

## Economy

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According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,133.9 million at end-February 2022, keeping almost in same level from its figure by end-2021 (a decline of 0.7%).

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## Markets In Brief

### p.9 MARKETS IN BRIEF: LEBANON'S CAPITAL MARKETS EYING LEGISLATIVE CHALLENGES AFTER IMF PRELIMINARY DEAL

After reaching a "Staff-Level Agreement" with the IMF on economic policies, subject to approval by the IMF management after Lebanese authorities issue the needed reform laws, and while BDL's exceptional measures are remaining in place till end-April 2022, Lebanon's capital markets saw this week marginal fluctuations in the LP/US\$ exchange rate on the black FX market, while the Eurobond market posted across-the-board price expansions and the equity market pursued its upward trajectory for the third consecutive week. In details, the LP/US\$ rate touched the LP/US\$ 24,000 level on Friday after closing at LP/US\$ 23,700-LP/US\$ 23,750 at the end of last week. Concurrently, Lebanese Eurobond market posted a shy price recovery week-on-week. Sovereign prices reached 11.63-12.63 cents per US dollar on Friday as compared to 10.88-12.0 cents per US dollar cents at the end of last week. On the equity market, the BSE price index rose by 2.7%, mainly supported by price gains in Solidere shares, while the total turnover expanded by 12.2% week-on-week.

### LEBANON MARKETS: APRIL 4 - APRIL 10, 2022

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

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## ECONOMY

### IMF REACHES STAFF-LEVEL AGREEMENT ON ECONOMIC POLICIES WITH LEBANON FOR A FOUR-YEAR EXTENDED FUND FACILITY

The Lebanese authorities, with IMF staff support, have formulated a comprehensive economic reform program aiming to rebuild the economy, restore financial sustainability, strengthen governance and transparency, remove impediments to job-creating growth, and increase social and reconstruction spending.

The agreed program is subject to IMF management and the Executive Board approval, and the Lebanese authorities have agreed to undertake several critical reforms ahead of the IMF Board meeting.

Financing support on highly concessional terms from Lebanon's international partners will be essential to support the authorities' efforts and ensure that the program is adequately financed and can meet its objectives. The Lebanese authorities and the IMF team have actually reached a staff-level agreement on comprehensive economic policies that could be supported by a 46-month Extended Fund Arrangement (EFF) with requested access of SDR 2,173.9 million (equivalent to about US\$ 3 billion). This agreement is subject to approval by IMF management and the Executive Board, after the timely implementation of all prior actions and confirmation of international partners' financial support. The EFF aims to support the authorities' reform strategy to restore growth and financial sustainability, strengthen governance and transparency, and increase social and reconstruction spending. This will need to be complemented by the restructuring of external public debt that will result in sufficient creditor participation to restore debt sustainability and close financing gaps.

Finally, the authorities understand the need to initiate the reforms as soon as possible, and have agreed to complete the following measures prior the IMF Board's consideration:

- Cabinet approval of a bank restructuring strategy that recognizes and addresses upfront the large losses in the sector, while protecting small depositors and limiting recourse to public resources.
- Parliament approval of an appropriate emergency bank resolution legislation which is needed to implement the bank restructuring strategy and kickstart the process of restoring the financial sector to health, which is fundamental to support growth.
- Initiation of an externally assisted bank-by-bank evaluation for the 14 largest banks by signing the terms of references with a reputable international firm.
- Parliament approval of a reformed bank secrecy law to bring it in line with international standards to fight corruption and remove impediments to effective banking sector restructuring and supervision, tax administration, as well as detection and investigation of financial crimes, and asset recovery.
- Completion of the special purpose audit of the BdL's foreign asset position, to start improving the transparency of this key institution.
- Cabinet approval of a medium-term fiscal and debt restructuring strategy, which is needed to restore debt sustainability, instill credibility in economic policies and create fiscal space for additional social and reconstruction spending.
- Parliament approval of the 2022 budget, to start regaining fiscal accountability.
- Unification by BdL of the exchange rates for authorized current account transactions, which is critical for boosting economic activity, restoring credibility and external viability, and will be supported by the implementation of formal capital controls.

It is worth recalling that the SLA is only a preliminary agreement, conditional upon parliamentary legislation. The challenge now is for Parliament to mainly ratify a Banking restructuring plan, the Budget Law, a medium term fiscal adjustment plan, a Capital control law and an amendment of banking secrecy for the SLA to turn into an IMF Board agreement. While, such parliamentary legislation might prove to be difficult prior to elections, this is where the real challenge lies for a final agreement with the Fund.

