The MENA Weekly Monitor

Week 5
Jan 22 - Jan 29
2010

ECONOMY

p.2 ▶ ILO expects minor decrease of Middle Eastern unemployment rate in 2010

The International Labor Organization (ILO) issued a report termed *Global Employment trend* in which it noted that unemployment rates in the Middle East and North Africa are expected to post 9.3% and 10.6% respectively in 2010.

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SURVEYS

p.4 ▶ GCC investor confidence slips 2.4 points as per Shuaa Capital

Shuaa Capital's GCC investor sentiment report for January 2010 showed a confidence score going down by 2.4 points to 114.5 prior to a second half of recovery for the index in the December 2009 publication, bearing in mind that the latter took into account the decision of the Dubai Government to repay the Nakheel Sukuk punctually, ensuing an increase for the index.

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CORPORATE NEWS

p.5 ▶ Morgan Stanley teams up with Orascom to invest in infrastructure in the Middle East and Africa

Morgan Stanley is teaming up with Egypt's Orascom Construction Industries (OCI) to form a joint venture that would invest in infrastructure in the Middle East and Africa.

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MARKETS IN BRIEF

p.6 ▶ Arabian markets down by 2.4% on lower global equity and oil prices

Arabian equity markets ended 2.4% lower this week amid weaker global equity markets and lower oil prices on renewed concerns about the pace of the global economic recovery. In fact, all Arabian markets, except Muscat Securities Market, dived in the red this week, with the Kuwait Stock Exchange, the UAE equity markets and the Egyptian Exchange being the worst performers. The Kuwait Stock Exchange was the worst performer in the region this week, falling by 4.3% relative to the previous week. The UAE equity markets dropped by 3.5% this week, mainly undermined by real estate and banking stocks. Elsewhere in the Gulf region, the Doha Securities Market declined by 2.2% week-on-week, undermined by banking stocks. In Saudi Arabia, the Tadawul declined by 1.8% week-on-week amid weaker global markets and lower oil prices. Unlike all other Arabian equity markets, the Muscat Securities Market managed to rise by 2.6% this week, supported by banking shares. Outside the Gulf region, the Egyptian Exchange fell by 3.0% week-on-week. Orascom Telecom Holding and Orascom Construction Industries were among the top losers.

The MENA Weekly Monitor can be accessed via Internet at the following web address: http://www.banqueaudi.com

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ILO detects minor decrease of Middle Eastern unemployment rate in 2010

The International Labor Organization (ILO) issued a report termed *Global Employment trend* in which it noted that unemployment rates in the Middle East and North Africa are expected to post respective percentages of 9.3% and 10.6% in 2010.

In the Middle East, real GDP growth has substantially decelerated in 2009 but managed to remain positive at 1.4%. The latter came on the back of the drop in oil and commodity prices as well as the downturn in the real estate and financial intermediation sectors. With respect to the regional unemployment rate, it went up by a mere 0.1 percentage points from 2007 to 9.4% in 2009. Indeed, the impact of the crisis is not adequately reflected in unemployment rates since a considerable number of expatriates and migrant workers in the Gulf region hold residence permits linked to employment contracts. When they are made redundant, it is likely for them to return to their countries of origin and withdraw from the labor force of the country of destination compared to migrants in Europe who might remain and endure the crisis in the country of destination. Moreover, certain Gulf countries enacted a law limiting the termination of national workers, thus aiding in securing their jobs and shortcoming expatriates.

However, youth unemployment in the region remains an issue to be tackled. In addition to youth unemployment in the region posting 21.4% at the start of the crisis which probably rose by 2.2% in 2009, the increase of vulnerable employment remains also a challenge for the Middle East. With the onset of the global turmoil, 7.4% of workers were vulnerable in 2009 with 23% living with their families on less than US$ 2 per day. Finally, the gap between men and women in terms of labour participation is also a persistent issue in the region as the females' labour participation is estimated at 25.4% in 2009, the lowest amongst all regions.

