

## COUNTRY RISK WEEKLY BULLETIN

### NEWS HEADLINES

#### EMERGING MARKETS

##### **Sovereign issuance at \$37bn in first 9 months of 2009**

Merrill Lynch indicated that aggregate sovereign bond issuance in emerging markets reached \$36.9bn in the first 9 months of 2009 compared to \$28bn for all of 2008 and \$27bn in 2007. It said issuance in Latin America totaled \$17.6bn, accounting for 47.7% of the total. It was followed by Emerging Europe, the Middle East & Africa with \$12.6bn, or 34% of the total, and Asia with \$6.7bn or 18% of the total. The figures cover 30 emerging market economies that are rated 'BBB+' and lower. It projected total issuance this year to reach \$44.7bn and \$61bn in 2010. It expected issuance in Emerging Europe, the Middle East & Africa to total \$16.5bn in 2009, followed by Latin America with \$19.8bn and Asia with \$8.4bn. It noted that the total issuance forecast would be significantly higher when including the issuance in emerging countries rated better than 'BBB+', as issuance would total \$57bn in 2009 and \$73bn in 2010.

*Source: Merrill Lynch*

#### MENA

##### **Region's brand perception remains low**

The Nation Brand Perception Index indicated that the international branding perception for the MENA region was worse than the branding perception of all other regions across the world during the third quarter of 2009. The index ranks countries based on the tone, whether positive or negative, and frequency of mentions in the international media. It said the number of times a country is mentioned reflects the strength of the brand, but not necessarily its quality. The MENA region's average score was 42.5 points, below the global average of 49.9 points, as well as below the average of every other region in the world. Also, the number of mentions of the MENA region in the global media represented 9% of global mentions. The index shows that the UAE has the best nation brand perception in the region with a score of 61 points, followed by Egypt with 58.2 points, and Qatar with 58 points, while the worst nation brands in the region were Palestine with 22.3 points, Iran with 13.1 points and Iraq with 0.32 points. The top 5 countries from the region that were most mentioned in the media were Israel with 27% of the region's overall mentions, followed by Iran with 20.1%, Iraq with 14%, Palestine with 8.9% and Lebanon with 4.5%. Oman was the least mentioned country in the region during the covered period.

*Source: East West Communications, Byblos Research*

##### **Press freedom declines in Arab countries**

International organization Reporters Without Borders included 20 Arab countries in its 2009 Press Freedom Index. The index showed that press freedom in the Arab world regressed year-on-year, as the region's average level of press freedom reached 45.8 points in 2009, worsening from 39.2 points in 2008, and lower than the global average of 30 points. The index measures

have in each country, and the efforts made by governments to see that press freedom is respected. The rankings of 9 Arab countries improved, 7 declined and 4 were unchanged, while the level of press freedoms improved in 4 countries and declined in 16 countries. Yemen posted the worst decline in the region, dropping by 5 spots from 2008 and its score regressed by 41%, the steepest drop in the region. Kuwait had the highest level of press freedom in the Arab world, ranking as the 60th freest press globally, while Yemen was considered to be the worst offender in the region and ranked 167th globally.

*Source: Reporters Without Borders*

#### SUDAN

##### **Washington extends sanctions against Khartoum**

The U.S. Administration renewed for one year U.S. sanctions against Sudan, saying that the actions and policies of the Sudan government continue to pose a threat to the national security and foreign policy of the United States. The sanctions restrict U.S. trade and investment in Sudan, block all property of the Sudanese government in the U.S., and ban transactions with individuals and entities accused to be contributing to the conflict in Darfur. Sudan has been under U.S. sanctions that have been expanded in stages since the late 1990s. It is on Washington's list of state sponsors of terrorism and a number of Sudanese officials have been targeted for individual asset freezes and travel bans. Under its revised strategy toward Sudan, the U.S. administration's goals are to end war crimes in Darfur and ensure implementation of the 2005 Comprehensive Peace Agreement between the North and the South ahead of national elections next year and a 2011 referendum on southern secession.

