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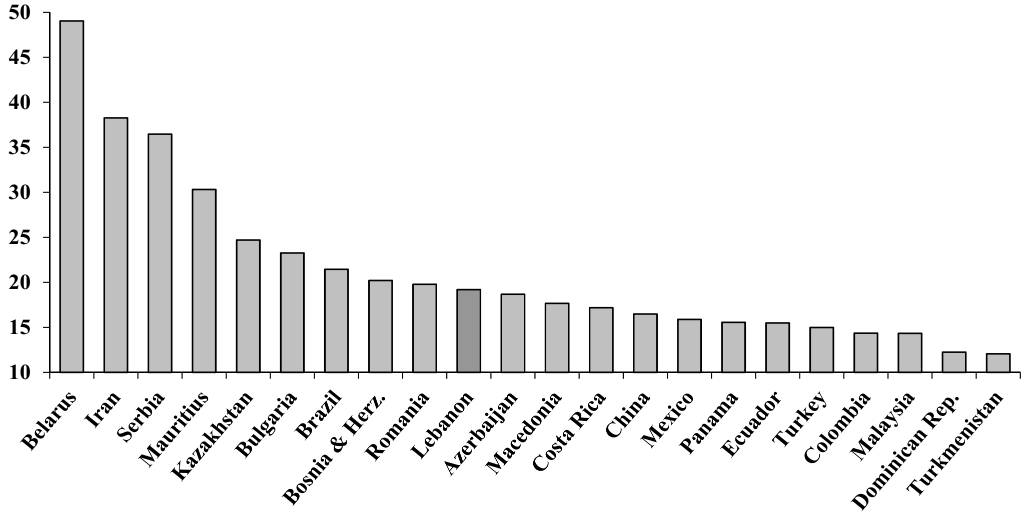
BYBLOS BANK SAL
Economic Research & Analysis Department

LEBANON THIS WEEK

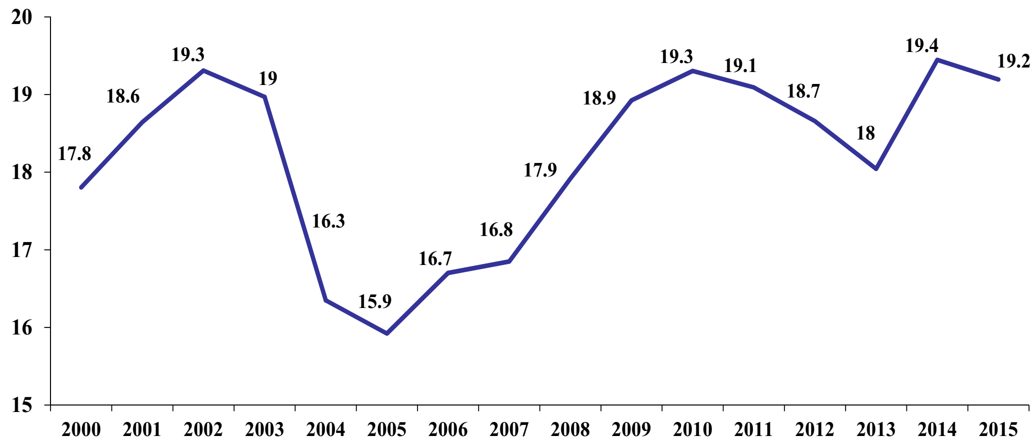
In This Issue

Charts of the Week

Fixed Telephone Penetration Rates among Top 20 Upper Middle-Income Countries at end-2015*
(Subscriptions per 100 inhabitants)



Fixed Telephone Penetration Rates in Lebanon
(Subscriptions per 100 inhabitants)



**excluding countries with a nominal GDP of $10bn or less*
Source: International Telecommunication Union, Byblos Bank

Quote to Note

"We could raise our ratings if Lebanon's policy-making framework became more predictable, supporting foreign capital inflows and improving the sustainability of public finances."

S&P Global Ratings, on what could trigger an upgrade of Lebanon's sovereign ratings

Number of the Week

44: Number of times since May 2014 that the Lebanese Parliament convened and failed to elect a President

Lebanon in the News

$m *(unless otherwise mentioned)*	**2015**	**Apr 2015**	**Jan 2016**	**Feb 2016**	**Mar 2016**	**Apr 2016**	**% Change***
Exports	2.952	235	186	228	220	237	0.85
Imports	18,069	1,442	1,494	1,377	1,750	1,610	11.65
Trade Balance	(15,117)	(1,207)	(1,308)	(1,149)	(1,530)	(1,373)	13.75
Balance of Payments	(3,354)	136	(719)	363	(288)	(225)	-
Checks Cleared in LBP	18,714	1,550	1,709	1,538	1,609	1,698	9.50
Checks Cleared in FC	50,845	4,158	4,065	3,988	3,983	3,959	(4.79)
Total Checks Cleared	69,559	5,708	5,774	5,526	5,592	5,657	(0.91)
Budget Deficit/Surplus	(3,952)	(431.85)	(214.00)	(513.56)	(713.34)	(192.17)	(55.50)
Primary Balance	724.40	42.17	32.08	(276.67)	(156.28)	249.64	492
Airport Passengers***	7,241,463	598,341	546,609	442,212	534,954	557,763	(6.78)

$bn *(unless otherwise mentioned)*	**2015**	**Apr 2015**	**Jan 2016**	**Feb 2016**	**Mar 2016**	**Apr 2016**	**% Change***
BdL Gross FX Reserves	30.64	33.77	31.64	31.42	30.37	31.16	(7.71)
In months of Imports	*20.35*	*23.42*	*22.82*	*17.35*	(24.16)	*19.36*	(17.34)
Public Debt	70.31	69.47	70.62	71.22	71.04	71.65	3.15
Bank Assets	185.99	179.40	186.20	186.59	187.66	187.92	4.75
Bank Deposits (Private Sector)	151.59	147.50	151.50	151.42	152.44	152.93	3.68
Bank Loans to Private Sector	54.22	51.43	54.39	54.56	55.06	55.20	7.34
Money Supply M2	52.15	50.01	52.24	52.29	52.52	52.79	5.55
Money Supply M3	123.62	119.75	123.26	123.49	124.51	125.11	4.48
LBP Lending Rate (%)	7.45	7.10	8.28	8.18	8.62	8.40	130bps
LBP Deposit Rate (%)	5.56	5.61	5.52	5.57	5.59	5.60	(1bp)
USD Lending Rate (%)	7.06	7.08	7.34	7.31	7.36	7.17	9bps
USD Deposit Rate (%)	3.17	3.16	3.22	3.22	3.27	3.29	13bps
Consumer Price Index**	(3.75)	(3.74)	(3.16)	(2.94)	(3.57)	(2.35)	139bps

** Year-on-Year ** Year-on-Year percentage change*
****includes arrivals, departures, transit*
Note: bps i.e. basis points
Source: Association of Banks in Lebanon, Banque du Liban, Ministry of Finance, Central Administration of Statistics, Byblos Research

Capital Markets

Most Traded Stocks on BSE	**Last Price ($)**	**% Change***	**Total Volume**	**Weight in Market Capitalization**
BLOM GDR	10.15	0.00	170,000	6.78%
BLOM Listed	10.00	0.00	33,000	19.44%
Solidere "B"	9.10	0.89	6,079	5.35%
Byblos Common	1.61	(0.62)	4,840	5.23%
Solidere "A"	9.15	1.33	4,167	8.27%
Audi Listed	6.20	0.00	2,144	22.41%
Audi GDR	6.20	(0.80)	2,144	6.45%
Byblos Pref. 09	100.30	(0.20)	520	1.81%
HOLCIM	14.90	10.13	200	2.63%
Byblos Pref. 08	101.00	0.00	-	1.83%

