800 ISSUES+
Issue 845 | April 17, 2025

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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Speculative-grade default rate at 3.5% in March 2025

S&P Global Ratings indicated that 26 corporates with speculative-grade ratings defaulted on their obligations in the first quarter of 2025 compared to 37 defaults in the same period of 2024. On a regional basis, it stated that 16 U.S. firms defaulted on their obligations and accounted for 61.5% of total corporate defaults in the first quarter of 2025, followed by 8 companies in Europe (30.8%), one firm in emerging markets (3.8%), and one company in other developed markets (3.8%). Further, it indicated that the global 12-month trailing speculative-grade default rate stood at 3.54% at end-March 2025 compared to 3.9% at end-2024 and 4% at end-March 2024. Also, it said that the U.S. 12-month trailing speculative-grade default rate in March 2025 was 4.59%, followed by that of Europe (4.11%), other developed economies (1.54%), and Emerging Markets (0.94%). In addition, it noted that the default rate in the consumer products sector was 5% in the first quarter of 2025, the highest among all sectors, followed by media companies (4%), firms in the healthcare and retail sectors (3% each), and companies in the chemicals, packaging, and environmental services (2%). In comparison, it said that the default rate in media companies stood at 7% in the first quarter of 2024, followed by the consumer products sector (6%), healthcare companies (5%), financial institutions (4%), and telecommunications firms (3%).
Source: S&P Global Ratings

MENA

Arab banks account for 71% of assets of top 30 banks at end-2024

S&P Global Market Intelligence indicated that the aggregate assets of the top 30 banks in the Middle East and Africa (ME&A) reached $4,272.3bn at end-2024. It noted that the Top 30 banks include 21 Arab banks that consist of seven banks from the UAE, seven banks from Saudi Arabia, two banks from Kuwait, two banks from Egypt, and one bank from each of Qatar, Jordan, and Morocco. It pointed out that the total assets of banks in the UAE stood at $1,064.8bn and accounted for 25% of the aggregate assets of ME&A banks at end-2024, followed by the assets of banks in Saudi Arabia with $998bn (23.4%), Qatar with $356.5bn (8.3%), Kuwait with $250bn (5.9%), Egypt with $232.8bn (5.4%), and Morocco with $71.7bn and Jordan with $71.2bn (1.7% each). As such, the aggregate assets of the Arab banks accounted for 71.3% of the total asset of the top 30 ME&A banks. It indicated that Qatar National Bank ranked first among the top 30 banks in ME&A as its total assets amounted to $356.5bn at end-2024, followed by First Abu Dhabi Bank with $330.3bn, the Saudi National Bank with $294.1bn, Emirates NBD Bank with $271.3bn, and Al Rajhi Banking and Investment Corporation with $259.5bn. It added that Qatar National Bank had a Tier One Capital ratio of 20.3% at end-2024, the highest such ratio among the top 30 banks in the ME&A. In addition, it said that Emirates NBD Bank had a market capitalization of $100.8m at end-2024, the highest among the region's top 30 banks.
Source: S&P Global Market Intelligence

GCC

Insurers' revenue up 12% to $37.5bn in 2024

Figures released by consulting firm Insurance Monitor indicated that the aggregate revenues of 78 listed insurance companies in the Gulf Cooperation Council (GCC) countries reached $37.5bn in 2024, constituting an increase of 12.3% from $33.4bn in 2023, as 65 insurers reported increases in their revenues last year. It pointed out that the revenue of insurance firms in Saudi Arabia amounted to $17.3bn and accounted for 46.2% of total insurance revenues in the GCC in 2024, followed by the revenues of insurers in the UAE with $10.1bn (27% of total), Qatar with $4.1bn (11%), Kuwait with $3.6bn (9.5%), Oman with $1.7bn (4.5%), and Bahrain with $673m (1.8%). Also, it noted that the revenues of insurers in the UAE surged by 21% in 2024, followed by Saudi insurers (+14.4%), insurance firms in Bahrain (+9.7%), Omani insurers (+8.7%), and insurance companies in Kuwait (+5.6%), while the revenues of Qatari insurers decreased by 5% last year. In addition, it pointed out that the net income of the 78 GCC insurers totaled $2.1bn in 2024 and increased by 33% from $1.6bn in 2023. It said that the profits of insurance firms in Saudi Arabia stood at $851m and represented 40.7% of total insurance earnings in the GCC in 2024, followed by the net income of insurers in the UAE with $536m (25.6% of total), Qatar with $402m (19.2%), Kuwait with $236m (11.3%), Bahrain with $54m (2.6%), and Oman with $14m (0.7%). In parallel, it indicated that the 78 GCC insurance companies' net combined ratio, which is the ratio of incurred losses and expenses to earned premiums, stood at 97.4% in 2024 compared to 96.5% in 2023.
Source: Insurance Monitor

