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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Global Trade Finance Program issues $2.4bn in guarantees

The International Finance Corporation announced that its Global Trade Finance Program issued $2.4bn in guarantees to support trade with emerging markets in fiscal 2009, helping stabilize trade finance for some of the most vulnerable markets during the global economic crisis. The IFC launched the program in October 2005 with a $500m ceiling and then expanded in response to market demand, most recently doubling to $3bn from $1.5bn as part of IFC's crisis response. The program extends and complements banks' capacity to deliver trade finance by providing risk mitigation on a per-transaction basis in challenging markets. The IFC said the $2.4bn in issued guarantees constituted a $1bn increase from the previous year and saw strong expansion in frontier and crisis-hit markets. It added that one third of the volume of guarantees supported trade between emerging markets. Also, 56 new banks were approved for coverage under the program, bringing the total number to 170 banks covered from 77 countries. Latin America was the program's most active region in FY09, representing 35% of its total volume. It was followed by Sub-Saharan Africa with 27% of volume of guarantees booked, while the Middle East & North Africa accounted for 21% of guarantee volume, more than doubling the previous year's volume.

Source: International Finance Corporation

MENA

Profits of top 20 banks down 26% in second quarter

Figures compiled by financial portal Zawya.com show that the aggregate net income of the top 20 banks in the Middle East & North Africa region reached $3.43bn in the second quarter of 2009, constituting a decline of 26.2% from the same period last year. Further, their net profits totaled $7.1bn in the first half of the year, down 19.5% from the same period in 2008. It said the region's top banks were hit badly by lower oil prices, a collapsing real estate market and deteriorating assets, as the GCC economies suffered their worst contraction in almost a decade. It noted that banks in Kuwait were the worst performers, as the country's economy struggled to offset the impact of lower oil prices at the beginning of the year. Also, several banks in Saudi Arabia booked higher loan provisions amid concerns over exposure to the two struggling Saudi firms Saad Group and Al Gosaibi Group. Further, UAE banks saw their general provisions rise to $2.62bn at the end of June, up 81% year-on-year. It expected limited revenue growth and increasing provisions due to higher realized non-performing loans in the second half of the year to continue to hurt earnings.

Source: Dow Jones Newswires

AFRICA

IFC invests $1.8bn in 2009

The International Finance Corporation declared that it committed $1.8bn worth of new investments across 30 countries in Africa in the fiscal year ended June, representing a 32% increase from commitments of the previous year. It said that it also delivered $26.1m worth of advisory services, up from $18.6m a year ago, as it expanded activities to have more impact in countries affected by conflict and where the private sector is at the very early stages of development. The IFC announced in May that it is teaming up with other international financial institutions to mobilize at least $15bn over the next two to three years to reduce the impact of the global financial crisis on Africa. IFC plans to contribute at least $1bn to promote trade, strengthen the capital base of banks, promote microfinance lending, and increase lending for infrastructure projects and other real sectors of the economy experiencing a shortfall in liquidity.

Source: International Finance Corporation

EGYPT

Remittances down 26% in first quarter of 2009

Figures released by the Central Bank of Egypt show that remittance inflows reached $1.7bn in the first quarter of 2009, down by 26% from the previous quarter and by 16% from the same period last year. The U.S. was the largest source of remittances with $544.2m in the first quarter, constituting 31.3% of the total. It was followed by Kuwait with $337.3m (19.4%), the UAE with $298.2m (17.2%), Saudi Arabia with $196.2 (11.3%), and the United Kingdom with $98.5m (5.7%). Remittances from the U.S. fell by 15.3%, while those from Kuwait declined by 19% year-on-year. According to the World Bank, Egypt was the 7th largest recipient of remittances among developing economies in 2008 and the largest recipient in the MENA region. Remittances to Egypt were equivalent to $9.5bn or 5.9% of GDP in 2008.

