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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Private equity and venture capital deals down 30% to $37.3bn in first two months of 2025

S&P Global Market Intelligence indicated that the aggregate amount of private equity and venture capital (PE/VC) investments worldwide reached $37.3bn in the first two months of 2025, constituting decreases of 30.3% from $53.5bn in the same period of 2024 and of 9.6% from $41.3bn in the first two months of 2023. PE/VC investments totaled $21.4bn and $15.9bn in January and February 2025, respectively, relative to $33.4bn in January 2024 and $20.6bn in February of 2024. Further, it pointed out that 2,336 PE/VC deals took place worldwide in the first two months of 2025, representing declines of 9% from 2,568 transactions in the same period of 2024 and of 23.5% from 3,054 deals in the first two months of 2023. In parallel, it noted that PE/VC funds in the U.S. invested $7.7bn and represented 48.7% of global PE/VC investments in February 2025, followed by funds in the Asia-pacific region with $4.6bn (29%), Europe with $2.7bn (17%), the Middle East & North Africa with $700m (4.6%), and other regions with $200m (0.7%). Also, it pointed out that the technology, media & telecommunications industry attracted 45.7% of the total number of PE/VC deals in February 2025, followed by the healthcare sector (22%), industrials (10%), financial and consumer firms (5% each), materials sector (2.6%), and the energy and utilities companies (0.9%).

Source: S&P Global Market Intelligence

MENA

Level of economic freedom varies across Arab countries in 2025

The Heritage Foundation's Index of Economic Freedom for 2025 ranked the United Arab Emirates in 23rd place globally and in first place in the Arab world. Qatar followed in 27th place, then Bahrain (55th), Oman (58th), and Saudi Arabia (62nd) as the five highest ranked Arab economies. In contrast, Egypt (145th), Tunisia (149th), Algeria (160th), Lebanon (165th), and Sudan (172nd) are the Arab countries with the lowest level of economic freedom in the region. The index is a broad indicator of economic freedoms in 176 countries and evaluates individual economies based on 12 equally-weighted broad factors of economic freedom. The region's level of economic freedom stood at 55.8% in 2025 relative to 55.2% in the 2024 survey and to 61.5% in the 2015 survey, and compared to the global average of 58.6% this year. The GCC countries' average score is 66.2% in 2025 relative to 64.4% on the 2024 index, while the average score of non-GCC Arab countries stands at 50.8% this year compared to 50.1% last year. Also, the rankings of nine Arab countries improved and those of six economies deteriorated year-on-year; while the scores of 12 Arab countries increased and those of three economies regressed from the 2024 index. The survey classified two Arab economy as "mostly free", four countries in the "moderately free" category, five economies as "mostly unfree", and four sovereigns in the "repressed" economies segment. In parallel, the level of economic freedom in Arab countries is higher than the level of Sub-Saharan Africa (53.2%), but is lower than the level in Europe (68.5%), the Americas (59.4%), and the Asia-Pacific region (58.3%).

Source: Heritage Foundation, Byblos Research

EMERGING MARKETS

Sovereigns' market debt projected at $3.5 trillion at end-2025

S&P Global Ratings projected the commercial borrowing of sovereigns in the Emerging Europe, Middle East and Africa (EEMEA) region to reach $3.5 trillion (tn) at end-2025, constituting an increase of 10.2% from $3.2tn at end-2024. It expected the aggregate market debt of EEMEA sovereigns in the 'A' category to stand at $1.16tn at end-2025, which would account for 32% of the region's total debt stock, followed by sovereigns in the 'BB' bracket with $812.1bn (23%), issuers in the 'B' range with $646.2bn (18.3%), sovereigns in the 'BBB' category with $572.5bn (16.2%), issuers in the 'Selective Default' bracket with $177.1bn (5%), sovereigns in the 'AA' category with $141.1bn (4%), and issuers in the 'CCC' range with $23.1bn (0.7%). In parallel, it forecast the sovereigns' gross long-term commercial debt at $623.6bn at end-2025, down by 1% from $629.7bn at end-2024, which would account for 17.6% of aggregate borrowing in the EEMEA region in 2025. It projected the gross long-term commercial borrowing of sovereigns in the 'A' category at $196bn at end-2025, which would account for 31.4% of the total long-term commercial debt, followed by issuers of the 'BB' bracket with $152bn (24.4%), sovereigns in the 'B' range with $125bn (20%), issuers in the 'BBB' category with $103.1bn (16.5%), sovereigns in the 'AA' bracket with $24.2bn (3.9%), issuers in the 'Selective Default' category with $18.2bn (2.9%), and sovereigns in the 'CCC' range with $5.1bn (0.8%).

