

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate default rate at 12.7% in November

Moody's Investors Service stated that the rate of global speculative-grade corporate defaults reached 12.7% in November on an annualized basis, unchanged from October and up from 3.2% in November 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 fall to 12.2% at the end of this year and to decline to 3.9% by November 2010. It noted that the pace of defaults declined significantly during the past several months, as speculative-grade issuers are increasingly able to access the capital markets and refinance debt. It said a total of 250 corporate debt issuers defaulted in the first 11 months of 2009 compared to 80 defaults in the same period last year. Measured on a dollar volume basis, the global speculative-grade bond default rate closed at 18.8% in November, up slightly from 18.6% in October and 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 19.7% in November, down from 22.6% in October and 52.8% in November 2008.

Source: *Moody's Investors Service*

MENA

Ease of paying taxes declines in Arab world

The PricewaterhouseCoopers/World Bank Ease of Paying Taxes Index for 2010 included 19 Arab countries, with 6 countries ranking among the top 15 worldwide in the ease of paying taxes. Qatar ranked in second place globally, followed by the UAE in 4th place, Saudi Arabia (7th), Oman (8th), Kuwait (11th), Bahrain (13th), Jordan (26th), West Bank & Gaza (28th), Lebanon (34th), Iraq (53rd), Djibouti (65th), Sudan (93rd), Syria (105th), Tunisia (118th), Morocco (126th), Egypt (140th), Yemen (148th), Algeria (168th) and Mauritania (175th). The rankings of three countries improved, 12 declined and four remained unchanged from the previous survey. The index measures a firm's mandatory taxes and contribution that have direct impact on its income. It covers the number of tax payments by business, the total compliance time, and the total tax rate as a percentage of commercial profits. All these sub-indices are divided into corporate, labor and other tax sub-category. The index shows that the average number of tax payments per year in the Arab region is 2.4 times for corporate taxes, 11.1 times for labor taxes and 10.7 times for other mandatory taxes. It takes a standard firm in the Arab region 63.5 hours to prepare, file and pay its corporate taxes, 81.4 hours for its labor taxes and 82.7 hours for its consumption taxes. Finally, the tax rate as a percentage of commercial profits in a standard Arab firm is 14.4% for corporate tax, 15.4% for labor tax and 5.4% for non-corporate tax.

Source: *PricewaterhouseCoopers, World Bank*

Mergers & acquisitions at standstill, activity to rebound in 2011

Private equity firm Gulf Capital indicated that the value of mergers and acquisitions deals in the MENA region totaled \$188bn during the 2005-09 period, but M&As were severely hit by the global financial crisis over the last five quarters due to collapsing stock markets, the disappearance of acquisition finance, and corporate retrenchment. It said deal activity in the region dropped by around 80% during the past five quarters, adding that the size of deals also shrank as leverage started disappearing, and there was a major drop in deal volume due to the economic crisis and lack of access to acquisition finance. It noted that the average deal size decreased by more than 60% from its peak of \$305m in 2007 and most of the deals that were closed in 2009 were 100% equity financed. M&A activity in the Arab World has been mainly concentrated in the GCC region and Egypt in 2005-09, as they attracted more than 80% of the estimated deal volume. It said the financial, telecoms, real estate and construction sectors attracted 70% of the deal values. Also, acquisitions accounted \$90bn or 48% of the M&A deal value, minority investments totaled \$80bn, or 44% of the total, while buyouts totaled \$4bn. Gulf Capital expected most of the M&A activities in the region in 2010 to be concentrated in the financial, telecom, healthcare, education and food sectors, as some of the sectors are highly fragmented and need consolidation. It predicted a resurgence in M&A activity in 2011, driven by the high level of liquidity from private equity players and by the need for consolidation.

