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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Private equity healthcare funds raise $115bn in 2024

Figures released by Bain & Company estimated that private equity (PE) buyout funds raised $115bn in capital for healthcare investments worldwide in 2024, representing a rise of 88.5% from $61bn in 2023. It added that PE buyout funds raised $79bn in 2019, $66bn in 2020, $151bn in 2021, and $87bn in 2022. Further, it pointed out that 409 buyout deals in the healthcare sector took place globally in 2024, constituting an increase of 8.2% from 378 transactions in 2023. Also, there were 313 deals in 2019, 380 transactions in 2020, 515 deals in 2021, and 353 transactions in 2022. In parallel, it noted that PE buyout funds raised $165bn in capital to invest in the biopharma industry worldwide in 2024, with $82bn raised in Europe, followed by $49bn in Asia-Pacific, and $34bn in North America. Also, it indicated that PE buyout funds secured $75bn in capital to invest in healthcare globally in the covered year, with $34bn raised in North America, followed by $27bn in Asia-Pacific, and $14bn in Europe. It pointed out that PE buyout funds raised $41bn in capital to invest in medical technology providers worldwide in 2024, with $23bn in fundraising in Asia-Pacific, followed by $15bn in North America, and $3bn in Europe.

Source: Bain & Company

UAE

Earnings of Abu Dhabi firms up 6%, profits of Dubai firms up 11% in first nine months of 2024

The net income of 76 companies listed on the Abu Dhabi Securities Exchange that published their financials totaled AED98.7bn, or $26.9bn, in the first nine months of 2024, constituting an increase of 5.8% from AED93.2bn, or $25.4bn in the same period of 2023. Listed firms in the financial sector generated net profits of $9.7bn and accounted for 36.2% of the total earnings of publicly-listed firms in the covered period. Energy companies followed with $5.4bn (20%), then telecommunication firms with $3.1bn (11.6%), industrials with $2.8bn (10.5%), utilities companies with $1.7bn (6.4%), consumer discretionary firms with $1.1bn (4.1%), basic materials companies with $1.02bn (3.8%), real estate firms with $982.2m (3.7%), healthcare providers with $757.4m (2.8%), and consumer staples firms with $253.8m (1%). In parallel, the cumulative net income of 59 companies listed on the Dubai Financial Market that published their financials totaled AED67.4bn, or $18.4bn, in the first nine months of 2024, constituting a rise of 10.8% from AED61bn or $16.6bn in the same period of 2023. Listed financial firms generated profits of $10.1bn, or 55% of net earnings in the covered period. Real estate companies followed with $5bn or 27% of the total, then utilities firms with $1.6m (8.6%), industrials with $831m (4.5%), telecommunications firms with $518m (2.8%), consumer staples companies with $271.3m (1.5%), consumer discretionary firms with $61.2m (0.3%), and basic materials companies with $37m (0.2%).

Source: KAMCO, Byblos Research

EMERGING MARKETS

Venture capital funding down 40% to $9bn in 2024

Figures released by online platform Magnitt show that venture capital (VC) funding in emerging markets (EM), which consist of the Middle East, Africa, South East Asia, Türkiye and Pakistan, reached $9.12bn in 2024, representing a decrease of 40.4% from $15.32bn in full year 2023. VC funding stood at $2.03bn in the first quarter, $2.25bn in the second quarter, $2.5bn in the third quarter, and $2.34bn in the fourth quarter of 2024. Also, VC investments in South East Asia totaled $5.65bn in 2024, or 62% of the total, followed by VC funding the Middle East with $1.5bn (16.7%), Africa with $1.07bn (11.8%), and Türkiye and Pakistan with $ (9.7%). Further, there were 1,527 VC deals in the covered regions in 2024, constituting a drop of 19.6% from 1,899 investments in full year 2023. VC deals totaled 447 in the first quarter, 354 transactions in the second quarter, 371 deals in the third quarter, and 355 transactions in the fourth quarter of 2024. Also, there were 564 VC deals in South East Asia in 2024, accounting for 37% of the total, followed by 461 transactions in the Middle East (30.2%), 294 new deals in Africa (19.3%), and 208 investments in Türkiye and Pakistan (13.6%). In parallel, the fintech sector was the recipient of $3.97bn, or 43.6% of aggregate VC investments in 2024. Further, there were 94 VC exits in 2024, constituting a drop of 32% from 138 exits in full year 2023. Also, South East Asia accounted for 42% of total VC exits, followed by the Middle East with 30%, and Africa with 28% in 2024.

