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## The LEBANON WEEKLY MONITOR

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According to banking sector statistics released for the first eight months of the year, deposit growth slowed down relative to the same period of the previous year but remains adequate to meet the financing needs of the economy.

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## Markets In Brief

**p.9 CABINET UNCERTAINTIES WEIGH ON LEBANESE CAPITAL MARKETS' ACTIVITY**

Amid a long-simmering cabinet formation gridlock, Lebanon's capital markets witnessed this week price falls on the equity and bond markets, and net conversions in favor of foreign currencies on the FX market. In details, the bond market came under downward price pressures due to cabinet uncertainties, while also tracking emerging market weakness following an interest rate hike in the US and concerns over China's economic growth. This led to a 21 bps increase in the weighted average yield to reach 9.98%. On the equity market, the BSE price index resumed its decline, retreating slightly by 0.3% amid price drops in some banking stocks. The BSE total turnover surged by 68% week-on-week to reach US\$ 12.7 million. Finally, the FX market saw net conversions in favor of foreign currencies, which called the Central Bank to intervene in the market as a seller of the US dollar. The LP/US\$ interbank rate hovered around LP 1,514-LP 1,514.50.

## LEBANON MARKETS: WEEK OF OCTOBER 08 - OCTOBER 14, 2018

Money Market



Certificates of Deposits Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



GDR Market



Eurobond Market



CDS Market



## ECONOMY

### A 4.2% ANNUALIZED GROWTH IN BANKING SECTOR DEPOSITS THIS YEAR AT A TIME LOANS CONTRACTED IN NET TERMS

According to banking sector statistics released for the first eight months of the year, deposit growth and loan growth slowed down relative to the same period of the previous year and the average of the past five years.

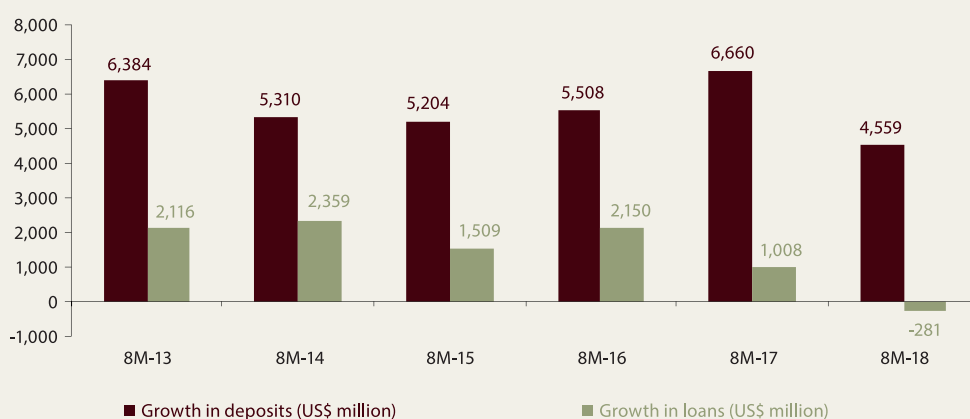
In fact, deposit growth reported US\$ 4.6 billion over the first eight months of 2018, against US\$ 6.7 billion over the same period of the past year and US\$ 5.8 billion for the average of the first 8 months of the past five years. In annual terms, however, the US\$ 4.6 billion of deposit growth represents an annualized growth of 4.2%, still enough to finance the borrowing needs of the economy in its private and public sector components.

Deposit growth was accounted for to the extent of 72% by FX deposits and 28% by LP deposits over the first eight months of 2018. Over the same period in 2017, deposit growth was accounted for to the extent of 94% by FX deposits and 6% by LP deposits. This suggests relatively better demand for LP placements driven by the recent rate hikes initiated by Lebanese banks. Also, while non-resident deposits accounted for 15% of deposit growth in the first 8 months of 2017, they accounted for 33% of the deposit growth of the same period of this year.

