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The LEBANON WEEKLY MONITOR

Economy

p.2 CONSUMER PRICE INFLATION AT 30% IN MAY

The Consultation & Research Institute's index of consumer prices had started to witness growing inflationary trends since the last month of 2019, displaying an annual inflation rate of 30% in May 2020.

Also in this issue

- p.3** LIFE alarmed by the lack of meaningful progress towards economic reform in Lebanon
- p.4** Construction permits register a yearly decline of 61.0% in first two months of 2020

Surveys

p.5 LEBANON RANKS SECOND GLOBALLY IN NUMBER OF REFUGEES RELATIVE TO POPULATION, SAYS UNHCR

According to a recent report by the United Nations High Commissioner for Refugees (UNHCR) titled "Global Trends: Forced Displacement in 2019", Lebanon emerged as the host of the second highest number of refugees (when excluding Palestinian refugees) relative to its population.

Also in this issue

- p.6** Lebanese economy to contract by 12.0% in 2020, says Bloomberg
- p.6** Lebanon ranks 146th globally and 13th in Arab MENA region in 2020 Global Peace Index

Corporate News

p.7 SOLIDERE'S PROCEEDS FROM ITS SALES IN 2020 TO REACH US\$ 341.9 MILLION AT THE END OF JUNE 2020

Solidere said proceeds collected from its sales this year will reach US\$ 341.9 million at the end of June 2020. The revenues were generated from 15 land sales transactions that were signed in 2019 and 2020.

Also in this issue

- p.7** Lebanese ZoodMall shopping app secures US\$ 10 million Series A funding
- p.7** Lebaneselira.org uses artificial intelligence to determine the exchange rate
- p.8** Lebzone.com aims to offer quality Lebanese production internationally

Markets In Brief

p.9 LEBANESE POUND AT ALL-TIME LOW DESPITE ALL EFFORTS TO CURB FX MOVES

Amid a complete loss of the confidence factor, renewed social unrest fueled by worsening domestic economic conditions, and with the Parliamentary fact-finding committee starting for the first time talks with the IMF after financial system's loss figures reconciliation, Lebanon's capital markets saw this week a further deterioration in the Lebanese pound against the US dollar despite all measures taken by the Central Bank of Lebanon and the Syndicate of money changers to curb FX moves, while the equity and bond markets registered price contractions. In details, the Lebanese lira sank to an all-time low against the US dollar in the back market, crossing above the LP/US\$ 7,000 threshold amid dwindling FX reserves and the continuous creation of local currency. On the equity market, activity was skewed to the downside and the total turnover contracted by 41% week-on-week. Also, the bond market saw weekly price contractions, noting that some foreign investors started showing appetite for Lebanese sovereigns given their attractiveness relative to other bonds in similarly-rated countries.

LEBANON MARKETS: WEEK OF JUNE 22 - JUNE 28, 2020

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

ECONOMY

CONSUMER PRICE INFLATION AT 30% IN MAY

The Consultation & Research Institute's index of consumer prices had started to witness growing inflationary trends since the last month of 2019, after several months of economic slowdown that negatively impacted the CPI. In fact the deep economic, financial and monetary crisis has started to affect product and services prices in the market. This May, the year-on-year index has surged by 30.5% compared to results of May 2019.

All nine main indices registered increases this May. The highest increase was registered by the "Apparel" category (57.3%), followed closely by the "Durable Consumer Goods" category (57.2%), then by the "Food and Beverages" category (49.6%) and the "Transportation and Telecommunications" category (20.1%).

The May 2020 year-on-year "Food and Beverages" index has significantly increased by 49.6% since May 2019. All of the four main indices registered increases this month, as follows: the "Tobacco Products" category (74.3%), the "Food" category (48.6%), the "Nonalcoholic Beverages" category (39.7%) and the "Alcoholic Beverages" category (12.8%).

The index for "Food" increased by 48.6% compared to its level last year, as all of the twelve food group indices have witnessed increases this May. The most significant increase was registered in the "Sugar and Confectioneries" category (126.4%), followed by the "Fish and Seafood" category (102.4%), the "Grains and Nuts" category (100.6%), the "Meat and Poultry" category (83.4%) and the "Eggs and Dairy Products" category (51.9%).

