

## COUNTRY RISK WEEKLY BULLETIN

## NEWS HEADLINES

## WORLD

**Foreign exchange reserves up 7% to \$12,700bn at end-2020**

Figures released by the International Monetary Fund indicate that global foreign exchange reserves reached \$12,701bn at the end of 2020, constituting an increase of 3.7% from \$12,246bn at end-September 2020, and a rise of \$874.3bn or 7.4% from \$11,827bn at end-2019. Allocated reserves, or data reported under the IMF's Currency Composition of Official Foreign Exchange Reserves (COFER), reached \$11,871bn at the end of 2020 and accounted for 93.5% of global reserves; while unallocated reserves, or the figures that do not fall under COFER, stood at \$830bn at the end of 2020 and accounted for the remaining 6.5% of the total. Foreign currency reserves in U.S. dollars reached \$7,006bn at end-2020 and accounted for 59% of total allocated reserves, constituting their lowest share since 1995. Reserves in euros followed with \$2,522bn (21.2%), then reserves in Japanese yen with \$715.8bn (6%), in British pounds with \$557.2bn (4.7%), in the Chinese renminbi with \$267.5bn (2.3%), in Canadian dollars with \$245.8bn (2.1%), in Australian dollars with \$216.1bn (1.8%), and in Swiss francs with \$20.7bn (0.2%), while reserves in other currencies amounted to \$320.1bn or 2.7% of the total. Further, foreign exchange reserves in the Swiss franc increased by 25.2% in 2020, followed by reserves in the Chinese renminbi (+24.7%), in Canadian dollars (+19.3%), in Australian dollars (+15%), in euros (+10.6%), in the Japanese yen (+9.8%), in British pounds (+8.5%), and in U.S. dollars (+4.2%), while reserves in other currencies expanded by 14% in 2020.

Source: *International Monetary Fund*

**Global merchandise trade to grow by 8% in 2021**

The World Trade Organization (WTO) projected the volume of global merchandise trade to expand by 8% in 2021, compared to a contraction of 5.3% in 2020, and anticipated merchandise trade growth to slow down to 4% in 2022. It noted that the contraction in trade activity in 2020 was smaller than the 9.2% decline projected in October 2020 due to the strong surge in global trade in the middle of last year. It noted that the outbreak of the COVID-19 pandemic continues to be the biggest threat to trade outlook, as new waves of coronavirus can rapidly weaken the recovery in trade activity. It estimated the volume of merchandise exports in the Middle East to increase by 12.4% in 2021, followed by Asia (+8.4%), Europe (+8.3%), Africa (+8.1%), North America (+7.7%), the Commonwealth of Independent States (CIS) (+4.4%), and South & Central America (+3.2%). In parallel, it expected the volume of merchandise imports to increase by 11.4% in North America in 2021, followed by Europe (+8.4%), South & Central America (+8.1%), the Middle East (+7.2%), Asia and the CIS (+5.7% each), and Africa (+5.5%). Further, it noted that the positive short-term outlook on trade is limited by regional disparities and ongoing weaknesses in trade in services, as well as lagging vaccination timetables, specifically in low-income countries.

Source: *World Trade Organization*

## EMERGING MARKETS

**Frontier markets' debt at \$3 trillion or 109% of GDP at end-2020**

The Institute of International Finance indicated that the total debt of 42 frontier markets, which includes the debt of governments, corporates and households, reached \$3 trillion (tn) at the end of 2020, constituting an increase of \$122bn or 4.3% from \$2.87tn at the end of 2019. It noted that the aggregate frontier market debt was equivalent to 109.4% of GDP at end-2020 relative to 99.3% of GDP at end-2019. It said that the government debt of frontier markets reached \$1.65tn at the end of 2020, or 55% of total debt, followed by the debt of the non-financial corporate sector with \$752bn (25.1%), household debt with \$413bn (13.8%), and financial institutions with \$186bn (6.2%). In parallel, it noted that the government debt of frontier markets was equivalent to 60.2% of GDP at end-2020 compared to 52.4% of GDP at end-2019. It added that the debt of the non-financial corporate sector was equivalent to 26% of GDP at end-2020 relative to 25.5% of GDP a year earlier, while the financial sector's debt stood at 7% of GDP at the end of 2020 compared to 6.3% of GDP at end-2019. In addition, it said that household debt grew from the equivalent of 15% of GDP at the end of 2019 to 16.4% of GDP at the end of 2020. The IIF indicated that debt in the Middle East was equivalent to 177.4% of the region's GDP at end-2020, followed by debt in Latin America (122% of GDP), Europe (107% of GDP), Asia (102% of GDP), and Africa (92% of GDP). It noted that about \$190bn in frontier market bonds and loans, of which 35% are in foreign currency, will mature throughout 2021.

Source: *Institute of International Finance*

## GCC

**Fixed income issuance up 23% to \$39bn in first quarter of 2021**

Total fixed income issuance in Gulf Cooperation Council (GCC) countries reached \$39.3bn in the first quarter of 2021, constituting an increase of 23.2% from \$31.9bn in the same period of 2020. Fixed income issuance in the covered period consisted of \$17.2bn in corporate bonds, or 43.8% of the total, followed by \$14.3bn in sovereign bonds (36.4%), \$4.1bn in corporate sukuk (10.4%), and \$3.7bn in sovereign sukuk (9.4%). Further, aggregate bonds and sukuk issued by corporates amounted to \$21.3bn in the covered period, or 54.2% of total fixed income proceeds in the region; while aggregate issuance by sovereigns reached \$18bn, or 45.8% of the total. GCC sovereigns issued \$7.7bn in bonds and sukuk in January, \$6bn in February, and \$4.3bn in March 2021. In parallel, companies in the GCC issued \$6.3bn in bonds and sukuk in January, \$9.6bn in February, and \$5.4bn in March of this year. Sovereign issuance in March consisted of \$1.3bn in bonds issued by the UAE, \$1.2bn in bonds and \$1.3bn in sukuk issued by Saudi Arabia, and \$530.4m in bonds issued by Bahrain. In parallel, corporate issuance in the covered month included \$2.1bn in bonds and \$35m in sukuk issued by UAE-based companies, \$1.3bn in sukuk issued by Saudi Arabia-based corporates, \$1bn in bonds issued by Qatar-based firms, and \$500m in bonds issued by Oman-based companies.

