

Financially Yours,

Your Daily Electronic Market Report

LEBANESE EUROBONDS

| USD | Coupon | Maturity | Bid | Offer | Bid Yield | Offer Yield | Duration | M duration | Frq |
|-----------------------|--------|------------|---------|---------|-----------|-------------|----------|------------|-----|
| 9 Lebanon May 14 | 9.000 | 02/05/2014 | 107.000 | 109.000 | 4.912 | 3.812 | 1.69 | 1.66 | 2 |
| 8.50 Lebanon Aug 15 | 8.500 | 06/08/2015 | 110.500 | 112.500 | 4.785 | 4.128 | 2.70 | 2.64 | 2 |
| 8 1/2 Lebanon Jan 16 | 8.500 | 19/01/2016 | 111.000 | 113.000 | 5.056 | 4.475 | 3.04 | 2.97 | 2 |
| 9 Lebanon Mar 17 | 9.000 | 20/03/2017 | 114.500 | 116.500 | 5.455 | 5.011 | 3.90 | 3.80 | 2 |
| 5.15 Lebanon Nov 18 | 5.150 | 12/11/2018 | 98.750 | 100.750 | 5.384 | 5.009 | 5.45 | 5.31 | 2 |
| 6.375 Lebanon Mar 20 | 6.375 | 09/03/2020 | 103.250 | 105.000 | 5.841 | 5.563 | 6.09 | 5.93 | 2 |
| 8 1/4 Lebanon Apr 21 | 8.250 | 12/04/2021 | 115.250 | 117.000 | 5.985 | 5.750 | 6.49 | 6.30 | 2 |
| 6.1 Lebanon 2022 | 6.100 | 04/10/2022 | 100.375 | 102.375 | 6.050 | 5.789 | 7.71 | 7.49 | 2 |
| 7 Lebanon Dec 2024 | 7.000 | 03/12/2024 | 105.375 | 107.000 | 6.366 | 6.182 | 8.56 | 8.30 | 2 |
| 6.60 Lebanon Dec 2026 | 6.600 | 27/11/2026 | 101.375 | 102.375 | 6.451 | 6.345 | 9.48 | 9.19 | 2 |

EMERGING MARKETS

| USD | Coupon | Maturity | Bid | Offer | Mid Yield |
|--------------------|--------|------------|---------|---------|-----------|
| ABCD FINANCE | 4.750 | 08/10/2014 | 106.030 | 106.220 | 1.950 |
| BANCO DO BRASIL | 4.500 | 22/01/2015 | 105.700 | 106.200 | 2.079 |
| DAR AL ARKAN INTL. | 10.750 | 18/02/2015 | 106.030 | 106.970 | 7.935 |
| PROV DE BUENOS A. | 11.750 | 05/10/2015 | 69.500 | 69.500 | 26.262 |
| AFRICAN BANK LTD | 8.125 | 24/02/2017 | 102.250 | 102.750 | 7.472 |
| CROATIA | 6.250 | 27/04/2017 | 101.250 | 101.625 | 5.899 |
| DUBAI DOF SUKUK | 4.900 | 02/05/2017 | 103.870 | 104.370 | 3.950 |
| PETROLEOS DE VEN | 8.500 | 02/11/2017 | 83.750 | 84.750 | 12.653 |
| DOLPHIN ENERGY | 5.888 | 15/06/2019 | 109.655 | 110.095 | 4.229 |
| KUWAIT PROJECTS | 9.375 | 15/07/2020 | 110.655 | 111.595 | 7.503 |
| VIMPELCOM HLDGS | 7.504 | 01/03/2022 | 94.500 | 95.250 | 8.284 |

BEIRUT STOCK EXCHANGE as 03/07/2012

| Name | Price | \$Change | %Chg | P/E | Div Yield |
|-----------------------------|-------|----------|--------|-------|-----------|
| Byblos bank | 1.5 | 0.00 | 0.00% | 5.17 | 0.07 |
| Byblos bank GDR | 79.00 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 08' | 100 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 09' | 100.3 | 0.00 | 0.00% | - | - |
| Audi (GDR) | 6.24 | 0.09 | 1.46% | 0.86 | 0.32 |
| Blom (GDR) | 7.7 | 0.00 | 0.00% | 0.66 | 0.47 |
| Solidere A | 13.01 | 0.01 | 0.08% | 11.75 | 0.08 |
| Solidere B | 12.87 | -0.14 | -0.10% | 11.62 | 0.08 |
| Holcim | 16.80 | 0.00 | 0.00% | 16.42 | 0.05 |
| Casino | 545 | 0.00 | - | - | - |

