

Economy

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p.9 MARKETS IN BRIEF: CONTINUOUS INFLOW OF HARD CURRENCY CURBS CURRENCY SWINGS ON BLACK FX MARKET DESPITE HALTED ACTIVITY ON "SAYRAFA" FOR THREE DAYS

Amid a continuous cabinet stalemate and on rising concerns about the new divided Parliament's ability to reach an agreement on long-awaited reform laws, which are preconditions to reach any IMF deal and secure international financial support, and in line with halted activity on the "Sayrafa" platform for three consecutive days due to BDL workers' strike, the country's capital markets saw this week a marginal rise in the LP/US\$ exchange rate on the parallel market, while Eurobond prices continued to hover around record lows, and equities traced a downward trajectory. In details, the LP lost more ground against the US dollar this week, reaching LP/US\$ 29,750-LP/US\$ 29,800 on Friday as compared to LP/US\$ 29,400 and LP/US\$ 29,450 at the end of last week, noting that the ongoing inflow of hard currency during the summer tourist season helped somehow curbing currency swings on the black market. At the level of the Eurobond market, sovereigns continued to hover around historical lows, ranging between 5.75 and 6.0 cents per US dollar on Friday amid a protracted cabinet gridlock and lingering reform uncertainty. On the equity market, the BSE price index declined by 2%, mainly on profit-taking operations on Solidere shares, while the total turnover nearly doubled week-on-week to reach US\$ 5.8 million.

LEBANON MARKETS: JULY 18 - JULY 24, 2022

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

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ECONOMY

FITCH SOLUTIONS SAYS CREDIT GROWTH EXPECTED TO CONTRACT BY 18% IN 2022

In a recent report by Fitch Solutions, it highlighted that Lebanon's banking and financial services sector is relatively well developed. However, the banking sector is expected to suffer from liquidity problems and earnings are anticipated to plummet, with loan books shrinking as well, owing to the economic crisis - described as one of the sharpest depressions of modern times by the World Bank. The insurance market has attracted some major multinationals to compete alongside domestic providers but will also suffer from contractions in the next few years. Investors face a range of challenges, including a weak regulatory environment and limited political and economic stability.

The government's announcement that it is not planning to pay its debt in full has increased uncertainty. As a result of informal capital control as well as contracting real GDP growth (due to the effects of Covid-19 and the economic impact of the Beirut port explosion - leading to the current economic crisis), credit growth is expected to contract by 17.8% in 2022.

The insurance market, while small in absolute terms, is well established in its own right, particularly the large non-life sector. Demand for key basic lines such as health insurance, motor and property, continues to rise, supported by gradual improvements to average household income rates. Cover is currently limited in the life insurance sector, particularly in terms of investment-linked products. Written premiums are expected to grow as an understanding of the benefits of cover improves and providers expand distribution channels and product ranges, with the non-life insurance sector expected to grow faster. However, a slowdown in the short term is expected due to Covid-19 and the Beirut port explosion as per Fitch Solutions.

One factor that will hinder the development of the investment sector is the country's very small stock exchange. There are currently only 10 companies listed on Lebanon's only stock exchange (the Beirut Stock Exchange - BSE), with banks accounting for more than 78% of its market capitalisation. While some companies have multiple listings - particularly the banks that have several securities listings - the range of investment opportunities is very limited. Privatising the stock exchange, strengthening market regulations and attracting more listings will be key if the BSE is to become a more competitive trading platform in the region. However, the exchange has regressed in the short term, in line with other global exchanges due to Covid-19 and is yet to fully recover, although there has been a slight recovery over the past few months.

Fitch Solutions actually undertook a SWOT analysis for the financial sector.

At the level of Strengths, they mention:

- Large remittances provide a significant cushion against systemic risks.
- Insurance sector is open to regional and multinational providers, bringing more depth to product ranges and distribution channels.
- There are several well-established asset management companies, including local subsidiaries of international investment banks.
- Active stock exchange creates opportunities to raise capital in the market.

At the level of Weaknesses, they mention:

- Government support is lacking and growth will thus remain minimal.
- Domestic insurers lack scale and have limited access to capital, hindering future growth.
- The total volume of assets under management is relatively small by global standards.
- With only 10 securities listings, the Beirut Stock Exchange (BSE) is one of the smallest markets globally.

