

CONTACTS

Treasury & Capital Markets

Bechara Serhal
(961-1) 977421
bechara.serhal@bankaudi.com.lb

Nadine Akkawi
(961-1) 977401
nadine.akkawi@bankaudi.com.lb

Private Banking

Toufic Aouad
(961-1) 954922
toufic.aouad@bankaudipb.com

Corporate Banking

Khalil Debs
(961-1) 977229
khalil.debs@bankaudi.com.lb

RESEARCH

Marwan Barakat
(961-1) 977409
marwan.barakat@bankaudi.com.lb

Jamil Naayem
(961-1) 977406
jamil.naayem@bankaudi.com.lb

Salma Saad Baba
(961-1) 977346
salma.baba@bankaudi.com.lb

Fadi Kansa
(961-1) 977470
fadi.kansa@bankaudi.com.lb

Gerard Arabian
(961-1) 964047
gerard.arabian@bankaudi.com.lb

Farah Nahlawi
(961-1) 959747
farah.nahlawi@bankaudi.com.lb

Nivine Turyaki
(961-1) 959615
nivine.turyaki@bankaudi.com.lb

The LEBANON WEEKLY MONITOR

Economy

p.2 A RENEWED SURGE IN PUBLIC DEFICIT THIS YEAR

It looks like the year 2018 started with a renewed drift in public finances, following the relative amelioration of the past year. According to figures released by the Ministry of Finance this week, the government's public finance deficit almost doubled over the first four months of 2018 relative to the 2017 same period.

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Amid a continuous stalemate in cabinet formation and calls for a fast progress in political reconciliation, and while all eyes are focused on the closing arguments at the Special Tribunal for Lebanon, capital markets witnessed this week a plunge in bond prices along with extended equity price retreats, while activity on the foreign exchange market was balanced. In details, Lebanese bond prices reached record low levels amid elevated domestic political tensions and a delay in structural reforms, with internationals offering their papers amid a lack of local bid. The weighted average yield rose by 91 bps week-on-week to reach 10.59%. On the equity market, the BSE price index retreated further by 0.7%, bringing year-to-date price drops to 13%. The turnover contracted by 14% week-on-week to reach US\$ 6.8 million. At the level of the FX market, a balanced activity reigned over, and the LP/US\$ interbank rate remained stable at LP 1,514-LP 1,514.50.

LEBANON MARKETS: WEEK OF SEPTEMBER 10 - SEPTEMBER 16, 2018

Money Market



Certificates of Deposits Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



GDR Market



Eurobond Market



CDS Market



ECONOMY

A RENEWED SURGE IN PUBLIC DEFICIT THIS YEAR

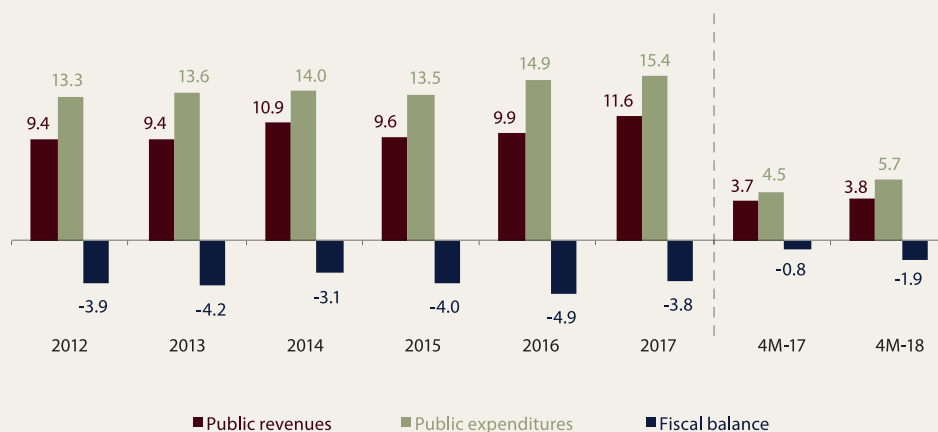
It looks like the year 2018 started with a renewed drift in public finances, following the relative amelioration of the past year. According to figures released by the Ministry of Finance this week, the government's public finance deficit almost doubled over the first four months of 2018 relative to the 2017 same period. It rose from US\$ 0.8 billion (the equivalent of 18.6% of expenditures) to US\$ 1.9 billion (the equivalent of 33.4% of expenditures) between the two periods. When adjusting for debt servicing which rose by 5.5% between the two periods, the primary balance moved from a surplus of 13.8% of expenditures to a deficit of 6.4% of expenditures.

