

WEEKLY MARKET WATCH

Issue No. 208
May 19th 2009 – May 25th 2009

Credit Libanais SAL 

Research Unit

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Registered Construction Permits in April 2009

According to the Order of Engineers' statistics, Lebanon's registered construction permits slowed to 844,580 sqm in April 2009, down by 2.05% on an annual basis from 862,212 sqm in April 2008.

Number of Tourists Through April 2009

Lebanese Ministry of Tourism statistics unveiled a staggering 56.79% annual increase in the number of tourists' arrivals to Lebanon, reaching 434,418 tourists through April 2009.

Lebanese Central Bank Governor Expects 3% To 4% in Real Growth For The Year 2009

Lebanon's Central Bank Governor indicated that he expects the Lebanese economy to grow by 3% to 4% in real terms in 2009 with a likelihood of breaking the 6% mark, conditional upon the sustainability of a favorable political climate.

Bahrain's Inflation Rate At 3.1% in April

According to government official data, Bahrain's inflation rate slowed to 3.1% in April 2009 in comparison with 4.3% in March.

Consumer Price Index in April 2009

The U.S. Labor Department reported a 0.1% monthly contraction in the U.S. Consumer Price Index "CPI" in April 2009 on the back of diminishing energy prices.

SYNOPSIS OF TERMS

"BDL"	Banque Du Liban
"ABL"	Association of Banks in Lebanon
"MOF"	The Lebanese Ministry of Finance
"BOP"	Balance of Payment
"IMF"	The International Monetary Fund
"Moody's"	Moody's Investors Service
"BSE"	Beirut Stock Exchange
"GDRs"	Global Depository Receipts
"M1"	Currency in Circulation + Demand Deposits in LBP
"M2"	M1 + Other Deposits in LBP
"M3"	M2 + Deposits in Foreign Currencies
"M4"	M3+ Treasury Bills Held By Non Banking System, Including Accrued Interests
"CPI"	Consumer Price Index
"PPI"	Producer Price Index
"CLASI"	Credit Libanais Aggregate Stock Index
"CLFI"	Credit Libanais Financial Sector Stock Index
"CLCI"	Credit Libanais Construction Sector Stock Index
"P/E"	Price to Earnings Multiple
"P/BV"	Price to Book Multiple
"YTD"	Year To Date
"YTD Price Performance"	Yield to Date Price Appreciation
"Forex"	Foreign Exchange
"LBP"	The Lebanese Pound
"USD"	The United States Dollar
"Yen"	The Japanese Yen
"GBP"	The British Pound/ Sterling Pound
"CHF"	The Swiss Franc

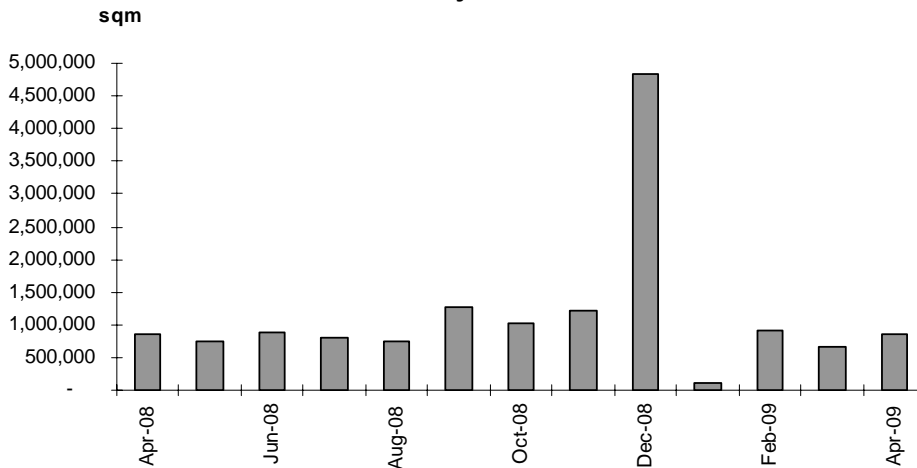
SYNOPSIS OF TERMS

"Y-O-Y"	Year-On-Year
"GDP"	Gross Domestic Product
"MENA"	Middle East and North Africa
"FOMC"	Federal Open Market Committee

Registered Construction Permits in April 2009

According to the Order of Engineers' statistics, Lebanon's registered construction permits slowed to 844,580 sqm in April 2009, down by 2.05% on an annual basis from 862,212 sqm in April 2008. On a cumulative basis, construction permits fell by 6.95% y-o-y to 2,547,876 sqm through April 2009 from 2,738,292 sqm a year earlier.

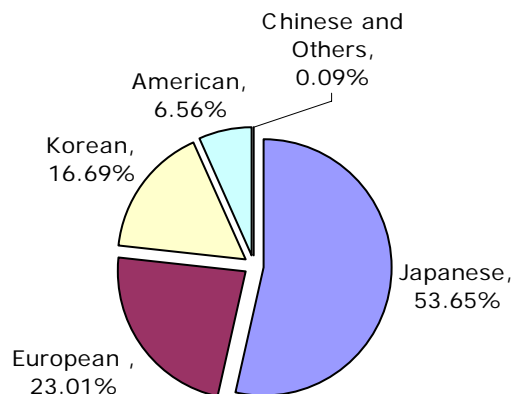
Evolution Of Monthly Construction Permits



New Car Sales Up By 6.21% Through April 2009

According to the Association of Automobile Importers (AAI), Lebanon registered a healthy 7.74% monthly appreciation in new car sales in the month of April 2009 to 2,408 in comparison with 2,235 in March. On an annual basis, new car sales rose by 6.21% to 8,671 vehicles through April 2009, up from 8,164 vehicles in the same period in 2008. During the month of April, Japanese cars ranked first among new car sales with a market share of 53.65%, followed by European, Korean, American and Chinese cars, at respective sales rates of 23.01%, 16.69%, 6.56% and 0.04%.

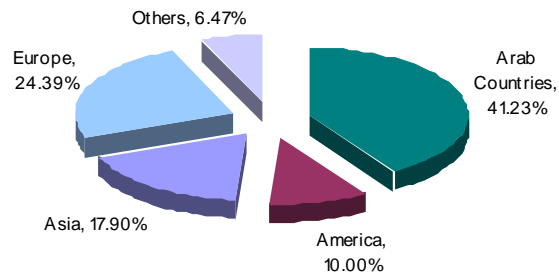
Breakdown Of New Car Sales In April 2009



Number of Tourists Through April 2009

Lebanese Ministry of Tourism statistics unveiled a staggering 56.79% annual increase in the number of tourists' arrivals to Lebanon, reaching 434,418 tourists through April 2009, up from 277,054 in the same period in 2008. Arab tourists occupied the first place (179,129 tourists), while European and Asian tourists ranked second and third with 105,948 and 77,779 arrivals respectively.

