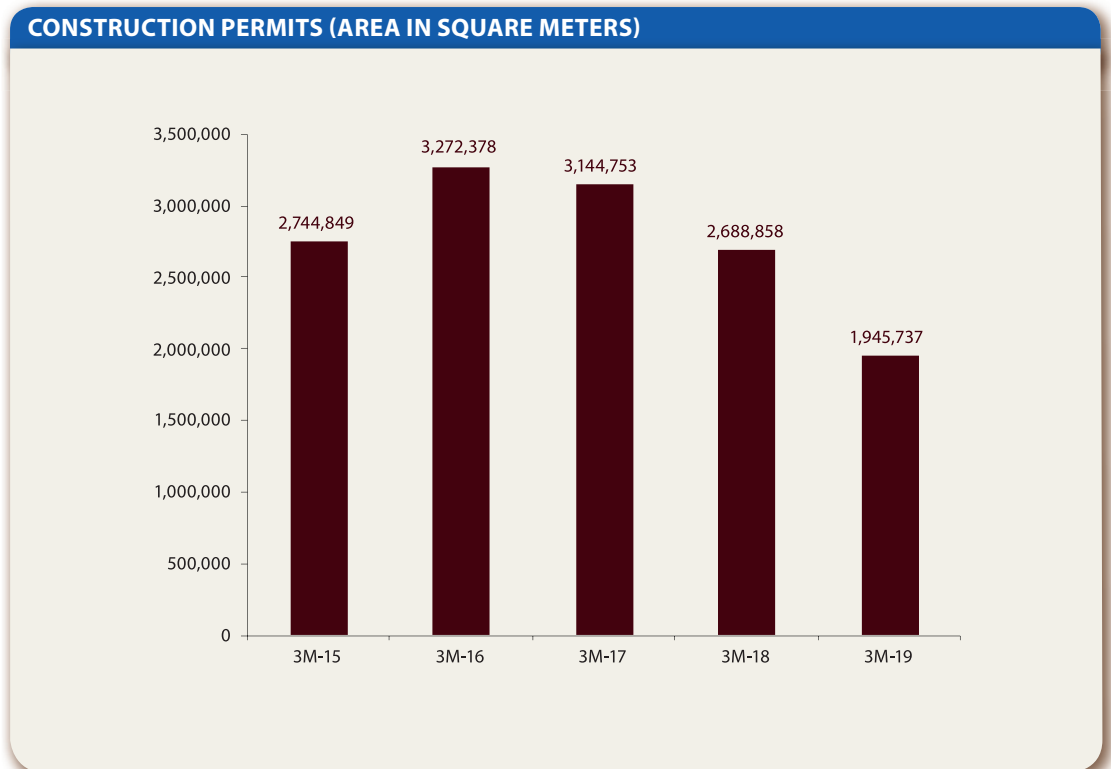
CONSTRUCTION PERMITS REGISTER YEARLY DECLINE OF 27.6% IN FIRST QUARTER OF 2019

According to the figures provided by the Order of Engineers of Beirut and Tripoli, construction permits, an indicator of forthcoming construction activity, posted a 27.6% year-on-year decrease during the first three 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 1,945,737 square meters in the first three months of 2019, against an area of 2,688,858 square meters in the same period of last year. This followed a yearly contraction of 14.5% registered in the first quarter of 2018.

The breakdown by region shows that most of the regions reported contractions in construction permits with Nabattiyeh and Bekaa reporting the highest contractions of 42.1% and 41.0% respectively in construction permits in the first three 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 three months of 2019 with a share of 38.1%. It was followed by North-Lebanon with 20.2%, South-Lebanon with a share of 18.3%, Beirut with 8.5%, Bekaa with 8.3% and Nabattiyeh with 6.7%.



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

SURVEYS

LEBANON HEADLINE GROWTH TO REMAIN UNDER PRESSURE DUE TO FISCAL ADJUSTMENT, SAYS JP MORGAN

According to a recent report by JP Morgan, Lebanon's headline growth is expected to remain under pressure due to fiscal adjustment, but it would be supported by improved sentiment and external support.

The country's external backdrop improved with the partial stabilization of Syria and Iraq, potentially supporting a recovery in trade, investment, and travel flows in the Levant. Domestic political uncertainty has also eased following the formation of a new cabinet, as per the report.

