

Economy

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The World Justice Project (WJP) Rule of Law Index 2022 is the latest report in an annual series measuring the rule of law based on the experiences and perceptions of the general public and in-country legal practitioners and experts worldwide, in which Lebanon ranked 106th globally with a score of 0.45. Regionally, Lebanon ranked 6th out of 9 countries in the Arab MENA region.

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Within the context of a darkened domestic political outlook and mounting concerns about a prolonged Presidential vacuum amid a caretaker cabinet, and in anticipation of a new customs dollar that would come into effect once the Ministry of Finance issues a decision in this respect, and on talks that Lebanon would devalue its currency peg to the US dollar in the next couple of months, the LP/US\$ black market rate continued to hover around 40,000 this week, while the equity market resumed its upward trajectory and the money market saw the first contraction in currency in circulation since last September. In details, the LP/US\$ black market rate fluctuated marginally over the week, reaching LP/US\$ 40,050-LP/US\$ 40,100 on Friday, while BDL's liquid FX reserves remained stable around US\$ 10 billion mid-November 2022. At the level of the equity market, the BSE price index rose by 1.5%, mainly supported by Solidere shares, and the total turnover expanded by 32% week-on-week. On the money market, the currency in circulation outside BDL contracted for the first time since September following BDL's decision on October 23, 2022 to sell US dollar via "Sayrafa", while halting its purchases of the greenback via the platform.

LEBANON MARKETS: NOVEMBER 14 - NOVEMBER 20, 2022

Money Market	↑	BSE Equity Market	↑
LP Tbs Market	↓	Eurobond Market	↓
LP Exchange Market	↔	CDS Market	↔

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ECONOMY

FITCH SOLUTIONS FORECASTS INFLATION AT 60% AND UNEMPLOYMENT AT 30% IN 2023

Fitch Solutions forecasts that household spending in Lebanon will see improved growth levels in 2023, with solid remittance inflows while more Lebanese citizens move abroad to escape the worsening economic and social conditions in the country.

They project real household spending to expand by 3.0% over the year, a further improvement on the 1.2% growth in 2022. These figures indicate the economy is continuing its emergence of the economic crisis where household spending recorded significant contractions of 12.0% estimated for 2021 and the decline of 49.8% in 2020.

Their forecast for growth in consumer spending in 2023 is in line with their Country Risk team's forecast that the Lebanese economy will post growth of 3.7% in 2023, after a decline of 9.3% in 2021 and a contraction of 26.0% in 2020. While this will be the second consecutive year since 2018 that the Lebanese economy will be in positive territory, they highlight that growth will be fragile. Slow growth will be the result of high consumer price inflation as well as weak domestic political conditions and a challenging operating environment, all of which will further discourage investment, weighing on employment opportunities.

That said, Israel and Lebanon reached an agreement in October 2022 over the demarcation of their maritime borders, which Fitch Solutions believe will reduce security risks and provide economic benefits to Lebanon through exploration rights. They also believe that remittance inflows will increase over the year as more Lebanese emigrate amid worsening economic and social conditions in the country. These sources of income, alongside the return of tourism in Lebanon, should somewhat alleviate the impact of subsidy removals and the weakening of the currency, strengthening the improvement of real household spending growth in 2023.

Inflationary pressures continue to build. Over the latter half of 2022, inflation is beginning to shift into services such as tourism, and this will continue into 2023. Rising consumer price inflation has been the key risk to consumer spending over 2022, and it has been eroding purchasing power and shifting consumer spending away from discretionary spending. This is the economic reality for consumers entering into 2023. Inflationary pressure started to rise globally in 2021, as localised shortages were created by base effects, higher commodity prices and supply-chain challenges. The Russia-Ukraine conflict has also significantly impacted the global supply prices of key commodities, such as oil and gas; fertiliser; wheat; corn; and barley. The commodity price increases are already feeding through into higher consumer prices and this will continue into 2023 as per Fitch solutions.

Fitch Solutions says Lebanon has been experiencing hyperinflation since 2020 and this has significantly eroded the consumer purchasing power and has sent many households into poverty. The full liberalisation of fuel prices in September 2021 and the removal of subsidies on medicine, along with high global food and oil prices, further accelerated inflation over late 2021. In addition, the sustained depreciation of the currency on the parallel market, which is the rate used to price almost all traded goods on the Lebanese market, has fed through into inflation. That said, Fitch Country Risk team forecasts Lebanon's consumer price inflation to decelerate in 2023 to an average of 60.0% in 2023 from 178.8% in 2022. However, the persisting elevated consumer price inflation will weigh on the purchasing power of Lebanese households over 2023, preventing a more marked recovery of the consumer and retail sector during the year.