*Source: Thomson Reuters*

#### UAE

##### **Dubai Government to raise \$6.5bn in debt**

The Government of Dubai announced plans to raise \$6.5bn in debt through the issuance of conventional and Islamic bonds. The program includes a \$4bn European Medium-Term Note (EMTN), and \$2.5bn in sukuks, or Islamic bonds, constituting the emirate's first international bond sale since June 2008. The prospectus noted that proceeds will be earmarked for infrastructure, financing and general budgetary purposes. The Dubai government's debt is forecast to reach \$30bn, or 40% of GDP by year-end, while the debt held by government-related entities is estimated at \$85bn. As a first step, the Dubai Government issued a two-tranche sukuk totalling \$1.92bn. The US dollar tranche totals \$1.25bn and has a 6.39% coupon rate with a spread of 406 bps over US Treasury bills, while the AED tranche totals AED2.5bn, or \$680m, and has a 5.65% rate with a spread of 370 bps over 3-month EIBOR. Both sukuks have a five-year maturity and saw orders of \$6.3bn from investors. The offering is separate from a \$10n fund raising program that is part of a \$20bn support fund that the Dubai government set up for government-related companies.

*Source: Dow Jones Newswires*

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# OUTLOOK

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## IRAN

### **Non-oil growth to average 2.2% in 2009-10, inflation to fall to 11%**

The International Monetary Fund projected economic growth in Iran at 1.5% in 2009 and 2.2% for 2010 compared to growth in Middle Eastern oil exporting countries of 1.4% in 2009 and 4.1% in 2010. It forecast the country's real non-oil GDP to grow by 2% in 2009 and 2.4% in 2010, down from 3% in 2008. It estimated Iran's annual average inflation rate at 12% in 2009 and 10% in 2010, down from 25.4% in 2008, and compared to inflation of 5.3% and 6.2% in oil exporting countries for 2009 and 2010, respectively. Also, it expected broad money to grow by 17% this year and 12.4% next year, relative to 16.3% in 2008. The Fund projected the central government's fiscal balance to post a surplus of 0.8% of GDP in 2009 and 0.5% of GDP in 2010, compared to a deficit of 1.1% of GDP in 2008. It estimated public revenues at 26.1% of GDP in 2009 and 26.6% of GDP in 2010, up from 25.1% of GDP in 2008, and total expenditures at 25.3% of GDP this year and 26.1% of GDP next year, relative to 26.2% of GDP last year.

The IMF expected Iran's public debt to reach 15.5% of GDP at end-2009 and 13.9% of GDP at end-2010, compared to 15.5% at end-2008. It also forecast total gross external debt at 5.3% of GDP this year and 4.3% of GDP next year, down from 6.9% of GDP last year and compared to external debt in oil exporting countries of 29.1% of GDP in 2009 and 23.2% of GDP in 2010. Further, the Fund estimated Iran's exports of goods & services at \$84.4bn in 2009 and \$91.9bn in 2010 down from \$105.8bn in 2008, and imports of goods & services at \$74.5bn in 2009 and \$80bn in 2010. It forecast the country's current account to post surpluses of \$10bn, or 3% of GDP, in 2009 and \$12.9bn or 3.6% of GDP in 2010, down from \$22.5bn or 6.7% of GDP in 2008. The Fund expected the country's gross official reserves to reach \$83.4bn at end-2009 and \$92.1bn at end-2010, up from \$78bn at end-2008.

*Source: International Monetary Fund*

## LIBYA

### **Non-oil growth to average 6.5% in 2009-10, fiscal surplus to decline**

The International Monetary Fund projected Libya's real GDP growth at 1.8% in 2009 relative to growth of 1.4% in the oil exporting economies of the Middle East, and to growth of 2.2% in the region this year. It also expected economic growth of 5.2% compared to growth of 4.1% in oil exporting economies and 4% in the region in 2010. It projected the country's real non-oil GDP growth at 6% in 2009 and 7% in 2010, down from 8% in 2008. The IMF forecast Libya's annual average inflation rate at 5% in 2009 and 4.5% in 2010, down from 10.4% in 2008 and compared to inflation of 5.3% in 2009 and 6.2% in 2010 for oil exporting economies. Further, it expected the growth of broad money at 16% this year and 18% next year down from 47.8% last year. The Fund projected the central government's fiscal balance to post a surplus of 10.6% of GDP in 2009 and 16.3% of GDP in 2010, down from 24.6% of GDP in 2008, and compared to surpluses in oil exporting peers of around 2% of GDP in 2009 and 5.2% of GDP in 2010. It estimated public revenues

at 65.8% of GDP this year and 64.5% of GDP next year and total expenditures at 55.2% of GDP in 2009 and 48.2% of GDP in 2010.

