The MENA Weekly Monitor

Week
33
Aug 8 - Aug 14
2009

▶ECONOMY

p.2 ▶ Arab World registered the highest economic growth globally in 2008

The combined Arab economy grew by 6.4% in real terms in 2008 to emerge as the best performer in the world despite a sharp slowdown in the second half of the year, as per official figures released by the Inter-Arab Investment Guarantee Corporation (IAIGC).

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A recent study by human resources consulting firm Mercer revealed that about 73% of companies across the GCC aim to increase their number of employees in 2009, prompting up to 60% of companies to increase their headcount by 2010.

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The Arabian equity markets moved up by a tiny 0.8% this week, according to MSCI Arabian Markets Index, in the absence of major local drivers that may spur activity, and as investors started to reshuffle their positions after the second quarter results and ahead of Ramadan, while the global equity markets remained unchanged week-on-week, and the oil prices kept on hovering above US$ 70 per barrel, supporting investors' sentiment. In Qatar, the Doha Securities Market moved up by 2.4% week-on-week, led by banks and industrials. In Saudi Arabia, the Tadawul moved up by 1.9% this week. Petrochemical and banking stocks were among the top risers. In Oman, the Muscat Securities Market closed 0.9% higher this week, supported by banks. In the UAE, the equity markets reported almost nil change relative to the previous week (+0.1%). In Kuwait, the Kuwait Stock Exchange remained unchanged week-on-week, with investors taking a lead from weaker global markets and subdued crude prices. Elsewhere in the Gulf, the Bahrain Stock Exchange retreated by 2.4% this week, undermined by investment firms.

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

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Arab World registers the highest economic growth globally in 2008

The combined Arab economy grew by 6.4% in real terms in 2008 to emerge as the best performer in the world despite a sharp slowdown in the second half of the year, as per official figures released by the Inter-Arab Investment Guarantee Corporation (IAIGC).

The highest growth was recorded in the UAE and other GCC members, which had been through the second oil boom period before ending with the global fiscal crisis. The real GDP of Arab states recorded a high growth of about 6.2% in 2007 and it maintained that trend in 2008 to rise slightly to about 6.4%, thanks to strong crude prices.

Growth was mainly fuelled during the first half of the year as the economies of most Arab League members suffered from a slowdown in the second half because of the collapse in crude prices from a record high of US$ 146 a barrel in late July to less than US$ 40 towards the end of the year.

A breakdown showed all Arab countries except Mauritania recorded above-world average growth, with Qatar topping the list at as high as 16.4%. Growth in Iraq was put at 9.8% while it stood at 8.5% in Lebanon, 7.4% in the UAE, and 7.2% in Egypt.

Taken as a group, the GCC countries recorded the world's highest real growth of around 7.7% in 2008 as a result of a sharp increase in their oil income, higher public spending and a rise in private investment. IAIGC said the situation was expected to reverse in 2009, when the Arab economies will sharply slow down in line with the global downturn. It attributed this to the plunge in crude prices and lower Arab oil output as per OPEC agreements to trim supplies to keep prices firm.

According to projections by the IMF, the Arab real GDP growth could dip to 2.5% this year despite the measures taken by many regional governments to cushion the effects of the global crisis, IAIGC said. This is because of a steep decline in oil prices and production by regional states as well as tightening international credit and a decline in demand for exports of Arab countries, mainly non-oil members. The economic slowdown in the Arab region will affect both oil and non-oil member states.

The surge in crude prices last year because of a strong global demand boosted the collective Arab oil income to an all-time high of nearly US$ 618 billion from US$ 408 billion in 2007. The income is projected to dip below US$ 400 billion in 2009 because of lower prices and a cut of nearly 2.5 million bpd in oil supply. In nominal terms, the surge in oil revenues boosted the GCC's GDP by nearly 30% to its highest level of about US$ 1.03 trillion in 2008. Nonetheless, it is expected to tumble by nearly 23% to about US$ 800 billion this year.

