

# Financially Yours,

November 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 | 2.364     | -0.676      | 0.32     | 0.32      | 2   |
| 7 7/8 Lebanon May 11 | 7.875  | 20/05/2011 | 105.500 | 106.500 | 4.122     | 3.469       | 1.42     | 1.40      | 2   |
| 7.5 Lebanon Mar 12   | 7.500  | 19/03/2012 | 106.250 | 107.250 | 4.667     | 4.234       | 2.19     | 2.14      | 2   |
| 9 1/8 Lebanon Mar 13 | 9.125  | 12/03/2013 | 111.875 | 112.875 | 5.201     | 4.894       | 2.94     | 2.87      | 2   |
| 9 Lebanon May 14     | 9.000  | 02/05/2014 | 112.500 | 113.500 | 5.790     | 5.553       | 3.82     | 3.72      | 2   |
| 10 Liban Apr 15      | 10.000 | 25/04/2015 | 115.875 | 116.875 | 6.497     | 6.297       | 4.42     | 4.28      | 2   |
| 8.50 Lebanon Aug 15  | 8.500  | 06/08/2015 | 110.125 | 111.125 | 6.363     | 6.166       | 4.63     | 4.49      | 2   |
| 8 1/2 Lebanon Jan 16 | 8.500  | 19/01/2016 | 110.125 | 111.125 | 6.485     | 6.299       | 4.90     | 4.75      | 2   |
| 9 Lebanon Mar 17     | 9.000  | 20/03/2017 | 114.500 | 115.500 | 6.489     | 6.331       | 5.62     | 5.44      | 2   |
| 8 1/4 Lebanon Apr 21 | 8.250  | 12/04/2021 | 109.500 | 110.750 | 7.025     | 6.875       | 7.76     | 7.50      | 2   |

**Emerging Eurobonds**

| Emerging Eurobonds |        |           |         |         |           | Beirut Stock Exchange (closing 04.11.09) |       |          |        |        |           |
|--------------------|--------|-----------|---------|---------|-----------|--|-------|----------|--------|--------|-----------|
| USD                | Coupon | Maturity  | Bid     | Offer   | Mid Yield | Name                                     | Rates | % Change | P/E 09 | P/B 09 | Div Yield |
| IIB LUXG SA (IIB)  | 9.500  | 12-Feb-10 | 97.500  | 99.500  | 15.244    | Byblos bank                              | 2.01  | -1.95%   | 6.77   | 0.86   | 4.98%     |
| R. OF SRILANKA     | 8.250  | 24-Oct-12 | 103.917 | 104.417 | 6.671     | Byblos bank Preferred                    | 100   | 0.00%    | -      | -      | -         |
| ATF BANK           | 9.250  | 12-Apr-12 | 98.857  | 99.357  | 9.666     | Byblos bank Prty                         | 2.05  | 0.00%    | 8.61   | 0.88   | 6.34%     |
| TAQA ABD NATL.     | 4.375  | 28-Oct-13 | 101.229 | 101.604 | 9.231     | Byblos Bank GDR                          | 93.00 | 1.09%    | 10.84  | 0.24   | 5.32%     |
| ADCB F. CAYMAN     | 4.750  | 24-Apr-13 | 98.000  | 98.500  | 5.157     | Audi                                     | 87    | -0.40%   | 14.18  | 1.80   | 2.29%     |
| TDIC SUKUK LTD     | 4.949  | 21-Oct-14 | 101.873 | 102.373 | 4.465     | Blom                                     | 87.6  | -1.57%   | 7.47   | 1.38   | 4.14%     |
| ORASCOM TELECOM    | 7.875  | 08-Feb-14 | 94.100  | 94.100  | 9.593     | Solidere A                               | 25.96 | -2.41%   | 23.45  | 2.43   | 4.43%     |
| REP. VENEZUELA     | 8.500  | 08-Oct-14 | 83.551  | 84.051  | 13.067    | Solidere B                               | 25.94 | -1.52%   | 23.43  | 2.42   | 4.43%     |
| CELL C PTY LTD     | 11.000 | 01-Jul-15 | 100.432 | 100.807 | 10.843    | Holcim                                   | 14.06 | 0.00%    | -      | -      | 5.69%     |
|                    |        |           |         |         |           | Casino                                   | 390   | -        | -      | -      | -         |

