

Financially Yours,

December 30, 2008 YOUR DAILY ELECTRONIC MARKET REPORT

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Lebanese Eurobonds

USD	Coupon	Maturity	Bid	Offer	Bid Yield	Offer Yield	Duration	Mduration	Frq
10.25 Lebanon Oct 09	10.250	10/06/2009	101.500	102.500	8.120	6.759	0.73	0.70	2
7.125 Lebanon Mar 10	7.125	03/05/2010	98.000	99.000	8.953	8.026	1.12	1.07	2
7 7/8 Lebanon May 11	7.875	05/20/2011	97.500	98.500	9.061	8.579	2.19	2.10	2
9 1/8 Lebanon Mar 13	9.125	03/12/2013	98.000	99.000	9.710	9.412	3.47	3.31	2
8 5/8 Lebanon June 13	8.625	06/20/2013	96.000	97.000	9.750	9.463	3.77	3.60	2
9 Lebanon May 14	9.000	05/02/2014	95.500	96.500	10.107	9.854	4.26	4.05	2
10 Liban Apr 15	10.000	04/25/2015	98.500	99.500	10.316	10.096	4.73	4.51	2
8.50 Lebanon Aug 15	8.500	08/06/2015	93.000	94.000	9.972	9.753	4.94	4.71	2
8 1/2 Lebanon Jan 16	8.500	01/19/2016	92.000	93.000	10.115	9.903	5.15	4.90	2
8 1/4 Lebanon Apr 21	8.250	04/12/2021	82.500	83.500	10.861	10.691	7.32	6.95	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
KAZKOMMERTS	7.000%	03-Nov-09	86.75	87.25	24.992%	Byblos bank	1.6	0.00%	6.72	3.73	1.6
EVRAZ GRP SA	8.875%	24-Apr-13	40.75	42.75	36.786%	Byblos bank Preferred	104	0.00%	-	-	104
IIB LUXG SA (IIB)	9.500%	12-Feb-10	70	77	41.476%	Byblos bank Prty	1.64	0.00%	6.89	3.83	1.64
R. SEYCHELLES	9.125%	03-Oct-11	20	25	87.538%	Audi	53.5	0.00%	8.72	0.19	53.5
ATF BANK	9.250%	12-Apr-12	71.85	76.87	20.331%	Blom	71.95	-0.55%	7.55	0.15	71.95
LAU	6.750%	01-Feb-13	102	103	6.049%	Solidere A	16.87	0.96%	12.41	1.16	16.87
ORASCOM TELECOM	7.875%	08-Feb-14	84	86	11.872%	Solidere B	16.51	-1.73%	12.15	1.14	16.51
REP. VENEZUELA	8.500%	08-Oct-14	51	54	24.174%	Holcim	15.93	0.00%	-	-	15.93
CELL C PTY LTD	11.000	07/01/2015	78.150	83.150	15.885	Fransabank	25.5	-	-	-	-
						Casino	350	-	-	-	-

Benchmark	Maturity	Yield	Equity Indices	Price	% Change	Arab Indices	Price	% Change
US TREASURY	2 YEARS	0.761	NASDAQ Comp	1510.32	-0.74%	BLOM Stock Index .BLSI	1182.131	-0.07%
	5 YEARS	1.429	NASDAQ 100	1173.15	-0.85%	SAUDI All Share .SASI	4710.77	0.00%
	10 YEARS	2.068	DJI	8483.93	0.77%	Doha Stock Market .QSI	6716.26	0.00%
	30 YEARS	2.633	S&P 500	869.42	0.73%	Kuwait SE .KWSE	8043.3	-4.69%
EUR BUND	2 YEARS	1.736	Nikkei	8747.17	0.27%	Abu Dhabi SE .ADI	2318.73	-3.78%
	5 YEARS	2.289	SMI	5464.96	0.84%	Egyptian .CASE30	4351.39	0.63%
	10 YEARS	2.911	CAC 40	3130.72	0.07%	Dubai FM Gen Id .DFMGI	1633.42	-3.56%
	30 YEARS	3.482	DAX	4629.38	-0.21%	Morocco SI .MSI	5211.87	-6.31%
			FTSE	4319.35	2.44%	Bahrain .BAX	1824.24	-1.46%
		Euronext 100	532.28	-0.10%				

