

BLOM Bond Index Rose as Lebanon Moves Towards Restricting Weapons With Official Forces Only



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	07/08/2025	31/07/2025	Change	Year to Date
BLOM Bond Index (BBI)	19.816	19.185	3.29%	49.10%
Weighted Yield	102.10%	103.66%	-1.50%	-1.41%
Weighted Spread	9,800.09	9,939.17	-1.40%	-1.28%

The BLOM Bond Index (BBI), which tracks Lebanese government Eurobonds (excluding coupon payments), increased by 3.29% in the week ending August 7th, 2025 to 19.82 points.

BLOM Bond Index increased this week due to decisions taken by the Lebanese Government to start restricting weapon with official forces only as per “Taef Agreement” and cease-fire agreement signed on November 27th, 2024. Despite the exit of some of the ministers when discussing weapons issue, the Lebanese government in its two meetings this week took two decisions in this respect. First, it assigned the Lebanese army to present a plan to restrict weapon in official forces only and to be submitted by the end of August. This plan should contain the steps to be taken to disarm all unofficial armed groups by the end of the year. The second decision was to ratify the goals of the US document related to the implementation of the cease-fire agreement. These goals include stopping Israeli breach of cease-fire agreement, withdrawal of Israeli forces from Lebanese territories, indirect negotiations to trace the borders with Israel and direct negotiations to trace the borders with Syria.

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	07/08/2025	31/07/2025	Change
BBI	19.816	19.185	3.29%
JP Morgan EMBI	964.59	957.50	0.74%
5Y LEB	97.80%	98.90%	(110)
10Y LEB	65.10%	66.10%	(100)
5Y US	3.79%	3.96%	(17)
10Y US	4.23%	4.37%	(14)
5Y SPREAD	9,401	9,494	(93)
10Y SPREAD	6,087	6,173	(86)

In the U.S., treasury yields curve shifted downward this week. 1-year, 5-year and 10-year yields dropped by 18 bps, 17 bps, and 14 bps respectively to reach 3.92%, 3.79%, and 4.23%. Recently, revised employment data erased around 258,000 nonfarm payrolls in the US in last two months. Moreover, latest revealed labor data were below expectations as nonfarm payrolls rose by 73,000 in July 2025 below expectations of 110,000. Similarly, initial jobless claims, being the number of people claiming unemployment benefits increased by 7,000 from the previous week to record 226,000 in the last week of July, above market expectations of a softer increase to 221,000. Furthermore, continuous jobless claims increased to 1.97 million in the week ending July 26 of 2025 from 1.94 million in the prior week, the greatest since November of 2021.

These new figures reverse the view of robust labor market and markets are now expecting two rate cuts this year in September and December. Additionally, it reflects the larger effect of US tariff threats and ambiguous economic policy.

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5Y Credit Default Swaps (CDS)

	07/08/2025	31/07/2025
KSA	61.02	61.20
Dubai	56.46	54.91
Brazil	144.76	149.72
Turkey	278.32	279.77

Source: Bloomberg

Maturity	Coupon in %	07/08/2025	31/07/2025	Change	07/08/2025	31/07/2025	Change bps
28/11/2026	6.6	19.135	18.502	3.42%	197.24%	199.62%	(238)
23/03/2027	6.85	19.116	18.503	3.31%	154.19%	156.19%	(200)
29/11/2027	6.75	19.027	18.51	2.79%	107.17%	108.58%	(141)
03/11/2028	6.65	19.075	18.504	3.09%	78.43%	79.77%	(134)
26/02/2030	6.65	19.159	18.513	3.49%	60.08%	61.36%	(128)
22/04/2031	7	19.164	18.516	3.50%	52.75%	53.96%	(122)
23/03/2032	7	19.107	18.536	3.08%	48.62%	49.64%	(102)
02/11/2035	7.05	19.263	18.541	3.89%	40.43%	41.69%	(126)
23/03/2037	7.25	19.129	18.557	3.08%	40.20%	41.24%	(104)

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