

# Financially Yours,

October 22, 2009

YOUR DAILY ELECTRONIC MARKET REPORT

For further information please contact Byblos Bank's Capital Markets and Private Banking on: +961 1 335240/6/9

**Lebanese Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Bid Yield	Offer Yield	Duration	Mduration	Frq
7.125 Lebanon Mar 10	7.125	05/03/2010	101.500	102.500	2.836	0.091	0.36	0.35	2
7 7/8 Lebanon May 11	7.875	20/05/2011	105.750	106.750	4.041	3.404	1.46	1.43	2
7.5 Lebanon Mar 12	7.500	19/03/2012	106.125	107.125	4.760	4.332	2.23	2.18	2
9 1/8 Lebanon Mar 13	9.125	12/03/2013	111.875	112.875	5.237	4.934	2.98	2.90	2
9 Lebanon May 14	9.000	02/05/2014	112.000	113.000	5.930	5.693	3.71	3.61	2
10 Liban Apr 15	10.000	25/04/2015	115.500	116.500	6.591	6.391	4.45	4.31	2
8.50 Lebanon Aug 15	8.500	06/08/2015	109.000	110.000	6.597	6.398	4.66	4.51	2
8 1/2 Lebanon Jan 16	8.500	19/01/2016	109.500	110.500	6.611	6.424	4.93	4.77	2
9 Lebanon Mar 17	9.000	20/03/2017	114.000	115.000	6.577	6.419	5.65	5.47	2
8 1/4 Lebanon Apr 21	8.250	12/04/2021	108.000	109.000	7.212	7.089	7.77	7.50	2

**Emerging Eurobonds**

Emerging Eurobonds						Beirut Stock Exchange (closing 21.10.09)					
USD	Coupon	Maturity	Bid	Offer	Mid Yield	Name	Rates	% Change	P/E 09	P/B 09	Div Yield
IIB LUXG SA (IIB)	9.500	12-Feb-10	99.500	100.500	9.316	Byblos bank	1.97	0.51%	6.63	0.84	5.08%
R. OF SRILANKA	8.250	24-Oct-12	105.375	105.875	6.162	Byblos bank Preferred	99.8	0.81%	-	-	-
ATF BANK	9.250	12-Apr-12	99.716	100.216	9.262	Byblos bank Prty	1.97	1.03%	8.28	0.84	6.60%
TAQA ABD NATL.	4.375	28-Oct-13	100.992	101.367	9.231	Byblos Bank GDR	90.00	0.00%	10.84	0.24	5.32%
ADCB F. CAYMAN	4.750	24-Apr-13	98.250	98.650	5.108	Audi	89.5	0.39%	14.59	1.85	2.22%
TDIC SUKUK LTD	4.949	21-Oct-14	101.799	102.299	4.485	Blom	90.45	2.09%	7.72	1.43	4.01%
ORASCOM TELECOM	7.875	08-Feb-14	96.000	96.000	9.016	Solidere A	26.35	0.73%	23.80	2.46	4.36%
REP. VENEZUELA	8.500	08-Oct-14	87.653	88.153	11.794	Solidere B	26.2	0.77%	23.67	2.45	4.39%
CELL C PTY LTD	11.000	01-Jul-15	99.500	100.500	10.992	Holcim	13.49	-0.07%	-	-	5.93%
						Casino	390	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.967	NASDAQ Comp	2150.73	-0.59%	BLOM Stock Index .BLSI	1597.339	0.32%
	5 YEARS	2.356	NASDAQ 100	1753.56	-0.15%	SAUDI All Share .SASI	6541.48	0.00%
	10 YEARS	3.395	DJI	9949.36	-0.92%	Doha Stock Market .QSI	7371.5	-0.51%
	30 YEARS	4.214	S&P 500	1081.4	-0.89%	Kuwait SE .KWSE	7653.1	-0.28%
EUR BUND	2 YEARS	1.412	Nikkei	10333.39	-0.03%	Abu Dhabi SE .ADI	3156.32	-0.85%
	5 YEARS	2.501	SMI	6434.66	0.11%	Egyptian .CASE30	7062.09	-1.16%
	10 YEARS	3.313	CAC 40	3873.22	0.05%	Dubai FM Gen Id .DFMGI	2258.16	-1.63%
	30 YEARS	4.071	DAX	5833.49	0.37%	Morocco SI MSI	6629.71	-0.36%
			FTSE	5257.85	0.28%	Bahrain .BAX	1551.19	0.34%
			Euronext 100	677.24	0.11%			

