

Economy

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p.9 MARKETS IN BRIEF: RAPID DETERIORATION IN LP/US\$ RATE AMID A SLEW OF CABINET, PARLIAMENTARY AND DIPLOMATIC CRISES

Amid a lingering domestic political standoff that has paralyzed the government for more than a month, and as Lebanon is reeling under an unprecedented diplomatic row with GCC countries while the upcoming Parliamentary elections remained shrouded with uncertainties, the country's capital markets saw this week the Lebanese pound sink to new record lows against the US dollar on the black FX market, while bond prices fell without finding a floor and equities registered shy price declines. In details, the Lebanese pound was in free fall against the US dollar on the parallel market, hitting new depths of LP/US\$ 25,650-LP/US\$ 25,700 versus LP/US\$ 23,075-LP/US\$ 23,125 at the end of the previous week amid unresolved GCC rift, deepening domestic political tensions, a severe shortage in foreign currencies and dwindling BDL's FX reserves. In parallel, bond prices crashed to new lows of 10.75-11.88 cents per US dollar as compared to 11.25-12.13 cents per US dollar at the end of last week amid a myriad of accumulated crises, while awaiting discussions with the IMF. Finally, the equity market registered shy price retreats of 0.8%, while the BSE total turnover contracted by 29% week-on-week.

LEBANON MARKETS: NOVEMBER 22 TO NOVEMBER 28, 2021

Money Market	↔	BSE Equity Market	↓
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LP Exchange Market	↓	CDS Market	-

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ECONOMY

EMANATING GULF CRISIS TO DERAIL RECOVERY EFFORTS AND PLUNGE LEBANON FURTHER INTO CONTRACTION

While there was some kind of optimism in the aftermath of the Cabinet formation breakthrough in September after 13 months of standstill, the adverse developments of the past couple of months shattered the long-awaited optimism and returned the country to square one, due to three events, namely:

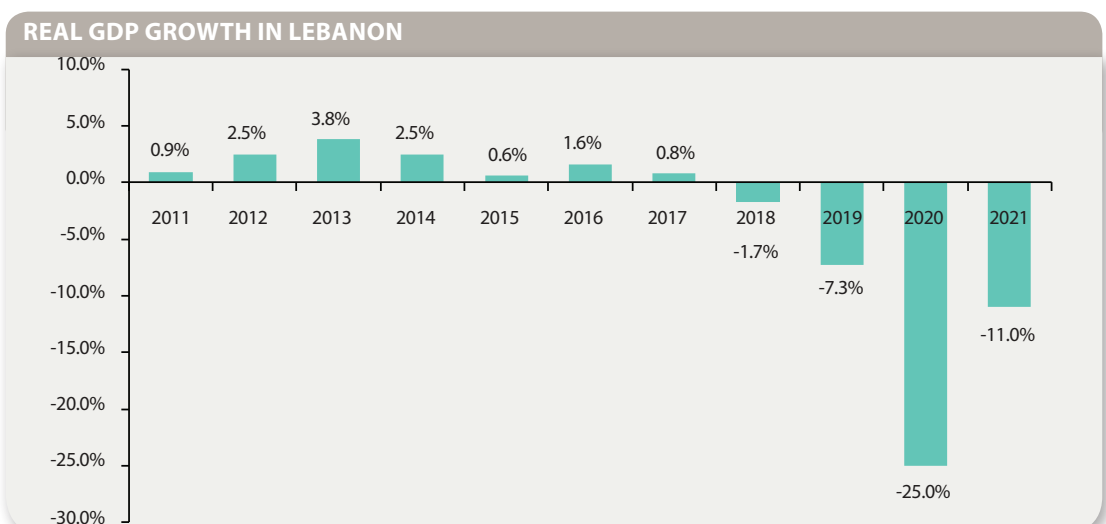
(1) The domestic political bickering regarding the Beirut probe investigation which led to a freezing of Cabinet meetings.

(2) The security drifts in the Tayouneh area which returned to the minds of the Lebanese the memories of the civil war.

(3) The unprecedented political crisis with Arab Gulf countries on the back of statements by the Lebanese Minister of Information that were conceived to be of adverse nature to the policies of Arab GCC countries.

