

## Economy

### CONTACTS

#### Treasury & Capital Markets

**Bechara Serhal**  
(961-1) 977421  
bechara.serhal@bankaudi.com.lb

#### Corporate Banking

**Carol Ayat**  
(961-1) 959675  
carol.ayat@bankaudi.com.lb

**Mohamad Baydoun**  
(961-1) 959703  
mohamad.baydoun@bankaudi.com.lb

#### Marketing and Communications

**Marion Abou Jaoudé**  
(961-1) 977356  
marion.abou-jaoude@bankaudi.com.lb

### p.2 WORLD BANK ISSUES A PUBLIC FINANCE REVIEW ON LEBANON

A new report on Lebanon with emphasis on Public finance has been released by the World Bank last week.

Also in this issue

- p.3** Number of passengers at the airport hiked by a yearly 67% in the first seven months
- p.3** Lebanon witnesses the worst food inflation worldwide in the first half of 2022
- p.4** Property market's sales operations up by 43.0% year-on-year in the first four months of 2022

## Surveys

### p.5 LEBANON RANKS 179TH IN GLOBALLY IN THE INDIVIDUAL PASSPORT POWER RANK 2022

Passport Index issued its "Individual Passport Power Rank" in which Lebanon ranked 179th globally and 13th in the Arab MENA region.

Also in this issue

- p.6** Increasing inflation in Lebanon will disproportionately affect the majority share of the population, as per Fitch Solutions

## Corporate News

### p.7 HOLCIM (LIBAN) S.A.L. REPORTS TOTAL ASSETS OF US\$ 399 MILLION AT END-DECEMBER 2021

Holcim (Liban) S.A.L. published its consolidated audited financial statements for year 2021, calculated at the official rate.

Also in this issue

- p.8** Piccadilly theatre renovation after 28 Years
- p.8** USJ honored with three accolades by WURI Ranking
- p.8** Sayrafa transacted a daily average of US\$ 62 million last week

## Markets In Brief

### p.9 MARKETS IN BRIEF: WIDENING SPREAD BETWEEN LP/US\$ BLACK MARKET RATE AND SAYRAFA RATE AMID RESTRICTED US DOLLAR SALES

Amid escalating confrontations between Lebanon's judiciary and banking system, and along with darkened domestic political outlook and worsened economic, financial and living conditions, the country's capital markets saw this week a deterioration in LP against US dollar on the black FX market, while the Eurobond market attracted some dip buyers and the equity market posted shy price gains. In details, the LP/US\$ black market rate pierced the LP/US\$ 32,000 level upward amid elevated judicial-banking tensions, and as the BDL's decision to price 85% of fuel imports at "Sayrafa" rate started materializing. This resulted into a widened spread between the LP/US\$ black market rate and the Sayrafa rate to reach circa LP 6,000. At the level of the Eurobond market, sovereigns attracted some international bid, which resulted into a shy price recovery to reach 7.38-7.63 cents per US dollar on Friday. On the equity market, the BSE price index increased by a shy 0.4%, while the total turnover contracted by 29% week-on-week.

### LEBANON MARKETS: AUGUST 8 - AUGUST 14, 2022

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

### RESEARCH

**Dr. Marwan Barakat**  
(961-1) 977409  
marwan.barakat@bankaudi.com.lb

**Salma Saad Baba**  
(961-1) 977346  
salma.baba@bankaudi.com.lb

**Farah Nahlawi Shaar**  
(961-1) 959747  
farah.nahlawi@bankaudi.com.lb

**Zeina Labban**  
(961-1) 952426  
zeina.labban@bankaudi.com.lb

**Michele Sakha**  
(961-1) 977102  
michele.sakha@bankaudi.com.lb

# Bank Audi

## ECONOMY

### WORLD BANK ISSUES A PUBLIC FINANCE REVIEW ON LEBANON

A new report on Lebanon with emphasis on Public finance has been released by the World Bank last week.

It says Lebanon's macro-financial bankruptcy is with such (relative) scale and scope that it has likely undermined the political economy of post civil war Lebanon. This political economy thrived under large inflows of deposits that funded a public-private privilege for the few (including the financial sector) and political patronage that exercised dominion over public administration. The finality of the sudden stop in October 2019, however, seems to be leading to the disintegration of this political economy, as manifested by a collapse of the most basic public services, persistent and debilitating internal political discord, and the resignation/exodus of some of the social and economic elite who have traditionally benefited from this model. The poor and the middle class, who were never well-served under this model in the first place, are carrying the main burden of this bankruptcy. In fact, Lebanon is undergoing a socio-political-economic transition to an as-yet-unknown re-configuration.