Fitch Solutions expects Lebanon's unemployment rate to recover from its peak in 2022 following the economic crisis and subsequent pandemic, reaching an average of 30% of the labor force in 2023. While this is still not as strong as the pre-Covid levels of 6.2% and 9.3% seen over 2018 and 2019, it is down from the 45% and 50% posted over 2021 and 2022 respectively. Fitch Country Risk team forecasts this rate to improve over 2023, whereby it will average 30% over the year. However, should economic conditions worsen in the market, there is a risk of elevated unemployment, which will quickly feed through into a weaker consumer outlook.

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UTILIZED L/Cs FOR IMPORT FINANCING WITNESSED A SIGNIFICANT HIKE FOR THE FIRST NINE MONTHS

Figures released by the Central Bank of Lebanon show that documentary letters of credits utilized to finance import activities increased significantly by 257.1% in the first nine months of 2022 to reach US\$ 190.7 million, up from US\$ 53.4 million during the first nine months of 2021.

In parallel, opened credits for imports in the first nine months of 2022 recorded a 189.7% hike year-on-year standing at US\$ 206.3 million against US\$ 71.2 million during the same period of previous year. Inward bills for collection, another documentary credit form of financing, declined by 12.0% over the first nine months of 2022 to reach US\$ 147.1 million versus US\$ 167.1 million in the same period of 2021.

It is worth noting that documentary letters of credits opened to finance export activities worsened and retreated by 22.4% in the first nine months of 2022 recording US\$ 69.5 million down from US\$ 89.6 million during the same period of the previous year.

However, utilized credits for exports for the first nine months of 2022 jumped by 37.8% standing at US\$ 68.9 million against US\$ 50.0 million during the same period of 2021. Outward bills for collection, another documentary credit form of financing contracted by 23.5% in the first nine months of 2022 to reach US\$ 123.7 million, versus US\$ 161.6 million over the same period of previous year.

DOCUMENTARY CREDITS FOR IMPORTS' FINANCING

(US\$ million)	2020	2021	9M-2021	9M-2022	9M-22/9M-21
Documentary L/Cs					
Opened credits	342.9	112.6	71.2	206.3	189.7%
Utilized credits	443.7	115.5	53.4	190.7	257.1%
Outstanding credits	2,017.9	602.3	478.2	490.3	2.5%
Bills for collection					
Inward bills	307.8	212.1	167.1	147.1	-12.0%
Outstanding bills	410.6	540.0	406.0	401.0	-1.2%

Sources: BDL, Bank Audi's Group Research Department

DOCUMENTARY CREDITS FOR EXPORTS' FINANCING

(US\$ million)	2020	2021	9M-2021	9M-2022	9M-22/9M-21
Documentary L/Cs					
Opened credits	188.5	108.6	89.6	69.5	-22.4%
Utilized credits	408.6	68.9	50.0	68.9	37.8%
Outstanding credits	3,403.3	1,520.3	1,208.0	831.7	-31.2%
Bills for collection					
Inward bills	272.2	206.1	161.6	123.7	-23.5%
Outstanding bills	2,921.1	2,488.4	1,889.4	1,579.1	-16.4%

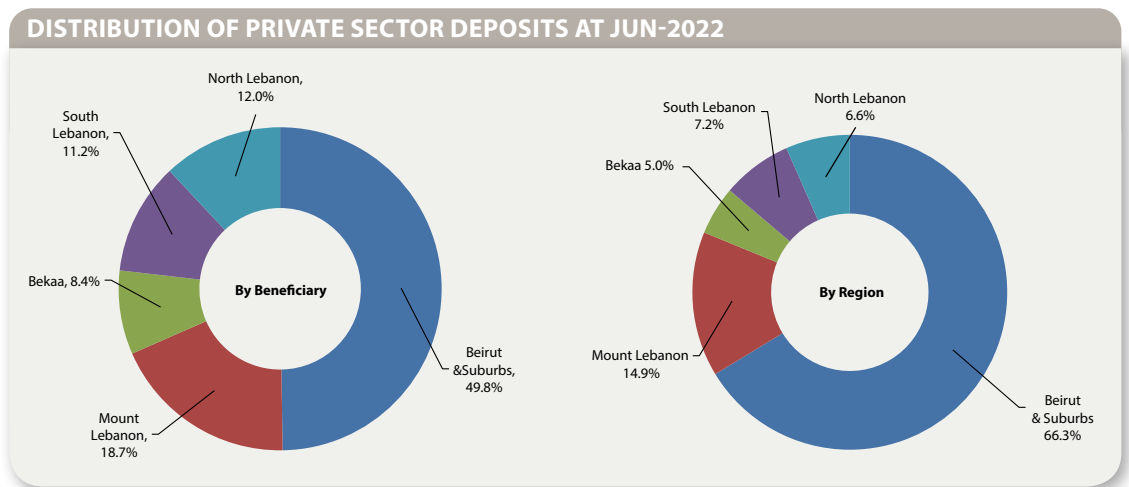
Sources: BDL, Bank Audi's Group Research Department

