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## Economy

### p.2 FX DEPOSITS CONTRACT BY US\$ 0.9 BILLION WHILE FX LOANS CONTRACT BY US\$ 0.5 BILLION OVER THE FIRST TWO-MONTH PERIOD

The banking and monetary figures for end-February 2024 were released this week.

Also in this issue

**p.2** LP clearing activity slows its expansion while US\$ clearing drops in Q1

**p.3** Distribution of utilized credits shows 37% in Trade & Services, 83% for Beirut and Suburbs as at Sep-2023

**p.4** 36% of direct utilized credits are against real estate mortgage and 96% of it is below LP 1 billion as at Mar-2023

## Surveys

**p.5 HOTEL OCCUPANCY DROPPING BY 17% YEAR-ON-YEAR IN JANUARY 2024, AS PER EY**  
Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East for January 2024 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed a significant contraction in occupancy rate coupled with a rise in average room rates and room yields.

Also in this issue

**p.6** Fitch Solutions forecasts real household spending in Lebanon to grow by 1.0% y-o-y over 2024

## Corporate News

### p.7 EUROPEAN COMMISSION MULLING US\$ 429 MILLION ASSISTANCE TO LEBANON

The European Commission has started exploring various avenues to provide support to Lebanon with the aim of tackling major issues such as the management of migration flows.

Also in this issue

**p.7** Lebanon's CPI, MedSecurities adopt new ICBS G5 banking system

**p.7** HORECA Lebanon inaugurated its 28th edition at the seaside arena

**p.8** Six Lebanese startups to proceed to Agrytech's incubation phase of the sixth batch

**p.8** SCPWC-Lebanon and SCA sign cooperation agreement

## Markets In Brief

### p.9 MARKETS IN BRIEF: EUROBOND PRICES AT LOWS AWAITING PROGRESS IN GAZA TRUCE TALKS

Amid a cautious optimism about a possible truce in Gaza after seven months of war, and as Lebanon has received the amended French proposal aimed to reach a diplomatic resolution for the border conflict, while the country is plunging into an unprecedented constitutional crisis and BDL is maintaining a policy refraining from financing the government in LP or FC, the country's capital markets saw this week stability in the LP/US\$ exchange rate on the parallel FX market, while equities posted price rebounds and Eurobond prices stayed around mid-single digit levels. In details, the LP/US\$ parallel market rate remained stable at 89,500 amid quasi-balanced dynamics and a highly dollarized economy, and given the Central Bank's policy preserving what remains from the FX reserves at BDL. On the equity market, the BSE shifted to a positive territory this week (+2.1%), and the total turnover expanded by 15.1% week-on-week to reach US\$ 4.8 million. Finally, Eurobond prices remained at historical lows of 6.375 cents per US dollar on Thursday amid lingering reform uncertainties, multifaceted crisis and prevailing geopolitical risks.

### LEBANON MARKETS: APRIL 29 - MAY 05, 2024

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

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## ECONOMY

### FX DEPOSITS CONTRACT BY US\$ 0.9 BILLION WHILE FX LOANS CONTRACT BY US\$ 0.5 BILLION OVER THE FIRST TWO-MONTH PERIOD

The banking and monetary figures for end-February 2024 were released this week. Effective January 31st 2024, and in accordance with Circular No. 167, Banks and Financial Institutions are required to convert their Balance Sheets' Accounts in Foreign Currencies to Lebanese pounds at the Official Exchange Rate of 89,500 LP per dollar when preparing their financial positions.

The newly released figures suggest that the balance of payments reported a surplus of US\$ 391 million in the first two months of the year 2024. It was driven by an increase in net foreign assets of both banks and BDL. Banks' net foreign assets grew by US\$ 126 million, while BDL's net foreign assets rose by US\$ 265 million driven by BDL's purchases of US dollars from the parallel market.

The first two months of the year recorded a decrease in customer FX deposits by US\$ 909 million. This almost totally results from a decrease in resident FX deposits, while non-resident FX deposits remained constant in the first two months. In parallel, FX loans reported a contraction of US\$ 493 million which likewise totally results from a decrease in resident FX loans, while non-resident FX loans remained relatively constant over the period. The ratio of FX loans to FX deposits thus reported a new low of 7.8% in February 2024, against 8.3% in December 2023. On the LP side, LP deposits declined by LP 0.4 trillion, while LP loans contracted by LP 0.8 trillion.

