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The LEBANON WEEKLY MONITOR

Economy

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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. This April, the index rose by 17% year-on-year.

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With the Lebanese Parliament passing a series of draft laws and returning the capital control draft law to the Parliamentary committees, and in line with two new circulars issued by BDL to support the import of basic food items and industrial raw materials, the country's capital markets saw this week receding pressures on LP in the black FX market, while a status-quo mood reigned over the Eurobond market, and the equity market saw further price drops in Solidere shares. In details, the release of two new BDL circulars helped somehow curbing the freefall of the Lebanese pound against the US dollar in the black market, and maintained the LP/US\$ rate around LP/US\$ 4,000. On the Eurobond market, prices were mostly stable week-on-week, while all investors' eyes remained focused on the outcome of the government's discussions with the IMF amid divergence of views between the government and the financial sector. On the equity market, Solidere shares continued to trace a downward trajectory, mainly on some profit-taking operations after a strong price rally registered over the first four months of 2020.

LEBANON MARKETS: WEEK OF MAY 25 - MAY 31, 2020

Money Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



Eurobond Market



CDS Market



ECONOMY

YEAR-ON-YEAR INFLATION AT 17.1% IN APRIL

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 April the year-on-year index has surged by 17.1% compared to results of April 2019.

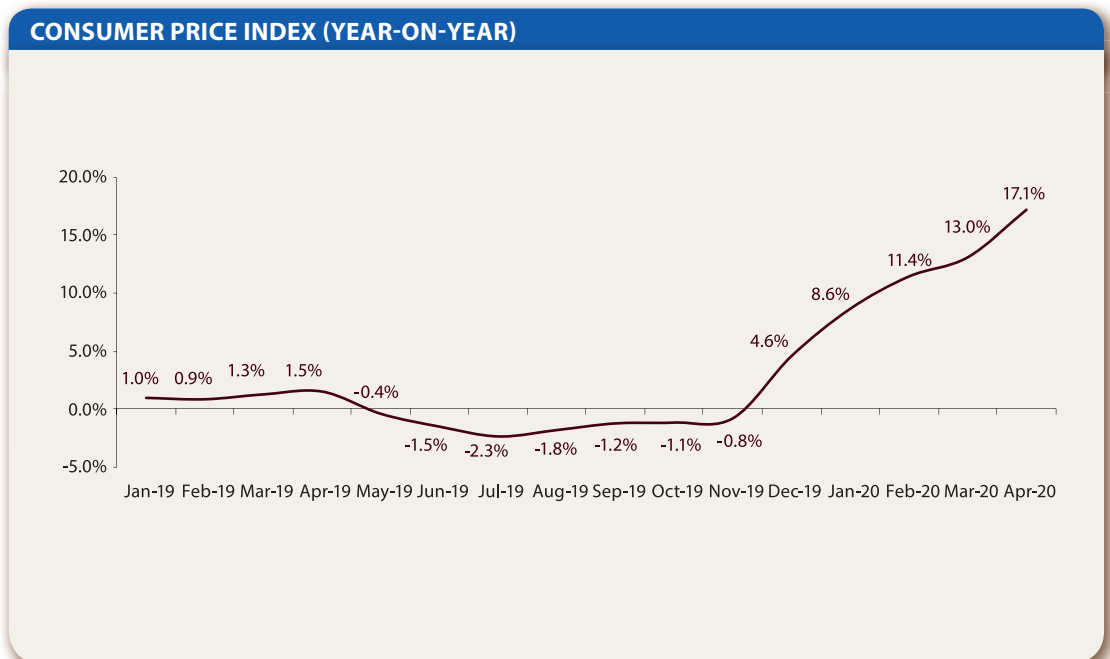
All nine main indices registered increases this April. The highest increase was registered by the “Food and Beverages” category (30.0%), followed by the “Durable Consumer Goods” category (21.4%), the “Transportation and Telecommunications” category (20.9%) and the “Other Goods and Services” category (8.6%).

