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## Markets In Brief

### p.9 WAIT-AND-SEE MOOD REIGNS OVER LEBANON'S CAPITAL MARKETS AMID ESCALATING MILITARY TENSIONS IN SOUTH

Despite mounting concerns about the military escalation in the South and fears that the conflict could ignite into a broader war in Lebanon, while the country is reeling under an unprecedented Presidential void and the cabinet continues to operate in a caretaker mode, and amid BDL's policy refraining from financing the government in Lebanese Pound and foreign currencies, the country's capital markets remained underpinned this week by continuous stability in the LP/US\$ parallel market rate, while the equity market dipped deeper into the red and the Eurobond market remained governed by a wait-and-see mood. In details, the LP/US\$ exchange rate remained quoted around 89,500 on the parallel FX market this week amid a quasi-equilibrium in fiscal and external positions and given BDL's policy to preserve what remains of FX reserves. At the level of the equity market, the BSE price index contracted further by 1.6%, while the total turnover contracted by 30.4% week-on-week to US\$ 2.9 million. Finally, Eurobond prices remained stable at 6.875 cents per US dollar across the curve, amid military escalation in the South and rising fears of a full-blown war.

### LEBANON MARKETS: JUNE 17 - JUNE 23, 2024

<b>Money Market</b>	↓	<b>BSE Equity Market</b>	↓
<b>LP Tbs Market</b>	-	<b>Eurobond Market</b>	→
<b>LP Exchange Market</b>	→	<b>CDS Market</b>	-

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## ECONOMY

### WORLD BANK SAYS POVERTY AND INEQUALITY ARE ON THE RISE IN LEBANON

According to a new World Bank report, monetary poverty in Lebanon has more than tripled from over a decade ago. New survey data covering the population residing in five governorates of Akkar, Beirut, Bekaa, North Lebanon and most of Mount Lebanon reveal a rise in consumption-based poverty in the covered areas from 12% in 2012 to 44% in 2022. Among the Lebanese residing in these five governorates, one out of every three individuals was poverty-stricken in 2022, up from 11% in 2012. Not only has the share of poor Lebanese increased, but they are also falling deeper into poverty. The depth of their poverty or poverty gap—which is the minimum financial amount required to bring the spending levels of the poor up to the poverty line, expressed as a share of the latter—rose from 3 percent in 2012 to 9.4 percent in 2022.

A new, unofficial poverty line was developed for 2022 to better reflect the consumption behavior of households amidst the ongoing economic crisis. The existing national poverty line is outdated as it relies on consumption patterns from 2012 that no longer reflect the realities and conditions faced by households in Lebanon today. Overall prices have increased by nearly 15 times over the past decade, eroding the purchasing power of lira-denominated incomes. Survey data also reflects this change in consumption patterns – Lebanese households in 2022 residing in the covered governorates are consuming a third of the amount of (mostly imported) meat and seafood from a decade ago while the consumption of more affordable bread and cereals has risen by over 20%.

Poverty is unevenly distributed across the country and is escalating rapidly in the North. For Lebanese, poverty rates range from 2% in Beirut to as high as 62 percent in Akkar. The northern governorates of North Lebanon and Akkar which have large shares of workers in agriculture, saw higher increases in poverty compared to 2012. Agriculture workers are among the poorest in the population, followed by those in construction.

Income inequality also appears to be rising among the Lebanese. Lebanon was reported to have one of the most pronounced levels of income inequality in 2014, ranking 129 out of 141 countries globally with respect to high income inequality. The top one and 10 percent of adults were found to have received 25 and 55% of the national income, respectively. Survey data for 2022 also suggest that per-capita income inequality for Lebanese households, measured using a Gini index, rose from 0.4 in 2012 to 0.6 in the five governorates.

Five tumultuous years into an economic crisis have adversely affected all but the richest segment of society, contributing to growing food insecurity. Annual inflation has remained in the triple digits since 2021, fueled by a plummeting currency that lost 98 percent of its pre-crisis value by December 2023. With soaring food prices, food insecurity is on the rise which has not only reduced food purchases but also forced a change in diets. About 32 percent of poor households surveyed in 2022/2023 have less than acceptable food consumption scores used to assess dietary diversity, consumption frequency and relative nutritional importance of different food groups. Nearly 83 percent of all households interviewed indicated that they relied on less preferred or cheaper food in at least one out of the seven days preceding their interview. Poor households were twice as likely as non-poor families to cut meal portions, reduce the number of meals, borrow food or rely on assistance from relatives or friends, and nearly four times as likely to have an adult member restrict their food intake to feed their children.

