The LEBANON WEEKLY MONITOR

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p.9 BOND PRICES AT RECORD LOWS OF 12.5 CENTS PER DOLLAR

Amid extended countrywide lockdown, suspended cabinet discussions on the proposed draft law on Capital Control, and while the Ministry of Finance announced that Lebanon would discontinue payments on all its FC-denominated Eurobonds as the government advances on its plan to stabilize and restart the economy amidst global uncertainty, Lebanon's capital markets witnessed this week further price drops on the bond market, while Lebanese banks continue to restrict their operations to process necessary and urgent corporate business transactions, and the equity market posted extended price declines. In details, bond prices reached record lows of 12.5 cents per dollar, while Morgan Stanley estimated a recovery value of 25. In parallel, the LP/US$ exchange rate was quoted at LP 2,750-LP 2,800 this week as compared to LP 2,650-LP 2,750 last week. Finally, the equity market saw further price retreats (-0.6%), while trading volumes remained quite shy.

LEBANON MARKETS: WEEK OF MARCH 23 - MARCH 29, 2020

Money Market	↑	BSE Equity Market	↓
LP Tbs Market	↓	Eurobond Market	↓
LP Exchange Market	↓	CDS Market	↔

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ECONOMY

MoF EXHIBITS INVESTOR PRESENTATION, UNVEILING RECOVERY PLAN

The Ministry of finance enacted a presentation to investors last Friday, in which it included some highlights of its comprehensive recovery plan. The presentation was undertaken by the Minister of Finance, the General Manager of the Ministry and Top advisor to the Minister. Below are the most important points of the Presentation.

With respect to Lebanon's Current economic conditions:
- Lebanese economy is falling into deep contraction: Real GDP growth of -6.9% in 2019, with further contraction of -12% in 2020. Inflation expected at above 25% in 2020.
- Fiscal Deficit at -11.3% in 2019 of which interest bill is close to 50% of revenues in 2019.
- Debt/GDP 2019 at 178%, with a high weighted average cost of government debt at 6.7%.
- Banking sector assets standing at 422% of GDP way oversized (Second largest worldwide relative to the size of the economy). Cost of attracting USD through commercial banks is weighing heavily on BDLs balance sheet.
- Lebanon has consistently shown deficits in its current account between 19% to 30% of GDP
- Leading to a rapid depletion of BDL FX holdings to US$ 29bn, of which US$ 22 bn are liquid and out of which US$ 18 bn are mandatory reserves held at BDL for regulatory purposes.

With respect to Lebanon comprehensive recovery plan:
1) Banking sector reform: restructuring commercial banks (size & organization) including disentangling links between commercial banks and BDL and reassessing the role of the BDL.
2) Fiscal reform plan leading to a primary surplus:
- Reforming EDL & pension system.
- Rationalizing current expenditures and streamlining govt institutions.
- Improving tax collection, compliance rates, taxing rent income, an privileges given on public properties and assets.

3) Infrastructure reform targeting economic growth:
- Strengthening judicial system – bankruptcy, procurement & competition laws
- Sectorial strategies focus on land reform, energy water, waste management
- Gather external support to finance high value added infrastructure

4) Full restructuring on both LBP and USD public debt in line with available resources
- Eurobonds US$ 31.3 bn
- Bilateral/Multilateral loans at US$ 2.1 bn
- Tbills & bonds US$ 57.1 bn

With respect to the Perimeter of the public debt restructuring:
- Foreign debt restructuring in line with available FX resources
- Tbonds wil be restructured in "due course" with available LBP resources dependent on the primary surplus the govt can achieve in the mid term
- US$ 4.6 bn of Eurobonds and interest that have to be financed this year
- US$ 10.3bn of tbills that have to be financed this year

With respect to the Main principles of the public debt restructuring
- Debt sustainability: Government debt-to-GDP dynamics driven by medium and long-term government debt refinancing cost commensurate with economic growth trajectory and primary surplus target
- Refinancing capacity: Government budget gross financing needs dynamics consistent with manageable Lebanese pound and foreign currency debt rollovers

- External financing buffer: Public sector foreign currency debt payments compatible with current account dynamics and foreign exchange reserve accumulation objectives
- Reasonable buffer to protect against exogenous shocks such as global trade shocks, financial shocks and unpredictable events