The April 2020 year-on-year “Food and Beverages” index has significantly increased by 30.0% since April 2019. All of the four main indices registered increases this month, as follows: the “Tobacco Products” category (60.3%), the “Food” category (28.5%), the “Nonalcoholic Beverages” category (24.4%) and the “Alcoholic Beverages” category (4.4%).

The index for “Food” increased by 28.5% compared to its level last year, as all of the twelve food group indices have witnessed increases this April. The most significant increase was registered in the “Fish and Seafood” category (87.8%), followed by the “Sugar and Confectioneries” category (85.0%), the “Grains and Nuts” category (56.6%), the “Meat and Poultry” category (43.5%) and the “Chocolate and Candy” category (30.1%).

Apparel year-on-year prices registered 0.6% increase in April 2020. This was the result of the increase in the “Clothing and Sewing Materials” category (0.8%). The “Footwear” category kept stable this month, due to the outbreak of coronavirus (COVID-19) pandemic, and in light of the Government’s declaration of the state of “medical emergency” and the closure of businesses and retailers.

The index for “Housing” has increased by 6.7% in April 2020 from its level last year. This was due to the increases in the “Household Maintenance” category (23.6%) and the “Household Energy” category (3.0%). The other two categories registered no change this month.



Source: Consultation & Research Institute

The “Durable Consumer Goods” index has significantly increased by 21.4% since April 2019. Seven indices have witnessed increases this April, most significantly those of the “Glassware” category (47.3%), followed by the “Miscellaneous Household Products” category (43.3%), the “Cleaning Products and Services” category (34.0%) and the “Housekeeping Services” category (30.6%). A sole category recorded a decrease in April 2020, namely that of the “Household Furnishings” category (-1.9). The CPI component for “Transportation and Telecommunications” has surged by 20.92% (year-on-year) in April 2020, due to the considerable increase in the “Transportation” category (22.6%); 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 2.3% compared to its results in April 2019, as both of its main categories increased: the “Reading Materials and Photography” category (3.9%) and the “Movies and Restaurants” category (2.0%).

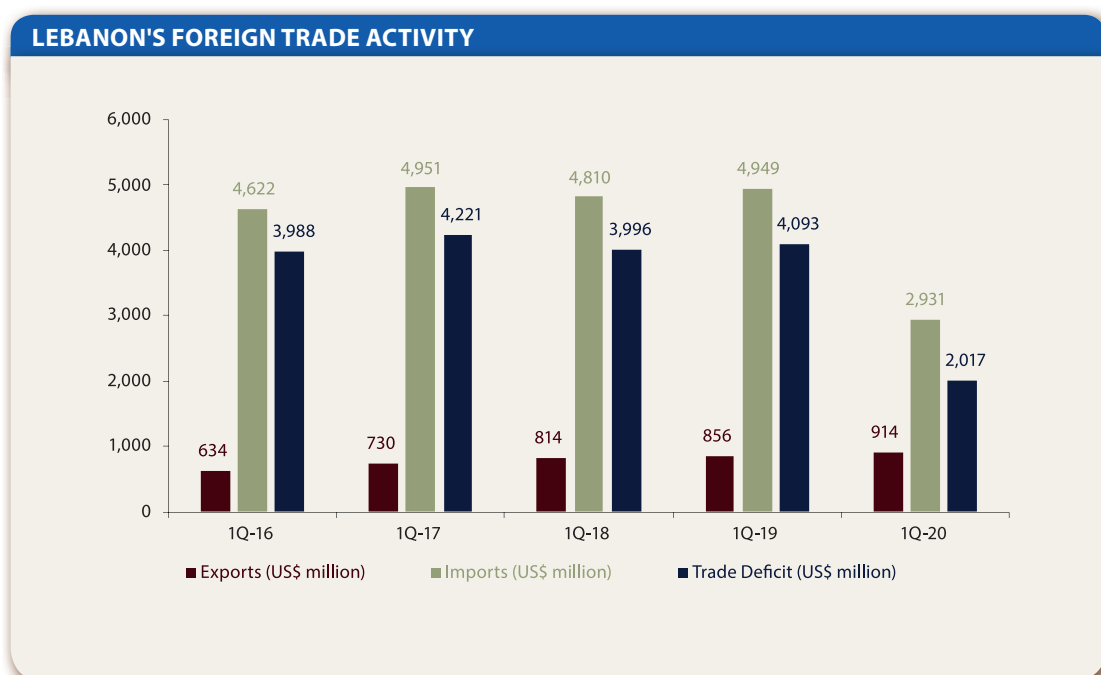
The index of “Other Goods and Services” has increased by 8.6% since April 2019. This was basically due to the huge increase registered in the “Jewelry” category (30.7%).

