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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate default rate at 1.9% in 2024

S&P Global Ratings indicated that 145 rated corporates defaulted on their obligations in 2024 compared to 153 defaults in 2023 and to 85 defaults in 2022, and that the global rate of defaults reached 1.91% last year, up from 1.86% in 2023. It said that the global non-investment grade default rate increased from 3.7% in 2023 to 3.9% in 2024. It said that 91.7% of companies that defaulted on their debt carried a rating of 'CCC+' or lower prior to defaulting in 2024, while one company with an investment grade rating defaulted last year. On a regional basis, it stated that 97 U.S. firms defaulted on their obligations and accounted for 67% of total corporate defaults in 2024, followed by 33 companies in Europe (22.8%), 11 firms in emerging markets (7.6%), and three companies in other developed markets (2.1%). Further, it noted that the default rate in the leisure & media sector was 4.9% in 2024, the highest among all sectors, followed by the telecommunications industry (4.6%), healthcare & chemicals companies (4.5%), the forest, building products & homebuilders sectors (3.3%), and the consumer & service sectors (3.24%). In comparison, it said that the default rate in the leisure & media sector stood at 5.64% in 2023, followed by healthcare & chemicals companies (4.6%), the transportation sector (3.6%), the telecommunications industry (3.5%), and the consumer & service sectors (3.3%). In addition, it said that the It pointed out that the rate of downgrades decreased from 7.3% in 2023 to 5.8% in 2024, while the rate of upgrades grew from 8.7% in 2023 to 9.6% in 2024.

Source: S&P Global Ratings

MENA

Stock markets up 2.2% in first quarter of 2025

Arab stock markets increased by 2.2%, while Gulf Cooperation Council equity markets rose by 0.8% in the first quarter of 2025, relative to a contraction of 0.5% and an uptick of 0.8%, respectively, in the same quarter of 2024. In comparison, global stocks decreased by 1.8% and emerging market equities grew by 0.7% in the covered quarter. Activity on the Casablanca Stock Exchange surged by 20.2% in the first quarter of 2025, the Tunis Bourse appreciated by 10.3%, the Egyptian Exchange advanced by 7.7%, the Amman Stock Exchange gained 6.1%, and the Boursa Kuwait yielded 4%. In contrast, the Beirut Stock Exchange dropped by 8.8% in the first quarter of 2025, the Iraq Stock Exchange declined by 6%, the Muscat Securities Market decreased by 4.6%, and the Qatar Stock Exchange shrank by 3.2%. Also, the Bahrain Bourse contracted by 1.7% in the covered quarter, the Dubai Financial Market retreated by 1.2%, and the Abu Dhabi Securities Exchange and the Palestine Exchange regressed by 0.5% each. Further, the Saudi Stock Exchange was nearly unchanged in the first quarter of 2025. In parallel, the Tehran Stock Exchange improved by 0.6% in the covered quarter.

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

Quality of logistics infrastructure varies across region

Transport Intelligence, a research firm for the logistics industry, ranked the UAE in third place among 50 emerging economies and in first place among 13 Arab countries on its Agility Emerging Markets Logistics Index for 2025. Saudi Arabia followed in fourth place, then Qatar (8th), Oman (14th), and Bahrain (16th) as the five countries that have the most attractive markets for the logistics industry in the Arab world. In contrast, Morocco (26th), Tunisia (36th), Algeria (38th), Lebanon (42nd), and Libya (46th) have the least favorable market conditions for the logistics industry in the region. The index compares a country's prevailing operational environment to its current logistics opportunities and potential. It ranks emerging markets based on factors that make them attractive to logistics companies, air cargo carriers, shipping lines, freight forwarders and distribution firms. The index is an average of four equally weighted sub-indices that are Domestic Logistics Opportunities, International Logistics Opportunities, Business Fundamentals, and Digital Readiness. The Arab region's average score stood at 5.09 points compared to 5.08 points in 2024, higher than the emerging markets' average of 5 points in this year's survey. Further, Saudi Arabia, UAE and Qatar were the top ranked Arab countries on the Domestic Logistics Opportunities Sub-Index; while Saudi Arabia, the UAE and Egypt led on the International Logistics Opportunities Sub-Index. Also, the UAE, Saudi Arabia and Jordan were the top ranked Arab countries on the Business Fundamentals Sub-Index; while the UAE, Qatar, and Saudi Arabia led on the Digital Readiness Sub-Index.

