Issue 109
March 26, 2009

BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Sovereign downgrades at 13.6% in 2008

Fitch Ratings indicated that the share of sovereign issuers downgraded rose to 13.6% in 2008, up from 3% in 2007, while upgrades fell to 9.7% from 12.1% due to the impact of the global crisis. It said the recession in advanced economies, a reversal in capital and financial market flows, and a sudden and sharp decline in commodity prices triggered an abrupt reversal in credit quality among sovereign issuers in 2008. It noted that sovereign credit quality took a negative turn in the second half of 2008 when downgrades topped upgrades by a margin of 4-to-1, leading to downgrades exceeding upgrades by 1.4-to-1 in 2008, up from the 0.3-to-1 margin recorded in 2007. The agency said downgrades of investment-grade sovereigns rose to 13.3% from 3.4% in 2007, while upgrades fell to 8.3% in 2008 from 12.1% a year earlier. In parallel, downgrades of speculative-grade sovereigns reached 14% in 2008 compared to 2.4% in 2007, while upgrades ended the year at 11.6%, just below the 12.2% recorded in 2007. Regionally, Emerging Europe experienced the majority of rating actions with nine downgrades and three upgrades.

Source: Fitch Ratings

EMERGING MARKETS

IMF revamps lending to help countries face crisis

The International Monetary Fund announced the creation of a new flexible credit line for countries with very strong fundamentals, policies, and track records of policy implementation. It said these loans can be fully disbursed when the need arises rather than being conditional on compliance with policy targets as in traditional IMF-supported programs. It also announced that it would double non-concessional loan access limits, enhance its traditional Stand-By facility, and simplify lending terms. According to the IMF, the overhaul of its lending will provide it with added flexibility to respond effectively to the various needs of emerging market and developing countries as the impact of the crisis grows. It noted that one objective of the changes is to encourage countries to come to the Fund as early as possible, rather than when their problems have become increasingly difficult.

Source: International Monetary Fund

MENA

Country risk deteriorates in region

Euromoney magazine's semi-annual survey on global country risk shows that risk in the MENA region deteriorated in the past 6 months but improved on an annual basis. The average rating score of 20 countries in the MENA region reached 51.57 points in March 2009, down from 52.64 points in September 2008 but up 1.3% from 50.92 points in March 2008. Also, the average score of the Arab countries reached 51.43 points down from 52.36 points in September 2008, but up 1.8% from 50.52 points in March 2008. The scores of 5 MENA countries improved and 15 regressed from September 2008, while the scores of 14 countries improved and 6 regressed from March 2008. The rankings of 8 countries improved, 7 declined and 5 were unchanged from September 2008. Kuwait is the country with the best risk ratings in the MENA region while Mauritania has the worst level of country risk.

Source: Euromoney, Byblos Research

GCC

Business confidence continues to decline

The HSBC Gulf Business Confidence Survey for the first quarter of 2009 showed that confidence declined to 69.7 points from 70.3 points in the previous quarter, the lowest since the survey began in February 2007, and revealed a further decline in optimism and confidence among the Gulf's business community. The index fell by 22 points in the fourth quarter of 2008. Further, 68% of business people surveyed considered that the current economic difficulties would last for longer than a year, with 20% saying it would last more than two years. At least one in four respondents from across the GCC said they could not predict their profit, turnover, and investment budget for the year, with 42% citing ‘the economy generally’ as the biggest challenge to their business in 2009. In parallel, 36% of respondents in the construction sector and 40% in the retail sector expected their margins to erode in the second quarter, and the two sectors were the most pessimistic about meeting their financial targets this year. Also, 50% of those in the automotive and retail sectors expect their budgets to shrink this year. The consumer goods industry plans to invest more this year than any other sector, with 35% of respondents predicting growth in investment compared to just 14% among retailers. Business confidence in Oman and Kuwait increased, while confidence in the UAE continued to fall, declining by 4.3 points to 57.9 points after dropping the most in the fourth quarter of 2008.

Source: HSBC Bank

SAUDI ARABIA

New SWF to invest in foreign stocks

The government approved the creation of a new sovereign wealth fund that will manage the assets of Saudi Arabia’s largest pension fund, the General Organization for Social Insurance (GOSI). The new fund, to be called the Hassana Investment Co., will invest in real estate and commercial projects, as well as in stock markets in the Middle East and overseas. GOSI has an estimated $400bn in total assets, mostly in the kingdom. It holds sizable positions in dozens of locally listed companies and owns a number of real estate projects around the country. The creation of the new fund is a departure in strategy for the kingdom, which has previously channeled most of its overseas assets through its central bank the Saudi Arabian Monetary Agency, or SAMA, which controls around $500bn in assets.

