BBI Declines Amid Washington Framework Debate and Rising Regional Tensions

BLOMINVEST BANK

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Contact Information
Helmi Mrad
Research Associate I
helmi.mrad@blominvestbank.com

	16/07/2026	09/07/2026	Change	Year to Date
BLOM Bond Index (BBI)	26.07	26.30	-0.88%	8.23%
Weighted Yield	64.99%	64.14%	1.31%	-4.18%
Weighted Spread	6,101	6,014	1.45%	-5.14%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), fell by **0.88%** over the course of the week ending **July 16th 2026**, closing at **26.07 points**, driven by the ongoing debate regarding the Washington Framework Agreement and military escalation in Iran. In spite of the weekly decline, BBI improved noticeably by 8.23% YTD. And as bond prices decreases, yields increase and so the weighted yield rose by **131** basis points to **64.99%.**

Politically, Lebanese official authorities are trying to maintain the independent diplomatic process. Regional negotiations and international initiatives increasingly shaped discussions about Lebanon's future stability, governance, and sovereignty. This week, the sixth meeting between Lebanese and Israeli negotiating delegates in Rome witnessed some advancement as they agreed on two zones that Lebanese Army will enter to.

On the financial front, the Lebanese money and budget committee approved the amendments on articles three and thirteen in the Bank Restructuring Law as per Money and Credit Law. These articles created some debate between the Lebanese government and parliament and the International Monetary Fund (IMF).

On the security front, Israeli breaches are continuing though at a rare frequency. However, the return of American strikes on Iran and the latter's response on GCC countries kept the security situation in Lebanon on the verge of escalation.

	16/07/2026	09/07/2026	Change
BBI	26.1	26.30	0.88%
JP Morgan EMBI	1,041	1,042	-0.09%
5Y LEB	49.40%	48.90%	50
10Y LEB	32.75%	32.75%	-
5Y US	4.28%	4.27%	1
10Y US	4.57%	4.54%	3
5Y SPREAD	4,512	4,463	49
10Y SPREAD	2,818	2,821	(3)

In the U.S., 5-year bonds and 10-year Treasury yields rose marginally over the course of the week, they increased by 1 and 3 basis points respectively to record 4.28% and 4.57% despite the military escalation with Iran.

Latest data from US Department of Labor revealed that initial jobless claims dropped by 8,000 to 208k as expected on the week ending on July 11th. Moreover, continuing jobless claims in the United States decreased from 1,821k to 1,805k in the week ending July 4th, 2026. In addition, US's 4-week moving average for initial jobless claims, that dismisses week-to-week volatility, regressed to 214.25k in July 11th compared to 219k in the prior week.

On the economic front, this week the y-o-y inflation that was released on Tuesday recorded 3.5%, below the anticipated 3.8%, and with a decrease from 4.2% in May. The next day, Prodoucer Price Index (PPI) dropped from 6% in May to 5.5% in June and below 6.2% forecasts.

On the security front, the military escalation in Iran exerts more pessure on oil and gas prices that will affect future inflation readings. As such, markets are currently pricing a 89.8% probability of keeping rates unchanged at 3.5% - 3.75% and a 10.2% probability of a 25 bps hike in the next FOMC meeting on July 28th and 29th as shown in the CME Group Fedwatch table.

Target Rate (bps)	Probability(%)			
	Now *	1 Day 15 Jul 2026	1 Week 10 Jul 2026	1 Month 17 Jun 2026
350-375 (Current)	89.8%	89.3%	65.8%	70.6%
375-400	10.2%	10.7%	34.2%	28.8%
400-425	0.0%	0.0%	0.0%	0.6%

* Data as of 17 Jul 2026 03:07:29 CT

		Prices		Weekly	Yields		Weekly
Maturity	Coupon in %	16/07/2026	09/07/2026	Change	16/07/2026	09/07/2026	Change bps
29/11/2027	6.75%	24.709	24.897	-0.76%	151.30%	148.00%	330
20/03/2028	7.00%	24.741	24.884	-0.57%	121.46%	119.38%	207
03/11/2028	6.65%	24.67	24.859	-0.76%	88.15%	86.93%	122
25/05/2029	6.85%	24.838	24.874	-0.14%	72.40%	71.91%	48
27/11/2029	11.50%	25.187	25.297	-0.43%	74.78%	74.28%	50
26/02/2030	6.65%	24.696	25.184	-1.94%	59.40%	58.24%	116
22/04/2031	7.00%	25.034	25.269	-0.93%	48.65%	48.17%	48
20/11/2031	7.15%	24.978	25.269	-1.15%	45.61%	45.12%	50
23/03/2032	7.00%	24.897	25.144	-0.98%	43.59%	43.16%	42
17/05/2033	8.20%	26.017	26.255	-0.91%	41.19%	40.84%	34
17/05/2034	8.25%	26.005	26.254	-0.95%	38.88%	38.55%	33
27/07/2035	12.00%	25.89	26.054	-0.63%	49.01%	48.68%	33
02/11/2035	7.05%	25.92	25.958	-0.15%	32.98%	32.91%	6
23/03/2037	7.25%	25.558	25.95	-1.51%	32.29%	31.86%	42

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

Research Department

Tel: +961 1 991 784

research@blominvestbank.com

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