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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Private equity fundraising down 30.5% to $51bn in first quarter of 2012

Preliminary figures released by research provider Preqin indicate that global private equity fundraising reached $50.6bn in the first quarter of 2012, constituting a decrease of 30.5% from $72.8bn in the previous quarter and a drop of 30.4% from $72.7bn in the first quarter of 2011. The number of deals totaled 116 in the first quarter of 2012 relative to 198 deals in the fourth quarter of 2011 and 189 deals in the first quarter of 2011. Buyout funds raised $18.5bn from 23 deals, while venture capital funds had the largest number of deals at 35 and raised $9.7bn in the first quarter of the year. The average time for funds to close was 20.9 months in the first quarter of 2012, exceeding the previous average high of 20.4 months registered in the same quarter in 2010. Preqin said that 1,847 private equity funds are currently trying to raise a combined $784bn, compared to 1,676 funds that were seeking to raise $680bn at this point last year, but it noted that it is still a significantly lower amount than the $888bn sought by 1,624 funds as of January 2009. It noted that 38% of investors are planning to increase the number of General Partner (GP) relationships they maintain and just 14 % are expecting to decrease the number of GPs in their portfolios. It added that 75% of investors were satisfied with the returns generated by their private equity portfolios.
Source: Preqin

Corporate bond issuance at $850bn in first quarter of 2012

Standard & Poor's indicated that global corporate bond issuance totaled $850bn in the first quarter of 2012 and included $567bn in investment grade, $111bn in speculative grade, and $172bn in unrated bonds. It said that bond issuance in Europe totaled $354bn in the covered period, followed by the United States with $265bn, emerging markets with $132bn and other developed markets with $99bn. Speculative grade issuance in the U.S. reached $67bn and represented 60.4% of global speculative grade issues, followed by Europe with $30bn (27%), emerging markets with $9bn (8%) and other developed markets with $5bn (4.5%). S&P noted that Europe accounted for 41.6% of global bond issuance in the first quarter of the year, followed by the U.S. with 31.2%, emerging markets with 15.3% and other developed countries with 11.6%. S&P considered that a sudden change in investors sentiment is still possible despite the resilience of the new issuance pipeline in the first quarter of 2012. It said that a weaker-than-expected economic growth in the U.S., Europe, or in emerging markets such as China and Brazil, could scare investors away from the corporate sector and reverse the current trend in new issuance. It added that a bleaker credit market would be particularly detrimental to speculative-grade issuers, which typically do not have the same financial flexibility as their investment-grade counterparts.
Source: Standard & Poor's

EMERGING MARKETS

Aid to developing countries down 3% in real terms to $133.5bn in 2011

Figures released by the Organization for Economic Cooperation and Development (OECD) show that its member countries provided $133.5bn in net official development assistance (ODA) to developing countries in 2011, constituting a 2.7% drop in real terms from 2010. The OECD attributed the decrease to fiscal constraints in several member-countries, which affected their ODA budgets. It noted that major donors' aid to developing countries represented 0.31% of their combined gross national income. Aid to Africa increased by 0.9% in real terms to $31.4bn in 2011 and represented 23.5% of total ODA last year, as donors provided more aid to North Africa after the revolutions in the region. But bilateral aid to Sub-Saharan Africa fell by 0.9% in real terms to $28bn and accounted for 89% of total assistance to Africa. Also, net bilateral ODA flows to Least Developed Countries dropped to $27.7bn in 2011 and accounted for 20.8% of the total. In parallel, the U.S. continues to be the largest donor by volume, with net ODA flows totaling $30.7bn in 2011, down 0.9% in real terms from 2010, and accounting for 23% of total net ODA. It was followed by Germany with $14.5bn (11%), the United Kingdom with $13.7bn (10.3%), France with $13bn (9.7%) and Japan with $10.6bn (7.9%). Total net ODA by the 27-EU member states was $73.6bn in 2011 and accounted for 55% of total net ODA.
Source: OECD

