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## The LEBANON WEEKLY MONITOR

### Economy

#### p.2 IMF FORECASTS A 1.3% REAL GROWTH FOR 2019 ALONG WITH A 2% INFLATION OUTLOOK

The IMF revised down its real GDP growth figures and projections for Lebanon in its last World Economic Outlook published a couple of weeks ago. The Fund actually revised its 2018 growth estimate from 1.0% to 0.3%, its growth projection for 2019 from 1.4% to 1.3%, while maintaining a growth projection of 2.0% for 2020. As to inflation, the IMF now forecasts a 2.0% inflation rate in 2019, down from 6.1% in 2018.

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### Markets In Brief

#### p.9 SIGNS OF FISCAL REFORMS TRIGGER RELATIVE IMPROVEMENT IN BOND PRICES

After the Parliament cleared the way for the new electricity plan execution and on the back of successive calls for austerity measures, which have sent strong signals to the international community that Lebanon is embarking into material fiscal reforms, the country's capital markets witnessed this week net foreign buying operations on the Eurobond market. This resulted into a 10 bps decline in the weighted average yield to reach 9.21%. Concurrently, Lebanon's five-year CDS spreads contracted by 25 bps week-on-week to reach 770 bps, in a sign of improved market perception of sovereign risks at large. At the level of the equity market, the BSE price index fell by 2.7%, mainly dragged by ex-dividend activity, while trading volumes remained quite shy. On the FX market, activity was in favor of foreign currencies in relatively small volumes, while BDL's foreign assets reached US\$ 38.2 billion mid-April 2019, covering 76% of LP money supply and 23.4 months of imports.

### LEBANON MARKETS: WEEK OF APRIL 15 - APRIL 21, 2019

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

**ECONOMY**

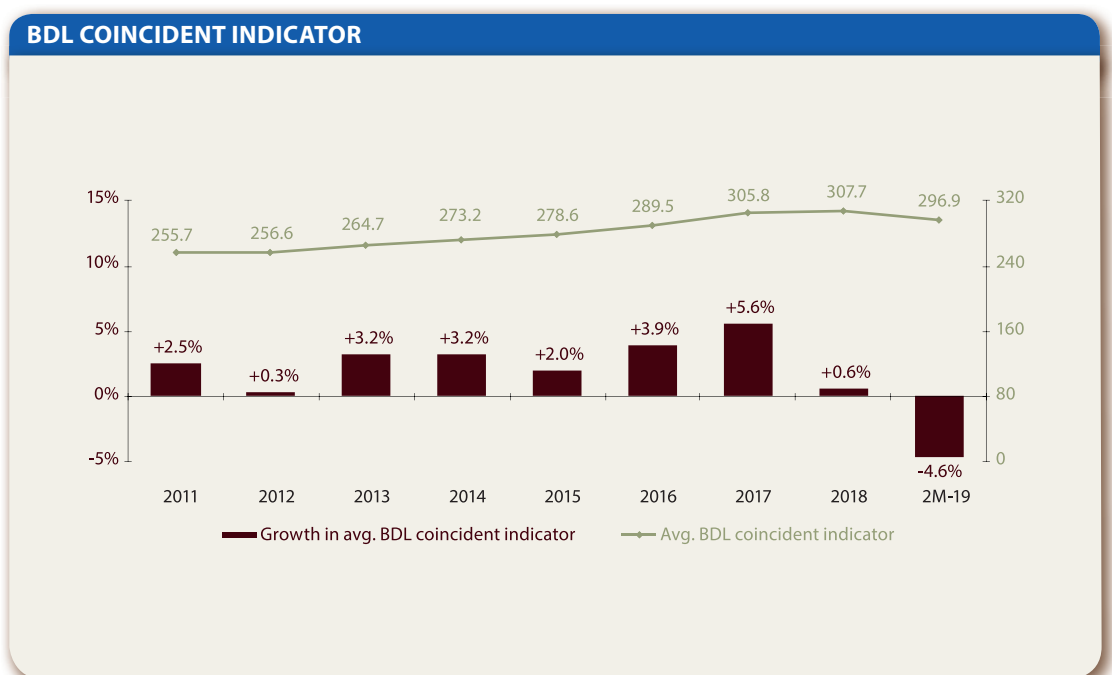
**IMF FORECASTS A 1.3% REAL GROWTH FOR 2019 ALONG WITH A 2% INFLATION OUTLOOK**

The IMF revised down its real GDP growth figures and projections for Lebanon in its last World Economic Outlook published a couple of weeks ago. The Fund actually revised its 2018 growth estimate from 1.0% to 0.3%, its growth projection for 2019 from 1.4% to 1.3%, while maintaining a growth projection of 2.0% for 2020. As to inflation, the IMF now forecasts a 2.0% inflation rate in 2019, down from 6.1% in 2018.