Bank Audi

BEIRUT AND SUBURBS ACCOUNT FOR 66% OF PRIVATE SECTOR DEPOSITS AND 50% BY BENEFICIARY AS AT JUNE-22

As per the Central Bank of Lebanon, the distribution of private sector deposits as at Jun-2022 by region revealed that Beirut and Suburbs represented the highest constitution of 66.3%, followed by Mount Lebanon with 14.9%, South Lebanon with 7.2%, North Lebanon with 6.6% and Bekaa with 5.0%.

On the beneficiary level, the distribution of private sector deposits as at Jun-2022 showed that the biggest share of depositors is in Beirut and Suburbs with a constitution of 49.8%, followed by Mount Lebanon with 18.7%, North Lebanon with 12.0%, South Lebanon with 11.2% and Bekaa with 8.4%.

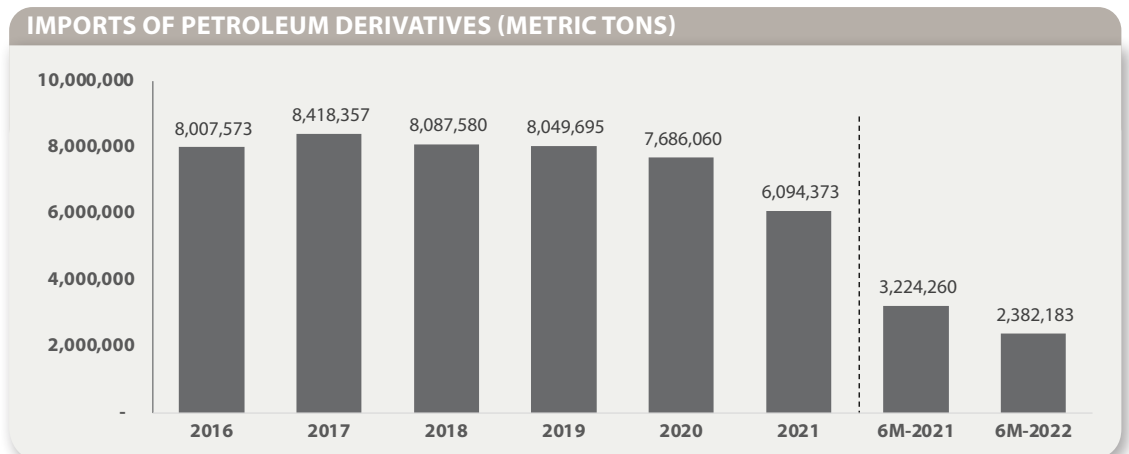


Sources: BDL, Bank Audi's Group Research Department

IMPORTS OF PETROLEUM DERIVATIVES DECLINE BY A YEARLY 26% IN THE FIRST SIX MONTHS OF 2022

Imports of petroleum derivatives registered a year-on-year drop of 26.1% over the first six months of 2022. The latter retreated from 3,224,260 metric tons to 2,382,183 metric tons between both periods, as released by the Central Bank of Lebanon.

It is worth noting that the imports of petroleum derivatives stood at 6,094,373 metric tons in 2021, down from 7,686,060 metric tons in 2020.



Sources: BDL, Bank Audi's Group Research Department

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SURVEYS

LEBANON RANKS 106TH GLOBALLY IN THE 2022 RULE OF LAW INDEX

The World Justice Project (WJP) Rule of Law Index 2022 is the latest report in an annual series measuring the rule of law based on the experiences and perceptions of the general public and in-country legal practitioners and experts worldwide, in which Lebanon ranked 106th globally with a score of 0.45. Regionally, Lebanon ranked 6th out of 9 countries in the Arab MENA region.

The WJP Rule of Law Index 2022 presents a portrait of the rule of law in 140 countries and jurisdictions by providing scores and rankings based on eight factors: Constraints on Government Powers, Absence of Corruption, Open Government, Fundamental Rights, Order and Security, Regulatory Enforcement, Civil Justice, and Criminal Justice.

The scores and rankings of the eight factors and 44 sub-factors of the Index draw from two sources of data collected by the WJP: 1. A General Population Poll (GPP) conducted by leading local polling companies, using a representative sample of 1,0001 respondents in each country and jurisdiction. 2. Qualified Respondents' Questionnaires (QRQs) consisting of closed-ended questions completed by in-country legal practitioners, experts, and academics with expertise in civil and commercial law; constitutional law, civil liberties, and criminal law, labor law and public health.

