

Economy

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p.9 MARKETS IN BRIEF: LP/US\$ EXCHANGE RATE HIT NEW LOWS ON POLITICAL AND REFORM UNCERTAINTIES

As May 15 inconclusive Parliamentary elections are fueling doubts about Lebanon's ability to deliver reforms needed to unlock crucial IMF financial aid, and amid lingering cabinet uncertainties and fears of a political vacuum, Lebanon's capital markets saw this week the LP plummet to all-time lows against the US dollar on the black FX market, while sovereign bond prices continued to fall without finding a floor, and the equity market posted robust price gains for the second consecutive week on hedging activity. In details, the LP/US\$ black market rate crossed for the first time the LP/US\$ 37,000 level this week as compared to LP/US\$ 31,350-LP/US\$ 31,400 at the end of last week, mainly on reform uncertainty and rising doubts about Lebanon's ability to secure much-needed international financial support. Concurrently, Lebanese bond prices remained on free fall, trading below 10 cents per US dollar on Friday. Finally, the equity market posted strong price gains of 19% week-on-week, as market players sought to add equities to their holdings to hedge against crises and large currency losses on the black FX market.

LEBANON MARKETS: MAY 23 - MAY 29, 2022

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

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ECONOMY

CABINET RATIFIES FINANCIAL SECTOR RECOVERY STRATEGY AND MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES

Last Friday, in its last session before turning into a caretaker cabinet, the government ratified a Financial Sector Recovery Strategy (FSRS) and a Memorandum of Economic and Financial Policies (MEFP), the components of which are outlined below:

FSRS

- Delinking the balance sheet of banks, BDL and the Ministry of Finance
- Recapitalizing BDL on the back of its current negative equity of circa US\$ 60 billion
- Write-off a major part of bank FX claims on BDL to offset BDL negative equity and close banks net open FX position
- Issue sovereign bonds for US\$ 2.5 billion to help recapitalize BDL
- Restructuring and Recapitalizing viable banks
- Respecting hierarchy of claims in loss distribution, through wiping out first bank equity and subordinated debt, in addition to related party deposits
- Protecting small depositors up to a certain threshold as per account balance as of 31/3/2022
- Liquidating non-viable banks according to a New Law to be issued by Parliament
- Auditing losses and deposit structure of Top 14 banks by end-September 2022
- For deposits above the minimum threshold, bail-in and lirafication policies would be applied

MEFP

- Restoring a primary fiscal surplus of 1% of GDP by 2026 through spending and revenue measures
- Decreasing debt/GDP to below 100% of GDP by 2026 and 76% by 2032
- Unification of exchange rates and managing the rate through up to US\$ 100 million of 5-day BDL intervention
- Ensuring social safety nets through NPTP, ESSN and BCCT
- Ensuring 8 to 9 hours of power supply through acquiring electricity from Jordan and Gas from Egypt
- Increasing power tariffs to 12 cents per KWH in the near term and 18 cents per KWH in the medium term
- Amendment of banking secrecy laws

Such policies definitely require Parliament approval, which might prove to be difficult given the fragmentation of the new parliament. It is worth mentioning that the FSRP and the MEFP are IMF requirements for a final program with Lebanon, along with the following IMF requirements:

- Initiation of an externally assisted bank-by-bank evaluation for the 14 largest banks by signing the terms of references with a reputable international firm. (BDL responsibility)
- Parliament approval of a reformed bank secrecy law. (Parliament responsibility)
- Completion of the special purpose audit of the Bdl's foreign asset position. (BDL responsibility)
- Cabinet approval of a medium-term fiscal and debt restructuring strategy. (Government responsibility)
- Parliament approval of the 2022 budget, to start regaining fiscal accountability (Parliament responsibility)
- Unification by Bdl of the exchange rates for authorized current account transactions, (Gov/Bdl responsibility)
- Implementation of formal capital controls (Parliament responsibility)

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TRIPOLI PORT REVENUES REGISTERED 537% YEAR-ON-YEAR HIKE IN THE FIRST QUARTER

Freight activity via Port of Tripoli witnessed 18.4% increase during the first three months of 2022 to stand at 744,963 tons up from 628,938 tons registered in same quarter of previous year.