*Source: Beirut Stock Exchange (BSE); *Week-on-week*

Sovereign Eurobonds	**Coupon %**	**Mid Price $**	**Mid Yield %**
Mar 2017	9.00	101.75	5.60
Nov 2018	5.15	99.75	5.27
May 2019	6.00	100.50	5.79
Mar 2020	6.38	101.25	5.97
Apr 2021	8.25	108.25	6.16
Oct 2022	6.10	99.50	6.20
Jun 2025	6.25	97.13	6.69
Nov 2026	6.60	99.25	6.70
Feb 2030	6.65	98.25	6.85
Nov 2035	7.05	99.88	7.06

Source: Byblos Bank Capital Markets

	Sep 14-16	**Sep 5-9**	**% Change**	**August 2016**	**August 2015**	**% Change**
Total Shares Traded	699,964	9,543,678	(92.67)	8,672,726	2,758,726	214.39
Total Value Traded	$7,460,068	$71,312,734	(89.54)	$86,998,154	$36,050,573	141.32
Market Capitalization	$11.06bn	$11.03bn	0.28	$10.98bn	$11.17bn	(1.64)

Source: Beirut Stock Exchange (BSE)

Demand for housing in Lebanon down 8.3% in second quarter of 2016

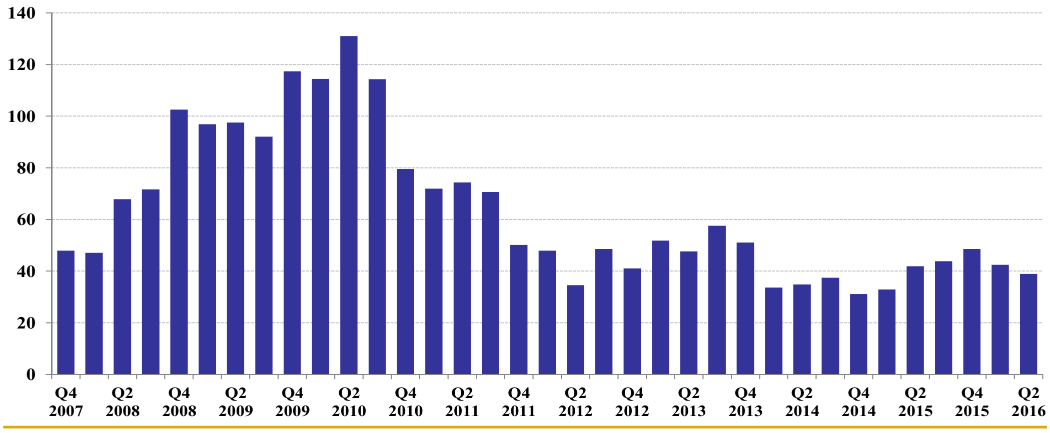
Demand for residential real estate in Lebanon decreased in the second quarter of 2016, as reflected by the results of the Byblos Bank Real Estate Demand Index. The Index averaged 38.9 points in the second quarter of 2016, reflecting a decline of 8.3% from 42.5 points in the first quarter of the year. The results constitute the seventh lowest level in 36 quarterly readings. Further, the average monthly score of the second quarter of 2016 represents a drop of 70.3% from the peak of 131 points registered in the second quarter of 2010, and a decrease of 64.5% from the annual peak of 109.8 posted in 2010. Also, it is 38.6% lower than the Index's monthly trend average score of 63.5 points since the Index's inception in July 2007. The decline in housing demand in the second quarter of 2016 was reflected in the answers of respondents to the Index's survey questions, as 4.4% of Lebanese residents had plans to either buy or build a home in the coming six months. In comparison, 7.2% of residents in Lebanon, on average, had plans to buy or build a house in the country between July 2007 and June 2016, with a peak of 14.8% in the second quarter of 2010.

The results of the second quarter of 2016 show that real estate demand in Lebanon continues to be significantly affected by the high level of political uncertainties, the slow economic growth environment and the low level of consumer confidence. Also, the still-elevated asking prices, especially when compared to the per capita income of the resident Lebanese, as well as job insecurity and declining work opportunities, are keeping local demand for residential real estate at low levels.

The results of the Byblos Bank Real Estate Demand Index for the second quarter of 2016 show that demand for housing was the highest in Mount Lebanon, followed by demand in Beirut, the North, the Bekaa and the South. Further, demand for residential units regressed by 32% in Beirut in the second quarter and by 10.3% in the South due to the reduced appetite for buying houses in the two districts. Demand also dropped by 22.8% in the North due the decrease in plans to purchase or build a house in this region. In contrast, demand for real estate in Mount Lebanon grew by 13.1% in the covered quarter due to higher appetite for buying a house in the region, while it increased by 5.8% in the Bekaa, driven by its residents' plans to build a house. In parallel, real estate demand from people across all income brackets regressed in the second quarter of 2016.

The Byblos Bank Real Estate Demand Index is a measure of local demand for residential units and houses in Lebanon. The Index is compiled, implemented and analyzed in line with international best practices and according to criteria from leading indices worldwide. The Index is based on a face-to-face monthly survey of a nationally representative sample of 1,200 males and females living throughout Lebanon, whereby residents are asked about their plans to buy or build a house in the coming six months. The data segregates the Index based on age, gender, income, profession, administrative district, and religious affiliation. The Byblos Bank Economic Research & Analysis Department has been calculating the Index on a monthly basis since July 2007, with November 2009 as its base month. The survey has a margin of error of ±2.83%, a confidence level of 95% and a response distribution of 50%. The monthly field survey is conducted by Statistics Lebanon Ltd, a market research and opinion-polling firm.

Byblos Bank Real Estate Demand Index*



Source: Byblos Bank Economic Research & Analysis Department, based on surveys conducted by Statistics Lebanon

Merrill Lynch maintains Lebanon's external debt at Marketweight

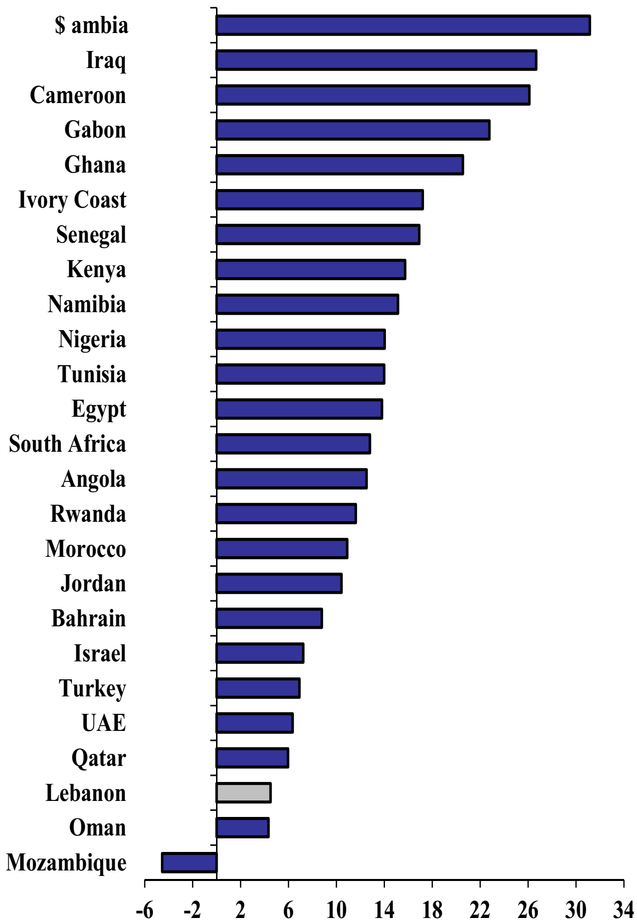
Figures issued by Merrill Lynch indicate that Lebanon's external debt posted a return of 4.5% in the first eight months of 2016, constituting the fourth lowest return among 42 markets in the Central & Eastern Europe and the Middle East & Africa (CEEMEA) region, as well as the eighth lowest return among 73 emerging markets included in Merrill Lynch's External Debt EM Sovereign Index. Lebanon underperformed the overall emerging markets' return of 12.63% during the covered period. Further, Lebanon's external debt posted the third lowest return among 25 countries in the Middle East & Africa region in the first eight months of the year, ahead of only Oman (+4.3%) and Mozambique (-4.5%).