Source: Dow Jones Newswires

EMERGING MARKETS

Economies face growing capital account pressure, capital shortfall for banks at $250bn

The International Monetary Fund indicated that many emerging market economies (EMs) are likely to face prolonged capital account pressures, governments may have to support companies that are unable to roll over their debt, while emerging market banks, especially in Central and Eastern Europe, may need to be recapitalized in view of prospective losses. The Fund said that EMs are facing increasing difficulties around the world because of the spreading economic crisis, with demand for their exports falling, investment slumping, and cross-border lending drying up. Also, risks are largest for emerging economies that rely on cross-border flows to finance current account deficits or to fund their financial or corporate sectors. It noted that emerging economies are likely to need large-scale official support from bilateral and multilateral institutions.

The Fund noted that cross-border lending is contracting, which threatens to block access to finance for EM firms and banks, while companies that accessed external funds will need to turn to domestic markets. It said institutional investors continue to pull capital out of EMs and expected significant portfolio outflows in 2009 and 2010 given continued pressures for leveraged investors to shed assets, redemption pressures, and crowding out from government-guaranteed mature market bonds. It anticipated foreign direct investment to EMs to slow significantly given the fall in private equity assets, the lack of credit available to finance acquisitions, and sharply deteriorating growth prospects. It also expected defaults in the corporate sector to rise, which would further strain bank balance sheets. It warned that many EM countries will need to address banking sector vulnerabilities with sharply weakening economic activity, a higher cost of capital, and deteriorating asset portfolios. The IMF estimated a capital shortfall for banks of about $250bn, with the bulk of the shortfall in emerging Europe and the Commonwealth of Independent States. It said EM banks are likely to lose a combined $750bn on both securities and loans over the next two years. It warned that monetary policy has to balance the need to support demand against the risk of accelerating capital outflows and undermining financial stability. It called for a halt in interest rate cuts and even for a tightening of monetary policy in some cases due rising external financial constraints.

Source: International Monetary Fund

UAE

Growth at 0.4% in 2009, economy most affected in region from liquidity crunch

Deutsche Bank forecast economic growth in the UAE at 0.4% in 2009, down from 6.4% in 2008, adding that the economy is the most affected in the Middle East and North Africa region by the decline in oil-related liquidity. It also forecast the fiscal surplus to decline to 4.5% of GDP this year from 35% of GDP in 2008 and for the current account surplus to regress to 3.4% of GDP from 23.7% of GDP last year. It added that the UAE's non-oil economy is more exposed than regional peers to the drop in oil prices and is unlikely to see a return to the double digit growth of previous years. It noted that the UAE has built significant macro vulnerabilities, with external debt doubling between 2006 and 2008 and credit extension becoming increasingly foreign financed. It said the UAE has by far the largest external refinancing schedule of the region, with $22bn in syndicated loans and bond payments due this year compared to about $7.5bn for Saudi Arabia and $5bn for Qatar, making it significantly more exposed to the global slowdown than the rest of MENA countries.

Deutsche Bank considered that the UAE's diversification efforts have meant the share of financial services, trade and real estate have become an increasingly important share of GDP, also leaving the country more exposed to the global slowdown. It added that the UAE also faces a fiscal transfer problem, as Abu Dhabi continues to account for the lion's share of the economy and is home to the majority of the country's sovereign wealth funds' assets. But there is no official transfer mechanism in place and no paper is issued at the federal level, leading investors to view Abu Dhabi and Dubai separately. Also, an absence of official data on external debt or on the country's international investment position has exacerbated risk aversion, particularly for Dubai. Deutsche Bank noted that the overall outlook for the UAE economy is supported by continued growth in Abu Dhabi where, despite declining oil production, the emirate is not facing the same degree of deleveraging or real estate correction as in Dubai.

Source: Deutsche Bank

JORDAN

Key near-term challenge is to manage expected slowdown

The International Monetary Fund expected economic activity in Jordan to slow significantly in 2009 and for real GDP growth to decline to between 3% and 4%, reflecting the much weaker global and regional outlook. It indicated that Jordan's limited integration with global financial markets has shielded it from recent turmoil, but strong trade links with the region and the rest of the world imply that the global economic downturn will affect the domestic economy. It identified managing the prospective slowdown as the key near-term challenge, adding that the country's macroeconomic policies should remain focused on reducing external and fiscal vulnerabilities. It forecast inflation to continue to moderate to an average of about 4% over the year, aided by soft world food and fuel prices, and for the current account deficit to narrow to about 11.25% of GDP from 12.75% of GDP in 2008.

