Global recession watch

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A daily monitor of developments of the global economic recession prepared by the Monetary Policy Department, Central Bank of Nigeria

AFRICA:

South African Economy Is Holding Up Well - Says Finance Minister

South African Finance Minister Trevor Manuel said the economy has held up "remarkably well" in the face of the global recession. Policy decisions taken by the government in the past "have proved themselves," Manuel told reporters in Pretoria today, April 3, 2009, after returning from the G – 20 meeting in London.

South Africa's economy, the biggest on the continent, contracted an annualized 1.8 percent in the fourth quarter, the first decline in a decade, as recessions in the U.S., Europe and Japan reduced demand for exports. Manuel forecasted a growth of 1.2 percent for the country this year, compared with 3.1 percent in 2008. "The South African economy is remarkably resilient," Manuel observed. We must "appreciate the fact that we took decisions early in the process that have proved themselves." Manuel, who has been Finance Minister since 1996, has boosted tax revenues and curbed government spending, bringing the government budget into a surplus in 2007 for the first time since at least the 1960s. In his February, 2009 budget speech, Manuel forecast a fiscal deficit of 3.8 percent of gross domestic product in the year through March 2010.

The automobile industry in South Africa is facing "enormous difficulty," though this isn't a "uniquely South African problem," Manuel noted. Mining companies are also under pressure as China's economy slows, he added. Manufacturers such as ArcelorMittal South Africa Ltd., Africa's biggest steel producer, and Volkswagen AG, the country's second-biggest automaker, have cut output and jobs as sales plunged. Anglo American Plc, owner of the world's biggest platinum producer, said on February, 20, 2009, it will cut 19,000 jobs after metal prices declined. African nations that are dependent on commodity exports are "under huge stress," while countries on the continent are struggling to access international capital markets for funding, Manuel stated .

Source: Bloomberg.com, April 3, 2009

AMERICA:

Bernanke Easing Mortgage Rates for Consumer-Driven Rebound

U.S. Federal Reserve Chairman, Ben Bernanke is delivering what he promised five months ago, record- low mortgage rates and a refinancing boom that would put cash in consumers' pockets. Fixed 30-year mortgage rates fell to a record low for the second consecutive week last week, hitting 4.78 percent, Freddie Mac reported on April 2, 2009. The rates were the lowest in records dating to 1971, following Bernanke's disclosure to Congress in November that helping the most creditworthy borrowers was essential to reviving the economy.

Mortgage applications in the U.S. rose for the fourth straight week last week as a decline in borrowing costs spurred homeowners to refinance, while purchases of new houses unexpectedly rose in February. The Fed's effort to bring down fixed rates may give consumers as much as $25 billion, stated Mark Zandi, chief economist of Moody's Economy.com. "It certainly gives further fuel to consumer spending," said Nicolas Retsinas, director of Harvard University's Joint Center for Housing Studies in Cambridge, Massachusetts. "It puts more money into circulation." The extra cash may help boost first-quarter consumer spending by 1 percent to 1.5 percent, said Barton Biggs, managing partner at New York-based hedge fund Traxis Partners LLC.

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AMERICA Contd.

Bernanke Easing Mortgage Rates for Consumer-Driven Rebound contd.

Consumer spending accounts for about two-thirds of the U.S. economy.

On creditworthy borrowers, Bernanke signaled the Fed's effort to bring down fixed mortgage rates in the November 18, 2008's testimony to the U.S. House of Representatives' Committee on Financial Services. "It is imperative that all banking organizations and their regulators work together to ensure that the needs of creditworthy borrowers are met," he said. One week later, the Fed disclosed it would buy up to $500 billion in home-loan securities, causing the biggest one-day drop in mortgage rates in at least seven years, according to Bankrate.com. On March 18, 2009, the central bank almost tripled the size of the program to $1.25 trillion in purchases during 2009. The intent is to lower rates and make real estate financing easier to access, the Fed stated. The plan to buy mortgage bonds this year is succeeding where $11.6 trillion of government lending, spending, and guarantees have so far failed.

