The MENA Weekly Monitor

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2009

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Abu Dhabi National Oil Company (ADNOC) and US-based ConocoPhillips signed an agreement to invest an estimated US$ 10 billion in the development of sour gas reserves at the Shah gas field located onshore approximately 180 kilometers southwest of Abu Dhabi.

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p.6 ▶ Arabian equities tumble on falling oil prices and economic concerns

The falling oil prices and global equities prompted regional selling across Arab stock markets. Indeed, oil prices suffered their largest weekly decline since last January, as the US dollar strengthened and concerns about the sustainability of an economic rebound increased. Investors were, thus, measuring latest gains against economic realities, considering the recent improved performance as rather a slowdown in decline that might not be enough to produce a significant positive impact on the second quarter financial results. Attention turned now mainly towards these results that could restore some direction to the markets and reduce uncertainty and volatility. Under such conditions, every Arab market tumbled (except for Morocco that barely nudged up.) The MSCI Arabian Markets index lost 6.6% week-on-week, which is the largest weekly decline since the third week of January when it registered double these declines. In comparison, MSCI world index and the MSCI emerging markets free index went down by lower rates of 2.8% and 3.9% respectively as the Arab region remains much more sensitive than other areas around the world to commodities' prices. Overall, it seems that July and August will be two difficult months with risk aversion increasing, declining oil prices and weaker global markets.

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

Group Research Department
Bank Audi sal - Audi Saradar Group
Bank Audi Plaza, Bab Idriss, Riad El Solh - Beirut - Lebanon
P.O.Box : 11 - 2560 / Tel : (01) 994000 / Telefax : (01) 985622
Swift : AUDBLBBX - http://www.banqueaudi.com

Bank Audi sal
Audi Saradar Group

Economic downturn reduces recruitment activity in the Gulf region

According to a recent study released by GulfTalent.com, the economic downturn has slowed recruitment activity in the GCC region significantly, with Dubai, in particular, seeing a large fall in the number of vacancies advertised, though still retaining a sizeable share.

More discreet and confidential recruitment methods and a shift to lower cost recruitment channels are also among the main trends highlighted in the research carried out by the online recruitment firm. The research shows that the percentage of Dubai-based vacancies advertised on the firm's website constituted only 30% of all GCC-based positions advertised in the first half of the year, compared with 43% over the same period in the previous year. Kuwait and Bahrain have also been badly hit.

In contrast, Abu Dhabi has seen its percentage share of job vacancies increase from 14% to 23%, while Qatar and Saudi Arabia have also seen similar increases in their share of vacancies. The UAE overall may have seen an increase in the outflow of expatriates, with 26% of all job applications submitted by UAE residents targeting vacancies in other Gulf countries, compared to just 16% the previous year. Despite the increase, the outward mobility of UAE-based expats remains the lowest in the region, with the majority preferring to remain in the country.

Across the region, the fall in demand has been most acute in investment, administration and marketing functions. According to GulfTalent.com's findings, demand for investment professionals, including private equity and portfolio management, fell by 48% in the first half of the year against the same period last year. For administration skills, demand fell by 47% while the demand for marketing skills slid by 46%.

But not all roles are suffering from a collapse in demand. Demand for infrastructure-related functions soared by 142%, reflecting massive spending by GCC governments this year on road, railway and airport projects. Demand for audit professionals also increased by 25%.

When it comes to salary trends, the research reveals that the value of expatriate salaries in the Gulf region has increased sharply in terms of their home currencies. Depending on the country of origin, the appreciation of dollar-pegged regional currencies over the past 12 months has been equivalent to an effective pay rise of between 10-20%.

The currency appreciation, coupled with low inflation, rising unemployment worldwide and reduced regional competition for talent, has eliminated any upward pressure on salaries, the findings show, suggesting that salaries will likely see little rise over the next 6-12 months.

Looking forward, the report assumes regional economic growth to return to healthy levels in 2010 and employment activity to pick up as a result. The agency warns, however, that recruitment will take some time to reach its pre-downturn levels, with the price of crude oil being the key factor determining the speed of regional recovery. Until then, with the volume of new jobs being created not matching the number of young nationals entering the workforce, companies can expect a tightening of regulations with regard to employment of nationals, the study argues.