Arrivals By Nationality through April 2009

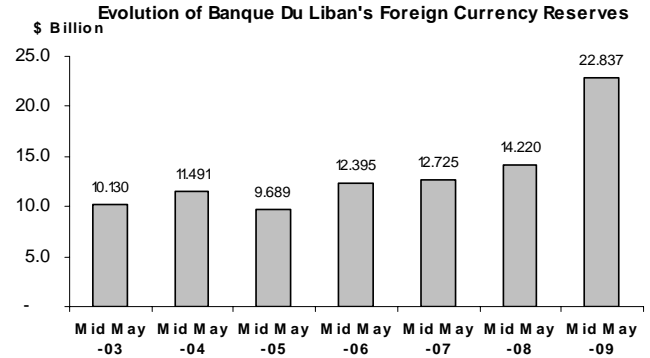


Lebanese Central Bank Governor Expects 3% To 4% in Real Growth For The Year 2009

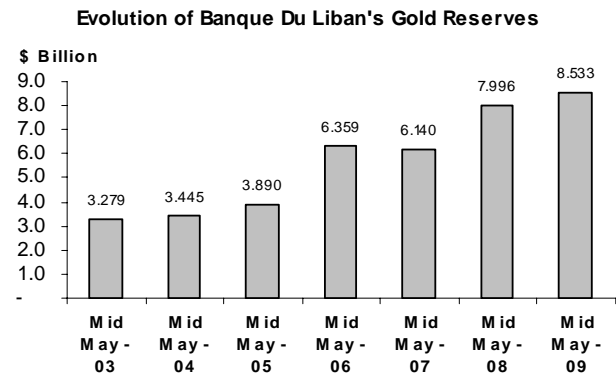
According to the Lebanese press, Lebanon's Central Bank Governor Mr. Riyad Salameh indicated that he expects the Lebanese economy to grow by 3% to 4% in real terms in 2009 with a likelihood of breaking the 6% mark, conditional upon the sustainability of a favorable political climate. The Governor commented that the latest circulars issued by the Central Bank, which reduce reserves requirement by banks during the 2009-2010 period, may help curb financing costs by some 2.25% and stimulate lending activity to around \$2 billion in the coming 18 months. Concurrently, Mr. Salameh noted that he expects LBP lending to accelerate in 2009 and commented that Lebanon's weakness remains in the budget deficit which accentuates the public debt, prompting as such the new cabinet to take the requisite actions to tighten the deficit. Finally, the Governor pointed out that annual inflation stands at 2% at present with expectations not to exceed 4% for the full year 2009.

Banque Du Liban's Reserves In the First Half of May 2009

Banque Du Liban's (BDL) bi-weekly balance sheet reveals a 2.39% (\$532.77 million) appreciation in Lebanon's **gross foreign currency reserves** during the first half of May 2009 to \$22.84 billion, up from \$22.30 billion in the second half of April 2009. On an annual basis, foreign currency reserves gained a staggering 60.60%, from \$14.22 billion in the first half of May 2008. This owes to a renewed appetite in LBP denominated deposits at commercial banks, lessening as such the deposits' dollarization rate to 66.93% in March, added the unprecedented increase in foreign remittances from Lebanese expatriates and some \$3.12 billion in received pledges from foreign donors' support in the aftermath of the Paris III convention, out of \$5.38 billion of signed pledges through December 2008.



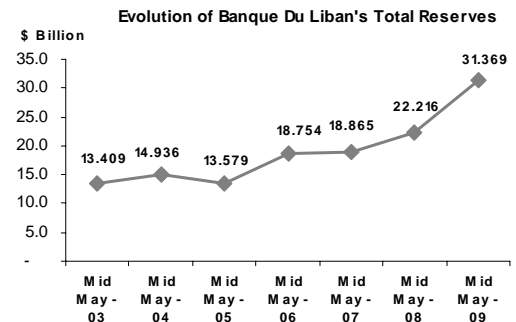
The Central Bank's balance sheet also depicts a significant \$324.17 million bi-weekly expansion in the value of **gold reserves** to \$8.53 billion in the first half of May 2009, up from \$8.21 billion in the second half of April. On a yearly basis, gold reserves rose by 6.71% (\$536.74 million) from around \$8.00 billion in the first half of May 2008.



BDL's total reserves, as portrayed by the table below, rallied by 41.20% (\$9.154 billion) to \$31.37 billion as at mid May 2009, significantly above the \$22.22 billion accumulated a year earlier.

\$ Billion	Mid May-2008	Mid May-2009	Value Change	% Change
Gold	8.00	8.53	0.54	6.71%
Foreign Assets	14.22	22.84	8.62	60.60%
Total Reserves	22.22	31.37	9.154	41.20%

Source: Banque Du Liban



Bank Of Beirut Lists Additional Shares On The BSE

According to the Beirut Stock Exchange circular number 281/2009, the Beirut Stock Exchange has approved the listing of 1,413,847 Bank of Beirut additional common shares on the official market effective as at May 25, 2009. The additional shares will bring the total number of Bank of Beirut's listed common shares to 14,949,792, LBP 1,200 par value each. Pursuant to the listing of Bank of Beirut's additional common shares, the Bank's total number of listed shares will be 21.87 million shares distributed as follows:

- 14.95 million common shares
- 2.92 million series "C" Preferred shares
- 4 million series "D" Preferred shares

Bader's Building Block Equity Fund Invests \$1 Million in Luceor

According to the Bader Association, Bader's Building Block Equity Fund (BBEF) announced its first investment of \$1 million in Luceor, a technology company specialized in the "Wireless Mesh Network Solutions". The \$1 million equity investment will be geared towards increasing the company's competitiveness, from a know-how and cost effectiveness perspectives. It is worth noting that Building Block Equity Fund had successfully raised \$17 million in the second half of 2008. The Fund is a venture capital Fund that invests in small and medium enterprises (SMEs) that meet the selection criteria of the Fund. The objective of said Fund is to provide the financial means for small firms and family owned enterprises to diversify their shareholding base and to grow to larger scale companies, with the opportunity to go public (IPO) at a later stage of their life cycle. The focus segments for the first phase BB Equity Fund include companies operating in the fields of new technologies with high potential for innovation, and service companies with high value added.

Bemo Bank Issues Subordinated Debt

According to a Bemo Bank announcement distributed via the Beirut Stock Exchange (BSE) on Friday May 22, 2009, Bemo Bank's extraordinary general assembly convened on March 10, 2009 approved the issuance of \$40 million of "Subordinated Debt". The debt securities are nominal, with a denomination of \$10,000 per debt instrument carrying an annual coupon of 7%, payable semi annually on June 30 and December 31, and subject to a 5% tax on interest. The subordinated debt securities will have a tenor of 5 years, requiring the prior approval of the Lebanese Central Bank for specifying the exact redemption date. It is worth noting that the subscription period in Bemo Bank's subordinated debt ends on May 30, 2009.

