

The Lebanon Weekly Monitor

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Lebanese capital markets maintained a favorable performance during this week despite the ongoing local political bickering regarding the cabinet formation. On the foreign exchange market, depositors continued to convert their foreign currency holdings into Lebanese Pound holdings, in relatively higher volumes relative to the previous week, which called for the Central Bank intervention as a buyer of the green currency surpluses at the lower end of its intervention bracket (LP 1,501). Within this context, there was no need for LP borrowings on the money market, and the overnight rate stood at its lowest official level of 3.25%. On the equity market, Bank Audi's and Solidere's shares captured most market players' attention, accounting for around 94% of the weekly trading value and reporting a rise in prices. This translated into a 2% increase in the BSE price index, outperforming global, emerging and Arab equity markets that reported a change of +0.5%, -0.5% and -0.1% respectively. On the bond market, local and foreign demand persisted while the offer remained modest, which resulted in an increase in prices and a 19 basis points fall in the average spread to reach 285 basis points, its lowest level since February 2007.

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► ECONOMY

Number of tourists up by 46.3% in the first nine months of 2009

Tourism activity in Lebanon has continued its upbeat performance in September 2009, leaving overall tourism activity in Lebanon in the first nine months of 2009 yet again at record high levels, noting that this trend has dominated tourism activity in Lebanon since the beginning of the year.

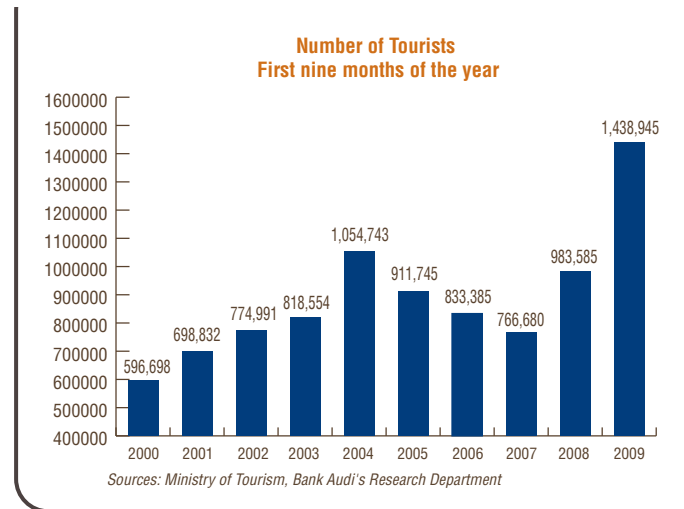
The number of tourists visiting Lebanon during the month of September 2009 was at 154,000, as per figures released by the Ministry of Tourism. This number is 57.4% higher than the number of tourists visiting Lebanon during the same month of the previous year. This year-on-year increase appears to be significantly lower than that witnessed during previous months of 2009; bearing in mind that tourism activity flourished in September 2008, due to the political stabilization following the Doha agreement. This year-on-year increase, in fact reflects that indeed a large number of tourists came to Lebanon for the Fitr holidays and for the francophone games which took place in September 2009.

Throughout 2009 so far, all nine months saw a trend of vigorous tourism activity, marked by year-on-year increases. This has led to a significant surge in the overall tourism activity throughout the year. The number of tourists visiting Lebanon during the first nine months of 2009 went up by a yearly 46.3% to reach 1,438,945 visitors. As a matter of fact, the number of tourists in the first nine months of 2009 recorded a peak relative to the same period of previous years.

This amelioration succeeds the buoyant performance of the sector witnessed since the second half of 2008, and resulting from the political resolution, which stabilized security and economic conditions in the country. It is worth noting that the survey conducted earlier this year by the New York Times, which ranked Beirut as the primary tourist destination has contributed to boosting tourism activity in Lebanon.

