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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Global debt equivalent to 350% of GDP at end-September 2021

The Institute of International Finance indicated that the global debt level, which includes the debt of governments, companies and households, reached $296 trillion (tn) at the end of September 2021, nearly unchanged from end-June 2021 and constituting an increase of 5.7% from $280.1tn at end-September 2020. The debt of developed markets accounted for 68.7% and the debt of emerging markets (EM) represented 31.3% of the total. It noted that the debt level was equivalent to 350% of global GDP at end-September 2021 compared to 356% of GDP a year earlier. It pointed out that the debt of non-financial corporates reached $86.6tn, or 98% of global GDP, at the end of September 2021, followed by government debt with $86.3tn (104.3% of GDP), financial sector indebtedness with $67.8tn (82.7% of GDP), and household debt with $55.4tn (65% of GDP). In parallel, it indicated that EM non-financial corporate debt totaled $39tn or 101% of GDP, followed by EM government borrowing at $23.1tn (63.6% of GDP), EM household debt at $17.3tn (46% of GDP), and financial sector indebtedness at $13.4tn (36.3% of GDP). Further, it pointed out that the debt of developed markets reached $203.4tn or 411.5% of GDP, while the debt level of EMs totaled $92.6tn or 247% of GDP at the end of September 2021.

Source: Institute of International Finance

SAUDI ARABIA

Profits of listed firms up 127% to $101bn in first nine months of 2021

The cumulative net income of 185 companies listed on the Saudi Stock Exchange, or Tadawul, totaled SAR379.7bn, or $101.2bn, in the first nine months of 2021, constituting an increase of 127% from SAR167.2bn, or $44.6bn, in the same period of 2020. Listed energy firms generated net profits of $74.8bn and accounted for 73.8% of total earnings in the covered period. Listed banks followed with $9.7bn in net income (9.6%), then basic materials firms with $9.6bn (9.4%), utilities companies with $2.6bn (2.6%), telecommunications firms with $2.5bn (2.5%), firms in the food & beverages industry with $528m (0.53%), healthcare equipment & services providers with $506.6bn (0.5%), retailers with $288.2m (0.3%), and software and services firms with $206.5m (0.2%); while listed companies in other sectors registered net profits of $721.2m (0.7%). In parallel, listed commercial & professional services providers, as well as listed firms in the consumer services and in the real estate management sector, posted aggregate net losses of $223m in the covered period. Further, the net earnings of media services firms increased by 208.5% in the first nine months of 2021 from the same period last year, followed by the net income of capital good firms (+124.3%), energy companies (+114.2%), banks (+68%), healthcare equipment & services providers (+22.7%), software & services companies (+13.2%), and telecommunications firms (+5.4%). In contrast, the net profits of insurers decreased by 61.5% in the covered period, followed by the net earnings of pharmaceuticals, biotech & life sciences companies (-53.1%), food & staples retailers (-42.6%), the food & beverage industry (-32.2%), and retailers (-12.4%).

Source: KAMCO

MENA

Area trails most regions in terms of energy performance

The World Energy Council's 2021 Energy Trilemma Index ranked Qatar in 31st place among 127 countries globally and in first place among 15 countries in the Middle East & North Africa region. The UAE followed in 33rd place, then Saudi Arabia (41st), Bahrain (42nd), Kuwait (45th), Iran and Oman (48th place each), Egypt (54th), Algeria (56th), Tunisia (58th), Morocco (61st), Lebanon (65th), Jordan (66th), Iraq (69th), and Mauritania (86th). The index measures a country's ability to provide a secure, affordable and environmentally-sustainable energy system. It assesses a country's energy performance based on three dimensions that are Energy Security, Energy Equity and Environmental Sustainability. Qatar ranked in first place in the region on the Energy Security and Energy Equity dimensions, while Jordan ranked first on the Environmental Sustainability dimension. The average score for the 15 MENA countries included in the survey was 61.95 points, and was lower than the global average score of 62.9 points. The region's average score came below the scores of North America (79.8 points), Europe & Central Asia (72.4 points), East Asia & the Pacific (64.4 points) and Latin America & the Caribbean (64.2 points). However, it exceeded the average scores of South Asia (47.1 points) and Sub-Saharan Africa (45 points). In parallel, the council indicated that countries in the MENA region performed well in terms of energy access and affordability, while they continued to face significant challenges in terms of energy security and environmental sustainability.