| Benchmark   | Maturity | Yield | Equity Indices | Price   | % Change | Arab Indices           | Price    | % Change |
|-------------|----------|-------|----------------|---------|----------|------------------------|----------|----------|
| US TREASURY | 2 YEARS  | 0.905 | NASDAQ Comp    | 2055.52 | -0.09%   | BLOM Stock Index .BLSI | 1574.113 | -1.42%   |
|             | 5 YEARS  | 2.363 | NASDAQ 100     | 1680.67 | 0.09%    | SAUDI All Share .SASI  | 6343.12  | 1.00%    |
|             | 10 YEARS | 3.509 | DJI            | 9802.14 | 0.31%    | Doha Stock Market .QSI | 6957.6   | 0.36%    |
|             | 30 YEARS | 4.393 | S&P 500        | 1046.5  | 0.10%    | Kuwait SE .KWSE        | 7330     | 1.22%    |
| EUR BUND    | 2 YEARS  | 1.288 | Nikkei         | 9844.31 | 0.42%    | Abu Dhabi SE .ADI      | 2950.85  | 0.10%    |
|             | 5 YEARS  | 2.474 | SMI            | 6267.11 | 0.87%    | Egyptian .CASE30       | 6652.58  | 0.53%    |
|             | 10 YEARS | 3.325 | CAC 40         | 3670.33 | 2.40%    | Dubai FM Gen Id .DFMGI | 2137.8   | 3.00%    |
|             | 30 YEARS | 4.093 | DAX            | 5444.23 | 1.70%    | Morocco SI MSI         | 6336.89  | 0.13%    |
|             |          |       | FTSE           | 6514    | 0.00%    | Bahrain .BAX           | 1505.94  | -0.16%   |
|             |          |       | Euronext 100   | 640.99  | 2.12%    |                        |          |          |

| Tracker | Underlying     | Last Price | % Change |
|---------|----------------|------------|----------|
| FXI     | China          | 43.19      | 1.5      |
| EWG     | Germany        | 21.33      | 1.28     |
| EWJ     | Japan          | 9.61       | -0.21    |
| EWY     | Korea          | 44.11      | 2.77     |
| EWT     | Taiwan         | 11.95      | 2.31     |
| EWZ     | Brazil         | 72.57      | 2.19     |
| IIF     | India          | 20.68      | 2.53     |
| RNE     | Eastern Europe | 14.61      | 0.97     |
| TKF     | Turkey         | 12.05      | 2.03     |
| GLD     | Gold           | 107.10     | 0.6      |
| USO     | Oil            | 40.99      | 0.91     |

| 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        | Price   | % Change |
|--------------------|---------|----------|
| Gold / Oz          | 1086.70 | 0.22%    |
| Silver / Oz        | 17.39   | 1.30%    |
| Palladium / Oz     | 328.80  | 0.32%    |
| Platinum / Oz      | 1366.10 | 0.97%    |
| Copper/ Lbs        | 299.30  | 1.25%    |
| Aluminum / Lbs     | 90.55   | 0.06%    |
| Coffee / Lbs       | 140.75  | -1.12%   |
| Cocoa EUR / 100 Kg | 3272.00 | 0.68%    |
| Wheat / Tone       | 515.75  | 0.00%    |
| Soybean / Bsh      | 1006.75 | 0.00%    |
| Wti / Bbl          | 80.40   | 1.01%    |
| Brent              | 78.40   | 3.33%    |

| Libor USD        | Rate |
|------------------|------|
| 1 months         | 0.24 |
| 3 Months         | 0.28 |
| 6 Months         | 0.56 |
| 1 Year           | 1.19 |
| <b>Libor EUR</b> |      |
| 1 months         | 0.39 |
| 3 Months         | 0.67 |
| 6 Months         | 0.99 |
| 1 Year           | 1.22 |

| FX Rates | Bid    | Ask    | Hi     | Lo     |
|----------|--------|--------|--------|--------|
| USD / LL | 1500   | 1503   |        |        |
| Euro     | 1.4826 | 1.4833 | 1.4882 | 1.4817 |
| JPY      | 90.32  | 90.35  | 90.86  | 90.3   |
| GBP      | 1.6491 | 1.6494 | 1.6567 | 1.6468 |
| CHF      | 1.018  | 1.0184 | 1.0192 | 1.0144 |
| CAD      | 1.0651 | 1.0656 | 1.0682 | 1.0624 |
| AUD      | 0.9043 | 0.9046 | 0.9112 | 0.9029 |

| Key Economic Calendar   |           |          |
|-------------------------|-----------|----------|
| Data                    | Date      | Forecast |
| <b>US</b>               |           |          |
| US Jobless Claim        | 05-Nov-09 |          |
| US Productivity         | 05-Nov-09 | 6.40%    |
| <b>Euroland / Japan</b> |           |          |
| EZ ECB Rate Decision    | 05-Nov-09 | 1.00%    |

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 1.42 percent at 1574.113 points. Solidere's A fell 2.41 percent at \$25.96 and its B share fell 1.52 percent at \$25.94. Byblos Bank S.A.L. common fell 1.95 percent at 2.01 and its priority shares remain unchanged at 2.05.

