

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate default rate at record high of 12.4% in October

Moody's Investors Service stated that the rate of global speculative-grade corporate defaults reached 12.4% in October on an annualized basis, up from 12.3% in September and from 3% in October 2008, and compared to the pre-crisis record-high of 12.2% reached in July 1991. The agency expected the global speculative-grade default rate to rise to a peak of 12.5% in November of this year and to decline sharply to 4.2% by October 2010. The global default rate is now likely near its cyclical peak as indicated by a rapidly slowing pace of defaults in recent months. Our baseline forecast for a 4.2% global default rate one year from now implies approximately 8-10 defaulters per month on average over the coming year, down from the 20 defaulters per month experienced during the past year. Measured on a dollar volume basis, the global speculative-grade bond default rate closed at 18.5% in October, up from 18.2% in September compared to a global dollar-weighted default rate of 2.6% a year earlier. Moody's added that its speculative-grade corporate distress index, which measures the percentage of rated issuers that have debt trading at distressed levels, stood at 23.2% in October, down from 29% in September' and 49.4% in October 2008.

Source: Moody's Investors Service

EMERGING MARKETS

Remittance flows to drop by 6.1% to \$317bn in 2009

The World Bank estimated remittance inflows to developing countries to reach \$317bn in 2009, constituting a decrease of 6.1% from \$338bn in 2008. It said that after several years of strong growth, remittance flows to developing countries slowed down significantly due to the global financial crisis. It projected remittance flows for 2009 to fall by 1.5% to \$85bn in the East Asia & Pacific region, to decrease by 14.7% to \$49bn in Eastern Europe & Central Asia, and to drop by 9.6% to \$58bn in Latin America & the Caribbean. Further, it estimated the flow of remittances to regress by 7.2% to \$32bn in the Middle East & North Africa region, to fall by 1.8% to \$72bn in South Asia and to drop by 2.9% to \$21bn in Sub-Saharan Africa. The World Bank expected remittances to remain almost flat in 2010, increasing by 1.4% to \$322bn, and to rise by 3.9% to \$334bn in 2011. It said economic growth is beginning to recover after the global crisis but cautioned that growth will remain weak in 2010 and 2011. It noted that the main risks to the outlook for remittance flows to developing countries in 2010 and 2011 are a longer than expected crisis, weak job markets in the destination countries that may lead to further tightening of immigration controls, and highly unpredictable exchange rates.

Source: World Bank

MENA

Arab region implements 38 reforms to ease business procedures

The World Bank/International Finance Corporation indicated that 16 Arab economies implemented 40 reform measures in the past year, with 38 of those measures making it easier to do business and two making it more difficult. The Bank measures 10 reform topics, with the specific aim of measuring the regulation and red tape relevant to the life cycle of a domestic small to medium-size firm. It said Arab economies implemented 9 reforms for starting a business, with 8 of them making it easier and one more difficult to start a business. Further, there were 7 reforms dealing with paying taxes, with 6 of them making it easier and one more difficult to pay taxes. Also, Arab economies implemented six measures that made it easier to deal with construction permits, six measures that simplified trading across borders, four measures to help enforce contracts, three measures to speed registering property, and three measures to help getting credit. Further, one measure was implemented for each of speeding the process of closing a business and for investor protection. It said the UAE, Egypt and Jordan were among the most active reformers.

Source: World Bank Group

GCC

Businesses severely affected by global downturn, but generally less than in other regions

A survey on the impact of the global crisis on businesses in the United States, the United Kingdom, the European Union, the GCC, and Asia indicated that 79% of respondents in the GCC said the crisis increased the difficulty of planning ahead compared to 85% on average for all regions. Also, 84% of GCC firms saw reduced revenue growth relative to 82% that saw such decline globally. Further, 69% of the GCC businesses surveyed said the crisis made them reduce planned staffing levels, similar to global levels; while 60% said it reduced their ability to invest in capital compared to an average of 55% who said the same in the six regions covered by the survey. Also, 67% of Gulf respondents indicated that the downturn reduced their ability to finance acquisitions compared to an average of 54% of respondents globally, and 69% said the cost of short-term borrowing has increased compared to 51% of respondents globally, while 55% said the cost of long-term borrowing has increased relative to 45% in the six regions. Also, 48% of GCC firms said the crisis reduced their ability to finance day-to-day operations compared to an average of 45% globally. In parallel, 74% of GCC respondents said the crisis has weakened competitors compared to 71% globally, and 81% said it increased the availability of skilled staff relative to 63% on average in the six regions covered, while 81% of GCC respondents considered that the crisis raised opportunities to acquire new businesses relative to 57% globally.

