

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Fixed income trading volume down 23% to \$915bn in first quarter

Trading in emerging markets debt instruments stood at \$915bn in the first quarter of 2009, constituting a drop of 23% from \$1,186bn in the same period last year but an increase of 11% from \$823bn in the fourth quarter of 2008 when trading in such instruments reached its lowest level in six years. The volume of trades in local Treasury instruments stood at \$656bn in the first quarter of the year, down 19% from \$808bn in the first quarter last year but up 18% from the last quarter of 2008. Local instruments accounted for 72% of total emerging markets debt trades, above the 68% share they represented for five previous quarters. In parallel, sovereign and corporate Eurobonds' trading volume stood at \$253bn, down 30% from \$360bn in the same period last year and almost unchanged from the fourth quarter of 2008. Sovereign Eurobond volumes declined by 29% from the first quarter last year to \$168bn, while the volume of traded corporate bonds reached \$76bn, down 33% from the same period last year but up 8% from the previous quarter. Sovereign Eurobonds accounted for 18% of total debt trading, and corporate debt represented 8% of the survey's volume. The most frequently traded instruments were Brazilian debt securities at 19% of the total, followed by Turkish assets with 15% and Chinese instruments with 10%. The most frequently traded Eurobonds included issues from Brazil with \$39bn, followed by Mexico with \$32bn and Russia with \$30bn.

Source: EMTA

Liquidity remains fragile despite bond issuance

Moody's Investors Service indicated that the availability of reliable external funding continues to be a question mark for many corporate issuers in Europe, the Middle East and Africa (EMEA), as the global financial crisis persists. It said liquidity remains fragile for corporate issuers in the region despite significant bond issuance volumes since the beginning of the year. It added that the sustainability and availability of bond markets, particularly for issuers at the lower end of the rating scale, still must be proven, while bank lending continues to be severely restrained. The agency estimated total debt maturities during the next 12 months at \$615bn, and expected that around 14% of investment-grade issuers and 20% of speculative-grade issuers will not have sufficient internal and external committed liquidity sources to cover their cash outflows during this period. It said some corporates have been able to successfully mitigate weakening operating cash flows, but this is likely to be more challenging for others given weak economic prospects at least for the remainder of 2009. Moody's considered that a continuation of the recent bond market activity helps mitigate to some extent liquidity pressures stemming from bank market stress and cash flow shortfalls, adding that uncertainty will remain elevated until economic and financial conditions fully recover.

Source: Moody's Investors Service

GCC

MSCI classifications for Gulf markets unchanged

MSCI Berra, a provider of equity market indices, announced that the UAE, Qatar and Kuwait would not be promoted from Frontier Markets to Emerging Markets status in its series of stock market indices. It said the primary obstacles for the UAE are the lack of formal segregation between custody and trading accounts as well as the limits to foreign ownership levels imposed on international institutional investors by Emirati companies. Further, the obstacles for Qatar are the lack of formal segregation between custody and trading accounts as well as the absence of a DVP mechanism on the Doha Securities Market. It added that investors remain concerned about the strict foreign ownership limits imposed on Qatari companies that result in a low proportion of shares still available to foreign investors relative to the maximum allowed. It also indicated that obstacles in Kuwait are the extent of the market accessibility issues in the Kuwaiti equity market.

In parallel, it indicated that Saudi Arabia has introduced ways for foreign investors to access the Saudi stock market by allowing the use of derivative instruments such as swaps. MSCI will seek feedback from international institutional investors on using such instruments as an alternative to equity securities, as direct access to local markets remains prohibited for foreign investors. In addition MSCI will review the effects of the potential introduction of restrictions on the use of stock market information.

Source: MSCI Berra

ARMENIA

World Bank approves \$700m country strategy

The World Bank Group approved a Country Partnership Strategy with Armenia that provides the framework for the Group's assistance for the 2009-2012 period. The Bank said the strategy is intended to assist Armenia to resume growth and reduce the impact of the crisis on the poor, as well as to lay the foundation for a more competitive economy. It noted that the strategy reflects Armenia's eligibility for borrowing, which has stemmed from the country's success in reducing poverty by 50% over the last 10 years. The World Bank Group will extend up to \$700m in financing to Armenia, in addition to a range of analytical and advisory services in support of the country's development agenda. It allocated \$150m in low interest credits from the International Development Agency, \$395m is lending from the World Bank, and up to \$160m in private sector support through the International Finance Corporation. The World Bank Group's commitments to Armenia totaled about \$1.2bn since 1992.