Latest banking sector interest rate figures suggest a yearly increase in the average LP deposit interest rate by 148 basis points between August 2017 and August 2018 from 5.55% to reach 7.03% (7.65% for the average rate on LP term deposits) and a yearly increase in the average US\$ deposit interest rate by 57 bps to reach 4.20% (4.69% for the average rate on US\$ term deposits). Corrollarily, the spread between LP and FX deposit rate rose by around slightly less than 1% over the period, moving from 1.92% to 2.83%.

At the lending side, the loan portfolio to the private sector contracted by US\$ 0.3 billion over the first eight months of 2018, against a growth of US\$ 1.0 billion over the same period last year and an average growth of US\$ 1.8 billion over the same period of the past five years. It is worth mentioning that with LP loans expanding and FX loans contracting, the lending dollarization ratio reached an all-time low of 67.4% in August 2018.

### EVOLUTION OF MAIN BANKING AGGREGATES



Source: BDL

Finally, BDL figures for end-August suggest total foreign assets of the Central Bank at US\$ 54.7 billion, of which US\$ 11.1 billion of gold reserves and US\$ 43.5 billion of FX reserves (equivalent to 81% of LP Money Supply). Out of the latter, bank placements are estimated at US\$ 33.9 billion and securities at US\$ 9.6 billion. With an estimate of US\$ 4.2 billion for Lebanese eurobonds holdings by BDL, the remaining US\$ 5.4 billion of securities are estimated to be accounted for by foreign securities held by BDL.

### SLOWDOWN IN THE ACTIVITY OF THE PROPERTY MARKET IN FIRST THREE QUARTERS OF 2018

The statistics published by the Directorate of Land Registry and Cadastre covering the first three quarters of 2018 showed that realty markets have undergone a decrease in property transactions and sales activity.

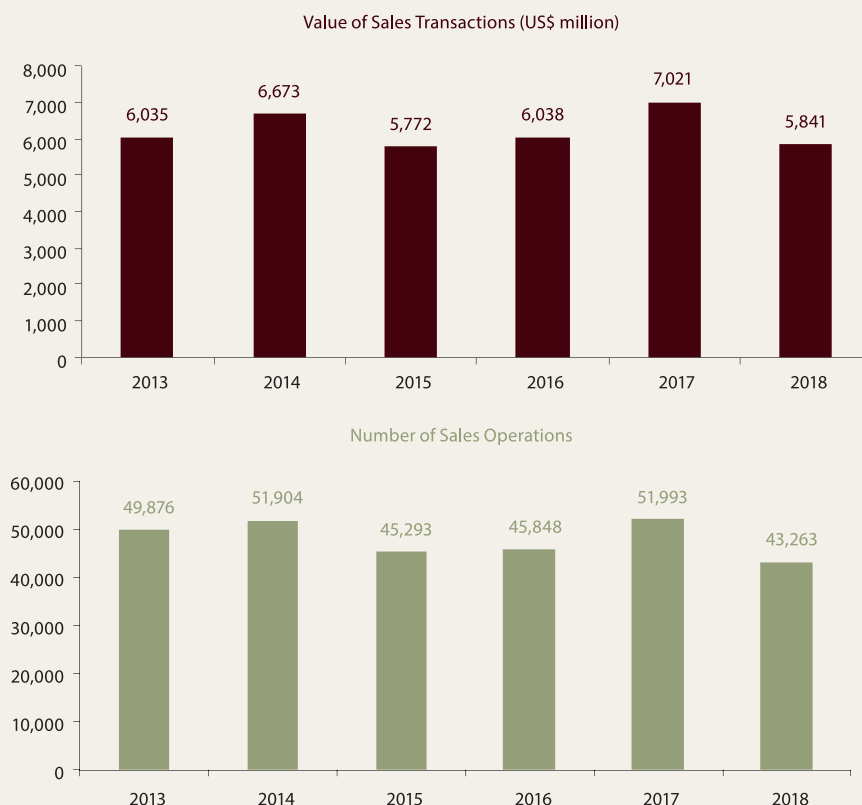
The number of sales operations retreated by a yearly 16.8% from 51,993 sales operations in the first three quarters of 2017 to 43,263 operations in the first three quarters of 2018.