In parallel, the IMF called for a cautious easing of monetary policy through a gradual lowering of policy rates and reserve requirements to support economic activity and soften the impact of the global slowdown on the domestic economy. It noted that the Central Bank of Jordan has taken pre-emptive steps to maintain confidence and support the domestic money market, while confidence in the peg has helped maintain a strong balance of payments position. It warned, however, that the CBJ will need to stand ready to tighten quickly if signs of balance of payments pressure emerge.

Source: International Monetary Fund

WORLD

Global trade to decline by 9% in 2009

The World Trade Organization expected global exports to decline by 9% in volume terms in 2009, the biggest such contraction since World War II. It attributed the decline to the collapse in global demand for the biggest economic downturn in decades. It expected the contraction in developed countries to be particularly severe with exports falling by 10% this year, while exports from developing countries, which are far more dependent on trade for growth, will shrink by 2%-3% this year. It said world trade grew by 2% in volume terms in 2008 compared to 6% in 2007, and substantially lower than its forecast of 4.5% growth issued a year ago. It noted that the current slowdown in world trade is synchronized, as monthly exports and imports of major developed and developing economies have been falling in parallel since September 2008. It said the reasons for the slowdown this year are a fall-off in demand that is more widespread than in the past since all regions of the world economy are slowing at once; the increasing presence of global supply chains in total trade; a shortage of trade finance; and a rise in protectionism.

Source: World Trade Organization

MENA

Tourism to account for 9.5% of GDP by 2019

The World Travel & Tourism Council expected the tourism sector to account for 9.6% of the Middle East's GDP in 2009 and to decline to 9.5% of GDP 2019. It forecast the broad tourism and travel economy to generate demand of $242bn in 2009, growing to $530bn in 2019. It projected the sector's real growth rate to contract by 8.7% in 2009 and to average 4.3% during the 2010-19 period. The WTTC said business travel should generate $17.1bn this year, growing by 3.9% annually to reach $36.3bn in 2019, while personal travel and tourism should generate $71bn in 2009 and grow by a yearly average of 4.6% to $167bn in 2019. It estimated capital investment in the travel and tourism economy at $47bn in 2009 and at $83bn within 10 years. Further, it forecast the export of tourism services at $100bn this year and at $227bn in 2019, which would account for 13.4% of the region's total exports this year and 12.4% in 2019. It said the travel and tourism economy is providing jobs to 5.13 million people, or 9% of the region's total employment currently, with the figure rising to 6.9 million jobs or 9.5% of total employment by 2019.

Source: World Travel & Tourism Council

IRAQ

Aggregate FDI at $62bn since 2003

Dunia Frontier Consultants indicated that more than 100 foreign investors from 26 countries have invested in projects worth $62bn in Iraq since 2003. UAE investors accounted for $31bn, or 50% of the total, followed by private U.S. companies with $10.2bn and UK investments with $6bn. It noted that U.S. investments include more than $9.8bn in contracts awarded by U.S. government agencies to U.S. firms in 2003 and 2004. It added that $45bn have been invested in 68 projects in the non-oil economy, accounting for 71% of total investments in the country since April 2003. It said the real estate sector attracted $33.5bn, with two projects from UAE firms accounting for 75% of all investment in Iraqi real estate. Also, manufacturing, ICT, utilities and financial services attracted $11bn in foreign capital. In parallel, the oil and gas sector attracted $18bn, or 29% of all private foreign investment. The average project size was $700m, while the median size was $105m, indicating that the distribution was skewed by several massive projects. It said 13 projects, each in excess of $1bn accounted for 81%, or $51bn, of total FDI. A total of 33 intermediate-sized projects in the $100m to $1bn range accounted for 17%, or just more than $10.5bn, of total invested value; while 44 projects in the sub-$100m range represented just 2% of total invested value, at just more than $1bn.

Source: Dunia Frontier Consultants

KUWAIT

Investment firms lose $32bn in six months

The Central Bank of Kuwait indicated that assets held by Kuwaiti investment firms declined by $32bn from the end of July 2008 till the end of January 2009 due to the global financial crisis. It said the assets of 99 investment firms reached $72bn at end-January, constituting a drop of 31% from $104bn at the end of last July. The drop reflected a $26bn decline in their holdings of companies listed on the Kuwait Stock Exchange, as well as falls in local mutual funds and investments abroad. A number of local investment firms have defaulted on loans owed to local and foreign banks because of the credit crunch. Kuwait is in the process of adopting a stimulus package that aims to help local companies, with a special emphasis on banks and investment firms. Under the plan, investment firms will be allowed to seek new loans from Kuwaiti banks to repay their debt to foreign banks and financial institutions.