The growth in deficit comes within the context of a faster growth in expenditures relative to that of revenues. Public finance expenditures grew by 26.4% over the first four months of the year, while public revenues rose by a mere 3.4%. The growth in public finance expenditures comes from a 22.3% growth in budgetary expenditures and an 80.5% rise in Treasury expenditures. The growth in public finance revenues results from a 73.3% growth in Treasury revenues, while budgetary revenues contracted by 0.7% year-on-year. It is worth mentioning that revenues did not incorporate yet by April the annual income taxes and that were settled in May and June of this year.

In turn, the double-digit rise in budgetary expenditures comes within the context of a 44.1% rise in Treasury transfers to EDL amid rising oil prices and a 5.5% rise in interest payments. The contraction in budgetary revenues comes within the context of a 23.5% drop in non-tax revenues, while tax revenues increased by 6.5% driven by a rise in VAT revenues by 8.7% tied to the rise in the VAT rate from 10% to 11%.

Although Lebanon's public finance deficit is undeniably elevated and need to be curbed, there are a number of factors that need to be taken into consideration when addressing Lebanon's public finances and its fiscal drifts and that make us believe that Lebanon is not in a fiscal trap scenario. These considerations are mainly the 87% resident component of public debt, the large foreign assets at the Central Bank covering 150% of foreign currency debt, the persisting positive net asset value of the State, the potential exits in a low resource mobilization environment and room for spending rationalization and the significant oil and gas reserves estimated to cover three times Lebanon's current public indebtedness at large.

LEBANON'S FISCAL ACCOUNTS (US\$ BILLION)



Source: Ministry of Finance

Finally, although all these intrinsic considerations are real and genuine, the fundamental economic sanity and Lebanon's long term macro and markets stability requires a long awaited fiscal consolidation to ensure the much needed soft-landing scenario of the Lebanese economy at large. It is only then that Lebanon's economic resilience can turn into fundamental immunity in an environment of domestic and external shocks and lingering uncertainties.

SLOWDOWN IN THE ACTIVITY OF THE PROPERTY MARKET IN FIRST EIGHT MONTHS OF 2018

The statistics published by the Directorate of Land Registry and Cadastre covering the first eight months of 2018 showed that realty markets have undergone a decrease in property transactions and sales activity.

The number of sales operations retreated by a yearly 20.2% from 47,723 sales operations in the first eight months of 2017 to 38,102 operations in the first eight months of 2018.

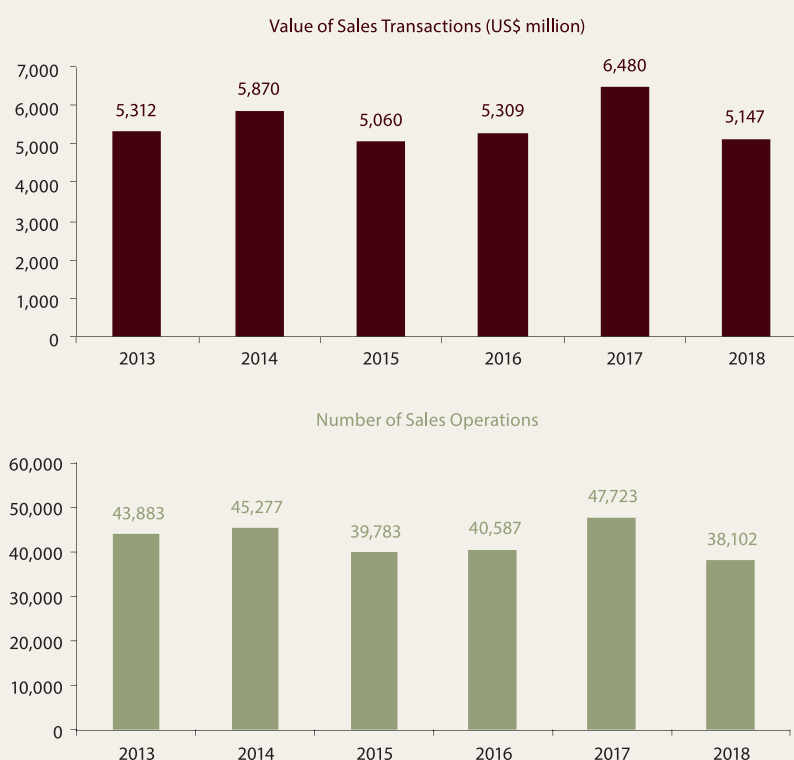
Sales to foreigners fell by 12.0% year-on-year to reach 742 operations in the first eight months of 2018.