Analysts have noted that "This has been the most successful effort, at least so far in this crisis, to shore up the economy". Bernanke's mortgage purchase program may help curb a recession that is in its second year and being driven by the highest jobless rate in a quarter century and shrinking household wealth. "If you throw enough money at one credit market, you will bring down the price," stated Gerald O'Driscoll, a senior fellow at the Cato Institute and former vice president of the Dallas Federal Reserve. "They are targeting the mortgage market in an attempt to speed the process of establishing a floor in the price of housing." Homeowners who refinance with a half-point drop in fixed rates may save $150 a month on a $300,000 mortgage, said Stephen Stanley, chief economist at RBS Securities Inc. in Greenwich, Connecticut, and a former Fed economist.

Cheaper financing may also help spark a turnaround in the housing market. Sales of previously owned homes rose 5.1 percent to 4.72 million at an annualized rate in February from the prior month as low mortgage rates spurred demand, the National Association of Realtors stated. The NAR's affordability index rose to a record in January, helped by lower home values and mortgage rates. The median U.S. home price in February was $165,400, the NAR said in a March 23 report, down 28 percent from its 2006 high. Bernanke cited lower mortgage rates in testimony in February as evidence that Fed policies were working, noting that rates had fallen "nearly 1 percentage point" since the program was announced.

On April 1, Federal Reserve Bank of Cleveland President Sandra Pianalto disclosed that the Fed's program was resulting in "encouraging signs" for the economy. Besides falling rates, "we are also beginning to see a resurgence in refinancing activity in the residential mortgage markets, spurred on by these lower rates," she noted. The bankers' group boosted its forecast for 2009 home-loan originations by $800 billion to $2.78 trillion last month as a wave of refinancing and low interest rates spur homeowners to seek out new loans. Refinancing will increase to $1.96 trillion in 2009 and purchase originations will total $821 billion, the group noted. The London inter-bank offered rate, or Libor, for three-month dollar loans dropped to 1.17 percent yesterday, down from 1.43 percent at the start of the year, showing banks have become more willing to lend.

The spread between what banks and the Treasury pay to borrow money for three months, shrank to 96 basis points from 1.35 percentage points on December 31. It touched a yearly low of 91 basis points on February 2. The gauge reached a high of 4.64 percentage points in October, up from 1.35 percentage points on Sept. 12, the last trading day before Lehman Brothers Holdings Inc. filed for bankruptcy. U.S. home prices fell 6.3 percent in January from a year ago, the smallest decline in five months, according to the Federal Housing Finance Agency in Washington. "We have seen evidence that home sales are bottoming," reported Jim O'Sullivan, senior economist with UBS Securities LLC, in Stamford, Connecticut. "This should be positive." .

Source: Bloomberg.com, April 3, 2009

CHEAPER FINANCING MAY ALSO HELP SPARK A TURNAROUND IN THE HOUSING MARKET

EUROPE:

a) ECB's Cautious Interest Rate Cut Strengthens Euro

The European Central Bank cut interest rates on Thursday by a smaller than expected quarter percentage point, triggering a sharp rise in the euro. The interest rate cut, from 1.5 per cent to 1.25 per cent, took official borrowing costs in continental Europe to their lowest since the Second World War. However, the central bank saved some of its firepower for a package of anti-recession measures to be announced next month.

Amid signs of divisions within the 22-strong ECB governing council, Jean-Claude Trichet, president, said the bank would wait until May before announcing further "non-standard" steps to counter the global financial and economic crisis. The delay reflected the ECB's view that a "big bang" announcement is better than dribbling out news of further measures. But analysts said the decision had bought the ECB time.

Further action by the bank to stimulate demand appears likely to stop short of the recent measures announced by the US Federal Reserve and Bank of England. Outright purchases of private sector debt are possible. But there is opposition on the ECB council to buying government bonds, unless deflation – prolonged and general falls in prices – emerges as a serious risk. Thursday's cut in interest rates – which followed half-point reductions in January and March – reflected a softly-softly approach by the ECB as it runs out of room for cutting official borrowing costs. Mr Trichet indicated that the main policy rate could be cut to 1 per cent, but that the ECB's "deposit facility" rate, which fell on Thursday to just 0.25 per cent, was unlikely to go lower. The deposit facility rate has become an important benchmark for market interest rates.

