BBI Rises Amid Optimism Following President Aoun's Visit to Washington

BLOMINVEST BANK

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	23/07/2026	16/07/2026	Change	Year to Date
BLOM Bond Index (BBI)	26.34	26.07	1.03%	9.35%
Weighted Yield	64.86%	64.99%	-0.19%	-4.36%
Weighted Spread	6,072.88	6,100.91	-0.46%	-5.57%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), rose by **1.03%** over the course of the week ending **July 23rd 2026**, closing at **26.34 points**, driven by the wary optimism related to the security situation in Lebanon, and especially in the South. Also, **BBI** improved noticeably by **9.35% YTD**. And as bond prices increases, yields decrease and so the weighted yield declined by **19 basis points** to **64.86%**.

On Tuesday July 21st, 2026, a meeting between the Presidents of Lebanon and United States was held in Washington. This meeting was a very important one as it is the first meeting between the presidents of both countries for more than a decade. The reception and press conference revealed that the meeting went well. Both parties stressed on the idea of the Lebanese State's responsibility to impose its control on the Lebanese territories. The main topics discussed between the two parties were the Israeli withdrawal, state control and security measures, and US support for Lebanese Armed Forces, economic recovery and reconstruction efforts.

Politically, Hezbollah's leaders are still refusing the State's decisions and want the Lebanese conflict to be included in the negotiations between US and Iran.

On the security front, Israeli breaches are continuing through exploding tunnels and villages near the border. Recently, the Lebanese Armed Forces entered the trial area in South that as part of the implementation of the framework agreement in Washington between Lebanese and Israeli negotiators. In addition, the persistent American strikes on Iran and the latter's response on GCC countries kept the security situation in Lebanon rather tense.

	23/07/2026	16/07/2026	Change
BBI	26.34	26.07	-1.03%
JP Morgan EMBI	1,032	1,041	-0.88%
5Y LEB	49.20%	49.40%	(20)
10Y LEB	32.75%	32.75%	-
5Y US	4.46%	4.28%	18
10Y US	4.71%	4.57%	14
5Y SPREAD	4,474	4,512	(38)
10Y SPREAD	2,804	2,818	(14)

In the U.S., 5-year bonds and 10-year Treasury yields rose over the course of the week, they increased by 18 and 14 basis points respectively to record 4.46% and 4.71% due to continued military escalation with Iran, and perhaps more importantly to expectations of higher US Fed rates.

Latest data from US Department of Labor revealed that initial jobless claims dropped by 22,000 to 187k on the week ending on July 18th, better than expected. Moreover, continuing jobless claims in the United States decreased from 1,798k to 1,796k in the week ending July 11th, 2026. In addition, US's 4-week moving average for initial jobless claims, that dismisses week-to-week volatility, dropped to 207.5k in July 18th compared to 214.75k in the prior week.

On the security front, the continued airstrikes by US army on Iran and latter's retaliation by threatening ships in Hormuz Strait, in addition to the new attacks on Saudi oil ship in Bab El Mandib Strait, forced crude oil prices to hike this week to exceed the $100 / barrel level. Despite oil prices increases, inflation is still some how controlled till now. However, if the situtaion continues for a long period, it will most probably impact inflation.

As such, markets are currently pricing a 70.6% probability of keeping rates unchanged at 3.5% - 3.75% and a 29.4% 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 23 Jul 2026	1 Week 17 Jul 2026	1 Month 24 Jun 2026
350-375 (Current)	70.6%	65.8%	87.2%	65.8%
375-400	29.4%	34.2%	12.8%	34.2%

* Data as of 24 Jul 2026 03:50:26 CT

5Y Credit Default Swaps (CDS)

	23/07/2026	16/07/2026
KSA	67.08	64.23
Dubai	67.15	63.84
Brazil	125.44	123.76
Turkey	245.66	230.62

Source: Bloomberg

		Prices			Weekly		Yields
Maturity	**Coupon in %**	**23/07/2026**	**16/07/2026**	**Change**	**23/07/2026**	**16/07/2026**	**Change bps**
29/11/2027	6.75%	24.88	24.71	0.70%	152.73%	151.30%	142.89
20/03/2028	7.00%	25.09	24.74	1.39%	121.55%	121.46%	9.46
03/11/2028	6.65%	25.07	24.67	1.63%	87.70%	88.15%	(45.30)
25/05/2029	6.85%	25.15	24.84	1.26%	72.09%	72.40%	(30.91)
27/11/2029	11.50%	25.29	25.19	0.40%	74.80%	74.78%	1.61
26/02/2030	6.65%	25.07	24.70	1.51%	58.98%	59.40%	(41.22)
22/04/2031	7.00%	25.24	25.03	0.83%	48.48%	48.65%	(17.21)
20/11/2031	7.15%	25.29	24.98	1.24%	45.28%	45.61%	(33.22)
23/03/2032	7.00%	25.20	24.90	1.22%	43.28%	43.59%	(30.72)
17/05/2033	8.20%	26.29	26.02	1.06%	40.89%	41.19%	(29.10)
17/05/2034	8.25%	26.24	26.01	0.90%	38.64%	38.88%	(24.38)
27/07/2035	12.00%	26.01	25.89	0.44%	48.87%	49.01%	(13.14)
02/11/2035	7.05%	25.91	25.92	-0.02%	33.01%	32.98%	3.25
23/03/2037	7.25%	25.93	25.56	1.47%	31.92%	32.29%	(36.43)

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