In parallel, Merrill Lynch maintained its recommendation for Lebanon's external debt at "Marketweight" in its emerging markets portfolio of external debt. It attributed its decision to the fact that Lebanese Eurobonds have been extremely stable due, in large part, to support from local banks. Also, it indicated that the Central Bank's gross foreign currency reserves are elevated, and it did not expect rating agencies to downgrade Lebanon's sovereign ratings.

Lebanon's external debt posted a return of 0.68% in August 2016, constituting the seventh lowest return in the CEEMEA region and the 15th lowest in emerging markets during the covered month. Lebanon underperformed the emerging markets' return of 1.76% in August 2016.

Further, Lebanon's external debt posted the third lowest return in the Middle East & Africa region in August 2016, better than the UAE (+0.41%) and South Africa (-0.15%). It underperformed Zambia (+12%), Iraq (+8.46%), Mozambique (+6.29%), Cameroon (+5.34%), Ghana (+5.01%), Angola (+4.68%), the Ivory Coast (+4.51%), Senegal (+4.2%), Gabon (+3.76%), Tunisia (+3.61%), Rwanda (+3.53%), Kenya (+3.15%), Bahrain (+2.33%), Nigeria (+2.1%), Turkey (+1.96%), Namibia (+1.83%), Egypt (+1.71%), Israel (+1.16%), Jordan (+1.02%), Oman (+1.01%), Morocco (+0.92%) and Qatar (+0.83%).

External Debt Performance in the Middle East & Africa in First Eight Months of 2016 (%)



Source: Merrill Lynch, Byblos Research

In parallel, Merrill Lynch indicated that the option-adjusted spread on Lebanese Eurobonds was 507 basis points at the end of August 2016 compared to 416 basis points a year earlier, constituting the 10th widest spread in the CEEMEA region and the 15th widest among emerging markets. It was wider than the emerging markets' overall spread of 295 basis points at the end of August 2016. Lebanon has a weight of 2.8% on Merrill Lynch's External Debt EM Sovereign Index, the sixth largest weight in the CEEMEA universe and the 12th largest among emerging economies. Lebanon accounted for 5.5% of allocations in the CEEMEA region.

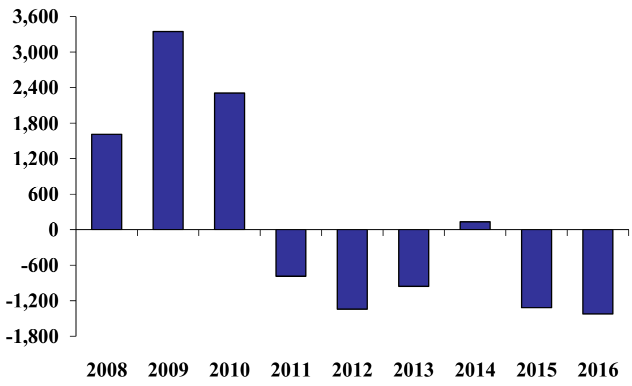
Governor Salamé is among best central bank governors in the world

Global Finance magazine's Central Banker Report Cards for 2016 indicated that Lebanon's Central Bank Governor Riad Salamé received an 'A' rating based on his success in areas such as inflation control, economic growth goals, currency stability and interest rate management. Seven other central bank governors received the same rating, who are the Central Bank governors of the United Kingdom, Taiwan, Russia, the Philippines, Peru, Paraguay and Israel. The Central Banker Report Cards rated 75 central bank governors worldwide on a scale of A' to 'F', with a grade of 'A' representing an excellent performance in achieving economic stability. The magazine pointed out that Governor Salamé outperformed 10 other central bank governors in the Arab region who were included in this year's report. Governor Salamé ranked ahead of the central bank governors of Morocco and Jordan who earned an 'A-' rating each, the Central Bank Governor of the UAE who received a 'B+' grade, the central bank governors of Qatar, Oman and Tunisia who earned a 'B' rating each, the central bank governors of Bahrain and Kuwait who received a 'B-' grade each, and those of Egypt and Iraq who earned a 'C' rating each.

Balance of payments posts deficit of $1.42bn in first seven months of 2016

Figures issued by the Central Bank show that Lebanon's balance of payments posted a deficit of $1.42bn in the first seven months of 2016 compared to a deficit of $1.32bn in the same period of 2015. The balance of payments posted a surplus of $351.7m in July 2016 compared to a deficit of $12.6m in June 2016 and a surplus of $2.4m in July 2015. The July 2016 surplus was caused by an increase of $496.2m in the net foreign assets of the Central Bank, which was partly offset by a decrease of $144.5m in those of banks and financial institutions. The cumulative deficit over the first seven months of 2016 was caused by a decline of $1.55bn in the net foreign assets of banks and financial institutions, which was partly offset by a rise of $128m in those of the Central Bank. The balance of payments posted surpluses of $7.9bn in 2009 and $3.3bn in 2010, and deficits of $2bn in 2011, $1.5bn in 2012, $1.1bn in 2013, $1.4bn in 2014 and $3.4bn in 2015.

Balance of Payments* (US$m)



**in the first seven months of each year*
Source: Central Bank of Lebanon

Gross public debt at $73bn at end-July 2016

Lebanon's gross public debt reached $73.4bn at the end of July 2016, constituting an increase of 4.3% from $70.3bn at the end of 2015 and a growth of 6% from $69.2bn at the end of July 2015. In nominal terms, the gross public debt grew by $3.1bn in the first seven months of 2016 relative to an increase of $2.6bn in the same period of 2015. Debt in Lebanese pounds totaled $44.4bn at end-July 2016, growing by 2.6% from the end of 2015 and by 4.3% from end-July 2015; while debt in foreign currency stood at $29bn, constituting a rise of 7.1% from end-2015 and an increase of 8.9% from a year earlier. Local currency debt accounted for 60.5% of gross public debt at the end of July 2016 compared to 61.5% a year earlier, while foreign currency-denominated debt represented the balance of 39.5% relative to 38.5% at end-July 2015. The weighted interest rate on outstanding Treasury bills was 6.96% and the rate on Eurobonds was 6.41% in July 2016. Further, the weighted life on Eurobonds was 6.44 years, while that on Treasury bills was 1,286 days.

The Central Bank held 44.9% of the Lebanese pound-denominated public debt at the end of July 2016, up from 43.1% from the preceding month and from 35.3% a year earlier. It was followed by commercial banks with 38.6%, down from 40.4% at the end of June 2016 and from 48% at end-July 2015; while public agencies, financial institutions and the public held 16.5% of local debt at end-July 2016, nearly unchanged from a year earlier. In parallel, Eurobond holders and special T-bills in foreign currencies accounted for 92.8% of foreign-currency denominated debt at the end of July 2016, followed by multilateral institutions with 3.6%, foreign governments with 3.4% and Paris II loans with 0.2%. Commercial banks hold about 54% of the total public debt. In parallel, the gross market debt accounted for about 64% of total public debt. Gross market debt is the total public debt less the portfolios of the Central Bank, the National Social Security Fund, bilateral and multilateral loans, as well as Paris II and Paris III related debt.