Source: KUNA

ROMANIA

IMF extends €12.9bn, sovereign ratings affirmed

The International Monetary Fund announced plans to lend €12.9bn to Romania to help the country mitigate the effects of a sharp drop in private capital inflows. The loan program includes measures to address external and fiscal imbalances and to strengthen the financial sector. It said core measures under the program are designed to strengthen fiscal policy to reduce the government's financing needs and improve long-term fiscal sustainability. In addition, the program aims to maintain adequate capitalization of banks and liquidity in domestic financial markets, bring inflation within the Central Bank's target, as well as secure adequate external financing and improve confidence. Also, the EU plans to extend a loan of €5bn, the World Bank has agreed to provide €1bn, while the European Bank for Reconstruction and Development and other multilaterals will provide an additional €1bn. In parallel, Moody's Investors Service affirmed Romania's 'Baa3' local and foreign currency ratings as well as the country's local and foreign currency bond ceilings of 'Aa3' and 'A1', respectively. It noted that the rapid growth of domestic credit, fuelled by strong capital inflows, has increased the country's external vulnerabilities in recent years. It said the government's borrowing at high interest rates to finance a growing budget deficit, as well as balance of payments pressures, make the situation unsustainable.

Source: International Monetary Fund, Moody's Investors Service

SYRIA

Private banks have 90 branches

Figures issued by the Central Bank of Syria show that the number of public and public sector bank branches totaled 374 at the end of September 2008, up 7.5% from 348 branches at end-2007 and up 16.5% from 321 branches at end-2006. Private sector banks had 90 branches and accounted for 24% of the branch network in Syria, up from 66 branches an 19% of the network at end-2007. BEMO Saudi Faransi had 20 branches, followed by International Bank for Trade & Finance with 16 branches, Bank of Syria & Overseas and Bank Audi with 14 branches each, Arab Bank Syria with 9 branches, Byblos Bank Syria and the Syrian International Islamic Bank with 6 branches each, Syria & Gulf Bank with 3 branches and Cham Bank with two branches. In parallel, the distribution of branches of sate-owned banks shows that the Agricultural Cooperative Bank had 106 branches, followed by the Commercial Bank of Syria with 58 branches, the Popular Credit Bank with 63 branches, the Real Estate Bank with 20 branches, the Industry Bank had 17 branches, and Savings Bank with 13 branches.

Source: Central Bank of Syria

EGYPT

IFC buys stake in local bank

The International Finance Corporation, the private sector arm of the World Bank Group, bought a 9.75% stake in Bank of Alexandria (BoA) from Intesa Sanpaolo for $200m. The transaction values Bank of Alexandria at $2bn. In October 2006, Intesa Sanpaolo bought an 80% stake in the bank from the government for $1.6bn. The Egyptian government still owns a 20% stake in BoA. IFC's investment in BoA is its largest equity investment in Egypt and its second largest globally. BoA had total assets of EGP31.4bn as of December 2008, equivalent to a 3% asset market share.

Source: EFG Hermes

QATAR

Central Bank buys $1.8bn of banks' investments

The Central Bank of Qatar announced it has bought QAR6.5bn, or about $1.8bn worth of listed banks' investment portfolios in a bid to boost liquidity and encourage lending. The CBQ coordinated with local banks to determine the investments they would sell. Earlier this month, the government announced plans to buy all or part of the investment portfolios of the local banks at a price reflecting the cost of the portfolio as at end-February 2009 minus allocations accumulated by the end of 2008, so the price would reflect the book value of the stakes as at year-end 2008. The purchasing process is expected to be completed by the end of March. The acquisitions would lead to a direct transfer of value, reflecting full compensation for any losses or negative revaluations since year-end; a direct transfer of risk from the banks to the government, and reduces pressure on banks to sell down their portfolios.

