

CREDIT LIBANAIS S.A.L.



Weekly Market Watch

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LEBANON NEWS

ECONOMIC INSIGHTS

- ▶ Lebanon Ranks 10th in the MENA Region in the Natixis' 2015 Global Retirement Index 1
- ▶ Industrial Exports Shed 14.61% Y-O-Y to \$2,890 Million up to November 2014 2
- ▶ Commercial Banks' Assets up by 6.60% to \$175.70 Billion as at End of Year 2014 3
- ▶ Gross Public Debt at \$66.56 Billion at End of Year 2014 4
- ▶ Lebanon's Annual Inflation Rate Stood at -1.66% in December 2014 5
- ▶ Lebanon's Coincident Indicator Down by 3.62% Y-O-Y in November 2014 5
- ▶ New Car Sales Notch 2.70% Higher Y-O-Y in January 2015 6
- ▶ ABL Amends the BRR on LBP and USD Lending 7
- ▶ Beirut Port Freight Activity Drops by 18.07% in January 2015 7
- ▶ The Number of Beirut Airport Passengers Adds 11.45% Y-O-Y in January 2015 8

MONETARY PERFORMANCE

- ▶ Monetary Aggregates 9
- ▶ Money Markets 9

FIXED INCOME

- ▶ Fixed Income 10

LEBANESE EQUITIES

- ▶ Lebanese Equities & Credit Libanais Indices 11

Lebanon's Economic & Financial Sector Indicators 13

Lebanon's Ratings 14

LEBANON RANKS 10TH IN THE MENA REGION IN THE NATIXIS' 2015 GLOBAL RETIREMENT INDEX

According to Natixis Asset Management's report, Lebanon came in 10th in the region and 94th worldwide in the year 2015, with a score of 50% in the retirement index.

INDUSTRIAL EXPORTS SHED 14.61% Y-O-Y TO \$2,890 MILLION UP TO NOVEMBER 2014

Industrial exports came in 14.61% lower y-o-y at \$2,890 million as at the end of the first eleven months of 2014, down from just over \$3,384 million during that same period in 2013.

COMMERCIAL BANKS' ASSETS UP BY 6.60% TO \$175.70 BILLION AS AT END OF YEAR 2014

The consolidated assets of the banking sector rose by 6.60% in the year 2014 to \$175.70 billion from \$164.82 billion in 2013.

LEBANON'S ANNUAL INFLATION RATE STOOD AT -1.66% IN DECEMBER 2014

Inflation, as captured by the annual change in ABL's consumer price index (CPI), stood at -1.66% in December 2014, in comparison with 0.48% in November and a negative 0.27% in October.

SYNOPSIS OF TERMS

"BDL"	Banque Du Liban
"ABL"	Association of Banks in Lebanon
"MOF"	The Lebanese Ministry of Finance
"BOP"	Balance of Payment
"IMF"	The International Monetary Fund
"Moody's"	Moody's Investors Service
"BSE"	Beirut Stock Exchange
"GDRs"	Global Depositary Receipts
"M1"	Currency in Circulation + Demand Deposits in LBP
"M2"	M1 + Other Deposits in LBP
"M3"	M2 + Deposits in Foreign Currencies
"M4"	M3+ Treasury Bills Held By Non Banking System, Including Accrued Interests
"CPI"	Consumer Price Index
"PPI"	Producer Price Index
"CLASI"	Credit Libanais Aggregate Stock Index
"CLFI"	Credit Libanais Financial Sector Stock Index
"CLCI"	Credit Libanais Construction Sector Stock Index
"EIU"	Economist Intelligence Unit
"EOY"	End of Year
"P/E"	Price to Earnings Multiple
"P/BV"	Price to Book Multiple
"YTD"	Year To Date
"YTD Price Performance"	Yield to Date Price Appreciation
"Forex"	Foreign Exchange
"LBP"	The Lebanese Pound
"USD"	The United States Dollar
"Yen"	The Japanese Yen
"GBP"	The British Pound/ Sterling Pound
"CHF"	The Swiss Franc
"Y-O-Y"	Year-On-Year
"GDP"	Gross Domestic Product
"MENA"	Middle East and North Africa
"LE"	Livre Egyptienne – Egyptian Pound
"SAR"	Saudi Arabian Riyal
"AED"	United Arab Emirates Dirham
"BD"	Bahraini Dinar

Weekly Market Watch

LEBANON RANKS 10TH IN THE MENA REGION IN THE NATIXIS' 2015 GLOBAL RETIREMENT INDEX

Natixis Asset Management published its 2015 Global Retirement Index titled: *"An in-depth assessment of Welfare in Retirement around the World"*. The Global Retirement Index (GRI) aims at providing data concerning different countries' ability to meet retirees' expectations and ambitions. According to the report, the countries that performed well in 2015's index are characterized by a well-developed industrialized economy, a strong financial sector, public policies that provide access to healthcare and other social services, added substantial public investment in infrastructure and technology. In this perspective, Switzerland came in first in the Global Retirement Index for the year 2015, with a global score of 82%. This came as a result of the country's strong economic performance, added a healthier recovery than its peers in the European Union and a robust banking sector, which helps improve Swiss citizens' wellbeing. Switzerland was followed by Norway, Australia, and Iceland, which enjoy significant services sectors, contemporary infrastructure, and high income levels per capita.

On the regional front, Qatar topped the list of MENA countries with regards to their Global Retirement Index for the year 2015 and ranked 21st worldwide, scoring 70%, followed by the UAE, which recorded a score of 69% and ranked 25th worldwide, and Kuwait (Score: 69%; global rank: 26th). In parallel, Lebanon came in 10th in the region and 94th worldwide in the year 2015, with a score of 50% in the retirement index. In details, Lebanon scored 34% in the quality of life sub-index, the worse score in the region, while achieving a score of 69% in the health sub-index, the second highest score in the region.

Global retirement Index 2015							
MENA Countries	Regional Rank	Global Rank	Health Index	Finances in Retirement Index	Quality of Life Index	Material Wellbeing Index	Global Retirement Index
Qatar	1	21	79%	53%	82%	69%	70%
UAE	2	25	65%	55%	77%	84%	69%
Kuwait	3	26	67%	54%	69%	91%	69%
Saudi Arabia	4	38	60%	53%	70%	77%	64%
Bahrain	5	68	61%	68%	39%	66%	57%
Algeria	6	69	57%	56%	59%	56%	57%
Tunisia	7	87	58%	44%	57%	50%	52%
Libya	8	90	65%	62%	27%	62%	51%
Morocco	9	92	42%	59%	52%	48%	50%
Lebanon	10	94	69%	51%	34%	50%	50%
Egypt	11	95	48%	50%	47%	54%	49%
Iraq	12	101	42%	59%	35%	53%	46%
Syria	13	105	50%	37%	46%	46%	45%
Yemen	14	125	26%	44%	39%	36%	36%

Source: Natixis Wealth Management, Credit Libanais Economic Research Unit

INDUSTRIAL EXPORTS SHED 14.61% Y-O-Y TO \$2,890 MILLION UP TO NOVEMBER 2014

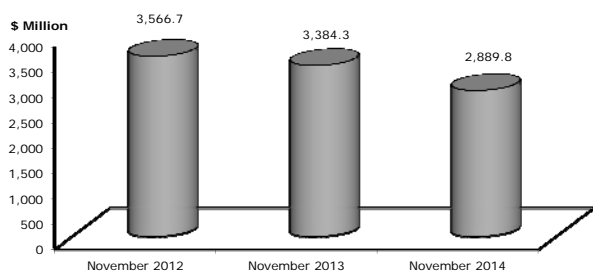
According to the Lebanese Ministry of Industry, Lebanon’s industrial exports fell to \$232.70 million during the month of November 2014, compared to \$269.10 million in October. On a cumulative basis, industrial exports came in 14.61% lower y-o-y at \$2,890 million as at the end of the first eleven months of 2014, down from just over \$3,384 million during that same period in 2013. More specifically, exports of base metals and articles of base metal fell by 30.24% (\$151.60 million) annually to \$349.80 million until the month of November, accompanied by a 23.64% (\$202.40 million) decline in exports of machinery and mechanical appliances to \$653.70 million.

