

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 | Frq |
|-----------------------|--------|------------|--------|---------|-----------|-------------|----------|-----------|-----|
| 10.25 Lebanon Oct 09 | 10.250 | 10/06/2009 | 99.750 | 100.750 | 10.524 | 9.337 | 0.87 | 0.83 | 2 |
| 7.125 Lebanon Mar 10 | 7.125 | 03/05/2010 | 96.250 | 97.250 | 10.237 | 9.388 | 1.26 | 1.20 | 2 |
| 7 7/8 Lebanon May 11 | 7.875 | 05/20/2011 | 96.000 | 97.000 | 9.701 | 9.235 | 2.24 | 2.14 | 2 |
| 9 1/8 Lebanon Mar 13 | 9.125 | 03/12/2013 | 94.000 | 95.000 | 10.892 | 10.586 | 3.60 | 3.41 | 2 |
| 8 5/8 Lebanon June 13 | 8.625 | 06/20/2013 | 92.000 | 93.000 | 10.875 | 10.580 | 3.73 | 3.54 | 2 |
| 9 Lebanon May 14 | 9.000 | 05/02/2014 | 93.000 | 94.000 | 10.723 | 10.467 | 4.38 | 4.16 | 2 |
| 10 Liban Apr 15 | 10.000 | 04/25/2015 | 95.000 | 96.000 | 11.101 | 10.874 | 4.84 | 4.59 | 2 |
| 8.50 Lebanon Aug 15 | 8.500 | 08/06/2015 | 86.000 | 88.000 | 11.542 | 11.069 | 5.01 | 4.74 | 2 |
| 8 1/2 Lebanon Jan 16 | 8.500 | 01/19/2016 | 86.000 | 88.000 | 11.401 | 10.951 | 5.23 | 4.95 | 2 |
| 8 1/4 Lebanon Apr 21 | 8.250 | 04/12/2021 | 76.000 | 77.500 | 12.017 | 11.734 | 7.26 | 6.85 | 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 | 87 | 87.5 | 22.040% | Byblos bank | 1.8 | 0.00% | 7.56 | 4.20 | 1.8 |
| EVRAZ GROUP S | 8.875% | 24-Apr-13 | 43 | 44 | 34.674% | Byblos bank Preferred | 103 | 0.00% | - | - | 103 |
| IIB LUXEMBOURG | 9.500% | 12-Feb-10 | 70 | 77 | 37.784% | Byblos bank Prty | 1.85 | -1.60% | 7.77 | 4.32 | 1.85 |
| SEYCHELLES | 9.125% | 03-Oct-11 | 31 | 43.5 | 55.440% | Audi | 69 | 0.00% | 11.25 | 0.25 | 69 |
| ATF BANK | 9.250% | 12-Apr-12 | 55.44 | 65.51 | 28.040% | Blom | 79 | 1.35% | 8.29 | 0.16 | 79 |
| LEB. AMR. UNIV * | 6.750% | 01-Feb-13 | 102 | 103 | 6.069% | Solidere A | 20.5 | -5.09% | 15.08 | 1.41 | 20.5 |
| ORASCOM TELC. | 7.875% | 08-Feb-14 | 84 | 86 | 11.780% | Solidere B | 20.52 | -5.44% | 15.10 | 1.41 | 20.52 |
| VENEZUELA | 8.500% | 08-Oct-14 | 59 | 60 | 20.662% | Holcim | 15.5 | 3.40% | - | - | 15.5 |
| CELL C | 11.000% | 01-Jul-15 | 85 | 92 | 11.881% | Fransabank | 25.5 | - | - | - | - |
| | | | | | | Casino | 350 | - | - | - | - |

