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## Markets In Brief

### p.9 MARKETS IN BRIEF: BDL'S LIQUID FX RESERVES UP BY US\$ 80 MILLION IN FIRST HALF OF MAY

Despite negative spillovers from the Israeli attacks on the South, with direct war losses estimated at US\$ 1.5 billion, and amid BDL's policy to end government financing and preserve what remains of FC buffers, Lebanon's capital markets remained underpinned this week by continuous stability in the LP/US\$ parallel market rate, and the Eurobond market registered extended price gains, while equities slid into the red. In details, the LP/US\$ parallel market rate remained quoted at around 89,500 in a highly dollarized economy, and on the back of convergence between the official rate and the parallel market rate which helped lowering inflation, and quasi-equilibrium in fiscal and external positions, in addition to the continuous growth in BDL's liquid foreign reserve assets to hit US\$ 9,761 million mid-May 2024, up by US\$ 79 million in the first half of May and by US\$ 440 million since the beginning of this year. In parallel, the Eurobond market continued to register price gains for the third week in a row, reaching 7.00 cents per US dollar on Friday (the highest since October 10, 2023), amid circulating talks about a governmental proposal to buyback bonds. On the equity market, the BSE price index retreated by 0.6%, and the total turnover contracted by 44% week-on-week to reach US\$ 7.0 million.

### LEBANON MARKETS: MAY 27 - JUNE 2, 2024

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

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## ECONOMY

### IMF CONCLUDES STAFF VISIT TO LEBANON

An International Monetary Fund (IMF) team, led by Mr. Ernesto Ramirez Rigo, visited Beirut, Lebanon, from May 20 to 23, to discuss recent economic developments and progress on key reforms. Below are their main findings:

The unaddressed economic crisis continues to weigh heavily on Lebanon's population. Unemployment and poverty have reached exceptionally high levels and the delivery of critical public services has been severely disrupted. At the same time, Lebanon continues to struggle with hosting the largest number of refugees per capita in the world, amidst limited resources.

The negative spillovers from the conflict in Gaza and increased fighting at Lebanon's southern border are further exacerbating an already weak economic situation. It has internally displaced a significant number of people and caused damage to infrastructure, agriculture, and trade in southern Lebanon. Together with a decline in tourism, the high risks associated with the conflict create significant uncertainty to the economic outlook.

Some progress has been made on monetary and fiscal reforms since the last Article IV consultation. Policy measures taken by Ministry of Finance (MoF) and Banque du Liban (BdL) – including the phasing out of monetary financing of the budget, the termination of the Sayrafa (electronic foreign exchange) platform, tight fiscal policy, and steps towards the unification of exchange rates – have helped contain exchange rate depreciation, stabilized the money supply, and started to reduce inflationary pressure. In addition, measures by the MoF to improve revenue mobilization from VAT and customs, by adjustment of the customs dollar to the market exchange rate, brought the estimated 2023 fiscal deficit close to zero. The joint efforts of BdL and MoF have also enabled some accumulation of foreign reserves. "However, these policy measures fall short of what is needed to enable a recovery from the crisis. Bank deposits remain frozen, and the banking sector is unable to provide credit to the economy, as the government and parliament have been unable to find a solution to the banking crisis. Addressing the banks' losses while protecting depositors to the maximum extent possible and limiting recourse to scarce public resources in a credible and financially viable manner is indispensable to lay the foundation for economic recovery. Without progress, the cash and informal economy will continue to grow, raising significant regulatory and supervisory concerns.

The timely approval of the 2024 budget was an important first step, but stronger efforts are needed to strengthen public finances. The tax administration remains underfunded, hampering tax collection and putting the formal sector taxpayers at a disadvantage. Lack of resources prevents the provision of essential public services, social programs, and capital spending. It also exacerbates inequities and negatively affects perceptions of tax fairness. Looking ahead, and given the likely lack of any financing, the 2025 budget should continue to aim for a zero deficit through more ambitious fiscal reforms, particularly to further enhance revenue mobilization through strengthening compliance and reprioritizing current spending to meet essential social and infrastructure needs.

Progress on other critical reforms, including governance, transparency and accountability, remains limited. The BdL is in the process to start taking steps to enhance internal control and governance. At the same time, further measures to raise transparency across the public sector are much needed, including audited financial statements of state-owned enterprises (SOEs), as well as SOE reforms more broadly. Furthermore, weaknesses in the quality, availability, and timeliness of economic data pose challenges for informed policymaking.