Furthermore, Lebanon scored 0.48 on constraints on government powers factor with a global rank of 90. At the level of the absence of corruption factor, the country scored 0.36 and ranked 108th globally. Looking at open government, Lebanon scored 0.43 with a global rank of 100. As for fundamental rights, the country scored 0.46 and ranked 103rd globally. At the level of order and security, the score was 0.67 and global rank of 95. Lebanon scored 0.43 in regulatory enforcement and ranked 107th globally. As for civil justice, the country scored 0.41 and ranked 119th globally. Regarding criminal justice, the country scored 0.33 and ranked 110th globally.

Globally, Denmark, Norway and Finland topped the list with scores of 0.90, 0.89 and 0.87 respectively. Regionally, UAE, Jordan and Tunisia topped the list with scores of 0.63, 0.54 and 0.52 respectively.

ARAB MENA REGION'S WJP RULE OF LAW INDEX 2022 RANKINGS

Country	Overall Score	Global Rank
UAE	0.63	37
Jordan	0.54	61
Tunisia	0.52	71
Algeria	0.49	89
Morocco	0.48	94
Lebanon	0.45	106
Sudan	0.39	125
Mauritania	0.37	131
Egypt	0.35	135

Sources: World Justice Project, Bank Audi's Group Research Department

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LEBANON RANKED NUMBER 13TH REGIONALLY IN EMPLOYEE ENGAGEMENT WITH 10% ENGAGED AS PER GALLUP

The State of the Global Workplace 2022 Report was issued by Gallup this week.

Gallup is committed to bringing the voice of the employee to the decision-making table as they help global leaders solve their most pressing problems. In this year's report, they feature annual findings from the world's largest, ongoing study of the employee experience. They examine how employees feel about their work and their lives, an important predictor of organizational resilience and performance.

Main global findings of this year's report were the following: 21% of employees are engaged at work. 33% of employees are thriving in their overall wellbeing. 44% of employees experienced stress a lot of the previous day. 45% of employees said now is a good time to find a job.

The report says that Engagement rose by 1 percentage point in 2021, but remained below its 2019 peak. Although global wellbeing also rose by 1 percentage point, this masks larger regional differences. For example, the Australia and New Zealand region saw a 6-percentage-point increase in thriving in the past year, while Europe saw a 5 percentage point decrease.

Clearly, the COVID-19 pandemic era put a halt to a long period of gradual but general improvement among the world's workers. This matters for global economic dynamism. Gallup estimates that low engagement costs the global economy US\$ 7.8 trillion and accounts for 11% of GDP globally. Gallup's analysis of 112,312 business units in 96 countries found a strong link between engagement and performance outcomes, such as retention, productivity, safety and profitability.

In particular, the MENA region exhibits the second highest regional percentage of daily anger, the second highest regional percentage of daily sadness, the second highest regional percentage of employees who say they are likely to move in the next 12 months.

Regionally, Lebanon ranked number 13th in employee engagement with 10% engaged. It ranked number 1 in Daily worry with 56% yes, 2nd in daily stress with 65% yes, 3rd in Daily anger with 43% yes, 1st in Daily Sadness with 42% yes. 21% were satisfied relative to the environment, ranking 15th in the MENA region. Finally, Lebanon ranked 12th in relocation potential, with 20% of respondents likely to move.

MENA REGION'S STATE OF THE GLOBAL WORKPLACE

Country	Employee Engagement		Life Evaluation		Daily Worry		Daily Stress		Daily Anger		Daily sadness		Environmental		Social		Job Climate		Relocation Potential	
	Rank	% Engaged	Rank	% Thriving	Rank	% Yes	Rank	% Yes	Rank	% Yes	Rank	% Yes	Rank	% Satisfied	Rank	% No	Rank	% Good time	Rank	% Likely to move
UAE	1	25	2	52	15	31	12	35	13	22	12	23	1	96	6	11	2	52	5	33
Iraq	2	24	10	17	4	53	7	48	1	48	4	40	13	29	8	10	8	30	6	32
Saudi Arabia	3	21	3	49	14	32	13	31	14	21	13	21	2	84	11	7	1	58	2	36
Israel	4	20	1	66	13	34	14	31	15	19	15	15	7	52	7	10	5	46	13	15
Kuwait	5	19	5	37	11	39	8	45	11	26	11	26	4	78	15	4	4	50		
Bahrain	6	19	4	45	12	36	10	40	12	26	10	26	3	83	14	6	6	39	3	35
Jordan	7	17	11	17	5	47	4	57	5	37	5	34	5	59	12	7	11	19	4	33
Libya	8	16	6	25	9	41	9	42	7	35	6	30	6	55	10	7	3	52		
Morocco	9	14	7	21	10	40	11	38	10	30	9	27	9	51	5	11	7	33	1	41
Turkey	10	14	8	19	7	43	1	66	2	46	3	40	10	38	1	21	12	16	10	23
Egypt	11	12	14	11	6	44	5	52	9	31	7	30	8	51	13	7	9	27	9	24
Tunisia	12	11	12	16	3	55	3	61	4	41	8	27	14	25	4	12	13	15	7	31
Lebanon	13	10	15	4	1	56	2	65	3	43	1	42	15	21	2	17	15	8	12	20
Iran	14	9	13	16	2	56	6	49	6	37	2	42	12	34	9	8	14	11	11	22
Algeria	15	7	9	17	8	41	15	29	8	33	14	18	11	36	3	13	10	23	8	30