Source: Transport Intelligence, Byblos Research

Renewable energy capacity at 21,277 MW at end-2024

The International Renewable Energy Agency (IRENA) indicated that the aggregate capacity of renewable energy in 12 Arab countries reached 21,277 megawatts (MW) in 2024, constituting an increase of 16% from 18,355 MW in 2023 and relative to a capacity of 4,656 MW in 2015. It defines renewable energy capacity as the maximum net generating capacity of power plants and other installations that use renewable energy sources to produce electricity. In comparison, the aggregate capacity of renewable energy in Asia stood at 2,382,468 MW, and accounted 53.6% of global capacity, followed by Europe with 848,627 MW (19.1%), North America with 573,005 MW (12.9%), South America with 313,162 MW (7%), Eurasia with 130,624 MW (2.9%), Oceania with 73,777 MW (1.7%), Africa with 66,898 MW (1.5%), the Middle East with 40,219 MW (0.9%), and Central America & the Caribbean with 19,272 MW (0.4%). Further, it noted that the renewable energy capacity of the UAE stood at 6,144 MW at end-2024, followed by Saudi Arabia with 4,743 MW, Jordan with 2,725 MW, Qatar with 1,699 MW, Iraq with 1,599 MW, Syria with 1,557 MW, Lebanon with 1,297 MW, Oman with 722 MW, Yemen with 410 MW, Palestine with 198 MW, Kuwait with 114 MW, and Bahrain with 69 MW. Also, the distribution of renewable energy capacity in the Arab world shows that the installed solar power capacity stood at 16,662 MW or 78.3% of the total in 2024, followed by 3,573 MW from hydropower sources (16.8%), 1,202 MW from wind energy (5.6%), and 42 MW from biogas (0.2%).

Source: IRENA, Byblos Research

EMERGING MARKETS

Impact of new tariffs to vary across regions

Moody's Ratings projected the real GDP growth rate of Emerging Markets (EMs) to decelerate from 4.3% in 2024 to 4% in 2025 and 3.9% in 2026 due to shifting U.S. tariff policies, as it considered that the latter have the potential to alter global capital flows, supply chains, trade, and geopolitics. It estimated that larger EMs possess the resources to manage these challenges effectively, while it deemed that smaller EMs are more vulnerable, given that they rely more on cross-border trade and investments for growth. It forecast economic activity in the Asia-Pacific region to grow by 4.9% in 2025 and 4.5% in 2026, down from 5.3% in 2024, while it projected the real GDP growth rate of Central & Eastern Europe and the Commonwealth of Independent States at 2.3% in each of 2025 and 2026, down from 3.3% in 2024. Further, it forecast economic activity in Latin America to grow from 1.8% in 2024 to 1.9% this year and 2.3% next year, and the real GDP growth rate of the Middle East & Africa (ME&A) region at 3.3% in 2025 and 4.1% in 2026, up from a growth of 2.1% in 2024.

Further, it considered that the Asia-Pacific region is the most exposed to U.S. tariffs due to its integration in the global trading system. It said that risks to economic growth in the ME&A region include a potential weakening of oil demand in case of a global economic slowdown in the face of shifting U.S. trade policies, which could delay the planned increases in oil output by the OPEC+ coalition. It noted that economic activity in Latin America will depend largely on how effectively government policies address structural limitations and create a favorable business environment.

In parallel, it indicated that EM economies with a large share of debt denominated in foreign currency, as well as smaller and more open EM economies, are more susceptible to the volatility of global financial flows from global trade tensions and are more exposed to fluctuations in investor sentiment and exchange rate volatility. It said that EMs that impose high tariffs on U.S. goods and rely on exports to the U.S. for economic growth are particularly exposed to the risk of U.S. tariffs.

