

The Lebanon Weekly Monitor

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The Coincident indicator, a composite indicator of economic activity developed by the Central Bank, reached an average of 253 points in the first five months of 2010, up by 14.7% year-on-year.

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Equity and bond markets continued to be underpinned by a slow activity during this week, while FC-to-LP conversions persisted on the FX market, and interest rates remained stable on the Tbs market. On the equity market, the BSE price index movement was affected by many factors. In fact, while the listing of preferred shares class "E" issued by Bank Audi and the additional listing of common shares related to the capital increase of Byblos Bank helped to lift the price index, the decision made by Solidere as to consider the 14th of July 2010 an Ex-dividend day if there will be a quorum in the General Assembly meeting on Monday 19 led to a drop in heavyweight Solidere share prices and triggered a decline in the BSE price index of 0.7%. On the Eurobond market, local investors were the main traders, while foreign participants remained on the sidelines. The average spread widened by five basis points to 270 basis points. On the FX market, FC-to-LP conversions went on, yet in slower pace. The Central Bank continued to intervene as a buyer of the green currency surpluses at LP 1,501. Within this context, the BDL's foreign assets rose by US\$ 370 million during the first half of July 2010 to hit US\$ 30.7 billion, covering 81.6% of LP money supply. As to the Tbs market, the average yields remained stable at 5.36% and 4.79% on the one-year and two-year categories respectively, while the average yield on the three-year category rose by four basis points to reach 5.90%.

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Coincident indicator up by 15% in the first five months of 2010

The coincident indicator, a composite indicator of economic activity developed by the Central Bank to monitor Lebanon's macroeconomic performance, reached an average of 252.92 points in the first five months of 2010, an all-time record high, and up by 14.7% when compared to the first five months of 2009. This mirrors an unprecedented buoyant economic activity in the country in the first five months of 2010 that even tops the prosperity witnessed in the same period of 2009.

A step-up in the coincident indicator in fact mirrors continuous improvements at the level of tourism, capital inflows, financial services, real estate and construction, as well as consumer spending.

As a matter of fact, the growth in the coincident indicator in the first five months of 2010 compares to a growth of 13.5% in the first five months of 2009, which means that economic growth in 2010 so far is in line with the buoyant growth witnessed in 2009. Furthermore, it is in line with the fact that the IMF recently revised real GDP's growth forecast for 2010 upward to above 8%.

On a monthly basis, the coincident indicator reached 250.8 points during May 2010, up by 10.2% relative to the same month of the previous year. It is worth noting that throughout 2010 so far, each and every month saw successive year-on-year improvements in the coincident indicator, and hence economic activity.

The coincident indicator has been published by the Central Bank since 1993 on a monthly basis, and it is based on a linear combination of indirect indicators. These indirect indicators are: imports of petroleum, electricity production, value of compensated banks' checks deflated by the consumer price index, cement deliveries, number of foreign

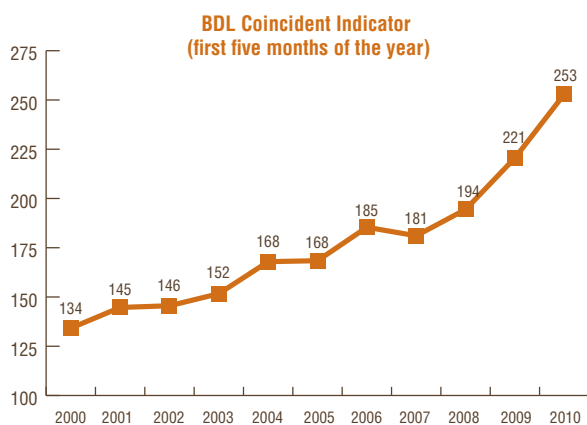
passengers, sum of imports and exports deflated by the consumer price index, and money supply (M3) deflated by the consumer price index.

