

Economy

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p.2 DEPOSITS CONTRACT BY 26% AND LOANS CONTRACT BY 60% OVER PAST 3 YEARS SINCE OCTOBER 2019

The end-October 2022 banking and monetary figures were released this week. As such, the 3-year banking sector analysis since the onset of Lebanon's financial crisis, i.e between October 2019 and October 2022, shows that FX deposits contracted by US\$ 27.2 billion and FX loans dropped by US\$ 26.9 billion respectively, while banks FX liquidity dropped by US\$ 4.4 billion and BDL net foreign assets contracted by US\$ 22.5 billion within the context of a cumulative balance of payment deficit of US\$ 15.1 billion.

Also in this issue

p.3 Lebanon's brain drain reached an estimate of 875,000 people emigrating between 2019 and 2022

p.3 Containers at Port of Beirut up by 19% in first ten months

p.4 Cement deliveries grow 1% year-on-year increase in the first seven months of 2022

Surveys

p.5 LEBANON RANKS 145TH GLOBALLY IN THE WORLD HAPPINESS REPORT 2022

The United Nations (UN) recently released its 10th edition of the "World Happiness Report" presenting a survey of the state of happiness across 146 countries and in which Lebanon ranked 145th globally with a score of 2.955.

Also in this issue

p.6 Lebanon ranks 10th in the Arab MENA region and 32nd globally in Air Quality

Corporate News

p.7 BANK AUDI SAL BUYS 9.6% OF HOLCIM SAL

On November 24th 2022, Bank Audi sal executed a stock purchase of 1,864,968 shares from Holcim (Liban) sal.

Also in this issue

p.7 ROKiT Cities and Al Kabida reach agreement to provide out-of-home Wi-Fi in Beirut

p.7 LAF receives EUR 6 million in assistance from the EU

p.7 Renewable energy law approved by committee

p.8 21 MSMEs graduate from LEA's first cycle

p.8 Guidelines for an increase in salaries of civil servants set by the Ministry of Finance

p.8 Sayrafa transacted a daily average of US\$ 35 million last week

Markets In Brief

p.9 MARKETS IN BRIEF: LP AT ALL-TIME LOW AGAINST US DOLLAR ON BLACK MARKET, WITH NO POLITICAL BREAKTHROUGH AND AWAITING REFORMS

With no breakthrough in the institutional deadlock, and amid elevated domestic political bickering that is worsening the reform outlook, and given a tenfold increase in customs dollar and continuous FX reserve burn, Lebanon's capital markets saw this week an extended currency collapse on the black FX market, while equities posted shy price gains and bond prices remained at record lows. In details, the LP/US\$ black market rate deteriorated further this week, crossing the LP/US\$ 42,000 threshold before closing at LP/US\$ 41,800-LP/US\$ 41,900 on Friday compared to a rate of LP/US\$ 41,150-LP/US\$ 41,200 at the end of last week, amid rising domestic political uncertainties and tough reform challenges. On the equity market, the BSE price index rose by a shy 0.3%, while the total turnover contracted by 52% week-on-week. Finally, Lebanese Eurobond prices remained at historical lows of 5.50-6.00 cents per US dollar amid a lingering institutional vacuum that is casting doubts on the possibility to reach a final agreement with the IMF.

LEBANON MARKETS: DECEMBER 5 - DECEMBER 11, 2022

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

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ECONOMY

DEPOSITS CONTRACT BY 26% AND LOANS CONTRACT BY 60% OVER PAST 3 YEARS SINCE OCTOBER 2019

The end-October 2022 banking and monetary figures were released this week. As such, the 3-year banking sector analysis since the onset of Lebanon's financial crisis, i.e between October 2019 and October 2022, shows that FX deposits contracted by US\$ 27.2 billion and FX loans dropped by US\$ 26.9 billion respectively), while banks FX liquidity dropped by US\$ 4.4 billion and BDL net foreign assets contracted by US\$ 22.5 billion within the context of a cumulative balance of payment deficit of US\$ 15.1 billion.

In details, total customer deposits contracted by US\$ 44.0 billion amid noticeable withdrawals and loan redemption. They actually contracted from US\$ 168.4 billion at end-October 2019 to US\$ 124.4 billion at end-October 2022, the equivalent of 26.1%. Resident deposits contracted by US\$ 31.8 billion, while non-resident deposits dropped by US\$ 12.2 billion. FX Deposits contracted by US\$ 27.2 billion over the three-year period to reach US\$ 96.5 billion, while LL deposits dropped by LL 25.4 trillion to reach LL 42.1 trillion as at end-October 2022. As a result, deposit dollarization went up from 73.4% in October 2019 to 77.6% in October 2022.

