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BYBLOS BANK SAL
Economic Research & Analysis Department

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NEWS HEADLINES

EMERGING MARKETS

Sovereigns to issue $128bn in Eurobonds in 2025

Barclays Capital projected emerging market (EM) sovereigns to issue $128bn in foreign currency-denominated bonds in 2025, relative to an expected supply of between $155bn and $160bn in 2024. It forecast the Emerging Europe, the Middle East and Africa (EEMEA) region to issue $75bn worth of Eurobonds, equivalent to 62% of total EM Eurobond output in 2025, unchanged from 2024, followed by Latin America with $31bn, or 25.6% of the total, down from $33bn in 2024, and Emerging Asia with $22bn (18.2%), up from $13bn in 2024. On a country basis, it expected Poland to issue $15bn in sovereign Eurobonds, or 11.7% of total EM supply in 2025, followed by Türkiye with $11bn (8.6%), Indonesia with $10bn (7.8%), Romania with $9bn (7%), Saudi Arabia and Mexico with $8bn each (6.3% each), Columbia with $5bn (3.9%), and the Philippines and Brazil with $4bn each (3.1% each) as the largest issuers next year. It projected BBB-rated sovereigns to issue $43bn in foreign currency-denominated bonds in 2025, followed by BB-rated issuers with $33bn, A-rated sovereigns with $28bn, B-rated issuers with $11bn, and AA-rated sovereigns with $9bn. In parallel, it expected interest and principal repayments on Eurobonds to reach $63bn and $76bn, respectively, next year. It forecast interest payments at $35bn in the EEMEA region, at $21bn in Latin America, and at $7bn in Emerging Asia in 2025; and principal redemptions of $49bn in the EEMEA region, of $15bn in Latin America, and of $13bn in Emerging Asia next year.
Source: Barclays Capital

GCC

Fixed income issuance up 63% to $166bn in first 10 months of 2024

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached $166.2bn in the first 10 months of 2024, constituting a surge of 63% from $102bn in the same period of 2023. Fixed income issuance in the first 10 months of the year consisted of $64.1bn in corporate bonds, or 38.6% of the total, followed by $38.6bn in sovereign sukuk (23.2%), $32.5bn in corporate sukuk (19.6%), and $31bn in sovereign bonds (18.7%). Further, aggregate bonds and sukuk issued by corporates in the GCC stood at $96.6bn in the first 10 months of 2024, or 58% of fixed income output in the region; while issuance by GCC sovereigns reached $69.6bn, or 42% of the total. GCC sovereigns issued $30.5bn in bonds and sukuk in January, $2.3bn in February, $2bn in March, $14.1bn in April, $8.6bn in May, $5.8bn in June, $2.8bn in July, $1.7bn in August, $1bn in September, and $800m in October 2024. Also, GCC companies issued $13.6bn in bonds and sukuk in January, $8.2bn in February, $10.5bn in March, $4.6bn in April, $7.9bn in May, $7bn in June, $17.3bn in July, $2.3bn in August, $11.5bn in September, and $13.7bn in October 2024. In parallel, corporate output in October 2024 included $3.83bn in bonds and $500m in sukuk that UAE-based companies issued, $3.75bn in sukuk issued by firms based in Saudi Arabia, $1.06bn in bonds and $1.1bn in sukuk that Qatari firms issued, and $150.4m in bonds and $841m in sukuk issued by firms in Oman. Also, sovereign proceeds in the covered month consisted of $750m in sukuk that the UAE issued.
Source: KAMCO, Byblos Research

MENA

Stock markets nearly unchanged in first 10 months of 2024

Arab stock markets were nearly unchanged and Gulf Cooperation Council equity markets increased by 8.6% in the first 10 months of 2024, relative to declines of 4.6% and of 4%, respectively, in the same period of 2023. In comparison, global stocks and emerging market equities improved by 13.8% and 12.1% in the covered period. Activity on the Damascus Securities Exchange, based on the official stock market index, surged by 53.6% in the first 10 months of 2024, the Egyptian Exchange rose by 23.2%, the Casablanca Stock Exchange increased by 17.2%, the Boursa Kuwait yielded 17%, and the Iraq Stock Exchange grew by 16.9%. Also, the Dubai Financial Market gained 13%, the Tunis Bourse appreciated by 12.7%, the Beirut Stock Exchange rose by 7.7%, the Muscat Securities Market advanced by 5.2%, the Bahrain Bourse increased by 2.4%, and the Saudi Stock Exchange improved by 0.5% in the covered period. In contrast, the Palestine Exchange dropped by 18.8% in the first 10 months of 2024, the Qatar Stock Exchange decreased by 2.8%, the Abu Dhabi Securities Exchange contracted by 2.6%, and the Amman Stock Exchange regressed by 1%.
Source: Local stock markets, Dow Jones Indices, Refinitiv, Byblos Research

