

# Financially Yours,

December 22, 2008 YOUR DAILY ELECTRONIC MARKET REPORT

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**Lebanese Eurobonds**

USD	Coupon	Maturity	Bid	Offer	Bid Yield	Offer Yield	Duration	Mduration	Frg
10.25 Lebanon Oct 09	10.250	10/06/2009	101.500	102.500	8.186	6.866	0.75	0.73	2
7.125 Lebanon Mar 10	7.125	03/05/2010	98.000	99.000	8.915	8.007	1.14	1.09	2
7 7/8 Lebanon May 11	7.875	05/20/2011	97.500	98.500	9.051	8.574	2.22	2.12	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	98.000	99.000	9.707	9.411	3.49	3.34	2
8 5/8 Lebanon June 13	8.625	06/20/2013	96.000	97.000	9.747	9.461	3.79	3.62	2
9 Lebanon May 14	9.000	05/02/2014	95.500	96.500	10.104	9.852	4.28	4.08	2
10 Liban Apr 15	10.000	04/25/2015	98.500	99.500	10.316	10.097	4.76	4.53	2
8.50 Lebanon Aug 15	8.500	08/06/2015	93.000	94.000	9.967	9.749	4.96	4.73	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	92.000	93.000	10.109	9.899	5.17	4.93	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	82.500	83.500	10.858	10.689	7.35	6.97	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	103.583	103.727	3.243	Byblos bank	1.67	0.00%	7.02	3.90	1.67
EVRAZ GRP SA	8.875	04/24/2013	52.500	56.000	27.601	Byblos bank Preferred	104	0.00%	-	-	104
IIB LUXG SA (IIB)	9.500	02/12/2010	40.000	50.000	101.750	Byblos bank Prty	1.68	0.00%	7.06	3.92	1.68
R. SEYCHELLES	9.125	10/03/2011	29.000	34.000	62.588	Audi	56.95	0.00%	9.28	0.21	56.95
ATF BANK	9.250	04/12/2012	74.000	80.000	18.927	Blom	71.4	-0.83%	7.49	0.15	71.4
LAU	6.750	02/01/2018	95.871	95.871	7.666	Solidere A	17.05	-0.23%	12.55	1.17	17.05
ORASCOM TELECOM	7.875	02/08/2014	50.000	60.000	23.399	Solidere B	17.12	-0.17%	12.60	1.18	17.12
REP. VENEZUELA	8.500	10/08/2014	51.000	54.000	24.136	Holcim	15.93	0.00%	-	-	15.93
CELL C PTY LTD	11.000	07/01/2015	78.150	83.150	15.872	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.803	NASDAQ Comp	1564.32	0.77%	BLOM Stock Index .BLSI	1200.774	-0.59%
	5 YEARS	1.405	NASDAQ 100	1217.19	1.04%	SAUDI All Share .SASI	4774.08	1.60%
	10 YEARS	2.144	DJI	8579.11	-0.30%	Doha Stock Market .QSI	6665.06	-0.88%
	30 YEARS	2.567	S&P 500	887.88	0.29%	Kuwait SE .KWSE	8394.4	-4.68%
EUR BUND	2 YEARS	1.831	Nikkei	8588.52	-0.91%	Abu Dhabi SE .ADI	2576.36	-4.99%
	5 YEARS	2.432	SMI	5459.86	-1.00%	Egyptian .CASE30	4325.77	-3.53%
	10 YEARS	3.006	CAC 40	3225.9	-0.26%	Dubai FM Gen Id .DFMGI	1802.77	-6.55%
	30 YEARS	3.569	DAX	4756.4	1.02%	Morocco SI MSI	5942.43	-1.34%
			FTSE	4286.93	-1.01%	Bahrain .BAX	1861.25	-2.99%
			Euronext 100	544.94	-0.33%			