The IMF forecast Libya's total external debt at 9.2% of GDP at the end of this year and at 7.5% of GDP next year and compared to external debt of 29.1% of GDP in 2009 and 23.2% of GDP in 2010 for oil exporting economies. Further, the Fund estimated exports of goods & services from Libya at \$38.8bn in 2009 and \$49.5bn in 2010 down from \$63.1bn in 2008, and imports of goods & services at \$26.9bn in 2009 and \$29.1bn in 2010, up from \$25.4bn in 2008. It forecast the country's current account surplus at \$10.1bn or 16.7% of GDP in 2009 and at \$17.9bn or 24% of GDP in 2010, compared to a surplus of 3.4% of GDP in 2009 and 9.5% of GDP in 2010 for oil exporting countries. The Fund expected the country's gross official reserves to reach \$102.5bn at end-2009 and \$115.3bn at end-2010, up from \$97.1bn at end-2008.

*Source: International Monetary Fund*

## NIGERIA

### **Near-term outlook challenging, credible monetary policy is key**

The International Monetary Fund indicated that the near-term outlook for the Nigerian economy is challenging and remains highly dependent on developments in oil prices. It supported increased fiscal spending in 2010 to stimulate growth, and noted that financing and administrative capacity constraints limit the scope for such support. It welcomed the authorities' prudent approach to fiscal policy and their actions to improve budget execution and enhance public financial management. It said fiscal policy will need to be more consistently counter-cyclical over the medium term in order to neutralize the impact of swings in oil prices and support private sector-led growth. In parallel, the Fund emphasized the importance of developing a clear, consistent, and credible monetary policy framework that is focused on price stability and that is based on the relationship between monetary aggregates and inflation in order to anchor inflation expectations and establish credibility. It also welcomed plans to move forward cautiously to adopt an inflation-targeting framework.

Further, the IMF supported the increased flexibility of the exchange rate in recent months, adding that the level of the naira is consistent with external stability. It also welcomed the proposed overhaul of the framework for the oil and gas sector due to its critical importance for the economy. It supported the authorities' goals of improving governance, enhancing transparency, and creating an efficient fiscal regime that remains attractive to investors. It also welcomed the authorities' emphasis on structural reforms to diversify the economy and strengthen infrastructure.

*Source: International Monetary Fund*



# ECONOMY & TRADE

## MENA

### North African bond markets still underdeveloped

Fitch Ratings indicated that the bond market in North Africa remains small and underdeveloped compared to other emerging markets despite a stable economic environment and supportive regulatory and fiscal frameworks. It said the nominal value of outstanding North African corporate bonds has increased to an expected \$3.6bn at year-end 2009 from \$1.9bn in 2004. It added that the growth is driven by repeat issuance from a small number of Algerian state-owned entities and large privately-owned Moroccan companies. The agency noted that bond issuance generally remains uncompetitive compared to bank financing, as bank debt is relatively cheap and accessible and is the preferred funding source for the majority of the region's corporates. Fitch noted, however, that the more conservative lending policies of banks could help foster a larger market for corporate bond issuance, as medium-sized entities may be increasingly tempted to turn to the bond market for funding in response to restricted bank lending. It considered that a sound corporate bond pricing mechanism and broader market transparency would provide cornerstones for the future development of local bond markets.