Tracker	Underlying	Last Price	% Change
FXI	China	43.91	-0.61
EWG	Germany	23.04	-0.26
EWJ	Japan	9.90	-0.3
EWY	Korea	45.82	-0.91
EWT	Taiwan	12.38	-0.36
EWZ	Brazil	74.51	1.6
IIF	India	22.21	-1.42
RNE	Eastern Europe	16.00	0.13
TKF	Turkey	13.31	-0.67
GLD	Gold	103.75	0.31
USO	Oil	41.33	2.33

Byblos Bank Deposits	Rates
<b>USD*</b>	
1 months	3.00%
3 Months	3.00%
6 Months	3.00%
1 Year	3.00%
*Benchmark amount 100-200 thds	
<b>LBP*</b>	
1 months	6.50%
3 Months	6.25%
6 Months	6.00%
1 Year	6.00%
*Benchmark amount 100-300 Millions	

Commodities	Price	% Change
Gold / Oz	1063.70	0.56%
Silver / Oz	17.81	1.52%
Palladium / Oz	340.85	1.14%
Platinum / Oz	1368.10	1.34%
Copper/ Lbs	302.65	3.56%
Aluminum / Lbs	89.10	2.00%
Coffee / Lbs	141.80	0.00%
Cocoa EUR / 100 Kg	3333.00	0.00%
Wheat / Tone	542.50	4.83%
Soybean / Bsh	1008.50	2.65%
Wti / Bbl	81.37	2.84%
Brent	77.94	1.41%

Libor USD	Rate
1 months	0.24
3 Months	0.28
6 Months	0.59
1 Year	1.23
<b>Libor EUR</b>	
1 months	0.39
3 Months	0.69
6 Months	1.01
1 Year	1.24

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1500	1503		
Euro	1.5005	1.501	1.5036	1.4979
JPY	91.12	91.17	91.20	90.78
GBP	1.6621	1.6625	1.6636	1.6584
CHF	1.0067	1.0071	1.0084	1.0045
CAD	1.0458	1.0464	1.0481	1.0418
AUD	0.9257	0.9262	0.9298	0.923

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US MBA Purchase Index	21-Oct-09	
US Mortgage Market	21-Oct-09	
<b>Euroland / Japan</b>		
GB Retail Sales	21-Oct-09	2.80%

## REGIONAL MARKETS

Lebanon's BLOM stock index rose 0.32 percent at 1597.339 points. Solidere's A rose 0.73 percent at \$26.35 and its B share rose 0.77 percent at \$26.20. Byblos Bank S.A.L. common rose 0.51 percent at 1.97 and its priority shares rose 1.03 percent at 1.97.

Dubai shares dropped to the lowest in two weeks, leading a decline among Gulf markets, on concern that the region's economic recovery may not be sustainable and as

companies in Saudi Arabia reported lower earnings. Dubai's benchmark index retreated 1.6 percent and Saudi Arabia's Tadawul declined 1.1 percent to 6,472.97 in Riyadh. Abu Dhabi General Index slid 0.9 percent, Qatar's DSM 20 Index declined 0.5 percent and Oman's MSM30 Index lost 0.4 percent. The Kuwait Stock Exchange dropped 0.3 percent, while Bahrain's measure gained 0.3 percent.

## TOP FX NEWS

The dollar rose after China's economic growth trailed some economists' estimates and speculation mounted it will pare stimulus spending, spurring demand for the greenback as a refuge. The dollar gained against 15 of its 16 most-traded counterparts after China announced third quarter production figures and said inflationary expectations are increasing. The Australian and New Zealand dollars retreated from the strongest in more than 14 months as Asian stocks declined, curbing demand for higher-yielding assets. The dollar advanced to \$1.4988 per euro at 6:56 a.m. in London from \$1.5016 in New York yesterday when it touched \$1.5046, the weakest level since August 2008. The U.S. currency was at \$1.6622 per pound from \$1.6608 yesterday when it slipped to as low as \$1.6637, the lowest level since Sept. 15. The yen fell to 91.37 per dollar from 90.97, and traded at 136.69 per euro from 136.61. Australia's currency fell 0.6 percent to 92.39 cents from 92.92 cents yesterday in New York, when it climbed to 93.29 cents, the most since August 2008. New Zealand's dollar slid to 75.41 cents from 76.05 cents yesterday, when it advanced to 76.35 cents, the strongest since July 2008.

