The MENA Weekly Monitor

Week 40
Sep 25 - Oct 2 2009

ECONOMY

p.2 ▶ IMF projects real GDP growth in the Middle East at 2.0% in 2009 and 4.2% in 2010

In its most recent World Economic Outlook issued last week, the IMF noted that real GDP growth for the Middle East region is projected at 2% in 2009, before recovering to almost 4.2% in 2010.

Also in this issue:

SURVEYS

p.4 ▶ Shuaa Capital's GCC Investor Confidence Index reaches 3-month high in September 2009

Shuaa Capital issued its September report titled GCC Investor Confidence Index and Investor Sentiment, showing a relatively stronger index in the region at a 3-month high of 127.3 points in September.

Also in this issue:

CORPORATE NEWS

p.5 ▶ National Bank of Abu Dhabi and Germany's DVB Bank to launch US$ 1 billion aviation investment fund

National Bank of Abu Dhabi (NBAD) and Frankfurt-based specialist transport financiers DVB Bank are planning to launch a US$ 1 billion (AED 3.67 billion) aviation investment fund. NBAD would start making acquisitions in the fourth quarter of this year using this fund.

Also in this issue:

MARKETS IN BRIEF

p.6 ▶ Arabian equity markets diverge from other emerging and global markets

Arabian equity markets were up by 1.3% this week, as per Morgan Stanley Capital International Arabian Markets Index, outperforming other emerging and global markets that reported a weekly variation of -0.7% and -2.2% respectively on concerns about the pace of the economic recovery after weaker-than-expected US employment data last week. In Saudi Arabia, the Tadawul, the Gulf's largest bourse, moved 3.8% higher, as investors eye a fourth-quarter rally. Another factor contributed to drive Saudi share prices higher, which is the easing concerns about the banking sector and its exposure to troubled Saudi groups. In the UAE, the equity markets remained almost unchanged during this week, up by a tiny 0.1% relative to the previous week. In Kuwait, the Kuwait Stock Exchange saw nil change week-on-week, in the absence of local news that can drive the market, while investors remained cautious ahead of third-quarter earnings that are supposed to determine the market trend in the near term. Elsewhere in the Gulf, the Qatar Exchange edged down by 0.4% this week, noting that HC Securities expected a short-term uptrend for the market.

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

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IMF projects real GDP growth in the Middle East at 2.0% in 2009 and 4.2% in 2010

In its most recent World Economic Outlook issued last week, the IMF noted that real GDP growth for the Middle East region is projected at 2% in 2009, before recovering to almost 4.2% in 2010. Qatar shall be the fastest growing economy in the region with a growth of 11.5%, followed by Lebanon, with a real GDP growth of 7.0%, and Morocco with 5.0%

The report noted that the outlook for the Middle East has improved recently, with the global economy stabilizing and oil prices rebounding. These economies have been hit hard by the global recession and, as a result, growth has decelerated sharply. In particular, the collapse in oil prices and sharp contraction in worker remittances and foreign direct investment have weighed on the economies in the region. The recent improvement in global financial conditions and rise in commodity prices, however, are helping restore the pace of economic activity. Nonetheless, the aftermath of the regional asset price collapse continues to weigh down the outlook.

Real GDP growth of oil importers is projected at about 4.5% in 2009, according to the IMF, more than three times the growth rate of the oil exporters. The sharp slowdown in activity of oil exporters reflects cutbacks in oil production, a result of efforts by the Organization of Petroleum Exporting Countries to stabilize oil prices, although most oil exporters have maintained strong public spending growth to help their non-oil sector. Part of this spending has spilled over to the non-oil producers in the region, providing important support to these economies.

Within these regional aggregates, there are important cross-country differences. For instance, among oil exporters, the UAE non-oil sector has been most affected by its linkages to global trade and financial markets and by the fall in real estate prices. In contrast, Lebanon continues to demonstrate strong resilience to the global crisis because improved security conditions have buoyed economic activity, particularly in tourism and financial services.

Inflation in the Middle East has subsided as economies have slowed. For the region as a whole, inflation is projected to decline from 15.0% in 2008 to 8.3% in 2009. At the country level, Jordan and Lebanon are projected to experience the sharpest drop in inflation (from double digits in 2008 to low single digits in 2009), as a result of the decline in the prices of imported food and fuel experienced by these import-dependent economies. Inflation in Egypt and Iran is projected to remain in double digits, however.