Sales to foreigners fell by 8.5% year-on-year to reach 845 operations in the first three quarters of 2018.

The value of property sales transactions was also on a downward path in the first three quarters of 2018. It posted a decline of 16.8% year-on-year to attain a total of US\$ 5,841.4 million during the first nine months of 2018.

Most of the regions recorded declines in the value of sales transactions, with the most significant movements coming as follows: North (-28.6%), Metn (-22.2%) and Baabda (-22.0%).

#### PROPERTY MARKET (FIRST NINE MONTHS OF THE YEAR)



Sources: Directorate of Land Registry and Cadastre, Bank Audi's Group Research Department

The average sales value fell from US\$ 135,038 in the first three quarters of 2017 to US\$ 135,021 in the first three quarters of 2018.

#### NUMBER OF BUILT AND UNBUILT REAL ESTATE SALES TRANSACTIONS DOWN BY 21.0% IN FIRST EIGHT MONTHS OF 2018

Lebanon's real estate sector encountered a relatively unfavorable performance in the first eight months of 2018, seeing decreases of major activity indicators, namely property transactions.

More specifically, the country's total built sales transactions fell by 25.4% in the first eight months of 2018 and the total number of unbuilt sales transactions retreated by 16.2% annually in the aforementioned period.

Moving on to real estate sales transactions by region, Beirut witnessed a fall of 15.9% in the number of built sales transactions and a deterioration of 26.1% in the number of unbuilt sales transactions.

Furthermore, Baabda saw decreases of 26.8% and 19.6% in the number of built and unbuilt sales transactions respectively. In Metn, the number of built real estate transactions retreated by 19.9% annually in the first eight months of 2018 and the number of unbuilt real estate transactions contracted by 22.5%.

Last but not least, combining all other regions including Jounieh, the North of Lebanon, Saida, Nabatieh and Zahle, their number of built transactions declined by 29.3% annually in the first eight months of 2018.

Total unbuilt real estate transactions in the aforementioned regions fell by 21.4% from the same period of the previous year.

#### NUMBER OF BUILT/UNBUILT REAL ESTATE SALES TRANSACTIONS BY REGION

	8M2017		8M2018	
	Built	Unbuilt	Built	Unbuilt
Beirut	3,051	395	2,567	292
Baabda	6,410	3,622	4,695	2,911
Metn	4,001	1,438	3,206	1,115
Jounieh	2,737	2,184	2,114	1,621
North 1	2,397	1,323	1,602	1,188
North 2	1,287	2,818	911	2,318
Saida	2,316	3,043	1,667	2,733
Nabatieh	1,530	3,026	962	2,519
Zahle	951	4,603	678	4,120
<b>Total</b>	<b>24,680</b>	<b>22,452</b>	<b>18,402</b>	<b>18,817</b>

Source: Directorate General of Land Registry and Cadastre

## SURVEYS

### GOLDMAN SACHS EXPECTS BDL TO CONTINUE TO TAKE MEASURES TO PREVENT LEBANON FROM SLIDING INTO CRISIS

While the political process remains at an impasse in Lebanon and regional developments remain unsupportive of capital inflows, Goldman Sachs expects the BdL to continue to take measures to prevent Lebanon from sliding into a financial crisis.

To this end, since mid 2016, the BdL has been engaged in a series of extraordinary interventions in the banking sector, which it refers to as its “financial engineering”. While these operations have myriad policy objectives, among the most important is the desire to stimulate capital inflows via the banking system.

The BdL operations have been a qualified success, as per the report. FX reserves have continued to rise despite the acute external imbalances, bank profits have grown and their capital strengthened, official rates have remained stable, and deposit growth, at least initially, was somewhat revived.

According to Goldman Sachs, the formation of a government could bolster investor confidence by increasing the likelihood of progress on the economic policy agenda, raising the prospects for realizing donor flows from the Cedre process, and reducing investor perceptions of political risk.

On the fiscal side, Goldman Sachs believes the scope for narrowing the budget deficit, expected by the IMF to reach 10.6% of GDP in 2018, is limited in the absence of deep structural reform.