The ECB appears to have discounted further bad news. Mr Trichet remained gloomy about the eurozone's economic prospects, saying activity had "weakened markedly" and expected only a gradual recovery in 2010. But his comments jarred with hopes in financial markets that the global economy was stabilising. That optimism sent European equities sharply higher. As European markets closed, the euro rose 1.7 per cent to $1.3443 against the dollar and was up 2.4 per cent at Y133.56 against the yen.

THE INTEREST RATE CUT, FROM 1.5 PER CENT TO 1.25 PER CENT, TOOK OFFICIAL BORROWING COSTS IN CONTINENTAL EUROPE TO THEIR LOWEST SINCE THE SECOND WORLD WAR

Financial Times April 2, 2009

b) Sarkozy Claims Credit on Tighter Regulation

Nicolas Sarkozy on Thursday claimed credit for "immense" progress towards tighter financial regulation at the G20 summit, saying the agreed reforms "turned the page" on a dominant model of Anglo-Saxon capitalism. The French leader refused to wait for Gordon Brown, the UK prime minister and summit host, to conclude his closing press conference and rushed to tell the French media that his objectives had been met and even surpassed. "To tell the truth, it is more than we could have imagined," he said.

Angela Merkel, the German chancellor, who joined her French counterpart on Wednesday in laying down demands for a regulatory clampdown, struck a more conciliatory note. The meeting had found "a very good, almost historic compromise in a unique crisis," Ms Merkel said. "This time the world does not react as in the 1930s. With the G20 agreeing to implement new rules on hedge funds, executive compensation, rating agencies, bank capital requirements, securitisation, the blacklisting of tax havens and a review of accounting rules, both leaders can argue that their demands were largely met – although there will be long arguments over the details in the months ahead. One obvious exception is the G20 decision to simply "take note" of a blacklist of tax havens drawn up by the the Organisation for Economic Co-operation and Development, while finance ministers draw up a list of sanctions, which does not go as far as the French leader wanted.

In France as in Germany, tax havens are hugely controversial and decisive action against them became a litmus test of the G20's ambition. Mr Sarkozy argued that if he and Ms Merkel had not issued their utlimatums – backed up by the French president's apparent threat to walk away if not satisfied – their demands would not have been met "spontaneously". French officials admit privately that this was bluster because the G20 countries had already agreed to nearly all of the Franco-German demands

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EUROPE contd.

Sarkozy Claims Credit on Tighter Regulation contd..

beforehand. Nevertheless, Mr. Sarkozy could expect congratulation on his return to France. Some French media outlets were commending his tactics, suggesting they had yielded big last-minute concessions.

Meanwhile, Ms Merkel's unusually pushy performance is likely to win her favour among German voters many of whom are suspicious of Anglo-Saxon capitalism and who go to the polls in September in what is expected to be a tight race. Le Figaro, the pro-government French daily, suggested that the G20 had provided a spark to jump-start the troubled Franco-German motor driving the European Union. There is no doubt that the two countries worked closely together to push for new financial regulations to tame the excesses of an Anglo-Saxon model they have long criticised. But it is too early to say whether the motor will splutter back into life, given the many other points of difference between them.

The French media have also began to ask whether Mr Sarkozy's posturing in the run-up to the summit has caused collateral damage, not least in his relationship with Barack Obama, the US president. Mr Sarkozy may feel that standing up to the US will play well in France, especially the day before he announces his country's return to Nato's military command, seen by the French as a pro-American gesture. But it may not go down well in the White House. Martine Aubry, leader of France's opposition socialists, attacked Mr Sarkozy for not listening to Mr Obama on the need for further action to stimulate the economy.

