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## Markets In Brief

### p.9 CONTINUOUS STABILITY ON FX MARKET DESPITE PLACING LEBANON ON "GREY LIST"

Along with the Paris Conference for Lebanon, and amid intensifying Israeli attacks across the Lebanese territories which have inflicted huge human, physical and economic losses, with indirect war costs estimated to exceed considerably the direct costs, while the economic fallout in 2024 are expected to be much greater than in 2006, and despite the contraction in BDL's FX buffers while FATF placed Lebanon on the "grey list", the country's capital markets continued to witness this week marginal movements in the LP against the US dollar on the parallel FX market, while Eurobond prices remained quoted around two-year highs and equities pursued their upward trajectory. In details, the LP/US\$ parallel market rate continued to range between 89,600 and 89,700 this week, despite mounting fears of a long lasting war, which could cause large contractions in the real economy and result into FX reserves depletion, while bringing back the LP to the era of deterioration. At the level of the Eurobond market, prices of sovereigns retreated from 8.750 cents per US dollar at the end of last week to 8.400 cents per US dollar on Friday, mainly on some profit taking operations following the strong price rally recorded over the past few weeks amid bets about a possible post-war political breakthrough. On the equity market, the BSE price index expanded further by 2%, while the total turnover contracted by 8% week-on-week.

### LEBANON MARKETS: 21 OCTOBER- 27 OCTOBER, 2024

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

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## ECONOMY

### GDP PROJECTED TO DECLINE BY 9.2% RELATIVE TO A NO-WAR SCENARIO AS PER UNDP

The escalating hostilities in Lebanon in 2024 strike while Lebanon is already weakened by years of political, economic, and social crises, as per a new report by UNDP. Since 2019, Lebanon's economy has been severely impacted by a series of successive crises, resulting in a 28% contraction in GDP (at constant price of 2019) between 2018 and 2021. The Lebanese pound lost over 98% of its value, triggering hyperinflation and significantly diminishing the country's GDP in dollar terms, while eroding purchasing power across the population.

The scale of the military engagement, the geopolitical context, the humanitarian impact and the economic fallout in 2024 are expected to be much greater than in 2006. The risk of broader regional involvement and the advanced military technologies employed in 2024 further distinguish it from the earlier conflict. As such, the escalating hostilities in Lebanon will have profound and far-reaching impacts on the country's GDP and employment.

The report follows conservative economic modeling based on most available recent data especially for tourism and transportation sectors. Estimations were generated using a Computable General Equilibrium (CGE) model calibrated for the Lebanese economy. It is assumed that, in the absence of the conflict, the Lebanese economy would have followed the growth trajectory outlined in the most recent IMF review from June 2023.

Estimations are based on two key assumptions:

The conflict will persist through the end of 2024, leading to a 20% decline in trade activities due to the closure of the Lebanese Syrian border, which is critical for trade routes. Additionally, the transport and communications sectors are expected to shrink by 10%, mainly due to reduced airport traffic. The broader services sector, including hospitality, recreation, and tourism, is anticipated to contract by 4%.

Capital destruction is assumed to be relatively limited across sectors. The agriculture and livestock sector may face a 20% decline, while smaller reductions are expected in energy and water (2%), industries (2%), construction (4%), transport and communications (1%), merchant services (4%), trade (4%), and public administration (1%).

The short-term implications are important and will affect all economic and social dimensions:

**Economic Contraction:** GDP is projected to decline by 9.2% compared to a no-war scenario, indicating a significant decline in economic activity as a direct consequence of the conflict (around 2 billion dollars). The total economic damage will not be far from the one estimated for the 2006 war which was around \$2.5 to \$3.6 billion (equivalent to 8% and 10% of Lebanon's GDP at the time). The largest share of losses came from physical infrastructure, housing, and productive capacities (factories, power stations, etc.).

