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Tunisia Stocks Drop to Year-Low; Poulina Falls (Correct)
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(Corrects spelling of company name in the headline)

By Ahmed Namatalla

Jan. 13 (Bloomberg) -- Tunisian stocks tumbled to the lowest level in almost a year as violence escalated, forcing the government to impose a night-time curfew. The cost of protection against default by the North African country rose to the highest since 2009.

The Tunindex lost 3.8 percent to 4,547.92 at 12:23 p.m. in the capital Tunis, the lowest intraday level since Jan. 20. That brought the four-day drop to 13 percent. Banque Tunisie, the country's second-biggest publicly traded lender by market value, headed for its lowest close in almost a year. Poulina Group, which operates in the agricultural industry, fell 4.4 percent.

Credit default swaps soared 31 basis points in four days to 154, the highest since July 2009, according to CMA prices.

Protesters burned government buildings and vehicles in the capital's suburbs, Al Arabiya reported. Four people were killed in two Tunisian cities today, Al Jazeera news channel said. This adds to the tally of at least 21 killed in clashes with the police since last month, according to official figures. The government yesterday deployed the army in the capital to quell unemployment demonstrations, the worst since President Zine El Abidine Ben Ali took power in 1987.

"Tunisia is the only market in the region that has not re-priced in the past five years," Luca Del Conte, director of capital markets at GMP Securities said by telephone from London.

"So if we look beyond what's happening today, I think foreign investors will be looking to come back to the market at attractive pricing levels when this is over."

Ben Ali pledged on Jan. 10 to create 300,000 jobs in two years and cut taxes on companies that employ young people.

Banque de Tunisie retreated 4.4 percent to 9.94 Tunisian dinars and Poulina traded at 8.41 dinars, poised for its biggest daily loss since October 2008. CDS advanced 1 basis point today.

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