Most of the population are at the mercy of high inflation. Amidst the ongoing crisis, Lebanon is rapidly transitioning towards a dollarized, cash-based economy which poses risks for future economic growth but in the present circumstances, shields those paid fully or partially in a foreign currency. Lebanese households in the top 20% of the distribution received over 50 percent of the value of their total income in dollars, effectively hedging them against the currency driven inflation. Earning dollars acts as a form of wage-indexation which preserves the purchasing power of its recipients, amplifying inequalities between those who have access to dollars and those who do not. The bottom 20% received at most 6% of their income in dollars, exposing them far more to the ills of escalating inflation.

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## LRP SEES LEBANON'S EDUCATION SECTOR AS 65% DEFICIENT IN REQUIRED FUNDING IN Q1

According to a report by the Lebanon Response Plan (LRP), Lebanon's education sector shows a funding deficiency of 64.8% (US\$ 184 million) for 2024 as of the first quarter (Q1) of the year. This comes as only 5.5% (US\$ 15.7 million) of the total required funding has been received since the start of the year and 29.7% (US\$ 84.2 million) of the total requirements was carried over from 2023. In turn, education sector partners involved in the LRP have only been able to reach 56.6% (527,213 individuals) of the target population (930,809 individuals). Looking at the distribution of the population by cohort reached with aid, Lebanese individuals took the lion's share with 50.1% (264,163 individuals), followed by Syrian refugees with 40.5% (213,657 individuals), Palestinian Refugees in Lebanon (PRL) with 7.1% (37,582 individuals), Palestinian Refugees from Syria (PRS) with 1.5% (7,737 individuals) and other migrants in need with 0.6% (3,393 individuals) in Q1 2024.

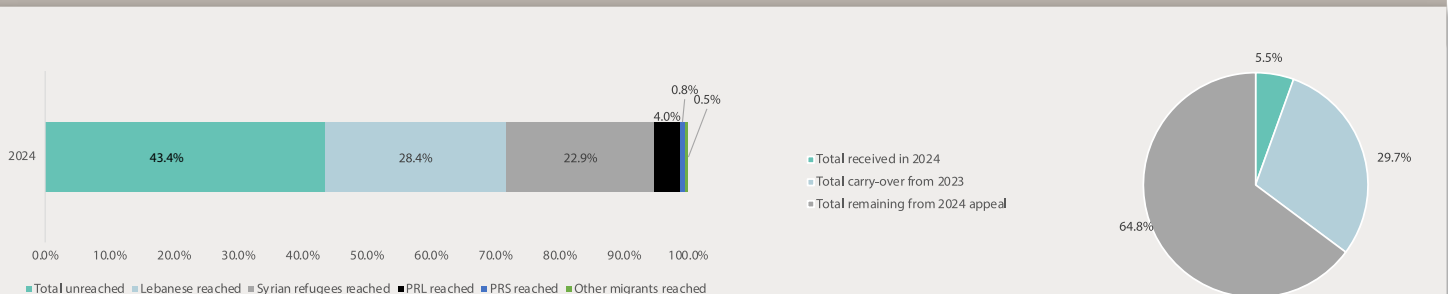
At the level of achievement analysis for the sector at the output level, LRP involved sector partners have reported low levels of achievements due to low levels of funding as well as the situation in the south of the country. In detail, only 2.9% (3,391 individuals) of the targeted population for cash aid (117,477 individuals) received support through unrestricted Cash for Education. Additionally, only 14% (15,973 individuals) of the targeted population for retention support programs (115,814 individuals) received the aforementioned aid. In parallel, only 17% (4,256 individuals) of the targeted population for child protection services (25,477 individuals) received appropriate support. On the other hand, support through school meals reached 67% (96,586 individuals) of the targeted population (144,378 individuals) in Q1 2024, as per the LRP report.

