

TheMENAWeeklyMonitor

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The World Bank released this week an update on its Global Economic Prospects (GEP) report, where the bank lowered its real GDP growth forecasts for the MENA region to 3.1% in 2009 and 3.8% in 2010.

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p.6 ► Arab equity markets down by 4.3% week-on-week

Arabian equity markets went down by 4.3% this week, as per MSCI data, undermined by profit taking operations after recent gains, the lazy summer mood, and investors' interest in repositioning their portfolios ahead of the second quarter results. In addition, Arabian markets tracked corrections in the world equity markets (-0.7%) and declines in oil prices to below US\$ 70 per barrel amid renewed concerns about the global economic conditions. The Egyptian Stock Market was the worst performer this week, falling by 10.1% relative to the previous week. Orascom Construction lost 12.6%, and Orascom Telecom tumbled by 15.7%. In the UAE, the equity markets plunged by 9.4% this week, as investors tracked declines in the world markets and oil prices. Real estate stocks led the decline. In Saudi Arabia, the Tadawul dropped by 6.3% week-on-week, led by a slide in petrochemical sector shares on the backdrop of internationally lower oil prices. In Bahrain, the Bahrain Stock Exchange declined by 1.8% week-on-week, led by banks, insurance and investment firms. Elsewhere in the Gulf, the Kuwait Stock Exchange remained unchanged this week, edging up by 0.2%. The market traded in a range as investors repositioned their portfolios ahead of second quarter results and the summer months, added to this are the slipping oil prices that were also factored in.

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

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World Bank projects MENA's real GDP growth at 3.1% in 2009 and 3.8% in 2010

The World Bank released this week an update on its Global Economic Prospects (GEP) report, which examines the impact of dawdling capital flows resulting from the global financial crisis on GDP growth across the world. In the MENA region, in particular, the bank lowered its real GDP growth forecast in 2009 from 3.3% in the previous GEP report to 3.1% in the current report. Furthermore, full recovery is not expected to occur in 2010, as real GDP growth is forecasted at 3.8%, below the region's historical average of around 4.5%. In fact, such a growth rate is projected by the year 2011.

As per the report, initially, the developing countries of the MENA region were less directly affected by the financial crisis than those of many other developing regions. The biggest direct effect from the crisis was the acceleration in the decline of oil prices. Most countries did not need to borrow during the latter part of 2008 because they had generally favorable balance of payments positions and access to alternative sources of financing, such as remittances, FDI, tourism receipts, foreign aid, and international reserves.

Net capital flows to the MENA region (US\$ billion)

	2004	2005	2006	2007	2008e
Current account balance	38.3	59.9	93.1	80.7	97.6
% of GDP	7.9	10.9	16.3	13	13
Net private and official inflows	12.1	15.8	13.4	21.6	23.3
Net private inflows	15.8	19.1	24.7	21	23.3
Net equity inflows	7.6	16.5	26	22.1	24.5
o.w. Net FDI inflows	6.9	14.1	25	24.2	22.5
o.w. Net portfolio equity inflows	0.7	2.4	1	-2.1	2
Net debt flows	4.5	-0.7	-12.6	-0.5	-1.2
Workers' remittances	23	24.3	25.7	31.3	33.7

Sources: World Bank, Bank Audi's Research Department

Nonetheless, looking ahead, GDP growth for the developing countries in the region is projected to halve from 6% in 2008 to 3.1% in 2009. For the geographic region including high-income GCC countries, namely Saudi Arabia, Kuwait, Oman, and Bahrain, the slowdown is expected to be still more pronounced, shifting from growth of 5.6% in 2008 to gains of just 1.6% in 2009.

Because of the sharp falloff in oil prices, current account balances are projected to deteriorate sharply among developing oil exporters from 23.8% of GDP in 2008 to 3.5% by 2011, thereby pushing down real GDP growth of such countries. Prospects for several of the more diversified economies of the region, including Jordan and Lebanon, are dependent on remittances, FDI flows, tourism, and foreign aid, and therefore their prospects will

depend on those of the Gulf States and to a lesser extent those of international donors. Growth in this group is projected to decline from a relatively robust 5.6% in 2008 to 3.9% in 2009.

