

## International Markets – Weekly Report

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Global Investment House  
Souk Al – Safat Building, 2<sup>nd</sup> floor  
Abdulla Mubarak St., Murgab

Tel. + (965) 2400 551  
Fax. + (965) 2492 351  
P.O. Box: 28807 Safat, 13149 Kuwait

Website:  
[www.globalinv.net](http://www.globalinv.net)

US (\$)	Close		Weekly Performance	Y-T-D Performance
Oil - (WTI)	59.90	▲	1.59%	-1.90%
Oil - (Brent)	60.35	▲	5.78%	2.81%
Gold/ounce	637.70	▲	2.62%	23.35%

	Close		Weekly Performance	Y-T-D Performance
Dollar - Euro	1.3095	▲	2.11%	10.63%
Dollar - Sterling Pound	1.9318	▲	1.92%	12.15%
Yen - Dollar	115.83	▼	-1.65%	-1.56%

Omar M. El-Quqa, CFA  
Executive Vice President  
[omar@global.com.kw](mailto:omar@global.com.kw)

Shailesh Dash, CFA  
Head of Research  
[shaileshdash@global.com.kw](mailto:shaileshdash@global.com.kw)

Rasha I. Al-Huneidi  
Senior Financial Analyst  
[huneidi@global.com.kw](mailto:huneidi@global.com.kw)

Medhat Alfy  
Financial Analyst  
[medhat@global.com.kw](mailto:medhat@global.com.kw)

### Oil/Currencies

Crude oil gained this week on speculations that rising demand will cut U.S. fuel stockpiles and the Organization of Petroleum Exporting Countries may cut production for a second time in two months. OPEC is scheduled to meet on Dec. 14 in Nigeria.

On the other hand, the President of the European Central Bank (ECB) warned this week that rising inflation fuelled by oil prices remained a concern for the global markets. Oil has fallen 25 percent from the record UD\$78.40 a barrel reached on July 14, 2006.

British Pound surged to its highest in almost two years against the dollar on speculation that the Bank of England will continue lifting interest rates to curb inflation. The Pound ended the week at US\$1.9318, gaining 1.9 percent compared to the previous week.

Also for the week, the dollar fell to its lowest since April 2005 against the euro, closing over the 1.30 benchmark, on speculation the Federal Reserve will lower interest rates early next year as central banks in Europe increase them.

### U.S.

A slump in the US housing market has prompted the White House to revise down its forecasts for economic growth. The Bush administration now expects Gross Domestic Product (GDP) to grow by 3.1 percent this year rather than earlier forecasts of 3.6 percent. Growth forecasts for 2007 were also clipped from 3.3 percent to 2.9 percent.

US consumer confidence fell more than expected at the end of November, as the housing market continued to weaken. Figures from the University of Michigan showed the index edging downwards from October's reading of 93.6 points to reach 92.1 points in November.

Index	Close		Weekly Performance	Y-T-D Performance
US - DJ Average	12,280.17	▼	-0.51%	14.58%
US - Nasdaq Comp.	2,460.26	▲	0.59%	11.56%
US - S&P500	1,400.95	▼	-0.02%	12.23%

Index	Close		Weekly Performance	Y-T-D Performance
England - FTSE 100	6,122.10	▼	-1.13%	8.96%
Germany - DAX	6,411.96	▼	-0.01%	18.56%
France - CAC 40	5,389.46	▼	-0.92%	14.30%

Index	Close		Weekly Performance	Y-T-D Performance
Japan - Nikkei 225	15,734.60	▼	-2.22%	-2.34%
Japan - Topix	1,538.04	▼	-2.26%	-6.77%

## Europe

The economies of the 12 nations that use the euro grew by 0.5 percent in the third quarter of 2006, slowing from the second quarter. In comparison, U.S. Gross Domestic Product growth was 0.4 percent in the third quarter of 2006 and 0.6 percent in the second.

The UK Gross Domestic Product rose 0.7 percent in October-06, matching the rate in the previous three quarters. If the same pace is maintained in the fourth quarter that would mean that 2006 growth will reach 2.6 percent, which exceeds the government's top forecast of 2.5 percent. U.K. economy has grown without interruption for the last 57 quarters.

German Corporate Sentiment unexpectedly rose in November to equal a 15-year high as business expectations and firms' assessment of current conditions improved. The Corporate Sentiment Index rose to 113.9 points in November-06 from 111.9 points in October.

German exporters can cope with the euro's climb above \$1.30, the head of the country's export lobby announced this week, as he forecast the single currency to appreciate to US\$1.40 by the middle of 2007.

