

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

EMERGING MARKETS

Speculative-grade ratings at 53% of total corporate ratings at end-March 2016

S&P Global Ratings indicated that it rated 1,522 corporate entities from emerging markets (EMs) as at the end of March 2016, relative to 1,513 entities at end-2015, equivalent to 22.2% of rated corporates worldwide. It said that 811 EM entities have speculative-grade ratings, and 711 entities have an investment-grade rating. It noted that speculative-grade ratings accounted for 53.3% of total EM ratings at end-March 2016 compared to a share of 49% worldwide. It indicated that non-financial entities represented 56.1% of EM issuers and 60% of EM speculative-grade issuers, while financial issuers accounted for 48.3% of investment-grade companies in the region. It said that corporate issuers from Brazil represented 12% of rated EM issuers as of end-March 2016, followed by those from Mexico (11%), China and Russia (8% each), Israel (7%), Taiwan (6%), Hong Kong (5%) and South Korea (3%). In parallel, S&P noted that it downgraded 11.4% of EM corporate entities and upgraded 2.3% during the first quarter of 2016, while it withdrew the ratings on 2.2% of EM corporates. It said that the EM corporates' downgrade-to-upgrade ratio stood at 4.97% at the end of March 2016 compared to the global ratio of 3.48%. The agency indicated that the EM median rating is 'BB+' relative to the global median of 'BBB-'. The ratings distribution of EM issuers shows that 29.8% of EM issuers are in the 'BBB' range, 29.6% belong to the 'BB' category, 21.5% are in the 'B' range, 13.7% are in the 'A' category, 2.7% in the 'AA' range and 0.5% in the 'AAA' range, while 2.2% of EM firms are rated 'CCC' or lower.

Source: S&P Global Ratings

MENA

Software piracy losses at \$1.5bn in 2015

Software piracy-related losses in the Arab world reached \$1.54bn in 2015, constituting a decrease of 5.4% from \$1.63bn in 2013 and compared to losses of \$1.58bn in 2011 and \$1.18bn in 2009. They accounted for 2.9% of global piracy-related losses in 2015 relative to a share of 2.6% in 2013. Saudi Arabia had the highest piracy-related losses among Arab countries at \$412m, followed by the UAE (\$226m), Egypt (\$157m), Iraq (\$120m) and Kuwait (\$94m). Piracy losses in Libya rose by 30% from 2013, the highest increase in the Arab world, while losses in Tunisia dropped by 25.8%, the steepest decline in the region. In parallel, Libya had the highest piracy rate among Arab economies at 90%, followed by Yemen (87%), Iraq (85%) and Algeria (83%), while the UAE had the lowest rate in the region at 34%, followed by Qatar (48%), Saudi Arabia (49%) and Bahrain (54%). In addition, the software piracy rate dropped by two percentage points in both Algeria and the UAE, and represented the steepest decline in the region, while it rose by one percentage point in each of Libya and Bahrain. In parallel, the Middle East & Africa region had the third highest piracy rate in the world at 57%, behind Asia-Pacific (61%) and Central & Eastern Europe (58%). The global average piracy rate was 39% in 2015 relative to 43% in 2013.

Source: Business Software Alliance, Byblos Research

Equity markets down 4.4% in first five months of 2016

Arab stock markets decreased by 4.4% and Gulf Cooperation Council (GCC) markets dropped by 4.9% in the first five months of 2016, compared to increases of 4.6% and 7.5%, respectively, in the same period of 2015. Arab and GCC stock markets regressed by 4.8% and 5.1%, respectively, in May 2016 from the preceding month. In comparison, global equities increased by 1%, while emerging market equities grew by 1.6% in the first five months of 2016. Activity on the Damascus Securities Exchange grew by 21.8% in the first five months of 2016 and posted the best performance among Arab markets in the covered period. It was followed by the Casablanca Stock Exchange with a 9.3% increase, the Tunis Bourse with an 8.9% improvement, the Muscat Securities Market with a 7.5% rise, the Egyptian Exchange with a 6.8% growth and the Dubai Financial Market with a 5.2% increase. In contrast, activity on the Iraq Stock Exchange dropped by 39.4%, followed by the Beirut Stock Exchange with a 10.3% decrease, the Bahrain Bourse with an 8.6% decline, the Qatar Stock Exchange with an 8.5% contraction, the Palestine Exchange with an 8.3% fall, the Saudi Stock Exchange with a 6.7% decline, the Khartoum Stock Exchange with a 6% decrease, the Kuwait Stock Exchange with a 3.8% drop, the Abu Dhabi Securities Exchange with a 1.3% contraction and the Amman Stock Exchange with a 0.8% decrease. In parallel, the Tehran Stock Exchange rose by 23.4% in the first five months of 2016.