Apparel year-on-year prices registered 57.3% increase in May 2020. This was the result of the surge in the "Clothing and Sewing Materials" category (69.4%), and in the "Footwear" category (20.1%) this month.

The index for "Housing" has increased by 6.3% in May 2020 from its level last year. This was due to the increases in the "Household Maintenance" category (23.6%) and the "Household Energy" category (2.4%).

The "Durable Consumer Goods" index has significantly increased by 57.2% since May 2019. Seven indices have witnessed increases this May, most significantly those of the "Appliances" category (182.1%), followed by the "Linens" category (177.8%), the "Cleaning Products and Services" category (52.3%) and

CONSUMER PRICE INDEX

	Weights	Variation
CPI (May-20/May-19)		+30.5%
Food and beverages	35.4%	+49.6%
Apparel	6.6%	+57.3%
Housing	6.5%	+6.3%
Durable consumer goods	8.2%	+57.2%
Healthcare	9.8%	+2.5%
Transportation and telecommunications	14.4%	+20.1%
Education	12.5%	+1.0%
Recreation	2.7%	+16.3%
Other goods and services	4.0%	+13.9%

Source: Consultation & Research Institute

the "Glassware" category (47.3%). A sole category recorded a decrease in May 2020, namely that of the "Household Furnishings" category (-1.9%).

The healthcare index has increased by 2.5% since May 2019. This is due to the increases registered in the "Inpatient Services" category (10.4%) and the "Outpatient Services" category (0.1%); whereas, the "Medications and Medical Accessories" category (-2.2%) witnessed a decrease in May 2020.

The CPI component for "Transportation and Telecommunications" has increased by 20.1% (year-on-year) in May 2020, due to the considerable increase in the "Transportation" category (21.7%), while the "Telephone Services" category remained unchanged this month.

The index for education has slightly increased by 1.0% from the previous year, due to the increase in all the three categories, as follows: the "Educational Books and Supplies" category (6.5%), followed by the "School Transportation" category (4.7%) and the "Tuition Fees" category (0.1%).

The index for recreation has increased by 16.3% compared to its results in May 2019, as both of its main categories increased: the "Movies and Restaurants" category (18.9%) and the "Reading Materials and Photography" category (4.0%).

The index of "Other Goods and Services" has increased by 13.9% since May 2019. This was basically due to the huge increase registered in the "Jewelry" category (34.2%) and in the "Personal Care" category (8.1%). The "Travel" and the "Financial Services" categories remained unchanged this May.

LIFE ALARMED BY THE LACK OF MEANINGFUL PROGRESS TOWARDS ECONOMIC REFORM IN LEBANON

Lebanese International Finance Executives (LIFE) issued a report entitled: "Lebanon has run out of time" in which LIFE is alarmed by the lack of any meaningful progress towards economic reform in Lebanon. This policy paralysis is especially disconcerting in the face of a clear acceleration in the economic and financial meltdown and the faltering negotiations with the IMF.

As a result, LIFE renews its calls for all stakeholders, including the government, the parliament, the Banque du Liban, the Association of Banks in Lebanon, representatives of civil society and the political opposition, to come together and work towards the following.

The first is to accelerate economic reforms, whereby LIFE urges an immediate implementation of long needed structural economic reforms and budgetary adjustments aiming to stop the fiscal bleeding which worsens the country's predicament by the day. Many such reforms can be adopted immediately and regardless of any discussions with the IMF.

The second is to prioritize negotiations with the IMF, whereby any stabilization and recovery plan will require a large capital injection into the Lebanese economic system. A well thought through IMF program would represent the cornerstone for potential future inflows. Local stakeholders, namely the BDL and government, need to come together, use one set of credible numbers and speak with one voice in order to engage more effectively with the IMF. A well negotiated IMF program will mitigate financial sector losses and could unlock other sources of foreign investments, without which the adjustment process will enduringly debilitate Lebanon's economy, according to LIFE.

