The MENA Weekly Monitor

Week 43
Oct 16 - Oct 23
2009

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Arab equity markets practically stood still this week, recording a mere -0.05% variation as per MSCI Barra data. Arab bourses managed to post price gains by mid-week, sparked by some encouraging signs emerging from 3Q company disclosures and positive spillovers from a global market rally and higher oil prices, which hit highs this year and flirted with the US$ 80 threshold. But later in the week markets proved jittery on account of weaker than expected US housing and construction sector data which, within the context of overall mixed corporate results in the Arab region so far, especially in the banking sector, triggered downward price pressures. Mid-week gains thus proved to be short-lived, and were seemingly wiped off by profit-taking. Half the markets posted a small weekly rise in equity prices, with Lebanon, Saudi Arabia and Egypt among top gainers, while the remaining bourses reported a slight drop in prices, led by the United Arab Emirates.

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

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ECONOMY

Mergermarket data shows mergers and acquisitions in the Middle East up by 19% in the first three quarters of 2009

Merger and acquisition (M&A) deals in the Middle East until October 23 this year stood at US$ 15.7 billion, a shade below the US$ 15.8 billion registered in the whole of 2008, as per data released by Mergermarket, an independent Mergers and Acquisitions intelligence service, which specializes in providing forward-looking origination and deal flow opportunities integrated with a comprehensive deals database.

Middle East M&A activity by value was up almost 19% year-on-year at the end of the third quarter, in contrast with global activity, which was down 40% during the same period. M&A activity in the region remained subdued in the first two quarters of the year, with 39 deals worth a mere US$ 3.8 billion being transacted during the first half, compared with 89 deals worth more than US$ 10.0 billion registered during the same period last year.

However, the third quarter reversed that trend, with 30 deals worth more than US$ 11.0 billion registered in the three months ended September 30, 2009, compared with 49 deals worth US$ 2.5 billion during the corresponding period of 2008. That made Q3 2009 the second best quarter since 2005 by value for Middle East M&A activity, second only to Q2 2006, which had 33 deals worth US$ 13.5 billion and remains the best quarter for M&A in the region.

In fact, the total value of deals undertaken during the third quarter are just a tad under the combined deals undertaken during the previous five quarters, underlining the importance of the quarter to regional M&A activity. Nevertheless, the value of 2009 M&A is close to surpassing the 2008 value. But it is nowhere near the US$ 27.5 billion deals that the region saw in 2007, an all-time high, and the US$ 23.3 billion deals in 2006.

The telecommunications, media, and technology (TMT) sector remains by far the preferred sector this year for M&A activity in the Middle East, accounting for a whopping three quarters (75.6%) of deals by value and more than a fifth (21.8%) by volume.

The TMT sector registered 17 deals worth US$ 17.8 billion, followed by financial services, which has witnessed nine deals worth more than US$ 1 billion in 2009 year-to-date, accounting for 6.5% of deals by value and 11.5% by volume.

Analysts at Mergermarket believe emerging economies are set to witness an increase in M&A activity in the near future, owing to an increase in their potential for a higher return on investment as compared with their counterparts in more established markets. Analysts also maintain that contrary to the flow of funds from emerging markets to the Western world before the crisis, the next few months are bound to see firms from emerging markets invest in other emerging markets, further fuelling the regional M&A sweepstakes.

Hewitt Associates anticipates a 7.9% salary increase in the Middle East in 2010

Hewitt Associates, a global human resources consulting firm, announced this week that the average salary increase planned for 2010 by Middle East organizations stands at 7.9%. In 2009, these organizations had given an increase of 6.9%.

These findings were based on Hewitt's Annual Salary Increase Survey in the Middle East for 2009-10. The salary increase percentage excludes organizations that had opted for salary freeze or salary cuts.

