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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Project finance loans up 14% to $87bn in first quarter of 2025

Global project finance loans totaled $87.1bn in the first quarter of 2025, constituting an increase of 14% from $76.5bn in the same period of 2024; while the number of project finance transactions reached 184 globally in the first quarter of 2025, down by 7.1% from 198 deals in the same period last year. The distribution of project finance loans shows that transactions in the Americas amounted to $53.8bn and accounted for 61.8% of aggregate project finance loans in the first quarter of 2025, followed by the Europe, the Middle East, and Africa (EMEA) with $25.4bn (29%) and Asia-Pacific & Japan with $7.9bn (9%). Also, there were 101 transactions in the Americas, or 55% of the total, followed by the EMEA region with 58 deals (31.5%), and Asia-Pacific & Japan with 25 transactions (13.6%). Further, the power sector accounted for $41bn or 47% of project finance loans in the first quarter of 2025, followed by telecommunications firms with $26bn (30%), the transportation sector with $7bn (8%), the oil & gas industry with $4bn (4.6%), and the petrochemical sector with $3bn (3.4%), while project finance loans of other sectors totaled $6bn (7%). Also, there were 119 project finance transactions in the power sector or 64.7% of the total number of deals in the first quarter of 2025, followed by the telecommunications sector with 21 transactions (11.4%), transportation firms with 15 deals (8.2%), the oil & gas industry with 11 transactions (6%), and the petrochemical sector with five deals (2.7%), while there were 13 project finance transactions in other sectors, or 7.1% of the total number of deals.
Source: Refinitiv

Most central banks expect to increase their gold holdings in 2025

The World Gold Council's annual survey of 73 central banks around the world revealed that 95% of respondents anticipated global gold reserves to increase in the next 12 months, relative to 81% of participants in the 2024 survey that expected a rise in gold reserves, 71% of respondents in 2023, 61% of participants in 2022, 52% of respondents in 2021, 75% of participants in 2020, and 54% of respondents in 2019 that expected gold reserves to increase. Also, 43% of central banks anticipated their holdings to increase, while 57% expected their gold reserves to remain unchanged in the coming 12 months. Further, 85% of surveyed central banks indicated that their gold holdings increased in the past five years. In parallel, 93% of participants cited interest rate levels as the most relevant factor in their decision to hold more gold, followed by inflation concerns (81% of respondents), and geopolitical instability (77% of participants). Further, 93% of participants in EMDEs cited interest rate levels as the top factor in their decision to purchase gold, followed by inflation (84% of respondents) and geopolitical instability (81% of participants), while 93% of central banks in advanced economies considered interest rates as the most important factor impacting their holdings of gold, followed by inflation concerns (67% of participants) and geopolitical risks (60% of respondents). The World Gold Council conducted the survey between February and May 2025.
Source: World Gold Council

MENA

City performance varies across Arab countries

The global economic advisory firm Oxford Economics ranked Dubai in 51st place globally and in first place in the Arab world on its Global Cities Index for 2025. Abu Dhabi followed in 73rd place, then Riyadh (97th), Doha (164th), and Dammam (211th) as the five top-performing Arab cities across economic strength, education, wellbeing, climate conditions, and political stability. In contrast, Faiyum in Egypt (869th), Khartoum (878th), Sohag in Egypt (906th), Basra (931st), and Djibouti City (937th) are the five lowest-ranked Arab cities on the index. The survey measures the economic performance in cities, the level of education and the wellbeing of their residents, the volatility of their climate, and the political risks facing the cities, in order to identify the relative strengths and weaknesses of each city. The index is composed of five categories that are Economics, Human Capital, Quality of Life, Environment, and Governance. The survey provides a score from zero to 100 points, with 100 being the highest performance across the five categories. The Arab region's average score stood at 38.4 points compared to 40.3 points in the 2024 survey, and came lower than the global average score of 42.1 points. Further, the average score of cities in the Gulf Cooperation Council (GCC) countries was 55.7 points, while the average score of cities in non-GCC Arab countries was 30.8 points. In parallel, Riyadh ranked in first place on the Economics and Human Capital categories, while Dubai came first on the Quality of Life segment. Also, Port Said ranked in first place on the Environment category and Abu Dhabi came first on the Governance component.
Source: Oxford Economics, Byblos Research

