

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Fixed income trading volume down 4% to \$1,680bn

The Emerging Markets Traders Association indicated that trading in emerging markets debt instruments stood at \$1,680bn in the third quarter of 2007, down 4% from \$1,754bn in the previous quarter, but up 5% from the third quarter of 2006. It attributed the decline to global financial market turbulence, adding that the asset class remained relatively strong compared to other credit markets. The volume of trades in local Treasury instruments stood at \$1,191bn, up 7% from the previous quarter and by 16% from the same period last year. In parallel, Eurobonds' trading volume stood at \$468bn in the third quarter, down 22% from \$600bn in the second quarter of 2007 and 14% from \$544bn in the same period last year. Eurobonds from Brazil, Russia and Venezuela were the most traded. Further, the volume of traded corporate bonds declined by 30% to \$148bn on a quarterly basis but was still up by 56% from the same period last year. Local instruments accounted for 71% of total debt trades in the third quarter, its highest level since 1997, while Eurobonds' market share stood at 28%, its lowest level since 1999 when Brady bonds dominated the industry. Corporate market share stood at 9% of overall trading. The most frequently traded instruments in the third quarter were Mexican debt securities at 20%, followed by Brazilian instruments at 19% and Argentine debt securities at 9%. Other frequently traded instruments were from South Africa, Turkey, Russia and Poland.

Source: Emerging Markets Traders Association

Corporate bonds and loans issuance declines

Fitch Ratings indicated that the issuance of bond and loan volumes in Europe, the Middle East & Africa (EMEA) region regressed in the third quarter of this year relative to quarterly trends over the past few years, as market turmoil across the financial markets continued to challenge the growth prospects of financial institutions and limit the financing alternatives for an increasing number of issuers. The agency noted that just €66bn worth of corporate bonds were issued in the EMEA, less than half of the €358.2bn issued in the second quarter of the year, and down 28.5% from the €322bn issued in the third quarter of 2006. After a strong start to the period and given the relative unattractiveness of capital markets, syndicated loan volumes still managed to total \$418bn and, exceeded the volume of loans written in the third quarter of 2006. Fitch said the effects of the liquidity squeeze were most evident in the leveraged loan end of the market where volumes were down 49% from just a year earlier. The low level of issuance in the third quarter kept the total of corporate bonds outstanding in EMEA at €6,300bn at the end of the period. It added that the vast majority of new issuance and outstanding issuance are highly rated securities and despite the uncertainties in the market, fundamentals still remain intact, which continues to reflect the low level of defaults.

Source: Fitch Ratings

JORDAN

Free trade agreement with Canada in second half of 2008

Canada declared that it could sign a free trade agreement with Jordan in the second half of next year if negotiations run smoothly over the coming few months. Jordan would become the second country in the Middle East, after Israel, to have an FTA with Canada. Trade & Industry Minister David Emerson said the free trade agreement will have more of a political and strategic significance than commercial weight due to the small trade volume between the two countries compared to large volumes of Canadian business with the rest of the world. He stressed the need to have bilateral accords to avoid double taxation, to secure foreign investment and promotion, air service, tariffs on goods and rules of origin, among others.

Source: Jordan Times

ALGERIA

President Bouteflika may run for a third term

Prime Minister Abdelaziz Belkhadem announced that President Abdelaziz Bouteflika will soon seek to amend the constitution to run for a third term in 2009. Under article 74 of the Algerian constitution, the president serves a five-year term and may be re-elected just once. But Bouteflika has been elected twice, in 1999 and 2004, and is due to leave office in 16 months. The Prime Minister called on members of Parliament of the National Liberation Front (FLN) to support the efforts for a third term by backing the draft law to amend the constitution once it is submitted to parliament. In parallel, the government was expected to hold a referendum on the revision of the country's constitution later this year to propose a shift from a parliamentary to a presidential system.