Concurrently, industrial imports shed 11.32% y-o-y to \$248.40 million at the end of November 2014, compared to \$280.10 million a year earlier. This contraction can be primarily attributed to the 16.77% drop in imports of industrial equipment from Italy to \$52.60 million, together with some 15.60% decline in imports of industrial equipment from Turkey to \$11.90 million.

(USD Million)	For the Eleven-Month Period Ended		Y-O-Y
	November 2013	November 2014	% Change
Industrial Exports	3,384.3	2,889.8	-14.61%
Industrial Imports of Equipment & Machinery	280.1	248.4	-11.32%

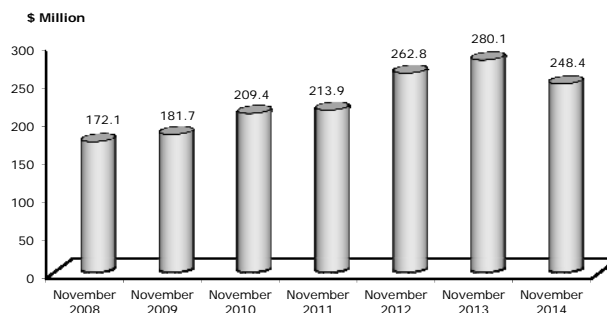
Source: Lebanese Ministry of Industry, Credit Libanais Economic Research Unit

Evolution of Cumulative Industrial Exports



Source: Ministry of Industry, Credit Libanais Economic Research Unit

Evolution of Cumulative Industrial Imports of Equipment & Machinery



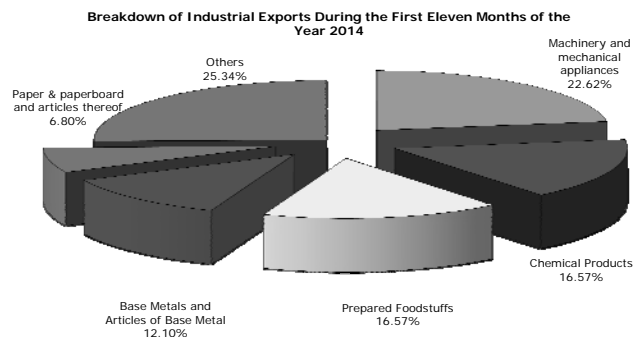
Source: Ministry of Industry, Credit Libanais Economic Research Unit

Exports of “machinery and mechanical appliances” topped the list of Lebanon’s industrial exports, accounting for 22.62% (\$653.70 million) of the total exports’ bill up to November 2014, followed by “chemical products” (\$478.90 million <16.57%>) and “prepared foodstuffs” (\$478.80 million <16.57%>), only to name a few. On the imports front, Italy led the list of countries exporting to Lebanon (\$52.60 million <21.17%>), followed by China (\$45.20 million <18.21%>) and Germany (\$40.50 million <16.29%>) as elaborated in the section below:

Breakdown of Industrial Exports by Product During the First Eleven Months of the Year 2014

Product	Value (\$ Million)
Machinery and mechanical appliances	653.7
Chemical Products	478.9
Prepared Foodstuffs	478.8
Base Metals and Articles of Base Metal	349.8
Paper & paperboard and articles thereof	196.4
Others	732.2
Total Industrial Exports	2,889.8

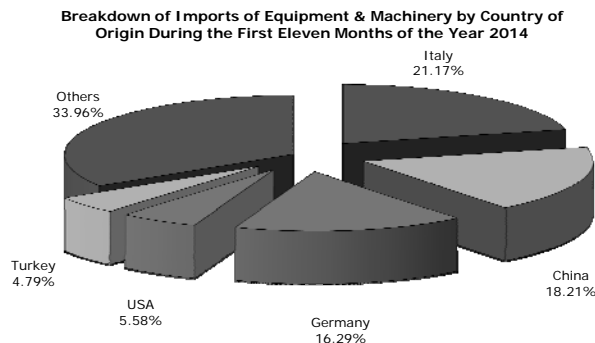
Source: Lebanese Ministry of Industry, Credit Libanais Economic Research Unit



Breakdown of Imports of Equipment & Machinery by Country of Origin During The First Eleven Months of the Year 2014

Country	Value (\$ Million)
Italy	52.6
China	45.2
Germany	40.5
USA	13.9
Turkey	11.9
Others	84.3
Total Industrial Imports	248.4

Source: Lebanese Ministry of Industry, Credit Libanais Economic Research Unit



Weekly Market Watch

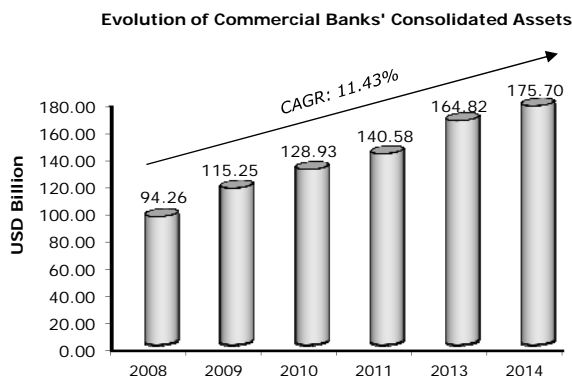
COMMERCIAL BANKS' ASSETS UP BY 6.60% TO \$175.70 BILLION AS AT END OF YEAR 2014

The consolidated balance sheet of commercial banks operating in Lebanon rose by LBP 5,257 billion (\$3.49 billion) during the month of December 2014 to LBP 264,863 billion (\$175.70 billion), up from 259,606 billion (\$172.21 billion) in November. Said increase can be mainly attributed to the 14.95% monthly rise in claims on non-resident banks to LBP 18,342 billion (\$12.17 billion), in part financed by the 0.94% rise in resident private sector deposits to LBP 172,041 billion (\$114.12 billion). Furthermore, the consolidated assets of the banking sector posted an annual increase of 6.60%, from a reading of LBP 248,468 billion (\$164.82 billion) as at year-end 2013. The sector remains highly liquid, enjoying a primary liquidity ratio of 78.06% as at the end of year 2014, compared to a liquidity level of 78.43% a year earlier.

USD Billion	2008	2009	2010	2011	2012	2013	2014
Total Assets	94.26	115.25	128.93	140.58	151.88	164.82	175.70
Loans to the Private Sector	25.04	28.37	34.93	39.38	43.45	47.38	50.90
Customer Deposits	78.66	96.82	108.60	117.70	127.66	139.17	147.64
Capital Accounts	7.10	7.94	9.22	10.72	12.64	14.20	15.73
Dollarization Rate	69.57%	64.46%	63.24%	65.92%	64.82%	66.10%	65.71%
Private Sector Loans/Deposits Ratio	31.83%	29.31%	32.16%	33.45%	34.04%	34.05%	34.48%
- LBP Private Sector Loans/LBP Deposits	13.69%	12.93%	16.88%	20.53%	20.84%	22.65%	23.58%
- FC Private Sector Loans/FC Deposits	40.06%	38.62%	41.36%	40.47%	41.63%	40.26%	40.84%

Source: The Association of Banks in Lebanon, Credit Libanais Economic Research Unit

The compounded annual growth rate (CAGR) in the consolidated assets of the banking sector reached 11.43% over the 2008 – 2014 period, as captured by the chart hereunder:

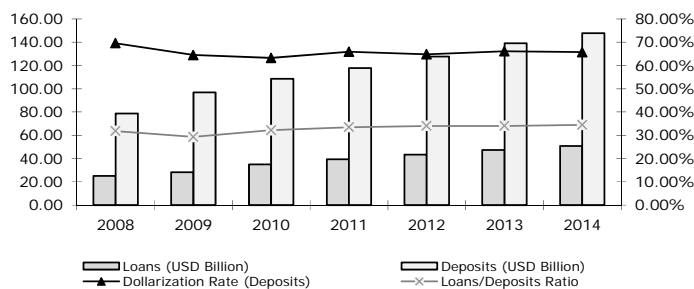


Source: ABL, Credit Libanais Economic Research Unit

On the funding side, customer deposits rose by LBP 2,674 billion (\$1.77 billion) month-on-month to LBP 222,563 billion (\$147.64 billion) as at end of year 2014, up from LBP 219,889 billion (\$145.86 billion) in November. Moreover, deposits at Lebanese banks grew by 6.09% year-on-year, from LBP 209,793 billion (\$139.17 billion) in 2013, mimicking the trend in total assets. It is worth noting that the still prevailing presidential void coupled with the political and security tensions continued to weigh negatively on investors' sentiment, resulting in an increase in the deposits' dollarization rate to 65.71% as at year-end 2014, compared to 65.68% a month earlier.

