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The LEBANON WEEKLY MONITOR

Economy

p.2 A US\$ 922 MILLION BALANCE OF PAYMENTS SURPLUS IN AUGUST, WHILE DEPOSITS GROW FOR THE THIRD CONSECUTIVE MONTH

According to figures just released by BDL, the balance of payments reported a surplus of US\$ 922 million in August, while deposits reported positive growth for the third consecutive months.

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p.9 BOND PRICE RECOVERY DESPITE FINANCIAL AND ECONOMIC CHALLENGES

Amid efforts to pass the 2020 State budget to the Lebanese Parliament before the constitutional deadline mid-October, and along domestic financial and economic challenges and calls for strikes from vital industries over shortage in US dollars, Lebanon's capital markets witnessed this week continuous FC conversions on the FX market and further price retreats on the equity market, while the Eurobond market saw a price recovery. In details, the FX market continued to see LP-to-FC conversions, yet at a slower pace relative to last week. This occurred at a time when BDL's foreign assets remain at a high level of US\$ 38.5 billion, covering circa 24 months of imports and 79% of LP money supply. On the equity market, activity was quite shy and the price index continued to trace a downward trajectory in a market that suffers from a lack of liquidity and efficiency. Finally, the Eurobond market saw a price recovery after the UAE-Lebanon Investment Conference and on efforts to attract GCC financial support, while also tracking emerging market strength on hopes of a US-China trade war truce.

LEBANON MARKETS: WEEK OF OCTOBER 07 - OCTOBER 13, 2019

Money Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



Eurobond Market



CDS Market



ECONOMY

A US\$ 922 MILLION BALANCE OF PAYMENTS SURPLUS IN AUGUST, WHILE DEPOSITS GROW FOR THE THIRD CONSECUTIVE MONTH

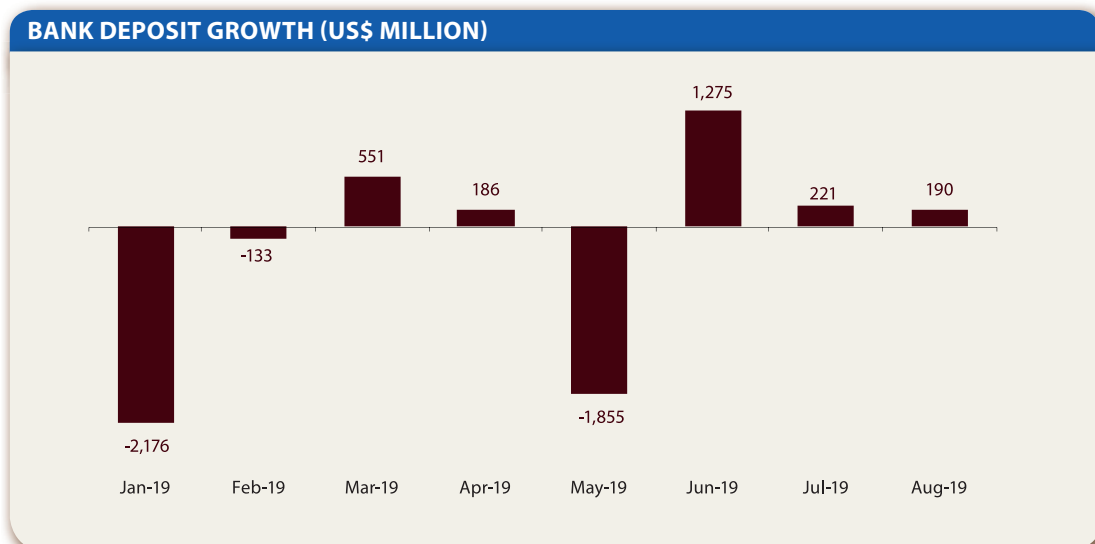
According to figures just released by BDL, the balance of payments reported a surplus of US\$ 922 million in August, reducing the year-to-date deficit to US\$ 4.3 billion. The surplus in the balance of payments in August comes within the context of an increase in BDL net foreign assets by US\$ 1,586 million, while Lebanese banks net foreign assets decreased by US\$ 665 million over the month. It is worth mentioning that the rise in BDL foreign assets was mainly attributed to the special transaction undertaken by BDL with Goldman Sachs and targeting offshore deposits.

In parallel, banks customer deposits reported a positive growth in August for the third month in a row. In fact, customer deposits, which had contracted in the first half-year, grew by US\$ 1,275 million in June, US\$ 221 million in July and US\$ 190 million in August. The growth in deposits in August was totally driven by foreign currency deposits which increased by US\$ 613 million, while LP deposits contracted by US\$ 423 million. As such, deposit dollarization reported a new 10-year high of 72.0% in August 2019, against 70.6% in December 2018.

