

# Financially Yours,

November 5, 2008

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
10.25 Lebanon Oct 09	10.250	10/06/2009	99.750	100.75	10.523	9.346	0.90	0.86	2
7.125 Lebanon Mar 10	7.125	03/05/2010	96.250	97.250	10.189	9.353	1.28	1.21	2
7 7/8 Lebanon May 11	7.875	05/20/2011	96.000	97.000	9.695	9.231	2.25	2.12	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	94.000	95.000	10.889	10.584	3.57	3.35	2
8 5/8 Lebanon June 13	8.625	06/20/2013	92.000	93.000	10.865	10.577	3.68	3.45	2
9 Lebanon May 14	9.000	05/02/2014	93.000	94.000	10.721	10.466	4.42	4.20	2
10 Liban Apr 15	10.000	04/25/2015	95.000	96.000	11.100	10.874	4.95	4.74	2
8.50 Lebanon Aug 15	8.500	08/06/2015	86.000	88.000	11.539	11.067	4.96	4.76	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	86.000	88.000	11.399	10.948	5.38	5.15	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	82.980	82.980	10.763	10.763	7.49	7.11	2

**Emerging Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Mid Yield	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	80	80.5	31.671%	Byblos bank	1.81	-3.21%	7.61	4.23	1.81
EVRAZ GROUP S	8.875%	24-Apr-13	47.5	48.5	31.230%	Byblos bank Preferred	103	0.00%	-	-	103
IIB LUXEMBOURG	9.500%	12-Feb-10	70	77	37.664%	Byblos bank Prty	1.85	-2.63%	7.77	4.32	1.85
SEYCHELLES	9.125%	03-Oct-11	30	42.5	56.883%	Audi	69	-0.72%	11.25	0.25	69
ATF BANK	9.250%	12-Apr-12	55.23	65.27	28.164%	Blom	77.15	0.26%	8.09	0.16	77.15
LEB. AMR. UNIV *	6.750%	01-Feb-13	102	103	6.069%	Solidere A	21.33	-4.35%	15.70	1.47	21.33
ORASCOM TELC.	7.875%	08-Feb-14	84	86	11.777%	Solidere B	21.52	-3.50%	15.84	1.48	21.52
VENEZUELA	8.500%	08-Oct-14	58	59	21.083%	Holcim	14.5	-4.92%	-	-	14.5
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	1.444	NASDAQ Comp	1780.12	3.12%	BLOM Stock Index .BLSI	1395.081	-1.73%
	5 YEARS	2.589	NASDAQ 100	1378.4	3.27%	SAUDI All Share .SASI	6045.14	2.70%
	10 YEARS	3.782	DJI	9625.28	3.28%	Doha Stock Market .QSI	7330.63	1.50%
	30 YEARS	4.223	S&P 500	1005.75	4.08%	Kuwait SE .KWSE	9715.9	0.35%
EUR BUND	2 YEARS	2.538	Nikkei	9114.6	6.27%	Abu Dhabi SE .ADI	3384.39	0.81%
	5 YEARS	3.113	SMI	6399.98	2.66%	Egyptian .CASE30	5314.56	3.14%
	10 YEARS	3.792	CAC 40	3691.09	4.62%	Dubai FM Gen Id .DFMGI	2915.53	0.29%
	30 YEARS	4.317	DAX	5026.84	0.00%	Morocco SI MSI	6601.15	0.56%
			FTSE	4639.5	4.42%	Bahrain .BAX	2213.47	0.28%
			Euronext 100	627.16	4.73%			

Tracker	Underlying	Last Price	% Change
FXI	China	27.21	6.92
EWG	Germany	19.68	8.79
EWJ	Japan	9.56	5.52
EWY	Korea	30.98	6.39
EWT	Taiwan	9.35	6.49
EWZ	Brazil	42.60	9.82
IIF	India	16.98	8.5
RNE	Eastern Europe	13.05	10.97
TKF	Turkey	7.30	12.5
GLD	Gold	75.48	6.16
USO	Oil	57.38	9.32

Byblos Bank Deposits	Rates
<b>USD*</b>	
1 months	3.50%
3 Months	3.50%
6 Months	3.50%
1 Year	3.50%
*Benchmark amount 100-200 thds	
<b>LBP*</b>	
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	756.00	4.22%
Silver / Oz	1013.00	3.90%
Palladium / Oz	209.70	3.66%
Platinum / Oz	857.70	5.80%
Copper/ Lbs	195.10	6.18%
Aluminum / Lbs	0.97	2.65%
Coffee / Lbs	112.35	0.00%
Cocoa EUR / 100 Kg	1969.00	0.00%
Wheat / Tone	572.50	1.87%
Soybean / Bsh	949.50	2.29%
Wti / Bbl	68.56	7.46%
Brent	63.18	4.05%

Libor USD	Rate
1 months	2.18
3 Months	2.71
6 Months	2.97
1 Year	3.11
<b>Libor EUR</b>	
1 months	4.35
3 Months	4.71
6 Months	4.76
1 Year	4.81