Rule of law varies across region

The World Justice Project ranked the UAE in 39th place among 142 countries globally and in first place among Arab Countries on its Rule of Law Index for 2024. Kuwait followed in 52nd place, then Jordan (61st), Tunisia (76th) and Algeria (84th), as the five countries with a better implementation of the rule of law in the Arab world; while Morocco (92nd), Lebanon (108th), Mauritania (132nd), Sudan (134th), and Egypt (135th) have a weaker rule of law regionally. The index measures the implementation of the rule of law in each country by evaluating eight broad factors that affect the rule of law and by assigning a score to each country. Based on the same set of countries included in the 2023 and 2024 surveys, the rankings of four Arab countries deteriorated, the position of three economies improved, and three countries' ranks were unchanged from the preceding survey; while the scores of four countries increased and those of six Arab countries decreased. The UAE ranked first regionally on six out of eight factors, and Tunisia came in first place on two factors. The average score for Arab countries stood at 0.475 points relative to an average score of 0.477 points in the 2023 survey and 0.54 points in the 2014 index. It also came lower than the global average score of 0.55 points, as well as the average score of the European Union & North America (0.73 points), East Asia & the Pacific region (0.59 points), Latin America & the Caribbean (0.52 points) and Eastern Europe & Central Asia (0.5 points). But it is exceeded the average scores of Sub-Saharan Africa (0.46 points) and of South Asia (0.43 points).
Source: World Justice Project, Byblos Research

OUTLOOK

WORLD

Global growth at 2.7% in 2024-25 period, outlook to be affected by debt dynamics

The United Nations Conference on Trade & Development (UNCTAD) projected the global economy to grow by 2.7% in each of 2024 and 2025, unchanged from 2023, which would mark three years of stable but stagnating growth amid gradual global disinflation. In addition, it forecast the real GDP growth rate in developed countries at 1.8% in 2024 and 1.7% in 2025, while it projected growth in developing economies at 4.1% in 2024 and 4.2% in 2025. It stated that greater access to affordable, reliable and longer-term financing options for the most vulnerable developing countries will be key to adequate public investments. It expressed concerns about public debt dynamics, as the combination of low growth rates and high debt servicing costs are exacerbating the debt burden in several countries. It said that the public debt build-up and the size of investments needed to address the prevailing development and climate challenges require the increase in public revenues.

In parallel, it projected the real GDP growth rate of Western Asia at 2.4% in 2024 due to the stabilization of oil prices and a rebound in major oil-exporting economies, and forecast growth to accelerate to 3.9% in 2025 in the absence of a further escalation of regional tensions. It considered that downside risks to the outlook include the intensification of conflicts in the Middle East that could disrupt international shipping activity through the Red Sea and impact the economic performance across the entire region and beyond. Further, it anticipated economic activity in Africa to grow by 3% in 2024 and 3.2% in 2025, despite deteriorating external accounts in many African economies. But it expected African governments to implement fiscal consolidation in response to challenging debt conditions, higher financing costs, declining aid flows, wide budget deficits, and subdued export revenues. Also, it projected Asia's real GDP growth rate at 4% in each of 2024 and 2025, supported by robust economic activity in major economies.

Source: UNCTAD

SAUDI ARABIA

Economic activity to pick up to 5% in 2025 on reforms and oil output

The National Bank of Kuwait (NBK) projected real GDP growth accelerate from 1.1% in 2024 to 5% in 2025, due to a recovery in oil output as well as to higher investments and private sector consumption. It anticipated real hydrocarbon GDP to contract by 5.3% this year and to grow by 6.7% in 2025, as it expected oil production to rise by 1 million barrels per day (b/d) to 9.6 million b/d by end-2025. It also forecast activity in the non-oil sector to grow by 3.7% in 2024 and 4.2% in 2025, driven by business diversification, momentum from government reforms, and an expansionary fiscal policy. It said that the implementation of the Saudi National Investment Strategy should further drive output gains in the manufacturing, trade and hospitality sectors.

Further, it forecast the fiscal deficit to widen from 2.7% of GDP in 2024 to 3.5% of GDP in 2025, driven by elevated public expenditures and lower oil revenues despite higher production. It expected oil receipts to decrease due to the expected decline in oil prices in 2025 that will exceed the projected increase in Saudi oil exports after the OPEC+ coalition begins unwinding its supply cuts. It anticipated the deficit to be financed through the issuance of bonds and sukuk. As such, it forecast the public debt level at 27.8% of GDP at the end of 2024 and 29% of GDP at end-2025. Further, it expected the current account surplus to decrease from 1.5% of GDP in 2024 to 0.3% of GDP in 2025.