### LP CLEARING ACTIVITY SLOWS ITS EXPANSION WHILE US\$ CLEARING DROPS IN THE FIRST FOUR MONTHS OF 2024

The value of cleared checks in Lebanese Pounds increased by 31.5% year-on-year in the first four months of 2024 against the same period of 2023 mirroring an increase in spending in LP during the above-mentioned period. Checks cleared in LP were recorded at LP 23,624 billion in the first four months of 2024 up from LP 17,963 billion in the same period of 2023. However, this increase has slowed down drastically from levels seen in the year prior where the increase in LP clearing activity between the first four months of 2022 and the first four months of 2023 recorded 63.9% year-on-year.

On the other hand, total value of cleared checks in foreign currency (US\$), noticed a 65.6% drop year-on-year, as many businesses are cashing fresh dollars only. Cleared checks in US\$ for the first four months

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of 2024 recorded US\$ 581 million down from US\$ 1,688 million in the same period of the year prior. This shows a quicker trend of decreased US\$ check clearing activity in the aforementioned period as the decrease noted between the first four months of 2022 and the first four months of 2023 recorded 58.5%, 7.1 percentage points lower than the decrease recorded for this year so far.

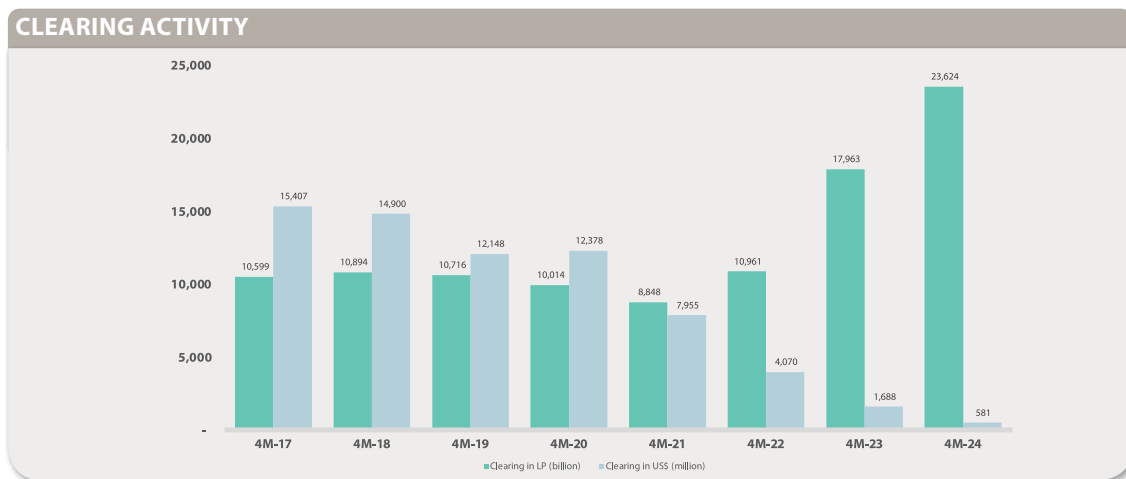
The total value of cleared checks, an indicator of spending in the Lebanese economy, reached US\$ 845 million in the first four months of 2024 down by 87.9% from US\$ 6,957 million in the same period of the previous year.

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 75,294 in the first four months of 2024, down by 60.5% from 190,418 checks in the first four months of 2023. The average value per check reached US\$ 11,222 in the first four months of 2024, down by 69.3% from US\$ 36,534 in the same period of 2023.

In parallel, looking at the value of returned checks during the first four months of 2023, a total of US\$ 22 million in checks were returned during the period, a majority of which (90.9%) were in fresh US\$. This figure shows an 88.0% decrease year-on-year against the same period of the year prior. Additionally, during the first four months of 2024, 426 checks were returned a majority of which (66.7%) were in LP. This figure denotes a 73.9% drop year-on-year down from 1,635 checks returned in the first four months of 2023.

In turn, the average value per check returned reached US\$ 52,561 in the first four months of 2024, down by 54.1% from US\$ 114,424 in the same period of 2023.