Source: *Gulf Capital*

UAE

Dubai banks downgraded on deteriorating economy

Moody's Investors Service downgraded the deposit ratings of Emirates NBD to 'A2' from 'A1', the debt and deposit ratings of Mashreqbank to 'Baa1' from 'A2' and the issuer ratings of Dubai Islamic Bank to 'Baa1' from 'A1'. It attributed the downgrades to the ongoing deterioration in Dubai's economy, the uncertainty created by the announced restructuring of Dubai World and its subsidiary Nakheel, and the repercussions on the banks' asset quality and earning power. It added that the banks' exposure concentrations to the construction and property sector, as well as Dubai government-related entities, are significant and could entail material losses. The agency noted that the negative investment sentiment from the restructuring could have longer-lasting effects on Dubai's economy and could constrain the banks' ability to access debt capital markets in a cost-effective manner for longer than was previously expected. Moody's considered that managing liquidity, rather than loan growth, will be a key focus for the banks whose businesses are concentrated in the Dubai Emirate.

Source: *Moody's Investors Service*

OUTLOOK

GCC

Islamic banking growth set to continue

Standard & Poor's indicated that Islamic banking in the GCC region has evolved in the past decade from a niche market to an important segment of the local banking industry, and has reached critical mass. It said conventional banking assets nearly tripled between 2003 and 2008, while Islamic banking assets grew sevenfold, albeit starting from a much lower base. It estimated Islamic banking assets in the GCC at \$285bn at year-end 2008, representing a market share of 22% of total banking assets compared with less than 10% in 2003. It said the market size does not include assets held by major international banking groups that are also active in Islamic banking in the region. It attributed the fast growth of Islamic banking assets in the Gulf to strong government involvement, increasing demand for and offer of Islamic products, and the entrance of numerous new players, which is increasing competition. It noted that the most dynamic growth in Islamic banking comes from conventional banks, as they have enlarged or transformed their product suite to attract new customers or avoid losing existing ones. But conventional banks' Islamic offerings pose the biggest threat to Islamic banks that used to have a monopoly in their domestic niche markets. It said Saudi banks, both Islamic and conventional, hold about 45% of Islamic banking assets in the Gulf region compared with 27% of total banking assets. The agency considered that growing demand, active government backing, easy substitution between Islamic and conventional products, and efforts by conventional players to develop their footprint in this field are indicators that the market share of Islamic banking will continue to progress. However, it did not expect Islamic banking to grow at the same pace as in the past decade.

Source: Standard & Poor's

UAE

Abu Dhabi to preserve its own financial strength, able to absorb most conceivable shocks

Fitch Ratings estimated that Abu Dhabi would preserve its own balance sheet strength and avoid actions that could jeopardize its creditworthiness, while at the same time intervene selectively to preserve the stability of the UAE if needed. It said Abu Dhabi's rating could come under pressure only if the problems of Dubai spread to the rest of the UAE and triggered a systemic banking crisis, including major capital flight, requiring heavy support from the federal government. Fitch noted that Abu Dhabi might choose to provide financial support to other emirati governments if they faced difficulties that threatened the reputation or economic health of Abu Dhabi or the UAE, even though it has no legal obligation to do so. It considered the UAE federal government's debt as a contingent liability for Abu Dhabi given the close links between the emirate and the federal government, while it considered the debt of other emirates as a potential liability.

Fitch estimated Abu Dhabi's total public-sector debt at just \$24.1bn, equivalent to 17% of GDP compared with sovereign external assets of over 200% of GDP. It said Abu Dhabi's balance sheet is strong enough to absorb most conceivable shocks or the creation of extra liabilities, even though its economy will

shrink in real and nominal terms in 2009. It forecast Abu Dhabi's fiscal surplus at \$16bn, or 15% of GDP for 2009, excluding the dividend of the state-owned oil company ADNOC. It noted that the Dubai World restructuring will lead to additional loan impairments by UAE banks, but the direct exposures of most banks are relatively limited and the problem should be manageable for the system, if confined to Dubai World and related entities. According to Fitch, a major loss of confidence in the banking system appears very unlikely at this stage, as foreigners remain willing to lend to UAE banks, and investor and depositor confidence in the banking system is underpinned by a three-year deposit guarantee put in place in October 2008. Further, the UAE Central Bank recently expanded its offer of short-term lending. It noted that current capitalization levels provide a large cushion for the system, before widespread capital infusions from the federal government or emirati authorities become necessary.

