



COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

NORTH AFRICA

Rising risk of attacks

A day after Morocco announced that it had foiled a plot by suicide bombers targeting foreign and strategic interests, there were two explosions in the Algerian capital, Algiers, including one near the prime minister's office, that killed over 30 people. The al-Qaeda Organization in the Islamic Magreb has claimed responsibility for the bombings in both Morocco and Algeria, although this has not been officially verified. Violent attacks have been increasing in Algeria since January, when the main Islamist rebel group, the Salafist Group for Preaching and Combat, changed its name to the al-Qaeda Organization in the Islamic Maghreb. The group has claimed responsibility for a number of deadly attacks on security forces and foreigners since the start of the year. These attacks have raised concerns of a resurgence of al-Qaeda operations in North Africa, as there have also been clashes with militants in Tunisia earlier in the year.

Source: Reuters, AFP

IRAQ

Sadrists threaten to quit Iraqi government

Iraq's largest grassroots movement threatened to pull out of the government, in a sign of growing impatience among Shia radicals with a joint US-Iraqi security crackdown that has targeted Shia militias. The Sadrists have pulled out of the cabinet before, putting political pressure on the prime minister Nouri al-Maliki, without making a serious move to topple his government. Their statement follows massive anti-American protests on Monday and highlights the difficulty Mr Maliki faces in pursuing a policy of co-operation with the US and accommodation of Sunni communities that is opposed by many of his constituents.

Source: Financial Times

IRAN

Iran expands uranium enrichment effort

Iran announced it is aiming to install 50,000 centrifuges to enrich uranium as part of its nuclear program, a day after defying the UN with an announcement that the work has reached an industrial scale. Iran's aim is not only "to install 3,000 centrifuges at its Natanz nuclear facility but it has planned for 50,000 centrifuges," declared the head of the country's Atomic Energy Organization, Gholam Reza Aghazadeh. Earlier, President Mahmoud Ahmadinejad said that Iran has begun enriching uranium on an industrial scale but didn't reveal how much uranium it has already enriched. The Islamic Republic's announcement was a challenge to the UN Security Council, which on March 24 gave Iran 60 days to suspend enrichment after the country ignored previous deadlines set by the international body. Foreign Minister Manouchehr Mottaki emphasized that "the suspension of enrichment is not acceptable either as a precondition to negotiations or as a result of such talks." Russia's government, which is building Iran's first nuclear reactor, in the southern port city of Bushehr, said it wasn't aware of significant developments in Iran's nuclear program.

Source: Bloomberg

SUDAN

U.S. cedes to U.N. demand to delay sanctions

The United States has delayed for several weeks imposing new sanctions against Sudan over its handling of Darfur to give the United Nations more time to negotiate with Khartoum, the U.S. special envoy to Sudan said on Wednesday. The United States was set last month to impose stricter sanctions to pressure Sudanese President Omar Hassan al-Bashir to agree to allow the peacekeeping force into Darfur. Among new U.S. sanctions is the addition of 29 Sudanese companies to a current U.S. sanctions list of about 130 firms. Washington also plans to further limit dollar transactions from Sudanese companies and to slap travel and banking bans on three individuals, including an "obstructionist" rebel leader. Another strategy was to more aggressively enforce sanctions on Sudan, using similar tools as those employed to put pressure on Iran and North Korea. The proposed U.N. sanctions are expected to include an arms embargo, financial or travel bans on targeted individuals and institutions, and some monitoring of military overflights in Darfur.

Source: Reuters

Bashir seeks rapprochement with Chad

Sudanese President Omar Hassan al-Bashir on Wednesday signaled he was looking for a diplomatic way out of a crisis with Chad that has seen the two neighbors threatening military action against each other. The Sudanese government has accused the Chadian army of launching an attack on Monday that killed 17 of its soldiers. Chad denied any such deliberate assault, but said its forces had clashed with Sudanese troops after crossing the border to pursue Sudanese-backed rebels it accused of launching raids. Monday's attack has increased tension between the two oil-producing central African countries, whose ties have been marred by violence spilling over from Sudan's Darfur region.