Source: Central Bank of Egypt, World Bank, Byblos Research

IRAQ

Free trade, industrial zones to be set up with neighboring countries

The Iraqi Ministry of Industry signed several agreements to create seven free trade and industrial zones with neighboring countries, specifically with Turkey, Iran, Syria and Jordan. Three free zones will be set up with Iran, with one in the north, another in the center and a third in the south; while two zones will be created with Syria.

Source: Aswat al-Iraq

SAUDI ARABIA

Key challenges are financial sector stability and limiting the impact of the global crisis

The International Monetary Fund indicated that Saudi Arabia's short term challenges are to preserve financial sector stability and limit the domestic impact of the global recession. It said the Kingdom is facing the global crisis from a position of strength, reflecting prudent macroeconomic policies and structural reforms that have enhanced the economy's resilience. It projected overall real GDP to contract by 0.9% in 2009 compared to growth of 4.4% in 2008 due to lower oil production. It forecast real non-oil GDP to grow by 3.3% in 2009, supported by an expansionary fiscal position. It expected inflation to fall to 4.5% in 2009 from 9.9% in 2008 due to weaker demand and lower import prices. It also projected the fiscal balance to decline from a surplus of 33% of GDP in 2008 to a surplus of 0.4% of GDP this year due to a fall in oil revenues and increased fiscal spending. It forecast the current account surplus to fall to 3.7% of GDP in 2009 from to 28.6% of GDP in 2008.

The IMF indicated that fiscal policy is the key to macroeconomic stability and non-oil growth. It warned, however, that fiscal policy needs to be flexible in order to maintain medium-term sustainability, and that spending should be reduced once the recovery is underway. It also considered that the exchange rate to the US dollar has provided a stable and credible anchor and contributed to economic stability. The Fund stated that Saudi Arabia's banking sector has weathered the global crisis. It noted that the authorities have taken measures to enhance bank liquidity, stabilize the inter-bank market and strengthen the financial regulatory and supervisory frameworks. It said these measures have helped the banking system to remain profitable and well capitalized, and encouraged continued vigilance in identifying and responding to any evolving risks. It highlighted the importance of regularly stress testing the banks and of improving corporate transparency and disclosure, as well as cross-border and cross-sector supervision.

Source: International Monetary Fund

UAE

Non-oil growth at 0.5% in 2009, banking sector is key to recovery

The Institute of International Finance expected the UAE economy to contract by 1.2% in 2009 compared to a 7% growth in 2008, and projected real GDP growth to recover to 3.4% in 2010. It forecast non-oil growth at 0.5% this year, down from 7.7% in 2008, with growth resuming at 3.5% in 2010 driven by an expansionary fiscal policy and monetary easing. The IIF expected average inflation to fall from a peak of 12.3% in 2008 to around 1% this year and then rise slightly to 2.5% in 2010. It said the sharp fall in world commodity prices, combined with the major correction in the housing market and the associated decline in rents, has helped reduce inflationary pressures. It warned, however, that a decline of average rents by more than 6% could lead to deflation. It projected the current account surplus to fall to 3.8% of GDP this year from 13.3% in 2008, as it expected imports of goods to decline by 20% due to the sharp fall in import prices and weak domestic demand. It forecast the current account surplus to recover to 8.7% of GDP in 2010. It also expected the fiscal surplus to fall from 21.7% of GDP in 2008 to 7.5% of GDP in 2009, before rising again to 11.1% of GDP in 2010.

The IIF considered that the banking sector could be the key to accelerate the recovery. It said measures to support credit expansion can hold off a tightening of credit conditions and support consumption. It added that the bottoming out of the real estate market would be one of the main catalysts to the recovery towards the end of this year and early next year. It said banks may struggle for some time to adjust balance sheets, with credit concerns slowing down credit expansion and increasing banks' liquidity preference. It noted that uncertainty about the true state of banks' balance sheets, including the extent of non-performing loans and the potential capital shortfall, could limit the availability of funding for banks for an extended period.