Clearing activity up by 35% in the first half of 2010

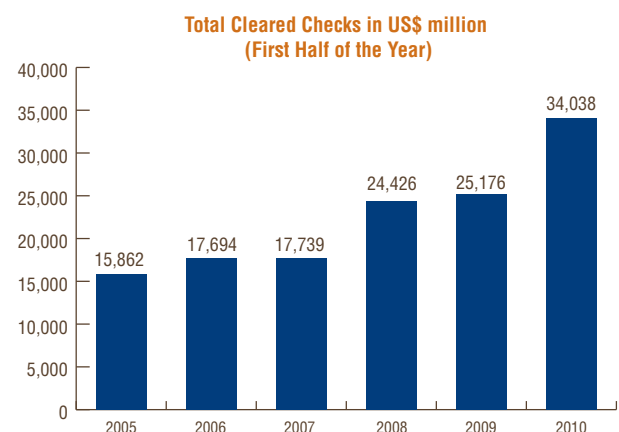
The value of cleared checks in the banking system, a coincident indicator of overall spending patterns in the economy, showed a buoyant performance in the first half of the year. Figures released by the Association of Banks in Lebanon indicate that total cleared checks amounted to US\$ 34,038 million in the first half of 2010, up by a substantial 35.2% from the corresponding period of 2009. This reflects a sustained upward trend of investor and consumer confidence manifested by the increased spending on consumer and capital goods. With respect to consumer outlays, this is especially enhanced by the upcoming tourism season which is expected to generate substantial inflows as the country might record a total of more than 2.5 million of incoming tourist by the end of the year.

This rise is mostly the result of a 38.3% increase in foreign currency denominated checks that totaled US\$ 27,569 million, which was higher than the increase of 23.5% in local currency denominated checks totaling LP 9,764 billion. The rise in foreign currency denominated checks within a context of a lower increase in LP denominated checks has led to an increase in the dollarization rate to 81.0% in the first half of 2010 versus 79.2% in the same period of last year.

On a monthly basis, cleared checks totaled US\$ 5,719 million in June 2010, up by a significant 26.2% from the same month of the previous year. The year-on-year increase in clearing activity was again mainly driven by increased foreign currency denominated checks and to a lesser extent by local currency denominated checks. The former went up by 26.0% to US\$ 4,608 million while the latter progressed by 27.2% to LP 1,674 billion.



Sources: BDL, Bank Audi's Research Department



Sources: Association of Banks in Lebanon, Bank Audi's Research Department

Tax-free purchases up by 28% in the first half of 2010

Figures released by Global Blue, previously known as Global Refund, reveal that tax-free purchases have reported an increase of 28% in the first half of this year relative to the same period of 2009. This increase can be attributed to the ten-year record figures of tourist inflows in addition to the stable political situation.

The distribution of expenditures of tourists in Lebanon by country of origin shows that the majority of visitors to Lebanon were Arabs as aggregate spending of nationals from Saudi Arabia, and then the United Arab Emirates (UAE) accounted for 23% and 11%, respectively. They were followed by nationals from Kuwait with 10% and Egypt and Syria with 9% each.

Also, it is worth noting that all Arab nationals reported year-on-year increases in their spending in the first half of 2010. Indeed, citizens from Syria reported the highest year-on-year increase of 62%, followed by citizens from Egypt with 45%, Saudi Arabia (43%), Jordan (27%), the UAE (17%), Qatar (10%), and Kuwait (2%). On the other hand, French citizens also saw a year-on-year increase in their spending of 39% in the first half of 2010.

Airport passengers increase by 19% in the first half of 2010

Figures released by the Hariri International Airport (HIA) indicate a sustained strong growth in air transport activity indicators during the first half of this year. Indeed, the number of passengers at the airport, the number of planes, and loaded and unloaded freight, grew significantly during the said period. Airline traffic witnessed a yearly rise of 20.7% in the first half of the year, while passengers at the airport progressed by 16.4%. Total planes using the airport amounted to 30,572 while passengers at the airport totaled 2,409,359.

Detailed aircraft activity suggests equal increases of 20.7% in landings and take-offs, with the former attaining 15,283 and the latter 15,289. As for in-depth passengers' activity at the HIA, it is noticeable that during the first half of 2010, year-on-year growth sustained the same stance viewed during 2009 as the country initiates what is expected to be a historical tourism season. The latter mirrors a continuously booming tourism activity in the country, as well as an ongoing large number of Lebanese expatriates visiting their home country. Departing passengers increased by a year-on-year 18.3% during the aforementioned period of 2010 whereas arrivals went up by 14.6%. Arriving passengers totaled 1,251,137 in the first half of the year whereas departing passengers reached 1,158,222. As to the transit passen-

gers, they increased by 20.1% relative to the first half of 2009 to attain 20,192.

Finally, with respect to freight movement within the airport, a total of 21,046 thousands tons were imported during the first half of 2010 whilst 15,974 thousand tons were exported. The first mentioned activity grew by 6.2% year-on-year and the latter by 9.9%. As such, total freight loaded and unloaded at the airport amounted to 37,020 thousand tons in the first half of 2010, up by 7.8% year-on-year.

