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## The LEBANON WEEKLY MONITOR

## Economy

**p.2 FOREIGN TRADE ACTIVITY UP BY A YEARLY 7% OVER FIRST HALF OF THE YEAR**

Lebanon's external sector witnessed a moderate rise in trade deficit by 4.6% in the first half of 2019 compared to the 2018 corresponding period, moving from US\$ 8.0 billion to US\$ 8.4 billion, with imports and exports rising by 5.8% and 12.1% respectively over the covered period, according to the latest trade statistics released by Lebanon's Customs Administration.

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According to a recent report by the Economist Intelligence Unit (EIU), the Lebanese government outlined a program to improve fiscal management and to attract foreign financial support that would require significant adjustments in politically sensitive areas, notably in dealing with the loss-making electricity company, Electricité du Liban (EdL).

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According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 16,124 in the first seven months of 2019, falling by 22.8% from a total of 20,873 in the same period of 2018.

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## Markets In Brief

**p.9 FURTHER GROWTH IN BDL'S FOREIGN ASSETS ON POLITICAL BREAKTHROUGH**

Along the World Bank's pledge to support the "Lebanese growth and economic stability" and an emerging market weakness fueled by Argentina's deepening election-fueled rout and fears of a contagion effect to broader emerging markets, Lebanon's Eurobond market saw downward price corrections across the yield curve this week. Within this context, the weighted average bond yield rose by 100 bps week-on-week to reach 12.20%. Concurrently, Lebanon's five-year CDS spreads expanded by 75 bps to 1,070 bps. On the equity market, activity was quite shy during this two-day week, and the BSE price index retreated by a tiny 0.1%. At the level of the foreign exchange market, a calm mood reigned over, while BDL's foreign assets saw a further increase during the first half of August 2019 to reach US\$ 37.25 billion mid-month, accumulating a total growth of US\$ 854 million since the beginning of July 2019 amid BDL's new operations and a breakthrough in cabinet deadlock.

