

## CONTACTS

### Treasury & Capital Markets

**Bechara Serhal**  
(961-1) 977421  
bechara.serhal@bankaudi.com.lb

### Corporate Banking

**Carol Ayat**  
(961-1) 959675  
carol.ayat@bankaudi.com.lb

**Mohamad Baydoun**  
(961-1) 959703  
mohamad.baydoun@bankaudi.com.lb

### Marketing and Communications

**Marion Abou Jaoudé**  
(961-1) 977356  
marion.abou-jaoude@bankaudi.com.lb

## RESEARCH

**Dr. Marwan Barakat**  
(961-1) 977409  
marwan.barakat@bankaudi.com.lb

**Salma Saad Baba**  
(961-1) 977346  
salma.baba@bankaudi.com.lb

**Michèle Khoury Sakha**  
(961-1) 977102  
michele.sakha@bankaudi.com.lb

**Stephanie Bou Sleiman**  
(961-1) 952397  
stephanie.bousleiman@bankaudi.com.lb

**Elias G. Missi**  
(961-1) 959747  
elias.missi@bankaudi.com.lb

## Economy

### p.2 FITCH AFFIRMS LEBANON AT 'RD'; WITHDRAWS RATINGS

Fitch Ratings has affirmed Lebanon's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) at 'Restricted Default' (RD).

Also in this issue

- p.3** Quantity of goods at Port of Beirut increased by 5% in 5M-2024
- p.4** UNDP, CCIA-Tripoli launch Chamber for Export electronic application
- p.4** BIA activity hindered by fears of conflict, cancelled flights

## Surveys / Reports

### p.5 FEWS NET ISSUES A NEW REPORT ON LEBANON'S CRISIS OUTCOMES

A new report of FEWS Net, a USAID funded activity, was just issued on Lebanon's crisis outcomes.

Also in this issue

- p.5** Lebanon ranks 109th globally and 12th regionally in human development index

## Corporate News

### p.7 MOSA, RMF AND WB LAUNCH NEW ECONOMIC INCLUSION PROGRAM IN LEBANON

The Ministry of Social Affairs (MoSA), in cooperation with the René Moawad Foundation (RMF) and the World Bank (WB), has recently launched the Productive Economic Inclusion in Lebanon (PEIL) program.

Also in this issue

- p.8** Berytech's REAF program concludes its second batch
- p.8** UNHCR to Reduce Workforce in Lebanon Due to Budget Constraints

## Markets In Brief

### p.9 LEBANESE CAPITAL MARKETS' OUTLOOK AT STAKE ON FEARS OF FULL-BLOWN WAR

Amid boiling military tensions in the Middle East and mounting fears of a full-fledge war that could leave a severe negative impact on an already fragile domestic economy, market players held their breath and a wait-and-see mood governed Lebanon's capital markets over this week. At the level of the parallel FX market, the LP/US\$ exchange rate continued to move marginally in the 89,500 area, despite concerns that a 15 months-long currency stability could be shaken should a full-blown war erupt and last for longer; and that BDL's liquid foreign reserve assets, which have hit US\$ 10.3 billion at end-July 2024, could be some what depleted. At the level of the equity market, the BSE price index registered shy price retreats of 0.1%, while the total turnover contracted significantly by 49% week-on-week to reach US\$ 10 million. On the Eurobond market, prices of sovereigns contracted by 0.35 pt across the board to reach 6.50 cents per US dollar on Friday. This came within the context of a spike in geopolitical risks in the region, and worries that boiling military tensions could ignite an all-out war.

## LEBANON MARKETS: 29 JULY- 04 AUGUST, 2024

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

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## ECONOMY

### FITCH AFFIRMS LEBANON AT 'RD'; WITHDRAWS RATINGS

Fitch Ratings has affirmed Lebanon's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) at 'Restricted Default' (RD). Fitch has subsequently withdrawn Lebanon's IDRs and Country Ceiling.

A full list of rating actions is at the end of this rating action commentary.

Fitch Ratings is withdrawing Lebanon's ratings as Fitch no longer has sufficient information to maintain the ratings due to the unavailability of certain key data. Accordingly, Fitch will no longer provide ratings (or analytical coverage) for Lebanon. These ratings are unsolicited and the issuer has no obligation to provide information.

