

The Lebanon Weekly Monitor

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Figures released by Global Refund, the firm that reimburses VAT to tourists at the Lebanese border points, reveal that tax-free purchases reported an increase of 15% in the first nine months of 2009 relative to the same months of 2008, mirroring the increase in tourism activity in the country.

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Local political uncertainties regarding the cabinet formation left their imprints on Lebanese capital markets during this week. On the equity market, share prices reported mixed movements. In fact, after growing by 4.0% mid-week, the BSE price index closed 2.5% higher on Friday. However, it still outperformed the Arabian Markets that registered a 1% increase week-on-week. On the bond market, prices continued to pursue an upward slope during this week backed by ongoing local and foreign demand, while the average spread shrank by 27 basis points to 304 basis points, its lowest level since February 2007. It is worth mentioning that the Ministry of Finance announced a plan to issue a new sovereign bond for an amount that goes up to US\$ 500 million. As to the foreign exchange market, FC-to-LP conversions persisted and the Central Bank of Lebanon kept on intervening as a buyer of the green currency surpluses at LP 1,501. Within this context, the BDL's foreign assets rose by US\$ 168 million during the first half of October to reach a new historical high level of US\$ 25.9 billion mid-October 2009, and they covered 81.8% of LP money supply.

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► ECONOMY

Tax-free purchases up by a yearly 15% in the first nine months of 2009

Figures released by Global Refund, the firm that reimburses VAT to tourists at the Lebanese border points, reveal that tax-free purchases reported an increase of 15% in the first nine months of 2009 relative to the same months of 2008, mirroring the increase in tourism activity in the country.

One should note that in the first nine months of 2009, the increase in tourism activity in Lebanon has been higher than the increase in the spending of those tourists. However, this does not say anything about tourism in Lebanon; rather it has implications on the spending power of tourists visiting Lebanon. Indeed, the lower growth of tax-free purchases relative to the growth in the number of tourists reflects a possible retreat in the average spending per tourist, probably as a result of the adverse effects generated by the global financial crisis.

The distribution of expenditures of tourists in Lebanon by country of origin shows that the majority of visitors to Lebanon were Arabs as aggregate spending of nationals from Saudi Arabia, Kuwait, the UAE, Egypt, and Syria accounted for 59% of total spending of tourists in Lebanon. In details, spending of nationals from Saudi Arabia accounted for the majority of overall expenditures of tourists in Lebanon during the first nine months of 2009, as it comprised 21% of the total, followed by spending of nationals from Kuwait and the UAE with 12% each, that of Syrian citizens with 7%, and that of Jordanian citizens with 6%.

As a matter of fact, almost all Arab citizens registered positive year-on-year variations in their spending in the first nine months of 2009, with the highest increase being that of citizens from Syria, as it was at 84%, followed by that of citizens from Egypt, which reached 50%, spending of citizens from Saudi Arabia, which rose by 39%, expenditures of Qatari citizens with a 22% year-on-year rise, spending of Kuwaiti citizens with a 16% increase, spending of Jordanian

nationals with a 12% rise. On the other hand, spending of nationals from the UAE dropped by a mere 1%. Also, spending of non-Arabs saw declines in the said period, with spending of French, Nigerian, and American citizens decreasing by 16%, 12% and 11%, respectively. Again, this is correlated with the negative repercussions of the global financial crisis.

The distribution of tax free spending by category during the first nine months of 2009 indicates that “fashion and clothing” was the category with the highest share of overall spending of 67%, followed by “watches and jewellery” with 11%, “home and garden” and spending in department stores with 5% each, and “perfumes and cosmetics” with 4%.