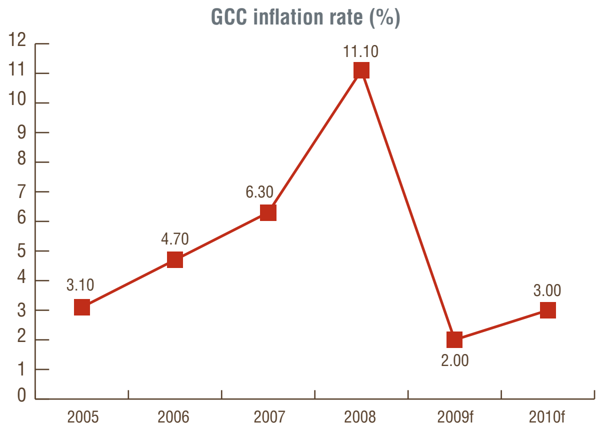
IIF forecasts GCC inflation rate at 3% in 2010

Gulf oil producers are expected to record another year of relatively low inflation in 2010 as housing pressures continue to ease and global prices are projected to remain far lower than in 2008, according to a study released by the Institute of International Finance (IIF). Although the Dollar could weaken through the year, the stifled increase in imports in the absence of large GDP growth is expected to offset the high import bill and keep inflation in the six-nation GCC at low levels.

After slumping to just around 2% in 2009 from a record 11% in 2008, the combined inflation rate in the 29-year-old Gulf alliance could rebound only slightly, the IIF said.

Inflation in the GCC is expected to have declined to around 2% in 2009 before rising slightly to 3% in 2010. Cost-push pressures from a more-than-expected weakening of the US Dollar against major currencies over the next few months and a modest recovery in non-fuel commodity prices would add limited inflationary pressures next year, as per the IIF.

Weak domestic demand, the correction in housing-related prices and the fall in global commodity prices have brought down the 12-month inflation rate from over 13% in July 2008 to 3% in July 2009. Continued slack in the GCC economies will dampen domestically driven inflation pressures in 2010, the report said.



Sources: IIF, Bank Audi's Research Department

Emirates NBD forecasts GCC's real GDP growth at 5-6% in 2010

GCC economies are set to see an average growth of between 5-6% in 2010 compared to last year, as per a report released by Emirates NBD. The bank predicted real GDP growth during this year of 2.5% for the UAE, 3.0% for Saudi Arabia, 1.5% for Kuwait, 3.0% for Oman, 2.5% for Bahrain, and 10.0% for Qatar.

By comparison, Emirates NBD said that more traditional markets would stagnate, with GDP growth for the Eurozone predicted at 1.0%, for the UK at 0.5% and Japan at 1.0%. Growth was predicted at 2.5% for the US and a still-strong 10.0% for China. This will be a year of rehabilitation in the region, as per Emirates NBD. However, it's important to retain a degree of reality, there won't be runaway growth and it will be relatively cautious.

Emirates NBD added that some of the reasons for its bullish forecast were the strong indicators emanating from regional economies about their own predictions this year. In the last week or so, Qatar has estimated its own growth at 11%, with Oman coming in at 3.7%. Although the global recovery is well under way, it is unlikely that economies will return to their trend growth rates before 2011, the Bank said. The next 12 months would likely see a continued recovery of the US Dollar. However, investors will have to remain wary of rising bond yields and generally volatile trends in emerging markets.

Dubai office market set to decline in 2010 while the residential sector posts stability as per Jones Lang LaSalle

Jones Lang LaSalle issued its latest market overview on Dubai in which it noted that despite a strong demand viewed for office space in 2010, it will not match the level of new supply in the city. Hence, citywide vacancies are expected to increase in 2010. As for the residential sector, prices are to show selective stability. In the retail market, since future supply levels have been cut back, it might favor more and more tenants in 2010.

Concerning the office sector, it was observed that citywide vacancies went up to approximately 33% due to project delays and cancellation but vacancies in good quality buildings in single ownership situated in the Commercial Bank of Dubai (CBD) area, remain below 10% in the fourth quarter of 2009. While a decrease of 44% y-o-y and 15% q-o-q in office rents have pushed businesses towards implementing strategies for future growth, new demand will not counterbalance the additional supply, thus creating more vacancies around Dubai.

Prices in the residential market appear to be stabilizing and even increasing in select areas of Dubai. Indeed, apartment rents posted a y-o-y decrease of 39% from the fourth quarter of 2008 till the end of 2009 and an increase of 3% versus the third quarter of 2009. Villa rents decreased of 46% compared to the fourth quarter of 2008 and a slight 1% from the third quarter of 2009. No negative growth was sighted in the value of transactions over the last six months of 2009. Despite stabilization in pricing levels, the city's residential market might encounter over-supply and prices are not projected to fully pick up before 2011 at the earliest.

Finally, the average estimated rental value for the retail sector edged down by 29% on a yearly basis and 13% from the third quarter of 2009 till the end of the year. Indeed, the market dynamics will continue to turn in favor of tenants as rents alleviate and vacancies in some centers rise. Therefore, Jones Lang LaSalle anticipates more contracts shifting towards shorter leases, break clauses and rent free periods.