On the lending front, loans to the private sector increased to LBP 76,730 billion (\$50.90 billion) in December 2014, up from LBP 76,145 billion (\$50.41 billion) in November. The loans portfolio came in 7.42% higher y-o-y, with the ratio of customer loans to customer deposits easing to 34.48% as at end of year 2014, from 34.63% in November and 34.05% as at year-end 2013.

Activity in the Lebanese Banking Sector



Source: ABL, Credit Libanais Economic Research Unit

GROSS PUBLIC DEBT AT \$66.56 BILLION AT END OF YEAR 2014

On the public finance front, Lebanon’s gross public debt narrowed by \$70 million during the month of December 2014 to \$66.56 billion, down from \$66.63 billion in November. On an annual basis, gross public debt added \$3.07 billion, from \$63.49 billion as at end of Year 2013. It is worth highlighting, in this context, that 56.06% of the country’s gross public debt is being financed by the Lebanese banking sector.

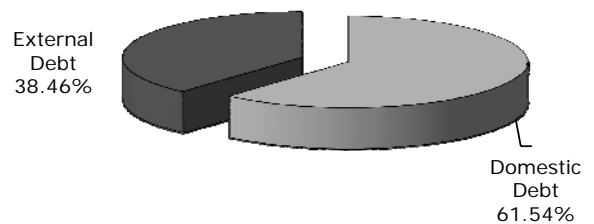
As far as domestic debt is concerned, the latter rose by 0.22% month-on-month and by 9.66% year-on-year to \$40.96 billion. External debt, on the other hand, fell by 0.63% on a monthly basis and by 2.04% on a yearly basis to settle at \$25.60 billion. The share of domestic debt continued to pile up, reaching 61.54% of gross public debt at end of year 2014, with that of external debt narrowing to 38.46%.

Net public debt, which factors out public sector deposits, came in 7.69% higher y-o-y at \$57.30 billion as at end of December 2014, from \$53.21 billion as at end of December 2013.

Public Debt (USD Billion)			
	December 2013	December 2014	Y-O-Y % Change
Gross Public Debt	63.49	66.56	4.84%
<i>Domestic Debt</i>	37.35	40.96	9.66%
<i>External Debt</i>	26.13	25.60	-2.04%
Public Sector Deposits	10.28	9.26	-9.87%
Net Public Debt	53.21	57.30	7.69%

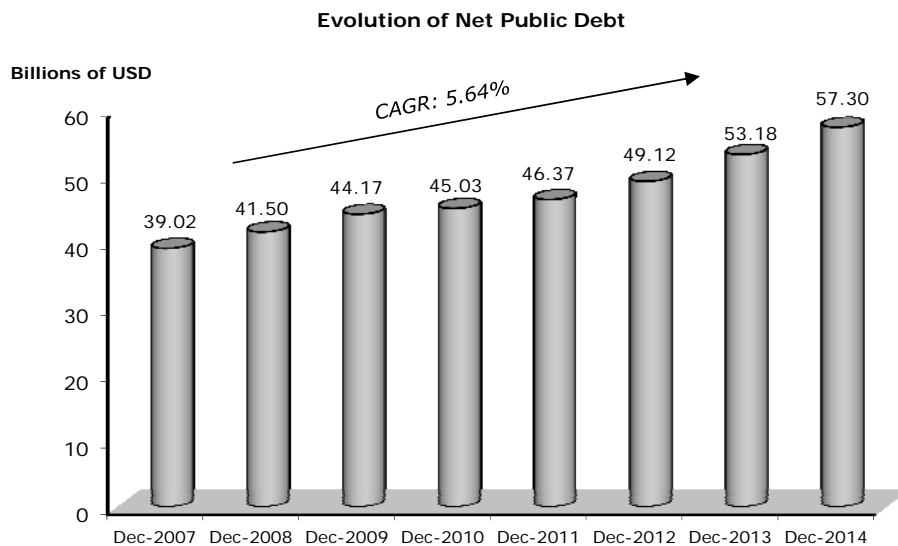
Source: The Association of Banks in Lebanon, Credit Libanais Economic Research Unit

Composition of Gross Public Debt as at Year End 2014



Source: ABL, Credit Libanais Economic Research Unit

The chart below sketches the annual evolution of Lebanon’s public debt since December 2007, pointing to some 5.64% compounded annual growth rate in net public debt over the concerned period.

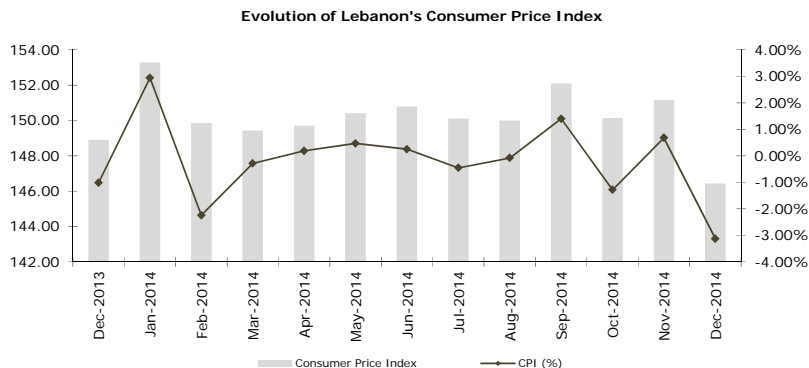


Source: ABL, Credit Libanais Economic Research Unit

LEBANON'S ANNUAL INFLATION RATE STOOD AT -1.66% IN DECEMBER 2014

According to the Association of Banks in Lebanon (ABL), inflation, as captured by the annual change in ABL's consumer price index (CPI), stood at -1.66% in December 2014, in comparison with 0.48% in November and a negative 0.27% in October. More specifically, December's CPI eased to 146.44, down from 148.91 during that same month a year before. On a monthly basis, Lebanon's CPI dropped by 3.12% in December, compared to a 0.68% increase in November.

	CPI	Monthly % Change	Yearly % Change
Dec-2013	148.91	-1.02%	2.05%
Jan-2014	153.29	2.94%	2.52%
Feb-2014	149.86	-2.24%	0.86%
Mar-2014	149.43	-0.29%	-0.23%
Apr-2014	149.71	0.19%	-0.03%
May-2014	150.41	0.47%	0.63%
Jun-2014	150.79	0.25%	1.19%
Jul-2014	150.11	-0.45%	1.54%
Aug-2014	149.99	-0.08%	0.81%
Sep-2014	152.09	1.40%	1.24%
Oct-2014	150.14	-1.28%	-0.27%
Nov-2014	151.16	0.68%	0.48%
Dec-2014	146.44	-3.12%	-1.66%



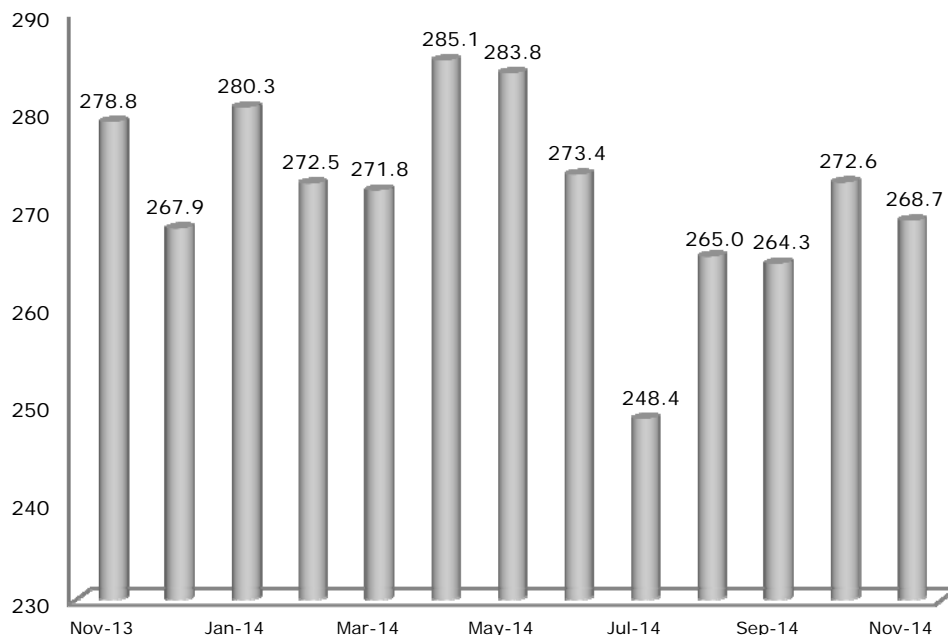
Source: ABL, Credit Libanais Economic Research Unit

Source: ABL, Credit Libanais Economic Research Unit

LEBANON'S COINCIDENT INDICATOR DOWN BY 3.62% Y-O-Y IN NOVEMBER 2014

Banque Du Liban's coincident indicator, which is an indicative measure of the country's overall economic activity, and which comprises import of petroleum derivatives, electricity production, check clearing activity, cement deliveries, foreign passengers, foreign trade and the M3 Monetary aggregate, contracted by 1.43% during the month of November 2014 to 268.7, down from 272.6 in October. In parallel, the coincident indicator came in 3.62% lower on a twelve-month basis from a reading of 278.8 in November 2013.