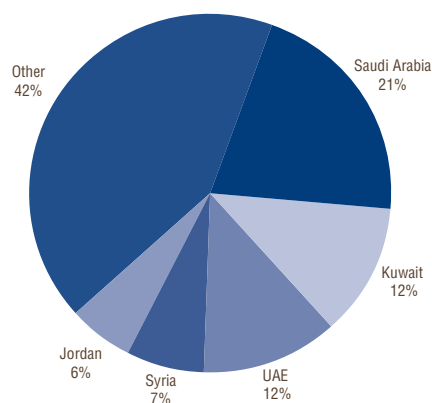
Construction permits up by 10.5% in the first eight months of 2009

Figures released by the Order of Engineers of Beirut and Tripoli reveal that the first eight months of 2009 saw a significant upsurge in construction activity as construction permits totaled 7,686,790 square meters, up by 10.5% from the same period of the previous year and by 38.0% from the same period of 2007.

This indicates that construction activity in the first eight months of 2009 reached a record high level when compared to the same period of previous years in Lebanon. In fact, previously in the first eight months of 2008, construction activity in Lebanon was at its pinnacle, amidst the real estate boom, as contractors were trying to match the real estate expansion by launching new projects, and now this activity recorded a new peak, which is deemed especially significant as it comes within the context of a downfall in real estate activity across the region. In short, it seems that Lebanon has once again successfully countered the global economic crisis, this time at the level of construction activity.

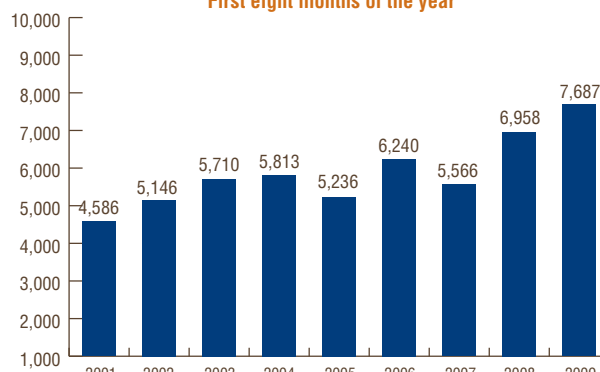
Mount Lebanon accounted for the majority of distributed construction permits in the first eight months of 2009 with

Tax-Free Spending by nationality - First nine months of 2009



Sources: Global Refund, Bank Audi's Research Department

Construction permits ('000 of square meters)
First eight months of the year



Sources: Orders of Engineers of Beirut and Tripoli, Bank Audi's Research Department

48.2% of the total. It was followed by North Lebanon with 21.9%, South Lebanon with 16.1%, Beirut with 7.7%, and the Bekaa with 6.2%.

During the eighth month of the year, construction activity saw an upsurge when compared to July 2009, rising by 55.2%. When compared to the same month of the previous year, construction activity remained almost unchanged in August 2009, with the area of newly issued construction permits totaling 863,473 square meters.

Coincident indicator up by 13.5% on average in the first eight months of 2009

The coincident indicator, an index developed by the Central Bank, which monitors economic activity in Lebanon, averaged 222.83 in the first eight months of 2009, up by 13.5% from the same period of the previous year, and reaching a record high when compared to the same periods of previous year. This suggests a significant step up in economic performance in Lebanon in the first eight months of the year to reach peak levels.

When looking at the monthly coincident indicator throughout 2009 so far, it seems that improving economic activity was at its peak in the fourth month of the year, as the coincident indicator stood at 236.5 points in April 2009. It was followed by July, during which the monthly indicator was at its second highest level in 2009, so far, reaching 230.2 points. In August, the coincident indicator stood at 220.6 points, down by 4.17% compared to the previous month, probably due to relatively slower activity, at the level of tourism for example, resulting from the fact that Ramadan began in August 2009. However, relative to the same month of the previous year, the coincident indicator went up by 11.3%.

