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The LEBANON WEEKLY MONITOR

Economy

p.2 GROWTH IN BDL COINCIDENT INDICATOR MIRRORING REAL SECTOR SLOWDOWN

The real sector of the Lebanese economy has witnessed relatively tough conditions throughout the year 2018. As a matter of fact, the coincident of the Central Bank of Lebanon, a weighted average of a number of indicators that coincide with real economic activity, has reported an average of 307.5 over the first 10 months of the year, growing by 1.6% relative to the same period last year.

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Amid continuous cabinet formation stalemate and calls to postpone the Arab Economic Summit set be held in Beirut this month, Lebanon's capital markets witnessed this week further price declines on the Eurobond market, extended shy price retreats on the equity market and continuous net foreign currency conversions on the FX market. In details, the Eurobond market saw net international selling, at a time when the Finance Ministry reiterated that Lebanon is determined to abide by its commitments towards issuances of Eurobonds and will not violate any terms of its Eurobonds. The weighted average yield rose by 80 bps to 11.16%, prompting some institutional investors to buy Lebanese sovereigns at attractive low prices. On the equity market, the BSE price index edged down by 0.3% week-on-week, while the total turnover reached US$ 46 million (excluding block trades). Finally, the FX market continued to witness net LP-to-FC conversions, which called BDL to intervene in the market as a seller of US dollars.

LEBANON MARKETS: WEEK OF JANUARY 07 - JANUARY 13, 2019

Money Market	↑	BSE Equity Market	↓
Certificates of Deposits Market	↔	GDR Market	↔
LP Tbs Market	↑	Eurobond Market	↓
LP Exchange Market	↔	CDS Market	↓

ECONOMY

GROWTH IN BDL COINCIDENT INDICATOR MIRRORING REAL SECTOR SLOWDOWN

The real sector of the Lebanese economy has witnessed relatively tough conditions throughout the year 2018. As a matter of fact, the coincident of the Central Bank of Lebanon, a weighted average of a number of indicators that coincide with real economic activity, has reported an average of 307.5 over the first 10 months of the year, growing by 1.6% relative to the same period last year. Comparatively, the indicator had grown by an average of 3.5% over the same period of the past five years.

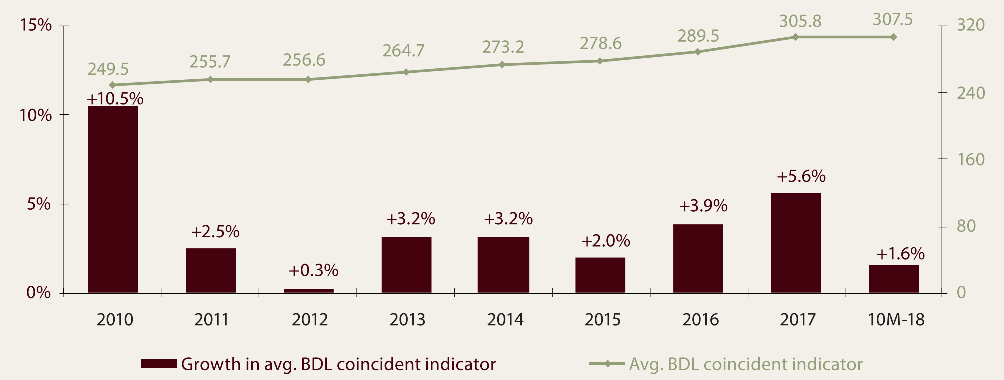
Within this context, the IMF has revised down its 2018 real growth to 1% from a previous forecast of 1.5%. BDL estimates Lebanon's 2018 growth within a range of 1.5%-2% as per the Central Bank Governor. While 2018 has seemingly reported a further slowdown in growth, it is still non-recessionary in the technical definition of recession, i.e negative growth or net contraction in the real economy.

The further growth slowdown in 2018 is related to the overall wait and see attitude characterizing private sector investors refraining from investing in Lebanon's various economic sectors within the context of politico-economic uncertainties, while private consumption managed to continue growing moderately (especially benefitting last year from the public sector wage scale) and rising government spending provided a tiny support to growth.

