



February 2010

The US economy seems to be on the right track for a sustainable recovery. Consumer credit rose for the first time in a year in a sign of consumer growing confidence. Consumer spending increased in January for a fourth consecutive month. The economy lost 36,000 jobs last month, less than anticipated, leaving the unemployment rate at 9.7%.

China's manufacturing grew, but at a slower pace, reducing the risk of overheating of the economy.

The euro zone economy grew by 0.4% in the third quarter of 2009, emerging from 5 consecutive quarters of contraction. European manufacturing accelerated in February as improving global demand boosted export orders. However, rising unemployment and surging energy costs affect domestic demand. Europe's jobless rate remains at 9.9%, the highest in more than a decade.

Italy's public debt, one of the highest in the world, expanded to 115.8% of GDP and the economy shrunk by 5% last year. In Germany, Europe largest economy, industrial output posted a modest rise in January. Britain emerged from recession in the fourth quarter with growth of 0.3% but the economy remains fragile due to high level of household debt and the real estate crisis. At 12.7% of GDP, Greece deficit was the highest in the 27 nation European Union last year.

The ECB (European Central Bank) held rates at a 1% record low while the BOE (Bank of England) decided to freeze its key lending rate at a record low level of 0.5%.

Oil prices have been rising sharply this month by 9.3% to reach USD 79.66 a barrel (WTI) while gold prices rose by 3.4% on the same period. Natural gas declined by 6.2% in February.

The euro has declined 5.1% against the dollar this year on speculation the US will recover faster than anticipated and amid concern on Greece, Italy and Spain fiscal problems. Sterling tumbled by 8.5% against the dollar and 2.4% versus the euro this year as investor concern over fiscal austerity.

Written on the 10th of March 2010

World Markets

Market index	Last value	Performance	
		Month	YTD
North America			
S&P 500 (USA)	1104	2.9%	-1.0%
Nasdaq	2238	4.2%	-1.4%
Asia			
Nikkei 225 (Japan)	10126	-0.7%	-4.0%
Hang Seng (Hong Kong)	20609	2.4%	-5.8%
Europe			
DJ Eurostoxx 50	2728	-1.7%	-8.0%
FTSE 100 (UK)	5355	3.2%	-1.1%
DAX 30 (Germany)	5598	-0.2%	-6.0%
CAC 40 (France)	3709	-0.8%	-5.8%
GCC			
TASI (Saudi Arabia)	6438	3.0%	5.2%
DFM (Dubai)	1593	0.2%	-11.7%
ADX (Abu Dhabi)	2704	2.7%	-1.5%
KWSE (Kuwait)	7379	5.0%	5.3%
MSM-30 (Oman)	6689	2.4%	5.0%
DSM 20 (Qatar)	6873	4.8%	-1.2%
BSE (Bahrain)	1518	2.7%	4.1%

Key Interest Rates

FED	ECB	BOE	BOJ
0.1%	1 %	0.5 %	0.1%

The Saudi Market

3 Best Month Performing Sectors	Variation	3 worst Month Performing Sectors	Variation
Cement	11.32%	Media & Publish	-0.05%
Petrochemical	8.28%	Insurance	-3.93%
Agriculture	6.99%	Multi Invest.	-6.36%

Commodities

	Last Price	Month Variation	Year to Date Variation
WTI Crude (oil)	79.66	9.3%	0.4%
Natural Gas (NYMEX)	4.81	-6.2%	-13.6%
Gold Ounce	1117.60	3.4%	1.9%

Currencies

Rates in SAR	End of Month Exchange Rates	Month Variation	Year to Date Variation
USD	3.75	-	-
EUR	5.11	-1.7%	-4.8%
JPY	0.042	1.5%	4.6%
GBP	5.71	-4.7%	-5.8%

Source: Bloomberg; closing prices at end of February 2010

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