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The LEBANON WEEKLY MONITOR

Economy

p.2 BANK DEPOSITS CONTINUE THEIR DESCENT IN MAY, THOUGH AT A LOWER PACE THAN PREVIOUS MONTHS

According to banking sector statistics released by BDL this week, customer deposits continued their descent in May, though at a lower pace than previous months. Deposits contracted by US\$ 1.2 billion in May, the lowest contraction since the outburst of the revolution in October 2019, with the average monthly contraction recording US\$ 3.5 billion since then.

Also in this issue

p.3 Number of tourists down by 48.3% year-on-year in first quarter of 2020

p.4 Cement deliveries down by 55.7% in first quarter of 2020

p.4 Electricity production down by 9.9% in first quarter of 2020

Surveys

p.5 LEBANON'S HOSPITALITY SECTOR HITS ROCK BOTTOM IN 4M 2020, AS PER EY
Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East in the first four months of 2020 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed a notable deceleration in occupancy rates, average room rates and room yields.

Also in this issue

p.6 Lebanon's banking sector profits to come under pressure, says Fitch Solutions

Corporate News

p.7 BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,243 MILLION AT END-MAY 2020

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,243.1 million at end-May 2020, down by 10.1% from end-2019.

Also in this issue

p.8 Solidere posts net profits of US\$ 49 million in 2019

Markets In Brief

p.9 LP RECOVERS FROM LOWS IN BLACK MARKET FOLLOWING BDL'S PLEDGE TO INJECT US DOLLARS INTO BANKS

With Lebanon on the threshold of hyperinflation and amid a social discontent with the worsening domestic economic conditions, and while the IMF negotiations have been put on hold awaiting the start of economic reforms and an agreement on the Lebanese side on a unified figure of national losses, the country's capital markets witnessed this week strong fluctuations in the US dollar exchange rate in the black market, decent price gains on the equity market, and price contractions on the bond market. In details, the LP/US\$ rate plunged to a new historical low level of LP/US\$ 10,000 over this week, yet managed to recover on Friday to below LP/US\$ 9,000 on news that the Central Bank of Lebanon would start injecting US dollars into Lebanese banks to meet import needs. On the equity market, the BSE price index increased by 1.7% week-on-week, mainly supported by Solidere's strong sales figures for the first half of 2020 that have flocked demand for realty stocks. Finally, the bond market posted price contractions amid net local selling operations, while internationals only showed a shy appetite for Lebanese papers.

LEBANON MARKETS: WEEK OF JUNE 29 - JULY 05, 2020

Money Market	↔
LP Tbs Market	↓
LP Exchange Market	↑

BSE Equity Market	↑
Eurobond Market	↓
CDS Market	↔

ECONOMY

BANK DEPOSITS CONTINUE THEIR DESCENT IN MAY, THOUGH AT A LOWER PACE THAN PREVIOUS MONTHS

According to banking sector statistics released by BDL this week, customer deposits continued their descent in May, though at a lower pace than previous months. Deposits contracted by US\$ 1.2 billion in May, the lowest contraction since the outburst of the revolution in October 2019, with the average monthly contraction recording US\$ 3.5 billion since then.

The May contraction was totally due to a contraction in LP deposits, while FX deposits remained on a standstill. As a result, deposit dollarization rose from 78.9% in April to 79.6% in May, its highest level in 14 years. The May contraction was also totally tied to resident deposits, while non-resident deposits remained stable.

Interest rates saw a further significant decline in May. The average LP deposit rate contracted from 5.06% in April to 4.63% in May, against a high of 9.40% last November. The average US\$ deposit rate contracted from 2.32% in April to 1.99% in May, against a high of 6.61% last October. Likewise, lending interest rates continued their contraction in May to report an average of 8.45% in LP and 7.90% in US\$.

It is worth mentioning that loans to the private sector continued their descent in May, dropping by US\$ 1 billion over the month, bringing the year-to-date contraction to US\$ 6.9 billion. Since the beginning of 2019, the banking sector loan portfolio contracted by US\$ 16.5 billion. The May contraction was totally tied to FX loans, while LP loans remained on a standstill. It was likewise totally tied to resident loans, while loans to non-residents remained constant.

The month of May also witnessed a continued contraction in banks Eurobonds portfolio and their placements in foreign banks. In fact, their Eurobond portfolio reached US\$ 10.5 billion in May, against US\$ 13.8 billion at the beginning of the year, suggesting total sales of US\$ 3.3 billion year-to-date. Lebanese banks' placements in foreign banks reported US\$ 4.7 billion at end-May, while liabilities towards the non-resident financial sector stood at US\$ 7.8 billion on the same date.