In conclusion, prospects for recovery in the developing countries in the MENA will depend importantly on the strength of the eventual revival in Europe and in GCC countries. Continued weakness in the price of oil, the persistent drag of global finance, weak remittance flows, and strong negative wealth effects from falling real-estate and equity prices in the region are all projected to restrain recovery.

MENA forecast summary (annual percentage change)

	2007	2008	2009f	2010f	2011f
Real GDP growth	5.4	6	3.1	3.8	4.6
GDP per capita	3.6	4.2	1.3	2.1	2.9
Private consumption	6.1	7.2	2.8	4	4.9
Public consumption	3.1	6.6	8.6	7.6	6.8
Fixed investments	23.3	19.7	2	2.9	5.1
Exports	8.2	7.6	-2	2.9	5.1
Imports	19.5	18.2	0.6	5.4	7.1
Current account balance (% of GDP)	13	13	-1.6	-1.5	-1.8
Fiscal balance (% of GDP)	-0.5	-1.5	-5.4	-3.6	-3.5

Sources: World Bank, Bank Audi's Research Department

Capital inflows to Arab countries up US\$ 15 billion in 2008

Capital flow into Arab nations soared by around US\$ 15 billion to a record US\$ 89 billion in 2008 despite a sharp slowdown in worldwide investments in the second half of 2008 due to the global crisis, official figures released by the IAIGC showed last week. The bulk of the increase was in inter-Arab investments, which leaped by nearly 64% in 2008, according to preliminary results released by the corporation.

The new revised figures are in sharp contrast with previous preliminary estimates by the Kuwaiti-based IAIGC that the global financial turmoil had depressed foreign direct investment (FDI) in the region by US\$ 10 billion in 2008. Available data from 17 Arab countries showed FDI totaled US\$ 89 billion in 2008 compared with US\$7 4billion for all Arab nations in 2007, according to the director of the IAIGC.

The increase boosted the share of Arab states in global FDI to 5.3% in 2008 from around 3.9% in 2007 and only 0.4% in 2000. A surge in inter-Arab investments was the main factor in the total FDI growth in the region, as they jumped to US\$ 34 billion in 2008 from about US\$ 21 billion in 2007. Gulf countries have remained the main source of inter-Arab investments, while new players emerged in 2008, including

Egypt and Lebanon. Between 1995 and 2008, Saudi Arabia, Sudan and Lebanon were the largest beneficiaries of inter-Arab investments as they attracted around US\$ 95 billion, nearly 70% of the total inter-Arab FDI of US\$ 135 billion.

The increase in inter-Arab investment and FDI in general was a result of better capital laws and a push by most Arab countries to attract investments given their importance in economic growth in the absence of other major financial sources in some regional nations. The investment climate and infrastructure in most Arab countries had largely improved over the past few years but added more work needs to be done.

There are however some obstacles for foreign investment and inter-Arab investment in the region. They include the absence of a unified law to regulate investment in member states and failure of some governments to comply with the agreements they sign with the investors.

Standard Chartered sees no prospects for deflation in the GCC region

The GCC has managed to avoid the threat of deflation and will record a low single-digit inflation rate this year, economists at Standard Chartered bank said, and added that liquidity conditions are expected to ease by the fourth quarter of this year.

With the majority of the correction in the housing market having already taken place, the dollar will resume its weakening trend, and given the bank's expectations that later this year liquidity will begin to improve, both implying that monetary conditions in the GCC will ease. Economists at Standard Chartered also believe that the region has avoided the threat of deflation.

According to the bank, deflationary pressures in the Gulf are easing. Food prices and the cost of housing were the main drivers of inflation last year and even with food prices rebounding following a weakening dollar, they are unlikely to exceed levels reached in 2008. It, therefore, expects inflation rates in the GCC to stabilize into the low single digits. Bahrain inflation rose to 3.5% year-on-year in May from 3.1% in April and Saudi inflation touched 5.5% in May interrupting a 19-month drop with a low of 5.2% in April.