Source: The Institute of International Finance

DEM REP CONGO

Kinshasa and IMF agree on policies for 2009-10, growth targeted at 5.5% in 2010

The International Monetary Fund indicated it has agreed with the Democratic Republic of Congo (DRC) on policies for the remainder of 2009 and 2010 consistent with the authorities' objectives of promoting growth, reducing inflation and rebuilding foreign exchange reserves. It said the country is facing difficult economic conditions following the onset of the global financial crisis, leading to emergency financial support from its development partners in response to a sharp decline in key commodity export prices and deterioration in terms of trade during the fourth quarter of 2008. It added that growth was low during the first half of 2009 due to a slowdown in mining and construction activities, while inflation peaked in April at an annualized rate of 100% and the exchange rate depreciated by 45% over the same period. But inflation has decelerated and the exchange rate has stabilized since then, while gross official reserves recovered from their historically low levels.

The Fund noted that authorities are taking measures to keep spending in line with their program targets, adding that the implementation of these measures will require strong political support. It expected monetary policy to remain tight, with the Central Bank policy rate likely to remain unchanged to assist in reducing inflation. The IMF also agreed with authorities on a set of policies consistent with achieving the government's objectives of 5.5% growth, 15% year-end inflation, and a build up of foreign reserves to 11 weeks of non-aid imports. It said the authorities' program focuses on improving domestic revenues, strengthening public financial management, and reforming the Central Bank. In parallel, the IMF stated that the DRC will be in a position to seek financing assurances for its program from Paris Club creditors and the Fund's Executive Board could consider a new three-year Poverty Reduction and Growth Facility only after the amendment of the Sino-Congolese Cooperation Agreement, including the removal of the government guarantee on the mining component.

Source: International Monetary Fund

ECONOMY & TRADE

SYRIA

Fixed line penetration at 18.5%, mobile penetration at 36% by June 2009

Figures issued by the Syrian Telecommunications Establishment (STE) show that the number of fixed line phone subscribers in Syria reached 3.71 million, while mobile phone subscribers totaled 7.3 million by the end of June 2009. It said fixed line capacity reached 4.48 million phone lines, with the availability of 767,000 numbers and a penetration rate of 18.5 lines per 100 inhabitants. It added that there are 6.2 million subscribers to pre-paid mobile phone lines and 1.1 million post-paid subscribers, leading to a mobile phone penetration rate of 36 lines per 100 persons. In parallel, it said that Internet subscribers in Syria totaled 844,000 dial-up subscribers and about 14,000 ADSL subscribers. The STE indicated that it has spent SYP 5bn on telecom investment projects in the first half of the year, accounting for 45% of total allocations of SYP 11.1bn for 2009. It said that it plans to expand broadband capacity and increase phone lines to reach under-served parts of the country.
Source: Syria News

EGYPT

Outlook changed to stable

Moody's Investors Service changed the outlook to ‘stable’ from ‘negative’ on Egypt’s ‘Ba1’ local and foreign currency government bond ratings, its ‘Ba2’ country ceiling for foreign currency bank deposits and its ‘Baa2’ country ceiling for foreign currency bonds. It attributed the change in outlook to the easing of inflation in the country since its peak in August 2008, the government's efforts to contain fiscal pressures, and the relative resilience displayed by Egypt's economy and banking system in the face of recent global economic turmoil compared with similarly-rated peers. It considered that the double-digit price growth over the past 18 months did not cause serious social or fiscal dislocations. However, the agency expressed credit concerns despite the upgrade in outlook about the weakness of Egypt's public finances, with a substantially wider fiscal deficit and higher public debt burden than most rated peers; a still high inflation rate; slower growth; and rising unemployment that continue to present challenges in light of the country's poor social indicators. It noted that the government does not face difficulties in financing its wide deficit, as local banks, its main creditor, have a large appetite for government paper.
Source: Moody's Investors Service

