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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

MENA

Equity markets up 12% in first quarter of 2010

Arab stock markets increased by 12% in the first quarter months of 2010 compared to a drop of 10.8% in same period last year. The Saudi equity market increased by 11.1% during the covered period, posting the best performance among Arab markets. It was followed by the Egyptian stock exchange with a 9.6% rise, the Casablanca bourse with a 9.3% increase, the Tunis stock market with an 8.9% growth, the Kuwait bourse with a 7.5% improvement, the Doha equity market with a 7.2% rise, the Bahrain bourse with a 6.1% jump, the Abu Dhabi stock exchange with a 6% appreciation, the Muscat market with a 5.2% increase, the Beirut stock exchange with a 3% improvement, the Dubai financial market with a 2.2% rise, and the Palestine exchange with a growth of 2.1%. In parallel, the Iraqi stock exchange posted the worst performance in the region with a 10.1% decrease, followed by the Amman bourse with a decline of 0.6%. In comparison, emerging market equities improved by 2.1% and global equities rose by 2.7% in the first quarter of the year.

Source: Local stock markets, Byblos Research

M&A activity drops by 67% in 2009

Figures released by Ernst & Young show that a total of 353 merger & acquisition deals were announced in the Middle East & North Africa 2009, down 24% from 465 deals in 2008. Outbound deals dropped by 43% to 92 deals relative to 160 deals in 2008, while inbound deals rose from 66 deals in 2008 to 70 deals last year. Also, the number of domestic deals in the region fell by 20% to 191 deals last year. In parallel, the aggregate value of M&A deals in the region declined by 67% from \$102bn in 2008 to \$34bn in 2009. The value of domestic deals fell by 58% from \$27.6bn in 2008 to \$11.6bn in 2009, while outbound deals dropped by 72% from \$69bn to \$19.3bn year-on-year. Also, the value of inbound deals fell by around 46% last year. Domestic transactions accounted for almost 54% of the number of M&A deals, followed by outbound deals with 26% and inbound deals with 20%. In parallel, outbound transactions accounted for 50% of the value of M&A deals, followed by domestic transactions with 44% and inbound deals with 6%. Deals with a size greater than \$500 m accounted for 8% of overall transactions, down from 14% in 2008, while the share of deals of less than \$100 m rose to 62% from 59%, and the share of medium-sized deals worth \$100 m- to \$500 m increased from 27% to 30% in 2009. The UAE saw 65 deals, followed by Egypt with 40 transactions, and Saudi Arabia and Kuwait with 34 and 31 deals, respectively. In terms of deal value, Egypt attracted \$3.3bn, or 23% of the total disclosed domestic and inbound funds in the region, followed by Morocco with \$2.86bn, and Kuwait with \$2.26bn.

Source: Ernst & Young

BAHRAIN

Sovereign wealth fund considers first hedge fund investment

The Bahrain Mumtalakat Holding Company, the country's \$14bn sovereign wealth fund (SWF) is considering making its first ever allocation in the hedge fund sector and is looking to invest in this asset class as early as next year. The move would constitute the fund's first allocation to the alternative assets class, and is driven by a desire to diversify its investment portfolio. The Bahrain Mumtalakat Holding Company was established in June 2006 to manage the surplus oil revenues of the kingdom. Sovereign wealth funds are becoming increasingly open to investing in hedge funds, as among the 37% of SWFs that currently invest in hedge funds, nearly half made their first allocations within the last five years.

Source: HFMWeek

YEMEN

Oil exporter status in jeopardy

The Ministry of Planning & International Cooperation expected oil exports to decline and for Yemen to become a net oil importer by 2015 in case there were no new well discoveries. It said production declined from 103 million barrels in 2000 to 71 million barrels in 2008. It expected the government's share of oil exports to decline to just 49 million barrels in 2012, and for domestic consumption to reach 50 million barrels in the same year. It added that 60% of domestic consumption will be covered by oil imports, which means that receipts from crude exports will be used to cover the imports of refined products. It expected oil receipts to continue to decline, despite the start of LNG exports this year, due to the contraction in the government's production share from 61.3 million barrels in 2008 to 30 million barrels in 2015.

