

## Security Concerns on Northern and Southern Lebanese Borders Weigh on Lebanese Bonds



BLOMINVEST  
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	13/03/2025	06/03/2025	Change	Year to Date
<b>BLOM Bond Index (BBI)</b>	19.19	19.53	-1.73%	44.37%
<b>Weighted Yield</b>	86.46%	84.64%	2.15%	-16.51%
<b>Weighted Spread</b>	8,226.44	8,046.22	2.24%	-17.14%

The BLOM Bond Index (BBI), which tracks Lebanese government Eurobonds (excluding coupon payments), declined by 1.73% this week to 19.19 points. BBI dropped and reached 18.99 cents on March 12th. This week, Israeli army claimed that they targeted leaders in Hezbollah's military group in South Lebanon. Moreover, Hezbollah politicians are still arguing that the United Nations decision 1701 doesn't include weapons on the northern side of Litany River. In addition, the events that happened in the coastal area of Syria led to displacements of the Syrians living there and entering North Lebanon. Later in the week, however, on March 13th, 2025, BBI erased some losses as IMF meetings with Lebanese officials were good and apparently IMF staff visit was flexible regarding banks' deposits recovery. Also, military appointments were done in the government's meeting on March 13th, 2025 which signals the decision by the new government to tackle as soon as possible the security issues facing the country.

	13/03/2025	06/03/2025	Change
<b>BBI</b>	19.187	19.525	-1.73%
<b>JP Morgan EMBI</b>	918.20	918.98	-0.08%
<b>5Y LEB</b>	86.90%	85.20%	170
<b>10Y LEB</b>	61.90%	61.20%	70
<b>5Y US</b>	4.02%	4.06%	(4)
<b>10Y US</b>	4.27%	4.29%	(2)
<b>5Y SPREAD</b>	8,288	8,114	174
<b>10Y SPREAD</b>	5,763	5,691	72

In the US, the yield curve shifted lower over the course of the week as five and ten years' yields decreased by 4 and 2 bps to stand at 4.02% and 4.27% respectively on February 13th, 2025 compared to the previous week. This is attributed to the uncertainty about the impact of the US trade policy of President Donald Trump administration. President Trump in an interview on Sunday with Fox News called the current economic period as "period of transition" without ruling out potential economy recession. Moreover, Trump threatened on Thursday that the US might impose 200% tariffs on all European alcoholic products in retaliation for the 50% tariffs on American Whiskey. As such, investors are switching to safe-haven assets like US treasuries.

## 5Y Credit Default Swaps (CDS)

	13/03/2025	06/03/2025
KSA	62.87	62.22
Dubai	56.65	57.61
Brazil	179.88	176.35
Turkey	262.17	257.80

Source: Bloomberg

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Maturity	Coupon in %	Prices		Weekly	Yields		Weekly
		13/03/2025	06/03/2025	Change	13/03/2025	06/03/2025	Change bps
28/11/2026	6.6	18.554	18.826	-1.44%	148.47%	145.04%	343.11
23/03/2027	6.85	18.442	18.879	-2.31%	125.92%	122.43%	348.85
29/11/2027	6.75	18.48	18.931	-2.38%	94.12%	91.93%	219.31
03/11/2028	6.65	18.483	18.734	-1.34%	72.90%	71.89%	100.83
26/02/2030	6.65	18.526	18.836	-1.65%	58.02%	57.23%	79.69
22/04/2031	7	18.565	18.942	-1.99%	51.93%	51.08%	85.70
23/03/2032	7	18.555	18.807	-1.34%	48.31%	47.74%	57.15
02/11/2035	7.05	18.521	18.897	-1.99%	41.32%	40.61%	71.10
23/03/2037	7.25	18.568	18.784	-1.15%	41.05%	40.60%	44.64

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