Source: Reuters

YEMEN

Financial soundness remains low

Figures released by the International Monetary Fund show that the risk-weighted capital adequacy ratio of banks operating in Yemen reached 9.4% at end-June 2008 compared to 8.7% at year-end 2007, and 12% at year-end 2006. Also, the capital-to-assets ratio was 5.5% at end-June 2008, up from 4.9% at year-end 2007 but down from 6.5% at year-end 2006. The sector's non-performing loans remain high but have fallen steadily as a share of total gross loans, reaching 18% at end-June 2008, down from 19.5% at year-end 2007 and 23% at year-end 2006. Non-performing loans-to-total assets reached 5.5% at the end of the last June, up from 5.4% at the end of 2007 and down from 5.7% at the end of 2006. In parallel, the banks' profitability deteriorated, as the return on average assets (ROA) reached 0.9% at the end of June 2008, down from 1.6% at the end of 2007, and 1.2% at the end of 2006, while return on average equity (ROE) was 12.2%, down from 19.7% at year-end 2007 and 17.3% at year-end 2006. Further, the sector's total foreign currency asset reached $3bn at end-June 2008 compared to $2.8bn at the end of 2007 and $2.3 at the end of 2006.

Source: International Monetary Fund

ARMENIA

External debt of commercial banks at $555m in 2008

Figures released by the Central Bank of Armenia show that total private external debt of Armenian commercial banks and credit organizations reached $555m at the end of 2008. The main creditors were Russia with 16.4% of total external debt, compared to 14.4% in 2007, France with 9.4% of the total against 3% in 2007, Latvia with 9.1% compared to 10.8% in 2007, and Germany with 7.5%, compared to 6.2% at the end of 2007. About 25% of the loans were received from international financial organizations. Banks extended around $184m of the external loans to the industry sector, $94m to agriculture, and $85m to the financial sector. The average-weighed interest rate on the loans fell to 6.3% compared to 8% at the end of 2007, with about 58% of the external loans having floating rates. The average maturity of the loans was three years and 11 months. The share of short-term loans to total loans fell to 12.4% from 13.7% at the end of 2007.

Source: Central Bank of Armenia

TURKEY

Central Bank cuts policy rate by 100bps

The Monetary Policy Committee (MPC) of the Central Bank of Turkey (CBT) reduced the overnight borrowing rate by 100bps to 10.5%, following the 150bps cut only four weeks before. The MPC said in its post-meeting statement that conditions in international markets and in the domestic economy remain challenging. It warned that inflation may rise temporarily in March due to unprocessed food prices, but noted that the downward trend will resume afterward. In parallel, the MPC noted that the probability of inflation falling below the year-end target of 7.5% has declined due to the policy easing to date. It also indicated that the next rate cut could be measured and that monetary policy will need to maintain an easing bias for a long period.

Source: Citigroup, Deutsche Bank

ENERGY / COMMODITIES

Oil rises above $53, appetite for risk revives

Oil rose above $53 a barrel on March 26 as expectations that economic stimulus packages might be working offset the impact of very high oil inventories. U.S. light crude was up 79 cents at $53.56 a barrel, recovering from a decline of more than one dollar in the previous session. London Brent crude rose $1.07 to $52.82. Oil derived some support from a rally in Asian shares, which rose to their highest in 11 weeks following positive U.S. economic data on March 25th. Recovering equities as well as a generally weaker U.S. dollar have helped to support oil, but the rise could be short-lived because of weak fundamentals. A weaker dollar makes commodities priced in the U.S. currency relatively cheap for holders of other currencies, which can attract investors. Oil has fallen from highs above $150 last July as the global economic crisis decreased energy demand but it has recovered from lows below $35 touched in December partly as a result of export curbs by the Organization of the Petroleum Exporting Countries. The U.S. government data showed on March 25 an increase in crude oil stocks to their highest levels since 1993. The data also showed falling demand.
Source: Thomson Reuters

Merrill Lynch says oil to average $52 in 2009

Merrill Lynch expected the price of oil to average $52 per barrel over 2009, revising a previous figure upwards by $2. The group estimated that 2010 prices would average $62 per barrel as government measures to shore up their economies boosted energy demand.
Source: Merrill Lynch

Total predicts significant fall in oil demand

French oil firm Total SA said that world oil demand is likely to fall by double the announced forecast this year as the global crisis deepens. The company forecast a decline of 2 million barrels per day.
Source: Total

Plan to link Egypt and Saudi Arabia's power grids

Egypt and Saudi Arabia announced plans to connect their power grids, with the link spanning 1,500 km and alleviating the pressure of rising power demand in the two countries. The link will capitalize on the difference in peak power-demand times, making it possible for the two countries to trade. Energy investments in the region have recently been significantly reduced due to the economic crisis as several major projects estimated at around $100bn have been shelved.
Source: MEED, APICORP