With respect to interest rates, they pursued their rise in August. In LP, the average deposit interest rate in the banking sector reported 8.95% in August, against 8.81% in July and 8.30% at the beginning of the year. In US\$, the average deposit interest rate in the banking sector reported 6.20% in August, against 6.01% in July and 5.15% at the beginning of the year.

Lebanese banks continued their de-risking process in August, deleveraging their loans to the private sector. Indeed, the loan portfolio contracted by an additional US\$ 136 million, extending its year-to-date contraction to US\$ 4.2 billion. Of the latter, a contraction of US\$ 3.7 billion was attributed to loans to residents, while loans to non-residents contracted by US\$ 0.5 billion. The breakdown by currency suggests that the year-to-date contraction was tied to foreign currency loans to the extent of US\$ 2.5 billion, while LP loans dropped by US\$ 1.7 billion over the first eight months of the year.

It is worth mentioning that the FX liquidity in foreign banks reported a small contraction in August, moving to US\$ 9.1 billion, against US\$ 9.4 billion in July and US\$ 12.0 billion at year-end 2018. In parallel, Lebanese banks continued their net sale of Lebanese Eurobonds which portfolio holdings dropped further in August to reach US\$ 14.9 billion at end-August, against US\$ 16.0 billion at year-end 2018. As a percentage of FX customer deposits, Lebanese Eurobonds holdings reported 12.0% in August, a 16-month low for the banking sector.



Source: BDL

TOTAL NUMBER OF PASSENGERS AT THE AIRPORT UP BY A YEARLY 2.2% IN FIRST NINE MONTHS OF 2019

Figures released by the Rafic Hariri International Airport revealed that the total number of passengers recorded a yearly 2.2% increase in the first nine months of 2019. The number of aircraft rose by 0.5% year-on-year in the aforementioned period. In contrast, the total freight handled by the airport edged down by 6.1% year-on-year in the aforementioned period.

A detailed look at the activity shows that the number of incoming passengers rose by a yearly 1.2% and that of departing passengers increased by 3.3% to reach 3,476,176 and 3,525,966 respectively in the first nine months of 2019.

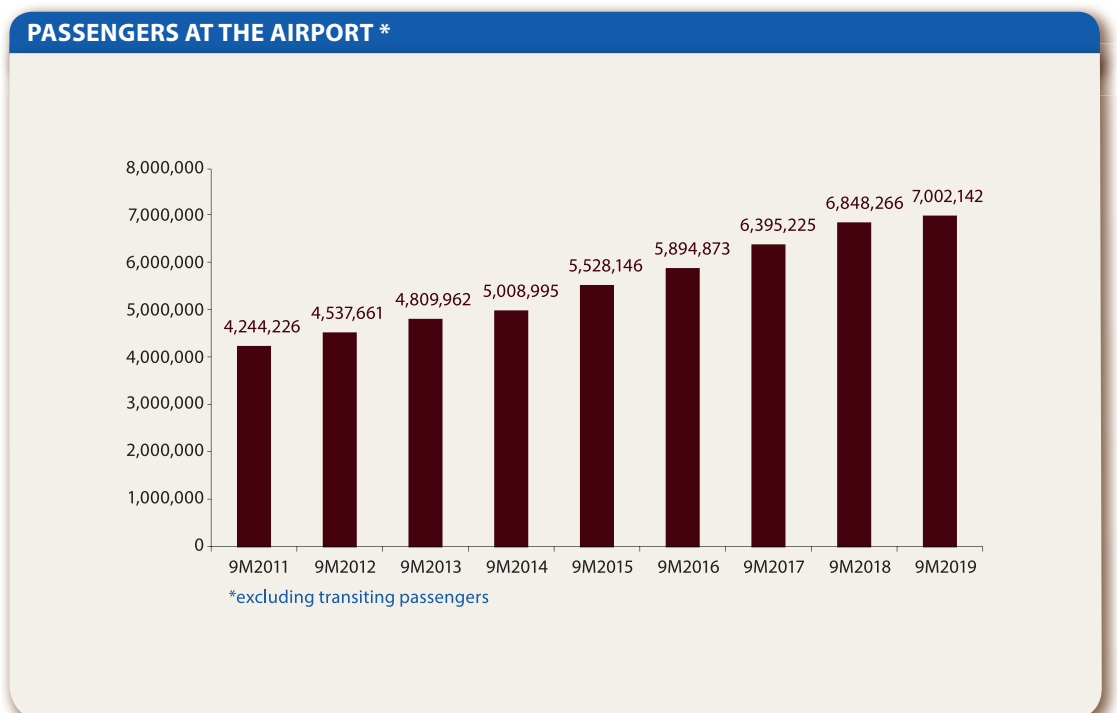
The number of transiting passengers rose from 3,509 passengers in the first nine months of 2018 to 36,759 passengers in the corresponding period of this year. When including the latter mentioned category, the total number of passengers using the airport attained 7,038,901, up by a yearly 2.7%.