Bank of America-Merrill Lynch sees the GCC region growing by 4% over the next ten years

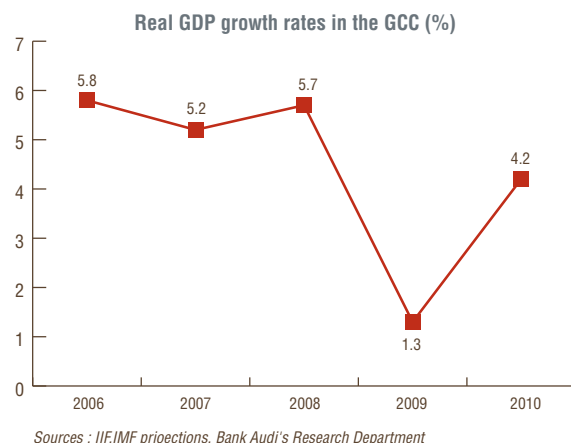
The GCC economies are forecast to grow 4% over the next 10 years, Bank of America-Merrill Lynch said in a study. Despite the diversification policy agenda, the GCC macro story is likely to remain highly leveraged to the global business cycle since oil still accounts for 32% of GDP, 74% of

total exports and 84% of budget revenues.

However, the region has means to fund growth as it saved 80% of the oil windfall since 2003, nearly triple the amount saved in past oil booms. Despite the fact the region has US\$ 2 trillion worth of projects over the coming years and it enjoys minimal taxation, the GCC is unlikely to fulfill its potential growth of 6% over the medium term.

According to the investment bank's study, the region has four major challenges: hydrocarbon dependence; demographics and expanding human capital - GCC is heavily reliant on imported skills; fiscal sustainability - the challenge of maintaining large welfare systems with minimal taxation; and privatization remains politically difficult in the absence of an open political system.

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Moody's anticipates a slowdown in investment programs of GCC corporates

Corporates in the GCC may scale back their investment programs as a result of the global economic slump, greater risk aversion and tighter credit market conditions, according to a report by Moody's.

As the GCC has opened itself to the outside world over the past ten years, the private sector's exposure to global economic fluctuations has grown, Moody's noted. Companies and banks in the region have higher external debt burdens than before as they have tapped international capital markets to fund expansion, the report said.

Moody's, however, noted that ample sovereign wealth funds are allowing GCC governments to maintain expenditure despite falling oil receipts, thus limiting the impact on corporate profits. Sovereign ratings of GCC government-owned corporates is being bolstered by the high likelihood of government support to the economies, Moody's noted.

► SURVEYS

UAE delivers best IT performance in the region in 2009

The UAE has the most well-developed information computer technology in the Middle East and North Africa, according to a study of 134 economies conducted by the World Economic Forum and INSEAD business school. The Global Information Technology Report for 2008-2009 rated the UAE as having the 27th best information computer technology, or ICT, in the world. The country placed 29th for ICT in last year's study.

ICT development remains an important component in the growth strategies of countries in the Middle East, as the region collectively delivered impressive results in the Network Readiness Index (NRI), which was used to rank countries in the survey. The NRI 2008-2009 has been established to assess the different countries' preparedness to leverage ICT advances for increased competitiveness and development. It specifically measures the presence of an ICT-conducive environment; the degree of preparation needed to use ICT for the three main national stakeholders, individuals, the business sector, and the government; and the actual use of ICT by the above three stakeholders.

The study revealed that several countries in the region made it within the top half of the NRI, showing a growing trend wherein countries are leveraging ICT to increase economic prospects and improve global competitiveness. Overall, countries from the GCC led the way among their Middle East peers in the NRI rankings, as the UAE was followed by Qatar (29th), Bahrain (37th), Saudi Arabia (40th), Oman (50th) and Kuwait (57th).

The report ranked the UAE first in the world for the density of its residential monthly telephone subscriptions, for its mobile telephone subscribers as a share of its population, and for the "extent and effect" of its relevant taxation. Furthermore, the country has been ranked within the top three from a list of 134 global economies in the category "Importance of ICT to government vision of the future," while placing fifth in "Government prioritization of ICT," 11th in "Government procurement of advanced technology products" and 32nd in "e-Government Readiness Index."