The Public Finance Review (PFR) analyzes Lebanon's public finances over a long horizon, to understand the roots of the fiscal profligacy and its eventual insolvency. To do so, the PFR links three critical elements in three Sections. Section I: Fiscal Policy in the Second Republic; Section II: Macro-Financial Restructuring; Section III: Public Service Non-Delivery. A fourth critical element is geopolitics, which is beyond the scope of the PFR. Taken together, these form critical determinants of the outcomes for any future socio-political economic re-configuration.

The World Bank qualifies its work with the following important caveats. Firstly, while the examination herein focuses on public finance, it is balance of payments (BoP) considerations that drove economic policy over the examined period. Motivated by BoP pressures, quasi-fiscal operations undertaken by the central bank generated massive costs that were unseen, unacknowledged and under-reported. Further, Lebanon continues to be the largest per capita host of refugees globally, as a result of the eruption of the Syria war. The PFR does not dissect this global public good that has been rendered since 2011, as it has been more thoroughly assessed in the Bank's 2020 publication *The Fallout of War: The Regional Consequences of the Conflict in Syria*.

An important value added for the PFR is that it presents analyses and policy recommendations across the economy during crisis conditions with a perspective for long-term sustainability. Both the Macro and Sector sections suggest urgent interventions that are consistent with longer term reforms that have been examined, analyzed and stressed repeatedly by the Bank for decades.

Long-term macro and structural deficiencies were left unresolved over the post-war period, despite numerous in-depth analyses and accessibility of financing. In a series of policy notes, the World Bank identified critical macro, structural and sectoral reforms to help mitigate risks and boost potential growth. In December 2016, the WB published a White Paper that included World Bank staff assessment on needed reforms for a new Government to introduce and implement, following two and a half years of a Presidential vacancy and institutional paralysis.<sup>5</sup> This list was later developed and attuned in the WB Strategic Assessment of the Capital Investment Plan (CIP) for Lebanon<sup>6</sup> that was presented in the CEDRE conference in Paris in April 2018. Lastly, in the Fall 2020 Lebanon Economic Monitor (LEM), entitled, *The Deliberate Depression*, the Bank presented a reform agenda that looked to strengthen the overall economic management in Lebanon in a way that is more inclusive and more accountable.

# Bank Audi

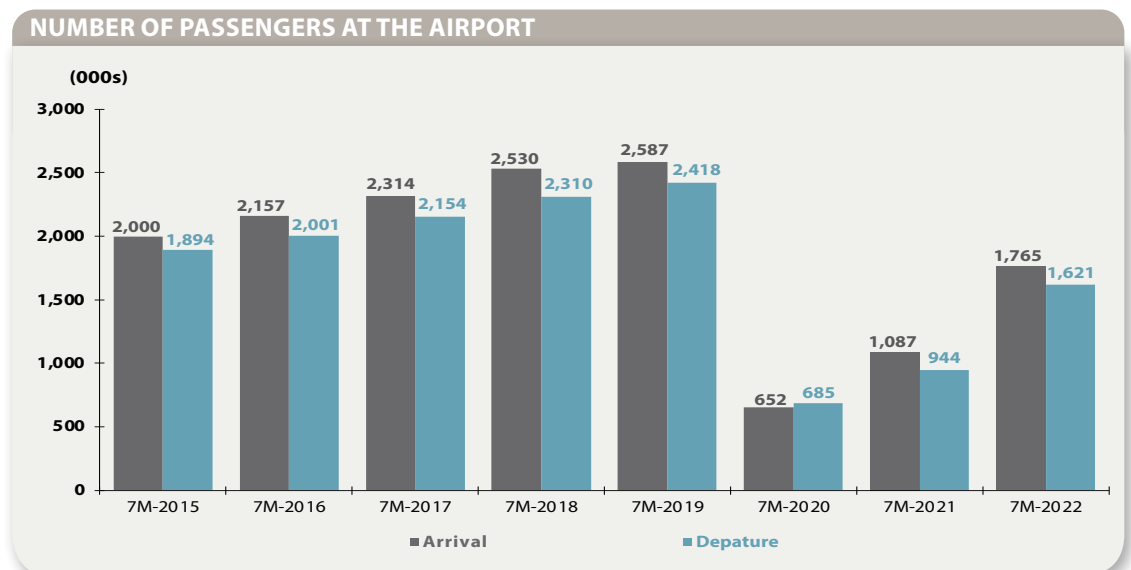
## NUMBER OF PASSENGERS AT THE AIRPORT HIKED BY A YEARLY 67% IN THE FIRST SEVEN MONTHS

The latest figures released by the Rafic Hariri International Airport revealed that the airport traffic posted a significant performance over the first seven months of 2022 where total number of passengers hiked by 66.7% 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 43.9% yearly. However, the total freight handled by the airport dropped by 19.3% yearly over the same period.

