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According to the World Bank report issued this week, although the MENA region held up fairly well in 2008 and was able to brush off the first wave of impact of the global financial turmoil on national financial systems, in 2009, real economic growth would slow down, as the crisis has now mutated from a financial crisis to a globally synchronized recession.

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Euromoney's semi-annual country risk survey results suggest that the region's exposure to risk has decreased as it began to weather off the global financial crisis. Indeed, the scores of 18 MENA countries witnessed an improvement since the March 2009 survey, while that of one country saw a regression. Syria and Lebanon posted the highest semiannual score increases, while Qatar maintained its upward trend to catch the first position regionally and the 10th globally in the current survey.

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ExxonMobil Corporation and Saudi Basic Industries Corporation are planning to build two plants worth US\$ 5 billion in Saudi Arabia to produce synthetic rubbers used to make tyres, a move that would help develop the Kingdom's downstream industry, according to company officials.

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► MARKETS IN BRIEF

p.6 ► **Arabian markets up by 1.6% on speculation over third quarter results**

Arab equity markets ended 1.6% higher this week as per Morgan Stanley Capital International Arabian Markets Index, supported by a strong rally of 4.2% in global stock markets and on speculation over third quarter results. In the UAE, the equity markets closed 3.9% higher. Foreign interest remained high and local investors remained bullish. Both UAE markets got a lift from positive global sentiment as investors remain upbeat about the outlook for third quarter earnings. The Kuwait Stock Exchange was the second best performer in the region this week, ending 3.8% higher, with investment firms leading the advance. Elsewhere in the Gulf, the Bahrain Stock Exchange was up by 2.9% this week, supported by banking stocks. The Qatar Exchange closed 0.8% higher, as the banking stocks attracted investors' attention during this week after Qatar National Bank's third quarter earnings beat most expectations.

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

► ECONOMY

World Bank forecasts MENA's real GDP growth at 2.2% in 2009 and 4% 2010

According to the World Bank report issued this week, although the MENA region held up fairly well in 2008 and was able to brush off the first wave of impact of the global financial turmoil on national financial systems, in 2009, real economic growth would slow down, as the crisis has now mutated from a financial crisis to a globally synchronized recession.

As per the 2009 MENA Economic Developments and Prospects, MENA is the only region that was able to avoid a decline in real GDP growth in 2008 compared to the previous year. However, the region is projected to see a marked decline in its overall growth, with regional growth projected to decline sharply from 6.1% in 2008 to 2.2% in 2009. From the sectoral perspective, MENA's growth decline in 2009 and 2010 will be mostly led by a sharp contraction in the hydrocarbon sector across the region. From the demand perspective, public consumption remains relatively steady (helped by fiscal stimulus spending) while sharp falls in investment and exports drive down GDP growth.

MENA's growth rate is expected to rebound to 4.0% in 2010, but this rebound is expected to be less marked than in other regions. Growth resumption in 2010 is likely to be driven by expansion of investments at home, starting in GCC countries, as well as investments in, and exports to, other emerging and developing economies where the potential for incremental growth is the largest.

The report noted that tourism and remittances would not be able to sustain high GDP growth in MENA in 2009 and possibly 2010. Even though tourism has been somewhat resilient, it has not been immune and a decline is expected in 2009. International tourism arrivals declined by 2% in 2008 from an average growth rate of 7% in 2004–2007. With global recession persisting and wealth effects settling in, MENA's tourism receipts are expected to contract about 3% in 2009. Apart from GCC countries which are expected to show positive albeit slower growth in tourism receipts in 2009 and 2010, the rest of the country groupings is likely to move to negative territories in 2009 but are expected to see some improvements in 2010.

