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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

M&A deals up 12% to $3.4 trillion in 2024

Figures released by global consulting firm McKinsey & Co. indicate that value of global merger and acquisition (M&A) reached $3.4 trillion (tn) in 2024, constituting an increase of 12% from $3.1tn in 2023. M&A deals stood at $3.7tn in 2022, $6.1tn in 2021, $3.7tn in 2020, and $4.1tn in 2019. It said that the average global deal value rose from $424m in 2023 to $443m in 2024, or by 4%, as macroeconomic conditions improved. Further, it noted that the value of M&A transactions in the Americas stood at $1.8tn and accounted for 52.3% of aggregate M&A deals in 2024, followed by deals in Europe, the Middle East, and Africa (EMEA) region with $733bn (24.5%), and the Asia-Pacific region with $728bn (23.2%). It added that M&A transactions in the EMEA region rose by 15.3% last year, followed by an increase of 12.5% in M&A deals in the Americas, and a growth of 9.5% in M&A transactions in the Asia-Pacific region. Also, it pointed out that there were nearly 3,000 M&A deals in the Asia-Pacific region and accounted for 38.4% of the total in 2024, followed by 2,763 M&A transactions in the Americas (35.4%), and 2,044 deals in the EMEA region (26.2%). In parallel, it noted that the value of M&A deals in advanced industries totaled $196bn and consisted of 812 transactions in 2024. It said that M&A deals in the industrials and electronics sector represented 52% of total M&A transactions in advanced industries in 2024, followed by deals in the automotive sector (23%), semi-conductors' industry (17%), and the aerospace and defense sector (8%). Further, it indicated that M&A deals in commercial and retail banking accounted for 31% of total M&A transactions in financial services last year, followed by deals investment management (29%), fintech firms (20%), specialty finance (13%), and investment banking (7%).

Source: McKinsey & Company

QATAR

Venture capital funding up 135% to $31.5m in 2024

Figures released by online platform Magnitt shows that venture capital (VC) funding in Qatar reached QR115m in 2024, or the equivalent of $31.5m, constituting an increase of 134.7% from QR49m ($13.43m) in 2023, and relative to QR100m ($27.4m) in 2022, QR74m ($20.3m) in 2021, and QR38m ($10.4m) in 2020. Further, there were 31 VC deals in 2024, representing a rise of 24% from 25 investments in 2023, and relative to 44 deals in 2022, 38 transactions in 2021, and 41 deals in 2020. It noted that the value of VC investments in Qatar posted a compound annual growth rate (CAGR) of 32% between 2020 and 2024. In parallel, VC investments in fintech companies amounted to QR46m ($12.6m) and accounted for 40% of aggregate VC placements in Qatar in 2024, followed by deals in aerospace and defense firms and investments in healthcare companies with QR15m or $4.1m each (13% each), in sport and fitness firms as well as in transport and logistics companies with QR10m or $2.74m each (8.7% each). Also, there were nine investments in the fintech sector, or 29% of the total, followed by four investments in each of healthcare firms, and in sport and fitness companies (13% each), three investments in e-commerce and retail firms (9.7%), and two investments in advertising and marketing companies (6.5%).

Source: Magnitt, Byblos Research

MENA

Soft power varies across Arab countries

Brand Finance, a brand evaluation and strategy consultancy firm, ranked the UAE in 10th place among 193 countries worldwide and in first place among 19 Arab countries on its Global Soft Power Index for 2025. Saudi Arabia followed in 20th place, then Qatar (22nd), Egypt (38th), and Kuwait (40th), as the five countries with the highest level of soft power in the Arab world; while Syria (127th), Libya (133rd), Sudan (142nd), Mauritania (150th), and Djibouti (177th) have the lowest level of soft power in the region. The index assesses a country's influence and ability to shape global perceptions through attraction and persuasion across various factors such as the economy, diplomacy, innovation, social stability, and cultural appeal. The index rates the international influence level of each country on a scale from zero to 100 points, with higher scores representing a higher international impact and stronger perceptions. The index scores are based on three Key Performance Indicators that are Familiarity, Reputation, and Influence. The Arab countries' average score was 38.8 points in the 2025 index, compared to the global average score of 36.8 points. The Arab countries' average score came higher than the average scores of Latin America (32.8 points), Sub-Saharan Africa (29.3 points) and Oceania (27.2 points); but it was lower than the scores of North America (72.4 points), Europe (45.8 points), and Asia (38.9 points). Also, the rankings of five Arab countries were unchanged, those of eight economies improved, and the ranks of six countries deteriorated from 2024; while the scores of eight countries regressed, those of seven economies increased, and the scores of four countries remained the same from the 2024 index.