Source: Magnitt, Byblos Research

Fixed income trading up 8.5% to $1,562bn in third quarter of 2024

Trading in emerging markets debt instruments reached $1,562bn in the third quarter of 2024, constituting increases of 8.5% from $1,440bn in the same quarter of 2023. Debt trading volumes totaled $1,703bn in the first quarter, and $1,441bn in the second quarter of 2024. Also, debt trading volumes stood at $4,706bn in the first nine months of 2024, representing an increase of 7.7% from 4,370bn in the same period of 2023. Turnover in local-currency instruments reached $1,127bn in the covered quarter, up by 12% from $1,005bn in the third quarter of 2023, and accounted for 72% of the debt trading volume in emerging markets. In parallel, trading in Eurobonds stood at $434bn in the third quarter of 2024, nearly unchanged from the same period last year. The volume of traded sovereign Eurobonds reached $294bn and accounted for 68% of total Eurobonds traded in the third quarter of the year, relative to $307bn and a share of 71% in the same quarter of 2023. Also, the volume of traded corporate Eurobonds amounted to $139bn and represented 32% of total Eurobonds traded. Further, turnover in warrants and options stood at $387m, while loan assignments amounted to $871m in the third quarter of 2024. The most frequently-traded instruments in the covered quarter were Mexican fixed income assets with a turnover of $397bn, or 25% of the total, followed by instruments from China with $172bn (11%), and securities from Brazil with $167bn (11%). Other frequently-traded instruments consisted of fixed income securities from India at $112bn (7.2%) and from South Africa at $60bn (3.8%).

Source: EMTA

OUTLOOK

WORLD

Geopolitical tensions and environmental challenges are top risks in 2025

The World Economic Forum's (WEF) Global Risks Perception Survey for 2025 indicated that 52% of respondents expected worldwide instability and a moderate risk of global catastrophes in the next two years, 31% of participants anticipated disturbances and elevated risks of global catastrophes, and 11% of respondents expected a stable outlook in the coming two years.

In parallel, the survey indicated that respondents selected "misinformation and disinformation" as the top risk among 33 risk factors that the global economy will face in the next two years, followed by "extreme weather events", "state-based armed conflict", "societal polarization", "cyber espionage and warfare", "pollution", "inequality", "involuntary migration or displacement", "geo-economic confrontation", "erosion of human rights and/or of civic freedoms", "crime and illicit economic activity", and "concentration of strategic resources". Further, it noted that inflation was the 29th most important risk in the current survey, down from seventh place in the previous survey; while "economic downturn" risks dropped from ninth place in the 2024 survey to 19th place in the current opinion poll.

In addition, the survey revealed that 33% of respondents expected geopolitical tensions to be the most likely factor to present a material crisis on a global scale in 2025, while 23% anticipated environmental challenges to pose the most significant threat worldwide, 18% considered that societal risks are a key concern, 15% cited economic challenges as the most likely issue to cause a material crisis worldwide, and 11% expected that technological risks will pose the greatest material risks globally this year. The WEF conducted the survey between April and November 2024 and covered 909 experts across governments, international organizations, civil society, academia, and businesses worldwide.
Source: World Economic Forum

Nearly 90% of financial institutions are applying Artificial Intelligence tools in their operations

In their sixth annual survey on trends in financial services, EY and the Institute of International Finance indicated that 88% of surveyed financial institutions (FIs) are applying predictive artificial intelligence/machine learning (AI/ML) techniques in their day-to-day operations, while 4% of participants are experimenting with AI/ML pilot projects. Further, it said that 15% of respondents noted that they are using Predictive AI as a key risk management tool, 12% of surveyed FIs pointed out that they are employing AI/ML to detect and prevent fraudulent activities, 10% stated that they are adopting AI/ML in their operations and to comply with regulations and laws, 9% said they are utilizing Predictive AI in customer segmentation, actuarial analysis and underwriting, and 8% noted that they are using AI/ML in marketing.

