

Financially Yours,

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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	101.500	102.500	8.207	6.900	0.76	0.73	2
7.125 Lebanon Mar 10	7.125	03/05/2010	98.000	99.000	8.903	8.001	1.15	1.10	2
7 7/8 Lebanon May 11	7.875	05/20/2011	97.500	98.500	9.047	8.572	2.22	2.13	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	98.000	99.000	9.706	9.410	3.50	3.34	2
8 5/8 Lebanon June 13	8.625	06/20/2013	96.000	97.000	9.745	9.460	3.80	3.63	2
9 Lebanon May 14	9.000	05/02/2014	95.500	96.500	10.103	9.851	4.29	4.09	2
10 Liban Apr 15	10.000	04/25/2015	98.500	99.500	10.316	10.097	4.77	4.54	2
8.50 Lebanon Aug 15	8.500	08/06/2015	93.000	94.000	9.966	9.747	4.97	4.74	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	92.000	93.000	10.108	9.897	5.18	4.94	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	82.500	83.500	10.857	10.688	7.36	6.98	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	103.435	103.581	3.580	Byblos bank	1.65	3.77%	6.93	3.85	1.65
EVRAZ GRP SA	8.875	04/24/2013	55.000	58.000	26.230	Byblos bank Preferred	104	0.00%	-	-	104
IIB LUXG SA (IIB)	9.500	02/12/2010	40.000	50.000	100.978	Byblos bank Prty	1.68	0.60%	7.06	3.92	1.68
R. SEYCHELLES	9.125	10/03/2011	29.000	34.000	62.343	Audi	56.7	5.00%	9.24	0.21	56.7
ATF BANK	9.250	04/12/2012	74.000	80.000	18.906	Blom	74.95	7.00%	7.86	0.15	74.95
LAU	6.750	02/01/2018	95.728	95.728	7.688	Solidere A	17.3	3.84%	12.73	1.19	17.3
ORASCOM TELECOM	7.875	02/08/2014	50.000	60.000	23.378	Solidere B	17.26	3.11%	12.70	1.19	17.26
REP. VENEZUELA	8.500	10/08/2014	52.000	55.000	23.618	Holcim	15.93	0.00%	-	-	15.93
CELL C PTY LTD	11.000	07/01/2015	78.150	83.150	15.866	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.777	NASDAQ Comp	1579.31	-0.67%	BLOM Stock Index .BLSI	1213.806	2.61%
	5 YEARS	1.392	NASDAQ 100	1225.86	-1.42%	SAUDI All Share .SASI	4903.81	1.30%
	10 YEARS	2.180	DJI	8824.34	-1.12%	Doha Stock Market .QSI	6724.38	0.00%
	30 YEARS	2.631	S&P 500	904.42	-0.96%	Kuwait SE .KWSE	8806.9	-1.04%
EUR BUND	2 YEARS	1.941	Nikkei	8612.52	0.52%	Abu Dhabi SE .ADI	2711.55	0.05%
	5 YEARS	2.497	SMI	5548.2	-0.34%	Egyptian .CASE30	4484.01	1.11%
	10 YEARS	3.003	CAC 40	3241.92	-0.30%	Dubai FM Gen Id .DFMGI	1929.06	0.19%
	30 YEARS	3.616	DAX	4729.91	1.61%	Morocco SI MSI	6023.03	1.28%
			FTSE	4324.19	0.35%	Bahrain .BAX	1918.56	-0.73%
			Euronext 100	545.74	-0.20%			

Tracker	Underlying	Last Price	% Change
FXI	China	30.76	-1.32
EWG	Germany	18.93	-1.2
EWJ	Japan	9.51	-0.19
EWY	Korea	28.50	-1.55
EWT	Taiwan	8.35	-2.34
EWZ	Brazil	37.30	-4.8
IIF	India	12.65	-0.78
RNE	Eastern Europe	9.15	-4.09
TKF	Turkey	6.41	-0.16
GLD	Gold	85.43	1.15
USO	Oil	34.81	-4.47

Byblos Bank Deposits	Rates
USD*	
1 months	3.00%
3 Months	3.00%
6 Months	3.00%
1 Year	3.00%
*Benchmark amount 100-200 thds	
LBP*	
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	867.50	3.07%
Silver / Oz	1138.90	6.70%
Palladium / Oz	177.15	0.06%
Platinum / Oz	865.20	1.85%
Copper/ Lbs	134.70	-0.55%
Aluminum / Lbs	0.69	1.84%
Coffee / Lbs	109.60	1.20%
Cocoa EUR / 100 Kg	2418.00	0.00%
Wheat / Tone	557.50	2.48%
Soybean / Bsh	864.00	0.64%
Wti / Bbl	39.78	-10.45%
Brent	42.19	-0.38%

Libor USD	Rate
1 months	0.58
3 Months	1.58
6 Months	1.89
1 Year	2.10
Libor EUR	
1 months	2.85
3 Months	3.15
6 Months	3.24
1 Year	3.34

