

## Economy

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## Markets In Brief

### p.9 MARKETS IN BRIEF: LP/US\$ BLACK MARKET RATE CROSSING LP 30,000 DUE TO POLITICAL AND TECHNICAL REASONS

Amid a protracted cabinet vacuum and clouded Presidential elections' outlook, and while Lebanon is gathering efforts to meet IMF requirements as an amended banking secrecy law was passed earlier this week, and despite extended BDL's exceptional measures until end-August 2022, Lebanon's capital markets saw this week a further fall in LP against the US dollar on the black market, while equities pursued their downward trajectory for the second consecutive week and Eurobond prices remained at record lows. In details, the LP/US\$ black market rate crossed the LP/US\$ 30,000 level, reaching LP/US\$ 30,250-LP/US\$ 30,300 on Friday as compared to LP/US\$ 29,750-LP/US\$ 29,800 at the end of last week, despite extended BDL's exceptional measures and continuous inflow of hard currency during the summer tourist season. This is mainly explained by BDL's decision to price 85% of fuel imports at "Sayrafa" rate instead of 100% previously, in addition to worsened domestic economic and living conditions, continuous FX reserves burn, growing fears of a prolonged cabinet paralysis, and tough legislative challenges. In parallel, the BSE pursued its downward slope (-1.3%), while activity more than doubled week-on-week. Finally, bond prices remained at historical lows (5.88-6.25 cents per US dollar) on lingering cabinet and reform uncertainties.

### LEBANON MARKETS: JULY 25 - JULY 31, 2022

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

# Bank Audi

## ECONOMY

### IIF: MOUNTING CHALLENGES FOR LEBANON

A new report has been released by the IIF on Lebanon.

The report stipulates that real GDP could grow by about 3% in 2022 (albeit from a low base) driven by the expected strong recovery in tourism, particularly during the summer. At least 75% of the number of tourists are Lebanese diaspora, the rest 25% include mainly tourists from Egypt, Iraq, and Jordan. They also revised their average inflation forecast from 96% to 156% for 2022 due to the further depreciation of the parallel exchange rate and higher global food and oil prices.

The current account deficit may narrow from 15% of GDP in 2021 to 12% of GDP in 2022 supported by the strong recovery in exports of goods and services that could more than offset the increase in imports, which continues to be constrained by the availability of foreign exchange. The projected current account deficit of US\$ 2.7 bn combined with US\$ 2.3 bn of net capital outflows will lead to a further decline in reserves, excluding gold and BDL's Eurobond holdings, to US\$ 9 bn by end-2022. This implies that BDL will continue to use part of the obligatory reserve requirements on FC deposits.

They expect a small fiscal deficit on a cash basis in 2022, but on an accrual basis the overall deficit could exceed 3% of GDP due to the accumulated large expenditure arrears.

Their forecasts for 2023 and beyond are again based on two scenarios given the uncertainty on the implementation of reforms and an agreement with the IMF.

In the optimistic scenario, they assume that the Lebanese authorities will start implementing urgent economic reforms following the presidential elections, including the IMF's prior actions. This would pave the way for the IMF management and Executive Board approval of the EFF arrangement by end-2022. In this case, adequate external financial support will be essential to provide the needed uplift to the Lebanese economy and to bring it up from its state of collapse to a state of stability and sustainable strong recovery.

Real GDP growth could accelerate to about 6% in 2023 and 8% in 2024 driven by partial recovery in public consumption, and the surge in public investment and net exports.

The inflation rate would gradually decline to lower double digit levels in 2023-2024 and to single digit levels in 2025-2026, helped by the appreciation of the unified exchange rate and lower global commodity prices. The current account may narrow from 12% of GDP in 2022 to about 3% of GDP by 2026, supported by the robust growth in exports of goods and services.

The budget could register sizeable primary surpluses in 2023 and beyond as government revenues recover from about 9% of GDP in 2022 to 17% of GDP by 2026 (still lower ratio than before 2019).

