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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Sukuk issuance at $51bn in 2010

Standard & Poor's indicated that global sukuk issuance reached a record-high $51.2bn in 2010, constituting an increase of 34% from the previous peak in 2007. It noted that the cumulative amount of sukuk issued between 1996 and 2010 stood at $198bn, of which about 24% matured since the year of issuance. Malaysia accounted for 62.8% of total issuance during the 1996-2010 period, followed by the UAE with 15.8%, Saudi Arabia with 7.8%, Bahrain with 4.3%, Indonesia with 3%, Qatar with 1.9%, Pakistan with 1.6%, Kuwait with 1% and Brunei with 0.9%; while the U.S., Germany, Japan, Singapore, Sudan, Turkey, the UK and Gambia accounted for the remaining 1%. The agency noted that sovereign and sovereign-related issuers accounted for 53% of sukuk issues between 1996 and 2010, followed by corporations with 41% and financial institutions with 6%. Further, it said the Malyasian ringitt represented 59.2% of overall issues, followed by the U.S. dollar with 23.7%, the Saudi riyal with 5.3%, the UAE dirham with 4%, the Indonesian rupiah with 2.7%, the Bahraini dinar with 1.4% and the Pakistan rupee with 1.2% as the main issuer currencies. S&P expected Malaysia, Qatar, and the UAE to account for about two-thirds of 2011 issuance. It considered that government issuance would contribute to the development of the domestic sukuk markets through creating local instruments for liquidity management of Islamic financial institutions, and by establishing a sukuk yield curve that private sector issuers could use as a benchmark. But it warned that future growth could be limited due to challenges related to resolving sukuk defaults, standardizing Sharia interpretation, and increasing sukuk liquidity.

Source: Standard & Poor's

MENA

Competitiveness of travel and tourism sector is adequate

The World Economic Forum indicated that the competitiveness of the travel and tourism industry in the Arab world is slightly below global standards, as the region's average score on the Travel & Tourism Competitiveness Index (TTCI) for 2011 came at 4 points compared to the world average of 4.1 points. The Arab region's travel and tourism competitiveness level came below Europe's average of 4.7 points, the Americas (4.1 points) and Asia Pacific (4.07 points), but above Sub-Saharan Africa's average of 3.3 points. The TTCI measures the travel and tourism competitiveness in countries around the world by assessing the regulatory framework, the sector's business environment and infrastructure, and the human, cultural, and natural resources of the travel and tourism industry. The index included 14 Arab countries, with the UAE ranking in 30th place, the highest ranked market in the region. It was followed by Bahrain in 40th place, Qatar (42nd) and Tunisia (47th), as the only Arab countries among the top 50 most competitive tourism sectors in the world. In contrast, Syria (105th), Algeria (113th) and Libya (124th) had the least competitive tourism sectors in the region. The ranks of five countries improved from the previous survey and those of eight countries regressed. The index was compiled at the end of 2010, prior to the start of turmoil in the MENA region. Saudi Arabia's rank improved by 9 spots and posted the highest increase in the Arab world; while Syria's rank dropped by 20 places, the steepest regional decrease.

Source: World Economic Forum, Byblos Research

SUDAN

Launch of international partnership to develop the private sector

The government of South Sudan, with the support of donors and the World Bank Group launched a partnership program to support the development of the soon-to-be independent country's private sector. The partnership will receive its primary funding from the governments of the Netherlands and South Sudan. It will also receive funding from Denmark, Ireland, Norway and the U.S. Agency for International Development. The project will be managed by the International Finance Corporation, the private sector arm of the World Bank, along with various South Sudan government ministries and private sector entities. The program aims to implement the second phase of the investment climate reform project that includes attracting new investments; to develop small and medium-size enterprises, primarily through training and capacity building; and to develop access to finance through new financial instruments such as leasing and mobile banking. According to the IFC, more than 10,000 businesses have been registered in South Sudan; five new mobile phone providers have been registered and are operating, with at least 5 million accounts; and at least seven commercial banks were established, including five microfinance institutions.