In parallel, a cumulative decline in total loans by US\$ 32.2 billion was reported amid bank deleveraging efforts. Lebanese banks have been deleveraging significantly since the onset of the crisis. Their loan portfolio dropped from US\$ 54.2 billion to US\$ 21.9 billion, the equivalent of 59.5%. The loan redemption represents 73% of the deposit contraction over the past three years. FX loans contracted by US\$ 26.9 billion, while LL loans dropped by LL 8.0 trillion over the three-year period. As a result, loan dollarization went down from 70.4% in October 2019 to 51.3% in October 2022.

LL deposit interest rate contracted by 833 basis points and US\$ deposit interest rate dropped by 651 basis points since the onset of the crisis. The average LL deposit interest rate dropped from 9.03% at end-October 2019 to 0.70% at end-October 2022, while the average US\$ deposit interest rate declined from 6.61% to 0.10% over the same period. The spread between US\$ deposit rate and 3-month Libor reached close to -4.34% in October 2022, against 4.71% in October 2019.

A cumulative decline in banks FX liquidity abroad by US\$ 4.4 billion was also reported. Lebanese banks' claims on non-resident financial sector dropped from US\$ 8.4 billion at end-October 2019 to US\$ 4.0 billion at end-October 2022. This comes as a result of the significant foreign liquidity usage by Lebanese banks to pay in cash for customers withdrawals at the beginning of the crisis period and more recently under BDL Article 158. The Central Bank recently announced that 170,000 depositors have so far benefited from the Circular 158 for a total amount of US\$ 1.2 billion, of which half in Lebanese Pounds and half in US dollars.

MAJOR ACTIVITY INDICATORS OF BANKS

<i>In millions of US\$</i>	Oct-19	Oct-22	Variation
Total assets	262,804	164,641	-98,163
Total shareholders' equity	20,602	16,773	-3,829
Shareholders' equity/Total assets	7.8%	10.2%	2.3%
Loans to the private sector in L.L.	16,029	10,686	-5,343
Loans to the private sector in FX	38,136	11,243	-26,893
Total loans to the private sector	54,166	21,930	-32,236
Loans in FX / Total Loans	70.4%	51.3%	-19.1%
Customers' deposits in L.L.	44,727	27,897	-16,830
Customers' deposits in FX	123,637	96,473	-27,164
Total Customers' deposits	168,364	124,370	-43,994
Deposits in FX / Total Deposits	73.4%	77.6%	4.1%

Sources: Insurance Control Commission, Bank Audi's Group Research Department

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The decline in banks Eurobonds portfolio by US\$ 11.2 billion since October 2019 comes amid net domestic sales and provisioning. Lebanese banks Eurobond portfolio reached US\$ 3.6 billion at end-October 2022, against US\$ 14.8 billion at end October 2019. The portfolio contraction is tied to banks net sales of Eurobonds at loss, mainly at the early months of the crisis, in addition to high provisioning requirements imposed by monetary authorities on bond portfolios.

Shareholders' equity contracted from US\$ 20.6 billion at end-October 2019 to US\$ 16.8 billion at end-October 2022 as a result of net bank losses over the period. The losses incurred by Lebanese banks come as a result of noticeable FX costs, the effects of mark-ups, the rising operating expenses tied to the surging inflation, in addition to significant provisions to face private and sovereign risks at large.

Finally, the balance of payments reported a cumulative deficit of US\$ 15.1 billion over the past three years between October 2019 and October 2022. The deficit in the balance of payments is mainly tied to the decrease in net foreign assets of BDL by US\$ 22.5 billion, while banks net foreign assets increased by US\$ 7.4 billion. The decline in BDL's net foreign assets is mainly related to the subsidy policy of the Central Bank for oil, pharmaceuticals and the food basket in the first couple of years, while it is related to its FX market intervention in the third year especially within the context of the Circular 161 since the beginning of the current year.

LEBANON'S BRAIN DRAIN REACHED AN ESTIMATE OF 875,000 PEOPLE EMIGRATING BETWEEN 2019 AND 2022

An estimate of 875,000 people are expected to have left the country between 2019 and 2022 scoring a 45.8% increase from 600,000 people emigrating between 1992 and 2018, said Information International in a statement.

The cause of this surge is directly tied to the financial crisis increasingly driving the youth to leave the country to try and avoid it. The subject issue has led professionals to warn that the nation's economy could be negatively affected further due to the brain drain that the country is experiencing.