Official reserves could increase gradually from less than US\$ 9 billion at end-2022 to about US\$30 billion by 2026 due to the narrowing of the current account deficits and the sizeable official financial flows. A potential IMF program would also put Lebanon's high public debt on a firm downward path.

In the pessimistic scenario, they assume that the parliament will continue to block crucial reforms and delay the approval of laws related to the prior actions. In this case, there will be no IMF agreement and financial support from the international community.

In the absence of financial assistance from the IMF, World Bank, and other official sources, the available official reserves would decline to less than \$1 billion by 2026, meaning that BDL will be forced to use most of the obligatory re-serve requirement of commercial banks.

The public debt will remain close to 200% of GDP in the absence of debt restructuring or a haircut on Eurobonds. Poverty and unemployment will continue to increase, and more than half a million Lebanese may leave the country over the next few years.

The economy will remain weak after a temporary small recovery this year. Lebanon will become a failed state like Venezuela, Somalia, and most recently Sri Lanka.

Real GDP growth could contract in 2023 and beyond, however, the contraction would be lower than in previous years because of the low base of the economy.

The black-market exchange rate will continue its depreciation to over LL40,000 by end-2022 and LL 110,000 by end 2026. As a result, nominal GDP in U.S. dollars will remain around US\$ 20 billion despite higher inflation.

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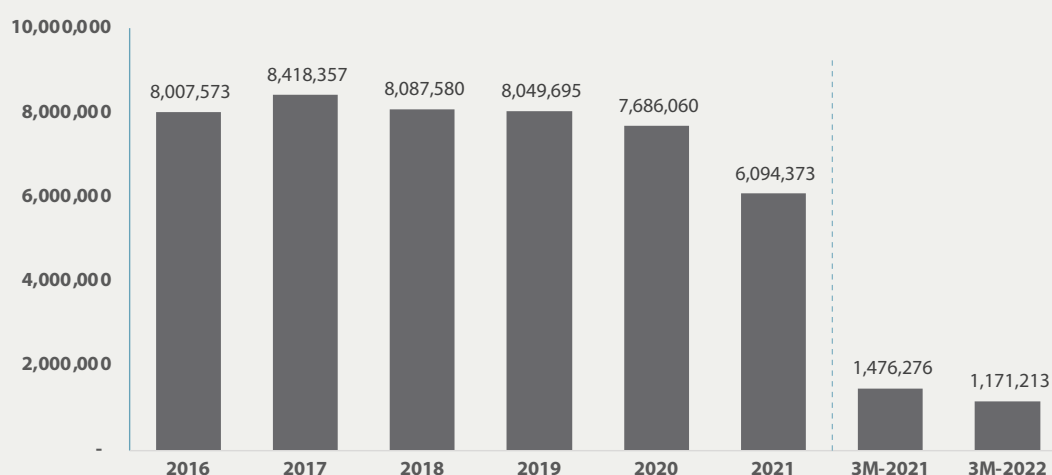
## IMPORTS OF PETROLEUM DERIVATIVES DECLINE BY A YEARLY 21% IN THE FIRST QUARTER OF 2022

Imports of petroleum derivatives registered a year-on-year drop of 20.7% over the first quarter 2022. The latter retreated from 1,476,276 metric tons in the first quarter of 2021 to 1,171,213 metric tons in same quarter of the year, as released by the Central Bank of Lebanon.

This decline was emphasized over 2022 and 2021 and it expected to exacerbate in the remaining months of this year, especially that the subsidy lifting generated domestic inflationary effects that curbed the domestic demand.

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

### IMPORTS OF PETROLEUM DERIVATIVES (METRIC TONS)



Sources: BDL, Bank Audi's Group Research Department

## LP 100,000 CATEGORY REPRESENTED 87.4% OF TOTAL BANKNOTES CURRENCY ISSUANCE AS AT MAR-22

As per the Central Bank of Lebanon, total currency issuance as at Mar-22 revealed that LP 100,000 banknote represented the highest constitution of total banknotes outstanding for 87.4%, followed by LP 50,000 banknote for 10.1%, LP 20,000 for 1.6% and LP 10,000 for 0.3%. While LP 5,000 and LP 1,000 issuance volume was negligible.