On the other, a sole category recorded a decrease, namely that of the “Personal Care” category (-0.4%). The “Travel” and the “Financial Services” categories remained unchanged this April.

51% DROP IN TRADE DEFICIT IN THE FIRST QUARTER OF 2020 AMID A 41% DECLINE IN IMPORTS

The latest foreign trade statistics released by Lebanon’s Customs Authority for the first quarter of 2020 suggest a net contraction in imports by a yearly 40.8%, alongside a 6.8% hike in exports, which led to a reduction in the trade deficit by 50.8% in the first three months of 2020 when compared to the same period of 2019, a trend that is continuing since late November.

That said, the sum of exports and imports went down by a yearly 33.8% to reach US\$ 3.8 billion over the first quarter of this year, compared to US\$ 5.8 billion in the same period of last year.



Source: Lebanon's Customs Authority

The exports to imports ratio reached 31.2% over the period, compared to 17.3% in the first quarter of 2019.

Going further into details, exports reached US\$ 914 million in the first three months of 2020, compared to US\$ 856 million in the same period of 2019.

In parallel, total imports reached US\$ 2.9 billion in the first three months of 2020, from US\$ 4.9 billion in the same period of last year.

SIZE OF PUBLIC PROCUREMENT ESTIMATED AT 6.5% OF GDP FOR THE 2010- 2020 PERIOD, AS PER INSTITUT DES FINANCES BASIL FULEIHAN

According to a report by the Institut des Finances Basil Fuleihan under the title "Economic estimates of the size of Public Procurement in Lebanon", in line with the Lebanese Government's commitment and its draft Reform Program (April 2020) prioritizing public procurement among the critical structural reforms to be implemented, and in line with the efforts undertaken since 2019 by the Ministry of Finance to modernize public procurement, providing an economic estimate of its size has become necessary.

According to the report, this estimate would help stakeholders involved in the reform process grasp its strategic importance as a key component of public financial management, as well as its role in stimulating private sector growth and ensuring an efficient delivery of services to citizens.

Given limited data availability, the economic estimate of the size of public procurement for the years 2010-2020, at the central level (central government, excluding public institutions and municipalities), was based on OECD standards published in Government at a Glance, 2019, as per the same source.

The OECD methodology for calculating the size of procurement as detailed in the report "Government at a Glance 2019", is described as follows. The size of general government procurement spending is estimated using data from the OECD National Accounts Statistics (database), based on the System of National Accounts (SNA).

General government procurement is defined as the sum of intermediate consumption (goods and services purchased by governments for their own use, such as accounting or IT services), gross fixed capital formation – GFCF (acquisition of capital excluding sales of fixed assets, such as building new roads) and social transfers in kind via market producers (purchases by general government of goods and services produced by market producers and supplied to households). Public corporations were excluded in the estimation of procurement spending.

According to the report, economic estimates of the size of public procurement were calculated in LP billion, based on data published regarding the period 2010-2019, and based on budget data and projections for the year 2020.

These included the size of public procurement in central government expenditures. For the 2010-2019 period, the size of public procurement in government spending was calculated following the above-mentioned OECD standards. Figures were extracted from effective expenditures data (at the central level of government only), as per the same source.