SUDAN

Exports of livestock to Saudi Arabia resume

Saudi Arabia announced it has lifted a ban on the import of Sudanese livestock, following similar moves by other Gulf countries earlier this year. Sudan exported over one million heads of sheep a month to Saudi Arabia and other Gulf states before the ban, which exporters say caused them losses worth millions of dollars. The ban on Sudanese livestock was imposed by GCC countries because of the spread of Rift Valley Fever (RVF) in Sudan and other countries of the Horn of Africa. The resumption of exports to Saudi Arabia would benefit producers and exporters, and would increase the contribution of animal resources sector to the national economy. Saudi Arabia, along with Kuwait, the UAE and Qatar are major importers of Sudanese live sheep, goats, meat and meat products. In parallel, the Islamic Corporation for Insurance of Investment and Export Credit signed an agreement with the Sudanese Shaikan Company for Insurance & Reinsurance to increase livestock imports, estimated at more than $1m a year from Sudan to the Kingdom of Saudi Arabia. Shaikan will issue insurance policies enabling Sudanese banks to provide the necessary funding for increasing Sudanese livestock imports to the Kingdom.
Source: Saudi Press Agency

ALGERIA

Government to provide incentives for tourism investments

The government announced plans to provide incentives for tourism projects in order to encourage investments in the sector. Such incentives include tax cuts for tourist firms, reduced value-added tax, subsidized bank loans for tourism investments, reduced customs tariffs, subsidized land and streamlined bureaucratic procedures. The measures are part of a broader plan to develop the sector and attract tourists, so it can play a key role in economic development and growth. The number of incoming visitors to Algeria totaled 1.64 million visitors in 2006, of which only 29% were foreigners as the rest were Algerian expatriates.
Source: Thomson Reuters, EFG Hermes

ARMENIA

Sovereign ratings downgraded, outlook stable

Fitch Ratings downgraded Armenia's long-term foreign and local currency Issuer Default Ratings (IDR) to 'BB-' from 'BB' and maintained the outlook at ‘stable’. It also downgraded the Country Ceiling to 'BB' from 'BB+' and affirmed the short-term foreign currency IDR at 'B'. It attributed the downgrade to the severity of the shock that has materially weakened Armenia's credit fundamentals and medium-term prospects, despite a strong policy response supported by the international community. It estimated that Armenia's economy has contracted by 16.3% year-on-year in the first half of 2009, reflecting the narrow base of economic activity, exposure to economic volatility in Russia and very limited financing flexibility. The agency projected a GDP contraction of 15% in 2009, as remittance inflows have fallen sharply, FDI inflows were just $27m in the first quarter, less than 25% from the same period last year, while exports almost dropped by 50% in the first half of 2009 despite a 20% devaluation of the Armenian dram. It said the ‘stable’ outlook reflects the relatively low near-term risks to macroeconomic and financial stability, given the policy response and support from the international financial community through an $820m agreement with the IMF and an additional $1.2bn fiscal support from other institutions and Russia. It added that this assistance mitigates the risk to the economy and the sovereign in funding a fiscal deficit projected to reach 7.5% of GDP and a current account deficit projected at 13% of GDP in 2009. Fitch indicated that Armenia's 'BB-' ratings remain supported by still moderate levels of public and external debt and a more favorable business environment than many 'BB' rated peers.
Source: Fitch Ratings

BAHRAIN

Banks face challenging credit conditions

Moody's Investors Service indicated that the credit outlook for Bahrain's banking sector is negative, as it expected financial metrics of Bahraini banks to weaken due to weaker regional economies. It expected the difficult credit and business conditions in the country to continue over the next few months due to the ongoing economic slowdown in the GCC region, which is exerting pressure on asset prices and business volumes. It also anticipated deterioration in at least some aspects of the banks' risk profiles. The agency expected an increase in non-performing loans, especially for construction and real estate exposures. It noted, however, that the ample capital levels will allow retail and wholesale banks to absorb credit losses and considered unlikely that additional capital will be required. It added that the retail banks' franchise dynamics are unlikely to be affected by the ongoing economic slowdown, given their focus on bilateral corporate lending and retail finance and their solid deposit funding profiles. Moody’s warned that wholesale banks carry more risk because of the challenging wholesale funding conditions. It also highlighted the relative robustness of Bahrain's regulatory and supervisory regime in the face of the global financial crisis but noted that tougher sector concentration and liquidity risk management regulations have only recently been introduced.
Source: Moody's Investors Service