Source: Fitch Ratings

## GCC

### Investor sentiment improves on better economic prospects

The Shuaa Capital GCC Investor Confidence Index indicates that investor sentiment improved in October, with five out of six GCC markets recording a rise in investor sentiment. The index rose by 4.9 points to 132.2 points in October, posting a third consecutive monthly increase. Sentiment in Saudi Arabia improved the most, as the Saudi index rose by 11.7% from the previous month. It was followed by a rise of 9.2% in sentiment in the UAE, an increase of 5.4% in Qatar, 2.5% in Oman, 4% in Kuwait, and a decline of 0.8% in Bahrain. Shuaa Capital attributed the improvement in investor sentiment to a positive shift in the balance of investors' perceptions of current regional economic conditions. It said current perceptions about the UAE economy jumped from -9.8% to 21.6% in October, while perceptions about Saudi Arabia's current economic conditions doubled from 25.5% to 51%, and Qatar's rose from 31.4% to 43.1%. Further, investor sentiment towards Oman's economy was in positive territory for the first time, rising to 3.9%, while sentiment towards the Kuwait economy improved from -41.2% to -29.4% but remained in negative territory. In parallel, nearly 55% of respondents expect economic conditions in the GCC to improve over the coming six months.

Source: Shuaa Capital

## SYRIA

### Expenditures up 10% in 2010 draft budget, Cabinet to adopt BOT system

The Cabinet approved the draft budget for 2010 that includes expenditures of SYP 754bn, constituting a 10% increase from the previous year. Current expenditures are forecast to rise by 4% to SYP 427bn, while investment expenditures are expected

to increase by 19% to SYP 327bn with such expenditures accounting for 43.4% of the total. In parallel, the Cabinet is preparing a draft law to govern partnerships between the public and private sectors, as it plans to adopt the build, operate and transfer (BOT) system in investment contracts. The government is looking for the private sector to co-finance half of its \$39bn five-year public investment plan. The Syrian Investment Agency said that the government plans to build a road network under the BOT system that includes the construction of two roads stretching over 800 kilometers, one from the North of the country to its South and the other from the East to the West.

Source: SANA, Dow Jones Newswires, Syria Report

## SUDAN

### Khartoum is second largest recipient of IMF technical assistance in region

The International Monetary Fund's Middle East Technical Assistance Center (METAC) indicated that Sudan accounted for 10% of its overall allocation of technical assistance delivery during fiscal year 2009, down from 12% in the previous year. It was the second biggest recipient of such assistance among 11 countries, tying with Lebanon and the West Bank & Gaza, and coming behind Syria. Sudan received 166 days worth of assistance in FY 2009, equivalent to 35.2 Person Weeks, compared to 170 days and 54 Person Weeks in the previous year. Macroeconomic statistics accounted for 40% of Sudan's total assistance, followed by banking supervision support with 26%, revenue administration support with 14.8%, Central Bank accounting support with 12%, and public financial management assistance with 7.7%. METAC's assistance covered training on FDI compilation methods, assessing the accuracy of data available for compiling national accounts, upgrading the Bank of Sudan's credit registry system, improving cash management and implementing the Treasury Single Account, following up on the implementation of the tax administration reform strategy, and reviewing Bank of Sudan's accounting policies and IFSR application.

Source: METAC

## ALGERIA

### Government to subsidize mortgages

The Finance Ministry announced plans to provide financial assistance and reduce interest rates on housing loans in order to help low-income people buy homes. The measures cover all Algerian employees in the public and private sectors. It said Algerians with a monthly income below 12,000 dinars will be eligible for mortgages ranging from 4m to 7m dinars to use for co-op housing starting next January, while interest rates on bank loans, currently at 5%, will be reduced on a sliding scale from 1% to 3%. The government will also provide funds of up to 7m dinars per person for those who want to build their own homes, with interest rates ranging from 1% to 3% depending on income levels, while state-sponsored real estate companies will offer plots of land at reduced prices. The national treasury will absorb the cost of the new loans and subsidies.