As a result, there is now an opportunity to move forward with urgent reforms, supported by Cedre conference pledges amounting to US\$ 11 billion (20% of GDP). JP Morgan slightly revised down growth to 1.3% in 2019, up from 1.0% last year, but it sees significant downside risks both due to necessary fiscal adjustment if reforms are passed and due to the impact of rising uncertainty if reforms fall short.

While cabinet formation has supported sentiment, delays in the execution of much needed reforms could dent confidence against the background of large fiscal and external deficits and high debt.

While public sector reforms are expected to be unveiled of GDP this year, JP Morgan projects the budget deficit to remain large at 9.4% of GDP this year down from 11% last year. The authorities have finalized budget plans and are expected to announce these imminently. The authorities have previously indicated that they were planning a 1% lowering in the deficit annually for the next 5 years, but this was when the deficit was lower. As a result, the authorities are now considering measures to cut the deficit to 9% of GDP this year. Most of the fiscal adjustment is expected to come through spending cuts, including lower capital expenditures, reduced government procurement spending and transfers.

Moreover, the report added that a gasoline excise tax is possible, but political opposition could mean that new taxes are not introduced given the subdued growth environment. While a clampdown on tax evasion is expected, such measures are unlikely to yield quick results and broaden the tax base in the near term. JP Morgan does not expect electricity tariff hikes this year although plans to raise tariffs from starting from 2020 would support sentiment. Transfers from the budget to Electricite du Liban are equivalent to almost a third of the budget deficit.

The report added that no difficulties are anticipated in financing the fiscal deficit. JP Morgan expects Banque du Liban to continue to play the pivotal role it has played in supporting deficit finance and it is expected that BdL would continue to encourage public sector reforms. The authorities have ruled out debt restructuring, but are expected to continue pursuing unconventional debt strategies as they have done in recent years, as per the report.

While the long-term outlook is uncertain given large imbalances, large central bank reserves at 14 months of imports are supporting macroeconomic stability. Following the volatility in January, BdL FX reserves excluding gold have declined by US\$ 1.2 billion to US\$ 31.3 billion in February 2019. During this period nonresident deposits have declined to US\$ 46.6 billion from US\$ 47.5 billion in December. While JP Morgan does not expect difficulty with debt service or maintaining the peg in the near term, it expects FX reserve to remain under pressure.

RESIDENTIAL REAL ESTATE PRICES DECLINE BY 3.5% IN 2018, SAYS RAMCO

According to the Beirut Residential Price Index published by real estate consultancy firm RAMCO, a drop of 3.5% in real estate prices was posted by developers in Beirut during the past year.

The study follows the evolution of prices posted by developers for apartments on the first floor during 2018. The study covers 152 residential buildings under construction, spread across 58 residential neighborhoods within Municipal Beirut. The prices quoted in the study are prices posted by developers and exclude any negotiation margin and discount.

In 2018, price drops have grown steeper than previous years, as per the report. Generally, developers are reluctant to drop their officially listed prices and prefer to offer a discount to serious buyers. However, within today's context, many have had no other choice but to drop their official prices without waiting the start of negotiations.

Overall, when official price reductions and the increased margins of negotiation are taken into account, prices have dropped on average by 25% to 30% during the past five years. Price drops reached 40% to 50% in certain extreme cases, as per RAMCO.

In total, 70 developers have dropped their official list prices, which represents 46% of the projects included in the study. Twenty one of the 70 buildings have offered price reductions varying between 10% to 20%, according to RAMCO.

Some developers are realistic and have understood that with interest rates on deposits being so high, one of the rare means to achieve a sale is to be as attractive as possible to a potential buyer, says RAMCO.

Although demand has slowed down, the market has not come to a complete halt. There are still buyers able to pay in cash. However, they have a wider and wider choice, and are looking for the best possible deal, as per the same source.

On the other hand, 49.4% of the projects under construction have retained their prices unchanged. Despite the current situation and the fact that everyone is aware that prices are dropping, some developers prefer to keep their prices unchanged and retain a margin of negotiation generally ranging between 15% to 20%, as per RAMCO.