EGYPT

Banks face challenging environment despite stable outlook

Moody's Investors Service considered that the Egyptian banking sector has a stable outlook, reflecting the system's relative resilience to the global crisis and the considerable progress of the sector’s reforms. But it warned that a worsening of the economic slowdown and its impact on banks constitute major risks. Also, challenges to the banking sector include high lending concentrations, mismatches in the maturity profile of assets and liabilities, and the still weak financial fundamentals of state-owned banks. The agency said that, while Egyptian banks have been facing a challenging operating environment, the banking system has largely avoided the impact of the global financial crisis and is coping relatively well. It noted the main reasons for the banks' resilience as the unsophisticated nature of the banks' product offering, the banks' strengthening balance sheets aided by the reforms, their minimal dependence on market funding, ample liquidity and conservative investment policies, moderate credit growth, and improved bank supervision. It added that the reforms program led to the sector’s consolidation and helped banks address the high level of legacy non-performing loans.
Source: Moody's Investors Service

GHANA

Rapid banks’ expansion poses risks

The International Monetary Fund indicated that rapid financial growth, intense competition and rising funding costs have increased the banking sector's vulnerabilities despite strengthened supervision. Total loans accounted for 54% of total assets in the first quarter of 2009 compared to 52.3% at end-2008 and 50% at end-2007. It noted that banks' loan portfolios are concentrated on a few large borrowers, while some foreign currency loans are to unhedged borrowers. The sector’s non-performing loans (NPLs) to total loans increased to 9.6% at end-March, up from 7.7% at year-end 2008 and 6.4% at end-2007. It said NPLs are mainly concentrated in the forestry, construction and mining sectors, constituting 20%, 18% and 15% of each sector's total loans respectively. However, the ratio of provisions to total loans for the sector increased to 7.6% from 6.3% at end-2008 and banks begun tightening lending standards to limit their risk exposure. It noted that the risk-weighted capital adequacy ratio of banks operating in Ghana reached 14.6% at end-March 2009 up from 13.8% at the end of 2008, while the sector's liquidity deteriorated in the first quarter with liquid assets reaching 22.6% of total assets from 25.2% at end-2008. Also, foreign currency deposits reached 30.3% of total deposits at end-March 2009 compared to 28.4% at end-2008 and 22% at end-2007. In parallel, banks’ profitability remained adequate as return on average assets slightly increased to 3.4% in the first quarter of 2009 from 3.2% at end-2008, and return on average equity reached 21.6% down from 23.7% in 2008.
Source: International Monetary Fund

NIGERIA

Central Bank takes over 5 banks for posing systemic risk

The Central Bank of Nigeria (CBN) took over Intercontinental Bank, Union Bank of Nigeria, Oceanic Bank International, Finbank and Afribank for being undercapitalized and posing a risk to the entire banking system, as they accumulated about $7.6bn in bad debts. It also replaced the banks’ management teams for extending loans to companies and individuals without adhering to corporate governance and risk management practices. The CBN audited 10 banks in the last two months and decided to inject NGN 400bn, or $2.6bn, of Tier 2 capital in the five banks to ensure they meet minimum capital requirements. It said the audit will be widened to cover 24 banks. Three of the five banks were considered systemically important, each accounting for more than 5% of assets and deposits in the system.

