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p.9 SOLIDERE SHARE PRICES HIT NEW HISTORICAL HIGHS

As all eyes remained focused on the US envoy's visit to Lebanon early next year, while the country is only few days away from the January 9 Parliamentary session aimed to elect a new President, and as market players continue to see a glimpse of hope of change in the domestic politico-economic landscape following the historic political developments in the Middle East, Lebanon's capital markets witnessed this week a continuous stability in the LP against the US dollar on the parallel FX market, while the Eurobond market traced an upward trajectory, and equities extended their price rally. In details, the parallel FX market continued to report marginal movements in the LP/US\$ exchange rate in the 89,600-89,700 area, while BDL's liquid FX reserves resumed their growth after ceasefire deal in the first half of December to reach US\$ 10,176 million, amid BDL's policy to preserve what remains from the FX reserves at the Bank. On the Eurobond market, prices of sovereigns rose from 12.40-13.10 cents per US dollar at the end of last week to 12.70-13.50 cents per US dollar on Friday on speculation that the latest political developments in the region would lead to a change in the domestic politico-economic dynamics. At the level of the equity market, the BSE price index expanded further by 7%, with prices of Solidere shares hitting new historical highs of US\$ 113 on average, while the total turnover contracted by 20% week-on-week to reach US\$ 17 million.

LEBANON MARKETS: 23 DECEMBER - 29 DECEMBER, 2024

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

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ECONOMY

MOODY'S RELEASES AN UPDATE ON ITS RATING FOR LEBANON

Moody's recently released an update on its rating for Lebanon. The C rating reflects Moody's assessment that the losses incurred by bondholders through Lebanon's default that started March 2020 are likely to exceed 65%. C is the lowest rating in Moody's rating scale. The country is steeped in an economic, financial and social crisis, exacerbated by the escalation of hostilities in Lebanon, which very weak institutions and governance appear unable to address. Official external funding support to accompany a government debt restructuring remains elusive and conditional on the resolution of political deadlock and reform implementation.

Among Credit strengths, Moody's states the Commitment for larger-scale international donor support, conditional on the implementation of an IMF reform program.

Among Credit challenges, Moody's states (1) the Unfolding of a severe economic, financial and social crisis, (2) the very weak institutional and governance strength which stunts reform implementation and (3) sharp currency depreciation in the parallel market and a spike in inflation erode households' purchasing power and fuel poverty.

The stable outlook reflects Moody's expectation of no change in the rating in the foreseeable future given the very high likelihood of significant losses for private creditors and the persistence of a very unstable economic environment as a result of recurrent political deadlock and weak institutions, including in case of a debt restructuring agreement.

It is unlikely Lebanon's rating would move from its current position before the debt restructuring is completed, given the extent of the macroeconomic, financial and social challenges and Moody's expectation of very significant losses. If there are any upward movements in Lebanon's sovereign rating after the debt restructuring, they are likely to be limited for a considerable period of time. For Lebanon's rating to migrate above levels associated with very high probability of future re-default and significant losses, the implied pace of fiscal consolidation and structural reform implementation would have to be much faster than currently expected, over a number of years. A further precondition for a substantial upgrade is that the key drivers of the country's debt dynamics — such as economic growth, interest rates, privatization revenue, and the ability to generate and sustain large primary surpluses — were to evolve in a way that would ensure debt sustainability in the future.

Lebanon's "caa2" economic strength reflects the country's deep economic contraction and collapse of the previous foreign inflows led business model. The final score is below the initial "b1" score to reflect the sharp deterioration in households purchasing power in light of triple digit inflation and sharp decline in income levels. Remittances and other forms of transfers from abroad help sustain household consumption and provide an important source of income amid the collapse in public service provision, including provision of electricity. According to the UN, an estimated 80% of the Lebanese live in poverty and 36% below the extreme poverty line, underscoring the sovereign's acute social risk exposure.

Lebanon's "ca" institutions and governance strength score reflects very weak quality of institutions and policy effectiveness at "ca" across the board. It also captures three notches of negative adjustment to record the ongoing default since 16 March 2020 and the accumulation of debt service payment arrears on eurobonds since then. The average percentile rank across the Worldwide Governance Indicators for government effectiveness, rule of law, control of corruption and voice & accountability has declined to 10th in 2022 from 28th in 2012.