## LEBANON MARKETS: WEEK OF AUGUST 12 - AUGUST 18, 2019

Money Market



LP Tbs Market



LP Exchange Market



BSE Equity Market



Eurobond Market



CDS Market



## ECONOMY

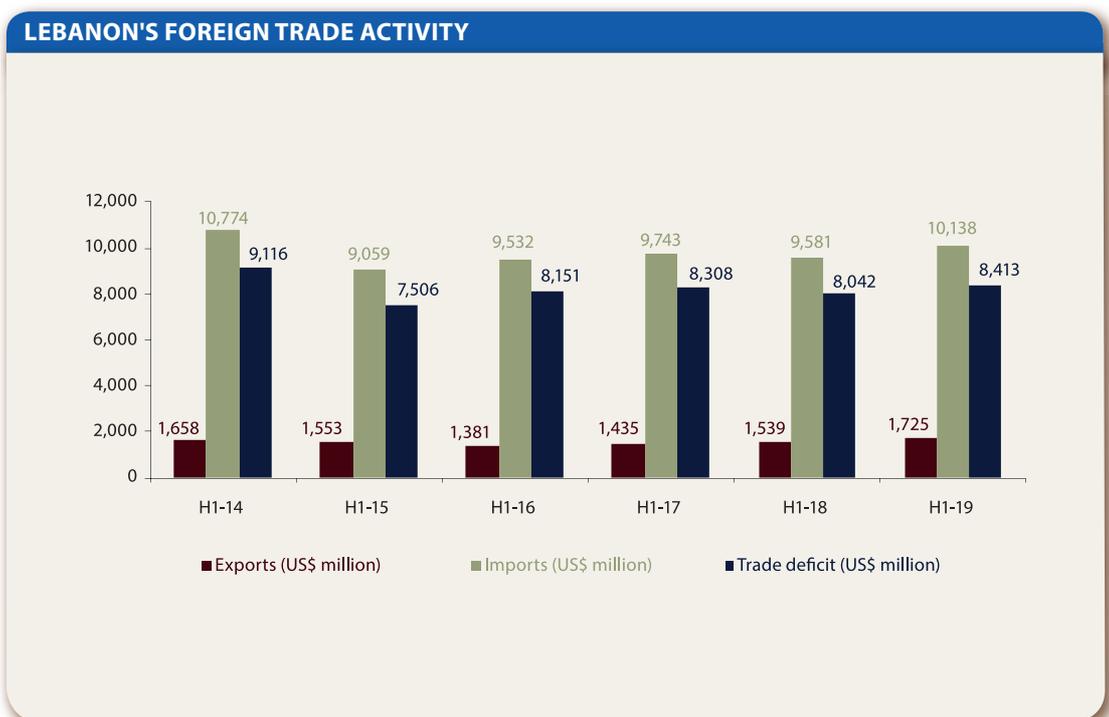
### FOREIGN TRADE ACTIVITY UP BY A YEARLY 7% OVER FIRST HALF OF THE YEAR

Lebanon's external sector witnessed a moderate rise in trade deficit by 4.6% in the first half of 2019 compared to the 2018 corresponding period, moving from US\$ 8.0 billion to US\$ 8.4 billion, according to the latest trade statistics released by Lebanon's Customs Administration. This increase in trade deficit was the result of rising imports and exports by 5.8% and 12.1% respectively over the period. Accordingly, the sum of exports and imports went up by 6.7% to reach US\$ 11.9 billion over the first half of the year, while the exports to imports ratio reached 17.0% over the period, up from 16.1% over the same period of 2018.

Going further into details, exports reached US\$ 1.7 billion over the first half of 2019, compared to US\$ 1.5 billion over the same period of the previous year. The breakdown of exports by product suggests that the most significant increase among the major categories was reported by jewelry with 44.1%, fats and oils with 33.3%, electrical equipments and products with 23.2% and chemical products with 1.1% over the first half of 2019 when compared to the first half of 2018.

The breakdown of exports by major countries of destination suggests that Switzerland reported the most significant hike of 216.3% year-on-year (with a share of 19.1% of total exports), followed by Greece with 79.2%, Syria with 38.6%, Egypt with 36.4% and Saudi Arabia with 12.6%. Exports to Turkey reported a significant decline of 63.2%, followed by South Africa with 53.7% and Kuwait with 21.4% between the two periods. It is worth mentioning that land exports through Syria went up significantly by 95.1%, moving from US\$ 82 million to US\$ 160 million, supported by the gradual reopening of trade routes through conflict countries in the region. In parallel, exports through the Hariri international Airport witnessed a hike by 33.8% over the same period, while those through the ports of Beirut and Tripoli went down by 8.6% and 4.8% respectively.

In parallel, total imports reached US\$ 10.1 billion in the first half of 2019, up from US\$ 9.6 billion in the same period of 2018. The breakdown of imports by product suggests that the most significant increase was that registered by mineral products with 105.2% year-on-year, followed by vegetable products with 6.9%. On the other hand, the main items to have displayed a significant decline were jewelry with 32.4%, metals and metal products with 25.5%, transport vehicles with 21.8%, livestock and animal products with



Source: Lebanon's Customs Administration

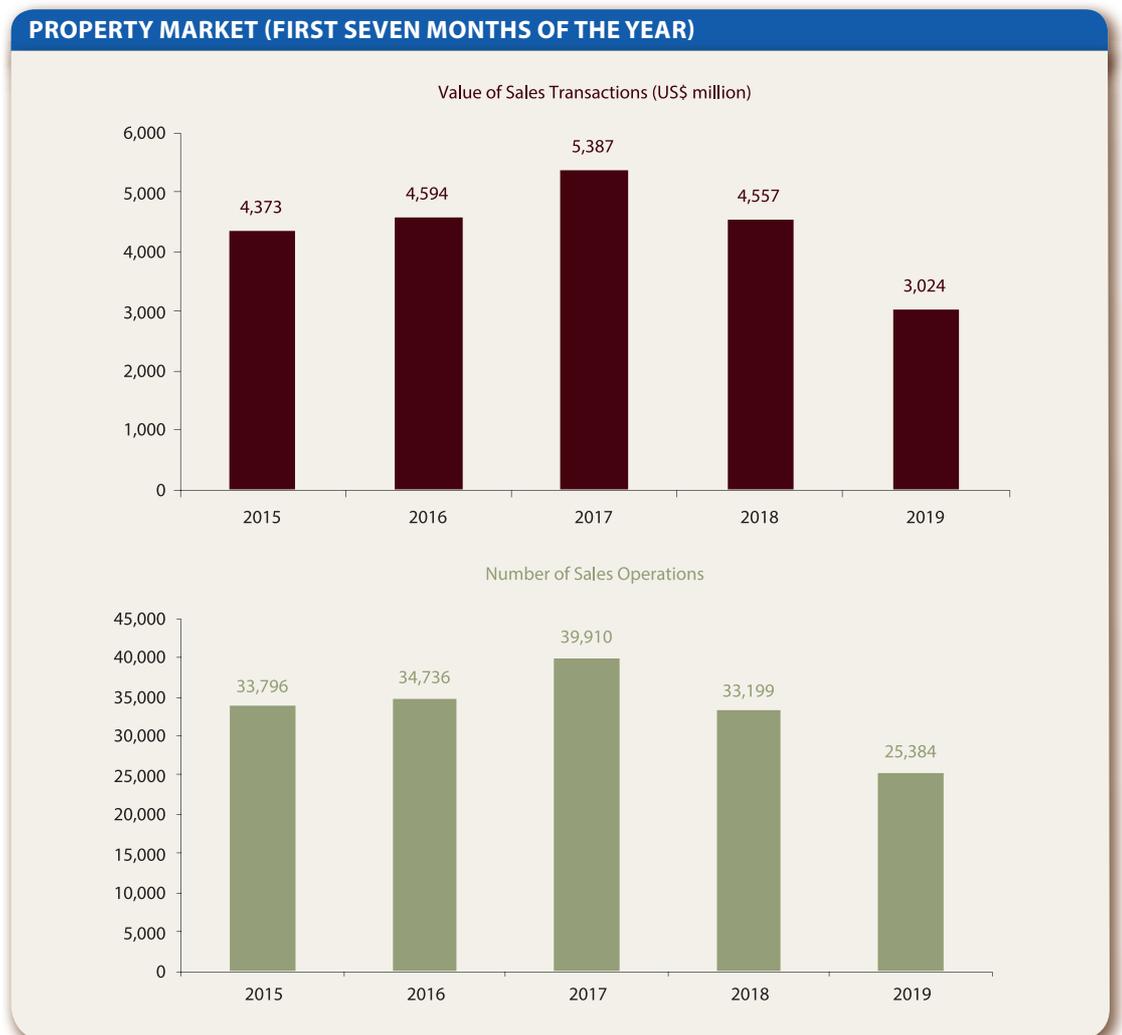
17.3%, electrical equipments and products with 14.9%, chemical products with 9.4% and food products with 6.6% over the first half of 2019 relative to the 2018 same period.