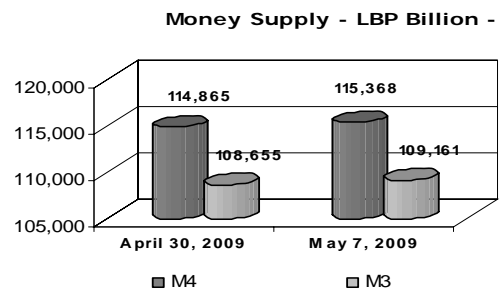
MONETARY AGGREGATES

On the monetary front, the overall money supply "M4" rose by a healthy LBP 503 billion (\$333.67 million) on a weekly basis to LBP 115,368 billion (\$76.53 billion) during the week ended May 7, 2009, notwithstanding the LBP 3 billion (\$1.99 million) contraction in non-banking sector Treasury bills. On the other hand, Lebanese-pound denominated deposits and currency in circulation, "M1" fell by 1.87% to LBP 4,152 billion (\$2.75 billion) owing to some LBP 165 billion (\$109.45 million) contraction in demand deposits, outweighing the LBP 86 billion (\$57.05 million) expansion in money in circulation.

Local currency, term deposits, "M2", increased by a shy 0.58% for the week, and an astounding 54.62% on an annual basis to LBP 41,916 billion (\$27.80 billion). This has spurred a moderate LBP 321 billion (\$212.94 million) appreciation in private sector savings ("M2-M1") to LBP 37,764 billion (\$25.05 billion).

Money Supply LBP Billion	April 30, 2009	May 7, 2009	% Change
M1	4,231	4,152	-1.87%
M2	41,674	41,916	0.58%
M3	108,655	109,161	0.47%
M4	114,865	115,368	0.44%
M2 - M1 (Savings)	37,443	37,764	0.86%

Source: Banque Du Liban



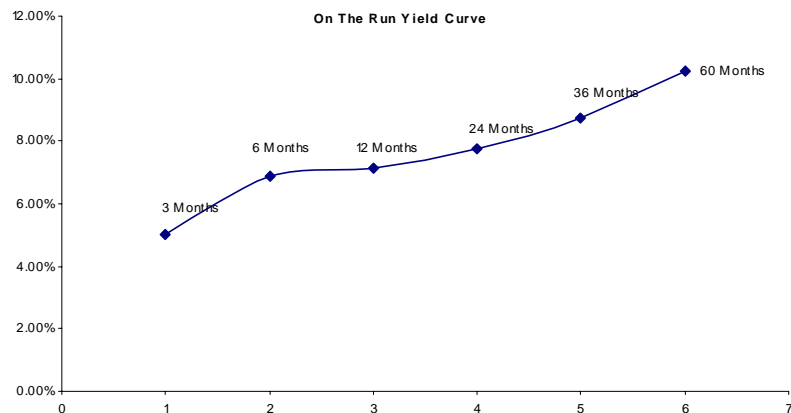
MONEY MARKETS

On the money market front, the May 20th Treasury bill auction raised LBP 91.449 billion, down from LBP 516,309 billion the week before. The auction revealed a deficit over nominal subscriptions of LBP 135.555 billion in comparison with a surplus of LBP 71.156 billion in the preceding week.

The bulk of the subscriptions was concentrated in the three-year to maturity T-bills, constituting alone around 76.27% of total aggregate subscriptions, followed by the six-month, one-year, three-month and two-year to maturity securities, representing around 13.26%, 7.15%, 2.23% and 1.09% of weekly subscriptions respectively.

Certificates Of Deposits Lebanese Pounds	45 Days	60 Days
Interest Rate/Period	4.40%	4.89%

Lebanese Treasury Bills	3 Months	6 Months	12 Months	24 Months	36 Months	60 Months
Treasury Yield	5.00%	6.86%	7.13%	7.74%	8.72%	10.25%



FOREIGN EXCHANGE

Domestically, demand for the Lebanese Pound extended its robust momentum for another consecutive week. The inter-bank trading range hovered between LBP 1,500 and LBP 1,502 as the economy continues to show vivid signs of recovery and some Lebanese banks aimed at hedging for their dividend distribution. The Lebanese Central Bank intervened at the 1,501 LBP/USD level in an attempt to preserve a stable exchange rate against the U.S. Dollar. Demand for the Lebanese Pound continued to outweigh the supply of the domestic currency. This is particularly evidenced by the regressing deposit dollarization rate to 66.93% as at end of March 2009.

On the foreign exchange front, the U.S. Dollar reversed trend, depreciating against major currencies last week, reaching its lowest level this year, on the back of investors' concerns about the U.S. sovereign credit rating after Standard & Poor's declared it might cut Britain's AAA rating.

In mid Friday session, the Euro appreciated against the U.S. Dollar by 2.18% for the day to \$1.3991 after having hovered between \$1.3891 and \$1.4050. On a weekly basis, the Euro rose by 2.60% to \$1.3991. The initial support level was reset at \$1.3883 and the resistance level readjusted to \$1.4005.

Concurrently, the U.S. Dollar lost steam against the Japanese Yen, down by 1.18% for the week to a market close of 94.77 Yen. The Dollar traded between a range of 93.82 and 94.91 against the Yen on Friday, ending the day at 94.77 Yen. The initial support level was revised to 93.87 Yen with the resistance level reset at 94.93 Yen.

The Sterling Pound (GBP) was no exception, appreciating against the U.S. Dollar by 4.65% for the week. The British Pound was trading between \$1.5753 and \$1.5942, ending the week at \$1.5933 in New York session. The initial level support was revised to \$1.5822 with the resistance level readjusted to \$1.5948.

Major Currencies	Last	Previous	% Change
EUR/USD	1.3991	1.3637	2.60% ↑
GBP/USD	1.5933	1.5225	4.65% ↑
USD/JPY	94.77	95.90	-1.18% ↓
USD/CHF	1.0940	1.1039	-0.90% ↓
USD/CAD	1.1361	1.1700	-2.90% ↓

Gold & Silver (in USD)			
Gold kg 995	Gold Ounce	Silver Kg	Silver Ounce
30,778.80	957.35	471.96	14.68

Major Crosses	EUR	GBP	CHF	JPY	CAD
EUR	-	0.8782	1.5182	132.635	1.5667
GBP	1.1388	-	1.7289	151.040	1.7841
CHF	0.6587	0.5784	-	87.365	1.0320
JPY	0.7540	0.6621	1.1447	-	1.1812
CAD	0.6383	0.5605	0.9691	84.660	-

Major Currencies	Last	Previous	% Change
USD/LBP	1,507.5	1,507.5	0.00% ↔
EUR/LBP	2,103.7	2,044.2	2.91% ↑
CAD/LBP	1,330.9	1,285.3	3.55% ↑
CHF/LBP	1,384.4	1,359.6	1.83% ↑
GBP/LBP	2,385.8	2,287.8	4.28% ↑