GCC

Fixed income issuance down 19% to $87bn in first five months of 2025

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached $86.8bn in the first five months of 2025, constituting a decline of 18.8% from $106.9bn in the same period of 2024. Fixed income output in the first five months of 2025 consisted of $27.2bn in sovereign bonds, or 31.3% of the total, followed by $27bn in corporate sukuk (31%), $24bn in corporate bonds (27.6%), and $8.6bn in sovereign sukuk (10%). Further, aggregate bonds and sukuk issued by corporates in the GCC stood at $51bn in the first five months of 2025, or 58.8% of fixed income output in the region; while issuance by GCC sovereigns reached $35.8bn, or 41.2% of the total. GCC sovereigns issued $16bn in bonds and sukuk in January, $4.9bn in February, $5.1bn in March, $1.2bn in April and $8.6bn in May 2025, while GCC firms issued $10.8bn in bonds and sukuk in January, $12.2bn in February, $8.5bn in March, $3.8bn in April and $15.7bn in May 2025. In parallel, corporate output in May 2025 consisted of $4bn in sukuk and $4bn in bonds that UAE-based firms issued, $3.93bn in sukuk and $650m in bonds that Saudi Arabia-based companies issued, 500m in sukuk from firms in Qatar, and $250m in sukuk that Kuwait-based companies issued. Also, sovereign proceeds in May 2025 consisted of $5bn in sukuk that Saudi Arabia issued, $1.75bn in sukuk and $1.4bn in bonds issued by Bahrain, $259.8m in bonds that Oman issued, and $149.7m in sukuk issued by the UAE.
Source: KAMCO

OUTLOOK

WORLD

Nearly 80% of economists expect significant shifts in U.S. policies to disrupt global economy

The World Economic Forum's (WEF) annual survey of chief economists indicated that 79% of respondents expected the significant shifts in U.S. government policies to lead to long-term structural disruptions to the global economy. Also, it said that 32% of participants strongly agree that higher tariffs will lead to elevated inflation rates in the remainder of 2025. Further, it pointed out that 71% of surveyed economists considered that political polarization will result in poor economic decision-making in the rest of 2025, while 39% believe that economic nationalism will play a growing role in shaping decisions, and 32% expected the pace of geo-economic fragmentation to accelerate.

Also, it showed that 69% of respondents anticipated weak economic growth in the U.S. in the remainder of 2025, while 55% of participants expected subdued growth in Latin America and the Caribbean, 50% estimated economic growth in Europe to be sluggish, and 30% forecast a modest rise in economic activity in East Asia and the Pacific for the rest of the year. Further, it said that 29% of surveyed economists anticipated weak economic activity in Sub-Saharan Africa, 28% forecast slow economic growth in the Middle East and North Africa region, 26% of respondents projected weak real GDP growth in Central Asia, and 9% anticipated subdued growth in South Asia in the rest of 2025.

In addition, it revealed that 97% of surveyed chief economists considered that trade policy faces the highest level of uncertainties related to government or economic policy, 49% of participants said that monetary policy carries the greatest degree of unpredictability, 35% of respondents noted that fiscal policy is characterized by elevated ambiguity, 27% considered that industrial policy faces the most significant level of uncertainty, and 22% stated that technology regulations are subject to elevated uncertainties. The results of the survey, which the WEF conducted between April 3 and 17, 2025, are based on the responses of several chief economists across the world.

Source: World Economic Forum

MENA

Geopolitical tensions to affect growth prospects

In its baseline scenario about the impact of the Israel-Iran war on the Middle East and North Africa (MENA), the Institute of International Finance's (IIF) projected the real GDP growth rate of the MENA region to decelerate to 1.7% in 2025 from its pre-war forecast of 3.4% for the year, due mainly to recessions in Israel and Iran, and to more limited effects on the economies of the Gulf Cooperation Council (GCC) countries, Egypt, Jordan, and Lebanon. Under this scenario, it assumed that the war will remain limited to the two protagonists, will last weeks or months, and that oil will continue to flow through the Strait of Hormuz. Also, it projected the real GDP growth rate of GCC economies at 3.1% in 2025 relative to its pre-war forecast of 3.6%, and revised downwards their real non-hydrocarbon GDP growth rate from 4% to 3.4% in 2025 due to weaker investments and tourism flows, given the elevated uncertainties.