### USD/JPY

Res: 091.63/092.00/092.55  
 Sup: 090.48/090.07/089.67

### EUR/USD

Res: 1.5047/1.5123/1.5202  
 Sup: 1.4966/1.4883/1.4829

### GBP/USD

Res: 1.6638/1.6742/1.6836  
 Sup: 1.6576/1.6490/1.6439

### GOLD

Res: 1063.5/1066.6/1069.3  
 Sup: 1051.2/1047.1/1041.5

## EUROLAND

European stocks rose as higher-than-estimated earnings at Morgan Stanley bolstered speculation that the seven-month rally in equities is justified. Natixis SA surged 11 percent after Credit Suisse Group AG added the bank to its so-called focus list. Tesco Plc gained 2.3 percent as Nomura International Plc boosted its share-price estimate by more than 25 percent on prospects for increased profitability and foreign sales. Deutsche Bank AG, Germany's largest bank, sank 2.4 percent after pretax profit missed some analysts' estimates. Europe's Dow Jones Stoxx 600 Index added 0.4 percent to 249.19, having earlier slid as much as 1.1 percent. The regional gauge has jumped 58 percent since March 9 as the French and German economies unexpectedly exited recessions, pushing valuations in the index to more than 52 times reported earnings, the most expensive level since 2003, Bloomberg data show. In the U.S., Morgan Stanley posted third-quarter profit of 38 cents per share yesterday, exceeding the 30-cent average analyst estimate in a Bloomberg survey. More than 130 companies in the S&P 500 are scheduled to report third-quarter results this week. Earnings have surpassed analysts' projections for at 79 of the 97 companies that released results so far, according to Bloomberg data. More than 72 percent beat the average estimate in the second quarter, matching the highest proportion in data going back to 1993. Natixis climbed 11 percent to 4.40 euros after Credit Suisse raised its price estimate on the shares 36 percent to 5.70 euros. Tesco gained 2.3 percent to 392.45 pence. The U.K.'s largest retailer is a "disciplined, defensive, sustainable growth story that is significantly undervalued by the market," Nomura analysts

including Matt Truman wrote. Tele2 AB, Sweden's second-largest telephone company, soared 5.1 percent to 101.80 kronor after reporting third-quarter profit rose as it added new customers in Russia and Sweden. Net income was 1.7 billion kronor (\$244 million), from 831 million kronor a year earlier when the company booked writedowns in Austria. Analysts projected net income of 975 million kronor. Deutsche Bank retreated 2.4 percent to 54 euros even after third-quarter profit more than tripled to 1.4 billion euros (\$2.1 billion). Net income was boosted by tax credits and the resolution of tax audits related to prior years, the bank said. Pretax profit was about 1.3 billion euros. "We saw a similar fairly ambivalent response to U.S. investment banking numbers and the headline pretax figure wasn't a blow out," said Matthew Clark, a London-based analyst at Keefe Bruyette & Woods Ltd. who has an "outperform" recommendation on the stock. PSA Peugeot Citroen slid 4.8 percent to 23 euros as Europe's second-biggest carmaker said third-quarter revenue dropped 7.7 percent to 11.8 billion euros from a year earlier. PPR SA, the owner of the Gucci brand, sank 4 percent to 81.80 euros after sales declined 7.6 percent to 4.56 billion euros, missing the 4.63 billion-euro median estimate of three analysts surveyed by Bloomberg. SEB AB declined 4 percent to 45.10 kronor after posting net income of 25 million kronor in the third quarter, trailing the median estimate by analysts in a Bloomberg survey. The second-biggest lender in the Baltics also said it sees slowing growth of non-performing loans in Estonia, Latvia and Lithuania.

