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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Email attacks up by 293% in first half of 2024

Figures released by Acronis, a global provider of cybersecurity and data protection, shows that the number of email attacks globally surged by 293% in the first half of 2024 from the same period last year. It noted that malware attacks decreased from 11% of total emails that contain viruses in the first half of 2023 to 4% in the first half of 2024. It added that the most targeted countries for malware attacks were Bahrain, Egypt and South Korea in the first quarter of 2024. Further, it pointed out that the spam rate globally, which is the number of reported emails as spam out of the total number of sent messages, declined from 30.3% in the first half of 2023 to 27.6% in the first half of 2024, while the proportion of emails with malicious content increased from 1.3% of total sent emails to 1.5% in the first half of 2024. Also, it said that 75% of received emails worldwide encountered phishing links that facilitate unauthorized access and data breaches in the first half of 2024. It noted that 20% of received emails contained malware attacks in the covered period, while 4% of emails included business email compromise (BEC) scams that can persuade company employees to transfer money or send gift cards, and 1% of sent emails had advanced attacks where the attacker gains and maintains unauthorized access to the targeted network and remains undetected for a significant period of time. In parallel, it said that there were 1,048 publicly reported ransomware cases globally in the first quarter of 2024, up by 23% from the first quarter of 2023, where cybercriminals steal data and only release the data when they receive a ransom payment.

Source: Acronis, Byblos Research

AFRICA

Travel and tourism to contribute 6.2% of Sub-Saharan Africa's GDP in 2024

The World Travel & Tourism Council estimated that the travel and tourism sector in Sub-Saharan Africa (SSA) contributed 6.2% of the region's GDP in 2023 compared to 7% of GDP in 2019. It estimated that the broad travel & tourism (T&T) sector generated $123.3bn in revenues in 2023, constituting a decrease of 4.7% from $129.4bn in 2019. It pointed out that the T&T industry in SSA employed 19.07 million persons in 2023, down by 9.2% from 21 million jobs in 2019. As such, the industry accounted for 4.5% of the region's total employment in 2023 compared to a share of 5.4% in 2019. In parallel, it estimated the aggregate international spending by visitors in SSA at $33.4bn in 2023 relative to $38.4bn in 2019, while spending by local visitors on T&T reached $65.2bn in 2023, up by 1.6% from $64.1bn in domestic spending in 2019. In parallel, it projected the contribution of the T&T sector to the region's GDP at $136.2bn in 2024 and at $212.1bn in 2034, which would be equivalent to 6.8% of this year's GDP and 7.4% of GDP in 2034. It forecast the employment in the T&T sector at 21.15 million jobs in 2024, or 4.8% of total employment in the region this year, and at 31.5 million jobs or 5.5% of the region's total employment in 2034. It expected international spending by visitors in SSA at $38.8bn in 2024 and $64.8bn in 2034, and anticipated domestic spending at $70bn in 2024 and $99.6bn in 2034.

Source: World Travel & Tourism Council

MENA

Transparency of real estate markets varies across region

Jones Lang LaSalle's 2024 Global Real Estate Transparency Index ranked Dubai as the 28th most transparent real estate market among 89 countries and markets worldwide and the most transparent Arab real estate market. Saudi Arabia followed in 38th place globally, then Abu Dhabi (41st), Morocco (59th), and Egypt (61st); while Oman (71st), Algeria (75th), Tunisia (76th), Lebanon (82nd), and Iraq (89th) had the least transparent real estate markets. The index aims to compare and contrast transparency conditions across real estate markets worldwide. The index scores range from one to 5 points, with a score of one point reflecting full market transparency. The Arab region's average score is 3.76 points in the 2024 index compared to 3.83 points in the 2022 survey, and trailed the global average score of 3 points. Also, the average score of Gulf Cooperation Council (GCC) countries was 3.3 points in the 2024 survey, while the score of non-GCC Arab countries stood at 4.1 points. The survey upgraded Oman's real estate market from the "Opaque" category in the 2022 survey to the "Low-Transparency" segment in 2024, while it maintained the Dubai real estate market in the "Transparent" category and the markets of Saudi Arabia and Abu Dhabi in the "Semi-Transparent" segment. Also, it kept the real estate markets of Morocco, Egypt, Bahrain, Qatar, and Jordan in the "Low-Transparency" category, and maintained Algeria, Tunisia, Lebanon, and Iraq in the "Opaque" category.

