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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Fixed income trading volume up 19% to $1,123bn in third quarter

Trading in emerging markets debt instruments stood at $1,123bn in the third quarter of 2009, constituting an increase of 19% from $946bn in the same period last year and a rise of 14% from $985bn in the second quarter of 2009. The volume of trades in local Treasury instruments stood at $650bn, up 1% from $643bn in the same period last year, and up 8.3% from the second quarter of 2009. Local instruments turnover accounted for 58% of total emerging markets debt trades, constituting their lowest share in almost three years. In parallel, sovereign and corporate Eurobonds' trading volume stood at $458bn, an increase of 56% from the same quarter in 2008 and up 22% from $374bn in the second quarter of 2009. Sovereign Eurobond volumes increased by 27.4% from the third quarter last year to $252bn, while the volume of traded corporate bonds reached $175bn, up 98% from the same period last year but up 61% from the previous quarter. Sovereign Eurobonds accounted for 22% of total debt trading, and corporate debt represented 16% of the survey's volume compared to 22% and 11%, respectively, in the previous quarter. The most frequently traded instruments were Hong Kong debt securities at 14% of the total, followed by Brazilian assets with 13.8% and Turkish instruments with 9%. The most frequently traded Eurobonds included issues from Brazil with $55bn, followed by Turkey with $46bn and Russia with $42bn.

Source: EMTA

GCC

Monetary union agreement comes into effect

Saudi Arabia, Kuwait, Qatar and Bahrain enacted the monetary union agreement that will initiate the establishment of the Monetary Council, the forerunner to the GCC Central Bank. The agreement is the first legal document on the formation of the regional union, and should oversee the implementation of common monetary and fiscal policies, a common currency, as well as the formation of the Monetary Council. Each of the four members will have equal voting rights when it comes to decisions of the Monetary Council, which will decide on the single currency peg and on a timeframe to launch the single currency. Last May, the UAE abandoned the union in protest over a decision to base the joint central bank in Saudi Arabia, while Oman already opted out of the union in 2006. The GCC established a customs union in 2002, a free trade mechanism in 2003 and common Gulf market in 2007.

Source: Dow Jones Newswires

MENA

Economic growth environment improves slightly in Arab world

Goldman Sachs' Growth Environment Scores Index shows that the growth environment in the Arab world improved slightly in 2008 compared to the previous year, as the region's average numerical score reached 5.33 points in 2008 compared to 5.22 points in 2007. The GES is a composite measure of economic growth conditions in 179 countries that summarizes the overall growth environment and that ranks countries according to their ability to achieve their growth potential. The GES consists of five broad categories of growth criteria that are Macroeconomic Stability that covers inflation, government deficit and external debt as a percentage of GDP; Macroeconomic Conditions such as investment rates and openness of the economy; Human Capital, including life expectancy and the level of education; Technological Capabilities such as penetration of personal computers, phones and the Internet; and Political Conditions as reflected by political stability, the rule of law and corruption. The rankings of 8 Arab countries improved, one was unchanged and 11 regressed, while the scores of 17 countries improved, one was unchanged and two regressed. The UAE had the best economic growth environment in the Arab world, while Yemen had the worst one in the region.

Source: Goldman Sachs, Byblos Research

AFRICA

Pledges of $130m for four technical assistance centers

The International Monetary Fund, recipient countries and donors pledged $130m to four of the IMF's five African Regional Technical Assistance Centers (AFRITACs). The four centers, two existing and two new ones, provide technical assistance and training to 36 countries in Eastern, Western and Southern Africa. The IMF said AFRITACs' assistance helps to rationalize public finances and reduce poverty, including debt and revenue management and tax reform. It added that they also assist recipient countries in their efforts to strengthen financial governance and build effective institutions, as well as support regional integration and provide a platform for donor coordination. It noted that wo new centers would be established for Southern Africa in Mauritius and for non-francophone West Africa in Ghana, so that all sub-Saharan countries will be covered. The two existing and two new centers will require funding of about $200m over five years, to be provided by recipient countries, host countries and the IMF, as well as by several West European countries.

