

Financially Yours,

Your Daily Electronic Market Report

LEBANESE EUROBONDS

| USD | Coupon | Maturity | Bid | Offer | Bid Yield | Offer Yield | Duration | Mduration | Frq |
|------------------------|--------|------------|---------|---------|-----------|-------------|----------|-----------|-----|
| 7.5 Lebanon Mar 12 | 7.500 | 19/03/2012 | 101.875 | 102.875 | 3.741 | 1.793 | 0.49 | 0.48 | 2 |
| 9 1/8 Lebanon Mar 13 | 9.125 | 12/03/2013 | 108.750 | 109.500 | 3.067 | 2.580 | 1.43 | 1.41 | 2 |
| 9 Lebanon May 14 | 9.000 | 02/05/2014 | 113.375 | 114.000 | 3.616 | 3.384 | 2.35 | 2.31 | 2 |
| 5.875 Lebanon Jan 2015 | 5.875 | 15/01/2015 | 105.000 | 105.500 | 4.247 | 4.090 | 3.05 | 2.99 | 2 |
| 8.50 Lebanon Aug 15 | 8.500 | 06/08/2015 | 115.250 | 116.250 | 4.206 | 3.949 | 3.41 | 3.34 | 2 |
| 8 1/2 Lebanon Jan 16 | 8.500 | 19/01/2016 | 115.500 | 116.250 | 4.525 | 4.350 | 3.73 | 3.65 | 2 |
| 9 Lebanon Mar 17 | 9.000 | 20/03/2017 | 118.750 | 119.750 | 5.059 | 4.870 | 4.40 | 4.30 | 2 |
| 6.375 Lebanon Mar 20 | 6.375 | 09/03/2020 | 104.750 | 105.750 | 5.662 | 5.517 | 6.73 | 6.54 | 2 |
| 8 1/4 Lebanon Apr 21 | 8.250 | 12/04/2021 | 117.250 | 118.000 | 5.868 | 5.775 | 6.84 | 6.64 | 2 |
| 7 Lebanon Dec 2024 | 7.000 | 03/12/2024 | 105.500 | 106.500 | 6.376 | 6.268 | 8.80 | 8.53 | 2 |

EMERGING MARKETS - EUROBONDS

| USD | Coupon | Maturity | Bid | Offer | Mid Yield |
|-------------------|--------|------------|---------|---------|-----------|
| DAR AL-ARKAN INT | 10.750 | 18/02/2015 | 95.000 | 96.000 | 12.396 |
| REP OF SRI LANKA | 8.250 | 24/10/2012 | 104.750 | 105.750 | 3.367 |
| PETROLEOS MEXICA. | 6.000 | 05/03/2020 | 112.250 | 113.000 | 4.212 |
| TAQA ABU DHABI | 6.600 | 01/08/2013 | 107.530 | 107.970 | 2.349 |
| ADCB F. CAYMAN | 4.750 | 08/10/2014 | 105.405 | 105.845 | 2.818 |
| PET. VENEZUELA | 5.250 | 12/04/2017 | 60.750 | 62.000 | 15.971 |
| ORASCOM | 7.504 | 01/03/2022 | 94.125 | 94.625 | 8.312 |
| REP.VENEZUELA | 8.500 | 08/10/2014 | 91.500 | 93.100 | 11.552 |
| CELL C PTY LTD | 11.000 | 01/07/2015 | 99.010 | 102.990 | 10.661 |
| BANCO DO BRASIL | 4.500 | 22/01/2015 | 104.875 | 105.500 | 2.864 |
| DOLPHIN ENER.LTD | 5.888 | 15/06/2019 | 109.405 | 109.720 | 4.416 |

BEIRUT STOCK EXCHANGE as 12/09/2011

| Name | Price | \$Change | %Chg | P/E 06 | Div Yield |
|-----------------------------|-------|----------|--------|--------|-----------|
| Byblos bank | 1.68 | 0.04 | 2.44% | 5.79 | 0.06 |
| Byblos bank GDR | 80.4 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 08' | 100 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 09' | 100 | 0.00 | 0.00% | - | - |
| Audi (GDR) | 6.97 | 0.00 | 0.00% | 0.96 | 0.29 |
| Blom (GDR) | 8.17 | 0.00 | 0.00% | 0.70 | 0.44 |
| Solidere A | 15.3 | -0.32 | -2.05% | 13.82 | 0.07 |
| Solidere B | 15.45 | 0.03 | 0.10% | 13.95 | 0.06 |
| Holcim | 17.88 | 0.00 | 0.00% | - | - |
| Casino | 540 | 0.00 | - | - | - |

