

Economy

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Amid mounting security concerns and in the wake of chaos which have ripped through Lebanese banks, and following the complete removal of gasoline subsidies, the country's capital markets saw this week a currency crash on the black FX market, while Eurobond prices dipped further into the red and equities continued to follow an upward streak. In details, the Lebanese pound crashed to an all-time low of 38,200-38,300 against the US dollar on the parallel FX market and compared to LP/US\$ 35,200-LP/US\$ 35,250 at the end of last week, mainly on rising security concerns as a wave of anger stormed banks, and after BDL lifted the subsidies on gasoline completely. On the Eurobond market, sovereigns remained in free fall, plunging to 5.63-6.25 cents per US dollar on Friday, as Lebanon is facing the tough task of meeting IMF requirements, noting that Lebanese bonds may not be recoverable without an IMF program. On the equity market, the BSE posted strong weekly price gains of 10%, mainly supported by a strong price rally in Solidere shares.

LEBANON MARKETS: SEPTEMBER 12 - SEPTEMBER 18, 2022

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

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ECONOMY

CPI INFLATION AT 159% IN JULY AS PER CRI

This July, the Consultation & Research Institute’s index of consumer prices has surged by 158.6% compared to results of July 2021.

All nine main indices registered increases this July. The highest increase was registered by the “Transportation and Telecommunications” category (286.7 percent), followed by the “Housing” category (191.5%), then by the “Recreation” category (183.20%), the “Durable Consumer Goods” category (149.6%) and the “Education” category (146.6%).

The July 2022 year-on-year “Food and Beverages” index has significantly increased by 143.7% since July 2021. All of the four main indices registered increases this month, as follows: the “Food” category (146.6%), the “Nonalcoholic Beverages” category (140.7%), the “Alcoholic Beverages” category (123.21%) and the “Tobacco Products” category (89.8%).

The index for “Food” increased by 146.6% compared to its level last year, as all of the twelve food group indices have witnessed increases this July. The most significant increase was registered in the “Eggs and Dairy Products” category (210.6%), followed by the “Sugar and Confectioneries” category (174.7%), the “Food Away from Home” category (171.4%), the “Vegetables” category (164.6%), and the “Cereal and Bakery Products” category (156.7%).

Apparel year-on-year prices registered 104.6% increase in July 2022. This was the result of the increase in the “Clothing and Sewing Materials” category (125.7%), and in the “Footwear” category (55.7%) this month.

The index for “Housing” has significantly increased by 191.5% in July 2022 from its level last year. This was mainly due to the surge in the “Household Energy” category (397.6%) and the “Household Maintenance” category (56.0%). The other two categories remained stable this month.

The “Durable Consumer Goods” index has increased by 149.6% since July 2021. All eight indices have witnessed increases this July, most significantly those of the “Linens” category (387.5%), followed by the “Glassware” category (216.0%), the “Household Furnishings” category (174.3%) and the “Housekeeping Services” category (150.0%).

The healthcare index has increased by 107.4% since July 2021. This is due to the increases registered in the “Medications and Medical Accessories” category (308.0 %), followed by the “Outpatient Services” category (98.1%) and the “Inpatient Services” category (69.7%). The “Health Insurance” category kept stable in July 2022.

The CPI component for “Transportation and Telecommunications” has increased by 286.7% (year-on-year) in July 2022, due to the surge in the “Telephone Services” category (338.7%) and the “Transportation” category (285.8%).

The index for education has increased by 146.6% from the previous year, due to the increase in the “School Transportation” category (525.4%), followed by the “Educational Books and Supplies” category (253.3%) and the “Tuition Fees” category (49.3%).

The index for recreation has increased by 183.2% compared to its results in July 2021, due to the increase in the “Movies and Restaurants” category (224.2%); while the “Reading Materials and Photography” category remained stable this month.

The index of “Other Goods and Services” has increased by 119.7% since July 2021. This was basically due to the increase registered in the “Personal Care” category (157.6%). On the contrary, the “Jewelry” category witnessed a slight decrease this month (-2.7%).