Source: World Bank

OUTLOOK

SYRIA

Impact of global crisis increasingly felt, accelerating reforms is key to reduce crisis impact

The World Bank indicated that Syria is being affected by the global financial crisis and called for accelerating wide-ranging reforms to mitigate the impacts of the current and potential shocks. It said declining global growth and reduced trade could combine to have a significant impact on Syria in 2009, adding that exports, tourism, remittances, and foreign direct investment are already being affected. It noted that the global slowdown is expected to diminish the recent growth in tourism as well as in FDI, and to reduce expatriates' remittances as job losses mount in the GCC economies and other labor-importing countries, while recent gains from reduced unemployment may be temporarily reversed by the downturn. It added that Syrian banks might be affected by third-round effects of the crisis, as the risk of default of their clients may increase from weakening demand. It also noted that GCC investment flows in real estate projects have nearly ceased. The World Bank considered that the external demand shock has been compounded by a domestic supply shock, as a severe drought that is entering its third year is severely impacting agricultural output. In parallel, it said the non-oil sector has become the engine of growth for the Syrian economy, growing by more than 7% annually between 2004 and 2008. It added that agriculture remains the principal non-oil sector, but the finance, insurance, wholesale and retail trade sectors grew substantially in the past few years.

The World Bank called for the strengthening of public financial management, rationalizing and increasing the efficiency and effectiveness of public spending through the phasing out of fuel and other subsidies, and finding non-oil sources of fiscal revenues. It also called for further diversifying exports of goods and services with a particular focus on identifying rising sectors with strong export potential and competitive edge, improving the efficiency of the free zones, and developing an appropriate export incentives system. Further, it stressed on continuing with reforms aimed at improving the investment climate, adding that policy-makers would also benefit from sector-specific assessments of constraints to sustained and broad-based growth.

Source: World Bank

UAE

Real GDP to contract by 2.4% this year, economy faces many challenges

Credit Suisse projected the UAE economy to contract by 2.4% in 2009, marking its first decline in more than 20 years. It expected crude-oil output to likely decline sharply this year because of OPEC-imposed quota reductions that, along with the slowdown in the non-oil sector, will drag down the economy's overall performance. It said the economy currently faces numerous challenges, including the moderation in cross-border financial flows, declining external demand for non-oil exports, falling tourism receipts and the property-market downturn, in addition to lower oil prices and the cutbacks in oil output. But it expected real GDP growth of 2.9% in 2010 due to improving conditions in the oil market and strengthening external demand as the world economy begins to recover.

It projected oil GDP to fall by 7.9% and for non-oil GDP to shrink by 0.5% this year. It noted that the economy's openness and strong ties to global trade and finance, which have been instrumental in its past growth, have left it vulnerable to the current crisis. It said the retail, trade and hospitality sectors will be hit hard by the downturn in the global economy, in addition to the already severe downturn in the construction and real estate sectors. It added that weakening demand from key tourist markets like Europe will not only have an adverse affect on tourist activity, but will damage the retail and service sectors as well.

Credit Suisse forecast the current account surplus to narrow to \$9b, or 5% of GDP in 2009 from 24% of GDP in 2008. It expected a decline in oil exports as well as a sharp contraction in non-oil exports, which include re-exports and account for about 50% of total exports, given falling external demand. It also expected the dollar-value of merchandise exports to plunge 42% and for the import bill to drop by about 33% in 2009 due to the ongoing weakening in domestic demand. Accordingly, it forecast the foreign trade surplus to narrow to \$38bn, or 19% of GDP, this year from \$90bn or 36% of GDP in 2008. But it forecast the trade and current-account surpluses to recover modestly in 2010, as external conditions improve and oil prices increase modestly. It forecast the trade surplus to rise to \$46bn, or 20% of GDP in 2010, with the current account surplus edging up to \$15bn or 7% of GDP.