Source: Jones Lang LaSalle, Byblos Research

GCC

Corporate earnings down 2% to $117bn in first half of 2024

The net income of listed companies in Gulf Cooperation Council (GCC) countries reached $117.2bn in the first half of 2024, constituting a decrease of 1.8% from $119.3bn in the same period of 2023. The firms' net earnings totaled $56.5bn in the first quarter and $60.7bn in the second quarter of 2024. Listed companies in Saudi Arabia generated $75.3bn in profits, or 64.2% of total corporate earnings in the GCC in the first half of 2024, followed by listed firms in Abu Dhabi with $16.2bn (13.8%), in Dubai with $12.1bn (10.3%), in Qatar with $7bn (6%), in Kuwait with $4.6bn (3.9%), and in Oman and Bahrain with $1bn each (0.9% each). Further, the earnings of listed companies in Dubai grew by 21% in the first half of 2024 from the same period in 2023, followed by the profits of listed firms in Bahrain (+11.1%), and in Qatar (+6.1%), while the earnings of listed firms in Abu Dhabi dropped by 13.8%, followed by the profits of listed companies in Saudi Arabia (-2.7%). Also, the earnings of listed companies in Kuwait and Oman were unchanged year-on-year in the first half of 2024. In addition, the earnings of listed firms in the GCC energy sector reached $60.5bn and accounted for 51.7% of total corporate earnings in the first half of 2024, followed by the profits of listed banks with $29.3bn (25%), telecommunication firms with $5.2bn (4.5%), real estate companies with $3.9bn (3.3%), and materials firms with $3.4bn (2.9%). Further, the profits of banks increased by 11% annually in the first half of 2024, while the income of companies in the energy sector fell by 10% year-on-year.

Source: KAMCO

WORLD

Growth outlook varies across Group of 20 economies

Moody's Ratings projected real GDP growth rate for the Group of 20 economies to decelerate from 3% in 2023 to 2.7% in 2024 and 2.5% in 2025, with growth trends differing across countries. It also forecast the growth rate in the advanced G-20 economies at 1.7% in 2024 and 1.6% in 2025, while it expected growth in G-20 emerging markets at 4.1% this year and 3.8% next year. It considered that several G-20 economies will move from a cyclical recovery to a steady expansion phase in 2025, but it added that fundamental economic resilience, structural growth factors and domestic business cycles will determine the growth potential of each economy in the near term. In addition, it considered that most commodity prices, including oil, food and metals, have adjusted in real terms to levels comparable to prices prior to the COVID-19 pandemic and are no longer a constraint on global economic growth.

Further, it expected the U.S. Federal Reserve to begin reducing its policy rate in September of this year, with cumulative cuts of 75 basis points (bps) in 2024 and 125 bps in 2025. It also noted that other major central banks have already shifted towards monetary easing, given the decline inflation, and expected them to continue normalizing their policy stance, which will help stabilize global credit conditions and support economic growth.

In addition, it considered that risks to the global economic outlook are tilted to the downside and include a sharp slowdown in the U.S. economy if the U.S. Federal Reserve maintains a restrictive policy stance, the ongoing conflicts in Ukraine and the Middle East, and rising restrictions on cross-border trade and investment flows and on immigration. It added that businesses engaged in global trade and finance face increases in the costs of risk mitigation in the form of supply chain diversification, insurance or other risk management measures.

Source: Moody's Ratings

SAUDI ARABIA

Non-oil real GDP growth rate to average 4% in 2026-29 period, outlook subject to balanced risks

The International Monetary Fund (IMF) projected Saudi Arabia's real GDP growth rate at 1.7% in 2024 and 4.7% in 2025, assuming that the 1 million barrels per day of voluntary oil production cuts will be gradually phased out between October 2024 and September 2025. Also, it forecast the Kingdom's real non-oil GDP growth rate to accelerate from 3.5% in 2024 to 4.4% in 2025, driven mainly by stronger domestic demand and as investments from the Public Investment Fund that would increase from $40bn to $70bn per year starting from 2025. In addition, it anticipated the inflation rate at 1.9% in 2024 and 2% in 2025, and expected inflationary pressures to remain contained by consistent domestic policies and by the credible peg of the local currency to the U.S. dollar. Also, it forecast the real GDP growth rate to average 3.7% and for the non-oil real GDP growth rate to average 4.1% in the 2026-29 period.

Further, it anticipated the fiscal balance to post deficits of 3.3% of GDP in 2024 and 2.9% in 2025, driven by higher capital expenditures and lower oil revenues. It urged the authorities to step up efforts to increase non-oil revenues and rationalize energy subsidies. It stressed the need to implement a five-year medium-term fiscal framework, which would require designing a comprehensive medium-term revenue strategy. It also projected the public debt level to increase from 28.7% of GDP at the end of 2024 to 30% at end-2025 and 35.3% of GDP at end-2029, below the authorities' 40% of GDP threshold, amid prudent debt and contingent liability management. It noted that the development of a Sovereign Asset-Liability Management framework would enhance fiscal policy efficiency and enable cost-effective decision-making about debt management and investment strategies. Further, it forecast the current account balance to post deficits of 0.1% of GDP in 2024 and 1.1% of GDP in 2025 due to lower oil export proceeds and elevated investment-linked imports.

