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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Investment banking fees up 14% to $117.4bn in 2024

Figures compiled by data provider Refinitiv show that global investment banking fees totaled $117.4bn in 2024, constituting an increase of 14% from $103bn in 2023, and relative to $110.4bn in 2022. The financial sector accounted for $41.2bn or 35% of investment banking fees in 2024, followed by the industrial sector with $12.4bn (10.5%), the energy & power sector with $12bn (10.2%), the healthcare sector with $9.2bn (7.8%), and government & government agencies with $8.4bn (7.1%). On a regional basis, the Americas represented $63.7bn, or 54.3% of the total fees that investment banks generated in the covered period, followed by Europe, the Middle East & Africa region with $29bn (24.7%), and the Asia-Pacific region with $24.7bn (21%). In parallel, the distribution of investment banking fees show that fees from debt capital markets reached $39.3bn and accounted for 33.4% of the total, followed by merger & acquisition fees with $33.4bn (28.5%), lending fees with 29bn (24.6%), and equity capital markets (ECMs) fees with $15.8bn (13.5%). It said that fees from ECMs increased by 7% from $14.8bn in 2023, with follow-on issuance reaching $8.8bn in the covered period and representing 56% of total fees from ECMs, followed by fees from initial public offerings with $4.7bn (29%), and fees from convertible securities with $2.3bn (15%). Also, fees from debt capital markets rose by 24% from $31.6bn in 2023, syndicated lending fees increased by 15% from $25.2bn in 2023, while merger & acquisition advisory fees grew by 7% from $31.3bn last year.

Source: Refinitiv

GCC

Fixed income issuance up 63% to $185.3bn in 2024

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached $185.3bn in 2024, constituting a surge of 63% from $113.6bn in 2023. Fixed income output in 2024 consisted of $70.2bn in corporate bonds, or 38% of the total, followed by $44.1bn in sovereign sukuk (23.8%), $37.6bn in corporate sukuk (20.3%), and $33.4bn in sovereign bonds (18%). Further, aggregate bonds and sukuk issued by corporates in the GCC stood at $107.8bn in 2024, or 58.2% of fixed income output in the region; while issuance by GCC sovereigns reached $77.5bn, or 41.8% of the total. GCC sovereigns issued $32.9bn in bonds and sukuk in January, $2.3bn in February, $2bn in March, $14.9bn in April, $9.1bn in May, $7.5bn in June, $2.8bn in July, $1.7bn in August, $1.5bn in September, $800m in October, $700m in November, and $1.5bn in December 2024. Also, GCC companies issued $13.6bn in bonds and sukuk in January, $8.2bn in February, $10.6bn in March, $4.6bn in April, $7.9bn in May, $7bn in June, $17.4bn in July, $2.3bn in August, $11.5bn in September, $13.9bn in October, $6.6bn in November, and $4.2bn in December 2024. In parallel, corporate output in December 2024 included $1.06bn in sukuk and $340m in bonds that Saudi Arabia-based companies issued, $500m in sukuk issued by firms in Oman, $100m in bonds that UAE-based companies issued, and $29.7m in bonds that Qatari firms issued. Also, sovereign proceeds in the covered month consisted of $1.25bn in sukuk that Bahrain issued.

Source: KAMCO, Byblos Research

MENA

Stock markets up 2.2% in 2024

Arab stock markets and Gulf Cooperation Council equity markets rose by 2.2% and 1.1% respectively, in 2024, relative to increases of 5% and 6.3%, respectively, in 2023. In comparison, global stocks and emerging market equities improved by 15% and 9% in the covered period. Activity on the Damascus Securities Exchange, based on the official stock market index, surged by 65.7% in 2024, the Dubai Financial Market gained 27%, the Beirut Stock Exchange rose by 26.2%, the Boursa Kuwait yielded 24%, the Casablanca Stock Exchange improved by 22.2%, and Iraq Stock Exchange grew by 20.2%. Also, the Egyptian Exchange rose by 19.5%, the Tunis Bourse appreciated by 13.7%, the Amman Stock yielded by 2.4%, the Muscat Securities Market advanced by 1.4%, the Bahrain Bourse increased by 0.7%, and the Saudi Stock Exchange appreciated by 0.6%. In contrast, the Palestine Exchange dropped by 15.3% in 2024, the Qatar Stock Exchange decreased by 2.4%, and the Abu Dhabi Securities Exchange regressed by 1.7%. In parallel, the Tehran Stock Exchange contracted by 2.3% in 2024.