It is worth noting that a study that took place between 2020 and 2021 reported that around 48% of the Lebanese population wants to leave the country for better opportunities abroad. Furthermore, 61% of citizens having college degrees want to emigrate against 37% for citizens having a secondary degree or less showing the danger of the brain drain and its capacity to worsen further if the crisis continues as it is, said the Arab Barometer in a statement.

The human capital flight is shown across professions and age-groups, with the biggest threat being skilled workers such as doctors and professors. Moreover, as the people who are leaving the country have knowledge and skills, a slowdown in economic growth and recovery will be experienced as there will be a shortage of human capital when efforts to reestablish the economy will start.

The education and health sectors were virtually emptied of their workers and the hemorrhage of highly qualified workers carries the risk of limiting national progress and development and therefore could take away the country's past comparative advantage by slowing down economic activity, said Director of the Ishraq Center for Studies in a statement.

It is worth highlighting that even though remittances by Lebanese workers abroad is seen as a major source of foreign currency inflow, they are recorded on the import side in the balance of payments and not as revenue and they cannot be counted as foreign capital generated through investments either, added Director of the Ishraq Center for Studies in his statement.

CONTAINERS AT PORT OF BEIRUT UP BY 19% IN FIRST TEN MONTHS

The latest statistics released by the Port of Beirut revealed that the number of containers registered a yearly increase of 18.6% to attain 481,198 containers in the first ten months of 2022, against 405,565 containers in the corresponding period of the previous year.

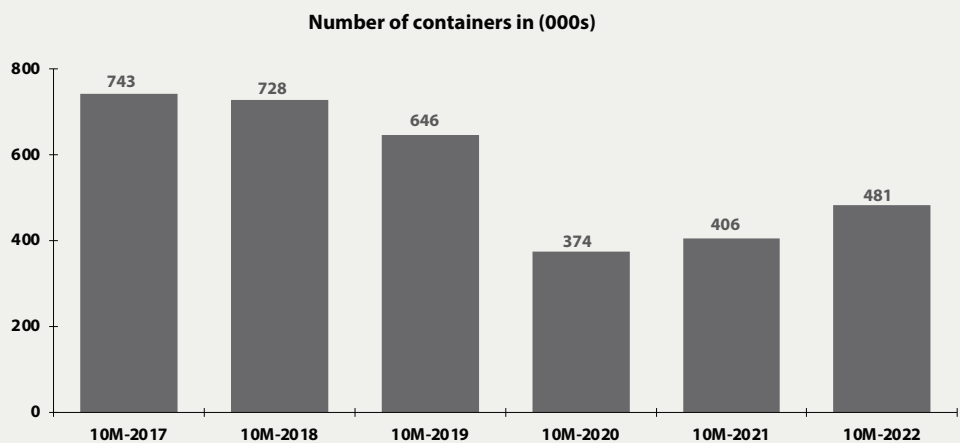
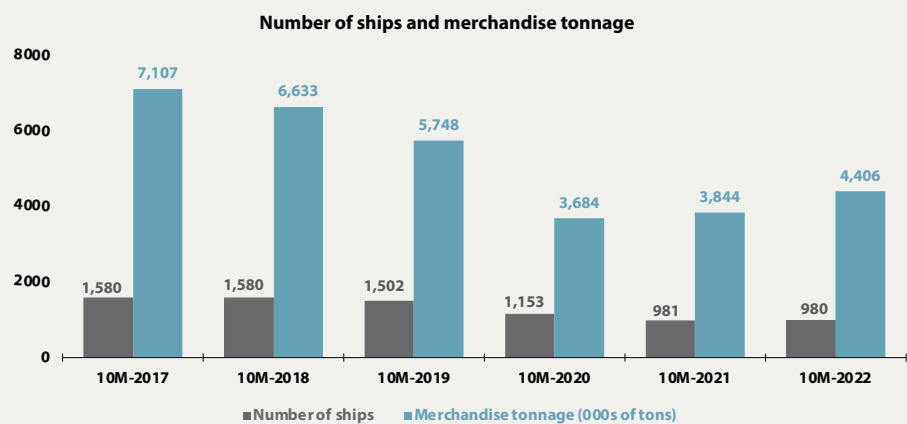
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However, the number of ships witnessed a negligible annual contraction of 0.1% in the first ten months of 2022 to reach 980 ships, following a drop of 14.9% in the same period of 2021.

The quantity of goods reported an increase of 14.6%, registering 4,406 thousand tons in the first ten months of 2022, following an increase of 4.3% in same period of 2021.