Source: Credit Suisse

GCC

Key economies can sustain fiscal deficits for at least 25 years without borrowing

Standard & Poor's expected that a combination of low oil prices and a decline in oil production will have a significant impact on fiscal results across the GCC. It considered that Saudi Arabia, Abu Dhabi, and Kuwait have the greatest amount of fiscal space to pursue counter-cyclical expansionary fiscal policy, and projected that each sovereign could sustain a fiscal deficit of 10% of GDP for at least 25 years without resorting to debt finance. It also estimated that Qatar can absorb about seven years worth of consecutive deficits of 10% of GDP per year without resorting to borrowing, while Bahrain and Oman are in the least comfortable position, as their oil resources are more limited than other GCC states and have benefited relatively less from the windfall in high oil prices in terms of accumulation of assets. S&P said the outlook for all GCC sovereigns is currently stable, although they face significant challenges in 2009 related mainly to managing the impact of the downturn in the global economy and from the associated fall in crude oil prices, upon which most GCC economies are highly dependent. It noted that the ratings performance of GCC sovereigns has been strong, primarily reflecting their strengthening balance sheets and sound macro-economic and fiscal policy, as the average rating of GCC countries currently stands at 'A+', with four sovereigns rated in the 'AA' category. It added that it did not downgrade any GCC sovereign to date.

Source: Standard & Poor's



ECONOMY & TRADE

SYRIA

Insurance premiums up 22% to \$69m in first quarter of 2009

Figures released by the Syrian Insurance Supervisory Commission show that total insurance premiums reached \$68.8m in the first quarter of 2009, up 22% from the same period of 2008. The state-owned Syrian Insurance Company continues to lead the market with total premiums of about \$28.6m, accounting for 41.6% of the total, but down from 45% in the same period of 2008. Its premiums increased by 10% year-on-year. National Insurance Company accounted for 12.3% of premiums generated in the first quarter of 2009, followed by Trust Insurance with 8%, the Syrian Arab Insurance Company with 5.9%, United Insurance Company with 5.8%, Arab Orient Insurance Company with 5.4% and Arope Insurance with 4.9%. Premiums collected from third-party car insurance accounted for 46% of the market, followed by all risk car insurance with 17.6%, fire with 15.5%, marine with 9.1%, health with 4.7%, and engineering with 2.3%, while other categories represented the remaining 4.8% of the market. Premiums generated from life insurance jumped by 104.8% year-on-year.

Source: Syria Report

JORDAN

Remittance inflows drop 10% in April

Figures released by the Central Bank of Jordan show that remittance inflows totaled JD777m in the first 4 months of 2009, down 3.4% from the same period last year, while remittances dropped by 10% year-on-year in April to JD194m. Remittances are expected to fall by around 8% in 2009 due to depressed global economic conditions, especially in GCC countries where most of Jordan's 600,000 expatriates work. Remittances inflows totaled JD2.2bn in 2008 and constituted Jordan's second largest source of foreign currency after exports. Falling remittances is unlikely to prevent the current account deficit from contracting in 2009 mainly due to substantial savings from lower oil imports. The IMF forecast a current account deficit of 10.8% of GDP in 2009, down from 12.1% of GDP in 2008.

Source: Central Bank of Jordan, Al Rai

IRAQ

Government authorizes foreign ownership of land

The Council of Ministers approved amendments to an investment law that allows foreigners to own land and property in Iraq. The amendments authorize foreign investors to own land for housing projects only, while owners will be able to sell the land and property when the project is completed only. The Council of Ministers said the changes to the law aim to encourage investment in the housing sector and to attract capital inflows to the country. In parallel, the Council of Ministers endorsed a reconstruction law that allocates \$70bn to rebuild infrastructure, of which \$25bn were earmarked for the housing sector.

Source: Aswat Al Iraq, Reuters

QATAR

Sovereign ratings affirmed

Standard & Poor's affirmed Qatar's 'AA-/A-1+' long- and short-term foreign and local currency sovereign credit ratings with a 'stable' outlook. It said Qatar's economy is weathering the global downturn well and should grow by 13% this year, among the fastest growing economies in 2009. It said the ratings are constrained by public institutions in the early stages of development compared to most 'AA' rated sovereigns, limited transparency of government assets, and geopolitical risks. The agency noted tensions in the real estate and stock markets that prompted the government and the Central Bank to step in to shield the banking sector from potential vulnerabilities arising from its exposure to these markets. It estimated that about \$11bn, or 13% of GDP, has been or is about to be injected into the banking system by the end of June. It said the ratings are supported by the government's solid fiscal and external balance sheets, a prosperous economy with strong growth prospects, and prudent long-term policies. It forecast the general government's net asset position at a comfortable 40% of GDP at year-end 2009.