UAE signs electricity grid agreement

The UAE has become the fourth Gulf country after Saudi Arabia, Qatar and Bahrain to sign an agreement on electrical network sharing in the GCC countries. The agreement will provide the basis of regulation of power distribution across the region as the grid is completed in stages over the next two years.
Source: Emirates News Agency

Base metals: Copper rises on speculation demand may be improving

Copper rose for the first time in three days in London, leading gains in industrial metals, after a better-than-expected U.S. durable goods report incited speculation that demand may be improving. Copper for delivery in three months rose $105, or 2.7%, to $4,070 a metric ton on the London Metal Exchange. Prices have risen 33% this year, the best performance of any of the six main metals traded on the bourse. Zinc, used to protect steel against rust, rose 2.5% to $1,330 a ton. Aluminum for three-month delivery gained $23, or 1.6%, to $1,440 a ton. On an annualized basis, supply outpaced demand by 2.2 million tons this month, down from a rate of 7.7 million tons in December. Global aluminum inventories shrank to 2.91 million tons in February, the lowest since July 2008. Lead rose $21.25, or 1.6%, to $1,315.25 a ton, taking its gain this year to 32%. Nickel rose 0.5% to $9,650 a ton and tin gained 1.9% to $10,150 a ton.
Source: Bloomberg

Precious metals: Platinum rises on speculation economy will rebound, gold gains

Platinum rose to a six-month high in London on speculation that demand for the metal used in autocatalysts will strengthen. U.S. orders for items such as machinery and computers jumped 3.4% in February. That was the biggest gain in more than a year and the first in seven months. Platinum for immediate delivery gained as much as $26, or 2.3%, to $1,150.5 an ounce. The metal has increased 23% this year after falling 39% in 2008. Palladium rose as much as 3.7% to the highest since November 7th. Automakers account for about half of global platinum and palladium use. Toyota Motor Corp., the world's largest carmaker, said industry sales in the U.S. worsened in March as rising unemployment cut demand.

Gold for immediate delivery rose $5.48, or 0.6%, to $939.51 an ounce. April futures added 0.4% to $940 an ounce in electronic trading on the New York Mercantile Exchange's Comex division. Gold reached a three-week high of $967.17 on March 20 as the Federal Reserve said it would buy bonds in an effort to revive the economy. Holdings in the SPDR Gold Trust, the biggest exchange-traded fund backed by the metal, were unchanged at a record 1,124.99 metric tons on March 25th. Among other metals for immediate delivery in London, silver rose 1.2% to $13.65 an ounce. Palladium increased 3.1% to $222.25 an ounce after climbing as high as $223.50.
Source: Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	153.3	165.8	210.0	-1.2	-41.2
LME metals price index	1819.5	2001.6	2934.5	9.6	-55.8
Oil prices USD	49.4	54.2	87.9	43.0	-54.8
Oil prices SDRs	33.3	36.0	56.5	41.8	-49.7
Gold $/troy oz	891.5	848.4	867.7	-8.3	-11.3
Silver cents/troy oz	1261.0	1134.1	1391.7	-10.3	-38.1
Platinum $/troy oz	1044.0	942.1	1391.9	-4.0	-47.8
Copper $/MT	3737.5	3845.1	6020.9	18.6	-54.9
Nickel $/MT	9702.5	11087.1	17194.0	-0.1	-67.8
Aluminium $/MT	1338.8	1661.3	2282.0	4.6	-54.5
Zinc $/MT	1191.5	1208.4	1598.1	11.3	-51.8

