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NEWS HEADLINES

EMERGING MARKETS

Venture capital funding down 7% to $3.9bn in first half of 2025

Figures released by online platform Magnitt show that venture capital (VC) funding in emerging markets (EMs), which consist of the Middle East, Africa, South East Asia, Türkiye and Pakistan, totaled $3.9bn in the first half of 2025, constituting a decrease of 7% from $4.3bn in the first half of 2024, and reaching its lowest first half level since 2017. The distribution of VC funding shows that investments in South East Asia totaled $1.7bn in the first half of 2025, or 43% of the total, followed by the Middle East with $1.35bn (34%), Africa with $676m (17%), and Türkiye and Pakistan with $244m (6%). Further, there were 682 VC deals in the covered regions in the first half of 2025, constituting a drop of 16% from about 812 investments in the same period of 2024. Also, there were 258 VC deals in the Middle East in the first half of 2025 and accounted for 37.8% of the total, followed by 212 transactions in South East Asia (31%), 138 new deals in Africa (20.2%), and 74 investments in Türkiye and Pakistan (11%). In parallel, the fintech sector was the recipient of $1.6bn, or 40% of VC investments in the Middle East, Africa, and South East Asia in the first half of 2025, followed by the enterprise software industry with $416m (10.5%), e-commerce with $402m (10.1%), the healthcare industry with $216m (5.4%), the energy sector with $131m (3.3%), IT solutions and sustainability companies with $57m each (1.4% each), the real estate sector with $53m (1.3%), the transport and logistics industry with $46m (1.2%), and the educational technology sector with $45m (1.1%).

Source: Magnitt, Byblos Research

Nearly 31% of rated sovereigns have investment-grade rating at end-June 2025

S&P Global Ratings indicated that 30%, or about 17 of the 57 sovereigns that it rates in the Emerging Europe, Middle East and Africa (EEMEA) region, had an investment grade rating as at end-June 2025. It noted that 19 of the sovereigns that it rates in the EEMEA region were in the 'B' category at end-June 2025 and accounted for 33.3% of rated sovereigns, followed by 12 sovereigns in the 'BB' range (21%), 10 countries in the 'BBB' category (17.5%), eight sovereigns in the 'CCC' range or lower (14%), five countries in the 'A' segment (8.8%), and three sovereigns in the 'AA' bracket (5.3%). In parallel, it noted that there were five 'positive' outlooks and eight 'negative' outlooks on the long-term foreign currency ratings of sovereigns at end-June 2025, relative to two 'negative' outlooks and seven 'positive' outlooks on sovereign ratings at end-2024, and to three 'negative' outlooks and nine 'positive' outlooks on sovereign ratings at end-June 2024. Further, the latest available data shows that the average sovereign credit rating in the Middle East and North Africa region declined from about 'A-' at the end of 2010 to 'BBB' at end-June 2025, while the average sovereign rating in Central and Eastern Europe, increased from about 'BB' to 'BB+' during the same period of time, the average sovereign credit rating in the Commonwealth of Independent States regressed from about 'BB' to 'B+' and the average sovereign credit rating in the Sub-Saharan Africa region decreased from about 'BB-' to 'B'.