At the level of Opportunities, they mention:

- Lebanese banks are active in other countries in the Middle East and North Africa, and are therefore well placed for cross border expansion
- There is growing demand for private health insurance as well as further development of motor and property insurance.
- A wider range of investment funds could be developed in order to attract more investors to the market.
- Potential privatisation of the BSE could attract much needed investment to develop the market.

At the level of Threats, they mention:

- Significant exposure to government debt could trigger instability in the banking industry should a shock in the economy increase sovereign risk.
- Regulatory changes in the insurance sector could increase the burden on smaller providers and price them out of the market.
- High net worth investors may choose to move investments to more secure markets overseas.
- Major domestic instability would force the suspension of trading on the BSE.

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VALUE OF CLEARED CHECKS DOWN BY 18% IN THE FIRST HALF OF 2022

Total value of cleared checks, an indicator of consumption and investment spending in the Lebanese economy, contracted by 18.1% year-on-year in the first half of 2022 mirroring contraction in spending during the above mentioned period.

The value of cleared checks reached US\$ 16,878 million in the first half of 2022 down from US\$ 20,603 million in same half of the previous year.

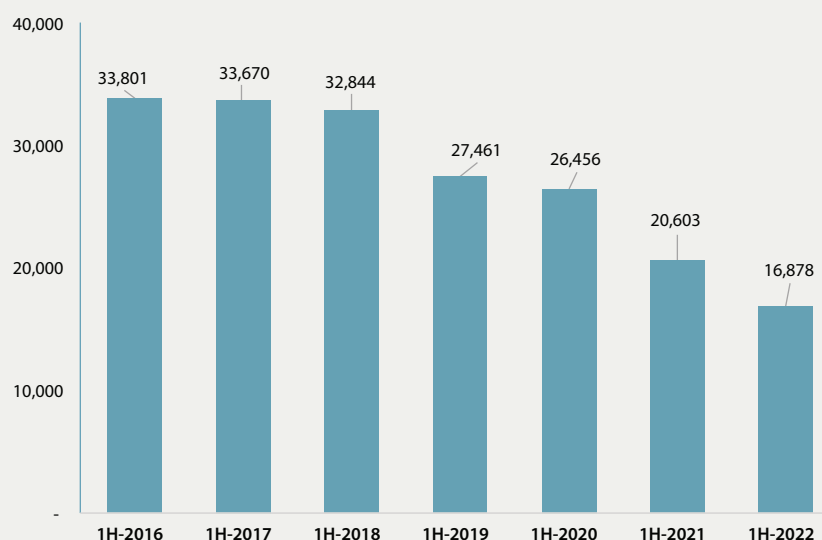
A breakdown by currency shows that the banks' clearings in Lebanese Pounds amounted to LP 16,583 billion, a 19.3% increase in the first half of 2022, while those in US dollar amounted to US\$ 5,878 million, retreating by 48.3% as many businesses are cashing fresh dollars only.

Moreover, the number of cleared checks registered 1,013,924 in the first half of 2022, down by 46.1% from 1,881,673 checks in the first half of 2021.

The average value per check rose by 52.0% year-on-year to attain US\$ 16,647 in the first half of 2022.

It is worth noting that the value of returned checks registered US\$ 148 million in the first half of 2022 down by a yearly 46.2%. The number of returned checks actually stood at 6,997 in the first half of 2022, down from 15,361 in the same period of 2021.

CLEARING ACTIVITY (IN US\$ MILION)



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

BOTTLED AND TRUCKED WATER PRICES ARE HIKING AS LEBANON'S WATER INFRASTRUCTURE CONTINUES TO STRUGGLE

Since the beginning of the Lebanese financial crisis, water supplies from the four water establishments have decreased dramatically, falling short of the 35 liters per capita per day considered the minimum acceptable quantity, as per UNICEF latest report.

Trucked water in April 2022 registered an increase of almost 50% when compared with the same month of 2021, and an almost sixfold increase when compared with 2019, as many households rely on costly water trucking and private providers. The average cost for 1,000 liters of trucked water reached LP 145,000.

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The bottled water price in April 2022 hit three to five times its price in the previous year, as most Lebanese households depend on bottled water for their drinking needs, because of the concerns over the quality of tap water. A family of five drinking around 10 liters a day, would need to spend about LP 6.5 million (US\$ 261) a year, in addition to the cost of water they use to meet their cooking and hygiene needs, the report illustrates.