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

## PROPERTY MARKET'S SALES OPERATIONS UP MORE THAN FIVEFOLD YEAR-ON-YEAR IN THE FIRST FOUR MONTHS OF 2024

During 2023, the Lebanese property market noted a worsening in the downwards trend of activity. During the year, the number of sales registered 23,411 operations, down by 70.7% from 79,990 operations in 2022. Additionally, the value of the transactions also dropped by 50.2% during the period to reach US\$ 7.2 billion in 2023, as per data from the Directorate of Land Registry and Cadastre (DLRC).

During the first four months of 2024, the number of sales shot up to register 9,361 operations, up from 1,493 operations in the first four months of 2023. Additionally, the value of the transactions also jumped threefold during the period to reach US\$ 589 million in the first four months of 2024, up from US\$ 137 million in the same period of the year prior.

In parallel, the number of transactions jumped year-on-year to stand at 25,251 in the first four months of 2024, up from 3,719 in the same period of the year prior. Also, the number of sales to foreigners have noted

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a six-fold increase year-on-year reaching 198 sales in the first four months of 2024, up from 26 in the first four months of 2023, as per data from the DLRC.

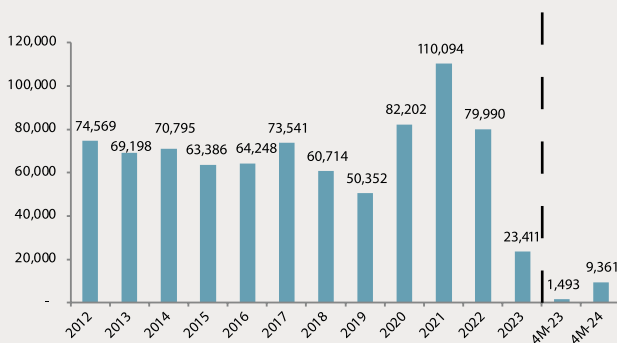
Property taxes collected during the first four months of 2024 reached a value of LP 2.3 trillion (US\$ 26.2 million at the rate of LP 89,500/US\$). This valuation notes a threefold increase from the same period of last year's property taxes collected with a valuation of LP 74.6 billion (US\$ 5.0 million at the rate of LP 15,000/US\$).

It is worth noting that effective January 2024, the Lebanese Pound was re-pegged at the rate of LP 89,500/US\$ from a prior LP 15,000/US\$ in 2023. This in turn affects the total valuation of taxes collected as they are initially given in local currency.

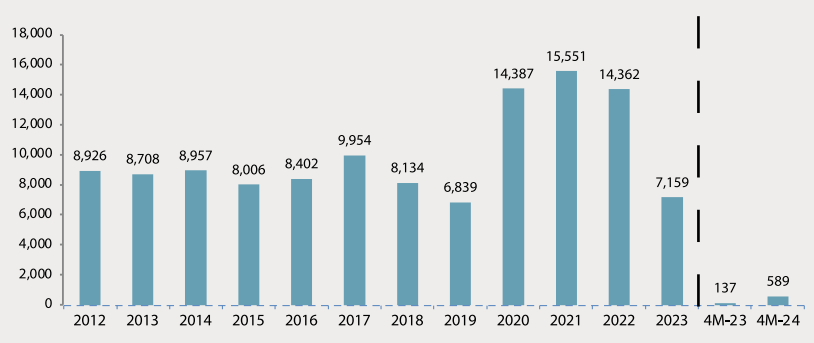
The average property sales value decreased from US\$ 91,683 in the first four months of 2023 to US\$ 62,914 in the first four months of 2024, showing a 31.4% decrease over the period, as per data from the DLRC.

In a look at the geographical breakdown of the value of property sales, Beirut captured the lion's share in the first four months of 2024 with 51.1% of total sales value. The South followed with 17.5% of the total. North Two and Bekaa were next with shares of 9.0% and 8.2% respectively during the period. Nabattiyeh had a share of 6.3% followed closely by North One with 6.2%. Baabda, Metn and Kesserouan all had minimal contributions to the total.

## NUMBER OF SALES OPERATIONS



## VALUE OF SALES TRANSACTIONS (US\$ MILLION)



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

## WFP NOTES 5% INCREASE IN THE SMEB DURING MARCH

According to the World Food Program (WFP), the monthly cost of the complete Survival Minimum Expenditure Basket (SMEB) noted a 5% increase between February and March 2024. The SMEB during March was recorded at LP 36.5 million (circa US\$ 407.8 at the FX rate of LP 89,500/US\$) for a family of five. On the other hand, the cost of the food basket alone remained unchanged in March registering LP 3.1 million (US\$ 34.6) per person per month. The inflation in LP continued to soften during the month with yearly inflation returning to double digits for the first time since 2020 mainly due to the stable exchange rate on the black market since August 2023.

