

Economy

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In line with the arrival of the drilling rig to Block 9 to begin offshore oil and gas exploration later this month, and following the cabinet's approval of the 2023 draft budget, and amid bets that the proposed FX liberalization would allow BDL's FX reserves to stabilize, Lebanon's capital markets continued to see this week marginal movements in the LP/US\$ black market rate, while equities and bonds slid into the red. In details, a status quo mood swayed over the black FX market over this week amid transparency efforts led by the new BDL leadership, and as the caretaker government approved the much-delayed 2023 draft budget, and on speculation that abandoning FX subsidy would stop the FX reserves burn. At the level of the equity market, the BSE slid back into the red, as reflected by a 0.5% decline in the price index, while the total turnover contracted by 68% week-on-week. Finally, Eurobond prices were quoted at 7.750 cents per US dollar on Friday against 7.875 cents per US dollar at the end of last week, while all eyes remained focused on the prolonged institutional vacuum and the reform road.

LEBANON MARKETS: AUGUST 14 - AUGUST 20, 2023

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

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ECONOMY

LEBANON'S CUMULATIVE INFLATION AT 4667% SINCE CRISIS ONSET

This June, the year-on-year index has surged by 300.6% compared to results of June 2022 as per CRI. Cumulative inflation since September 2019, the eve of the crisis onset, stands at 4667%.

All nine main indices registered increases this June. The highest increase was registered by the "Housing" category (1,392.6%), followed by the "Other Goods and Services" category (761.6%), then by the "Healthcare" category (644.3%), the "Recreation" category (430.7%) and the "Apparel" category (303.0%).

The June 2023 year-on-year "Food and Beverages" index has significantly increased by 232.6% since June 2022. All of the four main indices registered increases this month, as follows: the "Tobacco Products" category (367.7%), the "Nonalcoholic Beverages" category (300.2%), the "Alcoholic Beverages" category (260.4%) and the "Food" category (226.0%).

The index for "Food" increased by 226.0% compared to its level last year, as all of the twelve food group indices have witnessed increases this June. The most significant increase was registered in the "Chocolate and Candy" category (318.4%), followed by the "Eggs and Dairy Products" category (262.5%), the "Vegetables" category (253.3%), the "Grains and Nuts" category (249.0%), and the "Other Food Products" category (240.4%).

Apparel year-on-year prices registered 303.0% increase in June 2023. This was the result of the increase in the "Footwear" category (334.2%), and in the "Clothing and Sewing Materials" category (293.8%) this month.

The index for "Housing" has surged by 1,392.6% in June 2023 from its level last year. This was mainly due to the increase in the "Household Energy" category (1,885.2%), followed by the "Public Water Subscription" category (438.6%) and the "Household Maintenance" category (254.7%). The "Municipal Fees" category remained stable this month.

The "Durable Consumer Goods" index has increased by 256.4% since June 2022. All eight indices witnessed increases this June, most significantly those of the "Housekeeping Services" category (584.0%), followed by the "Glassware" category (331.0%), the "Cleaning Products and Services" category (330.2%) and the "Miscellaneous Household Products" category (309.6%).

The healthcare index has increased by 644.3% since June 2022. This is due to the increases registered in the "Health Insurance" category (10,157.0%), followed by the "Inpatient Services" category (1,471.0%), then by the "Medications and Medical Accessories" category (459.5%) and the "Outpatient Services" category (363.4%) in June 2023.

The CPI component for "Transportation and Telecommunications" has increased by 203.3% (year-on-year) in June 2023, due to the surge in the "Telephone Services" category (1,325.9%) and the "Transportation" category (198.0%).

The index for education has increased by 219.9% from the previous year, due to the significant increase in the "Tuition Fees" category (302.5%), followed by the "School Transportation" category (162.2%) and the "Educational Books and Supplies" category (117.2%).

The index for recreation has increased by 430.7% compared to its results in June 2022, due to the surge in the "Reading Materials and Photography" category (2,232.4%) and the "Movies and Restaurants" category (305.4%).

The index of "Other Goods and Services" has highly increased by 761.6% since June 2022. This was basically due to the increases registered in all of its four main indices, as follows: the "Jewelry" category (6,399.1%), the "Travel" category (1,900.0%), the "Financial Services" category (296.9%) and the "Personal Care" category (296.0%).