The breakdown of imports by country of origin over the same period shows that imports from Kuwait increased the most from US\$ 40 million to US\$ 374 million between the two periods, followed by Russia with 153.4%, Belgium with 83.0%, USA with 63.4%, France with 28.0% and Turkey with 22.1% year-on-year. On the other hand, imports from Egypt witnessed the most significant decline among the major partners with 26.4% year-on-year, followed by Italy with 22.5%, Saudi Arabia with 19.5%, China with 15.4% and Germany with 14.3% between the two periods.

## SLOWDOWN IN THE ACTIVITY OF THE PROPERTY MARKET IN FIRST SEVEN MONTHS OF 2019

The statistics published by the Directorate of Land Registry and Cadastre covering the first seven months of 2019 showed that realty markets extended last year's downturn and continued to undergo a decrease in property transactions and sales activity.

The number of sales operations retreated by a yearly 23.5% from 33,199 sales operations in the first seven months of 2018 to 25,384 operations in the first seven months of 2019. Sales to foreigners contracted by 17.3% year-on-year to reach 553 operations in the first seven months of 2019.



Sources: Directorate of Land Registry and Cadastre, Bank Audi's Group Research Department

The value of property sales transactions was also on a downward path in the first seven months of 2019. It posted a decline of 33.6% year-on-year to attain a total of US\$ 3,024.4 million during the first seven months of 2019. Most of the regions recorded declines in the value of sales transactions, with the most significant movements coming as follows: Keserouan (-46.3%), Baabda (-42.4%) and Bekaa (-36.0%). On a similar path, the average sales value declined from US\$ 137,267 in the first seven months of 2018 to US\$ 119,147 in the first seven months of 2019.