During April, the WFP supported circa 900,000 Syrian refugees and over 600,000 Lebanese nationals to meet their essential needs. However, so far in 2024, the program has only received 23% of its funding requirements setting constraints on assistance. The WFP had to cut assistance to both Syrian refugees and Lebanese nationals by 27% since November 2023.

It is worth noting that according to WFP, 2.5 million individuals in Lebanon are in need of food assistance with 1.5 million receiving support from the program. Additionally, during April, WFP has executed US\$ 21.3 million in cash-based transfers and has distributed US\$ 2.6 million in food.

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## SURVEYS / REPORTS

### LEBANON RANKED 11TH REGIONALLY AND 140TH GLOBALLY IN THE WORLD PRESS FREEDOM INDEX 2023

According to the 2024 edition of the World Press Freedom Index, Lebanon ranked 140th globally out of 180 countries, with a score of 41.91. The country ranked eleventh in the Arab MENA region, after Oman (score of 42.52 and global rank of 137th) and Algeria (score of 41.98 and global rank of 139th) and preceding Libya (score of 40.59 and global rank of 143rd) and Somalia (score of 39.40 and global rank of 145th). Mauritania ranked first in the Arab World while Syria came last.

In details, Lebanon scored 45.03 at the level of the political indicator ranking 102 globally. As for the legislative indicator, Lebanon ranked 133rd with a score of 45.60. Looking at the economic indicator, the country scored 34.82 with a rank of 141. At the level of social indicator, Lebanon scored 42.18 and ranked 141st. On security indicator, Lebanon scored 41.92 and ranked 138th.

The countries where press freedom is “good” are all in Europe, and more specifically within the European Union, which has adopted its first media freedom law (EMFA). Ireland has dropped out of the Index’s top three countries, replaced by Sweden, while Germany is now one of the top ten countries. Press freedom is nonetheless being put to the test in Hungary, Malta and Greece, the three lowest-ranked EU countries. Further east in Europe, the conditions for practising journalism are deteriorating due to the scale of disinformation and censorship of media outlets falsely accused of undermining national security or terrorism. This is the case in Russia (162nd), Belarus (167th) and Turkmenistan (175th), while in Georgia (down 26 to 103rd), the ruling party is cultivating a rapprochement with Moscow. As a result of improvements in its security indicator – fewer journalists killed – and its political indicator, Ukraine (61st) has moved up 18 places.

In the Americas, the inability of journalists to cover subjects related to organised crime, corruption or the environment for fear of reprisals poses a major problem. The percentage of countries whose situation is classified as “satisfactory” (yellow) has drastically dropped from 36% in 2023 to 21% in 2024. One of the world’s biggest economic powers, the United States, has fallen ten places. In almost all of the countries in South America, the press freedom situation is now “problematic” – a deterioration due in part to the election of press freedom predators such as Javier Milei and governments’ inability to reduce violence against journalists. Mexico continues to be the most dangerous country for journalists, with 37 killed since 2019.

Sub-Saharan Africa was very affected by political violence during major elections in 2023. More than 8% of African countries are now coloured red on the chart, twice as many as in 2023. Nigeria, Togo and Madagascar have been hit by waves of repression of reporters. The region is marked by the decline in security in several Sahel countries – Niger, Burkina Faso and Mali.

In the Asia-Pacific region – the world’s second most difficult region for practising journalism – five countries are among the world’s ten most dangerous countries for media personnel: Myanmar (171st), China (172nd), North Korea (177th), Vietnam (174th) and Afghanistan (178th). But, unlike last year, none of the region’s countries is in the Index’s top 15.

In the Middle East and North Africa, the situation is “very serious” in nearly half of the countries. The United Arab Emirates joins the eight other countries in the red zone on the map: Yemen, Saudi Arabia, Iran, Palestine, Iraq, Bahrain, Syria and Egypt. Palestine, occupied and under bombardment by the Israeli army, and the deadliest country for journalists, is also at the bottom of the Index. Qatar is now the region’s only country where the situation is not classified either as “difficult” or “very serious.”