New IMF real GDP growth forecasts (Sorted by 2009 growth in MENA)

Rank	Country/Region	2009F
1	Qatar	11.5%
2	Lebanon	7.0%
3	Morocco	5.0%
4	Egypt	4.7%
5	Iraq	4.3%
6	Yemen	4.2%
7	Oman	4.1%
8	Sudan	4.0%
9	Syria	3.0%
10	Jordan	3.0%
11	Bahrain	3.0%
12	Tunisia	3.0%
13	Mauritania	2.3%
14	Algeria	2.1%
15	Libya	1.8%
16	Iran	1.5%
17	UAE	-0.2%
18	Saudi Arabia	-0.9%
19	Kuwait	-1.5%
	Middle East	**2.0%**
	Emerging Markets	**1.7%**
	Advanced Countries	**-3.4%**
	World	**-1.1%**

** IMF figures published on October 1, 2009*

Merrill Lynch sees Saudi Arabia and the UAE benefitting most in the region from a global recovery

A recent report released by Bank of America-Merrill Lynch indicated that the improvement in the global backdrop, higher oil prices and recovering credit market have all strengthened the case for GCC recovery. As the seasonality has turned favorable and the region specific concerns have started to ease, the positive global backdrop is likely to become the dominant theme for the region.

Merrill Lynch still favors the UAE and Saudi Arabia as the two countries to benefit most from a global recovery, while it believes Egypt may face some headwinds as higher commodity prices hurt both the fiscal balance and inflation outlook. Nonetheless, the report noted that Egypt and Lebanon have enjoyed a “safe haven” status that until recently saw them deliver outperformance.

Merrill Lynch sees the oil price averaging at US$ 75 per barrel next year. A budget breakeven oil price of roughly US$ 65 per barrel means that the GCC will start saving again in 2010. With oil prices increasing to US$ 75 per barrel on average in 2010, Merrill Lynch forecasts the GCC budget balance moving back to a surplus of 5.6% of GDP, from a deficit of 0.6% of GDP in 2009.

While all GCC countries are expected to post budget surpluses next year, Egypt’s budget deficit is likely to increase to 8.5% of GDP as its subsidy bill increases with higher commodity prices. This also holds for Lebanon with a higher oil bill on its loss-generating energy sector, though economic activity is strong enough to bring down the deficit. The Iraqi budget will still stay deeply in deficit as its breakeven oil price is around US$ 85 per barrel.

Lastly, the report noted that the confidence in the GCC credit markets has significantly improved and spreads are no longer pricing in a worst case scenario. Activity in the new issue bond market has been particularly strong, reflecting high cash levels and credit markets' increased comfort with associated risks.

Booz & Co urges further economic diversification in the GCC

The economic crisis emphasized the need for further diversification in the GCC economies and highlighted the vulnerabilities in the financial system, driven primarily by high rates of leverage, according to a new study by Booz & Co.

To benefit from the global recovery and build a foundation for sustainable growth, GCC policymakers will need to consider a number of key reforms to reshape their fiscal and economic management practices and governance. The GCC escaped largely unscathed from the global financial crisis, but recognized vulnerabilities in the financial sector. As global economies recover, GCC policymakers can take proactive steps now to speed recovery, and shield their economies from future turbulence.

While largely shielded from the effects of the global economic crisis, GCC countries were not entirely immune. As the global economy begins to recover from the financial turmoil triggered by the collapse of Lehman Brothers in September 2008, GCC policymakers can take their own steps to accelerate the region's recovery-and protect it from future crises, according to experts at Booz & Company. The crisis emphasized the need for further diversification in GCC economies and highlighted the vulnerabilities in the financial system, driven primarily by high rates of leverage.

The region seemed somewhat sheltered from the crisis, but by November 2008, it was clear that it would not ride out the storm entirely, as per a partner at Booz & Company. The decline in GCC stock markets began to accelerate, oil prices dropped from US$ 110 per barrel at the end of the third quarter to approximately US$ 40 per barrel, and financing began to dry up. Consequently, some states, including Dubai, Kuwait, and Bahrain were significantly affected by the crisis, as were certain non-oil sectors including financial services, real estate and tourism.

