

# 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 | 104.500 | 105.500 | 3.685     | 2.872       | 1.17     | 1.15      | 2   |
| 9 1/8 Lebanon Mar 13   | 9.125  | 12/03/2013 | 110.500 | 111.500 | 4.081     | 3.634       | 2.00     | 1.97      | 2   |
| 9 Lebanon May 14       | 9.000  | 02/05/2014 | 114.625 | 115.625 | 4.252     | 3.955       | 2.95     | 2.89      | 2   |
| 5.875 Lebanon Jan 2015 | 5.875  | 15/01/2015 | 103.875 | 104.875 | 4.808     | 4.540       | 3.57     | 3.49      | 2   |
| 8.50 Lebanon Aug 15    | 8.500  | 06/08/2015 | 114.875 | 115.875 | 4.851     | 4.627       | 3.85     | 3.76      | 2   |
| 8 1/2 Lebanon Jan 16   | 8.500  | 19/01/2016 | 114.875 | 115.875 | 5.120     | 4.913       | 4.14     | 4.04      | 2   |
| 9 Lebanon Mar 17       | 9.000  | 20/03/2017 | 119.500 | 120.500 | 5.280     | 5.110       | 4.93     | 4.80      | 2   |
| 6.375 Lebanon Mar 20   | 6.375  | 09/03/2020 | 103.375 | 104.375 | 5.893     | 5.754       | 7.01     | 6.81      | 2   |
| 8 1/4 Lebanon Apr 21   | 8.250  | 12/04/2021 | 115.125 | 116.125 | 6.234     | 6.113       | 7.26     | 7.04      | 2   |
| 7 Lebanon Dec 2024     | 7.000  | 03/12/2024 | 102.500 | 103.500 | 6.720     | 6.611       | 9.15     | 8.85      | 2   |

## EMERGING MARKETS - EUROBONDS

| USD               | Coupon | Maturity   | Bid     | Offer   | Mid Yield |
|-------------------|--------|------------|---------|---------|-----------|
| DAR AL-ARKAN INT  | 10.750 | 18/02/2015 | 98.591  | 99.398  | 11.051    |
| REP OF SRI LANKA  | 8.250  | 24/10/2012 | 107.400 | 108.750 | 3.613     |
| PETROLEOS MEXICA. | 6.000  | 05/03/2020 | 111.250 | 111.250 | 4.490     |
| TAQA ABU DHABI    | 6.600  | 01/08/2013 | 107.758 | 108.258 | 3.340     |
| ADCB F. CAYMAN    | 4.750  | 08/10/2014 | 100.921 | 101.421 | 4.408     |
| PET. VENEZUELA    | 5.250  | 12/04/2017 | 56.664  | 57.064  | 16.540    |
| ORASCOM           | 7.875  | 08/02/2014 | 95.250  | 95.250  | 9.676     |
| REP.VENEZUELA     | 8.500  | 08/10/2014 | 85.000  | 85.750  | 13.569    |
| CELL C PTY LTD    | 11.000 | 01/07/2015 | 104.000 | 105.000 | 9.741     |
| BANCO DO BRASIL   | 4.500  | 22/01/2015 | 104.011 | 104.511 | 3.368     |
| DOLPHIN ENER.LTD  | 5.888  | 15/06/2019 | 107.750 | 107.750 | 4.764     |

## BEIRUT STOCK EXCHANGE as 27/12/2010

| Name                 | Price | \$Change | %Chg   | P/E 06 | Div Yield |
|----------------------|-------|----------|--------|--------|-----------|
| Byblos bank          | 1.78  | 0.00     | 0.00%  | 6.14   | 0.06      |
| Byblos bank Prty     | 1.78  | 0.00     | 0.00%  | 6.14   | 0.07      |
| Byblos bank GDR      | 88    | 0.00     | 0.00%  | -      | -         |
| Byblos bank Pref 08' | 102.5 | 0.00     | 0.00%  | -      | -         |
| Byblos bank Pref 09' | 102   | 0.00     | 0.00%  | -      | -         |
| Audi (GDR)           | 8.8   | -0.01    | -0.11% | 1.21   | 0.23      |
| Blom (GDR)           | 10.3  | 0.02     | 0.19%  | 0.88   | 0.35      |
| Solidere A           | 18.79 | 0.14     | 0.75%  | 16.97  | 0.05      |
| Solidere B           | 18.57 | -0.01    | -0.01% | 16.77  | 0.05      |
| Holcim               | 17.45 | 0.00     | 0.00%  | 17.00  | 0.05      |
| Casino               | 490   | 0.00     | -      | -      | -         |

