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	08/01/2026	02/01/2026	Weekly Change	Year to Date
BLOM Bond Index (BBI)	27.37	24.15	13.31%	13.18%
Weighted Yield	61.70%	67.97%	-9.21%	-9.02%
Weighted Spread	5,821.10	6,446.40	-9.70%	-9.48%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), surged by 13.31% in the week ending January 8, 2026, to 27.37 points. This marks its close to highest level since early March 2020, just days before Lebanon's historic default on its foreign debt.

The rally reflects renewed investor optimism over the potential passage of the Financial Gap Law in parliament. In an interview with Bloomberg TV, Economy Minister Amer Bisat described the proposal as a “fair distribution” among depositors. He added that the government is “fairly comfortable” with the size, nature, and expected returns of the central bank’s assets, underscoring confidence in their capacity to support the plan.

The Financial Gap Law remains a prerequisite for an International Monetary Fund (IMF) agreement, which would restructure Lebanon’s debt and enable repayment to bondholders. Bisat noted that the IMF views the government’s approach as consistent with international best practices, expressing hope that progress on the law can be achieved in the coming months.

This comes as the Central Bank (BDL) Governor Karim Souaid revealed that BDL has filed a criminal complaint against a former central bank official, a former banker, and a lawyer, accusing them of illicit enrichment via misusing public funds.

At the same time, Souaid announced that the Central Bank is preparing a comprehensive, evidence-backed report to reassess the government's cumulative debt to BDL. Initial estimates suggest that the Lebanese government owes BDL around \$50 billion (including interest), three times the officially announced figure of \$16.5 billion.

If confirmed, these figures would greatly strengthen the Central Bank's balance sheet and support the Financial Gap Law in two ways. They would improve BDL's ability to meet its share of the plan and increase its capacity to reimburse commercial banks. This, in turn, would allow banks to repay depositors faster. However, the government's liabilities would rise, requiring it to find alternative resources to cover its own share.

Bond prices are now trading between 26.26 and 26.43 cents on the dollar for maturities ranging from 2027 to 2037.

Maturity	Coupon in %	Prices		Weekly Change	Yields		Weekly Change bps
		08/01/2026	02/01/2026		08/01/2026	02/01/2026	
23/03/2027	6.85	26.26	23.19	13.26%	165%	182%	(1,691.50)
29/11/2027	6.75	26.26	23.19	13.28%	102%	112%	(1,020.56)
20/03/2028	7	26.28	23.16	13.46%	88%	97%	(880.52)
03/11/2028	6.65	26.27	23.20	13.20%	70%	76%	(675.52)
25/05/2029	6.85	26.26	23.22	13.12%	60%	66%	(579.63)
27/11/2029	11.5	26.34	23.30	13.04%	66%	72%	(649.02)
26/02/2030	6.65	26.34	23.29	13.07%	51%	56%	(484.33)
22/04/2031	7	26.38	23.25	13.43%	44%	48%	(430.69)
20/11/2031	7.15	26.40	23.29	13.33%	41%	45%	(408.56)
23/03/2032	7	26.39	23.29	13.33%	40%	43%	(390.59)
17/05/2033	8.2	26.41	23.26	13.53%	39%	43%	(411.79)
17/05/2034	8.25	26.38	23.27	13.40%	37%	41%	(397.58)
27/07/2035	12	26.41	23.31	13.29%	48%	53%	(560.40)
02/11/2035	7.05	26.43	23.29	13.47%	32%	35%	(338.97)
23/03/2037	7.25	26.39	23.29	13.29%	31%	34%	(337.18)

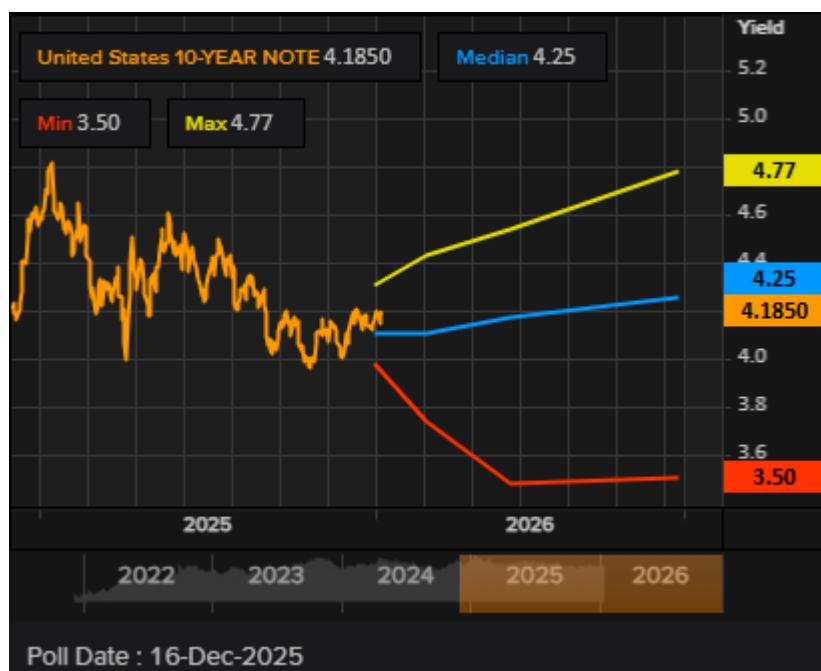
When bond prices go up, yields go down. Consequently, the yield on 5-year bonds fell by 455 basis points to 45.7%, while the yield on 10-year bonds decreased by 350 basis points to 31.6%.

	08/01/2026	02/01/2026	Weekly Change
JP Morgan EMBI	1,018.27	1,017.29	0.10%
5Y LEB	45.70%	50.25%	(455)
10Y LEB	31.60%	35.10%	(350)
5Y US	3.74%	3.74%	-
10Y US	4.19%	4.19%	-
5Y SPREAD	4,196	4,651	(455)
10Y SPREAD	2,741	3,091	(350)

In the U.S., Treasury yields held steady this week, with the 5-year note at 3.74% and the 10-year at 4.19%.

This comes as initial jobless claims for the week ending January 3 came in at 208K, 8K higher than the prior week, yet 2K below economists' expectations in a Dow Jones poll.

Looking ahead, a Reuters survey of analysts conducted on December 16, 2025 projects the 10-year yield to edge higher, reaching 4.25% by the end of 2026 from its current 4.19%, hence a decline in 10-year U.S. bonds prices.



Source: LSEG Workspace

5Y Credit Default Swaps (CDS)

	08/01/2026	02/01/2026
KSA	68.01	66.77
Dubai	50.43	47.66
Brazil	138.76	137.59
Turkey	179.29	170.61

Source: Bloomberg

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