Source: S&P Global Ratings

MENA

Arab stock markets capitalization at $4.2 trillion at end-June 2025

The aggregate market capitalization of Arab stock markets reached $4.22 trillion (tn) at the end of June 2025, constituting a decrease of 3.8% from $4.4tn at the end of 2024 and an increase of 1% from $4.18tn at end-June 2024. The market capitalization of the Saudi Exchange stood at $2,433.6bn at the end of June 2025 and accounted for 57.7% of the total, followed by the Abu Dhabi Securities Exchange with $842.4bn (20%), the Dubai Financial Market with $271bn (6.4%), the Qatar Stock Exchange with $174.5bn (4.1%), Boursa Kuwait with $165.3bn (3.9%), the Casablanca Stock Exchange with $106.6bn (2.5%), the Muscat Stock Exchange with $73.4bn (1.7%), the Egyptian Exchange with $47.2bn (1.1%), the Amman Stock Exchange with $29.4bn (0.7%), the Beirut Stock Exchange with $23.5bn (0.6%), the Bahrain Bourse with $20bn (0.5%), the Iraq Stock Exchange with $16.2bn (0.4%), the Tunis Stock Exchange with $10.3bn (0.2%), the Palestine Exchange with $4.7bn (0.1%), and the Damascus Stock Exchange with $1.9bn (0.05%). In parallel, the market capitalization of the Saudi Exchange was equivalent to 224.6% of the country's projected GDP for 2025, followed by the Abu Dhabi Securities Exchange (153.5% of GDP), Boursa Kuwait (108% of GDP), the Beirut Stock Exchange (84% of GDP), the Qatar Stock Exchange (78.4% of GDP), the Muscat Stock Exchange (70.4% of GDP), the Casablanca Stock Exchange (64.3% of GDP), the Amman Stock Exchange (52.4% of GDP), the Dubai Financial Market (49.4% of GDP), the Bahrain Bourse (41.9% of GDP), the Tunis Stock Exchange (18.4% of GDP), the Egyptian Exchange (13.6% of GDP), and the Iraq Stock Exchange (6.3% of GDP).

Source: Arab Federation of Capital Markets, International Monetary Fund, Institute of International Finance, Byblos Research

Gender gap varies across region

The World Economic Forum ranked the United Arab Emirates in 69th place among 148 countries globally and in first place among 12 Arab economies on its Global Gender Gap Index for 2025. Bahrain followed in 104th place, then Jordan (122nd), Tunisia (123rd) and Kuwait (128th), as the five Arab economies with the narrowest gender gaps. In contrast, Lebanon (136th), Morocco (137th), Egypt (139th), Algeria (141st), and Sudan (147th) are the five Arab countries with the widest gender gaps in the region. The index ranks countries according to their proximity to gender equality rather than on the degree of female empowerment. It is based on 14 indicators grouped into four sub-indices that measure Economic Participation & Opportunity, Educational Attainment, Health & Survival, and Political Empowerment. The survey shows that the Arab region has the widest gender gap in the world, as the region closed 64.3% of its gender gap compared to 64% in 2024 and 60% in 2015, which is below the average scores of all other regions worldwide. Also, Bahrain ranked in first place among Arab countries on the Economic Participation & Opportunity Sub-Index, and the UAE came first on the Educational Attainment Sub-Index. Also, Lebanon ranked first on the Health & Survival Sub-Index, while the UAE came first on the Political Attainment Sub-Index.

Source: World Economic Forum, Byblos Research

WORLD

Insurance premiums to grow by a 2% in real terms in 2025

Global reinsurer Swiss Re projected global life and non-life premiums to increase by 2% in real terms in 2025 compared to a growth rate of 5.2% in 2024. It said that additional U.S. tariffs pose new risks for insurers, as it will negatively affects global inflation rates, trade, supply chain, and economic growth outcomes. Further, it forecast global life premiums to grow by 1% in real terms in 2025, down from 6.1% in 2024, primarily driven by lower interest rates. In comparison, it expected global non-life premiums to rise by 2.6% in real terms in 2025, relative to 4.7% in 2024, due to intensifying competition in personal lines and softer market conditions across commercial lines.

Further, it projected global non-life insurance premiums to reach $4.8 trillion in 2025, up from $4.6 trillion in 2024, with advanced economies (AEs) accounting for 85% and emerging markets (EMs) for 15% of total non-life premiums. Also, it forecast non-life insurance premiums in emerging markets (EMs) excluding China to grow by 4.8% in real terms in 2025, while it expected non-life premium growth in China to slow from 6% in 2024 to 5.3%, amid reduced local government support, softening demand for commercial covers, and the impact of tariffs on consumer sentiment. Further, it projected non-life premiums in the Middle East and North Africa to rise by about 4.5% in real terms in 2025, followed by Latin America with increase of nearly 4.2%, and Europe and Central Asia with a growth rate of about 2.5%.