SAMBA notes a retreat in GCC's fiscal performance

After amassing nearly US$ 605 billion in fiscal surpluses during 2003-2008, Gulf oil producers are likely to post small positive balances or even deficits due to the financial crisis, as per a recent study by Saudi Arabian SAMBA Financial Group.

In Saudi Arabia, 2008 was a year of nearly SR 590 billion or US$ 157.3 billion in budget surpluses. The Kingdom, which continues to overspend, might have a small deficit at-end 2009 despite oil prices averaging above the kingdom's assumed price.

The UAE, benefitted from high crude production and prices by scoring a record surplus of US$ 34.6 billion at end-2008 (nearly 13.6% of GDP) despite high public spending. This could turn to a small deficit of 0.3% of GDP at end-2009 as oil revenue decline due to dropping prices and production cuts as per the Economic Intelligence Unit (EIU) indicating that the United Arab Emirates resorted investment returns to cover its shortfalls unlike Saudi Arabia and other Gulf nations which utilized domestic borrowings.

Kuwait, after assuming a price of only US$ 35 per barrel, might post the highest surplus as NBK published. So far, the Kuwait crude price has averaged at US$ 62.3 and if public expenditures finish at 5%-10% below budget, the government looks ahead for a surplus.

Qatar, despite a drastic slash of revenue from QR 103.3 billion to QR 88.7 billion, forecasted a decline in expenditures, and thus FY 2008/2009 might be a year of surplus owed to higher crude prices and LNG exports.

Last but not least, Oman's official figures showed a modest surplus of only 200,000 Omani Riyal in the first seven months of 2009, which is not, however, expected to fall by the end of the year, while Bahrain is also forecasted to generate a surplus, of 4.9% of GDP, as per the IMF.

GCC Oil Income

(US$ billion)	2004	2005	2006	2007	2008	2009f
Saudi Arabia	87	143	165	176	255	138
UAE	29	42	53	58	81	46
Kuwait	41	47	58	52	75	44
Qatar	10	13	17	19	26	15
Oman	9	13	15	17	14	10
Bahrain	2	3	5	6	8	5
GCC	**188**	**261**	**313**	**360.2**	**459**	**258**

Sources: Center for Global Energy Studies, Bank Audi's Research Department

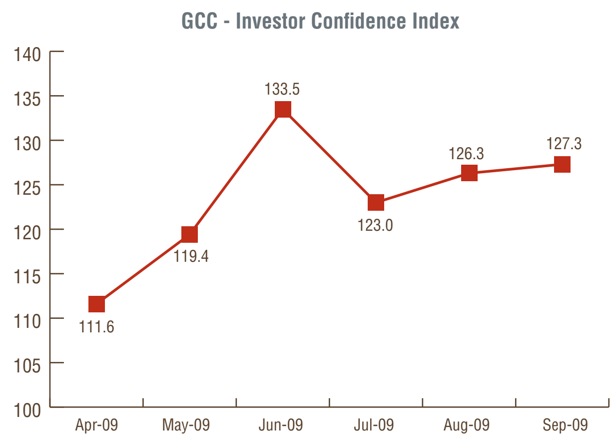
Shuaa Capital's GCC Investor Confidence Index reaches three month high in September 2009

Shuaa Capital issued its September report titled GCC Investor Confidence Index and Investor Sentiment. The survey is based on 51 members of the investment community in the Gulf Cooperation Council (GCC) region. The said publication shows an index remaining strong at 127.3 points, mainly led by Bahrain. Also, the investor confidence has been improving for the past six months with only one month-on-month decline.

The financial services institution signaled that this confidence is essentially attributed to the positive change in the balance of investors' perception on current overall economic conditions in the region.

As a matter of fact, the percentage of investors with a positive view increased from 15.0% in July 2009 to 15.5% in August 2009 only for this percentage to rise further to 15.7% in September 2009. This alteration was driven by the UAE and Bahrain recording respectively increases of 11.7 and 19.6 points as investors gained a higher confidence in the countries' state of economic conditions.

