

# Financially Yours,

October 5, 2009

YOUR DAILY ELECTRONIC MARKET REPORT

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**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	3.380	0.972	0.41	0.40	2
7 7/8 Lebanon May 11	7.875	20/05/2011	105.250	106.250	4.468	3.846	1.51	1.48	2
7.5 Lebanon Mar 12	7.500	19/03/2012	105.500	106.500	5.080	4.657	2.28	2.22	2
9 1/8 Lebanon Mar 13	9.125	12/03/2013	110.625	111.625	5.668	5.365	3.03	2.95	2
9 Lebanon May 14	9.000	02/05/2014	110.500	111.500	6.315	6.076	3.76	3.64	2
10 Liban Apr 15	10.000	25/04/2015	113.250	114.250	7.068	6.865	4.30	4.16	2
8.50 Lebanon Aug 15	8.500	06/08/2015	107.500	108.500	6.911	6.710	4.70	4.55	2
8 1/2 Lebanon Jan 16	8.500	19/01/2016	107.625	108.625	6.976	6.787	4.97	4.80	2
9 Lebanon Mar 17	9.000	20/03/2017	111.500	112.500	6.992	6.830	5.68	5.49	2
8 1/4 Lebanon Apr 21	8.250	12/04/2021	106.500	107.500	7.401	7.277	7.50	7.24	2

**Emerging Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Mid Yield	Beirut Stock Exchange (closing 02.10.09)					
						Name	Rates	% Change	P/E 09	P/B 09	Div Yield
SOC. REP. VIET.	6.875	15/01/2016	104.643	105.143	5.927	Byblos bank	1.9	3.83%	6.40	0.81	5.26%
EVRAZ GRP SA	8.875	24/04/2013	92.750	93.250	11.324	Byblos bank Preferred	98	0.00%	-	-	-
IIB LUXG SA (IIB)	9.500	12/02/2010	98.500	100.500	10.846	Byblos bank Prty	1.86	-0.53%	7.82	0.79	6.99%
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	9.592	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	94.750	95.750	9.224	Solidere A	25.2	0.80%	22.76	2.36	4.56%
REP. VENEZUELA	8.500	08/10/2014	89.250	90.750	11.164	Solidere B	24.97	-0.12%	22.56	2.33	4.61%
CELL C PTY LTD	11.000	01/07/2015	97.250	105.250	10.694	Holcim	16	3.23%	-	-	5.00%
						Casino	390	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.877	NASDAQ Comp	2048.11	-0.46%	BLOM Stock Index .BLSI	1477.045	0.40%
	5 YEARS	2.205	NASDAQ 100	1662.49	-0.24%	SAUDI All Share .SASI	6302.1	0.36%
	10 YEARS	3.221	DJI	9487.67	-0.23%	Doha Stock Market .QSI	7516.77	1.38%
	30 YEARS	4.002	S&P 500	1025.21	-0.45%	Kuwait SE .KWSE	7785.6	-0.41%
EUR BUND	2 YEARS	1.218	Nikkei	9731.87	-2.47%	Abu Dhabi SE .ADI	3127.59	0.11%
	5 YEARS	2.324	SMI	6150.17	-1.68%	Egyptian .CASE30	6690.08	-1.06%
	10 YEARS	3.130	CAC 40	3649.9	-1.90%	Dubai FM Gen Id .DFMGI	2192.31	0.06%
	30 YEARS	3.865	DAX	5467.9	-1.56%	Morocco SI MSI	6636.96	0.98%
			FTSE	4988.70	-1.17%	Bahrain .BAX	1575.34	1.34%
		Euronext 100	635.71	-1.88%				

Tracker	Underlying	Last Price	% Change
FXI	China	39.51	-0.36
EWG	Germany	21.29	-0.56
EWJ	Japan	9.56	-1.34
EWY	Korea	45.11	-0.62
EWT	Taiwan	12.07	-0.74
EWZ	Brazil	67.30	1.92
IIF	India	20.84	-0.76
RNE	Eastern Europe	14.35	-1.37
TKF	Turkey	12.00	1.27
GLD	Gold	98.37	0.49
USO	Oil	35.87	-0.99

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	1003.20	1.08%
Silver / Oz	16.20	-1.28%
Palladium / Oz	297.55	1.47%
Platinum / Oz	1275.60	-0.50%
Copper/ Lbs	267.15	-1.57%
Aluminum / Lbs	86.80	-3.02%
Coffee / Lbs	126.70	0.00%
Cocoa EUR / 100 Kg	3092.00	0.00%
Wheat / Tone	441.25	-2.54%
Soybean / Bsh	885.00	-3.59%
Wti / Bbl	69.95	-1.23%
Brent	66.84	-0.92%

Libor USD	Rate
1 months	0.24
3 Months	0.28
6 Months	0.60
1 Year	1.21
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	1.4634	1.4635	1.4647	1.4582
JPY	89.77	89.8	89.95	89.42
GBP	1.6	1.6002	1.6006	1.5923
CHF	1.0318	1.0324	1.0356	1.0312
CAD	1.0743	1.0746	1.0822	1.0703
AUD	0.8734	0.8739	0.8746	0.8648

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US Employment Trends	05-Oct-09	
US ISM N-Mfg PMI	05-Oct-09	50.0
<b>Euroland / Japan</b>		
EZ Retail Sales	05-Oct-09	-2.60%

**REGIONAL MARKETS**

Lebanon's BLOM stock index rose 0.40 percent at 1477.045 points. Solidere's A rose 0.80 percent at \$25.20 and its B share fell 0.12 percent at \$24.97. Byblos Bank S.A.L. common rose 3.83 percent at 1.90 and its priority shares fell 0.53 percent at 1.86.