Real GDP growth by demand component (%)

	2008e	2009f	2010f
GDP growth	6.1	2.2	4.0
Private consumption growth	6.2	1.8	3.8
Government Consumption growth	10.2	8.0	6.9
Gross domestic investment growth	7.9	0.8	3.9
Exports of goods and services growth	6.3	-3.7	2.2
Imports of goods and services growth	11.2	0.8	5.2

Sources: World Bank, Bank Audi's Research Department

Remittances have also been resilient so far but are projected to decline in 2009 before experiencing a mild recovery in 2010. Partly reflecting the deterioration in labor market conditions worldwide, remittances to developing countries began to fall in the last quarter of 2008, a trend that has continued into 2009. In MENA, remittances grew in 2008 but at a slower pace of 8.6% than 17% during 2006–07; they proved resilient in 2008. However, they are likely to lose steam in the rest of the year and are projected to fall by 6.2% in 2009. This rate of decline is, however, one of the lowest across developing country groups.

The report continued that similar to most emerging markets and developing countries, external financing conditions will remain tight for MENA in 2009 and possibly 2010. Global FDI flows are projected to fall sharply in 2009; and MENA will be directly affected. In fact, FDI has started declining in some MENA countries. In Egypt for example, FDI declined by 50% in early 2009 compared to the previous year. As in many developing regions, short-term capital flew out of MENA quite suddenly in 2008. The phenomenon was more apparent in GCC countries that had both attracted short-term flows and had open capital accounts.

EFG Hermes foresees loan recovery in the MENA region to occur by 2010

A recent report released by EFG-Hermes on the MENA banking sector indicated that the slowdown in economic growth and deflation of asset prices has translated into strong headwinds for the banking sector. Credit growth has decelerated sharply across the region, but EFG-Hermes expects a recovery in 2010 as the macro backdrop improves and risk appetite recovers. From a medium- to long-term perspective, favorable demographics and low penetration point towards a strong potential for credit growth.

After a sharp slowdown in 2009, EFG-Hermes sees balance sheet growth momentum picking up pace in 2010. The increased risk averseness of banks, coupled with a pullback in corporate expansion plans are likely to have been the major factors dampening credit demand in 2009. However, the recovery in oil prices has boosted the GCC governments' ability to continue with their planned investment spends, although ambitions have been scaled back. While banks are likely to have spent much of 2009 in reassessing the risk profile of their customers, the continuing strength of government spend is likely improve confidence levels, and thus the expected loan recovery in 2010.

The investment bank believes that banks in the MENA region still present attractive value relative to global peers, with ROEs expected to remain around 20% for most banks in the medium term. Banks have weathered the initial shock of the financial crisis and have spent most of 2009 strength-

ening their balance sheets. With the macro picture stabilizing and improving visibility on risk, EFG-Hermes believes that banks are strongly positioned for a recovery, justifying its view that the valuation discount for MENA banks to their historical averages should narrow.

Standard Chartered forecasts real GDP growth in the UAE at -0.5% in 2009 and 4.0% in 2010

Standard Chartered Bank has revised its real GDP forecast for the UAE in 2009 to -0.5%, down from previous estimates of 0.5-1.0%, suspecting tight monetary conditions to drag growth. However, it did not alter its real growth forecasts for 2010, as the country's real GDP is still expected to expand by 4% in 2010, according to the bank.

Declining hydrocarbon output, tight liquidity and bursting of asset bubbles, particularly real estate, are likely to drive contractions in the UAE economy, the bank said in its monthly analysis of economic and financial markets development. A drop of 13% in oil production is expected in the case of the UAE in 2009; however, it is unlikely that government accounts will be drastically affected as there have been massive fiscal surpluses in the past few years.

In general, when it comes to hydrocarbons in GCC countries, production has a far more direct impact on real growth than prices, with the latter only affecting growth indirectly through the wealth effect and government spending. The ability and the desire of the government to spend have not been adversely affected, as the decline in oil prices is perceived as a temporary one.

Standard Chartered noted that the UAE are taking advantage of lower investment costs to expand its hydrocarbon capacity. The country is investing to increase its hydrocarbon capacity by 40% to four million barrels a day by 2010. The global recession and OPEC-driven production cuts will be a drag on growth this year, but this should be reversed in

coming years. Indeed, Standard Chartered said that despite a challenging 2009, it believes that there is potential for the economy to surprise on the upside in 2010.

With oil prices having ended their downward trend, the UAE are unlikely to cut production further next year in 2010, as per Standard Chartered. At the same time, it expects the country to continue its investment drives, as the diversification process is still in its early stages. Liquidity in the Emirates has been tight in 2009, and again, this is likely to improve in 2010, said the bank report.