YEAR-ON-YEAR CPI (JULY 22 / JULY 21)		
Categories	Weights	Variation
Food and beverages	35.40%	+143.70%
Apparel	6.55%	+104.63%
Housing	6.49%	+191.50%
Durable consumer goods	8.18%	+149.58%
Healthcare	9.82%	+107.39%
Transportation and telecommunications	14.39%	+286.74%
Education	12.45%	+146.63%
Recreation	2.70%	+183.20%
Other goods and services	4.02%	+119.71%
Total CPI- July		+158.65%

Sources: CRI, Bank Audi’s Research Department

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OPENED L/Cs FOR IMPORT FINANCING WITNESSED A SIGNIFICANT HIKE IN THE FIRST SEVEN MONTHS

Figures released by the Central Bank of Lebanon show that documentary letters of credits opened to finance imports activities increased significantly by 293.5% in the first seven months of 2022 to reach US\$ 174.3 million, up from US\$ 44.3 million during the first seven months of 2021.

In parallel, utilized credits for imports in the first seven months of 2022 recorded a 307.5% hike year-on-year standing at US\$ 135.5 million, against US\$ 33.2 million during the same period of previous year. Inward bills for collection, another documentary credit form of financing, declined by 18.6% over the first seven months of 2022 to reach US\$ 118.3 million, versus US\$ 145.4 million in the same period of 2021.

It is worth noting that documentary letters of credits opened to finance exports activities worsened and retreated by 21.6% in the first seven months of 2022 recording US\$ 56.1 million, down from US\$ 71.6 million during the same period of previous year.

However, utilized credits for exports for the first seven months of 2022 increased by 8.1% standing at US\$ 48.2 million against US\$ 44.6 million during same period of 2021. Outward bills for collection, another documentary credit form of financing contracted by 14.4% in the first seven months of 2022 to reach US\$ 103.5 million, versus US\$ 120.9 million over the same period of previous year.

DOCUMENTARY CREDITS FOR IMPORTS' FINANCING

(US\$ million)	2020	2021	7M-2021	7M-2022	7M-22/7M-21
Documentary L/Cs					
Opened credits	342.9	112.6	44.3	174.3	293.5%
Utilized credits	443.7	115.5	33.2	135.3	307.5%
Outstanding credits	2,017.9	602.3	360.7	400.3	11.0%
Bills for collection					
Inward bills	307.8	212.1	145.4	118.3	-18.6%
Outstanding bills	410.6	540.0	321.3	322.6	0.4%

Sources: BDL, Bank Audi's Group Research Department

DOCUMENTARY CREDITS FOR EXPORTS' FINANCING

(US\$ million)	2020	2021	7M-2021	7M-2022	7M-22/7M-21
Documentary L/Cs					
Opened credits	188.5	108.6	71.6	56.1	-21.6%
Utilized credits	408.6	68.9	44.6	48.2	8.1%
Outstanding credits	3,403.3	1,520.3	966.9	645.7	-33.2%
Bills for collection					
Inward bills	272.2	206.1	120.9	103.5	-14.4%
Outstanding bills	2,921.1	2,488.4	1,496.8	1,253.9	-16.2%

Sources: BDL, Bank Audi's Group Research Department

PAYMENT CARDS AT 2.5 MILLION IN JUNE 2022

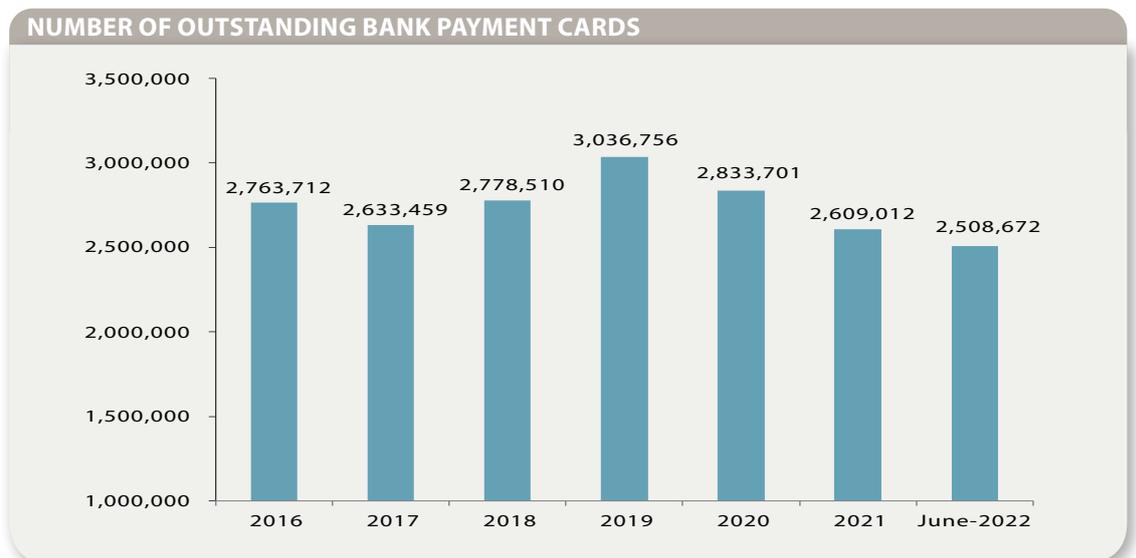
As per the latest figures released by the Central Bank of Lebanon, the number of bank payment cards issued reached 2,508,672 cards at end-June 2022, down from 2,609,012 cards at end-2021, witnessing a drop of 100,340 cards or 3.8% over the first six months of the current year.