A detailed look at the activity shows that the number of incoming passengers jumped by a yearly 62.4% and that of departing passengers by 71.6%, to reach 1,764,563 and 1,620,556 respectively in the first seven months of the current year.

In parallel, the landings and take-offs each rose by 43.9% year-on-year in the aforementioned period, with 14,293 planes and 14,296 planes respectively in the first seven months of 2022.

Regarding the freight movement within the airport, a total of 16,473 thousand tons were imported and unloaded during the first seven months of the year, while 16,574 thousand tons were exported and loaded. The first mentioned activity posted a negligible increase of 7.5% while the latter posted a 35.3% decrease on a yearly basis in the first seven months of 2022.



Sources: BIA, Bank Audi's Group Research Department

## LEBANON WITNESSES THE WORST FOOD INFLATION WORLDWIDE IN THE FIRST HALF OF 2022

Inflation in the region has been rising as the war in Ukraine has further increased food and energy prices. In particular, Lebanon witnessed the worst food inflation worldwide in the first half of 2022, where the Russian-Ukrainian conflict was not the only factor behind the collapse of food security, according to the World Bank.

Among oil importers, consumer price inflation averaged 7.7% in April 2022, but with wide variation. In Lebanon, consumer prices recently increased by over 200% from a year earlier, partly owing it to currency devaluation, economic collapse and Beirut Port blast destroying the wheat silos.

In details, Lebanon recorded a 332% increase in food prices, beating the likes of Zimbabwe (255%), Venezuela (155%) and Tukey (94%), as per IMF.

It is worth mentioning that report estimates the country's debt-to-GDP ratio is to hit 272% by the end of the year as the Lebanese government is not taking a serious policy action scenario. Accordingly, real GDP is projected to drop by 6.5% in 2022, falling to US\$ 14.2 billion down from a pre-crisis high of US\$ 55.3 billion.

# Bank Audi

## PROPERTY MARKET'S SALES OPERATIONS UP BY 43.0% YEAR-ON-YEAR IN THE FIRST FOUR MONTHS OF 2022

After the Lebanese realty market witnessed a positive performance in 2021 as the sector was perceived as a safe haven after the economic and financial developments in the country, this seems to continue to be reflected in the first four months of 2022, as per the latest official figures released by the General Directorate of Land Registry and Cadastre in Lebanon revealing growth in both property transactions and sales activity.

The number of sales operations went up from 22,580 operations in the first four months of 2021 to 32,288 operations in the first four months of 2022. Respectively, the number of transactions expanded by 29.7% year-on-year to stand at 60,200 in the aforementioned period of 2022.

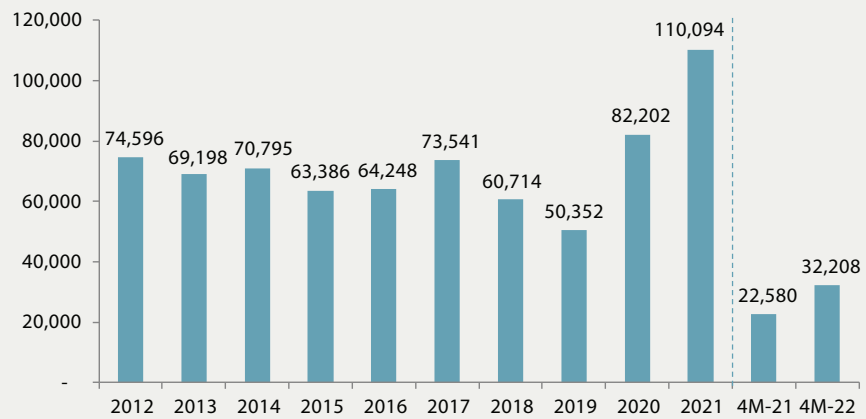
Furthermore, the value of property sales transactions edged up by 26.2% year-on-year to reach a total of US\$ 4,477.6 million during the same period of 2022. Most regions recorded increases in the value of sales transactions, with the most significant movements coming from the North, Nabattiyeh and South.

On a side note, the average property sales value contracted from US\$ 157,088 in the first four months of 2021 to US\$ 138,676 in the corresponding period of this year.

