

Economy

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Amid resumed open-ended banks' strike in protest of judicial decisions, and restricted activity on the "Sayrafa" platform, while Lebanon is reeling under the weight of a protracted institutional vacuum and a poor track record in implementing reforms, the country's capital markets saw this week the Lebanese pound plummet to unprecedented lows against the US dollar on the black FX market, while equities registered a strong price rally on hedging activity, and Eurobond prices remained at record lows. In details, the Lebanese pound lost around 23% of its value against the greenback on the parallel market this week, touching the LP/US\$ 108,000 level on Friday. The local currency's unchecked nosedive is mainly explained by recent judicial developments related to the Central Bank governor, darkened domestic political outlook, lingering reform uncertainties and dwindling liquid FX reserves, with the latter estimated below US\$ 9.5 billion mid-March 2023. At the level of the equity market, the BSE price index jumped by 16% week-on-week, as market players continued to flee to realty stocks to hedge against a multifaceted crisis and sharp currency collapse. Finally, Eurobond prices remained at historical lows of 6.875 cents per US dollar, amid a prolonged institutional void that is delaying an agreement on crisis resolution and much-needed reforms.

LEBANON MARKETS: MARCH 13 - MARCH 19, 2023

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

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ECONOMY

ANNUAL INFLATION AT 111% IN JANUARY 2022

This January the year-on-year index has surged by 110.8% compared to results of January 2022 according to the Consultation and Research Institute (CRI). All nine main indices registered increases this January. The highest increase was registered by the "Education" category (356.5%), followed by the "Recreation" category (294.8%), then by the "Other Goods and Services" category (163.9%), the "Housing" category (116.8%) and the "Durable Consumer Goods" category (115.0%).

The January 2023 year-on-year "Food and Beverages" index has significantly increased by 101.6% since January 2022. All of the four main sub indices registered increases this month, as follows: the "Nonalcoholic Beverages" category (122.5%), the "Alcoholic Beverages" category (107.8%), the "Food" category (101.6%) and the "Tobacco Products" category (92.5%). The index for "Food" increased by 101.6% compared to its level last year, as all of the twelve food group indices have witnessed increases this January. The most significant increase was registered in the "Food Away from Home" category (164.6%), followed by the "Chocolate and Candy" category (137.6%), the "Fruits" category (132.7%), the "Eggs and Dairy Products" category (118.3%), and the "Grains and Nuts" category (113.2%).

Apparel year-on-year prices registered 58.5% increase in January 2023. This was the result of the increase in the "Footwear" category (73.9%), and in the "Clothing and Sewing Materials" category (55.1%) this month.

The index for "Housing" has increased by 116.8% in January 2023 from its level last year. This was mainly due to the increase in the "Public Water Subscription" category (438.6%), followed by the "Household Maintenance" category (122.5%) and "Household Energy" category (108.7%). The other category remained stable this month.

The "Durable Consumer Goods" index has increased by 115.0% since January 2022. All eight indices have witnessed increases this January, most significantly those of the "Miscellaneous Household Products" category (269.6%), followed by the "Glassware" category (233.8%), the "Housekeeping Services" category (140.7%) and the "Cleaning Products and Services" category (125.6%).

The healthcare index has increased by 71.42% since January 2022. This is due to the increases registered in the "Medications and Medical Accessories" category (112.8%), followed by the "Outpatient Services" category (71.5%) and the "Inpatient Services" category (36.4%). The "Health Insurance" category kept stable in January 2023.

The CPI component for "Transportation and Telecommunications" has increased by 104.7% (year-on-year) in January 2023, due to the surge in the "Telephone Services" category (542.2%) and the "Transportation" category (101.6%).

The index for education has surged by 356.5% from the previous year, due to the significant increase in the "Tuition Fees" category (468.2%), followed by the "School Transportation" category (333.6%) and the "Educational Books and Supplies" category (117.2%).

The index for recreation has highly increased by 294.75% compared to its results in January 2022, due to the increase in the "Reading Materials and Photography" category (298.0%) and the "Movies and Restaurants" category (294.2%).

The index of "Other Goods and Services" has increased by 163.9% since January 2022. This was basically due to the increases registered in all of its four main indices, as follows: the "Financial Services" category (296.9%), the "Travel" category (233.3%), the "Personal Care" category (174.5%) and the "Jewelry" category (4.1%).