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In details, the number of resident debit cards revealed a continuous drop by 86,790 cards over the same period, with a decline in the number of resident credit cards by 36,682 cards, in addition to a decrease in resident charge cards by 3,445 cards. Non-resident debit cards also witnessed further drop by 4,459 cards, along with non-resident credit cards which decreased by 1,124, while non-resident charge cards dropped by 388 cards and non-resident prepaid cards picked up by 479 cards. It is worth noting that resident prepaid cards witnessed a significant increase of 32,069 cards, within the context of the ongoing deleveraging by Lebanese banks, which are operating under very challenging conditions.

In parallel, the total number of ATMs reached 1,637 at end-June 2022, the equivalent of a drop of 87 ATMs over the first six months of the year. Mount Lebanon actually captures the highest share in the number of ATMs with 37.0% of the total, followed by Beirut & the suburbs with 34.6%, North Lebanon with a share of 10.6%, Bekaa with 8.3%, South Lebanon with a share of 7.7% and Nabatieh with a share of 1.9% of the total.

Finally, the number of points-of-sales machines regressed by 2.4% the equivalent of 869 POS machine over the first six months of 2022, to reach 35,176 machine in June 2022.



Sources: BDL, Bank Audi's Group Research Department

ELECTRICITY PRODUCTION DROPPED BY 66% YEAR-ON-YEAR IN THE FIRST THREE MONTHS

Data published by the Central Bank of Lebanon shows that electricity production declined by 65.7% year-on-year in the first three months of 2022. The production totaled 1,005 million Kilowatt Hours (kWh) in the first three months of 2022, down from 2,931 million kWh in the first three months of the previous year.

It is worth mentioning that Lebanon's power supply has been erratic for years, but the recent economy's meltdown made it worse, as the lack of hard currency to purchase fuel oil for State power plants triggered more outages. As such, electricity reform is one of the key steps to re-equilibrate the economy, by building the required power plants, raising thereafter electricity tariffs and reducing technical and non-technical losses, which altogether should help EDL breakeven at an acceptable horizon.

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SURVEYS

FITCH SOLUTIONS ISSUES A NEW REPORT ON LEBANON'S AUTO SECTOR

A new report on Lebanon's Auto sector has been issued by Fitch Solutions this week.

The report says there remain growing indications that Lebanon's new vehicle sales market may have reached a bottom, with a high likelihood that 2022 will represent the first year of positive growth for the sector since 2015.

The passenger vehicle (PV) segment remains around one 10th of the size it reached in 2015 (when over 50,000 vehicle units were sold), underlining the very challenging conditions for carmakers operating in Lebanon at present.

The Country Risk team of Fitch is forecasting GDP growth of 3.5% in 2022 - the country's first positive economic growth in four years.

This more supportive backdrop may encourage greater spending on new vehicles from businesses and wealthier citizens over the coming months.

An improving outlook for tourism is also enhancing the outlook for PV sales, as demand for new vehicles from the hospitality and car rental sectors improves. The leading sellers of vehicles in Lebanon include Toyota, Nissan and Mitsubishi as per the report.

Lebanon Auto Report included a SWOT analysis for the sector. At the level of strengths, they mentioned the following:

- A fast-growing and young population underlines the market's long-term potential, should longstanding political and economic challenges be overcome.
- The market offers potential in both the volume and high-end segments.
- Many foreign carmakers are present in the market.