Source: *KAMCO*

# POLITICAL RISK OVERVIEW - MARCH 2021

## ARMENIA

Protesters stormed the government's building in Yerevan and demanded that Prime Minister Nikol Pashinyan steps down. Following PM Pashinyan's request to dismiss the Chief of General Staff Onik Gasparyan for an alleged military coup attempt, Yerevan's administrative court declared that General Gasparyan has the right to stay in his current position. In response, PM Pashinyan considered the ruling to be unlawful and proposed a new candidate for the position. He announced early parliamentary elections on June 20, subject to parliamentary confirmation, and said that he will resign in April and that he will stay in office until the snap elections. The Constitutional Court ended the investigation into former president Robert Kocharyan that PM Pashinyan's government launched in 2018.

## EGYPT

Egypt and Sudan signed a military cooperation agreement, while President Abdel Fattah el-Sisi visited Sudan for the first time since the overthrow of former Sudanese president Omar al-Bashir in 2019 to discuss issues related to the Grand Ethiopian Renaissance Dam. Further, Egypt and Turkey resumed diplomatic contacts for the first time since 2013, but Egypt noted that Turkey must align with its principles and goals in order for relations between the two countries to return to normal. Islamic State (IS) militants continued their attacks in North Sinai, while security forces and Bedouin militants killed a senior IS commander in the Sinai Peninsula.

## ETHIOPIA

Fighting continued between federal government troops and armed forces in the northern Tigray state. The United Nations High Commissioner for Human Rights said that several parties committed "grave" violations that could amount to "war crimes and crimes against humanity" since November 2020, while the U.S. denounced "acts of ethnic cleansing" in the Tigray region. Prime Minister Abiy Ahmed acknowledged for the first time that Eritrea deployed troops in the Tigray state since the start of the conflict, and Eritrea agreed to withdraw its forces. Also, the Ethiopian army reportedly clashed with Sudanese forces in the disputed Al-Fashqa border zone. In parallel, Ethiopia, Egypt and Sudan continued to disagree about the Grand Ethiopian Renaissance Dam on the Nile River.

## IRAN

Supreme Leader Ali Khamenei reaffirmed that Iran would not return to its nuclear commitments until after the U.S. lifts its sanctions, while Iran continued to expand its nuclear activity. The International Atomic Energy Agency indicated that Tehran's stockpile of enriched uranium stands at 14 times the limit under the Joint Comprehensive Plan of Action. The U.S. administration imposed its first Iran-specific sanctions, as it designated two individuals that it identified as Islamic Revolutionary Guard Corps interrogators for their abuse of human rights during the 2019-2020 protests. Iran blamed Israel for an explosion that damaged an Iranian cargo ship in the Mediterranean Sea.

## IRAQ

Pope Francis visited Iraq and met senior Shia leader Grand Ayatollah Ali al-Sistani to discuss religious coexistence and the protection of Christians in Iraq, and met Kurdish leaders in Erbil. Protests resumed in al-Muthanna governorate and in Najaf to demand the resignation of governors. Protests continued in Nasiriyah city with roadblocks and the shutdown of the Dhi Qar oil refinery. Supporters of the Kurdistan Worker's Party (PKK) clashed with the Iraqi army in Sinjar during protests against the removal of PKK forces from their areas. Coalition forces conducted airstrikes in the Qarachogh mountains and destroyed dozens of Islamic State hideouts. Unknown assailants fired rockets at Ain al-Asad airbase in the western Anbar province that hosts the U.S.-led coalition and Iraqi military forces.

## LIBYA

Prime Minister-designate Abdul Hamid Dabaiba submitted a proposed list of his Cabinet members to the speaker of the House of Representatives (HoR) Aghela Saleh. Following a two-day parliamentary debate in the city of Sirte, the HoR approved the Government of National Unity (GNU). PM Serraj of the Tripoli-based Government of National Accord and the east-based PM Abdullah al-Thani of the Cabinet of the HoR officially handed over power to the GNU. The UN Security Council urged all parties to fully implement the October ceasefire agreement, and called for the withdrawal of all foreign forces and mercenaries from Libya. Unidentified gunmen killed Mahmoud al-Werfalli, a commander of an elite unit of the Arab Libyan Armed Forces in Benghazi.

## SUDAN

The government and the rebel group Sudan People's Liberation Movement-North (SPLM-N), led by Abdel Aziz al-Hilu, signed the Declaration of Principles in South Sudan, which commits the government to the unification of armed forces and provides a stepping stone for the SPLM-N to be integrated in the government. In parallel, the chairman of the Sovereign Council, Abdel Fattah al-Burhan, accused Ethiopia of deploying additional forces near the Barkhat settlement, the last area under Ethiopia's control in the disputed Al-Fashqa border zone, and asked for negotiations to resolve the land dispute tied to Ethiopia's recognition of Sudan's sovereignty over that area. Also, Sudan demanded the withdrawal of all Ethiopian troops from "Sudanese territory".