The value of property sales transactions was also on a downward path in the first eight months of 2018. It posted a decline of 20.6% year-on-year to attain a total of US\$ 5,146.6 million during the first eight months of 2018.

Most of the regions recorded declines in the value of sales transactions, with the most significant movements coming as follows: North (-33.7%), Baabda (-27.1%) and Metn (-24.2%).

The average sales value fell from US\$ 135,779 in the first eight months of 2017 to US\$ 135,074 in the first eight months of 2018.

PROPERTY MARKET (FIRST EIGHT MONTHS OF THE YEAR)



Sources: Directorate of Land Registry and Cadastre, Bank Audi's Group Research Department

CONSTRUCTION PERMITS DOWN BY A YEARLY 23.8% IN FIRST EIGHT MONTHS OF 2018

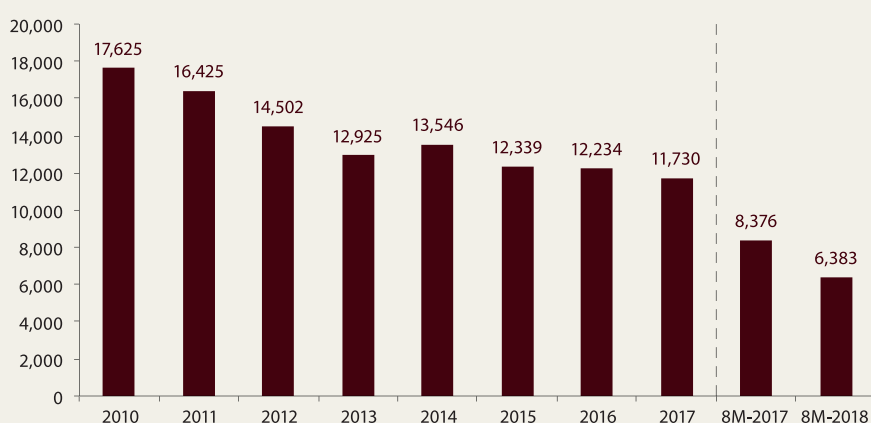
According to the figures provided by the Order of Engineers of Beirut and Tripoli, construction permits, an indicator of forthcoming construction activity, posted a 23.8% year-on-year decrease during the first eight months of 2018.

In fact, construction permits covered an area of 6,383,023 square meters in the first eight months of 2018, against an area of 8,376,061 square meters in the first eight months of 2017. This followed a yearly rise of 3.1% registered in the first eight months of 2017.

The breakdown by region shows that most of the regions reported contractions in construction permits with Beirut and Mount-Lebanon reporting the highest contractions of 50.0% and 27.2% respectively in construction permits in the first eight months of 2018.

As for the breakdown of construction permits, Mount-Lebanon continued to capture the highest share in newly issued construction permits in the first eight months of 2018 with a share of 40.4%.

It was followed by the North with a share of 21.0%, South-Lebanon with 16.0%, Bekaa with 9.9%, Nabattiye with 8.8% and Beirut with 3.8%.

CONSTRUCTION PERMITS (AREA IN THOUSAND SQM)

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

SURVEYS

CONFIDENCE IN LEBANESE POUND TO REMAIN STRONG SUPPORTED BY AMPLE INTERNATIONAL RESERVES, SAYS IIF

According to the Institute of International Finance (IIF), the Lebanese economy is suffering from a protracted economic stagnation, as the lack of reforms and delay in the formation of the new Cabinet have dampened private consumption and investment.

The delay in forming a new Cabinet is also standing in the way of the country's access to the US\$ 11 billion of concessional loans that were pledged in April by the international community. Consequently, the IIF revised its 2018 growth forecast down to 1.3%, before rising to 2.1% in 2019 and 3.0% in 2020.

The report added that Lebanon navigated the spillovers from the conflicts in the region. However, seven years after the war in neighboring Syria, economic activity in Lebanon remains weak. In the absence of official figures, IIF estimates show that real GDP growth edged down from 1.7% in 2016, and is expected to remain weak this year.