Source: International Finance Corporation

DEM REP CONGO

Rising oil prices to increase inflationary pressure

The International Monetary Fund indicated that current global economic conditions pose significant challenges for policymakers in the Democratic Republic of the Congo this year, adding that the challenges could also be exacerbated by the national elections planned for November. It said higher global food and fuel prices are likely to put pressure on economic management and will require vigilance to preserve recent gains in consolidating macroeconomic stability. It noted that real GDP growth was above 7% in 2010, inflation fell to below 10% for the first time in several years, and the external position improved. The Fund encouraged authorities to maintain the same macroeconomic policies in 2011 to mitigate the risks of high food and fuel prices and to safeguard the fiscal position. It said the Banque Centrale du Congo could accommodate the initial impact of price increases on the price level, but it should ensure that second-round effects do not undermine the medium-term objective of single-digit inflation. Consumer price inflation declined from 53% at the end of 2008 to 9.9% at end-2010 and was forecast at around 10% this year prior to the rise in global oil prices.

Source: International Monetary Fund

OUTLOOK

MENA

Impact of turmoil to include stretched fiscal balances, reduced capital flows, and decline in tourism

Deutsche Bank expected the initial macroeconomic impact on MENA economies from the ongoing turmoil to likely come from pressure on fiscal balances, while secondary impacts will include near-term declines in foreign currency reserves. It added that tourism, workers' remittances inflows, and external capital flows would also be affected due to heightened ambiguity. It considered that the combined negative impact of these factors will be felt more severely in Morocco, Egypt, Tunisia, Jordan, Syria, Yemen, and Bahrain. It noted that authorities across the region have preemptively announced increases in budgetary spending, which include higher food and fuel subsidies, social transfers, tax reductions on staple commodities, higher funding for private housing, and an expansion of civil service employment or salaries. This will likely increase the pressure on countries, where fiscal balances are already in a relatively bad shape.

Deutsche Bank considered that secondary macro impacts will likely include near-term declines in foreign currency reserves, given the U.S. dollar peg in several countries, currency baskets in Tunisia and Morocco, and a tightly managed floating regime in Egypt. It added that a decreasing foreign appetite for regional securities would also mean that widening fiscal deficits may have to be financed mostly domestically via banks, pointing to a possible private sector crowding out through reduced credit extension. It expected the tourism sector, remittances, and external inflows to also suffer due to heightened ambiguity, which will be felt more severely in Lebanon, Morocco, Egypt, Tunisia, Syria, Yemen and Bahrain, given their dependence on these channels. It added that fiscal expansion has also been the initial response among GCC countries, yet rising oil prices appear to have compensated for the additional spending. It added that oil GDP still forms a considerable part of total GCC output, and more than two-thirds of budgetary income is generated from oil receipts. It cautioned that risks are tilted to the downside, given that a severe and long-lasting oil price rise may dent global demand, while challenging market conditions may put pressure on the corporate sector across the GCC, particularly in the UAE.
Source: Deutsche Bank

GCC

Non-oil growth forecast reduced to 3.8% on political uncertainties, risks to the downside

Regional investment bank EFG Hermes reduced its forecast for the GCC's weighed non-oil real GDP growth to 4.8% for 2011 from a forecast last December of 5.2%. It said non-oil growth is likely to remain flat this year relative to 2010, with risks to the downside due to the political volatility in the region. It attributed its reduced projections to its downward revision for non-oil growth in Bahrain to 1% from 3.7% earlier, and to 3.3% from 4% earlier for Oman. It expected the state of emergency and escalation in violence in Bahrain to have a marked impact on a number of vital areas of the economy, including tourism and the financial sector that are two key economic drivers. It noted that this, along with political uncertainty, will likely result in a contraction in private consumption and investments. It added that government spending and net exports are likely to be positive contributors to growth. Further, EFG Hermes said that protests have stabilized in Oman, but noted that a number of industrial strikes have called for wage increases, which will likely impact output. It noted that continued protests will also impact the tourism sector, FDI and foreign funding.

