

## Economy

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### p.2 BANKING SECTOR DEPOSITS CONTRACTION AT LOWER PACE IN 2022

Banking sector statistics for the first eleven months of 2022 suggest a continuation of the trend reported earlier, namely a lower contraction in customer deposits relative to the one reported the year before, a continuing deleveraging of banking sector loans to the private sector, a further contraction in banks' net Eurobond portfolio and an additional retreat in shareholders' equity amid persistent bank losses.

Also in this issue

- p.3** Number of passengers at the airport hiked by 48% between 2021 and 2022
- p.3** Port of Tripoli reports a 39% increase in freight activity year-on-year in the first 11 months of 2022
- p.4** Property market's sales operations down by 27% year-on-year in 2022

## Surveys

### p.5 MERCY CORPS ISSUES A NEW STUDY ON LEBANON REMITTANCES

A new report has been issued by Mercy Corps. It says remittances and other diaspora inflows have long played an important role in Lebanon's economy, bringing in an average of US\$ 7.15 billion US Dollars each year, over the past 10 years.

Also in this issue

- p.6** Hotel occupancy up to 51% in the first 10 months of 2022, as per EY

## Corporate News

### p.7 BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,112 MILLION AT END-NOVEMBER 2022

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,111.5 million at end-November 2022, registering a decline of 2.6% against its figure at end-2021.

Also in this issue

- p.8** MEA aims to expand its aviation network
- p.8** Three Lebanese universities among the top ranked universities worldwide for sustainability
- p.8** Initiative by the British Embassy in Beirut for Lebanon's female youth

## Markets In Brief

### p.9 MARKETS IN BRIEF: LP FALLS TO NEW LOWS AFTER SUSPENDING "SAYRAFA" ACTIVITY FOR FIRMS

Amid a protracted multilayered political vacuum and following the Central Bank of Lebanon's decision to suspend "Sayrafa" activity for firms and put a monthly limit to individuals, the country's capital markets saw this week the Lebanese pound plummet to new historical lows, while equities traced an upward trajectory and Eurobond prices remained at mid-single digit levels. In details, the LP/US\$ black market rate pierced the LP/US\$ 49,000 level upward on Friday as compared to LP/US\$ 43,200 at the end of last week, which marks a rise of 13%. This is mainly explained by an increased demand for cash US dollars on the parallel FX market after BDL restricted "Sayrafa" activity to individuals with a monthly limit of LP 100 million. On the equity market, the BSE price index rose by 1.7% week-on-week, mainly supported by Solidere shares, while the total turnover increased tenfold to reach US\$ 24.5 million. At the level of the Eurobond market, sovereign prices remained at record lows of 5.88 cents per US dollar on Friday, mainly weighed by darkened domestic political outlook and lingering reform uncertainties.

### LEBANON MARKETS: JANUARY 9 - JANUARY 15, 2023

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

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## ECONOMY

### BANKING SECTOR DEPOSITS CONTRACTION AT LOWER PACE IN 2022

Banking sector statistics for the first eleven months of 2022 suggest a continuation of the trend reported earlier, namely a lower contraction in customer deposits relative to the one reported the year before, a continuing deleveraging of banking sector loans to the private sector, a further contraction in banks' net Eurobond portfolio and an additional retreat in shareholders' equity amid persistent bank losses.

In fact, customer deposits contracted from US\$ 129.5 billion in December 2021 to US\$ 124.6 billion in November 2022, i.e an eleven-month decline of US\$ 4.9 billion, while they had declined by US\$ 9.6 billion over the same period last year. Customer deposits in LL grew by LL 2.2 trillion, while they had contracted by LL 2.0 trillion over the same period last year. Customer deposits in FX dropped by US\$ 6.4 billion, against a drop of US\$ 8.3 billion over last year's equivalent period. As such, deposit dollarization went down from 79.4% at end-December 2021 to 77.4% at end-November 2022, though still higher than the 73.4% level that was prevailing in October 2019 at the onset of the crisis. The average interest rate on LL deposits reported a low of 0.65% in November 2022, while the average interest rate on FX deposits reported a low of 0.05% as at the same date.

Loans to the private sector contracted from US\$ 27.7 billion in December 2021 to US\$ 21.3 billion in November 2022, i.e an eleven-month decline of US\$ 6.4 billion, while they had declined by US\$ 8.1 billion over the same period last year. Loans in LL retreated by LL 2.4 trillion, while they had contracted by LL 3.8 trillion over the same period last year. Loans in FX dropped by US\$ 4.8 billion, against US\$ 5.6 billion over last year's equivalent period. As such, loan dollarization went down from 56.3% at end-December 2021 to 50.7% at end-November 2022, a new record low for the Lebanese banking sector.