In parallel, the IMF considered that risks to the outlook are broadly balanced amid high global uncertainties. It said upside risks include accelerated structural reforms and investments that could boost real GDP growth rates. In contrast, it indicated that downside risks include subdued global economic activity, delays in the implementation of reforms, financial markets volatility, geopolitical risks, and an increase in non-OPEC+ oil supply.

Source: International Monetary Fund

NIGERIA

Economic prospects dependent on implementation of reforms

Barclays Capital revised upward Nigeria's real GDP growth rate from 2.5% to 2.8% for 2024, and forecast it at 3% to 3.5% in 2025, driven by the authorities' ongoing implementation of reforms. But it expected economic activity to be limited to 3% in the second half of 2024, due to tighter monetary policy, the decrease in business confidence and weak demand conditions. It considered that high input costs as a result of the prevailing foreign currency reforms, along with foreign currency shortages, will weigh on manufacturing activity in the near term. Further, it expected the inflation rate to increase from 24.7% in 2023 to 31.2% in 2024 amid the sharp rise in domestic fuel prices due to the lifting of subsidies and the depreciation of the exchange rate. It anticipated the inflation rate to average 18.3% in 2025 as a result of a combination of tighter monetary policy, lower disposable income and a stable exchange rate. Also, it considered that the rise in fuel prices would delay the easing of monetary policy until the first quarter of 2025.

In addition, it projected the fiscal deficit at 3.8% of GDP in 2024 and 3.5% of GDP in 2025, in case of higher revenues, despite the doubling of the minimum wage in July 2024 from NGN30,000 per month to NGN70,000 per month. It added that the government will no longer have to pay the expensive fuel subsidy amid lower oil production. Also, it said that the government reduced recently some expenditures by 20% to 35% in order to keep the fiscal deficit in line with the budget target. In parallel, it projected the current account surplus at 2% of GDP in 2024 and 3% of GDP in 2025. Also, it anticipated Nigeria's gross external debt to decrease from 56.6% of GDP in 2024 to 54.5% in 2025, and considered that the government may issue Eurobonds in the coming months. Further, it expected foreign currency reserves to reach $36.5bn at end-2024 and $38.5bn at end-2025.

Source: Barclays Capital

SAUDI ARABIA

Insurance premiums to reach $25.4bn in 2026

In its Insurance Industry and Country Risk Assessment, S&P Global Ratings considered that the property and casualty (P&C) insurance sector in Saudi Arabia has an "intermediate" risk level. It noted that it derived its assessment from a "moderately high" country risk level and a "moderately low" industry risk level for the domestic P&C insurance sector. It expected the P&C insurance market in the Kingdom to remain profitable in 2024, and anticipated better pricing and stronger underwriting discipline in the medical and motor business lines this year. Further, it indicated that the insurance sector has limited exposure to risky asset classes such as equities and real estate, as the insurers' principal asset classes are cash and fixed-income securities. Also, it forecast the acceleration of economic activity in the Kingdom to help premiums in the P&C segment to grow by 15% in the 2024-25 period. It added that the insurance industry will benefit from projects supported by the Public Investment Fund in the near term. In parallel, it noted that several initiatives will support the increase in insurance penetration and the market's expansion, such as megaprojects that offer the insurance sector vast growth opportunities, new mandatory coverage, as well as efforts that aim to reduce the number of uninsured vehicles. As such, it expected the sector's gross written premiums to increase from SAR75.3bn, or $20.1bn, in 2024 to SAR86.6bn ($23.1bn) in 2025 and SAR95.2bn ($25.4bn) in 2026.

Source: S&P Global Ratings

JORDAN

Sovereign ratings upgraded on implementation of reforms

S&P Global Ratings upgraded Jordan's long-term foreign and local currency sovereign credit ratings from 'B+' to 'BB-', which is three notches below investment grade, and affirmed the short-term foreign and local currency ratings at 'B', while it maintained the 'stable' outlook on the long-term ratings. It attributed the upgrade of the ratings to the implementation of fiscal and economic reforms that widened the tax base and improved the economy's competitiveness and the business environment, and to potential additional external support. It noted that the 'stable' outlook reflects the country's resilient economy in the face of persistent regional stress. It considered that the government has adequate domestic policy buffers to manage the impact of the conflict on tourism and on the broader economy. It expected effective policymaking and forthcoming support from multilateral and donor partners to maintain macroeconomic stability during potential future shocks, despite the highly challenging external environment. Further, it noted that declining foreign direct investments would potentially increase the government's reliance on external debt. It also forecast Jordan's external financing needs at 150.3% of current account receipts and usable reserves in 2024, and at 151.6% and 152.2% of such receipts and reserves in each of 2025 and 2026. Moreover, it said that it may downgrade the ratings if the reforms momentum stalls and/or if the currently strong bilateral and multilateral donor support diminishes unexpectedly, which would trigger pressures on external financing. It noted that it could upgrade the ratings if Jordan's external imbalances recede and/or if the public debt level declines.

