

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 | 103.000 | 104.000 | 2.663 | 1.113 | 0.61 | 0.61 | 2 |
| 9 1/8 Lebanon Mar 13 | 9.125 | 12/03/2013 | 108.750 | 109.750 | 3.488 | 2.884 | 1.49 | 1.47 | 2 |
| 9 Lebanon May 14 | 9.000 | 02/05/2014 | 113.250 | 114.000 | 3.870 | 3.603 | 2.47 | 2.42 | 2 |
| 5.875 Lebanon Jan 2015 | 5.875 | 15/01/2015 | 103.750 | 104.750 | 4.685 | 4.377 | 3.17 | 3.10 | 2 |
| 8.50 Lebanon Aug 15 | 8.500 | 06/08/2015 | 114.250 | 115.250 | 4.571 | 4.318 | 3.40 | 3.33 | 2 |
| 8 1/2 Lebanon Jan 16 | 8.500 | 19/01/2016 | 114.500 | 115.500 | 4.848 | 4.617 | 3.85 | 3.76 | 2 |
| 9 Lebanon Mar 17 | 9.000 | 20/03/2017 | 118.000 | 119.000 | 5.264 | 5.077 | 4.52 | 4.40 | 2 |
| 6.375 Lebanon Mar 20 | 6.375 | 09/03/2020 | 104.000 | 105.000 | 5.777 | 5.633 | 6.64 | 6.46 | 2 |
| 8 1/4 Lebanon Apr 21 | 8.250 | 12/04/2021 | 116.500 | 117.500 | 5.981 | 5.857 | 6.95 | 6.75 | 2 |
| 7 Lebanon Dec 2024 | 7.000 | 03/12/2024 | 104.000 | 105.000 | 6.544 | 6.434 | 8.89 | 8.61 | 2 |

EMERGING MARKETS - EUROBONDS

| USD | Coupon | Maturity | Bid | Offer | Mid Yield |
|-------------------|--------|------------|---------|---------|-----------|
| DAR AL-ARKAN INT | 10.750 | 18/02/2015 | 100.000 | 101.000 | 10.573 |
| REP OF SRI LANKA | 8.250 | 24/10/2012 | 106.250 | 106.750 | 2.820 |
| PETROLEOS MEXICA. | 6.000 | 05/03/2020 | 112.250 | 113.000 | 4.231 |
| TAQA ABU DHABI | 6.600 | 01/08/2013 | 108.875 | 109.375 | 1.921 |
| ADCB F. CAYMAN | 4.750 | 08/10/2014 | 105.875 | 106.375 | 2.727 |
| PET. VENEZUELA | 5.250 | 12/04/2017 | 64.000 | 65.000 | 14.649 |
| ORASCOM | 7.504 | 01/03/2022 | 100.000 | 100.250 | 7.481 |
| REP.VENEZUELA | 8.500 | 08/10/2014 | 92.750 | 93.500 | 11.113 |
| CELL C PTY LTD | 11.000 | 01/07/2015 | 101.010 | 103.490 | 10.281 |
| BANCO DO BRASIL | 4.500 | 22/01/2015 | 104.800 | 105.200 | 2.973 |
| DOLPHIN ENER.LTD | 5.888 | 15/06/2019 | 108.375 | 108.750 | 4.579 |

BEIRUT STOCK EXCHANGE as 27/07/2011

| Name | Price | \$Change | %Chg | P/E 06 | Div Yield |
|----------------------|-------|----------|--------|--------|-----------|
| Byblos bank | 1.67 | 0.00 | 0.00% | 5.76 | 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' | 100.1 | 0.00 | 0.00% | - | - |
| Byblos bank Pref 09' | 100 | 0.00 | 0.00% | - | - |
| Audi (GDR) | 7.29 | 0.00 | 0.00% | 1.00 | 0.27 |
| Blom (GDR) | 8.68 | 0.00 | 0.00% | 0.74 | 0.42 |
| Solidere A | 17.32 | -0.20 | -1.14% | 15.64 | 0.06 |
| Solidere B | 17.51 | -0.02 | -0.40% | 15.81 | 0.06 |
| Holcim | 15.75 | 0.00 | 0.00% | 17.36 | 0.05 |
| Casino | 540 | 0.00 | - | - | - |

| Benchmark | Maturity | Yield |
|-------------|----------|-------|
| US TREASURY | 2 YEARS | 0.430 |
| | 5 YEARS | 1.544 |
| | 10 YEARS | 2.969 |
| | 30 YEARS | 4.281 |
| EUR BUND | 2 YEARS | 1.241 |
| | 5 YEARS | 1.817 |
| | 10 YEARS | 2.635 |
| | 30 YEARS | 3.366 |