In parallel, LRP education sector partners also worked to help regions affected by the ongoing conflict. Sector partners supported a total of 14 emergency hub-schools, alongside the Ministry of Education and Higher Education (MEHE), ensuring 90% of the children receive education via remote learning methods. Other support of partners includes cash for families and teachers, provision of snacks at schools to around 12,000 children, retention support, distribution of menstrual hygiene kits for girls aged 15-17, and referrals to specialized protection services. School funds are provided to these hub schools. To support online learning more than 3,000 laptops for students and 2,400 laptops for teachers were distributed. Support is also provided to approximately 1,000 children to address learning losses and prevent dropouts. Outreach and referrals of over 4,500 children to NFE programs has also been done in conflict zones and displacement areas. Children in shelters have also been provided with learning materials and hygiene kits for adolescent girls to address period poverty and enhance access to education.

Additionally, LRP education sector partners are actively collaborating closely with the Water, Sanitation, and Hygiene (WASH), and Shelter sectors within schools to ensure thorough support and implementation of essential measures. This partnership involves a concerted effort to tackle diverse aspects including infrastructure, hygiene facilities, and shelter provisions within educational settings. Through this joint endeavor, these sectors strive to establish safer, healthier, and more conducive learning environments for students. The sector continues to work with the Child Protection sub-sector to ensure improved geographic targeting based on the needs of the most vulnerable, using Child Protection and Education indicators, as per the LRP report.

DISTRIBUTION OF THE REACHED POPULATION WITH EDUCATION SPECIFIC AID IN 2024

2024 EDUCATION SECTOR FUNDING STATUS AS OF MARCH



Source: LRP, Bank Audi Group's Research Department

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## LEBANESE GOVERNMENT PURCHASES 63,000 METRIC TONS OF WHEAT FROM UKRAINE

According to reports from European traders, the Lebanese government has recently purchased circa 63,000 metric tons of wheat in a tender. The totality of the wheat shipment is expected to be sourced from Ukraine with the products being sought for rapid shipment to Lebanon.

In details, an estimated 57,000 tons was bought at circa US\$ 248/ton reaching a total of US\$ 14.1 million Cost & Freight Free out (C&F FO). Out of the 57,000 tons, 75.4% (43,000 tons) costing US\$ 10.7 million are set for shipment by June 25. In parallel, 13.2% (7,500 tons) costing US\$ 1.9 million are set for immediate shipment and 11.45 (6,500 tons) costing US\$ 1.6 million are set for shipment by July 15.

On the other hand, an additional 6,000 tons was also bought at US\$ 247/ton C&F FO totaling US\$ 1.5 million to be shipped by July 18. This leaves the total cost of the 63,000 tons of wheat at circa US\$ 15.6 million C&F FO.

It is worth noting that the purchase is set to be financed by the World Bank as part of a continuing program for wheat purchase in assistance of Lebanon during the crisis.

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## NEW DOCUMENTS SHOW PLANS FOR LEBANESE RELIANCE ON IRAQI OIL SHIPMENTS FOR ELECTRICITY PRODUCTION UNTIL 2028

New documents from Lebanon's National Emergency Plan for the Electricity Sector by the Ministry of Energy and Water (MoEW) shows plans by the country to rely on the Iraqi fuel deal being renewed for energy supply until at least 2028. This denotes a possibility for Lebanon to become reliant on a complex arrangement to import Iraqi fuel for its electricity needs without an agreed repayment plan and is set to further delay Lebanon's transition to more affordable renewable energy sources. The Iraqi oil import deal, ongoing for three years, has yet to see Lebanon repaying Iraq for the oil received partly due to unclear terms of the agreement. Under the deal, Lebanon is supposed to deposit funds in a dollar account that Iraq can withdraw from in Lebanese Pounds to spend on goods and services for its ministries. However, the exchange rates for the fund as well as the exact nature of services to be provided are unclear under the arrangement. In turn, Iraq has yet to access US\$ 550 million worth of goods and services from the first year's imports present in BDL.