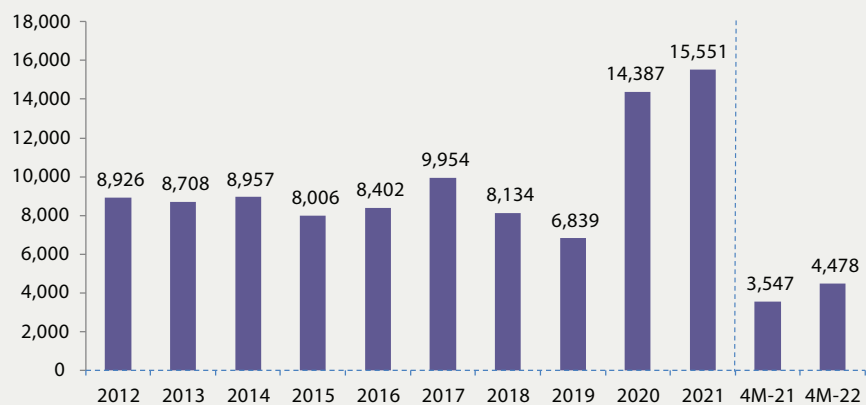
In a look at the breakdown of the value of property sales, Beirut continued to capture the highest share over the period with 29.0%, followed by the South with 19.4%, Keserwan with a share of 13.7% and Baabda with a share of 8.9%.

On a similar note, property taxes improved from US\$ 172.6 million in the first four months of 2021 to US\$ 348.6 million in the corresponding period of this year, an annual increase of 102.0%.

### NUMBER OF SALES OPERATIONS



### VALUE OF SALES TRANSACTIONS (US\$ MILLION)



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

# Bank Audi

## SURVEYS

### LEBANON RANKS 179TH IN GLOBALLY IN THE INDIVIDUAL PASSPORT POWER RANK 2022

Passport Index issued its "Individual Passport Power Rank" in which Lebanon ranked 179<sup>th</sup> globally and 13<sup>th</sup> in the Arab MENA region.

The Global Passport Power rank measures the level of travel freedom around the globe based on the number of visa-free agreements across 193 countries and 6 territories.

The index provides an online interactive tool that gathers, exhibits, and ranks passports around the globe according to several key characteristics. In details, the "Individual Rank" of each passport is based on three metrics, which are: a Mobility Score (MS) which comprises the number of countries the concerned passport-holder is eligible to enter visa-free (VF) or via a visa on arrival (VOA) (including eTA and eVisa), the proportion of visa-free to visa on arrival countries, and the related country's score in the United Nations Development Program's Human Development Index 2018 (UNDP HDI).

In details, Lebanon had a MS of 54, which indicates that a Lebanese passport-holder enjoys an easy access to a total of 54 countries (14 of which are visa-free countries and 40 granting visas on arrival), in comparison with 50 countries in 2021, 42 countries in 2020, 53 countries in 2019 and 45 countries in 2018.

Regionally, UAE ranked first in the region and globally. Qatar came in second among the Arab MENA region in the "Individual Passport Power Rank 2022", ranking 95<sup>th</sup> in the world with a MS of 108, followed by Kuwait which had a global rank of 97 and a MS of 102.

#### ARAB MENA REGION'S INDIVIDUAL PASSPORT POWER RANK 2022

Country	Global Rank	Mobility Score
United Arab Emirates	1	174
Qatar	95	108
Kuwait	97	102
Bahrain	101	96
Saudi Arabia	106	92
Oman	107	92
Tunisia	118	81
Morocco	128	75
Jordan	153	64
Mauritania	157	63
Algeria	159	62
Egypt	165	61
<b>Lebanon</b>	<b>179</b>	<b>54</b>
Sudan	188	51
Libya	191	49
Palestinian Territories	193	47
Yemen	194	44
Somalia	195	43
Iraq	197	39
Syria	198	38

Sources: Passport Index, Bank Audi's Group Research Department

# Bank Audi

## INCREASING INFLATION IN LEBANON WILL DISPROPORTIONATELY AFFECT THE MAJORITY SHARE OF THE POPULATION, AS PER FITCH SOLUTIONS

According to a recent report by Fitch Solutions, despite previous economic unrest, Lebanon's real GDP is expected to grow by 3.5% in 2022, the first expansion in four years.

Despite conflict in Ukraine increasing economic hardship in Lebanon through elevated fuel and food prices, Lebanon's economy shows signs of improvement through moderating deterioration of activity in the private sector, as per the report.