The first two months saw a significant rise in LL deposit interest rates, while US\$ deposit interest rates remained close to nil. The average LL deposit interest rate rose from 0.55% in December 2023 to 0.94% in February 2024, while the average US\$ deposit interest rate slightly moved from 0.03% in December 2023 to 0.04% in February 2024. Despite the rise, such rates remain well below pre-crisis levels that had respectively reported 9.03% for the LL interest rate and 6.61% for the US\$ interest rate in October 2019.

Regarding banks' FX liquidity abroad, claims on non-resident financial sector contracted by US\$ 90 million over the first two months to reach US\$ 4,370 million. This liquidity cushion adds to FX cash in vault locally that is estimated at US\$ 749 million in February 2024 (US\$ 737 million in December 2023). It is worth recalling that banks are financing customer withdrawals under circular 158 out of this liquidity cushion.

The banks' Eurobond portfolio witnessed a stability in February 2024 relative to December 2023. It reported US\$ 2,191 million, though much lower than the US\$ 14,764 million reported on the eve of the crisis. The portfolio contraction relative to pre-crisis level is tied to banks net sales of Eurobonds at loss, mainly at the early months of the crisis, in addition to high provisioning requirements imposed by monetary authorities on bond portfolios.

With respect to shareholders' equity, total equity reached US\$ 3,177 million in February 2024, against US\$ 5,092 million in December 2023 and a high of US\$ 20,602 million in October 2019 on the eve of the crisis outburst. as a result of net bank losses over the period. The accumulated losses incurred by Lebanese banks come as a result of noticeable FX costs, the effects of mark-ups, the rising operating expenses tied to the surging inflation, in addition to significant provisions to face private and sovereign risks at large.

### LP CLEARING ACTIVITY SLOWS ITS EXPANSION WHILE US\$ CLEARING DROPS IN Q1

The value of cleared checks in Lebanese Pounds increased by 20.4% year-on-year in the first quarter (Q1) of 2024 against Q1 2023 mirroring an increase in spending in LP during the above-mentioned period. Checks cleared in LP recorded LP 17,921 billion in Q1 2024 up from LP 14,886 billion in the same quarter of 2023. However, this increase has slowed down drastically from levels seen in the year prior where the increase in LP clearing activity between Q1 2023 and Q1 2022 recorded 78.5% year-on-year.

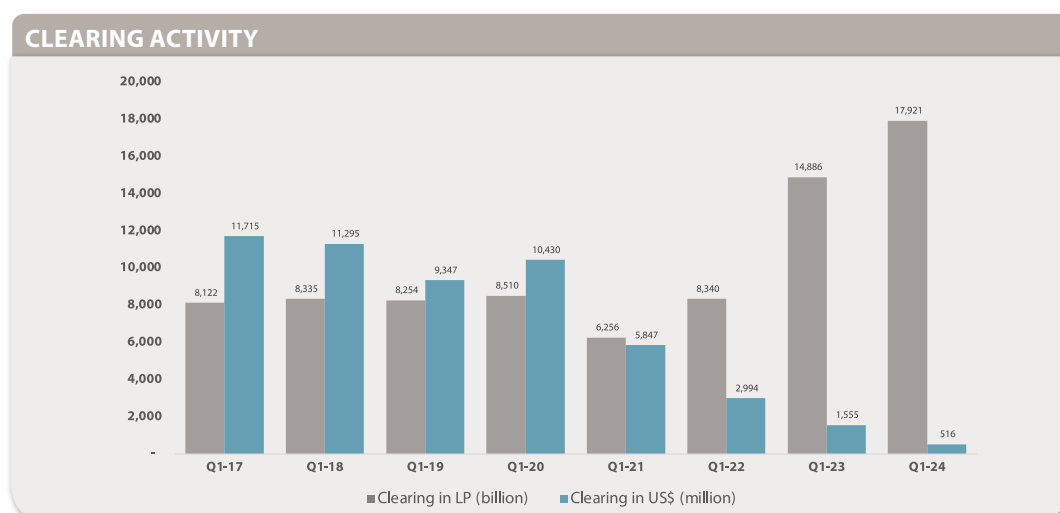
On the other hand, total value of cleared checks in foreign currency (US\$), noticed a 66.8% drop year-on-year, this comes as many businesses are cashing fresh dollars only. Cleared checks in US\$ for Q1 2024 recorded US\$ 516 million down from US\$ 1,555 million in the same quarter of the year prior. This shows a quicker trend of decreased US\$ check clearing activity in Q1 2024 as the decrease noted between Q1 2023 and Q1 2022 recorded 48.1%, 18.7 percentage points lower than the decrease recorded for this year so far.

