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The LEBANON WEEKLY MONITOR

Economy

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p.9 BOND PRICES UP AHEAD OF PARLIAMENTARY CONSULTATIONS AND ON HOPE OF INTERNATIONAL SUPPORT

Amid international calls to form a credible cabinet that can carry swift reforms before providing any international support to Lebanon, and along a second credit rating cut by Fitch in less than four months to "CC" level, and PM's efforts to get a technical support from the IMF and World Bank in drawing up an emergency rescue plan for the country, Lebanon's capital markets saw this week upward price movements on the Eurobond market. Most sovereigns posted weekly price gains of up to 4.88 pts. Concurrently, Lebanon's five-year CDS spreads contracted by 28 bps week-on-week to reach 2,224 bps. On the FX market, conversions in favor of foreign currencies slowed down this week when compared to the previous week, amid exceptional banking directives and on the back of lower interest rates applied on FC deposits following recent BDL circular. Within this context, the local currency liquidity became more available on the money market. This brought down the overnight rate from its peak levels seen over the previous few weeks.

LEBANON MARKETS: WEEK OF DECEMBER 09 - DECEMBER 15, 2019

Money Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



Eurobond Market



CDS Market



ECONOMY

FISCAL DEFICIT LIKELY TO DEVIATE FROM BUDGET TARGET THIS YEAR

While the first few months of the year reported some fiscal consolidation, Lebanon's fiscal deficit is likely to deviate from its budget trajectory for the year as a whole and exceed its budget target, following the political developments of the last quarter carrying adverse fiscal consequences. As a matter of fact, the Minister of Finance has estimated that there will be 40% of revenues forgone during the last quarter as a result of the crisis.

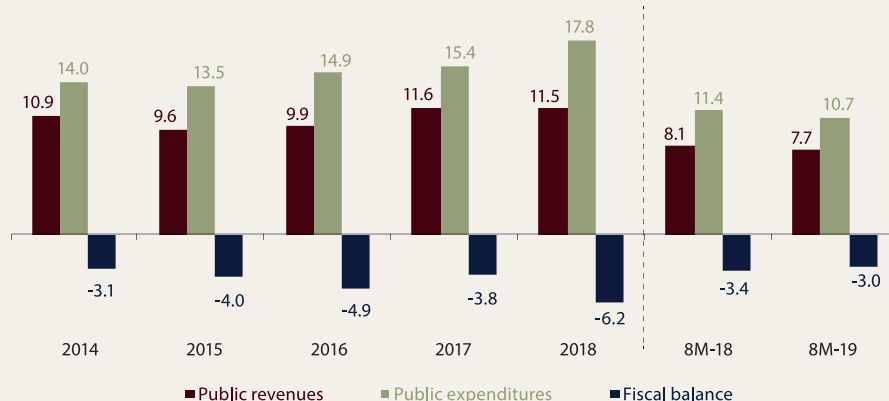
Over the first 8-month period however, Lebanon's public finance deficit had followed a downward trajectory, falling by 12.8% year-on-year, according to figures released by the Ministry of Finance last week. In annualized terms, it amounted to US\$ 4.4 billion, or 7.6% of GDP, equivalent to the forecasted deficit to GDP ratio in the 2019 Budget. In parallel, the primary balance reported a surplus of US\$ 369 million over the first eight months of 2019 when compared to a small surplus of US\$ 74 million over the previous year's same period, within the context of a drop in debt service by 4.0% between the two periods. It is worth mentioning that this improvement in fiscal deficit was mainly tied to the strict austerity measures efforts on behalf of policy makers despite the net decline in public revenues amid the prevailing weak economic growth.

The released figures by the Ministry of Finance showed a net decline in public finance deficit to reach circa US\$ 3.0 billion in the first eight months of 2019 (against US\$ 3.4 billion during the same period of 2018), due to a net contraction in public expenditures by 6.9% coupled with a lower decline in revenues by 4.5% year-on-year.

The net decline in public expenditures from US\$ 11.4 billion in the first eight months of 2018 to US\$ 10.7 billion in the first eight months of 2019 came within the context of a 4.8% drop in budget expenditures coupled with a 27.1% contraction in Treasury expenditures. The decline in budget expenditures was tied to a 5.2% decrease in general expenditures amid a contraction in transfers to EDL by 7.8%. The drop in Treasury expenditures was actually tied to a 40.5% decline in spending by municipalities, moving from US\$ 506 million to US\$ 301 million between the two periods.