Source: International Monetary Fund

OUTLOOK

WORLD

Sovereign debt issuers to face turbulent 2010

Moody's Investors Service indicated that 2010 may prove to be a tumultuous year for sovereign debt issuers due to the uncertainties surrounding the pace and intensity of fiscal and monetary exit strategies, as governments start to unwind quantitative easing programs. It considered that the only certainty is that the exit strategies will face significant execution risk, adding that 2010 will see a 'normalization' at best and a severe tightening in government financing conditions at worst. It added that long-term interest rates may increase more rapidly than expected, driven by the slow unwinding of quantitative easing. Also, the end of exceptionally low financing conditions will expose the true cost of the crisis on government debt affordability across the world. Moody's noted that most governments simply cannot afford another financial crisis, so they will attempt to ring-fence their balance sheets from selected contingent liabilities, which could in some cases create disorderly market conditions. It stated that the crisis has once again revealed the dangers of financial globalization for emerging markets, namely the upside of the recurrence of asset price inflation after the downside of rapid outflows of capital. It noted that, despite the narrowing of the sovereign ratings gap between rich and poorer G20 countries, BRIC countries are unlikely to replace the large 'Aaa'-rated sovereigns' role as anchors to the system any time soon. Moody's noted that the crisis has once again revealed the dangers of financial globalization for emerging markets, namely the upside of the recurrence of asset price inflation after the downside of precipitous outflows of capital.

Source: Moody's Investors Service

NIGERIA

Non-oil growth to average 4.7% in 2009-10, risks to the outlook are substantial

The International Monetary Fund projected Nigeria's real GDP growth at 2.9% in 2009 and 5% in 2010, with non-oil GDP growing by 4.5% this year and 4.8% next year. It expected growth to remain slower than in recent years, as reduced domestic and foreign financing, constraints on public spending, and uncertainty about global and domestic prospects, will weigh on consumption and investment until well into 2010. It expected non-oil growth to pick up gradually from 2010 onwards, as confidence in the banking system is restored and oil prices recover. It noted that rapid non-oil growth in recent years was sustained by increases in agricultural acreage and the rapid expansion in sectors such as telecommunications, adding that relying on these sources of growth is not likely to be sustainable. It considered that risks to the immediate outlook are substantial and evenly balanced, while the medium term growth outlook depends on the success of efforts to realize the potential of oil and gas reserves and to address the infrastructure gap.

The Fund said its baseline scenario is for real GDP to grow by about 6.5% over the medium term. But it warned that uncertainty about the depth and duration of the global recession, and the associated outlook for oil prices, implies that growth could fluctuate lower or higher. It noted that financing constraints have limited the scope for fiscal support of economic activity in 2009, but added that such constraints on the budget should ease in 2010 due to higher oil prices and production levels. It stressed that macroeconomic policies are decisive in supporting private sector-led growth, diversifying the economy, and further reducing poverty.

In parallel, the IMF called for a clearly articulated monetary policy framework to help anchor inflation expectations. It said a robust framework would help guide policy through competing concerns about inflation, external developments, and financial stability, which have been a challenge for monetary policy in recent years. It noted that the consistent implementation of the monetary policy based on the relationship between monetary aggregates and inflation, and its effective communication, will be critical in anchoring market expectations. It also forecast inflation to reach 8.1% at end-2009 and 8.5% at end-2010.

Source: International Monetary Fund

UAE

Investors to reassess risks in light of credit events

Merrill Lynch indicated that the events of the past three weeks in Dubai will lead to significant market reassessment of the risks of investing in UAE credit, despite the positive outcome of the Nakheel bond. It considered that the market will view the government support mechanism and its communication as a more unpredictable process. As a result, it said investors will require higher spreads for both government and quasi-government issuers in the UAE, relative to those that prevailed before the Dubai World standstill announcement. It further noted that the markets' assessment of the risk of investing in the GCC has soured over the past month for quasi-sovereign debt as well as for other asset classes. It also warned that the significant shortcomings in communication and associated extreme price volatility in supposedly investment-grade securities has already and could still lead some investors to materially reduce their ongoing appetite for GCC risk.