Tracker	Underlying	Last Price	% Change
FXI	China	28.24	0.64
EWG	Germany	18.32	1.38
EWJ	Japan	9.24	0.76
EWY	Korea	28.00	1.38
EWT	Taiwan	7.19	0.28
EWZ	Brazil	32.70	0.15
IIF	India	11.75	-0.34
RNE	Eastern Europe	8.36	-1.07
TKF	Turkey	5.87	0.86
GLD	Gold	86.35	0.88
USO	Oil	30.92	6.25

Byblos Bank Deposits	Rates
USD*	
1 months	3.00%
3 Months	3.00%
6 Months	3.00%
1 Year	3.00%
*Benchmark amount 100-200 thds	
LBP*	
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	874.60	4.47%
Silver / Oz	1078.30	5.37%
Palladium / Oz	186.65	7.05%
Platinum / Oz	917.90	8.43%
Copper/ Lbs	129.70	3.51%
Aluminum / Lbs	0.70	-2.44%
Coffee / Lbs	106.65	-3.88%
Cocoa EUR / 100 Kg	2551.00	-1.70%
Wheat / Tone	592.00	2.91%
Soybean / Bsh	938.50	4.16%
Wti / Bbl	39.41	1.13%
Brent	34.51	-3.12%

Libor USD	Rate
1 months	0.46
3 Months	1.46
6 Months	1.81
1 Year	2.08
Libor EUR	
1 months	2.68
3 Months	2.96
6 Months	3.04
1 Year	3.12

FX Rates	Bid	Ask	Hi	Lo
USD / LL	1499.5	1515.5		
Euro	1.4026	1.4027	1.4134	1.3919
JPY	90.39	90.41	90.98	90.11
GBP	1.4471	1.4476	1.4539	1.4385
CHF	1.0546	1.055	1.0631	1.0512
CAD	1.22	1.2206	1.2228	1.2145
AUD	0.6889	0.6892	0.693	0.6851

Key Economic Calendar		
Data	Date	Forecast
US		
US ICSC Chain Stores	30-Dec-08	
US Consumer Conf.	30-Dec-08	45.00
Euroland / Japan		
T Producer Prices	30-Dec-08	2.90%

REGIONAL MARKETS

Lebanon's BLOM stock index fell 0.07 percent to 1182.131 points. Solidere's A rose 0.96 percent to \$16.87 and its B share fell 1.73 percent to \$16.51. Byblos Bank

S.A.L. common remains unchanged at 1.60 and its priority shares remain unchanged at 1.64.

Arab market was closed for holiday.

TOP FX NEWS

The dollar fell the most in almost two weeks against the euro after fighting in the Gaza Strip drove up oil prices, adding to concern a recession will deepen in the world's largest energy-consuming nation. The currency also dropped versus the yen before U.S. housing and manufacturing reports this week that may show the world's biggest economy is deteriorating. The euro rose the most in a week against the yen amid speculation it will attract funds as the Bank of Japan favors near-zero interest rates. The dollar slid 1.2 percent, the most since Dec. 17, to \$1.4098 per euro as of 2:39 p.m. in Tokyo from \$1.3927 late in New York yesterday, when it reached a one-week low of \$1.4364. The decline trimmed this year's advance to 3.5 percent. The currency also declined to 90.18 yen from 90.68 yen, extending its 2008 loss to 19 percent. The U.S. currency also fell 0.8 percent to \$1.4511 against the British pound and dropped 0.9 percent to 1.0532 versus the Swiss franc. The euro gained 0.7 percent to 127.12 yen, the biggest advance in a week, paring this year's loss to 22 percent. It also climbed to 97.15 British pence from 96.71 pence yesterday, when it reached a record 98 pence. It has risen 32 percent in 2008. Exchange-rate movements may be exaggerated because of the year-end holidays, Ogawa said. The greenback weakened against 14 of the 16 most-active currencies after Israel hinted it may broaden its assault on the Hamas-controlled Gaza Strip with a ground operation after three days of air raids failed to end cross-border rocket attacks. Crude oil for February delivery jumped 13 percent in the last two days on the New York Mercantile Exchange. It recently traded at \$39.64 a barrel in after-hours electronic trading, down 1 percent from yesterday's close.