Tracker	Underlying	Last Price	% Change
FXI	China	30.55	0.23
EWG	Germany	18.05	-2.96
EWJ	Japan	9.14	-0.44
EWY	Korea	29.05	2.18
EWT	Taiwan	8.28	0.98
EWZ	Brazil	36.39	1.22
IIF	India	12.72	-1.55
RNE	Eastern Europe	8.49	-3.52
TKF	Turkey	6.16	-2.69
GLD	Gold	82.63	-1.48
USO	Oil	33.06	1.01

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	7.00%
3 Months	6.75%
6 Months	6.50%
1 Year	6.50%
*Benchmark amount 100-300 Millions	

Commodities	Price	% Change
Gold / Oz	836.40	-2.70%
Silver / Oz	1081.90	-2.43%
Palladium / Oz	177.60	-0.25%
Platinum / Oz	851.30	-1.46%
Copper/ Lbs	130.50	2.80%
Aluminum / Lbs	0.70	1.82%
Coffee / Lbs	110.95	0.82%
Cocoa EUR / 100 Kg	2595.00	7.32%
Wheat / Tone	563.25	-1.44%
Soybean / Bsh	868.25	-0.14%
Wti / Bbl	43.01	16.88%
Brent	39.86	-1.68%

Libor USD	Rate
1 months	0.47
3 Months	1.50
6 Months	1.85
1 Year	2.09
<b>Libor EUR</b>	
1 months	2.80
3 Months	3.08
6 Months	3.16
1 Year	3.25

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1499.5	1515.5		
Euro	1.3988	1.3991	1.4046	1.3915
JPY	89.91	89.92	90.23	89.14
GBP	1.4906	1.4914	1.499	1.4888
CHF	1.0992	1.0998	1.1051	1.0963
CAD	1.2153	1.2159	1.2183	1.2058
AUD	0.6819	0.6824	0.6839	0.6802

Key Economic Calendar		
Data	Date	Forecast
<b>US</b>		
US National Activity Ind.	22-Dec-08	
<b>Euroland / Japan</b>		
T Import Prices	22-Dec-08	

**REGIONAL MARKETS**

Lebanon's BLOM stock index fell 0.59 percent to 1200.774 points. Solidere's A fell 0.23 percent to \$17.05 and its B share fell 0.17 percent to \$17.12. Byblos Bank S.A.L. common remains unchanged at 1.67 and its priority shares remain unchanged at 1.68.

Persian Gulf shares fell, led by real-estate companies, on concern declining crude prices will slow government spending in the oil-rich region. The Dubai

Financial Market General Index dropped 5.6 percent to 1,802.77, bringing the slump in 2008 to 70 percent. Abu Dhabi's gauge lost 3.7 percent, while the Kuwait Stock Exchange Index retreated 2.7 percent. The Oman's Muscat Securities Market 30 Index fell 2.3 percent, and the Bahrain All Share Index lost 2.1 percent. In Qatar, DSM 20 index rose 0.3 percent. Saudi Arabia's Tadawul All Share Index gained 1.6 percent.

**TOP FX NEWS**

The yen fell against the euro, extending this month's loss, as U.S. government aid to General Motors Corp. and Chrysler LLC gave investors confidence to boost holdings of higher-yielding assets funded in Japan. The Japanese currency also dropped versus the dollar after Bank of Japan Governor Masaaki Shirakawa expressed concern over the yen's gains following a record plunge in exports in November. The dollar weakened against the euro before data this week that may show U.S. consumer spending, home sales and durable goods orders declined. The yen dropped 1.3 percent to 125.82 per euro in Tokyo from 124.22 on Dec. 19, paring its gain this year to 29 percent. The currency declined to 89.79 against the dollar from 89.31 late last week. It reached 90.23, the lowest level since Dec. 16. The dollar weakened to \$1.4025 per euro from \$1.3912. It slid to an 11-week low of \$1.4719 on Dec. 18. Against the yen, Singapore's dollar climbed 0.8 percent to 61.82 and Taiwan's dollar advanced 0.2 percent to 2.752 from late in New York on Dec. 19. Japan's Nikkei 225 Stock Average gained 1.2 percent on optimism the \$13.4 billion in emergency government loans to GM and Chrysler will limit the fallout of a global recession.