Excluding transiting passengers, the total would be 7,002,142, i.e. 2.2% higher than the level seen in the first nine months of 2018.

Looking at the aircraft activity, landings and take-offs increased by a yearly 0.5% and 0.4% respectively with the former amounting to 28,396 planes and the latter reporting 28,389 in the first nine months of 2019.

Regarding the freight movement within the airport, a total of 38,760 thousand tons were imported and unloaded during the first nine months of 2019 while 29,058 thousand tons were loaded and exported.

The first mentioned activity posted a decline of 8.4% and the latter posted a 2.9% fall on a yearly basis in the first nine months of 2019.



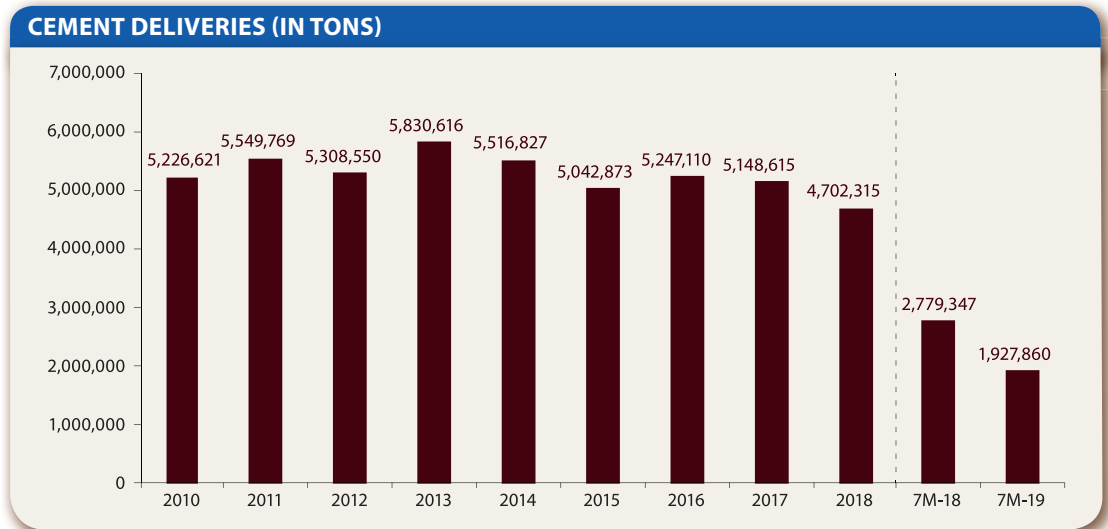
Sources: Rafic Hariri International Airport, Bank Audi's Group Research Department

CEMENT DELIVERIES DOWN BY 30.6% IN FIRST SEVEN MONTHS OF 2019

Figures released by the Central Bank of Lebanon show that cement deliveries, a coincident indicator of construction activity, declined by a yearly 30.6% in the first seven months of 2019.

Cement deliveries actually reached circa 1,927,860 tons in the first seven months of 2019, down from 2,779,347 tons in the corresponding period of 2018, reflecting a continued slowdown in the construction activity in the country.

It is worth recalling that cement deliveries reached 4,702,315 in 2018, down from 5,148,615 tons in 2017.