Out of 11 real sector indicators, 5 are up and 6 are down in the first ten months of 2018 relative to last year's corresponding period. Among indicators with positive growth, we mention the number of passengers at the Airport with an expansion of 7.4%, the number of tourists with a rise of 5.0%, total exports with a growth of 4.1%, total imports with an increase of 4.0% and electricity production with a growth of 1.3%. Among indicators with negative growth, we mention construction permits with a fall of 23.2%, value of property sales with a contraction of 17.6%, new car sales with a decline of 8.7%, merchandise at the Port with a fall of 6.7%, cement deliveries with a decrease of 4.4% and cleared checks with a decline of 1.2%.

Looking forward, based on the condition of a successful Cabinet formation over the next few weeks, our macro forecasts for 2019 are based on a 2.5% real GDP growth forecast (a 6% nominal growth), along with a slow progress in Cedre reforms and implementation. Nominal growth would be driven by: (1) a 6.5% domestically driven growth in private consumption; (2) while private investment is likely to stagnate at

BDL COINCIDENT INDICATOR



Source: BDL

its 2018 level amid politico-economic uncertainties weighing on private investors initiatives; (3) a 24% growth in public investment from a relatively low base within the context of the State's new Capital Investment Program; (4) along with a 14% growth in exports on the basis of the recent reopening of Syrian/Jordanian routes for Lebanese land exports (mainly the Nassib border gate).

NUMBER OF PASSENGERS AT THE AIRPORT UP BY 7.4% YEAR-ON-YEAR IN 2018

Figures released by the Rafic Hariri International Airport revealed that the total number of passengers recorded a yearly 7.4% increase in 2018.

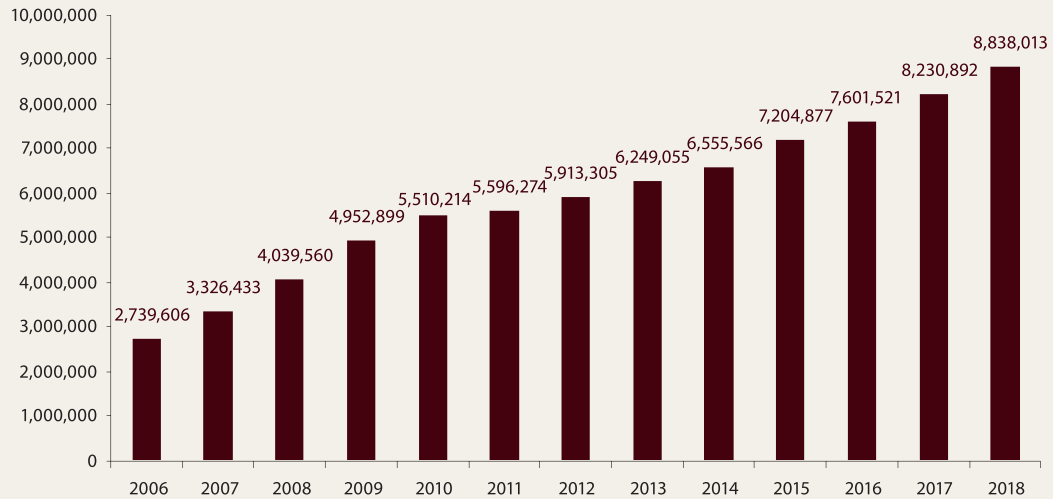
The total freight handled by the airport increased by 0.5% year-on-year in 2018. Moreover, the number of aircraft edged up by 3.4% year-on-year.

A detailed look at the activity shows that the number of incoming passengers increased by a yearly 8.1% and that of departing passengers rose by 6.6% to reach 4,436,574 and 4,401,439 respectively in 2018.

The number of transiting passengers fell by 10.6% year-on-year to attain 4,429 in 2018. When including the latter mentioned category, the total number of passengers using the airport attained 8,842,442, up by a yearly 7.4%. Excluding transiting passengers, the total would be 8,838,013, i.e. 7.4% higher than the level seen in 2017.

Looking at the aircraft activity, landings and take-offs recorded an increase of 3.4% each, with the former and the latter amounting to 36,814 and 36,812 planes respectively in 2018.