The slight decline in public revenues from US\$ 8.1 billion in the first eight months of 2018 to US\$ 7.7 billion in the first eight months of 2019, came within the context of a tiny drop in budget revenues by

LEBANON'S FISCAL ACCOUNTS (US\$ BILLION)



Source: Ministry of Finance

1.1% coupled with a 44.8% decline in Treasury revenues. This drop in budget revenues was the result of a drop in VAT revenues by 9.2% and a decline in custom duties by 5.1% between the two periods, while miscellaneous tax revenues grew by 7.9%, while. In parallel, non-tax revenues went down by 10.1%, mainly as a result of the drop in Telecom revenues by 29.7% year-on-year.

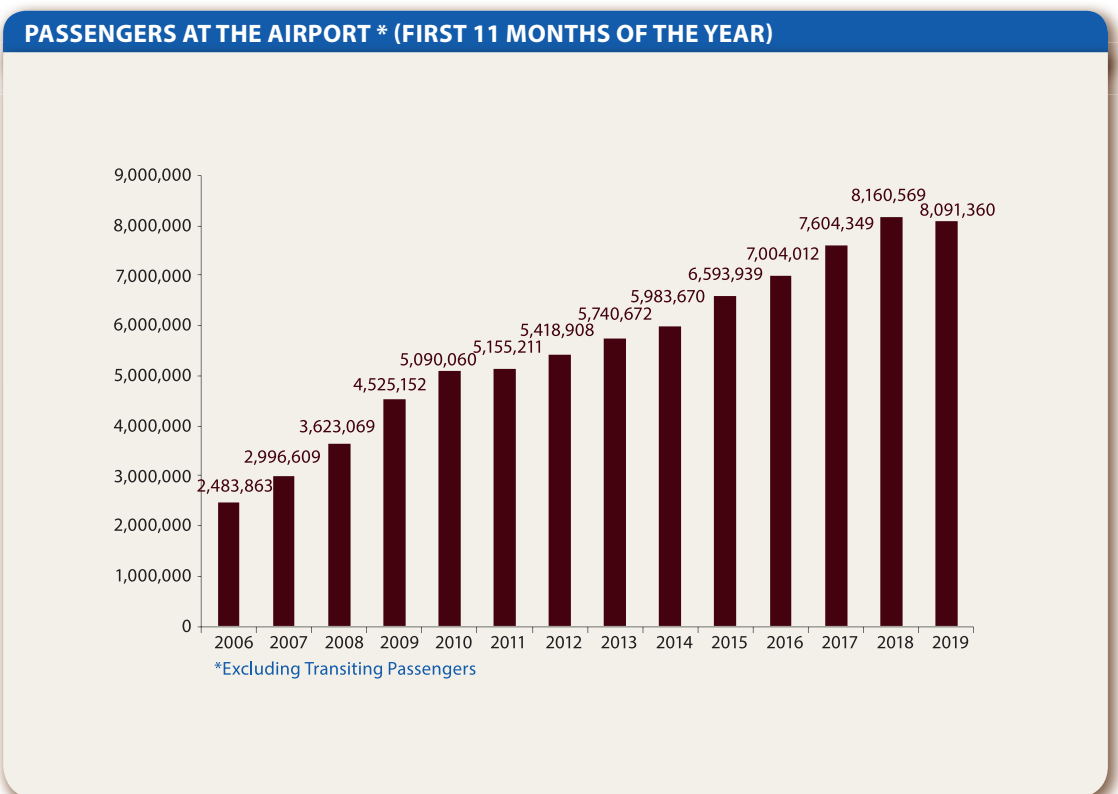
TOTAL NUMBER OF PASSENGERS AT THE AIRPORT DOWN BY A YEARLY 0.8% IN FIRST 11 MONTHS OF 2019

Figures released by the Rafic Hariri International Airport revealed that the total number of passengers recorded a yearly 0.8% decline in the first 11 months of 2019. The number of aircraft fell by 0.6% year-on-year in the aforementioned period. The total freight handled by the airport edged down by 9.6% year-on-year in the aforementioned period.

A detailed look at the activity shows that the number of incoming passengers declined by a yearly 1.9%, while that of departing passengers increased by 0.2% to reach 3,995,842 and 4,095,518 respectively in the first 11 months of 2019.

The number of transiting passengers rose from 4,028 passengers in the first 11 months of 2018 to 45,952 passengers in the corresponding period of this year. When including the latter mentioned category, the total number of passengers using the airport attained 8,137,312, down by a yearly 0.3%. Excluding transiting passengers, the total would be 8,091,360, i.e. 0.8% lower than the level seen in the first 11 months of 2018.