In particular, the emanating Gulf crisis derails the adjustment and recovery efforts of the newly appointed Government in view of the entrenched relations Lebanon has with the GCC countries. It is worth mentioning that Lebanese exports to GCC countries amount to a yearly US\$ 1 billion (equivalent to 30% of total Lebanese exports), its yearly remittances from those countries amount to US\$ 3 billion (equivalent to almost half of total Lebanese remittances) emanating from a diaspora of 380,000 Lebanese in GCC countries, while the number of GCC tourists visiting Lebanon annually stand at no less than 200,000 tourists. In the hope that such a diplomatic crisis settles in a peaceful manner, there is no doubt that it will leave severe imprints on a nation already in deep crisis and searching for a much-needed exit to lessen the huge economic pressures on its population that add to the current contractionary mode.

In fact, while the World in general and all our MENA region in particular is recovering from the Pandemic contraction of last year to witness healthy positive growth rates this year, Lebanon is witnessing this year another cycle of contraction within the quasi absence of investment (Investment aggregate is at record lows unseen since the civil war) and a weak real consumption aggregate (amid the drastic drop in real incomes of households), while government spending cannot compensate because of the intense fiscal consolidation requirement and corollary austerity needs. The result was the economy has contracted by one third in real terms over a two-year period (Contraction of 25% in 2020 and 11% in 2021). It is worth mentioning that the IMF omitted Lebanon from its economic projections in its World Economic Outlook that was issued in mid-October given the high degree of uncertainty. Lebanon, Syria and Afghanistan were the only countries that were omitted in the World Economic Outlook Database that embodies 196 countries worldwide.



Sources: IMF, Bank Audi's Group Research Department

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Having said that, the only way out is an agreement with the IMF within an acceptable time horizon. In case of an agreement with the IMF, launch of few serious reforms and securing some international assistance, a positive real GDP growth trajectory could materialize, benefitting from a low base effect and fully driven by private consumption and investment demand, and ultimately contributing to a relative improvement in socio-economic conditions at large.

VALUE OF CLEARED CHECKS DOWN BY 32% IN THE FIRST TEN MONTHS OF 2021

Total value of cleared checks, an indicator of consumption and investment spending in the Lebanese economy, declined by 31.7% year-on-year in the first ten months of 2021 mirroring regression in spending during the above-mentioned period.

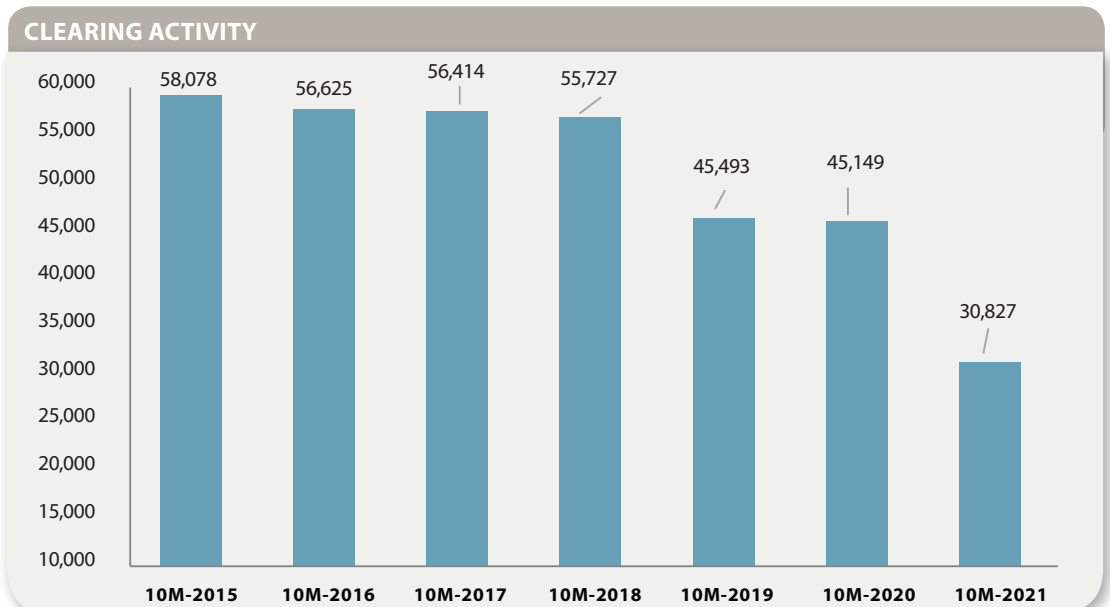
The value of cleared checks reached US\$ 30,827 million in first ten months of 2021 down from US\$ 45,149 million in same period of previous year.

