

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Basel Committee issues stress testing principles

The Basel Committee on Banking Supervision issued principles for sound stress testing practices and supervision at banks. It set out a comprehensive set of principles for the sound governance, design and implementation of stress testing programs at banks. It said the principles address the weaknesses in banks' stress tests that were highlighted by the financial crisis, and establish expectations for the role and responsibilities of supervisors when evaluating banks' stress testing practices. The Basel Committee said it reviewed industry stress testing practices before and during the crisis when developing the principles.

Source: *Bank for International Settlements*

EMERGING MARKETS

Negative pressure for corporates in 2009

Moody's Investors Service indicated that non-financial corporate issuers in Emerging Europe, the Middle East & Africa (EMEA) faced continued negative pressure in the first 4 months of 2009, driven by successive economic revisions and uncertain timing of an eventual upturn. It said the deterioration in the credit environment accelerated since the fourth quarter of 2008, with the pace continuing in the first 4 months of the year. The agency noted that the worsening was largely driven by successive economic revisions, which forecast increasingly negative prospects for 2009 GDP growth, while an upturn in 2010 still remains uncertain. As a result, Moody's implemented 110 downgrades across several industries in the covered period and outlooks worsened in a number of sectors. Moody's considered that the credit quality of EMEA corporates is likely to further deteriorate over the next months in view of the increasing proportion of issuers that have a 'negative' outlook or are under review for downgrade, and very few credits face potential upgrades to their ratings or outlooks. It added that the number of downgrades will remain high in the second quarter, although it is likely to come down from the first quarter. It noted that EMEA corporates are trying to release working capital and reduce capital expenditures to mitigate decreased revenues and their impact on cash flows, and are also re-evaluating their financial policies and capital structure.

Source: *Moody's Investors Service*

MENA

Business environment to improve significantly by 2013

The Economist Intelligence Unit indicated that the business environment in the MENA region during the 2004-08 period was among the least favorable globally, as the region posted an average of 5.81 points on the Business Environment Index, better than just Sub-Saharan Africa (4.66 points) and worse than North America (8.44 points), Western Europe (7.67 points), Asia Pacific (6.6 points), Eastern Europe (6.16 points) and Latin America (5.89 points). The index tracks the attractiveness of the

business environment in countries through the assessment of several political and economic criteria. The UAE, Qatar and Bahrain had the best business environment in the region. In parallel, the EIU expected the region's business performance gap with the rest of the world to narrow in the next five years and to post the best improvement in its business climate among all the regions by 2013. However, the region's business environment will still trail that of the rest of the world, with the exception of Sub-Saharan Africa. On a regional basis, the EIU expected Egypt to post the best progress, with its business environment score improving by 12.3% and its global rank rising from 60th place to 49th place by 2013.

Source: *Economist Intelligence Unit, Byblos Research*

SUDAN

Population at 39 million, South Sudan accounts for 21% of total

The fifth Sudan Population and Housing Census indicated that the total population of Sudan reached 39.15 million as at April 2008, with 8.26 million, or 21% of the total, living in South Sudan. The population of the State of Khartoum had 5.1 million individuals, followed by South Darfur with 4 million, Gezira State with 3.6 million and North Kordofan State with 2.9 million. The census, a milestone in the implementation of the 2005 Comprehensive Peace Agreement, was conducted between April 22 and April 30, 2008. It was the first all inclusive census for people of South Sudan since the country's independence in January 1956. Census officials said the process conducted conforms to international standards in terms of coverage and impartiality, but it was hampered by bad weather, poor mapping, a shortage of questionnaires, and insecurity. South Sudan officials have warned that they will not accept results reflecting its population as being less than one third of the country's total. Sudan's next general election, the first in 24 years, is scheduled to take place in February 2010. South Sudanese are then due to vote in a 2011 referendum on whether they want to break away from the north of the country.

Source: *SUNA, Al Sahafa, AFP*

YEMEN

New law to reduce impact of WTO membership

The Ministry of Industry & Trade stated that the government adopted a draft law to protect national products in an attempt to reduce the impact of joining the World Trade Organization (WTO). It said the law protects domestic agricultural and industrial products by keeping some tariffs elevated, as such products are expected to face serious competition from imports with WTO membership. It stressed that the final decision to join the WTO is political, but Yemen still must finalize membership requirements by the end of 2010. The sixth round of negotiations is to be held in June and will inaugurate negotiations with WTO members at the multilateral and bilateral levels.