As for the coins level, 500 coin category represented 59.7% of total coins issued at Mar-22, followed by 250 coin category for 35.2%, 100 coin category for 4.2%, 50 coin category for 0.8% and 25 coin category for 0.1%.

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## BANKING SECTOR STAFF DROPPED BY AROUND 6,000 EMPLOYEES

In light of the collective laying-off process that took place in most of the private sector companies since the beginning of the financial and economic crisis, the Banking sector's size retreated by around 6000 employees who left the country or found another job in Lebanon, the head of the Syndicate of Bank Employees mentioned in a statement.

In details, around 6,000 employees left the banking sector, out of which 1000 employees (16.6 %), where most of them were from Information & Technology department, left the country after receiving job offers abroad.

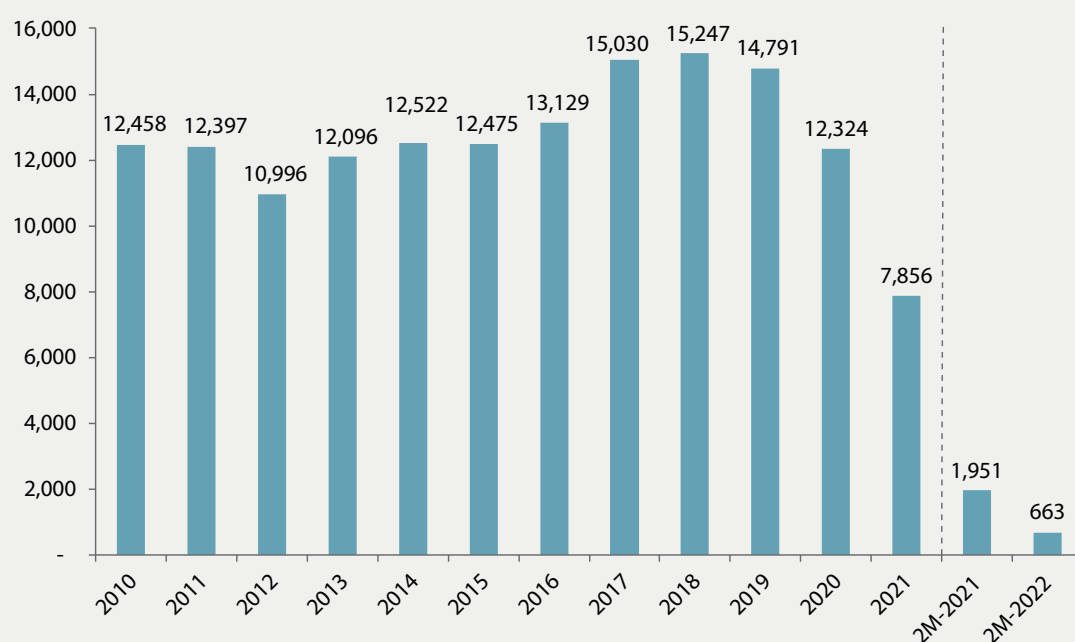
The Syndicate of Bank Employees worked on improving the fair law for the employees retiring or deciding to leave their jobs, where around 40% of them were satisfied by the compensatory programs.

## ELECTRICITY PRODUCTION DROPPED BY 66% YEAR-ON-YEAR IN THE FIRST TWO MONTHS

Data published by the Central Bank of Lebanon shows that electricity production declined by 66.0% year-on-year in the first two months of 2022. The production totaled 663 million Kilowatt Hours (kWh) in the first two months of 2022, down from 1,951 million kWh in the first two months of previous year.

It is worth mentioning that Lebanon's power supply has been erratic for years, but the recent economy's meltdown made it worse, as the lack of hard currency to purchase fuel oil for State power plants triggered more outages. As such, electricity reform is one of the key steps to re-equilibrate the economy, by building the required power plants, raising thereafter electricity tariffs and reducing technical and non-technical losses, which altogether should help EDL breakeven at an acceptable horizon.

