

# Financially Yours,

Your Daily Electronic Market Report

## LEBANESE EUROBONDS

| USD                    | Coupon | Maturity   | Bid     | Offer   | Bid Yield | Offer Yield | Duration | Mduration | Frq |
|------------------------|--------|------------|---------|---------|-----------|-------------|----------|-----------|-----|
| 7.5 Lebanon Mar 12     | 7.500  | 19/03/2012 | 104.250 | 105.250 | 3.843     | 3.017       | 1.15     | 1.13      | 2   |
| 9 1/8 Lebanon Mar 13   | 9.125  | 12/03/2013 | 111.000 | 112.000 | 3.821     | 3.373       | 1.99     | 1.95      | 2   |
| 9 Lebanon May 14       | 9.000  | 02/05/2014 | 114.375 | 115.375 | 4.306     | 4.008       | 2.94     | 2.88      | 2   |
| 5.875 Lebanon Jan 2015 | 5.875  | 15/01/2015 | 104.000 | 105.000 | 4.771     | 4.502       | 3.56     | 3.48      | 2   |
| 8.50 Lebanon Aug 15    | 8.500  | 06/08/2015 | 115.375 | 116.375 | 4.728     | 4.504       | 3.83     | 3.75      | 2   |
| 8 1/2 Lebanon Jan 16   | 8.500  | 19/01/2016 | 115.500 | 116.500 | 4.981     | 4.774       | 4.13     | 4.03      | 2   |
| 9 Lebanon Mar 17       | 9.000  | 20/03/2017 | 120.000 | 121.000 | 5.187     | 5.017       | 4.92     | 4.79      | 2   |
| 6.375 Lebanon Mar 20   | 6.375  | 09/03/2020 | 104.250 | 105.250 | 5.770     | 5.633       | 7.00     | 6.81      | 2   |
| 8 1/4 Lebanon Apr 21   | 8.250  | 12/04/2021 | 115.250 | 116.250 | 6.216     | 6.095       | 7.25     | 7.03      | 2   |
| 7 Lebanon Dec 2024     | 7.000  | 03/12/2024 | 103.500 | 104.500 | 6.610     | 6.503       | 9.15     | 8.86      | 2   |

## EMERGING MARKETS - EUROBONDS

| USD               | Coupon | Maturity   | Bid     | Offer   | Mid Yield |
|-------------------|--------|------------|---------|---------|-----------|
| DAR AL-ARKAN INT  | 10.750 | 18/02/2015 | 98.661  | 99.411  | 11.040    |
| REP OF SRI LANKA  | 8.250  | 24/10/2012 | 107.400 | 108.750 | 3.573     |
| PETROLEOS MEXICA. | 6.000  | 05/03/2020 | 104.000 | 104.000 | 5.439     |
| TAQA ABU DHABI    | 6.600  | 01/08/2013 | 107.700 | 108.200 | 3.344     |
| ADCB F. CAYMAN    | 4.750  | 08/10/2014 | 100.820 | 101.320 | 4.436     |
| PET. VENEZUELA    | 5.250  | 12/04/2017 | 56.373  | 56.873  | 16.656    |
| ORASCOM           | 7.875  | 08/02/2014 | 94.000  | 94.000  | 10.182    |
| REP.VENEZUELA     | 8.500  | 08/10/2014 | 86.000  | 87.000  | 13.159    |
| CELL C PTY LTD    | 11.000 | 01/07/2015 | 104.000 | 105.000 | 9.737     |
| BANCO DO BRASIL   | 4.500  | 22/01/2015 | 104.113 | 104.613 | 3.337     |
| DOLPHIN ENER.LTD  | 5.888  | 15/06/2019 | 107.750 | 107.750 | 4.762     |