While the percentage increase is far from the double digit growth that the region has seen over the years, it is a sign of a positive outlook for the next year in the region. The survey of 239 large organizations across Middle East reveals that the percentage of organizations opting for salary freeze is expected to drop from 42% in 2009 to 14% in 2010. A similar trend is expected on salary cuts, with the share of organizations planning on cuts expected to drop from 5.7% in 2009 to 1.9% in 2010.

Despite multiple measures adopted to control costs, interestingly, organizations continue to reward high performers. They maintain a significant level of differentiation on performance-driven pay between high performers and average performers. The high performers on an average received twice the salary increases at top and senior management levels and about 1.7 times the salary increases at lower levels.

According to Hewitt Associates Middle East, the economic downturn had a significant impact on the Middle East organizations in 2009. Expectedly, salary increase projections have dipped from previous years. But an average increase of 7.9% can be considered significantly healthy in today's environment. In fact, according to Hewitt's salary

Salary increase for 2009 and 2010 in participating countries

Country	Salary Increase (Actual 2009)	Salary Increase (Projected 2010)
Bahrain	5.4%	6.4%
Egypt	10.3%	10.4%
Kuwait	6.9%	8.0%
Qatar	5.5%	7.8%
Saudi Arabia	6.5%	6.7%
UAE	5.4%	6.5%

Sources: Hewitt Associates, Bank Audi's Research Department studies across global markets, the Middle East salary projections for 2010 are among the highest in the world.

The effect of the economic crisis of 2008 continued to exhibit itself in 2009 compelling nearly 28% of organizations to reduce the year-end performance bonus payout. While 14% organizations reported delayed payment of performance bonus, 19% organizations lengthened the period for salary increase. Other measures adopted by organizations to control costs include reduction in overtime pay with 35% organizations reporting this measure; and trimming perks and benefits to employees with around 8% organizations reporting this measure. Interestingly, around 34% organizations have also reported reducing year end promotions in 2009.

Hewitt's Annual Salary Increase Survey in the Middle East 2010 covers organizations across Bahrain, Egypt, Kuwait, Qatar, Saudi Arabia and UAE and spans 19 primary industries and their sub-classifications including Aerospace, Construction, Consumer Products, Financial Services, IT, Pharmaceutical, Real Estate, Professional Services etc.

NCB notes a continuous fall in inflation in the GCC

Inflation, a primary concern in the GCC over the past couple of years, fell sharply across the region in 2009, as per a report released by NCB Capital. While a rebound in the US Dollar and lower global commodity prices have brought down import prices, housing-related inflation fell significantly because of a real estate slump in the region. A high base effect has been yet another factor contributing to falling inflation numbers. Qatar and the UAE, which saw the highest inflation in the GCC in 2008, have experienced the sharpest reversals in prices this year. In the second quarter of 2009, prices actually fell in Qatar by 2.9% year-on-year, compared with a rise of 13.2% year-on-year in the fourth quarter of 2008 and 1.3% year-on-year in the first quarter of 2009. In Saudi Arabia, inflation fell from a peak of 11.1% year-on-year in July 2008 to about 4.1% year-on-year in August 2009.

Inflation in GCC countries

Country	2008	1st seven months of 2009
Bahrain	4%	0%
Kuwait	11%	-1%
Oman	13%	-1%
Qatar	15%	-5%
Saudi Arabia	10%	3%
UAE	12%	1%

Sources: NCB Capital, Bank Audi's Research Department

As per NCB, not only has falling inflation in the GCC been a major driver to consumer spending in the region, it has also aided GCC countries in their monetary easing policies, as it has enabled Central Bankers to slash policy rates to restore liquidity in money markets which nearly dried up in the fourth quarter of 2008.

BMI forecasts a 16.5% rise in retail sales in the UAE in 2010

In its latest report, Business Monitor International signaled that the increasing consumer confidence in the United Arab Emirates might push the value of retail sales by 16.5% in 2010. The study noted that the UAE holds the biggest regional market growth potential as incomers from Saudi Arabia, Qatar and Bahrain are viewing the country as a source of world-class goods. Therefore, the volume of potential customers and the retail sector's resilience are the main factors to encourage the Arab retailers to increase operations in the UAE.

