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p.9 MARKETS IN BRIEF: LP ON DOWNWARD SPIRAL AMID DEEPENED POLITICAL CRISIS AND TOUGH REFORM ROAD

Amid a lack of consensus among different political blockages about a Presidential candidate, and as a caretaker government continues to hold the reins of powers amid elevated domestic political bickering, and awaiting new BDL measures to curb unprecedented currency collapse, Lebanon's capital markets saw this week a further deterioration in LP against the US dollar on the parallel FX market to reach new all-time lows, while the equity market continued to trace an upward trajectory and the bond market remained governed by a sluggish mood amid tough political and reform challenges. In details, the LP/US\$ rate pierced upward the LP/US\$ 51,000 level on Friday compared to LP/US\$ 49,000 at the end of last week amid a protracted institutional vacuum, tough reform road, restricted activity on "Sayrafa" platform and continuous FX reserves burn. On the equity market, investors continued to flock to realty stocks on hedging activity against crisis, while some banking stocks registered weekly price contractions, which resulted into a shy rise in the price index of 0.5%. Finally, bond prices closed the week at 6.125 cents per US dollar amid a prolonged political void and a very slow progress in the implementation of reforms, in addition to bets about low recovery rates.

LEBANON MARKETS: JANUARY 16 - JANUARY 22, 2023

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

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ECONOMY

IMF ISSUES TAX POLICY RECOMMENDATIONS FOR LEBANON

A new report has been issued by the IMF entitled “Lebanon: Putting Tax Policy Back on Track”.

Lebanon’s tax revenue more than halved between 2019 and 2021, in the face of the deepest economic crisis since the end of the civil war. Without taking active tax measures now, the decline in revenue is likely to continue in 2022 and 2023 with severe ramifications, beyond foregone receipts (and consequent deterioration of public institutions), in undermining the progressivity of the system, and in aggravating inequality and distortions.

This report identifies tax policy reform options to stop the drain on Lebanon’s tax revenue in the immediate and near-terms and to move toward a more efficient, effective, and inclusive tax system in the medium-term. Below are the IMF recommendations:

Correcting mis-valuation. A single market exchange rate should be used for all valuations for tax purposes. For a short-term transition, an index that is reasonably close, and converging, to the market exchange rate can be used. The exchange rate for valuing taxes is not meant to (and should not) be a tax policy choice or set at some ad hoc preset value. Adopting a lower rate than the Sayrafa or any preset value in absolute amount for tax purposes is strongly recommended against. The mis-valuation of customs, excises, and VAT at the border—due to the use of the predetermined exchange rate of LBP 1,507 (compared to the market rate of about LBP 38,000 as of September 22, 2022)—is estimated to cause a loss of revenue of 4.8% of GDP in 2022.

Correcting for high inflation. Specific excises and thresholds that are set in nominal values should be reset and indexed to inflation. Failing to reset the specific excises (mainly on fuel) has led to a loss of revenue of 0.8% of GDP, bringing the total forgone revenue (from the lack of response to the depreciation and inflation) in 2022 to 5.6% of GDP. The VAT threshold should be restored to an appropriate level to ease administrative and compliance costs. Employment income tax brackets should be adjusted and indexed to inflation to reinstate the original schedule of increasing average tax rates and address the continuing damage to both horizontal and vertical equity. In all cases, indexing should be automatic.

Ending excessively favorable capital income tax treatment. Under-taxation of the affluent, mainly non-wage earners, weakens revenues, the role of tax policy in income redistribution, and tax morale. The following exemptions should be repealed to close loopholes: (i) the withholding tax on dividend distributions to individuals from holding and offshore companies; (ii) capital gains from the sale of shares in joint stock companies; and (iii) capital gains from the sale of real property for other than the primary residence. Shortcomings in corporate taxation should also be addressed, including by: eliminating the preferential tax treatment for export earnings (inconsistent with current international trade standards); including corporate capital gains to the corporate income tax base (rather than taxing them separately).

Unlocking the potential of property taxation. As a critical step toward reaching the full potential of the built property tax, the exemption of vacant properties—which ultimately discriminates in favor of idle resources and easing tax evasion—should be abolished immediately. This measure should be a part of greater efforts, in the immediate- and near-terms to improve the quality of the property valuation system and keep property values current.

