# GLOBAL RECESSION WATCH

**MARCH 27, 2009** **VOLUME 1, ISSUE 11**

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

## AFRICA:

### a) Mercedes-Benz South Africa to Temporarily Shut Down Plant

Mercedes-Benz South Africa plans to shut its East London production plant for four weeks next month and for a further four weeks from the last week in May, a local newspaper reported on Friday, March 27, 2009.

The production cutbacks come as the international automotive industry is in crisis due to a sharp slump in sales caused by the global credit crunch.

It was not clear when in April the four-week shutdown would begin. Business Report cited a production status note sent to all Mercedes-Benz suppliers saying it anticipated only operating the East London plant for four days a week in May, until the second four-week shutdown commences.

The company already had two days without production this month, and plans to have another one on April 3. Annelise van der Laan, a Mercedes-Benz spokeswoman, told the newspaper the cut in production required a four-day closure before the Easter weekend, but current economic pressures required more than average flexibility in production planning.

Mercedes-Benz, a unit of Daimler AG was in talks with the National Union of Metalworkers of South Africa on possible additional shutdowns and ways to minimize the impact on employees.

*Source: Reuters.com, March 27, 2009*

### Highlights

- Africa: Egyptian Central Bank Lowers Benchmark Interest Rate to 10 per cent
- Middle East: Economic Package for Kuwait Financial Institutions
- Asia: Japan Heads for Deflation as Retail Sales Tumble 5.8 per cent
- America: US Reveals Sweeping Regulatory Overhaul
- Europe: Italy's Large Bank May Apply for Bailout
- BRIC Countries: India Needs More Stimulus Measures

### b) Egyptian Central Bank Lowers Benchmark Interest Rate to 10 per cent

Egypt's central bank cut its benchmark interest rate for a second consecutive month as urban inflation in the Arab world's most populous country eased to its slowest pace in more than a year. The overnight deposit rate was lowered by half a percentage point to 10 percent and the overnight lending rate by the same amount to 12 percent, central bank official Sayyid El-Banna stated. "As the risk of domestic inflation is now fading coupled with the necessity to support economic growth, monetary policy will continue to be eased in 2009," opined Alia Mamdouh, an economist with Cairo-based CI Capital Research. She expects the rate to be cut by two or three points this year.

The central bank cut its interest rates in February for the first time since April 2006. The full point reduction was the biggest since at least 2005. Economic growth is expected to slow to between 4 percent and 4.5 percent in the fiscal year through June, according to Investment Minister Mahmoud Mohieldin. Growth has exceeded 7 percent in the past three years. Egypt's Deputy Central Bank Governor Hisham Ramez said on March 13 that the central bank expects "single digit" inflation by June. Urban inflation, the rate that Egypt targets, declined to 13.5 percent in February from 14.4 percent a month earlier. That is the lowest since February 2008.

*Egyptian Central Bank*

*Source: Bloomberg.com, March 27, 2009 .*

## MIDDLE EAST:

### *Economic Package for Kuwait Financial Institutions*

Kuwait's caretaker cabinet has approved an economic package of 1.5 billion dinars ($ 5.2 billion) to bolster financial institutions. The package focuses mainly on banks and investment companies which have been affected by the global financial crisis. The economic package will partially guarantee new loans provided by local banks and cover possible bankruptcies, defaults and shortfalls in investment portfolios.

The approval of this economic package was in response to the pressure mounted by the Lawmakers, banking officials and businessmen urging the government to back financial institutions that were affected by the global economic crisis. For example, Kuwait's benchmark stock index fell 13 percent this year, extending a 38 percent decline in 2008.

A similar measure was taken last year when the government was forced to guarantee all deposits in local banks as Gulf Bank KSC, the country's second largest bank by assets, announced losses of 375 million dinars from derivatives trading, and Global investment House KSCC, Kuwait's biggest investment bank by assets defaulted on most of its loan repayments in January this year.

Although Faisal Ali al-Mutawa, Chairman of Bayan Investment Co. applauded this development, he advised that other stimulus packages should follow as this particular one does not have any stimulus part in it.

