800 ISSUES+
Issue 842 | March 27, 2025

BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Private equity fundraising down 24% to $589bn in 2024

Figures issued by McKinsey & Co. indicate that private equity (PE) funds raise $589bn globally in 2024, constituting a decrease of 24.3% from $778bn in 2023. In comparison, global PE fundraising stood at $782bn in 2019, $701bn in 2020, $952bn in 2021, and $882bn in 2022, and posted a compound annual growth rate (CAGR) of -5.5% in the 2019-24 period. Further, PE funds in North America raised $350bn in capital, or 59.4% of the total capital raised in 2024, followed by fundraising in Europe with $159bn (27%), and Asia with $61bn (10.4%), while the rest of the world raised $19bn (3.2%). Also, PE fundraising dropped by 32% in Asia in 2024, decreased by 28.8% in North America, and regressed by 10.7% in Europe, while it grew by 0.4% in the rest of the world. In addition, PE fundraising dropped by a CAGR of 24% in Asia and by a CAGR of 3.2% in North America in the 2019-24 period, while it increased by a CAGR of 6% in Europe and by a CAGR of 9.8% in the rest of the world in the covered period. In parallel, PE fundraising for buyout funds reached $376bn, fundraising for venture capital totaled $102bn, and fundraising for growth equity amounted to $97bn, while PE fundraising for other private equity funds stood at $13bn in 2024.

Source: McKinsey & Co., Byblos Research

Upgrades on sovereign foreign currency ratings account for 16% of rated sovereigns in 2024

S&P Global Ratings indicated that three rated sovereigns defaulted on their obligations in 2024 compared to nine defaults in 2023. It noted that there was one foreign currency (FC) sovereign-default in 2024 relative to three defaults in 2023, while there were two local currency (LC) defaults last year compared to six defaults in 2023. It stated that local currency defaults outnumbered foreign currency defaults for the second consecutive year. Further, it noted that Argentina and the Republic of Congo defaulted on their local currency debt, while Ukraine defaulted on its foreign currency obligations. In parallel, it stated that it upgraded the ratings of 22 sovereigns relative to 15 upgrades in the preceding year, and downgraded 10 sovereigns last year, unchanged from 2023, with 79% of the rating actions in emerging and frontier market countries. It indicated that investment-grade downgrades rose from two in 2023 to six in 2024 and exceeded speculative-grade downgrades for the first time since 2012, as it downgraded the ratings of France, Israel, Latvia, Panama, Lithuania, and Peru. In addition, it said that the global rate of FC defaults reached 0.7% last year, down from 2.2% in 2023, while the rate of LC defaults decreased from 2.9% in 2023 to 1.4% in 2024. It added that the rate of FC downgrades increased from 5.2% in 2023 to 6.6% in 2024, while the rate of FC upgrades grew from 11.1% in 2023 to 16.2% in 2024. In comparison, the rate of LC downgrades increased from 4.3% in 2023 to 6.4% in 2024, while the upgrade rate improved from 10.1% in 2023 to 15.6% in 2024.

Source: S&P Global Ratings

EMERGING MARTKETS

Fixed income trading up 9.4% to $6,116bn in 2024

Trading in emerging markets debt instruments reached $6.116 trillion (tn) in 2024, constituting an increase of 9.4% from $5.59tn in 2023. Debt trading volumes totaled $1.7tn in the first quarter, $1.44tn in the second quarter, $1.56tn in the third quarter, and $1.4tn in the fourth quarter of 2024. Turnover in local-currency instruments reached $4,192bn in 2024, representing an increase of 9% from $3,851bn in 2023, and accounted for 69% of the debt trading volume in emerging markets. In parallel, trading in Eurobonds stood at $1,919bn in 2024, constituting a rise of 12% from $1,716bn in 2023. The volume of traded sovereign Eurobonds reached $1,366bn and accounted for 71% of total Eurobonds traded in 2024, relative to $1,163bn and a share of 68% in 2023. Also, the volume of traded corporate Eurobonds amounted to $545bn and represented 28% of total Eurobonds traded, compared to a share of 32% in 2023. Further, turnover in warrants and options stood at $3bn, while loan assignments totaled $2bn in 2024. The most frequently-traded instruments in 2024 were Mexican fixed income assets with a turnover of $1,638bn, or 27% of the total, followed by instruments from Brazil with $580bn (10%), and securities from China with $569bn (9%). Other frequently-traded instruments consisted of fixed income securities from India at $430bn (7%) and from South Africa at $231bn (3.8%).