Source: Al Hayat

AFRICA

World Bank approves $228m for Abidjan-Lagos transport corridor

The World Bank approved \$228m for the first phase of the Abidjan-Lagos Trade and Transport Facilitation Program. The project aims to reduce trade and transport barriers on the 998 km road along the West Africa coast from Abidjan to Lagos. It said the regional operation will facilitate trade between Côte d'Ivoire, Ghana, Togo, Benin and Nigeria, and will improve the movement of people. The first phase will cover Ghana, Togo and Benin and will cost \$228m, while the second phase will cover Côte d'Ivoire and Nigeria and will cost \$89.5m. The Bank expected the project to result in higher transport quality and lower transportation tariffs; decrease of transportation costs for trucking companies; increase in trade expansion; reduction in transport time, leading to reduced transportation costs and increased transport supply; and integration of local companies into global supply chains.

Source: World Bank

UAE

Dubai debt restructuring is positive first step, many challenges remain

Merrill Lynch considered that the restructuring proposals for Dubai World and Nakheel are positive for both the Dubai economy and Dubai Inc. corporates. But it added that the restructuring is not a confidence booster for the GCC economies, as it is only a part of a bigger problem with Dubai Inc. that needs many years to be resolved. It expected further deleveraging for the corporates given the size of the bubble in Dubai. Further, investment bank UBS indicated that the debt restructuring proposal is favorable overall and expected the related decline in uncertainty to have some positive implications for economic activity. It noted, however, that many challenges remain and the Dubai property downturn still has a lot of downward momentum, as real estate prices are likely to slide further and put pressure on loan quality and financing conditions. It added that while the debt problems of Dubai World and Nakheel might be closer to a resolution, other corporates of Dubai Inc. might initiate restructuring processes as well, leading to new challenges for confidence.

In parallel, Deutsche Bank stated that the restructuring proposal is an important initial step, but that it is far from a final and formal proposal, as it lacks details and will likely form the basis of further negotiations. It said the completion of the restructuring likely remains many months away. Further, it noted that the news is a significant step forward to restore the market's perception of Dubai's 'willingness' to pay but, without additional funds from Abu Dhabi, it does nothing to improve the fundamental question of Dubai's 'ability' to pay. It added that the terms of the new securities to be issued are unclear, while the total debt covered by the proposal is unclear, making it impossible at this stage to judge the future viability of the companies following their restructuring. It also considered that the source of the $9.5bn to be provided by the Dubai Financial Support Fund is unclear.

Source: Merrill Lynch, UBS, Deutsche Bank

SYRIA

Non-oil growth at 5.5% in 2010, key challenges are fiscal discipline and economic diversification

The International Monetary Fund projected real GDP growth in Syria at 5% in 2010 relative to 4% last year, and forecast non-oil growth at 5.5% this year compared to 4.5% in 2009. It said Syria did not avoid the global financial crisis, but its impact has been relatively moderate, as lower growth in manufacturing, construction and services was only partially offset by a moderate recovery in agriculture. It expected the economy to strengthen in 2010, supported by the ongoing recovery in the country's trading partners. It forecast inflation to rise to an average of 5% in 2010 from 2.5% in 2009. It indicated that, despite the removal of fuel subsidies, the fiscal deficit widened to 5.5% of GDP in 2009 from 2.8% in 2008 due to large increases in public investments, as well as the wage bill and transfers. It considered fiscal consolidation to be a high priority in order to preserve fiscal sustainability, and expected the fiscal deficit to stabilize at around 4.4% of GDP in 2010. It urged authorities to revisit the large increase in public investment budgeted for 2010. It recommended a shift in the financing of the budget deficit from bank borrowing to issuing Treasury bills. The Fund supported the efforts to reorganize tax administration and restructure the tax system, and urged proress on the expected introduction of VAT.

