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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

More than 50% of rated sovereigns have non-investment grade rating at end-March 2025

Moody's Ratings indicated that 68 sovereigns, or 48% of the 143 sovereigns that it rates, had an investment grade rating, while 75 sovereigns, or 52% of the total, had a non-investment grade rating at the end of March 2025. On a regional basis, it noted that Europe accounted for 34% of the rated sovereign issuers, followed by the Middle East and Africa with 28%, the Americas with 21%, and Asia-Pacific with 17%. It added that emerging market economies account for 73% of the rated sovereigns at the end of March 2025. Also, it said that 21.4% of the sovereigns that it rates are in the 'B' rating category, 18.3% stand in the 'Caa' segment, 16% of sovereigns are in the 'Baa' classification, 14.5% stand in the 'Ba' group, 13.7% are in the 'Aa' category, 13% stand in the 'Aa1-2-3' segment, 9.2% are in the 'AAA' classification, and 3.1% stand in the 'Ca/C' group. Also, it pointed out that 73% of sovereigns that it reviewed carried a 'stable' outlook on their ratings at end-March 2025, 15% had a 'positive' outlook, and 12% carried a 'negative' outlook on their ratings. In addition, it stated that one country defaulted on its sovereign debt in the first quarter of 2025 compared to five economies in full year 2024. Further, it upgraded the ratings of three sovereigns and downgraded the ratings of one sovereign in the first quarter of 2025. Also, it said that it changed the outlook to 'positive' on the ratings of two sovereigns and revised the outlook to 'negative' on the ratings of three sovereigns in the first quarter of 2025.

Source: Moody's Ratings

Private equity exits down 11.4% to $80.8bn in first quarter of 2025

S&P Global Market Intelligence indicated that global exits by private equity (PE) funds reached $80.8bn in the first quarter of 2025, constituting decreases of 28% from $112.1bn exits in the fourth quarter of 2025 and of 11.4% from $91.2bn in the same quarter of 2024. It said that exits of PE funds through trade sales totaled $42.7bn and accounted for 523% of exit transactions in the first quarter of 2025, followed by exits through secondary sales to another General Partner (GP) with $31.8bn (39.3%), and through initial public offerings (IPOs) and private placements with $6.3bn (7.8%). Further, PE funds exited 473 investments in the first quarter of 2025, down by 16.7% from 568 exists in the fourth quarter of 2024 and by 11.6% from 535 exits in the same quarter last year. Trade sales accounted for 54.5% of PE funds exits in the first quarter of 2025, followed by secondary sales to another GP with 38%, IPOs and private placements with 3.8%, and other exits, including bankruptcy/write-offs, sale to management, secondary stock purchase, and unspecified exits, with 3.6%. In parallel, it said that PE exits in the financial sector totaled $21.3bn and represented 26.4% of total PE exits in the first quarter of 2025, followed by the consumer industry with $14.5bn (18%), the technology, media & telecommunications sector with $12.7bn (15.7%), the energy & utilities industry with $11.3bn (14%), the healthcare sector with $9.9bn (12.3%), and the industrial sector with $4.3bn (5.4%).