Source: Magharebia News

GCC

Credit ratings unaffected by inflation or forex changes

Standard & Poor's indicated that the creditworthiness of Gulf Cooperation Council states will remain unaffected either by rising inflation or by changes in the exchange rate regime. The agency said the consequences of the inflationary spiral, which sparked speculation of possible changes in the GCC exchange rate regimes, are offset by revenues from oil and gas exports, which are the dominant source of the wealth in the region. In addition, GCC states benefit from the booming non-oil sector and the low level of dependence of public investment on tax revenues. S&P added that changes in the region's exchange rate regimes would likely further delay the formation of the GCC monetary union. But given that the economic benefits of such a union would be more political in nature, the delay will not have a direct effect on sovereign creditworthiness because the ratings on GCC countries are primarily driven by balance sheet strength, which will be unaffected, and constrained mainly by regional geopolitical risks.

Source: Standard & Poor's

OUTLOOK

SYRIA

Non-oil GDP growth to average 5.4% in 2007-08

In its semi-annual economic outlook for the Middle East and Central Asia region, the International Monetary Fund projected Syria's real GDP growth at 3.9% for 2007, slightly down from 4.4% last year, and at 3.7% in 2008 compared to an average of 6% in 2007-08 for the MENA region. Non-oil GDP is forecast at 5.8% this year and 5% next year, down from 6.5% in 2006, and compared to an average growth of 7% for oil-exporting countries. It expected the country's nominal GDP to reach \$37.4bn this year and \$39.4bn in 2008, up from \$35bn in 2006. The IMF forecast Syria's annual average inflation rate at 7% in 2007 and 2008, down from 10% a year earlier. Also, it expected the growth of broad money to be at 13.3% this year and 12.4% in 2008, after rising by 7.3% in 2006.

The Fund projected the central government's overall fiscal balance to post a deficit of 4.7% of GDP this year and 5.5% of GDP in 2008 compared to 5.7% of GDP in 2006; and to post a non-oil fiscal deficit of 11% of GDP this year and 10.7% of GDP in 2008. It estimated public revenues at 22% of GDP in 2007 and at 22.2% next year, and total expenditures at 26.6% of GDP this year and 27.6% of GDP in 2008. The IMF expected Syria's public debt to remain stable at 49.7% of GDP at end-2007 and 50% of GDP at end-2008, almost unchanged from 51.3% of GDP in 2006. It also forecast total gross external debt at 17% of GDP this year and 17.4% of GDP next year, down from 19.4% of GDP in 2006. Further, the country's current account balance is projected to post a deficit of 5.6% of GDP this year and 6.6% of GDP in 2008 compared to an average surplus of 14.6% of GDP in 2007-08 for the MENA region. The Fund expects the country's gross official reserves to reach \$16.7bn at end-2007 and \$16.2bn at end-2008.

Source: International Monetary Fund

ANGOLA

Economic growth to average 25% in 2007-08

The International Monetary Fund projected Angola's real GDP growth at 23.1% for 2007 and 27.2% in 2008 relative to 18.6% in 2006, and compared to growth in oil exporting countries of 7.6% in 2007 and 10.6% in 2008. It expected the country's real non-oil GDP to grow by 32.4% in 2007 and 25.5% in 2008, up from 29.8% in 2006, and compared to non-oil GDP growth of 13.6% in 2007 and 11.4% in 2008 in oil exporting countries. The IMF forecast Angola's annual average inflation rate at 12% in 2007 down from 13.3% a year earlier, and projected a further decrease to 9% next year compared to inflation rates of 6.1% and 6.7% in 2007 and 2008, respectively, for oil exporting economies. Also, it expected the growth of broad money at 28.8% this year and 23% in the coming year. The Fund projected the central government's fiscal balance to post a surplus of 2.2% of GDP in 2007 and 6.1% of GDP in 2008, down from 14.8% of GDP in 2006, and compared to surpluses in oil exporting peers of 3.8% in 2007 and 7.4% in 2008. It estimated public revenues at 34.4% of GDP this year and 36% of GDP in 2008, and total expenditures at 32.3% of GDP in 2007 and 30% of GDP in 2008.