Source: Institute of Chartered Accountants

OUTLOOK

WORLD

Shorter bank debt maturities raise refinancing risk, \$7,000bn due by 2012

Moody's Investors Service indicated that the maturities of banks' publicly traded debt, or wholesale debt, have shortened in recent years, adding that banks whose debt maturity profiles have shortened substantially will face relatively large refinancing needs in the coming years, exposing them to greater funding pressures and increased costs. The agency said the average maturity of new debt issuance has fallen in several banking systems over the past five years. Globally, average wholesale debt maturities issued by banks fell from 7.2 years to 4.7 years, which is the shortest average maturity for new debt in 30 years. Moody's estimates that rated banks will face maturing debt of about \$10,000bn between now and the end of 2015, including \$7,000bn that mature by the end of 2012. It considered that banks whose debt maturity profiles are tilted towards the short end will be driven by risk management to replace maturing short-term debt with longer maturities. It noted that when a bank's debt profile becomes skewed towards short-term maturities, it becomes vulnerable to a sudden increase in interest rates or swings in investor confidence. Similarly, a bank would increase its exposure to refinancing risk when it relies heavily on debt instruments that feature periodic yield step-ups. It noted that such exposure may become increasingly apparent and important as governments around the world start withdrawing various support programs.

Moody's stressed that banks' debt maturity profiles may become an important differentiating factor of competitiveness and credit quality. It expected that banks will attempt to reduce the size of their wholesale refinancing needs by shrinking their balance sheet, increasing their deposits or a combination of both. The agency expected that, despite these steps, many banks will still have to raise a sizeable amount of debt from the market.

Source: Moody's Investors Service

DEM REP CONGO

High debt level to have no major impact on debt sustainability over long term

The International Monetary Fund said it has agreed with the Democratic Republic of Congo on a revised framework that is consistent with the latter's objectives of high growth, low inflation, increased foreign exchange reserves, and poverty reduction. It projected real GDP growth at 2.7% for 2009 and 5.4% in 2010, down from 6.2% in 2008, due to the effects of the global financial crisis on the domestic economy. It said inflation picked up in September-October due to the increase in money supply and the depreciation of the Congolese franc. It noted that the currency depreciated by 35% against the US dollar in the first 9 months of 2009, but added that gross foreign reserves rose from a historic low of \$25m in February to \$894m at end-September, equivalent to 10 weeks of import cover, following the disbursement of emergency assistance from the IMF and other development partners, the disbursement of the first tranche of the signature bonus under the Sino-Congolese Cooperation Agreement, and the recent general and special allocations of special drawing rights (SDRs) from the IMF to mem-

ber countries. The Fund said authorities implemented their 2009 economic program satisfactorily through end-September, with government revenues and expenditures in line with projections. However, lack of timely coordination between the Treasury and the Central Bank affected liquidity management, resulting in excess liquidity in the economy. It welcomed the recent tightening of monetary policy, which should help moderate inflation.

The IMF supported the authorities' recent revisions to the Sino-Congolese Cooperation Agreement that made it consistent with debt sustainability. It noted that the government-guaranteed infrastructure financing would significantly increase the country's external debt burden over the medium term, adding that this would not have a major impact on debt sustainability over the long term. It cautioned that the country's debt indicators would continue to reflect a high level of debt distress in the absence of debt relief, and expected the country's external debt to official creditors to reach 124.5% of GDP at end-2009 and 118.4% of GDP at end-2010. As a result, the IMF said it will request financing assurances from Paris Club creditors regarding the rescheduling of the DRC's official debt. It added that, if all goes well, IMF Board consideration of the authorities' request for a new three-year arrangement under the Poverty Reduction and Growth Facility could follow shortly thereafter.