In parallel, the IIF's worst-case scenario, which assumes that the war will escalate, the U.S. will get involved directly, and the flow of oil and global supply will be disrupted in the short- to medium term, it forecast the real GDP of the MENA region to contract by 0.5% in 2025 and for economic activity in the GCC to grow by 0.6% this year. Further, under this scenario, it projected oil prices to average $110 p/b in the second half of 2025, which will result in an average oil price of $90 p/b in full year 2025. Also, it considered that the balance of risks for the GCC economies outlook is tilted to the downside under the worst-case scenario and include an escalation of conflict and direct attacks on oil tankers, tighter monetary policy linked to U.S. Federal Reserve decisions, reduced investment flows due to heightened uncertainties, and disruptions to tourism and construction activity in Bahrain, Oman, and the UAE. In addition, it projected the Iranian economy to contract by 3% under its baseline scenario and by 7% in its worst-case scenario. The IIF assigned a high probability for its baseline scenario and a low possibility for its worst-case scenario.

Source: Institute of International Finance

GCC

Escalation in geopolitical risks to affect region's banking sectors

S&P Global Ratings identified three primary channels through which the geopolitical risks from the Iran-Israel war may transmit to the GCC banking sector. First, it anticipated potential outflows of foreign funding, as some non-resident investors may pull out from GCC markets in response to escalating hostilities. Second, it expected outflows of local funding in the case of a broadening of the ongoing war. Third, it anticipated an increase in default rates among the banks' corporate and retail clients, mainly if regional economic activity weakens or if oil exports are disrupted as a result of the instability.

Further, under its "high stress scenario" that assumes persistent and intense cycles of attacks between Israel and Iran that would lead to a material impact on the region's macroeconomic stability, it forecast the aggregate amount of non-performing loans (NPLs) of GCC banks to increase by 30%. However, in its "severe stress scenario" that assumes the involvement of regional and non-regional allies of Iran and Israel in the conflict, it forecast the aggregate NPLs of the banks to surge by 50%. Also, it expected banks to allocate excess provisions and to have 100% coverage of NPLs under both scenarios. Further, it estimated that 16 of the top 45 banks in the GCC will likely incur cumulative losses of $5bn in their net income under the "high stress scenario", while 26 banks will display cumulative losses of $30bn under the "severe stress scenario". It considered that banks can cope with a stronger-than-expected stress scenario, given that they have an average Tier One capital ratio of 17.2% at end-2024.

In addition, it forecast external funding outflows from GCC banks to reach $240bn under its "severe stress scenario", which is equivalent to about 30% of the cumulative external liabilities of GCC banking sectors. In parallel, under its "severe stress scenario", it considered that GCC banks could face about $290bn in local deposit outflows, and would receive support from their central banks if their assets are less liquid than expected.

Source: S&P Global Ratings

UAE

New sovereign ratings of 'AA' supported by strong external position

S&P Global Ratings assigned long-term foreign and local currency sovereign credit ratings of 'AA' each to the United Arab Emirates, as well as short-term local and foreign currency sovereign credit ratings of 'A-1', with a 'stable' outlook on the ratings. It also assigned a Transfer & Convertibility assessment rating of ‘AA+’. It attributed the ratings and the 'stable' outlook to the country's robust consolidated fiscal and external positions that will remain strong in the next two years, amid continued prudent policy-making and resilient economic growth. It added that the ratings are supported by the exceptional strength of the government's consolidated net asset position that it forecast to increase to 177% of GDP by 2028. It noted that the net assets position provides a buffer to offset the impact of oil price swings and geopolitical tensions on economic growth, government revenues, and the external account. Also, it estimated the government’s liquid assets at about 200% of GDP. It projected that the UAE's external liquid assets to exceed the external debt by more than 200% of current account payments on average in the 2024-27 period. Further, it forecast the UAE's gross external financing needs at 138.7% of current account receipts plus usable reserves in 2025, and at 137.6% and 136.6% of such receipts and reserves in 2026 and 2027, respectively. In parallel, it said that it could upgrade the ratings in case of significant improvements in the availability and timeliness of data disclosures, particularly on fiscal assets, contingent liabilities, and external accounts, and/or if the authorities implement measures to improve the effectiveness of monetary policy.