Further, the survey revealed that 16% of responding FIs indicated that data quality is a key challenge for launching AI/ML solutions in their operational settings, 12% of respondents noted that the availability of appropriate skilled staff as well as data availability and training data constitute a significant hurdle for deploying AI/ML systems operationally, 11% of participating FIs said that the underlying technology infrastructure presents a major obstacle in bringing AI/ML models to the market, and 9% noted the difficulty of explaining processes is a critical barrier to the successful implementation of AI/ML solutions.

In parallel, it showed that 74% of surveyed FIs have or are planning to appoint a C-suite executive to be responsible for AI/ML ethics and governance. Also, it said that 94% expected the use of third-party AI/ML solutions to increase in the next 12 months. It noted that 70% of FIs respondents are actively engaged with regulators/supervisors in the application of AI/ML techniques, while 17% plan to collaborate. It added that 80% of surveyed FIs are currently using or piloting Generative AI for internal non-customer facing uses, and less than 11% of respondents indicated that they are utilizing Generative AI for external uses. EY and the IIF conducted the survey from June to August 2024 and covered 56 institutions including global systemically important banks, international banks, national banks, insurers, and other financial institutions worldwide.
Source: EY, Institute of International Finance

AFRICA

Outlook on sovereigns' credit fundamentals revised to 'stable' on improving financing conditions

Moody's Ratings revised the outlook on credit fundamentals for Sub-Saharan African (SSA) sovereigns from 'negative' in 2024 to 'stable' in 2025. It attributed its revision to the authorities' fiscal consolidation efforts and an improved growth outlook that will support the reduction in the public debt level. It expected financing conditions in SSA to improve but to remain more difficult than in the past, as credit risks from large upcoming maturities and weakened debt affordability persist.

Further, it noted that a more stable global growth environment, monetary policy easing, infrastructure and energy investments, and a resilient services sector will support the acceleration of economic activity in SSA, but noted that economic growth will remain susceptible to environmental and social risks. It considered that social unrest, upcoming elections, and ongoing conflicts across parts of the region have the potential to disrupt the sovereigns' debt-reduction efforts. Also, it considered that receding inflation rates and lower policy rates across major global central banks will support monetary policy easing across SSA, which will result in a gradual reduction in financing costs. But it said that constraints on the availability of financing will persist for a number of sovereigns in SSA, which will put pressure on their liquidity. It added that high external debt servicing needs relative to usable foreign exchange reserves will be another source of credit risk in several SSA economies. In addition, it pointed out that steps that SSA governments are taking to increase tax revenues and contain public spending will narrow the fiscal deficit and public debt levels. But it said that the narrowing of primary deficits will be partially offset by higher debt servicing costs, as interest rates will remain historically high for SSA sovereigns.

In parallel, it said that it could change the outlook to 'negative' in case of a renewed loss of access to global capital markets, a rise in refinancing risks, and in case of any resurgence in inflationary or social pressures.
Source: Moody's Ratings

UAE

Sovereign rating affirmed, outlook 'stable'

Capital Intelligence Ratings affirmed the short- and long-term foreign and local currency ratings of the United Arab Emirates at 'A1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It indicated that the ratings reflect the strength of the UAE's consolidated fiscal and external positions. It noted that the ratings are supported by a stable political environment, the government's continuous efforts to diversify the economy and to improve the structure of the consolidated budget, an elevated GDP per capita, as well as by a sound banking sector. It added that the ratings reflect the agency's expectations that the Emirate of Abu Dhabi will support federal institutions in case of need. Also, it stated that the 'stable' outlook balances the country's strong net external asset position and availability of large fiscal buffers with the continued reliance on hydrocarbon exports. It pointed out that the ratings are constrained by the high dependence of the economy on hydrocarbon revenues, the budget's rigidities, as well as by elevated geopolitical uncertainties due to the wars in the Gaza Strip and in Yemen, as well as to continued tensions between Iran and Israel. In parallel, the agency noted that it may upgrade the ratings if the authorities continue to implement structural reforms that would reduce the economy's reliance on oil exports and improve the institutional framework and data disclosure, or if geopolitical tensions recede. But it pointed out that it could downgrade the ratings if geopolitical tensions affect the flow of hydrocarbons from the region, or in case public and external finances deteriorate.