EFG Hermes sees a vital role for UAE government in diminishing macroeconomic repercussions of the global financial crisis

A recent study released by EFG Hermes indicated that data released by the Central Bank of the UAE reflects the adjustment of the economy away from the highly speculative and leveraged activity seen over the last two years. There was a sharp deceleration in overall credit growth in the fourth quarter of 2008 (42.8% year-on-year) and the first quarter of 2009 (28.5%) compared to a year-on-year growth of 57.1% in the third quarter of 2008. This slowdown initially reflected the tightness in banking sector liquidity and then concerns over exposure to the property sector.

Also, bank loans to the private sector contracted in the first quarter of 2009, highlighting the high risk aversion. The decline was led by construction (-8.7% quarter-on-quarter), trade (-6.4%) and financial institutions excluding banks (-7.2%). EFG Hermes does not expect to see any substantial improvement in bank lending to the private sector for the remainder of the year, even though liquidity conditions have improved. The sharp deceleration in credit growth reflect the economic downturn, but is also contributing to the weaker economic outlook for the UAE. The limited availability and costlier credit will impact both investment and private consumption levels. The lack of availability of credit, along with the weaker demand outlook, is a key factor in projects being placed on hold, cancelled or reduced in size.

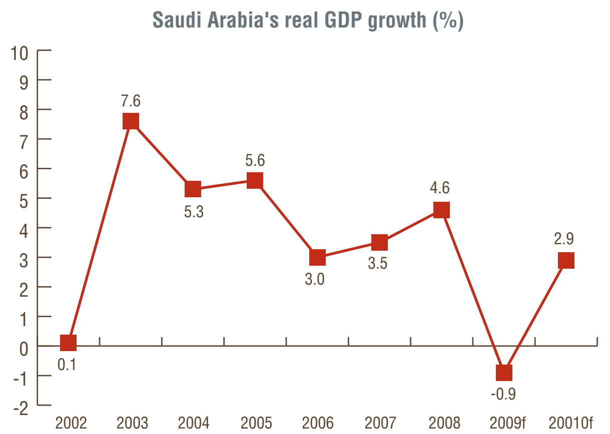
Within the context of this weak economic performance, the role of government will be vital in supporting the economic outlook in 2009, both by direct spending (focusing on infrastructure), direct support to companies (for instance the Dubai bond issue) and continuing to ensure that the banking sector is able to support the corporate sector. Although decelerating, year-on-year credit growth to the private sector is being driven by loans to the corporate sector. EFG Hermes believes that any upside to its private sector credit growth forecast (8.0% year-on-year) will again be a result of the domestic banking sector stepping in to compensate for the loss of alternative funding sources to meet corporate obligations (including quasi-government) and maintain solvency of counterparties. However, the issuance of new credit will be limited. EFG Hermes believes that the government will step in to provide liquidity in the banking system if this once again tightens. Risk aversion to the construction and real estate sector will remain high with the ongoing correction in the property sector.

NCB projects a 3% real GDP growth in Saudi Arabia in 2010

Saudi Arabia's real GDP is forecasted to grow by 3% in 2010 as per a recent study released by the National Commercial Bank (NCB). The said growth is owed to a revival of the global demand and a higher oil production level. However, the kingdom is likely to witness a 1% drop in 2009 as the oil sector contraction counterbalances the non-oil sector's modest growth.

The Kingdom, dominated by the oil sector, recorded an estimate of 4.5% real GDP growth in 2008 mainly driven by soaring prices and rich liquidity backing private and public investment. Also, the sector represented 32% of the real GDP and almost 90% of exports and government revenues. In 2009, real oil GDP will decline by 8%. According to NCB, oil revenues are expected to fall by half in 2009 caused by significantly lower oil prices and a cut in production levels. The latter will adversely impact the economy's fiscal and external position. In 2010, crude oil production might expand by an average of 400,000 barrels per day turning the oil sector's contribution to moderately positive, due its role in supporting other major industries.