MENA

ICT readiness lags global trends

The World Economic Forum/INSEAD Business School's Network Readiness Index for 2012 shows that the average score for the 15 Arab countries included in the survey reached 3.82 points in 2012. The Arab countries' average score came below the global average score of 3.96 points in 2012, as well as below those of Central & Eastern Europe (4.0.7 points) and the Commonwealth of Independent States (3.7 points), but above the average scores of Latin America (3.56 points) and Sub-Saharan Africa (3.14 points). The index reflects the factors driving networked readiness, which is the capacity of countries to fully benefit from new information and communication technologies (ICT) in their competitiveness strategies and their citizens' daily lives. The index is a composite of four sub-indices that cover the environment for ICT, the readiness of a society to use ICT, the actual usage by the main stakeholders, and the impact that ICT generates on the economy and society. The WEF and INSEAD added a fourth sub-index this year, which prevents comparisons of the index's new results with previous years. Bahrain was the region's top-ranked country on the index and came in 27th place globally, followed by Qatar in 28th place and the UAE in 30th place as the only Arab countries to rank among the top 30 worldwide among 142 countries. In contrast, Syria (129th), Mauritania (139th) and Yemen (141st) were the lowest-ranked Arab economies.
Source: World Economic Forum

OUTLOOK

MENA

Growth prospects improve, major challenges remain

The International Monetary Fund revised economic growth in the Middle East & North Africa to 4.2% in 2012 from a January forecast of 3.2%, and compared to growth of 5.7% for emerging and developing economies and of 3.5% for the global economy in 2012. It expected the region's oil exporting countries to grow by 4.8% in 2012 compared to 4.2% in 2011, mainly due to the rebound in activity in Libya; and forecast growth in oil importing economies to accelerate to 2.2% this year from 2% in 2011. It said oil importers' major growth constraints include high oil prices, weak tourism activity, and lower trade and remittances flows. It warned that the reemergence of the crisis in Europe would lower the MENA region's output by about 3.2 percentage points, which would constitute the largest spillover impact for any region because of trade linkages with Europe and potential weaker oil prices. It added that a relatively modest fall in oil prices would lead to budget deficits in oil exporting countries due to their increasing government expenditures.

The Fund considered that the region's primary challenges consist of restoring political and economic stability, as well as placing public finances on a sustainable track. It called for a medium-term growth agenda that establishes strong institutions to stimulate private sector activity, increase access to economic opportunities, and reduce unemployment. It noted that increased spending on fuel and food subsidies, along with pressure to raise public wages and pensions are not fiscally sustainable over the medium-term. It pointed out that the further targeting of general subsidies and reforming fuel subsidies would help ease the pressure on public finances. Further, the IMF said that a key medium-term fiscal policy objective for the region should be the reorientation of fiscal policies towards the promotion of productive investments.

Source: International Monetary Fund

GCC

Non-hydrocarbon sector to grow by 5.5% in 2012

The Institute of International Finance projected real GDP growth in the economies of the Gulf Cooperation Council (GCC) at 4.9% in 2012 compared to 6.9% in 2011, and forecast the region's non-hydrocarbon sector to expand by 4.5% this year relative to 4.9% last year. It said that a sharp increase in oil production, along with a surge in public spending, helped lift the region's growth rate last year. It pointed out that growth this year will be supported by the sizable contribution of the hydrocarbon sector, as it projected oil output to increase by 5.5% in 2012. It added that high oil prices will continue to boost government revenues and to benefit other sectors, and noted fiscal policy will remain expansionary and monetary policy will stay accommodative. It expected Qatar and Saudi Arabia to be the main drivers of economic activity in the region and to post real growth rates of 8.3% and 5%, respectively this year. Also, it forecast non-hydrocarbon growth at 8% in Qatar, 7.5% in Oman, 5% in Saudi Arabia, 4.5% in Bahrain, 4.2% in the UAE, and 3.3% in Kuwait. Further, it expected average inflation to remain at around 3% across the GCC economies this year, with average rates of 4.5% in Saudi Arabia and of 3.1% in each of Kuwait and Oman.