Fiscal policy effectiveness is constrained by the slump in economic activity and revenue generation. In addition, fiscal accounts have been drained by large annual transfers to the Electricite du Liban (EdL) power utility which represents a key reform area demanded by the donor community. Meanwhile, monetary policy effectiveness is severely constrained by governance challenges. The monetization of fiscal deficits and interest payments, and the drawdown of FX reserves undermine currency stability, fueling triple digit inflation and currency depreciation rates in the parallel market. These trends are unlikely to stabilize without a wholesale restructuring of the aggregated debt stock of the sovereign, the central bank and the commercial banking system, as per Moody's.

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The “ca” score for Lebanon’s fiscal strength reflects the government’s highly leveraged balance sheet that underpins our expectation for large losses for creditors that will crystallize once the debt is restructured. Debt-to-GDP ballooned to almost 200% in 2022, from 170% of GDP in 2019.

Lebanon’s susceptibility to event risk at “ca” captures very weak assessments for political risk, government liquidity risk, banking sector risk and external vulnerability risk that we expect only to improve in case of a comprehensive debt restructuring. We assess political risk at “ca,” reflecting the country’s fragile sectarian balance that results in entrenched political deadlock that in turn prevents progress with electing a new president and a new prime minister.

Government liquidity risk at “ca” reflects the drying up of the government’s traditional funding sources via bank deposits sourced from abroad and from international capital markets, in addition to the drawdown of foreign exchange reserves. Moody’s assesses banking sector risk at “ca” taking into account the very large size of the banking system and the very close feedback loop between the sovereign and the banking system, which increases the reliance of the sovereign balance sheet on the financial health of the banking system and vice versa.

They assess Lebanon’s external vulnerability risk at “ca” as reflected in the collapse of the currency in the parallel market amid a high reliance on imports, including basic consumer goods, that keeps the current account deficit elevated. The main source of foreign exchange is remittances from overseas Lebanese, although these are largely funneled through informal channels.

LP CLEARING ACTIVITY SLOWS ITS EXPANSION WHILE FRESH US\$ CLEARING REACH US\$ 262 MILLION IN 11M 2024

The value of cleared checks in Lebanese Pounds increased by 20.8% year-on-year in the first 11 months (11M) of 2024 against the same period of 2023 mirroring an increase in spending in LP during the above-mentioned period. Checks cleared in LP recorded LP 72,329 billion in 11M 2024 up from LP 59,878 billion in the same period of 2023. However, this increase has slowed down drastically from levels seen in the year prior where the increase in LP clearing activity between 11M 2022 and 11M 2023 recorded 69.3% year-on-year.

In parallel, the total value of cleared checks in fresh US\$ recorded US\$ 262.1 million in 11M 2024 with an average of US\$ 23.8 million in Fresh US\$ cleared checks per month. The value of cleared checks in fresh US\$ has increased by an average of 16.2% per month in 11M 2024. In parallel, total returned checks in fresh US\$ during 11M 2024 reached US\$ 1.4 million.

On the other hand, total value of cleared checks in foreign currency reported a 60.8% drop year-on-year, as many businesses are cashing fresh dollars only. Cleared checks in foreign currency for 11M 2024 recorded US\$ 1,218 million down from US\$ 3,109 million in the same period of the year prior.

It is worth noting that, effective January 1st 2024, in line with the government’s budget, the FX rate used for calculations was set at LP 89,500/US\$, up from LP 15,000/US\$ set in February 2023 and LP 1,507.5/US\$ used prior to the re-peg.