Source: Moody's Ratings

Emerging markets face key risks from uncertain environment

S&P Global Ratings considered that assessing the full impact of announced and expected U.S. tariffs on key emerging markets (EMs) is currently difficult, but it noted that EMs face three main risks. First, it said the risk level of a trade war and of growing protectionism is "high". It considered that the announced and anticipated U.S. tariffs may provoke retaliatory measures from targeted countries, which could lead to a trade war. It estimated that EMs will feel the short-term impact of global trade disruption through capital and investment flows, a material economic slowdown, and the potential for resumed inflationary pressures. It added that this would likely result in supply-chain disruptions and accelerate relocation efforts. It noted that, in such a scenario, EMs would probably search for new trade partners, which might prove effective in the medium-term, but would have a significant short-term impact for many of the region's sectors and economies.

Second, it said that the uncertain path of policy rates constitutes a "high" risk for EMs. It indicated that new protectionist measures and tighter immigration policies have the potential to boost inflation in the U.S. and halt the U.S. Federal Reserve's monetary easing, which could worsen financing conditions for EMs. It noted that the path for U.S. interest rates is not clear, since a sizeable demand shock could outweigh the effect of tariffs in prices and inflation, which could be supportive for additional monetary easing. As such, it said that EM central banks will exercise caution to maintain the interest-rate differential with the U.S., a key driver of capital flows, which, in turn, will influence the future path of borrowing costs for EMs.

Third, it considered that a slowdown in China's growth poses a "high" level of risks for EMs. It estimated that China's economic activity could sharply slow if U.S. trade tariffs increase, and added that a slower Chinese economy could spill over to many key EMs. It noted that slower exports, weak domestic consumption, and a persistent property crisis could trigger a hard landing for the Chinese economy, which, in turn, could extend to EM economies that rely on China for tourism, exports, and finance.

Source: S&P Global Ratings

MOROCCO

Economic growth to average 3.8% in 2026-28 period, risks tilted to the downside

S&P Global Ratings projected Morocco's real GDP growth rate to accelerate from 3.2% in 2024 to 3.6% in 2025 and to average 3.8% annually in the 2026-28 period, driven primarily by non-agricultural growth. It considered that the continued implementation of socioeconomic and budgetary reforms will help formalize large parts of the economy and make it more competitive. Further, it said that the economy will benefit from the development of large scale projects related to the country's hosting of two major football tournaments in 2025 and 2030. Also, it expected the inflation rate to average 2% in the 2026-28 period.

Further, it forecast the fiscal deficit to narrow from 4.1% of GDP in 2024 to 3.7% of GDP in 2025 and to average 3.1% of GDP in the 2026-28 period. It anticipated the extension of social protection to all Moroccans, along with increasing digitalization, to enable the authorities to widen the tax base. Also, it projected the public debt level to remain unchanged at 67% of GDP at the end of 2025 and to decrease to 66% of GDP in the 2026-28 period, which is still significantly higher than pre-pandemic levels. It added that foreign-currency debt is mostly concessional and accounts for about 25% of central government debt.

In parallel, it forecast the current account deficit to widen from 1.5% in 2024 to 2% of GDP in 2025 and to average 1.7% of GDP in the 2026-28 period. It said that Morocco finances most of its current account through foreign direct investments and external borrowing. Also, it projected official usable foreign currency reserves to remain stable at $37.1bn annually in the 2024-28 period. Further, it considered that significant uncertainties and risks to global growth, particularly in Europe, Morocco's main economic partner, could prevent the Moroccan economy from growing more rapidly in the near term, while the fate of the country's free trade agreement with the U.S. is unclear.

Source: S&P Global Ratings

ECONOMY & TRADE

AFRICA

Increased reliance on external funding raises financing risks

Goldman Sachs indicated that Sub-Saharan Africa's (SSA) reliance on external financing has increased sharply, as reflected by an aggregate current account deficit of between 2.1% of GDP and 3.2% of GDP in recent years. It said that the loosening of fiscal policies led to a rise of the region's public debt level from 25% of GDP in 2007 to 60% of GDP by 2023, with the majority of this debt financed from external sources. It noted that SSA's total external debt level reached $800bn, or 45% of GDP at end-2023, and its financing needs reached 4% of GDP in 2023, close to other emerging market regions. It noted that this trend raised SSA's global financial interconnectedness, as well as its exposure to the global business cycle amid the region's increased reliance in recent years on private-sector financing, mostly through bond markets. It considered that financing risks in SSA remain considerable given large funding requirements and the decline in foreign official funding sources. Further, it stressed the need for SSA authorities to continue fiscal consolidation and to adopt prudent monetary policies in order to reduce external financing requirements and/or diversify funding sources to hedge against potential financing risks from the uncertain geopolitical climate. It noted that SSA authorities aim to seek new types of financing facilities that include equity rather than debt investments, new bilateral and multilateral lending facilities linked to specific development objectives, and commodities-linked financing structures.

