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The LEBANON WEEKLY MONITOR

Economy

p.2 MILD GROWTH IN PUBLIC INDEBTEDNESS

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Lebanese capital markets saw this week a continuous foreign demand for Eurobonds, stability in equity prices and continuous conversions in favor of the Lebanese Pound. In details, the Eurobond market continued to witness a strong foreign demand that came along an international interest in bonds in emerging markets in general in the past couple of weeks, while the average spread widened slightly by three bps to 312 bps due to a higher drop in international benchmark yields than Lebanese yields. As to the FX market, depositors continued to convert their FC holdings into LP holdings, yet in lower volumes relative to the previous week. This called for the Central Bank's intervention as a buyer of the green currency surpluses at LP 1,501. On the equity market, the total trading value fell to US\$ 7 million, from US\$ 17 million last week, while the price index remained stable at 110.73, noting that the BSE performed better than emerging markets (-3.9%) and Arabian markets (-2.6%), according to S&P indices.

LEBANON MARKETS: WEEK OF MAY 07 - MAY 13, 2012

Money Market	↔	BSE Equity Market	↔
Certificates of Deposits Market	↔	GDR Market	↑
LP Tbs Market	↓	Eurobond Market	↓
LP Exchange Market	↑	CDS Market	↔

ECONOMY

MILD GROWTH IN PUBLIC INDEBTEDNESS

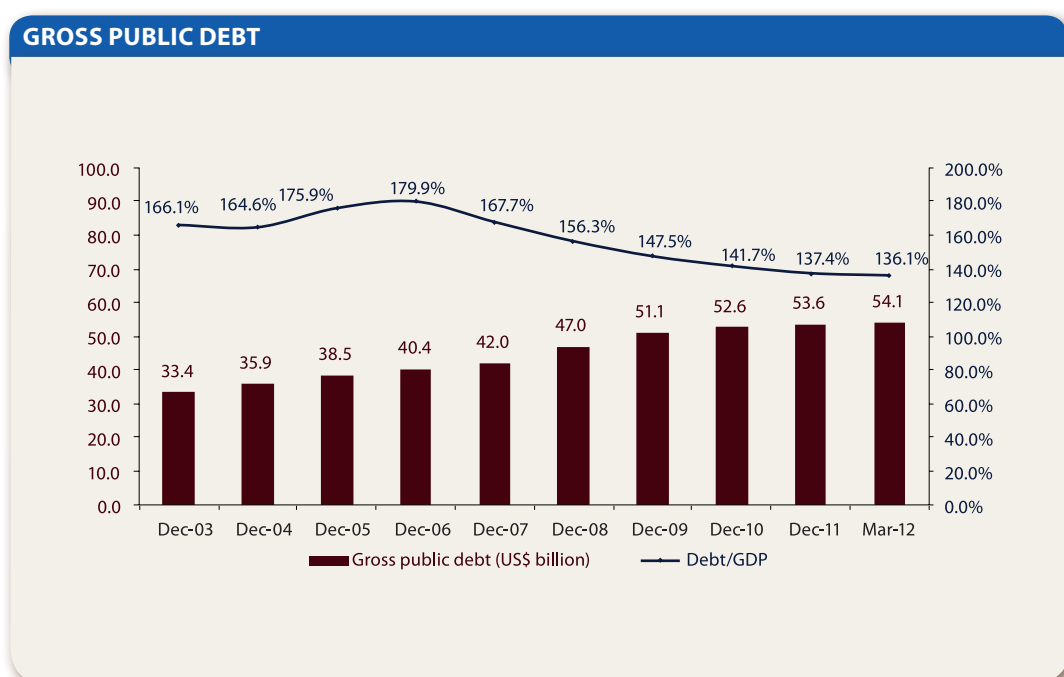
According to figures released by the Association of Banks in Lebanon, the gross public debt reached US\$ 54.1 billion at the end of March 2012, constituting a mere increase of 0.8% from end-2011, and 2.8% from end-March 2011.

Domestic debt edged up by 2.3% from end-2011 and by 5.5% from end-March 2011 to reach a total of US\$ 33.5 billion at end-March 2012. As to the external debt, it recorded a decline of 1.6% from end-2011 and 1.3% from end-March 2012 to attain a total of US\$ 20.6 billion at end-March 2012.

The increase in gross public debt during the first three months of 2012 comes along with a decrease in public sector deposits at the Central Bank, which declined by 3.5% from end-2011 and by 5.6% from end-March 2011 and stood at US\$ 5.1 billion in the aforementioned period of 2012. The decline is mainly attributed to the fact that the Lebanese government has been resorting to these deposits to finance its growing deficit. As to public sector deposits at commercial banks, they went up by 3.4% from end-2011 and by 31.2% from end-March 2011 to stand at US\$ 2.1 billion at end-March 2012.