According to the Fund, rebuilding Lebanon’s tax system is a continuous process. In 2023, reforms should focus on:

Making the VAT great again. The introduction of the VAT in 2002 is a living proof of the possibility of highly successful tax reform in Lebanon. To rise to the ongoing tax challenges, the VAT design should be strengthened by near-term measures to lower the compliance and policy gaps. Estimates suggest that—without raising the VAT rate—relatively moderate measures can yield extra revenue of 1% of GDP. Specific recommendations to broaden the VAT base include removing the distortionary exemption of inputs into specified sectors and generally restricting entitlements to refunds (as much as possible) to VAT registered businesses by abolishing the tourist refunds scheme, inter alia.

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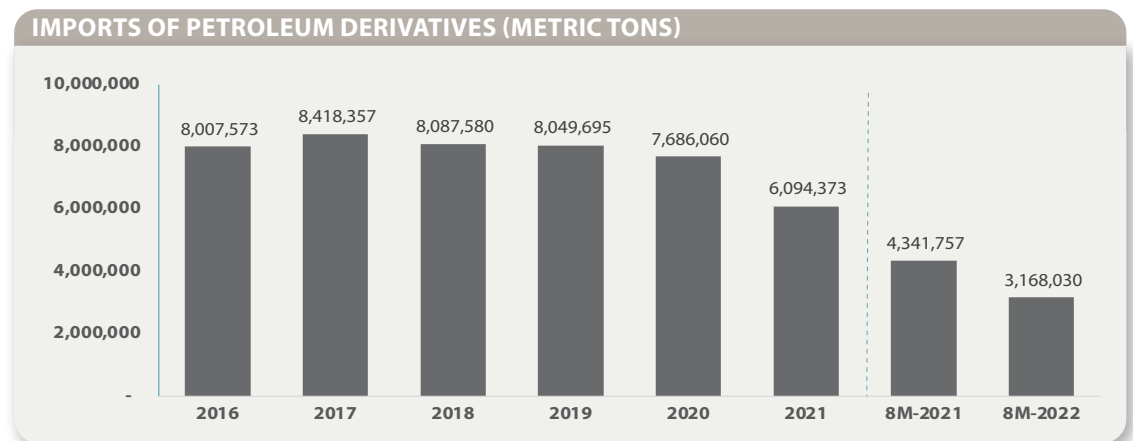
Making better use of excises. Excises are an efficient way to reduce pollution, generating marked environmental benefits and significant revenue, with a modest impact on prices. An excise on diesel that increases from USD 0.10 in 2023 to USD 0.25 per liter in 2025 is estimated to raise 1.5 to 3% of GDP in revenues. While the tax on diesel is the priority and should be introduced in the near-term, excises on propane and butane could also be phased-in automatically in the legislation without requiring further parliamentary approval.

Closing loopholes and modernizing the corporate income tax (CIT). In line with international best practices, professionals should be taxed in the real profits' regime and with the use of withholding taxes on payments to professionals for services. The regimes of offshore and holding companies (that no longer conform with international standards), and wasteful CIT incentives should be abolished.

IMPORTS OF PETROLEUM DERIVATIVES DECLINE BY A YEARLY 27% IN THE FIRST EIGHT MONTHS OF 2022

Imports of petroleum derivatives registered a year-on-year drop of 27.0% over the first eight months of 2022. The latter retreated from 4,341,757 metric tons to 3,168,030 metric tons between both periods, as released by the Central Bank of Lebanon.

It is worth noting that the imports of petroleum derivatives stood at 6,094,373 metric tons in 2021, down from 7,686,060 metric tons in 2020.



