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p.9 EXTENDED BOND PRICE RALLY ON BETS OF CHANGE IN POLITICO-ECONOMIC DYNAMICS

In the wake of the rapid political developments in the Middle East and amid attempts to understand their implications for Lebanon, while international investors are seeing a glimpse of hope of change in the domestic politico-economic landscape in the medium term, and as the country is only few weeks away from the January 9 Parliamentary session aimed to elect a consensus President, Lebanon's capital markets continued to witness this week stability in the Lebanese pound against the US dollar on the parallel FX market, while the Eurobond market registered extended price rally, and equities returned to a positive territory. In details, the LP/US\$ parallel market rate continued to hover around 89,600-89,700 despite concerns about a further drawdown in BDL's liquid FX reserves in December due to the Bank's exceptional measures related to withdrawals on circulars No. 158 and 166. At the level of the Eurobond market, prices of sovereigns remained on the rise, hitting 12.25-13.25 cents per US dollar on Friday against 10.75-11.50 cents per US dollar at the end of last week, as investors are digesting Syria's rapid developments and their implications for Lebanon, and on bets about a domestic political breakthrough in the near term, which may pave the way for reform implementation and debt restructuring. Finally, the BSE registered weekly price gains of 1.4%, while the total turnover reached US\$ 3.2 million, down from US\$ 24.6 million last week.

LEBANON MARKETS: 09 DECEMBER - 15 DECEMBER, 2024

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

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ECONOMY

CONSUMER PRICE INDEX RISES BY A YEARLY 22% AS AT OCTOBER 2024, ACCORDING TO CRI

The Consultation & Research Institute's index of consumer prices has increased by 22.1% in October 2024 compared to results of October 2023.

Eight of the nine main indices registered increases this October. The highest increase was registered by the "Education" category (310.7%), followed by the "Other Goods and Services" category (45.1%), then by the "Transportation and Telecommunications" category (35.5%), the "Durable Consumer Goods" category (22.0%) and the "Healthcare" category (11.2%). On the other hand, a sole category witnessed a decrease this October, namely that of the "Apparel" category (-7.9%).

The October 2024 year-on-year "Food and Beverages" index has increased by 10.7% since October 2023. All four main indices registered increases this month, as follows: the "Tobacco Products" category (19.0%), the "Food" category (10.6%), the "Alcoholic Beverages" category (8.0%) and the "Nonalcoholic Beverages" category (2.4%). The index for "Food" increased by 10.6% compared to its level last year, as ten food group indices have witnessed increases this October. The most significant increase was registered in the "Other Food Products" category (36.5%), followed by the "Fish and Seafood" category (33.1%), the "Cereal and Bakery Products" category (22.0%) and the "Fats and Oils" category (10.7%). A sole food group index witnessed a slight decrease, namely that of the "Chocolate and Candy" category (-0.1%); whereas, the "Fruits" category remained stable this October.

Apparel year-on-year prices registered 7.9% decrease in October 2024. This was the result of the decrease in the "Footwear" category (-15.3%) and the "Clothing and Sewing Materials" category (-5.0%) this month.

The index for "Housing" has increased by 0.8% in October 2024 from its level last year. This was mainly due to the increases registered in the "Municipal Fees" category (900.0%) and the "Household Maintenance" category (13.3%). On the other hand, the "Household Energy" category (-0.5%) witnessed a slight decrease this October; whereas, the "Public Water Subscription" remained unchanged.

The "Durable Consumer Goods" index has increased by 22.0% since October 2023. Six out of eight indices witnessed increases this October, most significantly those of the "Household Furnishings" category (155.8%), followed by the "Miscellaneous Household Products" category (16.8%), the "Housekeeping Services" category (4.0%) and the "Appliances" category (2.8%). The other two categories, namely those of the "Linens" category (-19.6%) and the "Kitchenware" category (-2.3%) witnessed decreases this October.

The healthcare index has increased by 11.2% since October 2023. This is due to the increases registered in the "Outpatient Services" category (18.2%), the "Inpatient Services" category (13.6%) and the "Medications and Medical Accessories" category (2.8%). On the other hand, a sole index registered a slight decrease this October, namely that of the "Health Insurance" category (-0.5%).