Spending flexibility is severely constrained in Lebanon. Debt financing costs and the wage bill together consumed 91% of revenues last year, while subsidies to Electricité du Liban (EdL) consumed a further 11%, as per the report.

With rising rates, wages, and oil prices, these items are set to increase in the near term unless the government makes timely progress in civil service reform as well as energy sector reform, both of which have proved difficult in the past and which we do not expect any time soon.

Discretionary spending, by contrast, is low with capital expenditure, for example, only a paltry 1% of GDP (7% of revenues). The onus of fiscal consolidation must therefore fall on measures to raise revenues, as per Goldman Sachs. On this front, Lebanon enjoyed a measure of success last year when parliament introduced a series of tax hikes, including a rise in VAT and corporate taxes, but these were limited and designed to cover the cost of the public sector wage scale increase.

More would be needed to bring down the deficit, and judging by the difficulty that the government had in passing the limited hikes last year, this seems unlikely in the foreseeable future, as per Goldman Sachs.

On the external side, Lebanon’s gaping current account deficit, expected by the IMF to reach 25.8% in 2018, reflects underperformance in its export sector (including tourism), and a high prevalence of imports in domestic consumption, including a complete reliance on energy imports.

The objective of maintaining the Lira peg at current valuations precludes any significant current account adjustment, leaving external balances dependent on exogenous factors such as regional tourism (highly sensitive to the geopolitical climate) and oil prices. One area where progress does seem to us more likely is in reducing reliance on imported energy through the exploitation of the country’s potential offshore oil and gas resources, but this would take many years to materialize even in the best conditions.

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### EBRD LAUNCHES "ADVICE FOR SMALL BUSINESS PROGRAM FOR LEBANON"

The European Bank for Reconstruction and Development (EBRD) has launched the "Advice for Small Business Program for Lebanon".

The program targets small and medium-sized enterprises (SMEs), which comprise about 90% of the business activity in the local private sector.

The multilateral bank would provide, through the program, a wide spectrum of business advisory services such as strategic planning, marketing, operations management, quality management, energy efficiency, and financial management. The technical advisory would include such skills as how to apply for a tender, what production methodology to use, or how to target marketing strategies.

The program allows clients to access the services of both local and international advisors. The EBRD would also provide training to local consultants to improve advisory skills necessary for the success of SMEs.

EBRD targets several sectors across the country such as tourism, hospitality, agribusiness, and manufacturing. The bank also provides financing services through equity investment and lending.

Its first investment was an equity stake in Bank Audi. Working with the local banking sector helps EBRD get a feel of the economy and what the key forces are, as per a company statement.

EBRD plans also to invest in the equity of the corporate sector. There are many opportunities in manufacturing, services, agribusiness, and in renewable energy. Energy and power continue to be a key source for development in the country and this sector would be one of the areas of focus. EBRD has a mandate for green energy and is looking for opportunities in the renewable energy sector.

The support provided by EBRD allows businesspeople to develop their skills and grow their business, becoming creditworthy for borrowing. EBRD teams up with partner banks in the country such as Bank Audi or Fransabank to provide financing services to SMEs. EBRD plans to conclude two to three financing deals within the next few weeks. The total value of these new deals will be approximately equal to the money invested in the country so far, which has reached € 91.6 million (US\$ 106 million). The deals, which would consist of lending programs, would be signed with one or two more banks as well as private sector businesses.

## CORPORATE NEWS

### NEWLY REGISTERED CARS AT 26,081 IN FIRST THREE QUARTERS OF 2018, DOWN BY A YEARLY 6.6%

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 26,081 in the first three quarters of 2018, declining by 6.6% from a total of 27,934 in the same period of 2017.