| Benchmark | Maturity | Yield |
|--------------------|----------|-------|
| US TREASURY | 2 YEARS | 0.205 |
| | 5 YEARS | 0.860 |
| | 10 YEARS | 1.953 |
| | 30 YEARS | 3.260 |
| EUR BUND | 2 YEARS | 0.437 |
| | 5 YEARS | 0.863 |
| | 10 YEARS | 1.742 |
| | 30 YEARS | 2.699 |

| Equity Indices | Price | % Change |
|---------------------|----------|----------|
| NASDAQ Comp | 2495.14 | 1.10% |
| NASDAQ 100 | 2191.97 | 1.15% |
| DJI | 11061.12 | 0.63% |
| S&P 500 | 1162.27 | 0.70% |
| Nikkei | 8535.67 | -2.31% |
| SMI | 5303.14 | -2.35% |
| CAC 40 | 2854.81 | -4.03% |
| DAX | 5072.33 | -2.27% |
| FTSE | 5129.62 | -1.63% |
| Euronext 100 | 539.46 | -3.45% |

| Arab Indices | Price | %Change |
|-------------------------------|----------|---------|
| BLOM Stock Index .BLSI | 1270.181 | -0.09% |
| SAUDI All Share .SASI | 6037.25 | -1.69% |
| Doha Stock Market .QSI | 8294.73 | -0.98% |
| Kuwait SE .KWSE | 5977 | -0.05% |
| Abu Dhabi SE .ADI | 2583.95 | -0.39% |
| Egyptian .CASE30 | 4613.51 | -1.75% |
| Dubai FM Gen Id .DFMGI | 1460.2 | -0.90% |
| Morocco CFG 25 | 5675.76 | -7.95% |
| Bahrain .BAX | 1265.49 | -9.04% |

| Tracker Underlying | Last Price | % Change |
|---------------------------|------------|----------|
| FXI China | 35.79 | -0.45 |
| EWG Germany | 17.78 | -0.22 |
| EWJ Japan | 9.32 | 0.98 |
| EWY Korea | 52.18 | -0.02 |
| EWT Taiwan | 13.14 | 0.31 |
| EWZ Brazil | 59.99 | -1.61 |
| IIF India | 18.01 | -2.01 |
| RNE Eastern Europe | 15.23 | -0.65 |
| TKF Turkey | 12.80 | 0.95 |
| GLD Gold | 176.67 | -2.23 |
| USO Oil | 34.42 | 1.68 |

| Byblos Bank Deposits | Rates |
|------------------------------------|-------|
| USD* | |
| 1 months | 1.75% |
| 3 Months | 1.75% |
| 6 Months | 1.80% |
| 1 Year | 1.80% |
| *Benchmark amount 100-200 thds | |
| LBP* | |
| 1 months | 5.00% |
| 3 Months | 5.00% |
| 6 Months | 5.15% |
| 1 Year | 5.15% |
| *Benchmark amount 100-300 Millions | |

| Commodities | Price | %Change |
|---------------------------|---------|---------|
| Gold / Oz | 1809.90 | -2.50% |
| Silver / Oz | 40.16 | -3.39% |
| Palladium / Oz | 777.75 | 0.00% |
| Platinum / Oz | 1786.80 | 0.00% |
| Copper/ Lbs | 395.05 | -0.93% |
| Aluminum / Lbs | 110.85 | 0.77% |
| Coffee / Lbs | 270.95 | 0.35% |
| Cocoa EUR / 100 Kg | 2863.00 | -0.35% |
| Wheat / Tone | 727.25 | -0.34% |
| Soybean / Bsh | 1387.50 | -2.05% |
| Wti / Bbl | 88.94 | 3.90% |
| Brent | 116.59 | -0.30% |

| Libor USD | Rate |
|------------------|------|
| 1 months | 0.23 |
| 3 Months | 0.34 |
| 6 Months | 0.51 |
| 1 Year | 0.83 |
| Libor EUR | |
| 1 months | 1.29 |
| 3 Months | 1.48 |
| 6 Months | 1.69 |
| 1 Year | 2.03 |

| FX Rates | Bid | Ask | Hi | Lo |
|-----------------|--------|--------|--------|--------|
| USD / LL | 1501 | 1510 | | |
| Euro | 1.3675 | 1.368 | 1.3689 | 1.3619 |
| JPY | 77.04 | 77.07 | 77.25 | 76.95 |
| GBP | 1.5858 | 1.586 | 1.5869 | 1.5828 |
| CHF | 0.8802 | 0.8809 | 0.8839 | 0.879 |
| CAD | 0.9918 | 0.9922 | 0.9939 | 0.9908 |
| AUD | 1.0361 | 1.0366 | 1.0375 | 1.0298 |

| Key Economic Calendar | Date | Forecast |
|-------------------------|-----------|----------|
| US | | |
| ICSC Chain Stores | 13-SEP-11 | N/A |
| Export/Import | 13-SEP-11 | N/A |
| Euroland / Japan | | |
| FR CPI | 13-SEP-11 | 2.40% |

REGIONAL MARKET

Lebanon's BLOM stock index fell 0.09 percent to 1270.181 points. Solidere A fell 2.05 percent to \$15.30 and its Solidere B rose 0.10 percent to \$15.45 Byblos Bank S.A.L. rose 2.44 percent to 1.68.