New tariffs are part of a strategy to reduce the financial losses of the water establishments, whose costs are majorly dollarized. This year's tariff rates in the public water system have reached LP 800,000- LP 1,000,000 per year per household.

However, the National Water Sector Strategy's 2020 update, advises that the top priority is not to change the tariff level but to increase the rate of bill collection from users. The Bekaa Water Establishment collects bills from 32% of customers, while the water establishments of Beirut and Mount Lebanon collect bills from 79% of customers, as per the government's estimates in 2020.

Inadequate supplies of safe water pose a huge risk to infants and young children, who are particularly vulnerable to water- and sanitation-related diseases, one of the leading causes of death for children under age 5, UNICEF report says.

It is worth noting that UNICEF significantly increased its support to water services in Lebanon since the onset of the crisis, including the provision of supplies, consumables and rapid response repairs to ensure everyone in the country has access to safe water.

UNICEF needs US\$ 75 million a year to keep critical systems operational and the water flowing to over four million people across the country and safeguard access and operation of the public water systems.

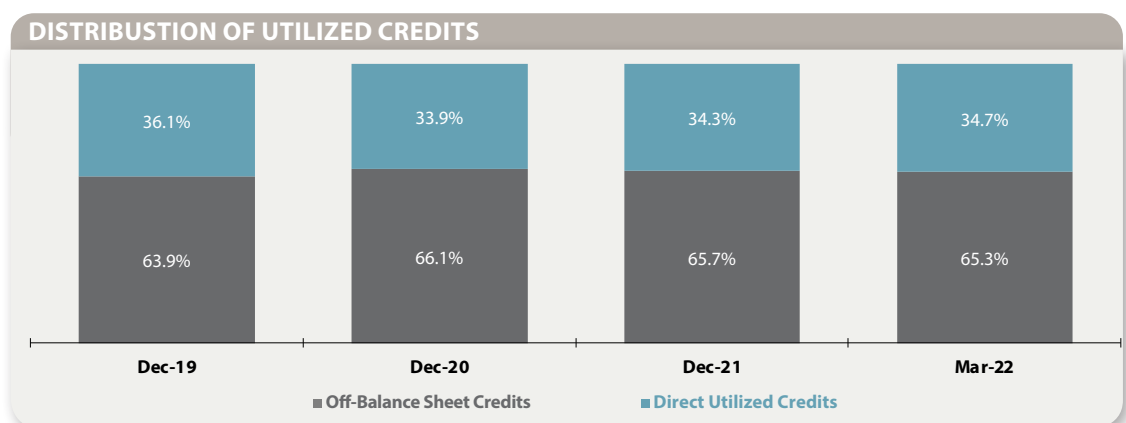
46% OF UTILIZED CREDITS IS AGAINST REAL ESTATE MORTGAGE AND 53% OF IT IS ABOVE LP 10 BILLION AS AT MAR-2022

As per the Central Bank of Lebanon, total direct facilities at Mar-2022 accounted for LP 49.8 trillion in direct facilities and LP 93.6 trillion in off-balance sheet facilities retreating by 4.7% and 6.5% respectively against Dec-2021.

In details, 45.6% of the total direct facilities were against real estate mortgage, followed by 34.0% on clean basis, 13.5% against personal guarantees, 3.0% against cash collateral/bank guarantees, 2.3% in advances against financial values and 1.6% in advances against other real guarantees.

In parallel, indirect facilities represented 65.3% of total utilized credits at Mar-2022, down from 65.7% in Dec-2021. It is worth mentioning that endorsements and guarantees at Mar-2022 constituted the biggest share for 95.4% against 95.6% as at Dec-2021.

It is worth highlighting that the small debtors represented the biggest share of beneficiaries utilizing direct credits less than LP 5 million recording 64.1% and 21.0% as at Mar-2022 and Dec-2021 respectively. The distribution of utilized credits by amount at Mar-2022 showed that 53.0% were loans bigger than LP 10 billion, versus 51.2% at Dec-2021.



Sources: BDL, Bank Audi's Group Research Department

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SURVEYS

LEBANON RANKS 119TH GLOBALLY IN GENDER GAP INDEX 2022

The World Economic Forum issued its Global Gender Gap Report 2022 in which Lebanon ranked 119th out of 146 countries with a score of 0.644.