Lebanese banks shareholders' equity stood at US\$ 20.3 billion at end-May (the equivalent of 9.9% of total assets), against US\$ 20.7 billion at the beginning of the year (the equivalent of 9.6% of total assets). As to

EVOLUTION OF MAIN BANKING AGGREGATES

US\$ billion	Jan-20	Feb-20	Mar-20	Apr-20	May-20	5M-20	5M-19
Total Deposit Growth	-3.8	-3.4	-2.1	-2.1	-1.2	-12.6	-3.4
o.w. Resident Deposits	-2.7	-2.3	-1.5	-1.6	-1.1	-9.2	-2.0
o.w. Non-Resident Deposits	-1.1	-1.1	-0.7	-0.5	-0.1	-3.4	-1.4
LP Deposit Growth	-2.0	-2.2	-0.9	-1.9	-1.2	-8.2	-2.0
FX Deposit Growth	-1.8	-1.2	-1.2	-0.1	0	-4.4	-1.4
Total Loan Growth	-1.9	-1.8	-1.1	-1.1	-1.0	-6.9	-3.1
o.w. Resident Loans	-1.6	-1.7	-0.9	-1.4	-0.9	-6.5	-2.6
o.w. Non-Resident Loans	-0.3	-0.2	-0.1	+0.3	-0.1	-0.3	-0.5
LP Loan Growth	-0.2	-0.2	-0.1	0	0	-0.4	-1.2
FX Loan Growth	-1.7	-1.7	-1.0	-1.1	-1.0	-6.4	-1.9

Source: BDL

the capital adequacy ratio, it reported 10.55% according to Basel III as of December 2019 (Sovereign risk weighted at 100%).

Finally, the balance of payments reported a deficit of US\$ 888 million in May, raising the year-to-date deficit to US\$ 2.2 billion. The May balance of payment deficit is totally attributed to a decline in the net foreign assets of BDL, while those of Lebanese banks remained on a standstill. It is worth recalling that the year 2019 ended up with a total BOP deficit of US\$ 5.9 billion, the largest deficit ever in Lebanon.

NUMBER OF TOURISTS DOWN BY 48.3% YEAR-ON-YEAR IN FIRST QUARTER OF 2020

The latest figures released by the Ministry of Tourism showed that the number of tourists posted a 48.3% yearly retreat in the first quarter of 2020 following an increase of 3.7% in the same period of the previous year.

In fact, the number of tourists registered 194,395 in the first quarter of 2020, compared to 375,815 tourists posted in the first quarter of 2019.

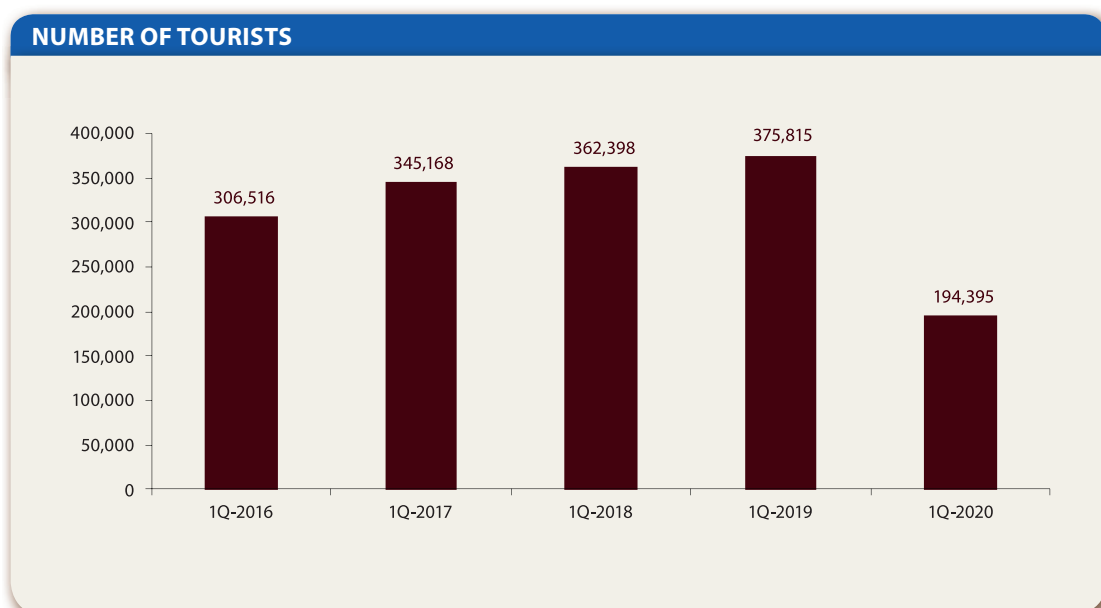
It is worth noting that the sector posted an overall negative performance in the first three months of the year, with the highest decrease registered in March 2020, as a lockdown was imposed on the country after the spread of the COVID-19 pandemic.