It is worth noting that transshipments increased by 5.6% over the first ten months of 2022, following a drop of 58.7% in corresponding period of year 2021.

ACTIVITY OF THE PORT OF BEIRUT



Sources: Port of Beirut, Bank Audi's Group Research Department

CEMENT DELIVERIES GROW 1% YEAR-ON-YEAR INCREASE IN THE FIRST SEVEN MONTHS OF 2022

Cement deliveries, a coincident indicator of construction activity, rose by a yearly 1.2% in the first seven months of 2022 against same period of 2021, as recently released by the Central Bank of Lebanon.

Cement deliveries reached circa 1,115,185 tons in the first seven months of 2022, up from 1,102,049 tons in the corresponding period of 2021, continuing to reflect somewhat a sluggish activity, though at a slightly improving pace from the one witnessed last year.

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SURVEYS

LEBANON RANKS 145TH GLOBALLY IN THE WORLD HAPPINESS REPORT 2022

The United Nations (UN) recently released its 10th edition of the "World Happiness Report" presenting a survey of the state of happiness across 146 countries and in which Lebanon ranked 145th globally with a score of 2.955.

Lebanon ranked last in the Arab MENA region out of 16 regional countries. It came after Mauritania and Jordan which ranked 133rd and 134th globally with respective scores of 4.153 and 4.152. Bahrain was first in the region (21st globally), followed by UAE (24th globally) and Saudi Arabia (25th globally).

Two features carry over from previous editions of the World Happiness Report. First, there is still a lot of year-to-year consistency in the way people rate their lives in different countries. Since they do their ranking on a three-year average, information is carried forward from one year to the next. For the fifth year in a row, Finland continues to occupy the top spot, with a score significantly ahead of other countries in the top ten. Denmark continues to occupy second place, with Iceland up from 4th place last year to 3rd this year. Switzerland is 4th, followed by the Netherlands and Luxembourg. The top ten are rounded out by Sweden, Norway, Israel and New Zealand. The following five are Austria, Australia, Ireland, Germany, and Canada. This marks a substantial fall for Canada, which was 5th ten years ago in the first World Happiness Report. The rest of the top 20 include the United States at 16th (up from 19th last year), the United Kingdom and Czechia still in 17th and 18th, followed by Belgium at 19th, and France at 20th, its highest ranking yet.

ARAB MENA COUNTRIES' HAPPINESS RANKINGS 2022

Countries	Global Ranking	Score
Bahrain	21	6.647
UAE	24	6.576
Saudi Arabia	25	6.523
Kuwait	50	6.106
Libya	86	5.330
Algeria	96	5.122
Morocco	100	5.084
Iraq	107	4.941
Comoros	116	4.609
Tunisia	120	4.516
Palestinian Territories	122	4.483
Egypt	129	4.288
Yemen	132	4.197
Mauritania	133	4.153
Jordan	134	4.152
Lebanon	145	2.955

Sources: UN World Happiness Report, Bank Audi's Group Research Department

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LEBANON RANKS 10TH IN THE ARAB MENA REGION AND 32ND GLOBALLY IN AIR QUALITY

Lebanon ranked 10th in the Arab MENA region (32nd globally) in Air Quality as prepared by IQAir. Lebanon was directly surpassed by Kuwait (25th globally) and Egypt (27th globally) and while it came before Syria (38th globally) and Algeria (47th globally).

The 2021 World Air Quality Report presents an overview of the state of global air quality in 2021. The report is based on PM2.5 air quality data from 6,475 cities in 117 countries, regions and territories around the world. The data used to create the report was generated by tens of thousands of regulatory and low-cost air quality monitoring stations operated by governments, non-profit organizations, research institutions, educational facilities, companies, and citizen scientists around the world.

The dataset used to generate this report was derived from the IQAir real-time online air quality monitoring platform, which aggregates, validates, calibrates, and harmonizes data from air quality monitoring stations around the globe.

With these resources, IQAir endeavors to engage, educate, and inspire governments, researchers, NGOs, companies, and citizens to work together to improve air quality and create healthier communities and cities.