Source: S&P Global Ratings

EGYPT

Regional conflict to affect economy

Goldman Sachs estimated that Egypt is potentially exposed to the conflict between Israel and Iran through three channels. First, it said that Egypt's capital account is vulnerable to adverse external shocks, such as regional geopolitics. It considered that investors' risk aversion will result in large portfolio outflows that could strain foreign exchange liquidity and put pressure on the nominal exchange rate. It pointed out that the Central Bank of Egypt estimates the foreign holdings of portfolio investments at about $20bn currently and include $15bn in short-term Treasury bills. Also, it said that the country's external buffers have strengthened substantially in recent months, as the net foreign assets of the banking sector posted a surplus $1.6bn at end-April 2025 compared to a deficit of $6.4bn at the start of the year. It noted that the banks' net foreign asset position, along with the accumulation of foreign currency reserves, will mitigate some of the near-term risks to the Egyptian pound, with the authorities likely to actively manage any excessive volatility. Second, it said that any sustained increase in oil prices will have an adverse impact on the current account balance and raise external financing needs, given that the country's external energy deficit was $11.2bn, or 3% of GDP, at end-2024. Third, it did not expect a severe impact on Suez Canal receipts, given that such revenues have decreased to about 60% from their peak due to the attacks by the Huthi rebels on ships in the Red Sea.

Source: Goldman Sachs

OMAN

Real GDP growth to average 3% in 2025-26 period

The International Monetary Fund (IMF) projected Oman's real GDP growth rate to accelerate from 1.7% in 2024 to 2.4% in 2025 and 3.7% in 2026, driven by the phasing-out of OPEC+ production cuts and the strong growth of the non-hydrocarbon sector, supported by ongoing investments in the logistics, manufacturing, renewable energy, and tourism sectors. But it said that concerns over slowing economic activity among Oman’s key trading partners are weighing on the country's economic growth. In parallel, it anticipated the fiscal surplus to increase in the medium term due to the pick-up in oil production and the continued fiscal reforms. Further, it indicated that the public debt level declined from 37.5% at end-2023 to 35.5% of GDP at end-2024, as the government continued to allocate part of the fiscal surplus for debt repayment. Also, it said that the momentum of structural reforms remains strong, supporting Oman’s ability to withstand the challenging external environment and accelerating economic diversification. In addition, it expected the current account balance to shift from a surplus of 2.2% of GDP in 2024 to a deficit of 2% of GDP in the 2025-26 period, due to lower oil prices and softer growth in non-oil exports, and projected a return to a current account surplus in the medium term in case of a gradual ramp-up in oil production towards full capacity. Further, it anticipated lower oil prices and the potential slowdown in the growth of key trading partners to weigh on the country’s outlook. Also, it said that the government is finalizing the 11th Five-Year Development Plan for 2026-30 period with the goal of accelerating economic diversification.

Source: International Monetary Fund

ANGOLA

Credit profile contingent on foreign currency liquidity

In its periodic review of Angola’s credit profile, Moody's Ratings indicated that the country's sovereign rating of 'B3' reflects Angola's economic and fiscal dependence on oil prices, weak institutional framework, and vulnerability to foreign currency reserves risks associated with the government’s debt level, despite the significant reduction in the debt burden in recent years. It said that large funding needs and fiscal pressure balance substantial oil, gas and mineral reserves, progress on economic diversification and reform implementation, and considerable buffers that mitigate external risks, including robust foreign currency reserves. Also, it noted that Angola managed to maintain macroeconomic stability and recorded a strong real GDP growth rate in 2024, supported by the hydrocarbon and the non-hydrocarbon sectors. In addition, it indicated that Angola's economic strength assessment of 'ba3' reflects a moderate medium-term economic prospects and relatively low per capita income for an oil sector-driven economy that is characterized by modest levels of diversification and competitiveness. It noted that the 'b3' institutions and governance strength assessment captures the weakness of the institutional framework in the country, as reflected by the country’s low rankings on governance indicators. It added that the country's 'caa2' fiscal strength takes into account weak, but improving debt affordability, and elevated foreign exchange risk. It added that the 'ba' susceptibility to event risk is constrained by political, government liquidity, external vulnerability, and banking sector risks.