The IIF said that the risks to the outlook for the GCC countries are significant, but are difficult to quantify. It pointed out that a large drop in Iran's oil exports from sanctions, in the absence of a military confrontation, would have a positive impact on the GCC's outlook. It said that this scenario would require significantly higher oil output from GCC economies, which would raise growth rates and increase hydrocarbon receipts and government spending. However, it warned that an escalation of the crisis into a military conflict with Iran would significantly damage the region's economies. In parallel, the IIF projected the consolidated fiscal surplus of the GCC to widen to 12% of GDP in 2012 from 11.4% of GDP in 2011 with an average oil price of $114 per barrel for Brent and with oil production remaining at the level registered in the first quarter of the year. It said that the breakeven oil prices that would balance the budgets of all GCC countries are well below the expected average Brent oil price for this year. It projected the region's overall current account balance to increase from $327bn in 2011 to $358bn in 2012. It also forecast the region's net foreign assets to reach $1.9 trillion at end-2012, equivalent to 127% of GDP.

Source: Institute of International Finance

LIBYA

Banking sector's balance sheet to deteriorate, currency peg to maintain confidence

The International Monetary Fund expected the balance sheet of the Libyan banking sector to deteriorate as a result of last year's conflict. It anticipated that economic disruptions would delay loan repayments, as asset quality worsened through physical destruction. It said that loans made to entities of the former regime may be irrevocable. It added that the threat of legal challenges to the seizure of property by the former regime creates potential risks for the banking sector, particularly if the properties have been used as collateral. It indicated that financial sector reforms before the revolution included the partial privatization and the involvement of foreign partners in six out of the 16 banks operating in the country. It noted, however, that much of the banking system remains under government control, while state-owned specialized credit institutions play a major role in the sector. The Fund noted that banks' lack of access to foreign currencies last year constrained commercial banking operations, undermined public confidence in banks, and further prompted the private sector to accumulate cash.

In parallel, the IMF said that the unfreezing of Libya's foreign assets allowed the Central Bank of Libya (CBL) to provide foreign exchange liquidity to banks, which would normalize the demand for dinar banknotes and the operations of commercial banks. It added that the announcement by the CBL that it intends to maintain the exchange rate peg has strengthened the confidence in the value of the dinar. It expected the restoration of the non-cash payment system to also help reduce demand for cash. It noted that loan repayments affected the change in the stock of credit last year, primarily through salary deductions and limitations on trade financing due to constraints on access to foreign exchange.

Source: International Monetary Fund

ECONOMY & TRADE

MENA

Insurance sector to face increasing challenges

A survey of CEOs of insurance firms in the MENA region shows that 57% of respondents consider that the insurance industry in the region will face more challenges than opportunities in 2012. But it noted that 85% of respondents think that their individual insurance companies are more likely to face opportunities than challenges this year. Further, it said that 86% of investors are optimistic about the insurance sector in the region, as 72% of investors are optimistic but hesitant to invest more this year due to increased market volatility and 14% that are optimistic and ready to invest further in the industry. In contrast, it noted that 14% of investors are pessimistic about the insurance market but intend to keep their investments in the industry this year. In parallel, 43% and 57% of respondents said that claims and cost ratios, respectively, will come under critical pressure in 2012 compared to last year; while none of the respondents considered that the pressure will decrease this year. The survey revealed that 43% of CEOs believe that investment returns will come under critical pressure, while around 29% consider that pressure will increase from last year. It added that 29% of respondents anticipated more pressure on their ability to service debt or to invest in new ventures. In parallel, the survey found that 67% of CEOs expect more foreign companies to enter the insurance markets in the region through joint ventures, acquisitions or new companies. Further, it noted that 57% of respondents consider that brokers will become a more important distribution channel, relative to 43% of respondents who think that bancassurance will become a more significant distribution channel this year.

Source: Oliver Wyman, MENA Insurance CEO Club

SAUDI ARABIA

Youth unemployment rate at 36%

Figures released by Saudi Arabia's Ministry of Labor show that the unemployment rate for Saudis who are between 20 and 35 year-old is 36% as implied by the number of unemployed benefiting from the Hafiz program. The program, which was implemented late last year, pays unemployed Saudis between the ages of 20 and 35 SAR2,000 per month for up to one year. The unemployment rate among women under 35 years is 74%, while that among men is around 12%. The ministry said that around one million unemployed citizens, including 800,000 women and 200,000 men in this age bracket are receiving unemployment benefits. It added that the number of beneficiaries increased by 40% in March compared to February, and by 170% from December when the program started to pay the monthly subsidy. It noted that unemployment in Kingdom costs the government SAR5.5bn a year. Recent government figures show the labor force participation rate, which measure people who are in jobs or who say they are looking for work, at 36.4%, which is about half the global average. Around 90% of working Saudis are employed by the government, while 90% of jobs in private companies are filled by about 8 million foreigners. Last January, the Ministry of Labor said the kingdom needed to create 3 million jobs for Saudi nationals by 2015 and 6 million jobs by 2030, partly through the "Saudization" of the workforce.