As a result of increased sluggishness in Lebanon’s real sector economy, the average coincident indicator of the Central Bank reported an annual contraction of 4.6% in the first two months of 2019, against a net expansion of 3.3% over the same period last year. The average coincident indicator registered 296.9 in the first two months of 2019, against 311.2 in the same period last year and 301.2 in the same period of the year 2017.

In fact, the Lebanese real sector economy has witnessed increasing pressure in the first quarter of 2019, but the financial sector continues to be rather resilient. The real GDP growth outlook for 2019, though remaining positive, suggests weakened investment aggregate. Private consumption managed to continue growing over the first quarter of 2019, though at a relatively milder pace. The overall wait and see attitude characterizing private sector investors translated into refraining from investing in Lebanon’s various economic sectors within the context of politico-economic uncertainties.

It is worth mentioning that out of 11 real sector indicators, 3 were up and 8 were down over the first two months of 2019 relative to the previous year’s corresponding period. Among indicators with positive growth, we mention the number of tourists with a rise of 4.2%, the number of passengers at the Airport with an increase of 1.6% and total exports with a slight growth of 0.9%. Among indicators with negative growth, we mention cement deliveries with a decrease of 31.3%, construction permits with a fall of 24.4%, new car sales with a decline of 21.1%, value of property sales with a contraction of 19.7%, merchandise at the Port with a fall of 16.5%, cleared checks with a decline of 12.0%, total imports with a contraction of 11.8% and electricity production with a decrease of 1.2% year-on-year.



Source: BDL

## SLOWDOWN IN THE ACTIVITY OF THE PROPERTY MARKET IN FIRST QUARTER OF 2019

The statistics published by the Directorate of Land Registry and Cadastre covering the first quarter of 2019 showed that realty markets extended last year's downturn and continued to undergo a decrease in property transactions and sales activity.

The number of sales operations retreated by a yearly 14.9% from 14,181 sales operations in the first quarter of 2018 to 12,067 operations in the first quarter of 2019.

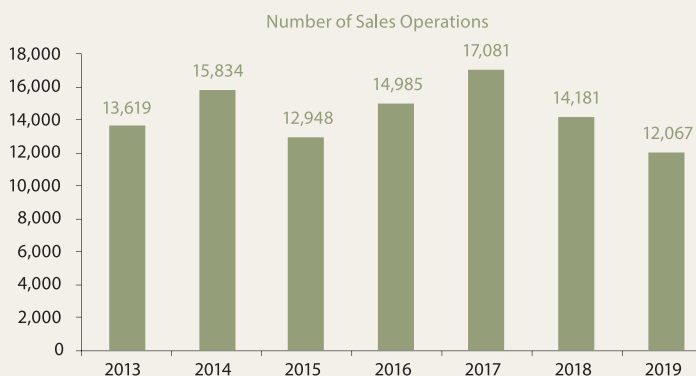
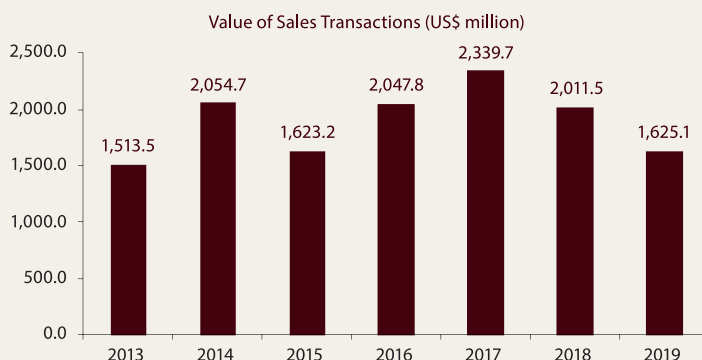
Sales to foreigners contracted by 14.3% year-on-year to reach 234 operations in the first quarter of 2019.