Source: S&P Global Ratings

Eurobonds issuance at $78.4bn in first two months of 2025

Deutsche Bank indicated that sovereigns in emerging markets (EMs) issued $173.2bn in foreign currency-denominated bonds in 2024, constituting an increase of 32.4% from $130.9bn in 2023. It pointed out that the regional distribution of EM issuances shows that sovereigns in the Central & Eastern Europe, the Middle East and Africa (CEEMEA) region issued $115.2bn in Eurobonds, or 66.5% of the total, in 2024, followed by Latin America with $38.5bn (22.2%) and Asia with $19.5bn (11.2%). It said investment grade EM sovereigns issued $118.7bn, or 68.5% of aggregate EM sovereign issuances in 2024 compared to $85.1bn (65.1%) in 2023; while non-investment grade EM sovereigns issued $54.5bn in Eurobonds in 2024, up by 19.3% from $45.7bn in 2023. In parallel, it indicated that sovereigns in EMs issued $78.4bn in foreign currency-denominated bonds in the first two months of 2025. It noted that CEEMEA region issued $49.2bn in Eurobonds, or 62.8% of the total, in the covered period, followed by Latin America with $21.9bn (28%) and Asia with $7.3bn (9.2%). On a country basis, it said that Saudi Arabia issued $14.3bn in sovereign Eurobonds, or 18.3% of total EM issuance in the first two months of 2025, followed by Mexico with $11bn (14%), Poland with $8.6bn (11%), Israel with $5bn (6.4%), and Romania with $4.1bn (5.3%), as the largest issuers in the covered period. It added that investment grade EM sovereigns issued $62.8bn, or 80.% of aggregate EM issuances, while non-investment grade EM sovereigns issued the remaining $15.6bn (20%).

Source: Deutsche Bank

OUTLOOK

WORLD

Tariffs to affect $3 trillion of trade in goods

Moody's Ratings considered that the new and potential U.S. tariffs on the European Union (EU), Canada, Mexico and China, as well as retaliatory responses, will have uneven effects across sectors and economies. It said that $3 trillion (tn) in trade exchanges are at risk from tariffs on the closest U.S. trading partners. It stated that the U.S. exports $1.2tn of goods to the EU, Canada, Mexico and China, while those countries export about $1.95tn to the U.S. It noted that the impact of tariffs on growth would be less material on the U.S. economy, but could be very significant for export-dependent economies such as Mexico and Canada.

Also, it said that U.S. tariffs would be credit negative for importers and exporters of affected goods, for distributors and retailers facing higher import costs and lower profit margins, as well as for consumer-related sectors and consumers facing lower purchasing power. It considered that U.S. tariffs would have negative implications on businesses that imported intermediate goods due to increased input costs, which would, in turn, affect production chains. It noted that tariffs would hit U.S. importers of consumer goods and industries that rely on inputs and capital goods from these trading partners, such as the automobile, construction, technology, and manufacturing sectors. It said that U.S. exporters of a wide range of products are vulnerable to retaliatory tariffs, including companies in the minerals and oil, transportation equipment, chemicals, electronics, and agricultural goods sectors.

Further, it expected the affected countries and sectors to shift their demand from goods that are subject to new tariffs to goods that are not affected by new tariffs. It noted that tariffs would increase public revenues of countries that impose them, but could lead to lower economic growth in trade-dependent economies, which would lead to the depreciation of their local currency with a pass-through effect on inflation. It considered that uncertainties about the U.S. trade policy complicate investment strategies and supply chain management across the affected sectors.

Source: Moody's Ratings

SAUDI ARABIA

Non-hydrocarbon sector growth projected to average 4.5% in 2025-26 period

Jadwa Investment projected Saudi Arabia's real GDP growth rate to accelerate from 1.3% in 2024 to 3.7% in 2025 and 3.9% in 2026, driven by strong growth in the non-hydrocarbon sector and a rebound in the Kingdom's oil GDP, as it expected Saudi oil production to increase from 9 million barrels per day (b/d) in 2024 to 9.2 million b/d in 2025. It anticipated real hydrocarbon GDP to shift from a contraction of 4.5% in 2024 to a growth of 2.6% this year, in line with its forecasts for crude oil production and refinery output, assuming that OPEC+ coalition increases gradually its output starting in April based on the group's latest agreement, and expected real oil GDP to expand by 4% in 2026. It also forecast real non-hydrocarbon GDP to grow by 4.4% in 2025 and 4.5% in 2026 due to an increase in domestic trade and a rebound in the transportation and construction sectors. In parallel, it expected the inflation rate to increase from 1.7% in 2024 to 2.3% in 2025 and 2.1% in 2026, due to the impact of U.S. tariffs on global trade.