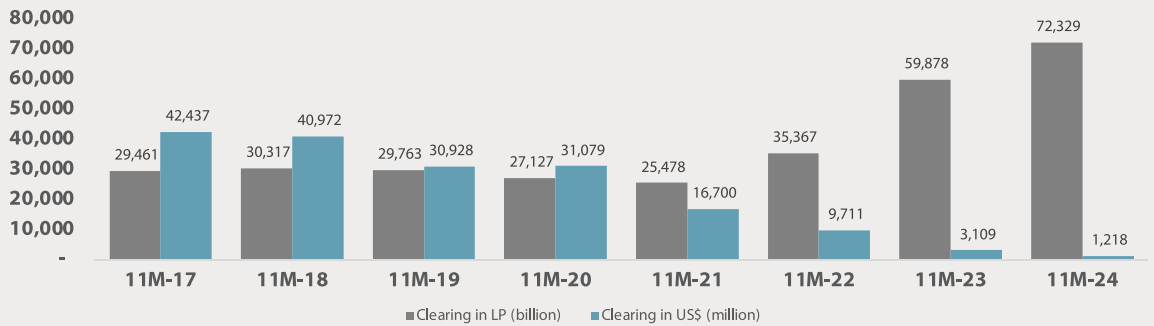
In parallel, looking at the ratio of returned checks to cleared checks in LP during 11M 2024, a ratio of 0.8% was noted during the period. This shows an improvement of 0.5 percentage points (pps) against figures from the same period of the year prior (1.3%).

Additionally, looking at the ratio of returned checks to cleared checks in foreign currency during 11M 2024, a ratio of 5.6% was noted during the period. This shows a slight improvement of 0.1 pps against figures from the same period of the year prior (5.7%).

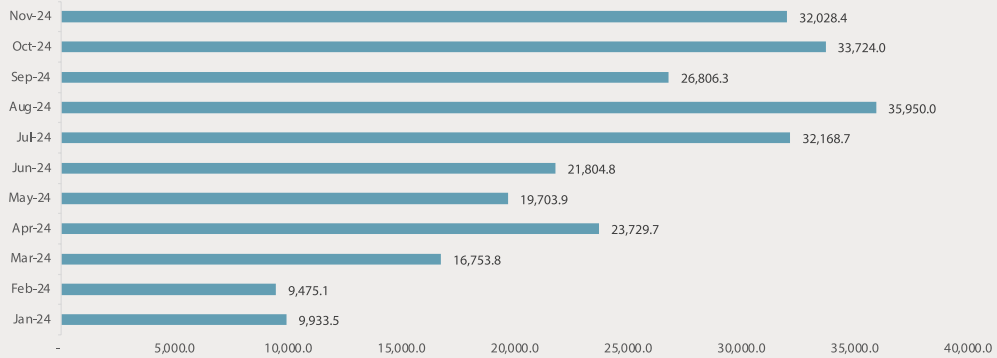
Concurrently, the ratio of returned checks to cleared checks in Fresh US\$ during 11M 2024, a ratio of 0.5% was noted during the period.

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CLEARING ACTIVITY



CHECKS CLEARED IN FRESH US\$ (US\$ 000S)



Sources: Association of Banks in Lebanon, Bank Audi's Group Research Department

THE PROCESS FOR 3D SEISMIC SURVEY IN LEBANON'S BLOCK 8 RESUMES WITH NEW LICENSE GRANTED TO TGS

Lebanon's Caretaker Minister of Energy and Water has recently relaunched the process of 3D seismic surveys in one of the blocks of the country's exclusive economic zone (EEZ). The ministry granted a new license to TGS, a company specializing in seismic exploration, to conduct these surveys.

According to a statement by the Lebanese Caretaker Minister of Energy and Water, the license allows for a 3D seismic survey covering 1,300 square kilometers in Lebanon's Block 8. TGS will also analyze existing data from across the Lebanese Sea, utilizing modern and advanced technologies.

This process marks the reactivation of an initiative originally launched in August 2023, before the outbreak of the Gaza war, which had been temporarily halted due to security concerns. At that time, the Ministry had granted an initial license to UK-based Geox MCG and Brightskies Geoscience (BGS), aiming to boost the appeal of Lebanon's offshore hydrocarbon potential and explore the seabed under Lebanese sovereignty.

According to a source familiar with the matter, the license was granted to TGS by mutual agreement. TGS is the result of a recent merger between the American company PGS and the Norwegian firm TGS. Both companies had previously conducted Lebanon's first 2D and 3D seismic surveys in 2000 and 2010. In 2019, TGS further strengthened its position by acquiring Spectrum, a company also involved in seabed surveys in Lebanon's EEZ.