United Arab Emirates shares dropped, with Abu Dhabi's index falling the most in four days, as U.S. unemployment climbed to a 26-year high and investors

waited the third-quarter earnings season. The MSCI Emerging Markets Index fell 1.1 percent and crude oil dropped the most in a week, closing under \$70 a barrel. Saudi Arabia's Tadawul All Share Index added 0.6 percent. Qatar's DSM 20 Index advanced 0.4 percent, Bahrain's measure gained 0.9 percent and the Kuwait Stock Exchange increased 0.4 percent. Oman's MSM30 Index rose less than 0.1 percent.

**TOP FX NEWS**

The dollar strengthened the most against the euro in four months as public officials from Gothenburg, Sweden to Tokyo said a strong U.S. currency is essential to the global economy. The greenback advanced this week to the highest level versus the euro in almost a month as finance chiefs converging on Istanbul for Group of Seven talks today pushed for a "strong dollar." Treasury Secretary Timothy Geithner pledged support for such a policy, and European Central Bank President Jean- Claude Trichet said it was "extremely important." The dollar appreciated 0.8 percent to \$1.4576 per euro in New York yesterday, from \$1.4689 on Sept. 25, in the biggest weekly gain since a 1.4 percent advance in the seven days ended June 5. The U.S. currency was little changed at 89.81 yen, compared with 89.64. The euro dropped 0.6 percent to 130.90 yen, from 131.70 at the end of last week. Group of Seven finance chiefs stopped short of singling out the weaker dollar for criticism and stuck to their mantra that "disorderly" swings in currencies threaten economic growth.

USD/JPY	EUR/USD	GBP/USD	GOLD
Res: 089.94/090.18/090.42	Res : 1.4675/1.4725/1.4803	Res: 1.5955/1.6025/1.6127	Res: 1006.0/1009.4/1012.0
Sup: 088.60/088.23/087.81	Sup: 1.4564/1.4480/1.4448	Sup: 1.5859/1.5805/1.5770	Sup: 1000.4/0991.5/0986.1

**EUROLAND**

European stocks declined for a third day after a report showed U.S. employers cut more jobs than forecast last month, spurring concern unemployment will stifle an economic recovery. Kazakhmys Plc and Repsol YPF SA dropped as metals and oil prices slid. Renewable Energy Corp. ASA sank 8.6 percent after the Norwegian solar-energy producer said the "weak" wafer market will hurt earnings. Royal Bank of Scotland Plc and Lloyds Banking Group Plc slumped more than 4.5 percent as talks continued with the U.K. government about implementation of the 576 billion-pound (\$915 billion) Asset Protection Scheme. Europe's Dow Jones Stoxx 600 Index slid 1.9 percent to 234.1, the lowest close in four weeks. The gauge extended its second straight weekly drop to 2 percent after the Labor Department said U.S. payrolls fell by 263,000 workers in September. Economists had forecast 175,000 lost jobs, according to a Bloomberg survey. The data is "giving fuel to those who think we are in a bit of a fools' paradise," said Robert Talbut, who helps oversee about \$331 billion as chief investment officer at Royal London Asset Management. "Risk assets can make further progress and I believe corporate news is going to surprise to the upside. The last couple of days or so have not reversed my view, but have certainly made me a little bit more nervous." Benchmark indexes dropped in all 18 western European markets, except Iceland, as the unemployment rate in the world's largest economy rose to 9.8 percent, the highest since 1983. France's CAC 40 fell 1.9 percent and the U.K.'s FTSE 100 lost 1.2 percent. Germany's DAX retreated 1.6 percent. World Bank President Robert Zoellick said the global economy will recover slowly from its worst recession since World War II and the Washington-based lender may require a capital