In parallel, NBK considered that the main upside risks to Saudi Arabia's growth outlook are higher-than-expected foreign direct investments and tourism receipts, supported by reform progress and the hosting of entertainment events. In contrast, it considered that downside risks include a slowdown in spending on large projects, weaker-than-forecast oil prices, and the escalation of conflicts between Israel and Iran that could increasingly weigh on the region's economic prospects.

Source: National Bank of Kuwait

TUNISIA

External financing needs at $20.1bn in 2025, outlook on IMF program unclear

Bank of America indicated that the Tunisian authorities expect the fiscal deficit to narrow from the 2024 budget target of 6.6% of GDP to 6.3% of GDP this year, due to higher public revenues and spending controls. It added that the 2025 budget assumes a fiscal deficit of 5.5% of GDP for the year amid continued fiscal consolidation, which includes a higher mobilization of tax revenues, and forecast the public debt level to decrease from 82% of GDP in 2024 to 80% of GDP in 2025. Further, it said that the government anticipates external borrowing of TND5bn, or $1.6bn, and domestic borrowing of TND23bn ($7.4bn) in 2024, and that it is targeting external financing of TND6.1bn ($2bn) for 2025. It stated that the government is aiming for financial support from Saudi Arabia and Kuwait, but it did not expect the two countries to provide a material support to Tunisia in the absence of a program with the International Monetary Fund (IMF). Also, it considered that access to international bond markets will remain challenging for Tunisia in the absence of a sustainable economic policy mix, despite the authorities' interest in renewing access.

In addition, it anticipated that the appetite of donors to provide financial support to the government will decrease in the medium term in the absence of reforms. Further, it did not expect the authorities to reach an agreement with the IMF, but it considered that President Kais Saïed could accept an IMF program that includes debt relief as part of a Paris Club treatment, rather than supporting a conventional program. Further, it anticipated foreign currency reserves at Banque Centrale de Tunisie to decline due to the monetization of the deficit and in the absence of economic reforms or financial support, which could lead to higher arrears or to a default on Eurobonds. But it said that foreign currency reserves remain comfortable to service the $1bn Eurobond that matures in January 2025. Further, it projected the government's external funding needs at $20.1bn and the funding gap at $2bn in 2025 in the absence of additional financial support, which could be covered by foreign currency reserves. It noted that the authorities need to service $2.9bn in medium- and long-term external redemptions and to roll over $1.5bn in short-term external debt that is due to state-owned enterprises and commercial banks.

Source: Bank of America

GCC

Agencies take rating actions on sovereigns

S&P Global Ratings affirmed Qatar's short- and long-term foreign and local currency sovereign credit ratings at 'A-1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It pointed out that the ratings are supported by the country's strong external position and the substantial assets of the Qatar Investment Authority. It added that the 'stable' outlook reflects Qatar's fiscal and external buffers that benefit from the country's status as one of the world's largest exporters of liquefied natural gas. Also, it projected Qatar's gross external financing needs to increase from 168% of current account receipts plus usable reserves in 2024, to 175% and 167.7% of such receipts and reserves in 2025 and 2026, respectively. It pointed out that it could revise the outlook to 'positive' if the country's external position reduces, including a decline in the country's external financing needs, along with a significant improvement in data transparency. In parallel, Capital Intelligence Ratings affirmed Bahrain's short- and long-term foreign and local currency sovereign ratings at 'B' and 'B+', respectively, and maintained the 'stable' outlook on the long-term ratings. It attributed the affirmation of the ratings to the continued primary budget and current account surpluses, driven by high hydrocarbon prices and fiscal consolidation measures, as well as by ongoing financial assistance from Gulf Cooperation Council countries in case of need. But it said that the ratings are constrained by a high level of government debt and limited fiscal flexibility. Further, it noted that it could change the outlook to 'negative' if sovereign credit risk increases, public finances deteriorate, the public debt level rises, and/or if access to international markets tightens.