Source: Local stock markets, Dow Jones Indices, Byblos Research

KUWAIT

Profits of listed companies down 5% to \$1.65bn in first quarter of 2016

The cumulative net income of 164 out of 199 companies listed on the Kuwait Stock Exchange totaled KD496.2m, or about \$1.65bn, in the first quarter of 2016, constituting a decrease of 4.5% from KD519.8m, or \$1.75bn in the same quarter of 2015. Listed banks generated net profits of KD230.5m and accounted for 46.4% of total net earnings in the covered quarter. They were followed by industrial firms with KD58m (11.7%), telecommunication companies with KD47.6m (9.6%), financial services institutions with KD34.9m (7%), real estate development firms with KD33.5m (6.7%), basic materials companies with KD31.7m (6.4%), consumer goods firms with KD19m (3.8%), insurance companies with KD14m (2.8%), consumer services corporates with KD11.5m (2.3%), oil & gas companies with KD7.2m (1.4%), technology firms with KD5.2m (1.1%) and healthcare companies with KD3.2m (0.6%). Further, the net earnings of listed oil & gas companies rose by 4.9 times year-on-year in the first quarter of 2016, followed by technology firms with an increase of 4.3 times, healthcare companies (+21.1%), telecom firms (+8.8%) and industrial corporates (+7%). In contrast, profits of basic materials companies listed on the Kuwait Stock Exchange regressed by 24.9%, followed by financial services institutions (-23.2%), real estate development firms (-14.9%), consumer services companies (-7.4%), insurance firms (-5.5%), banks (-5.2%) and consumer goods companies (-1.8%).

Source: KAMCO

OUTLOOK

CÔTE d'IVOIRE

Favorable medium-term economic outlook

The International Monetary Fund indicated that Côte d'Ivoire's medium-term economic outlook is favorable but is subject to downside risks. It forecast the country's real GDP growth at 8.5% in 2016 and to average 7.4% per year over the 2017-20 period. It said that economic activity was resilient in 2015 as the country's real GDP grew by about 8.6%, driven by strong investment and private consumption, as well as by normal political conditions, a supportive fiscal policy and structural reforms.

The Fund projected the country's fiscal deficit to widen from 3% of GDP in 2015 to 4% of GDP in 2016, mainly due to higher public investment and interest payments. It called on authorities to build fiscal buffers to preserve fiscal sustainability and to narrow the fiscal deficit, in line with the convergence criteria of the West African Economic and Monetary Union, to which Côte d'Ivoire belongs. As such, it called for higher revenue mobilization by reducing tax exemptions, broadening the tax base, improving tax administration, and slowing expenditure growth. It considered that this would provide Côte d'Ivoire the needed space to cope with fiscal risks, while addressing infrastructure investment needs. Further, it expected the current account deficit to widen from 1.7% of GDP last year to about 3% of GDP in 2016, driven mainly by strong domestic demand. It said that key risks to the outlook include tighter and more volatile global financial conditions, a protracted global economic slowdown, a further deterioration in the financial situation of the national oil refining company, terrorist attacks, as well as macro-financial risks from potential contingent liabilities in the public sector and vulnerabilities in the financial sector.

In parallel, the IMF called for a sustained commitment to sound macroeconomic policies and structural reforms to maintain the favorable economic performance. It welcomed the authorities' 2016–2020 National Development Plan, and noted the need to enhance productivity by addressing gaps in infrastructure and human capital, and to improve the business climate.