For the non-oil real GDP, 2009 will be a year of 2.3% raise compared to 4.3% in 2008. Effectively, a diminishing consumer confidence will set back the retail sector. Transports and telecoms, the fastest rising sector in 2008 (12%), will decelerate as competition intensifies, subscriptions slow down and foreign operations lessen. The excess of production capacity facing weak prospects for global demand is anticipated to impede the manufacturing sector. The plunge of equities and other assets as well as bank lending descent will delay the financial sector after a 3.5% increase in 2008.



Sources: IMF, Bank Audi's Research Department

Kuwait's business confidence on the rise in the third quarter of 2009

Dun & Bradstreet South Asia Middle East Ltd. (D&B), the world's premier financial data and business information provider, in association with Muthanna Investment Company (MIC) has released the Business Optimism Index for Kuwait for the third quarter of 2009, in which it noted that despite the global economic meltdown, 31% of the business units expect to increase their investments in business expansion while 23% have no plans to make investment in business expansion. This quarter, sentiments regarding the beginning of the global economic recovery have tilted in favor of 2009 with 48% of the respondents expecting the recovery to begin in the current year as opposed to the 27% polled in the last quarter.

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Muthanna Investment Company has commented that the bright Kuwaiti economic outlook for the third quarter is due to rising oil prices, projected improvement in corporate performance, and positive cues from the improving international financial markets. The expectations for better economic growth are also riding high due to positive electoral outcome of May-Election, where the parliament is expected to take concrete measures to activate long-awaited projects, like two consecutive discount rate cuts to induce stability and consumer spending growth in the system. The local and international positive developments are jointly bolstering an overall optimism, which is ultimately proven by the rising market index for past few months.

Bahrain's housing market to remain subdued

Transactions in Bahrain's housing market have fallen sharply due to the financial crisis, and activity will remain subdued over the summer period, CB Richard Ellis said in a report released this week. Transaction activity during the second quarter of 2009 came to a standstill in the off-plan market, although secondary market transactions are still taking place in small numbers. Entering the summer and subsequent Ramadan period, it is unlikely that this situation will change with transaction activity likely to remain at historic lows.

The Gulf state's mortgage market declined in the first and second quarters, and the slowdown is likely to continue in the short term, as per the report. Leading providers forecast the mortgage market to double to more than US$ 1.86 billion by 2012. The report indicated that the mortgage market was in an embryonic stage of evolution when the current crisis took hold, with a relatively small variety of products and options for buyers. The number of projects cancelled in the second quarter was minimal compared with other regional centers.

CB Richard Ellis concluded that in the GCC region, there is likely to be significant supply increase in quality office space until the end of 2011, but little likelihood of a significant increase in demand.

73% of GCC companies aim at increasing their headcount in 2009

A recent study by human resources consulting firm Mercer revealed that about 73% of companies across the GCC aim to increase their number of employees in 2009, prompting up to 60% of companies to increase their headcount by 2010.

Indeed, the GCC is expected to generate numerous jobs over the coming few years as development projects continue to take place, creating opportunities for qualified young Arab jobseekers and foreign workers in the region. Combined value of projects planned or being carried out in the GCC has totaled around US$ 2.1 trillion at the end of the second quarter of 2009, according to a study by Kuwait National Bank (KNB). The value of current projects is more than four times the estimated value of projects in June 2005, representing an annual growth of nearly 50%.

Also, commenting on employment in the GCC region, talentRepublic.NET, an emerging leader in the employment service market, pointed out that it remains imperative for regional companies to optimize their recruitment program as a key to business survival and growth.

Recent research in fact indicates that the global financial crisis has further enhanced the Gulf's already favorable status as an employment option and has even enriched the region's job market as top-caliber expatriate workers from the US and Europe, especially those in the financial services sector, are now seeking better opportunities in high-potential areas such as the GCC.

In Saudi Arabia alone, around 10.8 million workers will be required by 2014 to complete and sustain existing and future projects, a recent study by the Riyadh Chamber of Commerce and Industry (RCCI) revealed. The study pointed out that only 5.45 million Saudi Nationals will be ready to take up the new jobs, opening huge employment opportunities for expatriate workers, including young Arab jobseekers.