Sources: BDL, Bank Audi's Group Research Department

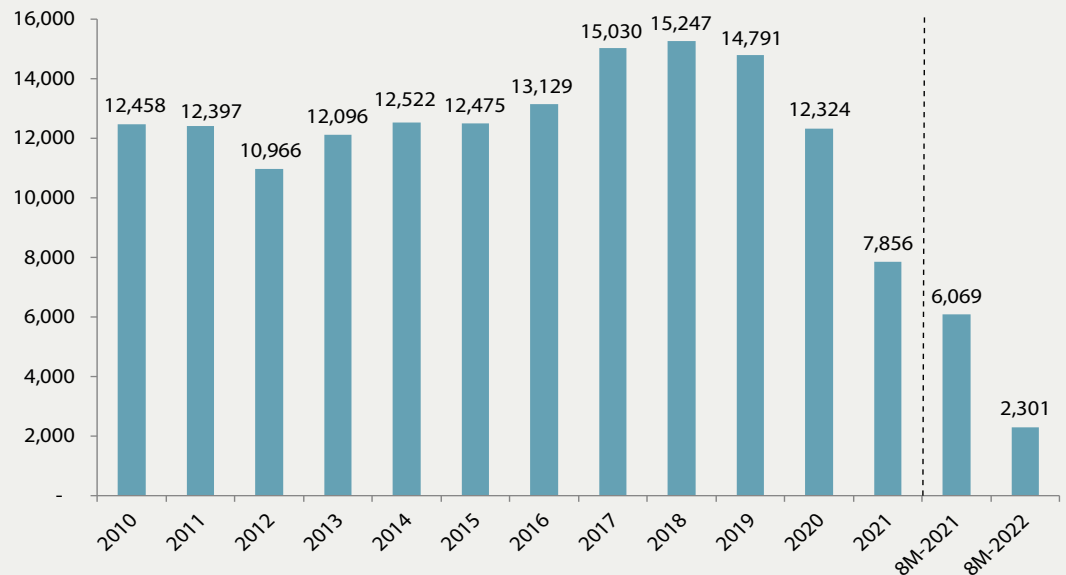
ELECTRICITY PRODUCTION DROPPED BY 62% YEAR-ON-YEAR IN THE FIRST EIGHT MONTHS

Data published by the Central Bank of Lebanon shows that electricity production declined by 62.1% year-on-year in the first eight months of 2022. The production totaled 2,301 million Kilowatt Hours (kWh) in the first eight months of 2022, down from 6,069 million kWh in the first eight months of the previous year.

It is worth noting that this drop is due to the scarcity of fuel to operate the power plants stemming from the low level of foreign currency used to purchase it. This problem is still being tackled with tenders opened in late 2022 for fuel purchase that have yet to be resolved. In parallel, the payments of other shipments of fuel, are still in arrears posing mounting pressure on the Lebanese energy sector.

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ELECTRICITY PRODUCTION (MILLION KWH)



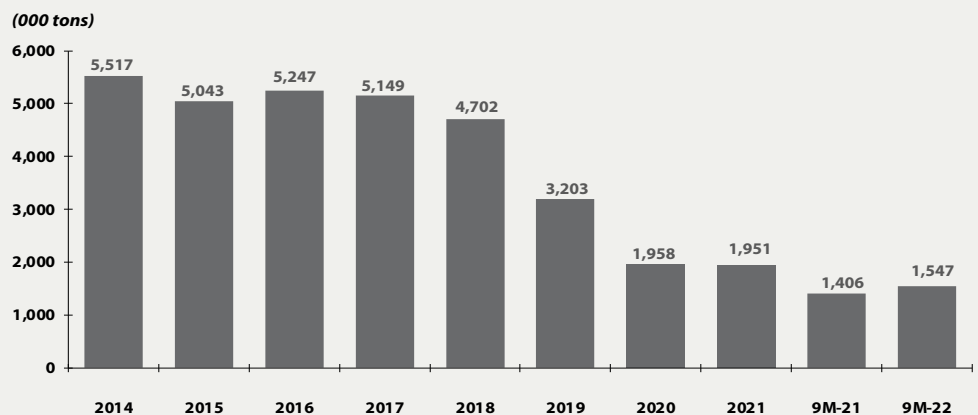
Sources: BDL, Bank Audi's Group Research Department

CEMENT DELIVERIES INCREASED BY 10% YEAR-ON-YEAR IN THE FIRST NINE MONTHS OF 2022

Cement deliveries, a coincident indicator of construction activity, rose by a yearly 10.0% in the first nine months of 2022 against same period of 2021, as recently released by the Central Bank of Lebanon.

Cement deliveries reached circa 1,547,394 tons in the first nine months of 2022, up from 1,406,418 tons in the corresponding period of 2021, reflecting a net improvement in activity from last year's figures.

CEMENT DELIVERIES



Sources: BDL, Bank Audi's Group Research Department

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SURVEYS

MOODY'S AFFIRMS GOVERNMENT OF LEBANON C RATING WITH NO OUTLOOK

Moody's issued its Credit Opinion for Lebanon. It says the C rating reflects their assessment that the losses incurred by bondholders through Lebanon's default are likely to exceed 65%. The country is steeped in an economic, financial and social crisis, which very weak institutions and governance appear unable to address. The collapse of the currency in the parallel market and the concomitant surge in inflation fuel a highly unstable environment. Official external funding support to accompany a government debt restructuring remains conditional on reform implementation.