The IMF noted the progress made in the transition to a market economy, but warned that the structural reform agenda remains substantial. It urged authorities to reverse the recent introduction of customs duties that vary by country of origin, and to address suspected unfair trade practices. It also encouraged authorities to modernize the legal and regulatory framework in order to stimulate private investment and enhance competitiveness. It projected the current account to post a deficit of 2.3% of GDP in 2010, similar to the previous year, and for the oil balance to deteriorate to -2.1% of GDP relative to -1.8% of GDP in 2009. It warned that a delay in the recovery of the global economy or delays in reform implementation could worsen the outlook and impede Syria's economic growth.

Source: International Monetary Fund

GHANA

Growth at 5% in 2010, key challenge is fiscal management

The International Monetary Fund projected Ghana's real GDP growth at 4% to 5% in 2010, compared to about 4% in 2009, boosted by investments linked to the offshore oil sector that will come on stream in 2011. It said inflation slowed to 14% in February 2010 from 21% in the first half of 2009, and expected a further decline to single digits by end-2010. Also, the external current account recorded its smallest deficit in five years, and the Ghanaian cedi has strengthened against the dollar since July 2009. The Fund considered that fiscal management remains Ghana's main challenge. It said the budget deficit was reduced to 9.7% of GDP in 2009, in line with program targets. However, the deficit would have been substantially larger, were it not for new domestic expenditure arrears of about 4% of GDP. It supported the government's revised deficit target of 8% of GDP for 2010, and welcomed plans to further reduce the deficit to 3-5% of GDP in 2011-12, buoyed by oil-related revenues of 5% of GDP or more. This would lead to a rise in public debt to 62% of GDP at end-2010 before declining in 2011-12 as the fiscal deficit declines. It cautioned that there is little room for maneuver in the budget plans, as expenditure ceilings are tight, and the majority of Ghana's accumulated domestic expenditure arrears, equivalent to 7% of GDP, will be repaid only in 2011-12. It noted the progress made in the first year of Ghana's program to strengthen fiscal institutions, but added that dealing with the high public administration costs has been slow.

It indicated that Ghana's main challenges in 2011 relate to its move to oil producer status and to managing expectations for higher spending. It noted that the initial scope for spending from oil revenues could be relatively modest given the need to repay expenditure arrears while also reducing the fiscal deficit.

Source: International Monetary Fund

ECONOMY & TRADE

LIBYA

Agencies affirm sovereign ratings

Standard & Poor's affirmed Libya's 'A-' long-term and 'A-2' short-term foreign and local currency ratings, with a 'stable' outlook. It said the ratings are supported by one of the strongest fiscal positions among 'A'-rated sovereigns. It noted that Libya has substantial public sector assets and negligible debt, fairly modest financial contingent liabilities, a large external liquidity cushion, and solid medium-term growth prospects in its energy sector. It added that the ratings are constrained by limited transparency of decision-making in the government and uncertainties about the effectiveness of recent reforms. S&P said the ratings could be raised in case institutional reforms improve the predictability of economic policy, and if the government's net asset growth is sustainable.

In parallel, Fitch Ratings affirmed Libya's long-term foreign and local currency ratings at 'BBB+' respectively, with a 'stable' outlook. It also affirmed the short-term foreign currency rating at 'F2' and the Country Ceiling at 'BBB+'. It said the ratings reflect Libya's strong sovereign balance sheet, which mitigates high dependence on oil revenues. It noted, however, that economic reforms are at an early stage and that Libya has structural weaknesses compared to other more established emerging markets. The agency said that Libya's net foreign assets total $139bn, or190% of 2009 GDP, enough to fund the 2010 budget three times over. It said the government has kept up the pace of economic reforms that aim to diversify the economy, create jobs and raise living standards, adding that tangible results would be positive for the ratings. It noted that longer-term structural weaknesses include the lack of development of the private sector and the financial system, but are being addressed.
Source: Standard & Poor's, Fitch Ratings