Breakdown of vacancies advertised online by location

	H1 2008	H12009
Dubai	43%	30%
UAE (excluding Dubai)	14%	23%
Saudi Arabia	15%	20%
Qatar	9%	13%
Kuwait	10%	7%
Bahrain	7%	4%
Oman	2%	3%

Sources: GulfTalent.com, Bank Audi's Research Department

Gulf economies to grow by 1.3% in 2009 and 3-4% in 2010

Real growth of Gulf economies is expected to be in the range of 3-4% in 2010, but this year the rate will stand at 1.3%, lower than what was projected at the beginning of the year, according to the Union of GCC Chambers. The economies and financial situation in the GCC countries are good in general which enable them to continue their economic development in the medium term although with lower than projected growth rates.

The secretary general of the union noted that financial policies being applied by GCC countries will provide some sort of partial protection of their economies with the drop in oil revenues. Also, GCC countries have taken several effective steps to face the global financial crisis so as to safeguard their economies and their development plans. For instance, a substantial share in their budget for 2009 had been earmarked for investments in several ambitious infrastructure projects and also governments have provided assistance their banking sector.

NCB Capital sees fading confidence about an early recovery in the GCC

While June saw a drop in overall confidence regarding an early economic recovery, it also brought an end to the 'spring' rally in the GCC equity markets, as per a recent report released by NCB Capital. The World Bank recently estimated that the economic turmoil and the ensuing plunge in crude prices are expected to at least halve growth rates in MENA economies. The downturn will likely be more pronounced in the GCC region because of the sharp drop in crude prices from last year's high and hefty cuts in oil output of GCC countries. Despite the recent rally in oil prices, the World Bank estimates that the GCC region's oil and gas revenues could fall to US$ 280 billion in 2009 from a record US$ 670 trillion in 2008 as oil output among the GCC exporters has been trimmed by around 10.6% yearly to May 2009. The most aggressive cuts have been made by Kuwait and Saudi Arabia.

NCB noted that in spite of the recent bout of the optimism, the ongoing global economic woes have again led to growing pessimism about the future oil price outlook. The International Energy Agency (IEA) recently revised down its forecast for oil production and consumption. It now estimates the total marketed energy consumption to increase at 1.52% CAGR during 2006–2030. The near-term demand growth is put at 0.4–1.4%, depending on the pace of the global economic recovery. The global oil demand contraction in 2008–2009 saw a 74.0% slump in crude prices within less than six months in the second half of 2008. A slight anticipation of economic recovery has increased the crude oil prices by up to 85% since the recent low of US$ 37.9 per barrel in December 2008. This highlights the continued volatility of the price outlook in an environment of tight supply and uncertain demand.

Advertising spending in the UAE down by 26% in the first half of 2009

Advertising spending in the UAE dropped 26% in the first half of this year compared with the same period last year, according to figures released yesterday by the Pan Arab Research Center (PARC). But the new data suggests that advertising spending declined relatively slowly in the first two quarters of this year, after a sharp drop brought on by the global economic crisis in November. Spending in June was at US$ 116 million, down US$ 2 million from May.

The decrease is mainly because the first half of 2008 was a peak time for advertising, as per PARC. There were so many spots, especially in the property sector. The property and financial advertising sectors were particularly badly hit, falling 75% and 43% respectively, during the first half of this year compared with the same half of last year. However, weak advertising spending has spread to the household appliances, clothing and jewellery, business equipment, toiletries, cars and government advertising.

The worst hit were English-language newspapers, which saw a 39% drop in advertising, compared with a 27% fall in Arabic-language newspapers. Newspapers were especially hurt after advertising in supplements, a favorite of property companies, dropped 84% in the first half of the year, compared with the same period last year. Magazines lost 7% of advertising spending in the same period.

Last quarter, the UAE stood out as the Middle East country worst hit by the advertising downturn, with only Egypt and Bahrain also experiencing drops. However, the second-quarter results show the pain seems to be spreading, with Saudi Arabia seeing a 5% fall and Oman a 25% drop in the first half of the year, compared with the same period last year.