increase to meet developing countries' financing needs. Europe's Stoxx 600 has surged 48 percent since March 9 and recorded its biggest quarterly gain since 1999 in the three months through 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 last month. Kazakhmys led mining shares lower, falling 4.9 percent to 986.5 pence as copper, lead and zinc retreated on the London Metal Exchange. Rio Tinto Group lost 2.7 percent to 2,505.5 pence, while Lonmin Plc slid 2.2 percent to 1,505 pence, extending yesterday's 8.1 percent slump. Repsol, Spain's largest oil producer lost 1.2 percent to 18 euros as crude for November delivery dropped as much as 3.5 percent to \$68.32 a barrel on the New York Mercantile Exchange. Total SA, Europe's third-biggest oil company, fell 1.5 percent to 39.32 euros. Renewable Energy Corp. retreated 8.6 percent to 42.98 kroner after the maker of solar-energy products said contract adjustments for wafers will have an adverse effect on earnings next year. RBS dropped 7.7 percent to 46.64 pence and Lloyds declined 4.5 percent to 94.75 pence amid continuing talks with the government on the Asset Protection Scheme. The program would cost the two banks more than 26 billion pounds in fees and result the government raising its stake in the banks from the current 70 percent at RBS and 43 percent at Lloyds. Veolia Environnement SA, the world's biggest water company, sank 5.3 percent to 24.45 euros on a lower analyst outlook for full-year earnings. Carlsberg A/S dropped 8 percent to 333 kroner after Deutsche Bank AG downgraded Russia's biggest brewer to "sell" from "hold."

- 2 - Financially Yours,

## US MARKETS

U.S. stocks fell, giving the Standard & Poor's 500 Index its first two-week decline since July, after manufacturing expanded less than anticipated and unemployment climbed to a 26-year high, spurring concern the economy is rebounding slower than forecast. General Electric Co. and JPMorgan Chase & Co. lost at least 4 percent on speculation the market's seven-month rally outpaced prospects for an earnings recovery. U.S. Steel Corp. and Chevron Corp. led commodity producers lower as the International Monetary Fund predicted growth next year will be restrained amid rising U.S. unemployment and the waning effects of President Barack Obama's \$787 billion stimulus program. The S&P 500 retreated 1.8 percent to 1,025.21 this week. The Dow Jones Industrial Average slumped 177.52 points, or 1.8 percent, to 9,487.67. The Russell 2000 Index of small companies dropped 3.1 percent to 580.20. The U.S. equity benchmark has risen 52 percent from a 12-year low in March, sending its price-to-earnings ratio to the highest level since 2004 last month. The measure is valued at about 19 times its companies' reported operating profits, according to Bloomberg data. Economically sensitive stocks led the losses in the Dow average after the Institute for Supply Management's index showed that U.S. manufacturing expanded last month at a slower pace than anticipated by economists. Separate reports showed 551,000 Americans filed claims for unemployment benefits last week, more than expected, and the unemployment rate rose to a 26-year high of 9.8 percent. Industrial shares slid the most among 10 industries in the S&P 500, falling 3.5 percent. GE, the world's biggest maker of locomotives and medical imaging equipment, lost 6.2 percent to \$15.36. JPMorgan, the second-largest U.S. bank, led financial companies lower, retreating 4 percent to \$41.86. Raw-material

producers lost 2.9 percent for the second- biggest decline among 10 S&P 500 groups. Copper fell to the lowest price in two months as the dollar strengthened and U.S. job losses signaled slowing growth and contracting demand for the metal used in pipes and wires. Freeport-McMoRan Copper & Gold Inc., the world's largest publicly traded copper producer, lost 1.2 percent to \$65.86. U.S. Steel fell 13 percent to \$40.75, and AK Steel Holding Corp. declined 13 percent to \$18.05, the steepest losses among raw-material producers. The U.S. steel industry was cut to "neutral" from "attractive" at Goldman Sachs Group Inc., which cited the likelihood of lower prices. Chevron lost 3.6 percent to \$68.14, leading energy stocks to the third-steepest decline among 10 S&P 500 industries, as concern demand will be slow to rebound overshadowed oil's biggest weekly gain since Aug. 21. Gannett Co. climbed 26 percent to \$11.84 for the steepest advance in the S&P 500. The largest U.S. newspaper publisher forecast third-quarter profit that exceeded analysts' estimates and announced a plan to offer \$400 million of senior notes. Alcoa Inc. is scheduled to become the first company in the Dow average to report third-quarter results on Oct. 7. Monsanto Co., Costco Wholesale Corp., Marriott International Inc. and PepsiCo Inc. are among eight companies in the S&P 500 scheduled to release earnings next week. Xerox tumbled 19 percent, the steepest decline in the S&P 500, to \$7.32. The world's largest maker of high-speed color printers agreed to buy Affiliated Computer Services Inc. in a deal valued at about \$5.8 billion, making its biggest purchase as it shifts to technology services after sales of its printing equipment dropped. The deal will increase Xerox's debt while more than doubling its workforce.

## EMERGING MARKETS

Shares in emerging markets tumbled and headed for the worst week in almost two months, as unemployment in the U.S. at a 26-year high stoked concern the economic recovery won't last. Currencies and bonds from Romania to Ukraine declined. The MSCI Emerging Markets Index slid since Aug. 17, losing 1.7 percent to 895.82 in London and bringing this week's slump to 1.4 percent. Russia's Micex index sank 5.4 percent, the steepest intraday decline in three months, as oil, the nation's biggest export, retreated 3.4 percent to \$68.44 a barrel in New York. Stocks in Poland, Romania and Hungary erased more than 2 percent, while Ukraine's hryvnia tumbled the most among emerging-market currencies.

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