At the level of weaknesses, they mentioned the following:

- Lebanon's new PV sales market remains below one tenth of the size it was in 2015, with no sign of sales returning back to this level before the end of their forecast period in 2031.
- Demand for new vehicles remains constrained by high auto financing rates and the very weak Lebanese pound.
- New car ownership remains out of reach for the vast majority of citizens, with unemployment now estimated to be well above 40% and inflation forecast to average 178% in 2022 by their Country Risk team.

At the level of opportunities, they mentioned the following:

- There remain growing indications that Lebanon's new vehicle sales market may have reached a bottom, with a high likelihood that 2022 will represent the first year of positive growth for the sector since 2015.
- They believe that hybrid and electric vehicles will gain in popularity over the long term.
- They believe that demand for SUVs will rise over their forecast period to 2031, as incomes rise and with SUVs being well positioned to weather the poor standard of road infrastructure across much of the country.
- The country has an ageing national vehicle fleet, presenting a clear sales opportunity for carmakers over the medium term.

At the level of threats, they mentioned the following:

- They expect political tensions to remain elevated ahead of upcoming presidential (October 2022) elections, with any resultant negative economic impact also liable to undermine new vehicle sales.
- Should the government decide to prioritise public transport in the years ahead, this would present downside risks to Fitch Solutions' current forecasts.

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BLOOMBERG SURVEY FORECASTS REAL GDP GROWTH AT -1.5% IN 2022

Bloomberg's survey results for Middle Eastern countries, of which Lebanon, was released this week.

The survey results is based on the median of 13 economists' forecasts for Middle East country economic indicators as surveyed by Bloomberg from Sept. 12 to Sept. 16.

Lebanon's real GDP growth is forecasted at -1.5% for 2022, continuing its consecutive contraction over the past four years. It is yet set to move to positive territory thereafter to register 2.4% in 2023 and 3.5% in 2024.

Lebanon's CPI Inflation is forecasted at a high of 175.3% in 2022 amid the currency depreciation, the subsidy removal, in addition to the effects of global inflation spillovers. It is yet set to moderate to 53.5% in 2023 and 25.0% in 2024.

The country's current account deficit, which is set to decrease from 15.5% of GDP in 2022 to 7.3% of GDP in 2023, would rise again to 15.7% of GDP in 2024.

The country's budget deficit is set to slightly moderate further over the next few years. It is forecasted at 3.8% of GDP in 2022, 3.3% of GDP in 2023 and 3.2% of GDP in 2024.

It is worth mentioning that Bloomberg is a global leader in business and financial data, news and insight, which delivers real-time data, unparalleled news and research, powerful analytics, communications tools and world-class execution capabilities. Bloomberg provides data and analysis to financial institutions and corporations all over the world to make critical decisions about risk, investments and markets.

LEBANON'S ECONOMIC INDICATORS

	2022	2023	2024
GDP yoy%	-1.5 %	2.4%	3.5%
CPI	175.3%	53.3%	25.0%
Current account	-15.5%	-7.3%	-15.7%
Budget deficit	-3.8%	-3.3%	-3.2%

Sources: Bloomberg, Bank Audi's Research Department

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CORPORATE NEWS

SOLIDERE'S CONSOLIDATED NET LOSS AT US\$ 4 MILLION IN 2021

Solidere's unaudited financial statements for 2021 show net loss of US\$ 4.3 million, against net loss of US\$ 15.9 million yielded in 2020.

Total revenues slumped by 259% to US\$ 114.8 million in 2021 against US\$ 412.2 million in 2020. This drop is mainly due to the contraction in land sales that registered a decline of 77.7% over the same mentioned period to record US\$ 85.1 million mitigated by the fact that sale transactions occurred fully in fresh dollars in 2021 instead of mainly local US dollars in 2020, in addition to some closed deals over the year 2021 were not registered during the same year and were brought forward to 2022 due to the strike called by public sector workers, according to company sources.

Revenues from rented properties fell by 6.9% to reach US\$ 21.2 million in 2021 when compared to previous year.

Revenues from rendered services increased from US\$ 7.4 million in 2020 to US\$ 8.4 million in 2021.

The company's total cost of dropped from US\$ 274.1 million in 2020 to US\$ 87.9 million in 2021. This was mainly due to the decrease in the cost of land sales to US\$ 41.2 million in 2021, down from US\$ 214.4 million in previous year.

However, cost of rendered services maintained almost the same level in both year recording US\$ 9.0 million in 2021.

Net gain on sale and disposal of investment properties slumped from US\$ 4.7 million in 2020 to US\$ 0.4 million in 2021.

