

Weekly Economic Commentary – January 11, 2009

Global Developments

- Financial markets have been relatively calm due to the festive period and low volumes. This consolidation together with subdued volatility seems to indicate a willingness to look beyond the most dreadful quarter in decades and focus on the future outlook.
- The most recent economic data releases are still dismal, as they refer to the past two or three months.
- Monetary policy

Market Intelligence on the UAE:

- According to a report by Credit Suisse, the UAE's banks have the highest exposure to the real estate sector among regional peers. The report reveals that UAE banks have the highest funding gap in the region, with their average loan-to-deposit ratio being 122.8% against the central bank ceiling of 100%. Abu Dhabi Commercial Bank has the highest loan-to deposit ratio of 147.2% followed by Emirates NBD at 121.8%.

Markets Overview Jan. 11th 2009

AED Exchange Rates			Major Stock Market Indices		
	Value	Weekly Pct Chng (%)		Value	Weekly Pct Chng (%)
EUR/AED	5.19	-0.15	DFM General Index	1636.3	3.10
GBP/AED	5.31	-0.47	Banking	1096.8	3.19
CHF/AED	3.40	0.12	Fin. & Inv.	2430.3	6.43
SAR/AED	0.58	0.01	Insurance	3336.1	0.29
KWD/AED	13.26	-0.02	Real Estate	2375.9	2.96
UAE Interbank Rate					
	Value	Weekly Change in bps			
1M	4.12	-5.16	Transport	378.7	2.87
3M	4.19	-4.16	Materials	247.5	-4.91
6M	4.29	0.00	Telecom	391.1	2.84
9M	4.33	0.00	Major Movers on DFM		
1Y	4.22	0.00	Emirates NBD	3.55	10.11
LIBOR			Union Properties	0.72	-2.78
	Value	Weekly Change in bps	Deeyaar	0.5	-1.96
0M	2.00	0.00	DU	2.17	2.84
1M	2.11	-5.48	Air Arabia	0.89	5.95
3M	2.71	-5.83	Commodities		
6M	2.96	-4.74		Value	Weekly Pct Chng (%)
9M	2.87	-4.85	Spot Gold	899.15	-0.48
1Y	3.01	-4.67	WTI	46.17	22.95
Major Stock Market Indices			Crude Oil	41.70	18.80
	Dow Jones	TOPIX			
Today	9035	859	DJ Euro STOXX 50	2536	351
A Week Ago	8516	847	MSCI GCC	345	552
Weekly Pct Chng (%)	6.10	1.50	MSCI EM	1.83	5.33

	Today	A Week Ago	Weekly Pct Chng (%)
Bahrain	1792	1824	-1.78
Kuwait	7611	8043	-5.38
Oman	5708	5212	9.52
Qatar	6936	6715	3.29
Saudi	5048	4687	7.72
Abu Dhabi	2390	2282	4.74
UAE (Nasdaq Dubai)	1256	1156	8.69
UAE (DFM)	1636	1587	3.10

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