Evolution of Lebanon's Coincident Indicator



Source: ABL, Credit Libanais Economic Research Unit

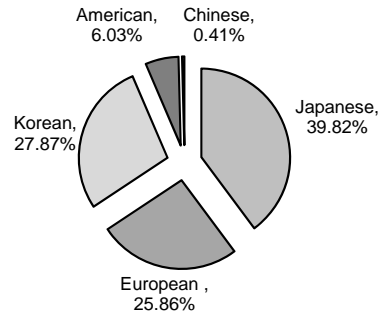
NEW CAR SALES NOTCH 2.70% HIGHER Y-O-Y IN JANUARY 2015

According to the latest statistics published by the Automobile Importers’ Association (AIA), new car sales in Lebanon stood at 2,436 vehicles during the month of January 2015, compared to 3,294 vehicles in December 2014 and 2,372 vehicles in January 2014. Sales of Japanese cars soared by 18.58% y-o-y to 970 cars, with European car sales rising by 27.02% to 630 vehicles, and sales of American cars increasing by 21.49% to 147 vehicles. Korean and Chinese car sales, on the other hand, fell by 24.72% and 71.43% on a respective basis to 679 cars and 10 cars. In this context, Japanese cars controlled the lion’s share of new car sales in Lebanon, amassing alone a share of 39.82%, followed by Korean (27.87%), European (25.86%), American (6.03%), and Chinese (0.41%) cars.

New Car Sales During the Month of			
	Jan 2014	Jan 2015	% Change
Japanese	818	970	18.58%
European	496	630	27.02%
Korean	902	679	-24.72%
American	121	147	21.49%
Chinese	35	10	-71.43%
Total	2,372	2,436	2.70%

Source: AIA, Credit Libanais Economic Research Unit

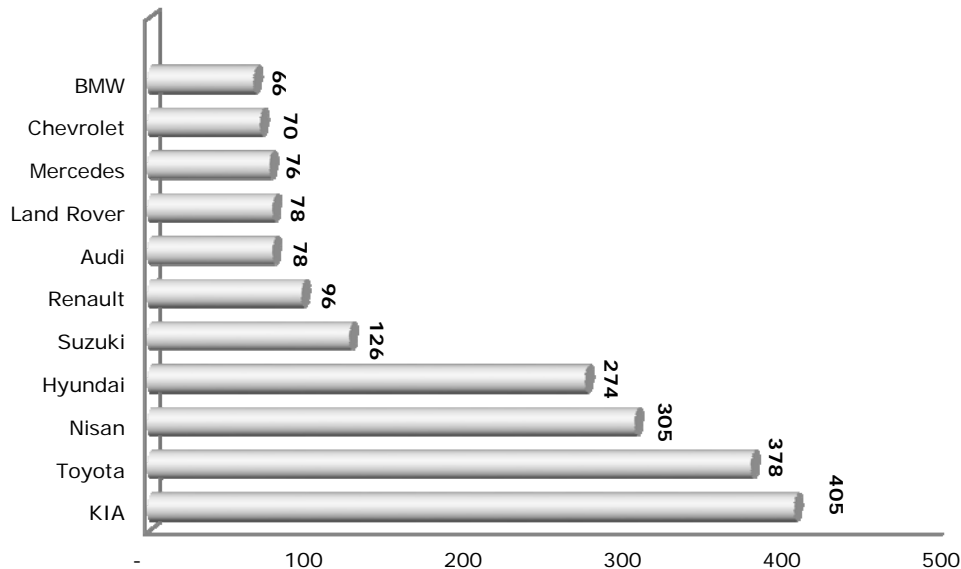
Breakdown of New Car Sales In January 2015



Source: AIA, Credit Libanais Economic Research Unit

The Korean “KIA” brand topped the list of new car sales in Lebanon (405 cars <16.63%>), followed by the Japanese “Toyota” (378 cars <15.52%>) and “Nissan” (305 cars <12.52%>) brands, as sketched in the chart below:

Top 10 New Car Sales Brands In January 2015



Source: AIA, Credit Libanais Economic Research Unit

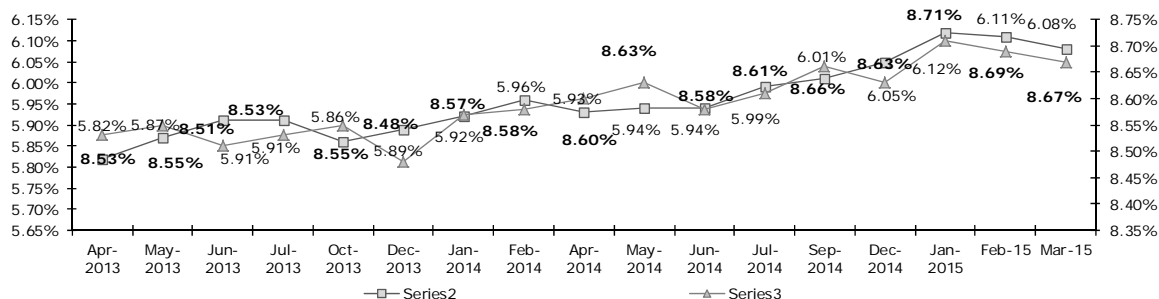
ABL AMENDS THE BRR ON LBP AND USD LENDING

According to the Association of Banks in Lebanon (ABL)'s circular number 052/2015 dated February 10, 2015, the ABL's Board of Directors advocated Lebanese banks to lower the Beirut Reference Rate on lending in Lebanese Pounds (LBP/BRR) by 2 basis points (bps) to 8.67% effective as of the 1st of March 2015. Concurrently, the ABL's Board of Directors recommended lowering the Beirut Reference Rate on lending in U.S. Dollar (BRR/USD) by 3 basis points to 6.08%. It is worth noting that the aforementioned rates are not to be confused with the Beirut Prime Lending Rate (BPLR), yet constitute the basis for the calculation of the BPLR after factoring in liquidity cost, credit risk cost, and some profitability factor.

	Rates as of February 1, 2015	Rates as of March 1, 2015	Change (bps)
BRR on LBP Lending	8.69%	8.67%	-2
BRR on USD Lending	6.11%	6.08%	-3

Source: ABL, Credit Libanais Economic Research Unit

Evolution of Beirut Reference Rate on LBP & USD Lending



Source: ABL, Credit Libanais Economic Research Unit

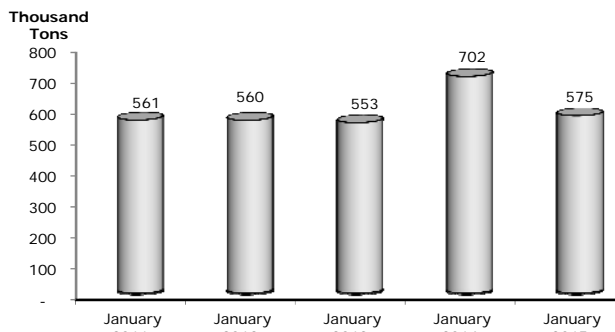
BEIRUT PORT FREIGHT ACTIVITY DROPS BY 18.07% IN JANUARY 2015

Beirut Port freight activity was dull during the month of January 2015, down by 24.08% on a monthly basis to 575.2 thousand tons from 757.6 thousand tons in December. Moreover, and on an annual basis, activity came in 18.07% lower when compared to the 702.1 thousand tons reading of January of the previous year. In parallel, the number of vessels contracted by 19.88% y-o-y to 133 in January 2015, from 166 vessels a year before, with the number of containers dropping by 7.96% to 83,770. Concurrently, the number of imported cars via the Beirut Port shed 2,509 cars on an annual basis to 6,583 during the month of January 2015 from 9,092 cars in January 2014. In this perspective, Beirut Port revenues came in 13.45% lower on an annual basis at \$16.01 million in January 2015 down from \$18.50 million in January 2014.

