

# Financially Yours,

November 19, 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	100.000	102.000	10.219	7.796	0.84	0.81	2
7.125 Lebanon Mar 10	7.125	03/05/2010	96.500	98.500	10.089	8.370	1.23	1.18	2
7 7/8 Lebanon May 11	7.875	05/20/2011	95.750	97.750	9.841	8.902	2.30	2.20	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	95.500	97.500	10.442	9.844	3.57	3.40	2
8 5/8 Lebanon June 13	8.625	06/20/2013	93.500	96.500	10.445	9.585	3.71	3.53	2
9 Lebanon May 14	9.000	05/02/2014	94.500	96.500	10.345	9.844	4.37	4.16	2
10 Liban Apr 15	10.000	04/25/2015	97.000	100.000	10.649	9.993	4.84	4.60	2
8.50 Lebanon Aug 15	8.500	08/06/2015	91.500	93.500	10.281	9.843	5.04	4.80	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	90.000	92.000	10.520	10.093	5.25	4.99	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	81.000	83.000	11.107	10.764	7.41	7.02	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	25.306%	Byblos bank	1.79	-2.72%	7.52	4.18	1.79
EVRAZ GROUP S	8.875%	24-Apr-13	42.5	43.5	35.188%	Byblos bank Preferred	104	0.48%	-	-	104
IIB LUXEMBOURG	9.500%	12-Feb-10	70	77	38.530%	Byblos bank Prty	1.85	0.00%	7.77	4.32	1.85
SEYCHELLES	9.125%	03-Oct-11	27	39.5	62.411%	Audi	60.35	-8.00%	9.84	0.22	60.35
ATF BANK	9.250%	12-Apr-12	68.33	75.35	21.359%	Blom	74.35	-0.13%	7.80	0.15	74.35
LEB. AMR. UNIV *	6.750%	01-Feb-13	102	103	6.064%	Solidere A	18.98	-2.67%	13.97	1.31	18.98
ORASCOM TELC.	7.875%	08-Feb-14	84	86	11.800%	Solidere B	19.07	-2.21%	14.03	1.31	19.07
VENEZUELA	8.500%	08-Oct-14	57	58	21.580%	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	1.134	NASDAQ Comp	1483.27	0.08%	BLOM Stock Index .BLSI	1294.061	-1.52%
	5 YEARS	2.161	NASDAQ 100	1155.75	0.33%	SAUDI All Share .SASI	4976.49	-3.80%
	10 YEARS	3.494	DJI	8424.75	1.83%	Doha Stock Market .QSI	5750.08	2.84%
	30 YEARS	4.100	S&P 500	859.12	0.98%	Kuwait SE .KWSE	8583.3	0.36%
EUR BUND	2 YEARS	2.171	Nikkei	8328.41	-2.28%	Abu Dhabi SE .ADI	2883.78	1.30%
	5 YEARS	2.800	SMI	5675.58	0.52%	Egyptian .CASE30	4205.99	-7.78%
	10 YEARS	3.661	CAC 40	3217.4	1.11%	Dubai FM Gen Id .DFMGI	2033.14	-5.12%
	30 YEARS	4.278	DAX	4557.27	-3.25%	Morocco SI MSI	5953.8	1.43%
			FTSE	4208.55	1.85%	Bahrain .BAX	2001.88	-0.09%
			Euronext 100	551.11	1.07%			

Tracker	Underlying	Last Price	% Change
FXI	China	24.28	-3.27
EWG	Germany	16.40	0.31
EWJ	Japan	8.58	0
EWY	Korea	23.37	-2.91
EWT	Taiwan	7.40	-0.67
EWZ	Brazil	33.21	-1.75
IIF	India	13.10	-3.11
RNE	Eastern Europe	8.75	4.17
TKF	Turkey	5.06	-3.07
GLD	Gold	72.51	-0.19
USO	Oil	44.77	-0.86

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	732.60	-1.25%
Silver / Oz	955.00	2.36%
Palladium / Oz	215.30	-1.10%
Platinum / Oz	837.00	2.00%
Copper/ Lbs	165.50	0.33%
Aluminum / Lbs	0.87	0.87%
Coffee / Lbs	110.55	-0.36%
Cocoa EUR / 100 Kg	2117.00	3.77%
Wheat / Tone	529.75	-0.75%
Soybean / Bsh	902.00	-0.50%
Wti / Bbl	54.44	-2.23%
Brent	49.50	-3.36%

Libor USD	Rate
1 months	1.45
3 Months	2.22
6 Months	2.63
1 Year	2.80
<b>Libor EUR</b>	
1 months	3.71
3 Months	4.15
6 Months	4.21
1 Year	4.28

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1498	1504		
Euro	1.2622	1.2627	1.2642	1.2608
JPY	96.58	96.59	97.15	96.34
GBP	1.4948	1.4954	1.4984	1.4906
CHF	1.205	1.2055	1.2056	1.2015
CAD	1.2333	1.2335	1.2336	1.23
AUD	0.6445	0.645	0.6527	0.6426

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US MBA Purchase Ind.	19-Nov-08	
US Mortgage Market	19-Nov-08	
<b>Euroland / Japan</b>		
GB CBI trends-orders	19-Nov-08	-41.00

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 1.52 percent to 1294.061 points. Solidere's A fell 2.67 percent at \$18.98 and its B share fell 2.21 percent to \$19.07. Byblos Bank S.A.L. common fell 2.72 percent at 1.79 and its priority share fell remain unchanged at 1.85.