PASSENGERS AT THE AIRPORT *



*Excluding transiting passengers

Sources: Rafic Hariri International Airport, Bank Audi's Group Research Department

GROSS PUBLIC DEBT AT US$ 83.6 BILLION AT END-NOVEMBER 2018

The data published by the Ministry of Finance in Lebanon showed that the country's gross debt reached US$ 83.6 billion at end-November 2018, up by 5.2% from the level seen at end-2017.

Domestic debt was higher by 2.3% from end-2017 to reach a total of US$ 50.3 billion at end-November 2018. Lebanon's foreign debt grew by 9.8% from end-2017 to stand at around US$ 33.4 billion at end-November 2018.

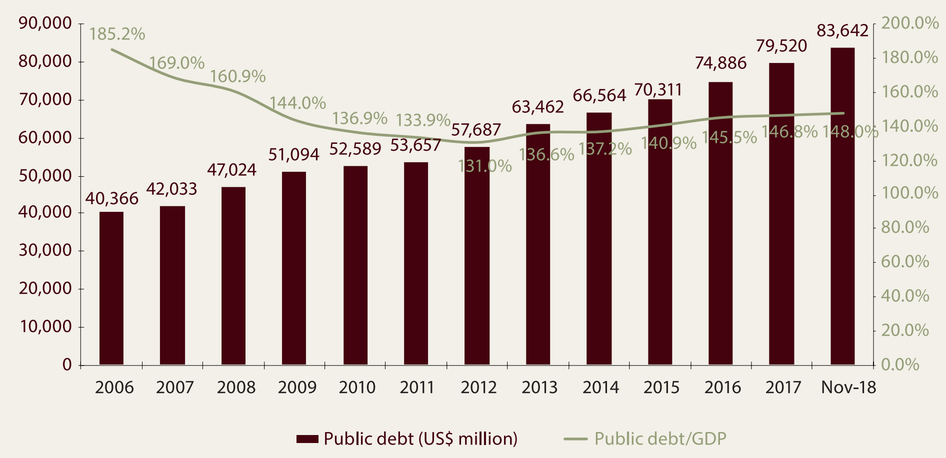
In this context, the public sector deposits at the Central Bank declined by 28.2% from end-2017 to stand at US$ 4.2 billion at end-November 2018. The public sector deposits at commercial banks edged up by 2.3% from end-2017 to reach US$ 4.4 billion at end-November 2018.

As such, net public debt, which excludes the public sector deposits at the Central Bank and commercial banks from overall debt figures, increased by 8.2% from end-2017 to reach a total of US$ 75.0 billion at end-November 2018.

Accordingly, net domestic debt amounted to US$ 41.7 billion at end-November 2018, up by 7.0% from end-2017.

Public debt to GDP is thus estimated at 148.0% as at end-November 2018, up from 146.8% as at end-December 2017, but still way below its peak of 185% reached back in 2006.

EVOLUTION OF LEBANON'S PUBLIC DEBT



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

SURVEYS

LEBANON'S HOSPITALITY SECTOR SEES SLIM DROP IN OCCUPANCY RATES WHILE ROOM YIELDS AND AVERAGE ROOM RATE IMPROVE IN 11M 2018, SAYS EY

Ernst & Young issued its latest Hotel Benchmark Survey on the Middle East for the first eleven months of 2018 (four and five star hotels), in which it showed that the performance of Lebanon's hospitality sector witnessed a slowdown in occupancy rates , while an improvement in average room rates and room yields was seen.

As a matter of fact, the occupancy rate of four and five star hotels within the capital reached 64.6% in the first eleven months of 2018, against 64.7% in the aforementioned period of 2017.

The occupancy rate within Beirut was the fifth highest among 14 cities included in the survey. It directly surpassed Madina (63.3%) and Makkah (60.3%), while Cairo (72.4%) and Ras Al Khaimah (72.3%) came directly before Beirut.

Beirut's room rate slightly moved up from the same period of 2017 at an average of US$ 186 in the first eleven months of 2018. The city's growth rate ranked fifth out of 14 surveyed cities.

