

# Financially Yours,

November 17, 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	85	85.5	25.203%	Byblos bank	1.8	0.00%	7.56	4.20	1.8
EVRAZ GROUP S	8.875%	24-Apr-13	42.5	43.5	35.163%	Byblos bank Preferred	103.5	0.00%	-	-	103.5
IIB LUXEMBOURG	9.500%	12-Feb-10	70	77	38.403%	Byblos bank Prty	1.85	0.00%	7.77	4.32	1.85
SEYCHELLES	9.125%	03-Oct-11	27.5	40	61.450%	Audi	65.6	0.00%	10.69	0.24	65.6
ATF BANK	9.250%	12-Apr-12	70.67	75.71	20.608%	Blom	74.45	-1.59%	7.81	0.15	74.45
LEB. AMR. UNIV *	6.750%	01-Feb-13	102	103	6.065%	Solidere A	19.5	-2.55%	14.35	1.34	19.5
ORASCOM TELC.	7.875%	08-Feb-14	84	86	11.796%	Solidere B	19.5	-1.32%	14.35	1.34	19.5
VENEZUELA	8.500%	08-Oct-14	58	59	21.131%	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	1.240	NASDAQ Comp	1516.85	-5.00%	BLOM Stock Index .BLSI	1312.776	-0.80%
	5 YEARS	2.335	NASDAQ 100	1179.63	-4.94%	SAUDI All Share .SASI	5145.84	1.30%
	10 YEARS	3.737	DJI	8497.31	-3.82%	Doha Stock Market .QSI	5585.78	-7.57%
	30 YEARS	4.220	S&P 500	873.29	-4.17%	Kuwait SE .KWSE	8691	-1.81%
EUR BUND	2 YEARS	2.228	Nikkei	8462.39	2.72%	Abu Dhabi SE .ADI	2755.62	-1.82%
	5 YEARS	2.846	SMI	5834.75	1.65%	Egyptian .CASE30	4782.66	-4.76%
	10 YEARS	3.677	CAC 40	3291.47	0.67%	Dubai FM Gen Id .DFMGI	1981.44	-10.54%
	30 YEARS	4.324	DAX	4649.52	0.62%	Morocco SI MSI	5846.19	-8.29%
			FTSE	4232.97	1.53%	Bahrain .BAX	2031.95	-1.22%
			Euronext 100	560.23	0.58%			

Tracker	Underlying	Last Price	% Change
FXI	China	25.15	-9.07
EWG	Germany	16.71	-6.7
EWJ	Japan	8.60	-5.39
EWY	Korea	24.60	-10.22
EWT	Taiwan	7.48	-9
EWZ	Brazil	34.55	-7.22
IIF	India	13.96	-4.51
RNE	Eastern Europe	8.81	-2.11
TKF	Turkey	5.54	-4.15
GLD	Gold	73.30	1.59
USO	Oil	46.18	-5.76

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	742.40	5.32%
Silver / Oz	949.00	7.84%
Palladium / Oz	216.65	1.26%
Platinum / Oz	845.10	3.95%
Copper/ Lbs	170.15	5.36%
Aluminum / Lbs	0.88	0.29%
Coffee / Lbs	110.40	-1.21%
Cocoa EUR / 100 Kg	1927.00	0.78%
Wheat / Tone	554.25	2.97%
Soybean / Bsh	896.00	1.01%
Wti / Bbl	56.00	-3.36%
Brent	51.09	-1.20%

Libor USD	Rate
1 months	1.48
3 Months	2.24
6 Months	2.71
1 Year	2.91
<b>Libor EUR</b>	
1 months	3.82
3 Months	4.22
6 Months	4.29
1 Year	4.36

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1498	1504		
Euro	1.2568	1.2571	1.2596	1.2516
JPY	96.97	96.99	97.55	95.9
GBP	1.4728	1.4732	1.4778	1.4647
CHF	1.1963	1.1968	1.2008	1.1962
CAD	1.2379	1.2381	1.2422	1.2339
AUD	0.6458	0.6462	0.6485	0.6364

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US Industrial Output	17-Nov-08	
<b>Euroland / Japan</b>		
EZ Eurostat trade	17-Nov-08	-7.3b.

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 0.80 percent to 1312.776 points. Solidere's A fell 2.55 percent at \$19.50 and its B share fell 1.32 percent to \$19.50. Byblos Bank S.A.L. common remains unchanged at 1.80 and its priority share remain unchanged at 1.85.

Persian Gulf stocks fell, with Dubai's index posting its biggest seven-day slump ever, on concern that

the region's oil and real-estate driven economic boom has run its course. The Dubai Financial Market General Index tumbled 5.9 percent to 1,981.44, losing 32 percent in seven days. In Qatar, the DSM 20 Index retreated 5.1 percent, bringing the seven-day drop to 25 percent. Oman's Muscat Securities Market 30 Index slid 6.1 percent to 5,846.19.