The CPI component for "Transportation and Telecommunications" has increased by 35.5% (year-on-year) in October 2024, due to the increases in the "Transportation" category (36.2%) and the "Telephone Services" category (4.4%).

The index for education has increased by 310.7% from the previous year, due to the significant increase in the "Tuition Fees" category (417.9%), followed by the "School Transportation" category (171.3%) and the "Educational Books and Supplies" category (163.7%).

The index for recreation has increased this October by 5.0%. This was due to the increases registered in the "Reading Materials and Photography" category (14.2%) and the "Movies and Restaurants" category (1.5%) in October 2024.

The index of "Other Goods and Services" has increased by 45.1% since October 2023. This was basically due to the increases registered in the "Financial Services" category (569.7%), followed by the "Personal Care" category (42.1%) and the "Jewelry" category (40.0%). The "Travel" category kept unchanged in October 2024.

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BIA'S PASSENGER ACTIVITY DECREASES BY 53% IN NOVEMBER AS RECOVERY RATE REMAINS WELL BELOW 2022 LEVELS

The latest figures released by the Rafic Hariri International Airport (BIA) revealed that the airport traffic posted a significantly negative performance in November 2024 against the same month of the year prior.

In details, looking at BIA's performance during November 2024, a 53.3% drop year-on-year is recorded in passenger activity within the airport to reach 151,060 individuals down from 323,407 individuals in November 2023.

The number of arriving passengers at BIA reached 72,197 individuals in November 2024, down from 151,846 in the same month of 2023 showing a drop of 52.5% year-on-year in arrivals at BIA within the month. This drop shows a detrimental negative impact of the conflict on Lebanon's tourism sector. Additionally, departing passengers at BIA reached 78,863 in November 2024, a decrease of 54.0% year-on-year against the same month of the year prior. Additionally, transit passengers through BIA also noted a drop reaching 13 individuals in November 2024, down by 88.8% against levels recorded in November 2023.

Concurrently, the number of flights landing and taking-off at the airport recorded a year-on-year drop of 51.8% in November 2024 reaching 1,449 planes, down from 3,008 planes in November 2023.

At the level of freight movements, Imports through BIA during November 2024 reached 2,871 tons, down by 3.7% against levels recorded in the same month of the year prior. This shows the first decrease in year-on-year imports since February 2022. On the other hand, exports recorded 1,246 tons in November 2024, down by 41.9% year-on-year from 2,144 in November 2023. In turn, total freight movement at BIA decreased by 19.7% year-on-year during November 2024 reaching 4,117 tons, down from 5,125 tons in the same month of the year prior.

Concurrently, looking at the year to date performance of BIA, the total number of passengers decreased by 20.8% in the first 11 months (11M) of 2024 when compared to the same period of 2023, reaching 5,240,440 in the former, down from 6,613,068 in the latter. These figures show a faster pace in the worsening trend in year-on-year arrival volume variations against levels registered in the first 10 months of 2024 (a decrease of 19.1% year-on-year) due to the escalation in the conflict against Israel, this decrease is the fastest recorded since the first four months of 2021. In addition, the number of aircraft decreased by 18.4% year-on-year. In parallel, the total freight handled by the airport increased by 8.6% year-on-year during the aforementioned period.