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The total value of cleared checks, an indicator of consumption and investment spending in the Lebanese economy, reached US\$ 716 million in Q1 2024 down by 89.2% from US\$ 6,619 million in the same quarter of the previous year.

It is worth noting that, effective January 1st 2024, in line with the government's budget, the FX rate used for calculations was set at LP 89,500/US\$, up from LP 15,000/US\$ set in February 2023 and LP 1,507.5/US\$ used prior to the re-peg. In turn, this change in exchange rates has affected the total valuation of cleared checks as checks cleared in LP have to be turned into US\$ for a total valuation.

Moreover, the number of cleared checks registered 59,100 in Q1 2024, down by 63.0% from 159,827 checks in Q1 2023. The average value per check reached US\$ 12,119 in Q1 2024, down by 70.7% from US\$ 41,411 in the same quarter of 2023.



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

## DISTRIBUTION OF UTILIZED CREDITS SHOWS 37% IN TRADE & SERVICES, 83% FOR BEIRUT AND SUBURBS AS AT SEP-2023

As per the Central Bank of Lebanon, the total direct utilized credits as at Sep-2023 registered US\$ 12.1 billion (LP 181.6 trillion at the FX rate of LP 15,000/US\$), down from US\$ 26.2 billion (LP 39.5 trillion at the FX rate of LP 1,507.5/US\$) at end-2022 registering a decrease of 53.8% during the period.

It is worth noting that effective February 1st 2023, the Lebanese Pound was re-pegged at the rate of LP 15,000/US\$ from a prior LP 1,507.5/US\$.

Loans are distributed over seven categories, namely Trade & Services loans, Individual loans, Construction loans, Industrial loans, Financial Intermediation loans, Agricultural loans and Other loans.

In details, Trade & Services loans represented the biggest share of 36.5% as at Sep-2023 versus 33.4% at end-2022. Construction loans represented 24.1% of total loans as at Sep-2023.

Individual loans constituted 16.0% of total loans at Sep-2023 versus 26.8% at end-2022, of which Housing loans accounted for 5.2% of total loans as at Sep-2023.

Industrial loans accounted for 11.9% of total loans followed by financial intermediation loans with 6.8% of total at Sep-2023. of avocados doesn't require much investment.

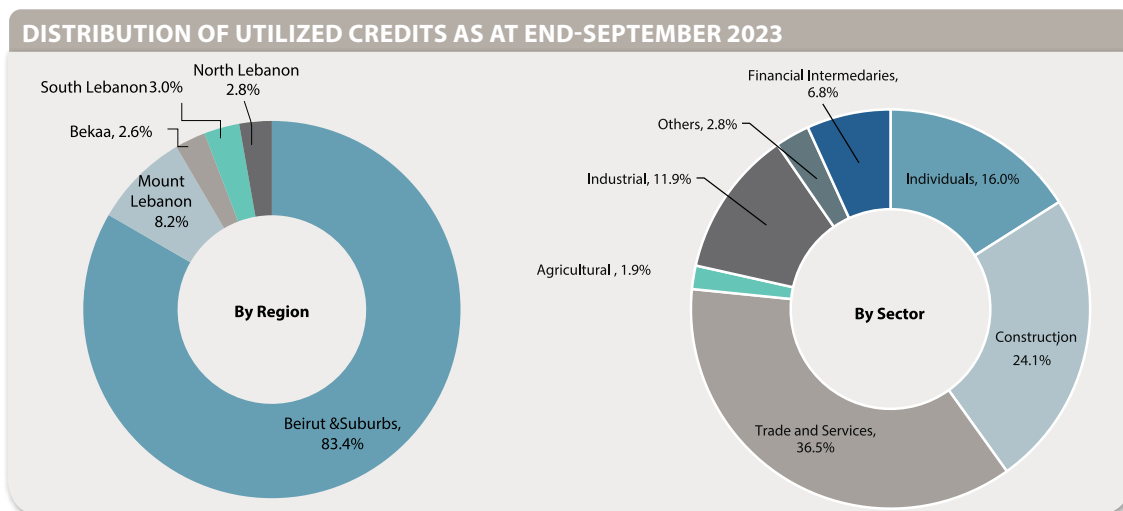
Additionally, Agricultural loans accounted for 1.9% of total loans as at Sep-2023 with all Other loans accounting for 2.8% of the total.

As for the regional distribution of the banks utilized credits, Beirut and Suburbs constitute the biggest share

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of total loans at 83.4% as at Sep-2023, followed by Mount Lebanon region with 8.2%, South Lebanon region with 3.0%, North Lebanon region with 2.8% and Bekaa region with 2.6%.