Port of Beirut Indicators	For the Month of		
	January 2014	January 2015	% Change
Freight Activity (000 Tons)	702	575	-18.07%
Number of Vessels	166	133	-19.88%
Number of Imported Cars	9,092	6,583	-27.60%
Number of Containers	91,018	83,770	-7.96%
Revenues (\$ Million)	18.50	16.01	-13.45%

Source: Beirut Port, Credit Libanais Economic Research Unit

Evolution of Cumulative Freight Activity



Source: Beirut Port, Credit Libanais Economic Research Unit

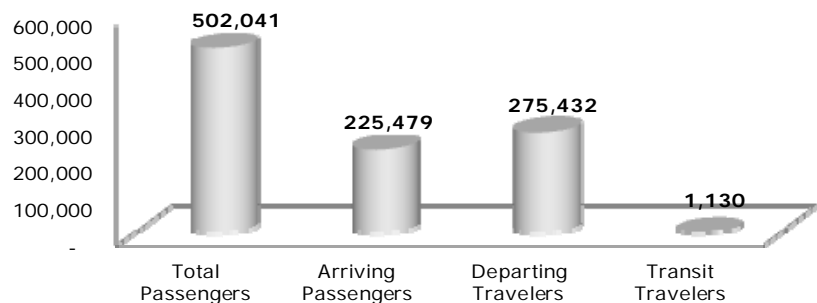
THE NUMBER OF BEIRUT AIRPORT PASSENGERS ADDS 11.45% Y-O-Y IN JANUARY 2015

The number of passengers travelling via the Beirut International Airport (BIA) contracted by 12.41% during the month of January 2015 to 502,041 (including transit travelers), down from 573,229 in December 2014. On an annual basis, however, the number of passengers travelling via the BIA came in 11.45% higher, from 405,476 passengers during the month of January 2014. More specifically, the number of arriving travelers rose by 12.73% y-o-y to 225,479 in January 2015, accompanied by some 10.39% increase in the number of departing travelers to 275,432. Concurrently, the number of transit travelers added 18.45% on an annual basis to 1,130, with the number of flights contracting to 4,700.

Beirut International Airport	During the Month of		
	January 2014	January 2015	% Change
Total Passengers	450,476	502,041	11.45%
o/w Arriving Passengers	200,024	225,479	12.73%
o/w Departing Travelers	249,498	275,432	10.39%
o/w Transit Travelers	954	1,130	18.45%
Number of Flights	4,936	4,700	-4.78%

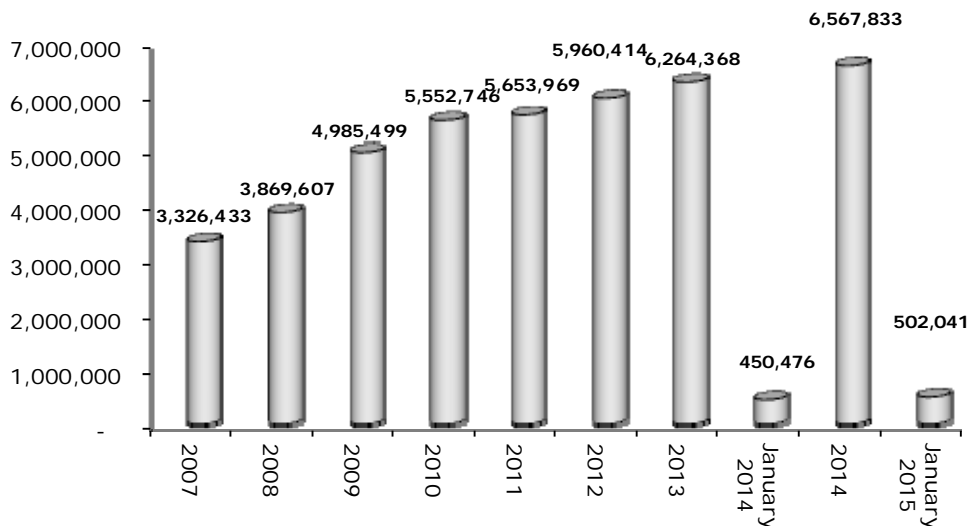
Source: BIA, Credit Libanais Economic Research Unit

BIA's Passengers in January 2015



Source: BIA, Credit Libanais Economic Research Unit

BIA Total Passengers (Cumulative)



Source: BIA, Credit Libanais Economic Research Unit

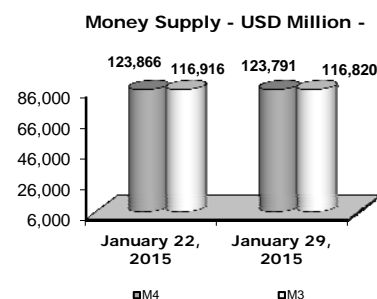
MONETARY AGGREGATES

On the monetary front, the overall money supply, "M4", narrowed by a slim \$74.83 million during the week of January 29, 2015 to \$123.79 billion, and this despite the \$21.23 million increase in the non-banking sector's treasury bills' portfolio.

On the other hand, Lebanese-pound denominated deposits and currency in circulation, "M1", rose by \$30.13 million week-on-week to just over \$5.06 billion on the back of the \$63.68 million expansion in demand deposits, which outweighed the \$33.83 million drop in money in circulation. Local currency term deposits, "M2", also gained some \$85.69 million on a weekly basis, and came in 6.06% higher year-on-year at \$48.50 billion. Consequently, private sector term and saving deposits denominated in LBP ("M2- M1") notched slightly higher to nearly \$43.44 billion during the concerned week, while deposits denominated in foreign currencies ("M3-M2") slipped to \$68.32 billion.

Money Supply USD Million	January 22, 2015	January 29, 2015	% Change
M1	5,034	5,064	0.60%
M2	48,414	48,500	0.18%
M3	116,916	116,820	-0.08%
M4	123,866	123,791	-0.06%
M2- M1	43,381	43,436	0.13%
M3- M2	68,501	68,320	-0.27%

Source: Banque Du Liban, Credit Libanais Economic Research Unit



Source: BDL, Credit Libanais Economic Research Unit

MONEY MARKETS

The February 5th Treasury bill auction raised LBP 323.54 billion (\$214.62 million) compared to LBP 359.58 billion (\$238.53 million) in the previous auction.

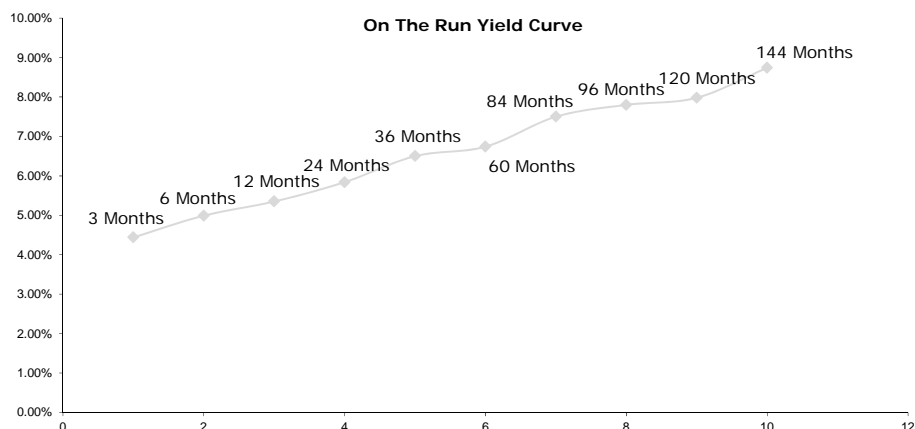
Subscriptions were majority (82.20%) concentrated in the three-year to maturity T-bonds, followed by the six-month (17.80%) tenure bills.