USD/JPY

Res: 090.99/091.99/093.03

Sup: 089.75/089.54/089.10

EUR/USD

Res : 1.4260/1.4313/1.4363

Sup: 1.4020/1.3915/1.3824

GBP/USD

Res: 1.4468/1.4583/1.4703

Sup: 1.4380/1.4324/1.4250

GOLD

Res: 890.70/900.00/931.60

Sup: 873.00/869.60/850.40

EUROLAND

European stocks rose for the first time in six days, as rallies by Rio Tinto Group, Royal Bank of Scotland Group Plc and Scania AB offset a slide in retailers and technology companies amid concern the economy is deteriorating. Rio Tinto Group climbed 5.8 percent after escalating tensions in the Middle East pushed gold to the highest in 11 weeks. RBS rose the most in almost four weeks on speculation the bank will retain its insurance business and a new chairman will be appointed. Marks & Spencer Group Plc lost 1.5 percent as U.K. retailers tried to tempt shoppers with post-Christmas discounts to counter weaker consumer spending. The Dow Jones Stoxx 600 Index added 0.2 percent to 193.46, trimming its 2008 slump to 47 percent. The regional benchmark index has posted its biggest annual drop on record as credit-related losses and writedowns at financial firms that topped \$1 trillion pushed the U.S., Europe and Japan into the first simultaneous recessions since World War II. National benchmark indexes gained in 13 of the 18 western European markets. The U.K.'s FTSE 100 added 2.4 percent as RBS rallied. Germany's DAX climbed 1.6 percent, led by MAN AG and Daimler AG. France's CAC 40 rose 0.5 percent. Rio Tinto surged 5.5 percent to 1,450 pence. BHP Billiton Ltd., the world's biggest mining company, gained 4.1 percent to 1,243 pence. Gold prices advanced as Israel massed tanks near the Gaza Strip and started calling up thousands of army reservists for what Defense Minister Ehud Barak termed a war against Hamas. Investors in the Middle East are the second-biggest buyers of gold bars, according to GFMS Ltd. RBS climbed 14 percent to 48.7 pence. The bank, led by its new chief executive officer, Stephen Hester, is considering abandoning

plans to sell the insurance unit, the Sunday Times reported yesterday, citing unidentified people familiar with the situation. RBS spokeswoman Linda Harper said today RBS is still in talks with "a number of interested parties regarding a potential sale." RBS has still slumped 87 percent this year, leaving the shares valued at 1.9 times the bank's earnings. That compares with an average ratio this decade of 14.5, data compiled by Bloomberg show. The Stoxx 600 is now valued at 9.1 times the earnings of its companies, compared with an average ratio of 26 since 2002, Bloomberg data indicate. Scania gained 8 percent to 74.5 kronor. German competitor MAN said it had bought options giving it access to 20 percent of voting rights for the Swedish truckmaker. MAN gained 6.3 percent to 37.83 euros. Marks & Spencer fell 1.5 percent to 210 pence, extending its 2008 decline to 63 percent. The U.K.'s largest clothing retailer on Dec. 27 started discounting products from cashmere sweaters to flat-screen televisions. British retailers are battling for customers as banks rein in lending and consumer spending slows. The economy contracted 0.6 percent in the third quarter, the most since 1990. London house prices fell more than in any other U.K. region this year and probably will decline further in 2009 as the economy sinks deeper into a recession, property researcher Hometrack Ltd. said in a report yesterday. Nokia Oyj, the world's largest maker of mobile phones, lost 4.5 percent to 10.61 euros. French mobile phone sales declined by 18 percent in the first week of December compared with the year-earlier week, and by 20 percent in the second week, daily Les Echos reported.