*Source: Bloomberg.com, March 27, 2009*

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## ASIA:

### *Japan Heads for Deflation as Retail Sales Tumble 5.8 per cent*

Japan's consumer prices stalled in February and retail sales tumbled the most in seven years, signaling a return to deflation is likely to deepen the recession. Prices excluding fresh food were unchanged from a year earlier, the statistics bureau reported in Tokyo on March 27, 2009. The Ministry of Trade announced that retail sales recorded a decline of 5.8 per cent, more than 3 per cent the forecast by economists.

An unprecedented drop in exports is forcing companies to fire workers and cut wages, weakening household spending and pushing the economy closer to its worst slump in post war era. With the benchmark interest rate already at 0.1 per cent, the Bank of Japan has little scope to stop prices from falling. Commenting on this development, Richard Jerram, chief economist at Macquarie Securities Ltd. in Tokyo observed that "Japan is back in deflation and the price level is set to decline for several years". He also observed that deflation "erodes the health of the corporate sector and means that the Bank of Japan cannot cut interest rates to appropriate levels."

Responding, Governor, Bank of Japan, Masaaki Shirakawa observed that core prices are on the verge of falling but reassured that policy makers are committed to preventing the economy from sliding into a deflationary spiral. An economist at BNP Paribas in Tokyo, Azusa Kato, pointed out that "there are many reasons to worry about deflation as companies may race to discount to get rid of inventories if they keep posting losses, and wage cuts and bankruptcies will spread in coming months."

*Source: Bloomberg.com, March 27, 2009*

"JAPAN IS BACK IN DEFLATION AND THE PRICE LEVEL IS SET TO DECLINE FOR SEVERAL YEARS"

## AMERICA:

### *a) Dollar Weakens on Speculation Auto Plan Will Boost Demand*

The dollar declined against the euro and the yen on speculation President Obama will announce further aid to the U.S. auto industry, reducing demand for the U.S. currency as a refuge. The yen gained the most in a week against the dollar on speculation that domestic companies are bringing home overseas earnings before the end of the nation's fiscal year on March 31, 2009. The Australian and New Zealand dollars were poised for the biggest monthly gain against the dollar in more than 20 years as stocks extended a worldwide rally to a third week and prices jumped for the commodities the two nations export.

The dollar fell to $1.3560 against the euro in London from $1.3526 on March 26, 2009 in New York and $1.3580 on March 20. The U.S. currency weakened to 97.92 yen from 98.71 on March 26, 2009, as the yen rose to 132.68 per euro from 133.52. The Australia's currency was at 69.82 U.S. cents from 70.16 cents on March 26, 2009, having gained 9.3 percent in March, the biggest monthly advance since July 1985. New Zealand's dollar was at 57.31 U.S. cents from 57.55 U.S. cents on March 26, 2009, rising 14.4 percent this month, the most since August 1985.

Commentators have viewed that there are emerging expectations that the U.S. auto industry, which has been living on the edge, can avoid a hard-landing. "This may further boost stock prices, improve risk-appetite and weaken the dollar." However, a UN panel has urged for reserve currency reform. United Nations General Assembly was urged to give urgent attention to reaching consensus on creating a global reserve system that would replace the US dollar as the main international currency. This recommendation, by an advisory committee set up by the 192-member world body, followed China's proposal for an extension of the use of special drawing rights (SDRs) created by the International Monetary Fund and the eventual replacement of the dollar as the world's reserve currency.

*Source: Financial Times.com, March 27, 2009.*

"NEW RULES OF THE GAME" ARE NECESSARY TO RESTORE CONFIDENCE IN THE FINANCIAL SYSTEM AFTER CREDIT MARKETS SEIZED UP AND STOCKS FELL, THE MOST SINCE THE GREAT DEPRESSION.

### *b) US Reveals Sweeping Regulatory Overhaul*

US Administration wants to force a wide range of large financial institutions to hold more capital as part of a sweeping regulatory overhaul that Tim Geithner, US Treasury secretary, on March 27, 2009 called the "new rules of the game". Geithner told Congress that the US needed a fresh approach to regulating risk that identified problems across the financial system as a whole if it were to prevent a repeat of the current financial crisis.