OPENED L/CS FOR IMPORTS WITNESSED A DROP OF 31% IN THE FIRST FIVE MONTHS OF 2023

Figures released by the Central Bank of Lebanon show that documentary letters of credits opened to finance imports activities in the first five months of 2023 recorded a 31.4% drop year-on-year standing at US\$ 84.3 million, against US\$ 122.9 million during the same period of the previous year.

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Moreover, utilized credits decreased by 3.6% year-on-year in the first five months of 2023 to reach US\$ 80.5 million, down from US\$ 83.5 million during the first five months of 2022.

In parallel, outstanding credits for import financing increased significantly by 22.6% year-on-year to reach US\$ 331.9 million in the first five months of 2023, up from US\$ 270.8 million during the same period of 2022.

On the other hand, inward bills for collection, another documentary credit form of financing, declined by 2.6% year-on-year in the first five months of 2023 to reach US\$ 85.8 million, versus US\$ 88.1 million in the same period of 2022.

On the side of outstanding bills for collection, a significant drop of 44.3% year-on-year was recorded to reach US\$ 130.2 million in the first five months of 2023, down from US\$ 223.6 million in the first five months of 2022.

Documentary letters of credits opened to finance export activities worsened significantly and retreated by 67.1% in the first five months of 2023 recording US\$ 11.5 million, down from US\$ 35.0 million during the same period of the previous year.

Similarly, utilized credits for exports for the first five months of 2023 decreased by 30.7% standing at US\$ 23.3 million against US\$ 33.6 million during same period of 2022.

Outstanding credits for exports registered a year-on-year decrease of 3.3% to reach US\$ 454.2 million in the first five months of 2023, down from US\$ 469.9 million in the first five months of 2022.

Outward bills for collection, another documentary credit form of financing contracted by 27.5% in the first five months of 2023 to reach US\$ 56.4 million, versus US\$ 77.8 million over the same period of the previous year.

Outstanding bills for collection recorded a contraction of 19.6% in the first five months of 2023 to reach US\$ 737.1 million, down from US\$ 917.3 million in the first five months of 2022.

It is worth noting that effective February 1st 2023, as decreed by the Banque du Liban (BDL), the Lebanese Pound (LP) was re-pegged to the US Dollar (US\$) at the FX rate of LP 15,000/US\$, almost up ten-fold from the prior peg of LP 1,507.5/US\$. In turn, as the original data for documentary credits is in LP, the re-peg affects the valuation and the corollary comparative analysis.

DOCUMENTARY CREDITS FOR IMPORTS' FINANCING

(US\$ million)	2020	2021	2022	5M-2022	5M-2023	5M-23/5M-22
Documentary L/Cs						
Opened credits	342.9	112.6	268.3	122.9	84.3	-31.4%
Utilized credits	443.7	115.5	223.2	83.5	80.5	-3.6%
Outstanding credits	2,017.9	602.3	684.8	270.8	331.9	22.6%
Bills for collection						
Inward bills	307.8	212.1	191.2	88.1	85.8	-2.6%
Outstanding bills	410.6	540.0	519.8	233.6	130.2	-44.3%

DOCUMENTARY CREDITS FOR EXPORTS' FINANCING

(US\$ million)	2020	2021	2022	5M-2022	5M-2023	5M-23/5M-22
Documentary L/Cs						
Opened credits	188.5	108.6	100.8	35.0	11.5	-67.1%
Utilized credits	408.6	68.9	77.2	33.6	23.3	-30.7%
Outstanding credits	3,403.3	1,520.3	1,092.4	469.9	454.2	-3.3%
Bills for collection						
Outward bills	272.2	206.1	143.4	77.8	56.4	-27.5%
Outstanding bills	2,921.1	2,488.4	2,055.6	917.3	737.1	-19.6%