In parallel, S&P Global Ratings rates Lebanon's long- and short-term foreign currency sovereign credit ratings at 'B-'. But the Credit Default Swap Market Derived Signals, an indicator of risk appetite by foreign investors, show that Lebanon's sovereign debt is considered by the market to have a 'B' risk level, which is one notch higher than the S&P rating as at September 15, 2016.

Airport passengers up 6% in first eight months of 2016

Figures released by the Hariri International Airport (HIA) show that the number of airport passengers (arrivals, departures and transit) totaled 5,082,283 in the first eight months of 2016, constituting an increase of 5.9% from 4,797,133 passengers in the same period last year. The number of arriving passengers grew by 7.7% year-on-year to 2,562,656 in the first eight months of 2016, compared to an increase of 9.2% in the same period of 2015 and to a rise of 4.9% in the first eight months of 2014. Also, the number of departing passengers grew by 4.5% year-on-year to 2,512,615 in the first eight months of 2016, relative to an increase of 9.8% in the same period of 2015 and to a marginal drop of 0.3% in the first eight months of 2014. In parallel, the airport's aircraft activity grew by 5.4% year-on-year to 47,382 take-offs and landings in the first eight months of 2016, compared to an increase of 5.5% in the same period of 2015 and to a rise of 1.7% in the first eight months of 2014. In addition, the HIA processed 56,774 metric tons of freight in the first eight months of 2016 that consisted of 34,267 tons of import freight and 22,507 tons of export freight. Middle East Airlines had 16,100 flights in the first eight months of 2016 and accounted for 34% of HIA's total aircraft activity.

Value of cleared checks down 3%, returned checks down 7% in the first seven months of 2016

The value of cleared checks reached $39bn in the first seven months of 2016, constituting a decrease of 2.9% from $40.2bn in the same period of 2015, and compared to a drop of 7.1% in the first seven months of 2015 and an increase of 3.1% in the same period of 2014. The value of cleared checks in Lebanese pounds grew by 5.6% annually to the equivalent of $11.2bn, while the value of cleared checks in US dollars declined by 5.9% to $27.8bn in the first seven months of 2016. The dollarization rate of cleared checks declined to 71.3% from 73.6% in the first seven months of 2015. Further, there were 7.1 million cleared checks in the first seven months of 2016, down by 1.1% from the same period last year.

In parallel, the value of returned checks in domestic and foreign currency was $854m in the first seven months of 2016 compared to $919m in the same period of 2015 and $848m in the first seven months of 2014. This constituted a drop of 7.1% year-on-year in the first seven months of 2016 relative to an increase of 8.4% in the same period of 2015 and a decline of 3.2% in the first seven months of 2014. Also, there were 133,000 returned checks in the covered period, down by 2.7% from 136,700 checks in the first seven months of 2015.

Revenues through the Port of Beirut at $143m in first seven months of 2016

Figures released by the Port of Beirut show that the port's overall revenues reached $142.9m in the first seven months of 2016, constituting a marginal increase of 0.5% from $142.3m in the same period of 2015. The Port of Beirut handled 5.2 million tons in freight in the first seven months of 2016, up by 12.1% from 4.6 million tons in the same period in 2015. Imported freight amounted to 4.62 million tons in the covered period and accounted for 89.5% of aggregate freight, while the remaining 545,000 tons, or 10.5%, consisted of export cargo. A total of 1,210 ships docked at the port in the covered period compared to 1,012 vessels in the first seven months of 2015.

In parallel, revenues generated through the Port of Tripoli reached $8.8m in the first seven months of 2016, constituting an increase of 16.4% from $7.56m in the same period of 2015. The Port of Tripoli handled one million tons of freight in the covered period, up by 11.1% from 901,521 tons in the same period of 2015. Imported freight amounted to 772,891 tons and accounted for 77.2% of the total, while the remaining 228,672 tons, or 22.8% of the total, were export cargo. A total of 465 vessels docked at the port in the first seven months of 2016, constituting a rise of 18.6% from 392 ships in the same period of 2015.

Lebanon signs $55m soft loan to reduce water pollution in Lake Qaraoun

The Ministry of Finance and the Council for Development & Reconstruction signed a $55m loan with the World Bank, to finance the Lake Qaraoun Pollution Prevention Project. The project is estimated to cost $60m, of which $55m would be covered by the World Bank loan and $5m would come from the Lebanese government.

The Lake Qaraoun Pollution Prevention Project aims to reduce the quantity of untreated municipal sewage discharged into the Litani River and to improve pollution management around the Qaraoun Lake, the largest water source in Lebanon. First, the project seeks to improve municipal sewage collection in areas that have wastewater treatment plants or in municipalities that intend to build such plants. Specifically, it aims to expand the sewage networks to connect them to the wastewater plants in the cities of Zahlé, Anjar and Aitanit. Second, the project aims to support good agricultural practices, such as promoting the use of sustainable production systems among farmers in the upper Litani basin and reducing the usage of fertilizers. It would also train and empower farmers on the use of integrated pest management techniques and on the proper handling and disposal of pesticides. Third, the project seeks to improve pollution management around the Qaraoun Lake through technical assistance that mainly aims to improve solid waste management, water quality monitoring and capacity. The ministry estimated the number of direct beneficiaries from the project at around 350,000 people, or 7% of the Lebanese population, and the number of indirect beneficiaries at about 800,000 people. The project is part of the government's $250m Business Plan to Combat Pollution in Lake Qaraoun. The World Bank called on the Lebanese Cabinet to swiftly approve the project and submit it to the Parliament for ratification in order to avoid implementation delays.

Further, the Ministry of Finance pointed out that it expects to sign a new $100m loan agreement with the World Bank in the near term that aims to support the education sector in Lebanon. In parallel, the Council for Development & Reconstruction indicated that it is currently negotiating the financing of two new infrastructure projects with the World Bank. It said that the first project has an estimated cost of $300m, of which $100m would be disbursed from Japan, and aims to rehabilitate Lebanon's road infrastructure; while the second project is worth about $250m, and will finance a rapid public transportation system in Lebanon.

Nearly 40% of Arab banks cite a decline in correspondent banking relationships

A survey conducted by the Arab Monetary Fund (AMF), in collaboration with the International Monetary Fund and the World Bank, indicated that 84 out of 216 surveyed banks in the Arab region, or 39% of the total, experienced a significant decline in the scale of foreign correspondent banking relationships (CBRs) between 2012 and 2015. Banks from Algeria, Bahrain, Egypt, Iraq, Jordan, Lebanon, Kuwait, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Tunisia, the UAE and Yemen participated in the survey. The survey pointed out that 41% of surveyed banks reported the loss of CBRs with U.S. banks, followed by 29% losing CBRs with United Kingdom banks and 16% with German banks.

The AMF noted that 42% of surveyed Arab banks attributed the termination or restriction of CBRs to the overall risk appetite of foreign financial institutions; 31% of banks cited changes to legal, regulatory or supervisory requirements in the jurisdictions of the foreign financial institutions; 30% of banks mentioned the lack of profitability of certain CBRs services and products; and 24% of banks referred to concerns about money laundering and terrorism financing risks in Arab jurisdictions.

The report showed that 58.3% of surveyed banks believe that trade finance, letters of credit and documentary collections are the most affected products and services from the CBRs' withdrawal; followed by 55% of banks that said international wire transfers and clearing & settlement are most affected, 49% of banks cited check clearing; and 43% of banks mentioned foreign exchange services. Further, 19 out of the 84 affected Arab banks noted that their ability to conduct international wire transfers in US dollars has been affected by the CBRs' withdrawal, followed by transfers denominated in the Euro, the British pound, the Saudi riyal and the Japanese yen.