As such, net public debt, which excludes the public sector's deposits at the Central Bank and commercial banks from overall debt figures, increased by 1.2% from end-2011 and by 2.9% from end-March 2011 to reach a total of US\$ 46.9 billion, of which net domestic debt amounting to US\$ 26.3 billion at end-March 2012.

In parallel, the latest statements from the International Monetary Fund indicated that Lebanon has not made much-needed efforts to reduce the country's debt after a significant drop in economic growth. In fact, for the past five years, rapid economic growth has helped Lebanon's debt to fall substantially as a percentage of gross domestic product. According to the Fund, the government is not yet making the sufficient efforts to counterbalance the drop in growth. Actually, infrastructure and investments are long overdue, as are reforms in the business environment.



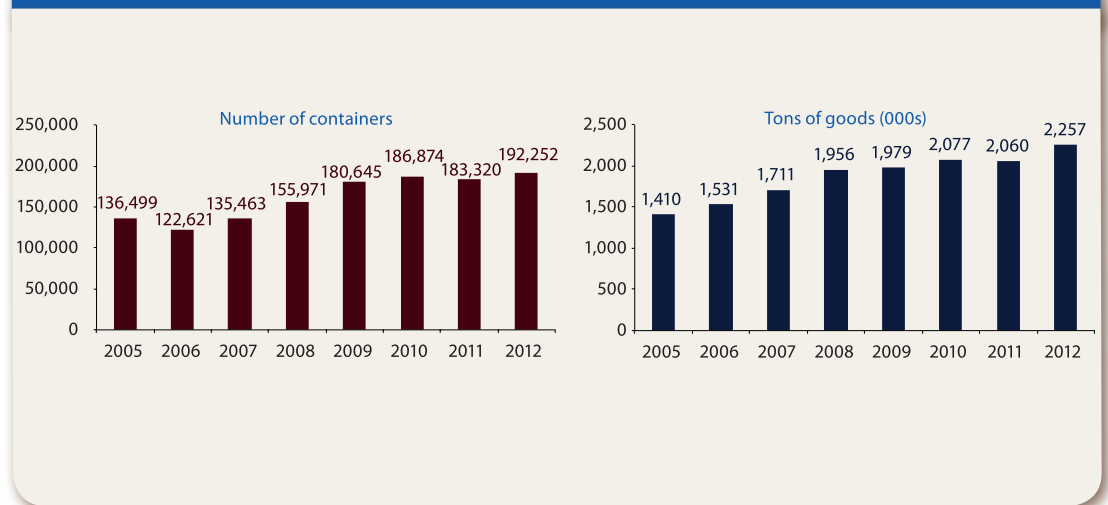
Sources: International Monetary Fund, Association of Banks in Lebanon, Bank Audi's Group Research Department

ACTIVITY AT THE PORT OF BEIRUT IMPROVES ON A YEARLY BASIS

Maritime transport services, which mirror the performance of the trade sector, witnessed an improvement during the first four months of 2012 relative to the same period of last year, as reflected by the main indicators of the Port of Beirut which handles the bulk of the country's import and export activity.

First, the goods at the Port, which include the tonnage of loaded and unloaded merchandise reached 2,257 thousand tons in the first four months of 2012, up by 9.5% from the first four months of 2011, period during which the indicator had recorded a yearly decline of 0.8%. The number of containers at the Port went up by 4.9% year-on-year to reach a total of 192,252 containers during the aforementioned period of 2012. This follows a yearly decline of 1.9% witnessed in the first four months of 2011. The mentioned number of containers encompasses all incoming and outgoing containers at the Port but not transshipments. As a matter of fact, the latter totaled 140,558 containers, down by 0.7% year-on-year from the first four months of 2011. As to the number of ships that used the Port of Beirut during the first four months of this year, it amounted to a total of 657 vessels, down by 7.3% on a yearly basis. Last year, transshipments recorded an increase of 38.6% annually while the number of ships using the Port had dropped by 6.3%.

PORT OF BEIRUT ACTIVITY (FIRST FOUR MONTHS OF THE YEAR)



Sources: Port of Beirut, Bank Audi's Group Research Department

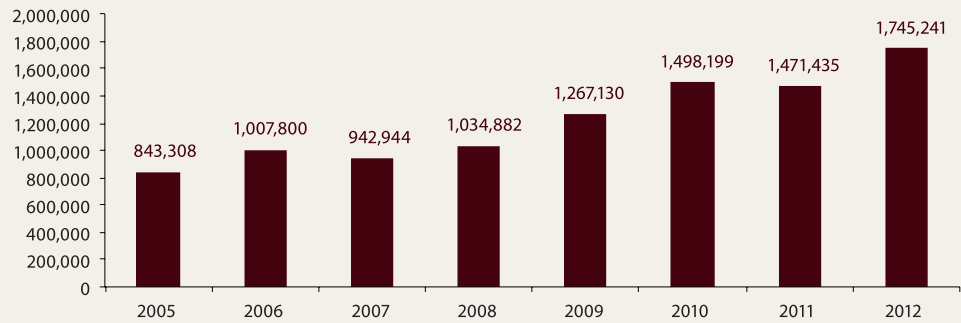
AIRPORT ACTIVITY STIRS IN COMMOTION

The latest data released by the Rafic Hariri International Airport showed that during the first four months of 2012, activity rose significantly as revealed by the following indicators: the number of aircrafts and passengers at the airport, and the tonnage of merchandise passing through it.