EVOLUTION OF ASKING SALES PRICES IN MUNICIPAL BEIRUT

Year	2018		2017		2016	
	Number of projects	Share of stock (%)	Number of projects	Share of stock (%)	Number of projects	Share of stock (%)
Increase	7	4.6	24	12.3	25	11.6
Stable	75	49.4	100	51.6	128	59.5
Decrease	70	46.0	70	36.1	62	28.9
Total	152	100	194	100	215	100
Year-on-year price change (%)	-3.5		-1.8		-1.5	

Sources: RAMCO, Bank Audi's Group Research Department

CORPORATE NEWS

BANK OF BEIRUT'S TOTAL ASSETS AT US\$ 18.9 BILLION AT END-MARCH 2019

Bank of Beirut posted unaudited net profits of US\$ 30.7 million in the first quarter of 2019, down from US\$ 50.7 million in the corresponding period of the previous year.

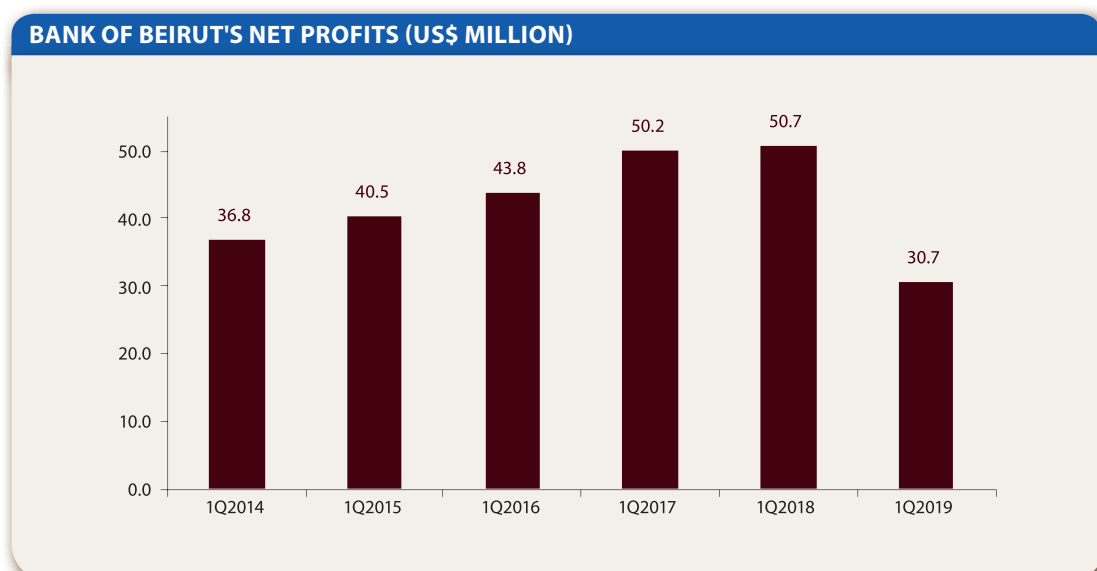
Net interest income amounted to US\$ 57.0 million in the first three months of 2019, down by 16.7% from the same period of 2018. Net commission income decreased from US\$ 24.6 million in the first quarter of 2018 to US\$ 23.4 million in the corresponding period of 2019.

Net operating income retreated by 18.5% year-on-year to attain US\$ 94.1 million in the first quarter of 2019.

Total operating expenses decreased by 3.3% year-on-year to US\$ 55.4 million in the first quarter of 2019, of which staff costs reached US\$ 30.8 million, 4.8% lower than those reported in the same period of 2018, and administrative and other operating expenses totaled US\$ 20.5 million, 3.1% lower than those recorded in the same period of 2018.

Bank of Beirut's assets totaled US\$ 18.9 billion at end-March 2019, nearly unchanged from end-2018. Net loans and advances stood at US\$ 5.1 billion at end-March 2019, 11.9% lower than the total of US\$ 5.8 billion at end-2018. Customers' deposits amounted to US\$ 13.0 billion at end-March 2019, down by 2.8% from end-2018.

Shareholders' equity totaled US\$ 2.3 billion at end-March 2019, down by 1.3% from US\$ 2.4 billion at end-2018.