Further, it forecast the government's fiscal deficit to widen from 2.8% of GDP in 2024 to 3% of GDP in each of 2025 and 2026, driven by elevated public spending that will offset high non-oil budget receipts. It anticipated the fiscal deficit to be financed by a mix of domestic and external issuance in the 2025-26 period, and forecast the public debt level at 32.1% of GDP at end-2025 and 33.5% of GDP by end-2026. In parallel, it projected the current account balance to post deficits of 1% of GDP in 2025 and 0.9% of GDP in 2026, due mainly to lower oil export receipts and an elevated import bill. Also, it forecast foreign currency reserves to reach $417bn at end-2025 and $410bn at end-2026.

In parallel, it considered that the main risk to the outlook consists of the uncertainties about oil prices, as it anticipated that significant geopolitical risks could threaten oil shipment routes. But it said that the Saudi economy is well positioned to weather any softness in global oil markets, given the strong sovereign balance sheet, the financial strengths of key sectors, and the ongoing reforms and investments across the economy.

Source: Jadwa Investment

EGYPT

Favorable economic outlook facing fiscal and external risks

The International Monetary Fund projected Egypt's real GDP growth rate to accelerate from 2.4% in the fiscal year that ended in June 2024 to 3.6% in FY2024/25, driven by a more decisive implementation of reforms, high domestic revenues, an improving business environment, the divestment of some state assets, and the enhancement of governance and transparency. Further, it forecast the inflation rate to decrease from 27.5% in FY2023/24 to 16.6% in FY2024/25 amid a flexible exchange rate anchored by a robust inflation-targeting regime.

In addition, it projected the fiscal deficit to widen from 3.6% of GDP in FY2023/24 to 10.6% of GDP in FY2024/25, and for the primary surplus to decrease from 6.2% of GDP in FY2023/24 to 4.4% of GDP in FY2024/25. It said that the high public debt level, substantial gross financing needs, and domestic rollover risks continue to present significant medium-term fiscal challenges, while mixed progress on structural reforms is hindering growth prospects. It urged the authorities to broaden the tax base, streamline tax incentives, and enhance compliance. It called on the government to adopt a medium-term debt management strategy to develop the domestic debt market, improve fiscal transparency, strengthen fiscal oversight, and accelerate the divestment of state assets.

In parallel, it forecast the current account deficit to widen from 5.4% of GDP in FY2023/24 to 5.8% of GDP in FY2024/25, as it anticipated foreign direct investments (FDI) to decrease from 11.9% of GDP in FY2023/24 to 3.7% of GDP in FY2024/25. Also, it expected foreign currency reserves to cover 6.2 months of imports at end-June 2025 compared to 6.8 months of imports at end-June 2024. Further, it pointed out that risks to the outlook are tilted to the downside and include regional conflicts and trade disruptions that could further strain fiscal revenues and reduce FDI. It considered that the state's role in non-strategic sectors and limited efforts to enhance market competition could negatively affect Egypt's medium-term growth.

Source: International Monetary Fund

KUWAIT

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Kuwait's short- and long-term local and foreign currency issuer default ratings at 'F1+' and 'AA-', respectively. It also maintained the 'stable' outlook on the long-term ratings. It indicated that the ratings reflect the country's strong fiscal and external balance sheets, but it noted that the ratings are constrained by Kuwait's weaker governance compared to similarly-rated peers, the economy's heavy dependence on the oil sector, and its generous welfare system and large public sector, which could be a source of long-term fiscal pressure. It expected the fiscal deficit to widen from 5% of GDP in the fiscal year that ended in June 2024 to 10% of GDP in FY2024/25 and to 10.8% of GDP in FY2025/26, driven by lower oil receipts and high public sector wages, which will more than offset the cuts in subsidies, and in spending. It projected the government debt to rise from 2.9% of GDP in FY2023/24 to 6% of GDP in FY2024/25 and to 9.2% of GDP in FY2025/26, but to be below the projected 2026 median of 51% of GDP for 'AA'-rated sovereigns. It added that the government would still be able to meet its financing obligations in the coming years, given the substantial assets at its disposal. In parallel, it noted that it could downgrade the ratings if liquidity pressure on the General Reserve Fund (GRF) intensifies in the absence of a new debt law or if the authorities do not enacts legislation that permits access to the GRF, and/or if the country's fiscal and external balances significantly deteriorate. But, it said that it could upgrade the ratings if Kuwait's institutions and political system address the long-term fiscal challenges.