Source: Fitch Ratings

DEM REP CONGO

Economic response to global shock appropriate, outlook still subject to risks

The International Monetary Fund indicated that a sudden and sharp drop in world commodity prices and escalating conflict in the eastern provinces have led to a marked deterioration in the Democratic Republic of Congo's economic conditions, including weakening the fiscal situation, placing severe pressure on scarce foreign reserves and the exchange rate, and increasing unemployment. It projected export receipts to decline by about \$3bn, or 27% of GDP, in 2009 largely from the steep declines in world commodity prices, and estimated the trade balance to shift from a surplus of about 1% of GDP in 2008 to a deficit of about 15% in 2009. It said the sharp drop in the country's terms of trade will be aggravated by the substantial decline of 60% in mining sector FDI. It estimated the external current account deficit to widen by some 10 percentage points to 23% of GDP despite the projected decline in the services account deficit from lower merchandise trade

The Fund considered that the authorities' policy package in response to the shock has been appropriate, as they are eliminating government recourse to bank financing and reallocating spending to mitigate the shock's impact on domestic demand. They are also keeping monetary policy tight while maintaining the flexible exchange regime given the low level of reserves. Further, authorities are committed to prudent debt management and to avoid exchange and trade restrictions. It noted, however, that additional external budget and balance of payments support will still be needed to facilitate adjustment to the shock. The IMF noted that the macroeconomic outlook is subject to significant risks, especially a further decline in export prices and renewed conflict. It added that increased donor financial support and the authorities' commitment to adopt additional corrective measures, if needed, would help mitigate these risks. It called on authorities to vigorously implement their policy commitments, including strict adherence to a cash budget, advancing reforms, and keeping monetary policy tight.

Source: International Monetary Fund



ECONOMY & TRADE

UAE

Rating agencies further downgrade Dubai entities

Moody's Investors Service downgraded the ratings on DP World to 'Ba1' from 'Baa2', Dubai Electricity & Water Authority (DEWA) to 'Ba2' from 'Baa2', Jebel Ali Free Zone to 'B1' from 'Ba1', Emaar Properties and Dubai Holding Commercial Operations Group (DHCOG) to 'B1' from 'Ba2', and DIFC Investments to 'B2' from 'Ba1'. This constitutes the second downgrade of the six Dubai government-related issuers since the Dubai government announced it would restructure the debt of Dubai World and request a standstill on financings of some of its liabilities. The agency attributed its rating action to reduced assumptions of government support for all six issuers in light of recent comments from officials, adding that no meaningful government support should be assumed for any entity that is not directly part of or formally guaranteed by the government. Moody's also downgraded various baseline credit assessments to reflect increased liquidity challenges in a tougher financing environment, the risk of contagion effects for subsidiaries of Dubai World, the Dubai World restructuring itself, the potential for reduced investor confidence to diminish the ability of Dubai corporates to access the debt capital markets in order to refinance debt maturities, and the longer term implications on Dubai's economy. In parallel, Fitch Ratings downgraded DHCOG and DEWA to 'BBB-' from 'A-'. It said the two corporate entities have strong operational and strategic ties with the Dubai government and the downgrades reflect a re-assessment of the ability of the Dubai government to support them.

