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The LEBANON WEEKLY MONITOR

Economy

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Markets In Brief

p.9 WAIT-AND-SEE MOOD REIGNS AHEAD OF THE FORMATION OF A NEW CABINET

Following the new PM designation and while all eyes are focused on the formation of a credible cabinet that can carry swift reforms and secure international support, Lebanon's capital markets witnessed this week a continuous slowdown in LP-to-FC conversions on the FX market, while the Eurobond market resumed its downward trajectory and the equity market posted shy price gains. In details, conversions in favor of FC continued to slow down amid exceptional banking directives that have put restrictions on overseas transfers, while BDL's foreign assets retreated to US$ 37.6 billion mid-December 2019, bringing year-to-date contractions to circa US$ 2.1 billion. On the bond market, sovereigns came under downward price pressures following last week's credit rating cut by Fitch and ahead of a cabinet formation, posting price falls of up to 2.13 pts. On the equity market, the BSE price index rose by a shy 0.6% week-on-week, while activity remained quite shy.

LEBANON MARKETS: WEEK OF DECEMBER 16 - DECEMBER 22, 2019

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

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ECONOMY

A 24% DECLINE IN IMPORTS IN OCTOBER GENERATING A 30% DROP IN TRADE DEFICIT

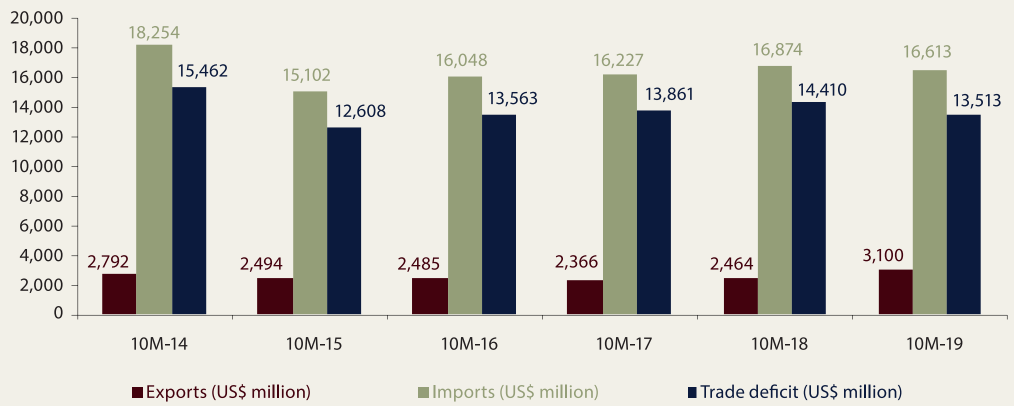
The latest foreign trade statistics released by Lebanon's Customs Authority for the month of October, the first month of crisis, suggest a net contraction in imports by a yearly 24%, alongside a 10% growth in exports, which led to a reduction in the trade deficit by 30% October-on-October, a trend that is likely to continue and develop further over the months to come. This falls in line with the requirements to reach an equilibrated balance of payments in 2020 by reducing imports by circa 40% and raising exports by circa 20%, even within the assumption that financial inflows are likely to decrease by 25% over the year to come due to the unofficial capital controls. The aim for any government to come should be to stimulate domestic production at the detriment of imports through providing incentives for sectors that produce import-substitution goods and export-oriented products.

Over the first ten months of 2019, the external sector had witnessed a relative decline in trade deficit by 6.2% when compared to 2018 corresponding period, moving from US$ 14.4 billion to US$ 13.5 billion. This drop in trade deficit was the result of a strong hike in exports by 25.8% along with a relative decline in importing activity by 1.5%. Accordingly, the exports to imports ratio reached 18.7% over the period, up from 14.6% over the same period of 2018.