In addition, the number of vessels rose annually by 35.8% to stand at 220 vessels in the first 3 months of 2022, while the number of imported cars via Tripoli Port increased by 35.7% to reach 1,130 in the first three months of 2022 against 833 cars in the first three months of 2021.

Within this context, Tripoli port revenues hiked significantly by 537.3% yearly to reach US\$ 32.8 million over first three months of 2022, against US\$ 5.1 million over same quarter of previous year.

TRIPOLI PORT ACTIVITY

	3M-2021	3M-2022	3M-22/3M-21
Freight activity (tons)	628,938	744,963	18.4%
Number of Vessels	162	220	35.8%
Number of imported cars	833	1,130	35.7%
Port revenues (USD'000)	5,142	32,772	537.3%

Sources: Al Bayan Magazine, Port of Tripoli, Bank Audi'S Group Research Department

GROSS PUBLIC DEBT AT US\$ 100 BILLION AT END-FEBRUARY 2022

The data published by the Ministry of Finance in Lebanon showed that the country's gross debt reached US\$ 100.0 billion at end-February 2022, up by 3.3% from the level seen at end- February 2021.

Domestic debt increased by 0.8% from end-February 2021 to reach a total of LP 91.8 billion at end-February 2022.

Lebanon's external debt rose by 7.3% from end-February 2021 to stand at around US\$ 39.1 billion at end-February 2021.

In this context, the public sector deposits at the Central Bank rose by 85.9% from end-February 2021 to register US\$ 8.4 billion at end-February 2022.

The public sector deposits at commercial banks contracted by 18.0% from end-February 2021 to end-February 2022, registering US\$ 4.6 billion.

As such, net public debt, which excludes the public sector deposits at the Central Bank and commercial banks from overall debt figures, rose negligibly by 0.3% from end-February 2021 to reach a total of US\$ 87.0 billion at end-February 2022.

Net domestic debt amounted to US\$ 47.9 billion at end-February 2022, down by 4.7% from end-February 2021.

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GROSS PUBLIC DEBT (US\$ BILLION)



Sources: Association of Banks in Lebanon, Bank Audi's Group Research Department

46% OF DIRECT UTILIZED CREDITS IS AGAINST REAL ESTATE MORTGAGE AND 52% OF IT IS ABOVE LP 10 BILLION AS AT DECEMBER-2021

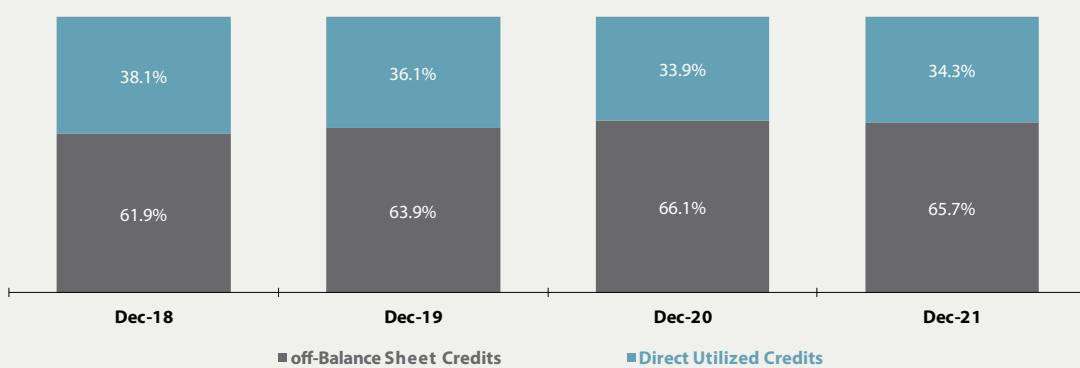
As per the Central Bank of Lebanon, total direct facilities at Dec-2021 accounted for LP 52.2 trillion in direct facilities and LP 100.1 trillion in off-balance sheet facilities.

46.2% of the total direct facilities were against real estate mortgage, followed by 33.1% on clean basis, 13.7% against personal guarantees, 3.3% against cash collateral/bank guarantees, 2.0% in advances against financial values and 1.7% in advances against other real guarantees.

In parallel, indirect facilities represented 65.7% of total utilized credits at Dec-2021, down from 66.1% in Dec-2020. It is worth mentioning that endorsements and guarantees at Dec-2021 constituted the biggest share for 95.6% same as at Dec-2020.