Source: Moody's Investors Service, Fitch Ratings

KUWAIT

Restructuring of defaulting firms moves forward

Global Investment House, Kuwait's largest investment bank, stated that it has signed an agreement with creditors to reschedule about \$1.73bn in debt over a three-year period after defaulting on its loans last January. Global said it will transfer assets from its Principal Investment Business into the Bahrain-based Global Macro Fund and Kuwait-based Real Estate Holdco special investment vehicle. Its current loans will be repackaged into new, multi-currency, conventional, Islamic and bilateral facilities, which will be largely based on the terms of the firm's existing syndicated facilities. It said the assets in these businesses will be disposed of in an orderly manner, taking into account market conditions. Global defaulted on most of its debt, as the global financial crisis impacted Kuwait's highly leveraged invested firms. Another Kuwaiti investment firm, Investment Dar, defaulted on a \$100m Islamic bond issue and currently is negotiating with creditors on debt payments.

Source: Dow Jones Newswires

LIBYA

Libya joins Data Dissemination System

The International Monetary Fund announced that Libya began participating in the IMF's General Data Dissemination System (GDDS) in December 2009 in order to develop its statistical system. The Central Bank of Libya said the decision is part of Libya's recognition of the need and importance to improve transparency in data compilation. It also reflects the country's

commitment to building a national statistical system consistent with best international practices. The IMF said Libya's participation in the GDDS should allow it to enhance its statistical capacity and to issue timely statistics needed for economic policy-making and monitoring developments. The GDDS was established by the IMF in 1997 and provides a framework to help countries develop their statistical systems. Algeria is the 96th country to participate in the GDDS.

Source: International Monetary Fund

EGYPT

Sovereign ratings affirmed, outlook stable

Fitch Ratings affirmed Egypt's Long-term foreign currency Issuer Default rating (IDR) at 'BB+' and Long-term local currency IDR at 'BBB-' with 'stable' outlooks. It also affirmed the short-term foreign currency IDR at 'B' and the Country Ceiling at 'BB+'. It said Egypt's economy has proved resilient to the global financial crisis due to economic reforms introduced since 2004 and the resulting increased investment and diversification of the economy. It added that strong external indicators are another key support for Egypt's rating. However, the agency warned that fiscal consolidation has come to a halt, and the country's deficit and debt ratios remain well ahead of peers. It noted that Egypt entered the global recession in fairly good shape, with three years of 7% GDP growth, positive debt dynamics, and external indicators comparing well to 'BBB' and 'BB' rating medians but added that the global crisis affected hydrocarbons, tourism, remittances and Suez Canal fees, which are the country's main foreign currency streams.

Source: Fitch Ratings

TURKEY

Sovereign ratings upgraded by two notches

Fitch Ratings upgraded Turkey's long-term foreign currency Issuer Default Rating (IDR) to 'BB+' from 'BB-' and the long-term local currency IDR to 'BB+' from 'BB' with a 'stable' outlook. It also upgraded the Country Ceiling to 'BBB-' from 'BB' and affirmed the short-term foreign currency IDR at 'B'. The agency attributed the upgrade to Turkey's relative resilience to the global financial crisis, which revealed that credit fundamentals and debt tolerance are stronger than previously thought. It said the global shock has caused a deep recession in Turkey, but has not triggered a balance of payments or financial crisis. It added that, in contrast to previous shocks, Turkey has been able to implement counter-cyclical fiscal and monetary policies without sparking an exchange rate crisis, and interest rates have declined to single digits for the first time in its modern history. Further, it did not need an emergency IMF bailout and did not have to support the banking sector, and there was no significant pick-up in dollarization or capital flight. Fitch considered that the recession has enabled the country to reach a better macro-economic balance, as inflation fell to a low of 5.1% from an average of 10.4% in 2008 and the floating exchange rate and inflation-targeting regime performed well during the crisis. It added that Turkey's resilience also reflects its strong banking sector, well capitalized and has a low loan-to-deposit ratio of 80%. It forecast the current account deficit to narrow to 2.1% of GDP in 2009 from 5.7% in 2008 as the exchange rate has adjusted to a more competitive level.