### ELECTRICITY PRODUCTION (MILLION KWH)



Sources: BDL, Bank Audi's Group Research Department

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## SURVEYS

### LEBANON RANKS 8TH IN THE ARAB MENA REGION AND 27TH GLOBALLY IN THE 2022 FRAGILE STATES INDEX

Lebanon ranked 8th among the Arab MENA countries and 27th among 179 countries in the 2022 Fragile States Index (FSI) published by the Fund for Peace.

In details, Lebanon scored 7.6 on security apparatus, 9.6 on factionalized elites, 8.0 on group grievance, 9.1 on economy, 6.3 on economic inequality, 6.3 on human flight and brain drain, 7.8 on state legitimacy, 6.7 on public services, 7.1 on human rights, 5.7 on demographic pressures, 8.5 on refugees and IDPs and 8.6 on external intervention.

The Fragile States Index is based on a conflict assessment framework – known as “CAST” – that was developed by FFP nearly a quarter-century ago for assessing the vulnerability of states to collapse. The CAST framework was originally designed to measure this vulnerability and assess how it might affect projects in the field, and continues to be used widely by policy makers, field practitioners, and local community networks. The methodology uses both qualitative and quantitative indicators, relies on public source data, and produces quantifiable results.

Twelve conflict risk indicators are used to measure the condition of a state at any given moment. The indicators provide a snapshot in time that can be measured against other snapshots in a time series to determine whether conditions are improving or worsening. Below is the list of indicators used both in the CAST framework and also in the Fragile States Index.

The Fragile States Index is a critical tool in highlighting not only the normal pressures that all states experience, but also in identifying when those pressures are outweighing a states’ capacity to manage those pressures.

#### ARAB MENA REGION'S FRAGILE STATES' INDEX 2022 RANKINGS

Country	Global Rank	Total
Yemen	1	111.7
Somalia	2	110.5
Syria	3	108.4
South Sudan	3	108.4
Sudan	7	107.1
Libya	21	94.3
Iraq	23	93.8
<b>Lebanon</b>	<b>27</b>	<b>91.3</b>
Mauritania	36	87.9
Palestine	37	85.6
Egypt	42	83.6
Comoros	47	82.3
Djibouti	48	81.3
Jordan	67	76.6
Algeria	77	72.2
Morocco	85	70.1
Tunisia	93	68.2
Saudi Arabia	95	67.5
Bahrain	100	66.6
Kuwait	130	52.2
Oman	136	49.5
Qatar	147	42.3
United Arab Emirates	152	39.1

Sources: The Fund for Peace, Bank Audi's Group Research Department

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## BEIRUT RANKS FIRST IN THE ARAB MENA REGION IN NUMBEO'S COST OF LIVING SURVEY

Numbeo, a global statistics website, recently released its global cost of living index in which it compares cities worldwide based on their scores in the index when benchmarked to New York City.

The Cost of Living Index (Excl. Rent) is a relative indicator of consumer goods prices, including groceries, restaurants, transportation and utilities.

Numbeo provides other indices like the Rent Index which is an estimation of prices of renting apartments in the city compared to New York City. Groceries Index is an estimation of grocery prices in the city compared to New York City. To calculate this section, Numbeo uses weights of items in the "Markets" section for each city.

Restaurants Index is a comparison of prices of meals and drinks in restaurants and bars compared to NYC. Cost of Living Plus Rent Index is an estimation of consumer goods prices including rent comparing to New York City. In its recently released statistics, Beirut ranked first in the region and 12th globally in Numbeo's Mid-Year 2022 Cost of Living Index. The city was followed by Dubai which ranked second in the region and 208th globally and Doha which came third and 225th globally.

In details, Beirut's index stood at 95.65, its rent index was 24.19, its cost of living + rent index reported 61.66, its groceries index registered 109.65, its restaurant index was 68.22 and its local purchasing power index was 11.73.

It is worth noting that Bermuda's Hamilton ranked first with an index of 145.98.