It is worth highlighting that the small creditors represented the biggest share of beneficiaries utilizing direct credits between LP 5 million and LP 25 million recording 43.2% and 45.5% at Dec-2021 and Dec-2020 respectively. The distribution of utilized credits by amount at Dec-2021 showed that 51.2% were loans bigger than LP 10 billion, versus 47.5% at Dec-2020.

DISTRIBUTION OF UTILIZED CREDITS



Sources: BDL, Bank Audi's Group Research Department

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SURVEYS

BEIRUT HOTEL OCCUPANCY RATE ROSE TO 45% IN FIRST QUARTER OF 2022, AS PER EY

Ernst & Young published its Middle East Hotel Benchmark Survey looking at the performance of four and five star hotels in the Middle East region, whereby Beirut's occupancy rate rose from 27.1% in the first quarter of 2021 to 44.8% in the same period of 2022, a yearly increase of 17.7 percentage points.

Lebanon's average room rate dropped by a yearly 3.5% to US\$ 61.6 in the first quarter of 2022, from US\$ 63.9 in the first quarter of 2021.

The revenue per available room (RevPAR) concurrently expanded by 59.5% to US\$ 27.6 in the aforementioned period of 2022.

At the level of the region, Beirut ranked 12th in the region during the first quarter of 2022.

Abu Dhabi topped the 14 regional peers in terms of occupancy. The emirate reported an average occupancy rate of 84.4% in the first quarter of 2022, followed by Dubai with 80.8% and Madinah with 77.4%.

It is worth noting that Beirut's four and five star hotels charged the lowest average room rate of US\$ 61.6, while Dubai recorded the highest average room rate of US\$ 396.7, followed by Kuwait City with US\$ 252.9 and Jeddah with US\$ 194.3.

ERNST & YOUNG MIDDLE EAST HOTEL BENCHMARK SURVEY

	Occupancy %		Average Room Rate (US\$)		Room Yield (US\$)	
	Q1-22	Q1-21	Q1-22	Q1-21	Q1-22	Q1-21
Abu Dhabi	84.4	69.5	83	70	70	49
Dubai	80.8	58.0	397	275	321	160
Madinah	77.4	37.1	103	99	79	37
Riyadh	74.1	48.0	182	140	135	67
Cairo	72.3	35.6	106	61	76	22
Ras al Khaimah	67.1	48.8	183	180	123	88
Doha	62.5	77.4	108	90	68	70
Makkah	57.4	17.4	100	113	57	20
Muscat	52.2	27.5	132	81	69	22
Manama	47.1	32.8	154	112	73	37
Jeddah	46.7	45.0	194	208	91	94
Beirut	44.8	27.1	62	64	28	17
Kuwait City	43.0	38.2	253	184	109	70
Amman	40.8	17.7	143	108	58	19

Sources: Ernst & Young, Bank Audi's Group Research Department

INCONCLUSIVE OUTCOME OF LEBANON'S ELECTIONS WILL MAKE IT CHALLENGING FOR ANY CAMP TO FORM A STABLE GOVERNING MAJORITY IN PARLIAMENT, FITCH RATINGS

Fitch Ratings issued a new report in which it discussed that the inconclusive outcome of Lebanon's elections will make it challenging for any camp to form a stable governing majority in parliament, further complicating the country's ability to implement financial and economic reforms.

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The report highlights that such reforms would be preconditions for support from the IMF and other international partners, which in turn could pave the way for Lebanon's exit from default on its sovereign obligations. The political affiliations of Lebanon's legislators are not always clear.

The cabinet's approval of the reforms was one of a number of prior conditions that need to be met for the IMF Executive Board to give approval to a staff-level agreement reached in April 2022 on a 46-month Extended Fund Arrangement worth around US\$ 3 billion.

Other preconditions include parliamentary approval of emergency bank resolution legislation, a bank secrecy law and the 2022 budget, cabinet approval of a medium-term fiscal and debt restructuring strategy, the Bdl's unification of exchange rates for authorized current account transactions, supported by the implementation of capital controls, an audit of the Bdl's foreign-asset position (this appears close to completion) and the initiation of an evaluation of each of the 14 largest banks.