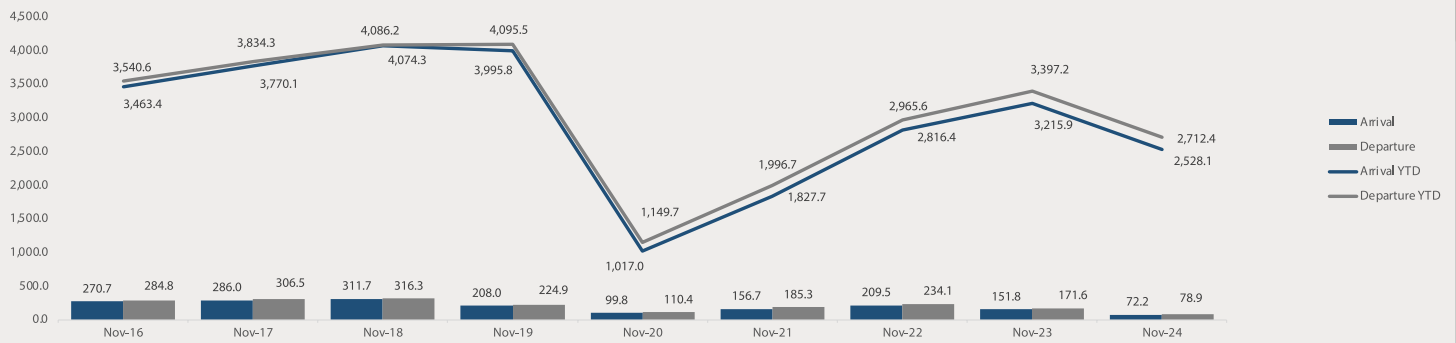
The number of incoming passengers decreased by 21.4% year-on-year reaching 2,528,054 in 11M 2024, down from 3,215,909 in the same period of 2023. These figures show an acceleration in the worsening trend in year-on-year arrival volume variations against levels registered in the first 10 months of 2024 (a decrease of 19.8% year-on-year). Passengers departing from BIA during 11M 2024 reached 2,712,386 recording a decrease of 20.2%, down from 3,397,159 departing passengers in 11M of the year prior. These figures denote an acceleration in the worsening trend by 1.8 percentage points in the year-on-year decrease of departing passengers against levels noted in the first 10 months of 2024.

In parallel, landings and take-offs decreased by 18.4% year-on-year in 11M 2024 with 21,785 planes landing and 21,784 planes taking-off during the period. Regarding the freight movement within the airport, a total of 38,115 tons were imported and unloaded during 11M 2024, while 19,695 tons were exported and loaded. The first mentioned activity posted an increase of 26.1% while the latter posted a 14.4% decrease on a yearly basis in 11M 2024 against the same period of the year prior.

Looking at the recovery rate in arriving passenger activity at BIA between 11M 2019 and 11M 2024, an indicator of recovery in incoming passengers' activity against pre-conflict, pre-crisis and pre-COVID levels, we note a recovery rate of 63.3%. This shows a drop of 17.2 percentage points against the recovery rate recorded in the same period of 2023. These decreases have led to the recovery rate dropping below levels recorded in 11M 2022 by 7.2 percentage points.

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NUMBER OF ARRIVALS AND DEPARTURES AT BIA (000S)



Source: BIA, Bank Audi Group Research Department

IOM REPORTS THE RETURN OF MOST IDP POST TRUCE AGREEMENT

The International Organization for Migration (IOM) has recently released its fourth Activity Update Report since the start of escalation in mid-September. The report tackles activity during the period between November 15 and November 28, 2024. According to the report, since mid-September 2024, displacement has increased dramatically, from 110,000 people between October 2023 and September 2024 to nearly 900,000 by 24 November 2024. A ceasefire agreement took effect at 4 a.m. on 27 November; prompting 578,641 Internally Displaced Persons (IDPs) to begin returning home, mainly to the South, as reported in IOM's Flash Update. This figure constitutes 64.3% of the total IDPs that were displaced during the war with the remaining 35.7% of IDPs (of which 6.9% remain in shelters) remaining displaced. As of 28 November, 22,214 internally displaced persons remain in 396 collective sites, mostly schools or other public or private spaces.

In details, the movement of IDPs returning to their homes was recorded in 280 cadasters across the country while only 15 cadasters reported the departure of IDPs. The districts of Baalbek, Saida and El Nabattiyeh reported the highest levels of returns exceeding 100,000 IDPs each. The district of Sour followed with the recorded return of between 50,001 and 100,000 IDPs. The districts of West Bekaa and El Hermel came next with recorded returns between 25,001 and 50,000 IDPs. Beirut, Baabda, Aley, Zahle, Jezzine, Hasbaya, Marjeyoun and Bent Jbeil districts all reported the return of between 1 and 25,000 IDPs since the start of the truce. The rest of the districts reported no returns as of November 28.

Additionally, according to the IOM report, out of the 1,009 collective shelters that were opened during the war, 60.8% (613 shelters) closed as of November 28 and 39.2% (396 shelters) remain open. In the open shelters a total of 22,214 IDPs remain in the collective sites, consisting 11.9% of the total number of IDPs in shelters during the war. The remaining 88.1% (163,795 IDPs) that were sheltering in collective sites during the war have left the sites since the start of the truce agreement.