Source: Fitch Ratings

JORDAN

Sovereign ratings affirmed, outlook 'stable'

S&P Global Ratings affirmed Jordan's long-term foreign and local currency sovereign credit ratings at 'BB-', which is three notches below investment grade, and affirmed the short-term foreign and local currency ratings at 'B'. It also maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the implementation of fiscal and economic reforms that widened the tax base and improved the economy's competitiveness and the business environment, as well as to potential additional external support. It noted that the 'stable' outlook balances the structural improvements from Jordan's fiscal and economic reforms and its resilient economic growth, with elevated regional security risks and the uncertainties stemming from the U.S. Administration's decision to pause international support through the U.S. Agency for International Development. Further, it noted that Jordan has demonstrated resilient economic growth and maintained its fiscal and economic reforms efforts, despite the risks associated with the country's dependence on foreign assistance and the complicated security situation in the region. It forecast Jordan's external financing needs at 153.7% of current account receipts and usable reserves in 2025, and at 155.9% and 155.5% of such receipts and reserves in each of 2026 and 2027. Also, it said that it may downgrade the ratings if the reforms momentum stalls and/or if donor support declines unexpectedly, which would trigger pressures on external financing. It noted that it could upgrade the ratings if Jordan's external imbalances recede and/or if the public debt level declines.

Source: S&P Global Ratings

ANGOLA

External financing needs at $53bn in 2025-29 period

The International Monetary Fund projected Angola's public debt level to increase from 62.4% of GDP at end-2024 to 63.3% of GDP in 2025, but to decline to 61.8% of GDP at end-2026, 59.2% of GDP at end-2027, 57.2% of GDP at end-2028, and 55% of GDP at end-2029, with the external debt regressing from 49.8% of GDP in 2024 to 38.5% of GDP in 2029. Also, it forecast medium and long-term debt to decrease from 60.4% of GDP at end-2024 to 53.9% of GDP at end-2029, for debt owed to commercial creditors to decline from 33.2% of GDP at end-2024 to 29.1% of GDP at end-2029, for debt owed to official creditors to contract from 13.5% of GDP at end-2024 to 9% of GDP at end-2029, and for debt to the private sector to regress from 3.1% of GDP at end-2024 to 0.4% of GDP at end-2029. It considered that the agreement between the government and China that allows more flexibility for Angola's debt payments in its escrow account at the China Development Bank has provided some liquidity buffer since April 2024, which will help improve the debt outlook in the near term. But it anticipated the risk of debt distress to remain elevated until 2029 and to moderate afterwards. It noted that the risks of debt distress stem from oil price and production vulnerabilities, a narrow creditor base in domestic markets, and currency exposure as about 80% of Angola's debt is denominated in foreign currency. Also, it projected Angola's external financing requirements at $10.5bn in 2025, $9.1bn in 2026, $9bn in 2027, $11.9bn in 2028, and $12.5bn in 2029. It noted that Angola needs to cover external debt servicing costs of $9.1bn in 2025, $8.7bn in each of 2026 and 2027, $10.2bn in 2028, and $10.9bn in 2029. It indicated that Angola needs a timely return to the global financial markets to ensure an orderly refinancing of its maturing external debt.

Source: International Monetary Fund

GHANA

Fiscal deficit projected at 3.1% of GDP in 2025 on steep consolidation

Goldman Sachs indicated that the Ghanaian authorities have included in the 2025 budget a front-loaded and spending-led fiscal consolidation plan in order to reduce the fiscal deficit from 7.9% of GDP in 2024 to 3.1% of GDP in 2025 amid a significant fiscal slippage of 4.4 percentage points of GDP last year. Also, it expected the primary balance to shift from a deficit of 3.9% of GDP in 2024 to a surplus of 1.5% of GDP in 2025, in line with the parameters that the International Monetary Fund (IMF) set. It said that the Ministry of Finance disclosed GHS67.5bn ($4.4bn) in arrears and $1.7bn in energy sector liabilities that the government owes to independent power producers. Further, it noted that the ministry forecast public expenditures to decrease from 23.7% of GDP in 2024 to 20.7% of GDP in 2025, and for primary spending to decline from 21.7% of GDP in 2024 to 15.8% of GDP this year, while it expected public revenues to decrease from 17.4% of GDP in the 2024 budget to 17.2% of GDP in 2025 amid lower receipts from the value-added tax. Also, it anticipated that financial markets are likely to remain skeptical of the planned spending cuts until the authorities implement them and until the IMF provides its assessment of the budget.