ANGOLA

Private equity fund completes first closing

Fundo de Investimento Privado Angola (FIPA), a private equity fund targeting small and medium sized enterprises in Angola, raised $28m in its first closing. Norfund, a development finance institution owned by the Norwegian Ministry of Foreign Affairs, initiated the fund together with the local partner Banco Africano de Investimentos. The European Investment Bank, the lending arm of the European Union, pledged $6m for the fund. Other investors are the Danish International Investment Funds, Banco Privado Atlântico, Banco Africano de Investimentos and Norfund. FIPA's objective is to enhance equity finance available for Angolan SMEs, which would contribute to Angola's economic development and long-term recovery. It noted that sectors outside the dominant petroleum industry are in special need for growth and expansion capital. It added that SMEs in Angola need strong financial partners that, in addition to injecting capital, can provide long-term partnership and support. The fund's second closing, to be completed by year-end 2010, will aim to raise the capital to $100m.
Source: Private Equity Wire

NIGERIA

Budget for 2010 sees massive rise in spending, deficit at 6% of GDP

Nigeria's approved budget for 2010 forecast spending of $31bn for the year, constituting an increase of 49% from 2009, while it projected revenues of $20.6bn, leading to a fiscal deficit of $10bn, or about 6% of GDP. Recurrent expenditures total $13.8bn and account for 45% of overall spending, while capital expenditures are set to rise by 81% to $12.3bn, or 40% of total spending. Also, debt servicing totals $3.3bn and statutory transfers reach $1.2bn, equivalent to 11% and 4%, respectively, of outlays. The government intends to finance the budget deficit through $6bn in domestic borrowing, $880m from a planned oil-licensing round, $500m from Nigeria's planned Eurobond debut, as well as from the sale of state-owned assets. The budget assumes a benchmark oil price of $67 a barrel, up significantly from previous years, and oil output of 2.35 million barrels per day. The oil price and output assumptions leave little room for budget slippage, as a renewed global economic downturn, more stringent OPEC quota reductions, or an escalation of militant activity in the Niger Delta might all threaten revenue forecasts.
Source: Standard Chartered

ARMENIA

Recession bottoming out, IMF approves $74m disbursement

The International Monetary Fund announced that it completed the third review of Armenia's economic performance under the Stand-By Arrangement (SBA) and authorized the immediate release of about $73.6m, bringing total disbursements so far to nearly $532m. The 28-month SBA was approved in March 2009 for about $559m and was raised to $810.4m last June. The Fund said Armenia's economic performance has been strong and the recession appears to have bottomed out, aided by supportive monetary and fiscal policies. It added that the challenge remains to support the fragile recovery, address external vulnerabilities, and advance a credible fiscal consolidation plan over the medium term. It stated that fiscal policy aims to continue supporting the recovery, while gradually starting fiscal consolidation in 2010. It noted that monetary policy would move from an accommodative to a more neutral stance in order to contain potential inflation pressures. It added that authorities are committed to a flexible exchange rate regime, and aim to strengthen the monetary transmission mechanism.

Further, the IMF indicated that authorities are committed to pursue broad-based structural reforms to enhance productive capacity and promote long-term growth through an open trade regime, an improved business environment, better governance, and increased market competition in key sectors of the economy. It noted that the financial sector is sound and well-capitalized, and that authorities have strengthened their crisis preparedness and contingency planning frameworks.
Source: International Monetary Fund