Nevertheless, in spite of the huge number of tourists that flocked into Lebanon in the first nine months of the year, it is worth noting that spending of such tourists in the country has not been as vigorous in Lebanon as it was in previous years. This is clearly mirrored by the fact that the increase in tax-free spending in Lebanon has been at 15% in Lebanon in the first nine months of 2009, significantly lower than the aforementioned increase in the number of tourists. Arab tourists represent the chunk of tourists visiting Lebanon (45%), followed by European tourists. Clearly, the differential in the rise in the number of tourists and the increase in the spending of such tourists

reflects decreasing purchasing power of primary tourists visiting Lebanon, namely Arabs and Europeans, as a result of the global financial turmoil.



Airport activity continues to soar in the first nine months of 2009

Figures released by the Harriri International Airport (HIA) reveal that air transport activity indicators in September 2009 were at their third highest level in 2009 so far, bearing in mind that the two peak levels was registered in July and August 2009. The number of passengers using the airport in September 2009 was at 461,380, up by 27.4% relative to the same month of the previous year.

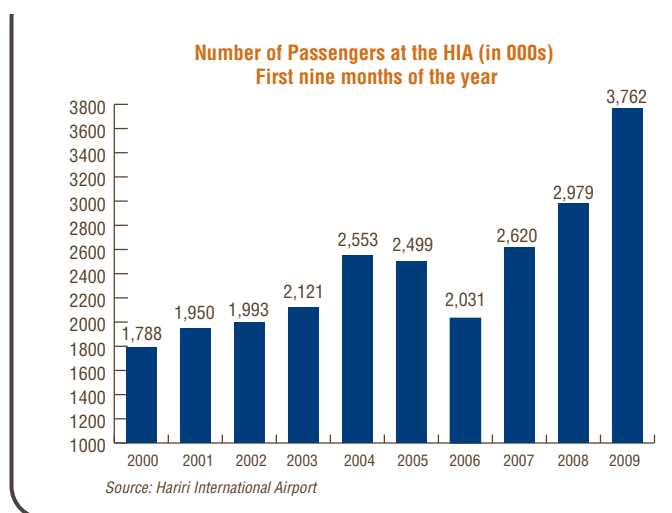
Incoming passengers were at 215,778 in September 2009, up by 33.1% relative to the same month of the previous year, and outgoing passengers were at 245,602, rising by 22.7%. Such growth rates are in fact in line with the growth in tourism activity witnessed in September 2009. Aircraft activity was also on the upsurge in the ninth month of the year, going up by 28.7% year-on-year. As for transit passengers, they totaled 2,539, down by 13.0% year-on-year.

As such, year-to-date activity, which was already soaring in the first eight months of the year, continued to flourish in the first nine months of the year, leading to record high levels in the number of passengers at the airport, the number of planes, and the rate of increase of such activity indicators. Airline traffic saw a yearly rise of 29.2% in the first nine months of the year, while passengers at the airport increased by 26.3% in the said period. Total planes using the airport in the first nine months of 2009 amounted to 42,232, while passengers at the airport totaled 3,762,124.

In-depth passengers' activity at the HIA suggests that the prevailing norm throughout 2009 up until May 2009 has been one of almost equal arrivals and departures. In the sixth and seventh months of the year, the former slightly surpassed the latter, which is natural during the touristic

booming months of the summer. However, the months of August and September 2009 brought back the balance between arriving and departing passengers in the first nine months of the year.

Arrivals reached 1,890,270 passengers in the first nine months of the year, rising by 26.9% relative to the same period of 2008, whereas departures were at 1,871,854 up by 25.7%, compared to 2008's first three quarters. Lastly, transit passengers reached 23,909 passengers in the first nine months of the year, down by 35.3% relative to the same period of 2008.



Clearing activity up by 2.2% in the first nine months of 2009

According to figures released by the Association of Banks in Lebanon, total cleared checks in the banking system, a coincident indicator of overall spending patterns in the economy, amounted to US\$ 40,270 million in the first nine months of 2009, up by 2.2% from the corresponding period of the previous year. This increase is mostly the result of a 17.4% increase in local currency denominated checks that totaled LP 12,223 billion, which more than offset the trifling decrease of 1.1% in foreign currency denominated checks. The latter amounted to US\$ 32,162 million in the first nine months of 2009.