Source: S&P Global Market Intelligence

MENA

Region's workplace trends lag other parts of the world

A survey conducted by opinion polling and consulting firm Gallup on the global workplace shows that 14% of surveyed employees in the Middle East & North Africa (MENA) region said that they are "engaged" at their work, compared to 31% of employees in North America and Latin America and the Caribbean (LAC), 26% in South Asia and Southeast Asia, 23% in Australia and New Zealand, 19% in Sub-Sahara Africa (SSA), 18% in East Asia, and 10% in Europe who said that they are engaged at their work. It added that 27% of participants from Oman are engaged at their work, followed by 26% from each of Iraq, Saudi Arabia, and the UAE, and 18% from Kuwait. Further, the survey revealed that 34% of respondents in MENA countries said that it is a good time currently to find a job in the region relative to 72% of respondents in Australia and New Zealand, 63% in Southeast Asia, 58% in LAC, 57% in North America and Europe, 51% in East Asia, 50% in South Asia, and 49% in SSA who consider that it is a good time to find work at present. In addition, 46% of the survey's participants in the MENA region indicated that they are willing to relocate for a job in the near term, relative to 72% of respondents in SSA, 57% in East Asia, 50% in North America and South Asia, 47% in Southeast Asia, 42% in Australia and New Zealand, 40% in LAC, and 30% in Europe who said they are open to relocate. The survey's results are based on interviews with about 1,000 adults per country that the firm conducted in 18 countries in the MENA region between April and December 2024.

Source: Gallup

SAUDI ARABIA

Profits of listed firms down 3.5% to $148.2bn in 2024

The cumulative net income of 216 companies listed on the Saudi Stock Exchange, or Tadawul, totaled SAR555.8bn, or $148.2bn in 2024, constituting a decrease of 3.5% from SAR576.03bn ($153.6bn) in 2023. Earnings stood at $36.2bn in the first quarter, $39.2bn in the second quarter, $37.5bn in the third quarter, and $34.9bn in the fourth quarter of 2024. Listed energy firms generated net profits of $104.8bn and accounted for 70.7% of total earnings in 2024. Listed banks followed with $21.4bn in net income (14.5% of the total), then telecommunications firms with $7.6bn (5.1%), food & beverages companies with $3.8bn (2.6%), materials firms with $2.85bn (2%), healthcare equipment and services providers with $1.3bn (1%), software and services providers with $1bn (0.7%), and insurance firms with $963.6 (0.65%); while the remaining sectors generated net profits of $4.4bn and accounted for 3% of total earnings in 2024. In parallel, the net earnings of food & beverages firms jumped by 233.2% in 2024, followed by the net income of materials companies (+156%), telecommunications firms (+69%), software and services providers (+39%), healthcare equipment and services providers (+19.5%), banks (+15%), and insurers (+11.7%). In contrast, the net profits of listed energy firms decreased by 13%, while the income of the remaining sectors dropped by 15.2% in 2024.

Source: KAMCO

OUTLOOK

MENA

Economic activity to decelerate on global uncertainties

The World Bank revised downward its projections for real GDP growth in the Middle East & North Africa (MENA) region to 2.6% in 2025 and 3.7% in 2026 from its forecast last October of 2.6% for 2025 and 4.1% in 2026. It indicated that the economic outlook for the MENA region is marked by great uncertainties due to the potential impact of rapidly changing trade policies and commodity prices on global growth and inflation trends. Also, it pointed out that heightened trade policy uncertainties can negatively impact private sector decisions, especially about investments, market entry and exit, and productivity. As such, it projected the real GDP growth rate of the region's oil-exporting countries at 2.3% in 2025 and at 3.7% in 2026, down from 4% in 2025 and 4.2% in 2026 in its October forecast, in case of a gradual increase in oil production; and for activity in Gulf Cooperation Council countries to grow by 3.2% this year relative to a forecast of 4.1% last October, and at 4.5% next year compared to 4.4% earlier. In addition, it projected the real GDP growth rate of the region's oil-importing economies at 3.4% in 2025, unchanged from its October forecast, and at 3.7% in 2026 down from 3.8% earlier, in case of a rebound in the agricultural sector and strong private consumption.

In parallel, it projected the fiscal deficits of the region's oil exporters at 3% of GDP in 2025 and 2.6% of GDP in 2026, and their current account surpluses at 2.9% of GDP in 2025 and 4.2% 2026. It said that lower global demand may reduce oil export revenues, which will add pressure on the fiscal and external account balances of oil-exporting economies. Further, it projected the fiscal deficit of the region's oil-importing economies at 6% of GDP in 2025 and 5.5% of GDP in 2026, while it forecast their aggregate current account deficits to narrow from 4.8% of GDP in 2025 to 4% of GDP in 2026. It expected oil importers to benefit from lower oil prices, but said that the possible decline in remittance inflows, along with worsening consumer confidence and investor sentiment, can lead to capital outflows, which will negatively impact their external balances.

