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BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate debt of $12 trillion maturing between 2021 and 2026

S&P Global Ratings indicated that $11.89 trillion (tn) in rated corporate debt will mature between the beginning of July 2021 and the end of 2026. It noted that $781.8bn in corporate debt are due in the second half of 2021, $2.1tn mature in 2022, $2.3tn are payable in 2023, $2.3tn come due in 2024, $2.4tn mature in 2025, and $2.1tn have to be settled in 2026. The geographic distribution of debt maturities shows that the U.S. has $5.4tn in corporate debt that is due between July 2021 and end-2026, or 45% of the total, followed by the debt of European companies with $4.5tn (38%), other developed countries with $1.2tn (10%), and corporate debt in emerging markets (EMs) with $796.6bn (7%). Also, it noted that $8.7tn in investment-grade corporate debt, or 73% of the due debt, matures during the covered period. It added that the debt of non-financial companies that is payable during the same period amounts to $7.5tn and accounts for 63.2% of maturing debt between July 2021 and the end of 2026. Further, the debt of utilities companies that is due in the covered period totals $753.6bn and accounts for 10% of maturing non-financial corporate debt, followed by the debt of consumer products firms $730.3bn (9.7%), the healthcare sector's debt with $712.2bn (9.5%), the debt of media & entertainment firms with $687.7bn (9.1%), high technology companies with $640bn (8.5%), telecommunications firms with $618.2bn (8.2%) and the automotive industry with $601bn (8%). In parallel, S&P said that a total of $567.6bn in EMs' investment-grade corporate debt is due between July 2021 and end-2026, and that $565bn in EMs' non-financial corporate debt is due in the same period.
Source: S&P Global Ratings

Agency maintains ratings and outlook on 60% of financial institutions in second quarter of 2021

Fitch Ratings' review of the ratings of 472 financial institutions in the second quarter of 2021 shows that the agency did not change the ratings or the outlooks of 278 financial institutions (FIs) in the covered period, or on 59% of rated FI's, while it revised the outlooks on the ratings of 131 FIs to 'stable' (27.8%), upgraded the ratings of 22 FIs (4.7%), and revised the outlook to 'positive' or placed the ratings of 21 FIs (4.4% of the total) on Rating Watch Positive (RWP). Also, it downgraded the ratings of 11 FIs (2.3%), revised the outlook to 'negative' or placed the ratings of seven FIs (1.5%) on Rating Watch Negative (RWN), and revised the outlook to 'evolving' or placed the ratings of two FIs on Rating Watch Evolving (RWE). In parallel, it noted that it did not change the ratings or outlooks on 153 banks, or 58% of the banks that it rates, while it revised the outlook on 82 banks (31%) to 'stable', upgraded the ratings of 14 banks (5.3%) and revised the outlook to 'positive' or put the ratings of six banks (2.3%) on RWP. In addition, it downgraded the ratings of four banks (1.5%), revised the outlook to 'negative' or put the ratings of three banks on RWN, and revised the outlook to 'evolving' or had placed the ratings of two banks on RWE. Fitch Ratings reviewed the ratings of 264 banks, 112 insurance companies, and 96 non-banking financial institutions.
Source: Fitch Ratings

MENA

Stock markets up 20% in first seven months of 2021

Arab stock markets increased by 19.5% and Gulf Cooperation Council equity markets grew by 23% in the first seven months of 2021, relative to contractions of 15.6% and of 14.2%, respectively, in the same period of 2020. In comparison, global stocks improved by 12% and emerging market equities expanded by 0.6% in the covered period. Activity on the Beirut Stock Exchange surged by 142.4% in the first seven months of 2021, the Abu Dhabi Securities Exchange rallied by 45%, the Saudi Stock Exchange jumped by 26.7%, the Amman Stock Exchange rose by 26%, the Damascus Securities Exchange increased by 24.7%, the Palestine Exchange appreciated by 22.7%, and the Boursa Kuwait gained 19.4%. In addition, the Iraq Stock Exchange gained 13.3%, the Dubai Financial Market advanced by 11%, the Muscat Securities Market grew by 10.2%, the Casablanca Stock Exchange improved by 9%, the Bahrain Bourse expanded by 7.2%, the Tunis Bourse increased by 6.1%, the Qatar Stock Exchange appreciated by 3%, and the Khartoum Stock Exchange expanded by 1.8% in the covered period. In contrast, activity on the Egyptian Exchange deteriorated by 1% in the first seven months of 2021.
Source: Local stock markets, Dow Jones Indices, Byblos Research