### NUMBER OF TOURISTS UP BY 8.0% YEAR-ON-YEAR IN FIRST SEVEN MONTHS OF 2019

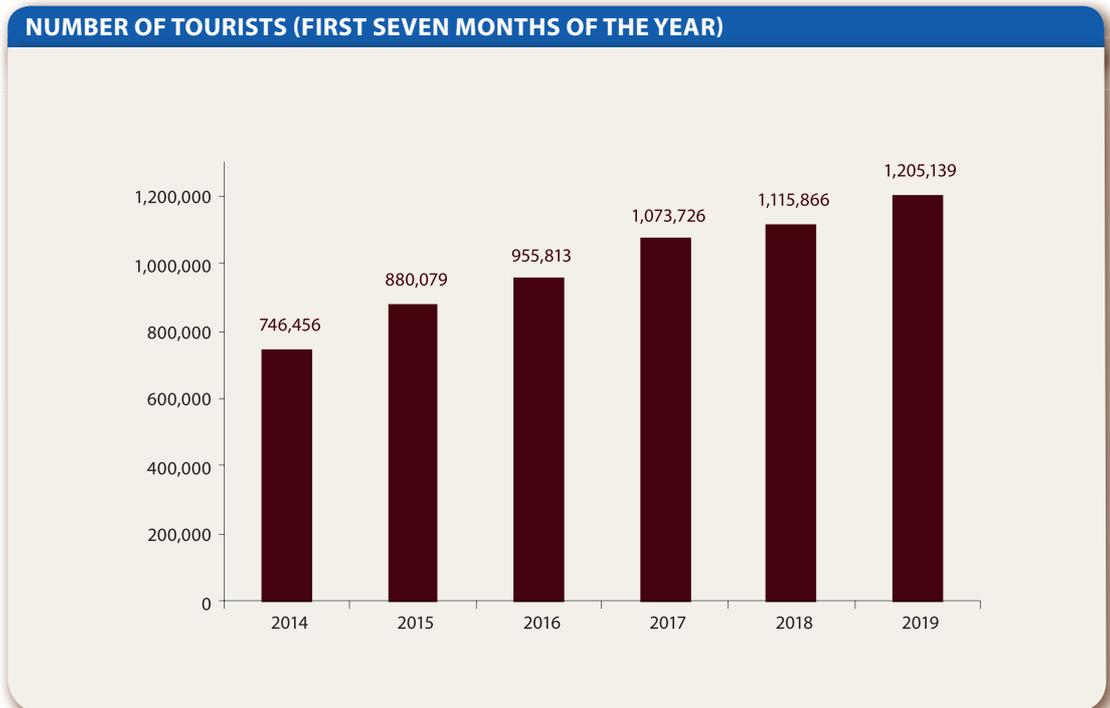
The latest figures released by the Ministry of Tourism showed that the number of tourists posted an 8.0% yearly increase in the first seven months of 2019 following an increase of 3.9% posted in the same period of the previous year.

In fact, the number of tourists registered 1,205,139 in the first seven months of 2019, compared to 1,115,866 tourists posted in the same period of 2018.

In details, Europe and Arab Countries got the lion's share in the contribution to the number of tourists with 36.3% (438,048 tourists) and 30.8% (370,732 tourists) respectively.

These were followed by tourists from America which took over a share of 19.0% (229,054 tourists). Tourists from Asia came in after with a share of 6.9% (83,572 tourists), while those of Oceania followed with a share of 3.7% (44,521 tourists).

It is worth noting that tourists from most continents registered a positive performance with the highest growth coming from Arab countries that grew by a yearly 20.2%. This was followed by an increase in European tourists by 9.5%, American tourists by 6.9% and Asian tourists by 3.2%, while the number of tourists from Africa and Oceania reported a yearly decline.



Sources: Ministry of Tourism, Bank Audi's Group Research Department

## SURVEYS

### LEBANON MAKES FISCAL ADJUSTMENT A PRIORITY, INCLUDING IMPROVING POWER PROVISION AND PUBLIC FINANCES, SAYS EIU

According to a recent report by the Economist Intelligence Unit (EIU), the Lebanese government outlined a program to improve fiscal management and to attract foreign financial support that would require significant adjustments in politically sensitive areas, notably in dealing with the loss-making electricity company, Electricité du Liban (EdL).

The authorities have made this a priority, including improving power provision and public finances, as per the EIU. The government has committed to a five-year financial correction to cut the 2019-23 fiscal deficits, including significant cost-cutting and revenue-raising measures for the 2019 budget that entail a restructuring of EdL, public-sector employment changes and tax hikes.

However, disagreements reflecting the vested interests of different confessional groups would continue to undermine policymaking, and public hostility to these reforms will further undermine these efforts, as per the EIU. Some measures would be implemented, but not on a sufficient scale to overhaul existing structures that prioritize individual groups' interests over efficiency or effectiveness, as per the same source.

Political uncertainty will remain elevated, hindering the implementation of structural reforms, as per the EIU.

Banque du Liban would continue to play a vital role in helping to steer economic policy, including by implementing economic stimulus programs, with a US\$ 1.1 billion package in 2019.

It would also focus on foreign-currency and domestic-currency liquidity amid concerns over exchange-rate stability and a very large stock of government debt (equivalent to nearly 150% of GDP at end-2018), which is making fiscal sustainability increasingly challenging.

Investor sentiment and private consumption growth over the forecast period will be constrained by underlying political instability, particularly in the construction and real estate sectors. According to the BdL, the economy stagnated in the first half of this year, as businesses and consumers continue to await a clearer sense of direction from the new government.

Nonetheless, the Syrian regime's territorial consolidation and the start of reconstruction will help to boost Lebanese economic growth, as the reopening of some trade routes lifts exports and as Gulf investors in particular use Lebanon as a base for their Syrian interests, as per the EIU. The decision by Saudi Arabia in February to lift its ban on travel to Lebanon should also support increased tourism from the Gulf.