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Furthermore, BMI noted that global retailers and exporters have identified the UAE as an ideal market for manufacturing industry. Moreover, the recent growing consumer confidence in the country is driving such retailers to extensively register in tradeshows and exhibitions in the UAE, in reference to statistics of the Dubai Chamber of Commerce and Industry. This resumed exhibition activity will contribute significantly to reviving retail activity in the country, as per BMI.

The EIU forecasts real GDP growth in Jordan to rise by 3.0% in 2010 and 3.7% in 2011

The Jordanian real GDP is forecasted to develop by 3.0% in 2010 and by a slightly higher 3.7% in 2011, as per country economic outlook released by the Economist Intelligence Unit (EIU). The report signaled that because of a rein on expenditures and receding construction activities, the Kingdom is likely to witness a 2011 recovery lower than the highs of 2004-2008. Indeed, between 2004 and 2008, Jordan witnessed respectively the following growth levels: 8.4%, 8.1%, 8.0%, 6.6% and 5.6 %.

The said forecasts arise in an environment of weakening financial services and dropping foreign direct inflows as the Arab investors trim down their channeled oil wealth towards the country. On top, the complicated international financial conditions might set back consumer confidence, an impact expected to fade away in the latter stages of the forecast period.

The report also addressed inflation and forecasted that it would probably rise from 0.1% in 2009 to 1.1% by the end of 2010, and it shall also remain low at 2.5% in 2011. In fact, the EIU note that this decline in inflation is caused by falling oil prices and rising interest rates.

Saudi Arabia ranks first in HSBC's Gulf business confidence index in the third quarter of 2009, the UAE ranks last

Business confidence in the Gulf Arab region has risen in the third quarter of 2009 to its highest level since October 2008 as per the latest HSBC Gulf business confidence index. The said indicator grew to 81.4 points in the current survey versus 75.9 points in the second quarter of 2009 as seen through the responses of 1,641 executives and managers of which 54% expected an overall business improvement, up from 42% recorded in the first quarter of 2009.

Amongst the surveyed categories, 34% foresee growth in their revenues within the next three months compared to 29% in the second quarter of 2009. Also, 30% predict an increase in profits and 13% a decrease for the remainder of 2009. In addition, 26% expect higher investment levels against 22% in the previous survey and 16% anticipate job losses in the next year, down from 25% in the past 12 months.

In terms of country rankings, Saudi Arabia headed its GCC peers with a score of 91.5 points, up from 86.9 points in the second quarter and 82.5 points in the first quarter of 2009. The United Arab Emirates (UAE) passed from 57.9 points at end-March 2009 to 65.9 points in the second quarter to currently reach 72.2 points, the lowest score among GCC countries. Regardless of this result, business sentiment in the UAE has advanced so far at the fastest pace in the GCC region since end-March 2009.

HSBC indicated that crude oil prices has the lion's share in the regional confidence which is why the UAE now lags of its neighbors as it is highly diversified away from energy and the least oil dependent against the region. Moreover, the country was thoroughly integrated into the global economy through its strong property, trade and financial industry services which means that the downturn has hardly hit the UAE as, unlike other countries, it does not mainly derive its wealth from oil.

HSBC also noted that along with strengthening oil prices, other factors that boosted business sentiment in the region were the run-up in global equity markets, the increase in regional public growth, the pick-up in asset prices across most of the region, and the steady reversal of the downward pressure on retail prices.

