ELNASHRA

20 مليار دولار من صندوق النقد لتثبيت الدولار على 10 آلاف؟!

الجمعة 24 أيلول 2021 07:30 | باسكال أبو نادر - خاص النشرة

مع إقتراب إنتهاء التعميم 151 الذي يسمح للمصارف باجراء سحوبات على الودائع بالعملات الاجنبية على سعر 3900 ليرة والحديث عن رفع السعر أو الابقاء على ما هو عليه تزامناً مع إنطلاق المفاوضات مع صندوق النقد الدولي وطلبه تحرير سعر صرف الليرة مقابل الدولار، تظهر مراسلة من قبل أحد المصارف تتحدّث عن أن "مصرف سيتي" وهو أحد أكبر المصارف في العالم ويعمل مع أكثر من 100 بلد حول العالم يشير الى أن الدولار سيثبت على 10 آلاف ليرة، إذا ما حصل لبنان من صندوق النقد الدولي على 20 مليار دولار (من 5 الى 10 مليار دولار من صندوق النقد و11 مليار دولار من سيدر).

مقاربة بنك سيتي

"الكلام الذي ورد عبر بنك سيتي يضع الحكومة اللبنانية أمام تحدّيات كبيرة، أولها أنها لا تستطيع الإكمال بالمسار السابق". هذا ما يؤكده مستشار وزير الاقتصاد السابق الخبير الاقتصادي ميشال فياض عبر "النشرة"، لافتاً الى أننا "إذا اردنا القيام بنهضة حقيقية وجب عدم الاستمرار بالنهج السابق المبني على البحث عن مساعدات دون وجود رؤية".

يعود ميشال فياض ليتحدّث عمّا ذكره بنك سيتي، مشيراً الى أنّ "الحكومة اللبنانية ستقوم تقريبا وحتى آذار 2022 بالتفاوض مع صندوق النقد، وإذا وضعت خطّة جديّة قد نحصل على الأموال، ولكن إذا لم يحصل ذلك فإننا حتماً متجهون الى الأسوأ"، مشدّدا على أن "ذلك لن يحصل دون إعادة هيكلة كل القطاعات في لبنان، بما فيها القطاع المصرفي ومصرف لبنان"، شارحاً أن "لدينا حوالي مئة مصرف نسمّيهم في الخارج Banques-Zombies أي مفلسين لكن لم يتمّ إشهار افلاسهم"، مضيفا: "بإعادة الهيكلة يتقلّص عدد المصارف الى حدّ معين قد لا يتجاوز الـ10 مصارف ربما".

الهيكلة المصرفيّة

"أبعد من ذلك يجب الاتجاه الى تشجيع الصناعة والزراعة، وإعادة هيكلة قطاع الكهرباء". يؤكّد فياض، لافتا في نفس الوقت الى انه "دون القيام بهذه الخطوات الاصلاحيّة وخصوصا لناحية هيكلة القطاع المصرفي لن يكون هناك نهوض للبلد، ورئيس الجمهورية ميشال عون مدرك لهذا الامر، وأكبر دليل ما ورد على لسانه بعد توقيع العقد مع "الفاريز ومارسال" تحدث فيها عن أن "السنة الاخيرة من عهده ستكون سنة الاصلاحات، شارحا ان التدقيق الجنائي يمهّد الطريق امام الاصلاحات المنشودة ويتجاوب مع رغبة المجتمع الدولي في مساعدتنا على تحقيق النهوض الإقتصادي".

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أن "مصرف لبنان يتّجه الى لجم الكتلة النقديّة بالليرة للحدّ من الطلب على الدولار بالسوق الموازية، من هنا وضع المصرف المذكور سقفا لسحوبات المصارف من حساباتها لديه"، مشيرا الى أنّ "هذا الاجراء اضطر البنوك الى ان تقوم بدورها بوضع سقف لسحوبات المودعين من أموالهم لديها"، معرباً عن اعتقاده أن "مصرف لبنان سيلجأ الى تجديد التعميم 151 وفي حال غيّر في سعر صرف الليرة مقابل الدولار، الا ان سقف سحوبات المودعين من اموالهم في المصارف لن يرتفع، وبالتالي لن يتمكن المودع من سحب كامل المبلغ"، لافتاً الى أنه "قد يصار إلى السماح بالدفع عبر البطاقة ربما".