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YEAR-ON-YEAR CPI (JANUARY 23 / JANUARY 22)

Total CPI-January		+110.82%
Categories	Weights	Variation
Food and beverages	35.40%	+101.63%
Apparel	6.55%	+58.52%
Housing	6.49%	+116.79%
Durable consumer goods	8.18%	+114.97%
Healthcare	9.82%	+71.42%
Transportation and telecommunications	14.39%	+104.67%
Education	12.45%	+356.47%
Recreation	2.70%	+294.75%
Other goods and services	4.02%	+163.95%

Sources: Consultation and Research Institute, Bank Audi's Group Research

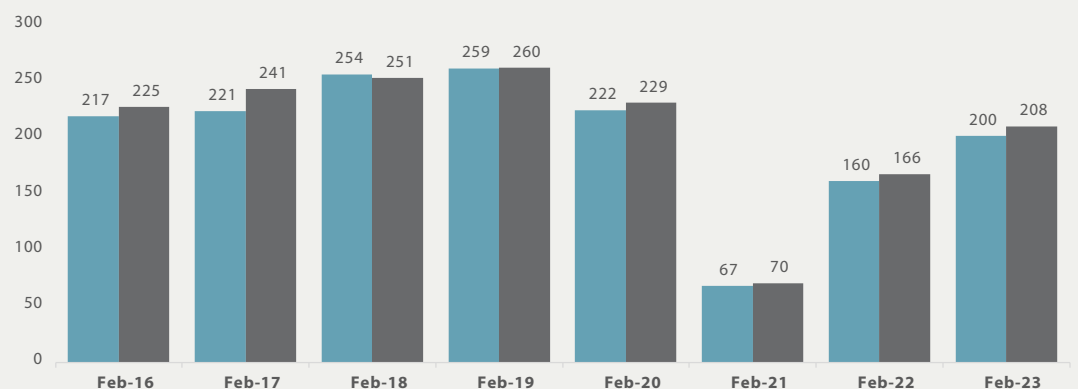
NUMBER OF PASSENGERS AT THE AIRPORT INCREASED BY 25% YEAR-ON-YEAR IN FEB-23

The latest figures released by the Rafic Hariri International Airport revealed that the airport traffic posted a positive performance in the second month of 2023 where total number of passengers increased by 25.1% when compared to the same month of 2022. In addition, the number of aircraft increased by 21.1% year-on-year. However, the total freight handled by the airport decreased by 3.4% between Feb-22 and Feb-23.

The number of incoming passengers increased by 24.7% year-on-year and that of departing passengers by 25.5%, to reach 199,527 and 207,888 respectively in the second month of 2023. In parallel, both landings and take-offs rose by 21.1% year-on-year in the second month of 2023, with 1,857 planes landing and 1,862 planes taking-off during the month.

Regarding the freight movement within the airport, a total of 2,047 tons were imported and unloaded during the second month of 2023, while 1,764 tons were exported and loaded. The first mentioned activity posted an increase of 11.4% while the latter posted a 16.2% decrease on a yearly basis in February 2023.

NUMBER OF ARRIVALS AND DEPARTURES AT BIA (000S)



Source: Beirut International Airport, Bank Audi Research Department

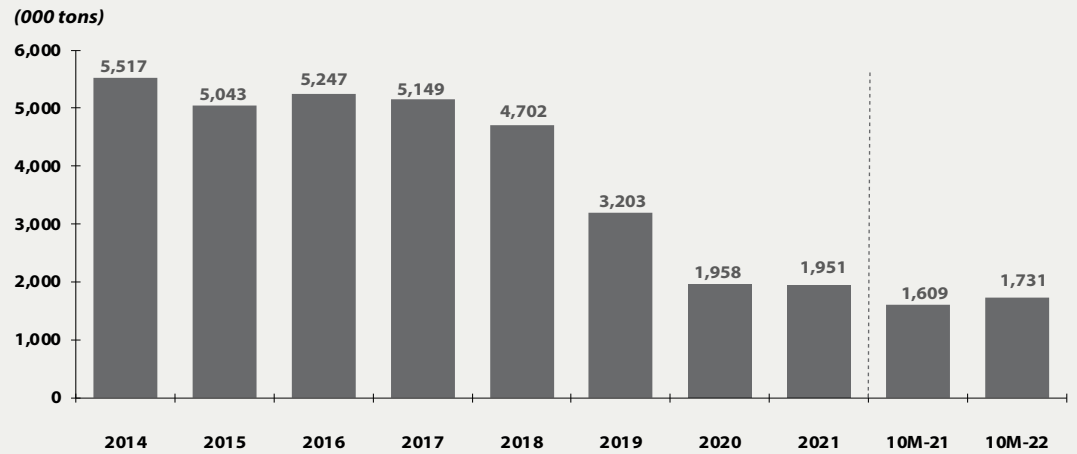
CEMENT DELIVERIES INCREASED BY 8% YEAR-ON-YEAR IN THE FIRST 10 MONTHS OF 2022

Cement deliveries, a coincident indicator of construction activity, rose by a yearly 7.6% in the first 10 months of 2022 against same period of 2021, as recently released by the Central Bank of Lebanon.