Gulf Business Confidence in 3Q 2009

Rank	Country	Score
1	Saudi Arabia	91.5
2	Oman	87.1
3	Bahrain	86.5
4	Qatar	84.8
5	Kuwait	83.1
6	UAE	72.2

Source: HSBC, Bank Audi's Research Department

The UAE has the biggest number of under-construction hotels in the MENA as per STR Global

Almost half the 120,589 hotel rooms under construction in the Middle East and Africa are in the UAE, according to STR Global Construction Pipeline Report. The UAE accounts for the 57,126 hotel rooms, said the travel research company in its report.

The report said the Middle East and Africa hotel development pipeline includes 442 hotels comprising 120,589 rooms. Under the hotel chains segments, three hotel chains accounted for more than 20% of rooms being built in the region. The unaffiliated segment made up 25.2% (30,387 rooms), the largest portion of the total active pipeline. The luxury segment accounted for 24.6% (29,646 rooms).

The upscale segment reported 25,940 rooms for 21.5% of the total active pipeline. The midscale, without food and beverage, segment accounted for the smallest portion of the total active pipeline at 1.3% and 1,558 rooms.

The report issued by STR Global also used data released by Lodging Econometrics, a global firm tracking hotel real estate, to highlight that the Middle East would see 99 new hotels and 25,829 hotel rooms open in 2009, including those in development pipeline and the sale and transfer of lodging real estate, followed by 110 hotels and 31,725 rooms in 2010. A majority of these will be in Dubai and Abu Dhabi. New openings in the Middle East and Africa are poised to accelerate each year into 2011, as per the Lodging Econometrics.

Currently, at 477 hotel projects and 142,702 guest rooms, the Middle East's total projects have fallen 14% and 13% respectively from a peak in the second quarter of 2008, STR Global noted in its report, again in reference to numbers released by Lodging Econometrics. The latter research company noted that with more than 53% of the region's total projects currently under construction, new hotel openings in the Middle East are expected to accelerate in 2009, 2010 and 2011, as large, iconic projects come online.

The pipeline in Dubai alone stood at 124 hotel projects and 48,558 guest rooms, representing 34% of all guest room developments in the region, according to Lodging Econometrics. It also noted that Dubai's average hotel project size is 392 rooms, one of the highest for any country or market worldwide, second only to Las Vegas.

Lastly, STR Global said in its report that following the UAE, Saudi Arabia came in second in terms of its contribution to total hotel rooms in the Middle East region, with 10,986 rooms, followed by Morocco with 5,924 rooms and Qatar with 5,408 hotel rooms currently under construction.

Saudi Electricity Signs US$ 1.8 billion Qurayyah Power Contract

Saudi Electricity Company (SEC) has signed a US$ 1.8 billion contract for the conversion of the Qurayyah power plant with a consortium comprising the local Arabian Bemco Contracting and South Korea's Doosan Heavy Industries & Construction.

The consortium would convert the simple-cycle power plant into a combined-cycle station by adding five steam turbines and 15 heat recovery steam generators, raising the capacity of the plant by 1,300 megawatts (MW) to 3,200 MW, according to newswires.

The project's first phase is due to be completed by early summer 2014, with full capacity scheduled to come on line in early 2015, according to the same source.

Saudi Electronic Company (SEC) was established in 1999 as a result of consolidating all 10 regional electricity companies and other electricity projects of the Saudi General Electricity Authority. In Saudi Arabia, SEC has the monopoly to undertake electricity generation, transmission and distribution as well as exporting and importing energy, investing in power projects (in Saudi Arabia and abroad), and conducting research and development.

Taqa and partners to invest US$ 1.2 billion in Dutch gas storage

Abu Dhabi National Energy Company (Taqa) has agreed with partners to invest €800 million (US$ 1.2 billion) to jointly develop a gas storage project in the Netherlands with Russia's Gazprom. Taqa, which is to operate the facility, has a 36% stake in the project.

The site would have a working volume of around 4 billion cubic meters (bcm) of which more than 2 bcm would be made available to third parties, according to Taqa officials.

