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BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Investments in generative AI startups up 245% to $79.5bn in first half of 2025

S&P Global Market Intelligence indicated that investments in generative artificial intelligence (AI) startups reached $79.5bn worldwide in the first half of 2025, constituting a surge of 244.4% from $23.1bn in the same period of 2024, with investments of $49.3bn in the first quarter and of $30.2bn in the second quarter of 2025. In comparison, investments in generative AI startups totaled $4.3bn in 2019, $3.4bn in 2020, $12.3bn in 2021, $6.7bn in 2022, $29.8bn in 2023, and $58.8bn in 2024. Further, it said that there were 83 rounds of deals in generative AI-backed startups worldwide in the first half of 2025, decreasing by 36.2% from 130 rounds in the first half of 2024, with 47 rounds in the first quarter and 35 rounds in the second quarter of the year. In comparison, it stated that there were 155 rounds of investments in generative AI startups in 2019, 191 transactions in 2020, 281 rounds in 2021, 260 transactions in 2022, 307 rounds in 2023, and 229 transactions in 2024. In addition, it noted that the Applications sector attracted $60.5bn, or 76% of total investments in generative AI startups, while the Infrastructure industry secured $19bn, or 24% of the total, in the first half of 2025. Also, it said that the Infrastructure industry attracted $15.7bn, or 78.3% of the aggregate investments in generative AI startups, while the Applications sector received $4.4bn, or 21.7% of the total, in the second quarter of 2025.

Source: S&P Global Market Intelligence

MENA

Investment banking fees down 2% to $774m in first half of 2025

Figures compiled by data provider Refinitiv show that investment banking fees in the Middle East & North Africa (MENA) totaled $773.7m in the first half of 2025, constituting a decrease of 2% from $789.5m in the same period last year. The distribution of investment banking fees shows that fees from debt capital market reached $279m and accounted for 36% of the total, followed by merger & acquisition (M&A) fees with $191m (24.7%), equity capital markets fees with $170m (22%), and syndicated lending with $134m (17.3%). Also, fees from M&A transactions surged by 52%, and those from debt capital markets rose by 20% in the first half of 2025. In contrast, syndicated lending fees declined by 40% year-on-year and those of equity capital markets decreased by 18%. The materials segment accounted for $32.1bn or 66.7% of M&A activity in the first half of 2025, followed by the financial sector with $3.3bn (7%), the consumer products and services sector with $2.9bn (6%), the high technology segment with $2.6bn (5.4%), the industrial sector with $2.3bn (4.8%), and the energy & power industry with $2.2bn (4.6%), while other segments totaled $2.7bn or 5.6% of M&A activity in the covered period. On a country basis, M&A activity in the UAE totaled $39.8bn, or 82.7% of aggregate activity in the region in the first half of 2025, followed by Saudi Arabia with $3.5bn (7.3%), Kuwait with $1.7bn (3.5%), Egypt with $1.3bn (2.7%), and Bahrain with $700m (1.5%). In parallel, the figures show that the MENA region issued $62bn in corporate bonds and $23bn in sovereign bonds in the first half of 2025.

Source: Refinitiv

GCC

Projects awarded down 39% to $86bn in first half of 2025

The aggregate amount of projects awarded in Gulf Cooperation Council (GCC) countries reached $86bn in the first half of 2025, constituting a decrease of 38.9% from $140.7bn in the same period of 2024. Also, the value of projects awarded in GCC countries stood at $57.6bn in the first quarter and at $28.4bn in the second quarter of 2025, relative to $72.9bn in the first quarter and $67.7bn in the second quarter of 2024. The amount of awarded projects in the UAE stood at $14bn in the second quarter of 2025 and accounted for 49.2% of the total, followed by Saudi Arabia with $9.8bn (34.5%), Kuwait with $1.8bn (6.2%), Oman with $1.45bn (5.1%), Qatar with $1.3bn (4.4%), and Bahrain with $158m (0.6%). Further, the value of projects awarded in Qatar jumped by 50.3% in the second quarter of 2025 from the same period of 2024. In contrast, the value of projects awarded in Bahrain dropped by 80.4% in the covered period, followed by a decline of 72.5% in new projects in Saudi Arabia, a decrease of 47% in the amount of projects in the UAE, a contraction of 26.2% in new projects in Oman, and a retreat of 9.8% in new projects in Kuwait. In parallel, projects in the construction sector reached $8.16bn and accounted for 28.7% of the awarded projects in the second quarter of 2025, followed by projects in the gas sector with $6.17bn (21.7%), the transportation sector with $6.15bn (21.66%), the water sector with $3.1bn (11%), the power sector with $3bn (10.6%), the industrial sector with $1.6bn (5.6%), the chemicals industry with $150m (0.5%), and the oil sector with $70m (0.2%).