Source: Magharebia News



# BANKING

## EMERGING MARKETS

### Negative rating action still high

Fitch Ratings indicated that banks in emerging markets continue to be affected to differing degrees by the ongoing global downturn, with Emerging Europe remaining the most impacted region. The agency said there were 21 positive actions for emerging market banks in the third quarter of 2009 constituting an improvement from 4 in the second quarter and none in the first quarter, as well as higher than 10 such actions taken in the fourth quarter of 2008. In parallel, there were 25 negative rating actions in the third quarter, down from 60 in the second quarter, 72 in the first quarter, and 140 in the fourth quarter of 2008. Further, there were 120 'negative' outlooks on emerging market bank ratings in the third quarter of 2009, down from 126 in the second quarter, and similar to 120 in the first quarter. In parallel, the number of 'positive' outlooks declined to 2 in the third quarter from 3 in the second quarter, 5 in the first quarter, 8 in the fourth quarter of last year, and 27 at end-September 2008. Fitch said the ratio of 'positive' to 'negative' actions in emerging markets was -1.2 at end-September 2009, down from -15 at the end of June 2009, and -72 at end-March. Still, it noted that 65% of bank outlooks in emerging markets remain at 'stable' and 30% at 'negative'. In Emerging Europe, 33% of outlooks are 'stable', 60% are 'negative' and none is 'positive', while in the Middle East & Africa 92% of outlooks are 'stable', 7% are 'negative' and none is 'positive'. In Emerging Asia, 87% of outlooks are 'stable', 11% are 'negative' and none is 'positive'. It added that there were 13 downgrades in the third quarter relative to 26 downgrades in the second quarter, 50 in the first quarter and 47 in the fourth quarter of 2008.

Source: Fitch Ratings

## SYRIA

### Currency rating upgraded

The Economist Intelligence Unit upgraded its currency risk rating for the Syrian pound from 'CCC' to 'B' due to a decline in the country's inflation and an improvement in the growth prospects for the invisibles surplus. It said the pound's peg to the IMF's special drawing rights (SDRs) since October 2007, rather than to the US dollar or euro, reduces Syria's exposure to volatility in the foreign-exchange markets of the world's major currencies. It added that the gradual move to a more market-based economy should provide some structural support for the pound. It expected the pound to strengthen to an average of SYP45.7 to the US dollar in 2010-11 as the world economy moves out of recession and Syria's current account deficit eases. It forecast the Central Bank of Syria's foreign currency reserves to reach \$5bn at end-2009. It noted, however, that ever-present political risks, the problems caused by US sanctions, or deterioration in foreign relations continue to limit Syria's ability to attract foreign direct investment. It warned that the currency could face a downgrade if Syria's oil production and trade balance decline more sharply than expected.

Source: Economist Intelligence Unit

## JORDAN

### Private sector lending continues to stagnate

The consolidated balance sheet of commercial banks in Jordan indicates that total assets reached JD31.1bn at the end of September 2009, constituting an increase of 4.8% from JD29.8bn at year-end 2008 and a rise of 4.4% from end-September 2008. Resident private sector deposits reached JD15.2bn, up 8.6% from end-2008 and 8.2% year-on-year, while deposits of non-bank financial institutions rose by 16.6% annually to JD144.4m. Resident private sector loans were stagnant, rising marginally by 0.2% in the first three months and contracting by 2% year-on-year to JD12.5bn, while credit facilities to the non-resident private sector rose by 55.4% in the first 9 months of the year and by 26.4% annually to JD833.4m. Resident private-sector lending accounted for 40.1% of total assets relative to 42.8% a year earlier. In parallel, central government deposits reached JD710m, up 9.2% year-on-year, while those of public non-financial institutions rose by 10% to JD752m. Claims on the public sector rose by 17.6% from end-December and by 40.7% year-on-year to JD5.1bn, with claims on the central government accounting for 87% of lending to the public sector compared to 84% a year earlier. Claims on the public sector accounted for 16.4% of total assets compared to 12.2% at end-September 2008. Further, deposits at the Central Bank of Jordan totaled JD5.78bn, up from JD4.53bn a year earlier and accounted for 18.5% of total assets. Capital accounts and allowances rose by 14% annually to JD4.3bn.

