

Financially Yours,

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YOUR DAILY ELECTRONIC MARKET REPORT

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Lebanese Eurobonds

USD	Coupon	Maturity	Bid	Offer	Bid Yield	Offer Yield	Duration	Mduration	Frg
10.25 Lebanon oct 09	10.250	10/06/2009							2
7.125 Lebanon Mar 10	7.125	03/05/2010							2
7 7/8 Lebanon May 11	7.875	05/20/2011							2
9 1/8 Lebanon Mar 13	9.125	03/12/2013							2
8 5/8 Lebanon June 13	8.625	06/20/2013							2
9 Lebanon May 14	9.000	05/02/2014							2
10 Liban Apr 15	10.000	04/25/2015							2
8.50 Lebanon Aug 15	8.500	08/06/2015							2
8 1/2 Lebanon Jan 16	8.500	01/19/2016							2
8 1/4 Lebanon Apr 21	8.250	04/12/2021							2

Emerging Eurobonds

Emerging Eurobonds						Beirut Stock Exchange					
USD	Coupon	Maturity	Bid	Offer	Mid Yield	Name	Rates	% Change	P/E 07	P/B 07	Div Yield
KAZKOMMERTS	7.000%	03-Nov-09	77	77.5	36.156%	Byblos bank	1.87	1.08%	7.86	4.37	1.87
EVRAZ GROUP S	8.875%	24-Apr-13	47.5	48.5	31.220%	Byblos bank Preferred	103	0.00%	-	-	103
IIB LUXEMBOURG	9.500%	12-Feb-10	70	77	37.604%	Byblos bank Prty	1.9	0.00%	7.98	4.44	1.9
SEYCHELLES	9.125%	03-Oct-11	30	45	55.410%	Audi	69.5	2.13%	11.33	0.25	69.5
ATF BANK	9.250%	12-Apr-12	49.34	77.52	27.229%	Blom	76.95	1.92%	8.07	0.16	76.95
LEB. AMR. UNIV *	6.750%	01-Feb-13	102	103	6.070%	Solidere A	22.3	-2.49%	16.41	1.53	22.3
ORASCOM TELC.	7.875%	08-Feb-14	84	86	11.775%	Solidere B	22.3	-2.24%	16.41	1.53	22.3
VENEZUELA	8.500%	08-Oct-14	54.5	55.5	22.660%	Holcim	15.25	-1.61%	-	-	15.25
CELL C	11.000%	01-Jul-15	95	97	11.880%	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	1.456	NASDAQ Comp	1726.33	1.64%	BLOM Stock Index .BLSI	1419.63	-0.72%
	5 YEARS	2.699	NASDAQ 100	1334.75	0.06%	SAUDI All Share .SASI	5889.34	1.50%
	10 YEARS	3.905	DJI	9319.83	1.52%	Doha Stock Market .QSI	7222	6.73%
	30 YEARS	4.328	S&P 500	966.3	1.28%	Kuwait SE .KWSE	9681.6	0.05%
EUR BUND	2 YEARS	2.456	Nikkei	8576.98	-5.01%	Abu Dhabi SE .ADI	3357.34	0.21%
	5 YEARS	3.138	SMI	6233.88	6.70%	Egyptian .CASE30	5152.55	5.43%
	10 YEARS	3.821	CAC 40	3527.97	3.53%	Dubai FM Gen Id .DFMGI	2907.06	-0.34%
	30 YEARS	4.351	DAX	5026.84	4.54%	Morocco SI MSI	6564.58	7.28%
			FTSE	4443.23	1.51%	Bahrain .BAX	2207.39	2.07%
		Euronext 100	598.82	4.31%				

Tracker	Underlying	Last Price	% Change
FXI	China	25.45	1.15
EWG	Germany	18.09	-2.11
EWJ	Japan	9.06	0.67
EWY	Korea	29.12	2.54
EWT	Taiwan	8.78	-0.34
EWZ	Brazil	38.79	3
IIF	India	15.65	3.23
RNE	Eastern Europe	11.76	3.16
TKF	Turkey	6.49	4.68
GLD	Gold	71.10	-0.34
USO	Oil	52.49	-5.58