Merrill Lynch considered that Abu Dhabi fell short of providing a blank check to support Dubai Inc's problems, as Dubai World will continue to seek a standstill with its creditors. Therefore, other creditors to Dubai World could be in the early stages of a lengthy restructuring process. It noted, however, that the bailout from Abu Dhabi has significantly enhanced confidence that Abu Dhabi will continue to play a supportive role in the debt restructuring processes of Dubai Inc's debt. It said this means that an extreme downside scenario for Dubai World creditors such as bankruptcy, liquidation, or restructuring with punitive write offs is now very unlikely. It attributed this stance to the fact that Abu Dhabi's acting as a cushion will also significantly improve the ability of Dubai Inc to refinance some of its significant debt maturities in 2010 to 2012 in the loan and bond markets. In parallel, Merrill lynch noted that rating agencies will likely remain cautious on GCC quasi sovereigns. It said that, even though all three rating agencies have severely downgraded ratings of state-related credits in the GCC in recent weeks, it did not expect to see any upgrades following Abu Dhabi's support and the Nakheel debt payout.

Source: Merrill Lynch

ECONOMY & TRADE

UAE

Abu Dhabi intervenes to safeguard stability and maintain confidence

The Government of Dubai announced that it has received $10bn from the Emirate of Abu Dhabi in order to finance Dubai World and its subsidiaries. It said that $4.1bn will be used to repay a Nakheel sukuk due by mid-December, and the remainder will be used to address contractual arrears that the company has accrued. It also announced that the standstill requested on November 25, 2009 remains in place regarding all other obligations, and that restructuring negotiations continue. Further, the government announced that a reorganization law is being put in place to deal with all of the restructuring process for Dubai World and its entities. Standard & Poor's considered that Abu Dhabi's intervention is an indication that it stands ready to safeguard the stability of the UAE economy and financial system, and is a step towards rebuilding confidence in Dubai's policy-making environment. It noted, however, that uncertainty remains about the Dubai government's general ability and willingness to provide timely extraordinary support to its government-related entities, as well as the transparency and predictability of such support. It added that the remaining financial obligations of Dubai World and Nakheel, amounting to around $22bn, are still the subject of a restructuring.

In parallel, Fitch Ratings indicated that Abu Dhabi's direct support is a tactical step to allow an orderly restructuring of Dubai's obligations. It said that the introduction of a reorganization law aims to facilitate easier corporate restructuring, but raised questions on how it will practically affect creditors. It added that the law has the advantage of making it simpler for future corporate debt obligations to be addressed through court-based restructurings, rather than through a sovereign bailout. In turn, this would reduce the pressure on Dubai to continue offering financial support to corporate entities, and on Abu Dhabi to alleviate further financial pressures in Dubai.
Source: Standard & Poor's, Fitch Ratings

IRAQ

Iraq joins Data Dissemination System

The International Monetary Fund announced that Iraq 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 Iraq said the decision is part of Iraq'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 Iraq'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. Iraq is the 97th country to participate in the GDDS.
Source: International Monetary Fund