The value of property sales transactions was also on a downward path in the first quarter of 2019. It posted a decline of 19.2% year-on-year to attain a total of US\$ 1,625.1 million during the first quarter of 2019.

Most of the regions recorded declines in the value of sales transactions, with the most significant movements coming as follows: Keserouan (-54.8%), Baabda (-30.9%) and Bekaa (-25.0%).

On a similar path, the average sales value declined from US\$ 141,845 in the first quarter of 2018 to US\$ 134,676 in the first quarter of 2019.

### PROPERTY MARKET (FIRST QUARTER OF EACH YEAR)



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

**DE-TAXED TOURISTIC SPENDING UP BY A YEARLY 12.2% IN FIRST QUARTER OF 2019, AS PER GLOBAL BLUE**

Global Blue Lebanon, the firm that reimburses VAT to tourists at Lebanese border points, has recently published its report for the first quarter of 2019. According to the report, purchases by tourists in Lebanon whose VAT was claimed, which gives a fair view about tourists' shopping trends, has risen by 12.2% during the first quarter of 2019 compared to the same period a year earlier.

A breakdown of spending in the first quarter of 2019 by country of residence shows that the highest share of total spending (15%) is by residents of Saudi Arabia, followed by residents of the UAE (10%), Kuwait (9%), and Qatar (8%).

A look at the breakdown of spending evolution by country of residence shows most countries reported increases in the level of spending by their residents while some others reported a decrease.

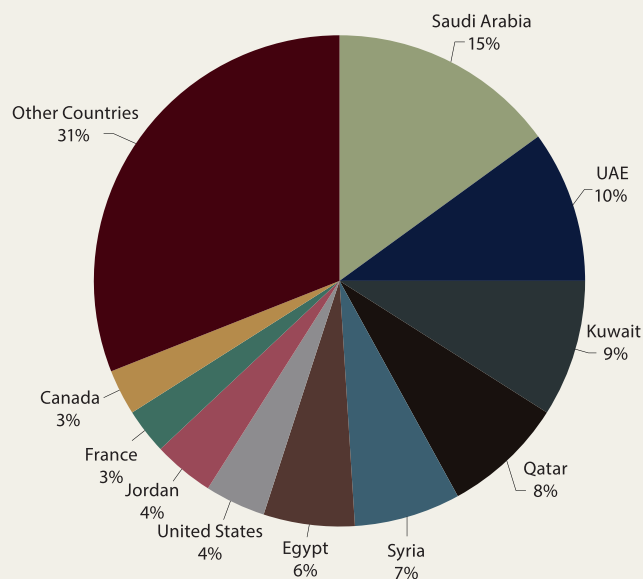
For instance, Qatari residents reported the highest increase of 83.9%, followed by residents of Kuwait and Saudi Arabia who reported respective increases of 67.0% and 45.1%.

At the same time, spending by residents of France, Syria and the UAE reported respective decreases of 28.7%, 12.1% and 0.6% year-on-year.

The distribution of spending by category shows that the biggest share of 67% is for fashion and clothing items, followed by watches and jewelry (19%), other categories (7%), department stores (4%) and home and garden (3%).

The breakdown of spending by Lebanese area shows that 83% of the purchases took place in Beirut, while 12% took place in the Metn area. The remaining 5% of spending was distributed among Kesserouan (2%), Baabda (2%), and other areas (1%).

**DE-TAXED SPENDING DISTRIBUTION BY COUNTRY OF RESIDENCE 1Q2019**



Sources: Global Blue, Bank Audi's Group Research Department

## SURVEYS

### LEBANON SECOND REGIONALLY IN THE 2019 WORLD PRESS FREEDOM INDEX

According to the World Press Freedom Index recently unveiled by Reporters Without Borders (RSF), Lebanon ranked second among 19 MENA countries, while it came in the 101st spot globally.

The degree of freedom available to journalists in 180 countries is determined by pooling the responses of experts to a questionnaire devised by RSF. This qualitative analysis is combined with quantitative data on abuses and acts of violence against journalists during the period evaluated.

The criteria evaluated in the questionnaire are pluralism, media independence, media environment and self-censorship, legislative framework, transparency, and the quality of the infrastructure that supports the production of news and information.

Ever since the 2013 index, countries have been given scores ranging from 0 to 100, with 0 being the best possible score and 100 the worst.