Source: Goldman Sachs

UAE

Agencies take rating actions on emirates

Moody's Ratings affirmed the Emirate of Abu Dhabi's long-term local and foreign currency issuer ratings and senior unsecured ratings at 'Aa2', and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to its expectations that the balance sheet of the Abu Dhabi government will remain very strong, underpinned by the government's low fiscal breakeven oil prices and its track record of spending prudence. In addition, it noted that the balance sheet will continue to support Abu Dhabi's ample capacity to absorb shocks, such as those related to its heavy economic and fiscal reliance on the hydrocarbon sector, which exposes the sovereign to cyclical declines in oil demand and prices and to credit risks associated with a potential acceleration of global carbon transition. In parallel, S&P Global Ratings upgraded the long-term foreign and local currency sovereign credit ratings of the Emirate of Ras Al Khaimah (RAK) from 'A-' to 'A', with a 'stable' outlook on the ratings. It noted that the upgrade reflects its expectations that solid tourism receipts in the emirate will support its improving growth momentum. It added that the 'stable' outlook reflects its expectation that RAK's economic growth and fiscal position will remain strong in the near- to medium term. In addition, S&P affirmed the Emirate of Sharjah's long-term foreign and local currency sovereign credit ratings at 'BBB-', and revised the outlook from 'stable' to 'negative' on the long-term ratings. It said that the 'negative' outlook reflects rising risks to the emirate's fiscal position in the next two years.

Source: Moody's Ratings, S&P Global Ratings

ARMENIA

Credit profile reflects growth prospects

In its update on Armenia's credit profile, Moody's Ratings indicated that the country's 'Ba3' sovereign rating, which is three notches below investment grade, balances the economy's strong growth potential and institutions and governance strength, with relatively high geopolitical risks. It added that a countercyclical fiscal policy, credible monetary policy, and forward-looking prudential policies provide effective tools to contain the impact of economic shocks. However, it considered that the high share of the foreign currency component of the public debt increases the vulnerability of the government's balance sheet to sharp exchange rate fluctuations, even though the debt burden is modest. Further, it noted that the 'stable' outlook on the ratings reflects the significant improvement of Armenia's economic strength and fiscal position in the past two years on the back of strong real GDP growth, against a backdrop of elevated geopolitical risks. In addition, it projected the fiscal deficit to widen from 3.5% of GDP in 2024 to 5.5% of GDP in 2025 due to higher spending on national defense and social protection, in part to support the integration of refugees. It also projected the public debt level to rise from 48.3% of GDP in 2024 to between 50% of GDP and 55% of GDP in 2025, well below the recent peak of 63.5% of GDP in 2020. It anticipated geopolitical risks to remain elevated amid tensions with Azerbaijan and an evolving relationship with Russia. In parallel, it said that it could upgrade the ratings if fiscal strength improves and/or if tensions with neighboring countries ease and head to a material reduction in geopolitical risks. In contrast, it noted that it could downgrade the ratings if the country's economic and fiscal metrics deteriorate and/or if tensions with Azerbaijan escalate.

Source: Moody's Ratings

CÔTE D'IVOIRE

Credit profile supported by strong growth and fiscal performance

In its periodic review of Côte d'Ivoire's credit profile, Moody's Ratings indicated that the sovereign's long-term issuer rating of 'Ba2' is supported by the country's robust growth prospects, strong fiscal fundamentals, and stability from its membership in the West African Economic and Monetary Union. Also, it noted that the economic strength assessment of 'ba1' takes into account the economy's increasing resilience, diversification and strong growth prospects, against its small size and relatively low per capita income. It said that the institutions and governance strength assessment of 'ba2' reflects improving policy effectiveness and macroeconomic stability, along with weak institutional quality and governance indicators. Also, it stated that the 'ba3' fiscal strength assessment points to the prudent fiscal management framework, ongoing fiscal consolidation efforts supported by the $3.5bn program with the IMF, and the credibility of the peg of the CFA franc to the euro. It added that the susceptibility to events risk's assessment of 'baa' is driven by political risks due to a history of domestic political tensions, youth unemployment, and regional disparities, as well as by government liquidity risks due to the latter's increasing reliance on commercial debt. It noted that the 'stable' outlook on the rating takes into account potential credit risks from rising political tensions in West Africa, and the country's strong economic performance and increasing income levels.