It is worth noting that during the reporting period, IOM reports having assisted a total of 7,539 individuals. IOM also assessed 71 collective sites and continued to provide targeted protection services to displaced people, including the estimated 26,000 migrants who have been forced to flee their homes and places of work. IOM supported 1,322 individuals with protection services, 1,176 with health services, and provided core relief items, such as blankets, mattresses, and pillows, to 4,805 IDPs. Additionally, IOM delivered 2,920 medical supplies and 2,400 liters of fuel to the Ministry of Public Health. IOM is also continuing evacuation assistance in coordination with embassies, having assisted 236 migrants with their return.

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SURVEYS / REPORTS

LEBANON RANKS 68TH GLOBALLY IN EDUCATION FIRST'S ENGLISH PROFICIENCY INDEX

Education First (EF), founded in Sweden in 1965 and which provides culturally immersive education through language, travel, cultural exchange, and academic programs in over 100 countries issued its English Proficiency Index (EPI) report for the year 2024 whereby Lebanon ranked second in the Arab MENA region and 68th globally with a score of 492.

The report ranked 116 countries and regions across according to their English skills.

Tunisia tops the Arab World in terms of English proficiency with an EPI score of 496 (Global rank of 66), while Yemen ranks last with an EPI score of 394 (Global rank of 116).

The EF SET is an online, adaptive English test of reading and listening skills. It is a standardized, objectively scored test designed to classify test takers' language abilities into one of the six levels established by the Common European Framework of Reference (CEFR).

The worldwide level of English proficiency has declined for the fourth year running, with 60% of countries in the index scoring lower this year than last. Although almost all of these national score changes are small, the downward trend appears to indicate a slackening of interest in developing English proficiency beyond current levels in many parts of the world.

English proficiency in the Middle East has been improving slowly over the past decade, but small amounts of progress add up when they are steady. Last year the regional average moved out of the lowest proficiency band and this year Saudi Arabia's gains helped consolidate that placement. Adults 18-25 have made the most progress, an encouraging sign in this youthful region.

ARAB MENA COUNTRIES' ENGLISH PROFICIENCY INDEX RANKINGS 2024

Countries	EPI Score	Global Rank	Proficiency Band
Tunisia	496	66	Low
Lebanon	492	68	Low
United Arab Emirates	489	70	Low
Qatar	480	75	Low
Morocco	479	76	Low
Syria	473	77	Low
Algeria	471	78	Low
Egypt	465	82	Low
Kuwait	456	89	Low
Palestine	448	94	Very Low
Sudan	432	99	Very Low
Jordan	431	101	Very Low
Oman	421	104	Very Low
Saudi Arabia	417	105	Very Low
Iraq	414	107	Very Low
Libya	405	112	Very Low
Somalia	399	114	Very Low
Yemen	394	116	Very Low

Sources: Education First, Bank Audi's Group Research Department

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LEBANON'S MEDICAL DEVICE MARKET TO GROW BY A CAGR OF 16.5% UP TO 2028, AS PER FITCH SOLUTIONS

According to a new report by Fitch Solutions, Lebanon's medical device sector will record double-digit growth over the 2023-2028 period, although growth rates will be inflated due to the very high inflation levels in the market. Lack of an agreement with the IMF leaves the market without any financial recovery plan that could give some clarity over economic and financial policy direction. As a result, this will continue to limit economic growth and stall necessary healthcare reforms, posing downside risks to Lebanon's medical device market. However, key market drivers include the demographic boost provided by the influx of Syrian refugees, the increasing incidence of chronic diseases, medical tourism, the predominance of private healthcare providers, import reliance and improving market regulation.

They actually project that Lebanon's medical device market will grow at a 2023-2028 CAGR of 16.5% in local currency terms and 15.7% in US dollar terms, which will take expenditure to LL 24.1 trn (US\$ 269.1 mn) by 2028. The high growth rates reflect high inflation in the country. Over the coming years, market performance will be contained by ongoing economic, political and social crises in Lebanon, while deepening political division and vested interests will continue to stall necessary healthcare reforms.