## SYRIA

Thousands of citizens took to streets in Idlib city and hundreds reportedly gathered in Daraa city, in protests against the regime on the tenth anniversary of the 2011 uprising. The UAE called for reinstating Syria in the League of Arab States. France, Germany, Italy, the United Kingdom and the U.S. issued a joint statement renewing their commitment to continue to press for "accountability for the most serious crimes in Syria", adding that they "will not tolerate Syria's non-compliance with the Chemical Weapons Convention". In parallel, Russian artillery hit a hospital in the rebel-held Atareb city west of Aleppo, while Russia continued to launch airstrikes against suspected Islamic State (IS) targets in the central desert. IS militants killed nine Iran-backed militiamen in the Deir Ez-Zor province, while Israel reportedly launched missiles on Iran-linked targets in southern Damascus.

## TURKEY

The Turkish government escalated its efforts to criminalize the pro-Kurdish opposition Peoples' Democratic Party (HDP), as the chief prosecutor filed an indictment seeking the ban of the HDP and called it an undemocratic party that colludes with the "terrorist" Kurdistan Worker's Party (YPG). Military operations continued against the HDP in southeastern Turkey, as well as in northern Iraq. Missiles fired from YPG-controlled Rifat city in the Aleppo province of Syria, landed in the Turkish Kilis province. In response, Turkey announced retaliatory attacks on surrounding villages in Syria.

## YEMEN

Fighting intensified between government-aligned forces and Huthi rebels in the Hodeida, Hajja, Marib and Taiz governorates; while Huthis continued drone and missile attacks on targets in Saudi Arabia. In parallel, Riyadh announced "an initiative to end the Yemeni crisis" by proposing to the Huthis a nationwide ceasefire in exchange for the reopening of the Sanaa airport to civilian air traffic, as well as by allowing additional fuel and commodities to enter the Hodeida port, among other outreach efforts. U.S. Secretary of State Antony Blinken urged Prime Minister Maen Abdulmalik Saeed to step up efforts towards a ceasefire and a peace agreement. Riyadh allowed fuel shipments to enter the Huthi-held Hodeida port for the first time in nearly two months.  
*Source: International Crisis Group, Newswires*



# OUTLOOK

## WORLD

### Global economy to expand by 6% in 2021, growth to pick up across regions

The International Monetary Fund projected the global economy to expand by 6% in 2021 compared to a previous forecast of 5.5% for this year, following a contraction of 3.3% in 2020. It expected the strength of the economic recovery to vary significantly across and within countries around the world, depending on the pace of rolling out the COVID-19 vaccines, the scale of policy support, and on structural characteristics such as the degree of reliance on tourism activity. It projected real GDP in advanced economies to grow by 5.1% in 2021 relative to its January projection of a 4.3% expansion, while it expected economic activity in emerging markets and developing economies to expand by 6.7% this year compared to a previous forecast of a growth rate of 6.3%. It anticipated the size of the U.S. economy in real dollar terms to surpass its pre-COVID size this year, while it said that many other advanced economies will return to their pre-COVID levels by 2022. In addition, it noted that the size of the Chinese economy in real terms has already returned to its pre-COVID level in 2020, while it expected many other emerging economies to do so throughout 2023. It anticipated that vaccines will not be available for most of the population in emerging markets in 2021, which could require new lockdown measures in 2021 and 2022.

The IMF projected real GDP in Emerging & Developing Asia to expand by 8.6% in 2021, mainly due to growth rates of 12.5% and of 8.4% in India and China, respectively. It expected economic activity in Latin America & the Caribbean to expand by 4.6% this year, and forecast the real GDP of Emerging & Developing Europe to grow by 4.4% in 2021. Further, it anticipated economic activity in Sub-Saharan Africa to increase by 3.4% this year, while it anticipated real GDP growth in the Middle East & Central Asia region at 3.7%.

The Fund considered that global prospects remain uncertain and noted that the outlook depends on the "outcome of the battle between the virus and the vaccines", as well as on the effectiveness of policies in containing the lasting damage from the pandemic.

*Source: International Monetary Fund*

## MENA

### Economic activity to recover in 2021, pandemic related losses projected at \$227bn

The World Bank projected real GDP in the Middle East & North Africa (MENA) region to grow by 2.2% in 2021 following a contraction of 3.8% in 2020, in case of a faster recovery in global oil prices and an equitable rollout of COVID-19 vaccines. It forecast real GDP in the Gulf Cooperation Council (GCC) countries to grow by 2.2% this year and for developing oil exporters to expand by 2.4% in 2021. It also anticipated growth in the region's oil-importing economies at 2.2% in 2021. Further, it expected the accumulated output losses in the MENA region from the pandemic at \$227bn by the end of 2021, as it projected the region's GDP in 2021 to be 7.2% lower than what the GDP for the year would have been in the absence of the COVID-19 outbreak. It also forecast the region's average real GDP per capita to rise by 0.6% in 2021 after shrinking by 5.3% in 2020, which means that real incomes this year would be 4.7% lower than they were in 2019.

In parallel, the World Bank considered that the MENA region entered the COVID-19 crisis with chronic low economic growth levels, macroeconomic imbalances and weak governance, and that the pandemic has significantly weighed on public finances. It estimated the region's average fiscal deficit to have widened from 4.2% of GDP in 2019 to 9.4% of GDP in 2020, while it anticipated spending pressures to persist in the near term, which would result in a deficit of 6.6% of GDP this year. It expected the MENA region's public debt level to increase from 46% of GDP at the end of 2019 to about 54% of GDP at end-2021, while it projected the public debt level among MENA oil importers to average around 93% of GDP at end-2021. It pointed out that several MENA countries could end up with a large debt servicing bill that absorbs an elevated share of public revenues, which would constrain expenditures on economic development. It added that the persistence of high public debt levels could put at risk the economies' creditworthiness and their ability to refinance or roll over maturing debt in the future.