GCC

Fixed income issuance at $100bn in first seven month of 2021

Total fixed income issuance in Gulf Cooperation Council (GCC) countries reached $100bn in the first seven months of 2021, constituting a marginal increase of 0.3% from $99.7bn in the same period of 2020. Fixed income issuance in the covered period consisted of $47.7bn in corporate bonds, or 47.7% of the total, followed by $19.3bn in corporate sukuk (19.3%), $19bn in sovereign bonds (19%), and $14bn in sovereign sukuk (14%). Further, aggregate bonds and sukuk issued by corporates amounted to $67bn in the covered period, or 67% of total fixed income proceeds in the region; while aggregate issuance by sovereigns reached $33bn, or 33% of the total. GCC sovereigns issued $10.4bn in bonds and sukuk in January, $6bn in February, $6.4bn in March, $800m in April, $500m in May, $8.1bn in June, and $800m in July 2021. In parallel, companies in the GCC issued $6.3bn in bonds and sukuk in January, $9.6bn in February, $5.5bn in March, $7.7bn in April, $5.1bn in May, $15.5bn in June and $17.3bn in July of this year. Sovereign issuance in July consisted of $750m in sukuk from the UAE. In parallel, corporate issuance in the covered month included $13.6bn in bonds issued by firms based in Qatar, $1.3bn in sukuk issued by companies in Saudi Arabia, $1bn in sukuk issued by Qatari and Kuwaiti firms, and $424m in bonds issued by UAE-based companies.
Source: KAMCO

WORLD

Global construction activity to rebound from COVID-19 slump

International consultancy firm Turner & Townsend indicated that the impact of the COVID-19 outbreak on the global construction sector has been widespread and significant, as lockdown measures have led to the closure of construction sites, caused severe disruptions to global supply chains, and triggered delays in projects. However, it said that capital spending and construction activity are strongly rebounding in most markets, as economies emerge from the pandemic and the rollout of the vaccine advances globally. It indicated that 16 out of the 90 markets covered in the survey are already "on par" with pre-pandemic construction levels, while construction activity in five markets, which are Berlin, Frankfurt, Hamburg, Milan and Perth, is "exceeding" pre-pandemic levels. Also, it said that 13 construction markets expect to be back at pre-pandemic levels within the next six months, and 19 markets are anticipating their activity to recover within the next 12 months. It added that 28 markets are expecting activity to reach pre-pandemic levels in one to two years, while nine construction markets anticipate to recover in two years or more.

In parallel, the firm identified building data centers as the top performing sub-sector in 2021, driven by growth in technology and digitalization. Also, it said that the second highest performing sub-sector is transport, which includes roads, rail and ports, and pointed out that infrastructure investments have been a key focus for government stimulus. It identified the industrial, manufacturing and distribution industries as the third main driver of the construction sector recovery.

Further, Turner & Townsend considered that the biggest challenge facing construction markets globally is the COVID-19 outbreak, as authorities in many regions are still implementing lockdown measures. Also, it indicated that shortages of skilled labor, the increase in construction costs from supply bottlenecks, government red tape, and delayed approvals of construction projects, as well as market uncertainties, constitute key challenges for construction sectors worldwide in 2021.

Source: Turner & Townsend

SAUDI ARABIA

Economic activity to expand by 3.7% in 2021

Citi Research considered that economic activity in Saudi Arabia is strongly recovering from the COVID-19 outbreak and the sharp drop in global oil prices, supported by the improvement in global demand, the stabilization of new coronavirus cases and the rebound in oil prices. It added that higher investments by the Public Investment Fund as well as strong private demand underpinned by robust credit growth and pandemic-related policy support are likely to offset the impact of fiscal consolidation. As such, it projected real non-oil GDP to grow by 6.7% in 2021 following a contraction of 2.3% last year, amid a pick up in the momentum of the vaccination program and as authorities relax pandemic-related restriction measures. Also, it considered that activity in the oil sector continues to drag growth prospects. It indicated that oil production was subdued in the first four months of 2021 due to production curbs, but that it has picked up in May and June. As such, it forecast real hydrocarbon GDP to retreat by 0.6% this year relative to a contraction of 6.7% in 2020, as it expected oil production to further increase, despite the OPEC+ stalemate that could constitute a downside risk to oil production prospects. As a result, it projected real GDP growth at 3.7% in 2021 compared to a contraction of 4.1% in 2020.

In parallel, Citi indicated that its growth forecast for 2021 is more optimistic than the consensus growth rate of 2.2%, as it expected a stronger rebound in non-oil activity this year. It added that the balance of risks to the growth forecast is tilted to the upside. It expected the containment of the pandemic and a further rise in oil prices to constitute key upside risks, while renewed lockdown measures and a weaker demand for oil due to a subdued global recovery could lead to a slower GDP growth in 2021.

Source: Citi Research

GHANA

Growth to average 5.2% in medium term, downside risks persist

The International Monetary Fund indicated that the economic recovery in Ghana is underway and projected real GDP to grow by 4.7% in 2021 and by 6.2% in 2022, supported by a strong cocoa season, and by the recovery in the mining and services sectors. It also forecast real GDP growth to average 5.2% in the medium term, in case of a pickup in the activity of the extractive industries and wide-ranging digitalization, and from the impact of the COVID-19 Alleviation and Revitalization of Enterprises Support package. But it anticipated the economic recovery to be uneven across sectors, and called on authorities to establish prudent macroeconomic policies, to ensure debt sustainability, and to step up efforts to implement structural reforms. It added that the ongoing energy sector review, the diversification of the tourism sector, and the digital transition would also support medium-term prospects. It considered that the outlook is subject to downside risks that include possible new coronavirus waves and rising debt vulnerabilities.