## BEIRUT STOCK EXCHANGE as 30/12/2010

| Name                 | Price | \$Change | %Chg  | P/E 06 | Div Yield |
|----------------------|-------|----------|-------|--------|-----------|
| Byblos bank          | 1.83  | 0.06     | 3.39% | 6.31   | 0.05      |
| Byblos bank Prty     | 1.83  | 0.00     | 0.00% | 6.31   | 0.07      |
| Byblos bank GDR      | 85    | 0.00     | 0.00% | -      | -         |
| Byblos bank Pref 08' | 102.5 | 0.00     | 0.00% | -      | -         |
| Byblos bank Pref 09' | 102   | 0.00     | 0.00% | -      | -         |
| Audi (GDR)           | 9     | 0.20     | 2.27% | 1.24   | 0.22      |
| Blom (GDR)           | 10.35 | 0.06     | 0.58% | 0.88   | 0.35      |
| Solidere A           | 18.53 | 0.02     | 0.11% | 16.73  | 0.05      |
| Solidere B           | 18.63 | 0.24     | 1.30% | 16.82  | 0.05      |
| Holcim               | 17.00 | 0.00     | 0.00% | 17.00  | 0.05      |
| Casino               | 490   | 0.00     | -     | -      | -         |

| Benchmark   | Maturity | Yield |
|-------------|----------|-------|
| US TREASURY | 2 YEARS  | 0.597 |
|             | 5 YEARS  | 2.014 |
|             | 10 YEARS | 3.319 |
|             | 30 YEARS | 4.357 |
| EUR BUND    | 2 YEARS  | 0.851 |
|             | 5 YEARS  | 1.836 |
|             | 10 YEARS | 2.958 |
|             | 30 YEARS | 3.437 |

| Equity Indices | Price    | % Change |
|----------------|----------|----------|
| NASDAQ Comp    | 2666.93  | 0.15%    |
| NASDAQ 100     | 2231.64  | 0.10%    |
| DJI            | 11585.38 | 0.09%    |
| S&P 500        | 1259.78  | 0.10%    |
| Nikkei         | 10344.54 | 0.50%    |
| SMI            | 6566.65  | -0.04%   |
| CAC 40         | 3890.65  | 0.83%    |
| DAX            | 6995.47  | 0.34%    |
| FTSE           | 5996.36  | -0.21%   |
| Euronext 100   | 703.96   | 0.61%    |

| Arab Indices           | Price    | %Change |
|------------------------|----------|---------|
| BLOM Stock Index .BLSI | 1475.565 | 1.59%   |
| SAUDI All Share .SASI  | 6656.35  | 0.60%   |
| Doha Stock Market .QSI | 8741.5   | 0.89%   |
| Kuwait SE .KWSE        | 6955.5   | -0.10%  |
| Abu Dhabi SE .ADI      | 2741.15  | 1.44%   |
| Egyptian .CASE30       | 7082.4   | 0.08%   |
| Dubai FM Gen Id .DFMGI | 1668.27  | 2.87%   |
| Morocco CFG 25         | 6805.77  | 10.38%  |
| Bahrain .BAX           | 1432.26  | 2.95%   |

| Tracker Underlying | Last Price | % Change |
|--------------------|------------|----------|
| FXI China          | 43.09      | 0.98     |
| EWG Germany        | 23.94      | 0.72     |
| EWJ Japan          | 10.91      | 0.37     |
| EWY Korea          | 61.19      | 0.59     |
| EWT Taiwan         | 15.62      | 1.03     |
| EWZ Brazil         | 77.40      | 0.55     |
| IIF India          | 25.65      | 0.62     |
| RNE Eastern Europe | 18.95      | -0.11    |
| TKF Turkey         | 16.50      | -0.18    |
| GLD Gold           | 138.72     | 1.23     |
| USO Oil            | 39.00      | 2.31     |

| Byblos Bank Deposits               | Rates |
|------------------------------------|-------|
| USD*                               |       |
| 1 months                           | 1.75% |
| 3 Months                           | 1.75% |
| 6 Months                           | 1.80% |
| 1 Year                             | 1.80% |
| *Benchmark amount 100-200 thds     |       |
| LBP*                               |       |
| 1 months                           | 5.00% |
| 3 Months                           | 5.00% |
| 6 Months                           | 5.15% |
| 1 Year                             | 5.15% |
| *Benchmark amount 100-300 Millions |       |