Source: Local stock markets, Dow Jones Indices, Refinitiv, Byblos Research

EMERGING MARKETS

Nearly 31% of rated sovereigns have investment-grade rating at end-2024

S&P Global Ratings indicated that 30.9% of the sovereigns that it rates in the Emerging Europe, Middle East and Africa (EEMEA) region had an investment grade rating as at the end of 2024, the highest ratio since the end of June 2018. It noted that 18 of the sovereigns that it rates in the EEMEA region were in the 'B' category at end-2024 and accounted for 32.7% of total rated sovereigns, followed by 12 sovereigns in the 'BB' range (21.8%), 10 countries in the 'BBB' category (18.2%), eight sovereigns in the 'CCC' range or lower (14.5%), five countries in the 'A' segment (9.1%), and two sovereigns in the 'AA' bracket (3.6%). In addition, it pointed out that the ratings of 40 sovereigns carried a 'stable' outlook at end-2024, seven economies had a 'positive' outlook, and two countries carried a 'negative' outlook, while five sovereigns had a 'non meaningful' outlook as a result of defaulting on their financial obligations. Further, the latest available data shows that the average sovereign credit rating declined from about 'BB+' at the end of 2010 to 'BB-' at end-2024, while the average sovereign rating, weighted by GDP, declined from about 'BBB' to 'BBB-' during the same period of time. Also, it said that 17 sovereigns in Sub-Saharan Africa (SSA), 10 countries in Central & Eastern Europe, eight sovereigns in the Middle East & North Africa (MENA), and six economies in the Commonwealth of Independent States (CIS) carried a 'stable' outlook on their ratings at end-2024. It added that three countries in each of SSA and the MENA region, and one economy in Central & Eastern Europe had a 'positive' outlook on their ratings at end-2024, while one sovereign in each of SSA and the MENA region carried a 'negative' outlook on their ratings.

Source: S&P Global Ratings

EMERGING MARKETS

New U.S. policies to impact region's economies

Corporate and investment bank Natixis considered that the protectionist policies and a more pragmatic tackling of geopolitics of the incoming U.S. Administration will impact emerging markets (EMs). But it expected interest rate cuts from Asian central banks and fiscal policy to support the growth prospects of Asian economies in 2025, despite high geopolitical risks between the U.S. and China. It added that a stronger dollar will negatively affect portfolio flows to EM Asian countries, even if more antagonistic U.S.-China relations help foreign direct investments to the region's economies. Further, it considered that the Central and Eastern Europe, the Middle East & Africa (CEEMEA) region will be indirectly affected through the deterioration of the region's business sentiment, lower regional investment spending, and its trade links with the euro area economies. It said that the net impact on inflation will be negative through the pass-through effects from the depreciation of the region's local currencies against the US dollar. As such, it expected most of the central banks of the CEEMEA region to pause or delay the rate-cutting cycle.

In parallel, it said that the U.S.-China trade war might result in lower growth rates in the latter and, in turn, reduce significantly demand for commodities, mainly from the Middle East. As such, it expected oil prices to remain relatively stable at $73 per barrel (p/b) in 2025, after averaging $77 p/b in 2024, although downside risks to oil prices might intensify in the near term. But it noted that Gulf Cooperation Council economies should benefit from the gradual withdrawal of the OPEC+ limits on oil production.
Source: Natixis

MENA

Jobs' outlook contingent mainly on technology trends

The World Economic Forum's 2025 survey on the future of jobs around the world shows that job creation and destruction will amount to 19% of today's total jobs in the Middle East and North Africa (MENA) region in the next five years compared to 22% globally. Further, it said that responding firms expected that 46% of the workers' core skills in the region will change by 2030 relative to 39% worldwide. It added that 85% of organizations in the MENA region would run artificial intelligence (AI) programs in the coming five years relative to 88% globally. Further, it revealed that 54% of participants considered that the cost-of-living increase will drive transformation in their organization in the next five years, 53% of respondents said that broadening digital assets will be a game-changer.

In addition, it pointed out that, among technology trends, 79% of participating firms in the MENA region stated that AI and information processing technology will drive transformation in their organization in the next five years, 44% of respondents said that robots and autonomous systems will be a catalyst for organizational change, 31% noted that energy generation, storage and distribution will serve as a driving force for organizational transformation, 25% indicated that new materials and composites will significantly impact and reshape their organization, and 20% of surveyed companies believe that semiconductors and computing technologies will be a game-changer.