Source: World Energy Council

More than 50% of consumers increase online shopping

A survey on the state of e-commerce and digital payments in Bahrain, Egypt, Jordan, Kuwait, Qatar, Saudi Arabia and the UAE indicated that 53% of surveyed consumers in these countries reported in the summer of 2021 that they are doing more of their shopping online, relative to 45% of respondents surveyed in the summer of 2020. Also, the survey showed that 60% of respondents in the covered countries said in the summer of 2021 that they prefer to pay for their online purchases via a digital payment method relative to 40% in the summer of 2020, while 48% of consumers said that they most frequently shop online via a mobile phone application. In parallel, the survey indicated that 85% of surveyed consumers in the seven countries made online purchases from brands and retailers outside of their home country in the past 12 months, and that 33% cited cross-border shopping as their number one reason for shopping online. Further, it pointed out that 47% of the surveyed persons purchased online their travel, tourism or hospitality needs in the past 12 months. It added that 53% of the highest income respondents said they used a mobile phone application to send remittances across borders in the past 12 months. The survey was conducted by global payment solutions provider checkout.com and market research firm YouGov in the summers of 2020 and 2021. It had a sample size of 13,000 consumers across the seven countries.

Source: checkout.com, YouGov

OUTLOOK

ALGERIA

Outlook subject to significant downside risks

The International Monetary Fund indicated that the Algerian economy is gradually recovering from the COVID-19 outbreak and the sharp decline in global oil prices, as the authorities' effective policy response helped mitigate the healthcare and social impact of the pandemic. It projected real GDP growth at 3.2% in 2021 and 2.4% in 2022, following a contraction of 4.9% in 2020, supported by the rebound in hydrocarbon prices and production, a faster rollout of the vaccine, as well as by the relaxation of containment measures. Also, it expected non-hydrocarbon sector activity to grow by 2% in 2021 and 2.4% in 2022, relative to a contraction of 3.9% last year. It considered that the growth outlook is uncertain and challenging, with risks tilted to the downside and related to the evolution of the pandemic, the volatility of oil prices, as well as to social and geopolitical conditions.

In parallel, the IMF forecast the fiscal deficit at 11.8% of GDP in each of 2021 and 2022, despite higher hydrocarbon prices and production. Also, it expected the public debt level to rise from 50.7% of GDP at the end of 2020 to 59.2% of GDP at end-2021 and 65.4% of GDP at end-2022. It stressed the need for a gradual and sustained fiscal consolidation, underpinned by revenue-enhancing and spending measures. It also called on authorities to diversify the sources of the budget's financing and to avoid the monetization of the fiscal deficit. In addition, it urged authorities to implement a well-calibrated monetary policy, combined with greater exchange rate flexibility, as well as to step up efforts to reduce the economy's dependence on hydrocarbons. Further, it projected the current account deficit to narrow from 12.7% of GDP last year to 4.9% of GDP in 2021 and 3.6% in 2022, driven by the easing of oil production cuts and higher hydrocarbon prices. It anticipated foreign currency reserves to decrease from 12.5 months of imports at end-2020 to 11.1 months of import coverage at end-2021 and to 9.9 months of imports at end-2022.
Source: International Monetary Fund

NIGERIA

Economic growth projected at 2.7% annually in medium term

The International Monetary Fund indicated that Nigeria's economy is recovering from a historic downturn, but anticipated a subdued rebound in economic activity. It projected real GDP growth at 2.6% in 2021, supported by favorable base effects in the transport and trade sectors, as well as by sustained strong growth in the information & technology sector. It also forecast economic activity to expand by 2.6% to 2.7% annually in the medium term. It considered that there are significant downside risks to the near-term outlook from the uncertain evolution of the COVID-19 pandemic and the domestic security situation. However, it noted that upside risks to the outlook consist of the effective implementation of the 2021 Petroleum Industry Act, and for the Dangote oil refinery to reach production capacity faster-than-anticipated. Further, it expected the inflation rate to remain in double-digits in case authorities do not reform monetary policy.