The third is to implement a holistic financial sector restructuring plan. Lebanon's financial sector losses, as diagnosed in the government's economic plan, are a sad but undeniable reality. Empirical evidence suggests that gradualism is not effective as any economic recovery will be hampered by an ailing financial system. Lebanon's only remaining option is to recognize those losses, distribute them equitably and lawfully within a holistic financial restructuring plan to be applied on a bank by bank basis, as per LIFE.

The fourth is to execute a comprehensive electricity reform strategy. A credible electricity reform plan is essential to improving Lebanon's twin budget and current account deficits. The World Bank's published plan ("Lebanon Power Sector Emergency Action Plan") provides a credible and actionable framework that the government should start implementing immediately.

The fifth is to establish official capital controls. According to LIFE, official capital controls are long overdue and desperately needed not only to preserve BdL's scarce foreign currency reserves but also to ensure that depositors are treated fairly. Capital controls must protect Lebanon's supply of food, medical and other essentials, while supporting the economy's productive sectors.

Lebanon has entered a dangerous phase bordering on a complete financial implosion, as per the same source. Further inaction will lead to catastrophic and long-lasting consequences that will destroy the country's frail social and national cohesion. LIFE urges all stakeholders to demonstrate commitment to implementing the necessary stabilization measures.

CONSTRUCTION PERMITS REGISTER A YEARLY DECLINE OF 61.0% IN FIRST TWO MONTHS OF 2020

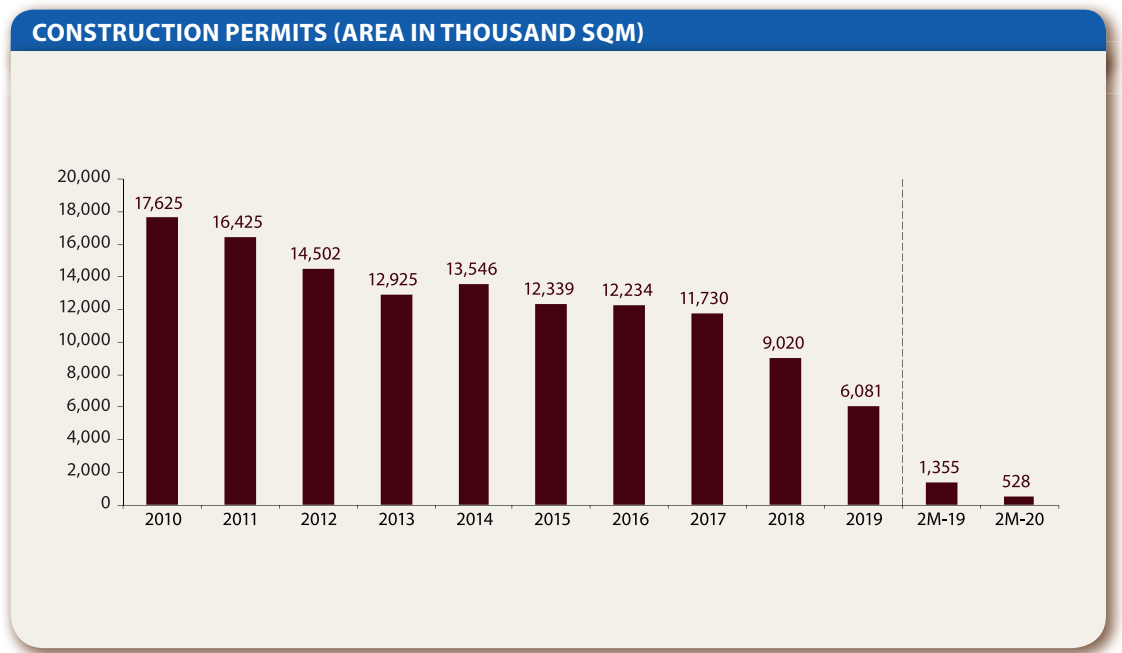
According to the figures provided by the Orders of Engineers of Beirut and Tripoli, construction permits, an indicator of forthcoming construction activity, posted a 61.0% year-on-year decrease during the first two months of 2020, as some developers slowed down or sometimes halted their construction works.