World Interest rates levels						
Period	USD	GBP	CHF	JPY	CAD	EUR
O/N	0.1000	0.3400	0.0100	0.0100	0.1000	0.7700
1 Month	0.2500	0.5000	0.0800	0.1000	0.1700	0.7700
3 Months	0.6000	0.9200	0.2500	0.2700	0.3500	1.0400
6 Months	1.1000	0.9500	0.4000	0.4700	0.7000	1.4300
1 Year	1.1800	1.0000	0.6000	0.7000	1.2200	1.4400
5 Years	N.A	N.A	N.A	N.A	N.A	N.A
10 Years	N.A	N.A	N.A	N.A	N.A	N.A
30 Years	N.A	N.A	N.A	N.A	N.A	N.A

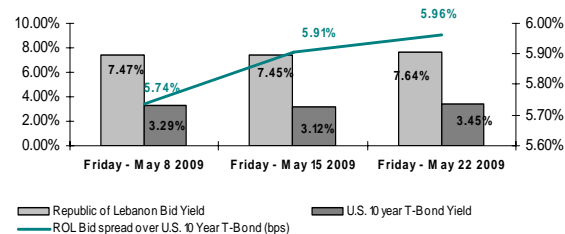
Source: Banque Du Liban, Credit Libanais Forex Markets, Reuters

FIXED INCOME

On the Lebanese Eurobond front, demand for the Republic Of Lebanon Eurobonds remained strong last week, outweighing supply. Spreads widened to 596.20 basis points during the week ended Friday May 22, 2009 up from 590.60 the week before.

LEBANESE EUROBONDS									
Lebanese Eurobonds	Currency	Coupon	Maturity	Issue	Spread	Bid	Ask	Bid Yield	Bid Spread
Government Eurobonds									
Republic of Lebanon	USD	10.250%	Oct-09	440		101.750	102.750	5.240%	502
Republic of Lebanon	USD	0.000%	Nov-09	325		99.250	100.250	7.320%	705
Republic of Lebanon	USD	7.000%	Dec-09	349		100.630	101.630	5.820%	553
Republic of Lebanon	USD	7.130%	Mar-10	370		100.750	101.750	6.100%	572
Republic of Lebanon	USD	7.880%	May-11	366		103.000	104.000	6.240%	537
Republic of Lebanon	USD	7.500%	Aug-11	-		102.380	103.380	6.310%	536
Republic of Lebanon	USD	7.500%	Mar-12	-		102.000	103.000	6.700%	550
Republic of Lebanon	USD	7.750%	Sep-12	385		102.630	103.630	6.840%	545
Republic of Lebanon	USD	9.130%	Mar-13	-		106.250	107.250	7.210%	561
Republic of Lebanon	USD	8.630%	Jun-13	478		104.500	105.500	7.320%	562
Republic of Lebanon	USD	7.380%	Apr-14	-		99.250	100.250	7.560%	553
Republic of Lebanon	USD	9.000%	May-14	515		105.380	106.380	7.670%	562
Banque Du Liban	USD	10.000%	Apr-15	625		109.250	110.250	8.000%	572
Republic of Lebanon	USD	8.500%	Aug-15	-		102.000	103.000	8.080%	574
Republic of Lebanon	USD	8.500%	Jan-16	-		102.000	103.000	8.100%	565
Republic of Lebanon	USD	11.630%	May-16	647		117.250	118.250	8.310%	579
Republic of Lebanon	USD	9.000%	Mar-17	-		103.500	104.500	8.380%	566
Republic of Lebanon	USD	8.250%	Apr-21	-		96.500	97.500	8.730%	542
Republic of Lebanon	EUR	5.880%	Apr-12	-		98.000	99.000	6.650%	491
Corporate Eurobonds									
Bq Mediterranée	USD	7.630%	Jul-10	-		101.500	102.500	6.240%	571
Bq Mediterranée	USD	7.630%	Dec-12	-		101.500	102.500	7.140%	564
Audi Investment Bank	USD	10.750%	May-10	475		104.500	105.500	5.810%	535

YIELD - SPREAD EVOLUTION			
	Friday - May 8 2009	Friday - May 15 2009	Friday - May 22 2009
Republic of Lebanon Bid Yield	7.47%	7.45%	7.64%
Republic of Lebanon Bid Spread (bps)	573.70	590.60	596.20
U.S. 10 year T-Bond Yield	3.29%	3.12%	3.45%
ROL Bid spread over U.S. 10 Year T-Bond (bps)	418.00	433.00	419.00

Yield - Spread Evolution


As portrayed by the table above, Republic of Lebanon (ROL) bid spreads over U.S. t-Bill extended its upturn for a third consecutive week.

Spreads expanded to 596.20 bps up from 590.60 bps in the previous week and 573.70 bps two weeks earlier.

LEBANESE EQUITIES

Activity on the Beirut Stock Exchange (BSE) crawled sluggishly last week, with some 596,368 shares changing hands, in comparison with 1,056,152 shares in the preceding week.

The Credit Libanais Aggregate Stock Index (CLASI) inched slightly upwards to 969.05, up from 959.58 the week before. This is mainly attributed to the gains spotted in the prices of heavy market capitalized Solidere "A & B" shares, and Audi Bank shares.

Six Gainers and four losers were screened throughout the week, increasing market capitalization by 0.98% to \$9.42 billion, from \$9.33 billion a week earlier. Value traded, however, tumbled by 50.81% to \$8.65 million down from \$17.59 million a week ago.

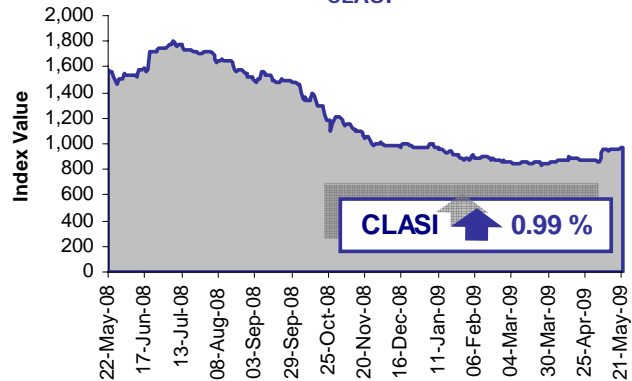
On the real estate and construction front, Solidere "A & B" shares led the weekly trades with 328,498 shares traded. The Credit Libanais Construction Sector Stock Index (CLCI) headed north, closing 1.89% higher at 938.90.

In the Banking sector, the prices of Audi Bank GDRs and Byblos Bank Preferred shares class 2008 rose by 5.40% and 4.72% respectively. The Credit Libanais Financial Sector Stock Index weighed in the favor of the gaining banking stocks, correcting upwards by 0.40% to 969.05.

On the international front, the Blom Bank GDR was the sole Loser of the week, down by 1.54% to close at \$64.