Source: Central Bank of Jordan, Byblos Research

## UAE

### Seven banks downgraded on review of support

Fitch Ratings downgraded the Long-term Issuer Default Ratings (IDR) of Bank of Sharjah, Dubai Bank and National Bank of Ras Al-Khaimah to 'BBB+' from 'A-', Emirates International Bank to 'A+' from 'AA-', Commercial Bank of Dubai to 'A-' from 'A', and Mashreq Bank to 'A' from 'A+'. It also downgraded the support ratings of the first three banks to '2' or 'high probability' of support from '1' or an 'extremely high probability'. It attributed the downgrades to the reduced ability of the sovereign UAE federal authorities and the Emirate of Dubai to provide support to financial institutions. The agency said that the authorities' willingness to support most institutions is unchanged, but their ability for support has weakened. It noted that the UAE's sovereign credit profile has weakened due to the increased risk of contingent liabilities from the exercise of the federal authorities' responsibility to ensure financial stability across the country, as well as due to the federal government's limited fiscal and financial flexibility. It added that the lack of clarity on the process for non-budgetary financial transfers between the UAE federal government, Central Bank and individual emirates, constitutes a source of weakness. It also said that the Emirate of Dubai's creditworthiness is weakening as public sector obligations migrate to the sovereign balance sheet. It noted that the Dubai government debt will triple in 2009 to \$30bn or 40% of GDP by year-end.

Source: Fitch Ratings



# ENERGY / COMMODITIES

## Oil rises near \$78 on expected U.S. economic growth

Oil prices increased toward \$78 on October 29 as the United States was expected to return to economic growth, but gains were limited by the weakness of fuel demand in the near term. U.S. crude oil futures rose 19 cents to \$77.65 a barrel and London Brent crude rose 26 cents to \$76.12. A recovery in the U.S. economy is expected to raise energy demand, which has been crushed by the economic crisis over the past year. Crude prices have more than doubled since the turn of the year, but are only around half the peak of \$147 a barrel reached in July 2008. Weakness in the U.S. dollar has also been supporting commodity prices, as investors turn to hard assets as a hedge against inflation. Dollar-priced commodities also become cheaper for holders of other currencies. However, official weekly U.S. oil data showed a sharp increase in gasoline inventories. Total oil product demand dropped by about 3% from a year earlier.

Source: Thomson Reuters

## Iran signs draft deal with Turkey to export gas to Europe

Iran and Turkey signed a Memorandum of Understanding on energy cooperation, whereby Turkey would transit Iranian gas to Europe and invest in the Iranian gas and petrochemicals sectors. The MoU came after Turkey gave its support to Iran's ambition to join the European Union-backed Nabucco gas pipeline project. The 3,300-kilometer pipeline aims to carry natural gas from Central Asia via Turkey and the Balkan states to Austria, thereby bypassing Russia and Ukraine. Iran wants to provide gas, but Europe is reluctant to rely on the Islamic republic until tensions with the West over its nuclear program have been resolved.

Source: Dow Jones Newswires

## Sudan oil production at less than 500,000 bpd

Sudan's Ministry of Energy said the country's oil production fell to less than 500,000 barrels per day (bpd) in 2008-09. By the end of 2008, Sudan had set its oil production target for 2009 at 600,000 bpd, an increase of 20% from 500,000 bpd in 2008. However, the ministry indicated that the average of Sudan's actual production is only 470,000 bpd due to delays in implementing new methods to reduce large amounts of water produced with both the sweet Nile Blend and the heavier Dar Blend.

Source: Thomson Reuters

## Jordan, BP sign gas exploration deal

Jordan signed an agreement with British Petroleum (BP) to explore for natural gas reserves near the border with Iraq. Under the agreement, BP plans to invest \$237m to explore the Risheh field, which currently produces 21 million cubic feet a day. However, BP said it would spend \$8bn to \$10bn in the second phase if it discovers large reserves to develop the field to produce between 300 million cubic feet and one billion cubic feet a day.

Source: AFP

## Basic Metals: Base metals likely to trend higher through 2010, led by copper and lead

Overall, base metals are expected to trend higher through 2010, with copper and lead leading the way on strong underlying fundamentals, while zinc prices should also rally. Aluminium and nickel's trends are expected to remain lower, although prices should also be well supported on the downside. However, the level of off-warrant inventory in China, held by the State Reserve Bureau, local governments, industry, and speculators remains uncertain and its future level is difficult to predict. But it is expected to be kept off the market for the next year at least. However, unexpected sales from this stockpile represent a downside risk to the forecast.