In parallel, it showed that 43% of respondents in the MENA region expected work tasks to be delivered predominantly by technology by 2030 compared to a share of 34% globally. It noted that 29% of participating firms in the region anticipated that work responsibilities will be delivered predominantly by human workers by 2030 relative to a share of 33% worldwide, while 28% believe that work duties will be delivered by a combination of human work and technology by 2030 compared to 33% globally. Also, it said that 63% of participating firms in the MENA region considered that skills gaps in the labor market would hinder their organizational transformation in the coming five years, 42% noted that their organization's culture and resistance to change would create barriers to organizational evolution, 39% indicated that outdated or inflexible regulatory frameworks would obstruct change initiatives, 34% said the lack of adequate data and technical infrastructure would impede organizational transformation, and 28% stated that the inability to attract talent would hinder their organizational transformation. The results are based on a survey of 1,000 global employers that have more than 14.1 million workers across 22 industry clusters and 55 economies.
Source: World Economic Forum

ANGOLA

Economic growth to average 3.2% in 2024-25 period, external pressures remain

BNP Paribas projected Angola's real GDP growth rate at 3.2% in 2025, unchanged from 2024, driven by a rebound in oil and non-oil activity. It noted that a difficult business climate and shortages of foreign currency in the domestic market are weighing on corporate activity. Further, it expected the inflation rate to decrease from an average of 28.2% in 2024 to 21.3% in 2025. It said that the Banco Nacional de Angola has not managed to contain inflationary pressures, given that it has left its key rate unchanged at 19.5% since May 2024. But it indicated that the effectiveness of monetary policy is restricted by the strong dollarization of the economy and the low level of bank lending to the private sector, with a loan penetration rate equivalent to 8% of GDP.

In addition, it projected the fiscal balance to shift from a small surplus of 0.2% of GDP in 2024 to a deficit of 1.5% of GDP in 2025 amid the continued depreciation of the kwanza. It added that the currency depreciation is threatening the sustainability of the public debt, as 75% of the public debt stock is denominated in foreign currency. It added that the International Monetary Fund estimated the debt-servicing cost at more than 30% of fiscal revenues in the 2024-25 period. It considered that the lifting of fuel subsidies, which cost 3% of GDP in 2024, constitutes a key measure to restore fiscal balance. It indicated that the authorities postponed the full liberalization of fuel prices, initially planned for 2025, amid the adverse social climate and the high inflation rate in the country.

In parallel, it projected the current account surplus to decline from 6.4% of GDP in 2024 to 4.8% of GDP in 2025 due to portfolio investment outflows that will more than offset the inflows of foreign direct investments in the hydrocarbon sector mainly. Still, it expected foreign currency reserves to rise from $14.9bn at end-2024 to $15.1bn at end-2025, equivalent of 8.5 months of import coverage at the end of 2024 and 2025.
Source: BNP Paribas

SAUDI ARABIA

Market pressures and regulations to encourage insurers' consolidation in 2025

S&P Global Ratings indicated that the revenues of the insurance sector in Saudi Arabia reached nearly SAR50bn in the third quarter of 2024, constituting an increase of 17% from SAR42bn in the same quarter of 2023. It added that the five largest insurers generated 75% of the sector's revenues in the third quarter of 2024 and that the five largest companies generated 80% of the sector's net profits in the covered quarter, due to changing dynamics and intensifying competition. Also, it noted that the medical and motor lines account for about 80% of the insurance sector's total revenues. It stated that revenues from the medical segment increased by 14% annually in the third quarter of 2024, while those from the motor line regressed by 2.5% in the covered period amid intensifying price competition. Also, it said that the profits from the life segments are concentrated in three insurance firms that account for 93% of the segment's income. Further, it expected the insurance penetration rate to increase due to the market's prospective growth potential, as the rate grew from 1.3% in 2021 to 1.9% in 2023. Also, it considered that firmer competition among insurers, mainly in motor third-party liability, additional declines in interest rates, and increasing regulatory requirements could exert pressure on the insurers' earnings and capital adequacy. As such, it expected merger and acquisition activity among insurers to continue in 2025.

Source: S&P Global Ratings

OMAN

Outlook on ratings changed to 'positive' on improving fiscal and external metrics