Byblos Bank Deposits	Rates
USD*	
1 months	3.50%
3 Months	3.50%
6 Months	3.50%
1 Year	3.50%
*Benchmark amount 100-200 thds	
LBP*	
1 months	7.00%
3 Months	6.75%
6 Months	6.50%
1 Year	6.50%
*Benchmark amount 100-300 Millions	

Commodities	Price	% Change
Gold / Oz	725.40	-1.60%
Silver / Oz	975.00	-0.36%
Palladium / Oz	202.30	2.85%
Platinum / Oz	810.2	-2.02%
Copper/ Lbs	183.75	-2.70%
Aluminum / Lbs	0.94	0.00%
Coffee / Lbs	112.35	1.22%
Cocoa EUR / 100 Kg	1969.00	-5.52%
Wheat / Tone	562.00	4.46%
Soybean / Bsh	928.25	-0.62%
Wti / Bbl	63.80	-1.16%
Brent	60.72	-0.88%

Libor USD	Rate
1 months	2.36
3 Months	2.86
6 Months	3.09
1 Year	3.21
Libor EUR	Rate
1 months	4.39
3 Months	4.74
6 Months	4.79
1 Year	4.85

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1498	1504		
Euro	1.2613	1.2618	1.2649	1.2527
JPY	98.94	98.99	99.34	98.37
GBP	1.5689	1.5696	1.5838	1.5604
CHF	1.1765	1.1769	1.18	1.1743
CAD	1.1855	1.1861	1.1885	1.1785
AUD	0.6665	0.6669	0.6777	0.6597

Key Economic Calendar		
Data	Date	Forecast
US		
US Durable Goods	04-Nov-08	
US Factory Orders	04-Nov-08	-0.80%
Euroland / Japan		
EZ Producer Prices	04-Nov-08	8.0%

REGIONAL MARKETS

Lebanon's BLOM stock index fell 0.72 percent to 1419.63 points. Solidere's A fell 2.49 percent at \$22.30 and its B share fell 2.24 percent to \$22.30. Byblos Bank S.A.L. common rose 1.08 percent at 1.87 and its priority share remain unchanged at 1.90.

Persian Gulf stocks fell, led by Oman Telecommunications Co. after the biggest phone operator in the sultanate reported a drop in earnings. The Dubai

Financial Market General Index lost 1.6 percent to 2,909.8, bringing the slump for the year to 51 percent. The Abu Dhabi Securities Exchange General Index fell 0.6 percent and Oman's Muscat Securities Market 30 Index dropped 0.7 percent. The Kuwait Stock Exchange Index declined 1.9 percent. Saudi Arabia's Tadawul All Share Index rose 1.5 percent to 5,889.34.

TOP FX NEWS

The yen fell against the dollar on speculation a drop in interbank borrowing costs will encourage investors to step up purchases of higher-yielding assets financed by low-cost loans in Japan's currency. South Korea's won and India's rupee gained after South Korea announced a \$10.8 billion fiscal stimulus and India's central bank cut borrowing costs for the second time in two weeks to support the economy. The greenback declined against the Canadian dollar and the Swedish krona as evidence of increased bank lending reduced demand for the greenback as a haven. Japan's currency fell 0.6 percent to 99.01 per dollar in New York, from 98.46 on Oct. 31. The yen traded at 125.22 per euro, compared with 125.30. The dollar was at \$1.2655 per euro, compared with \$1.2726. The London interbank offered rate, or Libor, that banks charge each other for three-month loans in U.S. currency slid 0.17 percentage point to 2.86 percent today, the lowest level since the failure of Lehman Brothers Holdings Inc. on Sept. 15, data from the British Bankers' Association showed. South Korea's won rose 2.3 percent to 1,262 per dollar today after Finance Minister Kang Man-Soo said the government plans to spend an extra 14 trillion won next year to help the economy.