According to TalentRepublic.NET, the GCC also remains an attractive destination because of a tax-free environment, exceptional living standards, a rich cultural and geographical landscape and numerous career opportunities.

Industry experts have likewise pointed out that growth sectors such as construction, retail and leisure are expanding demand for workers with specialized skill sets, while the Gulf's thrust towards economic diversification is expected to further drive the region's demand for top-caliber talent.

TalentRepublic.NET also pointed out that the current economic situation is largely a transition period, providing companies an opportunity to refocus their objectives and realign their strategies, particularly in terms of optimizing their human resources.

Saudi Arabia and the UAE make the top 20 list of global exporters in 2008

A recent study released by the World trade Organization (WTO) indicated that Saudi Arabia and the UAE were the two Arab countries that made the top 20 world exporters list, in 2008, with each country's exports during the said year reaching a record high.

Saudi Arabia ranked 13th globally with US$ 311 billion worth of exports in 2008, while the UAE came in 19th globally with a total of US$ 231 billion in exports. Such record high figures for both countries were triggered by higher oil prices and output, as well as a rise in non-oil exports and re-exports for the UAE.

Saudi Arabia's exports accounted for 1.9% of total world exports, while those of the UAE accounted for 1.4%. Globally, Germany topped the list of exporters for the eighth year in a row with about US$ 1.53 trillion, followed by China with an export value of US$ 1.47 trillion in 2008, the United States with exports worth US$ 1.38 trillion, Japan with an export value of US$ 776 billion, and France with total exports worth US$ 761 billion.

In parallel, when it comes to imports, the UAE was the only Arab nation to be included in the list of the world's top 30 importers, ranking 27th with total imports of US$ 159 billion, thereby accounting for 1% of the total world imports.

Top 20 world exporters in 2008

Country	Rank	Exports (US$ billion)
Germany	1	1,530
China	2	1,465
United States	3	1,377
Japan	4	776
France	5	761
Italy	6	566
Netherlands	7	538
Russia	8	476
United Kingdom	9	469
Canada	10	462
South Korea	11	419
Belguim	12	373
HongKong	13	362
Saudi Arabia	**14**	**311**
Mexico	15	294
Spain	16	293
Taiwan	17	256
Singapore	18	236
UAE	**19**	**231**
Brazil	20	200

Sources: World Trade Organization, Bank Audi's Research Department

Qatar's Barwa Real Estate to build US$ 9 billion project in Egypt

Qatar's Barwa Real Estate said it will build a EGP 50 billion (US$ 9.04 billion) project in Egypt through its Barwa New Cairo for Real Estate Investments unit.

The project is an integrated mixed-use community project spread over more than 2,000 feddans (8,400,000 square meters) in New Cairo. Work will start in the first quarter of 2010, and the project would be finished in 10 to 12 years, according to company sources.

Established in 2005, Barwa Real Estate is one of the largest publically listed real estate developers in the region. Principal activities of the company are real estate property investment, development, leasing and management, business and construction material, production and supply of precast and construction material, cleaning and environmental protection services, portfolio and fund management, business and engineering consultancy services, trade and installation of security and safety electronic equipment and devices, fire equipment, mechanical and electric spare parts and lifts.

SABIC and Mitsubishi Rayon sign Letter of Intent for US$ 1 billion joint venture in Saudi Arabia

Saudi Basic Industries Corporation (SABIC) and Mitsubishi Rayon Company Ltd (MRC) signed a Letter of Intent (LoI) last week, to establish a 50%-50% US$ 1 billion joint venture in the Kingdom of Saudi Arabia.

The LoI outlines the principal terms of the proposed joint venture including the joint-venture structure, technology, marketing and feedstock supply, with start-up targeted for 2013.