The 5 banks accounted for 40% of the sector’s total loans, 31.5% of its assets, and 30% of its deposits, with aggregate NPLs at 40.8% of total loans at end-May 2009. The banks had a heavy concentration of loan exposure to high-risk areas such as the stock market through margin loans used to buy shares as well as Nigeria’s oil and gas sector. Of a total loan portfolio of NGN 2,800bn, margin loans accounted for NGN 456bn, and oil and gas loans for NGN 487bn. The banks’ liquidity ratios ranged from 17.65% to 24% compared with the regulatory minimum of 25%. One of the banks was found to be technically insolvent by bank examiners, with a capital adequacy ratio of only 1%. The CBN said the capital injection is a temporary measure, to be repaid when new private-sector investment is made to recapitalize the banks. The CBN actions are expected to lead to the consolidation of the banking sector.
Source: Bloomberg, Standard Chartered

ENERGY / COMMODITIES

Oil steady above $72 after a 4% surge

Oil was steady above $72 a barrel on August 20, after rising more than 4% the previous day, sustained by industry data showing a drop in crude imports and stockpiles in the United States. Sentiment was also strengthened by a 4.5% surge in Chinese stocks, as modest signs of official support for the market helped stimulate technical buying. U.S. crude for September delivery reached $72.70 a barrel, London Brent crude for October was at $74.59. However, prices are expected to remain volatile, as the overall demand picture remains weak, and as equity markets and the dollar continue to play major roles in influencing trading direction. U.S. crude stockpiles fell by 8.4 million barrels in the week to August 14 as imports dropped to the lowest level since September 2008. Gasoline and distillate stockpiles also showed bigger-than-expected declines.

On the supply front, OPEC president Angola increased oil output to year-high, breaking agreed limits. Without a sharp slide in crude prices, OPEC is likely to leave its output targets unchanged when it meets on September 9th. Kuwait also sees no need for OPEC to change oil supply targets as the oil price is satisfactory. Traders are also keeping an eye on storms in the Atlantic Basin, as any potential output disruption could increase prices. But there was no immediate threat seen to U.S. oil installations in the Gulf of Mexico, which constitute a quarter of U.S. oil output and 15% of its natural gas production.
Source: Thomson Reuters

Qatar and Turkey in talks for a natural gas pipeline and an LNG supply accord

Qatar and Turkey are in talks regarding a new natural gas pipeline linking the two countries and an LNG supply accord. Turkey is seeking a supplier for the Nabucco pipeline which aims at decreasing Europe's dependence on Russia's natural gas. It plans to buy 4 billion cubic meters of LNG from Qatar.
Source: Gulf Times

Shell, Jordan oil deal comes into effect

Jordan's Natural Resource Authority (NRA) said that the production-sharing agreement with Royal Dutch Shell Oil Company went into effect, and that the Jordan Oil Shale Company will start shale exploration activities within the next nine months. Following three years of exploration, the firm will enter a four-year evaluation stage to determine the feasibility of the initiative, which calls for Shell's conversion process. Shell is expected to invest $340m in the project and pay the government $150m over the various stages of the scheme.
Source: The Jordan Times

Egypt signs $2.3bn exploration deals

The Egyptian Oil Ministry signed six agreements to explore oil and natural gas with BP Plc and IEOC, a unit of Italy's Eni SpA. The $2.3bn agreements aim to explore for oil and gas in the Eastern Desert, the Nile Delta, the Gulf of Suez and the northern Sinai.
Source: Bloomberg

Base metals: Copper rises from two-week low

Copper rose from a two-week low in London as U.S. leading economic indicators are expected to rise in July for a fourth straight month, indicating that recession is almost over. Copper for three-month delivery rose by 2.3%, to $6,120 a metric ton on the London Metal Exchange. The metal fell by 4.3% on August 19 to a low of $5,818, the lowest intraday price since August 3rd. Copper for December delivery rose by 0.8% to $2.794 a pound on the New York Mercantile Exchange's Comex. The price of copper, used in plumbing and electrical wiring, has almost doubled this year as imports from China more than doubled in the first half. July imports shrank by 15% from a month earlier. LME-monitored stockpiles in warehouses rose to 293,250 tons, gaining 4.4% this month.