Source: International Monetary Fund

TUNISIA

Economic growth to average 3.5%, fiscal deficit at 3.6% of GDP in 2009-10

The International Monetary Fund projected Tunisia's real GDP growth at 3% in 2009, down from 4.6% in 2008, and compared to growth of 3.6% in the oil importing economies of the Middle East, and to growth of 2.2% in the region this year. It also expected economic growth of 4% in 2010 compared to growth of 3.8% in oil importing economies. The IMF forecast Tunisia's annual average inflation rate at 3.5% in 2009 and 2010, down from 5% in 2008 and compared to inflation of 10.1% in 2009 and 7.2% in 2010 for oil importing economies. Further, it expected the growth of broad money at 10.9% this year and 10.6% next year down from 14.4% last year. The Fund projected the central government's fiscal balance to post a deficit of 3.6% of GDP in each of 2009 and 2010, up from 0.8% of GDP in 2008, and compared to a deficit in oil importing peers of around 5.8% of GDP in 2009 and 2010.

The IMF forecast Tunisia's public debt to reach 48.6% of GDP at end-2009 and 48.8% at end-2010 up from 47.5% at end-2008, as well as total external debt at 52.8% of GDP at the end of this year and at 51.4% of GDP next year. Further, the Fund estimated exports of goods & services from Tunisia at \$20.2bn in 2009 and \$21.5bn in 2010, down from \$24.7bn in 2008, and the imports of goods & services at \$21.3bn in 2009 and \$23.2bn in 2010 relative to \$26bn in 2008. It forecast the country's current account deficit at \$1.5bn or 3.8% of GDP in 2009 and at \$1.2bn or 2.9% of GDP in 2010, compared to a deficit of 4.5% of GDP for oil importing countries in 2009-10. The Fund expected the country's gross official reserves to reach \$9.7bn at end-2009 and \$11bn at end-2010, up from \$9bn at end-2008.

Source: International Monetary Fund



ECONOMY & TRADE

EMERGING MARKETS

OPIC to establish technology funds

The Overseas Private Investment Corporation (OPIC) announced plans to launch one or more investment funds that will promote the growth of technology in the Middle East, Africa and Asia. It pledged to provide financing ranging between \$25m and \$150m in total capital for each fund established and has invited proposals from qualified private equity fund managers to manage the funds. It said that the funds plan to invest in a wide variety of companies or projects that help transfer advanced technologies across a broad spectrum of sectors to OPIC-eligible countries. The funds will invest in sectors such as information technology, health care, education, infrastructure, telecommunications, media, business and financial services and clean technology. It said such sectors are critical both to economic development in emerging markets and to the optimal provision of vital services. OPIC will provide financing in the form of senior indebtedness loaned or guaranteed by OPIC. The balance of each selected fund's capital would be raised from private or institutional investors, international financial institutions, and other interested parties. OPIC manages risks associated with investments in developing countries and provides medium to long-term financing through direct loans and loan guarantees to eligible projects in emerging markets.

Source: Overseas Private Investment Corporation

SYRIA

Remittance inflows at \$827m in 2009

The World Bank estimated remittance inflows to Syria at \$827m in 2009, constituting a decrease of 2.7% from \$850m in 2008 and compared to \$824m in 2007. Remittances to Syria account for 2.6% of total remittances to the MENA region in 2009, almost unchanged from 2.4% in 2008 and 2.6% in 2007. They account for 2.6% of remittance inflows to low income countries in 2009 down from 2.7% in 2008 and 3.3% in 2007. Further, the World Bank estimated expatriates' remittances to Syria to be equivalent to 1.5% of GDP in 2008, down from 2.2% of GDP in 2007 and compared to 5.8% of GDP for low income economies and 3.8% of GDP for the MENA region. Also, the country's remittances per capita are estimated at \$42 in 2009 relative to \$44 in 2008. Syria is the 56th largest recipient of remittances in emerging markets in 2009, ranking ahead of South Africa and behind the Kyrgyz Republic. It is the 9th largest recipient among 13 countries in the MENA region.