The affirmation of the Long-Term Foreign-Currency IDR at 'RD' reflects that Lebanon remains in default on its long-term foreign-currency government bonds, following the sovereign's failure to pay the principal on the Eurobond that matured on 9 March 2020. The government has stopped servicing its outstanding stock of Eurobonds pending a debt restructuring.

The affirmation of the Local-Currency IDRs at 'RD' reflects that the government has not resumed interest payment on Banque du Liban's (BdL) holdings of local-currency securities issued by the government. Local-currency debt to private creditors is still being serviced. Authorities have not requested a local-currency debt restructuring.

The issuer has stopped publishing national accounts and fiscal data. The national accounts published by the Central Administration of Statistics and fiscal data are only available up to 2021. Therefore, Fitch will no longer have sufficient information to maintain the ratings.

Lebanon has an ESG Relevance Score (RS) of '5' for both Political Stability and Rights and for the Rule of Law, Institutional and Regulatory Quality and Control of Corruption. These scores reflect the high weight that the World Bank Governance Indicators (WBG I) have in Fitch proprietary Sovereign Rating Model. Lebanon has a low WBG I ranking at 14.8, reflecting the absence of a recent track record of peaceful political transitions, relatively weak rights for participation in the political process, weak institutional capacity, uneven application of the rule of law and a high level of corruption.

Lebanon has an ESG Relevance Score of '5' for Creditor Rights as willingness to service and repay debt is relevant to the rating and is a key rating driver for Lebanon. Lebanon has been in default on its foreign-currency obligations since March 2020.

Fitch's proprietary SRM assigns Lebanon a score equivalent to a rating of 'CCC+' on the Long-Term Foreign-Currency IDR scale. However, in accordance with its rating criteria, Fitch's sovereign rating committee has not utilised the SRM and QO to explain the ratings in this instance. Ratings of 'CCC+' and below are instead guided by the rating definitions.

The Country Ceiling for Lebanon is 'CCC+', reflecting the materialisation of transfer and convertibility risk. In Fitch's view, capital and/or exchange controls that are preventing the private sector from converting local currency into foreign currency and transferring the proceeds to non-resident creditors to service debt payments have been imposed. These are affecting the vast majority of economic sectors and asset classes.

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## QUANTITY OF GOODS AT PORT OF BEIRUT INCREASED BY 5% IN 5M-2024

The latest statistics released by the Port of Beirut (PoB) reveal that the quantity of goods increased by 4.6% year-on-year, reaching 2,202.4 thousand tons in the first five months (5M) of 2024, up from 2,106.1 thousand tons in the same period of 2023.

Additionally, the number of ships increased over the period, reaching 632 ships in 5M 2024 compared to 513 ships in 5M 2023, showing a year-on-year increase of 23.2%.

It is worth noting that the levels recorded for both the quantity of goods and the number of ships were the highest since 2019.

On the other hand, the number of containers saw a yearly decrease of 5.1%, totaling 208,321 containers in 5M 2024, compared to 219,542 containers in the same period of the previous year.

Looking at the Port of Beirut's performance in May 2024, the quantity of goods reported a jump of 18.2% year-on-year, reaching 541.4 thousand tons for the month.

The number of containers noted a year-on-year decrease of 0.4%, recording 50,578 containers in May 2024, down from 50,800 containers in May 2023, according to data from PoB.