The IMF expected Angola's external debt to official creditors to regress to 6.7% of GDP at end-2007, and to continue its decline to 5% of GDP at end-2008. Further, the country's current account surplus is projected at 7.9% of GDP in 2007 and at 11% of GDP in 2008, down from 23.7% of GDP in 2006. In comparison, oil exporting countries are forecast to post current account surpluses of 3.6% of GDP this year and 7% of GDP next year. The Fund expects the country's gross official reserves to reach 5.2 months of imports of goods and services at end-2007 and at 6.3 months of imports of goods and services at end-2008.

Source: International Monetary Fund

ALGERIA

Non-hydrocarbon growth and reforms key to long-term performance

In its Article IV Consultation, the International Monetary Fund indicated that the ongoing reforms in Algeria are starting to show tangible results, as non-hydrocarbon GDP growth is likely to reach 6% in 2007, prudent monetary policy is likely to keep inflation at around 4% despite rising food prices, and the external position continues to strengthen with a high level of official reserves. It added that the non-hydrocarbon budget deficit is expected to widen as a result of the public investment program, but the fiscal balance remains strong due to the high level of oil and gas revenues that have boosted the Hydrocarbon Stabilization Fund.

The IMF noted that these favorable developments should continue in 2008, as growth in the hydrocarbon sector is likely to resume, while growth in the non-hydrocarbon sector should accelerate thanks to the strength of services and construction, and the revival of industrial activity. Further, Algeria's external position is projected to improve with a current account surplus reaching 25% of GDP, while hydrocarbon revenues are likely to keep the overall budget surplus at high levels despite the expected surge in government spending in 2008.

The IMF considered that the main policy objective of Algerian authorities is to sustain this favorable performance in the years ahead in order to reduce the country's reliance on hydrocarbon production and diversify its economy, reduce unemployment, and improve standards of living. It added that the main challenge to achieve these goals is to sustain non-hydrocarbon growth by ensuring that rising government spending does not trigger a rise in inflation, and for public spending to focus on improving Algeria's infrastructure and human capital without expanding the government's role in the economy. It called for continuing economic reforms to promote private sector activity and boost productivity through reinvigorating the financial system, modernizing the tax system, and deepening the country's integration into the global and regional economies.

Source: International Monetary Fund



ECONOMY & TRADE

SYRIA

Launch of stock market postponed indefinitely

The chairman of the Damascus Stock Exchange (DSE) stated that the bourse's opening has been indefinitely postponed, adding that meeting the deadline was no longer a priority. The stock market was supposed to open this year and then in the first quarter of next year. But the equipment needed to run the market's operations has yet to arrive, while staff training has faced delays. He said that the number of companies to be listed was still limited although it was not clear whether he considered this as an obstacle to the launch of the stock market.

Source: *Syria Report*

ALGERIA

Inflation at 3.4% in year to October

Figures released by the National Statistics Office show that consumer price inflation averaged 3.4% in the first 10 months of the year, driven mostly by a 6.3% increase in food products and an 8.2% rise in agricultural products during the covered period. Inflation is expected to reach 3.8% in 2007 compared to a target rate of 3.5% for the full year 2007 and is projected at 3% in 2008. Consumer price inflation averaged 2.5% in 2006.

Source: *APS*

EGYPT

Current account in deficit

Figures released by the Central Bank of Egypt show that the current account posted a deficit of \$92.4m in the first quarter of fiscal year 2007/08 ending September 30th compared to a surplus of \$1.44bn in the first quarter of FY2006/07. Imports rose by 32.27% year-on-year to \$11.2bn, driven by non-oil imports of \$9.4bn, or 84% of total imports. Exports grew by 10% year-on-year to \$5.9bn, while non-oil exports jumped 19.6%. Suez Canal revenue increased by 30% to \$1.21bn and tourism receipts rose by 16% to \$2.85bn.

Source: *Reuters*

NIGERIA

Annual inflation at 4.6% in October

Figures released by the National Bureau of Statistics (NBS) indicate that annual consumer price inflation was 4.6% in October, a slight increase from 4.1% in September year-on-year. The headline index fell by 2.1% month-on-month as a result of a fall in both food and non-food prices. Non-food prices fell by 1.5% for the second month in a row partially as a result of strong naira appreciation of 4.4% month-on-month against the dollar. In addition, the NBS cited a continued decrease in the price of building materials and the stability of fuel prices "because of government intervention". Non-food inflation is now 10.7% year-on-year while food inflation is at -0.6% annually, and the previous month's contraction in prices now puts the single-digit nonfood inflation target well within reach.