Source: World Bank

Impact of tariffs varies across region

The Institute of International Finance considered that the direct impact of higher U.S. tariffs on the Middle East and North Africa (MENA) region will be contained, as the region's exports to the U.S. account for just 4% of its total exports and consist mostly of oil. It said that oil, natural gas, and petroleum products, which account for about 70% of the MENA region's exports to the world, are exempt from new U.S. tariffs. Also, it indicated that the region runs a trade deficit of $26bn with the U.S. and face the "baseline tariff" of 10% on its exports to the U.S. Further, it said that oil prices could decrease to less than $60 per barrel in 2025, which would reduce oil-export revenues and widen the fiscal deficits in Algeria, Bahrain, Iraq and Saudi Arabia, and decelerate the real non-hydrocarbon GDP growth rates in most of the region's oil exporting economies. But it noted that the impact of lower oil prices on MENA oil exporters, except for Bahrain, will be limited due to improving fiscal breakeven prices, increasing oil production, ample foreign currency reserves, and low public debt levels. As such, it forecast the real GDP growth rate of Gulf Cooperation Council countries at 3.1% in 2025 and 3.3% in 2026. Also, it projected economic activity in Algeria to increase by 3.2% in 2025 and 3.3% in 2026, and for Iraq's real GDP to grow by 2.6% in 2025 and 3% in 2026. Moreover, it said that the direct impact of the 25% tariff on steel and aluminum will be relatively contained in Bahrain and the UAE.

In addition, it considered that the MENA region's net oil importing economies, which consist of Egypt, Jordan, Lebanon, Morocco and Tunisia, would benefit from lower oil prices, which would lead to narrower current account deficits. As such, it forecast the real GDP growth rate of the region's net oil importers at 3.3% in 2025 and 3.9% in 2026. It noted that the five countries run a trade deficit with the U.S., as their total exports to the U.S. amounted to $8.2bn, while their imports from the U.S. reached $16bn in 2024. It added that their exports to the U.S. accounted for 7% of their aggregate exports in 2024, and that most of their exports consist of light manufacturing, including textiles, apparel, jewelry and processed food.

Source: Institute of International Finance

IRAQ

Economic growth to average 3.2% in 2025-27 period, outlook subject to significant risks

The World Bank projected Iraq's real GDP to shift from a contraction of 1.5% in 2024 to growth rates of 1.3% in 2025, 5.3% in 2026 and 3.1% in 2027, supported by high elevated fiscal spending on the non-oil sector and a gradual easing of oil production cuts by the OPEC+ coalition. But it anticipated economic activity to be constrained by lower oil prices in the medium term. Also, it indicated that the current infrastructure projects in the energy and transport sectors provide potential for growth and jobs, and lay the foundation for economic diversification.

In parallel, it projected the fiscal deficit at 10.2% of GDP in 2025, 7.6% of GDP in 2026 and 7.2% of GDP in 2027 due to high public spending and continued reliance on volatile oil revenues, which have increased fiscal vulnerabilities. As such, it forecast the public debt level at 61.9% of GDP at end-2025, 64% of GDP at end-2026 and 67.5% of GDP at end-2027 amid widen fiscal deficits. It urged the government to implement key measures to reduce fiscal rigidities and to improve the management of oil revenues. Further, it expected the current account deficit at 6% of GDP in 2025, 3.5% of GDP in 2026 and 3.1% of GDP in 2027 due to lower oil export revenues, despite the expected decline in imports. It said that the large increase in government expenditures and higher imports are weighing on the fiscal and external balances. It stressed the need to implement reforms that aim to develop human capital, promote economic empowerment, address the skills-jobs mismatch, harmonize the pension system, and improve the business environment, in order to boost private sector participation in the Iraqi economy.