Analyzing the banking sector, it said the funding gap for banks in the UAE was Dh 116 billion at the beginning of the year, but narrowed to Dh 42.9 billion as of July 2009. If the trend continues and the gap is eliminated, Standard Chartered foresees more favorable credit conditions in 2010.

Hay Group expects salaries in Qatar to rise by 6% in 2010

Employees in Qatar are likely to expect a 6% increase in salary over the next year, according to a report issued by the global management consultancy, Hay Group.

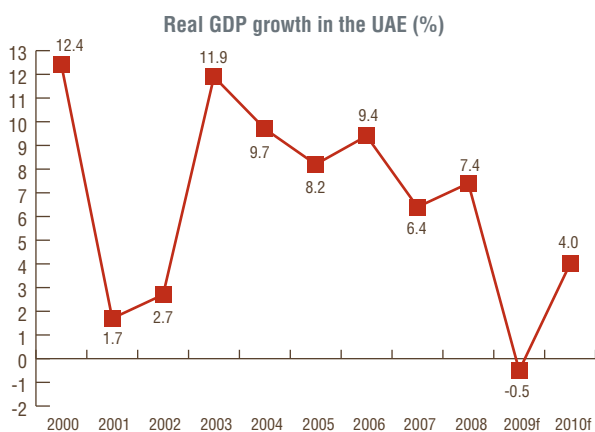
The report comes after a pay and benefits study involving 16,500 employees from over 65 organizations in Qatar. The report has been compiled with the involvement of organizations from key sectors such as oil and gas, banking, real estate and local conglomerates.

The study shows an 11% rise in Qatar's average basic salary and 10% increase in housing allowance since June 2008. The report forecasts 6% pay increase for 2010. It also reveals that Qatari nationals are paid 50% more than expatriates working in Qatar.

Such numbers indicate that the job market scenario in Qatar is a little more optimistic when compared to the other GCC economies, as per the report. Other economies of the region have somewhat lower forecasts in comparison, with the average salary increase in GCC nations projected at around 3.8% in 2010.

The report highlights that pay movements in Qatar have slowed down as compared to last year but are still one of the highest in the region at 11% growth since June 2008. Detailed analysis of the compensation reveals that annual bonuses have dropped by 30% for executives this year due to lowered business performance and uncertainty in the macro economic situation. The overall variable pay has dropped from 11% in 2008 to 5% in 2009.

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Sources: IMF, Standard Chartered Bank forecasts, Bank Audi's Research Department

► SURVEYS

Syria and Lebanon post the highest semiannual score increase as per Euromoney's country risk survey

Euromoney magazine issued its semi-annual survey conducted in September 2009 on 186 countries. On a semi-annual basis, the score of one MENA country saw a regression, while the scores of 18 countries witnessed an improvement since March 2009. It seems that over the covered six months, the region's exposure to risk has decreased, as it began to weather off the global financial crisis. Syria and Lebanon posted the highest semiannual score increases, while Qatar maintained its upward trend to catch the first position regionally and the 10th globally in the current survey.

Indeed, certain countries benefitted from advancements in their local conditions, which more than offset the negative repercussions of the global meltdown, and are thus currently exposed to lower country risk. It is worth mentioning that scores of Syria and Lebanon witnessed the most significant growth with the first ascending by 27.6% to reach 35.41 points in September 2009, and the second by 18.7% to become 49.52 points. Libya and Qatar had the third highest score increase of 15.5% with the former country attaining 45.92 points in September 2009 and the latter country scoring 87.67 points.

The survey assesses individual country risk by assigning a weight to nine categories covering political risk, economic performance, debt indicators, debt in default or rescheduled debt, credit ratings, access to bank finance, access to short-term finance, access to capital markets, and discount on forfeiting.

Political risk accounts for 25% of the weight and refers to risk of non-payment or non-servicing of payment for goods or services, loans, trade-related finance and dividends, and the non-repatriation of capital. On a semi-annual basis, all MENA countries saw their scores increase, with Syria posting the highest score increase of 38.6% for its mark to reach 12.63 points, followed by Lebanon, which attained 13.45 points, and posting a 35.4% increase since March 2009.