Under the LoI, the joint venture will utilize the ethylene-based Alpha process commercialized by Lucite (a wholly owned subsidiary of MRC) to manufacture methyl methacrylate monomer (MMA), with a design capacity of 250,000 metric tons annually. Also, the joint venture company will manufacture polymethyl methacrylate (PMMA), with a design capacity of 30,000 metric tons annually. MMA and acrylic resin are widely used to produce automobile parts, car exteriors, optical screens, and home appliances, among others. PMMA is widely used in the construction and transport sectors, as well as for liquid crystal display (LCD), light-guided panels (LGP) for LCD screens, and for light emitted diode (LED) technology for flat screens, among other uses.

Esatblished in 1976, SABIC is one of the world's top five chemical companies, and is among the world's market leaders in the production of polyethylene, polypropylene and advanced engineering thermoplastics, glycols, methanol and fertilizers. The company has 19 world-scale complexes in Saudi Arabia and also manufactures on a global scale with 60 plants in 40 countries and 33,000 employees worldwide.

Established in 1933, Mitsubishi Rayon Co., Ltd. is Japan's first manufacturer of rayon staple fibers. In the 1940s MRC launched a methyl methacrylate (MMA) business, which is the company's core operation. In the years since, the business was expanded into the field of synthetic resin, synthetic fibers, carbon fibers, hollow-fiber membranes, and optical fibers, based on MRC's proprietary polymer technologies. Mitsubishi Rayon Co., Ltd. has more than 30 manufacturing facilities and eight research institutes in Japan, other Asian countries, Europe, and North America, and employs about 9,500 workers.

Zain KSA signs US$ 2.5 billion financing facility

ZAIN Saudi Arabia (Zain KSA) announced the closing of a US$ 2.5 billion Murabaha financing facility. The funds will be used to repay its existing Murabaha, facilitating the mobile telecom operation's ongoing network expansion and future growth, according to company sources.

The term of the facility is two years with options of extending for a further twelve months. Al-Rajhi Capital, Banque Saudi Fransi and Calyon acted as financial advisers, with a total of eight regional and international financial institutions participating in what is one of the largest Islamic financings this year.

Zain KSA, also known as The Mobile Telecommunications Company Saudi Arabia, won the third Saudi GSM license, when the Kuwait-based MTC and its consortium partners submitted the highest bid of US$ 6.1 billion for it, in March 2007. Zain KSA's marketing and customer acquisition strategy paid off in the first half of 2009, capturing over 50% of total net additions in the mobile telecom market. The company, which launched its operations in August 2008, currently has 4 million customers.

CAPITAL MARKETS

0.8% rise in Arabian equity markets

The Arabian equity markets moved up by a tiny 0.8% this week, according to MSCI Arabian Markets Index, in the absence of major local drivers that may spur activity, and as investors started to reshuffle their positions after the second quarter results and ahead of Ramadan, while the global equity markets remained unchanged week-on-week, and the oil prices kept on hovering above US$ 70 per barrel, supporting investors' sentiment.

In Qatar, the Doha Securities Market moved up by 2.4% week-on-week, led by banks and industrials. Qatar Islamic Bank rose by 6.0%, after announcing it has signed a US$ 200 million financing deal with Qatar Petrochemicals. On the other hand, Barwa Real estate declined by 0.6%. The company said it will build an EGP 50 billion (US$ 9.04 billion) project in Egypt through its Barwa New Cairo for Real Estate Investments unit. Overall, the DSM rose by a tiny 1.2% since year-end 2008.

In Saudi Arabia, the Tadawul moved up by 1.9% this week. Petrochemical and banking stocks were among the top risers. SABB Takaful soared by 40.2% after announcing that its shareholders have approved a rights issue valued at SAR 300 million. Saudi Basic Industries Corp., or Sabic, moved up by 3.6%, after it said it has signed an agreement with Japan's Mitsubishi Rayon to set up a US$ 1 billion joint venture. In general, the Tadawul reported a year-to-date positive change of 25.8%.

In Oman, the Muscat Securities Market closed 0.9% higher this week, supported by banks. All in all, the MSM rose by 18.4% since the beginning of the year 2009.

