

Financially Yours,

Your Daily Electronic Market Report

LEBANESE EUROBONDS

| USD | Coupon | Maturity | Bid | Offer | Bid Yield | Offer Yield | Duration | Mduration | Frq |
|------------------------|--------|------------|---------|---------|-----------|-------------|----------|-----------|-----|
| 7.5 Lebanon Mar 12 | 7.500 | 19/03/2012 | 102.625 | 103.625 | 3.783 | 2.418 | 0.71 | 0.70 | 2 |
| 9 1/8 Lebanon Mar 13 | 9.125 | 12/03/2013 | 108.750 | 109.750 | 3.773 | 3.200 | 1.59 | 1.56 | 2 |
| 9 Lebanon May 14 | 9.000 | 02/05/2014 | 113.000 | 113.750 | 4.107 | 3.847 | 2.56 | 2.51 | 2 |
| 5.875 Lebanon Jan 2015 | 5.875 | 15/01/2015 | 102.625 | 103.625 | 5.056 | 4.752 | 3.18 | 3.10 | 2 |
| 8.50 Lebanon Aug 15 | 8.500 | 06/08/2015 | 113.000 | 114.000 | 4.959 | 4.708 | 3.49 | 3.41 | 2 |
| 8 1/2 Lebanon Jan 16 | 8.500 | 19/01/2016 | 113.000 | 114.000 | 5.254 | 5.024 | 3.80 | 3.70 | 2 |
| 9 Lebanon Mar 17 | 9.000 | 20/03/2017 | 117.000 | 117.750 | 5.497 | 5.357 | 4.60 | 4.48 | 2 |
| 6.375 Lebanon Mar 20 | 6.375 | 09/03/2020 | 103.000 | 103.625 | 5.927 | 5.836 | 6.72 | 6.53 | 2 |
| 8 1/4 Lebanon Apr 21 | 8.250 | 12/04/2021 | 115.000 | 115.750 | 6.182 | 6.088 | 7.02 | 6.81 | 2 |
| 7 Lebanon Dec 2024 | 7.000 | 03/12/2024 | 102.500 | 103.500 | 6.714 | 6.602 | 8.95 | 8.66 | 2 |

EMERGING MARKETS - EUROBONDS

| USD | Coupon | Maturity | Bid | Offer | Mid Yield |
|-------------------|--------|------------|---------|---------|-----------|
| DAR AL-ARKAN INT | 10.750 | 18/02/2015 | 103.120 | 103.870 | 9.581 |
| REP OF SRI LANKA | 8.250 | 24/10/2012 | 106.500 | 107.500 | 2.814 |
| PETROLEOS MEXICA. | 6.000 | 05/03/2020 | 112.250 | 113.000 | 4.246 |
| TAQA ABU DHABI | 6.600 | 01/08/2013 | 108.125 | 108.625 | 2.466 |
| ADCB F. CAYMAN | 4.750 | 08/10/2014 | 104.750 | 105.500 | 3.092 |
| PET. VENEZUELA | 5.250 | 12/04/2017 | 60.000 | 61.000 | 15.944 |
| ORASCOM | 7.504 | 01/03/2022 | 100.000 | 100.125 | 7.491 |
| REP.VENEZUELA | 8.500 | 08/10/2014 | 89.000 | 90.000 | 12.489 |
| CELL C PTY LTD | 11.000 | 01/07/2015 | 101.510 | 103.490 | 10.224 |
| BANCO DO BRASIL | 4.500 | 22/01/2015 | 104.300 | 104.500 | 3.185 |
| DOLPHIN ENER.LTD | 5.888 | 15/06/2019 | 107.750 | 108.250 | 4.673 |