The rate of the capital's hotels was the fourth highest in the region. It exceeded that of Makkah (US$ 184) and Riyadh (US$ 172), while being surpassed by Kuwait (US$ 189) and Dubai (US$ 255).

The rooms' yield rose by 0.8% annually to reach US$ 120 in the first eleven months of 2018 compared to US$ 119 in the same period of 2017. Beirut ranked fifth highest in terms of variation in the region when assessing this indicator.

The room yield in Beirut was the third highest, surpassed by Jeddah (US$ 173) and Dubai (US$ 192), and higher than Ras Al Khaimah (US$ 117) and Makkah (US$ 111).

ERNST & YOUNG MIDDLE EAST BENCHMARK SURVEY

	Occupancy (%)		Average Room Rate (US$)		Room Yield (US$)	
	11M 2018	11M 2017	11M 2018	11M 2017	11M 2018	11M 2017
Abu Dhabi	77.5	79.4	102	107	79	85
Dubai	75.2	78.2	255	248	192	194
Cairo	72.4	65.0	104	95	75	62
Ras al Khaimah	72.3	74.4	161	154	117	115
Beirut	**64.6**	**64.7**	**186**	**184**	**120**	**119**
Madina	63.3	66.4	146	158	93	105
Makkah	60.3	58.3	184	200	111	117
Doha	60.1	60.3	123	147	74	89
Amman	60.0	56.8	142	146	85	83
Jeddah	58.9	60.2	293	265	173	160
Muscat	56.3	70.5	138	161	78	113
Kuwait	56.0	57.6	189	188	106	108
Riyadh	55.2	53.5	172	189	95	101
Manama	51.2	51.7	161	178	82	92

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

NEXT GOVERNMENT TO IMPROVE FISCAL MANAGEMENT AND TO ATTRACT FOREIGN FINANCIAL SUPPORT, AS PER THE EIU

According to a recent report by the Economist Intelligence Unit (EIU), the next government in Lebanon would seek to improve fiscal management and to attract foreign financial support, but underlying political instability and the vested interests of different confessional groups would continue to undermine policymaking even when a new government finally takes office.

The EIU added that some reforms would be implemented but not on a sufficient scale to overhaul existing structures that prioritize individual groups' interests over efficiency or effectiveness.

Banque du Liban would continue to play a vital role in helping to steer economic policy, including by implementing economic stimulus programs, as per the report. It would also focus on foreign and domestic currency liquidity, manipulating interest rates and other liquidity measures, amid concerns over exchange-rate stability and to ensure continued government access to financing.

Policymaking would remain dominated by stopgap measures rather than long-term planning owing to political constraints. The government is seeking to attract donor funds to support its plans for massive infrastructure development, including a US$ 16 billion capital investment program. Foreign backers would disburse funds slowly and only partially, as per the Economist Intelligence Unit.

Lebanon’s investor sentiment and private consumption growth would be held back by political instability, potential military conflict and tax changes, including increases to the rate of capital gains tax and levies on construction.

For Lebanon, the Syrian regime's territorial consolidation and the start of reconstruction efforts are likely to boost economic growth modestly, especially in 2019, on the back of higher exports (as some trade routes are reopened) and private investment. The positive impact would also be limited by continued localized conflict in Syria and competition from Jordan, as per the report.

Tax changes and higher global commodity prices, which fed through to rising food, transport and utility costs, drove up year-on-year inflation to a five-year high in mid-2018. Since then, inflation has moderated, helped by an easing in global oil prices and a strong US dollar (to which the Lebanese pound is pegged).

With global oil prices forecast to decline further over the next two years, the EIU expects inflation to maintain its downward trajectory, averaging 4.4% in 2019-2020. A combination of higher oil prices and stronger private consumption growth would push up inflation to an average of 4.6% in 2021-22, before a moderation in demand pressures reduces inflation to 4.2% in 2023.

Last but not least, the current-account deficit would ease over the EIU forecast period, owing to a narrowing trade deficit, but from an extremely high level, to an annual average of 18.9% of GDP in 2019-2023.