In fact, construction permits covered an area of 528,343 square meters in the first two months of 2020, against an area of 1,354,708 square meters in the first two months of 2019. This followed a yearly contraction of 23.9% registered in the aforementioned period of 2019.

The breakdown by region shows that most of the regions reported contractions in construction permits, with Beirut and Bekaa reporting the highest contractions of 71.3% and 69.5% respectively in construction permits in the first two months of 2020.

As for the breakdown of construction permits, Mount-Lebanon continued to capture the highest share in newly issued construction permits in the first two months of 2020 with a share of 38.9%.

It was followed by the North with a share of 23.5%, South-Lebanon with 17.3%, Nabattiyeh with 9.6%, Bekaa with 6.3% and Beirut with 4.4%.



Sources: Orders of Engineers of Beirut and Tripoli, Bank Audi's Group Research Department

SURVEYS

LEBANON RANKS SECOND GLOBALLY IN NUMBER OF REFUGEES RELATIVE TO POPULATION, SAYS UNHCR

According to a recent report by the United Nations High Commissioner for Refugees (UNHCR) titled "Global Trends: Forced Displacement in 2019", Lebanon emerged as the host of the second highest number of refugees (when excluding Palestinian refugees) relative to its population. The country had 1 refugee out of 7 inhabitants as at end of year 2019, as per the report.

The country was only superseded by Aruba (1 refugee in 6 inhabitants), and was followed by Curacao (1 refugee in 10 inhabitants), Jordan (1 refugee in 15 inhabitants) and Turkey (1 refugee per 23 inhabitants).

In absolute terms, however, Lebanon ranked seventh globally in terms of number of refugees in 2019 hosting 916,156 refugees, down from 949,666 in the previous year. Finally, the report mentioned that the bulk (910,600) of refugees in Lebanon were of Syrian origin.

The report sheds light on forced displacement around the world as result of oppression, war, violence or human rights violations. According to the UNHCR, 79.5 million people were displaced in 2019, in comparison with 70.8 million a year before. This figure represents an annual rise of around 8.7 million in the number of displaced people around the world. The significant rise that was portrayed during the year 2019 is mainly attributed to the inclusion of some 3.6 million Venezuelans displaced abroad who are facing protection risks, a category that was not accounted for in previous versions of the report.

To put things into perspective, this number implies that 1 out of 97 people on earth is considered to be displaced compared to 1 out of 108 inhabitants a year earlier and 1 out of 174 people in the year 2005. Furthermore, the surge in the number of displaced people during the last decade owes to conflicts across different countries around the world including Syria, the Democratic Republic of Congo, Iraq, South Sudan, Ukraine, Myanmar, Venezuela, and Yemen.

It is worth noting that the majority of refugees globally are from Syria (6.6 million), followed by Venezuela (3.7 million), Afghanistan (2.7 million), South Sudan (2.2 million), Myanmar (1.1 million) and Somalia (0.9 million). In a similar vein, Colombia remained the country with the highest number of internally displaced (IDPs) population standing at 7.98 million, followed by Syria (6.15 million), the Democratic Republic of Congo (5.01 million), Yemen (3.63 million), Somalia (2.65 million), Afghanistan (2.55 million), Nigeria (2.20 million) and Ethiopia (1.73 million).

GLOBAL 2019 RANKING OF COUNTRIES BY REFUGEES

Host Country	Number of Refugees	Global Rank
Turkey	3,579,531	1
Pakistan	1,419,606	2
Uganda	1,359,464	3
Sudan	1,055,489	4
Germany	1,146,685	5
Iran	979,435	6
Lebanon	916,156	7
Bangladesh	854,782	8

Sources: UNHCR, Bank Audi's Group Research Department

LEBANESE ECONOMY TO CONTRACT BY 12.0% IN 2020, SAYS BLOOMBERG

According to a recent survey conducted by Bloomberg, the Lebanese economy is expected to be in contraction mode with negative growth at -12.0% in 2020, and -2.5% in 2021.