The document indicated that investors' confidence has been improving since April 2009 with 111.6 points, then May with 119.4 points, then June with a record high of 133.5 points, July was the single month to witness a drop with 123.0 points, then August with 126.3 points and finally September registered 127.3 points which is the highest index when examining the past three months.



Sources: Shuaa Capital PSC, Bank Audi's Research Department

Specifically, the GCC Investor Confidence Index scored by each member state in September 2009 came as follows: Saudi Arabia headed the classification by climbing 3.3 points to 138.7, then Qatar with 135.8 points despite loosing 4.6 points on a month-to-month basis, UAE was third with 119.4 points after rising by 0.6 points, followed by Oman which dropped by 5.6 points to score 115.2 ponits, then Bahrain's index with 107.8 points and Kuwait's index with 98.5 points. It is worth mentioning that the two latter mentioned countries topped the rise after ascending respectively by 12.8 points and 9.7 points.

In a Shuaa Capital press release, regional stock markets were also discussed. Particularly, it was stated that the Abu Dhabi Stock exchange is still undervalued by investors posting a 35.3% balance of respondents. This is the case of Saudi Arabia's Tadawul and the Qatar Exchange which fall at 25.5% and 21.6%, correspondingly. However, Investors overvalue the Kuwait Stock Exchange (KSE) and NASDAQ Dubai with respective balances of -5.9% and -2%. Relative to the markets in the West, the GCC's stock market are still recognized as favorable in the eyes of investors.

Salaries in the Middle East real estate sector remain attractive in spite of yearly decline as per Macdonald and Company

The average base monthly salary of real estate professionals in the Middle East continued to be attractive at an average of US$ 10,335, even after a 3.7% fall from last year, according to a the "Middle East Salary Survey" survey released by Macdonald and Company, a property recruitment specialist, in collaboration with The Royal Institution of Chartered Surveyors (RICS) and Cityscapeintelligence.com (CI). Further, as many as 41% of the professionals in the sector got bonuses this year.

The sector will attract more opportunities for professionals and the long-term outlook for the region is vibrant, particularly with focus on re-construction and re-financing increasing, as per the study. Across the sector, the average salary varied from US$ 14,269 per month for development managers to US$ 12,553 for commercial/contract managers, US$ 12,302 for project managers, US$ 8,989 for quantity surveyors and US$ 8,520 for architects.

According to the survey, the average base salary is 7.2% more than what it was in 2007 but shows a 3.7% decline from last year. Findings from the survey revealed that only 21% of respondents received an increase in base salary this year, significantly down from 71% the previous year. Moreover, 19% of the respondents have received a salary reduction compared to 1% last year, while 37% experienced no change, versus 35% last year.

Lastly, the study noted that even with their decline, current salaries in the Middle East are attractive when compared with those of professionals in other parts of the world. Even now expatriates are drawing 30% to 40% more than what they would get in their home countries.

CORPORATE NEWS

National Bank of Abu Dhabi and Germany's DVB Bank to launch US$ 1 billion aviation investment fund

National Bank of Abu Dhabi (NBAD) and Frankfurt-based specialist transport financiers DVB Bank are planning to launch a US$ 1 billion (AED 3.67 billion) aviation investment fund. NBAD would start making acquisitions in the fourth quarter of this year using this fund.

The NBAD-DVB fund is aimed at investing in aviation assets, principally aircraft and engines on lease to regional and international airlines. Investments would be based on various criteria such as aircraft type, credibility of aircraft operators, among others.

While the two banks would invest equally in the fund, it would be opened to other investors as well, according to NBAD officials. It is an investment fund that would be privately placed on an invitation basis, according to the same source.

The fund is expected to reach US$ 1 billion in assets over the next two years, and is expected to reap an internal rate of return (IRR) of 12% to 15%, according company officials.

DVB, a global bank specializing in the global transport market, has already been involved in an aircraft leasing deal in the Middle East, when the bank late last year signed a deal with Kuwait-based Jazeera Airways and National Bank of Kuwait to launch a US$ 375 million aviation leasing firm termed Sahaab Aircraft Leasing.

Sohar International Development Company signs US$ 200 million deepwater bulk jetty contract

Sohar International Development Company (SIDC), a joint venture of the Government of Oman and the Port of Rotterdam, recently signed a contract for the financing and construction of a major deepwater bulk jetty at the Port of Sohar estimated at around US$ 200 million.