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1499.5	1502.5		
Euro	1.4421	1.4426	1.4493	1.4394
JPY	87.97	87.99	88.01	87.19
GBP	1.552	1.5529	1.5615	1.5492
CHF	1.0709	1.0715	1.0744	1.0643
CAD	1.1926	1.193	1.1932	1.1871
AUD	0.7021	0.7026	0.7079	0.7016

Key Economic Calendar		
Data	Date	Forecast
US		
US Jobless Claim	18-Dec-08	
US Phil. Fed Business	18-Dec-08	-40.0
Euroland / Japan		
DE IFO Expectation	18-Dec-08	76.6

REGIONAL MARKETS

Lebanon's BLOM stock index rose 2.61 percent to 1213.806 points. Solidere's A rose 3.84 percent to \$17.30 and its B share rose 3.11 percent to \$17.26. Byblos Bank S.A.L. common rose 3.77 percent at 1.65 and its priority shares rose 0.60% at 1.68.

Persian Gulf shares gained, led by Saudi Basic Industries Corp., as interest rate cuts by the U.S. pushed Asian stocks higher and OPEC sought to reduce oil

production. Kuwait's benchmark declined. Kuwait cut interest rates yesterday after the U.S. Federal Reserve decision, while the United Arab Emirates left them unchanged. Saudi Arabia's Tadawul climbed 1.3 percent to close at 4,903.81. The Dubai Financial Market General Index added 0.2 percent, while the Muscat Securities Market 30 Index gained 1.3 percent.

TOP FX NEWS

The dollar traded near a 13-year low versus the yen and at the weakest level against the euro since September as the Federal Reserve's near-zero interest rate policy reduces the appeal of holding U.S. assets. The greenback also slid to a two-month low against the Australian dollar as longer-term Treasury yields fell and U.S. stocks declined on speculation the Fed has few tools left to combat a recession. Investors' including hedge funds reversed bets the dollar will appreciate to minimize losses as the end of the year approached, traders said. The dollar was quoted at 87.35 yen as of 8:14 a.m. in Tokyo from 87.24 yen yesterday, when it fell to 87.14 yen, the lowest level since July 1995. The U.S. currency traded at \$1.4417 per euro from \$1.4419 yesterday, when it reached a three-month low of \$1.4437. The Australian dollar rose to a two-month high of 70.79 U.S. cents before trading at 70.64 U.S. cents from 70.39 U.S. cents. The euro was little changed at 125.91 yen. The dollar may fall to 85 yen next week, Amikura said. The ICE's Dollar Index, which tracks the greenback against the euro, the yen, the pound, the Canadian dollar, the Swiss franc and Sweden's krona, fell 2.2 percent to 78.908 yesterday.

USD/JPY

Res: 088.13/089.22/089.72

Sup: 086.87/086.22/085.00

EUR/USD

Res: 1.4440/1.4519/1.4622

Sup: 1.4310/1.4192/1.4166

GBP/USD

Res: 1.5579/1.5650/1.5724

Sup: 1.5401/1.5338/1.5245

GOLD

Res: 871.50/882.00/890.00

Sup: 859.50/847.10/844.20

EUROLAND

European stocks declined as concern that bank earnings may deteriorate further overshadowed a rally in construction-related companies following the Federal Reserve's interest-rate cut. BNP Paribas SA slumped 17 percent after saying losses at its investment bank since October more than wiped out the division's profit this year. Deutsche Bank AG sank 8.8 percent as it opted not to redeem some bonds, a sign its borrowing costs have soared. CRH Plc, the world's second-biggest building-materials maker, and Skanska AB rallied more than 3 percent. The Dow Jones Stoxx 600 Index slipped 0.8 percent to 197.51. The measure is down 46 percent this year as credit losses and writedowns at the world's largest banks surpassed \$1 trillion and the U.S., Europe and Japan entered the first simultaneous recessions since World War II. Investors including James Bevan said the U.S. central bank's move won't immediately unblock interbank lending, an activity that has dwindled since the credit crisis exploded this year. The Fed yesterday effectively retired its benchmark interest rate, bringing the target for overnight loans between banks down to zero to 0.25 percent from 1 percent previously. "The credit markets remain essentially frozen," said Bevan, chief investment officer at CCLA Investment Management in London, which oversees \$10 billion. "There is still a huge log jam in the credit markets and until that rolls over, the equity market looks pretty risky," he said on Bloomberg Television. The dollar slumped to a 13-year low against the yen and the weakest versus the euro in 11 weeks. National benchmark indexes fell in 10 of the 18 western European markets. The U.K.'s FTSE 100 advanced 0.4 percent.