It is worth noting that the survey was completed by seven economists and conducted between June 12 and June 19. With regards to inflation, the country's CPI is estimated to reach 17.0% in 2020, and forecast at 8.0% in 2021.

Lebanon's current account balance is anticipated to attain a deficit of 15.8% of GDP in 2020, and a deficit of 12.5% of GDP in 2021.

Last but not least, the country's budget balance, as a percentage of GDP, is estimated to post a deficit of 11.9% in 2020. The latter is expected to reach deficits of 11.0% of GDP in 2021.

LEBANON RANKS 146TH GLOBALLY AND 13TH IN ARAB MENA REGION IN 2020 GLOBAL PEACE INDEX

According to the Institute for Economics and Peace (IEP), Lebanon ranked 146th in the world and 13th in the Arab MENA region in the 2020 Global Peace Index with a global score of 2.828 and a "low" state of peace.

The report estimated the economic impact of violence in Lebanon at US\$ 7.04 billion, with the economic cost of violence accounting for 8% of the country's GDP.

The Institute for Economics and Peace (IEP) published its 14th edition of the Global Peace Index (GPI) in which it ranked 163 independent nations and territories based on their level of peacefulness while providing an analysis on peace developments across the globe.

In details, the index is calculated based on 23 quantitative and qualitative indicators and evaluates the state of peace according to three main pillars, namely the level of societal safety and security, the extent of ongoing domestic and international conflict, and the degree of militarization.

On a regional basis, the report indicated that the Middle East and North Africa (MENA) region remained the world's least peaceful region and saw a deterioration on the safety & security. Lebanon ranked 13th out of 18 countries, and was preceded by Egypt and Palestine.

Lebanon was followed by Sudan (14th position) and Libya (15th position). Qatar was the most peaceful country in the region and occupied the 27th place internationally (score: 1.616; state of peace: high).

It is also worth mentioning that the dissipation of conflicts and crises of the past decade were replaced by the COVID-19 pandemic which brought with it a set of new tensions and uncertainties.

Globally, Iceland emerged as the most peaceful country in the world, a position it has held since 2008, with a global score of 1.078 and a state of peace labeled as "very high". New Zealand ranked second in the 2020 GPI (score: 1.198; state of peace: very high), followed by Portugal (score: 1.247; state of peace: very high).

CORPORATE NEWS

SOLIDERE'S PROCEEDS COLLECTED FROM ITS SALES IN 2020 TO REACH US\$ 341.9 MILLION AT THE END OF JUNE 2020

Solidere said proceeds collected from its sales this year will reach US\$ 341.9 million.

The revenues were generated from 15 land sales transactions that were signed in 2019 and 2020. They cover 234,000 square meters of buildable area. The company achieved eight sales transactions in the first five months of 2020 for a total of US\$ 183 million compared to six transactions valued at US\$ 110 million in the same period of 2019.

The sold land plots are located in the New Waterfront area. Deals are being settled by banker's checks.

The company was able to settle debts to banks worth US\$ 190 million owing to these sales. Since the beginning of the year, the company was able to reduce its debts, including those owed to contractors and suppliers, from US\$ 414 million to US\$ 225 million.

Solidere still has a portfolio of land available for sale in the New Waterfront totaling 1.35 million square meters of buildable area.

LEBANESE ZOOMALL SHOPPING APP SECURES US\$ 10 MILLION SERIES A FUNDING

ZoodMall, a Lebanese mobile application built to innovate the e-shopping experience, secured US\$ 10 million in Series A funding round.

The app currently operates in select countries in Central Asia and the Middle East, including Uzbekistan, Iraq, Lebanon, Kazakhstan and Azerbaijan. The latest investment will be used to expand the company's presence into Saudi Arabia, Jordan, Kuwait and Bahrain.

It operates on a "buy now pay later" model and seeks to reach more than 200 million consumers in more than 15 countries across the Middle East and North Africa (MENA) and Commonwealth of Independent States (CIS) regions.

With the backing of its financial and regional strategic partners, ZoodMall will be rapidly developing its position in the large and fast-growing market for cross-border B2C (business to consumer) marketplaces, said the CEO of ZoodMall.

