

# Financially Yours,

December 12, 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	100.500	101.500	9.551	8.248	0.78	0.75	2
7.125 Lebanon Mar 10	7.125	03/05/2010	97.500	98.500	9.329	8.433	1.17	1.12	2
7 7/8 Lebanon May 11	7.875	05/20/2011	96.750	97.750	9.399	8.922	2.24	2.14	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	96.500	97.500	10.154	9.853	3.51	3.35	2
8 5/8 Lebanon June 13	8.625	06/20/2013	94.500	95.500	10.176	9.886	3.65	3.47	2
9 Lebanon May 14	9.000	05/02/2014	94.500	95.500	10.355	10.100	4.30	4.09	2
10 Liban Apr 15	10.000	04/25/2015	97.500	99.500	10.538	10.098	4.78	4.55	2
8.50 Lebanon Aug 15	8.500	08/06/2015	91.000	93.000	10.407	9.963	4.97	4.73	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	90.000	92.000	10.534	10.105	5.18	4.93	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	81.000	83.000	11.115	10.770	7.34	6.96	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
PETROL O.IN.OIL	9.750	07/22/2009	103.466	103.615	3.690	Byblos bank	1.69	2.42%	7.10	3.94	1.69
EVRAZ GRP SA	8.875	04/24/2013	54.000	57.000	26.764	Byblos bank Preferred	104	0.00%	-	-	104
IIB LUXG SA (IIB)	9.500	02/12/2010	38.000	48.000	105.660	Byblos bank Prty	1.66	1.22%	6.97	3.87	1.66
R. SEYCHELLES	9.125	10/03/2011	29.000	34.000	61.859	Audi	54	-0.18%	8.80	0.20	54
ATF BANK	9.250	04/12/2012	74.000	80.000	18.865	Blom	68.55	0.22%	7.19	0.14	68.55
LAU	6.750	02/01/2018	94.588	94.588	7.867	Solidere A	16.97	1.86%	12.49	1.17	16.97
ORASCOM TELECOM	7.875	02/08/2014	50.000	60.000	23.336	Solidere B	17.1	1.36%	12.58	1.18	17.1
REP. VENEZUELA	8.500	10/08/2014	55.000	57.500	22.271	Holcim	15.93	8.29%	-	-	15.93
CELL C PTY LTD	11.000	07/01/2015	78.150	83.150	15.856	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.701	NASDAQ Comp	1507.88	-3.68%	BLOM Stock Index .BLSI	1191.591	0.69%
	5 YEARS	1.418	NASDAQ 100	1180.46	-3.43%	SAUDI All Share .SASI	4654.88	0.00%
	10 YEARS	2.511	DJI	8565.09	-2.24%	Doha Stock Market .QSI	6166.43	0.00%
	30 YEARS	3.007	S&P 500	873.59	-2.85%	Kuwait SE .KWSE	8866.6	0.00%
EUR BUND	2 YEARS	2.213	Nikkei	8720.55	0.70%	Abu Dhabi SE .ADI	2754.48	0.00%
	5 YEARS	2.737	SMI	5729.85	-0.38%	Egyptian .CASE30	4202.25	0.00%
	10 YEARS	3.220	CAC 40	3306.13	-0.43%	Dubai FM Gen Id .DFMGI	1974.9	0.00%
	30 YEARS	3.746	DAX	4804.88	0.54%	Morocco SI MSI	6168.42	0.00%
			FTSE	4388.69	0.49%	Bahrain .BAX	1923.93	0.00%
			Euronext 100	554.38	-0.36%			

Tracker	Underlying	Last Price	% Change
FXI	China	30.12	-3.59
EWG	Germany	17.45	0.29
EWJ	Japan	8.92	-0.29
EWY	Korea	27.24	0.81
EWT	Taiwan	8.00	-1.84
EWZ	Brazil	35.32	0.46
IIF	India	12.99	-4.49
RNE	Eastern Europe	8.59	-2.93
TKF	Turkey	6.11	-0.49
GLD	Gold	80.65	1.13
USO	Oil	38.64	7.9