Cement deliveries reached circa 1,730,997 tons in the first 10 months of 2022, up from 1,609,077 tons in the corresponding period of 2021, reflecting an improvement in activity from the previous year's figures.

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CEMENT DELIVERIES



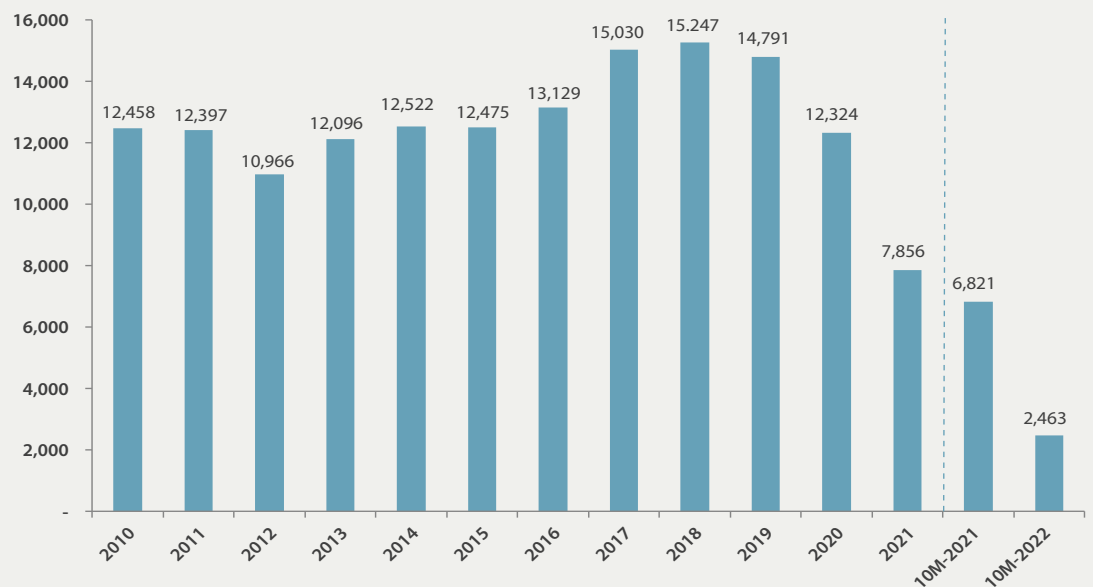
Sources: BDL, Bank Audi's Group Research Department

ELECTRICITY PRODUCTION DROPPED BY 64% YEAR-ON-YEAR IN THE FIRST 10 MONTHS

Data published by the Central Bank of Lebanon shows that electricity production declined by 63.9% year-on-year in the first 10 months of 2022. The production totaled 2,463 million Kilowatt Hours (kWh) in the first 10 months of 2022, down from 6,821 million kWh in the first 10 months of the previous year.

It is worth noting that this drop is due to the scarcity of fuel to operate the power plants stemming from the low level of foreign currency used to purchase it. This problem is still being tackled with tenders opened in late 2022 for fuel purchase that have yet to be resolved. In parallel, the payments of other shipments of fuel, notably from Iraq, are still in arrears posing mounting pressure on the Lebanese energy sector.

ELECTRICITY PRODUCTION (MILLION KWH)



Sources: BDL, Bank Audi's Group Research Department

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SURVEYS

WFP SAYS FOOD INSECURITY EXPECTED TO AFFECT 42% OF THE TOTAL POPULATION BY APRIL 2023

A new report by the World Food Program (WFP) says Lebanon is entering its fourth year of a severe economic, political, and social crisis while also hosting the largest number of refugees per capita in the world. Record-high global food and fuel prices have added to the country's already dire situation.

