

Economy

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As Lebanon is navigating through a multilayered political vacuum, while reeling under dire economic and living conditions, and despite BDL's new measures aiming to curb currency fluctuations on the parallel FX market, the country's capital markets saw this week a resumed fall in LP against the US dollar on the black FX market, while the currency in circulation outside BDL continued to grow massively and the equity market pursued its upward trajectory. In details, the LP lost some ground against the US dollar this week, reaching LP/US\$ 37,600-LP/US\$ 37,700 on Friday as compared to LP/US\$ 36,800-LP/US\$ 36,900 at the end of last week, while BDL's liquid FX reserves are currently estimated below the US\$ 10 billion level despite the US\$ 657 million growth in BDL's foreign assets registered since mid-September 2022. Concurrently, the currency in circulation outside BDL reached an unprecedented high level of LP 75 trillion at end-October 2022, mainly mirroring BDL's intervention as buyer of cash US dollars via "Sayrafa" platform. On the equity market, the BSE price index rose further by 2.8%, while the total turnover contracted by 80% week-on-week.

LEBANON MARKETS: OCTOBER 31 - NOVEMBER 6, 2022

Money Market	↓	BSE Equity Market	↑
LP Tbs Market	↓	Eurobond Market	↓
LP Exchange Market	↓	CDS Market	↔

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ECONOMY

LOAN REDEMPTION REPRESENTS 73% OF DEPOSIT CONTRACTION SINCE CRISIS ONSET

The 3-year banking sector analysis since the onset of Lebanon's financial crisis, i.e between October 2019 and September 2022, shows the following trends:

- A cumulative decline in total deposits by US\$ 43.4 billion amid noticeable withdrawals and loan redemption: Customer deposits contracted from US\$ 168.4 billion at end-October 2019 to US\$ 125.0 billion at end-September 2022, the equivalent of 25.8%. Resident deposits contracted by US\$ 31.3 billion, while non-resident deposits dropped by US\$ 12.1 billion. FX Deposits contracted by US\$ 26.6 billion over the three-year period to reach US\$ 97.0 billion, while LL deposits dropped by LL 25.3 trillion to reach LL 42.1 trillion as at end-September 2022. As a result, deposit dollarization went up from 73.4% in October 2019 to 77.7% in September 2022.
- A cumulative decline in total loans by US\$ 31.9 billion amid bank deleveraging efforts: Lebanese banks have been deleveraging significantly since the onset of the crisis. Their loan portfolio dropped from US\$ 54.2 billion to US\$ 22.3 billion, the equivalent of 58.9%. The loan redemption represents 73% of the deposit contraction over the past three years. FX loans contracted by US\$ 26.4 billion, while LL loans dropped by LL 8.3 trillion over the three-year period. As a result, loan dollarization went down from 70.4% in October 2019 to 52.8% in September 2022.
- A cumulative decline in LL deposit interest rate by 837 basis points and in US\$ deposit interest rate by 652 basis points: The average LL deposit interest rate dropped from 9.03% at end-October 2019 to 0.66% at end-September 2022, while the average US\$ deposit interest rate declined from 6.61% to 0.09% over the same period. The spread between US\$ deposit rate and 3-month Libor reached close to -3.66% in September 2022, against 4.71% in October 2019.
- A cumulative decline in banks FX liquidity abroad by US\$ 4.4 billion: Lebanese banks' claims on non-resident financial sector dropped from US\$ 8.4 billion at end-October 2019 to US\$ 4.0 billion at end-September 2022. This comes as a result of the significant foreign liquidity usage by Lebanese banks to pay in cash for customers withdrawals at the beginning of the crisis period and more recently under BDL Article 158.
- A cumulative decline of US\$ 11.1 billion in banks Eurobonds portfolio amid net domestic sales and provisioning: Lebanese banks Eurobond portfolio reached US\$ 3.7 billion at end-September 2022, against US\$ 14.8 billion at end-October 2019. The portfolio contraction is tied to banks net sales of Eurobonds at loss, mainly at the early months of the crisis, in addition to high provisioning requirements imposed by monetary authorities on bond portfolios.
- A cumulative decline in shareholders' equity by US\$ 3.9 billion amid banks' net losses: Shareholders' equity contracted from US\$ 20.6 billion at end-October 2019 to US\$ 16.7 billion at end-September 2022 as a result of net bank losses over the period. The losses incurred by Lebanese banks come as a result of noticeable FX costs (rate differential between the BDL circular 151 rate and the official exchange rate), the effects of mark-ups, the rising operating expenses tied to the surging inflation, in addition to significant provisions to face private and sovereign risks at large.