Further, the survey showed that about 63% of banks that experienced a withdrawal of CBRs were able to find replacements, 17% of banks that had their CBRs terminated managed to establish alternative arrangements, while 20% of banks are still unable to find replacement CBRs or alternative options to meet their needs.

According to the Association of Banks in Lebanon, Lebanese banks conducted business with 183 foreign correspondent banks located in 82 cities in 64 countries around the world by the end of 2015. Further, the Central Bank of Lebanon has been regularly emphasizing the importance to abide by the rules and standards that dictate Lebanese banks' operations with correspondent banks. It stated in 2015 that the Lebanese banking sector is compliant with global standards, especially U.S. standards, given that 80% of the Lebanese banking sector's foreign operations are in US dollars and go through correspondent banks in the United States. Also, it has been encouraging Lebanese banks to deal with several correspondent banks and to frequently visit them and meet with their compliance officers.

The AMF said that potential solutions to limit additional withdrawals of CBRs from the Arab region include efforts to identify the issues related to the most affected products and clients. It noted that solutions could include further efforts to strengthen regulatory regimes, addressing other sources of risks, as well as establishing and maintaining an open dialogue with regulators in the concerned jurisdictions.

Compensation of public-sector personnel up 5% in 2015, absorbs 35% of fiscal spending

Figures issued by the Ministry of Finance show that the compensation of public-sector personnel totaled $4.7bn in 2015, constituting an increase of 5.2% from $4.5bn in 2014. Salaries, wages and related benefits accounted for 66% of the total in 2015, followed by retirement benefits (24.4%), transfers to public institutions to cover salaries (5.5%) and end-of-service indemnities (4.2%). The increase in the compensation of public-sector personnel reflects an annual rise in salaries, wages and related benefits, retirement benefits, transfers to public institutions and end-of-service indemnities. The compensation of public-sector personnel represented the largest component of total budgetary primary spending and accounted for 67% of such expenditures in 2015 compared to 56% in 2014. The compensation of public-sector personnel absorbed 35% of total fiscal spending last year, up from 32% in 2014. It was equivalent to 9.2% of GDP in 2015 relative to 8.9% of GDP in 2014.

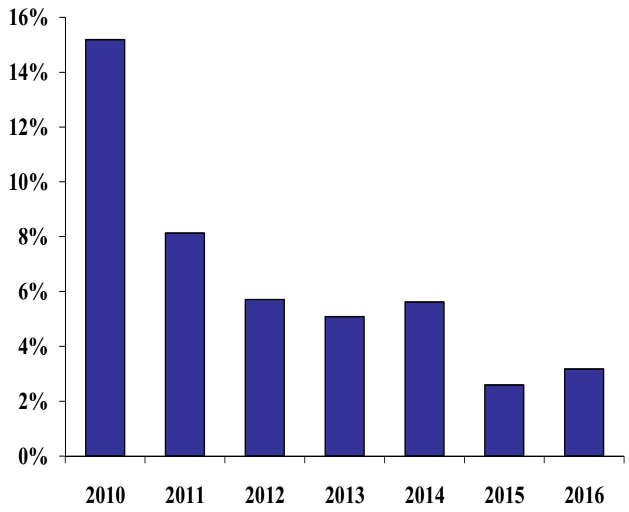
In parallel, salaries, wages and related benefits paid to public-sector employees totaled $3.1bn in 2015, constituting an increase of 3.7% from $3bn in 2014. This category includes basic salaries, employment benefits, allowances, contributions to civil servants' cooperatives, as well as contributions to other mutual funds providing health insurance for specific categories of civil servants, mainly civil and religious judges, and employees at the Parliament. Salaries and benefits of military personnel reached $1.9bn and accounted for 62% of salaries, wages and related benefits paid in the public sector in 2015, followed by educational personnel with $661.4m (21.4%), civil staff with $309.1m (10%), the government's contribution to the employees' cooperative with $179.1m (5.8%) and customs employees with $24.5m (0.8%). Also, the Lebanese Army's salaries totaled $1.2bn in 2015 and represented 64.7% of military personnel's salaries and benefits. The salaries of the Internal Security Forces followed with $510.1m (26.5%), those of the General Security Forces with $131.3m (6.8%) and the State Security Forces with $36.5m (1.9%).

The overall increase in salaries, wages and related benefits paid to public-sector employees reflects an expansion of $83.6m in basic salaries, an increase of $59m in allowance and a rise of $3.3m in employment benefits, which was partly offset by a drop of $33.2m in other payments given to non-military bodies, such as bonuses. The increase in allowances was allocated in full to military personnel. Overall, basic salaries grew by 3.8% to $2.3bn in 2015, allowances increased by 15.8% to $431.8m and employment benefits rose by 2.3% to $145.9m, while other payments disbursed to non-military bodies decreased by 12.8% to $227m.

Commercial banks' assets reach $191bn at end-July 2016

The consolidated balance sheet of commercial banks operating in Lebanon shows that total assets reached $190.9bn at the end of July 2016, constituting an increase of 2.7% from the end of 2015 and a rise of 6.1% from end-July 2015. Loans extended to the private sector totaled $56.1bn at the end of July 2016, growing by 3.4% from the end of 2015 and by 7.7% from end-July 2015. Loans to the resident private sector totaled $49.6bn and grew by 3.2% from the end of 2015 and by 6.5% year-on-year; while credit to the non-resident private sector reached $6.5bn, and expanded by 5.1% from end-2015 and by 17.8% from end-July 2015. In nominal terms, credit to the private sector rose by $1.84bn in the first seven months of 2016 relative to an increase of $1.16bn in the same period of 2015. Lending to the resident private sector grew by $1.53bn in the first seven months of the year relative to an increase of $1.18bn in the same period of 2015, while credit to the non-resident private sector expanded by $317.1m in the first seven months of 2016 compared to a decline of $17.9m in the same period of 2015. In addition, claims on non-resident banks reached $9.5bn at the end of July 2016, down by 18% from the end of 2015 and by 12% from a year earlier. In parallel, claims on the public sector stood at $36.5bn at the end of July 2016, down by 3.4% from end-2015 and by 3.6% from end-July 2015. The dollarization rate in private sector lending regressed to 74.2% at the end of July 2016 from 74.7% a year earlier. Further, the average lending rate in Lebanese pounds was 8.32% in July 2016, while the same rate in US dollars stood at 7.25%.

Resident Private Sector Lending Growth* (% Change)



** in the first seven months of each year*
Source: Association of Banks in Lebanon, Byblos Research

In parallel, private sector deposits totaled $155.1bn at the end of July 2016, constituting an increase of 2.3% from the end of 2015 and a rise of 4.5% from end-July 2015. Deposits in Lebanese pounds reached $54.5bn, growing by 2.3% from end-2015 and by 4.7% from a year earlier; while deposits in foreign currencies totaled $100.6bn, constituting a rise of 2.3% from the end of 2015 and an increase of 4.4% from end-July 2015. Aggregate non-resident deposits reached $32.3bn at the end of July and grew by 1.5% from end-2015 and by 3.7% from a year earlier. In nominal terms, total private sector deposits regressed by $88.9m in January and by $80.9m in February, while they grew by $1bn in March, by $486.2m in April, by $959.2m in May, by $768.8m in June and by $409.3m in July 2016. In comparison, they declined by $274m in January and by $188.4m in July, and increased by $577.8m in February, by $731.7m in March, by $2bn in April, by $393.4m in May and by $690m in June 2015. As such, total private sector deposits rose by $3.48bn in the first seven months of 2016 compared to an increase of $4bn in the same period of 2015. Resident private sector deposits grew by $3bn in the first seven months of 2016 relative to a rise of $3.1bn in the same period of 2015, while non-resident deposits increased by $467m in the first seven months of the year compared to a growth of $857.7m in the same period of 2015. Further, deposits of non-resident banks reached $6.1bn at the end of July 2016, down by 6.7% from end-2015 and by 3.3% from a year earlier.