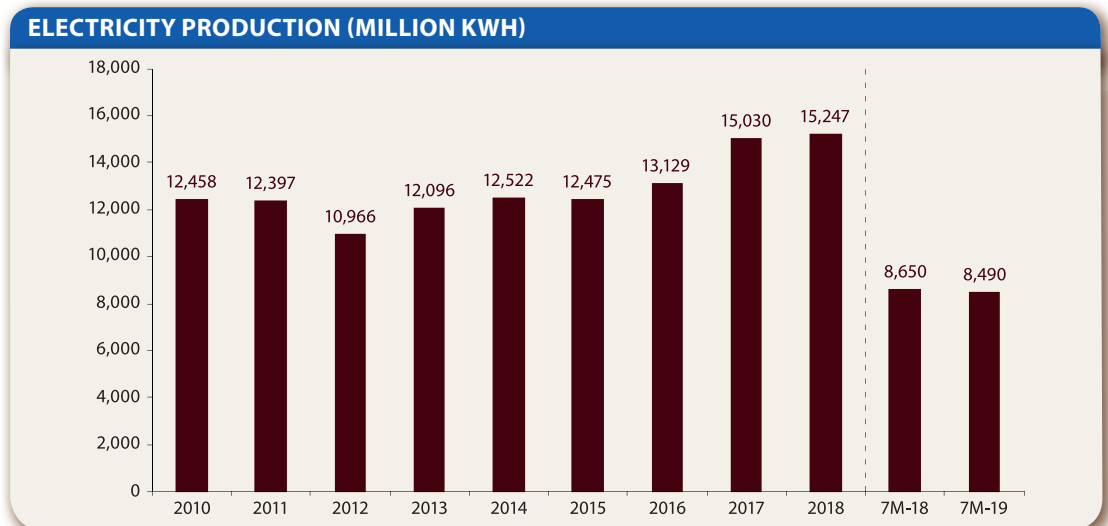


Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

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

Data published by the Central Bank of Lebanon shows that electricity production fell by 1.8% year-on-year in the first seven months of 2019. The production totaled 8,490 million Kilowatt Hour (kWh) in the first seven months of 2019, down from 8,650 million kWh in the first seven 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.



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

SURVEYS

LEBANON'S ECONOMY STAGNANT WITH A TILT TOWARD THE DOWNSIDE IN 2019, AS PER THE WORLD BANK

According to World Bank's latest economic update on Lebanon, the economy has stagnated in 2018-19, with a bias in the latter year towards a minor recession. While slow growth has been in effect since 2011, the past couple of years have specifically reflected decelerated growth that is linked to a policy of liquidity tightening meant to counter rising macro financial risks. This includes a halt in subsidized lending by the Central Bank (BdL) that was being channeled via commercial banks to (mostly) the real estate sector, providing a rare source of growth impetus since 2012.

The report highlights that high frequency indicators over the first part of 2019 (6 months: 6M-2019; 7 months 7M-2019) point to a broad-based slowdown, with tourism an exception— tourist arrivals rose by 8.1%, year-on-year in 2019. The real estate sector is a main drag on the economy as illustrated by a 32.4 % year-on-year decline in cement deliveries in 6M-2019. Net exports is also a negative contributor to GDP, as the rise in exports is projected to be more than offset by import growth, with the latter driven by fuel imports; in fact, even as total imports rose by 5.8 percent over 6M-2019, non-fuel imports decreased by 14.7%, in strong reflection of the sluggish economy. On the demand side, private consumption, driven by tourism, regains its traditional role of leading real GDP growth.

Following a sharp deterioration in the Government's fiscal position in 2018 (by 4 percentage points of GDP), a belated ratified Budget 2019 (in July) aimed for a reduction in the overall deficit via a number of revenue and expenditure measures. 6M-2019 fiscal data show that despite a 10 percent decrease in VAT revenues, reflecting the slow economy, the overall deficit fell by 21%, driven by a 11% decline in expenditures. The latter is likely partially due to accumulated arrears since Budget 2019 measures were not yet in effect. Similarly, the primary balance improved by 300 percent over the same period to register a surplus. Nonetheless, the debt-to-GDP ratio is expected to persist in an unsustainable path, at 151% by end-2019.

Monetary conditions have tightened significantly since the November 2017 Hariri resignation crisis, with BdL using direct, indirect, conventional and non-conventional tools; average interest rates on deposits in dollars and LL rose by 324 and 212 basis point (bps), respectively, over the October 2017-June 2019 period. A principal objective for the policy-induced monetary tightening has been to boost BdL's foreign exchange reserves and limit the LL resources in the market that can be used against the exchange rate. This is in a context of surging risk premia. As a result, the stock of banks' credit to the private sector has been on an uninterrupted retraction since its peak in December 2017, declining by 7.3% by June 2019. The 12-month headline inflation rate averaged 3% in 6M-2019, compared to 6.2% over 6M-2018, as commodity prices softened.

The Government continues to express its commitment to a structural reform program with an objective to effect the CEDRE opportunity. While this constitutes a positive signal, the World Bank baseline scenario precludes this outlook over the medium term. Instead, lack of obvious sources for an economic boost suggests medium-term economic prospects remain sluggish at best. The World Bank assumes a marginal increase in public investment reflecting minimum progress on infrastructural projects. On the fiscal side, the full-year impact of Budget 2019 measures is accounted for in the World Bank's projections, while new (yet unidentified) measures in Budget 2020 is not. Overall, a higher debt service and increased capital expenditures leaving the fiscal deficit at close to 10% of GDP.