MAJOR ACTIVITY INDICATORS OF BANKS

<i>In millions of US\$</i>	Oct-19	Sep-22
Total assets	262,804	167,011
Total shareholders' equity	20,602	16,711
Shareholders' equity/Total assets	7.8%	10.0%
Loans to the private sector in L.L.	16,029	10,526
Loans to the private sector in FX	38,136	11,758
Total loans to the private sector	54,166	22,284
Loans in FX / Total Loans	70.4%	52.8%
Customers' deposits in L.L.	44,727	27,911
Customers' deposits in FX	123,637	97,047
Total Customers' deposits	168,364	124,957
Deposits in FX / Total Deposits	73.4%	77.7%
Loans in L.L./Deposits in L.L.	35.8%	37.7%
Loans in FX/Deposits in FX	30.8%	12.1%
Loans/Deposits	32.2%	17.8%

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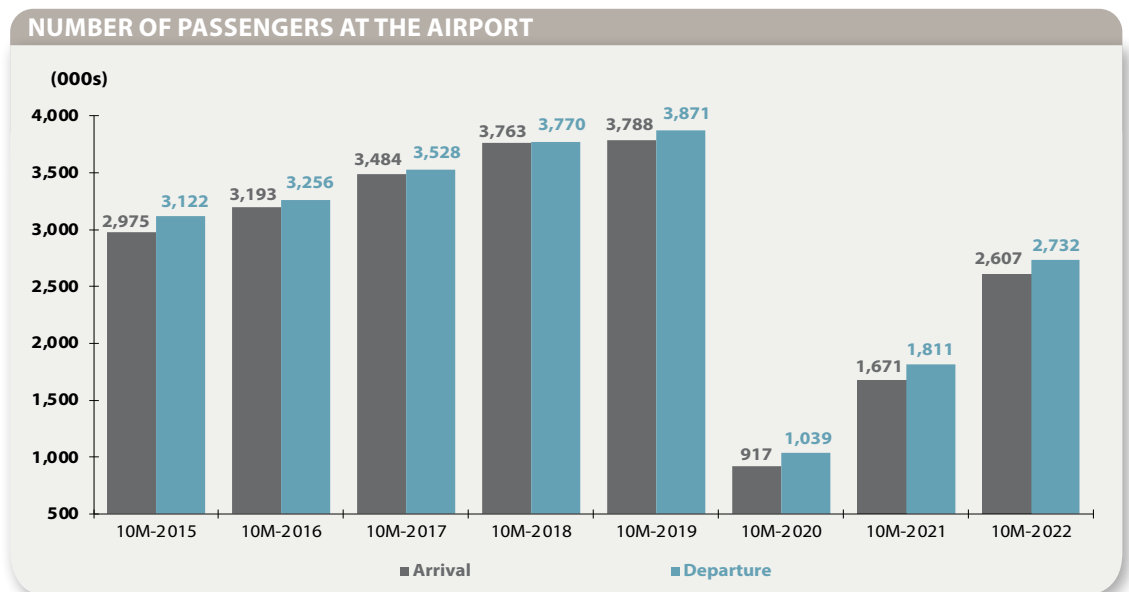
NUMBER OF PASSENGERS AT THE AIRPORT HIKED BY A YEARLY 53% IN THE FIRST TEN MONTHS

The latest figures released by the Rafic Hariri International Airport revealed that the airport traffic posted a significant performance over the first ten months of 2022 where total number of passengers hiked by 53.3% when compared to same period of 2021 with the opening up of the global travel after lockdown restrictions worldwide. In addition, the number of aircraft increased by 35.4% yearly. However, the total freight handled by the airport dropped by 13.8% yearly over the same period.

A detailed look at the activity shows that the number of incoming passengers jumped by a yearly 56.0% and that of departing passengers by 50.8%, to reach 2,606,975 and 2,731,500 respectively in the first ten months of the current year.

In parallel, landings rose by 35.4% and take-offs increased by 35.5% year-on-year in the aforementioned period, with 21,949 planes and 21,946 planes respectively in the first ten months of 2022.