**Job Losses in Key Sectors:** Unemployment is expected to rise by 2.3 basis points (to reach 32.6 basis points in 2024), reflecting significant job losses and economic displacement. This decline is mainly due to the loss of labor demand in the following sectors:

**Negative Impact on Households' Welfare:** Consumer Price Index is projected to increase by 6%, while the exchange rate could depreciate. Private consumption could fall by 14.8%, a significant contraction in household spending, while private investment could drop by 2.77%, indicating a sharp decline in investor confidence. **Distribution of International Trade:** Exports are expected to decrease by 9.84%, mainly due to physical infrastructure damage and trade restrictions. Imports could decline by 10.87%, reflecting weakened domestic demand and challenges in accessing global markets. **Fragilization of Public Finance:** Total government revenue is projected to fall by 9.16% and increase financing needs by 30%.

**Destruction and Strain on Infrastructure and Public Services:** Roads were heavily damaged, disrupting trade and economic activities for months after the war ended. Bridges, airports, and power plants are still at risk. This will contribute to a slower-than-expected recovery in GDP as reconstruction took years. Total investment could drop by 6.3% in 2025 and 6.3% in 2026, with private investment experiencing similar declines (6.6% and 6.7%, respectively).

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**Decline in Key Sectors:** The conflict will affect all the economic sectors. Agriculture and livestock are expected to see a 6.25% reduction, while the energy and water sector faces the largest decline at 24.5%, severely affecting utility supply. Industries may contract by 3.87%, and construction output could shrink by 1.2%. The transport and communications sector anticipates a 12.04% drop, highlighting major disruptions, while merchant services are projected to decline by 8.06%. Trade is expected to suffer a sharp 21.18% decrease due to logistical challenges and border closures. Lastly, public administration may experience a minor reduction of 0.95%.

## UN OCHA RELEASES THE LEBANON FLASH UPDATE REPORT AS OF OCTOBER 16

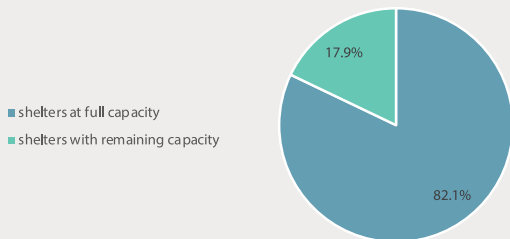
The United Nation Office for the Coordination of Humanitarian Affairs (UN OCHA) has recently released its Lebanon Flash Update report as of July 24. The report details various situations and crises in the affected regions of Lebanon following the start of hostilities on the Lebanese-Israeli border.

Lebanon remains engulfed in a worsening humanitarian crisis as Israeli airstrikes continue to expand across the country targeting more areas with devastating impact on civilians and key infrastructure essential for daily life. According to the Lebanese Ministry of Public Health (MoPH), a total of 2,412 deaths and 11,285 injuries are recorded as of October 16th 2024. The exchange of fire has severely impacted healthcare, with 45 attacks against health care recorded to date, resulting in 95 health workers killed while on duty and 77 injured. These losses further hinder access to critical medical services, making it even more challenging for civilians to receive essential care. Due to insecurity, nearly half (100 of 207) primary health posts and clinics in conflict-affected areas are closed, as well as six hospitals completely closed and four partially operating which is impacting the service delivery.

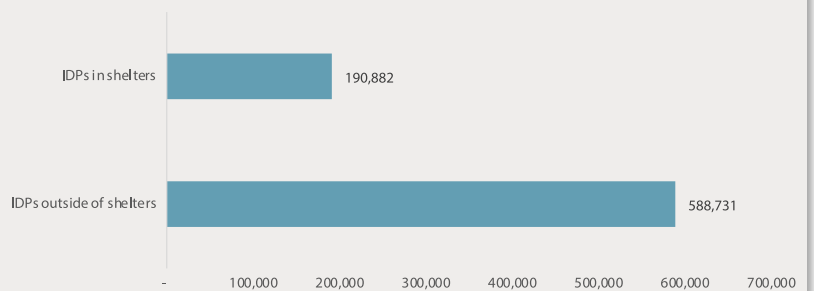
The number of displaced continues to rise as new displacement orders are issued with at least 110 villages and urban neighborhoods having received such orders. According to the International Organization for Migration (IOM), 779,613 persons (IDPs) displaced within the country were identified, of which some 190,882 are currently sheltering in 1,096 collective sites resulting in 900 shelters (82.1%) reaching their maximum capacity. Between 23 September and 16 October 2024, UNHCR/SARC estimates show about 405,000 people, of which 70% Syrians and 30% Lebanese, have crossed into Syria. Additionally, UNHCR Iraq reports that 11,700 Lebanese have arrived in Iraq as of October 16th.