The rise in LP denominated cleared checks within the context of a decrease in foreign currency denominated cleared checks has led to a fall in the dollarization of cleared checks to 79.8% in the first nine months of the year, down from 82.4% in the same period of the previous year.

During the ninth month of the year, the total value of cleared checks amounted to US\$ 4,782 million, down by 0.8% from the same month of the previous year. This year-on-year decrease is due a decline in FC denominated cleared checks. LP denominated cleared checks went up by

18.8%, to reach LP 1,356 billion. As to foreign currency denominated cleared checks, they totaled US\$ 3,882 million in July, down by 4.4% year-on-year. When compared to August 2009, LP denominated cleared fell by 4.0%, while foreign currency denominated cleared checks went up by 8.9%, with the combined effected being a 7.5% increase in total cleared checks in September 2009 relative to the previous month.

Here, it worth noting that such figures might at first glance indicate reserved consumption activity in Lebanon. Nevertheless, this is not actually the case, as reflected by Central Bank figures on cash withdrawals from ATMs by Lebanese residents inside Lebanon, which went up by 24.4% and POS purchases by Lebanese residents inside the country, which surged by 19.6% in the first eight months of 2009. Indeed, such figures do indeed reflect higher consumer spending in Lebanon, bearing in mind that recently consumers are resorting more to the use of plastics cards, which are a more practical alternative to checks.

Imports of industrial machinery up by 17.0% in the first eight months of 2009

According to statistics released by the Ministry of Industry, imports of industrial machinery, which mirror the activity of investments made in the industrial sector, amounted to LP 210.2 billion, or US\$ 139.4 million in the first eight months of 2009, up by 17.0% from the their value in the same period of 2008. The value of imports of industrial machinery in the first eight of this year reached a historical high when compared to the same period of previous year, indicating an upsurge in industrial activity or plans to intensify industrial activity in the country.

As a matter of fact, imports of industrial machinery have so far shown no signs of a hold back amidst the global economic meltdown. Such imports have registered year-on-year increases in each and every month of 2009 so far, except for May and July 2009, as in the same months of 2008, imports of industrial machinery were at an exceptionally high level. Imported industrial machinery were at US\$ 19.4 million in August 2009, up by 6.3% year-on-year.

The distribution of imported industrial machinery by country of origin for the first nine months of 2009 reveals that Italy was the largest exporter of industrial machinery to Lebanon with exports worth US\$ 41.4 million, and accounting for about 29.7% of the total. It was followed by Germany with US\$ 22.0 million (15.8%), China with US\$ 19.6 million (14.4%), France with US\$ 14.8 million (10.6%), the United States with US\$ 5.8 million (4.6%), and Turkey with US\$ 4.6 million (3.4%).

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► SURVEYS

Lebanon witnesses the highest growth in tourism globally in 2009

The United Nations World Tourism Organization (UNWTO) released its World Tourism Barometer in which Lebanon came first worldwide among countries that witnessed an increase in tourism. Indeed, in 2009 so far, the number of tourists visiting Lebanon saw the highest growth rate among 165 countries examined by UNWTO.

The barometer ranks countries according to their year-to-date variation in the number of visiting tourists, and this time it compared the number of tourists visiting each country in the first eight months of 2009 relative to the same period of 2008. For countries where data for August 2009 is not yet available the UNWTO calculated the variation as per the latest available data.

The study noted that with the world facing the most severe recession of the post second world war period, tourism has also been seriously impacted, and most countries witnessed a plunge in their number of incoming tourists. As a matter of fact, among the 165 countries, only 15 countries bucked the overall negative trend posting positive growth rates. Lebanon, with its flourishing tourism activity in 2009 ranked first among those 15 countries.

In Lebanon's case, the survey used data of the first seven months of the year and thus placed Lebanon in the top spot. Nonetheless, even if one were to use more recent data, i.e. that of the first eight months of 2009 during which the number of tourists in Lebanon increased by 45.1%, or even the first nine months of the year when Lebanon saw a 46.3% escalation in the number of its incoming tourists, the country would still be the pioneer globally, as the country which ranked second, Kenya saw its tourists rise by 43% in the first eight months of 2009.

