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NEWS HEADLINES

EMERGING MARKETS

EMs accounted for 8.3% of global corporate defaults in 2024

S&P Global Ratings indicated that a total of 12 rated corporate debt issuers in emerging and frontier markets defaulted in 2024 relative to 19 issuers that defaulted in 2023. It said that 11 of the corporates that defaulted had speculative grade ratings and one company had an investment grade rating. It pointed out that six companies that defaulted on their debt carried a rating of 'CCC+' or lower prior to defaulting in 2024, three firms had a rating of 'B', and two corporates carried a rating of 'BB', while one company with an investment grade rating of 'BBB' defaulted last year. Further, it indicated that EMs accounted for 8.3% of the aggregate number of global corporate defaults in 2024 compared to 12.4% of global defaults in 2023. In addition, it said that the main reasons for corporate defaults were distressed exchanges, missed payments and Chapter 11 filings that represented 25% of defaults each in 2024, followed by foreign bankruptcy and Chapter 7 filings with 12.5% each. In parallel, it noted that the global corporate default rate in emerging and frontier markets contracted from 1.1% in 2023 to 0.66% in 2024, which is below the median default rate of 1.08% in the 1997-2024 period. It stated that the speculative-grade default rate declined from 2.26% in 2023 to 1.23% in 2024, while the investment-grade default rate increased from zero in 2023 to 0.14% in 2024. In addition, it said that that the rate of corporate downgrades decreased from 4.93% in 2023 to 3.62% in 2024, while the rate of upgrades regressed from 11.69% in 2023 to 10.85% in 2024.

Source: S&P Global Ratings

QATAR

Profits of listed firms up 8.4% to $12.8bn in 2024

The net income of 53 companies listed on the Qatar Stock Exchange totaled QAR51.5bn, or $13.9bn in 2024, constituting a decrease of 8.4% from QAR47.5bn ($12.8bn) in 2023. Earnings stood at QAR13.1bn ($3.6bn) in the first quarter, at QAR12.2bn ($3.35bn) in the second quarter, at QAR13.6bn ($3.67bn) in the third quarter, and at QAR10.9bn ($2.94bn) in the fourth quarter of the year. Listed firms in the financial sector generated net profits of $8.2bn and accounted for 59% of the total earnings of publicly-listed firms in 2024. Industrials companies followed with $2.5bn (18%), then telecommunication firms with $1.1bn (7.8%), transportation companies with $791.4m (5.7%), consumer goods & services firms with $523.8m (3.8%), real estate companies with $458.2m (3.3%), and insurers with $354.7m (2.6%). Further, the net earnings of telecommunications firms surged by 13.5% in 2024, followed by the profits of banks & financial services providers (+6.5%), consumer goods & services firms (+4.7%), and transportation companies (+4.6%). In contrast, the net income of real estate firms decreased by 3.6% in 2024, followed by industrial firms (-1.8%). Also, the results of listed insurers shifted from losses of $358.3m in 2023 to profits of $1.3bn in 2024.

Source: KAMCO, Byblos Research

MENA

Investment banking fees up 25% to $372m in first quarter of 2025

Figures compiled by data provider Refinitiv show that investment banking fees in the Middle East & North Africa (MENA) totaled $372.2m in the first quarter of 2025, constituting an increase of 25% from $295.1m in the same period last year. It indicated that the distribution of investment banking fees shows that fees from debt capital market (DCMs) reached $152.4m and accounted for 41% of the total, followed by merger & acquisition (M&A) fees with $92.5m (25%), equity capital markets (ECMs) fees with $70.2m (19%), and syndicated lending reached $57.1m (15.3%). Also, fees from equity capital markets rose by 147%, and those from debt capital markets surged by 6%, while M&A transactions increased by more than 100% in the first quarter of 2025, while syndicated lending fees declined by 47% year-on-year. The materials segment accounted for $32.2bn or 73.3% of M&A activity in the first quarter of 2025, followed by the financial sector with $2.8bn (6.4%), the high technology sector with $2.3bn (5.2%), the energy & power industry with $2.1bn (4.8%), the consumer products and services sector with $1.6bn (3.6%), and the industrial sector with $1.2bn (2.7%). On a country basis, M&A activity in the UAE totaled $37.6bn, or 87.4% of aggregate activity in the region in the first quarter of 2025, followed by Saudi Arabia with $2.1bn (5%), Kuwait with $1.6bn (3.7%), Egypt with $1bn (2.3%), and Bahrain with $700m (1.6%). In parallel, it said that the MENA region issued $31bn in corporate bonds and $22bn in sovereign bonds in the first quarter of 2025.