Sources: BDL, Bank Audi's Group Research Department

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CONSTRUCTION PERMITS FROM OEAB DROP BY 58% IN H1

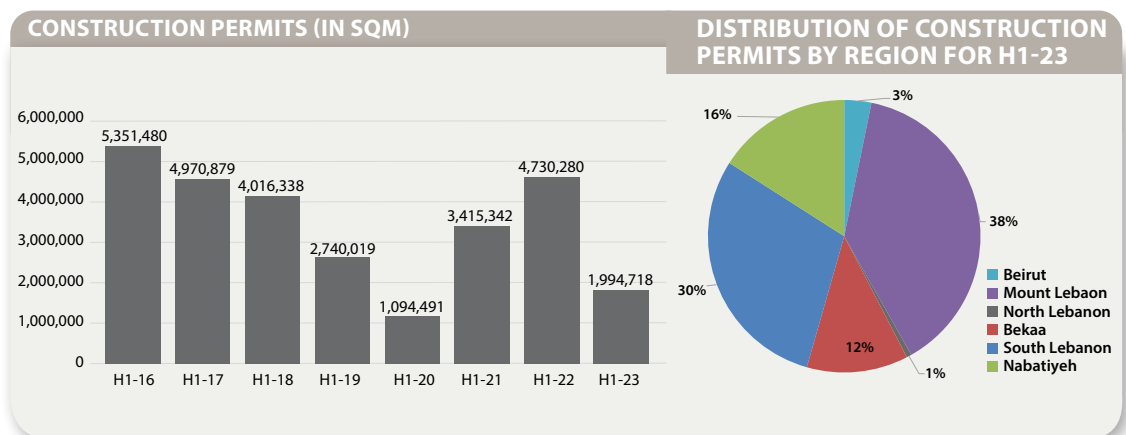
According to data from the Order of Engineers and Architects of Beirut (OEAB), construction permits in the first half (H1) of 2023 dropped by 57.8% against figures from the same period of the year prior.

Construction permits for H1 2023 decrease to 1,994,718 m², down from 4,730,280 m² in H1 2022. This shows a significant stunting of construction activity and follows a hike noticed in 2022.

It is worth noting that in the first half of 2022, the area of construction permits was the highest recorded in four years.

In details, looking at the regional distribution of construction permits in H1 2023, Mount Lebanon took the lion's share with 38.6% of total (769,815 m²). South Lebanon and Nabattiye followed Mount Lebanon with 29.6% (590,530 m²) and 16.0% (318,414 m²) of total respectively. The Bekaa region came in fourth with 12.0% (240,050 m²) of total construction permits. The region of Beirut had a contribution of 3.1% (64,014 m²) in the total, followed by North Lebanon with a marginal contribution of 0.6% (11,895 m²) of total.

It is worth noting that building permits stand as an economic indicator for forthcoming construction activity in the real estate market. This reflects a decrease in future realty supply in 2023 as a result of the dollarization of the market. In the years prior, buyers could utilize bank checks in the banks' FX rate for the purchase of realty but this had since stopped in 2022. With the dollarization of the market, the number of interested buyers therefore contracted due to the scarcity of interested fresh dollar buyers.



Sources: Order of Engineers Department and Architects Beirut, Bank Audi Group Research

TRANSOCEAN BARENTS DRILLING RIG ARRIVES IN LEBANON'S BLOCK 9

According to the Lebanese Caretaker Minister of Public Works and Transport, the drilling rig "TransOcean Barents" tasked with the exploration activities for Lebanon's Block 9 has arrived at its destination.

The Lebanese Caretaker Minister of Energy and Water expects the results of the exploration of the block will be revealed in a matter of two-to-three months. Additionally, he expressed that TotalEnergies is optimistic in the presence of an oil reservoir in the bloc.

It is worth noting that a consortium led by the French company TotalEnergies and including the Italian company ENI and the Qatari state-owned QatarEnergy are responsible for the drilling activity of the block.

This process was kick started with a US-brokered agreement between Lebanon and Israel in 2022, delineating the maritime border between the two countries. However, the consortium suspects that the discovery in the block could expand southward past the border. In turn, a mechanism for the exploitation of such a discovery was set in place wherein the exploitation would be done on behalf of Lebanon with a royalties system set up for Israel.

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SURVEYS/REPORTS

LEBANON RANKED 94TH WORLDWIDE IN THE GLOBAL HENLEY PASSPORT RANKING WITH A VISA FREE SCORE OF 43 FOR Q3 2023

The Henley Passport Index for the third quarter of 2023 was released this week by Henley and Partners. It suggests that Lebanon ranked 94th worldwide in the global ranking with a visa free score of 43.

Lebanon ranked regionally 17th among 23 countries in the MENA region, surpassed by Sudan and South Sudan and followed by Libya and Palestinian Territory.

The Henley Passport Index is the original and most authoritative ranking of all the world's passports according to the number of destinations their holders can access without a prior visa. The index includes 199 passports and 227 travel destinations, giving users the most extensive and reliable information about their global access and mobility.

With historical data spanning 19 years and regularly updated expert analysis on the latest shifts in passport power, the index is a resource for global citizens and the standard reference tool for government policy in this field.