Source: Brand Finance, Byblos Research

Remittance inflows up 5% to $61.4bn in 2024

The World Bank estimated remittance inflows to Arab countries at $61.4bn in 2024, constituting a rise of 5% from $58.4bn in 2023 compared to a decrease of 14% in 2023. Egypt was the largest Arab recipient of remittances with $22.7bn or 37% of the total in 2024, followed by Morocco with $12bn (19.6%), Lebanon with $5.8bn (9.4%), Jordan with $4.8bn (7.8%), Yemen with $3.8bn (6.1%), the West Bank and Gaza with $3.7bn (6%), Tunisia with $2.8bn (4.6%), Algeria with $1.94bn (3.2%), Qatar with $1.48bn (2.4%), Sudan with $1bn (2.4%), Iraq with $879.4m (1.4%), Saudi Arabia with $328.6m (0.5%), Mauritania with %109.3m (0.2%), Djibouti with $59.2m and Oman with $39m (0.1% each). Remittance inflows to Egypt surged by 16% in 2024, followed by flows to the West Bank & Gaza (+14%), Jordan (+6.7%), Saudi Arabia (+5.5%), Algeria (+4%), Qatar (+2.8%), Morocco (+2.5%), Kuwait (+2%) and Djibouti (+1%). In contrast, remittance inflows to Mauritania dropped by 34.8% in 2024, followed by decreases in flows to Iraq (-24.3%), Lebanon (-13.4%) and Tunisia (-2.5%). Further, remittance inflows to Yemen were equivalent to 23.3% of GDP in 2024, followed by inflows to Lebanon (17.7% of GDP), Jordan (9% of GDP), Morocco (7.7% of GDP), Egypt (6% of GDP), Tunisia (5.3% of GDP), Sudan (3.4% of GDP), Djibouti (1.4% of GDP), Mauritania (1% of GDP), Algeria and Qatar (0.7% of GDP each), Iraq (0.3% of GDP), Oman (0.04% of GDP), Saudi Arabia (0.03% of GDP), and Kuwait (0.01% of GDP).

Source: World Bank, Byblos Research

OUTLOOK

WORLD

Nearly 60% of banks' CROs say credit risk is most important issue in next 12 months

In their 14th annual survey on the risks facing banks, EY and the Institute of International Finance indicated that 33% of surveyed chief risk officers (CROs) at banks view wholesale credit risk as the most important financial risk that their institutions will face in the next 12 months, followed by consumer and retail credit risk (24%), liquidity or funding risks (19%), and interest rate risk to the banks' capital and earnings (18%). In addition, it revealed that 73% of CROs view cybersecurity risk as an issue that will require attention in the next 12 months, followed by operational resilience (38%), geopolitical risks and the implementation of regulatory rules and supervisory expectations (36% each), data risks (33%), financial crime and fraud risks (23% each), environmental, social and governance risks (22%), compliance risks (21%), the use of machine learning and artificial intelligence (20%), wholesale credit risks (19%), transition to digital strategy or processes and liquidity risks (15% each), retail or consumer credit risks (14%), business model risk; capital allocation; as well as firm culture, behaviors, and values risks (12% each).

In parallel, the survey revealed that 63% of surveyed CROs said that they will prioritize digital penetration with an emphasis on technology, data, Generative Artificial intelligence (AI), and programming in order to better manage risks in the coming three years. Further, 61% of the surveys' participants considered that the increase in governance and controls is crucial to manage evolving priorities in the coming three years, 59% stated that improving data quality is important to adapt to shifting needs, 57% of participants noted that increasing usage of AI and machine learning is vital to respond to upcoming changes, 47% considered that improving data architecture is crucial to manage shifting priorities, 43% believe that strengthening regulatory compliance is important to adapt to change, and 26% said that improving data privacy and security is vital to address evolving priorities. EY and the IIF conducted the survey between September and November 2024 and covered 115 banks in 45 countries.
Source: EY, Institute of International Finance