Looking at the aircraft activity, landings and take-offs decreased by a yearly 0.6% and 0.5% respectively with the former amounting to 33,722 planes and the latter reporting 33,723 in the first 11 months of 2019.



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

Regarding the freight movement within the airport, a total of 45,185 thousand tons were imported and unloaded during the first 11 months of 2019 while 35,256 thousand tons were loaded and exported.

The first mentioned activity posted a decline of 13.3% and the latter posted a 4.2% fall on a yearly basis in the first 11 months of 2019.

GROSS PUBLIC DEBT AT US\$ 87.1 BILLION AT END-OCTOBER 2019

The data published by the Ministry of Finance in Lebanon showed that the country's gross debt reached US\$ 87.1 billion at end-October 2019, up by 2.3% from the level seen at end-2018.

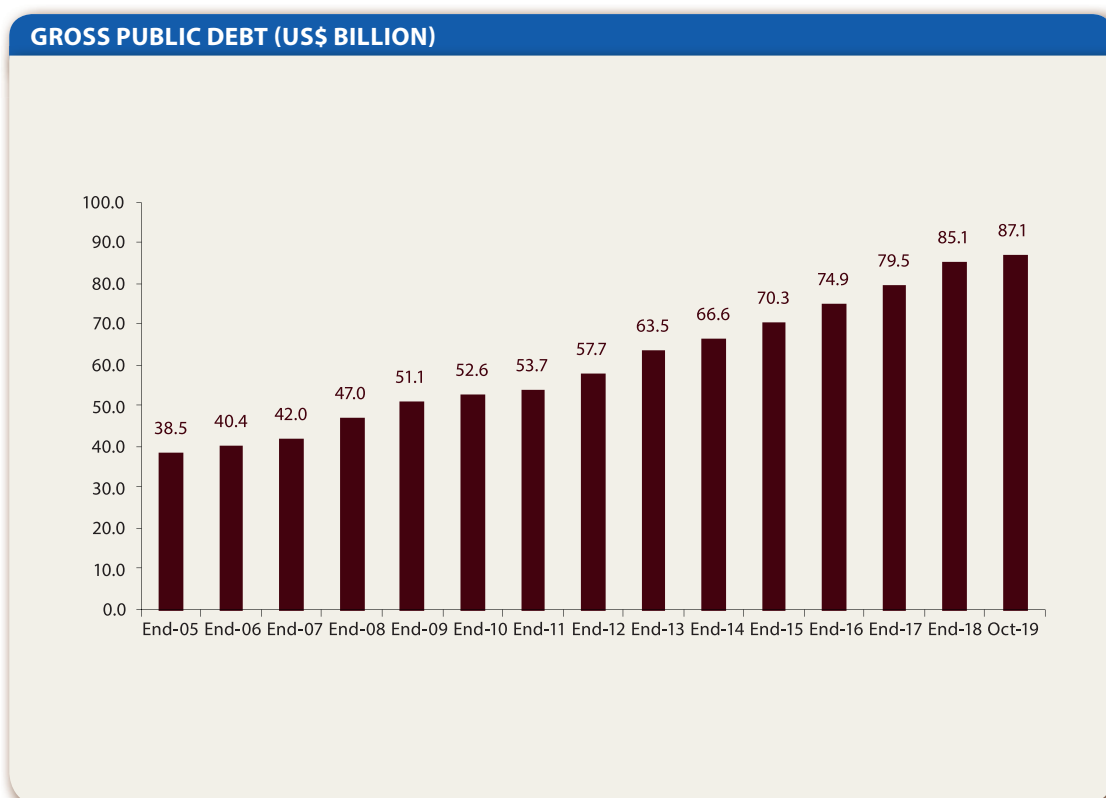
Domestic debt was higher by 5.7% from end-2018 to reach a total of US\$ 54.6 billion at end-October 2019.

Lebanon's external debt fell by 2.9% from end-2018 to stand at around US\$ 32.5 billion at end-October 2019.

In this context, the public sector deposits at the Central Bank fell by 32.0% from end-2018 to stand at US\$ 3.4 billion at end-October 2019. The public sector deposits at commercial banks edged up by 12.5% from end-2018 to reach US\$ 4.9 billion at end-October 2019.

As such, net public debt, which excludes the public sector deposits at the Central Bank and commercial banks from overall debt figures, increased by 4.0% from end-2018 to reach a total of US\$ 78.7 billion at end-October 2019.

Net domestic debt amounted to US\$ 46.2 billion at end-October 2019, up by 9.4% from end-2018.