| Benchmark   | Maturity | Yield |
|-------------|----------|-------|
| US TREASURY | 2 YEARS  | 0.700 |
|             | 5 YEARS  | 2.044 |
|             | 10 YEARS | 3.337 |
|             | 30 YEARS | 4.414 |
| EUR BUND    | 2 YEARS  | 0.947 |
|             | 5 YEARS  | 1.932 |
|             | 10 YEARS | 3.015 |
|             | 30 YEARS | 3.478 |

| Equity Indices | Price    | % Change |
|----------------|----------|----------|
| NASDAQ Comp    | 2667.27  | 0.06%    |
| NASDAQ 100     | 2229.86  | -0.02%   |
| DJI            | 11555.03 | -0.16%   |
| S&P 500        | 1257.54  | 0.06%    |
| Nikkei         | 10355.99 | 0.75%    |
| SMI            | 6568.21  | -0.47%   |
| CAC 40         | 3862.19  | -0.98%   |
| DAX            | 6970.73  | -1.23%   |
| FTSE           | 6008.92  | 0.21%    |
| Euronext 100   | 699.88   | -0.82%   |

| Arab Indices           | Price    | %Change |
|------------------------|----------|---------|
| BLOM Stock Index .BLSI | 1460.814 | -0.05%  |
| SAUDI All Share .SASI  | 6581.74  | -0.45%  |
| Doha Stock Market .QSI | 8720.61  | -0.19%  |
| Kuwait SE .KWSE        | 6918.5   | 0.18%   |
| Abu Dhabi SE .ADI      | 2693.89  | -0.38%  |
| Egyptian .CASE30       | 6968.12  | 0.57%   |
| Dubai FM Gen Id .DFMGI | 1603.42  | -0.99%  |
| Morocco CFG 25         | 6718.81  | 8.97%   |
| Bahrain .BAX           | 1426.34  | 2.52%   |

| Tracker Underlying | Last Price | % Change |
|--------------------|------------|----------|
| FXI China          | 42.55      | -0.12    |
| EWG Germany        | 23.85      | -0.79    |
| EWJ Japan          | 10.78      | 0.28     |
| EWY Korea          | 58.44      | -0.46    |
| EWT Taiwan         | 15.18      | 0.93     |
| EWZ Brazil         | 74.04      | -0.62    |
| IIF India          | 25.65      | -0.19    |
| RNE Eastern Europe | 18.92      | -0.80    |
| TKF Turkey         | 16.44      | -0.48    |
| GLD Gold           | 135.02     | 0.27     |
| USO Oil            | 38.71      | -0.69    |

| 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          | 1382.40 | 0.17%   |
| Silver / Oz        | 29.23   | -0.26%  |
| Palladium / Oz     | 767.20  | 1.19%   |
| Platinum / Oz      | 1735.50 | 0.72%   |
| Copper/ Lbs        | 427.50  | 0.54%   |
| Aluminum / Lbs     | 109.75  | 1.11%   |
| Coffee / Lbs       | 226.20  | 2.26%   |
| Cocoa EUR / 100 Kg | 3083.00 | 1.72%   |
| Wheat / Tone       | 846.00  | -0.59%  |
| Soybean / Bsh      | 1373.00 | 1.74%   |
| Wti / Bbl          | 91.12   | -0.39%  |
| Brent              | 94.06   | 0.06%   |

| Libor USD | Rate |
|-----------|------|
| 1 months  | 0.26 |
| 3 Months  | 0.30 |
| 6 Months  | 0.46 |
| 1 Year    | 0.78 |
| Libor EUR | Rate |
| 1 months  | 0.72 |
| 3 Months  | 0.94 |
| 6 Months  | 1.19 |
| 1 Year    | 1.48 |

| FX Rates | Bid    | Ask    | Hi     | Lo     |
|----------|--------|--------|--------|--------|
| USD / LL | 1498   | 1503   |        |        |
| Euro     | 1.324  | 1.3242 | 1.3254 | 1.316  |
| JPY      | 82.5   | 82.52  | 82.84  | 82.49  |
| GBP      | 1.548  | 1.5483 | 1.5487 | 1.5417 |
| CHF      | 0.9549 | 0.9553 | 0.9605 | 0.9537 |
| CAD      | 1.0046 | 1.005  | 1.0071 | 1.0043 |
| AUD      | 1.0083 | 1.0086 | 1.0089 | 1.004  |

| Key Economic Calendar |           |          |
|-----------------------|-----------|----------|
| Data                  | Date      | Forecast |
| US                    |           |          |
| ICSC Chain Stores     | 28-DEC-10 | N/A      |
| Consumer confidence   | 28-DEC-10 | 56.0     |
| Euroland / Japan      |           |          |
| FR GDP detailed       | 28-DEC-10 | N/A      |

## REGIONAL MARKET

Lebanon's BLOM stock index fell 0.05 percent to 1460.814 points. Solidere A rose 0.75 percent to \$18.79 and its B fell 0.01 percent to \$18.57. Byblos Bank S.A.L. common remained unchanged at 1.78 and its priority share remain unchanged at 1.78.