It considered that risks to the outlook are tilted to the downside, and include the volatility of oil prices that has been amplified by trade uncertainties and geopolitical tensions. It cautioned that the presidential elections that are scheduled for November 2025 could delay the formation of a new government, which will slow economic progress and raise security concerns.

Source: World Bank

ECONOMY & TRADE

BAHRAIN

Agencies change outlook on sovereign ratings to 'negative'

S&P Global Ratings affirmed Bahrain's long- and short-term foreign and local currency sovereign credit ratings at 'B+' and 'B' respectively, and revised the outlook on the long-term ratings from 'stable' to 'negative'. It attributed the change in outlook to the increase in risks to the fiscal position and to the government's ability to service and refinance its debt, and projected the gross public debt to increase from 135.3% of GDP in 2025 to 138.7% of GDP in 2026. Further, it anticipated the country's gross external financing needs at 384.4% of current account receipts and usable reserves in 2025, as well as at 400.2% of such receipts and reserves in 2026. Also, it said that Bahrain's limited foreign currency reserves constitute a challenge to the economy. It stated that it could revise the outlook to 'stable' if the government implements fiscal reforms to increase its revenue base and narrow the fiscal deficit, and/or if foreign currency reserves improve. In contrast, it said that it may downgrade the ratings if the government cannot reduce its debt and/or if foreign currency reserves deteriorate. In parallel, Capital Intelligence Ratings affirmed Bahrain's short- and long-term foreign and local currency sovereign ratings at 'B' and 'B+', respectively, and revised the outlook on the long-term ratings from 'stable' to 'negative'. It attributed the outlook revision to weakening public finances, including the elevated public debt level and increasing liquidity risks. It stated that it could revise the outlook to 'stable' if fiscal consolidation measures improve fiscal outcomes and/or if the government reduces its refinancing risks. Also, it noted that it could downgrade the ratings if public finances deteriorate, if refinancing risks increase, and/or if regional tensions escalate.

Source: S&P Global Ratings, Capital Intelligence Ratings

NIGERIA

Economic stability contingent on improving macrofiscal policies

The International Monetary Fund indicated that the Nigerian authorities have taken important steps to stabilize the economy, enhance resilience and support growth, and that the reforms have put Nigeria in a better position to withstand external pressures. It stressed the need to improve macroeconomic policies in order to enhance stability and resilience, and to create more favorable conditions for private-sector driven growth. It considered that a neutral fiscal stance would support the monetary policy's target of reducing the inflation rate, and urged the Central Bank of Nigeria (CBN) to tighten its monetary policy in order to firmly put the inflation rate on a downward trajectory. In parallel, it noted that the CBN ceased the financing of the fiscal deficit, the government lifted the costly fuel subsidies, and the authorities improved the functioning of the foreign exchange market. Also, it considered that the outlook is dominated by significant uncertainties that originate from elevated global risk sentiment and lower oil prices, which would impact the Nigerian economy. In addition, it noted that the authorities indicated that they will take into consideration the decline in global oil prices in the implementation of the 2025 budget.

Source: International Monetary Fund

JORDAN

Credit profile supported by strong international financial support

In its periodic review of Jordan's credit profile, Moody's Ratings indicated that the sovereign's long-term issuer rating of 'Ba3' is supported by solid and effective policymaking institutions, strong international financial and technical support, and access to sizeable domestic savings. In contrast, it indicated that the elevated public debt level, slow economic growth, high unemployment rate, and a volatile regional geopolitical environment are constraining the country's long-term growth prospects. Also, it noted that the economic strength assessment of 'ba1' balances the economy's slow growth and its relatively small size, with its stability, economic diversity and openness. It added that the institutions and governance strength assessment of 'baa1' reflects solid institutions and their track record of policy credibility and effectiveness, including the ability to implement fiscal reforms and other proactive policies to withstand shocks. Further, it stated that the 'b1' fiscal strength assessment balances the high share of foreign currency debt in the public debt, with large domestic savings and strong external financial support from partners. It added that the 'ba' susceptibility to event risk score is primarily driven by political risks, which stem from the volatile geopolitical environment in the region. It pointed out that still elevated geopolitical tensions in the region and U.S. policy shifts may generate downward risks to the outlook.