The key theme in Lebanon's medical device sector continues to be the market's poor economic performance, which is heavily impacting the medical device sector. High inflation will continue to impact affordability, and therefore investment in medical equipment. The conflict with Israel will have repercussions on Lebanon's economy, which was only just beginning to recover following its economic and financial crisis that started in 2019. The Red Sea crisis adds another challenge to the economy as Lebanon will likely see higher import costs as imports from Asia face disruptions. This will impact the overall medical device market.

Fitch Solutions expects that Lebanon's economy will contract sharper than we previously anticipated. Prolonged cross-borders fighting between Hezbollah and Israel will result in higher physical losses, longer disruption to economic activity in the south of the country and stronger negative impact on tourism activity over the peak summer season. These factors will overshadow the impact of the somewhat rapidly decelerating inflation and stabilised currency.

Lebanon's political climate is marked by instability and will likely continue to struggle with a slow political process and limited structural reforms. Despite that, the likelihood of a return to civil war is low, but the potential for political upheaval through a large-scale military conflict, especially with Israel, remains a serious concern as per Fitch Solutions.

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CORPORATE NEWS

BLOM BANK'S ASSETS RECORDED US\$ 18 BILLION AS AT END-SEPTEMBER 2024

The Lebanese BLOM Bank S.A.L. has recently released its financial statements for end-September 2024. According to the documents, BLOM Bank' assets decreased by 2.5% year-on-year between end-2023 and end-September 2024. Additionally, the company's net profit widened significantly year-on-year, mostly on the back of a jump in operating income between end-September 2023 and end-September 2024.

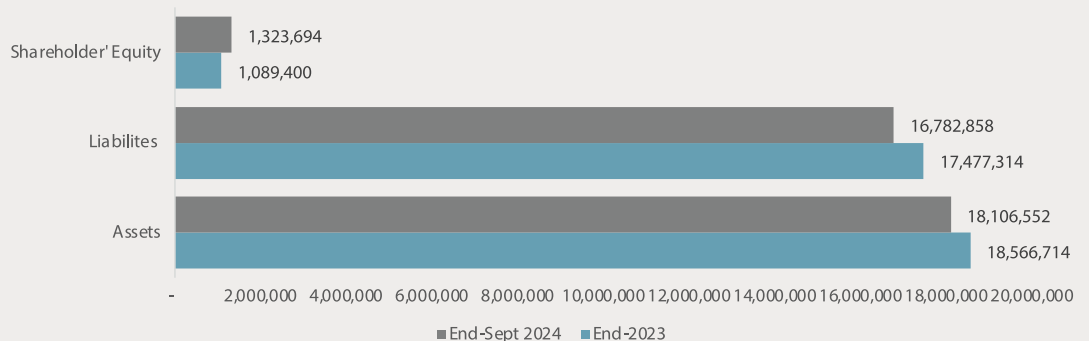
In details, looking at the balance sheet, BLOM Bank S.A.L.' assets recorded US\$ 18,106.6 million at end-September 2024, recording a 2.5% decrease year-on-year down from US\$ 18,556.7 million at end-2023. This came mostly on the back of a 4.1% year-on-year decrease in Cash & Balances with Central Banks reaching US\$ 13,531.7 million at end-September 2024. Additionally, Net Loans & Advancements to Customers at Amortized Cost reached US\$ 934.8 million at end-September 2024, down by 6.7% from US\$ 1,002.1 million at end-2023. These decreases were partially offset by increases in Dues from Banks & Financial Institutions and Financial Assets at Amortized Cost of 10.8% and 0.2% respectively between end-2023 and end-September 2024.

At the level of BLOM Bank S.A.L.'s liabilities, total liabilities recorded US\$ 16,782.9 million as at end-September 2024, noting a year-on-year decrease of 4.0% down from US\$ 17,477.3 million as at end-2023. This came mostly on the back of decreases in Customers' Deposits at Amortized Cost, Dues to Central Banks and Other Liabilities of 3.3%, 6.7% and 56.5% respectively during the period. On the other hand, the company's Shareholder's Equity reached US\$ 1,323.7 million as at end-September 2024, up by 21.5% year-on-year from US\$ 1,089.4 million as at end-2023. This mostly came on the back of jumps in Foreign Currency Translation Reserves and Results of the Year.