Germany's DAX fell 0.5 percent, while France's CAC 40 dropped 0.3 percent. BNP, France's largest bank, plunged 17 percent to 34.22 euros. The corporate and investment division had a 710 million-euro pretax loss in the first 11 months of 2008, and may cut about 800 jobs, or 5 percent of the unit's staff, the bank said yesterday. Deutsche Bank dropped 8.8 percent to 25.53 euros. Europe's biggest investment bank by revenue said it chose to skip a redemption call date on 1 billion euros of subordinated bonds due 2014 because it would be more expensive to refinance. Banks declined 4 percent as a group, the steepest loss among 19 industries in the Stoxx 600. CRH added 4.9 percent to 20.77 euros. Skanska, Sweden's biggest builder climbed 3.9 percent to 74.25 kronor. A measure for construction and materials stocks gained 1.9 percent, the best group performance in the Stoxx 600. Kesa Electricals Plc, owner of Darty electronics stores in France and Comet outlets in the U.K., had its recommendation cut to "sell" from "hold" at Citigroup after the company yesterday reported a first-half loss. The shares declined 6 percent to 83 pence. Merck KGaA tumbled 4.5 percent to 58.90 euros. The biggest maker of liquid crystals used in flat-screen televisions said it will close some chemical-making facilities for several weeks in the first half of 2009 because of "strongly reduced demand." Swiss Re advanced 5.6 percent to 49.74 francs after the world's second-largest re-insurer was upgraded to "buy" from "neutral" at UBS AG. Sports Direct International Plc jumped 7.7 percent to 38.5 pence.

US MARKETS

U.S. stocks fell and the Standard & Poor's 500 Index retreated from a five-week high on concern the Federal Reserve has few tools left to combat the recession after cutting its benchmark interest rate to a record low. Newell Rubbermaid Inc., the maker of Calphalon cookware, tumbled the most in at least 28 years as the shrinking economy forced it to reduce its 2008 profit forecast. Apple Inc. slid 6.6 percent after the maker of the iPhone said Chief Executive Officer Steve Jobs won't speak at the Macworld Expo, spurring concern the leader's health is deteriorating. Macy's Inc. rallied 18 percent, helping trim the market's losses, after lenders relaxed terms on a \$2 billion credit line. The S&P 500 lost 1 percent to 904.42. Technology and energy shares were the biggest drag on the index as Apple tumbled and oil slid below \$40 a barrel for the first time in four years. The Dow Jones Industrial Average declined 99.8 points, or 1.1 percent, to 8,824.34. The Russell 2000 Index of small U.S. companies added 0.8 percent. Yesterday's decline erased about one-fifth of before yesterday's 5.1 percent rally in the S&P 500, which was sparked by the Fed's reduction of its benchmark rate to a range of 0 to 0.25 percent and its plan to use "all available tools" to revive the economy. The dollar tumbled the most against the euro since the 15-nation currency's 1999 debut and sank to a 13-year low versus the yen after the rate cut. Newell Rubbermaid Inc. fell 27 percent to \$9.58. The company, which also makes Graco baby products, lowered its full-year profit forecast because of the "significant deterioration of global economic conditions" and said it is cutting 8 percent to 10

percent of its salaried workforce. Apple lost \$6.27 to \$89.16. Oppenheimer & Co. analyst Yair Reiner downgraded Apple to "perform" from "outperform," saying it's "past time" for Apple to disclose the state of Jobs' health or outline a plan for a successor. Apple also said that the company will no longer participate in the MacWorld show after next month's event. Technology companies in the S&P 500 lost 1.7 percent as a group. Macy's, the second-largest U.S. department store company, jumped 18 percent to \$10.01. The amended credit agreement helps remove doubts about the company's ability to pay off \$950 million in debt maturing next year. The size on the \$2 billion facility, led by Bank of America Corp. and JPMorgan Chase & Co., and the maturity date of Aug. 31, 2012, are unchanged, Macy's said in a statement. The facility remains untapped, it said. The S&P 500 Retailing Index advanced 1.2 percent as 24 of its 27 companies rose. NiSource Inc., owner of Indiana's largest natural-gas utility, declined 4.7 percent to \$11.38 after Standard & Poor's Ratings Services cut its outlook to "negative" from "stable," citing a "strained liquidity position in 2009." Morgan Stanley added 2.3 percent to \$16.50, joining rival Goldman Sachs Group Inc. in advancing even after posting a wider-than-estimated fourth-quarter loss. Financial companies in the S&P 500, which led the market higher before yesterday with an 11 percent gain, fell 1.3 percent as a group yesterday. General Electric Co., the 106-year-old economic bellwether, fell 3 percent to \$17.39.

EMERGING MARKETS

Brazilian stocks fell for a second day this week on concern that earnings forecasts may need to be reduced further as the economy weakens and the currency slumps. Net Servicos de Comunicacao SA, the biggest cable-TV company, slid 4.6 percent after JPMorgan Chase & Co. said its fourth-quarter profit may be hurt by the weaker real. Vivo Participacoes SA and Tim Participacoes SA led declines for phone stocks as Brascan Corretora said they lost market share last month. Cosan SA Industria e Comercio and Cia Siderurgica Nacional SA advanced more than 3 percent as sugar and metals gained on the dollar's plunge against the euro. The Bovespa Index bounced between gains and losses, dropping 0.1 percent to 39,947.43. More than two stocks fell for every one that rose. Mexico's Bolsa index jumped 2.1 percent to the highest in 10 weeks. Chile's Ipsa gained 0.5 percent. Elsewhere in Latin America, Argentina's Merval rose 0.4 percent, Peru's Lima General slipped 0.5 percent and Colombia's IGBC declined 0.8 percent.

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