| Equity Indices | Price | % Change |
|----------------|----------|----------|
| NASDAQ Comp | 2764.79 | -2.65% |
| NASDAQ 100 | 2367.15 | -2.50% |
| DJI | 12302.55 | -2.30% |
| S&P 500 | 1304.89 | -2.43% |
| Nikkei | 10047.19 | -0.03% |
| SMI | 5904.47 | -1.88% |
| CAC 40 | 3734.07 | -2.07% |
| DAX | 7252.68 | -1.25% |
| FTSE | 5856.58 | -1.23% |
| Euronext 100 | 676.24 | -1.72% |

| Arab Indices | Price | %Change |
|------------------------|----------|---------|
| BLOM Stock Index .BLSI | 1333.838 | -0.18% |
| SAUDI All Share .SASI | 6476.59 | 0.07% |
| Doha Stock Market .QSI | 8374.78 | -0.30% |
| Kuwait SE .KWSE | 6065 | -0.25% |
| Abu Dhabi SE .ADI | 2641.41 | -0.82% |
| Egyptian .CASE30 | 5049.05 | -1.08% |
| Dubai FM Gen Id .DFMGI | 1507.48 | -0.21% |
| Morocco CFG 25 | 5924.83 | -3.91% |
| Bahrain .BAX | 1304.99 | -6.20% |

| Tracker Underlying | Last Price | % Change |
|--------------------|------------|----------|
| FXI China | 42.06 | -1.41 |
| EWG Germany | 25.97 | -2.99 |
| EWJ Japan | 10.68 | -1.66 |
| EWY Korea | 65.72 | -1.25 |
| EWT Taiwan | 15.31 | -0.78 |
| EWZ Brazil | 70.18 | -2.19 |
| IIF India | 21.51 | -2.00 |
| RNE Eastern Europe | 18.56 | -1.16 |
| TKF Turkey | 14.76 | 0.31 |
| GLD Gold | 157.19 | -0.37 |
| USO Oil | 37.97 | -2.16 |

| 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 | 1615.10 | 0.19% |
| Silver / Oz | 40.55 | 0.49% |
| Palladium / Oz | 777.75 | 0.00% |
| Platinum / Oz | 1786.80 | 0.00% |
| Copper/ Lbs | 444.25 | 0.93% |
| Aluminum / Lbs | 115.55 | 1.40% |
| Coffee / Lbs | 245.55 | -0.08% |
| Cocoa EUR / 100 Kg | 3073.00 | -0.65% |
| Wheat / Tone | 745.25 | 2.23% |
| Soybean / Bsh | 1375.75 | 0.75% |
| Wti / Bbl | 97.18 | -2.29% |
| Brent | 118.83 | -0.24% |

| Libor USD | Rate |
|-----------|------|
| 1 months | 0.19 |
| 3 Months | 0.25 |
| 6 Months | 0.43 |
| 1 Year | 0.76 |
| Libor EUR | |
| 1 months | 1.39 |
| 3 Months | 1.56 |
| 6 Months | 1.81 |
| 1 Year | 2.18 |

| FX Rates | Bid | Ask | Hi | Lo |
|----------|--------|--------|--------|--------|
| USD / LL | 1511 | 1514 | | |
| Euro | 1.4343 | 1.4345 | 1.4378 | 1.4329 |
| JPY | 77.78 | 77.82 | 78.02 | 77.71 |
| GBP | 1.6321 | 1.6322 | 1.6343 | 1.6312 |
| CHF | 0.8015 | 0.8019 | 0.8023 | 0.8004 |
| CAD | 0.9496 | 0.9498 | 0.9502 | 0.9481 |
| AUD | 1.1026 | 1.1035 | 1.1058 | 1.1006 |

| Key Economic Calendar | | |
|-----------------------|-----------|----------|
| Data | Date | Forecast |
| US | | |
| Initial Claims | 28-JUL-11 | 415K |
| Pending home index | 28-JUL-11 | N/A |
| Euroland / Japan | | |
| EZ Eco Sentiment | 28-JUL-11 | 104.0 |

REGIONAL MARKET

Lebanon's BLOM stock index fell 0.18 percent to 1333.184 points. Solidere A fell 1.14 percent to \$17.32 and its Solidere B fell 0.40 percent to \$17.51 Byblos Bank S.A.L. remained unchanged at 1.67.