In parallel, the IMF welcomed the authorities' planned fiscal adjustment in the 2021 budget, and stressed the need for fiscal consolidation to address debt sustainability and rollover risks. It projected the fiscal deficit to narrow from 15.2% of GDP in 2020 to 14% of GDP in 2021 and to 10.5% of GDP in 2022. It urged authorities to implement progressive revenue measures and to gradually return to the pre-pandemic levels of public spending, with a shift towards social, healthcare and development spending, in order to reduce risks to debt sustainability and protect vulnerable households. It also encouraged authorities to limit monetary financing of the fiscal deficit. It forecast the public debt level to rise from 83.5% of GDP at the end of 2021 to a peak of 87.4% of GDP at end-2024, and for gross financing needs to average 26% of 2020 GDP in the 2020-23 period. Still, it considered that the uncertainties about the course of the pandemic and elevated debt vulnerabilities could increase financing needs, which would require additional official support, including from the IMF. Further, it projected the current account deficit to narrow to 2.2% of GDP in 2021, supported by higher global oil prices and despite a gradual pickup in imports, and to reach 3.5% of GDP in 2022. It forecast gross international reserves to reach $7.5bn at the end of 2021, and expected the IMF's allocation of special drawing rights this year to further support reserves.

Source: International Monetary Fund

EGYPT

Sovereign ratings affirmed, outlook 'stable'

Moody's Investors Service affirmed Egypt's long-term foreign- and local-currency issuer ratings at 'B2', which is five notches below investment grade, with a 'stable' outlook. It indicated that the ratings balance Egypt's continued exposure to volatile financing conditions due to the country's weak debt affordability and high gross borrowing requirements, against the country's improving resilience to shocks as a result of the government's track record of implementing economic and fiscal reforms. It added that Egypt's broad domestic funding base and renewed build-up of foreign currency reserves provide a buffer against volatile capital flows and support the government's structural reforms agenda. The agency considered that Egypt's debt affordability is very weak and is susceptible to a sharp rise in financing costs, while its external position is at risk of significant capital outflows, as debt servicing represented 46% of public revenues and 9% of GDP in the fiscal year that ended in June 2021. It added that elevated funding costs are exacerbated by significant gross borrowing requirements, which it estimated at about 35% of GDP in the FY2020/21/FY2021/22 period. Further, it said that the 'stable' outlook is supported by the government's primary surpluses and increase in domestic and external liquidity buffers. Still, it anticipated that shifts in global investors' risk appetite will continue to weigh on Egypt's credit profile. In parallel, Moody's noted that it would upgrade the ratings if authorities step up fiscal consolidation efforts that would result in a decline in the public debt level and in debt servicing costs. But it said that it would downgrade the ratings in case of renewed capital outflows that erode foreign currency reserves or if debt affordability deteriorates.

Source: Moody's Investors Service

DEM REP CONGO

Sovereign ratings affirmed, outlook revised to 'positive' on approval of IMF funding

S&P Global Ratings affirmed the long- and short-term foreign and local currency ratings of the Democratic Republic of Congo (DRC) at 'CCC+' and 'C', respectively. Also it revised the outlook from 'stable' to 'positive' on the long-term ratings. It attributed the outlook revision to the International Monetary Fund's approval of a $1.5bn three-year Extended Credit Facility, which would improve the DRC's external position and growth prospects following the COVID-19 shock in 2020. It added that the easing in domestic political tensions can also support the authorities' implementation of the IMF-backed reforms, which would improve the DRC's debt-servicing capacity. The agency pointed out that it could upgrade the ratings if the government manages to significantly reduce the country's external vulnerabilities, boost foreign currency buffers, and fully pay off its commercial debt on time. In contrast, it said that it could revise the outlook to 'stable' in the event of an increase in pressure on public finances, a decline in foreign exchange reserves, if the impact of the pandemic on the economy persists longer than expected, or if there is a sharp decline in the prices of key exports. It projected the DRC's gross external financing needs at 119.6% of current account receipts plus usable reserves in 2021 and at 115.4% in 2022. It forecast the current account deficit at 3.2% of GDP in 2021 and 3.1% of GDP in 2022.

Source: S&P Global Ratings

SUDAN

Debt relief unlikely to reduce structural weaknesses

Credit Insurance Group Credendo considered that the historic debt relief that Sudan reached with its creditors will not solve the country's structural weaknesses and economic difficulties. It noted that Sudan suffers from shortages in basic goods, low levels of foreign currency liquidity, an unemployment rate of 27%, as well as from hyperinflation as the inflation rate reached 379% in May 2021. It added that the risks of foreign exchange reserve shortages in Sudan continue to be very high, which is exposing businesses operating in the country to transfer risks. However, it said that the United States' removal of Sudan from the list of states that sponsor terrorism in December 2020 has gradually improved the country's external current account receipts, but it projected the current account balance to post a deficit of 11 %of GDP in 2021. Also, it considered that the move to a market-determined exchange rate in February 2021 would increase export revenues and expand foreign investments, but it noted that the return to multiple exchange rates is a possibility. Further, it said that political tensions in the country remain high, and anticipated social tensions to increase in the coming months. It stated that the government lifted subsidies on retail gasoline and fuel prices last December and raised electricity tariffs, while it floated the exchange rate, a move that the IMF required, in order for Sudan to enter benefit from the Heavily Indebted Poor Countries Initiative. It considered that these measures, as well as further reforms, might worsen the hardship of the population in the short term, which could result in political instability and protests.