In addition, it anticipated life premium in AEs to grow by 0.2% in real terms in 2025, due mainly to the strong base effects in 2024 in North America and Europe. It projected life premiums in EMs to grow by 3.4% in real terms in 2025, compared to the compound annual growth rate (CAGR) of 5.8% in the 2014-23 period, driven primarily by lower demand in China. Further, it considered that cyclical macro-financial dynamics and structural shifts in life insurance operating models will pose risks to the global life insurance outlook in the medium term. But it expected global life premiums to grow by a CAGR of 2.5% in the 2026-35 period.
Source: Swiss Re

Artificial Intelligence to drive growth productivity

PwC considered that the global economy could significantly surpass current projections by 2035 if artificial intelligence (AI) delivers a surge to productivity comparable to the productivity booms ignited in the past by foundational technologies like electricity. Further, it expected global economic activity generated by the majority of industries and sectors to increase from $105.3 trillion in 2023 to $132.5 trillion in 2035. It said that economic activity will shift from traditional industries and sectors in 2023 to domains, as businesses are reconfiguring into new domains of growth. It defines new domains of growth as zones of economic activity and value creation where companies collaborate in creative ways to meet human needs.

Under its "Trust-Based Transformation" scenario that assesses the integration and responsible use of advanced technologies, which enables widespread productivity growth and task creation while supporting sustainable solutions and innovation, it expected global real GDP growth to increase by 37.2% in the 2023-35 period. It forecast AI-fueled productivity growth to boost the global economy by 14.7%, while it anticipated the economic drag from stranded assets resulting from decarbonization efforts to reduce the overall real GDP growth by 3.3%. In its "Tense Transition" scenario, where the energy transition would proceed more slowly, stranding fewer assets in the near term and setting the stage for larger physical climate risks in the future, it projected global real GDP to grow by 31.1% in the 2023-35 period, for productivity gains driven by AI to support global economic activity by 7.7%, and expected the impact of assets stranded from decarbonization to reduce global growth by 2.4% under this scenario.

In its "Turbulent Times" scenario that assumes a future of fragmented interests, disruptive and divisive technology, and suspended sustainability efforts, it forecast global real GDP growth to increase by 24.9% in the 2023-35 period. It forecast AI-driven productivity growth to enhance the global economy by 0.8%, while it projected the impact of assets stranded through decarbonization efforts to reduce the overall real GDP growth by 1.7%.
Source: PwC

GCC

Non-resident capital inflows projected at $202bn, or 9% of GDP, in 2025

The Institute of International Finance (IIF) projected non-resident capital inflows to Gulf Cooperation Council (GCC) countries at $202.2bn in 2025, constituting an increase of 15.1% from $175.6bn in 2024, and to reach $217.2bn in 2026. It expected non-resident capital inflows at 8.8% of GDP in 2025 and 9.1% of GDP in 2026. It attributed the rise in capital flows to a stable political environment, improvement in the business climate, and strong economic fundamentals, as well as higher foreign direct investments (FDI) and sovereign bond issuance despite geopolitical and macroeconomic uncertainties. Also, it forecast FDI in the GCC at $89.4bn this year and at $100.9bn in 2026 relative to $78.5bn in 2024, and anticipated portfolio investments to reach $79.5bn in 2025 and $83.4bn in 2026 compared to $58.3bn in 2024. Also, it expected other investments in GCC at $33.3bn in 2025 and $32.9bn in 2026 compared to $38.8bn in 2024. Further, it projected resident capital outflows from GCC to decrease from $220.1bn in 2024 to $213.8bn in 2025, due to a 15.5% decrease in outward portfolio investments and a 21.9% decline in outflows from other investments, which will be partly offset by a 38.8% surge in FDI outflows from the GCC region. It also expected resident capital outflows from GCC at $229bn in 2026.