ARAB MENA COUNTRIES' AIR QUALITY 2021 RANKINGS

Countries	Global Rank	Annual PM2.5 Breakpoint	WHO guidelines levels
Oman	6	53.90	Exceeds by over 10 times
Bahrain	8	49.80	Exceeds by 7 to 10 times
Iraq	9	49.70	Exceeds by 7 to 10 times
Sudan	11	44.10	Exceeds by 7 to 10 times
Qatar	13	38.20	Exceeds by 7 to 10 times
UAE	15	36.00	Exceeds by 7 to 10 times
Saudi Arabia	21	32.70	Exceeds by 5 to 7 times
Kuwait	25	29.70	Exceeds by 5 to 7 times
Egypt	27	29.10	Exceeds by 5 to 7 times
Lebanon	32	25.70	Exceeds by 5 to 7 times
Syria	38	23.00	Exceeds by 3 to 5 times
Algeria	47	20.00	Exceeds by 3 to 5 times

Sources: IQAir, Bank Audi's Group Research Department

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CORPORATE NEWS

BANK AUDI SAL BUYS 9.6% OF HOLCIM SAL

On November 24th 2022, Bank Audi sal executed a stock purchase of 1,864,968 shares from Holcim (Liban) sal.

The shares purchased are equivalent to an ownership of 9.6% of the company's total capital. The settlement of the securities took place on November 29th 2022.

It is worth noting that Holcim (Liban) sal is a cement company that produces, sells and exports Portland cement and related products in Lebanon.

ROKIT CITIES AND AL KABIDA REACH AGREEMENT TO PROVIDE OUT-OF-HOME WI-FI IN BEIRUT

An agreement was made between ROKiT Cities and Al Kabida Invest Holding SAL to bring out-of-home Wi-Fi technology to Beirut in early 2023.

The agreement follows the recent launch of ROKiT Cities Albania in Tirana as a first step in the deployment of out-of-home Wi-Fi technology in the Balkans.

It is worth noting that Al Kabida Invest Holding SAL consists of a group of companies owning the biggest Internet Service Provider (ISP) in Lebanon and possessing 40% market share of residential internet users in the country.

LAF RECEIVES EUR 6 MILLION IN ASSISTANCE FROM THE EU

After Lebanon's request for assistance in October, the council of the European Union (EU) took on measures of assistance valued at EUR 6 million (US\$ 6.3 million) to the benefit of the Lebanese Armed Forces.

The subject measures were adopted by the European Peace Facility (EPF) aiming to strengthen the resilience and capabilities of the LAF. This move comes within the context of enhancing the stability and security of the country.

The assistance will be financing healthcare equipment with the aim of assisting military medical services along with providing equipment for the LAF's operational personnel, said the EU delegation in a statement.

RENEWABLE ENERGY LAW APPROVED BY COMMITTEE

A parliamentary session was held by the Public Works, Transportation, Energy and Water Committee in the presence of the Lebanese Minister of Energy and Water in the caretaker government as a final meeting discussing, studying and approving the renewable energy law.

With the formation of the new parliament, the formation of a sub-committee for the Public Works and Transportation committee was done to consider the project law. Furthermore, a large number of sessions were held in the presence of the Lebanese Energy and Water Minister, consultants, Eléctricité du Liban (EDL) and with the presence of a large number of deputies. A positive conclusion was reached through the approval of the project by the committee. The subject project was since submitted to the General Assembly for a final decision to be reached and to ratify it as an actionable law, said Lebanese Minister of Energy and Water in a statement.

There exists a dependence in the Lebanese populace on solar energy but usage is limited to a consumption of 1.3 megawatts due to a law prohibiting any further usage. With the subject law that is still pending for debate, the production and sale of up to 10 megawatts will be possible which aids in efforts of encouraging renewable energy trade and production in a decentralized manner. Moreover, the buyer and producer would both be able to benefit from the usage of the Lebanon Electricity Network for the transfer of the electricity. The plan put forward for debate in parliament helps in reaching the main goal set in the electricity plan which is an effort to reach 30% electricity production through renewable energy before 2030. Although this advancement is crucial, the country's need for fossil fuel remains present to allow EDL to provide in parallel eight to ten hours of electricity daily, added the Lebanese Minister of Energy and Water in his statement.

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21 MSMEs GRADUATE FROM LEA'S FIRST CYCLE

Lebanon Export Academy's (LEA) first cycle has come to an end with the graduation of 21 Micro, Small and Medium Enterprises (MSMEs) in the sector of agri-food and agriculture. The academy has offered the aforementioned enterprises extensive training in export-readiness tools with the help of well-known professionals in many sectors. The second cycle of the program is now open on a first-come-first-serve basis and is reserved for 35 applicant companies.

It is worth noting that LEA is Lebanon's first export training center and online academy implemented by the UNIDO and UNDP in partnership with Berytech as part of the Productive Sectors Development Program (PSDP). The Academy's aim is to support local MSMEs and cooperative' competitiveness and empower them during the current crises. The program's initial goal is to help MSMEs in the agriculture and food industries to become more ready for export and help in giving them access to international markets.