CORPORATE NEWS

NET PROFITS OF LEBANON AND GULF BANK AT US$ 20 MILLION IN FIRST 9M 2018

Lebanon and Gulf Bank posted net profits of US$ 20.3 million in the first three quarters of 2018, down from US$ 31.0 million registered in the corresponding period of 2017, as per Bankdata Financial Services.

The bank's net interest income attained US$ 40.2 million in the first nine months of 2018, rising by 17.5% year-on-year from US$ 34.2 million in the first three quarters of 2017.

Net fees and commission income contracted by 5.9% year-on-year to US$ 6.5 million in the corresponding period of 2018.

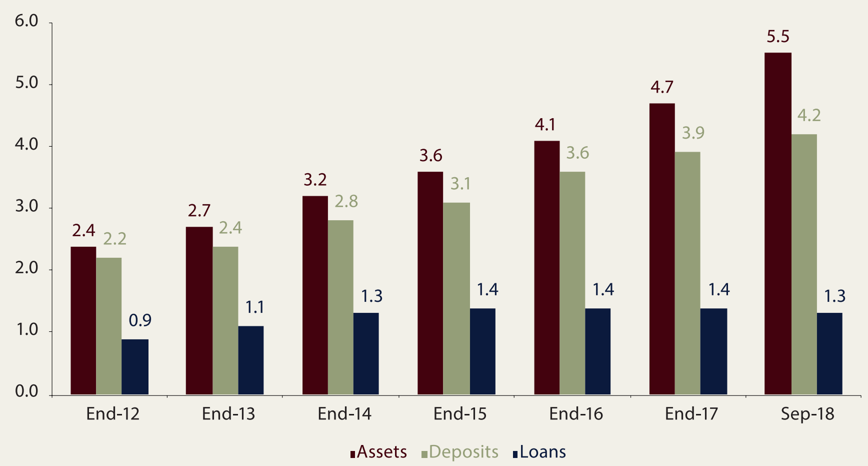
Net gain on financial investments declined by a yearly 95.6% to stand at US$ 1.5 million in the first three quarters of 2018.

Total operating income fell by 35.7% year-on-year to US$ 50.5 million in the first nine months of 2018. This was accompanied by a 1.8% yearly increase in total operating expenses, which amounted to US$ 27.1 million in the first nine months of 2018, up from US$ 26.6 million in the same period of 2017.

Among the latter category, staff expenses fell by 0.6% year-on-year to reach US$ 16.1 million in the first nine months of 2018, while administrative and other operating expenses rose by a yearly 5.3% to US$ 9.0 million in the first nine months of 2018.

Within this context, the cost-to-income ratio expanded from 33.9% in the first nine months of 2017 to 53.8% in the corresponding period of 2018.

LEBANON AND GULF BANK'S MAJOR BALANCE SHEET AGGREGATES (US$ BILLION)



Sources: Bankdata Financial Services, Bank Audi's Group Research Department

The bank's total assets amounted to US$ 5.5 billion at end-September 2018, up by 16.9% from US$ 4.7 billion at end-2017. Deposits from customers stood at US$ 4.2 billion at end-September 2018, rising by 8.3% from US$ 3.9 billion at end-2017. Loans to customers registered US$ 1.3 billion at end-September 2018, down by 3.6% from end-2017.

The gross doubtful loans to gross loans ratio rose marginally from 3.6% at end-2017 to 3.8% at end-September 2018.

Shareholders' equity totaled US$ 394.1 million at end-September 2018, up by 2.8% from end-2017.

TOTAL ASSETS OF FIRST NATIONAL BANK UP BY 7.0% YEAR-TO-DATE TO US$ 5.2 BILLION AT END-SEPTEMBER 2018

First National Bank's total assets amounted to US$ 5.2 billion at end-September 2018, up by 7.0% from US$ 4.9 billion at end-2017, according to Bankdata Financial Services.

Deposits from customers stood at US$ 3.9 billion at end-September 2018, nearly unchanged from end-2017. Loans to customers registered US$ 970.8 million at end-September 2018, down by 10.0% from end-2017. Shareholders' equity totaled US$ 417.5 million at end-September 2018, down by 6.8% from end-2017.

First National Bank posted net profits of US$ 21.8 million in the first nine months of 2018, down by a yearly 5.3% from US$ 23.0 million registered in the corresponding period of 2017.