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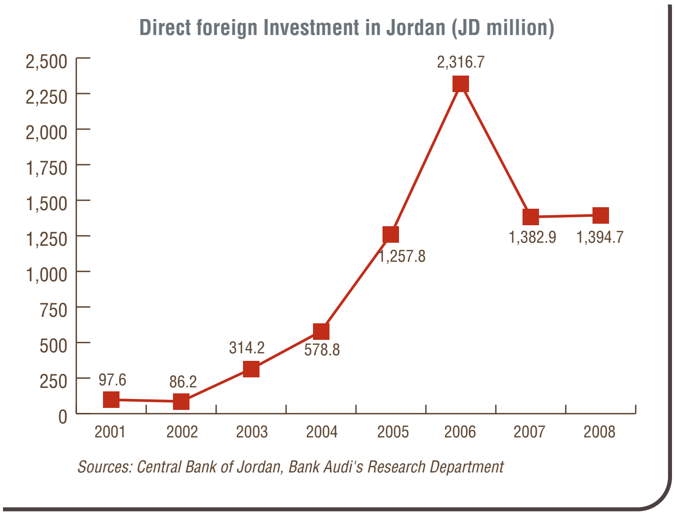
Jordan sees a rise in foreign investment in the first quarter of 2009

Foreign investments accounted for 32% of new projects in the Kingdom of Jordan during the first quarter of this year, compared with 19% in the same period of 2008, according to official figures released by the Central Bank of Jordan (CBJ). Foreign investments reached JD 80.2 million, JD 66.6 million of which were from investors in Arab countries.

Meanwhile, the total registered capital of investments that benefited from Jordan's Investment Promotion Law, which is a set of rules facilitating investment in the Kingdom, between January and March of 2009 amounted to JD 249.8 million, JD 23.4 million higher than the amount recorded in the same period of last year. According to the CBJ, a total of 128 projects applied to benefit from the promotion law compared to 102 projects in the first quarter of last year. The industrial sector topped the list as it accounted for 85% with JD 212 million, followed by the transportation and hospitality sectors.



UAE leads MENA countries in terms of enabling trade

The 'Global Enabling Trade Report 2009' released this week by the World Economic Forum (WEF) has seen the UAE notching an impressive score on the enabling trade index (ETI), thereby coming in first among all Arab countries and in the Middle East and North Africa (MENA) region. Globally, the UAE ranked18th among 121 countries on the ETI.

Looking at individual parameters, the UAE ranked 13th in business environment, 20th in border administration, 24th in transport and communication infrastructure, and 65th in market access. The UAE's excellent standing on the index points to a very efficient and transparent border administration and significantly low costs of importing and easy customs procedures of all countries. Further strengths include an excellent transport infrastructure (13th) and a regulatory environment that is particularly conducive to trade, the result of its strong institutional framework and also of its openness to foreign participation (19th). The UAE also scores highly for security (ranking 10th).

A quick look at the sub-indices suggests that in the MENA region Oman ranked first in the market access sub-index as it came in 23rd globally, followed by Bahrain (26th), Saudi Arabia, (40th), Morocco (51st), and Jordan (61st). In the border administration sub-index, the UAE came in first regionally as it came in the 20th place worldwide, followed by Bahrain (25th), Tunisia (32nd), Qatar (34th), and Jordan (36th).

The UAE was again the best performer when it came to the transport and communications infrastructure sub-index as it came in 24th globally, followed by Bahrain (41st), Qatar (42nd), Oman (45th), and Saudi Arabia (47th). Lastly, in the business environment sub-index, Qatar came in first regionally and in the 12th spot globally, followed by the UAE (13th), Oman (19th), Tunisia (21st), and Jordan (22nd).