In details, the number of aircrafts at the airport went up by 3.1% year-on-year to reach a total of 19,876 airplanes during the first four months of 2012, of which 9,941 are those that landed during the aforementioned period of 2012 (+3.3% year-on-year), and 9,935 are those that departed (+ 3.0% year-on-year). With regards to the number of passengers, excluding the transiting ones, it increased by 18.6% annually to reach a total of 1,745,241 during the first four months of 2012 with the arriving ones amounting to 850,893 passengers (+17.1% year-on-year) and the departing ones reaching 894,348 passengers (+20.0% year-on-year). When including the transiting ones, which amount to 20,550, the total number passengers would have risen by 18.4% annually to reach a total of 1,765,791 passengers during the first four months of 2012.

As to the freight at the airport, the total tonnage unloaded at the airport attained 14,191 thousand tons, rising by 8.0% from the first four months of 2011. As to the loaded merchandise, it stood at 9,399 thousand tons, up by 8.3% year-on-year.

PASSENGERS AT THE AIRPORT (FIRST FOUR MONTHS OF THE YEAR)



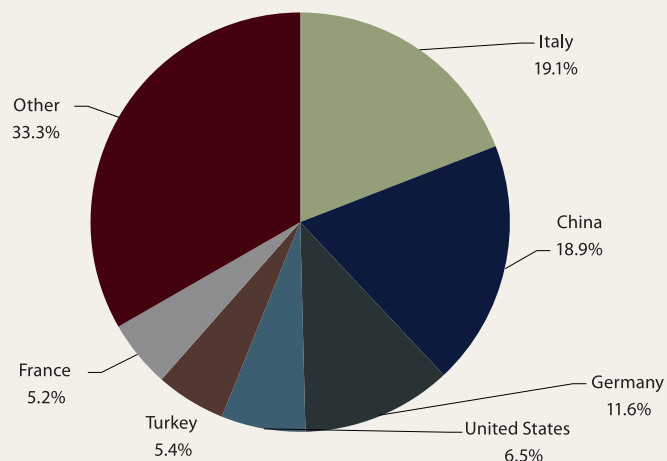
Sources: Beirut International Airport, Bank Audi's Group Research Department

IMPORTS OF INDUSTRIAL MACHINERY UP BY 19.1% YEAR-ON-YEAR DURING THE FIRST TWO MONTHS OF 2012

According to statistics released by the Ministry of Industry, imports of industrial machinery, an indicator of investments made in the industrial sector, amounted to US\$ 42.2 million during the first two months of 2012, up by 19.1% from the same period of 2011. The rise in the value of imports of industrial machinery indicates an improvement in the activity of the sector despite the lower pace of economic growth in the country.

The distribution of imported machinery by country in the first two months of 2012 shows Italy was the largest exporter to Lebanon with a total of US\$ 8.0 million and accounting for about 19.1% of all imports. It was followed by China with US\$ 7.9 million or 18.9% of the total, Germany with US\$ 4.9 million (11.6%), and the United States with US\$ 2.7 million (6.5%).

BREAKDOWN OF IMPORTS OF INDUSTRIAL MACHINERY BY COUNTRY OF ORIGIN



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

SURVEYS

EUROMONEY REVISES LEBANON'S COUNTRY RISK RANKING DOWNWARD

Euromoney magazine issued its Country Risk survey covering the first quarter of 2012 in which it revised Lebanon's rankings downward from 84th in December 2011 to 91st out of 185 countries in March 2012. On a yearly basis, Lebanon captured the same position as that of March 2011, period during which the country was undergoing some instabilities. Within the MENA region, Lebanon was ranked 11th out of 17 countries, down by one notch from December 2011 and up by one notch from March 2011.

Globally, Lebanon outperformed the Seychelles, Albania and Angola while it was surpassed by Algeria, Ukraine and Honduras. Regionally, Lebanon came after Jordan, Morocco and Algeria, and before Egypt, Iraq and Sudan.

The survey evaluates individual country risk by assigning a weighting to five categories that cover political risks, economic performance, debt indicators, credit ratings, and structural assessment. Scores range from 0 to 100 with the latter being the strongest.

Overall, Lebanon recorded a score of 39.4 out of 100 in the latest survey, against 43.53 out of 100 in March 2011. Its score was surpassed by that of the MENA region which registered a total of 45.1 out of 100. Lebanon's score in five of the six categories declined from last year's rankings.