Source: International Monetary Fund

SOUTH SUDAN

Fiscal reforms crucial for economic stabilization

The International Monetary Fund indicated that South Sudan is going through an economic crisis that has resulted in a sharp decline in national income and a rise in inflation rate to around 300%. It noted that the drop in oil production by almost half and the substantial decrease in global oil prices have led to shortfalls in government revenues and foreign currency receipts. Also, it said that the South Sudanese pound has lost about 90% of its value since authorities liberalized the exchange rate in December 2015. It added that foreign currency reserves at the Bank of South Sudan (BoSS) currently cover only few days of imports.

The Fund cautioned that the economic situation would deteriorate if macroeconomic policies do not change. It projected the fiscal deficit to exceed \$1.1bn, or 25% of GDP, in the fiscal year that ends in June 2017. It noted that financing the deficit through borrowing from the BoSS or by accumulating arrears, in line with

previous years, would continue to fuel inflation and put additional pressure on the exchange rate. In this context, the IMF called on authorities to increase non-hydrocarbon revenues and cut public spending, to strengthen expenditure controls and budget preparation, as well as to limit the accumulation of arrears. It noted, however, that further fiscal adjustment beyond these measures would make it impossible for the government to meet its obligations, such as the expenditures related to the peace agreement. It estimated that these fiscal consolidation measures would reduce the fiscal deficit to about \$300m. Also, it noted that the BoSS should regain control over monetary policy by refraining from lending to the government, by reducing the inflation rate and by rebuilding its foreign currency reserves. As such, it said that the government could meet its financing needs from external sources. It noted that strong policy efforts could encourage donors to provide financial support, including to the budget.

Source: International Monetary Fund

ANGOLA

Economic rebound contingent on proactive policy actions

Citi indicated that the drop in oil revenues and the Angolan authorities' indecisive economic policy response have taken their toll on the economy. It considered that growth in Angola's non-hydrocarbon sector is unlikely to rebound to 4% in 2017, as projected by the International Monetary Fund. First, it said that the authorities' policy response, even under an IMF program, would be insufficient to drive the rebound in the non-oil economy. It added that exchange rate adjustments in 2016 would support economic activity but, without additional supporting actions, would be insufficient to achieve the projected growth rate in 2017. As such, it considered that a sharp turnaround in the non-hydrocarbon sector's activity would require more aggressive policy actions, such as a surge in government spending or significant changes in the business environment to encourage investment. However, it noted that Angola cannot afford an increase in public spending without a rapid recovery in oil prices, given the elevated government debt levels. It added that the required change in the business environment is unlikely to materialize.

In parallel, Citi considered that an adjustment to the exchange rate would be very problematic. It noted that the Banco Nacional de Angola (BNA) has already allowed the kwanza to weaken by 70% to AOA165 against the US dollar since oil prices started to decline substantially in October 2014. It added that the kwanza is currently trading at about AOA450 per dollar on the parallel market, reflecting a differential of about 170% between the official and parallel market exchange rates. It anticipated that the BNA's recent decision to reduce its sales of foreign currency could further widen the differential between the two rates in the second half of 2016. It considered that the prevailing conditions complicate decision making about adjusting the value of the currency. Overall, Citi welcomed Angola's talks with the IMF, as an IMF program would improve the policy framework. In addition, it said that IMF support, along with the country's foreign currency reserves that reached \$23.3bn at the end of February 2016 and an ongoing moratorium on Angola's debt service requirements to China could make the required exchange rate adjustment less difficult.