Several leading indicators registered declines in the first seven months of this year as compared with the same period of last year. While the number of tourist arrivals is projected to increase further by 4.0% this year, it would still stay well below the peak of 2010.

The slow pace of recovery in tourism is partly due to the continued decline in visitors from Saudi Arabia and the UAE, who accounted for the biggest share of tourist spending before 2011. The Institute of International Finance expects private consumption and investment to decline in real terms. Local and foreign investors are delaying their investment decisions, displaying a wait-and-see attitude.

Furthermore, in the past four years, the Central Bank of Lebanon (BdL) has succeeded in maintaining financial stability and avoiding a contraction in the economy by using stimulus packages and unorthodox financial operations. However, such tools should not continue to be used and it is time for government policymaking to step in, as per the report.

LEBANON SELECTED MACROECONOMIC INDICATORS

	2013	2014	2015	2016	2017	2018e	2019f	2020f
Real GDP (% change)	2.7	2.0	0.2	1.7	1.8	1.3	2.1	3.0
Private consumption (% change)	-0.1	9.0	2.4	6.3	1.8	-1.3	1.5	2.7
Public consumption (% change)	-0.8	-1.4	5.8	1.3	0.1	7.5	2.9	1.0
Gross fixed capital (% change)	11.3	-6.9	-4.3	6.9	-2.0	-4.3	4.1	4.5
Unemployment rate (%)	7.5	7.9	8.4	8.9	9.4	10.5	11.0	9.5
CPI (% change average)	5.6	1.1	-3.8	-0.8	4.5	5.7	3.8	3.5
Per capita (US\$ GDP)	10,119	10,308	10,344	10,410	10,628	11,016	11,522	12,129
Current account balance (% GDP)	-25.8	-26.0	-17.3	-20.5	-23.0	-21.5	-20.4	-19.5
Government debt (% GDP)	136.6	137.2	140.9	145.5	147.7	150.7	151.4	149.0
Fiscal balance (% of GDP)	-9.1	-6.3	-7.9	-9.6	-7.0	-9.7	-9.1	-8.6

Sources: Institute of International Finance, Bank Audi's Group Research Department

The report added that the quality of Lebanon's infrastructure continued to deteriorate and is now considered one of the poorest in the region and among emerging economies. Low public investment, due both to political neglect and lack of fiscal space, has resulted in capacity lagging behind demand.

In this regard, the authorities have initiated a large capital investment program (CIP), which would be financed by the US\$ 11 billion that international donors pledged in April this year. The CIP includes several major infrastructure projects in energy, transport, wastewater, solid waste treatment, and telecommunications. The implementation of such projects would address the infrastructural bottlenecks and raise potential growth gradually from 2.7% in 2017 to 5% by 2021.

Inflationary pressures have increased due to the spike in global oil prices, the sharp increase in public wages, higher global food prices, and the increase in the costs of agricultural production. CPI inflation rose to 7.6% in July 2018, year-on-year. Excluding transportation and energy related utilities, the 12-month inflation rate was still high at 5.8% in July 2018.

Last but not least, the confidence in the Lebanese pound would remain strong and the peg to the dollar would be maintained supported by ample international reserves of US\$ 43.6 billion plus gold valued at US\$ 11.1 billion as of August 2018. Maintenance of the peg is essential given the debt service obligations in foreign currency, and the substantial currency mismatches of corporations and households, owing to widespread dollarization. Reserves now cover a comfortable share of short-term debt, and are large enough to weather shock scenarios.

AVERAGE OF ONE GAS STATION EVERY 3.5 SQUARE KILOMETERS, ACCORDING TO LEBANON OPPORTUNITIES

According to the September issue of Lebanon Opportunities magazine, there are more than 3,000 gas stations in the country or an average of one gas station every 3.5 square kilometers. This translates to around one gas station per 500 cars.

In details, Coral has the largest number of gas stations, followed by United, Medco, and Total. Additionally, the Syndicate of Gas Station Owners estimates the number of unlicensed gas stations to be around 1,500.

To work with an import company, a petrol station has to acquire a minimum annual quantity of gasoline. This is generally set at one million liters per year or about 20,000 liters per week. Moreover, a petrol station should provide a bank guarantee, according to the report.