Sources: Gallup, Bank Audi's Group Research Department

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CORPORATE NEWS

NET PROFITS OF BLOM BANK REPORTED TO US\$ 4 MILLION IN THE FIRST NINE MONTHS OF 2022

BLOM bank issued its consolidated financial statements for the first nine months of 2022 calculated at the official rate.

The bank reported net profits of US\$ 4.4 million in the first nine months of 2022, versus US\$ 3.1 million in the same period of 2021.

The bank's net interest income attained US\$ 1,112.8 million in the first nine months of 2022, down from US\$ 1,113.6 million in the first nine months of 2021. Net fees and commission income declined moving from US\$ 39.6 million in the first nine months of 2021 to US\$ -67.2 million in the first nine months of 2022 marking a significant drop of 269.5%.

Total operating income in the first nine months of 2022 dropped by 39.4% reaching US\$ 458.9 million with respect to US\$ 756.6 million in the first nine months of 2021.

This was accompanied by an 88.9% increase in total operating expenses, which amounted to US\$ 417.9 million in the first nine months of 2022, up from US\$ 221.3 million in the same period of 2021.

Among the latter category, personnel expenses rose up by 69.8% year-on-year standing at US\$ 208.9 million in the first nine months of 2022. Other operating expenses witnessed a 134.8% hike to register US\$ 193.8 million in the first nine months of 2022.

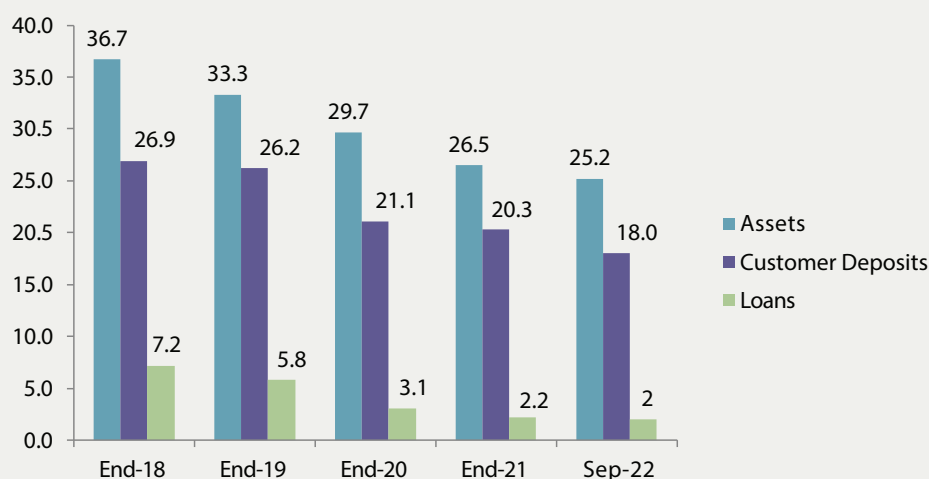
The bank's total assets reached US\$ 25.2 billion at the end of the first nine months of 2022, reporting a 4.6% decline from the same period in 2021.

Loans to customers registered US\$ 2.0 billion in the first nine months of 2022, down from US\$ 2.2 billion at the same period of 2021.

At the liability side, deposits from customers stood at US\$ 19.5 billion in the first nine months of 2022 revealing a decrease of 4.2% from the same period in 2021.

Shareholder's equity totaled US\$ 3.1 billion in the first nine months of 2022, almost unchanged from the same period in 2021.