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

SURVEYS

FITCH DOWNGRADES LEBANON'S LONG-TERM FOREIGN-CURRENCY ISSUER DEFAULT RATING (IDR) TO "CC"

Fitch downgraded Lebanon's Long-Term Foreign-Currency Issuer Default Rating (IDR) to "CC" from "CCC". The downgrade of Lebanon's ratings reflects Fitch's view that a government debt restructuring or default is probable owing to acute political uncertainty, de facto capital controls and damaged confidence in the banking sector that will deter capital inflows needed for Lebanon to meet its financing needs, as per the report. The emergence of a parallel exchange rate and the failure of the central bank (Banque du Liban, BdL) to fully service its foreign currency obligations further reflect mounting financial pressure.

The BdL's gross foreign reserves provide a buffer for near-term external debt service obligations, but while capital controls will limit outflows, the absence of inflows implies an ongoing decline in FX reserves. US dollar rationing will likely deepen recession, increase inflation and stoke social unrest, as per Fitch.

These dynamics increasingly threaten the government's capacity and willingness to service its debt. An IMF deal would almost certainly require debt restructuring as the Fund would not be able to sign off on public debt being sustainable.

The report added that ongoing political volatility is likely given the rupture between the current political class and the protesting public. The largest protests in more than a decade and the subsequent resignation of the prime minister created renewed political paralysis. Large, persistent and nationwide protests erupted in mid-October, with protestors calling for an overhaul of the political system.

Fitch expects that BdL's gross FX reserves would decline to US\$ 28 billion at end-2019, down US\$ 4 billion in the year, and would continue to erode in 2020, given large external financing needs associated with US\$ 2.5 billion of Eurobond maturities and a current account deficit that may narrow with import compression but remain large at US\$ 8.5 billion-US\$ 9.5 billion.

BdL also holds around US\$ 3.5 billion of other foreign assets and US\$ 13.4 billion in gold, but cannot touch the gold without parliamentary approval. Non-resident foreign-currency deposits in the banking sector total US\$ 32 billion, resident foreign currency deposits another US\$ 91 billion. These deposits still represent an external vulnerability, even though capital controls are limiting outflows, as per Fitch.

LEBANON SELECTED MACROECONOMIC INDICATORS

	2017	2018	2019f	2020f	2021f
GDP (US\$ million)	53,393.80	56,203.65	58,058.37	59,397.19	60,888.06
Consumer Prices (Annual Avg. % Chg.)	4.48	6.07	3.30	2.00	2.00
Gen. Govt. Balance (% of GDP)	-7.03	-11.11	-9.10	-7.81	-7.45
Gen. Govt. Debt (% of GDP)	148.95	151.48	154.03	158.37	161.95
GDP per Head at Market Exch. Rates (US\$)	11,838.98	12,341.60	12,622.65	12,785.87	12,977.02
Current Account Balance (% of GDP)	-23.22	-22.14	-21.67	-20.79	-20.12
Gross External Debt (% of GDP)	118.64	115.49	119.74	121.57	122.68

Source: Fitch, Bank Audi's Group Research Department

Furthermore, the Central Bank's foreign currency position is negative in net rather than gross terms, because it has large FX liabilities to Lebanese banks, which we estimate at US\$ 67 billion in September, of which US\$ 18 billion are mandatory reserve requirements, as per the same source.

BdL's foreign assets (excluding gold) are largely liquid, while the FX liabilities to banks have longer average maturity. If BdL allowed banks easier access to their deposits in order for them to meet demands for FX from their depositors, then BdL's FX reserves would quickly diminish. Hence, banks resorted to capital controls and have been using their liquid foreign assets held abroad, which fell by US\$ 3.6 billion in the year to October, when they totaled US\$ 8.4 billion.

Fitch added that a political resolution which starts to rebuild depositor confidence, combined with a credible economic and fiscal reform plan and substantial external financial support would ease financial pressure. But this scenario depends on a number of positive developments that are hard to assume as a baseline. Positive developments would need to be of sufficient magnitude to quickly restore confidence in the banking sector and the local currency and generate economic growth.

Lebanon has received repeated financial support from Gulf partners, but in recent years geopolitical considerations have weakened Gulf relations. Gulf countries and Gulf-linked multilaterals pledged US\$ 3.5 billion as part of the US\$ 11.0 billion of loans and grants pledged at the CEDRE conference organised by the International Support Group for Lebanon (ISGL) in April 2018. This has not been disbursed. There have been expressions of potential support from Saudi Arabia and the UAE earlier in 2019, but no tangible developments as yet.