A breakdown by currency shows that the banks' clearings in Lebanese Pounds amounted to LP 22,727 billion (-7.6%) in first ten months of 2021 while those in US\$ amounted to US\$ 15,751 million (-45.4%).

Moreover, the number of cleared checks registered 2,745,985 in the first ten months of 2021, down by 44.6% from 4,955,345 checks in the corresponding period of 2020.

The average value per check rose by 23.2% year-on-year in the first ten months of 2021 to attain US\$ 11,226 in the aforementioned period of 2020.

It is worth noting that the value of returned checks registered US\$ 465 million in the first ten months of 2021 down by a yearly 44.8%. The number of returned checks stood at 22,388 in the first ten months of 2021, down from 100,992 in the same period of 2020.



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

GROSS PUBLIC DEBT AT US\$ 98 BILLION AT END-JULY 2021

The data published by the Ministry of Finance in Lebanon showed that the country's gross debt reached US\$ 98.2 billion at end-July 2021, up by 4.7% from the level seen at end-July 2020.

Domestic debt increased by 3.4% from end-July 2020 to reach a total of LP 91.5 billion at end-July 2021.

Lebanon's external debt rose by 7.1% from end-July 2020 to stand at around US\$ 37.5 billion at end-July 2021.

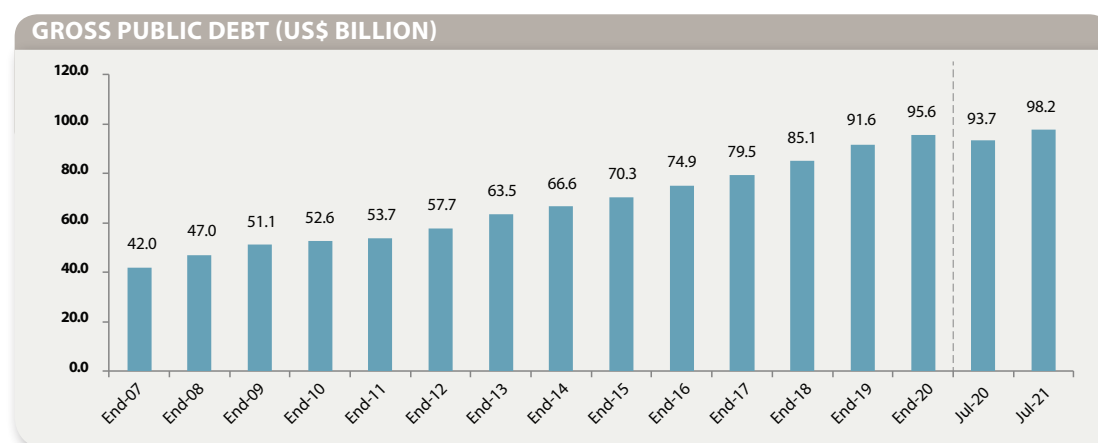
In this context, the public sector deposits at the Central Bank rose by 44.2% from end-July 2020 to register US\$ 6.4 billion at end-July 2021.

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The public sector deposits at commercial banks picked-up by 5.1% from end-July 2020 to register US\$ 5.3 billion at end-July 2021.

As such, net public debt, which excludes the public sector deposits at the Central Bank and commercial banks from overall debt figures, increased by 2.7% from end-July 2020 to reach a total of US\$ 86.5 billion at end-July 2021.

Net domestic debt amounted to US\$ 49.0 billion at end-July 2021, down by 0.5% from end-July 2020.



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

CONSUMER PRICE INDEX HIKED 183% YEAR-ON-YEAR THIS OCTOBER

The Consumer Price Index surged by 183.1% this October when compared to same period of last year as reported by the Consultation & Research Institute. The index of consumer prices started witnessing rising inflationary trends since end 2019, as the deep economic, financial and monetary crisis hit the product and services prices in the market.

In details, all main categories registered huge increases this October year-on-year. The highest increase was registered by the Food and Beverages category (254.9%), followed by the Housing category (231.0%), then by the Apparels category (189.0%), the Recreation category (177.4%), the Transportation and Telecommunications category (175.5%) and Healthcare (118.2%).