Source: Merrill Lynch

## Precious Metals: Silver prices increase sharply, investor demand is strong

Silver prices have increased by 109% from last year's low to around \$17.7 an ounce at present. Global silver use from the manufacturing sector was under pressure during the past few years, mainly due to constant declines in consumption from the photography industry. Low fabrication demand was worsened by the economic downturn, but global industrial activity has now stabilized globally. However, silver offtake from China's fabricators and especially the jewellery sector remained high through the cycle. Silver quotations are highly correlated with gold prices. Causality tests show that gold price movements tend to lead changes in silver quotations. This link works through various channels. Investors increased their exposure to silver partially because the dollar weakened. After the recent sharp price rises, expectations for the near-term remain uncertain, but a spike towards \$20 an ounce is possible in 2010.

Source: Standard Chartered

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	199.6	186.4	172.7	4.3	15.8
LME metals price index	3085.1	2593.9	2229.7	5.7	44.8
Oil prices USD	80.9	66.9	57.0	13.0	22.8
Oil prices SDRs	50.6	43.1	37.4	12.3	-4.9
Gold \$/troy oz	1054.8	960.7	909.7	3.9	41.0
Silver cents/troy oz	1755.0	1479.9	1318.5	1.8	78.4
Platinum \$/troy oz	1358.0	1219.6	1094.6	2.1	59.4
Copper \$/MT	6565.3	5476.2	4521.0	4.3	53.2
Nickel \$/MT	19452.5	16172.2	13325.1	10.3	86.9
Aluminium \$/MT	1948.5	1699.6	1600.4	4.5	-1.7
Zinc \$/MT	2239.8	1691.3	1435.9	16.4	99.2

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								
<b>Africa</b>													
Algeria	-	-	-	-	BBB	-11.5	7.8	1.9	3.4	1.7	1.9	-3.0	0.8
	-	-	-	-	Stable								
Angola	-	-	-	-	B	3.2	8.8	8.4	9.0	12.6	-	-3.0	1.2
	-	-	-	-	Stable								
Egypt	BB+	Ba1	BB+	BBB-	BB	-7.9	73.8	17.0	47.0	5.8	100.6	-2.9	3.2
	Stable	Stable	Stable	Stable	Stable								
Ethiopia	-	-	-	-	CCC	-3.5	-	10.9	250.0	-	-	-6.1	-
	-	-	-	-	Stable								
Ghana	B+	-	B+	-	CCC	-10.8	-	39.0	103.6	-	-	-13.7	-
	Stable	-	Negative	-	Stable								
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	-3.6	52.8	24.2	79.5	0.5	95.6	-2.1	3.3
	Stable	-	Stable	Stable	Stable								
Nigeria	B+	-	BB-	-	B	-5.7	23.6	6.1	20.6	0.6	-	-13.2	2.4
	Stable	-	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	-4.0	51.0	53.0	114.6	9.7	232.0	-2.6	3.8
	Stable	-	Stable	Stable	Stable								
<b>Middle East</b>													
Bahrain	A	A2	A	A	BBB	-6.4	22.7	178.0	220.3	15.9	934.9	-2.9	0.9
	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	CCC	-1.2	59.0	65.4	131.2	8.1	183.0	-10.7	6.9
	Stable	-	-	Stable	Stable								
Kuwait	AA-	Aa2	AA	AA-	A	12.9	7.5	31.7	57.7	2.8	221.2	25.8	-2.0
	Stable	Negative	Stable	Stable	Stable								
Lebanon	B-	B2	B-	B	CCC	-12.6	154.3	96.3	631.1	15.0	168.6	-10.4	5.5
	Stable	-	Stable	Stable	Stable								
Oman	A	A2	-	A	A	-5.1	6.0	30.9	45.9	5.4	117.1	-0.3	2.0
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	AA-	A	4.2	10.4	72.8	157.3	8.4	603.4	8.7	7.9
	Stable	Stable	-	Stable	Stable								
Saudi Arabia	AA-	A1	AA-	AA-	BBB	-4.7	11.3	9.7	18.8	2.0	89.1	-6.1	0.3
	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-	BB	0.7	12.7	63.8	74.1	3.9	420.3	-5.3	0.7
	-	-	-	Stable	Stable								
Yemen	-	-	-	B	CC	-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								
<b>Central &amp; Eastern Europe</b>													
Armenia	-	Ba2	BB-	-	-	-3.1	23.6	42.5	579.3	1.5	344.9	-0.8	0.9
	-	-	Stable	-	-								
Bulgaria	BBB	Baa3	BBB-	-	BB	-2.7	17.5	102.0	200.0	35.3	283.9	-8.0	8.2
	Stable	-	Stable	-	Stable								
Kazakhstan	BBB-	Baa2	BBB-	-	BB	-3.5	6.6	95.9	231.5	48.0	426.6	-7.6	9.2
	Negative	-	Negative	-	Stable								
Romania	BB+	Baa3	BB+	BBB-	BB	-5.1	20.8	61.5	202.5	15.9	348.0	-7.1	3.3
	-	-	Negative	Negative	Stable								
Russia	BBB	Baa1	BBB	-	BBB	-6.5	7.0	38.0	133.6	33.7	139.1	1.3	0.4
	-	Positive	Negative	-	Negative								
Turkey	BB-	Ba3	BB-	BB-	B	-6.0	47.6	47.3	198.3	31.2	434.4	-1.3	1.4
	Stable	-	Stable	Stable	Stable								
Ukraine	CCC+	B1	B	-	CCC	-4.0	22.1	86.6	223.7	20.1	407.1	-0.1	4.5
	Positive	Positive	Negative	-	Stable								