In the UAE, the equity markets reported almost nil change relative to the previous week (+0.1%). Emaar properties moved up by 5.1% week-on-week. The stock is considered to be oversold and the valuation gap is being filled as investors digest Emaar's first half numbers after stripping out the writedowns related to its US businesses. JP Morgan initiated coverage on Emaar with a neutral rating given limited visibility on its announced merger with three property companies in Dubai. In addition, Aldar Properties surged by 6.0% week-on-week. JP Morgan initiated coverage on Aldar Properties with an overweight rating given its rising and significant recurring income revenue stream. On the other hand, Taqa remained unchanged week-on-week The company saw an improvement in operating and bottom-line performance quarter-on-quarter due to higher downstream and upstream revenues and better management of expenses, yet it reported a year-on-year decline due to lower oil and gas revenues on the back of lower commodity prices. On the other hand, National Central Cooling, or Tabreed, didn't report any change this week. The company posted a 22% fall in second-quarter earnings. The company said it will focus on project delivery and long-term financing. Moreover, Aabar investments progressed by 3.8% this week. The stock has added about 62% since mid-July, when the company said it will buy 40% of Dailmler's stake in Tesla Motors. In parallel, the UAE banks actually face rising challenges after Moody's investors Service placed the ratings of four local banks on review for possible downgrade. The four banks affected are Emirates Bank International and National Bank of Dubai, Mashreq Bank and Dubai Islamic Bank. All in all, the UAE markets reported a year-to-date change of 34.9%.

In Kuwait, the Kuwait Stock Exchange remained unchanged week-on-week. Investors took a lead from weaker global markets and subdued crude prices. Bellwether Zain rose by 4.8% on continued speculation about a possible stake sale,

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	133.0	-1.3%	17.1%	10.9	-62.0%	0.7	10,869.1	5.2%	9.7	1.39
Jordan	148.5	-1.2%	-8.6%	113.9	-23.8%	63.1	31,956.0	18.5%	13.6	1.82
Egypt	796.5	-0.8%	34.6%	1,107.4	-16.4%	560.3	82,742.6	69.6%	10.2	1.90
Saudi Arabia	366.8	1.9%	25.8%	5,818.3	16.3%	849.6	303,890.4	99.6%	15.2	1.97
Qatar	615.7	2.4%	1.2%	535.9	-6.5%	60.3	84,690.4	32.9%	11.3	2.13
UAE	231.9	0.1%	34.9%	1,279.7	-11.9%	2,543.6	139,857.2	47.6%	10.7	1.13
Oman	829.5	0.9%	18.4%	111.7	-13.8%	112.9	16,993.3	34.2%	11.3	1.81
Bahrain	394.7	-2.4%	-23.7%	7.7	49.4%	13.2	17,082.1	2.3%	8.0	1.13
Kuwait	673.4	0.0%	8.5%	2,397.2	141.2%	2,118.9	111,066.4	112.2%	15.9	1.63
Morocco	450.6	-1.7%	-0.7%	55.8	6.1%	2.1	66,757.4	4.3%	18.2	3.82
Tunisia	1,102.8	0.3%	20.6%	-	-	1.3	8,401.2	-	-	-
Arabian Markets	**477.7**	**0.8%**	**19.0%**	**11,438.4**	**17.8%**	**6,324.8**	**865,904.9**	**68.7%**	**13.1**	**1.76**