Source: *Credit Suisse*

ROMANIA

Current account deficit at 14% of GDP

The National Bank of Romania said that the current account deficit was €1.6bn in September, raising the 12-month rolling current account deficit to €1.8bn, or 14.2% of GDP in September from €1.02bn, or 13.6% of GDP in August. The deterioration was mainly due to the increase in the merchandise trade deficit, which increased annually to €20.4bn, or 18.6% of GDP in September from €19.9bn, or 18.3% of GDP in August. The National Bank of Romania said that FDI inflows reached €5bn in the first nine months of this year, covering about 60% of the current account deficit in the 12 months to September, down from about 100% in late 2006. Concerns remain about the ongoing deterioration in Romania's external balances and the lack of political will to address this problem.

Source: *Credit Suisse*

UKRAINE

Inflation projections revised upwards for 2007-08

The Economy Ministry projected inflation rate at 14.5% for the end of the current year compared to the previous official target of 7.5%. The sharp upward revision follows a string of highly unfavorable inflation results over the past few months that saw annual headline inflation rise to 14.8% in October from 10.6% in May 2007. The new forecasts are consistent with monthly inflation forecasts of 1.2-1.3% in both November and December 2007, constituting a decline from the very high 2.9% monthly results for October. Also, the government has raised its end-year CPI inflation assumption for 2008 from 6.8% to 9.6%.

Source: *Credit Suisse*

AFRICA

U.S. pledges \$250m for African investment funds

The United States' Overseas Private Investment Corporation (OPIC) pledged to provide \$250m in seed money for three new African investment funds aimed at developing the continent's capital markets so African businesses can more easily raise money. The new Africa Catalyst Fund and Millennium Global Africa Opportunities Fund will each get \$100m from OPIC, while a third fund, to be called the Atlantic Coast Regional Fund, will get \$50m. The Africa Catalyst Fund and Millennium Global would invest in both private and exchange-traded debt and equity securities but would focus on different countries. The Africa Catalyst Fund will emphasize investment in Nigeria, South Africa, Zambia, Ghana, Egypt, Kenya and Angola, while Millennium Global would focus on Cameroon, Gabon, Ivory Coast, Liberia, Nigeria, Madagascar, Angola, Kenya, Zambia and Congo. The third fund, Atlantic Coast Regional, will invest in private equity transactions in West and Central Africa, including Cameroon, Ivory Coast, Ghana, Nigeria and Senegal. Its investments would be aimed at sectors like transportation, financial services, telecommunications and mining. Two additional new funds will receive a minimum of \$150m. The funds are the first of several that OPIC plans to support as part of the Africa Financial Sector Initiative, and that will exceed more than \$1bn in investment.

Source: *OPIC*



BANKING

JORDAN

Kuwaiti firm raises stake in Union Bank to 26%

The Kuwait-based investment bank Global Investment House announced it has acquired a 5.93% stake in Jordan's Union Bank for Savings & Investment, raising its total stake to 25.93%. Global acquired a 20% stake in the bank earlier this month. Union Bank is the country's eighth largest bank with \$1.37bn in assets at the end of September, while its net profits reached about \$15.8m in the first 9 months of this year.

Source: Dow Jones Newswires

EGYPT

NBK to fully own Al Watany Bank

National Bank of Kuwait has offered to buy the remaining 3.96% of Al Watany Bank of Egypt that it does not own at the same share price it paid for the bank's majority stake. Last October, NBK increased its stake in Al Watany Bank to 93.8% from the 51% stake it bought for \$516m last August. NBK bought the additional shares through the stock exchange at the same share price it paid for the bank's majority stake. NBK officially acquired Al-Watany Bank in mid-August after the Kuwaiti bank made a bid that was higher than that of two other competitors. The deal granted NBK the option to raise its stake in the Egyptian bank.