Source: Refinitiv

Startups ecosystems vary across Arab world

The Global Startup Ecosystem Index for 2025 ranked the UAE in 21st place globally and in first place among 11 Arab economies included in the index. Saudi Arabia followed in 38th place, then Bahrain (62nd), Egypt (65th), and Jordan (69th), as the top five startup ecosystems in the Arab world. The index evaluates the overall operating environment for technology startups in a country by taking into consideration the number of startups, investors, accelerators, co-working spaces, and other supporting organizations; as well as the traction of the top startups in an ecosystem and a number of macroeconomic and business indicators. The Arab region's average score stood at 3 points compared to 2.28 points in the previous survey, and came lower than the global average score of 12.1 points. In addition, the Arab region's average score exceeded Sub-Saharan Africa's average score of 1.02 points, but came lower than the scores of all other regions across the world. Further, the rankings of eight Arab countries improved and the ranks of two Arab economies deteriorated, while Oman was included for the first time in the index in 2025. Also, the scores of eight Arab countries improved, the score of one Arab economy regressed, while the score of one Arab state was unchanged from the previous survey. In addition, the survey identified 549 startups based in the Arab world in 2024 relative to 308 startups in 2023. It added that startups in the region received $4.6bn in funding in 2024, up by 53.3% from $3bn in 2023.

Source: StartupBlink, UNDP, Byblos Research

OUTLOOK

WORLD

Cybersecurity, third-party and compliance risks are main issues for insurers in next 12 months

In their second annual survey on global insurance risk management, EY and the Institute of International Finance indicated that 33% of surveyed chief risk officers (CROs) of insurance firms view cybersecurity risk as the most important risk their firm will face in the next 12 months, followed by third-party risk (32%), regulatory and compliance risk (29%), strategic risk (24%), interest rate risk (22%), geopolitical risk (21%), capital allocation and catastrophe risk (20% each), credit risk (18%), underwriting risk, governance of machine learning and artificial intelligence risks (16% each), pricing risk, operational resilience, and business model transformation (15% each), technology and environmental risks (14% each), risk appetite (13%), conduct risk as well as the transformation and automation of the risk management function (12% each), and liquidity and funding risk (11%).

In parallel, it revealed that 57% of the survey's participants considered that changes in cybersecurity threats will have the biggest impact on their institution in 2025, 52% of CROs stated that shifts in geopolitical conditions will affect their firm this year, 48% indicated that market volatility will drive major shifts in their institution, 40% noted that changes in regulatory agendas will be the most consequential factor for their company, 37% noted that shifts in monetary policy that affect interest rates will shape the future of their institution, and 21% said that changes in trade policies will have the largest impact on their company.

In addition, the survey showed that 58% of surveyed CROs said that they are enhancing cybersecurity measures in their institutions to mitigate geopolitical risks, 44% are increasing political risk assessment and scenario planning, 42% are diversifying investment portfolios, 31% are strengthening compliance and regulatory frameworks, and 29% are adjusting interest rate risk management. EY and the IIF conducted the survey between October 2024 and January 2025 and covered more than 86 CROs and other senior risk executives from IIF member firms and other insurance companies around the world.

Source: EY, Institute of International Finance

EMERGING MARKETS

U.S. tariffs have direct and indirect effects on economies and firms

Moody's Ratings considered that changes to U.S. tariffs this year are negatively affecting governments, companies, and banks in emerging markets (EMs). It said that companies that rely on exports to the U.S. are the most affected, but it noted that the uncertainties about tariffs and trade will influence consumer spending, business operations, and financial activities across EMs, even as new trade agreements take shape.