Global rankings of MENA countries in the Enabling Trade Index 2009 and its sub-indices

	Overall Index	Market Access sub-index	Border Administration Sub-Index	Transport and communications infrastructure sub-index	Business Environment sub-index
UAE	18	65	20	24	13
Bahrain	24	26	25	41	27
Oman	34	23	49	45	19
Qatar	35	102	34	42	12
Jordan	37	61	36	52	22
Tunisia	41	70	32	59	21
Saudi Arabia	42	40	38	47	42
Morocco	55	51	51	65	63
Kuwait	59	76	78	54	34
Egypt	75	117	65	66	44
Syria	108	121	91	88	37
Algeria	112	118	88	90	92

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

UAE cities on top of the cost of living index

The new Cost of Living Survey from leading global HR consulting firm Mercer has today revealed Dubai as the most expensive city in the MENA region for expats to live in, having risen to 20th place from a ranking of 52nd last year. The UAE capital Abu Dhabi isn't far behind, rising 39 places from 65th to 26th in the ranking.

The cost of living for expats based elsewhere in the GCC has also risen, with Kuwait City moving from 94th to 77th, Manama from 112th to 82nd, Riyadh 119th to 90th, and Jeddah from 126th to 109th.

Based on the spending habits of expat communities in 143 cities across six continents, the Mercer Cost of Living Survey measures the comparative cost of over 200 items in each location, including housing, transport, food, clothing, household goods and entertainment; where possible these are international brands.

Commenting on the study, the head of Mercer Survey practice across the Middle East said that as a direct impact of the economic downturn over the last year, there have been significant fluctuations in most of the world's currencies. As currency fluctuations play a large role in the cost of living rankings this, has had a profound impact on this year's ranking.

In the cases of Dubai and Abu Dhabi, a stronger U.S. dollar meant an increase in rankings for these cities. That being said, in this study the currency fluctuations and inflation rates affect only the expatriate programs for which the Cost of Living survey is dependent on - accounting for the jump in rankings for the GCC countries included.

In Mercer's survey, New York is used as the base city for the index and scores 100 points, all cities are compared against New York and currency movements are measured against the US dollar. It is the world's most comprehensive cost of living survey and is used to help multinational companies and governments determine compensation allowance for their expatriate employees.

Looking at the ranking of MENA cities, the two cities of the UAE were followed by Tehran which came in 3rd in the MENA region in terms of cost of living and 33rd among 143 countries around the world, Algiers (40th), Beirut (41st), Amman (52nd), Cairo (57th), Kuwait City (77th), Casablanca (, 80th), Manama (82nd), Riyadh (90th), Jeddah (109th) and Tunis (134th).

Lastly, it is worth noting that overall in the MENA region, the average cost of living index witnessed a decline of 2.5% from 79.6 points in 2008 to 77.6 points in 2008. This decline is in line with decline in commodity prices in the region, which has lead to an easing of inflation in the MENA region in 2009 relative to 2008.

ADNOC signs US$ 10 billion energy investment deal with ConocoPhillips

Abu Dhabi National Oil Company (ADNOC) and US-based ConocoPhillips signed an agreement to invest an estimated US$ 10 billion in the development of sour gas reserves at the Shah gas field located onshore approximately 180 kilometers southwest of Abu Dhabi.

The two companies signed a joint venture and will form a new company to manage the scheme, according to ADNOC statements. The new company would be 60% owned by ADNOC and 40% owned by ConocoPhillips.

The Shah Gas Development (SGD) is one of the largest energy infrastructure developments to be approved in the Middle East in 2009. It will result in the development of sour or sulphur-rich gas reserves, at the Shah field and build processing and transportation infrastructure for 540 million cubic feet of gas alongside liquid sulphur pipelines and an export terminal at Ruwais.

Established in 1971, Abu Dhabi National Oil Company (ADNOC) operates in all areas of the oil and gas industry and since then has steadily broadened its activity establishing companies and subsidiaries. The company currently manages and oversees oil production of more than 2.7 million barrels a day which ranks it among the top ten oil and gas companies in the world.

Established in 1875, ConocoPhillips finds, produces, refines, markets and ultimately supplies energy resources to individuals and businesses worldwide. The company's core worldwide activities include exploration and production, refining, marketing, supply and transportation, natural gas gathering, marketing and processing operations, as well as chemicals and plastics production.

London's Actis to buy 9.3% stake in Egypt's CIB for US$ 244 million

London-based private equity firm Actis executed an agreement to invest US$ 244 million to acquire a 9.3% stake in Egypt's Commercial International Bank (CIB), an Egyptian private-sector commercial bank.