Source: Capital Intelligence Ratings

IRAQ

Real GDP growth to average 4% in 2025-26 period

Standard Chartered Bank projected Iraq's real GDP growth rate to accelerate from 2.5% in 2024 to 4% in each of 2025 and 2026, driven by resilient non-oil growth and a rebound in oil output, given the expected gradual phasing out of OPEC+ production cuts. But it noted that underinvestment in the capacity expansion of oil refineries will likely continue to constrain medium-term growth in the oil sector. It considered that Iraq is likely to accelerate efforts to increase its domestic gas output and diversify the sources of gas imports away from Iran, given the incoming U.S. Administration's stance on sanctions. But it considered that the persistent premium in the parallel foreign currency market will create uncertainties, despite the recovery in the Central Bank of Iraq's foreign currency auction volumes and high foreign currency reserves, which could prompt further monetary policy measures to boost confidence in the foreign exchange regime in 2025. In parallel, it expected the budget to post surpluses of 1.5% of GDP in 2025 and 1% of GDP in 2026. It anticipated the non-hydrocarbon sector to benefit from the expansionary fiscal policy, given that investments in infrastructure and current expenditures will increase. Also, it forecast the current account surplus at 4.5% of GDP in 2025 and at 5.5% of GDP in 2026. Further, it noted that downside pressure on oil prices constitutes the key risk to the stability of the Iraqi dinar's peg to the US dollar. It added that the private sector's access to foreign currency has improved following the adoption of a cross-border payment platform.

Source: Standard Chartered Bank

JORDAN

Insurance sector has 'moderately high' risk

In its Insurance Industry and Country Risk Assessment of the insurance sector in Jordan, S&P Global Ratings considered the insurance industry and country risks for the property and casualty (P&C) segment to be "moderately high". It forecast gross written premiums at JOD669m in 2025, which would constitute an increase of 5% from JOD637m in 2024, following a similar growth rate in 2024 and compared to expansions of 7.6% in 2023 and 7.2% in 2022. It attributed the slowdown in premium growth to the impact of the conflict in the Middle East on trade, tourism, and other economic activities. It expected the P&C insurance's penetration rate, or premiums relative to the size of the economy, at 1.7% of GDP in 2025, nearly unchanged from 2024. Further, it indicated that the insurance sector was profitable in 2024, but it noted that compulsory third-party liability motor businesses generated losses as the authorities set the rates for this line. It said the insurers' combined ratio, which is the ratio of incurred losses and expenses to earned premiums, regularly exceeds 100% in the third-party liability motor segment. Also, it anticipated the P&C segment to be profitable and to post a return on equity of 8% to 11% in 2025, as underwriting margins remain wide. It pointed out that the Central Bank of Jordan has introduced new procedures to simplify the settling of claims and other processes, which could lead to a reduction in administrative requirements and costs for insurers. Also, it expected that the adoption of a new risk-based framework will strengthen regulations in the Jordanian market.

Source: S&P Global Ratings

ANGOLA

Borrowing needs remain elevated

Standard Chartered Bank indicated that Angola's financing needs remain elevated and that it has about $20bn in external debt servicing that are due in the 2025-26 period. It said that the country obtained a heavily collateralized $600m loan from an international financial institution on December 27, 2024 in the form of a total-return swap. It added that the loan is secured by $1.2bn in external bond issuance and is part of $1.5bn in financing agreements that the authorities signed in December. As such, it noted that foreign currency reserves rebounded to $15.8bn as of January 2, 2025, reaching their highest level since April 2021. Further, it said that the Ministry of Finance forecast the fiscal deficit to widen from 1.46% of GDP in 2024 to 1.65% of GDP in the 2025 due to increased borrowing needs. It stated that the 2025 budget outlines total financing needs of AOA14.79 trillion (tn), or the equivalent of $16bn, driven by significant external debt-servicing costs of AOA8.5tn or $9.3bn this year. It considered that Angola is unlikely to seek a program with the International Monetary Fund in the near term, following the recent loan agreement of $600m. Also, it said that the Ministry of Finance aims to diversify its borrowing sources by shifting away from bilateral borrowing towards financial institutions and other multilateral partners. It noted that Angola has been paying down the debt that it owes to China, its largest external creditor, as China's share of Angola's external debt declined from a peak that exceeded 40% previously to 32% at the end of September 2024. It said that Angola announced in December plans for sovereign debt issuance in Gulf Cooperation Council countries with the support of Oman.