Going further into details, exports reached US$ 3.1 billion over the first ten months of 2019, compared to US$ 2.5 billion over the same period of the previous year, to report its strongest yearly growth in almost a decade. The breakdown of exports by product suggests that the most significant increase among the major categories was reported by jewelry with 119.4%, electrical equipments and products with 18.2%, fats and oils with 14.6% and chemical products with 4.3% over the first ten months of 2019 when compared to the first ten months of 2018.

The breakdown of exports by major countries of destination suggests that Switzerland reported the most significant hike of 714% year-on-year (with a share of 28% of total exports), followed by Greece with 68.8%, Saudi Arabia with 17.8%, Egypt with 17.5% and USA with 5.7%, while exports to South Africa reported a significant decline of 58.2%, followed by Turkey with 55.8% and Kuwait with 17.9% between the two periods. It is worth mentioning that land exports through Syria continued its positive trend to increase significantly by 57.5%, moving from US$ 153 million to US$ 241 million. In parallel, exports

LEBANON'S FOREIGN TRADE ACTIVITY



Source: Lebanon's Customs Administration through the Hariri international Airport witnessed a hike by 84.5% over the same period, while those through the Port of Beirut went down by 9.0% over the same period.

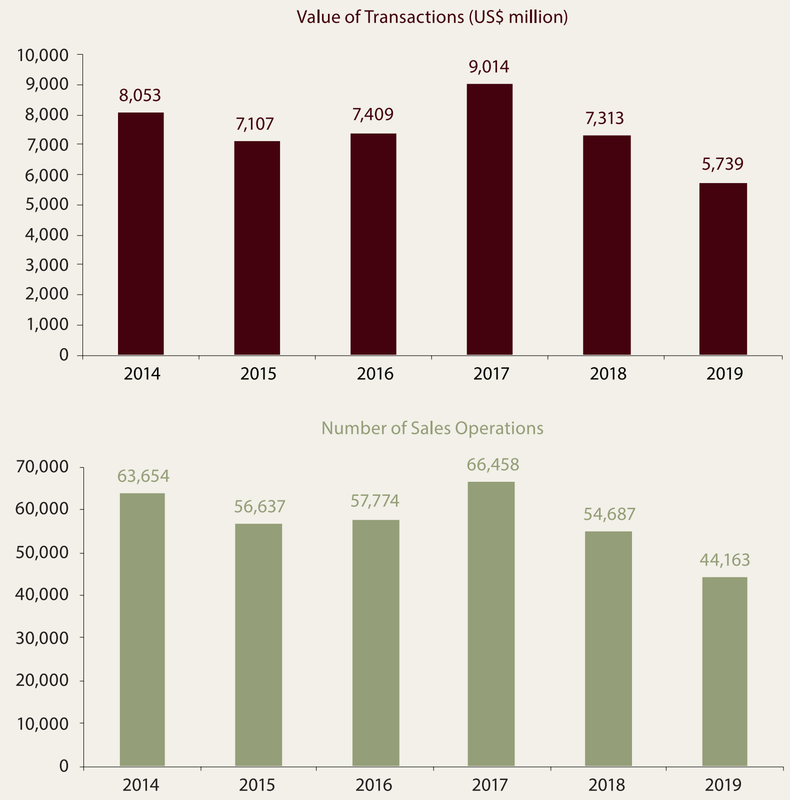
In parallel, total imports reached US$ 16.6 billion over the first ten months of 2019, down from US$ 16.8 billion in the same period of 2018. The breakdown of imports by product suggests that the most significant increase was that registered by mineral products with 56.3% year-on-year, followed by vegetable products with 1.4%. On the other hand, the main items to have displayed a significant decline were metals and metal products with 30.1%, jewelry and electrical equipments and products with 25.7% each, transport vehicles with 25.4%, livestock and animal products with 15.0%, chemical products with 7.1% and food products with 6.5% over the first ten months of 2019 relative to 2018 same period.