Source: Ctigroup

SOUTH SUDAN

Country becomes member of IMF, World Bank and multilateral institutions

The International Monetary Fund and the World Bank announced that South Sudan has become a member of the two multilateral organizations. The IMF said that South Sudan faces enormous challenges and that it will assist the country to set up the foundations for economic stability and growth. The Fund added that it is coordinating with donors and technical assistance providers to support South Sudan through an $11m trust fund for capacity-building over the next four years. South Sudan applied for membership to the IMF in April 2011 prior to becoming an independent country in July 2011. South Sudan's becomes the Fund's 188th member and its initial quota is about $189.3m. In parallel, the World Bank said that South Sudan has some of the lowest education, health, and other human development indicators in the world, and that more than half of the population lives below the poverty line. But it noted that the country has rich agricultural and forestry potential, in addition to significant oil reserves. The World Bank has been engaged in South Sudan's development since 2005 through the Multi-Donor Trust Fund for Southern Sudan, which is funded by 13 donors and the Bank. The fund has disbursed so far about $505m out of $541m in commitments. South Sudan also became a member of the International Finance Corporation, the International Development Association, the International Centre for Settlement of Investment Disputes, and the Multilateral Investment Guarantee Agency.

Source: International Monetary Fund, World Bank

ARMENIA

Economic growth environment improves

Global investment bank Goldman Sachs ranked Armenia in 95th place among 183 countries globally on its Growth Environment Scores index (GES) for 2011, down from 93rd place in 2010 and from 79th place in 1997. It also ranked Armenia in fourth place among 12 countries that form the Commonwealth of Independent States (CIS), unchanged from the previous year but down from first place in 1997. The GES consists of six broad categories of growth criteria that are Macroeconomic Stability that covers inflation, government deficits and external debt as a percentage of GDP; Macroeconomic Conditions such as investment rates and openness of the economy; Political Conditions as reflected by political stability, the rule of law and corruption; and Human Capital and Technological Capabilities. Globally, Armenia ranked ahead of Morocco, Russia and Colombia and came behind Iran, Albania and Peru; while it ranked ahead of Russia and Kazakhstan and behind Turkmenistan and Azerbaijan in the CIS. Armenia received a score of 4.93 points, below the global average of 5.1 points but above the CIS average of 4.85 points. The scores of all 12 countries of the CIS improved year-on-year.

Source: Goldman Sachs

BANKING

EMERGING MARKETS

Bank funding conditions tighten in first quarter of 2012

The Emerging Markets Bank Lending Conditions Survey indicated that the Lending Conditions Index reached 48.6 in the first quarter of the 2012, compared to 44.7 in the previous quarter and 54.9 in the same quarter of 2011. The survey said that the index remained below 50 for the third consecutive quarter, implying a continued deterioration in overall lending conditions. The survey said that 30.3% of respondent banks indicated that demand for commercial and industrial loans decreased in the first quarter of 2012 relative to 26.6% of respondents who considered that demand for commercial real estate loans dropped. Also, it noted that 27.5% of respondents acknowledged that residential real estate loans declined in the first quarter of 2012 compared to 24.6% of respondents who said considered that demand for consumer loans contracted. The survey added that emerging market banks continued to tighten their credit standards in the first quarter of 2012. In parallel, the survey revealed a further tightening in bank funding conditions in the first quarter of the year, but at a slower pace than in the preceding quarter. It said that 41.6% of respondent banks indicated an overall tightening in international funding conditions, compared to 22.3% that acknowledged an overall tightening in domestic funding conditions. However, the survey noted that funding conditions improved in Emerging Europe, where local and external funding conditions eased for the first time in a year, with 37% of the banks reporting an overall easing in international funding relative to 28% respondents acknowledging a tightening. The survey is addressed to senior loan officers, chief credit officers or other senior officers in equivalent positions at 200 banks based in emerging market countries.