Values in US$ million; volumes in millions

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

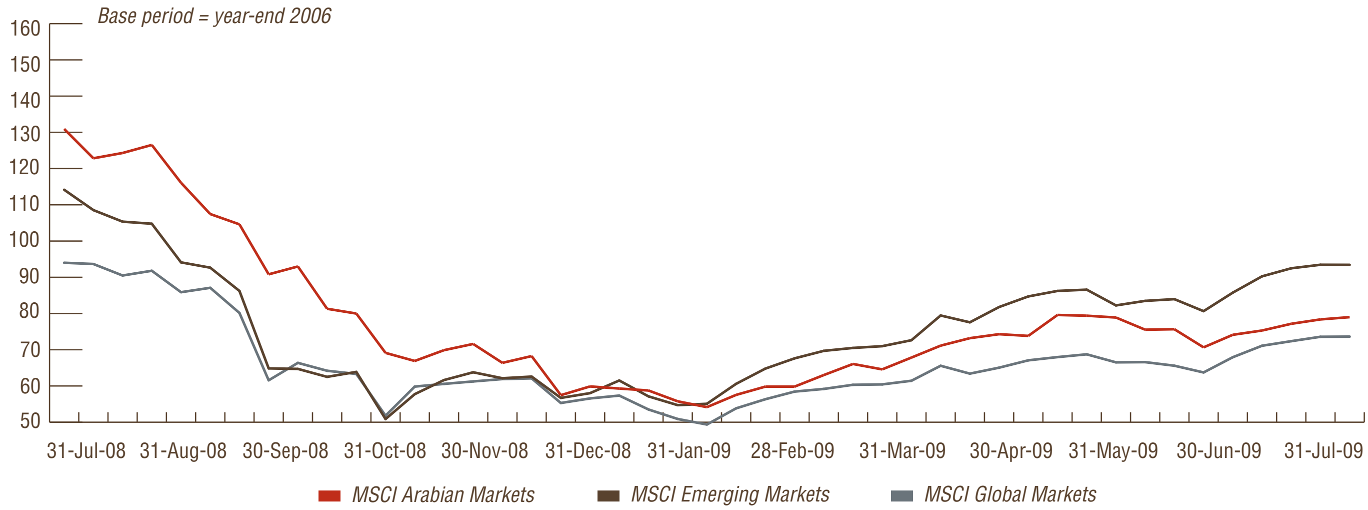
NB: Tunisia's figures are not all available yet, and have therefore been excluded from aggregate Arabian Markets figures despite the company denying a local news report saying that its shareholders are in stake-sale talks with an Asian group. Al Ahli Bank of Kuwait's share price reported no change week-on-week. The bank said it has obtained an approval from the Central Bank to increase its capital by 25%. Global Investment House remained unchanged, noting that it has posted a second quarter loss in 2009. Overall, the KSE posted a year-to-date increase of 8.5%.

Elsewhere in the Gulf, the Bahrain Stock Exchange retreated by 2.4% week-on-week, undermined by investment firms. Gulf Finance House tumbled by 16.7%. GFH said it made a second-quarter net loss year-on-year, as the bank's regional placement activity took a hit and it increased provisions. Its board approved a US$ 300 million rights issue and appointed Bank of America Merrill Lynch as financial advisor in an effort to stimulate a new period of growth. On a cumulative basis, the BSE moved down by 23.7% since the beginning of the year 2009.