Source: Moody's Ratings

BANKING

QATAR

Banks' ratings affirmed, outlook 'stable'

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of Qatar National Bank at 'A+', and the IDRs of Qatar Islamic Bank (QIB), the Commercial Bank of Qatar (CBQ), and Doha Bank at 'A'. Also, it maintained the 'stable' outlook on the IDRs of the four banks. Further, the agency affirmed the viability rating (VR) of QNB at 'bbb+', the rating of QIB at 'bbb', the VR of CBQ at 'bb+', and the rating of Doha Bank at 'bb'. It noted that the IDRs reflect the government's high probability and capacity to support the banks in case of need, irrespective of their size or ownership. Further, it pointed out that the VRs of the rated banks are supported by Qatar's stable operating environment. It said that the VRs of QNB, QIB, and CBK are underpinned by their solid franchises. It noted that the VRs of QNB and QIB reflect their sound asset quality, solid profitability, and adequate capitalization; while the VRs of CBQ and Doha Bank are constrained by their weak asset quality. It added that the VR of CBQ takes into account the bank's improved profitability and reasonable capitalization, while the VR of Doha Bank reflects its moderate profitability and adequate capital ratios.

Source: Fitch Ratings

IRAN

FATF urges Tehran to complete action plan

The Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), declared in June 2025 that it will maintain Iran on its list of "High Risk Jurisdictions Subject to a Call for Action" until the authorities implement in full their action plan to address the country's significant AML/CFT deficiencies. It indicated that Iran committed in June 2016 to address its strategic deficiencies, but noted that the country has not completed its action plan as of February 2020. Further, the FATF lifted in full in February 2020 the suspension of counter-measures that international financial institutions use against Iran, since the latter failed to enact the Palermo and Terrorist Financing conventions, in line with the FATF standards. It also called on its members and urged all jurisdictions to apply effective counter measures to risks emanating from the country. In parallel, it said that, in case Iran ratifies the Palermo and Terrorist Financing conventions, the FATF will decide on the next steps, including whether to suspend the counter-measures. It stated that it will continue to be concerned about terrorism financing risks that originate from Iran and the threat imposes to the international financial system until Tehran implements the required measures to address the CFT deficiencies identified in its action plan. As such, the FATF noted that Iran should adequately criminalize terrorist financing; identify and freeze terrorist assets in line with the relevant UN Security Council resolutions; ensure an adequate and enforceable customer due diligence regime; demonstrate how authorities are identifying and sanctioning unlicensed money/value transfer service providers; ratify and implement the Palermo and Terrorist Financing conventions and clarify the capability to provide mutual legal assistance; and make sure that financial institutions verify that wire transfers contain complete originator and beneficiary information.

Source: Financial Action Task Force

NIGERIA

Banks face challenging funding conditions

Moody's Ratings placed the Nigerian banking sector's Macro Profile in the "Very Weak+" category, along with the banking sectors of Bangladesh, Kenya, and Togo, which reflects the country's weak banking sector amid high credit concentrations and difficult funding conditions. It also placed the banking sector's Banking Country Risk level in the "Very Weak+" category. It expected the asset quality of Nigerian banks to face some pressure, as the lagged impact of the material depreciation of the local currency, elevated inflation rates, and high interest rates are weighing on the repayment capacity of borrowers. It said that the banks' significant lending concentration in the oil and gas sector, as well as the high amount of foreign currency loans, pose risks to asset quality. Also, it stated that the non-performing loans ratio of banks was 4.1% at end-June 2024, while the proportion of Stage 2 loans ranged between 3% and 39% of total loans at end-June 2024. Further, it noted that the foreign currency shortages that local non-financial corporates are facing pose some risk to the liquidity of Nigerian banks through their trade finance activities with these firms. Also, it considered that the high level of dollarization in the banking sector poses some risks, as it constrains the Central Bank of Nigeria's ability to act as a lender of last resort. Further, it anticipated local-currency liquidity to remain sound, supported by the banks' strong ability to attract deposits. It said that rated banks have low loan-to-deposit ratios, while the sector's liquidity assets were equivalent to 19.3% of total assets at end-June 2024. Also, it expected the banking sector's robust profitability and improved capitalization metrics to support the banks' performance.