Source: *Yemen Observer*

OUTLOOK

EMERGING MARKETS

Economic growth to slow to 1.4% in 2009 if global crisis persists

The United Nations revised downward its economic growth forecast for developing economies to 1.4% in 2009 from its 4.6% forecast in January. It said real GDP growth would reach 2% in 2010 in a pessimistic scenario and 5.5% in an optimistic scenario. The UN also forecast the global economy to contract by 2.6% this year from an earlier forecast of a 0.5% decline, while real GDP would grow by 0.2% in a pessimistic case and by 2.3% in a best case scenario in 2010. It also expected world trade to contract by 11% this year from an earlier forecast of a 2.1% growth in a baseline scenario. It said 60 developing economies and 14 economies in transition will see a decline in their per-capita GDP during the 2008-10 period, while only 7 countries would register per-capita GDP growth of 3% or higher. It expected economic setbacks across the board, though strongest in the Commonwealth of Independent States, Sub-Saharan Africa and Latin America.

The UN indicated that developing countries are being hit hard through capital reversals, rising borrowing costs, collapsing world trade and commodity prices, and declining remittance flows. It forecast net capital inflows to decline by 50% in 2009 following a decline of more than 50% in 2008. It expected institutional investors in developed countries to continue reducing their exposure in emerging economies, while international banks may further curtail their cross-border lending. Further, external financing costs for emerging economies and other developing countries have surged since late 2008, with the shortage of affordable financing expected to have major repercussions for infrastructure spending, which is critical for longer-term growth.

The UN added that severe external shocks are heavily affecting the balance-of-payments positions of emerging economies, as more than 100 developing countries will have inadequate current account balances to cover private debt due in 2009, leading to a financing gap of between \$200bn and \$700bn. It noted that currency reserves of some 30 low-income countries have dropped to below the critical level of three months of imports, and that the currencies of many developing countries are under pressure. The UN considered that the risks that could hamper a possible economic recovery are continued volatility in exchange rates, a steep drop in the rate of the US dollar, deflation, weakened aid flows to low-income countries, and policy challenges.

Source: United Nations

ALGERIA

Current account to post deficit of 1.7% of GDP, fiscal deficit at 12.4% of GDP in 2009

The International Monetary Fund projected Algeria's real GDP growth at 2.1% in 2009, down from 3% last year, and compared to growth in Middle Eastern oil exporting countries of 2.3% in 2009. It also forecast non-oil GDP to grow by 5.7% in 2009, down from 6.1% in 2008, and compared to non-oil growth of 3.7% for oil exporters this year. It expected the country's nominal GDP to reach \$128.6bn this year, down from \$159.7bn in

2008. It forecast Algeria's annual average inflation rate at 4.6% in 2009, almost unchanged from 4.5% in 2008 and compared to inflation of 10% in oil-exporting countries for 2009. It also expected broad money to grow by 13.1% this year, down from 16% last year. The Fund projected the central government's fiscal balance to post a deficit of 12.4% of GDP in 2009 relative to a surplus of 11.4% in 2008 and compared to a 3.2% deficit in oil-exporting economies. It estimated public revenues at 34.7% of GDP in 2009, down from 47% of GDP last year, and total expenditures at 47.1% of GDP this year, up from 35.6% of GDP in 2008.

The IMF projected Algeria's public debt to reach 8.7% of GDP at end-2009, up from 7.2% at end-2008. It also forecast total gross external debt at 2.8% of GDP this year, almost unchanged from 2.7% last year and compared to external debt of 29.7% of GDP for oil exporters. Further, the Fund estimated Algeria's exports of goods & services to decline to \$43bn in 2009 from \$82.6bn in 2008, and imports of goods & services at \$47.3bn in 2009 relative to \$47.5bn in 2008. It also forecast the country's current account deficit at \$2.2bn, or 1.7% of GDP, in 2009 compared to a surplus of \$37.1bn, or 23.2% of GDP, in 2008 and to a deficit of \$9.6bn, or 0.6% of GDP, for oil-exporting economies in the region.

