

# Financially Yours,

November 13, 2008 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	22.289%	Byblos bank	1.8	-2.70%	7.56	4.20	1.8
EVRAZ GROUP S	8.875%	24-Apr-13	43	44	34.733%	Byblos bank Preferred	103	0.00%	-	-	103
IIB LUXEMBOURG	9.500%	12-Feb-10	70	77	38.151%	Byblos bank Prty	1.85	0.00%	7.77	4.32	1.85
SEYCHELLES	9.125%	03-Oct-11	28.5	41	59.593%	Audi	64.55	-6.25%	10.52	0.23	64.55
ATF BANK	9.250%	12-Apr-12	70.64	75.68	20.593%	Blom	75.05	-4.94%	7.87	0.15	75.05
LEB. AMR. UNIV *	6.750%	01-Feb-13	102	103	6.066%	Solidere A	20.27	-2.08%	14.92	1.39	20.27
ORASCOM TELC.	7.875%	08-Feb-14	84	86	11.790%	Solidere B	20.24	-1.27%	14.89	1.39	20.24
VENEZUELA	8.500%	08-Oct-14	58	59	21.115%	Holcim	15	0.00%	-	-	15
CELL C	11.000%	01-Jul-15	85	87	11.233%	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	1.157	NASDAQ Comp	1499.21	-5.17%	BLOM Stock Index .BLSI	1329.108	-1.32%
	5 YEARS	2.333	NASDAQ 100	1165.38	-4.91%	SAUDI All Share .SASI	5485.19	0.45%
	10 YEARS	3.720	DJI	8282.66	-4.73%	Doha Stock Market .QSI	6043.12	-4.72%
	30 YEARS	4.164	S&P 500	852.3	-5.19%	Kuwait SE .KWSE	8851.6	-2.26%
EUR BUND	2 YEARS	2.253	Nikkei	8695.51	-1.29%	Abu Dhabi SE .ADI	2806.73	-5.67%
	5 YEARS	2.849	SMI	5702.86	-3.03%	Egyptian .CASE30	5021.94	-5.11%
	10 YEARS	3.707	CAC 40	3233.96	-3.07%	Dubai FM Gen Id .DFMGI	2214.8	-5.48%
	30 YEARS	4.266	DAX	4620.8	-8.05%	Morocco SI MSI	6374.32	-2.96%
			FTSE	4182.02	-1.52%	Bahrain .BAX	2056.96	-2.33%
			Euronext 100	552.87	-2.91%			

Tracker	Underlying	Last Price	% Change
FXI	China	24.08	-3.87
EWG	Germany	16.23	-5.47
EWJ	Japan	8.51	-2.74
EWY	Korea	24.87	-6.12
EWT	Taiwan	7.71	-3.02
EWZ	Brazil	33.15	-10.09
IIF	India	13.54	-5.12
RNE	Eastern Europe	8.08	-19.07
TKF	Turkey	5.15	-9.11
GLD	Gold	70.00	-2.85
USO	Oil	45.75	-4.91

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	717.70	-1.95%
Silver / Oz	948.00	-3.31%
Palladium / Oz	216.00	-1.48%
Platinum / Oz	825.10	-0.18%
Copper/ Lbs	164.95	0.43%
Aluminum / Lbs	0.88	-0.56%
Coffee / Lbs	111.75	-0.93%
Cocoa EUR / 100 Kg	1912.00	-1.39%
Wheat / Tone	533.00	1.86%
Soybean / Bsh	885.25	-2.51%
Wti / Bbl	55.26	-6.67%
Brent	52.87	-4.15%

Libor USD	Rate
1 months	1.41
3 Months	2.13
6 Months	2.53
1 Year	2.68
<b>Libor EUR</b>	
1 months	3.89
3 Months	4.27
6 Months	4.33
1 Year	4.40

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1498	1504		
Euro	1.2451	1.2454	1.2507	1.244
JPY	95.58	95.62	96.07	94.54
GBP	1.4898	1.4904	1.4969	1.4834
CHF	1.188	1.1886	1.1891	1.1856
CAD	1.2357	1.2359	1.2417	1.2332
AUD	0.6424	0.6429	0.6452	0.636

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US MBA Purchase	13-Nov-08	
US Mortgage Market	13-Nov-08	
<b>Euroland / Japan</b>		
FR CPI Final	13-Nov-08	2.90%

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 1.32 percent to 1329.108 points. Solidere's A fell 2.08 percent at \$20.27 and its B share fell 1.27 percent to \$20.24. Byblos Bank S.A.L. common fell 2.70 percent at 1.80 and its priority share remain unchanged at 1.85.