Dubai shares gained for the second time this week, led by Emaar Properties PJSC and Dubai Financial Market PJSC, as oil rose and investors speculated yesterday's drop was overdone given the prospects for economic growth.

The Dubai Financial Market General Index rose 3 percent, bouncing back from yesterday's 5 percent drop, to 2,137.8. Saudi Arabia's Tadawul All Share Index climbed 1 percent to 6,343.12. The Kuwait Stock Exchange Index increased 1.2 percent, its biggest one-day gain since Sept. 27. Qatar's DSM 20 Index advanced 0.4 percent, Oman's MSM30 Index and Abu Dhabi's index rose 0.1 percent. Bahrain's measure fell 0.2 percent.

## TOP FX NEWS

The yen and the dollar rose against the euro as concerns the global economic recovery will falter drove down Asian stocks, boosting demand for the two currencies as a refuge. The yen advanced against all 16 major counterparts as the Federal Reserve reiterated its pledge to keep interest rates near zero for an "extended period," before a report tomorrow forecast to show the U.S. jobless rate climbed. The New Zealand dollar dropped after Reserve Bank Governor Alan Bollard said the nation's recovery from the global recession will be slower than Australia's and the statistics bureau reported that the jobless rate climbed to the highest level in more than nine years. The yen rose to 134.09 per euro at 1:48 p.m. in Tokyo from 134.85 in New York yesterday. It climbed to 90.36 per dollar from 90.72. The dollar gained to \$1.4839 per euro from \$1.4861. The Nikkei 225 Stock Average fell 1.3 percent and the MSCI Asia Pacific Index of regional shares dropped 0.8 percent. That prompted speculation investors are pulling out of so-called carry trades, in which they sell the currency of a nation with low interest rates to buy higher-yielding currencies. Benchmark interest rates are 0.1 percent in Japan and as low as zero in the U.S., compared with 3.5 percent in Australia and 2.5 percent in New Zealand.

| USD/JPY                   | EUR/USD                   | GBP/USD                   | GOLD                      |
|---------------------------|---------------------------|---------------------------|---------------------------|
| Res: 090.86/091.34/091.63 | Res: 1.4857/1.4910/1.4968 | Res: 1.6605/1.6694/1.6742 | Res: 1093.9/1097.3/1099.0 |
| Sup: 090.04/089.84/089.18 | Sup: 1.4801/1.4734/1.4626 | Sup: 1.6503/1.6456/1.6402 | Sup: 1080.1/1075.8/1069.3 |

## EUROLAND

European stocks rebounded from a one-month low as earnings at companies from Societe Generale SA to Marks & Spencer Group Plc beat analysts' estimates and Nissan Motor Co.'s forecast boosted automakers. Societe Generale, France's second-biggest bank by market value, surged 4.6 percent after third-quarter earnings doubled. Marks & Spencer, the U.K.'s largest clothing retailer, climbed 6 percent as British consumer confidence also held at a 1 1/2-year high. Renault SA paced a surge in carmakers as Nissan narrowed its full-year loss forecast after the close of trading in Tokyo. The Dow Jones Stoxx 600 Index rose 1.8 percent to 239.13 as all 19 industry groups gained, climbing from the lowest level since Oct. 2. The regional gauge has slipped 4.1 percent from this year's high on Oct. 19 amid speculation an eight-month rebound has outpaced the prospects for economic growth. The measure is still up 51 percent since March. The Federal Reserve indicated yesterday its \$1 trillion injection into the economy is helping to revive growth without requiring an increase in interest rates from near zero, economists said. National benchmark indexes advanced in all 18 western European markets. The U.K.'s FTSE 100 rose 1.4 percent and France's CAC 40 surged 2.4 percent. Germany's DAX added 1.7 percent as Adidas AG increased. Societe Generale climbed 4.6 percent to 45.64 euros. Net income rose to 426 million euros (\$627 million) from 183 million euros a year before as its investment-banking unit returned to profit. That compared with the 399 million-euro median estimate of 11 analysts surveyed by Bloomberg. Marks & Spencer rallied 6 percent to 361.5

pence. The retailer reported net income of 224.3 million pounds (\$371 million), exceeding the 201 million-pound median estimate of 12 analysts surveyed by Bloomberg, and said it made a "good start" to the third quarter. Next Plc, the U.K.'s second-biggest clothing retailer, soared 5.6 percent to 1,912 pence after raising its forecast for the year-end holiday trading period, as third-quarter sales beat estimates driven by new ranges of women's clothing. U.K. consumer confidence held at the highest level in 1 1/2 years last month as house prices recovered, Nationwide Building Society said today. An index of sentiment was at 72 in October, the same as in September, Britain's biggest customer-owned lender said. Renault rallied 4.1 percent to 31.38 euros, leading gains among automakers after Nissan narrowed its full-year loss forecast as government subsidies boosted vehicle demand. France's second-largest carmaker owns 44 percent of Yokohama-based Nissan, Japan's third-biggest auto manufacturer, and the two companies cooperate on some parts, production and marketing. A measure of automakers on the Stoxx 600 advanced 3.1 percent, posting the third-steepest gain among 19 industry groups on the gauge. BHP Billiton Ltd., the world's biggest mining company, advanced 3.3 percent to 1,705 pence and Rio Tinto Group, the third-largest, gained 2.8 percent to 2,863 pence. Bank of Ireland Plc, the nation's largest lender by market value, jumped 25 percent to 1.75 euros, erasing before yesterday's 12 percent slump. Clariant AG rose 3.1 percent to 10.14 francs.