Source: Standard & Poor's

UAE

Law regulating federal and emirate debt passed

The Federal National Council passed a law regulating public borrowing at the emirate and federal levels. The law limits federal debt to the lesser of AED300bn or \$81.7bn, or 45% of GDP. However, emirate-level debt is capped at 15% of each emirate's GDP. The law also establishes a public debt office under the authority of the Finance Ministry and authorizes each emirate to set up its local debt office. Further, all government entities will be required to seek approval of the Federal Cabinet in order to issue bonds or sukuks, and government entities would need to state the amount of the issue of loan bonds or sukuk, the purpose of the issue, and the financial resources or investment earmarked for repaying the incurring debt. The government will not impose fees or taxes will be put on public debt instruments, repayment of its value, revenues, interests or profits.

Source: WAM, Dow Jones Newswires

EGYPT

Credit rating agency to be established

The Ministry of Investment is studying the establishment of a credit rating agency to facilitate the process of issuing corporate bonds. The ministry is planning to invite a number of local and international financial institutions to become shareholders in the new company and the ministry itself will not be a shareholder. A survey by the ministry has shown that the difficulty in obtaining credit rating is one of the main obstacles facing companies willing to issue corporate bonds. Currently, only one local company provides rating services, while global credit rating agencies are expensive.

Source: Al Mal



BANKING

SYRIA

Central Bank authorizes representative offices of foreign banks

The Credit and Monetary Council of the Central Bank of Syria authorized foreign banks to open representative offices in Syria. The decision, taken in May and made public in mid-June, is expected to attract several foreign and in particular western banks and financial institutions to the Syrian market. The rules relating to the opening of representative offices stipulate that any foreign financial institution is allowed to open only one office in the country, and is prohibited from conducting any banking or any profit-generating activity. Also, the office's work will be limited to provide advisory services and defend the interests of the mother company. It can also open a non-resident account at any commercial bank and can appoint a non-Syrian as the local office's manager. The minimum capital of the mother institution must be the equivalent of at least SYP1.5bn in the case of a bank or SYP250m for other financial institutions. Foreign banks are currently allowed to be present in the Syrian banking sector through a minority stake of a maximum of 49% of the capital of a bank.

Source: *Syria Report*

SAUDI ARABIA

Central Bank cuts reverse repo rate to stimulate lending

The Saudi Arabian Monetary Agency (SAMA) reduced the reverse repo rate by 0.25 basis points to 0.25% and kept the repo rate unchanged at 2%. This constitutes the second cut in the reverse repo rate, or deposit rate, since April while the last cut in the repo rate, or lending rate, took place in January. By cutting the reverse repo rate, SAMA is using available tools to encourage banks, as the Saudi banking system did not extend new net credit since last September. Commercial banks' balance sheets show that corporates and households have been increasing their deposits. But the banks have been putting the additional deposits at SAMA, as such deposits increased by \$16bn between August 2008 and April 2009, or 4.1% of GDP, despite a drop in statutory deposits and reduced reserve requirements. Saudi commercial banks' reverse repo deposits at SAMA rose to \$23.7bn at the end of April from \$248m in October 2008, while total deposits at SAMA increased to \$36.8bn from \$14.8bn during the same period.

Source: *Deutsche Bank, Dow Jones Newswires*

ARMENIA

IFC provides \$5m guarantee to facilitate trade

The International Finance Corporation has provided Ardshininvestbank with a \$5m trade-finance guarantee to help the bank finance the foreign trade transactions of Armenian companies. Ardshininvestbank, the third largest bank in Armenia by assets, has joined IFC's Global Trade Finance Program as an issuing bank, gaining access to a global network of banks supporting trade-finance operations. Under the program, the IFC provides partial or full guarantees for individual trade transactions and covers the payment risk of issuing banks in various countries. The program allows issuing banks to

increase the volume and value of trade transactions, with enhanced tenors and access to competitive pricing terms. A total of 135 issuing banks in 69 countries and 154 confirming banks in 76 countries have become members of the program so far. More than 2,600 guarantees have been issued for over \$3.4 billion in commitments.