The breakdown of imports by country of origin over the same period shows that imports from Russia and Kuwait increased the most by 125.3% and 95.1% respectively, followed by Belgium with 90.2%, France with 19.1% and USA with 18.3% year-on-year. On the other hand, imports from Switzerland witnessed the most significant decline among the major partners with 35.6% year-on-year, followed by Saudi Arabia with 33.3%, Greece with 20.8%, Egypt with 19.7%, China with 16.6%, Germany with 15.6% and Italy with 12.9% between the two periods.

SLOWDOWN IN THE ACTIVITY OF THE PROPERTY MARKET IN FIRST 11 MONTHS OF 2019

The statistics published by the Directorate of Land Registry and Cadastre covering the first 11 months of 2019 showed that realty markets extended last year's downturn and continued to undergo a decrease in property transactions and sales activity.

PROPERTY MARKET (FIRST 11 MONTHS OF THE YEAR)



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

The number of sales operations retreated by a yearly 19.2% from 54,687 sales operations in the first 11 months of 2018 to 44,163 operations in the first 11 months of 2019. Sales to foreigners contracted by 15.4% year-on-year to reach 836 operations in the first ten months of 2019.

The value of property sales transactions was also on a downward path in the first 11 months of 2019. It posted a decline of 29.5% year-on-year to attain a total of US$ 5,738.9 million during the first 11 months of 2019.

Most regions recorded declines in the value of sales transactions, with the most significant movements coming as follows: North (-33.0%), Bekaa (-31.7%) and Baabda (-29.2%).

On a similar path, the average sales value declined from US$ 133,715 in the first 11 months of 2018 to US$ 129,949 in the first 11 months of 2019.

VALUE OF CLEARED CHECKS DOWN BY A YEARLY 17.0% IN FIRST 11 MONTHS OF 2019

The total value of cleared checks, an indicator of consumption and investment spending in the Lebanese economy, declined by 17.0% year-on-year in the first 11 months of 2019 pointing to a relative deceleration in spending during the aforementioned period.

The value of cleared checks reached US$ 50,671 million in the first 11 months of 2019, against US$ 61,083 million in the same period of 2018.

A breakdown by currency shows that the banks' clearings in Lebanese pounds amounted to LP 29,763 billion (-1.8%) in the first 11 months of 2019 while those in FC amounted to US$ 30,928 million (-24.5%).

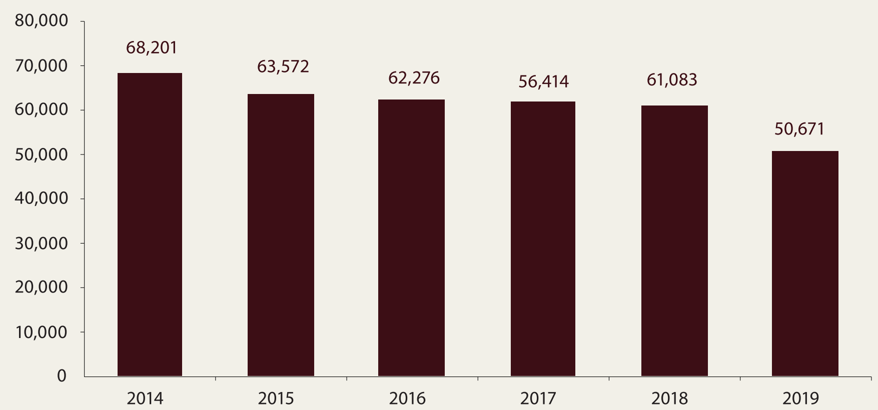
Furthermore, the number of cleared checks registered 9,130,106 in the first 11 months of 2019, down by 16.2% from 10,898,847 in the same period of 2018.

The average value per check retreated by 1.0% year-on-year to stand at US$ 5,550 in the previously mentioned period of 2019.

The value of returned checks reached US$ 1,457 million in the first 11 months of 2019, against US$ 1,470 million in the same period of 2018.

The contraction in clearing activity mirrors the rising economic sluggishness across Lebanon's economic sectors, especially felt at the level of private investment.