In parallel, EFG Hermes maintained its non-oil growth forecast at 12.7% for Qatar, 4.6% for Saudi Arabia, 3.9% for Kuwait, and 3.1% for the UAE. It cautioned that the fear of contagion to other GCC economies will remain if regional uncertainties continue, which would impact foreign funding and investment. It noted that this perception will likely increase with the regional involvement in Bahrain. But it said that Qatar and the UAE are the least impacted by concerns over contagion risk, especially FDI and foreign funding in Qatar and tourism in the UAE. It projected real GDP growth for 2011 at 6.2% in Saudi Arabia, 2.8% in the UAE, 3.2% in Kuwait, 12.2% in Qatar, 3.2% in Oman and 1.5% in Bahrain.
Source: EFG Hermes

NIGERIA

Real GDP growth at 7% in 2011, inflation pressures are main risk

Merrill Lynch projected real GDP growth in Nigeria at 7.1% in 2011 compared to 7.8% in 2010. It said the strong performance of the non-oil sector last year is likely to continue in 2011, led by the brisk pace of activity in telecommunications and construction. It added that agriculture will reap the benefits of increasing commercialization, while the positive effects of ongoing reforms should support growth in the banking sector. It noted, however, that political unrest in the Niger-Delta ahead of elections in April 2011 is likely to constrain growth in the oil sector and cause overall growth to slow marginally this year. It noted that post-election growth prospects will depend heavily on the situation in the Niger-Delta and the implementation of reforms to address chronic power shortages and the dilapidated infrastructure.

It said inflation averaged 12% last year from higher food and fuel prices, political uncertainty, falling foreign currency reserves and high levels of government spending. It forecast inflation to peak at 12.3% in April on the back of robust fiscal expansion for the elections, then to decline gradually to average 10.5% for the year. It noted that the Central Bank of Nigeria raised interest rates by 25 basis points to 6.5% at the end of January and expected it to raise rates by up to 300bp in the course of the coming year in an effort to normalize interest rate levels and contain upward inflation pressures. It added tht liquidity injections for infrastructural initiatives as well as upward trends in global food and commodity prices represent further upside risks to the outlook. As such, it did not expect the single digit inflation target to be achieved before 2012.
Source: Merrill Lynch

ECONOMY & TRADE

EGYPT

Sovereign ratings downgraded on political and economic uncertainties

Moody's Investors Service downgraded Egypt's foreign and local currency government bond ratings by one notch to 'Ba3' from 'Ba2' and kept the outlook at 'negative'. It also lowered the country ceiling for foreign currency bonds and bank deposits to 'Ba1', the short-term country ceiling for foreign currency bonds to 'NP' from 'P-3' and the local currency bond and deposit ceilings to 'Baa3' from 'Baa1'. It attributed the downgrades to the prolonged political uncertainties, the continued volatility in the county's domestic politics and its adverse impact on the fiscal position and broader economic performance. It noted that the deterioration of the political situation in Libya affects Egypt's economy and security. It warned that it would further downgrade the ratings in case of a substantial fall in foreign reserves or the transition to an effective government is jeopardized.

In parallel, Standard & Poor's affirmed Egypt's long- and short-term foreign and local currency ratings at 'BB/B' and 'BB+/B', respectively, and maintained the country's transfer and convertibility assessment at 'BB+'. It also assigned a 'negative' outlook to the long-term ratings. It said the immediate risks to the government's credit standing have receded, but considered that authorities face challenges in managing the political transition and the pressures on Egypt's fiscal performance. It noted that higher subsidies and weak tax revenues would make the targeted fiscal deficit of 8.4% of GDP in 2011 beyond reach. It added that the current account would shift to a deficit of 2.3% of GDP in 2011 due to an expected decline in tourism revenues and remittances. It also expected net portfolio outflows to exceed net foreign direct investment, which would require substantial public external borrowing to maintain international reserves.
Source: Moody's Investors Service, Standard & Poor's

LIBYA

Sovereign ratings downgraded and suspended

Standard & Poor's downgraded Libya's long- and short-term sovereign credit ratings to 'BB/B' from 'BBB+/A-2' with negative implications. It also revised the country's transfer and convertibility assessment to 'BB' from 'BBB+'. It attributed the downgrades to increased political risks, sharply reduced economic output and uncertainties stemming from a possible regime change. It considered that the government would not have access to external borrowing because of international sanctions, nor to domestic borrowing because of the country's undeveloped financial markets. As such, it expected the financing of any budget deficit or current account deficit to be difficult or unfeasible. It also expected that financing issues and the sharp drop in oil production to put severe economic pressure on the government. It warned that the damage to the country's economy and public finances will rise if the civil war continues. In parallel, S&P suspended its ratings on Libya because of the imposition of international sanctions, which preludes the agency from maintaining sovereign ratings and because of a lack of reliable political and economic information to maintain surveillance on the ratings.
Source: Standard & Poor's