Construction in a depleted gas reservoir north of Amsterdam would start after all necessary permits have been granted, which Taqa expects to receive in 2010.The company is aiming for commercial operations to begin in 2013.

Set to be Europe's biggest gas storage facility offering third party access, the project would be of major strategic and commercial value for both the Netherlands and its operators. As its own gas resources decline, the Dutch government aims to strengthen the Netherlands' position as a gas hub in Europe by developing projects such as storage to help reinforce its negotiating power with large energy exporters by accommodating seasonal fluctuations in supply and demand.

Established in 2005, the Abu Dhabi National Energy Company (Taqa) is one of the largest energy investment company in the UAE, with investments in power generation, desalination, mining, upstream oil/gas, refining/retail, pipeline networks, metal production and finance. The company provides over 85% of the water and electricity consumed in the UAE.

Galfar wins US$ 105.2 million Ras Al Hadd Airport contract

Galfar, one of Leading Omani engineering and contracting firm, has been selected by the Tender Board to undertake the Phase II package of the Ras Al Hadd Airport development at a cost of RO 40.5 million (US$ 105.2 million). Galfar led a field of six local and international groups that bid for the contract.

Galfar's brief, as part of the Phase II airside infrastructure package, covers the construction of a four-kilometre-long runway, taxiway and apron, as well as the provision of fuel hydrant facilities and navigation aids, among other facilities. The international-class runway would enable even the largest civilian aircraft in operation today, notably the Boeing 747 and Airbus A380, to use the facility.

In addition, Galfar would undertake the leveling of areas earmarked for the construction of the terminal and other buildings covered in Phase III of the airport development. The Phase III package, which would be tendered out next year, covers the construction of a 20,000 square meter passenger terminal building designed to accommodate up to two gated aircraft ranging from regional jets to the Boeing 747. This package would also include the construction of an Air Traffic Control tower, and the provision of boarding bridges, baggage handling and security systems and fire-fighting facilities.

Established in 1972, Galfar Engineering & Contracting SAOG is one of the largest, multi-disciplined engineering, contracting and construction company in the Sultanate of Oman. Galfar specializes in project management, engineering, procurement and construction in areas like oil and gas, civil, electro-mechanical, roads and bridges and environmental projects. The range of projects executed covers oil and gas pipelines, oil and gas production, collection and processing facilities, service contracts in petroleum industry, commercial and residential complexes, educational institutions, industrial structures, ports and harbours, hospitals, stadiums, water retaining structures, monuments, water line and sewer line networks, bridges, roads, dams, electro-mechanical works, HVAC systems, power transmission lines, substations, maintenance of hospitals, water line and sewerage networks.

CAPITAL MARKETS

Arab equities stand still with heavyweight bourses posting disparate movements

Arab equity markets practically stood still this week, recording a mere -0.05% variation as per MSCI Barra data. Arab bourses managed to post price gains by mid-week, sparked by some encouraging signs emerging from 3Q company disclosures and positive spillovers from a global market rally and higher oil prices, which hit highs this year and flirted with the US$ 80 threshold. Global equity indices hit 12-month highs amid signs of a recovery in corporate earnings, but later in the week markets proved jittery on account of weaker than expected US housing and construction sector data. Besides, overall corporate results in the Arab region have been mixed so far, especially in the banking sector. Many companies did post earnings above market expectations, which ignited some positive sentiment, yet still lower than previous actual reporting.

As a result, mid-week gains proved to be short-lived, and were seemingly wiped off by profit-taking which prompted equity prices in the Arab region to end the week at slightly lower levels, thus maintaining price gains since the beginning of the year at +29.6%, in line with that of global bourses. Half the markets posted a small weekly rise in equity prices, with Lebanon, Saudi Arabia and Egypt among top gainers, while the remaining bourses reported a slight drop in prices, led by the United Arab Emirates. In Lebanon, Bank Audi and Solidere shares accounted for the bulk of activity this week, and reported a rise in prices before profit-taking eased down momentum. The Beirut Stock Exchange reported on the overall a 2% increase in prices during this week's five trading days.

