

Lebanese Eurobonds Rally as Diplomatic Hopes Boost Market Sentiment



August 7, 2026

Contact Information

Helmi Mrad

Senior Research Specialist

helmi.mrad@blominvestbank.com

	06/08/2026	30/07/2026	Change	Year to Date
BLOM Bond Index (BBI)	28.72	28.32	1.43%	19.26%
Weighted Yield	61.12%	61.41%	-0.47%	-9.89%
Weighted Spread	5,706.74	5,737.50	-0.54%	-11.26%

The **BLOM Bond Index (BBI)**, which tracks Lebanese government Eurobonds (excluding coupon payments), rose by **1.43%** over the course of the week ending **August 6th, 2026**, closing at **28.72 points**, attributed to ongoing negotiations between Lebanon and Israel in Rome. Also, **BBI** improved noticeably by **19.26% YTD**. And as bond prices increases, yields decrease and so the weighted yield declined by **47 basis points** to **61.12%**.

Earlier this week, three days of negotiation between Lebanese and Israeli negotiators (civil and military teams) were held to solve remaining issues. News leaked suggest that there is no agreement regarding additional experimental territories or freeing hostages; just some slight improvement.

On the Security front, Israeli airstrikes and military attacks on South Lebanon are persistent, as they are justifying these attacks as a response to Hezbollah's breach of the agreement.

	06/08/2026	30/07/2026	Change
BBI	28.72	28.32	-1.43%
JP Morgan EMBI	1,039.59	1,030.75	0.86%
5Y LEB	46.10%	46.50%	(40)
10Y LEB	30.50%	30.90%	(40)
5Y US	4.40%	4.38%	2
10Y US	4.69%	4.68%	1
5Y SPREAD	4,170	4,212	(42)
10Y SPREAD	2,581	2,622	(41)

In the U.S., 5-year bonds and 10-year Treasury yields rose over the course of the week, they increased by 2 and 1 basis points respectively to record 4.4% and 4.69% due to easing of geopolitical tensions in the Middle East resulting in some decrease in energy prices, thus affecting future inflation.

Latest data from US Department of Labor revealed that initial jobless claims rose by 1,000 to 199k on the final week of July, slightly better than expected. Moreover, continuing jobless claims in the United States rose from 1,777k to 1,801k in the week ending July 25th, 2026. In addition, US's 4-week moving average for initial jobless claims, that dismisses week-to-week volatility, dropped to 198.75k in August 1st compared to 203.25k in the prior week.

On the security front, US airstrikes on Iran are halted amid regional intermediaries' efforts to reach a diplomatic solution to regional tension. Qatari authorities stated earlier this week that the US and Iran are close to a short term agreement regarding Hormiz Strait. In addition, recently, a reported agreement between Iran and Oman regarding management of Hormz Strait is complete. Recently, other reports reveal that a shrt term agreement between US and Iran is unlikely, thus exerting additional pressures on energy prices.

As such, markets are currently pricing a 45.3% probability of keeping rates unchanged at 3.5% - 3.75% compared to a 54.7% 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 6 Aug 2026	1 Week 31 Jul 2026	1 Month 7 Jul 2026
350-375 (Current)	45.3%	45.0%	33.0%	38.1%
375-400	54.7%	55.0%	67.0%	49.1%
400-425	0.0%	0.0%	0.0%	12.8%
* Data as of 7 Aug 2026 04:15:32 CT				

5Y Credit Default Swaps (CDS)

	06/08/2026	30/07/2026
KSA	60.47	64.21
Dubai	62.81	66.95
Brazil	123.79	124.63
Turkey	227.77	237.83

Source: Bloomberg

Maturity	Coupon in %	Prices		Weekly	Yields		Weekly
		06/08/2026	30/07/2026	Change	06/08/2026	30/07/2026	Change bps
29/11/2027	6.75%	27.34	27.02	1.18%	144.32%	143.91%	40.56
20/03/2028	7.00%	27.34	27.12	0.81%	115.40%	114.96%	44.42
03/11/2028	6.65%	27.32	26.52	3.02%	82.86%	84.39%	(153.06)
25/05/2029	6.85%	27.38	27.17	0.77%	68.02%	68.10%	(8.40)
27/11/2029	11.50%	26.99	26.95	0.15%	71.50%	71.36%	14.18
26/02/2030	6.65%	27.42	27.15	0.99%	55.42%	55.63%	(21.02)
22/04/2031	7.00%	27.62	27.29	1.21%	45.42%	45.75%	(32.57)
20/11/2031	7.15%	27.71	27.25	1.69%	42.34%	42.82%	(48.40)
23/03/2032	7.00%	27.75	27.29	1.69%	40.31%	40.77%	(45.90)
17/05/2033	8.20%	28.98	28.29	2.44%	37.92%	38.62%	(69.70)
17/05/2034	8.25%	28.97	28.01	3.43%	35.73%	36.69%	(96.04)
27/07/2035	12.00%	27.67	27.79	-0.43%	46.28%	46.11%	17.26
02/11/2035	7.05%	28.37	27.87	1.79%	30.73%	31.15%	(42.19)
23/03/2037	7.25%	28.36	27.86	1.79%	29.68%	30.11%	(42.64)

For your Queries:
BLOM 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

Disclaimer

This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness or accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.