GUIDELINES FOR AN INCREASE IN SALARIES OF CIVIL SERVANTS SET BY THE MINISTRY OF FINANCE

A decision putting forward the guidelines for the salary increase of civil servants and other contractual employees in the administration (whether active or retired) was issued by the Lebanese Caretaker Minister of Finance. The subject decision enacts on the raises that the 2022 budget law provides as approved by the Parliament.

The decision only targets the employee's basic salary received since the end of December 2019 without consideration for grade and exceptional increases received after that month. The decision also sees that the employee's basic salary will be doubled within a range of LP 5 million and LP 12 million.

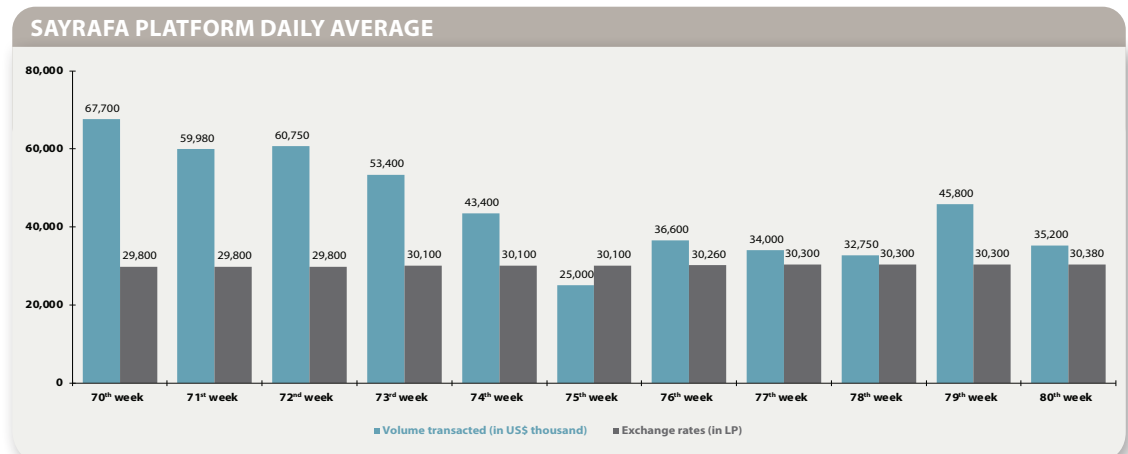
It is worth noting that hourly wage of contractual employees working with the education ministry are to be determined in coordination between both the Ministry of Finance and the Ministry of Education for the years 2022-2023. Moreover, Diplomatic staff and other staff paid in foreign currency are not included in the decision. A list by the departments and institutions' managements containing employees and retirees that have already received a salary adjustment during the year and whether they still benefited from the raise as of October 2022 were required to be provided to the Ministry of Finance.

SAYRAFA TRANACTED A DAILY AVERAGE OF US\$ 35 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 80TH week was US\$ 35.2 million, a 23.1% drop compared to the previous week's daily average transacted volume of US\$ 45.8 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 32.7 million).

The daily average conversion rate for week 80 is LP 30,380 when compared to the daily average conversion rate of the previous week of LP 30,300 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 22,579.

The Central Bank (BDL) announced that the conversion rate at end of week 80 was LP 30,500, while the conversion rate reported by end of week 79 was LP 30,300.