The weighted average yield on Lebanese Pound Treasury bills dropped to 6.23% in the auction of February 5 compared to 6.35% in the latest auction of same maturities held on the 8th of January. This owes to the decreasing subscription stake in the higher-yielding three-year to maturity bills to 82.20% in the current auction from 88.58% in that of January 8, 2015. The yields on the six-month and three-year treasury securities remained unchanged at 4.99% and 6.50% respectively.

January 8, 2015				February 5, 2015			
Lebanese Treasury Bills	Yield (%)	Face Value (in billions of LBP)	% of Total Face Value	Lebanese Treasury Bills	Yield (%)	Face Value (in billions of LBP)	% of Total Face
6 Months	4.99%	10.510	11.42%	6 Months	4.99%	57.578	17.80%
36 Months	6.50%	81.530	88.58%	36 Months	6.50%	265.958	82.20%
Total		92.040	100.00%	Total		323.536	100.00%

Source: Reuters, Credit Libanais Economic Research Unit

Lebanese Treasury Bills	3 Months	6 Months	12 Months	24 Months	36 Months	60 Months	84 Months	96 Months	120 Months	144 Months
Treasury Yield	4.44%	4.99%	5.35%	5.84%	6.50%	6.74%	7.50%	7.80%	7.98%	8.74%



FIXED INCOME

Activity in the Lebanese Eurobond market witnessed some supply at the long-end of the curve, as investors sought to shore-up their liquidity awaiting the new Eurobond issue. Lebanon's five-year spreads on credit default swap hovered between 375 and 400 basis points while static spreads reached 398.10 bps.

LEBANESE EUROBONDS							
Lebanese Eurobonds	Currency	Coupon	Maturity	Bid	Ask	Bid Yield	Bid Static Spread
Government Eurobonds							
Banque Du Liban	USD	10.000%	Apr-15	101.29	101.61	3.750%	353
Republic of Lebanon	USD	8.500%	Aug-15	102.29	102.89	3.750%	349
Republic of Lebanon	USD	8.500%	Jan-16	104.11	105.07	4.000%	359
Republic of Lebanon	USD	4.500%	Apr-16	100.58	101.70	4.000%	352
Republic of Lebanon	USD	11.625%	May-16	109.23	110.21	4.000%	351
Republic of Lebanon	USD	4.750%	Nov-16	100.82	102.14	4.250%	359
Republic of Lebanon	USD	9.000%	Mar-17	108.50	110.00	4.720%	396
Republic of Lebanon	USD	5.000%	Oct-17	100.13	101.63	4.950%	400
Republic of Lebanon	USD	5.150%	Dec-18	100.25	101.25	5.070%	396
Republic of Lebanon	USD	5.500%	Apr-19	100.75	101.75	5.300%	402
Republic of Lebanon	USD	6.000%	May-19	102.50	103.50	5.340%	405
Republic of Lebanon	USD	6.375%	Mar-20	104.00	105.00	5.460%	406
Republic of Lebanon	USD	5.800%	Apr-20	101.13	102.13	5.550%	413
Republic of Lebanon	USD	8.250%	Apr-21	112.00	113.00	5.900%	438
Republic of Lebanon	USD	6.100%	Oct-22	101.50	102.50	5.850%	418
Republic of Lebanon	USD	6.000%	Jan-23	100.50	101.50	5.920%	422
Republic of Lebanon	USD	7.000%	Dec-24	106.00	107.00	6.170%	437
Republic of Lebanon	USD	6.250%	Jun-25	100.38	100.88	6.200%	436
Republic of Lebanon	USD	6.600%	Nov-26	103.00	103.50	6.240%	434
Republic of Lebanon	USD	6.750%	Nov-27	104.00	104.50	6.290%	436

Source: Credit Libanais Capital Markets

LEBANESE EQUITIES

Activity on the Beirut Stock Exchange lost steam this week, with the number of shares changing hands dropping significantly to 554,146 shares, down from 1,291,153 shares last week. Concurrently, value traded eased to around \$4.32 million, from just above \$15.37 million a week before. The bulk of weekly trades (32.27%) mainly revolved around Byblos Bank's listed shares, with a shy turnover ratio of 0.03%.

In this perspective, this week's average daily trading value contracted to around \$1.08 million, down from just over \$3.07 million last week, with the average daily trading volume dropping to 138,537 shares, from 258,231 shares a week before.

Eight gainers and one loser were spotted this week, lifting the BSE's market capitalization to \$11.67 billion and the Credit Libanais Aggregate Stock Index ("CLASI") up by 1.42% to its year-high of 1,125.93 on Friday. This rise in market capitalization was buoyed by the listing of 3,000,000 Bank of Beirut preferred "J" shares and 722,264 Bank Audi GDRs.

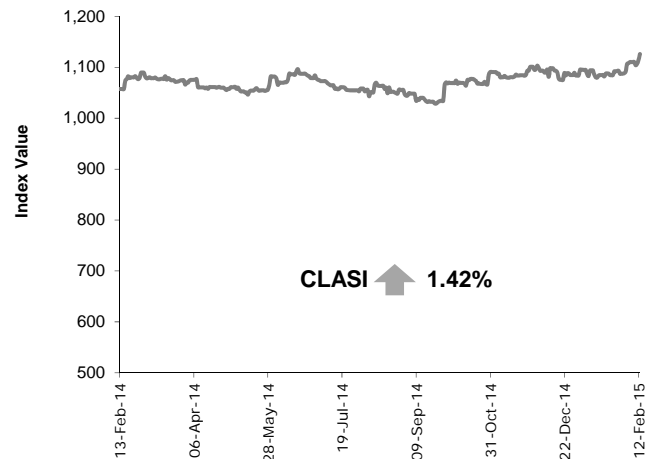
In the real estate sector, the price of Solidere "A" shares increased by 3.64% this week to \$11.40, with that of Solidere "B" rising by 2.29% to close at \$11.18. Consequently, the Credit Libanais Construction Sector Stock Index ("CLCI") ended its week on a positive note, up by 3.09% to a market close of 631.59.

In the banking sector, the Credit Libanais Financial Sector Stock Index ("CLFI") notched 0.95% higher this week to 1,440.81, thanks to the 1.45% appreciation in the price of Bank Audi's GDRs to \$7.00, coupled with the 1.25% increase in the price of Bank Audi listed shares to \$6.50 and the 1.12% rise in the price of BLOM Bank listed shares to \$9.05, which outweighed the -0.50% drop in the price of BLOM Bank GDRs to \$9.91.

Credit Libanais Indices	Previous	Closing	Weekly % Change
	6-Feb-15	13-Feb-15	
Credit Libanais Aggregate Stock Index <.CLASI>	1,110.20	1,125.93	1.42%
Credit Libanais Financial Sector Stock Index <.CLFI>	1,427.22	1,440.81	0.95%
Credit Libanais Construction Sector Stock Index <.CLCI>	612.68	631.59	3.09%

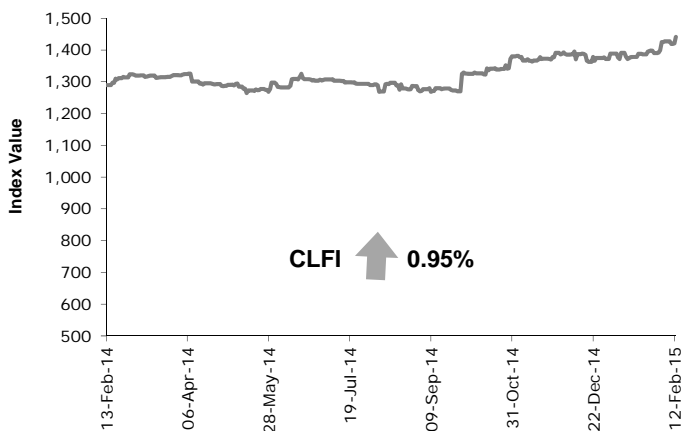
Source: Credit Libanais Economic Research Unit