| Benchmark | Maturity | Yield |
|--------------------|----------|-------|
| US TREASURY | 2 YEARS | 0.305 |
| | 5 YEARS | 0.696 |
| | 10 YEARS | 1.628 |
| | 30 YEARS | 2.741 |
| EUR BUND | 2 YEARS | 0.087 |
| | 5 YEARS | 0.556 |
| | 10 YEARS | 1.536 |
| | 30 YEARS | 2.367 |

| Equity Indices | Price | % Change |
|---------------------|----------|----------|
| NASDAQ Comp | 2976.23 | 0.84% |
| NASDAQ 100 | 2645.03 | 0.90% |
| DJI | 12943.82 | 0.56% |
| S&P 500 | 1374.02 | 0.62% |
| Nikkei | 9066.59 | 0.70% |
| SMI | 6194.08 | 1.39% |
| CAC 40 | 3271.2 | 0.96% |
| DAX | 6578.21 | 1.26% |
| FTSE | 5687.73 | 0.83% |
| Euronext 100 | 625.29 | 0.81% |

| Arab Indices | Price | %Change |
|-------------------------------|----------|---------|
| BLOM Stock Index .BLSI | 1142.741 | 0.66% |
| SAUDI All Share .SASI | 6885.27 | 2.12% |
| Doha Stock Market .QSI | 8256.68 | 0.73% |
| Kuwait SE .KWSE | 5894.33 | 0.26% |
| Abu Dhabi SE .ADI | 2466.13 | 0.32% |
| Egyptian .CASE30 | 4984.13 | 0.84% |
| Dubai FM Gen Id .DFMGI | 1502.21 | 2.57% |
| Morocco CFG 25 | 5578.01 | -0.70% |
| Bahrain .BAX | 1121.15 | 0.05% |

| Tracker Underlying | Last Price | % Change |
|---------------------------|------------|----------|
| FXI China | 34.20 | 1.65 |
| EWG Germany | 20.18 | 1.05 |
| EWJ Japan | 9.50 | 1.28 |
| EWY Korea | 55.36 | 2.06 |
| EWT Taiwan | 12.47 | 1.96 |
| EWZ Brazil | 53.40 | 1.56 |
| IIF India | 15.76 | 2.40 |
| RNE Eastern Europe | 15.23 | 2.56 |
| TKF Turkey | 14.30 | 0.81 |
| GLD Gold | 157.46 | 1.53 |
| USO Oil | 32.94 | 4.80 |

| 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 | 4.75% |
| 3 Months | 4.75% |
| 6 Months | 4.90% |
| 1 Year | 4.90% |
| *Benchmark amount 100-300 Millions | |

| Commodities | Price | %Change |
|---------------------------|---------|---------|
| Gold / Oz | 1621.30 | 1.51% |
| Silver / Oz | 28.24 | 2.82% |
| Palladium / Oz | 597.40 | 3.63% |
| Platinum / Oz | 1488.70 | 2.27% |
| Copper/ Lbs | 353.45 | 2.01% |
| Aluminum / Lbs | 106.25 | 0.76% |
| Coffee / Lbs | 174.30 | 0.00% |
| Cocoa EUR / 100 Kg | 2282.00 | 0.00% |
| Wheat / Tone | 782.25 | 3.68% |
| Soybean / Bsh | 1572.25 | 2.61% |
| Wti / Bbl | 87.15 | 3.09% |
| Brent | 100.13 | 4.82% |

| Libor USD | Rate |
|------------------|------|
| 1 months | 0.25 |
| 3 Months | 0.46 |
| 6 Months | 0.73 |
| 1 Year | 1.07 |
| Libor EUR | |
| 1 months | 0.32 |
| 3 Months | 0.55 |
| 6 Months | 0.86 |
| 1 Year | 1.19 |

| FX Rates | Bid | Ask | Hi | Lo |
|-----------------|--------|--------|--------|--------|
| USD / LL | 1501 | 1510 | | |
| Euro | 1.2588 | 1.2592 | 1.2606 | 1.2579 |
| JPY | 79.75 | 79.76 | 79.89 | 79.56 |
| GBP | 1.5675 | 1.5681 | 1.5689 | 1.5663 |
| CHF | 0.9537 | 0.9543 | 0.9545 | 0.9522 |
| CAD | 1.0133 | 1.0137 | 1.0141 | 1.0117 |
| AUD | 1.029 | 1.03 | 1.0318 | 1.0272 |

| Key Economic Calendar | Date | Forecast |
|-------------------------|-----------|----------|
| US | | |
| Initial Claims | 04-JUL-12 | 385K |
| ADP | 04-JUL-12 | 100K |
| Euroland / Japan | | |
| EZ PMI | 04-JUL-12 | .46.0 |

REGIONAL MARKET

Lebanon's BLOM stock index rose 0.66 percent to 1142.741 points. Solidere A rose 0.08 percent to \$13.01 and its Solidere B fell 0.10 percent to 12.87 Byblos Bank S.A.L remained unchanged at 1.50.