The Dubai Financial Market on Wednesday lost 128.36 points, or 5.48%, to close on 2,214. Property stocks

led declines, as Mazaya Real Estate fell 10%, and Arabtec and Emaar lost 9.95% and 9.89%, respectively. Shuaa Capital also fell 10%. In Abu Dhabi, the ADX fell 168.55 points, or 5.66%, to close on 2,214. Sorouh dropped 9.46%, while RAK Properties fell 8.75%.

## TOP FX NEWS

The yen fell from two-week highs against the dollar and the euro after the Reserve Bank of Australia intervened to support its currency, fueling speculation more central banks plan to enter the market. The yen declined versus the Australian dollar, after yesterday surging the most in three weeks, as an unidentified spokesman at the RBA confirmed purchases of its own currency. The euro dropped for a third day against the dollar before a government report that economists said will show Germany, Europe's largest economy, entered a recession. Japan's currency fell to 95.57 per dollar as of in Tokyo from 95.01 late yesterday in New York, when it reached 94.48, the strongest since Oct. 28. It also slid to 119.13 against the euro from 118.77. Japan's currency earlier today reached 117.65, the highest this month. The euro fell to \$1.2461 from \$1.2505. The Australian dollar climbed to 64.16 U.S. cents, recovering from an earlier low of 63.60 cents. The Aussie, as the currency is known, rose 0.9 percent from the New York close to 61.41 yen. The New Zealand dollar gained 0.6 percent to 53.65 yen. Central banks intervene in foreign exchange markets by arranging purchases and sales of currencies.

USD/JPY

Res: 096.10/096.75/098.08  
 Sup: 094.48/093.71/092.48

EUR/USD

Res : 1.2579/1.2633/1.2803  
 Sup: 1.2408/1.2329/1.2200

GBP/USD

Res: 1.5075/1.5201/1.5347  
 Sup: 1.4829/1.4745/1.4612

GOLD

Res: 720.40/739.20/750.30  
 Sup: 708.10/695.00/682.60

## EUROLAND

European stocks fell for a second day as investors speculated earnings will worsen and a retreat in commodity prices pushed mining and oil shares lower. Swiss Life Holding tumbled 20 percent after abandoning its profit target. BHP Billiton Ltd., the largest mining company, slipped 6.9 percent as copper slumped to a three-year low, while BG Group Plc sank 5.4 percent as oil traded below \$57 a barrel. ArcelorMittal lost 9.6 percent after Citigroup Inc. recommended selling the world's biggest steelmaker because of rising debt and slowing global steel demand. The Dow Jones Stoxx 600 Index dropped 3.2 percent to 205.33, extending this year's losses to 44 percent. Credit Suisse Group AG and Deutsche Bank AG led banks lower, slumping at least 7 percent, as U.S. Treasury Secretary Henry Paulson scrapped plans to buy devalued mortgage assets. More than \$29 trillion has been erased from the value of global equity markets as credit losses and writedowns totaled \$927 billion in the worst financial crisis since the Great Depression. Europe's Stoxx 600 is headed for its worst year since records began in 1987. Bank of England Governor Mervyn King said policy makers are prepared to reduce interest rates to as low as needed to prevent a recession from fueling deflationary pressures. The central bank slashed its key rate by 1.5 percentage points on Nov. 6 to the lowest since 1955. A report today showed U.K. unemployment rose at the fastest pace in 16 years in October as the economy slid into its first recession since 1991. For the euro-area, the economy will probably contract 0.7 percent next year, Morgan Stanley wrote in a report published this week, citing the financial market turmoil. That's down from 0.2 percent growth forecast earlier. Earnings for the 1,374

companies in Western Europe that reported results since Oct. 7 declined 13 percent on average, trailing expectations by 4.6 percent, Bloomberg data show. National benchmark indexes fell in 17 of the 18 western European markets. The U.K.'s FTSE 100 slipped 1.5 percent. Germany's DAX slid 3 percent after earlier rising as much as 2.4 percent. France's CAC 40 lost 3.1 percent, reversing earlier gains of as much as 2.2 percent. Russia's RTS Index fell for a second day and the cost of protecting against a default by Russia soared after the country's central bank widened the ruble's trading band and lifted its benchmark interest rate to stem record capital outflows. The RTS Index dropped 13 percent before trading was halted, while credit-default swaps on Russian government debt jumped 103 basis points to 7.17 percentage points, according to CMA Datavision Prices. Swiss Life slumped 20 percent to 87.15 francs after Switzerland's biggest life insurer said full-year profit won't meet the 1.8 billion to 1.9 billion Swiss franc (\$1.6 billion) target announced in August. The company plans to halt a share buyback after market turmoil eroded the value of investments. Excluding a one-off gain of 1.5 billion francs from the sale of units, the insurer said it will report a full-year loss from continuing operations. ArcelorMittal dropped 9.6 percent to 16.10 euros after Citigroup downgraded the stock to "sell" from "buy." Anglo American Plc, the world's fourth-biggest diversified mining company, slipped 8.4 percent to 1,279 pence. Vedanta Resources Plc, the largest copper producer in India, retreated 8.8 percent to 623 pence. BHP, the world's largest mining company, slid 6.9 percent to 948.5 pence.