*Source: World Bank*

## ANGOLA

### Economic activity to rebound to 2% in 2021-22

Barclays Capital projected Angola's real GDP to grow by 1.5% in 2021 and 2.5% in 2022, following an estimated contraction of 3.8% in 2020, due to the increase in global oil prices and its expectations that the Banco Nacional de Angola (BNA) will not raise its policy rates this year. It expected the fiscal balance to shift from a deficit of 1.6% of GDP in 2020 to a surplus of 1% of GDP in 2021 in case oil prices average about \$52 per barrel (p/b) this year. It considered that the authorities' decision to suspend hiring in the public sector, except in the healthcare and education sectors, will benefit fiscal consolidation in the medium term. It added that the planned introduction of the value-added tax and the authorities' efforts to improve compliance with tax laws should support non-oil revenues. It noted that the re-profiling of the government's debt will also help contain debt-servicing outlays. It anticipated the public debt level to decline from 132% of GDP at the end of 2020 to 113.4% of GDP at end-2021 and 98.8% of GDP at end-2022 with sustained fiscal consolidation. It also forecast Angola's debt level to reach 76% of GDP by end-2025, in case real GDP growth averages around 3% annually starting in 2023 and if the depreciation of the Angolan Kwanza is limited to about 6% to 8% per year after 2022.

In parallel, it projected the current account balance to shift from a deficit of 0.2% of GDP in 2020 to a surplus of 1.5% of GDP in 2021, assuming Angola's oil export prices are at \$55 to \$60 p/b in 2021. It expected the surplus to shrink to 1.3% of GDP in 2022 due to the resumption of significant oil-related dividend outflows and to the recovery in imports. It forecast the gross external debt level to regress from 105.2% of GDP at the end of 2020 to 98.2% of GDP at end-2021 and to 91.6% of GDP at end-2022. Further, it anticipated gross international reserves to increase from \$8.7bn at end-2020 to \$9bn at the end of 2021 and to reach \$10bn at end-2022. In addition, it expected the exchange rate of the Angolan Kwanza against the US dollar to depreciate by 10% in 2021 and 8% in 2022, due in part to the authorities' efforts to eliminate the foreign exchange backlog accumulated in 2020.

*Source: Barclays Capital*

# ECONOMY & TRADE

## SAUDI ARABIA

### Public Investment Fund to take active role in economic diversification

Bank of America indicated that the Saudi authorities' launch of the Public Investment Fund's program for the 2021-2025 period, as well as its new governance structure, show that the PIF is becoming a large sovereign vehicle for international investments and for achieving domestic economic diversification. It noted that the program identifies 13 strategic sectors for investments that include aerospace and defense, automotive, transport and logistics, food and agriculture, entertainment and sports, financial services, utilities and renewables, healthcare, telecommunications, and technology. It considered that the PIF's planned domestic investments could support the government's fiscal consolidation by reducing on-budget capital expenditures. It expected the PIF's assets under management to increase from \$360bn at the end of 2020 to \$500bn by 2025, but it said that authorities are aiming to raise assets to \$1.07 trillion by 2025. It estimated that domestic assets account for 73% to 80% of the PIF's aggregate assets as at end-2020. It noted that authorities plan to boost the PIF's capital in coming years through retained profits, up-streamed dividends, proceeds from privatizations, capital injections and asset transfers from the government and the Saudi Central Bank, further listings of Saudi Aramco, and the revaluation of domestic land on which mega-projects are being built. Still, it said that key risks to the PIF's investments are that the planned mega projects could turn out to be financially unsustainable over the medium-term and would generate contingent liabilities, that inflows fall short of the investment needs, or that dividend disbursements from Saudi Aramco get delayed.

Source: *Bank of America*

## MOROCCO

### Sovereign ratings downgraded on weakening fiscal metrics

S&P Global Ratings downgraded Morocco's long- and short-term local and foreign currency ratings from 'BBB-/A-3' to 'BB+/B', with a 'stable' outlook. It attributed the downgrade to Morocco's deteriorating budgetary position and to its wider-than-previously projected budget deficits in the 2021-24 period. It forecast the budget consolidation process to be slower than previously expected, and for the fiscal deficit to narrow gradually from 7.7% of GDP in 2020 to 4.6% of GDP in 2024. It noted that the public debt level increased from 56.4% of GDP at the end of 2019 to 68.4% of GDP at end-2020 and forecast the latter to reach 73% of GDP by end-2024. Still, it considered that the exposure of the sovereign to interest rate, refinancing, and foreign exchange risks is limited. But it noted that the existing stock of state guarantees dominates Morocco's contingent liabilities, which could put additional pressure on the government's balance sheet. It estimated the total stock of guarantees at about 19% of GDP in 2021, of which 11% of GDP is related to the state-guaranteed external debt of very large state-owned enterprises. S&P indicated that it could upgrade the ratings if fiscal consolidation is markedly faster than expected, in case the ongoing transition towards a more flexible exchange rate boosts the economy's external competitiveness, or if the economic diversification strategy yields higher GDP growth rates.

Source: *S&P Global Ratings*

## ARMENIA

### Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed the long-term local- and foreign-currency Issuer Default Ratings (IDRs) of Armenia at 'B+' and the short-term local- and foreign-currency IDRs at 'B', with a 'stable' outlook on the ratings. It noted that the ratings balance the high government and external debt levels, relatively weak external finances, and geopolitical tensions, with high per capita income, a robust macroeconomic and fiscal policy framework, and a credible commitment to reforms that is underpinned by the International Monetary Fund's Stand-By Arrangement. It said that the COVID-19 pandemic and the conflict in the Nagorno Karabakh province reversed the downward trend of the public debt, as the debt level increased by 13.8 percentage points of GDP to 67.3% of GDP at end-2020. It projected the public debt level to reach 67.6% of GDP at end-2021, and to regress gradually to 63.5% of GDP by end-2025. Further, it forecast the fiscal deficit to narrow from 5.1% of GDP in 2020 to 4% of GDP in 2021 and 2.8% of GDP in 2022 due to several fiscal-supportive measures. It expected the net external debt to rise from 55% of GDP at end-2020 to 62.2% of GDP by end-2022. In parallel, Fitch considered that a sustained improvement in external indicators, better prospects of returning the debt trajectory to a downward path, and enhancing governance and the business environment could lead to a positive rating action. In contrast, it noted that worsening external imbalances, a sustained rise in the public debt, or renewed military escalation with Azerbaijan could lead to a rating downgrade.