In parallel, the IMF projected the fiscal deficit to widen to 6.3% of GDP in 2021 despite higher global oil prices, due to implicit fuel subsidies and higher security spending, and to stabilize at this level in 2022. It considered that downside risks to the near-term fiscal outlook include the ongoing pandemic, the country's weak security situation, and spending pressures related to the electoral cycle. It anticipated the fiscal deficit to remain elevated in the medium term, in case authorities do not step up efforts to mobilize public revenues, and forecast the public debt level to reach 43% of GDP by end-2026. Also, it expected the elevated debt servicing-to-public revenues ratio to make the fiscal position highly vulnerable to real interest rate shocks and for authorities to further rely on the monetization of the fiscal deficit. It stressed the need to completely lift the fuel and electricity subsidies in the near term. It also noted that significant additional public revenue mobilization is key to put the public debt level and the country's debt-servicing capacity on a sustainable path. Further, it expected that a transition to a unified, market-based and flexible exchange rate will address the foreign currency shortages, maintain Nigeria's competitiveness, and boost foreign currency reserves.
Source: International Monetary Fund

PAKISTAN

Medium term outlook contingent on private sector development and improving investment climate

The International Monetary Fund indicated that Pakistan's economy is recovering from the COVID-19 shock, as authorities have effectively implemented a multifaceted policy response. It projected real GDP growth at about 4% in the fiscal year that ends in June 2022 and at 4.5% in FY2022/23. It said that authorities began to adjust policies, including by gradually unwinding COVID-related stimulus measures, and that the State Bank of Pakistan (SBP) has started to reverse its accommodative monetary policy stance and to strengthen some macro-prudential measures to contain consumer credit growth.

In parallel, it expected the elevated inflation rates to decline once the pass-through effects from the depreciation of the Pakistani rupee fade and temporary supply-side constraints and demand-side pressures dissipate. It encouraged the SBP to tighten its monetary policy in order to lower inflation rates, to preserve the flexibility of the exchange rate, and to boost foreign currency reserves. It anticipated the current account deficit to widen in FY2021/22 due to stronger demand for imports and higher global commodity prices, despite an increase in exports. In addition, it pointed out that the government plans to introduce measures to simplify the tax system and to restrain expenditures, in order to narrow the primary fiscal deficit, and encouraged authorities to target a small primary fiscal surplus to reduce the public debt level and ease fiscal vulnerabilities. As such, it called on authorities to broaden the tax base by removing the remaining preferential tax treatments and exemptions, and urged them to implement reforms in the electricity sector to address its adverse spillovers on the budget, the financial sector, and the economy.

Further, the IMF encouraged authorities to boost investments and private sector development, in order to strengthen the medium-term outlook, by improving the governance, transparency, and efficiency of state-owned enterprises; fostering the business environment; fighting corruption; boosting competitiveness; as well as promoting financial inclusion. It noted that authorities made progress in improving the anti-money laundering and combating the financing of terrorism framework, but considered that they should step up efforts to strengthen its effectiveness.
Source: International Monetary Fund

ECONOMY & TRADE

GCC

Higher oil prices support stronger growth and better fiscal prospects

Goldman Sachs considered that the growth outlook for Gulf Cooperation Council (GCC) economies is broadly positive in the near term. It attributed the economic recovery in GCC countries to the easing of lockdown measures related to the COVID-19 pandemic, the low number of coronavirus cases in recent months, the continued rise in global oil prices, as well as to regional developments such as Dubai Expo 2020 and the FIFA World Cup in Qatar. It expected higher oil prices to constitute the key driver in the region growth in 2022 and beyond. Also, it pointed out that the sovereign borrowing requirements of the GCC governments have decreased due to higher hydrocarbon revenues, which will provide fiscal space for public investments and expenditures. However, it noted that growth prospects vary across the region and expected the highest growth rates to occur in economies that already have relatively healthy balance sheets. As such, it forecast real GDP growth to accelerate in Saudi Arabia from an expected 4.5% in 2021 to 7.9% in 2022, to pick up in Kuwait from 4.5% in 2021 to 6.4% in 2022, to increase in Qatar from 2.9% in 2021 to 6.1% in 2022, and to reach 5% in the UAE in 2021 and 2022. In contrast, it anticipated real GDP growth to slowdown in Bahrain from an estimated 6% in 2021 to 1.2% in 2022 and in Oman from 2.9% in 2021 to 0.9% in 2022, due to limited public spending in both countries. Further, it projected economic growth to average 2.4% in the UAE, 1.9% in Saudi Arabia, 1.2% in Bahrain, 0.9% in each of Kuwait and Oman, and to contract by an average of 0.3% in Qatar in the 2023-25 period.