Source: Moody's Ratings

TÜRKIYE

Sovereign ratings affirmed, outlook 'stable'

S&P Global Ratings affirmed Türkiye's long-term sovereign foreign and local currency credit ratings at 'BB-', which is three notches below investment grade, and affirmed the country's short-term sovereign foreign and local currency credit rating at 'B'. Also, it affirmed the Transfer & Convertibility Assessment at 'BB' and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the authorities' commitment to reduce the inflation rate and the dollarization of the economy, despite the recent increase in the volatility of the lira's exchange rate and the decline in foreign currency reserves. It noted that the high dollarization of deposits and the still-elevated inflation rate in the country are constraining the economy's flexibility. It indicated that the ratings are supported by a resilient private sector, a diversified exports base, and the country's favorable demographics. It added that the low level of government debt is supporting the ratings despite an elevated debt servicing cost. It said that the 'stable' outlook reflects the commitment of the current economic team towards tight monetary policy, which is helping to manage risks amid domestic and global pressures. Also, it projected the country's gross external financing needs at 128.3% of current account receipts and usable reserves in 2025 and at 142.7% and 132.1% of such receipts and reserves in 2026 and 2027, respectively. In parallel, it noted that it could upgrade the ratings if policymakers succeed in reducing the inflation rate and in restoring confidence in the lira amid a reversal of the dollarization of deposits. In contrast, it said that it could downgrade the ratings if pressures on Türkiye's financial stability intensify and/or if public finances weaken.

Source: S&P Global Ratings

BANKING

AFRICA

New U.S. tariff policy to indirectly impact African banks

Moody's Ratings expected the increase in U.S. tariffs to have few direct credit implications on African banks, as the continent's trade volume with the U.S. is small, which will limit risk transmission. However, it considered that the tariffs will provoke a more challenging macroeconomic outlook and greater uncertainties for asset prices and interest rates, which will indirectly impact the operating environment of African banks by significantly reducing global economic growth, as businesses and consumers reduce or delay investment decisions. It indicated that a slowdown in economic activity in Africa would negatively affect the profitability and asset quality of African banks, given that it would weigh on their lending activity and on the borrowers' capacity to repay their loans, which would reduce their net interest, fees and commission income, and would increase loan-loss provisioning and the formation of problem loans. It added that China's economic slowdown will moderately weigh on the business generation of African banks, as their clients in industries that rely on exports to China face reduced demand. Also, it indicated that lower oil prices will pose risks to the banks' foreign currency liquidity, since oil exports are a key source of foreign currency earnings in several oil-exporting economies such as Angola and Nigeria. It said that increased volatility in financial markets and investor risk aversion will likely widen bond spreads for African banks, which will weigh on their foreign currency liquidity and funding cost. Further, it expected that the weakening of the US dollar may lead to fluctuations in African currencies and would pose risks to the banks' capitalization ratios from the resulting volatility in risk-weighted assets tied to foreign currency loans.