The ranking is based on exclusive data from the International Air Transport Association (IATA), which maintains the world's largest and most accurate database of travel information, and is enhanced by the Henley & Partners Research Department.

The index's scoring system was developed to give users a nuanced, practical, and reliable overview of their passport's power. Each passport is scored on the total number of destinations that the holder can access visa-free. For each travel destination, if no visa is required, then a score of 1 is allocated for that passport. This also applies if passport holders can obtain a visa on arrival, a visitor's permit, or an electronic travel authority (ETA) upon entry.

ARAB MENA COUNTRIES' PASSPORT RANKINGS Q3-2023

Country	Global Rank	Access to # of Countries without Visa
United Arab Emirates	12	179
Qatar	53	103
Kuwait	55	99
Bahrain	61	88
Oman	62	85
Saudi Arabia	63	83
Tunisia	71	71
Morocco	74	67
Mauritania	79	59
Algeria	84	54
Comoro Islands	84	54
Egypt	84	54
Jordan	85	53
Djibouti	89	49
South Sudan	91	46
Sudan	93	44
Lebanon	94	43
Libya	96	41
Palestinian Territory	99	38
Somalia	100	35
Yemen	100	35
Syria	102	30
Iraq	103	29

Sources: Henley & Partners, Bank Audi's Group Research Department

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JAPAN AND UNOPS PROVIDE URGENT ENERGY SUPPORT TO CRITICAL LIFESAVING SERVICES IN LEBANON

The Government of Japan and UNOPS launched a project in support of the critical public facilities in Lebanon. The project responds to the energy crisis in Lebanon through the provision of renewable energy and energy saving solutions to public hospitals and water pumping stations in Nabatieh and Bekaa governorates.

The Ambassador of Japan to Lebanon said: "This initiative could not have been more timely given the ongoing challenges in the health and water sectors across the country. The project aims to alleviate the daily struggles of the most vulnerable people by solar energy, which is sustainable, reliable and cost effective power supply. Japan, through such projects, is renewing its unwavering commitment to help Lebanon advance on its development and growth path."

Lebanon's Minister of Energy and Water noted that funding from Japan is important to help catalyze clean and sustainable energy in Lebanon. Recent studies have shown that electricity currently accounts for more than 75% of the operational costs of the four water establishments (WE) responsible for managing Lebanon's water resources. These WEs are unable to cover their operational expenses in light of the currency devaluation, but are forced, in the absence of national electricity, to rely on private diesel-powered generators to power their water producing facilities. He added that this initiative will draw in more investment in renewable energy in Lebanon, and consequently support the recovery of the water sector, notably water establishments which have long suffered, risked closure and water cuts due to the prolonged energy crisis.

Lebanon has faced multiple socio-economic crises in recent years. The crises have significantly impacted the provision of basic services for vulnerable communities and people. The reduced electricity supply has significantly affected the operation and functioning of health and water facilities.

The Representative and Director of UNOPS Operational Hub in Amman, said: "The new initiative will contribute to alleviating the impacts of acute shortage of electricity supply. Inadequate availability of electricity is hindering the continuation of critical social services.

UNOPS helps the UN and its partners provide peace and security, humanitarian and development solutions. The organization's mission is to help people build better lives and countries achieve peace and sustainable development. UNOPS services cover infrastructure, project management, procurement, financial management and human resources. Partners call on UNOPS to supplement their own capacities, improve speed, reduce risks, boost cost-effectiveness and increase quality.

UNOPS Operational Hub in Amman covers projects in Jordan, Iraq, Lebanon, Syria, and Yemen and implements work in partnership with bilateral and multilateral donors, national governments and other UN agencies.

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CORPORATE NEWS

BALANCE SHEET OF FINANCIAL INSTITUTIONS TOTALS US\$ 570 MILLION AT END-JUNE 2023

According to the latest statistics issued by the Central Bank of Lebanon, the total balance sheet of financial institutions amounted to US\$ 570.0 million at end-June 2023, registering a drop of 49.3% against its figure at end-2022.

It is worth noting that effective February 1st 2023, the Lebanese Pound was re-pegged at the rate of LP 15,000/US\$ from a prior LP 1,507.5/US\$. This in turn affects the total valuation of assets and liabilities as they are initially given in local currency. In details, currency and deposits with Central Banks were registered at US\$ 24.4 million at end-June 2023 down from US\$ 95.7 million at end 2022 showing a decrease of 74.5% during the period.