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	824.90	2.21%
Silver / Oz	1039.00	2.21%
Palladium / Oz	183.50	-0.84%
Platinum / Oz	845.50	0.65%
Copper/ Lbs	148.65	1.19%
Aluminum / Lbs	0.72	2.85%
Coffee / Lbs	108.45	0.37%
Cocoa EUR / 100 Kg	2382.00	5.54%
Wheat / Tone	491.25	-0.25%
Soybean / Bsh	856.50	3.25%
Wti / Bbl	45.63	3.99%
Brent	43.89	10.58%

Libor USD	Rate
1 months	1.20
3 Months	2.00
6 Months	2.32
1 Year	2.53
Libor EUR	Rate
1 months	3.01
3 Months	3.33
6 Months	3.42
1 Year	3.52

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1499.5	1502.5		
Euro	1.3271	1.3274	1.3406	1.326
JPY	89.5	89.53	91.87	88.4
GBP	1.4951	1.4954	1.5117	1.4952
CHF	1.1847	1.1851	1.1869	1.1778
CAD	1.2484	1.2489	1.2484	1.2287
AUD	0.6535	0.654	0.6733	0.6535

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US Retail Sales	12-Dec-08	
US U. Mich. Sentiment	12-Dec-08	54.8
<b>Euroland / Japan</b>		
EZ Industrial Production	12-Dec-08	-3.60%

## REGIONAL MARKETS

Lebanon's BLOM stock index rose 0.69 percent to 1191.591 points. Solidere's A rose 1.86 percent to \$16.97 and its B share rose 1.36 percent to \$17.10. Byblos Bank S.A.L. common rose 2.42% at 1.69 and its priority shares rose 1.22% at 1.66.

United Arab Emirates shares gained as the stock exchanges opened after a 10-day holiday for National Day

and the Eid al-Adha. Emaar Properties PJSC, the Middle East's biggest publicly traded real-estate developer, advanced. The Dubai Financial Market General Index rose 0.4 percent to 1,983.5. The Abu Dhabi Securities Exchange General Index climbed 1.8 percent. Abu Dhabi Commercial Bank PJSC, the country's third-largest bank by assets, jumped 4.3 percent to 2.66 dirhams.

## TOP FX NEWS

The dollar slumped below 90 yen for the first time in 13 years and declined against the euro after the U.S. Senate rejected a \$14 billion bailout plan for the nation's automakers. The dollar headed for its biggest weekly loss against the euro since the 15-nation currency's 1999 debut and a sixth weekly decline versus the yen on speculation General Motors Corp. and Chrysler LLC will run out of cash early next year. The yen and the Swiss franc rose on speculation investors will seek the relative safety of the two countries' assets. The U.S. currency weakened to 88.53 yen, the lowest since Aug. 2, 1995, before trading at 89.39 yen as of 2:06 p.m. in Tokyo from 91.45 yen late yesterday in New York. It declined to \$1.3406 versus the euro, the lowest since Oct. 20, and traded at \$1.3371 per euro from \$1.3352 yesterday. The euro fell to 119.99 yen from 122.09 yen. The euro also declined to 1.5765 Swiss francs from 1.5812. The dollar dropped 4.9 percent this week against the euro, and 3.8 percent versus the yen. The dollar may weaken to 85 yen today, Sato said.