With respect to the Next Steps and indicative timeline – Mar –Dec 2020:
Design and approval of comprehensive economic recovery plan:
- Discussions with multilateral partners on external support
- Adoption of comprehensive reform plan
- Required regulatory actions to be implemented

Engagement with Lebanon's private sector creditors:
- Active negotiations on restructuring parameters
- Expected agreement on key financial and legal terms
- Equitable treatment to ensure fair burden sharing among all stakeholders

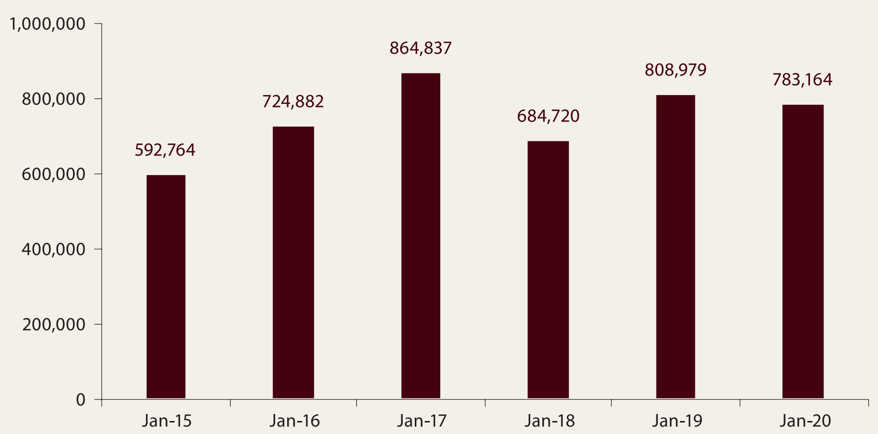
IMPORTS OF PETROLEUM DERIVATIVES DOWN BY A YEARLY 3.2% IN JANUARY 2020

The imports of petroleum derivatives to Lebanon stood at 783,164 metric tons in January 2020, down by a yearly 3.2% from 808,979 metric tons in the same month of the previous year.

This came after a rise of 18.1% in the same months of 2019, up from 684,720 tons in the first month of 2018.

It is worth noting that the imports of petroleum derivatives to Lebanon stood at 8,049,695 metric tons in 2019, down by a yearly 0.5% from 8,087,580 metric tons in the previous year.

IMPORTS OF PETROLEUM DERIVATIVES (METRIC TONS)



Sources: BdL, Bank Audi's Group Research Department

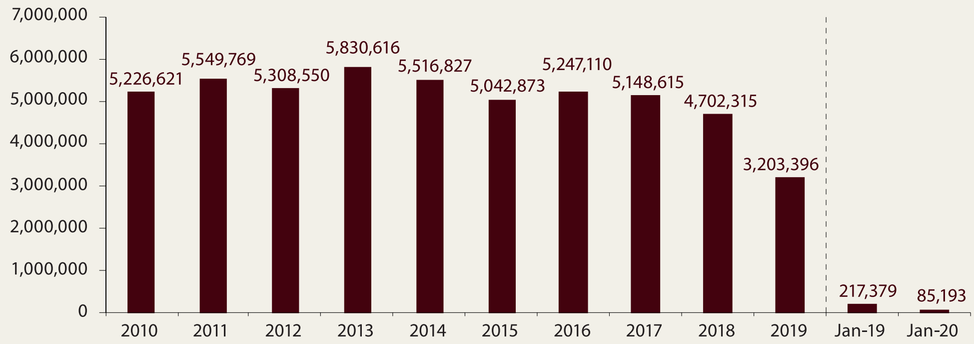
CEMENT DELIVERIES DOWN BY 60.8% IN JANUARY 2020

Figures released by the Central Bank of Lebanon show that cement deliveries, a coincident indicator of construction activity, declined by a yearly 60.8% in January 2020.

Cement deliveries actually reached circa 85,193 tons in January 2020, down from 217,379 tons in the corresponding month 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 recalling that cement deliveries reached 4,702,315 tons in 2018, down from 5,148,615 tons in 2017.

