

# Financially Yours,

October 2, 2009

YOUR DAILY ELECTRONIC MARKET REPORT

For further information please contact Byblos Bank's Capital Markets and Private Banking on: +961 1 335240/6/9

**Lebanese Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Bid Yield	Offer Yield	Duration	Mduration	Frq
7.125 Lebanon Mar 10	7.125	05/03/2010	101.500	102.500	3.405	1.013	0.41	0.41	2
7 7/8 Lebanon May 11	7.875	20/05/2011	105.250	106.250	4.473	3.853	1.51	1.48	2
7.5 Lebanon Mar 12	7.500	19/03/2012	105.500	106.500	5.082	4.660	2.28	2.23	2
9 1/8 Lebanon Mar 13	9.125	12/03/2013	110.625	111.625	5.671	5.367	3.03	2.95	2
9 Lebanon May 14	9.000	02/05/2014	110.500	111.500	6.317	6.078	3.76	3.65	2
10 Liban Apr 15	10.000	25/04/2015	113.250	114.250	7.069	6.866	4.31	4.16	2
8.50 Lebanon Aug 15	8.500	06/08/2015	107.500	108.500	6.912	6.711	4.71	4.55	2
8 1/2 Lebanon Jan 16	8.500	19/01/2016	107.625	108.625	6.977	6.788	4.97	4.81	2
9 Lebanon Mar 17	9.000	20/03/2017	111.500	112.500	6.993	6.831	5.68	5.49	2
8 1/4 Lebanon Apr 21	8.250	12/04/2021	106.500	107.500	7.401	7.277	7.51	7.24	2

**Emerging Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Mid Yield	Beirut Stock Exchange (closing 01.10.09)					
						Name	Rates	% Change	P/E 09	P/B 09	Div Yield
SOC. REP. VIET.	6.875	15/01/2016	104.750	105.250	5.907	Byblos bank	1.83	1.67%	6.16	0.78	5.46%
EVRAZ GRP SA	8.875	24/04/2013	92.750	93.250	11.322	Byblos bank Preferred	98	0.00%	-	-	-
IIB LUXG SA (IIB)	9.500	12/02/2010	98.500	100.500	10.837	Byblos bank Prty	1.87	2.75%	7.86	0.80	6.95%
R. SEYCHELLES	9.125	03/10/2011	24.905	24.970	106.821	Byblos Bank GDR	87.00	0.00%	10.84	0.24	5.32%
ATF BANK	9.250	12/04/2012	98.750	99.750	9.591	Audi	71.55	0.00%	11.66	1.48	2.78%
LAU	6.750	02/01/2018	104.00	106.00	5.950	Blom	84.25	0.00%	7.19	1.33	4.31%
ORASCOM TELECOM	7.875	08/02/2014	95.250	96.250	9.077	Solidere A	25	-0.52%	22.58	2.34	4.60%
REP. VENEZUELA	8.500	08/10/2014	89.750	90.750	11.091	Solidere B	25	-0.56%	22.58	2.34	4.60%
CELL C PTY LTD	11.000	01/07/2015	97.250	105.250	10.694	Holcim	15.5	2.58%	-	-	5.16%
						Casino	390	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.873	NASDAQ Comp	2057.48	-3.06%	BLOM Stock Index .BLSI	1471.228	0.07%
	5 YEARS	2.169	NASDAQ 100	1666.41	-3.06%	SAUDI All Share .SASI	6279.47	0.00%
	10 YEARS	3.166	DJI	9509.28	-2.09%	Doha Stock Market .QSI	7414.25	0.00%
	30 YEARS	3.940	S&P 500	1029.85	-2.58%	Kuwait SE .KWSE	7817.3	0.00%
EUR BUND	2 YEARS	1.215	Nikkei	9978.64	-1.53%	Abu Dhabi SE .ADI	3124.22	0.00%
	5 YEARS	2.314	SMI	6255.17	-1.08%	Egyptian .CASE30	6761.73	0.00%
	10 YEARS	3.131	CAC 40	3720.77	-1.97%	Dubai FM Gen Id .DFMGI	2191.03	0.00%
	30 YEARS	3.889	DAX	5554.55	-2.13%	Morocco SI MSI	6572.25	0.00%
			FTSE	6514	0.00%	Bahrain .BAX	1554.51	0.00%
			Euronext 100	647.88	-1.79%			