These crises have led to high levels of poverty and food insecurity amongst both Lebanese and refugee communities. The first integrated Food Security Phase Classification (IPC) for Lebanon in September 2022 found that 1.29 million Lebanese and 700,000 Syrian refugees –37% of the total population –are facing acute food insecurity. As the economic crisis continues to worsen, and food prices increase, food insecurity is expected to affect 1.46 million Lebanese and 800,000 Syrian refugees (42% of the total population) by April 2023.

Basic living conditions are in continuous decline. The 2022 Vulnerability Assessment of Syrian Refugees found that 90% of Syrian refugee families were in need of humanitarian assistance to survive, with the most basic needs out of reach due to inflation. Based on WFP's Household Deprivation Score, 60% of the Lebanese population was multi-dimensionally deprived in August 2022, up from 53% in December 2021 as per the report.

WFP is at the forefront of the response to Lebanon's economic and refugee crisis, which supported 2 million of the most vulnerable Lebanese and refugees in 2022 to meet their food and other essential needs. WFP is maintaining its assistance to vulnerable communities in 2023, targeting 2.4 million people.

Lebanon's public education sector continues to face challenges caused by the economic crisis. Since late 2020, teachers have gone on strike multiple times for higher wages and improved working conditions. For the 2022/2023 school year, only 46 of the required 120 school days have taken place so far. WFP's school feeding activities did not take place in January as schools were closed due to a teachers' strike.

Diversification of redemption points (e.g., installing more ATMs and including money transfer agents) and increased monitoring and crowd control helped to reduce travel time and cost for people to redeem cash assistance in 2022. Despite mitigation measures, redemption remains a challenge due to continued depreciation of the LBP and liquidity issues at ATMs, and the higher volume of cash-outs and harassment or tensions with other ATM users.

In 2022, WFP and sector partners reached 2.1 million refugees and Lebanese through cash and food assistance. In addition, more than 36,000 small-scale farmers benefitted from agricultural livelihoods intervention including trainings, provision of inputs, and rehabilitated infrastructure and assets according to the report.

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HUMAN RIGHTS WATCH SAYS OVER 80% OF THE LEBANESE POPULATION PUSHED INTO POVERTY

Lebanon entered the fourth year of a crippling economic crisis that has had disastrous consequences for rights and pushed over 80% of the population into poverty according to a new report by Human Rights Watch on Lebanon. Marginalized communities, including refugees, people with disabilities, children, older people, migrant workers, and LGBT people, have been disproportionately impacted. The crisis has had a devastating impact on the provision of public services, and in particular education, security, and health.

The Lebanese government and the International Monetary Fund reached a staff-level agreement for a program worth about US\$3 billion over 46 months, contingent on key reforms that the political establishment has been stalling and obstructing as per HRW.

Lebanon's established political parties failed to make any public commitments to strengthen human rights' protections. While 13 independent reformist candidates won seats, the parliamentary election did not result in any meaningful shift in the political status quo.

Decades of corruption and mismanagement in the electricity sector have led to its unraveling, with the state unable to provide more than two to three hours of electricity per day.

The Lebanese crisis ranks among the "most severe crises episodes globally since the mid-nineteenth century," and is the product of three decades of deliberate, reckless fiscal and monetary policy.

The currency has lost more than 95% of its pre-crisis value. This rapid devaluation, as well as supply-chain bottlenecks and fuel shortages have caused food prices to increase dramatically by 483% in January 2022 compared to the year before, and remaining high at 332% as of June 2022. As the Central Bank ran out of foreign reserves and lifted subsidies on the import of most vital goods, prices for electricity, water, and gas skyrocketed, increasing by 595% between June 2021 and June 2022. The price hikes turned utilities essential for business, health, and food into a luxury many people can afford only in limited quantities, if at all.

A nationally representative survey conducted by Human Rights Watch between November 2021 and January 2022 found that the median household reported a monthly income of just US\$122. 70% of households said they had difficulty making ends meet or were always behind on basic expenses, and 22% said that they sometimes or often did not have enough to eat in the past month.

While the crisis has impacted most people, the special rapporteur on extreme poverty found that women, children, migrant workers, Syrian and Palestinian refugees, and people with disabilities are particularly affected. The crisis has had a devastating impact on the provision of public services. Schools have been struggling to operate amid resignations and strikes by teachers, electricity and internet cuts, and inflation. Public schools for hundreds of thousands of Lebanese and Syrian students have largely been closed for the last three years.

The healthcare sector is crumbling amid the migration of thousands of doctors and nurses from Lebanon, a shortage in medicines and medical supplies, and electricity cuts. The National Social Security Fund (NSSF), the largest employment-based provider of social services, is almost bankrupt and has not been reimbursing subscribers for their medical bills.