The portfolio of sovereign eurobonds reached a new 21-year low in November. The retreat is tied to some Eurobond sales on behalf of Lebanese banks but also to provisioning requirements on behalf of the Central Bank of Lebanon. The portfolio attained US\$ 3.4 billion in November 2022, against US\$ 4.4 billion at end-December 2021 and US\$ 14.8 billion in October 2019 at the onset of the crisis. As to Lebanese banks' claims on non-resident banks, they recorded US\$ 4.1 billion in November 2022, against US\$ 4.6 billion in December 2021 and US\$ 8.4 billion in October 2019.

With respect to capitalization, shareholders' equity went down from US\$ 17.8 billion at end-December 2021 to US\$ 16.4 billion at end-November 2022, bearing in mind that they had reached a peak of US\$ 20.6 billion in October 2019 at the onset of the crisis. The drop in equity is the result of banks' net losses over the period. Losses are related to the FX costs, the effects of mark ups, the surge in operating expenses as a result of inflation and the significant provisions against private and public sector risks at large.

#### COMPARATIVE YTD EVOLUTION OF BANKING SECTOR AGGREGATES

(US\$ million)	11M-17	11M-18	11M-19	11M-20	11M-21	11M-22
Growth in deposits	4,314	4,525	-11,685	-18,951	-9,606	-4,894
o.w FX deposits	7,336	5,141	-1,635	-8,441	-8,250	-6,390
o.w LP deposits	-3,022	-616	-10,050	-10,510	-1,356	1,496
Percentage growth	2.7%	2.7%	-6.7%	-11.9%	-6.9%	-3.8%
Growth in loans	1,874	-477	-6,903	-12,661	-8,131	-6,423
o.w FX loans	-977	-369	-4,555	-11,821	-5,576	-4,788
o.w. LP loans	2,851	-108	-2,348	-840	-2,555	-1,635
Percentage growth	3.3%	-0.8%	-11.6%	-25.4%	-22.5%	-23.2%
Growth in assets	11,897	26,654	10,209	-26,471	-12,446	-9,776
Percentage growth	5.8%	12.1%	4.1%	-12.2%	-6.6%	-5.6%

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## NUMBER OF PASSENGERS AT THE AIRPORT HIKE BY 48% BETWEEN 2021 AND 2022

The latest figures released by the Rafic Hariri International Airport revealed that the airport traffic posted a significant performance over the year 2022 where total number of passengers hiked by 48.0% when compared to the year 2021. This surge is due to the opening up of the global travel after lockdown restrictions worldwide and a robust summer and Christmas season for the tourism sector. In addition, the number of aircraft increased by 32.0% year-on-year. However, the total freight handled by the airport dropped by 12.0% between 2021 and 2022.

The number of incoming passengers jumped by 50.6% year-on-year and that of departing passengers by 45.5%, to reach 3,119,404 and 3,210,343 respectively in 2022. In parallel, both landings and take-offs rose by 31.9% and 32.0% respectively year-on-year in 2022, with 26,249 planes landing and 26,246 planes taking-off during the year.

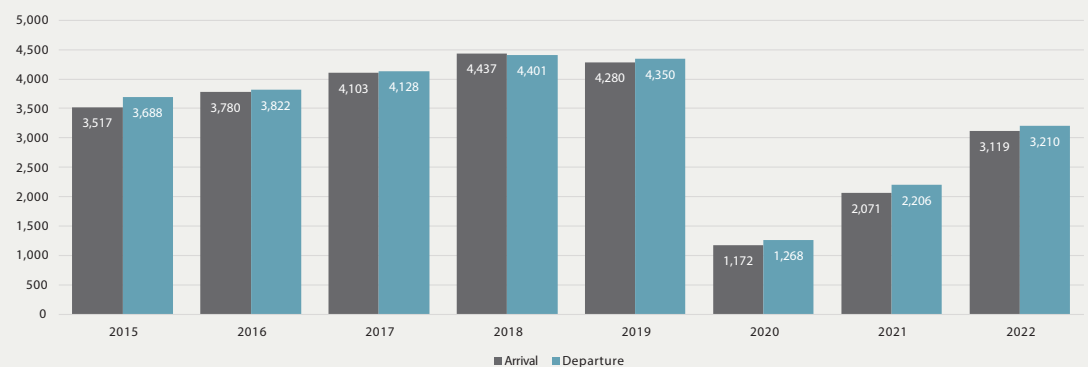
Regarding the freight movement within the airport, a total of 29,893 thousand tons were imported and unloaded during 2022, while 29,826 thousand tons were exported and loaded. The first mentioned activity posted an increase of 10.3% while the latter posted a 26.9% decrease on a yearly basis in 2022.