Source: Institute of International Finance

GHANA

Weakening currency drives policy rate increase

Citigroup indicated that the Bank of Ghana's (BoG) decision to raise its Monetary Policy Rate (MPR) by a further 100 basis points to 14.5% on April 13 is driven by concerns over the weakening of the Cedi in early 2012. It said the BoG is worried that further cedi weakness would significantly and negatively impact inflation, which reached 8.8% in March 2012 and already exceeded its target of 8.5% for end-2012. It noted that raising interest rates would significantly help stabilize the currency as was the case in other countries in Sub-Saharan Africa last year. It added that most foreign portfolio investors in Ghana's local government debt market bought three year bonds in 2009 when rates were high, while the current general sentiment is to exit due to the cedi's weakness rather than to invest new funds despite the increase in rates. Further, it considered that the rate increase would encourage Ghanaians to hold cedi assets rather than buy foreign currency, but it noted that this shift would take time. In parallel, it said that monetary policy has been relatively tight since mid-2010, but the cedi has steadily weakened since August 2011. As such, it noted that further rises in the MPR would be very hard to justify unless inflation surged drastically in the coming months.

Source: Citigroup

UAE

Central Bank limits banks' exposure to government entities

The Central Bank of the UAE introduced new limits for loans made to local governments and their entities, tightened the aggregate limits to quasi-sovereign exposures, and reduced the exposure limits to a bank's subsidiaries and affiliates. The Central Bank set new limits of 100% of the capital base for all lending by a bank to the governments of the seven emirates and their non-commercial entities, and at 25% of the capital base to each of the governments or their non-commercial entities. It also set new limits of 100% of the capital for all lending by a bank to commercial entities of the federal government and those of local governments; as well as a limit of 25% of the capital base for lending by a bank to each entity, with a cap of 15% for long-term lending per entity. In parallel, the Central Bank relaxed banks' exposure limits to the private sector and related-parties. It introduced a limit of 50% of the capital base for aggregate lending by a bank to shareholders who own 5% or more of the bank's capital and related entities, with a cap of 25% of the capital base for aggregate long-term lending to these shareholders. It also increased the limit to 20% of the capital base for lending to each shareholder from 7% previously, with a cap of 10% for long-term lending to each borrower. In parallel, it reduced the exposure limits to 25% of the capital base for all lending to a bank's subsidiaries and affiliates from 60% previously, and to 10% of the capital base from 20% previously to individual borrowers.

Source: Deutsche Bank, UAE Central Bank

CHINA

Central Bank widens currency trading band

Credit Suisse indicated that the People's Bank of China's (PBoC) decision to widen the daily trading band of the yuan against the US dollar to 1% from 0.5% constitutes a preparation for the internationalization of the Chinese yuan as well as a maneuver to deflect criticism about the undervaluation of the Chinese currency. It expected the band to widen further to between 2% to 3% in the next few years. However, it considered that the widening of the daily trading band is not a guarantee of an appreciation or a depreciation of the currency. It said that the fundamentals for a currency appreciation have deteriorated, as growth has slowed, financial risks have risen, capital outflows have intensified, and the current account surplus has narrowed. In parallel, Citigroup considered that the move reflects China's view that the yuan is getting closer to equilibrium level against a backdrop of a narrowing trade surplus and occasional capital outflows, increased two-way fluctuations of the currency in the spot market, and a recent reversal of expectations of a yuan appreciation in the non-deliverable forward market. Further, Citigroup expected an appreciation of 1% to 2% of the yuan against a relatively strong US dollar in 2012. It anticipated that a wider band would lead to more currency volatility, but it noted that the PBoC would still influence the value of yuan through the daily fixing and market intervention. It said that widening the trading band against the US dollar raises expectations of broader financial reforms.

Source: Credit Suisse, Citigroup

ENERGY / COMMODITIES

Brent steady at $118 as investors remain cautious

The WTI-Brent spread is expected to narrow in the second half of 2012, where it increased from around $10 a barrel at end-January to $20 a barrel in early April 2012, with West Texas Intermediate (WTI) prices depressed by a rapid build up of inventories at Cushing in Oklahoma. Brent crude oil futures traded at $118.4 a barrel on April 19, while U.S. crude traded at $102.6 per barrel. Oil prices increased as investors awaited a key Spanish debt auction amid worries that the Eurozone debt crisis could erupt again. Also, oil prices have been rising strongly in 2012 due to Iran threatening to close the Strait of Hormuz amid increased U.S. and EU sanctions.