Actis is acquiring 50% of the stake held by the consortium led by New York-based private equity firm Ripplewood Holdings, which would make Actis the largest single investor in CIB. Following the transaction, Actis would become a board member of CIB.

Actis asserted it seeks to identify attractive opportunities in Egypt through its local base and global financial services team. Egypt based investment bank EFG-Hermes said it would act as sole financial advisor to Actis on the said transaction.
Established in 1975, CIB provides commercial banking services including deposits, loans and credit cards, investment banking services including corporate finance, advisory services including mergers and acquisitions, private equity investments, and brokerage services.

UBS upgrades SABIC to "Neutral" from "Sell" rating

UBS upgraded Saudi Arabia's petrochemicals company Saudi Basic Industries Corporation (SABIC) to "Neutral" from "Sell" rating on valuation. The upgrade occurred even though UBS cut SABIC's price target on trading risks related to Chinese anti-dumping claims, according to Reuters. In June, China said it had begun an anti-dumping investigation into methanol imported from Saudi Arabia and three other countries to assess the whether the material had been sold below production prices, according to Reuters.

UBS analysts estimated SABIC's exports of methanol to China last year at about 0.7 million tons. However, Chinese anti-dumping claims could threaten other exports if not resolved, according to the report. UBS cut SABIC's price target to SR 60 from SR 68. SABIC is one of the world's leading manufacturers of chemicals, fertilizers, plastics and metals.

CPC of Saudi Arabia inaugurates US$ 110 million industrial complex in Syria

Construction Products Holding Company (CPC), a Jeddah-based one stop shop for construction services, has opened a US$ 110 million industrial complex in Adra, Syria.

The industrial complex which spreads over 515,000 square meters is intended to supply the Syrian market with various construction products. Set to be fully operational by end of this year, this new CPC Holding initiative promises to ensure thousands of job opportunities for the Syrian labor force, according to company sources. On an operational level, this project would secure the needs of the Syrian market in terms of construction products on a large scale.

Seven large industrial companies will operate within this complex, namely Precast Manufacturing Company Limited (PREMCO), Bahra Steel Company, United Transport Company Limited, United Chemical Products Company - Roberts, United Steel Buildings Company, United Arab Aluminum Company, and the Syrian Company for Development of Construction and Trading. All of these companies fall under the umbrella of CPC - Syria.

CPC is currently conducting feasibility studies to be able to establish a regional trading network. The company will also focus on the Algerian Market, as it is seeking to establish another high-end industrial complex.

CAPITAL MARKETS

MSCI Arabian Markets registers largest weekly decline in six months

The falling oil prices and global equities prompted regional selling across Arab stock markets. Indeed, oil prices suffered their largest weekly decline since last January, as the US dollar strengthened and concerns about the sustainability of an economic rebound increased. Oil has fallen by almost 13% since it hit its eight-month high at end-June 2009.

Overall, investors were measuring latest gains against economic realities considering the recent improved performance as rather a slowdown in decline that might not be enough to produce a significant positive impact on the second quarter financial results. Attention was focused now mainly towards these results that could restore some direction to the markets and reduce uncertainty and volatility.

Under such conditions, every Arab market tumbled (except for Morocco that barely nudged up.) The MSCI Arabian Markets index lost 6.6% week-on-week, which is the largest weekly decline since the third week of January when it registered double these variations. The largest weekly decline has been in Kuwait (12.8%), followed by the United Arab Emirates (UAE) that lost 8.9% and Egypt that stripped 8.3%. Only Morocco managed to stand still, registering an insignificant 0.1% increase in its index.

The Kuwaiti market accumulated losses this week to total 12.8% on the main factors that moved most other markets. The impact of the drop in oil prices was accentuated when the country's oil minister declared that budgetary requirements needed oil prices to be above US$ 60 a barrel, while the current prices are not going much higher. In fact, investors are worried about what could happen to oil prices after the summer months which are usually the driving season, with oil consumption in the US peaking.