Further, it projected non-resident capital inflows to Saudi Arabia at $100.2bn in 2025, representing a rise of 5.1% from $95.3bn in 2024, and at $105.8bn in 2026.. Also, it pointed out that inflows to the Kingdom would account for 49.6% of non-resident capital inflows to the GCC in 2025 and for 48.7% in 2026. Further, it forecast FDI in the Kingdom at $23.7bn this year and at $27.7bn in 2026 relative to $15.7bn in 2024, and anticipated portfolio investments to reach $51.8bn in 2025 and $54.4bn in 2026 compared to $44.3bn in 2024. As such, it said that FDI in Saudi Arabia would represent 26.5% of aggregate FDI in the GCC in 2025 and 27.5% in 2026, while it noted that portfolio investments would account for 65.2% of total portfolio investments in GCC economies in 2025 and 65.2% in 2026.
Source: Institute of International Finance

GCC

Number of students to reach 15.5 million by 2029

Alpen Capital projected the total number of students in the Gulf Cooperation Council (GCC) countries to increase from 14 million in 2024 to 14.3 million in 2025, 14.9 million in 2027 and 15.5 million in 2029, and to post a compound annual growth rate (CAGR) of 2.1% in the 2024-29 period. It expected the growth in the number of students in the region to be driven by continued economic expansion and a steady increase in population. It forecast the total number of students in the tertiary segment to reach 2.6 million in 2029, and to post a CAGR of 1.6% during the 2024-29 period. Further, it anticipated the number of students in the secondary segment to total 6.2 million in 2029, and to post a CAGR of 2.1% in the 2024-29 period. In addition, it projected the total number of students in the primary segment to reach 5.5 million in 2029 and to post a CAGR of 1.92% in the 2024-29 period. Also, it expected the total number of students in the pre-primary segment at 1.2 million in 2029, and to post a CAGR of 1.75% in the 2024-29 period. In parallel, it anticipated the number of enrolled students in Saudi Arabia to reach 10 million in 2029, or 64.3% of the aggregate number of students in the GCC, followed by the UAE with 2.4 million (15.4%), Oman with 1.4 million (9%), Kuwait with 0.9 million (5.8%), Qatar with 0.5 million (3.2%) and Bahrain 0.36 million (2.3%).

Source: Alpen Capital

SAUDI ARABIA

Insurance premiums to reach $23.4bn in 2025

S&P Global Ratings' Insurance Industry and Country Risk Assessment in Saudi Arabia considered that the property and casualty (P&C) insurance sector in the Kingdom has an "intermediate" risk level. It noted that it derived its assessment from an "intermediate" country risk level and a "moderately low" industry risk level for the domestic P&C insurance sector. It expected the P&C insurance market in the Kingdom to remain profitable in the 2025-26 period, despite the ongoing economic uncertainties amid global trade disputes and geopolitical tensions in the Middle East. It said that the five most profitable insurance companies in the Kingdom accounted for 85% of the market's net profits in 2024, up from 66% in 2023. Further, it noted that 19 insurance firms posted a decline in their net income and four insurers reported net losses in 2024 following an increase in competition, mainly in the medical and motor lines. Also, it considered that extended global trade disputes could increase the inflation rate in the country, which may result in higher claims for insurers, particularly in retail segments. In parallel, it expected mergers and acquisition (M&A) activity in the Saudi insurance sector to continue, as five companies posted accumulated losses that exceed 20% of their share capital, and said that several of these insurers are in potential M&A discussions. It added that the uncertain macroeconomic environment and steep competition could threaten the prospective viability of some of the struggling insurers, which that could trigger M&A deals. Moreover, it expected the sector's gross written premiums to increase from SAR76.1bn, or $20.3bn, in 2024 to SAR87.6bn ($23.4bn) in 2025 and SAR96.3bn ($25.7bn) in 2026. Also, it projected the insurance penetration rate in Saudi Arabia at 2.1% of GDP in the 2025-26 period, up from 1.9% of GDP in 2024.