RSF calculates two scores. The first, "Underlying Situation", is based on the first six of the seven indicators listed above. The second combines the first six indicators (included in "Underlying Situation") with the seventh ("Abuse"). A country's final score is the greater of these two scores. This method prevents an inappropriately low score (high ranking) being given to a country where few or no acts of violence against journalists take place because the provision of news and information is tightly controlled.

In comparison to last year, Lebanon regressed to reach the 101st spot globally down from the 100th position in 2018. At the same time, Lebanon's overall score moved up by 1.29 points from 31.15 in 2018 to 32.44 in 2019, whereby the report highlights that despite real freedom of speech in the Lebanese media, they nevertheless remain extremely politicized and polarized.

It is worth noting that Tunisia came in first in the regional rank (72nd globally), while Syria and Sudan came last regionally (174th and 175th respectively).

### LEBANON APPROVES OPENING OF COUNTRY'S SECOND OFFSHORE LICENSING ROUND

The Lebanese government approved the opening of the country's much anticipated second offshore licensing round. Interested companies would be expected to submit their bids by 31 January 2020.

The Lebanese Petroleum Administration (LPA) detailed a total of five offshore blocks to be offered in the second round, comprising of blocks one, two, five, eight and ten.

The LPA indicated that tenders would not be preceded by a separate pre-qualification process, as was the case in the first round, in order to streamline the process and allow oil companies additional time for evaluation. Provisional block winners are expected to be announced during April 2020.

The legal framework for the second round has largely remained unchanged from the first, but pre-qualification criteria have been slightly loosened to encourage greater participation.

Following the prominent Zohr discovery, which opened up a different play type to those of the Leviathan and Aphrodite discoveries, much of the eastern Mediterranean has seen a renewed focus of exploration activity. With this increased level of interest, Lebanon's second offshore licensing round provides a timely opportunity to gain access to favourable acreage in this emerging region.

Spectrum has acquired and interpreted over 5,000 sq km of modern multi-client 3D data offshore Lebanon, covering three of the four blocks anticipated to be included in the second licensing round.

Through this data, Spectrum has shown that the early Miocene reservoir indicates a string of three-way dip closed and one-way fault closed structures that range in size from 20 to 50 sq km, capped by thick late Miocene mudstones.

### **LEBANON HAS MODERATELY HIGH SCORE OF 68.5 OUT OF 100 FOR ECONOMIC OPENNESS, SAYS FITCH SOLUTIONS**

According to a recent report by Fitch Solutions, Lebanon has a moderately high score of 68.5 out of 100 for Economic Openness, ranking in a competitive third position of the 18 states in the MENA region, only behind the UAE and Bahrain.

Lebanon has had a long tradition of domestic free trade and investment policies, with a combination of free market pricing for most goods and services, an unrestricted exchange and trade system, and extensive links with the developed world in nearly all economic activities boosting its competitiveness against regional peers.

The government continues to favour a strong role for the private sector in a liberal policy environment, as per the report. That said, the crisis in neighbouring Syria has negatively affected Lebanon's operating environment, with the influx of a large number of refugees straining public finances for the government.

Meanwhile, Fitch Solutions added that the government has been slow in implementing some of the much needed reforms to put the economy on long term sustainability, with much of public spending being directed towards non-productive activities such as debt servicing, electricity subsidies and employees' salaries. This would continue to undermine Lebanon's economic competitiveness over the short-medium term.

Consequently, Lebanon scores 67.3 out of 100 for Trade Openness, ranking it fourth out of 18 countries in MENA. Historically, tourism, construction, and domestic services were the largest growth sectors in Lebanon but the instability in neighbouring Syria and across the region as a whole has resulted in a dramatic decline of the retail and tourism industries in particular, according to Fitch Solutions.

The tertiary sector is the dominant driver of growth with a gross value added of services estimated at 76% of GDP in 2017. Within the tertiary sector the main activities include tourism, trade and finance, industries which employ a large share of the population, while real estate and construction remain key sectors, though they have lost dynamism since 2011.

The Lebanese economy is highly reliant on international trade, with most growth in trade value driven by imports, due to the strength of private consumption and the relative lack of domestic manufacturing industries. The government operates an open policy with regard to trade and both tariff and non-tariff barriers are low, encouraging greater trade flows, according to the report.