The report credited the Middle East for achieving significant gains in network readiness. This certainly is an important development that will further underpin the transformation of the region as a fast-emerging destination for international investors and business organizations. In particular, the rapid ICT development in the GCC has led the remarkable progress that has been seen across the Middle East, and GCC countries certainly deserve credit for their proactive efforts to elevate the level of infrastructure and the

regulatory aspects of the IT environment in the region.

The Network Readiness Index 2008 -2009 MENA countries

	MENA Rank	Global Rank	Score
UAE	1	27	4.76
Qatar	2	29	4.68
Bahrain	3	37	4.38
Tunisia	4	38	4.34
Saudi Arabia	5	40	4.28
Jordan	6	44	4.19
Oman	7	50	4.08
Kuwait	8	57	3.98
Egypt	9	76	3.76
Morocco	10	86	3.59
Syria	11	94	3.41
Libya	12	101	3.28
Algeria	13	108	3.14

Sources: World Economic Forum, Bank Audi's Research Department

Middle East online ad spend set to grow by up to 35% in 2009

Regional spending on online advertising is expected to grow by 25-35% as a result a greater shift from print to online advertising, according to a study titled "Game Not Over", that was recently released by global management consultant firm, Booz & Company. According to the study, this shift became more rapid as a result of the global crisis.

According to the study online advertising is cheaper compared to other mediums such as television and print and is far more targeted. It offers better investment and a better return. The report says that around 90% of marketers are focused on campaigns that are cross-platform and inclusive of digital media while 80% believe insights into consumer's digital behavior will become more important to their brands.

Online advertising spending in the GCC-Levant countries remains below 1% of the total globally, according to a recent study by Madar Research. Booz & Company thinks that growth of online advertising is hampered in the Middle East by a lack of supply of regional products and that companies head to Google, Yahoo and Facebook for online advertising because of a lack of compelling offerings from the Arab world.

On the other hand the report states that just 25% of marketers consider themselves savvy enough to capitalize on opportunities in online advertising, which I think is the bigger reason why online advertising hasn't taken off in the region. The report says that marketers' key concerns include the efficacy of digital metrics, the need for greater education and new models so they can build a more effective advertising presence online.

► CORPORATE NEWS

EFG-Hermes chooses Orascom telecom as top pick in MENA telecom note

EFG-Hermes released a note titled "MENA Telecom Sector, 1Q 2009 Recap – Usage Under Pressure". The study covered eight companies, namely the UAE's Etisalat and Emirates Integrated telecommunications Company (du), Egypt's Telecom Egypt (TE), Orascom Telecom (OT), and Mobinil, and Saudi Arabia's Saudi Telecom (STC), Zain KSA, and Mobily.

The slowdown in economic activity in recent months across the MENA region had a direct impact on usage on all companies under coverage, yet the impact varied from one country to another. For instance, the UAE market witnessed the biggest quarterly decline in usage of 13%, measured by average revenue per user (ARPU), while that of Egypt witnessed an 11% decline.

EFG-Hermes believes that MENA telcos would do better in the second quarter of 2009 on the back of stabilizing economies and currencies, which have been reflected in improved subscriber additions since the beginning of the second quarter, and management of some MENA operators indicating that usage has started to rise once again.

EFG-Hermes sees upside potential for all companies under coverage. TE was assigned a short-term (ST) / Long-term (LT) Buy/Buy recommendation and a LTFV of LE 20.9, against a current price of LE 17.54. Mobily was assigned a ST/LT Neutral/Buy recommendation and a LTFV of SAR 56.9, against a current price of SAR 33.8. Etisalat was assigned a ST/LT recommendation of Accumulate/Buy and a LTFV of AED 16.7, against a current price of AED 10.40. du was assigned a ST/LT recommendation of Accumulate/Buy and a LTFV of AED 6.1, against a current price of AED 2.7. STC was assigned a ST/LT recommendation of Accumulate/Buy and a LTFV of SAR 86.2, against a current price of SAR 53.5. Mobinil was assigned a ST/LT recommendation of Reduce/Neutral and a LTFV of LE 217.7, against a current price of LE 206.1. Zain KSA was assigned a ST/LT recommendation of Reduce /Neutral and a LTFV of SAR 12.4 with a current price of SAR 12.2.