Claims on resident customers dropped in June 2023 (46.2%) reaching US\$ 287.9 million, with respect to US\$ 534.8 million at end-2022. Claims on non-resident customers at end-June 2023 dropped by 34.5% with respect to end-2022, standing at US\$ 8.0 million in the former.

Claims on resident financial sector stood at US\$ 156.2 million as at end-June 2023 decreasing by 43.8% from its figure by end-2022. Claims on non-resident financial sector reached US\$ 41.9 million at end-June 2023, revealing a decrease of 2.6% when compared to its level at end-2022.

Claims on the public sector recorded US\$ 0.2 million at end-June 2023, registering a drop of 97.3% from its figure at end-2022. Securities portfolio dropped to US\$ 12.1 million at end-June 2023, down by 66.4% from its registered figure at end-2022.

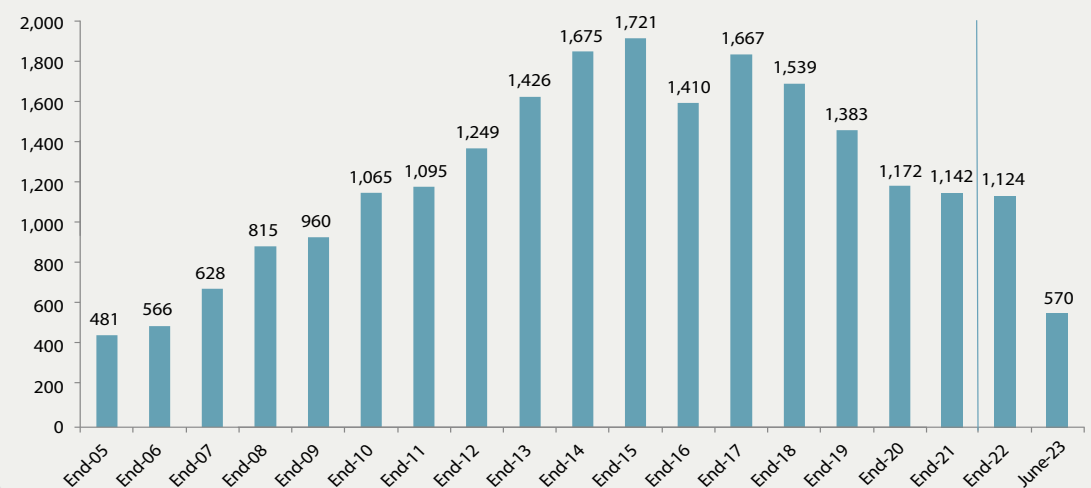
Tangible assets reported retreated by 79.1% at end-June 2023 with respect to end-2022, reaching US\$ 10.1 million. Similarly, intangible assets decreased drastically from US\$ 56.0 million at end-2022 to US\$ 7.5 million at end-June 2023, showing a drop of 86.7%.

On the liabilities side, resident customer deposits contracted by 18.5% registering US\$ 155.9 million at end-June 2023, against US\$ 191.3 million at end-2022. Non-resident customer deposits contracted by 3.1% at end-June 2023 to stand at US\$ 5.8 million.

Resident financial sector liabilities stood at US\$ 54.2 million at end-June 2023, representing a considerable decrease of 48.6% from end-2022. Non-resident financial liabilities showed a marginal increase of 1.2% registering US\$56.9 million at end-June 2023.

Public sector deposits hiked to US\$ 5.0 million at end-June 2023, witnessing an increase of 109.8% from its figure by end-2022. Debt securities issued were recorded at US\$ 3.6 million at end-June 2023 against US\$ 0.6 million by end-2022. Capital accounts reported US\$ 147.2 million at end-June 2023, dropping down from US\$ 502.5 million at end-2022, which shows a decrease of 70.7%.

BALANCE SHEET OF FINANCIAL INSTITUTIONS (US\$ MILLION)



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

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VISA OPENS NEW OFFICE IN LEBANON

Visa, a global digital payment company, has officially opened its new office in Lebanon. This move comes as Visa aims to strengthen its current talent acquisition strategy through the attraction and retaining of key talent. Through this strategy, the company has already noted a 15% year-on-year growth in employee evolution in the North Africa, Levant and Pakistan (NALP) region.

The new office space was specifically designed to meet the need of the staff and allows for a hybrid work environment. This makes it an extension of the company's culture centering on collaboration, innovation and inclusivity.