Despite increased support from donor states, Lebanese army soldiers, whose real wages have fallen from \$900 to less than \$50 a month, have received minimal pay increases and have had to take on extra jobs or quit.

Lebanon's social protection system suffers from large coverage gaps and is chronically under-funded. Since the financial crisis, Lebanon has only introduced one new social assistance program, the Emergency Social Safety Net Project (ESSN), financed by the World Bank, to provide cash transfers to 150,000 households during 2022 according to the report.

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CORPORATE NEWS

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,137 MILLION AT END-JANUARY 2023

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,136.5 million at end-January 2023, registering a slight increase of 1.1% against its figure at end-2022.

In details, currency and deposits with Central Banks decreased by 3.2% from US\$ 95.7 million at end-2022 to US\$ 92.6 million at end-January 2023.

Claims on resident customers declined slightly in January 2023 (0.9%) reaching US\$ 529.8 million, with respect to US\$ 534.8 million at end-2022. Claims on non-resident customers decreased by 14.7% at end-January 2023 with respect to end-2022, standing at US\$ 10.4 million.

Claims on resident financial sector stood at US\$ 298.6 million as at end-January 2023 increasing by 7.5% from its figure by end-2022. Claims on non-resident financial sector reached US\$ 39.1 million at end-January 2023, revealing a decrease of 9.1% when compared to its level at end-2022.

Claims on the public sector recorded US\$ 9.0 million at end-January 2023, registering an incline of 1.2% from its figure at end-2022.

Securities portfolio declined to US\$ 34.4 million at end-January 2023, down by 4.5% from its registered figure at end-2022.

Tangible assets retreated slightly by 0.9% at end-January 2023 with respect to end-2022, reaching US\$ 47.7 million. Similarly, intangible assets increased from US\$ 56.0 million at end-2022 to US\$ 64.2 million at end-January 2023, showing an increase of 14.6%.

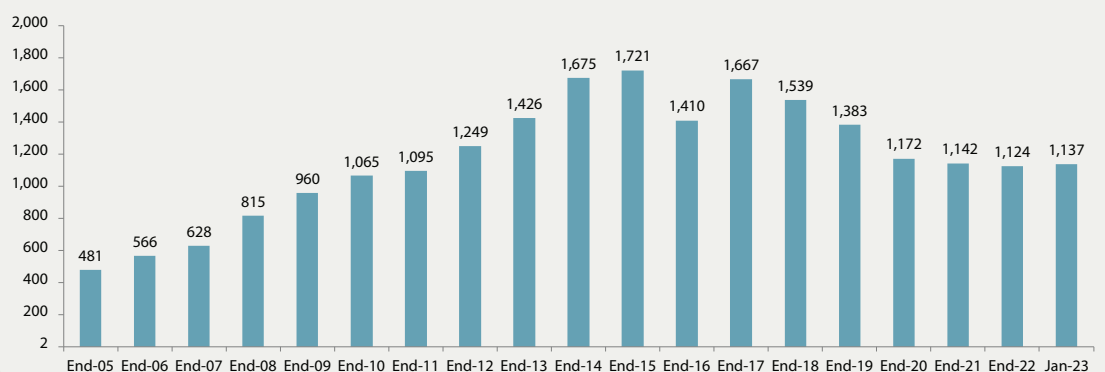
On the liabilities side, resident customer deposits contracted by 4.4% registering US\$ 182.9 million at end-January 2023, against US\$ 191.3 million at end-2022. Non-resident customer deposits contracted slightly by 0.8% at end-January 2023 to stand at US\$ 5.9 million.

Resident financial sector liabilities stood at US\$ 126.6 million at end-January 2023, representing a considerable increase of 20.3% from end-2022. Non-resident financial liabilities increased slightly from US\$ 56.3 million at end-2022 to US\$ 57.3 million at end-January 2023, increasing by 1.9%.

Public sector deposits hiked to US\$ 3.5 million at end-January 2023, witnessing an increase of 44.1% from its figure by end-2022.

Capital accounts reported US\$ 505.5 million at end-January 2023, up from US\$ 502.5 million at end-2022, which shows an increase of 0.6%.

BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



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

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INTERNATIONAL INSTITUTIONS COOPERATE WITH LEBANON'S HOUSING BANK TO FINANCE LOANS

With the financing of international institutions, energy loans from the Housing bank are being cashed in by clients fully in cash as opposed to the prior 50% cash 50% check formula. A loan for solar energy, in cooperation with Deutsche Bank, offers up to US\$ 5,000 at an interest rate of 5% over a period of five years for an energy grant of five kilovolt-Amperes, as per the Chairman of the Board of Directors and General Manager of the Housing Bank.

The United States Agency for International Development (USAID) also offered a cooperation to finance loans for the treatment of wastewater for rural houses with the aim to bring stability to Lebanese villages.

It is worth noting that additional agreements are in discussion, notably with Total Energy for solar energy financing.

IRAQ CANCELS ENTRY VISA FEES FOR THE LEBANESE

The Lebanese Caretaker Minister of Labor announced that Iraq cancelled its Entry Visa fees for the Lebanese (amounts to circa US\$ 52) following a unanimous vote in the Iraqi cabinet. This comes as calls for investments in Iraq are being made on the Lebanese side with Iraq vowing to provide all facilitations for Lebanese people to work and invest in Iraq's economy.

AUB AND RESOURCE GROUP PARTNERSHIP FOR THE CREATION OF A DIGITAL TRANSFORMATION AWARD

A partnership was created between the American University of Beirut and Resource Group for the creation of the Hisham Itani Digital Transformation Award. This award targets compelling and unique digital transformation projects in any field, providing monetary support and sharing know-how with participants to make their projects a reality, as per the CEO and Chairman of Resource Group.

It is worth noting that Resource Group is a diversified business technology group operating in the MENA region.

IRALEB AND BERYTECH COOPERATION TO CREATE LEBANON INNOVATE

The Board of Trustees of the Industrial Research Achievements Association (IRALEB) signed an agreement of cooperation with the president of BERYTECH. This agreement intends to assign responsibility to the latter in implementing a new program funded by the European Union to stimulate the innovation system in the country. The program is called "Stimulating the Innovation Ecosystem in Lebanon".

Responsibility was given to BERYTECH as head of the consortium which groups it with IRALEB, ANIMA, LEITAT, ELCIM and ebn.

It is worth noting that a meeting between the Lebanese Caretaker Minister of Industry and a delegation of the World Bank was also held with the aim of modernization and development of Lebanon's food industry sector. This is done through programs funded by soft loans and grants.

MoL AND TOTAL ENERGY MEETING FOR BLOCK 9 DRILLING PROSPECTS

A meeting between the Caretaker Minister of Labor and Total Energy was conducted with the aim of setting the prospects for the Block 9 drilling activities.

The need to employ Lebanese technicians and specialists was brought up with the Ministry of Labor (MoL) announcing its readiness to execute accelerated vocational training. Additionally, a need to inform the ministry of recruitment processes was discussed so that the company's needs can be announced on MoL platforms to form a direct relationship between the company and applicants. In parallel, continuous and direct communication mechanisms between the MoL and Total Energy were agreed on during the meeting, as per the Caretaker Minister of Labor.

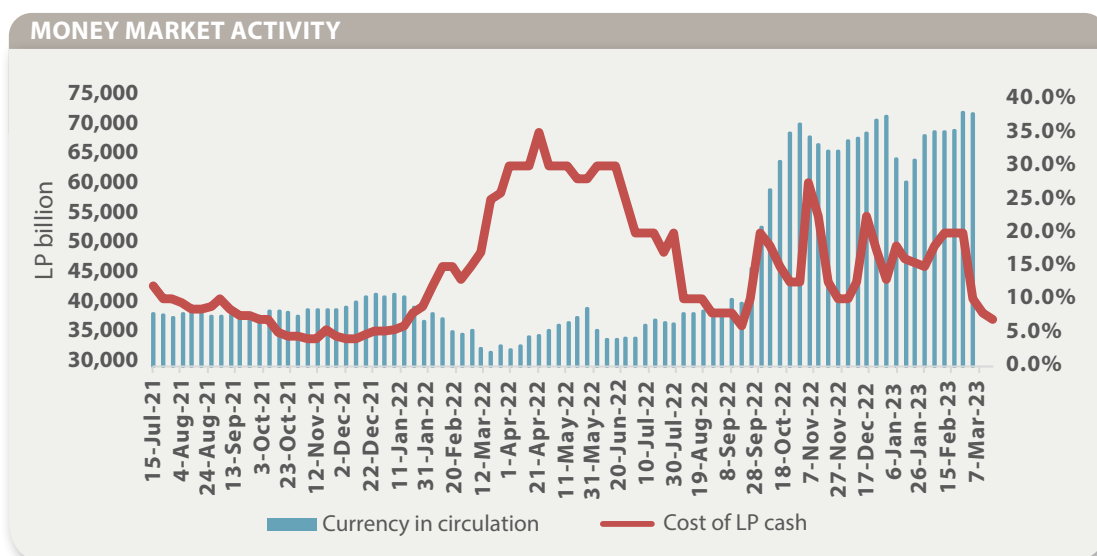
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CAPITAL MARKETS