Hedge funds and private-equity firms, after opposing increased federal oversight for years, succumbed to the US Administration's plan to include them in an overhaul of the financial regulation. "We're not going to be able to stand in the way of that speeding train," David Rubenstein, co-founder of private-equity firm Carlyle Group, conceded at a conference in New York on March 26, 2009. According to the Treasury Secretary, Timothy Geithner, "New rules of the game" are necessary to restore confidence in the financial system after credit markets seized up and stocks fell, the most since the Great Depression. He proposed requiring hedge funds and private-equity firms to register with the U.S. Securities and Exchange Commission and to disclose information about their holdings.

The industry has been bracing for the call for regulation and within reasonable bounds accepts it, Jim Chanos, founder of New York-based Kynikos Associates Ltd. and head of the Coalition of Private Investment Companies, a hedge-fund trade group, stated. Hedge funds and buyout firms would also fall under the purview of a new regulator that would identify companies deemed "systemically important," or capable of wreaking havoc on financial markets. Officials would have the authority to seize these firms if they threatened the markets, much as they do now with insolvent banks.

*Source: Financial Times.com, March 27, 2009.*

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## EUROPE:

### a) Iceland May Encourage Foreign Creditors to Become Owners of failed Banks

Iceland wants to encourage foreign ownership of its banks and may enable creditors of the failed lenders to become shareholders as a means of achieving a stable financial system, Finance Minister Steingrimur Sigfusson said. "One of the ideas behind having the creditors as owners is that through that we would secure good connections with the foreign banking world," Sigfusson said in a telephone interview. "We are determined to have the reorganization of the new landscape of the whole banking sector, the whole situation would be under control in the next few weeks".

Foreign creditors of Kaupthing Bank hf, Landsbanki Islands hf and Glitnir Bank hf have waited since October to find out how they can recoup as much as 10.5 trillion kronur ($89 billion) in debt. The state took control of the banks almost six months ago, without making itself liable for their foreign obligations. Iceland is relying on a $5.1 billion International Monetary Fund-led loan to rebuild its economy after the banking collapse brought down the krona. Kaupthing "is the one where interest seems to be the most and probably where it would be the easiest to negotiate creditors taking equity stakes, so definitely that's an open possibility," Sigfusson said, adding however that a final decision had not been made.

The government is waiting for Deloitte & Touche to provide an audit of the failed banks' balance sheets, enabling an assessment of the extent to which the lenders' assets can cover the outstanding debt. Deloitte will submit the audit in the next one or two weeks. "At that time or in the weeks that follow, we should be able to" provide a model on how creditors' claims will be handled.

Sigfusson's Left Green Party, the junior member of the interim coalition led by the Social Democrats, wants the state to retain a stake in the new banks and says maintaining a state holding is key to ensuring stability. "I think it would be very unlikely that we would agree to a total privatization of the whole banking system again," he said. "So probably some mixed approach could be the outcome in carefully evaluated steps." The island's financial system should never be allowed to grow to the dimensions it did before the crisis, when the three biggest banks ballooned to 10 times the size of the economy and accounted for about 90 percent of gross external debt, he noted. "We have to be realistic as to the overall size of our financial sector in comparison to the economy of Iceland," Sigfusson stated. "It was always a ridiculous idea that the tiny economy of Iceland could stand behind such a massive banking system." Iceland's banking system in the future will be characterized by "big foreign currency reserves compared to a relatively small banking system," he further noted.

*Source: Bloomberg.com, March 27, 2009*

"I THINK IT WOULD BE VERY UNLIKELY THAT WE WOULD AGREE TO A TOTAL PRIVATIZATION OF THE WHOLE BANKING SYSTEM AGAIN,"

### b) Italy's Large Bank May Apply for Bailout

Monte dei Paschi di Siena SpA, Italy's third-biggest bank may apply for 1.9 billion euros ($2.6 billion) in government aid after posting a 47 percent decline in fourth-quarter profit on trading losses. The bank rose as much as 7.7 percent in Milan trading after following rivals UniCredit SpA, Intesa Sanpaolo SpA, and Banco Popolare SpA in tapping state funds to boost capital amid the financial crisis. Monte Paschi's finances were also strained by its 9 billion-euro acquisition of Antonveneta SpA.