### ARAB MENA REGION'S COUNTRIES' RANKING BY COST OF LIVING INDEX MID-YEAR 2022

Country	Cost of Living Index	Global Rank
<b>Beirut</b>	<b>95.65</b>	<b>12</b>
Dubai	62.35	208
Doha	60.91	225
Abu Dhabi	56.13	261
Riyadh	53.94	273
Manama	53.88	274
Jeddah	53.55	275
Muscat	51.14	284
Amman	49.41	293
Ad Dammam	48.79	296
Sharjah	47.33	303
Ajman	46.87	306
Irbil	34.92	412
Casablanca	32.98	433
Rabat	32.07	444
Baghdad	31.90	447
Tunis	29.66	461
Cairo	28.53	468
Algiers	28.37	470
Alexandria	26.63	483

Sources: Numbeo, Bank Audi's Research Department

# Bank Audi

## CORPORATE NEWS

### US\$ 3.2 BILLION PLAN TO MITIGATE SYRIAN CRISIS IMPACT IN LEBANON

During the launch of Lebanon Crisis Response Plan (LCRP) 2022-2023, the government, the United Nations (UN) and national and international humanitarian organizations appealed US\$ 3.2 billion assistance to lessen the impact of the Syrian crisis, as mentioned in a statement.

The current living circumstances are driving negative coping mechanisms, as families are forced to send their children to work instead of school, skip meals or incur debt. It is important that municipalities receive support to keep basic services running amid massive capacity gaps, said the UN Resident and Humanitarian Coordinator in a statement.

It is worth highlighting that Lebanon received US\$ 9 billion in assistance since 2015 under the LCRP.

LCRP is a multi-stakeholder response co-led by the Lebanese government and the UN. The LCRP receives contributions from more than 126 entities including local and international NGOs.

In fact, LCRP supports 3.2 million people in need, out of which 1.5 million Lebanese citizens, 1.5 million displaced Syrians and more than 200,000 Palestinian refugees. The LCRP also aims to support the country's public infrastructure, services and the economy.

### A NEW FUND TO IMPROVE WOMEN'S PARTICIPATION IN PEACEBUILDING BY UN LEBANON

Supported by the German Government, with complementary funding from the Government of Finland, Women's Peace and Humanitarian Fund (WPHF) and in collaboration with UN, Lebanon launched the second window of financial support, as mentioned in a statement.

This fund is targeting eight women-led organizations that base their work on Lebanon's peacebuilding. It aims to strengthen their institutional capacity and optimize peacebuilding results.

Moreover, it will promote the participation of Lebanese women and affect sustainable peace and security building.

The subject work will start in August 2022 and will last until December 2023, seeking to build peace through advocacy, art, women-led peace spaces, dialogues and student clubs, said the UN Resident and Humanitarian Coordinator for Lebanon in a statement.

WPHF is a rapid financing tool aimed at supporting interventions to improve the ability of women around the world to prevent conflict, provide crisis responses and grasp peacebuilding opportunities.

### QATAR DONATED 991,000 LITERS OF FUEL FOR LEBANON'S HEALTH FACILITIES

Lebanon's Ministry of Public Health received fuel aid in two batches of around 991,000 liters funded by Qatar Fund for Development, as mentioned in a statement.

The aid aims to support more than 40 hospitals, health facilities and elderly care homes. Since the beginning of the economic crisis, the health institutions struggled to work efficiently due to extreme power cuts that lead to a high number of cases of infected people.

It is worth highlighting that Qatar provided multiple aids to Lebanon this year with the pledge of US\$ 60 million to the Lebanese Army.

In addition, Qatar donated earlier to the Lebanese Army 70 tons of food supplies.



# Bank Audi

## BERYTECH ORGANIZED NEX-LABS SUMMER SCHOOL FOR TURNING WATER, ENERGY AND FOOD INNOVATIONS INTO BUSINESSES

Berytech organized the NEX-LABS Summer School, a regional entrepreneurship 5-day intensive program allowing entrepreneurs and researchers to turn their innovations in the Water, Energy and Food (WEF) Nexus sector into potential startups and explore commercialization opportunities.