## US MARKETS

U.S. stocks erased most of a 156- point rally in the Dow Jones Industrial Average after a House bill to curb credit-card rates spurred concern about bank earnings, outweighing the Federal Reserve's plan to keep interest rates at a record low. Wells Fargo & Co., JPMorgan Chase & Co. and Citigroup Inc. led financial shares to the steepest loss among 10 industries as the vote moved up the start date of many rule changes that will make it more difficult for lenders to raise rates on existing credit cards. The Standard & Poor's 500 Index wiped out most of a 1.5 percent rally triggered when the Fed said it will leave interest rates at "exceptionally low" levels. The S&P 500 added 0.1 percent to 1,046.5 at 4:19 p.m. in New York. The Dow increased 30.23 points, or 0.3 percent, to 9,802.14. About five stocks fell for every four that rose on the New York Stock Exchange. The Fed, at the end of a two-day policy meeting, restated its intention to keep interest rates "exceptionally low" for an extended period and said the U.S. economy is picking up. "Businesses are still cutting back on fixed investment and staffing, though at a slower pace," the Federal Open Market Committee said in a statement. "Activity in the housing sector has increased over recent months." The S&P 500 Financials Index slumped 1.5 percent, the most among 10 industries, after the House vote and as analyst Meredith Whitney said the biggest U.S. banks may face declining values on home-loan bonds with government backing as the Fed prepares to end its \$1.25 trillion purchase program. Bank of America Corp., JPMorgan Chase, Citigroup and Wells Fargo increased holdings of so-called agency mortgage-backed securities by 44 percent from the third quarter of 2008 to the second quarter of 2009, Whitney said in a note

yesterday to investors. Those increases came as the Fed began buying securities backed by Fannie Mae, Freddie Mac and Ginnie Mae in an attempt to keep mortgage rates low and spur housing demand, she wrote. JPMorgan fell 1.2 percent to \$42.21, while Wells Fargo slid 3.1 percent to \$26.82 and Citigroup lost 1.7 percent to \$3.97. Hartford Financial Services Group Inc. erased earlier gains and fell 5.3 percent to \$24.44. The insurer, whose new chief executive officer is conducting a review of businesses, said it will halt sales of some of its life products sold to companies. Baker Hughes Inc. slipped 5.9 percent to \$40.89. The oilfield-services provider that agreed in August to buy BJ Services Co. said third-quarter profit plunged 87 percent after energy prices tumbled. Aetna Inc., the third-largest U.S. health insurer, jumped 5.2 percent to \$28.01. Cigna Corp. climbed 5.2 percent to \$29.78. A group of health-care equipment and service companies jumped 1.2 percent, after earlier rising as much as 3 percent for its biggest intraday gain since June. Ambac Financial Group Inc. surged 35 percent to \$1.50. Walt Disney Co. rallied 1.5 percent to \$28.03. The company received Chinese government approval to build a theme park in Shanghai, its first resort investment on the mainland, to tap rising incomes in the fastest-growing major economy. Merck & Co. jumped the most in the Dow, rising 6.4 percent to \$32.64. The VIX, a measure of stock-market volatility known as Wall Street's fear gauge, fell for a third day, dropping 3.8 percent. The index trimmed its retreat after earlier falling as much as 7.6 percent. Pulte Homes Inc. rose 3.5 percent to \$9.55. The U.S. builder that bought competitor Centex Corp.

## EMERGING MARKETS

Brazilian stocks rose to the highest level in a week after commodity prices advanced and steelmaker Cia. Siderurgica Nacional SA's profit topped analyst estimates, bolstering the earnings outlook for material producers. The Bovespa index added 2 percent to 63,912.57. The index of the 63 most-traded stocks entered a correction last week, losing more than 10 percent from a peak, after the government imposed a so-called IOF tax of 2 percent on foreign purchases of equity and fixed-income securities. It has pared losses since the tax was announced to 5 percent. Mexico's Bolsa index added 1.9 percent, Chile's Ipsa increased 1.7 percent and Argentina's Merval climbed 1.7 percent. The MSCI Emerging Markets Index jumped 2.5 percent.

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