Source: EMTA

MENA

Quality of living varies across Arab world

The 2024 Mercer survey on the quality of living in 241 cities around the world ranked Dubai in 83rd place globally and in first place among 22 cities in the Arab world. Abu Dhabi followed in 85th place, then Doha (109th), Muscat (119th) and Rabat (127th) as the best Arab cities for overall quality of living; while Tripoli (232nd), Damascus (235th), Sana'a (238th), Baghdad (240th) and Khartoum (241st) are the least appealing Arab cities in terms of living conditions. The survey evaluates the cities on the basis of 39 key quality-of-living determinants grouped in 10 categories that include political, economic and socio-cultural factors, in addition to healthcare & sanitation, schools & education, public services & transportation, recreation, consumer goods, housing, and the natural environment. Based on the 22 Arab cities that were included in the 2023 and 2024 surveys, the rankings of 10 cities improved, six declined and six were unchanged year-on-year. Also, the rankings of Riyadh and Doha rose by eight spots each and constituted the best improvement regionally, while the rank of Cairo regressed by five spots, representing the steepest decline in the Arab world in 2024. Also, five Arab cities came among the bottom 20 cities worldwide in terms of quality of living. The survey is conducted annually to help multinational companies assess international hardship allowances and incentives for their expatriate workers.

Source: Mercer, Byblos Research

OUTLOOK

WORLD

Growth outlook affected by high levels of trade and policy uncertainties

Barclays Capital revised its projections for global economic growth to 2.9% in 2025 and 2.8% in 2026 from its November forecasts of 3% for each of the two years. Also, it projected the real GDP growth rate of advanced economies (AEs) at 1.1% in the 2025-26 period, down from an average rate of 1.4% in November, while it forecast emerging markets (EMs) to grow by 4.1% in 2025 and 3.9% in 2026 compared to its projections of 4% and 3.8% for 2025 and 2026, respectively, in November. It attributed its growth revisions to the multi-decade high level of uncertainties that the U.S. Administration's trade and policy decisions have generated, which has altered the global economic outlook. It added that its revisions reflect the U.S. appetite to impose higher and more widespread tariffs than initially expected, including at the cost of disruptions to domestic production and supply chains. As such, it projected the U.S. weighted average tariff rate to reach 15%, up from its earlier forecast of 10%, as a result of tariffs of 30% on China and tariffs in excess of 10% on the rest of the world, up from 5% earlier.

In addition, it factored in the negative economic effects from the scale of policy uncertainties on AEs and EMs, as it expected the U.S. economy to grow by 1.5% in 2025 relative to 2.8% last year, for the Euro Area to post a real GDP growth rates of 0.7% in 2025 and 1.1% in 2026 compared to 0.8% in 2024. Further, it forecast the inflation rate to pick up to 2.8% in AEs in 2025 relative to 2.7% in 2024.

In parallel, it projected the real GDP growth rate in Emerging Asia to average 4.6% in the 2025-26 period relative to 5.1% in 2024, and for the real GDP growth rate of the Emerging Europe, the Middle East and Africa (EEMEA) region to average 2.8% in the 2025-26 period, down from 3% in 2024. It considered that export-dependent EM economies will bear the brunt of the trade war and noted that, beyond tariffs, geopolitical developments will be crucial for the EEMEA region. Also, it forecast the current surplus of Emerging Asia to decline from 1.7% of GDP in 2024 to 1.2% of GDP in 2025 and 0.9% of GDP in 2026, and for the surplus in the EEMEA region to regress from 0.8% of GDP in 2024 to 0.6% of GDP in 2025 and 0.5% of GDP in 2026.
Source: Barclays Capital