ARMENIA

Econmic growth to average 4.5% in 2025-28 period

S&P Global Ratings projected Armenia's real GDP growth rate to decelerate from 5.5% in 2024 to 4.5% in 2025 and to average 4.4% annually in the 2026-28 period, amid geopolitical uncertainties, despite higher investments and rising domestic consumption. It considered that the Armenian economy remains structurally reliant on Russia, particularly in trade, remittance flows and energy, which makes it vulnerable to external shocks despite ongoing diversification efforts. Further, it expected the inflation rate to increase from 0.4% in 2024 to 3.3% in 2025 and to average 4% in the 2026-28 period, as it anticipated the Central Bank of Armenia to prioritize price stability.

Further, it forecast the fiscal deficit to widen from 3.7% of GDP in 2024 to 5.1% of GDP in 2025, and to average 3.7% of GDP in the 2026-28 period. It noted that the budget for 2025 will continue to prioritize spending on national security and infrastructure, as well as on the integration of refugees from the Nagorno-Karabakh region. It said that the government plans to finance the deficit from domestic borrowing and the issuance of Eurobonds, but it noted that the authorities are committed to resuming fiscal consolidation in 2026. Also, it projected the public debt level to increase from 48.2% of GDP at the end of 2024 to 50.9% of GDP at end-2025 and to 53% of GDP in the 2026-28 period. It said that approximately 50% of the public debt is denominated in foreign currency, which exposes the debt to exchange rate fluctuations. But it noted that a significant share of foreign currency-denominated originates from bilateral lenders and international financial institutions at concessional terms which helps to reduce refinancing and debt-servicing risks.

In parallel, it forecast the current account deficit to widen from 3.1% in 2024 to 4.4% of GDP in 2025 and in the medium term, driven by a moderation of remittance inflows and exports. Further, it projected official usable foreign currency reserves to rise from \$2.9bn at end-2024 to \$3.1bn at end-2025 and \$3.7bn at end-2028. Further, it considered that risks to the outlook are tilted to the downside and include ongoing geopolitical tensions with Azerbaijan, which could weigh on investor confidence and trade; Armenia's economic reliance on Russia, which exposes it to external shocks; and a reversal of Russian labor and capital inflows that would reduce the country's growth prospects.
Source: S&P Global Ratings

ANGOLA

Real GDP growth to average 3.4% in 2024-25 period, outlook tilted to the downside

The International Monetary Fund (IMF) projected Angola's real GDP growth rate to decelerate from 3.8% in 2024 to 3% in 2025 due to lower activity in the oil sector. It forecast the real GDP of the hydrocarbon sector to decelerate from 3.2% in 2024 to 0.3% in 2025, and for real non-oil GDP to slow down from 3.9% in 2024 to 3.4% in 2025. Further, it expected the inflation rate to decline from 28.2% in 2024 to 21% in 2025, amid pressure on the exchange rate and elevated food prices.

It noted the importance of strengthening buffers and creating space for development needs through fiscal consolidation, and urged the authorities to mobilize non oil revenues and to lift fuel subsidies. Also, it called on the authorities to rationalize public investments and improve spending efficiency, in line with the recommendations of the Public Investment Management Assessment of 2019, in order to strengthen public financial management, improve cash and debt management to mitigate liquidity risks, and support the country's access to international markets. It forecast the fiscal deficit to widen from 1% of GDP in 2024 to 1.3% of GDP in 2025, driven by lower oil and non-hydrocarbon tax receipts, and projected the public debt level to increase from 62.4% of GDP in 2024 to 63.3% of GDP in 2025.