In details, in December 2022, total aircraft activity in the Beirut International Airport (BIA) showed a 14.7% increase from the same month of last year with 4,605 aircraft landings and take-offs in December 2022 as compared to 4,016 in December 2021.

Total number of passengers excluding transit reached 547,714 in December 2022 up from 452,428 in the same month of last year, a 21.1% increase. This increase is mainly attributed to a 24.7% increase in arrivals reaching 302,979 passengers arriving to BIA in December 2022.

On the other hand, Freight movements in the imports showed a 9.6% decrease year-on-year with 5,061 tons moved in December 2022 against 5,599 tons moved in the same month of the previous year.

### ARRIVALS AND DEPARTURES AT BEIRUT INTERNATIONAL AIRPORT



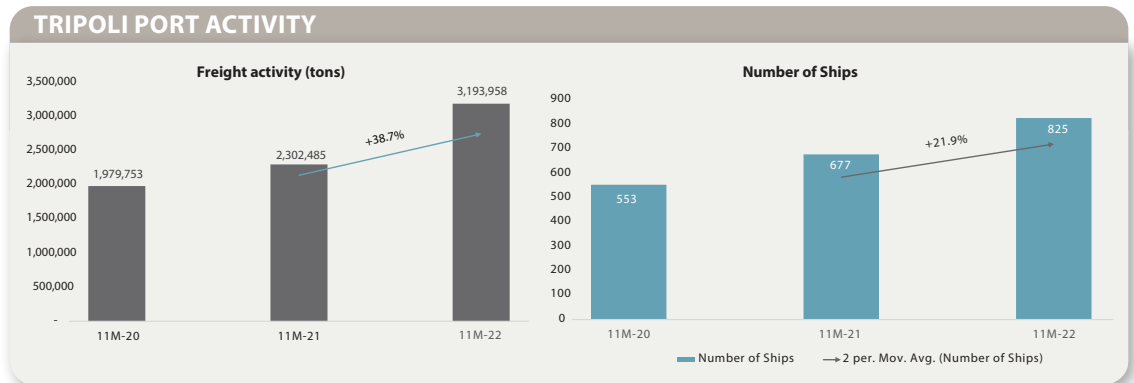
## PORT OF TRIPOLI REPORTS A 39% INCREASE IN FREIGHT ACTIVITY YEAR-ON-YEAR IN THE FIRST 11 MONTHS OF 2022

Freight activity for the port of Tripoli in the first 11 months of 2022 reached 3.2 million tons. This figure highlights a 38.7% increase from 2.3 million tons in the same period of last year. This increase is recorded after a 16.3% in freight activity in the same period between the years 2020 and 2021, as per the Ministry of Public Works and Transportation (MPWT).

In details, the number of containers at the port of Tripoli reached 74,239 in the first 11 months of 2022, up from 69,598 in the same period of 2021. Between the first 11 months of 2020 and 2022, the number of containers jumped by 45.0%. Moreover, the number of ships in the aforementioned port reached 825 ships, a 21.9% increase from figures in the same period of 2021 and a 49.2% increase from that period of 2020, as per MPWT statistics.

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Furthermore, after reporting a decrease of 61.6% in the first 11 months of 2021 as compared to the same period of 2020 reaching 52,786 tons, the tonnage of goods in transit saw a hike in the first 11 months of 2022 to record 124,188 tons. The import of cars recorded 4,740 cars in the first 11 months of 2022, a 43.8% increase from 3,297 cars in the same period of 2021. In parallel, the import of trucks saw a 39.5% increase year-on-year reaching 12,836 trucks in the first 11 months of 2022.



Sources: Ministry of Public Works and Transport, Bank Audi's Group Research Department

## PROPERTY MARKET'S SALES OPERATIONS DOWN BY 27% YEAR-ON-YEAR IN 2022

After the Lebanese realty market witnessed a positive performance in 2021, with a sector perceived as a safe haven after the economic and financial developments in the country, it witnessed a relative yearly contraction during 2022, as per the latest official figures released by the General Directorate of Land Registry and Cadastre in Lebanon revealing a decline year-on-year in both property transactions and sales activity.