TOTAL CONSUMER PRICE INDEX OCTOBER 2021 (YOY)

Category	Weight	Annual Variation
Food and Beverages	35.40%	254.94%
Housing	6.49%	230.95%
Apparel	6.55%	189.04%
Recreation	2.70%	177.40%
Transportation and Telecommunication	14.39%	175.52%
Healthcare	9.82%	118.21%
Durable Consumer Goods	8.18%	75.44%
Education	12.45%	9.89%
Other Goods and Services (Personal care, jewelry, travel, financial services)	4.02%	67.12%
Total	100.0%	183.12%

Sources: Consultation & Research Institute, Bank Audi's Group Research Department

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SURVEYS

LEBANON RANKS 85TH GLOBALLY IN GALLUP'S 2021 LAW AND ORDER INDEX

Gallup, a global performance-management consulting company, published its "2021 Global Law and Order" report in which Lebanon ranked 85th globally and eighth in the Arab MENA region with a score of 74.

The report assesses people's perception of personal security and their private experiences with crime and law enforcement.

The 2021 Global Law and Order report presents the results from Gallup's latest measurements of people's answers to these questions, based on interviews with more than 120,000 adults in 115 countries and areas in 2020. It also features data from fieldwork in 51 countries released as of October 2021.

According to the report, nearly seven in 10 people worldwide in 2020 said they feel safe walking alone at night where they live (72%) and have confidence in their local police (71%). About one in eight (13%) said they had money or property stolen from them or another household member in the past year, and 6% said they were assaulted or mugged.

Regionally, the United Arab Emirates topped the Arab MENA region and came second globally with a score of 93, Jordan came in second with a global rank of 16 and a score of 89, while Saudi Arabia came in third with a global rank of 25 and a score of 86.

Globally, Norway, which posted the highest score on the index in 2020 with a 94, consistently ranks near the top. Venezuela and Gabon, which posted the lowest scores on the index in 2020, with scores of 53, also consistently rank near the bottom.

ARAB MENA REGION'S LAW AND ORDER INDEX SCORE 2020 RANKINGS

Country	Law and Order Index Score
United Arab Emirates	93
Jordan	89
Saudi Arabia	86
Egypt	85
Iraq	78
Algeria	75
Morocco	75
Lebanon	74
Tunisia	68

Sources: Gallup, Bank Audi's Group Research Department

FACED WITH SKYROCKETING INFLATION, RISING POVERTY AND INCREASINGLY SCARCE JOBS, FAMILIES IN LEBANON ARE STRUGGLING TO PROVIDE FOR THEIR CHILDREN, AS PER THE UNICEF

The United Nations International Children's Emergency Fund (UNICEF) published a report entitled "Surviving without the Basics: The Ever-Worsening Impact of Lebanon's Crisis on Children" which highlights how the impact of the crisis on children keeps getting worse.

This is reflected in child-focused rapid assessments (CFRAs) conducted by UNICEF in April 2021 and again in October 2021 among the same families. The figures show a dramatic deterioration of living conditions among Lebanese children, while the refugee communities continue to be hard hit.

Faced with skyrocketing inflation, rising poverty and increasingly scarce jobs, families are struggling to provide for their children. According to the report, the CFRA indicates that 53% of families had at least one child who skipped a meal in October 2021, as compared with 37% in April.

The CFRA shows that 9 in 10 families are experiencing electricity cut-offs, 3 in 10 households cut expenses on education and 4 in 10 had to sell household items to buy basics. Seven in ten had to buy food on credit or borrow money to afford food – a proportion that reached more than 9 in 10 among Syrian refugees. More than 8 in 10 people live in poverty and 34% in extreme poverty, according to 2021 multidimensional poverty estimates. At the

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same time, fewer than 3 in 10 families interviewed in October 2021 said they received some form of social assistance. As a result, many households resort to desperate measures to survive, which often place children at risk, as per the same source.

According to the UNICEF, the devastating crisis has increased children's vulnerability and exacerbated inequality. Many children have no other choice but to work, find themselves on the street or faced with other serious risks, including child marriage, trafficking and sexual exploitation.

The proportion of families surveyed for the CFRA who sent children to work rose to 12%, from 9%, and increased sevenfold to 7% in the case of Lebanese households. Many more children than before experience forms of violence, and intimate partner violence reportedly affects more women, with direct consequences for the children in the household.