Further, it projected the current account surplus to decrease from 4% of GDP in 2024 to 2.4% of GDP in 2025, due to the increase in the import bill and to lower exports, and forecast gross foreign currency reserves to increase from \$15.2bn at end-2024 to \$15.3bn at the end-2025 or 7.3 months of next year's imports. It noted that downside risks to the outlook include high debt servicing costs, the elevated dependence on the oil sector, high liquidity risks, and potential early political risks ahead of the 2027 presidential elections.
Source: International Monetary Fund

ECONOMY & TRADE

AFRICA

More than 85% of rated sovereigns have below investment grade ratings at end-2024

S&P Global Ratings indicated that it took 11 positive rating actions in 2024 on the 27 African sovereigns that it rates, exceeding twice the positive actions it took in 2023. It pointed out that it upgraded the ratings of Benin, Cameroon, Cape Verde, Côte d'Ivoire, and the Republic of the Congo by one notch; revised the outlooks from 'stable' to 'positive' on the ratings of Egypt, South Africa, Togo, and Morocco; and maintained a 'positive' outlook on Benin after upgrading its sovereign rating. Further, it revised to 'positive' the outlooks on the ratings of Morocco and South Africa and maintained the 'positive' outlook on Egypt. Also, it said that it assigned a 'negative' outlook on Senegal's ratings and downgraded the foreign currency rating on Kenya by one notch. Further, it said that nine rated sovereigns, or 33.3% of African sovereigns, were in the 'B-'-rated category at the end of 2024, three countries stood in the 'CCC' segment, three sovereigns came in the 'Selective Default' bracket, two African economies stood in the 'BBB+' category, two economies were in the 'BBB-' segment, two sovereigns came in the 'BB-' bracket, two countries stood in the 'B+' category, two economies were in the 'B' segment, and one African sovereign was in the 'BB+' bracket, while one country came in the 'BB' category. It noted that it had 17 'stable' outlooks, five 'positive' outlooks, and two 'negative' outlooks on the long-term foreign currency ratings of African sovereigns at end-2024. In parallel, it indicated that 29 African rated companies, or 42.6% of the total, were in the 'BB' category at the end of 2024, 28 firms (41.2%) stood in the 'B' segment, four corporates (6%) came in the 'A' bracket, three companies (4.4%) stood in the 'CCC' category, two rated firms (3%) were in the 'AA' segment, one corporate (1.5%) came in the 'AAA' bracket, and one company stood in the 'BBB' category.

Source: S&P Global Ratings

GCC

Continued reforms to support growth potential

The International Monetary Fund indicated that structural reforms in Gulf Cooperation Council (GCC) countries have accelerated the economic transformation and diversification of their economies by unlocking growth in new sectors such as tourism, logistics, finance, and renewable energy. It noted that GCC governments have diversified the sources of public revenues, improved the business climate, increased access to finance, and raised the flexibility of labor markets. In parallel, it considered that medium-term fiscal consolidation, with a focus on more efficient public spending and the mobilization of non-oil receipts, would help ensure macroeconomic stability and increase the available resources for growth-enhancing investments. Also, it stressed the importance of investing in human capital and in research & development to support innovation, creativity, and entrepreneurship. Further, it called on GCC authorities to deepen regional economic integration by increasing intra-trade through harmonized regulations and standards, improved transportation networks, and more diversified economies. It considered that GCC countries can increase their market size, improve efficiency, and boost the competitiveness of the regional economy by pooling resources and collaborating more closely together.

Source: International Monetary Fund

BAHRAIN

Outlook on sovereign rating changed to 'negative' on weakening public finances

Fitch Ratings affirmed Bahrain's long-term foreign-currency Issuer Default Rating (IDR) at 'B+' and revised the outlook from 'stable' to 'negative' on the long-term ratings. It attributed the outlook revision to wide fiscal and current accounts deficits amid a high and rising debt servicing burden, elevated public debt level, and delays in implementing planned reforms. It said that the ratings reflect the country's weak public finances, as the public debt level is more than twice the median of 'B'-rated sovereigns, high fiscal dependence on the hydrocarbon sector, and a low level of foreign currency reserves. It projected the fiscal deficit to remain wide at 9% of GDP in the 2025-26 period due to extra budgetary spending, but it anticipated hydrocarbon revenues to increase slightly in 2025 and in 2026 despite lower oil prices, due to higher oil export revenues and lower spending on subsidies. It expected Bahrain's public debt level to increase from 130% of GDP at end-2024 to 136% of GDP at end-2026, and to continue its upward trajectory in the medium term, and projected foreign currency reserves at $4.8bn at end-2025, nearly unchanged from end-2024, and equivalent to 1.3 months of current account outlays. Further, it said that it could downgrade the ratings if the country's public finances deteriorate, in case of insufficient progress to stabilize the public debt level in the medium term, and/or if support from the GCC economies weakens, which could contribute to elevated debt servicing costs and place greater pressure on the balance of payments and currency peg.