In details, the country scored 0.492 on Economic Participation and Opportunity, taking over a global rank of 135. At the level of educational attainment, Lebanon scored 0.983 and ranked 90th. Lebanon ranked 75th in health and survival scoring 0.971. The country scored 0.129 at the level of political empowerment, ranking 110th globally.

According to the report, with an average population-weighted score of 63.4%, Middle East and North Africa has the second largest gender gap to close, after South Asia. The region's gender score remains similar to the last edition, which gives Middle East and North Africa a timeframe to close the gap of 115 years. United Arab Emirates and Lebanon are the best performing countries, while Qatar, Oman and Algeria are the worst-performing countries. This year's most improved countries in the region, compared to 2021, are Saudi Arabia, Morocco and Kuwait.

On Educational Attainment, the Middle East and North Africa region achieved 96.2% of gender parity. Oman, Morocco, Tunisia and Algeria are the only countries in the region that have closed less than 95% of the gender gap on this sub-index. Among countries for which data is available, Saudi Arabia, United Arab Emirates, Egypt, Kuwait and Qatar have closed their gender gaps in primary education. While Jordan's primary enrolment gender gap is at 98%, the share of enrolment for both girls and boys is considerably lower than in other countries. In secondary education, Algeria, United Arab Emirates, Bahrain, Jordan, Kuwait, Lebanon and Tunisia have all achieved parity –although the overall share of enrolment in Jordan and Lebanon is considerably lower than in other countries. All countries in the region have closed their gender gaps in tertiary education; however, in four countries the shares of enrolment for women are below 50% for this level of education.

According to the report, Middle East and North Africa has closed 96.4% of its gender gap for Health and Survival. Of all countries in the region, only Qatar has more than 5% of the gender gap to close. Lebanon, Tunisia and Kuwait are the best-performing countries on this sub-index, with 96% or more of the gender gap closed. At the indicator level, gender parity for sex ratio at birth has been attained by 11 of the 13 countries in the region. Only Egypt and Morocco trail behind. However, the region is behind the curve on closing the gender gap in healthy life expectancy. Here, Bahrain, Algeria, Jordan and Qatar are among the weakest performers globally.

Across the Political Empowerment sub-index, the region has closed 15.2% of its gender gap, which represents a slight decrease from last year of 1 percentage point (based on constant countries). This places Middle East and North Africa as the third lowest regional score on this sub-index, ahead of East Asia and the Pacific and Central Asia. The diverging degrees of participation women have in political life across the region is evident in the sub-index as well as indicator scores. The region's highest sub-index score is that of United Arab Emirates, at 0.402. The lowest is Kuwait at 0.023. Only United Arab Emirates has achieved parity at the parliamentary level, while Saudi Arabia remains at 0%. Lebanon has the highest level of parity for ministerial positions, with the share of women at that level amounting to 32% of seats. By contrast, Saudi Arabia has the lowest, at 0%.

ARAB MENA REGION'S GLOBAL GENDER GAP INDEX RANKINGS' 2022

Country	Global Rank	Score
United Arab Emirates	68	0.716
Lebanon	119	0.644
Tunisia	120	0.643
Jordan	122	0.639
Saudi Arabia	127	0.636
Egypt	129	0.635
Kuwait	130	0.632
Bahrain	131	0.632
Morocco	136	0.624
Qatar	137	0.617
Oman	139	0.609
Algeria	140	0.602

Sources: World Economic Forum, Bank Audi's Group Research Department

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LEBANON RANKED 103RD WORLDWIDE IN THE GLOBAL HENLEY PASSPORT RANKING WITH A VISA FREE SCORE OF 42 FOR Q3 2022

The Henley Passport Index for the third quarter of 2022 was released by Henley and Partners. It suggests that Lebanon ranked 103rd worldwide in the global ranking with a visa free score of 42, similar to Sri Lanka, Sudan and the Democratic Republic of Congo.

Regionally, the United Arab Emirates ranked first in the Arab MENA region with a global rank of 15 and a visa free score of 176. Qatar came in second regionally and 57th globally with a score of 99. Kuwait ranked third in the region and 59th globally with a score of 96. Globally, Japan ranked first with a score of 193.

The Henley Passport Index is the original and most authoritative ranking of all the world's passports according to the number of destinations their holders can access without a prior visa. The index includes 199 passports and 227 travel destinations, giving users the most extensive and reliable information about their global access and mobility.