"The capital position was their weak point and the state aid was inevitable," said Emanuele Vizzini, who helps manage $1.2 billion at Investitori Sgr in Milan. "I don't exclude the need for further operations to strengthen capital a bit more." The company will apply to sell convertible bonds to the Italian government as part of the country's bank rescue package. Monte Paschi's Tier 1 ratio, a measure of a bank's ability to absorb losses, will rise to 7.1 percent after the aid from 5.6 percent, the bank said.

*Source: Bloomberg.com, March 27, 2009*

## Europe contd...

### *c) Bank of England's King Becomes 'Political Football' in Spat with Brown*

BANKS "NEED TO DEMONSTRATE TO THE PUBLIC THAT THEY HAVE LEARNED LESSONS FROM RECENT EVENTS."

Bank of England Governor, Mervyn King began testimony to lawmakers this week with a joke about football. As the week ends, he may have scored a goal for the opposition. Conservatives George Osborne and William Hague are seizing on King's unprecedented warning that U.K. Prime Minister Gordon Brown does not have the room to drive up spending, while investors are using the remark to explain why a British bond auction failed for the first time in more than seven years.

King's rare commentary on fiscal policy is exposing him to the political spotlight he has sought to avoid since becoming central bank chief in 2003. It also adds to the tension monetary policy makers already find themselves under as the economic crisis forces them to risk their independence by working more closely with governments. Succinctly put by Michael Taylor, an economist at Lombard Street Research Ltd, "King's comments are quite unprecedented, but so is the deterioration in public finances". "They do deal Gordon Brown a blow. If we do have another big fiscal stimulus, he has to be very careful in justifying whether it's necessary."

Brown gave King a second five-year term last year, having kept the governor waiting before confirming his reappointment. With an election due within 15 months, Brown now faces the prospect that the independence flaunted by King's central bank may turn against him. The prime minister sought to play down talk of a rift with King, while noting the central banker may support some fiscal stimulus. "I am someone who is cautious by nature," Brown told broadcasters during a visit to Sao Paulo, Brazil. "I think what Mervyn King was saying is what I have always said, that you have to be cautious about everything you do. Mervyn King has actually said that he would be prepared to support targeted actions."

Meanwhile, Chancellor of the Exchequer, Alistair Darling told bank executives on March 26, 2009 that they must rebuild trust with the public after helping trigger the worst market turmoil in almost a century. "We need to rebuild trust in the system," Darling told an audience of bankers in London, according to excerpts released by his office. "People want to know that we cannot return to business-as-usual. They want to see change."

The comments escalate pressure on the banking industry to curtail work in tax havens and to limit executive pay after Prime Minister Gordon Brown's. Darling's remarks was addressed to a conference aimed at detailing new rules for the banking industry proposed by Financial Services Authority Chairman Adair Turner. Turner last week called for more intrusive regulation, from which banks hire to how much they pay them, signaling a break from the "light touch" model of regulation Brown designed when he was finance minister in 1997. Now, the U.K. government is looking for banks to maintain a social conscience in addition to their capitalist principles. "Banks, and in particular their boards, need to recognize that their duty to shareholders is best fulfilled by acting in the interests of their customers and—not only some—but all of their employees". Banks "need to demonstrate to the public that they have learned lessons from recent events."

*Source: Bloomberg, March 27, 2009*

## Europe contd...

### *e) Germany's Deutsche Bank AG to Up-Grade its Capital*

Deutsche Bank AG will ask shareholders to give it the option to raise as much as 875.5 million euros in capital, the company said in an agenda for this year's annual general meeting. Deutsche Bank has "adequate equity capital resources at its disposal at the present time," spokesman Christian Streckert said in a telephone interview today.

The bank "must have the necessary scope to be able to obtain equity capital at any time," Streckert added.