The app allows customers to purchase goods online from more than 30,000 merchants and make their payments in easy installment plans without interest through ZoodPay.

It is available in Playstore and App Store and features more than four million cross-border products, including low-cost and top-tier mobile phones, apparel, accessories, beauty, home and garden products, children's toys, as well as locally-branded goods.

LEBANESELIRA.ORG USES ARTIFICIAL INTELLIGENCE TO DETERMINE THE EXCHANGE RATE

lebaneselira.org launched LELAI (for [LE] banese [L] ira [AI]), an artificial intelligence (AI) algorithm which provides a daily estimate of the exchange rate on the black market between the dollar and the Lebanese pound.

The site was launched last November, in the wake of the protest movement of October 2019. More specifically, the aim here is to provide a tool for assessing the exchange rate between the Lebanese pound and the dollar. Today it has more than 5,000 members.

Until now, in fact, to estimate price fluctuations, lebaneselira.org relied on data provided by exchange offices, which it correlated with information collected on the ground by members of its group.

With LELAI, the team in charge goes further: the AI algorithm, which was designed by several volunteer developers of the collective, is based on a range of 42 different data points.

If LELAI always sends back the information provided by its members - more than 1,000 daily data collected - as well as that of the money changers, these are now crossed with "other sources such as the number of transactions carried out, the money supply in circulation, the history of the rate evolution or the latest economic and political news".

These different sources are not all used systematically, the algorithm choosing to combine them -or not- according to their estimated relevance to determine a daily exchange rate.

LEBZONE.COM AIMS TO OFFER QUALITY LEBANESE PRODUCTION INTERNATIONALLY

An entrepreneur of Lebanese origin is launching an e-commerce platform for quality Lebanese products. Nearly 250 Lebanese producers are already listed on the new marketplace.

The aim is to offer quality Lebanese production internationally, as per the initiator of the website.

The platform, dedicated to Made in Lebanon products, is mainly aimed at the Lebanese diaspora. Nearly 250 Lebanese producers are already referenced from agri food specialties to clothing and skincare brands such as Cosmaline, Amatouri 114 and Images d'Orient.

Based in London, the new platform is inspired by market places like Amazon or Alibaba, which operate on the principle of a third-party merchant.

This appears to be an economically interesting model, since these sites do not carry the risk of stock (or overstock), but retain control of delivery times, their main asset, as per Commerce du Levant.

To guarantee them, Lebzone has signed a partnership with two large transport and logistics companies, Aramex and DHL. The first is responsible for collecting goods from Lebanon; the second to deliver them worldwide.

In exchange, the platform collects a 15% commission on sales made through it, as per the same source.

Under construction for more than a year, the new site, which employs four people, has so far required US\$ 100,000 in equity funding.

But the major investment remains to come: Lebzone indeed plans a large advertising campaign which should be spread over five years.

Lebzone is ready to welcome any Lebanese producer, if its products meet the quality standards of the trading platform.

Samples must therefore be sent to London for verification and validation before the model or product is indexed on the platform, as per the same source.

CAPITAL MARKETS

MONEY MARKET: SIGNIFICANT YEAR-TO-DATE EXPANSION IN MONEY IN CIRCULATION

With the local currency liquidity remaining quite abundant on the money market this week, the overnight rate stayed stable at 3%, noting that its official rate remained quoted at 1.90%.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 11th of June 2020 showed that total resident banking deposits saw further contractions of LP 385 billion. This is mainly driven by a LP 273 billion fall in total LP resident deposits amid a LP 406 billion drop in LP saving deposits and a LP 133 billion increase in LP demand deposits, while foreign currency resident deposits contracted by LP 112 billion (the equivalent of US\$ 74 million). Accordingly, the money supply in its largest sense (M4) increased by a tiny LP 3 billion over the covered week, given a LP 378 billion rise in the currency in circulation and a small increase in the non-banking sector Treasury bills portfolio of LP 10 billion. Within this context, it is worth mentioning that the currency in circulation reached LP 17,130 billion on June 11, 2020 and compared to LP 9,261 billion at end-2019, which marks a large expansion of 85%.