It is worth noting that less than half of the gas stations are operated by the importers. The other half have independent management, but most still carry a certain brand because they acquire the majority of their gasoline from importers, as per the report.

About three-quarters of unbranded, so-called "white" stations, are unlicensed, and operate illegally. The remaining quarter of gas stations face another issue. The latter cannot come up with the bank guarantee needed to work with an importer, and they do not perform well enough, as per the same source.

Furthermore, the highest number of stations is found in Mount Lebanon, constituting 36% of the country's total.

The gas stations can either be company-owned and operated, company-owned and dealer-operated, or dealer-owned and operated.

CORPORATE NEWS

NEWLY REGISTERED CARS AT 23,645 IN FIRST EIGHT MONTHS OF 2018, DOWN BY A YEARLY 6.8%

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 23,645 in the first eight months of 2018, declining by 6.8% from a total of 25,363 in the same period of 2017.

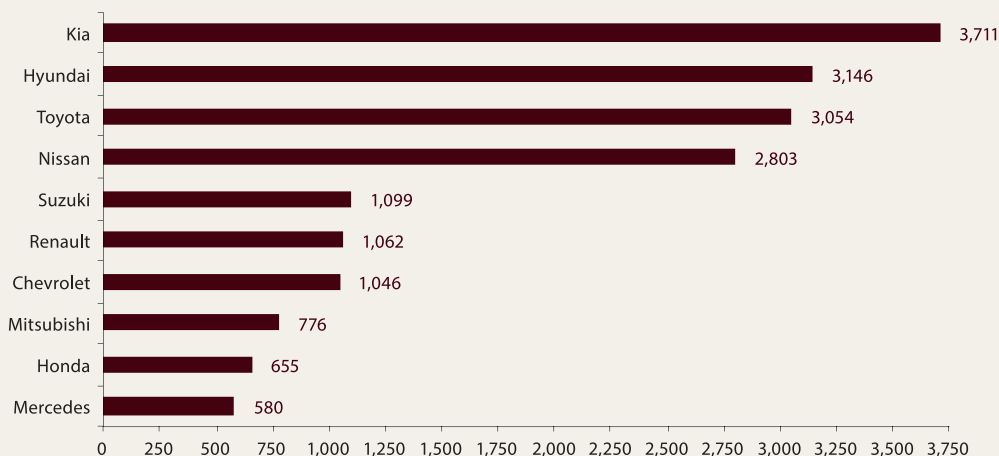
According to the same source, this is due to the currently prevailing economic and political situation in Lebanon, to the 25% down payment imposed on car loans and to the increase in interest rates on car loans, among others.

It is worth noting that commercial vehicle registrations reached 1,508 in the first eight months of 2018, against 1,930 in the same period of the previous year.

Korea's Kia ranked first in terms of new car registration during the first eight months of 2018, with a total of 3,711 cars, against a total of 5,300 cars during the same period of the previous year. It was followed by Korea's Hyundai with a total of 3,146 newly registered cars in the first eight months of 2018, compared to a total of 3,274 cars registered in the year-earlier similar period.

It was followed by Japan's Toyota and Japan's Nissan with a total of 3,054 and 2,803 newly registered cars respectively in the first eight months of 2018, against 3,008 cars and 2,311 cars recorded respectively in the first eight months of 2017.

TOP BRANDS OF NEWLY REGISTERED CARS IN THE FIRST EIGHT MONTHS OF 2018



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

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 1,567 MILLION AT END-JULY 2018

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 1,566.5 million at end-July 2018, down by 6.1% from end-2017.

In February 2018, the Banque du Liban has implemented the IFRS 9 accounting standards and therefore, some items have been reclassified. The balance sheet components have been compiled backwards till January 2017.

In details, currency and deposits with Central Banks rose from US\$ 23.2 million at end-2017 to US\$ 29.2 million at end-July 2018.

Claims on resident customers declined by 7.3% from end-2017 to US\$ 667.9 million at end-July 2018. Claims on non-resident customers rose by 69.1% from end-2017 to US\$ 65.4 million at end-July 2018.

Claims on resident financial sector fell from US\$ 437.9 million at end-2017 to US\$ 337.4 million at end-July 2018. Claims on non-resident financial sector rose by 44.6% from end-2017 to US\$ 119.4 million at end-July 2018.

Claims on the public sector stood at US\$ 4.9 million at end-July 2018, down by 18.0% from end-2017.