CEMENT DELIVERIES (IN TONS)



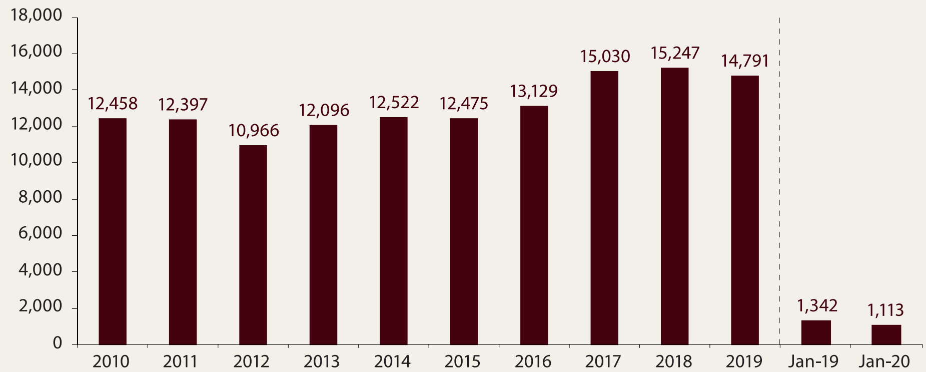
Sources: Central Bank of Lebanon, Bank Audi's Group Research Department

ELECTRICITY PRODUCTION DOWN BY 17.1% IN JANUARY 2020

Data published by the Central Bank of Lebanon shows that electricity production fell by 17.1% year-on-year in January 2020. The production totaled 1,113 million Kilowatt Hours (kWh) in January 2020, down from 1,342 million kWh in January 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.

ELECTRICITY PRODUCTION (MILLION KWH)



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

SURVEYS

MORGAN STANLEY SEES LITTLE BENEFIT OF PIECEMEAL APPROACH TO LEBANON DEBT RESTRUCTURING

In a recent note by Morgan Stanley, it sees little benefit of a piecemeal approach to debt restructuring, given the complex inter-linkages between the MoF, BDL and domestic banks. Considering the subdued growth outlook, it makes sense to de-lever across the broad public sector.

Lebanon declared a moratorium on payments on US$ 1.2 billion worth of LEBAN 6.75% March 2020 eurobonds, and that it was extended to all US$ 31.3 billion worth of eurobonds, which are outstanding.

The ownership structure of the LEBAN eurobond complex would be back in focus as the country enters the restructuring phase. The foreign ownership is mostly concentrated in the front end of the curve.

It is worth noting that the ownership structure matters even at a bond level as Lebanon bonds don't have an ICMA-recommended single limb collective action clause (CAC) which permits restructuring of securities across several classes.

Simply put, the restructuring vote will happen bond by bond, as per the report. Consent of 75% of bondholders is required to change or modify the terms of the notes, as per Morgan Stanley.

At the same time, foreign fund ownership has a large skew towards the top holders. The incentives or goals to accept a certain restructuring proposal could be different among domestic and foreign investors considering the symbiotic relationship between the MoF, BDL and the banks, and bank ownership of eurobonds which is a very small proportion of their overall claim on the public sector.

With the non-eurobond debt issued under domestic law and given the symbiotic relationship, it's easier to restructure it, as per Morgan Stanley. One would also argue that focusing of debt relief via restructuring domestic debt would benefit the sovereign more since US$ 84 billion of the total US$ 96.6 billion public sector debt is held onshore.

Such a process would mean better recovery for external creditors, and a swifter possible return of the sovereign to the global capital markets for future funding needs, as per Morgan Stanley.

However, the challenge we see in Lebanon is that domestic banks, as opposed to funds, are the key financier for the sovereign domestically. Any restructuring will likely impact the banks' capital position as securities are held on the asset side, which in turn will lead to contingent liabilities for the sovereign to recapitalize the banks, according to the report. In fact, banks' claim on the public sector is 7.5x their capital positions, as per the same source.

If multilateral or bilateral aid materialises, it would certainly be positive. However, from a market pricing perspective, Morgan Stanley thinks it's too early to price such support, especially on the fiscal side.