Regarding the freight movement within the airport, a total of 24,225 thousand tons were imported and unloaded during the first ten months of the year, while 25,087 thousand tons were exported and loaded. The first mentioned activity posted an increase of 10.0% while the latter posted a 28.7% decrease on a yearly basis in the first ten months of 2022.



Sources: BIA, Bank Audi's Group Research Department

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COMMITTEE FOR THE DELIMITATION OF THE EXCLUSIVE ECONOMIC ZONES WITH CYPRUS AND SYRIA

The caretaker Prime Minister issued decision 157/2022 regarding the delimitation of Lebanon's Exclusive Economic Zones (E.E.Z.) with Cyprus and Syria as mentioned in a statement.

In details, the decision necessitates the formation of a committee headed by the Minister of Public Works & Transportation and includes representatives of the following institutions: Ministry of Foreign Affairs & Emigrants, Ministry of Energy & Water, Ministry of National Defense and the Lebanese Petroleum Administration. As per the decision, the committee's mission is to prepare plans to determine the Exclusive Economic Zones on the western border with Cyprus and on the northern border with Syria. Moreover, the committee is eligible to obtain the support of relevant public institutions, agencies and field experts to achieve its mission and submit periodic report to the President of the council of ministers.

It's worth noting that Lebanon and Cyprus signed a five-year Memorandum of Understanding (MOU) back in July of 2021 concerning the oil and gas sector in both countries establishing a mutually beneficial framework of cooperation in the aforementioned sector.

The MoU included exchanging sector expertise and best practices, the strengthening of collaboration in training the scientific and technical staff of both participants as well as common and cross-border infrastructure.

EXPECTED RISE IN HOURS OF STATE ELECTRICITY PRODUCTION AFTER AN INCREASE IN PRICING

The Ministry of Energy and Water launched three tenders to purchase fuel shipments for Electricité du Liban' (EDL) power plant, after the consent of the caretaker Prime Minister, as mentioned in a statement.

It is worth noting that this step was also supported by Banque du Liban (BDL) that will provide the required funding.

This move will allow EDL to provide between eight and ten hours of power per day, according to preliminary forecasts, a significant improvement from the current amount provided which is close to nil. Bid winners are expected to be announced in November and therefore deliveries can be made in early December.

Recently, Lebanese authorities began negotiations to ensure sufficient funding to supply EDL with its fuel needs for six months, on the condition that it repays the central bank to recover the balance of the bills already issues and that EDL raises electricity tariffs in the short run which remained unchanged since 1994.

Depending on consumption, the new tariff will range from 10 cents to 27 cents per kilowatt hour, compared to the 0.4 cent tariffs in Lebanese lira at the exchange rate of 37,000 LBP to the dollar according to EDL.

It is worth highlighting that this decision is part of the reforms requested by both the IMF, from which Lebanon is seeking financial support and the World Bank as a way to finance part of the US initiative to bring in Egyptian gas and Jordanian-generated electricity which temporarily increases EDL's capacity.

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SURVEYS

FIVE LEBANESE UNIVERSITIES IN THE TIMES HIGHER EDUCATION WORLD UNIVERSITY RANKINGS 2023

Times Higher Education (THE) has released its list for THE World University Rankings 2023, including a record of 1,799 universities from 104 countries, making it the largest in the ranking's 19th edition.

Lebanon was present in the ranking with 5 Lebanese universities, namely AUB, LAU, the Beirut Arab University, the Lebanese University and USJ.

AUB ranked first in Lebanon, with an overall score of 45.0–46.9 and a world ranking of 351–400. AUB actually scored 24.7 on Teaching, 14.8 on Research, 89.6 on Citations, 43 on Industry Income and 78.7 on International Outlook.

LAU ranked second in Lebanon, scoring a result of 39.3–42.0 and 501–600 in the world ranking. The Lebanese American University has produced the best result in terms of the international outlook, scoring 86.5.

The Beirut Arab University ranked third in Lebanon, scoring 34.0–39.2 (overall) and 601–800 in the world ranking.

The Lebanese University scored 24.4–29.7 (overall) and 1,001–1,200 in the world ranking, making it 4th in Lebanon.

Ranking fifth in Lebanon, the USJ scored an overall result of 18.4–24.3 and 1,201–1,500 in the world ranking.

The Times Higher Education World University Rankings provide an extensive overview of a university's quality through an analysis of 15.5 million research publications, 121 million citations, and 40,000 responses to an annual academic survey.