Furthermore, it is worth highlighting that interest expense contracted by 72.6% in 2021 reporting US\$ 951 thousand against US\$ 3.5 million in year 2020.

Total assets edged down by 2.9% from end-2020 to US\$ 2.0 billion at end-2021. This is due to collection of receivables during year 2021 where accounts and notes receivables decreased by 75.6% when compared to full year 2020.

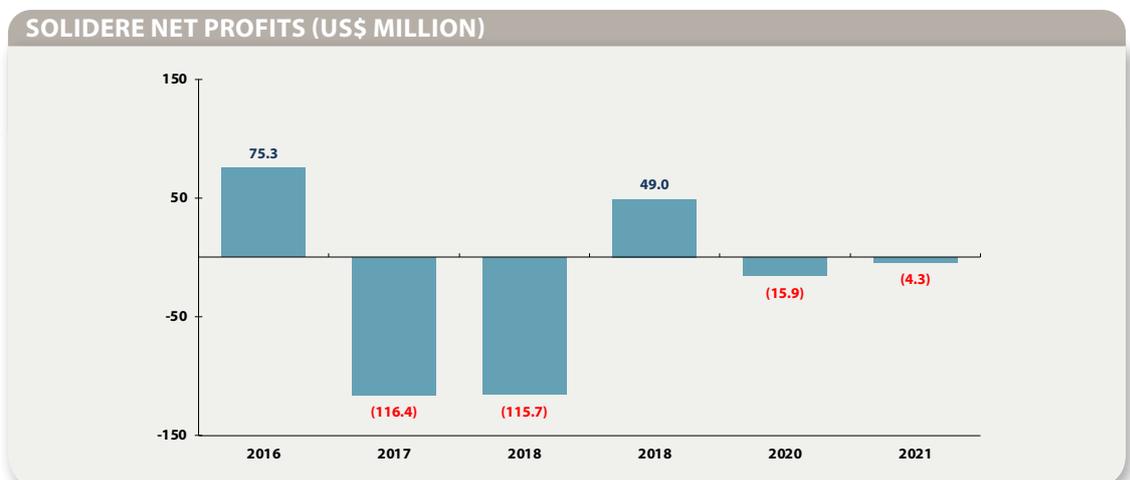
Cash and banks balances decreased from US\$ 115.6 million at end-2020 to US\$ 90.6 million at end-2021.

Inventory of land and projects in progress is valued at US\$ 853 million at end-2021 retreating by US\$ 34.0 million from its level at end-2020.

Furthermore, cash and banks balances declined from US\$ 115.6 million at end-2020 to US\$ 90.6 million at end-2021.

On the liabilities side, accounts payable edged down from US\$ 99.5 million at end-2020 to US\$ 92.4 million at end-2021.

Finally, total equity maintained almost same strength reporting US\$ 1.8 billion at end-2021.



Sources: Solidere, Bank Audi's Group Research Department

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FUSION OF LEBANESE CULINARY HERITAGE EVENT AT THE EMBASSY OF LEBANON IN WASHINGTON

In continuous efforts to support Lebanese food companies amid this financial crisis, the Embassy of Lebanon in Washington have initiated and organized at its premises the Fusion of Lebanese Culinary Heritage hosting various Lebanese food companies' representatives, US Foodservice Market and Washington lamb, major food distributors in the United States.

This aims to introduce Lebanese food companies who have innovative concepts to major food distributors covering the American wide market, introduce them to restaurants in the US, facilitate commercial transactions and create new business opportunities with the international markets, as mentioned in a statement.

The Lebanese companies participating in the event were covering different segments as follows; Ste Ets Michel Najjar sal, Meptico sal, Said Saifan sal, Phoenicia Gate, Zeit Boulos, Soil, Zaatar Road and Khan El Saboun.

Moreover, couple of Lebanese chefs have participated in this event demonstrating some Lebanese fusion foods in an appealing way to the foreign suppliers attending.

It is worth highlighting that exports to US increased by a yearly 31% in 2021 when compared to its level in 2020.

AUB IS ORGANIZING ALLO, BEIRUT? EXHIBITION

Allo, Beirut?, a huge exhibition about the city's cultural, economic, and political transformation from the 1960s until today, being organized by AUB Neighborhood Initiative that is taking place at Beit Beirut, Sodoco.