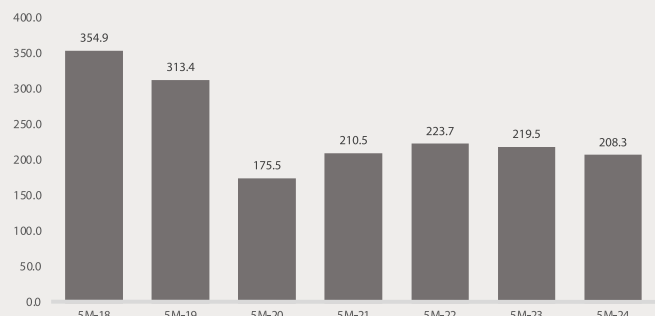
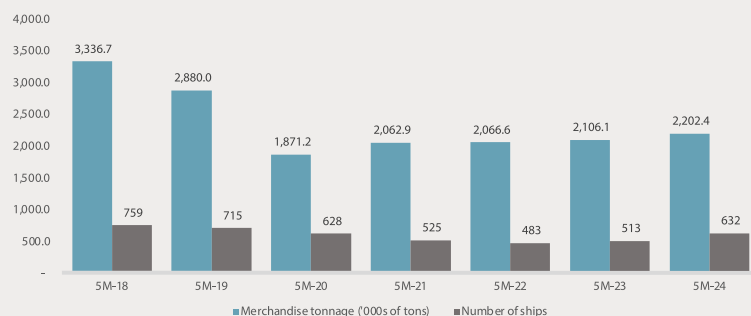
In parallel, the number of ships recorded at PoB during May 2024 reached 117 ships, marking a year-on-year increase of 6.4%, up from 110 ships in the same month of the previous year.

According to The Former President of the International Chamber of Shipping in Beirut & the First Vice President of the Arab Federation of Maritime Chambers, several factors contributed to the strong performance recorded in May. Key among these was an increased rush by traders to boost import volumes in anticipation of rising shipping costs, which have significantly increased due to the ongoing situation in the Red Sea. Additionally, there was a strategic move to stockpile goods to prepare for anticipated higher consumption in Lebanon, driven by the influx of Lebanese expatriates returning for summer vacations.

Furthermore, traders have been securing surplus imported goods in their warehouses as a precautionary measure against potential disruptions. Concerns about the possibility of Israeli aggression extending deeper into Lebanese territory could impact sea, air and land transport routes, potentially leading to a complete halt in import and export activities.

### NUMBER OF SHIPS AND MERCHANDISE TONNAGE

### NUMBER OF CONTAINERS (000S)



Source: Port of Beirut, Bank Audi Group Research Department

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## UNDP, CCIA-TRIPOLI LAUNCH CHAMBER FOR EXPORT ELECTRONIC APPLICATION

The United Nations Development Program (UNDP) has recently announced a collaboration with the Chamber of Commerce, Industry, and Agriculture of Tripoli (CCIA-Tripoli) aimed at bolstering economic opportunities in Tripoli and Northern Lebanon. The UNDP launched the 'Chamber for Export' electronic platform which was inaugurated at the Chamber's headquarters in Tripoli. This initiative was funded by the Catalan Agency for Cooperation and Development (ACCD) and marks a pivotal step towards enhancing global market access for micro, small, and medium-sized enterprises (MSMEs).

According to the UNDP statement, the platform is designed to assist MSMEs in assessing their export readiness and identifying untapped business prospects. The initiative also provides a dedicated space where companies can strategize their expansion from local markets to the international arena.

The UNDP emphasized the project's role in supporting sustainable development goals by fostering economic inclusivity and resilience within the local business community. The 'Chamber for Export' platform and the Tripoli Forum underscored a commitment to fostering innovation, promoting trade, and strengthening economic ties on both regional and global scales.

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## BIA ACTIVITY HINDERED BY FEARS OF CONFLICT, CANCELLED FLIGHTS

Lebanon's only airport, the Beirut International Airport (BIA) has recently experienced significant disruptions, with hundreds of flights canceled or delayed. These cancellations and delays come amid rising tensions due to the border conflict with fears of expanding aggressions encompassing the whole country and potential for infrastructure targeting.

In details, Middle East Airlines (MEA) has cited insurance risks as the reason for these disruptions amid escalating tensions on Lebanon's southern border. Additionally, Lufthansa announced the suspension of flights to and from Beirut by its subsidiaries Swiss International Air Lines, Eurowings and Lufthansa, effective through August 5. This action was reported as taken in an abundance of caution due to the current situation.

Concurrently, Air France stated that it would suspend flights between Paris-Charles de Gaulle and Beirut on until August 5 due to the security situation. Flight information from Beirut's airport showed additional disruptions to flights from Turkish Airlines, Turkey-based budget carrier SunExpress, Turkish Airlines subsidiary AJet, Greek carrier Aegean Airlines and Ethiopian Airlines.