Source: S&P Global Ratings

EGYPT

Credit profile dependent on strong external support

In its periodic review of Egypt's credit profile, Moody's Ratings indicated that the sovereign's long-term issuer ratings of 'Caa1' are supported by the UAE's $35bn investment in the Ras al-Hikma land development, which provided $24bn in fresh foreign direct investments that helped close the external financing gap of $15bn until the fiscal year that ends in June 2026 and addressed the $7bn in import backlogs. Further, it noted that the economic strength assessment of 'a3' reflects the large and diversified economy that depends on the continued implementation of reforms to improve the business climate in order to attract domestic and foreign private sector investments. It indicated that the institutions and governance strength assessment of 'b2' balances a growing track record of completed economic and fiscal reforms against a history of ineffective macroeconomic and exchange rate management, which have increased Egypt's shock exposure and led to the emergence of acute foreign-currency shortages in the past decade. It stated that the 'ca' fiscal strength assessment captures the elevated debt-servicing costs that weigh on debt affordability, as well as the high public debt level of 90% of GDP at the end of FY2023/24. It added that the 'caa' susceptibility to event risk score is primarily driven by the government's elevated liquidity risks, given that the government's financing needs are currently equivalent to about 30% of GDP amid high domestic borrowing costs. In addition, it indicated that the 'positive' outlook takes into account the significant official and bilateral support that will, if maintained, support macroeconomic rebalancing.

Source: Moody's Ratings

TÜRKIYE

Sovereign ratings upgraded on improved external buffers

Fitch Ratings upgraded Türkiye's long-term foreign currency issuer default rating (IDR) from 'B+' to 'BB-', which is three notches below investment grade. Also, it upgraded the Country Ceiling from 'B+' to 'BB-' and revised the outlook on the long-term ratings from 'positive' to 'stable'. It attributed the upgrade to the strengthening of the country's external buffers, driven by reduced dollarization rate in the financial sector, lower foreign currency demand, high capital inflows, and improved access to external borrowing, which have increased foreign currency reserves to $149bn recently. As such, it expected reserves to reach $158bn at end-2024 and $165bn at end-2025, which would raise the reserve coverage to 4.7 months of current external payments. Also, it projected the fiscal deficit to narrow from 5% of GDP in 2024 to 3.1% of GDP in 2025 and 2.8% of GDP in 2026. In addition, it expected external liquidity risks to recede in the near term, and forecast the current account deficit at 1.9% of GDP in 2024 and at an average of 1.7% of GDP in the 2025-26 period. In parallel, the agency noted that it could downgrade the ratings in case the authorities do not maintain a policy mix that is consistent with reducing macroeconomic and financial stability risks, if international reserves decline, and/or in case of a deterioration in political or security conditions. It added that it could upgrade the ratings if the inflation rate declines significantly, if the balance of payments' position strengthens, and/or if the authorities implement reforms that contribute to rebuilding institutional strength and governance.

Source: Fitch Ratings

QATAR

Banks benefiting from funding structure

Moody's Ratings indicated that banks operating in Qatar are facing challenges related to the limited transparency of several large private-sector corporate borrowers and the high concentration of loans to single borrowers and sectors. It attributed the recent increase in non-performing loans mainly to the slowdown in the real estate market, to payment delays in the contracting sector, and to high interest rates. However, it considered that the exposure of the banks to the low-risk Qatari sovereign is mitigating their significant loan book to vulnerable borrowers. Further, it expected lending to the private sector to grow by 3% to 4% in 2024. In addition, it indicated that Qatari banks are primarily funded by customer deposits, which were equivalent to 52% of total assets at the end of June 2024. It added that the funding structure of Qatari banks benefits from a significant level of deposits from the government and government-related entities. It said that the Central Bank of Qatar introduced regulations that reduced the banking system's reliance on external funding from a peak of 39% of total assets at end-2021 to 34% of total assets at end-June 2024. But it noted that the sector's reliance on external funding remains elevated, which makes it vulnerable to shifts in investor sentiment. It pointed out that risks from the volatility of foreign funding are partially offset by well-diversified sources of funding across geographies and maturities. Also, it expected banks to shift towards a longer-term funding structure in a lower interest rate environment. In parallel, it stated that liquid assets were equivalent to 24.7% of total assets at end-March 2024, and considered that this provides a sound buffer against future shocks.