BANKING

SYRIA

Capital-to-assets ratio at 6.5%, NPLs at 5%

Figures released by the International Monetary Fund show that the risk-weighted capital adequacy ratio of banks operating in Syria reached 20.8% at end-September 2009. It was 23.1% for public banks, 15.3% for private banks and 18.5% for Islamic banks. Also, the sector's capital-to-assets ratio was 6.5%, including 6.1% for public banks, 7% for private banks and 11.3% for Islamic banks at end-September 2009. The sector's liquid assets reached 36% of total banks' assets, with private banks' liquidity at 42.9%, Islamic banks' at 48.7% and public banks' at 33.3%. The loans-to-deposits ratio reached 68% at end-September for all banks, and totaled 81.3% for public banks, 38.9% for private banks and 39.5% for Islamic banks. Further, the ratio of NPLs to total loans reached 5.1% for the sector, 5.9% at public banks, 1.4% at private banks and 2.8% at Islamic banks at end-September 2009. The ratio of provisions to NPLs reached 17.9% for the sector, 16.6% for public banks, 45.2% for private banks and 14.8% for Islamic banks. In parallel, banks' return on average assets reached 1.3% at end-September 2009, while it reached 1.6% for public banks, 0.5% for private banks and -0.1% for Islamic banks. The sector's return on average equity reached 14.7% at end-September, while it reached 17.8% for public banks, 6.4% for private banks and -0.9% for Islamic banks.

Source: International Monetary Fund

QATAR

Bank ratings affirmed

Capital Intelligence affirmed Qatar National Bank's (QNB) long-term foreign currency rating of 'AA-', its short-term foreign currency rating of 'A1+' and its financial strength rating of 'A+' with a 'stable' outlook. It said the ratings capture the bank's excellent asset quality, strong profitability and high quality earnings, good liquidity, and solid franchise in Qatar and in the wider GCC. Also, the bank's support rating reflects the State of Qatar's 50% shareholding in QNB. Capital Intelligence also affirmed Qatar Islamic Bank's, Doha Bank's and Commercial Bank of Qatar's long-term foreign currency rating of 'A', their short-term foreign currency rating of 'A2', their financial strength rating of 'A' and the support rating at '2' with 'stable' outlooks. It said the banks' ratings reflect the recently demonstrated government financial support of the Qatari banking system, which has allowed the banks to maintain their solid capital adequacy. Further, the agency confirmed Qatar International Islamic Bank's long-term foreign currency rating of 'BBB+', its short-term foreign currency rating of 'A2' and its financial strength rating of 'BBB+'.

Source: Capital Intelligence

UAE

Banks to face high impairment charges, unlikely to require additional support

Fitch Ratings indicated that the negative impact on the UAE banking system from the debt restructuring proposals for Dubai World and Nakheel should be manageable without additional support. It said the proposed 100% principal repayment, albeit with extended maturities, and continuing commercial interest rates, appear to be a more favorable solution than the banks may have anticipated. It noted, however, that the banks will still be facing higher impairment charges when the net present value of exposures is reduced, adding that the level of such charges is unlikely to trigger the need for further liquidity or solvency support for the sector. In parallel, EFG Hermes said the perceived systemic risk has retracted after the announcement, but remains above the pre-credit standstill request levels. It said the proposal provides a stress relief to the provisioning outlook on banks, while it is still early to determine the exact impact on earnings. It noted that the government's decision to repay the Nakheel bonds in full at maturity is a marginal positive for the banking sector. However, the sector's funding position will remain tight.

Source: Fitch Ratings, EFG Hermes

Banks to add government support funds to Tier-2 capital

The Finance Ministry signed agreements with 17 banks in the UAE banks to add funds received from the government to their Tier-2 capital. The funds are part of the AED 50bn, or $13.6bn, that the UAE government injected in 22 local banks in 2008 and 2009. It added that the AED 50bn were paid from the AED 70bn fund set up by the government in 2008 to boost the banks' liquidity during the global financial crisis.