Source: *International Finance Corporation*

KAZAKHSTAN

Top banks downgraded

Standard & Poor's lowered its long-term counterparty credit ratings on Kazkommertsbank to 'B' from 'B+', and Halyk Savings Bank of Kazakhstan to 'B+' from 'BB-' and maintained the outlooks at 'negative'. It affirmed the short-term ratings on Halyk at 'B' and lowered them on KKB to 'C' from 'B'. It said the banks are systemically important to Kazakhstan's financial sector, as they rank among the country's top 3 banks with \$21bn and \$13bn in assets, respectively. The agency attributed the downgrades to the continuing downward pressure on the banks' asset quality, capitalization, funding, and liquidity. It said the negative outlook reflects the challenges they are facing, mainly deteriorating asset quality and liquidity amid the weak operating environment. It expected asset quality to deteriorate further with problem loans likely to exceed 35% in the next quarters. The government acquired a stake of 21% in KKB and 20.9% in Halyk through common capital injections earlier this year. It said that it will exit from the two banks' capital when the market situation becomes more favorable.

Source: *Standard & Poor's*

UKRAINE

Financial soundness remains weak in first quarter

Figures released by the International Monetary Fund show that the risk-weighted capital adequacy ratio of banks operating in Ukraine reached 15.3% at the end of March 2009 up from 13.3% at the end of March 2008. The sector's liquidity deteriorated in the first quarter of 2009 with liquid assets declining to 7.9% of total assets from 8.9% in the same period last year. A total of 8 banks did not meet capital adequacy requirements for Tier I Capital at the end of March. The sector's non-performing loans (NPLs) increased to 24% at end-March 2009, from 13.1% at end-March 2008. Further, the ratio of provisions to NPLs for the sector increased to 29.3% in the first quarter of the year from 26.7% in the first quarter of last year. In parallel, banks' profitability deteriorated as return on assets reached -3.2% in March 2009 compared to 1.4% in March 2008, and return on equity reached -23.4% in March 2009 compared to 11.4% in March 2008. Also, net interest margin reached 6.6% of total assets at the end of the first quarter compared to 4.8% at the end of the first quarter last year. At end-March 2009, 185 banks were operating in Ukraine, of which 183 private banks and 2 public banks. There were 131 domestic private banks and 52 fully or partly foreign-owned banks.

Source: *International Monetary Fund*



ENERGY / COMMODITIES

Oil rises over \$71 on weaker dollar

Oil rose over \$71 a barrel on June 18, sustained by weakness in the dollar and optimistic data on Chinese and U.S. crude inventories. U.S. crude rose 45 cents to \$71.48 a barrel, while Brent crude gained 55 cents to \$71.40. The dollar fell toward \$1.40 against the euro after domestic U.S. inflation data dampened speculation the Federal Reserve would raise interest rates by year-end. A weaker dollar makes oil and other commodities cheaper for holders of other currencies. Oil prices have been trading in a tight range around \$70 a barrel over the past week, as investors assess whether the rally which has seen prices more than double since February can continue.

Tentative signs of an economic recovery, which will likely boost demand for oil, saw prices rise to an 8-month high above \$73 a barrel last week. But growing concerns that prices have increased too quickly has seen the rally slow, with demand still depressed by the recession. China oil data provided some support for prices on June 18, with May diesel exports falling to 390,000 tons after hitting a record 510,000 tons in April. The positive Chinese customs data came as the World Bank raised its forecast for the country's gross domestic product growth this year to 7.2%.

In parallel, the U.S. Energy Information Administration (EIA) reported a much higher than expected fall in crude stockpiles in the week to June 12, by 3.9 million barrels. Gasoline demand in the U.S. rose over the last four weeks, boosted by lower prices at the pumps compared to last year. But demand for oil products as a whole was still down 6% year-on-year as the recession has cut demand for more industrial fuels like diesel, heating oil and jet fuel.

Source: Thomson Reuters

Libya revises oil contracts with foreign partners

Libya is revising contracts with foreign oil companies to retain a larger percentage of revenues. Libya's National Oil Corporation said negotiations are under way with ConocoPhillips, Hess and Marathon Oil, while new profit-sharing contracts have already been completed with Eni SpA, Occidental Petroleum Corp., OMV, Total, Petro-Canada and Repsol YPF. Libya holds Africa's largest oil reserves.

Source: Bloomberg

\$3bn petrochemical complex to be built in Egypt

The Egypt Hydrocarbon Corporation (EHC) announced it will develop a \$3bn petrochemical complex at Ain Sokhna on the Suez coast. The company received a \$263,000 grant from the United States Trade & Development Agency to complete the project's feasibility study. Studies are expected to take up to four to six months, and the project is expected to come on stream in four years. The complex will produce a mix of petrochemical products, including one million tons of ethylene, 400,000 tons of propylene, 300,000 tons of benzene and 300,000 tons of butadiene. Current ethylene capacity in Egypt stands at 300,000 tons per year.