USD/JPY	EUR/USD	GBP/USD	GOLD
Res: 090.87/092.02/093.03	Res : 1.3407/1.3451/1.3500	Res: 1.5081/1.5133/1.5260	Res: 823.60/834.70/838.00
Sup: 089.00/088.10/087.45	Sup: 1.3221/1.3160/1.3071	Sup: 1.4858/1.4750/1.4678	Sup: 803.00/787.00/771.50

## EUROLAND

European stocks dropped for the first time in four days on concern the economic slowdown is deepening from China to Germany and the U.S. Daimler AG sank 3 percent, pacing declines among companies that make more than a fifth of their sales in North America after the dollar weakened and jobless claims jumped to a 26-year high. SAP AG retreated for a second day as Germany's Ifo institute said its economy will shrink 2.2 percent next year. Ericsson AB, the world's largest maker of wireless networks, slipped 5.7 percent after Merrill Lynch & Co. lowered its recommendation on the shares to "underperform." The Dow Jones Stoxx 600 Index retreated 0.8 percent to 203.79, having dropped 44 percent this year as policy makers and governments worldwide introduce measures to cushion economies from the worst financial crisis since the Great Depression. National benchmark indexes fell in 14 of the 18 western European markets. The U.K.'s FTSE 100 added 0.5 percent as oil companies including BP Plc rallied. France's CAC 40 lost 0.4 percent as European Aeronautic, Defence & Space Co. decreased, while Germany's DAX slipped 0.8 percent. The German economy will shrink 2.2 percent next year and the contraction will continue into 2010, with gross domestic product declining 0.2 percent, the Munich-based Ifo institute said yesterday. The Swiss central bank cut its interest rate to a four-year low of 0.5 percent and said further measures are possible as the economy faces a recession that may be the worst since 1982. A report from the Labor Department showed the number of Americans filing first-time claims for unemployment benefits surged more than forecast last week to a 26-year high. More than \$31 trillion has been erased from the value of global equities and credit losses and writedowns at banks and insurers are approaching \$1 trillion. In Russia, the devaluation of the ruble gathered pace

as the central bank loosened control of the currency for the fifth time in a month after reserves fell \$161 billion defending the exchange rate. Investors have taken almost \$200 billion out of the country, BNP Paribas SA data shows. Goldman Sachs Group Inc. lowered its forecast for the Chinese economy by 1.5 percentage points to 6 percent in 2009, citing weakness in exports and investment. Daimler, the world's second-largest maker of luxury cars which generates about 20 percent of revenue in the U.S., fell 3 percent to 25.11 euros. EADS, owner of Airbus SAS, slid 4.4 percent to 11.455 euros. Airbus planes are priced in dollars. The U.S. currency declined to a six-week low versus the euro as Senate Republicans voiced opposition to the \$14 billion bailout of General Motors Corp. and Chrysler LLC. Democratic leaders and the Bush administration are trying to beat a deadline to save the millions of jobs dependent on the car industry before GM and Chrysler burn through their remaining cash. For GM, that could be in three weeks. SAP, the largest maker of business-management software, slid 4.7 percent to 25.505 euros. Ericsson slid 5.7 percent to 61.50 kronor after Merrill Lynch lowered its recommendation from "buy," saying the company's handset venture may announce disappointing earnings. Fiat SpA, Italy's biggest carmaker, sank 5 percent to 5.48 euros as the stock was downgraded to "underweight" from "overweight" at Morgan Stanley. UPM-Kymmene Oyj retreated 8.6 percent to 9.53 euros after Europe's second-biggest papermaker said it will report a drop in fourth-quarter profit, abandoning a target set six weeks ago. Energy shares limited declines in the Stoxx 600 as crude rallied in New York. A measure for the industry rose 2.7 percent.