Source: Financial Times, April 2, 2009

THE SECOND TRANCHE OF LATVIA'S IMF LOANS HAS BEEN POSTPONED UNTIL JUNE, WHEN THE GOVERNMENT PLANS TO PUT A NEW AUSTERITY PACKAGE BEFORE PARLIAMENT

c) IMF Delays Loans to Latvia

The International Monetary Fund has suspended lending to Latvia until it sees more progress in cutting public spending, the Latvian government confirmed on Thursday. Latvia is racing to prepare more cuts to keep its €7.5bn ($9.9bn, £6.9bn) stabilisation plan on track and dispel fears that it will be forced to abandon its peg to the euro and devalue the lat, after the IMF postponed transferring about €200m last month. "The first review has not been completed," the IMF said. "This must be completed before the executive board can approve the disbursement." The news caused the cost of insuring Latvian debt against default to increase 71 basis points to 930. The credit default swap spread is regarded as a yardstick of confidence because the peg to the euro means the currency is little traded.

The second tranche of Latvia's IMF loans has been postponed until June, when the government plans to put a new austerity package before parliament. The budget deficit threatens to overshoot the target of 5 per cent of gross domestic product agreed with the IMF because the Latvian economy is contracting more severely than forecast. The government now predicts the economy will shrink by 12 per cent this year – the worst recession in the European Union – compared with 5 per cent when the proposal to the IMF was drawn up in December. According to analysts, this could double the budget deficit to about 1.5bn lats ($2.8bn, €2bn, £1.9bn), close to 12 per cent of GDP.

The incoming government of Valdis Dombrovskis initially hoped to persuade the IMF to accept a slightly higher budget deficit of about 7 per cent of GDP and floated the idea of borrowing another €1bn from the international consortium that includes the European Commission, EU member states and financial institutions. But an IMF mission to Riga, the capital, last week emphasized the need for reforms to achieve lasting reductions in the budget deficit, essential if Latvia wants to meet the conditions to enter the Eurozone in 2012. "This shows that the IMF is serious," stated Martins Kazaks, chief economist of Swedbank in Riga. "If you don't solve the structural issues it's not sustainable".

The previous government slashed the wage bill for central government officials by 15 per cent but became mired in coalition disputes and collapsed in February. The new government has asked ministers to put together proposals for cuts amounting to 20, 30 and 40 per cent of planned spending by mid-April.

Source: Financial Times April 2, 2009

BRIC:

a) Emerging-Markets' Lending Revives as Bond Sales Reach 2-Year High

Emerging-market governments and companies borrowed more in international bond markets this week than at any time in the past two years as interest costs plunged on optimism the worst of the global recession may be over. Abu Dhabi, the oil-rich emirate with the world's largest sovereign wealth fund and nearby Qatar raised a record $3 billion each, pushing sales by developing-nation borrowers to $9.5 billion, the most since June 2007, according to data compiled by Bloomberg. South Africa is considering approaching international bondholders for the first time in nearly two years along with Turkey and Bahrain. "Most issuers have been locked out of the markets for six months and there's a very heavy pipeline of bonds waiting," stated Nick Chamie, head of emerging-market research at RBC Capital Markets in Toronto. "Valuations are attractive and the rally has improved the risk tolerance of investors and perceptions around emerging markets."

SOUTH AFRICA IS CONSIDERING APPROACHING INTERNATIONAL BONDHOLDERS FOR THE FIRST TIME IN NEARLY TWO YEARS ALONG WITH TURKEY AND BAHRAIN

Investor confidence has been buoyed by a pledge from the Group of 20 nations yesterday to triple the resources of the International Monetary Fund to $750 billion, after it allocated more than $70 billion to help developing countries avoid defaults during the economic crisis. An easing in IMF lending conditions enticed Mexico to request a $47 billion credit line this week and Poland is among nations likely to follow, according to Barclays Capital and UniCredit SpA reports.

Emerging-market borrowing costs fell to the lowest in more than four months, with yields 6.07 percentage points above U.S. Treasuries, according to JPMorgan Chase & Co.'s EMBI+ index. The spread narrowed 0.02 percentage point today, dropping from a peak of 8.65 percentage points in October. Abu Dhabi and Qatar, the largest exporter of liquefied natural gas, led the biggest borrowing push from the Persian Gulf on record, helped by a boost in oil prices to $53.90 a barrel. Abu Dhabi issued $1.5 billion of 5.5 percent five-year notes at a yield 4 percentage points above similar-maturity U.S. Treasuries, and the same amount in 6.75 percent 10-year notes with a spread of 4.2 percentage points.