## TOP FX NEWS

The yen fell against the dollar and pared gains against the euro as a rebound in Asian equities bolstered confidence in funding purchases of higher-yielding overseas assets in the Japanese currency. The yen also weakened against the Australian and New Zealand dollars, favorites of so-called carry trades, as U.S. stock futures advanced. The euro declined versus the dollar for a second day on speculation that the European Central Bank will lower interest rates to help bolster the 15-nation region's economy. The yen fell to 97.42 against the dollar in Tokyo from 97.14 in New York on Nov. 14. Against the euro, it was at 122.43 from 122.39 and as strong as 120.19. The euro weakened to \$1.2564 from \$1.2605. The yen may decline to 98.00 against the dollar and 123.00 versus the euro today, Ishikawa said. Japan's currency slid to 63.02 against the Australian dollar from 62.95 in New York on Nov. 14, and fell to 53.85 versus the New Zealand dollar from 53.79. It earlier gained as much as 3.2 percent and 2.4 percent, respectively, against the South Pacific nations' currencies. The Nikkei 225 Stock Average climbed 2.8 percent, after falling as much as 2.9 percent earlier. U.S. stock index futures advanced.

USD/JPY	EUR/USD	GBP/USD	GOLD
Res: 096.83/097.76/098.30	Res : 1.2611/1.2800/1.2857	Res: 1.4858/1.4902/1.4962	Res: 751.20/755.60/761.00
Sup: 095.87/095.13/094.48	Sup: 1.2450/1.2388/1.2327	Sup: 1.4646/1.4560/1.4501	Sup: 726.50/716.50/711.50

## EUROLAND

European stocks retreated for a second week as Germany's economy contracted more than forecast, the U.S. scrapped plans to buy mortgage assets from banks and declining oil sent energy shares lower. Metro AG, Germany's largest retailer, dropped 14 percent as the nation's gross domestic product decreased the most in 12 years. An index of European banks tumbled 14 percent after the U.S. Treasury abandoned part of a rescue plan unveiled eight weeks ago. Intesa Sanpaolo SpA lost 20 percent after canceling its dividend. Swiss Life Holding fell 31 percent as it halted a share buyback. BP Plc dropped 5.2 percent on oil's retreat. Europe's Dow Jones Stoxx 600 Index sank 6.3 percent in the past week to 205.61, bringing its two-week retreat to 7.4 percent and its loss for the year so far to 44 percent. Gross domestic product in the 15 euro nations shrank 0.2 percent for the second straight quarter in the three months through September, the European Union's statistic office said. Economists at Bank of America Corp., Deutsche Bank AG and Citigroup Inc. predicted the slump will worsen. The Organization for Economic Cooperation and Development said this week its 30 members will contract 0.3 percent in 2009, compared with a June forecast of 1.7 percent growth. National benchmark indexes fell this week in all 18 western European markets except Iceland. Germany's DAX dropped 4.6 percent. France's CAC 40 lost 5.1 percent, while the U.K.'s FTSE 100 decreased 3 percent. Metro, which owns the Media Markt consumer-electronics shops and gets about 41 percent of its revenue in Germany, dropped 14 percent. Europe's largest economy shrank a seasonally adjusted 0.5 percent from the second quarter, when it fell 0.4 percent, the Federal Statistics Office in Wiesbaden said. Economists

expected a 0.2 percent decline. Gross domestic product last slid this much over two consecutive quarters -- the technical definition of a recession -- in 1996. Separately, Handelsblatt said this week German sales of audio gear and televisions will fall in the second half. Bank stocks fell more than those of any of the Stoxx 600's 19 industry groups this week. U.S. Treasury Secretary Henry Paulson said he plans to use the second half of the \$700 billion financial rescue program to help relieve pressures on consumer credit. His remarks are an acknowledgement that the pitch he made to Congress for the bailout hasn't delivered what was promised. Paulson sold the Troubled Asset Relief Program as a way to rid bank balance sheets of illiquid mortgage assets. Intesa declined 20 percent. Italy's second-largest bank cut the dividend to conserve cash after the global financial crisis made borrowing more expensive. The lender said net income fell to 673 million euros (\$850 million) from a restated 1.46 billion euros a year earlier, missing the 723 million-euro average estimate of seven analysts surveyed by Bloomberg. Swiss Life fell 31 percent after scrapping its profit target, halting a share buyback and saying it can no longer guarantee a 600 million Swiss franc (\$505 million) dividend as market turmoil eroded investments. Nokia Oyj lost 17 percent. The world's largest maker of mobile phones said industry-wide handset sales will be lower this year than previously anticipated, forcing the company to deepen cost cuts as consumers hesitate to buy new models. Taylor Wimpey Plc plunged 34 percent. The homebuilder said U.K. orders have fallen 40 percent and talks to renegotiate its debt have been slightly "disappointing."