#### PRESS FREEDOM INDEX FOR LEBANON

Indicators	Global Rank	Score
Political	102	45.03
Economic	141	34.82
Legislative	133	45.60
Social	141	42.18
Security	138	41.92

Sources: Reporters without Borders, Bank Audi’s Group Research Department

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## ARAB MENA REGION'S RSF 2024 WORLD PRESS FREEDOM INDEX

Countries	Global Rank	Global score	Situation
Mauritania	33	74.20	Satisfactory
Comoros	71	61.47	Problematic
Qatar	84	58.48	Problematic
Tunisia	118	49.97	Difficult
Morocco	129	45.97	Difficult
Kuwait	131	44.66	Difficult
Jordan	132	44.30	Difficult
South Sudan	136	42.57	Difficult
Oman	137	42.52	Difficult
Algeria	139	41.98	Difficult
<b>Lebanon</b>	<b>140</b>	<b>41.91</b>	<b>Difficult</b>
Libya	143	40.59	Difficult
Somalia	145	39.40	Very serious
Sudan	149	35.73	Very serious
Yemen	154	33.67	Very serious
Palestine	157	31.92	Very serious
UAE	160	30.62	Very serious
Djibouti	161	30.14	Very serious
Saudi Arabia	166	27.14	Very serious
Iraq	169	25.48	Very serious
Egypt	170	25.10	Very serious
Bahrain	173	23.21	Very serious
Syria	179	17.41	Very serious

Sources: Reporters without Borders, Bank Audi's Group Research Department

## FITCH SOLUTIONS UNDERTAKES A SWOT ANALYSIS FOR THE LOGISTICS & FREIGHT TRANSPORT SECTOR

Fitch Solutions undertakes a SWOT analysis for the Logistics and Freight sector. At the level of Strengths, the report mentions:

- Road connections between cities and villages in Lebanon are robust.
- Excellent logistical services on the ground at Beirut RH International Airport.
- Good shipping connectivity and geographical position at the hub of three continents.

At the level of Weaknesses, the report mentions:

- The removal of fuel subsidies has resulted in a poor utilities service, with Lebanese households and businesses experiencing electricity blackouts 23 hours of the day.
- Transport has become the preserve of the extremely wealthy due to the cost and unavailability of fuel.
- Significant depreciation of the local currency means that the fuel crisis will continue in the medium term.

At the level of Opportunities, the report mentions:

- The rebuilding the port of Beirut offers an opportunity for modernisation, including through digitisation.
- Free economic zones at Beirut and Tripoli will partially offset the high costs of trade in Lebanon.
- The exploitation of offshore gas and oil reserves would greatly decrease Lebanon's dependency on imported fuel, reducing supply-related risks for businesses.

At the level of Threats, the report mentions:

- Electricity blackouts and poor water sanitation have forced hospitals to reduce services, and, combined with a lack of medical imports, risks to the health of the Lebanese population are amplified.
- Poor electricity supply inhibits economic and technological growth.
- Tensions between Lebanon and Israel continue to increase and there is no guarantee that any ceasefire will extend to fighting on the Lebanese-Israeli front.

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## CORPORATE NEWS

### LEBANON'S CABLEVISION LAUNCHES NEW STRATEGIC PARTNERSHIP WITH BEINMEDIA GROUP

The Lebanese telecom company Cablevision has recently announced the launch of a new strategic partnership with the Qatari beINMEDIA Group which stands as a world leader in sports and entertainments networks. This announcement was made during an event held at the headquarters of HolcomGroup.

According to the CEO of Globalcom Group (which includes Cablevision), Cablevision is set to work on delivering beIN's packages, content and channels to the largest portion of the audience in Lebanon. This partnership is set to allow Cablevision to secure exclusive redistribution rights for beIN channels through MVDS, DVBC, IPTV and Analog networks. This will in turn enable subscribers in Lebanon to have exclusive and comprehensive coverage of major sports events including the UEFA EURO 2024 and the 2026 FIFA World Cup as well as other major international sports events.

Through this agreement, the protection and preserving of beIN's rights in Lebanon is guaranteed. According to the CEO of Globalcom Group, all available means in cooperation with the Lebanese state will be used in accordance with applicable law in order to uphold this protection.

According to the Director of Corporate Communication of beIN for the MENA Region, this long-term partnership with Cablevision comes as Lebanon is perceived as a key market. In turn, Lebanese viewers will now be able to access beIN's broad range of sports and entertainment channels with offerings such as beIN SPORTS, beIN MOVIES, beIN SERIES among others. Additionally, beIN offers broadcasts in three languages: Arabic, English and French.