Iraq's oil production exceeded 2.6 million barrels a day for the first time in 20 years, newly appointed Oil Minister Abdul Kareem al-Luaibi said at a press

conference in Baghdad. The rising output will boost Iraq's oil exports by 5 percent to 2 million barrels a day next month, Falah al-Amri, head of the country's State Oil Marketing Organization, said today in an interview in Baghdad. The nation sells about 60 percent of supplies to India, China and other Asian countries where demand is increasing.

## TOP FX NEWS

The Fed reiterated this month its commitment to keep borrowing costs low for an "extended period," holding the target rate for overnight lending between banks at zero to 0.25 percent, where it has been since December 2008. The Dollar Index, which tracks the greenback against the currencies of six major U.S. trading partners, fell for a fourth day and reached 79.839, the lowest level since Dec. 17. The U.S. currency dropped 0.6 percent to \$1.3240 per euro at 1:25 p.m. in Tokyo from \$1.3165 in New York yesterday, after earlier touching \$1.3255, the lowest since Dec. 17. The dollar is poised for its sharpest daily decline since Dec. 13. The greenback fell to 82.51 yen from 82.81 yen. The S&P/Case-Shiller gauge of residential real-estate values declined 0.6 percent in October from the prior month, when it fell 0.8 percent, economists said before today's data. The gauge lost 0.2 percent from a year earlier, the survey showed, and the index was down 29 percent in September from its July 2006 peak. The dollar fell by the most in two weeks against the euro on concern a U.S. report today will show home prices declined, backing the case for the Federal Reserve to keep interest rates near zero. The dollar weakened versus 15 of 16 major counterparts as economists surveyed by Bloomberg News said the S&P/Case-Shiller Index of property values will show its first decline since January. Australia's dollar rose to a six-week high on speculation China will succeed in curbing inflation, underpinning demand for higher-yielding assets. South Korea's won reached the highest level in two weeks on prospects Asian economies are improving.

### USD/JPY

Res: 82.98/83.41/83.91

Sup: 82.55/82.34/81.99

### EUR/USD

Res: 1.3277/1.3330/1.3360

Sup: 1.3171/1.3125/1.3055

### GBP/USD

Res: 1.5493/1.5519/1.5577

Sup: 1.5409/1.5370/1.5356

### GOLD

Res: 1386.2/1391.5/1400.0

Sup: 1378.9/1372.9/1362.4

## EUROLAND

European stocks retreated after the longest stretch of weekly gains for the benchmark Stoxx Europe 600 Index since April. Daimler AG and Volkswagen AG tumbled more than 4 percent after China, the world's largest car market, raised interest rates for the second time in just over two months. Bankinter SA led banks lower, sliding 4.3 percent as the number of mortgages issued for Spanish homes plunged. The Stoxx 600 slid 0.8 percent to 279.18 at the 5:30 p.m. close in Frankfurt, as almost four companies fell for every one that gained. The gauge has climbed for four straight weeks, extending this year's advance to 10 percent, as better-than-estimated U.S. economic data overcame concern about Europe's sovereign-debt crisis. The index last week climbed to the highest since before the bankruptcy of Lehman Brothers Holdings Inc. in September 2008. National benchmark indexes declined in all 16 western European markets that were open except Iceland. France's CAC 40 slid 1 percent and Germany's DAX dropped 1.2 percent. The U.K. and Ireland were closed for a public holiday. Volume traded in DAX shares was about a third of the daily average for the past six months, according to data compiled by Bloomberg. The People's Bank of China said in a statement on its website on Dec. 25 that the benchmark one-year lending rate will increase by 25 basis points to 5.81 percent and the one-year deposit rate will climb by the same amount to 2.75 percent. China's monetary tightening in 2011 may be mainly in the first half as officials tackle the fastest inflation in more than two years, JPMorgan Chase & Co. and Morgan Stanley said. DNO International ASA, a Norwegian oil company that is operating in the Kurdish region of Iraq, jumped 6.7 percent to 9.39 kroner. Iraq's new central government plans to approve oil and gas production contracts signed by the regional Kurdish government, The National reported, citing Oil Minister Abdul Kareem al-Luaibi. Bankinter lost 4.3 percent to 4.21 euros after Spain's National Statistics Institute said the number of mortgages issued for Spanish homes in October dropped 24 percent, the most since April 2009, as the expiry of a tax incentive at year-end approached. Banco Santander SA, Spain's largest bank, dropped 2.9 percent to 7.89 euros while smaller rival Banco Bilbao Vizcaya Argentaria SA lost 2.3 percent to 7.63 euros. SSAB AB climbed 3.5 percent to 111.5 kronor after Sweden's largest steelmaker was raised to "accumulate" from "reduce" at Svenska Handelsbanken AB.