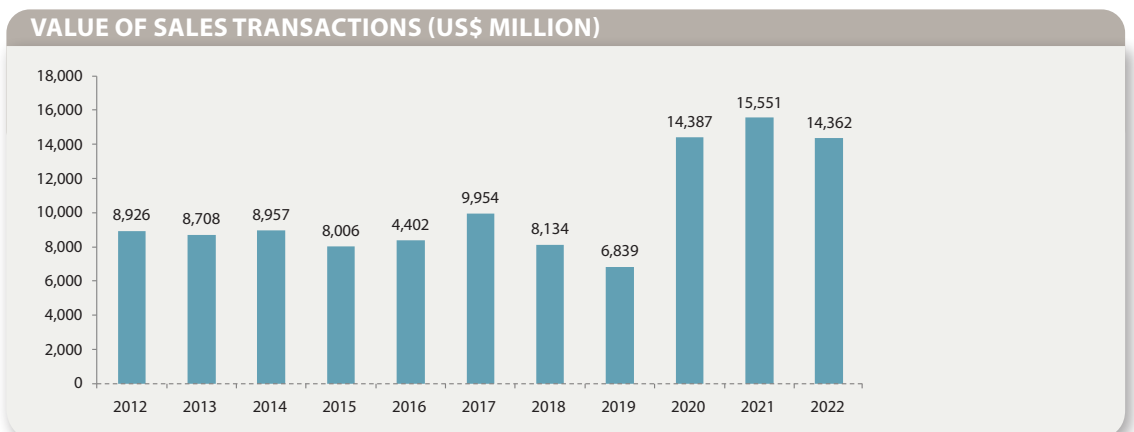
The number of sales operations went down from 110,094 operations in 2021 to 79,990 operations in 2022 showing a 27.3% drop. The number of transactions retreated by 26.2% year-on-year to stand at 147,038 in the aforementioned year of 2022. Also, the number of sales to foreigners have noted a 43.4% decrease year-on-year reaching 830 sales in 2022, down from 1,467 in 2021.

Property taxes collected during 2022 reached LP 1.6 trillion (US\$ 1.1 billion at the rate of LP 1,507.5/US\$). This notes a 32.7% increase from last year's property taxes collected with a valuation of LP 1.2 trillion (US\$ 787.5 million).

Furthermore, the value of property sales transactions contracted by 7.6% year-on-year to reach a total of US\$ 14,362 million in 2022. Most regions recorded increases in the value of sales transactions during the year, with the most significant movements coming from the South (73.1%), Beqaa (38.7%) and Beirut (37.8%).

On a side note, the average property sales value increased from US\$ 141,247 in 2021 to US\$ 179,542 in 2022, showing a 27.1% increase.

In a look at the breakdown of the value of property sales, Beirut captured the highest share over the year with 39.4%, followed by the South with 19.9%, Baabda with a share of 10.9% and Keserouan with a share of 8.2%.



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## SURVEYS

### MERCY CORPS ISSUES A NEW STUDY ON LEBANON REMITTANCES

A new report has been issued by Mercy Corps. It says remittances and other diaspora inflows have long played an important role in Lebanon's economy, bringing in an average of US\$ 7.15 billion US Dollars each year, over the past 10 years. The collapse of Lebanon's economy, driven by the economic and fiscal crisis of late 2019; the Beirut port explosion in August 2020; and rising global food prices due to the war in Ukraine and the Covid-19 pandemic have made remittances even more important.

Lebanon is now the most remittance-dependent country on the planet, with remittances accounting for a staggering 53.8% of GDP in 2021. While it is difficult to determine the full extent to which Lebanese families receive remittances, an estimated 15% to 30% of households in 2022 rely on remittances as a source of income, up from 10% in 2018 and 2019. Notably, overall remittance volumes actually decreased over a five-year period, down to US\$ 6.6 billion in 2021, from a peak of US\$ 7.8 billion in 2016.

While remittances are often described as a social safety net, they have limitations that pose risks to poor Lebanese: Remittances sent to Lebanon are vulnerable to external shocks, such as the Ukraine crisis and global price increases. The literature shows that spikes in remittances after a crisis, such as the Beirut blast, are generally not sustained long term. Remittance senders are often in vulnerable positions in their host country and may have limited capacity to sustain long-term support. Remittances are not necessarily available to the most vulnerable populations. In a recent ARK-UNDP survey, only 2.3% of Syrian households reported receiving remittances in the past year, compared to 17.3% of Lebanese households.

Remittances are not delivered regularly in most cases. Almost two-thirds of people receiving remittances said they collected them intermittently or on special occasions like holidays and family celebrations according to Mercy Corps.

Despite these challenges, a better understanding of remittances can provide crucial context about coping strategies. Learning from changes to remittance channels post-crisis could also help inform more adaptive and robust humanitarian responses. To achieve this, the aid community in Lebanon must address multiple gaps in the current data. Remittances are not keeping pace with the rising cost of living. The purchasing power of foreign transfers decreased rapidly amid the removal of Lebanon's Central Bank subsidies in 2021, and has reduced further due to increasing international commodity prices.