After a muted 1% increase in 2019, the pace of real GDP expansion will increase to 2.3% in 2020, helped by a recovery in domestic demand, according to the Economist Intelligence Unit.

Economic growth will then pick up to an average of 3% in 2021-23, as the gradual development of Lebanon's hydrocarbons sector and higher inflows of aid money lead to increased expenditure on infrastructure.

An easing in food-price inflation in the first five months of 2019 has contributed to a reduction in the overall pace of inflation, which moderated to 3.5% year-on-year in May (down from a peak of 7.6% in mid-2018).

Global oil prices are expected by the Economist Intelligence Unit to ease on an average in 2019-20. A combination of higher average oil prices and stronger private consumption growth will then push up inflation to an average of 4.1% in 2021-23.

Concern over the sustainability of the large stock of debt has recently led to speculation about the durability of the currency peg. Nonetheless, the formation of the new government will help to reduce political uncertainty as per the report.

Also, the Bdl's commitment to defending the current exchange-rate regime is aided by both strong support from local banks, as well as a high level of international reserves, as per the same source.

Lastly, the current-account deficit would ease over the forecast period, from an estimated 21.7% of GDP in 2018 to a still-elevated annual average of 16.7% of GDP in 2019-23.

### **LEBANON LARGELY COMPLIANT WITH INTERNATIONAL STANDARD ON TRANSPARENCY AND EXCHANGE OF INFORMATION FOR TAX PURPOSES, SAYS OECD**

According to a report titled "Global Forum on Transparency and Exchange of Information for Tax Purposes: Lebanon 2019" issued by the OECD, Lebanon was rated overall largely compliant with the international standard on Transparency and Exchange of Information for Tax Purposes.

Since its last review, Lebanon has amended many of its laws towards compliance with the international standard on exchange of information on request.

The report analyzes the implementation of the international standard of transparency and exchange of information on request in Lebanon on the second round of reviews conducted by the Global Forum against the 2016 Terms of Reference. It assesses both the legal and regulatory framework as at May 6 2019 and the practical implementation of this framework.

Lebanon prohibited the issuance of new bearer shares from November 3 2016 and existing shares had to be converted to nominal shares by November 3 2018.

The OECD assessment team considers that the Ministry of Finance adequately supervised the conversion and as of April 1 2019, 83% of the companies concerned were in compliance with the law.

Moreover, access to banking information was critical in the 2012 and 2016 reports. Lebanon amended its law on access to information for exchange of information and removed restrictions in accessing banking information. The new law came in force in November 2016.

Lebanon has made significant improvements in the areas of availability of banking information and ownership of information on bearer shares holders through two major legal amendments implementation of which has produced positive effects at the end of the period under review.

Furthermore, Lebanon has in place appropriate legislation requiring availability of all relevant information, including beneficial ownership information, of relevant entities and arrangements.

Although Lebanon carries out supervisory and enforcement measures to ensure the legal ownership and accounting information is available in practice as required, beneficial ownership requirements are new and the supervision of those requirements as not started yet, as per the same source.

**CORPORATE NEWS**

**NEWLY REGISTERED CARS AT 16,124 IN FIRST SEVEN MONTHS OF 2019, DOWN BY A YEARLY 22.8%**

According to data compiled by the Association of Car Importers in Lebanon, the number of newly registered passenger cars stood at 16,124 in the first seven months of 2019, falling by 22.8% from a total of 20,873 in the same period of 2018.

According to the same source, this is due to the currently prevailing macro situation in Lebanon, to the 25% down payment imposed on car loans and to the increase in interest rates on car loans, among others.

In a look at the regions, Japanese cars took over the highest share of newly registered cars in the first seven months of 2019 with a total of 6,225, down by 25.9% from the same period of 2018. Korean cars took over the second place with a total of 4,283 cars, down from 6,128 cars in the aforementioned period.

European cars took over the third place with a total of 3,561 cars in the first seven months of 2019, down by a yearly 12.6%.

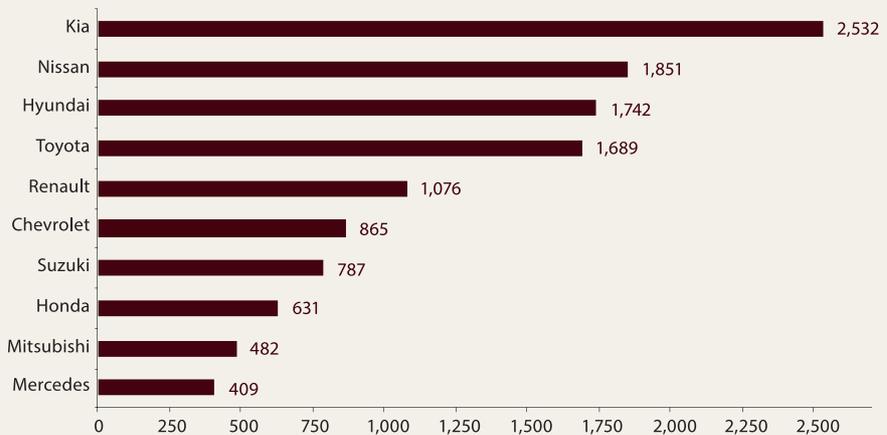
Korea's Kia ranked first in terms of new car registration during the first seven months of 2019, with a total of 2,532 cars against a total of 3,304 cars during the same period of the previous year.