Economic performance accounts for another 25% of the weight and is based on Gross National Income (GNI) figures per capita and on results of the Euromoney poll of economic projections. Despite its relatively weak position, the most significant improvement was registered by Yemen recording 7.0 points in the survey, higher by 166.2% from March 2009. Qatar, with the highest score (22.27) in this criterion, improved by 70.3% in six months, while Syria achieved 7.73 points enhancing by 58.1% since March 2009. Lebanon's score boosted by 39.5% since the last survey to attain 9.99 points, witnessing the fourth highest semiannual increase regionally.

Debt indicators account for 10% of the weight and are calculated using the World Bank's total debt stocks to GNP ratio, debt service to exports ratio, and current account bal-

ance to GNP ratio. On a semiannual basis, no improvement was shown by any MENA country. However since last year, Lebanon's indicator jumped by 98.8% taking into account the reduction in the country's debt-to-GDP ratio to 151% as projected by the IMF. Also, on a yearly basis, Tunisia, Sudan and Jordan gained respectively 40.2%, 31.2% and 29.2% to reach 8.83 points, 9.2 points, and 8.94 points.

Debt in default or rescheduled debt account for 10% of the weight and is based on the ratio of rescheduled debt to debt stocks. The MENA countries' performance remained unchanged from several previous surveys, with 18 MENA countries attaining a perfect score in this category, 10 out of 10, while one country, namely Jordan maintaining a constant score of 9.98 points. Credit ratings account for 10% of the weight and represent the nominal values assigned to sovereign ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings. Lebanon witnessed the highest semiannual increase of 31.7% for its score to reach 0.83 points, as several rating agencies praised the country for its resilience against the crisis. It was followed by the UAE, Kuwait, and Qatar with score variations of 3.7%, 2.5%, and 1.3%, for their scores to reach correspondingly, 8.44 points, 8.54 points, and 8.75 points.

Access to bank finance accounts for 5% of the weight and is calculated from disbursements of private, long-term, unguaranteed loans as a percentage of GNP. Within this category, no improvements were shown on a semiannual basis. Still, yearly, Oman and Morocco's position augmented from 0.18 and 0.08 in September 2008 to 5.0 and 0.19 in the current survey. As for short term finance, all countries showed an increase in the six months extending between March 2009 and September 2009. The most significant development was registered by Egypt which saw its score improve by 1.6% to 2.57 points, Jordan whose score enhanced by 1.5% to 2.73 points and Libya and Yemen, whose score witnessed equal increases of 1.4% to record 2.11 points and 2.13 points, respectively.

When it comes to access to capital markets, which also accounts for 5% of the weight and refers to country's accessibility to international markets as rated by the heads of debt syndicate and loan syndication, a semiannual improvement was observed in all MENA countries, except for Iran whose score remained unchanged at zero. The survey detected the highest progress of 2.0% in Sudan and Iraq, whose scores were also at an equal 1.02 points. They were followed by Syria, whose score nudged 1.7% upwards to reach 1.78 points, and Yemen, Algeria, Egypt, and Oman, with each country witnessing a 1.6% semiannual score increase. Algeria and Yemen both scored 2.54 points, while Egypt and Oman both scored 3.81 points.

Finally, with respect to discount on forfeiting which accounts for 5% of the weight, 18 countries saw an improvement since March 2009: most significantly, Syria (252.0%), Lebanon (94.4%), and Algeria (72.9%).

► CORPORATE NEWS

ExxonMobil and Sabic are planning a US\$ 5 billion petrochemical project in Saudi Arabia

ExxonMobil Corporation and Saudi Basic Industries Corporation are planning to build two plants worth US\$ 5 billion in Saudi Arabia to produce synthetic rubbers used to make tyres, a move that would help develop the Kingdom's downstream industry, according to company officials.

The venture, an equal partnership between ExxonMobil and Saudi petrochemicals Sabic, would cover construction of the two plants at the industrial cities of Jubail and Yanbu on Saudi Arabia's Persian Gulf and Red Sea coasts. The construction contracts for the plants, which would produce elastomers, would be awarded by 2011, according to company officials.