Under the plan, Électricité du Liban (EDL) aims to increase the volume of import in the deal to US\$ 772 million per year as part of its plan to increase electricity production to reach eight hours per day by 2028. In turn, this will increase the total amount owed to Iraq to reach US\$ 5.5 billion by 2028 with Lebanon becoming reliant on fossil fuels without achieving 24-hour electricity coverage. Additionally, this plan was set without the Iraqi government accepting the extension of the deal as of yet. In turn, this deal stands as a ticking time bomb as no alternative fuel sources were identified as the contract is set to end in October and the Iraqi side has yet to receive its dues with Lebanon already owing Iraq US\$ 1.6 billion while only having deposited US\$ 550 million in the BDL account.

According to the emergency plan, EDL would also gradually assume responsibility for paying for the shipments, this leads electricity production costs to reach US\$ 0.2-0.3/Kilowatt Hour. This cost would however drop threefold through the usage of natural gas in turn making EDL more profitable and more attractive to international donors.

It is worth noting that according to a World Bank report, replacing fuel with natural gas and large solar installations in Lebanon could reduce the cost of electricity in the country by up to 66%.

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## SURVEYS / REPORTS

### LEBANON RANKS 12TH IN THE ARAB MENA REGION AND 91ST GLOBALLY IN THE YOUTH DEVELOPMENT INDEX 2023

Lebanon recorded a score of 0.740, ranking 12th in the Arab MENA region and 91st globally in the Youth Development Index 2023. Regionally, it was preceded by Libya (Global rank of 86) and Palestinian Territories (Global rank of 89) and followed by Egypt (Global rank of 99) and Algeria (Global rank of 102). UAE tops the Arab MENA region (Global rank of 26) while South Sudan came last (Global rank of 178).

The 2023 Youth Development Index (YDI) measures progress in 183 countries, including 50 of the 56 Commonwealth countries. It covers six domains of youth development: Education, Employment and Opportunity, Equality and Inclusion, Health and Wellbeing, Peace and Security, and Political and Civic Participation. Changes in 27 indicators across the six domains are tracked over a 12-year period from 2010 to 2022. As is customary with global development indices, references to the 2023 YDI score reflect data up to the previous year. Where indicators are used that refer specifically to the situation of the youth population, the definition of youth is of persons 15–29 years old, though data is sometimes available only for those 15–24 years old.

The methodology and indicators used to compile the 2023 YDI are the same as those used in the 2020 report, making this the first update that can be directly compared with a previous report. Annex 1 presents full details of the indicators comprising the methodology, and Annex 2 lists the country rankings and scores against the index and its indicators.

The YDI score is a number between 0 and 1, with 1 representing the highest possible level of youth development attainable across all indicators. A score of 0, therefore, reflects little to no youth development.

According to the report, progress on youth development continues to be slow. Overall, over the past 12 years (2010–2022), the global average YDI score has improved by 2.8 per cent. There has been moderate but steady improvement every year.

ARAB MENA COUNTRIES' YOUTH DEVELOPMENT 2023 RANKINGS AND SCORES									
Global Rank	Country	2023 YDI score	2023 Level of youth development	Education score	Employment & Opportunity score	Equality & Inclusion score	Health & Wellbeing score	Peace & Security score	Political and Participation score
26	United Arab Emirates	0.811	Very high	0.860	0.827	0.878	0.909	0.772	0.252
32	Bahrain	0.804	Very high	0.839	0.946	0.957	0.864	0.900	0.338
33	Oman	0.803	Very high	0.859	0.942	0.950	0.858	0.924	0.320
33	Qatar	0.803	Very high	0.788	0.784	0.829	0.885	0.559	0.326
40	Kuwait	0.797	High	0.821	0.782	0.824	0.935	0.769	0.308
46	Saudi Arabia	0.792	High	0.874	0.902	0.927	0.757	0.655	0.359
63	Tunisia	0.768	High	0.783	0.798	0.911	0.951	0.718	0.289
82	Morocco	0.750	High	0.760	0.750	0.854	0.874	0.671	0.397
85	Jordan	0.746	High	0.730	0.859	0.916	0.847	0.930	0.298
86	Libya	0.745	High	0.712	0.784	0.883	0.932	0.660	0.316
89	Palestinian Territories	0.741	High	0.806	0.606	0.673	0.934	0.784	0.422
<b>91</b>	<b>Lebanon</b>	<b>0.740</b>	<b>High</b>	<b>0.787</b>	<b>0.648</b>	<b>0.760</b>	<b>0.899</b>	<b>0.731</b>	<b>0.352</b>
99	Egypt	0.733	Medium	0.754	0.652	0.875	0.962	0.770	0.185
102	Algeria	0.728	Medium	0.631	0.771	0.932	0.931	0.828	0.339
119	Comoros	0.703	Medium	0.497	0.580	0.888	0.908	0.479	0.344
130	Mauritania	0.692	Medium	0.479	0.743	0.851	0.963	0.812	0.329
133	Syria	0.689	Medium	0.637	0.500	0.600	0.907	0.553	0.204
134	Iraq	0.685	Medium	0.690	0.598	0.846	0.947	0.514	0.282
140	Djibouti	0.676	Medium	0.527	0.681	0.829	0.907	0.552	0.336
147	Sudan	0.670	Low	0.510	0.955	0.949	0.852	0.924	0.321
170	Yemen	0.623	Low	0.603	0.659	0.894	0.804	0.502	0.325
178	Somalia	0.582	Low	0.486	0.563	0.633	0.833	0.422	0.330
178	South Sudan	0.582	Low	0.224	0.698	0.765	0.953	0.744	0.338