Source: Moody's Ratings

UAE

Agencies take rating actions on eight banks

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of First Abu Dhabi Bank (FAB) at 'AA-' and the IDRs of Abu Dhabi Commercial Bank (ADCB) and Emirates NBD Bank (ENBD) at 'A+', and maintained the 'stable' outlook on the long-term ratings. It indicated that the banks' ratings benefit from a strong probability of government support in case of need. In parallel, it upgraded the Viability Rating (VR) of ADCB from 'bb+' to 'bbb-' and the VR of ENBD from 'bbb-' to 'bbb' due to improvements in their asset quality metrics. It also affirmed the VR of FAB at 'a-'. It noted that the ratings of the three banks are supported by their strong domestic franchise and healthy liquidity profile. It pointed out that the ratings of ENBD and ADCB are underpinned by their sound capitalization, while the rating of FAC reflects its moderate capital ratios. In parallel, Capital Intelligence Ratings affirmed the long-term foreign currency ratings of Al Masraf and the National Bank of Ras Al Khaimah (Rakbank) at 'A', the ratings of National Bank of Umm Al Qaiwain (NBQ) and National Bank of Fujairah (NBF) at 'A-', and the rating of Commercial Bank International (CBI) at 'BBB+'. Further, it affirmed the Bank Standalone Rating (BSR) of Rakbank at 'bbb+', the BSRs of Al Masraf, NBQ and NBF at 'bbb', and the BSR of CBI at 'bbb-'. Also, it maintained the 'stable' outlook on the long-term foreign currency ratings and BSRs of the five banks. It pointed out that the ratings of the banks are supported by their solid capital ratios and comfortable liquidity metrics.

Source: Fitch Ratings, Capital Intelligence Ratings

EGYPT

Liquid assets at 37% of total at end-2023

The International Monetary Fund (IMF) indicated that Egyptian banks are profitable, liquid, and have adequate capital buffers. It said that the sector's capital adequacy ratio declined from 20.9% at the end of 2022 to 18.6% at end-2023 due to the depreciation of the Egyptian pound that inflated risk-weighted assets. Further, it noted that liquid assets in the local currency fell from 44.3% of total local currency assets at end-2022 to 36.9% at end-2023, while liquid assets in foreign currency dropped from 78.4% of total foreign currency assets at the end of 2022 to 67.5% at end-2023. It added that the sector's loans-to-deposits ratio reached 54% at end-2023 compared to 48.6% at end-2022. In addition, it said that the sector's non-performing loans (NPLs) ratio regressed from 3.2% at the end of 2022 to 3% at end-2023, while loan provisions stood at 88.7% of total NPLs at end-2023 relative to 91.6% of NPLs at end-2022. In parallel, it indicated that the banks' net foreign asset positions have rebounded sharply due to the increase in capital inflows following the announcement of the Ras al-Hikma deal, as well as to the completion of the first and second reviews under the IMF's Extended Fund Facility arrangement. It pointed out that banks remain compliant with regulatory limits on net foreign exchange open positions, but stated that foreign currency loans to public sector entities are not fully matched by foreign currency deposits, which would imply a potential vulnerability to exchange rate movements through credit risks. Further, it noted that the banks' return on equity reached 17.7% in 2023 relative to 16.1% in 2022, while their return on assets stood at 1.2% in 2023, unchanged from 2022.

Source: International Monetary Fund

PAKISTAN

Banks' ratings upgraded, outlook changed to 'positive'

Moody's Ratings upgraded the long-term deposit ratings of Allied Bank (AB), Habib Bank (HB), MCB Bank (MCB), National Bank of Pakistan (NBP) and United Bank (UB) from 'Caa3' to 'Caa2', which are eight notches below investment grade. Also, it upgraded the Baseline Credit Assessments (BCAs) of AB, HB, MCB and UB from 'caa3' to 'caa2', while it affirmed the BCA of NBP at 'caa3'. Further, it revised the outlook on the banks' long-term ratings from 'stable' to 'positive'. It attributed the upgrade of the ratings to its similar action on the sovereign ratings amid Pakistan's improving macroeconomic conditions and moderately better government liquidity and external positions, given the banks' significant holdings of Pakistani sovereign debt securities. In parallel, it noted that the 'positive' outlook reflects the high capacity of the government to support the banks in case of need, as well as potential improvements in the operating environment. It pointed out the ratings of the five banks balance their ample liquidity buffers against their modest capital metrics. It said that the ratings of AB, HB and NBP are supported by their stable funding base, while elevated non-performing loans ratio constrain the ratings of HB and UB. In addition, the agency said that it could revise the outlook from 'positive' to 'stable' in case of a deterioration in the banks' financial metrics. It noted that it could upgrade the ratings if the banks maintain their resilient financial performance and/or if the operating environment improves.