*Source: Bloomberg, March 27, 2009 .*

...CHINA'S ECONOMY WILL BE THE FASTEST IN THE WORLD TO RECOVER .... INVESTORS TO CONSIDER BUYING STOCKS AND PROPERTY.

## BRIC:

### *a) China's Stocks Post Second Weekly Gain on Economic Outlook*

China's stocks rose, sending the benchmark Shanghai Composite Index to a second weekly advance, after the central bank stated the economic slump in the world's third-largest economy is "basically" under control.

Leading economic indicators were recovering, proving that the government has been acting rapidly and forcefully compared with those in other major economies, the People's Bank of China Governor Zhou Xiaochuan said in an article published on the central bank's Web site. Zhou's comment was shared by Hong Kong billionaire Li Ka-shing, who yesterday stated that China's economy will be the fastest in the world to recover and advised investors to consider buying stocks and property. Li correctly predicted China's stock-market bubble would burst in 2007.

China's economy may expand 6 percent in the first quarter, China Securities Journal said, citing Yu Bin, an economist at the State Council's research center. Growth will likely accelerate to 7 percent in the second quarter and to 8 percent in the third quarter, the newspaper said, citing Yu.

*Source: Bloomberg, March 27, 2009*

## BRIC Contd...

### *b) Brazil Bond Yields Fall as Jobless Rate Fuels Rate-Cut Bets*

Brazil's local-currency bond and rate futures yields fell as a jump in unemployment increased speculation the central bank may expand interest-rate cuts to spur growth. The yield on Brazil's zero-coupon, local-currency bonds due in January 2010 slid 10 basis points, or 0.10 percentage point, to 9.81 percent, according to Banco Votorantim. It dropped as much as 15 points today, the most in more than a week. "The drop in salaries and drop in the number of formal jobs show how bad the effect of the economic slowdown has been in Brazil," said Leonard Breder, fixed-income manager at Rio de Janeiro-based Nobel Asset Management.

"THE DROP IN SALARIES AND DROP IN THE NUMBER OF FORMAL JOBS SHOW HOW BAD THE EFFECT OF THE ECONOMIC SLOWDOWN HAS BEEN IN BRAZIL"

Unemployment in Brazil's six largest metropolitan areas rose to 8.5 percent in February from 8.2 percent in the previous month, the national statistic agency said today in Rio de Janeiro. Average monthly per capita income fell 1 percent compared with January, the agency said. Gross domestic product fell 3.6 percent in the fourth quarter from the previous three-month period, the biggest quarterly contraction since the series started in 1996, triggering speculation the central bank will cut rates aggressively to prevent a recession. The economy will expand at the slowest pace in 17 years in 2009 as companies cut jobs and consumers reduce spending. Economists covering Brazil's economy forecast the country's gross domestic product will expand 0.01 in 2009, compared with a 0.59 percent forecast a week earlier, according to the median forecast in a March 20 weekly central bank survey. Policy makers will cut the benchmark rate for a third straight time this year to a record low 10.25 percent, according to the survey. The bank on March 11 cut the so-called Selic rate by 1.5 percentage point, the biggest cut in five years, to 11.25 percent Empresa Brasileira de Aeronautica SA, the third-largest planemaker in the Americas, said fourth- quarter profit fell 44 percent because of losses for currency hedging amid a drop in the Brazilian real. Embraer had a $121 million loss on currency-related derivatives as the Brazilian real continued to fall, weakening 18 percent against the U.S. dollar in the quarter. Embraer delivered 59 aircraft during the three-month period, two less than a year earlier. About 95 percent of the aircraft maker's revenue is denominated in dollars, while 30 percent of its expenses are in reais, Embraer has said.

Gordon Brown's efforts to smooth a path to international agreement at next week's G20 summit in London hit a bump in Brazil yesterday when he was told that the financial crisis was the fault of the "white and blue-eyed". President Lula da Silva of Brazil warned that there would be spicy discussions and "tough confrontation" next Wednesday as world leaders faced up to who should pay the costs of the banking crisis. As Mr Brown looked on during a press conference, Mr Lula da Silva said that action was urgent since it would be intolerable for the poor — who were blameless for the collapse of financial markets — to suffer the most from its effects. "This was a crisis that was fostered and boosted by the irrational behaviour of people who were white and blue-eyed, who before the crisis they looked like they knew everything about economics, but now have demonstrated they know nothing about economics," he said, mocking the "gods of wisdom" who had had to be bailed out. "The part of humanity that is responsible should be the part that pays for the crisis," he added.