Securities portfolio registered US\$ 132.8 million at end-July 2018, down by 2.5% from end-2017.

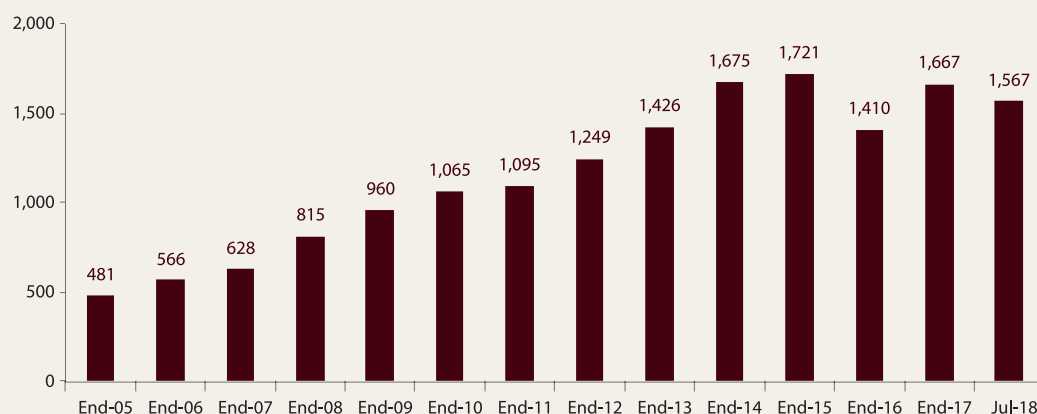
Tangible assets reported US\$ 33.7 million at end-July 2018, down by 11.1% from end-2017. Intangible assets declined from US\$ 170.5 million at end-2017 to US\$ 160.4 million at end-July 2018.

On the liabilities side, resident customer deposits registered US\$ 164.0 million at end-July 2018, up by 16.5% from end-2017. Non-resident customer deposits improved to US\$ 28.0 million at end-July 2018, from US\$ 25.8 million at end-2017.

Resident financial sector liabilities stood at US\$ 371.0 million at end-July 2018, declining by 14.0% from end-2017. Non-resident financial sector liabilities rose from US\$ 105.7 million at end-2017 to US\$ 152.5 million at end-July 2018.

Public sector deposits stood at US\$ 3.9 million at end-July 2018, down from US\$ 14.5 million at end-2017. Debt securities issued fell from US\$ 207.1 million at end-2017 to US\$ 150.0 million at end-July 2018. Capital accounts reported US\$ 477.8 million at end-July 2018, down from US\$ 484.9 million at end-2017.

BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



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

CAPITAL MARKETS

MONEY MARKET: SIGNIFICANT WEEKLY EXPANSION IN TOTAL RESIDENT DEPOSITS

Regular norms continued to govern the money market during this week, with the overnight rate standing at 5.00% amid ample LP liquidity at hand. As to LP Certificates of Deposits, tiny subscriptions of LP 2 billion were made in the 60-day category, bringing year-to-date total subscriptions in shorter-term categories to LP 1,256 billion.

Total resident banking deposits expanded significantly by LP 917 billion during the week ending 30th of August 2018, as per the latest monetary aggregates released by the Central Bank of Lebanon. This was mainly driven by a LP 653 billion growth in foreign currency deposits (the equivalent of US\$ 433 million), and a LP 264 billion rise in total LP resident deposits amid a LP 339 billion increase in LP demand deposits and a LP 75 billion contraction in LP saving deposits.

These weekly variations compare to an average weekly growth of US\$ 49 million for foreign currency deposits and an average weekly rise of LP 32 billion for total LP deposits since the beginning of the year 2018. Within this context, the total money supply in its largest sense (M4) expanded by LP 573 billion over the covered week, amid a LP 122 billion drop in the currency in circulation and a LP 222 billion fall in the non-banking sector Treasury bills portfolio.

On a cumulative basis, total resident deposits grew by LP 4,513 billion during the first eight months of 2018, with foreign currency deposits growth capturing 70.0% of the total growth (the equivalent of LP 3,160 billion or US\$ 2,096 million), and total LP deposits growth accounting for the remaining 30.0% (the equivalent of LP 1,353 billion).