ARMENIA

Yerevan ranks 153rd in the ease of paying taxes

The PricewaterhouseCoopers/World Bank Index of Paying Taxes for 2010 ranked Armenia in 153rd place among 183 countries compared to 150th place in the previous survey. The index measures a firm's mandatory taxes and contribution that have a direct impact on its income. It is intended to reflect the overall tax burden that a standard business incurs. Globally, Armenia ranked ahead of Costa Rica, Togo, and Kyrgyz Republic and came behind the Ivory Coast, Poland and Brazil. It ranked in 179th place on the Number of Tax Payments sub-index, in 152nd place on the Compliance Time sub-index, and in 69th place on the Total Tax Rate sub-index. The survey shows that a standard Armenian business pays its corporate taxes 13 times per year, performs 12 labor tax payments per year and pays all of its other mandatory taxes and contribution 25 times a year. In addition, it needs 152 hours per year to prepare, file and pay its corporate taxes, 352 hours per year to prepare, file, and pay its labor taxes, and 454 hours per year to prepare, file and pay its consumption taxes. Finally, the corporate tax for a standard Armenian business represents 12.1% of its commercial profits, the labor tax represents 23% of profits, and the non-corporate and non-labor tax rates 1.1% of commercial profits.
Source: PricewaterhouseCoopers, World Bank, Byblos Research

DEM REP CONGO

IMF approves $624m to support growth strategy

The International Monetary Fund approved a three-year $551.5m arrangement for the Democratic Republic of the Congo under the Poverty Reduction and Growth Facility (PRGF). It also approved additional interim assistance of about $72.7m under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative to reduce the DRC's debt service payments to the IMF. It said the new three-year PRGF arrangement will support the authorities' implementation of their poverty reduction and growth strategy and economic reform program. The Fund considered that the DRC is in debt distress with an external debt stock of about $13.1bn and debt service amounting to about 25% of total expenditures. Is estimated publicly-contracted or guaranteed external debt to be equivalent to 93% of GDP, 150% of exports, and 502% of government revenues at end-2008. It noted that the DRC is current on repayments to multilateral financial institutions, but continues to accumulate arrears vis-à-vis bilateral and commercial creditors. The Fund added that it received financing assurances last month about the rescheduling of the DRC's debts to the Paris Club of sovereign bilateral creditors. It said the DRC's program for the three years to June 2012 are to achieve average real GDP growth of 5.5%, inflation rate of 9% by end-2012, gross reserves equivalent to 10 weeks of non-aid imports by 2012, and an external current account deficit limited to an average of 25% of GDP. It indicated that the country could benefit from debt relief of about $9bn by reaching the completion point under the enhanced HIPC Initiative. It encouraged authorities to rely on grants and highly concessional loans to finance the country's development.
Source: International Monetary Fund

BANKING

SYRIA

Deposits increase by 8% year-to-September, private sector accounts for 75% of total

Figures released by the Central Bank of Syria indicate that total deposits at commercial banks reached SYP1,157bn at end-June 2009, or about $24.9bn, constituting an increase of 8.1% from SYP1,069bn at end-2008. Deposits in Syrian pounds accounted for 84% of the total, up from 80% at end-2008, and foreign currency deposits accounted for the remaining 16%. Syrian pound deposits rose by 13.4% while foreign currency deposits decreased by 12.3% in the first 9 months of the year. Private sector deposits accounted for 75% of total deposits at end-September relative to 73.6% at end-2008, while public sector deposits accounted for 25%. Also, resident private sector deposits accounted for 74% of aggregate deposits, followed by deposits of non-financial public enterprises with 21%, while the central government accounted for 3% of the total. Households accounted for 85.7% of resident private sector deposits, followed by businesses with 13%, and other financial institutions with 1.3%. Households and businesses represented 85.1% and 14%, respectively, of resident private sector deposits at end-2008. Further, demand deposits accounted for 45% of the total, down from 46% at end-2008, time deposits accounted for 34% relative to 32% at end-December, while saving deposits accounted for the remaining 21%.