The Lebanon Humanitarian and Development Forum (LHDF), has led a preliminary assessment and analysis of displaced people living outside collective shelters (e.g., in open spaces, abandoned buildings, with friends or family, and in rented private house/apartments). Initial findings show that four times as many displaced individuals are living outside formal shelters, coming primarily from the Beirut Southern Suburbs, South Lebanon, Baalbeck, and West Bekaa. The unsheltered population includes a significant number of highly vulnerable individuals, many of whom lack financial resources and are at risk of homelessness or precarious housing situations. They are scattered across various regions, mainly in Saida, Beirut, Mount Lebanon, North Lebanon and Akkar.

OPERATIONAL STATUS OF SHELTERS ACROSS LEBANON AS OF 16 OCTOBER



IDP DISTRIBUTION BY PLACE OF DISPLACEMENT AS OF 16 OCTOBER



Source: IOM, DRM

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## LEBANON REQUIRES US\$ 250 MILLION MONTHLY FOR IDPS

According to the Lebanese Caretaker Minister of Environment, Lebanon will need \$250 million a month to help more than a million Internally Displaced Persons (IDPs) displaced by Israeli attacks. This amount is only enough to cover basic food, water, sanitation and education services for the displaced.

According to the statement, the government' response, helped by local initiatives and international aid, only covered 20% of the needs of some 1.3 million people uprooted from their homes and sheltering in public buildings or with relatives. Those needs are set to increase with time, as escalations in the conflict push more people out of their homes.

So far, the government' response has aimed to turn any public building into collective shelters with schools, old slaughterhouses, fresh food markets and empty complexes being opened for IDPs recently.

It is worth noting that the Lebanese Caretaker Minister of Environment was working on preventing forest fires prior to the start of the current conflict in late 2023. However, now the minister was mandated to work with a crisis team, including other Lebanese ministries, the United Nations Development Program and the Lebanese Red Cross. This crisis team is currently planning for relief operations on a timeline of four to six months.

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## SOME VILLAGES IN THE HASBAYA AND MARJAAYOUN REGIONS SLOWLY BEING CUT OFF FROM SERVICES AMID THE CURRENT CONFLICT

The ongoing conflict in Lebanon is slowly isolating some villages in the Marjaayoun and Hasbaya regions along the border, effectively cutting off essential infrastructure services such as water, electricity and internet access.

In details, Israeli raids targeting the water line between Shebaa and Kfarhamam have left over 20 towns in the Arqoub, Hasbaya and Marjaayoun areas without water. Additionally, maintenance teams have been unable to access the water line to identify the source of the disruption and initiate repairs as continuous airstrikes have hampered these efforts.

In parallel, the 4G mobile service has nearly ceased in Hasbaya and Marjaayoun. In Hasbaya, the 4G line runs through a fiber optic station operated by Ogero, which was damaged by the bombardment. Meanwhile, in Marjaayoun, over 18 stations operated by Alfa have also been rendered inoperable. The inability to reach these stations for inspection further deteriorates the region's telecommunications state.

In the Arqoub area, particularly in the village of Al-Mari, residents face compounded difficulties with no electricity or communications services. The underlying issue remains the danger posed to maintenance crews. These teams require special permission from the Lebanese Army to access targeted villages and areas as well as coordination with UNIFIL which in turn liaises with the Israeli side.