None of the CEDRE funds have been disbursed, as Lebanon has not made the agreed reforms, and in any case are not intended for budget or balance of payment support, but rather for infrastructure projects spread over a number of years. On 11 December, an ISGL meeting in Paris reiterated support for Lebanon, provided a new government is formed that respects the demands of the protestors and implements reforms. Mr Hariri has requested a number of the countries involved for lines of credit for imports. The meeting is unlikely to result in immediate, large financial disbursements.

LEBANON LOSES TWO POSITIONS IN ITS OVERALL PROSPERITY INDEX RANKING, SAYS LEGATUM INSTITUTE

According to the Legatum Institute, Lebanon lost two positions in its overall Prosperity Index ranking when compared to the previous year. Lebanon came in the 104th position globally in the 2019 Prosperity Index among 167 covered countries, and ranked 11th in the MENA region.

The Legatum Institute, an independent policy, advisory, and advocacy organization within the Legatum group of companies, released its Prosperity Index 2019 report, consisting of a gauge of prosperity across 167 countries around the globe based on material wealth and personal wellbeing.

Furthermore, the Legatum Prosperity Index is published on an annual basis and covers twelve parameters in its assessment for each country, namely "Safety & Security", "Personal Freedom", "Governance", "Social Capital", "Investment Environment", "Enterprise Conditions", "Market Access and Infrastructure", "Economic Quality", "Living Conditions", "Health", "Education", and "Natural Environment".

The 2019 Legatum Prosperity Index revealed that global prosperity continues to increase, noting that 148 nations have enhanced their prosperity scores since 2009, with the biggest advancements experienced in the Asia-Pacific region over the past ten years.

The report also added that prosperity growth among nations was imbalanced, with the gap between the highest and lowest performers in the index widening since the year 2014. The report mentioned that a country's prosperity ranking is not solely decided by wealth, but is also largely influenced by both economic wealth and social wellbeing.

Last but not least, it is worth noting that Denmark came in top in the 2019 Prosperity Index, followed by Norway, Switzerland, Sweden, and Finland.

CORPORATE NEWS

NEWLY REGISTERED CARS AT 21,285 IN FIRST 11 MONTHS OF 2019, DOWN BY A YEARLY 30.9%

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 21,285 in the first 11 months of 2019, falling by 30.9% from a total of 30,785 in the same period of 2018.

According to a recent statement, this is due to the currently prevailing macro situation in Lebanon, the suspension of car loans, impossibility of opening documentary credits to import cars and spare parts, increase of interest rates, difficulty of converting cash collected in Lebanese pounds into US dollars in the banks to pay the suppliers and the risk of seeing thousands of employees losing their job.

In a look at the regions, Japanese cars took over the highest share of newly registered cars in the first 11 months of 2019 with a total of 8,377, down by 33.0% from the same period of 2018. Korean cars took over the second place with a total of 5,329 cars, down from 8,796 cars in the aforementioned period of 2018. European cars took over the third place with a total of 4,826 cars in the first 11 months of 2019, down by a yearly 19.8%.

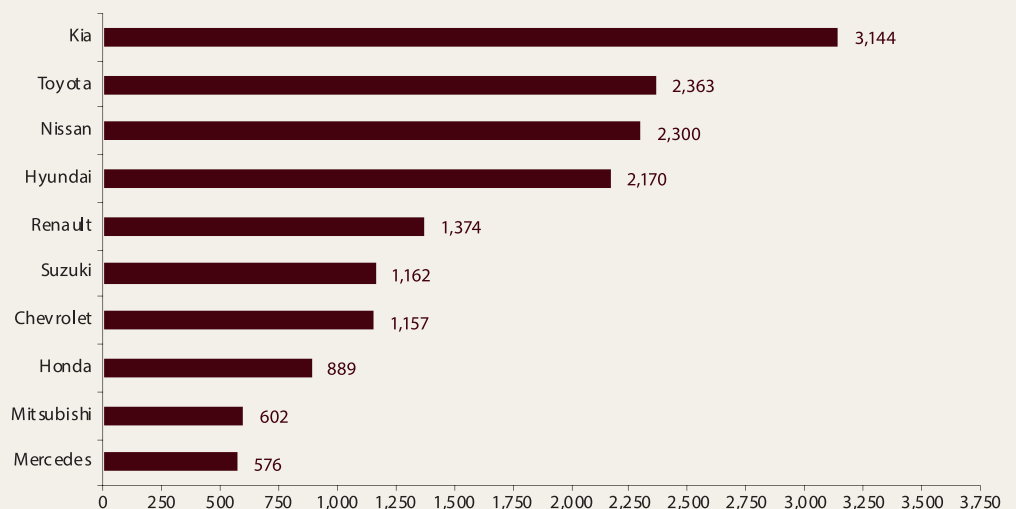
Korea's Kia ranked first in terms of new car registration during the first 11 months of 2019, with a total of 3,144 cars against a total of 4,761 cars during the same period of the previous year.