It is worth noting that Block 8 is one of three blocks located near the maritime boundary between Lebanon's EEZ and that of Israel. The border dispute between the two countries was resolved through an agreement reached in October 2022, following U.S.-brokered negotiations. Meanwhile, the exploration process for some of Lebanon's EEZ blocks, launched in 2018 and entrusted to a consortium led by TotalEnergies, has yet to produce any concrete results.

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SURVEYS / REPORTS

LEBANON RANKED 132ND GLOBALLY AND 8TH REGIONALLY IN THE 2024 TRACE BRIBERY RISK MATRIX

The 2024 Trace bribery risk matrix has been issued this week. It shows the country risk scores and rankings of 194 countries around the globe.

Lebanon ranked 132nd, down from 127th in the 2023 ranking. It reported a country risk score of 57.

Regionally, Lebanon ranked eighth, directly surpassed by Oman and Saudi Arabia (country risk scores of 56 and 57 respectively), while it was followed by Qatar and Djibouti (country risk scores of 61 and 62 respectively). Jordan ranked first in the Arab MENA region with a country risk score of 43, while Syria ranked last with a country risk score of 86.

The detailed analysis of Lebanon's country risk score over the four domains, namely Opportunity, Deterrence, Transparency and Oversight suggests the following: Lebanon got a score of 55 on Domain 1 (Interaction with Government), a score of 75 on Domain 2 (Anti Bribery Deterrence and Enforcement), a score of 66 on Domain 3 (Governmental and Civil Service Transparency) and a score of 41 on Domain 4 (Capacity for Civil Oversight).

ARAB MENA COUNTRIES' BRIBERY RISK MATRIX FOR 2024 RANKINGS AND SCORES

Countries	Global Rank	Risk Score	Domain1: Interactions with Government	Domain2: Anti-Bribery Deterrence and Enforcement	Domain3: Governmental and Civil Service Transparency	Domain4: Capacity for Civil Oversight
Jordan	69	43	28	53	50	55
UAE	78	45	24	54	50	71
Kuwait	94	49	42	59	57	46
Tunisia	95	49	48	59	53	40
Morocco	125	56	48	67	65	52
Oman	129	56	43	72	59	67
Saudi Arabia	131	57	37	71	64	77
Lebanon	132	57	55	75	66	41
Qatar	149	61	56	69	57	70
Djibouti	151	62	54	72	68	64
Bahrain	153	63	57	79	58	69
Egypt	159	65	55	67	68	78
Iraq	160	66	74	74	64	47
Algeria	162	67	75	57	65	61
Sudan	168	70	57	90	79	69
Somalia	174	71	64	86	83	62
Comoros	177	72	80	66	81	51
Mauritania	178	72	77	78	78	52
Libya	182	75	83	73	80	59
South Sudan	189	81	74	88	94	76
Yemen	191	84	76	100	100	71
Syria	192	86	86	100	77	84

Sources: Trace International, Bank Audi's Group Research Dept

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LEBANON 42ND GLOBALLY AS PER FREEDOM ON THE NET 2024

Freedom House released their report "Freedom on the Net 2023" in which Lebanon took over the third position in the Arab MENA region and 42nd globally.

Freedom on the Net measures the level of internet freedom in 72 countries (11 in the Arab MENA region). Each country receives a numerical score from 100 (the most free) to 0 (the least free), which serves as the basis for an internet freedom status designation of "Free" (100-70 points), "Partly Free" (69-40 points), or "Not Free" (39-0 points).

Ratings are determined through an examination of three broad categories. The first is obstacles to access which assesses infrastructural, economic, and political barriers to access, government decisions to shut off connectivity or block specific applications or technologies, legal, regulatory, and ownership control over internet service providers and independence of regulatory bodies. The second is limits on content which examines legal regulations on content, technical filtering and blocking of websites, other forms of censorship and self-censorship; the vibrancy and diversity of the online environment; and the use of digital tools for civic mobilization. The third is violations of user rights which details legal protections and restrictions on free expression; surveillance and privacy; and legal and extralegal repercussions for online activities, such as prosecution, extralegal harassment and physical attacks, or cyberattacks.