Source: KAMCO, Byblos Research

SAUDI ARABIA

Venture capital funding up 116% to $860m in first half of 2025

Figures released by online platform Magnitt show that venture capital (VC) funding in Saudi Arabia reached $860m in the first half of 2025, constituting increases of 115.5% from $399m in the first half of 2024 and of 158.3% from $333m in the second half of 2024, and accounted for 57% of the Middle East and North Africa region's aggregate VC funding in the covered period. Further, there were 114 deals in the Kingdom in the first half of 2025, up by 31% from 87 investments in the first half of 2024 and by 78% from 64 transactions in the first half of 2023. In parallel, VC investments in the e-commerce & retail sector amounted to $306m and accounted for 35.6% of aggregate VC investments in Saudi Arabia in the first half of 2025, followed by investments in fintech firms with $273m (31.7%), the sustainability industry with $52m (6%), the education technology sector with $40m (4.7%), and the enterprise software industry with $38m (4.4%). Also, there were 30 investments in fintech companies, or 26.3% of the aggregate number of deals in the covered period, followed by the e-commerce & retail sector with 17 transactions (15%), the enterprise software industry with 14 deals (12.3%), the transport & logistics sector with nine transactions (8%), and the education technology sector with eight (7%). In parallel, there were seven exits from VC investments in the first half of 2025 compared to two exits in the first half of 2024.

Source: Magnitt, Byblos Research

OUTLOOK

EMERGING MARKETS

Effects of lower hydrocarbon prices vary across economies

The Institute of International Finance projected oil prices to average $70 per barrel (p/b) in 2025 and $60 p/b in 2026. It said that weaker global demand for oil due to slower global economic activity, the rising penetration of electric vehicles, and the potential easing of sanctions on Iranian oil exports would reduce oil prices in the near term. It considered that the emerging markets and developing economies (EMDEs) with large terms-of-trade losses from declines in oil export receipts, including Algeria, Angola, Bahrain, Colombia, Iran, Iraq, Kazakhstan, Kuwait, Libya, Nigeria, Oman, Qatar, Russia, Saudi Arabia, and the UAE, will be the hardest hit, due to a shift in global purchasing power from hydrocarbon-producing countries to consumer-driven economies, which will lead to a deterioration in the fiscal and current account balances of the former. It noted that EMDEs' net hydrocarbon importers, such as Chile, China, India, Jordan, Lebanon, Morocco, Pakistan, the Philippines, South Korea, Thailand and Türkiye, will get a sizeable boost to their terms of trade in case of a decrease in oil prices.

Further, it expected the aggregate current account balance of the 10 hydrocarbon exporters in the Middle East and North Africa (MENA) region to shift from a surplus of 3.7% of GDP in 2024 to a deficit of 0.5% of GDP in 2025, in case oil prices decline from $80.7 p/b in 2024 to $70 p/b in 2025. Also, it projected the aggregate fiscal deficit of the 10 MENA hydrocarbon exporters to widen from 1.5% of GDP in 2024 to 4% of GDP in 2025. It said that the Gulf Cooperation Council countries, except for Bahrain, would cope well with lower oil prices due to their large financial buffers and low public debt levels. It added that fiscal strains could rise in Bahrain, Algeria, and Iraq if oil prices remain below $70 p/b for more than two years.