Allo, Beirut? is based on an archive that was found in the abandoned Caves Du Roy nightclub of the Excelsior Hotel in Ain El Mreiasseh. It is a wonderful collaboration between artists, journalists, researchers, collectors, designers and creative teams who all came together to express their love/hate relationship to this city, as mentioned in a statement.

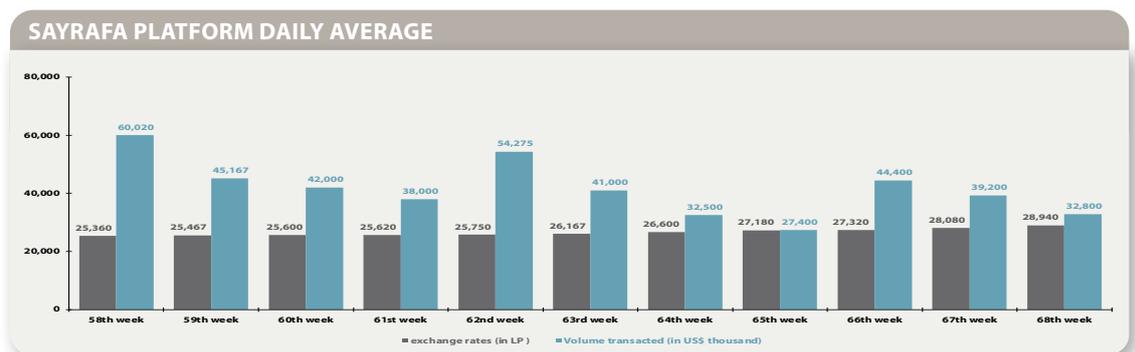
The exhibition's opening in Beit Beirut had interactive installations and artworks; Teyyarit Waraq, Ranine Char and Khansa.

SAYRAFA TRANSACTED A DAILY AVERAGE OF US\$ 33 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 68th week was US\$ 32.8 million, compared to previous week's daily average transacted volume of US\$ 39.2 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 30.6 million).

The daily average conversion rate for week 68 is LP 28,940 when compared to daily average conversion rate of previous week of LP 20,080 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 21,235.

The Central Bank (BDL) announced that the conversion rate at end of week 68 was LP 29,600, while the conversion rate reported by end of week 67 was LP 28,200.



Sources: BDL, Bank Audi's Group Research Department

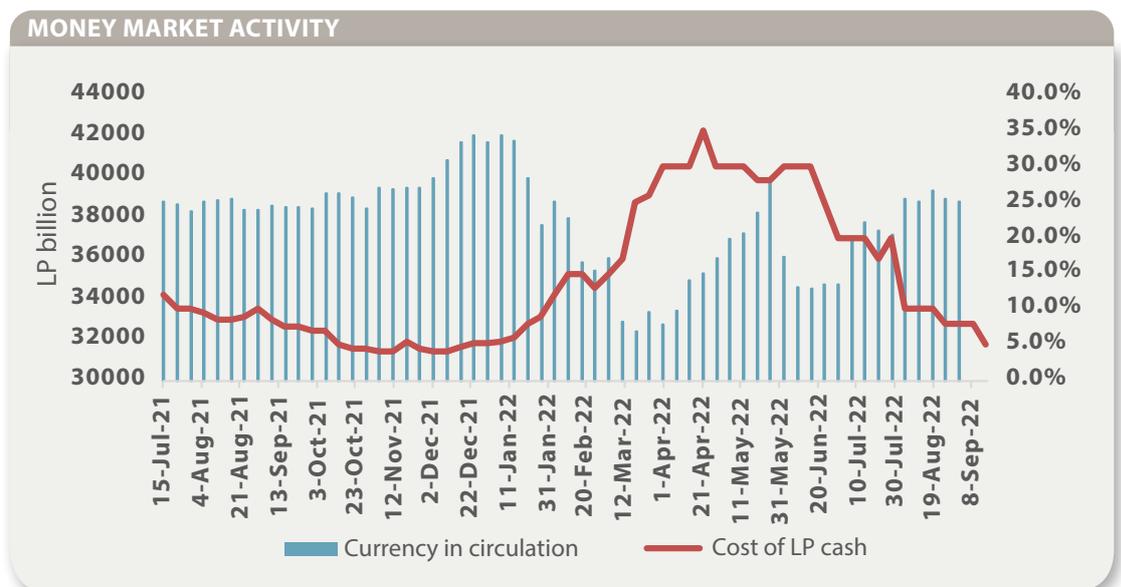
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CAPITAL MARKETS