Source: Fitch Ratings

BANKING

SYRIA

Private sector accounts for 43% of credits, private banks extend 13% of lending

Total credits extended by commercial banks reached SYP 1,065bn, or about \$22.8bn, at the end of September 2009, constituting an increase of 8.5% from SYP 982bn at end-2008 and a rise of 12.8% from end-September 2008. Credits in Syrian pounds accounted for 98% of the total relative to 97% at end-2008, and foreign currency loans accounted for the remaining 2%. Loans to non-financial public enterprises accounted for 47% of total lending, down from 49% at year-end 2008, followed by resident private sector lending with 43% relative to 40% at end-2008, while the central government accounted for the remaining 10%. Households accounted for 77% of resident private sector lending, followed by businesses with 22.8% and other financial institutions with 0.2%. Households and businesses represented 80.2% and 19.6%, respectively, of private sector lending at end-September 2008. Further, the sectoral distribution of credit shows that wholesale & retail trade accounted for 46% of the total, down from 57% at end-September 2008 followed by agriculture with 18%, up from 11% a year earlier; building & construction with 14%; and mining, manufacturing & utilities with 7%. Public commercial banks accounted for 85% of total lending at end-September 2009, down from 86% a year earlier, while private commercial banks accounted for 13% and private Islamic banks for the remaining 2%. Loans & advances accounted for 51% of private banks' lending, followed by personally secured credits & overdrafts with 28%, and discounts with 20%.

Source: Central Bank of Syria, Byblos Research

ARMENIA

Banking sector well-positioned to face stress

The International Monetary Fund indicated that Armenia's banking system remains highly capitalized with ample liquidity, and appears reasonably well-placed to withstand stress despite a significant increase in non-performing loans. It said that banks are now relatively more exposed to higher credit risk due to the economic downturn and to exposure to unhedged borrowers. It added, however, that the latest stress tests through end-July show that, under all scenarios except for extreme credit shocks, the sector's capital adequacy ratio would decline by no more than 2 percentage points and would stay above the regulatory norm at all banks. It noted that the system's capital adequacy ratio was 29% in July, well above the 12% regulatory requirement. The Fund said that the sector's low leverage ratio represents a source of resilience, a factor not widely present in comparable economies. The IMF warned of further deterioration in the quality of banks' loan portfolios, as NPLs are still rising and more loans continue to migrate to the loss category, according to the Fund's methodology of calculating NPLs. It added that the increased loan-loss provisioning could add strains to the banking sector's profitability, which has turned negative since the beginning of this year due to foreign exchange losses associated with the currency depreciation in March. It noted that the Central Bank of Armenia is making progress in safeguarding financial stability through further strengthening the financial safety net, contingency planning, and crisis preparedness. The

CBA is also considering additional prudential measures that would restrict banks' reliance on a single source of funding to ensure funding stability, and reinstate limits on banks' net open foreign exchange positions to reduce the potential for destabilizing speculation.

Source: International Monetary Fund

RUSSIA

Decline of downside risk for banks

Fitch Ratings indicated that the near-term downside risk for Russian banks has declined in recent months due to signs of stabilization in the economy and banks' increasing loss absorption capacity. It noted, however, that significant asset quality concerns remain, while bank failures continue to be possible at institutions with higher loan impairment problems. It did not expect widespread bank insolvencies over the next 12 months, as government actions so far suggest a determination to avoid destabilizing and unmanaged failures. It expected a more stable macroeconomic backdrop to have a favorable impact on future asset quality, as total problem loans are more likely to peak around 25%, while the return of the economy to growth should help loan recovery prospects. The agency noted that the banks' loss absorption capacity has continued to increase in recent months as a result of capital injections, solid pre-impairment earnings and significant deleveraging. It said the banking sector received \$47bn in new capital injections in the 12 months ending September 2009, supporting an increase in the system's aggregate capital ratio to 20.3% from 14.5%. Also, the sector earned \$35bn in pre-impairment profit during the same period, most of which went into increasing the system's reserves loans ratio to 9.3% from 4%.