Source: International Monetary Fund

GHANA

Real GDP growth at 4.5% in 2009, economy less affected than others by global downturn

The International Monetary Fund forecast real GDP growth to slow to 4.5% in 2009 from 7.2% in 2008, adding that Ghana has been less severely affected than many other countries by the global downturn, as the prices of its two main exports, cocoa and gold, remain strong, and the economy continues to grow. It noted, however, that the balance of payments has been adversely affected by the deterioration in official access to global market financing, a reversal of some portfolio capital inflows, and a decline in remittance earnings and foreign direct investment. In turn, this has contributed to pressures on the local currency, which depreciated by 30% against the US dollar during 2008 and by a further 10% through mid-May 2009. Still, it expected the current account deficit to narrow to 11% of GDP this year from 18% of GDP in 2008, as the trade deficit narrows from 31% of GDP last year to 22.7% of GDP in 2009. It noted that the currency depreciation has added to existing inflationary pressures, with annual inflation remaining in the 20% range in April, but is likely to slow through 2009.

The Fund considered that Ghana's main policy challenge is to tackle the budget deficit that rose to more than 14% of GDP in 2008, adding that the authorities' goal of limiting the deficit to 9.4% of GDP in 2009 is within reach. It warned that significant fiscal consolidation is still needed to reduce the deficit to 6% of GDP in 2010, and encouraged authorities to consider all options on the revenues and expenditures side for the 2010 budget to meet this goal. It noted that banking sector indicators remain generally favorable, but slowing credit growth and currency depreciation pose important risks.

Source: International Monetary Fund



ECONOMY & TRADE

EMERGING MARKETS

Islamic assets at \$736bn in 2008

Ernst & Young indicated that Shari'a sensitive investable assets in the GCC and Asia reached \$736bn in 2008 compared to \$267bn in 2007, which translates into a potential annual revenue pool of \$3.86bn for the Islamic asset management industry. It said that fund sizes remain small, with over 50% having assets under management of \$20m or less. It added that 25 Islamic funds were liquidated in 2008 and first quarter 2009 compared to 18 liquidations in 2006 and 2007 combined. Also, the number of new funds launched has dropped from 271 in the 2006-07 period to just 89 in 2008 and first quarter of 2009, reflecting the severe market correction from the global financial crisis. Ernst & Young noted that the largest concentration of Islamic funds remains in the Middle East and equity funds lead the field for choice of asset type, as 19% of Islamic funds are domiciled in Saudi Arabia and have \$19.3bn in assets under management. It said the untapped markets in Asia and the MENA region are a source of growth for the Islamic funds industry due to their inherently large Muslim populations with markets where Islamic finance is still in its infancy include Indonesia, Pakistan, India, Bangladesh, Turkey, Iran and Nigeria.

Source: Ernst & Young

GCC

UAE pullout from currency union has no effect on ratings

Standard & Poor's indicated that the UAE's decision to abandon the planned Gulf Cooperation Council (GCC) monetary union raises significant doubts about the viability of the project, but considered that the decision has no impact on the ratings of any GCC sovereign. It added that the economic benefits of monetary union in the GCC were likely to be minimal given the existing customs union within the GCC and the uniform exchange rate regimes across all countries, with the exception of Kuwait. In parallel, Moody's Investors Service said that the UAE's decision will not directly affect the country's sovereign ratings, while any potential postponement or cancellation of the currency union project would not directly affect the sovereign ratings of other GCC member states. It pointed out that many of the common advantages of a currency union such as the removal of internal currency risk, the potential boost to intra-union trade, and accompanying institutional and structural improvements are limited in the case of the GCC. Also, the disadvantages of a currency union, such as members' loss of independent monetary and exchange rate policies, are less applicable given that GCC states already have fixed exchange rate pegs.