Fitch Ratings affirmed Oman's short- and long-term foreign and local currency issuer default ratings (IDRs) at 'B' and 'BB+', respectively, and revised the outlook on the long-term ratings from 'stable' to 'positive'. It attributed the change in outlook to the continued reduction in public debt level, lower net external debt, the accumulation of net sovereign foreign assets, greater confidence in the resilience of public finances, a lower fiscal breakeven oil price, and the availability of more fiscal tools to respond to shocks than in the past. Further, it indicated that the ratings are supported by the country's elevated GDP per capita and better governance indicators than peers, by the positive impact of recent fiscal reforms, and by the favorable government debt profile. But it noted that the ratings are constrained by the country's high dependence on oil revenues, modest financial buffers given the high exposure of the economy to volatile hydrocarbon prices, and the country's net external debtor position. Also, it projected the net external debt to stabilize at 13% of GDP in the 2025-26 period, close to the median of 'BB'-rated sovereigns. It said that lower net external debt repayments and strong foreign direct investments will support the Central Bank of Oman's foreign currency reserves to continue to cover about 3.5 months of current account spending in the 2025-26 period. In parallel, the agency said that it could downgrade the ratings if the government's debt increases and/or if the country's balance sheet deteriorates. In contrast, it noted that it could upgrade the ratings if non-oil revenues improve, if social spending decreases, and/or if net external debt and public debt levels decrease.

Source: Fitch Ratings

ARMENIA

Credit profile reflects growth prospects and solid governance

In its update on Armenia's credit profile, Moody's Ratings indicated that the country's 'Ba3' sovereign rating, which is three notches below investment grade, balances the economy's strong growth potential and institutions and governance strength, with high geopolitical risks. It added that a countercyclical fiscal policy, credible monetary policy, and forward-looking prudential policies provide effective tools to contain the impact of economic shocks. It said that Armenia's economic strength assessment of 'baa3' balances the economy's moderately high growth prospects against the country's small and middle-income economy. It added that the country's institutions and governance strength assessment of 'baa3' points to the improved credibility and effectiveness of macroeconomic policies and institutions, as well as to the authorities' progress on implementing structural reforms that aim to strengthen the control of corruption and the rule of law. It said that the government's fiscal strength assessment of 'baa2' reflects its moderate public debt level and the high share of foreign currency in the debt stock, which increases risks to the government's balance sheet if the dram depreciates. Also, it said that the country's external vulnerability risk assessment of 'ba' balances its adequate foreign currency reserves with its wide current account deficit. It added that the government liquidity risk assessment of 'baa' takes into account Armenia's strong track record of domestic borrowing at long maturities, which reduces refinancing risks.

Source: Moody's Ratings

EGYPT

Structural reforms are key to address economic challenges

The International Monetary Fund (IMF) indicated that the Egyptian authorities are continuing to implement key policies to preserve macroeconomic stability, despite ongoing regional tensions that are causing a sharp decline in foreign currency receipts from transit through the Suez Canal. It noted that the IMF staff and the Egyptian authorities agreed to recalibrate the fiscal consolidation path in order to create fiscal space for critical social programs, while ensuring debt sustainability, in light of the difficult external conditions and challenging domestic economic environment. Also, it projected the budget to post primary surpluses of 4% of GDP in the fiscal year that ends in June 2026 and of 5% of GDP in FY2026/27. It called on the authorities to continue the implementation of fiscal consolidation measures in order to reduce the elevated debt servicing costs and the gross domestic financing requirements. It noted that the Central Bank of Egypt reiterated its commitment to sustain a flexible exchange rate regime to support the country's ability to adjust to external shocks, and to maintain tight monetary conditions in order to reduce inflationary pressures. In addition, it called on the authorities to step-up their efforts to support the development of the private sector and to reduce the high public debt burden of the country. It urged the authorities to reduce the state's footprint in the economy and increase private sector confidence to help Egypt attract foreign investments and develop its full economic potential. In parallel, it announced that it has approved $1.2bn for Egypt under the Extended Fund Facility.

Source: International Monetary Fund

WORLD

Banks' outlook revised to 'stable' on favorable operating environment

Moody's Ratings changed the global outlook for banks from 'negative' to 'stable', reflecting its expectations that monetary easing and the stabilization of global economic activity will support the banks' operating environment, alleviate pressure on their asset quality, and help accelerate deposit growth. But it considered that geopolitical conflicts, trade tensions, and post-election policy changes in the U.S. will create significant uncertainties and risks to the banks' outlook. Further, it said that favorable macroeconomic conditions and interest rate cuts will support the debt-servicing capacity of borrowers, while the high exposure to commercial real estate remains a source of risk for banks in the U.S., Europe and in several Asia-Pacific banking systems. Also, it expected that long phase-in periods to implement final Basel Ill rules will give banks enough time to prepare for the new capital regime. But it stated that a moderate recovery in asset growth will result in a modest decline of capital ratios. In addition, it pointed out that the banks' net interest margins will narrow due to cuts in interest rates, as loans are repriced faster than deposits, while the pick-up in lending activity and the decline in loan-loss provisioning will partially mitigate the impact of narrowing margins. It added that monetary easing will improve the banks' funding sources and lower their funding costs. It expected the banks' funding and liquidity ratios to remain robust in most systems, as it anticipated a recovery in deposits in 2025. Also, it said that it could revise the outlook to 'positive' in case of material improvements in the banks' asset quality, and/or if banks increase their capital requirements under final Basel III rules.