Further, Saudi Arabia filled its storage facilities inside the country and abroad, making it well-placed to meet a seasonal increase in demand from refiners. The International Energy Agency said that Saudi Arabia has also reduced its selling prices for benchmark Arab Light for both European and Asian customers. Also, the Dow-Jones UBS Brent Crude Sub-index increased by 0.7% in March, while the WTI Crude Oil Sub-index declined by 4.2% during the month.
Source: Goldman Sachs, Financial Times

OPEC output rises to above 31 million bpd in March

Crude oil production from the Organization of Petroleum Exporting Countries (OPEC) averaged 31.4 million barrels per day in March, up from 31.3 million barrels per day in February 2012. Production increases totaled 320,000 barrels per day from Iraq, Libya and Saudi Arabia, which were offset by a decline of 200,000 barrels per day from Angola and Iran. Oil output from the 12-member countries rose in February to its highest level since October 2008 due to a further recovery in Libya's production and higher supplies from Angola and Saudi Arabia.
Source: Platts Survey

Iran crude oil output to fall by one million barrels per day by the end of June

Iran's crude oil production is expected to fall by one million barrels per day by the end of June from January 2012 to around 2.5 million barrels per day, as refiners cut demand from Iran faster than expected. EU and U.S. sanctions on countries importing Iran's crude oil exports will take effect staring July 1st. Energy experts said that cuts in Iranian crude imports by European, South African and Japanese refineries so far in 2012 had not yet been offset by Chinese buying. Iran's oil exports fell by 300,000 barrels per day, or 14%, in February 2012.
Source: Thomson Reuters

South Sudan stops oil production in oil-rich Heglig area

The government of South Sudan suspended oil production in Heglig region on April 11th. The halt in oil production followed the capture of Heglig, an oilfield situated in the disputed border region between the two countries, by the Sudan People's Liberation Army. Oilfileds in the Heglig region produce around half of South Sudan’s total daily oil output.
Source: Sudan Tribune

Base metals: Zinc supply growth to increase in 2012 on higher mine supply

Zinc for three-month delivery increased by 3% to $1,995 a ton on April 19 at the London Metal Exchange. Also, Zinc stockpiles monitored by the LME rose by 0.5% to 899,825 tons, the highest level since May 1995. Japan's zinc demand is expected to increase by 7.2% in 2012 to a four-year high as the economy recovers from an earthquake, and the weaker yen helps boost exports.

In parallel, the impact of fiscal tightening in major economies is expected to raise zinc demand growth to an average of 4.4% in 2012-13 from 1.2% in 2011. The growth in global refined zinc production is projected at 4% in 2012-13, up from 1.8% in 2011 due to strong growth in mine supply. Further, the Dow-Jones UBS Aluminum Sub-index decreased by 9.3% in March, while the Copper Sub-index declined by 1.4%. The Dow-Jones Nickel Sub-index declined by 7.6% and the Lead Sub-index decreased by 5.6% last month. Overall, the Dow-Jones Industrial Metals Sub-index declined by 5.4% in March.
Source: Economist Intelligence Unit, Bloomberg

Precious metals: Gold prices decline on lower investor activity

Spot gold prices declined by 0.1% to $1,639 an ounce on April 19, as investors remained cautious on the outlook for peripheral economies and were awaiting more clues on global growth. Gold is regarded by many investors as a safe-haven asset that provides insurance in times of financial market turmoil. Gold prices reached new record highs in 2011 before a strengthening U.S. dollar and selling by speculative investors led to a slight drop in prices. Also, the U.S. Federal Reserve said that another round of quantitative easing which weighed on bullish sentiment in the gold market is unlikely. A potential escalation of the tensions with Iran is pushing prices higher. The Dow-Jones UBS Gold Sub-index decreased by 2.5% in March, while the Silver Sub-index declined by 6.2% during the month. Also, the Dow-Jones Platinum Sub-index decreased by 3.1% last month. Overall, the Dow-Jones Precious Metals Sub-index decreased by 3.4% in March.
Source: Julius Baer, Thomson Reuters