Lebanon's quota with the IMF would allow it to have a funded programme worth US$ 3.8 billion over three years in normal access. The IMF thinks that Lebanon's funding need is significantly higher, as Morgan Stanley previously estimated the funding gap at US$ 5-US$ 6 billion annually. Getting exceptional access would be difficult considering that the IMF DSA classified Lebanon's debt as unsustainable, and this means that the Fund may push for a restructuring as a prior action item.

From a bilateral perspective, support by GCC states in the MENA region is not uncommon but, given current oil prices and foreign policy orientations, the report doesn't make it its base case.

Similarly, CEDRE donors had committed over US$10 billion in project aid back in 2018 but the disbursement was tied to fiscal consolidation of 1% of GDP each year to reach 4% by 2023. The deficits are now likely in double digits, which makes the initial target look ambitious, meaning that the programme may need to be renegotiated.

LEBANESE ECONOMY TO CONTRACT IN 2020, SAYS BLOOMBERG

According to a recent survey conducted by Bloomberg, the Lebanese economy is expected to be in contraction mode with negative growth at 2.0% in 2020, and 0.6% in 2021.

It is worth noting that the survey was completed by seven economists and conducted between March 13 and March 20. With regards to inflation, the country's CPI is estimated to reach 7.0% in 2020, and forecast at 5.5% in 2021.

Lebanon's current account balance is anticipated to attain a deficit of 18.4% of GDP in 2020, and a deficit of 16.5% of GDP in 2021.

Last but not least, the country's budget balance, as a percentage of GDP, is estimated to post a deficit of 11.0% in 2020. The latter is expected to reach deficits of 9.0% of GDP in 2021.

LEBANESE BANKS CONCERNED AFTER COUNTRY'S EUROBOND DEFAULT, SAYS EIU

According to a recent report published by the Economist Intelligence Unit, the Lebanese government is considering applying a haircut on the portion of Eurobonds held by commercial banks, as the country's banking sector comes under increasing strain.

After the country's March 9th Eurobond default, Lebanese banks are concerned because they form a major portion of the bondholders. As a matter of fact, they hold about US $14.5 billion of Lebanon's total Eurobond issuance of about US$ 29.6 billion.

The government instructed banks to prepare for substantial changes, in particular an anticipated restructuring of the repayment schedule for their sizeable holdings of public debt. Banks will be hit by the debt restructuring, and the anticipated restructuring of local-currency Treasury bills, all of which will have a negative impact on banks' capital bases, as per EIU.

Although ministers have dismissed the prospect of a haircut on bank deposits, bankers are clearly not prepared to take them at their word, as per the EIU. Although officials have mooted a form of bail-in, under which depositors would be given shares in banks as part of a recapitalization process.

Even if the haircut is concentrated only on the largest depositors, the sector faces tough decisions over which banks to save and which to allow to fail, according to EIU. Lebanon's banking sector will not look the same after this protracted process, with only a smaller group of banks expected to be active, as per the Economist Intelligence Unit.

Furthermore, their long-standing funding models are unlikely to survive. Attracting diaspora deposits has been a core strategy for Lebanese banks, but this will be more difficult in Lebanon's post-default era of low confidence. Lower deposit levels will lessen bank's capacity to continue supporting the government in future capital-raising efforts, as per the report.

Last but not least, the banking sector must also contend with the impact of the coronavirus outbreak, as per EIU.

CORPORATE NEWS

INSURANCE COMPANIES' GROSS WRITTEN PREMIUMS RETREAT TO US$ 1.3 BILLION IN 2019, AS PER THE INSURANCE CONTROL COMMISSION

The Insurance Control Commission published its "Insurance Sector Quarterly Report" for Q4 2019, which revealed that the sector's gross written premiums retreated to US$ 1.3 billion in 2019, from US$ 1.7 billion in 2018.

In details, the life insurance segment reported gross written premiums of US$ 180.2 million in 2019, down from US$ 519.0 million in the previous year.

The motor insurance segment's gross written premiums stood at US$ 334.3 million in 2019, compared to US$ 334.4 million in 2018.

Health insurance's gross written premiums were at US$ 539.9 million in 2019, up from US$ 511.0 million in 2018, while those of property and casualty retreated from US$ 268.9 million in 2018 to US$ 266.0 million in 2019.