USD/JPY

Res: 099.79/100.45/101.35

Sup: 098.30/097.41/096.35

EUR/USD

Res: 1.2665/1.2792/1.2898

Sup: 1.2576/1.2445/1.2329

GBP/USD

Res: 1.5839/1.5923/1.6006

Sup: 1.5602/1.5547/1.5400

GOLD

Res: 731.00/739.00/748.75

Sup: 720.40/717.50/708.10

EUROLAND

European stocks advanced for a fifth day, the longest stretch of gains in a year, as declining money-market rates overshadowed evidence the global economy is slipping into a recession. ING Groep NV, the Netherlands' biggest financial-services provider, added 5.2 percent, and Swiss Reinsurance Co., the world's second-largest reinsurer, climbed 6.3 percent as a leading money-market indicator slid to the lowest level since the collapse of Lehman Brothers Holdings Inc. HBOS Plc rallied 6.1 percent on speculation the mortgage lender may receive a rival bid to Lloyds TSB Group Plc's offer. The Dow Jones Stoxx 600 Index rose 0.6 percent to 223.38, marking the longest winning streak since October 2007. "You are seeing some signs of the stress indicators, or interbank lending, are reducing," said Andrew Bell, head of research and strategy at Rensburg Sheppards Plc. "Clearly liquidity is being provided from central banks and governments to show that the banks can continue to function. I don't think the bank bailouts are over, but what you have now is a belief that sufficient capital will be found to plug the holes." National benchmark indexes rose in all 18 western European markets except Ireland. The U.K.'s FTSE 100 climbed 1.5 percent and France's CAC 40 gained 1.2 percent. Germany's DAX increased 0.8 percent. Investors looked past reports today that showed manufacturing in the U.S. contracted in October at the fastest pace since 1982 and factory output in the U.K. shrank for a sixth straight month. The European Commission said the region's economy probably entered a recession in the third quarter and trimmed its growth forecast for this year to 1.2 percent from 1.3 percent. Europe's Stoxx 600 climbed 12 percent last week,

the biggest weekly gain since September 2001, as central banks from the U.S. to Japan cut borrowing costs to revive economic growth. Even after last week's rally, European stocks are headed for their worst year on record as a jump in U.S. mortgage defaults saddled global banks with more than \$684 billion of losses and caused credit markets to lock up. The Stoxx 600 has tumbled 39 percent in 2008 and reached a five-year low on Oct. 27 when the gauge traded at 7.9 times reported earnings of the companies in the index, the cheapest level since at least January 2002, according to data compiled by Bloomberg. ING gained 5.2 percent to 7.61 euros, and Swiss Re added 6.3 percent to 50.75 francs. Allianz SE, Europe's largest insurer, climbed 4.2 percent to 60.45 euros. The London interbank offered rate, or Libor, that banks charge for three-month loans in dollars dropped 17 basis points to 2.86 percent, the lowest level since the collapse of Lehman on Sept. 15. Taylor Wimpey Plc, the U.K.'s largest homebuilder, rallied 38 percent to 13.75 pence as investors bought shares to close short positions, betting the stock will benefit from an interest rate cut. HBOS rose 6.1 percent to 105.4 pence. Lloyds TSB agreed to buy HBOS in a government-assisted rescue. Volkswagen AG fell 21 percent to 393 euros after Deutsche Boerse AG limited the stock's weighting in the DAX Index to 10 percent following the close on Oct. 31, and said that from today it may at any time remove a DAX stock whose weighting exceeds 10 percent and whose share price over the preceding 30 trading days had annualized volatility of more than 250 percent. The carmaker currently comprises 8.5 percent of the gauge.