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	23-Sep-09	No change	04-Nov-09
Eurozone	Refi Rate	1.00	08-Oct-09	No change	05-Nov-09
UK	Base Rate	0.50	08-Oct-09	No change	05-Nov-09
Japan	O/N Call Rate	0.10	14-Oct-09	No change	30-Oct-09
Australia	Cash Rate	3.25	06-Oct-09	Raise 25bps	03-Nov-09
New Zealand	Cash Rate	2.50	10-Sep-09	No change	29-Oct-09
Switzerland	3 month Libor target	0.25	17-Sep-09	No change	10-Dec-09
Canada	Overnight rate	0.25	20-Oct-09	No change	08-Dec-09
<b>Emerging Markets</b>					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	24-Sep-09	No change	04-Nov-09
Taiwan	Discount Rate	1.25	24-Sep-09	No change	Dec-09
South Korea	Target Rate	2.00	09-Oct-09	No change	12-Nov-09
Malaysia	O/N Policy Rate	2.00	28-Oct-09	No change	N/A
Thailand	1D Repo	1.25	21-Oct-09	No change	02-Dec-09
India	Reverse repo rate	3.25	27-Oct-09	No change	N/A
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	8.25	17-Sep-09	Cut 25bps	05-Nov-09
Turkey	Base Rate	6.75	15-Oct-09	Cut 50bps	19-Nov-09
South Africa	Repo rate	7.00	22-Oct-09	No change	N/A
Kenya	Central Bank Rate	7.75	23-Sep-09	No change	Nov-09
Nigeria	Monetary Policy Rate	6.00	02-Sep-09	No change	Nov-09
Ghana	Prime Rate	18.50	23-Sep-09	No change	Nov-09
Mexico	Target Rate	4.50	16-Oct-09	No change	29-Nov-09
Brazil	Selic Rate	8.75	21-Oct-09	No change	09-Dec-09
Armenia	Refi Rate	5.00	08-Sep-09	Cut 25bps	N/A
Romania	Policy Rate	8.00	29-Sep-09	Cut 50bps	N/A
Bulgaria	Base Interest	1.46	01-Oct-09	Cut 11bps	N/A
Kazakhstan	Refi Rate	7.00	04-Sep-09	Cut 50bps	N/A
Ukraine	Discount Rate	10.25	11-Aug-09	Cut 75bps	N/A
Russia	Refi Rate	10.00	30-Sep-09	Cut 50bps	N/A



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