It was followed by Japan's Toyota with a total of 2,363 newly registered cars in the first 11 months of 2019, against 3,919 cars in the first 11 months of 2018.

Japan's Nissan came in the third position with a total of 2,300 newly registered cars in the first 11 months of this year, compared to 3,705 cars registered in the first 11 months of 2018.

These were followed by Korea's Hyundai with a total of 2,170 newly registered cars in the first 11 months of 2019, compared to a total of 4,011 cars registered in the year-earlier similar period.

TOP BRANDS OF NEWLY REGISTERED CARS IN THE FIRST 11 MONTHS OF 2019



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

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,435 MILLION AT END-OCTOBER 2019

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,434.6 million at end-October 2019, down by 6.8% from end-2018.

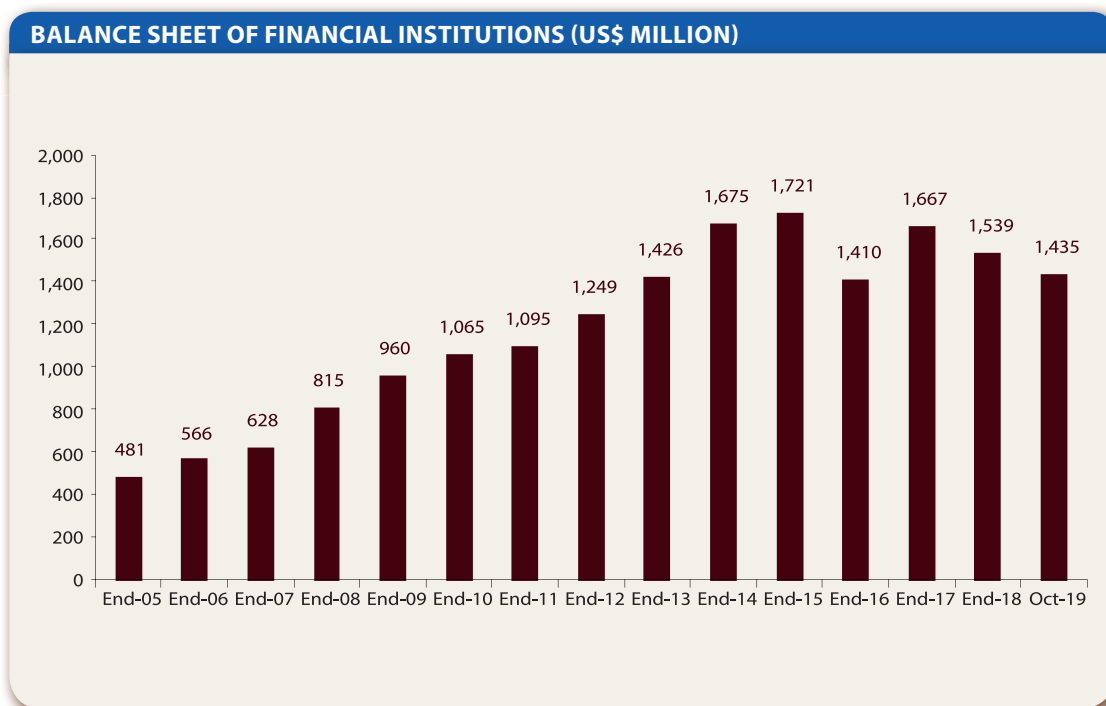
In details, currency and deposits with Central Banks rose from US\$ 44.6 million at end-2018 to US\$ 45.1 million at end-October 2019.

Claims on resident customers increased by 0.5% from end-2018 to US\$ 678.2 million at end-October 2019. Claims on non-resident customers fell from US\$ 70.0 million at end-2018 to US\$ 47.4 million at end-October 2019. Claims on resident financial sector fell from US\$ 331.8 million at end-2018 to US\$ 305.8 million at end-October 2019. Claims on non-resident financial sector decreased by 46.7% from end-2018 to US\$ 50.3 million at end-October 2019. Claims on the public sector stood at US\$ 5.3 million at end-October 2019, up by 9.8% from end-2018.