Source: Moody's Investors Service, Standard & Poor's

IRAQ

Corporate income tax law for foreign oil firms approved

The Cabinet approved a draft law that will impose a minimum 35% corporate income tax on foreign oil companies in an attempt to raise revenues. Foreign corporations operating in Iraq currently pay a flat tax rate of 15%. The Finance Ministry said the draft law will guarantee Iraq's rights in imposing taxes on

companies contracted to extract oil, and it will ensure that tax receipts will be used for the national income. The draft law still requires parliamentary approval. The decline in global oil prices has put pressure on Iraq's budget, which derives 90% of its revenues from the energy sector. Last April, the Cabinet approved a revised \$59bn budget for 2009, down from \$80bn, due to falling oil prices. Iraq hopes to be able to pump 6 million barrels per day (bbl/d) within the next four to five years, up from its current output of around 2.2 million bbl/d, as new projects come on stream. But few deals with foreign firms have actually been signed, and the development of the country's fields has been very slow.

Source: MEES

SUDAN

FDI at \$2.2bn in 2008

Figures issued by the Ministry of Investment show that foreign direct investment in Sudan totaled \$2.16bn in 2008, adding that services accounted for 75% of FDI, followed by industry with 23% and agriculture with 1.3%, while other sectors represented the remaining 0.7%. It added that Arab investments accounted for 15% of industrial investments and for 26% of foreign inflows to the services sector. The ministry said Sudan plans to attract more than \$5bn in FDI this year. It said the number of approved projects in the industrial sector included 119 national industrial projects and 99 foreign projects, while the services sector saw 190 foreign projects and 109 national projects approved. It noted that administrative reforms implemented so far aim at reducing obstacles to FDI and at attracting Arab and foreign investors to all sectors.

Source: SUNA

ARMENIA

Tourism to account for 9.7% of GDP by 2019

The World Travel & Tourism Council expected the tourism sector to account for 10.2% of Armenia's GDP in 2009 and to decline to 9.7% of GDP in 2019. It forecast the broad tourism and travel economy to generate demand of \$1.9bn in 2009, growing to \$3.8bn in 2019. It projected the sector's real growth rate at 1.6% in 2009 and to average 4.8% during the 2010-19 period. The WTTC said personal travel and tourism would generate \$481.5m this year, growing by 3.7% annually in real terms to reach \$910.4m in 2019, while business travel should generate \$318.8m in 2009 and grow by a yearly average of 4.6% in real terms to \$660.3m in 2019. It estimated capital investment in the travel and tourism economy at \$617.2m in 2009 and at \$1.3bn within 10 years. Further, it forecast the export of tourism services at \$405m this year and at \$797m in 2019, posting a real annual growth of 4.1% over the 2010-19 period. It expected travel and tourism exports to generate 19.6% of Armenia's total export revenues. It said the travel and tourism economy is providing jobs to 91,000 people, or 8.3% of total employment currently, with the figure falling to 87,000 jobs or 7.9% of total employment by 2019.

Source: World Travel & Tourism Council



BANKING

JORDAN

Financial soundness indicators begin to deteriorate

The International Monetary Fund indicated that Jordanian banks' financial indicators have not been significantly affected yet by the global financial turmoil. It said credit to the private sector was equivalent to 89% of GDP at end-2008, down from 94% of GDP a year earlier, with construction loans accounting for 19% of private sector lending. It noted that credit quality has slightly been impacted, with the non-performing loans (NPL) ratio increasing from 4.1% at end-2007 to 4.2% at end-2008, adding that a further deterioration in loan quality is possible as economic activity slows and property prices decline. It added that NPLs are equivalent to 18.1% of capital and reserves, up from 16% at end-2007, while provisions against NPLs regressed from 68% at end-2007 to 63.3% at the end of 2008. It indicated that banks are monitoring exposures closely and repricing credits or cutting credit lines to customers facing increased risks, especially in the real estate and foreign trade sectors. The Fund noted that the risk-weighted capital adequacy ratio dropped from 21% at end-2007 to 18.3% at end-2008. Also, the sector's equity-to-assets ratio regressed from 13.3% at end-2007 to 12.9% at end-2008, while its net foreign assets dropped from \$2.4bn at end-2007 to \$406m at end-2008.

Source: *International Monetary Fund*

EGYPT

Central Bank to sell stakes in commercial banks, restructure specialized banks

The Central Bank of Egypt (CBE) announced plans to sell stakes it currently owns in banks as part of the second phase the banking reform program that was launched in 2004. The CBE plans to sell a majority stake in its fully-owned United Bank in an initial public offering within two years, and intends to offer a 60% stake in Arab African International Bank (AAIB) to the public through the Egyptian stock exchange by 2011. The CBE and the Kuwaiti Investment Authority have a 49% stake each in AAIB. It may also consider selling its stake in Arab International Bank depending on the approval from other shareholders. The CBE will also focus on the restructuring of state-owned specialized banks, namely the Egyptian Arab Land Bank, the Principal Bank for Development and Agricultural Credit, Industrial Development & Workers Bank of Egypt.