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

The overnight rate, which is a non-cash rate on the money market, initiated the week at 30%, yet fell gradually to reach 10% on Friday. Concurrently, the cost of LP cash was quoted at 6%-8% this week as compared to 7%-9% in the previous week.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 2nd of March 2023 showed that total resident banking deposits expanded by LP 525 billion. This came within the context of a LP 2,636 billion growth in total LP resident deposits, which was mainly fueled by a LP 2,817 billion expansion in LP demand deposits that has followed BDL's 1st of March decision to intervene as a seller of cash US dollars via the "Sayrafa" platform. On the other hand, foreign currency resident deposits contracted by LP 2,110 billion week-on-week (the equivalent of US\$ 141 million as per the official rate of LP 15,000). That being said, the money supply in its broadest sense (M4) expanded by LP 347 billion over the covered week amid a LP 271 billion contraction in currency in circulation.



TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 284 BILLION

The latest Treasury bills auction results for value date 16th of March 2023 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the three-month category (offering a yield of 3.50%), the one-year category (offering a yield of 4.50%) and the five-year category (offering a coupon of 6.00%).

The Treasury bills auction results for value date 9th of March 2023 showed subscriptions of LP 471 billion, fully allocated to the Central Bank of Lebanon and distributed as follows: LP 71 billion in the six-month category (offering a yield of 4.00%) and LP 400 billion in the two-year category (offering a coupon of 5.00%). These compare to maturities of LP 187 billion, which resulted into a nominal weekly surplus of LP 284 billion.

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TREASURY BILLS

	17/03/2023	10/03/2023	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%	↔
10-year	-	7.00%	7.00%	
Nom. Subs. (LP billion)		471	1	
Short-term (3&6 mths)		71	-	
Medium-term (1&2 yrs)		400		
Long-term (3 yrs)		-	1	
Long-term (5 yrs)		-	-	
Long-term (10 yrs)		0	-	
Maturities		187	193	
Nom. Surplus/Deficit		284	-192	

Sources: Central Bank of Lebanon, Ministry of Finance

FOREIGN EXCHANGE MARKET: FREE-FALLING LP HIT UNPRECEDENTED LOWS

The black FX market witnessed this week an unprecedented fall in the Lebanese pound against the US dollar, with the LP/US\$ rate topping the LP/US\$ 108,000 level on Friday as compared to LP/US\$ 88,000 at the end of last week, marking a 23% loss in LP value. The unchecked nosedive in the Lebanese pound against the greenback came within the context of recent judicial developments related to the Central Bank governor, resumed open-ended banks' strike, prolonged institutional vacuum, restricted "Sayrafa" activity and continuous FX reserves burn. In fact, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of March 2023 showed a US\$ 260 million contraction in BDL's foreign assets, which drove BDL's liquid foreign exchange reserves below the US\$ 9.5 billion level.

In parallel, the Central Bank of Lebanon lifted the LP/US\$ "Sayrafa" rate five times over this week to reach LP/US\$ 80,200 on Friday, up from LP/US\$ 73,100 at the end of last week. As a result, the spread between the "Sayrafa" rate and the parallel FX market rate rose from circa LP 16,000 at the end of last week to around LP 28,000 on Friday, noting that it had peaked at LP 38,000 last month, ahead of BDL's 1st of March decision to intervene as a seller of banknotes via "Sayrafa".

EXCHANGE RATES

	17/03/2023	10/03/2023	30/12/2022	
LP/US\$	15,000.00	15,000.00	1,507.50	↔
LP/£	18,195.00	17,977.50	1,813.97	↓
LP/¥	112.68	109.68	11.27	↓
LP/SF	16,193.46	16,122.10	1,628.67	↓
LP/Can\$	10,949.70	10,841.28	1,108.21	↓
LP/Euro	15,969.00	15,870.00	1,603.83	↓

Source: Bank Audi's Group Research Department

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STOCK MARKET: STRONG WEEKLY PRICE GAINS ON BSE, DRIVEN BY REALTY STOCKS

Amid a multifaceted crisis combining an unprecedented institutional void, worsened domestic economic and financial conditions, and rapid currency collapse, market players continued to flock to realty stocks over this week, mainly on hedging activity. This resulted into strong price gains on the BSE of 15.9% week-on-week.