In a look at the companies, Bankers came in the top position in gross written premiums in 2019, reporting US$ 117.9 million, down from US$ 122.7 million in the previous year.

In details, the life segment reported US$ 8.8 million, the motor took over a share of US$ 31.9 million, the health fragment's gross written premiums reported US$ 58.8 million and those of the property and casualty were US$ 18.4 million.

Fidelity came in the second position in gross written premiums in 2019, reporting US$ 98.2 million, down from US$ 105.8 million in the previous year. In details, the life segment reported US$ 4.1 million, the motor took over a share of US$ 33.8 million, the health fragment's gross written premiums reported US$ 47.2 million and those of the property and casualty were US$ 13.2 million.

Medgulf came in the third position in gross written premiums in 2019, reporting US$ 90.4 million, up from US$ 86.6 million in the previous year. In details, the life segment reported US$ 3.0 million, the motor took over a share of US$ 13.9 million, the health fragment's gross written premiums reported US$ 65.0 million and those of the property and casualty were US$ 8.4 million.

LIA came in the fourth position with gross written premiums of US$ 89.4 million in 2019, down from US$ 114.1 million in the previous year. In the fifth position came SNA with US$ 88.4 million in 2019, compared to US$ 145.8 million in 2018.

The value of gross claims settled for the sector stood at US$ 790.6 million in 2019, down from US$ 949.0 million in 2018. LIA took over the top position with US$ 82.5 million in 2019.

Moreover, the Lebanese insurance sector's expenditures for acquisition and administration retreated by a yearly 16.1% in 2019. These stood at US$ 407.0 million, down from US$ 485.4 million in the previous year. Bankers ranked first with US$ 39.2 million in 2019.

The sector's net investment income declined by an annual 36.1% to US$ 99.1 million in 2019, falling from US$ 155.0 million. LIA topped the list with US$ 18.0 million.

As a result, the ratio of gross settled claims to gross written premiums stood at 60% in 2019, up from 57% in 2018.

The ratio of expenditures for acquisition and administration to gross written premiums reported 31% in 2019, up from 29% in 2019 and the ratio of net investment income to gross written premiums registered 8% in 2019, down from 9% in 2018.

BERYTECH AND ELCIM PROGRAM GRANTS TARGET AGRI-FOOD AND CLEANTECH

Four grants of US$ 25,000 each are being offered to researchers within an academic institution or research center with innovations in agri-food (technology, engineering, food innovation) as well as cleantech (renewable energy, waste and water valorization), with patentability or intellectual property (IP) protection potential.
This grant initiative is sponsored by Berytech and the ELCIM program at the Industrial Research Institute (IRI).

The funds are made available through the ACT Smart Innovation Hub program, co-funded by the Kingdom of the Netherlands and Berytech.

Two grants will be given to an innovation in agri-food and the other two will be given to an innovation in cleantech.

The research project should lead to an independent commercial entity. The project should have reached at least an early-stage prototype development, as well as have potential for regional or international reach.

The grant will be used to cover the costs of consulting and research, development, simulation or prototyping.

I.NETWORK AUTOMATION AND PHOENIX MACHINERY DESIGN PROTOTYPES FOR INTENSIVE CARE VENTILATORS

I.Network Automation and Phoenix Machinery (part of the Indevco Group) have designed, each independently, prototypes for intensive care ventilators.

Hotel Dieu de France Hospital and the Saint Joseph University (USJ) have started testing of a locally manufactured intensive care ventilator prototype, designed by I.Network Automation, an industrial robots and automation manufacturer. Testing of the Phoenix Machinery unit has started as well.

The testing process will take a few weeks, and then production of the devices may start.

I.Network Automation said its prototype will be experimented on animals in a first stage.

Both entities have used existing designs, but manufactured most of the parts used in the device. Indevco based their design on a British model, and made improvements on it, said the Chairman of Indevco.

I.Network said that the cost of the device does not exceed US$ 2,000. Phoenix does not have a cost estimate as of this writing. The average cost of an imported intensive care ventilator can reach US$ 30,000.

I.Network’s design will be available for manufacturers and hospitals free of charge. The design recipients will need to arrange for the manufacture. The Indevco group will produce its own units.