Source: Moody's Ratings

GCC

Banks' income up 10.5% to $58.7bn in 2024

Figures released by financial services firm KAMCO indicate that listed banks in the six Gulf Cooperation Council (GCC) countries posted aggregate net profits of $58.7bn in 2024, constituting an increase of 10.5% from $53.1bn in 2023. The banks' net earnings totaled $14.4bn in the first quarter, $14.8bn in the second quarter, $14.9bn in the third quarter, and $14.6bn in the fourth quarter of the year. It attributed the rise in income mainly to the increase in net-interest income by $6.2bn, or by 7.6%, to $87.9bn in 2024, and to the growth in non-interest income by $4.6bn, or by 12.2%, to $42.3bn last year. Moreover, it indicated that loan loss provisions at GCC banks totaled $9.9bn in 2024, constituting a decrease of 12.4% from $11.3bn in 2023. Also, it pointed out that the aggregate revenues of banks reached $130.2bn in 2024, representing an increase of 9% from $119.5bn last year. Further, it indicated that the aggregate assets of listed GCC banks stood at $3.46 trillion (tn) at end-2024 and increased by 10% from $3.15tn a year earlier. In addition, it said that the banks' net loans reached $2.08tn at the end of 2024 and grew by 11% from $1.87tn at end-2023, while customer deposits stood at $2.52tn and grew by 6.8% from a year earlier. As such, it pointed out that the aggregate loans-to-deposits ratio of GCC listed banks was 82.4% at the end of 2024 compared to 79.4% a year earlier.

Source: KAMCO

SAUDI ARABIA

Banks' ratings affirmed, outlook 'stable'

Fitch Ratings affirmed the long-term local and foreign currency Issuer Default Ratings (IDRs) of Bank Aljazira (BAJ), Alinma Bank, Arab National Bank (ANB), Banque Saudi Fransi (BSF), Bank Albilad (BAB), the Saudi Investment Bank (SAIB), and Gulf International Bank - Saudi Arabia (GIB) at 'A-', with a 'stable' outlook on the long-term local and foreign currency IDRs. Further, it affirmed the Viability Ratings (VRs) of BAJ at 'bb+', those of Alinma Bank, ANB, and BSF at 'bbb', the VRs of BAB and SAIB at 'bbb-', and that of GIB at 'bb+'. It said that the seven banks benefit from a high probability of government support, regardless of their size, franchise, funding structure and level of government ownership. Also, it noted that the VRs of the seven banks are supported by a favorable operating environment due to the government's strategy to diversify the economy as part of its Vision 2030, and by their sound liquidity buffers. Further, it indicated that the VR of ANB is underpinned by its strong capitalization, while the VRs of BSF, BAB, SAIB, and GIB capture their adequate capital ratios. It added that the VR of BAJ reflects its moderate capitalization, and the VR of Alinma Bank is constrained by its weakening capital metrics. In addition, it pointed out that the VRs of BAJ, Alinma Bank, ANB, BSF, and BAB are supported by their good profitability metrics, while the VRs of SAIB and GIB are constrained by their weak profitability ratios. It said that weak asset quality is weighing on the VRs of SAIB and BAJ, and that the VR of BSF benefits from improved loan quality, while the VRs of the remaining banks take into account their healthy asset quality.

Source: Fitch Ratings

KUWAIT

Public debt and mortgage laws to support banks

Fitch Ratings considered that the new laws that the Kuwaiti parliament enacted recently are set to drive growth and diversification in the banking sector. It said that the laws related to the public debt and to residential mortgage will create new lending opportunities and support economic growth in the near term. Further, it said that lending growth accelerated from 2.1% in 2023 to 6.8% in 2024, and expected it to increase by 8% to 9% in 2025, depending on the speed of the government awarding of major projects following the recent enactment of the public debt law. It added that the approval of the residential mortgage law could boost lending activity by increasing demand for housing loans. It noted that the law would allow banks to offer mortgages of up to KWD200,000 with a tenor of up to 25 years, with state-subsidized interest rates for tranches above KWD70,000. It said that potential reforms to foreign property ownership laws could further increase demand for housing loans from high-earning expatriates, and considered that Kuwaiti banks are adequately capitalized to support the likely growth in housing finance. Also, it anticipated wholesale lending to increase by an average of 7.5% this year, as the public debt law will have a spillover effect across multiple sectors that require financing. Further, it said that the sovereign bonds that the government will issue under the new law will support the banks' liquidity, which will offer high-quality liquid assets that can be traded or used in repurchase agreements with other banks and with the Central Bank of Kuwait.