Data from Beirut airport also shows improvements in inbound visitors with growth at 118.5% year-on-year in Q122. A return to growth in economic activity and tourism will sustain demand for medical devices in the short-term but will be contained by ongoing supply chain problems with wide inflation.

Increasing inflation will disproportionately affect the majority share of the population, reducing access to medical devices in the medium-term. Despite some signs of economic improvement, inflation remains high in Lebanon resulting in most medical devices proving costly due to import activity.

Coupled with the shortage of the US dollar in the local market, the shortage of medical devices has been exacerbated and added further strain to Lebanon's already fragile healthcare system. With little to no domestic medical device manufacturing, Lebanon relies almost completely on imports for medical device products but widening inflation and a shortage of the US dollar in the local market will continue to result in a deficit for more costly, advanced devices such as diagnostic products, orthopedic products and other medical devices.

According to Fitch Solutions, finalization of an agreement with the IMF will continue to face headwinds in the run up to the presidential elections, further limiting necessary imports of essential medical devices.

Previous expectations of the Lebanese authorities reaching an agreement with the IMF (International Monetary Fund) were that a rescue package would be formed before presidential elections taking place in October 2022. As the Banque Du Liban (BDL) has attempted to control falling foreign currency reserves, risks to this view have increased.

Forming an agreement will require unpopular measures such as reforming public finances, restructuring the financial sector and reforming state-owned entities. These measures are less likely to take place before the election.

Fitch Solutions also expect that the international community would want the new parliament to vote on the IMF deal which suggests that a new government will be rapidly formed after the elections, in contrast to historical trends when forming a government took months and in some cases years.

There are also uncertainties surrounding the presidential elections with Lebanon having a history of delays or violence coinciding with presidential elections which will further weigh on the country's economic and political outlook.

Delays in securing a final agreement with the IMF (International Monetary Fund) along with rapid depletion BDL's foreign currency reserves, could result in steeper depreciation in the currency and severe shortages of basic goods and medical products, further exacerbating the crisis, as per the report.

# Bank Audi

## CORPORATE NEWS

### HOLCIM (LIBAN) S.A.L. REPORTS TOTAL ASSETS OF US\$ 399 MILLION AT END-DECEMBER 2021

Holcim (Liban) S.A.L. published its consolidated audited financial statements for year 2021, calculated at the official rate.

The company posted net profit of US\$ 8.6 million in year 2021, against net loss of US\$ 5.03 million in year 2020.

In details, the company's net sales achieved 344% hike annually to US\$ 288.8 million in 2021, up from US\$ 65.1 million in 2020, similarly cost of goods sold rose to US\$ 174.9 million, up from US\$ 50.3 million in the aforementioned period.

Hence, gross profits increased from US\$ 14.8 million in year 2020 to US\$ 113.8 million in year 2021.

Furthermore, general and administrative expenses increased from US\$ 8.2 million in 2020 to US\$ 23.1 million in 2021.

At the level of the balance sheet, the company's total assets stood at US\$ 399.2 million at end-December 2021, up from US\$ 268.2 million at end-December 2020.

Total current assets hiked from US\$ 128.5 million at end-December 2020 to US\$ 256.2 million at end-December 2021. Total non-current assets rose from US\$ 139.7 million to US\$ 143.0 million over the same period.

Total liabilities of the company reported US\$ 129.4 million in end-December 2020 against US\$ 259.6 million at end-December 2021, whereby current liabilities reached US\$ 24.8 million and US\$ 92.1 million respectively.

Total equity reported a negligible incline from US\$ 138.8 million at end-December 2020 to US\$ 139.6 million at end-December 2021.

#### BALANCE SHEET ITEMS (USD MLN)

	Dec-20	Dec-21
Accounts & Notes Recievables	18.1	23.5
Inventory	33.6	96.0
Net Fixed Assets	104.4	109.4
<b>Total Assets</b>	<b>268.2</b>	<b>399.2</b>
Accounts & Notes payables	8.6	54.4
<b>Total Liabilities</b>	<b>129.4</b>	<b>259.6</b>
<b>Shareholders' equity</b>	<b>138.8</b>	<b>139.6</b>

#### PROFIT AND LOSS ITEMS

	Dec-20	Dec-21
Net sales	65.1	288.8
Cost of Goods Sold	50.3	174.9
Gross Profit	14.8	113.8
Administrative Expenses	8.2	23.1
<b>Net Loss/Profit</b>	<b>-5.03</b>	<b>8.6</b>

Source: HOLCIM, Bank Audi's Group Research

# Bank Audi

---

## PICCADILLY THEATRE RENOVATION AFTER 28 YEARS

The Piccadilly Theatre in Hamra is to be renovated and refurbished after being closed for nearly 28 years, while the cost of the project is not yet disclosed, as mentioned in a statement.