Sources: The Commonwealth, Bank Audi's Research Department

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## SWOT ANALYSIS OF THE MEDICAL DEVICES SECTOR ISSUED BY FITCH SOLUTIONS

In a report issued last week, Fitch Solutions undertook a SWOT analysis of the Medical Devices Sector in Lebanon;

At the level of strengths, the report mentions:

- Reasonably good democratic credentials.
- Beirut used as an important trading hub.
- Health sector dominated by private providers.
- Abundance of private diagnostic centers and laboratories.
- High number of doctors.
- Availability of good technicians.
- Market reliant on medical device imports.
- Regional entry platform to cover the Levant medical device market.

At the level of weaknesses, the report mentions:

- Widespread corruption.
- Large public debt load.
- Currency crises that is affecting medical devices trade and company operations.
- Small, fragmented population.
- Need to reform health insurance.
- Small medical device market in the region.
- Medical device market safety issues due to non-regulated post-market surveillance.

At the level of opportunities, the report mentions:

- Further financial aid to help Lebanon face the refugee crisis.
- Demographic boost provided by the influx of Syrian refugees.
- Ageing population.
- Increasing incidence of chronic diseases.
- Expanding healthcare system.
- Medical tourism.
- Stronger regulations and follow-up resources for medical devices.
- Global partnerships boosting medical device R&D capabilities.

At the level of threats, the report mentions:

- Political crisis.
- Continued regional instability.
- Slowing economic growth.
- Tensions between Israel and Hezbollah.
- Security threats.
- Influx of Syrian refugees stretching health infrastructure and services.
- High competition in the diagnostic imaging segment.

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## CORPORATE NEWS

### AL-HABTOOR GROUP CANCELS PLANS TO LAUNCH NEW TV CHANNEL IN LEBANON CITING SECURITY CONCERNS

The United Arab Emirates (UAE) based Al-Habtoor Group has recently canceled its plans to launch a new television (TV) channel which was supposed to broadcast from Lebanon with the group looking for alternatives to launch the channel from other countries.

This decision came on the back of severe security challenges as following the announcement of the project, the group encountered campaigns of accusations, slander and threats (which includes threats of physical harm to the group's founder and staff).

According to the Founder and Chairman of Al-Habtoor Group, the group has encountered numerous obstacles that cannot be reasonably borne regarding the safety and security of staff. Following careful considerations and in light of the lack of necessary security stability for investment, the group finds itself compelled to seek an alternative to launching the project from Lebanon.

It is worth noting that the TV channel project, which was announced at the end of April, was intended to broadcast cultural, social and sporting programs. The project was initially expected to create circa 300 job opportunities in journalism, production, art and a number of other fields. Additionally, more jobs were expected to be added with the project's further expansion.