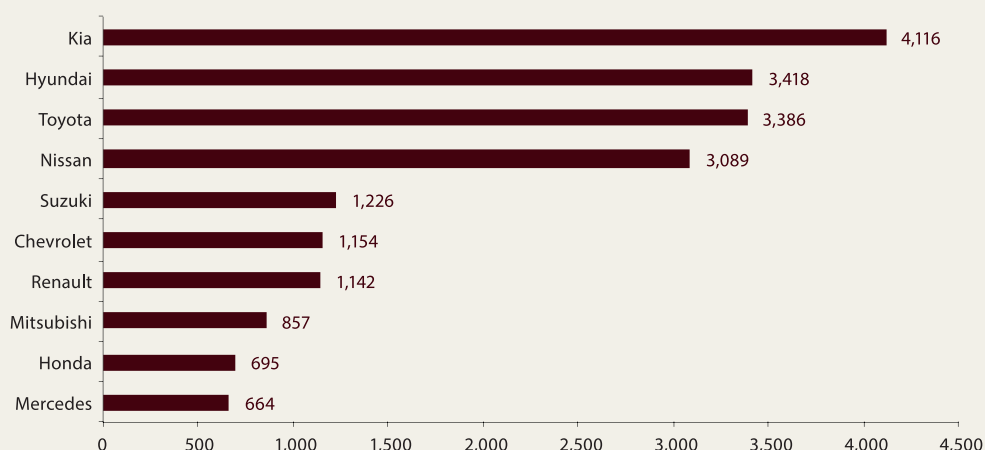
According to the same source, this is due to the currently prevailing economic and political situation in Lebanon, to the 25% down payment imposed on car loans and to the increase in interest rates on car loans, among others.

It is worth noting that commercial vehicle registrations reached 1,720 in the first three quarters of 2018, against 2,051 in the same period of the previous year.

Korea's Kia ranked first in terms of new car registration during the first three quarters of 2018, with a total of 4,116 cars, against a total of 5,774 cars during the same period of the previous year. It was followed by Korea's Hyundai with a total of 3,418 newly registered cars in the first three quarters of 2018, compared to a total of 3,531 cars registered in the year-earlier similar period.

It was followed by Japan's Toyota and Japan's Nissan with a total of 3,386 and 3,089 newly registered cars respectively in the first three quarters of 2018, against 3,368 cars and 2,531 cars recorded respectively in the first three quarters of 2017.

#### TOP BRANDS OF NEWLY REGISTERED CARS IN THE FIRST NINE MONTHS OF 2018



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

## NET PROFITS OF CRÉDIT LIBANAIS AT US\$ 37.8 MILLION IN 1H 2018

Crédit Libanais posted net profits of US\$ 37.8 million in the first half of 2018, nearly unchanged from its level in the corresponding period of 2017, as per Bankdata Financial Services.

Net interest income amounted to US\$ 87.5 million in the first six months of 2018, down by 2.1% from US\$ 89.3 million recorded in the same period last year. Net fee and commission income increased by 11.9% year-on-year from US\$ 18.1 million in the first half of 2017 to US\$ 20.2 million in the same period of this year.

Net operating income increased by 6.5% to attain US\$ 113.0 million in the first half of 2018.

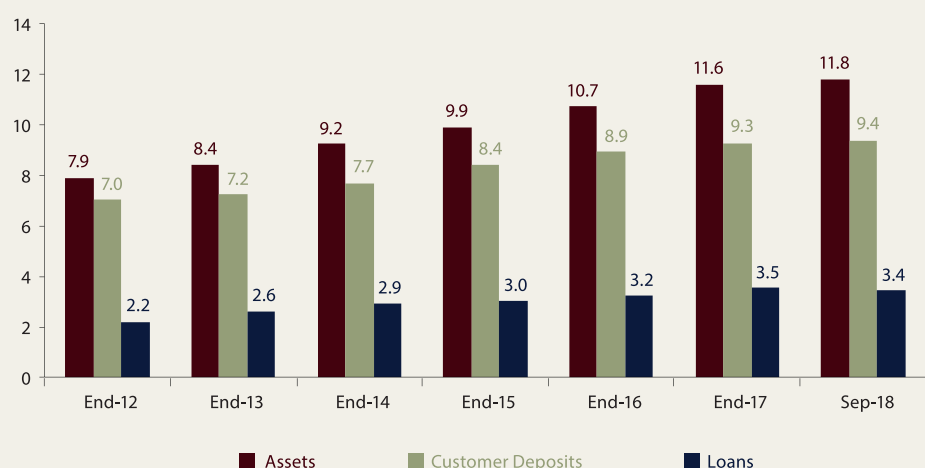
Total operating expenses increased by 4.9% year-on-year to US\$ 67.3 million in the first half of 2018. Among the latter, staff expenses reached US\$ 40.8 million, 4.0% greater than those reported in the first half of 2017, and administrative and other operating expenses recorded US\$ 22.2 million in the first six months of 2018, 7.5% higher than those in the previous year's similar period. The cost-to-income ratio increased from 55.4% in the first half of 2017 to 57.9% in the same period of 2018.