Source: Fitch Ratings

KAZAKHSTAN

Loan losses to reach 24% of outstanding loans

Standard & Poor's estimated that the cumulative loan losses in the Kazakh banking sector, including those of defaulting banks, could rise to \$16bn by the end of 2011, or to 24% of total loans outstanding as of October 2009, while non-defaulting banks would have loss rates of about 15%. It said Kazakh banks have made significant efforts recently to build up their loan loss provisions, which should enhance their ability to absorb problem loans. It noted, however, that depressed earnings and capitalization ratios leave most Kazakh banks only limited room to increase provisions significantly. It added that the prospects, sources, and timing of recapitalization for most banks are very uncertain. S&P considered that the Kazakh banking system has been one of the poorer performing in the world during the current turmoil due to the system's structural imbalances caused by heavy reliance on foreign financing, high concentration risks, weak risk management, substantial unhedged loans and deposits in US dollars, inadequate regulatory responses and rapid growth over the past decade. It said these deficiencies have been highlighted by the recent default of four banks that represent about one-third of the banking system's loan book, including BTA Bank an Alliance Bank, two systemically important banks. It assumed that Kazakh banks' gross problematic assets, including restructured loans, could reach 52% of the system's total loans by end-2011.

Source: Standard & Poor's



ENERGY / COMMODITIES

Oil holds steady below \$71 on large supply

Oil held steady below \$71 on December 10, after falling by more than 2% to a two-month low a day earlier on a high increase in U.S. fuel stockpiles, as the weak dollar offered some support. U.S. crude for January delivery increased by 8 cents to \$70.75 a barrel after losing almost \$2 for its sixth straight day of losses on December 9, when it hit the lowest since early October at \$70.13. London Brent crude rose by 20 cents to \$72.59. U.S. Energy Information Administration (EIA) data showed that distillate stocks, which include heating oil and diesel, increased last week by an unexpected 1.6 million barrels, reflecting poor demand in the U.S. during winter. Gasoline inventories rose by 2.2 million barrels, above projections of a 1.5 million-barrel build. The EIA said crude stocks at Cushing, Oklahoma, the delivery point for NYMEX crude oil futures, were up last week by 2.5 million barrels at 33.4 million barrels. Saudi Arabia boosted supplies for January to at least two buyers in Asia after cuts of 5-7% for December, and kept full volumes to six others. Traders are watching the impact of Saudi Arabia's move ahead of OPEC's December 22 meeting, at which most members have said they would not raise production targets.

Source: Thomson Reuters

Libya delays boosting petrol output

Libya's plan to boost daily petrol production by one million barrels per day has been pushed back by five years. The initial plan was to try to reach 3 million barrels per day by 2012 but it has been delayed to 2017, due to the market conditions and to budget constraints.

Source: AFP

Saudi cuts January oil prices for Europe

Saudi Arabia's state-owned oil company, Aramco lowered its official selling prices for all crude grades for customers in North-western Europe and the Mediterranean for January. The price of Aramco's Arab Extra Light Crude has seen the biggest cut for European buyers, widening the discount versus the Brent benchmark to \$1.65 a barrel in January from a discount of \$1.05 in December.

Source: Bloomberg

Jordan, Turkey launch water project

Turkey and Jordan launched the Al-Desei water project, which will provide the Jordanian capital with approximately 100 million cubic meters of water annually. The strategic project is scheduled for completion by 2012 and will help reduce the water shortage and raise the water amount provided for the greater Amman area.

Source: KUNA

Basic Metals: Copper fundamentals remain structurally strong

Copper prices are expected to average \$7,125 a ton next year and \$8,000 a ton in 2011. The refined copper market will show only a small surplus in 2010, on the back of growing copper demand outside of China and continued shortages in concentrate supply. China demand has driven copper prices up this year. Although China's underlying copper demand was boosted by the fiscal stimulus packages, some of the purchased metal went into inventories. Total copper stocks in China are estimated at around 660kt, of which the State Reserve Bureau (SRB) has confirmed to own 235kt. The remainder of the metal is held by copper consuming industries and speculators. Consumption outside China has so far remained low, due to the fact that many metal consuming industries are just emerging from recession. Speculation about re-stocking in metal intensive industries continues. There is scope for gradual re-stocking although this is unlikely to happen at the beginning of next year. Higher demand for end-products may then also add to copper consumption.