It is worth mentioning that beneficiaries in Beirut benefited from the highest loans share at 56.1% of total loans as at Sep-2023, followed by beneficiaries in Mount Lebanon with 15.3%, beneficiaries in North Lebanon at 12.8%, beneficiaries in South Lebanon with 8.9% and beneficiaries in Bekaa with 7.0%.



Sources: BDL, Bank Audi's Group Research Department

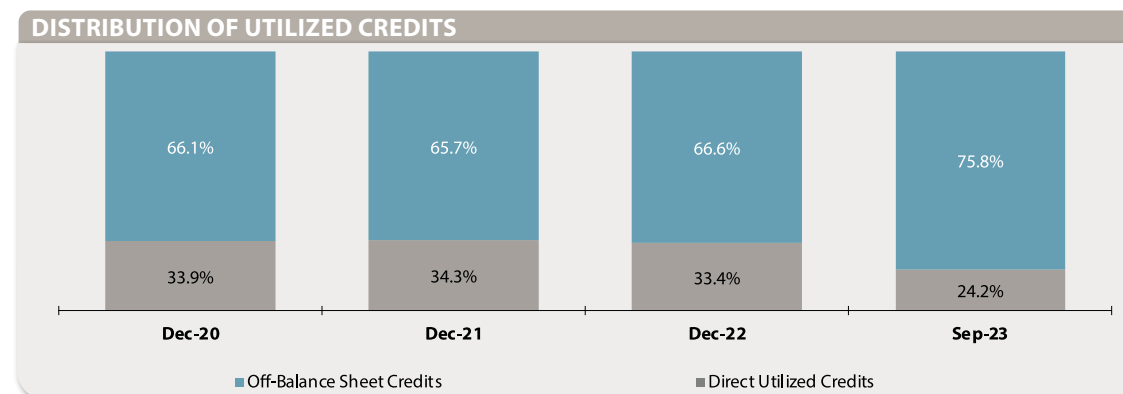
## 36% OF DIRECT UTILIZED CREDITS ARE AGAINST REAL ESTATE MORTGAGE AND 96% OF IT IS BELOW LP 1 BILLION AS AT MAR-2023

As per the Central Bank of Lebanon, total direct facilities at Sep-2023 accounted for US\$ 12.1 billion (LP 181.6 trillion at the FX rate of LP 15,000/US\$) in direct facilities and US\$ 37.9 billion (LP 568.2 trillion) in off-balance sheet facilities dropping by 53.8% and 27.4% respectively against end-2022.

In details, 40.1% of the total direct facilities were Overdrafts, followed by 35.7% against Real Estate Mortgages, 14.4% against Personal Guarantees, 5.2% in Advances against Financial Values, 3.2% against Cash Collateral/Bank Guarantees and 1.5% in Advances against Other Real Guarantees.

In parallel, indirect facilities represented 75.8% of total utilized credits at Sep-2023, up from 66.6% at end-2022. It is worth mentioning that Endorsements and Guarantees at Sep-2023 constituted the biggest share for 94.8% remaining stable against figures as at end-2022.

It is worth highlighting that debts below or equal to LP 1.0 billion represented the biggest share of beneficiaries utilizing direct credits recording 96.0% and 98.1% as at Sep-2023 and end-2022 respectively. The distribution of utilized credits by amount at Sep-2023 showed that 84.8% were loans bigger than LP 10 billion, versus 57.4% at end-2022.



Sources: BDL, Bank Audi's Group Research Department

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## SURVEYS

### HOTEL OCCUPANCY DROPPING BY 17% YEAR-ON-YEAR IN JANUARY 2024, AS PER EY

Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East for January 2024 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed a significant contraction in occupancy rate coupled with a rise in average room rates and room yields.

As a matter of fact, the occupancy rate of four and five-star hotels within the capital reached 20% in January 2024, against 37% in the same month of the previous year, down by 17%, as per EY.

The occupancy rate within Beirut was ranked 13th among 13 regional cities included in the survey. It was directly surpassed by Kuwait City, and Amman (43% and 41% respectively).

Makkah ranked at the top in the Middle East, with 89% occupancy rate respectively, while Beirut came last.

Beirut's room rate moved up to US\$ 145 in January 2024 from US\$ 50 in the same month of the previous year, up by 190% year-on-year.

The rooms' yield rose to reach US\$ 29 in January 2024, compared to US\$ 18 in January 2023 as a result of the rise in room rate, yet coupled with a slight decline in occupancy.