With regards to the political indicators, the countries are scored while taking into account five sub-indicators which include corruption, government stability, transparency, institutional risk, regulatory and policy environment. Lebanon's score edged down from March 2011 to reach a total of 11.5 out of 30, compared to a regional average of 12.9 out of 30.

The economic risk indicator takes into account the banking sector's stability, GNP outlook, unemployment rate, government finances, monetary policy/currency stability. Lebanon's score went down on a yearly basis to reach 14.8 out of 30, versus a regional score of 15.3 out of 30.

EUROMONEY COUNTRY RISK RESULTS, Q1 2012

Mar-12	Country	ECR Score	Economic (30% weighting)	Political (30% weighting)	Structural (10% weighting)	DI (score out of 10, 10% weighting)	CR (score out of 10, 10% weighting)	ATCM (score out of 10, 10% weighting)
20	Qatar	72.9	23.8	19.4	5.9	7.3	8.8	7.7
28	Kuwait	67.3	22.3	17.3	5.8	7.6	8.8	5.5
32	Oman	66.4	20.7	18.0	5.5	7.6	7.2	7.3
33	Saudi Arabia	64.2	20.6	15.3	5.2	7.6	8.1	7.3
39	United Arab Emirates	60.5	18.6	17.4	5.5	2.8	8.4	7.7
53	Bahrain	55.7	16.4	15.0	5.5	7.2	5.2	6.3
70	Tunisia	47.3	13.4	14.9	5.6	4.6	4.4	4.5
73	Jordan	45.4	13.9	15.7	4.9	5.2	3.1	2.5
74	Morocco	45.2	13.9	13.7	4.9	5.0	4.2	3.5
88	Algeria	40.0	14.9	10.7	4.6	5.7	0.0	4.0
91	Lebanon	39.4	14.8	11.5	5.5	3.7	1.5	2.5
106	Egypt	35.3	10.2	9.8	4.0	5.4	1.7	4.3
128	Iraq	28.9	13.7	9.6	4.7	0.0	0.0	1.0
137	Sudan	27.0	10.0	7.8	4.1	5.1	0.0	0.0
141	Libya	26.1	12.5	7.7	3.8	0.0	0.0	2.0
147	Syria	23.3	11.0	8.0	3.3	0.0	0.0	1.0
150	Yemen	22.1	9.5	7.4	3.6	0.0	0.0	1.5

Sources: Euromoney Magazine, Bank Audi's Group Research Department



With regards to structural risks, the categories are scored while taking into consideration the following: demographics, hard infrastructure, labour market/industrial relations, and soft infrastructure. Lebanon's score went down from last year's same period of reach 5.5 out of 10. This compares to a lower regional average of 4.9 out of 10.

As to debt indicators (DI) and credit ratings (CR) assessment, Lebanon's score declined annually to attain 3.7 and 1.5 out of 10 respectively. On a regional basis, the average score for debt indicators was at 4.4 out of 10 and that of credit ratings assessment was at 3.6 out of 10. The access to bank finance/ capital markets (ATCM) was the sole indicator to have posted an annual increase to reach 2.5 out of 10.

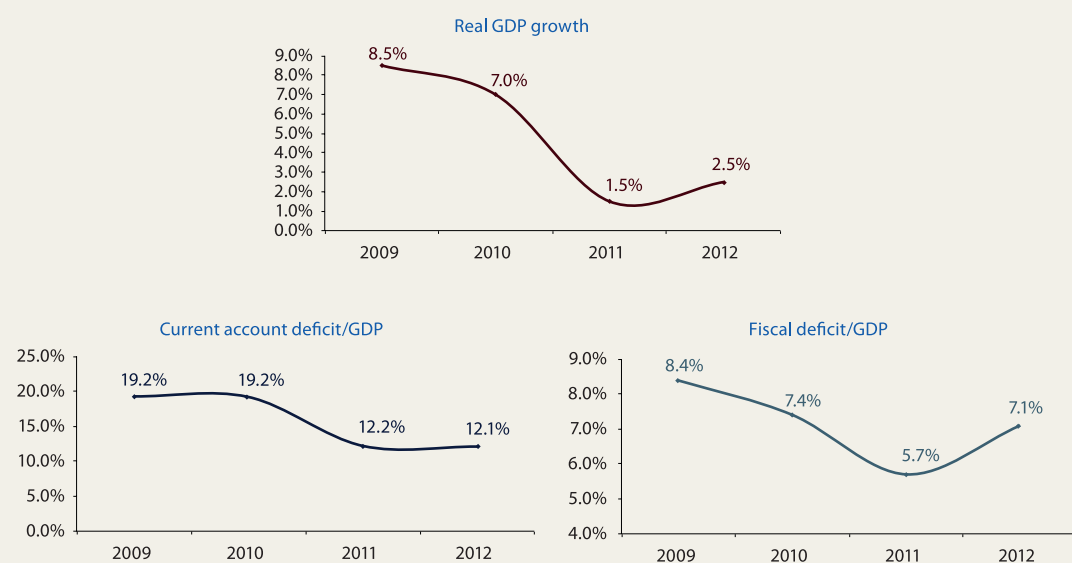
EFG-HERMES REITERATES HIGHER 2012 REAL GROWTH PROJECTIONS FOR LEBANON BUT REMAINS BEARISH ON SEVERAL ECONOMIC DRIVERS