At the level of Credit strengths, Moody's mentioned the Commitment for international donor support conditional on the implementation of an IMF reform program. At the level of Credit challenges, Moody's mentioned the unfolding of a severe economic, financial and social crisis, the very weak institutional and governance strength which stunts reform implementation and the sharp currency depreciation in the parallel market and a spike in inflation readings erode households' purchasing power and fuel poverty.

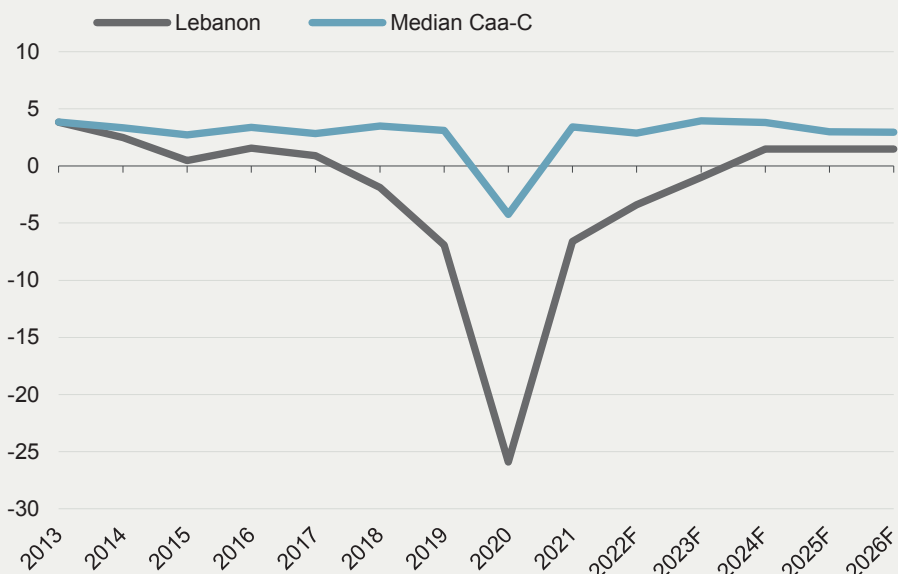
The decision not to assign an outlook to the rating is based on the very high likelihood of significant losses for private creditors and the fact that C is the lowest rating in Moody's rating scale.

Regarding factors that could lead to an upgrade, Moody's says C is the lowest rating in their rating scale. If there are any upward movements in Lebanon's sovereign rating after the debt restructuring, they are likely to be limited for a considerable period of time. It is unlikely Lebanon's rating would move from its current position before restructuring, given the extent of the macroeconomic, financial and social challenges and their expectation of very significant losses.

For Lebanon's issuer rating to migrate above levels associated with very high probability of future re-default and significant losses, the implied pace of fiscal consolidation and structural reform implementation would have to be much faster than currently expected, over a number of years. A further precondition for a substantial upgrade is that the key drivers of the country's debt dynamics — such as economic growth, interest rates, privatization revenue, and the ability to generate and sustain large primary surpluses — were to evolve in a way that would ensure debt sustainability in the future.

LEBANON'S GROWTH PERFORMANCE UNDERPERFORMS THAT OF PEERS RATED CAA-C

Real GDP growth, %



Source: Moody's Investors Service

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FITCH SOLUTIONS UNDERTAKES A SWOT ANALYSIS FOR LEBANON CRIME, DEFENCE AND SECURITY RISK

In a new report just issued by Fitch Solutions, the institution undertakes a SWOT analysis for Lebanon Crime, Defence and Security Risk. At the level of Strengths, they mention the following:

- Lebanon has a well-developed private security industry, providing businesses with options for protecting personnel and assets.
- Before the economic collapse, Beirut was a largely safe environment for foreigners, suggesting potential for a return to normal in the events of economic reform.
- Lebanon has historically been a financial hub in the MENA region, with few business risks compared with others in the market.

At the level of Weaknesses, they mention the following:

- Economic conditions remain very bleak as the government struggles to implement a reform agenda.
- Corruption has been reported in the upper echelons of Lebanon's elite.
- The removal of fuel subsidies, as well as the currency crisis, has plunged over half of Lebanon's population into poverty, increasing crime with people unable to access basics such as medicine.
- The armed forces and police forces are severely overstretched and incapable of dealing with the multitude of security threats affecting the country.
- Though domestic demand for defence equipment is strong, funding available for new procurement will remain limited in the medium term, amid difficult economic conditions.