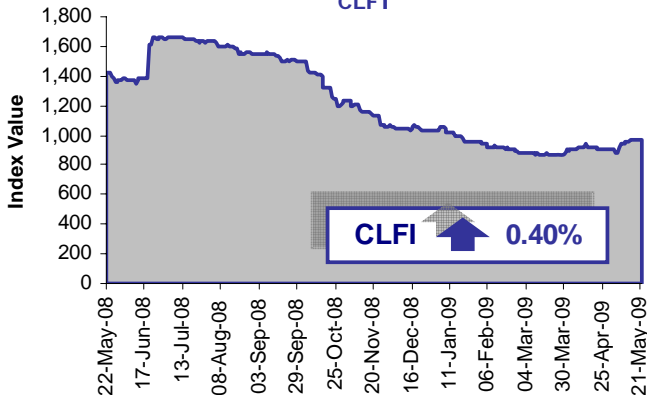
Credit Libanais Indices	Closing 22-May-09	Previous 15-May-09	Weekly % Change
Credit Libanais Aggregate Stock Index <.CLASI>	969.05	959.58	0.99%
Credit Libanais Financial Sector Stock Index <.CLFI>	969.05	965.17	0.40%
Credit Libanais Construction Sector Stock Index <.CLCI>	938.90	921.44	1.89%

Credit Libanais Aggregate Stock Index Weekly Performance CLASI

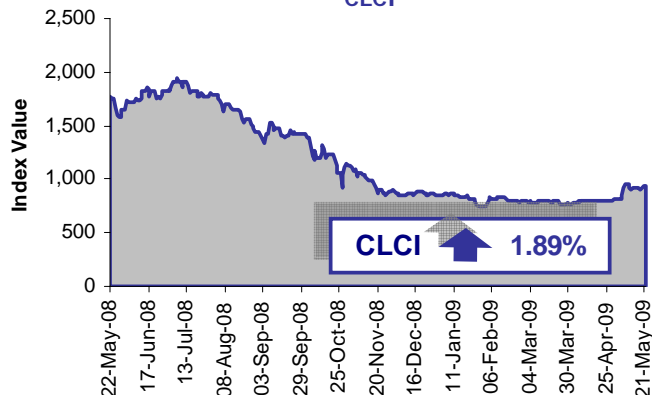


.CLASI Credit Libanais Aggregate Stock Index			
22 - May - 2009			
Value	Daily % Chng	Daily Net Chng	
969.05	0.326%	3.15	
Yr.High	Year Hi.Date	Yr.Low	Year.Lo.Date
994.90	5-Jan-09	836.11	25-Mar-09
Life High	Life Hi.Date	Life Low	Life.Lo.Date
1,801.01	7-Jul-08	836.11	25-Mar-09

Credit Libanais Financial Sector Stock Index Weekly Performance CLFI



Credit Libanais Construction Sector Stock Index Weekly Performance CLCI



LEBANESE EQUITIES								
	Closing	%change	Weekly Volume Traded	Total Outstanding Shares	Market Capitalisation (\$000)	P/E	P/BV	YTD Price Perf.
BEIRUT STOCK EXCHANGE								
Solidere A	\$19.00	3.09%	226,454	100,000,000	\$1,900,000	13.98	1.71	14.9%
Solidere B	\$18.74	2.01%	102,044	65,000,000	\$1,218,100	13.79	1.69	12.2%
BLC "C"	\$1.90	0.00%	-	50,900,000	\$96,710	5.43	0.90	0.0%
Banque Audi Listed Shares	\$47.88	1.81%	3,930	34,189,389	\$1,636,988	7.44	0.94	-7.92%
Banque Audi GDR	\$50.95	5.40%	10,415	9,829,902	\$500,834	7.92	1.00	-4.7%
Bank Audi Preferred "D"	\$100.30	0.00%	-	1,250,000	\$125,375	n.a	n.a	n.a
Bank Of Beirut "C"	\$18.20	0.28%	2,000	13,535,945	\$246,354	18.31	2.84	-0.27%
Bank Of Beirut Preferred "C"	\$25.00	0.00%	-	2,920,000	\$73,000	n.a	n.a	-1.96%
Bank Of Beirut Preferred "D"	\$25.00	0.00%	-	4,000,000	\$100,000	n.a	n.a	n.a
Byblos Bank "C"	\$1.81	-5.73%	94,408	217,112,557	\$392,974	7.40	0.99	13.13%
Byblos Bank Preferred	\$105.00	0.00%	-	1,000,000	\$105,000	n.a	n.a	0.96%
Byblos Bank Preferred Class 2008	\$99.90	4.72%	300	2,000,000	\$199,800	n.a	n.a	-0.10%
Byblos Bank Priority	\$1.85	-2.12%	36,600	206,023,723	\$381,144	7.56	1.0	12.80%
BEMO Bank-Listed shares	\$4.45	0.00%	-	5,400,000	\$24,030	12.11	1.26	-7.87%
BEMO Bank Preferred	\$100.00	0.00%	-	200,000	\$20,000	n.a	n.a	0.00%
BLOM Bank GDR	\$64.00	-0.85%	19,148	7,389,601	\$472,934	5.84	1.09	-12.15%
BLOM Bank Listed Shares	\$65.00	0.00%	-	21,500,000	\$1,397,500	5.93	1.11	-13.04%
BLOM Bank Preferred "2004"	\$101.00	0.00%	1,858	750,000	\$75,750	n.a	n.a	0.00%
BLOM Bank Preferred "2005"	\$101.80	0.30%	500	1,000,000	\$101,800	n.a	n.a	0.10%
RYMCO	\$2.10	0.00%	-	10,400,000	\$21,840	26.25	1.43	0.00%
Holcim Liban	\$12.56	-6.89%	467	19,516,040	\$245,121	237.0	13.22	-21.16%
Ciment Blancs Bearer	\$2.10	0.00%	-	6,000,000	\$12,600	15.22	2.26	0.48%
Ciment Blancs Nominal	\$1.90	0.00%	-	3,000,000	\$5,700	13.77	2.04	0.00%
Uniceramic Nominal "A"	\$0.06	0.00%	17,744	4,290,000	\$257	-0.24	0.07	0.00%
Uniceramic Bearer "C"	\$0.10	0.00%	80,500	8,580,000	\$858	-0.40	0.11	-94.12%
Beirut Golden Income (LBP)	104,200	0.00%	-	410,000	\$28,340	n.a	0.99	-7.13%
Beirut Preferred Fund	\$104.10	0.00%	-	325,756	\$33,911	n.a	n.a	n.a
GLOBAL DEPOSITORY RECEIPTS								
Solidere	\$18.75	5.63%		9,091,750	170,470	13.80	1.69	-12.301%
Audi	\$51.00	4.08%		9,687,532	494,064	6.92	1.00	-32.091%
BLOM Bank GDR	\$64.00	-1.54%		7,389,601	472,934	5.60	1.17	-28.928%

Activity Analysis			
	Last	Previous	% Change
Value Traded	\$8,652,179	\$17,588,156	-50.81%
Volume Traded	596,368	1,056,152	-43.53%
Market Cap - BSE	\$9,418,012,428	\$9,326,606,134	0.98%
Market Cap - Intl	\$1,137,469	\$1,116,392	1.89%

Heavy market capitalization-weighted Solidere "A" and "B" shares emerged as the largest contributors (71.03%) to the week's traded value with a turnover ratio of 1.57%. Other active stocks included Blom Bank and Audi Bank (shares & GDRs), accounting for 17.03% and 8.17% of total weekly traded value respectively.

