

# Financially Yours,

September 30, 2009

YOUR DAILY ELECTRONIC MARKET REPORT

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**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 | 3.454     | 1.092       | 0.42     | 0.41      | 2   |
| 7 7/8 Lebanon May 11 | 7.875  | 20/05/2011 | 105.250 | 106.250 | 4.484     | 3.865       | 1.52     | 1.49      | 2   |
| 7.5 Lebanon Mar 12   | 7.500  | 19/03/2012 | 105.500 | 106.500 | 5.087     | 4.666       | 2.29     | 2.23      | 2   |
| 9 1/8 Lebanon Mar 13 | 9.125  | 12/03/2013 | 110.500 | 111.500 | 5.714     | 5.410       | 3.04     | 2.95      | 2   |
| 9 Lebanon May 14     | 9.000  | 02/05/2014 | 110.500 | 111.500 | 6.319     | 6.081       | 3.76     | 3.65      | 2   |
| 10 Liban Apr 15      | 10.000 | 25/04/2015 | 113.000 | 114.000 | 7.122     | 6.919       | 4.31     | 4.16      | 2   |
| 8.50 Lebanon Aug 15  | 8.500  | 06/08/2015 | 107.500 | 108.500 | 6.913     | 6.712       | 4.71     | 4.56      | 2   |
| 8 1/2 Lebanon Jan 16 | 8.500  | 19/01/2016 | 107.625 | 108.625 | 6.978     | 6.789       | 4.98     | 4.81      | 2   |
| 9 Lebanon Mar 17     | 9.000  | 20/03/2017 | 111.500 | 112.500 | 6.994     | 6.832       | 5.69     | 5.50      | 2   |
| 8 1/4 Lebanon Apr 21 | 8.250  | 12/04/2021 | 106.375 | 107.375 | 7.417     | 7.292       | 7.51     | 7.24      | 2   |

**Emerging Eurobonds**

| USD               | Coupon | Maturity   | Bid     | Offer   | Mid Yield | Beirut Stock Exchange (closing 29.09.09) |       |          |        |        |           |
|-------------------|--------|------------|---------|---------|-----------|--|-------|----------|--------|--------|-----------|
| USD               | Coupon | Maturity   | Bid     | Offer   | Mid Yield | Name                                     | Rates | % Change | P/E 09 | P/B 09 | Div Yield |
| SOC. REP. VIET.   | 6.875  | 15/01/2016 | 104.975 | 105.225 | 5.889     | Byblos bank                              | 1.8   | 0.00%    | 6.06   | 0.77   | 5.56%     |
| EVRAZ GRP SA      | 8.875  | 24/04/2013 | 92.750  | 93.250  | 11.318    | Byblos bank Preferred                    | 98    | 0.00%    | -      | -      | -         |
| IIB LUXG SA (IIB) | 9.500  | 12/02/2010 | 98.500  | 100.500 | 10.820    | Byblos bank Prty                         | 1.8   | 0.00%    | 7.56   | 0.77   | 7.22%     |
| R. SEYCHELLES     | 9.125  | 03/10/2011 | 24.905  | 24.970  | 106.821   | Byblos Bank GDR                          | 85.00 | 0.00%    | 10.84  | 0.24   | 5.32%     |
| ATF BANK          | 9.250  | 12/04/2012 | 98.750  | 100.250 | 9.476     | Audi                                     | 71.5  | -2.39%   | 11.66  | 1.48   | 2.78%     |
| LAU               | 6.750  | 02/01/2018 | 104.00  | 106.00  | 5.950     | Blom                                     | 84.25 | -1.86%   | 7.19   | 1.33   | 4.31%     |
| ORASCOM TELECOM   | 7.875  | 08/02/2014 | 95.750  | 96.750  | 8.931     | Solidere A                               | 24.52 | -0.37%   | 22.15  | 2.29   | 4.69%     |
| REP. VENEZUELA    | 8.500  | 08/10/2014 | 89.500  | 91.000  | 11.089    | Solidere B                               | 24.49 | -0.57%   | 22.12  | 2.29   | 4.70%     |
| CELL C PTY LTD    | 11.000 | 01/07/2015 | 97.250  | 105.250 | 10.694    | Holcim                                   | 14.89 | -0.67%   | -      | -      | 5.37%     |
|                   |        |            |         |         |           | Casino                                   | 390   | -        | -      | -      | -         |