IMF revises UAE's 2010 growth projections downwards

The International Monetary Fund has revised downwards its economic projections for the United Arab Emirates, forecasting flat growth this year as Dubai's moribund real estate market and debt restructuring drag on continuing growth in the oil-rich capital of Abu Dhabi.

In the IMF's last regional outlook report published in October, it had predicted 2.4% growth for the economy in 2010, before Dubai sent global markets tumbling in November when it said it would seek to delay US$ 26 billion of debts at state-owned conglomerate Dubai World, dragging down the emirate's reputation and eventually prompting a bailout from neighbouring Abu Dhabi.

Currently, the IMF expects flat growth, as the result of continual drag and a contraction in Dubai from the property crisis and positive growth in Abu Dhabi. The IMF's outlook appears more negative than most research economists' forecasts of more than 2% growth this year for the UAE as oil prices rebound. It also runs counter to UAE economy ministry projections at the end of 2009 of more than 3% growth this year.

The UAE had a tough year in 2009, contracting 0.7% according to the latest IMF figures, as a deep Dubai recession upset years of supercharged growth in the region's commercial hub while lower oil prices and output constrained the traditional economic engine in Abu Dhabi. Still, the IMF was encouraged by the US$ 22 billion restructuring process under way between state-owned conglomerate Dubai World and its creditors, which, while complex and lengthy, would help weed out unviable subsidiaries.

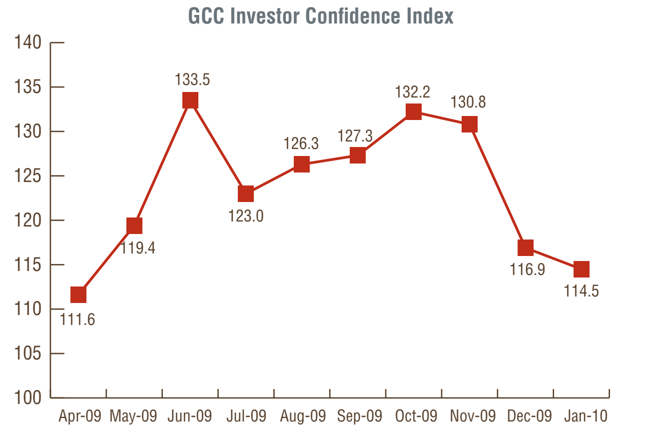
Official figures indicate a real GDP growth of 3.1% in Tunisia in 2010

The Tunisian economy achieved a growth rate of 3.1% in 2009, compared with an average of 5% in recent years, the Central Bank of Tunisia (BCT) announced last week. In spite of the repercussions of the global financial crisis, particularly at the level of exports, the Tunisian economy managed to achieve a growth rate of 3.1%, the bank said in a statement.

This rate was attained due to the improvement in agricultural production and progress in service activities, two sectors that contributed to the domestic and foreign financial balance of the North African country. The rate of inflation was held down to 3.7% last year, compared with 5% in 2008, despite the appearance of certain tensions during recent months over the price of a few food products, the BCT said.

GCC investor confidence slips 2.4 points as per Shuaa Capital

Shuaa Capital's GCC investor sentiment report for January 2010 showed a confidence score going down by 2.4 points to 114.5 prior to a second half of recovery for the index in the December 2009 publication, bearing in mind that the latter took into account the decision of the Dubai Government to repay the Nakheel Sukuk punctually, ensuing an increase for the index. Still, the UAE's index was then cut by 12.8 to 96.1, thus driving down the GCC as a whole, since investors grew to be more cautious towards Dubai's economic situation.



Source: Shuaa Capital, Bank Audi's Research Department

In January 2010, Saudi Arabia solely posted an increase of 6.6 points to attain a sentiment level of 142.4. As for Qatar, and regardless of the 5.9 points loss, it remains strong at 130.8 points. Kuwait's investor sentiment worsened further to 87.2 points against 95.8 points achieved last month. Oman and Bahrain had slight decreases of correspondingly 1.8 points and 0.4 points to 109.9 and 97.1 in January 2010. Much of the GCC index decline was attributed to the weak attitude towards the six months stock price outlook for all GCC countries. Leading the fall were the UAE markets: Abu Dhabi Stock Market, Dubai Financial Market, and the Nasdaq Dubai.