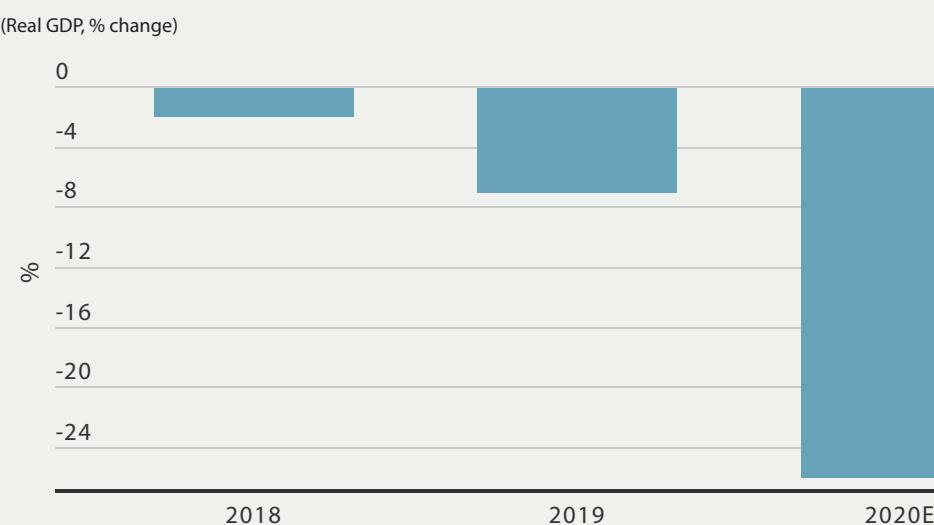
According to the report, government formation has historically been a lengthy process, and the lack of a clear winning faction in this latest election suggests it will again take time. Reforms could also be stymied by domestic opposition or further unrest.

The Association of Banks in Lebanon, for example, on 24 May rejected the government's financial recovery plan, arguing that it put the full losses of the country's economic crisis on depositors.

In-country election turnout was low at 41% of registered voters, giving the new government only a weak popular mandate for reform according to the report.

It is worth noting that Fitch affirmed Lebanon's Foreign-Currency Issuer Default Rating (IDR) at "Restricted Default" in August 2021. Once the country reaches an agreement with bondholders on restructuring its foreign-currency debt and completes that process, the agency will assign ratings based on its analysis of the sovereign's willingness and capacity to honor its new foreign currency debt obligations. Fitch Ratings also affirmed the Local-Currency IDR at "CC" in August, reflecting its expectation of an eventual restructuring.

LEBANON ECONOMIC GROWTH



Sources: Fitch Ratings, Lebanese authorities, IMF staff estimates and calculations

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CORPORATE NEWS

LEBANESE BANKS CLOSE CYPRUS BRANCHES

The Lebanese Central Bank decided to close branches of Lebanese banks in Cyprus. Accordingly, seven branches of Lebanese banks in Cyprus were closed, in addition to two branches that were already closed, as mentioned in a statement.

The Lebanese banks operating in Cyprus are Bank of Beirut, BankMed, Banque BEMO, BBAC, BLOM Bank, Byblos Bank, Credit Libanais, IBL Bank and LGB Bank.

The total deposits in these branches contracted from EURO 650 million in 2019 to EURO 400 million in 2020, according to reports.

The Central Bank of Cyprus has been closely monitoring the situation since 2019, when the financial and economic crisis in Lebanon began to intensify. Thus, declaring its default on its external debt obligations.

It is worth noting that a possible collapse of the Lebanese banking system is not expected to affect Cyprus banking system, as most deposits and loans belong to people who do not reside on the island.