At the level of Opportunities, they mention:

- There are reports that Lebanese intelligence services are becoming increasingly effective at countering the operations of terrorist groups.
- In the event of a new government being formed, there will be the potential for a reform-based agenda to be implemented.

At the level of Threats, they mention:

- Economic growth could fail to materialise over H222-H123, crippling basic services and resulting in greater discontent and unrest.
- Food- and fuel-related issues increase the risk of a sharp uptick in domestic tensions, including protests and violence.
- Terrorist activity and sectarian divisions have intensified in recent years, largely as a result of the conflict in Syria.
- Ongoing hostilities between Hezbollah and Israel highlight a continuing risk of an interstate conflict that would have widespread security repercussions.
- Violent protests and demonstrations are likely to continue as the macroeconomic situation has left people unable to afford necessities.

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CORPORATE NEWS

MEA CELEBRATES THE OPENING OF ITS GREEN BUILDING

Middle East Airlines (MEA) celebrated the inception of its new green building. The completion of the subject building was done in accordance with international standards.

The building is referred to as green for its environmentally friendly nature in aspects of energy saving and green spaces that surround it. The old building that will be replaced will in turn be transformed into additional green spaces and a sports field for employees.

The new building spans over 46,200 square meters of land and consists of 11 floors (four above ground, four underground bases and three parking spaces). Furthermore, the building is divided into two sections: the first, used as residence for trainees and conference attendees which will be completed by May 2023. The second section includes various departments of the general administration (Air Operations, IT, etc.).

It is worth noting that MEA was established in 1945 and the start of creation for the new general administration building began in 2017.

LEBANON'S PUBLIC SCHOOLS SUSPEND AFTERNOON TEACHING

Following the stopping of morning sessions allocated to Lebanese students, the Ministry of Education (MoE) decided to halt afternoon classes, allocated to Syrian refugees, as well.

The decision comes as an agreement could not be reached between teachers and the Minister of Education on wages wherein the MoE is offering US\$ 70 and the teachers are asking for US\$ 100. This is due to the fact that dollar incentives could not be secured again for this year, as per an adviser at the ministry.

It is worth noting that the decision was taken in accordance to the principle of equality and will remain until the issue of the morning courses is resolved, as per the Director General of education.

SUBSIDIES LIFTED ON ADDITIONAL PRODUCTS BY THE MOH

The Ministry of Health (MoH) has recently lifted subsidies on all baby milk formulas as well as some medicine for chronic illnesses and cancerous diseases.

This decision has effectively lead to prices of type one and type two milk formulas to double, reaching LP 335,000.

It is worth noting that for the aforementioned medicine, 42 are solely available in hospitals and 11 are found in pharmacies. Moreover, while subsidies were lifted on certain brands, subsidies persisted over their generic alternatives.

This move comes in an effort to solve the shortage issue for these products in the market. The MoH saw that it was the only solution to reduce smuggling and the creation of monopolies. However, many companies believe that this action will be in vain as they attribute the shortage in the market to long delivery times from abroad.

LEBANON'S STARTUPS FACE CHALLENGES CAUSED BY THE ECONOMIC ENVIRONMENT

Following the start of the multiple economic crises in 2019 and with the political instability noticed in the country, startups are facing multiple challenges and the environment is deemed unfavorable.

As the local venture capital environment in the country slowed down its activity massively during the crises, startups are noticing a major difficulty in accessing funds.

Amid hyperinflation, operation of a business becomes harder. Companies need to grow ahead of inflation while keeping costs low to ensure sustainable operations. In turn, in order to escape Lebanon's harsh environment, startups are prompted to expand abroad in order to survive and grow, said Co-founder of Parallel Health and Beauty in a statement.

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The crisis witnessed in Lebanon has led to a major brain drain in the country which has affected the labor market. In turn, the struggle of rebuilding talent is taking a toll on businesses and especially startups.

The Lebanese government is considered, for startups, an impeding factor. This is due to a lag in governmental procedures and paperwork along with laws that are considered outdated and that hinder business activity in the country, as per the Co-founder of Meacor.

Moreover, electricity costs which are accounting for around 35-50% of total operational costs in companies is a major obstacle in the face of startups, as said by the CEO of Berytech in a statement.

It is worth noting that in Lebanon Circa 10,000 jobs (both direct and indirect) are currently provided by startups mainly in agricultural and clean technology.

The CEO of Berytech saw that help is needed by Lebanese entrepreneurs, mainly in the food products sub-sector, with accessing international markets.

The outlook for Lebanon's entrepreneurship scene could be promising if security and stability is restored to the country as well as the correct application of reforms, as per the CEO of Berytech.