Orascom Telecom became EFG-Hermes's top pick among its regional telecom coverage after having TE as its top pick since the beginning of the year. According to the report, this choice has been mainly driven by relative valuation and to a lesser extent higher affinity for more risky plays as economies show signs of stability. OT's year-to-date stock performance has been healthy, and the stock looks cheaper at the current level, as it currently is the cheapest in terms of

valuation multiples, trading at 2009e P/E of 7.4 times versus the average of 9.4 times, and OT is set to benefit from economic stability in global and emerging markets. On the other hand, at current market prices, TE trades at multiples that are above the average multiples of EFG-Hermes's coverage universe. EFG-Hermes also believes fixed-to-mobile "cannibalization" and recent management changes at TE would put pressure on share performance.

EFG-Hermes assigned a ST/LT Buy/Buy recommendation to OT. The long-term fair value (LTFV) for OT is US\$ 56.6, compared to a current value of US\$ 27.75.

Cayan Investment and Development assigns Arabtec and Saudi Drake and Scull for SR 2 billion Lamar Towers project

UAE's Cayan Investment and Development, one of the region's leading real estate developers, announced its agreements with two new contractors in the construction for its SR 2 billion Lamar Towers project in Jeddah, Saudi Arabia.

Arabtec, one of the largest companies in the fields of contracting and infrastructure in the Gulf region, won the contract for the construction of the Lamar project. Arabtec has projects such as Burj Dubai, the world's tallest tower, and the Infinity tower in Dubai.

The second appointed contractor was the Saudi Drake and Scull for the electro-mechanical works, worth more than SR 500 million, according to Cayan Investment and Development's statements. Drake and Scull provide integrated services in the field of mechanical and electrical engineering, health and others.

The Lamar Towers project would spread across 33,000 square meters and would include two residential towers, the first of which is 68 floors while the second is 60 floors, both offering views of the Red Sea. The project also has a 10-floors offices building, luxury malls, sports club, and a world class spa, in addition to an eight-level parking building.

Established in 2001, Cayan Investment and Development is a real estate company with presence in Dubai, Riyadh, Jeddah and Cairo. The company has developed several residential projects in Dubai, namely La Residencia Del Mar, Dorrabay and The Jewels at Dubai Marina. It is also currently developing the Infinity Tower at the Dubai Marina, and the Cayan Business Centre, a freehold commercial tower in Tecom on Sheik Zayed Road.

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► CAPITAL MARKETS

The Arabian equity markets fell by 4.3% week-on-week

Arabian equity markets went down by 4.3% this week, as per Morgan Stanley Capital International Arabian Markets Index (MSCI), undermined by profit taking operations after recent gains, the lazy summer mood, and investors' interest in repositioning their portfolios ahead of the second quarter results. In addition, Arabian markets tracked corrections in the world markets (-0.7%) and declines in oil prices to below US\$ 70 per barrel amid renewed concerns about the global economic conditions.

The Egyptian Stock Market was the worst performer this week, falling by 10.1% relative to the previous week. Orascom Construction, Egypt's largest builder by market value, lost 12.6%. Orascom Telecom tumbled by 15.7%, as investors booked some recent gains after the OT stock added more than 90% since early March to mid-June, tracking a global markets rally and on news that France Telecom would buy its stake in Mobinil. The Egyptian Stock Market reported a year-to-date increase of 12.1%.

In the UAE, the equity markets plunged by 9.4% this week, as investors tracked declines in the world markets and oil prices. Real estate stocks led the decline. Emaar properties fell by 10.8% week-on-week. Aldar properties tumbled by 14.7%. Deyaar development traded down 10.3% this week, on profit taking and following news that the company's chairman, Nasser Al Shaikh, has resigned. Moreover, Dubai Islamic Bank's share price fell by 8.5% following the Bank's statement confirming that Nasser Al Shaikh has resigned also from its board of directors. Shuaa Capital shares retreated by 3.9% week-on-week, though it started to rebound on Thursday on news that the company has reached an agreement with Dubai Banking Group (DBG)

over the conversion of AED 1.5 billion bonds into 515 million shares, at a conversion price of AED 2.91 per share, giving DBG a 48.4% stake in Shuaa. In general, the UAE markets took cue from international markets. Fundamentals don't explain the fall, but the fact that a lot of trading happens on psychological backdrop means that the UAE markets were affected by movements in international markets. The UAE markets surged by 20.8% year-to-date.