EFG-Hermes issued its quarterly report on the MENA region in which it indicated that Lebanon would record a real growth of 2.5% in 2012, partly linked with a strengthening in tourism activity. However, it has a more bearish outlook on other key economic drivers, notably government spending and investments, which are continuing to see a lackluster performance.

According to the report, activity at Beirut's International Airport was robust in the first quarter of 2012 with the number of passengers accelerating by 21% year-on-year to 2.2 million. The investment bank expects a further recovery in tourism in 2012, pending the security situation, following the sharp decline witnessed in 2011. The higher passenger inflow will support private consumption, with higher tourist spending and employment in the sector.

At the level of public finances, public spending remained strong in the first two months of 2012, rising by 10.1% year-on-year, compared to an increase of 11.0% in the same period of 2011. However, this was largely on the back of higher debt servicing, which will have a more muted impact on Lebanon's real GDP growth performance. EFG-Hermes anticipates an increase in the fiscal deficit from 5.7% of GDP in 2011 to 7.1% of GDP in 2012, mainly on account of higher interest payments coupled with a smaller increase in telecoms revenue.

LEBANON MACROECONOMIC INDICATORS



Sources: EFG-Hermes, Bank Audi's Group Research Department



CORPORATE NEWS

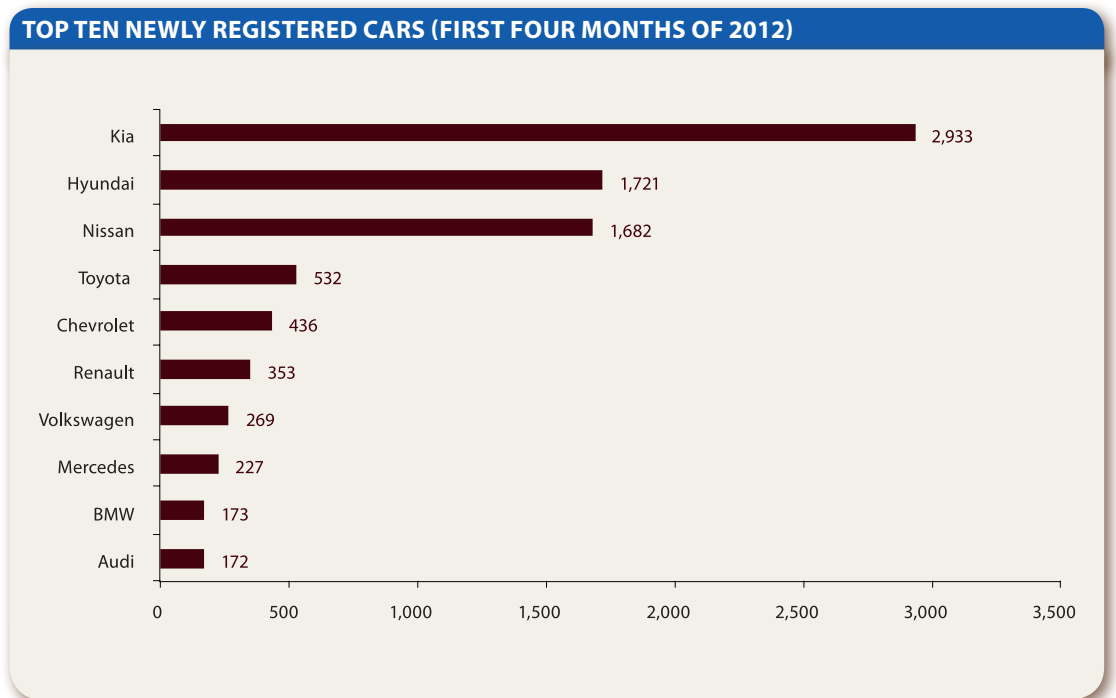
NEW CARS SALES UP BY 12.1% YEAR-ON-YEAR DURING THE FIRST FOUR MONTHS OF 2012

According to the latest statistics released by the Association of Car Importers in Lebanon, Korea's Kia ranked first in terms of newly registered cars during the first four months of 2012. In fact, a total of 2,933 cars carrying the Korean brand were sold during the aforementioned period of 2012, up by 27.6% from the same period of last year.

