

BLOM Bond Index Rose Amid UAE's Return to Lebanon from Economic Gate



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	27/08/2026	20/08/2026	Change	Year to Date
BLOM Bond Index (BBI)	29.69	29.35	1.13%	23.25%
Weighted Yield	60.74%	60.92%	-0.30%	-10.44%
Weighted Spread	5,672	5,694	-0.39%	-11.81%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), rose by **1.13%** over the course of the week ending **August 27th, 2026**, closing at **29.69 points**, driven by economic developments in Lebanon. Moreover, **BBI** improved outstandingly by **23.25% YTD**. And as bond prices increases, yields decrease and so the weighted yield dropped by **30 basis points** to **60.74%**.

On the political front, the situation is still stagnant. Lebanese politicians are still divided between supporters of the direct negotiations with Israel as it is the least costly decision and those who are in favor of in-direct negotiations. In the meantime, the Israeli strikes on Southern Lebanon continue.

On the economic front, the main event that happened this week is the visit of the Emirati economic delegation to Lebanon to sign economic agreements, headed by UAE Minister of Foreign Trade, accompanied by tens of investors and government representatives. The discussions in the **Lebanon-UAE Economic Forum** that was held in Beirut on August 26th and 27th focused on investment and commercial partnerships across several sectors such as technology and digital economy, agriculture, economic zones, to name a few. Additionally, the **Lebanese-Emirati Joint Business Council** was launched for the purpose of facilitating

private-sector partnerships and investment projects. Furthermore, five Memoranda of Understanding (MoU) were signed in this visit.

The importance of this event is that the UAE will be investing in Lebanon rather than usual deposits at the Lebanese Central Bank or some sort of aid. These investments will have a remarkable positive economic impact on the Lebanese economy as such investments will increase foreign capital inflows, resulting in more employment and production that will lead to stronger balance of payments; as is higher production output will be either consumed locally (thus less imports) or exported (more exports). Finally, these would help economic recovery, with hopes that similar MoUs to be signed with other Arab countries such as Saudi Arabia and Qatar in addition to other Western countries. However, all these investments will materialize on the ground without war end and unofficial weapons surrender.

On the Security front, Israeli airstrikes and military attacks on South Lebanon are persistent with concentration in Nabatieh near “Ali-Al Taher” hill.

	27/08/2026	20/08/2026	Change
BBI	29.69	29.35	1.13%
JP Morgan EMBI	1,042.41	1,037.31	0.49%
5Y LEB	45.55%	45.60%	(5)
10Y LEB	29.80%	30.05%	(25)
5Y US	4.38%	4.39%	(1)
10Y US	4.67%	4.69%	(2)
5Y SPREAD	4,117	4,121	(4)
10Y SPREAD	2,513	2,536	(23)

In the U.S., 5-year bonds and 10-year Treasury yields dropped by 2 and 1 bps respectively over the course of the week, amid political and monetary developments.

Latest data from US Department of Labor revealed that initial jobless claims declined by 4,000 to 203k on the third week of August, slightly below expectations. Moreover, continuing jobless claims in the United States decreased from 1,796k to 1,778k in the week ending August 15th, 2026. In addition, US's 4-week moving average for initial jobless claims, that dismisses week-to-week volatility, increased on a weekly basis from 204.25k to 205.5k in the week ending August 22nd, 2026.

On the economic front, US Composite PMI rose from 54.5 in July to 56 in August indicating that the US economy expanded at a faster rate. Moreover, the Personal Consumption Expenditures Index (PCE) recorded 3.7% Y-o-Y in July 2026 with no change from June 2026.

On the security front, US attacks on Iran are stalled and are replaced by economic and financial sanctions tightening against Iran.

As such, markets are currently pricing a 66.3% probability of keeping rates unchanged at 3.5% - 3.75% compared to a 33.7% probability of a 25 bps hike in the next FOMC meeting on September 15th and 16th as shown in the CME Group Fedwatch table.

Target Rate (bps)	Probability(%)			
	Now *	1 Day 27 Aug 2026	1 Week 21 Aug 2026	1 Month 28 Jul 2026
350-375 (Current)	66.3%	64.6%	60.1%	24.0%
375-400	33.7%	35.4%	39.9%	55.8%
400-425	0.0%	0.0%	0.0%	20.2%

* Data as of 28 Aug 2026 04:10:34 CT

5Y Credit Default Swaps (CDS)

	27/08/2026	20/08/2026
KSA	56.71	58.15
Dubai	61.80	63.64
Brazil	121.63	125.91
Turkey	219.64	221.20

Source: Bloomberg

Maturity	Coupon in %	Prices		Weekly	Yields		Weekly
		27/08/2026	20/08/2026	Change	27/08/2026	20/08/2026	Change bps
29/11/2027	6.75%	28.092	27.687	1.46%	147.94%	147.44%	49.82
20/03/2028	7.00%	28.114	27.738	1.36%	117.14%	116.98%	16.14
03/11/2028	6.65%	28.096	27.759	1.21%	82.96%	83.12%	(15.89)
25/05/2029	6.85%	28.149	27.892	0.92%	67.67%	67.78%	(10.83)
27/11/2029	11.50%	28.34	28	1.21%	69.50%	69.92%	(41.37)
26/02/2030	6.65%	28.123	27.969	0.55%	55.06%	55.05%	1.36
22/04/2031	7.00%	28.377	28.186	0.68%	44.85%	44.95%	(10.96)
20/11/2031	7.15%	28.535	28.22	1.12%	41.65%	41.92%	(27.26)
23/03/2032	7.00%	28.496	28.172	1.15%	39.75%	40.02%	(26.95)
17/05/2033	8.20%	29.816	29.531	0.97%	37.21%	37.45%	(23.86)
17/05/2034	8.25%	29.815	29.523	0.99%	35.01%	35.25%	(24.49)
27/07/2035	12.00%	29.461	28.967	1.71%	43.77%	44.43%	(65.65)
02/11/2035	7.05%	29.273	28.923	1.21%	30.04%	30.31%	(26.79)
23/03/2037	7.25%	29.19	28.918	0.94%	29.05%	29.25%	(20.34)

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