In details, Europe and Arab countries got the lion's share in the contribution to the number of tourists with 39.9% (77,620 tourists) and 28.1% (54,695 tourists) respectively.

These were followed by tourists from America which took over a share of 16.3% (31,591 tourists). Tourists from Asia came in after with a share of 8.2% (16,011 tourists), while those of Africa followed with a share of 4.4% (8,595 tourists).

It is worth noting that tourists growth registered a negative performance with the highest decline coming from the Arab countries' tourists that fell by a yearly 60.0%.

This was followed by a decrease in Oceanian tourists by 54.4% and Asian tourists by 47.8%. The number of tourists from Europe, America and Africa fell by a yearly 41.0%, 40.1% and 23.1% respectively.



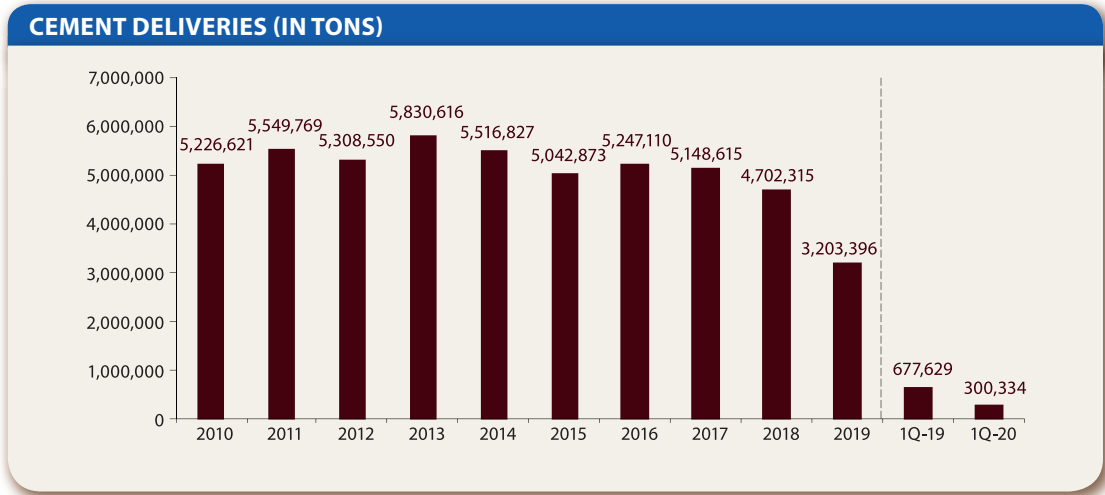
Sources: Ministry of Tourism, Bank Audi's Group Research Department

CEMENT DELIVERIES DOWN BY 55.7% IN FIRST QUARTER OF 2020

Figures released by the Central Bank of Lebanon show that cement deliveries, a coincident indicator of construction activity, declined by a yearly 55.7% in the first quarter of 2020.

Cement deliveries actually reached circa 300,334 tons in the first quarter of 2020, down from 677,629 tons in the corresponding period of 2019, reflecting a continued slowdown in the construction activity in the country.

Cement deliveries actually reached circa 3,203,396 tons in 2019. It is worth also recalling that cement deliveries had reached 4,702,315 tons in 2018, down from 5,148,615 tons in 2017.