This comes in parallel to many countries calling on their citizens to leave the country such as the United States of America (USA), the United Kingdom (UK), Norway, Germany, the Netherlands, Sweden, Denmark, Ireland, Belgium and Australia among others.

These developments are poised to disrupt operations at the airport by driving up ticket prices and reducing the number of available flight options. As a result, Lebanon's summer tourism season is expected to suffer adverse effects. Higher travel costs and diminished flight availability are likely to deter potential visitors as well as make it harder for expats to visit the country, leading to a decline in tourism activity and impacting the overall economic benefits that the summer season typically brings.

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## SURVEYS / REPORTS

### FEWS NET ISSUES A NEW REPORT ON LEBANON'S CRISIS OUTCOMES

A new report of FEWS Net, a USAID funded activity, was just issued on Lebanon's crisis outcomes.

The report says crisis outcomes are expected in southern, northern, and northeastern Lebanon from June to September. In the South, the ongoing conflict negatively impacted the harvest and limited labor opportunities, while in the North and northeast, poor Lebanese and refugees are facing reported reductions in humanitarian food assistance (HFA), limited access to income-earning opportunities, and high food prices amid the poor macroeconomic conditions.

Crisis outcomes will likely remain present in southern Lebanon from October to January, as the conflict in the South continues to impact access to agricultural labor opportunities during the start of the 2024/25 production season. Meanwhile, high competition over labor opportunities and poor economic conditions are expected to keep refugee households in Crisis (IPC Phase 3) in the North and northeast. However, area-level Stressed outcomes are expected in Beirut, Mount Lebanon, and elsewhere as economic activity is likely to remain restricted due to the ongoing macroeconomic crisis and limited income-earning opportunities for many urban poor households who rely on casual labor or HFA as a main or secondary income source.

The areas of highest concern are poor households and IDPs in southern Lebanon and refugee populations in northern Lebanon who are likely to have limited access to income-earning opportunities as per the report. Lebanon continues to grapple with concurrent crises and faces chronic macroeconomic imbalances compounded by wider regional conflict in the Middle East and the cross-border fighting between Hezbollah and Israel. An estimated 1.0-1.5 million people will likely need food assistance through at least January 2025.

The recent stabilization of the informal exchange rate at 89,700 LP/US\$ is expected to support stability in the cost of the food basket while maintaining relatively low headline inflation. However, the absence of additional foreign funding by international financial institutions or donor states will likely prevent economic recovery in Lebanon and lead to higher consumer prices from October through January amid escalating conflict with Israel and persisting shortages of humanitarian funding according to the report.

### LEBANON RANKS 109TH GLOBALLY AND 12TH REGIONALLY IN HUMAN DEVELOPMENT INDEX

The UNDP published the Human Development Index in which Lebanon ranked 109th globally and 12th in the Arab MENA region.

In details, the report classified Lebanon among countries with "high human development" as the country registered an HDI of 0.723. The average life expectancy at birth in Lebanon stood at 74.4 years, while expected years of schooling was 12.1 years in 2022. Lebanon's gross national income per capita reached 12,313 US\$ PPP in 2022.

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. The health dimension is assessed by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age.

The standard of living dimension is measured by gross national income per capita. The HDI uses the logarithm of income, to reflect the diminishing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean. The HDI can be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes. These contrasts can stimulate debate about government policy priorities.

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The HDI simplifies and captures only part of what human development entails. It does not reflect on inequalities, poverty, human security, empowerment, etc. The HDRO provides other composite indices as broader proxy on some of the key issues of human development, inequality, gender disparity and poverty.

Globally, Switzerland came first with an HDI score of 0.967, followed by Norway with a score of 0.966 and Iceland with a score of 0.959.

At the level of the Arab MENA region, the United Arab Emirates ranked first with a global rank of 17 and an HDI score of 0.937 followed by Bahrain (global rank of 34 and HDI score of 0.888) & Qatar (global rank of 40 and HDI score of 0.875). Somalia came last with a global rank of 193 and an HDI score of 0.380. Lebanon was directly preceded by Egypt (global rank of 105 and HDI score of 0.728) and followed by Palestine (global rank of 111 and HDI score of 0.716).