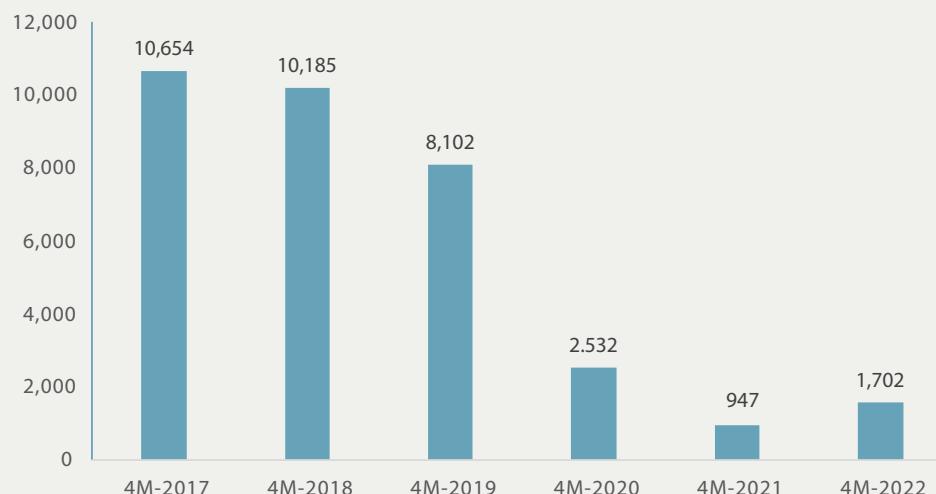
A SIGNIFICANT INCREASE IN NEW CARS REGISTERED IN THE FIRST FOUR MONTHS OF 2022

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 1,702 during the first four months of 2022, recording a 79.7% rise with respect to 947 cars in the first four months of 2021 that had witnessed a country-wide lockdown.

It is worth mentioning that the newly registered cars in the first four months of 2020 and 2019 reported 2,532 cars and 8,102 cars respectively.

According to a recent statement, the registrations activity exacerbated in the last two years due to the serious deterioration in the financial, economic and political situation, to the closure of companies and Registration Center (TMO) during the past few months due to the lack of electricity and to the slump in Lebanese Pounds, thus leading to significant drop in the state treasury's revenues coming from mechanical and registration taxes.

NUMBER OF NEWLY REGISTERED CARS



Sources: Association of Car Importers in Lebanon, Bank Audi's Group Research Department

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LEBANON RECEIVED THE 50-BUS DONATION FROM FRANCE

Lebanon received a donation of 50 buses in an effort to support the public transportation, facilitate the mobility of the Lebanese citizens and to ensure job opportunities for bus drivers, said the Lebanese caretaker Minister of Public Works in a statement.

It is worth noting that the said donation reached Lebanon with the cooperation of CMA CGM that offered this free transportation in line with its continued support to the Lebanese people.

This operation mobilized many partners like Île-de-France Mobilités and RATPgroup donated the buses with the help of the French Ministries of the Economy (Ministère de l'Économie, des Finances et de la Souveraineté industrielle et numérique), Ecological Transition (Ministère de la Transition écologique) and Europe and Foreign Affairs (Ministère de l'Europe et des Affaires étrangères).

REGISTRATION FOR THE THIRD EDITION OF THE STARTUP COMPETITION ESA-HEC PARIS OPEN UNTIL MAY 31

The Startup Competition ESA-HEC Paris, in its third consecutive edition, is offering a new opportunity to young Lebanese entrepreneurs seeking to develop their business projects and maximize its full capacity.

The said competition is open to Lebanese entrepreneurs residing in Lebanon or abroad until May 31st to register exclusively online and submit applications presenting their companies and their products under development.

ESA-HEC competition is to offer the winner a six-month incubation period, all expenses included, at the HEC incubator of Station F in Paris, the largest start-up campus in the world, in addition to media visibility via L'Orient-Le Jour.

Moreover, the finalists would benefit from a coaching program given by the Smart-ESA incubator in Beirut, scholarships for the Masters in Innovation and Entrepreneurship (MENT) at ESA Business School, as well as prizes offered by Air France.

The Startup Competition ESA-HEC was launched in 2020 and organized by L'Orient-Le Jour, ESA Business School, Smart-ESA and the HEC Alumni Chapter Lebanon with the support of the French Embassy in Beirut, La French Tech Beirut, Air France and the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon (CCIAB).

SAYRAFA TRANSACTED A DAILY AVERAGE OF US\$ 54 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 52nd week was US\$53.5 million, compared to previous week's daily average transacted volume of US\$ 46.4 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 24.3 million).

The daily average conversion rate for week 52 is LP 24,525 when compared to daily average conversion rate of previous week of LP 23,580 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 19,738.

The Central Bank (BDL) announced that the conversion rate at end of week 52 was LP 24,600, while the conversion rate reported by end of week 51 was LP 23,900.