BAHRAIN

Ratings downgraded by two notches on uncertain outlook

Fitch Ratings downgraded Bahrain's long- and short-term foreign currency Issuer Default Rating (IDR) to 'A-' from 'A' and to 'F3' from F1' respectively, and lowered the local currency IDR and the Country Ceiling to 'BBB+' from 'A'. It also placed the country's long-term ratings on Rating Watch Negative, reflecting high political uncertainties. It attributed the two-notch downgrade to further escalation in political risks, military intervention by Gulf nations, and the imposition of a state of emergency. It added that the downside risks to political stability and sovereign creditworthiness have increased significantly. It considered that political instability will harm Bahrain's attractiveness as an international financial and business center, which plays an important role in the country's economic model, as financial services account for 25% of output. It warned that further material worsening in the security situation or protracted delays in the political reform process would negatively affect growth prospects as well as public and external finances, prompting further downgrades. In parallel, Fitch downgraded the country's sovereign wealth fund, Bahrain Mumtalakat Holdings Co's long term IDR and senior rating to 'BBB' from 'A-' and short-term foreign currency IDR to 'F3' from 'F1', as it is 100%-owned by the government.
Source: Fitch Ratings

TUNISIA

Ratings downgraded on uncertain political and economic outlooks

Standard & Poor's downgraded Tunisia's and the Central Bank of Tunisia's long-term foreign and local currency ratings to 'BBB-' from 'BBB', short-term local currency sovereign credit rating to 'A-3' from 'A-2' and transfer & convertibility assessment to 'BBB' from 'A-'. It also affirmed the short-term foreign currency sovereign credit ratings at 'A-3' and assigned a 'stable' outlook to the long-term ratings. It attributed its action to the political and economic legacy of the Ben Ali regime and the precipitous transfer of power that damaged Tunisia's growth prospects, public finances and external balance. It projected the fiscal deficit at around 7% of GDP in 2011 due to weaker revenues and higher social outlays and subsidies in response to popular demands and rising oil and food prices. It expected the government to finance its deficit through the domestic market and official creditors, without seeking funding from international debt capital markets. As such, it forecast a rise in Tunisia's general government debt burden to 45% of GDP this year, from 40% of GDP in 2010. Further, it expected the current account deficit to exceed 5% of GDP in 2011, while it estimated that net FDI would only finance half of the deficit. It said that the country's growth prospects are restricted by high level of uncertainties related to the future of the tourism industry and the government's ability to attract FDI.
Source: Standard & Poor's

BANKING

SYRIA

Anti-money laundering deficiencies remain

The Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), indicated that Syria has made a high-level political commitment to work with the FATF and the FATF-style regional body MENAFATF to address its strategic AML/CFT deficiencies. It said that Syria has issued very recently an AML/CFT Decree that the FATF has not yet had the opportunity to assess. The FATF noted that certain AML/CFT deficiencies remain and encouraged the authorities to continue to work on addressing them and to implement their action plan to address the shortcomings. It said related measures include adopting adequate measures to implement and enforce the 1999 International Convention for the Suppression of Financing of Terrorism; ensuring adequate criminalization of terrorist financing; implementing adequate procedures for identifying and freezing terrorist assets; ensuring financial institutions are aware of and comply with their obligations to file suspicious transaction reports in relation to ML and FT; and adopting appropriate laws and procedures to provide mutual legal assistance.

Source: Financial Action Task Force

EGYPT

Bank ratings affirmed with negative outlook

Standard & Poor's affirmed its 'BB/B' long short-term counterparty credit ratings on National Bank of Egypt and Commercial International Bank and assigned a 'negative' outlook to the ratings. It also affirmed the unsolicited 'BBpi' rating on National Société Générale Bank. It attributed its decision to the resilience of the banks' financial profile, such as funding and liquidity profile, which would help offset the short-term pressure at the current rating level. It also considered that the fragile political environment and pressure on the banks' financial performance would limit growth opportunities in the near future, which would weaken the banks' asset quality and profitability metrics. Further, it noted that a sharp deterioration in the sovereign's creditworthiness, driven by higher social spending and lower fiscal revenues, would affect the government's capability to provide extraordinary financial support in case of needed. It said the 'negative' outlooks on NBE and CIB mirror the outlook on Egypt and take into consideration the banks' operating risks.