HSBC Holdings Plc's Middle East unit bought more than 5 percent of EFG-Hermes Holding SAE from Dubai

Financial Group LLC as the biggest publicly traded Arab investment bank pushes ahead with a Qatari joint venture. Qatar National Bank SAQ the Persian Gulf country's largest lender, to announce second-quarter results after the market closes. The mean estimate of five analysts was for a profit of 2.16 billion riyals.

TOP FX NEWS

The euro declined against the yen before data forecast to confirm European services and manufacturing industries shrank. The 17-nation currency also snapped a gain from yesterday versus the dollar ahead of a Spanish bond sale tomorrow and a meeting of the European Central Bank, at which economists project policy makers will cut interest rates. The dollar touched a two-month low versus its New Zealand counterpart on speculation U.S. data tomorrow will show private employment rose at the slowest pace in 10 months. The International Monetary Fund said additional monetary easing may be needed in the U.S. ECB will probably lower its main refinancing rate by a quarter-percentage point to 0.75 percent tomorrow, a separate Bloomberg survey showed. The euro fell 0.1 percent to 100.50 yen at 12:12 p.m. in Tokyo from the close in New York yesterday. It slid 0.2 percent to \$1.2587 after gaining 0.3 percent on July 3. Japan's currency was little changed at 79.83 per dollar. The greenback slid to 80.65 U.S. cents per New Zealand dollar, the lowest since May 3, before trading at 80.44, down 0.1 percent from yesterday. London-based Markit Economics is likely to say today that a final reading on its euro-area composite index was unchanged at 46 last month from May, according to the median estimate in a Bloomberg News survey of economists. That's the lowest since June 2009 and below the 50 level that signals expansion of services and manufacturing output.

USD/JPY

Res: 80.40/80.67/80.97

Sup: 78.80/79.23/79.44

EUR/USD

Res: 1.2566/1.2589/1.2631

Sup: 1.2402/1.2440/1.2480

GBP/USD

Res: 1.5528/1.5557/1.5581

Sup: 1.5466/1.5484/1.5501

GOLD

Res: 1589.7/1610.0/1646.3

Sup: 1570.0/1582.7/1597.0

EUROLAND

German stocks advanced for a third day, extending a seven-week high, amid speculation of more central bank stimulus measures and as U.S. factory orders topped economists' forecasts. ThyssenKrupp AG, Germany's largest steelmaker, led gains, surging 4.2 percent. Deutsche Lufthansa AG, Europe's second-biggest airline, rallied 1.9 percent as Goodbody Stockbrokers recommended shares of the region's flag carriers. Volkswagen AG climbed 2.8 percent as U.S. auto sales exceeded forecasts. The DAX Index added 1.3 percent to 6,578.21 at the close of trading in Frankfurt, the highest since May 11. The measure rallied 2.4 percent last week after European Union leaders meeting in Brussels agreed to ease repayment rules for Spanish banks and relaxed conditions for possible aid to Italy. The broader HDAX Index also rose 1.3 percent today. The European Central Bank and the Bank of England announce interest-rate decisions on July 5. ECB officials will lower their benchmark rate by 25 basis points to a record low 0.75 percent, according to the median forecast in a Bloomberg survey of 62 economists. Five predict a cut of 50 basis points and 11 foresee no change. ThyssenKrupp advanced 4.2 percent to 13.76 euros, for the biggest five-day rally since November. Salzgitter AG, Germany's second-largest steelmaker, rose 2.6 percent to 33.13 euros. Lufthansa increased 1.9 percent to 9.28 euros, the highest price since May 7. There is a positive backdrop for the airline industry as a result of declining fuel prices, "resilient" economic strength for premium traffic outside the European Union and signs of stabilization in the cargo industry, according to Goodbody Stockbrokers in Dublin. Volkswagen, Europe's largest carmaker, rose 2.8 percent to 127.95 euros. Bayerische Motoren Werke AG, the biggest maker of luxury cars, advanced 2.7 percent to 58.94 euros. General Motors Co., Ford Motor Co. and Chrysler Group LLC said U.S. auto sales exceeded estimates in June as gains for the three carmakers and Nissan Motor Co. surprised analysts by surpassing projections. Beiersdorf AG, the German producer of Nivea skin creams, jumped 2.2 percent to 52.44 euros as Sanford C. Bernstein & Co. said European makers of household products are likely to benefit from currency fluctuations in 2012. BASF SE, the world's largest chemical maker, advanced 2.3 percent to 56.50 euros. BASF agreed to buy Malcolm, Iowa-based ITWC Inc. to strengthen its polyurethanes business. Metro AG, Germany's biggest retailer, increased 1.8 percent to 23.58 euros, a third day of gains. Russian stocks traded in New York rose to the highest level in seven weeks as OAO Sberbank rallied after Brent crude climbed above \$100 on prospects central banks in Europe will ease monetary policy. The Bloomberg Russia-US 14 Index of Russian companies traded in New York advanced 2.3 percent to 91.40 on Monday.

