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	16/04/2026	10/04/2026	Weekly Change	Year to Date
BLOM Bond Index (BBI)	28.28	23.76	19.00%	16.94%
Weighted Yield	56.36%	64.28%	-12.33%	-16.90%
Weighted Spread	5,266.63	6,058.78	-13.07%	-18.11%

The **BLOM Bond Index (BBI)**, which tracks defaulted Lebanese government Eurobonds that haven't matured yet (excluding coupon payments), rose by 19% week-to-date to 28.28 points on April 16, 2026.

Bond prices are now trading between 26.8¢ and 28.03¢ on the dollar for maturities ranging from 2027 to 2037.

Maturity	Coupon in %	Prices		Weekly Change	Yields		Weekly Change bps
		16/04/2026	10/04/2026		16/04/2026	10/04/2026	
29/11/2027	6.75	26.80	22.75	17.78%	117%	132%	(1,537.15)
20/03/2028	7	26.88	22.70	18.39%	98%	112%	(1,353.38)
03/11/2028	6.65	26.86	22.65	18.56%	75%	85%	(1,010.53)
25/05/2029	6.85	27.00	22.66	19.16%	63%	72%	(875.06)
27/11/2029	11.5	26.86	23.26	15.46%	68%	76%	(771.62)
26/02/2030	6.65	27.25	22.88	19.08%	52%	59%	(725.42)
22/04/2031	7	27.30	23.05	18.44%	44%	50%	(593.02)
20/11/2031	7.15	27.40	23.05	18.84%	41%	47%	(571.63)
23/03/2032	7	27.39	22.92	19.52%	39%	45%	(570.95)
17/05/2033	8.2	27.89	23.14	20.52%	38%	44%	(601.46)
17/05/2034	8.25	28.03	23.17	20.97%	36%	42%	(592.64)
27/07/2035	12	27.79	23.31	19.22%	46%	53%	(768.00)
02/11/2035	7.05	27.83	23.07	20.66%	31%	36%	(499.30)
23/03/2037	7.25	27.75	23.01	20.60%	30%	35%	(503.26)

This strong rebound reflects the low base recorded last week caused by the re-escalation of the Israeli-Hezbollah war. It also follows the pattern seen since the default: bond prices have tended to rise whenever Hezbollah took a blow. Hezbollah's dominant role has previously complicated Lebanon's external relations, including with Gulf states, and is widely seen as having constrained the pace of reform. It has influenced national policy priorities, diverting focus away from economic growth and reform toward security and conflict-related considerations.

The key development this week is a 10-day ceasefire between Lebanon and Israel, which took effect this morning and may be extended. U.S. President Donald Trump posted on Truth Social that he plans to host Lebanese President Joseph Aoun and Israeli Prime Minister Benjamin Netanyahu at the White House for "meaningful talks." If held, this would mark the first direct communication between the two countries since 1993.

Although these developments were announced after markets closed yesterday, they appear to have been partially priced in.

While the news is positive, risks remain high. The ceasefire may prove temporary, and its durability depends on adherence by both sides. Israel has not formally committed to the pause, as was the case during the previous ceasefire, and Israeli artillery reportedly continued shelling parts of southern Lebanon after it took effect. Hezbollah responded with strikes, including an attack on Israeli soldiers near Khiam.

Israel's demands of the establishment of a buffer zone south of the Litani River is widely viewed in Lebanon as an infringement on national sovereignty. Under the current ceasefire terms, Israeli forces are expected to remain in a 10-km-wide security zone stretching from the coast to the Syrian border.

Finally, the Lebanese army lacks the capacity to disarm Hezbollah, raising concerns about potential internal instability should it attempt to do so. While the U.S. has pledged support, any meaningful assistance would likely take time to materialize, if it arrives at all.

On the financial side, in an interview with [Reuters](#), Lebanon’s finance minister, Yassine Jaber, said the government had constructive talks this week with the IMF and remains committed to securing a lending program. He noted that the process has been slowed by ongoing Israeli strikes on Lebanon but stressed that reforms will continue. The war is estimated to have resulted in around \$7 billion in damage, with losses still rising. Lebanon is working with the World Bank on a rapid damage assessment, though Jaber said this cannot be completed until the attacks stop.

An IMF agreement is essential for any Eurobonds restructuring. However, several key prerequisites remain stalled, notably the financial gap law and the bank restructuring law that depends on it. Meanwhile, prospects for international aid remain uncertain. [Bloomberg](#) sources say Lebanon and the IMF are discussing potential assistance of \$800 million to \$1 billion to support the state budget and humanitarian needs amid the war.

It is important to note that the war has weighed on Eurobond valuations in three main ways. First, it has delayed the timeline for a potential restructuring, reducing the net present value of the bonds. Second, it has weakened debt sustainability by lowering the GDP outlook, and consequently the government’s revenues, and increasing fiscal costs related to the conflict such as meeting some of the internally displaced people’s needs, implying a higher haircut. Third, elevated geopolitical risk has pushed exit yields higher. Against this backdrop, Goldman Sachs has valued Lebanese Eurobonds at around 22–23¢ on the dollar, suggesting that current market levels remain overvalued.

As prices of 5- and 10-year bonds rose, their yields fell by 600 and 510 basis points, respectively.

	16/04/2026	10/04/2026	Weekly Change
JP Morgan EMBI	1,034.36	1,027.28	0.69%
5Y LEB	44.60%	50.60%	(600)
10Y LEB	30.60%	35.70%	(510)
5Y US	3.91%	3.95%	(4)
10Y US	4.32%	4.33%	(1)
5Y SPREAD	4,069	4,665	(596)
10Y SPREAD	2,628	3,137	(509)

In the U.S., Treasury yields edged lower this week, with the 5-year yield down 4 bps to 3.91% and the 10-year down 1 bp to 4.32%. Ceasefires between Israel and Lebanon, as well as between the U.S., Iran, and Israel, have supported demand for U.S. Treasuries. Expectations of broader stability in the Middle East have eased inflation concerns, mainly through lower oil prices, reinforcing expectations that the Federal Reserve will hold rates steady at its upcoming meeting.

In addition, a ceasefire and the prospect of a diplomatic deal imply lower U.S. government spending related to the Iran conflict, which would be supportive of the U.S. fiscal outlook.

5Y Credit Default Swaps (CDS)		
	16/04/2026	10/04/2026
KSA	69.72	70.30
Dubai	82.20	80.95
Brazil	130.95	130.32
Turkey	239.32	239.08
Source: Bloomberg		

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