INTEREST RATES

	26/06/20	19/06/20	27/12/19	
Overnight rate (official)	1.90%	1.90%	3.90%	↔
7 days rate	2.00%	2.00%	4.00%	↔
1 month rate	2.75%	2.75%	4.75%	↔
45-day CDs	2.90%	2.90%	4.90%	↔
60-day CDs	3.08%	3.08%	5.08%	↔

Source: Bloomberg

TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 234 BILLION

The latest Treasury bills auction results for value date 25th of June 2020 showed that the three-month category (offering a yield of 3.50%), the one-year category (offering a yield of 4.50%) and the five-year category (offering a coupon of 6.0%) had full allocations.

In parallel, the Treasury bills auction results for value date 18th of June 2020 showed that total subscriptions amounted to LP 324 billion, distributed as follows: LP 6 billion in the six-month category (offering a yield of 4.0%), LP 220 billion in the three-year category (offering a yield of 5.50%) and LP 98 billion in the seven-year category (offering a coupon of 6.50%). These compare to maturities of LP 90 billion, resulting into a nominal weekly surplus of LP 234 billion.

TREASURY BILLS

	26/06/20	19/06/20	27/12/19	
3-month	3.50%	3.50%	5.30%	↔
6-month	4.00%	4.00%	5.85%	↔
1-year	4.50%	4.50%	6.50%	↔
2-year	5.00%	7.00%	7.00%	↔
3-year	5.50%	5.50%	7.50%	↔
5-year	6.00%	6.00%	8.00%	↔
7-year	-	6.50%	9.00%	
Nom. Subs. (LP billion)		324	120	
Short-term (3&6 mths)		6	-	
Medium-term (1&2 yrs)		-	20	
Long-term (3 yrs)		220	-	
Long-term (5 yrs)		-	100	
Long-term (7 yrs)		98	-	
Maturities		90	61	
Nom. Surplus/Deficit		234	59	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: LEBANESE POUND AT NEW HISTORICAL LOW LEVEL AGAINST US DOLLAR

The Lebanese pound plunged to a new historical low level against the US dollar in the back market this week, crossing above the LP/US\$ 7,000 threshold, despite all measures taken by the Central Bank of Lebanon and the money changers Syndicate to meet demand for cash US dollars and curb the free fall of the local currency. The money changers Syndicate launched this week a new mechanism, requiring Lebanese citizens to present certain documents verifying their needs for cash US dollars, while imposing stringent US dollar limitations depending on the purpose of use (buying travel tickets, paying for higher education and student accommodation abroad, paying a housing installment, paying a US dollar debt in Lebanon, etc...). Within this context, it is worth mentioning that the money changers syndicate kept the LP/US\$ exchange rate at a minimum buying price of LP/US\$ 3,850 and a maximum selling price of LP/US\$ 3,900 throughout the week. Concurrently, the Central Bank of Lebanon announced at the end of this week the launching of the electronic platform for exchange operations, which aims to unify the price of US dollar in the parallel market. In parallel, BDL ordered money transfer services operating outside commercial banks to pay incoming transfers in local currency at a rate of LP/US\$ 3,800 this week.

EXCHANGE RATES

	26/06/20	19/06/20	27/12/19	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,870.81	1,870.96	1,970.00	↑
LP/¥	14.10	14.10	13.77	↔
LP/SF	1,591.53	1,586.01	1,543.78	↓
LP/Can\$	1,104.64	1,109.68	1,150.59	↑
LP/Euro	1,693.53	1,690.66	1,679.20	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: BSE PRICE INDEX DOWN BY 1.4% WEEK-ON-WEEK

The BSE total turnover amounted to US\$ 4.8 million this week (excluding block trades on Solidere shares and Bank Audi GDRs for US\$ 2.7 million), with Solidere shares capturing the lion's share of activity. This compared to a higher trading value of US\$ 8.1 million in the previous week.