*Source: Bloomberg March 26 & 27; Financial Times, March 27, 2009 .*

### *c) India Needs More Stimulus Measures*

India will need to introduce further measures to stimulate growth, said Montek Singh Ahluwalia, deputy chairman of the nation's Planning Commission, ahead of the Group of 20 meeting on the global economic crisis. The new government that takes over in May after general elections will need to take steps to try and maintain the current year's economic growth, Ahluwalia said at the Confederation of Indian Industry's annual conference in New Delhi today. The government has injected about 4.3 trillion rupees ($85 billion) into the economy since September, India's cabinet secretary K.M. Chandrasekhar, said at the same meeting today. The impact of the global financial crisis was first felt in India in that month with a freeze in the credit market.

*Source: Bloomberg, March 27, 2009 .*

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

**STOCK MARKET INDICES**

| OECD COUNTRIES | INDEX | End-2007 | End-2008 | 27-Mar-2009 | % Change End-Dec 2007 - 2008 | % Change End-Dec 2008 - 27 Mar-2009 | % Change End-Dec 2007 - 27 Mar-2009 |
|---|---|---|---|---|---|---|---|
| AUSTRALIA | S&P/ASX 200 Index | 6,339.90 | 3,722.30 | 3,604.40 | -41.3 | -3.2 | -43.1 |
| AUSTRIA | Austrian Traded ATX Index | 4,512.98 | 1,750.83 | 1,641.45 | -61.2 | -6.2 | -63.6 |
| BELGIUM | Bel 20 Index | 4,147.19 | 1,908.64 | 1,719.10 | -54.0 | -9.9 | -58.5 |
| CANADA | S&P/TSX Composite Index | 13,833.06 | 8,987.70 | 8,821.06 | -35.0 | -1.9 | -36.2 |
| CZECH REPUBLIC | Prague Stock Exchange Index | 1,818.20 | 867.60 | 758.20 | -52.3 | -12.6 | -58.3 |
| DENMARK | OMX Copenhagen 20 | 460.53 | 247.02 | 228.46 | -46.4 | -7.5 | -50.4 |
| FINLAND | OMX Helsinki Index | 11,598.42 | 5,403.52 | 4,578.56 | -53.4 | -15.3 | -60.5 |
| FRANCE | CAC40 | 5,627.48 | 3,217.13 | 2,755.50 | -42.8 | -14.3 | -51.0 |
| GERMANY | DAX | 8,038.60 | 4,704.86 | 4,055.99 | -41.5 | -13.8 | -49.5 |
| GREECE | Athex Composite Share Pr | 5,152.16 | 1,786.51 | 1,628.45 | -65.3 | -8.8 | -68.4 |
| HUNGARY | Budapest Stock Exchange Index | 26,235.63 | 12,241.69 | 11,178.89 | -53.3 | -8.7 | -57.4 |
| ICELAND | OMX Iceland All-Share PR | 5,803.35 | 581.76 | 384.18 | -90.0 | -34.0 | -93.4 |
| IRELAND | Irish Overall Index | 6,934.35 | 2,343.27 | 2,144.59 | -66.2 | -8.5 | -69.1 |
| ITALY | Milan MIB30 Index | 38,885.00 | 20,064.00 | 16,651.00 | -48.4 | -17.0 | -57.2 |
| JAPAN | NIKKEI 225 | 15,307.78 | 8,859.56 | 8,236.08 | -42.1 | -7.0 | -46.2 |
| KOREA | KRX 100 Index | 3,864.01 | 2,373.06 | 2,538.19 | -38.6 | 7.0 | -34.3 |
| LUXEMBOURG | LuxX Index | 2,419.28 | 961.13 | 895.42 | -60.3 | -6.8 | -63.0 |
| MEXICO | Bolsa | 29,536.83 | 22,392.38 | 20,315.17 | -24.2 | -9.3 | -31.2 |
| NETHERLANDS | AEX Index | 515.69 | 240.81 | 214.28 | -53.3 | -11.0 | -58.4 |