أما ميشال فياض فيعتبر أنه "وفي ظل عدم إجراء الاصلاحات لا مفرّ من رفع سعر صرف الدولار مقابل الليرة في المصارف، وإذا لم يكن حالياً ففي القريب العاجل"، لافتا الى أن "سعر صرف الدولار مقابل الليرة ينخفض اليوم ولكن خلال أسابيع سيعاود الارتفاع".

إذاً، يتحدّث أحد أكبر المصارف في العالم عن دولار بـ10 الاف ليرة مقابل 20 مليار دولار من صندوق النقد الدولي... فهل يتحقق هذا السيناريو؟!.

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النشرة - أخبار لبنان والشرق الأوسط

15 Sep 2021 07:59:35 ET | 10 pages

Lebanon Economics

At what level could a new exchange rate be set?

CITI'S TAKE

The formation of a new government under Prime Minister Najib Mikati means the first hurdle towards an eventual resolution of the crisis has been taken. The next challenge is to come up with a plan for economic stabilisation to take to the electorate next year. In such a programme, the new exchange rate will be key in determining fiscal and external sustainability. Two simple metrics suggest an exchange rate of 10,000 against the dollar could close current account gaps and back up domestic money supply with sufficient reserves. The implication is that large-scale restructuring of Lebanese fx liabilities is unavoidable as the size of the economy would significantly shrink in dollar terms.

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With thanks to
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See Appendix A-1 for Analyst Certification, Important Disclosures and Research Analyst Affiliations.

At what level could a new exchange rate be set?

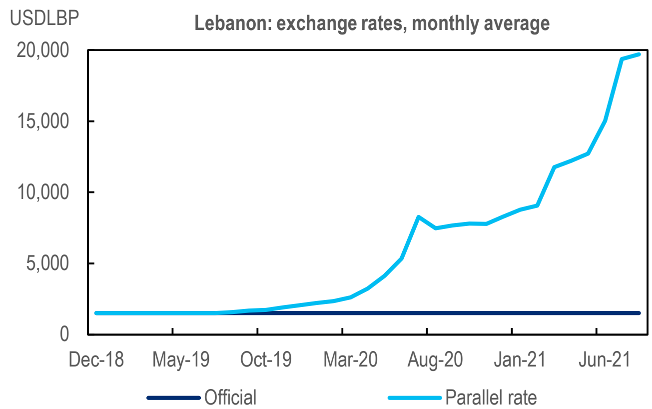
The formation of a new government under Prime Minister Najib Mikati means the first hurdle towards an eventual resolution of the crisis has been taken. Since the resignation of Hassan Diab in the wake of the explosion in Beirut's port, Lebanon's government has been merely a caretaker one, seen as lacking the legitimacy and backing to take significant decisions needed to address the country's dire economic situation. Against this background, the formation of a government that appears to have sufficient backing across Lebanese factions as well as some support from abroad is clearly a positive development. However, the formation of a government is merely the first hurdle to clear and the next challenges aren't any less daunting.

The challenge for this government is to come up with a plan for economic stabilisation that could then be taken to the electorate in May next year. Such an effort would almost certainly involve an IMF programme at its core and would therefore have a restructuring of public debt, a restructuring of the banking sector (including bail-ins and haircuts for shareholders and depositors) and a new exchange rate regime as core elements. These three factors are of course highly interconnected: the banking sector is a large creditor of the government and the Banque du Liban (BdL) and in turn has significant fx liabilities to its depositors. Large haircuts on government debt thus translate into large losses for the banking sector and a weaker exchange rate would magnify write-offs on both sides of the balance sheet. It was for this reason that the outlines of a programme under the Diab government in spring 2020 never really got beyond planning stage and the same factors have the potential to derail efforts again. There are however reasons to be marginally more optimistic this time, including the desire of Western powers to avoid another source of instability in the region. Yet the main reason is probably simply the deterioration of the situation over the course of the last 18 months. As fx reserves have run out and subsidies for imports have been repeatedly cut, a considerably weaker exchange rate than assumed during the talks in spring 2020 is now simply an accomplished fact, making large write-offs on public debt and fx deposits unavoidable under any scenario.