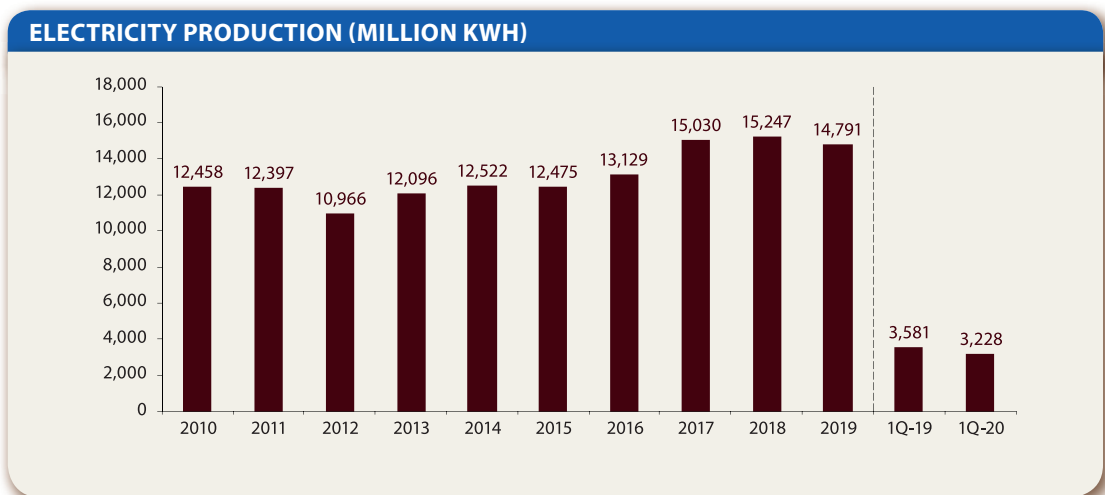


Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

ELECTRICITY PRODUCTION DOWN BY 9.9% IN FIRST QUARTER OF 2020

Data published by the Central Bank of Lebanon shows that electricity production fell by 17.1% year-on-year in the first quarter of 2020. The production totaled 3,228 million Kilowatt Hours (kWh) in the first quarter of 2020, down from 3,581 million kWh in the first quarter of 2019.

It is worth noting that electricity production fell by 3.0% year-on-year in 2019. The production totaled 14,791 million Kilowatt Hours (kWh) in 2019, down from 15,247 million kWh in 2018.



Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

SURVEYS

LEBANON'S HOSPITALITY SECTOR HITS ROCK BOTTOM IN 4M 2020, AS PER EY

Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East in the first four months of 2020 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed a notable deceleration in occupancy rates, average room rates and room yields.

As a matter of fact, the occupancy rate of four and five-star hotels within the capital reached 17.0% in the first four months of 2020, against 74% in the same period of 2019.

The occupancy rate within Beirut was ranked last among 14 cities included in the survey. It was directly surpassed by Manama (36%) and Amman (39%).

Beirut's room rate notably moved down to attain US\$ 130 in 4M 2020 from US\$ 193 in the same period of the past year. It is worth noting that the city's growth rate ranked last out of 14 surveyed cities, contracting by 32.6%.

The rate of the capital's hotels was the eighth highest in the region. It exceeded that of Muscat (US\$ 126) and Madinah (US\$ 116), while being surpassed by Amman (US\$ 131) and Manama (US\$ 134).

The rooms' yield contracted by 84.5% annually to reach US\$ 22 in 4M 2020 compared to US\$ 142 in the same period of the previous year.

Beirut ranked last in terms of variation in the region when assessing this indicator. The room yield in Beirut was last at US\$ 22, surpassed by Manama (US\$ 49) and Madinah (US\$ 49).

ERNST & YOUNG MIDDLE EAST HOTEL BENCHMARK SURVEY

	Occupancy %		Average Room Rate (US\$)		Room Yield (US\$)	
	4M 2020	4M 2019	4M 2020	4M 2019	4M 2020	4M 2019
Abu Dhabi	69	84	92	116	64	97
Doha	60	72	112	112	67	81
Kuwait City	58	65	176	173	102	112
Riyadh	56	68	163	165	91	113
Ras al Khaimah	53	78	153	170	81	133
Dubai	51	85	227	276	117	234
Makkah	51	74	107	95	55	70
Cairo	49	79	105	121	51	95
Muscat	43	74	126	147	54	108
Madinah	42	66	116	114	49	75
Jeddah	41	50	160	169	66	84
Amman	39	63	131	149	51	94
Manama	36	58	134	163	49	94
Beirut	17	74	130	193	22	142

Sources Ernst & Young, Bank Audi's Group Research Department

LEBANON'S BANKING SECTOR PROFITS TO COME UNDER PRESSURE, SAYS FITCH SOLUTIONS

The Lebanon government's recent announcement that it is not willing to pay its existing debt in full would put pressure on the banking sector's liquidity and profits, as per a recent report by Fitch Solutions.

This was anticipated in the previous quarter owing to the high level of sovereign debt and potential expansion of non-performing loans.