The bank's net interest income attained US$ 58.4 million in the first nine months of 2018, progressing by 35.1% year-on-year from US$ 43.2 million in the first three quarters of 2017.

Net fee and commission income fell by 5.0% year-on-year from US$ 6.0 million in the first three quarters of 2017 to US$ 5.7 million in the corresponding period of 2018. Net gains on financial assets retreated from US$ 22.2 million to US$ 6.3 million over the covered period.

Net operating income edged down from US$ 73.0 million in the first nine months of 2017 to US$ 72.9 million in the first nine months of 2018.

This was accompanied by a 2.5% yearly increase in total operating expenses, which amounted to US$ 46.6 million in the first nine months of 2018. In details, staff expenses rose by 4.9% year-on-year to reach US$ 29.0 million in the first nine months of 2018, while administrative and other operating expenses decreased by a yearly 2.1% to US$ 14.8 million in the first three quarters of 2018.

EBRD TO GRANT US$ 20 MILLION LOAN TO BUTEC FOR SMART METERING

The European Bank for Reconstruction and Development (EBRD) will grant BUTEC Utility Services (BUS) a US$ 20 million loan for the implementation for the installation of smart electricity meters.

The funding will consist of a US$ 18 million loan by the EBRD and a US$ 2 million concessional tranche by the Global Environmental Facility (GEF) in support of BUS's far-reaching service contract for the 2018-2021 period with State-owned utility company Electricité du Liban.

The package will support the upgrade and expansion of the electricity distribution network and the deployment of smart meters, directly addressing Lebanon's urgent energy supply crisis by improving the reliability and efficiency of the distribution grid, as per a statement by the EBRD..

It will be part of a far-reaching investment program which is not only expected to improve the quality and efficiency of the company's services to its customers, among them some 520,000 households, but also to drastically reduce network losses and greenhouse gas emissions, as per the same source.

BUS operates, maintains and rehabilitates the distribution network, collects electricity payments and manages metering in its region.

CAPITAL MARKETS

MONEY MARKET: SIGNIFICANT WEEKLY EXPANSION IN RESIDENT DEPOSITS DUE TO YEAR-END WINDOW DRESSING

The overnight rate remained at double-digit levels this week, closing at 30% on Friday, amid a lack of local currency liquidity on the money market and continuous net foreign currency conversions on the foreign exchange market.

The latest monetary aggregates released by the Central Bank of Lebanon for the week ending 27th of December 2018 showed that total resident banking deposits expanded significantly by LP 1,021 billion, mainly due to window dressing operations at the end of the year. Deposit growth was mainly driven by a LP 1,016 billion increase in foreign currency deposits (the equivalent of US$ 674 million), while total LP resident deposits registered a shy growth of LP 5 billion week-on-week amid a LP 338 billion growth in LP demand deposits and a LP 333 billion decline in LP saving deposits. This brought total resident deposit growth to LP 3,995 billion over the year 2018 amid a LP 6,572 billion rise in foreign currency deposits (the equivalent of US$ 4,360 million) and LP 2,577 billion fall in total LP resident deposits. Within this context, the total money supply in its largest sense (M4) expanded by LP 4,743 billion in 2018. This compared to a wider expansion in M4 of LP 8,994 billion over the year 2017.

INTEREST RATES

	11/01/19	04/01/19	28/12/18	
Overnight rate (official)	3.90%	3.90%	3.90%	⇔
7 days rate	4.00%	4.00%	4.00%	⇔
1 month rate	4.75%	4.75%	4.75%	⇔
45-day CDs	4.90%	4.90%	4.90%	⇔
60-day CDs	5.08%	5.08%	5.08%	⇔

Source: Bloomberg

TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 11 BILLION

Lebanon's Ministry of Finance continued to raise interest rates on Treasury bills this week, as shown in the latest auction results for value date 10th of January 2019. In details, the yield on the three-month category was lifted from 4.44% to 5.30% (0.86%) , while the yield on the one-year category reached 6.50% as compared to a previous 5.35% (+1.15%), and the coupon rate on the five-year category rose from 6.74% to 8.0% (+1.26%). Within this context, it is worth noting that the Central Bank of Lebanon has allowed banks to subscribe in full to these categories.