Source: Institute of International Finance

GCC

Fiscal and external balances contingent on oil price trajectory

Citi Research projected the real GDP growth rate of the Gulf Cooperation Council (GCC) countries to accelerate from 2.2% in 2024 to 4.3% in 2025, as it anticipated the OPEC+ recent decision to unwind its oil production cuts to significantly boost the growth of the region's hydrocarbon sector this year. It forecast the GCC's real hydrocarbon GDP to grow by 5.1% in 2025 compared to a contraction of 2.7% in 2024, and for real non-oil activity to decelerate from 4.6% last year to 4.2%, driven by global trade headwinds. Also, it anticipated the real GDP of Saudi Arabia to grow by 4.4% in 2025 and for economic activity in the UAE to expand by 4.7% this year. Also, it projected Qatar's real GDP growth rate at 3.4%, while it forecast Oman's real GDP in Oman at 3.2% in 2025. Further, it expected economic activity in Bahrain to grow by 3.1% this year and for real GDP in Kuwait to expand by 3.9% in 2025. In addition, it considered that the GCC economies' high exposure to oil prices remains an important source of vulnerability and is affecting the performance of their fiscal and external sectors, despite their progress on economic diversification.

In parallel, it projected Qatar's fiscal surplus to decrease from 0.7% of GDP in 2024 to 0.2% of GDP in 2025, and for Oman's fiscal balance to shift from a surplus of 0.1% of GDP in 2024 to a deficit of 0.9% of GDP in 2025. Also, it anticipated Saudi Arabia's fiscal deficit to widen from 2.5% of GDP in 2024 to 4.1% of GDP this year, for Kuwait's deficit to expand from 6.8% of GDP last year to 7.5% of GDP in 2025, and projected Bahrain's fiscal deficit to widen from 3.9% of GDP in 2024 to 5.6% of GDP in 2025. In addition, it projected Kuwait's current account surplus to decrease from 29.1% of GDP last year to 18.3% of GDP in 2025, and for Qatar's surplus to decline from 17.4% of GDP in 2024 to 11% of GDP in 2025. Also, it anticipated Saudi Arabia's current account balance to shift from a deficit of 0.5% of GDP in 2024 to a surplus of 0.4% of GDP this year. Further, it forecast the UAE's current account surplus to decline from 8.3% of GDP last year to 7.5% of GDP this year, Bahrain's surplus to decrease from 4.8% of GDP in 2024 to 3.9% of GDP in 2025, and for Oman's current account surplus to decline from 1.9% of GDP in 2024 to 1.6% of GDP in 2025. Also, it said that the trajectory of oil production, increased geopolitical tensions in the Middle East, and global trade uncertainties constitute risk factors clouding the outlook of GCC economies.

Source: Citi Research

IRAQ

Economy facing multiple risks

The International Monetary Fund's risk assessment for Iraq estimated that the Iraqi economy faces, first, a "medium" risk level from trade policies and investment shocks, given that the country relies on Iranian energy imports that are facing restrictions after the U.S. ended in March the sanctions waiver for importing electricity from Iran, which could have economic repercussions. As such, it urged the government to seek alternative energy sources, increase oil output, and reduce its reliance on external sources.

Second, it considered that the risk level for Iraq is "high" from a decline in global oil prices, as it would lower export revenues and reduce the country's fiscal and external balances, which would limit the government's ability to finance its welfare system and exacerbate the risks of political instability and social unrest. Third, it estimated that a broader regional conflict constitutes a "high" risk for the economy, as it would disrupt trade, affect domestic security conditions, and reduce investments. It added that disruption to shipping routes and damage to oil infrastructures can result in oil production losses that could outweigh the impact of potential increases in oil prices. Fourth, it pointed out that the deepening regional geo-economic fragmentation represents a "high" risk for the economy, given Iraq's trade and financial linkages with Egypt, Jordan, and Iran. It noted that political instability, security threats, and regional tensions, as well as external pressures, could disrupt investments, trade, and infrastructure development, which will limit the country's economic potential.

Fifth, it said that risks originating from renewed domestic political divisions are "high", and could deter domestic and foreign investments. It considered that heightened uncertainties about the upcoming parliamentary elections in November 2025 may delay key economic projects, capital inflows, and private sector activity. Sixth, it estimated that there is a "medium" risk level from natural disasters related to climate change.