LEBANON INSURANCE SECTOR SEES RESILIENT GROWTH DESPITE COUNTRY'S ECONOMIC CHALLENGES, SAYS ICC

The Lebanese insurance sector witnessed a resilient growth despite the country's economic challenges, as demonstrated by the main performance indicators, according to a report issued by the Insurance Control Commission (ICC) at the Ministry of Economy and Trade.

According to the report, several positive reforms are in the pipeline to provide opportunity for enhanced growth during the coming years. Within this context, Public-Private-Partnerships (PPP) could serve as an optimal framework for ensuring an efficient insurance protection for the largest portion of the population.

The PPP framework is a viable tool to develop medical insurance in Lebanon, as per the ICC. With around one-third of the healthcare expenditures being directly settled by the households, it is crucial to implement a regime that expands the present coverage without jeopardizing the public deficit that is already weighing down the country's economy.

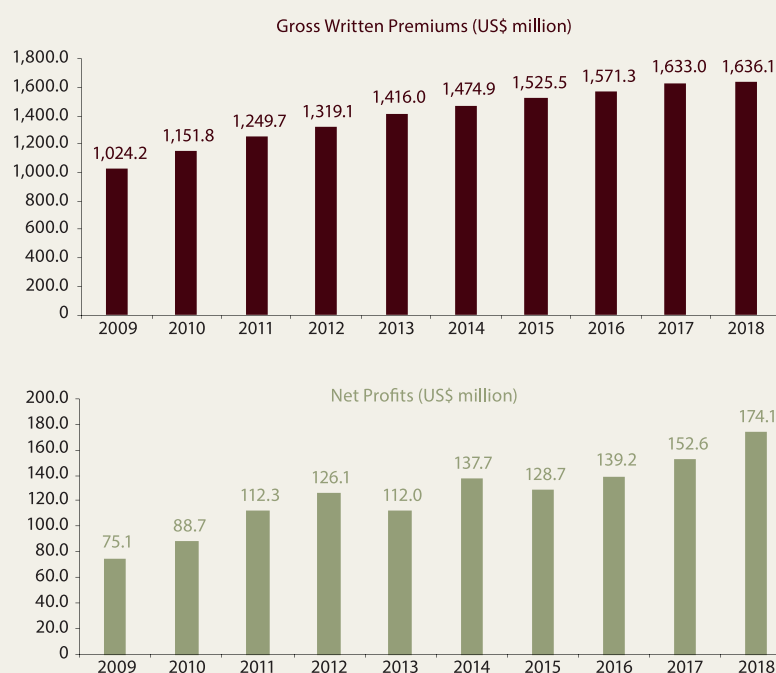
According to the report, the consolidated net profits of the Lebanese insurance sector rose by 14.12% annually to reach US\$ 174.10 million in 2018, compared to US\$ 152.56 million in 2017.

The compounded annual growth rate (CAGR) in the sector's profitability stood at 8.79% over the 2010-2018 period. The latter was mainly fueled by a 0.19% rise in written premiums to US\$ 1.64 billion in the past year, and the 3.02% drop in claims paid to US\$ 937.2 million.

Moving on to the sector's balance sheet, the consolidated assets of the Lebanese insurance sector widened by 2.1% to US\$ 4.92 billion in 2018, posting as such a 6.04% CAGR over the 2010-2018 period.

The sector's return on average assets and return on average equity ratios reach 3.6% and 14.7%, respectively, in 2018, in comparison with 3.2% and 13.5% in the previous year.

LEBANON SELECTED INSURANCE INDICATORS



Sources: ICC, Bank Audi's Group Research Department

CORPORATE NEWS

NEWLY REGISTERED CARS AT 19,865 IN FIRST NINE MONTHS OF 2019, DOWN BY A YEARLY 23.8%

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 19,865 in the first nine months of 2019, falling by 23.8% from a total of 26,081 in the same period of 2018.

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

In a look at the regions, Japanese cars took over the highest share of newly registered cars in the first nine months of 2019 with a total of 7,799, down by 26.6% from the same period of 2018. Korean cars took over the second place with a total of 5,088 cars, down from 7,555 cars in the aforementioned period of 2018.