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## SURVEYS / REPORTS

### LEBANON'S SOCIAL PROTECTION SYSTEM SUFFERS AMIDST THE CURRENT WAR: URGENT ACTION NEEDED

A policy paper, prepared by Cameleon and Arab Reform Initiative, assesses Lebanon's social protection response to the ongoing war and provides recommendations for policymakers to further develop this response and later improve the shock-responsiveness and resilience of the country's social protection system.

The war in Lebanon has exacerbated the existing economic crisis, leading to mass displacement and increased poverty. The social protection system, already fragmented and underfunded, is struggling to meet the humanitarian needs of the affected population. The emergency response has been inadequate and limited to cash transfers and in-kind donations reaching only a small portion of those in need.

Lebanon's social protection system primarily relies on poverty-targeted social safety nets, which offer limited coverage and are heavily dependent on international funding. According to the paper, these safety nets have been expanded in response to the war but their reach remains relatively narrow. This implies an urgent need for a more comprehensive and coordinated approach to address the crisis – an approach that involves immediate humanitarian assistance as well as longer-term social protection measures that strengthen the system's shock-responsiveness and -resilience. Linkages between the humanitarian and social assistance systems are also crucial for an integrated and sustainable approach.

The paper concludes that for Lebanon's social protection system to become more fit for purpose, universal social security schemes should be prioritized, followed by a plan that tackles the issue of being composed of a complex web of different programs and registries. The government must therefore take decisive action to secure additional funding through domestic resources, improve coordination among stakeholders, and expand the reach of social assistance programs so that vulnerable populations receive the support they need to cope with the current crisis, and have their wellbeing and livelihood constantly protected.

The following policy recommendations provide a roadmap for policymakers to take immediate action to address the present crisis and build a more inclusive and effective social protection system for the future, both considering the key gaps and challenges in this system, and capitalizing on key opportunities and leverage points:

- Immediate Action:

- The government should open credit lines and allocate funds through the budget reserves to provide additional support to those affected by the war.

- The government should develop financial mechanisms to facilitate the transfer of funds to social safety nets and the National Disability Allowance (NDA).

- The government should vertically expand the reach of the social safety nets to include all those displaced and registered in the affected areas.

- The government should horizontally expand the reach of the social safety nets by opening a dedicated online registration platform for the newly displaced.

- The government should pass emergency decrees to allow for the channeling of internal budget allocations to the unified social safety net.

- The Ministry of Social Affairs (MoSA) should establish a two-way data-sharing protocol with humanitarian organizations to facilitate the expansion of social assistance.

- Humanitarian organizations should align their response with existing social protection mechanisms and avoid creating parallel systems.

- MoSA should establish a coordination body to ensure an integrated response between humanitarian assistance and social protection systems.

- Donors should channel resources through existing systems and refrain from funding the creation of parallel humanitarian responses to avoid inefficiencies.

- Mid/Long-Term Solutions: The government should implement the National Social Protection Strategy (NSPS) and the pension law to establish a universal social security system.

- The government should invest in improving its social safety nets to ensure they can effectively complement the universal social security system in times of crises and shocks.

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## FAO UNDERTAKES A SURVEY ON THE AGRICULTURE SECTOR

The Food and Agriculture Organization of the United Nations (FAO), in collaboration with Lebanon's Ministry of Agriculture (MoA), conducted a household survey through the Data in Emergencies Monitoring (DIEM-Monitoring) System between 5 and 25 March 2024. This seventh-round survey assessed the agricultural livelihoods and food security of farmers in Lebanon.

Seventy-seven percent of households reported experiencing shocks in the three months preceding the survey, with high food and fuel prices being the most common issues, affecting 56 and 54 percent of farming households, respectively.

Forty-one percent of households experienced a decline in their main source of income, with El Nabatieh governorate being the most affected (48 percent). The decline was particularly severe among male-headed households, internally displaced persons (IDPs) and those impacted by the ongoing hostilities.