They were followed by Korea with a 15% year-to-date growth in the number of tourists, Syria and China with a growth of 12% each, Colombia with a growth of 10%, Nicaragua (+9%), Morocco (+8%), Jordan, Taiwan, South Africa, Malaysia and Bahrain with a growth of 4% each, Cuba with a 3% expansion, and Uruguay with a growth of 2%. It is worth noting that tourism activity across the globe dropped by 1% in the first seven months of 2009.

In the Middle East, overall tourism activity dropped by 13% in the first seven months of 2009. Naturally, Lebanon also came in first in terms of the growth in the number of tourists. It was followed by Syria, Bahrain, and Jordan, which also witnessed a year-to-date growth in their incoming tourists. In parallel, other countries in the region examined by the UNWTO, namely Egypt, Oman, Palestine, the

UAE, and Yemen saw declines in their tourism activity.

Lebanon witnesses the highest historic improvement in Consumer Confidence among Middle Eastern countries

Since end-February 2009, residents across Lebanon have seen little change in their consumer confidence, according to the latest Consumer Confidence Index (CCI), a quarterly survey conducted by Bayt.com – the Middle East's number one job site – in conjunction with research specialists YouGov. As a matter of fact, in the three months extending between February and May 2009, the CCI in Lebanon increased by 2.8%, only for it to drop by a trivial 0.5% in the succeeding three months between May 2009 and August 2009.

Nevertheless, this does not reflect negatively for consumer confidence in the country, as the CCI had already seen a major upturn in Lebanon in May 2008, since the Doha agreement, and has resonated at relatively high levels since then. It simply means that in the past two quarters, consumer perception has not seen a major shift in the country, which makes sense as economic conditions have been more or less constant.

Nonetheless, the economic situation has been constant on the upside. In fact, the study noted that since the survey was first conducted in April 2007, Lebanon has seen the largest improvement among Middle Eastern consumers in terms of consumer confidence. Specifically, Lebanon's consumer confidence jumped by 22.1% in September 2009 relative to April 2007.

The survey showed that in Lebanon, more than a third of respondents (34%), felt that they were in the same financial position as last year, while the same number agreed that their country's economy was unchanged. For the most part, respondents were optimistic about the future. Almost half said that they believe business conditions would be better, and 40% said they think their country's economy will improve in a year's time.

In parallel, when it comes to the Producer Confidence Index (PCI) Lebanon's score improved in third quarter of 2009 relative to the previous quarter, rising by precisely 3.0%. This index, too, has witnessed a significant improvement in Lebanon since the survey was first conducted in April 2007. As a matter of fact, since then, the PCI saw an upsurge of 26.9%.

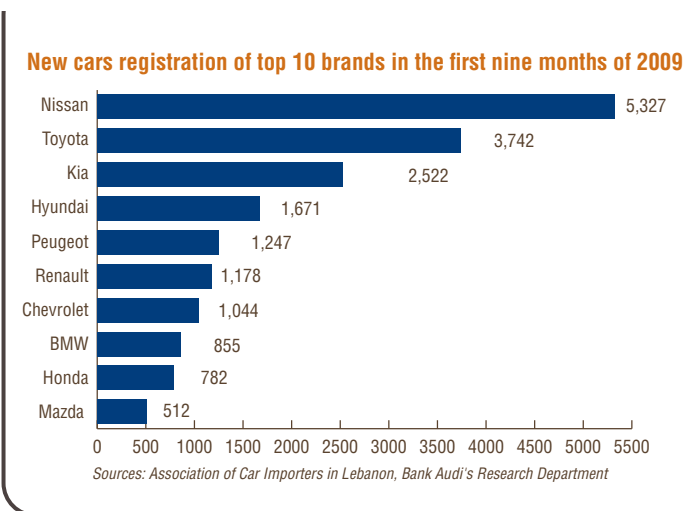
Regarding business conditions, producers in Lebanon were the second most optimistic in the region, following Algeria in the September 2009, with 30% of business professionals believing that currently business conditions are favorable.