In details, six out of eleven countries in the Arab MENA region were classified as "Partly Free" while the other five were considered "Not Free". Lebanon was considered among the "Partly Free" countries with a score of 50.

It is noteworthy that in the Arab MENA region, Tunisia topped the list with a score of 60. Morocco came second with a score of 54, while Saudi Arabia came last on the regional list with a score of 25. Following Lebanon were Jordan and Libya that scored 47 and 43 respectively. Iraq comes next with a score of 40. All other regional countries are classified as "Not free".

ARAB MENA REGION'S FREEDOM ON THE NET 2024 INDEX

Countries	Score (0-100)	Status
Tunisia	60	Partly Free
Morocco	54	Partly Free
Lebanon	50	Partly Free
Jordan	47	Partly Free
Libya	43	Partly Free
Iraq	40	Partly Free
United Arab Emirates	30	Not Free
Sudan	28	Not Free
Bahrain	28	Not Free
Egypt	28	Not Free
Saudi Arabia	25	Not Free

Sources: Freedom House, Bank Audi's Group Research Department

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CORPORATE NEWS

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 498 MILLION AT END-OCTOBER 2024

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 497.5 million at end-October 2024, registering a decrease of 8.9% against its figure at end-2023.

It is worth noting that effective January 2024, the Lebanese Pound was re-pegged at the rate of LP 89,500/US\$ from a prior LP 15,000/US\$ in 2023. This in turn affects the total valuation of assets and liabilities as they are initially given in local currency.

In details, currency and deposits with Central Banks registered US\$ 38.4 million at end-October 2024 up from US\$ 40.7 million at end-2023 showing an increase of 5.6% during the period.

Claims on resident customers dropped, as at end-October 2024, by 15.8% reaching US\$ 247.6 million, with respect to US\$ 294.1 million at end-2023. Claims on non-resident customers at end-October 2024 increased by 69.4% reaching US\$ 14.8 million, up from US\$ 8.8 million at end-2023.

Claims on resident financial sector stood at US\$ 157.9 million as at end-October 2024 jumping by 19.3% from US\$ 132.3 million as at end-2023. Claims on non-resident financial sector reached US\$ 18.3 million at end-October 2024, revealing a drop of 19.9% when compared to its level at end-2023.

Claims on the public sector recorded US\$ 1.1 million at end-October 2024, registering an increase of 60.9% from its figure at end-2023.

Securities portfolio dropped to US\$ 10.9 million at end-October 2024, down by 18.1% from its registered figure at end-2023.

Tangible assets reported a decrease of 79.8% at end-October 2024 with respect to end-2023, reaching US\$ 4.1 million. Similarly, intangible assets decreased drastically from US\$ 7.3 million at end-2023 to US\$ 1.9 million at end-October 2024, showing a drop of 74.4%.

On the liabilities side, resident customer deposits increased by 15.8% registering US\$ 185.1 million at end-October 2024, against US\$ 159.9 million at end-2023. Non-resident customer deposits decreased by 4.2% over the period to stand at US\$ 4.5 million at end- October 2024.