BLOM BANK'S MAJOR BALANCE SHEET AGGREGATES (US\$ BILLION)



Sources: BLOM Bank

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LBDI INTRODUCES IMPORT REPLACEMENT PRODUCTS

Levant Beverage & Dairy Industries SAL (LBDI) applied to the Food System Challenge with a project that aims to produce locally made cooked processed cheese products to try and replace imported products with affordable high-quality products.

It is worth highlighting that the Food System Challenge is implemented by the World Food Program (WFP) and Berytech with support from the German Federal Ministry of Economic Cooperation and Development (BMZ).

The subject project would lead to an increase in LBDI's number of milk producers that the company works with; 80 producers up from 50, effectively adding an estimated 307 tons of milk per year as well as help sustain the jobs of 268 employees in the company and create new job opportunities for the new production line.

It is worth noting that LBDI was established in 1998 and established at the time the first fully integrated line of products in the Lebanese dairy market through its main brand Dairiday.

LEBANON RECEIVES MEDICAL SUPPLY DONATIONS FROM EGYPT TO COMBAT CHOLERA

Egypt is sending donations of 27 Tons of medicine, vaccines and medical supplies needed to fight the spread of cholera, as reported by the state-run National News Agency.

The medical supplies were received by the Lebanese caretaker health Minister, the Egyptian Ambassador, members of the Egyptian Embassy and officials from the Ministry of Health.

The donations will be stored at the Ministry of Health's warehouses and are to begin being distributed soon after.

Initially, the donation was of 17 tons of aid that was raised to 27 tons with assurance to Lebanon from Egypt that it will remain beside the country in the crises it is facing. Lebanon holds worth and importance in the region and Egypt will not allow the country to face any crisis alone, said the Egyptian Ambassador in a statement.

It is worth noting that since the start of Lebanon's economic crisis in 2019, Egypt has sent several shipments of food and medical aid to Lebanon.

TOTALENERGIES TO LAUNCH EXPLORATION ACTIVITIES ON BLOCK 9 FOLLOWING THE LEBANESE-ISRAELI MARITIME BORDER LINE AGREEMENT

TotalEnergies SE (TTE) initiated its preparations of exploration activities in Lebanon's Block 9 with the acquisition of required equipment, procurement of a drilling rig and the mobilization of the teams.

It is worth noting that in Lebanon, TotalEnergies is responsible for the operation of Block 9 holding 60% interest and with its partner ENI holding 40%.

The partner companies have signed a Framework Agreement with the state of Israel to implement the maritime boundary agreement reached in October between Lebanon and Israel. Following the signature, both companies will initiate the exploration of a prospect that has already been identified which potentially extends both in Lebanon's Block 9 and into Israel's waters.

TotalEnergies being the operator of Block 9 has vowed to respond to the request of both countries in assessing the materiality of hydrocarbon resources and the potential production in the area, said Chairman and CEO of TotalEnergies in a statement.

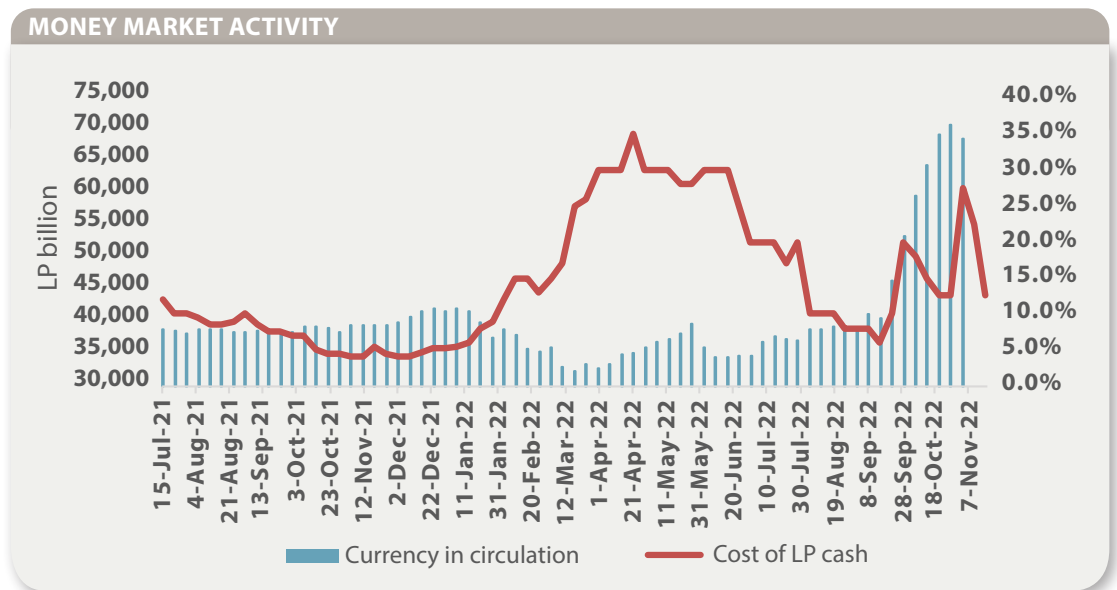
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CAPITAL MARKETS