Source: S&P Global Ratings

OMAN

Ratings upgraded on improved debt metrics

Moody's Ratings upgraded Oman's long-term issuer and senior unsecured debt ratings from 'Ba1' to 'Baa3', and revised the outlook on the long-term ratings from 'positive' to 'stable'. Also, it upgraded the local and foreign currency country ceilings from 'Baa1' to 'A3' and from 'Baa2' to 'Baa1', respectively. It attributed the upgrades to the agency's expectation that the government's debt metrics will remain robust even if oil prices decrease below their medium-term price of $65 per barrel (p/b) in the coming years. It considered that the significant reduction in the public debt burden in recent years, along with the cumulative impact of spending restraint, have increased the country's resilience to potential future declines in oil demand and prices. In addition, it said that the public debt stood at 35.5% of GDP at end-2024 and expected the debt metrics to improve over time, but at a slower pace than in recent years. It considered that stronger debt metrics provide the government with more fiscal space and time to implement structural reforms that could reduce the sovereign's still-heavy economic and fiscal reliance on the oil sector. In parallel, it noted that it could upgrade the ratings if the resilience of the economy to oil price shocks increase and exposure to risks stemming from global carbon transition decline, and/or if the authorities step up efforts to support economic and fiscal diversification. In contrast, it said that it could downgrade the ratings if the fiscal adjustment process is slower than expected, in case of significant decrease in government liquidity, if external vulnerability pressures intensify, and/or if financing conditions tighten.

Source: Moody's Ratings

ANGOLA

Lower oil prices to impact fiscal and external balances

Standard Chartered Bank projected Angola's real GDP growth rate to decelerate from 4.4% in 2024 to 2.5% in 2025 and 2.4% in 2026, due to base effects in 2024 and increased global economic headwinds. It anticipated the country's real oil GDP growth rate to remain positive, primarily supported by elevated oil production rather than by price trends. But it expected lower foreign currency reserves earnings to put pressure on the exchange rate of the kwanza and to constrain activity in the non-oil sector, as it estimated that decreasing oil prices to would reduce foreign currency liquidity. Further, it revised upward its forecast of the inflation rate from 16.9% to 19.8% in 2025 due to risks to foreign currency reserves and stronger-than-anticipated inflation. It forecast a breakeven oil price of $70 per barrel (p/b) in 2025 to widen the fiscal deficit to 3.2% of GDP in 2025 relative to a previous forecast of 1.7% of GDP for this year. Further, it projected Angola's current account surplus to decrease from 2.4% of GDP in 2025 to 1.5% of GDP in 2026. In parallel, it expected the authorities to reach a shorter-term Stand-By Arrangement with the International Monetary Fund (IMF), which will allow the completion of more challenging IMF-guided reforms ahead of the general elections due in August 2027. It added that the SBA may provide a liquidity buffer amid limited access to the Eurobond market. Also, it expected the authorities to use the Banco Nacional de Angola's foreign currency reserves to meet their substantial external debt-servicing obligations.

Source: Standard Chartered Bank

BANKING

WORLD

Foreign reserves at $12,537bn at end-March 2025

Figures released by the International Monetary Fund (IMF) indicate that global foreign exchange reserves reached $12,537bn at the end of March 2025, constituting increases of 1.4% from $12,363.5bn at end-2024 and of 1.2% from $12,384.8bn at end-March 2024. Allocated reserves, or data reported under the IMF's Currency Composition of Official Foreign Exchange Reserves (COFER), totaled $11,639.72bn at the end of March 2025 and accounted for 92.8% of global reserves; while unallocated reserves, or the figures that do not fall under COFER, stood at $897.3bn at the end of March 2025 and represented the remaining 7.2% of the total. Foreign currency reserves in US dollars reached $6,720.3bn at end-March 2025 and accounted for 57.7% of total allocated reserves, followed by reserves in the euro with $2,334.62n (20.1%), in the British pound with $603.7bn (5.2%), in the Japanese yen with $599.1bn (5.1%), in the Canadian dollar with $306.1bn (2.6%), in the Chinese renminbi with $246.3bn (2.1%), in the Australian dollar with $167.74bn (1.4%), and the Swiss franc with $88.4bn (0.8%), while reserves in other currencies amounted to $573.42bn or 4.9% of the total. Further, foreign exchange reserves in the Swiss franc increased by 339.3% in the first quarter of 2025, followed by reserves in the British pound (+11.2%), in the euro (+2.6%), and in the US dollar (+1.4%), while reserves in other currencies grew by 7.5% from end-2024. In contrast, foreign exchange reserves in the Australian dollar dropped by 29% from end-2024, followed by reserves in the Japanese yen (-10.2%), in the Canadian dollar (-3.7%), and in the Chinese renminbi (-1.3%).