Further, it pointed out that tariffs create credit risks in EMs through three main channels that consist of the direct impact on trade, as well as the indirect effects on confidence in broader economic conditions and in financial markets. First, it said that lower revenues and profits of companies in EMs reduce the cash flow available for debt servicing. Second, it stated that many companies will suspend or slow their investment decisions amid rapidly changing U.S. policies, and that many consumers in EMs will scale back spending as concerns about the economy and employment weigh on sentiment. As such, it noted that economic growth will slow down globally, which will reduce imports and potentially weaken the export competitiveness of EM economies. Third, it said that uncertainties about additional tariffs increase market volatility, and will prompt investors and lenders to ask for higher returns against higher risks. As such, it considered that EM debt issuers with weak liquidity and high or near-term refinancing needs may struggle to access funding under favorable conditions, which will increase refinancing and default risks.

In parallel, it considered that the Middle East and North Africa's direct exposure to U.S. tariffs is relatively limited, given that most of the region's exports are not subject to tariffs. But it said that the effects of tariffs on the region will be indirect through slower global growth prospects, lower energy demand and prices, and investors' reduced risk appetite. Further, it noted that Sub-Saharan Africa is indirectly exposed and has limited capacity to respond to tariffs, particularly in economies that rely on commodity exports, as a tariff-driven decline in global demand and commodity prices would significantly reduce fiscal revenues and strain the external balances of exporters in the region.

Source: Moody's Ratings

BANGLADESH

Macroeconomic outlook contingent on structural reforms

The International Monetary Fund projected Bangladesh's real GDP growth rate to increase from 3.3% in the first half of the fiscal year that ends in June 2025 to 3.8% in the second half of FY2024/25. Also, it forecast economic activity in the country to rise by 8.5% in FY2024/25, but it noted that the economy remains under pressure from ongoing challenges and rising external financing requirements. It considered that risks to the outlook are tilted to the downside and include stress in the banking sector and elevated global uncertainties. Further, it indicated that the authorities reiterated their commitment to implementing reforms that include fiscal reforms to address the emerging external financing gap, calibrating monetary policy to reduce the inflation rate, as well as reforming the exchange rate to enhance its flexibility and reinforce foreign exchange reserve buffers.

In addition, it urged the authorities to tighten monetary policy to address the emerging external financing gap and to support a continued decline in the inflation rate. It called on the government to implement fiscal consolidation by increasing public revenues, streamlining tax exemptions, and containing non-essential expenditures, while it noted that the country's low tax-to-GDP ratio demonstrates the urgent need to reform the tax system. Moreover, it stressed the importance of strengthening governance and promoting greater transparency, in order to improve the country's business environment, attract foreign direct investments, and broaden the export base beyond the ready-made garment sector.

In parallel, it called on the authorities to operationalize new legal frameworks that facilitate the orderly restructuring of banks. It said that reforms to bolster the independence and governance of Bangladesh Bank are essential for long-term macroeconomic and financial stability and for effective financial sector reforms.

Source: International Monetary Fund

GCC

Insurers' revenues up 12% to $9.5bn in first quarter of 2025

Figures released by consulting firm Insurance Monitor show that the aggregate revenues of 76 listed insurance companies in the Gulf Cooperation Council (GCC) countries reached $9.5bn in the first quarter of 2025, constituting an increase of 7% from $8.9bn in the same period of 2024, with 50 insurers reporting increases in their revenues in the covered period. It pointed out that the revenues of insurers in Saudi Arabia amounted to $4.43bn and accounted for 46.5% of total insurance revenues in the GCC in the first quarter of 2025, followed by the revenues of insurers in the UAE with $2.73bn (28.7% of total), Qatar with $974m (10.2%), Kuwait with $789m (8.3%), Oman with $443m (4.7%), and Bahrain with $159m (1.7%). Also, it noted that the revenues of insurers in the UAE surged by 21.4% in the first quarter of 2025, followed by Oman insurers (+10.5%), and insurance firms in Saudi Arabia (+6.1%), while the revenues of Kuwaiti and Qatari insurers decreased by 12.6% and 3.8%, respectively. In addition, it pointed out that the net income of the 76 GCC insurers totaled $628m in the covered period and decreased by 1.4% from $637m in the first quarter of 2024. It said that the profits of insurance firms in the UAE stood at $221m and represented 35.2% of total insurance earnings in the GCC in the first quarter of 2025, followed by the net income of insurers in Saudi Arabia with $170m (27.1% of total), Qatar with $125m (20%), Kuwait with $77m (12.3%), Bahrain with $23m (3.7%), and Oman with $11m (1.8%). In parallel, it noted that the 76 GCC insurance companies' net combined ratio stood at 96.3% in the first quarter of 2025 relative to 96.7% in the same period of 2024.