### BULGARIA'S MOFA ANNOUNCES ODA GRANT PROJECT IN LEBANON

The Bulgarian Ministry of Foreign Affairs (MoFA) through the Bulgarian Embassy in Beirut has announced new procedures for the selection process of projects to be implemented with a grant through the Official Development Assistance (ODA) of Bulgaria. The deadline for applications is set to end-July 2024 and the initial implementation period is set in 2025.

According to the Bulgarian MoFA, the priority areas for the Project Implementation is to ensure access to inclusive and equitable quality education, support for ensuring universal health coverage and access to quality health care services, preservation and conservation of the cultural and historical heritage of Lebanon and the protection of human rights with an emphasis on women, children and socially disadvantaged individuals. The projects' objectives follow the Sustainable Development Goals (SDGs) number 3, 4, 5 and 17 on the United Nation agenda 2030.

Looking at funding requirements for applicants, the minimal amount for the project must be BGN 20,000 (US\$ 10,976). Additionally, the recommended maximum funding for the project is:

- Up to BGN 150,000 (US\$ 82,319) for projects aiming to deliver goods or services.
- Up to BGN 300,000 (US\$ 164,638) for projects aiming to carry out repairs and/or construction activities.
- Up to BGN 30,000 (US\$ 16,464) for projects with the main purpose is carrying out conferences, seminars, study visits, colloquium, etc. with the project term set at 9 months.



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## LEBANESE CARETAKER MINISTER OF INTERIOR STRESSES THE IMPORTANCE OF INVESTING IN SECURITY TO ADVANCE ECONOMIC STABILITY

During a meeting between the Lebanese Caretaker Minister of Interior and the Lebanese Chargé d'Affairs of the Lebanese Embassy in France, the former stressed that in regards to the security conditions at the onset of the summer season, it is crucial to invest in security as a gateway to all economic, financial and developmental stability.

Additionally, according to the Lebanese Caretaker Minister of Interior, it is crucial for the Lebanese to strengthen their ties over issues that are a source of consensus such as the Syrian displacement issue for example. This strengthening of ties could in turn potentially constitute a main prelude to addressing and finding solutions to more controversial matters.

Looking at the situation in South Lebanon, there exists a need to strive towards removing the threat of war expansion which would hurt all the Lebanese.

It is worth noting that the meeting was attended by members of the Lebanese community residing in France, several newspaper office directors and representatives. The Lebanese Caretaker Minister of Interior also called on the Lebanese diaspora in France to spend the summer in Lebanon to help boost the tourism sector and contribute to the local economy.

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## LU, TAG.TECH FACTORY SET TO OPEN ON JULY 11

The Lebanese University (LU) factory aiming to produce for Talal Abu Ghazaleh Technology Company (TAG.Tech) is set to open on July 11 with preparation under way by the university for the opening day. This comes following the agreement signed between LU and TAG.Tech to manufacture, assemble and produce electronic devices signed in mid-July 2023.

LU has recently obtained an industrial license certificate from the Ministry of Industry. Additionally, TAG.Tech has equipped the university with the necessary equipment for three production lines: digital tablets, laptops and smartphones as well as a packaging line.

Raw materials for production are set to be imported from abroad with the assembly taking place in Lebanon in the first stage. Revenues will be divided between LU and TAG.Tech with the latter training professors and students on the production lines and the use of the machines.

This agreement could be a prelude to the entry of businesspeople and technology companies into the Lebanese universities market which is full of youth looking for opportunities.

According to the Project Coordinator, circa 50 students were trained with the factory needing another 50. The students are now fully prepared to work on the production lines and on machines specialized in scientific research, packaging, maintenance among other things. The importance of the project lies in the development of scientific research and its work with engineering laboratories at LU. The manufacture of such technologies provides great experience for engineering and informatics students at the Institute of Technology. Additionally, LU will become the first university in the world to own its own factory. This will transform LU into a productive university with the factory becoming a training space for students in related specialization fields.

Additionally, according to the Project Coordinator, the amount of production depends on the size of demand with estimates indicating that production will be around 3,000 to 5,000 units per month with high competitive ability locally and globally. Looking at revenue distribution, 60% of the project's revenues are set to go to TAG.Tech and 40% will go to LU to be allocated to laboratory expenses and wages for students and workers.