Additionally, cash displacement in the NALP region has accelerated in the last two years even amid political and economic instability. This trend in the adoption of digital payments is expected to continue moving forward according to Visa. In turn, the company set itself as a supporting agent in Lebanon's digital transformation.

This expansion by Visa shows its support to the Lebanese government's digital commerce agenda and its commitment to working with local banks. Additionally, Visa will work with local businesses, fintech and even educational institutions in a bid to help them design and deliver payment options to consumers as well as seeking and supporting the development of local talent through internships and graduate programs.

It is worth noting that Visa (NYSE: V) is an international digital payments company that works on facilitating transactions between consumers, merchants, financial institutions and government entities in over 200 countries and territories. This comes as the company believes that inclusion of everyone and access to all are crucial for the future of money movement.

PEPSICO'S ARAB YOUTH HACKATHON HAS OPENED APPLICATIONS

Applications for the Arab Youth Hackathon, which will run in Lebanon and other Arab countries, have been opened. The hackathon was created by PepsiCo in coordination with the Arab Youth Center (AYC) and is a regional entrepreneurship program for young Arab innovators aiming to create smarter solutions for climate-related issues in areas of agriculture, circular economy, water security and renewable energy & efficiency.

The competition will be running in Lebanon, Jordan, the UAE, Saudi Arabia and Egypt and is seeking applicants including university students and early-stage entrepreneurs. These applicants should be looking either to ideate or have a preliminary existing idea at the testing phase which will evolve throughout the hackathons. Candidates must be between the ages of 18 and 35, be in teams of two or three with at least one member over the age of 21.

Following the shortlisting of teams, PepsiCo, PepsiCo Foundation, Plug and Play and AYC will host a three-day local hackathon. During the hackathons, mentorships will be provided along with curated workshops in order to transfer knowledge to the participants. It is worth noting that the hackathon taking place in Lebanon will be held in late October at the Beirut Digital District.

The solutions proposed by the competitors will be assessed based on several criteria of which: innovation, financial feasibility and scalability. A panel of experts will judge the entries based on their sustainability alignment, ability to reduce emissions as well as the magnitude of impact on areas under the four pillars of the competition (Water, Agriculture, Climate and Circular Economy).

The finals of the competition will take place in Dubai during December. This phase will feature 15 of the most promising solutions from the five countries. Out of the 15 competing teams, the three best innovators will receive an equity-free seed fund from the PepsiCo Foundation in order to launch their businesses.

The winner of the competition will earn US\$ 30,000 in equity-free seed fund, the runner-up will receive US\$ 20,000 and the second runner-up US\$ 10,000 in the same type of funding. Additionally, all three teams will participate in a five-month incubator program in a bid to help them develop and scale their ideas and ensure long-term success.

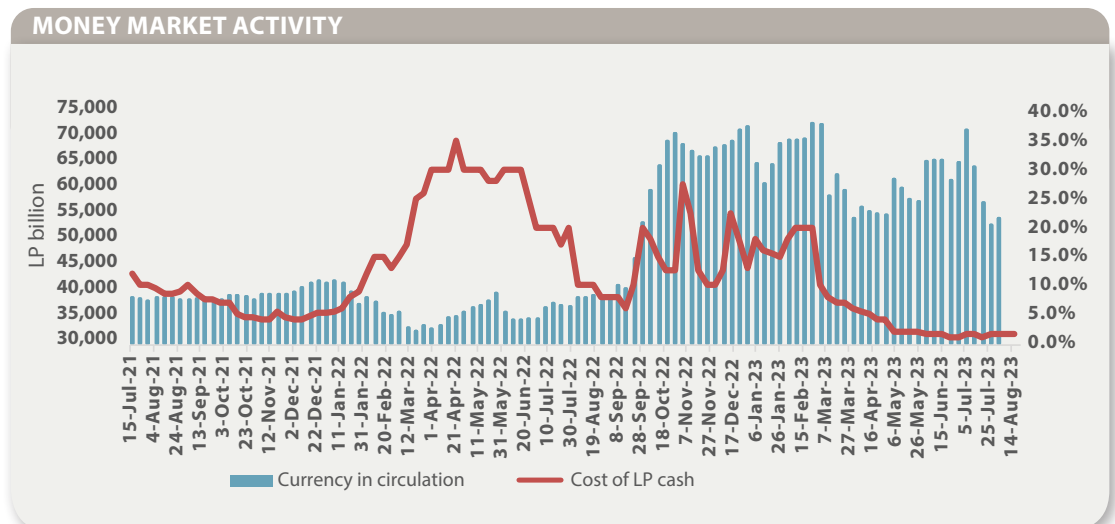
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CAPITAL MARKETS