Source: Moody's Ratings

ARMENIA

Banks' ratings affirmed, outlook 'stable'

Moody's Ratings affirmed the long-term local and foreign-currency deposit ratings of Ameriabank, Ardshinbank and Inecobank at 'Ba3', and the ratings of Armeconombank at 'B1'. Also, it affirmed the Baseline Credit Assessments (BCAs) of Ameriabank, Ardshinbank, and Inecobank at 'ba3' and the BCA of Armeconombank at 'b1'. Further, it maintained the 'stable' outlook on the ratings of the four banks. It said that the outlook on the ratings of Ameriabank, Ardshinbank and Inecobank takes into account their sound fundamentals that the banks would maintain in the next 12 to 18 months, while the outlook on the ratings of Armeconombank is supported by the bank's standalone credit quality that will remain stable in the next 12 to 18 months. It indicated that Ameriabank and Ardshinbank benefit from a high probability of government support in case of need, reflecting their systemic importance as two of the largest banks in Armenia, while Inecobank benefits from a moderate probability of government support amid its significant market share. But it said that the rating of Armeconombank does not incorporate any government support, given that it is a privately-owned bank with a deposit market share of around 3%. In addition, it pointed out that the ratings of the four banks are underpinned by their stable asset quality. It noted that the ratings of Ameriabank, Ardshinbank, and Inecobank are supported by their strong profitability, robust capital buffers, and health liquidity metrics, while the rating of Armeconombank reflects its stable profitability ratios and moderate capitalization.

Source: Moody's Ratings

ENERGY / COMMODITIES

Geopolitical risk premiums to increase oil prices by $10 p/b

The prices of ICE Brent crude oil front-month future contracts reached $74.2 per barrel (p/b) on June 13, 2025, constituting an increase of 7% from $69.4 p/b a day earlier, due to the Israeli strikes on Iran that escalated tensions in the Middle East and raised concerns about oil supply disruptions. Also, oil prices continue to rise and reached $76.7 p/b on June 18, 2025 amid the intensification of the conflict between Israel and Iran. In parallel, the International Energy Agency (IEA) indicated that concerns of widening regional disruptions to oil traffic through the Strait of Hormuz will lead to a surge in oil prices, as Iran repeatedly threatened to close the Strait if it comes under attack. It considered that the closure of the Strait of Hormuz, even for a limited period of time, would have a major impact on global oil and gas markets. It said that the Strait serves as the key exit route for about 25% of the world's oil exports from Saudi Arabia, the UAE, Kuwait, Qatar, Iraq and Iran. In addition, Goldman Sachs considered that global spare capacity, which is equivalent to about 4.5% of global demand, will serve as the main cushion against potential disruptions to Iran's oil supply, mainly through a larger-than-expected lifting of production cuts by the OPEC+ coalition. It said that any disruptions to shipping in the Strait of Hormuz poses a significant upside risk to oil prices, given that most of the spare capacity is in Saudi Arabia and the UAE. It noted that the U.S. has the option to authorize emergency releases from its Strategic Petroleum Reserve (SPR) stocks in the event of major disruptions. As such, it estimated that geopolitical risk premiums related to the war between Israel and Iran could increase oil prices by $10 p/b. Further, Citi Research projected Brent oil prices to average $67 p/b in the second quarter and $68 p/b in full year 2025.

Source: IEA, Goldman Sachs, Citi Research, Refinitiv, Byblos Research

OPEC's oil basket price down 7.8% in May 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $63.62 per barrel (p/b) in May 2025, constituting a decrease of 7.8% from $68.98 p/b in May 2025. The price of Saudi Arabia's Arab Light was $65 p/b, followed by Equatorial Guinea's Zafiro at $64.98p/b, and Nigeria's Bonny Light at $64.55 p/b. In parallel, all prices in the OPEC basket posted monthly decreases of between $3.48 p/b and $6.48 p/b in May 2025.

Source: OPEC

Saudi Arabia's oil export receipts at $18bn in February 2025

Oil exports from Saudi Arabia totaled at 7.96 million barrels per day (b/d) in February 2025, constituting increases of 7.4% from 7.41 million b/d in January 2025 and of 3.2% from 7.71 million b/d in February 2024. Oil export receipts reached $18bn in February 2025, representing decreases of 4.4% from $18.85bn in January 2024 and of 8% from $19.6bn in February 2024.

Source: JODI, General Authority for Statistics, Byblos Research

OPEC oil output nearly unchanged in May 2025

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 27 million barrels of oil per day (b/d) in May 2025, nearly unchanged from 26.84 million b/d in May 2025. On a country basis, Saudi Arabia produced 9.2 million b/d, or 34% of OPEC's total output, followed by Iraq with 3.93 million b/d (14.5%), Iran with 3.3 million b/d (12.2%), the UAE with 2.97 million b/d (11%), and Kuwait with 2.4 million b/d (9%).