Source: Moody's Ratings

Oil prices to average $81.9 p/b in third quarter of 2024

ICE Brent crude oil front-month prices stood at $69.2 per barrel (p/b) on September 10, 2024, reaching their lowest level since December 1, 2021, when they reached $68.9 p/b. The drop in oil prices was mainly driven by bearish investor sentiment after the OPEC+ coalition lowered its global demand forecast for the second time in two months, as well as to weak Chinese demand that outweighed U.S. supply disruptions from Tropical storm Francine and global oversupply risks. However, oil prices recovered to $70.6 p/b on September 11, 2024, driven by a drop in U.S. crude oil inventories and concerns about Hurricane Francine disrupting U.S. oil output. In parallel, the U.S. Energy Information Administration expected that upward pressures on global oil prices consist of additional oil output cuts by OPEC+ members, the recent production outages in Libya, the ongoing tensions in the Middle East, global inventory withdrawals, and persistent attacks in the Red Sea. However, it considered that downward pressures on global oil prices include a decrease in Chinese demand for oil, a potential slowdown in economic activity in the U.S., and a rise in oil supply by non-OPEC members. Also, it expected the ongoing withdrawals from global oil inventories to support oil prices in the near term. It forecast a further decrease in global oil inventories through the end of this year, even before the OPEC+ coalition announced that it will delay production increases until December 2024. Further, it projected oil prices to average $81.9 p/b in the third quarter and $81.6 p/b in the fourth quarter of 2024.
Source: U.S. Energy Information Administration, Refinitiv, Byblos Research

OPEC's oil basket price down 7% in August 2024

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $78.41 per barrel (p/b) in August 2024, constituting a decrease of 7.1% from $84.43 p/b in July 2024. The price of Equatorial Guinea's Zafiro was $82.69 p/b, followed by Nigeria's Bonny Light at $81.99 p/b, and Algeria's Sahara Blend at $81.72p/b. All prices in the OPEC basket posted monthly decreases of between $3.08 p/b to $6.94 p/b in August 2024.
Source: OPEC

Global hydroelectricity consumption down 2.3% in 2023

BP estimated global hydroelectricity consumption at 39.7 exajoules (EJ) in 2023, down by 2.3% from 40.6 EJ in 2022. Hydroelectricity consumption in the Asia-Pacific reached 16.7 EJ, or 42.2% of global demand for hydroelectricity last year, followed by demand in South & Central America with 7 EJ (17.7%), Europe with 6 EJ (15.1%), North America with 5.8 EJ (14.7%), the Commonwealth of Independent States with 2.4 EJ (6%), Africa with 1.5 EJ (3.8%), and the Middle East with 0.3 EJ (0.7%).
Source: BP, Byblos Research

Asia Pacific accounts for 64% of LNG imports in 2023

BP indicated that the global imports of Liquefied Natural Gas (LNG) reached 549.2 billion cubic meters (bcm) in 2023, constituting an increase of 1.8% from 539.3bcm in 2022. LNG imports to the Asia-Pacific region totaled 352.5 bcm and accounted for 64.2% of the world's global imports. Europe followed with 169.1 bcm (30.8%), then South and Central America with 15.8 bcm (2.9%), the Middle East and Africa with 10.2 bcm (1.9%), and North America with 1.6 bcm (0.3%).
Source: BP, Byblos Research

Base Metals: Zinc prices to average $2,484 per ton in third quarter of 2024

The LME cash prices of zinc averaged $2,671 per ton in the year-to-September 11, 2024 period, constituting a decrease of 1.6% from an average of $2,714.3 a ton in the same period of 2023, due to weak demand for zinc from China. Prices dropped from a peak of $3,085.2 per ton on May 21, 2024, to $2,729.3 a ton in September 11, 2024, driven by the oversupply of the metal. In parallel, the latest available figures released by the International Lead and Zinc Study Group (ILZSG) show that global demand for refined zinc stood at 6.67 million tons in the first half of 2024, constituting an increase of 3.4% from 6.45 million tons in the same period of 2023 due to the rise in demand for the metal from Brazil, China, India, South Korea, Taiwan, Thailand and Vietnam, which was offset by lower demand from Europe and the United States. Also, global zinc production was 6.897 million tons in the first half of 2024, nearly unchanged from 6.901 million tons in the first half of 2023, due to the reductions in Mexico, the Netherlands, Norway and Peru, which were largely offset by higher output from Canada, China, France, Japan and Germany, where the Norden ham smelter resumed production in March. In addition, mine output accounted for 84% of global refined zinc production in the first half of 2024. It indicated that the global market for refined zinc metal was in surplus by 228,000 tons and that total global inventories increased by 172,000 tons in the first half of 2024. Further, S&P Global Market Intelligence projected zinc prices to average $2,484 per ton in the third quarter of 2024, with a low of $2,300 a ton and a high of $2,660 per ton in the covered quarter.
Source: ILZSG, S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Platinum prices to average $1,009 per ounce in third quarter of 2024