The auction results for value date 3rd of January 2019 showed that total subscriptions reached LP 65 billion and were allocated as follows: LP 3 billion in the six-month category (offering a yield of 4.99%), LP 5 million in the three-year category (offering a coupon of 6.50%) and LP 62 billion in the seven-year category (offering a coupon of 9.0%). On the other hand, maturities totaled LP 54 billion, resulting into a weekly nominal surplus of LP 11 billion.

The latest "Lebanese Treasury Securities" report released by the Association of Banks in Lebanon showed that the total outstanding LP Tbs portfolio reached LP 74,497 billion at end-November 2018. The ten-year category captures 27.0% of the total, followed by the five-year category with 23.8%, the seven-year category with 15.1%, the three-year category with 13.9%, the two-year category with 9.4%, while all other categories accounted for the remaining 10.8% of the total.

TREASURY BILLS	11/01/19	04/01/19	28/12/18
3-month	5.30%	4.44%	4.44%
6-month	4.99%	4.99%	4.99%
1-year	6.50%	5.35%	5.35%
2-year	5.84%	5.84%	5.84%
3-year	6.50%	6.50%	6.50%
5-year	8.00%	6.74%	6.74%
7-year	-	9.00%	7.08%
Nom. Subs. (LP billion)		**65**	**98**
Short -term (3&6 mths)		3	4
Medium-term (1&2 yrs)		-	11
Long-term (3 yrs)		0	-
Long-term (5 yrs)		-	83
Long-term (7 yrs)		62	-
Maturities		**54**	**124**
Nom. Surplus/Deficit		**11**	**-26**

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: CONTINUOUS NET FOREIGN CURRENCY CONVERSIONS

The foreign exchange market continued to witness net foreign currency conversions this week, in similar volumes relative to the previous week. This prompted the Central Bank of Lebanon to intervene on the currency trading market as a seller of the US dollar. Meanwhile, activity remained almost absent in the interbank market amid a lack of offer for the greenback. Within this context, it is worth recalling that BDL's foreign assets closed the year 2018 at US$ 39.7 billion, covering 77.0% of LP money supply, in a sign of the Central Bank's ability to control the foreign exchange activity.

EXCHANGE RATES	11/01/19	04/01/19	28/12/18
LP/US$	1,507.50	1,507.50	1,507.50
LP/£	1,922.06	1,910.15	1,905.78
LP/¥	13.92	13.95	13.66
LP/SF	1,533.88	1,526.89	1,529.68
LP/Can$	1,143.00	1,121.15	1,107.48
LP/Euro	1,736.49	1,719.15	1,724.73

Source: Bank Audi's Group Research Department

STOCK MARKET: SHY PRICE DECLINES IN LEBANESE EQUITIES WEEK-ON-WEEK

The BSE total turnover reached US$ 46.5 million during this four-day week (excluding block trades on BLC shares for US$ 96.5 million). Bank Audi's "listed" shares captured 98.0% of activity, mainly due to a large cross trade. As a result, the trading volume index jumped to 491.99 this week, from 7.60 last week.

As far as prices are concerned, the BSE price index continued to follow a downward trajectory, retreating by a shy 0.3% week-on-week to close at 83.52, mainly due to price falls in Solidere shares and one banking share. Three out of eight traded stocks posted price drops, while one stock witnessed price gains and four stocks saw no price change week-on-week.

By looking at individual stocks, we notice that Solidere "A" shares registered the highest weekly drop on the BSE of 3.1% to close at US$ 6.77, followed by Solidere "B" shares with -1.3% to reach US$ 6.80 and

Byblos Bank's "listed" shares with -0.7% to US$ 1.36. In contrast, BLOM's "listed" share price edged up by 0.1% to close at US$ 9.26. Byblos Bank's "preferred 2009" share price remained unchanged at US$ 70.0. BEMO's "listed" share price stood stable at US$ 1.57. BLOM's GDR price saw no change in its price week-on-week, standing at US$ 9.40.