| Commodities        | Price   | %Change |
|--------------------|---------|---------|
| Gold / Oz          | 1421.10 | 0.57%   |
| Silver / Oz        | 3091.00 | 0.75%   |
| Palladium / Oz     | 793.40  | 0.79%   |
| Platinum / Oz      | 1754.20 | 0.14%   |
| Copper/ Lbs        | 443.95  | 3.09%   |
| Aluminum / Lbs     | 109.10  | 0.93%   |
| Coffee / Lbs       | 227.55  | -1.43%  |
| Cocoa EUR / 100 Kg | 3056.00 | -2.11%  |
| Wheat / Tone       | 855.50  | -0.44%  |
| Soybean / Bsh      | 1393.75 | 2.03%   |
| Wti / Bbl          | 91.69   | 0.45%   |
| Brent              | 94.22   | -0.34%  |

| Libor USD | Rate |
|-----------|------|
| 1 months  | 0.26 |
| 3 Months  | 0.30 |
| 6 Months  | 0.46 |
| 1 Year    | 0.78 |
| Libor EUR | Rate |
| 1 months  | 0.72 |
| 3 Months  | 0.94 |
| 6 Months  | 1.19 |
| 1 Year    | 1.47 |

| FX Rates | Bid    | Ask    | Hi     | Lo     |
|----------|--------|--------|--------|--------|
| USD / LL | 1498   | 1503   |        |        |
| Euro     | 1.3295 | 1.3299 | 1.3361 | 1.3278 |
| JPY      | 81.23  | 81.25  | 81.36  | 80.99  |
| GBP      | 1.5549 | 1.5552 | 1.5584 | 1.5534 |
| CHF      | 0.9354 | 0.9357 | 0.9369 | 0.9322 |
| CAD      | 0.9916 | 0.992  | 0.9949 | 0.9915 |
| AUD      | 1.0204 | 1.0214 | 1.0223 | 1.0181 |

| Key Economic Calendar |           |          |
|-----------------------|-----------|----------|
| Data                  | Date      | Forecast |
| US                    |           |          |
| ISM Mfg Prices PMI    | 03-JAN-10 | 56.9     |
| Construction Spending | 03-JAN-10 | 0.20%    |
| Euroland / Japan      |           |          |
| EZ Markit Mfg PMI     | 03-JAN-10 | 56.8     |

## REGIONAL MARKET

Lebanon's BLOM stock index rose 1.59 percent to 1475.565 points. Solidere A rose 0.11 percent to \$18.53 and its B rose 1.30 percent to \$18.63. Byblos Bank S.A.L. common rose 3.39 percent at 1.83 and its priority share remained the same at 1.83.

Dubai shares advanced the most in more than two months, leading gains in Middle Eastern markets, as oil climbed to the highest year-end price since 2007. Egypt's

benchmark retreated after a bomb killed 21 people yesterday. Dubai Investments PJSC, which owns stakes in more than 40 companies, soared the most since Sept. 19. Drake & Scull International PJSC, the Dubai-based engineering contractor, rose for a fifth day. The DFM General Index advanced 2.3 percent, the most since Oct. 28, to 1,668.27 at the 2 p.m. close in the emirate. The measure lost 9.6 percent in 2010.