#### ERNST & YOUNG MIDDLE EAST HOTEL BENCHMARK SURVEY

	Occupancy %		Average Room Rate (US\$)		Room Yield (US\$)	
	1M 2024	1M 2023	1M 2024	1M 2023	1M 2024	1M2023
Makkah	89	88	181	157	160	138
Doha	88	49	124	117	109	57
Abu Dhabi	88	80	115	104	101	83
Madinah	86	88	196	150	169	132
Dubai	83	81	439	360	366	292
Cairo	76	72	158	127	119	91
Riyadh	73	76	233	212	171	161
Muscat	67	55	156	143	105	79
Manama	66	56	144	151	95	85
Jeddah	58	47	180	165	105	77
Kuwait City	43	50	199	194	86	97
Amman	41	38	133	138	55	53
<b>Beirut</b>	<b>20</b>	<b>37</b>	<b>145</b>	<b>50</b>	<b>29</b>	<b>18</b>

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

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## FITCH SOLUTIONS FORECASTS REAL HOUSEHOLD SPENDING IN LEBANON TO GROW BY 1.0% Y-O-Y OVER 2024

Fitch Solutions predict an uptick in real household spending in Lebanon for 2024, despite the economy grappling with severe issues such as hyperinflation, currency volatility, contractions in the economy, and political gridlocks. The fighting between Israel and Hezbollah, expected to be confined to the south, will affect tourism during the peak summer season, while business activity will remain suspended for longer in the south of the country. This will compound the damage to infrastructure and farmlands already targeted by Israeli actions. Additionally, the 2024 budget's hike in income and corporate taxes will exacerbate inflation. Living standards and incomes are projected to stay below pre-crisis levels for the majority of the decade, prompting widespread emigration.

They forecast household spending in Lebanon will grow in 2024 relative to the previous year, supported by robust remittance inflows, increased dollarisation of income, and ongoing post-crisis salary adjustments to account for the currency collapse and elevated inflation will somewhat support household purchasing power. Fitch Solutions forecasts real household spending in Lebanon to grow by 1.0% y-o-y over 2024, a slight decline from the 1.1% y-o-y growth projected in 2023. These figures indicate the economy is struggling with its emergence out of its economically challenging period when household spending recorded significant contractions over 2018-2021.

However, several factors will weigh on household spending. First, weaker tourism activity, especially from the fighting between Israel and Hezbollah, will affect the income of the sector's businesses such as hotels and restaurants, and reduce employment, especially seasonal employees. Second, lower arrivals will reduce the amount of cash remittances that are sent through unofficial channels. Third, negative sentiment will likely reduce appetite to spend and push households to restrain their spending and save their money for emergencies. Fourth, higher political risk from the conflict between Hezbollah and Israel will drive the cost of import shipping upward, which along with weaker currency, will feed through to delaying further declines in inflationary pressures in the short term. Finally, higher income tax under the 2024 budget, will exacerbate the impact of the elevated inflation, dragging on real household spending growth.

Their forecast for growth in consumer spending in 2024 is in line with their Country Risk team's forecast that the Lebanese economy will by 0.5% y-o-y in 2024, rather than grow by 1.4% y-o-y as previously forecasted, as expectations that the clashes between Hezbollah and Israel will continue in the short term. Lebanon's economy will experience a long, slow recovery from devastating financial and economic crises that started in 2019, followed by the 2020 Covid-19 shock, the explosion at the port of Beirut on August 4 2020 and the ongoing conflict between Hezbollah and Israel. Even with significant aid from foreign partners and Lebanese abroad, the government will not be able to afford the stimulus needed to fully repair economic and financial damages. Fitch Solutions expects that incomes and living standards will remain below their pre-crisis levels for most of the decade, which will encourage widespread emigration.

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## CORPORATE NEWS

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### EUROPEAN COMMISSION MULLING US\$ 429 MILLION ASSISTANCE TO LEBANON

The European Commission has started exploring various avenues to provide support to Lebanon with the aim of tackling major issues such as the management of migration flows. One such avenue is a support package valued at EUR 400 million (US\$ 428.8 million) initially.

The proposed sum has not yet been finalized with discussions remaining ongoing. However, the aim remains to offer Lebanon substantial aid with gradual disbursements tied to stringent condition. This will ensure gradual disbursement, effective management and transparency with funds directed at three main points: Managing migration flows & combatting human trafficking, Strengthening security forces to ensure these measures and Enhancing critical infrastructure for the benefit of both Lebanese citizens & Syrian refugees residing in the country.