Source: Credendo

CÔTE D'IVOIRE

Economic growth to average 6.3% in 2021-22

The International Monetary Fund considered that Côte d'Ivoire's economic resilience in facing the COVID-19 pandemic was mainly due to the strong pre-crisis economic fundamentals, the authorities' rapid policy response, the economy's lower dependence on sectors that were hit by the crisis, and to international support. It noted that the economic rebound started in the second half of 2020 and anticipated real GDP to grow by 6% in 2021 and by 6.5% in 2022 due to the recovery in exports and investments, despite short-term electricity shortages. It added that the increase in capital expenditures, strong domestic consumption, and the ongoing reforms agenda could maintain economic growth at 6% to 6.5% annually during the 2021-26 period, despite the prevailing gradual fiscal consolidation. In parallel, it projected the debt level at 49.4% of GDP in 2021 and at 50.5% of GDP in 2022. It anticipated the current account deficit at 4.3% of GDP in 2021 and 4.2% of GDP in 2022. It pointed out that risks to Côte d'Ivoire's economy persist, as the pandemic could become harder to contain due to the emergence of new variants and the slow rollout of the vaccine. It added that delays in reforms and ongoing energy shortages could reduce confidence and diminish private investments. Also, it stated that debt metrics could further deteriorate if revenues continue to underperform. In parallel, the IMF called on authorities to relax the fiscal stance in 2021 and to accommodate additional investments and spending on security. Also, it urged the authorities to return to the West African Economic and Monetary Union fiscal deficit target of 3% of GDP as soon as possible.

Source: Fitch Ratings

EMERGING MARKETS

Deterioration of asset quality varies across countries

Moody's Investors Service anticipated risks to asset quality from the COVID-19 outbreak to significantly diverge across the banking systems of the largest emerging markets in the next 12 to 18 months. It expected risks to asset quality to remain high in Nigeria due to the sharp drop in global oil prices last year. As such, it projected the non-performing loans (NPLs) ratio at Nigerian banks to rise from 6% at end-2020 to 9% at the end of 2021. Also, it anticipated Turkish authorities to lift forbearance measures in September 2021, and expected problem loans at Turkish banks to increase from 4.6% of gross loans at end-2020 to 5.6% at end-2021. In addition, it forecast problem loans at banks in Saudi Arabia to rise as loan deferral programs expire, and due to high concentrations of oversized loans to single borrowers. As such, it projected the NPLs at banks at Saudi Arabia to increase from 2.5% at the end of 2020 to 3.3% at the end of 2021. In parallel, Moody's anticipated subdued economic growth in South Africa to weigh on the asset quality of banks, and forecast problem loans at South African banks to increase from 5.2% of gross loans at end-2020 to 6.3% at end-2021. Also, it considered that banks in Indonesia will benefit from high commodity prices and from the regulatory forbearance that will remain in place until March 2022. As such, it projected the NPLs ratio at Indonesian banks to rise from 3% at the end of 2020 to 3.5% at the end of 2021. Further, it projected risks to asset quality to remain stable in China, which reflects the country's continued economic recovery; while it considered that the second coronavirus outbreak in India will delay the expected improvement in asset quality at banks.

Source: Moody's Investors Service

BAHRAIN

Agency affirms ratings on six banks, outlook 'stable'

Fitch Ratings affirmed the long-term Issuer Default Ratings (IDRs) of Gulf International Bank (GIB) and Gulf International Bank UK (GIBUK) at 'BBB+', the ratings of the Arab Banking Corporation (ABC) and Bahrain Ahli United Bank (AUB) at 'BB+', and the IDRs of the National Bank of Bahrain (NBB) and Bank of Bahrain & Kuwait (BBK) at 'B+'. It maintained the outlook at 'stable' on the IDRs of ABC, AUB, BBK and NBB, while it revised the outlook on the ratings of GIB and GIBUK from 'negative' to 'stable'. It attributed the outlook revisions for GIB and GIBUK to its similar action on the sovereign ratings of Saudi Arabia, due to the latter's 97.2% stake in the two banks through the Public Investment Fund. Further, it noted that the IDRs of GIB and GIBUK factor in the high probability of support from the Saudi authorities in case of need. It considered that the IDRs of ABC, NBB and BBK point to the standalone strength of the banks, while it noted that the ratings of NBB and BBK reflect their significant exposure to the Bahraini sovereign and to the domestic operating environment. Also, it said that the IDR of AUB point to the moderate probability of support from Kuwaiti authorities in case of need, given that Kuwait's Public Institution for Social Security holds a 19% stake in AUB. In parallel, the agency affirmed the Viability Ratings (VRs) of ABC and GIB at 'bb+', the rating of AUB at 'bb', and the VRs of BBK and NBB at 'b+'.