Source: *Al-Alam al-Yom, EFG Hermes*

NIGERIA

Central Bank to lift foreign exchange restrictions

The Central Bank of Nigeria (CBN) announced a series of unexpected measures that would liberalize the inter-bank foreign exchange market and lift all foreign exchange restrictions that it put in place earlier this year in response to capital outflows and the drop in oil earnings. Few months ago, it replaced the bi-weekly wholesale auction system for FX, through which banks could bid for FX at the CBN window, with a daily retail system through which end-users of foreign exchange put their cash-covered bids directly to the CBN. Also, it imposed limits on inter-bank spreads, and oil exporters were required to sell their FX earnings directly to the CBN. As a result, inter-bank FX

trading was effectively curbed and a parallel FX market quickly developed. The new measures will fully restore within three months the inter-bank market's role of determining the exchange rate, while the bi-weekly FX auction will resume from the beginning of June. In addition, the amount of FX that banks are allowed to hold relative to their shareholder capital will be increased from 1% to 2.5% immediately. Further, banks are no longer required to sell to the CBN after five days any FX generated from sources other than the auction system or from non-oil export proceeds. Instead, banks will be allowed to use such funds to trade on the inter-bank market.

Source: *Standard Chartered*

ARMENIA

Financial soundness deteriorates in 2008

Figures released by the International Monetary Fund show that the risk-weighted capital adequacy ratio of banks operating in Armenia reached 27.5% at the end of 2008 down from 30.1% at the end of 2007. The capital-to-assets ratio was 23% at end-2008, up from 22.5% at end-2007, while the sector's liquidity deteriorated in 2008 with liquid assets reaching 23.8% of total assets from 33.7% in 2007. The deposits-to-loans ratio also fell to 81.4% in 2008 from 106.2% a year earlier. The sectoral distribution of loans shows that consumer loans accounted for 50.8% of total loans in 2008, followed by trade with 21.4%, industry with 10.7%, construction with 6.4%, agriculture with 5.9%, energy with 3.2% and transport & communication with 1.7%. Also, foreign currency loans reached 38.7% of total loans in 2008 compared to 40.7% a year earlier. The sector's non-performing loans (NPLs) increased to 4.4% at year-end 2008, up from 2.4% at year-end 2007. Further, the ratio of provisions to NPLs for the sector fell to 38.2% in 2008 from 66.6% in 2007. In parallel, banks' profitability declined as return on average assets reached 3.1% in 2008 from 3.4% in 2007, and return on average equity reached 13.6% in 2008 down from 15% in 2007.

Source: *International Monetary Fund*

BELARUS

Four banks put on review for possible downgrade

Moody's Investors Service placed the ratings of Belagroprombank, Belarusbank, Belinvestbank and Belpromstroibank on review for possible downgrade. It said the review of the deposit ratings will look at the extent to which Belarus' ability to provide support to its banking system has been affected by the ongoing global economic and credit crisis. The agency noted that the Belarusian banking system is highly concentrated in terms of state ownership and is extensively involved in financing the government-related sector, including state programs. The government has been active in supporting the state-related banks with both liquidity and capital, while the government has been proactive in providing the sector with various liquidity tools including unsecured lending from the National Bank of Belarus. However, Moody's noted that the large state sector could potentially require substantial government support, resulting in a strain on the government's resources and undermining its capability to support the banking sector without triggering adverse macroeconomic effects.

Source: *Moody's Investors Service*

ENERGY / COMMODITIES

Oil falls below \$63 on economy concerns

Oil prices fell below \$63 a barrel on May 28, breaking three sessions of gains, as investor sentiment deteriorated on worries that a potential recovery in the United States might be delayed because of the country's rising debt. U.S. equities fell on May 27 as rising yields on U.S. government debt fueled concern that businesses and consumers could face higher borrowing costs, which could hamper an economic recovery. U.S. crude oil for July delivery fell 56 cents to \$62.89 a barrel. The contract settled one dollar higher at \$63.45 on May 27, after having touched \$63.82, the highest level since mid-November. London Brent crude fell 50 cents to \$62.