LEBANON'S MAIN INDICATORS
Lebanon's Economic and Financial Sector Indicators

	2003	2004	2005	2006	2007	2008*	2009*
MACROECONOMIC INDICATORS							
GDP (\$ Million)	19,795	21,465	21,558	22,437	25,044	29,228	
Real GDP Growth Rate	4.10%	7.40%	1.10%	0.60%	7.50%		
GDP Per Capita (\$)	5,585	5,949	5,898	6,146	6,569	6,963	
Net Foreign Direct Investment (\$ Million)	1,722	1,993	2,791	2,321.0	3,486.0		
INDUSTRY							
Industrial Exports (\$ Million)	1,438	1,640	1,667	1,738	2,361	2,994	695 ⁽⁴⁾
Import of Industrial Machinery (\$ Million)	109	142	137	130	162.61	187.93	54.07 ⁽⁴⁾
TOURISM							
Arab Tourists Arrivals	438,203	545,150	451,430	456,889	400,082	549,463	122,905 ⁽⁴⁾
Africa Tourists Arrivals	22,398	20,180	16,160	20,541	48,071	34,144	6,136 ⁽⁴⁾
U.S. Tourists Arrivals	120,429	152,075	136,907	129,274	121,596	176,647	27,880 ⁽⁴⁾
Asia Tourists Arrivals	134,164	173,897	177,809	164,053	137,832	181,006	59,674 ⁽⁴⁾
Europe Tourists Arrivals	266,691	338,475	316,083	267,142	277,337	347,495	66,127 ⁽⁴⁾
Others Tourists Arrivals	66,755	48,692	41,135	33,659	32,154	43,796	14,957 ⁽⁴⁾
Total Number of Tourists	1,015,793	1,278,469	1,139,524	1,062,635	1,017,072	1,332,551	297,769
CONSTRUCTION							
Construction Permits (000 sqm)	8,860	9,156	8,254	9,145	7,919	10,760.62 ⁽²⁾	2,548 ⁽⁷⁾
Cement Delivery (000 tons)	2,704	2,729	3,040	3,423	3,944	3,930 ⁽²⁾	
TRANSPORTATION							
Beirut Port Activity							
Freight Activity(000 Tons)	4,767	5,060	4,475	4,226		5,746	1,978 ⁽⁷⁾
Number of Vessels	2,333	2,366	2,230	1,832		2,055	799 ⁽⁷⁾
Number of Containers	115,034	137,492	127,656	119,978		945,100	319,646 ⁽⁷⁾
Beirut Airport Activity							
Number of Planes	34,469	39,023	38,197	32,980	39,050	59,787 ⁽¹⁾	
Number of Passengers	2,718,000	3,200,000	3,180,000	2,739,606	3,408,834	3,869,607	1,278,411 ⁽⁷⁾
FOREIGN TRADE							
Imports (\$ Million)	7,170	9,400	9,342	9,399	11,815	16,137	3,240 ⁽⁴⁾
Exports (\$ Million)	1,524	1,747	1,880	2,281	2,816	3,478	1,000 ⁽⁴⁾
Trade Balance (\$ Million)	(5,644)	(7,650)	(7,459)	(7,118)	(8,999)	(12,659)	(2,240) ⁽⁴⁾
Exports/Imports	21.30%	18.60%	20.10%	24.27%	23.83%	21.55%	30.86%
BALANCE OF PAYMENT							
Balance of Payment (\$ Million)	3,386	169	747	2,795	2,036	3,461.50	297.7 ⁽⁴⁾
Foreign Currency Reserves (\$ Billion)	12.18	11.48	11.66	12.97	12.39	19.73	22.84 ⁽⁹⁾
PUBLIC FINANCE							
Government Expenditures (LBP Billion)	10,592	10,540	10,203	11,877	12,587	15,007	4,545 ⁽⁴⁾
Government Revenues (LBP Billion)	6,656	7,514	7,405	7,295	8,749	10,603	2,828 ⁽⁴⁾
Budget Deficit	(3,936)	(3,026)	(2,798)	(4,582)	(3,838)	-4,404	1,717 ⁽⁴⁾
Deficit / Total Expenditures	37.16%	28.71%	27.42%	38.58%	30.49%	29.35%	37.78% ⁽⁴⁾
Public Debt (\$ Billion)	33.36	33.85	38.48	37.41	39		47.85 ⁽⁴⁾
Debt/GDP	168.53%	167.00%	179.00%	166.73%	171.00%		
MONETARY AGGREGATES & INFLATION							
M1 (LBP Billion)	2,847	3,031	2,952	3,322	3,475	4,151	4,152 ⁽⁸⁾
M2 (LBP Billion)	26,234	25,978	24,465	23,477	24,769	37,240	41,916 ⁽⁸⁾
M3 (LBP Billion)	64,694	71,310	74,446	80,244	90,234	103,439	109,161 ⁽⁸⁾
M4 (LBP Billion)	70,297	74,810	77,771	84,545	95,647	109,321	115,368 ⁽⁸⁾
Consumer Price Index	136.75	102.48	99.63	107.24	113.59	120.81	121.33 ⁽⁴⁾
CPI (%)	3.00%	1.70%	-2.60%	5.60%	9.30%	6.36%	
BANKING SYSTEM							
Number of Commercial Banks	52	53	54	54	---	---	
Number of Branches	809	802	926	977	---	---	
Number of Employees	15,714	16,281	17,480	18,945	---	---	
Total Assets (LBP Billion)	90,623	102,187	106,104	114,840	123,999	142,090	147,640 ⁽⁴⁾
Total Deposits (LBP Billion)	73,455	82,691	85,906	97,309	102,598	118,584	122,787 ⁽⁴⁾
Deposits by Private Sector (LBP Billion)	75,852	86,503	89,169	95,730	101,435	117,253	121,358 ⁽⁴⁾
Deposits by Public Sector (LBP Billion)	1,325	1,480	1,705	1,579	1,163	1,331	1,429 ⁽⁴⁾
Total Loans (LBP Billion)	23,758	25,364	26,109	57,123	59,185	70,064	71,108 ⁽⁴⁾
Loans to Private Sector (LBP Billion)	22,836	24,020	24,467	25,930	26,762	31,750	32,342 ⁽⁴⁾
Loans to Public Sector (LBP Billion)	21,006	24,155	26,697	31,193	32,423	38,314	38,766 ⁽⁴⁾
Total Shareholders Equity (USD Million)	4,529.53	4,941.28	6,171.55	7,771.48	---	---	
Customer Loans/Customer Deposits	56.81%	54.75%	56.30%	58.70%	57.69%	59.08%	
Customer Loans/Total Assets	48.38%	47.14%	48.26%	49.74%	47.73%	49.31%	
ROE	11.14%	10.22%	10.71%	11.06%	---	---	
ROA	0.75%	0.68%	0.77%	0.92%	---	---	
Exchange Rate (LBP to USD)	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50	1,507.50