## US MARKETS

U.S. stocks tumbled in the final hour of trading after analyst Dick Bove downgraded Wells Fargo & Co., erasing an earlier rally spurred by better-than-estimated results at Morgan Stanley and Yahoo! Inc. Wells Fargo, the largest U.S. home lender this year, slid 5.1 percent after Bove of Rochdale Securities cut the shares to "sell" and said earnings were boosted by mortgage-servicing fees rather than improving business trends. Wal-Mart Stores Inc., the world's largest retailer, tumbled 2.1 percent after saying it expects a "tough" holiday shopping season. The Standard & Poor's 500 Index reversed a 0.9 percent advance as nine of 10 industry groups retreated, led by financials. The S&P 500 lost 0.9 percent to 1,081.4 at 4:07 p.m. in New York after earlier climbing above its highest closing level in a year. The Dow Jones Industrial Average fell 92.12 points, or 0.9 percent, to 9,949.36. About three stocks declined for each that rose on the New York Stock Exchange. The S&P 500 is trading at its highest valuation in five years after rallying 60 percent from a 12-year low in March as the government lent, spent or guaranteed \$11.6 trillion to combat the worst U.S. recession since the 1930s. The rebound left the index trading at more than 20 times the reported operating earnings of its companies, the highest since 2004. Wells Fargo slumped 5.1 percent to \$28.90, erasing a gain of as much as 2.2 percent. Bove said servicing fees on mortgages lifted profits by 15 cents a share, while a 2.2 percent lower tax rate gave a 2-cent boost. Wells Fargo reported third-quarter earnings of 61 cents a share, excluding some items, beating the average analyst estimate of 39 cents. Financial shares in the S&P 500 slumped 1.9 percent after Morgan Stanley's results helped lift the group as much as 1.3 percent earlier. JPMorgan Chase & Co., Bank of America Corp. and Goldman Sachs Group Inc. each lost at least 2.9 percent.

Morgan Stanley rallied as much as 7.6 percent before trimming gains, leaving the stock up 4.8 percent at \$34.08. The sixth-largest U.S. bank by assets reported its first profit in a year, surpassing analysts' estimates on higher investment-banking fees. Wal-Mart dropped 2.1 percent to \$50.63. The world's largest retailer expects customers to delay holiday purchases, said John Fleming, chief merchandising officer. Walmart plans to reduce prices as the season advances in areas including home, food and gifts, Fleming told analysts yesterday at a conference in Rogers, Arkansas. Boeing Co., the second-largest maker of commercial aircraft, fell 2.4 percent to \$50.63 after booking \$3.5 billion in charges for the delayed 787 Dreamliner and 747-8 jumbo jet programs. Its largest-ever net loss of \$1.56 billion, or \$2.23 a share, exceeded the \$2.10-a-share average estimate of 18 analysts in a survey. Merck & Co. had the steepest decline in the Dow average, falling 3.1 percent to \$32.68. The pharmaceutical company's Gardasil vaccine, used to protect girls from a virus linked to cervical cancer, shouldn't be given routinely to boys, a U.S. advisory panel said. Apple Inc., maker of the iPhone mobile phone, iPod music players and Macintosh computers, rose 3.1 percent to a record \$204.92. The gains added to a 4.7 percent advance before yesterday after Apple posted earnings and sales that topped analysts' estimates. SLM Corp. soared 21 percent to \$10.74 for the biggest advance in the S&P 500. The largest U.S. student loan company reported its first profit in more than a year. Yahoo rose 2.9 percent to \$17.66. Third-quarter profit excluding some expenses was 15 cents a share, beating the average prediction of 13 cents by analysts in a Bloomberg survey. Sales, excluding fees passed on to partner sites, were \$1.13 billion, exceeding projections.

## EMERGING MARKETS

Emerging-market stocks fell as disappointing earnings from China Mobile Ltd. added to concern that consumer spending will be slow to recover from the global recession, overshadowing gains in commodities. The MSCI Emerging Markets Index declined 0.4 percent to 968.28 in New York. Gains for Brazilian stocks limited the benchmark's losses. Stocks are paring a rally this year that sent the MSCI gauge up more than 70 percent to the highest level in 14 months. Stocks in Russia, the world's largest energy supplier, rose as crude prices gained. The Micex index increased 0.8 percent, erasing losses in the last 15 minutes of trading after a U.S. report showed lower-than-estimated gasoline stockpiles.

### CONTACT NAMES

**Shadi Hanna**

**A.G.M Financial Markets Division**

<u>CAPITAL MARKETS</u>		<u>PRIVATE BANKING</u>
Ziad Moubarak	Fixed Income	Joe Nader
Elie Ghanem		Marguerite Bazerli
Rhea Sawaya		Rizkallah Semaan
Yves Rahme	Equity Desk	Zeina Anka
Haytham Mroue		
Maguy Viltaki		
Hana Kara		
Youssef Abi Saab		

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