Upon its completion in early 2011, the jetty would be able to receive bulk carriers with deep draft in excess of 23 meters, according to company sources.

The project is designed to serve the US$ 1.4 billion pelletizing plant and iron ore distribution centre currently under construction at Sohar by Brazilian mining conglomerate Vale. The project involves the construction of a 600-metre-long jetty platform that would be connected to the shore by way of a 700-meter-long trestle. Envisaged on one side of the jetty platform is an import berth of around 400 meters, while on the other side would be two export berths of a total length of around 600 meters.

Of the three berths earmarked for Vale, one would be equipped for the unloading of iron ore, while the other two would be designed to load direct reduction pellets directly into Panamax/Capesize carriers.

Johnson Controls Wins US$ 87 million Project in Saudi Arabia

Johnson Controls, one of the global leaders in energy efficiency and sustainability, won a US$ 87 million project at Saudi Arabia's Princess Noura Bint Abdulrahman University.

Al Salem Johnson Controls, the company's joint venture in Saudi Arabia, will supply 26 York-brand chillers to Princess Noura University. The chillers are dual compressor centrifugal chillers with a closed loop condenser cooling water circuit. Being radiator cooled, the chillers would save more than 2,100 gallons of water per minute of chiller operation, in addition to a considerable amount of energy that would be required to treat that water, according to company officials.

Each chiller has a capacity of 2,070 tons of refrigeration (TR), and when operated altogether boast a total cooling capacity of 58,000 TR which is equivalent to the cooling delivered by 58,000 metric tons of melting ice in a day. Manufactured in San Antonio, Texas, the York units are market leaders in energy efficiency. Al Salem Johnson Controls would also supply radiators for the chillers.

Established in 1885, Johnson Controls provides modern automotive interiors that help make driving more comfortable, safe and enjoyable. For buildings, the company offers products and services that optimize energy use and improve security. Johnson Controls also provides batteries for automobiles and hybrid electric vehicles, along with systems engineering and service expertise.

Located in Riyadh, the Princess Noura bint Abdulrahman University would be one of the largest universities in the Middle East. The campus would include an administration building, a central library, conference centers, buildings for 15 academic faculties, several laboratories and a 700-bed hospital.

CAPITAL MARKETS

The Saudi market is the best performer this week, up by 3.8%

Arabian equity markets were up by 1.3% this week, as per Morgan Stanley Capital International Arabian Markets Index, outperforming other emerging and global markets that reported a weekly variation of -0.7% and -2.2% respectively on concerns about the pace of the economic recovery after weaker-than-expected US employment data last week.

In Saudi Arabia, the Gulf's largest market moved 3.8% higher this week, as investors eye a fourth-quarter rally. Another factor contributed to drive Saudi share prices up, namely the easing concerns about the banking sector and its exposure to troubled Saudi groups. In fact, the banking sector led the surge this week after local lenders agreed to a SAR 9.7 billion settlement of Saad Group's debt, and some analysts expected Saudi banking shares to continue rallying ahead of third quarter earnings. Within this context, Samba Financial Group's share price jumped by a staggering 28.5% to SAR 59.50. In addition, petrochemical stocks were among the top risers this week. Bellwether Sabic rose by 1.9% to SAR 80.00. In general, sentiment was positive and that helped support the "decoupling" theory despite subdued oil prices and weak global markets. On a cumulative basis, the Tadwaul increased by 34.9% since year-end 2008, outpacing the Arabian markets by 9.8%, and it traded at a P/E of 16.5.