Source: S&P Global Ratings, Capital Intelligence Ratings

SYRIA

Economy to contract by 1.3% in 2024-25 period

The World Bank projected Syria's real GDP to contract by 1.5% in 2024 and by 1% in 2025 due to a multitude of challenges stemming from conflicts both within Syria and across the region. It said that macroeconomic conditions in the country continue to deteriorate due to the prolonged armed conflict, low crop production, soaring food prices, and diminished humanitarian aid and fiscal subsidies. It added that several external shocks, including the effects of the war in Ukraine on commodity prices, earthquakes in Syria and Türkiye in February 2023, as well as attacks and trade disruptions related to the ongoing conflict in the Middle East, are weighing on the country's economy. Also, it forecast the inflation rate to decrease from 37.7% in 2024 to 11.3% in 2025. It pointed out that Syria's nominal GDP has shrank by by 84% between 2010 and 2023, and noted that the domestic conflict has weakened the country's capacity to absorb external economic shocks. In parallel, it projected the fiscal deficit to narrow from 4.1% of GDP in 2024 to 3.8% of GDP in 2025. Also, it forecast the extreme poverty rate to reach 33.1% in 2024 and 37.4% in 2025. In addition, it considered that the outlook is subject to significant downside risks. It pointed out that a broader regional conflict could lead to a rise in commodity prices and negatively affect Syria as a net food and fuel importer. It added that escalating airstrikes and attacks may lead to additional infrastructure damage, potentially further disrupting supply chains.

Source: World Bank

EGYPT

Sovereign ratings upgraded on improved external metrics

Fitch Ratings upgraded Egypt's long-term local and foreign currency issuer default ratings (IDRs) from 'B-' to 'B', which is five notches below investment grade, and affirmed the country's short-local and foreign currency IDRs at 'B'. It also revised the outlook on the long-term ratings from 'positive' to 'stable'. It attributed the upgrade to the reduced risks to Egypt's external financing, to the country's replenished external buffers, to additional foreign capital flows from the International Monetary Fund's Extended Fund Facility, as well as to policy adjustments. Further, it expected the current account deficit to narrow from 5.2% of GDP in the fiscal year that ends in June 2025 to 4% of GDP in FY2025/26, driven by external funding support. It considered that a further escalation of the regional conflict constitutes a key risk through lower receipts from the Suez Canal and decreasing tourism revenues. It noted that the additional increase in debt servicing costs would lead to a widening of the fiscal deficit to 7.5% of GDP in FY2024/25. It considered that measures to limit off-budget public investments and widen the tax base would moderately reduce the risks to public finances in the near term. In parallel, the agency indicated that it could downgrade the ratings in case of increased debt sustainability risks, if external financing deteriorates, and/or if geopolitical tensions escalate.

Source: Fitch Ratings

TÜRKIYE

Sovereign ratings upgraded on improving economic conditions

S&P Global Ratings upgraded Türkiye's long-term sovereign foreign and local currency credit ratings from 'B+' to 'BB-', three notches below investment grade, and affirmed the country's short-term sovereign foreign and local currency credit rating at 'B'. Also, it upgraded the Transfer & Convertibility Assessment from 'BB-' to 'BB'. Also, it revised the outlook on the long-term ratings from 'positive' to 'stable'. It attributed the upgrades to the Central Bank of the Republic of Türkiye's tight monetary stance that has led to the stabilization of the exchange rate of the Turkish lira, to the decrease in the inflation rate, the rebuilding of foreign currency reserves, and to the de-dollarization of the financial sector. It said that the 'stable' outlook reflects balanced risks about the authorities' ambitious plans to reduce the still-elevated inflation rate and rebalance the Turkish economy. It indicated that Türkiye's external liquidity position has improved, as foreign reserves, excluding foreign currency borrowed from domestic residents, currently exceed $110bn. Also, it projected the country's gross external financing needs at 149% of current account receipts and usable reserves in 2024 and at 134.8% and 130% of such receipts and reserves in 2025 and 2026, respectively. In parallel, it noted that it could upgrade the ratings if policymakers succeed in reducing inflation rates and in restoring confidence in the lira amid a reversal of the dollarization of deposits. In contrast, it said that it could downgrade the ratings if pressures on Türkiye's financial stability intensify and/or if public finances weaken.

Source: S&P Global Ratings

SAUDI ARABIA

Sustained credit growth may put pressure on bank financing

In its base-case scenario about the impact of megaprojects on the liquidity of the Saudi banking sector in the next 18 months, Moody's Ratings expected bank lending to grow by 2.5% for every 1% increase in non-oil GDP, assuming that work progresses on several projects that are timed for delivery in the 2025-27 period. Also, it anticipated deposits to increase by 10% in the near term, supported by the government's reforms to attract additional foreign investors. As such, it projected the sector's loans-to-deposits ratio at 108% in 2024 and 112% in 2025, up from 104% in 2023, given that it expected the banks' reliance on market funding to increase. Under its stress-case scenario, it forecast the banking sector's loans-to-deposits ratio at 113% in 2024 and 123% in 2025. It said that banks hold sizable longer duration assets that carry low interest rates, which would increase their cost of funds and, in turn, could result in narrowing their interest margins, assuming that yields on assets do not offsett the increase in the cost of funding. Also, it expected lending growth to outpace deposit growth in the two scenarios, which would trigger an increase in funding shortages in the near term. As a result, it considered that the banks will need to tap costlier, confidence-sensitive market funding to mitigate the funding constraints that the rising demand for credit would impose on banks. It indicated that a significant reliance on market and foreign funding sources would increase the banks' exposure to foreign investor sentiment, which can impact liquidity in the domestic banking system in case of a sudden or severe tightening of global liquidity conditions.