It was followed by Japan's Nissan with a total of 1,851 newly registered cars in the first seven months of 2019, against 2,409 cars in the first seven months of 2018.

These were followed by Korea's Hyundai with a total of 1,742 newly registered cars in the first seven months of 2019, compared to a total of 2,809 cars registered in the year-earlier similar period.

Japan's Toyota came in the fourth position with a total of 1,689 newly registered cars in the first seven months of this year, compared to 2,735 cars registered in the first seven months of 2018.

**TOP BRANDS OF NEWLY REGISTERED CARS IN FIRST SEVEN MONTHS OF 2019**



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

### CREDITBANK'S NET PROFITS DOWN TO US\$ 1.7 MILLION IN FIRST QUARTER OF 2019

Creditbank announced net profits of US\$ 1.7 million in the first quarter of 2019, down from a total of US\$ 6.3 million posted in the corresponding period of 2018, as per Bankdata Financial Services.

The bank's net interest income reached US\$ 10.7 million in the first quarter of 2019 against US\$ 17.5 million in the same period a year earlier.

Net fee income amounted to US\$ 3.4 million in the first three months of 2019, down by 13.2% from US\$ 4.0 million recorded in the corresponding period of 2018.

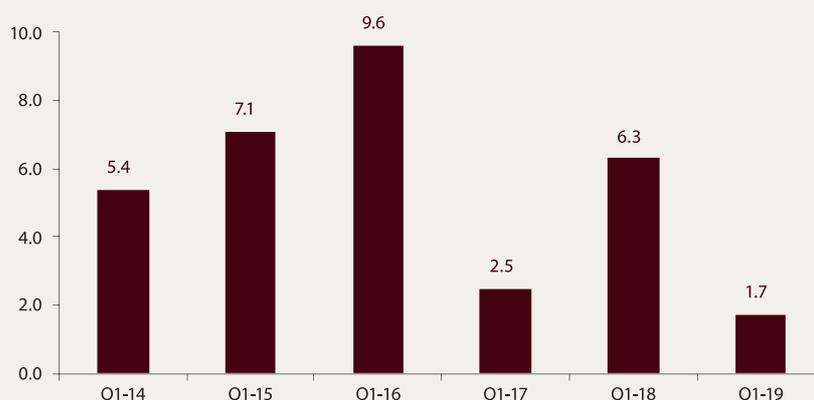
Creditbank's net operating income retreated from US\$ 21.7 million in the first three months of 2018 to US\$ 16.1 million in the same period of 2019.

Total operating expenses contracted by 8.3% yearly from the first three months of 2018 to stand at US\$ 14.0 million in the same period of 2019. Out of the total, US\$ 8.6 million went to staff expenses (-11.4% year-on-year) and US\$ 4.6 million to administrative and other operating expenses (-3.7% year-on-year).

The bank's cost-to-income ratio rose from 67.6% in the first quarter of last year to 85.3% in the corresponding period of 2019.

Total assets of the bank reached US\$ 4.4 billion at end-March 2019, up by 3.6% from end-2018. Loans to customers edged down by 0.7% from end-2018 to reach US\$ 1.9 billion at end-March 2019. Customers' deposits amounted to US\$ 3.4 billion at end-March 2019, up by 1.9% from end-2018.

#### CREDITBANK'S NET PROFITS (US\$ MILLION)



Sources: Bankdata Financial Services, Bank Audi's Group Research Department

## CAPITAL MARKETS

### MONEY MARKET: WEEKLY EXPANSION IN TOTAL RESIDENT DEPOSITS

The overnight rate rose from 15% at the end of last week to 25% at the end of this week, mainly due to technical reasons related to holidays.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon showed that total resident banking deposits expanded by LP 209 billion during the week ending 1st of August 2019.

This is mainly driven by a LP 157 billion growth in total LP resident deposits amid a LP 191 billion rise in LP demand deposits and a LP 34 billion decline in LP saving deposits, in addition to a LP 52 billion increase in foreign currency resident deposits (the equivalent of US\$ 34 million).