Source: Standard Chartered Bank

BANKING

QATAR

NPLs ratio at 4% in 2025, capital ratios adequate

S&P Global Ratings indicated that Qatari banks are profitable and benefit from strong capitalization and adequate liquidity. It expected this trend to continue in 2025, despite narrower interest rates margins from interest rate cuts. It forecast the non-performing loans (NPLs) ratio at 4% in 2025 and 3.7% in 2026, but it anticipated the banks' asset quality to be stable in the near term, driven by interest rate cuts and a rebound in non-oil activity. But it considered that the oversupply in the real estate and hospitality sectors will weigh on the banks' asset quality. It estimated that the banks' NPLs' coverage ratio reached 116% in 2024, and forecast the ratio to rise to 120% in 2025 and 126% in 2026. Also, it expected domestic lending to grow by 5% in 2025 and 6% in 2026, and for domestic deposits to increase by 5% in each of 2025 and 2026. Further, it forecast the U.S. Federal Reserve to reduce its policy rates by 175 basis points (bps) by the end of 2025, and expected the banks' profitability to decline due to lower interest rates and the replacement of external funding by more expensive local funding sources. But it noted that external borrowing could enhance the liquidity of domestic banks, as it will trigger capital inflows in the form of foreign currency deposits at banks. It said that the sector's capital adequacy ratio and Tier One capital ratio remain above the Qatar Central Bank's minimum requirements of 12.5% and 10.5%, respectively, underpinned by supportive shareholders, dividend payouts of less than 50%, and strong profitability metrics.

Source: S&P Global Ratings

GHANA

Banks' outlook improving on finalization of debt restructuring

Fitch Ratings considered that the prospects of Ghanaian banks are improving as their solvency is recovering from the sovereign default and due to the reduced pressures on their operating environment. It noted that solvency pressures stemming from Ghana's default in 2022 have not translated into increased liquidity pressures, mainly due to the sector's funding structure that is dominated by domestic deposits and includes limited market and external debt. Also, it expected foreign-currency liquidity coverage to be elevated, but anticipated local-currency liquidity to remain reliant on Treasury bills. Further, it anticipated the restructuring of the external debt to be completed in early 2025, which will support the outlook for the banking sector. It pointed out that the Eurobond exchange has improved Ghana's access to international capital markets and reduced local-currency liquidity pressures, which resulted in the upgrade of Ghana's long-term local-currency issuer default rating from 'CCC' to 'CCC+' last October. As such, it expected macroeconomic volatility to ease in 2025, which will improve the operating environment of banks and reduce risks to their capital. It added that the sector's robust profitability will support the recovery of its capital ratios in 2025 after the Domestic Debt Exchange Program imposed large losses on banks since its launch in December 2022, which will ensure that the vast majority of banks will be compliant with the minimum capital requirements by end-2025 when regulatory forbearance expires.

Source: Fitch Ratings

TÜRKIYE

Banks' asset quality to withstand slower growth

Moody's Ratings expected the tightening of monetary policy in Türkiye to slow down economic growth, which could adversely affect the asset quality of Turkish banks in the near term. It indicated that the nominal amount of non-performing loans (NPLs) increased by 57% annually at end-September 2024 due to unsecured retail debt, although the NPLs ratio remained at 1.7%, which is favorable compared to peers in emerging markets. It expected the banking sector's NPLs ratio to increase to 2.2% to 3% at end-2025 amid still high inflation and interest rates that will constrain the ability of borrowers to repay their loans, but it noted that prudent provisioning and sound capital buffers will further mitigate the deterioration of asset quality. Further, it said that the debt repayment capacity of the corporate sector, including small- and medium-sized enterprises and commercial entities, is sound despite the recent increase in retail NPLs. It added that the banks' loan book is well diversified across sectors, with the corporate sector's resilience supported by robust foreign-currency buffers and provisions built from the prior cycle. But it indicated that loans to the construction, real estate and textile sectors have historically led to increases in NPLs. It pointed out that the amount of unsettled dues on credit cards surged by 237% annually at end-September 2024, followed by NPLs related to the textile industry (+103%), and the problem loans of the construction sector (+43%). In parallel, it expected the banks' rigorous risk management practices to reduce the risks of an unexpected increase in NPLs, while strong provisioning buffers provide protection against the potential weakening of asset quality.