Source: Insurance Monitor

IRAQ

Credit profile affected by weak governance

In its periodic review of Iraq's credit profile, Moody's Ratings indicated that Iraq's sovereign rating of 'Caa1' reflects challenges due to very weak institutions and governance that are weighing on the economy's competitiveness, are limiting policy effectiveness, and are constraining the government's capacity to respond to domestic and external shocks. Also, it noted that the economy, public finances and the external account rely heavily on the hydrocarbon sector, which exposes the sovereign to lower oil prices and significant carbon transition risks. It said that the country's high exposure to domestic political and geopolitical event risks is exacerbating the economy's heavy reliance on the hydrocarbon sector and the weaknesses of the country's institutions. It added that Iraq's 'ba2' economic strength assessment balances the country's relatively large but undiversified economy and ample natural resources, with volatile economic growth and inadequate infrastructure. Also, it said that the country's institutions and governance rating of 'caa3' reflects significant institutional challenges and very weak policy effectiveness. Further, it attributed the country's 'ba1' fiscal strength assessment to the moderate debt burden and relatively favorable composition of the government's debt, which are balanced by Iraq's very high fiscal vulnerability to global oil demand and prices. Further, it said that the country's 'caa' assessment on the susceptibility to events risk is driven by very high levels of political risks.

Source: Moody's Ratings

ANGOLA

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Angola's long-term local and foreign-currency issuer default ratings (IDRs) at 'B-', which is six notches below investment grade, and maintained the 'stable' outlook on the long-term IDRs. It said that the ratings are supported by a significant level of foreign currency reserves relative to similarly-rated peers, current account surpluses, and manageable debt repayment risks in case of a supportive oil price environment. In contrast, it noted that the country's weak governance indicators, elevated inflation rates, high level of foreign currency-denominated government debt, and significant reliance on commodities are weighing on the sovereign ratings. It forecast the government's debt level to decrease from 54.6% of GDP in 2024 to 48% of GDP in 2026 due to primary budget surpluses and strong nominal GDP growth, which will offset the impact of a depreciation of the exchange rate. Further, it projected Angola's current account surplus to decrease from 5.5% of GDP in 2024 to 1.3% of GDP in 2025 and 2026, driven by lower crude oil exports receipts. Also, it expected international reserves at the Banco Nacional de Angola to decline from $15.8bn at end-2024 to $14.5bn at end-2025 and $14bn at end-2026 due to the high level of the government's external debt servicing. In parallel, it indicated that it could upgrade the ratings if external refinancing risks recede, if the country's public and external debt sustainability improves, and/or if Angola's monetary policy-making and foreign-currency management strengthen. It added that it could downgrade the ratings if pressure on foreign currency liquidity intensifies and/or if the government's debt level increases.

Source: Fitch Ratings

NIGERIA

Sovereign ratings affirmed, outlook 'stable'

S&P Global Ratings affirmed Nigeria's long- and short-term foreign and local currency sovereign credit ratings at 'B-' and 'B', respectively, and maintained the 'stable' outlook on the long-term ratings. It also affirmed the country's transfer and convertibility assessment at 'B-'. It attributed the rating affirmation and the 'stable' outlook to its expectations that the authorities will continue to implement a broad reform agenda in order to improve economic stability and fiscal flexibility. It said that fiscal reforms that aim to improve fiscal revenues, increase oil production, and reduce oil theft are ongoing. But it noted that the speed of reforms implementation could slow, given the challenging external and domestic backdrop. Further, it expected structural fiscal weaknesses to slowly recede in the 2025-28 period, but it anticipated debt servicing costs to be elevated and for public revenues to remain low during the same timeframe. Also, it forecast the country's gross external financing needs at 105% of current account receipts and usable reserves in 2025, as well as at 105.2% and 101.4% of such receipts and reserves in 2026 and 2027, respectively. In addition, it projected usable foreign currency reserves to average $40bn in the 2025-28 period. It said that it could downgrade the ratings in the next 12 months if the government fails to implement reforms, which could weaken fiscal outcomes and increase already high debt-servicing needs. In contrast, it noted that it would upgrade the ratings if the country's external accounts strengthen and/or in case of a material accumulation of usable reserves.