The weekly performance of the domestic stock exchange compares to increases in prices in broader regional stock exchanges (+3.4% as per the S&P Pan-Arab Composite Index) and rise in prices across emerging markets (+3.3% as per the S&P Emerging Frontier Super Composite Index).

AUDI INDICES FOR BSE

22/1/96=100	11/01/19	04/01/19	28/12/18	
Market Cap. Index	382.68	383.89	384.30	↓
Trading Vol. Index	491.99	7.60	227.09	↑
Price Index	83.52	83.78	83.87	↓
Change %	-0.32%	-0.11%	-0.70%	↓
	11/01/19	**04/01/19**	**21/12/18**	
Market Cap. $m	9,079	9,107	9,117	↓
No. of shares traded (Exc. BT)	9,473,961	65,172	4,241,140	↑
Value Traded $000 (Exc. BT)	46,457	537	21,393	↑
o.w. : Solidere	565	208	1,208	↑
Banks	45,892	329	20,107	↑
Others	0	0	78	↔

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

BOND MARKET: LARGEST WEEKLY EXPANSION IN YIELDS SINCE MID-SEPTEMBER 2018

Lebanese Eurobonds traced a downward trajectory this week, with the weighted average yield crossing above the 11% threshold amid net international selling operations on the front-end of the yield curve. This occurred at a time when the Finance Ministry reiterated that Lebanon is determined to abide by its commitments towards issuances of Eurobonds and those who hold them, and would continue to issue them according to the same commitments and standards.

In details, international institutional investors offered their papers maturing in April, May and November 2019, April 2021, October 2022 and May 2023. Within this context, the weighted average yield increased by 80 bps, which is its largest weekly expansion since mid-September 2018, moving from 10.36% at the end of last week to 11.16% at the end of this week, which prompted some institutional investors to show bid for Lebanese sovereigns at luring low prices. Concurrently, the weighted average bid Z-spread expanded by 73 bps to reach 893 bps this week. As to the cost of insuring debt, Lebanon's five-year CDS spreads hovered between 835 bps and 865 bps this week, as compared to 800-830 bps in the previous week.

EUROBONDS INDICATORS

	11/01/19	04/01/19	28/12/18	
Total tradable size $m	32,214	32,214	32,214	↔
o.w.: Sovereign bonds	30,964	30,964	30,964	↔
Average Yield	11.16%	10.36%	9.95%	↑
Z-Spread (bid in bps)	893	820	764	↑
Average Life	7.78	7.81	7.83	↓
Yield on US 5-year note	2.54%	2.43%	2.61%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	11-Jan-19	04-Jan-19	31-Dec-18	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/$	108.51	108.53	109.61	0.0%	-1.0%
$/£	1.284	1.272	1.275	1.0%	0.7%
$/Euro	1.147	1.140	1.140	0.6%	0.0%
STOCK INDICES					
Dow Jones Industrial Average	23,995.95	23,433.16	23,327.46	2.4%	2.9%
S&P 500	2,596.26	2,531.94	2,506.85	2.5%	3.6%
NASDAQ	6,971.48	6,738.86	6,635.28	3.5%	5.1%
CAC 40	4,781.34	4,737.12	4,730.69	0.9%	1.1%
Xetra Dax	10,887.46	10,767.69	10,558.96	1.1%	3.1%
FT-SE 100	6,918.18	6,837.42	6,728.13	1.2%	2.8%
NIKKEI 225	20,359.70	19,561.96	20,014.77	4.1%	1.7%
COMMODITIES (in US$)					
GOLD OUNCE	1,290.25	1,286.05	1,282.49	0.3%	0.6%
SILVER OUNCE	15.60	15.70	15.50	-0.6%	0.7%
BRENT CRUDE (per barrel)	60.48	57.06	53.80	6.0%	12.4%
LEADING INTEREST RATES (%)					
1-month Libor	2.51	2.52	2.52	-0.01	-0.01
US Prime Rate	5.50	5.50	5.50	0.00	0.00
US Discount Rate	3.00	3.00	3.00	0.00	0.00
US 10-year Bond	2.70	2.67	2.68	0.03	0.02

Sources: Bloomberg, Bank Audi's Group Research Department