Source: Merrill Lynch

Precious Metals: Silver prices on the rise

Silver prices have performed well during the past few months, rising by 109% year-on-year to \$17.7 an ounce at present. The appreciation was largely driven by an increase in investor demand. Physically-backed exchange-traded funds have seen huge increases in holdings, while non-commercial market participants have steadily increased their exposure to silver. The bottoming out of global industrial production, which declined by only 0.7% year-on-year in October compared to 6.9% year-on-year in March, has contributed to stabilizing silver usage in manufacturing. In addition, the steady increase of investment in silver was heavily influenced by increases in gold prices during the past few months. In general, gold prices tend to lead movements in silver prices. Yet, silver has outperformed gold by a wide margin through 2009. The recent easing in monetary policy has also had a pronounced impact on silver prices. An increase in liquidity tends to push silver prices up. Central banks tend to boost the availability of liquidity during economic slowdowns and the appeal of silver as a store of value increases during difficult economic times. Moreover, central banks have various options to bring economies back on track and a reflation of asset prices is one option. Low interest rates reduce the costs for investors to fund their positions and assets like silver generally benefit from this.

Source: Merrill Lynch

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	204.4	192.0	177.1	2.2	34.9
LME metals price index	3226.1	2801.9	2348.4	7.9	79.4
Oil prices USD	76.3	71.5	59.2	-3.9	63.5
Oil prices SDRs	47.4	45.5	38.5	-5.3	50.7
Gold \$/troy oz	1212.0	1003.8	951.1	14.4	55.3
Silver cents/troy oz	1911.0	1568.5	1411.1	16.9	102.7
Platinum \$/troy oz	1494.0	1278.8	1159.9	12.8	85.8
Copper \$/MT	7070.8	5961.9	4855.6	10.6	106.6
Nickel \$/MT	16077.5	17274.9	14091.9	-9.7	73.7
Aluminium \$/MT	2113.5	1817.2	1612.1	13.1	33.2
Zinc \$/MT	2375.8	1864.7	1559.8	10.7	108.3

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	03-Dec-09	No change	14-Jan-10
UK	Base Rate	0.50	10-Dec-09	No change	14-Jan-10
Japan	O/N Call Rate	0.10	20-Nov-09	No change	18-Dec-09
Australia	Cash Rate	3.75	01-Dec-09	Raise 25bps	02-Feb-10
New Zealand	Cash Rate	2.50	10-Dec-09	No change	N/A
Switzerland	3 month Libor target	0.25	10-Dec-09	No change	11-Mar-10
Canada	Overnight rate	0.25	08-Dec-09	No change	19-Jan-10
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	10-Dec-09
Malaysia	O/N Policy Rate	2.00	24-Nov-09	No change	26-Jan-10
Thailand	1D Repo	1.25	02-Dec-09	No change	13-Jan-10
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	6.50	19-Nov-09	Cut 25bps	17-Dec-09
South Africa	Repo rate	7.00	17-Nov-09	No change	26-Jan-10
Kenya	Central Bank Rate	7.00	24-Nov-09	Cut 75bps	Dec-09
Nigeria	Monetary Policy Rate	6.00	03-Nov-09	No change	Jan-10
Ghana	Prime Rate	18.00	23-Nov-09	Cut 50bps	Jan-10
Mexico	Target Rate	4.50	27-Nov-09	No change	Jan-10
Brazil	Selic Rate	8.75	21-Oct-09	No change	09-Dec-09
Armenia	Refi Rate	5.00	10-Nov-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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