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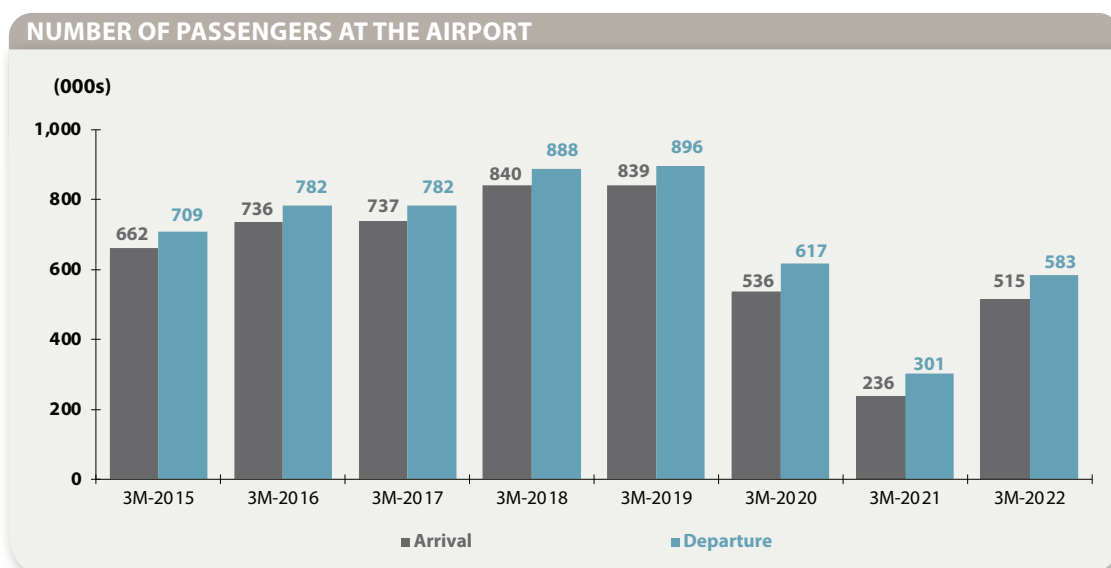
## NUMBER OF PASSENGERS AT THE AIRPORT HIKED BY A YEARLY 105% IN THE FIRST THREE MONTHS

The latest figures released by the Rafic Hariri International Airport revealed that the airport traffic posted a significant performance over the first three months of 2022 where total number of passengers hiked by 104.5% when compared to same period of 2021 with the opening up of the global travel amid softened lockdown restrictions worldwide. In addition, the number of aircraft increased by 58.1% yearly. However, the total freight handled by the airport dropped by 21.2% yearly over the same period.

A detailed look at the activity shows that the number of incoming passengers jumped by a yearly 93.5% and that of departing passengers by 118.5%, to reach 514,736 and 582,790 respectively in the first three months of the current year.

In parallel, the landings and take-offs rose by 58.0% and 58.1% year-on-year respectively in the aforementioned period, with the former amounting to 5,131 planes and the latter reporting 5,130 in the first three months of 2022.

Regarding the freight movement within the airport, a total of 6,497 thousand tons were imported and unloaded during the first three months of the year, while 6,710 thousand tons were exported and loaded. The first mentioned activity posted a decline of 1.8% while the latter posted a 33.8% decrease on a yearly basis in the first three months of 2022.



Sources: BIA, Bank Audi's Group Research Department

## CONSTRUCTION PERMITS HIKED ANNUALLY BY 440% IN FIRST TWO MONTHS

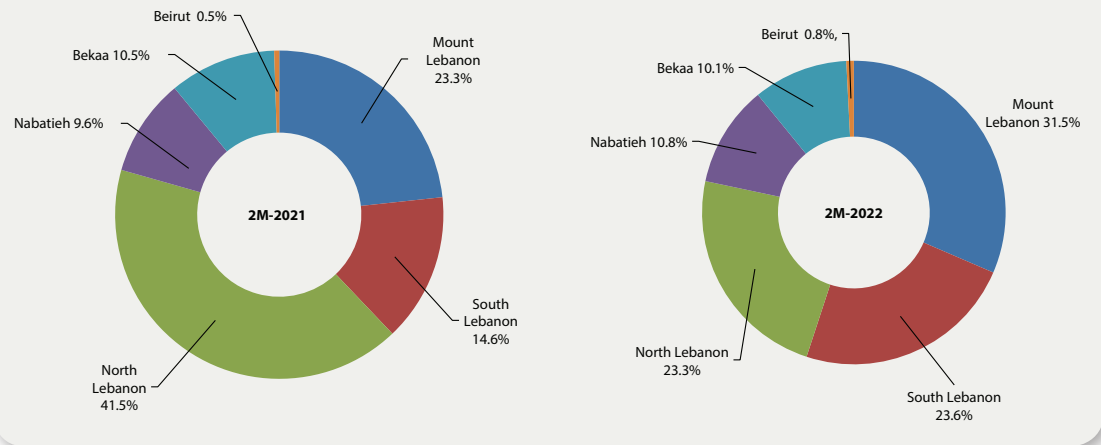
The newly issued construction permits, an indicator of forthcoming construction activity, continues to rise noticeably this year. As per the latest figures released by the Orders of Engineers of Beirut and Tripoli, construction permits covered an area of 1,851,847 square meters in the first two months of 2022, against an area of 342,961 square meters in same period of 2021, up by 440%.