Remittances are not a reliable indicator of vulnerability on their own. While remittances often go to less vulnerable families, some groups, like elderly families, may be heavily reliant on remittances for survival. Thirty-two percent of households reported that they would not be able to meet basic needs if they were not receiving remittances. Remittances are largely channeled through informal markets and subject to fluctuations in exchange rates and unclear pricing.

Remittances risk diverting spending away from productive sectors and hindering long-term growth. Some economists warn of a "remittances curse". It is important to understand the dynamics of exclusion regarding remittances and diaspora inflows. It is possible that remittances administered by municipalities may have a political bent. If one is not part of a patronage network, they may miss out.

Too often in the past, the role of remittances as an informal social safety net have been used as an excuse for political inaction, or to generalize about a lack of needs. While remittances are important, they are no substitute for economic and social reform, or well-targeted humanitarian and development assistance as per Mercy Corps.

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## HOTEL OCCUPANCY UP TO 51% IN THE FIRST 10 MONTHS OF 2022, AS PER EY

Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East for the first ten months of 2022 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed an expansion in occupancy rates, relative stability in average room rates and corollary rise in room yields.

As a matter of fact, the occupancy rate of four and five-star hotels within the capital reached 51% in the first ten months of 2022, against 44% in the same period of 2021, up by 7%, as per EY.

The occupancy rate within Beirut was ranked 9th among 13 regional cities included in the survey. It was directly surpassed by Jeddah (55%) and followed by Muscat and Amman (49%). Abu Dhabi ranked first in the Middle East, with a 74% occupancy rate, while Kuwait City came last with 45% occupancy.

Beirut's room rate moved slightly down to US\$ 51 in the first ten months of 2022 from US\$ 52 in the same period of the past year.

The rooms' yield rose to reach US\$ 26 in the first ten months of 2022 compared to US\$ 23 in the same period of the previous year.

### ERNST & YOUNG MIDDLE EAST HOTEL BENCHMARK SURVEY

	Occupancy %		Average Room Rate (US\$)		Room Yield (US\$)	
	10M 2022	10M 2021	10M 2022	10M 2021	10M 2022	10M 2021
Abu Dhabi	74	76	82	67	61	51
Madinah	71	38	144	103	103	39
Dubai	71	60	309	242	219	145
Cairo	70	52	100	63	70	33
Makkah	64	23	170	152	108	34
Riyadh	61	55	172	133	104	73
Doha	59	74	112	95	66	70
Jeddah	55	48	242	206	132	98
<b>Beirut</b>	<b>51</b>	<b>44</b>	<b>51</b>	<b>52</b>	<b>26</b>	<b>23</b>
Muscat	49	28	118	80	58	22
Amman	49	30	147	135	72	41
Manama	47	36	154	124	72	45
Kuwait City	45	39	225	222	101	86

Sources: Ernst & Young, Bank Audi's Group Research Department

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## CORPORATE NEWS

### BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,112 MILLION AT END-NOVEMBER 2022

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,111.5 million at end-November 2022, registering a decline of 2.6% against its figure at end-2021.

In details, currency and deposits with Central Banks increased from US\$ 73.1 million at end-2021 to US\$ 87.1 million at end-November 2022.

Claims on resident customers inclined in November 2022 (13.0%) reaching US\$ 530.0 million, with respect to US\$ 469.0 million at end-2021. Claims on non-resident customers at end-November 2022 decreased by 7.3% with respect to end-2021, standing at US\$ 11.5 million.

Claims on resident financial sector stood at US\$ 255.6 million as at end-November 2022 declining by 10.5% from its figure by end-2021. Claims on non-resident financial sector reached US\$ 39.7 million at end-November 2022, revealing an increase of 23.2% when compared to its level at end-2021.

Claims on the public sector recorded US\$ 8.6 million at end-November 2022, registering a negligible incline of 1.2% from its figure at end-2021.

Securities portfolio declined to US\$ 63.4 million at end-November 2022, down by 7.8% from its registered figure at end-2021.

Tangible assets reported retreated by 10.0% at end-November 2022 with respect to end-2021, reaching US\$ 48.4 million. Similarly, intangible assets dropped from US\$ 108.0 million at end-2021 to US\$ 57.4 million at end-November 2022, shrinking considerably by 46.9%.

On the liabilities side, resident customer deposits contracted by 25.3% registering US\$ 148.1 million at end-November 2022, against US\$ 198.2 million at end-2021. Non-resident customer deposits hiked considerably by 107.1% at end-November 2022 standing at US\$ 17.7 million, up from US\$ 8.5 million at end-2021.

