

Daily Market Bulletin

Monday September 15, 2014



BLOM Indices*

	Last	Previous	% Change
BSI	1,174.89	1,178.53	-0.31%
High	1,178.40	1,180.31	
Low	1,173.63	1,177.46	
Vol	23,940	48,500	-50.64%
Val	\$255,927	\$607,236	-57.85%
BPSI	104.69	104.70	-0.01%
Vol	55	2,706	
Val	\$5,506	\$272,462	
BBI	108.35	108.41	-0.06%
10Y Yield	6.16%	6.15%	1
Spread 10Y US	354	361	-7
BLOM Funds	11/09/2014		
Cedars A (\$)	\$ 7,330.61		
Cedars B (\$)	\$ 5,239.91		
Cedars C (\$)	\$ 5,567.69		
Petra A (JOD)	\$ 2,839.91		
Petra B (\$)	\$ 4,726.10		
BBF**	\$ 9,652.13		

MARKET WRAP UP

- The Beirut Stock Exchange (BSE) started the week in the red, where the BLOM Stock Index (BSI) lost 0.31% to reach 1,174.89 points. The real estate sector grasped a share of 52.91%, with Solidere "A" and "B" shares decreasing by 1.83% and 0.92% to \$11.79 and \$11.91, respectively. In the industrial sector HOLCIM shares added 0.07% to \$14.51. In the banking sector, Byblos preferred 2009 shares dropped by 0.10% to \$100.10.
- Meanwhile, the BLOM listed shares exchanged hands with no change in price.

The Lebanese Eurobonds market declined for the fourth day in a row, due to the decrease in demand for medium and long-term maturities. The BLOM Bond Index (BBI) fell by 0.06% to 108.35 points. The 5Y and 10Y Lebanese Eurobonds' yields added 1 basis point (bp) each to settle at 5.06% and 6.16%, respectively. The 5Y spread against the US Treasury benchmark narrowed by 3 bps to 323 bps. The 5Y Credit Default Swaps (CDS) steadied at 330-360.

Business Monitor International's (BMI) report forecast on Lebanon's pharmaceuticals and healthcare reveals that Lebanon's Pharmaceutical Risk/Reward Rating (RRR), for the fourth quarter (Q4) of 2014, stood at 53.9 out of 100, which is higher than Q3's score of 52.7. In the Industry Rewards category, which measures the market size and its growth potential, Lebanon scored 20.4 out of 44 in Q4, higher than Q3's score of 19.2. On the other hand, Lebanon's Country Rewards score, which measures pensionable population, population growth and urbanization, was 16.2 out of 21, same as the previous quarter's score. Moving to the Risks, Lebanon scored 9.5 out of 21 on the Industry Risks, more than the regional average of 7.7. This implies that Lebanon's pharmaceutical sector is less risky for multinationals operating and wishing to operate in the country. The Industry Risks is composed of a subjective assessment of the country's intellectual property laws, policies and reimbursement regimes, and the speed and efficiency of the approvals process. In contrast, Lebanon's score for Country Risks for Q4 2014 was 7.9 out of 14, slightly above the regional average of 7.3. This reveals the high-to-medium level of risk associated with continuities in policy direction, the strength and balance of the country's economy and the spread of corruption. Moreover, it exposes the instability of the government, poor legal framework and an excess of red tape in Lebanon.

Economic Research Department
T 01 9917847 F 01 991732
research@blominvestbank.com

*BSI: BLOM stock Index BPSI:BLOM Preferred stock index BBI:BLOM bond index
BBF: BLOM Bond Fund * Prices are for information only, for any firm quotation please contact us
**** Nominal effective exchange rate index