MONEY MARKET: FURTHER WEEKLY CONTRACTION IN TOTAL RESIDENT DEPOSITS

The overnight rate, which is a non-cash rate on the money market, remained stable at 100% this week for technical reasons related to LP funds deposited in fresh LP accounts at BDL, which are inaccessible for interbank lending purposes. Concurrently, the cost of LP cash continued to hover between 1% and 2%.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 3rd of August 2023 showed that total resident banking deposits contracted by LP 4,091 billion. This is mainly driven by a LP 2,721 billion fall in total LP resident deposits amid a LP 2,494 billion contraction in LP demand deposits and a LP 227 billion decline in LP saving deposits, while foreign currency resident deposits decreased by LP 1,370 billion (the equivalent of US\$ 91 million as per the official rate of LP 15,000). Within this context, the money supply in its broadest sense (M4) contracted by LP 2,137 billion over the covered week amid a LP 1,238 billion increase in the currency in circulation.



TREASURY BILLS MARKET: WEIGHTED AVERAGE YIELD ON TBS ON FALL IN FIRST HALF OF 2023

The latest Treasury bills auction results for value date 17th of August 2023 showed that the Central Bank of Lebanon allowed banks to subscribe in full to 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 6.00%).

The Treasury bills auction results for value date 10th of August 2023 showed subscriptions of LP 181 billion, fully allocated to the Central Bank of Lebanon and mostly concentrated in the six-month category (offering a yield of 4.00%). These compare to maturities of LP 2,495 billion, which resulted into a large nominal weekly deficit of LP 2,314 billion.

The latest "Key Indicators" report released by the Association of Banks in Lebanon showed that the weighted average yield on Tbs reached 7.34% at end-June 2023 compared to 7.45% at end-December 2022. Concomitantly, the outstanding LP Treasury bills portfolio amounted to LP 87,848 billion at end-June 2023, down from LP 89,724 billion at end-December 2022, distributed as follows: LP 68,605 billion allocated for the banking system, LP 18,422 billion for the public sector, and LP 821 billion for individuals and individual institutions.

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TREASURY BILLS

	18/08/2023	11/08/2023	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%	↔
7-year	-	6.50%	6.50%	
Nom. Subs. (LP billion)		181	1	
Short-term (3&6 mths)		181	-	
Medium-term (1&2 yrs)		-	-	
Long-term (3 yrs)		0.1	1	
Long-term (5 yrs)		-	-	
Long-term (7 yrs)		0		
Maturities		2,495	193	
Nom. Surplus/Deficit		-2,314	-192	

Sources: Central Bank of Lebanon, Ministry of Finance

FOREIGN EXCHANGE MARKET: MARGINAL MOVEMENTS IN LP/US\$ BLACK MARKET

The parallel FX market continued to witness marginal movements in the LP/US\$ exchange rate this week, with the latter hovering between LP/US\$ 89,000-LP/US\$ 89,400 on Friday against LP/US\$ 89,000-LP/US\$ 89,500 at the end of last week. This occurred along the caretaker cabinet's approval of the 2023 draft budget and on bets that the FX liberalization proposed by BDL vice-governors would allow the Central Bank's FX reserves to stabilize.

Concomitantly and in a push for a greater transparency, the Central Bank of Lebanon disclosed this week that the total liquid foreign assets at BDL (excluding Eurobonds with a nominal value of US\$ 5,212 million and a market value of US\$ 387 million) reached US\$ 8,573 million at end-July 2023, against total liquid foreign liabilities amounting to US\$ 1,270 billion. This resulted into net liquid foreign assets of US\$ 7.3 billion at end-July 2023, as per a statement issued by BDL.

STOCK MARKET: BSE SLIDES BACK INTO THE RED THIS WEEK

The Beirut Stock Exchange slid back into the red this week, as reflected by a 0.5% contraction in the price index. Three out of eight traded stocks registered price falls, while two stocks posted price gains and three stocks saw no price change week-on-week.