## US MARKETS

U.S. stocks declined the most in a week after lawmakers said a \$14 billion plan to rescue the nation's auto industry lacks the votes to pass the Senate and initial jobless claims jumped to a 26-year high. General Motors Corp. and Ford Motor Co. slid more than 10 percent. Bank of America Corp. slumped 11 percent and General Electric Co. tumbled 5.3 percent following government reports that 573,000 people applied for first-time unemployment benefits last week and the trade deficit grew 1.1 percent as exports decreased. Ciena Corp. plunged 20 percent, its steepest drop in three months, after the network-equipment maker posted a fourth-quarter loss. The Standard & Poor's 500 Index fell 2.9 percent to 873.59, with financial shares posting the biggest retreat among 10 industries. The Dow Jones Industrial Average decreased 196.33 points, or 2.2 percent, to 8,565.09. The Russell 2000 Index of small companies lost 5.3 percent to 451.21. The market's early declines came as the reports on jobless claims and a drop in exports spurred concern that the yearlong recession is deepening. The S&P 500 has tumbled 44 percent from its record last year after the collapse of the subprime mortgage market caused profits to decrease for five consecutive quarters. Stocks turned higher in midday trading as Saudi Arabia, the world's biggest crude producer, said it cut output, propelling oil to its steepest gain in five weeks and Hess Corp. to a 6.8 percent advance. Benchmark indexes resumed their descent as prospects dimmed that the White House will convince Senate Republicans to vote in favor of the auto rescue. About 1.47 billion shares changed hands on the floor of the NYSE, 9.5 percent less than the three-month daily average.

GM slid 48 cents to \$4.12, while Ford lost 35 cents to \$2.90. The bailout failed to garner enough support to pass the Senate, as Democratic leaders and the Bush administration raced to save the car industry and the millions of jobs dependent on it before GM and Chrysler LLC burn through their remaining cash. For GM, that could be in three weeks. The House voted 237-170 yesterday to approve emergency loans. The Bloomberg Michigan Auto Group Index of carmakers and parts suppliers dropped more than 5 percent, its biggest decline since Dec. 1, as seven of its eight companies fell. Bank of America fell 11 percent to \$14.91, while GE, the world's biggest maker of power-generation equipment, dropped 5.3 percent to \$17.05. The Labor Department said initial jobless claims increased by a bigger-than-forecast 58,000 to 573,000 in the week ended Dec. 6, the highest level since November 1982. The slump in exports to a seven-month low, caused by recessions spreading to U.S. trading partners, spurred a widening in the trade deficit to \$57.2 billion in October, the Commerce Department said. Ciena slumped 20 percent, the most since Sept. 4, to \$6.05. The maker of network equipment for customers such as AT&T Inc. posted an adjusted fourth-quarter loss of 10 cents a share on a cutback in orders from telephone companies. Analysts surveyed by Bloomberg expected 4 cents in profit. Financial companies, which led the S&P 500's rebound from an 11-year low on Nov. 20 with a 27 percent rally, slid 8.5 percent today. JPMorgan Chase & Co., the largest U.S. bank, dropped 11 percent to \$29.94, while Citigroup Inc. fell 8.8 percent to \$7.57 and American Express Co. declined 6.6 percent to \$20.13.

## EMERGING MARKETS

Brazilian stocks fell on concern that slackening demand for metals and a deepening global recession may lead to an earnings contraction next year. Gerdau SA paced losses for steelmakers after analysts said markets in the U.S. and Brazil will weaken. Perdigao SA dropped for the first time in five days as Credit Suisse Group downgraded the food producer on weaker global demand. Brasil Telecom Participacoes SA led declines on the Bovespa stock index after Valor Economico reported that regulators may delay Telemar Norte Leste SA's purchase of the company by preventing them from combining Internet services. The Bovespa dropped in the last five minutes of trade, erasing a gain of as much as 2.2 percent earlier that was spurred by soaring oil prices and increasing bets that interest rates will be cut. The index slid 1.2 percent to 38,519.07. Mexico's Bolsa dropped 1.7 percent, while Chile's Ipsa added 0.2 percent. Latin American company earnings may fall 17 percent next year on slower economic growth and lower commodity prices, he said.

### 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)

- 3 - Financially Yours,

The above information has been obtained from sources we believe to be reliable but we do not guarantee its accuracy or completeness. Therefore, Byblos Bank cannot be held responsible or liable for the contents of this publication. The foregoing is not a solicitation to buy or sell any security instrument or investment.