It was followed by Korea's Hyundai with a total of 1,721 cars during the first four months of 2012, against a total of 1,511 cars recorded a year earlier. Japan's Nissan was third, with a total of 1,682 newly registered cars during the aforesaid period of this year, up by 22.2% annually. Fourth was Japan's Toyota with 532 cars against 442 cars during the first four months of 2011. The United States' Chevrolet ranked fifth with 436 cars during the first four months of 2012, up by 18.8% year-on-year.

A breakdown by continent shows that the highest number of newly registered cars came from Korea with a total of 4,656 in the end-2011 to end-April 2012 period, versus 3,811 cars registered a year earlier. It was followed by brands of Japanese origin which totaled 2,739 during the first four months of 2012, compared to 2,617 cars during the same period of 2011. Cars fabricated in Europe and sold in Lebanon amounted to 2,082, up by 1.2% from a total of 2,057 registered a year earlier. Those from the United States reached 618 cars in the end-2011 to end-April 2012 period, up from 523 cars recorded in the same period of last year. Chinese cars came last with 74 newly registered cars in the first four months of 2012 against 60 cars in the same period of 2011.

Overall, the number of newly registered cars during the aforementioned period of 2012 totaled 10,169, up by 12.1% year-on-year. During the month of April 2012, the number of newly registered cars attained 2,777 cars, rising by 7.4% from a total of 2,585 recorded in April 2011.



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

MEA 2011 OPERATING PROFITS PLUNGE TO US\$ 40 MILLION

Operating profits of Middle East Airlines, Lebanon's national carrier, declined to US\$ 40 million in 2011 from US\$ 90 million in 2010 due to a rise in the prices of fuel, increase in the cost of salaries of employees, pilots and crew and the deteriorating conditions in the region, as per company statements.

Another factor to have weighed down on profits was the decline in ticket prices. The open sky policy has also caused MEA profits to fall to some extent. The same sources added that MEA is facing increasing competition from many Arab airlines which are subsidized by their governments. These factors contributed to the fall in profits but the picture is expected to change this year if oil prices stabilize.

Should hydrocarbon prices rise further, profitability of MEA would be impacted, according to company releases. Another factor which would weigh down on profits is the salary increases endorsed by the government a few months ago. Still, it is worth noting that during the first four months, MEA witnessed some improvement in the number of passengers which went up by 15% to 20% annually.

INKRIPT TEAMS UP WITH IDAL FOR SECURITY PRINTING PLANT EXPANSION

Inkript, a Lebanese firm specialized in security printing and solutions, announced its decision to expand its plant in Lebanon subsequent to signing a package deal contract with IDAL (Investment Development Authority of Lebanon).

According to company releases, the plant expansion will enable Inkript to increase its output of printing material complying with high security and anti-forgery standards. Hence, Inkript will be able to print electronic passports, IDs and electronic cards which would allow the company to meet the growing demand for such documents in the Middle East, Africa and parts of Asia.

Also, this project could help enhance Lebanon's position as a center for technology in the Middle East, providing more than 100 new job opportunities, as per the same sources.

Inkript specializes in the industries of security printing, smartcard technologies, identification and payment solutions, telecommunication value added services and elections turnkey projects. The company delivers comprehensive solutions to governmental agencies and top tier business partners in the telecom and financial sectors in the Middle East, Africa and West Asia.

LIBRAIRIE ANTOINE TO OPEN ANTOINE iD AT THE BEIRUT SOUKS

Local bookstore Librairie Antoine announced the upcoming opening of a new concept in Beirut Souks termed "Antoine iD".

Antoine iD consists of a three-storey shop rising on the Ajami square. The ground floor contains newspapers and magazines, publications about Lebanon, maps and touristic guides as well as the latest releases. It also contains the Fabriano boutique.

The first 300 square meter floor is fully dedicated to children and includes books, stationary, educational toys and electronics. The second floor of 385 meters is where the general bookstore and the ticketing service are. The store also has a small stage for performances and cultural activities and a photo gallery as well as a coffee shop.

CAPITAL MARKETS

MONEY MARKET: MONEY SUPPLY (M4) EXPANDS BY LP 449 BILLION WEEK-ON-WEEK

The money market followed regular norms and maintained its stability during this week. Within this context, the overnight rate remained unchanged, standing at its low official level of 2.75% set by the Central Bank of Lebanon. As to Certificates of Deposits, no subscriptions were made during this week. Accordingly, total subscriptions since the beginning of the year 2012 stood at LP 519 billion. Interest rates on the 45-day and 60-day CDs categories remained stable at 3.57% and 3.85% respectively.

The latest figures released by the Association of Banks in Lebanon showed that the weighted average rate on CDs stood at 9.22% at end-March 2012, slightly down from 9.23% at end-February 2012 and 9.26% at end-December 2011. The outstanding CDs portfolio stood at LP 23,332 billion at end-March 2012 versus LP 23,552 billion at end-February 2012 and LP 24,260 billion at end-December 2011.