Source: Goldman Sachs

SAUDI ARABIA

Favorable operating environment supporting banks' income

Fitch Ratings indicated that the aggregate net income of Saudi banks reached SAR80bn, or $21.3bn, in 2024, constituting an increase of 14.3% from SAR70bn ($18.7bn) in 2023, driven by a healthy operating environment, higher net interest margins, and a decline in the cost of risk from 40 basis points (bps) in 2023 to 30 bps in 2024. Also, it said that the sector's average return on equity improved from 14% in 2023 to 15% last year. Further, it pointed out that lending at Saudi banks increased from an average of 11% in 2023 to 14% in 2024. It expected the banks' lending to grow by 12% in 2025, which is a faster rate than lending growth in other Gulf Cooperation Council countries. It considered that additional interest rate cuts and stronger liquidity conditions would underpin the banks' growth appetite. It stated that the total provisioning coverage of impaired loans was 114% at end-2024, and expected Saudi asset-quality metrics to be strong in 2025. Also, it said that customer deposits at Saudi banks declined by SAR35bn in the fourth quarter of 2025, marking the first quarterly decrease since 2019. However, it anticipated this trend to reverse in 2025, as deposits grew by SAR40bn in January 2025. In addition, it indicated that the banks' external liabilities remained stable at around SAR0.4 trillion at end-2024, which constitutes about 11% of the sector's funding. It expected Saudi banks to gradually increase their reliance on external funding, especially if corporate borrowers continue to ask for foreign currency financing. In parallel, it noted that the sector's common equity Tier One ratio declined by 80 bps to 15.7% in 2024 due to dividend payments.

Source: Fitch Ratings

EGYPT

Outlook on banking sector changed to 'positive' on favorable operating conditions

Moody's Ratings upgraded the outlook for Egypt's banking sector from 'negative' to 'positive' due to improving operating conditions on the back of strong foreign direct investments, the introduction of a flexible exchange-rate regime and inflation targets, support from the International Monetary Fund, and structural changes to support the private sector. It noted that the return on assets of banks grew from an average of 1.2% in the recent years 2% in 2024, and expected the sector's profits to increase between 20% and 30% in 2025. It estimated that the net interest margin of banks rose from 4.5% in 2023 to 5.1% in the first nine months of 2024. It anticipated high interest rates and government bond yields to continue to support the net interest margins. Further, it said that loans accounted for 37% of total assets, with a non-performing loans ratio of 2.4% at end-September 2024. It added that high loan-loss provisions during 2024 will mitigate the asset quality risks of banks. It expected future interest rate cuts by the Central Bank of Egypt and lower inflation rates to support the repayment capacity of borrowers. In parallel, it said that the Egyptian banks will remain funded by customer deposits. It noted that the banks benefit from strong inflows of local currency deposits, supported by deepening financial inclusion and remittance inflows from the Egyptian diaspora. In parallel, it said that the aggregate tangible common equity adjusted risk-weighted assets of the banks stood at 7.8% at end-September 2024.

Source: Moody's Ratings

TUNISIA

Banks' ratings upgraded on stabilizing operating conditions

Moody's Ratings upgraded the long-term local and foreign currency deposit ratings of Amen Bank (Amen), Banque de Tunisie (BdT), Banque Internationale Arabe de Tunisie (BIAT), and Société Tunisienne de Banque (STB) from 'Caa2' to 'Caa1', and maintained the 'stable' outlook on the banks' long-term deposit ratings. Also, it upgraded the Baseline Credit Assessments (BCAs) of BdT and BIAT from 'caa2' to 'caa1', and affirmed the BCA of Amen at 'caa2' and that of STB at 'caa3'. It attributed the ratings' upgrades to its similar action on the sovereign ratings. It indicated that the easing of Tunisia's private external debt amortization profile, the lowering of its external financing needs, and the stability of foreign currency reserves support the banking sector, given the banks' exposure to the sovereign on the assets and liabilities of the balance sheet. It said that the Tunisian banks' direct exposure to government securities decreased from 60% of their shareholders' equity at end-2023 to 57% at end-August 2024. It noted that the government's recurrent recourse to financing from the Banque Centrale de Tunisie will also ease pressure on the banking sector. Further, it said that the ratings of the banks capture the stabilizing but fragile operating conditions in the country, as well as the relatively tight but steadying domestic and external funding conditions. Also, it indicated that the 'stable' outlook on the long-term deposit ratings reflects the agency's expectation that the banks' credit fundamentals will remain stable in the near term.