Source: International Monetary Fund

ECONOMY & TRADE

GCC

Agency takes rating actions on sovereigns

Capital Intelligence Ratings affirmed Saudi Arabia's short- and long-term foreign and local currency ratings at 'A1+/AA-', and maintained the 'stable' outlook on the long-term ratings. It attributed the affirmation of the ratings to the country's strengthening economic resilience and its enhanced capacity to absorb external shocks, which is supported by a very strong international liquidity position and a gradually declining, but still elevated, dependence on hydrocarbon production. It added that that the ratings are supported by the country's sizeable oil reserves, low central government debt level, and a sound banking sector. It noted that it could upgrade the ratings and revise the outlook to 'positive' in the next 12 to 24 months if structural reforms are much deeper than envisaged, and if economic and fiscal performance in the medium term is stronger-than-expected. In parallel, CI affirmed the short- and long-term foreign and local currency ratings of the United Arab Emirates at 'A1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It noted that the ratings are supported by a stable political environment, the UAE's consolidated fiscal and external positions, the government's efforts to improve the structure of the consolidated budget, elevated GDP per capita, and a sound banking sector. It pointed out that the 'stable' outlook balances the country's strong net external asset position and availability of large fiscal buffers with the continued reliance on hydrocarbon exports. In parallel, the agency said that it may upgrade the ratings if the authorities continue to implement structural reforms that would reduce the economy's reliance on oil exports and improve the institutional framework and data disclosure, or if geopolitical tensions recede.

Source: Capital Intelligence Ratings

EGYPT

Credit profile dependent on external support

In its periodic review of Egypt's credit profile, Moody's Ratings indicated that the sovereign's long-term foreign- and local-currency issuer ratings of 'Caa1', which is seven notches below investment grade, reflects the government's high debt burden, very weak debt affordability and elevated gross financing needs, which are mitigated by sizable official and bilateral financial support. It said that the ongoing fiscal adjustment and structural reforms raise the prospect of a medium-term improvement in fiscal metrics and higher potential economic growth. Further, it noted that the economic strength assessment of 'a3' reflects the large and diversified economy with a robust economic growth, but the score is constrained by structural rigidities and business environment challenges due to the large footprint of the public sector in the economy. Further, it said that the institutions and governance strength assessment of 'b2' balances a growing track record of completed economic and fiscal reforms against a history of ineffective macroeconomic and exchange rate management. It stated that the 'ca' fiscal strength assessment captures the elevated debt-servicing costs that is weighing on debt affordability, as well as the high public debt level of 90% of GDP at end-June 2024. It added that the 'caa' susceptibility to event risk score is primarily driven by the government's elevated liquidity risks, given that the government's financing needs are currently equivalent to about 30% of GDP amid high domestic borrowing costs.

Source: Moody's Ratings

ARMENIA

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Armenia's long-term foreign and local currency issuer default ratings at 'BB-', which is three notches below investment grade, and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the country's robust macroeconomic policy framework, strong economic growth, increase in per capita income, elevated foreign currency reserves, and stable inflation rates. It noted that the small size of the economy, wide fiscal deficits compared to peers, relatively weak external finances, the high dollarization rate of the banking sector, and geopolitical risks are weighing on the ratings. Further, it projected the public debt level to increase from 48% of GDP at end-2024 to 51.3% of GDP at end-2025, driven by wider deficits. However, it assumed that the authorities will comply with stricter fiscal rules that are triggered when the government debt exceeds 50% of GDP, which would lead to a slowdown in current expenditures. Further, it forecast the current account deficit at 4.6% of GDP in 2025 and 4.4% of GDP in the 2026-27 period, compared to the projected median of 2% of GDP for 'BB'-rated sovereigns. Also, it said that international reserves rose from $3.57bn at end-2024 to $4bn at end-June 2025, or 3.7 months of current external payments in 2025, compared to 4.8 months for the median of 'BB-'-rated sovereigns. In parallel, it said that it could upgrade the ratings if geopolitical risks recede, and/or in case of fiscal consolidation measures that would result in a sustained decline in the public debt level. In contrast, it indicated that it could downgrade the ratings in case geopolitical risks undermine political and economic stability, if the public debt level rises substantially, and/or in case of a sizeable decline in foreign reserves.