Source: Goldman Sachs

JORDAN

Economic growth projected at 2.7% in 2022

The International Monetary Fund (IMF) considered that Jordan's economy is rebounding from the COVID-19 shock, and projected the country's real GDP to grow by 2% in 2021 and by 2.7% in 2022, supported by the gradual recovery in tourism receipts, an adequate level of foreign currency reserves, as well as by the authorities' efforts to pursue structural reforms. It considered that the fiscal policy that the authorities adopted has helped so far preserve macroeconomic stability, the public debt's sustainability, market access, as well as cushion the impact of the crisis on the economy. It noted that authorities introduced major legislative reforms 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 abide by the recommendations of the IMF's fiscal transparency evaluation. However, it said that the country continues to suffer from elevated unemployment rates, a low level of domestic consumption, and high inflation rates. Also, it projected the current account deficit at 9.5% of GDP in 2021 as a result of the increase in the import bill due to higher global oil prices. In parallel, the IMF expected the aggregate funding for the country, including the amount drawn under the Rapid Financing Instrument, to reach nearly $2bn in the 2020-2024 period. The IMF considered that continued donor support is crucial for the success of the IMF-supported program, and would help Jordan cope with Syrian refugees and with the vaccination process.

Source: International Monetary Fund

MOROCCO

Loss of Algerian gas supply is credit negative

Moody's Investors Service considered that the decision of the Algerian authorities to suspend the country's hydrocarbon exports to Spain through the Gaz-Maghreb-Europe pipeline, which transits across Morocco, is credit negative for the Moroccan sovereign, since the latter sourced up to 20% of its electricity production from natural gas that it imported almost exclusively from Algeria in the past five years. The agency indicated that the Algerian measure came in response to growing tensions between the two countries. It noted that, under a previous arrangement with Algeria, Morocco had access to low cost Algerian natural gas, which helped reduce the country's energy import bill over the past decade. As such, it expected the suspension of the agreement to increase Morocco's energy import bill in the near term, and to widen its current account deficit from 1.4% of GDP in 2020 to 3.4% of GDP in 2022. It noted that high natural gas prices might lead Morocco to use more polluting fossil fuels like coal and fuel oil, while the country's 2021-2050 National Roadmap, which is a part of the national energy strategy, aims to replace coal with a lower-emission natural gas infrastructure. In parallel, it pointed out that the government continues to pursue its objective of expanding the share of renewable energy sources in electricity production from 22% in 2020 to 52% by 2030. Also, it noted that the government is evaluating the option of importing gas directly from Spain through the latter's existing liquefied natural gas infrastructure. It added that Morocco remains one of the most advanced countries in the Middle East & North Africa region in the implementation of renewable energy projects.

Source: Moody's Investors Service

ETHIOPIA

Worsening political crisis to impact debt negotiations

Standard Chartered Bank indicated that the political situation in Ethiopia is deteriorating, and that it did not expect the federal government to reach an agreement with the Tigrayan People's Liberation Front in the near term. As such, it anticipated the current political backdrop to complicate Ethiopia's negotiations with external donors and creditors on a potential debt restructuring related to the Group of 20 Common Framework (CF). It said that a second meeting of the G 20 creditor committee took place in October 2021, but that the negotiations process has been slower-than-expected. It noted that the current government plans to pay the Eurobond coupon that is due on December 11, 2021, and that Ethiopian authorities see the restructuring of privately held debt as a last resort. However, it considered that it is still unclear if the honoring of the upcoming debt payment would be compatible with the requirement of comparable treatment between official and private sector lenders. It stressed that Ethiopia needs to resolve the political situation in order for it to gain access to an additional funded program from the International Monetary Fund. It noted that it is unclear whether a new government would honor the existing debt obligations and engage in the CF process. In parallel, it anticipated the United States to impose additional sanctions on Ethiopia, and did not expect the restoration of Ethiopia's tariff-free access to the U.S. under the African Growth and Opportunity Act to take place in the near term.