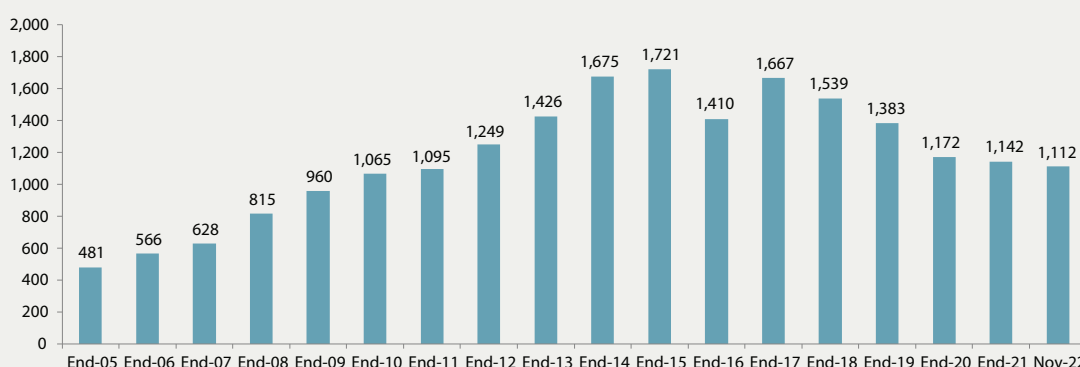
Resident financial sector liabilities stood at US\$ 136.8 million at end-November 2022, representing an increase of 16.5% from end-2021. Non-resident financial liabilities decreased from US\$ 63.6 million at end-2021 to US\$ 56.4 million at end-November 2022, retreating by 11.4%.

Public sector deposits retreated to US\$ 5.5 million at end-November 2022, witnessing a decline of 4.1% from its figure by end-2021.

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

Capital accounts reported US\$ 425.4 million at end-November 2022, down from US\$ 447.4 million at end-2021, which shows a decrease of 4.9%.

### BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



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



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## MEA AIMS TO EXPAND ITS AVIATION NETWORK

Middle East Airlines (MEA) aims to undertake steps to widen its aviation network through a series of strategies. This move comes following the success of the company during the world cup season.

MEA plans to follow strategies that will market the company and expand its reach with the end goal of making it more attractive to costumers.

The first strategy that will be applied targets the marketing of services using travel lines approved during the world cup. This move will create a connection between South America and Europe to Eastern and Gulf countries with Lebanon as an intermediate. This goal can be done through the development of relations between MEA and its partners in the industry.

Secondly comes the opening of new routes to connect Africa to the East through Lebanon.

And finally comes the planning of point-to-point trips to Lebanon coming from any other country. This move aims to attract more tourists to the country and the focus will be set on countries that don't usually have a high number of tourists coming to Lebanon.

## THREE LEBANESE UNIVERSITIES AMONG THE TOP RANKED UNIVERSITIES WORLDWIDE FOR SUSTAINABILITY

Three Lebanese universities were ranked among the top ranked universities for environmental sustainability and green campus initiatives, according to the University of Indonesia's GreenMetric World University Ranking for 2022.

The aforementioned universities were the American University of Beirut (AUB), the Holy University of Kaslik (USEK) and the Islamic University of Lebanon (IUL) which were ranked 133rd, 236th and 656th respectively.

It is worth mentioning that the ranking is based on a multi-criteria analysis in the categories of setting & infrastructure, waste management, water management, energy & climate change, research & education, campus operation, innovative programs, cultural activities & events, sustainable community service initiatives & startups as well as health & safety infrastructure.

## INITIATIVE BY THE BRITISH EMBASSY IN BEIRUT FOR LEBANON'S FEMALE YOUTH

A competition called "Ambassador For A Day" was launched by the British Embassy in Beirut. The subject competition aims to motivate young girls in Lebanon to become change-makers and leaders wherein winners in the competition will shadow an Ambassador to Lebanon for a day.

In details, participants who win will be invited as guests of honor to the British Embassy in Beirut where they will be paired up with a random Ambassador for the day. In turn, this is expected to cultivate skills of leadership, confidence and diplomacy in the participants.

It is worth noting that the theme of the competition falls in line with this year's theme for International Women's Day of embracing equity. Eligibility to participate is given to girls between the ages of 15 and 18 who are not in university with applications open until early February 2023.