Source: *Fitch Ratings*

## JORDAN

### Pandemic causes socioeconomic challenges

The International Monetary Fund estimated Jordan's real GDP to have contracted by 2% in 2020 and noted that the unemployment rate reached a record high of 24.7% in the fourth quarter of 2020, as the virus outbreak and the related containment measures adversely affected businesses and households. It indicated that the COVID-19 pandemic continues to pose significant challenges for the country. It projected real GDP to grow by 2% in 2021, due to the slower-than-anticipated rollout of vaccines globally and the resulting delays in the recovery of tourism activity, as well as to stronger external demand for the country's goods and services, and ongoing domestic policy support. It noted that authorities increased social spending, particularly on job retention in affected sectors, as well as expanded the credit support scheme for small and medium enterprises, in order to mitigate the human and economic impact of the pandemic. It considered that fiscal policy has helped so far preserve macroeconomic stability and cushion the impact of the crisis on the economy. It noted that authorities introduced major legislative reforms in recent months to address tax evasion, close tax loopholes, and broaden the tax base. It added that authorities intend to enhance the efficiency of public spending, to fully implement the new public-private partnership law, and to closely monitor contingent liabilities. Further, it pointed out that Jordan needs significant donor assistance in order to emerge from the pandemic. In parallel, the IMF noted that its expected aggregate funding for the country, including under the Rapid Financing Instrument, will reach nearly \$2bn between 2020 and 2024.

Source: *International Monetary Fund*



# BANKING

## GCC

### Banks' net profits down 32% to \$25bn in 2020

KAMCO indicated that listed banks in Gulf Cooperation Council (GCC) countries posted aggregate net profits of \$25bn in 2020, constituting a decline of 32.2% from \$36.9bn in 2019, and representing their lowest level since 2013. It added that the decrease in the GCC banks' net earnings last year is the steepest drop since 2002 and is more significant than the 22.3% contraction recorded in 2008. It attributed the decline in profits mainly to the surge in the banks' loan-loss provisions that reached a record high of \$20.3bn in 2020 due to the impact of the COVID-19 pandemic on economic activity. The net earnings of listed GCC banks totaled \$5.3bn in the fourth quarter of 2020, decreasing from \$7.5bn in the preceding quarter, due to higher provisions that have offset the increase in revenues. The banks' total revenues grew by 4% in the fourth quarter of the year from the preceding quarter, driven by higher net interest and non-interest income. Further, it indicated that the aggregate assets of GCC banks stood at \$2.6 trillion (tn) at the end of 2020, and increased by 8% from the end of 2019, due mainly to the strong growth in the assets of Islamic banks in the region. Further, it said that aggregate net loans expanded by 6.7% from end-2019 to \$1.5tn at the end of 2020, while customer deposits increased by 7.3% last year to \$1.9tn. As such, it pointed out that the aggregate loans-to-deposits ratio of GCC banks regressed from 80.6% at the end of 2019 to 80.1% at the end of 2020 due to the faster growth of customer deposits than of net loans, but the ratio improved from 79.3% at end-September 2020.

Source: KAMCO

## KUWAIT

### Low risks to banking system funding

S&P Global Ratings maintained Kuwait's banking sector in 'Group 4' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score of '5' and an industry risk score of '4'. The BICRA framework evaluates global banking systems based on economic and industry risks facing the banking sector, with 'Group 10' including the riskiest sectors. Other countries in BICRA's 'Group 4' are Malaysia, New Zealand, Saudi Arabia, and Taiwan. S&P indicated that the economic risk score of the Kuwaiti banking sector reflects "intermediate risks" in economic imbalances and in credit risks in the economy, as well as "high risks" in economic resilience. It noted that risks to the banking system are broadly stable due to the banks' low credit risks, large prudential buffers and high capitalization, which counterbalance the sovereign's higher economic risks. It projected lending to grow by 4% in 2021, consistent with historical trends, as it did not expect Kuwait's economic activity to significantly improve this year. It added that the high concentration of loans in the real estate segment is a key credit risk for banks. Also, it forecast the banks' non-performing loans ratio to increase from 2.6% in June 2020 to 3.8% throughout 2021. In parallel, S&P pointed out that the industry score reflects the country's "low risks" in its system-wide funding, "intermediate risks" in its competitive dynamics, and "high risks" in its institutional framework. It indicated that the banking sector has a good institutional framework and favorable funding conditions, but it added that the quality of the banks' reporting lags international standards. It noted that the trend for the economic and industry risks is 'stable'.