Kafalat guarantees up by 38% in the first half of 2010

Figures released by the Kafalat Corporation indicate that loans extended to small and medium sized companies under the guarantee of Kafalat totaled LP 134.1 billion or US\$ 88.9 million in the first half of 2010, up by 37.6% from the same period of the previous year. Meanwhile, the aggregate number of guarantees amounted to 749, up by a yearly 50.1%. As such, the average value per guarantee increased over the said period of 2010 by 8.4% to reach LP 178.9 million, or US\$ 118,734.

Agriculture captured the lion's share in extended guarantees in the first half of this year, with 356 guarantees, or 47.53% of total guarantees. Industry came in next with 276 guarantees, or 36.85% of the total, followed by tourism with a total of 92 guarantees, or 12.28%, handicrafts with 14 guarantees, or 1.87%, and specialized technologies with 11 guarantees, or 1.47% of the total. As for the distribution of guarantees by area, Mount Lebanon accounted for the majority of distributed guarantees with 314 guarantees, or 41.92% of the total, followed by the Bekaa with 156 guarantees (20.83%), the North with 98 guarantees (13.08%), the South with 76 guarantees (10.15%), Nabatieh with 73 guarantees (9.75%) and Beirut with 32 (4.27%).

During June 2010, total value of extended guarantees attained LP 24.5 billion (US\$ 16.3 million) up by a staggering 71.1% relative to the same month of the previous year. The number of guarantees saw a similar year-on-year increase of 70.2% to 143 guarantees, thereby resulting in a trivial 0.5% rise in the average value per guarantee in June 2010 relative to June 2009 for it to reach LP 171,534,829, or US\$ 113,788.

Kafalat is a state-sponsored organization that provides financial guarantees for loans up to US\$ 200,000 earmarked for the set up and expansion of small and medium-sized companies in productive sectors. It guarantees up to 75% of the loan amount and a similar percentage of the interest that accrues during the grace period.

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Lebanon consumers remain optimistic according to Bayt.com

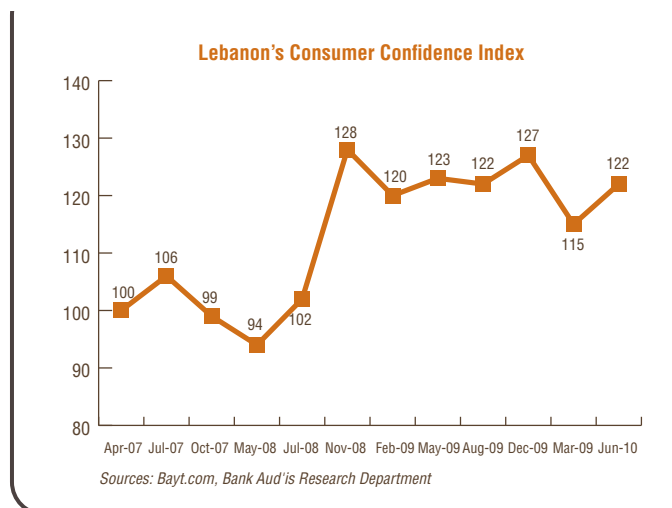
The quarterly survey conducted by Bayt.com, the Middle East's number one job site, in conjunction with research specialists YouGov, showed that Lebanese consumers remain optimistic about the economic situation in the country.

As a matter of fact, the Consumer Confidence Index (CCI) in Lebanon increased by 6.6% between March 2010 and June 2010. As the CCI is a measure of the economic well-being of the country, this proves that Lebanese consumers' confidence levels have improved in the three months extending between March and June 2010, on the back of strong activity in the tourism, real estate and financial sectors.

This optimism is a continuation of the trend witnessed during the year 2009, as the CCI rose by 6.2% between February 2009 and December 2009, and over the second half of the year 2008 following the Doha agreement, with the CCI rising by 13.7% in the months extending between May 2008 and November 2008.

Lebanon recorded the highest increase in confidence level across regional countries surveyed in June 2010 relative to March 2010. As a matter of fact, 38% of Lebanese respondents expect the performance of their economy to improve in a one-year period, while 22% of Lebanese forecast the economic activity to remain the same in one year, while only 19% consider that the economic situation could worsen in a year's time.

