

# Financially Yours,

December 16, 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	100.500	101.500	9.545	8.235	0.77	0.74	2
7.125 Lebanon Mar 10	7.125	03/05/2010	97.500	98.500	9.339	8.438	1.16	1.11	2
7 7/8 Lebanon May 11	7.875	05/20/2011	96.750	97.750	9.402	8.924	2.23	2.14	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	96.500	97.500	10.155	9.854	3.51	3.34	2
8 5/8 Lebanon June 13	8.625	06/20/2013	94.500	95.500	10.178	9.887	3.64	3.47	2
9 Lebanon May 14	9.000	05/02/2014	94.500	95.500	10.356	10.101	4.29	4.09	2
10 Liban Apr 15	10.000	04/25/2015	97.500	99.500	10.538	10.097	4.77	4.54	2
8.50 Lebanon Aug 15	8.500	08/06/2015	91.000	93.000	10.408	9.964	4.97	4.73	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	90.000	92.000	10.536	10.106	5.18	4.92	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	81.000	83.000	11.115	10.771	7.34	6.96	2

**Emerging Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Mid Yield	Beirut Stock Exchange					
						Name	Rates	% Change	P/E 07	P/B 07	Div Yield
PETROL O.IN.OIL	9.750	07/22/2009	103.479	103.627	3.616	Byblos bank	1.6	-5.33%	6.72	3.73	1.6
EVRAZ GRP SA	8.875	04/24/2013	55.000	58.000	26.195	Byblos bank Preferred	104	0.00%	-	-	104
IIB LUXG SA (IIB)	9.500	02/12/2010	38.000	48.000	106.192	Byblos bank Prty	1.6	-2.44%	6.72	3.73	1.6
R. SEYCHELLES	9.125	10/03/2011	29.000	34.000	62.019	Audi	54	0.00%	8.80	0.20	54
ATF BANK	9.250	04/12/2012	74.000	80.000	18.879	Blom	67.2	-1.97%	7.05	0.14	67.2
LAU	6.750	02/01/2018	96.001	96.001	7.644	Solidere A	16.5	-2.71%	12.14	1.13	16.5
ORASCOM TELECOM	7.875	02/08/2014	50.000	60.000	23.350	Solidere B	16.53	-2.88%	12.16	1.14	16.53
REP. VENEZUELA	8.500	10/08/2014	53.000	56.000	23.108	Holcim	15.93	0.00%	-	-	15.93
CELL C PTY LTD	11.000	07/01/2015	78.150	83.150	15.860	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.734	NASDAQ Comp	1508.34	-2.10%	BLOM Stock Index .BLSI	1181.49	-0.73%
	5 YEARS	1.452	NASDAQ 100	1181.87	-2.05%	SAUDI All Share .SASI	4842.74	0.90%
	10 YEARS	2.474	DJI	8564.53	-0.75%	Doha Stock Market .QSI	6496.75	1.19%
	30 YEARS	2.961	S&P 500	868.57	-1.27%	Kuwait SE .KWSE	8966	0.62%
EUR BUND	2 YEARS	2.083	Nikkei	8664.66	5.21%	Abu Dhabi SE .ADI	2713.9	-0.71%
	5 YEARS	2.655	SMI	5526.54	-1.95%	Egyptian .CASE30	4366.68	1.50%
	10 YEARS	3.155	CAC 40	3185.66	-0.87%	Dubai FM Gen Id .DFMGI	1948.94	-0.61%
	30 YEARS	3.746	DAX	4654.82	-2.36%	Morocco SI MSI	5965.6	-2.15%
			FTSE	4277.66	-0.07%	Bahrain .BAX	1932.6	0.00%
			Euronext 100	538.38	-0.42%			

Tracker	Underlying	Last Price	% Change
FXI	China	29.05	-3.13
EWG	Germany	17.83	1.71
EWJ	Japan	9.07	-0.55
EWY	Korea	26.77	-0.45
EWT	Taiwan	7.98	-0.25
EWZ	Brazil	35.72	-1
IIF	India	13.55	0.67
RNE	Eastern Europe	8.85	1.14
TKF	Turkey	6.00	-0.17
GLD	Gold	82.60	2.22
USO	Oil	36.84	-3.3

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		
Gold / Oz	835.40	2.01%
Silver / Oz	1058.90	3.82%
Palladium / Oz	177.00	1.43%
Platinum / Oz	839.20	2.08%
Copper/ Lbs	138.50	-1.49%
Aluminum / Lbs	0.68	-1.81%
Coffee / Lbs	108.30	-2.48%
Cocoa EUR / 100 Kg	2418.00	0.75%
Wheat / Tone	520.00	1.36%
Soybean / Bsh	846.00	-0.94%
Wti / Bbl	44.88	-4.65%
Brent	45.37	6.20%

Libor USD	Rate
1 months	0.96
3 Months	1.87
6 Months	2.22
1 Year	2.43
<b>Libor EUR</b>	
1 months	2.94
3 Months	3.25
6 Months	3.34
1 Year	3.43

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1499.5	1502.5		
Euro	1.3679	1.3683	1.3739	1.3672
JPY	90.17	90.18	90.73	90.13
GBP	1.5257	1.526	1.5324	1.5243
CHF	1.1564	1.157	1.1597	1.1548
CAD	1.2328	1.2333	1.2358	1.2309
AUD	0.6682	0.6687	0.672	0.6665

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US Building Permits	16-Dec-08	
US FOMC rate decision	16-Dec-08	0.50%
<b>Euroland / Japan</b>		
GB Consumer Price Ind.	16-Dec-08	3.90%

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 0.73 percent to 1181.49 points. Solidere's A fell 2.71 percent to \$16.50 and its B share fell 2.88 percent to \$16.53. Byblos Bank S.A.L. common fell 5.33 percent at 1.60 and its priority shares fell 2.44% at 1.60.