Source: Dow Jones Newswires

DEM REP CONGO

Banking sector unaffected by global crisis, but remains fragile

The International Monetary Fund indicated that the global financial crisis has had a limited direct impact on the Democratic Republic of Congo's banking system, but noted that the sector' health remains fragile. It said the sector's capital-risk-weighted adequacy ratio averaged about 15% at the end of September 2009, up from about 11% at the end of 2008 and compared with to the required 10% ratio. It noted that a large number of banks have not been able to observe the required liquidity and net foreign exchange position ratios. Further, non-performing loans increased significantly from 2.8% at end-2008 to 10.6% at the end of September 2009, reflecting in part recent improvements in the accuracy of the reporting system. As such, the ratio of NPLs net of provisions to capital rose from 10.5% at end-2008 to nearly 17% at end-September. Further, return on assets declined from 2.1% at end-2008 to 0.6% at end-September 2009, and the return on equity regressed from 37.6% to 5.6% over the same period. It noted that the sector's liquid asset ratio was at 75% at end-September, while liquid assets to short term liabilities declined from 104% to 78% in the first 9 months of 2009. The IMF said that three local banks have shown signs of distress and urgently need to be recapitalized, adding that the Banque Centrale du Congo (BCC) is implementing a comprehensive strategy to address the issue, with technical assistance from the Fund and the World Bank. It stated that the BCC is strengthening on-site and off-site banking supervision and tightening and enforcing prudential regulations, and has also taken initial steps for the restructuring of one large bank. The sector's foreign currency liabilities account for 92% of its total liabilities.

Source: International Monetary Fund

ENERGY / COMMODITIES

Oil hits 18-month high with fund inflows

Oil rose to an 18-month high on April 1 as fresh inflows from investors circulated at the start of the second quarter of 2010, despite a stronger US dollar. U.S. crude for May rose by 68 cents to $84.44 a barrel on April 1, after reaching an intraday high of $84.54 and settling at $83.76 on March 31, the highest close since October 2008. U.S. crude rose by 5.5% in the first quarter of 2010, but more than doubled from a December 2008 low. London ICE Brent increased by 66 cents to $83.36. Oil prices decreased slightly on March 31, after government data showed U.S. crude inventories rose by 2.9 million barrels to 354.2 million barrels. Gasoline stockpiles recorded a slight unexpected gain. After the wide swings in the past two years, prices have stabilized recently near the range favored by members of the Organization of the Petroleum Exporting Countries (OPEC), between $70 and $80 a barrel. In the first quarter of 2010, oil traded from a peak of $83.95 a barrel in January to a low of $69.50 a barrel in February, a range of less than $15.
Source: Thomson Reuters

Angola approves new biofuels law

Angola's parliament approved a new law to regulate the production of biofuels, opening the way for multi-billion dollar investments in the sector. Angola expects the law to help reduce its dependence on oil and develop its farming sector. With the new legislation, the ethanol produced by the project can be used in cars. Further, foreign companies which invest in biofuels must sell part of their biofuels production to state-owned oil firm Sonangol in order to satisfy the country's internal consumption needs. Foreign companies must also provide local people with medical assistance and access to water and other basic resources in the land they are using to produce biofuels.
Source: Thomson Reuters

Iraq awards $500m Rumaila well deals

Iraqi Oil Ministry indicated that the country awarded contracts to drill 49 out of 56 new wells at Rumaila oilfield, each valued at around $10m. It said that the Chinese firm Daqing and a joint venture between Schlumberger and the state-owned Iraq Drilling Company are each being awarded contracts to drill 21 new wells, while Weatherford International was awarded seven new wells. It added that the remaining seven wells will be awarded after the evaluation of the contractors' performance.
Source: Thomson Reuters

Jordan signs a $130m nuclear reactor contract

Jordan signed a $130m contract to build the country's first nuclear research reactor with a South Korean association. The association led by state-run Korean Atomic Energy Research Institute and Daewoo Engineering and Construction Company, will construct a 5-megawatt reactor, a radioactive isotope manufacturing facility, and a nuclear training center near the northern city of Irbid.
Source: Petra News Agency