Moreover, 46% of Lebanese respondents project that their financial position in a year's time will be better than now, while 16% consider that it will remain the same, and only 8% project it could worsen.



World Bank calls for further improvement in Lebanon's operating business environment

The World Bank released a recent report in which it indicated that Lebanon's operating environment and consequently investment climate have been recently improving. Nonetheless, the business climate in the country still suffers from red tape and long bureaucratic procedures.

The World Bank made these remarks in a report on the indicators for 140 economies that track all procedures, the time, and the cost required for a business to obtain an electricity connection for a newly constructed building, including an extension or expansion of the existing infrastructure.

It said the Getting Electricity Indicators reflect the efficiency and cost of the services provided to commercial customers by distribution utilities, the complexity of procedures, and the resources expended by businesses to obtain a connection. It added that the new indicators provide insights into the regulatory aspects surrounding electricity connections and might serve as a proxy for some aspects of the quality of the electricity system.

The indicators show that a company in Lebanon requires five procedures to be connected to electricity, higher than the MENA region's average of 4.8 procedures and the Arab average of 4.6 procedures. Lebanon ranked in 49th place globally and in 7th place among 14 countries in the Arab world on the number of procedures required to provide an electricity connection to a company. Regionally, Lebanon tied with Oman, Morocco, Jordan, Bahrain and Syria, came ahead of Palestine and Egypt, and ranked behind Qatar, Saudi Arabia, Tunisia, UAE, Yemen and Djibouti in this category.

Further, the World Bank figures show that it takes 75 days for a company in Lebanon to obtain a new electricity connection, higher than the Arab average of 71.9 days, but lower than the MENA region's average of 78.9 days. Lebanon ranked in 63rd place worldwide on the average time to obtain an electricity connection, while it came in 12th place in the Arab world. Lebanon ranked ahead of Qatar and behind Bahrain in the Arab world.

Moreover, the World Bank indicators show that the cost required for a business to obtain an electricity connection in Lebanon is equivalent to 29.9% of income per capita in the country, lower than the MENA average. Lebanon ranked in 17th place globally on the cost of obtaining an electricity connection, while it came in third place in the Arab world. Lebanon ranked ahead of Bahrain and behind the UAE in the Arab world.

► CORPORATE NEWS

Lebanon-based Pragma Group to invest US\$ 100 million in Dubai's Palladium

Lebanon-based Pragma Group would invest US\$ 100 million in the Palladium of Dubai's Media City to transform it into an entertainment center and a boutique hotel.

According to a company press release, the conversion would take about a year and the US\$ 100 million investment includes the acquisition of the building and its development.

The Palladium is currently used as a multi-purpose venue for performances, exhibitions, and other events and would continue being used for those purposes while Pragma Group converts the building.

Company executives stated that the Palladium was bought from a group of UAE institutional investors and that even though Pragma Group currently owns the building, it may not do so in the future, as the company is interested in investing in real estate. Pragma Group is looking for local partners in international ventures so ownership would be limited to a maximum of 50% of the building in the future.

According to company officials, the company would launch a Pragma fund, worth US\$ 200 million, in September of this year, to cover their international expansion plans. Pragma Group is in the process of streamlining its portfolio and venture capital investments. Pragma Group executives are expecting interest in the fund from far Eastern and European investors.

Pragma Group International is a management group founded in 2003 and headquartered in Beirut, with focus on four industries, namely technology, marketing and media, lifestyle, and venture capital.

With operations in its Beirut headquarters, UAE, KSA, Syria and Jordan, Pragma Group are responsible for the launch and management of clubs, restaurants and catering businesses.

McLaren Automotive opens after sale services center in Beirut

United Kingdom's McLaren Automotive recently announced the opening of its after sale services center in Beirut, via Lebanese automotive agent Saad & Trad, within the context of launching its first commercial car in the world termed MP4-12C.

The center's primary objective would be to assist Lebanese prospective owners of the McLaren car in Beirut, as well as owners of the new commercial car in the region.

According to company officials, this move comes in line with McLaren's strategy to embed its presence in the Middle East.

UAE's One to One Hotels launches first hotel in Dhour Choueir

Abu Dhabi's One to One Hotels launched a hotel in the mountainside village of Dhour Choueir. The hotel is located 30 driving minutes from Beirut and encompasses 40 rooms.

The hotel would be the second hotel launched by One to One and the first for the company in Lebanon. The first hotel for the company is the Village, a four-star boutique hotel opened in Abu Dhabi in late 2008.