The project would have a combined production capacity of about 400,000 tons per annum of carbon black, rubber and specialty polymers for both domestic and international sales.

According to company officials, final investment decision on the project is expected by 2010 or 2011. The project would start up in the 2013-2014 horizon, according to Thomson Reuters newswire.

Worldwide oil and gas giant ExxonMobil is involved in the exploration, production, transportation and sale of crude oil, natural gas, and other petroleum products. ExxonMobil is also a major producer and marketer of commodity and specialty petrochemicals and has interests in electric power generation facilities. Global operations are well scattered across the world, namely in Canada, the United States, Brazil, Australia, Norway, Russia, Libya, West Africa, Qatar, China, Malaysia, Indonesia, and Singapore.

Established in 1976 and based in Saudi Arabia, Sabic is a leading petrochemicals company manufacturing chemicals, fertilizers, plastics, and metals, with offices in the Middle East and Africa regions, the Americas, Europe and Asia.

ADIH launches US\$ 400 million flagship project in India

Abu Dhabi Investment House (ADIH) announced the launch of infrastructure work on its US\$ 400 million (around AED 1.5 billion) flagship project in Navi Mumbai termed India Entertainment City.

The concept is an embodiment of a mixed-use development, encompassing residential, commercial/retail and

entertainment components. The entertainment component would include film and multi-media studios, film theatres and convention halls, while the residential area would consist of medium to high living areas, including branded villas and apartments.

According to company sources, tender review for the initial enabling works and site facilities has been completed and a contractor was selected. The enabling package includes site offices, boundary fences and other areas that would assist contractors to perform other infrastructure related work

In addition to the enabling works package, the infrastructure work of the 1.62 square kilometers development was divided into a series of additional packages which have not been awarded to contractors yet. These packages include: civil works, roads and hydraulics system; electrical, telecommunication and data services; central gas network and district cooling; in addition to landscaping and pavements.

Established in 2005, Abu Dhabi Investment House (ADIH) provides investment banking services including advisory on mergers, acquisitions and initial public offerings, Islamic and conventional fund management, and private equity in the real estate sector.

Entertainment City encompassing integrated entertainment components and using private equity and real estate investment vehicles, is ADIH's vision for a global mixed-use development initiative in emerging markets.

UAE's Drake & Scull International gets US\$ 109 million Abu Dhabi mixed-use real estate contract

UAE's Drake & Scull International said it won an AED 400 million (US\$ 108.9 million) mechanical, engineering and plumbing contract for a neighborhood project in Abu Dhabi.

The project consists of 14-floor office buildings, 14 apartment buildings, 148 townhouses, 11 luxury villas and commercial spaces, according to company statements.

Drake & Scull International (DSI) PJSC is an end-to-end contracting company providing mechanical, electrical and plumbing, infrastructure, water and power, and civil contracting services and has been providing engineering services to the Middle East since its incorporation in the UAE in 1966.

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► CAPITAL MARKETS

Positive mood governs ahead of third quarter results

Arab equity markets ended 1.6% higher this week as per Morgan Stanley Capital International Arabian Markets Index, supported by a strong rally of 4.2% in global stock markets and on speculation over third quarter results.

In the UAE, the equity markets closed 3.9% higher. Foreign interest remained high and local investors were bullish. Both UAE markets got a lift from positive global sentiment as investors remained upbeat about the outlook for third quarter earnings. Emaar Properties closed 9.1% higher at AED 4.44. A report recently released by Jones Lang LaSalle suggested that Dubai's real estate market remains in the downturn phase of the cycle, with the likelihood of continued falls in average prices and rentals over the rest of 2009. However, the report added that the pace of decline is easing. There is a real sentiment that the worst of the crisis became a past and that markets would stabilize somewhat during 2010. On a cumulative basis, the UAE equity markets reported a year-to-date change of +67.0%.