## ARAB MENA COUNTRIES' HUMAN DEVELOPMENT INDEX 2022

Country	Human Development Index (HDI)	Life expectancy at birth	Expected years of schooling	Gross national income (GNI) per capita-(2017 PPP \$)	HDI rank
	2022	2022	2022	2022	2022
<b>VERY HIGH HUMAN DEVELOPMENT</b>					
United Arab Emirates	0.937	79.2	17.2	74,104	17
Bahrain	0.888	79.2	16.3	48,731	34
Qatar	0.875	81.6	13.3	95,944	40
Saudi Arabia	0.875	77.9	15.2	50,620	40
Kuwait	0.847	80.3	15.7	56,729	49
Oman	0.819	73.9	13.0	32,967	59
<b>HIGH HUMAN DEVELOPMENT</b>					
Libya	0.746	72.2	14.0	19,752	92
Algeria	0.745	77.1	15.5	10,978	93
Jordan	0.736	74.2	12.6	9,295	99
Tunisia	0.732	74.3	14.6	10,297	101
Egypt	0.728	70.2	12.9	12,361	105
<b>Lebanon</b>	<b>0.723</b>	<b>74.4</b>	<b>12.1</b>	<b>12,313</b>	<b>109</b>
Palestine, State of	0.716	73.4	13.2	6,936	111
<b>MEDIUM HUMAN DEVELOPMENT</b>					
Morocco	0.698	75.0	14.6	7,955	120
Iraq	0.673	71.3	12.2	9,092	128
Comoros	0.586	63.7	13.0	3,261	152
Syrian Arab Republic	0.557	72.3	7.4	3,594	157
<b>LOW HUMAN DEVELOPMENT</b>					
Mauritania	0.540	64.7	8.1	5,344	164
Sudan	0.516	65.6	8.5	3,515	170
Djibouti	0.515	62.9	8.0	4,875	171
Yemen	0.424	63.7	7.9	1,106	186
South Sudan	0.381	55.6	5.6	691	192
Somalia	0.380	56.1	7.6	1,072	193

Sources: Human Development Index, Bank Audi's Group Research Department

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## CORPORATE NEWS

### MOSA, RMF AND WB LAUNCH NEW ECONOMIC INCLUSION PROGRAM IN LEBANON

The Ministry of Social Affairs (MoSA), in cooperation with the René Moawad Foundation (RMF) and the World Bank (WB), has recently launched the Productive Economic Inclusion in Lebanon (PEIL) program. The goal of the program is to enhance the economic well-being and self-sufficiency of 1,500 low-income Lebanese households that are currently receiving support from the Emergency Social Safety Net Program (ESSNP).

In details, The PEIL program has been made possible through a US\$ 2.7 million grant from the Japan Social Development Fund, which will be used to complement the existing ESSNP by introducing supplementary services designed to improve household income, welfare, and overall resilience.

The PEIL program is strategically aligned with Lebanon's new National Social Protection Strategy (NSPS), marking a crucial component of the country's comprehensive approach to social protection. Economic inclusion programs, such as PEIL, are integral to the NSPS and hold a proven track record of facilitating sustainable pathways out of poverty. This pilot program is intended as a foundational step towards broader engagement in economic empowerment for social assistance beneficiaries, with the ultimate goal of helping them transition from reliance on government cash transfers to achieving self-sustaining livelihoods.

This will be done through the implementation of international best practices while adapting interventions to address the specific needs and contexts of the local population. The program will initially support one working-age member from each of the 1,500 households currently benefiting from the ESSNP. The initial stages of the program will involve conducting a comprehensive local market assessment and developing detailed employment and skills profiles for the selected beneficiaries. These assessments will form the basis for a tailored support package designed to address individual needs and opportunities.

The support package will include various components aimed at fostering economic independence. These components will consist of asset transfers such as small agricultural equipment, cooking appliances, sewing machines, and other tools essential for enhancing productive capacity. Additionally, the program will provide training in areas such as business development, coaching and mentoring, along with financial literacy education and strategies to improve saving behaviors.