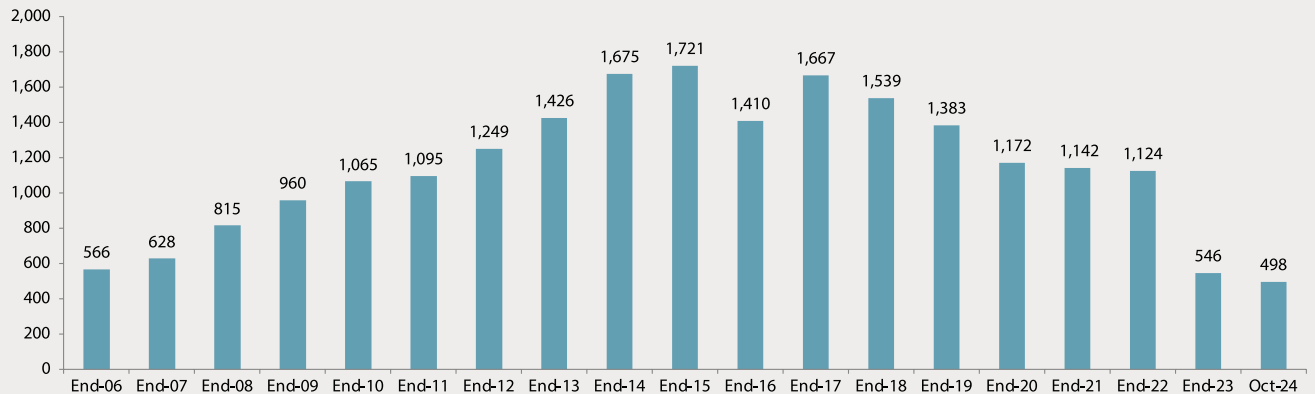
Resident financial sector liabilities stood at US\$ 90.4 million at end-October 2024, showing a drop of 16.4% against figures from end-2023. Non-resident financial sector liabilities showed a decrease of 12.7% registering US\$ 31.6 million at end-October 2024.

Public sector deposits decreased to US\$ 5.3 million at end-October 2024 by 13.8% against its figure by end-2023.

Debt securities issued were recorded at US\$ 13.1 million at end- October 2024 jumping by more than two-folds from US\$ 3.6 million recorded at end-2023. Additionally, capital accounts reported US\$ 72.5 million at end- October 2024, down from US\$ 88.7 million at end-2023, which shows a decrease of 18.2% during the period.

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BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

CAREEM PAY, PURPL INTRODUCE NEW AFFORDABLE INT'L REMITTANCES SERVICE IN LEBANON

Careem Pay has recently introduced a new, affordable international remittance service to Lebanon in partnership with the Purpl digital wallet. With this service, money can be transferred from AED into US\$ from a Careem account to a mobile number linked to a Purpl wallet in Lebanon, removing the need for a recipient bank account. Beneficiaries can withdraw cash from their Purpl wallets from Banque Libano-Francaise (BLF) ATMs without fees or from OMT stores with minimal fees of just 0.5%.

The service also provides a low sending fee of up to 1.5% and transfer times averaging just 15 minutes. This comes as the service is designed to address the ongoing financial challenges faced by the Lebanese community, offering a solution for unbanked users as well as those with refugee documentation.

THE ISSUE WITH COUNTERFEIT US\$ 50 BILLS IS NEARING RESOLUTION WITH 80% OF BUSINESSES NOW ACCEPTING THEM

The issue of counterfeit US\$ 50 bills that has affected Lebanon recently appears to be nearing a resolution with circa 80% of businesses now accepting these bills for cash payments. The remaining establishments mainly consist of small neighborhood businesses, which have been particularly affected by the economic crisis and the fragility of a cash-reliant economy.

This comes as most retailers have updated the software on their bill counters, which are now more efficient at detecting counterfeit notes. Additionally, some banks have taken an important step by removing \$50 bills from their ATMs and have stopped dispensing this denomination to their clients. These steps were crucial to complete the goal of eliminating counterfeit bills from circulation with the operation expected to be very soon, as the situation is already mostly under control.

62 STORES ARE ALREADY OPENED IN BEIRUT SOUKS WITH CIRCA 30 MORE TO OPEN IN Q1 2025

According to the General Manager of Beirut Souks, 62 stores are already operational and welcoming customers in the shopping center, including seven that opened in December with six more shops are expected to open in January.

However, the total number of open stores represents slightly less than half of the 140 planned for the end of 2024. The plan to have 140 stores open before the end of the year was set prior to the two months of total war in Lebanon. The center has the capacity to accommodate about 200 stores, according to figures circulating since its opening in 2009.

Looking forward in the first quarter of 2025, between 30 and 35 additional stores are set to open. This comes as the Beirut Souks shopping center continues to attract investors and retailers, with an occupancy rate of 75% albeit with not all stores being operational, even following the slowdown in activity triggered by the war.