| Benchmark          | Maturity | Yield |
|--------------------|----------|-------|
| <b>US TREASURY</b> | 2 YEARS  | 1.016 |
|                    | 5 YEARS  | 2.367 |
|                    | 10 YEARS | 3.311 |
|                    | 30 YEARS | 4.034 |
| <b>EUR BUND</b>    | 2 YEARS  | 1.260 |
|                    | 5 YEARS  | 2.413 |
|                    | 10 YEARS | 3.221 |
|                    | 30 YEARS | 3.927 |

| Equity Indices | Price   | % Change |
|----------------|---------|----------|
| NASDAQ Comp    | 2124.04 | -0.32%   |
| NASDAQ 100     | 1717.67 | -0.41%   |
| DJI            | 9742.2  | -0.48%   |
| S&P 500        | 1060.61 | -0.22%   |
| Nikkei         | 10100.2 | 0.91%    |
| SMI            | 6316.72 | 0.44%    |
| CAC 40         | 3814.1  | -0.28%   |
| DAX            | 5713.52 | -0.40%   |
| FTSE           | 5159.72 | -0.12%   |
| Euronext 100   | 661.69  | -0.13%   |

| Arab Indices           | Price    | % Change |
|------------------------|----------|----------|
| BLOM Stock Index .BLSI | 1465.402 | -0.47%   |
| SAUDI All Share .SASI  | 6279.47  | 0.84%    |
| Doha Stock Market .QSI | 7456.72  | 0.27%    |
| Kuwait SE .KWSE        | 7833.6   | -0.10%   |
| Abu Dhabi SE .ADI      | 3126.46  | 1.21%    |
| Egyptian .CASE30       | 6803.86  | 0.61%    |
| Dubai FM Gen Id .DFMGI | 2162.2   | 1.01%    |
| Morocco SI MSI         | 6600.15  | 0.26%    |
| Bahrain .BAX           | 1552.49  | -0.16%   |

| Tracker | Underlying     | Last Price | % Change |
|---------|----------------|------------|----------|
| FXI     | China          | 41.36      | -0.02    |
| EWG     | Germany        | 22.16      | -0.31    |
| EWJ     | Japan          | 9.89       | -2.08    |
| EWY     | Korea          | 47.13      | 0.13     |
| EWT     | Taiwan         | 12.06      | 1.17     |
| EWZ     | Brazil         | 66.58      | 0.18     |
| IIF     | India          | 21.12      | -0.38    |
| RNE     | Eastern Europe | 14.90      | 0.34     |
| TKF     | Turkey         | 12.14      | 0.41     |
| GLD     | Gold           | 97.43      | 0.39     |
| USO     | Oil            | 34.31      | -0.58    |

| 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          | 992.50  | 0.00%    |
| Silver / Oz        | 16.15   | -0.11%   |
| Palladium / Oz     | 293.25  | 0.00%    |
| Platinum / Oz      | 1270.90 | -1.17%   |
| Copper/ Lbs        | 271.40  | 0.00%    |
| Aluminum / Lbs     | 0.84    | 0.29%    |
| Coffee / Lbs       | 125.50  | -1.30%   |
| Cocoa EUR / 100 Kg | 3056.00 | -0.94%   |
| Wheat / Tone       | 447.50  | -1.81%   |
| Soybean / Bsh      | 917.00  | -0.27%   |
| Wti / Bbl          | 66.71   | -0.19%   |
| Brent              | 64.77   | -1.24%   |