Base metals: higher demand to increase prices in 2010

Base metals' demand increased due to the recovery in key metal consuming sectors, such as manufacturing in the U.S., Asia and Europe. The recovery is expected to carry over in 2010 and 2011 but with high fluctuations in prices. Most metal markets have seen prolonged deficits before the recession. Copper prices are projected to rise to $8,000 a ton in the second quarter of 2010 as both scrap and copper mine supplies are still low. Also, South Africa's platinum production is projected to remain well below previous peak production levels, which should give rise to market deficits in 2010 and 2011, but platinum prices are expected to stay at $1,750 an ounce. Steel prices are projected to remain at $25,000 a ton despite the increase in output, but concerns over supply increases in the second quarter of 2010 are expected to lead to higher prices.
Source: Merril Lynch

Precious metals: Gold prices to peak at end-2010 before falling in 2011

Gold prices fell below $1,050 an ounce in the first quarter of 2010, a 15% decrease from December 2009, due to the appreciation of the US dollar. However, when priced in other currencies, gold value has been rather more stable, as it achieved record highs in euro and sterling. Over the medium-term, prices are expected to peak towards the end of 2010 from $1,100 an ounce at end-June and $1,200 an ounce at end-September to $1,400 an ounce at end-2010. In 2011 and beyond, gold prices are expected to fall as the US dollar regains some ground and the opportunity cost of holding gold rises. SPDR holdings have moved up in the last week but have shown no clear trend in recent months, suggesting that investors have mixed views about the outlook. Data from the Commodity Futures Trading Commission shows a decline in net long positions per month. Sales of coins by the US Mint declined to 64,500 an ounce in March 2010, down 25% from February.
Source: Standard Chartered

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	211.7	207.2	194.7	-0.1	30.9
LME metals price index	3428.9	3208.6	2833.8	6.4	81.4
Oil prices USD	80.5	77.0	70.1	2.9	53.0
Oil prices SDRs	53.2	49.1	45.2	4.2	52.5
Gold $/troy oz	1092.6	1101.4	1019.7	-0.8	17.5
Silver cents/troy oz	1679.0	1722.8	1565.8	5.5	27.6
Platinum $/troy oz	1593.0	1465.6	1330.0	5.2	42.0
Copper $/MT	7333.8	6904.6	6052.3	5.2	86.9
Nickel $/MT	22214.0	18583.4	16803.2	9.6	133.7
Aluminium $/MT	2189.0	2075.8	1855.2	6.6	58.8
Zinc $/MT	2178.3	2242.2	1918.8	4.2	71.7

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 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+ Stable	Ba1 Stable	BB+ Stable	BBB- Stable	BB 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+ Negative	- -	B+ Negative	- -	CCC 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- Stable	- -	BBB+ Stable	- -	BB 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	BBB- Stable	Ba1 -	BBB- Stable	BBB- Stable	BB Stable	-3.6	52.8	24.2	79.5	0.5	95.6	-2.1	3.3
Nigeria	B+ Stable	- -	BB- Stable	- -	B 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 Stable	Baa2 -	BBB Stable	BBB Stable	BB Stable	-4.0	51.0	53.0	114.6	9.7	232.0	-2.6	3.8
Middle East													
Bahrain	A Stable	A2 -	A Stable	A Stable	BBB Stable	-6.4	22.7	178.0	220.3	15.9	934.9	-2.9	0.9
Iran	- -	- -	B+ Stable	BB- Stable	B 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 Stable	Ba2 -	- -	BB Stable	B Stable	-1.2	59.0	65.4	131.2	8.1	183.0	-10.7	6.9
Kuwait	AA- Stable	Aa2 Negative	AA Stable	AA- Stable	A Stable	12.9	7.5	31.7	57.7	2.8	221.2	25.8	-2.0
Lebanon	B Positive	B2 Positive	B- Stable	B Stable	CCC Stable	-12.6	154.3	96.3	631.1	15.0	168.6	-10.4	5.5
Oman	A Stable	A2 -	- -	A Stable	A Stable	-5.1	6.0	30.9	45.9	5.4	117.1	-0.3	2.0
Qatar	AA- Stable	Aa2 Stable	- -	AA- Stable	A Stable	4.2	10.4	72.8	157.3	8.4	603.4	8.7	7.9
Saudi Arabia	AA- Stable	Aa3 Stable	AA- Stable	AA- Stable	BBB 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- Stable	BB Stable	0.7	12.7	63.8	74.1	3.9	420.3	-5.3	0.7
Yemen	- -	- -	- -	B Stable	CC Stable	-11.2	-	22.5	112.7	-	-	-9.7	