Concerns about the debt burden facing countries trying to spend their way out of the economic downturn discouraged investors on May 28, despite upbeat comments from U.S. President Barack Obama that America's economy was past the worst of the crisis. Still, oil prices are floating around a six-month high and broke above the key 200-day moving average on May 27 for the first time in more than eight months, supporting the view oil has a new price floor of \$60 a barrel. Expectations that U.S. crude oil inventories will post another drop this week by some 700,000 barrels, are also supporting prices.

Source: Thomson Reuters

OPEC expected to keep current oil quota

Saudi Oil Minister Ali al-Naimi said on the evening of a meeting of OPEC in Vienna, that oil prices should rise to \$75 per barrel between the third and fourth quarter of this year and that the global economy was now strong enough to support higher prices. He added that OPEC, which has already agreed to cut 4.2 million barrels per day of oil, is likely to maintain current production quotas.

Source: Thomson Reuters

IEA says \$100bn in upstream energy investment lost this year

The International Energy Agency (IEA) estimated that investment in oil and gas exploration and production this year has been cut by around 21%, or almost \$100bn compared to last year, due to the economic crisis. The IEA also expected global power consumption to fall by almost 3.5% this year. It said that between last October and the end of April over 20 planned large-scale upstream oil and gas projects valued at a total of more than \$170bn were delayed indefinitely or cancelled. Those projects involved around 2 million barrels per day of oil output and one billion cubic feet per day of gas capacity. A further 35 projects were delayed by at least 18 months. Investment in non-OPEC countries is expected to drop the most. The agency added that investment cuts will only affect capacity with a lag, so in the near term weaker demand was likely to result in an increase in reserve production capacity. But it said that if the current trend was sustained, there was a danger it could lead to a shortage of capacity and another spike in energy prices once the global economy recovers.

Source: International Energy Agency

Base metals: Copper prices drop as stronger dollar curbs demand

Copper fell for the first time since May 21 as a stronger dollar curbed demand for the metal used in pipes and wires. The U.S. Dollar Index rose as much as 0.6%, reducing the appeal of commodities as a hedge against inflation. Copper futures for July delivery dropped 2 cents, or 0.9%, to \$2.121 a pound on the New York Mercantile Exchange's Comex division. The metal fell as much as 2.1% earlier. Copper pared its losses after an industry report showed sales of previously occupied homes in the U.S. rose last month, spurred by lower prices and foreclosure auctions. Stockpiles of copper in warehouses monitored by the London Metal Exchange fell for the 14th straight session, decreasing 2.2% to 319,275 tons, the lowest since December 16th. Inventories have contracted more than 40% from their peak at the end of February as China bought metal for stockpiles. Still, metal booked for delivery has fallen to 43,375 tons from this year's high of 84,000 on April 30th. Copper has climbed 52% this year on the LME, the most among the main industrial metals. On the LME, copper for three-month delivery rose \$5, or 0.1%, to \$4,665 a metric ton. Among other LME metals for three-month delivery, aluminum fell \$47, or 3.2%, to \$1,405 a ton. Nickel slipped \$5 to \$13,395 a ton. Tin dropped 0.4% to \$13,600 a ton, while lead was unchanged at \$1,445 a ton and zinc dropped 2.7% to \$1,460 a ton.

Source: Bloomberg

Precious metals: Gold declines as gaining dollar reduces the metal's haven appeal

Gold fell for a third day as the dollar strengthened, reducing the precious metal's appeal as a store of value and encouraging investors to cash in on recent gains. Gold for immediate delivery dropped as much as 0.6% to \$944.65 an ounce. Gold for August delivery on the New York Mercantile Exchange's Comex division fell 0.8% to \$947.80 an ounce. However, a halt to the dollar's gains, and concerns that a global economic recovery may accelerate inflation, would help restart the gold rally. Spot gold prices have gained 39% from last year's low of \$682.41 as the global recession attracted investors to precious metals to preserve wealth. Among other precious metals for immediate delivery, silver dropped 0.5% to \$14.675 an ounce and platinum fell 0.2% to \$1,133.75 an ounce, while palladium was little changed at \$224.25.