Source: Reuters

UKRAINE

Political uncertainty to stay high

Political tension appears set to remain high and may be aggravated in the short term, thus leaving political uncertainty elevated. The stand-off between President Yuschenko (labeled as "pro-EU") and Prime Minister Yanukovich (labeled as "pro-Russia") remains well in place, despite numerous bilateral meetings over the past several days, which failed to resolve the political impasse. The PM Yanukovich-led coalition said they would only support early parliamentary elections (proposed by President Yuschenko), if a presidential election were held at the same time, thus raising the political stakes as well as uncertainty amid the current political turmoil. In addition, mass protests intensified, with PM Yanukovich supporters claiming to have gathered a crowd of 50,000 in Kiev. Political uncertainty will remain prolonged and may be further aggravated in the near term before a resolution to the conflict is reached.

Source: Merrill Lynch

OUTLOOK

GLOBAL FINANCE

IMF says global financial system stable but risks remain

The International Monetary Fund said in its semi-annual Global Financial Stability Report that the stability of the global financial system is supported by favorable economic prospects, but some financial markets risks have risen since September 2006 and have the potential to weaken financial stability. The fund pointed at the U.S. sub-prime mortgage market, involving borrowers with poor credit history, as one area of risk. It said the deterioration of the sub-prime market was more rapid than expected at this point in the downturn in the housing market as a whole. While the fallout in the sub-prime mortgage market has been limited to a small number of lenders, the IMF warned the problems could spread to other asset markets. In particular, the IMF said the looser underwriting standards may have gone beyond the sub-prime sector into portions of the so-called 'Alt-A' mortgages, the next riskiest area. And there could be losses in other consumer credit markets, including credit card and sub-prime auto loans asset-backed securities, it said.

The IMF also noted that the recent wave of massive corporate buyouts and mergers reveal a weakening of credit discipline. "So far, target firms are mostly those with high cash flows and low leverage," the fund said, adding that "there are signs that credit risks have risen as valuations of target companies are rising along with leverage, while credit discipline is eroding reflected the continued weakening of loan covenants." A collapse in one or more high-profile deals could expose banks and trigger a wider reappraisal of risks across a broader range of credit product, the IMF cautioned.

Source: International Monetary Fund

ARAB WORLD

Reforms are key to boost Arab world's competitiveness

The Arab World Competitiveness Report 2007 indicated that the United Arab Emirates is the most competitive economy in the Arab world, followed by Qatar, Kuwait and Bahrain among the group of countries at the most advanced stage of development. Among countries at the second stage of development, Tunisia and Oman are the best performing Arab economies, followed by Jordan, Libya and Algeria. Egypt leads the region's group of countries that are at a least advanced stage of development. It is followed by Morocco, Syria and Mauritania. The report indicated that although the region's economies are currently very dynamic and offer tremendous business opportunities, improvements to national competitiveness and closer integration with the global economy and within the region are necessary if this growth momentum is to be sustained.

The report added that the rankings highlight the diversity of Arab economies and the divergent performance in terms of national competitiveness. A closer look at the results reveals that although most countries have achieved significant progress with respect to their own past, many challenges remain to be addressed. The most important weaknesses are to be found in the areas of education, low efficiency of goods markets as well

as labor markets and, for the more advanced economies the very weak innovative capacity. In particular, high unemployment and a growing population are increasingly putting pressure on governments in the region to overhaul the current labor market model, which in many countries is highly regulated and often relies heavily on the public sector and on migrant workers. More flexibility in employment regulations and increased focus on meritocracy and professional management would be desirable steps in the right direction.

Source: World Economic Forum

GLOBAL ECONOMY

IMF says global economy set for continuous growth in 2007 and 2008

The world economy still looks well set for continued robust growth in 2007 and 2008 despite the recent financial volatility. While the U.S. economy has slowed more than was expected earlier, spillovers have been limited, growth around the world looks well sustained, and inflation risks have moderated. Overall risks to the outlook seem less threatening than six months ago but remain weighted on the downside, with concerns increasing about financial risks. Global growth is expected to moderate to 4.9% in 2007 and 2008, some ½ percentage point slower than in 2006.

Emerging market and developing countries are expected to continue to grow strongly, albeit at a somewhat slower pace than in 2006. These economies will continue to draw support from benign global financial conditions and commodity prices that remain high notwithstanding recent declines.

Particular uncertainties for the global outlook include the potential for a sharper slowdown in the United States if the housing sector continues to deteriorate; the risk of a retrenchment from risky assets if financial market volatility were to rise from historically low levels; the risk that inflation pressures could revive as output gaps continue to close, particularly in the event of another spike in oil prices; and the low probability but high cost risk of a disorderly unwinding of large global imbalances. A key question in assessing the risks to the outlook is whether the global economy would be able to 'decouple' from the United States were the latter to slow down more sharply than projected.