Source: Standard & Poor's

IRAN

Bank ratings affirmed, outlook stable

Capital Intelligence affirmed the Export Development Bank of Iran's (EDBI) and Bank Tejarat's (BT) long-term and short-term foreign currency ratings at 'BB-' and 'B' respectively, with a 'stable' outlook. It also affirmed both banks' support rating at '3' and assigned a 'BB+' to EDBI's financial strength ratings (FSR) and a 'B+' to BT's FSR. It considered that EDBI's ratings reflect the bank's intrinsic financial strength and the strong support from the government, given its role as Iran's official export development bank. Further, it highlighted the bank's very strong capital adequacy and good gross income generation despite its weak asset quality, tight liquidity and challenges imposed by international sanctions. It warned, however, that the bank's FSR would come under downward pressure in case of a substantial deterioration in the operating environment, including further significant closure of international markets to Iranian exports. In parallel, it considered that BT's ratings reflect the bank's poor asset quality and weak capital adequacy, as well as the constraints imposed by the difficult operating environment. It noted that the ratings also reflect a high likelihood of support from the government in case of need, as well as the shareholders' commitment to reinvest dividends and the management's objective to realize hidden reserves through the sale of real estate assets. The government owns 100% of EDBI and 31% of BT following the latter's partial privatization in 2009.

Source: Capital Intelligence

GHANA

Private sector credit up by 20% in 2010, NPLs ratio at 17.6%

The total assets of commercial banks operating in Ghana reached $11.4bn at the end of 2010, constituting an increase of 24% year-on-year. Credit to the private sector rose by 20%, reaching $4.5bn at end-2010 and accounting for 86% of gross loans and advances. Also, the sectoral distribution of the loan portfolio shows that trade & finance accounted for 32.8% of total loans, followed by services with 20.3%, manufacturing with 13.2% and construction with 7.5%. In parallel, the sector's non-performing loans (NPLs) reached 17.6% of total gross loans at end-2010, up from 16.2% in 2009; while net NPLs accounted for 29.2% of total capital at end-2010, up from 20% in 2009. The NPLs ratio was the highest in mining & quarrying sector where it reached 37.2%. It was followed by manufacturing with 22.7%, trade & finance with 19.4%, agriculture, forestry & fishing with 15.7%, construction with 15.1% and services with 10.5%. Further, NPLs in the trade & finance sector accounted for 41% of total NPLs, followed by manufacturing with 19.2%, services with 13.7%, construction with 7.2% and mining & quarrying with 6.6%. Also, the risk-weighted capital adequacy ratio of banks reached 19.1% at end-2010, down from 20.2% a year earlier.

Source: Bank of Ghana, Byblos Research

QATAR

Credit bureau formation at advanced stage

The International Monetary Fund indicated that the Qatar Central Bank is at an advanced stage of establishing a credit bureau. It said the credit bureau will be established and supervised under Article V of the Qatar Central Bank Law. It noted that the first phase would cover all banks, finance companies, commercial enterprises, including small and medium-size enterprises, and consumers. It added that the second phase would include telecommunication and other utilities; while the final phase would cover insurance companies. The Fund said that the key challenges are to create a legal structure that allows the sharing of credit information between various institutions, and to broaden the scope of credit information to capture both positive and negative aspects of creditworthiness. The other five members of the GCC have already established credit bureaus.