Source: Fitch Ratings

JORDAN

Private sector lending up 4% in first half of 2021

The consolidated balance sheet of commercial banks in Jordan indicates that total assets reached JD58.2bn, or $82.1bn at the end of June 2021, constituting increases of 2% in the first half of the year and of 7.5% from end-June 2020. Claims on the resident private sector grew by 3.6% from the end of 2020 to JD27.2bn and credit to the non-resident private sector expanded by 6.2% to JD650.6m, leading to an expansion of 3.6% in overall private sector credit facilities in the first half of 2021. Lending to the resident private sector accounted for 46.7% of total assets at end-June 2021 compared to 47.6% a year earlier. In parallel, resident private sector deposits reached JD29.7bn at the end of June 2021 and increased by 3% from JD28.85bn at end-2020; while non-resident private sector deposits stood at JD5.05bn, up by 5.7% in the first half of the year and by 13.7% from the end of June 2020. Also, the government's deposits totaled JD1bn and those of public non-financial institutions reached JD254.4m at the end of June 2021, while claims on the public sector accounted for 23.4% of total assets at end-June 2021 compared to 23.8% a year earlier. Further, the banks' reserves at the Central Bank of Jordan totaled JD5.9bn, or $8.4bn, at end-June 2021, down by 3% from end-2020 and up by 22.8% from a year earlier; while capital accounts and allowances stood at JD8.8bn, or $12.5bn, and increased by 1.3% in the first half of 2021. Also, deposits at foreign banks reached JD4.1bn, or $5.8bn, at end-June 2021 and dropped by 8.6% in the first half of the year; while the sector's foreign liabilities totaled JD9.75bn, or $13.76bn, up by 2.2% from end-2020.

Source: Central Bank of Jordan

SAUDI ARABIA

Agency affirms ratings on six banks, outlook revised to 'stable'

Fitch Ratings affirmed the local and foreign currency long-term Issuer Default Ratings (IDRs) of Alinma Bank, Arab National Bank, Bank Aljazira, Banque Saudi Fransi, Gulf International Bank Saudi Arabia, and Saudi Investment Bank at 'BBB+'. Also, it revised the outlook of the six banks from 'negative' to 'stable'. It attributed the outlook revision to its similar action on the outlook on the sovereign ratings of Saudi Arabia. In parallel, it noted that the IDRs of the six banks take into account the strong ability and willingness of Saudi authorities to support the banks in case of need. It added that the ratings also factor in the strong record of governmental support to Saudi banks, irrespective of the size, franchise, funding structure and level of government ownership of each bank. But, it noted that the six banks are subject to high contagion risk from interbank lending given that the the market is interconnected. It said that the high contagion risk constitutes an added incentive for Saudi authorities to support banks in order to preserve market confidence and stability. It stated that the ratings of the six banks are driven by the significant proportion of government funding to the Saudi banking sector. But, it considered that banks could be subject to a stress scenario if the sovereign's balance sheet comes under pressure. Further, it pointed out that a weaker government tendency to support the banking system could lead to a negative rating action. But, the agency considered that the probability of this scenario materializing to be very low, given the strong record of government support.

Source: Fitch Ratings

Oil prices to average $71 p/b in 2021

ICE Brent crude oil front-month prices averaged $74.3 per barrel (p/b) in July 2021, constituting an increase of 1.2% from $73.4 p/b in June 2021 and a rise of 72% from $43.2 p/b in July 2020. The recovery in oil prices came after the lifting of coronavirus-related restrictions in the U.S. and in Europe has strongly increased demand for oil. In parallel, Standard Chartered Bank expected the outlook for oil prices to weaken due to oversupply in the market. It considered that the weakness in demand from the Asia-Pacific region may lead to larger surpluses in the oil market. It noted that crude oil inventories in the week ending July 30 rose by 3.83 million barrels per day (b/d) from the previous week, and increased by 3.29 million b/d compared to the weekly average in the 2015-19 period. In parallel, Citi Research pointed out that oil prices could hit $85 p/b in the second half of 2021 as seasonal and pent-up demand outperforms, while OPEC+ maintain a gradual increase in supply. It considered that downside risks remain from the spread of COVID-19 variants, a faster return of Iranian oil to the market, or a faster-than-anticipated increase in OPEC+ oil production, but it did not expect such risks to slow down prices as much. It anticipated oil prices to average $65 p/b in the third quarter of 2021, $62 p/b in 2022, and to average $71 p/b in 2021.
Source: Standard Chartered Bank, Citi Research, Refinitiv, Byblos Research

Saudi Arabia's oil exports receipts up 147% to $16bn in May 2021

Total oil exports from Saudi Arabia, which include crude oil and other oil products, amounted to 6.94 million barrels per day (b/d) in May 2021, constituting an increase of 4.7% from 6.62 million b/d in April and a decrease of 7.2% from 7.5 million b/d in May 2020. In parallel, crude oil output averaged 8.5 million b/d in May 2021, up by 5% from the preceding month, and compared to an average of 8.5million b/d in May 2020. Further, oil export receipts reached $16bn in May 2021, increasing by 16.4% from $13.8bn in April 2021 and surging by 146.7% from $6.5bn in May 2020.
Source: JODI, General Authority for Statistics