Source: Central Bank of Syria, Byblos Research

UAE

Bank ratings to be tested by debt restructuring

Fitch Ratings maintained on Rating Watch Negative the Individual ratings of Commercial Bank of Dubai, Emirates NBD, Mashreqbank, HSBC Bank Middle East, and Dubai Bank in order to assess ongoing developments at Dubai World (DW) and their impact on the wider Dubai economy. The agency said Abu Dhabi's injection of $10bn to support Dubai would help ease Dubai-based banks' exposures. However, the provision of these funds is contingent upon the continuation of the restructuring of DW's other obligations. It noted the significant uncertainty about the likely resolution of the UAE banking system's direct exposures to the DW group and to other Dubai government-related entities. It said this uncertainty could have a further significant negative impact on the banks' profitability and capitalization if DW's problems spread into the wider Dubai economy in terms of rising retail impairments, other corporate failures and higher bank funding costs. In parallel, Moody's Investors Service placed on review for possible downgrade the ratings of Abu Dhabi Commercial Bank, Commercial Bank of Dubai, Dubai Bank and HSBC Bank Middle East Ltd. Moody's said it plans to assess the resilience of the banks' ratings to the potential continued deterioration in Dubai's operating environment, including their exposure to the ongoing restructuring of DW companies' debt. It also expected the prevailing difficult economic conditions in Dubai to lead to a further rise in distressed loans over the foreseeable future, therefore testing the resilience of the ratings of the four banks.

Source: Fitch Ratings, Moody's Investors Service

QATAR

Sovereign wealth fund to increase stake in local banks

The Ministry of Finance announced that the Qatar Investment Authority (QIA), the country's sovereign wealth fund, will acquire 5% of the shares of local banks before the end of the year, raising its stake to 10% in each bank. Last January, the QIA declared it bought a 5% stake in Qatar Islamic Bank, Qatar International Islamic Bank, Commercial Bank, Doha Bank and Ahli Bank. The QIA said it will not receive any dividend distribution on the results of 2008 or 2009. The QIA announced in October 2008 that it will buy up to 20% of listed banks' capital to boost confidence in the market, and that the transactions would take place through private placements.

Source: Gulf Times, Dow Jones Newswires

TURKEY

Bank ratings upgraded on sovereign upgrade

Fitch Ratings upgraded several banks' long- and short-term foreign and local currency Issuer Default Ratings (IDRs) and Support ratings and revised their Support Rating Floors. It attributed the upgrades to its upgrade of Turkey's long-term foreign currency IDR to 'BB+' from 'BB-' and the long-term local currency IDR to 'BB+' from 'BB' earlier this month, with a 'stable' outlook, and to the upgrade of the Country Ceiling to 'BBB- from 'BB'. The agency upgraded the ratings of T. C. Ziraat Bankasi, Turkiye Halk Bankasi, Turkiye Vakiflar Bankasi, and Turkiye Kalkinma Bankasi to 'BB+' from 'BB-'. It said the banks are state-owned or state-controlled, so their ratings move in tandem with the sovereign's IDRs and their ratings are equalized with those of the sovereign. It also upgraded the ratings of Yapi Ve Kredi Bankasi, Denizbank and Turk Ekonomi Bankasi to 'BBB-' from 'BB'. It said the banks' ratings are driven by potential support from highly rated foreign shareholders, but are constrained by Turkey's Country Ceiling. Further, it upgraded Finansbank, Kuveyt Turk Katilim Bankasi, Bankpozitif Kredi Ve Kalkinma Bankasi and Turkland Bank to 'BBB-' from 'BB'. It said the banks' ratings are driven by potential support from highly rated foreign shareholders and are not constrained by Turkey's Country Ceiling.

Fitch also upgraded Turkiye Is Bankasi, Turkiye Garanti Bankasi and Akbank to 'BBB-' from 'BB'. It said the long-term ratings of these systemically important banks are driven by their intrinsic financial strength, are rated at the Country Ceiling level and are not constrained. Fitch considers that they would receive support from the Turkish state, in case of need, and the sovereign's improving capacity to provide such support resulted in an upgrade of their support ratings and a revision of their Support Rating Floors.