## TOP FX NEWS

The euro fell by the most in two weeks against the dollar amid concern the region's lingering debt crisis will hamper efforts by governments and banks to raise funds. The common currency weakened versus 15 of its 16 major counterparts before France auctions 8.5 billion euros (\$11.3 billion) of debt today. The yen rose toward a three-month high versus the euro after a Chinese report showed manufacturing expanded at a slower-than-forecast pace in December, supporting demand for safer assets. Taiwan's dollar approached a 13-year high before a report this week that economists predict will show inflation accelerated. The euro slid 0.7 percent to \$1.3293 as of 12:30 p.m. in Singapore from \$1.3384 in New York on Dec. 31, when it touched \$1.3425, the highest level since Dec. 14. The shared currency is poised for its sharpest daily decline since Dec. 15. The yen climbed to 108.01 per euro from 108.47, nearing the 107.61 level it reached on Dec. 30 that was the strongest since Sept. 14. The dollar rose to 81.25 yen from 81.12 yen in New York last week. Financial markets in Australia, New Zealand and Japan are closed today for a public holiday. The yen gained for the first time in three days versus the euro after China's logistics federation and statistics bureau said on Jan. 1 its purchasing managers' index fell to 53.9 in December from 55.2 in November. A separate Dec. 30 report from HSBC Holdings Plc and Markit Economics showed a purchasing managers' index for China declined to 54.4 in December from 55.3 in November.

### USD/JPY

**Res:** 82.55/83.41/83.91

**Sup:** 80.93/80.21/79.75

### EUR/USD

**Res:** 1.3425/1.3500/1.3586

**Sup:** 1.3158/1.3055/1.2969

### GBP/USD

**Res:** 1.5647/1.5720/1.5822

**Sup:** 1.5535/1.5461/1.5345

### GOLD

**Res:** 1421.1/1424.5/1430.0

**Sup:** 1415.9/1410.9/1403.4

## EUROLAND

European stocks posted the biggest weekly drop since July, trimming the benchmark Stoxx Europe 600 Index's second straight annual gain, amid speculation the rally may have overshot the outlook for earnings and the economy. Automakers Daimler AG and Volkswagen AG tumbled more than 5 percent as China, the world's largest car market, raised interest rates for the second time in just over two months. UniCredit SpA, Italy's biggest lender, led a decline in banks. The Stoxx 600 sank 1.9 percent to 276.14 this past week, paring this month's gain to 5.5 percent. The gauge has surged 8.8 percent in 2010 as companies reported increased profits and the Federal Reserve unveiled \$600 billion of additional bond purchases to support the economy. The rally has driven the index's valuation to about 12 times its companies' estimated earnings, near the highest level in eight months, according to data compiled by Bloomberg. ProSiebenSat.1 Media AG, Germany's biggest private broadcaster, and Weir Group Plc, a Glasgow-based engineering company, had the biggest gains in the Stoxx 600 this year, surging 179 percent and 148 percent, respectively. National Bank of Greece SA, Piraeus Bank SA and Bank of Ireland Plc were the worst performers after the European Union led bailouts for the two nations. National benchmark indexes declined in 14 of the 18 western European markets this week. The U.K.'s FTSE 100 lost 1.8 percent and Germany's DAX fell 2 percent, paring the gauges' 2010 gains. Denmark's OMX Copenhagen 20, which has jumped 36 percent this year, slipped 0.4 percent this week. Greece's ASE slid 2.1 percent, extending its annual plunge to 36 percent. Automakers, the best performing industry group of 2010, slid 4.2 percent this week. Daimler, the world's second-biggest maker of luxury cars, lost 6.2 percent and Volkswagen's preferred stock fell 5.2 percent. Bayerische Motoren Werke AG plunged 7 percent, the biggest weekly drop in 14 months. UniCredit lost 6 percent and Intesa Sanpaolo SpA, Italy's second-largest bank, fell 5 percent. Yields on Italian government bonds and notes auctioned Dec. 30 rose compared with previous sales amid continuing concern about the levels of government debt in Europe. Italy sold 3 billion euros (\$4 billion) of 2.25 percent 2013 bonds to yield 3.25 percent, compared with a yield of 2.86 percent in the last auction of comparable securities on Nov. 29. Banco Santander SA and Banco Bilbao Vizcaya Argentaria SA, Spain's largest banks, retreated 2.5 percent and 3.2 percent, respectively. Bankinter SA tumbled 5.6 percent. Elan Corp. sank 9.4 percent, the biggest weekly drop since May. The Irish drugmaker was downgraded.