Tracker	Underlying	Last Price	% Change
FXI	China	39.65	-3.1
EWG	Germany	21.41	-3.52
EWJ	Japan	9.69	-2.52
EWY	Korea	45.39	-4.2
EWT	Taiwan	12.16	-1.3
EWZ	Brazil	66.03	-2.38
IIF	India	21.00	-1.04
RNE	Eastern Europe	14.55	-1.99
TKF	Turkey	11.85	-2.87
GLD	Gold	97.89	-0.97
USO	Oil	36.23	0.11

Byblos Bank Deposits	Rates
<b>USD*</b>	
1 months	3.00%
3 Months	3.00%
6 Months	3.00%
1 Year	3.00%
*Benchmark amount 100-200 thds	
<b>LBP*</b>	
1 months	6.50%
3 Months	6.25%
6 Months	6.00%
1 Year	6.00%
*Benchmark amount 100-300 Millions	

Commodities		
Gold / Oz	999.50	0.17%
Silver / Oz	16.63	2.97%
Palladium / Oz	293.25	0.00%
Platinum / Oz	1295.60	1.94%
Copper/ Lbs	271.40	0.00%
Aluminum / Lbs	0.84	0.29%
Coffee / Lbs	127.80	1.83%
Cocoa EUR / 100 Kg	3140.00	2.75%
Wheat / Tone	457.50	2.23%
Soybean / Bsh	927.00	1.09%
Wti / Bbl	70.61	5.85%
Brent	65.87	1.70%

Libor USD	Rate
1 months	0.25
3 Months	0.28
6 Months	0.62
1 Year	1.24
Libor EUR	
1 months	0.39
3 Months	0.70
6 Months	1.00
1 Year	1.23

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1500	1503		
Euro	1.4548	1.4552	1.4551	1.4504
JPY	89.47	89.53	89.60	89.22
GBP	1.5928	1.5932	1.5947	1.5884
CHF	1.0401	1.0411	1.0435	1.0403
CAD	1.0823	1.0825	1.0857	1.0817
AUD	0.87	0.8704	0.8713	0.8672

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US Manufacturing Pay.	02-Oct-09	
US Unemployment rate	02-Oct-09	9.8%
<b>Euroland / Japan</b>		
EZ Producer Price	02-Oct-09	0.4%

## REGIONAL MARKETS

Lebanon's BLOM stock index rose 0.07 percent at 1471.228 points. Solidere's A fell 0.52 percent at \$25.00 and its B share fell 0.56 percent at \$25.00. Byblos Bank S.A.L. common rose 1.67 percent at 1.83 and its priority shares rose 2.75 percent at 1.87.

Dubai's Gulf markets rose, with Abu Dhabi's index climbing to the highest level in a week, as the International Monetary Fund raised its growth estimate for the Middle East and oil traded around \$70 a barrel.

Abu Dhabi's benchmark index increased 0.4 percent to 3,137.99, after closing out the third quarter with a 19 percent gain yesterday. The Dubai Financial Market General Index advanced 0.2 percent to 2,194.64 and Qatar's DSM 20 Index added 1 percent. Oman's MSM30 Index climbed 0.9 percent, while Bahrain's measure gained 0.5 percent. Kuwait Stock Exchange Index lost 0.8 percent. Saudi Arabia's market is closed for the weekend.

## TOP FX NEWS

The dollar traded within a half-cent of a two-week high against the euro as concern a tepid labor market will slow the economic recovery reduced demand for riskier assets before today's U.S. payrolls report. The euro fell yesterday after European Central Bank President Jean-Claude Trichet said "disorderly movements" in exchange rates have "adverse implications" for economies. Federal Reserve Chairman Ben S. Bernanke said he doesn't see an "immediate risk" to the U.S. dollar's status as the world's main reserve currency. The dollar traded at \$1.4538 per euro at 6:10 a.m. in Tokyo, after advancing 0.7 percent yesterday and reaching \$1.4517, the strongest level since Sept. 14. The euro fetched 130.23 yen, following a 0.8 percent drop. The yen was little changed at 89.59 per dollar. The Dollar Index, which IntercontinentalExchange Inc. uses to track the U.S. currency versus six counterparts including the euro and yen, rose as much as 0.8 percent to 77.265 yesterday. The trade-weighted gauge decreased to 75.827 on Sept. 23, the lowest level in more than a year.