BEIRUT STOCK EXCHANGE as 22/06/2011

| Name | Price | \$Change | %Chg | P/E 06 | Div Yield |
|----------------------|-------|----------|--------|--------|-----------|
| Byblos bank | 1.71 | -0.04 | -2.29% | 5.90 | 0.06 |
| Byblos bank Prty | N/A | N/A | N/A | N/A | N/A |
| Byblos bank GDR | 90 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 08' | 100 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 09' | 100 | 0.00 | 0.00% | - | - |
| Audi (GDR) | 7.41 | 0.00 | 0.00% | 1.02 | 0.27 |
| Blom (GDR) | 8.8 | 0.00 | 0.00% | 0.75 | 0.41 |
| Solidere A | 17.72 | -0.16 | -0.89% | 16.00 | 0.06 |
| Solidere B | 17.7 | 0.00 | 0.00% | 15.98 | 0.06 |
| Holcim | 17.50 | 0.00 | 0.00% | 17.36 | 0.05 |
| Casino | 525 | 0.00 | - | - | - |

| Benchmark | Maturity | Yield |
|-------------|----------|-------|
| US TREASURY | 2 YEARS | 0.374 |
| | 5 YEARS | 1.532 |
| | 10 YEARS | 2.971 |
| | 30 YEARS | 4.198 |
| EUR BUND | 2 YEARS | 1.497 |
| | 5 YEARS | 2.160 |
| | 10 YEARS | 2.961 |
| | 30 YEARS | 3.692 |

| Equity Indices | Price | % Change |
|----------------|----------|----------|
| NASDAQ Comp | 2669.19 | -0.67% |
| NASDAQ 100 | 2235.10 | -0.70% |
| DJI | 12109.67 | -0.66% |
| S&P 500 | 1287.14 | -0.65% |
| Nikkei | 9629.43 | 1.79% |
| SMI | 6113.44 | -0.93% |
| CAC 40 | 3871.37 | -0.15% |
| DAX | 7278.19 | -0.10% |
| FTSE | 5772.99 | -0.04% |
| Euronext 100 | 688.28 | -0.30% |

| Arab Indices | Price | %Change |
|------------------------|----------|---------|
| BLOM Stock Index .BLSI | 1351.496 | -0.46% |
| SAUDI All Share .SASI | 6462.41 | 0.00% |
| Doha Stock Market .QSI | 8217.42 | 0.03% |
| Kuwait SE .KWSE | 6278.7 | 0.04% |
| Abu Dhabi SE .ADI | 2732.54 | 0.03% |
| Egyptian .CASE30 | 5473.91 | -1.00% |
| Dubai FM Gen Id .DFMGI | 1549.61 | -1.83% |
| Morocco CFG 25 | 6005.67 | -2.60% |
| Bahrain .BAX | 1338.22 | -3.81% |

| Tracker Underlying | Last Price | % Change |
|--------------------|------------|----------|
| FXI China | 41.11 | -1.89 |
| EWG Germany | 26.14 | -0.98 |
| EWJ Japan | 10.08 | -0.10 |
| EWY Korea | 62.44 | -0.48 |
| EWT Taiwan | 14.90 | -0.96 |
| EWZ Brazil | 70.75 | 0.14 |
| IIF India | 21.44 | -1.24 |
| RNE Eastern Europe | 18.41 | -0.22 |
| TKF Turkey | 15.35 | -1.92 |
| GLD Gold | 150.99 | 0.15 |
| USO Oil | 37.10 | 0.84 |

| Byblos Bank Deposits | Rates |
|------------------------------------|-------|
| USD* | |
| 1 months | 1.75% |
| 3 Months | 1.75% |
| 6 Months | 1.80% |
| 1 Year | 1.80% |
| *Benchmark amount 100-200 thds | |
| LBP* | |
| 1 months | 5.00% |
| 3 Months | 5.00% |
| 6 Months | 5.15% |
| 1 Year | 5.15% |
| *Benchmark amount 100-300 Millions | |