Nakheel PJSC, Dubai's biggest developer by assets, told creditors it wrote down its real estate by 78.6 billion

dirhams (\$21 billion) after property values in the Persian Gulf emirate fell by more than half. The Abu Dhabi Investment Authority, one of the world's biggest sovereign wealth funds, improved long-term returns in 2010 as the global economy recovered.

TOP FX NEWS

The euro fell toward its lowest level since 2001 against the yen on speculation Greece is nearing default and before Italy sells bonds today amid concern the region's debt crisis is worsening. The 17-nation currency declined for a fourth day against its Japanese counterpart as traders wagered the European Central Bank will cut its benchmark interest rate over the next year, according to a Credit Suisse Group AG index. The yen gained against 14 of its 16 most-traded peers as investors bought the safest assets. Taiwan's dollar dropped to the lowest level in five months, leading losses among Asian currencies. The euro declined to 105.39 yen as of 1:27 p.m. in Tokyo from 105.62 in New York yesterday, when it reached 103.90, the lowest since June 2001. The shared currency traded at \$1.3685 from \$1.3679 yesterday, when it touched \$1.3495, the weakest since Feb. 16. The yen rose to 77.02 per dollar from 77.21. Greece's perceived chance of default in the next five years has soared to 98 percent, based on a standard pricing model of credit-default swaps, as Prime Minister George Papandreou fails to reassure international investors that his country can survive the euro-region crisis. The euro erased earlier declines against the greenback after an Italian government official yesterday said officials have held talks with their Chinese counterparts about potential investments in the economy.

USD/JPY

Res: 77.46/77.64/77.86

Sup: 76.90/76.72/76.53

EUR/USD

Res: 1.3645/1.3723/1.3789

Sup: 1.3551/1.3525/1.3428

GBP/USD

Res: 1.5914/1.5947/1.5991

Sup: 1.5825/1.5781/1.5750

GOLD

Res: 1883.7/1907.0/1920.3

Sup: 1845.0/1825.7/1814.0

EUROLAND

European stocks slumped for a second day, dragging the benchmark regional gauge to its lowest level since July 2009, as speculation mounted that Germany is preparing for Greece to default. BNP Paribas SA, Societe Generale SA and Credit Agricole SA tumbled at least 11 percent after two people with knowledge of the matter said Moody's Investors Service may cut the banks' ratings because of their Greek holdings. AXA SA and ING Groep NV lost more than 8 percent as insurers posted the second biggest losses among 19 industry groups on the Stoxx Europe 600 Index. The Stoxx 600 lost 2.5 percent to 218.93 at the 4:30 p.m. close in London. The gauge extended last week's 3.7 percent slide, bringing its slump from this year's peak on Feb. 17 to 25 percent, as economic data from the U.S. and Europe trailed forecasts and Standard & Poor's downgraded America's AAA sovereign-debt rating. The Stoxx 600's slump has dragged the price-earnings ratio on the gauge to 9.1 times the estimated profits of its constituent companies, the lowest valuation since March 2009, according to data compiled by Bloomberg. National benchmark indexes declined in all 18 western European markets. The U.K.'s FTSE 100 Index slid 1.6 percent, Germany's DAX Index lost 2.3 percent and France's CAC 40 Index declined 4 percent. The MSCI World Index extended its drop since this year's high to 20 percent. Societe Generale slid 11 percent to 15.57 euros. BNP Paribas tumbled 12 percent to 26.12 euros and Credit Agricole plunged 11 percent to 4.83 euros. All three lenders have tumbled at least 49 percent in the last three months. French banks top the list of Greek creditors with \$56.7 billion in overall exposure to private and public debt, according to a June report by the Basel, Switzerland-based Bank for International Settlements. Moody's placed the three banks' ratings on review in June to examine "the potential for inconsistency between the impact of a possible Greek default or restructuring and current rating levels," the rating company said at the time. A gauge of insurers posted the second biggest loss among the 19 industry groups in the Stoxx 600 after banks, retreating 4.4 percent. AXA slumped 9.7 percent to 8.48 euros and ING lost 8.6 percent to 4.49 euros. Charter International Plc rallied 6.6 percent to 857 pence after Colfax Corp.'s U.K. unit said the company agreed to buy the U.K. engineering business for about 1.53 billion pounds (\$2.4 billion). Officials in Chancellor Angela Merkel's government in Germany are debating how to shore up the country's banks should Greece fail to meet the budget-cutting terms of its aid package, three coalition officials said on Sept. 9. BNP Paribas, Societe Generale and Credit Agricole may have their ratings cut by Moody's this week because of their holdings of the Mediterranean nation's debt, two people with knowledge of the matter said. Prime Minister George Papandreou, vowing approved new measures yesterday to help plug a budget gap as resistance builds at home and in Europe to extending more aid to the nation.