Source: OPEC

Base Metals: Aluminum prices to average $2,430 per ton in second quarter of 2025

The LME cash price of aluminum averaged $2,531.6 per ton in the year-to-June 18, 2025 period, constituting an increase of 7.4% from an average of $2,356.7 a ton in the same period last year, due to increasing global demand for the metal. Further, aluminum prices reached their highest level of $2,737.1 per ton on February 20, 2025, driven by elevated global demand and the U.S. imposition of tariffs of 25% on steel and aluminum imports. In parallel, Citi Research projected the primary supply of aluminum at 73.9 million tons in 2025, which would constitute an increase of 1.5% from 72.8 million tons in 2024. Also, it forecast the primary demand for the metal at 73.8 million tons this year, which would represent an increase of 1.4% from 72.9 million tons in 2024. In its base case scenario, it expected the price of the metal to average $2,450 per ton in the third quarter of 2025 and $2,550 a ton in the fourth quarter of this year, driven by elevated global demand. Further, in its bear case scenario, it forecast aluminum prices to average $2,250 per ton in the near term if higher tariffs weigh heavily on global manufacturing activity. Under its bull case scenario, it projected aluminum prices to rise to $2,750 per ton in the third quarter of 2025 and to $2,800 per ton in the fourth quarter of 2025, if U.S. President Donald Trump reduces tariffs on aluminum imports and/or if the auto sector increases its demand for the metal. Also, it forecast aluminum prices to average $2,430 per ton in the second quarter of 2025, and $2,510 a ton in full year 2025.

Source: Citi Research, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $3,300 per ounce in second quarter of 2025

Gold prices averaged $3,056.6 per ounce in the year-to-June 18, 2025 period, constituting an increase of 39% from an average of $2,197.1 an ounce in the same period of 2024, due to the start of the war between Iran and Israel, as well as 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, and to continuing strong demand for the metal from central banks around the world. Further, gold prices reached their second all-time high of $3,425.7 per ounce on June 13, 2025, up from $3,380.4 an ounce on June 12, triggered by the Israel-Iran war. In parallel, Citi Research projected the global supply of gold at 5,300 tons in 2025, which would constitute an increase of 6.3% from 4,988 tons in 2024. In addition, it anticipated gold mine production to reach 3,737 tons in 2025, which would represent a rise of 1.4% from 3,673 tons in 2024. Also, it forecast the global demand for gold at 4,996 tons in 2025, which would constitute an increase of 8.5% from 4,606 tons in 2024. Further, in its bear case scenario, it forecast gold prices to average below $3,000 per ounce this year in case of a swift resolution to the tariff disputes between the U.S and its trading partners, reduced geopolitical risks, and if the U.S. economy remains resilient; while, under its bull case scenario, it projected gold prices to exceed $3,500 per ounce in the third quarter of 2025, as investors seek safe-haven assets. Also, in its base case scenario, it forecast the price of the metal to increase to between $3,100 per ounce and $3,500 an ounce in the third quarter of 2025, before decreasing to less than $3,000 per ounce by late 2025, in case of declining investment demand. In addition, under its base case scenario, it expected gold prices to average $3,300 per ounce in the second quarter and $3,100 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	B-	B3	-	-								
Congo	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	AA	Aa2	AA-	AA-								
	Stable	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-	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	B-	-								
	Stable	Positive	Stable	-	-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	Action	Next meeting
USA	Fed Funds Target Rate	4.50	18-Jun-25	No change	30-Jul-25
Eurozone	Refi Rate	2.15	05-Jun-25	Cut 25bps	24-Jul-25
UK	Bank Rate	4.50	20-Mar-25	No change	19-Jun-25
Japan	O/N Call Rate	0.50	17-Jun-25	No change	31-Jul-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	04-Jun-25	No change	30-Jul-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	5.5	06-Jun-25	Cut 50pbs	06-Aug-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	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	9.75	10-Jun-25	Cut 25bps	N/A
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	17-Jun-25	No change	05-Aug-25
Romania	Policy Rate	6.50	16-May-25	No change	08-Jul-25
Bulgaria	Base Interest	2.07	02-Jun-25	Cut 17bps	01-Jul-25
Kazakhstan	Repo Rate	16.50	11-Apr-25	No change	N/A
Ukraine	Discount Rate	15.50	05-Jun-25	No change	24-Jul-25
Russia	Refi Rate	20.00	06-Jun-25	Cut 100bps	25-Jul-25

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