The size of public procurement in central government expenditures included current expenditures (equivalent to Intermediate consumption) which are material and supplies, external services, transfers to EDL (for gas and fuel purchasing, excluding transfers for debt service) and other current expenditures (hospitals and others such as court orders & reconciliations, mission costs, etc.), in addition to capital expenditures, as per the report.

As a result of the calculations of the institute, the size of public procurement was estimated at 20% of central government expenditures and 6.5% of GDP for the 2010- 2020 period.

SURVEYS

ABL PLAN DISPLAYS DIVERGENCE OF VIEWS BETWEEN GOVERNMENT AND FINANCIAL SECTOR, SAYS BAML

According to a recent report by Bank of America Merrill Lynch (BAML), The Association of Banks of Lebanon (ABL) plan underlines the divergence of views between the government and the financial sector (including the Banque du Liban (BdL)) in regards to economic approach and apportionment of losses.

This could complicate ongoing negotiations with the IMF near-term, and political economy considerations could determine the next steps and outcome, as per BAML. The ABL plan may not provide great relief to eurobond holders as BAML expects the NPV impact to occur through maturity extensions, coupon cuts and high exit yields. The report discusses below the ABL plan's conceptual direction rather than its numerical framework, as the latter is relatively under-developed.

The ABL plan favors a gradual flow adjustment over a stock adjustment that would minimize the impact on banking sector balance sheets. There does not seem to be a domestic consensus on the trade-offs inherent to the different policy options. BAML sees room for policy-making debate around the judicious use of state assets, the structure of such operations and equity considerations.

In regards to debt restructuring, the ABL plan takes the opposite approach to that of the government. It proposes a re-profiling of domestic government debt and Eurobonds with no face-value cuts (but with coupon cuts). This would leave existing bank capital in a position to absorb losses on private sector loans, with any shortfalls to be gradually addressed. This would thus prevent a bail-in of bank shareholders and depositors.

According to the report, government debt would remain elevated and vulnerable to macro shocks (as it would stand at 170% of GDP post-restructuring at end-2020 and above 100% of GDP until 2027). This is likely to be inconsistent with typical IMF exceptional access programs.

A contribution of the ABL plan to ongoing policy discussions is to introduce the possibility of the use of State assets to retire government debt. The ABL proposes the setup of a Government Debt Defeasance Fund (GDDF) that would hold public assets. The GDDF would issue US\$ 40 billion in long-dated, interest-bearing, covered securities in exchange for the settlement of domestic government debt held by the BdL. The GDDF would provide dividend payments to the government and interest payments to the BdL. As a number of public assets transfer their surpluses to the budget already, the net impact on the budget of diverting GDDF interest payments to the budget is unclear. Still, BAML suspects the net budget impact could be negative, as per the report. While the GDDF's SPV structure moves US\$ 40 billion of government debt off-balance sheet, the IMF is likely to take a holistic view on general government debt.

The possible inability of the GDDF to honor its debt obligations at maturity could imply that the BdL would take ownership of the underlying State assets, as per BAML. Unless these assets are then sold off, BdL would have substituted liquid impaired assets for illiquid valuable local assets.

The GDDF operation does not directly increase BdL capital nor does it address existing losses implied by the government plan, but it would reduce future losses from any facevalue cuts to government debt. It also does not directly address BdL's Fx mismatch and negative Fx reserves position, as per the report.

The GDDF operation does not directly restore BdL's profitability, said BAML. This is because it is unclear what level of interest rate payments can be supported by the GDDF, and because BdL liabilities to banks have not been addressed.

To support profitability, BdL would have to rely on future seignorage and on the reduction of its Fx liabilities and of Fx deposits in the banking sector, as implied by the crawling liraification introduced by Intermediate Circular 536, as per BAML. The possible low level of interest rates on GDDF securities and

of coupon rates post-restructuring could imply that the BdL may further reduce the deposit interest rate curve across the financial sector to protect margins.

This could thus keep capital controls and deposit withdrawal restrictions in place for an extended period of time. The passage of time, potential lack of reforms, no change in domestic narrative and the status quo could increase the odds of this policy option. The benefit in the ABL plan of no principal face-value reduction for eurobond investors would be offset by large maturity extensions and low coupons.