Nevertheless, trade flows from Lebanon will remain modest over the medium term, according to Fitch Solutions. Major conduits for trade with the Gulf and neighbouring countries have been disrupted or closed due to insecurity, inhibiting inter-regional trade.

While exports and imports combined notch up to 100% of GDP, highlighting the high significance of trade for the Lebanese economy, total trade volumes would remain relatively stagnant over the medium term, as per the report.

## CORPORATE NEWS

### NET PROFITS OF CRÉDIT LIBANAIS UP BY 2.4% TO US\$ 83.4 MILLION IN 2018

The net profits of Crédit Libanais stood at US\$ 83.4 million in 2018, rising from US\$ 81.4 million in the previous year, as per Bankdata Financial Services.

The bank's net interest income attained US\$ 182.4 million in 2018, falling by 1.2% from US\$ 184.7 million in 2017. Net fee and commission income retreated by 2.3%, declining from US\$ 43.8 million in 2017 to US\$ 42.8 million last year.

Total operating income fell by 8.2% to reach US\$ 237.2 million in 2018. This was accompanied by a 1.5% yearly growth in total operating expenses, which amounted to US\$ 137.2 million last year, up from US\$ 135.2 million in the previous year.

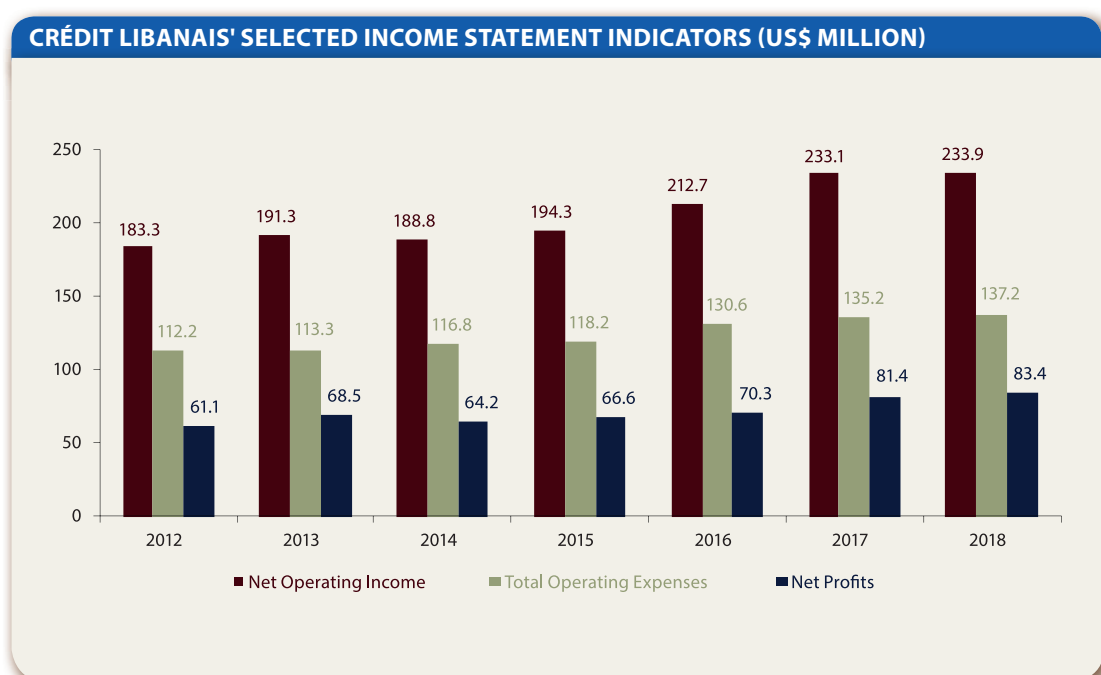
Recoveries of provisions on non-performing loans increased from US\$ 1.4 million in 2017 to US\$ 6.0 million in 2018. Hence, net operating income rose by a yearly 0.3% to US\$ 233.9 million in 2018.

Among the latter category, staff expenses grew by 3.4% year-on-year to reach US\$ 83.4 million in 2018, while administrative and other operating expenses edged down by 1.7% from US\$ 45.9 million in 2017 to US\$ 45.1 million in 2018.

The cost-to-income ratio increased from 52.1% in 2017 to 57.6% in 2018.