Source: S&P Global Ratings

## NIGERIA

### Banks face weaker asset quality in 2021

Moody's Investors Service indicated that the 'negative' outlook on Nigeria's banking sector reflects its expectations that the banks' asset quality will deteriorate in 2021, as authorities start to withdraw loan repayment holidays and other coronavirus-related measures. It also noted that the 'negative' outlook takes into account the government's weakening capacity to provide support in case of need. The agency indicated that Nigerian banks restructured about 40% to 45% of their loan books in 2020, which limited the deterioration in their asset quality. It considered that some restructured loans will require additional restructuring and will remain vulnerable to fragile economic conditions. It projected the banks' non-performing loans ratio to rise from 6% in 2019 to between 8% and 10% in the coming months, as authorities relax coronavirus-related support measures. It added that Nigerian banks have large concentrations of loans to single sectors and single borrowers, with lending to the oil & gas and manufacturing sectors accounting for 41% of total loans at end-September 2020. It also anticipated that foreign-currency loans, which represent 40% to 45% of loans at rated banks, will weigh on asset quality in case of a further devaluation of the Nigerian naira. However, Moody's pointed out that the banks' robust capital buffers are sufficient to absorb unexpected loan losses. It expected banks to limit dividend payouts in order to offset the increase in their risk-weighted assets. It also anticipated the banks' funding in naira and their liquidity levels to remain robust, and for their foreign-currency shortages to ease as capital inflows improve.

Source: Moody's Investors Service

## ARMENIA

### Bank ratings underpinned by government support

In its periodic review of the ratings of seven Armenian banks, Moody's Investors Service indicated that the 'Ba3' long-term local currency deposit ratings of Ameriabank and Ardshinbank reflect the banks' baseline credit assessments (BCAs) of 'b1', as well as the high probability of government support in case of need. It also noted that Ameriabank's BCA is supported by the bank's healthy liquidity and diversified funding base, while that of Ardshinbank is supported by its good loss absorption capacity and profitability. Further, the agency said that the 'B1' long-term local currency deposit rating of Inecobank and Converse Bank are based on the banks' BCAs of 'b1' and 'b2', respectively, as well as on the moderate likelihood of government support, if needed. It added that Inecobank's BCA is supported by the bank's good loan book diversification, adequate loss-absorption capacity, strong capitalization compared to its peers, healthy profits and a strong liquidity position. It noted that Converse Bank's BCA reflects its good loss-absorption capacity relative to peers, as well as its adequate liquidity position and funding profile. In addition, it said that VTB Bank Armenia's 'B1' rating is based on its BCA of 'b3', as well as the high likelihood of support from its parent company Bank VTB in case of need. In parallel, Moody's noted that Armeconombank's 'B1' rating is based on its BCA of 'b1', which indicates good asset quality metrics and recently improved pre-provision profitability. Further, the agency pointed out that ID Bank's 'B2' rating reflects its BCA of 'b2', which is supported by elevated but decreasing legacy problem loans, in addition to adequate provisioning.

Source: Moody's Investors Service

## Early return of Iranian oil to market to weigh on prices

ICE Brent crude oil front-month prices have been volatile since the beginning of March 2021. They reached \$69.6 per barrel (p/b) on March 11, their highest level since May 2019, before declining to \$60.8 p/b, their lowest level in the past two months, and closed at \$63.2 p/b on April 7. Improving global demand prospects amid the rollout of the COVID-19 vaccine worldwide, as well as supply discipline from the recurrent OPEC and non-OPEC output cuts, were the main factors to support oil prices in the past two months. However, new lockdown measures in several European countries and the slowdown in vaccination programs amid distribution issues continue to weigh on the prospects for oil demand and on prices. In addition, the recent OPEC decision to gradually ease production cuts starting in May exerted downside pressure on oil prices. In parallel, Goldman Sachs anticipated a more significant rebound in oil demand this summer that will require an additional output of two million barrels per day from the OPEC and non-OPEC alliance between July and October. It considered that supply concerns have shifted from the ramp-up in OPEC's output to the potential return of Iran to the Joint Comprehensive Plan of Action, amid international talks on the nuclear deal in Vienna. Still, it did not expect a full recovery in Iranian oil exports before the summer of 2022, as it expected an agreement on the nuclear deal to be finalized towards early 2022. However, it noted that a normalization in Iranian oil exports before the end of 2021 would reduce its oil price forecast by \$5 p/b to \$70 p/b by end-2021.

Source: Goldman Sachs, Refinitiv, Byblos Research

## Iraq's oil exports receipts at \$5.8bn in March 2021

Preliminary figures show that Iraq's crude oil exports totaled 91.3 million barrels in March 2021, and increased by 10.2% from 83 million barrels in February 2021. They averaged 2.95 million barrels per day (b/d) in March compared to 2.96 million b/d in February 2021. Oil exports from the central and southern fields reached 88.2 million barrels in March, while shipments from the Kirkuk fields totaled 3.1 million barrels. Oil receipts stood at \$5.8bn in March, up by 15.4% from \$5bn in February 2021.

Source: Iraq Ministry of Oil, Byblos Research

## Qatar Petroleum to supply two million tons per year of LNG to China's Sinopec

The state-owned company Qatar Petroleum signed a Sale and Purchase Agreement with the China Petroleum & Chemical Corporation (Sinopec) to supply two million tons of liquefied natural gas (LNG) per year for a period of 10 years. The agreement stipulates that LNG deliveries from Qatar will start in January 2022, and will be delivered to Sinopec's LNG terminals in China.

Source: Qatar Petroleum

## Iraq invests \$1.15bn in Majnoon oilfield

Iraq's government approved investments of about \$1.15bn in 2021 in order to develop the Majnoon oilfield in the south of the country. It aims to expand the field's output from 130,000 barrels per day (b/d) currently to 450,000 b/d in three years. The most recent figures from the Organization of Petroleum Exporting Countries (OPEC) show that Iraq's oil production averaged 4 million b/d in February 2021, which represented 15.7% of OPEC's total oil output in the covered month.