The PEIL pilot program is expected to run for a duration of approximately 12 to 18 months. The RMF is set to manage the implementation of the program, leveraging its experience in economic inclusion and empowerment. The MoSA is set to oversee the program, with coordination facilitated through local Social Development Centers. The impact of the program will be evaluated upon completion to determine its effectiveness and to assess its potential for broader scaling and replication.

It is worth noting that this initiative represents a significant advancement in efforts to enhance economic opportunities for Lebanon's low-income populations. By focusing on increasing financial independence and stability, the PEIL program aims to support beneficiaries in achieving sustainable economic progress and improving their quality of life. The launch of this program underscores a commitment to addressing poverty and promoting economic resilience in Lebanon, standing as a proactive approach to social welfare and economic development.

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## BERYTECH'S REAF PROGRAM CONCLUDES ITS SECOND BATCH

Berytech's Rural Entrepreneurs in Agri-Food (REAF) program has recently marked the completion of its second batch with a demo day that showcased the accomplishments of eight graduating startups.

The event provided a platform for these startups to present their solutions and connect with a diverse audience of industry professionals, including innovators, entrepreneurs, and potential investors. The demo day concluded over eight months of work. The program started with a three and a half month pre-incubation phase, during which 15 startups each received a US\$ 2,000 grant to validate their ideas and prototypes. This phase included practical guidance and personalized support through one-on-one clinics, aimed at addressing specific challenges and refining strategies. An expert jury evaluated the progress of the startups and selected the top eight to advance to the subsequent incubation phase.

In the five-month incubation phase, the selected startups were granted US\$ 5,000 each to further develop and launch their minimum viable products (MVPs). This phase focused on critical areas such as operational refinement, product development, business model formulation and market entry strategies. Startups applied the lean startup methodology to achieve product-market fit and establish sustainable business practices.

Throughout the incubation period, the startups participated in workshops, training sessions, and networking events designed to enhance their entrepreneurial skills and build valuable connections. These activities provided essential support in achieving market readiness and establishing a foundation for future growth and success.

During a final selection day where startups pitched their solutions, three participants were awarded an additional US\$ 1,500 grant each for their performance. These startups were: Reef Catering (offers catering services to NGOs, socially conscious organizations and individuals), Tasmeeed (offers a nutrient-rich, eco-friendly soil mix that replaces chemical fertilizers) and Turas (offers various products made from Lebanese farmers' produce).

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## UNHCR TO REDUCE WORKFORCE IN LEBANON DUE TO BUDGET CONSTRAINTS

The United Nations High Commissioner for Refugees (UNHCR) has recently announced plans to reduce its workforce in Lebanon as part of a strategy to address ongoing budget constraints. According to the announcement, the organization plans to eliminate several positions starting April 2025 as part of a broader effort to address its financial shortfall.

The UNHCR's decision follows a prolonged period of decreased funding, which has affected its operations since 2016. Despite Lebanon's continuing and high demand for humanitarian assistance, the UNHCR has struggled to secure the necessary financial resources. As of June, the agency reported that it had only received 24% of the total funding required to maintain its operations at full capacity. This shortfall underscores a wider issue faced by UN agencies and non-governmental organizations (NGOs) in Lebanon, many of which are also contending with severe budget limitations.

The reduction in staff is expected to impact the UNHCR's ability to effectively respond to the needs of refugees and other vulnerable populations in Lebanon. The cutbacks are likely to strain existing resources and could potentially affect the quality and scope of services provided to those in need. The financial difficulties faced by the UNHCR are reflective of broader challenges within the humanitarian sector, where funding shortfalls have become increasingly common due to the international community's attention straying to other hot topic issues such as the Russo-Ukrainian war and the Hamas-Israel war and their humanitarian consequences.

It is worth noting that the announcement comes on the heels of reports which disclosed that the UNHCR had decided last year to reduce its workforce in Lebanon by 10%. However, the UNHCR has reiterated its commitment to supporting host governments in their efforts to address refugee crises, aligning with its global mandate. The organization has emphasized that, despite the budgetary challenges, it remains dedicated to assisting Lebanon in managing the substantial refugee population within its borders.