In parallel, according to the Lebanese Caretaker Minister of Information, there exists an importance of private-public partnership and cooperation in combatting piracy.

It is worth noting that Cablevision has been active for 30 years becoming the leading content distribution network for television in Lebanon. The company features circa 200 channels and has built a network of partnerships with global satellite networks.

### EM SHERIF SET TO EXPAND INTO THE UAE

According to a recent announcement by the Emirati companies 7 Management and ADIHH, the Lebanese brand Em Sherif is set to expand into the United Arab Emirates (UAE) with the launch of Em Sherif Sea Café and the Em Sherif Restaurant. This step marks the debut of Em Sherif in the UAE's culinary landscape. Both establishments are expected to open in 2025.

Em Sherif, established in Beirut in 2011, stands as a beacon of the Lebanese culinary scene through a fine dining experience. The brand has expanded to 22 locations spanning the Middle East and Europe with establishments in Monaco, London, Qatar, Egypt and Kuwait. Em Sherif is known for its ability to showcase Lebanese cuisine's rich spread while providing an authentic, cultural experience.

The Em Sherif Sea Café will be set on the sea shore with the aim of providing customers with fresh sea food and Mediterranean cuisine.

According to the Founder & CEO of 7 Management, Em Sherif is seen as synonymous with tradition and excellence both regionally and on the world stage which prompted the efforts to import the brand into the UAE.

### UNDP, KfW DEVELOPMENT BANK HOST 2024 BUSINESS DEVELOPMENT FORUM IN LEBANON

The United Nations Development Program (UNDP), in partnership with Germany through the KfW Development Bank, has hosted circa 70 Small and Medium Enterprises (SMEs), Cooperatives and startups with the 2024 Business Development Forum in Lebanon.

The primary objective of the forum was to offer networking and capacity-building opportunities for the

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participants which is expected to catalyze business growth and prosperity within the country.

This move comes in response to the multi-layered crises in Lebanon for which the UNDP leveraged ongoing programmatic platforms in a bid to support the stabilization of the micro-business environment as well as respond to their growing socio-economic needs. The UNDP's livelihood project aimed at stabilizing and growing Micro, Small and Medium Enterprises (MSMEs), startups, farmers and cooperatives with grants, capacity-building initiatives and enhancing creativity & innovation in order to foster job creation in the long-term.

The forum also worked on addressing the challenges faced by SMEs and cooperatives while providing insight on important topics. Key thematic discussions also centered on strategic support programs for sustainable economic recovery, access to new markets, food safety requirements and the process for obtaining industrial licenses.

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## LEBANON PARTICIPATES IN THE INTERNATIONAL FOOD EXHIBITION IN CANADA FOR THE FIRST TIME

Lebanon has recently participated for the first time in the International Food Exhibition (SIAL-Canada). This participation in SIAL-Canada's 21st edition was done through the participation of Nascom Group.

According to the Founder of Nascom Group, in previous years an absence of Lebanese companies was noted at SIAL exhibitions leading to the idea for Lebanon to have its own pavilion dedicated to the country's heritage. The pavilion was in turn called "Lebanon, Heritage for Taste". The Group has partnered with the Fair Trade Association in Lebanon in order to bring in exhibiting from Lebanon.

According to the President of the Lebanese Canadian Chamber, this participation in the exhibition was done as a platform for communication and the formation of strategic partnerships in a bid to open new horizons for entrepreneurs.

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## CMA CGM FOUNDATION SUPPLIED 285 OF THE LRC AMBULANCES WITH FUEL SINCE FEBRUARY

The CMA CGM Foundation has supplied fuel to circa 285 of the Lebanese Red Cross (LRC)'s ambulances since February 2024. This comes as part of a partnership between the two sides to provide 50% of the fuel consumption of LRC ambulances during the first half of the current year.

The partnership aims to support LRC transport of patients across Lebanon and ensure the continuity of its emergency medical services.

During the first half of 2024, LRC ambulances are expected to transport circa 75,000 patients.