Source: International Monetary Fund

ENERGY / COMMODITIES

Brent crude rebounds to $111 on tensions in the Middle East

Brent crude for May rose by 70 cents to $111.3 a barrel on March 17 as tensions in the Middle East kept a floor under prices, but fell earlier by as much as 1% to $109.5. Prices declined about 4% since Japan's earthquake and tsunami six days ago, reaching a three-week low of $107.4 on March 16th. They reached a two and a half year peak last month as violence in Libya disrupted the country's oil output. U.S. crude for April gained 59 cents to $98.6. Japan's government aimed to increase output of refined oil products in refineries across west Japan to compensate for idled capacity in the east, where the earthquake and tsunami hit the hardest. OPEC members, including Saudi Arabia, increased output partly to compensate for the loss of as much as two-thirds of Libyan supplies, at the same time eroding spare capacity. The effect of Japan's natural disaster on the global oil market is likely to be insignificant beyond near-term volatility. The need to replace shut-in nuclear capacity by other fuels will be offset by reduced economic activity and energy use in the near-term. Therefore, the net change in oil demand will likely be positive, but not significant enough to affect the global supply and demand balance, given OPEC's excess capacity.
Source: Thomson Reuters, BCA Research

China to build $2bn dam and power plant in Iran

Iran and China are expected to sign a $2bn agreement for the construction of a dam and a power plant in Iran's western province of Lorestan. The contract will be completed this week, and operations are to start on March 21, 2011. The dam, to be built on the Bakhtiari river in the Zagros mountains, will hold Iran's largest reservoir with a capacity of 4.8 billion cubic meters of water, and support a 1,500 megawatt hydroelectric power station.
Source: Bloomberg

Iran to start gas exports to Syria by end-2011

Iran plans to export as much as 5 million cubic meters of natural gas per day to Syria by the end of 2011 after the construction of a pipeline via south Turkey is completed. The route will be used to meet Syria's needs for gas until the start of a pipeline supplsy through Iraq that will provide 40 million cubic meters of gas a day. Iran and Syria had signed a preliminary agreement on January 19 for the construction of a 2,000 kilometer network to carry Iranian gas via a 56-inch pipeline with a daily capacity of as much as 110 cubic meters.
Source: Bloomberg

Egypt to resume gas supplies to Jordan

Jordan's natural gas supplies from Egypt are set to resume on March 19, ending a nearly five-week disruption in the country's main source of electricity generation. Under the agreement signed between the two countries, Jordan receives 240 million cubic feet of gas per day at preferential prices. Jordan relies on Egyptian natural gas for 80% of its electricity generation needs. The disruption in gas supplies cost Jordan over $3m a day, where it currently imports 96% of its energy needs at a cost equivilant to about 20% of GDP.
Source: Jordan Daily

Base metals: Prices supported by Japan's earthquake and higher Chinese consumption

The Japanese crisis poses two near-term risks for base metals. The first is the negative demand shock as industrial production halts, while the second is the possibility for further escalation in oil prices as the country handles a nuclear meltdown. Also, the MENA crisis is likely to keep oil premiums high for the near future and the Japanese earthquake is causing damage across many metal-intensive sectors. China is projected to remain key to the base metal equation, even though Western economies supported consumption in 2010. Chinese consumption is expected to increase, following the heavy destocking in 2010. Also, Japan remains an industrial powerhouse, but its consumption for most metals is around 5% of world demand. Another pillar of support for metals is a weak U.S. dollar. Moreover, industrial mining profitability appears well-cushioned, with margins at record highs and earnings still in a powerful uptrend. Therefore, the correction in base metals is expected to be technical in nature.
Source: BCA Research

Precious metals: Gold to rise with Japan's crisis and turbulence in the Middle East

Gold is expected to rise for a second day in London as unrest in the MENA region and Japan's nuclear crisis boost demand for a protection of wealth. However, platinum and palladium reached three-month lows. Immediate-delivery bullion declined $1.24, or 0.1% to $1,397.6 an ounce on March 17th. Gold for April delivery was 0.1% higher at $1,398 an ounce on the Comex in New York. Gold rallied 30% last year on the prospect of rising inflation and currency debasement. Prices reached a record of $1,445 on March 7 as the civil war in Libya escalated and after unrest spread in the MENA region.