► CORPORATE NEWS

Nissan tops car sales in Lebanon with 5,327 newly registered cars in the first nine months of 2009

The new cars registration statistics in Lebanon, as compiled by the Association of Car Importers in Lebanon, show that Japan's Nissan cars topped the rankings with sales of 5,327 new cars in the first nine months of 2009, against 4,328 cars in the first nine months of 2008. Japan's Toyota brand ranked second with 3,742 newly registered cars in the first nine months of 2009, against 3,508 cars in the same period of last year. Korea's Kia cars ranked third with 2,522 vehicles in the first nine months of 2009, against 3,038 cars in the same period of last year. Korea's Hyundai came in the fourth rank with 1,671 cars, against 1,485 cars in the same period of 2008. France's Peugeot cars ranked fifth with 1,247 newly registered cars, against 1,846 cars in the first nine months of 2008.

On the overall, new car sales in Lebanon progressed by a yearly 1.8% in the first nine months of 2009 to reach a total of 24,242 cars. Over the month of September 2009, new car sales in Lebanon totalled 2,362 cars, against 2,999 in September 2008.



TMA inaugurates new cold-storage facilities at Rafik Hariri International Airport

Public Works and Transport Minister announced Wednesday the official relaunch of Trans Mediterranean Airlines during the inauguration of the carrier's new cold-storage facilities at Rafik Hariri International Airport.

TMA has put forth a 320-square-meter cold-storage area divided into two separate rooms, one of which is a freezer housing temperatures of -2 degrees Celsius, powering at 15 horsepower. The second room contains a fridge at temperatures of 8-24 degrees Celsius, powering at 30 horsepower.

According to TMA's owner, these refrigerators would

enable the cargo airlines to import and export more products in and out of Lebanon, particularly perishable goods, such as vegetables and fruits.

Established in 1953, TMA was the first cargo airline in Lebanon and the Middle East. But the carrier's fleet was grounded in mid-2005 after Middle East Airlines (MEA) decided to ferry cargo in its new fleet of airbuses, which eventually prompted TMA's management to suspend all operations. In December 2008, TMA was sold for a symbolic US\$ 1 to its current owner who pledged to settle all of the cargo carrier's US\$ 60 million.

GDS launches WiMAX Rev-e Network in Lebanon

GlobalCom Data Services (GDS), one of Lebanon's broadband communications leaders, recently launched the WiMAX 802.16 Rev-e Network service in Lebanon.

WiMAX (Worldwide Inter-operability for Microwave Access) is a ground-breaking telecommunications technology, which provides wireless transmission of data via a range of transmission modes: point-to-multipoint links as well as portable and fully mobile Internet access. Devoid of cables, the technology provides up to 72 Mbit/s symmetric broadband speed. WiMAX is based on the IEEE 802.16 standard (Broadband Wireless Access).

WiMAX would serve to complement GDS' DSL-based broadband access services in large cities and would be the primary broadband access method in rural areas, according to company officials.

The implementation is comprised of two phases. Phase 1, which is expected to be executed by the end of 2009, covers Halba, Tripoli, Miziara, Amioun, Batroun, Jbeil, Baalback, Bsalm, Saida, Sarafand, Kfar Remman, Nabatiyeh, Bint Jbeil, Sour, whereas Phase 2 covers Tripoli Zgharta, Ehden, Jbeil, Faraya, Faqra, Fatka, Adma, Jounieh, Adonis, Saida, Habboush, Nabatiyeh, Greater Beirut, and is expected to be finalized by the end of 2010.

GlobalCom Data Services (GDS) has been operating in Lebanon since 1997. GDS offers a wide range of independent data telecommunication services. GDS relies on its own wide-ranging telecommunication infrastructure. GDS provides ten of thousands of connections under Frame Relay, ATM, Clear Channel and IP and MPLS and X.25 protocols for the following sectors: banks financial, educational and health institutions, service providers, commercial companies and public institutions as well as residential customers.