Source: S&P Global Ratings

KUWAIT

Banking sector's growth drivers improving

Regional investment bank EFG Hermes projected the aggregate net income of the National Bank of Kuwait, Kuwait Finance House, Burgan Bank, Gulf Bank, Boubyan Bank, Kuwait International Bank, Warba Bank, and Al Ahli Bank of Kuwait at KD1.45bn, or $4.7bn, in 2025, which would constitute an increase of 1.3% from KD1.43bn ($4.66bn) in 2024. It also expected the banks' earnings to grow by 7% in 2025 and by 14% in 2026 due to faster lending growth and higher fee income. But it anticipated the aggregate net interest margin (NIM) of the eight banks to decrease by nine basis points (bps) in 2025 and by 5 bps in 2026 due to stronger-than-anticipated pressure on the banks' NIM in the first quarter of 2025 due to shifts in the banks' allocation of their assets at the Central Bank of Kuwait. Also, it expected the narrowing of the banks' NIM to be partly offset by their subscription to upcoming sovereign bond issues in the 2025-26 period. Further, it forecast the banks' lending to increase from 6% in 2024 to 7% in 2025 and 11% in 2026, driven by elevated mortgage demand and corporate loans, as it expected mortgages to increase by 6% annually in the 2026-30 period. It said that the government is finalizing the details of its first mortgage law, which will transfer the role of housing finance from the public sector to Kuwaiti banks. It considered that mortgage spreads would enhance the banks' return on equity (ROE) due to minimal capital requirements and low risk-related costs for mortgages compared to riskier loans. But it noted that mortgage spreads are narrow due to their long maturity, low risk, and asset-backed structure. In addition, it expected the banks' return on assets to regress from 0.8% in 2024 to 0.7% in 2025, and for their ROE to decrease from 7.8% last year to 7.4% in 2025.

Source: EFG Hermes

JORDAN

Banking sector susceptible to multiple risks

Moody's Ratings placed the Jordanian banking sector's Macro Profile in the "Weak+" category, along with Vietnam and Guatemala. It said that the profile reflects the country's solid macroeconomic policymaking institutions, strong international financial and technical support, and access to sizeable domestic savings, as well as structural constraints that contribute to subdued economic growth, high unemployment and underlying social pressures. It also placed the banking sector's Banking Country Risk level in the "Moderate-" category. It said the credit concentration in the banking system and lack of transparency in the corporate sector are weighing on the banks’ credit conditions. In addition, it said that the banking system's loans grew by an average of 4.9% in the 2019-24 period, faster than the annual nominal average GDP growth of 3.5% in the same period of time. Further, it indicated that Jordanian banks tend to have high credit concentration in corporate lending, reflecting Jordan's economic activity that is dominated by a few large companies. It said that the lack of transparency in the corporate sector, including restricted access to financial information especially for smaller companies, affects the banks’ risk assessment abilities. Also, it noted that credit risks rose in the household loan portfolio driven by a higher, but declining interest rate environment. Further, it said that the banks maintain robust liquidity buffers, with 39% of their total assets held in liquid form at end-2024.

Source: Moody's Ratings

NIGERIA

Banks' ratings affirmed, outlook 'stable'

Fitch Ratings affirmed the long-term foreign- and local currency Issuer Default Ratings (IDRs) of Access Bank, Guaranty Trust Holding Company (GTCO), United Bank for Africa (UBA), and Zenith Bank at 'B', and maintained the 'stable' outlook on all the long-term IDRs. It said that the IDRs of the four banks take into account the improved operating environment in Nigeria, as well as their standalone creditworthiness. But it considered that the government's ability to provide support to commercial banks is weak due to its high debt servicing metrics and limited foreign currency resources. Also, it upgraded the national long-term rating of GTCO from 'AA(nga)' to 'AA+(nga)', the rating of Zenith Bank from 'AA-(nga)' to 'AA(nga)', the rating of UBA from 'A+(nga)' to 'AA(nga)', and the rating of Access Bank from 'A+(nga)' to 'AA-(nga)', while it placed the national long-term rating of Access Bank on Rating Watch Positive (RWP), and affirmed the national long-term rating of Stanbic IBTC Holdings at 'AAA(nga)'. It attributed the upgrades to the strengthening of the banks' capital buffers due to strong internal capital generation. It added that the RWP on the national rating of Access Bank denotes an increased probability of an upgrade if the acquisition of a majority share in a Mauritius-based bank has a positive impact on the bank's operating environment, asset quality, funding and liquidity. In addition, it affirmed the Viability Ratings of Access Bank, GTCO, UBA, and Zenith Bank at 'b'. It pointed out that the VRs of the four banks are supported by their sound profitability metrics, good core capitalization ratios, and comfortable liquidity coverage. It said that the VRs of GTCO and UBA reflect their moderate non-performing loans ratios, while the VR of Zenith Bank is constrained by the bank's high Stage 2 loans, and the VR of Access Bank is supported by the bank's reduced problem loans.