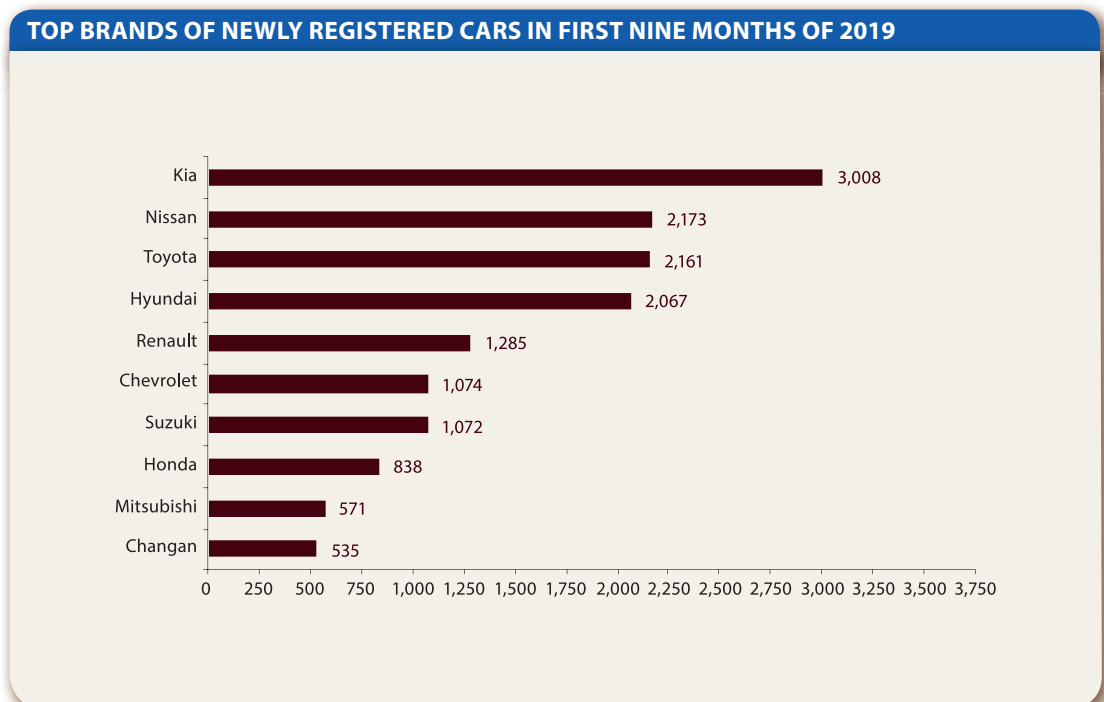
European cars took over the third place with a total of 4,417 cars in the first nine months of 2019, down by a yearly 12.5%.

Korea's Kia ranked first in terms of new car registration during the first nine months of 2019, with a total of 3,008 cars against a total of 4,116 cars during the same period of the previous year.

It was followed by Japan's Nissan with a total of 2,173 newly registered cars in the first nine months of 2019, against 3,089 cars in the first nine months of 2018.

Japan's Toyota came in the third position with a total of 2,161 newly registered cars in the first nine months of this year, compared to 3,386 cars registered in the first nine months of 2018.

These were followed by Korea's Hyundai with a total of 2,067 newly registered cars in the first nine months of 2019, compared to a total of 3,418 cars registered in the year-earlier similar period.



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

NET PROFITS OF BANQUE LIBANO-FRANÇAISE DOWN TO US\$ 56.1 MILLION IN FIRST HALF OF 2019

The net profits of Banque Libano-Française stood at US\$ 56.1 million in the first half of 2019, falling from US\$ 57.1 million in the same period of the previous year, as per Bankdata Financial Services.

The bank's net interest income attained US\$ 100.9 million in the first half of 2019, down by 10.5% from US\$ 112.7 million in the same period of 2018. Net fee income rose by 1.8%, from US\$ 19.6 million in the first half of 2018 to US\$ 19.9 million in the corresponding period of 2019.

Total operating income contracted by 3.2% to reach US\$ 129.5 million in the first half of 2019. This was accompanied by a 2.0% yearly rise in total operating expenses, which amounted to US\$ 66.4 million in the first half of 2019, up from US\$ 65.1 million in the same period of 2018.

Among the latter category, staff expenses rose by 1.4% year-on-year to reach US\$ 42.9 million in the first half of 2019, and administrative and other operating expenses edged up by 1.8% from US\$ 18.5 million in the first half of 2018 to US\$ 18.8 million in the first half of 2019.

The bank's total assets amounted to US\$ 14.8 billion at end-June 2019, down by 1.8% from US\$ 15.1 billion at end-2018. Deposits from customers stood at US\$ 10.8 billion at end-June 2019, down by 4.8% from end-2018. Loans to customers registered US\$ 3.8 billion at end-June 2019, down by 11.7% from end-2018.

The gross credit-impaired loans (stage 3) to gross loans ratio stood at 15.8% at end-June 2019, up from 13.8% at end-2018. The loan loss reserves on credit-impaired loans (stage 3) to credit-impaired loans (stage 3) ratio increased from 72.4% at end-2018 to 74.0% at end-June 2019.

Shareholders' equity totaled US\$ 1.3 billion at end-June 2019, up by 0.4% from end-2018.

