

Lebanese Eurobonds Trade at Their Highest Level Since Default After IMF Visit; US Bonds Rise to Multidecade Highs



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	24/09/2026	18/09/2026	Weekly Change	Year to Date
BLOM Bond Index (BBI)	29.80	29.66	0.48%	23.23%
Weighted Yield	62.42%	62.25%	0.28%	-7.96%
Weighted Spread	5,794.24	5,785.39	0.15%	-9.90%

The **BLOM Bond Index (BBI)**, which tracks defaulted Lebanese government Eurobonds that haven't matured yet (excluding coupon payments), rose by 0.48% week-to-date to 29.8 points on September 24, 2026, to trade near its highest level since February 2020, before the Eurobonds default.

Bond prices are now trading between 28.14¢ and 30¢ on the dollar for maturities ranging from 2027 to 2037.

Maturity	Coupon in %	Prices		Weekly Change
		24/09/2026	18/09/2026	
29/11/2027	6.75	28.14	28.02	0.43%
20/03/2028	7	28.22	28.04	0.65%
03/11/2028	6.65	28.21	28.16	0.20%
25/05/2029	6.85	28.18	28.02	0.59%
27/11/2029	11.5	28.31	28.30	0.01%
26/02/2030	6.65	28.25	28.16	0.29%
22/04/2031	7	28.54	28.40	0.48%
20/11/2031	7.15	28.62	28.51	0.36%
23/03/2032	7	28.65	28.45	0.70%
17/05/2033	8.2	30.00	29.77	0.78%
17/05/2034	8.25	29.99	29.77	0.74%
27/07/2035	12	29.57	29.44	0.43%
02/11/2035	7.05	29.40	29.25	0.52%
23/03/2037	7.25	29.40	29.24	0.54%

This rise follows the International Monetary Fund (IMF) staff's visit to Lebanon throughout 15-18 September, to assess macroeconomic conditions and economic and financial reform progress. As discussed in [*IMF Delegation Wraps Up Lebanon's Visit*](#), while the mission acknowledged several improvements, the most relevant issue for Eurobonds is the need to amend the Financial Stabilization and Deposits Recovery Law (known as the financial gap law) to ensure depositor protection, respect the hierarchy of claims, and make sure that a viable banking sector comes out of this process. The proposal should also align with international standards and public debt sustainability.

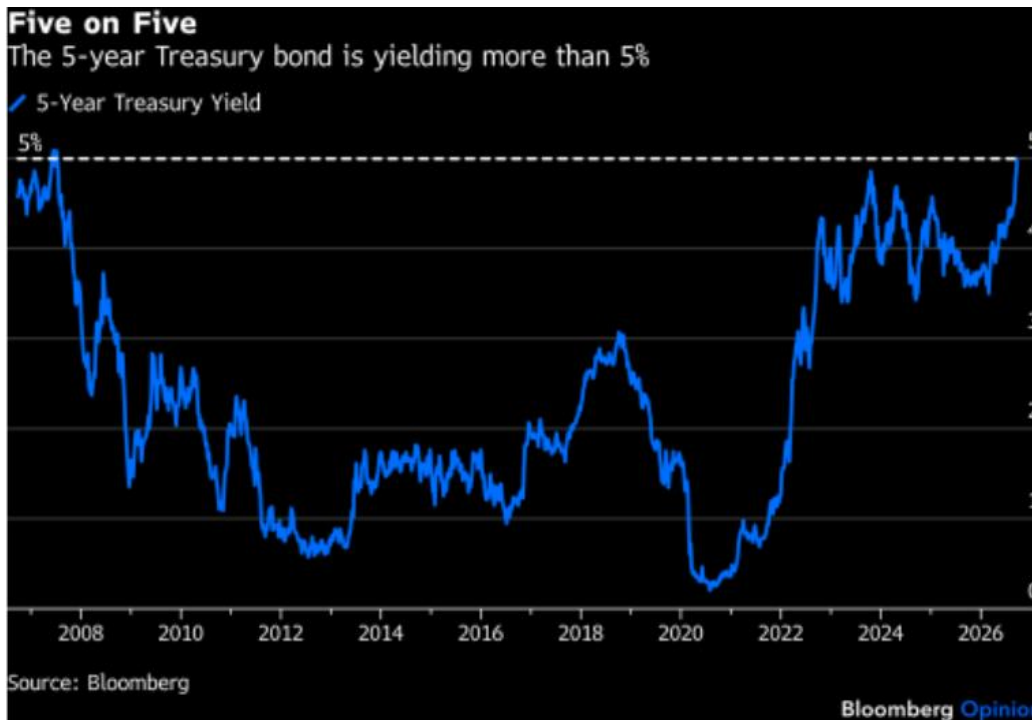
On the security front, Israeli strikes on South Lebanon are still ongoing, adding further strain to Lebanon's already fragile economic outlook.