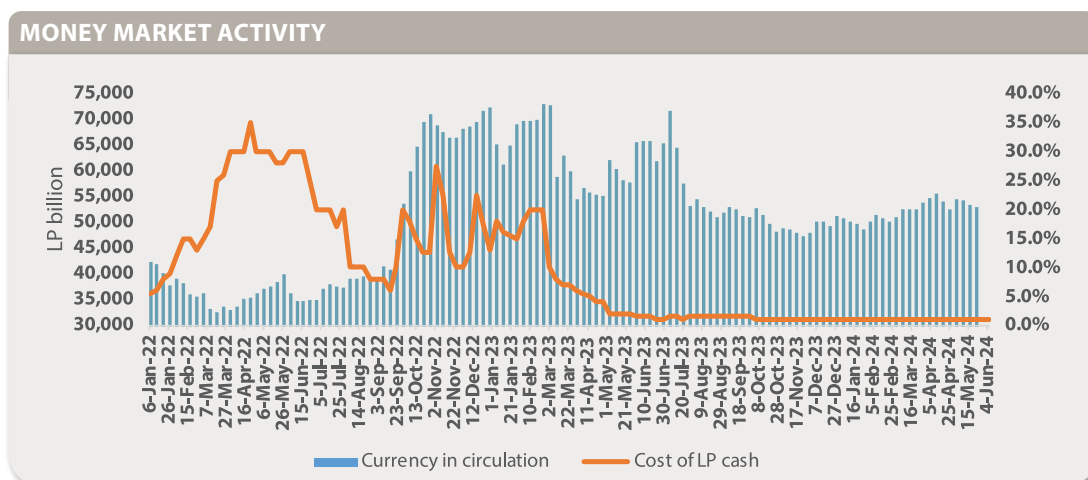
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## CAPITAL MARKETS

### MONEY MARKET: SIGNIFICANT WEEKLY CONTRACTION IN TOTAL RESIDENT BANKING DEPOSITS

The overnight rate, which is a non-cash rate on the money market, fell from 65% at the end of last week to 20% on Friday, as the local currency liquidity 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 6th of June 2024 showed that total resident banking deposits contracted significantly by LP 10,254 billion. This is mainly attributed to a LP 8,290 billion rise in foreign currency resident deposits (the equivalent of US\$ 92.6 million as per the official rate of LP 89,500), while total LP resident deposits decreased by LP 1,964 billion amid a LP 2,619 billion retreat in LP demand deposits and a LP 656 billion rise in LP saving deposits. Within this context, the money supply in its broadest sense (M4) contracted LP 8,405 billion over the covered week amid a LP 1,848 billion rise in the currency in circulation and stability in the non-banking sector Treasury bills portfolio.



### FOREIGN EXCHANGE MARKET: CURRENCY IN CIRCULATION REPRESENTS 7% OF BDL'S LIQUID FX RESERVES

The LP/US\$ exchange rate continued to revolve around 89,500 on the parallel FX market this week, amid a quasi-equilibrium in fiscal and external positions, and relative stability in the “currency in circulation outside BDL”, as the latter reached LP 59.0 trillion at end-May 2024 against LP 58.1 billion at end-2023 given the Central Bank of Lebanon’s policy to end monetary financing.

That being said, the currency in circulation outside BDL was estimated at about US\$ 659 million at end-May 2024, which represents 6.7% of BDL’s liquid foreign reserve assets (US\$ 9,867 million). Given the continuous stability in the LP/US\$ parallel market rate and the relative convergence between the LP/US\$ official rate and the parallel market rate, inflation eased to 28% year-on-year in May 2024 against 320% year-on-year in May 2023, as per figures released by the Consultation & Research Institute.

EXCHANGE RATES				
	21/06/2024	14/06/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	113,262.00	113,862.00	19,207.50	↑
LP/¥	563.46	568.25	106.60	↑
LP/SF	100,325.00	100,303.00	17,942.58	↓
LP/Can\$	65,376.00	65,053.00	11,347.30	↓
LP/Euro	95,693.00	95,684.00	16,695.00	↓

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## STOCK MARKET: ACTIVITY ON BSE REMAINS TILTED TO DOWNSIDE FOR FOURTH CONSECUTIVE WEEK

Activity on the Beirut Stock Exchange remained skewed to the downside for the fourth consecutive week, as reflected by a 1.6% retreat in the price index, as some market players sought to lock in their gains. Six out of eight traded stocks registered price falls, while two stocks posted price gains.