EIB GRANTS A US\$ 24 MILLION LOAN TO FRANSABANK TO FINANCE CONSTRUCTION OF GLASS CONTAINER MANUFACTURING PLANT

The European Investment Bank (EIB) signed with Fransabank SAL a financing agreement for US\$ 24 million to support the construction of a Greenfield glass container manufacturing plant in Lebanon.

The EIB financing comes in the context of the bank's Economic Resilience Initiative (ERI), as per a press release. The project will create 620 jobs in a rural area of Lebanon and will support diversification of the region's economy towards manufacturing.

The project will restore the former glass container production industry, a key part of the Lebanese agro-industry value chain. It will reduce reliance on imports and strengthen local production, as per the same source.

The bank of the European Union has been stepping up its support to the Lebanese private sector by investing in necessary infrastructure projects and improving companies' access to finance. This project will complement the EIB's pledge of € 800 million made during the CEDRE Conference in Paris to boost the Lebanese economy.

Fransabank has been pursuing during the last decade a development strategy aiming to boost the private sector's investments. The bank is supporting rural and socio-economic development, focusing on job creation, youth, education for all, financial inclusion, sustainable finance and women empowerment. It is also heavily encouraging the local industry to reduce imports and enhance Lebanese exports, as per the press release.

The European Investment Bank (EIB) is one of the leading development finance players in the Mediterranean region. The bank's goal is to support economic and social development by improving people's living conditions.

CAPITAL MARKETS

MONEY MARKET: GROWTH IN BANKING DEPOSITS OVER JUNE-AUGUST 2019 PERIOD

After hitting high levels over the week, the overnight rate ranged between 5% and 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 due to relatively reduced conversions in favor of foreign currencies on the foreign exchange market.

The latest banking figures released by the Central Bank of Lebanon showed that banks deposits grew by US\$ 1.7 billion during the June-August 2019 period. This came within the context of new operations that attracted fresh deposits from abroad.

INTEREST RATES

	11/10/19	04/10/19	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 414 BILLION

The latest Treasury bills auction results for value date 10th of October 2019 showed that the Central Bank of Lebanon allowed banks to subscribe in full in 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 3rd of October 2019 showed subscriptions of LP 41 billion in the five-year category (offering a coupon of 8.0%). These compare to maturities of LP 455 billion, resulting into a nominal weekly deficit of LP 414 billion.

TREASURY BILLS

	11/10/19	04/10/19	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)		41	98	
Short-term (3&6 mths)		-	4	
Medium-term (1&2 yrs)		-	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		41	83	
Maturities		455	124	
Nom. Surplus/Deficit		-414	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: RELATIVELY REDUCED LP-TO-FC CONVERSIONS

The foreign exchange market saw relatively reduced conversions in favor of foreign currencies this week when compared to the previous week, yet remained under pressure amid calls for strikes from vital industries over shortage in US dollars. Within this context, the Central Bank governor said that the recent hike in demand for US dollars is attributed to increased imports and affirmed Lebanon's commitment to its decades old currency peg. This occurred at a time when market players are awaiting the 2020 State budget to be passed to the Lebanese Parliament before the constitutional deadline.

EXCHANGE RATES

	11/10/19	04/10/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,883.02	1,858.60	1,905.78	↓
LP/¥	410.41	14.12	13.66	↓
LP/SF	1,509.16	1,512.19	1,529.68	↑
LP/Can\$	1,135.76	1,131.25	1,107.48	↓
LP/Euro	1,659.46	1,654.33	1,724.73	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: FURTHER WEEKLY EQUITY PRICE RETREATS IN LOW TRADING VOLUMES

Activity on the Beirut Stock Exchange was quite shy this week. The total turnover was restricted to US\$ 481 thousand, the lowest weekly turnover this week, and compared to an exceptional trading value of US\$ 32.3 million in the previous week and an average weekly trading value of US\$ 4.5 million since the beginning of the year 2019. Solidere shares captured 75.6% of activity this week, while the banking shares accounted for the remaining 24.4%.

As to prices, the price index registered further retreats of 0.7%. Two out of six traded stocks posted price falls, while two stocks recorded price gains and two stocks saw no price change week-on-week. Solidere "A" share price declined by 1.1% to close at US\$ 5.56. BLOM's GDR price fell by 5.9% to US\$ 6.40. In contrast, Solidere "B" share price surged by 4.4% to US\$ 5.49. Bank Audi's "listed" share price went up by 2.8% to US\$ 3.70. Byblos Bank's "listed" share price remained unchanged at US\$ 1.10. BLOM's "listed" share price stood stable at US\$ 7.29.