Source: KUNA

TURKEY

Banking sector improving, vulnerabilities remain

The International Monetary Fund indicated that the Turkish banking system has strengthened markedly over the past five years and lending to the private sector is replacing the financing of government as its core activity, while the sector is likely to become more integrated internationally. It noted that regulation and supervision by the Banking Regulation and Supervision Agency and the other relevant agencies have improved significantly, while authorities have improved procedures for dealing with periods of strain in the banking system and the eventual exit of failing banks. Also, the Central Bank has effective instruments for managing liquidity, and flexibility to provide emergency lending assistance.

The Fund added that financial sector vulnerabilities remain, in part reflecting macroeconomic vulnerabilities, the rapid expansion in credit, and intensified competition among banks. The IMF said interest rate risk exists in the sector mainly because of duration mismatch between government securities and housing loans on the one hand and customer deposits on the other. Further, banks' large holdings of public sector debt makes their solvency, profitability, and liquidity highly sensitive to adverse market revaluation of these securities in the event of external shocks or internal political uncertainties. Additionally, lending in foreign currency, which still accounts for almost one third of bank loans, exposes banks to foreign currency risk indirectly via credit risk.

Source: International Monetary Fund

ALGERIA

BEA signs co-operation agreement with HSBC

The External Bank of Algeria (BEA) and HSBC Bank signed a framework co-operation agreement to provide funding for large Sonatrach and Sonelgaz energy projects. HSBC said it plans to focus on improving finance mechanisms and introducing new ones including project financing in the service and hydrocarbon sectors, but also in non-oil sectors. It will give BEA the project financing expertise to implement locally what is done in the international market. The HSBC deal is the only such cooperation accord on project finance between BEA and a foreign bank. HSBC is also setting up a full service local Algerian bank and hopes to obtain an operating license in 2008. It expects to get a substantial business in trade finance and to open branches in the main cities.

Source: El-Khabar

NIGERIA

Part of foreign reserves to be held in euro

Finance Minister Shamsuddeen Usman indicated that Nigeria is planning to hold some of its foreign reserves in euros within the next 6-12 months, citing the weakening dollar as a concern. He said that up to 80% of Nigeria's current reserves of about \$47bn are currently being held in US dollars. The minister said an amendment to a law would allow Nigeria's Central Bank to invest its reserves in non-dollar assets and will pave the way for the creation of a sovereign wealth fund, which would operate differently than the Excess Crude Account (ECA) currently holding oil revenues. The ECA was created as a key pillar of Nigeria's reform program and is the recipient of oil revenues that are in excess of a specified budgeted oil price. Nearly 80% of the ECA is distributed to the federal, state and local governments.

Source: Reuters

KAZAKHSTAN

ATF Bank upgraded to 'BBB+'

Fitch Ratings upgraded ATF Bank's (ATF) Long-term foreign currency Issuer Default Rating (IDR) to 'BBB+' from 'BB-'; Short-term IDR to 'F2' from 'B'; and Support rating to '2' from '3'. All the ratings are removed from Rating Watch Positive (RWP). A Stable Outlook is assigned to ATF's Long-term IDR. Fitch has also withdrawn the Support Rating Floor in line with Fitch's current treatment of institutional support. The Individual rating remained at 'D'. The rating actions follow the recent completion of the acquisition of 95.6% of common stock in the bank by UniCredit S.p.A., one of Italy's major commercial banks. The upgrades reflect Fitch's view of UCI's greater ability to provide the bank with support in case of need, compared with support from Kazakh authorities. ATF is the fifth-largest bank in Kazakhstan, holding around 9.2% of banking system assets at end-September. The bank's business scope includes large corporate and SME lending and has been aggressively developing retail business.

Source: Fitch Ratings



ENERGY / COMMODITIES

Oil steady over \$97 after drop on stockbuild

U.S. light crude for January delivery gained 25 cents to \$97.54 a barrel on Thursday. Oil ended 74 cents lower a day ago after the stockbuild coupled with growing pessimism over the U.S. economy cut down an early rally to a peak of \$99.29. London Brent crude rose 34 cents to \$95.18 a barrel. Crude stocks at the delivery point for U.S. crude futures in Cushing, Oklahoma, rose 1.2 million barrels to 14.6 million barrels last week, overshadowing an overall drawdown in U.S. crude stocks. The U.S. government showed a larger-than-expected 2.4 million-barrel drop in distillate stocks, which include heating oil and diesel fuel, ahead of chilly winter in the U.S. northeast. The sharp retreat from the intra-day peak came amid more bearish economic news from the United States, where consumer sentiment fell in November to its lowest in two years, underscoring fears of weaker oil demand.