CLEARING ACTIVITY (FIRST 11 MONTHS OF THE YEAR, US$ MILLION)



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

SURVEYS

LEBANON'S ABILITY TO PAY EUROBOND OBLIGATIONS LIKELY HIGHER THAN THAT PERCEIVED BY MARKETS, SAYS GOLDMAN SACHS

According to a recent report by Goldman Sachs, default on Lebanon's Eurobonds is not inevitable, and the government's ability to pay is likely higher than perceived by markets. The report shows that a combination of fiscal reforms and a restructuring of the domestic debt could be enough to put public finances on a sustainable footing without having to resort to an external default.

Lebanon has long suffered from persistent twin current account and fiscal deficits that lie at the heart of the current economic crisis. On the external side, sustained net capital outflows in the balance of payments have led to a sharp deterioration in the FX liquidity position of the monetary sector over the past few years, as per Goldman Sachs.

This has eroded already weakening depositor confidence and necessitated the implementation of de facto capital controls which are seriously harming medium-term economic prospects, as per Goldman Sachs.

Meanwhile, persistent fiscal deficits have resulted in a large debt overhang. Public debt, already hovering around 100% of GDP, rose sharply in the years following the end of the Lebanese civil war, mainly due to the cost of reconstruction. Peaking at 180% of GDP in 2006, it now stands at over 150% (and rising), with interest payments consuming around 10% of GDP. This raises concerns about the sustainability of the public finances.

The inter-linkages between the fiscal and external imbalances in Lebanon argue for broad-based reforms that tackle both. Goldman Sachs believes that any debt restructuring should therefore be carried out as part of a wider set of economic reforms generally, and in support of a sustained fiscal consolidation effort, specifically.

Tax revenues, at 14% of GDP, are low by international standards. Part of this is down to low tax rates, even compared with regional peers. Goldman Sachs thinks that closing the gap could provide significant benefits to the public finances. Better revenue collection, however, could be more feasible, politically.

Both VAT and income tax compliance is low. Improving tax administration, clamping down on tax evasion and other illicit activities could provide significant upsides to the budget, as per the report.

Turning to the expenditure side, implementation of the energy reforms agreed by the cabinet in April could curb the losses at EdL in the medium term, saving the budget around 3% of GDP per year. Addressing civil service reform through wage measures and deeper civil service reform would also be important in the long run, but is likely to prove highly politically sensitive in the near term. Last but not least, debt restructuring is almost an important factor as the other 50% of revenues are consumed by interest payments.

Goldman Sachs believes a number of factors would make a local currency restructuring preferable to a foreign currency default from the Lebanese government's perspective. These include materiality, as almost two-thirds of Lebanon's debt stock (and 60% of the interest burden) is denominated in local currency. Second, the composition of holding is such where 100% of the local currency debt stock is held by residents. Moreover, the BdL holds over half the local debt, with the rest mainly held by the local banks. Thirdly, it has lower workout cost where the composition of domestic holdings increases the ease of implementing a restructuring and reduces the risk of litigation and hold-outs. Fourth, the reputational costs of avoiding external default are lower as the latter could have greater implications for future pricing and market access than a domestic restructuring.

S&P AFFIRMS LEBANON LONG-TERM AND SHORT-TERM FOREIGN AND LOCAL CURRENCY SOVEREIGN CREDIT RATINGS AT "CCC/C"

Standard & Poor's (S&P) affirmed the long-term and short-term foreign and local currency sovereign credit ratings on Lebanon at "CCC/C". The outlook remains "negative".

The outlook reflects the risk to Lebanon's creditworthiness from heightened financial and monetary pressures tied to widespread protests and the government's resignation. The outlook also indicates that the rating agency could lower the ratings over the next six to 12 months following its review of the government's policy response to acute financial, economic, and social pressures, and how effectively the authorities will be able to restore depositor confidence.