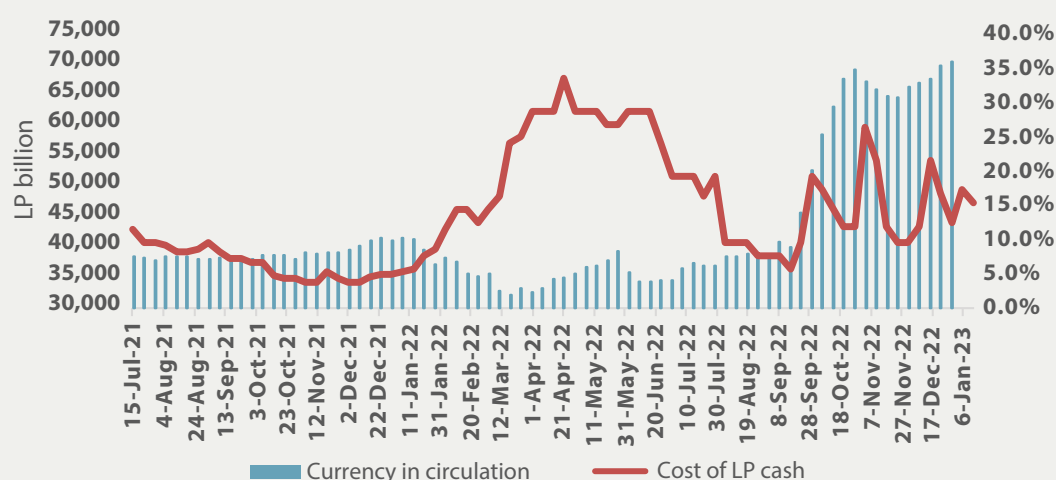
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## CAPITAL MARKETS

### MONEY MARKET: LARGE WEEKLY EXPANSION IN LP DEMAND DEPOSITS

The cost of LP cash declined from 17%-19% last week to 15%-17% on the money market this week. In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 29th of December 2022 showed a significant expansion in total resident banking deposits of LP 3,311 billion. This is mainly driven by a significant rise in total LP resident deposits of LP 3,560 billion, fueled by a large expansion in LP demand deposits of LP 3,407 billion following BDL's decision on December 27, 2022 to allow banks to unlimitedly purchase cash US dollars from the Bank at the "Sayrafa" rate of LP/US\$ 38,000 (a decision that is currently not applicable). Concurrently, LP saving deposits increased by LP 153 billion over the covered week. In contrast, foreign currency resident deposits contracted by LP 249 billion (the equivalent of US\$ 165 million as per a rate of LP 1,507.5). Within this context, the money supply in its broadest sense (M4) expanded significantly by LP 3,879 billion over the week ending 29th of December 2022, mainly due to a large growth in LP demand deposits.

#### MONEY MARKET ACTIVITY



### TREASURY BILLS MARKET: NOMINAL WEEKLY DEFICIT OF LP 178 BILLION

The latest Treasury bills auction results for value date 12th of January 2023 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the six-month category (offering a yield of 4.0%), the two-year category (offering a coupon of 5.00%) and the ten-year category (offering a coupon of 7.0%).

The Treasury bills auction results for value date 5th of January 2023 showed subscriptions of LP 18 billion, fully allocated to the Central Bank of Lebanon and mainly concentrated in the one-year category (offering a yield of 4.50%). These compare to maturities of LP 196 billion, which resulted into a nominal weekly deficit of LP 178 billion.

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## TREASURY BILLS

	13/01/2023	06/01/2023	30/12/2022	
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	-	-	-	
10-year	7.00%	-	-	
<b>Nom. Subs. (LP billion)</b>		<b>18</b>	<b>1</b>	
Short-term (3&6 mths)		0.03	-	
Medium-term (1&2 yrs)		18		
Long-term (3 yrs)		-	1	
Long-term (5 yrs)		0.08	-	
Long-term (7 yrs)		-	-	
<b>Maturities</b>		<b>196</b>	<b>193</b>	
<b>Nom. Surplus/Deficit</b>		<b>-178</b>	<b>-192</b>	

Sources: Central Bank of Lebanon, Ministry of Finance

## FOREIGN EXCHANGE MARKET: LP AT RECORD LOWS AGAINST US DOLLAR ON PARALLEL FX MARKET

The Lebanese pound fell to all-time lows against the US dollar on the black FX market this week. The LP/US\$ black market rate pierced the LP/US\$ 49,000 level upward on Friday as compared to LP/US\$ 43,100-LP/US\$ 43,200 at the end of last week. This is mainly driven by increased demand for cash US dollars on the parallel market after the Central Bank of Lebanon suspended "Sayrafa" activity for firms and imposed a monthly limit of LP 100 million per month for individuals.

Concurrently, the Central Bank of Lebanon announced that foreign currency operations on the "Sayrafa" platform remained executed at an average rate of LP/US\$ 38,000 between January 9 and 13, 2023. This brought the differential between the black market rate and the "Sayrafa" rate to more than 10,000 at the end of this week.