Source: Moody's Ratings

QATAR

Banks to maintain sound financial metrics in 2025

Fitch Ratings considered that Qatari banks will maintain their sound financial metrics in 2025. It indicated that solid oil prices and stronger non-oil activity will support the banks' operating conditions and lending growth. It said that the sector's lending growth reached 6.3% annually in the first 10 months of 2024 relative to 2.9% in full year 2023. It noted that the banks' asset quality is resilient and stable, despite persisting pressures from the real estate and construction sectors, and that loan impairment charges stand at 26% of the sector's pre-impairment operating profits, but that they are contained. Also, it stated that Stage 2 loans represented between 5% and 32% of the banks' gross loan portfolios, which leaves Qatari banks with an average annualized cost of risk of 78 basis points in the first nine months of 2024, highest among Gulf Cooperation Council (GCC) banks. Further, it said that the profitability of Qatari banks is resilient and has been supported by higher interest rates and sound economic activity between January 2023 and September 2024. In addition, it pointed out that the banks maintain adequate capital buffers, as their average Common Equity Tier One ratio stood at 15.5% at end-September 2024, well above the 8.5% minimum regulatory requirement. It indicated that the banks' strong provisioning practices continue to protect the sector's capital buffers. Also, it noted that foreign funding accounts for 42% of the banking sector's funding needs at end-October 2024, making it the most dependent sector on foreign funding among GCC countries.

Source: Fitch Ratings

JORDAN

Capital adequacy ratio at 17.6%, NPLs at 5.6% at end-June 2024

The International Monetary Fund (IMF) indicated that the banking sector in Jordan is well capitalized and liquid. It said that the sector's capital adequacy ratio reached 17.6% at end-June 2024, constituting a decrease from 17.9% at end-2023, but well above the minimum regulatory requirement of 12%. Further, it noted that the sector's liquid assets increased from 142.5% of total assets at end-2023 to 138.8% of assets at end-June 2024. It pointed out that the non-performing loans (NPLs) ratio has increased from 5.1% at end-2023 to 5.6% at end-June, and that loan-loss reserve coverage for NPLs regressed from 75.6% at end-June 2023 to 73.1% at end-June 202. Also, it said that the liquidity ratio decreased from 142.5% at end-June 2023 to 138.8% at end-June 2024. It indicated that the Central Bank of Jordan (CBJ) has maintained prudent provisioning standards, in line with the International Financial Reporting Standard forward-looking expected loss approach, and will continue to closely monitor the banks' financial health. In addition, it stated that the banks' return on assets slightly improved from 1.1% in 2023 to 1.2% annually in June 2024, and that the banks' return on equity increased from 9.3% in 2023 to 9.8% annually in June 2024. In parallel, it indicated that the CBJ has been committed to adjusting its policy rates in line with the U.S. Federal Reserve to support the exchange rate peg and to make sure that reserve buffers remain adequate. Further, the IMF called on the CBJ to continue to closely monitor the banks' financial health and to further strengthen the oversight of the financial sector, in line with the recommendations of the 2023 Financial System Stability Assessment.

Source: International Monetary Fund

NIGERIA

Credit risk assessment maintained

S&P Global Ratings maintained Nigeria's banking sector in 'Group 10' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score of '10' and an industry risk score of '9'. The BICRA framework evaluates banking systems based on economic and industry risks facing banks, with 'Group 10' including the riskiest banking sectors. Other countries in 'Group 10' consist of Belarus, Egypt, Iraq, Tunisia, and Ukraine. It indicated that the banking sector is linked to the performance of the oil and gas sector, given the banks' significant exposure to the industry. It said that Nigeria's economic risk score reflects its "extremely high risks" in economic resilience and credit risk in the economy, as well as its "high risks" in economic imbalances. It expected the banking sector's non-performing loans ratio to decrease to less than 4% in the 2024-25 period, due to the effect of the currency's depreciation on the loans portfolio, and for credit losses to decrease from 3% of total loans in 2024 to 2.5% in 2025. Further, it pointed out that the industry score reflects the country's "extremely high risks" in its institutional framework, "very high risks" in its system-wide funding, and "high risks" in its competitive dynamics. It noted that banks are primarily deposit-funded, and anticipated the loans-to-deposits ratio to increase from 90.9% at end-2023 to 96% at end-2024 and 97.1% at end-2025, amid higher lending in foreign currency. It said that the trend for the banking sector's economic and industry risks is 'stable'.