The bank's total assets amounted to US\$ 12.5 billion at end-2018, up by 7.8% from US\$ 11.6 billion at end-2017. Deposits from customers stood at US\$ 9.3 billion at end-2018, progressing by 0.4% from end-2017. Loans to customers registered US\$ 3.3 billion at end-2018, down by 4.5% from end-2017.

Shareholders' equity totaled US\$ 888.0 million at end-2018, up by 5.2% from US\$ 844.5 million at end-2017.



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

## BBAC'S TOTAL ASSETS UP BY 17.3% TO US\$ 8.1 BILLION AT END-2018

BBAC posted net profits of US\$ 51.7 million in 2018, up by 5.3% from its level in the previous year, as per Bankdata Financial Services.

Net interest income amounted to US\$ 103.6 million last year, down by 3.0% from 2017.

Net fee and commission income rose from US\$ 27.4 million in 2017 to US\$ 29.9 million in 2018. Net gains on financial assets rose by 55.6% year-on-year to US\$ 19.2 million in 2018.

Net operating income increased by 8.5% year-on-year to attain US\$ 155.7 million in 2018. Total operating expenses expanded by 15.6% year-on-year to US\$ 97.6 million in 2018, of which staff expenses reached US\$ 50.6 million, 10.8% higher than those reported in 2017, and administrative and other operating expenses totaled US\$ 42.4 million, 25.8% higher than those recorded in the previous year.

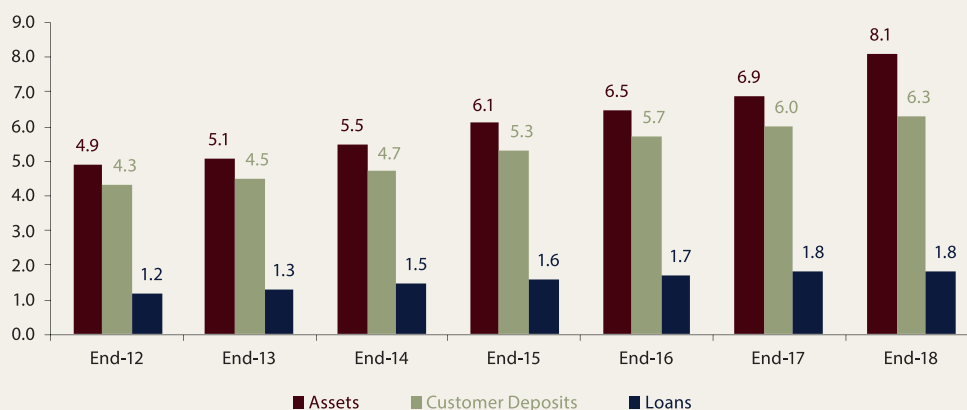
The ROAA declined from 0.73% in 2017 to 0.69% in 2018, and the ROAE dropped from 8.39% to 8.33% over the same period.

BBAC's assets totaled US\$ 8.1 billion at end-2018, up by 17.3% from US\$ 6.9 billion at end-2017. Net loans and advances stood at US\$ 1.8 billion at end-2018, 0.9% higher than that at end-2017. Customers' deposits amounted to US\$ 6.3 billion at end-2018, up from US\$ 6.0 billion at end-2017.

The loans-to-deposits ratio declined from 29.3% at end-2017 to 28.0% at end-2018.

The gross NPLs to gross loans ratio rose from 6.5% at end-2017 to 12.5% at end-2018, while the loan loss reserves on NPLs to NPLs ratio edged up from 36.7% at end-2017 to 44.9% at end-2018.

### BBAC'S MAJOR BALANCE SHEET AGGREGATES (US\$ BILLION)



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



## CAPITAL MARKETS

### MONEY MARKET: OVERNIGHT RATE STABLE AT LOW LEVEL OF 5%

The overnight rate remained at a low level of 5% this week, as the local currency liquidity remained quite abundant on the money market.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon showed that total resident banking deposits traced a downward trajectory during the week ending 4th of April 2019 following three consecutive weeks of growth. This was mainly driven by a LP 236 billion contraction in total LP resident deposits amid a LP 246 billion fall in LP demand deposits and a tiny rise in LP saving deposits of LP 10 billion, in addition to a LP 265 billion drop in foreign currency resident deposits (the equivalent of US\$ 176 million). Within this context, the money supply in its largest sense (M4) registered a contraction of LP 231 billion over the covered week amid a LP 120 billion decline in the non-banking sector Treasury bills portfolio and a LP 390 billion increase in the currency in circulation.