Fitch Solutions expects loans to keep contracting, in line with the previous years. In addition, the Covid-19 pandemic would not help the sector or loan growth, as economic activity is expected to slow in the short term at least with mounting external and fiscal pressures piling up.

Informal capital controls as well as a sharply contracting real GDP growth, which will increase non-performing loans, are expected to limit deposits and affects bank's balance sheets.

Moreover, client loan growth is forecast to be at -11.4%% in 2020, a smaller contraction from the previous year, but the sector is still suffering, according to Fitch Solutions.

Banque du Liban rate cuts will stimulate lending activity to some extent; however, it is not expected to achieve a sustained recovery owing to elevated political uncertainty and weak domestic demand.

Lebanese banks are at risk of facing major losses as fiscal and external pressures on the local economy mount, as per Fitch Solutions. The country's government announced in March that it would no longer service its foreign currency debt, and that it would work to negotiate a debt restructuring deal with its creditors.

The move was the culmination of decades of built-up pressure, which has ramped up over the past year amid limited progress on fiscal consolidation, mounting public debt, rising social unrest and waning investor confidence towards the country.

Lebanon had previously relied on financial inflows, notably in the form of bank deposits placed by its large diaspora, to indirectly finance its fiscal and external deficits, as per Fitch Solutions.

However, these inflows began to reverse in late 2019, creating dollar shortages – which have since been exacerbated by the Covid-19 crisis and its negative impact on tourism and remittances – and thus prompting banks to impose capital controls.

In turn, this has caused the spread between the official and black market exchange rates to widen, while the latter traded at LBP 4,800 as of June 17, fuelling inflation which came in at 46.5% year-on-year in April, compared to an average 2.9% in 2019. The government has specifically stated that its liquid foreign reserves – estimated at around US\$ 20.0 billion – would be allocated towards the import of basic goods, such as food and medicines, rather than the servicing of public debt.

CORPORATE NEWS

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,243 MILLION AT END-MAY 2020

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,243.1 million at end-May 2020, down by 10.1% from end-2019.

In details, currency and deposits with Central Banks fell from US\$ 54.9 million at end-2019 to US\$ 52.9 million at end-May 2020.

Claims on resident customers declined by 11.0% from end-2019 to US\$ 555.3 million at end-May 2020. Claims on non-resident customers fell from US\$ 47.3 million at end-2019 to US\$ 18.3 million at end-May 2020.

Claims on resident financial sector decreased from US\$ 306.7 million at end-2019 to US\$ 301.2 million at end-May 2020. Claims on non-resident financial sector decreased by 54.3% from end-2019 to US\$ 23.4 million at end-May 2020.

Claims on the public sector stood at US\$ 4.9 million at end-May 2020, down by 4.5% from end-2019.

Securities portfolio registered US\$ 85.5 million at end-May 2020, down by 4.9% from its level at end-2019.

Tangible assets reported US\$ 52.6 million at end-May 2020, up by 12.5% from end-2019. Intangible assets declined from US\$ 139.1 million at end-2019 to US\$ 132.3 million at end-May 2020.

On the liabilities side, resident customer deposits registered US\$ 157.7 million at end-May 2020, down by 7.8% from end-2019. Non-resident customer deposits fell to US\$ 5.4 million at end-May 2020, from US\$ 17.1 million at end-2019.

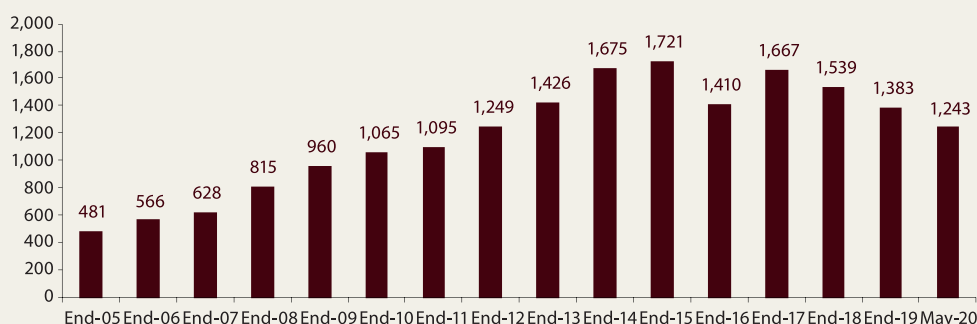
Resident financial sector liabilities stood at US\$ 174.0 million at end-May 2020, declining by 22.1% from end-2019. Non-resident financial liabilities decreased from US\$ 124.7 million at end-2019 to US\$ 102.8 million at end-May 2020.