## EXCHANGE RATES

	13/01/2023	06/01/2023	30/12/2022	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,843.37	1,812.32	1,813.97	↓
LP/¥	11.73	11.37	11.27	↓
LP/SF	1,623.41	1,626.56	1,628.67	↑
LP/Can\$	1,129.38	1,116.42	1,108.21	↓
LP/Euro	1,634.43	1,600.66	1,603.83	↓

Source: Bank Audi's Group Research Department

# Bank Audi

## STOCK MARKET: LEBANESE EQUITIES UP BY 1.7% WEEK-ON-WEEK, SUPPORTED BY SOLIDERE SHARES

The Beirut Stock Exchange posted price gains of 1.7% this week, mainly supported by Solidere shares. Three out of six traded stocks registered price increases, while two stocks registered price retreats and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Solidere "A" share price surged by 3.3% to US\$ 61.75. Solidere "A" share price rose by 1.6% to US\$ 60.50. Holcim Liban's share price edged up by 0.3%. In contrast, BEMO's "listed" share price shed 4.2% to US\$ 1.15. Bank Audi's GDR price retreated by 0.7% to US\$ 1.39. Byblos Bank's "listed" share price remained unchanged at US\$ 0.75.

As to trading volumes, the BSE total turnover increased more than tenfold, moving from US\$ 2.2 million last week to US\$ 24.5 million this week (excluding block trades of circa US\$ 5.4 million on Bank of Beirut's "listed" shares).

### AUDI INDICES FOR BSE

	13/01/2023	06/01/2023	30/12/2022	
Market Cap. Index	624.34	613.79	614.50	↑
Trading Vol. Index	221.65	33.80	96.84	↑
Price Index	131.07	128.86	129.00	↑
Change %	1.72%	-0.12%	1.30%	↑

	13/01/2023	06/01/2023	30/12/2022	
Market Cap. \$m	14,812	14,562	14,578	↑
No. of shares traded (Exc. BT)	24,057	68,410	187,711	↓
Value Traded \$000 (Exc. BT)	24,488	2,239	6,415	↑
o.w. : Solidere	6,997	2,209	6,349	↑
Banks	17,489	30	66	↑
Others	1	0	0	↑

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

## BOND MARKET: LEBANESE EUROBOND PRICES AT HISTORICAL LOWS

Lebanese Eurobond prices continued to hover around record lows this week, reaching 5.88 cents per US dollar across the curve on Friday as compared to 5.75 cents per US dollar at the end of last week. This came within the context of a multilayered institutional vacuum and as Lebanon is facing tough challenges to meet IMF prior actions and secure much-needed international financial support, in addition to bets about low recovery rates. That being said, Lebanese sovereigns maturing between 2020 and 2037 accumulated shy price rises of 0.13 pt to 0.25 pt over the first couple of weeks of 2023.

### EUROBONDS INDICATORS

	13/01/2023	06/01/2023	30/12/2022	
Total tradable size \$m	32,364	32,364	32,364	↔
o.w.: Sovereign bonds	31,314	31,314	31,314	↔
Bid price (cents per US dollar)	5.88	5.75	5.50-5.88	↑
Average Life	5.31	5.34	5.34	↓
Yield on US 5-year note	3.56%	3.97%	3.94%	↓

Source: Bank Audi's Group Research Department

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## INTERNATIONAL MARKET INDICATORS

	13-Jan-23	06-Jan-23	31-Dec-22	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	127.86	132.08	131.11	-3.2%	-2.5%
\$/£	1.223	1.209	1.208	1.1%	1.2%
\$/Euro	1.083	1.064	1.071	1.7%	1.1%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	34,302.61	33,630.61	33,147.25	2.0%	3.5%
S&P 500	3,999.09	3,895.08	3,839.50	2.7%	4.2%
NASDAQ	11,079.16	10,569.29	10,466.48	4.8%	5.9%
CAC 40	7,022.97	6,860.95	6,473.76	2.4%	8.5%
Xetra Dax	15,102.86	14,610.02	13,923.59	3.4%	8.5%
FT-SE 100	7,847.82	7,699.49	7,451.74	1.9%	5.3%
NIKKEI 225	25,822.32	25,973.85	26,094.50	-0.6%	-1.0%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,920.23	1,865.69	1,824.02	2.9%	5.3%
SILVER OUNCE	24.26	23.83	23.95	1.8%	1.3%
BRENT CRUDE (per barrel)	85.28	78.57	85.91	8.5%	-0.7%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	4.45	4.40	4.39	0.05	0.06
US Prime Rate	7.50	7.50	7.50	0.00	0.00
US Discount Rate	4.50	4.50	4.50	0.00	0.00
US 10-year Bond	3.50	3.56	3.87	-0.05	-0.37

Sources: Bloomberg, Bank Audi's Group Research Department

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