Earlier in the day, Venezuelan President Hugo Chavez said \$100 per barrel is a fair price for oil, as global crude prices approach triple digits. Venezuela has consistently called for higher oil prices and tends to be more aggressive in seeking production cuts in the Organization of the Petroleum Exporting Countries than other members of the producer group. Former Saudi Oil minister Ahmed Zaki Yamani said that oil could tumble as low as \$75 a barrel if OPEC decided to raise output at its December 5 policy meeting and if the winter season is mild. OPEC insists that the rise in oil prices is not caused by insufficient supply in the market, but due to other factors such as speculative trading and political tensions.

Source: Reuters

Turkey signs joint power production agreement with Iran

Turkey signed an agreement with Iran for joint power production projects. The agreement foresees the joint construction of three thermal power plants, two in Iran and one in Turkey, with a capacity of 2,000 megawatts each, as well as several hydroelectric plants in Iran with a total capacity of 10,000 megawatt. Under the deal, transmission lines between Iran and Turkey will be upgraded and expanded within a year. Public and private companies will be involved in the project, whose cost will become clear early next year after technical work by the private sector.

In July, Ankara signed a preliminary deal with Tehran to carry natural gas from Iran and Turkmenistan to Europe and develop three gas fields in its eastern neighbors. The agreement is seen as boosting the prospects of a planned 3,300-kilometer pipeline project known as Nabucco to carry gas from the Middle East and Central Asia to the European Union via Turkey and the Balkans, bypassing Russia. Turkey already buys gas via a conduit, inaugurated in December 2001 despite U.S. objections, from the northwestern Iranian city of Tabriz to Ankara.

Source: AFP

Base metals: Prices continue to trade on the weak side

Base metal prices continue to trade along the downward trend, which started already back in September 2007. The weak performance of equity markets and new inventory increases in most base metals added to the negative sentiment this week. Copper has seen a brief price spike of more than \$300 this week after an earthquake in Chile has cut power supply to the most important copper mines in the country. However, after the spike, copper prices fell quickly. As long as Chinese imports have not picked up and inventories are still rising, the market will remain influenced mainly by the developments in stock markets.

Source: Credit Suisse

Precious metals: New data paint a positive picture for the platinum market

Precious metals were heavily affected by the recent bout of risk aversion on the financial markets, as prices have declined sharply since the beginning of the week. On the fundamental side, the platinum and palladium markets were the focus of the market this week. After a series of strikes and production outages, the platinum market now shows a clear supply deficit for 2007. On the demand side, usage in the car industry was once again the main driver in the platinum market. Demand is mainly boosted by the growing proportion of diesel vehicles with particulate filters, which need more platinum. For palladium, the data point exactly in the opposite direction, as the supply surplus has widened to more than 1.7 million ounces. Production in Russia has been increasing this year and sales of above ground stocks from Russia have also been rather strong. On the demand side, palladium usage of jewelers continues to slide due to recycling and highly volatile prices.

Source: Credit Suisse

Commodities price developments	level	6m ave	12m ave	mom%	yoy%
Economist commodity price index	212.7	207.0	198.6	-0.2	16.7
LME metals price index	3692.3	3946.8	3887.5	-8.9	-0.6
Oil prices USD	93.5	76.4	68.4	8.5	59.2
Oil prices SDRs	59.1	49.7	44.9	6.7	49.2
Gold \$/troy oz	793.5	698.4	675.5	4.9	27.8
Silver cents/troy oz	1482.0	1314.4	1324.6	6.2	16.8
Platinum \$/troy oz	1423.0	1323.2	1263.8	-0.2	22.7
Copper \$/MT	7050.5	7650.5	7136.5	-14.9	4.3
Nickel \$/MT	32125.0	34293.8	38059.1	-0.9	7.1
Aluminium \$/MT	2557.8	2571.3	2681.3	4.2	-3.5
Zinc \$/MT	2595.0	3244.6	3497.3	-17.9	-37.5
Steel - HR coil dry \$/MT	605.0	557.0	531.6	7.1	23.5