INTEREST RATES

	14/09/18	07/09/18	29/12/17	
Overnight rate (official)	3.90%	3.90%	2.75%	↔
7 days rate	4.00%	4.00%	2.86%	↔
1 month rate	4.75%	4.75%	3.31%	↔
45-day CDs	4.90%	4.90%	3.57%	↔
60-day CDs	5.08%	5.08%	3.85%	↔

Source: Bloomberg

TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 553 BILLION

The auction results for value date 6th of September 2018 showed that the Central Bank of Lebanon subscribed in the seven-year category for an amount of LP 2,000 billion at a yield of 1%. This followed a US\$ 5.5 billion swap operation undertaken by the Central Bank of Lebanon with the Ministry of Finance in May 2018, and involving BDL's subscription for the same amount in LP Treasury bills (LP 8,250 billion) at 1% interest rate, noting that BDL has so far subscribed for a total of LP 6,000 billion in the three-year, five-year and seven-year categories. In addition, the same auction showed subscriptions of LP 25 billion in the three-month category, LP 53 billion in the one-year category and LP 26 billion in the five-year category. These compared to total maturities of LP 1,551 billion, which resulted into a nominal weekly surplus of LP 553 billion.

In parallel, the latest Treasury bills auction results for value date 13th of September 2018 showed that the six-month and seven-year categories had full allocations, while the three-year category had an allocation of 48.2%.

TREASURY BILLS

	14/09/18	07/09/18	29/12/17	
3-month	4.44%	4.44%	4.44%	↔
6-month	4.99%	4.99%	4.99%	↔
1-year	5.35%	5.35%	5.35%	↔
2-year	5.84%	5.84%	5.84%	↔
3-year	6.50%	6.50%	6.50%	↔
5-year	6.74%	6.74%	6.74%	↔
7-year	7.08%	1.00%	7.08%	↔
Nom. Subs. (LP billion)		2,104	225	
Short-term (3&6 mths)		25	20	
Medium-term (1&2 yrs)		53	105	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		26	100	
Long-term (7 yrs)		2,000	-	
Maturities		1,551	197	
Nom. Surplus/Deficit		553	28	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: BALANCED FOREIGN EXCHANGE ACTIVITY

The FX market saw a balanced activity this week. Some market players continued to convert their FC holdings into LP holding to benefit from attractive LP rates, while some commercial demand for the US dollar floated on the surface. Within this context, commercial banks continued to trade the greenback at rate hovering between LP 1,514 and LP 1,514.50.

The Central Bank of Lebanon's foreign assets reached US\$ 43.6 billion at end-August 2018, covering 81.3% of LP money supply. Within this context, the Central Bank governor said that BDL, "with the foreign assets it has, is in full control of the exchange market", adding that the Central Bank of Lebanon and the banking sector "have the means to keep that goal of a stable value of the Lebanese Pound against the US dollar".

EXCHANGE RATES

	14/09/18	07/09/18	29/12/17	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,979.80	1,951.16	2,035.58	↓
LP/¥	13.48	13.62	13.39	↑
LP/SF	1,563.47	1,561.85	1,545.04	↓
LP/Can\$	1,159.79	1,147.70	1,202.34	↓
LP/Euro	1,764.68	1,755.18	1,806.59	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: REDUCED BSE ACTIVITY AMID CONTINUOUS WEEKLY PRICE DECLINES

The BSE activity dropped by 13.8% week-on-week to reach US\$ 6.8 million, and compared to an average weekly turnover of US\$ 5.9 million since the beginning of the year 2018. Banking shares captured the lion's share of activity, accounting for 95.3% of the total, followed by Solidere shares with 4.6% and the industrial shares with 0.1%.

In parallel, equity prices continued to follow a downward trajectory amid a continuous deadlock in cabinet formation and a delay in fiscal reforms. This was reflected by a 0.7% retreat in the BSE price index, accumulating year-to-date price falls of 13.1%. In details, seven out of 13 traded stocks registered price drops this week, while one stock posted price gains and five stocks saw no price change week-on-week.

Byblos Bank Preferred shares 2008 led the fall, registering a 10.9% plunge in prices to reach US\$ 70.0, followed by Solidere "A" shares with -4.3% to US\$ 6.25, Solidere "B" shares with -3.1% to US\$ 6.25, Holcim Liban's shares with -2.3% to US\$ 16.6, BLOM's GDRs with -0.7% to US\$ 9.0, Bank of Beirut's Preferred shares "K" with -0.6% to US\$ 25.0 and Bank of Beirut's Preferred shares "H" with -0.3% to US\$ 25.0.