The NEX-LABS summer school took place in the Lebanese Bekaa region, provided new business perspectives to NEXUS innovators, created potential collaborations across borders in the Mediterranean and helped the entrepreneurs develop their entrepreneurial mindset and relevant skills to successfully launch and grow their business.

It is worth noting that this project is funded by the EU under the ENI CBC Med Program with a total budget of Euro 3.5 million, where it received a 90% contribution for around EURO 3.1 million.

The program was attended by 14 teams, out of which six were from Lebanon, three from Egypt, two from Jordan, one from Tunisia, one from Cyprus, and one team from Spain. Only Six teams were selected to participate in the NEXUS Innovation Week taking place in Beirut during the coming October. The winning teams are The Bone Guy, Takatkom and Drive Green from Lebanon, ChitoTech and Recyclizer from Egypt and RUMTech from Jordan.

NEX-LABS project aims to support the implementation of clean technologies for the sustainable and resilient growth of agri-food sector production based on more efficient use of energy (renewable/solar solutions) and water (wastewater treatment, water harvesting or reuse solutions) in Mediterranean Partner Countries region.

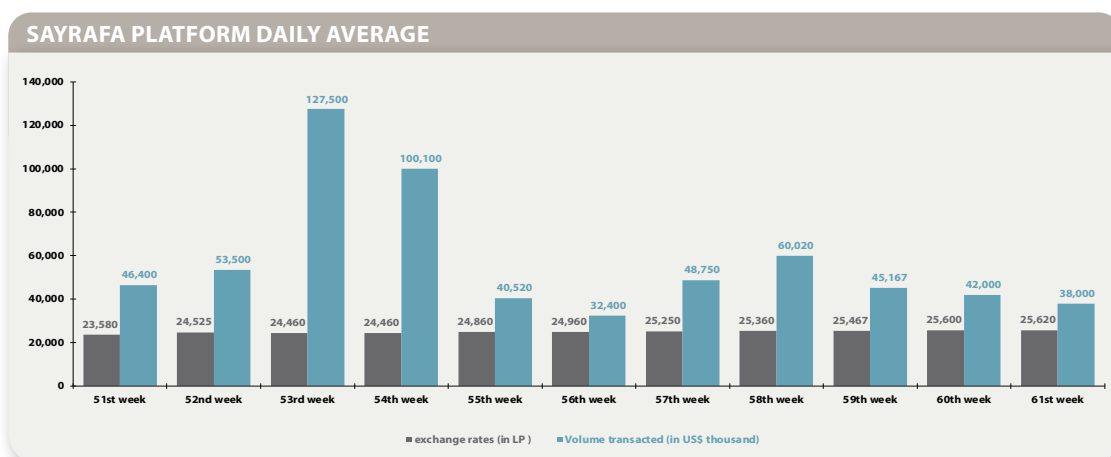
NEX-LABS project includes a partnership of 11 institutions from seven different countries across the Mediterranean to tackle the challenges of a competitive and inclusive growth. It targets territories, characterized by water scarcity and both irregular rainfall and population distribution.

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

The daily average volume of transactions on Sayrafa foreign exchange platform during the 61st week was US\$ 35.0 million, compared to previous week's daily average transacted volume of US\$ 42.0 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 28.0 million).

The daily average conversion rate for week 61 is LP 19,920 when compared to daily average conversion rate of previous week of LP 25,600 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 20,008

The Central Bank (BDL) announced that the conversion rate at end of week 61 was LP 24,900, while the conversion rate reported by end of week 60 was LP 25,600.



Sources: BDL, Bank Audi's Group Research Department



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## CAPITAL MARKETS

### MONEY MARKET: LARGE EXPANSION IN CURRENCY IN CIRCULATION IN TWO WEEKS

The cost of LP cash declined from 20% last week to 16%-17% on the money market this week, amid relatively restricted activity on the "Sayrafa" platform.