USD/JPY	EUR/USD	GBP/USD	GOLD
Res: 082.82/090.18/090.42	Res: 1.4584/1.4675/1.4725	Res: 1.5970/1.6025/1.6127	Res: 1009.4/1012.0/1018.4
Sup: 089.15/088.75/088.23	Sup: 1.4502/1.4448/1.4407	Sup: 1.5824/1.5770/1.5690	Sup: 0997.3/0994.1/0990.0

## EUROLAND

European stocks declined for a second consecutive day after U.S. reports showed manufacturing expanded at a slower-than-anticipated pace and jobless claims jumped more than forecast. Anglo American Plc and Antofagasta Plc tumbled more than 4 percent as base metals fell in London. Solarworld AG led renewable-energy companies lower amid concern subsidies for solar power in Germany may be cut. BAE Systems Plc sank 4.4 percent as prosecutors said they will seek to file bribery charges against Europe's largest arms company. Tandberg ASA jumped 11 percent after Cisco Systems Inc. agreed to buy the world's biggest videoconferencing-equipment maker. The Dow Jones Stoxx 600 Index slipped 1.6 percent to 238.62 after the U.S. Institute for Supply Management's factory gauge fell to 52.6 in September, missing economists' forecasts. A separate report showed the number of Americans filing first-time claims for jobless benefits rose more than estimated last week. The Stoxx 600 recorded its biggest quarterly surge since 1999 in the three months to September as the European Central Bank kept interest rates at a record low and the French and German economies unexpectedly exited recessions. The rebound sent price-earnings valuations on the index to the highest level since 2003. Benchmark indexes today dropped in all 18 western European markets today. France's CAC 40 fell 2 percent, while the U.K.'s FTSE 100 lost 1.7 percent. Germany's DAX retreated 2.1 percent. The VStoxx Index, which gauges the cost of using options to protect against declines in the Euro Stoxx 50, jumped 9 percent to 29.22, the steepest gain in six weeks. Antofagasta led a retreat by mining companies as nickel,

zinc, copper and tin declined in London. The owner of copper mines in Chile lost 4.7 percent to 723.5 pence, while Anglo American, which had rallied 29 percent this year before today, dropped 5.4 percent to 1,886 pence. Solarworld slid 4.9 percent to 15.79 euros, while Q-Cells SE, the solar-cell maker founded in eastern Germany 10 years ago, slid 4.3 percent to 12.53 euros. Stephan Kohler, chief executive of the German Energy Agency, said subsidies for solar power in Germany should be cut by about a third, Berliner Zeitung reported. An enormous decline in prices for solar modules warrants the reduction, the newspaper cited Kohler as saying. BAE Systems dropped 4.4 percent to 334 pence. The U.K. Serious Fraud Office said it will ask the Attorney General for permission to take the weapons maker to court after BAE rejected a plea bargain to resolve allegations it paid bribes in eastern Europe and Africa to win contracts. Tandberg rallied 11 percent to 153.5 kroner, the highest close since at least 1990. Cisco, the world's largest maker of networking equipment, agreed to buy the Norwegian company for 17.2 billion kroner to expand its video-conferencing products. Cisco will pay 153.50 kroner a share in cash, 11 percent more than Tandberg's closing price yesterday. Fiat SpA jumped 7.8 percent to 9.48 euros after Morgan Stanley more than doubled its price projection for Italy's largest carmaker to 16.80 euros and reiterated its "overweight" recommendation. Vedanta Resources Plc advanced 2.4 percent to 1,948 pence after MS lifted its recommendation for the mining company controlled by billionaire Anil Agarwal to "overweight" from "equal weight."