As far as prices are concerned, the BSE price index declined by 1.4% week-on-week. Three out of six traded stocks registered price decreases, while one stock posted price gains and two stocks saw no price change week-on-week. BLOM's "listed" shares led the decline on the BSE this week, plunging by 10.0% to close at US\$ 4.16, followed by Bank Audi's "listed" shares with -8.2% to US\$ 0.89, Solidere "B" share price with -0.6% to US\$ 11.93. In contrast, Solidere 'A' share price edged up by 0.8% to US\$ 12.08. Byblos Bank's "listed" share price remained stable at US\$ 0.60. BLOM's GDR price stayed quoted at US\$ 3.50.

AUDI INDICES FOR BSE

22/1/96=100	26/06/20	19/06/20	27/12/19	
Market Cap. Index	278.04	281.95	316.37	↓
Trading Vol. Index	41.92	71.36	24.97	↓
Price Index	59.14	59.97	69.36	↓
Change %	-1.39%	4.96%	2.37%	↓
	26/06/20	19/06/20	27/12/19	
Market Cap. \$m	6,596	6,689	7,506	↓
No. of shares traded (Exc. BT)	484,957	721,818	333,997	↓
Value Traded \$000 (Exc. BT)	4,760	8,107	2,294	↓
o.w. : Solidere	4,681	8,044	2,294	↓
Banks	79	45	0	↑
Others	0	18	0	↓

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

BOND MARKET: WEEKLY CONTRACTIONS IN BOND PRICES

While the Parliamentary fact-finding committee began for the first time talks with the IMF following financial system's loss figures reconciliation, Lebanon's Eurobond market saw this week price contractions across the yield curve, with papers maturing between 2020 and 2037 registering price falls ranging between 0.38 pt and 0.75 pt. It is worth mentioning that foreign institutional investors started showing some appetite for Lebanese sovereigns due to their attractive prices, as the latter hovered between 16.13 cents per US dollar and 19.50 cents per US dollar this week, and compared to higher debt prices ranging between 40 cents per US dollar and 50 cents per US dollar in other emerging markets like Argentina, Zambia and Ecuador.

EUROBONDS INDICATORS

	26/06/20	19/06/20	27/12/19	
Total tradable size \$m	32,664	32,664	29,564	↔
o.w.: Sovereign bonds	31,314	31,314	28,314	↔
Average Yield	67%	65%	29.99%	↑
Average Life	7.52	7.53	7.50	↓
Yield on US 5-year note	0.32%	0.34%	1.71%	↓

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	26-June-20	19-June-20	31-Dec-19	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	107.22	106.88	108.64	0.3%	-1.3%
\$/£	1.234	1.235	1.326	-0.1%	-6.9%
\$/Euro	1.122	1.118	1.121	0.4%	0.1%
STOCK INDICES					
Dow Jones Industrial Average	25,015.55	25,871.46	28,538.44	-3.3%	-12.3%
S&P 500	3,009.05	3,097.74	3,230.78	-2.9%	-6.9%
NASDAQ	9,757.22	9,946.12	8,972.60	-1.9%	8.7%
CAC 40	4,909.64	4,979.45	5,978.06	-1.4%	-17.9%
Xetra Dax	12,089.39	12,330.76	13,249.01	-2.0%	-8.8%
FT-SE 100	6,159.30	6,292.60	7,542.44	-2.1%	-18.3%
NIKKEI 225	22,512.08	22,478.79	23,656.62	0.1%	-4.8%
COMMODITIES (in US\$)					
GOLD OUNCE	1,771.29	1,743.87	1,517.27	1.6%	16.7%
SILVER OUNCE	17.81	17.62	17.85	1.0%	-0.3%
BRENT CRUDE (per barrel)	41.02	42.19	62.93	-2.8%	-34.8%
LEADING INTEREST RATES (%)					
1-month Libor	0.18	0.19	1.76	-0.01	-1.58
US Prime Rate	3.25	3.25	4.75	0.00	-1.50
US Discount Rate	0.25	0.25	2.25	0.00	-2.00
US 10-year Bond	0.64	0.69	1.92	-0.05	-1.28

Sources: Bloomberg, Bank Audi's Group Research Department

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