MONEY MARKET: COST OF LP CASH EXTENDS ITS FALL THIS WEEK

The cost of LP cash remained on the fall on the money market this week, hovering between 10% and 15% as compared to 20%-25% last week, given the large expansion in the currency in circulation since mid-September 2022.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 3rd of November 2022 showed that the currency in circulation registered its first contraction since September 2022 of LP 2,173 billion. This followed BDL's decision on October 23, 2022 to sell cash US dollars via "Sayrafa" while halting its purchases of the greenback via the platform. In parallel, total resident banking deposits contracted significantly by LP 997 billion over the covered week. This is mainly attributed to a LP 658 billion fall in total LP resident deposits amid a LP 403 billion decrease in LP demand deposits and a LP 255 billion contraction in LP saving deposits, while foreign currency resident deposits declined by LP 339 billion (the equivalent of US\$ 225 million as per a rate of LP 1,507.5). Within this context, the money supply in its broadest sense (M4) contracted significantly by LP 3,330 billion, which marks its largest weekly contraction since the onset of the crisis on October 17, 2019.



TREASURY BILLS MARKET: NOMINAL WEEKLY DEFICIT OF LP 54 BILLION

The latest Treasury bills auction results for value date 17th of November 2022 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the six-month category (offering a yield of 4.0%), the two-year category (offering a coupon of 5.0%) and the ten-year category (offering a coupon of 7.0%).

The Treasury bills auction results for value date 10th of November 2022 showed subscriptions of LP 52 billion, fully allocated to the Central Bank of Lebanon and concentrated in the three-month category. These compare to maturities of LP 106 billion, which resulted into a nominal weekly deficit of LP 54 billion.

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TREASURY BILLS

	18/11/2022	11/11/2022	30/12/2021	
3-month	3.50%	3.50%	3.50%	↔
6-month	4.00%	4.00%	4.00%	↔
1-year	4.50%	4.50%	4.50%	↔
2-year	5.00%	5.00%	5.00%	↔
3-year	5.50%	5.50%	5.50%	↔
5-year	6.00%	6.00%	6.00%	↔
7-year	-	-	6.50%	
10-year	7.00%	-	7.00%	
Nom. Subs. (LP billion)		52	246	
Short-term (3&6 mths)		-	-	
Medium-term (1&2 yrs)		0.03	-	
Long-term (3 yrs)		-	200	
Long-term (5 yrs)		-	-	
Long-term (7 yrs)		-	46	
Maturities		106	13	
Nom. Surplus/Deficit		-54	233	

Sources: Central Bank of Lebanon, Ministry of Finance

FOREIGN EXCHANGE MARKET: LP/US\$ BLACK MARKET RATE REMAINS AT RECORD HIGHS

The LP/US\$ black market rate remained quoted at record highs this week, hovering between LP/US\$ 40,050 and LP/US\$ 40,100 on Friday after touching the LP/US\$ 40,000 level last week. This came within the context of a darkened domestic political outlook, and as market players rushed to buy US dollars on the parallel market in anticipation of a new customs dollar of LP/US\$ 15,000 that would come into effect once the Ministry of Finance issues a decision in this respect, in addition to talks that Lebanon would devalue its currency peg to the US dollar in next couple of months, which is a first step towards the progressive unification of the multiple rates in Lebanon.

Concurrently, the Central Bank of Lebanon announced that foreign currency operations on the "Sayrafa" platform remained executed at an average rate of LP/US\$ 30,300 between November 14 and November 18, 2022, with no change relative to the previous week.

On the other hand, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of November 2022 showed that BDL's foreign assets remained stable at US\$ 15.3 billion mid-month, while the "Currency in Circulation outside BDL" contracted by LP 4 trillion during the first half of November 2022 to reach LP 71 trillion. This followed BDL's decision on October 23, 2022 to sell cash US dollars via "Sayrafa" while halting its purchases of the greenback via the platform.

EXCHANGE RATES

	18/11/2022	11/11/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,798.15	1,771.92	2,022.91	↓
LP/¥	10.77	10.77	13.11	↔
LP/SF	1,585.34	1,571.46	1,639.48	↓
LP/Can\$	1,130.06	1,133.63	1,175.53	↑
LP/Euro	1,564.94	1,548.05	1,701.52	↓

Source: Bank Audi's Group Research Department

Bank Audi

STOCK MARKET: WEEKLY EQUITY PRICE GAINS, SUPPORTED BY SOLIDERE SHARES

The Beirut Stock Exchange resumed its upward trajectory this week, as reflected by a 1.5% rise in the price index, mainly supported by price gains in Solidere shares.