EGYPT

Economic outlook contingent on external sector dynamics

The National Bank of Kuwait projected Egypt's real GDP growth rate to accelerate from 2.4% in the fiscal year that ended in June 2024 to 4% in FY2024/25, driven by a recovery in domestic consumption. Also, it projected the inflation rate to decrease from 33.5% in FY2023/24 to 20% in FY2024/25, despite the lifting of some subsidies. It said that the current inflation target set by the Central Bank of Egypt (CBE) is 7% for the fourth quarter of 2026, which the CBE could achieve based on current trends. It expected the CBE to cut its policy rate by 2 percentage points (pps) to 3pps in a first stage, and by another 3pps to 5pps later in 2025, which will ease financing costs and boost investments. In addition, it forecast the fiscal deficit to widen from 3.6% of GDP in FY2023/24 to 7.9% of GDP in FY2024/25, due in part to declining corporate tax receipts from operations in the Suez Canal. But it said that spending control and high tax revenues are supporting fiscal discipline, expected the government to resume lifting subsidies, mainly on fuels, after a six-month pause. Further, it projected the current account deficit to narrow from 6.3% of GDP in FY2023/24 to 4.5% of GDP in FY2024/25 as revenues from the Suez Canal will remain subdued, despite a pick-up in imports. Also, it estimated the country's net cumulative financing gap at $10bn in the next two years starting March 2025. Further, it considered that a flexible foreign exchange is crucial to maintain high levels of foreign currency reserves and to reduce the volatility of the banks' net foreign assets.

In parallel, it indicated that downside risks to the outlook include limited exchange rate flexibility and widening current account deficits. It considered that external sector dynamics are the key risk to Egypt's fiscal sustainability and economic growth profile. However, it noted that upside risks to the outlook include the possibility of higher increases in fiscal revenues in 2025, a recovery in Suez Canal receipts, and a lower interest rate environment.
Source: National Bank of Kuwait

PAKISTAN

Growth outlook dependent on sustaining reforms momentum

The International Monetary Fund (IMF) expected economic activity in Pakistan to steadily improve in the near term, as it indicated that the authorities have made significant progress in restoring macroeconomic stability and rebuilding confidence in the past 18 months, despite a challenging global environment. It said that the inflation rate has declined to its lowest level since 2015, financial conditions have improved, sovereign spreads have narrowed significantly, and external balances are stronger, even though economic growth remains moderate.

Also, it pointed out that the authorities are committed to advancing a gradual fiscal consolidation to sustainably reduce the public debt, maintaining a sufficiently tight monetary policy to keep inflation low, accelerating cost-reducing measures in the energy sector, implementing the necessary measures to accelerate growth, strengthening social protection and health and education spending, preserving a fully functioning foreign exchange market to support the flexibility of the exchange rate, and rebuilding foreign-currency reserve buffers. It indicated that the authorities aim to continue fiscal consolidation in the FY2025/26 budget, and urged them to maintain their efforts to enhance the mobilization of revenues, improve spending efficiency and transparency, and broaden the tax base. Further, it noted that the authorities aim to accelerate their efforts to fully implement the governance framework of state-owned enterprises, and that the government will further strengthen its institutional capacity to fight corruption and significantly reduce trade barriers.

In parallel, the IMF considered that downside risks to the outlook are elevated on potential macroeconomic policy slippages, geopolitical shocks to commodity prices, tightening global financial conditions, climate-related risks, and rising protectionism.
Source: International Monetary Fund

ECONOMY & TRADE

KUWAIT

Enactment of debt law supports fiscal flexibility

Fitch Ratings considered that the Kuwaiti parliament's enacting of a long-delayed draft financing and liquidity law, or the debt law, will improve the budget's flexibility and advance long-delayed reform plans from previous governments. It said that the enactment of the law will enable the government to issue debt for the first time since the expiry of the previous financing and liquidity law in 2017. It noted that the initial draft law proposal outlined plans to raise about KWD30bn, or $98bn, during a 50-year period. Also, it pointed out that the law will broaden funding options for the government and reduce the risk of liquidity pressure on the General Reserve Fund, even though the government would be able to meet its financing needs without a liquidity law due to the substantial assets at its disposal. In addition, it projected the public debt level at 6% of GDP in the fiscal year that ends in March 2025 and at 9.2% of GDP in FY2025/26 amid budget deficits and lower oil prices, but it expected the public debt level to remain well below the projected median of about 51% of GDP in 2026 for 'AA'-rated sovereigns. In addition, it considered that the implementation of measures to diversify the sources of fiscal revenues, rationalize expenditures and reduce the country's reliance on oil, which accounts for about 90% of exports and 84% of government revenues, will support Kuwait's credit profile. But it said that Kuwait's public finances could be vulnerable in case of a prolonged period of low oil prices without a substantial rebalancing of revenues and spending.