Iraq's oil exports receipts at $6.5bn in July 2021

Preliminary figures show that Iraq's crude oil exports totaled 90.5 million barrels in July 2021 and increased by 4.3% from 86.8 million barrels in June 2021. They averaged 2.9 million barrels per day (b/d) in July, nearly unchanged from the preceding month. Oil exports from the central and southern fields amounted to 87.5 million barrels in July, while shipments from the Kirkuk fields totaled 3.1 million barrels. Oil receipts stood at $6.5bn in July, up by 6% from $6.1bn in June 2021.
Source: Iraq Ministry of Oil, Byblos Research

Libya's oil & gas receipts at $9.5bn in first half of 2021

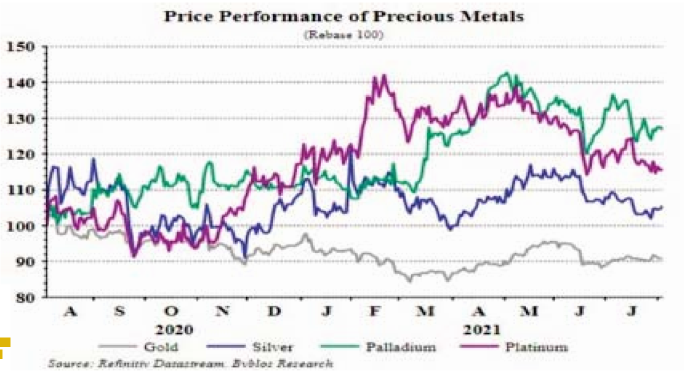
Libya's oil and gas revenues totaled $9.5bn in the first half of 2021, constituting an increase of 165% from $3.6bn in the same period of 2020. Oil and gas receipts reached $2.1bn in June, representing a jump of 53.4% from $1.4bn in the preceding month and a surge of 47.5 times from $45.1m in June 2020.
Source: National Oil Corporation, Byblos Research

Base Metals: Nickel prices up 40% in first seven months of 2021

The LME cash prices of nickel averaged $17,682 per ton in the first seven months of 2021, constituting an increase of 40.2% from an average of $12,611 a ton in the same period of 2020. Prices peaked at $19,833 per ton on July 29, 2021, their highest level since September 8, 2014, driven by expectations of lower nickel inventories and by higher demand for the metal, mainly from producers of stainless steel that consume large quantities of nickel. In parallel, Citi Research projected total refined supply of nickel at 2.83 million tons in 2021 relative to 2.57 million tons in 2020. Further, it forecast demand for the metal at 2.8 million tons in 2021 compared to 2.46 million tons last year. As such, it projected the surplus in the nickel market to decrease from 108,000 tons in 2020 to 23,000 tons in 2021. Also, it expected that prospects of higher demand for nickel, especially from the electric vehicles sector and from stainless steel producers in China, to support prices in the near term, despite outflows from nickel-backed exchange traded funds. As a result, Citi forecast prices to reach $15,000 in the fourth quarter of 2022, mainly due to stronger nickel supply from Indonesia. Further, it anticipated nickel prices to decline from $18,100 per ton in 2021 to $16,500 per ton in 2022.
Source: Citi Research, Refinitiv, Byblos Bank

Precious Metals: Gold prices at $1,869 per ounce in 2021

Gold prices averaged $1,805.7 per troy ounce in the first seven months of 2021, constituting an increase of 7.7% from an average of $1,677 an ounce in the same period last year. The rise in the metal's price was mainly due to accelerating inflation rates and declining real interest rates globally, which led to higher investment demand for gold and reinforced the appeal of the metal as a hedge against potential inflationary pressure. Further, prices regressed from a recent high of $1,906 per ounce on May 31, 2021 to $1,823.2 an ounce on July 30, due to expectations that the U.S. Federal Reserve could tighten its monetary policy faster than expected. In parallel, Standard Chartered Bank considered that gold prices have benefitted from investor demand for the metal, but indicated that the strengthening of the US dollar capped further gains. It added that flows into gold-backed exchange traded funds have been less supportive of prices, and that outflows accelerated in July. Still, it expected gold prices to further extend their gains, as it anticipated the US dollar to weaken and for real interest rates to remain negative in 2021. It forecast gold prices to rise by 4% annually to $1,869 per ounce in 2021, to decline by 1% to $1,794 an ounce in 2022, and to reach $1,600 per ounce in 2023.
Source: Standard Chartered Bank, Refinitiv, Byblos Research