Source: Fitch Ratings

PAKISTAN

Capital adequacy ratio at 20.6%, NPLs at 6.3% at end-2024

The International Monetary Fund (IMF) indicated that the banking sector in Pakistan remains very profitable and highly liquid. It said that the sector's capital adequacy ratio reached 20.6% at the end-2024 compared to 19.7% at end-2023 and 17% at end-2022, while its Tier One capital to risk-weighted assets ratio stood at 16.4% at end-2024 relative to 16% at end-2023 and 14.2% at end-2022. Further, it noted that the sector's liquid assets increased from 56.6% at end-2022 to 63.5% of total assets at end-2023 and 60.3% of assets at end-2024, while the banks' loan-to-deposit ratio reached 49.7% at end-2024 relative to 41.8% at end-2023 and 50.4% at end-2022. Further, it pointed out that the sector’s non-performing loans (NPLs) ratio regressed to 6.3% at end-2024 from 7.6% at end-2023 and 7.3% at end-2022, due to stricter banking regulations. Also, it pointed out that NPLs ratio remained relatively contained in the context of the large economic deceleration. But it said that provisions increased from 89.5% at end-2022 to 92.7% of total NPLs at end-2023 and 103.9% of NPLs at end-2024. In parallel, it noted that the banks' return on average assets reached 1.3% in 2024 relative to 1.6% in 2023 and 1% in 2022, while their return on equity decreased from 27.1% in 2023 to 21.5% in 2024 compared to 16.9% in 2022.

Source: International Monetary Fund

Oil prices to average $67 p/b in 2025

The prices of ICE Brent crude oil front-month future contracts stood at $64.1 per barrel (p/b) on May 27, 2025, constituting a decrease of 2% from $65.4 p/b a week earlier, as expectations of higher output from the OPEC+ coalition are weighing on sentiment. Oil prices increased to $65 p/b after the U.S. trade court blocked the U.S. Administration's tariffs from taking effect. In parallel, Jadwa Investment expected Brent prices to fluctuate between $63 p/b and $65 p/b in the remainder of 2025, due to slower growth in OPEC+ oil production and a steady level of U.S. shale production. It considered that the balance of risks for oil prices is tilted to the downside given the uncertain demand outlook and ample global supply this year. Also, it said that the risk from geopolitical developments, such as U.S.-Iran talks, presents potential benefits and challenges to the outlook for the global oil market, while U.S. sanctions policy could impact oil supply from Iran, Venezuela and Russia. Also, it noted that the evolution of the OPEC+ policy throughout the year will depend on internal compliance challenges and broader trends in the oil market. In parallel, it expected the OPEC+ coalition to slow down its production increases later in the year, if global inventories begin to rise. However, it said that the output in October 2025 could surpass the initial plan set for October 2026 if OPEC+ production continues to grow at the same pace as in May and June of this year. It considered that this scenario could result in significant oversupply, given an anticipated increase in non-OPEC+ oil production of between 0.8 million b/d and 1 million b/d, which is enough to cover the expected growth in global demand. Further, it projected oil prices to average $67 p/b in 2025.
Source: Jadwa Investment, Refinitiv, Byblos Research

OPEC's oil basket price down 6.8% in April 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $68.98 per barrel (p/b) in April 2025, constituting a decrease of 6.8% from $74 p/b in March 2025. The price of Saudi Arabia's Arab Light was $70.92 p/b, followed by Kuwait's Kuwait Export at $70.28 p/b, and Equatorial Guinea's Zafiro at $70.08p/b. In parallel, all prices in the OPEC basket posted monthly decreases of between $4.19 p/b and $5.18 p/b in April 2025.
Source: OPEC