Platinum prices averaged $949.4 per troy ounce in the year-to-September 11, 2024 period, constituting a decrease of 4 % from an average of $989 an ounce in the same period last year due to weaker global industrial demand. Also, platinum prices dropped from a recent peak of $1,065 per ounce on May 17, 2024 to $941 an ounce on September 11, 2024, driven by weak demand from the automotive sector, which struggled with semiconductor shortages and logistical bottlenecks, and a recovery in mine production. In parallel, the World Platinum Investment Council projected global demand for platinum to reach 8.12 million ounces in 2024 and to increase by 3% from 7.9 million ounces in 2023. Moreover, it expected net flows to platinum-backed exchange-traded funds to shift from outflows of 20,000 ounces in 2023 to inflows of 150,000 ounces in 2024. Also, it forecast the global supply of platinum to contract from 7.16 million ounces in 2023 to 7.1 million ounces in 2024, or by 1%, with mine output representing 77.7% of global refined platinum production in 2024. It forecast the metal's market deficit to widen from 731,000 ounces in 2023 to 1.03 million ounces in 2024 amid a recovery in global supply of platinum in 2024. Further, S&P Global Market Intelligence projected platinum prices to average $1,008.6 per ounce in the third quarter of 2024, with a low of $996 an ounce and a high of $1,050 per ounce in the covered quarter.
Source: World Platinum Investment Council, S&P Global Market Intelligence, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	-	-	-	-								
	-	-	-	-	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B-	B3	B-	-								
	Stable	Positive	Stable	-	-1.0	82.4	4.6	53.3	26.9	108.2	2.5	-4.3
Egypt	B-	Caa1	B-	B								
	Positive	Positive	Positive	Stable	-7.2	86.6	2.8	85.1	58.8	158.1	-3.6	13.4
Ethiopia	SD	Caa3	CCC-									
	-	Stable	-	-	-2.9	26.2	0.5	33.4	7.8	157.9	-3.4	2.0
Ghana	SD	Ca	RD	-								
	-	Stable	-	-	-4.8	78.1	1.1	41.1	22.7	127.6	0.9	2.0
Côte d'Ivoire	BB-	Ba2	BB-	-								
	Positive	Stable	Stable	-	-4.5	57.7	4.7	47.6	15.7	112.3	-4.4	2.3
Libya	-	-	-	-								
	-	-	-	-	-	-	-	-	-	-	-	-
Dem Rep	B-	B3	-	-								
Congo	Stable	Stable	-	-	-2.5	15.0	1.4	5.1	2.0	102.1	-5.6	4.2
Morocco	BB+	Ba1	BB+	-								
	Positive	Stable	Stable	-	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B-	Caa1	B-	-								
	Stable	Positive	Stable	-	-4.4	47.4	2.9	41.7	23.3	113.6	0.5	0.1
Sudan	-	-	-	-								
	-	-	-	-	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	-	Caa2	CCC-	-								
	-	Negative	-	-	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+	-	-	-								
	Stable	-	-	-	-5.5	61.8	0.5	64.8	12.3	168.7	-3.6	0.5
Rwanda	B+	B2	B+	-								
	Stable	Stable	Stable	-	-4.8	68.0	3.6	22.5	9.6	111.1	-10.6	3.5
Middle East												
Bahrain	B+	B2	B+	B+								
	Stable	Stable	Stable	Stable	-4.0	120.8	-4.1	148.5	26.5	363.8	3.7	1.0
Iran	-	-	-	B								
	-	-	-	Stable	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B-	Caa1	B-	-								
	Stable	Stable	Stable	-	-4.5	38.3	20.3	4.0	2.0	33.0	11.5	-1.8
Jordan	BB-	Ba3	BB-	BB-								
	Stable	Stable	Stable	Stable	-1.1	90.6	1.9	69.7	10.9	151.6	-4.6	1.8
Kuwait	A+	A1	AA-	A+								
	Stable	Stable	Stable	Stable	-2.1	4.7	2.8	41.3	0.4	97.3	19.4	-3.0
Lebanon	SD	C	RD**	-								
	-	-	-	-	-0.2	270.6	9.0	165.9	6.5	151.4	-9.5	0.5
Oman	BB+	Ba1	BB+	BB+								
	Stable	Positive	Stable	Stable	1.4	34.5	1.8	31.4	8.2	113.0	1.3	2.5
Qatar	AA	Aa2	AA-	AA								
	Stable	Stable	Positive	Stable	4.2	41.7	2.4	125.2	4.2	174.5	15.8	-2.4
Saudi Arabia	A	A1	A+	A+								
	Stable	Positive	Stable	Positive	-2.0	23.0	10.2	23.8	3.4	66.1	1.4	0.1
Syria	-	-	-	-								
	-	-	-	-	-	49.0	-	-	-	-	-15.5	-
UAE	-	Aa2	AA-	AA-								
	-	Stable	Stable	Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	-	-	-	-								
	-	-	-	-	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Asia												
Armenia	BB-	Ba3	BB-	B+								
	Stable	Stable	Stable	Positive	-4.3	46.5	2.0	29.8	9.8	114.6	-3.0	2.2
China	A+	A1	A+	-								
	Stable	Negative	Stable	-	-3.0	66.1	10.6	25.8	5.9	64.5	2.3	0.7
India	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-8.0	86.0	6.6	27.5	28.9	87.2	-3.1	1.5
Kazakhstan	BBB-	Baa2	BBB	-								
	Stable	Positive	Stable	-	-2.7	26.1	4.0	26.6	7.9	99.2	-2.8	2.2
Pakistan	CCC+	Caa2	CCC+	-								
	Stable	Positive	-	-	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Central & Eastern Europe												
Bulgaria	BBB	Baa1	BBB	-								
	Positive	Stable	Positive	-	-2.8	23.8	1.7	19.9	1.7	105.0	-0.2	1.8
Romania	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-5.9	49.0	4.3	25.4	6.4	99.6	-6.9	2.0
Russia	-	-	-	-								
	-	-	-	-	-0.8	19.8	11.6	23.0	3.6	61.1	2.0	-0.6
Türkiye	B	B1	BB-	B+								
	Positive	Positive	Stable	Stable	-3.6	29.1	1.2	77.3	9.5	166.0	-2.4	1.2
Ukraine	CC	Ca	CC	-								
	Negative	Stable	-	-	-17.0	95.0	4.6	38.1	10.2	105.8	-6.6	1.4