Source: Fitch Ratings

UAE

Sovereign ratings affirmed, outlook 'stable'

Moody's Ratings affirmed the UAE's long-term local and foreign currency issuer ratings and senior unsecured ratings at 'Aa2', and the foreign- and local currency country ceilings at 'Aaa'. It also maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to its expectations that the debt burden of the federal government will remain very low, supported by a longstanding adherence to a balanced budget policy and limited spending needs due to fiscal decentralization. In addition, it noted that continued strong support from the Emirate of Abu Dhabi, which plays a pivotal role in the UAE federation, supports the ratings. In contrast, it said that the country's economic and fiscal reliance on the hydrocarbon sector is one of the key constraints on the ratings. Further, it said that the 'stable' outlook balances the country's economic diversification with the possibility of a very large and durable decline in global oil demand and prices. In parallel, it noted that the UAE's exposure to regional geopolitical tensions would disrupt the economy's diversification momentum and weigh on its longer-term growth prospects. It anticipated efforts by the federal government to expand non-hydrocarbon revenue streams, promote the development of non-oil sectors, and improve the attractiveness of the UAE for foreign direct investments, which would support the sovereign's credit profile. It said that it could upgrade the ratings if the UAE's resilience to more rapid carbon transition scenarios materially increased and/or in case of a durable decline in regional geopolitical tensions. In contrast, it said it could downgrade the ratings in case of escalation of regional geopolitical tensions.

Source: Moody's Ratings

TÜRKIYE

Political unrest poses risks to monetary policy

Moody's Ratings indicated that the arrest of Istanbul's Mayor Ekrem Imamoglu, along with more than 100 politicians, journalists and businessmen, triggered anti-government protests and clashes, as well as a sell-off of Turkish assets. It noted that its 'b1' assessment of Türkiye's institutions and governance strength captures the risk of a reversal of the orthodox monetary policy stance, which would likely reverse much of the economic adjustment since last year, despite the economy's robust growth dynamics and the government's relatively strong debt and debt affordability metrics. Further, it pointed out that elevated political risks are a longstanding feature of Türkiye's sovereign credit profile as reflected by its 'b' political risk assessment. It considered that a sustained negative market reaction to the political developments would likely impact recent disinflation dynamics and challenge the authorities' efforts to restore macroeconomic and financial stability after high and accelerating inflation rates in the preceding two years. It indicated that the lira depreciated by more than 3% on the day of the arrests, prompting the Central Bank of the Republic of Türkiye (CBRT) to intervene in the foreign exchange market on March 19 and to raise the overnight lending rate by 200 basis points to 46% on March 20 to limit market volatility. It expected the CBRT to either delay interest rate cuts or to increase the main policy rate in order to stabilize the exchange rate and to anchor inflation expectations. It added that the CBRT will likely avoid large interventions to support the lira that would significantly erode its foreign currency reserves.

Source: Moody's Ratings

ETHIOPIA

Sovereign ratings affirmed, outlook 'stable'

S&P Global Ratings affirmed Ethiopia's long-term local currency sovereign credit rating at 'CCC+,' and maintained the 'stable' outlook on the ratings. It also affirmed its short and long-term foreign currency sovereign credit rating at 'Selective Default' (SD). It said that the 'stable' outlook on the local currency rating balances the government's elevated gross borrowing requirements with increased multilateral donor funding and the still manageable cost of domestic debt. It said that Ethiopia remains engaged in an external debt restructuring process under the Group of 20 Common Framework. It noted that the International Monetary Fund approved a $3.4bn Extended Credit Facility in July 2024, which will partially address Ethiopia's external financing gap of $10.7bn over the four-year program and will likely be supported by external funding. It considered that the country will remain dependent on favorable financial and economic conditions to continue to meet its local currency obligations, and that significant reforms will support the country's concessional debt disbursements. Further, it forecast Ethiopia's gross external financing needs at 136.5% of current account receipts plus usable reserves in 2025, and at 131.8% and 139.5% of such receipts and reserves in 2026 and 2027, respectively. In parallel, it indicated that it could upgrade the local currency ratings if the country's financing needs moderate and if liquidity pressures ease, while it may downgrade the ratings if significant funding pressures emerge. It added that it could upgrade the foreign currency ratings once Ethiopia completes the restructuring of its external commercial debt.