A closer look at individual stocks shows that Solidere "A" share price surged by 3.6% to US\$ 57.60. Solidere "B" share price went up by 2.8% to US\$ 57.05. Ciments Blancs Nominal's share price jumped by 16.5% to US\$ 12.06. In contrast, Bank Audi's "listed" share price plunged by 14.5% to US\$ 1.41. Byblos Bank's "listed" share price fell by 5.0% to US\$ 0.57.

As to trading volumes, the BSE total turnover amounted to US\$ 3.7 million this week as compared to US\$ 2.8 million in the previous week, which marks an expansion of 31.5%, noting that Solidere shares continued to capture the lion's share of activity (91.4%).

AUDI INDICES FOR BSE

	18/11/2022	11/11/2022	30/12/2021	
Market Cap. Index	600.66	592.07	447.87	↑
Trading Vol. Index	33.81	25.70	80.38	↑
Price Index	126.10	124.30	94.02	↑
Change %	1.45%	-0.25%	4.13%	↑
	18/11/2022	11/11/2022	30/12/2021	
Market Cap. \$m	14,250	14,046	10,625	↑
No. of shares traded (Exc. BT)	327,942	84,417	171,230	↑
Value Traded \$000 (Exc. BT)	3,725	2,833	5,359	↑
o.w. : Solidere	3,403	2,697	4,614	↑
Banks	145	84	732	↑
Others	177	52	13	↑

Sources: Beirut Stock Exchange, Bank Audi's Group Research Department

BOND MARKET: LEBANESE EUROBONDS PLUNGE FURTHER INTO RED

Lebanese Eurobonds plunged further into the red this week, with prices of sovereigns ranging between 5.50 and 6.0 cents per US dollar on Friday as compared to 5.75-6.13 cents per US dollar at the end of last week, which marks a price contraction of 0.13 pt to 0.25 pt. This came within the context of rising domestic political uncertainties and fears of a protracted Presidential vacuum amid a caretaker government, and as the current fragmented Parliament is facing tough legislative challenges to meet IMF requirements and unlock much-needed international financial support. That being said, Lebanese Eurobonds maturing between 2020 and 2037 accumulated price contractions of 4.0 pts to 4.63 pts since the beginning of the year 2022.

EUROBONDS INDICATORS

	18/11/2022	11/11/2022	30/12/2021	
Total tradable size \$m	32,364	32,364	32,364	↔
o.w.: Sovereign bonds	31,314	31,314	31,314	↔
Bid price (cents per US dollar)	5.50-6.00	5.75-6.13	9.88-10.63	↓
Average Life	5.43	5.45	6.18	↓
Yield on US 5-year note	3.97%	3.94%	1.26%	↑

Source: Bank Audi's Group Research Department

Bank Audi

INTERNATIONAL MARKET INDICATORS

	18-Nov-22	11-Nov-22	31-Dec-21	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	140.37	138.81	115.11	1.1%	21.9%
\$/£	1.189	1.183	1.353	0.5%	-12.1%
\$/Euro	1.033	1.035	1.137	-0.2%	-9.2%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	33,745.69	33,747.86	36,338.30	0.0%	-7.1%
S&P 500	3,965.34	3,992.93	4,766.18	-0.7%	-16.8%
NASDAQ	11,146.06	11,323.33	15,644.97	-1.6%	-28.8%
CAC 40	6,644.46	6,594.62	7,153.03	0.8%	-7.1%
Xetra Dax	14,431.86	14,224.86	15,884.86	1.5%	-9.1%
FT-SE 100	7,385.52	7,318.04	7,384.54	0.9%	0.0%
NIKKEI 225	27,899.77	28,263.57	28,791.71	-1.3%	-3.1%
COMMODITIES (in US\$)					
GOLD OUNCE	1,750.68	1,771.24	1,829.20	-1.2%	-4.3%
SILVER OUNCE	20.94	21.70	23.31	-3.5%	-10.2%
BRENT CRUDE (per barrel)	87.62	95.99	73.35	-8.7%	19.5%
LEADING INTEREST RATES (%)					
1-month Libor	3.96	3.88	0.10	0.08	3.86
US Prime Rate	6.25	7.00	3.25	-0.75	3.00
US Discount Rate	3.25	4.00	0.25	-0.75	3.00
US 10-year Bond	3.83	3.81	1.51	0.02	2.32

Sources: Bloomberg, Bank Audi's Group Research Department

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