Silver for immediate delivery rose 0.4% to $34.4 an ounce. It dropped 6.5% since climbing to $36.8 last week, the highest level since February 1980, the year in which the metal reached a record $50.4 in New York. Palladium increased 1.3% to $707.5 an ounce on March 17 after falling to $688.3, the lowest level since November 30th. It dropped by 18% since reaching the highest price in a decade last month. Platinum dropped by as much as 2.2% to $1,657.8 an ounce, the lowest price since the begining of December 2010.
Source: Bloomberg

Global Commodity Outlook

(3-months LME, $/ton)	2010	2011f	2012f
Aluminum	2,201	2,363	2,300
Copper	7,570	9,938	10,000
Lead	2,172	2,588	2,650
Nickel	21,913	25,500	23,000
Tin	20,448	31,000	28,000
Zinc	2,188	2,413	2,400
(Spot price, $/ounce)			
Gold	1,227	1,413	1,200
Palladium	529	863	900
Platinum	1,613	1,925	2,050
Silver	20	28	22

Source: Standard Chartered

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	- -	- -	- -	- -	BB Stable	-9.9	16.1	2.9	7.4	2.0	3.2	3.4	1.8
Angola	B+ Stable	B1 Positive	B+ Positive	- -	B Stable	2.7	20.6	20.2	35.7	8.2	-	1.6	17.6
Egypt	BB Negative	Ba3 Negative	BB Negative	BB+ Negative	BB Stable	-8.2	74.2	14.3	66.5	4.6	88.3	-2.0	3.3
Ethiopia	-	-	-	-	CCC Stable	-1.5	-	-	257.5	-	-	-3.9	0.3
Ghana	B Stable	- -	B+ Negative	- -	B Stable	-10.8	-	34.9	50.0	-	-	-11.6	10.9
Ivory Coast	- -	- -	- -	- -	CCC Stable	-0.2	-	50.1	111.2	-	-	6.8	1.8
Libya	BB Negative	- -	BB Negative	- -	BB Stable	13.3	0	7.2	11.6	3.2	5.1	20.1	2.5
Mauritania	- -	- -	- -	- -	- -	-4.5	88.5	69.8	128.4	-	1,220	-7.6	-1.3
Morocco	BBB- Stable	Ba1 -	BBB- Stable	BBB- Stable	BB Stable	-4.5	49.9	24.1	78.4	8.0	110.0	-5.3	0.9
Nigeria	B+ Stable	- -	BB- Negative	- -	B Stable	-7.9	14.1	5.0	14.2	0.7	-	13.0	0
Sudan	- -	- -	- -	- -	C Stable	-3.7	71.4	57.4	343.6	-	3,780	-8.9	5.5
Tunisia	BBB- Stable	Baa3 Negative	BBB- Negative	BBB Stable	BB Stable	-2.8	43.0	46.3	101.0	11.7	195.2	-4.4	3.7
Middle East													
Bahrain	A- Negative	A3 Stable	A- Negative	A Stable	BBB Stable	-5.4	32.8	139.6	170.2	6.8	946.6	5.2	9.9
Iran	- -	- -	B+ Stable	BB- Stable	B Stable	0.4	21.7	5.6	19.9	2.7	21.3	4.2	0.8
Iraq	- -	- -	- -	- -	CC Stable	-14.2	42.2	41.8	65.4	-	75.3	-14.4	1.4
Jordan	BB Negative	Ba2 Negative	- -	BB Stable	B Stable	-6.3	63.0	19.2	44.8	4.8	48.6	-7.2	9.2
Kuwait	AA- Stable	Aa2 Negative	AA Stable	AA- Stable	A Stable	17.1	6.5	46.2	72.2	3.7	224.0	30.1	-8.7
Lebanon	B Positive	B1	B Stable	B Stable	CCC Stable	-8.7	139.0	160.3	243.4	14.7	212.2	-11.1	10.5
Oman	A Stable	A2 -	- -	A Stable	A Stable	5.3	5.7	15.4	22.6	-	63.7	5.8	3.9
Qatar	AA- Stable	Aa2 Stable	- -	AA- Stable	A Stable	10.8	27.2	80.6	139.3	10.0	512.3	15.6	5.0
Saudi Arabia	AA- Stable	Aa3 Stable	AA- Stable	AA- Stable	BBB Stable	1.9	12.9	22.6	40.5	2.4	22.7	6.7	7.7
Syria	- -	- -	- -	BB- Stable	B Stable	-4.3	26.9	14.9	48.0	-	52.9	-3.9	2.7
UAE	- -	Aa2 -	- -	AA- Stable	BB Stable	-2.7	24.7	53.1	57.7	7.3	360.4	5.4	0.6
Yemen	- -	- -	- -	B Stable	CC Stable	-5.5	45.8	21.4	70.5	-	139.6	-4.9	0.3