Source: International Monetary Fund

UKRAINE

S&P revises outlook to negative

Standard & Poor's revised its long-term rating outlook on Ukraine to negative from stable based on the deteriorating political climate and the concomitant risks to economic policies. At the same time, the 'BB-' long-term foreign, 'BB' long term local, and 'B' short-term sovereign credit ratings on Ukraine were all affirmed. "The outlook revision is based on a heightening in political tensions that have been simmering between Prime Minister Viktor Yanukovich and President Viktor Yushchenko ever since the "Orange Revolution" in 2004," said Standard & Poor's credit analyst Moritz Kraemer.

Source: Standard & Poor's



ECONOMY & TRADE

IRAN

Inflation hits 17.6% in year to Feb. 19

Figures released by the Central Bank of Iran show inflation rate at 17.6% in the year to February 19 period, rising from 17.3% in the 12 months to January 21. Economists say the government's spending policies, aimed at spreading Iran's petrodollars more fairly, are fuelling inflation, which rose steadily during the last Iranian year that ended March 20. The Central Bank said that average consumer price inflation in urban areas was 13.1% in the year to February 19 compared to 12.5% in the year to January 20. The central bank calculates inflation based on a basket of 310 goods, including some subsidized items.

Source: Reuters

TURKEY

Current account deficit at 8.3% of GDP

The current account deficit came out at \$3.3bn in February, which was worse than the consensus forecast of \$3bn and higher than the January deficit of \$3bn. The data kept the 12-month rolling current account deficit at \$32.4bn, or 8.3% of GDP, in February, unchanged from January. The 12-month rolling net FDI inflow increased to \$24.4bn in February from \$23.6bn in January, covering about 75% of the current account deficit during the same period. Despite the strong performance in the first two months of this year, net FDI inflows are forecast at about \$14bn this year, given the delays in some of the privatization projects. Although there was an outflow of \$0.7bn from the equity market in January-February, the inflow into the local bond market was \$3.9bn during the same period. The 12-month rolling portfolio inflows increased to \$10.2bn in February from \$8.4bn in January, corresponding to about 31% of the current account deficit in the same period. The "other inflows," which mainly comprises the medium- and long-term borrowing of the corporate sector including the banks, decreased to \$6.3bn in the 12 months to February, from \$13.1bn in the 12 months to January, possibly reflecting the impact of economic slowdown.

Source: Credit Suisse

EGYPT

Tourism receipts forecast at \$9bn

Egypt's Ministry of Tourism expects revenues from tourism to increase by 18% in 2007, to \$9bn, up from \$7.6bn in 2006. Egypt received 8.6 million visitors in 2005, 9.1 million in 2006, and is expecting some 10 million this year. Further, the country plans to host some 16 million visitors by 2014.

Source: Shuaa Capital

ACCOUNTING

IASB issues a revised standard on borrowing costs

The International Accounting Standards Board has issued a revised standard on borrowing costs. The main change to the standard is the removal of the option to immediately recognize as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The board said that the revised standard continues work in its short-term convergence project with the U.S. Financial Accounting Standards Board to reduce differences between international standards and U.S. GAAP.

Source: WebCPA

IRAQ

Central Bank takes steps to curb inflation

The Central Bank of Iraq has managed to reduce the country's rate of inflation to 37.1% in February from 66.4% in January, said Central Bank adviser Mudher Qassim, adding that the bank has taken several steps to curb inflation. The first step was to boost the Iraqi dinar, which has risen to almost a two-year high against the U.S. dollar due to trading by the central bank at its daily auction. The Central Bank increased interest rates to 20% at the beginning of this year, from 16% last year, as part of its efforts to quell inflation. Qassim said the bank has been issuing treasury bills worth IQD180 billion (\$130 million) every three months in order to drain liquidity and eventually curb inflation. The bank also manages Treasury bills issued separately by the Iraqi Ministry of Finance. He said the ministry issues IQD100 billion every two weeks and that total outstanding debt from these bills has reached some IQD2.5 trillion (around \$2 billion). The Central Bank sells an average of \$50 million to \$60 million every working day in Baghdad to private and state-run banks, and has about \$19 billion in foreign assets. There are seven state-run banks in Iraq and up to 25 private banks.