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

BANQUE BEMO'S NET PROFITS UP BY A YEARLY 13.5% TO US\$ 4.6 MILLION IN FIRST QUARTER OF 2019

Banque BEMO posted unaudited net profits of US\$ 4.6 million in the first three months of 2019, up by 13.5% from US\$ 4.1 million in the same period of 2018.

Net interest income amounted to US\$ 10.6 million in the first quarter of 2019, up from US\$ 7.5 million recorded in the corresponding period of 2018. Net fees and commission income rose from US\$ 1.3 million in the first quarter of 2018 to US\$ 1.4 million in the same period of this year.

Net financial revenues increased by 24.9% to attain US\$ 13.9 million in the first quarter of 2019.

Total expenses amounted to US\$ 8.7 million in the first quarter of 2019, up by a yearly 34.2% from US\$ 6.4 million in the same period of 2018. This includes staff costs recording US\$ 4.6 million in the first quarter of 2019, 16.3% higher than those reported in the corresponding period of 2018, and other operating expenses reaching US\$ 2.9 million, 26.4% higher than those in the same period of 2018.

Banque BEMO's assets totaled US\$ 2.1 billion at end-March 2019, up by 1.9% from end-2018. Net loans and advances amounted to US\$ 682.2 million at end-March 2019, down from US\$ 727.9 million at end-2018. Customers' deposits stood at US\$ 1.3 billion at end-March 2019, nearly unchanged from end-2018.

Shareholders' equity totaled US\$ 194.5 million at end-March 2019, up from US\$ 189.9 million at end-2018.

BANK AUDI SAE ANNOUNCES THE SUCCESS OF THE NEGOTIATIONS OF ACQUIRING THE BRANCH OF THE NATIONAL BANK OF GREECE IN EGYPT

Bank Audi sae (Egypt), a fully-owned subsidiary of Bank Audi sal, announced that it entered into an agreement with the National Bank of Greece for the acquisition of the banking operations of its Egyptian Branch.

The transaction is structured as a single sale and transfer of selected corporate and retail assets and liabilities pertaining to the Egyptian operations of the National Bank of Greece including, among others, a network of 17 branches.

The completion of the transaction is subject to receipt of regulatory approvals, including the final approval of the Central Bank of Egypt and the Central Bank of Lebanon.

On the date of transfer, customers' accounts and agreements will be automatically transferred to Bank Audi sae (Egypt) in accordance with the terms and conditions of those agreements and/or applicable to those accounts, according to the terms of the approval of the Central Bank of Egypt, as per the Acting CEO & MD of Bank Audi sae (Egypt).

In the meantime, customers can continue to use the existing branches of the National Bank of Greece in Egypt, and will be informed if there will be any changes to the branch network they will be able to use after the date of transfer, as per the same source.

ARAMCO AWARDS LEBANESE FIRM BERRI WATER PLANT CONTRACT

Saudi Aramco awarded Lebanon-based Contracting & Trading (CAT) Group a contract to perform engineering, procurement and construction (EPC) works to expand the water injection facilities at its Berri oil and gas field.

The EPC contract is estimated to be worth US\$ 200 million, as per MEED.

US-based KBR has performed the front-end engineering and design works on the project.

The main scope of work on the project includes construction of a water injection plant, and installation of water injection pumps and instrument control systems.

Aramco has separately tendered a major contract, worth about US\$ 2 billion, to expand the existing gas oil separation plant (GOSP) at the Berri field.

Only two contractors – Italy's Saipem and South Korea's Hyundai Engineering & Construction – have submitted bids for the EPC contract, as per MEED.

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE KEEPS LOW SINGLE-DIGIT LEVEL

The money market maintained its regular tone this week, with the overnight rate standing at a low single-digit level of 6% amid relatively ample local currency liquidity at hand.

The latest monthly statistics released by the Central Bank of Lebanon for March 2019 showed that resident deposits at commercial banks grew by US\$ 512 million over the February-March 2019 period following the cabinet formation, mainly supported by increased depositor confidence and on hopes that the new government would embark into material fiscal and economic reforms. Resident deposit growth was driven by a LP 831 billion rise in total LP resident deposits (the equivalent of US\$ 551 million) amid increased demand for the local currency, while foreign currency resident deposits contracted by US\$ 39 million over the February-March 2019 period.