With historical data spanning 17 years and regularly updated expert analysis on the latest shifts in passport power, the index is a resource for global citizens and the standard reference tool for government policy in this field.

The ranking is based on exclusive data from the International Air Transport Association (IATA), which maintains the world's largest and most accurate database of travel information, and is enhanced by the Henley & Partners Research Department.

The index's scoring system was developed to give users a nuanced, practical, and reliable overview of their passport's power. Each passport is scored on the total number of destinations that the holder can access visa-free. For each travel destination, if no visa is required, then a score of 1 is allocated for that passport. This also applies if passport holders can obtain a visa on arrival, a visitor's permit, or an electronic travel authority (ETA) upon entry.

ARAB MENA PASSPORT RANKINGS Q3-2022

Country	Global Rank	Access to # of Countries without Visa
United Arab Emirates	15	176
Qatar	57	99
Kuwait	59	96
Bahrain	66	86
Oman	68	81
Saudi Arabia	68	81
Tunisia	77	71
Morocco	82	65
Mauritania	87	60
Algeria	94	53
Egypt	94	53
Jordan	94	53
Djibouti	98	48
South Sudan	101	44
Lebanon	103	42
Sudan	103	42
Libya	104	41
Palestinian Territory	106	38
Somalia	107	35
Yemen	108	34
Syria	110	30
Iraq	111	29

Sources: Henley & Partners, Bank Audi's Group Research Department

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CORPORATE NEWS

WELCOME TO LEBANON CAMPAIGN LAUNCHED BY MINISTRY OF TOURISM

Under the auspices of the Prime Minister, the caretaker Minister of Tourism launched the summer 2022 campaign "Ahla Bhal Talleh" (Welcome To Lebanon) in cooperation with Live Love Lebanon, introducing tourism projects for the coming period.

The launch of tourism campaigns and packages are part of an integrated work plan by the Ministry of Tourism to promote tourism in Lebanon and encourage the locals and diaspora to visit their country and introduce the new generation born abroad to their culture.

Moreover, this campaign promotes the decentralization project of tourism, thus starting increasing Ministry of Tourism reception offices in all regions, bringing the total number to 37, in addition to the office at Beirut Rafik Hariri airport that was rehabilitated and activated, said caretaker Minister of Tourism said in a statement.

It is worth highlighting that the international and local festivals are resuming their performance after a long absence due to lockdown measurements.

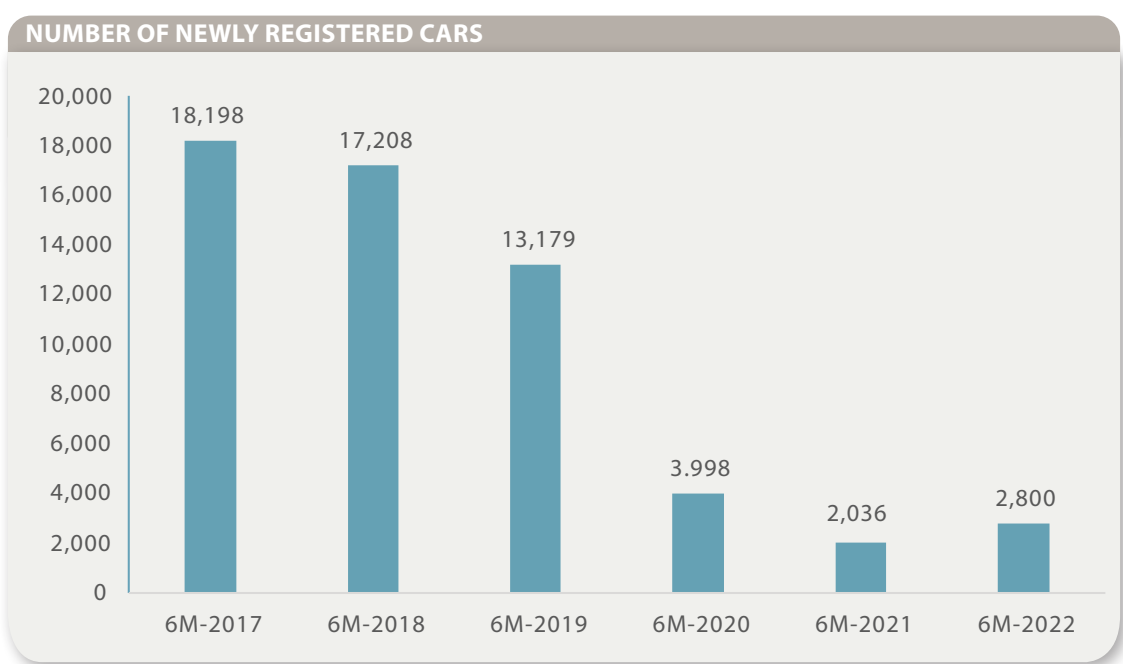
The caretaker Minister of Tourism highlighted that the private sector remains a permanent contributor to the tourism sector, as it has proven its main success and creativity during these times.