| Benchmark | Maturity | Yield | Equity Indices | Price | % Change | Arab Indices | Price | % Change |
|-------------|----------|-------|----------------|---------|----------|------------------------|----------|----------|
| US TREASURY | 2 YEARS | 1.292 | NASDAQ Comp | 1608.7 | -4.34% | BLOM Stock Index .BLSI | 1363.157 | -1.99% |
| | 5 YEARS | 2.467 | NASDAQ 100 | 1241.97 | -4.46% | SAUDI All Share .SASI | 6083.87 | 0.64% |
| | 10 YEARS | 3.689 | DJI | 8695.79 | -4.85% | Doha Stock Market .QSI | 7477.28 | 0.00% |
| | 30 YEARS | 4.185 | S&P 500 | 904.88 | -5.03% | Kuwait SE .KWSE | 9785.8 | 0.00% |
| EUR BUND | 2 YEARS | 2.395 | Nikkei | 8899.14 | -6.53% | Abu Dhabi SE .ADI | 3435.61 | 0.00% |
| | 5 YEARS | 2.958 | SMI | 5924.9 | -4.08% | Egyptian .CASE30 | 5354.35 | 0.00% |
| | 10 YEARS | 3.679 | CAC 40 | 3387.25 | -6.38% | Dubai FM Gen Id .DFMGI | 2917.29 | 0.00% |
| | 30 YEARS | 4.332 | DAX | 5166.87 | -2.11% | Morocco SI MSI | 6989.75 | 0.00% |
| | | | FTSE | 4272.41 | -5.70% | Bahrain .BAX | 2226.92 | 0.00% |
| | | | Euronext 100 | 576.61 | -5.94% | | | |

| Tracker | Underlying | Last Price | % Change |
|---------|----------------|------------|----------|
| FXI | China | 22.69 | -7.95 |
| EWG | Germany | 17.15 | -6.54 |
| EWJ | Japan | 8.55 | -8.65 |
| EWY | Korea | 25.38 | -11.51 |
| EWT | Taiwan | 7.95 | -6.36 |
| EWZ | Brazil | 35.96 | -5.37 |
| IIF | India | 14.37 | -6.99 |
| RNE | Eastern Europe | 11.18 | -3.62 |
| TKF | Turkey | 5.89 | -10.89 |
| GLD | Gold | 72.22 | -0.8 |
| USO | Oil | 50.15 | -6.85 |

| 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 | 731.20 | -1.36% |
| Silver / Oz | 1005.50 | -3.83% |
| Palladium / Oz | 222.60 | 1.64% |
| Platinum / Oz | 838.30 | -4.74% |
| Copper/ Lbs | 172.25 | -5.04% |
| Aluminum / Lbs | 0.93 | -2.51% |
| Coffee / Lbs | 116.40 | -0.26% |
| Cocoa EUR / 100 Kg | 1973.00 | -1.30% |
| Wheat / Tone | 522.50 | -2.75% |
| Soybean / Bsh | 899.50 | 0.53% |
| Wti / Bbl | 61.02 | -5.32% |
| Brent | 56.54 | -8.05% |

| Libor USD | Rate |
|------------------|------|
| 1 months | 1.77 |
| 3 Months | 2.39 |
| 6 Months | 2.70 |
| 1 Year | 2.84 |
| Libor EUR | |
| 1 months | 4.23 |
| 3 Months | 4.60 |
| 6 Months | 4.65 |
| 1 Year | 4.71 |

| FX Rates | Bid | Ask | Hi | Lo |
|----------|--------|--------|--------|--------|
| USD / LL | 1498 | 1504 | | |
| Euro | 1.2726 | 1.273 | 1.2784 | 1.2654 |
| JPY | 97.42 | 97.47 | 97.77 | 96.76 |
| GBP | 1.5674 | 1.5677 | 1.5716 | 1.5537 |
| CHF | 1.1768 | 1.1772 | 1.1796 | 1.1746 |
| CAD | 1.1957 | 1.1963 | 1.2023 | 1.1908 |
| AUD | 0.6688 | 0.6692 | 0.6733 | 0.6546 |

| Key Economic Calendar | | |
|-------------------------|-----------|----------|
| Data | Date | Forecast |
| US | | |
| US Non-Farm Payrolls | 07-Nov-08 | |
| US Pending Home Sales | 07-Nov-08 | |
| Euroland / Japan | | |
| FR Trade Balance | 07-Nov-08 | -5.00b |

REGIONAL MARKETS

Lebanon's BLOM stock index fell 1.99 percent to 1363.157 points. Solidere's A fell 5.09 percent at \$20.54 and its B share fell 5.44 percent to \$20.52. Byblos Bank S.A.L. common remain unchanged at 1.80 and its priority share fell 1.60 percent at 1.85.

Persian Gulf shares fell for the first time in three days after U.S. economic reports and Asian corporate

news renewed concern that company profits and foreign investment in the region will drop as global growth slows. The Dubai Financial Market General Index tumbled 4.1 percent to 2,797.6, bringing the decline for the week to 4.9 percent. The Abu Dhabi Securities Exchange General Index dropped 3.3 percent, while the Kuwait Stock Exchange Index fell 1.1 percent.