Indevco will start production after obtaining the approval of the Ministry of Industry and the Ministry of Public Heath, according to the General Manager of the Phoenix group. It will be able to produce ten devices per day. About half of the device parts can be manufactured locally.

Companies of INDEVCO Group are also working to construct isolation rooms, prefabricated field hospitals, and surgical masks. Sanita (member of Indevco Group) is adapting existing machinery to produce surgical masks, as per the same source.

CAPITAL MARKETS

MONEY MARKET: OVERNIGHT RATE AT 3% ON LP CDS DISCOUNTS

The money market was marked this week by increased local currency liquidity at hand, as the CNSS re-deposited its LP funds at the banking sector and Lebanese banks started discounting their LP Certificate of Deposits at the Central Bank of Lebanon. Under these conditions, the overnight rate, which initiated the week at 10%, slid to 5% mid-week and closed at 3% on Friday.

INTEREST RATES

	27/03/20	20/03/20	27/12/19	
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 DEFICIT OF LP 41 BILLION

The latest Treasury bills auction results for value date 26th of March 2020 showed that the Central Bank of Lebanon has allowed banks to subscribe in full to the six-month category (offering a yield of 5.85%), the three-year category (offering a coupon of 7.50%) and the seven-year category (offering a coupon of 9.0%).

In parallel, the Treasury bills auction results for value date 19th of March 2020 showed that total subscriptions amounted to LP 121 billion and were distributed as follows: LP 5 billion in the three-month category (offering a yield of 5.30%), LP 8 billion in the one-year category (offering a coupon of 6.50%) and LP 108 billion in the five-year category (offering a coupon of 8.0%). These compare to maturities of LP 162 billion, resulting into a nominal weekly deficit of LP 41 billion.

TREASURY BILLS

	27/03/20	20/03/20	27/12/19	
3-month	5.30%	5.30%	5.30%	⇔
6-month	5.85%	5.85%	5.85%	⇔
1-year	6.50%	6.50%	6.50%	⇔
2-year	7.00%	7.00%	7.00%	⇔
3-year	7.50%	7.50%	7.50%	⇔
5-year	8.00%	8.00%	8.00%	⇔
7-year	9.00%	-	9.00%	
Nom. Subs. (LP billion)		**121**	**120**	
Short -term (3&6 mths)		5	-	
Medium-term (1&2 yrs)		8	20	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		108	100	
Maturities		**162**	**61**	
Nom. Surplus/Deficit		**-41**	**59**	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: CAPITAL CONTROL LAW SUSPENDED

While Lebanese banks continue to restrict their operations to process necessary and urgent corporate business transactions in line with the Council of Ministers' decision and the recommendations of the Association of Banks in Lebanon to prevent the spread of COVID-19, cabinet discussions on a proposed draft-law on Capital Control were suspended this week.

Within this context, the Central Bank governor said that the proposed Capital Control law should revolve around the "External Account" which is set to attract "fresh money" and imposes no restrictions on depositors, while Lebanese banks are assumed to trade the US dollar at the market rate (while the official rate between banks and BDL should remain intact). This would require, according to the Central Bank governor, the launching of a platform for currency traders, signaling that a new BDL circular would be issued shortly in this respect.

EXCHANGE RATES

	27/03/20	20/03/20	27/12/19	
LP/US$	1,507.50	1,507.50	1,507.50	⇔
LP/£	1,841.26	1,739.81	1,970.00	↓
LP/¥	13.85	13.72	13.77	↓
LP/SF	1,563.96	1,537.95	1,543.78	↓
LP/Can$	1,069.22	1,033.88	1,150.59	↓
LP/Euro	1,658.10	1,620.41	1,679.20	↓

Source: Bank Audi's Group Research Department

STOCK MARKET: EXTENDED EQUITY PRICE FALLS WEEK-ON-WEEK

The Beirut Stock Exchange continued to trace a downward trajectory during this four-day week, as reflected by a 0.6% decline in the price index. Two out of five traded stocks registered price falls, while two stocks posted price gains and one stock saw no price change week-on-week. Byblos Bank's "listed" share price led the decline, plunging by 10.0% to reach US$ 0.81. BLOM's "listed" share price dropped by

4.8% to US$ 3.0. BLOM's GDR price stood unchanged at US$ 3.50. As to Solidere shares, Solidere "A" share price rose by 1.1% to US$ 9.09. Solidere "B" share price increased by 1.2% to US$ 9.10.