Source: Fitch Ratings

PAKISTAN

Macroeconomic stabilization on track

Standard Chartered Bank projected Pakistan's real GDP growth rates at 3.5% in the fiscal year that ends in June 2026 and at 4% in FY2026/27, compared to 2.7% in FY2024/25, driven by a pick-up in domestic demand and a recovery in the industrial and services sectors. Further, it forecast the average inflation rate to rise from 5% in FY2024/25 to 8% in FY2025/26 and to 7% in FY2026/27 due to an increase in food inflation and a rise utility price hikes. It considered that key risks to the outlook include the slow implementation of reforms, a global commodity price shock, and geopolitical risks. In addition, if forecast the fiscal deficit to narrow from 6% of GDP in FY2024/25 to 5% of GDP in each of FY2025/26 and FY2026/27, with the FY2025/26 budget targeting sharp fiscal consolidation. Further, it projected the current account to shift from a small surplus in FY2024/25 to deficits of 1% of GDP in FY2025/26 and 1.5% of GDP in FY2026/27, despite resilient remittance flows and export receipts. It noted that disbursements from the International Monetary Fund (IMF) and other multilateral inflows will continue to support official foreign currency reserves. It considered that, following the successful macro stabilization the IMF's focus is likely to turn to advancing structural reforms, such as privatization and pension reform. Also, it estimated Pakistan's external financing needs at $34bn in FY2025/26, and expected a large portion of bilateral facilities to be rolled over this year, if the IMF program remains on track.

Source: Standard Chartered Bank

BANKING

UAE

Banking sector risk assessment maintained

S&P Global Ratings maintained the banking sector of the United Arab Emirates in 'Group 5' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score and an industry risk score of '5' each. It said that that it upgraded the economic risk score from '6' to '5' amid improvements in the banks' asset quality. The BICRA framework evaluates banking systems based on economic and industry risks facing a banking sector, with 'Group 10' including the riskiest sectors. Other countries in the BICRA 'Group 5' consist of Andorra, Bermuda, Greece, Hungary, India, Macao, Malta, Mexico, Panama, Peru, the Philippines, Qatar, and Uruguay. It said that the UAE's economic risk score reflects "low risks" in economic resilience, as well as "high risks" in economic imbalances and credit risks in the economy. It added that the industry score reflects the country's "intermediate risks" in its institutional framework and in its system-wide funding, as well as "high risks" in its competitive dynamics. It noted that the trend for economic and industry risks is "stable". Further, it noted that Stage 3 loans for the 10 largest UAE banks stood at 3.4% and their Stage 2 loans were 4% at end-March 2025. It expected the banks' cost of risk at between 50 basis points (bps) and 60 bps in the next 12 to 24 months, down from 169 bps in 2021. Further, it said that the banking system has a robust net external asset position, and anticipated banks to be resilient in case of unexpected external capital outflows. It forecast lending to grow by an average 8.5% in the 2025-27 period, supported by ample liquidity at banks in case of monetary policy easing.

Source: S&P Global Ratings

OMAN

Banks' ratings upgraded on favorable operating environment

Moody's Ratings upgraded the long-term local and foreign currency deposit ratings of Bank Dhofar, Bank Muscat, Bank Nizwa, the National Bank of Oman (NBO), Oman Arab Bank (OAB), and Sohar International Bank (SIB) from 'Ba1' to 'Baa3'. Also, it revised the outlook on the long-term ratings of the six banks from 'positive' to 'stable'. It attributed the upgrade and the change in outlook to its similar action on Oman's sovereign ratings. Further, it upgraded the Baseline Credit Assessment (BCA) of Bank Muscat from 'ba1' to 'baa3', the BCA of SIB from 'ba3' to 'ba1', and the BCAs of Bank Dhofar, Bank Nizwa, NBO and OAB from 'ba3' to 'ba2' due to improvements in banks' operating conditions, which will continue to support their financial fundamentals and performance. Also, it indicated that the six banks benefit from a high probability of government support in case of need. It said that the ratings of Bank Muscat and Bank Dhofar are underpinned by their sound capitalization, the ratings of Bank Nizwa and SIB are supported by their high capital buffers, while the ratings of NBO and OAB are constrained by their modest capital metrics. Further, it pointed out that the rating of SIB takes into account its healthy profitability metrics, while the ratings of Bank Dhofar, Bank Muscat, NBO, OAB and Bank Nizwa reflect their improving profitability ratios. It added that the ratings of SIB and OAB are supported by their strong liquidity buffers, and noted that the ratings of Bank Muscat, NBO, and Bank Dhofar are underpinned by their sound liquidity.