In the UAE, the equity markets remained unchanged this week, barely moving up by 0.1% relative to the previous week. Banking stocks were among the top losers. The Dubai Financial Market requested listed banks to disclose their exposure to financially troubled Saudi conglomerates Saad Group and Al Ghosaibi following a similar step taken by the Abu Dhabi Securities exchange. There is no doubt that moves by the UAE banks to be more transparent over exposure to bad loans will go to the benefit of investors by reducing uncertainty. On the other hand, Etisalat's share price ended 1.7% higher to reach AED 12.20. Al Mal capital had Etisalat at outperform rating, target price AED 17.11. As to the real estate companies, Sorouh Real Estate moved up by 3.1% to AED 4.03. DP World's share price closed 3.6% higher at AED 0.57. Deutsche Bank raised the company's EPS estimates on the back of a likely stronger-than-expected global trade recovery next year. Emaar Properties' share price moved down by 0.5% to AED 4.07. Its India JV Emaar MGF filed this week its preliminary draft prospectus for an initial public offer that could be worth up to INR 40 billion. Arabtec Holding's share price, the UAE's largest construction company by market value, stood still at AED 3.37. The company said that it started the first foundation tests on its Russian tower project after securing an AED 50 million contract. All in all, the UAE equity markets reported a year-to-date increase of 60.7%, outperforming the Arabian bourses by 35%.

In Kuwait, the Kuwait Stock Exchange saw nil change week-on-week, in the absence of local news apt to drive the market; in addition, investors remained cautious ahead of third-quarter earnings that are supposed to determine trading patterns in the near term. Banks topped losing sectors followed by investment Co. Zain's share price rose by 1.6% to KWD 1.28. Investors remained uncertain about a possible stake sale in the company. Kuwait's Kharafi Group last month invited small investors in Zain to sell their shares as part of a proposed 46% stake sale to a Malaysian-Indian consortium in a deal estimated at US$ 13.7 billion. Overall, the KSE rose by 10.5% since year-end 2009 and trades at a P/E of 16.4.

Elsewhere in the Gulf region, the Qatar Exchange edged

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	136.3	-0.2%	20.5%	20.6	-15.9%	1.0	11,140.0	9.6%	9.8	1.43
Jordan	152.6	-0.8%	-6.1%	295.3	496.9%	149.6	33,477.2	45.9%	14.1	1.90
Egypt	843.2	-3.1%	42.5%	1,257.4	63.7%	558.4	96,626.3	67.7%	11.5	2.05
Saudi Arabia	393.2	3.8%	34.9%	6,486.4	-	939.1	328,100.2	102.8%	16.5	2.13
Qatar	648.4	-0.4%	6.5%	535.1	152.5%	72.8	92,787.2	30.0%	12.4	2.33
UAE	276.2	0.1%	60.7%	1,821.5	29.8%	3,751.6	156,136.7	60.7%	11.9	1.29
Oman	877.5	-0.4%	25.3%	183.6	-	222.4	18,246.2	52.3%	12.0	1.94
Bahrain	385.9	0.3%	-25.4%	3.1	266.9%	7.0	18,010.2	0.9%	8.8	1.19
Kuwait	685.6	0.0%	10.5%	1,015.0	-	1,548.0	112,671.7	46.8%	16.4	1.62
Morocco	448.4	-2.1%	-1.2%	117.4	74.4%	3.5	67,441.1	9.1%	19.4	3.86
Tunisia	1,153.0	1.4%	26.1%	-	-	5.7	8,465.1	-	-	-
Arabian Markets	**507.1**	**1.3%**	**26.3%**	**11,735.3**	**364.8%**	**7,253.3**	**934,636.7**	**65.3%**	**14.2**	**1.87**