The weekly performance of the domestic stock exchange compares to retreats in prices in broader regional stock exchanges (-0.5% as per the S&P Pan-Arab Composite Index) and price increases across emerging markets (+0.5% as per the S&P Emerging Frontier Super Composite Index) over the covered week.

AUDI INDICES FOR BSE

22/1/96=100	14/09/18	07/09/18	29/12/17	
Market Cap. Index	387.53	390.30	445.80	↓
Trading Vol. Index	71.77	66.59	64.70	↑
Price Index	85.35	85.96	98.20	↓
Change %	-0.71%	-1.09%	0.35%	↓
	14/09/18	07/09/18	29/12/17	
Market Cap. \$m	9,194	9,259	10,576	↓
No. of shares traded (Exc. BT)	887,340	838,452	626,565	↑
Value Traded \$000 (Exc. BT)	6,766	7,849	6,187	↓
o.w. : Solidere	310	527	527	↓
Banks	6,450	7,322	5,603	↓
Others	6	0	57	↑

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

BOND MARKET: EUROBOND PRICES REMAIN ON THE DECLINE

Lebanese Eurobonds pursued their downward trajectory this week, reaching record low levels, mainly dragged by reduced sentiment amid a long-simmering stalemate in cabinet formation and after the Central Bank governor said earlier this week that "the markets want to see the CEDRE resolutions to start being implemented", signaling that a faster progress in political reconciliation and economic transparency is crucial to meeting the country's desperate need for better infrastructure, investment, and private sector job creation.

Under these circumstances, international institutional investors offered their papers, especially on the front end, amid a lack of domestic bid. This drove the weighted average bond yield up from 9.68% last week to 10.59% this week. Concurrently, the weighted average bid Z-spread expanded significantly by 85 bps to reach 818 bps amid increases in US Treasuries yields. In fact, the 10-year benchmark yield rose from 2.88% to 2.98% amid a rise in bund yields after the European Central Bank decided to halve its monthly asset purchases starting October 2018. As to the cost of insuring debt, Lebanon's five-year CDS spreads expanded significantly from 665-695 bps last week to 750-825 bps this week.

EUROBONDS INDICATORS

	14/09/18	07/09/18	29/12/17	
Total tradable size \$m	33,760	33,757	27,148	↑
o.w.: Sovereign bonds	32,510	32,507	26,123	↑
Average Yield	10.59%	9.68%	6.54%	↑
Z-Spread (bid in bps)	818	733	464	↑
Average Life	7.74	7.75	6.70	↓
Yield on US 5-year note	2.89%	2.75%	2.22%	↑

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	14-Sep-18	07-Sep-18	29-Dec-17	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	112.06	111.05	112.69	0.9%	-0.6%
\$/£	1.307	1.292	1.351	1.1%	-3.3%
\$/Euro	1.163	1.155	1.201	0.6%	-3.2%
STOCK INDICES					
Dow Jones Industrial Average	26,154.67	25,916.54	24,719.22	0.9%	5.8%
S&P 500	2,904.98	2,871.68	2,673.61	1.2%	8.7%
NASDAQ	8,010.04	7,902.54	6,903.39	1.4%	16.0%
CAC 40	5,352.57	5,252.22	5,312.56	1.9%	0.8%
Xetra Dax	12,124.33	11,959.63	12,917.64	1.4%	-6.1%
FT-SE 100	7,304.04	7,277.70	7,687.77	0.4%	-5.0%
NIKKEI 225	23,094.67	22,307.06	22,764.94	3.5%	1.4%
COMMODITIES (in US\$)					
GOLD OUNCE	1,194.85	1,196.93	1,302.80	-0.2%	-8.3%
SILVER OUNCE	14.06	14.17	16.94	-0.8%	-17.0%
BRENT CRUDE (per barrel)	78.09	76.83	66.09	1.6%	18.2%
LEADING INTEREST RATES (%)					
1-month Libor	2.16	2.12	1.56	0.04	0.60
US Prime Rate	5.00	5.00	4.50	0.00	0.50
US Discount Rate	2.50	2.50	2.00	0.00	0.50
US 10-year Bond	3.00	2.94	2.41	0.06	0.59

Sources: Bloomberg, Bank Audi's Group Research Department

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