Investors demanded more than twice the amount sold, said a banker involved in the sale, who declined to be identified because the details are private. Qatar sold $2 billion of 5-year 5.15 percent notes at a yield spread of 3.4 percentage points and $1 billion of 10-year 6.55 percent bonds at 3.8 percentage points yesterday. "Risk appetite is returning and people are looking to invest in more established emerging-markets with better liquidity," said Beat Siegenthaler, chief emerging-markets strategist at TD Securities in London.

Anglo American Plc, the London-based South African mining company, sold $2 billion of bonds yesterday and Hana Bank, South Korea's fourth-largest lender, issued $1 billion of government- backed debt. OAO Gazprom, the world's largest gas provider, borrowed 400 million Swiss francs ($353 million) in the first international bond sale by a Russian company in almost nine months. Odebrecht SA, a Brazilian construction and engineering company, sold $200 million of five-year bonds .

Source: Bloomberg, April 3, 2009

b) Russia Stability May Prompt Rate Cut

The stability of the ruble and Russian equity markets may provide the conditions for a reduction in the key refinancing rate, said central bank Deputy Chairman Gennady Melikyan. "The situation has stabilized significantly," Melikyan told reporters in Moscow today. "If that continues, the conditions may have been created for a reduction in the refinancing rate."

Bank Rossii has raised rates to limit the cash available to banks and companies as it allowed the ruble to depreciate 19 percent versus the dollar. The refinancing rate, seen as a ceiling for borrowing money and a benchmark for calculating tax payments, is currently at 13 percent after being raised in November and December. The central bank increased the repo rate charged on central bank loans twice in February. Banks should be able to handle 10 percent of their portfolios being non-performing loans, or credits in or close to default, Melikyan said, though such a situation may see their "capital adequacy fall." Capital adequacy is a ratio of a bank's capital to its assets.

Problems with dealing with non-performing loans "could arise, though I don't think this is empty talk," the central banker said. Bank Rossii will seek a solution should the banks be forced to increase reserves to deal with possible losses on loans, he added. NPLs held by OAO Sberbank, Russia's largest lender, are rising and now make up about 2.8 percent of the bank's loan portfolio, Chief Executive Officer German Gref said this week .

Source: Bloomberg, April 3, 2009

MULTI-LATERAL INSTITUTIONS:

IMF Makes Comeback Wielding $1 Trillion for Rescue

"THIS IS THE BIGGEST INCREASE IN RESOURCES IN THE HISTORY OF OUR INTERNATIONAL INSTITUTIONS,"

The International Monetary Fund, dismissed as increasingly irrelevant when the world economy was booming, will now wield more than $1 trillion to help bring life back to the global economy. G-20 Leaders from the world's most powerful nations, meeting in London yesterday, agreed to triple the money the IMF can lend to rescue crisis-stricken nations, to $750 billion. The agency will also get another $250 billion in Special Drawing Rights, an overdraft facility for its 185 members.