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CAPITAL MARKETS

MONEY MARKET: WEEKLY CONTRACTION IN TOTAL RESIDENT DEPOSITS, ON FC DEPOSIT FALL

The cost of LP cash ranged remained below the 30% level during this week, with the return of local currency liquidity to the money market over the past few weeks amid relatively restricted activity on the Sayrafa platform and as new LP banknotes were put into circulation recently.

The latest monetary aggregates released by the Central Bank of Lebanon for the week ending 12th of May 2022 showed that total resident banking deposits contracted LP 245 billion. This is mainly driven by a LP 693 billion fall in foreign currency resident deposits (the equivalent of US\$ 460 million as per the official rate of LP 1,507.5), while total LP resident deposits grew by LP 448 billion amid a LP 606 billion increase in LP demand deposits and a LP 158 billion decline in LP saving deposits. Within this context, the money supply in its broadest sense (M4) expanded by LP 84 billion over the covered week. This came within the context of a LP 273 billion rise in the money in circulation and a LP 56 billion increase in the non-banking sector Treasury bills portfolio.

INTEREST RATES

	27/05/2022	20/05/2022	30/12/2021	
Overnight rate (official)	1.90%	1.90%	1.90%	↔
7 days rate	2.00%	2.00%	2.00%	↔
1 month rate	2.75%	2.75%	2.75%	↔
45-day CDs	2.90%	2.90%	2.90%	↔
60-day CDs	3.08%	3.08%	3.08%	↔

Source: Bloomberg

TREASURY BILLS MARKET: NOMINAL WEEKLY DEFICIT OF LP 95 BILLION

The latest Treasury bills auction results for value date 26th of May 2022 showed subscriptions in 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%).

In parallel, the Treasury bills auction results for value date 19th of May 2022 showed that total subscriptions amounted to LP 67 billion, fully allocated to the Central Bank of Lebanon and distributed as follows: LP 66.8 billion in the six-month category (offering a yield of 4.0%) and LP 22 million in the three-year category (offering a coupon of 5.50%). These compare to maturities of LP 162 billion, resulting into a nominal weekly deficit of LP 95 billion.

FOREIGN EXCHANGE MARKET: LP REACH AN ALL-TIME LOW AGAINST US DOLLAR ON BLACK MARKET

The Lebanese pound reached an all-time-low of LP/US\$ 37,600-LP/US\$ 37,700 against the US dollar on the black FX market on Friday as compared to LP/US\$ 31,350-LP/US\$ 31,400 at the end of last week, despite extended BDL's exceptional measures, which allow ceiling-free US dollars purchases from the Central Bank of Lebanon, until end-July 2022.

This is mainly explained by growing concerns about the new Parliament's ability to reach an agreement over major political issues and legislative laws, lingering cabinet uncertainties and fears of a political vacuum. Within this context, the spread between the LP/US\$ black market rate and the "Sayrafa rate" stood at its widest level this week, crossing the 10,000 level. In fact, the Central Bank of Lebanon unveiled this week that foreign currency operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 24,300 to LP/US\$ 24,600 between May 23 and May 27, 2022.

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TREASURY BILLS

	27/05/2022	20/05/2022	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)	67		246	
Short-term (3&6 mths)	66.8		-	
Medium-term (1&2 yrs)	-		-	
Long-term (3 yrs)	0.02		200	
Long-term (5 yrs)	-		-	
Long-term (7 yrs)	-		46	
Maturities	162		13	
Nom. Surplus/Deficit	-95		233	

Sources: Central Bank of Lebanon, Ministry of Finance

STOCK MARKET: SOLIDERE SHARE PRICES AT NEW RECORD HIGHS, ON HEDGING ACTIVITY

Solidere "A" and "B" shares continued to register spectacular price gains on the Beirut Stock Exchange for the second consecutive week, surging by 31.7% and 31.3% respectively to reach US\$ 65.30 and US\$ 63.65 respectively on Friday, mainly as market players continued to seek to hedge against crises and large currency losses on the black FX market.

Concurrently, BEMO's "listed" share price surged by 9.1% to US\$ 1.20, followed by Bank Audi's GDRs with +2.8% to US\$ 1.85, Byblos Bank's "listed" share price with +2.6% to US\$ 0.75 and Holcim Liban's share price with +1.2% to US\$ 23.67. In contrast, BLOM's GDR price shed 8.8% to US\$ 2.60. Bank Audi's "listed" share price dropped by 5.6% to US\$ 1.70. That being said, the BSE price index surged by 18.9% week-on-week.