| Commodities | Price | %Change |
|--------------------|---------|---------|
| Gold / Oz | 1552.90 | 0.45% |
| Silver / Oz | 36.73 | 0.99% |
| Palladium / Oz | 777.75 | 0.00% |
| Platinum / Oz | 1786.80 | 0.00% |
| Copper/ Lbs | 409.00 | 0.01% |
| Aluminum / Lbs | 113.35 | 0.53% |
| Coffee / Lbs | 250.55 | -0.28% |
| Cocoa EUR / 100 Kg | 3068.00 | 0.52% |
| Wheat / Tone | 719.50 | -4.61% |
| Soybean / Bsh | 1330.25 | -1.37% |
| Wti / Bbl | 94.28 | 0.75% |
| Brent | 114.43 | 1.39% |

| Libor USD | Rate |
|-----------|------|
| 1 months | 0.19 |
| 3 Months | 0.25 |
| 6 Months | 0.39 |
| 1 Year | 0.73 |
| Libor EUR | Rate |
| 1 months | 1.27 |
| 3 Months | 1.47 |
| 6 Months | 1.73 |
| 1 Year | 2.12 |

| FX Rates | Bid | Ask | Hi | Lo |
|----------|--------|--------|--------|--------|
| USD / LL | 1511 | 1514 | | |
| Euro | 1.4304 | 1.431 | 1.4338 | 1.4283 |
| JPY | 80.45 | 80.46 | 80.64 | 80.27 |
| GBP | 1.6047 | 1.605 | 1.607 | 1.6016 |
| CHF | 0.8418 | 0.8421 | 0.8438 | 0.839 |
| CAD | 0.9729 | 0.9731 | 0.975 | 0.9724 |
| AUD | 1.0552 | 1.0557 | 1.0571 | 1.0528 |

| Key Economic Calendar | | |
|-----------------------|-----------|----------|
| Data | Date | Forecast |
| US | | |
| Initial Claims | 23-JUN-11 | 415K |
| New Home Sales | 23-JUN-11 | N/A |
| Euroland / Japan | | |
| EZ Markit Mfg PMI | 23-JUN-11 | 53.8 |

REGIONAL MARKET

Lebanon's BLOM stock index fell 0.46 percent to 1351.496 points. Solidere A fell 0.89 percent to \$17.72 and its Solidere B remained unchanged at \$17.70 Byblos Bank S.A.L. common fell 2.29 percent to 1.71.

Egypt cut its budget deficit goal for the next fiscal year after reducing spending in a revised budget,

decreasing the government's need to tap foreign lenders to finance its budget deficit, the Finance Ministry said. Societe Generale de Banque au Liban said its board approved a plan to buy certain assets and liabilities of Lebanese Canadian Bank.

TOP FX NEWS

The euro weakened against most of its major counterparts before European leaders begin a two-day summit in Brussels today to discuss Greece's financing needs as the nation struggles to stave off default. The single currency dropped for a second day against the dollar on prospects Greek Prime Minister George Papandreou will face difficulty in getting parliamentary approval next week for a package of budget cuts and asset sales. The dollar climbed against 13 of its 16 major peers after the Federal Reserve damped speculation of additional stimulus at a policy meeting yesterday. The Australian dollar declined as stocks fell. The euro dropped to \$1.4305 as of 1:21 p.m. in Tokyo from \$1.4357 in New York yesterday, when it declined 0.4 percent. The shared currency traded at 115.10 yen from 115.28 yen. The dollar gained to 80.46 yen from 80.29 yen. European finance chiefs will decide on July 3 whether Greece has met conditions for its next aid payment. Antonis Samaras, leader of the opposition in the Greek parliament, said his party will vote against the government's new austerity measures, contrary to European Union calls for unity, the Financial Times reported, citing an interview. The dollar advanced for a second day against the yen after the Fed refrained from debasing the currency further. Policy makers decided to keep the Fed's balance sheet at a record to spur the economy after completing \$600 billion of bond purchases this month in a second round of quantitative easing, or so-called QE2. They cut growth forecasts for this year and next and raised estimates for the unemployment rate.