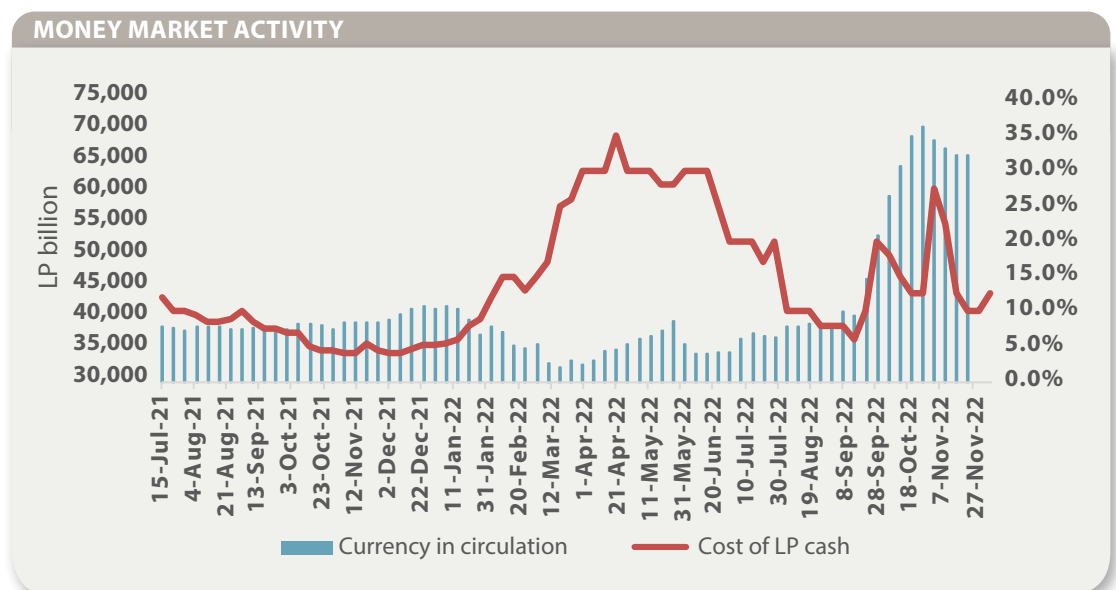
Sources: BDL, Bank Audi's Group Research Department

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CAPITAL MARKETS

MONEY MARKET: WEEKLY CONTRACTION IN TOTAL RESIDENT DEPOSITS

The cost of LP cash rose from 10% last week to 10%-15% on the money market this week. In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 24th of November 2022 showed that total resident banking deposits contracted by LP 284 billion. This is mainly attributed to a LP 286 billion fall in total LP resident deposits amid a LP 333 billion drop in LP demand deposits and a LP 47 billion increase in LP saving deposits. Within this context, the money supply in its broadest sense (M4) contracted by LP 355 billion over the covered week, amid a LP 138 billion decrease in the money in circulation and a LP 68 billion rise in the non-banking sector Treasury bills portfolio.



TREASURY BILLS MARKET: NOMINAL WEEKLY DEFICIT OF LP 152 BILLION

The latest Treasury bills auction results for value date 8th of December 2022 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the three-month category (offering a yield of 3.50%), the one-year category (offering a yield of 4.50%) and the five-year category (offering a coupon of 6.0%).

The Treasury bills auction results for value date 1st of December 2022 showed shy subscriptions of LP 30 billion, fully allocated to the Central Bank of Lebanon and mainly concentrated in the six-month category. These compare to maturities of LP 182 billion, which resulted into a nominal weekly deficit of LP 152 billion.

The latest "Key Indicators" report released by the Association of Banks in Lebanon showed that the total outstanding LP Tbs portfolio declined from LP 91,616 billion at end-2021 to LP 90,487 billion at end-October 2022. The banking system's share of the total dropped from 85.3% at end-2021 to 81.1% in October 2022, while the share of the public sector rose from 14.0% to 16.6% over the covered period, and the share of individuals and individual institutions stood at 0.5% in October 2022 compared to 0.6% at end-2021.

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TREASURY BILLS

	09/12/2022	02/12/2022	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%	6.50%	
Nom. Subs. (LP billion)		30	246	
Short-term (3&6 mths)		30	-	
Medium-term (1&2 yrs)		-	-	
Long-term (3 yrs)		0.08	200	
Long-term (5 yrs)		-	-	
Long-term (7 yrs)		0	46	
Maturities		182	13	
Nom. Surplus/Deficit		-152	233	

Sources: Central Bank of Lebanon, Ministry of Finance

FOREIGN EXCHANGE MARKET: LP IN FREE FALL AGAINST US DOLLAR ON BLACK FX MARKET

The Lebanese pound remained in free fall against the US dollar on the parallel FX market this week, reaching a new all-time-low of LP/US\$ 42,600-LP/42,700 before recovering slightly to LP/US\$ 41,800-LP/US\$ 41,900 on Friday, compared to a rate of LP/US\$ 41,150-LP/US\$ 41,200 at the end of last week. The extended currency collapse came within the context of lingering governmental and Presidential vacuum, darkened domestic political outlook, tough reform challenges to meet IMF prior actions, and a tenfold increase in customs dollar.

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 to LP/US\$ 30,500 between December 5 and 9, 2022, with no change relative to the previous week.

EXCHANGE RATES

	09/12/2022	02/12/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,846.39	1,850.31	2,022.91	↑
LP/¥	11.07	11.25	13.11	↑
LP/SF	1,613.68	1,611.95	1,639.48	↓
LP/Can\$	1,105.45	1,122.07	1,175.53	↑
LP/Euro	1,591.62	1,586.95	1,701.52	↓

Source: Bank Audi's Group Research Department

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STOCK MARKET: SHY WEEKLY EQUITY PRICE GAINS

The Beirut Stock Exchange registered shy price gains of 0.3% week-on-week. Three out of seven traded stocks registered price gains, while four stocks posted price falls.