MONEY MARKET: FURTHER WEEKLY CONTRACTION IN TOTAL RESIDENT DEPOSITS

The cost of LP cash dropped from 8% last week to 5% this week, in a sign of increased local currency liquidity on the money market due to restricted activity on the “Sayrafa” platform and given a complete fuel subsidy removal.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 1st of September 2022 showed that total resident banking deposits contracted further by LP 924 billion. This is mainly attributed to a LP 469 billion fall in total LP resident deposits amid a LP 340 billion drop in LP saving deposits and a LP 129 billion retreat in LP demand deposits, while foreign currency resident deposits declined by LP 455 billion (the equivalent of US\$ 302 million as per the official rate of LP 1,507.5). On a cumulative basis, total resident banking deposits contracted by LP 6,502 billion over the first eight months of 2022, mainly driven by a LP 7,591 billion fall in foreign currency resident deposits, while total LP resident deposits increased by LP 1,088 billion. Concurrently, monetary aggregates showed that the money in circulation contracted by circa LP 3 trillion over the first nine months of 2022. This is mainly explained by BDL’s circular No.161 and the Central Bank’s exceptional measures, which allowed US dollars purchases from BDL.



TREASURY BILLS MARKET: LARGE WEEKLY NOMINAL DEFICIT OF LP 1,130 BILLION

The latest Treasury bills auction results for value date 15th of September 2022 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 8th of September 2022 showed subscriptions of LP 46 billion, fully allocated to the Central Bank of Lebanon and concentrated in the six-month category, while subscriptions in the three-year category were limited to LP 8 million only. These compare to maturities of LP 1,176 billion, resulting into a large nominal weekly deficit of LP 1,130 billion.

FOREIGN EXCHANGE MARKET: LP CRASHES TO ALL-TIME LOW AGAINST US DOLLAR ON PARALLEL MARKET

The Lebanese pound crashed to an all-time low of 38,200-38,300 against the US dollar on the black FX market this week and compared to LP/US\$ 35,200-LP/US\$ 35,250 at the end of last week, amid mounting security concerns after chaos ripped through Lebanese banks, and after the Central Bank of Lebanon completely freed the “Sayrafa” platform from the burdens of financing gasoline imports.

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TREASURY BILLS

	16/09/2022	09/09/2022	30/12/2021	
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)		46	246	
Short-term (3&6 mths)		46	-	
Medium-term (1&2 yrs)			-	
Long-term (3 yrs)		0.01	200	
Long-term (5 yrs)			-	
Long-term (7 yrs)			46	
Maturities		1,176	13	
Nom. Surplus/Deficit		-1,130	233	

Sources: Central Bank of Lebanon, Ministry of Finance

Fuel subsidy removal came within the context of nosediving FX reserves. In fact, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of September 2022 showed that BDL's foreign assets contracted further by US\$ 125 million during the first half of the month to reach US\$ 14.6 billion mid-September 2022, bringing year-to-date contractions to circa US\$ 3.2 billion. When excluding BDL's Eurobond holdings estimated at US\$ 5.0 billion and foreign currency facilities provided to Lebanese banks, the Central Bank of Lebanon's liquid FX reserves fell below the US\$ 10 billion level mid-September 2022.

In parallel, the Central Bank of Lebanon announced that foreign currency operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 28,400 to LP/US\$ 29,600 between September 12 and September 16, 2022 as compared to LP/US\$ 28,000-LP/US\$ 28,200 last week.

STOCK MARKET: STRONG WEEKLY EQUITY PRICE GAINS, ON SOLIDERE PRICE RALLY

The Beirut Stock Exchange registered strong price gains this week, as reflected by a 9.9% surge in the price index. Four out of nine traded stocks posted price rises, while one stock recorded price declines and four stocks saw no price change week-on-week.