The Caretaker Minister of Culture, accompanied by an engineer and the Director of the Kafalat Foundation, conducted a field visit to Piccadilly Theatre to discuss the restoration project, as mentioned in a statement.

The main goal of the Ministry of culture is to restore this cultural landmark theater, as it hosted many cultural events, reflecting Lebanon's iconic past where the cultural scene should not be destroyed, the Caretaker Minister of Culture said in a statement.

The Piccadilly Theatre was one of the most iconic theaters in Lebanon and the region, a venue for concerts, musicals and plays during the 60s and the 70s, hosting international and local stars such as Fairuz, Ziad Rahbani, and Dalida.

---

## USJ HONORED WITH THREE ACCOLADES BY WURI RANKING

Lebanon's University Saint Joseph (USJ) was awarded by the World's Universities with Real Impact (WURI), selected as one of the most innovative universities in the 2022, as mentioned in a statement.

In details, USJ ranked 16 in the top 50 Crisis Management ranking, 101-200 in the global top 100 Innovative Universities ranking, and 51-100 in the top 100 Industrial Application ranking.

WURI highlights universities' creative and innovative approaches based on the following six categories: Industrial Applications, Value-Creating, Social Responsibility, Ethics, and Integrity, Student Mobility and Openness, Crisis Management and Progress during the Fourth Industrial Revolution.

WURI, organized by the Institute for Policy and Strategy on National Competitiveness (IPSNC), is a global innovative university ranking that examines universities' innovative efforts in promoting workforces to meet the demands of industries and societies.

---

## SAYRAFA TRANACTED A DAILY AVERAGE OF US\$ 62 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 63<sup>rd</sup> week was US\$ 36.5 million, compared to previous week's daily average transacted volume of US\$ 61.8 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 30.2 million).

The daily average conversion rate for week 63 is LP 26,150 when compared to daily average conversion rate of previous week of LP 25,750 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 20,719.

The Central Bank (BDL) announced that the conversion rate at end of week 63 was LP 26,200, while the conversion rate reported by end of week 62 was LP 25,800.



