Lebanese Eurobonds Rise Ahead of IMF Visit as War Escalation Fears Ease

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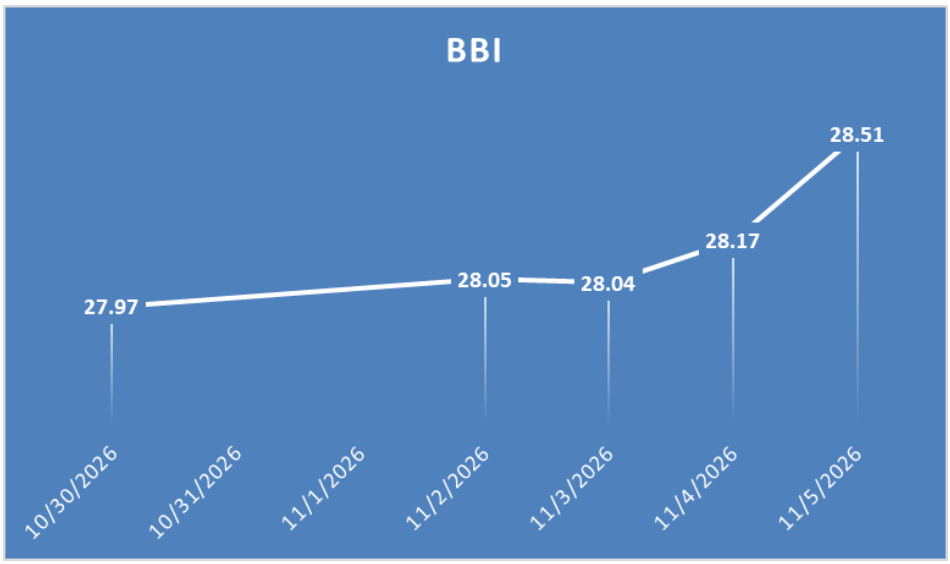
	11/5/2026	10/30/2026	Weekly Change	Year to Date
BLOM Bond Index (BBI)	28.51	27.97	1.92%	17.89%
Weighted Yield	68.17%	68.84%	-0.99%	0.51%
Weighted Spread	6,391.54	6,452.41	-0.94%	-0.61%

The **BLOM Bond Index (BBI)**, which tracks defaulted Lebanese government Eurobonds that haven't matured yet (excluding coupon payments), rose by 1.92% week-to-date to 28.51 points on November 5, 2026.

Bond prices are now trading between 27.01¢ and 28.52¢ on the dollar for maturities ranging from 2027 to 2037.

		Prices		Weekly	Yields		Weekly
Maturity	Coupon in %	11/5/2026	10/30/2026	Change	11/5/2026	10/30/2026	Change bps
11/29/2027	6.75	27.01	26.56	1.71%	187.23%	187.24%	(1.61)
3/20/2028	7	27.12	26.53	2.21%	139.03%	140.36%	(133.42)
11/3/2028	6.65	27.01	26.56	1.71%	94.13%	94.85%	(72.14)
5/25/2029	6.85	27.10	26.41	2.60%	74.59%	75.80%	(120.87)
11/27/2029	11.5	27.05	26.67	1.42%	75.52%	76.10%	(58.59)
2/26/2030	6.65	27.12	26.54	2.21%	59.16%	60.01%	(85.11)
4/22/2031	7	27.38	26.79	2.22%	47.57%	48.32%	(74.29)
11/20/2031	7.15	27.41	26.84	2.14%	44.11%	44.77%	(65.43)
3/23/2032	7	27.39	26.84	2.03%	41.91%	42.51%	(60.57)
5/17/2033	8.2	28.52	27.96	1.99%	39.20%	39.78%	(57.61)
5/17/2034	8.25	28.52	28.03	1.75%	36.76%	37.25%	(48.30)
7/27/2035	12	28.17	27.80	1.32%	45.66%	46.16%	(50.76)
11/2/2035	7.05	28.16	27.67	1.77%	31.33%	31.76%	(42.96)
3/23/2037	7.25	28.20	27.66	1.94%	30.08%	30.55%	(47.14)



The rise comes as Banque du Liban (BDL) Governor Karim Souaid announced an official visit to the United States later in November to hold consultations with the US Treasury, the IMF and agencies that combat financial crime, with the aim of restoring international confidence in Lebanon and fully reintegrating it into the global financial system.