Sixty-seven percent of crop producers reported production difficulties, primarily due to limited access to fertilizer, pesticides and labour. The southern districts of Lebanon, particularly Jezzine and Marjaayoun, were the most affected.

Approximately 45 percent of households reported a decrease in harvest, with the most significant declines in Marjaayoun (84 percent) and Aley (86 percent) districts.

Sixty-nine percent of livestock producers faced challenges, mainly related to purchasing feed, and accessing veterinary inputs and services. These difficulties were exacerbated in areas affected by security issues and hostilities, particularly Marjaayoun, leading to increased distress sales of livestock.

Twenty percent of households experienced moderate or severe recent food insecurity (RFI), representing a slight deterioration from previous rounds. The highest prevalence was in El Nabatieh governorate (30 percent). Female-headed households, as well as those in affected areas and IDPs, experienced higher rates of food insecurity.

Ninety-one percent of households adopted livelihood coping strategies to meet their food needs, and 95 percent expressed a need for assistance in the three to six months following the survey.

Twenty-nine percent of surveyed households in El Nabatieh and South governorates were affected by the security situation. The districts of Bent Jbeil, El Nabatieh, Hasbaya, Marjaayoun and Sour reported the highest impacts, including significant displacement and difficulties accessing fields and markets.

It is recommended to provide food, cash, vouchers, and/or in-kind agricultural inputs to agricultural households (small-scale crop and livestock producers) facing food insecurity and production challenges. In the medium to long term, it is recommended to develop and implement targeted programmes to support small-scale crop and livestock producers through direct assistance, training on climate-smart agriculture, financial support for renewable energy adoption, gender-responsive initiatives, and to increase efforts related to sustainable water management and support fodder crop production.



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## CORPORATE NEWS

### 100,000 LEBANESE PASSPORTS DELIVERED TO GENERAL SECURITY AMID THE CURRENT CONFLICT

The Lebanese General Security has recently announced that it has received 100,000 Lebanese passports as part of an agreement reached with a contracting company.

According to the statement, the 100,000 Lebanese passports that were received represent the first delivery of the wider agreement with the contracting company for the delivery of circa 460,000 new Lebanese passports. This agreement was fully funded by Qatar.

It is worth noting that demand for passports skyrocketed after Lebanon's economic crisis began in 2019, creating a shortage of travel documents. An online platform was created to meet the high demand and reported waiting times quickly reached a year or more. Eventually, General Security decided in 2023 to close the platform and return to an appointment-free application system. Additionally, due to the current conflict and the escalation that took place in mid-September, demand for passports is set to skyrocket again as citizens try to leave the country.

### BDH CONTINUES GIVING LOANS, SETS NEW CONDITIONS

According to the Chairman of the Board and General Manager of the Banque de l'Habitat (BDH), despite the bleak conditions in Lebanon, the bank has resumed granting the loans that were previously released. These loans are designated for low- and middle-income individuals and include purchasing apartments, renovating a home, constructing a building or installing solar panels.

However, in order to approve a loan application, the bank has recently set several conditions, the most important of which are:

- The apartment must not exceed 150 square meters.
- The applicant must be Lebanese.
- The applicant must not be a recipient of a subsidized loan.
- The applicant must not own land in Lebanon.
- The applicant must provide 20% of the purchase value.
- The applicant's monthly salary must range between US\$ 1,200 and US\$ 1,500.

The amounts granted are US\$ 50,000 for middle-income individuals and US\$ 40,000 for low-income individuals. Persons with disabilities can benefit from these loans and all applications are processed through the bank's website to avoid political interference and pressure.

According to the Chairman of the Board and General Manager of BDH, so far as of October 10th, 25,000 people visited the website and 6,000 filled out applications without completing the transaction. The number of completed applications reached 3,000, distributed across the bank's six branches, with the applications categorized as follows: 2,537 for purchase, 289 for construction, 246 for renovation in US dollars and 4 for renovation in Lebanese pounds. Most of the applications submitted in Beirut branches aimed to purchase outside the capital where prices are more affordable. However, out of the three thousand applications that met the conditions, only 800 found suitable properties for purchase.