It is worth mentioning that according to recent data, the forecasted number of arrivals is around 1.2 million, the caretaker Minister of Tourism said in a statement.

The celebration took place at the Middle East Airlines Training and Conference Center which was attended by the Prime Minister and his Deputy, Ministers, ambassadors and representatives of tourism institutions in Lebanon.

NEWLY REGISTERED CARS AT 2,800 IN FIRST HALF OF 2022, UP BY A YEARLY 38%

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 2,800 in the first half of 2022, rising by 37.5% from a total of 2,036 in the first half of 2021 that had witnessed a country-wide lockdown.



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

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The newly registered passenger cars in the first half of 2020 and 2019 reported 3,998 cars and 13,179 cars respectively.

According to a recent statement, the registrations activity exacerbated in the last two years due to the serious deterioration in the financial, economic and political situation, to the closure of companies and Registration Center (TMO) during the past few months amid the lack of electricity and to the slump in Lebanese Pounds, thus leading to significant drop in the state treasury's revenues coming from mechanical and registration taxes.

BERYTECH AND THE WORLD FOOD PROGRAM LAUNCHED FOOD SYSTEM CHALLENGE FOR LEBANON

The Food System Challenge is implemented by the World Food Programme (WFP) and Berytech through support from the German Federal Ministry of Economic Cooperation and Development (BMZ).

The subject initiative is to support Small and Medium-sized Enterprises (SMEs) and Cooperatives working across the food system while Lebanon continues to face a severe economic crisis.

The Food System Challenge involves in its second batch 10 SMEs with sustainable projects working in the agri-food sector that will receive support packages of business development services, technical assistance and USD cash grants with a total value of up to US\$ 100,000 per business, as mentioned in a statement.

The selected cooperatives address the core challenges to improve food security and increase resilience in Lebanon by improving local production, transformation and consumption.

The 10 finalists were selected based on impact, innovation, scalability, cost-effectiveness, feasibility and added value among others. The selected SMEs are Difaf, Porky's, YY Regen, Skaff Dairy Farm, The Good Thymes, Kanz, Sheghel Emmeh, Mezzmix, Del Libano and Dooda.

L'ORIENT-LE JOUR HONORED IN FRANCE BY THE FRENCH ACADEMY

L'Orient-Le Jour was awarded the Grande Médaille de la Francophonie by the French Academy in France, where it was the first time this award is given to a media outlet, as mentioned in a statement.

The Grande Médaille de la Francophonie award started in 1986, being awarded to those who contribute to increasing the reach and spreading the French language globally.

The Grande Médaille de la Francophonie provided L'Orient-Le Jour group team a special boost encouraging them to continue their efforts amid these unprecedented conditions of Lebanon.

COLORATURA CONCERT WITH OVER 100 ARTISTS IS IN BEIRUT

The musician Michel Fadel and DJ Rodge, two Lebanese figures in the region's music industry, are collaborating to introduce the first of its kind Coloratura concert in Lebanon, after their previous experience in Expo 2020 Dubai, Egypt and Saudi Arabia, as mentioned in a statement.

It is worth highlighting that the proceeds from the concert will go to several NGOs and charities including Enfant de Lumiere, Operation Full Fridge, CCCL, Brave Heart, SOS, Bassma and Friends of MS at AUBMC.

The concert will feature electric Symphony, a mix of pop music and live orchestra, uniting dance and classical music for a brilliant and magical show. In addition to more than 100 musicians and singers on stage, stage art, lights and visuals.