S&P could affirm or raise the ratings following the timely formation of a new government that is able to advance immediate reforms to stem deposit withdrawals and diffuse social tensions. Sizable external donor support that could help ease fiscal pressure and improve confidence in the currency peg could also contribute to a positive rating action.

The rating agency could lower the ratings if the confidence in and stability of the currency peg weaken further, further pressuring the government's ability to service its upcoming debt maturities amid large external financing needs.

Standard & Poor's could also lower the ratings if the government signaled its intention to restructure its existing debt, implying that investors will receive less value than the promise of the original securities.

The rating affirmation reflects the fact that, despite significant funding pressures and the imposition of foreign-exchange (FX) restrictions, the central government of Lebanon remains current on its commercial obligations. It repaid a Eurobond maturity of US$ 1.5 billion and approximately US$ 1 billion of coupon payments in November, in a timely manner.

In 2020, the government has US$ 2.5 billion of principal maturities and US$ 2.2 billion of coupon payments due on its FX obligations. In addition, it will face repayments of local currency debt and interest equivalent to around US$ 10 billion (close to 18% of GDP) in 2020.

The Lebanese government would continue to rely on Banque du Liban's existing gross FX reserves, which, excluding gold and Eurobonds, are estimated at US$ 32 billion as of end-December 2019, to help fulfil its near-term maturities. These reserves have slightly reduced from US$ 34.5 billion at Oct. 31, 2019. S&P excludes US$ 5.7 billion of government Eurobonds held on the BdL's balance sheet as of mid-December from reported gross reserves.

The rating affirmation also reflects the rating agency's view that the Central bank's recently introduced extraordinary measures (including paying commercial banks interest on their U.S. dollar deposits with BdL partly in Lebanese pounds) aim to reduce the BdL's U.S. dollar liabilities, which exceed its FX reserves. The authorities' actions are de facto an attempt to prioritize access to FX for the central government, at the expense of placing restrictions on commercial banks' ability to freely withdraw their foreign currency deposits and corresponding interest in FX, as per S&P.

This could somewhat mitigate near-term payment risk for the sovereign by prioritizing sovereign repayments in the hope that--by eventually delivering a credible fiscal reform plan--perhaps confidence and deposit inflows into Lebanon´s large financial system can be restored.

CORPORATE NEWS

CEDRUS INVEST BANK ASSETS TOTALED US$ 2.0 BILLION AT END-2018

Cedrus Invest Bank registered net profits of US$ 43.2 million in 2018, edging up from US$ 42.3 million in 2017, as per Bankdata Financial Services.

Net interest income amounted to US$ 62.0 million in 2018, up from US$ 30.1 million recorded in 2017.

Net fee income rose by 1.0% year-on-year to US$ 3.6 million in 2018.

Net operating income increased by 14.1% to attain US$ 76.2 million in 2018.

Total operating expenses expanded by 11.4% year-on-year to US$ 27.3 million in 2018.

Among the latter, staff expenses reached US$ 16.8 million in 2018, 12.6% higher than those reported in 2017, while administrative and other operating expenses recorded US$ 8.7 million in 2018, 4.8% higher than those in 2017.

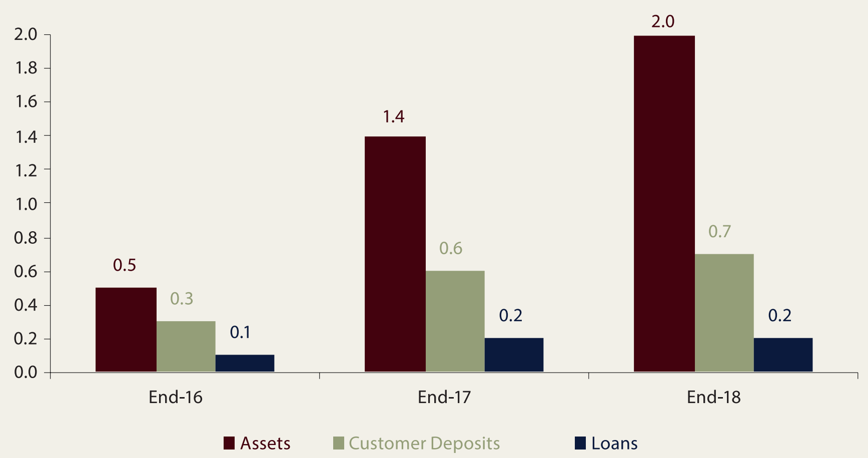
The bank's interest margin rose from 3.3% in 2017 to 3.8% in 2018.