The Group of 20 is turning to the Washington-based agency to prevent the worst financial crisis since the Great Depression from swamping more developing nations. In the past six months, the IMF has approved loans totaling more than $55 billion to countries including Ukraine, Iceland and Pakistan. This represents remarkable improvement from last year, when newly hired Managing Director Dominique Strauss-Kahn was forced to cut staff as lending sank to the lowest in a quarter century. "A year ago the very same countries were forcing the IMF to go through very damaging budget cuts," said Simon Johnson, a senior fellow at the Washington-based Peterson Institute for International Economics and a former chief economist at the IMF. "Now the IMF has been asked to come to the rescue. I think the motif for the day is 'Oops, sorry. Please come and help countries with massive amounts of money.'" The World Bank and other lenders to poor nations will receive another $100 billion, and a further $250 billion will be devoted to trade finance, the G-20 decided. The IMF and the World Bank were founded in 1944 to help rebuild the global economy after World War II. "This is the biggest increase in resources in the history of our international institutions," said U.K. Prime Minister Gordon Brown, who hosted the talks in London that led to the agreement. G-20 leaders also called for stricter limits on hedge funds, executive pay, credit-rating firms and risk-taking by banks as part of what their statement called a "global plan for recovery on an unprecedented scale." The leaders avoided the divisive question of whether to deliver more fiscal stimulus to their own economies. Japan, the European Union and China agreed to provide the first $250 billion of the increase in IMF rescue funds, and Strauss-Khan promised work would begin to secure the remaining $250 from other countries. Strauss-Kahn re-emphasized the crucial role of his agency in managing globalization: "If you look at the governance of globalization, if you look at the resources to deal with the crisis, at each stage of what the G-20 is working on, you find the IMF," Strauss-Kahn noted. "The IMF is now back."

The $250 billion increase in Special Drawing Rights will allow countries to tap IMF money without having to accept changes to economic policies often demanded as a condition of loans. The money is disbursed in proportion to the contribution each member-nation pays into the fund. Rich nations may divert their allocations to countries in greater need. The larger pool of SDRs will enable nations to boost their foreign-exchange reserves, augment global liquidity and help them defend against speculative attacks. "It is the beginning of increasing the role of the IMF not only as lender of last resort, not only as a forecaster, not only as an adviser in economic policy in the traditional role, but also in providing liquidity to the world which is the role of a monetary institution like ours," Strauss Khan told reporters at the G-20 summit.

Yesterday's measures are the latest evidence of the IMF's growing role. Mexico this week announced that it would seek a $48 billion line of credit from the IMF. In the past six months, the fund has approved $26.8 billion for Romania, $16.4 billion for Ukraine, $15.7 billion for Hungary, $10.4 billion for Latvia, $2.5 billion for Belarus, $2.1 billion for Iceland, $7.6 billion for Pakistan and $516 million for Serbia. Presently Turkey is in talks with the IMF for a loan.

Increased IMF lending is improving its finances, which depend on interest it charges its members-borrowers. The fund may turn a profit of almost $650 million next year, former IMF officials said last month. Two years ago, the fund was forecast to lose $360 million in 2010. As part of the measures to strengthen the role of the global financial institutions the G-20 said it would take steps to improve the "long-term relevance, effectiveness and efficiency" of the IMF and World Bank, while pledging to give emerging countries such as India, China and Brazil a greater say in how the agencies are run. The G-20 also pledged a more "open, transparent, and merit-based" selection of people to lead the institutions. The head of the IMF has always been a European, while the World Bank chief is traditionally nominated by the U.S.

The G-20 members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the U.S., the U.K. and the European Union.