The breakdown by region shows that most of the regions reported increase in construction permits with North-Lebanon and South-Lebanon registering the highest growth rates by 3,896% and 773% respectively in the first two months of year 2022 (yoy).

Mount Lebanon continued to capture the highest constitution in newly issued construction permits over the first two months of 2022 with a share of 31.5% followed by South Lebanon with 23.6%, Nabatiyeh with 10.8%, Bekaa with 10.1% and Beirut with 1.6%.

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## BREAKDOWN OF CONSTRUCTION PERMITS BY REGION



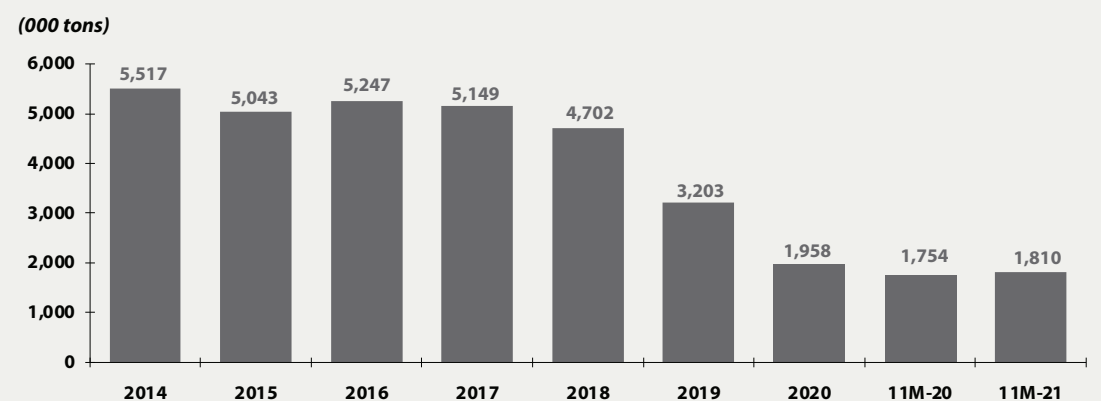
Sources: Orders of Engineers of Beirut and Tripoli, Bank Audi's Group Research Department

## CEMENT DELIVERIES UP BY 3% YEAR-ON-YEAR IN FIRST ELEVEN MONTHS

Cement deliveries, a coincident indicator of construction activity, increased by a yearly 3.2% in the first eleven months of 2021 against same period of 2020, as recently released by the Central Bank of Lebanon.

Cement deliveries reached circa 1,810,332 tons in the first eleven months of 2021, up from 1,753,746 tons in the corresponding period of 2020, continuing to reflect somewhat a sluggish activity, though at a slightly improving trend than the one witnessed last year.

## CEMENT DELIVERIES



Sources: BDL, Bank Audi's Group Research Department

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## SURVEYS

### FULLY DELIVERING REFORM COULD SUPPORT A TRANSFORMATIVE RECOVERY IN LEBANON, BUT IMPLEMENTATION IS LIKELY TO BE VERY CHALLENGING, AS PER BOFA GLOBAL RESEARCH

BofA Global Research published its Lebanon Economic Watch in which it highlighted that the International Monetary Fund (IMF) staff-level agreement (SLA) on a US\$ 3 billion 4-year Extended Fund Facility (EFF) is positive.

According to the report, fully delivering reform could support a transformative recovery, but implementation is likely to be very challenging.

The report suspects that technocrats and the international community pursued an SLA as an attempt to draw a roadmap, push incremental reform steps and restrict the Cabinet post-elections. Conversely, the political class was likely keen to display international backing to shore up support prior to May elections.

Furthermore, FX intervention year-to-date supported stability and budgetary planning but is likely short-lived. A potential institutional vacuum over at least the second half of 2022 could keep the current Cabinet as a caretaker with limited prerogatives. It is unclear if the next Cabinet will be technocratic in nature.