Source: Moody's Ratings

IRAQ

Islamic banks growth potential dependent on meeting capital requirements

Fitch Ratings indicated that Iraq's Islamic banking sector has long-term growth potential due to the country's and low banking penetration rates, given that about 21% of the surveyed population does not have a bank account. It noted that the domestic banking sector consists of 79 banks that include 32 Islamic banks, and said that Islamic banking assets have grown to IQD19.81 trillion, or $15.1bn, in recent years, which increased their market share from 8.2% of the sector’s total assets at end-2022 to 9.7% at end-2023. Further, it pointed out that the banking sector in Iraq is undeveloped, fundamentally weak, exposed to high compliance and foreign-currency risks, and suffers from a lack of depositor confidence. But it noted that the Central Bank of Iraq's (CBI) regulations to increase the banks' minimum paid-up capital requirement by the end of 2024 could drive the sector's growth and increase confidence. It indicated the Islamic banks that do not meet the new capital requirements would either merge, get acquired, or be liquidated. Also, it said that many Islamic banks have small financing books relative to their total assets, which reflects the limited financing opportunities. It pointed out that the CBI banned 19 Islamic banks from dealing in US dollars due to compliance issues related to US dollar transactions, which has severely weakened the banks' business, risk and financial profiles and poses exceptionally high credit, market and operational risks that could erode their capital and threaten their ongoing viability.

Source: Fitch Ratings

ALGERIA

Algiers to work with FATF on AML/CFT action plan

The Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), announced on October 2024 that it placed Algeria on its list of “jurisdictions under increased monitoring”. Also, it indicated that Algeria made a high-level political commitment to work with the FATF and its regional body MENAFATF to strengthen the effectiveness of its AML/CFT regime. It noted that, since the adoption of its mutual evaluation report (MER) in May 2023, Algeria has made progress on several of the MER's recommended actions, including pursuing more effectively money laundering investigations and prosecutions. It pointed out that the authorities will continue to collaborate with the FATF to implement their action plan by strengthening risk-based supervision especially for higher risk sectors, including through the adoption of new procedures, risk assessments, supervision manuals and guidelines, as well as by developing an effective framework for basic and beneficial ownership information, and enhancing the regime for suspicious transaction reports. Also, it urged the authorities to establish an effective legal and institutional framework for targeted financial sanctions for terrorism financing, and to implement a risk-based approach to supervise non-profit organizations.

Source: Financial Action Task Force

NIGERIA

Mandated capital increase to strengthen banks

S&P Global Ratings expected that the Central Bank of Nigeria's mandatory capital increase requirement will add an average of 400 basis points to the regulatory capital ratios of the top tier Nigerian banks. It considered that the higher capital will help the top banks compete with international and other pan-African banking groups in trade finance. Also, it expected the top-tier banks to attract foreign capital due to their foreign investor base and said that most of the banks have already approached the market for their proposed capital increase with a mix of rights and new share issuance. It noted that some mid-tier banks will be able to scale their lending to the real economy and improve credit intermediation by strengthening their capital. Also, it indicated that foreign-owned banks will rely on their parents to raise their capital, while some smaller banks could opt to change their licenses from an international license to a national or regional one, or merge with other banks to meet the new requirements. It considered that the sharp increase in the banks' paid-up capital will improve their loss absorption capacity in a context of high operating, credit, and currency risks in Nigeria. In parallel, it expected the volatility of the naira to erode the capitalization of the banks in US dollars, although its depreciation resulted in revaluation gains of the banks' assets in foreign currency. Further, it said that the banks' average credit losses will not affect their capitalization, due to their strong profitability and earnings retention, although higher non-performing loans or the volatility in the foreign exchange market could impair their capitalization. Also, it expected the banks' earnings to remain strong in 2024, supported by robust net interest margins amid high interest rates.