Merchandise at the Port of Beirut rise by 10.1% in the first eight months of 2009

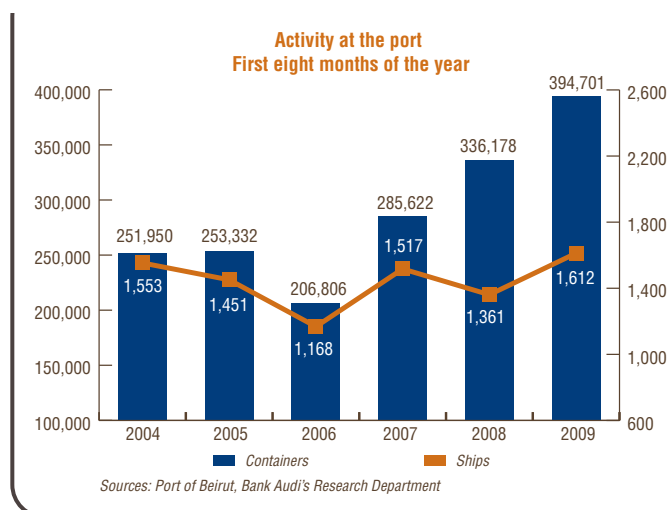
Maritime transport services, which mirror the performance of the trade sector, saw positive variations in the first eight of 2009, as reflected by the main indicators of the Port of Beirut that handles the majority of the country's imports and exports. According to the figures released by the Port, the number of ships totaled 1,612 in the first eight months of 2009, up by 18.4% as compared to 2008's same period. The total tonnage of loaded and unloaded merchandise at the port went up by 10.1% to reach 4,259 thousand tons. It is worth noting that the tonnage of merchandise loaded and unloaded at the port is one of the most important indicators of import and export activity at the port.

In parallel, the number of containers at the Beirut Port, another important indicator of trade activity increased by 17.4% to reach 394,701 containers during the said period. It is worth noting that the mentioned number of containers encompasses all incoming and outgoing containers at the

Port, but not transshipments. As a matter of fact, the latter totaled 303,332 containers, up by a yearly 3.9%. As for the revenues generated by the port, they reached US\$ 108.3 million, depicting a 33.1% increase from the first eight months of 2009.

In August 2009, figures again revealed a positive year-on-year trend demonstrated by a rise in almost all items. The number of ships increased by 24.3% to reach 210, the number of containers went up by 11.8% to reach 54,001, merchandise traded went up by 21.1% year-on-year to reach 594 thousand tons and revenues increased by 42.2% to US\$ 16.0 million. As to transshipments, it was the only item to witness a year-on-year decrease in August, as they totaled 30,332, down by 23.0%.

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Customs duties up by 46.8% in the first eight months of 2009

Figures released by the Higher Customs Council show that customs collection (customs revenue and VAT) totaled LP 3,180 billion in the first eight months of 2009; that is an increase of 46.8% from the previous year. This rise is driven by a 12.2% yearly rise in revenues from the value added tax (VAT), which reached LP 1,358 billion, coupled with a much higher 90.7% rise in receipts from custom duties, which totaled LP 1,822 billion. The former increase indicates higher consumer spending in the country, whereas the latter mirrors significant higher returns from international trading activity.

During the month of August 2009 customs collection totaled LP 428,424 million up by 35.6% from the same month of the previous year. This rise is driven by a 41.8% yearly rise in revenues from the value added tax (VAT), which reached LP 182,854 million, coupled with a higher 55.9% rise in receipts from custom duties, which totaled LP 245,570 million.

► SURVEYS

EIU: Lebanese banks among the few in the world enjoying abundant liquidity

A recent report released by the Economist Intelligence Unit (EIU) on the Lebanese banking sector indicated that Lebanese banks are continuously attracting inflows of deposits, which in current times of crisis, has left them among the few banks of the world enjoying abundant liquidity surpluses. Indeed, the report noted that one cannot but point out to the evident immunity of Lebanese banks, which is to a large extent the result of the Central Bank's proper foresight in banning the country's banks from investing in subprime.

The EIU praised the strong asset growth of Lebanese banks in the first half of the year, at a time when several banks across the globe and the region have seen the crisis taking its toll on their balance sheet. Central bank figures for the first half show that banks operating in Lebanon had total consolidated assets of LP 156.2 trillion at the end of June, more than three times the size of GDP, a growth of 17.2% over the same period in 2008. As a matter of fact, the study noted that banking is one of the most important industries in Lebanon's services-based economy, followed by tourism. The banking sector has enjoyed growth in assets, deposits and loans for several years, with a sharper rise in deposits since the onset of the global financial turmoil in mid-2008, as both residents and non-residents have apparently viewed Lebanese banks as a relative safe haven. Banks have also been increasing their reserves and provisions, while channeling much of their new deposits into secure, liquid assets.