Source: Moody's Ratings

OMAN

Outlook on banks' ratings changed to 'positive'

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of Bank Muscat (BM) at 'BB+' and the long-term IDRs of Ahli Bank (AB), Bank Dhofar (BD), the National Bank of Oman (NBO), and Sohar International Bank (SIB) at 'BB'. It also revised the outlook on the long-term ratings from 'stable' to 'positive' following its similar action on the sovereign ratings. It added that the 'positive' outlook reflects Oman's favorable operating environment that is likely to benefit the banks' intrinsic credit profile, as well as the authorities' improving ability to support Omani banks in case of need. In addition, it affirmed the Viability Rating (VR) of BM at 'bb+', the ratings of BD, NBO, and SIB at 'bb', and the VR of AB at 'bb-'. It indicated that the ratings of the five banks reflect their adequate capital buffers. Also, it pointed out that the VRs of AB, BM, BD and NBO are supported by their sound funding and good liquidity metrics. It added that the VRs of BM and SIB are underpinned by their stable asset quality and strong profitability, while the rating AB takes into account its reasonable loan quality and adequate profit ratios, the VR of NBO reflects its improving asset quality and profitability, and the rating of BD is constrained by the pressure on its asset quality and weak profitability metrics. In parallel, it stated that the VRs of BD, BM, NBO and SIB are supported by their strong franchise, while the rating of AB takes into account its moderate domestic franchise.

Source: Fitch Ratings

ENERGY / COMMODITIES

Oil prices to average $76.3 p/b in first quarter of 2025

ICE Brent crude oil front-month prices reached $82 per barrel (p/b) on January 15, 2025, their highest level since July 25, 2024 when they stood at $82.4 p/b, due to a larger-than-expected decline in U.S. crude oil stockpiles. Also, oil prices increased as the U.S. Treasury Department imposed sanctions on Russian oil companies Gazprom Neft and Surgutneftegas and their subsidiaries, on more than 180 tankers, and on more than a dozen Russian energy officials and executives. In parallel, the U.S. Energy Information Administration expected oil production from the U.S., Canada, Brazil, and Guyana to increase by 1.6 million barrels per day (b/d) in 2025 and to slow down to 0.9 million b/d in 2026. Also, it anticipated that the OPEC+ coalition will begin to increase oil production by the second quarter of 2025. It expected that the growth in output, along with a relatively weak increase in oil demand, will cause global oil inventories to accumulate from mid-2025 through 2026. Also, it considered that non-OECD countries will drive the increase in global oil consumption in the near term, mainly from India. Further, it expected the rise in oil prices in the coming months to be largely a result of the recent extension of OPEC+ production cuts, which will lead to global oil inventory withdrawals of 0.5 million b/d in the first quarter of 2025. In addition, it projected oil prices to average $76.3 p/b in the first quarter of 2025 and $74.3 p/b in full year 2025.
Source: U.S. Energy Information Administration, Refinitiv, Byblos Research

Saudi Arabia's oil export receipts at $18bn in October 2024

Oil exports from Saudi Arabia totaled at 7.33 million barrels per day (b/d) in October 2024, constituting an increase of 0.5% from 7.3 million b/d in September 2024 and nearly unchanged from 7.34 million b/d in October 2023. Oil export receipts reached $17.8bn in October 2024, representing an increase of 7.7% from $16.7bn in September 2024 and a decrease of 17.2% from $21.7bn in October 2023.
Source: JODI, General Authority for Statistics, Byblos Research

Kuwait's crude oil production nearly unchanged in October 2024

Crude oil production in Kuwait totaled 2.4 million barrels per day (b/d) in October 2024, nearly unchanged from 2.41 million (b/d) in September 2024. Further, total crude oil exports from Kuwait stood at 2.38 million b/d in October 2024, representing a decrease of 2% from 2.43 million b/d in September 2024 and an increase of 3.3% from 2.46 million b/d in October 2023.
Source: Joint Organizations Data Initiative, Byblos Research