Within this context, it is worth mentioning that total resident banking deposits grew by LP 760 billion since the cabinet formation at end-January 2019, driven by a LP 804 billion expansion in total LP resident deposits.

### INTEREST RATES

	18/04/19	12/04/19	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 159 BILLION

The latest Treasury bills auction results for value date 18th of April 2019 showed that the Central Bank of Lebanon has allowed banks to subscribe in full to the three-month category (offering a yield of 5.30%), the one-year category (offering a yield of 6.50%) and the five-year category (offering a coupon of 8.0%).

In parallel, the Treasury bills auction results for value date 11th of April 2019 showed that total subscriptions reached LP 302 billion and were distributed as follows: LP 3 billion in the six-month category (offering a yield of 5.85%), LP 106 billion in the two-year category (offering a coupon of 7.0%) and LP 193 billion in the ten-year category (offering a coupon of 10.0%). These compare to maturities of LP 143 billion, resulting into a nominal weekly surplus of LP 159 billion.

The latest Tbs figures released by the Association of Banks in Lebanon showed that the outstanding LP Treasury bills portfolio reached LP 76,370 billion in February 2019, with the banking system accounting for 86.0% of the total, followed by the public sector with 12.7%, and individuals & individual institutions with 1.3%. This compared to a total portfolio of LP 76,575 billion at end-2018.

## TREASURY BILLS

	18/04/19	12/04/19	28/12/18	
3-month	5.30%	5.30%	4.44%	↔
6-month	5.85%	5.85%	4.99%	↔
1-year	6.50%	6.50%	5.35%	↔
2-year	7.00%	7.00%	5.84%	↔
3-year	7.50%	7.50%	6.50%	↔
5-year	8.00%	8.00%	6.74%	↔
10-year	-	10.00%	10.00%	
<b>Nom. Subs. (LP billion)</b>		<b>302</b>	<b>98</b>	
Short-term (3&6 mths)		3	4	
Medium-term (1&2 yrs)		106	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		-	83	
Long-term (10 yrs)		193	-	
<b>Maturities</b>		<b>143</b>	<b>124</b>	
<b>Nom. Surplus/Deficit</b>		<b>159</b>	<b>-26</b>	

Sources: Central Bank of Lebanon, Bloomberg

## FOREIGN EXCHANGE MARKET: ACTIVITY RELATIVELY SKEWED IN FAVOR OF FOREIGN CURRENCIES

The FX market saw net conversions in favor of foreign currencies in relatively small volumes this week, while activity on the interbank market remained absent which suggests that the Central Bank of Lebanon may have intervened in the market as a seller of the greenback to meet market players' needs.

The Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of April 2019 showed that foreign assets contracted by US\$ 334 million during the first half of the month to reach US\$ 38.2 billion mid-April, bringing year-to-date declines to US\$ 1.4 billion. Accordingly, BDL's foreign assets covered 76.1% of LP money supply, down from 77.8% at end-2018.

## EXCHANGE RATES

	18/04/19	12/04/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,960.81	1,970.60	1,905.78	↑
LP/¥	13.47	13.47	13.66	↔
LP/SF	1,490.80	1,505.39	1,529.68	↑
LP/Can\$	1,127.36	1,130.06	1,107.48	↑
LP/Euro	1,696.54	1,704.38	1,724.73	↑

Source: Bank Audi's Group Research Department

## STOCK MARKET: WEEKLY EQUITY PRICE DECLINES, MAINLY ON EX-DIVIDEND ACTIVITY

A slow mood continued to govern the Beirut Stock Exchange this week. The total trading value amounted to US\$ 1.0 million as compared to US\$ 941 thousand in the previous week and an average weekly turnover of US\$ 5.7 million since the beginning of the year 2019. The banking shares captured 55.9% of activity, while Solidere shares accounted for the remaining 44.0%.