The data and points cover a university's teaching, international outlook, and industry links. The Institutions are then measured across 13 separate performance metrics, including the most comprehensive picture of excellence among world-class universities.

TIMES HIGHER EDUCATION WORLD UNIVERSITY RANKINGS 2023

University	World Ranking	Overall score	Teaching	Research	Citations	Industry Income	International Outlook
American University of Beirut	351-400	45.0-46.9	24.7	14.8	89.6	43	78.7
Lebanese American University	501-600	39.3-42.0	29.4	11.9	69.5	37	86.5
Beirut Arab University	601-800	34.0-39.2	33.6	16.4	56.1	37	83.9
Lebanese University	1001-1200	24.4-29.7	36.5	20.1	17.3	37	78.6
Universite Saint Joseph	1201-1500	18.4-24.3	21.9	10.1	18.7	40.1	69.2

Sources: Times Higher Education, Bank Audi's Group Research Department

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LEBANON RANKS 121ST GLOBALLY IN THE "2022 COMMITMENT TO REDUCING INEQUALITY INDEX"

The 2022 Commitment to Reducing Inequality (CRI) Index is the first detailed analysis published looking at governments' policies and actions to fight inequality during the first two years of the pandemic. It reviews the spending, tax and labor policies and actions of 161 governments during 2020–2022.

COVID-19 has increased inequality worldwide, as the poorest were hit hardest by both the disease and its profound economic impacts. Yet the CRI 2022 Index shows clearly that most of the world's governments failed to mitigate this dangerous rise in inequality. Despite the biggest global health emergency in a century, half of low-and lower-middle-income countries saw the share of health spending fall during the pandemic, half of the countries tracked by the CRI Index cut the share of social protection spending, 70% cut the share of education spending, while two-thirds of countries failed to increase their minimum wage in line with gross domestic product (GDP). Ninety five percent of countries failed to increase taxation of the richest people and corporations. At the same time, a small group of governments from across the world bucked this trend, taking clear actions to combat inequality, putting the rest of the world to shame.

In details, Lebanon ranked 121st globally at the level of the Overall CRI Index score. At the level of public services, the country took over the 108th rank globally. At the level of tax, Lebanon scored ranked 150th and at the level of labor, the country had a rank of 86.

Lebanon ranks 7th in the MENA region on the overall CRI. Djibouti came before Lebanon with a global CRI ranking of 110, while Yemen followed Lebanon with a global ranking of 127. Tunisia came first in the region with a global CRI ranking of 49, while South Sudan came last in the region with a global ranking of 161.

It is worth finally mentioning that, on a global scale, Norway ranks Number 1, while South Sudan comes at the last global rank of 161st.

MENA COUNTRIES' COMMITMENT TO REDUCING INEQUALITY INDEX RANKINGS 2022

Country	Public services ranking	Tax ranking	Labour ranking	Overall CRI ranking
Tunisia	83	24	65	49
Jordan	99	65	36	54
Algeria	86	53	96	83
Egypt	111	80	70	87
Morocco	120	22	97	91
Palestine	75	158	38	98
Djibouti	130	9	135	110
Lebanon	108	150	86	121
Yemen	152	66	120	127
Mauritania	134	131	116	136
Bahrain	97	146	129	137
Oman	105	152	136	147
South Sudan	161	157	160	161

Sources: OXFAM and DFI Research Report, Bank Audi's Group research Department

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CORPORATE NEWS

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,084 MILLION AT END-SEPTEMBER 2022

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,084 million at end-September 2022, registering a decline of 5.1% against its figure at end-2021.

In details, currency and deposits with Central Banks increased from US\$ 73.1 million at end-2021 to US\$ 76.6 million at end-September 2022.

Claims on resident customers inclined in September 2022 (8.1%) reaching US\$ 507.0 million, with respect to US\$ 469.0 million at end-2021. Claims on non-resident customers at end-September 2022 dropped by 22.9% with respect to end-2021, standing at US\$ 10.9 million.

Claims on resident financial sector stood at US\$ 268.4 million as at end-September 2022 declining by 11% from its figure by end-2021. Claims on non-resident financial sector reached US\$ 31.6 million at end-September 2022, revealing a decrease of 1.9% when compared to its level at end-2021.

Claims on the public sector recorded US\$ 8.5 million at end-September 2022, registering a negligible decline of 0.3% from its figure at end-2021.

Securities portfolio declined to US\$ 61.1 million at end-September 2022, down by 11.1% from its registered figure at end-2021.