Source: S&P Global Ratings

ENERGY / COMMODITIES

Oil prices to average $74.6 p/b in first quarter of 2025

ICE Brent crude oil front-month prices averaged $79.9 per barrel (p/b) in 2024, constituting a decrease of 2.8% from $82.2 p/b in 2023, driven by concerns about a global recession, weak demand for oil, mainly from China, and by increasing oil production from non-OPEC+ countries that led to oversupply in the global market. Further, oil prices have been volatile in 2024, trading at between $69.2 p/b and $91.2 p/b. Oil prices decreased due to monetary easing by major central banks in advanced economies, while they increased as a result of the decision of the OPEC+ coalition to cut oil output and to rising geopolitical tensions in the Middle East and in Europe. In parallel, the National Bank of Kuwait considered that the OPEC+ coalition may have to extend the already-delayed production rises beyond the first quarter of 2025, in order to help reduce the excess supply in the global market. It noted that downside risks to subdued oil prices outlook include slower-than-expected economic activity in China, the global impact of U.S. trade tariffs, and higher U.S. supply growth under the new Administration's pro-energy agenda. In contrast, it said that upside risks to oil prices include global economic growth amid monetary policy easing by major central banks, the persistence of the ongoing conflicts in the Middle East and Europe, and stricter U.S. sanctions policies that could remove more Iranian oil from the market, although OPEC+ output could rise to compensate the decrease. Further, Refinitv projected oil prices, through its latest crude oil price poll of 31 industry analysts, to average $74.6 p/b in the first quarter of 2025.

Source: National Bank of Kuwait, Refinitiv, Byblos Research

Iraq's oil exports at 99 million barrels in November 2024

Figures issued by the Iraq Ministry of Oil show that crude oil exports from Iraq totaled 98.87 million barrels in November 2024, constituting decreases of 4% from 103.15 million barrels in October 2024 and of 4% from 102.98 million barrels in November 2023. Exports from the central and southern fields stood at 98.6 million barrels in November 2024 compared to 102.3 million barrels in October 2024.

Source: Iraq Ministry of Oil, Byblos Research

Algeria's crude oil production down 5.4% in October 2024

Crude oil production in Algeria totaled 909,000 barrels per day (b/d) in October 2024, nearly unchanged from 908,000 b/d in September 2024, and a decrease of 5.4% from 961,000 b/d in October 2023. Further, aggregate crude oil exports stood at 428,000 b/d in October 2024, up by 29% from 332,000 b/d in September 2024 and by 31.3% from 326,000 b/d in October 2023.

Source: JODI, Byblos Research

Global steel output down 3.5% in November 2024

Global steel production reached 146.8 million tons in November 2024, constituting a decrease of 3.5% from 152.1 million tons in October 2024 and an increase of 1 % from 145.5 million tons in November 2023. Production in China totaled 78.4 million tons and accounted for 53.4% of global steel output in November 2024, followed by production in India with 12.4 million tons (8.4%), Japan with 6.9 million tons (4.7%), the U.S. with 6.4 million tons (4.4%), Russia with 5.5 million tons (3.7%), and South Korea with 5.2 million tons (3.5%).

Source: World Steel Association, Byblos Research

Base Metals: Copper prices to average $9,125 per ton in first quarter of 2025

LME copper cash prices averaged $9,146.6 per ton in 2024, constituting an increase of 7.8% from an average of $8,486 a ton in 2023. Prices averaged $8,446.7 per ton in the first quarter of 2024, and increased to $9,747.8 a ton in the second quarter due to the U.S Federal Reserves rate cuts, supply constraints from major copper mines, increased U.S copper imports, and elevated global demand driven by the energy transition and electrification. Also, the ban by the London Metal Exchange on Russian metal exports following new trade sanctions that the U.S. and the United Kingdom imposed on Russia led to a surge in the metal’s price. As such, prices peaked at $10,801 per ton on May 20, 2024. Further, prices decreased to $9,210.4 per ton in the third quarter, and posted an average of $9,180.2 in the fourth quarter of 2024 driven by increased global supply and global industrial slowdown. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 22.48 million tons in the first 10 months of 2024, constituting an increase of 2.4% from 21.95 million tons in the same period of 2023 due to a rise of 3% in Chinese demand for the metal. Also, it noted that the global production of refined copper reached 22.8 million tons in the first 10 months of 2024, up by 3.7% from 21.96 million tons in the same period of 2023, as higher output from China, the Democratic Republic of the Congo, Japan, and the U.S. was partially offset by lower production in Chile. It added that mine production accounted for 82.3% of the aggregate output of refined copper in the covered period relative to 84% in the same period of 2023. In parallel, Standard Chartered Bank forecast copper prices at $9,125 per ton in the first quarter of 2025.