FITCH SOLUTIONS RETAINS A “NEGATIVE” OUTLOOK FOR THE LEBANESE TELECOMMUNICATIONS MARKET

Despite strong opportunities and continued growth, Fitch Solutions retains a “negative” outlook for the Lebanese telecommunications market.

Lack of competition in the mobile market, regulatory constraints, macroeconomic concerns and the presence of State-run Ogero as the only fixed-service providers, negatively affect Fitch Solutions’ forecasts.

Nonetheless, operators would continue to invest in expanding their 4G and 5G networks in order to upsell advanced services to consumers, while fixed-line service growth will continue to decline as fixed-to-mobile substitution plays out, as per the report. In the broadband sector, recent developments point to much needed expansion, but the report remains cautious on timely delivery.

It is worth noting that a lack of competition would limit mobile subscription growth during the forecast period, with total subscriptions reaching only 5.0 million in 2029, for a penetration rate of 80.5%.

Fitch Solutions also holds a more positive view of the broadband market thanks to recent developments on the side of the government, but remains cautious on timely delivery, and forecast a total of almost 2.2 million fixed broadband subscriptions in 2029.

In September 2019, Touch launched the country's first 5G mobile site at its headquarters in central Beirut. In tests, it has exceeded 1,400 Mbps at the site with latency below 5 ms.

Fitch Solutions estimates the Lebanese telecoms market ended 2019 with approximately 4.3 million subscribers. With a penetration rate still under 65%, the market has strong growth opportunities, but is limited by the lack of competition in what is effectively a duopoly.

At the end of the 10-year forecast, Fitch Solutions believes the market will reach a total of 5.0 million subscribers, for a penetration rate of 80.5%. The report also holds a positive view of mobile broadband growth, with 4G reaching 3.1 million subscribers, or a little over 61% of total mobile subscribers. By 2029, Fitch Solutions estimates 5G subscriptions will reach 1.9 million, summing up to the remaining almost 39% of total mobile subscribers.

The report does not expect the COVID-19 emergency to impact the evolution of Lebanon's telecommunications market in such a way as to warrant significant changes to our core forecasts for subscriptions.

This is even more so, given that no significant network expansion plans, nor any spectrum license auctions were planned to take place during the period.

CORPORATE NEWS

NEWLY REGISTERED CARS AT 2,532 IN FIRST FOUR MONTHS OF 2020, DOWN BY A YEARLY 68.7%

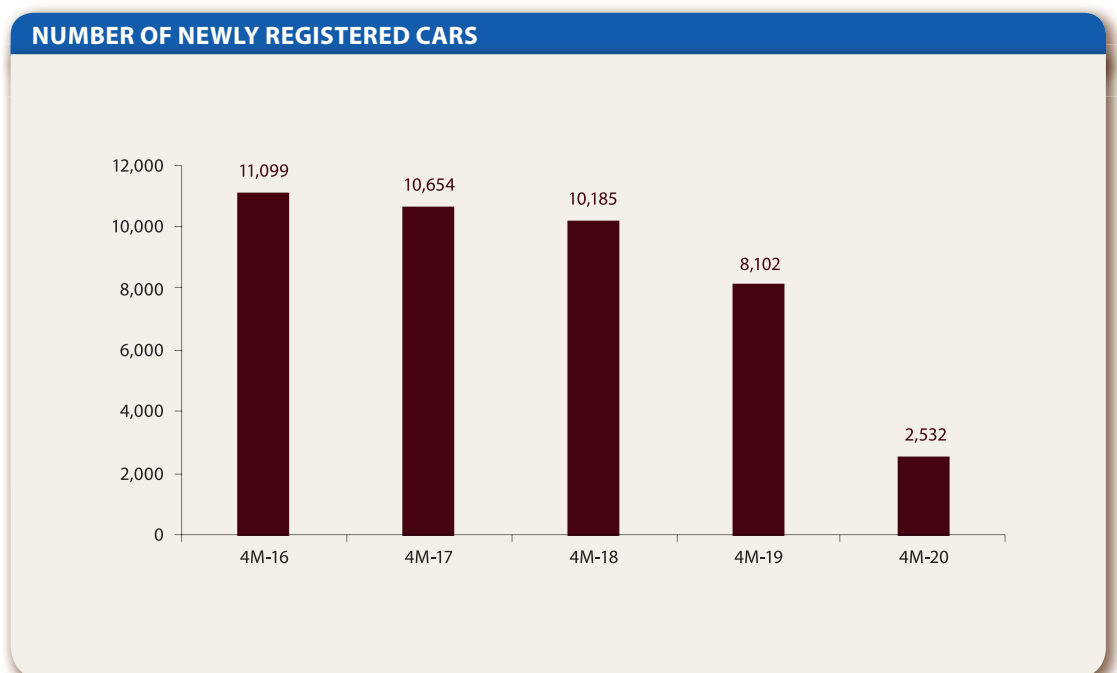
According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 2,532 in the first four months of 2020, falling by 68.7% from a total of 8,102 in the same period of 2019.