Source: Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	181.7	160.1	194.7	6.9	-29.0
LME metals price index	2196.4	1867.5	2586.5	2.5	-47.0
Oil prices USD	61.4	45.8	77.3	34.1	-52.4
Oil prices SDRs	40.1	30.6	50.4	29.7	-49.4
Gold \$/troy oz	938.5	886.2	868.1	6.2	2.4
Silver cents/troy oz	1429.0	1214.7	1316.5	18.5	-16.1
Platinum \$/troy oz	1144.0	1016.2	1246.7	-3.1	-46.6
Copper \$/MT	4538.8	3654.2	5305.2	-2.1	-45.7
Nickel \$/MT	12432.5	10623.2	14241.3	1.7	-51.8
Aluminium \$/MT	1451.5	1426.0	2027.2	2.3	-50.3
Zinc \$/MT	1448.5	1230.8	1448.5	-1.7	-34.7

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	7.0	13.8	1.5	4.1	1.9	1.6	15.4	0.6
	-	-	-	-	Stable								
Angola	-	-	-	-	BB	3.2	8.8	8.4	9.0	12.6	-	-3.0	1.2
	-	-	-	-	Stable								
Egypt	BB+	Ba1	BB+	BBB-	BB	-7.7	74.5	17.8	51.4	5.4	105.9	-1.5	4.1
	Stable	-	Stable	Stable	Stable								
Ethiopia	-	-	-	-	CCC	-3.5	-	10.9	250.0	-	-	-6.1	-
	-	-	-	-	Stable								
Ghana	B+	-	B+	-	B	-10.8	-	39.0	103.6	-	-	-13.7	-
	Stable	-	Negative	-	Negative								
Ivory Coast	-	-	-	-	CC	-1.7	-	57.9	175.9	-	556.0	-1.8	-
	-	-	-	-	Stable								
Libya	A-	-	BBB+	-	BB	-17.3	7.8	17.5	31.1	4.9	-	-15.8	3.1
	Stable	-	Stable	-	Stable								
Mauritania	-	-	-	-	-	-5.1	-	73.8	183.3	-	-	-13.4	-
	-	-	-	-	-								
Morocco	BB+	Ba1	BBB-	BBB-	BB	-2.6	51.8	24.1	73.9	5.7	74.1	-0.1	3.3
	Stable	-	Stable	Stable	Stable								
Nigeria	BB-	-	BB-	-	B	-5.7	23.6	6.1	20.6	0.6	-	-13.2	2.4
	Negative	-	Stable	-	Stable								
Sudan	-	-	-	-	C	-6.8	107.5	62.7	532.4	6.3	-	-10.1	2.7
	-	-	-	-	Stable								
Tunisia	BBB	Baa2	BBB	BBB	BB	-3.1	49.8	50.6	105.6	12.3	235.5	-3.3	3.8
	Stable	-	Stable	Stable	Stable								
Middle East													
Bahrain	A	A2	A	A	BBB	-3.4	18.2	187.7	321.7	4.6	63.8	6.2	0.4
	Stable	-	Stable	Stable	Stable								
Iran	-	-	B+	BB-	B	-3.7	19.1	5.5	35.1	4.3	22.9	-4.6	0.2
	-	-	Stable	Stable	Stable								
Iraq	-	-	-	-	CC	-34.4	-	71.8	214.4	3.8	157.7	-22.4	0.9
	-	-	-	-	Stable								
Jordan	BB	Ba2	-	BB	B	1.3	51.4	65.6	122.2	4.8	198.6	-10.0	11.4
	Stable	-	-	Stable	Stable								
Kuwait	AA-	Aa2	AA-	AA-	A	22.6	4.9	40.4	134.2	6.2	229.7	23.6	-9.9
	Stable	-	Stable	Stable	Stable								
Lebanon	B-	B2	B-	B-	CCC	-10.8	145.6	97.5	614.9	20.4	199.0	-12.0	9.0
	Stable	-	Stable	Stable	Stable								
Oman	A	A2	-	A	A	-1.9	3.5	21.4	68.7	-	113.0	-4.0	4.0
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	AA-	A	1.7	4.1	52.5	189.8	7.3	359.3	24.3	7.8
	Stable	Stable	-	Stable	Stable								
Saudi Arabia	AA-	A1	AA-	AA-	BBB	9.8	9.9	8.5	28.3	4.0	89.1	6.1	0.2
	Stable	-	Stable	Stable	Stable								
Syria	-	-	-	-	CCC	-8.3	38.5	13.0	71.4	1.0	162.7	-5.1	1.9
	-	-	-	-	Stable								
UAE	-	Aa2	-	AA-	BBB	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
	-	-	-	Stable	Stable								
Yemen	-	-	-	B	CCC	-17.2	-	29.6	161.9	-	-	-16.9	
	-	-	-	Stable	Stable								