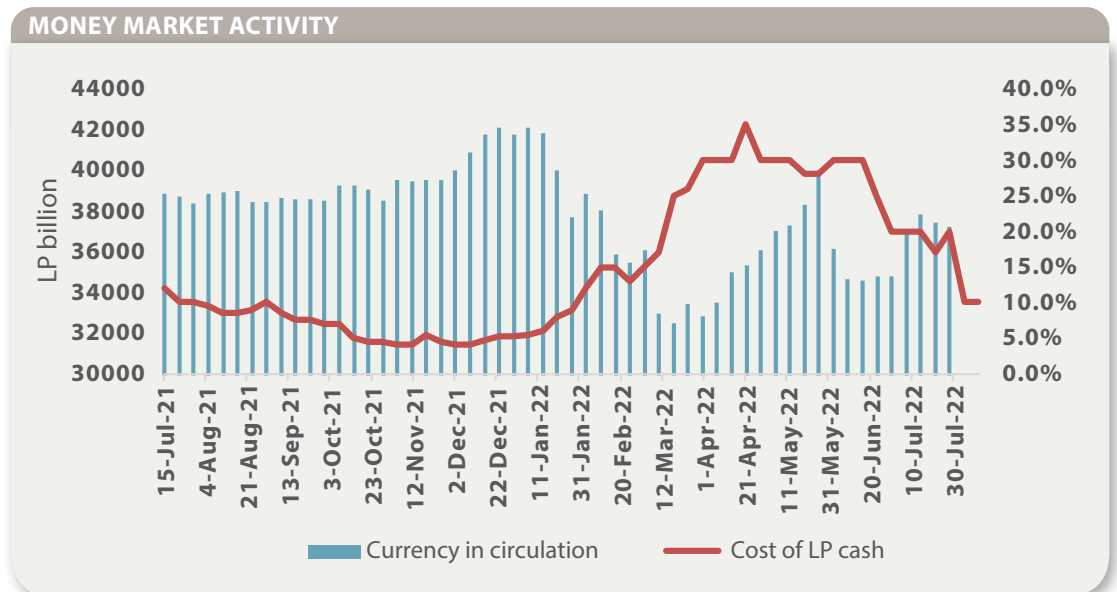
# Bank Audi

## CAPITAL MARKETS

### MONEY MARKET: LARGE WEEKLY EXPANSION IN TOTAL RESIDENT DEPOSITS, MAINLY ON LP DEPOSIT GROWTH

The cost of LP cash remained quoted at 10% on the money market this week. Concurrently, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 28th of July 2022 showed that total resident banking deposits expanded significantly by LP 1,617 billion. This is mainly attributed to a LP 1,332 billion rise in total LP resident deposits amid a LP 1,416 billion surge in LP demand deposits and an LP 84 billion decrease in LP saving deposits, while foreign currency resident deposits rose by LP 285 billion (the equivalent of US\$ 189 million as per the official rate of LP 1,507.5). Accordingly, total resident deposits accumulated contractions of LP 2,245 billion over the first seven months of 2022, mainly due to a LP 5,810 billion fall in foreign currency resident deposits (the equivalent of US\$ 3,854 million at the official rate), while total LP resident deposits increased by LP 3,564 billion.

In parallel, the latest figures released by the Central Bank of Lebanon showed that the “currency in circulation outside BDL” contracted by circa LP 4 trillion over the first seven months of 2022. This is mainly explained by BDL circular No.161 and its exceptional measures, which allow US dollars purchases from the Central Bank of Lebanon at the Sayrafa rate.



### TREASURY BILLS MARKET: INCREASED BDL'S SHARE IN LP PUBLIC DEBT

The Central Bank of Lebanon continued to intervene on the Treasury bills market during the first seven months of 2022. This was reflected by a LP 956 billion expansion in BDL's Treasury bills portfolio, moving from LP 62,220 billion at end-2021 to LP 63,176 billion at end-July 2022. Concomitantly, latest debt figures showed that the share of the Central Bank of Lebanon in the LP public debt rose from 62.2% at end-2021 to 68.1% at end-March 2022.

On the other hand, commercial banks' LP Treasury bills portfolio followed a downward trajectory this year, moving from LP 18,258 billion at end-2021 to LP 15,279 billion at end-June 2022, as per latest statistics.

# Bank Audi

## TREASURY BILLS

	12/08/2022	05/08/2022	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>n.a</b>	<b>246</b>	
Short-term (3&6 mths)		n.a	-	
Medium-term (1&2 yrs)		n.a	-	
Long-term (3 yrs)		n.a	200	
Long-term (5 yrs)		n.a	-	
Long-term (7 yrs)		n.a	46	
<b>Maturities</b>		<b>n.a</b>	<b>13</b>	
<b>Nom. Surplus/Deficit</b>		<b>n.a</b>	<b>233</b>	

Sources: Central Bank of Lebanon, Ministry of Finance

## FOREIGN EXCHANGE MARKET: LP LOSING GROUND AGAINST US DOLLAR ON BLACK MARKET

The black FX market saw this week a deterioration in the Lebanese pound against the US dollar, amid heated banking-judicial tensions and dimmed political outlook, and as the Central Bank's decision to price 85% of fuel imports at "Sayrafa" rate started materializing.

Within this context, the LP/US\$ black market rate crossed the LP/US\$ 32,000 level this week, reaching LP/US\$ 32,150-LP/US\$ 32,200 on Friday as compared to LP/US\$ 30,550-LP/US\$ 30,600 at the end of last week. This resulted into a widened spread between the LP/US\$ black market rate and the Sayrafa rate. In fact, the Central Bank of Lebanon announced that foreign currency operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 26,100 to LP/US\$ 26,200 between August 08 and August 12, 2022.

## STOCK MARKET: SHY WEEKLY EQUITY PRICE GAINS AMID REDUCED ACTIVITY

The Beirut Stock Exchange registered shy price gains this week, as reflected by a 0.4% rise in the price index. Three out of five traded stocks posted price rises, while two stocks recorded price falls.

A closer look at individual stocks shows that Bank Audi's "listed" share price surged by 8.4% to US\$ 1.55, followed by Solidere "A" shares with +0.5% to US\$ 59.90 and Solidere "B" shares with +0.2% to US\$ 58.65. In contrast, Holcim's share price shed 4.5% to US\$ 27.22, followed by BLOM's "listed" shares with -1.7% to US\$ 2.85.