In parallel, the Central Bank of Lebanon released this week monetary aggregates for two consecutive weeks ending July 14, 2022. On a cumulative basis, weekly monetary aggregates showed that total resident deposits contracted by LP 532 billion between end-June 2022 and July 14, 2022. This is mainly attributed to a LP 528 billion fall in foreign currency resident deposits (the equivalent of US\$ 350 million, as per the official rate of LP/US\$ 1,507.5), while total LP resident deposits receded slightly by LP 4 billion amid a drop in LP saving deposits of LP 227 billion and an increase in LP demand deposits of LP 223 billion. Yet, the money supply in its largest sense (M4) expanded significantly by LP 2,428 billion between end-June 2022 and July 14, 2022, mainly due to a noticeable growth in money in circulation of LP 3,020 billion.

### INTEREST RATES

	29/07/2022	22/07/2022	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: NOMINAL DEFICIT OF LP 182 BILLION IN FIRST HALF OF JULY 2022

The latest Treasury bills auction results for value date 28th of July 2022 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the six-month category (offering a yield of 4.0%), the two-year category (offering a coupon of 5.0%) and the ten-year category (offering a coupon of 7.0%).

The Central Bank of Lebanon released this week Tbs results for value date 14th and 21st of July 2022. In details, the Tbs auction results for value date 14th of July 2022 showed that total subscriptions amounted to LP 341 billion, allocated as follows: LP 41 billion in the six-month category and LP 300 billion in the three-year category. These compare to maturities of LP 372 billion, resulting into a nominal weekly deficit of LP 31 billion. In parallel, the Tbs auction results for value date 21st of July 2022 showed that total subscriptions amounted to LP 57 billion, distributed as follows: LP 20 billion in the three-month category and LP 37 billion in the one-year category. These compare to maturities of LP 208 billion, resulting into a nominal weekly deficit of LP 151 billion.

### FOREIGN EXCHANGE MARKET: FURTHER FALL IN LP AGAINST US DOLLAR ON BLACK MARKET

The LP/US\$ exchange rate crossed the LP/US\$ 30,000 threshold on the black FX market this week, reaching LP/US\$ 30,250-LP/US\$ 30,300 on Friday as compared to LP/US\$ 29,750-LP/US\$ 29,800 at the end of last week. The deterioration in LP against the US dollar occurred despite extended BDL's exceptional measures, which allow US dollars purchases from the Central Bank of Lebanon, until end-August 2022, and despite the continuous inflow of hard currency during the summer tourist season. This is mainly explained by BDL's decision to price 85% of fuel imports at "Sayrafa" rate instead of 100% previously, in addition to dire domestic economic and financial fundamentals, dwindling FX reserves and lingering cabinet and reform uncertainties.

In parallel, the Central Bank of Lebanon unveiled that foreign currency operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 25,600 to LP/US\$ 25,700 between July 25 and July 29, 2022.

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## TREASURY BILLS

	29/07/2022	22/07/2022	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%	
10-year	7.00%	-	7.00%	
<b>Nom. Subs. (LP billion)</b>		<b>57</b>	<b>246</b>	
Short-term (3&6 mths)		20	-	
Medium-term (1&2 yrs)		37	-	
Long-term (3 yrs)		-	200	
Long-term (5 yrs)		-	-	
Long-term (7 yrs)		-	46	
<b>Maturities</b>		<b>208</b>	<b>13</b>	
<b>Nom. Surplus/Deficit</b>		<b>-151</b>	<b>233</b>	

Sources: Central Bank of Lebanon, Ministry of Finance

## STOCK MARKET: BSE ON DECLINE FOR SECOND CONSECUTIVE WEEK

The BSE total turnover more than doubled this week, moving from US\$ 5.8 million last week to US\$ 14.3 million, noting that Solidere shares captured the lion's share of activity (95.6%).

As far as prices are concerned, the BSE followed a downward trajectory for the second consecutive week, as reflected by a 1.3% decline in the price index. Five out of seven traded stocks registered price drops, while one stock posted price gains and one stock 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 1.5% respectively to close at US\$ 59.75 and US\$ 59.55 respectively, mainly on some profit-taking operations following a recent strong price rally. As to banking stocks, Bank Audi's "listed" share price retreated by 0.7% to US\$ 1.40. Byblos Bank's "listed" share price went down by 2.9% to US\$ 0.68. BLOM's GDR price declined by 0.4% to US\$ 2.49. In contrast, BLOM's "listed" share price remained stable at US\$ 2.85. Amongst industrials, Holcim Liban's share price closed 2.9% higher at US\$ 28.50.