The weekly performance of the Beirut Stock Exchange compares to price decreases in broader regional stock exchanges (-1.2% as per the S&P Pan-Arab Composite Index) and to rises in prices across emerging markets (+1.4% as per the S&P Emerging Frontier Super Composite Index).

AUDI INDICES FOR BSE

22/1/96=100	11/10/19	04/10/19	28/12/18	
Market Cap. Index	313.28	315.40	384.30	↓
Trading Vol. Index	4.17	279.56	227.09	↓
Price Index	68.68	69.15	83.87	↓
Change %	-0.67%	-0.96%	-0.70%	↓
	11/10/19	04/10/19	28/12/18	
Market Cap. \$m	7,432	7,483	9,117	↓
No. of shares traded (Exc. BT)	133,202	4,521,644	4,241,140	↓
Value Traded \$000 (Exc. BT)	481	32,312	21,393	↓
o.w. : Solidere	364	445	1,208	↓
Banks	117	31,867	20,107	↓
Others	0	0	78	↔

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

BOND MARKET: EXTENDED BOND PRICE RECOVERY WEEK-ON-WEEK

Lebanon's Eurobond market registered weekly price gains across the yield curve, as international institutional investors were net buyers following the UAE-Lebanon Investment Conference and government's efforts to secure financial support from GCC, while also tracking emerging market strength (as reflected by a 2.5% contraction in KP Morgan EMBIG Z-spread) on hopes that the US and China may reach a partial deal that could lead to a truce on tariffs.

Under these conditions, Lebanese sovereigns registered weekly price improvements ranging between 0.25 pt and 2.38 pt. This was reflected by a 77 bps fall in the weighted average yield to reach 13.55%. Also, the weighted average bid Z-spread posted contracted by 89 bps week-on-week to reach 1,272 bps.

Prices gains on the Eurobond market occur at a time when the Ministry of Finance is preparing to launch a new bond issue worth of circa US\$ 2 billion, which would help financing a US\$ 1.5 billion bond maturing on November 28, 2019.

The new upcoming Eurobond issue offers Lebanese banks to discount US dollar Certificates Deposits at par held in their portfolios to cover the cost of the acquired Eurobonds, bearing in mind that they would benefit from the interest rate differential between Eurobonds and US dollar CDs. Within this context, it is worth recalling that Lebanese banks have previously discounted US dollar CDs to cover the purchase of bonds in May 2018, when the Central Bank of Lebanon has sold US\$ 3 billion of Lebanese bonds from its portfolio. However, the higher risk-weight applied on Eurobonds of 150% as compared to 50% on US dollar CDs is set to weigh on banks' capital consumption, which would make some banks unwilling to do the exchange.

EUROBONDS INDICATORS

	11/10/19	04/10/19	28/12/18	
Total tradable size \$m	31,064	31,064	32,214	↔
o.w.: Sovereign bonds	29,814	29,814	30,964	↔
Average Yield	13.55%	14.32%	9.95%	↓
Z-Spread (bid in bps)	1,272	1,361	764	↓
Average Life	7.32	7.34	7.83	↓
Yield on US 5-year note	1.54%	1.34%	2.61%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	11-Oct-19	04-Oct-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	108.40	106.93	109.61	1.4%	-1.1%
\$/£	1.267	1.233	1.275	2.7%	-0.7%
\$/Euro	1.104	1.098	1.147	0.6%	-3.7%
STOCK INDICES					
Dow Jones Industrial Average	26,816.59	26,573.72	23,327.46	0.9%	15.0%
S&P 500	2,970.27	2,952.01	2,506.85	0.6%	18.5%
NASDAQ	8,057.04	7,982.47	6,635.28	0.9%	21.4%
CAC 40	5,665.48	5,488.32	4,730.69	3.2%	19.8%
Xetra Dax	12,511.65	12,012.81	10,558.96	4.2%	18.5%
FT-SE 100	7,247.08	7,155.38	6,728.13	1.3%	7.7%
NIKKEI 225	21,798.87	21,410.20	20,014.77	1.8%	8.9%
COMMODITIES (in US\$)					
GOLD OUNCE	1,489.01	1,504.66	1,282.49	-1.0%	16.1%
SILVER OUNCE	17.54	17.55	15.50	0.0%	13.2%
BRENT CRUDE (per barrel)	60.51	58.37	53.80	3.7%	12.5%
LEADING INTEREST RATES (%)					
1-month Libor	1.93	1.98	2.50	-0.05	-0.57
US Prime Rate	5.00	5.00	5.50	0.00	-0.50
US Discount Rate	2.50	2.50	3.00	0.00	-0.50
US 10-year Bond	1.73	1.53	2.68	0.20	-0.95

Sources: Bloomberg, Bank Audi's Group Research Department

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