| NEW ZEALAND | NZX 50 FF Gross Index | 4,041.38 | 2,715.71 | 2,641.99 | -32.8 | -2.7 | -34.6 |
| NORWAY | OBX Stock Index | 419.65 | 194.33 | 203.58 | -53.7 | 4.8 | -51.5 |
| POLAND | WSE WIG Index | 55,648.54 | 27,228.64 | 24,391.95 | -51.1 | -10.4 | -56.2 |
| PORTUGAL | PSI General Index | 4,130.47 | 2,073.59 | 2,056.11 | -49.8 | -0.8 | -50.2 |
| SLOVAK REPUBLIC | Slovak Share Index | 445.65 | 359.18 | 297.35 | -19.4 | -17.2 | -33.3 |
| SPAIN | IBEX 35 Index | 15,182.30 | 9,017.70 | 7,670.20 | -40.6 | -14.9 | -49.5 |
| SWEDEN | OMX Stockholm 30 Index | 1,081.44 | 662.33 | 641.46 | -38.8 | -3.2 | -40.7 |
| SWITZERLAND | Swiss Market Index | 8,518.19 | 5,534.53 | 4,749.12 | -35.0 | -14.2 | -44.2 |
| TURKEY | ISE National 100 Index | 55,538.13 | 26,864.07 | 25,051.28 | -51.6 | -6.7 | -54.9 |
| UNITED KINGDOM | FTSE 100 | 6,456.90 | 4,319.35 | 3,805.18 | -33.1 | -11.9 | -41.1 |
| UNITED STATES | S&P 500 | 1,465.13 | 903.00 | 815.94 | -38.4 | -9.6 | -44.3 |
| **NON-OECD COUNTRIES** | | | | | | | |
| INDONESIA | Jakarta Composite Index | 2,745.83 | 1,355.41 | 1,414.31 | -50.6 | 4.3 | -48.5 |
| KUWAIT | Kuwait SE Weighted Index | 713.04 | 421.21 | 354.37 | -40.9 | -15.9 | -50.3 |
| QATAR | DSM 20 Index | 9,697.51 | 6,788.69 | 4,850.23 | -30.0 | -28.6 | -50.0 |
| SAUDI ARABIA | Tadawul All-Share Index | 11,038.66 | 4,791.27 | 4,655.89 | -56.6 | -2.8 | -57.8 |
| UAE | DFM General | 5,931.95 | 1,636.29 | 1,576.59 | -72.4 | -3.6 | -73.4 |
| VENEZUELA | Venezuela Stock Market Index | 37,715.80 | 35,090.08 | 43,491.81 | -7.0 | 23.9 | 15.3 |
| ARGENTINA | Merval Index | 2,168.23 | 1,079.66 | 1,165.27 | -50.2 | 7.9 | -46.3 |
| BRAZIL | Bovespa | 63,886.10 | 37,060.16 | 41,907.29 | -42.0 | 13.1 | -34.4 |
| CHINA | Shanghai SE A Index | 5,571.34 | 1,911.80 | 2,474.86 | -65.7 | 29.5 | -55.6 |
| COLOMBIA | IGBC General | 10,681.34 | 7,560.68 | 8,011.87 | -29.2 | 6.0 | -25.0 |
| INDIA | BSE Sensex Index | 20,286.99 | 9,716.16 | 9,592.31 | -52.1 | -1.3 | -52.7 |
| MALAYSIA | Kuala Lumpur Comp Index | 1,447.04 | 881.63 | 869.34 | -39.1 | -1.4 | -39.9 |
| OMAN | MSM 30 Index | 9,035.46 | 5,441.12 | 4,722.95 | -39.8 | -13.2 | -47.7 |
| RUSSIA | Micex Index | 1,888.86 | 619.53 | 780.13 | -67.2 | 25.9 | -58.7 |
| **AFRICAN COUNTRIES** | | | | | | | |
| BOTSWANA | Botswana Gaborone Index | 8,421.63 | 7,035.50 | 6,465.12 | -16.5 | -8.1 | -23.2 |
| EGYPT | EGX Case 30 Index | 10,549.74 | 4,596.49 | 4,332.56 | -56.4 | -5.7 | -58.9 |
| GHANA | GSE Index | 6,599.00 | 10,428.34 | 9,242.51 | 58.0 | -11.4 | 40.1 |
| KENYA | Kenya Stock Exchange NS Index | 5,444.83 | 3,459.97 | 2,699.92 | -36.5 | -22.0 | -50.4 |
| NIGERIA | NSE All-Share Index | 57,990.22 | 31,450.78 | 19,836.48 | -45.8 | -36.9 | -65.8 |
| MAURITIOUS | Mauritious Stock Exchange | 1,843.56 | 1,182.75 | 1,056.86 | -35.8 | -10.6 | -42.7 |
| SOUTH AFRICA | FTSE/JSE Africa All-Share | 28,957.97 | 21,509.19 | 19,991.66 | -25.7 | -7.1 | -31.0 |