Source: ICSG, Standard Chartered Bank, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $2,700 per ounce in first quarter of 2025

Gold prices averaged $2,387.9 per troy ounce in 2024, constituting an increase of 23% from an average of $1,943 an ounce in 2023. Prices averaged $2,072.4 an ounce in the first quarter of 2024, and rose to $2,338 per ounce in the second quarter, to $2,474.5 per ounce in the third quarter, and to $2,661.2 per ounce in the fourth quarter. The increase in the metal’s prices was mainly due to rising inflows into gold-backed exchange traded funds, the global economic slowdown, as well as to accelerating inflation rates globally, which led to higher investment demand for gold, and to heightened geopolitical tensions that reinforced the appeal of the metal as a safe haven for investors and as a hedge against inflationary pressures. Further, gold prices reached an all-time high of $2,784.4 per ounce on October 30, 2024, amid elevated demand, heightened geopolitical tensions in the Middle East, along with expectations of further monetary easing that will lead to higher demand for bullions. In addition, the World Gold Council expected uncertainties in the movement of interest rates and in the bond markets will lead to higher demand for gold and to higher prices. In parallel, S&P Global Market Intelligence projected gold prices to average $2,700 per ounce in the first quarter of 2025 and $2,685 per ounce in full year 2025, driven by geopolitical risks.

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

COUNTRY RISK METRICS

Countries	LT Foreign currency rating: S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Africa												
Algeria	- -	- -	- -	- -	-3.7	56.9	-	-	-	-	-3.2	0.4
Angola	B- Stable	B3 Stable	B- Stable	- -	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B- Positive	Caa1 Positive	B Stable	B Stable	-4.6	73.3	2.7	97.3	14.6	179.1	-18.5	16.4
Ethiopia	SD -	Caa3 Stable	CCC- -	-	-2.5	22.0	0.5	32.1	5.9	158.7	-3.1	1.8
Ghana	SD -	Ca positive	RD -	- -	-3.2	66.1	0.7	54.3	22.7	139.7	3.0	2.0
Côte d'Ivoire	BB Stable	Ba2 Stable	BB- Stable	- -	-4.2	57.0	3.6	45.0	14.6	119.9	-4.6	2.3
Libya	- -	- -	- -	- -	-	-	-	-	-	-	-	-
Dem Rep Congo	B- Stable	B3 Stable	- -	- -	-0.5	14.5	1.2	5.9	2.2	103.8	-5.4	4.2
Morocco	BB+ Positive	Ba1 Stable	BB+ Stable	- -	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B- Stable	Caa1 Positive	B- Positive	- -	-5.6	41.2	4.1	71.2	28.9	126.8	0.6	0.1
Sudan	- -	- -	- -	- -	-5.0	91.0	-	-	-	-	-5.0	0.2
Tunisia	- -	Caa2 Negative	CCC+ -	- -	-5.6	88.7	-	-	26.1	-	-2.7	-1.1
Burkina Faso	CCC+ Stable	- -	- -	- -	-5.8	58.0	1.2	59.0	11.4	156.8	-5.4	0.5
Rwanda	B+ Stable	B2 Stable	B+ Stable	- -	-4.6	69.5	3.5	19.8	9.5	111.5	-11.7	3.7
Middle East												
Bahrain	B+ Stable	B2 Stable	B+ Stable	B+ Stable	-4.9	133.7	-3.5	138.2	29.7	331.1	2.1	1.0
Iran	- -	- -	- -	- -	-4.2	26.1	-	-	-	-	3.5	-
Iraq	B- Stable	Caa1 Stable	B- Stable	- -	-4.5	45.6	15.3	3.2	3.1	42.6	5.6	-1.4
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.8	92.6	1.9	68.5	12	150.3	-4.4	1.6
Kuwait	A+ Stable	A1 Stable	AA- Stable	AA- Stable	-3.9	5.2	2.2	45.3	0.4	107.9	15.4	-4.8
Lebanon	SD -	C -	RD** -	- -	0.0	213.0	8.8	181.1	9.0	160.6	-20.1	2.8
Oman	BBB- Stable	Ba1 Positive	BB+ Stable	BB+ Stable	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA Stable	Aa2 Stable	AA- Positive	AA Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A Positive	A1 Positive	A+ Stable	A+ Positive	-2.8	24.6	10.3	25.3	3.5	67.7	-0.2	0.5
Syria	- -	- -	- -	- -	-	49.0	-	-	-	-	-15.5	-
UAE	- -	Aa2 Stable	AA- Stable	AA- Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	- -	- -	- -	- -	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	LT Foreign currency rating 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- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-3.1	26.4	4.1	29.4	8.1	100.4	-2.8	2.2
Pakistan	CCC+ Stable	Caa2 Positive	CCC+ -	- -	-7.5	71.3	0.7	34.9	55.9	133.4	-1.3	0.4
Bangladesh	B+ Stable	B2 Negative	B+ Stable	- -	-4.8	32.1	3.8	29.0	29.0	102.8	-1.5	0.4
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-2.5	24.5	2.0	19.5	1.5	102.8	-0.5	2.0
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.3	51.7	4.4	25.9	6.5	101.2	-8.3	2.1
Russia	- -	- -	- -	- -	-	18.2	18.0	23.6	4.4	45.0	12.1	-0.7
Türkiye	BB- Stable	B1 Positive	BB- Stable	B+ Stable	-5.1	27.0	1.4	63.6	10.8	149.0	-1.2	0.4
Ukraine	CC Negative	Ca Stable	CC -	- -	-17.0	91.6	4.6	40.7	10.1	108.	-6.6	1.4