TOP FX NEWS

The dollar fell against the euro and the yen on speculation a government report will show the U.S. economy lost the most jobs since 2003, bolstering the case for the Federal Reserve to lower interest rates. The U.S. currency also declined versus the British pound as futures traders increased bets the Fed will cut borrowing costs by half a percentage point to 0.5 percent compared with a benchmark rate of 3 percent in the U.K. A Labor Department report today may also show the unemployment rate in the U.S. rose to a five-year high as the global economic downturn deepened. "People are trimming bets on dollar gains before the payrolls data," said Tokichi Ito, deputy general manager of foreign exchange in Tokyo at Trust & Custody Services Bank Ltd., a unit of Japan's second-largest publicly traded lender. "The focus is on fundamentals and there are serious doubts about the U.S. economy and corporate earnings." The dollar fell to \$1.2753 per euro at 2:07 p.m. in Tokyo from \$1.2715 late yesterday in New York. Against the pound, it declined to \$1.5683 from \$1.5627. The U.S. currency bought 97.53 yen from 97.75. The euro was little changed at 124.35 yen. The dollar may fall to \$1.2830 versus the euro today, Ito said.

USD/JPY

Res: 098.20/098.69/099.45

Sup: 096.35/096.08/095.32

EUR/USD

Res : 1.2826/1.2874/1.2932

Sup: 1.2653/1.2527/1.2445

GBP/USD

Res: 1.5719/1.5959/1.6042

Sup: 1.5535/1.5400/1.5260

GOLD

Res: 745.00/761.00/769.20

Sup: 729.70/720.40/708.10

EUROLAND

European stocks dropped for a second day as European Central Bank President Jean-Claude Trichet said the financial crisis may lead to a protracted economic slump, deepening concern the slowdown will stifle profit growth. Adidas AG tumbled 9.6 percent after the sporting-goods maker posted worse-than-expected profit. Axa SA, Europe's second-biggest insurer, dropped 9.2 percent on lower third-quarter revenue. The worst banking crisis in almost a century pushed the Bank of England to slash its key interest rate 1.5 percentage points, while the ECB cut its benchmark rate by half a point. The Dow Jones Stoxx 600 Index fell 5.6 percent to 215.48, extending this year's decline to 41 percent. More than \$27 trillion has been erased from the value of global equity markets as credit losses and writedowns topped \$690 billion in the worst financial crisis since the Great Depression. Stocks initially pared declines after the Bank of England cut its rate more than economists expected. The ECB's reduction that matched predictions followed by declines in early U.S. trading dragged shares lower. Policy makers in Switzerland and Denmark also reduced rates today. National benchmarks fell in all 18 western European markets. The U.K.'s FTSE 100 slid 5.7 percent with Royal Dutch Shell Plc and BHP Billiton Ltd. following declines in oil and metal prices. Germany's DAX tumbled 6.8 percent, while France's CAC 40 retreated 6.4 percent. In the U.S., the Labor Department said 481,000 workers filed initial claims in the week ended Nov. 1, exceeding the 477,000 projected by economists surveyed by Bloomberg News. The number of people staying on benefit rolls was the most since February 1983. Tomorrow's payrolls report is projected to show the economy lost an additional 200,000 jobs in

October, bringing the total decline to almost 1 million so far this year, while the unemployment rate jumped to the highest level in more than five years. Central banks from Washington and Tokyo to Frankfurt and London have lowered borrowing costs in the last month to avert recession and injected cash to unlock credit markets. The International Monetary Fund predicted economic contractions in the U.S., Japan and euro region next year, calling for further interest-rate cuts and fiscal stimulus. Adidas, the world's second-largest sporting-goods maker, fell 9.6 percent to 26.64 euros after reporting third-quarter profit of 302 million euros (\$388 million). That missed the 320.5 million-euro estimate in a Bloomberg survey of five analysts. Axa dropped 9.2 percent to 15.15 euros. Europe's largest insurer had a 3.4 percent decline to 20.14 billion euros in third-quarter revenue on lower sales of life and savings products in the U.S. and U.K. That compares with the 20.2 billion-euro estimate of eight analysts surveyed by Bloomberg. Earnings for the 956 companies in western Europe that reported results since Oct. 7 declined 6.7 percent on average, trailing expectations by 5.4 percent, Bloomberg data show. Man Group Plc tumbled 31 percent to 270 pence. The largest publicly traded hedge-fund manager said fiscal first-half profit declined 25 percent after "extreme moves" in markets reduced assets under management. Net income from continuing operations for the six months ended Sept. 30 fell to \$507 million, or 28.8 cents a share. Analysts surveyed by Bloomberg expected earnings of 31 cents a share. Shell, Europe's biggest energy company, retreated 7.4 percent to 1,642 pence.