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## MOU SIGNED BETWEEN CCIA, LCAM, ESA, RDCL AND LFA FOR NEW MEDIATION CERTIFICATE

A Memorandum of Understanding (MoU) has recently been signed between the Chamber of Commerce, Industry & Agriculture- Beirut & Mount Lebanon (CCIA), the Lebanese Center for Arbitration and Mediation (LCAM), the Higher Institute of Business (ESA) the Rally of Lebanese Businessmen and Women (RDCL) and the Lebanese Franchise Licensing Association (LFA).

This MoU tackles the launch of the "Become a Mediator" certificate through a training program in French at ESA and the Chamber of Mediation and Arbitration in Paris (CMAP). Following the completion of the program successfully, participants will receive a certificate signed by ESA and CMAP.



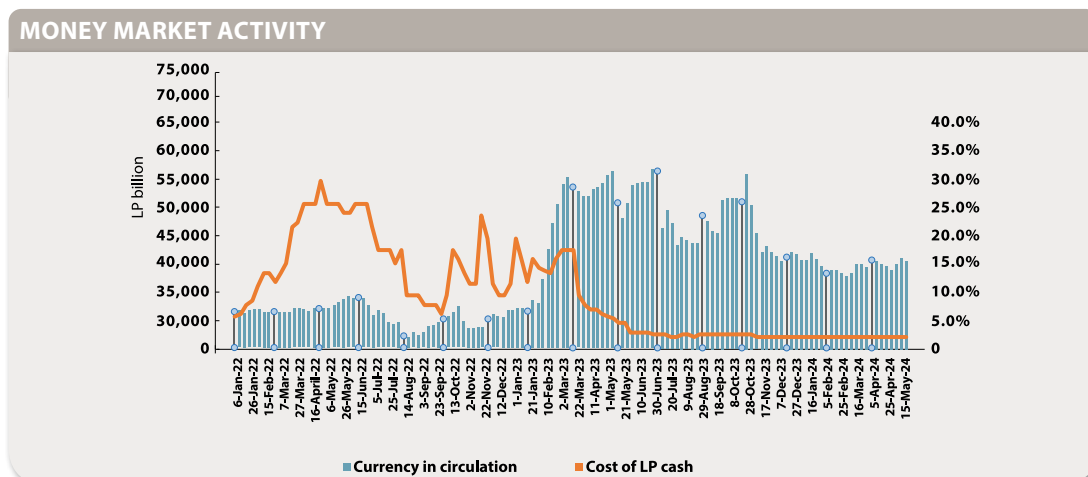
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## CAPITAL MARKETS

### MONEY MARKET: LARGE WEEKLY CONTRACTION IN MONEY SUPPLY (M4), ON FALLS IN CURRENCY IN CIRCULATION

The overnight rate, which is a non-cash rate on the money market, fell from 120% at the end of last week to 50% on Friday, which indicates that the LP liquidity relatively returned to the money market, 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 16th of May 2024 showed that total resident banking deposits contracted slightly by LP 177 billion. This is mainly attributed to a LP 427 billion fall in foreign currency resident deposits (the equivalent of US\$ 4.8 million as per the official rate of LP 89,500), while total LP resident deposits rose by LP 250 million amid a LP 102 billion increase in LP demand deposits and a LP 148 billion expansion in LP saving deposits. Yet, the money supply in its broadest sense (M4) registered a large contraction of LP 1,013 billion over the covered week amid a LP 763 billion decline in the currency in circulation and a shy decrease in the non-banking sector Treasury bills portfolio of LP 72 billion.



### FOREIGN EXCHANGE MARKET: CONTINUING CURRENCY STABILITY AMID QUASI-BALANCED DYNAMICS

The LP/US\$ parallel market rate remained stable at 89,500 this week, given the Central Bank of Lebanon's policy to end government financing and foreign exchange subsidies, and preserve what remains of FX buffers, and within the context of a highly dollarized economy and quasi-equilibrium in fiscal and external positions, in addition to extended growth in BDL's FX reserves.

In fact, the latest BDL's bi-monthly balance sheet ending 15th of May 2024 showed that the Central Bank's liquid foreign reserve assets expanded by US\$ 79 million to reach US\$ 9,761 million mid-May. Accordingly, BDL's liquid foreign reserve assets accumulated a total growth of US\$ 1,188 million since end-July 2023, when the first deputy governor of the Central Bank took over as interim Chief after governor's term ended.