Public sector deposits stood at US\$ 4.8 million at end-May 2020, up by 21.0% from end-2019.

Debt securities issued stood at US\$ 109.0 million at end-May 2020, down by 2.6% from its level at end-2019.

Capital accounts reported US\$ 465.9 million at end-May 2020, down from US\$ 486.4 million at end-2019.

BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

SOLIDERE POSTS NET PROFITS OF US\$ 49 MILLION IN 2019

Solidere posted net profits of US\$ 49.0 million in 2019 after recording a loss of US\$ 115.7 million in the previous year, according to the company's recently released audited financial statement.

This is the first net profit realized after two consecutive years of losses.

Total revenues jumped from US\$ 66.2 million in 2018 to US\$ 295.4 million last year.

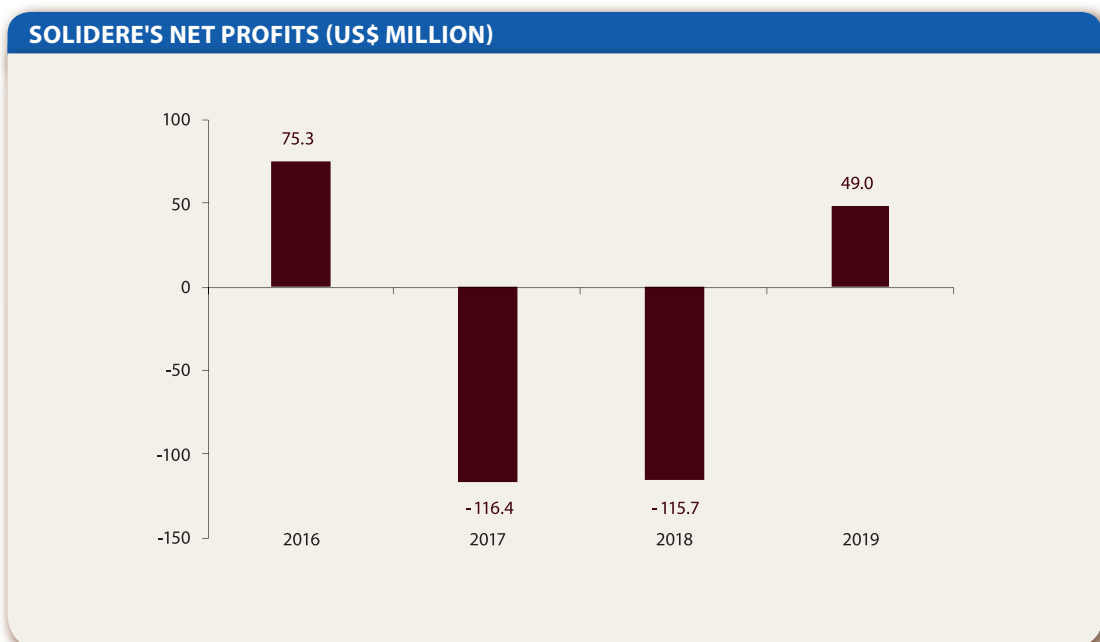
In details, revenues from land sales, which represented 79.4% of total revenues, soared from nearly US\$ 1.3 million to US\$ 234.5 million. Revenues from rented properties decreased by 6.4% to US\$ 53.2 million. Revenues from rendered services decreased from US\$ 8.1 million in 2018 to US\$ 7.7 million in 2019. Revenues from hospitality rose from US\$ 8,656 in 2018 to US\$ 13,709 in 2019.

Solidere's total assets decreased from US\$ 2.5 billion at end-2018 to US\$ 2.2 billion at end-2019.

The company has decreased its total liabilities, including bank loans, by 40.2%. Total liabilities dropped to US\$ 417.4 million at the end of 2019.

Solidere's interest expenses fell by US\$ 13.7 million compared to 2018. Total cost of revenues rose from US\$ 29.2 million in 2018 to US\$ 137.2 million in 2019. Cost of land sales surged from US\$ 726,020 to US\$ 110.8 million over the same period.

The company said that it had succeeded in further lowering its liabilities in 2020 to US\$ 225 million at the end of June, thanks to the increase in sales. It settled debts to banks worth US\$ 190 million. Proceeds collected from sales will reach US\$ 342 million in the first half of 2020, Solidere said.