Within this context, the money supply in its largest sense (M4) registered its largest weekly expansion since the beginning of July 2019 of LP 764 billion amid a LP 307 billion growth in the currency in circulation and a LP 248 billion increase in the non-banking sector Treasury bills portfolio.

### INTEREST RATES

	16/08/19	09/08/19	28/12/18	
Overnight rate (official)	3.90%	3.90%	3.90%	↔
7 days rate	4.00%	4.00%	4.00%	↔
1 month rate	4.75%	4.75%	4.75%	↔
45-day CDs	4.90%	4.90%	4.90%	↔
60-day CDs	5.08%	5.08%	5.08%	↔

Source: Bloomberg

### TREASURY BILLS MARKET: NOMINAL WEEKLY SURPLUS OF LP 63 BILLION

The latest Treasury bills auction results for value date 15th of August 2019 showed that the Central Bank of Lebanon allowed banks to subscribe in full to the six-month category (offering a yield of 5.85%), the three-year category (offering a coupon of 7.50%) and the seven-year category (offering a coupon of 9.00%).

In parallel, the Treasury bills auction results for value date 8th of August 2019 showed that total subscriptions reached LP 116 billion and were distributed as follows: LP 64 billion in the one-year category (offering a yield of 6.50%) and LP 52 billion in the five-year category (offering a coupon of 8.00%). These compare to maturities of LP 53 billion, resulting into a nominal weekly surplus of LP 63 billion.

## TREASURY BILLS

	16/08/19	09/08/19	28/12/18	
3-month	5.30%	5.30%	4.44%	↔
6-month	5.85%	5.85%	4.99%	↔
1-year	6.50%	6.50%	5.35%	↔
2-year	7.00%	7.00%	5.84%	↔
3-year	7.50%	7.50%	6.50%	↔
5-year	8.00%	8.00%	6.74%	↔
7-year	9.00%	-	7.08%	
<b>Nom. Subs. (LP billion)</b>		<b>116</b>	<b>98</b>	
Short-term (3&6 mths)		-	4	
Medium-term (1&2 yrs)		64	11	
Long-term (3 yrs)		-	-	
Long-term (5 yrs)		52	83	
<b>Maturities</b>		<b>53</b>	<b>124</b>	
<b>Nom. Surplus/Deficit</b>		<b>63</b>	<b>-26</b>	

Sources: Central Bank of Lebanon, Bloomberg

## FOREIGN EXCHANGE MARKET: EXTENDED GROWTH IN BDL'S FOREIGN ASSETS

A calm mood swayed over the foreign exchange during this week that was shortened to two working days due to holidays. Activity remained in favor of foreign currencies, yet in shy volumes.

In parallel, the Central Bank of Lebanon's latest bi-monthly balance sheet ending 15th of August 2019 showed that BDL's foreign assets continued the upward trajectory, traced since the beginning of July 2019. In fact, the latter grew by US\$ 164 million during the first half of August 2019 to reach US\$ 37.25 billion mid-month, accumulating a total growth of circa US\$ 854 million since the beginning of the month of July amid BDL's new operations and a breakthrough in cabinet stalemate. Accordingly, BDL's foreign assets covered 75.8% of LP money supply, with this ratio rising to 104.2% when accounting for gold reserves estimated at US\$ 13.9 billion mid-August 2019.

## EXCHANGE RATES

	16/08/19	09/08/19	28/12/18	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	1,831.01	1,826.64	1,905.78	↓
LP/¥	14.18	14.24	13.66	↑
LP/SF	1,538.58	1,547.58	1,529.68	↑
LP/Can\$	1,133.63	1,140.23	1,107.48	↑
LP/Euro	1,670.76	1,687.80	1,724.73	↑

Source: Bank Audi's Group Research Department

## STOCK MARKET: SHY WEEKLY EQUITY PRICE RETREATS IN LIGHT TRADING VOLUMES

The Beirut Stock Exchange saw a shy activity during this two-day week. The total turnover was restricted to US\$ 650 thousand as compared to US\$ 1,235 thousand in the previous five-day week. The banking shares captured 87% of activity, while Solidere shares accounted for the remaining 13%. The average daily trading value rose from US\$ 247 thousand last week to US\$ 325 thousand this week, which resulted into a 31.7% surge in the trading volume index.

As far as prices are concerned, the BSE price index edged down by 0.1% week-on-week. Three out of five traded stocks registered price falls, while one stock posted price gains and one stock saw no price change week-on-week. In details, Solidere "B" shares led the decline on the BSE this week, recording price drops of 4.8% to reach US\$ 5.93, followed by Solidere "A" shares with -1.6% to US\$ 6.26 and BLOM's "listed" shares with -0.3% to US\$ 7.30. In contrast, Bank Audi's "listed" share price edged up by 0.3% to US\$ 3.80, while BLOM's GDR price remained stable at US\$ 7.20.