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								
Central & Eastern Europe													
Armenia	-	Ba2	BB	-	-	-2.2	13.9	32.5	496.8	1.2	311.3	-9.0	5.9
	-	-	Stable	-	-								
Bulgaria	BBB+	Baa3	BBB-	-	BB	-0.4	13.7	101.8	159.2	22.5	250.5	-15.3	9.8
	Stable	-	Stable	-	Stable								
Kazakhstan	BBB-	Baa2	BBB-	-	BB	1.7	6.0	86.4	267.8	56.6	528.0	-3.1	1.5
	Negative	-	Negative	-	Stable								
Romania	BBB-	Baa3	BB+	BBB-	BB	-4.9	16.2	61.9	171.7	21.8	319.6	-8.2	5.1
	Negative	-	Stable	Negative	Stable								
Russia	BBB+	Baa1	BBB	-	BBB	1.5	7.4	40.1	155.9	17.4	193.3	-0.7	0.4
	Negative	Positive	Negative	-	Negative								
Turkey	BB-	Ba3	BB-	BB-	BB	-3.9	43.5	56.0	238.4	41.2	587.4	-5.0	2.4
	Stable	-	Stable	Stable	Stable								
Ukraine	CCC+	B1	B	-	CCC	-1.1	20.7	80.4	202.3	28.5	411.6	-2.8	2.1
	Negative	Positive	Negative	-	Stable								

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		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	29-Apr-09	No change	24-Jun-09
Eurozone	Refi Rate	1.00	07-May-09	Cut 25bps	04-Jun-09
UK	Base Rate	0.50	07-May-09	No change	04-Jun-09
Japan	O/N Call Rate	0.10	22-May-09	No change	16-Jun-09
Australia	Cash Rate	3.00	05-May-09	No change	02-Jun-09
New Zealand	Cash Rate	2.50	30-Apr-09	Cut 50bps	11-Jun-09
Switzerland	3 month Libor target	0.25	12-Mar-09	Cut 25bps	18-Jun-09
Canada	Overnight rate	0.25	21-Apr-09	Cut 25bps	04-Jun-09
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	30-Apr-09	No change	24-Jun-09
Taiwan	Discount Rate	1.25	26-Mar-09	No change	June 09
South Korea	Target Rate	2.00	12-May-09	No change	11-Jun-09
Malaysia	O/N Policy Rate	2.00	26-May-09	No change	N/A
Thailand	1D Repo	1.25	20-May-09	Cut 25bps	15-Jul-09
India	Repo rate	3.25	21-Apr-09	No change	24-Jul-09
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 50bps	N/A
Saudi Arabia	Repo rate	0.50	14-Apr-09	Cut 25bps	N/A
Egypt	Overnight Deposit	9.50	20-May-09	Cut 50bps	N/A
Turkey	Base Rate	9.25	14-May-09	Cut 50bps	16-Jun-09
South Africa	Repo rate	9.50	30-Apr-09	Cut 100bps	28-May-09
Kenya	Central Bank Rate	8.25	20-Mar-09	Cut 25bps	June 09
Nigeria	Monetary Policy Rate	8.00	08-Apr-09	Cut 175bps	June 09
Ghana	Prime Rate	18.50	12-May-09	No change	July 09
Mexico	Target Rate	5.25	15-May-09	Cut 75bps	19-Jun-09
Brazil	Selic Rate	10.25	29-Apr-09	Cut 100bps	10-Jun-09
Armenia	Refi Rate	7.50	07-Apr-09	Cut 25bps	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	9.00	14-May-09	Cut 50bps	N/A



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