USD/JPY

Res: 090.03/090.98/091.99

Sup: 088.41/087.13/086.22

EUR/USD

Res: 1.4048/1.4180/1.4322

Sup: 1.3911/1.3824/1.3738

GBP/USD

Res: 1.5039/1.5185/1.5245

Sup: 1.4882/1.4810/1.4678

GOLD

Res: 845.50/853.10/863.70

Sup: 830.50/822.00/815.00

**EUROLAND**

European stocks fell this past week, led by financial companies and commodity producers on concern corporate earnings may deteriorate further as the global economic slowdown deepens. BNP Paribas SA tumbled 31 percent after saying losses at its investment bank since October more than wiped out the division's profit this year. Royal Bank of Scotland Group Plc lost 23 percent after disclosing investments with Bernard Madoff, the investment adviser who was arrested in a potential \$50 billion fraud. BG Group Plc and Xstrata Plc both sank more than 3 percent as crude oil plunged below \$36 a barrel and metal prices fell. The Dow Jones Stoxx 600 Index retreated 0.9 percent this week to 196.43, bringing its decline this year to 46 percent 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. The Stoxx 600 dropped every day this week except Dec. 16. The U.S. Federal Reserve this week cut its benchmark interest rate to as low as zero for the first time and pledged to use "all available tools" to spur economic growth. President-elect Barack Obama may ask Congress to approve a stimulus plan of around \$850 billion. The European Central Bank also cut the rate it pays institutions to deposit money with it overnight in an effort to jolt banks into lending more to each other. National benchmark indexes rose in 10 out of 18 western European markets. Germany's DAX gained 0.7 percent as Daimler AG advanced 8.3 percent. The U.K.'s FTSE 100 increased 0.2 percent. France's CAC 40 added 0.4 percent. The Dow Jones Europe Stoxx Banks Index fell 6.5 percent in the week, the sharpest retreat among 19 industry

groups. BNP, France's largest bank, plunged 31 percent. The corporate and investment division had a 710 million-euro (\$981 million) pretax loss in the first 11 months of 2008, and may cut about 800 jobs, or 5 percent of the unit's staff. Separately, a Belgian court froze the lender's plans to buy Fortis assets and the bank said it has as much as 350 million euros at risk from investments with Madoff. Fortis, the insurer that was once Belgium's largest financial services company, rallied 22 percent in Brussels. HSBC Holdings Plc slipped 16 percent. CLSA Asia-Pacific Markets said Europe's largest bank may seek to raise about \$14 billion as increasing bad-loan provisions erode profits. HSBC also has \$1 billion at risk after providing financing to funds that invested with Madoff. Royal Bank of Scotland declined 23 percent as the U.K.'s second-largest bank said it may lose as much as 400 million pounds (\$601 million) on Madoff investments. HSBC and RBS were also among 12 U.S. and European financial firms whose ratings or outlooks were cut by Standard & Poor's, which cited increased risks for the whole banking industry. Basic-resources companies and oil and gas companies were the second and third-worst performers in the Stoxx 600 this week, losing 3.9 percent and 3.6 percent respectively. Crude oil fell 24 percent this week as a deepening global recession saps demand, countering efforts by OPEC to boost prices. BG Group, the third-biggest U.K. oil and gas producer, lost 3.4 percent. Galp Energia SGPS SA, Portugal's largest oil and gas company, tumbled 5.5 percent.