## EXCHANGE RATES

	12/08/2022	05/08/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,835.68	1,830.86	2,022.91	↓
LP/¥	11.31	11.33	13.11	↑
LP/SF	1,602.19	1,577.38	1,639.48	↓
LP/Can\$	1,181.70	1,170.15	1,175.53	↓
LP/Euro	1,553.03	1,541.27	1,701.52	↓

Source: Bank Audi's Group Research Department

# Bank Audi

## AUDI INDICES FOR BSE

	12/08/2022	05/08/2022	30/12/2021	
Market Cap. Index	614.97	612.75	447.87	↑
Trading Vol. Index	87.15	122.82	80.38	↓
Price Index	129.10	128.64	94.02	↑
Change %	0.36%	-0.05%	4.13%	↑
	12/08/2022	05/08/2022	30/12/2021	
Market Cap. \$m	14,589	14,537	10,625	↑
No. of shares traded (Exc. BT)	156,365	368,620	171,230	↓
Value Traded \$000 (Exc. BT)	7,716	10,875	5,359	↓
o.w. : Solidere	6,948	10,422	4,614	↓
Banks	26	452	732	↓
Others	742	0	13	↑

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

As to trading volumes, the BSE total turnover contracted by 29.0% week-on-week to reach US\$ 7.7 million, noting that Solidere shares captured the lion's share of activity (90.1%). On a cumulative basis, the BSE total trading value rose by 11.7% year-on-year during the first seven months of 2022 to reach US\$ 244 million. On the other hand, the BSE market capitalization grew by 44% between end-July 2021 and end-July 2022. Accordingly, the total turnover ratio, measured by the annualized trading value to market capitalization, reached 2.9% during the first seven months of 2022 and compared to 3.7% during the first seven months of 2021.

## BOND MARKET: SLIGHT WEEKLY BOND PRICE RECOVERY, SUPPORTED BY INTERNATIONAL BID

The Eurobond market attracted some dip buyers this week, while Lebanese authorities are facing the tough task of implementing reforms, which are preconditions to reach a final agreement with the IMF and secure much-needed international financial support. Within this context, Lebanese sovereign prices posted a shy price recovery of 0.13 pt to 0.38 pt week-on-week, reaching 7.38-7.63 cents per US dollar on Friday as compared to 6.38-6.63 cents per US dollar at the end of last week. On a cumulative basis, Lebanese Eurobonds maturing between 2020 and 2037 posted price falls of 2.38 pts to 2.88 pts since the beginning of the year 2022.

## EUROBONDS INDICATORS

	12/08/2022	05/08/2022	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)	7.38-7.63	6.38-6.63	9.88-10.63	↑
Average Life	5.65	5.68	6.18	↓
Yield on US 5-year note	2.97%	2.80%	1.26%	↑

Source: Bank Audi's Group Research Department

# Bank Audi

## INTERNATIONAL MARKET INDICATORS

	12-Aug-22	05-Aug-22	31-Dec-21	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	133.42	135.01	115.11	-1.2%	15.9%
\$/£	1.026	1.207	1.353	-15.0%	-24.2%
\$/Euro	1.026	1.018	1.137	0.7%	-9.8%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	33,761.05	32,803.47	36,338.30	2.9%	-7.1%
S&P 500	4,280.15	4,145.19	4,766.18	3.3%	-10.2%
NASDAQ	13,047.19	12,657.55	15,644.97	3.1%	-16.6%
CAC 40	6,553.86	6,472.35	7,153.03	1.3%	-8.4%
Xetra Dax	13,795.85	13,573.93	15,884.86	1.6%	-13.2%
FT-SE 100	7,509.15	7,488.15	7,384.54	0.3%	1.7%
NIKKEI 225	28,546.98	28,175.87	28,791.71	1.3%	-0.9%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,802.40	1,775.50	1,829.20	1.5%	-1.5%
SILVER OUNCE	20.82	19.90	23.31	4.7%	-10.7%
BRENT CRUDE (per barrel)	98.15	94.92	77.78	3.4%	26.2%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	2.39	2.37	0.10	0.02	2.29
US Prime Rate	5.50	5.50	3.25	0.00	2.25
US Discount Rate	2.50	2.50	0.25	0.00	2.25
US 10-year Bond	2.83	2.83	1.51	0.00	1.32

Sources: Bloomberg, Bank Audi's Group Research Department

## DISCLAIMER

The content of this publication is provided as general information only and should not be taken as an advice to invest or engage in any form of financial or commercial activity. Any action that you may take as a result of information in this publication remains your sole responsibility. None of the materials herein constitute offers or solicitations to purchase or sell securities, your investment decisions should not be made based upon the information herein.

Although Bank Audi sal considers the content of this publication reliable, it shall have no liability for its content and makes no warranty, representation or guarantee as to its accuracy or completeness.