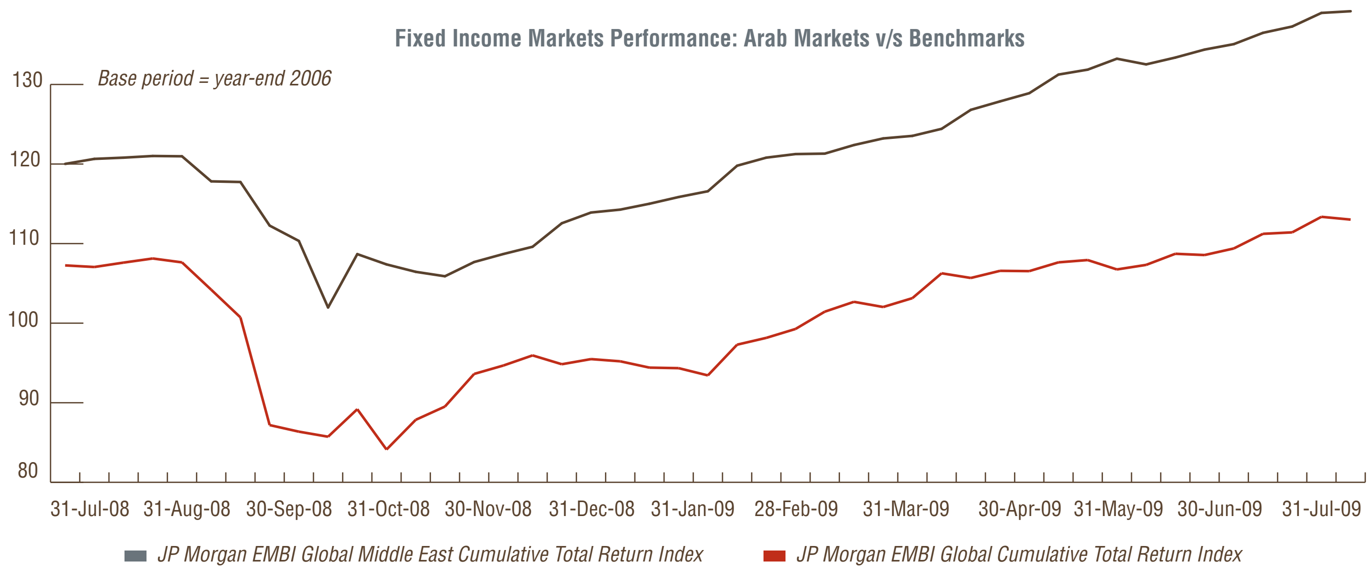
Outside the Gulf, the Egyptian Exchange closed 0.8% lower this week. Heavyweight Orascom Telecom fell by 0.8%. On the other hand, Talaat Moustafa Group, fell by 1.2% after posting a 29% year-on-year decline in its second-quarter net profit that has met analysts' expectations. On the other hand, Commercial International Bank's share price moved up by 1.6% after announcing an 8% year-on-year fall in its first-half net profit due to a drop in economic activity and subsequent reduction in interest rates. All in all, the Egyptian Exchange surged by 34.6% since year-end 2008.

Overall, Arab investors have realigned their positions ahead of Ramadan. In the coming period, the Arabian equity markets may witness a slowdown in activity and lower appetite for trading stocks.

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
	BB+/Stable/B	Ba1/Stable	BBB-/Stable/F3	BB/Stable
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

	14-Aug-09	07-Aug-09	Dec-08	Weekly Change	Year-to-date
US Prime Rate	3.25%	3.25%	3.25%	0.00%	0.00%
3-M Libor	0.43%	0.46%	1.43%	-0.03%	-1.00%
US Discount Rate	0.50%	0.50%	0.50%	0.00%	0.00%
US 10-year bond	3.57%	3.86%	2.22%	-0.29%	1.34%

FX RATES (per US$)

	14-Aug-09	07-Aug-09	Dec-08	Weekly Change	Year-to-date
LEVANT					
Lebanese Pound (LBP)	1,499.00	1,499.00	1,507.50	0.0%	-0.6%
Syrian Pound (SYP)	46.30	46.35	46.45	-0.1%	-0.3%
Jordanian Dinar (JOD)	0.71	0.71	0.71	-0.1%	0.0%
Egyptian Pound (EGP)	5.55	5.53	5.49	0.3%	1.1%
Iraqi Dinar (IQD)	1,150.05	1,155.00	1,155.00	-0.4%	-0.4%
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	-0.1%	4.0%
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)	200.75	200.70	199.55	0.0%	0.6%
NORTH AFRICA					
Algerian Dinar (DZD)	72.90	72.90	69.44	0.0%	5.0%
Moroccan Dirham (MAD)	7.92	7.92	8.01	0.0%	-1.2%
Tunisian Dinar (TND)	1.33	1.33	1.31	0.0%	1.4%
Libyan Dinar (LYD)	1.24	1.23	1.24	1.1%	-0.2%
Sudanese Pound (SDG)	2.46	2.43	2.20	1.1%	11.9%

COMMODITIES (in US$)

	14-Aug-09	07-Aug-09	Dec-08	Weekly Change	Year-to-date
Crude oil barrel (Brent)	70.7	73.0	39.8	-3.1%	77.6%
Gold ounce	945.9	953.9	878.2	-0.8%	7.7%
Silver ounce	14.7	14.6	11.3	0.6%	29.9%
Platinum ounce	1,256.5	1,261.5	924.5	-0.4%	35.9%

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