The results of the French presidential elections are likely to be key to judge whether international political pressure will continue, building on the existing "French initiative". The latter may help influence the course of Lebanon's political outlook post-elections.

According to the report, the size of the program (normal rather than exceptional access) and the unprecedented transparency in the listing of a long list of prior actions for IMF Executive Board approval suggest that the IMF also sees implementation risks, as per BofA Global Research.

In line with that view, the IMF statement suggests assurances of "significant external financing" at "highly concessional terms" will be required for board approval.

Governance reforms appear challenging to meet given vested interests ("anti-corruption framework", "bank secrecy") or may require a political decision (Banque du Liban (BdL) "governance and accountability arrangements"). The audit of BdL "foreign assets" could take place within a month or so (but the gold audit may take more time), "improving transparency" may suggest public disclosures, which could be divisive. However, the IMF will likely require an understanding of FX reserves liquidity prior to board approval, as per the same source.

The IMF statement indicates exchange rate unification is required prior to board approval. Broad reform is likely to be required to provide a near-term anchor to US\$/LL. Early unification could help preserve FX reserves and may suggest reform momentum is to pick up (especially as it could force accounting recognition of financial sector losses).

According to BofA Global Research, the Cabinet will likely need to expedite approval of all IMF required legislation prior to elections so that it is able to pass them on to parliament for its timely consideration. Measures that need Cabinet approval prior to IMF board approval include a banking sector restructuring plan, as well as a medium-term fiscal and debt restructuring strategy, as per the IMF statement.

Measures that need parliamentary approval prior to IMF board approval include an emergency bank resolution framework (supported by the initiation of an externally assisted bank-by-bank evaluation for the 14 largest banks), an amended bank secrecy law, and the 2022 budget, as per the IMF statement.

FX unification is to be supported by "formal" capital controls. However, the IMF statement does not appear to explicitly require parliament's prior adoption of a capital controls law for Executive Board approval.

Debt restructuring, with "sufficient creditor participation", is likely to be complex. The reference to "external public debt" suggests no domestic debt restructuring. The contours of a restructuring will likely be informed by the available financing envelop and the medium-term fiscal path, noting that the deficit "will be externally financed".

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"Limiting recourse to public resources" in the banking sector restructuring suggests that the US\$ 10 billion perpetual bond issuance to large depositors as per the draft financial plan may not take place. This may reduce potential public debt but also political buy-in.

The IMF statement estimates the 2022 primary budget balance target at 4% of GDP. On BofA's Global Research estimate of the targeted 2022 primary budget balance of LL 7.9 trillion, this would suggest that the IMF pins the 2022 nominal GDP at LL 197.4 trillion. At the US\$/LL exchange of 20,000 partially used in the 2022 budget, this would bring 2022 nominal GDP to US\$ 9.9 billion. This would be at the low end of market expectations. If appropriate, this could hold implications for the starting level of government debt and the needed scope of debt relief.

The medium-term fiscal path is likely to be key. BofA's Global Research understands this may target a primary balance surplus of 1-1.5% of GDP in 2025-2026, and thus a cumulative primary balance adjustment of 5-5.5 percentage point over the four-year period of the EFF (extended fund facility based on the IMF's 2022 primary balance estimate). BofA's Global Research understand this may involve conservative real GDP growth assumptions of 3.5%-4% over the period to 2026 and 3% beyond that. The feasibility adjustment is likely to depend on the starting level of the deficit, reform momentum and consensus among stakeholders. The adjustment path also reflects the fact that the economic adjustment of the past two years already included (disorderly) subsidy removal and real wage compression, as per the same source.

## LEBANON RANKED 103RD WORLDWIDE IN THE GLOBAL HENLEY PASSPORT RANKING WITH A VISA FREE SCORE OF 41 FOR Q2 2022

The Henley Passport Index for the second quarter of 2022 was released by Henley and Partners. It suggests that Lebanon ranked 103rd worldwide in the global ranking with a visa free score of 41, similar to Sri Lanka and Sudan.

Regionally, the United Arab Emirates ranked first in the Arab MENA region with a global rank of 15 and a visa free score of 195. Qatar came in second regionally and 55th globally with a score of 98. Kuwait ranked third in the region and 56th globally with a score of 95. Globally, Japan and Singapore ranked first with a score of 192.

The Henley Passport Index is the original and most authoritative ranking of all the world's passports according to the number of destinations their holders can access without a prior visa. The index includes 199 passports and 227 travel destinations, giving users the most extensive and reliable information about their global access and mobility.