In April 2020, the number of cars registered stood at 188, down by 91.4% from 2,168 cars registered in the same month of 2019.

In March 2020, the number of cars registered stood at 468, down by 78.7% from 2,190 cars registered in the same month of 2019.

The taxes paid by car importer companies to the State Treasury declined from US\$ 265 million in 2018 to US\$ 178 million in 2019. These are estimated by the Association of Car Importers in Lebanon to stand at US\$ 33 million in 2020.

According to a recent statement, the major reasons that have led to this drop in sales are the latest banking procedures which are the impossibility of opening Documentary Credits to import new cars and spare parts and the impossibility of converting cash collected in Lebanese pounds into US dollars in the banks to pay the suppliers.



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

MEFOSA IS PREPARING TO LAUNCH AN AGRIBUSINESS FUND WORTH US\$ 20 MILLION

MENA Food Safety Associates (MEFOSA) is preparing to launch an investment fund with a targeted capital of US\$ 20 million, said the CEO of MEFOSA.

The fund will invest in agribusiness such as dairy production and canned food as well as in auxiliary sectors such as cold storage warehouses, farms, and food-packing houses. It will also invest in bio-industry and the biopharmaceutical sector.

There are many companies in these sectors that have been facing difficulties in recent years and some of them have stopped operations, as per the same source.

The fund will acquire equity in these companies and will be represented at their board of directors. It will help them revamp their business, and then it will exit after three years.

Ten factories are currently being offered for sale and 90 food packing houses in the Bekaa have stopped operations, as per the same source.

Existing export support programs most often do not provide support to eligible exporters, as per the same source.

The fund is targeting US\$ 5 million in its first phase. So far US\$ 1 million was pledged.

MEFOSA provides a broad range of consultancy and technological services in agribusiness fields that include food safety, food hygiene, food traceability, agro-industrial management, and technical assistance.

DEVELOPERS LAUNCH "SHINMIMLAM", A PLATFORM TO LEARN ALL ABOUT THE LEBANESE BUSINESS NETWORKS

A new site under the name "Shinmimlam" (initials of "Lebanese public limited company" in Arabic) was recently launched in order to answer questions related to the business community. These range between: Which minister in the current government has the most connections to the business community? Who owns the most companies in Lebanon? What nationality is most represented among foreign businessmen?

The search tool, the first of its kind in Lebanon, offers simplified and synthetic access to data from the Lebanese commercial register, by offering, by year and region, a visual representation of the links between companies, businessmen and public figures, as per Commerce du Levant.

The developers wanted to facilitate the search and filtering of data thanks to a modern and easy-to-use interface. If Lebanese law compels the public nature of information from the commercial register, which can be consulted on the dedicated official website, it is difficult to read, as per Commerce du Levant. Hence, facilitating access to this information is the technical prowess of the "Shinmimlam" development team which underscores the complexity of this task "given the density and aridity of the initial data", as per the same source.