Source: S&P Global Ratings

ENERGY / COMMODITIES

Oil prices to average $77 p/b in fourth quarter of 2024

ICE Brent crude oil front-month prices average $74.7 per barrel (p/b) in the first week of November 2024, constituting an increase of 3.6% from $74.7 p/b in the last week of October 2024, as risks to oil supply from a potential hurricane in the Gulf Coast of the U.S. outweighed a stronger dollar and higher global oil inventories. In parallel, Goldman Sachs expected the impact of a second term of the Trump presidency on oil prices to be ambiguous, with some short-term downside risks to Iranian oil supplies, which would put upward pressure on oil prices, as well as medium-term downside risks from the impact of the Trump presidency on oil demand that would lead to lower oil prices. In addition, Emirates NBD forecast the global oil market to be in surplus of 1.5 million barrels per day next year due to higher oil output from non-OPEC+ countries as well as to the gradual phasing out of production cuts from the OPEC+ coalition. It considered that oil demand is unlikely to increase quickly in the next several years in order to absorb all of the excess capacity of oil inventories, which will likely cap the rise in oil prices. It indicated that the main upside risk to oil prices consists of an escalation of geopolitical risks that would directly impact the production or the shipment of oil in the Middle East and North Africa region. Further, Refinitiv projected oil prices, through its latest crude oil price poll of 40 industry analysts, to average $77 p/b in the fourth quarter of 2024.

Source: Goldman Sachs, Emirates NBD, Refinitiv, Byblos Research

Middle East demand for gold jewelry down 12% in first nine months of 2024

Demand for gold jewelry in the Middle East totaled 114.7 tons in the first nine months of 2024, constituting a decline of 12.1% from 130.5 tons in the same period last year, and accounted for 9.7% of global demand for gold jewelry. Demand for gold jewelry in the UAE reached 25.9 tons, or 22.5% of the region's consumption in the covered period, followed by Saudi Arabia with 25.2 tons (22%), Egypt with 19.9 tons (17.3%), Iran with 19 tons (16.6%), and Kuwait with 8.6 tons (7.5%).

Source: World Gold Council, Byblos Research

MENA's oil production to decrease by 3.4% in 2024

The International Monetary Fund projected oil production in the MENA region to average 25.4 million barrels per day (b/d) in 2024, which would constitute a decrease of 3.4% from 26.3 million b/d in 2023. Oil production in the Gulf Cooperation Council countries would account for 63.4% of the region's oil output this year. On a country basis, Saudi Arabia's oil production is projected at 9 million b/d in 2024, equivalent to 35.4% of the region's oil output, followed by Iraq at 4 million b/d (15.7%), and Iran at 3.1 million b/d (12.2%).

Source: International Monetary Fund, Byblos Research

Iraq's oil exports at 106 million barrels in August 2024

Figures issued by the Iraq Ministry of Oil show that crude oil exports from Iraq totaled 105.8 million barrels in August 2024, constituting decreases of 2.5% from 108.5 million barrels in July 2024 and of 0.3% from 106.1 million barrels in August 2023. Exports from the central and southern fields stood at 105.6 million barrels in August 2024 compared to 106.1 million barrels in July 2024.

Source: Iraq Ministry of Oil, Byblos Research

Base Metals: Copper prices to average $9,000 per ton in fourth quarter of 2024

LME copper cash prices averaged $9,128.2 per ton in year-to-November 6, 2024 period, constituting an increase of 7.8% from an average of $8,515.7 a ton in the same period of 2023. The increase in prices was due to improving copper demand from China's copper-intensive construction industry, fears of supply disruptions, as well as to elevated demand from the manufacturers of power lines, appliances, wind turbines, and electric vehicles. Further, the metal's price dropped from a peak of $10,800.8 a ton on May 5, 2024 to $9,199.6 per ton on November 6, 2024, driven by a stronger dollar, and by the slowdown in China's industrial activity that reduced demand for industrial metals, including copper. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 17.8 million tons in the first eight months of 2024, constituting an increase of 2.5% from 17.37 million tons in the same period of 2023 due to an increase of 2.7% in Chinese demand for the metal. Also, it noted that the global production of refined copper reached 18.3 million tons in the first eight months of 2024, up by 5.1% from 17.45 million tons in the same period last year, as higher output from China, the Democratic Republic of the Congo, Japan, and the U.S. was partially offset by lower production in Chile and the European Union. It added that mine production accounted for 81.1% of the aggregate output of refined copper in the covered period relative to 83.5% in the same period of 2023. In parallel, Citi Research projected copper prices at $9,000 per ton in the fourth quarter of 2024 and to average $9,050 per ton in full year 2024.