## Japan

According to a government report, Japan's economy has marked its longest economic expansion since World War II. Japan racked up its 58th month of recovery, nearly five years, starting from January 2002. The economy grew at an annual pace of 2.0 percent in the third quarter.

Trade surplus fell 24.8 percent to 614.7 billion yen (US\$5.2bn) in October-06 from a year earlier, as U.S. demand cooled the destination for fifth of the Japanese exports. For October-06, exports rose 11.6 percent, the slowest growth in six months; while imports climbed 17.4 percent.

## Emerging Market

### China

China announced this week that its economy may expand as much as 10.7 percent in 2006, above the World Bank's estimate of 10.4 percent for the same period.

Profits at Chinese industrial companies accelerated in October for a seventh straight month as steelmakers boosted prices. Combined net income surged 30.1 percent through October from a year earlier to 1.5 trillion yuan (US\$191bn) after climbing 29.6 percent in the first nine months of the year.

The yuan made the biggest weekly gain in two months, closing at the strongest since a peg to the dollar was scrapped. China's yuan climbed 0.25 percent this week to 7.8525 against the dollar.

### **India**

The Deputy Governor of the Reserve Bank of India announced this week that the country's central bank, is maintaining its inflation target at 5-5.5 percent.

Reserve Bank of India raised the inter bank rate by a quarter-point to 7.25 percent aimed at raising costs for banks to curb consumer lending.

Overseas daily average investment to India reached US\$107mn in November-06, compared to US\$76mn registered in October.

### **Brazil**

Brazil's monthly inflation rate rose to an 8-month high through mid-November as the cost of food items such as meat and chicken soared. Consumer prices rose 0.37 percent in November-06 to reach 2.99 percent. However, inflation is still at the lowest level since June 1999.

### **Malaysia**

Malaysia's economy grew 5.8 percent in the third quarter of 2006, buoyed by rising exports and higher government spending. For the first 10 months of 2006, consumer prices climbed an average of 3.7 percent on year.

Index	Close		Weekly Performance	Y-T-D Performance
Honk Kong - Hang Seng	19,260.30	▲	0.40%	29.47%
Singapore - Straits Time	2,814.81	▲	0.06%	19.91%
Korea - KOSPI	1,421.73	▲	0.67%	9.58%
India - BSEN	13,703.33	▲	2.04%	55.92%
Pakistan - KSE	10,870.90	▲	1.54%	20.43%
Brazil - BVSP	41,757.72	▲	1.78%	30.83%
Mexico - INMX	1,518.06	▲	1.20%	60.72%

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Abdulla Mubarak St., Murgab  
Kuwait, 13149

Tel. + (965) 2400 551

Fax. + (965) 2455 891

P.O. Box: 28807 Safat, 13149 Kuwait

Website: [www.globalinv.net](http://www.globalinv.net)

#### **Research**

Shailesh Dash, CFA

Ext. 196

[shaileshdash@global.com.kw](mailto:shaileshdash@global.com.kw)

#### **Investment Banking**

Rajiv Nakani, CFA

Ext. 344

[rnakani@global.com.kw](mailto:rnakani@global.com.kw)

#### **Index**

Rasha Al-Huneidi

Ext. 132

[huneidi@global.com.kw](mailto:huneidi@global.com.kw)

#### **Business Development**

Fatima Al-Kulaib

Ext: 223

[fatema@global.com.kw](mailto:fatema@global.com.kw)

#### **Local & GCC Invest.**

Jassim Al-Roumi

Ext. 195

[jalroumi@global.com.kw](mailto:jalroumi@global.com.kw)

#### **Advisory Services**

Salahuddin Ahmad

Ext. 134

[salah@global.com.kw](mailto:salah@global.com.kw)

#### **MENA Asset Management**

Talal F. Samhouri

(962)-6-5828749 Ext. 117

[tsamhouri@global.com.jo](mailto:tsamhouri@global.com.jo)

#### **Investment Funds**

Faisal Qutteinah

Ext. 259

[faisal@global.com.kw](mailto:faisal@global.com.kw)

#### **Client Relationships**

Reem Beydoun

Ext: 210

[rbeydoun@global.com.ke](mailto:rbeydoun@global.com.ke)

#### **International Sales**

Samir G. Sawabini

Ext: 225

[sgsawabini@global.com.kw](mailto:sgsawabini@global.com.kw)

#### **Client Relationships**

965 (804242)

[contactus@global.com.kw](mailto:contactus@global.com.kw)

#### **Corporate Desk**

Ext: 314

[hjarrar@global.com.kw](mailto:hjarrar@global.com.kw)

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