Source: Credit Suisse



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central govt. 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	9.9	19.5	3.8	6.4	1.6	5.0	15.7	0.8
	-	-	-	-	Stable								
Angola	-	-	-	-	B	1.8	16.9	21.6	22.0	11.4	216.9	22.7	4.6
	-	-	-	-	Positive								
Egypt	BB+	Ba1	BB+	BB+	B	-7.5	91.5	24.7	119.2	5.8	118.0	1.4	5.1
	Stable	-	-	Stable	Stable								
Ethiopia	-	-	-	-	CCC	-5.7	77.9	23.7	128.7	2.7	246.1	-16.5	2.2
	-	-	-	-	Stable								
Ghana	B+	-	-	-	B	-3.1	38.6	26.9	86.5	2.7	152.4	-6.7	-
	Stable	-	-	-	Stable								
Ivory Coast	-	-	-	-	CCC	-1.8	69.4	64.3	133.3	4.2	603.3	5.4	-
	-	-	-	-	Stable								
Libya	-	-	-	-	BB	32.2	5.8	10.3	14.5	3.1	7.8	18.5	2.8
	-	-	-	-	Stable								
Mauritania	-	-	-	-	-	-2.3	105.9	78.9	123.4	4.5	-	-2.6	-
	-	-	-	-	-								
Morocco	BB+	Ba1	BBB-	BBB-	BB	-2.7	55.9	24.0	130.8	9.6	75.3	4.0	1.9
	Positive	-	-	Stable	Stable								
Nigeria	BB-	-	BB-	-	BB	-1.4	11.1	4.0	8.7	3.7	14.18	9.7	1.4
	Stable	-	-	-	Stable								
Sudan	-	-	-	-	CC	-2.3	51.5	58.4	296.5	3.6	-	-9.8	7.4
	-	-	-	-	Stable								
Tunisia	BBB	Baa2	BBB	BBB	BBB	-2.9	54.8	54.7	134.2	15.2	260.1	-1.6	2.7
	Stable	-	-	Stable	Stable								
Middle East													
Bahrain	A	A2	A-	A-	A	6.1	25.8	129.0	63.1	5.8	750.7	9.9	12.1
	Stable	-	-	Stable	Stable								
Iran	-	-	B+	-	B	-11.1	24.1	5.2	20.3	3.2	25.4	3.1	0.0
	-	-	-	-	Stable								
Iraq	-	-	-	-	D	-0.3	-	111.9	195.7	3.8	-	4.7	-
	-	-	-	-	Stable								
Jordan	BB	Ba2	-	BB	B	-3.4	73.2	89.0	137.0	6.6	221.6	-13.6	12.6
	Stable	-	-	Stable	Stable								
Kuwait	AA-	Aa2	AA-	AA-	A	33.3	9.2	17.9	32.8	2.0	106.2	39.3	-4.5
	Stable	-	-	Stable	Stable								
Lebanon	B-	B3	B-	B-	CCC	-13.1	174.6	101.6	492.5	14.8	242.6	-10.8	4.7
	Negative	-	-	Negative	Stable								
Oman	A	A2	-	BBB+	A	10.1	7.7	17.2	19.8	5.9	113.7	8.6	2.0
	Stable	-	-	Stable	Stable								
Qatar	AA-	Aa2	-	A+	A	6.8	15.5	47.0	96.5	10.9	407.7	27.8	4.3
	Stable	-	-	Stable	Stable								
Saudi Arabia	AA-	A1	A+	A+	A	19.4	4.7	8.4	26.1	2.4	122.9	31.9	0.5
	Stable	-	-	Stable	Stable								
Syria	-	-	-	-	CCC	-5.3	44.1	20.1	49.3	4.1	107.8	-1.1	1.4
	-	-	-	-	Stable								
UAE	-	Aa3	-	AA-	A	23.9	10.6	60.0	29.8	2.0	332.9	18.8	5.2
	-	-	-	Stable	Stable								
Yemen	-	-	-	B-	B	-	38.8	28.9	69.2	2.8	73.9	-5.2	-
	-	-	-	Stable	Stable								