Global Commodity Outlook

(3-months LME, $/ton)	2011	2012f	2013f
Aluminum	2,434	2,225	2,500
Copper	8,814	8,750	10,750
Lead	2,377	2,250	2,600
Nickel	22,940	21,375	21,000
Tin	26,347	26,000	25,500
Zinc	2,209	2,200	2,450
(Spot price, $/ounce)			
Gold	1,588	1,863	2,000
Palladium	732	700	850
Platinum	1,725	1,750	2,050
Silver	36	34	37

Source: Standard Chartered

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 (%)
Africa													
Algeria	- -	- -	- -	- -	BB Stable	-2.6	10.7	1.9	4.8	1.7	2.1	13.7	1.3
Angola	BB- Stable	Ba3 Stable	BB- Stable	- -	BB Negative	7.9	29.9	17.4	28.2	8.9	-	12.0	10.7
Egypt	B Negative	B1 Negative	BB- Negative	BB+ Negative	CCC Stable	-9.9	76.2	13.8	73.4	7.8	128.6	-1.9	2.4
Ethiopia	-	-	-	-	B Stable	-2.1	39.4	-	165.9	-	-	-6.3	0.7
Ghana	B Stable	- -	B+ Stable	- -	BB Positive	-4.2	38.1	19.4	50.1	-	-	-6.5	7.7
Ivory Coast	- -	- -	- -	- -	CCC Stable	-6.4	93.3	48.7	108.3	-	-	1.0	1.7
Libya	BB Negative	- -	B Stable	- -	B Stable	-	-	8.6	-	2.0	-	-	3.6
Mauritania	- -	- -	- -	- -	- -	-2.8	62.0	70.0	96.6	-	700.0	-7.5	0.3
Morocco	BBB- Stable	Ba1 -	BBB- Stable	BBB- Stable	B Stable	-5.8	54.2	28.4	75.7	9.1	120.1	-5.2	0.8
Nigeria	B+ Stable	- -	BB- Stable	- -	B Stable	0.4	15.7	5.0	12.4	0.4	-	13.5	2.6
Sudan	- -	- -	- -	- -	C Stable	-2.8	78.2	61.0	301.6	-	4,825	-7.3	2.3
Tunisia	BBB- Negative	Baa3 Negative	BBB- Negative	BBB Stable	B Stable	-4.1	41.7	58.2	111.3	8.4	285.6	-5.7	3.2
Middle East													
Bahrain	BBB Negative	Baa1 Negative	BBB Negative	BBB+ Negative	BB Stable	-7.7	34.2	75.3	66.1	8.2	340.9	12.6	-0.9
Iran	- -	- -	B+ Stable	BB- Stable	CCC Stable	2.4	9.2	3.0	10.9	2.1	14.3	7.8	0.8
Iraq	- -	- -	- -	- -	CCC Stable	-8.7	42.3	37.1	53.2	-	72.4	-0.9	1.7
Jordan	BB Negative	Ba2 Negative	- -	BB Stable	B Stable	-6.1	68.5	23.8	53.4	5.1	59.8	-6.7	6.4
Kuwait	AA Stable	Aa2 Negative	AA Stable	AA- Stable	A Stable	23.6	4.5	26.0	41.7	7.0	184.3	33.5	-1.5
Lebanon	B Positive	B1	B Stable	B Stable	CCC Stable	-8.3	134.0	158.0	264.7	14.7	208.5	-14.1	11.2
Oman	A Negative	A2 -	- -	A Stable	A Stable	10.9	4.0	12.3	17.2	-	59.0	14.5	2.9
Qatar	AA- Stable	Aa2 Stable	- -	AA- Stable	AA Stable	7.7	38.2	70.1	115.5	7.8	703.9	32.6	2.9
Saudi Arabia	AA- Stable	Aa3 Stable	AA- Stable	AA- Stable	BBB Stable	9.4	7.1	18.0	30.1	2.1	19.7	20.6	5.4
Syria	- -	- -	- -	BB- Stable	CCC Stable	-11.0	27.5	11.0	36.8	-	43.6	-6.1	2.4
UAE	- -	Aa2 -	- -	AA- Stable	BB Stable	5.8	18.5	44.4	53.5	7.2	293.3	10.3	0.6
Yemen	- -	- -	- -	B- Negative	CC Stable	-7.1	42.9	18.0	58.4	-	244.4	-5.3	-1.3

