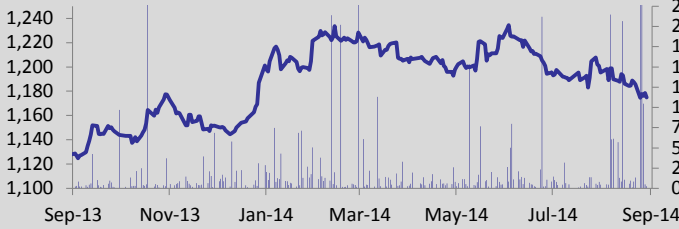


Daily Market Bulletin

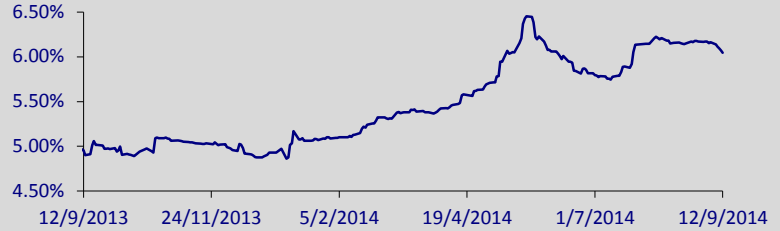
Monday September 15, 2014



Blom Stock Index



Weighted Effective Yield on Eurobonds



BLOM Indices*

| | Last | Previous | % Change |
|-------------|-----------|-----------|----------|
| BSI | 1,174.89 | 1,178.53 | -0.31% |
| High | 1,178.40 | 1,180.31 | |
| Low | 1,173.63 | 1,177.46 | |
| Vol | 23,940 | 48,500 | -50.64% |
| Val | \$255,927 | \$607,236 | -57.85% |
| BPSI | 104.69 | 104.70 | -0.01% |
| Vol | 55 | 2,706 | |
| Val | \$5,506 | \$272,462 | |

| | | | |
|--------------|--------|--------|--------|
| BBI | 108.35 | 108.41 | -0.06% |
| 10Y Yield | 6.16% | 6.15% | 1 |
| Spread10Y US | 354 | 361 | -7 |

BLOM Funds

| | 11/09/2014 |
|---------------|-------------|
| Cedars A (\$) | \$ 7,330.61 |
| CedarsB (\$) | \$ 5,239.91 |
| Cedars C (\$) | \$ 5,567.69 |
| Petra A (JOD) | \$ 2,839.91 |
| Petra B(\$) | \$ 4,726.10 |
| BBF** | \$ 9,652.13 |
| Pyramids | \$ 6,169.39 |

Foreign Exchange Market

| | | | |
|--------|----------|----------|-------|
| \$/LBP | 1,512.00 | 1,512.00 | - |
| €/LBP | 1,948.14 | 1,948.14 | - |
| £/LBP | 2,449.39 | 2,448.18 | 0.05% |

| | | | |
|----------|--------|--------|-------|
| NEER**** | 136.14 | 136.01 | 0.10% |
|----------|--------|--------|-------|

Money & TB's Market Rates

| | |
|--------------------|-------|
| LBP Interbank Rate | 2.75% |
|--------------------|-------|

| | Lebanese TBs | Beirut \$ Market |
|-----|--------------|------------------|
| 1 w | | 0.00% |
| 1 M | | 0.03% |
| 3 M | 4.39% | 0.10% |
| 6 M | 4.87% | 0.16% |
| 1 Y | 5.08% | 0.25% |
| 2 Y | 5.84% | 0.47% |
| 3 Y | 6.50% | 0.91% |
| 5 Y | 6.74% | 1.98% |

MARKET WRAP UP

The Beirut Stock Exchange (BSE) started the week in the red, where the BLOM Stock Index (BSI) lost 0.31% to reach 1,174.89 points. The real estate sector grasped a share of 52.91%, with Solidere "A" and "B" shares decreasing by 1.83% and 0.92% to \$11.79 and \$11.91, respectively. In the industrial sector HOLCIM shares added 0.07% to \$14.51. In the banking sector, Byblos preferred 2009 shares dropped by 0.10% to \$100.10. Meanwhile, the BLOM listed shares exchanged hands with no change in price.

The Lebanese Eurobonds market declined for the fourth day in a row, due to the decrease in demand for medium and long-term maturities. The BLOM Bond Index (BBI) fell by 0.06% to 108.35 points. The 5Y and 10Y Lebanese Eurobonds' yields added 1 basis point (bp) each to settle at 5.06% and 6.16%, respectively. The 5Y spread against the US Treasury benchmark narrowed by 3 bps to 323 bps. The 5Y Credit Default Swaps (CDS) steadied at 330-360.

Business Monitor International's (BMI) report forecast on Lebanon's pharmaceuticals and healthcare reveals that Lebanon's Pharmaceutical Risk/Reward Rating (RRR), for the fourth quarter (Q4) of 2014, stood at 53.9 out of 100, which is higher than Q3's score of 52.7. In the Industry Rewards category, which measures the market size and its growth potential, Lebanon scored 20.4 out of 44 in Q4, higher than Q3's score of 19.2. On the other hand, Lebanon's Country Rewards score, which measures pensionable population, population growth and urbanization, was 16.2 out of 21, same as the previous quarter's score. Moving to the Risks, Lebanon scored 9.5 out of 21 on the Industry Risks, more than the regional average of 7.7. This implies that Lebanon's pharmaceutical sector is less risky for multinationals operating and wishing to operate in the country. The Industry Risks is composed of a subjective assessment of the country's intellectual property laws, policies and reimbursement regimes, and the speed and efficiency of the approvals process. In contrast, Lebanon's score for Country Risks for Q4 2014 was 7.9 out of 14, slightly above the regional average of 7.3. This reveals the high-to-medium level of risk associated with continuities in policy direction, the strength and balance of the country's economy and the spread of corruption. Moreover, it exposes the instability of the government, poor legal framework and an excess of red tape in Lebanon.

| | Last | Change | Volume | Vwap |
|----------------|----------|--------|--------|----------|
| Solidere (A) | \$11.79 | -1.83% | 8,953 | \$11.87 |
| Solidere (B) | \$11.91 | -0.92% | 2,447 | \$11.91 |
| BLOM GDR | \$9.37 | - | - | - |
| BLOM Listed | \$8.75 | - | 11,485 | \$8.75 |
| Audi GDR | \$6.39 | - | - | - |
| Audi Listed | \$6.02 | - | - | - |
| Byblos Pref 09 | \$100.10 | -0.10% | 55 | \$100.10 |
| HOLCIM | \$14.51 | 0.07% | 1,000 | \$14.51 |

| | BSI | BPSI | BBI | NEER |
|--------------|----------|----------|---------|---------|
| Year to date | 2.16% | -0.48% | 2.56% | 5.49% |
| | Cedars A | Cedars B | Petra A | Petra B |
| Year to date | 5.41% | 5.53% | 3.57% | 3.58% |

| | Price | Yield |
|-----------|--------|-------|
| Aug. 2015 | 104.58 | 3.31% |
| Jan. 2016 | 106.33 | 3.66% |
| May 2016 | 112.61 | 3.74% |
| June.2018 | 101.67 | 4.66% |
| Mar. 2020 | 104.97 | 5.32% |
| Apr. 2021 | 115.35 | 5.44% |
| Oct. 2022 | 102.15 | 5.76% |
| Jan. 2023 | 100.91 | 5.86% |
| Dec. 2024 | 106.46 | 6.14% |
| Nov. 2026 | 102.61 | 6.29% |
| Nov. 2027 | 103.58 | 6.34% |