With historical data spanning 17 years and regularly updated expert analysis on the latest shifts in passport power, the index is a resource for global citizens and the standard reference tool for government policy in this field.

The ranking is based on exclusive data from the International Air Transport Association (IATA), which maintains the world's largest and most accurate database of travel information, and is enhanced by the Henley & Partners Research Department.

The index's scoring system was developed to give users a nuanced, practical, and reliable overview of their passport's power. Each passport is scored on the total number of destinations that the holder can access visa-free. For each travel destination, if no visa is required, then a score of 1 is allocated for that passport. This also applies if passport holders can obtain a visa on arrival, a visitor's permit, or an electronic travel authority (ETA) upon entry.

### ARAB MENA PASSPORT RANKINGS Q2-2022

Country	Global Rank	Access to # of Countries without Visa
United Arab Emirates	15	195
Qatar	55	98
Kuwait	56	95
Bahrain	63	84
Oman	65	80
Saudi Arabia	66	79
Tunisia	73	71
Morocco	80	64
Mauritania	85	59
Algeria	92	52
Egypt	92	52
Jordan	92	52
Djibouti	97	47
South Sudan	100	44
<b>Lebanon</b>	<b>103</b>	<b>41</b>
Sudan	103	41
Libya	104	40
Palestinian Territory	106	37
Somalia	107	34
Yemen	108	33
Syria	110	29
Iraq	111	28

Sources: Henley & Partners, Bank Audi's Group Research Department

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## CORPORATE NEWS

### BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,134 MILLION AT END-FEBRUARY 2022

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,133.9 million at end-February 2022, keeping almost same level from its figure by end-2021 (a decline of 0.7%).

In details, currency and deposits with Central Banks increased from US\$ 73.2 million at end-2021 to US\$ 76.5 million at end-February 2021.

Claims on resident customers increased by 1.5% in February 2022 reaching US\$ 476.9 million, with respect to US\$ 470.0 million at end-2021. Claims on non-resident customers at end-February 2022 inclined by 10.1% with respect to end-2021, standing at US\$ 14.1 million.

Claims on resident financial sector as at end-February 2022 stood at US\$ 290.2 million dropping by 3.8% from its level at end-2021. Claims on non-resident financial sector reached US\$ 36.7 million at end-February 2022, registering a 13.9% increase from its level at end-2021.

Claims on the public sector recorded US\$ 8.6 million witnessing a 1.1% increase at end-February 2022 against its level at end-2021.

Securities portfolio declined to US\$ 60.6 million at end-February 2022, down by 11.8% from its registered figure at end-2021.

Tangible assets reported a decline of 1.5% at end-February 2022 with respect to end-2021 reaching US\$ 53.0 million. Similarly, intangible assets declined from US\$ 108.0 million at end-2021 to US\$ 104.6 million at end-February 2022, shrinking by 3.1%.

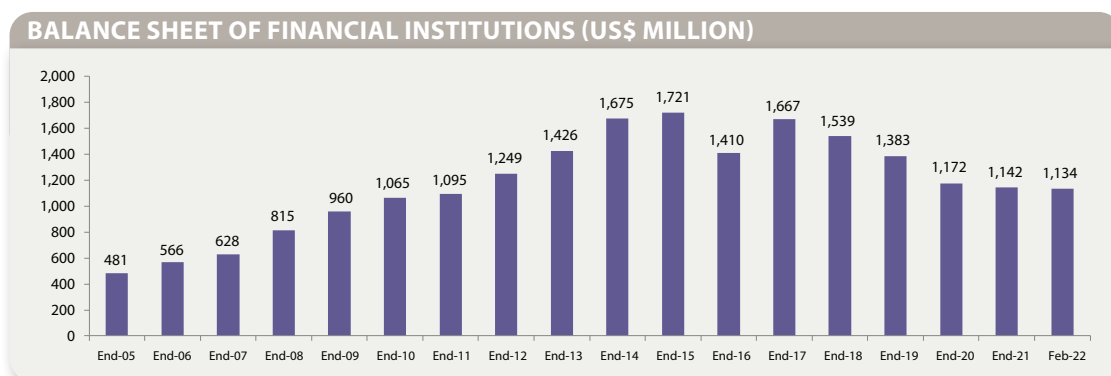
On the liabilities side, resident customer deposits registered US\$ 188.6 million at end-February 2022, against US\$ 198.2 million at end-2021. Non-resident customer deposits witnessed an increase of 22.8% at end-February 2022 standing at US\$ 10.5 million up from US\$ 8.5 million at end-2021.

Resident financial sector liabilities stood at US\$ 93.9 million at end-February 2022, representing a decrease of 20.0% from end-2021. Non-resident financial liabilities increased slightly from US\$ 63.6 million at end-2021 to US\$ 63.5 million at end-February 2022.