Moody's Investors Service downgraded to Aa3.lb from Aa2.lb Banque Bemo's long-term national-scale rating (NSR). The outlook on the rating is negative. Bemo's

LB-1 short-term NSR was not affected by this action. Earlier, Moody's changed the outlook on Audi Bank, BLOM, Byblos Bank and Bank of Beirut from stable to negative, citing the political deadlock in Lebanon, economic slowdown and the mounting tension in Syria among the reasons behind the change of outlook.

TOP FX NEWS

The yen gained against most of its major counterparts as concern that the U.S. and Europe will struggle to contain their debt burdens spurred demand for Japan's currency as a refuge. The euro held yesterday's slide against the dollar after Standard & Poor's said Greece will partially default once European officials push through a second bailout plan for the nation. The dollar was 0.2 percent from a record low against the Swiss franc as U.S. lawmakers remained at odds on how to raise the country's debt limit and before data today that may show pending home sales dropped in June. Malaysia's ringgit slid as a decline in shares curbed demand for riskier assets. Japan's currency rose to 111.74 per euro as of 7:03 a.m. in London from 112.04 in New York yesterday, when it climbed 0.9 percent. The yen gained to 77.78 per dollar from 77.98. Yesterday it advanced to 77.57 against the greenback, the strongest since it hit a postwar high on March 17. The euro was at \$1.4366 from \$1.4369 yesterday, when it sank 1 percent. The dollar traded at 80.10 Swiss centimes from 80.17, after touching a record 79.96 yesterday. The euro fetched 1.15044 Swiss francs, compared with the all-time low of 1.13737 reached July 18. The 17-nation euro weakened for a second day against the yen after S&P lowered Greece to CC. The nation will partially default once European officials push through a plan that will see bondholders pay for part of a second bailout agreed to last week, the ratings company said.

USD/JPY

Res: 79.32/79.60/80.11
Sup: 78.45/78.26/77.72

EUR/USD

Res: 1.4380/1.43899/1.4420
Sup: 1.4290/1.4305/1.4320

GBP/USD

Res: 1.6212/1.6263/1.6304
Sup: 1.6114/1.6069/1.6005

GOLD

Res: 1600.4/1620.9/1627.0
Sup: 1576.4/1564.0/1556.4

EUROLAND

European stocks fell for a third day as earnings from Clariant AG to Merck KGaA missed estimates and U.S. politicians wrangled over the nation's debt limit. Clariant, a Swiss chemical maker, plunged the most in eight years. Merck, Germany's second-biggest drugmaker, dropped 4.8 percent as it reported an unexpected loss. PSA Peugeot Citroen tumbled 7.6 percent after saying its automotive division may post a second-half loss. Banco Santander SA led financial shares lower after Spain's biggest bank said profit declined as Spanish loan provisions surged. The Stoxx Europe 600 Index slid 1.1 percent to 267.05 at the close in London. The gauge has retreated 8.3 percent from this year's high in February amid concern that Europe's fiscal crisis will derail the economic recovery and speculation that U.S. lawmakers will fail to agree on increasing the nation's debt ceiling by next week's deadline. Moody's Investors Service, Standard & Poor's and Fitch Ratings have said they may cut the U.S.'s top-level sovereign rating if officials fail to resolve the stalemate on the \$14.3 trillion borrowing ceiling. The government needs to boost the cap by Aug. 2 so it can keep paying its bills, according to the Treasury Department. National benchmark indexes fell in all 18 western European markets. The U.K.'s FTSE 100 slid 1.2 percent, Germany's DAX lost 1.3 percent and France's CAC declined 1.4 percent. Clariant plunged 14 percent to 13.19 Swiss francs, the largest drop since February 2003. Second-quarter earnings before interest, taxes, depreciation and amortization declined to 241 million francs (\$301 million) from 264 million francs, the Muttenz, Switzerland-based company said. JPMorgan Chase & Co. analysts had predicted 293 million francs. Merck unexpectedly reported a second-quarter loss and cut its forecast for full-year operating profit. The Darmstadt, Germany-based company had a loss of 84 million euros (\$122 million) in the quarter, compared with net income of 187 million euros a year earlier, and said operating profit will be about 1 billion euros this year due to one-time adjustments. The stock sank 4.8 percent to 73.76 euros. Peugeot lost 7.6 percent to 27.26 euros after Europe's second-largest carmaker abandoned a goal of increasing second-half earnings at the automotive division. Bank stocks posted the biggest decline among 19 industry groups on the Stoxx 600. Santander retreated 3.2 percent to 7.34 euros as second-quarter profit dropped 38 percent after Spanish loan provisions surged and it set aside funds for customers mis-sold personal-loan insurance in the U.K. UniCredit SpA, Italy's largest bank, fell 4.3 percent to 1.22 euros and Intesa Sanpaolo SpA lost 5.1 percent to 1.57 euros. Lloyds Banking Group Plc slid 4.3 percent to 42.24 pence.