| Libor USD        | Rate |
|------------------|------|
| 1 months         | 0.25 |
| 3 Months         | 0.29 |
| 6 Months         | 0.63 |
| 1 Year           | 1.25 |
| <b>Libor EUR</b> |      |
| 1 months         | 0.40 |
| 3 Months         | 0.70 |
| 6 Months         | 1.01 |
| 1 Year           | 1.24 |

| FX Rates | Bid    | Ask    | Hi     | Lo     |
|----------|--------|--------|--------|--------|
| USD / LL | 1500   | 1503   |        |        |
| Euro     | 1.4619 | 1.4623 | 1.4632 | 1.4578 |
| JPY      | 89.65  | 89.67  | 90.41  | 89.64  |
| GBP      | 1.6008 | 1.6014 | 1.6034 | 1.5954 |
| CHF      | 1.0337 | 1.0342 | 1.0366 | 1.0335 |
| CAD      | 1.0807 | 1.0812 | 1.0854 | 1.0805 |
| AUD      | 0.8788 | 0.879  | 0.8804 | 0.8711 |

| Key Economic Calendar   |           |          |
|-------------------------|-----------|----------|
| Data                    | Date      | Forecast |
| <b>US</b>               |           |          |
| US MBA Purchase Index   | 30-Sep-09 |          |
| US ADP National Empl.   | 30-Sep-09 | -210k    |
| <b>Euroland / Japan</b> |           |          |
| DE Unemployment         | 30-Sep-09 | 8.4%     |

## REGIONAL MARKETS

Lebanon's BLOM stock index fell 0.47 percent at 1465.402 points. Solidere's A fell 0.37 percent at \$24.52 and its B share fell 0.57 percent at \$24.49. Byblos Bank S.A.L. common remains unchanged at 1.80 and its priority shares remain unchanged at 1.80.

Abu Dhabi's ADX General Index gained 1.2 percent, bringing the advance this quarter to 19 percent. The Dubai Financial Market General Index added 1

percent and Saudi Arabia's Tadawul All Share Index rose 0.8. Aldar Properties PJSC increased to the highest level since Sept. 17, adding 3.3 percent to 5.94 dirhams.) RAK Properties PJSC (RAKPROP UH) gained the most since Aug. 4, adding 5.1 percent to 0.82 dirham. Saudi International Petrochemical Co. (SIPCHEM AB) rose the most since Aug. 29, adding 2.6 percent to 21.50 riyals.

## TOP FX NEWS

The dollar fell against the yen, reversing early gains, on speculation a Federal Reserve official will reiterate today that record-low interest rates will be unchanged for an extended period. The U.S. currency headed for a quarterly decline against 14 of 16 major counterparts as Asian stocks rose and before a report this week forecast to show American employers cut fewer jobs, boosting demand for higher-yielding assets. Australia's dollar climbed to a 13-month high against the greenback on better-than-forecast retail sales, bolstering speculation the Reserve Bank of Australia will raise rates as early as November. "Fed policy makers will probably keep low borrowing costs unchanged until next summer, weighing on the dollar," said Akira Hoshino, chief manager of the foreign-exchange trading department in Tokyo at Bank of Tokyo-Mitsubishi UFJ Ltd., a unit of Japan's largest lender. The dollar dropped to 89.79 yen as of 1:07 p.m. in Tokyo from 90.09 yen in New York yesterday. It fell to as low as 88.24 yen on Sept. 28, the weakest level since Jan. 23. For the quarter, the dollar has declined 6.8 percent against the yen. The euro advanced to \$1.4617 from \$1.4587. Yesterday, it touched \$1.4527, the lowest level since Sept. 14. The euro has risen 4 percent against the dollar this quarter. Japan's currency fetched 131.25 per euro from 131.40 in New York yesterday. The yen has gained 3 percent against the euro this quarter. The MSCI Asia Pacific Index of regional shares added 0.5 percent.