Source: Citi



ECONOMY & TRADE

JORDAN

Ratings affirmed, outlook 'stable'

Capital Intelligence affirmed Jordan's long-term foreign currency sovereign rating at 'BB-' and its long-term local currency sovereign rating at 'BB', with a 'stable' outlook. It maintained the short-term foreign and local currency ratings at 'B'. It said that the affirmation of the ratings reflects the country's capacity to absorb economic shocks in the context of sustained low global oil prices and its adequate level of foreign currency reserves. It noted that Jordan's foreign currency reserves reached \$14.2bn at the end of 2015 and covered almost 100% of the external debt that matures in 2016. It estimated the current account deficit to have widened from 7.3% of GDP in 2014 to 9% of GDP in 2015. The agency indicated that balance-of-payments risks remain elevated and that fundamental weaknesses persist. It said that Jordan's exports suffered from the interruption of trade lines in Syria and Iraq, while its imports are subject to fluctuations in oil prices. Also, it attributed the rise in foreign reserves to external borrowing rather than to a fundamental improvement in the country's trade dynamics. In parallel, the agency indicated that Jordan's fiscal performance continues to improve, partly due to fiscal consolidation measures. It projected the fiscal deficit, including grants, to narrow from 3.4% of GDP in 2015 to around 1% of GDP by 2017. However, it indicated that public finances constitute the major constraint on the ratings, given the high debt level of more than 90% of GDP in 2015 and the elevated financing requirements. But it noted that near-term refinancing risks are manageable, as most of the scheduled debt repayments are in local currency.

Source: *Capital Intelligence*

ALGERIA

New investment law aims to compensate for drop in export receipts

Research and analytics provider IHS Global Insight expected Algeria to ratify a new investment law in 2016 as part of the government's efforts to promote economic activity and to compensate for the drop in energy export receipts. It noted that the draft law intends to improve the country's difficult business environment and increase domestic and foreign investment. It added that the law aims to encourage investment in the steel-making, electrical goods manufacturing, chemicals, automotive, pharmaceuticals, aerospace, shipbuilding, and textiles sectors. The law will include a 10-year exemption on property taxes for projects, and a five-year exemption from corporate income tax and the tax on professional activities. It added that imported goods and services intended for investment projects will also be exempted from the value-added tax and import duties. However, IHS said that these measures are likely to take time to produce a tangible improvement, given Algeria's highly centralized bureaucracy and a likely shortage of administrative capability at the local level. It also indicated that Algeria would struggle to diversify its economy away from the hydrocarbon sector, due to divisions within the political elite and poor administrative capacity. It added that the draft law does not address obstacles to foreign investment, such as the 49% limit on foreign ownership. IHS noted that Algeria's foreign currency reserves of over 24 months of import cover and its low debt level will help cushion the social impact of fiscal austerity.

Source: *IHS Global Insight*

IRAQ

Deal with IMF to restore confidence in economy and public finances

Merrill Lynch indicated that Iraq's transition from the current IMF's Staff-Monitored Program (SMP) to the IMF's three-year \$5.4bn Stand-By Arrangement (SBA), six months before the expiration of the SMP at the end of 2016, is positive despite the country's weak implementation capacity and track record. It said that the early transition to an SBA reflects international support amid Iraq's increasing financing needs and the continued war against the Islamic State militant group. It added that the early transition to the SBA aims at restoring domestic and international confidence in Iraq, which could facilitate Iraq's issuance of \$2bn in Eurobonds in the second half of 2016 to cover its financing needs. But it expected the government's reform program to face obstacles if the domestic political deadlock persists. It considered that the IMF deal would be at risk if Prime Minister Haidar al-Abadi is removed from power, which could threaten the prospects of foreign funding. In parallel, Merrill Lynch indicated that the financing package under the SBA program is significantly lower than the fiscal deficit target of \$19.5bn, or 10.2% of GDP, for 2016. Also, it considered that a devaluation of the Iraqi dinar would help narrow the fiscal deficit, but it did not expect the IMF to recommend a currency devaluation as part of the SBA program. Further, it noted that the Kurdistan Regional Government could benefit from financial flows from the IMF deal, subject to Baghdad's approval.