The Kuwait Stock Exchange was the second best performer in the region this week, ending 3.8% higher. Investment firms led the advance. In addition, investors continued to eye news on stake sale in Zain and banks' the third quarter results. Zain's share price closed 9.4% higher at KWD 1.40. Al Mal Capital said that Zain's current share price is predominantly supported by merger and acquisition news flow and not business fundamentals. The market is expected to trade within a tight range for the coming period before third-quarter results start coming out. All in all, the KSE reported a year-to-date change of +14.7%.

Elsewhere in the Gulf, the Bahrain Stock Exchange was up

by 2.9% this week, supported by banking stocks. Gulf Finance House was among the top gainers, rising by 2.7% week-on-week to close at USD 0.502. Overall, the BSE reported a year-to-date change of -23.2%.

The Qatar Exchange closed 0.8% higher this week, supported by the banking stocks. In fact, investors started to focus on banking stocks after Qatar National Bank's (the country's largest lender by assets) third quarter earnings beat most expectations. Credit Suisse raised Qatar National Bank's target price to QAR 190 from QAR 144.85, and kept its outperform rating on improving growth outlook and robust asset quality. Masraf Al Rayan was among the most active stocks this week, and closed unchanged at QAR 12.70. Doha Bank rose by 5.0% to QAR 54.10. Commercial Bank of Qatar remained unchanged at QAR 80.60. All in all, the Qatar Exchange rose by 7.4% since the beginning of the year 2009.

In Saudi Arabia, the Tadawul closed 0.8% higher this week. Alinma Bank was among the most active stocks, trading up by 1.9% to close at SAR 13.65. Jarir Marketing's share price went down by 0.2% to SAR 136.00. HSBC raised Jarir Marketing's target price to SAR 155, from SAR 149 in the wake of third quarter results. Saudi Almarai Co.'s share price closed 3.4% higher at SAR 175.75. Citigroup raised Almarai Co.'s target price to SAR 210 from SAR 175, and maintained the buy rating. The stock looks cheap at current levels trading at a discount of 1% and 13% to the peer group on 2009 and 2010 P/E basis, according to Citigroup. In general, the Tadawul surged by 36.0% since year-end 2008.

In Oman, the Muscat Securities Market moved up by 0.6%. Bank Muscat's share price closed -1.2% at OMR 0.914. EFG-Hermes initiated coverage on Oman's Bank Muscat with a buy rating, labeling the bank a top pick. EFG-Hermes said

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	138.4	1.5%	22.4%	19.1	-7.1%	0.9	11,313.1	8.8%	9.9	1.45
Jordan	154.6	1.3%	-4.9%	223.2	-24.4%	108.0	33,378.3	34.8%	14.1	1.90
Egypt	832.2	-1.3%	40.7%	870.6	-30.8%	350.1	94,982.2	47.7%	11.6	2.04
Saudi Arabia	396.5	0.8%	36.0%	6,031.4	-7.0%	933.2	328,634.9	95.4%	16.7	2.16
Qatar	653.5	0.8%	7.4%	704.8	31.7%	96.6	93,488.7	39.2%	12.4	2.28
UAE	286.9	3.9%	67.0%	2,730.7	49.9%	5,283.0	159,817.1	88.8%	12.3	1.32
Oman	882.6	0.6%	26.0%	196.5	7.1%	181.3	18,188.3	56.2%	12.0	1.88
Bahrain	397.0	2.9%	-23.2%	5.7	85.3%	9.2	17,822.1	1.7%	8.5	1.16
Kuwait	711.7	3.8%	14.7%	1,137.8	12.1%	1,612.4	115,692.7	51.1%	16.4	1.57
Morocco	458.4	2.2%	1.1%	74.6	-36.4%	2.7	68,103.2	5.7%	19.5	3.97
Tunisia	1,199.6	4.0%	31.2%	-	-	5.0	8,678.8	-	-	-
Arabian Markets	515.4	1.6%	28.4%	11,994.3	2.2%	8,577.5	941,420.7	66.3%	14.4	1.88

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

that Oman's banking sector is well-positioned to recover quickly from the impact of the global economic slowdown, helped by a recovery in oil prices and a pickup in investment spending. All in all, the MSM reported a year-to-date change of 26.0%.