Source: Dow Jones Newswires

SYRIA

Insurance premiums generated by private firms at \$8.5m in 2006

Figures issued by the Syrian Insurance Supervisory Commission show that total premiums collected by private insurance firms in Syria reached SYP425m, or \$8.5m in 2006. The United Insurance Company (UIC) collected SYP148 million in premiums followed by Syrian Arab Insurance Company (SAIC) with SYP122 million, National Insurance Company (NIC) with SYP76 million, Arope Syria with SYP 62 million, and Arabia Insurance Syria (AIS) with SYP16 million. Private insurers started operating in Syria in the second half of last year. The SISC data also shows that, excluding UIC, which did not provide details on its operations, car insurance was the main sector of activity (SYP93m) followed by health (SYP53m), marine, fire, general accidents and life. All companies collected their highest premiums in car insurance except NIC, which had most income from health insurance and AIS from marine. The state-owned Syrian Insurance Company has not yet released its 2006 financial statements. It generated total premiums of \$134 million in 2005.

Source: Syria Report

KAZAKHSTAN

Rapid growth in housing prices

Figures released by the statistical office for the first quarter of 2007 show that average new housing stock sale prices across Kazakhstan were up by 45% in March from a year earlier (KZT137.3 thousand per square meter) compared with a 34% annual rise at end-2006. Existing housing stock prices, on average across Kazakhstan, were up by 69% yoy in March (KZT 114.9 thousand per square meter), accelerating further from a 57% yoy rise at the end of 2006. Average rental prices in Kazakhstan were up by 23% yoy in March, in line with the 22% yoy growth recorded at end-2006.

Source: Credit Suisse



BANKING

IRAN

Iran, Ivory Coast banks sign deal

The Export Development Bank of Iran (EDBI) has signed an agreement with Ivory Coast's National Investment Bank to boost the export of technical services. A contract worth € million was inked by authorities from both banks to provide credits for the export of Iranian products as well as technical and engineering services to the African country. The agreement is viewed as part of a \$90 million agreement allocated by the Islamic Republic for exports to the Ivory Coast. In the first stage, the credits will be used to finance several infrastructural projects including supplying Iran made buses to Abidjan to meet its urban transportation requirements. The vice president of the Export Development Bank of Iran, Reza Raei, reiterated the Islamic Republic's resolve to contribute to the continuing development of Africa. Working along the lines of the Islamic Republic's policies to promote non-oil exports and provide assistance to other countries, the EDBI offers short, mid and long term credits for development projects and the purchase of Iranian goods and services.

Source: *Press TV*

SYRIA

Hayel Saeed Anam, Rajhi to establish joint Islamic bank in Syria

Tadhamon International Islamic Bank, an affiliate of Yemen-based Hayel Saeed Anam Group (HSAG), has received a preliminary approval from the Central Bank of Syria to open an Islamic bank with a capital of \$100 million. Syrian law requires all newly formed private banks to have at least 51% of their capital in the hands of Syrian investors, although this cap is expected to be raised after the changes to the banking law are enacted by Parliament. A spokesman declined to provide figures on the stake Tadhamon and its founding partners will hold in the Syrian bank, saying that "these percentages are not yet final". A source close to HSAG said that Al Rajhi Bank from Saudi Arabia, the largest Islamic bank in the world, will be among the founding partners of the bank. Hayel Saeed Anam Group, founded in 1938 in Yemen, has activities in a wide scope of sectors including telecommunication, insurance, industry, trading and real estate.

Source: *Syria Report*

BAHRAIN

Hedge funds authorized

The Central Bank of Bahrain announced it will allow hedge funds to register in Bahrain. Under the new law, specific products will have to be registered with the Central Bank, but will not be under supervision. Such products will be sold only to a restricted investor base, with a minimum investment base of \$100,000 and with assets in excess of \$1m.