COUNTRY RISK METRICS

Countries	S&P	Moody's	Fitch	CI	IHS	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
			LT Foreign currency rating										
Africa													
Algeria	-	-	-	-	B+								
	-	-	-	-	Negative	-6.5	-	-	-	-	-	-10.8	1.1
Angola	CCC+	Caa1	CCC	-	CCC								
	Stable	Stable	-	-	Negative	-1	111.2	7.8	62.6	40.4	101.0	-4.0	1.5
Egypt	B	B2	B+	B+	B+								
	Stable	Stable	Stable	Stable	Stable	-8.0	90.2	5.6	68.6	50.1	121.1	-3.5	1.9
Ethiopia	B-	Caa1	CCC		B+								
	CWN**	RfD***	-	-	Negative	-3.4	34.3	2.0	60.4	5.0	169.5	-6.5	2.6
Ghana	B-	B3	B	-	BB-								
	Stable	Negative	Negative	-	Negative	-7.5	71.7	2.6	42.3	53.2	121.4	-3.1	3.8
Côte d'Ivoire	-	Ba3	BB-	-	B+								
	-	Stable	Stable	-	Stable	-4.1	43.2			14.3		-3.5	1.4
Libya	-	-	-	-	CCC								
	-	-	-	-	Negative	-	-	-	-	-	-	-	-
Dem Rep Congo	CCC+	Caa1	-	-	CCC								
	Positive	Stable	-	-	Stable	-0.8	13.17	0.49	7.88	2.16	116.35	-4.3	3
Morocco	BBB-	Ba1	BB+	-	BBB								
	Negative	Negative	Stable	-	Negative	-5.0	68.2	5.3	35.1	8.6	99.0	-5.3	1.5
Nigeria	B-	B2	B	-	B-								
	Stable	Negative	Stable	-	Negative	-4.5	46.0	4.1	56.7	27.7	119.9	-1.7	0.2
Sudan	-	-	-	-	CC								
	-	-	-	-	Negative	-	-	-	-	-	-	-	-
Tunisia	-	B3	B	-	B+								
	-	Negative	Negative	-	Negative	-4.7	81.0	4.2	-	11.9	-	-8.3	0.5
Burkina Faso	B	-	-	-	B+								
	Stable	-	-	-	Stable	-5.4	51.3	0.4	22.3	7.1	134.0	-5.5	1.5
Rwanda	B+	B2	B+	-	B+								
	Negative	Negative	Stable	-	Negative	-9.0	71.4	4.1	24.2	8.0	112.6	-10.7	2.0
Middle East													
Bahrain	B+	B2	B+	BB-	B+								
	Negative	Negative	Stable	Negative	Negative	-6.8	115.4	-1.2	198.8	26.7	345.2	-6.6	2.2
Iran	-	-	-	B	B-								
	-	-	-	Negative	Negative	-3.7	-	-	-	-	-	-2.0	1.2
Iraq	B-	Caa1	B-	-	CC+								
	Stable	Stable	Negative	-	Stable	-8.0	78.1	-4.4	6.0	6.6	185.9	-2.4	-1.0
Jordan	B+	B1	BB-	B+	B+								
	Stable	Stable	Negative	Stable	Stable	-3.0	93.9	1.0	86.0	11.9	182.9	-6.4	2.2
Kuwait	A+	A1	AA	AA-	AA-								
	Negative	Stable	Negative	Negative	Stable	5.7	20.2	1.7	77.9	0.6	157.3	-0.8	0.0
Lebanon	SD	C	C	SD	CCC								
	-	-	-	-	Negative	-10.0	190.7	2.3	168.0	68.5	236.7	-11.2	2.0
Oman	B+	Ba3	BB-	BB	BB-								
	Stable	Negative	Negative	Negative	Negative	-11.3	84.3	1.4	47.1	12.4	146.6	-10.9	2.7
Qatar	AA-	Aa3	AA-	AA-	A+								
	Stable	Stable	Stable	Stable	Negative	5.3	63.3	2.9	179.1	7.2	225.3	-1.2	-1.5
Saudi Arabia	A-	A1	A	A+	A+								
	Stable	Negative	Negative	Stable	Stable	-6.2	38.2	16.3	18.4	3.6	50.4	-0.6	-1.0
Syria	-	-	-	-	C								
	-	-	-	-	Stable	-	-	-	-	-	-	-	-
UAE	-	Aa2	AA-	AA-	AA-								
	-	Stable	Stable	Stable	Stable	-1.6	40.5	-	-	2.5	-	3.1	-0.9
Yemen	-	-	-	-	CC								
	-	-	-	-	Stable	-	-	-	-	-	-	-	-