As to trading volumes, the BSE total turnover more than tripled week-on-week, moving from US\$ 8.2 last week million to US\$ 25.6 million, noting that Solidere shares captured the lion's share of activity (98%).

EXCHANGE RATES

	27/05/2022	20/05/2022	30/12/2021	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,902.16	1,882.11	2,022.91	↓
LP/¥	11.87	11.77	13.11	↓
LP/SF	1,572.11	1,549.49	1,639.48	↓
LP/Can\$	1,183.28	1,178.75	1,175.53	↓
LP/Euro	1,617.55	1,594.33	1,701.52	↓

Source: Bank Audi's Group Research Department

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AUDI INDICES FOR BSE

	27/05/2022	20/05/2022	30/12/2021	
Market Cap. Index	645.31	542.91	447.87	↑
Trading Vol. Index	289.93	74.79	80.38	↑
Price Index	135.47	113.97	94.02	↑
Change %	18.86%	14.05%	4.13%	↑
	27/05/2022	20/05/2022	30/12/2021	
Market Cap. \$m	15,309	12,880	10,625	↑
No. of shares traded (Exc. BT)	597,790	283,944	171,230	↑
Value Traded \$000 (Exc. BT)	25,624	8,252	5,359	↑
o.w. : Solidere	25,120	7,901	4,614	↑
Banks	303	207	732	↑
Others	201	145	13	↑

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

BOND MARKET: LEBANESE BOND PRICES TRADING BELOW 10, ON REFORM UNCERTAINTY

Lebanese Eurobonds dipped further into the red this week, trading below 10 cents per US dollar, as bondholders are bracing for a long wait for a debt restructuring deal after an inconclusive Parliamentary election cast doubt on Lebanon's ability to enact long-awaited reform laws and secure much-needed IMF financial support.

That being said, Lebanese sovereigns maturing between 2020 and 2037 registered price contractions ranging between 0.25 pt and 0.50 pt week-on-week. This brought bond prices to a range of 8.75-9.50 cents per US dollar on Friday as compared 9.13-9.75 cents per US dollar at the end of last week. On a cumulative basis, Lebanese bonds registered price contractions of 0.63 pt to 1.13 pt since the beginning of the year 2022.

EUROBONDS INDICATORS

	27/05/2022	20/05/2022	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)	8.75-9.50	9.13-9.75	9.88-10.63	↓
Average Life	5.83	5.84	6.18	↓
Yield on US 5-year note	2.69%	2.85%	1.26%	↓

Source: Bank Audi's Group Research Department

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INTERNATIONAL MARKET INDICATORS

	27-May-22	20-May-22	31-Dec-21	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	127.10	127.88	115.11	-0.6%	10.4%
\$/£	1.263	1.248	1.353	1.2%	-6.6%
\$/Euro	1.074	1.056	1.137	1.6%	-5.6%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	33,212.96	31,261.90	36,338.30	6.2%	-8.6%
S&P 500	4,158.24	3,901.36	4,766.18	6.6%	-12.8%
NASDAQ	12,131.13	11,354.62	15,644.97	6.8%	-22.5%
CAC 40	6,515.75	6,285.24	7,153.03	3.7%	-8.9%
Xetra Dax	14,462.19	13,981.91	15,884.86	3.4%	-9.0%
FT-SE 100	7,585.46	7,389.98	7,384.54	2.6%	2.7%
NIKKEI 225	26,781.68	26,739.03	28,791.71	0.2%	-7.0%
COMMODITIES (in US\$)					
GOLD OUNCE	1,853.72	1,846.50	1,829.20	0.4%	1.3%
SILVER OUNCE	22.11	21.78	23.31	1.6%	-5.1%
BRENT CRUDE (per barrel)	119.43	112.55	77.78	6.1%	53.5%
LEADING INTEREST RATES (%)					
1-month Libor	1.06	0.97	0.10	0.09	0.96
US Prime Rate	4.00	4.00	3.25	0.00	0.75
US Discount Rate	1.00	1.00	0.25	0.00	0.75
US 10-year Bond	2.74	2.78	1.51	-0.04	1.23

Sources: Bloomberg, Bank Audi's Group Research Department

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