Lebanon's health system has been devastated. Hospitals are short of fuel leading to frequent power outages and lack essential supplies. Health workers are exhausted. Medication prices have increased massively, leaving numerous families unable to afford proper health care for their children, while the country is facing a shortage of essential medicines. According to UNICEF's poll, almost 34% of children who required primary health care in October did not receive it, up from 28% in April. In addition, more than 9 in 10 surveyed families experienced an increase in the prices of medicine in the three months prior to the survey, as compared with 7 in 10 in April.

Lack of transportation due to fuel shortages and expensive transport also prevent many families from reaching health facilities. The health sector has also been affected by, the loss of more than 1,000 health professionals.

Making matters worse, the near collapse of Lebanon's water sector poses a huge public health threat. Water shortages have severely affected the running of vital facilities, including hospitals. Some 2.8 million people are affected by water shortages, and the water crisis still has the potential to reach 4 million people. This could have disastrous consequences particularly for children such as an increase in potentially deadly waterborne diseases.

More than 45% of the households had insufficient drinking water at least once in the 30 days prior to the survey, as compared with under 20% in April. The main reasons they did not get enough water were the cost (35% in October, up from 29%) and the inability to reach the source (14%, up from 9%). The number of families relying on water trucks for their drinking water increased fivefold, to more than 21%, and more than half the households spent over 100,000 LP (equivalent to about US\$ 5) on water in the month prior to the survey, up from 20%. At the same time, 93% said they experienced electricity cuts, up from 56%. In addition, the COVID-19 pandemic disrupted routine immunization services, with a study showing that use of the services dropped 31% between October 2019 and April 2020. The crisis is also taking a heavy toll on the mental health of children and their families.

According to the UNICEF, Lebanon's Government needs to take swift action to safeguard children and ensure their well-being and development opportunities. All actors must put their differences aside and support a comprehensive reform agenda. Sustainable solutions for the most vulnerable requires reducing income vulnerabilities for both Lebanese and refugee families, revisions in the legal and policy context, long-term normative changes and access to learning and health care for all. But the most pressing need at this stage is immediate protection for the most vulnerable. Continued support from donors is also essential to keep children safe, healthy and in school.

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CORPORATE NEWS

LEEF TO SECURE US\$ 500 MILLION FUND TO LEBANON'S PRIVATE SECTOR

Lebanon Economic Empowerment Fund (LEEF) will provide debt capital exclusively to qualified privately owned Lebanese businesses to boost the real economy, improve competitiveness, maximize production and create job opportunities. The fund will primarily focus on the productive, value-added sectors of the economy specifically SMEs, with a future focus on the sustainability transition. Fund is expected to reach US\$ 500 million.

Palladium with its asset management arm, Bamboo Capital Partners and Cedar Oxygen, a group of private Lebanese investors, announced a strategic partnership to develop the Lebanon Economic Empowerment Fund (LEEF). The parties signed an agreement to design, structure and launch LEEF to provide economic relief and support the recovery of the Lebanese private sector with a focus on sectors targeting the primary needs of households and supporting employment and value creation in the country.

Palladium, Bamboo and Cedar Oxygen will jointly develop and manage the new fund that will be established in Luxembourg. The fresh equity raised in the fund will benefit from an existing pool of debt capital and provide targeted credit to eligible borrowers, a statement said.

This initiative came on the back of the economy deterioration, unemployment rate hike, businesses shuttered permanently, and the currency 90% devaluation. An estimated 82% of the Lebanese population plunged below the poverty line, according to UN figures released in September.

RUSSIA PLANNING FOR A LARGE PROJECT IN PORT OF BEIRUT

Lebanese Foreign Minister and Russian International Minister unveiled at a press conference the creation of conditions for the modernization and enlargement of Rosneft's oil product storage terminal at the port of Beirut. The project will be implemented by Russian state-owned, Rosneft, which owns a terminal for the storage of oil products in the port of Beirut where the Lebanese Energy Ministry welcomes submissions of proposals to participate in that project.

In 2018, Rosneft signed with Lebanon's Energy Ministry a contract of operations and service to rehabilitate, expand and operate oil storage facilities in Port of Tripoli.

Russia integrated in the energy market of Lebanon through its state-owned oil companies. In addition to Rosneft, Novatek is also operating in Lebanon. Novatek, is engaged in the exploration and production of hydrocarbons and plans to drill another well in the offshore area early next year, as per the Russian International Minister.

It is worth recalling that the Lebanese government had granted in 2017 its first contracts for offshore oil and gas exploration to a consortium of 3 firms, which included Novatek, Russia's second-largest gas company.