Investors are also awaiting the IMF team's visit to Beirut between 9 and 13 November 2026.

The rally was also driven by the November 3 US midterm elections repercussions.
On election day, US President Donald Trump said he had agreed with Israeli Prime Minister Benjamin Netanyahu to end US military aid by the end of 2026, two years before agreement expires in September 2028. Israel can still buy US weapons. That agreement provides about $3.8bn a year.

In addition, Phil Gordon, a previous national security adviser to vice president Kamala Harris, told *The Jerusalem Post* "I honestly don't think any of the candidates [in the next Democratic presidential primary] will support the notion of financial assistance to Israel".

For Lebanon, less automatic US financial backing would raise the cost to Israel of a long military campaign, which could reduce the risk of renewed escalation.

After Democrats won both chambers, President Donald Trump told the *Financial Times* he had no immediate plans for striking Iran, while Vice President JD Vance, who called the war "the reason we lost," was reportedly pushing for a deal. *These moves eased concerns about a renewed US-Israeli campaign against Iran that could have escalated Israel's war on Lebanon.*

However, many analysts argue that Democratic control of Congress, while likely to increase pressure for an end to the US-Iran conflict, would not give lawmakers the authority to set US military or foreign policy. Just last month, U.S. Central Command were still concluding preparations for resuming major combat operations in Iran.

As prices of the 5-year and 10-year bonds increased, their yields declined by 70 and 49 basis points to 48.5% and 31%, respectively.

	11/5/2026	10/30/2026	Weekly Change
JP Morgan EMBI	1,022.08	1,019.78	0.23%
5Y LEB	48.50%	49.20%	(70)
10Y LEB	31.00%	31.49%	(49)
5Y US	4.59%	4.71%	(12)
10Y US	4.84%	4.94%	(10)
5Y SPREAD	4,391	4,449	(58)
10Y SPREAD	2,616	2,655	(39)

In the U.S., the 5-year and 10-year Treasury yields fell this week by 12 and 10 basis points to 4.59% and 4.84%, respectively.

This decline reflects the Democratic Party winning both the Senate and House, as investors are betting that Democratic control of Congress could limit the scope for further tax cuts and government spending, reducing the likelihood of increased government borrowing.

In addition, tech and AI stocks came under pressure amid concerns that a Democrat-controlled Congress could slow the expansion of data centers, a key pillar of the AI boom. Data centers became a key political flashpoint during the election campaign, with Democrats pledging to curb the pace of their expansion. The resulting risk-off sentiment prompted some investors to shift into safer assets such as bonds, though only modestly.

Moreover, stricter AI regulations and greater corporate oversight, both key Democratic policy priorities, could weigh on the growth outlook, increasing the appeal of safe havens such as US bonds.

Markets also interpreted the election result as lowering the risk of renewed conflict with Iran while raising the prospect of legislative gridlock in Washington. Oil prices fell sharply in response, helping to ease inflationary pressures and temper expectations for further policy tightening.

According to the CME FedWatch Tool, traders now price in about a 65.6% probability of a rate hike at the Fed's December 9 meeting, compared to 70.7% a week earlier.

Target Rate (bps)	Probability(%)			
	Now *	1 Day 4-Nov-26	1 Week 30-Oct-26	1 Month 6-Oct-26
375-400 (Current)	34.40%	17.30%	29.30%	15.50%
400-425	65.60%	82.70%	70.70%	68.40%
425-450	0.00%	0.00%	0.00%	16.10%
* Data as of 6 Nov 2026 01:45:02 CT				

5Y Credit Default Swaps (CDS)		
	11/5/2026	10/30/2026
KSA	69.58	73.31
Dubai	61.68	63.39
Brazil	150.94	145.55
Turkey	249.33	260.47
Source: Bloomberg		

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