On the other hand, there has been negative news flow from the banking sector in Kuwait. In particular, worries about bank exposure to two troubled Saudi conglomerates weighed on sentiment. Another wave of negative sentiment was triggered as banks needed to send the Central Bank their financial results before their release and it seems some were being revised three or four times. The telecom sector on the Kuwaiti stock market was not any better with the leading telecom operator, Zain, losing ground. Investors continued to trim their position in Zain amid speculation that the company has not received much interest for its operations in Africa. Zain's stock surged 57% between May 21 and July 2 on persistent rumors its African interest were set to be sold.

The UAE's index declined by 8.9% tracking the lower oil markets, but more importantly, this week's loss was triggered by Standard and Poor's (S&P), the international rating agency, cut of its ratings on four Dubai-based banks, namely Mashreq Bank, Emirates Bank International, National Bank of Dubai, and Dubai Islamic Bank. The ratings agency said that it expects the global recession impact on Dubai's overall economy to be significant as construction and real estate account for almost 50% of Dubai's GDP. The economic slowdown, stock market decline and slumping real estate prices are thus raising significant hurdles for Dubai banks.

Another sector that went down this week in the UAE was real estate led by Emaar. The company's stocks fell on news of Burj Dubai delays and as a result of an announcement that it shut down its office in Algeria due to a lack of progress on its projects in the country, estimated to be worth some US$ 20 billion.

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	130.0	-5.6%	14.4%	27.0	-24.0%	1.1	10,620.7	13.2%	11.0	1.39
Jordan	149.0	-4.8%	-8.3%	141.7	-42.1%	66.3	32,531.3	22.7%	12.6	1.87
Egypt	662.8	-8.3%	12.0%	763.6	-4.4%	476.8	69,332.3	57.3%	8.2	1.60
Saudi Arabia	331.1	-4.0%	13.6%	5,292.7	-20.6%	732.1	274,868.0	100.1%	12.4	1.85
Qatar	530.2	-6.8%	-12.9%	342.0	-15.2%	44.9	68,813.4	25.8%	8.9	1.86
UAE	190.1	-8.9%	10.6%	618.3	-55.3%	1,599.0	120,888.6	26.6%	7.8	1.04
Oman	727.8	-3.9%	3.9%	80.0	-20.3%	80.6	15,133.4	27.5%	9.3	1.67
Bahrain	411.1	-5.3%	-20.5%	2.2	-49.1%	5.1	17,416.0	0.7%	7.7	1.14
Kuwait	596.8	-12.4%	-3.8%	1,475.8	31.7%	1,717.0	98,069.2	78.3%	12.7	1.49
Morocco	467.6	0.1%	3.1%	58.7	-34.2%	1.4	67,232.6	4.5%	18.4	3.88
Tunisia	1,077.7	-1.9%	17.9%	-	-	1.3	8,277.9	-	-	-
Arabian Markets	**427.3**	**-6.6%**	**6.4%**	**8,802.1**	**-18.9%**	**4,724.4**	**774,905.4**	**59.1%**	**10.6**	**1.63**

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

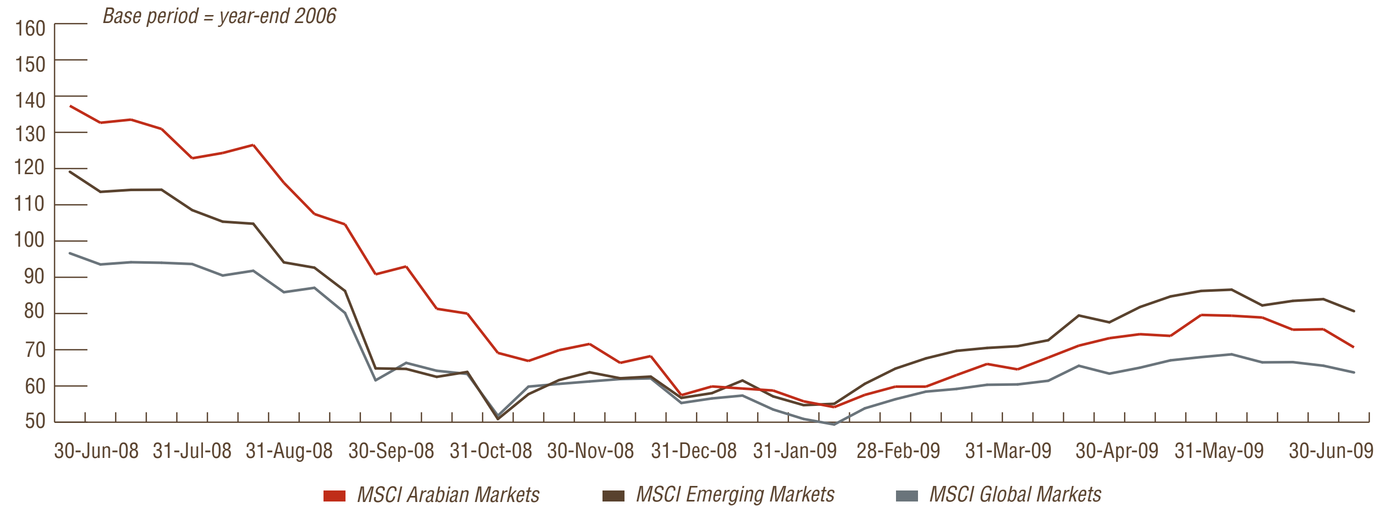
The third biggest loser amongst Arab markets this week was Egypt that slashed 8.3%, reversing last week's more than 9% growth. However, there was not any significant development that is country-specific that could have triggered this decline. It is rather the global and regional weaknesses that set a gloomy mood, particularly amongst retail investors. Many market participants were also executing stop-loss trades triggered by foreign and Gulf selling.