## US MARKETS

U.S. stocks fell for a third day as the Treasury's plan to use bailout funds to shore up consumer lending and Best Buy Co.'s warning of a "seismic" slowdown in spending stoked concern the credit crisis is far from over. Citigroup Inc. and the Standard & Poor's 500 Financials Index slid to 12-year lows as the Treasury scrapped plans to buy mortgage assets and shifted focus to consumer credit. American Express Co. tumbled 10 percent on a report the company may need government aid. Best Buy, the largest electronics retailer, lost 8 percent after saying profit will decrease in "the most difficult climate we've ever seen." Occidental Petroleum Corp. dropped 11 percent as crude sank below \$57 a barrel. The S&P 500 dropped 5.2 percent to 852.3 and lost 8.5 percent over the past three days. The Dow Jones Industrial Average retreated 411.3 points, or 4.7 percent, to 8,282.66. The Nasdaq Composite Index lost 5.2 percent to 1,499.21, a five-year low. More than 24 stocks fell for each that rose on the New York Stock Exchange. The S&P 500 is less than 0.5 percent above its lowest close in five years. The measure reached that level, 848.92, on Oct. 27 and rallied 18 percent in the following six days. Most of those gains have now been erased as companies from Blackstone Group Inc. to News Corp. reported weaker earnings and commodity prices tumbled. The stock benchmark is down 45 percent from its October 2007 record. The index is "almost certain" to revisit its five-year low, according to JPMorgan Chase & Co. strategist Thomas J. Lee, who said such "retests" occurred in 86 percent of the bear markets since 1900.

About 1.5 billion shares changed hands on the floor of the NYSE, in line with the three-month daily average. Europe's Dow Jones Stoxx 600 Index sank 3.3 percent and the MSCI Emerging Markets Index fell 4 percent. Best Buy declined for a seventh day, losing \$1.91 to \$21.97. Profit for the year ending in February may be as low as \$2.30 a share, the company said. Analysts projected \$3.04, according to the average estimate in a Bloomberg survey. Rival Circuit City Stores Inc. filed for bankruptcy protection on Nov. 10, while Macy's Inc., the second-biggest U.S. department-store chain, projected profit declines today, sending its shares down 11 percent. Energy companies in the S&P 500 lost 7.3 percent as a group, while raw-material producers declined 6.4 percent collectively. Oil sank 5.3 percent to \$56.16 a barrel at the close of trading in New York on forecasts that tomorrow's Energy Department report will show U.S. crude inventories grew last week amid decreased energy demand. Nickel, gasoline and crude led declines in the Reuters/Jefferies CRB Index of 19 raw materials. Occidental Petroleum, the fourth-largest U.S. energy company, decreased \$5.34 to \$45.07. Exxon Mobil, the world's biggest, slipped 5.1 percent to \$68.93. AK Steel Holding Corp. fell 25 percent to \$7.73. The fourth-largest U.S. steelmaker said it's temporarily idling operations at facilities in Ohio and Kentucky because of falling demand. Citigroup sank \$1.16 to \$9.64, while Bank of America Corp., Goldman Sachs Group Inc. and Fifth Third Bancorp dropped more than 9 percent each.

## EMERGING MARKETS

Emerging-market bonds tumbled, led by losses in Russian and Venezuelan debt, as mounting concern the global economy is slipping into a recession throttled demand for developing nations' commodity exports. The extra yield investors demand to own developing nations debt instead of U.S. Treasuries swelled 45 basis points to 6.37 percentage points in New York, according to JPMorgan Chase & Co.'s EMBI+ Index. A basis point equals 0.01 percentage point. The so-called spread is the widest since Oct. 30. Investors shunned emerging-market bonds as the Reuters/Jefferies CRB Index of 19 raw materials fell to the lowest since October 2003. Crude oil, the biggest export from Russia, Mexico and Venezuela, slid to a 21-month low of \$55.72 a barrel, and is down 62 percent from a record in July. The International Monetary Fund last week predicted economic contractions next year in the U.S., Japan and euro region, the first simultaneous recession since the end of World War II. The yield on Russia's benchmark 7.5 percent bonds due in 2030 jumped 38 basis points to 10.4 percent, according to JPMorgan. The bond's price fell 1.74 cents on the dollar to 84.76 cents, leaving it down 7.613 cents over the past two days.

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