Source: Credit Suisse

COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	EIU								
Africa													
Algeria	- -	- -	- -	- -	BBB Stable	7.0	13.8	1.5	4.1	1.9	1.6	15.4	0.6
Angola	- -	- -	- -	- -	BB Stable	3.2	8.8	8.4	9.0	12.6	-	-3.0	1.2
Egypt	BB+ Stable	Ba1 -	BB+ Stable	BBB- Stable	BB Stable	-7.7	74.5	17.8	51.4	5.4	105.9	-1.5	4.1
Ethiopia	-	-	-	-	B Negative	-3.5	-	10.9	250.0	-	-	-6.1	-
Ghana	B+ Stable	- -	B+ Negative	- -	B Negative	-10.8	-	39.0	103.6	-	-	-13.7	-
Ivory Coast	- -	- -	- -	- -	CCC Stable	-1.7	-	57.9	175.9	-	556.0	-1.8	-
Libya	A- Stable	- -	- -	- -	BB Stable	-17.3	7.8	17.5	31.1	4.9	-	-15.8	3.1
Mauritania	- -	- -	- -	- -	- -	-5.1	-	73.8	183.3	-	-	-13.4	-
Morocco	BB+ Stable	Ba1 -	BBB- Stable	BBB- Stable	BB Stable	-2.6	51.8	24.1	73.9	5.7	74.1	-0.1	3.3
Nigeria	BB- Stable	- -	BB- Stable	- -	BB Stable	-5.7	23.6	6.1	20.6	0.6	-	-13.2	2.4
Sudan	- -	- -	- -	- -	C Stable	-6.8	107.5	62.7	532.4	6.3	-	-10.1	2.7
Tunisia	BBB Stable	Baa2 -	BBB Stable	BBB Stable	BB Stable	-3.1	49.8	50.6	105.6	12.3	235.5	-3.3	3.8
Middle East													
Bahrain	A Stable	A2 -	A Stable	A Stable	A Negative	-3.4	18.2	187.7	321.7	4.6	63.8	6.2	0.4
Iran	- -	- -	B+ Stable	BB- Stable	B Stable	-3.7	19.1	5.5	35.1	4.3	22.9	-4.6	0.2
Iraq	- -	- -	- -	- -	CC Stable	-34.4	-	71.8	214.4	3.8	157.7	-22.4	0.9
Jordan	BB Stable	Ba2 -	- -	BB Stable	B Stable	1.3	51.4	65.6	122.2	4.8	198.6	-10.0	11.4
Kuwait	AA- Stable	Aa2 -	AA- Stable	AA- Stable	A Stable	22.6	4.9	40.4	134.2	6.2	229.7	23.6	-9.9
Lebanon	B- Stable	B3 -	B- Stable	B- Stable	CCC Stable	-10.8	145.6	97.5	614.9	20.4	199.0	-12.0	9.0
Oman	A Stable	A2 -	- -	A Stable	A Stable	-1.9	3.5	21.4	68.7	-	113.0	-4.0	4.0
Qatar	AA- Stable	Aa2 -	- -	AA- Stable	A Stable	1.7	4.1	52.5	189.8	7.3	359.3	24.3	7.8
Saudi Arabia	AA- Stable	A1 -	AA- Stable	AA- Stable	BBB Stable	9.8	9.9	8.5	28.3	4.0	89.1	6.1	0.2
Syria	- -	- -	- -	- -	CCC Stable	-8.3	38.5	13.0	71.4	1.0	162.7	-5.1	1.9
UAE	- -	Aa2 -	- -	AA- Stable	A Negative	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
Yemen	- -	- -	- -	B Stable	CCC Stable	-17.2	-	29.6	161.9	-	-	-16.9	

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	EIU	Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Central & Eastern Europe													
Armenia	-	Ba2	BB	-	-								
	-	-	Stable	-	-	-2.2	13.9	32.5	496.8	1.2	311.3	-9.0	5.9
Bulgaria	BBB+	Baa3	BBB-	-	BBB								
	Stable	-	Stable	-	Stable	-0.4	13.7	101.8	159.2	22.5	250.5	-15.3	9.8
Kazakhstan	BBB-	Baa2	BBB-	-	BB								
	Negative	-	Negative	-	Stable	1.7	6.0	86.4	267.8	56.6	528.0	-3.1	1.5
Romania	BBB-	Baa3	BB+	BBB-	BB								
	Negative	-	Stable	Negative	Stable	-4.9	16.2	61.9	171.7	21.8	319.6	-8.2	5.1
Russia	BBB+	Baa1	BBB	-	BBB								
	Negative	Positive	Negative	-	Negative	1.5	7.4	40.1	155.9	17.4	193.3	-0.7	0.4
Turkey	BB-	Ba3	BB-	BB-	BB								
	Stable	-	Stable	Stable	Stable	-3.9	43.5	56.0	238.4	41.2	587.4	-5.0	2.4
Ukraine	CCC+	B1	B	-	B								
	Negative	Positive	Negative	-	Negative	-1.1	20.7	80.4	202.3	28.5	411.6	-2.8	2.1

Sources: Moody's Investors Service; Economist Intelligence Unit - The above figures are estimated for 2009
** Figures last updated in February 2009*