Cedrus Invest Bank assets totaled US$ 2.0 billion at end-2018, up by 44.4% from end-2017. Net loans and advances stood at US$ 203.9 million at end-2018, up from US$ 167.6 million at end-2017.

The gross credit impaired loans (stage 3) to gross loans ratio stood at 22.3% at end-2018, up from 20.2% at end-2017. The loan loss reserves on credit impaired loans (stage 3) to credit impaired loans (stage 3) ratio decreased from 99.4% at end-2017 to 92.9% at end-2018.

Customers' deposits amounted to US$ 699.2 million at end-2018, up by 21.7% from end-2017. Shareholders' equity totaled US$ 354.6 million at end-2018, up by 6.7% from end-2017.

CEDRUS INVEST BANK'S MAJOR BALANCE SHEET AGGREGATES (US$ BILLION)



Sources: Bankdata Financial Services, Bank Audi's Group Research Department

NET PROFITS OF FENICIA BANK UP TO US$ 14.8 MILLION IN 2018

Fenicia Bank posted net profits of US$ 14.8 million in 2018, up from US$ 10.8 million reported in 2017, as per Bankdata Financial Services.

The bank's net interest income attained US$ 30.2 million in 2018, rising from US$ 25.1 million in 2017. Net fee income increase by 1.6% year-on-year to stand at US$ 8.5 million in 2018. Net gain on financial instruments at fair value through profit & loss fell by 17.4% year-on-year.

Total operating income increased by a yearly 13.9% from US$ 35.3 million in 2017 to US$ 40.2 million in 2018.

This was accompanied by a 0.3% yearly rise in total operating expenses, which amounted to US$ 17.6 million in 2018.

Among the latter category, staff expenses increased by 2.1% year-on-year to reach US$ 9.8 million in 2018 and administrative and other operating expenses edged up by a yearly 10.2% to register US$ 6.7 million in 2018.

The bank's total assets amounted to US$ 1.8 billion at end-2018, up by 7.3% from US$ 1.7 billion at end-2017.

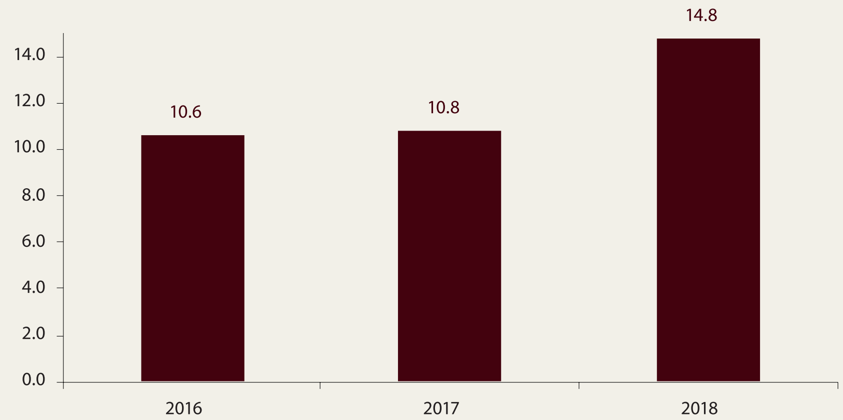
Deposits from customers stood at US$ 1.4 billion at end-2018, up by 2.2% from end-2017.

Loans to customers registered US$ 522.7 million at end-2018, up from US$ 501.0 million at end-2017.