- 2 - Financially Yours,

## US MARKETS

U.S. stocks tumbled the most in three months as a gauge of manufacturing unexpectedly fell and jobless claims grew more than forecast, spurring concern the seven-month rally in equities outpaced prospects for an economic recovery. JPMorgan Chase & Co., DuPont Co. and American Express Co. fell at least 4.2 percent to lead all 30 stocks in the Dow Jones Industrial Average lower. Microsoft Corp. retreated 3.3 percent, the most since July, as Goldman Sachs Group Inc. removed the shares from its "conviction buy" list. Benchmark indexes for European and Asian shares dropped, while the dollar strengthened against most major trading partners. Bonds rallied, sending the 30-year yield below 4 percent for the first time since April. The Standard & Poor's 500 Index slid 2.6 percent to 1,029.85 at 4:05 p.m. in New York a day after capping its biggest back-to-back quarterly rally since 1975. The Dow sank 203 points, or 2.1 percent, to 9,509.28. Both gauges lost the most since July 2. About 18 stocks fell for each that rose on the New York Stock Exchange, the broadest sell-off since April. Benchmark indexes opened the session lower after the number of Americans filing first-time claims for unemployment benefits climbed by 17,000 to 551,000 last week. Stocks extended losses after the Institute for Supply Management said its manufacturing index dropped to 52.6 in September, lower than the reading of 54 projected by economists in a Bloomberg survey. Rising unemployment and the waning effects of President Barack Obama's \$787 billion stimulus program will restrain a U.S. economic recovery next year, the International Monetary Fund predicted. The world's largest economy is forecast to expand 1.5 percent next year, after contracting 2.7 percent in 2009, the IMF said

today. In July, the Washington-based lender projected 0.8 percent growth for 2010. Labor Department data to be released tomorrow is forecast to show employers cut jobs in September for the 21st straight month, driving the unemployment rate to 9.8 percent, the highest since 1983. Goldman Sachs today increased its forecast for September job losses to 250,000, compared with an earlier estimate of 200,000. The average estimate of economists surveyed by Bloomberg is a decrease of 175,000. JPMorgan Chase, the second-biggest U.S. bank by assets, lost 5.6 percent to \$41.37 for its steepest drop since June. DuPont, the third-largest U.S. chemical maker, dropped 4.8 percent to \$30.60, its worst slide since July 7. American Express, the biggest credit-card issuer by purchases, declined 4.3 percent to \$32.46. Microsoft fell 3.3 percent to \$24.88. The world's largest software company was removed from Goldman Sachs's "conviction buy" list because of "some degree of risk" to first-quarter earnings. The bank retained a "buy" rating on the stock. FMC Corp., which provides lithium used in electric cars, declined 8 percent to \$51.75. Credit Suisse Group AG downgraded Rockwood Holdings Inc., the world's largest maker of metal-based chemicals, to "neutral" from "outperform" because of price cuts by Soc. Quimica y Minera de Chile SA, the world's largest lithium producer. Rockwood lost 19 percent to \$16.60. Ford Motor Co. slumped 3.3 percent to \$6.97. Auto manufacturers said U.S. sales decreased in September after the expiration of the government's "cash for clunkers" incentive program. General Motors Co.'s deliveries dropped 45 percent, Chrysler Group LLC's slid 42 percent and Ford's fell 5.1 percent. Honda Motor Co. and Nissan Motor Co. of Japan also reported declines in U.S. sales.

## EMERGING MARKETS

Sri Lanka's stocks rose, driving the benchmark index near its February 2007 record, as slowing inflation increased speculation the central bank will cut rates and investors buy the equities to benefit from economic growth after the government defeated rebels in a civil war. The Colombo All-Share Index rose 0.6 percent to 3,014.36 at 11:54 a.m. local time. Baltic markets led stock indexes tracked by Bloomberg last quarter, with Lithuania's OMX Vilnius Index jumping 72 percent. Estonia's OMX Tallinn index added 49 percent, boosted by Stockholm-based phone company TeliaSonera AB's Aug. 24 offer to buy out other shareholders of its Lithuanian and Estonian units. The Shanghai Composite Index in China, the biggest emerging market, is valued at 3 times book value after declining 6.1 percent, according to Bloomberg data. Brazil's Bovespa index has a price-to-book ratio of 2 after gaining 20 percent.

### CONTACT NAMES

**Shadi Hanna**

**A.G.M Financial Markets Division**

<u>CAPITAL MARKETS</u>		<u>PRIVATE BANKING</u>	
Ziad Moubarak	Fixed Income	Joe Nader	
Elie Ghanem		Marguerite Bazerli	
Rhea Sawaya		Rizkallah Semaan	
Yves Rahme	Equity Desk	Zeina Anka	
Haytham Mroue			
Maguy Viltaki			
Hana Kara			
Youssef Abi Saab			

Please visit our website at: [www.byblosbank.com](http://www.byblosbank.com)