Looking at the company's income statement, total operating revenues jumped significantly by 57.0% year-on-year between the first nine months (9M) 2023 and 9M 2024 reaching US\$ 782.1 million in the latter up from US\$ 498.1 million in the former. In parallel, total operating expenses reached US\$ 167.8 million in 9M 2024, down by 41.0% year-on-year from US\$ 284.3 million in 9M 2023. In turn, a total operating profit of US\$ 630.9 million was recorded in 9M 2024 having widened the margin of profit from US\$ 44.1 million in the same period of the year prior. BLOM Bank S.A.L.' total net non-operating losses reached US\$ 2.2 million in 9M 2024; this shows a reversal from a prior non-operating gain of US\$ 0.6 million in 9M 2023.

As a result, BLOM Bank S.A.L.'s Earning Before Tax (EBT), recorded a profit of US\$ 628.7 million in 9M 2024, widening the profit margin recorded in 9M 2023 of US\$ 44.8 million. The company's Net profit recorded US\$ 592.9 million in 9M 2024, showing a wider profit margin that in 9M 2-23 with a recorded net profit of US\$ 4.1 million.

BLOM BANK BALANCE SHEET CHANGES BETWEEN END-2023 AND END-SEPT 2024 (US\$ 000S)



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INCOME STATEMENT CHANGES FOR BLOM BANK BETWEEN 9M-2023 AND 9M-2024

(US\$ 000s)	9M-2023	9M-2024	Variation
Total operating revenues	498,091	782,128	284,037
Total operating costs	284,263	167,762	(116,501)
Operating profit/loss	44,146	630,879	586,733
EBT	44,776	628,733	583,957
Net profit/loss	4,143	592,876	588,733

Sources: Solidere, Bank Audi Group's Research Department

MEA ACCOUNTS FOR 97% OF ARRIVALS INTO BIA IN NOVEMBER AMID THE CONFLICT

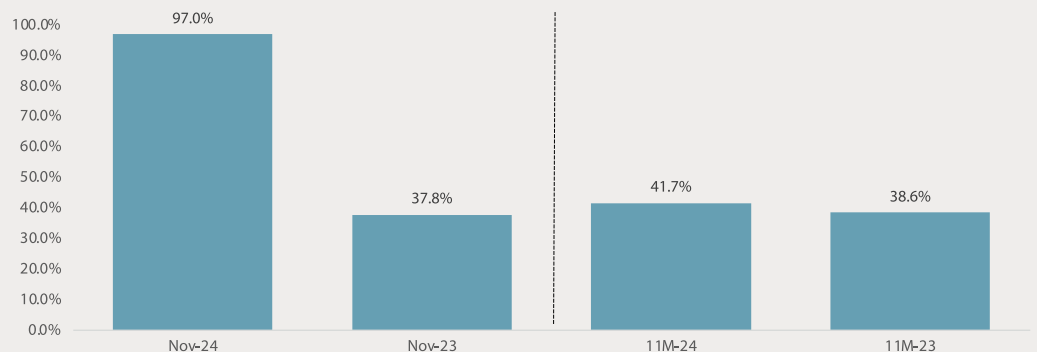
Following the escalation of the conflict in Lebanon and as foreign airlines avoid travel to Lebanon, the Lebanese courier Middle East Airlines (MEA) has taken over the majority of flights in and out of the country to ensure the continuation of movements.

In details, looking at data from the Beirut International Airport (BIA) for November 2024, MEA accounted for 97.0% of all arrivals into BIA for the month. This shows a 59.2 percentage point (pp) increase in its share year-on-year against the same month of the year prior. Additionally, MEA reached a share of 94.8% of all departing passengers from BIA during November 2024, up from a share of 37.3% in November 2023 showing a 57.3 pp increase year-on-year. This has led to MEA accounting for 94.6% of all passenger traffic into BIA during October 2024, up by 57.5 pps year-on-year from its share in November 2023.

Additionally, during November 2024, MEA accounted for 85.0% of all plane landings and take-offs at BIA, up by 41.8 pps year-on-year from 36.5% in November 2023. MEA also increased its share of freight movements (imports and exports) at BIA from 19.6% in November 2023 to 63.7% in November 2024, as per data from BIA.