US.MARKETS

U.S. stocks advanced, sending the Standard & Poor's 500 Index to a two-month high, after data showed factory orders topped estimates and as speculation grew that global central banks will act to spur economic growth. Commodity, industrial and technology shares had the biggest gains among 10 groups in the S&P 500. Alcoa Inc., Caterpillar Inc. and Apple Inc. advanced at least 1.1 percent. Ford Motor Co. rallied 2.2 percent as deliveries of cars and light trucks beat analysts' estimates. Facebook Inc. climbed 1.4 percent as General Motors Co. is said to be talking with the largest social-networking company about resuming advertising. The S&P 500 rose 0.6 percent to 1,374.02 at 1 p.m. New York time. The Dow Jones Industrial Average added 72.43 points, or 0.6 percent, to 12,943.82. The Russell 2000 Index rallied 1.3 percent to 818.48. The market closed at 1 p.m. today, and will be shut tomorrow for a holiday. Trading in S&P 500 companies was almost in line with the 30-day average at this time of day. Equities climbed as factory orders rose in May for the first time in three months. Yet declining jobs data in the U.S. this week may prompt the Federal Reserve to initiate fresh stimulus, BNP Paribas SA said. The European Central Bank is forecast to cut interest rates this week to help curb the debt crisis, while a state-owned newspaper in China said the time is ripe for a reduction in banks' reserve-requirement ratios. MModal Inc. surged 8.4 percent to \$14.02. The largest provider of medical transcription services said it agreed to be bought by a JPMorgan Chase & Co. unit for about \$1.1 billion. Navistar International Corp. rose 7.2 percent to \$29.04 after the truckmaker scheduled an operations update for investors this week that may include plans to drop one type of pollution-control technology. Duke Energy Corp. lost 1.7 percent to \$68.69 after unexpectedly announcing the resignation of Bill Johnson, previously named to be the

chief executive officer after its takeover of Progress Energy Inc. James Rogers, the head of Duke, is CEO of the merged companies effective immediately. Johnson, 58, is resigning "by mutual agreement," the company said. The takeover, announced in January 2011, received its final regulatory approval yesterday. Tom Williams, a spokesman for Duke, declined to comment on the reason for the change. Johnson has been the chairman and CEO of Raleigh, North Carolina-based Progress since 2007. The Morgan Stanley Cyclical Index of companies most-tied to the economy rose 1.3 percent. Alcoa, the largest U.S. aluminum producer, added 3.2 percent to \$8.90. Caterpillar, the biggest maker of construction equipment, advanced 3.3 percent to \$86.46. Apple, the biggest company by market value, gained 1.2 percent to \$599.41. Car companies in the S&P 500 added 2.1 percent for the second-biggest gain among 24 groups. General Motors, Ford and Chrysler Group LLC said U.S. auto sales exceeded estimates in June. Ford rallied 2.2 percent to \$9.60. GM added 5.6 percent to \$20.67. Facebook climbed 1.4 percent to \$31.20. The talks were reported by two people familiar with the matter. GM said it would stop advertising on Facebook on the eve of the company's initial public offering in May. The U.S. economy will grow by 2 percent this year and about 2.25 percent in 2013 amid a "tepid" recovery and the European debt crisis, the International Monetary Fund said, lowering its previous projections. In an April report, the IMF forecast U.S. growth of 2.1 percent this year and 2.4 percent in 2013. Concern about a global economic slowdown put the S&P 500 last month on the brink of a so-called correction, or a 10 percent decline from a recent peak. The index slumped 3.3 percent in the second-quarter, the biggest retreat since the period ending in September.

EMERGING-MARKETS

The biggest emerging markets are contributing more than ever to the global economy as their proportion of the world stock market shrinks, leaving investors with the widest valuation gap in seven years. Brazil, Russia, India and China, known as the BRICs, will comprise 20 percent of the world economy this year after growing more than four-fold in the past decade, International Monetary Fund data show. At the same time, their combined stock-market value has dropped to a three-year low of 16 percent of the total invested in equities, according to data compiled by Bloomberg.

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