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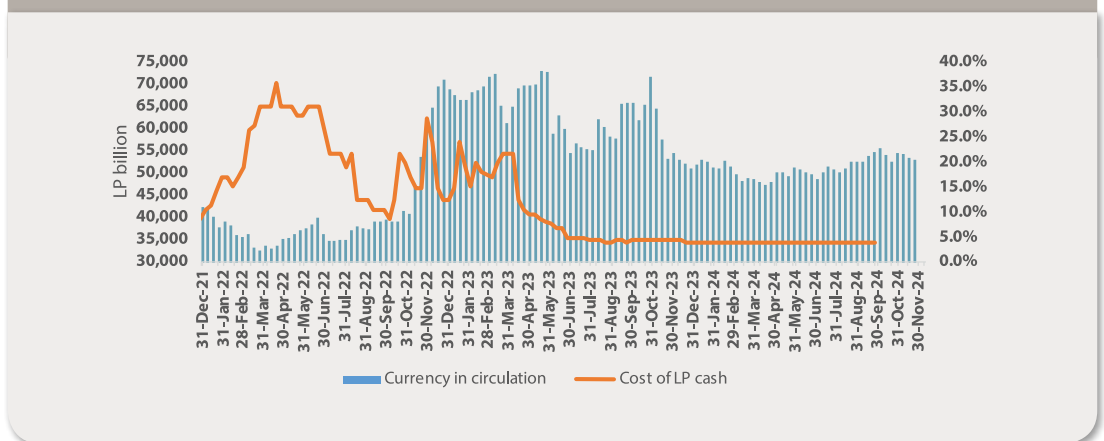
CAPITAL MARKETS

MONEY MARKET: FURTHER WEEKLY CONTRACTION IN TOTAL RESIDENT BANKING DEPOSITS, ON FC DEPOSIT FALLS

The overnight rate, which is a non-cash rate, declined from 30% at the end of last week to 20% on Friday, in a sign of relative return of local currency liquidity to 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 12th of December 2024 showed that total resident banking deposits contracted further by LP 7,166 billion. This is mainly attributed to a LP 8,868 billion fall in foreign currency resident deposits (the equivalent of US\$ 99.1 million as per the official rate of LP 89,500), while total LP resident deposits increased by LP 1,702 billion amid a LP 790 billion rise in LP demand deposits and a LP 913 billion growth in LP saving deposits. Within this context, the money supply in its broadest sense (M4) contracted by LP 4,924 billion over the covered week amid an increase in the currency in circulation of LP 2,240 billion and stability in the non-banking sector Treasury bills portfolio.

MONEY MARKET ACTIVITY



FOREIGN EXCHANGE MARKET: CONTINUOUS CURRENCY STABILITY ON PARALLEL FX MARKET

The parallel FX market continued to witness this week stability in the LP/US\$ exchange rate around 89,600-89,700, while BDL's liquid foreign reserve assets resumed their growth after ceasefire deal in the first half of December, which spots light on the Central Bank's policy to preserve what remains of its FX buffers.

Within this context, it is worth mentioning that BDL's liquid FX reserves rose from US\$ 8,573 million since the BDL governorship change at end-July 2023 to US\$ 10,176 million mid-December 2024, up by US\$ 1,603 million. This came within the context of the Central Bank's policy refraining from financing the government, especially in foreign currencies, in addition to BDL's intervention on the parallel FX market through money transfer companies buying US dollars.

EXCHANGE RATES

	27/12/2024	20/12/2024	29/12/2023	
LP/US\$	89,500.00	89,500.00	15,000.00	→
LP/£	111,947.00	111,973.00	19,207.50	↑
LP/¥	566.99	571.19	106.60	↑
LP/SF	99,433.00	99,978.00	17,942.58	↑
LP/Can\$	62,140.00	62,213.00	11,347.30	↑
LP/Euro	93,214.00	92,964.00	16,695.00	↓

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STOCK MARKET: EXTENDED STRONG EQUITY PRICE RALLY

The Beirut Stock Exchange remained on the rise this week, mainly spurred by price gains in the heavyweight Solidere shares, whose market capitalization represents more than two-thirds of the total market capitalization. This was reflected by a 7.3% surge in the price index. Three out of Seven traded stocks registered price gains, while three stocks posted price falls and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Solidere "A" share price jumped by 12.2% week-on-week to reach US\$ 111.80. Solidere "B" share price climbed by 13.2% to US\$ 114.90. As to banking shares, BLOM's GDR price surged by 10.0% to US\$ 5.17. In contrast, BEMO's "listed" share price shed 4.0% to US\$ 1.20, followed by Byblos Bank's "listed" shares with -1.7% to US\$ 1.15 and Bank Audi's "listed" shares with -0.8% to US\$ 2.48. Bank Audi's GDR price stood unchanged at US\$ 2.35.