Values in US$ million; volumes in millions

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

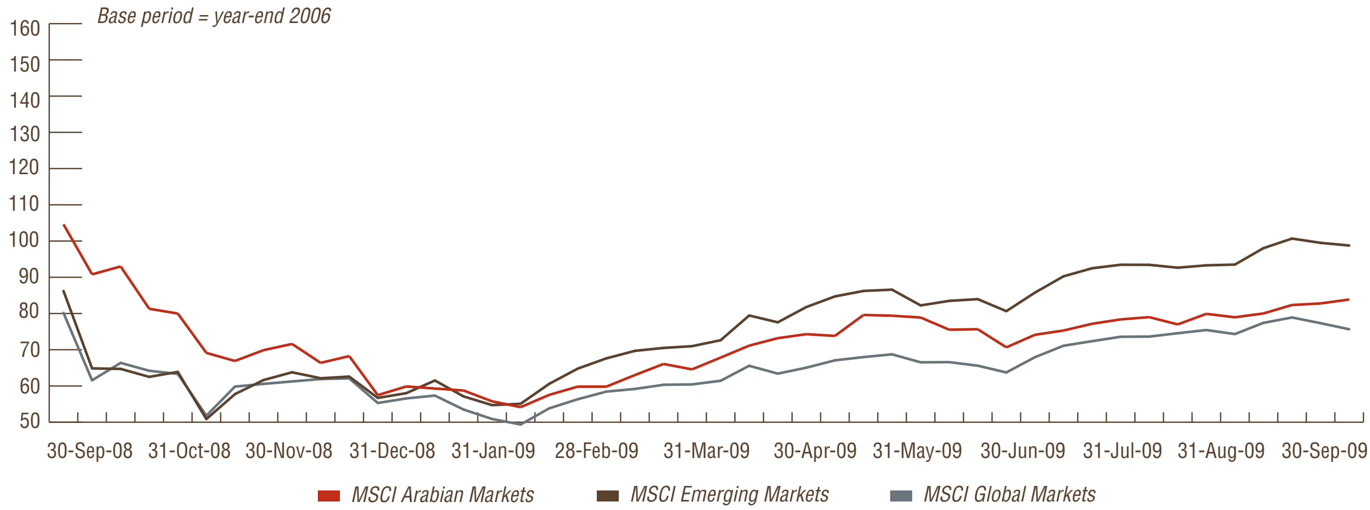
NB: Tunisia's figures are not all available yet, and have therefore been excluded from aggregate Arabian Markets figures down by 0.4% this week. However, HC Securities noted a short-term uptrend for the market. Overall, the Qatari equity market was up by 6.5% year-to-date and trades at a P/E of 12.4, compared to a P/E of 14.2 in the Arabian markets.

In Oman, the Muscat Securities Market slipped by 0.4% week-on-week. The MSM reported a year-to-date change of 25.3% and trades at a P/E of 12.0.

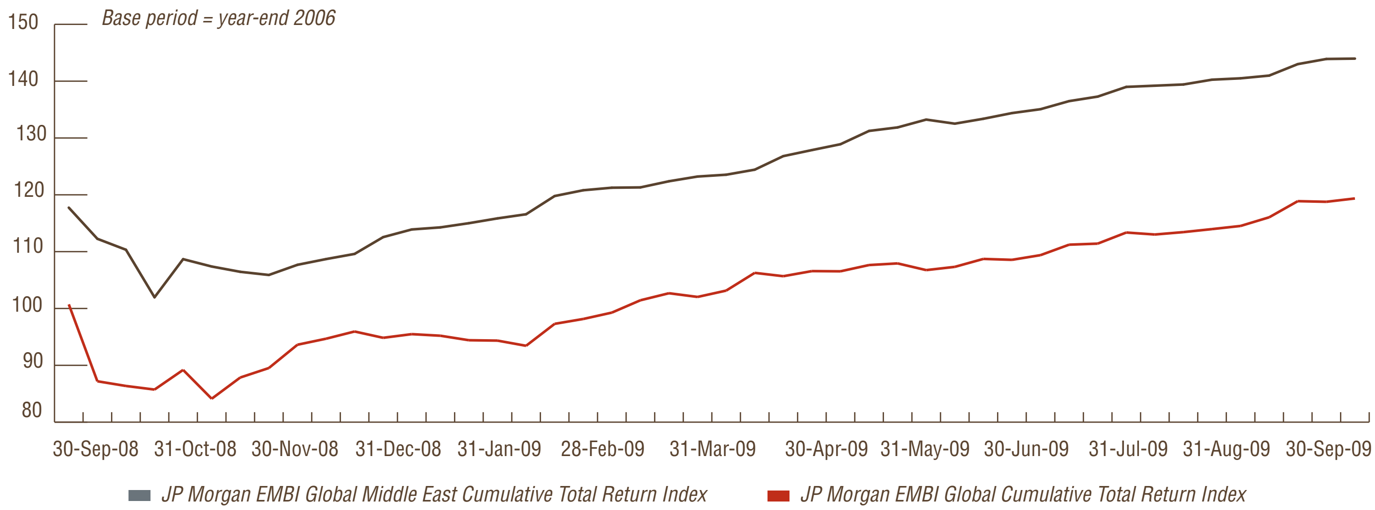
Outside the Gulf region, the Egyptian Exchange closed 3.1% lower this week, as investors consolidated recent gains ahead of third quarter results. However, local mood was lifted towards mid-week by Egypt's investment Minister saying Egypt's economic growth could exceed 5% during the fiscal year ending June 2010. As to individual shares, Orascom Construction Industries' share price fell by 3.9% this week to close at EGP 237.29. HC Securities increased OCI target price by 23% to EGP 258.9, based on strategic changes in the fertilizer group, and recent changes in global markets and Egyptian economy. Mobinil's share price fell by 1.4% to EGP 220.91 after the company announced that it will distribute EGP 200 million of its first-half income to shareholders. All in all, the Egyptian Exchange surged by 42.5% since the beginning of the year 2009 and trades at a P/E of 11.5. On the other hand, it worth mentioning that the Egyptian Exchange is currently pushing hard for the establishment of a local derivatives market next year and is already in discussions with an international vendor to assist in the clearing of trades.