Source: Al Mal

Base metals: Aluminium prices recover, but weak fundamentals still evident

Aluminium has been one of the weakest-performing base metals in recent weeks, with its poor fundamentals still weighing on sentiment. The LME price trended lower through most of May, before rebounding in early June on the back of a weaker US dollar and rising oil prices. LME stocks continue to increase, rising 417,000 tons in the past month, to reach 4.3 million tons or 41 days of consumption. However, cancelled warrants' levels have increased above 100,000 tons for the first time since 2005, suggesting that a reversal will take place soon. Supply cuts continue to provide some support, with latest data showing that US production fell by 37% year-on-year and 3% month-on-month in April. Although aluminium's fundamentals remain very poor, the market showed in early June that it can rally despite ongoing physical weakness. Prices are expected to remain well-supported in the weeks ahead and the market will slowly improve over the medium term due to rising energy prices.

Source: Standard Chartered

Precious metals: Car sector hopes keep up platinum prices

Improving conditions in the automobile sector and higher retail demand from China are driving the improvement in Platinum Group Metal (PGM) prices, along with generally improving sentiment towards global growth. Globally, although auto demand for catalysts remains weak, surging auto sales in countries like China and Germany, following government subsidies, is encouraging. ETF Securities, the main ETF for platinum, saw its holdings reach a high of 352,000 ounce at the end of April, but they have since fallen back to 281,000 ounce as of May 28th. The possibility of ETF Securities launching a US-based ETF would boost US physical demand. The prospect of the automobile sector restocking, following severe destocking, is also positive. Resilient jewellery demand should provide support but the risk remains that unstable investor sentiment pushes prices lower in the third quarter of the year. The outcome of GM's bankruptcy proceedings will also be important, since a smooth transition would slow the US auto sector recovery. However, even with a modest economic recovery, the potential for renewed car sales during times of poor consumer sentiment seems low.

Source: Standard Chartered

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	191.4	163.8	190.9	8.7	-25.4
LME metals price index	2453.4	1917.8	2497.6	9.8	-33.9
Oil prices USD	71.1	47.9	73.7	21.8	-46.0
Oil prices SDRs	46.1	31.8	48.1	19.0	-43.4
Gold \$/troy oz	954.8	905.3	871.7	4.8	9.5
Silver cents/troy oz	15.39	12.74	13.04	10.7	-9.2
Platinum \$/troy oz	1267.0	1057.1	1196.6	10.3	-37.1
Copper \$/MT	5177.5	3811.9	5113.4	9.0	-35.7
Nickel \$/MT	15392.5	11091.8	13720.7	16.2	-31.4
Aluminium \$/MT	1637.5	1408.7	1944.3	8.1	-43.4
Zinc \$/MT	1607.3	1270.0	1418.8	4.3	-15.5

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	Negative	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	-	Negative	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	04-Jun-09	No change	02-Jul-09
UK	Base Rate	0.50	04-Jun-09	No change	09-Jul-09
Japan	O/N Call Rate	0.10	16-Jun-09	No change	N/A
Australia	Cash Rate	3.00	02-Jun-09	No change	07-Jul-09
New Zealand	Cash Rate	2.50	11-Jun-09	No change	30-Jul-09
Switzerland	3 month Libor target	0.25	18-Jun-09	No change	17-Sep-09
Canada	Overnight rate	0.25	04-Jun-09	No change	21-Jul-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	25-Jun-09
South Korea	Target Rate	2.00	11-Jun-09	No change	09-Jul-09
Malaysia	O/N Policy Rate	2.00	26-May-09	No change	29-Jul-09
Thailand	1D Repo	1.25	20-May-09	No change	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	0.25	June-09	Cut 25bps	N/A
Egypt	Overnight Deposit	9.50	20-May-09	Cut 50bps	N/A
Turkey	Base Rate	8.75	16-Jun-09	Cut 50bps	N/A
South Africa	Repo rate	7.50	28-May-09	Cut 100bps	25-Jun-09
Kenya	Central Bank Rate	8.00	21-May-09	Cut 25bps	July 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	9.25	10-Jun-09	Cut 100bps	22-Jul-09
Armenia	Refi Rate	6.00	09-Jun-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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