Source: *Shuaa Capital*

IRAQ

Iraqi instability curtails foreign bank presence

Foreign banks are waiting until security stabilizes in Iraq before entering or expanding a limited presence in the country's banking market, bankers said at a banking conference on Iraq. They added that four years after the US-led invasion of the country in 2003, the private banking sector, which comprises 25 licensed banks, was still underdeveloped. Foreign investment that would have squeezed out weaker banks and helped create larger more competitive banks has also been limited after banking laws in 2003 opened the door to outside capital. Further, foreign banks have not yet committed themselves to Iraq in terms of investing, training and putting systems. Under former Iraqi leader Saddam Hussain, Iraqi banks were cut off from the outside world, perpetuating an antiquated banking system with rudimentary investment and retail products. Since 2003 some Arab and international banks such as HSBC, National Bank of Kuwait, Jordan's Capital Bank and Qatar National Bank have bought shares in local banks. But foreign investment has been limited to seven banks, with no new investment since 2005. Security has been a main concern even for banks granted preliminary approval for licenses such as Bank Melli Iran, the Commercial Bank of Kuwait and Jordan's Arab Bank. Lebanon's Byblos Bank is slated to open soon in Kurdistan, northern Iraq, where security is better than in Baghdad.

Source: *Gulf News*

KAZAKHSTAN

Reserve requirements to be adjusted

National Bank of Kazakhstan Governor Anvar Saidenov said that minimum reserve requirements for banks may be adjusted in the third quarter of the year. Saidenov stated that the Central Bank may tighten reserve requirements in Q3 in the case of a "preservation of high inflationary pressure in the economy and continuation of rapid credit growth." He noted that the mechanism of calculating reserve requirements may be adjusted to exclude perpetual and subordinated debt, which banks include as part of capital. At the same time, the reserve requirement ratios, according to Saidenov, would have to be raised to keep the level of reserves unchanged. Currently reserve requirements stand at 6% for domestic liabilities and 8% for external liabilities.

Source: *Reuters*

GCC

IMF highlights conditions for monetary union

In its latest World Economic Outlook, the IMF indicated that important preconditions need to be fulfilled ahead of the GCC monetary union, including establishing a common institutional framework. The IMF noted that any efforts to enhance policy coordination would be also be beneficial to the GCC countries. The preconditions that need to be met include better defined monetary policy objectives, the use of more uniform monetary instruments and the establishment of the institutional framework required to improve the coordination of monetary policies. Furthermore, the formation of the planned customs union would also be an important step ahead of the union.

Source: *International Monetary Fund*



ENERGY/ COMMODITIES

Oil prices rise as gasoline inventories drop

Oil and gasoline prices rose Wednesday, after the U.S. government reported a plunge in gasoline inventories that was four times steeper than expected amid strong demand. Total U.S. motor gasoline stockpiles sank by 5.5 million barrels last week to 199.7 million barrels, the U.S. Energy Information Administration reported. Analysts had been expecting just a 1.3 million barrel decline, according to a Dow Jones Newswire survey. The U.S. agency said gasoline demand has been strong recently, averaging 9.4 million barrels per day over the past four weeks, or 2.5% higher than the year-ago period. Crude oil inventories, meanwhile, rose by 700,000 barrels last week to 333.4 million barrels, compared with analysts' expectations of a 1.6 million barrel gain. Stocks of distillate fuels, which include heating oil, added 100,000 barrels to 118.1 million barrels, compared with analysts' expectations of a 900,000 barrel decline. Light, sweet crude for May delivery rose 36 cents to \$62.25 a barrel in morning trading on the New York Mercantile Exchange. On London's ICE Futures exchange, May Brent crude added 91 cents to \$68.33 a barrel. Gasoline futures added 4.5 cents per gallon to \$2.168 on the Nymex. Oil prices have been volatile the last couple of weeks, gaining nearly \$5 a barrel after Iran detained 15 British sailors and marines, dropping on their release last Thursday, and then sliding almost \$3 on Monday on expectations of oversupply at a key North American delivery point. Continued worries over Iran's nuclear program and below-normal temperatures in the northeastern and central United States are keeping prices from dropping too much more.

Source: Associated Press

Gas exporters launch pricing study

Energy ministers from some of the world's leading gas producers agreed to set up a high-level committee to study pricing policies and other issues facing the gas sector. Some delegates suggested it was a step towards an Organization of the Petroleum Exporting Countries-style organization. But others sought to play down the idea of a gas pricing cartel. The decision to set up the committee was reached at a meeting in Doha of the Gas Exporting Countries Forum (GECF), whose members, including Russia, Algeria and Qatar, are responsible for about 60% of the world's gas exports. Russia will lead the study into pricing, and the committee's findings will be presented at the GECF's next meeting, which is expected to be held in Moscow next year. GECF decisions will not have a significant impact on the US market, which produces about 80% of its gas domestically. But Europe is dependent on Russia and Algeria for more than 40% of its gas consumption.