The dollarization rate of deposits was 64.9% at the end of July 2016, unchanged from a year earlier. Further, the average deposit rate in Lebanese pounds was 5.57% in July 2016, while the same rate in US dollars was 3.3%. In addition, the ratio of private sector loans-to-deposits in foreign currency stood at 41.4%, well below the Central Bank's limit of 70% and compared to 40.3% a year earlier. In comparison, the same ratio in Lebanese pounds was 26.6% at end-July 2016 relative to 25.3% at the end of July 2015. The ratio of total private sector loans-to-deposits was 36.2% relative to 35.1% a year earlier. The banks' aggregate capital base stood at $17.4bn, up by 4.5% from $16.7bn at end-2015 and by 6.5% from $16.4bn at end-July 2015.

S&P revises to 'stable' the outlook on rated Lebanese banks

S&P Global Ratings revised its outlook from 'negative' to 'stable' on the long-term ratings of BLOM Bank, BankMed and Bank Audi. It simultaneously affirmed the 'B-' long-term counterparty credit ratings on the three banks, and the 'C' short-term counterparty credit ratings on BankMed and Bank Audi. Byblos Bank is not rated by S&P.

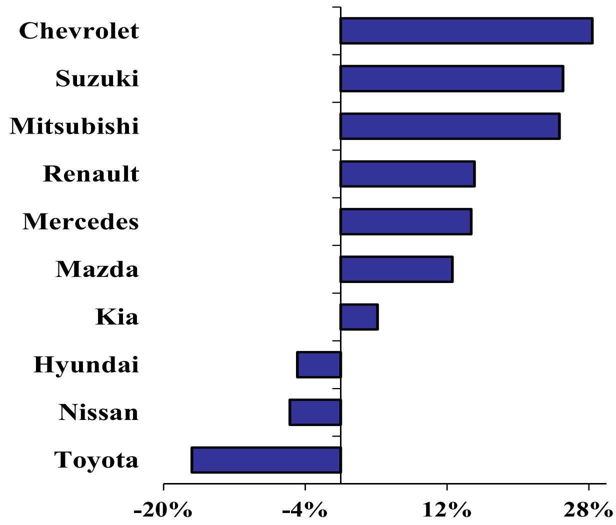
The agency attributed the outlook revision to its earlier change of the outlook on Lebanon's long-term sovereign ratings from 'negative' to 'stable' due to its expectations that deposit inflows to the Lebanese banking sector would remain resilient, which would support the government's borrowing requirements and the country's external financing needs.

S&P said that the three banks are highly exposed to their domestic operating environment, especially through their very large exposure to the sovereign, despite their good geographic diversification and their firm risk-control strategies. It noted that the banks' holdings of Lebanese government and Central Bank debt instruments continue to represent a multiple of common shareholders' equity of each bank, and expected the banks' sovereign exposure relative to their equity to remain at very high levels in the foreseeable future. As such, it pointed out that the banks' ratings do not exceed the sovereign ratings.

New car sales down 1% in first eight months of 2016

Figures released by the Association of Automobile Importers in Lebanon (AIA) show that dealers sold 25,562 new passenger cars in the first eight months of 2016, constituting a decrease of 1.3% from 25,891 cars sold in the same period of 2015. Consumers purchased 2,411 new cars in January, 2,793 automobiles in February, 2,786 cars in March, 3,109 vehicles in April, 3,165 automobiles in May, 4,180 cars in June, 3,700 automobiles in July and 3,418 cars in August 2016. Japanese automobiles accounted for 37.7% of total sales in the first eight months of 2016, followed by Korean cars with a 35.1% share, European automobiles (20.2%), American vehicles (6.4%) and Chinese cars (0.7%). The sales of new American vehicles increased by 10.6% year-on-year in the first eight months of the year and sales of Korean cars grew by a marginal 0.3%; while the number of Chinese cars sold dropped by 6.5% year-on-year, that of Japanese cars regressed by 3.3% and the number of European automobiles declined by 3.2%. Kia is the leading brand in the Lebanese market with 5,056 vehicles sold in the first eight months of 2016, followed by Hyundai with 3,868 in new car sales, Toyota (3,552), Nissan (2,578), Renault (1,258) and Suzuki (1,097). In parallel, 1,792 new commercial vehicles were sold in the first eight months of 2016, up by 21.4% from 1,476 vehicles sold in the same period of 2015. Overall, car dealers sold 27,354 new passenger automobiles and commercial vehicles in the first eight months of 2016, nearly unchanged from 27,367 cars sold in the same period of 2015.

Sales of Top 10 Car Brands in First Eight Months of 2016 (% change*)



** from the same period of 2015*
Source: AIA, Byblos Research

The AIA indicated that 90% of new cars sold were small-engine automobiles with a low selling price. It added that the trend of the market toward buying small cars is due to the absence of a developed public transportation system.

In parallel, the number of new vehicles sold by Lebanon's top five distributors reached 18,687 in the first eight months of 2016 and accounted for 68.3% of new car sales. NATCO sal sold 5,056 vehicles, equivalent to 18.5% of the total, followed by Century Motor Co. sal with 3,938 automobiles and Boustany United Machineries sal with 3,926 vehicles (14.4% each), Rasamny Younis Motor Co. sal with 3,191 cars (11.7%) and Bassoul Heneiné sal with 2,576 automobiles (9.4%).

Kafalat loan guarantees up 12% to $64m in first eight months of 2016

Figures released by the Kafalat Corporation show that loans extended to small- and medium-size companies under the guarantee of Kafalat reached $64.2m in the first eight months of 2016, constituting an increase of 12% from $57.3m in the same period of 2015. Kafalat provided 475 loan guarantees in the covered period, up by 14.5% from 415 guarantees in the first eight months of 2015. The average loan size reached $135,212 compared to $138,131 in the first eight months of 2015. Mount Lebanon accounted for 42.1% of the total number of guarantees, followed by the Bekaa with 24.2%, the North with 12.2%, the South with 10.6%, Nabatieh with 6.7% and Beirut with 4.2%. Also, the agricultural sector accounted for 47.4% of the total number of guarantees in the first eight months of 2016, followed by the industrial sector with 29.2%, tourism with 17.9%, handicraft with 3% and specialized technologies with 2.5%. Kafalat is a state-sponsored organization that provides financial guarantees for loans of up to $400,000 earmarked for the set-up and expansion of small- and medium-size companies in productive sectors. It guarantees up to 75% of the loan amount and a similar percentage of the interest that accrues during the grace period. It also guarantees up to 90% of the loan amount for innovative start-ups and a similar percentage of the interest that accrues during the grace period.

Jammal Trust Bank implements reverse stock split

The Central Bank of Lebanon approved in August 2016 the decision of Jammal Trust Bank sal (JTB) to execute a reverse stock split. The decision consisted of raising the nominal value of JTB's outstanding shares from LBP100 ($0.66) per share to LBP10,000 ($6.66) per share and, in turn, reducing the total number of its share capital from 750,900,000 shares to 7,509,000 shares. Further, the reverse stock split decision has kept the bank's share capital value unchanged at LBP75.09bn or the equivalence of $49.8m. The Extraordinary General Assembly of Jammal Trust Bank approved the decision in its meeting held on April 26, 2016.