Clartag launches operations in Syria

Clartag, a Lebanese digital consulting firm, announced the beginning of its operations in Syria in partnership with Tabbaa Advertising and Printing Services (TAPS).

According to Clartag executives, the Syrian market is a fast growing internet usage market in the Middle East, and the company hopes to lead the market's digital innovation.

Clartag is a web design and development digital consultancy with more than ten years of interactive experience. It specializes in web design and development, software engineering, RFID and sensors, e-commerce solutions among others. It is headquartered in downtown Beirut with presence in Saudi Arabia, Qatar, United Arab Emirates, Jordan, and Oman.

Benchmark Advisors unveils US\$ 500 million residential project in Beirut

Benchmark Advisors recently unveiled its residential development project termed Beirut Terraces, worth US\$ 500 million and situated in the heart of Beirut.

According to company officials, 20% of the project is already sold and more than 70% of buyers are Lebanese. Excavation work has started and the project would be completed by the end of 2013 or mid-2014. The tower encompasses 130 different apartments.

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► CAPITAL MARKETS

Money Market: No change in the overnight rate

No change in the overnight rate week-on-week, as it stood at its low official level of 2.75% set by the Central Bank of Lebanon, within the context of continuous conversions in favor of the Lebanese Pound and the availability of local currency liquidity on the money market.

As to short-term Certificates of Deposits, the Central Bank of Lebanon sold during this week LP 160 billion that were distributed as follows: LP 30 billion in the 45-day category and LP 130 billion in the 60-day category, bringing the total subscriptions since the beginning of the year 2010 to LP 2,454 billion. The total was distributed as follows: LP 376 billion in the 45-day category and LP 2,078 billion in the 60-day category. Interest rates on the 45-day and 60-day categories remained unchanged during this week, standing at 3.57% and 3.85% respectively.

On the monetary aggregates level, figures for the week ending 1st of July 2010 indicated an increase of LP 149 billion in local currency deposits, as a result of a decline of LP 43 billion in LP time deposits and a LP 192 billion rise in LP demand deposits week-on-week. Deposits in foreign currencies dropped by US\$ 207 million. These weekly variations compare to an average weekly increase of LP 199 billion for LP deposits since the beginning of the year 2010, and an average weekly rise of US\$ 37 million in foreign currency deposits. Within this context, LP money supply (M2) widened by LP 322 billion during the week ending 1st of July 2010. This compares to an average weekly increase of LP 194 billion since the beginning of the year 2010. In addition, total money supply in its large sense (M4) shrank by LP 23 billion week-on-week, as compared to an average weekly increase of LP 255 billion since the beginning of the year 2010.

On a cumulative basis, money supply in its large sense (M4) widened by LP 6,529 billion since the beginning of the year 2010. This is the result of an increase in local currency denominated time deposits of LP 5,077 billion, a rise in foreign currency deposits of LP 1,176 billion (the equivalent of US\$ 780 million), an increase in money supply (M1) of LP 187 billion, and a growth in Treasury bills held by the public of LP 89 billion since the beginning of the year 2010.

Interest rates	16/7/10	9/7/10	31/12/09
Overnight rate	2.75%	2.75%	3.00% ↔
7 days rate	2.86%	2.86%	3.10% ↔
1 month rate	3.31%	3.31%	3.52% ↔
45-day CDs	3.57%	3.57%	3.77% ↔
60-day CDs	3.85%	3.85%	4.03% ↔

Treasury Bills Market: Stable average yields

Short-term categories were traded in small volumes on the secondary market during this week, while the demand for long-term categories was almost absent.

As to the primary market, the preliminary results of this week's auction (July 15, 2010) showed that the average yield on the one-year and two-year categories remained stable at 4.79% and 5.36% respectively. The average yield on the three-year category rose by four basis points to 5.90%. It is worth mentioning that the Central Bank of Lebanon allowed commercial banks and public institutions to subscribe in full of their bids in all categories.

On the other hand, the Central Bank of Lebanon released this week the auction results for value date July 08, 2010 which showed that total subscriptions amounted to LP 269 billion, and were distributed as follows: LP 54 billion in the three-month category, LP 114 billion in the six-month category and LP 101 billion in the five-year category. These compare to maturities of LP 194 billion, resulting in a nominal surplus of LP 75 billion.

