

## Prolonged Political Debate and Security Uncertainty Weighs on Lebanese Eurobonds



BLOMINVEST  
BANK

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### Contact Information

Helmi Mrad

[helmi.mrad@blominvestbank.com](mailto:helmi.mrad@blominvestbank.com)

	09/10/2025	02/10/2025	Change	Year to Date
<b>BLOM Bond Index (BBI)</b>	22.27	22.82	-2.39%	67.59%
<b>Weighted Yield</b>	78.89%	76.65%	2.92%	-23.82%
<b>Weighted Spread</b>	7,514	7,294	3.01%	-24.31%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), fell by **2.39%** in the week ending **October 10<sup>th</sup> 2025**, closing at **22.27 points**. In addition, the weighted yield rose by **224 basis points** to 78.89%.

This week, Lebanese government's meetings resumed on Monday discussing several issues. The most important point discussed was the report prepared by the Lebanese army as requested by the government in its meeting on September 5<sup>th</sup>, 2025. News revealed from the meeting signals that the ministers were impressed by the report submitted that included photos, videos in addition to some statistics related to the tunnels destroyed and confiscated weapons depots. Additionally, the debate regarding the amendment of the elections law is still ongoing and is expected to continue till amendment deadline. Some parties want the election to be performed on the existing law without any amendments, i.e. expatriates vote for 6 members distributed between continents while the opposing party urges to amend it and that will allow expatriates to vote to the candidates in the designated electoral district.

Thus, in addition to the political instability, security concerns are ongoing. Hezbollah's leaders are still talking on media that they will not give their weapon to the state and Israel is still breaching the ceasefire agreement signed in November 2024. These developments in addition to the absence of an agreement with IMF and a deposit recovery plan are weighing on the Lebanese debt market.

	09/10/2025	02/10/2025	Change
<b>BBI</b>	22.27	22.82	-2.39%
<b>JP Morgan EMBI</b>	992.75	990.99	0.18%
<b>5Y LEB</b>	53.10%	52.00%	110
<b>10Y LEB</b>	47.00%	46.05%	95
<b>5Y US</b>	3.74%	3.67%	7
<b>10Y US</b>	4.14%	4.10%	4
<b>5Y SPREAD</b>	4,936	4,833	103
<b>10Y SPREAD</b>	4,286	4,195	91

However, in the U.S., Treasury yields rose this week, the 5-year bonds increased by 7 basis points to 3.74%, and 10-year bonds increased by 4 basis points to 4.14%.

In the US, the government shutdown entered its ninth day without an agreement between Democrats and Republicans on a funding deal. President Trump is threatening to fire federal workers to pressure Democrats. This shutdown is weighing on the release of key economic and labor data such as monthly retail sales, consumer price index, producer price index and September's job reports, to name a few. Additionally, markets are pricing a 94.6% probability for a 25 bps rate cut in the upcoming meeting, while probability for another rate cut in December is currently 81.5%.

	PROBABILITIES		
MEETING DATE	EASE	NO CHANGE	HIKE
October 29 <sup>th</sup> , 2025	94.6%	5.4%	0.0%

\* Data as of 10 Oct 2025 04:20:41 CT

#### 5Y Credit Default Swaps (CDS)

	09/10/2025	02/10/2025
<b>KSA</b>	66.70	66.54
<b>Dubai</b>	51.31	55.57
<b>Brazil</b>	143.48	135.67
<b>Turkey</b>	259.71	256.53

Source: Bloomberg

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Maturity	Coupon in %	Prices		Weekly	Yields		Weekly
		09/10/2025	02/10/2025	Change	09/10/2025	02/10/2025	Change bps
27/11/2026	6.60%	21.53	22.08	-2.50%	213.50%	204.28%	922.11
23/03/2027	6.85%	21.53	22.09	-2.54%	159.82%	154.27%	554.94
29/11/2027	6.75%	21.53	22.04	-2.31%	105.53%	102.69%	284.48
20/03/2028	7.00%	21.51	22.07	-2.50%	93.72%	91.32%	240.06
03/11/2028	6.65%	21.51	22.06	-2.49%	75.56%	73.72%	184.13
25/05/2029	6.85%	21.50	22.08	-2.62%	66.23%	64.66%	156.89
27/11/2029	11.50%	21.49	22.10	-2.77%	74.34%	72.55%	179.66
26/02/2030	6.65%	21.54	22.04	-2.25%	56.74%	55.65%	109.65
22/04/2031	7.00%	21.54	22.07	-2.39%	49.49%	48.49%	100.18
20/11/2031	7.15%	21.53	22.12	-2.64%	47.05%	46.03%	102.21
23/03/2032	7.00%	21.60	22.00	-1.84%	45.12%	44.44%	67.78
17/05/2033	8.20%	21.55	22.01	-2.11%	45.55%	44.74%	81.79
17/05/2034	8.25%	21.54	22.01	-2.14%	43.66%	42.86%	80.24
27/07/2035	12.00%	21.55	22.06	-2.27%	56.76%	55.59%	117.00
02/11/2035	7.05%	21.52	22.01	-2.21%	37.22%	36.51%	70.23
23/03/2037	7.25%	21.53	22.01	-2.17%	36.54%	35.87%	67.29

**For your Queries:**  
**BLOMINVEST BANK s.a.l.**

Research Department

Zaituna Bay

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

**Helmi Mrad**

[helmi.mrad@blominvestbank.com](mailto:helmi.mrad@blominvestbank.com)

**Research Department**

Tel: +961 1 991 784

[research@blominvestbank.com](mailto:research@blominvestbank.com)

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