A closer look at individual stocks shows that BLOM's "listed" shares led the rise on the BSE this week, as reflected by a 4.8% surge in prices to reach US\$ 3.04, followed by Bank Audi's "listed" shares with +2.1% to US\$ 1.45 and Solidere "A" shares with +0.7% to US\$ 54.35. In contrast, Ciments Blancs Nominal's share price fell by 4.6% to US\$ 11.50, followed by BLOM's GDRs with -3.8% to US\$ 2.50, Bank Audi's GDRs with -2.8% to US\$ 1.40 and Solidere "B" shares with -0.5% to US\$ 54.00.

As to trading volumes, the BSE total turnover contracted by 52.3% week-on-week, moving from US\$ 22.6 million last week to US\$ 10.8 million, noting that Solidere shares continued to capture the lion's share of activity (93.4%).

AUDI INDICES FOR BSE

	09/12/2022	02/12/2022	30/12/2021	
Market Cap. Index	579.09	577.47	447.87	↑
Trading Vol. Index	97.73	205.04	80.38	↓
Price Index	121.57	121.23	94.02	↑
Change %	0.28%	-1.99%	4.13%	↑

	09/12/2022	02/12/2022	30/12/2021	
Market Cap. \$m	13,738	13,700	10,625	↑
No. of shares traded (Exc. BT)	662,917	589,422	171,230	↑
Value Traded \$000 (Exc. BT)	10,776	22,608	5,359	↓
o.w. : Solidere	10,066	22,311	4,614	↓
Banks	704	268	732	↑
Others	6	29	13	↓

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

BOND MARKET: LEBANESE EUROBOND PRICES REMAINING AT MID-SINGLE-DIGIT LEVELS

Amid deepened governmental and Presidential crisis, and as a fragmented Parliament continued to cast doubts on a possible agreement on legislative and economic reform issues and the conclusion of an IMF deal, and on bets about low recovery rates, Lebanese Eurobond prices remained at historical lows this week, hovering between 5.50 and 6.00 cents per US dollar on Friday as compared to 5.75-6.00 cents per US dollar at the end of last week. Accordingly, sovereigns between 2020 and 2037 accumulated total price contractions of 3.88 pts to 4.63 pts since the beginning of the year 2022.

EUROBONDS INDICATORS

	09/12/2022	02/12/2022	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)	5.50-600	5.75-6.00	9.88-10.63	↓
Average Life	5.39	5.40	6.18	↓
Yield on US 5-year note	3.74%	3.76%	1.26%	↓

Source: Bank Audi's Group Research Department

Bank Audi

INTERNATIONAL MARKET INDICATORS

	09-Dec-22	02-Dec-22	31-Dec-21	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	136.56	134.32	115.11	1.7%	18.6%
\$/£	1.226	1.228	1.353	-0.2%	-9.4%
\$/Euro	1.054	1.054	1.137	0.0%	-7.3%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	33,476.46	34,429.88	36,338.30	-2.8%	-7.9%
S&P 500	3,934.38	4,071.70	4,766.18	-3.4%	-17.5%
NASDAQ	11,004.62	11,461.50	15,644.97	-4.0%	-29.7%
CAC 40	6,677.64	6,742.25	7,153.03	-1.0%	-6.6%
Xetra Dax	14,370.72	14,529.39	15,884.86	-1.1%	-9.5%
FT-SE 100	7,476.63	7,556.23	7,384.54	-1.1%	1.2%
NIKKEI 225	27,901.01	27,777.90	28,791.71	0.4%	-3.1%
COMMODITIES (in US\$)					
GOLD OUNCE	1,797.32	1,797.63	1,829.20	0.0%	-1.7%
SILVER OUNCE	23.47	23.14	23.31	1.4%	0.7%
BRENT CRUDE (per barrel)	76.10	85.57	73.35	-11.1%	3.7%
LEADING INTEREST RATES (%)					
1-month Libor	4.27	4.18	0.10	0.09	4.17
US Prime Rate	7.00	7.00	3.25	0.00	3.75
US Discount Rate	4.00	4.00	0.25	0.00	3.75
US 10-year Bond	3.58	3.49	1.51	0.09	2.07

Sources: Bloomberg, Bank Audi's Group Research Department

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