Treasury bills	16/7/10	9/7/10	31/12/09
3-month	3.93%	3.93%	4.55% ↔
6-month	4.49%	4.49%	5.72% ↔
1-year	4.79%	4.79%	5.73% ↔
2-year	5.36%	5.36%	6.32% ↔
3-year	5.90%	5.86%	7.10% ↑
5-year	6.16%	6.16%	7.74% ↔
Nom. Subs. (LP billion)		269	500
Short-term (3&6 mths)		168	-
Medium-term (1&2 yrs)		-	49
Long-term (3 yrs)		-	451
Long-term (5 yrs)		101	-
Maturities		194	232
Nom. Surplus/Deficit		75	268

Foreign Exchange Market: BDL's foreign assets hit US\$ 30.7 billion mid-July

Favorable activity continued on the foreign exchange market, however the volume of FC-to-LP conversions was lower this week as compared to the previous week. On the inter-bank market, a commercial demand for the US Dollar appeared and banks traded the green currency at a rate hovering between LP 1,501.00 and LP 1,502.00. In parallel, the Central Bank of Lebanon intervened on the FX market as a buyer of the green currency surpluses at the lower end of its intervention bracket (LP 1,501).

Within this context, the Central Bank's latest bi-monthly balance sheet ending July 15, 2010 showed a rise in foreign

assets of US\$ 370 million during the first half of July to hit US\$ 30.7 billion at mid-July 2010. Accordingly, BDL's foreign assets covered 81.6% of LP money supply at mid-July 2010, with this coverage ratio rising to 111.3% when accounting for gold reserves estimated at US\$ 11.2 billion. In addition, the Central Bank's foreign assets covered 21.5 months of imports. These ratios show the Central Bank's strong ability to meet demand for foreign currencies and to defend the currency peg.

Exchange rates	16/7/10	9/7/10	31/12/09
LP/US\$	1,507.5	1,507.5	1,507.5 ↔
LP/£	2,324.41	2,290.34	2,389.24 ↓
LP/¥	17.31	17.04	16.34 ↓
LP/SF	1,446.46	1,426.21	1,451.33 ↓
LP/Can\$	1,443.27	1,442.72	1,436.12 ↓
LP/Euro	1,951.61	1,910.61	2,159.95 ↓

Stock Market: BSE price index down by 0.7%

Many factors affected the movement of the BSE price index during this week. In fact, the listing of the 1,250,000 preferred shares class "E" issued by Bank Audi and the additional listing of 142,378,760 common shares related to the capital increase of Byblos Bank contributed to lifting the BSE market capitalization and left a positive impact on the price index. However, the decision made by Solidere as to consider the 14th July 2010 an Ex-dividend day if there will be a quorum in the General Assembly meeting on Monday 19 and the dividends' distribution was approved, led to a drop in heavyweight Solidere share prices and triggered a decline in the BSE price index of 0.7% to close at 138.26, outweighing the positive impact of the above two listings.

In fact, Solidere "A" share price dropped by 5.3% to end at US\$ 21.60, and Solidere "B" share price closed 4.9% lower at US\$ 21.66. Solidere shares accounted for 56% of the total trading value this week, noting that the latter

Audi Indices for BSE	16/7/10	9/7/10	31/12/09
<i>22/1/96=100</i>			
Market Cap. Index	502.27	494.95	505.10 ↑
Trading Vol. Index	86.21	458.14	115.58 ↓
Price Index	138.26	139.21	144.04 ↓
Change %	-0.68%	-0.04%	0.91% ↑
Market Cap. \$m	11,916	11,742	11,983 ↑
No. of shares traded	981,239	2,355,885	248,012 ↓
Value Traded \$000	11,332	49,919	6,434 ↓
o.w. : Solidere	6,335	2,814	2,055 ↑
Banks	4,927	47,090	4,375 ↓
Others	70	15	4 ↑

amounted to US\$ 11.3 million.

As to the banking shares, they accounted for 44% of activity this week, registering a total trading value of US\$ 5 million. In details, Bank Audi's "listed" share price rose by 1.1% to US\$ 8.00, while Bank Audi's GDR price nudged up by 0.2% to close at US\$ 8.37. BLOM's GDR price increased by 1.3% to US\$ 91.15, while BLOM's "listed" share price remained stable at US\$ 87.00. In contrast, Byblos Bank's "listed" share price declined by 1.1% to US\$ 1.79, while Byblos Bank's "priority" share price remained unchanged at US\$ 1.80. Among the industrial shares, Holcim's share price progressed by 0.7% to US\$ 13.60.