Public sector deposits hiked to US\$ 25.3 million at end-February 2022, down by 344.1% from end-2021.

Debt securities issued as at end-2021 stayed the same at end-February 2022 standing at US\$ 82.9 million.

Capital accounts reported US\$ 424.3 million at end-February 2022, down from US\$ 447.4 million at end-2021.



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

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## BEIRUT DIGITAL DISTRICT AND THE WORLD BANK LAUNCH SKILLING UP LEBANON

The Beirut Digital District (BDD) and the World Bank unveiled Skilling Up Lebanon during an event attended by representatives from the international community, entrepreneurs, tech enthusiasts, representatives from the private and digital sectors, civil society, as well as youth from across the country.

The program is part of a regional World Bank Group initiative, Skilling Up Mashreq, which aims to facilitate the upskilling of the youth in Iraq, Jordan and Lebanon.

Skilling Up Lebanon is a product of a partnership between Beirut Digital District's newly unveiled education arm, Forward MENA, and the World Bank, that intends to establish private sector-led digital skills program with the objective to become self-financed in the medium to short term.

Skilling Up Lebanon program aims to provide around 9,500 young women and men in Lebanon over a three-year period with the digital skills needed to prepare them for the local, regional and global jobs of the future. The program also targets digital technology players to invest in the region.

Skilling Up Lebanon will start with an awareness raising campaign targeting students on the changes happening in the job market of the future and new opportunities in digital and creative sectors, while also implementing an internship program. In parallel, the BDD will work closely with major employers in Lebanon and in the region for identifying gaps in digital skills based on which a series of micro-credential trainings linked to industry certification will be developed to fill those gaps enabling young Lebanese to find better employment opportunities.

BDD launched Forward MENA, an incubator of educational programs. It's goal to develop the skillset of youth from all backgrounds to fulfill the digital and creative jobs of the present and the future, looking forward to continued partnership with the World Bank to support the Lebanese youth and collaborating with other partners to steer forward this initiative, said the Forward Mena president in a statement.

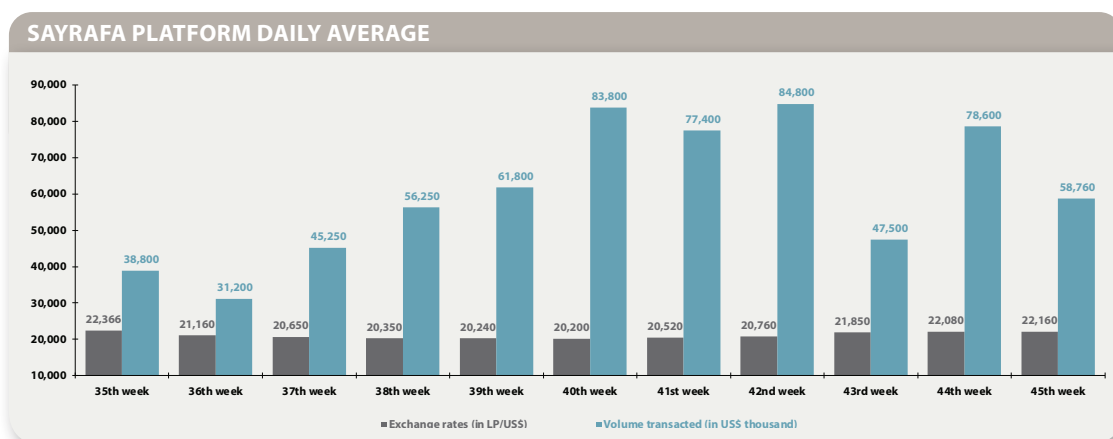
It is worth mentioning that the Skilling Up Lebanon initiative is co-funded by the Dutch Ministry of Foreign Affairs under the PROSPECTS Program and by the Lebanon Syrian Crisis Trust Fund (LSCTF).

## SAYRAFA TRANSACTED A DAILY AVERAGE OF US\$ 59 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 45<sup>th</sup> week was US\$ 58.7 million, compared to previous week's daily average transacted volume of US\$ 78.6 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 19.6 million).

The daily average conversion rate for week 45 is LP 22,160 when compared to daily average conversion rate of previous week of LP 20,080 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 18,713.

The Central Bank (BDL) announced that the conversion rate at end of week 45 was LP 22,100, similar to the conversion rate reported by end of week 44.