Source: Bloomberg.com, April 3, 2009

Table 1: Stock Market Indices In OECD, Non-OECD and African Countries

STOCK MARKET INDICES

OECD COUNTRIES	INDEX	End-2007	End-2008	3-Apr-2009	% Change End-Dec 2007 - 2008	% Change End-Dec 2008 - 3 Apr-2009	% Change End-Dec 2007 - 3 Apr-2009
AUSTRALIA	S&P/ASX 200 Index	6,339.90	3,722.30	3,756.60	-41.3	0.9	-40.7
AUSTRIA	Austrian Traded ATX Index	4,512.98	1,750.83	1,881.37	-61.2	7.5	-58.3
BELGIUM	Bel 20 Index	4,147.19	1,908.64	1,833.10	-54.0	-4.0	-55.8
CANADA	S&P/TSX Composite Index	13,833.06	8,987.70	9,065.76	-35.0	0.9	-34.5
CZECH REPUBLIC	Prague Stock Exchange Index	1,818.20	867.60	830.30	-52.3	-4.3	-54.3
DENMARK	OMX Copenhagen 20	460.53	247.02	244.87	-46.4	-0.9	-46.8
FINLAND	OMX Helsinki Index	11,598.42	5,403.52	5,028.69	-53.4	-6.9	-56.6
FRANCE	CAC40	5,627.48	3,217.13	2,991.67	-42.8	-7.0	-46.8
GERMANY	DAX	8,038.60	4,704.86	4,430.16	-41.5	-5.8	-44.9
GREECE	Athex Composite Share Pr	5,152.16	1,786.51	1,775.06	-65.3	-0.6	-65.5
HUNGARY	Budapest Stock Exchange Index	26,235.63	12,241.69	12,340.59	-53.3	0.8	-53.0
ICELAND	OMX Iceland All-Share PR	5,803.35	581.76	379.86	-90.0	-34.7	-93.5
IRELAND	Irish Overall Index	6,934.35	2,343.27	2,391.66	-66.2	2.1	-65.5
ITALY	Milan MIB30 Index	38,885.00	20,064.00	17,986.00	-48.4	-10.4	-53.7
JAPAN	NIKKEI 225	15,307.78	8,859.56	8,857.93	-42.1	0.0	-42.1
KOREA	KRX 100 Index	3,864.01	2,373.06	2,730.36	-38.6	15.1	-29.3
LUXEMBOURG	LuxX Index	2,419.28	961.13	957.39	-60.3	-0.4	-60.4
MEXICO	Bolsa	29,536.83	22,392.38	20,933.78	-24.2	-6.5	-29.1
NETHERLANDS	AEX Index	515.69	240.81	233.96	-53.3	-2.8	-54.6
NEW ZEALAND	NZX 50 FF Gross Index	4,041.38	2,715.71	2,633.44	-32.8	-3.0	-34.8
NORWAY	OBX Stock Index	419.65	194.33	212.62	-53.7	9.4	-49.3
POLAND	WSE WIG Index	55,648.54	27,228.64	26,943.07	-51.1	-1.0	-51.6
PORTUGAL	PSI General Index	4,130.47	2,073.59	2,153.39	-49.8	3.8	-47.9
SLOVAK REPUBLIC	Slovak Share Index	445.65	359.18	336.09	-19.4	-6.4	-24.6
SPAIN	IBEX 35 Index	15,182.30	9,017.70	8,454.80	-40.6	-6.2	-44.3
SWEDEN	OMX Stockholm 30 Index	1,081.44	662.33	722.30	-38.8	9.1	-33.2
SWITZERLAND	Swiss Market Index	8,518.19	5,534.53	5,067.20	-35.0	-8.4	-40.5
TURKEY	ISE National 100 Index	55,538.13	26,864.07	27,055.95	-51.6	0.7	-51.3
UNITED KINGDOM	FTSE 100	6,456.90	4,319.35	4,070.64	-33.1	-5.8	-37.0
UNITED STATES	S&P 500	1,465.13	903.00	842.50	-38.4	-6.7	-42.5
NON-OECD COUNTRIES							
INDONESIA	Jakarta Composite Index	2,745.83	1,355.41	1,516.64	-50.6	11.9	-44.8
KUWAIT	Kuwait SE Weighted Index	713.04	421.21	391.22	-40.9	-7.1	-45.1
QATAR	DSM 20 Index	9,697.51	6,788.69	5,164.14	-30.0	-23.9	-46.7
SAUDI ARABIA	Tadawul All-Share Index	11,038.66	4,791.27	5,041.72	-56.6	5.2	-54.3
UAE	DFM General	5,931.95	1,636.29	1,618.26	-72.4	-1.1	-72.7
VENEZUELA	Venezuela Stock Market Index	37,715.80	35,090.08	43,959.40	-7.0	25.3	16.6
ARGENTINA	Merval Index	2,168.23	1,079.66	1,196.97	-50.2	10.9	-44.8
BRAZIL	Bovespa	63,886.10	37,060.16	44,390.98	-42.0	19.8	-30.5
CHINA	Shanghai SE A Index	5,571.34	1,911.80	2,539.90	-65.7	32.9	-54.4
COLOMBIA	IGBC General	10,681.34	7,560.68	8,144.63	-29.2	7.7	-23.7
INDIA	BSE Sensex Index	20,286.99	9,716.16	10,534.87	-52.1	8.4	-48.1
MALAYSIA	Kuala Lumpur Comp Index	1,447.04	881.63	923.77	-39.1	4.8	-36.2
OMAN	MSM 30 Index	9,035.46	5,441.12	4,759.66	-39.8	-12.5	-47.3
RUSSIA	Micex Index	1,888.86	619.53	873.99	-67.2	41.1	-53.7
AFRICAN COUNTRIES							
BOTSWANA	Botswana Gaborone Index	8,421.63	7,035.50	6,401.56	-16.5	-9.0	-24.0
EGYPT	EGX Case 30 Index	10,549.74	4,596.49	4,839.05	-56.4	5.3	-54.1
GHANA	GSE Index	6,599.00	10,428.34	9,024.23	58.0	-13.5	36.8
KENYA	Kenya Stock Exchange NS Index	5,444.83	3,459.97	2,784.79	-36.5	-19.5	-48.9
NIGERIA	NSE All-Share Index	57,990.22	31,450.78	19,954.15	-45.8	-36.6	-65.6
MAURITIOUS	Mauritious Stock Exchange	1,843.56	1,182.75	1,127.55	-35.8	-4.7	-38.8
SOUTH AFRICA	FTSE/JSE Africa All-Share	28,957.97	21,509.19	21,234.51	-25.7	-1.3	-26.7