The perception of current the economic situation improved somewhat in GCC countries. All together, the GCC gained 8.8% mainly on the back of Saudi Arabia jumping by 15%. As for Qatar, Oman, the UAE and Bahrain, all maid small gains of less than 2.5% which kept their results relatively unchanged. The UAE and Bahrain, along with Kuwait which lost 9.2%, continue to be perceived by investors as negatively performing economies.

The six months economic outlook for GCC economies gained 2.7% with 35% of investors opting for a positive outlook on the general conditions: 56% of respondents in Saudi Arabia stated that the Kingdom will gain more in the aforementioned period. Qatari investors still remain positive regardless of the 6.9% drop since 35% view Qatar holding a market potential. Kuwait, Oman, and the UAE's score edged down respectively by 0%, 16%, and 12% but managed to stay in the positive territory.

On the profitability of industry sectors, all of them are to witness increases in the next six months, except for the real estate sector. Telecoms, Media and Technology might be the leaders as per 35% of respondents, followed by Pharmaceuticals with 28%. Banks and other financial institutions improved significantly to 14% and heavy industries moved into positive territory to 7%.

BAC Middle East sights an increase of GCC recruitment activity in 2010

According to a corporate survey published by BAC Middle East, a professional recruitment consultancy in the UAE, 54% of employers in the Emirates and the Gulf Cooperation Council (GCC) are leaning towards additional hiring in 2010 due to the positive outlook on the business environment.

Responses were gathered from 250 companies across the UAE and GCC ranging from blue-chip multinationals to leading local firms and SMEs. Cautious optimism and improving employer sentiment prevailed in the survey. As a matter of fact, 59% of the surveyed respondents described themselves as "fairly optimistic" towards 2010, 31% and 5% respectively portrayed themselves as "optimistic" and "very optimistic". The latter mirrors a substantial change from last year's survey in which pessimism dominated for 2009. However, real estate developers, firms specialized in construction as well as construction material were more negative in their outlook for 2010.

Regarding outlook for employment, 54% stated that they anticipate some additional hiring in their organization during this year versus the lower share of 37% in the survey conducted for 2009, while 35% indicated a probability of more recruitment in 2010. A slight 11% ruled out recruitment over the next 12 months, which is a significant improvement from the 27% observed in the last survey.

The steady come-back of employer confidence was also revealed through the 52% of employers projecting an increase in local staffing levels in the year ahead, up from 36% in early 2009. Merely 6% of the firms predicted a drop in staffing levels, weaker than 9% viewed last year. The study pointed that 76% of recruiters expect no significant change in general salary levels over 2010, while 21% say that salaries might increase. However, the extents to which salaries are to rise depend on the pace of economic recovery, chiefly in the non-oil sector. Many economists opt for a gradual revival and if inflation remains low, it wouldn't lead to increases in salaries of more than 5% as stated by BAC Middle East officials.

CORPORATE NEWS

Morgan Stanley teams up with Orascom to invest in infrastructure in the Middle East and Africa

Morgan Stanley is teaming up with Egypt's Orascom Construction Industries (OCI) to form a joint venture that would invest in infrastructure in the Middle East and Africa.

The joint venture is expected to be a fund with the partners looking to invest several hundred million dollars in projects across the regions, as per OCI statement. The venture would also be seeking investments from third parties.

The two groups are hoping to tap into the need for improved infrastructure throughout the Middle East and Africa. Both are regions where populations have been rapidly expanding while infrastructure, including transport systems, water and power generation, is often absent.

The venture would look to invest in sectors that include waste water management, water desalination, port construction, power generation and gas distribution. According to OCI executives, the venture would be looking at opportunities from sub-Saharan Africa across to the Gulf.

OCI, which is listed in Cairo and London, is already involved in infrastructure developments throughout the Middle East, with a construction portfolio of ongoing projects valued at US$ 7.2 billion, 60% of which is in infrastructure, according to company releases.

UAE's Habtoor Group eyes US$ 8.2 billion building deals in 2010

UAE's Habtoor Group has hired Rothschild, an independent investment banking organization, to identify five-star hotel targets in Europe, according to company officials. The company is also aiming to win up to US$ 8.2 billion worth of building contracts in 2010 with Australia's Leighton Holdings.

Habtoor said the group was also looking at companies who want to sell their assets due to a lack of financial liquidity.

The group has a joint venture with Leighton and has said it may float its engineering unit or the entire group in the third quarter of 2010 with possible listings in Dubai and London.