Source: Financial Times

Oil Market		Closing of April 11	Previous Price	Daily Δ
OPEC Basket	▲	63.36	62.66	1.1
Brent	▲	68.73	68.13	0.8
Dubai	▲	64.56	64.02	0.8
WTI	▲	62.01	61.89	0.2

Source: SHUACapital

Base metals: Prices continue to increase

Base metal prices increased significantly during the first days of April, as market sentiment in the sector improved considerably. Strong demand from Asia is still the main market topic. Chinese trade data showed year-on-year increases in imports of more than 160% for copper and more than 80% for nickel. Accordingly, these two metals have seen strong price increases over the last couple of days. While the fundamental outlook remains positive, the current rally looks increasingly stretched. While further price increases are expected over the course of the year, the price trend especially in copper and nickel should become more erratic and volatile in the weeks ahead.

Source: Credit Suisse

Precious metals: Prices increase slowly but persistently

Precious metals prices have continued to increase over the last few days. Gold is now trading above US\$665/oz and silver prices are hovering above the US\$13.50/oz mark. However, the speed of the price increases is considerably slower than at the beginning of the year. This is an indication that the current price increases are more sustainable than the mainly liquidity driven rally at the outset of the year. Following the correction at the end of February, speculative long positions have been cut to more manageable levels, particularly in the gold market. At the same time, demand from the physical side is increasing again. Together, with falling mine production and lower central bank sales, gold price is expected to further increase.

Source: Credit Suisse

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	192.9	185.7	179.4	0.2	21.7
LME metals price index	4215.1	3720.5	3650.7	15.4	46.7
Oil prices USD	64.5	59.2	64.8	4.9	-2.5
Oil prices SDRs	42.6	39.6	43.6	4.2	-6.7
Gold \$/troy oz	673.7	633.8	629.0	3.6	14.8
Silver cents/troy oz	1345.0	1298.1	1247.8	-0.6	14.5
Platinum \$/troy oz	1248.0	1161.7	1181.6	3.7	16.1
Copper \$/MT	7304.5	6497.0	6989.9	20.6	30.1
Nickel \$/MT	50677.5	37617.3	31233.0	14.4	225.1
Aluminium \$/MT	2801.0	2766.7	2666.5	1.8	13.8
Zinc \$/MT	3320.3	3830.4	3585.2	-1.3	22.5
Steel - HR coil dry \$/MT	600.0	600.0	557.5	0.0	29.0