Persian Gulf shares declined, as global markets retreated on economic concern and Citigroup Inc. said

Dubai is the most vulnerable in the region to the global slowdown. The Dubai Financial Market General Index declined 5.1 percent to 2,033.14. Saudi Arabia's Tadawul fell 3.8 percent to 4,976.49. The Bahrain All Share Index lost less than 0.1 percent. The Abu Dhabi Securities Exchange General Index rose 1.3 percent to 2,883.78 at the close.

## TOP FX NEWS

The yen rose against the dollar as speculation U.S. lawmakers will fail to agree a bailout for automakers damped demand for carry trades, in which investors fund purchases of higher-yielding overseas assets in Japan. The currency also gained against the Australian dollar and the British pound as a deepening global economic slump spurred Asian stock losses. A \$700 billion U.S. financial stability package isn't intended to prevent General Motors Corp., Ford Motor Co. and Chrysler LLC from collapsing, Treasury Secretary Henry Paulson said in a House hearing yesterday. The yen climbed to 96.53 against the dollar in Tokyo from 97.03 late yesterday in New York. It rose to 121.80 per euro from 122.43. The euro bought \$1.2619 from \$1.2618. The pound was at \$1.4948 from \$1.4958. The yen may rise to 96.20 versus the dollar today, Yoshida said. The Australian dollar fell 1.7 percent to 62.21 yen from late yesterday in New York, while the New Zealand dollar declined 1 percent to 53.08 yen. The South African rand slid 1.2 percent to 9.3597 yen. The yen is popular in carry trades because of Japan's low interest rates. The nation's benchmark rate of 0.3 percent compares with 3.25 percent in Europe, 5.25 percent in Australia, 6.5 percent in New Zealand and 12 percent in South Africa. The risk with carry trades is that currency moves erode profits. The Nikkei 225 Stock Average slid 1.4 percent and the MSCI Asia-Pacific Index of regional shares declined 1 percent.

USD/JPY

Res: 097.56/098.30/099.48

Sup: 095.87/095.13/094.48

EUR/USD

Res: 1.2701/1.2742/1.2800

Sup: 1.2566/1.2512/1.2450

GBP/USD

Res: 1.5055/1.5093/1.5201

Sup: 1.4900/1.4827/1.4778

GOLD

Res: 749.20/751.20/755.60

Sup: 731.70/726.50/716.50

## EUROLAND

European stocks rose as higher oil prices lifted energy producers and better-than-expected earnings from Hewlett-Packard Co. and Home Depot Inc. eased concern the recession will snuff out profits. Total SA, Europe's third-largest energy producer, and BP Plc climbed more than 4 percent as crude gained. Alcatel-Lucent SA jumped 4.8 percent on Dassault Aviation's 1.56 billion-euro (\$2 billion) offer for Alcatel's stake in Thales SA. The Dow Jones Stoxx 600 Index added 0.8 percent at 201.91 in London, reversing an earlier decline of as much as 2.2 percent. The gauge has lost 45 percent this year as writedowns and credit losses topped \$965 billion in the worst financial crisis since the Great Depression. U.S. earnings are "reassuring the market," said Arnaud Scarpaci, a fund manager at Agilis Gestion in Paris, which oversees \$152 million. The market "seems oversold," he said. The Stoxx 600 is valued at 9 times reported earnings of the companies in the index, below the four-year average of 14 times profit. The gauge traded at 7.9 times earnings in Oct. 27, the lowest since at least January 2002. National benchmark indexes increased in nine of the 18 markets in Western Europe. The U.K.'s FTSE 100 rose 1.9 percent, and France's CAC 40 gained 1.1 percent. Germany's DAX added 0.5 percent. Total climbed 4.6 percent to 40.76 euros. BP, Europe's second-biggest oil producer, added 4.1 percent to 507.5 pence, and Royal Dutch Shell Plc, the largest, gained 3.9 percent to 1,693 pence. Crude oil for December delivery rose 75 cents, or 1.4 percent, to \$55.70 a barrel in New York. Alcatel-Lucent jumped 4.8 percent to 1.90 euros. Dassault Aviation offered 1.56 billion euros (\$2