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	-	-	-4.8	44.8	38.4	402.7	-	194.2	-14.6	9.2
Bulgaria	BBB	Baa3	BBB-	-	BB								
	Stable	Stable	Stable	-	Stable	-1.8	16.2	109.2	122.3	21.2	393.2	-6.2	9.8
Kazakhstan	BBB	Baa2	BBB-	-	BB								
	Stable	-	Stable	-	Stable	-2.8	16.0	86.4	182.9	30.3	350.4	3.2	8.8
Romania	BB+	Baa3	BB+	BBB-	BB								
	Negative	-	Stable	Negative	Stable	-6.8	33.9	77.4	197.5	24.6	-	-5.5	3.8
Russia	BBB	Baa1	BBB	-	BBB								
	Stable	Positive	Stable	-	Stable	-5.6	9.3	31.9	124.7	13.4	99.2	4.5	-0.6
Turkey	BB	Ba2	BB+	BB	B								
	Positive	Positive	Stable	Stable	Stable	-4.1	44.4	41.3	187.3	39.7	-	-3.4	1.0
Ukraine	B+	B1	B	-	CCC								
	Stable	Positive	Negative	-	Stable	-5.5	39.2	79.0	164.9	35.9	330.0	-2.0	4.0

Sources: International Monetary Fund; Economist Intelligence Unit - The above figures are estimated for 2010

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	15-Jan-11	No change	15-Mar-11
Eurozone	Refi Rate	1.00	03-Feb-11	No change	3-Mar-11
UK	Bank Rate	0.50	10-Feb-11	No change	10-Mar-11
Japan	O/N Call Rate	0-0.10	25-Jan-11	No change	15-Feb-11
Australia	Cash Rate	4.75	01-Feb-11	No change	01-Mar-11
New Zealand	Cash Rate	3.00	09-Dec-10	No change	10-Mar-11
Switzerland	3 month Libor target	0.25	16-Dec-10	No change	17-Mar-11
Canada	Overnight rate	1.00	18-Jan-11	No change	01-Mar-11
Emerging Markets					
China	One-year lending rate	6.06	08-Feb-11	Raise 25bps	N/A
Hong Kong	Base Rate	0.50	26-Jan-11	No change	15-Mar-11
Taiwan	Discount Rate	1.63	30-Dec-10	Raise 12.5bps	25-Mar-11
South Korea	Base Rate	2.75	11-Feb-11	Raise 25bps	10-Mar-11
Malaysia	O/N Policy Rate	2.75	27-Jan-11	No change	11-Mar-11
Thailand	1D Repo	2.25	12-Jan-11	Raise 25bps	09-Mar-11
India	Reverse repo rate	6.75	17-Mar-11	Raise 25bps	N/A
UAE	Overnight repo rate	1.00	19-Dec-08	Cut 25bps	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	6.25	20-Jan-11	Cut 25 bps	23-Mar-11
South Africa	Repo rate	5.50	20-Jan-11	No change	24-Mar-11
Kenya	Central Bank Rate	5.75	28-Jan-11	Cut 25 bps	Mar-11
Nigeria	Monetary Policy Rate	6.50	25-Jan-11	Raise 25bps	Mar-11
Ghana	Prime Rate	13.50	10-Dec-10	No change	Apr-11
Angola	Rediscount rate	30.00	16-Jun-10	No change	N/A
Mexico	Target Rate	4.50	21-Jan-11	No change	04-Mar-11
Brazil	Selic Rate	11.25	19-Jan-11	Raise 50bps	09-Mar-11
Armenia	Refi Rate	8.25	04-Mar-11	Raise 50bps	N/A
Romania	Policy Rate	6.25	05-May-10	No change	N/A
Bulgaria	Base Interest	0.19	01-Feb-10	Raise 1bps	N/A
Kazakhstan	Refi Rate	7.50	09-Mar-11	Raise 50bps	N/A
Ukraine	Discount Rate	7.75	10-Aug-10	Cut 75bps	N/A
Russia	Refi Rate	7.75	01-Jun-10	Cut 25 bps	N/A

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