US MARKETS

U.S. stocks fell, dragging the Standard & Poor's 500 Index down the most in almost two months, as lawmakers indicated they were no closer to reaching a compromise on the federal debt limit. Technology and industrial stocks led declines among 10 S&P 500 groups. Caterpillar Inc. and General Electric Co. decreased more than 2.4 percent after a government report showed orders for durable goods unexpectedly decreased. Corning Inc. dropped 7.2 percent after reducing its forecast for glass demand amid lower television-sales projections. Amazon.com Inc. rallied 3.9 percent after its Kindle e-reader and digital-media services helped second-quarter results beat analysts' estimates. The S&P 500 slipped 2 percent, its biggest decline since June 1, to 1,304.89 at 4 p.m. in New York. The Dow Jones Industrial Average retreated 198.75 points, or 1.6 percent, to 12,302.55. Treasury yields, which dropped yesterday on speculation lawmakers would reach an accord on the nation's debt ceiling, rose today as the political stalemate continued. The S&P 500 has fallen 3 percent this week, its biggest three-day decline since June 3, as Republicans and Democrats sparred over separate plans to raise the federal debt limit and avoid a default by Aug. 2. S&P, Moody's Investors Service and Fitch Ratings have said they may downgrade the U.S.'s top AAA rating if lawmakers fail to resolve the stalemate. Stocks rallied 2.2 percent last week as corporate profits topped analysts' estimates. Rates on six-month Treasury bills due Aug. 4 climbed 10 basis points to 0.15 percent, the highest since February, according to Bloomberg Bond Trader data, a signal investors are growing more concerned that lawmakers will fail to reach an agreement on the nation's debt. The bills are the first government debt securities to mature after the deadline to increase the \$14.3 trillion borrowing limit passes on Aug. 2. Benchmark Treasury 10-year note yields increased two basis points to 2.98 percent. Stock futures retreated earlier as the U.S. Commerce Department said bookings for goods meant to last at least three years fell 2.1

percent in June after a 1.9 percent gain the prior month that was smaller than last reported. The median forecast of 76 economists surveyed by Bloomberg News projected a 0.3 percent increase. Stocks lost further ground in the afternoon after the Federal Reserve said the U.S. economy grew at a slower pace in more parts of the country since the beginning of June as shoppers restrained spending and factory production eased. Boeing Co. rose the most in the Dow, adding 0.7 percent to \$70.63, as the airplane maker lifted its forecast for full-year earnings. Net income rose 20 percent to \$941 million, or \$1.25 a share, buoyed by higher commercial sales. The average estimate of 22 analysts surveyed by Bloomberg was for 97 cents. Full-year profit will be \$3.90 to \$4.10 a share, Boeing said, a jump of 10 cents at each end of its previous range. Technology companies lost 3 percent, the most among 10 groups in the S&P 500 today. Corning slumped 7.2 percent to \$16.04. The maker of glass for flat-panel televisions lowered its outlook for the global glass market and slashed its full-year sales forecast for its Gorilla Glass by 20 percent to \$800 million. Juniper Networks Inc. plunged 21 percent to \$24.66. The second-largest maker of Internet networking equipment posted second-quarter profit excluding certain costs of 31 cents a share. Analysts on average projected profit of 33 cents a share, according to data compiled by Bloomberg. Cisco Systems Inc., the largest maker of networking equipment, declined 3.7 percent to \$15.69. Amazon.com gained 3.9 percent to \$222.52. The world's largest online retailer reported second-quarter net income of \$191 million, or 41 cents a share, topping the 34-cent average analyst estimate. Net sales rose to \$9.91 billion, compared with the average prediction for \$9.38 billion. Dunkin' Brands Group Inc. surged 47 percent to \$27.85 on the first day of trading. The operator of Dunkin' Donuts coffee shops sold 22.3 million shares at \$19 each in an initial public offering.

EMERGING-MARKETS

China's stocks fell for the first time in three days as a drop in American durable-goods orders and a stalemate over the U.S. debt limit boosted concerns global economic growth will falter. Industrial & Commercial Bank of China Ltd., the nation's largest bank, sank to a five-month low after regulators reiterated controls on loans to local financing vehicles..

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