This awareness around the transparency of information became, in the wake of October 17, more and more acute among the Lebanese, as per the same source. Proof of this is that the number of searches recorded by the site has reached more than 50,000 since its launch, as per the same source.

CAPITAL MARKETS

MONEY MARKET: CONTINUOUS WEEKLY CONTRACTION IN TOTAL RESIDENT DEPOSITS

The local currency liquidity remained quite abundant on the money market during this week, which kept the overnight rate stable at 3%, noting that its official rate is quoted at 1.90%.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 14th of May 2020 showed that total resident banking deposits contracted by LP 743 billion. This is mainly driven by a LP 656 billion drop in total LP resident deposits amid a LP 551 billion fall in LP saving deposits and a LP 105 billion decrease in LP demand deposits, while foreign currency resident deposits contracted by LP 87 billion (the equivalent of US\$ 58 billion). Accordingly, the money supply in its largest sense (M4) contracted by LP 508 billion week-on-week amid a LP 226 billion growth in the currency in circulation and a shy increase in the non-banking sector Treasury bills portfolio of LP 9 billion.

INTEREST RATES

	29/05/20	22/05/20	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 DEFICIT OF CIRCA LP 135 BILLION

The latest Treasury bills auction results for value date 28th of May 2020 showed that the three-month category (offering a yield of 3.50%), the one-year category (offering a coupon 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 21st of May 2020 showed that total subscriptions amounted to LP 37 billion, allocated as follows: LP 0.9 billion in the six-month category (offering a yield of 4.0%), LP 0.5 billion in the three-year category (offering a coupon of 5.50%) and LP 36 billion in the seven-year category (offering a coupon of 6.50%). These compare to maturities of LP 172 billion, resulting into a nominal weekly deficit of circa LP 135 billion.

TREASURY BILLS

	29/05/20	22/05/20	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)		37	120	
Short-term (3&6 mths)		0.9	-	
Medium-term (1&2 yrs)		-	20	
Long-term (3 yrs)		0.5	-	
Long-term (5 yrs)		-	100	
Long-term (7 yrs)		36	-	
Maturities		172	61	
Nom. Surplus/Deficit		-135	59	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: BDL'S SUPPORT OF IMPORTS CURBS THE FREEFALL OF LP

The Central Bank of Lebanon issued on May 27, 2020 two intermediate circulars No. 556 and 557. The first one allows banks operating in Lebanon to ask BDL for foreign currency supply to finance the import of industrial raw material, while the second one allows banks to ask for FC supply to finance the import of basic food items and raw material for agro food industries.

The release of these two new BDL circulars helped somehow curbing the freefall of the Lebanese pound against the US dollar in the black market, and maintained the LP/US\$ exchange at around LP/US\$ 4,000, while licensed foreign exchange dealers remained on strike for the fifth consecutive week. Concurrently, the Central Bank of Lebanon ordered money transfer services operating outside commercial banks to pay incoming transfers in local currency at LP/US\$ 3,200, while the LP/US\$ official rate in banks remained stable at LP 1,507.5.

EXCHANGE RATES

	29/05/20	22/05/20	27/12/19	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,854.07	1,835.83	1,970.00	↓
LP/¥	14.06	14.02	13.77	↓
LP/SF	1,567.37	1,550.45	1,543.78	↓
LP/Can\$	1,094.45	1,074.64	1,150.59	↓
LP/Euro	1,675.59	1,642.87	1,679.20	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: SOLIDERE SHARE PRICES REMAIN ON THE DECLINE

The BSE total turnover was restricted to US\$ 1.4 million during this week that was shortened to three working days due to Fitr holidays and compared to a total trading value of US\$ 17.9 million during the previous five-day week. Solidere shares captured 85.8% of activity, followed by the banking shares with 13.4% and the industrial shares with 0.8%.