Saudi Arabia, the largest market in the region, lost this week 4%. Oil prices are definitely putting heavy weight across all sectors but especially petrochemicals. In addition, investors in Saudi fret over exposures to the two big companies that are restructuring their debt, namely Saad Group and Ahmad Hamad el Ghossaibi Group & Bros. Rumors are circulating that other Saudi groups could default on debt. Investors are awaiting second quarter results now for more clarity, but with trading quite slow, stock moves are exaggerated and volatility increases.

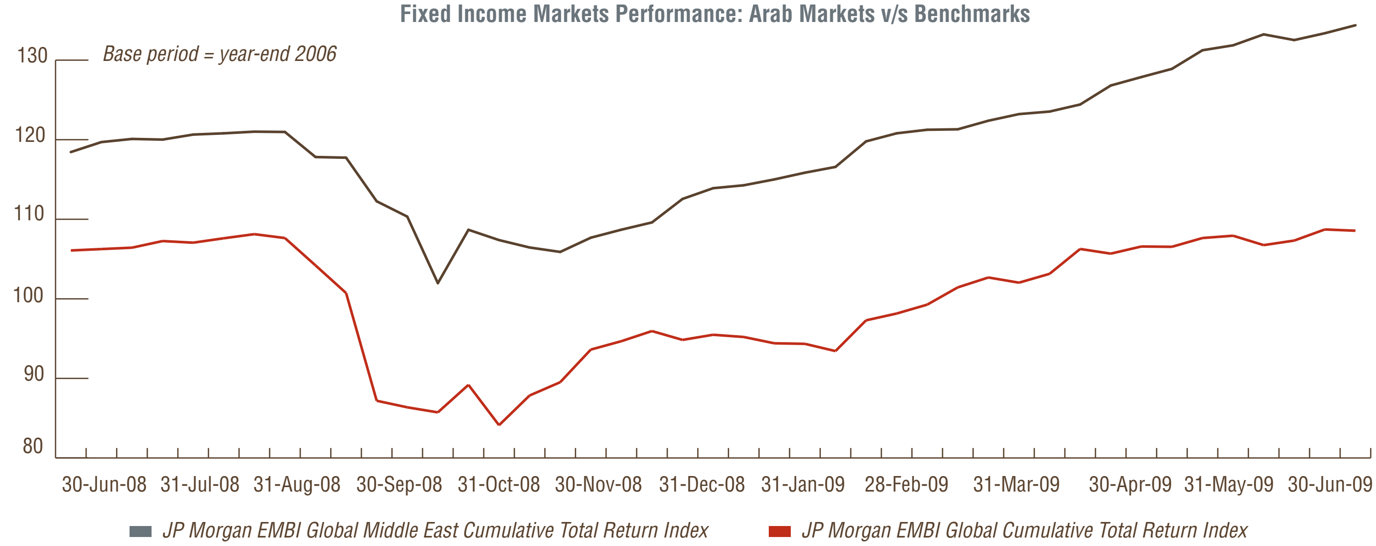
Qatar's index went down 6.8% driven by oil, petrochemicals, gas and real estate stocks, whereas banking shares were doing better, still benefitting from the impact of the government's purchase of their equity and property portfolios that insulated them from the global financial crisis. Qatar National Bank posted better-than-expected second quarter results. More releases of financial statements will be a major factor is setting the trend on the bourse.