At the end of June, private sector deposits were equal to LP 108.5 trillion, up by 16.9% over the same point in 2008. Almost all new funds were put in local-currency accounts, which reached LP 40.3 trillion, up 51.3%, while foreign currency deposits were almost stagnant, ending June at LP 68.2 trillion, up by 3%. The report indicated the robust growth in LP deposits to the fact that investors have been taking advantage of the high interest rates available on Lebanese pound deposits at a time when dollar rates are very low, noting that Lebanese pound deposit rates stood at 7% in July, compared to dollar rates of 3.2%. The EIU acknowledged that such inflows suggest that the interest rate differential has outweighed Lebanon's sovereign risk premium, leaving the country's banking system in a steadfast against any potential internal or external shocks.

Furthermore, the country's largest banks have reported rising profits in the first half of 2009, at a time when several banks across the region witnessed shrinking profitability. The report stated that profit growth has generally slowed compared to last year but remains strong by global standards.

Looking at the other side of the balance sheet, it appears much of the new funds received by the banks were channeled into reserves rather than new lending. Commercial bank reserves at the central bank reached LP 48.8 trillion at the end of June 2009, up 47% over the same point in 2008. Lending continued to rise, but at a slower rate than in previous months. Total lending to the Lebanese state (in the form of T-bills and foreign currency Eurobonds) reached the equivalent of LP 38.1 trillion, up 9.7%. Private sector lending also rose, to LP 36.2 trillion, up 19.1%. The loan/deposit ratio fell to 68.5% at the end of June, down from 70.2% in June 2008.

The EIU noted that the majority of domestic credit is extended to the government, as it is given at high interest rates that few private companies can afford to match. The EIU concluded its report by suggesting cuts in commercial lending rates in order to stimulate higher demand for bank loans.

UNDP praises Lebanon for significant improvement in terms of achieving Millennium Development goals

The United Nations Development Program (UNDP) hailed the progress made by Lebanon towards realizing the UN Millennium Development Goals (MDGs). The report, issued by the UNDP office under the title of "UN Millennium Development Goals - Lebanon Report 2008," said Lebanon made noticeable accomplishments in its efforts to eradicate poverty and hunger, reduce child and mother mortality rates, ensure gender equality, woman empowerment and sustainable environment, and enhance development-oriented partnership with the world.

Lebanon pursued the development of the mechanisms envisaged by the Paris III donor conference of 2007 relating to the realization of the MDGs, reduction of debts and the establishment of fair trade regulations before 2015, according to the report.

Lebanon has also made great progress in the improvement of its educational system since the end of the civil war of 1991. The illiteracy rate among adults (above 15 years) went down by 2.3% from 14% in 2000 to a current 11.7%. Public spending on education accounts for 9.19% of the state budget, amounting to US\$6 million.

Among other indicators, the number of the poor in Lebanon went down to only 28.5% of the total population, the report highlighted. Deaths among children below five years dropped from 35 per 1,000 in 2000 to 19 per 1,000. Lebanon has also made a great accomplishment in bringing down mother mortality rate.

► CORPORATE NEWS

FFA Private Bank and local investors acquire majority share in Naas Bikfaya Mineral Water Company

FFA Private Bank has acquired, along with other local investors about 86% of the local firm Naas Bikfaya Mineral Water Co. which would re-launch and diversify its operations through a US\$ 60 million project.

The project consists of a hotel, a wellness center, and villas in the Bikfaya village in Mount Lebanon. The project would be implemented by the FFA Private Bank subsidiary, termed FFA Real Estate.

According to the project manager, the company would, within one year, name an operator to manage the resort, launch an IPO and relist its shares on the Beirut Stock Exchange, adding that Naas, which had stopped operations in 1986, is currently studying alternatives to re-launch its water business as well. Naas would be the first mineral water company to list on the local bourse after the civil war in Lebanon.