Jammal Trust Bank posted audited consolidated net profits of $4.8m in 2015, constituting a drop of 64.7% from $13.5m in 2014. Total assets reached $963.3m at the end of 2015, and grew by 6.9% from end-2014. Loans & advances to customers totaled $462.6m, up by 20.7% from end-2014, while the bank's deposits stood at $826.1m at end-2015, and increased by 5.6% from $782.5m at the end of 2014.

Corporate Highlights

Top five freight forwarders' import activity up 5% in first seven months of 2016, exports up 3%

Figures released by the Port of Beirut show that overall import shipping operations by the top five freight forwarders through the port reached 207,747 20-foot equivalent units (TEUs) in the first seven months of 2016, constituting an increase of 5.2% from 197,567 TEUs in the same period of 2015. The top five freight forwarders accounted for 88.3% of imports to the Lebanese market and for 63% of the total import freight forwarding market during the covered period. Mediterranean Shipping Company (MSC) handled 67,061 TEUs in imports in the first seven months of 2016, equivalent to a 20.3% share of the total freight forwarding import market. Metz Group followed with 41,411 TEUs (12.6%), then Merit Shipping with 38,065 TEUs (11.5%), Sealine Group with 36,695 TEUs (11.1%) and Gezairy Transport with 24,515 TEUs (7.4%). Further, Gezairy Transport registered a year-on-year increase of 43.4% in import shipping volume, the highest among the top five freight forwarders, while Sealine Group posted the steepest decline at 18.7%.

In parallel, export shipping operations by the top five freight forwarders through the Port of Beirut reached 47,556 TEUs in the first seven months of 2016, constituting an increase of 3.2% from 46,060 TEUs in the same period of 2015. The top five freight forwarders accounted for 97.7% of exported Lebanese cargo and for 14.4% of the total export freight forwarding market in the first seven months of 2016. Merit Shipping handled 21,871 TEUs of freight in the covered period, equivalent to 44.9% of the Lebanese cargo export market. Sealine Group followed with 10,569 TEUs (21.7%), then Metz Group with 10,407 TEUs (21.4%), MSC with 2,594 TEUs (5.3%) and Gezairy Transport with 2,115 TEUs (4.3%). Further, Merit Shipping registered a year-on-year rise of 35.2% in export shipping volume, while MSC posted the steepest decline at 23.7%.

BBAC's net earnings up 15% to $32m in first half of 2016

BBAC Bank sal, one of Lebanon's top 10 banks, announced unaudited consolidated net profits of $31.8m in the first half of 2016, constituting an increase of 14.9% from the same period last year. Net operating income rose by 56.4% year-on-year to $102.8m in the first half of the year, with net interest income increasing by 8.1% to $47.05m and net fees & commissions receipts declining by 2.4% year-on-year to $12.9m. Non-interest income accounted for 56.3% of total income, up from 37.65% in the same period last year; with net fees & commissions representing 21.2% of non-interest earnings relative to 50.2% in the first half of 2015. Further, the bank's interest margin was 1.58% in the first half of 2016 relative to 1.64% in the same period last year; while its spread reached 1.52% in the first half of 2016, down from 1.58% in the same period of 2015. Total operating expenditures increased by 96% to $65.7m, with administrative & other operating expenses rising 3.5 times to $39.2m and staff expenses increasing by 20.4% to $24.2m. Also, the bank's return on average assets was 1.03% in June 2016 on an annualized basis relative to 1% in June 2015; while its return on average equity increased to 13% on an annualized basis from 12.18% in June 2015. The cost-to-income ratio rose to 61.1% in the first half of the year from 48% in the same period of 2015.

In parallel, total assets reached $6.26bn at end-June 2016, constituting an increase of 2.8% from end-2015 and a rise of 12.2% from a year earlier. Loans & advances to customers, excluding those to related parties, increased by 3.5% from end-2015 and by 10.2% from a year earlier to $1.69bn. Also, customer deposits, excluding those from related parties, totaled $5.4bn at the end of June 2016, and grew by 3.7% from end-2015 and by 11.1% from a year earlier. The loans-to-deposits ratio regressed to 30.84% at end-June 2016 from 31.15% a year earlier. In parallel, the bank's shareholders' equity rose by 4.1% from the end of 2015 to $498 at end-June 2016.

MetLife Alico's net income down 3% to $36.4m in FY2015

MetLife Alico, the largest provider of life insurance products in Lebanon, announced audited net profits of $36.4m for the fiscal year ending in November 2015, constituting a decrease of 3.2% from net earnings of $37.6m in the same period of 2014. Its audited balance sheet for Lebanon shows total assets of $574.4m at the end of November 2015, up by 1.2% from a year earlier. On the assets side, general company investments totaled $146m and increased by 3.8% from end-November 2014. They included $76.7m in fixed income investments; $16.6m in cash and cash equivalents; $9.6m in land and real estate and $4.7m in policy loans. They also included $35.9m in blocked bank deposits and deposits with maturity of more than three months, of which $8.5m, or 23.6%, were blocked in favor of the Economy Ministry as guarantees.

Also, unit-linked contract investments totaled $406.8m at end-November 2015, reflecting a marginal increase of 0.3% from $405.6m a year earlier. They included $197.5m of placements in mutual funds, $116.9m in fixed income investments and $92.3m in cash & similar investments. Cash & similar investments grew by 11.6% last year, while unit-linked investments in fixed income instruments decreased by 4.4% and investments in mutual funds regressed by 1.5% year-on-year. Also, the reinsurance's share in technical reserves for the non-life category grew by 30.8% to $4.9m in FY2015, while that for the non-life segment declined by 45% year-on-year to $2.7m.

On the liabilities side, unit-linked technical reserves reached $411.1m at end-November 2015, almost unchanged from a year earlier. Also, technical reserves for the life segment declined by 8.9% year-on-year to $66.6m, while technical reserves for the non-life category reached $23.3m at end-November 2015 and decreased by 1.5% from a year earlier. In parallel, the firm's shareholders' equity totaled $36.4m at end-November 2015, down 3.2% from a year earlier. Further, provisions for risks and charges reached $1.75m, decreasing by 7.7% from end-November 2014

Al-Bayan magazine's annual survey of the insurance sector in Lebanon ranked MetLife Alico in first and 12th place in 2015 in terms of life and non-life premiums, respectively. The firm's life premiums rose by 4.9% to $82.2m in 2015, while its non-life premiums amounted to $31.8m and increased by 5.2% from 2014. It had a 17.4% share of the local life market and a 3% share of the non-life market in 2015.

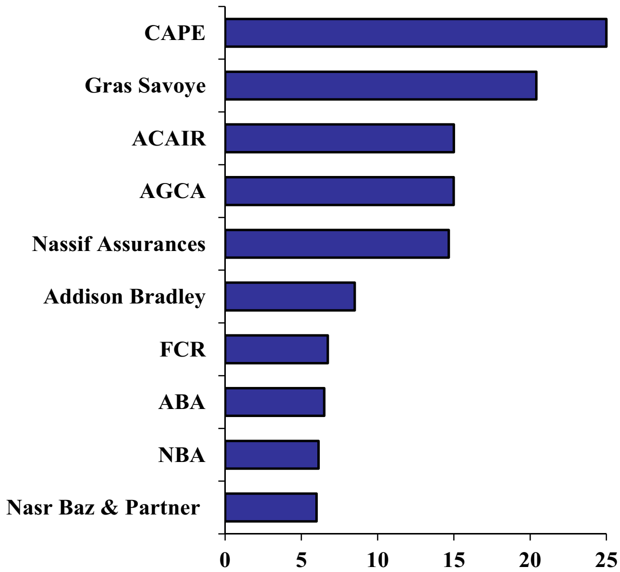
Premiums generated by independent insurance brokers up 8% to $234m in 2015

Al-Bayan magazine's annual survey of insurance brokers in Lebanon shows that the total premiums generated by independent brokers operating across the country reached $234.3m in 2015, constituting an increase of 7.6% from $217.8m in 2014. The figures cover premiums generated by 91 active independent brokers in the market. Also, they exclude premiums generated by brokers affiliated with commercial banks and those who operate exclusively for a specific insurance company.