Source: World Bank, Byblos Research

IRAQ

China writes off 80% of Baghdad's debt

The Finance Ministry declared that China has agreed to write off 80% of the \$8.47bn in debt owed by Iraq. China said in June 2007 that it would cancel Iraq's debt owed to the Chinese government. The ministry said the deal was similar to accords reached with the Paris Club of creditor nations that has called for the cancellation of 80% of debt from the Saddam Hussein era. China is one of the largest outstanding creditors to Iraq along with Saudi Arabia and Kuwait. The deal forgives debt owed to Chinese state-owned companies. Iraq has repeatedly appealed to foreign countries to waive tens of billions of dollars

in compensation following the overthrow of the Baathist regime in 2003.

Source: Dow Jones Newswires, Thomson Reuters

SUDAN

Draft budget sees 47% of revenues from non-oil sector, deficit at \$3.4bn

The Cabinet submitted its 2010 draft budget to Parliament, projecting \$10bn in revenues and \$13.4bn in expenditures, leading to a \$3.4bn fiscal deficit. It did not clarify how the deficit will be funded, although the government normally borrows from the banking sector. The draft budget expects 44% of the forecast revenues to be generated from oil exports, 47.3% from the non-oil sector and 8.3% from grants. The Finance & National Economy Ministry said spending priorities focus on agriculture, eliminating poverty, peace-sustaining projects and attracting strategic partnerships. It noted that the budget covers several major infrastructure projects, including ones that will increase electricity generation, new railroads and grain production. It added that the new budget expects a 9% inflation rate and plans to limit borrowing from the banking sector to 0.9% of GDP. The IMF recommended changing tax codes and reducing spending on social programs to reduce the deficit, but it is unlikely that any such measures will be implemented before the April 2010 presidential and parliamentary elections. The IMF estimated the fiscal deficit at 3% of GDP in 2010, down from 3.8% of GDP this year.

Source: Sudan Tribune

NIGERIA

Plan to expand insurance coverage

The National Health Insurance Scheme of Nigeria (NHIS) and the International Finance Corporation signed an agreement to develop an information technology system and new business practices to enhance the performance of the NHIS and expand health insurance coverage in the country. The agreement also covers a review of laws, regulations, and institutions that govern Nigeria's health care sector. In addition, the IFC and NHIS will devise a strategy to finance improvements. The NHIS said the partnership with the IFC aims to improve the efficiency and performance of Nigeria's health insurance system and eventually increase access to health care. The NHIS currently covers about 4.5 million people, or about 3% of the country's population. Nigeria's authorities have identified the scaling-up of the NHIS to reach 100% health insurance coverage by 2015 as a top national priority.

Source: International Finance Corporation

ANGOLA

Industrial sector rehabilitation to cost \$8bn

The Ministry of Industry estimated that the rehabilitation and re-launch of Angola's industrial sector to cost of \$8bn. It considered that the re-launch of the sector would be based on the construction of more industrial development hubs and new industries for processing raw materials. The ministry indicated that the sector would need outside funding of about \$6bn and domestic credit of nearly \$2bn in order to take off.

Source: Macauhub

BANKING

MENA

Launch of credit reporting association

Credit bureaus based in the UAE, Bahrain, Oman and Pakistan established the Middle East Credit Reporting Association (MECRA), a non-profit association of credit information suppliers in the Middle East. MECRA aims to support the development of credit bureaus, promote the credit reporting industry and enhance credit information sharing across the region. The association plans to facilitate the exchange of credit information on individuals and commercial entities between its members within the guidelines of each bureau and the local laws and regulations of each country. Further, it will serve as a knowledge-sharing platform on credit bureau operations and data sharing best practices. It said information sharing by credit bureaus will help reduce credit risks and will lead to better credit assessment in the region. MECRA's founding members are Emcredit, the only credit bureau in the UAE, BENEFIT Company in Bahrain, the National Bureau of Commercial Information in Oman, and Credit Chex of Pakistan. MECRA is considered to be a first step towards a regional alliance to promote knowledge sharing in the credit information industry.