Source: Moody's Ratings

ARMENIA

Banking sector has stable outlook

Moody's Ratings indicated that the outlook for Armenia's banking sector is stable, reflecting favorable operating conditions that will support the banks' solvency and liquidity in the next 12 to 18 months despite high geopolitical risks. It noted that the banks' profitability will benefit from wide net interest margins in a still-high interest rates environment, as well as from modest credit costs in the next 12 to 18 months. But it expected the sector's profitability to moderate in 2025 after extraordinary gains from foreign currency transactions in the past three years, but projected the profitability ratios in the near-term to exceed their historical average in 2019-21 period. In addition, it anticipated the banks' non-performing loans ratio at 1% to 3% in the next 12 to 18 months due to favorable operating conditions and lending growth. It expected the asset quality of banks to remain stable amid the favorable operating environment, although credit risks will be high in certain segments, particularly in the construction sector and mortgage lending, which have expanded significantly since 2021. Also, it anticipated the still-high dollarization rate in the banking system to exceed 30% for loans and 45% for customer deposits, which will limit the government's capacity to support banks. In parallel, it indicated that the banks' liquidity buffer was equivalent to 38% of total assets at end-September 2024, which is sufficient to absorb sudden deposit outflows. Further, it said that Armenian banks hold substantial capital and provisioning reserves to absorb loan losses. It noted that the banks' tangible common equity improved from 14.9% of risk weighted assets (RWA) in September 2023 to 18% of RWA in September 2024

Source: Moody's Ratings

ENERGY / COMMODITIES

Oil prices to average $74.9 p/b in first quarter of 2025

ICE Brent crude oil front-month future contracts' prices reached $70.1 per barrel (p/b) on March 12, 2025, constituting a decrease of 3% from $73.2 p/b at the end of February 2025. The drop in oil prices was mainly driven by concerns about the impact of intensifying tariff wars on global economic activity and energy demand that outweighed the impact of a larger-than-expected decrease in U.S. gasoline inventories. In parallel, the U.S. Energy Information Administration expected the OPEC+ coalition to produce less than its announced targets, in order to limit increases in global oil inventories in 2025. As such, it projected the increase in output from OPEC+ members to be limited to 0.2 million barrels per day (b/d) in 2025. But it expected the adherence of the OPEC+ coalition to its announced production increases to be a crucial determinant of oil prices in the coming months. Also, it forecast the U.S., Canada, Brazil, and Guyana to increase their oil output by 1.2 million b/d this year. Further, it anticipated the decrease in inventory levels to continue through mid-2025 due to the recent announcements about sanctions on Iran, as well as to the suspension of the license for Venezuela's oil production and exports to the U.S. It said that the evolving U.S. tariffs policy has added uncertainties about expectations for global oil demand growth, while any potential ceasefire in the Russia-Ukraine conflict could add Russian oil volumes back into the market. Further, it projected oil prices to average $74.9 p/b in the first quarter and $74 p/b in the second quarter of 2025.

Source: U.S. Energy Information Administration, Refinitiv, Byblos Research

Saudi Arabia's oil export receipts at $17.3bn in December 2024

Oil exports from Saudi Arabia totaled at 7.28 million barrels per day (b/d) in December 2024, constituting decreases of 1% from 7.35 million b/d in November 2024 and of 2.3% from 7.45 million b/d in December 2023. Oil export receipts reached $17.3bn in December 2024, representing increases of 2% from $17bn in november 2024 and of 11.7% from $19.2bn in December 2023.

Source: JODI, General Authority for Statistics, Byblos Research

OPEC's oil basket price down 3.2% in February 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $76.81 per barrel (p/b) in February 2025, constituting a decrease of 3.2% from $79.38 p/b in January 2025. The price of Saudi Arabia's Arab Light was $78.59 p/b, followed by Kuwait's Kuwait Export at $78.16 p/b, and Abu Dhabi's Murban at $77.72p/b. In parallel, all prices in the OPEC basket posted monthly decreases of between $1.90 p/b and $4.29 p/b in February 2025.

Source: OPEC

Global steel output up 4.8% in January 2025

Global steel production reached 151.4 million tons in January 2025, constituting increases of 4.8% from 144.5 million tons in December 2024 and of 2.25 % from 148.1 million tons in January 2024. Production in China totaled 81.9 million tons and accounted for 54% of global steel output in January 2025, followed by production in India with 13.6 million tons (9%), Japan with 6.8 million tons (4.5%), the U.S. with 6.6 million tons (4.4%), Russia with 6 million tons (4%), and South Korea with 5.2 million tons (3.4%).