FFA Private Bank provides investment banking services including asset management, private wealth management, investment advisory services, capital markets, online trading, corporate and merchant banking, financial brokerage, and real estate investment. FFA Private Bank owns a subsidiary in Dubai, FFA Dubai Limited, as well as a real estate development and finance arm, FFA Real Estate.

Founded in 1994, FFA started its operations as a private bank under the name of FFA Private Bank a couple of years ago, after having received approval from the Central Council of the Central Bank of Lebanon.

Ten Lebanese insurance companies among Al Bayan's top 100 Arab insurers 2008 rankings

Al-Bayan magazine lately published its annual Arab insurers' rankings indicating that 10 Lebanese insurance companies made the top 100 Arab insurers list, ranked by total premiums.

Total premiums of Lebanese insurers (49 companies among 283 Arab insurers) reached US\$ 1.6 billion in 2008, constituting a rise of 24.5% from US\$ 1.3 billion in 2007. Total assets amounted to US\$ 2.9 billion in 2008, up by 17.6% from US\$ 2.4 billion in 2007. Shareholders' equity reached US\$ 801.7 million in 2008, up by 9.9% from US\$ 729.5 million in 2007.

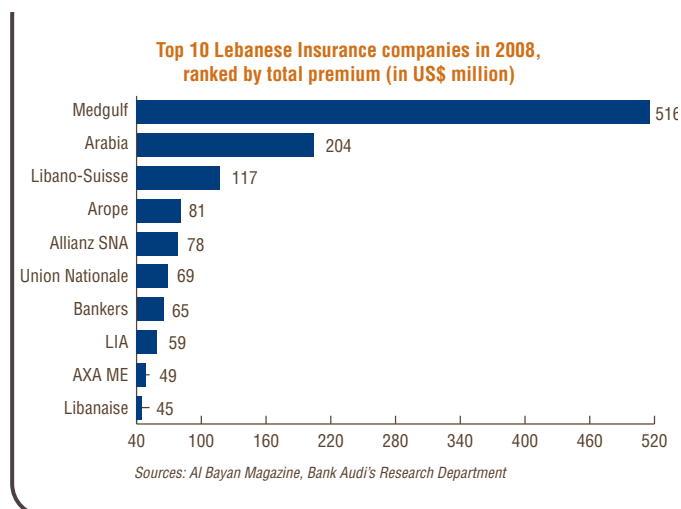
Medgulf ranked first among Lebanese companies with US\$ 516.0 million in total premiums, up by 35.6% from US\$

380.5 million in 2007. It was followed by Arabia Insurance with US\$ 204.0 million in 2008, up by 23.6% from US\$ 165.0 million in 2007. Libano Suisse ranked third with US\$ 117.0 million in 2008, against US\$ 56.0 million in 2007.

Medgulf also ranked first in terms of assets with US\$ 757.8 million in 2008, up by 12.2% from US\$ 675.4 million in 2007. Arabia Insurance came in second place with US\$ 358.8 million in 2008, up by 12.5% from US\$ 319.0 million in 2007. Arope ranked third with US\$ 238.9 million in 2008, against US\$ 157.4 million in 2007.

In terms of net profits, Medgulf ranked first with US\$ 56.1 million in 2008, against US\$ 59.9 million in 2007. LIA ranked second with US\$ 7.0 million in 2008, up by 5.0% from US\$ 6.7 million in 2007. Bankers came in third place with US\$ 6.5 million in 2008, against US\$ 9.2 million in 2007.

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Alfa to launch BlackBerry service

Mobile operator Alfa is scheduled to launch officially the BlackBerry mobile phone service in November 2009, according to the Ministry of Telecommunications.

The monthly subscription currently at US\$ 40 for companies and US\$ 45 for individuals, would drop to US\$ 36 and US\$ 40 for companies and individuals respectively, according to the same source.