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► CAPITAL MARKETS

Money Market: Calm mood reigns over

The mood in the money market remained pretty quiet in view of continuous FC-to-LP conversions on the foreign exchange market. In fact, there was ample local currency liquidity at hand and the overnight rate maintained its low official level of 3.25% set by the Central Bank of Lebanon.

As to short-term Certificates of Deposits, the Central Bank sold this week LP 95 billion in the 60-day category, with total subscriptions in CDs reaching LP 1,001 billion since the beginning of the year 2009 and distributed as follows: LP 141 billion in the 45-day category, and LP 860 billion in the 60-day category.

On the monetary aggregates level, figures for the week ending 8th of October 2009 indicated an increase of LP 85 billion in local currency deposits, as a result of a LP 204 billion growth in LP time deposits and a LP 119 billion drop in LP demand deposits. In parallel, deposits in foreign currencies increased by US\$ 300 million. These weekly variations compare to an average weekly increase of LP 259 billion for LP deposits since the beginning of the year 2009, and an average rise of US\$ 81 million in foreign currency deposits. Within this context, LP money supply (M2) expanded by LP 55 billion, versus an average weekly increase of LP 266 billion since the beginning of the year 2009. Total money supply in its large sense (M4) widened by LP 548 billion week-on-week, compared to an average weekly increase of LP 415 billion since year-end 2008.

On a cumulative basis, since the beginning of the year 2009, money supply in its large sense (M4) expanded by LP 16,611 billion. This is the result of an important surge in local currency denominated time deposits of LP 10,202 billion, an increase in foreign currency deposits of LP 5,092 billion (US\$ 3,378 million), a rise in money supply (M1) of LP 205 billion, and a growth in Treasury bills held by the public of LP 1,112 billion

Interest rates	23/10/09	16/10/09	26/12/08
Overnight rate	3.25%	3.25%	3.50% ↔
7 days rate	3.36%	3.36%	4.50% ↔
1 month rate	3.79%	3.79%	4.17% ↔
45-day CDs	4.40%	4.40%	4.40% ↔
60-day CDs	4.89%	4.89%	4.89% ↔

Treasury Bills Market: Nominal surplus of LP 289 billion

The secondary Treasury bills market was still marked this

week by continuous demand, while the offer remained absent. As to the primary market, the preliminary results of this week's auction (October 22, 2009) show that the average yields on the one-year and three-year categories went down by 10 basis points to close respectively at 6.17% and 7.42%. As for the average yield on the two-year category, it dropped by 12 basis points to reach 6.74%.

On the other hand, the Central Bank of Lebanon released this week the auction results for value date October 15, 2009 which showed that total subscriptions amounted to LP 300 billion, and were distributed as follows: LP 3 billion in the three-month category, LP 130 billion in the six-month category and LP 167 billion in the five-year category. These compare to maturities of LP 11 billion, resulting in a nominal surplus of LP 289 billion. Results show that average yield on the three-month category retreated by three basis points to 4.80%, while the average yield on the six-month category fell by nine basis points to reach 6.03%, and the yield on the five year category tumbled by 16 basis points to 8.04%.

Foreign Exchange Market: Continuous conversions in favor of the Lebanese Pound

Depositors continued to show appetite for converting their FC holdings into LP holdings during this week. Within this context, the Central Bank of Lebanon continued to purchase excess US Dollar supply at the lower end of its intervention bracket (LP 1,501), which contributes to bolstering its foreign assets. In parallel, commercial banks continued to trade the green currency at rate between LP 1,501.00 and LP 1,501.25.

Within the context of this favorable activity on the FX market, it is worth mentioning that the Central Bank's foreign assets grew by a CAGR of 15.0% since end-2004, while its foreign currency reserves rose by a CAGR of 16.8%.