Qatari shares advanced for a sixth trading day, led by Qatar National Bank SAQ, the Persian Gulf country's

biggest bank by assets. Dubai's and Saudi Arabia's indexes also rose. Qatar's DSM 20 Index advanced 0.4 percent. The Dubai Financial Market General Index increased 0.4 percent, paring the decline for the year to 67 percent. Saudi Arabia's Tadawul gained 0.9 percent.

## TOP FX NEWS

The dollar traded near a two-month low against the euro on speculation the Federal Reserve will cut the target rate for overnight lending to a record low today. The greenback was also near the weakest level in 13 years against the yen before a U.S. Commerce Department report that economists say will show housing starts dropped last month to the least since records began in 1959. The Fed may also provide details today on whether it will buy government debt to push down Treasury yields and stimulate lending. The dollar fell to \$1.3727 per euro, the weakest level since Oct. 14, before trading at \$1.3716 at 1:26 p.m. in Tokyo from \$1.3688 late yesterday in New York. The dollar was at 90.51 yen from 90.65 yen. It dropped to 88.53 yen on Dec. 12, the lowest level since August 1995. The euro was at 124.15 yen from 124.09 yen. The dollar may decline to \$1.3750 today, Iizuka said. The U.S. currency gained 6.4 percent against the euro this year, 30 percent versus the British pound and 6.3 percent against the Danish krone as investors bought the greenback to flee riskier assets and repay dollar-denominated loans from lenders reining in credit.

USD/JPY	EUR/USD	GBP/USD	GOLD
Res: 091.35/091.99/093.03	Res : 1.3769/1.3834/1.3882	Res: 1.5326/1.5380/1.5425	Res: 844.20/850.00/856.50
Sup: 089.42/088.10/087.32	Sup: 1.3640/1.3500/1.3429	Sup: 1.5236/1.5133/1.5068	Sup: 832.00/822.00/815.00

## EUROLAND

European stocks declined for a third straight day as speculation that banks will post more losses and a contraction in U.S. manufacturing overshadowed a rally in energy companies. BNP Paribas SA sank 10 percent after a Belgian court froze the lender's plans to buy Fortis assets and the bank said it has as much as 350 million euros (\$474 million) at risk from investments with Bernard Madoff. Natixis SA and HSBC Holdings Plc also dropped after disclosing investments with Madoff, whose New York-based money-management firm collapsed last week. Technip SA and StatoilHydro ASA jumped more than 5 percent as crude oil touched \$50 a barrel. The Dow Jones Stoxx 600 Index slipped 0.4 percent to 197.51 after earlier advancing as much as 1.6 percent. The gauge is down 46 percent in 2008 as almost \$1 trillion in bank losses and writedowns froze credit markets and the U.S., Europe and Japan entered the first simultaneous recessions since World War II. U.S. industrial production dropped 0.6 percent in November after rising 1.5 percent in the previous month, the Federal Reserve said today in Washington, while the New York Fed reported the weakest factory performance in its region this month since its survey began in 2001. The Stoxx 600 still has rebounded 8.4 percent from a five-year low on Nov. 21 as governments and policy makers around the world announced packages to revive economic growth. U.S. President-elect Barack Obama said he is planning the most extensive public-works spending package since the 1950s. National benchmark indexes retreated in 12 of the 18 western European markets today. The U.K.'s FTSE 100 lost 0.1 percent, while Germany's DAX slipped 0.2 percent. France's CAC declined 0.9 percent. Analysts have slashed their earnings projections for companies in the Stoxx 600,

estimating a 15 percent drop this year, compared with 11 percent growth forecast at the start of 2008. Profits in 2009 are expected to rise 0.9 percent, according to Bloomberg data. BNP led financial shares lower today, sinking 10 percent to 39.40 euros. The Brussels Court of Appeals ruled Dec. 12 that the sale of Fortis assets must be put to investors for a vote before Feb. 12, complicating BNP's plan to complete the purchase quickly and preserve the customer base of Fortis NV. Natixis, France's worst-performing banking stock this year, said it has as much as 450 million euros of client funds invested with Madoff, who allegedly ran a "Ponzi scheme" that cost investors \$50 billion. The shares fell 3.4 percent to 1.43 euros. HSBC slipped 1.2 percent to 724 pence. Europe's biggest bank said it has \$1 billion at risk after providing financing to funds that invested with Madoff. Royal Bank of Scotland Group Plc declined 3.7 percent to 54 pence as the U.K.'s second-largest bank said it may lose as much as 400 million pounds (\$601 million) on Madoff investments. StatoilHydro, Norway's largest oil and gas company, added 5.8 percent to 113.2 kroner. Technip, Europe's second-biggest oilfield-services provider, jumped 7.2 percent to 22.68 euros. Crude oil rallied as much as 8.2 percent to \$50.05 a barrel in New York after OPEC Secretary-General Abdalla El-Badri said the group needs to make a "sizeable" production cut at this week's meeting in Algeria. Hennes & Mauritz AB lost 2.9 percent to 298 kroner after Europe's second-largest clothing retailer reported lower November same-store sales, missing analysts' estimates. Electrolux AB slid 9.7 percent to 67.25 kroner.