In Saudi Arabia, the Tadawul dropped by 6.3% week-on-week, led by a slide in petrochemical sector shares on the backdrop of internationally lower oil prices and amid general concerns about the global economy. Oil and petrochemicals exports remain highly dependent on the status of the world economy. Saudi Kayan Petrochemical Company traded 9.3% lower this week and Yanbu National Petrochemicals Company fell by 8.5%. Aside from the fluctuation in oil prices, there is nothing to keep the market down, as investors awaited the corporate results of Saudi companies. The Gulf's largest market is up about 19.2% year-to-date.

In Bahrain, the Bahrain Stock Exchange declined by 1.8% week-on-week, led by banks, insurance and investment firms. The market is down by 15.7% year-to-date.

In Kuwait, the Kuwait Stock Exchange remained unchanged this week, edging up by 0.2%. The market traded in a range as investors repositioned their portfolios ahead of second quarter results and the summer months, added to this are the slipping oil prices that were also factored in. Global Investment House was among the top losers this week, trading down by 15.6%. Global denied a report in the Financial Times that it is under investigation by the Central Bank of Bahrain for a series of short-term lending transactions. Kuwait Finance and Investment Co.'s share price fell by

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	134.2	4.1%	18.2%	25.2	17.6%	1.2	10,967.4	11.9%	11.0	1.39
Jordan	153.2	-5.7%	-5.1%	248.7	-17.1%	99.4	33,673.0	38.4%	13.4	1.99
Egypt	663.0	-10.1%	12.1%	1,148.4	-33.2%	710.9	68,317.2	87.4%	8.4	1.71
Saudi Arabia	347.5	-6.3%	19.2%	8,256.6	-15.6%	1,225.3	289,423.2	148.3%	12.5	1.87
Qatar	581.4	1.5%	-4.5%	520.3	-24.9%	67.1	75,592.4	35.8%	10.0	2.10
UAE	207.6	-9.4%	20.8%	1,419.2	-53.0%	3,616.1	125,813.4	58.7%	7.8	1.05
Oman	752.8	0.9%	7.5%	163.7	-26.7%	151.6	15,775.0	54.0%	9.7	1.73
Bahrain	435.8	-1.8%	-15.7%	10.3	-83.0%	27.9	18,039.2	3.0%	8.0	1.21
Kuwait	679.8	0.2%	9.9%	2,494.0	-10.6%	2,370.9	111,968.8	115.8%	13.8	1.64
Morocco	484.6	0.8%	6.8%	76.4	-53.9%	2.0	68,007.4	5.8%	18.6	3.92
Tunisia	1,113.2	-0.8%	21.8%	-	-	5.3	7,488.6	-	-	-
Arabian Markets	456.7	-4.3%	13.8%	14,362.9	-23.5%	8,272.5	817,577.0	91.4%	11.0	1.69

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

11.8%. In contrast, Bellwether Zain rose by 1.7% this week. Boubyan Bank's share price jumped 13.2% after Kuwait Investment Authority said it plans to sell its 20% stake in the bank through an auction next month for an initial price of KWD 0.550. All in all, the KSE is expected to remain governed by uncertainty until the second quarter results are released. The KSE moved up by 9.9% since the beginning of the year.