Source: *Merrill Lynch*

EGYPT

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Egypt's long-term foreign and local currency Issuer Default Ratings (IDR) at 'B', with a 'stable' outlook. It also affirmed Egypt's Country Ceiling, short-term foreign currency IDR and senior unsecured bonds at 'B'. The agency indicated that the ratings balance the country's wide fiscal deficit, elevated public debt level, low foreign currency reserves coverage of imports and volatile political environment, with its low external debt level and its progress in the implementation of economic and fiscal reforms. It projected the deficit to narrow slightly from 11.6% of GDP in the fiscal year ending in June 2016 to 11% of GDP in FY2016/17. But it expected the deficit to be wider than the government's target deficit of 9.8% of GDP due to weaker growth assumptions and implementation risks of the budget law that include cuts in fuel and electricity subsidies and the introduction of the value added tax. It forecast the public debt level to rise slightly from 90.3% of GDP in FY2015/16 to 90.5% of GDP by the end of June 2017 due to the moderate narrowing of the fiscal deficit and further exchange-rate weakness. But it expected the debt level to decrease afterwards as a result of a narrower fiscal deficit and strong growth in nominal GDP. Further, the agency noted that foreign exchange reserves coverage remains low at nearly three months of current external payments. It said that the external debt has been rising, mainly due to concessional support from GCC economies, but it noted that the net external debt would remain just below 7% of GDP compared to a median of 26.3% of GDP among 'B'-rated peers.

Source: *Fitch Ratings*



BANKING

IRAQ

Pre-tax profits down 44% in first quarter of 2016

The cumulative unaudited pre-tax profits of 21 out of 24 listed banks on the Iraq Stock Exchange totaled \$46.3m in the first quarter of 2016, constituting a decrease of 44.1% from \$82.9m in the first quarter of 2015. Kurdistan International Bank posted pre-tax profits of \$11m during the covered quarter, the highest level among the 21 listed banks, and equivalent to 23.8% of the total. It was followed by Mansour Bank for Investment with \$5.4m (11.6%), Bank of Baghdad with \$4.9m (10.6%), National Islamic Bank with \$4.1m (8.9%), Iraq Trans Bank with \$3.7m (8.1%), Investment Bank of Iraq with \$3m (6.5%), Iraqi Middle East Investment Bank with \$2.9m (6.3%), Ashur International Bank for Investment with \$1.9m (4.2%), Iraqi Islamic Bank for Investment & Development with \$1.8m (3.9%) and Credit Bank of Iraq with \$1.7m (3.7%). In parallel, Babylon Bank posted the highest annual increase in pre-tax profits over the first quarter of 2016 at +219%, followed by the Iraqi Islamic Bank for Investment & Development (+180%), the National Islamic Bank (+14%) and Mansour Bank for Investment (+9.1%). In contrast, the United Bank for Investment posted the steepest annual decline in pre-tax profits at -88%, followed by Elaf Islamic Bank (-72.6%), the Ashur International Bank for Investment (-64.5%) and North Bank (-59.4%). The results of Dar Essalaam Investment Bank, along with Gulf Commercial bank and Sumer Commercial Bank, shifted from profits to losses in the first quarter of 2016; while that of Dijlah & Furat Bank for Development & Investment switched to profits in the covered quarter from losses in the first quarter last year.

Source: Rabee Securities, Byblos Research

OMAN

Agency takes rating action on banks

Capital Intelligence affirmed at 'A-' the long-term foreign currency rating (FCR) of Bank Muscat (BM) and at 'BBB+' that of National Bank of Oman (NBO), while it downgraded the long-term FCR of Oman Arab Bank (OAB) and Bank Sohar (BS) from 'BBB+' to 'BBB'. It also downgraded the short-term FCR of OAB from 'A2' to 'A3', while it affirmed those of NBO and BM at 'A2' and of BS at 'A3'. Further, Capital Intelligence revised the outlook on the long-term FCR of NBO, OAB and BS from 'stable' to 'negative', while it maintained the outlook for BM at 'negative'. In parallel, the agency downgraded the financial strength rating (FSR) of BM from 'A' to 'A-', that of OAB from 'BBB+' to 'BBB' and that of BS from 'BBB' to 'BBB-'. Further, it affirmed at 'BBB+' the FSR of NBO due to the bank's very solid capital adequacy ratio, sustained improvement in asset quality and its increased profitability. It revised the outlook on the banks' FSR from 'stable' to 'negative'. It attributed the downgrades and the 'negative' outlook on the banks' ratings to the adverse impact of lower oil prices on Oman's fiscal and economic strength and on the operating environment, as well as on the sovereign's reduced ability to support the banking system. The agency indicated that BM's ratings, which is the largest bank in the country, are supported by its still strong financial metrics and the government's majority ownership, but are constrained by the continued decline in profitability and high concentration in loans and deposits.