A closer look at individual stocks shows that BLOM's "listed" shares led the fall on the BSE this week, plunging by 33.6% to US\$ 2.90, followed by Bank Audi's "listed" shares with -3.8% to US\$ 1.50, Holcim Liban's shares with -1.5% to US\$ 62.00, Bank Audi's GDRs with -0.9% to US\$ 1.11, Solidere "A" shares with -0.7% to US\$ 69.50 and Solidere "B" shares with -0.1% to US\$ 69.00. In contrast, Byblos Bank's "listed" share price surged by 9.4% to US\$ 0.70. BLOM's GDR price rose by 0.3% to US\$ 3.25.

As to trading volumes, the BSE total turnover contracted by 30.4% week-on-week, moving from US\$ 4.2 million last week to US\$ 2.9 million, noting that Solidere shares captured the lion's share of activity (98.14%), followed by the banking shares (1.73%) and the industrial shares (0.13%).

### AUDI INDICES FOR BSE

22/1/96=100	21/06/2024	14/06/2024	29/12/2023	
Market Cap. Index	705.92	717.54	868.20	↓
Trading Vol. Index	43.45	37.46	73.00	↑
Price Index	148.20	150.64	182.26	↓
Change %	-1.62%	-0.15%	2.34%	↓
	21/06/2024	14/06/2024	29/12/2023	
Market Cap. \$m	16,747	17,023	20,597	↓
No. of shares traded (Exc. BT)	87,030	78,447	54,721	↑
Value Traded \$000 (Exc. BT)	2,888	4,151	4,855	↓
<b>o.w. : Solidere</b>	2,834	3,809	4,855	↓
Banks	50	21	0	↑
Others	4	321	0	↓

## BOND MARKET: BOND PRICES STAYING SLIGHTLY BELOW 7 CENTS PER US DOLLAR

Amid mounting fears that the conflict in South Lebanon can spiral out of control across the country, with direct and indirect effects of war estimated at US\$ 6 billion so far, while the country is grappling with a protracted power vacuum, and following the suspension of the IMF negotiations for a program with Lebanon until the election of a new President and the formation of a full-fledged cabinet, Lebanese Eurobond prices remained quoted at 6.875 cents per US dollar on Friday. Accordingly, Lebanese sovereigns accumulated year-to-date price gains of 0.88 pt.

### EUROBONDS INDICATORS

	21/06/2024	14/06/2024	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	6.875	6.875	6.000	→
Yield on US 5-year note	4.24%	4.21%	3.83%	↑

Source: Bank Audi's Group Research Department

# Bank Audi

## INTERNATIONAL MARKET INDICATORS

	21-Jun-24	14-Jun-24	31-Dec-23	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	159.80	157.41	141.04	1.5%	13.3%
\$/£	1.265	1.269	1.273	-0.3%	-0.7%
\$/Euro	1.069	1.070	1.104	-0.1%	-3.1%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	39,150.33	38,589.16	37,689.54	1.5%	3.9%
S&P 500	5,464.62	5,431.60	4,769.83	0.6%	14.6%
NASDAQ	17,689.36	17,688.88	15,011.35	0.0%	17.8%
CAC 40	7,628.57	7,503.27	7,543.18	1.7%	1.1%
Xetra Dax	18,163.52	18,002.02	16,751.64	0.9%	8.4%
FT-SE 100	8,237.72	8,146.86	7,733.24	1.1%	6.5%
NIKKEI 225	38,596.47	38,814.56	33,464.17	-0.6%	15.3%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	2,321.98	2,333.04	2,062.98	-0.5%	12.6%
SILVER OUNCE	29.55	29.55	23.80	0.0%	24.2%
BRENT CRUDE (per barrel)	85.24	82.62	77.04	3.2%	10.6%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	5.35	5.33	5.35	0.01	-0.01
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	4.26	4.22	3.88	0.03	0.38

Sources: Bloomberg, Bank Audi's Group Research Department

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