Source: World Steel Association, Byblos Research

Base Metals: Zinc prices to average $3,000 per ton in first quarter of 2025

The LME cash prices of zinc averaged $2,818.1 per ton in in the year-to-March 12, 2025 period, constituting an increase of 15.2% from an average of $2,446.9 a ton in the same period of 2024, due to supply constraints. Prices decreased from a peak of $3,085.2 per ton on May 21, 2024 to $2,900.2 a ton on March 12, 2025, driven by weak demand. In parallel, Citi Research projected the global supply of zinc at 14.15 million tons in 2025 relative to 13.56 million tons last year, with mine output representing 91.2% of the total. Further, it forecast demand for the metal at 13.93 million tons in 2025 compared to 13.7 million tons in 2024. As such, it expected the zinc market to shift from a deficit of 142,000 tons in 2024 to a surplus of 220,000 tons in 2025. In its base case scenario, it expected the price of the metal to average $3,000 per ton in the first quarter of 2025 due to lower mine supply and weak refined output. Further, in its bear case scenario, it forecast zinc prices to average $2,400 per ton this year due to weaker global growth and demand environment; while in its bull case scenario, it projected zinc prices to average $3,200 per ton in 2025, driven by delays or disruptions to mine output growth, which will keep smelter production under pressure in 2025. Also, it forecast zinc prices to average $3,000 per ton in the first quarter, $2,800 a ton in the second quarter of 2025, and $2,800 per ton in full year 2025.

Source: Citi Research, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $2,700 per ounce in first quarter of 2025

Gold prices averaged $2,813.1 per ounce in the year-to-March 12, 2025 period, constituting an increase of 37.4% from an average of $2,046.7 an ounce in the same period of 2024, due mainly to strong demand from central banks around the world, concerns about global economic uncertainties and trade tensions mainly between China and the U.S., interest rate cuts, and the increase in geopolitical risks. Further, gold prices reached an all-time high of $2,942.9 per ounce on February 24, 2025, amid elevated demand, heightened geopolitical tensions in the Middle East, along with expectations of further monetary easing that will lead to higher demand for bullions. However, gold prices decreased from a recent high to $2,933.9 per ounce on March 12, 2024 due to reduced geopolitical tensions. In parallel, Citi Research projected the global supply of gold at 5,255 tons in 2025, which would constitute an increase of 3.2% from 5,093 tons in 2024. Also, it forecast the global demand for gold at 4,504 tons in 2025, which would represent an increase of 4.2% from 4,322 tons in 2024. Further, in its bear case scenario, it forecast gold prices to average $2,500 per ton this year in case of a stronger dollar; while in its bull case scenario, it projected gold prices to average $3,000 per ton in the second half of 2025, due to fears of stagflation and in case of a rapid deterioration of the US labor market. In addition, it expected gold prices to average $2,700 per ounce in the first quarter, $2,750 an ounce in the second quarter of 2025, and $2,800 per ounce in full year 2025.

Source: Citi Research, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating 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 (%)
Africa												
Algeria	- -	- -	- -	- -	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Stable	B- Stable	- -	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B- Positive	Caa1 Positive	B Stable	B Stable	-4.6	73.3	2.7	97.3	14.6	179.1	-18.5	16.4
Ethiopia	SD -	Caa3 Stable	CCC- -	 -	-2.5	22.0	0.5	32.1	5.9	158.7	-3.1	1.8
Ghana	SD -	Ca positive	RD -	- -	-3.2	66.1	0.7	54.3	22.7	139.7	3.0	2.0
Côte d'Ivoire	BB Stable	Ba2 Stable	BB- Stable	- -	-4.2	57.0	3.6	45.0	14.6	119.9	-4.6	2.3
Libya	- -	- -	- -	- -	-	-	-	-	-	-	-	-
Dem Rep Congo	B- Stable	B3 Stable	- -	- -	-0.5	14.5	1.2	5.9	2.2	103.8	-5.4	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	- -	-5.6	41.2	4.1	71.2	28.9	126.8	0.6	0.1
Sudan	- -	- -	- -	- -	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	- -	Caa1 Stable	CCC+ -	- -	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+ Stable	- -	- -	- -	-5.8	58.0	1.2	59.0	11.4	156.8	-5.4	0.5
Rwanda	B+ Stable	B2 Stable	B+ Stable	- -	-4.6	69.5	3.5	19.8	9.5	111.5	-11.7	3.7
Middle East												
Bahrain	B+ Stable	B2 Stable	B+ Stable	B+ Stable	-4.9	133.7	-3.5	138.2	29.7	331.1	2.1	1.0
Iran	- -	- -	- -	- -	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B- Stable	Caa1 Stable	B- Stable	- -	-4.5	45.6	15.3	3.2	3.1	42.6	5.6	-1.4
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.8	92.6	1.9	68.5	12	150.3	-4.4	1.6
Kuwait	A+ Stable	A1 Stable	AA- Stable	AA- Stable	-3.9	5.2	2.2	45.3	0.4	107.9	15.4	-4.8
Lebanon	SD -	C -	RD** -	- -	0.0	213.0	8.8	181.1	9.0	160.6	-20.1	2.8
Oman	BBB- Stable	Ba1 Positive	BB+ Stable	BBB- Positive	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA Stable	Aa2 Stable	AA- Positive	AA Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A Positive	A1 Positive	A+ Stable	AA- Stable	-2.8	24.6	10.3	25.3	3.5	67.7	-0.2	0.5
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	LT Foreign currency rating: 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- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-3.1	26.4	4.1	29.4	8.1	100.4	-2.8	2.2
Pakistan	CCC+ Stable	Caa2 Positive	CCC+ -	- -	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Bangladesh	B+ Stable	B2 Negative	B+ Stable	- -	-4.8	32.1	3.8	29.0	29.0	102.8	-1.5	0.4
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-2.5	24.5	2.0	19.5	1.5	102.8	-0.5	2.0
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.3	51.7	4.4	25.9	6.5	101.2	-8.3	2.1
Russia	- -	- -	- -	- -	-	18.2	18.0	23.6	4.4	45.0	12.1	-0.7
Türkiye	BB- Stable	B1 Positive	BB- Stable	BB- Stable	-5.1	27.0	1.4	63.6	10.8	149.0	-1.2	0.4
Ukraine	CC Negative	Ca Stable	CC -	- -	-17.0	91.6	4.6	40.7	10.1	108.	-6.6	1.4