Source: Solidere

CAPITAL MARKETS

MONEY MARKET: FURTHER WEEKLY CONTRACTION IN TOTAL RESIDENT DEPOSITS

Ample local currency liquidity remained the main feature characterizing the money market over this week. This 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 18th of June 2020 showed that total resident banking deposits contracted by LP 644 billion. This is mainly driven by a LP 283 billion fall in total LP resident deposits amid a LP 323 billion drop in LP saving deposits and a LP 40 billion increase in LP demand deposits, while foreign currency resident deposits contracted by LP 361 billion. Accordingly, the money supply in its largest sense (M4) contracted by LP 295 billion over the covered week amid a LP 205 billion rise in the currency in circulation and a LP 144 billion increase in the non-banking sector Treasury bills portfolio.

Within this context, it is worth mentioning that total resident banking deposits accumulated contractions of LP 15,080 billion since the beginning of the year 2020, mainly due to a LP 12,551 billion fall in total LP resident deposits and a LP 2,529 billion decline in foreign currency resident deposits.

INTEREST RATES

	03/07/20	26/06/20	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 SURPLUS OF LP 1,026 BILLION IN FIRST HALF OF 2020

The latest Treasury bills auction results for value date 2nd of July 2020 showed that 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%) had full allocations.

In parallel, the Treasury bills auction results for value date 25th of June 2020 showed that total subscriptions amounted to LP 175 billion, distributed as follows: LP 8 billion in the three-month category (offering a yield of 3.50%), LP 18 billion in the one-year category (offering a yield of 4.50%) and LP 150 billion in the five-year category (offering a coupon of 6.0%). These compare to maturities of LP 307 billion, resulting into a nominal weekly deficit of LP 131 billion.

On a cumulative basis, total subscriptions amounted to LP 6,115 billion during the first half of the year 2020. The ten-year category captured 38.9% of the total (the equivalent of LP 2,378 billion), followed by the five-year category with 19.7% (the equivalent of LP 1,204 billion), the three-year category with 14.0% (the equivalent of LP 854 billion), the one-year category with 10.4% (the equivalent of LP 639 billion), the seven-year categories with 9.1% (the equivalent of LP 559 billion), the two-year with 5.0% (the equivalent of LP 303 billion), while the three-month and six-month categories accounted for the remaining 2.9% (the equivalent of LP 178 billion in total). In parallel, total maturities reached LP 5,090 billion, resulting into a nominal surplus of LP 1,026 billion during the first half of 2020.

TREASURY BILLS

	03/07/20	26/06/20	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%	↔
10-year	7.00%	-	10.00%	
Nom. Subs. (LP billion)		175	120	
Short-term (3&6 mths)		8	-	
Medium-term (1&2 yrs)		18	20	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		150	100	
Maturities		307	61	
Nom. Surplus/Deficit		-131	59	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: US\$ 4.3 BILLION FALL IN BDL'S FOREIGN ASSETS IN FIRST HALF OF 2020

The downward spiral of the Lebanese pound accelerated this week amid a wide social discontent with the worsening domestic economic conditions and a halt in IMF talks. The LP/US\$ rate plunged to a new historical low level of LP/US\$ 10,000, yet managed to recover to below LP/US\$ 9,000, mainly on news that the Central Bank of Lebanon would start injecting US dollars into Lebanese banks to meet import needs. Within this context, it is worth mentioning that the BDL's foreign assets reached US\$ 33.0 billion at end-June 2020, accumulating contractions of US\$ 4.3 billion over the first half of the year, and falling below the US\$ 20 billion threshold when accounting for BDL's Lebanese Eurobond holdings estimated at US\$ 5.0 billion at end-June 2020 and facilities provided to Lebanese banks.

Concurrently, Lebanese banks raised this week the exchange rate for withdrawals from US dollar and foreign currency accounts from LP/US\$ 3,000 to LP/US\$ 3,850. This followed the launching of the electronic platform for exchange operations by the Central Bank of Lebanon at the end of last week, which aims to unify the price of US dollar in the parallel market. Within this context, it is worth noting that the exchange rate set by the money changers syndicate remained quoted at LP/US\$ 3,850-LP/US\$ 3,900.