In details, Solidere "A" and "B" share prices skyrocketed by 22.5% and 22.9% respectively week-on-week to reach US\$ 98.0 and US\$ 100.0 respectively on Friday, bringing year-to-date price gains to 63% on average. At the level of the banking stocks, Bank Audi's "listed" share price dropped by 3.8% week-on-week to US\$ 1.50. Bank Audi's GDR price retreated by 2.2% to US\$ 1.34. BLOM's GDR price plunged by 9.1% to US\$ 2.50. BEMO's "listed" share price stood unchanged at US\$ 1.15. Amongst industrials, Holcim Liban's share price declined by 1.4% to US\$ 32.00.

As to trading volumes, the BSE total turnover expanded by 26.3% week-on-week, moving from US\$ 10.5 million last week to US\$ 13.3 million, noting that Solidere shares captured almost all activity (99%).

AUDI INDICES FOR BSE

	17/03/2023	10/03/2023	30/12/2022	
Market Cap. Index	888.61	766.40	614.50	↑
Trading Vol. Index	120.63	95.51	96.84	↑
Price Index	186.55	160.89	129.00	↑
Change %	15.95%	0.28%	1.30%	↑
	17/03/2023	10/03/2023	30/12/2022	
Market Cap. \$m	21,081	18,182	14,578	↑
No. of shares traded (Exc. BT)	191,719	260,138	187,711	↓
Value Traded \$000 (Exc. BT)	13,299	10,528	6,415	↑
o.w. : Solidere	13,178	10,144	6,349	↑
Banks	98	229	66	↓
Others	24	154	0	↓

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

BOND MARKET: LEBANESE BOND PRICES REMAIN AT RECORD LOWS ON BETS ABOUT LOW RECOVERY RATES

With no breakthrough in the prolonged institutional gridlock, and given Lebanon's poor record in implementing IMF prior actions, and on bets about low recovery rates not exceeding the 20% in best scenarios, a status-quo mood swayed over the country's Eurobond market over this week. Prices of Lebanese sovereign papers maturing between 2020 and 2037 remained quoted at their lows of 6.875 cents per US dollar on Friday, with no change relative to the previous week. That being said, year-to-date bond price gains ranged between 1.13 pt and 1.25 pt.

EUROBONDS INDICATORS

	17/03/2023	10/03/2023	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)	6.88	6.88	5.50-5.88	↔
Average Life	5.19	5.19	5.34	↔
Yield on US 5-year note	3.52%	3.98%	3.94%	↓

Source: Bank Audi's Group Research Department

Bank Audi

INTERNATIONAL MARKET INDICATORS

	17-Mar-23	10-Mar-23	31-Dec-22	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	131.84	135.03	131.11	-2.4%	0.6%
\$/£	1.217	1.203	1.208	1.2%	0.8%
\$/Euro	1.067	1.064	1.071	0.3%	-0.4%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	31,861.98	31,909.64	33,147.25	-0.1%	-3.9%
S&P 500	3,916.64	3,861.59	3,839.50	1.4%	2.0%
NASDAQ	11,630.51	11,138.89	10,466.48	4.4%	11.1%
CAC 40	6,925.40	7,220.67	6,473.76	-4.1%	7.0%
Xetra Dax	14,768.20	15,427.97	13,923.59	-4.3%	6.1%
FT-SE 100	7,335.40	7,748.35	7,451.74	-5.3%	-1.6%
NIKKEI 225	27,333.79	28,143.97	26,094.50	-2.9%	4.7%
COMMODITIES (in US\$)					
GOLD OUNCE	1,989.25	1,868.26	1,824.02	6.5%	9.1%
SILVER OUNCE	22.60	20.54	23.95	10.0%	-5.6%
BRENT CRUDE (per barrel)	72.97	82.78	85.91	-11.9%	-15.1%
LEADING INTEREST RATES (%)					
1-month Libor	4.78	4.80	4.39	-0.02	0.39
US Prime Rate	7.75	7.75	7.50	0.00	0.25
US Discount Rate	4.75	4.75	4.50	0.00	0.25
US 10-year Bond	3.43	3.70	3.87	-0.27	-0.44

Sources: Bloomberg, Bank Audi's Group Research Department

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