Source: Standard Chartered Bank

BANKING

WORLD

Solvency metrics of most banks to approach pre-pandemic levels by 2022

A survey by Moody's Investors Service of 952 rated banks in 87 banking systems around the world indicated that a stronger-than-expected economic rebound and government measures have limited the impact of the COVID-19 pandemic on most banks, and expected the majority of the banks to re-align their solvency metrics to pre-pandemic levels by the end of 2022. It said that most banks have contained asset risks, as only 14% of the covered banks registered a significant increase in their problem loan ratios in 2020. Also, it projected these ratios to be 40 basis points (bps) higher at the end of 2022 than at end-2020, following the gradual withdrawal by policymakers of extraordinary support measures to mitigate the effects of the coronavirus. In parallel, it forecast the banking systems' pre-provisioning income to grow by 3.9% on average and for their assets to expand by around 5% annually in the near term. Also, it projected the banks' cost of risk to fall to pre-pandemic levels by 2022 and to offset the decline in their net income, and expected the return on tangible assets of the covered banks to increase slightly to 0.7% by the end of 2022. Further, it anticipated the capital metrics of most banks to remain stable, as it projected a marginal decline in their Tangible Common Equity ratio of around 25bps by the end of 2022, due in part to the resumption of dividend payments and shares buybacks. It noted that a deterioration in the banks' capital metrics could be limited to less than 50bps for nearly two-thirds of the rated banks.
Source: Moody's Investors Service

QATAR

Banks' reliance on external funding mitigated by high fiscal and external buffers

Regional investment bank EFG Hermes expected that credit growth, stable margins and lower provisioning costs will support the earnings of Qatar National Bank, Doha Bank, Masraf Al Rayan, Qatar Islamic Bank, and the Commercial Bank of Qatar in the next two years. It indicated that that the five banks' credit growth accelerated from 7% in 2020 to 10% on an annual basis at the end of September 2021. It said that credit to the public sector expanded in 2021, but anticipated it to decelerate in the coming months as the government continues to repay short-term loans. It also forecast lending to the private sector to slightly improve in the near-term, as the Qatari non-oil economy recovers from the COVID-19 pandemic. It anticipated lending at the five banks to expand by 7% to 8% in the 2022-23 period, and for their net profits to increase by about 15% annually in the next two years. Also, it expected the expansion of the North Field Liquefied Natural Gas project to drive in part the banking sector's lending growth. In parallel, it indicated that customer deposits at Qatari banks are equivalent to 55% of total assets, while foreign funding, including non-resident deposits, bonds and other wholesale funding, accounted for 40% of assets at the end of August 2021. As such, it considered that Qatari banks are vulnerable to an economic shock due to their high reliance on external funding, but it anticipated the sovereign's large fiscal and external buffers to provide a high degree of government support to the sector in case of financial stress.
Source: EFG Hermes

UAE

Agency affirms ratings of eight banks

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of First Abu Dhabi Bank (FAB) at 'AA-', the ratings of Emirates NBD (ENBD), Abu Dhabi Commercial Bank (ADCB), Abu Dhabi Islamic Bank (ADIB) and HSBC Bank Middle East (HBME) at 'A+', the IDRs of Dubai Islamic Bank (DIB) and Mashreqbank (Mashreq) at 'A', and the rating of Bank of Sharjah (BOS) at 'BBB+'. It maintained the 'stable' outlook on the ratings of FAB, ENBD, ADCB, DIB, Mashreq, ADIB and BOS and kept the 'negative' outlook on the IDR of HBME to reflect the similar outlook on the bank's parent HSBC Holdings. It indicated that the banks' ratings benefit from a very high probability of government support in case of need, except for HBME, which is supported by its parent company. In parallel, Fitch affirmed the Viability Rating (VR) of FAB at 'a-', the rating of HBME at 'bbb', the VR of Mashreq at 'bbb-', the ratings ENBD, ADCB and DIB at 'bb+', and the VR of ADIB at 'bb', while it downgraded the rating of BOS from 'b-' to 'bbb+'. It maintained the VR of Mashreq on Rating Watch Negative (RWN), while it removed that of BOS from RWN. It attributed the downgrade of BOS's VR to incurred losses from its operations in Lebanon, which weigh on the bank's asset quality, earnings and capital. It pointed out that the banks' ratings balance sound funding and strong liquidity positions against weak asset quality. It stated that FAB, ENBD, DIB and ADIB benefit from healthy profitability, while weak profit ratios are weighing on the ratings of ADCB, Mashrek, HBME and BOS. It added that the banks' ratings are underpinned by adequate capitalization, except for Mashrek and BOS.
Source: Fitch Ratings