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	0.25	18-Mar-09	No change	29-Apr-09
Eurozone	Refi Rate	1.50	05-Mar-09	Cut 50bps	02-Apr-09
UK	Base Rate	0.50	05-Mar-09	Cut 50bps	09-Apr-09
Japan	O/N Call Rate	0.10	18-Mar-09	No change	07-Apr-09
Australia	Cash Rate	3.25	03-Mar-09	No change	07-Apr-09
New Zealand	Cash Rate	3.00	12-Mar-09	Cut 50bps	30-Apr-09
Switzerland	3 month Libor target	0.25	12-Mar-09	Cut 25bps	18-Jun-09
Canada	Overnight rate	0.50	03-Mar-09	Cut 50bps	21-Apr-09
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	18-Mar-09	No change	N/A
Taiwan	Discount Rate	1.25	18-Feb-09	Cut 25bps	26-Mar-09
South Korea	Target Rate	2.00	12-Mar-09	No change	09-Apr-09
Malaysia	O/N Policy Rate	2.00	24-Feb-09	Cut 50bps	29-Apr-09
Thailand	1D Repo	1.50	25-Feb-09	Cut 50bps	08-Apr-09
India	Repo rate	3.50	04-Mar-09	Cut 50bps	21-Apr-09
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 50bps	N/A
Saudi Arabia	Repo rate	0.75	19-Jan-09	Cut 25bps	N/A
Egypt	Overnight Deposit	10.50	Feb-09	Cut 100bps	N/A
Turkey	Base Rate	10.50	19-Mar-09	Cut 100bps	N/A
South Africa	Repo rate	9.50	24-Mar-09	Cut 100bps	30-Apr-09
Kenya	Central Bank Rate	8.50	28-Jan-09	No change	Apr-09
Nigeria	Monetary Policy Rate	9.75	09-Feb-09	No change	Apr-09
Ghana	Prime Rate	18.50	24-Feb-09	Raise 150bps	Apr 09
Mexico	Target Rate	7.50	20-Feb-09	Cut 25bps	20-Mar-09
Brazil	Selic Rate	11.25	11-Mar-09	Cut 150bps	30-Apr-09
Armenia	Refi Rate	7.75	03-Mar-09	Raise 100bps	N/A
Romania	Policy Rate	10.25	06-Jan-09	No change	N/A
Bulgaria	Base Interest	5.25	01-Sep-08	No change	N/A
Kazakhstan	Refi Rate	9.50	05-Feb-09	No change	N/A

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (961) 338 100
Fax: (961) 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com.lb

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605
Riad El Solh - Beirut 1107 2811 - Lebanon
Phone: (+961) 1 335200
Fax: (+961) 1 339436

BELGIUM

Byblos Bank Europe S.A
Bussels Head Office
10, Rue Montoyer
B-1000 Brussels - Belgium
Phone: (+32) 2 551 00 20
Fax: (+32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

SYRIA

Byblos Bank Syria S.A
Abu Roummaneh Head Office
Al Chaalan - Amine Loutfi Hafez Str.
P.O.Box: 5424 Damascus - Syria
Phone: (+ 963) 11 9292 - 3348240 / 1 / 2 / 3 / 4
Fax: (+ 963) 11 3348207
E-mail: byblosbanksyria@byblosbank.com

ENGLAND

London Branch
Berkeley Square House - Suite 5
Berkeley Sq.
GB - London W1J 6BS - United Kingdom
Phone: (+44) 207 493 35 37
Fax: (+44) 207 493 12 33
E-mail: byblos.europe@byblosbankeur.com

SUDAN

Byblos Bank Africa Ltd.
Khartoum - Sudan
El Amarat -Street 21
P.O.Box: 8121 El Amarat - Khartoum - Sudan
Phone: (+249) 183 566 444
Fax: (+249) 183 566 454
E-mail: byblosbankafrica@byblosbank.com

FRANCE

Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60,
Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457 / 9
Fax: (+ 964) 66 2233458
E-mail: iraqbranch@byblosbank.com.lb

CYPRUS

Limassol Branch
1, Arch. Kyprianou / St. Andrew Street
P.O.Box 50218
3602 Limassol - Cyprus
Phone: (+357) 25 341433 / 4 / 5
Fax: (+357) 25 367139
E-mail: bybloscyprus@byblosbank.com

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street
Yerevan, 37500 - Republic of Armenia
Phone: (+374) 10 530 362
Fax: (+374) 10 535 296

UNITED ARAB EMIRATES

Byblos Bank Abu Dhabi Representative Office
Intersection of Muroor and Electra Streets
P.O.Box: 73893 Abu Dhabi - UAE
Phone: (+ 971) 2 6336400
Fax: (+971) 2 6338400
E-mail: byblosbankuae@byblosbank.com

NIGERIA

Byblos Bank Nigeria Representative Office
10-14 Bourdillon Road
Ikoyi, Lagos - Nigeria
Phone: (+ 234) 1 6653633
(+ 234) 1 8990799
E-mail: melamm@byblosbank.com.lb