The construction firm is working on projects worth about AED 27 billion (US$ 7.35 billion) in the UAE at present and expects to bid on about AED 40 billion (US$ 10.9 billion) worth of projects in Abu Dhabi this year, according to Habtoor.

The company also expects to boost its presence in Qatar as it looks to diversify revenues away from its home market.

Egypt's Concord International Investments eyes US$ 750 million from Japan

Egyptian company Concord International Investments aims to raise up to US$ 750 million from Japanese investors seeking more exposure to Egypt's undervalued firms and growing economy, according to company officials.

According to the same source, the company is in the process of launching a series of funds in Japan, the first with US$ 150 million to US$ 200 million from Nikko Asset Management, would be launched by the end of the first quarter. Nikko was owned by Citigroup until last year when a controlling stake was sold to Sumitomo Trust and Banking Company for US$ 1.2 billion.

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Concord would also open a private equity fund with US$ 150 million and two other funds for listed securities with between US$ 100 million and US$ 200 million in the second half of 2010, according to the same source.

Company executives said the firm identified Japan five years ago as a market ready to invest overseas again after a period of crisis, and that Egypt's fundamentals remained attractive.

According to the same source, the private equity group would set up an equity fund by mid-2010 targeting the food and healthcare industries and light manufacturing.

Concord, based in New York and Cairo and with an office in Tokyo, has $1.4 billion invested via funds and portfolios, as per company officials.

Zain, Paltel to launch "One Network" service between Jordan, Palestine

Zain Group and Palestine Communications Group (Paltel) recently signed an agreement to launch the "One Network" service between Jordan and Palestine, serving over four million mobile customers in both countries.

According to the deal, all Zain customers would be billed as local clients for voice and data services and receive free incoming calls when travelling to any country covered by the Zain network. The deal is scheduled to start in February 2010.

The move would see Paltel's mobile service, Jawwal, join the service initially with Zain Jordan. and eventually expand the connection to all other 22 Zain "One Network" countries, according to Zain statements.

CAPITAL MARKETS

All Arabian markets, except Muscat Securities Market, dive in the red

Arabian equity markets ended 2.4% lower this week amid weaker global equity markets and lower oil prices on renewed concerns about the pace of the global economic recovery. In fact, all Arabian markets, except Muscat Securities Market, dived in the red during this week, with the Kuwait Stock Exchange, the UAE equity markets and the Egyptian Exchange being the worst performers.

The Kuwait Stock Exchange was the worst performer in the region during this week, falling by 4.3% relative to the previous week. Zain's share price tumbled by 8.2% to KWD 0.90 amid concerns about its earnings. National Bank of Kuwait's share price slipped by 3.6% to KWD 1.06. Kuwait Finance House's share traded this week with no change in its price, standing at KWD 1.08. It is worth mentioning that KFH opened a unit in Saudi Arabia with a capital of SR 500 million that will focus on securities, establishing investment portfolios, and arranging deals and leading projects with other companies.

The UAE equity markets dropped by 3.5% week-on-week, mainly undermined by real estate and banking stocks. Aldar Properties' share price closed 9.3% lower at AED 4.00. It is worth highlighting that Moody's investors Service downgraded Aldar to "Baa2" from "A3", which affects US$ 2.3 billion of rated debt instruments. The two-notch downgrade is the result of the impact of weaker commercial and residential property market on Aldar's stand-alone profile. In addition, Sorouh Real Estate's share price fell by 4.9% to AED 2.31. Abu Dhabi's second largest developer by market capitalization posted this week a 39% drop in its fourth-quarter net profit on the back of higher provisions, thus missing most analyst expectations. Moreover, Arabtec Holding's share price dropped by 3.8% to AED 2.27. Emaar's share price moved down by 6.1% to AED 3.09. Union Properties' share price dropped by 18.8% to AED 0.52 amid ongoing concerns over its liquidity and debt, noting that Credit Suisse slashed UP's target price to AED 0.03 from 0.80, and reiterated its underperform rating. In general, Credit Suisse expects a moderate fourth-quarter for UAE real estate companies, saying that earnings are mainly a function of delivery of properties that were sold in the past.