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CAPITAL MARKETS

MONEY MARKET: LARGE CONTRACTION IN TOTAL RESIDENT DEPOSITS SINCE ERUPTION OF CIVIC UNREST

The monetary aggregates released by the Central Bank of Lebanon showed that total resident deposits registered a large contraction of circa LP 46 trillion between October 17, 2019 and June 30, 2022, which was evenly distributed between LP and FC resident deposits. A LP 23 trillion fall in total LP resident deposits is mainly driven by LP 38 trillion drop in LP saving deposits, while LP demand deposits expanded by circa LP 15 trillion over the covered period. Concomitantly, the currency in circulation expanded significantly by around LP 30 trillion, moving from LP 5 trillion on October 17, 2019 to around LP 35 trillion on June 30, 2022. This is mainly explained by (1) large money creation to finance government's needs, (2) LP deposit withdrawals, (3) BDL circular 151 which allowed depositors in US dollars to withdraw their deposits in LP, and (4) BDL circular 158 which allows banks to gradually pay off FC deposits dated back before October 31, 2019.

INTEREST RATES

	22/07/2022	15/07/2022	30/12/2021	
Overnight rate (official)	1.90%	1.90%	1.90%	↔
7 days rate	2.00%	2.00%	2.00%	↔
1 month rate	2.75%	2.75%	2.75%	↔
45-day CDs	2.90%	2.90%	2.90%	↔
60-day CDs	3.08%	3.08%	3.08%	↔

Source: Bloomberg

TREASURY BILLS MARKET: LONGER-TERM TENURES CAPTURE LION'S SHARE OF OUTSTANDING LP TBS

The latest Treasury bills report released by the Association of Banks in Lebanon showed that the outstanding LP Tbs portfolio reached LP 91,695 billion at end-June 2022, noting that the higher-yielding five-year, seven-year and ten-year categories accounted for 81.5% of the total, which is equivalent to LP 74,769 billion, distributed as follows: LP 19,443 billion in the five-year category, LP 19,861 billion in the seven-year category and LP 35,465 billion in the ten-year category.

Also, a recent "Key Indicators" report released by ABL showed that the weighted average yield on LP Treasury bills reached 7.54% in May 2022, up from 7.32% at end-2021.

FOREIGN EXCHANGE MARKET: MARGINAL RISE IN LP/US\$ EXCHANGE RATE ON BLACK FX MARKET

Amid dire domestic fundamentals and a continuous cabinet impasse while Lebanon is nearing Presidential elections, and in line with suspended activity on the "Sayrafa" platform for three consecutive days due to BDL workers' strike, the black FX market saw this week a marginal increase in the LP/US\$ exchange rate, as the latter hovered between LP/US\$ 29,750-LP/US\$ 29,800 on Friday as compared to LP/US\$ 29,400-LP/US\$ 29,450 at the end of last week. Within this context, it is worth noting that the continuous inflow of hard currency during the summer tourist season helped somehow curbing strong currency swings on the parallel market.

Concurrently, the Central Bank of Lebanon unveiled earlier this week that foreign currency operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 25,600.

In parallel, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of July 2022 showed that BDL's foreign assets contracted by US\$ 224 million during the first half of the month to reach US\$ 15.1 billion mid-July 2022, bringing total contractions to US\$ 2.7 billion since the start of the year 2022 when BDL circular No. 161 was implemented. When excluding BDL's Eurobond holdings estimated at US\$ 5.0 billion and FC facilities provided to Lebanese banks, the Central Bank of Lebanon's liquid FX reserves fell below the US\$ 10 billion level mid-July 2022.

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TREASURY BILLS

	22/07/2022	15/07/2022	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%	
10-year	7.00%	-	7.00%	
Nom. Subs. (LP billion)		n.a	246	
Short-term (3&6 mths)		n.a	-	
Medium-term (1&2 yrs)		n.a	-	
Long-term (3 yrs)		n.a	200	
Long-term (5 yrs)		n.a	-	
Long-term (7 yrs)		n.a	46	
Maturities		n.a	13	
Nom. Surplus/Deficit		n.a	233	

Sources: Central Bank of Lebanon, Ministry of Finance

STOCK MARKET: ACTIVITY ON BSE SKEWED TO DOWNSIDE, ON PROFIT-TAKING OPERATIONS ON SOLIDERE SHARES

Activity on the Beirut Stock Exchange was skewed to the downside this week, as reflected by a 2.1% fall in the price index, as some market players sought to book profits on Solidere shares. Two out of five traded stocks registered price drops, while one stock posted price gains and two stocks saw no price change week-on-week.