Tangible assets reported retreated by 8.9% at end-September 2022 with respect to end-2021, reaching US\$ 49 million. Similarly, intangible assets dropped from US\$ 108.0 million at end-2021 to US\$ 59.9 million at end-September 2022, shrinking by 44.5%.

On the liabilities side, resident customer deposits contracted by 28.7% registering US\$ 141.4 million at end-September 2022, against US\$ 198.2 million at end-2021. Non-resident customer deposits shrunk by 36.2% at end-September 2022 standing at US\$ 5.4 million, down from US\$ 8.5 million at end-2021.

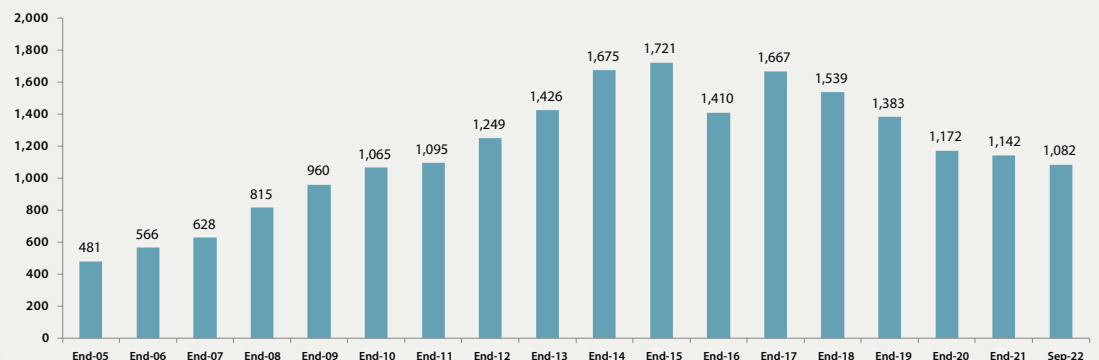
Resident financial sector liabilities stood at US\$ 124.9 million at end-September 2022, representing an increase of 6.4% from end-2021. Non-resident financial liabilities decreased from US\$ 63.6 million at end-2021 to US\$ 56.4 million at end-September 2022, retreating by 11.3%.

Public sector deposits retreated to US\$ 4.4 million at end-September 2022, witnessing a decline of 22.8% from its figure by end-2021.

Debt securities issued as at end-September 2022 are at a decrease of 8.8% (US\$ 75.6 million) when compared to their value at end-2021.

Capital accounts reported US\$ 419.3 million at end-September 2022, down from US\$ 447.4 million at end-2021, which shows a decrease of 6.3%.

BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



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

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BYBLOS BANK'S TOTAL ASSETS DOWN TO US\$ 16.5 BILLION AT END-SEPTEMBER 2022

Byblos Bank published its consolidated unaudited financial statements for the first nine months of 2022 calculated at the official rate.

The bank's a comprehensive net loss of US\$ 153.6 million in the first nine months of 2022, slumped from net losses of US\$ 3.6 million in the same period of 2021.

Net interest income amounted to US\$ 519.0 million in the first nine months of 2022, up by a negligible amount of 0.4% from US\$ 517.0 million recorded in the same period of the previous year.

Net fees and commissions expenses reported US\$ -247.1 million in the first nine months of 2022, against net fees and commissions income of US\$ 33.8 million in the same period of 2021 which constitutes a decrease of 831.1%.

Net operating income retreated by 41.7% in the first nine months of 2022 to reach US\$ 144.9 million, against US\$ 248.4 million in the same period of the previous year.

Total operating expenses witnessed a 58% hike in the first nine months of 2022 reaching US\$ 247.3 million, of which personnel charges reached US\$ 94.0 million, 22.9% lower than those reported in the same period of 2021.

The bank's total assets as of Sep-22 registered US\$ 16.5 billion, witnessing a decline of 4% from its figure at end-2021. Loans and advances declined from US\$ 1.9 billion at end-2021 to US\$ 1.6 billion at Sep-22.

At the liabilities side, customers' deposits declined from US\$ 13.1 billion at-end 2021, down from US\$ 12.7 billion at Sep-22.

Finally, shareholders' equity totaled US\$ 1.6 billion at Sep-22, down by 9.3% from end-2021.