Crédit Libanais' assets totaled US\$ 11.8 billion at end-June 2018, up by 2.5% from end-2017. Net loans and advances stood at US\$ 3.4 billion at end-June 2018, decreasing from US\$ 3.5 billion at end-2017.

The gross doubtful loans to gross loans ratio moved from 3.2% at end-2017 to 3.5% at end-June 2018, noting that 88.2% of doubtful loans were covered by loan loss reserves at end-June 2018, up from 73.3% at end-2017.

Customers' deposits amounted to US\$ 9.4 billion at end-June 2018, up marginally by 0.5% from end-2017.

### CRÉDIT LIBANAIS' MAJOR BALANCE SHEET AGGREGATES (US\$ BILLION)



Sources: Crédit Libanais, Bank Audi's Group Research Department

## CAPITAL MARKETS

### MONEY MARKET: WEEKLY EXPANSION IN TOTAL RESIDENTS DEPOSITS, DRIVEN BY FC DEPOSIT GROWTH

The overnight rate closed the week at its regular level of 5.0%, after reaching a double-digit level during the week due to some LP-to-FC conversions. As to LP Certificates of Deposits, no subscriptions were made in shorter-term 45-day and 60-day categories.

Total resident banking deposits expanded by LP 41 billion during the week ending 27th of September 2018, as per the latest monetary aggregates released by the Central Bank of Lebanon. This was mainly driven by a LP 343 billion growth in foreign currency deposits (the equivalent of US\$ 228 million), while total LP resident deposits contracted by LP 302 billion amid a LP 510 billion fall in LP saving deposits and LP 208 billion rise in LP demand deposits. These weekly variations compare to an average weekly rise of US\$ 70 million for foreign currency deposits and an average weekly increase of LP 17 billion for total LP deposits since the beginning of the year 2018. Within this context, the total money supply in its largest sense (M4) contracted by LP 170 billion over the covered week, amid a LP 142 billion decrease in the currency in circulation and a LP 69 billion retreat in the non-banking sector Treasury bills portfolio.

On a cumulative basis, total resident deposits grew by LP 4,718 billion since the beginning of the year 2018, with foreign currency deposits growth capturing 92.8% of the total growth (the equivalent of LP 4,380 billion or US\$ 2,905 million), and total LP deposits growth accounting for the remaining 7.2% (the equivalent of LP 338 billion).

### INTEREST RATES

	12/10/18	05/10/18	29/12/17	
Overnight rate (official)	3.90%	3.90%	2.75%	↔
7 days rate	4.00%	4.00%	2.86%	↔
1 month rate	4.75%	4.75%	3.31%	↔
45-day CDs	4.90%	4.90%	3.57%	↔
60-day CDs	5.08%	5.08%	3.85%	↔

Source: Bloomberg

### TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 380 BILLION

The latest Tbs auction results for value date 11th of October 2018 showed that the six-month, three-year and seven-year categories had full allocations. In parallel, the auction results for value date 4th of October 2018 showed that total subscriptions reached LP 520 billion and were allocated as follows: LP 3 billion in the three-month category, LP 442 billion in the one-year category, and LP 75 billion in the five-year category. In parallel, total maturities reached LP 140 billion, resulting into a weekly nominal surplus of LP 380 billion.