The weekly performance of the Beirut Stock Exchange compares to price decreases in broader regional stock exchanges (-0.6% as per the S&P Pan-Arab Composite Index) and to declines in prices across emerging markets (-1.3% as per the S&P Emerging Frontier Super Composite Index) amid rising global growth concerns.

#### AUDI INDICES FOR BSE

22/1/96=100	16/08/19	09/08/19	28/12/18	
Market Cap. Index	328.15	328.38	384.30	↓
Trading Vol. Index	14.04	10.66	227.09	↑
Price Index	71.62	71.67	83.87	↓
Change %	-0.07%	-0.74%	-0.70%	↓
	16/08/19	09/08/19	28/12/18	
Market Cap. \$m	7,785	7,790	9,117	↓
No. of shares traded (Exc. BT)	91,689	234,595	4,241,140	↓
Value Traded \$000 (Exc. BT)	650	1,235	21,393	↓
o.w. : Solidere	83	311	1,208	↓
Banks	567	899	20,107	↓
Others	0	25	78	↓

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

#### BOND MARKET: DOWNWARD PRICE CORRECTIONS IN LEBANON'S BOND MARKET, TRACKING EMERGING MARKETS

The bond price recovery observed at the end of last week on cabinet breakthrough was not extended to this week. Lebanese sovereigns saw downward price corrections over this week, tracking emerging market weakness (as reflected by a 8.4% weekly expansion in the JP Morgan EMBIG Z-spread) amid deepening Argentina's election-fueled rout, which raised concerns about a looming sovereign default and triggered a sharp fall in the Argentinean peso to record low levels, sparking fears of a contagion effect to broader emerging markets.

Within this context, Lebanese sovereigns registered weekly price contractions ranging between 0.25 pt and 4.88 pts across the yield curve. The weighted average yield increased from 11.20% at the end of last week to 12.20% at the end of this week, noting that it is its highest weekly closing this year. Also, the weighted average bid Z-spread increased from 1,010 bps at the end of last week to 1,123 bps at the end of this week, amid declines in US Treasuries yields. As to the cost of insuring debt, Lebanon's five-year CDS spreads expanded from 980-1,010 bps last week to 1,050-1,090 bps this week.

#### EUROBONDS INDICATORS

	16/08/19	09/08/19	28/12/18	
Total tradable size \$m	31,064	31,064	32,214	↔
o.w.: Sovereign bonds	29,814	29,814	30,964	↔
Average Yield	12.20%	11.20%	9.95%	↑
Z-Spread (bid in bps)	1,123	1,010	764	↑
Average Life	7.48	7.50	7.83	↓
Yield on US 5-year note	1.44%	1.53%	2.61%	↓

Source: Bank Audi's Group Research Department

## INTERNATIONAL MARKET INDICATORS

	16-Aug-19	09-Aug-19	31-Dec-18	Weekly change	Year-to-date change
<b>EXCHANGE RATES</b>					
YEN/\$	106.36	105.67	109.61	0.6%	-3.0%
\$/£	1.215	1.203	1.275	1.0%	-4.7%
\$/Euro	1.109	1.120	1.147	-1.0%	-3.3%
<b>STOCK INDICES</b>					
Dow Jones Industrial Average	25,886.01	26,287.44	23,327.46	-1.5%	11.0%
S&P 500	2,888.68	2,918.65	2,506.85	-1.0%	15.2%
NASDAQ	7,895.99	7,959.14	6,635.28	-0.8%	19.0%
CAC 40	5,300.79	5,327.92	4,730.69	-0.5%	12.1%
Xetra Dax	11,562.74	11,693.80	10,558.96	-1.1%	9.5%
FT-SE 100	7,117.15	7,253.85	6,728.13	-1.9%	5.8%
NIKKEI 225	20,418.81	20,684.82	20,014.77	-1.3%	2.0%
<b>COMMODITIES (in US\$)</b>					
GOLD OUNCE	1,513.52	1,496.95	1,282.49	1.1%	18.0%
SILVER OUNCE	17.11	16.98	15.50	0.8%	10.4%
BRENT CRUDE (per barrel)	58.64	58.53	53.80	0.2%	9.0%
<b>LEADING INTEREST RATES (%)</b>					
1-month Libor	2.17	2.19	2.50	-0.02	-0.33
US Prime Rate	5.25	5.25	5.50	0.00	-0.25
US Discount Rate	2.75	2.75	3.00	0.00	-0.25
US 10-year Bond	1.55	1.65	2.68	-0.10	-1.13

Sources: Bloomberg, Bank Audi's Group Research Department

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