US MARKETS

U.S. stocks fell after drifting between gains and losses before the presidential election, on the worst contraction in manufacturing since 1982 and forecasts that the sagging economy will reduce profits. Halliburton Co., the second-biggest U.S. oilfield services provider, led a retreat in 35 of 40 energy companies in the Standard & Poor's 500 Index after Goldman Sachs Group Inc. cut the shares to "neutral" and oil slid almost \$4 a barrel. Walt Disney Co. lost 3.4 percent after Merrill Lynch & Co. said the economic slowdown will hurt theme-park and television income. AT&T Inc. jumped 3.9 percent after Wachovia Corp. said its valuation is "compelling" and the stock is "safe." The S&P 500 lost 2.45 points, or 0.3 percent, to 966.3. The Dow Jones Industrial Average slipped 5.18 points to 9,319.83 after the 30-stock gauge posted its smallest daily swing in two months. The Nasdaq Composite Index increased 5.38, or 0.3 percent, 1,726.33. About the same number of stocks rose as fell on the New York Stock Exchange. The S&P 500 retreated a day after posting its first back- to-back gains in more than a month. The benchmark index for U.S. stocks sank 17 percent in October, its worst month since 1987. Last month's sell-off erased more than \$9.5 trillion from the value of stocks worldwide, almost one-third of the total value wiped out this year, as credit-related losses and writedowns by financial firms approached \$700 billion. About 1 billion shares changed hands on the floor of the NYSE, the slowest trading day since the end of August.

Halliburton fell 7.2 percent to \$18.36, leading a 2 percent decline in S&P 500 energy companies. The oilfield-services provider was cut to "neutral" from "buy" at Goldman, which cited "product risks and valuation" in a note to clients. Crude oil fell 5.8 percent to \$63.91 after the Institute for Supply Management said manufacturing in the U.S. contracted in October at the fastest pace in 26 years. Disney lost 87 cents to \$25.04. Merrill cut its share-price estimate for the world's largest theme-park operator by 11 percent to \$24, saying the company's parks and broadcasting businesses may be hurt by the "weakening consumer and softening advertising market, respectively." General Motors Corp. fell 14 cents to \$5.65. The largest U.S. automaker said sales of cars and light trucks tumbled 45 percent in October, which the company called the worst month since World War II. Earlier gains in benchmark indexes were spurred by a decrease in money market rates. Hartford Financial Services Group Inc. jumped \$5.96, or 58 percent, to \$16.28 for the biggest advance in the S&P 500 after saying it has enough capital to withstand further market declines. The insurer will have \$2 billion more than required to qualify for an AA rating if the S&P 500 is at 900 on Dec. 31, the company said in a statement. Insurers, the worst performing group in the S&P 500 last week on concern investment losses threaten profits and credit ratings, gained 3.9 percent as a group yesterday. Goldman Sachs fell 3.7 percent to \$89.09.

EMERGING MARKETS

Emerging-market stocks gained, extending last week's record rally, as central banks in India, China and South Korea moved to stem the damage to their financial systems from investors exiting developing economies. India's Sensitive Index rose 5.6 percent after the central bank cut interest rates, while a \$10.8 billion economic stimulus plan in Korea pushed the won 2.3 percent higher to the dollar, the biggest gain among emerging-market currencies. Brazil's Bovespa Index climbed to the highest in two weeks after the nation's two biggest banks agreed to merge. Stocks, bonds and currencies are rebounding after the International Monetary Fund almost doubled its limit on loans to developing nations last week and the Federal Reserve provided \$90 billion in currency swap agreements to Mexico, Brazil and Korea. Financial turmoil in Hungary, Pakistan and Ukraine through October prompted a sell-off that sent emerging-market stocks to the cheapest levels in a decade relative to earnings. Elsewhere in Latin America, Peru's Lima General jumped 11 percent and Argentina's Merval gained 4.6 percent. Thailand's SET Index surged 7.8 percent, the most in almost two years, after protests by supporters of self-exiled former prime minister Thaksin Shinawatra ended without violence. Indonesia's Jakarta Composite index rose 7.6 percent

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