Source: Fitch Ratings

ENERGY / COMMODITIES

Oil prices to average $72.7 p/b in second quarter of 2025

The prices of ICE Brent crude oil front-month future contracts reached $64.3 per barrel (p/b) on April 29, 2025, constituting a decrease of 4.7% from $67.4 p/b a week earlier due to concerns about weakening global economic activity that would weigh on oil demand. Goldman Sachs said that oil prices decreased on potential trade tensions and investors' concerns about the expected increases in oil production from the OPEC+ coalition starting in June. In parallel, the International Energy Agency (IEA) expected global oil demand to slow down by 300,000 barrels per day (b/d) to 730,000 b/d in 2025, as it considered that escalating trade tensions would negatively impact the economic outlook. It projected global oil supply to grow at a slower pace to 1.2 million b/d in 2025 due to a decrease in U.S. and Venezuelan output. Also, it forecast the increase of supply of the non-OPEC+ coalition to remain robust at 920,000 b/d this year. It anticipated oil output from Brazil to increase by 240,000 b/d in 2025, followed by oil production from Guyana at 160,000 b/d and from Canada at 120,000 b/d, which will offset the slowdown in U.S. oil supply of 280,000 b/d. Further, it considered that the imposition of new tariffs could contribute to rising global inflation, hinder economic growth, and escalate existing trade disputes, which will put downward pressure on oil prices. Further, Refinitiv projected oil prices, through its latest crude oil price poll of 49 industry analysts, to average $72.7 p/b in the second quarter and $72.9 p/b in full year 2025.

Source: IEA, Goldman Sachs, Refinitiv, Byblos Research

Source: IEA, Gold Research

Global steel output down 0.4% in March 2025

Global steel production reached 166.1 million tons in March 2025, constituting decreases of 0.4% from 144.7 million tons in February 2025 and of 10.6 % from 161.2 million tons in March 2024. Production in China totaled 92.8 million tons and accounted for 64.4% of global steel output in March 2025, followed by production in India with 13.8 million tons (9.6%), Japan with 7.2 million tons (5%), the U.S. with 6.7 million tons (4.6%), Russia with 6.2 million tons (4.3%), and South Korea with 5 million tons (3.5%).

Source: World Steel Association, Byblos Research

Middle East demand for gold jewelry down 4.8% in first quarter of 2025

Demand for gold jewelry in the Middle East totaled 40.8 tons in the first quarter of 2025, constituting a decline of 4.8% from 42.8 tons in the same period of 2024, and accounted for 12.3% of global demand for gold jewelry. Demand for gold jewelry in Saudi Arabia reached 11.5 tons, or 28% of the region's consumption in the covered period, followed by the UAE with 7.9 tons (19.3%), Iran with 7.2 tons (17.7%), Egypt with 6.4 tons (15.7%), and Kuwait with 2.4 tons (6%).

Source: World Gold Council, Byblos Research

Kuwait's crude oil production nearly unchanged in February 2025

Crude oil production in Kuwait totaled 2.41 million barrels per day (b/d) in February 2025, nearly unchanged from January 2025. Crude oil exports from Kuwait stood at 2.41 million b/d in February 2025, nearly unchanged from January 2025 and constituting an increase of 0.7% from 2.39 million b/d in February 2024.