The latest "Lebanese Treasury Securities" report released by the Association of Banks in Lebanon showed that the total outstanding LP Tbs portfolio reached LP 71,662 billion at end-August 2018. The ten-year category captured 24.3% of the total, followed by the five-year category with 24.2%, the three-year category with 14.9%, the seven-year category with 14.4%, the two-year category with 10.4%, while all other categories accounted for the remaining 11.9% of the total.

## TREASURY BILLS

	12/10/18	05/10/18	29/12/17	
3-month	4.44%	4.44%	4.44%	↔
6-month	4.99%	4.99%	4.99%	↔
1-year	5.35%	5.35%	5.35%	↔
2-year	5.84%	5.84%	5.84%	↔
3-year	6.50%	6.50%	6.50%	↔
5-year	6.74%	6.74%	6.74%	↔
7-year	7.08%	-	7.08%	↔
<b>Nom. Subs. (LP billion)</b>		<b>520</b>	<b>225</b>	
Short-term (3&6 mths)		3	20	
Medium-term (1&2 yrs)		442	105	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		75	100	
<b>Maturities</b>		<b>140</b>	<b>197</b>	
<b>Nom. Surplus/Deficit</b>		<b>380</b>	<b>28</b>	

Sources: Central Bank of Lebanon, Bloomberg

## FOREIGN EXCHANGE MARKET: INCREASED DEMAND FOR US DOLLAR ON CABINET STALEMATE

Amid lingering uncertainties regarding the cabinet formation, the foreign exchange market saw this week an increased demand for the US dollar that has exceeded in terms of volume the offer that was mostly triggered by attractive LP rates on some saving products. This prompted some commercial banks to resort to the Central Bank of Lebanon to meet their foreign currency needs. Meanwhile, the LP/US\$ interbank rate continued to hover around LP 1,514-LP 1,514.50.

It is worth mentioning that the demand for foreign currencies occurs in a period where the buffers in Lebanon or the defense lines are at one of their most solid levels, with the foreign exchange reserves at the Central Bank standing at US\$ 43.5 billion, the equivalent of 82% of the LP money supply.

## EXCHANGE RATES

	12/10/18	05/10/18	29/12/17	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,992.76	1,964.57	2,035.58	↓
LP/¥	13.43	13.24	13.39	↓
LP/SF	1,521.96	1,516.45	1,545.04	↓
LP/Can\$	1,157.75	1,165.26	1,202.34	↑
LP/Euro	1,746.74	1,732.57	1,806.59	↓

Source: Bank Audi's Group Research Department

## STOCK MARKET: EQUITY PRICES RESUME THEIR DECLINE AMID LINGERING CABINET GRIDLOCK

The Beirut Stock Exchange resumed its downward trajectory this week, mainly due to reduced investor sentiment following a further delay in cabinet formation. The price index retreated slightly by 0.3% to close at 85.24, mainly dragged by price falls in some banking stocks. Four out of 13 traded stocks registered price drops, while six stocks posted price gains and three stocks saw no price change week-on-week. BLOM's GDRs led the decline, recording a 5.0% plunge in prices to reach US\$ 9.50, followed by Bank Audi's GDRs with -2.9% to US\$ 5.00, Bank Audi Preferred shares "H" with -2.2% to US\$ 87.50 and Byblos

Bank Preferred shares 2008 with -0.3% to US\$ 70.0.

As to trading volumes, the BSE total turnover rose by 68.4% week-on-week to reach US\$ 12.7 million. This compared to an average weekly trading value of US\$ 5.9 million since the beginning of the year 2018. Solidere shares captured 67.40% of activity, followed by the banking shares with 32.54%, and the trading & industrial shares with 0.06%.

The weekly performance of the domestic stock exchange compares to falls in prices in broader regional stock exchanges (-3.6% as per the S&P Pan-Arab Composite Index) and price drops across emerging markets (-2.1% as per the S&P Emerging Frontier Super Composite Index) over the covered week, amid a wide sell-off mood, triggered by interest rate hikes in the US, concerns over the Chinese economy, and signs of a possible clash between the EU and Italy after the EU refused Italy's 2019 budget deficit plan.