US MARKETS

U.S. stocks slid, sending the market to its biggest two-day slump since 1987, after jobless claims jumped and the shrinking economy crushed earnings at companies from Blackstone Group Inc. to News Corp. Blackstone, the largest private-equity firm, fell 12 percent after posting the biggest quarterly loss in its 18 months as a public company. News Corp. sank 16 percent after the media company controlled by Rupert Murdoch said ad sales decreased. Chevron Corp. fell 6.4 percent as oil tumbled to a 19-month low, while an unexpected decrease in chain-store sales dragged down 25 of 27 shares in the S&P 500 Retailing Index. The Standard & Poor's 500 Index fell 5 percent to 904.88, extending its two-day loss to 10 percent. The Dow Jones Industrial Average retreated 443.48 points, or 4.9 percent, to 8,695.79. The Russell 2000 Index of small U.S. companies declined 3.7 percent to 495.84. The MSCI World Index of 23 developed markets lost 5.9 percent to 925.09. The two-day tumble following Election Day wiped out more than half of the market's rebound from a five-year low on Oct. 27. Both the S&P 500 and Dow average posted their biggest two-day slides since plunging more than 24 percent as rising borrowing costs helped spur the market crash of October 1987. BP Plc led a 5.6 percent retreat in Europe's benchmark index even after the Bank of England unexpectedly cut its benchmark interest rate by 1.5 percentage points to 3 percent to contain damage from a recession. Switzerland's central bank and the European Central Bank reduced their main lending rates by 50 basis

points. The S&P 500 is down 38 percent this year, poised for the steepest annual retreat since 1937. The benchmark for U.S. equities has plunged 42 percent since its record in October 2007 after the U.S. economy shrunk in two of the last four quarters. The VIX, as the Chicago Board Options Exchange Volatility Index is known, climbed 17 percent to 63.68. The measure tracks the cost of using options as insurance against declines in the S&P 500. About 481,000 workers filed initial jobless claims last week, the Labor Department said today in Washington, exceeding the 477,000 projected by economists surveyed by Bloomberg News. The number of people staying on benefit rolls was the most since February 1983. A report tomorrow will probably show U.S. employers eliminated jobs in October for a 10th consecutive month, based on economists' estimates. Earnings at companies in the S&P 500 that have reported third-quarter results fell 9.2 percent on average, Bloomberg data show. Analysts expect full-year profits to drop 7.7 percent, according to a compilation of analysts' estimates. S&P 500 energy companies lost 6.1 percent as a group, as oil declined for the third time this week. Crude for December delivery retreated 6.9 percent to \$60.77 a barrel, the lowest settlement since March 2007. Exxon Mobil, the world's largest oil company, tumbled \$3.73 to \$69.96, while Chevron Corp. slid 6.4 percent to \$70.11. Cisco Systems Inc. declined 2.6 percent to \$16.94. The biggest maker of networking equipment forecast the first revenue drop in five years because of the financial crisis.

EMERGING MARKETS

Emerging-market bonds fell for a second day as growing evidence of a global economic slowdown prompted investors to shun higher-yielding assets. The yield to the 2015 call date on Brazil's 11 percent bond due in 2040, one of the most widely traded emerging-market securities, jumped 38 basis points to 7.86 percent at 4:14 p.m. in New York, according to JPMorgan Chase & Co. A basis point is 0.01 percentage point. The bond's price fell dropped 2.2 cents to 116.25 cents. Developing-nation debt slumped as more Americans than anticipated filed first-time claims for unemployment benefits last week and jobless rolls rose to the highest since 1983, adding to evidence the world's largest economy is sliding into a recession. A government report showed manufacturing orders in Germany, Europe's biggest economy, fell a record 8 percent in September. The extra yield investors demand to own developing nation debt instead of U.S. Treasuries widened 5 basis points to 6.06 percentage points, according to JPMorgan's EMBI+ index. The cost of protecting the debt of developing nations from default climbed. Five-year credit-default swaps based on Venezuela's bonds rose 60 basis points to 20.40 percentage points, according to Bloomberg data. That means it costs \$2.040 million to protect \$10 million of the country's debt from default.

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