Source: Moody's Ratings

WORLD

Foreign reserves at $12,364bn at end-2024

Figures released by the International Monetary Fund indicate that global foreign exchange reserves reached $12,364.1bn at the end of 2024, constituting a decrease of 3% from $12,750.1bn at end-September 2024, and nearly unchanged from end-2023. Allocated reserves, or data reported under the IMF's Currency Composition of Official Foreign Exchange Reserves (COFER), reached $11,471.95bn at the end of 2024 and accounted for 92.8% of global reserves; while unallocated reserves, or the figures that do not fall under COFER, stood at $892.2bn at the end of 2024 and accounted for the remaining 7.2% of the total. Foreign currency reserves in U.S. dollars reached $6,631.3bn at end-2024 and accounted for 57.8% of total allocated reserves. Reserves in euros followed with $2,274.97bn (19.8%), then reserves in the Japanese yen with $667.12bn (5.8%), in British pounds with $542.5bn (4.7%), in Canadian dollars with $317.9bn (2.8%), in the Chinese renminbi with $249.7bn (2.2%), in Australian dollars with $235.9bn (2.1%), and in Swiss francs with $19.76bn (0.2%), while reserves in other currencies amounted to $532.84bn or 4.6% of the total. Further, foreign exchange reserves in Canadian dollars increased by 7.2% in 2024, followed by reserves in the Japanese yen (+2.4%), while reserves in other currencies grew by 20.3% from end-2023. In contrast, foreign exchange reserves in Swiss francs dropped by 11.3% from end-2023, followed by reserves in the Chinese renminbi (-4.8%), in Australian dollars (-3.9%), in British pounds (-2.6%), in U.S. dollars (-0.9%), and in euros (-0.4%).

Source: International Monetary Fund

KUWAIT

Banks' financial metrics to improve on robust economy

S&P Global Ratings expected the asset quality of Kuwait banks to improve in 2025 due to a stronger economy and lower interest rates. It anticipated the banks to resort to write-offs to limit the increase in their non-performing loans (NPLs) ratio amid strong provisioning buffers. As such, it projected the sector'sNPLs ratio to decrease from nearly 1.7% in 2024 to 1.5% in 2025, and for the coverage of NPLs to exceed 300% this year. It considered that Kuwaiti banks will be relatively resilient in case of a potential escalation of geopolitical stress, although risks from high exposure to real estate and the geopolitical environment remain high. Further, it indicated that the banks' profitability improved during the monetary tightening cycle, as higher interest rates helped to widen the banks' interest margins, but it expected their profitability to weaken this year amid declining rates. It considered that lending growth, a migration of deposits back to non-remunerated instruments, and the low cost of risk will support the banks' profitability in 2025. In parallel, it anticipated that Kuwaiti banks will maintain stable and strong capital buffers, and noted that the decline in interest rates offers banks the chance to boost hybrid issuance and replace existing instruments at a lower cost upon their maturity. Also, it noted that the banks' funding structures benefit from a strong and stable core customer deposit base and a net external asset position. It pointed out that the net external assets position of the sector was 30.6% of domestic loans at end-November 2024, as domestic lending opportunities remained limited.

Source: S&P Global Ratings

ALGERIA

Algiers to work with FATF on 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 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 said 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. Further, 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. The FATF announced on October 2024 that it placed Algeria on its list of “jurisdictions under increased monitoring”.