Credit Libanais Aggregate Stock Index
Weekly Performance
CLASI

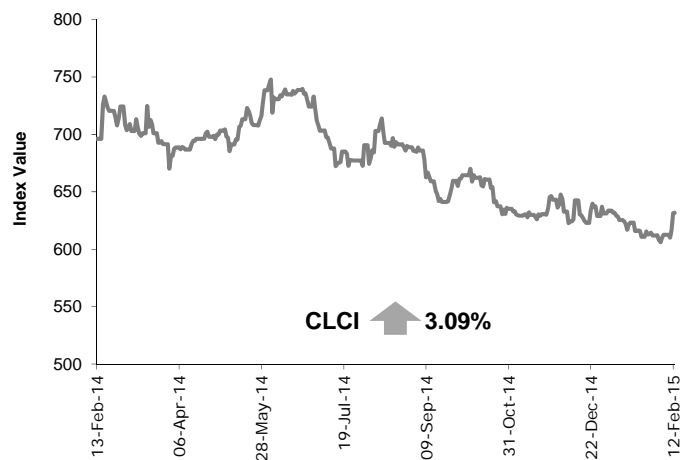


.CLASI Credit Libanais Aggregate Stock Index Friday, February 13, 2015			
Value	Daily % Chng	Daily Net Chng	
1,125.93	1.089%	12.13	
Yr.High	Year Hi.Date	Yr.Low	Year.Lo.Date
1,125.93	13-Feb-15	1,079.66	8-Jan-15
Life High	Life Hi.Date	Life Low	Life.Lo.Date
1,801.01	7-Jul-08	836.11	25-Mar-09

Credit Libanais Financial Sector Stock Index
Weekly Performance
CLFI



Credit Libanais Construction Sector Stock Index
Weekly Performance
CLCI



Weekly Market Watch

Lebanese Equities									
BEIRUT STOCK EXCHANGE	Closing	Weekly %Change	Weekly Volume Traded	Weekly Value Traded	Total Listed Shares	Market Capitalisation (\$000)	P/E	P/BV	YTD Price Perf.
Solidere A	\$11.40	3.64%	67,965	\$752,368	100,000,000	\$1,140,000	10.32	1.08	-0.61%
Solidere B	\$11.18	2.29%	91,155	\$1,001,395	65,000,000	\$726,700	10.12	1.06	-0.45%
BLC Bank	\$1.70	0.00%	-	-	51,033,333	\$86,757	7.73	1.13	0.00%
BLC Bank Preferred Class "A"	\$100.00	0.00%	-	-	400,000	\$40,000	n.a	n.a	-2.91%
BLC Bank Preferred Class "B"	\$100.00	0.00%	-	-	550,000	\$55,000	n.a	n.a	0.00%
BLC Bank Preferred Class "C"	\$101.00	0.00%	-	-	350,000	\$35,350	n.a	n.a	1.00%
Bank Audi - Listed Shares	\$6.50	1.25%	121,940	\$764,625	399,749,204	\$2,598,370	6.44	1.02	6.56%
Bank Audi GDR	\$7.00	1.45%	65,000	\$455,000	116,238,117	\$813,667	6.93	1.09	4.01%
Bank Audi Preferred "E"	\$102.20	0.00%	-	-	1,250,000	\$127,750	n.a	n.a	0.00%
Bank Audi Preferred "F"	\$102.80	0.00%	-	-	1,500,000	\$154,200	n.a	n.a	0.59%
Bank Audi Preferred "G"	\$103.00	1.48%	2,500	\$257,500	1,500,000	\$154,500	n.a	n.a	1.48%
Bank Audi Preferred "H"	\$103.00	0.00%	-	-	750,000	\$77,250	n.a	n.a	0.68%
Bank Of Beirut - Listed Shares	\$18.40	0.00%	-	-	16,822,467	\$309,533	7.83	0.85	0.00%
Bank Of Beirut Priority Shares 2014	\$21.00	0.00%	-	-	4,762,000	\$100,002	8.94	0.97	0.00%
Bank Of Beirut Preferred "E"	\$26.25	0.00%	-	-	2,400,000	\$63,000	n.a	n.a	0.00%
Bank Of Beirut Preferred "H"	\$26.25	0.00%	-	-	5,400,000	\$141,750	n.a	n.a	0.00%
Bank Of Beirut Preferred "I"	\$26.00	0.00%	-	-	5,000,000	\$130,000	n.a	n.a	0.39%
Bank Of Beirut Preferred "J"	\$25.00	0.00%	16,200	\$405,000	3,000,000	\$75,000	n.a	n.a	0.00%
Byblos Bank - Listed Shares	\$1.69	0.60%	178,850	\$301,310	565,515,040	\$955,720	8.89	0.80	5.62%
Byblos Bank Preferred Class 2008	\$102.10	0.00%	20	\$2,042	2,000,000	\$204,200	n.a	n.a	0.10%
Byblos Bank Preferred Class 2009	\$101.20	0.00%	-	-	2,000,000	\$202,400	n.a	n.a	-0.88%
Byblos Bank GDR	\$77.00	0.00%	-	-	1,309,078	\$100,799	8.11	0.73	1.32%
BEMO Bank - Listed Shares	\$1.79	0.00%	-	-	51,400,000	\$92,006	10.53	1.64	2.29%
BEMO Bank Preferred Class 2013	\$100.00	0.00%	3,000	\$300,000	350,000	\$35,000	n.a	n.a	0.00%
BLOM Bank GDR	\$9.91	-0.50%	3,000	\$29,740	73,896,010	\$732,309	6.19	0.87	1.12%
BLOM Bank Listed Shares	\$9.05	1.12%	3,683	\$33,331	215,000,000	\$1,945,750	5.66	0.80	2.84%
BLOM Bank Preferred Class 2011	\$10.20	0.00%	-	-	20,000,000	\$204,000	n.a	n.a	0.00%
RYMCO Class "B"	\$3.23	0.00%	-	-	10,920,000	\$35,272	26.50	1.66	0.00%
Holcim Liban	\$15.50	3.26%	833	\$12,912	19,516,040	\$302,499	16.8	1.46	1.64%
Ciment Blancs Bearer	\$3.50	0.00%	-	-	6,000,000	\$21,000	12.50	1.97	-6.67%
Ciment Blancs Nominal	\$2.75	0.00%	-	-	3,000,000	\$8,250	9.82	1.54	0.00%

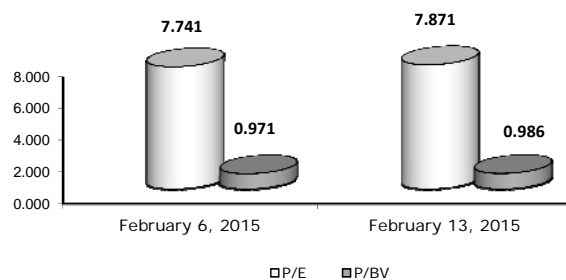
Note: n.a stands for not applicable

Source: Beirut Stock Exchange, Credit Libanais Economic Research Unit

	Activity Analysis		
	Previous	Last	% Change
Value Traded (\$)	15,370,164	4,315,223	-71.92%
Volume Traded	1,291,153	554,146	-57.08%
Average Daily Trading Value (\$)	3,074,033	1,078,806	-64.91%
Average Daily Trading Volume	258,231	138,537	-46.35%
Market Cap - BSE (\$)	11,452,923,227	11,668,033,807	1.88%
Weighted Average P/E	7.741	7.871	1.68%
Weighted Average P/BV	0.971	0.986	1.51%

Source: Beirut Stock Exchange, Credit Libanais Economic Research Unit

Evolution of Beirut Bourse Comparable Benchmarks



Source: BSE, Credit Libanais Economic Research Unit

The weighted average price to earnings (P/E) and price to book (P/BV) multiples of the Beirut Bourse ended their week higher at 7.871x and 0.986x on a respective basis.