The loans to deposits ratio rose from 35.8% at end-2017 to 36.5% at end-2018. The net primary liquidity to deposits ratio edged up to reach 45.3% at end-2018.

Shareholders' equity totaled US$ 153.7 million at end-2018, down by 2.0% from end-2017.

FENICIA BANK'S NET PROFITS (US$ MILLION)



Sources: Bankdata Financial Services, Bank Audi's Group Research Department

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE CLOSES THE WEEK AT 20%

After hovering around 100% in the previous few weeks, the overnight rate remained at acceptable levels during this week. The said rate initiated the week at 30%, and slid to 20% on Thursday and Friday, within the context of relatively reduced conversions in favor of foreign currencies on the foreign exchange market.

INTEREST RATES

	20/12/19	13/12/19	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 SURPLUS OF LP 12 BILLION

The latest Treasury bills auction results for value date 19th of December 2019 showed that the six-month category (offering a yield of 5.85%), the two-year category (offering a coupon of 7.0%) and the ten-year category (offering a coupon of 10.0%) had full allocations.

In parallel, the Treasury bills auction results for value date 12th of December 2019 showed that total subscriptions amounted to LP 119 billion and were distributed as follows: LP 8 billion in the three-month category (offering a yield of 5.30%), LP 60 billion in the one-year category (offering a coupon of 6.50%) and LP 51 billion in the five-year category (offering a coupon of 8.0%). These compare to maturities of LP 107 billion, resulting into a nominal weekly surplus of LP 12 billion.

It is worth mentioning that while the Central Bank of Lebanon continued to intervene on the primary Tbs market over this year, it has also subscribed in the ten-year Tbs category in November and December 2019 for a total amount of LP 3,000 billion at a yield of 1%, following an agreement with the Ministry of Finance. This was reflected by a LP 3,977 billion expansion in BDL's LP securities portfolio between end-October 2019 and mid-December 2019.

TREASURY BILLS

	20/12/19	13/12/19	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%	⇔
10-year	-	10.00%	10.00%	
Nom. Subs. (LP billion)		**119**	**98**	
Short -term (3&6 mths)		8	4	
Medium-term (1&2 yrs)		60	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		51	83	
Maturities		**107**	**124**	
Nom. Surplus/Deficit		**12**	**-26**	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: BDL'S FOREIGN ASSETS DOWN TO US$ 37.6 BILLION MID-DECEMBER

Amid exceptional banking directives that have put restrictions on overseas transfers and led to reduced commercial demand for the US dollar, and in the middle of a high deposit dollarization rate, quoted at 73.4% at end-October 2019 according to latest figures, which is the highest since July 2008, the foreign exchange market saw this week a slowdown in the pace of conversions in favor of foreign currencies.

In parallel, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of December 2019 showed that BDL's foreign assets declined by US$ 490 million during the first half of the month to reach US$ 37.6 billion mid-December, bringing year-to-date contractions to circa US$ 2.1 billion.

EXCHANGE RATES

	20/12/19	13/12/19	28/12/18	
LP/US$	1,507.50	1,507.50	1,507.50	⇔
LP/£	1,965.78	2,022.31	1,905.78	↑
LP/¥	13.79	13.75	13.66	↓
LP/SF	1,538.27	1,534.98	1,529.68	↓
LP/Can$	1,147.52	1,145.34	1,107.48	↓
LP/Euro	1,676.19	1,685.39	1,724.73	↑

Source: Bank Audi's Group Research Department

STOCK MARKET: SHY EQUITY PRICE GAINS WEEK-ON-WEEK

Activity on the BSE remained quite shy this week. The total turnover was restricted to US$ 995 thousand and compared to US$ 557 thousand in the previous week and an average weekly trading value of US$ 3.7 million since the beginning of the year 2019. Solidere shares captured 67.7% of the total, followed by the banking shares with 31.8% and the industrial shares with 0.5%.