INTEREST RATES

	03/05/19	25/04/19	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 SURPLUS OF LP 1,280 BILLION DURING THE FIRST 4M OF 2019

The latest Treasury bills auction results for value date 2nd of May 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%).

In parallel, the Treasury bills auction results for value date 25th of April 2019 showed that total subscriptions reached LP 163 billion and were distributed as follows: LP 4 billion in the six-month category (offering a coupon of 5.85%), LP 109 billion in the three-year category (offering a coupon of 7.50%) and LP 50 billion in the seven-year category (offering a coupon of 9.0%). These compare to maturities of LP 93 billion, resulting into a nominal weekly surplus of LP 70 billion.

On a cumulative basis, total subscriptions reached LP 5,123 billion during the first four months of 2019. The seven-year category accounted for 32.9% of the total, followed by the five-year category (18.3%), the ten-year category (16.2%), and the three-year category (12.2%), while the three-month, six-month, one-year and two-year categories accounted for the remaining 20.4%. These compare to total maturities of LP 3,842 billion, resulting into a nominal surplus of LP 1,280 billion during the first four months of 2019.

Within this context, it is worth mentioning that total subscriptions in Tbs during the first four months of this year compared to subscriptions of LP 10,998 billion during the same period of 2018, down by circa 53%, as commercial banks placed long-term LP term deposits at BDL to benefit from LP facilities at 2%. In parallel, the Central Bank of Lebanon continued to play the role of an intermediary between banks and the sovereign during the first four months of 2019, as reflected by a LP 1,699 billion growth in its LP securities portfolio.

TREASURY BILLS

	03/05/19	25/04/19	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)		163	98	
Short-term (3&6 mths)		4	4	
Medium-term (1&2 yrs)		-	11	
Long-term (3 yrs)		109	-	
Long-term (5 yrs)		-	83	
Long-term (7 yrs)		50	-	
Maturities		93	124	
Nom. Surplus/Deficit		70	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: BDL'S FOREIGN ASSETS AT US\$ 38 BILLION AT END-APRIL 2019

The foreign exchange market witnessed some demand for the local currency at the beginning of this three-day week, as some market players sought to secure enough LP liquidity at hand to pay employees' salaries at end-April 2019. In parallel, the commercial demand for US dollar persisted, yet at relatively higher volumes, which kept FX activity in favor of foreign currencies.

The Central Bank of Lebanon's latest bi-monthly balance sheet ending 30th of April 2019 showed that BDL's foreign assets contracted by US\$ 255 million during the second half of the month to reach US\$ 38.0 billion at end-April, accumulating year-to-date contractions of US\$ 1.7 billion. Within this context, it is worth mentioning that BDL has paid US\$ 500 million Eurobonds on April 23, 2019 and a total of US\$ 402 million representing maturing coupons since the beginning of the year 2019. Accordingly, BDL's foreign assets covered 75.3% of LP money supply at end-April 2019 as compared to 77.8% at end-December 2018.

EXCHANGE RATES

	03/05/19	25/04/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,968.80	1,940.60	1,905.78	↓
LP/¥	13.52	13.48	13.66	↓
LP/SF	1,479.25	1,474.33	1,529.68	↓
LP/Can\$	1,121.74	1,115.76	1,107.48	↓
LP/Euro	1,689.15	1,677.85	1,724.73	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: SHY WEEKLY PRICES DECLINES AMID LOW TRADING VOLUMES

A sluggish mood continued to sway over the Beirut Stock Exchange during this week that was shortened to three working days due to holidays. The total turnover was restricted to US\$ 1.4 million this week as compared to US\$ 705 thousands in the previous week and an average weekly trading value of US\$ 5.1 million since the beginning of the year 2019. Banking stocks captured 53.8% of activity, while Solidere shares accounted for 38.8%, and the industrial & trading shares represented the remaining 7.4%.