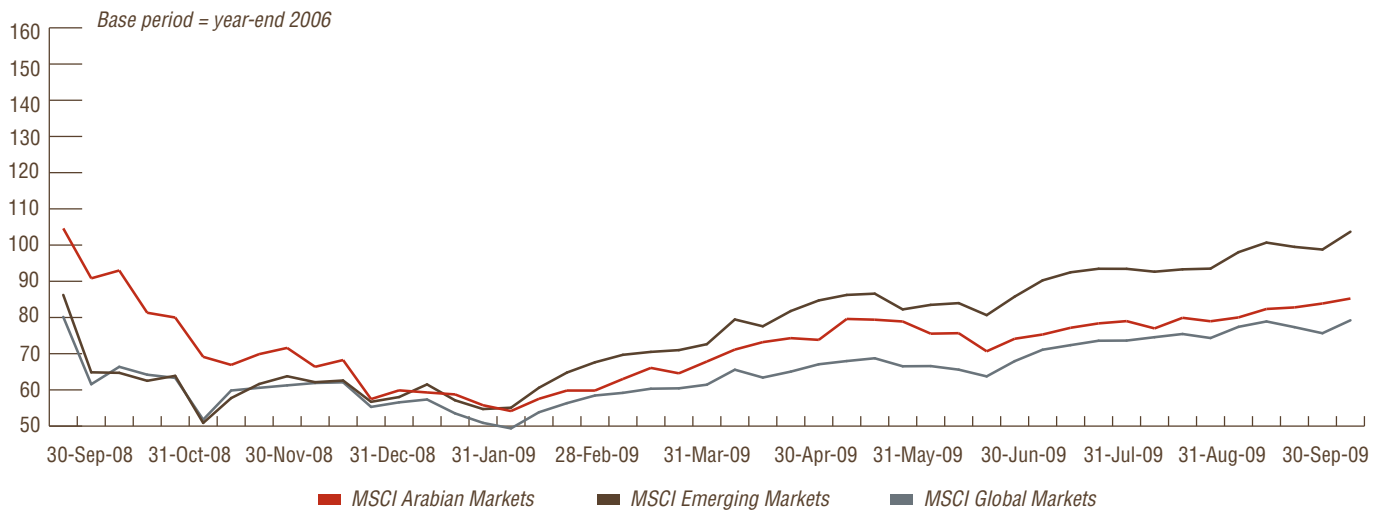
The Egyptian Exchange was the only stock market in the MENA region to close in the red this week. Blue chip stocks were affected by a drop in the small cap EGX 70 stocks. The drop affected the appetite of investors as they became sellers rather than buyers. El Sewedy Cables' share price closed 7.1% lower at LE 72.21. Citigroup downgraded El Sewedy to sell from buy rating, and cut its target price to LE 82 from LE 88, reflecting lower estimates post new guidance from the company for the 2009-2011 period. Orascom Construction Industries fell by 1.0% to LE 234.90. Orascom Telecom Holding traded 2.4% higher at LE 35.11. Mobinil'

share price ended 1.9% higher this week at LE 225. CI Capital lowered Egyptian Company for Mobile Services, or Mobinil, to sell from hold rating and cut target price by 3% to LE 213 per share. Mobinil approved a lower-than-expected interim dividend of LE 2 for the first half 2009, and attributed the low payout to difficulties experienced in securing bank loans to finance large expenses for the second half of 2009. Morgan Stanley downgraded Mobinil to underweight from equal weight rating. Overall, the Egyptian Exchange increased by 40.7% since the beginning of the year 2009.