In short, most Arab bourses reported a shy performance during this week, taking a lead from weaker global markets and crude oil futures closing at US$ 66.8 per barrel amid lingering worries over energy demand in the United States after poor data.

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/Stable	BB+/Stable/B	BB/Stable
Iraq	NR	NR	NR	CC/Stable
GULF				
Saudi Arabia	AA-/Stable/A-1+	A1/Positive	AA-/Stable/F1+	BBB/Stable
UAE	AA/Stable/A-1+	Aa2/Stable	AA/Stable/F1+	BB/Stable
Qatar	AA-/Stable/A-1+	Aa2/Stable	NR	A/Stable
Kuwait	AA-/Stable/A-1+	Aa2/Negative	AA/Stable/F1+	A/Stable
Bahrain	A/Stable/A-1	A2/Negative	A/Stable/F1	BBB/Stable
Oman	A/Stable/A-1	A2/Stable	NR	A/Stable
Yemen	NR	NR	NR	CCC/Negative
NORTH AFRICA				
Algeria	NR	NR	NR	BBB/Stable
Morocco	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

	2-Oct-09	25-Sep-09	Dec-08	Weekly change	Year-to-date change
US Prime Rate	3.25%	3.25%	3.25%	0.00%	0.00%
3-M Libor	0.28%	0.28%	1.43%	0.00%	-1.14%
US Discount Rate	0.50%	0.50%	0.50%	0.00%	0.00%
US 10-year bond	3.22%	3.32%	2.22%	-0.10%	0.99%

FX RATES (per US$)

	2-Oct-09	25-Sep-09	Dec-08	Weekly change	Year-to-date change
LEVANT					
Lebanese Pound (LBP)	1,500.00	1,500.00	1,507.50	0.0%	-0.5%
Syrian Pound (SYP)	45.95	45.80	46.45	0.3%	-1.1%
Jordanian Dinar (JOD)	0.71	0.71	0.71	-0.1%	0.0%
Egyptian Pound (EGP)	5.49	5.50	5.49	-0.3%	0.0%
Iraqi Dinar (IQD)	1,150.00	1,150.00	1,155.00	0.0%	-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	0.0%	3.8%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.39	0.38	0.38	0.0%	0.0%
Yemeni Riyal (YER)	200.70	200.75	199.55	0.0%	0.6%
NORTH AFRICA					
Algerian Dinar (DZD)	71.89	71.71	69.44	0.3%	3.5%
Moroccan Dirham (MAD)	7.76	7.71	8.01	0.7%	-3.1%
Tunisian Dinar (TND)	1.30	1.29	1.31	0.8%	-0.6%
Libyan Dinar (LYD)	1.22	1.21	1.24	0.2%	-2.2%
Sudanese Pound (SDG)	2.31	2.32	2.20	-0.5%	5.0%

COMMODITIES (in US$)

	2-Oct-09	25-Sep-09	Dec-08	Weekly change	Year-to-date change
Crude oil barrel (Brent)	66.8	64.6	39.8	3.5%	67.8%
Gold ounce	1,001.4	991.4	878.2	1.0%	14.0%
Silver ounce	16.1	16.0	11.3	0.8%	42.7%
Platinum ounce	1,278.0	1,272.5	924.5	0.4%	38.2%

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