Source: Fitch Ratings

ENERGY / COMMODITIES

Oil prices fall towards $72 a barrel

Oil fell toward $72 on December 17, as the dollar rose, outweighing a surprise drop in U.S. distillate stocks. The U.S. Federal Reserve's optimistic comments about the economy fueled a dollar rebound. U.S. crude for January delivery fell 54 cents to $72.12 a barrel, while ICE Brent futures dropped 48 cents to $73.81 a barrel. Oil prices closed below $70 a barrel on December 14, but prices recovered later this week. The rebound was prompted by declining U.S. crude inventories which fell by 3.7 million barrels compared with an expected drop of 1.8 million barrels. Distillate stocks, which include diesel and heating oil, fell by 2.9 million barrels, far exceeding forecasts for a 600,000 barrel drop. On the supply front, the Organization of the Petroleum Exporting Countries (OPEC) is expected to keep output unchanged at its upcoming meeting. Oil prices are now more than double the low of $32.40 a barrel reached in December 2008.
Source: Thomson Reuters

GCC power grid's cost increases to $1.64bn

The total cost of the GCC power grid that will connect the power networks of six Gulf states has increased to $1.64bn after the UAE joined the project, up from an initial cost projection of $1.4bn. The initial link-up of the UAE is expected to start in 2011 and the total project is expected to be completed in 2012.
Source: Dow Jones Newswires

Egypt plans $110bn in energy investment by 2027

The Energy Ministry stated that Egypt plans to attract $110bn in energy sector investments by 2027, from both the private and public sectors. It also plans to add 120 megawatts (MW) to its current 430 MW of wind energy by June 2010, and an average of 400 MW per year thereafter, with wind farms built on allocated land in the south of Egypt along the Red Sea coast. The country aims to source 20% of its electricity from renewable energy by 2020.
Source: Thomson Reuters

Egyptian-Saudi electricity grid to begin operating over next four years

The Egyptian-Saudi electricity interconnection network, which will allow the two countries to exchange electricity flows of 3,000 megawatts through 500 kilovolt cables, is expected to begin gradually operating over the next four years. The grid has a total expected investment cost of $3bn, to be divided depending on the required level of construction in each country. Egypt and Saudi Arabia produce nearly 85% of the MENA's total electricity output.
Source: Al Mal, Al Eqtisadiyah

World Bank to co-finance Maghreb solar power plants

The World Bank declared it will help finance 10 new concentrated solar power plants in Egypt, Jordan, Algeria, Morocco and Tunisia. The Bank will provide initial co-financing of $750m under the Clean Technology Fund. The total cost of the project is estimated at $6bn-$8bn.
Source: TAP

Base Metals: Copper declines as dollar strengthening curbs appeal of raw materials

Copper fell as a dollar rally reduced interest in raw materials as alternative investments. The dollar surged to the highest level since September 8 against a basket of six major currencies, including the euro and yen, as the US economy is strengthening. Dollar-denominated commodities become more expensive for holders of other currencies when the dollar advances. Copper for delivery in three months on the London Metal Exchange fell as much as 0.8% to $6,980 a metric ton. The metal closed above $7,000 a ton on December 16 for the first time since December 4. March-delivery copper on the Comex division of the New York Mercantile Exchange slid 0.8% to $3.1805 a pound. LME copper rose the most in a month yesterday as builders in the U.S., the largest copper user after China, broke ground on 574,000 homes at an annual rate last month, an 8.9% increase from October. Permits for future construction climbed to the highest level in a year. The recession has stopped consumption of the metal used in construction and automobiles, boosting LME stockpiles by 39% this year. The global copper market recorded a surplus of 196,000 tons in January to October. Among other LME-traded metals, aluminum fell 0.5% to $2,264 a ton, zinc dropped 1.3% to $2,402 a ton, and lead slid 0.9% to $2,388 a ton. Nickel lost 1.3% to $17,275 a ton, while tin declined 0.5% to $15,400 a ton.
Source: Bloomberg