Source: Moody's Ratings

CÔTE D'IVOIRE

Abidjan to continue implementation of AML/CFT action plan

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 Côte d'Ivoire made a high-level political commitment in October 2024 to work with the FATF and its regional body GIABA to strengthen the effectiveness of its AML/CFT regime. It noted that the Ivorian authorities took steps to improve the country's AML/CFT regime by strengthening the technical compliance of its targeted financial sanctions framework. Further, it called on the authorities to continue working on implementing their action plan to address strategic deficiencies. It said that Côte d'Ivoire made significant progress on many recommended actions by enhancing its use of international cooperation in money laundering and terrorism financing (ML/TF) investigations and prosecutions, by improving the implementation of risk-based supervision of financial institutions and designated non-financial businesses and professions, and by conducting outreach campaigns to improve compliance. Also, it urged the authorities to improve the verification and access of basic and beneficial ownership information of legal persons, and to apply sanctions in case of violation. Further, it stressed the need to demonstrate a sustained increase in the number of ML and TF investigations and prosecutions of different types, and to strengthen the targeted financial sanctions framework. The FATF included Côte d'Ivoire on its list of "jurisdictions under increased monitoring" in October 2024.

Source: Financial Action Task Force

DEM REP CONGO

Capital adequacy ratio at 14.6%, dollarization rate at 92% at end-2024

The International Monetary Fund indicated that the Congolese banking sector's capital adequacy ratio stood at 14.6% at the end of 2024 compared to 13.2% at end-2023; while its Tier One capital to risk-weighted assets ratio was 12.3% at end-2024 relative to 11.1% at end-2023. In addition, it said that deposits in foreign currency rose by 19%, compared to an increase of 4% in 2023, while those in local currency regressed by 3% in 2024. It added that the banks' lending to the private sector in foreign currency grew by 12% in 2024 compared to a rise of 30% in 2023 amid lower demand for short-term borrowing. As such, it pointed out that the dollarization rate of loans and deposits increased from 90.3% and 88.1%, respectively, in 2023, to 92% and 90.4%, respectively in 2024. Also, it indicated that the sector's non-performing loans (NPLs) ratio regressed from 6.6% at end-2023 to 6.3% at end-2024 after reaching a high of 9.2% at end-March 2022 following the reinstatement of credit quality rules in December 2021; while NPLs provisions increased from 52.9% at end-2023 to 64.8% at end-2024. Further, it stated that the banks' liquid assets were equivalent to 19.1% of total assets at end-2024 relative to 19.9% at end-2023, while they were equivalent to 59.9% of short-term liabilities compared to 62.1% at end-2023. It added that the banks' net open foreign exchange position stood at 9.5% of total capital at end-2024 relative to 7.3% at end-2023, and that the banks' reliance on the Banque Centrale du Congo's refinancing has dropped by more than 70% in 2024.

Source: International Monetary Fund

ENERGY / COMMODITIES

Oil prices to average $67.6 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 23, 2025, nearly unchanged from a week earlier, as investors assessed new European sanctions on Russian energy, ongoing diplomatic uncertainties with Iran, and the potential effect of upcoming U.S. tariffs. In parallel, Goldman Sachs expected limited risk to diesel flows from Russia, although the European Union's ban on imports of products made from Russian crude triggered a nearly $4 p/b increase in already high European gasoil margins. It said that diesel inventories remain tight globally, but the upcoming ban on Russia will not take effect until January 21, 2026. As such, it anticipated an increase in refinery processing of heavier crude, driven by higher exports from the OPEC+ coalition of 1.4 million barrels per day (b/d) annually in the second half of 2025, along with robust incentives for refiners to prioritize diesel production. It noted that Europe accounts for 35% of Russian diesel exports, which indicates that the quantity can be redirected to buyers outside of Europe. In addition, it expected a pick-up in OECD commercial inventories of oil in the near term. Also, it pointed out that Iraq took steps to resume shipments of at least 230,000 b/d of oil exports from Kurdistan that have been suspended since March 2023, but considered that resuming Kurdish exports remains contingent on securing written agreements with regional producers about compensation terms. Further, Refinitiv projected oil prices, through its latest crude oil price poll of 40 industry analysts, to average $67.6 p/b in the third quarter and $67.9 p/b in full year 2025.

Source: Goldman Sachs, Refinitiv, Byblos Research

OPEC's oil basket price up 9.6% in June 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $69.73 per barrel (p/b) in June 2025, constituting an increase of 9.6% from $63.62p/b in May 2025. The price of Nigeria's Bonny Light was $71.73 p/b, followed by Equatorial Guinea’s Zafiro at $71.67p/b, and Algeria's Sahara Blend at $71.40p/b. In parallel, all prices in the OPEC basket posted monthly increases of between $5.13 p/b and $ 7.48 p/b in June 2025.