Treasury bills	23/10/09	16/10/09	26/12/08
3-month	4.80%	4.80%	5.10% ↔
6-month	6.03%	6.03%	7.10% ↔
1-year	6.17%	6.27%	7.58% ↓
2-year	6.74%	6.86%	8.26% ↓
3-year	7.42%	7.52%	9.00% ↓
5-year	8.04%	8.04%	- ↔
Nom. Subs. (LP billion)		300	242
Short-term (3&6 mths)		133	80
Medium-term (1&2 yrs)		-	13
Long-term (3 yrs)		-	149
Long-term (5 yrs)		167	
Maturities		11	157
Nom. Surplus/Deficit		289	85

Accordingly, the BDL's foreign assets coverage ratio to LP money supply increased from 66.6% at end-2004 to 81.7% mid-October 2009, and the BDL's foreign reserves coverage ratio rose from 55.1% at year-end 2004 to 73.8% mid-October 2009.

Exchange rates	23/10/09	16/10/09	26/12/08
LP/US\$	1,507.5	1,507.5	1,507.5 ⇔
LP/£	2,478.78	2,465.06	2,221.60 ↓
LP/¥	16.42	16.52	16.66 ↑
LP/SF	1,497.76	1,478.81	1,401.80 ↓
LP/Can\$	1,432.03	1,454.98	1,236.37 ↑
LP/Euro	2,265.17	2,245.27	2,120.00 ↓

Stock Market: Price index up by 2% week-on-week

In view of the ongoing local political bickering, the Beirut Stock Exchange continued to see fluctuations in share prices during this week that was coupled with some profit taking operations. In fact, after rising by 3.9% mid-week, the price index ended 1.9% higher on Friday, closing at 144.4. The total trading value amounted to US\$ 28.8 million this week versus US\$ 33.0 million last week. The average daily trading value retreated from US\$ 6.6 million last week to US\$ 5.8 million this week, resulting in a 12.9% decline in the trading volume index to close at 244.96.

In details, Solidere shares captured 63.3% of activity this week. Solidere "A" share's price increased by 3.1% to close at US\$ 26.28, and Solidere "B" share's price advanced by 1.6% to reach US\$ 26.00. As to the banking stocks, they accounted for 35.8% of the total (with Bank Audi's listed shares and GDRs capturing 30.7% of the total). Bank Audi's GDR price rose by 2.9% to close at US\$ 85.10, and the same bank's "listed" share price increased by 5.4% to reach US\$ 75.40. In parallel, BLOM's GDR price moved up by 2.8% to close at US\$ 90.45. Byblos Bank's "listed" share price rose

Audi Indices for BSE	23/10/09	16/10/09	26/12/08
<i>22/1/96=100</i>			
Market Cap. Index	497.65	488.59	392.07 ↑
Trading Vol. Index	244.96	281.35	50.43 ↓
Price Index	144.44	141.81	113.40 ↑
Change %	1.86%	2.46%	-1.71% ↓
Market Cap. \$m	11,806	11,591	9,301 ↑
No. of shares traded	921,949	1,202,769	372,788 ↓
Value Traded \$000	28,826	33,035	4,550 ↓
o.w. : Solidere	18,256	26,795	3,182 ↓
Banks	10,320	6,114	1,329 ↑
Others	250	126	39 ↑

by 1.1% to US\$ 1.92, while its "priority shares" rose by 1.0% to reach US\$ 1.95. Bank of Beirut's "listed" share price edged up by 1.1% to US\$ 18.55. Among the industrial shares, Holcim's share price tumbled by 3.3% to US\$ 13.6.

All in all, the BSE's performance was better than other emerging stock markets, as reflected by a 0.5% cut in the Morgan Stanley Capital International Emerging Market Free Index (MSCI EM). However, the BSE fared better than other Arabian markets, as reflected by a 0.1% decline in the Morgan Stanley Capital International Arabian markets Index (MSCI Arabian Markets).

Bond Market: Continuous local and foreign demand for Lebanese debt instruments

The bond market continued to see local and foreign demand for Lebanese debt instruments during this week, while the offer took place in low volumes. As such, bond prices increased, as reflected by an 18 basis points decrease in the average yield to reach 5.13%, while the average spread shrank by 19 basis points to reach 285 basis points, its lowest level since February 2007, due to a decline in Lebanese yields and a rise in benchmark yields. For instance, the average yield on the five-year US Treasury bills rose from 2.39% last week to 2.43% this week, as a US stock market rally drew investors away from safe-haven government debt.

