Lebanese Eurobonds Prices Drop Amid Escalating Security Tensions

BLOMINVEST BANK

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	27/11/2025	20/11/2025	Change	Year to Date
BLOM Bond Index (BBI)	22.71	24.29	-6.50%	70.87%
Weighted Yield	83.34%	77.85%	7.04%	-19.53%
Weighted Spread	7,967	7,415	7.43%	-19.75%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), fell by **6.5%** in the week ending **November 27th 2025**, closing at **22.71 points**, due to adverse security and political developments. And as bond prices decrease, yields increase and so the weighted yield rose by **743** basis points to **83.34%.**

On the security front, Israel's attacks escalated and assassinated the Chief of Staff of Hezbollah's military in Beirut's southern suburbs last Sunday. Moreover, Egypt's officials are continuing their efforts to push negotiations forward to end the conflict. Weeks ago, the Head of Egyptian Intelligence and this week the Egyptian Minister of Foreign Affairs visited Lebanon and met with Lebanese officials and proposed plans for ending the conflict. Additionally, there are rumors that the United States and Israel are giving the Lebanese state a deadline of December 31st,2025 to surrender weapon of unofficial military groups.

On the political front, a debate initiated between Lebanese and Iranian officials concerning latest announcement from an Iranian official about the importance of Hezbollah's weapons for Lebanon.

	27/11/2025	20/11/2025	Change
BBI	22.71	24.29	-6.50%
JP Morgan EMBI	1011.71	1007.95	0.37%
5Y LEB	53.50%	50.70%	280
10Y LEB	46.30%	43.90%	240
5Y US	3.56%	3.68%	(12)
10Y US	4.00%	4.10%	(10)
5Y SPREAD	4,994	4,702	292
10Y SPREAD	4,230	3,980	250

In the U.S., Treasury yields dropped this week, the 5-year bonds decreased by 12 basis points to 3.56% and 10-year bonds declined by 10 basis points to 4%.

As per US Department latest data, initial jobless claims fell by 6,000 to record 216,000 for the period ending November 22nd, 2025. Moreover, continuous jobless claims increased to 1,960 thousands in the week ending November 15th, 2025. In addition, 4-week average jobless claims decreased to 223.75 thousands in November 22nd.

On the monetary front, a December rate cut probability is very high as remarks from key FOMC officials reinforced anticipations of a 25 bps Federal Reserve rate cut in FOMC meeting on December 10th, 2025. FOMC Governor Waller, who is on the top of the list for Fed Chair position, restated his support for a rate cut amid fears over a softening labor market. FOMC's December decision will be taken wih little data available for previous couple of months due to the long government shutdown. Delayed reports on inflation and jobs after September will be issued after Fed's decision.

TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 26 NOV 2025	1 WEEK 21 NOV 2025	1 MONTH 28 OCT 2025
325-350	0.0%	0.0%	0.0%	0.4%
350-375	84.7%	83.4%	71.0%	90.5%
375-400 (Current)	15.3%	16.6%	29.0%	9.1%
* Data as of 28 Nov 2025 03:16:04 CT				

5Y Credit Default Swaps (CDS)

	27/11/2025	20/11/2025
KSA	65.82	64.28
Dubai	51.14	52.60
Brazil	142.12	146.61
Turkey	239.08	241.47

Source: Bloomberg

		Prices		Weekly	Yields		Weekly
Maturity	Coupon in %	27/11/2025	20/11/2025	Change	27/11/2025	20/11/2025	Change bps
27/11/2026	6.60%	21.94	23.61	-7.04%	249.23%	226.36%	2,287.38
23/03/2027	6.85%	21.91	23.44	-6.53%	174.97%	162.41%	1,255.56
29/11/2027	6.75%	21.91	23.61	-7.20%	111.59%	104.00%	759.13
20/03/2028	7.00%	21.99	23.47	-6.31%	96.86%	91.38%	547.69
03/11/2028	6.65%	21.86	23.27	-6.04%	77.62%	73.66%	396.19
25/05/2029	6.85%	21.97	23.37	-5.99%	67.37%	64.02%	335.52
27/11/2029	11.50%	22.02	23.46	-6.13%	74.83%	70.98%	385.82
26/02/2030	6.65%	21.93	23.48	-6.59%	57.25%	54.25%	299.69
22/04/2031	7.00%	21.92	23.36	-6.16%	49.56%	47.18%	238.00
20/11/2031	7.15%	21.96	23.60	-6.95%	47.05%	44.50%	254.60
23/03/2032	7.00%	21.98	23.47	-6.35%	44.97%	42.75%	222.86
17/05/2033	8.20%	21.94	23.51	-6.66%	45.32%	42.90%	242.24
17/05/2034	8.25%	21.93	23.47	-6.58%	43.34%	41.01%	233.30
27/07/2035	12.00%	22.00	23.38	-5.93%	55.84%	52.81%	302.82
02/11/2035	7.05%	21.97	23.43	-6.21%	36.77%	34.90%	186.66
23/03/2037	7.25%	21.92	23.38	-6.26%	36.04%	34.14%	190.78

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