BYBLOS BANK'S TOTAL ASSETS

<i>Figures in US\$ million</i>	9M - 2021	9M - 2022
Profit and loss items		
Net Interest Income	517.0	519.0
Net Fees & Commissions Income	33.8	(247.1)
Net Operating Income	248.4	144.9
Total Operating Expenses	(156.5)	(247.3)
Net Profits	642.70	169.50

Source: Byblos Bank

SAYRAFA TRANSACTED A DAILY AVERAGE OF US\$ 25 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 75th week was US\$ 25 million, compared to previous week's daily average transacted volume of US\$ 43.4 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 32.4 million).

The daily average conversion rate for week 75 is LP 30,100 when compared to daily average conversion rate of previous week of LP 30,100 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 22,057.

The Central Bank (BDL) announced that the conversion rate at end of week 75 was LP 30,100, while the conversion rate reported by end of week 74 was LP 30,100.

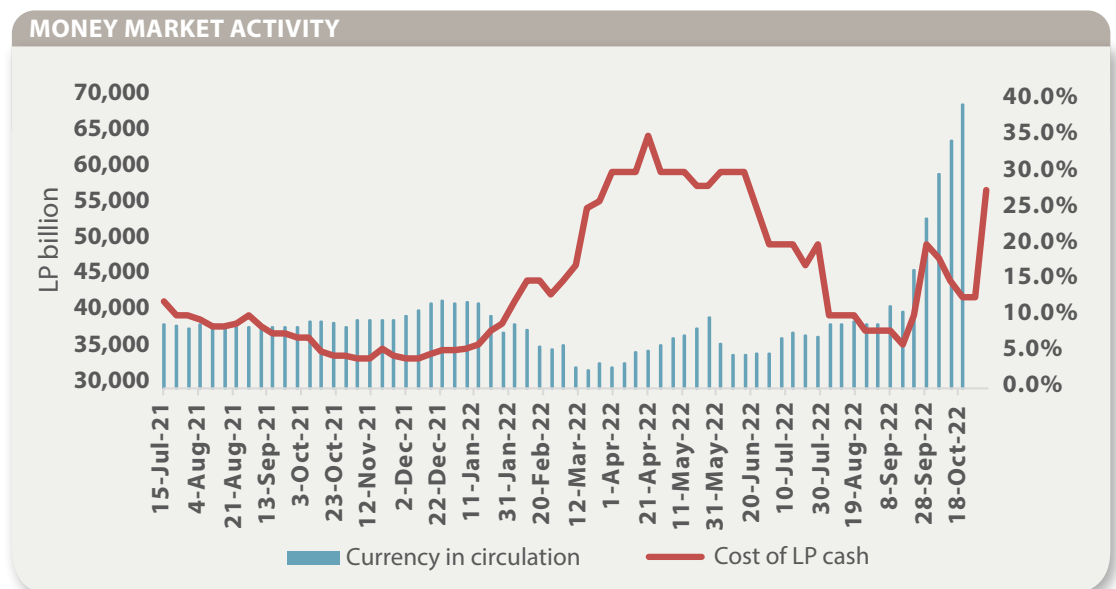
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CAPITAL MARKETS

MONEY MARKET: CURRENCY IN CIRCULATION EXPANDING FURTHER WEEK-ON-WEEK

The cost of LP cash rose from 10%-15% on the money market last week to 25%-30% this week, mainly due to technical reasons. This occurred despite the increased volume of the currency in circulation.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 20th of October 2022 showed that the currency in circulation remained on an expansionary mode for the fifth week in a row, growing significantly by LP 4,882 billion. In parallel, total resident banking deposits contracted by LP 256 billion week-on-week. This is mainly attributed to a LP 190 billion fall in total LP resident deposits amid a LP 263 billion drop in LP demand deposits and a LP 73 billion growth in LP saving deposits, while foreign currency resident deposits contracted by LP 66 billion (the equivalent of US\$ 44 million as per a rate of LP 1,507.5). Within this context, the money supply in its broadest sense (M4) expanded by LP 4,510 billion over the covered week amid a large growth in the currency in circulation.



TREASURY BILLS MARKET: NOMINAL DEFICIT OF LP 1 TRILLION IN FIRST 10M OF 2022

The latest Treasury bills auction results for value date 3rd of November 2022 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the six-month category (offering a yield of 4.0%), the three-year category (offering a coupon of 5.50%) and the seven-year category (offering a coupon of 6.50%).