Introduced in 1999 by Canadian-based Research In Motion (RIM), BlackBerry delivers information over the wireless data networks of mobile services companies. In fact, the BlackBerry solution consists of smart phones integrated with software providing access to a variety of data and communication services. The BlackBerry solution allows users to stay connected with wireless access to email, corporate data, phone, web and organiser features.

► CAPITAL MARKETS

Money Market: Ongoing subscriptions in short-term CDs

With continuous conversions from FC holdings to LP holdings on the foreign exchange market, local currency liquidity remained quite available on the money market and the overnight rate stood at its low official level of 3.25% set by the Central Bank of Lebanon.

As to short-term Certificates of Deposits, the Central Bank of Lebanon sold this week LP 95 billion in the 60-day category, with total subscriptions in CDs reaching LP 906 billion since the beginning of the year 2009 and distributed as follows: LP 141 billion in the 45-day category, and LP 765 billion in the 60-day category. The latest figures released by the Association of Banks in Lebanon showed that the total outstanding CDs portfolio amounted to LP 19,237 billion at end-August 2009 against LP 19,201 billion at end-July 2009, moving up by LP 36 billion. This tiny month-on-month variation compares to a much higher variation of LP 1,049 billion in July 2009. The sharp drop in monthly growth is mainly attributed to the Central Bank's decision to suspend issuance of five-year CDs.

On the monetary aggregates level, figures for the week ending 1st of October 2009 indicated an increase of LP 214 billion in local currency deposits, as a result of a LP 205 billion growth in LP time deposits and a LP 9 billion rise in LP demand deposits. In parallel, deposits in foreign currencies regressed by US\$ 52 million. The weekly variations compare to an average weekly increase of LP 264 billion for LP deposits since the beginning of the year 2009, and an average rise of US\$ 82 million in foreign currency deposits. Within this context, LP money supply (M2) expanded by LP 260 billion, versus an average weekly increase of LP 268 billion since the beginning of the year 2009. Total money supply in its large sense (M4) widened by LP 165 billion week-on-week, compared to an average weekly increase of LP 421 billion since year-end 2008.

Interest rates	16/10/09	09/10/09	26/12/08
Overnight rate	3.25%	3.25%	3.50% ↔
7 days rate	3.36%	3.36%	4.50% ↔
1 month rate	3.79%	3.79%	4.17% ↔
45-day CDs	4.40%	4.40%	4.40% ↔
60-day CDs	4.89%	4.89%	4.89% ↔

Treasury Bills Market: Weighted average yield of 9.01%

Activity was very dull on the secondary Treasury bills market during this week. As to the primary market, the prelim-

inary results of this week's auction (October 15, 2009) show that the average yields on the three-month, six-month and five-year categories went down by three to 16 basis points. It is worth mentioning that the Central Bank of Lebanon allowed commercial banks this week to subscribe in only 10% of their accepted bids in the five-year category.

On the other hand, the Central Bank released this week the auction results for value date October 8, 2009 which showed that total subscriptions amounted to LP 775 billion, and were distributed as follows: LP 180 billion in the one-year category, LP 107 billion in the two-year category and LP 488 billion in the three-year category. These compare to maturities of LP 586 billion, resulting in a nominal surplus of LP 189 billion. The average yield on the one-year category retreated by seven basis points to 6.27%, while the average yields on the two-year and three-year categories fell by 12 basis points to reach 6.86% and 7.52% respectively.

Within this context, the latest monthly report released by the Association of Banks in Lebanon showed that the weighted average yield on outstanding Treasury bills reached 9.01% at end-August 2009, down by six basis points relative to the previous month and by 16 basis points since year-end 2008. In addition, the total Tbs portfolio amounted to LP 39,675 billion in August 2009, up by LP 828 billion relative to the previous month and by LP 2,031 billion since year-end 2008.