The support package for Lebanon is set to be funded through the revised Financial Framework 2021-2027 which seeks to address the refugee and migration crisis directly. While concerns remain over Lebanon's capacity to meet the program's requirements especially due to governance challenges, hope remains that efforts would yield positive outcomes.

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### LEBANON'S CPI, MEDSECURITIES ADOPT NEW ICBS G5 BANKING SYSTEM

The Lebanese startup Corporate Private Investment (CPI) which focuses on retail, Small & Medium Enterprises (SME) and Corporate Financing has adopted BML Istisharat's new ICBS G5 banking system.

The system is delivered on a Software-as-a-Service (SaaS) basis with BML hosting and administrating CPI environments such as production and disaster recovery. This consists of Microsoft Windows servers, Oracle as REBMS and Jboss Redhat as application server.

Additionally, MedSecurities Investment which stands as an investment arm of Bankmed banking group in Lebanon, also adopted ICBS G5. According to BML Istisharat, the decision followed a thorough evaluation of several international and regional solutions. MedSecurities Investment is in the process of turning into FinTech with its own digital channels and a network of partners to service clients. The company is also expanding its range of digital financing, payment and investment product.

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### HORECA LEBANON INAUGURATED ITS 28TH EDITION AT THE SEASIDE ARENA

HORECA Lebanon has recently inaugurated its 28th edition at the seaside arena with the event including various activities, presentations, discussions, competitions and events under the theme "Embrace the Path of Hospitality". The opening ceremony of the event was attended by the Lebanese Caretaker Minister of Tourism, the Lebanese Caretaker Minister of Industry, Ambassadors as well as representatives from various industry associations.

The focus of the opening day was the HORECA Talks which tackled the most pressing issues within the industry. Attendees attended events at the HORECA Theater including various competitions as well as cooking activities at the HORECA Stage such as the Hospitality and Cooking Salon Exhibition. The Innovations Pavilion at the event showcased new products and alternative imports made by local brands with the aim to provide an insight into the future of the industry. During the event, HORECA hosted the Job Meeting Point which stands as a platform to attract outstanding talent to the industry.

According to the General Manager of Hospitality Services and Event Organizer at HORECA, this edition of the event set focus on the warmth and richness of Lebanese hospitality and stands as a testament to HORECA's dedication to create new experiences.

Concurrently, HORECA held a program dubbed Hospitable Buyers in collaboration with QOOT and the Lebanese Industrialists Association (ALI) where circa 30 buyers from 10 different countries met with local companies in order to explore their products and export opportunities.



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## SIX LEBANESE STARTUPS TO PROCEED TO AGRYTECH'S INCUBATION PHASE OF THE SIXTH BATCH

Following six months of intensive acceleration period, Berytech's Agrytech Accelerator Program has set out six startups moving forward into the incubation phase of the sixth batch.

In details, during the program, 12 startups were selected for the first phase during which they developed their Minimum Valuable Products (MVPs) and foundational business strategies. Throughout the phase, the startups participated in 300 one-on-one sessions covering major topics such as product development, business, finance and pitching. Additionally, multiple workshops were held addressing market valuation, design thinking, competitive analysis among other topics. The startups also attended various pitch nights and huddle events which provided them with opportunities to refine their presentations and network with peers and experts.

The transition to the second phase was made through a final pitch day with six startups being chosen based on growth potential and ability to impact the agrifood industry which were:

- Agriworm: focusing on sustainable poultry feed production using mealworms.
- Daily Dough: producing new, soft and pliable gluten-free Lebanese bread.
- Dr. Feed: creating competitive livestock feed from discarded fruits and vegetables.
- Gharsit Kheir: focusing on preserving national organic seeds and promoting agricultural self-sufficiency.
- Loop: innovative snail farming and slime extraction processes.
- Proshield: developing solar-heated poultry houses.

As these startups progress into the four-month long incubation phase, they will receive enhanced levels of support from Berytech with the goal of refining their products and launching them onto the market. Comprehensive assistance includes advanced workshops, more focuses one-on-one mentoring sessions and continued access to necessary resources and connections.

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## SCPWC-LEBANON AND SCA SIGN COOPERATION AGREEMENT

The Syndicate of Construction and Public Works Contractors in Lebanon (SCPWC-Lebanon) and the Saudi Contractors Authority (SCA) have recently signed a cooperation agreement. The agreement tackles the strengthening of joint cooperation between the parties in the employment of capabilities and expertise. The agreement also tackles the increasing of the level of employment within the sector and the development of foundations & standards relating to the building and construction sector in the two countries.