Source: *Khaleej Times*

LIBYA

State banks to be privatized in two years, Central Bank to develop monetary policy instruments

The Central Bank of Libya (CBL) expected state-owned banks to be privatized in about two years, and hoped for the entry of more foreign banks in the local market. It added that the CBL used to operate as the government's commercial bank, but current reforms include enhancing the monetary policy framework, developing indirect monetary instruments, strengthening bank supervision, improving research and forecasting capabilities, and implementing monetary policy. It added that the CBL is committed to building a modern and efficient banking sector that would support growth, and to maintain financial and price stability. It said banking supervision and regulations are being improved in line with international standards, bank reporting and supervisory procedures are being enhanced, and a credit bureau has been established. The CBL intends to further develop monetary policy instruments, with plans underway to expand the range of Certificates of Deposit, especially for shorter maturities. It noted that it is working on developing an auction-based CDs market and an interbank and secondary CDs market.

Source: *The Banker*

NIGERIA

Bad bank to have \$1.7bn in capital

The Central Bank of Nigeria (CBN) indicated that the planned 'bad bank', or Asset Management Company (AMC), will become operational in January 2010 after a related draft bill is passed by the National Assembly. The AMC is expected to buy problem loans and troubled assets from banks in order to improve the sector's liquidity and protect bank earnings. The AMC will have NGN 250bn, or about \$1.7bn, in capital to buy up problem loans. The CBN will own 60% and the Federal Ministry of Finance 40% of the company. The CBN said the company's life will be 10 years, giving it enough time to per-

form its function. It pointed out that because the company will hold the assets for several years, it may be able to recover the costs if the assets' value appreciates. It said the company will distribute the assets to investment managers, who will have the option of taking a variety of portfolios through an investment strategy that will be defined by the AMC. The CBN stressed that the government would not lose money on the AMC. Earlier this year, an audit of 24 banks operating in the country found 10 banks to have liquidity or capitalization problems. As a result, the CBN injected NGN 600bn, or \$3.9bn, in 9 of those banks for being undercapitalized.

Source: *The Guardian*

TURKEY

Ten banks downgraded on reassessment of systemic support

Moody's Investors Service downgraded the long-term local currency debt and deposit ratings of Akbank, Turkiye Garanti Bankasi and Yapi Kredi Bankasi to 'Baa1' from 'A3', Denizbank, Turk Ekonomi Bankasi, Turkiye Is Bankasi and Turkiye Sinai Kalkinma Bankasi to 'Baa2' from 'Baa1', T.C. Ziraat Bankasi and Turkiye Vakiflar Bankasi to 'Baa3/P-3' from 'Baa1/P-2', and Asya Katilim Bankasi to 'Ba2' from 'Ba1'. The agency said the rating actions are part of its global reassessment of systemic support, which brings the measure of such support closer in line with Turkey's own sovereign rating of 'Ba3'. It noted that the downgrades do not reflect deterioration in the strength or operating performance of the affected banks. Moody's stated that the Turkish government has a strong willingness and ability to support the banks. It expected modest loan growth and moderate deterioration in banks' asset quality because of the relatively low level of indebtedness of Turkish households and corporations. It also noted that the Turkish banking system is well capitalized, with relatively low loan-to-deposit and leverage ratios, as well as a small total foreign exchange-denominated loan book.

Source: *Moody's Investors Service*

RUSSIA

Ratings on six banks affirmed, outlook on three banks revised to stable

Fitch Ratings affirmed the Long-term Issuer Default Ratings (IDR) of Alfa Bank and MDM Bank at 'BB-', and the ratings of Nomos-Bank, Promsvyazbank, Bank Uralsib and Bank Zenit at 'B+'. The agency also revised its outlook to 'stable' from 'negative' Alfa Bank, MDM Bank and Nomos-Bank. It attributed the outlook revision to the three banks' solid loss absorption capacity, partly due to new capital injections and greater transparency regarding shareholders' ability to provide additional capital if required. It also attributed the outlook change to the overall recent stabilization of Russia's operating environment, which makes further deterioration in the banks' asset quality less likely. The agency also maintained a 'negative' outlook on PSB, Uralsib and Bank Zenit. It said the negative outlooks reflect the two banks' more moderate ability to absorb losses and greater uncertainty regarding shareholders' ability or willingness to provide new capital if required.