## US MARKETS

Most U.S. stocks retreated, as the Standard & Poor's 500 Index posted its second straight annual gain, and had its best December since 1991. Chevron Corp. and Hewlett-Packard Co. fell 0.4 percent each to lead declines in the Dow Jones Industrial Average. CVS Caremark Corp. lost 0.7 percent after the drugstore operator agreed to buy a unit of Universal American Financial Corp. Borders Group Inc. plunged 22 percent after suspending payments to some publishers. Alcoa Inc. rose 1.2 percent for the biggest gain in the Dow. About seven stocks declined for every five that rose on U.S. exchanges. The S&P 500 fell less than 0.1 percent to 1,257.64 as in New York. The index climbed 13 percent this year and 6.5 percent this month. The Dow gained 7.80 points, or 0.1 percent, to 11,577.51 today, and rose 11 percent this year. The 2010 advance follows a 23 percent rise in the S&P 500 in 2009, for the biggest two-year jump since the Internet- bubble rally of 1998 and 1999. The S&P 500's advance sent the gauge above 1,251.70 on Dec. 21 for the first time since Sept. 12, 2008, the last trading day before Lehman Brothers Holdings Inc. filed the world's biggest bankruptcy and prompted a 46 percent drop for the benchmark gauge through March 2009. The December rally for the benchmark index comes after it lost 0.2 percent in November and posted a combined gain of 13 percent in September and October, the biggest increase during those months since 1998. The benchmark gauge for American equities will rise 9.3 percent to 1,374 in 2011, bringing the increase since 2008 to 52 percent, according to the average of 11 strategists in a Bloomberg News survey.

Chevron fell 0.4 percent to \$91.25. Hewlett-Packard, the world's largest computer maker, retreated 0.4 percent to \$42.10. CVS Caremark lost 0.7 percent to \$34.77. The drugstore operator said it will acquire the Medicare Part D business of Universal American Financial for about \$1.25 billion. Universal American surged 40 percent to \$20.45. Borders slumped 22 percent to 90 cents. The second-largest U.S. bookstore chain dropped the most in almost 20 months after saying it delayed payments to some publishers while trying to avert a liquidity crisis. Alcoa, the largest U.S. aluminum producer, rose 1.2 percent to \$15.39. Imax Corp. rallied 4.5 percent to \$28.07. Sony Corp. may be preparing to bid more than \$40 a share for the company that designs and makes giant-screen movie theaters, the Daily Mail reported, citing London traders. Walt Disney Co. may also be interested in bidding for Imax, the newspaper said. Speculation Disney might buy Imax is "pure fiction," Barron's reported, citing an unidentified person close to Disney. Education stocks declined after Bloomberg News reported that for-profit colleges are charging more than community colleges while doing less for poor and minority students. Apollo Group Inc. slipped 0.5 percent to \$39.49. ITT Educational Services Inc. dropped 3.1 percent to \$63.69. Casino stocks advanced after UBS AG said Macau's casino revenue surged to as much as \$2.37 billion this month, matching its record in October. Wynn Resorts Ltd. added 2.1 percent to \$103.84. Las Vegas Sands Corp. rose 3.5 percent to \$45.95.

## EMERGING-MARKETS

Growth slowed for the first time in five months and the reading was less than any of 13 analysts' estimates in a Bloomberg News survey. Their median forecast was 55. In contrast, a non-manufacturing PMI rose in December from November's level, a separate logistics federation report showed today. China's inflation may cool after manufacturing growth slowed in December because of a tighter monetary policy and the closure of energy-wasting and highly polluting factories. A purchasing managers' index fell to 53.9 from 55.2 in November, China's logistics federation and the statistics bureau said Jan. 1. Manufacturers' input costs rose at a slower pace, the report showed. Premier Wen Jiabao is seeking to limit bank lending and inflows of capital that could fuel inflation after a record expansion in credit drove the nation's recovery. The central bank raised interest rates on Christmas Day and, six days later, the currency regulator said it was expanding a program to let exporters keep revenue overseas.

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