## US MARKETS

Most U.S. stocks rose, extending the biggest December rally since 1991 for the Standard & Poor's 500 Index, as American International Group Inc. led financial shares higher after obtaining \$4.3 billion in bank credit lines. AIG surged 9.3 percent to the highest price since October 2008 to lead gains in the S&P 500. Cisco Systems Inc. added 2.4 percent after Barron's reported that the largest maker of networking equipment may initiate a dividend. Halliburton Co. and Massey Energy Co. declined as oil retreated from a two-year high amid concern energy demand will slow after China raised interest rates to cool its economy. About four stocks gained for every three that declined on U.S. exchanges. The S&P 500 rose 0.1 percent to 1,257.54 as in New York. The Dow Jones Industrial Average fell 18.46 points, or 0.2 percent, to 11,555.03. About 468 million shares changed hands on the New York Stock Exchange, the fewest for a full session since May 1998, as trading slowed following 20 inches of snow in New York. The S&P 500 has risen 13 percent in 2010 after the Federal Reserve extended a plan to stimulate growth and reports from home sales to service industries this month pointed to a continuing economic recovery. The benchmark gauge for U.S. equities is up 6.5 percent this month. Financial shares had the biggest gain in the S&P 500 among 10 groups, rising 1 percent. Bank of America Corp. added 1.6 percent to \$13.27. JPMorgan Chase & Co. rallied 1.4 percent to \$42.67. Goldman Sachs Group Inc. rose 1.3 percent to \$169.83. AIG surged 9.3 percent to \$59.38. The insurer seeking to replace government funds with private capital after its 2008 bailout signed \$4.3 billion of credit agreements. Cisco rallied 2.4 percent to

\$20.16. The largest maker of networking equipment may rise as demand for the equipment grows and the company initiates a dividend, Barron's reported. Earlier yesterday, U.S. stocks fell after China increased the key one-year lending and deposit rates by 25 basis points on Dec. 25 in its second move since mid-October. The country's monetary tightening in 2011 may be mainly in the first half as officials tackle the fastest inflation in more than two years, JPMorgan Chase & Co. and Morgan Stanley said. Retailers declined. U.S. chain stores expecting to ring up sales after Christmas may have to intensify discounts as the East Coast snow keeps shoppers at home. Spending may shift into January, said Marshal Cohen, chief industry analyst at NPD Group Inc., a research firm. Big Lots Inc., the seller of overstocked items, slumped 1 percent to \$29.96. Nordstrom Inc. dropped 1.6 percent to \$42.09. H&R Block Inc. had the biggest decline in the S&P 500, tumbling 7 percent to \$11.80. The U.S. tax preparer said an "11th-hour" decision by U.S. regulators prevents a lending partner from offering tax-refund loans and that it'll be hard to fully roll out alternative products in time for the 2011 season. The Office of the Comptroller of the Currency told HSBC Holdings Plc not to make refund-anticipation loans, prompting the bank to end an exclusive contract with H&R Block three years early, the tax preparer said in a statement. The VIX, as the Chicago Board Options Exchange Volatility Index is known, jumped 7.3 percent to 17.67, the biggest rally since Nov. 30. The index measures the cost of using options as insurance against declines in the

S&amp;P

500

## EMERGING-MARKETS

The Bovespa stock index fell for the first time in four days on concern quickening inflation in Brazil and China will spur policy makers to take additional steps to cool the economy. Gafisa SA led declines for homebuilders after Brazilian economists raised their 2011 inflation forecast for a third straight week. Vale SA, the iron-ore producer whose top export market is China, slipped after the Asian country raised borrowing costs. JBS SA, the world's biggest beef producer, declined the most in six weeks as plans to renegotiate terms of a convertible bond sale to Brazil's development bank increased concern shares will be diluted.

### SHADI HANNA | A.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

Rizkallah Semaan

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](http://www.byblosbank.com)