Source: Capital Intelligence

QATAR

Banking sector assessment maintained

S&P Global Ratings classified Qatar's banking sector in 'Group 5' under its Banking Industry Country Risk Assessment (BICRA), with economic and industry risk scores of '5' each. The BICRA framework evaluates global banking systems based on economic and industry risks facing the banking sector, with 'Group 10' including the riskiest banking sectors. Other countries in BICRA's 'Group 5' include China, India, Oman, Panama, Poland, Spain, South Africa and the UAE. S&P indicated that Qatar's economic risk score reflects its "high risks" in economic imbalances, as well as "intermediate risks" in economic resilience and in credit risk in the economy. It projected the banks' credit growth to slow down due to weaker economic activity. Also, it expected the banks' non-performing loans to increase between 2016 and 2018, which would lead to higher credit losses and lower profitability. It projected some pressure on the banks' loan books, mainly related to certain sectors such as real estate, contracting and hospitality. In parallel, it pointed out that the industry score reflects the country's "high risks" in its competitive dynamics and "intermediate risks" in its institutional framework and its systemwide funding. It noted that the banking sector benefits from adequate regulation and supervision. It expected the banks' net external funding to increase as they try to diversify their funding base. It forecast the banks' profitability to come under pressure, given the anticipated slowdown in lending growth and the rise in the cost of funds from tighter liquidity conditions. It said that the trend for economic and industry risks is "stable".

Source: S&P Global Ratings

NIGERIA

Banks' asset quality to deteriorate from rising credit risks

The Central Bank of Nigeria (CBN) indicated that the risk-weighted capital adequacy ratio of Nigerian banks regressed slightly from 17.6% at the end of June 2015 to 17.5% at end-2015, while the Tier-One capital ratio fell from 17.4% at end-June 2015 to 15.1% at the end of 2015 due to a drop in the banks' general reserves in the second half of 2015. Further, it said that the banks' asset quality deteriorated in the second half of 2015 due to the unfavorable domestic environment. It added that the sector's non-performing loans ratio increased from 4.65% at the end of June 2015 to 4.86% at the end of 2015, but remained below the prudential ceiling of 5%. It noted that some banks had an NPLs ratio above the regulatory maximum limit of 5%, but it did not expect this to pose significant risks to the banking industry. It anticipated credit risks to increase due to a potential rise in NPLs from loans extended to firms in the oil & gas sector. The CBN indicated that its stress tests show that the banking sector in general, and larger banks in particular, are resilient to a rise in credit risks. It noted that large banks would post a capital adequacy ratio above the 10% minimum regulatory ratio under a scenario whereby NPLs increase by 200%, while medium- and small-sized banks would not meet the regulatory ratio. In parallel, the CBN indicated that the liquidity ratio of Nigerian banks rose from 39.3% at the end of June 2015 to 48.6% at the end of 2015, supported by its expansionary monetary policy.