Regional heavyweight Saudi Arabia posted a 0.8% rise in equity prices this week, led by bellwether SABIC. The petrochemical company posted better than expected earnings early this week, and a pick up in sales in the United States and China, which drove the stock to reach a 12-month intraday high. Savola Group, the Kingdom's largest food company, traded higher post 3Q disclosure. It reported a 76% hike in third quarter net profits likely driven by solid results in both the food and retail division.

Telecom company Etihad Etisalat (Mobily) and dairy giant Al Marai both traded higher during the week within a broadly positive market. Mobily announced a 50% increase in 3Q earnings beating market forecasts. Morgan Stanley initiated coverage of Al Marai with an "overweight" rating and said it expects the leading regional dairy firm to continue to benefit from structural growth in demand for food products in GCC countries on account of continuously growing population and higher per capita consumption. Saudi Electricity Company shares rose in daily trading sessions after the company announced the signing of an upcoming US$ 1.8 billion energy venture. On the other hand, Saudi Telecom capped price gains of the exchange after announcing during the week a 20% drop in quarterly net profits on a yearly basis due to capital spending on foreign ventures. Banking shares started the week lower, with Al Rajhi posting slight rise in net profits but that fell short of expectations, and Saudi Hollandi reporting a 51% drop in 3Q earnings.

Egyptian stocks started the week well, positively affected by global markets seeing yearly highs. Market activity in Egypt was actually led by the purchase power of foreigners, with real estate and building materials, namely Talaat Mostafa Group and Ezz Steel, among best performers. But the market continued to track sentiment in global markets, declining thereafter towards the end of the week. Blue chips were not greatly affected by weaker activity, and this helped the

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	144.4	1.9%	27.7%	28.8	-12.7%	0.9	11,806.2	12.7%	10.5	1.53
Jordan	150.8	-1.8%	-7.2%	209.0	-9.1%	110.5	32,737.2	33.2%	15.1	1.89
Egypt	888.4	0.6%	50.2%	1,119.0	-13.3%	447.1	98,133.3	59.3%	13.0	2.10
Saudi Arabia	408.7	0.8%	40.2%	8,768.5	30.3%	1,353.2	337,666.6	135.0%	22.3	2.19
Qatar	632.0	-1.8%	3.8%	471.8	-18.1%	52.4	90,387.0	27.1%	13.3	2.23
UAE	278.4	-5.6%	62.0%	1,690.8	-38.6%	2,595.3	156,470.4	56.2%	13.3	1.31
Oman	875.5	-0.4%	25.0%	129.8	-16.4%	108.7	17,911.5	37.7%	12.5	1.79
Bahrain	396.1	0.8%	-23.4%	6.8	98.6%	14.3	17,877.4	2.0%	11.1	1.15
Kuwait	690.5	0.4%	11.3%	626.0	-41.1%	937.1	112,285.0	29.0%	22.1	1.52
Morocco	461.6	-1.0%	1.8%	107.7	-28.2%	3.5	67,852.8	8.3%	19.8	3.94
Tunisia	1,166.1	-2.3%	27.5%	-	-	4.6	9,112.3	-	-	-
Arabian Markets	**520.1**	**-0.05%**	**29.6%**	**13,158.2**	**1.3%**	**5,623.0**	**943,127.4**	**72.5%**	**17.0**	**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 local bourse post a tiny weekly rise of 0.6% in prices.