As far as the banking shares in the UAE are concerned, First Gulf Bank's share price retreated by 3.8% this week to AED 15.30. This happened even though Abu Dhabi's second largest lender by market value reported a 27% increase in its fourth-quarter net profit 2009, to AED 855 million after AED 671 million in the year earlier period, boosted by the performance of its core banking business. In addition, Abu Dhabi Commercial Bank's share price declined during this week after posting worse-than-expected fourth-quarter net loss of AED 1.2 billion, yet it managed to close 5.7% higher at the end of the week. Emirates National Bank of Dubai's share price ended 5.4% lower at AED 2.45. It is worth mentioning that the Middle East region's largest lender by assets said this week that it terminated its relationship with Standard & Poor's, which aggravates an already tense standoff between Dubai and the ratings agency. All in all, the UAE equity markets accumulated a 10.0% drop since year-end 2009 amid uncertainty about Dubai World's restructuring plan after the company asked for a debt freeze late last year.

Elsewhere in the Gulf region, the Doha Securities Market declined by 2.2% week-on-week, undermined by banking stocks. Masraf Al Rayan was among the most traded stocks during this week and its share price dropped by 6.2% to QR 12.20. The bank reported a full year profit of QR 881 million

CAPITAL MARKETS INDICATORS

Market	Price Index	Week-on-week	Year-to-date	Trading Value	Week-on-week	Volume Traded	Market Capitalization	Turnover ratio	P/E	P/BV
Lebanon	140.5	-3.0%	-2.5%	12.3	-98.7%	0.6	11,745.8	5.5%	10.3	1.53
Jordan	148.2	-1.1%	-1.1%	140.4	-9.7%	80.9	31,344.5	23.3%	14.0	1.72
Egypt	843.0	-3.0%	7.4%	791.1	-37.8%	425.9	89,423.0	46.0%	11.5	1.85
Saudi Arabia	399.1	-1.8%	2.5%	4,027.4	-21.1%	801.7	331,113.0	63.2%	16.8	2.04
Qatar	582.2	-2.2%	-4.7%	348.5	26.9%	40.9	80,508.0	22.5%	11.4	1.80
UAE	206.4	-3.5%	-10.0%	739.5	24.0%	1,554.0	130,158.3	29.5%	10.2	1.04
Oman	868.3	2.6%	3.7%	94.0	59.2%	72.9	17,696.4	27.6%	12.2	1.81
Bahrain	323.8	-3.3%	-2.4%	10.8	105.7%	19.2	17,136.7	3.3%	9.4	1.16
Kuwait	526.1	-4.3%	-5.1%	1,107.0	-5.3%	2,720.7	93,819.1	61.4%	13.0	1.26
Morocco	434.1	-1.7%	4.1%	156.1	10.4%	2.6	65,893.9	12.3%	18.9	3.84
Tunisia	1,238.0	-0.7%	5.4%	-	-	6.8	9,548.0	-	18.2	2.2
Arabian Markets	**470.8**	**-2.4%**	**0.1%**	**7,427.3**	**-23.5%**	**5,719.3**	**868,838.7**	**44.5%**	**13.6**	**1.67**

Values in US$ million; volumes in millions

Sources: MSCI Barra, Zawya Investor, Bank Audi's Research Department

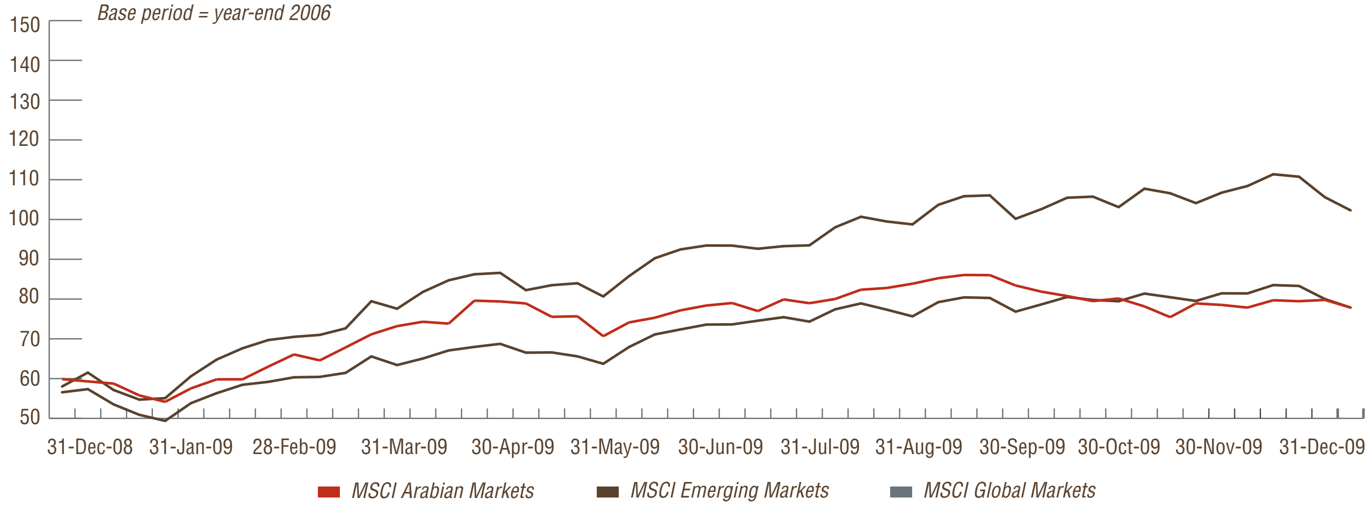
NB: Tunisia's figures are not all available yet, and have therefore been excluded from aggregate Arabian Markets figures after QR 917 million in the previous year, and it announced plans to pay a dividend of QR 1.265 a share for the year 2009. Commercial Bank of Qatar's share price ended 3.3% higher at QR 61.90. HSBC raised CBQ to overweight from neutral rating, and cut its target price to QAR 76 from QR 78 on lower earnings estimates. Other than the banking shares, Barwa City's share price closed 0.72% lower this week at QR 28.00. Barwa City, which is a subsidiary of Barwa Real Estate, will open a QR 1.5 billion contract to build amenities for the first phase of its 1.4 million-square-meter mega project in Doha (Barwa City project). On the other hand, Industries Qatar slipped by 5.6% to QR 104.50 amid weaker oil prices.