Source: Central Bank of Nigeria



COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central govt. balance/ GDP (%)	Gross Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	IHS								
Africa													
Algeria	-	-	-	-	BB+	-11.2	24.6	4.2	18.9	2.2	-	-11.1	1.0
Angola	B	B1	B+	-	B+	-7.1	70.1	96.8*	85.0**	7.3	14.4	-11.6	2.6
Egypt	B-	B3	B	B-	B-	-10.1	93.5	21.1	206.8	11.5	302.8	-5.2	2.4
Ethiopia	B	B1	B	-	B+	-3.0	55.4	29.0*	159.6	4.3	634.6	-10.7	4.1
Ghana	B-	B3	B	-	B+	-3.9	74.1	44.7	110.4**	10.3	371.8	-7.2	7.7
Ivory Coast	-	Ba3	B+	-	B+	-3.1	33.0	34.1	62.9	2.7	169.6	-1.8	3.3
Libya	-	-	B	-	B-	-35.4	83.0	16.5	51.6	-	-	-48.7	-9.6
Dem Rep Congo	B-	B3	-	-	CCC	1.1	19.8	16.6*	41.6	2.1	6.5	-14.2	4.5
Morocco	BBB-	Ba1	BBB-	-	BBB	-3.5	56.5	39.2	124.8	19.9	185.6	-0.5	2.6
Nigeria	B+	B1	BB-	-	BB-	-4.7	13.3	5.5	62.5	0.7	63.2	-3.1	1.2
Sudan	-	-	-	-	CC	-1.7	58.3	53.2	-	-	-	-6.3	1.3
Tunisia	-	Ba3	BB-	-	BB+	-5.1	57.8	80.7	165.6	15.7	423.9	-8.7	4.2
Burkina Faso	B-	-	-	-	B+	-3.0	32.6	23.2*	-	-	-	-5.3	2.3
Rwanda	B+	-	B	-	B+	-3.1	41.5	34.4*	-	-	-	-14.2	4.1
Middle East													
Bahrain	BB	Ba2	BBB-	BBB-	BBB-	-14.7	73.2	127.6	239.3	24.6	-	-2.1	-0.2
Iran	-	-	-	BB-	BB-	-2.6	17.5	2.2	8.8	-	-	-2.6	-
Iraq	B-	(P)Caa1	B-	-	CC+	-11.3	71.4	59.1	158.8	-	-	-2.8	-
Jordan	BB-	B1	-	BB-	BB+	-3.4	90.4	64.5	141.2**	4	177.3	-6.4	5.5
Kuwait	AA	Aa2	AA	AA-	AA-	-2.4	12.8	36.1	61.9	10.5	107.6	-2.1	-8.4
Lebanon	B-	B2	B	B	B-	-7.8	142.6	175.4	207.2**	23.4	151.1	-21.3	5.9
Oman	BBB	Baa1	-	A-	BBB	-15.2	25.6	27.5	48.4	5.6	-	-22.4	-1.0
Qatar	AA	Aa2	AA	AA-	AA-	-2.9	41.6	110.9	213.8	24.9	-	-2.0	-1.8
Saudi Arabia	A-	A1	AA-	AA-	AA-	-11.7	17.6	19.7	60.7	4.2	-	-11.0	0.8
Syria	-	-	-	-	C	-	-	36.5	-	-	-	-	0.6
UAE	-	Aa2	-	AA-	AA-	-6.4	64.9	51.2	54.2	4.0	313.8	-0.3	1.1
Yemen	-	-	-	-	CCC	-10.0	67.3	17.3	-	-	197.2	-7.0	-0.2

COUNTRY RISK METRICS

Countries	LT Foreign currency rating					Central gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	External debt / GDP (%)	External debt/ Exports (%)	Debt service ratio (%)	External Debt/ Forex Res. (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI	IHS								
Asia													
Armenia	-	B1	B+	-	B-	-4.1	48.5	78.6	168.2	23.6	612.8	-4.3	3.8
	-	Stable	Stable	-	Stable								
China	AA-	Aa3	A+	-	A	-2.6	41.0	5.1	21.5	3.9	53.5	2.6	1.7
	Stable	Stable	Stable	-	Stable								
India	BBB-	Baa3	BBB-	-	BBB	-6.2	47.5	22.4	111.9	7.3	156.2	-0.6	1.0
	Stable	Positive	Stable	-	Stable								
Kazakhstan	BBB-	Baa2	BBB+	-	BBB-	-4.0	22.1	151.2	325.8	33.6	824.6	-4.0	3.5
	Negative	CWN***	Stable	-	Negative								
Central & Eastern Europe													
Bulgaria	BBB	Baa2	BBB-	-	BBB-	-1.5	33.5	88.9	117.6	28.0	236.3	3.4	2.5
	Negative	Stable	Stable	-	Stable								
Romania	BBB-	Baa3	BBB-	-	BBB-	-3.9	42.9	53.0	121.9	14.4	224.0	1.1	1.7
	Stable	Negative	Stable	-	Positive								
Russia	BB+	Baa3	BBB-	-	BB+	-3.1	13.6	37.9	114.5	19.6	150.3	4.9	-1.7
	Negative	CWN***	Negative	-	Negative								
Turkey	BB+	Baa3	BBB-	BB+	BB-	-2.4	33.5	57.3	215.0	19.8	405.8	-4.1	0.7
	Stable	Negative	Stable	Stable	Negative								
Ukraine	CCC	Caa3	CCC	-	B-	-4.2	69.9	127.1	235.3	22.4	663.6	0.4	1.1
	Negative	Negative	-	-	Stable								