Source: S&P Global Ratings

BANKING

SAUDI ARABIA

Liquidity tightening limits banks' upside from lower rates

Fitch Ratings expected the net interest margins (NIMs) of Saudi banks to slightly improve in 2025 amid the Saudi Central Bank's (SAMA) interest rate cuts that began in 2024. It said that a sharp drop in global oil prices could tighten liquidity in the sector, but expected SAMA to intervene if liquidity shortages restrict the banks' ability to meet demand for financing. Further, it indicated that the increase in deposits has been lagging lending growth, as the aggregate gross loans of rated banks grew by SAR350bn, while deposits increased by SAR210bn in 2024. It said that the banks funded the gap by issuing debt of about SAR50bn and by other interbank facilities. It noted that external liabilities represented about one third of the new debt in 2024 and totaled SAR411bn at end-2024, or about 12% of total funding. It stated that the sector's loans-to-deposits ratio increased from 93% at end-2021 to 106% at end-2024, and the sector's deposit funding gap, which is the difference between gross loans and deposits, was about SAR0.3 trillion at end-2024. It expected the loans-to-deposits ratio to increase and the funding gap to widen further in 2025, as it anticipated lending growth to continue to be faster than deposit growth in 2025 and forecast lending to expand by 12% to 14% this year. Also, it expected Saudi banks to issue debt in excess of $20bn in 2025, which, along with lower deposits and competition for funding, will reduce the positive impact of lower interest rates on NIMs.

Source: Fitch Ratings

TUNISIA

Banks' ratings affirmed

Fitch Ratings affirmed the long-term foreign- and local currency Issuer Default Ratings (IDRs) of Arab Tunisian Bank (ATB) at 'B-', the rating of Union Bancaire pour le Commerce et l'Industrie (UBCI) at 'CCC+' and the IDRs of Banque Tuniso-Koweitienne (BTK) at 'CCC-'. It also affirmed the national long-term rating of the Arab Banking Corporation Tunisie's (ABCT) at 'AAA(tun)' and the rating of Wifak International Bank's (Wifak) at 'BB(tun)'. Further, it maintained the 'stable' outlook on the ratings of ABCT, ATB, UBCI and Wifak banks. Further, it affirmed the Viability Ratings (VRs) of UBCI at 'ccc+', the VRs of ATB at 'ccc', and the rating of BTK at 'ccc-'. It indicated that the national rating of ABCT reflects potential support from its parent bank, while the rating of ATB takes into account the limited probability of government support in case of need. But it indicated that the VRs of BTK and UBCI are constrained by the weak support from the government. Further, it said that the national ratings of ABCT and Wifak and the VRs of ATB, UBCI and BTK are supported by their solid funding and liquidity positions. It added that the challenging operating environment and significant credit concentration are constraining the ABCT, ATB and Wifak. It pointed out that weak capital ratios are weighing on the VR ratings of ATB, BTK, UBCI and the national rating of Wifak. It indicated that weak asset quality is weighing on the VR ratings of, ATB and BTK and the national rating of ABCT while reasonable and improved asset quality supports the ratings of UBCI and Wifak.

Source: Fitch Ratings

MOROCCO

Stable outlook on banking sector on asset quality, funding and liquidity

Moody's Ratings maintained the outlook on Morocco's banking sector at 'stable', amid supportive operating conditions for banks, despite several external and internal shocks. It noted that the stable asset quality will keep the banks' profitability healthy. Further, it said that the banks' net interest margin reached 2.9% in the first half of 2024, and expected the margins to narrow slightly in 2025 amid lower benchmark policy rates, which will be partially offset by moderate asset growth and steady non-interest income. In parallel, it estimated the banks' non-performing loans ratio to remain stable at around 8.8% as a result of lower inflation and interest rates, which will ease the pressure on domestic borrowers' ability to repay their dues. It also expected the banks' weakening asset quality to ease in the near term, as the lagged effects of higher inflation and policy rates in the 2022-23 period come to an end. It added that loan-loss provisions covered 94% of problem loans at end-June 2024, which provides protection to core equity against expected losses. Also, it noted that customer deposits form the majority of the banks' funding sources, with current and savings accounts accounting for 70% and 16% of sector's deposits at end-2023, respectively. It added that funding and liquidity constitute the key credit strengths of banks. Also, it stated that the banks' tangible common equity ratio stood at 7.7% at end-June 2024 compared to 15.3% for rated banks in the Middle East and Africa.