Source: *Fitch Ratings*

ENERGY / COMMODITIES

Weaker US dollar and investor flows push oil prices higher

Crude oil prices are floating around \$80 a barrel due to the US dollar weakness and to improving investor sentiment as macro indicators continue to support the view that an economic recovery is underway. Net non-commercial long positions in NYMEX crude futures rose sharply last week, indicating strong investor support. However, crude oil prices are expected to move above \$80 a barrel as the US dollar weakens further towards the year-end and inventories continue to edge lower. With a sustained global economic recovery expected, oil prices are projected to be volatile in the first half of 2010 as the direction of the US dollar becomes more ambivalent and the market's growth expectations, particularly for the U.S., are scaled back. Oil demand is improving, but only slowly. While the International Energy Agency, the U.S. Department of Energy, and OPEC raised their demand estimates for 2009-10, these were modest rises from very low levels. The U.S. demand, as measured by product supplied, fell 4.5% this week and imports were down 20% year-on-year. While the market rallied on falling inventory data, this is more a result of lower supplies reaching the U.S. than of any improvement in demand. China's imports have decreased over the past couple of months from the high seen in July.

Source: Standard Chartered

OPEC to leave output target unchanged

OPEC is expected to leave its official targets on hold during its meeting on December 22nd. OPEC is much more pessimistic on demand growth in 2010 than the International Energy Agency or the U.S. Department of Energy, and consequently sees the call on its crude to balance the market falling by 0.2 million barrels per day year-on-year.

Source: Thomson Reuters

Yemen joins gas exporters club

Yemen joined the international club of gas exporters with pumping starting at a newly-built liquefied natural gas plant in the Gulf of Aden. The \$4.5bn project, involving a 320-kilometer gas pipeline from Maarib in eastern Yemen, is the country's largest ever investment. The plant, which has France's Total as the main shareholder with a 39.6% stake, aims to reach a total production capacity of 6.7 million tons of LNG a year. The first shipment of LNG will be sent to South Korea, with plans to also supply Europe and North America.

Source: Iran Daily

Algeria's energy minister calls for OPEC-modelled gas cartel

Algerian Energy minister Chakib Khelil called for the Gas Exporting Countries Forum (GECF) to create a cartel similar to OPEC. The Minister said the GECF should defend economic interests despite the existing political divergences between the Forum's member states. He also called on the 11 member countries to reach an agreement on a strategy to decide a fair price for gas.

Source: APS

Basic Metals: Aluminium to stay weak as smelters bring production back

The aluminium market has been oversupplied since the beginning of the financial crisis. This is reflected in a sharp rise of inventories at exchanges. In reaction to this easing in fundamentals, many smelters have cut production, but very few facilities have been shuttered for good. Therefore, the aluminium market is expected to remain structurally weak. To restore a sustainable market balance, smelters will have to close down and some projects will have to be delayed. But it may take a while for permanent production curtailment to emerge, in part because most smelters can operate profitably at the moment, as spot prices are heavily influenced by inventory financing deals. However, margins could be squeezed especially at higher cost producers, as prices should come under pressure when these deals run out or through possible increases in power costs. This may prompt some capacity curtailments. Administrative measures in countries with a relatively poorer power endowment like China could also remove some excess capacities. However, all the measures announced so far seem insufficient and the price forecast is expected to reach \$1,750 a ton for 2010.

Source: Merrill Lynch

Precious Metals: Gold prices rise to 18-month high as weaker dollar increases demand

Gold prices rose to an 18-month high in New York and London as a falling dollar increase demand for the precious metal as an alternative investment. December gold futures gained \$14.4, or 1.4%, to \$1,032.20 an ounce on the New York Mercantile Exchange's Comex division, the highest price since March 2008. Immediate-delivery gold rose by \$13.32, or 1.3%, to \$1,030.63 an ounce in London and was last at \$1,028.93. Gold is heading for a ninth consecutive annual gain, the longest advance since at least 1949. Gold futures have increased by 3.4% in the past month as the U.S. Dollar Index, a six-currency measure of the dollar's value, fell by 2.1%. Holdings in the SPDR Gold Trust, the biggest exchange-traded fund backed by gold, expanded for a second day to 1,098.07 metric tons on November 11th. Silver for December delivery in New York increased by 3.2% to \$17.06 an ounce. Platinum for January delivery rose by 1.2% to \$1,317.6 an ounce, while palladium for December delivery dropped by 0.2% to \$302.7 an ounce.