EXPLORE'S "HIGHLIGHTS OF LEBANON" TOUR BACK ON SALE

Following the UK's Foreign Office's lifting of travel restrictions on Lebanon, Explore has put its "Highlights of Lebanon" tour back on sale. The 2023 tour will start with the first trips to Lebanon beginning in April.

It is worth noting that the tour will have guests visit Beirut, the Chouf Mountains, Mrouj, Mtein, Byblos and the Kadisha Valley.

Explore's Product Manager for the Middle East notes that following the tour's prior success in 2020, the company expects a large demand for the service. Moreover, the adding back of this tour is expected to benefit the Lebanese population due to additional income from tourism.

SIX AGRY-FOOD STARTUPS GRADUATE FROM AGRYTECH ACCELERATOR

Six Lebanese startups graduated from the Agrytech Accelerator Special edition. This comes along with innovations in the agri-food value chain encompassing business model innovations, the future of food and agri-supply.

The program was divided into two phases.

The first phase saw the onboarding of 10 startups with already existing proof of concept. These relatively mature startups then went through a support cycle lasting three months. The cycle included capacity building support in order to develop their businesses and products as well as establish their marketing and operational strategies. The second phase work revolving around scaling was undertaken by the aforementioned startups. This entails investment readiness support in negotiation, internal governance, term sheets & due diligence, legal, valuation and sales & market access.

Out of these startups six graduated from the program and they are as follows:

Brisky which makes dehydrated snacks with long shelf lives without the use of preservatives, Legendairy which makes plant-based alternatives to dairy products, KENZA Kitchen which makes vegetable wraps, Little Melly which works on creating fresh additive-free baby food, REMER which is working on a mixed culture of natural organism used for soil immunization and WhiteLogs which provides services and products for mushroom farmers.

It is worth noting that Agrytech is a program designed and developed by Berytech. Being part of the wider ACT Smart Innovation Hub, the program is co-funded by the Kingdom of the Netherlands.

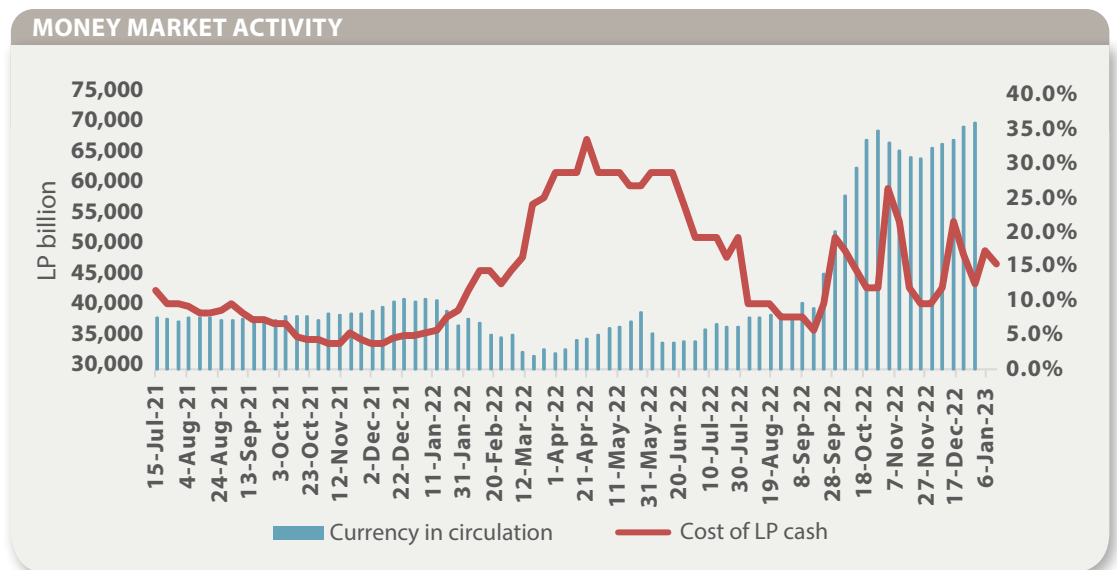
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CAPITAL MARKETS

MONEY MARKET: LARGE WEEKLY CONTRACTION IN MONEY IN CIRCULATION MORE THAN OFFSETTING LP DEMAND DEPOSIT GROWTH

The cost of LP cash retreated from 15%-17% last week to 14.5%-16.5% on the money market this week. In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 5th of January 2023 showed a large expansion in total resident banking deposits of LP 4,579 billion for the second week in a row. This is mainly attributed to a significant rise in total LP resident deposits of LP 4,804 billion, triggered by a large growth in LP demand deposits of LP 4,893 billion following BDL's December 27 decision allowing banks to unlimitedly purchase cash US dollars from the Bank at the "Sayrafa" rate of LP/US\$ 38,000 (noting that BDL started imposing limits on US dollar purchases via "Sayrafa" on January 9, 2023). On the other hand, LP saving deposits decreased by LP 89 billion over the covered week.