OPEC's oil basket price nearly unchanged in December 2024

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $73.07 per barrel (p/b) in December 2024, nearly unchanged from $72.98 p/b in November 2024. The price of Equatorial Guinea's Zafiro was $75.7 p/b, followed by Algeria's Sahara Blend at $74.6p/b, and by Saudi Arabia's Arab Light at $74.56 p/b. Further, six out of 12 prices in the OPEC basket regressed by $0.1 p/b to $1.16 p/b each in December 2024, while the remaining prices increased by $0.09p/b to $1.55 p/b each.
Source: OPEC

Base Metals: Zinc prices to average $3,100 per ton in first quarter of 2025

The LME cash prices of zinc averaged $2,779 per ton in 2024, constituting an increase of 5% from an average of $2,650 a ton in 2023. Prices averaged $2,448.6 per ton in the first quarter of 2024 and rose to $2,832.6 per ton in the second quarter, then decreased to $2,781 per ton in the third quarter due to weak demand for zinc from China. Further, they increased to $3,049.4 per ton in the fourth quarter of the year mainly due to the global economic slowdown, as well as to energy price volatility and to heightened geopolitical tensions. 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 11.34 million tons in the first 10 months of 2024, constituting an increase of 1.3% from 11.2 million tons in the same period of 2023 due to the rise in demand for the metal from Brazil, India, South Korea, Taiwan, Thailand, Türkiye and Vietnam, which was offset by lower demand from China, Europe and the U.S. Also, global zinc production was 11.4 million tons in the first 10 months of 2024, representing a decrease of 1.7% from 11.6 million tons in the same period of 2023, due to the reductions of the metal's output in China, Japan, the Netherlands, Peru, and Russia, which were partially offset by higher production from Canada, China, France, Germany and India. In addition, mine output accounted for 85% of global refined zinc production in the first 10 months of 2024. The ILZSG indicated that the global market for refined zinc metal was in surplus by 19,000 tons and that total global inventories increased by 80,000 tons in the first 10 months of 2024. Further, Standard Chartered Bank projected zinc prices to average $3,100 per ton in the first quarter of 2025.
Source: ILZSG, Standard Chartered Bank, Refinitiv, Byblos Research

Precious Metals: Silver prices to average $33 per ounce in first quarter of 2025

Silver prices averaged $28.3 per troy ounce in 2024, constituting an increase of 21% from an average of $23.4 an ounce in 2023. Prices averaged $23.4 an ounce in the first quarter of 2024, and rose to $28.8 per ounce in the second quarter, to $29.5 per ounce in the third quarter, and to $31.3 per ounce in the fourth quarter of the year. The increase in the metal's prices was mainly due to the global economic slowdown, as well as to accelerating inflation rates globally, which led to higher investment demand for silver, as well as to heightened geopolitical tensions that reinforced the appeal of the metal as a safe haven for investors and as a hedge against inflationary pressures, and to higher industrial demand. In parallel, the Silver Institute estimated the global supply of silver at 1,004 million ounces in 2024 relative to 1,010.7 million ounces in 2023, with mine output representing 82% of the total. Further, it projected global demand for the metal at 1,219.1 million ounces in 2024, which constituted an increase of 2% from 1,195 million ounces in 2023. It indicated that industrial activity represented 58.3% of the metal demand, followed by jewelry (18.2%), silverware (4.8%), and photography (2.1%). In addition, it indicated the net investments in silver-related exchange-traded products shifted from outflows of 42.1 million ounces in 2023 to inflows of 50 million ounces in 2024. Further, Standard Chartered Bank forecast silver prices to average to $33 per ounce in the first quarter of 2025.
Source: The Silver Institute, Standard Chartered Bank, Refinitiv, Byblos Research

COUNTRY RISK METRICS

Countries	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	AA- Stable	-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	BB- 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 Date	Action	Next meeting
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	06-Feb-25
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	4.75	19-Dec-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	4.40	18-Dec-24	Cut 25bps	N/A
Saudi Arabia	Repo Rate	5.00	18-Dec-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-24	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	12.25	11-Dec-24	Raised 100bps	29-Jan-25
Armenia	Refi Rate	7.00	10-Dec-24	Cut 25bps	04-Feb-25
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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