As far as prices are concerned, the BSE price index rose by 1.0% week-on-week, mainly due to the additional listing of Bank Audi "listed" shares. Four out of 26 listed stocks on the BSE were traded this week. Solidere shares "A" and "B" shares registered price contractions of 1.0% each to reach US\$ 10.01 each. Solidere shares pursued their downward trajectory for the fourth consecutive week, mainly on some profit-taking operations after a strong price rally observed during the first four months of 2020 as investors moved from bank placements to real estate equities. Bank Audi's "listed" share price remained stable at US\$ 1.0. Holcim Liban's share price stayed quoted at US\$ 3.20.

AUDI INDICES FOR BSE

22/1/96=100	29/05/20	22/05/20	27/12/19	
Market Cap. Index	267.70	257.27	316.37	↑
Trading Vol. Index	21.16	157.53	24.97	↓
Price Index	56.94	56.40	69.36	↑
Change %	0.95%	-3.44%	2.37%	↑
	29/05/20	22/05/20	27/12/19	
Market Cap. \$m	6,351	6,103	7,506	↓
No. of shares traded (Exc. BT)	317,569	4,902,558	333,997	↓
Value Traded \$000 (Exc. BT)	1,445	17,933	2,294	↓
o.w. : Solidere	1,240	4,365	2,294	↓
Banks	193	13,561	0	↓
Others	12	7	0	↑

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

BOND MARKET: STATUS-QUO MOOD REIGNS OVER LEBANON'S EUROBOND MARKET

A status-quo mood reigned over the Lebanese Eurobond market this week, while all market players' eyes remained focused on the outcome of the government's discussions with the IMF amid divergence of views between the government and the financial sector. Within this context, it is worth mentioning that the Association of Banks in Lebanon proposed in its plan a re-profiling of domestic government debt and Eurobonds with no face-value cuts (but with coupon cuts). This would leave existing bank capital in a position to absorb losses on private sector loans, with any shortfalls to be gradually addressed. This would thus prevent a bail-in of bank shareholders and depositors, according to a report issued by Bank of America Securities.

A closer look at Lebanese Eurobonds shows that sovereigns maturing between 2020 and 2037 saw mostly no price change week-on-week. Within this context, the weighted average bond yield remained relatively stable at 66%. Prices of Lebanese sovereigns hovered between 15.88 cents per US dollar and 16.75 cents per US dollar, noting that a CDS auction held on April 23, 2020 gave Lebanese Eurobonds a final value of 14.125%.

EUROBONDS INDICATORS

	29/05/20	22/05/20	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	66%	65%	29.99%	↑
Average Life	7.60	7.60	7.50	↔
Yield on US 5-year note	0.32%	0.33%	1.71%	↓

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	29-May-20	22-May-20	31-Dec-19	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	107.82	107.63	109.61	0.2%	-1.6%
\$/£	1.234	1.217	1.275	1.4%	-3.2%
\$/Euro	1.110	1.090	1.147	1.8%	-3.2%
STOCK INDICES					
Dow Jones Industrial Average	25,383.11	24,465.16	28,538.44	3.8%	-11.1%
S&P 500	3,044.31	2,955.45	3,230.78	3.0%	-5.8%
NASDAQ	9,489.87	9,324.59	8,972.60	1.8%	5.8%
CAC 40	4,695.44	4,444.56	5,978.06	5.6%	-21.5%
Xetra Dax	11,586.85	11,073.87	13,249.01	4.6%	-12.5%
FT-SE 100	6,076.60	5,993.28	7,542.44	1.4%	-19.4%
NIKKEI 225	21,877.89	20,388.16	23,656.62	7.3%	-7.5%
COMMODITIES (in US\$)					
GOLD OUNCE	1,730.27	1,734.68	1,517.27	-0.3%	14.0%
SILVER OUNCE	17.87	17.21	17.85	3.8%	0.1%
BRENT CRUDE (per barrel)	37.84	35.13	66.00	7.7%	-42.7%
LEADING INTEREST RATES (%)					
1-month Libor	0.18	0.17	1.71	0.01	-1.53
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	0.65	0.66	1.92	-0.01	-1.27

Sources: Bloomberg, Bank Audi's Group Research Department

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