At the monetary aggregates level, figures for the week ending 26th of April 2012 released this week showed a rise in local currency deposits of LP 366 billion, as a result of a growth of LP 253 billion in LP time deposits and an increase of LP 113 billion in LP demand deposits week-on-week. Deposits in foreign currencies expanded by US\$ 59 million. These weekly variations compare to an average weekly increase of LP 142 billion in LP deposits, and an average weekly rise of US\$ 63 million in foreign currency deposits since the beginning of the year 2012. Total money supply in its large sense (M4) expanded by LP 449 billion week-on-week. This compared to an average weekly growth of LP 235 billion since the beginning of the year.

On a cumulative basis, money supply in its large sense (M4) expanded by LP 5,651 billion since the beginning of the year 2012. This is the result of a rise in local currency denominated time deposits of LP 4,325 billion, an increase in foreign currency deposits of LP 1,687 billion (the equivalent of US\$ 1,119 million), a contraction in money supply (M1) of LP 612 billion, and a growth in Treasury bills held by the public of LP 251 billion.

INTEREST RATES

	11/05/12	04/05/12	30/12/11	
Overnight rate	2.75%	2.75%	2.75%	↔
7 days rate	2.86%	2.86%	2.86%	↔
1 month rate	3.31%	3.31%	3.31%	↔
45- day CDs	3.57%	3.57%	3.57%	↔
60- days CDs	3.85%	3.85%	3.85%	↔

Source: Bloomberg

TREASURY BILLS MARKET: STABILITY IN YIELDS

The latest auction's results (May 10, 2012) showed stability in the average yields on the three-month, six-month and five-year categories at 4.44%, 4.99% and 6.74% respectively.

On the other hand, the auction results for value date May 3rd, 2012 released by the Central Bank of Lebanon showed that total subscriptions amounted to LP 421 billion and were distributed as follows: LP 67 billion in the one-year category, LP 84 billion in the two-year category, and LP 270 billion in the three-year category. These compare to maturities of LP 503 billion, resulting in a nominal deficit of LP 82 billion. The latest monthly report released by the Association of Banks in Lebanon showed that the total Tbs portfolio amounted to LP 49,588 billion at end-March 2012 versus LP 48,608 billion at end-February 2012 and LP 48,384 billion at end-December 2011. The weighted average yield on outstanding Treasury bills reached 6.74% at end-March 2012, down from 6.79% at end-February 2012 and 6.87% at end-December 2011.



TREASURY BILLS

	11/05/12	04/05/12	30/12/11	
3-month	4.44%	4.44%	3.93%	↔
6-month	4.99%	4.99%	4.50%	↔
1-year	5.35%	5.35%	4.81%	↔
2-year	5.80%	5.80%	5.34%	↔
3-year	6.50%	6.50%	5.94%	↔
5-year	6.74%	6.74%	6.18%	↔
Nom. Subs. (LP billion)		421	261	
Short-term (3&6 mths)		-	-	
Medium-term (1&2 yrs)		151	59	
Long-term (3 yrs)		270	202	
Long-term (5 yrs)		-	-	
Maturities		503	310	
Nom. Surplus/Deficit		-82	-49	

Sources: Central Bank of Lebanon, Bloomberg

FOREIGN EXCHANGE MARKET: CONTINUOUS CONVERSIONS IN FAVOR OF LP

The foreign exchange market saw a continuous offer for the US Dollar during this week, yet in lower volumes relative to the previous week, which called for the Central Bank of Lebanon's intervention on Tuesday as a buyer of the US Dollar surpluses at the lower end of its intervention bracket (LP 1,501). In parallel, commercial banks traded the green currency at a rate hovering between LP 1,501 and LP 1,502.

EXCHANGE RATES

	11/05/12	04/05/12	30/12/11	
LP/US\$	1,507.50	1,507.50	1,507.50	↔
LP/£	2,430.69	2,437.48	2,324.87	↑
LP/¥	18.86	18.81	19.45	↓
LP/SF	1,624.11	1,647.72	1,602.87	↑
LP/Can\$	1,501.64	1,524.11	1,475.48	↑
LP/Euro	1,951.16	1,979.80	1,948.59	↑

Source: Bank Audi's Group Research Department

STOCK MARKET: BSE PERFORMS BETTER THAN EMERGING AND ARABIAN MARKETS

The Beirut Stock Exchange saw a slowdown in activity during this week and stability in prices. The total trading value amounted to US\$ 7.1 million versus US\$ 17.2 million last week. The average daily trading value dropped from US\$ 4.3 million last week to US\$ 1.4 million this week, which resulted into a 66.9% fall in the trading volume index to 59.03. As far as prices are concerned, the price index remained stable at 110.73.