LEBANON'S MAIN INDICATORS

Recap of Lebanon's Major Indicators

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
MACROECONOMIC INDICATORS											
GDP (\$ Billion)	21.29	21.80	24.58	28.83	35.14	38.01	40.08	42.96*	45.02*	47.50*	50.82*
Real GDP Growth Rate	2.70%	1.60%	9.40%	9.10%	10.30%	8.00%	2.00%	2.50%	1.50%	1.75%*	2.50%*
GDP Per Capita (\$)	5,339	5,343	5,937	6,888	8,274	8,756	9,145	9,709*	10,077*	10,531*	11,159*
Net Foreign Direct Investment (\$ Billion)	2.79	2.68	3.38	4.33	4.84	4.96	3.40	2.30	3.79		
FDI/GDP Ratio	13.1%	12.30%	13.74%	15.02%	13.77%	13.05%	11.79%	7.86%	12.71%		
INDUSTRY											
Industrial Exports (\$ Million)	1,667	1,737	2,353	2,978	2,595	3,291	3,530	2,952	3,076	2,890 ⁽⁷⁾	
Import of Industrial Machinery (\$ Million)	137	130	163	188	199	227	239	288	300	248 ⁽⁷⁾	
TOURISM											
Total Number of Tourists	1,139,524	1,062,635	1,017,072	1,332,551	1,851,081	2,167,989	1,655,051	1,365,845	1,274,362	1,354,647 ⁽⁸⁾	
Growth in Tax-Free Spending	2%	-15%	17%	56%	13%	21%	10%	-6%	4%	8% ⁽⁸⁾	
REAL ESTATE											
Value of Real Estate Transactions (\$ Million)	3,295.9	3,120.3	4,174.8	6,443.7	6,958.4	9,478.8	8,841.0	9,175	8,708	8,952 ⁽⁸⁾	
Number of Real Estate Sales Transactions	50,057	49,051	65,681	80,018	83,465	94,202	82,984	74,569	69,198	70,721 ⁽⁸⁾	
Construction Permits (000 sqm)	7,928	7,532	7,919	14,281	11,509	15,187	13,980	12,362	10,527	11,164 ⁽⁸⁾	
Cement Delivery (000 tons)	3,040	3,423	3,945	4,219	4,897	5,227	5,550	5,309	5,831	5,072 ⁽⁷⁾	
TRANSPORTATION											
Beirut Port: Freight Activity (000 Tons)	4,476	4,226	5,318	5,746	5,769	6,469	6,677	7,225	8,268	8,281 ⁽⁸⁾	575 ⁽¹⁰⁾
Beirut Airport: Number of Passengers (million)	3.18	2.74	3.41	3.87	4.74	5.55	5.65	5.96	6.26	5.99 ⁽⁷⁾	0.50 ⁽¹⁰⁾
FOREIGN TRADE											
Imports (\$ Million)	9,340	9,398	11,815	16,137	16,242	17,964	20,158	21,280	21,228	20,494 ⁽⁸⁾	
Exports (\$ Million)	1,880	2,283	2,816	3,478	3,484	4,253	4,265	4,483	3,936	3,313 ⁽⁸⁾	
Trade Balance (\$ Million)	(7,460)	(7,115)	(8,999)	(12,658)	(12,758)	(13,711)	(15,893)	(16,797)	(17,292)	(17,181) ⁽⁸⁾	
BALANCE OF PAYMENTS											
Net Foreign Assets at the Financial Sector (\$ Million)	747	2,792	2,037	3,461	7,899	3,325	(1,996)	(1,537)	(1,127)	(1,291) ⁽⁷⁾	
Foreign Assets (\$ Billion)	11.66	12.97	12.39	19.73	28.30	30.85	32.24	35.74	35.29	37.86 ⁽⁸⁾	37.86 ⁽¹⁰⁾
PUBLIC FINANCE											
Government Expenditures (\$ Million)	6,768	7,880	8,350	9,922	11,388	11,336	11,675	13,321	13,640	11,268 ⁽⁶⁾	
Government Revenues (\$ Million)	4,912	4,853	5,804	7,000	8,428	8,414	9,333	9,396	9,420	8,829 ⁽⁶⁾	
Budget Primary Deficit / Surplus (\$ Million)	1,802	1,335	1,787	2,730	3,380	1,203	1,662	(110)	(240)	1,126 ⁽⁶⁾	
Total Deficit (\$ Million)	(1,856)	(3,027)	(2,546)	(2,921)	(2,960)	(2,894)	(2,342)	(3,925)	(4,220)	(2,438) ⁽⁶⁾	
Deficit / GDP Ratio	8.72%	13.89%	10.36%	10.13%	8.42%	7.61%	5.65%	9.23%	9.52%		
Debt Service / GDP Ratio	10.88%	13.47%	13.08%	12.16%	11.49%	10.85%	9.99%	8.51%	8.55%		
Net Public Debt (\$ Billion)	34.76	37.42	39.02	41.50	44.11	45.01	46.35	49.12	53.18	57.30 ⁽⁸⁾	
Gross Public Debt/GDP Ratio	180.70%	185.19%	171.02%	163.09%	145.57%	138.39%	133.88%	135.67%	139.68%	140.13%	
MONETARY AGGREGATES & INFLATION											
M4 (\$ Billion)	51.59	56.08	63.56	72.58	87.08	97.31	103.5	110.0	117.4	124.53 ⁽⁹⁾	123.79 ⁽⁹⁾
(M2-M1) (\$ Billion)	14.27	13.37	14.11	21.93	31.14	35.66	35.82	39.32	40.56	43.27 ⁽⁹⁾	43.44 ⁽⁹⁾
Monetization Level (M2/GDP Ratio)	74.24%	69.39%	65.76%	85.55%	97.35%	103.46%	99.31%	103.14%	102.75%		
Change in CPI (%)	-2.60%	5.60%	9.30%	6.36%	4.20%	6.19%	4.27%	4.68%	2.05%	-1.66% ⁽⁸⁾	
BANKING SYSTEM											
Number of Commercial Banks	54	54	54	53	53	54	54	54	56	56 ⁽¹⁾	
Number of Branches	825	830	847	860	885	912	948	962	985	986 ⁽¹⁾	
Total Assets (\$ Million)	70,325	76,179	82,255	94,255	115,250	128,925	140,576	151,883	164,821	175,697 ⁽⁸⁾	
Total Deposits (\$ Million)	58,117	61,541	68,059	78,663	96,821	108,601	117,703	127,657	139,166	147,637 ⁽⁸⁾	
Loans to the Private Sector (\$ Million)	16,230	17,201	20,425	25,039	28,374	34,929	39,375	43,452	47,381	50,899 ⁽⁸⁾	
Customer Loans/ Deposits	27.93%	27.95%	30.01%	31.83%	29.31%	32.16%	33.45%	34.04%	34.05%	34.48%	
Dollarization Rate	71.71%	75.16%	77.34%	69.57%	64.46%	63.24%	65.92%	64.82%	66.10%	65.71%	
Net Profit - After Tax (\$ Million)	580	754	962	1,215	1,429	1,838	1,743	1,620	2,246 ⁽¹⁾		
Exchange Rate (LBP to USD)	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50

* Figures Reflect IMF Estimates

(1) As at End of March, 2014, (2) As at End of June, 2014, (3) As at End of July, 2014, (4) As at End of August, 2014, (5) As at End of September, 2014, (6) As at End of October, 2014, (7) As at End of November, 2014, (8) As at End of December, 2014, (9) As at January 29, 2015, (10) As at End of January, 2015

Republic Of Lebanon Sovereign Ratings

Rating Agency	Tenor	Rating	Outlook
Standard & Poor's	Long- Term	B-	Stable
	Short- Term	B	
Moody's Investors Service Ltd.	Long- Term	B2	Negative
Fitch IBCA Ltd.	Long- Term	B	Negative
	Short- Term	B	

Source: Moody's Investors Service, Standard & Poor's, Fitch Ratings

Lebanese Banks' Latest Ratings

Rated Banks	Moody's Investors Service			Capital Intelligence		Fitch Ratings		S&P Ratings		
	Long Term Foreign Currency	Financial Strength	Outlook	Long Term Foreign Currency	Outlook	Long Term IDR	Outlook	Long-Term Counterparty Credit Rating	Short-Term Counterparty Credit Rating	Outlook
Bank Audi	B2	E+	Negative	B	Stable	B	Stable	B-	C	Stable
BLOM Bank	B2	E+	Negative	B	Stable	-	-	B-	-	Stable
Credit Libanais	-	-	-	B	Stable	-	-	-	-	-
Byblos Bank	B2	E+	Negative	B	Stable	B	Stable	-	-	-
BBAC	-	-	-	B	Stable	-	-	-	-	-
Fransabank	-	-	-	B	Stable	-	-	-	-	-
BankMed	-	-	-	-	-	-	-	B-	C	Stable

Sources: Moody's Investors Service, Capital Intelligence, Fitch Ratings, S&P Ratings

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CAPITAL MARKETS DESK

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