USD/JPY

Res: 80.48/80.67/81.08

Sup: 79.70/79.57/79.25

EUR/USD

Res: 1.4385/1.4458/1.4498

Sup: 1.4291/1.4253/1.4191

GBP/USD

Res: 1.6273/1.6328//1.6368

Sup: 1.6200/1.6174/1.6109

GOLD

Res: 1553.9/1560.3/1575.0

Sup: 1533.4/1522.0/1511.4

EUROLAND

European stocks fell, retreating after the Stoxx Europe 600 Index's biggest gain in two months, as Royal Philips Electronics NV tumbled on deteriorating demand for lighting and consumer electronics. Philips plunged the most in more than two years after the world's biggest maker of patient-monitoring systems forecast "low single-digit" sales growth at its lighting business. Merck KGaA lost 2.8 percent after halting development of a multiple sclerosis pill. Man Group Plc climbed 4.9 percent as analysts recommended the world's largest publicly traded hedge fund manager. The benchmark Stoxx 600 slid 0.6 percent to 268.07 at the 4:30 p.m. close in London. The measure has tumbled 7.9 percent from this year's peak on Feb. 17 as U.S. economic data trailed forecasts, adding to concern that Greece will fail to repay all its debt. Bank of England officials voted 7-2 to keep interest rates on hold this month as some of the majority saw a risk that they will need further bond purchases to stoke the economy, according to minutes of the June 8-9 meeting published today. Greek Prime Minister George Papandreou won a vote of confidence from 155 out of 300 lawmakers over night. He still needs parliamentary approval next week for a 78 billion-euro (\$112 billion) package of budget cuts to stave off default. About 3,000 people, who were protesting outside Parliament, threw water bottles, cans and fruit at police when they learned of Papandreou's victory. European leaders will discuss Greece's needs at a two-day summit in Brussels starting tomorrow and finance chiefs will decide on July 3 whether Greece has met the conditions for its next aid payment. National benchmark indexes declined in 15 of the 18 western European markets. Germany's DAX Index lost 0.1 percent, while France's CAC 40 slid 0.2 percent. The U.K.'s FTSE 100 fell less than 0.1 percent. Sweden's OMX Stockholm 30 slid 1.7 percent as Electrolux AB retreated. Renault SA, which owns a 43 percent stake in Nissan Motor Co., rose 2.9 percent to 39.17 euros. Nissan, Japan's second-largest automaker, forecast that sales in the fiscal year ending March 2012 will be "significantly higher" than a year earlier, Chief Executive Officer Carlos Ghosn said in Tokyo. Merck KGaA lost 2.8 percent to 73 euros as the drugmaker said it will no longer seek approval for the experimental Cladribine medicine after regulators said it would have to start a new clinical trial program. Hennes & Mauritz AB dropped 2.3 percent to 209.80 kronor, its lowest price since March. The world's second-largest clothing retailer said the rising cost of making garments led to an 18 percent decline in second-quarter profit, missing analysts' estimates. Man Group climbed 4.9 percent to 241.8 pence, extending Tuesday's 4.1 percent increase. Remy Cointreau SA slipped 1.7 percent to 56.04 euros.