**EXCHANGE RATES**

	31/05/2024	24/05/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	113,755.00	113,701.00	19,207.50	↓
LP/¥	568.90	569.95	106.60	↑
LP/SF	98,786.00	97,814.00	17,942.58	↓
LP/Can\$	65,525.00	65,219.00	11,347.30	↓
LP/Euro	96,973.00	96,875.00	16,695.00	↓

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## STOCK MARKET: BSE SLIDES INTO RED THIS WEEK, MAINLY DRAGGED BY HEAVYWEIGHT SOLIDERE SHARES

Activity on the Beirut Stock Exchange was tilted to the downside this week, as reflected by a 0.6% retreat in the price index, mainly dragged by price falls in Solidere "B" shares (-0.4% to US\$ 69.70), while Solidere "A" share price edged up by 0.1% to US\$ 70.05. Amongst banking stocks, Byblos Bank's "listed" share price jumped by 11.7% to US\$ 0.67. As to industrials, Holcim Liban's share price surged by 4.5% to US\$ 65.85. Ciments Blancs Nominal's share price went up by 1.6% to US\$ 32.00.

As to trading volumes, the BSE total turnover contracted by 43.9% week-on-week, moving from US\$ 12.5 million last week to US\$ 7.0 million, noting that Solidere shares captured the lion's share of activity (84.20%), followed by the industrial shares with 15.13% and the banking shares with 0.67%.

### AUDI INDICES FOR BSE

22/1/96=100	31/05/2024	24/05/2024	29/12/2023	
Market Cap. Index	722.28	726.78	868.20	↓
Trading Vol. Index	63.28	112.71	73.00	↓
Price Index	151.63	152.57	182.26	↓
Change %	-0.62%	3.96%	2.34%	↓
	31/05/2024	24/05/2024	29/12/2023	
Market Cap. \$m	17,135	17,242	20,597	↓
No. of shares traded (Exc. BT)	173,269	219,661	54,721	↓
Value Traded \$000 (Exc. BT)	7,018	12,503	4,855	↓
o.w. : Solidere	5,909	12,294	4,855	↓
Banks	47	136	0	↓
Others	1,062	73	0	↑

## BOND MARKET: BUYBACK TALKS CONTINUE TO LIFT LEBANESE BOND PRICES

Lebanon's Eurobond market pursued its upward streak for the third consecutive week, mainly as talks about a governmental proposal seeking to start negotiations with bondholders in order to buyback sovereigns for a total of circa US\$ 3 billion, continued to leave a positive impact on market activity.

Within this context, prices of Lebanese sovereigns closed the week at 7.00 cents per US dollar against 6.85 cents per US dollar at the end of last week, which marks an across-the-board expansion of 0.15 pt. This took place despite IMF's warning about a lack of action on necessary economic reforms, and despite a protracted political crisis, and lingering military tensions on the Southern Lebanese border. Accordingly, Lebanese Eurobonds accumulated price gains of 1.00 pt year-to-date.

### EUROBONDS INDICATORS

	31/05/2024	24/05/2024	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	7.000	6.850	6.000	↑
Yield on US 5-year note	4.58%	4.53%	3.83%	↑

Source: Bank Audi's Group Research Department

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## INTERNATIONAL MARKET INDICATORS

	31-May-24	24-May-24	31-Dec-23	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	157.31	156.99	141.04	0.2%	11.5%
\$/£	1.274	1.274	1.273	0.0%	0.1%
\$/Euro	1.085	1.085	1.104	0.0%	-1.7%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	38,686.32	39,069.59	37,689.54	-1.0%	2.6%
S&P 500	5,277.51	5,304.72	4,769.83	-0.5%	10.6%
NASDAQ	16,735.02	16,920.79	15,011.35	-1.1%	11.5%
CAC 40	7,992.87	8,094.97	7,543.18	-1.3%	6.0%
Xetra Dax	18,497.94	18,693.37	16,751.64	-1.0%	10.4%
FT-SE 100	8,275.38	8,317.59	7,733.24	-0.5%	7.0%
NIKKEI 225	38,487.90	38,646.11	33,464.17	-0.4%	15.0%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	2,327.33	2,333.83	2,062.98	-0.3%	12.8%
SILVER OUNCE	30.41	30.26	23.80	0.5%	27.8%
BRENT CRUDE (per barrel)	81.11	82.12	77.04	-1.2%	5.3%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	5.33	5.33	5.35	0.00	-0.02
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	4.50	4.47	3.88	0.03	0.62

Sources: Bloomberg, Bank Audi's Group Research Department

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