In parallel, BDH is in discussions with the Abu Dhabi Fund for Development and the Kuwait Fund for Arab Economic Development to obtain other loans that would raise the individual loan amount from US\$ 50,000 to US\$ 100,000.

According to the Chairman of the Board and General Manager of BDH, in order to diversify funding sources, it was necessary to issue a law regarding deposit certificates required by the Ministry of Labor for bringing in foreign labor, raising the amount to 20 million Lebanese pounds per certificate, which will allow financing for renovation credits in Lebanese pounds. A law dating back to May 4, 1968, with amendments made in 1999 by the House of Representatives was discussed, which obligates insurance companies to issue guarantees through the Housing Bank for the benefit of the Ministry of Economy. A memorandum of understanding has been signed with the Insurance Brokers Syndicate and negotiations are currently underway with the Syndicate of Insurance Companies to sign a similar protocol.

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In this context, work is currently underway to establish a fund financed by insurance companies with deposits and interest to provide housing loans for low-income individuals. Practically, insurance companies will deposit their funds with the Housing Bank, committing to contract with them to provide the necessary insurance for the credits. BHD would also be able, through these funds, to implement a project for wastewater treatment and establish a water purification station with technical assistance from the United States Agency for International Development (USAID).

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## MOF ISSUES DECISIONS EXTENDING THE DEADLINES FOR SUBMITTING PERIODIC DECLARATIONS

The Lebanese Ministry of Finance has recently issued two decisions extending the deadlines for submitting periodic declarations to avoid penalties for taxpayers. This comes within the framework of alleviating pressure off the population, especially IDPs, during the current conflict.

The first decision extends the deadline for submitting the third-quarter declaration for 2024 regarding amounts subject to the tax under Articles 41 and 42 of the Income Tax Law until November 5, 2024 inclusive. This applies to taxpayers of income tax, as well as public institutions, municipalities, municipal unions, bodies, councils, and all public funds (Form J10), along with the payment of the corresponding tax.

The second decision extends the deadline for submitting the periodic declaration for Value Added Tax (VAT) for the third quarter of 2024 until November 5, 2024 inclusive. This includes the payment of the VAT due and the submission of refund requests during the declaration period for the quarter, as per the statement from the Lebanese MoF.

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## FUTURE TV RELAUNCHES ITS SOCIAL MEDIA SERVICES AND WEBSITE AMID THE ONGOING CONFLICT

Lebanon's Future TV has recently announced the relaunch of its social media services on all platforms and its website after a five-year suspension. This decision came on the back of the current events taking place in Lebanon of which the ongoing conflict.

According to a statement from the institution, the website of Future TV and its social media platforms are back in operation, with the aim of contributing in keeping up with the fateful events that are taking place.

It is worth noting that Future TV was founded in 1993 by a former Lebanese prime minister and stands as a free-to-air television station. This station was also available via satellite in the Arab world, European Union, United States, Canada and Australia. The station was shut down in September 2019 citing financial reasons.