We think the new exchange rate regime will be key in determining the size of haircuts to public debt and bank deposits. This might in some way look like putting the cart before the horse; after all, the convention is to think of the exchange rate being determined by an economy's fundamentals rather than the other way around. However, Lebanon's net fx position is so unbalanced that no realistic amount of correction to the 'flows' will be able to redress it. In other words, the depreciation in the currency needed to achieve the sort of current account surplus that could just even stabilise, let alone improve the economy's net international investment position, would make any fx liabilities unserviceably large in local currency terms. The sustainability of fx liabilities is therefore a function of the size of GDP (in USD terms) from which these liabilities would have to be serviced. This in turn is largely a question of the exchange rate.

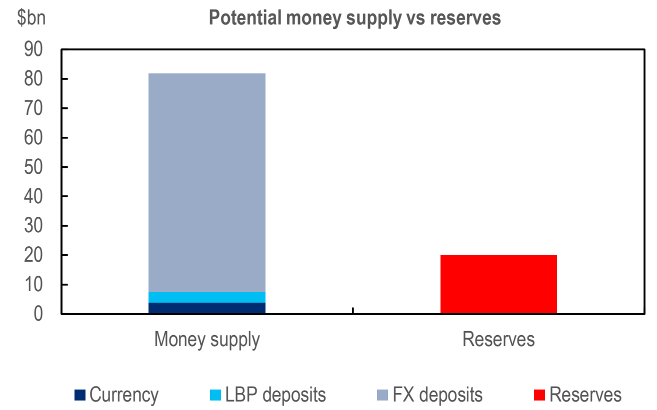
At what level could the exchange rate be set? It is clear that the official rate of 1,507 for USDLBP will not be given any consideration in this discussion. Similarly, we are quite confident that we are well past the rate of 3,500 that was used as the basis of discussion in spring 2020 or the 3,900 rate at which banks allowed some withdrawals for a while. On the other hand, the parallel rate which most Lebanese people face in practice, currently trading around 16,000, surely has significant premia related to liquidity and uncertainty in the price. A more indicative rate might be gleaned off the BdL's Sayrafa platform. The last official rate we are aware of was 12,000, but local banks have also reported rates of around 16,000 at times.

Figure 1. Parallel exchange rates at times were over 20,000, but these rates contain significant premia related to liquidity and uncertainty



Source: Citi Research, Haver Analytics

Figure 2. A back-of-the-envelope calculation suggests that USDLBP of 10,000 could see money supply sufficiently backed by reserves



Note: based on assumptions described in paragraph below

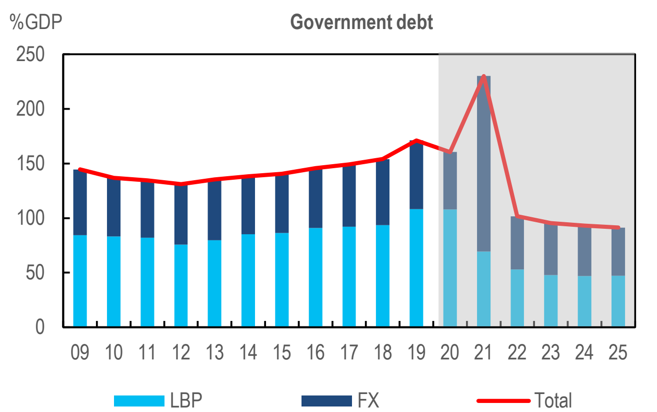
Source: Citi Research, Haver Analytics

In a back-of-the-envelope calculation, we try to establish at what exchange rate the stock position of the economy becomes sustainable. The problem here is that, as discussed earlier, the stock position (i.e. the haircuts) itself will be a function of the exchange rate. We therefore use a simple metric to gauge whether fx reserves might be approximately enough to install some faith in the currency by looking at their share relative to domestic money supply. The latter stands currently at just under LBP40 trillion for currency in circulation, LBP35tn for local currency deposits and LBP160tn of fx deposits. The latter are however calculated at the official exchange rate. For this exercise, we simplistically assume that 70% would be redenominated into LBP deposits (while the other 30% transformed into longer maturity deposits and/or subject to capital controls). An additional assumption we have to make is for the level of fx reserves, which, again simplistically, we assume to be $20bn with help from the IMF. On these assumptions, an exchange rate of 10,000 make reserves equal to almost 25% of local money supply. A frequently used heuristic is for this ratio to be over 20%. However, as the goal is to install confidence in the new exchange rate, and with the experience that not all reserves are useable, we think Lebanon will need to give itself some buffer space.