Source: Moody's Ratings

CÔTE D'IVOIRE

Abidjan to continue implementation of AML/CFT action plan

In its February 2025 update, the Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), indicated that Côte d'Ivoire made a high-level political commitment in October 2024 to work with the FATF and the Inter-Governmental Action Group against Money Laundering in West Africa to strengthen the effectiveness of its AML/CFT regime. It said that Côte d'Ivoire made significant progress on many of the mutual evaluation report's recommended actions by strengthening its legal AML/CFT framework; updating money laundering and terrorism financing (ML/TF) analysis; strengthening the human and technical resources of the financial intelligence unit (FIU) and of prosecutors; and operationalizing the agency in charge of the management of assets seized and confiscated. Further, it noted that the authorities will continue to work with the FATF to implement their action plan by enhancing international cooperation in ML/TF investigations and prosecutions. It added that the authorities pledged to implement a risk-based supervision of financial institutions and designated non-financial businesses and professions. Also, it called on the authorities to improve the verification and access of basic and beneficial ownership information of legal persons and to apply sanctions in case of violation. Further, it urged law enforcement authorities to improve the dissemination of information by the FIU. Further, it called on the authorities to demonstrate a sustained increase in the number of ML and TF investigations and prosecutions of different types, and to strengthen the targeted financial sanctions framework.

Source: Financial Action Task Force

ENERGY / COMMODITIES

Oil prices to average $70 p/b in 2025

ICE Brent crude oil front-month future contracts' prices reached $73.8 per barrel (p/b) on March 26, 2025, constituting an increase of 4.3% from $70.8 p/b a week earlier. The rise in oil prices was mainly driven by a decrease in U.S. oil inventories, the U.S. threat of tariffs on nations buying Venezuelan crude oil, and concerns about potential risks from a global trade war. In parallel, Goldman Sachs indicated that rising global recession risks and elevated spare production capacity skew the medium terms risks to oil price forecasts to the downside. It said that the reliance on oil output from non-OPEC+ producers will weigh on oil prices in the near term. Further, Fitch Ratings considered that U.S. tariffs on China may weigh on global economic growth and oil demand, which would increase the oversupply of oil and add pressure on oil prices. It also expected the trade war and additional sanctions on Russia and Iran to increase the oil market's volatility. It considered that geopolitical tensions, including the full suspension of pipeline deliveries to Europe through Ukraine at end-2024 following the expiry of the gas transit agreement, and unsettled military conflicts in the Middle East, will put upward pressure on oil prices in the short term. Further, it projected oil prices to average $70 p/b in 2025.

Source: Goldman Sachs, Fitch Ratings, Refinitiv, Byblos Research

Algeria's crude oil production nearly unchanged in January 2025

Crude oil production in Algeria totaled 907,000 barrels per day (b/d) in January 2025, constituting an uptick of 0.1% from 906,000 b/d in December 2024 and unchanged from 907,000 b/d in January 2024. Further, aggregate crude oil exports stood at 326,000 b/d in January 2025, down by 28.5% from 456,000 b/d in December 2024 and by 22.4% from 420,000 b/d in January 2024.

Source: JODI, Byblos Research

Global steel output down 4.4% in February 2025

Global steel production reached 144.7 million tons in February 2025, constituting decreases of 4.4% from 151.4 million tons in January 2025 and of 2.8 % from 148.8 million tons in February 2024. Production in China totaled 78.9 million tons and accounted for 54.5% of global steel output in February 2025, followed by production in India with 12.7 million tons (8.8%), Japan with 6.4 million tons (4.4%), the U.S. with 6 million tons (4.1%), Russia with 5.8 million tons (4%), and South Korea with 5.2 million tons (3.6%).

Source: World Steel Association, Byblos Research

Output of natural gas to increase by 2.2% in 2025

The International Energy Agency projected global natural gas production to reach 4,281 billion cubic meters (bcm) in 2025, constituting an increase of 2.2% from 4,190 bcm in 2024. It forecast the supply of natural gas in North America at 1,310 bcm and to represent 30.6% of the world's aggregate output in 2025, followed by Eurasia with 875 bcm (20.4%), the Middle East with 765 bcm (18%), the Asia Pacific region with 712 bcm (16.6%), Africa with 252 bcm (6%), Europe with 217 bcm (5.1%), and Central and South America with 150 bcm (3.5%).