As to foreign currency resident deposits, they contracted by LP 225 billion over the week ending 5th of January 2023 (the equivalent of US\$ 149 million as per a rate of LP 1,507.5). Yet, the money supply in its broadest sense (M4) registered a significant weekly contraction of LP 2,703 billion, mainly due to a large fall in the money in circulation of LP 7,253 billion that has outweighed LP demand deposits growth.



TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 372 BILLION

The latest Treasury bills auction results for value date 19th of January 2023 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the three-month category (offering a yield of 3.50%), the one-year category (offering a yield of 4.50%) and the five-year category (offering a coupon of 6.0%).

The Treasury bills auction results for value date 12th of January 2023 showed subscriptions of LP 835 billion, fully allocated to the Central Bank of Lebanon and distributed as follows: LP 235 billion in the six-month category (offering a yield of 4.0%), LP 600 billion in the two-year category (offering a coupon of 5.0%) and LP 25 billion in the ten-year category (offering a coupon of 7.0%). These compare to maturities of LP 463 billion, which resulted into a nominal weekly surplus of LP 372 billion.

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TREASURY BILLS

	20/01/2023	13/01/2023	30/12/2022	
3-month	3.50%	3.50%	3.50%	↔
6-month	4.00%	4.00%	4.00%	↔
1-year	4.50%	4.50%	4.50%	↔
2-year	5.00%	5.00%	5.00%	↔
3-year	5.50%	5.50%	5.50%	↔
5-year	6.00%	6.00%	6.00%	↔
10-year	-	7.00%	-	
Nom. Subs. (LP billion)		835	1	
Short-term (3&6 mths)		235	-	
Medium-term (1&2 yrs)		600		
Long-term (3 yrs)		-	1	
Long-term (5 yrs)		-	-	
Long-term (10 yrs)		0.03		
Maturities		463	193	
Nom. Surplus/Deficit		372	-192	

Sources: Central Bank of Lebanon, Ministry of Finance

FOREIGN EXCHANGE MARKET: LP AT ALL-TIME LOWS AGAINST US DOLLAR ON BLACK FX MARKET

The black FX market saw this week the Lebanese pound plummet to new all-time lows against the US dollar on the black FX market, reaching LP/US\$ 50,000-LP/US\$ 51,000 on Friday as compared to LP/US\$ 49,000 at the end of last week. This came within the context of a continuous Presidential and cabinet stalemate, restricted activity on the "Sayrafa" platform and dwindling FX buffers. BDL's liquid FX reserves are currently estimated below US\$ 10 billion, noting that latest BDL's bi-monthly balance sheet ending 15th of January 2023 showed that the Bank's foreign assets contracted further by US\$ 167 million during the first half of the month.

Concurrently, the Central Bank of Lebanon announced that foreign currency operations on the "Sayrafa" platform remained executed at an average rate of LP/US\$ 38,000 between January 16 and 20, 2023. This brought the differential between the black market rate and the "Sayrafa" rate to more than 12,000 at the end of this week.

EXCHANGE RATES

	20/01/2023	13/01/2023	30/12/2022	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,860.41	1,843.37	1,813.97	↓
LP/¥	11.64	11.73	11.27	↑
LP/SF	1,637.70	1,623.41	1,628.67	↓
LP/Can\$	1,119.15	1,129.38	1,108.21	↑
LP/Euro	1,632.77	1,634.43	1,603.83	↑

Source: Bank Audi's Group Research Department

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STOCK MARKET: EXTENDED WEEKLY EQUITY PRICE GAINS, SUPPORTED BY SOLIDERE SHARES

The Beirut Stock Exchange extended its upward trajectory this week, as reflected by a 0.5% rise in the price index, mainly supported by price gains in Solidere shares, as market players continued to flock to realty stocks to hedge against currency collapse and avoid haircuts on their placements. Two out of eight traded stocks registered price increases, while three stocks posted price falls and three stocks saw no price change week-on-week.

