

to lift liquidity

the banking system. Lowering it hand immediate liquidity to all banks which they can use as see fit," said Giyas Gokkent, economist at National Bank of Dhabi.

the lowering of the reserve requirement will also allow banks to a return on the funds that have been released."

man's stock index, which fell 3% on Sunday, has fallen more than 30% this year.

the central bank, tackling record inflation rates above 13% this year, sed reserve requirements in August 8% from 5% in an effort to curtail credit growth.

But as the global credit crisis intensified, fighting inflation took a back seat as Gulf governments sought to boost confidence in their banks. Like most of its neighbours in the Gulf

region, Oman pegs its currency to the US dollar.

The central bank, which sets interest rates every Monday, cut its repurchase rate by 89 basis points to 1.53% last week ahead of a move by the US Federal Reserve to slash its key interest rate to nearly zero.

It has also allocated about \$2bn to local banks to provide them with dollar liquidity, while the government set up a 150mn rial market-maker fund with the private sector to help stabilise the Gulf country's bourse.

Inflation, which has almost doubled in the last year, could "moderate significantly" in 2009 as price pressures decline in developed countries, food and non-oil commodity prices ease and the dollar gains, Oman's central bank governor said this month. Omani inflation eased for a second month in October to 12.6%. - Reuters, Bloomberg

sale to QIA



hman bin Jabor al-Thani and

biggest exporter of liquefied natural gas. "We believe the development projects in Qatar will continue and bring dividends to all economic sectors," he said. Doha Bank CEO R Seetharaman told *Gulf Times* later the government's support will boost the confidence of the investors in the country's economy and help support growth in the banking sector.

Government's wholehearted support by way of capital placement is a positive sign that demonstrates the strength of the economy in a big way. It would also enhance the investors' confidence in the country's banking system," he

Kuwait money supply slows

LONDON: Kuwaiti M1 money supply growth, an indicator of future inflation, slowed to 11.3% in November from 13% in the previous month after credit markets tightened because of the global financial crisis. Kuwait's central bank has taken a number of measures to strengthen the local banking system and maintain lending in recent months, including cutting its key benchmark interest rate, guaranteeing deposits, raising the loan-to-deposit ratio and injecting funds into the interbank market. - Bloomberg

MIDEAST ROUNDUP

Mitsui Sumitomo wins nod from QFCRA to start business

DOHA: Qatar Financial Centre Regulatory Authority (QFCRA) has granted authorisation to Mitsui Sumitomo Insurance Company (Europe) to carry on regulated activities at the Qatar Financial Centre (QFC). QFCRA chairman and CEO Phillip Thorpe said, "We are delighted to welcome Mitsui Sumitomo as the first Japanese insurer to obtain authorisation from the QFC Regulatory Authority, and to establish a branch in the Qatar Financial Centre."

He added, "We recognise the special relationship which exists between Qatar and Japan. Japan is a long standing and significant trade partner for Qatar, and of course, the largest importer of LNG from Qatar. The authorisation of Mitsui Sumitomo, one of the world's largest insurers, builds on that relationship and is a further indication of the QFC's contribution to Qatar's development. It is also a clear endorsement of the value of the QFC regulatory regime, and it reinforces our aim to ensure that Qatar can continue to attract world class financial institutions to provide high quality services and products to the country."

ADIA may be a Madoff victim

DUBAI: Abu Dhabi Investment Authority (ADIA), the world's largest sovereign wealth fund, could be a victim of Bernard Madoff after it had at some point entrusted the man with \$400mn. *The New York Times* reported yesterday. "Indeed, at one point, the Abu Dhabi Investment Authority, a large sovereign wealth fund in the Middle East, had entrusted some \$400mn to Mr. Madoff's firm," the paper said.

Madoff, 70, is the alleged mastermind of a \$50bn fraud, shaking financial institutions worldwide. The paper did not provide further details but mentioned ADIA among the known victims of Madoff like Mortimer B Zuckerman and the Hollywood director Steven Spielberg.

Bahrain inflation holds above 4%

DUBAI: Annual inflation in Bahrain held above 4% in November, steered mainly by higher food prices, government data showed yesterday. The consumer price index of the smallest Gulf Arab economy rose to 109.4 points on November 30 compared with 104.87 points a year earlier.

Consumer prices in November rose 0.46% from October, as food, beverage and tobacco costs advanced 0.73%, the data showed. - Business Reporter, Agencies

CURRENCIES

CURRENCIES	DOLLAR	QATAR RIAL	SAUDI RYALS	UAE DIRHAMS	BAHRAIN DINARS	KUWAIT DINARS
US DOL	1.000000	3.640000	3.745000	3.672000	0.374500	0.275380
EURO	1.362300	5.037396	5.182706	5.081681	0.518271	0.381098
AES DOL	0.677600	2.466464	2.537612	2.488147	0.253761	0.186597
CAN DOL	1.228600	2.962722	3.048185	2.988768	0.304818	0.224141
SING DOL	1.452400	2.495886	2.567883	2.517828	0.256788	0.188823
HKG DOL	7.750000	0.469677	0.483220	0.473806	0.048323	0.035533
STERLING PD	1.484500	5.403580	5.559453	5.451084	0.559595	0.408802
CYPRUS POUND	0.398000	9.157233	9.421384	9.237736	0.942138	0.692780
EGY POUND	5.510000	0.660617	0.679573	0.666425	0.067967	0.000184
LBF	1499.000000	0.902428	0.002498	0.002450	0.000250	0.247733
SWISS FR	1.111600	3.274559	3.369018	3.303347	0.336902	0.251154
DANISH KR	5.382400	0.676153	0.695657	0.682097	0.069566	0.035113
SWEDISH KR	7.842700	0.464126	0.477514	0.468206	0.052812	0.038834
NORWEGIAN KR	7.091200	0.513312	0.528119	0.517825	0.057949	0.002461
INDIAN RUP	47.110900	0.077266	0.073495	0.077945	0.003347	0.003477
SRI LANKA	111.900000	0.032529	0.033467	0.032815	0.004729	0.003950
PAK RS	79.200000	0.045960	0.047285	0.046364	0.052970	0.021549
JORDAN DINAR	0.707000	5.148515	5.297030	5.193777	0.529703	0.003071
OMANI RIAL	0.384900	9.457002	9.729800	9.540140	0.972980	0.004035
JAP YEN	89.670000	0.040593	0.041764	0.040950	0.040417	0.004035
BANGLA TAKA	68.250000	0.053333	0.054872	0.053892	0.005487	0.004035

FX SPOT / FORWARDS / OPTIONS - MARGIN TRADING FX/BULLION - FIXED INCOME (BO)

Commercial bank

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Inspired by Qatar