Source: Bloomberg

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

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

| CATEGORY | COUNTRY | CURRENCY | 31-Dec-07 | 27-Mar-09 | YTD % Change |
|---|---|---|---|---|---|
| **OECD COUNTRIES** | AUSTRALIA | Dollar | 1.13430 | 1.42939 | -20.64 |
| | CANADA | Dollar | 0.98810 | 1.23920 | -20.26 |
| | HUNGARY | Forint | 172.91800 | 225.35000 | -23.27 |
| | ICELAND | Krona | 62.00000 | 119.63000 | -48.17 |
| | KOREA | Won | 938.20000 | 1,343.70000 | -30.18 |
| | MEXICO | Peso | 10.91570 | 14.33170 | -23.84 |
| | NEW ZEALAND | Dollar | 1.29190 | 1.73130 | -25.38 |
| | NORWAY | Krone | 5.41100 | 6.61900 | -18.25 |
| | POLAND | Zloty | 2.43500 | 3.40540 | -28.50 |
| | SWEDEN | Krona | 6.44150 | 7.96500 | -19.13 |
| | TURKEY | Lira | 1.17780 | 1.66470 | -29.25 |
| | UNITED KINGDOM | Pound Sterling | 0.49920 | 0.69989 | -28.67 |
| **NON-OECD COUNTRIES** | INDONESIA | Rupiah | 9,385.80000 | 11,495.00000 | -18.35 |
| | RUSSIA | Ruble | 24.54620 | 33.41330 | -26.54 |
| | BRAZIL | Reals | 1.77050 | 2.23670 | -20.84 |
| | INDIA | Rupee | 39.41000 | 50.51773 | -21.99 |
| | ARGENTINA | Peso | 3.15003 | 3.80707 | -17.26 |
| | COLOMBIA | Peso | 2,044.30000 | 2,435.81000 | -16.07 |
| | KAZAKHSTAN | Tenge | 120.30000 | 151.35000 | -20.52 |
| **AFRICAN COUNTRIES** | KENYA | Shilling | 63.97007 | 79.99220 | -20.03 |
| | ZAMBIA | Kwacha | 3,900.15000 | 5,525.00000 | -29.41 |
| | SOUTH AFRICA | Rand | 6.81000 | 9.56000 | -28.77 |
| | BOTSWANA | Pula | 6.28472 | 7.75194 | -18.93 |
| | GHANA | New Cedi | 0.99620 | 1.41043 | -29.37 |
| | **NIGERIA** | **Naira** | **117.80000** | **147.20750** | **-19.98** |

Sources: 1. IMF International Financial Statistics
2. Exchange-rates.org
3. Google Country Currency Converter
4. TED, CBN

Notes: 1.Depreciation (-). Appreciation (+)
2.*Euro Area:- Recorded less than 15% depreciation
3. **UEMOA Countires:- Recorded less than 15% depreciation