As to prices, Lebanese equities traced a downward trajectory over this week, as reflected by a 2.7% fall in the BSE price index to close at 78.87. Five out of nine traded stocks posted price drops, while three

stocks registered price gains and one stock saw no price change week-on-week. Solidere "B" shares led the decline on the BSE, posting weekly price falls of 14.2% to US\$ 4.88, and Solidere "A" share price shed 6.4% to reach US\$ 5.29. As to banking stocks, BLOM's GDR price plunged by 11.7% to close at US\$ 7.95, and BLOM's "listed" share price dropped by 8.3% to US\$ 8.50, as they traded ex-dividend on April 17, 2019. Bank Audi's GDR price fell by 11.8% to US\$ 4.40, as securities traded ex-dividend on April 15, 2019. Bank Audi's "listed" share price closed 4.9% higher at US\$ 4.90 despite going ex-dividend at the beginning of the week. Byblos Bank's "listed" share price increased by 1.5% to US\$ 1.36. Byblos Bank Preferred shares "2009" posted price gains of 3.9% to US\$ 78.95.

## AUDI INDICES FOR BSE

22/1/96=100	18/04/19	12/04/19	28/12/18	
Market Cap. Index	361.39	371.54	384.30	↓
Trading Vol. Index	11.17	8.04	227.09	↑
Price Index	78.87	81.09	83.87	↓
Change %	-2.73%	-2.03%	-0.70%	↓
	18/04/19	12/04/19	28/12/18	
Market Cap. \$m	8,574	8,814	9,117	↓
No. of shares traded (Exc. BT)	194,881	153,388	4,241,140	↑
Value Traded \$000 (Exc. BT)	1,045	941	21,393	↑
o.w. : Solidere	460	636	1,208	↓
Banks	585	305	20,107	↑
Others	0	0	78	↔

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

## BOND MARKET: BOND PRICES UP AFTER CLEARING WAY FOR ELECTRICITY PLAN EXECUTION

The Lebanese Parliament's ratification of the electricity plan and the successive calls for austerity measures provided signals to the international community that Lebanon is embarking into material fiscal reforms and helped attracting a foreign bid for Lebanese debt papers.

International institutional investors were net buyers in the Lebanese Eurobond market in relatively moderate volumes this week, which resulted into price gains of up to 0.88 pt. Accordingly, the weighted average yield dropped from 9.31% last week to 9.21% this week, down by 10 bps. The weighted average bid Z-spread reached 713 bps this week as compared to 728 bps last week. As to the cost of insuring debt, Lebanon's five-year CDS spreads contracted from 785-805 bps at the end of last week to 760-780 bps at the end of this week, in a sign of improved market perception of sovereign risks at large.

Finally, it is worth mentioning that Lebanon's Ministry of Finance announced this week plans to issue Eurobonds worth US\$ 2.5 billion-US\$ 3 billion with a tenor of 10 years or more in May 2019, while all eyes are focused on the 2019 draft budget and related austerity measures that may leave a positive impact on bond yields in general, as per the Ministry of Finance officials.

## EUROBONDS INDICATORS

	18/04/19	12/04/19	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	9.21%	9.31%	9.95%	↓
Z-Spread (bid in bps)	713	728	764	↓
Average Life	7.51	7.53	7.83	↓
Yield on US 5-year note	2.37%	2.36%	2.61%	↑

Source: Bank Audi's Group Research Department

## INTERNATIONAL MARKET INDICATORS

	18-Apr-19	12-Apr-19	31-Dec-18	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	111.98	111.94	109.61	0.0%	2.2%
\$/£	1.299	1.309	1.275	-0.8%	1.9%
\$/Euro	1.123	1.131	1.147	-0.7%	-2.1%
<b>STOCK INDICES</b>					
Dow Jones Industrial Average	26,559.54	26,412.30	23,327.46	0.6%	13.9%
S&P 500	2,905.03	2,907.41	2,506.85	-0.1%	15.9%
NASDAQ	7,998.06	7,984.16	6,635.28	0.2%	20.5%
CAC 40	5,580.38	5,502.70	4,730.69	1.4%	18.0%
Xetra Dax	12,222.39	11,999.93	10,558.96	1.9%	15.8%
FT-SE 100	7,459.88	7,437.06	6,728.13	0.3%	10.9%
NIKKEI 225	22,090.12	21,870.56	20,014.77	1.0%	10.4%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,275.82	1,289.06	1,282.49	-1.0%	-0.5%
SILVER OUNCE	15.01	14.96	15.50	0.3%	-3.1%
BRENT CRUDE (per barrel)	71.97	71.39	53.80	0.8%	33.8%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	2.48	2.47	2.50	0.01	-0.02
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	2.56	2.55	2.68	0.01	-0.12

Sources: Bloomberg, Bank Audi's Group Research Department

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