Source: OPEC, Refinitiv

## Base Metals: Zinc prices to average \$2,600 per ton in 2021

The LME cash prices of zinc averaged \$2,749 per ton in the first quarter of 2021, constituting an increase of 29.3% from an average of \$2,126 a ton in the same period of 2020. Prices averaged \$2,706 per ton in January, \$2,745 a ton in February and \$2,792 per ton in March 2021. They reached \$2,884 per ton on February 22, their highest level since April 2019, driven mainly by increased buying of the metal, improved demand prospects, the rollout of the coronavirus vaccine, and lower inventories. Zinc prices closed at \$2,812 per ton on April 7, 2021. The resurgence in the number of coronavirus infections in Europe, a stronger US dollar, and concerns about a slowdown in China's economic growth and demand for metals, as well as worries about policy tightening in the country, have weighed on zinc prices. In parallel, S&P Global Ratings revised upwards its projections for zinc prices from an average of \$2,400 per ton in 2021 to an average of \$2,600 a ton for the year to reflect the recovery in global economic activity as the coronavirus pandemic recedes. Further, the latest figures released by the International Lead and Zinc Study Group (ILZSG) show that demand for refined zinc reached 1.18 million tons in January 2021 and increased by 7.7% from the same month of 2020, while the supply of refined zinc totaled 1.19 million tons in the first month of the year and grew by 2.6% year-on-year.

Source: S&P Global Ratings, ILZSG, Refinitiv

## Precious Metals: Gold prices at \$1,650 by end-March 2022

Gold prices averaged \$1,796.5 per troy ounce in the first quarter of 2021, constituting an increase of 13.5% from an average of \$1,582.2 an ounce in the same period last year. The rise in the metal's price is mainly due to accelerating inflation rates and declining real interest rates globally, which has resulted in higher investment demand for gold and reinforced the appeal of the metal as a hedge against potential inflationary pressure. Also, the metal's price reached \$1,681.8 per ounce on March 8, 2021, its lowest level since June 5, 2020, but recovered to \$1,704.7 an ounce on March 31, 2021. In parallel, Julius Bär considered that demand for gold from safe-haven seekers is fading amid the expected global economic recovery, despite the rapidly rising numbers of coronavirus cases in parts of the world. It also anticipated that a stronger US dollar and higher U.S. bond yields will lead to weaker investment demand for gold and will cause additional downward pressure on prices this year. As such, it projected gold prices at \$1,700 per ounce in the coming three months and at \$1,650 an ounce by the end of March 2022, and anticipated the metal's price to stabilize at this level in the medium to long terms.

Source: Julius Bär, 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  | IHS |                               |                              |                                  |   |                              |   |                                   |                   |
| <b>Africa</b>      |                            |         |       |     |     |                               |                              |                                  |   |                              |   |                                   |                   |
| Algeria            | -                          | -       | -     | -   | B+  | -6.5                          | -                            | -                                | -   | -                            | -   | -10.8                             | 1.1               |
| Angola             | CCC+                       | Caa1    | CCC   | -   | CCC | -1                            | 111.2                        | 7.8                              | 62.6  | 40.4                         | 101.0   | -4.0                              | 1.5               |
| Egypt              | B                          | B2      | B+    | B+  | B+  | -8.0                          | 90.2                         | 5.6                              | 68.6  | 50.1                         | 121.1   | -3.5                              | 1.9               |
| Ethiopia           | B-                         | B2      | CCC   | -   | B+  | -3.4                          | 34.3                         | 2.0                              | 60.4  | 5.0                          | 169.5   | -6.5                              | 2.6               |
| Ghana              | B-                         | B3      | B     | -   | BB- | -7.5                          | 71.7                         | 2.6                              | 42.3  | 53.2                         | 121.4   | -3.1                              | 3.8               |
| Côte d'Ivoire      | -                          | Ba3     | B+    | -   | B+  | -4.1                          | 43.2                         | -                                | -   | 14.3                         | -   | -3.5                              | 1.4               |
| Libya              | -                          | -       | -     | -   | CCC | -                             | -                            | -                                | -   | -                            | -   | -                                 | -                 |
| Dem Rep Congo      | CCC+                       | Caa1    | -     | -   | CCC | -0.8                          | 13.17                        | 0.49                             | 7.88  | 2.16                         | 116.35  | -4.3                              | 3                 |
| Morocco            | BB+                        | Ba1     | BB+   | -   | BBB | -5.0                          | 68.2                         | 5.3                              | 35.1  | 8.6                          | 99.0  | -5.3                              | 1.5               |
| Nigeria            | B-                         | B2      | B     | -   | B-  | -4.5                          | 46.0                         | 4.1                              | 56.7  | 27.7                         | 119.9   | -1.7                              | 0.2               |
| Sudan              | -                          | -       | -     | -   | CC  | -                             | -                            | -                                | -   | -                            | -   | -                                 | -                 |
| Tunisia            | -                          | B3      | B     | -   | B+  | -4.7                          | 81.0                         | 4.2                              | -   | 11.9                         | -   | -8.3                              | 0.5               |
| Burkina Faso       | B                          | -       | -     | -   | B+  | -5.4                          | 51.3                         | 0.4                              | 22.3  | 7.1                          | 134.0   | -5.5                              | 1.5               |
| Rwanda             | B+                         | B2      | B+    | -   | B+  | -9.0                          | 71.4                         | 4.1                              | 24.2  | 8.0                          | 112.6   | -10.7                             | 2.0               |
| <b>Middle East</b> |                            |         |       |     |     |                               |                              |                                  |   |                              |   |                                   |                   |
| Bahrain            | B+                         | B2      | B+    | BB- | B+  | -6.8                          | 115.4                        | -1.2                             | 198.8                                       | 26.7                         | 345.2   | -6.6                              | 2.2               |
| Iran               | -                          | -       | -     | B   | B-  | -3.7                          | -                            | -                                | -   | -                            | -   | -2.0                              | 1.2               |
| Iraq               | B-                         | Caa1    | B-    | -   | CC+ | -8.0                          | 78.1                         | -4.4                             | 6.0   | 6.6                          | 185.9   | -2.4                              | -1.0              |
| Jordan             | B+                         | B1      | BB-   | B+  | B+  | -3.0                          | 93.9                         | 1.0                              | 86.0  | 11.9                         | 182.9   | -6.4                              | 2.2               |
| Kuwait             | AA-                        | A1      | AA    | AA- | AA- | 5.7                           | 20.2                         | 1.7                              | 77.9  | 0.6                          | 157.3   | -0.8                              | 0.0               |
| Lebanon            | SD                         | C       | C     | SD  | CCC | -10.0                         | 190.7                        | 2.3                              | 168.0                                       | 68.5                         | 236.7   | -11.2                             | 2.0               |
| Oman               | B+                         | Ba3     | BB-   | BB  | BB- | -11.3                         | 84.3                         | 1.4                              | 47.1  | 12.4                         | 146.6   | -10.9                             | 2.7               |
| Qatar              | AA-                        | Aa3     | AA-   | AA- | A+  | 5.3                           | 63.3                         | 2.9                              | 179.1                                       | 7.2                          | 225.3   | -1.2                              | -1.5              |
| Saudi Arabia       | A-                         | A1      | A     | A+  | A+  | -6.2                          | 38.2                         | 16.3                             | 18.4  | 3.6                          | 50.4  | -0.6                              | -1.0              |
| Syria              | -                          | -       | -     | -   | C   | -                             | -                            | -                                | -   | -                            | -   | -                                 | -                 |
| UAE                | -                          | Aa2     | AA-   | AA- | AA- | -1.6                          | 40.5                         | -                                | -   | 2.5                          | -   | 3.1                               | -0.9              |
| Yemen              | -                          | -       | -     | -   | CC  | -                             | -                            | -                                | -   | -                            | -   | -                                 | -                 |