#### AUDI INDICES FOR BSE

22/1/96=100	12/10/18	05/10/18	29/12/17	
Market Cap. Index	389.43	388.01	445.80	↑
Trading Vol. Index	108.14	64.21	64.70	↑
Price Index	85.24	85.46	98.20	↓
Change %	-0.26%	1.22%	0.35%	↓
	12/10/18	05/10/18	29/12/17	
Market Cap. \$m	9,239	9,205	10,576	↑
No. of shares traded (Exc. BT)	2,055,815	903,843	626,565	↑
Value Traded \$000 (Exc. BT)	12,730	7,558	6,187	↑
o.w. : Solidere	8,580	3,666	527	↑
Banks	4,142	3,883	5,603	↑
Others	8	9	57	↓

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

#### BOND MARKET: LEBANESE BONDS ON THE DECLINE, ON CABINET STALEMATE AND TRACKING EMERGING MARKET WEAKNESS

The Lebanese Eurobond market was on the decline this week. This was mainly driven by a prolonged stalemate in cabinet formation that has curbed domestic bid, while also tracking emerging market weakness after the US Federal Reserve lifted benchmark interest rates for the third time this year, which implied stronger US dollar, in addition to lingering concerns over the Chinese economic growth following deepened trade war between the US and China, which has recently prompted the Central Bank of China to cut banks' reserve requirements to spur growth.

Under these circumstances, the weighted average yield rose from 9.77% last week to 9.98% this week. Also, the weighted average bid Z-spread increased by 20 bps week-on-week, moving from 729 bps last week to 749 bps. As to the cost of insuring debt, Lebanon's five-year CDS spreads, which measures the market perception for sovereigns risks, expanded from 690-710 bps last week to 710-730 bps this week.

#### EUROBONDS INDICATORS

	12/10/18	05/10/18	29/12/17	
Total tradable size \$m	33,754	33,751	27,148	↑
o.w.: Sovereign bonds	32,504	32,501	26,123	↑
Average Yield	9.98%	9.77%	6.54%	↑
Z-Spread (bid in bps)	749	729	464	↑
Average Life	7.65	7.67	6.70	↓
Yield on US 5-year note	3.02%	3.06%	2.22%	↓

Source: Bank Audi's Group Research Department

## INTERNATIONAL MARKET INDICATORS

	12-Oct-18	05-Oct-18	29-Dec-17	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	112.20	113.69	112.69	-1.3%	-0.4%
\$/£	1.315	1.312	1.351	0.3%	-2.6%
\$/Euro	1.156	1.152	1.201	0.3%	-3.7%
<b>STOCK INDICES</b>					
Dow Jones Industrial Average	25,339.99	26,447.05	24,719.22	-4.2%	2.5%
S&P 500	2,767.13	2,885.57	2,673.61	-4.1%	3.5%
NASDAQ	7,496.89	7,788.45	6,903.39	-3.7%	8.6%
CAC 40	5,095.98	5,359.36	5,312.56	-4.9%	-4.1%
Xetra Dax	11,523.81	12,111.90	12,917.64	-4.9%	-10.8%
FT-SE 100	6,995.91	7,318.54	7,687.77	-4.4%	-9.0%
NIKKEI 225	22,694.66	23,783.72	22,764.94	-4.6%	-0.3%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,217.05	1,203.63	1,302.80	1.1%	-6.6%
SILVER OUNCE	14.58	14.63	16.94	-0.4%	-13.9%
BRENT CRUDE (per barrel)	80.43	84.16	66.09	-4.4%	21.7%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	2.28	2.27	1.56	0.01	0.72
US Prime Rate	5.25	5.25	4.50	0.00	0.75
US Discount Rate	2.75	2.75	2.00	0.00	0.75
US 10-year Bond	3.16	3.23	2.41	-0.07	0.75

Sources: Bloomberg, Bank Audi's Group Research Department

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