TUNISIA

Agency takes rating actions on seven banks

Capital Intelligence Ratings downgraded the long-term foreign currency ratings of Banque Internationale Arabe de Tunisie (BIAT), Banque Nationale Agricole (BNA), Banque de Tunisie (BdT), Société Tunisienne de Banque (STB) and Attijari Bank from 'B+' to 'B', and affirmed the ratings of Amen Bank and Union Bancaire pour le Commerce et I'Industrie (UBCI) at 'B'. It also downgraded the Bank Standalone Ratings (BSRs) of BIAT, BdT and Attijari Bank from 'b+' to 'b', and affirmed the BSRs of BNA, STB, Amen Bank and UBCI at 'b'. Further, it revised the outlook on all the ratings from 'stable' to 'negative'. It attributed its rating actions and outlook revision to the recent lowering of the agency's internal assessment of Tunisia's sovereign credit risk and to the worsening of the operating environment for banks. It stated that the elevated political risks and their adverse impact on the fragile economic and fiscal situation in the country constrain the banks' ratings. It added that the increase in refinancing risks for Tunisian banks and the inability of the government to finalize a new financing agreement with the International Monetary Fund are weighing on the banks' ratings. Further, it considered that the elevated risks associated with the sovereign could negatively affect the banks' asset quality, due to their high exposure to government securities. It noted that the banks' profitability might decline if the economy weakens further and in case of an event risk. It added that increasing financing risks for the sovereign would have a negative impact on the banking sector's liquidity.
Source: Capital Intelligence Ratings

ENERGY / COMMODITIES

Release of oil reserves to reduce oil prices by just $1.7 per barrel in first half of 2022

In an attempt to reduce global oil prices, U.S. President Joe Biden approved on November 23 the release of 50 million barrels from the country's Strategic Petroleum Reserves, while China, India, Japan, South Korea and the United Kingdom released a total of around 30 million barrels from their strategic reserves. However, the Economic Commission Board of the OPEC+ alliance considered that the release of crude oil reserves could increase the crude oil surplus that the markets expected in early 2022. It estimated that the excess supply will increase from 1.1 million barrels per day (b/d) in January and February to reach 2.3 million (b/d) in January and 3.7 million b/d in February 2022, in case 66 million additional barrels were brought onto the market over the two-month period. As such, Goldman Sachs noted that OPEC+ countries might decide to reduce their oil production in order to offset the impact of the U.S.-coordinated strategic inventory release. Also, it expected the release of crude oil reserves to reduce oil prices by just $1.7 p/b in the first half of 2022, by $1.3 p/b in the second half of 2022, and by $1 p/b and $0.7 p/b in 2023 and in 2024, respectively. Further, it considered that Iran's potential return to the market and the lockdown measures recently announced in Europe constitute key uncertainties for the oil market. In parallel, Standard Chartered Bank projected oil prices to average $78.5 p/b in the fourth quarter of 2021, and $74 p/b in the first quarter of 2022. It revised downwards its oil forecast from $72.5 p/b to $71 p/b in 2021, and from $77 p/b to $67 p/b in 2022.
Source: Goldman Sachs, Standard Chartered Bank, Refinitiv, Byblos Research