Source: Fitch Ratings

EGYPT

Agencies affirm sovereign ratings

Moody's Ratings affirmed Egypt's long-term local and foreign currency issuer and senior unsecured ratings at 'Caa1' and maintained the 'positive' outlook on the long-term ratings. It also affirmed the local and foreign currency Country Ceiling at 'B1' and 'B3', respectively. It indicated that the 'positive' outlook reflects the prospects for the improvement of Egypt's debt service burden and external profile, and the progress in external and fiscal rebalancing. It added that the ratings' affirmation reflects Egypt's high debt level and very weak debt affordability compared to similarly-rated peers, and its persistently large domestic and external financing needs. The agency indicated that it could downgrade the ratings if debt affordability deteriorates, and/or if confidence declines in the government's capacity to reduce its very high debt servicing cost without a debt restructuring. In parallel, Capital Intelligence Ratings affirmed Egypt's short- and long-term local and foreign currency ratings at 'B' and maintained the 'stable' outlook on the long-term ratings. It noted that the 'stable' outlook balances Egypt's large but declining external financing needs and weak fiscal strength, with the availability of external support and the implementation of reforms to reduce fiscal and external vulnerabilities. But it pointed out that it could revise the outlook to 'negative' in the next 12 months if the government reverses key reforms, which would put future disbursements of financial assistance at risk and would reduce the sovereign's capacity to absorb external shocks.

Source: Moody's Ratings, Capital Intelligence Ratings

BANKING

SAUDI ARABIA

Outlook on banking sector revised to 'stable' on tightened funding

Moody's Ratings revised the outlook on the Saudi banking sector from 'positive' to 'stable', as strong lending growth has tightened the banks' liquidity, with the banks' loans-to-deposit ratio increasing from 99% at end-2023 to 100.1% at end-September 2024, given that strong credit demand continues to outpace deposit growth. Further, it said that the sector's Tier One Capital ratio stood at 17.5% at end-September 2024 relative to 18% at end-2023, and its tangible common equity was 15.3% of risk-weighted assets at end-September 2024. It expected the banks' capital ratios to remain stable in 2025, as solid internal capital generation through high earnings retention and strong profits absorbs the impact of high credit growth on capital. Further, it said that the non-performing loans (NPLs) of retail and small- and medium-sized enterprises portfolios remains high, but noted that the NPLs ratio decreased from 1.8% of total loans at end-2023 to around 1.5% of total loans at end-September 2024, as strong operating conditions reinforce borrowers' capacity to repay debt. It projected credit growth at 10% in 2025 relative to 9.4% annually in the third quarter of 2024, as projects backed by the Public Investment Fund and other government-related entities will drive strong credit demand in the corporate sector in the near term, while sustained growth in residential mortgages will boost retail lending. Further, it expected customer deposits to remain the main funding source of banks, and that the liquidity buffers will be robust and of high quality. Also, it forecast the banks' profitability to stabilize at around 1.8% of tangible banking assets in 2025.

Source: Moody's Ratings

EGYPT

Banks' net interest margins resilient to upcoming interest rate cuts

Fitch Ratings indicated that it has an 'improving' outlook on the Egyptian banking sector for 2025, due to better business and operating conditions as a result of lower inflation and interest rates, improved investor confidence, and healthy foreign-currency liquidity conditions. It projected the sector's net income to increase by at least 30% in 2025 after more than doubling annually in the first nine months of 2024. It expected the profitability of the banking sector to remain strong in the near term and above the 2017-23 average, although it anticipated the banks' performance metrics to decrease this year from recent highs. Further, it anticipated the upcoming cuts in the policy rate of the Central Bank of Egypt in 2025 to exert some pressure on the net interest margins (NIMs) of Egyptian banks, as the banking sector will be negatively affected by declining rates in the short term as loans are being repriced more quickly that deposits. But it said that lower interest rates will lead to lower funding costs in the medium term, as 77% of deposits are interest-bearing in the form of time or savings deposits at end-September 2024. Also, it expected banks to increase their fixed-rate retail lending to limit the impact of lower rates on NIMs in the near term. Further, it expected the NIMs to slightly narrow in 2025 and 2026 as lower rates will impact the banks' revenues. It said that the ratio of operating profit-to-risk-weighted assets averaged 10% for Egypt's five largest banks in the first half of 2024, but anticipated the ratio to decrease in 2025.