Sources: BDL, Bank Audi's Group Research Department



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## CAPITAL MARKETS

### MONEY MARKET: FURTHER WEEKLY CONTRACTIONS IN TOTAL RESIDENT DEPOSITS

The cost of LP cash held above 30% this week, amid a shortage in local currency liquidity on the money market, mainly triggered by BDL's exceptional measures remaining in place since the beginning of the year 2022.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 24th of March 2022 showed that total resident banking deposits contracted further by LP 821 billion. This is mainly driven by a LP 485 billion fall in total LP resident deposits amid a LP 196 billion decline in LP demand deposits and a LP 289 billion drop in LP saving deposits, while foreign currency resident deposits fell by LP 336 billion (the equivalent of US\$ 223 million as per the official rate of LP 1,507.5). Yet, the money supply in its broadest sense (M4) expanded by LP 382 billion over the covered week amid a LP 985 billion rise in the money in circulation and a LP 217 billion increase in the non-banking sector Treasury bills portfolio.

### INTEREST RATES

	08/04/2022	01/04/2022	30/12/2021	
Overnight rate (official)	1.90%	1.90%	1.90%	↔
7 days rate	2.00%	2.00%	2.00%	↔
1 month rate	2.75%	2.75%	2.75%	↔
45-day CDs	2.90%	2.90%	2.90%	↔
60-day CDs	3.08%	3.08%	3.08%	↔

Source: Bloomberg

### TREASURY BILLS MARKET: NOMINAL DEFICIT OF LP 956 BILLION OVER FIRST QUARTER OF 2022

The latest Treasury bills auction results for value date 7th of April 2022 showed subscriptions in the six-month category (offering a yield of 4.0%), the two-year category (offering a coupon of 5.0%) and the ten-year category (offering a coupon of 7.0%).

In parallel, the Treasury bills auction results for value date 31st of March 2022 showed that total subscriptions amounted to LP 117 billion, fully allocated to the Central Bank of Lebanon and distributed as follows: LP 13 billion in the three-month category (offering a yield of 3.50%), LP 24 billion in the one-year category (offering a yield 4.50%) and LP 80 billion in the five-year category (offering a coupon 6.0%). These compare to maturities of LP 264 billion, resulting into a nominal weekly deficit of LP 147 billion.

On a cumulative basis, total subscriptions amounted to LP 3,573 billion during the first quarter of the year 2022, fully allocated to the Central Bank of Lebanon. The three-year category captured 25.5% of the total, followed by the six-month category with 22.3%, the one-year category with 19.1%, the ten-year category with 11.7% and the five-year category with 10.2%, while the three-month and the two-year categories accounted for the remaining 11.2%. These compare to maturities of LP 4,529 billion, resulting into a nominal deficit of LP 956 billion during the first quarter of 2022.

### FOREIGN EXCHANGE MARKET: MARGINAL FLUCTUATIONS IN LP/US\$ RATE ON BLACK FX MARKET

News about reaching a preliminary agreement with the IMF, subject to approval by the Fund's management and its Executive Board after the timely implementation of all prior actions and the confirmation of international partners' financial support, has had no impact on the black FX market this week, as all market players' eyes remained focused on upcoming legislative challenges before reaching a final agreement with the Fund. Concurrently, BDL's exceptional measures, which allow ceiling-free US dollars purchases from the Central Bank of Lebanon, are remaining in place until end-April 2022.

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## TREASURY BILLS

	08/04/2022	01/04/2022	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%	
<b>Nom. Subs. (LP billion)</b>		<b>117</b>	<b>246</b>	
Short-term (3&6 mths)		13	-	
Medium-term (1&2 yrs)		24	-	
Long-term (3 yrs)		-	200	
Long-term (5 yrs)		80	-	
Long-term (7 yrs)		-	46	
<b>Maturities</b>		<b>264</b>	<b>13</b>	
<b>Nom. Surplus/Deficit</b>		<b>-147</b>	<b>233</b>	

Sources: Central Bank of Lebanon, Ministry of Finance

Within this context, the LP/US\$ exchange rate touched the LP/US\$ 24,000 level on Friday as compared to LP/US\$ 23,700-LP/US\$ 23,750 at the end of last week. In parallel, the Central Bank of Lebanon announced this week that FX operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 22,100 to LP/US\$ 22,200 between April 4, 2022 and April 08, 2022.