## EXCHANGE RATES

	29/07/2022	22/07/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,834.02	1,810.66	2,022.91	↓
LP/¥	11.33	10.95	13.11	↓
LP/SF	1,582.51	1,553.80	1,639.48	↓
LP/Can\$	1,175.99	1,164.27	1,175.53	↓
LP/Euro	1,540.36	1,542.02	1,701.52	↑

\* latest figures available on July 19, 2022

Source: Bank Audi's Group Research Department

# Bank Audi

## AUDI INDICES FOR BSE

	29/07/2022	22/07/2022	30/12/2021	
Market Cap. Index	613.04	621.06	447.87	↓
Trading Vol. Index	129.06	52.63	80.38	↑
Price Index	128.70	130.38	94.02	↓
Change %	-1.29%	-2.13%	4.13%	↓

	29/07/2022	22/07/2022	30/12/2021	
Market Cap. \$m	14,544	14,734	10,625	↓
No. of shares traded (Exc. BT)	644,764	130,704	171,230	↑
Value Traded \$000 (Exc. BT)	14,282	5,823	5,359	↑
o.w. : Solidere	13,648	5,753	4,614	↑
Banks	605	42	732	↑
Others	29	28	13	↑

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

## BOND MARKET: LEBANESE BOND PRICES REMAINING AT HISTORICAL LOWS

Amid lingering concerns over a protracted cabinet paralysis that may last till October 2022 Presidential elections, and while Lebanon is gathering efforts to meet IMF prior actions as the new Parliament passed earlier this week an amended banking secrecy law, Lebanese Eurobond prices remained at record lows, ranging between 5.88 and 6.25 cents per US dollar on Friday as compared to 5.75-6.0 cents per US dollar at the end of last week. On a cumulative basis, Lebanese Eurobonds maturing between 2020 and 2037 posted price falls of 3.88 pts to 4.38 pts since the beginning of the year 2022.

## EUROBONDS INDICATORS

	29/07/2022	22/07/2022	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)	5.88-6.25	5.75-6.0	9.88-10.63	↑
Average Life	5.68	5.70	6.18	↓
Yield on US 5-year note	2.75%	2.88%	1.26%	↓

Source: Bank Audi's Group Research Department

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## INTERNATIONAL MARKET INDICATORS

	29-Jul-22	22-Jul-22	31-Dec-21	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	133.28	136.13	115.11	-2.1%	15.8%
\$/£	1.217	1.200	1.353	1.4%	-10.0%
\$/Euro	1.022	1.021	1.137	0.1%	-10.1%
<b>STOCK INDICES</b>					
DOW JONES INDUSTRIAL AVERAGE	32,845.13	31,899.29	36,338.30	3.0%	-9.6%
S&P 500	4,130.29	3,961.63	4,766.18	4.3%	-13.3%
NASDAQ	12,390.69	11,834.11	15,644.97	4.7%	-20.8%
CAC 40	6,448.50	6,216.82	7,153.03	3.7%	-9.8%
Xetra Dax	13,484.05	13,253.68	15,884.86	1.7%	-15.1%
FT-SE 100	7,423.43	7,276.37	7,384.54	2.0%	0.5%
NIKKEI 225	27,801.64	27,914.66	28,791.71	-0.4%	-3.4%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,765.94	1,727.64	1,829.20	2.2%	-3.5%
SILVER OUNCE	20.36	18.60	23.31	9.5%	-12.7%
BRENT CRUDE (per barrel)	103.97	103.20	77.78	0.7%	33.7%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	2.36	2.12	0.10	0.24	2.26
US Prime Rate	5.50	4.75	3.25	0.75	2.25
US Discount Rate	2.50	1.75	0.25	0.75	2.25
US 10-year Bond	2.65	2.75	1.51	-0.10	1.14

Sources: Bloomberg, Bank Audi's Group Research Department

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