Source: Financial Action Task Force

NIGERIA

Banks' ratings dependent on operating environment and sovereign ratings

Fitch Ratings indicated that Access Bank, Zenith Bank, First HoldCo, First Bank of Nigeria (FBN), United Bank for Africa (UBA), Guaranty Trust Holding Company (GTCO), Guaranty Trust Bank (GTB), Fidelity Bank, and Bank of Industry (BOI) maintained stable financial profiles in 2024 while First City Monument Bank (FCMB), Wema Bank, Jaiz Bank and Coronation Merchant Bank (CMB) have weak financial profiles. It said that the Issuer Default Ratings (IDRs) of the banks, except for BOI, are driven by their standalone creditworthiness, but it noted that the Viability Ratings (VRs) of the banks are primarily constrained by their high exposure to the sovereign through holdings of sovereign debt securities and large cash reserves at the Central Bank of Nigeria. Further, it pointed out that the VRs of Zenith Bank, UBA, GTCO, GTB, FCMB, Wema Bank, Jaiz Bank, and CMB are constrained by a challenging domestic operating environment. It noted that the risk of the authorities intervening in the banking sector to support macroeconomic stability and public finances has kept the operating environment score at 'b-', despite the 'positive' outlook on the sovereign ratings since May 2024. It added that the authorities' intervention since May 2024 included a very high cash reserve ratio requirement of 50% on local currency deposits, a minimum loans-to-deposits ratio of 50% to encourage banks to extend credit, the prohibition of net long foreign-currency positions, and a 70% windfall tax on realized gains on foreign currency transactions. It noted that it may upgrade the ratings if the banks materially strengthen their franchises, profitability and capitalization metrics.

Source: Fitch Ratings

Oil prices to average $73 p/b in second quarter of 2025

ICE Brent crude oil front-month future contracts' prices averaged $75 per barrel (p/b) in the first quarter of 2025, constituting a decrease of 11.6% from $85 p/b in the same quarter of 2024, due to increased global oil production, mainly from non-OPEC+ producers, lower global oil consumption amid economic uncertainties and trade tensions, and discussions around a potential ceasefire in Ukraine that would ease oil supply. Also, oil prices decreased after the U.S. Administration announced reciprocal tariffs on trading partners, which raise concerns that a global trade war may impact crude oil demand. In parallel, Standard Chartered Bank projected global oil demand at 104.1 million barrels per day (b/d) in 2025, which would constitute an increase of 1.4% from 102.7 million b/d in 2024 amid higher demand from non-OECD economies. Further, it forecast oil output from non-OPEC+ producers at 54.3 million b/d in 2025, which would represent an uptick of 1.5% from $53.5 million b/d in 2024, with 28.1 million b/d coming from the U.S. and Canada. Also, it expected global oil inventories to decrease by an average of 0.4 million b/d in 2025, with the most significant reduction of 0.9 million b/d happening in the second quarter of the year, as it expected that the increases in output from the OPEC+ coalition to be absorbed by rising demand and consumption. In addition, it considered that the uncertainties surrounding new tariff policies could significantly influence oil prices in the near term. Further, it projected oil prices to average $73 p/b in the second quarter of 2025.

Source: Standard Chartered Bank, Refinitiv, Byblos Research

Iraq's oil exports at 95.15 million barrels in February 2025

Figures issued by the Iraqi Ministry of Oil show that crude oil exports from Iraq totaled 95.15 million barrels in February 2025, constituting decreases of 8% from 103.34 million barrels in January 2025 and of 4.5% from 99.6 million barrels in February 2024. Exports from the central and southern fields stood at 94.38 million barrels in February 2025 compared to 102.3 million barrels in January 2025.

Source: Iraq Ministry of Oil, Byblos Research

Non-OPEC petroleum and liquid fuels to grow by 2% in 2025

The U.S. Energy Information Administration projected the production of petroleum and liquid fuels from non-OPEC producers at 71.82 million barrels per day (b/d) in 2025, constituting an increase of 2% from 70.4 million b/d in 2024. The supply of petroleum and liquid fuels from non-OPEC producers would represent 69% of global output.

Source: U.S. Energy Information Administration

Global oil demand to grow by 1.4% in 2025

The Organization of Petroleum Exporting Countries projected the global consumption of crude oil to average 105.2 million barrels per day (b/d) in 2025, which would constitute an increase of 1.4% from 103.8 million b/d in 2024. Oil demand from non-OECD countries would represent 56.4% of global consumption in 2025, while OECD countries would account for 43.6% of global oil consumption in 2025.