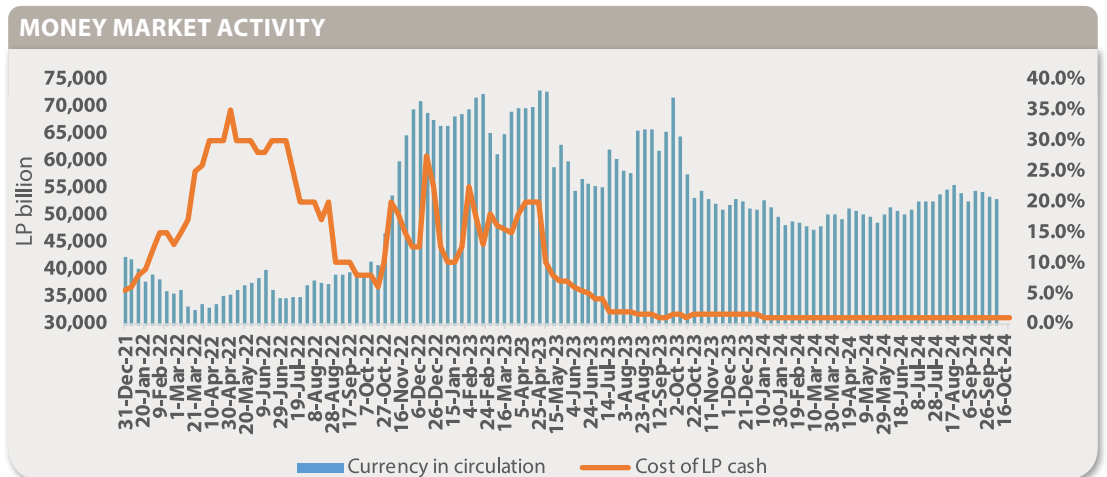
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## CAPITAL MARKETS

### MONEY MARKET: CONTINUOUS WEEKLY CONTRACTION IN TOTAL RESIDENT BANKING DEPOSITS, MAINLY ON FC DEPOSIT FALLS

The overnight rate, which is a non-cash rate, fell from 50% at the end of last week to 20%-30% on Friday, in a sign of increased availability of 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 10th of October 2024 showed that total resident banking deposits contracted by LP 11,237 billion. This is mainly attributed to a LP 11,028 billion fall in foreign currency resident deposits (the equivalent of US\$ 123.2 million as per the official rate of LP 89,500), while total LP resident deposits decreased slightly by LP 209 billion amid a LP 229 billion drop in LP demand deposits and a shy rise in LP saving deposits of LP 21 billion. Within this context, the money supply in its broadest sense (M4) contracted by LP 12,180 billion over the covered week amid a LP 875 billion drop in the currency in circulation and a LP 68 billion retreat in the non-banking sector Treasury bills portfolio.



### FOREIGN EXCHANGE MARKET: MARGINAL MOVEMENTS IN LP EXCHANGE RATE AMID CONTAINED CURRENCY IN CIRCULATION

Despite a US\$ 343 million fall in BDL's liquid foreign reserve assets during the first half of October 2024, which marked their first contraction since the change in BDL leadership at end-July 2023, and despite the severe direct and indirect damages caused by the Israeli war on the domestic economy, and the mounting fears of a long lasting war that could leave a detrimental effect on monetary conditions and currency stability, the parallel FX market continued to witness this week marginal movements in the LP/US\$ exchange rate between 89,600 and 89,700.

This came within the context of BDL's continuous efforts to contain the currency in circulation. In fact, the currency in circulation outside BDL reached LP 52.0 trillion (US\$ 580 million) mid-October 2024 compared to LP 58.1 trillion at end-2023 and LP 62.0 trillion at end-July 2023. Within this context, the currency in circulation outside BDL represented 5.6% of BDL's liquid foreign reserve assets mid-October 2024, compared to 8.1% at end-2023.

EXCHANGE RATES				
	25/10/2024	18/10/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	116,135.00	116,699.00	19,207.50	↑
LP/¥	588.97	596.79	106.60	↑
LP/\$F	103,241.00	103,289.00	17,942.58	↑
LP/Can\$	64,621.00	64,879.00	11,347.30	↑
LP/Euro	96,884.00	96,991.00	16,695.00	↑

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## STOCK MARKET: EXTENDED WEEKLY EQUITY PRICE GAINS AMID LOW TRADING VOLUMES

Activity on the Beirut Stock Exchange remained skewed to the upside this week, as reflected by a 1.8% expansion in the price index. Three out of five traded stocks registered price gains, while one stock posted price falls and one stock saw no price change week-on-week.