Securities portfolio registered US\$ 99.3 million at end-October 2019, down by 10.8% from end-2018. Tangible assets reported US\$ 45.4 million at end-October 2019, up by 29.6% from end-2018. Intangible assets declined from US\$ 155.7 million at end-2018 to US\$ 141.0 million at end-October 2019.

On the liabilities side, resident customer deposits registered US\$ 164.0 million at end-October 2019, up by 4.1% from end-2018. Non-resident customer deposits decreased to US\$ 18.0 million at end-October 2019, from US\$ 20.4 million at end-2018. Resident financial sector liabilities stood at US\$ 287.7 million at end-October 2019, declining by 22.8% from end-2018. Non-resident financial sector liabilities decreased from US\$ 143.3 million at end-2018 to US\$ 125.7 million at end-October 2019.

Public sector deposits stood at US\$ 3.0 million at end-October 2019, down from US\$ 4.5 million at end-2018. Debt securities issued declined from US\$ 149.1 million at end-2018 to US\$ 104.7 million at end-October 2019. Capital accounts reported US\$ 489.4 million at end-October 2019, up from US\$ 468.3 million at end-2018.



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

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE STILL BELOW HISTORICAL HIGH LEVELS

The overnight rate hovered between 10% and 30% over this week, falling from a peak level of 100% seen in the previous few weeks. This is mainly due to relatively reduced conversions in favor of foreign currencies on the foreign exchange market and the return of local currency liquidity to the money market.

INTEREST RATES

	13/12/19	06/12/19	28/12/18	
Overnight rate (official)	3.90%	3.90%	3.90%	↔
7 days rate	4.00%	4.00%	4.00%	↔
1 month rate	4.75%	4.75%	4.75%	↔
45-day CDs	4.90%	4.90%	4.90%	↔
60-day CDs	5.08%	5.08%	5.08%	↔

Source: Bloomberg

TREASURY BILLS MARKET: NOMINAL WEEKLY DEFICIT OF LP 16 BILLION

The latest Treasury bills auction results for value date 12th of December 2019 showed that the three-month category (offering a yield of 5.30%), the one-year category (offering a yield of 6.50%) and the five-year category (offering a coupon of 8.0%).

In parallel, the Treasury bills auction results for value date 5th of December 2019 showed that total subscriptions amounted LP 135 billion and were distributed as follows: LP 8 billion in the six-month category (offering a yield of 5.85%), LP 10 billion in the three-year category (offering a coupon of 7.50%) and LP 117 billion in the seven-year category (offering a coupon of 9.0%). These compare to maturities of LP 151 billion, resulting into a nominal weekly deficit of LP 16 billion.

TREASURY BILLS

	13/12/19	06/12/19	28/12/18	
3-month	5.30%	5.30%	4.44%	↔
6-month	5.85%	5.85%	4.99%	↔
1-year	6.50%	6.50%	5.35%	↔
2-year	7.00%	7.00%	5.84%	↔
3-year	7.50%	7.50%	6.50%	↔
5-year	8.00%	8.00%	6.74%	↔
7-year	-	9.00%	7.08%	
Nom. Subs. (LP billion)		135	98	
Short-term (3&6 mths)		8	4	
Medium-term (1&2 yrs)		-	11	
Long-term (3 yrs)		10	-	
Long-term (5 yrs)		-	83	
Long-term (7 yrs)		117	-	
Maturities		151	124	
Nom. Surplus/Deficit		-16	-26	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: SLOWDOWN IN LP-TO-FC CONVERSIONS

Conversions in favor of foreign currencies continued to slow down during this week, in one hand due to exceptional banking directives that have put restrictions on the volume of FC conversions, and on the other hand given the reduced attractiveness of interest rates on FC deposits after new BDL circular put a ceiling of 5% on interest rates on FC deposits and instructed banks to pay half the interest in US dollar and half in Lebanese pounds. In addition, the relative restrictions that Lebanese banks have put on overseas transfers have contributed to limit the commercial demand for US dollar in the currency trading market.

EXCHANGE RATES

	13/12/19	06/12/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	2,022.31	1,978.59	1,905.78	↓
LP/¥	13.75	13.88	13.66	↑
LP/SF	1,534.98	1,525.81	1,529.68	↓
LP/Can\$	1,145.34	1,144.21	1,107.48	↓
LP/Euro	1,685.39	1,672.87	1,724.73	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: SHY WEEKLY EQUITY PRICE RETREATS AMID SLUGGISH ACTIVITY

A sluggish mood reigned over the Beirut Stock Exchange over this week. The total trading value was restricted to US\$ 557 thousand, with only three stocks out of 26 stocks traded. This compared to a much higher turnover of US\$ 14.6 million last week and an average weekly trading value of US\$ 3.8 million since the beginning of the year 2019. Solidere shares captured the lion's share of activity, accounting for 99.1% of it, while the banking shares accounted for the remaining 0.9%.