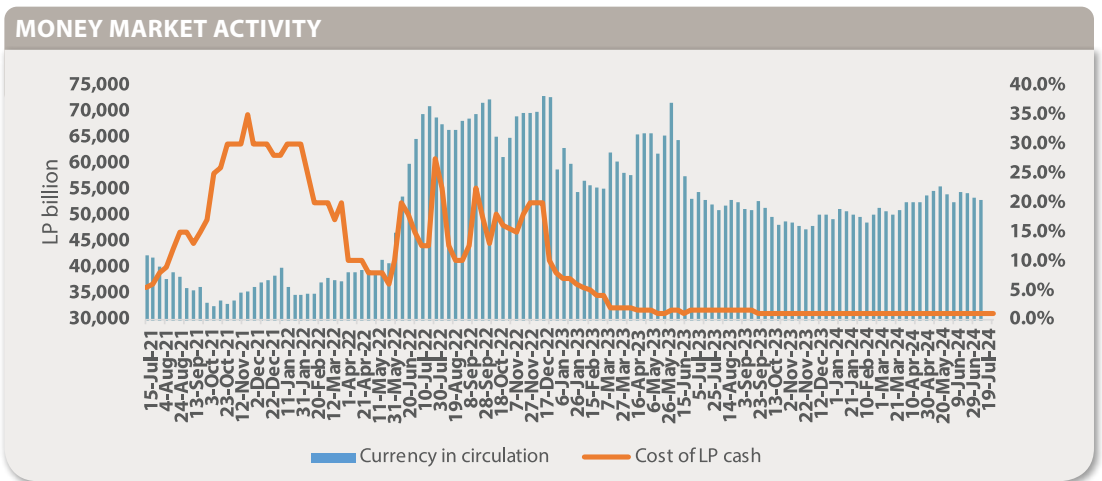
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## CAPITAL MARKETS

### MONEY MARKET: WEEKLY EXPANSION IN TOTAL RESIDENT BANKING DEPOSITS

The overnight rate, which is a non-cash rate on the money market, declined from 40% at the end of last week to 25% on Friday, in a sign of increased local currency liquidity on 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 18th of July 2024 showed that total resident banking deposits expanded by LP 3,420 billion. This is mainly attributed to a rise in total LP resident deposits of LP 2,017 billion amid a LP 2,026 billion increase in LP demand deposits and a LP 9 billion retreat in LP saving deposits, while foreign currency resident deposits expanded by LP 1,403 billion (the equivalent of US\$ 15.7 million as per the official rate of LP 89,500). Within this context, the money supply in its broadest sense (M4) grew by LP 1,317 billion over the covered week amid a LP 1,400 billion fall in the currency in circulation and a LP 703 billion decline in the non-banking sector Treasury bills portfolio.



### FOREIGN EXCHANGE MARKET: WAIT-AND-SEE MOOD GOVERNS PARALLEL FX MARKET AMID RISING GEOPOLITICAL CONCERNS

Amid elevated geopolitical tensions and fears that Lebanon could be pulled into a full-blown war, which would leave severe negative impact on monetary conditions in general and the LP/US\$ exchange rate in particular, a wait-and-see mood reigned over the parallel FX market this week.

The LP/US\$ parallel market rate continued to hover around 89,500 this week. Currency stability remained in place despite fears of an all-out war that can (1) negatively impact a 15-month currency stability in case of a prolonged war; (2) result into BDL's FX reserves depletion, noting that the Central Bank's liquid foreign reserve assets expanded by US\$ 1.7 billion over a 12-month period to reach US\$ 10.3 billion at end-July 2024; (3) and trigger a spike in inflation noting that the latter has eased to 23% year-on-year in June 2024.

EXCHANGE RATES				
	02/08/2024	26/07/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	114,005.00	115,151.00	19,207.50	↑
LP/¥	600.47	579.89	106.60	↓
LP/SF	102,673.00	101,290.00	17,942.58	↓
LP/Can\$	64,509.00	64,808.00	11,347.30	↑
LP/Euro	96,812.00	97,125.00	16,695.00	↑

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## STOCK MARKET: SHY EQUITY PRICE RETREATS WEEK-ON-WEEK

The Beirut Stock Exchange registered shy price retreats of 0.1% this week. In fact, one out of five traded stocks registered price falls, while three stocks posted price gains and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Bank of Beirut's preferred shares "I" posted price significant price contractions of 40% week-on-week to reach US\$ 15.00. In contrast, Solidere "A" share price rose by 0.9% to US\$ 80.65. Solidere "B" share price nudged up by 0.6% to US\$ 80.50. Bank Audi's GDR's price surged by 3.7% to US\$ 1.40. Prices of Bank Audi's preferred shares "I" remained stable at US\$ 21.45.