Precious Metals: Gold drops as dollar strength erodes investment demand

Gold declined on December 17, reversing early gains, as the dollar's strength eroded demand for the precious metal as an alternative investment. The dollar rose against all of its 16 major counterparts before reports showed U.S. initial jobless claims slowed and an estimate of the outlook for the world's largest economy improved for an eighth month. Gold for immediate delivery dropped as much as 1.1% to $1,125.40 an ounce and traded at $1,128.20 in Singapore. February-delivery bullion on the Comex division of the New York Mercantile Exchange was 0.7% lower at $1,127.90 an ounce. The metal for June delivery in Shanghai slid as much as 1.1% to $1,137 an ounce. Among other precious metals, silver fell 1.5% to $17.435 an ounce, platinum slid 0.6% to $1,443.50 an ounce, while palladium dropped 1.2% to $370.50 an ounce.
Source: Bloomberg

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	210.2	192.9	178.4	5.6	46.3
LME metals price index	3170.5	2832.2	2376.8	5.4	81.6
Oil prices USD	70.5	71.6	59.8	-10.9	60.8
Oil prices SDRs	44.3	45.5	38.8	-10.3	51.3
Gold $/troy oz	1129.2	1011.3	958.5	2.5	40.2
Silver cents/troy oz	1739.0	1579.2	1427.0	0.8	74.6
Platinum $/troy oz	1416.0	1285.7	1171.9	4.6	71.8
Copper $/MT	6807.5	6034.9	4927.7	5.2	114.1
Nickel $/MT	16467.5	17332.4	14224.1	-2.3	76.6
Aluminium $/MT	2163.3	1838.8	1624.6	12.8	47.9
Zinc $/MT	2264.8	1893.4	1582.9	6.8	107.9

Source: Credit Suisse

COUNTRY RISK METRICS

Countries	S&P	Moody's	Fitch	CI	EIU	Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa													
Algeria	-	-	-	-	BBB								
	-	-	-	-	Stable	-11.5	7.8	1.9	3.4	1.7	1.9	-3.0	0.8
Angola	-	-	-	-	B								
	-	-	-	-	Stable	4.6	19.1	17.4	25.4	9.4	-	7.6	7.2
Egypt	BB+	Ba1	BB+	BBB-	BB								
	Stable	Stable	Stable	Stable	Stable	-7.9	73.8	17.0	47.0	5.8	100.6	-2.9	3.2
Ethiopia					CCC								
	-	-	-	-	Stable	-2.3	-	14.1	263.0	-	-	-7.2	-
Ghana	B+	-	B+	-	CCC								
	Stable	-	Negative	-	Stable	-10.1	-	35.6	-101.7	-	-	-17.0	
Ivory Coast	-	-	-	-	CC								
	-	-	-	-	Stable	-1.4	-	55.7	134.4	-	556.0	0.3	-
Libya	A-	-	BBB+	-	BB								
	Stable	-	Stable	-	Stable	-2.0	6.5	15.5	20.0	3.3	-	15.5	2.8
Mauritania	-	-	-	-	-								
	-	-	-	-	-	-3.1	-	47.6	92.7	-	-	-4.7	-
Morocco	BB+	Ba1	BBB-	BBB-	BB								
	Stable	-	Stable	Stable	Stable	-3.6	52.8	24.2	79.5	0.5	95.6	-2.1	3.3
Nigeria	B+	-	BB-	-	B								
	Stable	-	Stable	-	Stable	-3.0	12.3	5.0	16.5	0.3	-	-5.6	1.6
Sudan	-	-	-	-	C								
	-	-	-	-	Stable	-3.3	104.5	67.2	428.5	3.2	-	-5.1	2.4
Tunisia	BBB	Baa2	BBB	BBB	BB								
	Stable	-	Stable	Stable	Stable	-4.0	51.0	53.0	114.6	9.7	232.0	-2.6	3.8
Middle East													
Bahrain	A	A2	A	A	BBB								
	Stable	-	Stable	Stable	Stable	-6.4	22.7	178.0	220.3	15.9	934.9	-2.9	0.9
Iran	-	-	B+	BB-	B								
	-	-	Stable	Stable	Stable	-4.8	19.3	5.2	20.1	2.8	23.1	0.6	0.2
Iraq	-	-	-	-	CC								
	-	-	-	-	Stable	-12.7	-	67.3	128.4	2.3	112.8	-0.1	0.9
Jordan	BB	Ba2	-	BB	B								
	Stable	-	-	Stable	Stable	-1.2	59.0	65.4	131.2	8.1	183.0	-10.7	6.9
Kuwait	AA-	Aa2	AA	AA-	A								
	Stable	Negative	Stable	Stable	Stable	12.9	7.5	31.7	57.7	2.8	221.2	25.8	-2.0
Lebanon	B-	B2	B-	B	CCC								
	Stable	-	Stable	Stable	Stable	-12.6	154.3	96.3	631.1	15.0	168.6	-10.4	5.5
Oman	A	A2	-	A	A								
	Stable	-	-	Stable	Stable	-5.1	6.0	30.9	45.9	5.4	117.1	-0.3	2.0
Qatar	AA-	Aa2	-	AA-	A								
	Stable	Stable	-	Stable	Stable	4.2	10.4	72.8	157.3	8.4	603.4	8.7	7.9
Saudi Arabia	AA-	A1	AA-	AA-	BBB								
	Stable	-	Stable	Stable	Stable	-4.7	11.3	9.7	18.8	2.0	89.1	-6.1	0.3
Syria	-	-	-	-	CCC								
	-	-	-	-	Stable	-7.9	32.3	14.6	75.3	1.0	151.1	-2.9	1.4
UAE	-	Aa2	-	AA-	BB								
	-	-	-	Stable	Stable	0.7	12.7	63.8	74.1	3.9	420.3	-5.3	0.7
Yemen	-	-	-	B	CC								
	-	-	-	Stable	Stable	-11.2	-	22.5	112.7	-	-	-9.7	