ZAATAR W ZEIT OPENING IN EGYPT

The Lebanese food chain Zaatar W Zeit announced opening their first branch in Egypt. The franchise already has several branches in other Middle-Eastern countries, including the UAE, KSA, Qatar, and Kuwait, in addition to a branch in Canada.

The Egyptian branch is opening in the White by Waterway in New Cairo, a commercial strip that hosts several local and international food and beverage businesses. The menu will offer a few items catered for the Egyptian market, as well as the original menu items in other countries, as mentioned in a statement.

Several branches are planned be opened in Egypt. The opening of this new branch has minor challenges of the tough Egyptian border control customs. However, the chain management is very excited for this new beginning, said the Marketing Manager at Zaatar w Zeit.

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The franchise began in 1999 as a small diner that provided dough-based food. Now, it is one of the successful Lebanese diners, expanded all over Lebanon and its neighbors. This will be their first new offshore branch since they launched in Vancouver in 2019.

L'ORÉAL ASSIGNS DISTRIBUTORS FOR CONSUMER AND PRO LINES REORGANIZES SUPPLY OPERATIONS

France-based personal care and Cosmetics Company, L'Oréal is mandating HOLDAL Group (Abou Adal) as a new local distributor as it is restructuring its local operations to adapt to the current circumstances in Lebanon.

L'Oréal is not exiting the market, however it is reinforcing its presence in the country, said the Commercial Director at L'Oréal Lebanon.

HOLDAL Group (Abou Adal) will act as a local distributor of three divisions of L'Oréal selective products: Professional, Luxury and Active Cosmetics. Ch. Sarraf & Co., the distribution arm of Malia Group, was also assigned by L'Oréal Lebanon to market and sell its consumer product line in Beirut, Northern Mount Lebanon and the North of Lebanon. Other resellers will continue to distribute L'Oréal products in the Bekaa and the rest of the country.

HOLDAL, which was previously providing logistics services to L'Oréal, will buy selective products from Dubai-based L'Oréal Middle-East while L'Oréal Lebanon will remain in charge of the Consumer Products Division on the local market. It will continue to distribute these products directly and through resellers.

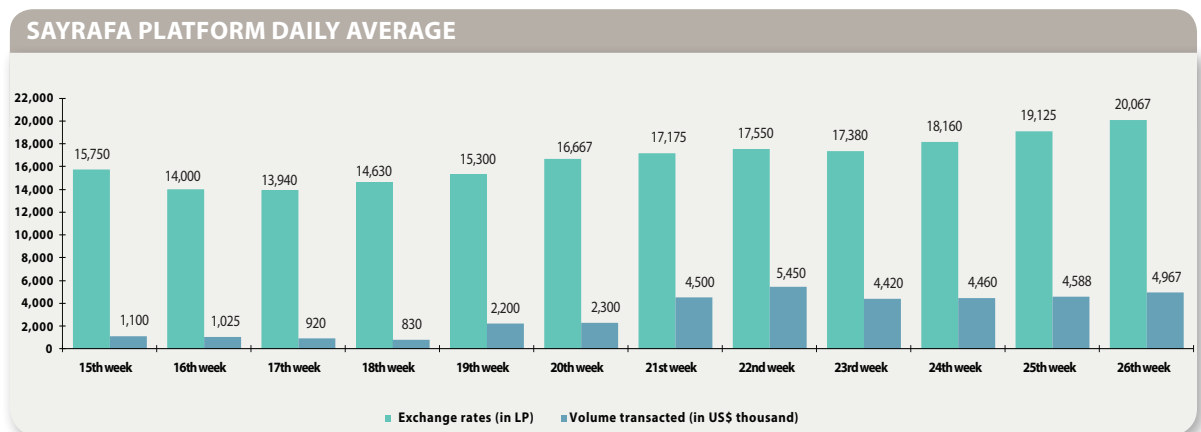
Finally, it is worth noting that L'Oréal's local distribution workforce has joined HOLDAL team.

SAYRAFA TRANSACTED A DAILY AVERAGE OF US\$ 5 MILLION LAST WEEK

The daily average volume of transactions on Sayrafa foreign exchange platform during the 26TH week was US\$ 4.96 million, compared to previous week's daily average transacted volume of US\$ 4.6 million (against a cumulative daily average volume since the launch of Sayrafa of US\$ 2.6 million).