Among other LME metals for three-month delivery, aluminum rose by 1.1% to $1,972 a ton. In Japan, premiums paid to suppliers are expected to rise to the highest in 14 years in the fourth quarter of the year as reduced shipments from Russia and increased purchases by China boost prices. The fee is expected to climb to more than $100 a ton over aluminum for immediate delivery, up from $75 a ton in the third quarter. Nickel was up by 2.7% at $19,349 a ton. Production reached 113,100 tons in June, exceeding demand of 107,700 tons. Tin rose by 4% to $14,100 a ton, zinc gained 2.4% to $1,852 and lead increased by 2.9% to $1,865 a ton.
Source: Bloomberg

Precious Metals: Gold increases for a third day as recovery supports Asian stocks

Gold rose for a third day after Asian stocks increased ahead of the release of data that is expected to point to a recovery in global economies. Gold extended gains, taking this year's increase to 6.9%, as global equities rose, increasing demand for physical assets. Reports are expected to show leading U.S. economic indicators improved for a fourth month and Taiwan's economic contraction slowed in the second quarter. Gold for immediate delivery rose by 0.4% to $945.53 an ounce and traded at $943.13 in Singapore. Among other precious metals for immediate delivery, silver climbed by 0.9% to $13.95 an ounce and both platinum and palladium rose by 0.4% to $1,244.25 and $273.50 an ounce respectively.
Source: Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	198.6	174.0	177.9	11.4	-15.2
LME metals price index	3025.2	2212.7	2272.3	31.4	-13.3
Oil prices USD	71.0	57.7	62.3	18.7	-38.9
Oil prices SDRs	45.5	38.0	41.0	17.7	-38.1
Gold $/troy oz	956.5	931.0	876.8	4.8	16.1
Silver cents/troy oz	1507.0	1361.5	1242.0	20.9	2.7
Platinum $/troy oz	1264.0	1152.0	1074.8	15.2	-14.9
Copper $/MT	6418.5	4597.9	4596.9	31.5	-12.3
Nickel $/MT	21067.5	13128.5	13016.2	46.7	16.9
Aluminium $/MT	2034.8	1510.6	1716.6	32.9	-25.4
Zinc $/MT	1897.3	1442.6	1381.9	29.9	16.2

Source: Credit Suisse

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 (%)
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+	Ba1	BB+	BBB-	BB								
	Stable	Stable	Stable	Stable	Stable	-7.7	74.5	17.8	51.4	5.4	105.9	-1.5	4.1
Ethiopia					CCC								
	-	-	-	-	Stable	-3.5	-	10.9	250.0	-	-	-6.1	-
Ghana	B+	-	B+	-	B								
	Stable	-	Negative	-	Negative	-10.8	-	39.0	103.6	-	-	-13.7	-
Ivory Coast	-	-	-	-	CC								
	-	-	-	-	Stable	-1.7	-	57.9	175.9	-	556.0	-1.8	-
Libya	A-	-	BBB+	-	BB								
	Stable	-	Stable	-	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+	Ba1	BBB-	BBB-	BB								
	Stable	-	Stable	Stable	Stable	-2.6	51.8	24.1	73.9	5.7	74.1	-0.1	3.3
Nigeria	BB-	-	BB-	-	B								
	Negative	-	Stable	-	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	Baa2	BBB	BBB	BB								
	Stable	-	Stable	Stable	Stable	-3.1	49.8	50.6	105.6	12.3	235.5	-3.3	3.8
Middle East													
Bahrain	A	A2	A	A	BBB								
	Stable	-	Stable	Stable	Stable	-3.4	18.2	187.7	321.7	4.6	63.8	6.2	0.4
Iran	-	-	B+	BB-	B								
	-	-	Stable	Stable	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	Ba2	-	BB	B								
	Stable	-	-	Stable	Stable	1.3	51.4	65.6	122.2	4.8	198.6	-10.0	11.4
Kuwait	AA-	Aa2	AA	AA-	A								
	Stable	Negative	Stable	Stable	Stable	22.6	4.9	40.4	134.2	6.2	229.7	23.6	-9.9
Lebanon	B-	B2	B-	B	CCC								
	Stable	-	Stable	Stable	Stable	-10.8	145.6	97.5	614.9	20.4	199.0	-12.0	9.0
Oman	A	A2	-	A	A								
	Stable	-	-	Stable	Stable	-1.9	3.5	21.4	68.7	-	113.0	-4.0	4.0
Qatar	AA-	Aa2	-	AA-	A								
	Stable	Stable	-	Stable	Stable	1.7	4.1	52.5	189.8	7.3	359.3	24.3	7.8
Saudi Arabia	AA-	A1	AA-	AA-	BBB								
	Stable	-	Stable	Stable	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-	BB								
	-	-	-	Stable	Stable	16.7	10.6	79.3	125.2	2.3	287.4	11.4	2.4
Yemen	-	-	-	B	CCC								
	-	-	-	Stable	Stable	-17.2	-	29.6	161.9	-	-	-16.9	