## US MARKETS

U.S. stocks posted the first back-to-back weekly gains in three months as the Federal Reserve reduced interest rates to a record low and President George W. Bush granted emergency loans to General Motors Corp. XL Capital Ltd. and Macy's Inc. surged more than 24 percent as the central bank cut the main U.S. rate to as low as zero and pledged to "employ all available tools" to end the yearlong recession. GM jumped 23 percent yesterday as Bush gave the automaker and Chrysler LLC up to \$17.4 billion and said the companies must restructure. The Standard & Poor's 500 Index rose 0.9 percent to 887.88. The measure, which has increased 18 percent since its 11-year low on Nov. 20, is still down 40 percent in 2008. The Dow Jones Industrial Average slipped 0.6 percent to 8,579.11 this week. The S&P 500 climbed 5.1 percent to a five-week high on Dec. 16 after the Fed said that it will target a federal funds rate of between zero and 0.25 percent, a reduction from 1 percent. The Fed may also increase asset purchases and lend against lower-quality debt should Treasury provide funding, a senior central bank official said. "Weak economic conditions are likely to warrant exceptionally low levels of the federal funds rate for some time," the Federal Open Market Committee said in a statement. The VIX, as the Chicago Board Options Exchange Volatility Index is known, tumbled 17 percent to 44.93, the lowest level since Oct. 1. The index gauges how much investors are paying for insurance against declines in the S&P 500. The S&P 500 Financials Index climbed 2.7 percent, the most in three weeks. XL Capital, the Bermuda-based insurer seeking a buyer, soared 49 percent to \$4, on

speculation that billionaire investor Warren Buffett was considering a bid for the company. Macy's increased 25 percent to \$10.62 after it negotiated a more flexible bank-credit agreement to remove doubts about its ability to pay off \$950 million in debt maturing next year. Goldman Sachs Group Inc. gained 19 percent to \$80.73. The New York bank reported a fourth-quarter loss of \$4.97 a share, smaller than analysts' most pessimistic estimates. Morgan Stanley increased 12 percent to \$15.45. The stock rose even after the company posted \$2.2 billion fourth-quarter loss, wider than analysts estimated, as investment-banking fees slid and the value of fixed-income securities declined. The rally spurred by the Fed's rate cut pushed the S&P 500 above its average level during the prior 50 days, a signal to some traders that the advance will continue. The index exceeded its so-called 50-day moving average for the first time since Sept. 3, breaking the longest stretch below since August 2002, according to data from Bespoke Investment Group LLC. GM, the biggest U.S. automaker, rallied 14 percent to \$4.49 for the week. Under the terms of the rescue plan, the government's debt would have priority over any other creditors. The automaker also must provide warrants for non-voting stock, accept limits on executive pay, and give the government access to financial records. Darden Restaurants Inc. surged 30 percent to \$28.55 for the biggest weekly gain since it began trading 13 years ago. The owner of the Olive Garden and Red Lobster chains reported second-quarter profit that exceeded analysts' estimates after cutting commodity and labor costs.

## EMERGING MARKETS

Brazilian stocks fell for a third day as an unexpected increase in unemployment added to concern that a slowing economy will sap demand for commodities. B2W Cia. Global do Varejo, the biggest Internet retailer, dropped the third-most in the Bovespa index after the jobless rate increased to 7.6 percent. Gerdau SA and Cia. Siderurgica Nacional SA led declines for steelmakers as metals prices slid. Petroleo Brasileiro SA slipped for a second day after oil plunged below \$35 a barrel. Uniao de Bancos Brasileiros SA and Banco Bradesco SA fell more than 3 percent after Goldman Sachs Group Inc. cut its earnings forecast for the industry. The Bovespa index fell 405.04, or 1 percent, to 39,131.23, for a weekly drop of 0.6 percent. The index is down 39 percent for the year. Mexico's Bolsa fell 0.6 percent, and Chile's Ipsa dropped 0.2 percent. Brasil Telecom Participacoes SA common shares gained 4 percent after the purchase by Telemar Norte Leste SA was approved. In other Latin American markets, Argentina's Merval dropped 1.8 percent, Peru's Lima General slumped 0.5 percent and Colombia's IGBC eased 0.1 percent.

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