The cooperation agreement tackles the following areas: Exchanging experiences & best practices in the contracting sector, Sharing studies, research & statistics relating to the sector, Joint cooperation between sector companies from both parties and the Participation in conferences and seminars relating to the sector in both countries.



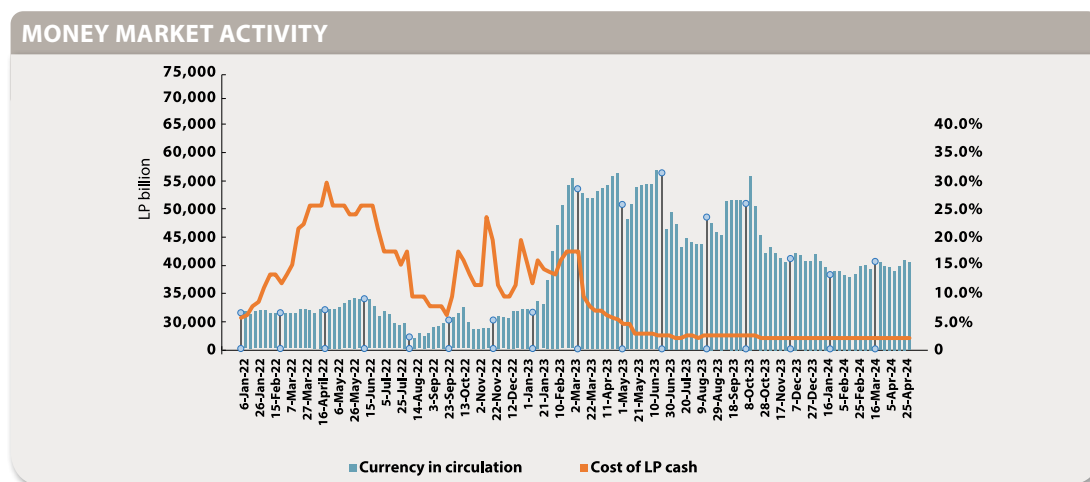
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## CAPITAL MARKETS

### MONEY MARKET: FURTHER WEEKLY DECLINE IN TOTAL RESIDENT DEPOSITS, ON FC DEPOSIT FALLS

The overnight rate, which is a non-cash rate on the money market, fell from 120% at the end of last week to 90% on Thursday, while the cost of LP cash remained close to nil.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 18th of April 2024 showed that total resident banking deposits contracted further by LP 626 billion. This is mainly attributed to a LP 2,252 billion fall in foreign currency resident deposits (the equivalent of US\$ 25.2 million as per the official rate of LP 89,500), while total LP resident deposits increased by LP 1,626 billion amid a LP 1,522 billion expansion in LP demand deposits and a slight rise in LP saving deposits of LP 104 billion. Within this context, the money supply in its broadest sense (M4) contracted by LP 2,339 billion over the covered week amid a LP 1,601 billion fall in the currency in circulation and a LP 113 billion decline in the non-banking sector Treasury bills portfolio.



### FOREIGN EXCHANGE MARKET: LP/US\$ PARALLEL MARKET RATE STANDING STILL AT 89,500 AMID QUASI-BALANCED DYNAMICS

Stability remained the main feature characterizing the parallel FX market over this week, with the LP/US\$ exchange rate standing at 89,500 amid a highly dollarized economy, a relative convergence between the LP/US\$ parallel market rate and the LP/US\$ official rate, and a quasi-equilibrium in public finances as the State's budgeted figures for 2024 suggested public spending equal to public revenues, leaving a nearly zero budget deficit, and as the balance of payments registered a small surplus last year (assuming no change in the LP/US\$ rate).

Concurrently, the Central Bank of Lebanon's liquid foreign reserve assets continued to trace an upward trajectory since the first deputy governor of the Central Bank took over as interim Chief, moving from US\$ 8,573 million at end-July 2023 to US\$ 9,643 million mid-April 2024.

### EXCHANGE RATES

	02/05/2024	26/04/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	111,982.00	112,099.00	19,207.50	↑
LP/¥	576.38	571.63	106.60	↓
LP/SF	98,061.00	98,168.00	17,942.58	↑
LP/Can\$	65,238.00	65,587.00	11,347.30	↑
LP/Euro	95,747.00	96,123.00	16,695.00	↑

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## STOCK MARKET: BSE SHIFTS TO POSITIVE TERRITORY THIS WEEK

The Beirut Stock Exchange shifted to a positive territory this week, as reflected by a 2.1% rise in the price index. Four out of seven traded stocks registered price gains, while three stocks posted price falls.