** 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 2025

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	4.50	29-Jan-25	No change	19-Mar-25
Eurozone	Refi Rate	2.65	06-Mar-25	Cut 25bps	17-Apr-25
UK	Bank Rate	4.50	06-Feb-25	Cut 25bps	20-Mar-25
Japan	O/N Call Rate	0.50	24-Jan-25	Raised 25bps	19-Mar-25
Australia	Cash Rate	4.10	18-Feb-25	Cut 25bps	01-Apr-25
New Zealand	Cash Rate	3.75	19-Feb-25	Cut 50bps	28-May-25
Switzerland	SNB Policy Rate	0.50	12-Dec-24	Cut 50bps	20-Mar-25
Canada	Overnight rate	2.75	12-Mar-25	Cut 25bps	16-Apr-25
Emerging Markets					
China	One-year Loan Prime Rate	3.1	20-Feb-24	No change	20-Mar-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	19-Dec-24	No change	20-Mar-25
South Korea	Base Rate	2.75	25-Feb-25	Cut 25bps	17-Apr-25
Malaysia	O/N Policy Rate	3.00	06-Mar-25	No change	08-May-25
Thailand	1D Repo	2.00	26-Feb-25	Cut 25bps	30-Apr-25
India	Repo Rate	6.25	07-Feb-25	Cut 25pbs	09-Apr-25
UAE	Base Rate	4.40	18-Dec-24	Cut 25bps	N/A
Saudi Arabia	Repo Rate	5.00	18-Dec-24	Cut 25bps	N/A
Egypt	Overnight Deposit	27.25	20-Feb-25	No change	17-Apr-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	42.50	06-Mar-25	Cut 250bps	17-Apr-25
South Africa	Repo Rate	7.50	30-Jan-25	Cut 50bps	20-Mar-25
Kenya	Central Bank Rate	10.75	05-Feb-24	Cut 50bps	N/A
Nigeria	Monetary Policy Rate	27.50	20-Feb-25	No change	20-May-25
Ghana	Prime Rate	27.00	27-Jan-25	No change	31-Mar-25
Angola	Base Rate	19.50	21-Jan-25	Cut 25bps	18-Mar-25
Mexico	Target Rate	9.50	06-Feb-25	Cut 50bps	27-Mar-25
Brazil	Selic Rate	13.25	29-Jan-25	Raised 100bps	N/A
Armenia	Refi Rate	6.75	04-Feb-25	Cut 25bps	18-Mar-25
Romania	Policy Rate	6.50	14-Feb-25	No change	07-Apr-25
Bulgaria	Base Interest	2.59	03-Mar-25	Cut 23bps	01-Apr-25
Kazakhstan	Repo Rate	15.25	17-Jan-25	No change	N/A
Ukraine	Discount Rate	15.50	06-Mar-25	Raised 100bps	17-Apr-25
Russia	Refi Rate	21.00	26-Feb-25	No change	21-Mar-25

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