Source: Joint Organizations Data Initiative, Byblos Research

Base Metals: Zinc prices to average $2,608 per ton in second quarter 2025

The LME cash prices of zinc averaged $2,781.8 per ton in the year-to-April 29, 2024 period, constituting an increase of 10.6% from an average of $2,514 a ton in the same period of 2024, due to supply constraints and higher industry demand. Also, zinc prices reached $3,202.3 per ton on October 23, 2024, their highest level since February 3, 2023 when they stood at $3,269.5 a ton, due to increasing supply concerns in global markets and growing industrial demand worldwide. In parallel, S&P Global Market Intelligence estimated the global refined demand for zinc at 14 million tons in 2024, constituting an increase of 0.6% from 13.9 million tons in 2023, and projected it to reach 14.08 million tons in 2025, driven by elevated demand from China. Also, it estimated the global refined supply of zinc at 14.08 million tons in 2024, nearly unchanged from 14.09 million tons in 2023, and projected the global supply of refined zinc at 14.04 million tons in 2025. As such, it projected the metal's market balance to shift from a surplus of 76,000 tons in 2024 to a deficit of 38,000 tons in 2025. Also, it expected the global demand for zinc to be affected by slowdown in global economic growth as a result of the new tariffs. Also, it projected the balance of the refined market to shift to a deficit in 2025 in case smelters reduce their output, despite slower refined demand. Further, it forecast zinc prices to average $2,608 per ton in the second quarter and $2,685 a ton in full year 2025.

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

Precious Metals: Gold prices to average $2,986.6 per ounce in second quarter of 2025

Gold prices averaged $2,946.4 per ounce in the year-to-April 29, 2025 period, constituting an increase of 38% from an average of $2,136.6 a ton in the same period of 2024, due to concerns about global economic uncertainties and trade tensions between China and the U.S. and China, which reinforced the appeal of the metal as a safe haven for investors, as well as to strong demand for the metal from central banks around the world. Also, gold prices reached an all-time high of $3,426 per ounce on April 22, 2025, driven by the new U.S. tariffs and increased demand for the metal. In parallel, the World Gold Council indicated that global demand for gold totaled 1,310 tons in the first quarter of 2025 and increased by 15.6% from 1,133 tons in the same period of 2024. It attributed the increase to a shift of gold-backed exchange-traded funds (ETFs) from outflows of 113 tons to inflows of 226.5 tons, to a rise of 2.5% in demand for bars and coins, and to an uptick of 0.4% in demand from the technology sector, which were partly offset by a decline of 21.4% in net purchases by central banks and a decrease of 20.8% in jewelry consumption. Also, it said that the global supply of gold reached 1,206 tons in the first quarter of 2025, constituting an increase of 1% from 1,194.2 tons in the same period of 2024, with mine output representing 71% of the total. Further, S&P Global Market Intelligence forecast gold prices to average to $2,986.6 per ounce in the second quarter of 2025, with a low of $2,750 an ounce and a high of $3,129 per ounce in the covered quarter.

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

COUNTRY RISK METRICS

Countries	S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	LT Foreign currency rating											
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- Stable	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+ Negative	B2 Stable	B+ Stable	B+ Negative	-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	B- Stable	- -	-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	2.40	17-Apr-25	Cut 25bps	05-Jun-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	16-Apr-25	No change	04-Jun-25
Emerging Markets					
China	One-year Loan Prime Rate	3.10	21-Apr-25	No change	20-May-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	17-Apr-25	No change	29-May-25
Malaysia	O/N Policy Rate	3.00	06-Mar-25	No change	08-May-25
Thailand	1D Repo	1.75	30-Apr-25	Cut 25bps	25-May-25
India	Repo Rate	6.00	09-Apr-25	Cut 25pbs	N/A
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	25.50	17-Apr-25	Cut 175bps	22-May-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	46.00	17-Apr-25	Raied 350bps	N/A
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-May-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	07-Apr-25	No change	16-May-25
Bulgaria	Base Interest	2.59	01-Apr-25	No change	01-May-25
Kazakhstan	Repo Rate	15.25	17-Jan-25	No change	N/A
Ukraine	Discount Rate	15.50	17-Apr-25	No change	05-May-25
Russia	Refi Rate	21.00	25-Apr-25	No change	06-Jun-25

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