The Treasury bills auction results for value date 27th of October 2022 showed subscriptions of LP 34 billion, fully allocated to the Central Bank of Lebanon and distributed as follows: LP 20 billion in the three-month category (offering a yield of 3.50%) and LP 14 billion in the one-year category (offering a yield of 4.50%). These compare to maturities of LP 601 billion, resulting into a nominal weekly deficit of LP 567 billion.

On a cumulative basis, total subscriptions in Treasury bills amounted to LP 11,208 billion over the first ten months of the year 2022, fully allocated to the Central Bank of Lebanon. The one-year category captured 34.6% of the total, followed by the two-year category with 17.1%, the six-month category with 17.0%, the three-year category with 14.4%, the ten-year category with 7.5%, the three-month category with 5.7% and the five-year category with 3.7%. These compare to maturities of LP 12,218 billion, resulting into a nominal deficit of LP 1,010 billion during the first ten months of the year 2022.

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TREASURY BILLS

	04/11/2022	28/10/2022	30/12/2021	
3-month	3.50%	3.50%	3.50%	↔
6-month	4.00%	4.00%	4.00%	↔
1-year	4.50%	4.50%	4.50%	↔
2-year	5.00%	5.00%	5.00%	↔
3-year	5.50%	5.50%	5.50%	↔
5-year	6.00%	6.00%	6.00%	↔
7-year	6.50%	-	6.50%	
Nom. Subs. (LP billion)		34	246	
Short-term (3&6 mths)		20	-	
Medium-term (1&2 yrs)		14	-	
Long-term (3 yrs)		-	200	
Long-term (5 yrs)		-	-	
Long-term (7 yrs)		-	46	
Maturities		601	13	
Nom. Surplus/Deficit		-567	233	

Sources: Central Bank of Lebanon, Ministry of Finance

FOREIGN EXCHANGE MARKET: LP LOSES SOME GROUND AGAINST US DOLLAR ON BLACK FX MARKET AMID DARKENED POLITICAL OUTLOOK

As Lebanon entered officially into a multilayered institutional vacuum amid dire domestic economic and living conditions, and despite BDL's recent decision to halt its purchases of cash US dollars via the "Sayrafa" platform, the Lebanese pound resumed its fall against the US dollar on the black FX market over this week, trading between LP/US\$ 37,600 and LP/US\$ 37,700 on Friday as compared to LP/US\$ 36,800-LP/US\$ 36,900 at the end of last week. This resulted into a widening spread between the black market rate and the Sayrafa rate, exceeding 7,000. In fact, the Central Bank of Lebanon announced that foreign currency operations on the "Sayrafa" platform remained executed at an average rate of LP/US\$ 30,100 between October 31 and November 4, 2022, with no change relative to the previous week.

On the other hand, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 30th of October 2022 showed that BDL's foreign assets expanded by US\$ 239 million during the second half of the month, accumulating total expansions of US\$ 657 million since mid-September 2022, to reach US\$ 15.3 billion at end-October. This mainly reflects BDL's intervention as a buyer of the greenback via the "Sayrafa" platform. Concurrently, BDL's balance sheet showed a significant rise in the "Currency in Circulation outside BDL" of circa LP 30 trillion between mid-September 2022 and end-October 2022 to reach an unprecedented high level of LP 75 trillion.

EXCHANGE RATES

	04/11/2022	28/10/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,690.81	1,738.90	2,022.91	↑
LP/¥	10.20	10.23	13.11	↑
LP/SF	1,493.31	1,515.38	1,639.48	↑
LP/Can\$	1,104.64	1,107.64	1,175.53	↑
LP/Euro	1,473.73	1,499.51	1,701.52	↑

Source: Bank Audi's Group Research Department

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STOCK MARKET: EXTENDED PRICE GAINS IN LEBANESE EQUITIES THIS WEEK

The Beirut Stock Exchange continued to trace an upward trajectory for the second consecutive week, as reflected by a 2.8% rise in the price index. Five out of eight traded stocks posted price gains, while one stock posted price retreats and two stocks saw no price change week-on-week.

A closer look at individual stocks shows that Bank Audi's "listed" shares led the advance on the BSE this week, registering a 9.9% surge in prices to reach US\$ 1.55, followed by Solidere "A" shares with +5.3% to US\$ 56.40, Byblos Bank's shares with +3.4% to US\$ 0.60, Solidere "B" shares with +2.1% to US\$ 55.50 and BLOM's GDRs with +0.4% to US\$ 2.76. In contrast, Holcim Liban's share price shed 5.6% to US\$ 31.0 BLC's "listed" share price remained stable at US\$ 0.93. Bank Audi's GDR price stood unchanged at US\$ 1.40.