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	10.3	17.4	12.0	9.1	8.4	19.4	18.0	0.8
	-	-	-	-	Positive								
Angola	-	-	-	-	CCC	2.3	43.7	49.5	22.3	4.6	216.9	21.1	7.3
	-	-	-	-	Stable								
Egypt	BB+	Baa2	BB+	BB+	B	-6.9	99.0	29.7	68.0	6.6	150.3	1.6	5.6
	Stable	-	-	Stable	Stable								
Libya	-	-	-	-	BB	26.6	6.0	9.7	-130.9	2.7	7.8	31.4	2.8
	-	-	-	-	Stable								
Morocco	BB+	Baa2	-	BB+	BB	-4.1	67.1	29.8	68.1	8.0	91.2	1.7	2.0
	Stable	-	-	Stable	Stable								
Nigeria	BB-	-	BB-	-	BB	-1.0	10.7	5.2	9.7	1.9	14.18	9.7	1.6
	Stable	-	-	-	Stable								
Tunisia	BBB	A3	BBB	BBB	BB	-3.3	59.6	57.7	77.1	15.3	275.3	-2.6	6.6
	Stable	-	-	Stable	Stable								
Sudan	-	-	-	-	CC	-3.8	58.7	71.2	355.0	4.0	-	-13.8	5.8
	-	-	-	-	Stable								
Middle East													
Bahrain	A	A1	A-	BBB+	A	10.1	28.8	58.7	23.9	13.4	343.5	13.9	0.1
	Stable	-	-	Stable	Stable								
Iran	-	-	B+	-	BB	7.3	26.2	9.9	31.0	4.5	25.4	5.7	0.0
	-	-	-	-	Negative								
Iraq	-	-	-	-	D								
	-	-	-	-	Stable								
Jordan	BB	Baa3	-	BB	B	-4.8	73.4	91.1	18.5	13.7	266.6	-21.5	10.7
	Stable	-	-	Stable	Stable								
Kuwait	A+	Aa2	AA-	A+	A	38.8	10.8	13.7	8.9	2.7	129.3	44.5	-4.5
	Stable	-	-	Stable	Stable								
Oman	A-	A1	-	BBB+	A	16.0	6.5	14.1	18.0	5.0	101.6	19.4	1.9
	Stable	-	-	Stable	Stable								
Lebanon	B-	B2	B-	B-	CCC	-12.5	178.1	105.2	179.5	30.4	209.2	-15.6	4.5
	Negative	-	-	Negative	Stable								
Qatar	A+	Aa2	-	A+	A	17.6	19.1	46.5	55.3	8.4	440.6	35.8	4.3
	Stable	-	-	Stable	Stable								
Saudi Arabia	A+	Aa3	A+	A+	A	18.0	10.8	8.4	21.1	3.7	130.0	30.8	0.3
	Stable	-	-	Stable	Stable								
Syria	-	-	-	-	CCC	-3.6	41.9	30.8	68.0	5.6	146.9	2.0	1.6
	-	-	-	-	Stable								
UAE	-	Aa2	-	A+	A	30.4	10.7	38.2	10.0	1.8	248.7	25.8	5.1
	-	-	-	Stable	Stable								
Yemen	-	-	-	B-	B	-	38.8	28.9	69.2	2.8	73.9	-5.2	-
	-	-	-	Stable	Stable								
Central & Eastern Europe													
Ukraine	BB-	Ba3	BB-	-	BB	-2.5	19.6	42.8	58.7	2.8	188.4	-0.9	5.5
	Stable	-	-	-	Stable								
Russia	BBB+	A2	BBB+	-	BBB	7.2	10.9	30.4	81.3	3.6	96.9	14.4	0.8
	Stable	-	-	-	Stable								
Turkey	BB-	Ba1	BB-	BB-	B	-1.6	64.9	49.2	117.5	25.2	343.5	-8.2	4.5
	Stable	-	-	Stable	Stable								
Latin America													
Brazil	BB+	Ba1	BB	-	BB	-3.2	72.7	17.2	56.3	29.3	205.1	1.2	1.6
	Stable	-	-	-	Stable								

Sources: Moody's; EIU



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	5.25	21-Mar-07	No change	09-May-07
Eurozone	Refi Rate	3.75	08-Mar-07	No change	12-Apr-07
UK	Base Rate	5.25	05-Apr-07	No change	10-May-07
Japan	O/N Call Rate	0.50	10-Apr-07	No change	27-Apr-07
Australia	Cash Rate	6.25	03-Apr-07	No change	01-May-07
New Zealand	Cash Rate	7.50	07-Mar-07	Raise 25bps	25-Apr-07
Switzerland	3 month Libor target	2.25	15-Mar-07	Raise 25bps	14-Jun-07
Emerging Markets					
China	One-year lending rate	6.39	17-Mar-07	Raise 27bps	N/A
Hong Kong	Base Rate	6.75	08-Aug-06	No change	N/A
Taiwan	Discount Rate	2.875	29-Mar-07	Raise 12.5bps	end Q2-07
South Korea	O/N Call Rate	4.50	08-Mar-07	No change	12-Apr-07
Malaysia	O/N Policy Rate	3.50	26-Feb-07	No change	27-Apr-07
Thailand	1D Repo	4.00	11-Apr-07	Cut 50bps	23-May-07
India	Reverse repo rate	6.00	31-Jan-07	No change	24-Apr-07
UAE	3M EBOR	5.50	N/A	N/A	N/A
Saudi Arabia	Repo Rate	5.20	29-Jun-06	Raise 20bps	N/A
Egypt	overnight lending	10.75	23-Mar-07	No change	N/A
Turkey	Base Rate	17.50	15-Mar-07	No change	14-Apr-07
South Africa	Repo rate	9.00	15-Feb-07	No change	12-Apr-07
Kenya	Central Bank Rate	10.00	Apr-07	No change	Jun-07
Nigeria	Monetary Policy Rate	10.00	22-Feb-07	No change	Apr-07
Ghana	Prime Rate	12.50	Feb-07	No change	May-07
Mexico	Target Rate	7.00	23-Mar-07	No change	27-Apr-07
Brazil	Selic Rate	13.00	07-Mar-07	Cut 25bps	18-Apr-07

Source: Standard Chartered - Countries in bold updated on April 12, 2007



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