Foreign Exchange Market: BDL's foreign assets at US\$ 26 billion

The foreign exchange market was marked during this week by continuous conversions from FC holdings to LP holdings, in similar volumes relative to the previous week. The continuous offer for the US Dollar called for the Central Bank's intervention as a buyer of the green currency surpluses at the lower end of its intervention bracket (LP

Treasury bills	16/10/09	09/10/09	26/12/08
3-month	4.80%	4.83%	5.10% ↓
6-month	6.03%	6.12%	7.10% ↓
1-year	6.27%	6.27%	7.58% ↔
2-year	6.86%	6.86%	8.26% ↔
3-year	7.52%	7.52%	9.00% ↔
5-year	8.04%	8.20%	- ↓
Nom. Subs. (LP billion)		775	242
Short-term (3&6 mths)		-	80
Medium-term (1&2 yrs)		287	13
Long-term (3 yrs)		488	149
Long-term (5 yrs)		-	
Maturities		586	157
Nom. Surplus/Deficit		189	85

1,501.00), while the inter-bank rate kept on hovering between LP 1,501.00 and LP 1,501.25.

Under these favorable conditions, the Central Bank's latest bi-monthly balance sheet ending October 15, 2009 showed an increase in foreign assets of US\$ 168 million to reach an unprecedented high level of US\$ 25.9 billion. Subsequently, the BDL's foreign assets covered 81.8% of LP money supply with this coverage ratio rising to 112.5% when including gold reserves estimated at US\$ 9.7 billion mid-October 2009.

Exchange rates	16/10/09	09/10/09	26/12/08
LP/US\$	1,507.5	1,507.5	1,507.5 ↔
LP/£	2,465.06	2,405.52	2,221.60 ↓
LP/¥	16.52	16.90	16.66 ↑
LP/SF	1,478.81	1,461.89	1,401.80 ↓
LP/Can\$	1,454.98	1,429.05	1,236.37 ↓
LP/Euro	2,245.27	2,219.79	2,120.00 ↓

Stock Market: Price index up by 2.5% despite fluctuations

The Beirut Stock Exchange witnessed mixed movements in prices during this week in view of uncertainties regarding the cabinet formation. In fact, after rising by 4.0% mid-week, the price index ended 2.5% higher on Friday, closing at 141.81. The total trading value amounted to US\$ 33.0 million this week versus US\$ 19.1 million last week. The average daily trading value surged from US\$ 3.8 million last week to US\$ 6.6 million this week, resulting in a 72.4% jump in the trading volume index to close at 281.35.

In details, Solidere shares captured 81.1% of activity this week. Solidere "A" share's price decreased by 1.5% to close at US\$ 25.50, and Solidere "B" share's price declined by 0.5% to reach US\$ 25.60. As to the banking stocks, they accounted for 18.5% of the total. Bank Audi's GDR price

Audi Indices for BSE	16/10/09	09/10/09	26/12/08
22/1/96=100			
Market Cap. Index	488.59	476.87	392.07 ↑
Trading Vol. Index	281.35	163.23	50.43 ↑
Price Index	141.81	138.41	113.40 ↑
Change %	2.46%	1.53%	-1.71% ↑
Market Cap. \$m	11,591	11,313	9,301 ↑
No. of shares traded	1,202,769	922,034	372,788 ↑
Value Traded \$000	33,035	19,114	4,550 ↑
o.w. : Solidere	26,795	16,575	3,182 ↑
Banks	6,114	2,487	1,329 ↑
Others	126	52	39 ↑

rose by 12.7% to close at US\$ 82.70, and the same bank's "listed" share price increased by 10.4% to reach US\$ 71.55. In parallel, BLOM's GDR price moved up by 6.0% to close at US\$ 88.00, while BLOM's "listed" share price stood at US\$ 82.00. Byblos Bank's "listed" share price remained unchanged at US\$ 1.90, while its "priority" share price rose by 1.6% to reach US\$ 1.93. Bank of Beirut's "listed" share price edged up by 0.3% to US\$ 18.35. Among the industrial shares, Holcim's share price tumbled by 5.3% to US\$ 13.50.

All in all, the BSE performed similarly to other emerging stock markets, as reflected by a 2.1% rise in the Morgan Stanley Capital International Emerging Market Free Index (MSCI EM). However, the BSE's performance was better than other Arabian markets, as reflected by a 1.0% rise in the Morgan Stanley Capital International Arabian Markets Index (MSCI Arabian Markets).