In Saudi Arabia, the Tadawul declined by 1.8% week-on-week amid weaker global markets and lower oil prices. Petrochemical shares were among the top losers. SABIC's share price dropped by 3.3% to SR 86.75. On the other hand, Arabian Pipes Company's share price ended 1.7% higher at SR 30.20, after winning a SR 16.3 million order to provide pipes for an oil line being built in Qassim.

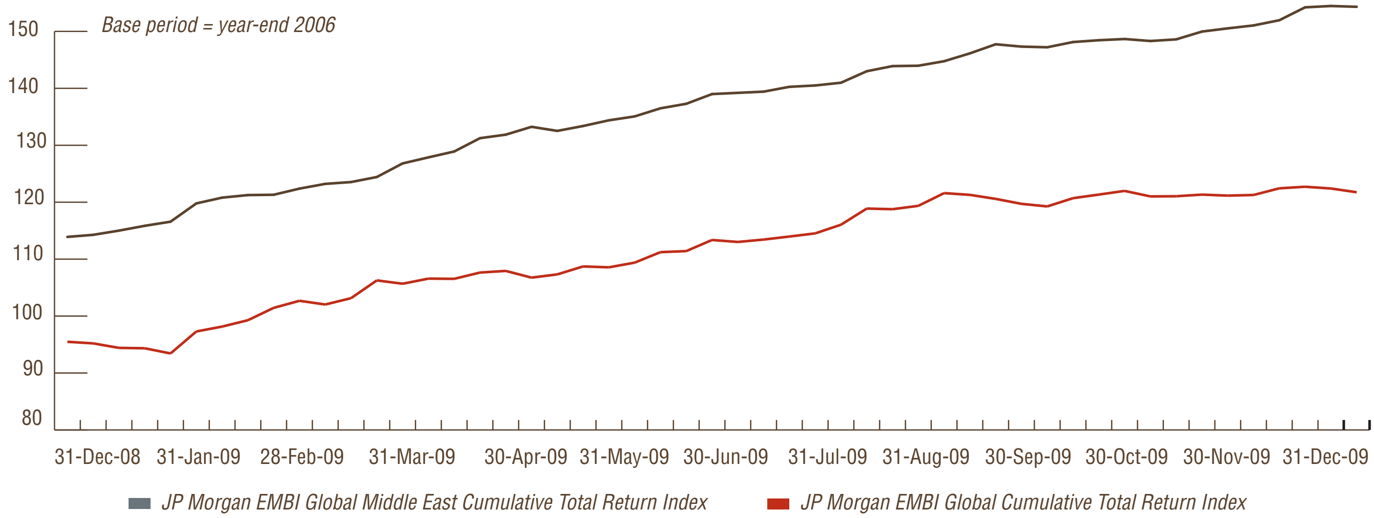
Unlike all other Arabian equity markets, the Muscat Securities Market managed to rise by 2.6% week-on-week, supported by banking shares. Bank Muscat's share price soared by 8.5% to OR 0.922. The lender announced that its FY 2009 net profit fell by 21% year-on-year, and it recommended a 45% dividend, 20% of it in the form of cash and 25% in stocks.