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-	-	-								
	-	-	Stable	-	-	-2.2	13.9	32.5	496.8	1.2	311.3	-9.0	5.9
Bulgaria	BBB+	Baa3	BBB-	-	BB								
	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	-	Negative	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	-	CCC								
	Positive	Positive	Negative	-	Stable	-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

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	12-Aug-09	No change	23-Sep-09
Eurozone	Refi Rate	1.00	06-Aug-09	No change	03-Sep-09
UK	Base Rate	0.50	06-Aug-09	No change	10-Sep-09
Japan	O/N Call Rate	0.10	11-Aug-09	No change	17-Sep-09
Australia	Cash Rate	3.00	04-Aug-09	No change	01-Sep-09
New Zealand	Cash Rate	2.50	30-Jul-09	No change	10-Sep-09
Switzerland	3 month Libor target	0.25	18-Jun-09	No change	30-Sep-09
Canada	Overnight rate	0.25	21-Jul-09	No change	10-Sep-09
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	12-Aug-09	No change	N/A
Taiwan	Discount Rate	1.25	25-Jun-09	No change	Sep-09
South Korea	Target Rate	2.00	11-Aug-09	No change	10-Sep-09
Malaysia	O/N Policy Rate	2.00	29-Jul-09	No change	25-Aug-09
Thailand	1D Repo	1.25	15-Jul-09	No change	26-Aug-09
India	Reverse repo rate	3.25	28-Jul-09	No change	27-Oct-09
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 50bps	N/A
Saudi Arabia	Repo rate	0.25	16-Jun-09	Cut 25bps	N/A
Egypt	Overnight Deposit	8.50	30-Jul-09	Cut 50bps	17-Sep-09
Turkey	Base Rate	7.75	18-Aug-09	Cut 50bps	N/A
South Africa	Repo rate	7.50	13-Aug-09	No change	22-Sep-09
Kenya	Central Bank Rate	7.75	22-July-09	Cut 25bps	Sep-09
Nigeria	Monetary Policy Rate	6.00	07-Jul-09	Cut 200bps	Sep-09
Ghana	Prime Rate	18.50	21-July 09	No change	Sep-09
Mexico	Target Rate	4.50	17-Jul-09	Cut 25bps	21-Aug-09
Brazil	Selic Rate	8.75	22-Jul-09	Cut 50bps	02-Sep-09
Armenia	Refi Rate	5.50	07-Jul-09	Cut 50bps	N/A
Romania	Policy Rate	8.50	04-Aug-09	Cut 50bps	N/A
Bulgaria	Base Interest	1.71	30-Jul-09	Cut 50bps	N/A
Kazakhstan	Refi Rate	7.50	07-Aug-09	Cut 50bps	N/A
Ukraine	Discount Rate	10.25	11-Aug-09	Cut 75bps	N/A
Russia	Refi Rate	10.75	07-Aug-09	Cut 25bps	N/A

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