EXCHANGE RATES

	03/07/20	26/06/20	27/12/19	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,878.65	1,870.81	1,970.00	↓
LP/¥	14.03	14.10	13.77	↑
LP/SF	1,592.54	1,591.53	1,543.78	↓
LP/Can\$	1,111.32	1,104.64	1,150.59	↓
LP/Euro	1,693.53	1,693.53	1,679.20	↔

Source: Bank Audi's Group Research Department

STOCK MARKET: BSE PRICE INDEX UP BY 1.7% WEEK-ON-WEEK, ON SOLIDERE SHARE PRICE RALLY

The BSE total turnover more than doubled week-on-week, moving from US\$ 4.8 million last week to US\$ 11.5 million this week. Solidere shares captured 59.5% of activity, followed by the banking shares with 40.0% and the industrial and trading shares with 0.5%. As far as prices are concerned, the BSE price index rose by 1.7% week-on-week, mainly driven by a strong price rally in Solidere shares after the firm said that its unaudited sales that would be reflected in its revenues for the year 2020 reached US\$ 342 million so far this year. Solidere "A" and "B" share prices climbed by 17.2% and 17.4% respectively to close at US\$ 14.16 and US\$ 14.01 respectively, their highest levels in more than eight years.

As to banking shares, Bank Audi's "listed" share price declined by 1.1% week-on-week to reach US\$ 0.88. Byblos Bank's "listed" share price plunged by 25.0% to US\$ 0.45. BLOM's "listed" share price shed 19.0% to US\$ 3.37. BLOM's GDR price dropped by 14.3% to US\$ 3.0. As to industrial and commercial stocks, RYMCO's share price decreased by 2.7% to US\$ 3.19. Holcim Liban's share price jumped by 15.7% to US\$ 12.10.

AUDI INDICES FOR BSE

22/1/96=100	03/07/20	26/06/20	27/12/19	
Market Cap. Index	282.84	278.04	316.37	↑
Trading Vol. Index	101.24	41.92	24.97	↑
Price Index	60.16	59.14	69.36	↑
Change %	1.73%	-1.39%	2.37%	↑
	03/07/20	26/06/20	27/12/19	
Market Cap. \$m	6,710	6,596	7,506	↑
No. of shares traded (Exc. BT)	5,446,227	484,957	333,997	↑
Value Traded \$000 (Exc. BT)	11,496	4,760	2,294	↑
o.w. : Solidere	6,842	4,681	2,294	↑
Banks	4,596	79	0	↑
Others	58	0	0	↑

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

BOND MARKET: EXTENDED WEEKLY BOND PRICE FALLS

With Lebanon's bailout talks with the IMF put on hold awaiting the implementation of much-needed reforms and an agreement on a unified figure of financial system's losses, and while the international community is warning about a continuing financial meltdown and economic collapse, the country's Eurobond market saw this week some selling operations from local market players, while international institutional investors only showed a shy demand for sovereigns. Under these circumstances, Lebanese papers maturing between 2020 and 2037 registered weekly price contractions ranging between 0.38 pt and 1.50 pt. As such, prices of Lebanese Eurobonds hovered between 15.38 cents per US dollar and 18.0 cents per US dollar this week, noting that they compare well to debt prices in similarly-rated markets like Ecuador.

EUROBONDS INDICATORS

	03/07/20	26/06/20	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	71%	67%	29.99%	↑
Average Life	7.50	7.52	7.50	↓
Yield on US 5-year note	0.30%	0.32%	1.71%	↓

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	03-July-20	26-June-20	31-Dec-19	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	107.50	107.22	108.64	0.3%	-1.0%
\$/£	1.248	1.234	1.326	1.2%	-5.8%
\$/Euro	1.125	1.122	1.121	0.3%	0.3%
STOCK INDICES					
Dow Jones Industrial Average	25,827.36	25,015.55	28,538.44	3.2%	-9.5%
S&P 500	3,130.01	3,009.05	3,230.78	4.0%	-3.1%
NASDAQ	10,207.63	9,757.22	8,972.60	4.6%	13.8%
CAC 40	5,007.14	4,909.64	5,978.06	2.0%	-16.2%
Xetra Dax	12,528.18	12,089.39	13,249.01	3.6%	-5.4%
FT-SE 100	6,157.30	6,159.30	7,542.44	0.0%	-18.4%
NIKKEI 225	22,700.02	22,512.08	23,656.62	0.8%	-4.0%
COMMODITIES (in US\$)					
GOLD OUNCE	1,772.05	1,771.29	1,517.27	0.0%	16.8%
SILVER OUNCE	18.02	17.81	17.85	1.2%	0.9%
BRENT CRUDE (per barrel)	42.80	41.02	62.93	4.3%	-32.0%
LEADING INTEREST RATES (%)					
1-month Libor	0.16	0.18	1.76	-0.02	-1.60
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	0.67	0.64	1.92	0.03	-1.25

Sources: Bloomberg, Bank Audi's Group Research Department

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