MENA's natural gas exports up by 2% in 2025

The International Monetary Fund projected natural gas exports from the Middle East & North Africa region to average 4.8 million barrels of oil equivalent per day (boe/d) in 2025, which would constitute an increase of 2.1% from 4.7 million boe/d in 2024. Further, it forecast Qatar's natural gas exports at 2.5 million boe/d in 2025, equivalent to 52.1% of the region's gas exports, followed by Algeria with 1.1 million boe/d (23%), the UAE with 0.6 million boe/d (12.5%), Iran and Oman with 0.3 million boe/d each (6.3% each), and Libya with 0.1 million boe/d (2.1%).
Source: International Monetary Fund, Byblos Research

OPEC oil output nearly unchanged in April 2025

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 26.7 million barrels of oil per day (b/d) in April 2025, nearly unchanged from 26.8 million b/d in March 2025. On a country basis, Saudi Arabia produced 9 million b/d, or 33.7% of OPEC's total output, followed by Iraq with 3.96 million b/d (14.8%), Iran with 3.3 million b/d (12.4%), the UAE with 2.9 million b/d (11%), and Kuwait with 2.4 million b/d (9%).
Source: OPEC

Base Metals: Steel prices to average $884 per short ton in second quarter of 2025

The U.S. Midwest Hot-Rolled Coil Steel prices averaged $844.43 per short ton in year-to-May 28, 2025 period, constituting a decrease of 5.4% from an average of $892.2 a short ton in the same period of 2024. The decrease in prices was due to persistently weak global demand for steel from Europe and China, and the global oversupply of the metal. In parallel, Goldman Sachs projected that global demand for finished steel to reach 1,779 million metric tons in 2025, which would constitute an increase of 0.6% from 1,768 million metric tons in 2024, mainly due to elevated purchasing by manufacturers. Also, it expected global production of finished steel at 1,771 million metric tons in 2025, which would represent a slight increase of 0.3% from 1,766 million metric tons in 2024. It projected that the metal's supply to decrease in the second half of the year, as a result of declining demand from China, especially from the construction sector, as well as to stricter export restrictions and possible production slowdowns in various parts of the world. Further, it forecast the crude production of steel to reach 1,876 million metric tons in 2025, nearly unchanged from 1,878 million metric tons in 2024. It estimated the global production of crude steel outside of China to increase by 3% in 2025, as it anticipated China to begin losing its share of global steel production to other countries. In parallel, S&P Global Market Intelligence projected the price of the U.S. Midwest Hot-Rolled Coil Steel at $884 per short ton in the second quarter of 2025 and to average $828 a short ton in full year 2025.
Source: Goldman Sachs, S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $3,200 per ounce in second quarter of 2025