Source: ICSG, Citi Research, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $2,550 per ounce in fourth quarter of 2024

Gold prices averaged $2,344.1 per ounce in the year-to-November 6, 2024 period, constituting an increase of 21.4% from an average of $1,931 a ton in the same period of 2023, due to the increase in geopolitical risks in the Middle East, which reinforced the appeal of the metal as a safe haven for investors and as a hedge against inflationary pressures. Further, the metal's price dropped from an all-time of high $2,784.4 per ounce on October 30, 2024 to $2,668.7 per ounce on November 6, 2024, driven by a stronger dollar after President Donald Trump won the U.S. presidential elections, as well as by the increase in U.S. Treasury yields. In parallel, the World Gold Council indicated that global demand for gold totaled 3,259 tons in the first nine months of 2024 and decreased by 2.7% from 3,349.3 tons in the same period of 2023. It attributed the decline to a drop of 16.8% in net purchases by central banks, a decrease of 10.7% in jewelry consumption, and a retreat of 1.7% in demand for bars and coins, which were partly offset by an increase of 9.3% in demand from the technology sector and a drop of 86.5% in outflows from gold-backed exchange-traded funds (ETF). Also, it said that the global supply of gold reached 3,761.9 tons in the first nine months of 2024, constituting an increase of 2.7% from 3,661.7 tons in the same period last year, with mine output representing 73.6% of the total. In addition, the World Gold Council projected that resurgent of solid bar and coin investment will offset weaker consumer demand and slower central bank buying in the near term. Further, Citi Research projected gold prices to average $2,550 per ounce in the fourth quarter of 2024, and $2,360 per ounce in full year 2024.

Source: World Gold Council, Citi Research, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating				General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI								
Africa												
Algeria	- -	- -	- -	- -	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Positive	B- Stable	- -	-1.0	82.4	4.6	53.3	26.9	108.2	2.5	-4.3
Egypt	B- Positive	Caa1 Positive	B Stable	B Stable	-7.2	86.6	2.8	85.1	58.8	158.1	-3.6	13.4
Ethiopia	CCC+ Stable	Caa3 Stable	CCC- -	- -	-2.9	26.2	0.5	33.4	7.8	157.9	-3.4	2.0
Ghana	SD -	Ca positive	RD -	- -	-4.8	78.1	1.1	41.1	22.7	127.6	0.9	2.0
Côte d'Ivoire	BB Stable	Ba2 Stable	BB- Stable	- -	-4.5	57.7	4.7	47.6	15.7	112.3	-4.4	2.3
Libya	- -	- -	- -	- -	-	-	-	-	-	-	-	-
Dem Rep Congo	B- Stable	B3 Stable	- -	- -	-2.5	15.0	1.4	5.1	2.0	102.1	-5.6	4.2
Morocco	BB+ Positive	Ba1 Stable	BB+ Stable	- -	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B- Stable	Caa1 Positive	B- Positive	- -	-4.4	47.4	2.9	41.7	23.3	113.6	0.5	0.1
Sudan	- -	- -	- -	- -	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	- -	Caa2 Negative	CCC+ -	- -	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+ Stable	- -	- -	- -	-5.5	61.8	0.5	64.8	12.3	168.7	-3.6	0.5
Rwanda	B+ Stable	B2 Stable	B+ Stable	- -	-4.8	68.0	3.6	22.5	9.6	111.1	-10.6	3.5
Middle East												
Bahrain	B+ Stable	B2 Stable	B+ Stable	B+ Stable	-4.0	120.8	-4.1	148.5	26.5	363.8	3.7	1.0
Iran	- -	- -	- -	- -	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B- Stable	Caa1 Stable	B- Stable	- -	-4.5	38.3	20.3	4.0	2.0	33.0	11.5	-1.8
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.1	90.6	1.9	69.7	10.9	151.6	-4.6	1.8
Kuwait	A+ Stable	A1 Stable	AA- Stable	AA- Stable	-2.1	4.7	2.8	41.3	0.4	97.3	19.4	-3.0
Lebanon	SD -	C -	RD** -	- -	-0.2	270.6	9.0	165.9	6.5	151.4	-9.5	0.5
Oman	BBB- Stable	Ba1 Positive	BB+ Stable	BB+ Stable	1.4	34.5	1.8	31.4	8.2	113.0	1.3	2.5
Qatar	AA Stable	Aa2 Stable	AA- Positive	AA Stable	4.2	41.7	2.4	125.2	4.2	174.5	15.8	-2.4
Saudi Arabia	A Positive	A1 Positive	A+ Stable	A+ Positive	-2.0	23.0	10.2	23.8	3.4	66.1	1.4	0.1
Syria	- -	- -	- -	- -	-	49.0	-	-	-	-	-15.5	-
UAE	- -	Aa2 Stable	AA- Stable	AA- Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	- -	- -	- -	- -	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Asia												
Armenia	BB-	Ba3	BB-	B+								
	Stable	Stable	Stable	Positive	-4.3	46.5	2.0	29.8	9.8	114.6	-3.0	2.2
China	A+	A1	A+	-								
	Stable	Negative	Stable	-	-3.0	66.1	10.6	25.8	5.9	64.5	2.3	0.7
India	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-8.0	86.0	6.6	27.5	28.9	87.2	-3.1	1.5
Kazakhstan	BBB-	Baa2	BBB	-								
	Stable	Positive	Stable	-	-2.7	26.1	4.0	26.6	7.9	99.2	-2.8	2.2
Pakistan	CCC+	Caa2	CCC+	-								
	Stable	Positive	-	-	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Central & Eastern Europe												
Bulgaria	BBB	Baa1	BBB	-								
	Positive	Stable	Positive	-	-2.8	23.8	1.7	19.9	1.7	105.0	-0.2	1.8
Romania	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-5.9	49.0	4.3	25.4	6.4	99.6	-6.9	2.0
Russia	-	-	-	-								
	-	-	-	-	-0.8	19.8	11.6	23.0	3.6	61.1	2.0	-0.6
Türkiye	BB-	B1	BB-	B+								
	Stable	Positive	Stable	Stable	-3.6	29.1	1.2	77.3	9.5	166.0	-2.4	1.2
Ukraine	CC	Ca	CC	-								
	Negative	Stable	-	-	-17.0	95.0	4.6	38.1	10.2	105.8	-6.6	1.4