Source: Fitch Ratings

JORDAN

Banking system has stable outlook

Moody's Ratings indicated that its outlook on Jordan's banking sector is 'stable' due to the resilience of the economy despite regional geopolitical tensions. It expected the banking sector's capital adequacy ratio at 17.6% in 2025, nearly unchanged from end-June 2024, and stated that the banks' capital buffers are supported by broadly stable lending growth and robust but slightly decreasing profits. In addition, it expected most banks to maintain solid profitability levels and that loan-loss provisioning is likely to remain high at most banks, given that pressures on asset quality and higher interest rates will weigh on the repayment capacity of borrowers. Also, it noted that the sector's non-performing loans (NPLs) ratio rose from 5% at end-June 2023 to 5.6% at end-June 2024, driven by problem loans at a few large companies and by the deterioration of the retail loan book amid higher interest rates. It noted that the banks' reliance on wholesale funding is limited, and forecast foreign currency-denominated deposits to account for 21% of the sector's total deposits in the near term, with risks mitigated by the peg of the Jordanian dinar to the US dollar. Further, it said that the banks' liquid assets accounted for 38% of total assets at end-2024, and added that a moderate increase in lending to non-residents and remittance inflows from the Jordanian diaspora will keep the loans-to-deposits ratio at 75% in the near-term.

Source: Moody's Ratings

IRAN

FATF urges Tehran to complete action plan

The Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), declared in February 2025 that Iran will remain on its list of "High Risk Jurisdictions Subject to a Call for Action" until the authorities implement their action plan to address the country's significant AML/CFT deficiencies in full. Further, it said that Iran committed in June 2016 to address its strategic deficiencies, but noted that the country has not completed its action plan since February 2020. Further, the FATF lifted in full in February 2020 the suspension of counter-measures that international financial institutions use against Iran, since the latter failed to enact the Palermo and Terrorist Financing Conventions. It also called on its members and urged all jurisdictions to apply effective counter measures to risks emanating from the country. In parallel, it pointed out that, in case Iran ratifies the Palermo and Terrorist Financing conventions, the FATF will decide on the next steps, including whether to suspend counter-measures. It stated that it will continue to be concerned about terrorism financing risks until Tehran implements the required measures to address the CFT deficiencies identified in its action plan. As such, the FATF noted that Iran should adequately criminalize terrorist financing; identify and freeze terrorist assets in line with the relevant UN Security Council resolutions; ensure an adequate and enforceable customer due diligence regime; demonstrate how authorities are identifying and sanctioning unlicensed money/value transfer service providers; ratify and implement the Palermo and Terrorist Financing conventions and clarify the capability to provide mutual legal assistance; and make sure that financial institutions verify that wire transfers contain complete originator and beneficiary information.

Source: Financial Action Task Force

Oil prices to average $75.9 p/b in first quarter of 2025

ICE Brent crude oil front-month future contracts' prices stood at $72.5 per barrel (p/b) on February 26, 2025, declining to their lowest level since December 10, 2024 when they stood at $72.2 p/b. The drop in oil prices was mainly driven by an increase in U.S. fuel inventories and a potential peace agreement between Russia and Ukraine that would eventually lead to the lifting of sanctions on Russian oil exports. In parallel, the International Energy Agency projected global oil supply to increase by 1.6 million barrels per day (b/d) to 104.5 million b/d in 2025, with non-OPEC+ producers accounting for the bulk of the increase if voluntary cuts of the OPEC+ coalition remain in place. As such, it forecast oil output from non-OPEC+ producers to expand by 1.4 million b/d this year. Further, it anticipated global oil demand to grow by an average of 1.5 million b/d in 2025, up from 870,000 b/d in 2024, driven by elevated demand from China, India, and other emerging Asian economies. In addition, it indicated that oil markets have consistently demonstrated remarkable resilience and adaptability in the face of significant challenges. But it considered that it is too early to determine how trade flows will react to the new U.S. tariffs or to the potential implementation of such tariffs, as well as the long-term effects of increased sanctions on Iran and Russia. Further, Refinitiv projected oil prices, through its latest crude oil price poll of 41 industry analysts, to average $75.9 p/b in the first quarter of 2025 and $74.6 p/b in full year 2025.