A closer look at individual stocks shows that BLOM's GDR price jumped by 6.0% week-on-week to close at US\$ 3.51, followed by Byblos Bank's "listed" shares with +5.0% to US\$ 0.84, and Solidere "A" shares with +4.0% to US\$ 98.35. In contrast, Solidere "B" share price retreated by 0.5% to US\$ 93.80. BLOM's "listed" share price stood unchanged at US\$ 7.00.

As to trading volumes, the BSE total turnover contracted by 7.8% week-on-week, moving from US\$ 3.0 million last week to US\$ 2.8 million, noting that Solidere accounted for the lion's share of activity (93%).

### AUDI INDICES FOR BSE

22/1/96=100	25/10/2024	18/10/2024	29/12/2023	
Market Cap. Index	922.01	905.82	868.20	↑
Trading Vol. Index	25.08	27.18	73.00	↓
Price Index	193.56	190.16	182.26	↑
Change %	1.79%	1.71%	2.34%	↑
	25/10/2024	18/10/2024	29/12/2023	
Market Cap. \$m	21,874	21,489	20,597	↑
No. of shares traded (Exc. BT)	178,731	31,840	54,721	↑
Value Traded \$000 (Exc. BT)	2,774	3,008	4,855	↓
o.w. : Solidere	2,572	3,008	4,855	↓
Banks	203	0	0	↑
Others	0	0	0	→

## BOND MARKET: LEBANESE BOND PRICES SLIGHTLY DOWN ON PROFIT TAKING OPERATIONS

Lebanese Eurobond prices retreated slightly from 8.750-9.550 cents per US dollar at the end of last week to 8.400-9.200 cents per US dollar on Friday, mainly on some profit taking operations. This compared to price levels of 6.000-6.750 cents per US dollar on September 23, 2024, when Israeli attacks on Lebanon were launched, which marks a 38% expansion over a one-month period.

This is mainly fueled by speculation about a post-war political breakthrough. In fact, international investors are seeing a glimpse of hope of change in the domestic politico-economic landscape in the medium term, beyond imminent short term challenges. Concurrently, some market players showed interest in Lebanese debt papers, with the aim of reinforcing their negotiating position in the future amid debt restructuring.

### EUROBONDS INDICATORS

	25/10/2024	18/10/2024	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	8.400	8.750	6.000	↓
Yield on US 5-year note	4.02%	3.90%	3.83%	↑

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## INTERNATIONAL MARKET INDICATORS

	25-Oct-24	18-Oct-24	31-Dec-23	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	152.32	149.52	141.04	1.9%	8.0%
\$/£	1.296	1.305	1.273	-0.7%	1.8%
\$/Euro	1.080	1.087	1.104	-0.7%	-2.2%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	42,114.40	43,275.91	37,689.54	-2.7%	11.7%
S&P 500	5,808.12	5,864.67	4,769.83	-1.0%	21.8%
NASDAQ	18,518.61	18,489.55	15,011.35	0.2%	23.4%
CAC 40	7,497.54	7,613.05	7,543.18	-1.5%	-0.6%
Xetra Dax	19,463.59	19,657.37	16,751.64	-1.0%	16.2%
FT-SE 100	8,248.84	8,358.25	7,733.24	-1.3%	6.7%
NIKKEI 225	37,913.92	38,981.75	33,464.17	-2.7%	13.3%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	2,747.56	2,721.46	2,062.98	1.0%	33.2%
SILVER OUNCE	33.72	33.72	23.80	0.0%	41.7%
BRENT CRUDE (per barrel)	76.05	73.06	77.04	4.1%	-1.3%
<b>LEADING INTEREST RATES (%)</b>					
Term SOFR 1-month	4.71	4.76	5.35	-0.05	-0.65
US Prime Rate	8.00	8.00	8.50	0.00	-0.50
US Discount Rate	5.00	5.00	5.50	0.00	-0.50
US 10-year Bond	4.24	4.09	3.88	0.15	0.36

Sources: Bloomberg, Bank Audi's Group Research Department

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