*to official creditors

** external debt/current account receipts

***Credit Watch Negative

Source: Institute of International Finance; International Monetary Fund; IHS Global Insight; Moody's Investors Service; Byblos Research - The above figures are forecasts for 2016



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25-0.50	27-Apr-16	No change	15-Jun-16
Eurozone	Refi Rate	0.00	21-Apr-16	No change	02-Jun-16
UK	Bank Rate	0.50	12-May-16	No change	16-Jun-16
Japan	O/N Call Rate	-0.10	28-Apr-16	No change	16-Jun-16
Australia	Cash Rate	1.75	03-May-16	Cut 25 bps	07-Jun-16
New Zealand	Cash Rate	2.25	28-Apr-16	No change	08-Jun-16
Switzerland	3 month Libor target	-1.25(-0.25)	17-Mar-16	No change	16-Jun-16
Canada	Overnight rate	0.50	25-May-16	No change	13-Jul-16
Emerging Markets					
China	One-year lending rate	4.35	17-Dec-15	Cut 25bps	N/A
Hong Kong	Base Rate	0.75	16-Mar-16	No Change	15-Jun-16
Taiwan	Discount Rate	1.50	24-Mar-16	Cut 13bps	30-Jun-16
South Korea	Base Rate	1.50	13-May-16	No change	09-Jun-16
Malaysia	O/N Policy Rate	3.25	19-May-16	No change	13-Jul-16
Thailand	1D Repo	1.50	11-May-16	No change	22-Jun-16
India	Reverse repo rate	6.50	05-Apr-16	Cut 25bps	07-Jun-16
UAE	Overnight repo rate	1.25	17-Dec-15	Raised 25bps	N/A
Saudi Arabia	Reverse repo rate	0.50	16-Dec-15	Raised 25bps	N/A
Egypt	Overnight Deposit	10.75	28-Apr-16	No change	16-Jun-16
Turkey	Base Rate	7.50	24-May-16	No change	21-Jun-16
South Africa	Repo rate	7.00	19-May-16	No change	21-Jul-16
Kenya	Central Bank Rate	10.50	22-May-16	Cut 100 bps	N/A
Nigeria	Monetary Policy Rate	12.00	24-May-16	No change	26-Jul-16
Ghana	Prime Rate	26.00	16-May-16	No change	18-Jun-16
Angola	Base rate	14.00	30-Mar-16	Raised 200bps	02-Jun-16
Mexico	Target Rate	3.75	05-May-16	No change	30-Jun-16
Brazil	Selic Rate	14.25	27-Apr-16	No change	08-Jun-16
Armenia	Refi Rate	7.75	17-May-16	Cut 50bps	28-Jun-16
Romania	Policy Rate	1.75	05-May-16	No change	30-Jun-16
Bulgaria	Base Interest	0.00	01-Jun-16	No change	01-July-16
Kazakhstan	Repo Rate	15.00	05-May-16	Cut 200bps	06-Jun-16
Ukraine	Discount Rate	18.00	26-May-16	Cut 100bps	23-Jun-16
Russia	Refi Rate	11.00	29-Apr-16	No change	10-Jun-16



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