- 2 - Financially Yours,

## US MARKETS

U.S. stocks fell for a second week as profit outlooks worsened for companies from Goldman Sachs Group Inc. to Best Buy Co., the Treasury shifted its rescue away from banks and General Motors Corp. faced bankruptcy speculation. Goldman Sachs retreated to the lowest level since 2003 on concern the firm will post its first loss as a public company, while Best Buy fell 14 percent after saying earnings will shrink amid a "seismic" consumer slowdown. Financial companies in the Standard & Poor's 500 Index slid to a 12-year low as the Treasury said it will focus on relieving consumer credit pressure. GM tumbled 31 percent amid bets that it will collapse without government aid. The S&P 500 slid 6.2 percent to 873.29, while the Dow Jones Industrial Average fell 446.50 points, or 5 percent, to 8,497.31. The Russell 2000 Index of small U.S. companies lost 9.7 percent to 456.52. The MSCI World Index of 23 developed markets lost 6.4 percent to 879.42. The S&P 500 has lost 18 percent so far this month, extending October's 17 percent plunge, as the recession deepens and credit losses from financial companies climbs to \$964 billion. The U.S. stock benchmark has slumped 41 percent this year, which would be the steepest annual decline since 1931. Banks, insurers and asset managers led declines among 10 S&P 500 industry groups with a 12 percent loss this week. The Treasury said it would use the second half of its \$700 billion financial-rescue program to focus on consumer lending instead of buying devalued mortgage assets. Citigroup Inc., Bank of America Corp. and BB&T Corp. tumbled more than 12 percent. The S&P

500 Financials Index closed at the lowest level since 1996 on Nov. 12. Goldman Sachs, once Wall Street's most profitable investment bank, fell 14 percent to \$66.73. The firm may report a fourth-quarter loss of \$2.50 a share because of stock market declines, analysts at Barclays Plc said. American International Group Inc. slipped 1.4 percent to \$2.08. AIG got a \$150 billion government rescue package, almost doubling the initial bailout of less than two months ago as the insurer burns through cash at a record rate. The Chicago Board Options Exchange Volatility Index posted the biggest weekly gain in a month, adding 18 percent to 66.31. The measure, known as the VIX, tracks the cost of using options as insurance against declines in the S&P 500. Retail sales dropped the most on record, falling 2.8 percent in October. Circuit City Stores Inc., Best Buy's rival, filed for bankruptcy protection, becoming the recession's biggest retail casualty. The 59-year-old retailer, with 721 stores in the U.S., plunged 94 percent this year to 27 cents. Target Corp., Home Depot Inc. and Dell Inc. are among the S&P 500 companies scheduled to report earnings this week. Energy producers in the S&P 500 fell for a second week, losing 3.6 percent, as the weakening economy diminished demand for commodities. Massey Energy Co., Weatherford International Ltd. and Smith International Inc. fell more than 15 percent. ConocoPhillips, the second-largest U.S. refiner, dropped 8.1 percent to \$47.39. Oil declined 8.6 percent to \$57.04 a barrel and touched \$54.67 on Nov. 13, the lowest intraday price since January 2007.

## EMERGING MARKETS

Brazilian stocks staged another late-day rally after the country's biggest state-controlled bank reported profit that exceeded estimates and the largest food retailer reported no slowdown in sales last month. Banco do Brasil SA paced gains for financial companies, gaining the most in more than a week after it said profit rose 37 percent last quarter. Cia. Brasileira de Distribuicao Grupo Pao de Acucar, surged the most in two weeks on a 17 percent jump in sales last month. The Bovespa advanced 4.7 percent to 35,993.33. The BM&FBovespa Small Cap index rose 2 percent. The BM&FBovespa MidLarge Cap index gained 5.1 percent. Mexico's Bolsa advanced 4.8 percent. Chile's Ipsa added 2.1 percent. Financial stocks rose the most in the MSCI Brazil Index, gaining 7.7 percent. Banco do Brasil jumped 6.9 percent to 14.10 reais. Net income rose to 1.87 billion reais in the third quarter, from 1.36 billion reais a year earlier. Net income was higher than the 1.5 billion reais mean estimate of three analysts surveyed by Bloomberg. The bank, which is in talks to buy Banco Nossa Caixa SA, expanded its credit portfolio by 35 percent in the quarter. In other Latin America markets, Argentina's Merval rose 0.8 percent, Peru's Lima General index advanced 0.4 percent and Colombia's IGBC slipped 0.6 percent.

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