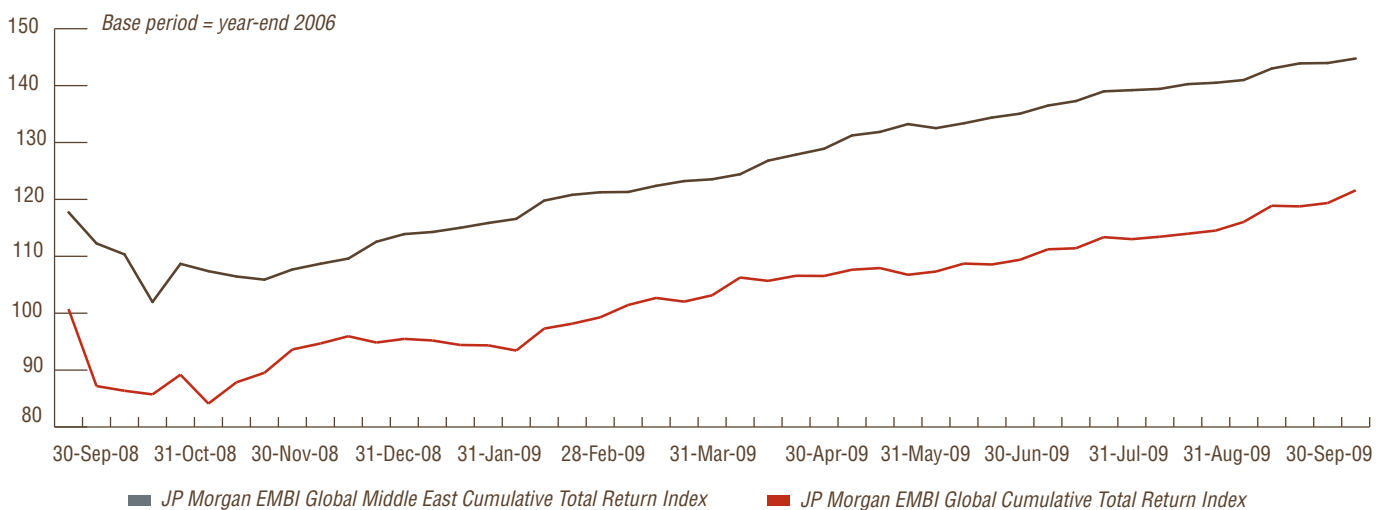
Looking ahead, global growth remains the key and MENA equity markets' direction for the remainder of the year is likely to depend on third quarter results.

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Equity Markets Performance: Arab Markets v/s Benchmarks



Fixed Income Markets Performance: Arab Markets v/s Benchmarks



SOVEREIGN RATINGS

	Standard & Poor's	Moody's	Fitch	EIU
LEVANT				
Lebanon	B-/Stable/C	B2/Stable	B-/Stable/B	CCC/Stable
Syria	NR	NR	NR	CCC/Stable
Jordan	BB/Stable/B	Ba2/Stable	NR	CCC/Stable
Egypt	BB+/Stable/B	Ba1/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

	9-Oct-09	2-Oct-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	3.39%	3.22%	2.22%	0.17%	1.17%

FX RATES (per US\$)

	9-Oct-09	2-Oct-09	Dec-08	Weekly change	Year-to-date change
LEVANT					
Lebanese Pound (LBP)	1,499.00	1,500.00	1,507.50	-0.1%	-0.6%
Syrian Pound (SYP)	45.90	45.95	46.45	-0.1%	-1.2%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.1%	0.1%
Egyptian Pound (EGP)	5.48	5.49	5.49	-0.2%	-0.2%
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)	0.38	0.39	0.38	0.0%	0.0%
Yemeni Riyal (YER)	202.25	200.70	199.55	0.8%	1.4%
NORTH AFRICA					
Algerian Dinar (DZD)	70.86	71.89	69.44	-1.4%	2.0%
Moroccan Dirham (MAD)	7.72	7.76	8.01	-0.5%	-3.7%
Tunisian Dinar (TND)	1.29	1.30	1.31	-0.7%	-1.3%
Libyan Dinar (LYD)	1.21	1.22	1.24	-0.1%	-2.3%
Sudanese Pound (SDG)	2.29	2.31	2.20	-0.6%	4.3%

COMMODITIES (in US\$)

	9-Oct-09	2-Oct-09	Dec-08	Weekly change	Year-to-date change
Crude oil barrel (Brent)	70.1	66.8	39.8	4.8%	75.9%
Gold ounce	1,048.3	1,001.4	878.2	4.7%	19.4%
Silver ounce	17.7	16.1	11.3	9.6%	56.4%
Platinum ounce	1,332.0	1,278.0	924.5	4.2%	44.1%

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