Another simple metric to take into account is at what exchange rate future flows don't threaten the sustainability of the stock position. In other words, what current account deficit should Lebanon be allowed to run and what exchange rate would this imply? This again would be a function of what the net international investment position eventually looks like, but we can look at previous estimates to get a feeling for the ranges we might be looking at. In its 2019 Article IV, the IMF suggested that the real effective exchange rate was 50% overvalued with regards to stabilisation of net foreign assets and by 66% if they were to be brought onto a path that would slightly improve this position. This is however based on the estimated net foreign position at the time (end 2018), not the one post-write-offs. Another approach by the IMF, which looks at the current account relative to the economy's fundamentals, suggested an overvaluation of 63%. It's important however to point out that these are estimates of real *effective* exchange rates, hence weighted by trading partners, some of which like Egypt and Turkey have seen significant depreciation of their currencies, but also inflation in recent years. On the other hand, some major trading partners in the Gulf have their currencies pegged to the dollar. And in either case, the rate of inflation and depreciation (at least in the parallel market) in Lebanon has well outpaced anything that happened to its trading partners. We therefore allow ourselves the shortcut of looking at the *bilateral* real exchange rate with the United States. In this case, using CPI levels in the US and Lebanon in December 2018 and in July 2021, an exchange rate of USDLBP at 10,000 would bring about a depreciation in the bilateral real exchange rate of around 33%, correcting a 50% overvaluation.

These estimates should be taken with more than just a grain of salt, but they appear plausible to us. Uncertainty around the data, the methodology, let alone the assumptions made, mean that the exchange rate could still land either side 10,000. Moreover, many months will pass between now and when a possible agreement would eventually be implemented, at which point the starting situation could have changed again. This is before local considerations on specific issues will have to be taken into account. Yet for an economy that in large parts operated under exchange rates north of 15,000, estimates around 10,000 do not seem particularly gloomy, even though it is substantially weaker than what was mentioned in the early outlines of an IMF programme in spring 2020. We therefore use 10,000 as a working assumption for USDLBP from 2022 on. However, another possible option is to set the exchange rate initially at a stronger rate, e.g. 8,000, before letting it gradually depreciate by around 5% a year, a pace (though not a rate) envisaged in last year's programme outline.

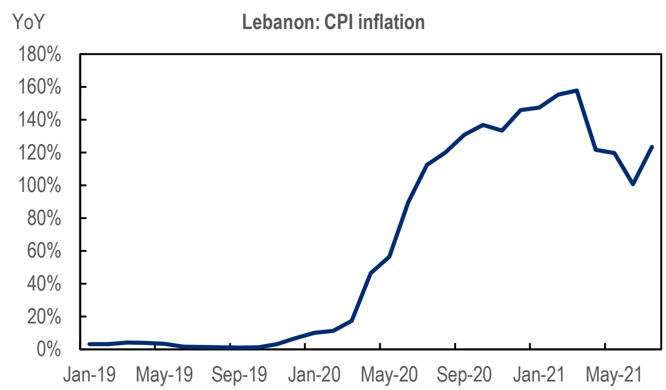
Figure 3. We assume a 70% haircut, which would see debt/GDP ratios sliding eventually towards 90%...



Note: we assume an exchange rate of 8,000 for 2021 for calculation of the LBP value of fx debt, although the official value is currently still based on a rate of 1,507. We assume haircuts to take place in 2022.

Source: Citi Research, Haver Analytics

Figure 4. ...helped by high inflation eroding the value of debt in local currency



Source: Citi Research, Haver Analytics

What does this imply for the restructuring of Lebanon's liabilities? The weaker the exchange rate the more liabilities in fx will need to be restructured to become sustainable. For fx deposits, this means a mixture of conversions into LBP deposits and/or equity and bail-ins. For government debt in fx, the approach would be haircuts and a repackaging of the remaining bonds into new issuances, likely with longer maturities and grace periods on debt service. Current market pricing would suggest a haircut of around 80% or less is expected. Indeed, our calculations suggest that a 70% haircut on government fx debt could bring debt levels within a few years to just over 90% of GDP. This is slightly lower than we suggested in previous publications, mostly because the value of local debt has been eroded significantly by inflation.

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Appendix A-1

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