The daily average conversion rate for week 26 is LP 20,067 when compared to daily average conversion rate of previous week of LP 19,125 and the cumulative daily average conversion rate since the launch of Sayrafa of LP 16,451.

The Central Bank (BDL) announced that the conversion rate at end of week 26 was LP 21,000, while the conversion rate reported by end of week 25 was LP 19,300.



Sources: BDL, Bank Audi's Group Research Department

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CAPITAL MARKETS

MONEY MARKET: FURTHER WEEKLY CONTRACTIONS IN TOTAL RESIDENT DEPOSITS

The cost of LP cash was quoted at 4.50% on the money market this week as compared to 4.50%-5.50% last week.

In parallel, the latest monetary aggregates released by the Central Bank of Lebanon for the week ending 11th of November 2021 showed further contractions in total resident banking deposits of LP 650 billion. This is mainly attributed to a LP 415 billion fall in total LP resident deposits amid an LP 321 billion decrease in LP demand deposits and a LP 94 billion decline in LP saving deposits, while foreign currency resident deposits contracted by LP 235 billion (the equivalent of US\$ 156 million as per the official rate of LP 1,507.5). Within this context, the money supply in its broadest sense (M4) contracted by LP 697 billion week-on-week, mainly driven by a LP 68 billion decrease in money in circulation and a LP 20 billion increase in the non-banking sector Treasury bills portfolio. It is worth mentioning that the money in circulation grew by 34% since year-end 2020 or the equivalent of LP 10,000 billion to reach LP 39,411 billion on November 11, 2021 amid a continuous money creation aiming to meet the government's financing needs.

INTEREST RATES

	26/11/21	19/11/21	31/12/20	
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 SURPLUS OF LP 204 BILLION

The latest Treasury bills auction results for value date 25th of November 2021 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 18th of November 2021 showed that total subscriptions amounted to LP 277 billion, allocated fully to the Central Bank of Lebanon and distributed as follows: LP 38 billion in the six-month category (offering a yield of 4.0%), LP 200 billion in the two-year category (offering a coupon of 5.0%) and LP 39 billion in the ten-year category (offering a coupon of 7.0%). These compare to maturities of LP 73 billion, resulting into a nominal weekly surplus of LP 204 billion.

FOREIGN EXCHANGE MARKET: FREE-FALLING LEBANESE POUND HITS NEW RECORD LOWS ON BLACK FX MARKET

The free-falling Lebanese pound hit new depths against the US dollar this week, hovering between LP/US\$ 25,650 and LP/US\$ 25,700 on Friday as compared to LP/US\$ 23,075-LP/US\$ 23,125 at the end of last week, amid deepening GCC rift, lingering domestic political standoff, nosediving BDL's FX reserves, severe shortage in foreign currencies and excessive LP money creation.

Concurrently, the Central Bank of Lebanon announced this week that FX operations on the "Sayrafa" platform were executed at an average rate of LP/US\$ 19,500 to LP/US\$ 20,000 between 23rd of November and 25th of November 2021.

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TREASURY BILLS

	26/11/21	19/11/21	31/12/20	
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%	
10-year	-	7.00%	7.00%	
Nom. Subs. (LP billion)		277	122	
Short-term (3&6 mths)		38	-	
Medium-term (1&2 yrs)		200	-	
Long-term (3 yrs)		-	20	
Long-term (5 yrs)		-	-	
Long-term (7 yrs)		-	102	
Long-term (10 yrs)		39	-	
Maturities		73	191	
Nom. Surplus/Deficit		204	-69	

Sources: Central Bank of Lebanon, Ministry of Finance

STOCK MARKET: SHY PRICE RETREATS IN LEBANESE EQUITIES WEEK-ON-WEEK

The Beirut Stock Exchange registered shy price declines of 0.8% this week, mainly dragged by price falls in the banking stocks. Two out of seven traded stocks posted price drops, while five stocks reported price gains week-on-week.

A closer look at individual stocks shows that Bank Audi's "listed" share price shed 2.9% to US\$ 2.33. Ciments Blancs Nominal's share price plunged by 4.3% to US\$ 5.50. In contrast, Bank Audi's GDR price rose by 2.9% to US\$ 2.47. Byblos Bank's "listed" share price went up by 2.3% to US\$ 0.88. BLOM's GDR price jumped by 9.9% to US\$ 3.90. As to Solidere shares, Solidere "A" share price closed 0.8% higher at US\$ 30.50. Solidere "B" share price increased by 1.0% to US\$ 30.47.