Overall, over the first 11 months of 2024 (11M-24), MEA's role in BIA activity has increased as the conflict led to more and more foreign airlines stopping their travels to Lebanon. As such, MEA held a share of 43.7% of all passenger activity in BIA during 11M-24, up by 4.6 pps year-on-year from 39.1% during 11M-23. Additionally, MEA accounted for 45.1% of all flights in and out of BIA in 11M-24, up from 41.2% in 11M-23. MEA's share of freight transport in and out of BIA also increased in 11M-24 reaching 31.0%, up by 5.7 pps year-on-year from 25.3% in 11M-23.

SHARE OF MEA/BIA ARRIVALS



Source: BIA, Bank Audi Group's Research Department

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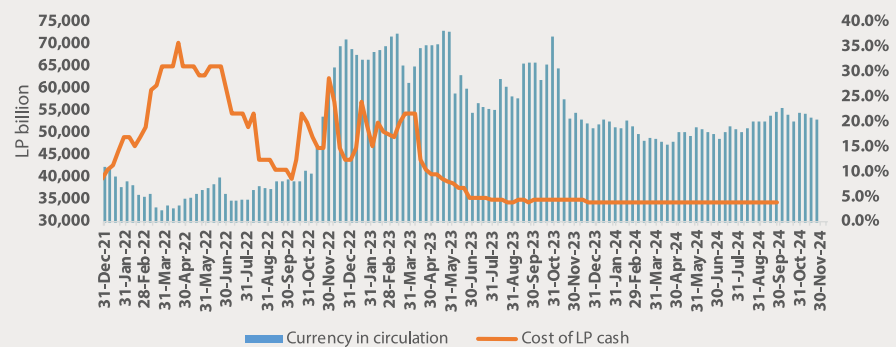
CAPITAL MARKETS

MONEY MARKET: WEEKLY EXPANSION IN TOTAL RESIDENT BANKING DEPOSITS

The overnight rate, which is a non-cash rate, remained stable at 50% on Friday, in a sign of a relative scarcity in 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 28th of November 2024 showed that total resident banking deposits expanded by LP 9,285 billion. This is mainly attributed to a LP 6,833 billion increase in foreign currency resident deposits (the equivalent of US\$ 76.3 million as per the official rate of LP 89,500), while total LP resident deposits rose by LP 2,452 billion amid a LP 2,334 billion growth in LP demand deposits and a LP 118 billion increase in LP saving deposits. Within this context, the money supply in its broadest sense (M4) expanded by LP 9,013 billion over the covered week amid a shy increase in the currency in circulation of LP 62 billion and a retreat in the non-banking sector Treasury bills portfolio of LP 334 billion.

MONEY MARKET ACTIVITY



FOREIGN EXCHANGE MARKET: CONTINUOUS CURRENCY STABILITY DESPITE FALLS IN BDL'S FX BUFFERS

The LP/US\$ parallel market rate continued to register marginal movements in the 89,600-89,700 area this week, despite a US\$ 515 million fall in BDL's liquid foreign reserve assets over the October-November 2024 period, and concerns that the Central Bank's FX buffers would remain under downward pressures in December following a special two-months disbursement related to BDL circulars No. 158 and 166.

The continuous stability in the LP exchange rate against the US dollar hinges on a sustained ceasefire, and revived constitutional institutions by electing a consensus President and forming an efficient government that would pave the way for long-overdue reforms, with the launch of a widespread reconstruction effort. This would allow inflation to close the year 2024 around 22% annually in December, noting that it was quoted at 204% in December 2023.

EXCHANGE RATES

	13/12/2024	06/12/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	113,047.00	114,211.00	19,207.50	↑
LP/¥	583.25	594.33	106.60	↑
LP/SF	100,078.00	101,832.00	17,942.58	↑
LP/Can\$	62,909.00	63,751.00	11,347.30	↑
LP/Euro	93,751.00	94,682.00	16,695.00	↑

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STOCK MARKET: LEBANESE EQUITIES RETURN TO POSITIVE TERRITORY THIS WEEK

The Beirut Stock Exchange returned to a positive territory this week, as reflected by a 1.4% rise in the price index. Seven out of nine 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 Solidere "A" and "B" share prices increased by 2.2% each to reach US\$ 92.00 each. As to banking shares, BLOM's GDR price surged by 4.7% to US\$ 4.20, followed by Bank Audi's GDRs with +3.9% to US\$ 2.14, Bank Audi's "listed" shares with +2.9% to US\$ 2.46 and Byblos Bank's "listed" shares with +0.9% to US\$ 1.07. In contrast, BLOM's "listed" share price shed 10.7% to US\$ 6.25. As to industrial shares, Ciments Blancs Nominal's share price increased by 1.3% to US\$ 40.00. Holcim Liban's share price stood unchanged at US\$ 70.10.