US MARKETS

U.S. stocks declined, halting a four-day rally, after the Federal Reserve lowered its forecast for economic growth and said it plans to finish its \$600 billion bond-purchase program this month as scheduled. Adobe Systems Inc., the world's largest maker of graphic-design software, retreated 6.3 percent after reporting lower-than-expected Europe sales. Sprint Nextel Corp. decreased 2.3 percent as Sanford C. Bernstein & Co. said the company faces risks from its strategy for fourth-generation phones. FedEx Corp., operator of the world's biggest cargo airline and considered a proxy for the economy, advanced 2.6 percent after forecasting earnings that may top analysts' projections. The Standard & Poor's 500 Index lost 0.7 percent to 1,287.14 at 4 p.m. in New York, after rallying 2.4 percent over the previous four days. The Dow Jones Industrial Average dropped 80.34 points, or 0.7 percent, to 12,109.67 yesterday. The S&P 500 has retreated 5.6 percent from this year's high at the end of April amid weaker-than-estimated economic data and concern about Europe's debt crisis. The benchmark gauge for American equities was still up 2.4 percent in 2011 on government stimulus measures and better-than-expected earnings. Fed officials lowered their forecasts for growth and employment this year and next, projecting the economy will expand 2.7 percent to 2.9 percent this year, down from forecasts ranging from 3.1 percent to 3.3 percent in April. U.S. central bankers said inflation, excluding food and energy, will be somewhat higher than previously forecast. They said the pace of recovery is likely to "pick up over coming quarters." The S&P 500 surged 23 percent since Fed Chairman Ben S. Bernanke's Aug. 27 speech in Jackson Hole, Wyoming, where he foreshadowed the second round of bond purchases, known as quantitative easing or QE, to boost the economy. Adobe fell 6.3 percent to \$30.01. The San Jose, California-based company dealt with uneven overseas sales in the second quarter while

readying a new version of its flagship Creative Suite software. Europe was weaker than anticipated primarily because customers in Scandinavia and the U.K. held back purchases, Chief Financial Officer Mark Garrett said on a conference call yesterday. FedEx climbed 2.6 percent to \$91.44. The company is benefiting from a pickup in worldwide shipping and higher pricing. The express unit's overall revenue per package, or yield, added 10 percent to \$22.69 in the quarter through May, FedEx said. Sprint Nextel declined 2.3 percent to \$5.12. Investors are optimistic about a turnaround, according to Craig Moffett, an analyst at Sanford C. Bernstein. "We remain concerned that the stock does not fully discount the financing risks associated with building a 4G network, and that subscriber forecasts remain overly optimistic given deterioration in overall post-paid market trends," he wrote in a report today. CarMax Inc. gained 7 percent, the most in the S&P 500, to \$32.66. The largest U.S. seller of used cars sold more vehicles at higher prices in its first fiscal quarter. U.S. corporate profit margins are so high that a return to normal will cut about 3 percentage points a year from any future stock-market gains, according to Pierre Lapointe, a strategist at Brockhouse & Cooper Inc. Margins in the first quarter were 11.3 percent overall and 13 percent in the non-financial category, based on Commerce Department data. These were the highest readings since 2007, before the latest recession started. Both were about two points higher than the average since the 1970s. Bed Bath & Beyond Inc. jumped 2 percent to \$55.12. The home furnishings retailer said profit will rise 15 percent to 20 percent in the year ending February 2012, increasing its estimate from a range of 10 percent to 15 percent. Red Hat Inc. climbed 3.8 percent to \$45.40. The largest seller of the Linux operating system said revenue for fiscal year 2012 will be as much as \$1.09 billion. Analysts had estimated \$1.07 billion, according to the average forecast.

EMERGING-MARKETS

China stocks rose for a third day as drugmakers and consumer staples producers advanced on speculation their earnings will weather an economic slowdown. The Shanghai Composite Index, which tracks the bigger of China's stock exchanges, added 6.38 points, or 0.2 percent, to 2,655.70 at the 11:30 a.m. break, heading for its highest close since June 16. The CSI 300 Index gained 0.4 percent to 2,920.75. The Shanghai index has lost 5.4 percent this year, pushing down the estimated price-earnings ratio to 12.3 times, near the record low at 11.7 set in January 2006.

ALAIN WANNA | D.G.M Financial Markets Division

CAPITAL MARKETS | Ziad Moubarak

Fixed Income

Elie Ghanem

Rhea Sawaya

Grace Bcherrawi

Equity Desk

Yves Rahme

Haytham Mroue

Maguy Viltaki

Hana Kara

Youssef Abi Saab

Tarek Bassil

PRIVATE BANKING | Joe Nader

Marguerite Bazerli

Rabih Sfeir

Zeina Anka

For further information please contact Byblos Bank's **Capital Markets and Private Banking** on: **+961 1 335240/6/9**
Please visit our website at: www.byblosbank.com