Gold prices averaged $3,014 per ounce in the year-to-May 28, 2025 period, constituting an increase of 38.4% from an average of $2,178.4 an ounce in the same period of 2024, due to concerns about global economic uncertainties and trade tensions, mainly between China and the U.S., which reinforced the appeal of the metal as a safe haven for investors, as well as to continuing 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, Citi Research projected gold prices to trade at between $3,100 per ounce and $3,500 an ounce in the next three months as the world absorbs the changes in U.S. tariff policy, and amid elevated geopolitical risks and concerns about the U.S. budget and economic growth. Further, it said that households around the world currently hold the highest level of gold in 50 years, which could impact the future demand and price trajectory of the metal in case households begin selling their gold holdings or if they hold onto their gold due to economic uncertainty. Also, it indicated that gold demand currently is equivalent to approximately 0.5% of global GDP, constituting the highest level in 50 years, driven by heightened economic uncertainties that are increasing investment demand, as well as to the absence of a recession in major markets like India and China, which is driving robust jewelry sales despite elevated prices. In addition, it forecast gold prices to average $3,200 per ounce in the second quarter of 2025 and at $3,050 an ounce in full year 2025.
Source: Citi Research, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating: S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	-	-	-	-								
	-	-	-	-	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B-	B3	B-	-								
	Stable	Stable	Stable	-	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B-	Caa1	B	B								
	Stable	Positive	Stable	Stable	-4.6	73.3	2.7	97.3	14.6	179.1	-18.5	16.4
Ethiopia	SD	Caa3	CCC-									
	-	Stable	-	-	-2.5	22.0	0.5	32.1	5.9	158.7	-3.1	1.8
Ghana	CCC+	Ca	RD	-								
	Stable	Positive	-	-	-3.2	66.1	0.7	54.3	22.7	139.7	3.0	2.0
Côte d'Ivoire	BB	Ba2	BB-	-								
	Stable	Stable	Stable	-	-4.2	57.0	3.6	45.0	14.6	119.9	-4.6	2.3
Libya	-	-	-	-								
	-	-	-	-	-	-	-	-	-	-	-	-
Dem Rep Congo	B-	B3	-	-								
	Stable	Stable	-	-	-0.5	14.5	1.2	5.9	2.2	103.8	-5.4	4.2
Morocco	BB+	Ba1	BB+	-								
	Positive	Stable	Stable	-	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B-	Caa1	B-	-								
	Stable	Positive	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	CCC+	-								
	-	Stable	-	-	-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+	B2	B+	-								
	Stable	Stable	Stable	-	-4.6	69.5	3.5	19.8	9.5	111.5	-11.7	3.7
Middle East												
Bahrain	B+	B2	B+	B+								
	Negative	Stable	Stable	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-	Caa1	B-	-								
	Stable	Stable	Stable	-	-4.5	45.6	15.3	3.2	3.1	42.6	5.6	-1.4
Jordan	BB-	Ba3	BB-	BB-								
	Stable	Stable	Stable	Stable	-1.8	92.6	1.9	68.5	12	150.3	-4.4	1.6
Kuwait	A+	A1	AA-	AA-								
	Stable	Stable	Stable	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-	Ba1	BB+	BBB-								
	Stable	Positive	Stable	Positive	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA	Aa2	AA	AA								
	Stable	Stable	Stable	Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A+	A1	A+	AA-								
	Stable	Positive	Stable	Stable	-2.8	24.6	10.3	25.3	3.5	67.7	-0.2	0.5
Syria	-	-	-	-								
	-	-	-	-	-	49.0	-	-	-	-	-15.5	-
UAE	-	Aa2	AA-	AA-								
	-	Stable	Stable	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	07-May-25	No change	18-Jun-25
Eurozone	Refi Rate	2.40	17-Apr-25	Cut 25bps	05-Jun-25
UK	Bank Rate	4.50	20-Mar-25	No change	19-Jun-25
Japan	O/N Call Rate	0.50	01-May-25	No change	17-Jun-25
Australia	Cash Rate	3.85	20-May-25	Cut 25bps	08-Jul-25
New Zealand	Cash Rate	3.25	28-May-25	Cut 25bps	09-Jul-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	3.00	20-May-25	Cut 10bps	20-Jun-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	20-Mar-25	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	08-May-25	No change	09-Jul-25
Thailand	1D Repo	1.75	30-Apr-25	Cut 25bps	25-Jun-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	24.00	22-May-25	Cut 100bps	10-Jul-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	46.00	17-Apr-25	Raied 350bps	19-Jun-25
South Africa	Repo Rate	7.50	30-Jan-25	No change	29-May-25
Kenya	Central Bank Rate	10.00	08-Apr-25	Cut 75bps	10-Jun-25
Nigeria	Monetary Policy Rate	27.50	20-May-25	No change	22-Jul-25
Ghana	Prime Rate	28.00	23-May-25	No change	28-Jul-25
Angola	Base Rate	19.50	21-May-25	No change	18-Jul-25
Mexico	Target Rate	8.50	15-May-25	Cut 50bps	26-Jun-25
Brazil	Selic Rate	14.75	07-May-25	Raised 50bps	N/A
Armenia	Refi Rate	6.75	06-May-25	No change	17-Jun-25
Romania	Policy Rate	6.50	16-May-25	No change	08-Jul-25
Bulgaria	Base Interest	2.24	30-Apr-25	Cut 15bps	02-Jun-25
Kazakhstan	Repo Rate	16.50	11-Apr-25	No change	N/A
Ukraine	Discount Rate	15.50	17-Apr-25	No change	05-Jun-25
Russia	Refi Rate	21.00	25-Apr-25	No change	06-Jun-25

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