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1498	1504		
Euro	1.2884	1.2887	1.3031	1.2795
JPY	99.63	99.66	99.92	99.28
GBP	1.5873	1.5876	1.5997	1.5756
CHF	1.1671	1.1673	1.1744	1.1595
CAD	1.1566	1.157	1.1602	1.1486
AUD	0.6926	0.6929	0.7007	0.6835

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US MBA Purchase Index	05-Nov-08	
US Mortgage Market	05-Nov-08	
<b>Euroland / Japan</b>		
GB Industrial Output	05-Nov-08	-2.3%

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 1.73 percent to 1395.081 points. Solidere's A fell 4.35 percent at \$21.33 and its B share fell 3.50 percent to \$21.52. Byblos Bank S.A.L. common fell 3.21 percent at 1.81 and its priority share fell 2.63 percent at 1.85.

Persian Gulf stocks gained, led by financials and telecommunications companies, as lending costs declined in the region, suggesting measures taken by central banks

to unlock the credit markets are working. Saudi Arabia's Tadawul All Share Index rose 2.7 percent to 6,045.14, bringing the gain for the month to 9.2 percent. The Dubai Financial Market General Index added 0.3 percent and the Abu Dhabi Securities Exchange General Index increased 0.8 percent. In Qatar the DSM 20 Index advanced 1.5 percent.

## TOP FX NEWS

The euro fell against the dollar after European Central Bank member Juergen Stark said policy makers are ready to use interest-rate policy to bolster the region's shrinking economy. The 15-nation currency also declined versus the yen as Stark's comments, cited by the Financial Times Deutschland in an interview, bolstered expectations the ECB will lower its 3.75 percent benchmark rate at a meeting tomorrow. The South Korean won led gains in Asian currencies as a surge in global stocks encouraged investors to return to emerging markets. The euro fell to \$1.2938 in Tokyo from \$1.2981 late yesterday in New York. It weakened to 129.04 yen from 129.47 yen. The dollar bought 99.76 yen from 99.70. The euro may decline to \$1.18 in the third quarter of next year, Takashima said. "We're ready to use all instruments at our disposal and the main instrument is interest-rate policy as long as our mandate" to contain inflation "allows it," Stark was quoted as saying. The inflation environment "dramatically changed," he added. The ECB will lower its main refinancing rate by a half-percentage point to 3.25 percent tomorrow, according to all 54 economists in a Bloomberg News survey.

USD/JPY

Res: 099.93/100.56/101.35

Sup: 098.95/098.30/097.41

EUR/USD

Res: 1.3049/1.3161/1.3300

Sup: 1.2898/1.2796/1.2655

GBP/USD

Res: 1.5982/1.6021/1.6110

Sup: 1.5848/1.5721/1.5602

GOLD

Res: 769.50/777.00/785.50

Sup: 746.00/740.50/720.40

## EUROLAND

European stocks advanced for a sixth day as results from Clariant AG and Marks & Spencer Group Plc eased concern about profit growth, while money-market interest rates declined. Clariant jumped 23 percent and Marks & Spencer rose 7.7 percent after the companies reported earnings that topped analysts' estimates. Societe Generale SA and Allianz SE both rallied more than 11 percent after a leading money-market indicator slid to the lowest level. Europe's Dow Jones Stoxx 600 Index added 4.5 percent to 233.50. The six-day rally is the longest stretch of gains since August 2007 when the credit crisis got under way. National benchmark indexes rose in all 18 western European markets except Iceland. The U.K.'s FTSE 100 climbed 4.4 percent and France's CAC 40 gained 4.6 percent, while Germany's DAX added 5 percent. In Ukraine, the benchmark PFTS Index surged 14 percent, the biggest move among benchmarks tracked by Bloomberg. Earnings for the 812 companies in western Europe that reported results since Oct. 7 declined 4.2 percent on average, trailing expectations by 3.1 percent, Bloomberg data show. Companies from Nokia Oyj, the world's biggest maker of mobile phones, to BASF SE, the largest chemicals supplier, have reported earnings that missed analyst estimates. Analysts forecast profit for companies in the Stoxx 600 will decline 6.8 percent in 2008, based on predictions compiled by Bloomberg. That's down from 11 percent growth expected the start of the year. Clariant, the world's biggest maker of chemicals used in printing ink, jumped 23 percent to 8.95 francs after reporting a third-quarter profit of 75 million Swiss francs (\$64 million) as it closed factories and raised prices to pass on higher raw-material costs. Analysts predicted profit of 13 million francs