EXCHANGE RATES

	18/08/2023	11/08/2023	30/12/2022	
LP/US\$	15,000.00	15,000.00	1,507.50	↔
LP/£	19,080.00	19,059.00	1,813.97	↓
LP/¥	103.03	103.72	11.27	↑
LP/SF	17,037.71	17,113.52	1,628.67	↑
LP/Can\$	11,075.83	11,154.90	1,108.21	↑
LP/Euro	16,302.00	16,497.00	1,603.83	↑

Source: Bank Audi's Group Research Department

Bank Audi

A glance on individual stocks shows that Byblos Bank's "listed" share price shed 9.6% to US\$ 0.75, followed by Solidere "A" shares with -2.9% to US\$ 79.40, Solidere "B" shares with -1.1% to US\$ 79.10. In contrast, Bank Audi's "listed" share price jumped by 9.0% to US\$ 2.18. BLOM's "listed" share price surged by 4.2% to US\$ 3.00. Bank Audi's GDR price remained stable at US\$ 1.40. Holcim Liban's share price stood unchanged at US\$ 58.10. Ciments Blancs Nominal's share price remained stable at US\$ 22.05.

As to trading volumes, the BSE total turnover contracted by 67.5% week-on-week to reach US\$ 4.9 million, noting that Solidere shares continued to capture the lion's share of activity (92.6%).

AUDI INDICES FOR BSE

	18/08/2023	11/08/2023	30/12/2022	
Market Cap. Index	793.24	797.13	614.50	↓
Trading Vol. Index	60.42	136.50	96.84	↓
Price Index	166.53	167.34	129.00	↓
Change %	-0.49%	1.74%	1.30%	↓

	18/08/2023	11/08/2023	30/12/2022	
Market Cap. \$m	18,819	18,911	14,578	↓
No. of shares traded (Exc. BT)	250,858	514,583	187,711	↓
Value Traded \$000 (Exc. BT)	4,869	15,003	6,415	↓
o.w. : Solidere	4,509	14,538	6,349	↓
Banks	359	402	66	↓
Others	2	62	0	↓

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

BOND MARKET: EUROBOND PRICES REMAINING AT SINGLE-DIGIT LEVEL

Lebanese Eurobond prices remained relatively stable over this week, closing at 7.750 cents per US dollar across the board on Friday against 7.750-7.875 cents per US dollar at the end of last week, which marks an expansion of 2.13 pts since the beginning of the year 2023. This came along a protracted institutional vacuum and amid caretaker PM's warnings that failure to approve a string of crucial economic laws to pull the country back on its feet threatens the country's future economic stability.

EUROBONDS INDICATORS

	18/08/2023	11/08/2023	30/12/2022	
Total tradable size \$m	31,793	31,793	31,793	↔
o.w.: Sovereign bonds	31,314	31,314	31,314	↔
Bid price (cents per US dollar)	7.75	7.88	5.50-5.88	↓
Average Life	4.89	4.89	5.34	↔
Yield on US 5-year note	4.39%	4.30%	3.94%	↑

Source: Bank Audi's Group Research Department

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INTERNATIONAL MARKET INDICATORS

	18-Aug-23	11-Aug-23	31-Dec-22	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	145.39	144.97	131.11	0.3%	10.9%
\$/£	1.273	1.270	1.208	0.3%	5.4%
\$/Euro	1.087	1.095	1.071	-0.7%	1.6%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	34,500.66	35,281.40	33,147.25	-2.2%	4.1%
S&P 500	4,369.71	4,464.05	3,839.50	-2.1%	13.8%
NASDAQ	13,290.78	13,644.85	10,466.48	-2.6%	27.0%
CAC 40	7,164.11	7,340.19	6,473.76	-2.4%	10.7%
Xetra Dax	15,574.26	15,832.17	13,923.59	-1.6%	11.9%
FT-SE 100	7,262.43	7,524.16	7,451.74	-3.5%	-2.5%
NIKKEI 225	31,450.76	32,473.65	26,094.50	-3.1%	20.5%
COMMODITIES (in US\$)					
GOLD OUNCE	1,889.31	1,913.76	1,824.02	-1.3%	3.6%
SILVER OUNCE	22.75	22.69	23.95	0.3%	-5.0%
BRENT CRUDE (per barrel)	84.80	86.81	83.10	-2.3%	2.0%
LEADING INTEREST RATES (%)					
Term SOFR 1-month	5.31	5.31	4.36	0.00	0.96
US Prime Rate	8.50	8.50	7.50	0.00	1.00
US Discount Rate	5.50	5.50	4.50	0.00	1.00
US 10-year Bond	4.25	4.15	3.87	0.10	0.38

Sources: Bloomberg, Bank Audi's Group Research Department

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