As far as prices are concerned, the BSE price index increased by a shy 0.6% week-on-week. Three out of five traded stocks posted price gains, while one stock registered price declines and one stock saw no price change week-on-week. Solidere "B" shares led the advance, recording a 10.9% surge in prices to reach US$ 5.99, followed by Solidere "A" shares with +7.1% to US$ 6.04 and Holcim Liban's shares with +2.6% to US$ 9.75. On the other hand, Bank Audi's Preferred "I" share price dropped to US$ 77.95. Bank of Beirut "Priority shares 2014" saw no price change week-on-week, standing at US$ 21.0.

AUDI INDICES FOR BSE

22/1/96=100	20/12/19	13/12/19	28/12/18	
Market Cap. Index	309.04	307.11	384.30	↑
Trading Vol. Index	8.66	4.84	227.09	↑
Price Index	67.75	67.33	83.87	↑
Change %	0.63%	-0.07%	-0.70%	↑
	20/12/19	13/12/19	28/12/18	
Market Cap. $m	7,332	7,286	9,117	↑
No. of shares traded (Exc. BT)	121,003	103,140	4,241,140	↑
Value Traded $000 (Exc. BT)	995	557	21,393	↑
o.w. : Solidere	673	552	1,208	↑
Banks	317	5	20,107	↑
Others	5	0	78	↑

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

BOND MARKET: LEBANESE BOND MARKET UNDER DOWNWARD PRICE PRESSURES AGAIN

The Lebanese Eurobond market followed a downward trajectory over this week, following last week's credit rating cut by Fitch to "CC" level, while all eyes are focused on the formation of a credible government that can carry swift reforms and secure international support.

Lebanese sovereigns came under downward price pressures, with papers maturing between 2020 and 2037 registering weekly price contractions ranging between 0.75 pt and 2.13 pts. Within this context, the weighted average bond yield rose from 27.60% at the end of last week to 29.47% at the end of this week, up by 187 bps. The weighted average bid Z-spread expanded from 2,762 bps at the end of last week to 2,971 bps at the end of this week. As to the cost of insuring debt, Lebanon's five-year CDS spreads widened from 2,141 -2,223 bps at the end of last week to 2,342-2,485 bps at the end of this week.

EUROBONDS INDICATORS

	20/12/19	13/12/19	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	29.47%	27.60%	9.95%	↑
Z-Spread (bid in bps)	2,971	2,762	764	↑
Average Life	7.51	7.53	7.83	↓
Yield on US 5-year note	1.75%	1.71%	2.61%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	20-Dec-19	13-Dec-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/$	109.48	109.34	109.61	0.1%	-0.1%
$/£	1.300	1.333	1.275	-2.5%	1.9%
$/Euro	1.108	1.112	1.147	-0.4%	-3.4%
STOCK INDICES					
Dow Jones Industrial Average	28,455.09	28,135.38	23,327.46	1.1%	22.0%
S&P 500	3,221.22	3,168.80	2,506.85	1.7%	28.5%
NASDAQ	8,924.96	8,734.88	6,635.28	2.2%	34.5%
CAC 40	6,021.53	5,919.02	4,730.69	1.7%	27.3%
Xetra Dax	13,318.90	13,282.72	10,558.96	0.3%	26.1%
FT-SE 100	7,582.48	7,353.44	6,728.13	3.1%	12.7%
NIKKEI 225	23,816.63	24,023.10	20,014.77	-0.9%	19.0%
COMMODITIES (in US$)					
GOLD OUNCE	1,478.22	1,476.33	1,282.49	0.1%	15.3%
SILVER OUNCE	17.20	16.93	15.50	1.6%	11.0%
BRENT CRUDE (per barrel)	66.14	65.22	53.80	1.4%	22.9%
LEADING INTEREST RATES (%)					
1-month Libor	1.76	1.74	2.50	0.02	-0.74
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	1.92	1.82	2.68	0.10	-0.76

Sources: Bloomberg, Bank Audi's Group Research Department