USD/JPY

Res: 090.47/090.84/091.63

Sup: 089.15/088.75/088.23

EUR/USD

Res: 1.4646/1.4680/1.4725

Sup: 1.4565/1.4526/1.4448

GBP/USD

Res: 1.6046/1.6134/1.6169

Sup: 1.5902/1.5824/1.5770

GOLD

Res: 0998.7/1001.7/1005.8

Sup: 0991.3/0984.7/0982.8

## EUROLAND

European stocks climbed for a second day as BNP Paribas SA announced plans to raise capital to help repay government funds and a report on U.S. home prices added to evidence that the global recession is abating. BNP Paribas advanced 2.4 percent after France's largest bank announced a 4.3 billion-euro (\$6.3 billion) rights offer. Legal & General Group Plc led insurers higher amid speculation that takeovers may increase. Gains were limited after Siemens AG, Europe's biggest engineering company, said it had a "tough" year and a report showed U.S. consumer confidence unexpectedly fell. The Dow Jones Stoxx 600 Index rose 0.2 percent to 243.59 after swinging between gains and losses at least 20 times yesterday. The measure has rebounded 54 percent since March 9, sending its price-earnings valuation to the highest level since 2003. The S&P/Case-Shiller home-price index showed home values in 20 U.S. metropolitan areas declined less than economists forecast in the year ended in July, a sign the housing slump is easing. Separately, the Conference Board's confidence index dropped to 53.1 in September as a rising unemployment rate weighed on households. Economists had estimated a reading of 57. Benchmark indexes climbed in 11 of the 18 western European markets. France's CAC 40 slipped 0.3 percent, while Germany's DAX lost 0.4 percent. The U.K.'s FTSE 100 declined 0.1 percent. BNP Paribas rose 2.4 percent to 57.90 euros. The Paris-based bank is offering existing investors 107.6 million shares at 40 euros each, or 29 percent below yesterday's closing price. BNP will repay 5.1

billion euros received from the French state as well as 226 million euros of interest. Legal & General rallied 4.8 percent to 82.75 pence, climbing for a second day after a Sunday Telegraph report on Sept. 27 that the U.K. insurer has prepared documents to ward off a potential takeover by Clive Cowdery's Resolution Ltd., which last month agreed to buy Friends Provident Group Plc. Aviva Plc, the U.K.'s second-biggest insurer, rose 3 percent to 431.2 pence as an index of insurance shares posted the biggest gain among 19 industry groups on the Stoxx 600. Standard Life Plc, Scotland's largest insurer, climbed 3 percent to 213.2 pence. Siemens slipped 1.7 percent to 64.81 euros after Chief Financial Officer Joe Kaeser told investors that the company had a "tough" year as orders for its factory equipment and lighting products declined, forcing it to deepen job cuts and book charges. Order bookings in the fiscal fourth quarter that ends tomorrow will decrease about 20 percent from a year earlier, he said. Salzgitter AG dropped 2.3 percent to 66.89 euros as Germany's second-biggest steelmaker announced a convertible-bond sale. The steelmaker said it will sell about 300 million euros of convertible bonds and use the proceeds for "general" purposes and to diversify its funding. MTU Aero Engines Holding AG dropped 5.6 percent to 31.85 euros after HSBC Holdings Plc downgraded the German engine maker to "neutral" from "overweight," saying that a weaker dollar "bears earnings risk."