in a Bloomberg survey. Marks & Spencer climbed 7.7 percent to 238.5 pence. The U.K.'s largest clothes retailer reported net income of 223.2 million pounds (\$350 million), beating the 211 million-pound median estimate of six analysts surveyed by Bloomberg News. "You are seeing a slightly more bullish tone to the market" after companies beat expectations, said David Buik, a market analyst at BGC Partners in London. The Stoxx 600 has climbed 19.7 percent since Oct. 27 as central banks from the U.S. to Japan cut borrowing costs to revive economic growth. National benchmark indexes in all markets except Iceland, Switzerland and Luxembourg have rallied at least 20 percent from their lows in October, the common definition of a bull market. All indexes are still down at least 24 percent this year. Stocks in Europe are headed for their worst year on record, sending the Stoxx 600 down 36 percent so far in 2008, as a jump in U.S. mortgage defaults saddled global banks with \$686 billion of losses and caused credit markets to seize. Societe Generale, France's second-biggest bank, added 11 percent to 47.05 euros. Allianz, Europe's biggest insurer, jumped 14 percent to 68.91 euros. Barclays Plc, the U.K.'s second-largest bank, rose 8.4 percent to 185.9 pence. The Stoxx 600 is valued at 9.6 times reported earnings of the companies in the index, below the average over the past four years of 14 times profit. The gauge traded at 7.9 times earnings on Oct. 27, the lowest since at least January 2002. Suez Environnement SA fell 2.6 percent to 15.53 euros after Goldman Sachs Group Inc. recommended selling shares in the company, citing the economic weakness.

## US MARKETS

U.S. stocks advanced in the biggest presidential Election Day rally in 24 years, led by energy and banking shares, on rebounding commodity prices and speculation the Treasury will bail out more financial companies. General Electric Co. added 7.6 percent while CIT Group Inc. and Principal Financial Group Inc. climbed more than 22 percent after people briefed on the matter said the government may broaden the focus of its rescue program. Exxon Mobil Corp. and Chevron Corp. led all 40 energy shares in the Standard & Poor's 500 Index higher as oil gained. Archer Daniels Midland Co. rose 15 percent after profit more than doubled at the world's largest grain processor. The S&P 500 added 39.45 points, or 4.1 percent, to 1,005.75, its first close above 1,000 since Oct. 13. The Dow Jones Industrial Average rose 305.45, or 3.3 percent, to 9,625.28. The Nasdaq Composite Index advanced 53.79, or 3.1 percent, to 1,780.12. Gains in Europe and Asia sent the MSCI World Index to a sixth straight advance. Today's advance in the S&P 500 and Dow average are the biggest for a presidential Election Day since the NYSE first opened for trading during voting in 1984. The S&P 500 rose on four and fell on two of the previous presidential election days since then, averaging a 0.3 percent gain. The winner between Democrat Barack Obama, who leads in national polls, and Republican John McCain will contend with an economy crippled by declining profits and the highest unemployment in five years. "We keep getting reminded of how bad things are and how we need change,

and I'm talking about from both candidates," said Michael Holland, New York-based chairman of Holland & Co., which oversees more than \$4 billion. "We're moving forward now." About 1.3 billion shares changed hands on the floor of the NYSE, 10 percent less than the three-month average. The Chicago Board Options Exchange Volatility Index, or VIX, which measures the cost of using options as insurance against S&P 500 declines, dropped 11 percent to a one-month low of 47.73. Concern economic growth is slowing sent the S&P 500 down 17 percent in October, the steepest monthly loss since 1987. The 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. General Electric, whose GE Capital arm is the largest U.S. non-bank finance company, rose \$1.47 to \$20.77. CIT Group, the largest independent U.S. commercial lender, climbed \$1.63, or 36 percent, to \$6.15 for the best advance in the S&P 500. Financial shares in the S&P 500 jumped 5.5 percent as a group, also boosted by further declines in money-market rates. JPMorgan, the largest U.S. bank by market value, rose 3.5 percent to \$42.17. Citigroup Inc. climbed 4.9 percent to \$14.68. Energy companies advanced 6.4 percent as a group after crude oil and natural gas led a rally in commodities. Exxon Mobil, the world's biggest oil company, climbed 4.3 percent to \$77.49.

## EMERGING MARKETS

Brazil's Bovespa Index rose above the 40,000 level for the first time in three weeks after pulp producer Aracruz Celulose SA agreed with banks to unwind its wrong-way currency bets and Banco Itau Holding Financeira SA bought its rival, easing concern derivatives losses and credit seizures will threaten the financial system. Aracruz, the world's biggest eucalyptus-pulp maker, surged for a fourth day after agreeing to negotiate terms to restructure the debts. Itau extended a two-day gain to 22 percent after Citigroup Inc. said the bank bought Uniao de Bancos Brasileiros SA at a "very attractive" price. Cia. Vale do Rio Doce, the world's biggest iron-ore producer, rose 5.5 percent after commodity prices jumped and analysts recommended the shares. The Bovespa gained 5.2 percent to 40,254.80. Mexico's Bolsa advanced 2.9 percent and Chile's Ipsa climbed 2.8 percent. The MSCI Emerging Markets Index advanced 3.2 percent. Peru's main stock index gained 8.5 percent. The Brazilian currency rose the most in a week today, easing concern about derivatives losses stemming from wrong-way bets on the real. Companies that bought derivatives contracts betting the real would extend gains versus the dollar have probably lost \$7 billion, less than most market estimates, Valor Economico reported Oct. 31, citing Planning Minister Paulo Bernardo.

## 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	Jean-Michel Aoun	
Haytham Mroue			
Maguy Viltaki			
Hana Kara			
Youssef Abi Saab			

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