A closer look at individual stocks shows that BLOM's "listed" shares led the advance on the BSE this week, registering strong price gains of 24.9% to reach US\$ 4.37, followed by Holcim Liban's shares with +10.4% to US\$ 59.60, Solidere "B" shares with +8.0% to US\$ 72.45 and Bank Audi's "listed" shares with +2.0% to US\$ 1.56. In contrast, Byblos Bank's "listed" share price shed 10.3% to US\$ 0.52, followed by BLOM's GDRs with -9.7% to US\$ 3.16 and Solidere "A" shares with -2.4% to US\$ 71.15.

As to trading volumes, the BSE total turnover expanded by 15.1% week-on-week, moving from US\$ 4.2 million last week to US\$ 4.8 million, noting that Solidere shares captured the lion's share of activity. On a cumulative basis, the BSE total trading value expanded by 43.9% year-on-year during the first four months of 2024 to reach US\$ 200 million. Concurrently, the BSE market capitalization contracted by 11.1% between end-April 2023 and end-April 2024. Within this context, the total turnover ratio, measured by the annualized trading value to market capitalization, reached 3.4% during the first four months of 2024 compared to a lower turnover of 2.1% during the same period of 2023.

### AUDI INDICES FOR BSE

22/1/96=100	02/05/2024	26/04/2024	29/12/2023	
Market Cap. Index	730.14	714.93	868.20	↑
Trading Vol. Index	72.36	37.71	73.00	↑
Price Index	153.28	150.09	182.26	↑
Change %	2.13%	-3.97%	2.34%	↑
	02/05/2024	26/04/2024	29/12/2023	
Market Cap. \$m	17,322	16,961	20,597	↑
No. of shares traded (Exc. BT)	89,874	59,689	54,721	↑
Value Traded \$000 (Exc. BT)	4,820	4,187	4,855	↑
o.w. : Solidere	4,771	3,853	4,855	↑
Banks	37	0	0	↑
Others	13	334	0	↓

## BOND MARKET: LEBANESE BOND PRICES AROUND MID-SINGLE DIGIT LEVELS AMID MULTIFACETED CRISIS

Amid continuous diplomatic efforts to reach a breakthrough in the Gaza war truce, and as Lebanon has received the amended French paper aimed at resolving the Southern border conflict, while the country is reeling under a multifaceted crisis and is facing a lack of progress in implementing much-needed reforms, prices of Lebanese Eurobonds remained at their lows, closing the week at 6.375 cents per US dollar, with no change relative to the previous week. Accordingly, prices of sovereigns accumulated price gains of 0.38 pt since the beginning of the year 2024.

### EUROBONDS INDICATORS

	02/05/2024	26/04/2024	29/12/2023	
Total tradable size \$m	31,793	31,793	31,793	→
o.w.: Sovereign bonds	31,314	31,314	31,314	→
Average Life	6.375	6.375	6.000	→
Yield on US 5-year note	4.61%	4.68%	3.83%	↓

Source: Bank Audi's Group Research Department

# Bank Audi

## INTERNATIONAL MARKET INDICATORS

	03-May-24	26-Apr-24	31-Dec-23	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	153.05	158.33	141.04	-3.3%	8.5%
\$/£	1.255	1.249	1.273	0.4%	-1.4%
\$/Euro	1.076	1.069	1.104	0.6%	-2.5%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	38,675.68	38,239.66	37,689.54	1.1%	2.6%
S&P 500	5,127.79	5,099.96	4,769.83	0.5%	7.5%
NASDAQ	16,156.33	15,927.90	15,011.35	1.4%	7.6%
CAC 40	7,957.57	8,088.24	7,543.18	-1.6%	5.5%
Xetra Dax	18,001.60	18,161.01	16,751.64	-0.9%	7.5%
FT-SE 100	8,213.49	8,139.83	7,733.24	0.9%	6.2%
NIKKEI 225	38,236.07	37,934.76	33,464.17	0.8%	14.3%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	2,301.74	2,337.96	2,062.98	-1.5%	11.6%
SILVER OUNCE	26.56	27.21	23.80	-2.4%	11.6%
BRENT CRUDE (per barrel)	82.96	89.50	77.04	-7.3%	7.7%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	5.32	5.32	5.35	0.01	-0.03
US Prime Rate	8.50	8.50	8.50	0.00	0.00
US Discount Rate	5.50	5.50	5.50	0.00	0.00
US 10-year Bond	4.51	4.66	3.88	-0.16	0.63

Sources: Bloomberg, Bank Audi's Group Research Department

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