## EXCHANGE RATES

	08/04/2022	01/04/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,966.08	1,979.20	2,022.91	↑
LP/¥	12.15	12.30	13.11	↑
LP/SF	1,611.78	1,631.49	1,639.48	↑
LP/Can\$	1,197.00	1,206.00	1,175.53	↑
LP/Euro	1,637.90	1,667.45	1,701.52	↑

Source: Bank Audi's Group Research Department

## STOCK MARKET: LEBANESE EQUITY PRICES ON THE RISE FOR THIRD CONSECUTIVE WEEK

The Beirut Stock Exchange remained on the rise for the third consecutive week, as reflected by a 2.7% increase in the price index. Three out of seven traded stocks posted price gains, while three stocks registered price falls and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Solidere "B" shares led the advance on the BSE this week, posting a 4.7% surge in prices to reach US\$ 34.08, followed by Solidere "A" shares with +3.4% to US\$ 33.57 and Ciments Blancs Nominal's shares with +1.7% to US\$ 6.71. In contrast, BLOM's "listed" share price shed 9.1% to US\$ 3.0, followed by BLOM's GDRs with -6.0% to US\$ 3.11 and Byblos Bank's "listed" shares with -1.2% to US\$ 0.80.

As to trading volumes, the BSE total turnover increased by 12.2% week-on-week, moving from US\$ 7.0 million last week to US\$ 7.9 million, noting that Solidere shares captured 92.2% of activity, followed by the banking shares with 6.3% and the industrial shares with 1.5%.

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## AUDI INDICES FOR BSE

	08/04/2022	01/04/2022	30/12/2021	
Market Cap. Index	450.77	439.00	447.87	↑
Trading Vol. Index	71.18	63.42	80.38	↑
Price Index	94.63	92.16	94.02	↑
Change %	2.68%	2.13%	4.13%	↑

	08/04/2022	01/04/2022	30/12/2021	
Market Cap. \$m	10,694	10,415	10,625	↑
No. of shares traded (Exc. BT)	422,405	355,559	171,230	↑
Value Traded \$000 (Exc. BT)	7,860	7,005	5,359	↑
<b>o.w. : Solidere</b>	7,249	5,448	4,614	↑
Banks	497	1,539	732	↓
Others	115	18	13	↑

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

## BOND MARKET: SLIGHT WEEKLY BOND PRICE RECOVERY AFTER IMF PRELIMINARY DEAL

Lebanon's Eurobond market welcomed this week news about reaching a "Staff Level Agreement" with the IMF amid hopes that this may pave the way for discussions with bondholders. Lebanese sovereigns registered across-the-board price expansions ranging between 0.50 pt and 1.0 pt this week, reaching 11.63-12.632 cents per US dollar on Friday as compared to 10.88-12.0 cents per US dollar cents at the end of last week. On a cumulative basis, Lebanese Eurobonds maturing between 2020 and 2037 posted price gains of 1.0 pt to 1.50 pt since the beginning of the year 2022.

## EUROBONDS INDICATORS

	08/04/2022	01/04/2022	30/12/2021	
Total tradable size \$m	32,364	32,364	32,364	↔
<b>o.w.: Sovereign bonds</b>	31,314	31,314	31,314	↔
Bid price (cents per US dollar)	11.63-12-63	10.88-12.0	9.88-10.63	↑
Average Life	5.93	5.95	6.18	↓
Yield on US 5-year note	2.75%	2.52%	1.26%	↑

Source: Bank Audi's Group Research Department

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## INTERNATIONAL MARKET INDICATORS

	08-Apr-22	01-Apr-22	31-Dec-21	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	124.29	122.53	115.11	1.4%	8.0%
\$/£	1.303	1.311	1.353	-0.7%	-3.7%
\$/Euro	1.088	1.104	1.137	-1.5%	-4.3%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	34,721.12	34,818.27	36,338.30	-0.3%	-4.5%
S&P 500	4,488.28	4,545.86	4,766.18	-1.3%	-5.8%
NASDAQ	13,711.00	14,261.50	15,644.97	-3.9%	-12.4%
CAC 40	6,548.22	6,684.31	7,153.03	-2.0%	-8.5%
Xetra Dax	14,283.67	14,446.48	15,884.86	-1.1%	-10.1%
FT-SE 100	7,669.56	7,537.90	7,384.54	1.7%	3.9%
NIKKEI 225	26,985.80	27,665.98	28,791.71	-2.5%	-6.3%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,947.54	1,925.68	1,829.20	1.1%	6.5%
SILVER OUNCE	24.77	24.63	23.31	0.6%	6.3%
BRENT CRUDE (per barrel)	102.78	104.39	77.78	-1.5%	32.1%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	0.51	0.44	0.10	0.08	0.41
US Prime Rate	3.50	3.50	3.25	0.00	0.25
US Discount Rate	0.50	0.50	0.25	0.00	0.25
US 10-year Bond	2.70	2.38	1.51	0.32	1.19

Sources: Bloomberg, Bank Audi's Group Research Department

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