(* (1) As At End Of September 2008 - (2) As At End Of November 2008 - (3) As At February 28, 2009 - (4) As At March 31, 2009
(5) As At Mid April, 2009 - (6) As At April 23, 2009 - (7) As At April 30, 2009, (8) As At May 7, 2009, (9) As At Mid May, 2009

ARAB MARKETS
Regional Stock Market Indices

The table on the right hand side portrays the weekly performance of major Arab stock market indices in the region for the week ended May 22, 2009:

REGIONAL STOCK MARKET INDICES					
Country	Index	Last	Previous	Net Change	% Change
Lebanon	.CLASI	969.05	959.58	9.47	0.99%
Bahrain	.BAX	1,626.20	1,637.87	(11.67)	-0.71%
United Arab Emirates	.ADX	2,612.53	2,590.66	21.87	0.84%
Saudi Arabia	.TASI	6,052.63	6,044.78	7.85	0.13%
Kuwait	.KWSE	7,773.20	7,629.80	143.40	1.88%
Oman	.MSI	5,507.44	5,373.14	134.30	2.50%
Egypt	.CCSI	1,592.41	1,584.10	8.31	0.52%

Source: Reuters

The Egyptian Stock Exchange

On a weekly basis, the Cairo Stock Exchange Index sustained its upturn for a fourth consecutive week, closing 0.52% higher at 1,592.41 last week.

Trading activity on the Egyptian Stock Exchange encompassed some 215,439,433 shares valued at 1,441.81 million Egyptian pounds (\$256.21 million). Among the 10 most heavily traded stocks, *Prime Holding* was up at 7.79 Egyptian Pounds (\$1.38) followed by *Sidi Kerir Petrochemicals* which firmed at 9.87 Egyptian Pounds (\$1.75). On the other hand, *El Obour Metallurgical Industries (Galvametal)* ended in negative grounds, down at 90.05 Egyptian pounds (\$16.00), followed by *Amoun* which settled at 33.55 Egyptian Pounds (\$5.96).

THE EGYPTIAN STOCK EXCHANGE				
Companies	Closing	Previous	% Change	Market Cap.
TOP FIVE GAINERS				
Prime Holding	LE 7.79	LE 7.38	5.56%	LE 516,846,005
Sidi Kerir Petrochemicals	LE 9.87	LE 9.36	5.45%	LE 4,914,000,000
El Arabia for Land Reclamation	LE 45.50	LE 43.34	4.98%	LE 112,684,000
GMC GROUP FOR INDUSTRIAL COMMERCIAL & FINANCIAL INVESTMENTS	LE 133.80	LE 128.71	3.95%	LE 75,080,790
Wadi Kom Ombo Land Reclamation	LE 48.01	LE 47.37	1.35%	LE 132,636,000
TOP FIVE LOSERS				
El Obour Metallurgical Industries (Galvametal)	LE 90.05	LE 112.06	-19.64%	LE 327,245,232
Amoun	LE 33.55	LE 40.07	-16.27%	LE 2,404,200,000
Alexandria Real Estate	LE 69.78	LE 83.01	-15.94%	LE 1,552,287,000
T M G Holding	LE 4.30	LE 5.03	-14.51%	LE 10,211,923,857
Arab Banking Corporation Egypt	LE 12.08	LE 14.01	-13.78%	LE 700,500,000
LE/USD	5.6275			

Source: Egypt Stock Exchange, Credit Libanais Research Unit

The Saudi Stock Exchange

On a weekly basis, the Tadawul All Shares Index prolonged its positive impulse, gaining a shy 0.13% for the week to 6,052.63.

Trading activity included 1,807.15 million shares valued at 43,255.37 million Saudi Riyal (\$11,549.18 million), with the Saudi stock market capitalization attaining 1,156.83 billion Saudi Riyal (\$308.87 billion). Among the 10 most heavily traded stocks, *ATC* topped the gainers' list of the week, up by a considerable 27.51% to 124.00 Saudi Riyal (\$33.11), followed by *Tihama* which advanced to 34.10 Saudi Riyal (\$9.10). On the other hand, *ACIG* topped the losers' list, down by 22.50% to 77.50 Saudi Riyal (\$20.69), followed by *SAMBA* dipping to 55.50 Saudi Riyal (\$14.82).

THE SAUDI STOCK EXCHANGE				
Companies	Closing	Previous	% Change	Market Cap. Million
TOP FIVE GAINERS				
ATC	SAR 124.00	SAR 97.25	27.51%	SAR 1,240
Tihama	SAR 34.10	SAR 27.20	25.37%	SAR 512
SABB Takaful	SAR 148.50	SAR 118.75	25.05%	SAR 1,485
Mubarrad	SAR 24.20	SAR 19.90	21.61%	SAR 436
Saudi Export	SAR 52.50	SAR 44.00	19.32%	SAR 567
TOP FIVE LOSERS				
ACIG	SAR 77.50	SAR 100.00	-22.50%	SAR 775
SAMBA	SAR 55.50	SAR 59.50	-6.72%	SAR 49,950
BJAZ	SAR 23.65	SAR 25.20	-6.15%	SAR 7,095
AICC	SAR 33.10	SAR 35.00	-5.43%	SAR 662
Makkah	SAR 27.90	SAR 29.40	-5.10%	SAR 4,598
USD/SR	\$0.2670			

Source: Saudi Stock Exchange, Credit Libanais Research Unit

ARAB MARKETS (Continued)
The Abu Dhabi Stock Exchange

On a weekly basis, the Abu Dhabi General Index rebounded by 0.84%, recouping part of its preceding week's losses.

Trading activity accelerated pace with some 1,174,781,223 shares changing hands, in comparison with 667,183,697 shares the week before. Traded value was no exception, expanding to 1,700.19 million Dinars (\$462.96 million) up from 1,443.76 million Dinars (\$393.14 million) a week earlier. Among the 10 most heavily traded stocks, *Methaq Takaful Insurance Co.* emerged as the top gainer at 4.33 Dinars (\$1.18), followed by *AGTHIA GROUP PJSC* which closed higher at 1.47 Dinars (\$0.40). On the other hand, *INTERNATIONAL FISH FARMING HOLDING CO. PJSC* topped the losers' list, skidding by 12.98% to 20.45 Dinars (\$5.57).