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-	-	-								
	-	-	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								
	Stable	-	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	-	Stable	Negative	Stable	-5.1	20.8	61.5	202.5	15.9	348.0	-7.1	3.3
Russia	BBB	Baa1	BBB	-	BBB								
	Stable	Positive	Stable	-	Negative	-6.5	7.0	38.0	133.6	33.7	139.1	1.3	0.4
Turkey	BB	Ba2	BB+	BB-	B								
	Positive	Stable	Stable	Stable	Stable	-6.0	47.6	47.3	198.3	31.2	434.4	-1.3	1.4
Ukraine	B-	B1	B	-	CCC								
	Positive	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-Mar-10	No change	28-Apr-10
Eurozone	Refi Rate	1.00	04-Mar-10	No change	08-Apr-10
UK	Bank Rate	0.50	04-Mar-10	No change	08-Apr-10
Japan	O/N Call Rate	0.10	17-Mar-10	No change	07-Apr-10
Australia	Cash Rate	4.00	02-Mar-10	Raise 25bps	06-Apr-10
New Zealand	Cash Rate	2.50	11-Mar-10	No change	29-Apr-10
Switzerland	3 month Libor target	0.25	11-Mar-10	No change	17-Jun-10
Canada	Overnight rate	0.25	02-Mar-10	No change	20-Apr-10
Emerging Markets					
China	One-year lending rate	5.31	23-Dec-08	Cut 27bps	N/A
Hong Kong	Base Rate	0.50	16-Mar-10	No change	28-Apr-10
Taiwan	Discount Rate	1.25	25-Mar-10	No change	24-Jun-10
South Korea	Base Rate	2.00	11-Mar-10	No change	09-Apr-10
Malaysia	O/N Policy Rate	2.25	04-Mar-10	Raise 25bps	13-May-10
Thailand	1D Repo	1.25	10-Mar-10	No change	21-Apr-10
India	Reverse repo rate	3.25	29-Jan-10	No change	20-Apr-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	24-Dec-09	No change	N/A
Turkey	Base Rate	6.50	18-Mar-10	No change	13-Apr-10
South Africa	Repo rate	7.00	25-Mar-10	Cut 50bps	12-May-10
Kenya	Central Bank Rate	7.00	23-Mar-10	Cut 25bps	May-10
Nigeria	Monetary Policy Rate	6.00	02-Mar-10	No change	02-May-10
Ghana	Prime Rate	16.00	19-Feb-09	Cut 200bps	Apr-10
Angola	Rediscount rate	30.00	01-Oct-09	Raise 500bps	N/A
Mexico	Target Rate	4.50	19-Mar-10	No change	16-Apr-10
Brazil	Selic Rate	8.75	17-Mar-10	No change	28-Apr-10
Armenia	Refi Rate	6.50	09-Mar-10	Raise 50bps	N/A
Romania	Policy Rate	6.50	03-Feb-10	Cut 50bps	N/A
Bulgaria	Base Interest	0.17	01-Apr-10	Cut 1 bps	01-May-10
Kazakhstan	Refi Rate	7.00	01-Jan-10	No change	N/A
Ukraine	Discount Rate	10.25	11-Aug-09	Cut 75bps	N/A
Russia	Refi Rate	8.25	24-Feb-10	Cut 25 bps	N/A

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