ME&A's oil demand to expand by 5% in 2021

The Organization of Petroleum Exporting Countries (OPEC) projected the consumption of crude oil in the Middle East & Africa to average 12.24 million barrels per day (b/d) in 2021, which would constitute a rise of 5.4% from 11.61 million b/d in 2020. The region's demand for oil would represent 23.6% of demand in non-OECD countries and 12.7% of global consumption this year.
Source: OPEC

Global steel output up 6% in first 10 months of 2021

Global steel production reached 1.6 billion tons in the first 10 months of 2021, constituting an increase of 6.4% from 1.5 billion tons in the same period of 2020. Production in China totaled 877 million tons and accounted for 54.6% of global output in the covered period. India followed with 96.9 million tons (6%), then Japan with 80.4 million tons (5%), the U.S. with 71.7 million tons (4.5%), and Russia with 62.5 million tons (3.9%).
Source: World Steel Association, Byblos Research

Saudi Arabia's oil exports receipts up 98% to $18.5bn in September

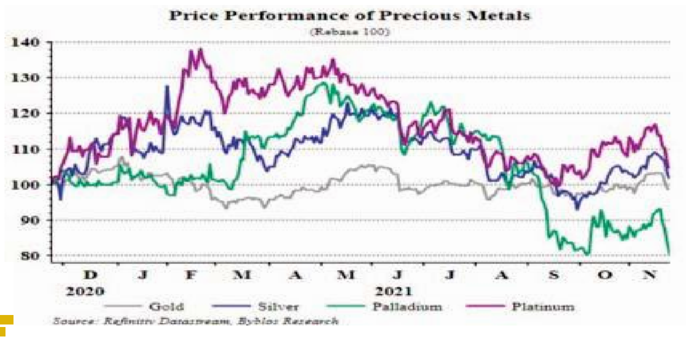
Total oil exports from Saudi Arabia amounted to 7.85 million barrels per day (b/d) in September 2021, constituting a marginal decrease of 0.6% from 7.9 million b/d in August and a rise of 10.5% from 7.1 million b/d in September 2020. Further, oil export receipts reached $18.5bn in September 2021, decreasing by 4.8% from $17.7bn in August 2021 and surging by 97.8% from $9.4bn in September 2020.
Source: JODI, General Authority for Statistics

Base Metals: Copper prices projected to average $11,875 per ton in 2022

LME copper cash prices averaged $9,288.6 per ton in the year-to-November 24, 2021 period, constituting a rise of 54.6% from an average of $6,006.8 a ton in the same period of 2020. Supply disruptions and expectations of robust demand drove the surge in prices, amid the anticipated stronger global economic recovery. Also, copper prices dropped from an all-time high of $11,299.5 per ton on October 18 of this year to $9,895 a ton on November 24, as a slowdown in economic activity in China put pressure on the metal's price. In parallel, the latest available figures show that global demand for refined copper was 16.55 million tons in the first eight months of 2021, up by 2.1% from the same period of 2020, due to an 8.5% increase in global demand excluding China. Further, the demand for the metal in China declined by 2.8% in the covered period, driven by a 27% decrease in the imports of net refined copper. In parallel, global refined copper production grew by 6.2% to 16.45 million tons in the first eight months of the year, as higher output from China, the Democratic Republic of the Congo, and the United States was partially offset by lower production in Brazil, Chile, Germany, Japan, Myanmar, Russia, Spain and Sweden. Further, Goldman Sachs projected copper prices to average $9,549 per ton in 2021 and $11,875 a ton in 2022.
Source: ICSG, Goldman Sachs, Refinitiv

