

Morning Update

February 27, 2018



Local & MENA Markets

- GCC currency peg to the U.S. dollar not going away anytime soon
- Dubai tops region for expat salaries: HSBC survey
- Property demand rose over 13% in 2017

International Markets

- Global equity rally extends in Asia before Powell
- GE's CEO can't seem to stop the stock from tumbling
- U.S. to overtake Russia as top oil producer by 2019 at latest

Source(s): Bloomberg, Reuters, ZAWYA, TDS

Lebanese Government Bonds

Eurobonds — Secondary Market

| Maturity | 5/20/2019 | 6/19/2020 | 5/26/2023 | 11/3/2028 | 3/23/2037 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Coupon | 6.00% | 6.15% | 6.40% | 6.65% | 7.25% |
| Cash Px | 99.73 | 98.83 | 96.37 | 91.71 | 91.80 |
| Yield | 6.22% | 6.70% | 7.24% | 7.81% | 8.10% |
| BDL CDs 7Y | 6.00% | | | | |
| Lebanon CDS USD 5Y | 475 bps | | | | |

LBP Securities — Primary Market

| | 6M | 1Y | 2Y | 3Y | 5Y | 10Y | 20Y | 30Y |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|
| T-Bills | 4.99% | 5.35% | 5.84% | 6.50% | 6.74% | 7.46% | - | - |
| BDL CDs | 4.99% | 5.35% | 5.84% | 6.50% | 6.74% | 7.46% | 8.00% | 8.40% |

Market Levels

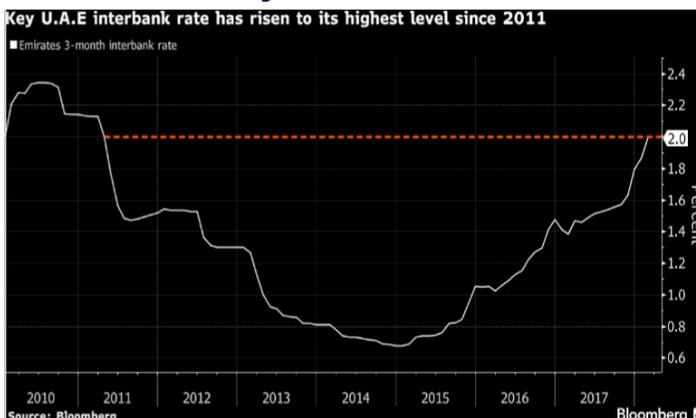
| Indices | MKT | Last Close | Daily Return | YTD Return |
|-----------------------|-----|------------|--------------|------------|
| DJIA | US | 25,709.27 | 1.58% | 4.01% |
| S&P 500 | US | 2,779.60 | 1.18% | 3.96% |
| NASDAQ | US | 7,421.46 | 1.15% | 7.50% |
| FTSE 100 | UK | 7,289.58 | 0.62% | -5.18% |
| CAC 40 | FR | 5,344.26 | 0.51% | 0.60% |
| DFM | AE | 3,306.53 | 0.00% | -1.89% |
| TASI | SA | 7,471.90 | -0.29% | 3.40% |
| Currencies | | | | |
| EURUSD | | 1.2308 | 0.10% | 2.62% |
| GBPUSD | | 1.3966 | -0.06% | 3.29% |
| USDJPY | | 107.00 | 0.07% | 5.40% |
| USDCAD | | 1.2686 | 0.00% | -0.91% |
| USDCHF | | 0.9378 | 0.00% | 3.89% |
| USDTRY | | 3.7860 | -0.01% | 0.31% |
| USDGBP | | 1,507.50 | 0.00% | 0.00% |
| Commodities | | | | |
| Gold | | 1,332.46 | -0.02% | 2.26% |
| Silver | | 16.64 | -0.02% | -1.80% |
| Platinum | | 1,000.46 | -0.11% | 7.66% |
| Palladium | | 1,061.57 | 0.19% | 0.01% |
| Brent Crude | | 67.50 | -0.09% | 0.85% |
| WTI Crude | | 63.91 | -0.14% | 5.63% |
| Natural Gas | | 182.67 | -0.34% | 0.40% |
| Wheat | | 459.50 | 0.44% | 8.08% |
| Cocoa | | 2,215.00 | 0.96% | 17.01% |
| Beirut Stock Exchange | | | | |
| Solidere A | | 8.37 | -1.18% | 4.49% |
| Solidere B | | 8.39 | -0.12% | 5.14% |
| Bank Audi | | 6.00 | 0.00% | 4.35% |
| Blom Bank | | 12.00 | 0.00% | 3.09% |
| Byblos Bank | | 1.62 | 0.00% | 1.25% |

Interest Rates

| US Federal Funds | | | | |
|----------------------|--------|--------|--------|--------|
| Target - Upper Bound | 1.50% | | | |
| LIBOR | | | | |
| | 1M | 3M | 6M | 12M |
| USD | 1.63% | 1.96% | 2.18% | 2.46% |
| EUR | -0.40% | -0.38% | -0.33% | -0.26% |
| GBP | 0.50% | 0.57% | 0.68% | 0.90% |

Chart of the Day

Tracking Treasuries



Major Economic Events

| Market | Time | Event |
|--------|-------|----------------------|
| EU | 12:00 | Consumer Confidence |
| US | 15:30 | Fed Powell Testifies |
| US | 15:30 | Durable Goods Orders |

All times in Beirut time

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