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	EIU	Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Central & Eastern Europe													
Armenia	-	Ba2	BB-	-	-								
	-	-	Stable	-	-	-3.1	23.6	42.5	579.3	1.5	344.9	-0.8	0.9
Bulgaria	BBB	Baa3	BBB-	-	BB								
	Stable	-	Stable	-	Stable	-2.7	17.5	102.0	200.0	35.3	283.9	-8.0	8.2
Kazakhstan	BBB-	Baa2	BBB-	-	BB								
	Negative	-	Negative	-	Stable	-3.5	6.6	95.9	231.5	48.0	426.6	-7.6	9.2
Romania	BB+	Baa3	BB+	BBB-	BB								
		-	Negative	Negative	Stable	-5.1	20.8	61.5	202.5	15.9	348.0	-7.1	3.3
Russia	BBB	Baa1	BBB	-	BBB								
		Positive	Negative	-	Negative	-6.5	7.0	38.0	133.6	33.7	139.1	1.3	0.4
Turkey	BB-	Ba3	BB+	BB-	B								
	Stable	-	Stable	Stable	Stable	-6.0	47.6	47.3	198.3	31.2	434.4	-1.3	1.4
Ukraine	CCC+	B1	B	-	CCC								
	Stable	Positive	Negative	-	Stable	-4.0	22.1	86.6	223.7	20.1	407.1	-0.1	4.5

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	16-Dec-09	No change	26-Jan-10
Eurozone	Refi Rate	1.00	03-Dec-09	No change	14-Jan-10
UK	Base Rate	0.50	10-Dec-09	No change	07-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	28-Jan-10
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	16-Dec-09	No change	N/A
Taiwan	Discount Rate	1.25	24-Sep-09	No change	24-Dec-09
South Korea	Target Rate	2.00	10-Dec-09	No change	08-Jan-10
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	24-Dec-09
Turkey	Base Rate	6.50	19-Nov-09	Cut 25 bps	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	09-Dec-09	No change	27-Jan-10
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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