Lebanese equities registered shy price declines week-on-week, as reflected by a 0.4% retreat in the BSE price index to reach 78.01, mainly dragged by price falls in banking and industrial shares. Holcim Liban led the decline, posting an 8.1% plunge in its share price to reach US\$ 14.25, followed by Byblos Bank Preferred shares 2008 with -7.9% to US\$ 70.0, Bank Audi GDRs with -2.0% to US\$ 4.48, Byblos Bank "listed" shares with -1.6% to US\$ 1.23 and Bank Audi "listed" shares with -0.8% to US\$ 4.70.

On a cumulative basis, the BSE total trading value amounted to US\$ 84 million during the first four months of 2019 as compared to US\$ 102 million during the same period of 2018, down by 17.7%. Accordingly, the total turnover ratio, measured by the annualized trading value to market capitalization, reached 2.9% during the first four months of 2019, noting that it is among the lowest in MENA region.

AUDI INDICES FOR BSE

22/1/96=100	03/05/19	25/04/19	28/12/18	
Market Cap. Index	357.43	359.02	384.30	↓
Trading Vol. Index	19.96	10.05	227.09	↑
Price Index	78.01	78.35	83.87	↓
Change %	-0.44%	-0.66%	-0.70%	↓
	03/05/19	25/04/19	28/12/18	
Market Cap. \$m	8,480	8,517	9,117	↓
No. of shares traded (Exc. BT)	230,251	142,434	4,241,140	↑
Value Traded \$000 (Exc. BT)	1,399	705	21,393	↑
o.w. : Solidere	543	335	1,208	↑
Banks	752	294	20,107	↑
Others	104	76	78	↑

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

BOND MARKET: BOND PRICES SLIGHTLY UP WEEK-ON-WEEK

Lebanese Eurobonds registered weekly price gains across the board at a range hovering between 0.07 pt and 1.0 pt. This was mainly driven by net international buying operations in relatively modest volumes. Sovereigns maturing in 2020 and 2021 posted the weekly largest price increases of 0.63 pt to 1.0 pt. It is worth highlighting that the international demand for Lebanese Eurobonds came along the cabinet's discussions of an austerity draft budget for the year 2019 in the aim of reducing the fiscal deficit.

That being said, the weighted average yield declined from 9.47% last week to 9.40% this week, the equivalent of a 7 bps retreat. The weighted average bid Z-spread contracted by 11 bps week-on-week to reach 731 bps. As to the cost of insuring debt, Lebanon's five-year CDS spreads reached 790-810 bps this week as compared to 785-815 bps last week.

EUROBONDS INDICATORS

	03/05/19	25/04/19	28/12/18	
Total tradable size \$m	31,714	31,714	32,214	↔
o.w.: Sovereign bonds	30,464	30,464	30,964	↔
Average Yield	9.40%	9.47%	9.95%	↓
Z-Spread (bid in bps)	731	742	764	↓
Average Life	7.60	7.63	7.83	↓
Yield on US 5-year note	2.36%	2.32%	2.61%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	03-May-19	26-Apr-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	111.10	111.58	109.61	-0.4%	1.4%
\$/£	1.317	1.292	1.275	2.0%	3.3%
\$/Euro	1.120	1.115	1.147	0.4%	-2.3%
STOCK INDICES					
Dow Jones Industrial Average	26,504.95	26,543.33	23,327.46	-0.1%	13.6%
S&P 500	2,945.64	2,939.88	2,506.85	0.2%	17.5%
NASDAQ	8,164.00	8,146.40	6,635.28	0.2%	23.0%
CAC 40	5,548.84	5,569.36	4,730.69	-0.4%	17.3%
Xetra Dax	12,412.75	12,315.18	10,558.96	0.8%	17.6%
FT-SE 100	7,380.64	7,428.19	6,728.13	-0.6%	9.7%
NIKKEI 225	22,258.73	22,258.73	20,014.77	0.0%	11.2%
COMMODITIES (in US\$)					
GOLD OUNCE	1,279.11	1,286.16	1,282.49	-0.5%	-0.3%
SILVER OUNCE	14.94	15.09	15.50	-1.0%	-3.6%
BRENT CRUDE (per barrel)	70.85	72.15	53.80	-1.8%	31.7%
LEADING INTEREST RATES (%)					
1-month Libor	2.47	2.48	2.50	-0.01	-0.03
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	2.53	2.50	2.68	0.03	-0.16

Sources: Bloomberg, Bank Audi's Group Research Department

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