As to trading volumes, the BSE total turnover contracted by 19.9% week-on-week, moving from US\$ 21.0 million last week to US\$ 16.8 million, noting that Solidere captured 97.9% of activity.

AUDI INDICES FOR BSE

22/1/96=100	27/12/2024	20/12/2024	29/12/2023	
Market Cap. Index	1,056.02	983.97	868.20	↑
Trading Vol. Index	189.57	189.52	73.00	↑
Price Index	221.69	206.57	182.26	↑
Change %	7.32%	6.65%	2.34%	↑

	27/12/2024	20/12/2024	29/12/2023	
Market Cap. \$m	25,053	23,343	20,597	↑
No. of shares traded (Exc. BT)	307,775	375,221	54,721	↓
Value Traded \$000 (Exc. BT)	16,797	20,980	4,855	↓
o.w. : Solidere	16,438	20,511	4,855	↓
Banks	359	436	0	↓
Others	0	33	0	↓

BOND MARKET: BOND PRICES UP, AMID BETS ABOUT CHANGE IN DOMESTIC POLITICO-ECONOMIC DYNAMICS

International institutional investors continued to show appetite for Lebanese debt papers over this week. This drove prices of sovereigns up from 12.40-13.10 cents per US dollar at the end of last week to 12.70-13.50 cents per US dollar on Friday.

Within this context, it is worth mentioning that prices of Lebanese Eurobonds were quoted at 6.50 cents per US dollar late September 2024, which means that prices have almost doubled over a three-month period, noting that Goldman Sachs has estimated in a recent report the bond recovery value at 25c. This came amid bets that the recent 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 could pave the way for reform implementation and debt restructuring.

EUROBONDS INDICATORS

	27/12/2024	20/12/2024	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	12.700	12.400	6.000	↑
Yield on US 5-year note	4.45%	4.37%	3.83%	↑

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INTERNATIONAL MARKET INDICATORS

	27-Dec-24	20-Dec-24	31-Dec-23	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	157.88	156.30	141.04	1.0%	11.9%
\$/£	1.258	1.257	1.273	0.1%	-1.2%
\$/Euro	1.043	1.043	1.104	0.0%	-5.6%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	42,992.21	42,840.26	37,689.54	0.4%	14.1%
S&P 500	5,970.84	5,930.85	4,769.83	0.7%	25.2%
NASDAQ	19,722.03	19,572.60	15,011.35	0.8%	31.4%
CAC 40	7,355.37	7,274.48	7,543.18	1.1%	-2.5%
Xetra Dax	19,984.32	19,884.75	16,751.64	0.5%	19.3%
FT-SE 100	8,149.78	8,084.61	7,733.24	0.8%	5.4%
NIKKEI 225	40,281.16	38,701.90	33,464.17	4.1%	20.4%
COMMODITIES (in US\$)					
GOLD OUNCE	2,621.40	2,622.91	2,062.98	-0.1%	27.1%
SILVER OUNCE	29.39	29.52	23.80	-0.5%	23.5%
BRENT CRUDE (per barrel)	74.17	72.94	77.04	1.7%	-3.7%
LEADING INTEREST RATES (%)					
Term SOFR 1-month	4.36	4.34	5.35	0.02	-1.00
US Prime Rate	7.50	7.50	8.50	0.00	-1.00
US Discount Rate	4.50	4.50	5.50	0.00	-1.00
US 10-year Bond	4.63	4.52	3.88	0.10	0.75

Sources: Bloomberg, Bank Audi's Group Research Department

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