In parallel, bond prices in other emerging markets remained unchanged week-on-week, as reflected by a stable average yield at 5.31%, while the average spread diminished by four basis point to reach 349 basis points.

On a cumulative basis, it is worth noting that the Lebanese bond average spread shrank by an impressive 442 basis points year- to-date, due to a 3.56% drop in the Lebanese average yield and a rise in benchmark yields (the five-year US Treasury yield rose by 0.94% since year-end 2008). The impressive year-to-date decline in the Lebanese average spread underscores the drop in the risk premium given the improving local security conditions and Lebanon's resilience to the global financial crisis.

Eurobonds Indicators	23/10/09	16/10/09	26/12/08
Total tradable size \$m	17,534	17,526	17,173 ↑
o.w.: Sovereign bonds	16,964	16,956	16,603 ↑
Average Yield	5.13%	5.31%	8.88% ↓
Average Spread	285	304	755 ↓
Average Life	4.49	4.51	4.65 ↓
Yield on US 5-year note	2.43%	2.39%	1.32% ↑

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ARAB STOCK MARKETS INDICES:

	23-Oct-09	16-Oct-09	31-Dec-08	Weekly change	End-year-to-date change
Lebanon	144.4	141.8	113.1	1.9%	27.7%
Jordan	150.8	153.6	162.5	-1.8%	-7.2%
Egypt	888.4	883.2	591.7	0.6%	50.1%
Saudi Arabia	408.7	405.3	291.5	0.8%	40.2%
Qatar	632.0	643.6	608.6	-1.8%	3.8%
UAE	278.4	295.0	171.9	-5.6%	62.0%
Oman	875.5	879.1	700.6	-0.4%	25.0%
Bahrain	396.1	392.9	517.0	0.8%	-23.4%
Kuwait	690.5	687.5	620.4	0.4%	11.3%
Morocco	461.6	466.1	453.6	-1.0%	1.8%
Tunisia	1,166.1	1,193.0	914.4	-2.3%	27.5%
Arabian Markets	520.1	520.4	401.4	0.0%	29.6%

Source: MSCI Barra, Bank Audi's Research Department

INTERNATIONAL MARKET INDICATORS:

	23-Oct-09	16-Oct-09	31-Dec-08	Weekly change	End-year-to-date change
EXCHANGE RATES					
YEN/\$	91.94	90.99	90.92	1.0%	1.1%
\$/£	1.636	1.634	1.452	0.1%	12.7%
\$/Euro	1.501	1.487	1.395	0.9%	7.6%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	9,972.18	9,995.91	8,776.39	-0.2%	13.6%
S&P 500	1,079.60	1,087.68	903.25	-0.7%	19.5%
NASDAQ	2,154.47	2,156.80	1,577.03	-0.1%	36.6%
CAC 40	3,808.24	3,827.60	3,217.97	-0.5%	18.3%
Xetra Dax	5,740.25	5,743.39	4,810.20	-0.1%	19.3%
FT-SE 100	5,242.57	5,190.24	4,434.20	1.0%	18.2%
NIKKEI 225	10,282.99	10,216.14	8,859.56	0.7%	16.1%
COMMODITIES					
GOLD OUNCE	1,054.45	1,052.25	878.20	0.2%	20.1%
SILVER OUNCE	17.66	17.41	11.30	1.4%	56.3%
BRENT CRUDE (barrel)	77.11	76.23	39.83	1.2%	93.6%
LEADING INTEREST RATES (%)					
1-month Libor	0.24	0.25	0.45	-0.01	-0.21
US Prime Rate	3.25	3.25	3.25	0.00	0.00
US Discount Rate	0.50	0.50	0.50	0.00	0.00
US 10-year Bond	3.49	3.41	2.22	0.08	1.27

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