Source: Bloomberg

Table 2: DEPRECIATION OF EXCHANGE RATES VIS A VIS US DOLLAR (END-PERIODS) - % CHANGE > 15%

COMPARATIVE EXCHANGE RATES (Currency Units Per US$) - % Change

CATEGORY	COUNTRY	CURRENCY	31-Dec-07	3-Apr-09	YTD % Change
OECD COUNTRIES	AUSTRALIA	Dollar	1.13430	1.40036	-19.00
	CANADA	Dollar	0.98810	1.23370	-19.91
	HUNGARY	Forint	172.91800	219.68000	-21.29
	ICELAND	Krona	62.00000	119.05000	-47.92
	KOREA	Won	938.20000	1,349.50000	-30.48
	MEXICO	Peso	10.91570	13.61370	-19.82
	NEW ZEALAND	Dollar	1.29190	1.72682	-25.19
	NORWAY	Krone	5.41100	6.55310	-17.43
	POLAND	Zloty	2.43500	3.30780	-26.39
	SWEDEN	Krona	6.44150	8.04000	-19.88
	TURKEY	Lira	1.17780	1.58859	-25.86
	UNITED KINGDOM	Pound Sterling	0.49920	0.67815	-26.39
NON-OECD COUNTRIES	INDONESIA	Rupiah	9,385.80000	11,397.00000	-17.65
	RUSSIA	Ruble	24.54620	33.40950	-26.53
	BRAZIL	Reals	1.77050	2.20264	-19.62
	INDIA	Rupee	39.41000	49.92715	-21.06
	ARGENTINA	Peso	3.15003	3.75556	-16.12
	COLOMBIA	Peso	2,044.30000	2,451.72000	-16.62
	KAZAKHSTAN	Tenge	120.30000	150.98000	-20.32
AFRICAN COUNTRIES	KENYA	Shilling	63.97007	80.01890	-20.06
	ZAMBIA	Kwacha	3,900.15000	5,590.00000	-30.23
	SOUTH AFRICA	Rand	6.81000	9.12000	-25.33
	BOTSWANA	Pula	6.28472	7.54148	-16.66
	GHANA	New Cedi	0.99620	1.41479	-29.59
	MAURITIUS	Rupee	28.21620	33.25000	-15.14
	NIGERIA	**Naira**	**117.80000**	**147.15700**	**-19.95**

Sources: 1. IMF International Financial Statistics, http://www.imf.org/external/np/fin/data/rms_mth.asp
2. Exchange-rates.org http://exchange-rates.org/currentRates/A/USD
3. Google Country Currency Converter, http://www.oanda.com/convert/fxdaily
4. TED, CBN

Notes: 1.Depreciation (-). Appreciation (+)