A closer look at individual stocks shows that Solidere "B" share price surged by 3.3% to US\$ 62.5, followed by Solidere "A" shares with +1.1% to US\$ 62.40. In contrast, Bank Audi's GDR price shed 13.6% to US\$ 1.33, followed by Bank Audi's "listed" shares with -9.4% to US\$ 1.26 and BLOM's GDRs with -9.1% to US\$ 2.50. Bank of Beirut's share price remained unchanged at US\$ 15.0. Byblos Bank's "listed" share price stood stable at US\$ 0.75. BEMO's "listed" share price stayed quoted at US\$ 1.15.

As to trading volumes, the BSE total turnover contracted by 56.5% week-on-week, moving from US\$ 24.5 million last week (excluding block trades) to US\$ 10.6 million.

AUDI INDICES FOR BSE

	20/01/2023	13/01/2023	30/12/2022	
Market Cap. Index	627.42	624.34	614.50	↑
Trading Vol. Index	96.36	221.65	96.84	↓
Price Index	131.72	131.07	129.00	↑
Change %	0.49%	1.72%	1.30%	↑

	20/01/2023	13/01/2023	30/12/2022	
Market Cap. \$m	14,885	14,812	14,578	↑
No. of shares traded (Exc. BT)	198,868	24,057	187,711	↑
Value Traded \$000 (Exc. BT)	10,645	24,488	6,415	↓
o.w. : Solidere	10,613	6,997	6,349	↑
Banks	33	17,489	66	↓
Others	0	1	0	↓

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

BOND MARKET: LEBANESE EUROBOND PRICES AT RECORD LOWS AMID POLITICAL STATUS-QUO

Lebanese Eurobond prices remained at historical lows this week, standing at 6.125 cents per US dollar across the yield curve on Friday compared to 5.88 cents per US dollar at the end of last week, which marks an expansion of circa 0.25 pt. Mid-single digit bond prices come within the context of a fragmented Parliament that continues to prevent a broad consensus about a Presidential candidate, and tough reform challenges to meet IMF prior actions, namely the unification of the exchange rate regime, securing the final vote of the Parliament on the capital control draft law following the Joint Parliamentary Committees' approval earlier this week, and approving an appropriate emergency bank resolution legislation to implement the bank restructuring strategy. This was exacerbated by bets about low recovery rates not exceeding 20% in best scenarios.

EUROBONDS INDICATORS

	20/01/2023	13/01/2023	30/12/2022	
Total tradable size \$m	32,364	32,364	32,364	↔
o.w.: Sovereign bonds	31,314	31,314	31,314	↔
Bid price (cents per US dollar)	6.13	5.88	5.50-5.88	↑
Average Life	5.29	5.31	5.34	↓
Yield on US 5-year note	3.55%	3.56%	3.94%	↓

Source: Bank Audi's Group Research Department

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INTERNATIONAL MARKET INDICATORS

	20-Jan-23	13-Jan-23	31-Dec-22	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	129.60	127.86	131.11	1.4%	-1.2%
\$/£	1.240	1.223	1.208	1.4%	2.6%
\$/Euro	1.086	1.083	1.071	0.2%	1.4%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	33,375.49	34,302.61	33,147.25	-2.7%	0.7%
S&P 500	3,972.61	3,999.09	3,839.50	-0.7%	3.5%
NASDAQ	11,140.43	11,079.16	10,466.48	0.6%	6.4%
CAC 40	6,995.99	7,022.97	6,473.76	-0.4%	8.1%
Xetra Dax	15,033.56	15,102.86	13,923.59	-0.5%	8.0%
FT-SE 100	7,770.59	7,847.82	7,451.74	-1.0%	4.3%
NIKKEI 225	26,553.53	25,822.32	26,094.50	2.8%	1.8%
COMMODITIES (in US\$)					
GOLD OUNCE	1,926.08	1,920.23	1,824.02	0.3%	5.6%
SILVER OUNCE	23.93	24.26	23.95	-1.4%	-0.1%
BRENT CRUDE (per barrel)	87.63	85.28	85.91	2.8%	2.0%
LEADING INTEREST RATES (%)					
1-month Libor	4.51	4.45	4.39	0.06	0.12
US Prime Rate	7.50	7.50	7.50	0.00	0.00
US Discount Rate	4.50	4.50	4.50	0.00	0.00
US 10-year Bond	3.48	3.50	3.87	-0.02	-0.39

Sources: Bloomberg, Bank Audi's Group Research Department

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