As to trading volumes, the BSE total turnover contracted by 49.3% week-on-week, moving from US\$ 19.2 million last week to US\$ 9.8 million this week, noting that Solidere shares captured 97.7% of activity. On a cumulative basis, the BSE total trading value expanded by 24.4% year-on-year during the first seven months of 2024 to reach US\$ 287 million. Concurrently, the BSE market capitalization contracted slightly by 0.2% between end-July 2023 and end-July 2024. Within this context, the total turnover ratio, measured by the annualized trading value to market capitalization, reached 2.6% during the first seven months of 2024 compared to a relatively lower turnover of 2.1% during the same period of 2023.

### AUDI INDICES FOR BSE

22/1/96=100	02/08/2024	26/07/2024	29/12/2023	
Market Cap. Index	779.01	779.89	868.20	↓
Trading Vol. Index	88.17	173.72	73.00	↓
Price Index	163.54	163.73	182.26	↓
Change %	-0.11%	8.61%	2.34%	↓
	02/08/2024	26/07/2024	29/12/2023	
Market Cap. \$m	18,481	18,502	20,597	↓
No. of shares traded (Exc. BT)	184,588	362,047	54,721	↓
Value Traded \$000 (Exc. BT)	9,760	19,232	4,855	↓
o.w. : Solidere	9,533	3,602	4,855	↓
Banks	227	90	0	↑
Others	0	15,541	0	↓

## BOND MARKET: EUROBOND PRICES SLIDING INTO THE RED AMID MOUNTING GEOPOLITICAL RISKS

Amid heated military tensions in the Middle East and mounting fears of a full-fledge war, which could leave a severe negative impact on an already fragile domestic economy and hamper the reform path, Lebanon's Eurobond market registered this week across-the-board weekly price contractions of 0.35 pt to reach 6.50 cents per US dollar on Friday.

This took place while Lebanon is grappling with an unprecedented multifaceted crisis, and discussions with the IMF remain suspended until the election of a new President and the formation of an efficient cabinet. That being said, year-to-date bond price gains were reduced to 0.50 pt, noting that Lebanese bond prices were quoted at 7.875 cents per US dollar before of the eruption of Gaza war on the 7th of October 2023.

### EUROBONDS INDICATORS

	02/08/2024	26/07/2024	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	6.500	6.850	6.000	↓
Yield on US 5-year note	3.80%	4.13%	3.83%	↓

# Bank Audi

## INTERNATIONAL MARKET INDICATORS

	02-Aug-24	26-Jul-24	31-Dec-23	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	149.37	153.75	141.04	-2.9%	5.9%
\$/£	1.274	1.287	1.273	-1.0%	0.1%
\$/Euro	1.079	1.086	1.104	-0.6%	-2.2%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	39,737.26	40,589.34	37,689.54	-2.1%	5.4%
S&P 500	5,346.56	5,459.10	4,769.83	-2.1%	12.1%
NASDAQ	16,776.16	17,357.88	15,011.35	-3.4%	11.8%
CAC 40	7,251.80	7,517.68	7,543.18	-3.5%	-3.9%
Xetra Dax	17,661.22	18,417.55	16,751.64	-4.1%	5.4%
FT-SE 100	8,174.71	8,285.71	7,733.24	-1.3%	5.7%
NIKKEI 225	35,909.70	37,667.41	33,464.17	-4.7%	7.3%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	2,446.26	2,387.19	2,062.98	2.5%	18.6%
SILVER OUNCE	28.52	27.93	23.80	2.1%	19.9%
BRENT CRUDE (per barrel)	79.52	81.13	77.04	-2.0%	3.2%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	5.35	5.35	5.35	0.00	0.00
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	3.79	4.19	3.88	-0.40	-0.09

Sources: Bloomberg, Bank Audi's Group Research Department

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