Source: International Energy Agency, Refinitiv, Byblos Research

OPEC oil output down 0.5% in January 2025

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 26.68 million barrels of oil per day (b/d) in January 2025, constituting a decrease of 0.5% from 26.8 million b/d in December 2024. On a country basis, Saudi Arabia produced 8.94 million b/d, or 33.5% of OPEC's total output, followed by Iraq with 4 million b/d (15%), Iran with 3.28 million b/d (12.3%), the UAE with 2.93 million b/d (11%), and Kuwait with 2.41 million b/d (9%).

Source: OPEC

Algeria's crude oil production down 5% in December 2024

Crude oil production in Algeria totaled 906,000 barrels per day (b/d) in December 2024, constituting decreases of 0.2% from 908,000 b/d in November 2024 and of 5% from 954,000 b/d in December 2023. Further, aggregate crude oil exports stood at 456,000 b/d in December 2024, up by 38.2% from 330,000 b/d in November 2024 and by 6% from 430,000 b/d in December 2023.

Source: JODI, Byblos Research

ME&A's oil demand to grow by 2% in 2025

The Organization of Petroleum Exporting Countries projected the consumption of crude oil in the Middle East & Africa to average 13.5 million barrels per day (b/d) in 2025, which would constitute an increase of 2% from 13.25 million b/d in 2024. The region's demand for oil would represent 22.8% of consumption in non-OECD countries and 12.8% of global consumption in 2025.

Source: OPEC

Base Metals: Copper prices to average $9,321 per ton in first quarter of 2025

Copper prices averaged $9,130.8 per ton in the year-to-February 26, 2025 period, constituting an increase of 9.7% from an average of $8,325.7 a ton in the same period last year, driven by elevated global demand due to the energy transition and strong electrification, as well as fears of supply disruptions of the metal amid higher industrial demand. Further, the metal's price dropped from a peak of $10,800.8 a ton on May 20, 2024 to $9,448.3 per ton on February 26, 2025, driven by a slowdown in China's industrial activity that reduced demand for industrial metals, including copper. In parallel, Goldman Sachs projected that global demand for refined copper to reach 27.4 million tons in 2025, which would constitute an increase of 3.2% from 26.53 million tons in 2024, mainly due to an increase of 15.3% in demand for electric vehicles and renewable energy sources. Also, it expected global production of refined copper at 27.2 million tons in 2025, which would constitute an increase of 1.4% from 26.8 million tons in 2024, with mine output representing 86.2% of the total in 2025. In addition, it anticipated copper demand to rise by 4 million tons by 2030, amid increasing demand for grid and power infrastructure. It noted that electrification will account for all copper demand growth by 2030. In addition, it projected copper prices to average $9,321 per ton in the first quarter of 2025 and to average $9,740 a ton in full year 2025.

Source: Goldman Sachs, Refinitiv, Byblos Research

Precious Metals: Silver prices to average $31.5 per ounce in first quarter 2025

Silver prices averaged $31.2 per troy ounce in the year-to-February 26, 2025 period, constituting an increase of 36.6% from an average of $22.8 an ounce in the same period of 2024. The surge in prices was due mainly to elevated industrial and investment demand for the metal. Further, prices peaked at $34.6 per ounce on October 22, 2024 driven by higher demand for safe havens due to global economic uncertainties. In parallel, Citi Research projected the global supply of silver at 1,063 million ounces in 2025, constituting an increase of 3.4% from 1,028 million ounces last year, with mine output representing 80.6% of the total. Further, it forecast demand for the metal at 1,275 million ounces in 2025, representing an uptick of 2% from 1,251 million ounces in 2024. Further, in its bear case scenario, it projected silver prices to decline to $28 per ounce by the end of 2025 due to elevated real interest rates in the U.S., and to the substantial weakening of demand for the metal from China and India. However, in its bull case scenario, it expected silver prices to rise to $40 per ounce by end-2025, in case of a decline in U.S. real interest rates, a deeper-than-expected economic slowdown in the U.S. and the European Union, and a strong recovery in silver imports by China and India. In addition, it anticipated silver prices to exceed $36 per ounce in the 2025-26 period due to strong industrial demand for the metal from China, mainly in solar photovoltaic installations and in electric vehicles sales. Also, it forecast silver prices to average $31.5 per ounce in the first quarter of 2025 and $33.5 an ounce in full year 2025.