The lack of progress in US-Iran discussions has further heightened regional tensions, pressing Lebanon's security environment and deepening the risks to its stability.

As prices of 5 and 10-year bonds rose, their yields fell by 10 basis points.

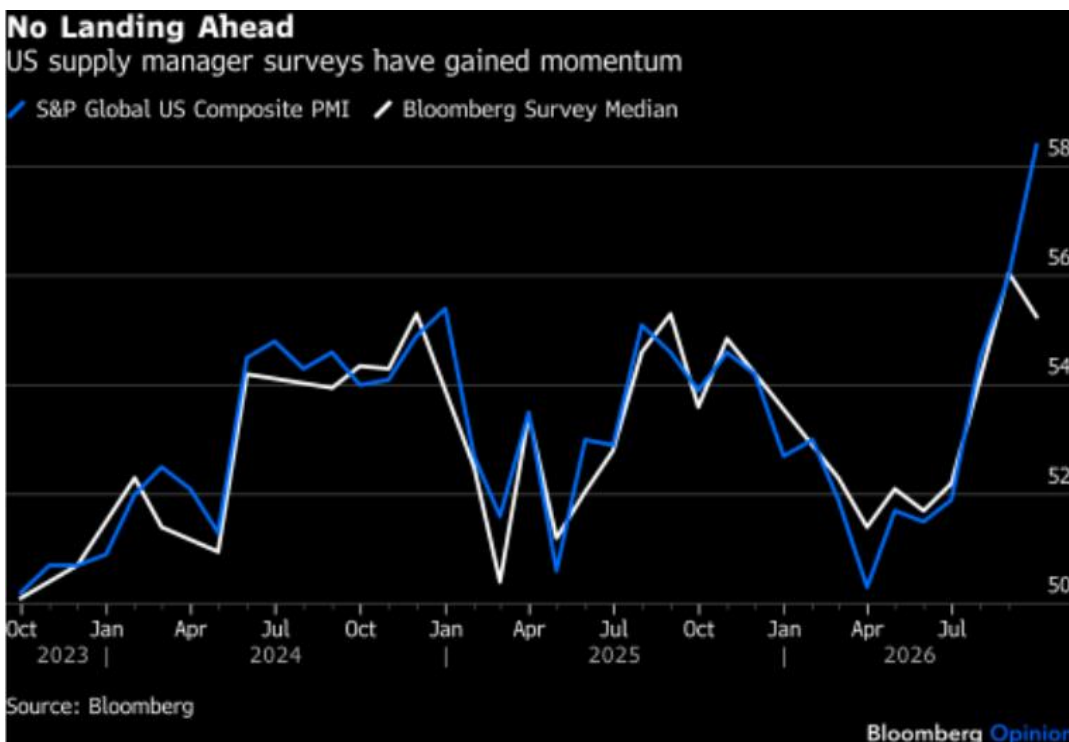
	24/09/2026	18/09/2026	Weekly Change
JP Morgan EMBI	1,019.37	1,029.62	-1.00%
5Y LEB	45.90%	46.00%	(10)
10Y LEB	29.75%	29.85%	(10)
5Y US	5.03%	4.86%	17
10Y US	5.18%	5.01%	17
5Y SPREAD	4,087	4,114	(27)
10Y SPREAD	2,457	2,484	(27)

In contrast, in the U.S., Treasury yields surged this week, climbing to multidecade highs, with the 5-year bond trading above 5% for the first time since 2007, the 10-year bond - the global benchmark for borrowing costs - reaching its highest level since June 2007 and the 30-year bond hitting its peak since June 2004.



This jump reflects strong economic data and rising energy prices, which raise expectations of additional Fed tightening.

September's S&P Global survey showed the sharpest private-sector expansion in more than five years, with services and manufacturing both advancing, alongside mounting inflationary pressures.



At the same time, oil prices rose as US-Iran tensions and UN discussions have yielded no meaningful progress toward resolution. Elevated energy prices, particularly record US diesel rates, threaten to add fresh pressure on inflation.

Besides, recent remarks from Fed officials signaled a more tightening stance.

As per the CME Fed Watch, traders are now pricing a 70.9% chance of a rate hike in October's Fed meeting, compared to 57.6% last week.

TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 23 SEP 2026	1 WEEK 18 SEP 2026	1 MONTH 25 AUG 2026
350-375	0.0%	0.0%	0.0%	45.7%
375-400 (Current)	29.1%	29.1%	42.4%	44.7%
400-425	70.9%	70.9%	57.6%	9.7%

* Data as of 25 Sep 2026 03:15:22 CT

01/01/2028 and forward are projected meeting dates

5Y Credit Default Swaps (CDS)

	24/09/2026	18/09/2026
KSA	65.21	62.01
Dubai	62.91	60.47
Brazil	122.82	111.75
Turkey	247.92	232.79

Source: Bloomberg

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