** Current account payments*

***Fitch withdrew the ratings of Lebanon on July 23, 2024*

Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2024

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	5.50	31-Jul-24	No change	N/A
Eurozone	Refi Rate	4.25	06-Jun-24	Cut 25bps	12-Sep-24
UK	Bank Rate	5.00	01-Aug-24	Cut 25bps	19-Sep-24
Japan	O/N Call Rate	0.25	31-Jul-24	Raised 15bps	20-Sep-24
Australia	Cash Rate	4.35	06-Aug-24	No change	24-Sep-24
New Zealand	Cash Rate	5.25	14-Augl-24	No change	09-Oct-24
Switzerland	SNB Policy Rate	1.25	20-Jun-24	Cut 25bps	26-Sep-24
Canada	Overnight rate	4.25	04-Sep-24	Cut 25bps	18-Sep-24
Emerging Markets					
China	One-year Loan Prime Rate	3.35	20-Aug-24	Cut 10bps	20-Sep-24
Hong Kong	Base Rate	5.75	02-May-24	No change	N/A
Taiwan	Discount Rate	2.00	13-Jun-24	No change	19-Sep-24
South Korea	Base Rate	3.50	22-Aug-24	No change	11-Oct-24
Malaysia	O/N Policy Rate	3.00	05-Sep-24	No change	16-Nov-24
Thailand	1D Repo	2.50	21-Aug-24	No change	16-Oct-24
India	Repo Rate	6.50	08-Aug-24	No change	09-Oct-24
UAE	Base Rate	5.40	13-Dec-23	No change	N/A
Saudi Arabia	Repo Rate	6.00	13-Dec-23	No change	N/A
Egypt	Overnight Deposit	27.25	18-Jul-24	No change	17-Oct-24
Jordan	CBJ Main Rate	7.50	30-Jul-23	Raised 25bps	N/A
Türkiye	Repo Rate	50.00	20-Aug-24	No change	19-Sep-24
South Africa	Repo Rate	8.25	18-Jul-24	No change	19-Sep-24
Kenya	Central Bank Rate	12.75	06-Aug-24	Cut 25bps	N/A
Nigeria	Monetary Policy Rate	26.75	23-Jul-24	Raised 50bps	24-Sep-24
Ghana	Prime Rate	29.00	29-Jul-24	No change	30-Sep-24
Angola	Base Rate	19.50	19-Jul-24	No change	19-Sep-24
Mexico	Target Rate	10.75	08-Aug-24	No change	26-Sep-24
Brazil	Selic Rate	10.50	31-Jul-24	No change	N/A
Armenia	Refi Rate	7.75	30-Jul-24	Cut 25bps	10-Sep-24
Romania	Policy Rate	6.50	07-Aug-24	Cut 25bps	04-Oct-24
Bulgaria	Base Interest	3.54	01-Aug-24	Cut 10bps	01-Oct-24
Kazakhstan	Repo Rate	14.25	29-Aug-24	Cut 25bps	11-Oct-24
Ukraine	Discount Rate	13.00	25-Jul-24	No change	19-Sep-24
Russia	Refi Rate	16.00	07-Jun-24	No change	13-Sep-24

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