THE ABU DHABI STOCK EXCHANGE				
Companies	Closing	Previous	% Change	Market Cap. In AED Billion
TOP FIVE GAINERS				
Methaq Takaful Insurance Co.	AED 4.33	AED 2.93	47.78%	649,500
AGTHIA GROUP PJSC	AED 1.47	AED 1.26	16.67%	846,000
Dana Gas PJSC	AED 1.00	AED 0.88	13.64%	6,146,400
Green Crescent Insurance Company	AED 1.28	AED 1.14	12.28%	310,000
Ras Al Khaimah Cement Company	AED 1.29	AED 1.17	10.26%	609,840
TOP FIVE LOSERS				
INTERNATIONAL FISH FARMING HOLDING CO. PJSC	AED 20.45	AED 23.50	-12.98%	N.A.
Fujairah Building Industries P.S.C.	AED 2.43	AED 2.70	-10.00%	N.A.
Gulf Medical Projects	AED 2.75	AED 2.96	-7.09%	1,428,000
Abu Dhabi Ship Building Co	AED 3.46	AED 3.71	-6.74%	750,452
FOODCO Holding P.J.S.C	AED 1.88	AED 2.01	-6.47%	N.A.
AED/USD	AED 3.6724			

Source: Abu Dhabi Stock Exchange, Credit Libanais Research Unit

The Bahraini Stock Exchange

On a weekly basis, the Bahraini Stock Exchange Index reversed direction, losing 0.71% for the week to a session close of 1,626.20, down from 1,637.87 the week before.

Trading activity contracted with some 19,616,520 shares traded, in comparison with 23,436,152 shares a week earlier. *Nass Corporation BSC* continued to top the gainers' list of the week, up at Bahraini Dinar 0.22 (\$0.59). On the other hand, *Gulf Finance House* fell by 9.17% to \$0.99 (Bahraini Dinar 0.37).

THE BAHRAINI STOCK EXCHANGE				
Companies	Closing	Previous	% Change	Market Cap. In BD
TOP FIVE GAINERS				
Nass Corporation BSC	BD 0.22	BD 0.18	24.44%	49,280,000
General Trading & Food Proc. Co.	BD 0.29	BD 0.26	11.11%	23,395,765
Arab Banking Corporation	\$0.64	\$0.59	8.47%	482,560,000
Esterad Investment Company B.S.C.	BD 0.35	BD 0.34	4.48%	54,250,000
INOVEST	\$0.93	\$0.90	3.33%	93,881,963
TOP FIVE LOSERS				
Gulf Finance House	\$0.99	\$1.09	-9.17%	356,689,257
Khaleeji Commercial Bank	BD 0.13	BD 0.14	-4.20%	143,745,517
Ahli United Bank	\$0.57	\$0.59	-3.39%	1,027,392,792
Al Baraka Banking Group B.S.C.	\$1.94	\$2.00	-3.00%	544,146,720
National Bank of Bahrain	BD 0.58	BD 0.60	-2.50%	454,118,400
USD/BD	\$2.66			

Source: Bahrain Stock Exchange, Credit Libanais Research Unit

Bahrain's Inflation Rate At 3.1% in April

According to government official data, Bahrain's inflation rate slowed to 3.1% in April 2009 in comparison with 4.3% in March. More particularly the Gulf Island Kingdom's consumer price index reached 109.5 points in April, posting a moderate 3.11% annual inflation.

Oman's Money Supply Growth At 13% in March

According to government official data, Oman's money supply growth decelerated, for the fifth consecutive month, to 13% in March 2009, posting its lowest level since 2005, with the M2 aggregate reaching 7.59 billion Riyal (\$19.73 billion). Concurrently, the Central Bank commented that net foreign assets fell by 3.5% on a monthly basis to 4.43 billion Riyal (\$11.52 billion) in the first quarter of 2009.

Consumer Price Index in April 2009

The U.S. Labor Department conveyed a 0.1% monthly contraction in the U.S. Consumer Price Index "CPI" in April 2009 on the back of diminishing energy prices. More particularly, energy prices plunged by 2.4% during the month of April. For the past 12 months, energy prices dipped by a staggering 20%, leading to the first annual decline in CPI of 0.7% since 1955. Core CPI (excluding food and energy prices), however, rose by 0.1%. April's CPI came in line with U.S. economists' expectations.

Jobless Claims in May 2009

The U.S. Labor Department also announced a contraction in jobless claims during the week ended May 16, 2009. Week-on-week, the number of applicants filing for unemployment benefits dropped by 12,000 to 631,000. Furthermore, the four-week moving average fell by 3,500 to 628,500. Meanwhile, the insured unemployment rate rose to 5.00%, posting a 0.1% expansion in comparison with the previous week.

Philly Fed Manufacturing Index in May 2009

Figures released by the Federal Reserves Bank of Philadelphia revealed a healthy 7.38% expansion in May's manufacturing activity in the region of Philadelphia as outlined by the Philly Fed's business activity index. The index rose to negative 22.6 in May from a negative reading of 24.4 in April, and lagged behind U.S. economists' expectations which center upon a negative 15 reading.

U.S. Treasury Prices

The U.S. 10-year Treasury note prices firmed at 97.24 on Friday with yields expanding to 3.45% up from 3.12% in the preceding week.

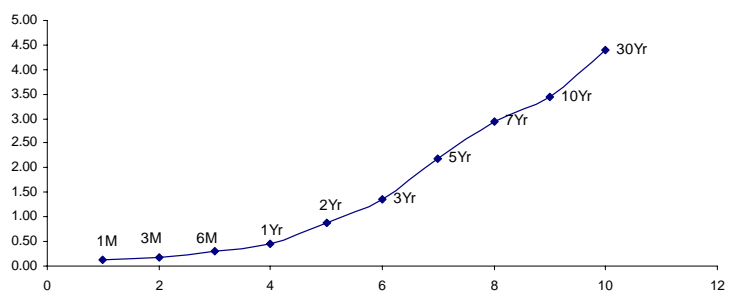
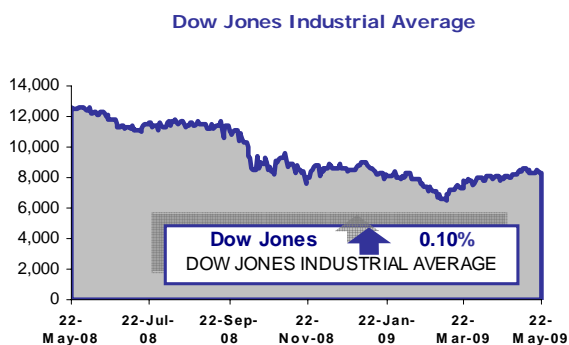
U.S. Market Indices

For the week, all three U.S. indices settled on a positive note on Friday, May 22. The Dow Jones Industrial Average rose by 0.10% to a market close of 8,277.32. In parallel, the NASDAQ Composite closed up by 0.71% at 1,692.01, with the S&P500 index gaining 0.47% to close at 887.00.

U.S. Market Indices Closing Levels	15-May-09	22-May-09	% Change
Dow Jones Industrial Average	8,268.64	8,277.32	0.10%
Nasdaq Composite Index	1,680.14	1,692.01	0.71%
Standard & Poor 500 Index	882.88	887.00	0.47%
10-Year U.S. T-Bond	3.12%	3.45%	

U.S. Treasury Bills	1M	3M	6M	2Yr	5Yr	10Yr	30Yr
Yield (%)	0.13	0.18	0.30	0.87	2.19	3.44	4.40

On The Run Yield Curve



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