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 Negative	BB- Stable	- -	- -	-3.8	41.5	65.5	304.5	-	352.6	-11.7	6.4
Bulgaria	BBB Stable	Baa3 Stable	BBB- Stable	- -	BB Stable	-2.1	17.8	84.7	90.3	19.3	240.1	1.6	4.0
Kazakhstan	BBB Stable	Baa2 -	BBB- Stable	- -	BBB Stable	1.7	12.9	67.7	138.4	40.5	312.9	5.9	1.5
Romania	BB+ Stable	Baa3 -	BBB- Stable	BBB- Negative	BB Stable	-4.4	34.4	72.3	189.9	24.6	256.0	-4.5	2.1
Russia	BBB Stable	Baa1 Positive	BBB Stable	- -	BBB Stable	1.9	11.7	22.5	73.7	9.7	75.4	5.5	-0.7
Turkey	BB Positive	Ba2 Positive	BB+ Stable	BB Stable	B Stable	-0.8	40.3	44.2	184.9	28.6	361.8	-10.3	1.0
Ukraine	B+ Negative	B1 Negative	B Stable	- -	CCC Positive	-4.1	39.3	79.0	145.9	36.5	316.4	-3.9	4.2

Sources: International Monetary Fund; Economist Intelligence Unit - The above figures are estimated for 2011

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	13-Mar-12	No change	24-Apr-12
Eurozone	Refi Rate	1.00	04-Apr-12	No change	03-May-12
UK	Bank Rate	0.50	05-Apr-12	No change	09-May-12
Japan	O/N Call Rate	0-0.10	13-Mar-12	No change	10-Apr-12
Australia	Cash Rate	4.25	03-Apr-12	Cut 25bps	01-May-12
New Zealand	Cash Rate	2.50	08-Mar-12	No change	26-Apr-12
Switzerland	3 month Libor target	0.00	15-Mar-12	No change	14-Jun-12
Canada	Overnight rate	1.00	08-Mar-12	No change	17-Apr-12
Emerging Markets					
China	One-year lending rate	6.56	06-Jul-11	Raise 25bps	N/A
Hong Kong	Base Rate	0.50	Mar-12	No change	24-Apr-12
Taiwan	Discount Rate	1.88	22-Mar-12	No change	28-Jun-12
South Korea	Base Rate	3.25	08-Mar-12	No change	13-Apr-12
Malaysia	O/N Policy Rate	3.00	09-Mar-12	No change	03-May-12
Thailand	1D Repo	3.00	21-Mar-12	No change	02-May-12
India	Reverse repo rate	8.00	17-Apr-12	Cut 50bps	May-12
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	9.25	24-Nov-11	Raise 100 bps	N/A
Turkey	Base Rate	5.75	27-Mar-12	No change	18-Apr-12
South Africa	Repo rate	5.50	29-Mar-12	No change	24-May-12
Kenya	Central Bank Rate	18.00	Apr-12	No change	May-12
Nigeria	Monetary Policy Rate	12.00	20-Mar-12	No change	21-May-12
Ghana	Prime Rate	13.50	Feb-12	No change	Apr-12
Angola	Rediscount rate	20.00	06-Apr-11	Cut 50bps	N/A
Mexico	Target Rate	4.50	16-Mar-12	No change	27-Apr-12
Brazil	Selic Rate	9.75	07-Mar-12	Cut 75bps	18-Apr-12
Armenia	Refi Rate	8.00	07-Mar-12	No change	N/A
Romania	Policy Rate	5.25	30-Mar-12	Raise 25bps	N/A
Bulgaria	Base Interest	0.15	01-Apr-12	No change	N/A
Kazakhstan	Refi Rate	6.5	02-Apr-12	Cut 50bps	N/A
Ukraine	Discount Rate	7.75	10-Aug-10	Cut 75bps	N/A
Russia	Refi Rate	8.00	26-Dec-11	Cut 25bps	N/A

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