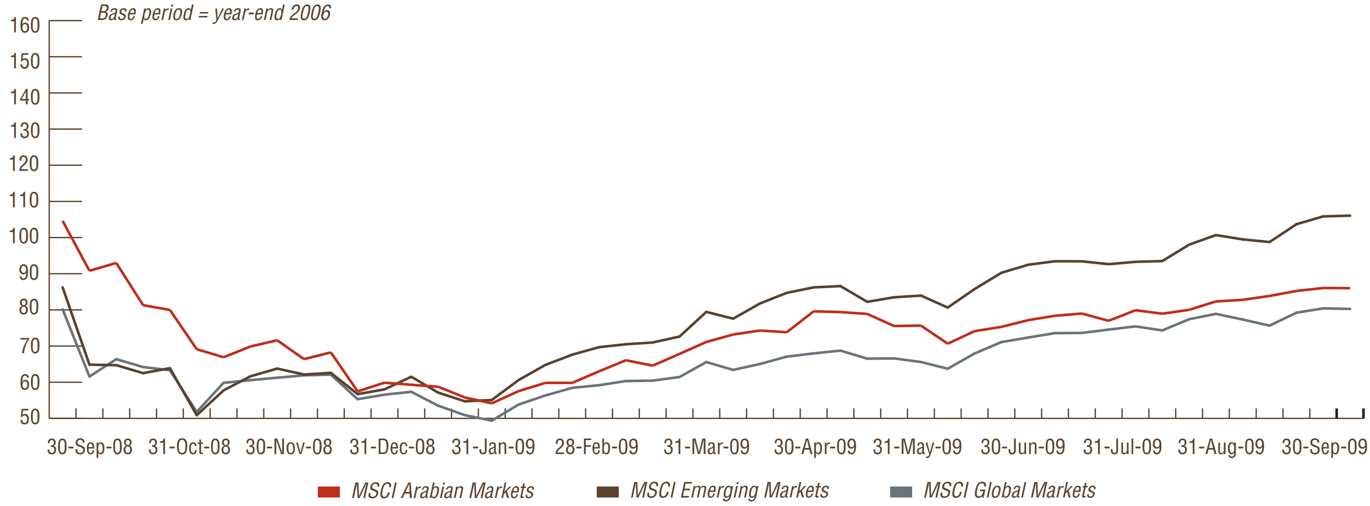
The UAE equity markets lost ground this week, posting an average 5.6% drop in prices. Apart from weaker sentiment in global markets towards end of week, profit-taking from domestic and retail investors took its toll on equity prices, with real estate stocks dragging the Abu Dhabi bourse lower. RAK Properties shares went down after announcing a 63% slide in quarterly net profits.

In Dubai, after Nakheel's announcement of its premature repayment of US$ 1.3 billion securitized bonds lifted the market, profit-taking on major blue chips in favor of smaller caps ignited downward pressures on equity prices. Deyaar Development shares traded lower and reinforced the market trend after the company reported a 74% plunge in 3Q earnings relative to last year's corresponding period. Both the Emirates' markets are reportedly taking a breather after a recent run-up.