Source: OPEC

Saudi Arabia's oil export receipts at $16.5bn in April 2025

Oil exports from Saudi Arabia totaled at 7.55 million barrels per day (b/d) in April 2025, constituting increases of 3.3% from 7.31 million b/d in March 2025 and of 2.3% from 7.37 million b/d in April 2024. Oil export receipts reached $16.5bn in April 2025, representing decreases of 7.2% from $17.8bn in March 2025 and of 21.2% from $21bn in April 2024.

Source: JODI, Byblos Research

OPEC oil output nearly unchanged in June 2025

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 27.2 million barrels of oil per day (b/d) in June 2025, nearly unchanged from 27million b/d in May 2025. On a country basis, Saudi Arabia produced 9.36 million b/d, or 34.4% of OPEC's total output, followed by Iraq with 3.94 million b/d (14.5%), Iran with 3.24 million b/d (11.9%), the UAE with 3.05 million b/d (11.2%), and Kuwait with 2.44 million b/d (9%).

Source: OPEC

Base Metals: Copper prices to average $9,200 per ton in third quarter of 2025

LME copper cash prices averaged $9,466 per ton in the year-to-July 23, 2025 period, constituting an increase of 3.4% from an average of $9,147.5 a ton in the same period of 2024. The increase in prices was due to tight supply conditions, as well as to elevated demand from green technologies. Further, the metal's price dropped from a peak of $10,800.8 a ton on May 20, 2024 to $9,878.1 per ton on July 23, 2025 as a result of global economic uncertainties that have reduced demand for industrial metals such as copper. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 11.52 million tons in the first five months of 2025, constituting an uptick of 3.2% from 11.16 million tons in the same period of 2024 due to an increase of 5.5% in Chinese demand for the metal. Also, it noted that the global production of refined copper reached 11.8 million tons in the first five months of 2025, up by 3.1% from 11.43 million tons in the same period of 2024, as higher output from China and the Democratic Republic of the Congo was partially offset by lower production in Chile and Japan. It added that mine production accounted for 80.8% of the aggregate output of refined copper in the covered period relative to 81.1% in the same period of 2024. Further, Citi Research forecast LME copper prices to average $9,200 per ton in the third quarter of 2025 and $9,250 a ton in full year 2025.

Source: ICSG, Citi Research, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $3,087 per ounce in 2025

Gold prices averaged $3,105.5 per ounce in the year-to-July 23, 2025 period, constituting an increase of 39.4% from an average of $2,227 an ounce in the same period of 2024, as the U.S. tariffs announcement in April increased global tensions, and given that the conflict between Israel and Iran drove gold prices to a record-high in the second quarter of 2025. Further, gold prices reached an all-time high of $3,428.3 per ounce on July 22, 2025, supported by a weaker U.S. dollar and lower Treasury yields, as investors looked for progress in trade talks ahead of the U.S.-imposed deadline of August 1, 2025. In parallel, the World Gold Council considered that investors may shift to safe-haven assets if economic and financial conditions worsen in the near term, which will drive gold prices up by 10% to 15% from current levels in the second half of 2025. However, it expected gold prices to decrease by 12% to 17% levels in the second half of the year in case of widespread and sustained resolutions of geopolitical and geo-economic conflicts in the near term. It said that the reduction in geopolitical risks and a stronger dollar would trigger outflows from gold exchange-traded funds, resulting in weaker global demand for gold investments. Further, it anticipated demand from central banks to remain robust in 2025, and to remain well above the pre-2022 average of between 500 tons and 600 tons per year. In parallel, S&P Global Market Intelligence expected gold prices to average $3,087 per ounce 2025, with a low of $2,747 an ounce and a high of $3,090 per ounce.

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

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	 Moody's	 Fitch	 CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	- -	- -	- -	- -	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Stable	B- Stable	- -	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B- 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	21-Jul-25	No change	20-Aug-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	5.50	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	22-Jul-25	No change	23-Sep-25
Ghana	Prime Rate	28.00	23-May-25	No change	28-Jul-25
Angola	Base Rate	19.50	18-Jul-25	No change	19-Sep-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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