Source: International Energy Agency, Byblos Research

Base Metals: Copper prices to average $8,500 per ton in first quarter of 2025

LME copper cash prices averaged $9,316.8 per ton in the year-to-March 26, 2025 period, constituting an increase of 10.5% from an average of $8,431.6 a ton in the same period of 2024. The increase in prices was due mainly to the imposition of new U.S. tariffs of up to 25% on copper imports and to elevated global demand due to the energy transition and strong electrification. However, copper prices dropped from a peak of $10,800.8 per ton on May 20, 2024 to $9,883.2 a ton on March 26, 2025, driven by a slowdown in China's industrial activity that reduced demand for industrial metals, including copper. In parallel, Citi Research projected the global production of refined copper at 26.63 million tons in 2025, which would constitute an increase of 1.2% from 26.3 million tons in 2024, with mine output representing 86.8% of the global production of refined copper this year. In addition, it forecast global demand for refined copper at 26.6 million tons in 2025, constituting an increase by 2% from 26.1 million tons in 2024. In its bull case scenario, it expected copper prices to average $10,125 per ton in 2025 and $12,000 a ton in 2026, in case of a softer implementation of U.S. tariff hikes, along with interest rate cuts and the recovery in manufacturing through 2025. In its bear case scenario, it forecast copper prices to average $8,000 a ton this year and $7,500 per ton in 2026, in case of potential global trade tensions, which would put downward pressure on copper demand. In its base case scenario, it anticipated copper prices to average $8,750 per ton in 2025, as elevated tariffs, a restrictive monetary environment and headwinds to China’s growth delay a broader recovery in global manufacturing activity beyond 2025. Further, it projected copper prices to average $8,500 per ton in the first quarter of 2025 and $8,750 a ton in full year 2025.

Source: Citi Research, Refinitiv, Byblos Research

Precious Metals: Platinum prices to average $1,044 per ounce in second quarter of 2025

Platinum prices averaged $967 per troy ounce in the year-to-March 26, 2025 period, constituting an increase of 6.1% from an average of $911.7 an ounce in the same period last year due mainly to weaker supply and rising investment demand for the metal. However, prices decreased from a high of $1,065 an ounce on May 17, 2024 to a recent low of $976 per ounce on March 26, 2025 due to weak industrial demand. In parallel, the World Platinum Investment Council estimated the global demand for platinum at 8.3 million ounces in 2024, constituting an increase of 4.6% from 7.9 million ounces in 2023, and projected it to reach 7.9 million ounces in 2025. It attributed the increase in 2024 to a rise of 76.8% in inflows into platinum-backed exchange-traded funds and demand for bars and coins, and to an increase of 7.8% in jewelry consumption, which were partly offset by a decrease of 2.2% in demand from the automotive sector and by a contraction of 0.5% in industrial demand. Also, it estimated the global supply of platinum at 7.3 million ounces in 2024, representing an uptick of 2.5% from 7.1 million ounces in 2023, and projected global supply of platinum at 7 million ounces in 2025. As such, it projected the metal's market deficit to narrow from 995,000 ounces in 2024 to 848,000 ounces in 2025. It considered that new U.S. policies, particularly proposed tariffs, will disrupt the flow of platinum into the U.S., and/or damage consumer demand for vehicles in the near term. Further, S&P Global Market Intelligence projected platinum prices to average $1,043.7 per ounce in the second quarter of 2025, with a low of $946 an ounce and a high of $1,150 per ounce in the covered quarter.

Source: World Platinum Investment Council, S&P Global Market Intelligence, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	S&P (LT Foreign currency rating)	Moody's (LT Foreign currency rating)	Fitch (LT Foreign currency rating)	CI (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 (%)
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 Stable	AA Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A+ Stable	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	19-Mar-25	No change	07-May-25
Eurozone	Refi Rate	2.65	06-Mar-25	Cut 25bps	17-Apr-25
UK	Bank Rate	4.50	20-Mar-25	No change	N/A
Japan	O/N Call Rate	0.50	19-Mar-25	No change	01-May-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	0.25	20-Mar-25	Cut 25bps	19-Jun-25
Canada	Overnight rate	2.75	12-Mar-25	Cut 25bps	16-Apr-25
Emerging Markets					
China	One-year Loan Prime Rate	3.10	20-Mar-24	No change	20-Apr-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	20-Mar-24	No change	19-Jun-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	No change	29-May-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	18-Mar-25	No change	21-May-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	18-Mar-25	No change	06-May-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	21-Mar-25	No change	25-Apr-25

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