Source: International Monetary Fund

NIGERIA

Authorities pledge to improve AML/CFT framework

In its June 2025 update, the Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), indicated that it made the initial determination that Nigeria has substantially completed its action plan and warranted an on-site assessment to verify that the implementation of AML/CFT reforms has begun and is being sustained, and that the necessary political commitment remains in place to carry out these reforms in the future. It noted that Nigeria pledged in 2022 to develop formal and informal international cooperation, to complete its ML/TF risk assessment and update its national AML/CFT strategy to ensure alignment with other national strategies relevant to high-risk predicate offences, to improve its AML/CFT risk-based supervision of financial institutions and Designated Non-Financial Businesses and Professions, and to enhance the implementation of preventive measures for high-risk sectors. Also, it pointed out in June 2025 that Nigeria needs to make sure that the relevant authorities will have timely access to accurate and up-to-date beneficial owner (BO) information on legal persons, and will apply sanctions for breaches of BO obligations. Further, it encouraged the authorities to demonstrate a sustained increase in ML investigations and prosecutions in line with ML risks, to proactively detect violations of currency declaration obligations, and to apply appropriate sanctions.

Source: Financial Action Task Force

ARMENIA

Banks' capital adequacy ratio at 20% at end-February 2025, NPLs ratio at 1.5%

The International Monetary Fund indicated that the Armenian banking sector's capital adequacy ratio stood at 20% at end-February 2025, compared to 20.2% at end-June 2024 and 19.9% at end-2023, well above the minimum regulatory requirement of 16.75%. It added that the banks' liquid assets were equivalent to 30% of aggregate assets at end-February 2025 compared to 33.4% of assets at end-June 2024 and 33.2% at end-2023, and were equivalent to 92.4% of short-term liabilities at the end of February 2025 relative to 92% at end-June 2024 and 92.2 % at end-2023. Further, it noted that that foreign currency liabilities accounted for 43.3% of total liabilities at end-February 2025, compared to 44.3% at end-June 2024 and 46.1% of liabilities at end-2023. In addition, it pointed out that foreign currency loans stood at 30.7% of total loans at end-February 2025, compared to 31.2% of total loans at end-June 2024 and 33% of total loans at end-2023. Also, it indicated that the ratio of customer deposits to loans was 111% at end-2024, down from 116% at end-June 2024 and 120.9% at end-2023, and said that the risks of potential large deposit outflows are contained. It added that the banking sector's NPLs ratio reached 1.5% at end-February 2025, relative to 1.2% at end-June 2024 and 2.4% at end-2023; and that NPLs provisions stood at 112.2% at end-February 2025, relative to 129.1% at end June-2024 and 103.8% at end-2023. Further, it pointed out that the net open position in foreign currency stood at 1.2% of capital at end-February 2025, compared to 0.4% of capital at end-June 2024 and to 0.5% of capital at end-2023.

Source: International Monetary Fund

BANGLADESH

Banking sector facing vulnerabilities

The International Monetary Fund indicated that the stress in the Bangladesh banking sector has intensified since mid-2024, following political disorder and economic instability, and that poor risk management and inadequate supervision over many years contributed to the banking sector's vulnerabilities. It said that the banks' capital adequacy ratio (CAR) stood at 3.1% at end-2024, well below the minimum regulatory requirement of 10%, and projected the CAR to further decline in the near-term due to elevated non-performing loans (NPLs). Also, it noted that the banking sector's NPLs ratio increased from 12.6% at end-June 2024 to 16.9% at end-September 2024 and to 20.2% at end-2024, and expected the ratio to increase further this year due to tighter regulations on loan classification and forbearance, and to upcoming asset quality reviews. Also, it noted that the banks' liquidity ratio, stood at 24.8% at the end of FY2022/23 compared to 24% in FY2021/22, the latest available figures. It added that the banks' liquidity buffers have been relatively stable since 2023, with longstanding shortfalls at Islamic private commercial banks. In parallel, it said that 11 private banks, which account for 28% of the sector's assets, faced acute liquidity shortages during the political turmoil in July and August 2024, which prompted Bangladesh Bank to place the banks under intensified supervision and to impose temporary systemwide deposit withdrawal limits, Further, it considered that delays in addressing the sector's vulnerabilities could exacerbate already tightening credit conditions.