As to trading volumes, the BSE total turnover contracted by 79.5% week-on-week to reach US\$ 3.3 million, noting that Solidere shares captured the lion's share activity (97.2%). On a cumulative basis, the BSE total trading value rose by 7.1% year-on-year during the first ten months of 2022 to reach US\$ 339 million. On the other hand, the BSE market capitalization grew by 32% between end-October 2021 and end-October 2022. Accordingly, the total turnover ratio, measured by the annualized trading value to market capitalization, reached 3.0% during the first ten months of 2022, compared to 3.6% during the first ten months of 2021.

AUDI INDICES FOR BSE

	04/11/2022	28/10/2022	30/12/2021	
Market Cap. Index	593.58	577.41	447.87	↑
Trading Vol. Index	30.27	147.56	80.38	↓
Price Index	124.61	121.22	94.02	↑
Change %	2.80%	2.52%	4.13%	↑
	04/11/2022	28/10/2022	30/12/2021	
Market Cap. \$m	14,082	13,698	10,625	↑
No. of shares traded (Exc. BT)	140,476	2,072,811	171,230	↓
Value Traded \$000 (Exc. BT)	3,339	16,282	5,359	↓
o.w. : Solidere	3,245	15,079	4,614	↓
Banks	89	1,089	732	↓
Others	5	115	13	↓

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

BOND MARKET: LEBANESE BONDS REMAINING AT RECORD LOWS AS LEBANON DRIFTED INTO MULTILAYERED POLITICAL VACUUM

Lebanese Eurobond prices remained at record lows this week, hovering between 5.75 and 6.13 cents per US dollar on Friday, with no change relative to the previous week, while Lebanon is navigating through a multilayered political vacuum, and as all market players' eyes remained focused on the tough reform road, noting that the joint Parliamentary committees plan meet next week to discuss the capital control law, which is one of the main IMF requirements. On a cumulative basis, Lebanese Eurobonds maturing between 2020 and 2037 posted price falls of 3.88 pts to 4.38 pts since the beginning of the year 2022.

EUROBONDS INDICATORS

	04/11/2022	28/10/2022	30/12/2021	
Total tradable size \$m	32,364	32,364	32,364	↔
o.w.: Sovereign bonds	31,314	31,314	31,314	↔
Bid price (cents per US dollar)	5.75-6.13	5.75-6.13	9.88-10.63	↔
Average Life	5.47	5.48	6.18	↓
Yield on US 5-year note	4.32%	4.14%	1.26%	↑

Source: Bank Audi's Group Research Department

Bank Audi

INTERNATIONAL MARKET INDICATORS

	04-Nov-22	28-Oct-22	31-Dec-21	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	146.63	147.60	115.11	-0.7%	27.4%
\$/£	1.138	1.162	1.353	-2.0%	-15.9%
\$/Euro	0.996	0.997	1.137	-0.1%	-12.4%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	32,403.22	32,861.80	36,338.30	-1.4%	-10.8%
S&P 500	3,770.55	3,901.06	4,766.18	-3.3%	-20.9%
NASDAQ	10,475.25	11,102.45	15,644.97	-5.6%	-33.0%
CAC 40	6,416.44	6,273.05	7,153.03	2.3%	-10.3%
Xetra Dax	13,459.85	13,243.33	15,884.86	1.6%	-15.3%
FT-SE 100	7,334.84	7,047.67	7,384.54	4.1%	-0.7%
NIKKEI 225	27,199.74	27,105.20	28,791.71	0.3%	-5.5%
COMMODITIES (in US\$)					
GOLD OUNCE	1,681.87	1,644.86	1,829.20	2.3%	-8.1%
SILVER OUNCE	20.86	19.26	23.31	8.3%	-10.5%
BRENT CRUDE (per barrel)	98.57	93.77	73.35	5.1%	34.4%
LEADING INTEREST RATES (%)					
1-month Libor	3.86	3.77	0.10	0.09	3.76
US Prime Rate	7.00	6.25	3.25	0.75	3.75
US Discount Rate	4.00	3.25	0.25	0.75	3.75
US 10-year Bond	4.16	4.01	1.51	0.15	2.65

Sources: Bloomberg, Bank Audi's Group Research Department

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