Source: Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	200.1	188.7	173.9	7.0	16.2
LME metals price index	3023.5	2661.1	2261.5	9.3	36.2
Oil prices USD	79.8	68.9	57.5	13.4	22.5
Oil prices SDRs	50.0	44.2	37.6	12.4	15.0
Gold \$/troy oz	1093.0	972.3	922.0	9.1	45.6
Silver cents/troy oz	1738.0	1511.4	1346.9	7.1	69.1
Platinum \$/troy oz	1359.0	1235.8	1114.8	6.3	56.2
Copper \$/MT	6527.0	5627.6	4615.4	11.5	60.4
Nickel \$/MT	17807.5	16678.0	13608.5	4.0	48.0
Aluminium \$/MT	1885.5	1733.9	1598.0	7.1	-6.3
Zinc \$/MT	2185.3	1751.3	1478.3	17.8	90.8

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	-11.5	7.8	1.9	3.4	1.7	1.9	-3.0	0.8
	-	-	-	-	Stable								
Angola	-	-	-	-	B	4.6	19.1	17.4	25.4	9.4	-	7.6	7.2
	-	-	-	-	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	-2.3	-	14.1	263.0	-	-	-7.2	-
	-	-	-	-	Stable								
Ghana	B+	-	B+	-	CCC	-10.1	-	35.6	-101.7	-	-	-17.0	-
	Stable	-	Negative	-	Stable								
Ivory Coast	-	-	-	-	CC	-1.4	-	55.7	134.4	-	556.0	0.3	-
	-	-	-	-	Stable								
Libya	A-	-	BBB+	-	BB	-2.0	6.5	15.5	20.0	3.3	-	15.5	2.8
	Stable	-	Stable	-	Stable								
Mauritania	-	-	-	-	-	-3.1	-	47.6	92.7	-	-	-4.7	-
	-	-	-	-	-								
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	-3.0	12.3	5.0	16.5	0.3	-	-5.6	1.6
	Stable	-	Stable	-	Stable								
Sudan	-	-	-	-	C	-3.3	104.5	67.2	428.5	3.2	-	-5.1	2.4
	-	-	-	-	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								
Middle East													
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	-4.8	19.3	5.2	20.1	2.8	23.1	0.6	0.2
	-	-	Stable	Stable	Stable								
Iraq	-	-	-	-	CC	-12.7	-	67.3	128.4	2.3	112.8	-0.1	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	-7.9	32.3	14.6	75.3	1.0	151.1	-2.9	1.4
	-	-	-	-	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	-11.2	-	22.5	112.7	-	-	-9.7	
	-	-	-	Stable	Stable								



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	EIU								
Central & Eastern Europe													
Armenia	-	Ba2	BB-	-	-	-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
	Stable	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	04-Nov-09	No change	16-Dec-09
Eurozone	Refi Rate	1.00	05-Nov-09	No change	03-Dec-09
UK	Base Rate	0.50	05-Nov-09	No change	10-Dec-09
Japan	O/N Call Rate	0.10	30-Oct-09	No change	20-Nov-09
Australia	Cash Rate	3.50	03-Nov-09	Raise 25bps	01-Dec-09
New Zealand	Cash Rate	2.50	29-Oct-09	No change	10-Dec-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
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	04-Nov-09	No change	16-Dec-09
Taiwan	Discount Rate	1.25	24-Sep-09	No change	Dec-09
South Korea	Target Rate	2.00	12-Nov-09	No change	N/A
Malaysia	O/N Policy Rate	2.00	28-Oct-09	No change	24-Nov-09
Thailand	1D Repo	1.25	21-Oct-09	No change	02-Dec-09
India	Reverse repo rate	3.25	27-Oct-09	No change	29-Jan-10
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	05-Nov-09	No change	N/A
Turkey	Base Rate	6.75	15-Oct-09	Cut 50bps	19-Nov-09
South Africa	Repo rate	7.00	22-Oct-09	No change	17-Nov-09
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	27-Nov-09
Brazil	Selic Rate	8.75	21-Oct-09	No change	09-Dec-09
Armenia	Refi Rate	5.00	06-Oct-09	No change	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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