US MARKETS

U.S. stocks advanced, erasing earlier losses, as speculation that China may invest in Italy triggered a rally that lifted the Dow Jones Industrial Average more than 200 points in the last 45 minutes of trading. Nine out of 10 groups in the Standard & Poor's 500 Index rallied, led by technology and financial shares. Bank of America Corp., the biggest U.S. lender by assets, gained 1 percent on plans to eliminate 30,000 jobs in the next few years. NetLogic Microsystems Inc. surged 51 percent after Broadcom Corp. agreed to buy the semiconductor company for \$3.7 billion in cash. The S&P 500 advanced 0.7 percent to 1,162.27 at 4 p.m. in New York, after retreating 1.6 percent earlier. The Dow increased 68.99 points, or 0.6 percent, to 11,061.12. Stocks rebounded as the Financial Times said Italian officials are trying to convince China to purchase its bonds, without identifying its sources. An Italian government official, who declined to be identified, told Bloomberg News that Italian officials have held talks with Chinese counterparts about potential investments in the euro region's third-largest economy. Stocks fell earlier today amid concern Greece is moving closer to a debt default. Moody's Investors Service may cut the ratings of BNP Paribas SA, Societe Generale SA and Credit Agricole SA this week because of their Greek holdings, two people with knowledge of the matter said. Between April 29 and Aug. 8, the S&P 500 fell 18 percent on concern about Europe's debt crisis and an economic slowdown. It closed as low as 1,119.46 on Aug. 8, within 29 points of a bear market, or a 20 percent drop. The Morgan Stanley Cyclical Index of companies most-tied to economic growth lost 0.4 percent, paring a decline of as much as 2.8 percent. 3M Co., the maker of Post-It Notes, gained 2.1 percent to \$78.22. Sears Holdings Corp. added 1.3 percent to \$54.24. Bank of America increased 1 percent to \$7.05. The lender will eliminate 30,000 jobs in the next few years as part of Chief Executive Officer Brian T. Moynihan's plan to bolster profit and the company's stock. The reductions,

equal to about 10 percent of the staff, are part of an overhaul that aims to remove about \$5 billion in annual costs by the end of 2013. Moynihan's plan, dubbed Project New BAC, included a management shakeup last week that elevated Thomas K. Montag and David Darnell to co-chief operating officers and left Sallie Krawcheck and Joe Price without jobs. NetLogic soared 51 percent to \$48.12. Shareholders will get \$50 a share. That's 57 percent more than Santa Clara, California-based NetLogic's closing price on Sept. 9. Pacific Investment Management Co.'s Neel Kashkari said investors should buy equities because valuations, income growth and dividends show the asset class is attractive. The S&P 500's price-earnings ratio sank to a 28-month low of 12.2 last month, and then recovered to 12.5, according to data compiled by Bloomberg. The inverse of that multiple, known as the earnings yield, shows income represents 8 percent of the measure's price, or 6.1 percentage points more than the rate on 10-year Treasuries. That's the biggest gap since 2009, when the level was the highest in Bloomberg data going back to 1962. The dividend payout is exceeding bonds for the second period since the 1950s. Alnylam Pharmaceuticals Inc. The developer of drugs using a technology that inactivates genes was raised to "outperform" from "market perform" at Leerink Swann & Co. Intersil Corp. The semiconductor maker that has underperformed the S&P 500 by 22 percentage points this year rallied even after it cut its third-quarter revenue forecast to a range of \$184 million to \$188 million from a range of \$205 million to \$213 million, citing weaker demand. Pharmacyclics Inc. The Sunnyvale, California-based pharmaceutical company said it had a fourth-quarter loss, excluding certain items, that was greater than analysts projected. Standard Pacific Corp. The Irvine, California-based homebuilder said Ken Campbell is resigning as chief executive officer in January and President Scott Stowell will take the post

EMERGING-MARKETS

Most Brazilian equities rose and the Bovespa stock index pared an earlier drop of as much as 2.6 percent after the real fell to its lowest level in almost nine months, boosting the outlook for exporters. Pulp and paper exporters Fibria Celulose SA and Klabin SA advanced.

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Fixed Income

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