Source: International Monetary Fund

ENERGY / COMMODITIES

Oil prices to average $66 p/b in third quarter of 2025

The prices of ICE Brent crude oil front-month future contracts reached $68.5 per barrel (p/b) on July 16, 2025, constituting a decrease of 2.4% from $70.2 p/b a week earlier, after U.S. President Donald Trump extended his 50-day deadline for Russia to end the war in Ukraine and avoid sanctions, which helped alleviate immediate concerns about oil supply disruptions. Also, oil prices decreased amid a rise in U.S. oil inventories, which outweighed signs of increasing demand for oil. In parallel, the International Energy Agency (IEA) projected global oil demand to increase by 700,000 barrels per day (b/d) in 2025, its lowest rate since 2009 with the exception of 2020 due to the pandemic. It forecast global oil supply to rise by 2.1 million b/d to 105.1 million b/d this year, with non-OPEC+ adding 1.4 million b/d, along with higher oil output from the OPEC+ coalition in August 2025. It said that, in its most recent meeting on July 5, the OPEC+ coalition announced an increase in output of 550,000 b/d for August, a larger-than-expected increase in production targets, which signaled the unwinding of 80% of the 2.2 million b/d voluntary production cuts. It added that OPEC+ members may follow-up with the same outsized increase in September, which will complete the planned return of supply to its pre-cuts level a full year ahead of the original schedule. Further, Citi Research projected Brent oil prices to average $66 p/b in the third quarter and $68 p/b in full year 2025.

Source: IEA, Citi Research, Refinitiv, Byblos Research

Saudi Arabia's oil export receipts at $20.3bn in March 2025

Oil exports from Saudi Arabia totaled at 7.31 million barrels per day (b/d) in March 2025, constituting decreases of 8.1% from 7.96 million b/d in April 2025 and of 4.7% from 7.67 million b/d in March 2024. Oil export receipts reached $20.3bn in March 2025, representing increases of 13.5% from $18bn in February 2025 and of 21.3% from $16.8bn in March 2024.

Source: JODI, General Authority for Statistics, Byblos Research

Algeria's oil exports up 12.8% in April 2025

Crude oil production in Algeria totaled 912,000 barrels per day (b/d) in April 2025, constituting an increase of 0.3% from 909,000 b/d in March 2025. Further, aggregate crude oil exports stood at 468,000 b/d in April 2025, up by 12.8% from 415,000 b/d in March 2025.

Source: JODI, Byblos Research

Middle East accounts for 10% of world's global oil consumption in 2024

BP indicated that the Middle East region's aggregate demand for oil reached 9.89 million barrels per day (b/d) in 2024 compared to 9.73 million barrels b/d in 2023, and represented 9.8% of the world's oil demand. Consumption in Saudi Arabia totaled 3.96 million b/d, or 40% of the region's demand. Followed by Iran with 1.95 million b/d (19.7%), the UAE with 1.18 million b/d (12%), Iraq with 0.92 million b/d (9.3%), and Kuwait with 0.52 million b/d (5.2%); while demand from other Middle Eastern countries reached 1.35 million b/d or 13.7% of the total.