## US MARKETS

U.S. stocks declined as technology shares retreated from a one-year high and energy producers dropped as a stronger dollar dragged down oil, overshadowing the biggest gain in home prices in four years. Cisco Systems Inc. and Intel Corp. fell more than 1.3 percent, leading computer companies lower. Exxon Mobil Corp. lost 0.3 percent as the dollar strengthened to a two-week high against the euro, sending crude to a 0.3 percent decline. KB Home led homebuilders higher after the Standard & Poor's/Case-Shiller home-price index rose 1.2 percent in July from June. The S&P 500 Index fell 0.2 percent to 1,060.61 at 4 p.m. in New York after rising 0.6 percent. The Dow Jones Industrial Average decreased 47.16 points, or 0.5 percent, to 9,742.20. The S&P 500 has rallied 57 percent from a 12-year low in March, pushing valuations in the index to 20 times reported operating profits from the past year, data compiled by Bloomberg show. That's near most expensive level since 2004. Alcoa Inc. will be the first company in the Dow average to release third-quarter earnings, scheduled for Oct. 7. Technology shares in the S&P 500 fell 0.7 percent after closing yesterday at the highest level since September 2008. The group is still the best-performing industry in 2009, having surged 45 percent. Cisco, the biggest maker of networking equipment, lost 1.3 percent to \$23.30. Intel, the largest producer of semiconductors, retreated 1.3 percent to \$19.48. The S&P 500 Energy Index slumped 0.6 percent as the U.S. currency gained. Exxon, the biggest U.S. oil producer, lost 0.8 percent to \$69.07. The dollar advanced to a two-week high versus the euro after an unexpected drop in U.S. consumer confidence this month discouraged demand for higher-yielding assets funded by borrowing in the greenback. The dollar climbed 0.4 percent to \$1.4571 per euro, from \$1.4622 yesterday,

and touched \$1.4527. MBIA Inc. fell 4.7 percent to \$7.83 after S&P cut the credit ratings of the world's biggest bond insurer by total guarantees. The company had its rating lowered to BB-, or three steps below investment grade, from BB by S&P, which cited continued losses related to structured finance products. KB Home, the Los Angeles-based homebuilder that sells to first-time buyers, added 1.6 percent to \$17.17. Home values in 20 U.S. cities climbed in July by the most in almost four years, helping stem the record plunge in household wealth that's depressed spending, according to S&P/Case-Shiller. Walgreen Co. jumped 9.2 percent to \$37.35, the highest price since April 2008. The second-largest U.S. drugstore chain reported 13 percent more fourth-quarter per-share profit than analysts estimated after boosting prescription-drug sales. Gannett Co. surged 18 percent, the most in the S&P 500, to \$11.74. The largest U.S. newspaper publisher forecast third-quarter profit that exceeded analysts' forecasts and announced a plan to offer \$400 million of senior notes. Moody's Corp. advanced 11 percent to \$20.81. McGraw-Hill Cos. rallied 7.3 percent to \$26.11. Piper Jaffray Cos. said a rebound in debt sales will bolster earnings for the credit-rating companies. The steepest rally in the S&P 500 since the 1930s is restoring Byron Wien's reputation as a stock picker. Wien, hired by Blackstone Group LP last month, said he's keeping his January forecast for a 33 percent annual gain in the benchmark index, implying a 13 percent advance from yesterday's close. More than six months ago, the S&P 500 needed to rise 77 percent to reach Wien's year-end prediction of 1,200. Wien's year-end forecast for the S&P 500 is higher than the average estimate of strategists surveyed by Bloomberg of 1,037.

## EMERGING MARKETS

Emerging-market stocks rose the most in a week, led by computer-related companies, after Taiwan said it may allow China to invest in technology industries. A gauge of technology stocks in the MSCI Emerging Markets index jumped 2.7 percent, the biggest gain among 10 industry groups. Russian stocks rose after the central bank cut interest rates. The MSCI Emerging Markets Index added 1 percent to 913.19 in New York. The measure has rallied 61 percent this year. Taiwan's Taiex Index rose 2 percent. Russia's Micex added 0.4 percent. The central bank cut its key interest rate by half a point to 10 percent, the seventh reduction since April 24. In Latin America, Brazil's Bovespa index fell 0.1 percent and Colombia's IGBC dropped 0.7 percent. Mexico's Bolsa added 0.1 percent.

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