LT Foreign currency rating: S&P, Moody's, Fitch, CI

** Current account payments*

***Fitch withdrew the ratings of Lebanon on July 23, 2024*

Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2024

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Action	Next meeting
USA	Fed Funds Target Rate	5.00	18-Sep-24	Cut 50bps	07-Nov-24
Eurozone	Refi Rate	3.65	12-Sep-24	Cut 60bps	N/A
UK	Bank Rate	5.00	19-Sep-24	No change	07-Nov-24
Japan	O/N Call Rate	0.25	31-Jul-24	Raised 15bps	31-Oct-24
Australia	Cash Rate	4.35	05-Nov-24	No change	10-Dec-24
New Zealand	Cash Rate	4.75	09-Oct-24	Cut 50bps	27-Nov-24
Switzerland	SNB Policy Rate	1.00	26-Sep-24	Cut 25bps	12-Dec-24
Canada	Overnight rate	3.75	23-Oct-24	Cut 50bps	11-Dec-24
Emerging Markets					
China	One-year Loan Prime Rate	3.1	21-Oct-24	Cut 25bps	20-Nov-24
Hong Kong	Base Rate	5.25	02-May-24	Cut 50pbs	N/A
Taiwan	Discount Rate	2.00	13-Jun-24	No change	N/A
South Korea	Base Rate	3.25	11-Oct-24	Cut 25bps	28-Nov-24
Malaysia	O/N Policy Rate	3.00	05-Sep-24	No change	16-Nov-24
Thailand	1D Repo	2.25	16-Oct-24	Cut 25bps	18-Dec-24
India	Repo Rate	6.50	09-Oct-24	No change	16-Dec-24
UAE	Base Rate	4.90	18-Sep-24	Cut 50bps	N/A
Saudi Arabia	Repo Rate	5.50	18-Sep-24	Cut 50bps	N/A
Egypt	Overnight Deposit	27.25	17-Oct-24	No change	21-Nov-24
Jordan	CBJ Main Rate	7.50	30-Jul-23	Raised 25bps	N/A
Türkiye	Repo Rate	50.00	17-Oct-24	No change	31-Nov-24
South Africa	Repo Rate	8.00	19-Sep-24	Cut 25bps	N/A
Kenya	Central Bank Rate	12.75	06-Aug-24	Cut 25bps	N/A
Nigeria	Monetary Policy Rate	27.25	24-Sep-24	Raised 50bps	N/A
Ghana	Prime Rate	27.00	27-Sep-24	Cut 200bps	25-Nov-24
Angola	Base Rate	19.50	19-Sep-24	No change	N/A
Mexico	Target Rate	10.50	26-Sep-24	Cut 25bps	14-Nov-24
Brazil	Selic Rate	10.75	18-Sep-24	Raised 25bps	N/A
Armenia	Refi Rate	7.50	10-Sepl-24	Cut 25bps	N/A
Romania	Policy Rate	6.50	04-Oct-24	No change	08-Nov-24
Bulgaria	Base Interest	3.22	01-Nov-24	Cut 11bps	02-Dec-24
Kazakhstan	Repo Rate	14.25	11-Oct-24	Cut 25bps	29-Nov-24
Ukraine	Discount Rate	13.00	19-Sep-24	No change	N/A
Russia	Refi Rate	21.00	25-Oct-24	Raised 200bps	20-Dec-24

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293