Outside the Gulf region, the Egyptian Exchange fell by 3.0% this week. Orascom Telecom Holding and Orascom Construction Industries were among the top losers. In fact, OT's share price fell by 7.0% to LE 5.60, while OCI's share price dropped by 3.0% to LE 262.30.

Equity Markets Performance: Arab Markets v/s Benchmarks



Fixed Income Markets Performance: Arab Markets v/s Benchmarks



SOVEREIGN RATINGS

	Standard & Poor's	Moody's	Fitch	EIU
LEVANT				
Lebanon	B/Positive/B	B2/Positive	B-/Stable/B	CCC/Stable
Syria	NR	NR	NR	CCC/Stable
Jordan	BB/Stable/B	Ba2/Stable	NR	B/Stable
Egypt	BB+/Stable/B	Ba1/Stable	BB+/Stable/B	BB/Stable
Iraq	NR	NR	NR	CC/Stable
GULF				
Saudi Arabia	AA-/Stable/A-1+	A1/Positive	AA-/Stable/F1+	BBB/Stable
UAE	AA/Stable/A-1+	Aa2/Stable	AA/Stable/F1+	BB/Stable
Qatar	AA-/Stable/A-1+	Aa2/Stable	NR	A/Stable
Kuwait	AA-/Stable/A-1+	Aa2/Negative	AA/Stable/F1+	A/Stable
Bahrain	A/Stable/A-1	A2/Negative	A/Stable/F1	BBB/Stable
Oman	A/Stable/A-1	A2/Stable	NR	A/Stable
Yemen	NR	NR	NR	CC/Stable
NORTH AFRICA				
Algeria	NR	NR	NR	BBB/Negative
Morocco	BB+/Stable/B	Ba1/Stable	BBB-/Stable/F3	BB/Stable
Tunisia	BBB/Stable/A-3	Baa2/Stable	BBB/Stable/F2	BB/Stable
Libya	NR	NR	BBB+/Stable/F2	BB/Stable
Sudan	NR	NR	NR	C/Stable

NR = Not Rated

INTERNATIONAL MARKET RATES

	29-Jan-10	22-Jan-10	31-Dec-09	Weekly change	Year-to-date change
US Prime Rate	3.25%	3.25%	3.25%	0.00%	0.00%
3-M Libor	0.25%	0.25%	0.25%	0.00%	0.00%
US Discount Rate	0.50%	0.50%	0.50%	0.00%	0.00%
US 10-year bond	3.59%	3.60%	3.84%	-0.01%	-0.25%

FX RATES (per US$)

	29-Jan-10	22-Jan-10	31-Dec-09	Weekly change	Year-to-date change
LEVANT					
Lebanese Pound (LBP)	1,507.50	1,507.50	1,507.50	0.0%	0.0%
Syrian Pound (SYP)	46.00	45.85	45.75	0.3%	0.5%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.1%	0.1%
Egyptian Pound (EGP)	5.45	5.44	5.49	0.2%	-0.6%
Iraqi Dinar (IQD)	1,165.00	1,150.00	1,150.00	1.3%	1.3%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.75	0.0%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.1%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	-0.1%	0.0%
Kuwaiti Dinar (KWD)	0.29	0.29	0.29	0.2%	0.2%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	-0.1%	-0.1%
Yemeni Riyal (YER)	203.00	203.25	203.00	-0.1%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	71.12	72.55	70.42	-2.0%	1.0%
Moroccan Dirham (MAD)	8.11	7.96	7.88	1.8%	2.9%
Tunisian Dinar (TND)	1.36	1.34	1.32	1.2%	2.3%
Libyan Dinar (LYD)	1.24	1.23	1.23	0.9%	1.1%
Sudanese Pound (SDG)	2.24	2.24	2.24	0.0%	-0.1%

COMMODITIES (in US$)

	29-Jan-10	22-Jan-10	31-Dec-09	Weekly change	Year-to-date change
Crude oil barrel (Brent)	70.2	71.4	77.7	-1.6%	-9.6%
Gold ounce	1,081.05	1,092.60	1,095.7	-1.1%	-1.3%
Silver ounce	16.2	17.1	16.8	-5.2%	-4.0%
Platinum ounce	1,500.5	1,546.5	1,467.0	-3.0%	2.3%

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