EXCHANGE RATES

	16/09/2022	09/09/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,715.38	1,752.62	2,022.91	↑
LP/¥	10.52	10.62	13.11	↑
LP/SF	1,563.47	1,574.91	1,639.48	↑
LP/Can\$	1,134.82	1,160.33	1,175.53	↑
LP/Euro	1,501.47	1,523.18	1,701.52	↑

Source: Bank Audi's Group Research Department

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AUDI INDICES FOR BSE

	16/09/2022	09/09/2022	30/12/2021	
Market Cap. Index	609.73	554.98	447.87	↑
Trading Vol. Index	75.58	70.09	80.38	↑
Price Index	128.00	116.51	94.02	↑
Change %	9.86%	0.95%	4.13%	↑
	16/09/2022	09/09/2022	30/12/2021	
Market Cap. \$m	14,465	13,166	10,625	↑
No. of shares traded (Exc. BT)	196,206	281,152	171,230	↓
Value Traded \$000 (Exc. BT)	8,354	7,748	5,359	↑
o.w. : Solidere	7,364	7,303	4,614	↑
Banks	126	430	732	↓
Others	863	15	13	↑

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

A closer look at individual stocks shows that Solidere "A" shares led the advance on the BSE this week, registering a price surge of 13.4% to reach US\$ 58.65, followed by Solidere "B" shares with +13.3% to US\$ 58.20, BLOM's "listed" shares with +1.8% to US\$ 2.90, Byblos Bank Preferred shares 2008 with +0.03% to US\$ 27.00. In contrast, Bank Audi's GDR price retreated by 0.7% to US\$ 1.48. BLC Preferred "D" share price remained stable at US\$ 59.50. Bank Audi's "listed" share price stood unchanged at US\$ 1.50. BLOM's GDR price remained stable at US\$ 2.50. Holcim Liban's share price stayed quoted at US\$ 30.49.

As to trading volumes, the BSE total turnover increased by 7.8% week-on-week, moving from US\$ 7.7 million last week to US\$ 8.4 million, noting that Solidere shares continued to capture the lion's share of activity (88.2%), followed by the industrial shares with 10.3% and the banking shares with 1.5%.

BOND MARKET: LEBANESE EUROBOND PRICES REMAIN IN FREE FALL

Lebanon's Eurobond market registered further weekly price contractions of 0.13 pt to 0.38 pt, amid lingering domestic political uncertainties and as Lebanon is facing tough reform challenges to meet IMF requirements and reach a final agreement with the Fund.

Within this context, prices of Lebanese sovereigns fell to 5.63-6.25 cents per US dollar on Friday as compared to 5.88-6.50 cents per US dollar at the end of last week. On a cumulative basis, Lebanese Eurobonds maturing between 2020 and 2037 posted price falls of 3.88 pts to 4.50 pts since the beginning of the year 2022.

EUROBONDS INDICATORS

	16/09/2022	09/09/2022	30/12/2021	
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)	5.63-6.25	5.88-6.50	9.88-10.63	↓
Average Life	5.58	5.59	6.18	↓
Yield on US 5-year note	3.67%	3.36%	1.26%	↑

Source: Bank Audi's Group Research Department

Bank Audi

INTERNATIONAL MARKET INDICATORS

	16-Sep-22	09-Sep-22	31-Dec-21	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	142.92	142.47	115.11	0.3%	24.2%
\$/£	1.142	1.159	1.353	-1.5%	-15.6%
\$/Euro	1.002	1.004	1.137	-0.3%	-11.9%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	30,822.42	32,151.71	36,338.30	-4.1%	-15.2%
S&P 500	3,873.33	4,067.36	4,766.18	-4.8%	-18.7%
NASDAQ	11,448.40	12,112.31	15,644.97	-5.5%	-26.8%
CAC 40	6,077.30	6,212.33	7,153.03	-2.2%	-15.0%
Xetra Dax	12,741.26	13,088.21	15,884.86	-2.7%	-19.8%
FT-SE 100	7,237.64	7,351.07	7,384.54	-1.5%	-2.0%
NIKKEI 225	27,567.65	28,214.75	28,791.71	-2.3%	-4.3%
COMMODITIES (in US\$)					
GOLD OUNCE	1,675.06	1,716.83	1,829.20	-2.4%	-8.4%
SILVER OUNCE	19.59	18.86	23.31	3.9%	-16.0%
BRENT CRUDE (per barrel)	91.35	92.84	77.78	-1.6%	17.4%
LEADING INTEREST RATES (%)					
1-month Libor	3.01	2.77	0.10	0.24	2.91
US Prime Rate	5.50	5.50	3.25	0.00	2.25
US Discount Rate	2.50	2.50	0.25	0.00	2.25
US 10-year Bond	3.45	3.31	1.51	0.14	1.94

Sources: Bloomberg, Bank Audi's Group Research Department

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