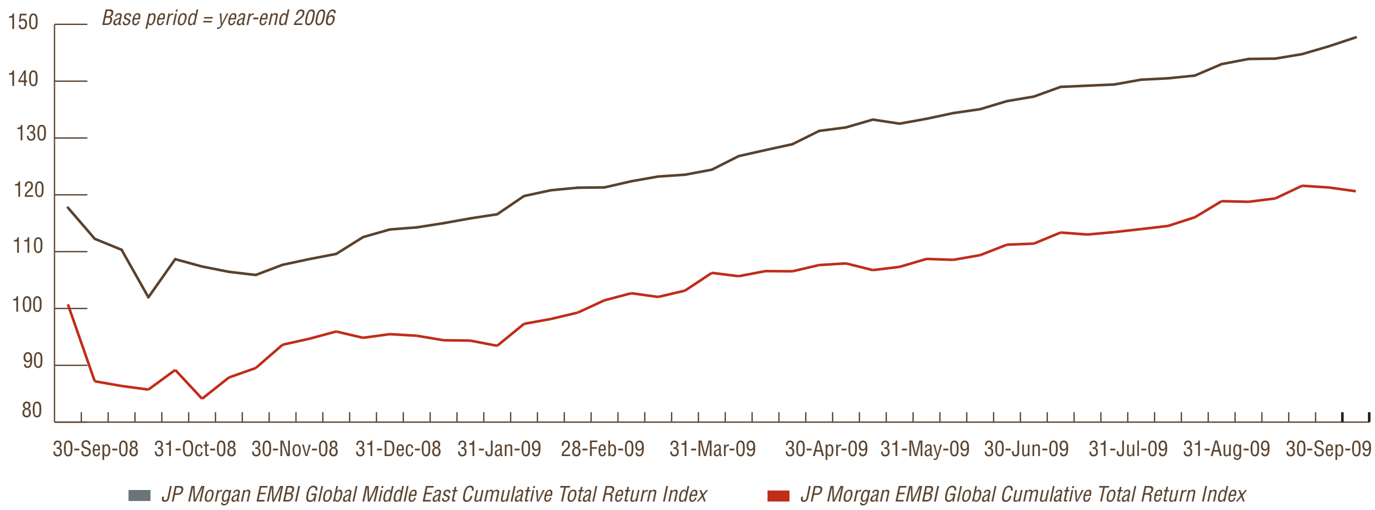
The Qatari stock market saw erratic yet small movements this week and posted a 1.8% drop in prices. While positive movements in global equity markets by mid-week, and Industries Qatar's better than expected 3Q net profits -in spite of having dropped sharply on a yearly basis had a positive effect on the local bourse, financial sector disclosures weighed on the market and triggered downward price pressures. Commercial Bank of Qatar posted a 24% drop in 3Q net profits, and Doha Bank posted a 19% drop in quarterly earnings.

Looking forward, while Arab equity markets are likely to continue tracking movements in global equities and commodities, retail and institutional investors would probably await signs of a more sustained recovery in the global economy and stronger corporate fundamentals at large before fostering a lengthier upward momentum in markets across the region.

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	CC/Stable
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

	23-Oct-09	16-Oct-09	31-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	3.49%	3.41%	2.22%	0.08%	1.27%

FX RATES (per US$)

	23-Oct-09	16-Oct-09	31-Dec-08	Weekly change	Year-to-date change
LEVANT					
Lebanese Pound (LBP)	1,507.50	1,507.50	1,507.50	0.0%	0.0%
Syrian Pound (SYP)	45.85	45.75	46.45	0.2%	-1.3%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.1%	0.0%
Egyptian Pound (EGP)	5.47	5.48	5.49	-0.2%	-0.4%
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	-0.1%	-0.1%
Qatari Riyal (QAR)	3.64	3.64	3.64	-0.1%	-0.1%
Kuwaiti Dinar (KWD)	0.29	0.29	0.28	-0.2%	3.4%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	-0.1%	-0.1%
Yemeni Riyal (YER)	202.50	202.40	199.55	0.0%	1.5%
NORTH AFRICA					
Algerian Dinar (DZD)	70.51	70.64	69.44	-0.2%	1.5%
Moroccan Dirham (MAD)	7.57	7.64	8.01	-0.9%	-5.5%
Tunisian Dinar (TND)	1.28	1.28	1.31	-0.1%	-2.0%
Libyan Dinar (LYD)	1.21	1.21	1.24	-0.2%	-3.0%
Sudanese Pound (SDG)	2.28	2.28	2.18	-0.2%	4.2%

COMMODITIES (in US$)

	23-Oct-09	16-Oct-09	31-Dec-08	Weekly change	Year-to-date change
Crude oil barrel (Brent)	77.1	76.2	39.8	1.2%	93.6%
Gold ounce	1,054.5	1,052.3	878.2	0.2%	20.1%
Silver ounce	17.7	17.4	11.3	1.4%	56.3%
Platinum ounce	1,358.5	1,341.0	924.5	1.3%	46.9%

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