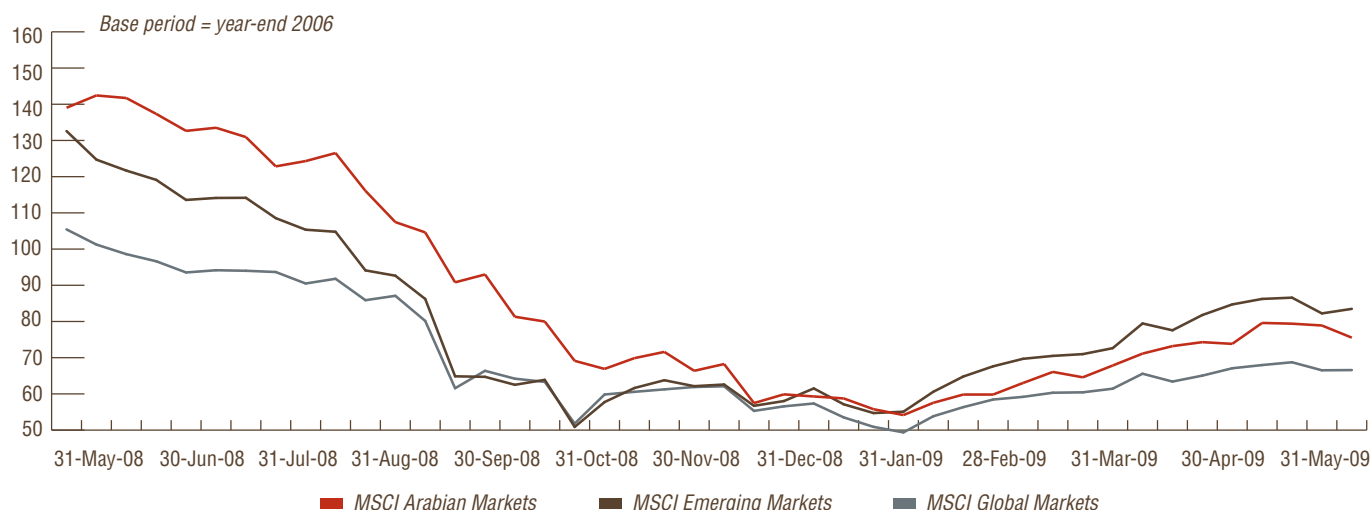
Elsewhere in the Gulf, the Doha Securities Market managed to move up by 1.5% this week, though investors tracked a region-wide stock markets correction and booked some recent gains on the back of an oil rally. Banks support the recovery this week. Masraf Al Rayan's stock was among the most active stocks, trading up by 4.1%. Commercial Bank of Qatar went up by 8.4%. Overall, investors are currently looking for second quarter results to support recent gains on the back of government initiatives to prop up the econ-

omy. It is worth highlighting that Doha's market started this week as Qatar Exchange, a rebranded version of the Doha Securities Market following the deal with NYSE Euronext that entailed the latter taking a 20% stake in the former.

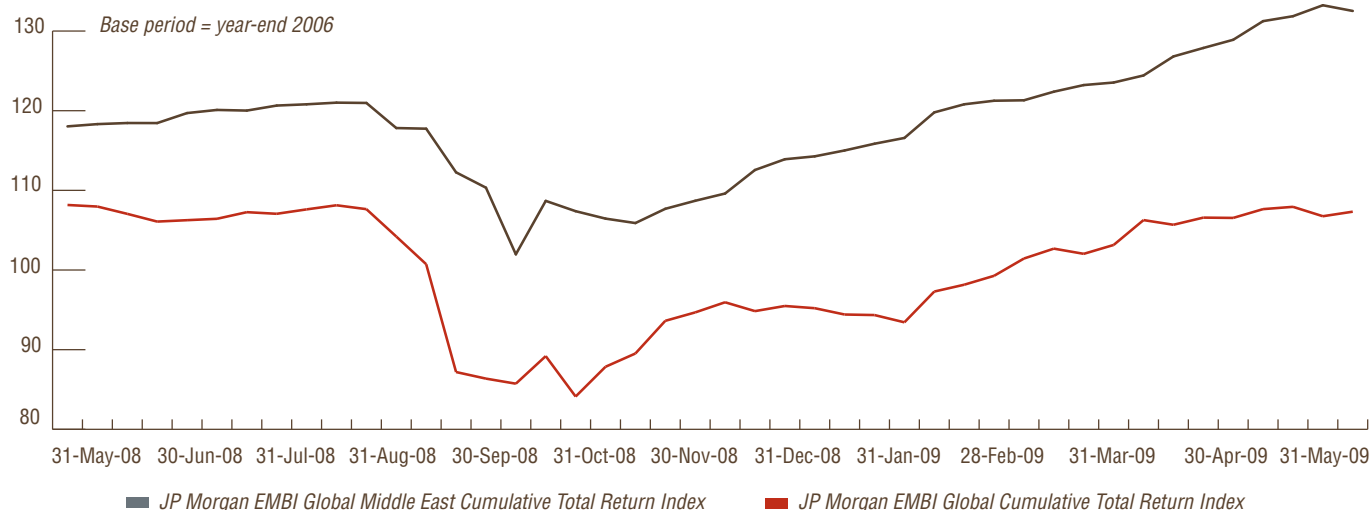
All in all, some profit taking ahead of the second quarter results was observed in the Arabian equity markets this week after recent gains, with recent correction in oil prices and world markets intensifying the sell-off. Most Arab equity markets are expected to stay volatile till the second quarter results are released, as investors look at these results for direction. Moreover, even though oil prices may have strengthened in recent months, however this doesn't mean that the future path of oil prices is becoming more certain, which shall leave its impact on the GCC equity markets' performance.