As compared to other emerging stock markets, the BSE performed higher during this week, as shown by a 0.3% decrease in the Morgan Stanley Capital International Emerging Market Free Index (MSCI EM). However, the BSE's performance was lower than that of other Arabian and GCC equity markets, as reflected by a 1.6% increase in the Morgan Stanley Capital International Arabian Markets Index (MSCI Arabian Markets) and 1.7% rise the Morgan Stanley Capital International GCC Countries Index (MSCI GCC Countries Index).

Bond Market: Weak activity, mainly concentrated on long-term maturities

Activity remained weak on the Eurobond market and it was mainly concentrated on long-term maturities over this week. Local investors were the main traders, while foreign investors remained on the sidelines. Within this context, bond prices remained stable week-on-week, as shown by a stable average yield at 4.62%. The average spread widened by five basis points to reach 270 basis points, due to a drop in benchmark yields.

For instance, the average yield on five-year US Treasury bills declined from 1.84% last week to 1.76% this week, as faltering manufacturing growth and declining producer prices raised concerns about a slowing economy and low inflation.

Eurobonds Indicators	16/7/10	9/7/10	31/12/09
Total tradable size \$m	17,859	17,850	17,704 ↑
o.w.: Sovereign bonds	17,389	17,380	17,134 ↑
Average Yield	4.62%	4.62%	5.31% ↔
Average Spread	270	265	290 ↑
Average Life	4.73	4.75	4.57 ↓
Yield on US 5-year note	1.76%	1.84%	2.62% ↓

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ARAB STOCK MARKETS INDICES:

	16-Jul-10	9-Jul-10	31-Dec-09	Weekly change	End-year-to-date change
Lebanon	138.3	139.2	144.0	-0.7%	-4.0%
Jordan	130.9	132.6	149.9	-1.3%	-12.7%
Egypt	751.7	747.2	784.9	0.6%	-4.2%
Saudi Arabia	395.2	387.1	389.3	2.1%	1.5%
Qatar	621.3	616.6	611.1	0.8%	1.7%
UAE	196.7	194.3	229.3	1.3%	-14.2%
Oman	853.3	858.4	837.2	-0.6%	1.9%
Bahrain	263.7	261.1	331.9	1.0%	-20.5%
Kuwait	571.6	564.0	554.5	1.3%	3.1%
Morocco	440.0	424.4	417.0	3.7%	5.5%
Tunisia	1,217.4	1,186.2	1174.1	2.6%	3.7%
Arabian Markets	470.5	463.2	470.5	1.6%	0.0%

Sources: MSCI Barra, Bank Audi's Research Department

INTERNATIONAL MARKET INDICATORS:

	16-Jul-10	9-Jul-10	31-Dec-09	Weekly change	End-year-to-date change
EXCHANGE RATES					
YEN/\$	86.61	88.48	92.46	-2.1%	-6.3%
\$/£	1.536	1.511	1.589	1.6%	-3.4%
\$/Euro	1.296	1.266	1.432	2.3%	-9.5%
STOCK INDICES					
DOW JONES INDUSTRIAL AVERAGE	10,097.90	10,198.03	10,548.51	-1.0%	-4.3%
S&P 500	1,064.88	1,077.96	1,126.42	-1.2%	-5.5%
NASDAQ	2,179.05	2,196.45	2,291.28	-0.8%	-4.9%
CAC 40	3,500.16	3,554.48	3,935.50	-1.5%	-11.1%
Xetra Dax	6,040.27	6,065.24	5,957.43	-0.4%	1.4%
FT-SE 100	5,158.85	5,132.94	5,397.90	0.5%	-4.4%
NIKKEI 225	9,408.36	9,585.32	10,546.44	-1.8%	-10.8%
COMMODITIES					
GOLD OUNCE	1,188.55	1,211.50	1,095.70	-1.9%	8.5%
SILVER OUNCE	17.82	18.11	16.83	-1.6%	5.9%
BRENT CRUDE (barrel)	76.00	75.58	77.66	0.6%	-2.1%
LEADING INTEREST RATES (%)					
1-month Libor	0.34	0.34	0.23	0.00	0.11
US Prime Rate	3.25	3.25	3.25	0.00	0.00
US Discount Rate	0.75	0.75	0.50	0.00	0.25
US 10-year Bond	2.92	3.06	3.84	-0.14	-0.92

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