As far as trading volumes are concerned, the BSE total turnover contracted by 29.1% week-on-week, moving from US\$ 4.4 million last week to US\$ 3.1 million, noting that Solidere shares accounted for 96.0% of the total, followed by the banking shares with 3.7% and the industrial shares with 0.3%.

EXCHANGE RATES

	26/11/21	19/11/21	31/12/20	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	2,007.24	2,025.02	2,048.54	↑
LP/¥	13.23	13.22	14.61	↓
LP/SF	1,626.92	1,628.50	1,706.67	↑
LP/Can\$	1,181.06	1,192.27	1,178.66	↑
LP/Euro	1,698.05	1,703.48	1,851.21	↑

Source: Bank Audi's Group Research Department

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AUDI INDICES FOR BSE

22/1/96=100	26/11/21	19/11/21	31/12/20	
Market Cap. Index	437.11	440.45	302.49	↓
Trading Vol. Index	34.82	39.26	86.63	↓
Price Index	91.76	92.46	63.50	↓
Change %	-0.76%	0.21%	4.60%	↓
	26/11/21	19/11/21	31/12/20	
Market Cap. \$m	10,370	10,449	7,176	↓
No. of shares traded (Exc. BT)	201,592	155,434	650,340	↑
Value Traded \$000 (Exc. BT)	3,102	4,373	5,834	↓
o.w. : Solidere	2,979	4,161	5,565	↓
Banks	115	162	264	↓
Others	8	50	5	↓

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

BOND MARKET: LEBANESE BOND PRICES FALL WITHOUT FINDING A FLOOR

With no breakthrough in the diplomatic row between Lebanon and GCC countries and amid a lingering cabinet stalemate, while all market players' eyes remained focused on the long-awaited government's recovery plan and an agreement with the IMF, sovereign Eurobond prices hit new record lows this week, ranging between 10.75 cents per US dollar and 11.88 cents per US dollar on Friday as compared to 11.25-12.13 cents per US dollar at the end of last week, and bringing losses incurred by bondholders to circa 90%. This compared to an average bond price of 74 cents per US dollar on the eve of the domestic economic and financial crisis on October 17, 2019.

EUROBONDS INDICATORS

	26/11/21	19/11/21	31/12/20	
Total tradable size \$m	32,364	32,364	32,364	↔
o.w.: Sovereign bonds	31,314	31,314	31,314	↔
Average Yield	64%	64%	57%	↔
Average Life	6.25	6.27	7.04	↓
Yield on US 5-year note	1.19%	1.15%	0.37%	↑

Source: Bank Audi's Group Research Department

Bank Audi

INTERNATIONAL MARKET INDICATORS

	26-Nov-21	19-Nov-21	31-Dec-20	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	113.37	114.01	103.32	-0.6%	9.7%
\$/£	1.334	1.345	1.367	-0.8%	-2.4%
\$/Euro	1.132	1.129	1.222	0.2%	-7.4%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	34,899.34	35,601.98	30,606.48	-2.0%	14.0%
S&P 500	4,594.62	4,697.96	3,756.07	-2.2%	22.3%
NASDAQ	15,491.66	16,057.44	12,888.28	-3.5%	20.2%
CAC 40	6,739.73	7,112.29	5,551.41	-5.2%	21.4%
Xetra Dax	15,257.04	16,159.97	13,718.78	-5.6%	11.2%
FT-SE 100	7,044.03	7,223.57	6,460.52	-2.5%	9.0%
NIKKEI 225	28,751.62	29,745.87	27,444.17	-3.3%	4.8%
COMMODITIES (in US\$)					
GOLD OUNCE	1,802.59	1,845.73	1,898.36	-2.3%	-5.0%
SILVER OUNCE	23.16	24.62	26.40	-5.9%	-12.3%
BRENT CRUDE (per barrel)	72.72	78.89	51.80	-7.8%	40.4%
LEADING INTEREST RATES (%)					
1-month Libor	0.09	0.09	0.14	0.00	-0.05
US Prime Rate	3.25	3.25	3.25	0.00	0.00
US Discount Rate	0.25	0.25	0.25	0.00	0.00
US 10-year Bond	1.47	1.55	0.91	-0.07	0.56

Sources: Bloomberg, Bank Audi's Group Research Department

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