As far as prices are concerned, the BSE price index retreated by a shy 0.1% week-on-week, mainly driven by falls in Byblos Bank "listed" shares, which shed 8.3% to reach US\$ 1.0. In contrast, Solidere "A" share price surged by 6.8% to US\$ 5.64. Solidere "B" share price increased by 0.9% to US\$ 5.40.

AUDI INDICES FOR BSE

22/1/96=100	13/12/19	06/12/19	28/12/18	
Market Cap. Index	307.11	307.32	384.30	↓
Trading Vol. Index	4.84	127.24	227.09	↓
Price Index	67.33	67.37	83.87	↓
Change %	-0.07%	-0.44%	-0.70%	↓
	13/12/19	06/12/19	28/12/18	
Market Cap. \$m	7,286	7,291	9,117	↓
No. of shares traded (Exc. BT)	103,140	659,482	4,241,140	↓
Value Traded \$000 (Exc. BT)	557	14,645	21,393	↓
o.w. : Solidere	552	503	1,208	↑
Banks	5	14,132	20,107	↓
Others	0	10	78	↓

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

BOND MARKET: EXTENDED BOND PRICE RECOVERY AFTER REQUESTING TECHNICAL ASSISTANCE FROM INTERNATIONAL BODIES

Despite lingering cabinet uncertainties and a second credit rating cut by Fitch in less than four months to "CC" level, Lebanon's Eurobond market benefited this week from a relatively improved sentiment after the Lebanese PM asked the IMF and the World Bank for technical support in drawing up a rescue plan for the domestic economy.

That being said, activity on the Lebanese Eurobond market remained mostly skewed to the upside this week. Sovereigns maturing in 2020, 2023, 2025, 2027, 2028, 2033, 2034 and 2037 registered weekly price gains ranging between 0.13 pt and 4.88 pts. Within this context, the weighted average bond yield fell from 28.89% at the end of last week to 27.6% at the end of this week, down by 129 bps. The weighted average bid Z-spread contracted from 2,909 bps at the end of last week to 2,762 bps at the end of this week. As to the cost of insuring debt, Lebanon's five-year CDS spreads contracted from 2,209 -2,295 bps at the end of last week to 2,182-2,266 bps at the end of this week.

EUROBONDS INDICATORS

	13/12/19	06/12/19	28/12/18	
Total tradable size \$m	29,564	29,564	32,214	↔
o.w.: Sovereign bonds	28,314	28,314	30,964	↔
Average Yield	27.60%	28.89%	9.95%	↓
Z-Spread (bid in bps)	2,762	2,909	764	↓
Average Life	7.53	7.54	7.83	↓
Yield on US 5-year note	1.71%	1.62%	2.61%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	13-Dec-19	06-Dec-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	109.34	108.59	109.61	0.7%	-0.3%
\$/£	1.333	1.314	1.275	1.5%	4.5%
\$/Euro	1.112	1.106	1.147	0.6%	-3.0%
STOCK INDICES					
Dow Jones Industrial Average	28,135.38	28,051.06	23,327.46	0.4%	20.6%
S&P 500	3,168.80	3,145.91	2,506.85	0.7%	26.4%
NASDAQ	8,734.88	8,656.53	6,635.28	0.9%	31.6%
CAC 40	5,919.02	5,871.91	4,730.69	0.8%	25.1%
Xetra Dax	13,282.72	13,166.58	10,558.96	0.9%	25.8%
FT-SE 100	7,353.44	7,239.66	6,728.13	1.6%	9.3%
NIKKEI 225	24,023.10	23,354.40	20,014.77	2.9%	20.0%
COMMODITIES (in US\$)					
GOLD OUNCE	1,476.33	1,460.17	1,282.49	1.1%	15.1%
SILVER OUNCE	16.93	16.58	15.50	2.1%	9.3%
BRENT CRUDE (per barrel)	65.22	64.39	53.80	1.3%	21.2%
LEADING INTEREST RATES (%)					
1-month Libor	1.74	1.72	2.50	0.02	-0.76
US Prime Rate	4.75	4.75	5.50	0.00	-0.75
US Discount Rate	2.25	2.25	3.00	0.00	-0.75
US 10-year Bond	1.82	1.84	2.68	-0.02	-0.86

Sources: Bloomberg, Bank Audi's Group Research Department

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