COUNTRY RISK METRICS

Countries	S&P	Moody's	Fitch (LT Foreign currency rating)	CI	IHS	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	-	Ba3	B+	-	B-								
	-	Stable	Stable	-	Stable	-4.9	65.5	-	-	11.3	-	-6.7	1.6
China	A+	A1	A+	-	A								
	Stable	Stable	Stable	-	Stable	-3.0	72.6	12.1	40.6	2.5	68.7	1.7	0.4
India	BBB-	Baa3	BBB-	-	BBB								
	Stable	Negative	Negative	-	Negative	-10.0	89.6	9.5	41.7	31.6	79.5	-0.6	1.5
Kazakhstan	BBB-	Baa3	BBB	-	BBB-								
	Stable	Positive	Stable	-	Negative	-1.7	32.0	5.1	30.8	7.3	95.6	-3.2	3.0
Pakistan	B-	B3	B-	-	CCC								
	Stable	Stable	Stable	-	Stable	-8.0	89.4	1.9	41.5	45.9	127.7	-1.6	0.6
Central & Eastern Europe													
Bulgaria	BBB	Baa1	BBB	-	BBB								
	Stable	Stable	Stable	-	Stable	-5.0	30.4	2.7	28.3	1.9	104.2	0.4	1.0
Romania	BBB-	Baa3	BBB-	-	BBB-								
	Negative	Negative	Negative	-	Negative	-7.2	52.4	3.5	25.5	4.5	102.9	-5.1	2.0
Russia	BBB-	Baa3	BBB	-	BBB-								
	Stable	Stable	Stable	-	Stable	-2.2	23.4	11.4	18.6	2.9	59.3	1.9	-0.8
Turkey	B+	B2	BB-	B+	B-								
	Stable	Negative	Stable	Stable	Stable	-4.0	38.5	-0.9	74.0	9.9	205.7	-4.2	1.0
Ukraine	B	B3	B	-	B-								
	Stable	Stable	Stable	-	Stable	-5.3	67.3	4.5	56.5	7.9	115.7	-2.1	2.5

** Current account payments*
*** CreditWatch with negative implications*
****Review for Downgrade*
Source: S&P Global Ratings, Fitch Ratings, Moody's Investors Service, CI Ratings, IHS Markit, Byblos Research - The above figures are projections for 2020

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	0.25	28-Jul-21	No change	22-Sep-21
Eurozone	Refi Rate	0.00	22-Jul-21	No change	09-Sep-21
UK	Bank Rate	0.10	05-Aug-21	No change	N/A
Japan	O/N Call Rate	-0.10	16-Jul-21	No change	22-Sep-21
Australia	Cash Rate	0.10	03-Aug-21	No change	07-Sep-21
New Zealand	Cash Rate	0.25	14-Jul-21	No change	18-Aug-21
Switzerland	SNB Policy Rate	-0.75	17-Jun-21	No change	23-Sep-21
Canada	Overnight rate	0.25	14-Jul-21	No change	08-Sep-21
Emerging Markets					
China	One-year Loan Prime Rate	3.85	20-Jul-21	No change	20-Aug-21
Hong Kong	Base Rate	0.86	15-Mar-20	Cut 64bps	N/A
Taiwan	Discount Rate	1.125	17-Jun-21	No change	N/A
South Korea	Base Rate	0.50	15-Jul-21	No change	26-Aug-21
Malaysia	O/N Policy Rate	1.75	08-Jul-21	No change	09-Sep-21
Thailand	1D Repo	0.50	04-Aug-21	No change	29-Sep-21
India	Reverse repo Rate	4.00	04-Jun-21	No change	06-Aug-21
UAE	Repo Rate	1.50	16-Mar-20	No change	N/A
Saudi Arabia	Repo Rate	1.00	16-Mar-20	Cut 75bps	N/A
Egypt	Overnight Deposit	8.25	05-Aug-21	No change	16-Sep-21
Jordan	CBJ Main Rate	2.50	16-Mar-20	Cut 100bps	N/A
Turkey	Repo Rate	19.00	14-Jul-21	No change	12-Aug-21
South Africa	Repo Rate	3.50	22-Jul-21	No change	23-Sep-21
Kenya	Central Bank Rate	7.00	28-Jul-21	No change	N/A
Nigeria	Monetary Policy Rate	11.50	27-Jul-21	No change	21-Sep-21
Ghana	Prime Rate	13.50	26-Jul-21	No change	27-Sep-21
Angola	Base Rate	20.00	02-Jul-21	Raised 450bps	27-Sep-21
Mexico	Target Rate	4.25	24-Jun-21	Raised 25 bps	12-Aug-21
Brazil	Selic Rate	5.25	04-Aug-21	Raised 100bps	N/A
Armenia	Refi Rate	7.00	03-Aug-21	Raised 50bps	N/A
Romania	Policy Rate	1.25	07-Jul-21	No change	06-Aug-21
Bulgaria	Base Interest	0.00	02-Aug-21	No change	01-Sep-21
Kazakhstan	Repo Rate	9.25	26-Jul-21	Raised 25bps	13-Sep-21
Ukraine	Discount Rate	8.00	22-Jul-21	Raised 50bps	09-Sep-21
Russia	Refi Rate	6.50	13-Jul-21	Raised 100bps	10-Sep-21

Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

UNITED ARAB EMIRATES

Byblos Bank Abu Dhabi Representative Office
Al Reem Island – Sky Tower – Office 2206
P.O.Box: 73893 Abu Dhabi - UAE
Phone: (+ 971) 2 6336050 - 2 6336400
Fax: (+ 971) 2 6338400
E-mail: abudhabirepoffice@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

CYPRUS

Limassol Branch
256 Archbishop Makariou III Avenue, Eftapaton Court
3105 Limassol - Cyprus
Phone: (+ 357) 25 341433/4/5
Fax: (+ 357) 25 367139
E-mail: byblosbankcyprus@byblosbank.com.lb

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293