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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-/Stable/C	B2/Stable	B-/Stable/B	CCC/Stable
Syria	NR	NR	NR	CCC/Stable
Jordan	BB/Stable/B	Ba2/Stable	NR	CCC/Stable
Egypt	BB+/Stable/B	Ba1/Negative	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+	BBB/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	CCC/Stable
NORTH AFRICA				
Algeria	NR	NR	NR	BBB/Stable
Morocco	BB+/Stable/B	Ba1/Stable	BBB-/Stable/F3	BB/Negative
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	26-Jun-09	19-Jun-09	Dec-08	Weekly Change	Year-to-date
US Prime Rate	3.25%	3.25%	3.25%	0.00%	0.00%
3-M Libor	0.60%	0.61%	1.43%	-0.01%	-0.83%
US Discount Rate	0.50%	0.50%	0.50%	0.00%	0.00%
US 10-year bond	3.53%	3.77%	2.22%	-0.24%	1.30%

FX RATES (per US\$)	26-Jun-09	19-Jun-09	Dec-08	Weekly Change	Year-to-date
LEVANT					
Lebanese Pound (LBP)	1,500.00	1,498.00	1,507.50	0.1%	-0.5%
Syrian Pound (SYP)	47.10	47.15	46.45	-0.1%	1.4%
Jordanian Dinar (JOD)	0.71	0.71	0.71	-0.1%	-0.1%
Egyptian Pound (EGP)	5.60	5.60	5.49	0.0%	2.0%
Iraqi Dinar (IQD)	1,155.05	1,155.00	1,155.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.75	0.1%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	-0.1%
Qatari Riyal (QAR)	3.64	3.63	3.64	0.2%	0.0%
Kuwaiti Dinar (KWD)	0.29	0.29	0.28	-0.4%	3.9%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.39	0.38	0.38	0.7%	0.0%
Yemeni Riyal (YER)	199.70	199.75	199.55	0.0%	0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	72.53	72.64	69.44	-0.2%	4.5%
Moroccan Dirham (MAD)	7.99	8.06	8.01	-0.9%	-0.2%
Tunisian Dinar (TND)	1.35	1.36	1.31	-0.7%	2.9%
Libyan Dinar (LYD)	1.25	1.25	1.24	-0.4%	0.4%
Sudanese Pound (SDG)	2.38	2.39	2.20	-0.1%	8.4%

COMMODITIES (in US\$)	26-Jun-09	19-Jun-09	Dec-08	Weekly Change	Year-to-date
Crude oil barrel (Brent)	68.3	68.4	39.8	-0.1%	71.5%
Gold ounce	938.6	933.3	878.2	0.6%	6.9%
Silver ounce	14.1	14.2	11.3	-0.8%	24.5%
Platinum ounce	1,196.5	1,204.5	924.5	-0.7%	29.4%

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