A closer look at individual stocks shows that, Solidere "A" and "B" share prices shed 2.0% and 4.0% respectively to close at US\$ 60.95 and US\$ 60.45 respectively. In contrast, Holcim Liban's share price closed 0.7% higher at US\$ 27.70. Bank Audi's "listed" share price stood unchanged at US\$ 1.41. Byblos Bank's "listed" share price remained stable at US\$ 0.70.

As far as trading volumes, the BSE total turnover rose from US\$ 2.0 million during the previous three-day week to US\$ 5.8 million during this five-day week, noting that Solidere shares captured the lion's share of activity (98.8%).

EXCHANGE RATES

	22/07/2022*	15/07/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,810.66	1,782.62	2,022.91	↓
LP/¥	10.95	10.86	13.11	↓
LP/SF	1,553.80	1,537.48	1,639.48	↓
LP/Can\$	1,164.27	1,149.62	1,175.53	↓
LP/Euro	1,542.02	1,512.17	1,701.52	↓

* latest figures available on July 19, 2022

Source: Bank Audi's Group Research Department

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AUDI INDICES FOR BSE

	22/07/2022	15/07/2022	30/12/2021	
Market Cap. Index	621.06	634.60	447.87	↓
Trading Vol. Index	52.63	30.36	80.38	↑
Price Index	130.38	133.22	94.02	↓
Change %	-2.13%	0.06%	4.13%	↓
	22/07/2022	15/07/2022	30/12/2021	
Market Cap. \$m	14,734	15,055	10,625	↓
No. of shares traded (Exc. BT)	130,704	60,917	171,230	↑
Value Traded \$000 (Exc. BT)	5,823	2,016	5,359	↑
o.w. : Solidere	5,753	1,963	4,614	↑
Banks	42	53	732	↓
Others	28	0	13	↑

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

BOND MARKET: LEBANESE BOND PRICES STILL HOVERING AROUND RECORD LOWS

Lebanese Eurobond prices remained at historical lows this week, ranging between 5.75 and 6.0 cents per US dollar on Friday as compared to 5.875-6.0 cents per US dollar at the end of last week. This came within the context of a continuous cabinet gridlock and growing concerns about the new Parliament's ability to reach an agreement on long-awaited reform laws, which are preconditions to any international financial support that would help pulling Lebanon out of its myriad of accumulated crises. On a cumulative basis, Lebanese Eurobonds maturing between 2020 and 2037 posted price falls of 3.88 pts to 4.50 pts since the beginning of the year 2022.

EUROBONDS INDICATORS

	22/07/2022	15/07/2022	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)	5.75-6.0	5.875-6.0	9.88-10.63	↓
Average Life	5.70	5.72	6.18	↓
Yield on US 5-year note	2.88%	3.04%	1.26%	↓

Source: Bank Audi's Group Research Department

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INTERNATIONAL MARKET INDICATORS

	22-Jul-22	15-Jul-22	31-Dec-21	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	136.13	138.50	115.11	-1.7%	18.3%
\$/£	1.200	1.186	1.353	1.2%	-11.3%
\$/Euro	1.021	1.008	1.137	1.3%	-10.2%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	31,899.29	31,288.26	36,338.30	2.0%	-12.2%
S&P 500	3,961.63	3,863.16	4,766.18	2.5%	-16.9%
NASDAQ	11,834.11	11,452.42	15,644.97	3.3%	-24.4%
CAC 40	6,216.82	6,036.00	7,153.03	3.0%	-13.1%
Xetra Dax	13,253.68	12,864.72	15,884.86	3.0%	-16.6%
FT-SE 100	7,276.37	7,159.01	7,384.54	1.6%	-1.5%
NIKKEI 225	27,914.66	26,788.47	28,791.71	4.2%	-3.0%
COMMODITIES (in US\$)					
GOLD OUNCE	1,727.64	1,708.17	1,829.20	1.1%	-5.6%
SILVER OUNCE	18.60	18.71	23.31	-0.6%	-20.2%
BRENT CRUDE (per barrel)	103.20	101.16	77.78	2.0%	32.7%
LEADING INTEREST RATES (%)					
1-month Libor	2.12	2.12	0.10	0.00	2.02
US Prime Rate	4.75	4.75	3.25	0.00	1.50
US Discount Rate	1.75	1.75	0.25	0.00	1.50
US 10-year Bond	2.75	2.92	1.51	-0.16	1.24

Sources: Bloomberg, Bank Audi's Group Research Department

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