Source: BP, Byblos Research

Base Metals: Zinc prices to average $2,600 per ton in third quarter of 2025

The LME cash prices of zinc averaged $2,734.1 per ton in in the year-to-July 16, 2025 period, constituting an increase of 2.7% from an average of $2,661.8 a ton in the same period of 2024, due to tightening global supply chains and disruptions in key mining regions. 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, Citi Research projected the global supply of zinc at 14 million tons in 2025 relative to 13.53 million tons last year, with mine output representing 91% of the total. Further, it forecast demand for the metal at 13.9 million tons in 2025 compared to 13.72 million tons in 2024. As such, it expected the zinc market to shift from a deficit of 195,000 tons in 2024 to a surplus of 124,000 tons in 2025. In its base case scenario, it expected the price of the metal to average $2,600 per ton in the remainder of 2025 as refined production begins to rise on the back of stronger mine supply. Further, in its bear case scenario, it forecast the price of zinc to average $2,400 per ton this year, close to marginal mining costs, if global growth is slower than expected and mine supply grows with fewer disruptions weigh on demand; while in its bull case scenario, it projected zinc prices to average $2,900 per ton in the fourth quarter of 2025 and $3,000 a ton in 2026, driven by stronger global consumption, steady demand from China, and reduced tariff concerns. It added that limited growth in mine supply and potential U.S. tariffs on zinc imports may trigger a physical shortages and push prices even higher. Also, it forecast zinc prices to average $2,600 per ton in the third quarter and $2,650 per ton in full year 2025.

Source: Citi Research, Refinitiv, Byblos Research

Precious Metals: Palladium prices to average $975 per ounce in third quarter of 2025

Palladium prices averaged $989.7 per troy ounce in the year-to-July 16, 2025 period, constituting an increase of 1.2% from an average of $978.3 an ounce in the same period of 2024. The rise in palladium prices has been mainly driven by constrained supply conditions, including limited mine output and slower-than-expected recycling of the metal, which have outweighed the impact of declining autocatalyst demand and of the substitution of palladium with platinum in catalytic converters. Also, palladium prices reached $1,189 an ounce on July 14, 2024, their highest level since October 29, 2024 when they stood at $1,222 an ounce, due to reduced output from major producers. In parallel, Citi Research anticipated the global supply of palladium at 9.14 million ounces in 2025, down by 2% from 9.33 million ounces in 2024, with mine output representing 68.2% of global output in 2025. Also, it forecast demand for the metal at 9.5 million ounces in 2025, representing a decrease of 3% from 9.8 million ounces in 2024. As such, it expected the palladium market deficit to decrease from 462,000 ounces in 2024 to 362,000 ounces in 2025. Further, it expected increased demand of hybrid vehicles and a shift from platinum back to palladium, given that platinum prices are exceeding palladium prices, to help moderate but not reverse the downward trend in autocatalyst demand. Moreover, it forecast palladium prices to average $975 per ounce in the third quarter of 2025 and $970 an ounce in full year 2025.

Source: Citi Research, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating				General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI								
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	CCC+ Stable	Ca Positive	B- Stable	- -	-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	Baa3 Stable	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	AA Stable	Aa2 Stable	AA- Stable	AA- Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	- -	- -	- -	- -	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	LT Foreign currency rating				General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI								
Asia												
Armenia	BB- 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	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	4.25	19-Jun-25	No change	07-Aug-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	12-Aug-25
New Zealand	Cash Rate	3.25	09-Jul-25	No change	20-Aug-25
Switzerland	SNB Policy Rate	0.00	19-Jun-25	Cut 25bps	25-Sep-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-Jun-25	No change	20-Jul-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	19-Jun-25	No change	18-Sep-25
South Korea	Base Rate	2.50	10-Jul-25	No change	28-Aug-25
Malaysia	O/N Policy Rate	3.00	09-Jul-25	Cut 25bps	04-Sep-25
Thailand	1D Repo	1.75	25-Jun-25	No change	13-Aug-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	10-Jul-25	No change	28-Aug-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	46.00	19-Jun-25	No change	24-Jul-25
South Africa	Repo Rate	7.25	29-May-25	Cut 25bps	31-Jul-25
Kenya	Central Bank Rate	9.75	10-Jun-25	Cut 25bps	12-Aug-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	8.00	26-Jun-25	Cut 50bps	07-Aug-25
Brazil	Selic Rate	15.00	18-Jun-25	Raised 50bps	30-Jul-25
Armenia	Refi Rate	6.75	17-Jun-25	No change	05-Aug-25
Romania	Policy Rate	6.50	08-Jul-25	No change	08-Aug-25
Bulgaria	Base Interest	1.91	01-Jul-25	Cut 16bps	01-Aug-25
Kazakhstan	Repo Rate	16.50	11-Jul-25	No change	29-Aug-25
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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