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

\* 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    | 0.00-0.25   | 17-Mar-21    | No change     | 28-Apr-21    |
| Eurozone                | Refi Rate                | 0.00        | 11-Mar-21    | No change     | 22-Apr-21    |
| UK                      | Bank Rate                | 0.10        | 18-Mar-21    | No change     | 06-May-21    |
| Japan                   | O/N Call Rate            | -0.10       | 19-Mar-21    | No change     | 27-Apr-21    |
| Australia               | Cash Rate                | 0.10        | 06-Apr-21    | No change     | 04-May-21    |
| New Zealand             | Cash Rate                | 0.25        | 24-Feb-21    | No change     | 14-Apr-21    |
| Switzerland             | SNB Policy Rate          | -0.75       | 25-Mar-21    | No change     | 17-Jun-21    |
| Canada                  | Overnight rate           | 0.25        | 10-Mar-21    | No change     | 21-Apr-21    |
| <b>Emerging Markets</b> |                          |             |              |               |              |
| China                   | One-year Loan Prime Rate | 3.85        | 22-Mar-21    | No change     | 20-Apr-21    |
| Hong Kong               | Base Rate                | 0.86        | 15-Mar-20    | Cut 64bps     | N/A          |
| Taiwan                  | Discount Rate            | 1.125       | 18-Mar-21    | No change     | N/A          |
| South Korea             | Base Rate                | 0.50        | 25-Feb-21    | No change     | 15-Apr-21    |
| Malaysia                | O/N Policy Rate          | 1.75        | 04-Mar-21    | No change     | 06-May-21    |
| Thailand                | 1D Repo                  | 0.50        | 24-Mar-21    | No change     | 05-May-21    |
| India                   | Reverse repo Rate        | 4.00        | 07-Apr-21    | No change     | N/A          |
| 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        | 18-Mar-21    | No change     | 29-Apr-21    |
| Jordan                  | CBJ Main Rate            | 2.50        | 16-Mar-20    | Cut 100bps    | N/A          |
| Turkey                  | Repo Rate                | 19.00       | 18-Mar-21    | Raised 200bps | 15-Apr-21    |
| South Africa            | Repo Rate                | 3.50        | 25-Mar-21    | No change     | 20-May-21    |
| Kenya                   | Central Bank Rate        | 7.00        | 29-Mar-21    | No change     | N/A          |
| Nigeria                 | Monetary Policy Rate     | 11.50       | 23-Mar-21    | No change     | 25-May-21    |
| Ghana                   | Prime Rate               | 14.50       | 22-Mar-21    | No change     | 24-May-21    |
| Angola                  | Base Rate                | 15.50       | 29-Mar-21    | No change     | 27-May-21    |
| Mexico                  | Target Rate              | 4.00        | 25-Mar-21    | Cut 25bps     | 13-May-21    |
| Brazil                  | Selic Rate               | 2.75        | 17-Mar-21    | Raised 75bps  | 05-May-21    |
| Armenia                 | Refi Rate                | 5.50        | 16-Mar-21    | No change     | 04-May-21    |
| Romania                 | Policy Rate              | 1.25        | 15-Mar-21    | Cut 25bps     | 12-May-21    |
| Bulgaria                | Base Interest            | 0.00        | 01-Apr-21    | No change     | 03-May-21    |
| Kazakhstan              | Repo Rate                | 9.00        | 09-Mar-21    | No change     | 26-Apr-21    |
| Ukraine                 | Discount Rate            | 6.50        | 04-Mar-21    | Raised 50bps  | 15-Apr-21    |
| Russia                  | Refi Rate                | 4.25        | 19-Mar-21    | No change     | 23-Apr-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](mailto:research@byblosbank.com.lb)  
[www.byblosbank.com](http://www.byblosbank.com)

---

The Country Risk Weekly Bulletin is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from the Country Risk Weekly Bulletin may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.



---

# 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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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