** Current account payments*
***Fitch withdrew the ratings of Lebanon on July 23, 2024*
Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2025

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	4.50	18-Dec-24	Cut 25bps	29-Jan-25
Eurozone	Refi Rate	3.15	12-Dec-24	Raised 25bps	30-Jan-25
UK	Bank Rate	4.75	19-Dec-24	Cut 25bps	N/A
Japan	O/N Call Rate	0.25	19-Dec-24	No change	24-Jan-25
Australia	Cash Rate	4.35	10-Dec-24	No change	18-Feb-25
New Zealand	Cash Rate	4.25	27-Nov-24	Cut 50bps	19-Feb-25
Switzerland	SNB Policy Rate	0.50	12-Dec-24	Cut 50bps	20-Mar-25
Canada	Overnight rate	3.25	11-Dec-24	Cut 50bps	29-Jan-25
Emerging Markets					
China	One-year Loan Prime Rate	3.1	20-Nov-24	No change	20-Jan-25
Hong Kong	Base Rate	5.00	08-Nov-24	Cut 25pbs	N/A
Taiwan	Discount Rate	2.00	19-Dec-24	No change	20-Mar-25
South Korea	Base Rate	3.00	28-Nov-24	Cut 25bps	16-Jan-25
Malaysia	O/N Policy Rate	3.00	06-Nov-24	No change	22-Jan-25
Thailand	1D Repo	2.25	18-Dec-24	No change	26-Feb-25
India	Repo Rate	6.50	06-Dec-24	No change	07-Feb-25
UAE	Base Rate	4.65	07-Nov-24	Cut 25bps	N/A
Saudi Arabia	Repo Rate	5.25	07-Nov-24	Cut 25bps	N/A
Egypt	Overnight Deposit	27.25	26-Dec-24	No change	N/A
Jordan	CBJ Main Rate	6.75	10-Nov-23	Cut 25bps	N/A
Türkiye	Repo Rate	47.50	26-Dec-24	Cut 25bps	23-Jan-25
South Africa	Repo Rate	8.00	21-Nov-24	Cut 25bps	30-Jan-25
Kenya	Central Bank Rate	11.25	05-Dec-24	Cut 75bps	N/A
Nigeria	Monetary Policy Rate	27.50	26-Nov-24	Raised 25bps	N/A
Ghana	Prime Rate	27.00	29-Nov-24	No change	27-Jan-25
Angola	Base Rate	19.50	19-Nov-24	No change	21-Jan-25
Mexico	Target Rate	10.00	19-Dec-24	Cut 25bps	06-Feb-25
Brazil	Selic Rate	11.25	06-Nov-24	Raised 50bps	N/A
Armenia	Refi Rate	7.00	10-Dec-24	Cut 25bps	N/A
Romania	Policy Rate	6.50	08-Nov-24	No change	16-Jan-25
Bulgaria	Base Interest	2.95	02-Dec-24	Cut 9bps	03-Feb-25
Kazakhstan	Repo Rate	15.25	29-Nov-24	Raised 100bps	17-Jan-25
Ukraine	Discount Rate	13.00	12-Dec-24	No change	23-Jan-25
Russia	Refi Rate	21.00	20-Dec-24	Raised 200bps	14-Feb-25

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