Precious Metals: Silver prices projected to average $23 per ounce in 2022

Silver prices averaged $25.4 per troy ounce in the year-to-November 24, 2021 period, constituting an increase of 26.8% from an average of $20.1 an ounce in the same period last year. The rise in the metal's price is mainly due to a surge in inflation rates globally, which has reinforced the appeal of the metal as a hedge against inflation and as a cheaper alternative to gold. In addition, the metal's price dropped from a recent high of $28.18 an ounce on May 17, 2021 to $23.5 per ounce on November 24, due to a slowdown in demand for the metal, to higher U.S. Treasury yields and to a stronger US dollar, amid expectations that the U.S. Federal Reserve could tighten its monetary policy faster-than-expected. In parallel, Standard Chartered Bank forecast the industrial demand for silver to exceed pre COVID-19 levels in 2021, as the metal is primarily used for industrial applications. It said that the Silver Institute forecast the global supply of silver to rise by 6% in 2021, driven by an increase in Mexico's output. Further, it expected silver prices to remain elevated in 2022, but to ease relative to 2021 levels that were largely driven by the spike in interest from retail transactions at the start of the year. Also, Goldman Sachs forecast silver prices to average $25 per ounce in 2021 and $23.1 an ounce in 2022.
Source: Standard Chartered Bank, Goldman Sachs, Refinitiv, Byblos Research



COUNTRY RISK METRICS

Countries	S&P	Moody's	LT Foreign currency rating 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 (%)
Africa													
Algeria	-	-	-	-	B+								
	-	-	-	-	Negative	-6.5	-	-	-	-	-	-10.8	1.1
Angola	CCC+	B3	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	CCC	Caa1	CCC		B+								
	Negative	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	CCC+	Caa1	-	-	CCC								
Congo	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	-	Caa1	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+	B+	B+								
	Negative	Negative	Stable	Stable	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	A+	AA-								
	Negative	Stable	Negative	Stable	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-								
	Positive	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	Stable	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	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								
Asia													
Armenia	B+	Ba3	B+	B+	B-								
	Positive	Stable	Stable	Positive	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	03-Nov-21	No change	N/A
Eurozone	Refi Rate	0.00	28-Oct-21	No change	26-Nov-21
UK	Bank Rate	0.10	04-Nov-21	No change	N/A
Japan	O/N Call Rate	-0.10	28-Oct-21	No change	17-Dec-21
Australia	Cash Rate	0.10	02-Nov-21	No change	07-Dec-21
New Zealand	Cash Rate	0.75	24-Nov-21	Raised 25 bps	N/A
Switzerland	SNB Policy Rate	-0.75	23-Sep-21	No change	16-Dec-21
Canada	Overnight rate	0.25	27-Oct-21	No change	08-Dec-21
Emerging Markets					
China	One-year Loan Prime Rate	3.85	22-Nov-21	No change	20-Dec-21
Hong Kong	Base Rate	0.86	15-Mar-20	Cut 64bps	N/A
Taiwan	Discount Rate	1.125	23-Sep-21	No change	N/A
South Korea	Base Rate	1	25-Nov-21	Raised 25 bps	N/A
Malaysia	O/N Policy Rate	1.75	03-Nov-21	No change	20-Jan-22
Thailand	1D Repo	0.50	10-Nov-21	No change	22-Dec-21
India	Reverse repo Rate	4.00	08-Oct-21	No change	08-Dec-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	28-Oct-21	No change	16-Dec-21
Jordan	CBJ Main Rate	2.50	01-Sep-21	Cut 100bps	N/A
Turkey	Repo Rate	15.00	18-Nov-21	Cut 100bps	16-Dec-21
South Africa	Repo Rate	3.75	18-Nov-21	Raised 25 bps	27-Jan-22
Kenya	Central Bank Rate	7.00	28-Sep-21	No change	29-Nov-21
Nigeria	Monetary Policy Rate	11.50	23-Nov-21	No change	N/A
Ghana	Prime Rate	14.50	22-Nov-21	Raised 100bps	31-Jan-22
Angola	Base Rate	20.00	01-Oct-21	No change	30-Nov-21
Mexico	Target Rate	5.00	11-Nov-21	Raised 25 bps	16-Dec-21
Brazil	Selic Rate	7.75	27-Oct-21	Raised 150bps	08-Dec-21
Armenia	Refi Rate	7.25	02-Nov-21	No change	N/A
Romania	Policy Rate	1.75	09-Nov-21	Raised 25bps	10-Jan-22
Bulgaria	Base Interest	0.00	01-Nov-21	No change	01-Dec-21
Kazakhstan	Repo Rate	9.50	25-Oct-21	No change	06-Dec-21
Ukraine	Discount Rate	8.50	21-Oct-21	No change	06-Dec-21
Russia	Refi Rate	7.50	22-Oct-21	Raised 75bps	17-Dec-21

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