The brokers included in the survey generated 15.3% of total insurance premiums written in 2015 relative to 14.7% of the total in 2014. Cape Insurance Broker came in first place with $25m in premiums generated last year, equivalent to 10.7% of the total. It was followed by Gras Savoye with $20.4m (8.7%), Insurance Consultancy & Risk Assessment (ACAIR) and Agence Générale de Courtage d'Assurances (AGCA) with $15m each (6.4% each), Nassif Assurances with $14.7m (6.3%) and Addison Bradley with $8.5m (3.6%) as the top five brokers in the survey.

In parallel, Consolidated Brokers posted a 66.7% rise in premiums, the highest growth among brokers year-on-year, and ranked in 57th place in the 2015 survey. Nine of the top 10 brokers posted increases in their premiums, while AGCA posted the only decrease in its premiums year-on-year. The top 10 insurance brokers generated $123.9m in premiums last year and accounted for 52.9% of the total, relative to premiums of $115.6m and a share of 53.1% in 2014. Further, 39 brokers generated more than $1m in premiums, 20 brokers had premiums ranging from $0.5m to $1m, and the remaining 32 brokers posted premiums of less than $0.5m each.

Top 10 Insurance Brokers by Premiums in 2015 (US$m)



Source: Al-Bayan magazine, Byblos Research

Kempinski Summerland Hotel & Resort officially opens in Beirut

The Kempinski Summerland Hotel & Resort announced its official opening on September 15, 2016 in the Jnah area of Beirut, following a soft opening on September 1, 2016. The newly-renovated five-star resort includes 153 rooms and suites, a ballroom, restaurants, several pools, as well as a fitness center and a spa, a private sand beach, a tennis court and a private marina, among other facilities. Also, the Summerland Village has 73 luxury apartments with a built-up area ranging from 110 square meters to 441 square meters each.

The Summerland project, which consists of the Summerland Village and the Kempinski Summerland Hotel & Resort, is owned by the Société Générale d'Entreprises Touristiques (SGET) sal, a Saudi-Lebanese joint venture, and is managed by the international chain Kempinski Hotels. SGET invested about $500m for the acquisition, construction and development of the project. The project was supposed to open in 2012, but its inauguration was repeatedly delayed due to political instability in the country that affected tourism activity, as well as due to operational issues.

Kempinski Hotels currently owns and operates an international portfolio of over 75 hotels and residences in more than 30 countries in Europe, Asia and the Middle East & Africa region. It has 19 hotels in eight counties in the Middle East & North Africa region, which are Djibouti, Egypt, Jordan, Lebanon, Qatar, Saudi Arabia, Turkey and the UAE. The international chain was founded in Berlin in 1897, and its headquarters are currently located in Geneva.

Tabourian Group takes full ownership of Sannine water company

The Tabourian Group announced that it has acquired a 49% stake in La Compagnie des Sources du Liban sal "Sannine", a natural mineral water firm, for an undisclosed amount. It said that it acquired a 31.5% stake from Mr. Rizk Rizk, Chairman and Managing Director of Faraya-Mzaar Tourism & Sport Company, and a 17.5% stake from the Lebanon-based Malia Group. The Tabourian Group indicated that it purchased a 51% stake in Sannine's capital in 2005 and that the recent acquisition has allowed it to fully own the water company. Sannine's water production is currently estimated at about 250,000 liters per day.

The Tabourian Group owns and operates Interbrand sal that specializes in the production and distribution of juices, condiments, and canned fruits & vegetables. It includes multinational brands like Libby's and RC Cola, as well as local brands like X-tra and Bonjus. Founded in 1970, Sannine is a water bottling plant in Lebanon that has a significant market share in the water bottling industry. The company is valued at about $42m and has a turnover of over $5m per year.

Ratio Highlights

(in % unless specified)	2013	2014	2015	Change*
Nominal GDP ($bn)	47.2	49.4	50.9	
Public Debt in Foreign Currency / GDP	55.3	51.9	53.2	134
Public Debt in Local Currency / GDP	79.1	83.0	85.0	203
Gross Public Debt / GDP	134.4	134.8	138.2	337
Total Gross External Debt / GDP**	163.8	165.1	162.4	(270)
Trade Balance / GDP	(36.6)	(34.8)	(29.7)	512
Exports / Imports	18.5	16.2	16.6	41
Fiscal Revenues / GDP	19.9	22.0	18.8	(322)
Fiscal Expenditures / GDP	28.9	28.3	26.6	(167)
Fiscal Balance / GDP	(8.9)	(6.2)	(7.8)	(154)
Primary Balance / GDP	(0.5)	2.6	1.4	(122)
Gross Foreign Currency Reserves / M2	69.5	66.5	58.7	(780)
M3 / GDP	235.4	238.4	243.0	462
Commercial Banks Assets / GDP	349.0	355.9	365.6	968
Private Sector Deposits / GDP	288.4	292.6	298.0	540
Private Sector Loans / GDP	100.3	103.1	106.6	348
Private Sector Deposits Dollarization Rate	66.1	65.7	64.9	(83)
Private Sector Lending Dollarization Rate	76.5	75.6	74.8	(73)

** Change in basis points 14/15*
***Includes portion of public debt owed to non-residents, liabilities to non-resident banks, non-resident deposits (estimated by the IMF), Bank for International Settlements' claims on Lebanese non-banks*
Source: Association of Banks in Lebanon, Institute of International Finance, International Monetary Fund, World Bank, Byblos Research Estimates & Calculations
Note: M2 includes money in circulation and deposits in LBP, M3 includes M2 plus Deposits in FC and bonds

Risk Metrics

Lebanon	Oct 2014	Sep 2015	Oct 2015	Change**	Risk Level
Political Risk Rating	52.0	54.5	54.5	▼	High
Financial Risk Rating	38.0	39.0	39.0	▼	Low
Economic Risk Rating	27.0	33.0	33.0	▼	Moderate
Composite Risk Rating	58.5	63.25	63.25	▼	Moderate

MENA Average*	Oct 2014	Sep 2015	Oct 2015	Change**	Risk Level
Political Risk Rating	57.1	57.6	57.7	▼	High
Financial Risk Rating	40.6	39.2	39.3	▲	Low
Economic Risk Rating	35.6	31.3	31.2	▲	Moderate
Composite Risk Rating	66.6	64.0	64.1	▲	Moderate

**excluding Lebanon*
***year-on-year change in risk*
Source: The PRS Group, Byblos Research
Note: Political & Composite Risk Ratings range from 0 to 100 (where 100 indicates the lowest risk)
Financial & Economic Risk ratings range from 0 to 50 (where 50 indicates the lowest risk)

Ratings & Outlook

Sovereign Ratings	Foreign Currency			Local Currency		
	LT	ST	Outlook	LT	ST	Outlook
Moody's	B2	NP	Negative	B2		Negative
Fitch Ratings	B-	B	Stable	B-		Stable
Standard & Poor's	B-	B	Stable	B-	B	Stable
Capital Intelligence	B	B	Negative	B	B	Negative

Source: Rating agencies

Banking Ratings	Banks' Financial Strength	Banking Sector Risk	Outlook
Moody's	E+		Negative

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