As to trading volumes, the BSE total turnover was restricted to US$ 830 thousand versus US$ 2.5 million in the previous week, noting that Solidere shares captured the lion's share of activity.

AUDI INDICES FOR BSE

22/1/96=100	27/03/20	20/03/20	27/12/19
Market Cap. Index	261.64	263.08	316.37
Trading Vol. Index	9.10	27.75	24.97
Price Index	57.36	57.68	69.36
Change %	-0.55%	-2.43%	2.37%
	27/03/20	20/03/20	27/12/19
Market Cap. $m	6,207	6,241	7,506
No. of shares traded (Exc. BT)	92,864	496,871	333,997
Value Traded $000 (Exc. BT)	830	2,533	2,294
o.w. : Solidere	829	2,025	2,294
Banks	1	502	0
Others	0	6	0

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

BOND MARKET: LEBANESE BONDS' CASH PRICES BELOW ESTIMATED RECOVERY VALUE

The Ministry of Finance announced early this week that Lebanon would discontinue payments on all its foreign currency denominated Eurobonds as the government advances on its plan to stabilize and restart the economy amidst global uncertainty. This followed the government's decision on March 7, 2020 to withhold payments on a US$ 1.2 billion bond in order to safeguard foreign currency reserves. Under these conditions, the Ministry of Finance held on March 27, 2020 an investor presentation to update Lebanese bondholders on the latest macroeconomic developments and provide an overview of the government's reform plan and the guiding principles for the public debt restructuring.

That being said, prices of Lebanese sovereigns maturing between 2020 and 2037 ranged between 12.5 cents per dollar and 17.0 cents per dollar this week, noting that international institutional investors remained buyers, especially after Morgan Stanley said in a recent report that while "probability-weighted average prices suggest 25 as the recovery value, discounting it by 15% (where other stressed sovereigns are currently trading) would suggest that should the restructuring settle 1-2 y forward, the discounted value should be around a 20-22 cash price".

EUROBONDS INDICATORS

	27/03/20	20/03/20	27/12/19
Total tradable size $m	31,364	31,364	29,564
o.w.: Sovereign bonds	30,114	30,114	28,314
Average Yield	316%	275%	29.99%
Average Life	8.06	8.08	7.50
Yield on US 5-year note	0.47%	0.58%	1.71%

Source: Bank Audi's Group Research Department

INTERNATIONAL MARKET INDICATORS

	27-Mar-20	20-Mar-20	31-Dec-19	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/$	107.97	110.78	109.61	-2.5%	-1.5%
$/£	1.246	1.163	1.275	7.1%	-2.3%
$/Euro	1.114	1.069	1.147	4.2%	-2.8%
STOCK INDICES					
Dow Jones Industrial Average	21,636.78	19,173.98	28,538.44	12.8%	-24.2%
S&P 500	2,541.47	2,304.92	3,230.78	10.3%	-21.3%
NASDAQ	7,502.38	6,879.52	8,972.60	9.1%	-16.4%
CAC 40	4,351.49	4,048.80	5,978.06	7.5%	-27.2%
Xetra Dax	9,632.52	8,928.95	13,249.01	7.9%	-27.3%
FT-SE 100	5,510.33	5,190.78	7,542.44	6.2%	-26.9%
NIKKEI 225	19,389.43	16,552.83	23,656.62	17.1%	-18.0%
COMMODITIES (in US$)					
GOLD OUNCE	1,628.16	1,498.65	1,517.27	8.6%	-7.3%
SILVER OUNCE	14.47	12.62	17.85	14.7%	-19.0%
BRENT CRUDE (per barrel)	24.93	26.98	66.00	-7.6%	-62.2%
LEADING INTEREST RATES (%)					
1-month Libor	0.99	0.93	1.71	0.06	-0.72
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	0.85	1.92	-0.18	-1.25

Sources: Bloomberg, Bank Audi's Group Research Department