Source: Citi Research, 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	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-	Ba3	BB-	B+								
	Stable	Stable	Stable	Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+	A1	A+	-								
	Stable	Negative	Stable	-	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB-	Baa2	BBB	-								
	Stable	Positive	Stable	-	-3.1	26.4	4.1	29.4	8.1	100.4	-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
Bangladesh	B+	B2	B+	-								
	Stable	Negative	Stable	-	-4.8	32.1	3.8	29.0	29.0	102.8	-1.5	0.4
Central & Eastern Europe												
Bulgaria	BBB	Baa1	BBB	-								
	Positive	Stable	Positive	-	-2.5	24.5	2.0	19.5	1.5	102.8	-0.5	2.0
Romania	BBB-	Baa3	BBB-	-								
	Stable	Stable	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-	B1	BB-	BB-								
	Stable	Positive	Stable	Stable	-5.1	27.0	1.4	63.6	10.8	149.0	-1.2	0.4
Ukraine	CC	Ca	CC	-								
	Negative	Stable	-	-	-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	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	4.50	29-Jan-25	No change	19-Mar-25
Eurozone	Refi Rate	2.90	30-Jan-25	Cut 25bps	06-Mar-25
UK	Bank Rate	4.50	06-Feb-25	Cut 25bps	20-Mar-25
Japan	O/N Call Rate	0.50	24-Jan-25	Raised 25bps	19-Mar-25
Australia	Cash Rate	4.10	18-Feb-25	Cut 25bps	01-Apr-25
New Zealand	Cash Rate	3.75	19-Feb-25	Cut 50bps	28-May-25
Switzerland	SNB Policy Rate	0.50	12-Dec-24	Cut 50bps	20-Mar-25
Canada	Overnight rate	3.00	29-Jan-25	Cut 25bps	12-Mar-25
Emerging Markets					
China	One-year Loan Prime Rate	3.1	20-Feb-24	No change	20-Mar-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	19-Dec-24	No change	20-Mar-25
South Korea	Base Rate	2.75	25-Feb-25	Cut 25bps	17-Apr-25
Malaysia	O/N Policy Rate	3.00	22-Jan-25	No change	06-Mar-25
Thailand	1D Repo	2.00	26-Feb-25	Cut 25bps	30-Apr-25
India	Repo Rate	6.25	07-Feb-25	Cut 25pbs	09-Apr-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	20-Feb-25	No change	17-Apr-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	45.00	23-Jan-25	Cut 250bps	06-Mar-25
South Africa	Repo Rate	7.50	30-Jan-25	Cut 50bps	20-Mar-25
Kenya	Central Bank Rate	10.75	05-Feb-24	Cut 50bps	N/A
Nigeria	Monetary Policy Rate	27.50	20-Feb-25	No change	20-May-25
Ghana	Prime Rate	27.00	27-Jan-25	No change	31-Mar-25
Angola	Base Rate	19.50	21-Jan-25	Cut 25bps	18-Mar-25
Mexico	Target Rate	9.50	06-Feb-25	Cut 50bps	27-Mar-25
Brazil	Selic Rate	13.25	29-Jan-25	Raised 100bps	N/A
Armenia	Refi Rate	6.75	04-Feb-25	Cut 25bps	18-Mar-25
Romania	Policy Rate	6.50	14-Feb-25	No change	7-Apr-25
Bulgaria	Base Interest	2.82	03-Feb-25	Cut 13bps	03-Mar-25
Kazakhstan	Repo Rate	15.25	17-Jan-25	No change	N/A
Ukraine	Discount Rate	14.50	23-Jan-25	Raised 100bps	06-Mar-25
Russia	Refi Rate	21.00	26-Feb-25	No change	21-Mar-25

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