## US MARKETS

U.S. stocks fell, wiping out last week's gains, after manufacturing showed a worsening economy that analysts said will hurt earnings at companies from JPMorgan Chase & Co. to Apple Inc. JPMorgan tumbled 7.5 percent on Merrill Lynch & Co.'s prediction that the biggest U.S. bank by assets may post a quarterly loss, while Apple slid 3.6 percent after the maker of iPods was downgraded to "neutral" at Goldman Sachs Group Inc. Ingersoll-Rand Co. and Textron Inc. lost more than 3.1 percent as industrial production decreased for the third time in four months and the New York Federal Reserve's regional economic index contracted the most on record. The Standard & Poor's 500 Index slipped 1.3 percent to 868.57 as financial and technology shares were the biggest drags on the gauge. The Dow Jones Industrial Average declined 65.15 points, or 0.8 percent, to 8,564.53. The Russell 2000 Index of small U.S. companies decreased 3.4 percent. The first simultaneous recessions in the U.S., Europe and Japan since World War II have dragged the S&P 500 down almost 45 percent since its October 2007 record. The benchmark index rose 0.4 percent last week on speculation President-elect Barack Obama's spending proposals will restore growth and the Bush administration may save General Motors Corp. and Chrysler LLC. About 1.2 billion shares changed hands on the New York Stock Exchange, 25 percent less than the three-month average. Apple slid \$3.52 to \$94.75 after being cut from "buy" at Goldman Sachs on concern that consumer spending will weaken further. David Bailey reduced his 12-month share-price estimate to \$115 from \$125. JPMorgan fell \$2.31 to \$28.63. The stock was cut to

"underperform" from "neutral" at Merrill Lynch, which said "it is increasingly clear that credit costs in the U.S. will get much worse." Merrill also slashed JPMorgan's share-price target by 39 percent to \$27. Merrill's Guy Moszkowski is the only analyst tracked by Bloomberg to rate JPMorgan the equivalent of "sell." Financial companies in the S&P 500 lost 4 percent as a group, while computer-related shares retreated 1.7 percent. Morgan Stanley and Goldman Sachs, which report earnings this week, both retreated. The firms, which have each lost more than 69 percent this year, probably will report fourth-quarter losses on shrinking asset values and a decline in fees for businesses such as merger advice, trading and money management, according to the average estimate of analysts surveyed by Bloomberg. Morgan Stanley declined 1.5 percent to \$13.64 after Deutsche Bank AG analyst Michael Mayo said earnings per share will drop 59 percent in 2009 as revenue declines to the same level as 2005. Goldman Sachs fell 1.9 percent to \$66.46. Bank of America Corp. slid 5.5 percent to \$14.11, and Wachovia Corp. lost 3.4 percent to \$5.11. Telephone companies in the S&P 500 slid 3.1 percent as a group after AT&T Inc., the biggest U.S. phone company, was downgraded to "neutral" from "buy" at Goldman Sachs, which noted that the economic slowdown led to a drop in its employee pension fund. AT&T shares lost 3.7 percent to \$27.13. Verizon Communications Inc., the second-largest U.S. wireless company, slipped 1.5 percent to \$32.30. Sprint Nextel Corp., the nation's third-biggest wireless company, lost 7.1 percent to \$1.82. Qwest Communications International Inc. dropped 12 percent to \$2.77.

## EMERGING MARKETS

Brazilian stocks fell the most in two weeks as analysts said retail sales may decline and telephone subscriber growth will slow as the economy weakens next year. Retailers B2W Cia. Global do Varejo and Lojas Americanas SA dropped more than 8 percent after Credit Suisse AG said same- sales may contract 3 percent in 2009. Tim Participacoes SA fell the most in seven weeks after an executive transfer from the mobile-phone company's Italian parent raised speculation Tim won't be sold. The Bovespa slid 1,053.67, or 2.7 percent, to 38,320.19. The gauge surged 11 percent last week. Mexico's Bolsa slid 1.7 percent, while Chile's Ipsa fell 0.9 percent. The MSCI Emerging Markets Index gained 2 percent. Latin American phone companies will likely see narrower margins in 2009 as the global credit crisis leads to slower subscriber growth, Deutsche Bank AG said. Argentina's Merval rose 1.5 percent, Colombia's IGBC gained 1.1 percent and Peru's IGBVL slipped 1.1 percent.

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