billion) for Alcatel-Lucent's 20.8 percent stake in Thales SA. Earnings from Hewlett-Packard, the world's biggest maker of personal computers, and Home Depot, the largest home-improvement retailer, signaled they are withstanding the economic slowdown. Banks led declines earlier today as concern the economic slowdown will trigger more losses, while Burberry Group Plc's forecast disappointed investors. BNP Paribas SA dropped 5.1 percent to 40.81 euros. UBS AG, the Swiss bank that got a \$59.2 billion aid package from the state and central bank, lost 3.5 percent to 13.27 francs. The cost of protecting bank bonds from default rose to the highest in almost a month as prices of mortgage-linked securities tumble. Burberry, the London-based luxury goods company, slid 13 percent to 175 pence after saying pretax earnings may be at the "mid to lower" end of analysts' projections in the current fiscal year. ERG SpA, Italy's biggest exporter of oil products slipped 4.6 percent to 11.26 euros. Morgan Stanley gave it an "underweight" recommendation and a price estimate of 10.40 euros on the shares. Analysts now predict profit will slide 10 percent in 2008, compared with 11 percent growth forecast at the start of the year, the data show. Carphone Warehouse Group Plc slumped 9.4 percent to 118 pence. Europe's largest mobile-phone retailer said it won't sell the TalkTalk Internet unit as it considers splitting into two listed companies. Hochtief AG, Germany's biggest construction company, sank 2.8 percent to 27.66 euros. Bilfinger Berger AG, lost 4.9 percent to 30.61 euros.

## US MARKETS

U.S. stocks gained in the last hour of trading as a rally in energy and technology shares overpowered earlier declines spurred by a drop in homebuilder confidence to the lowest level on record. Hewlett-Packard Co. jumped 14 percent as earnings topped analysts' estimates, while Exxon Mobil Corp. climbed more than 4 percent. The advance in equities accelerated near the close as investors tracking the Standard & Poor's 500 Index bought shares to replace Anheuser-Busch Cos., which was removed from the gauge following its takeover by InBev NV. The S&P 500 added 1 percent to 859.12, the first advance in three days. The Dow Jones Industrial Average increased 151.17 points, or 1.8 percent, to 8,424.75. The Nasdaq Composite Index rose less than 0.1 percent to 1,483.27. About six stocks retreated for every five that advanced on the New York Stock Exchange. The S&P 500 earlier slid below its lowest closing level since 2003 after the National Association of Home Builders/Wells Fargo index of builder confidence decreased to a worse-than-forecast reading of 9, the lowest level since record-keeping began in 1985. The benchmark index for U.S. equities is down more than 41 percent in 2008, poised for its worst year since 1931, as credit losses and asset writedowns at global financial firms approach \$1 trillion. Profits slumped 17 percent on average at companies in the index that have reported third-quarter results, according to Bloomberg data. Analysts expect an 8.5 percent drop in full-year earnings, based on estimates compiled by Bloomberg.

The S&P 500 erased a drop of as much as 2.8 percent in the final hour of the trading session as managers of funds that mimic the index prepared for the replacement of Anheuser-Busch by Stericycle Inc. Anheuser-Busch, with a market value of about \$50 billion, was set to be removed following the close of its acquisition by InBev NV of Belgium. Index funds, which represent about 10 percent of the stock market, "got \$5 billion from owning BUD," said Michael Buek, a principal at Vanguard Group Inc. in Valley Forge, Pennsylvania, manager of the biggest S&P 500 index fund. BUD is the ticker symbol for Anheuser-Busch, brewer of Budweiser beer. Hewlett-Packard added \$4.25, or 14 percent, to \$33.59. The computer maker reported fourth-quarter earnings of \$1.03 a share, excluding reorganizing expenses and other costs, exceeding the \$1 average analyst estimate. The results signal Hewlett-Packard is withstanding an economic crisis that has sapped sales at other technology companies, including Cisco Systems Inc. and Intel Corp. Yahoo! Inc. jumped 8.7 percent to \$11.55 after Chief Executive Officer Jerry Yang agreed to step down, opening the door for a fresh bid from Microsoft Corp. The company's market value has dropped by more than \$20 billion since Yang took over as CEO in June 2007 as discussions with Microsoft ended in failure, an ad partnership with Google Inc. was derailed and talks with Time Warner Inc.'s AOL stalled. Yahoo "might be worth \$21" a share to an acquirer, Goldman Sachs Group Inc. said.

## EMERGING MARKETS

Ecuador's bonds rose on speculation President Rafael Correa will make a \$30 million interest payment before a one-month grace period expires in December. The yield on the South American country's \$510 million bond maturing in 2012 declined 4.38 percentage points to 67.20 percent at 5:10 p.m. in New York, according to JPMorgan Chase & Co. The bond's price climbed 2 cents to 26 cents on the dollar. They had traded at 42 cents on Nov. 12 and at 95 cents before the global financial crisis deepened in mid-September. Ecuador sparked a rout when it said last week it will use the grace period to decide whether to make the payment on the 12 percent bonds that came due Nov. 15. Some investors are betting Correa will pay because a default would hurt his biggest ally, Venezuelan President Hugo Chavez. Venezuela owns structured notes tied to Ecuador's bonds that would force Chavez's government to pay \$400 million if Correa defaults, according to estimates by Barclays Capital Inc. Correa's legal advisers are scheduled to turn over a final report on the legitimacy of the country's debt on Nov. 20. On Nov. 15, Correa called the group's preliminary findings "truly horrifying" and said he'd suspend payments on foreign debt should the final report find there is a legal basis for such a move. Finance Minister Maria Elsa Viteri is scheduled to speak to journalists late today in Quito.

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