Bond Market: Further decline in the average spread

The bond market continued to witness local and foreign demand during this week, yet the offer remained shy. Subsequently, bond prices increased, as reflected by an 18 basis points decrease in the average yield to reach 5.31%, while the average spread shrank by 27 basis points to reach 304 basis points, due to a decline in Lebanese yields and surge in benchmark yields. For instance, the average yield on the five-year US Treasury bills rose from 2.26% last week to 2.39% this week, after encouraging US data on jobs pared investors' bets on a slow economic recovery.

On the other hand, the Ministry of Finance announced recently its plan to issue a new sovereign bond in the coming weeks for an amount that goes up to US\$ 500 million to help service existing debt and subsidize a state-owned power company.

In parallel, bond prices in other emerging markets rose week-on-week, as reflected by a six basis points decline in the average yield to reach 5.33%, while the average spread stood at 353 basis points.

Eurobonds Indicators	16/10/09	09/10/09	26/12/08
Total tradable size \$m	17,526	17,520	17,173 ↑
o.w.: Sovereign bonds	16,956	16,950	16,603 ↑
Average Yield	5.31%	5.49%	8.88% ↓
Average Spread	304	331	755 ↓
Average Life	4.51	4.53	4.65 ↓
Yield on US 5-year note	2.39%	2.26%	1.32% ↑

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ARAB STOCK MARKETS INDICES:

	16-Oct-09	09-Oct-09	31-Dec-08	Weekly change	End-year-to-date change
Lebanon	141.8	138.4	113.1	2.5%	25.4%
Jordan	153.6	154.6	162.5	-0.6%	-5.5%
Egypt	883.2	832.2	591.7	6.1%	49.3%
Saudi Arabia	405.3	396.5	291.5	2.2%	39.0%
Qatar	643.6	653.5	608.6	-1.5%	5.7%
UAE	295.0	286.9	171.9	2.8%	71.7%
Oman	879.1	882.6	700.6	-0.4%	25.5%
Bahrain	392.9	397.0	517.0	-1.0%	-24.0%
Kuwait	687.5	711.7	620.4	-3.4%	10.8%
Morocco	466.1	458.4	453.6	1.7%	2.7%
Tunisia	1,193.0	1,199.6	914.4	-0.5%	30.5%
Arabian Markets	520.4	515.4	401.4	1.0%	29.6%

Source: MSCI Barra, Bank Audi's Research Department

INTERNATIONAL MARKET INDICATORS:

	16-Oct-09	09-Oct-09	31-Dec-08	Weekly change	End-year-to-date change
EXCHANGE RATES					
YEN/\$	90.99	89.41	90.92	1.8%	0.1%
\$/£	1.634	1.592	1.4520	2.6%	12.5%
\$/Euro	1.487	1.475	1.3950	0.8%	6.6%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	9,995.91	9,864.94	8,776.39	1.3%	13.9%
S&P 500	1,087.68	1,071.49	903.25	1.5%	20.4%
NASDAQ	2,156.80	2,139.28	1,577.03	0.8%	36.8%
CAC 40	3,827.60	3,799.61	3,217.97	0.7%	18.9%
Xetra Dax	5,743.39	5,711.88	4,810.20	0.6%	19.4%
FT-SE 100	5,190.24	5,161.87	4,434.20	0.5%	17.1%
NIKKEI 225	10,216.14	10,016.39	8,859.56	2.0%	15.3%
COMMODITIES					
GOLD OUNCE	1,052.25	1,048.25	878.20	0.4%	19.8%
SILVER OUNCE	17.41	17.67	11.30	-1.5%	54.1%
BRENT CRUDE (barrel)	76.23	70.06	39.83	8.8%	91.4%
LEADING INTEREST RATES (%)					
1-month Libor	0.25	0.25	0.45	0.00	-0.20
US Prime Rate	3.25	3.25	3.25	0.00	0.00
US Discount Rate	0.50	0.50	0.50	0.00	0.00
US 10-year Bond	3.41	3.39	2.22	0.02	1.19

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