As to trading volumes, the BSE total turnover contracted from US\$ 24.6 million last week to US\$ 3.2 million, down by 86.9%, noting that Solidere captured 72.2% of activity, followed by the banking shares with 26.1% and the industrial shares with 1.7% of it.

AUDI INDICES FOR BSE

22/1/96=100	13/12/2024	06/12/2024	29/12/2023	
Market Cap. Index	922.59	909.84	868.20	↑
Trading Vol. Index	29.01	221.83	73.00	↓
Price Index	193.68	191.01	182.26	↑
Change %	1.40%	-1.17%	2.34%	↑

	13/12/2024	06/12/2024	29/12/2023	
Market Cap. \$m	21,887	21,585	20,597	↑
No. of shares traded (Exc. BT)	437,777	445,558	54,721	↓
Value Traded \$000 (Exc. BT)	3,209	24,553	4,855	↓
o.w. : Solidere	2,317	24,110	4,855	↓
Banks	837	345	0	↑
Others	56	98	0	↓

BOND MARKET: EXTENDED BOND PRICE GAINS ON BETS ABOUT POLITICAL BREAKTHROUGH

International institutional investors continued to show this week increased appetite for Lebanese Eurobonds, while local market players offered their papers. This came amid bets that the rapid political developments in the Middle East would lead to a change in the politico-economic dynamics on the domestic front, while Lebanon is having the opportunity to revive constitutional institutions by electing a new President on January 9 and forming an efficient government, which would pave the way for reform implementation and debt restructuring.

Within this context, Lebanese sovereigns registered extended price rally, hitting 12.25-13.25 cents per US dollar on Friday against 10.75-11.50 cents per US dollar at the end of last week, noting that they were quoted around 6.50 cents per US dollar late September 2024, which marks price gains of circa 100% in two months and a half. That being said, it is worth recalling that Goldman Sachs estimated in a latest report the bond recovery value at 25c, above the 15c recovery value estimated by international banks previously.

EUROBONDS INDICATORS

	13/12/2024	06/12/2024	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	12.250	10.750	6.000	↑
Yield on US 5-year note	4.20%	4.08%	3.83%	↑

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INTERNATIONAL MARKET INDICATORS

	13-Dec-24	06-Dec-24	31-Dec-23	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	153.66	149.99	141.04	2.4%	8.9%
\$/£	1.262	1.274	1.273	-1.0%	-0.9%
\$/Euro	1.050	1.057	1.104	-0.6%	-4.9%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	43,828.06	44,642.52	37,689.54	-1.8%	16.3%
S&P 500	6,051.09	6,090.27	4,769.83	-0.6%	26.9%
NASDAQ	19,926.72	19,859.77	15,011.35	0.3%	32.7%
CAC 40	7,409.57	7,426.88	7,543.18	-0.2%	-1.8%
Xetra Dax	20,405.92	20,384.61	16,751.64	0.1%	21.8%
FT-SE 100	8,300.33	8,308.61	7,733.24	-0.1%	7.3%
NIKKEI 225	39,470.44	39,091.17	33,464.17	1.0%	17.9%
COMMODITIES (in US\$)					
GOLD OUNCE	2,648.23	2,633.37	2,062.98	0.6%	28.4%
SILVER OUNCE	30.55	30.97	23.80	-1.3%	28.4%
BRENT CRUDE (per barrel)	74.49	71.12	77.04	4.7%	-3.3%
LEADING INTEREST RATES (%)					
Term SOFR 1-month	4.38	4.48	5.35	-0.10	-0.97
US Prime Rate	7.75	7.75	8.50	0.00	-0.75
US Discount Rate	4.75	4.75	5.50	0.00	-0.75
US 10-year Bond	4.40	4.15	3.88	0.24	0.52

Sources: Bloomberg, Bank Audi's Group Research Department

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