US MARKETS

U.S. stocks fell, halting the longest rally in three weeks, after funding for Dow Chemical Co.'s purchase of Rohm & Haas Co. fell through, raising concern companies won't complete deals as financing disappears. Dow Chemical declined 19 percent following Kuwait's decision to scrap a deal that would have provided \$9 billion in cash to pay for Rohm & Haas, which dropped 16 percent. SL Green Realty Corp. retreated 10 percent after New York's biggest office landlord cut its quarterly dividend by more than half. Chevron Corp. advanced after oil gained 6.1 percent to \$40.02 a barrel as Israeli air strikes in the Gaza Strip raised concern that crude supplies may be disrupted. The Standard & Poor's 500 Index lost 0.4 percent to 869.42. Its two-day advance through Dec. 26 was the longest since Dec. 8. The Dow Jones Industrial Average fell 31.62 points, or 0.4 percent, to 8,483.93. The Russell 2000 Index of small companies retreated 2.2 percent to 466.15, the lowest level since Dec. 15. The value of takeovers, which helped fuel stock gains toward the end of the five-year bull market that ended in October 2007, may decline 30 percent next year to about \$2 trillion, according to bankers at Barclays Plc and Nomura Holdings Inc. That would be the smallest amount since 2004 as financing costs surge and half last year's record, data compiled by Bloomberg show. U.S. stocks advanced on Dec. 26 after GMAC LLC's conversion to a bank spurred a rally in General Motors Corp. The S&P 500 Index has still plunged 41 percent in 2008 after the most severe financial crisis since the Great Depression dragged the U.S., Europe and Japan into the first

simultaneous recessions since World War II. About 6.8 billion shares traded in the U.S., 34 percent less than the three-month average. Only 3.64 billion shares changed hands on Dec. 24, the least since Dec. 26, 2003, as trading ended three hours early before Christmas. Dow Chemical, the largest U.S. chemical maker, fell 19 percent to \$15.32. Rohm & Haas, the world's biggest maker of acrylic-paint ingredients, lost 16 percent to \$53.34. Kuwait backed out of a deal to buy 50 percent of Dow Chemical's plastics unit, eliminating proceeds earmarked for the takeover. Dow had agreed to buy Rohm & Haas to gain more lucrative specialty chemicals that serve electronics and coatings markets. Dow will probably renegotiate and offer to buy the company for less than \$70 a share, Deutsche Bank AG analysts said. Raw-materials producers fell 2.1 percent for the steepest decline among 10 S&P 500 industries. DuPont Co., the third-largest U.S. chemical maker, lost 2 percent to \$24.49. SL Green fell 10 percent to \$24.42. Its dividend was slashed by 52 percent to 37.5 cents a share. Consumer companies reliant on discretionary spending lost 1.2 percent, the third-biggest drop among 10 industries, as sales at retailers shaped up to be the worst in 40 years. More chains may seek bankruptcy protection in February when they file financial reports, according to Burt Flickinger, managing director of retail consultant Strategic Resource Group. Jones Apparel Group Inc. dropped 19 percent to \$4.55. Liz Claiborne Inc. slid 13 percent to \$2.20.

EMERGING MARKETS

Brazilian stocks gained for a second day, led by commodity producers and banks, as oil prices surged and investors increased their expectations for interest-rate cuts next year. Petroleo Brasileiro SA jumped more than 2 percent after Israeli air strikes in the Gaza strip sent crude up as much as 12 percent. Usinas Siderurgicas de Minas Gerais SA led gains for steelmakers as metals prices rose. Gafisa SA and Cyrela Brazil Realty SA Empreendimentos e Participacoes, the biggest homebuilders, surged more than 3 percent after economists bet the central bank will make deeper cuts in interest rates next year. The Bovespa index climbed 196.03, or 0.5 percent, to 37,060.16. The index is down 42 percent this year. The MidLarge Cap index gained 0.8 percent today, while the Small Cap index advanced 0.4 percent. Mexico's Bolsa dropped 0.4, while Chile's Ipsa index added 1.2 percent. In Mexico, the Bolsa dropped for the first time in four days. In other Latin America markets, Argentina's Merval rose 1.7 percent, Peru's Lima General gained 0.4 percent and Colombia's IGBC slipped 0.5 percent.

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