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	EIU								
Central & Eastern Europe													
Armenia	-	Ba2	BB-	-	-	-3.3	17.6	27.1	210.0	2.6	161.6	-4.1	3.5
Bulgaria	BBB+ Stable	Baa3	BBB	-	BBB	2.6	19.5	80.0	147.3	18.0	228.2	-16.1	11.0
Kazakhstan	BBB- Stable	Baa2	BBB	-	BB	0.3	4.4	60.4	225.2	36.0	197.8	2.3	5.1
Romania	BBB- Stable	Baa3	BBB	BBB-	BBB	-2.9	12.8	42.0	178.3	22.3	233.1	-11.9	6.9
Russia	BBB+ Stable	Baa2	BBB+	-	BBB	3.6	8.2	33.5	90.8	12.5	98.5	6.3	1.3
Turkey	BB- Stable	Ba3	BB-	BB-	B	-2.0	60.9	52.3	194.8	37.6	340.6	-7.9	4.6
Ukraine	BB- Negative	B1	BB-	-	BB	-2.6	17.5	44.7	105.6	17.5	207.5	-3.6	4.2

Sources: Moody's Investors Service; EIU - The above figures are estimated for 2007



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	4.50	31-Oct-07	Cut 25bps	11-Dec-07
Eurozone	Refi Rate	4.00	08-Nov-07	No change	06-Dec-07
UK	Base Rate	5.75	08-Nov-07	No change	06-Dec-07
Japan	O/N Call Rate	0.50	13-Nov-07	No change	20-Dec-07
Australia	Cash Rate	6.75	06-Nov-07	Raise 25bps	05-Dec-07
New Zealand	Cash Rate	8.25	24-Oct-07	No change	04-Dec-07
Switzerland	3 month Libor target	2.75	13-Sep-07	Raise 25bps	13-Dec-07
Emerging Markets					
China	One-year lending rate	7.29	14-Sep-07	Raise 27bps	N/A
Hong Kong	Base Rate	6.00	01-Nov-07	Cut 25bps	N/A
Taiwan	Discount Rate	3.25	20-Sep-07	Raise 12.5bps	31-Dec-07
South Korea	O/N Call Rate	5.00	08-Nov-07	No change	07-Dec-07
Malaysia	O/N Policy Rate	3.50	30-Oct-07	No change	26-Nov-07
Thailand	1D Repo	3.25	10-Oct-07	No change	04-Dec-07
India	Reverse repo rate	6.00	30-Oct-07	No change	31-Jan-08
UAE	3M EBOR	4.50	01-Nov-07	Cut 20bps	N/A
Saudi Arabia	Repo Rate	5.50	01-Nov-07	No change	N/A
Egypt	overnight lending	10.75	Oct-07	No change	N/A
Turkey	Base Rate	16.25	14-Nov-07	Cut 50bps	13-Dec-07
South Africa	Repo rate	10.50	11-Oct-07	Raise 50bps	06-Dec-07
Kenya	Central Bank Rate	8.75	04-Oct-07	No change	Dec 07
Nigeria	Monetary Policy Rate	8.00	03-Oct-07	Raise 100bps	Dec 07
Ghana	Prime Rate	13.50	06-Nov-07	Raise 100bps	Jan 07
Mexico	Target Rate	7.50	26-Oct-07	Raise 25bps	23-Nov-07
Brazil	Selic Rate	11.25	17-Oct-07	No change	05- Dec-07
Armenia	Repo Rate	5.00	N/A	N/A	N/A
Romania	Policy Rate	7.50	Oct-07	No change	N/A
Bulgaria	Overdraft rate	8.40	N/A	N/A	N/A
Kazakhstan	Reverse repo rate	9.00	Oct-07	N/A	N/A

Source: Standard Chartered - Countries in bold updated on November 22, 2007



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