Source: OPEC

Base Metals: Aluminum prices to average $2,672 per ton in second quarter of 2025

The LME cash price of aluminum averaged $2,624.1 per ton in the first quarter of 2025 period, constituting an increase of 19.1% from an average of $2,203.4 a ton in the same quarter last year, due to increasing global demand for the metal. Further, aluminum prices reached a high of $2,737.5 per ton on February 2, 2025, driven by elevated global demand and the U.S. imposition of tariffs of 25% on steel and aluminum imports. In parallel, S&P Global Market Intelligence projected the global primary supply of aluminum at 74.04 million tons in 2025, which would constitute an increase of 2% from 72.56 million tons in 2024, mainly due to higher production from China. Also, it forecast global primary demand for the metal at 74.02 million tons this year, which would represent an increase of 2.4% from 72.3 million tons in 2024. It also expected the global primary supply at 75.6 million tons and the global primary demand at 75.7 million tons in 2026, which will shift the metal's global balance into a deficit in 2026. Also, it said that buyers of the metal are shifting to alternative sources such as India and Middle Eastern producers, since Russia, the main producer of the metal, is facing trade sanctions. However, it indicated that the impact of U.S. tariffs and the possibility of an economic recession in the U.S. would affect demand of the metal, as higher tariffs could increase prices and reduce the purchasing power of consumers. Also, it forecast aluminum prices to average $2,672 per ton in the second quarter of 2025 and $2,593 a ton in full year 2025.

Source: S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Silver prices to average $32.7 per ounce in second quarter of 2025

Silver prices averaged $31.9 per troy ounce in the first quarter of 2025, constituting an increase of 36.3% from an average of $23.4 an ounce in the same quarter of 2024. The increase in the metal's prices was mainly due to the global economic slowdown, as well as to heightened geopolitical tensions that reinforced the appeal of the metal as a safe haven for investors, and to higher investment and industrial demand. Further, silver prices reached a high of $34.3 per ounce on March 27, 2025, their second highest level when they stood at $34.6 an ounce on October 22, 2024, due to the imposition of new U.S. tariffs of up to 25% on imported automobiles. In parallel, the Silver Institute expected the global supply of silver at 1.05 billion ounces in 2025 relative to 1.02 billion ounces in 2024, with mine output representing 80.4% of the total. Further, it projected global demand for the metal to be unchanged at 1.2 billion ounces in 2025, as higher industrial demand and retail investment will be mitigated by weaker jewelry and silverware demand. It said that investor sentiment has improved towards silver during 2025, despite headwinds from a stronger dollar and U.S. Treasury yields. It projected the silver market to remain in a deficit in 2025 for the fifth consecutive year, and it expected the deficit to decrease by 19% to 149 million ounce in 2025. Further, S&P Global Market Intelligence forecast silver prices to average to $32.7 per ounce in the second quarter of 2025, with a low of $30.4 an ounce and a high of $35.7 per ounce in the covered quarter.

Source: Silver Institute, S&P Global Market Intelligence, 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 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				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								
Asia												
Armenia	BB-	Ba3	BB-	B+								
	Stable	Stable	Stable	Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+	A1	A+	-								
	Stable	Negative	Stable	-	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB-	Baa2	BBB	-								
	Stable	Positive	Stable	-	-3.1	26.4	4.1	29.4	8.1	100.4	-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
Bangladesh	B+	B2	B+	-								
	Stable	Negative	Stable	-	-4.8	32.1	3.8	29.0	29.0	102.8	-1.5	0.4
Central & Eastern Europe												
Bulgaria	BBB	Baa1	BBB	-								
	Positive	Stable	Positive	-	-2.5	24.5	2.0	19.5	1.5	102.8	-0.5	2.0
Romania	BBB-	Baa3	BBB-	-								
	Stable	Stable	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-	B1	BB-	BB-								
	Stable	Positive	Stable	Stable	-5.1	27.0	1.4	63.6	10.8	149.0	-1.2	0.4
Ukraine	CC	Ca	CC	-								
	Negative	Stable	-	-	-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	01-Apr-25	No change	20-May-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	28.00	28-Mar-25	Raised 100bps	26-May-25
Angola	Base Rate	19.50	18-Mar-25	No change	21-May-25
Mexico	Target Rate	9.00	27-Mar-25	Cut 50bps	15-Apr-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

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