Morocco and Tunisia were the smallest losers this week with their indices changing by +0.1% and -1.9% respectively, with the two North African generally more resistant to oil price volatility and rather driven by other country-specific factors, unlike the rest of the Arab world and Gulf countries specifically.

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+	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	CCC/Negative
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	A-/Stable/A-2	NR	BBB+/Stable/F2	BB/Stable
Sudan	NR	NR	NR	C/Stable

NR = Not Rated

INTERNATIONAL MARKET RATES

	10-Jul-09	03-Jul-09	Dec-08	Weekly Change	Year-to-date
US Prime Rate	3.25%	3.25%	3.25%	0.00%	0.00%
3-M Libor	0.51%	0.60%	1.43%	-0.10%	-0.92%
US Discount Rate	0.50%	0.50%	0.50%	0.00%	0.00%
US 10-year bond	3.30%	3.49%	2.22%	-0.19%	1.07%

FX RATES (per US$)

	10-Jul-09	03-Jul-09	Dec-08	Weekly Change	Year-to-date
LEVANT					
Lebanese Pound (LBP)	1,501.00	1,501.00	1,507.50	0.0%	-0.4%
Syrian Pound (SYP)	46.85	46.95	46.45	-0.2%	0.9%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.1%	0.1%
Egyptian Pound (EGP)	5.59	5.59	5.49	0.0%	1.8%
Iraqi Dinar (IQD)	1,155.00	1,155.00	1,155.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.75	0.0%	0.0%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.29	0.29	0.28	0.0%	4.2%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	0.0%	0.0%
Yemeni Riyal (YER)	199.75	199.75	199.55	0.0%	0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	72.88	71.80	69.44	1.5%	5.0%
Moroccan Dirham (MAD)	8.04	8.04	8.01	0.0%	0.4%
Tunisian Dinar (TND)	1.34	1.34	1.31	0.0%	2.5%
Libyan Dinar (LYD)	1.24	1.24	1.24	0.0%	-0.1%
Sudanese Pound (SDG)	2.40	2.38	2.20	0.7%	9.1%

COMMODITIES (in US$)

	10-Jul-09	03-Jul-09	Dec-08	Weekly Change	Year-to-date
Crude oil barrel (Brent)	59.2	65.0	39.8	-9.0%	48.5%
Gold ounce	912.2	931.5	878.2	-2.1%	3.9%
Silver ounce	12.7	13.4	11.3	-5.5%	12.0%
Platinum ounce	1,104.5	1,185.0	924.5	-6.8%	19.5%

CONTACTS

Treasury and Capital Markets
Nabil Chaya (961-1) 977422 nabil.chaya@banqueaudi.com
Emile Shalala (961-1) 977622 emile.shalala@banqueaudi.com

Private Banking
Toufic Aouad (961-1) 329328 toufic.aouad@audisaradarpb.com

Corporate Banking
Khalil Debs (961-1) 977229 khalil.debs@asib.com

Group Research Department
Marwan Barakat (961-1) 977409 marwan.barakat@banqueaudi.com
Zeina Abla (961-1) 977407 zeina.abla@banqueaudi.com
Jamil Naayem (961-1) 977406 jamil.naayem@banqueaudi.com
Salma Saad Baba (961-1) 977346 salma.baba@banqueaudi.com
Rita Daher (961-1) 977575 rita.daher@banqueaudi.com
Rana Helou (961-1) 964763 rana.helou@banqueaudi.com
Lea Korkmaz (961-1) 964904 lea.korkmaz@banqueaudi.com
Fadi Kanso (961-1) 977470 fadi.kanso@banqueaudi.com