Solidere shares captured 63.2% of activity. Solidere "A" share price decreased by 0.7% to close at US\$ 13.37, and Solidere "B" share price dropped by 1.3% to reach US\$ 13.22. The banking shares accounted for 35.2% of the total trading value. Bank Audi's "listed" share price rose by 0.8% to close at US\$ 6.05. Bank Audi's GDR price remained unchanged at US\$ 6.50. BLOM's GDR price increased by 0.6% to US\$ 7.85. Byblos Bank's "listed" share price went up by 0.6% to US\$ 1.60. Bank of Beirut's share price remained stable at US\$ 19.29. As to the industrial stocks, Holcim's share price closed 1.7% higher at US\$ 17.26. Rymco's share price remained unchanged at US\$ 2.44.



All in all, the Beirut Stock Exchange performed better than other emerging and Arabian markets, as shown by a 3.9% fall and a 2.6% drop in the S&P Emerging Market Composite Index and the S&P Pan-Arab Composite Index respectively.

AUDI INDICES FOR BSE				
22/1/96=100	11/05/12	04/05/12	30/12/11	
Market Cap. Index	422.33	422.43	416.96	↓
Trading Vol. Index	59.03	178.36	32.86	↓
Price Index	110.73	110.76	110.38	↓
Change %	-0.02%	-0.45%	-0.94%	↓
	11/05/12	04/05/12	30/12/11	
Market Cap. \$m	10,019	10,022	9,892	↓
No. of shares traded	760,378	3,668,115	573,919	↓
Value Traded \$000	7,101	17,172	3,182	↓
o.w. : Solidere	4,486	1,952	1,770	↑
Banks	2,496	10,213	1,303	↓
Others	119	5,007	109	↓

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

BOND MARKET: SMALL EXPANSION IN AVERAGE SPREAD TO 312 BPS

The Eurobond market continued to be characterized by a strong foreign demand for long-term papers, which came along an international interest in bonds in emerging markets in general. This was coupled by a shy local demand. Within this context, some local market players offered their papers to take advantage from this local and foreign demand and to make profits.

The average yield declined by a tiny three basis points to 4.26%, and the average spread expanded slightly by three basis points to 312 basis points due to a higher decline in international benchmark yields than Lebanese yields. For instance, the five-year US Treasury yield dropped from 0.83% last week to 0.75% this week as Europe's deepening crisis and a US\$ 2 billion trading loss at JP Morgan Chase & Co. boosted demand for the safest assets. As to the cost of insuring debt, Lebanon's five-year CDS spread hovered between 435 basis points and 455 basis points, with no change relative to the previous week.

EUROBONDS INDICATORS				
	11/05/12	04/05/12	30/12/11	
Total tradable size \$m	19,358	19,366	18,954	↓
o.w.: Sovereign bonds	19,058	19,066	18,654	↓
Average Yield	4.26%	4.29%	4.42%	↓
Average Spread	312	309	321	↑
Average Life	5.50	5.52	5.53	↓
Yield on US 5-year note	0.75%	0.83%	0.91%	↓

Source: Bank Audi's Group Research Department



INTERNATIONAL MARKET INDICATORS

	11-May-12	04-May-12	30-Dec-11	Weekly change	Year-to-date change
EXCHANGE RATES					
YEN/\$	79.94	79.85	76.92	0.1%	3.9%
\$/£	1.607	1.615	1.554	-0.5%	3.4%
\$/Euro	1.292	1.308	1.296	-1.3%	-0.3%
STOCK INDICES					
Dow Jones Industrial Average	12,820.60	13,038.27	12,217.60	-1.7%	4.9%
S&P 500	1,353.39	1,369.10	1,257.60	-1.1%	7.6%
NASDAQ	2,933.82	2,956.34	2,605.15	-0.8%	12.6%
CAC 40	3,129.77	3,161.97	3,159.81	-1.0%	-1.0%
Xetra Dax	6,579.93	6,561.47	5,898.35	0.3%	11.6%
FT SE 100	5,575.52	5,655.06	5,572.28	-1.4%	0.1%
NIKKEI 225	8,953.31	9,380.25	8,455.35	-4.6%	5.9%
COMMODITIES (in US\$)					
GOLD OUNCE	1,579.35	1,642.35	1,564.91	-3.8%	0.9%
SILVER OUNCE	28.92	30.37	27.84	-4.8%	3.9%
BRENT CRUDE (per barrel)	112.26	113.18	107.38	-0.8%	4.5%
LEADING INTEREST RATES (%)					
1-month Libor	0.24	0.24	0.30	0.00	-0.06
US Prime Rate	3.25	3.25	3.25	0.00	0.00
US Discount Rate	0.75	0.75	0.75	0.00	0.00
US 10-year Bond	1.84	1.88	1.88	-0.04	-0.04

Sources: Bloomberg, Bank Audi's Group Research Department

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