UAE

Earnings of Abu Dhabi firms down 7%, profits of Dubai firms up 17% in 2024

The net income of 76 companies listed on the Abu Dhabi Securities Exchange that published their financials totaled AED135.4bn, or $36.9bn, in 2024, constituting a decrease of 7% from AED145.5bn, or $39.6bn in 2023. Listed firms in the financial sector generated net profits of $14.8bn and accounted for 40% of the total earnings of publicly-listed firms in 2024. Energy companies followed with $7.5bn (20.3%), then telecommunication firms with $3.9bn (10.5%), industrials with $3.8bn (10.2%), utilities with $1.9bn (5.2%), basic materials companies with $1.4bn (3.8%), real estate firms with $1.35bn (3.7%), consumer discretionary companies with $1.3bn (3.6%), healthcare providers with $597.8m (1.6%), and consumer staples firms with $384.6m (1%). In parallel, the cumulative net income of 61 companies listed on the Dubai Financial Market that published their financials totaled AED94.8bn, or $25.8bn, in 2024, constituting a rise of 16.8% from AED81bn or $22.1bn in 2023. Listed financial firms generated profits of $13.6bn, or 52.6% of net earnings in 2024. Real estate companies followed with $7.3bn or 28.4% of the total, then utilities firms with $2.1m (8%), industrials with $1.3bn (4.9%), telecommunications firms with $677.8m (2.6%), consumer staples companies with $464m (1.8%), consumer discretionary firms with $383.7m (1.5%), and materials companies with $36.8m (0.1%).
Source: KAMCO, Byblos Research

SAUDI ARABIA

Robust buffers mitigate impact of lower oil prices

Goldman Sachs revised downward its projections for Saudi Arabia's real GDP growth rates to 4.5% in 2025 and 3.7% in 2026 from an earlier forecast of 5% for 2025 and 4.5% for 2026 in February, as it lowered its baseline assumptions for oil prices from $71 per barrels (p/b) in 2025 and $69 p/b in 2026 to $65 p/b in 2025 and $63 p/b in 2026. Also, it forecast the fiscal deficits at 4.4% of GDP in 2025 and 3.8% of GDP in 2026 compared to a previous projection of deficits of 3.4% of GDP in 2025 and 1% of GDP in 2026. It expected the current account deficits to widen to 4.1% of GDP in 2025 and 4.4% of GDP in 2026 from an earlier forecast of deficits of 2.7% of GDP in 2025 and 2.9% of GDP in 2026. Also, it anticipated the Saudi government's gross borrowing needs to rise from $90bn in 2024 to $134bn in the 2025-26 period, which will result in a funding gap of between $14bn and $15bn in the covered period.

But it considered that the Kingdom can manage the financing risks originating from lower oil prices and the impact of U.S. tariff policy on the economy. It pointed out that a drawdown of foreign-currency reserves, increased borrowing, the divestment of some domestic assets, tapping foreign assets, and a consolidation of public finances can alleviate these risks. First, it said that the strength of the country's balance sheet and the flexible structure of its public expenditures mitigate most of these risks. Second, it added that the accumulated foreign currency reserves of the public sector can still act as a buffer to lower oil prices. Third, it noted that the government's debt level is less than 30% of GDP, which provides ample space to borrow in order to cover the funding gaps in the budget and in the current account balances. It said that raising non-debt financing through the sale of domestic assets, tapping foreign assets that exceed $1 trillion, and the ability of the authorities to re-prioritize investment spending, provide them with the needed flexibility to address the impact of lower oil prices in the medium term. Also, it noted that that the Kingdom's ability to withstand lower oil revenues mitigates the risk of a forced adjustment of the peg of the Saudi riyal to the US dollar.
Source: Goldman Sachs

IRAQ

Baghdad to implement wide banking sector reforms

Consulting firm Oliver Wyman noted that the Iraqi banking sector is facing challenges stemming from a lack of trust and credibility among the Iraqi population, as well as from its unsustainable business model, its limited capabilities, and its distorted competitive environment. As such, it indicated that he Iraqi authorities plan to reform the banking system starting in 2026, in order to build a modern and resilient banking sector that supports economic activity and that delivers fair and sustainable returns to investors. It urged the government to coordinate with the Central Bank of Iraq (CBI) in order to promote, expand and deepen financial inclusion, drive the sector's efficiency and productivity, foster healthy market competition, and enhance the sector's resilience. As such, it recommended repairing trust in banks by introducing an updated deposit guarantee scheme and launching financial literacy campaigns; promoting the usage of banking products through a new legal and regulatory framework; encouraging credit growth by broadening the scope and capabilities of the credit bureau; modernizing payments by upgrading the payments systems; streamlining compliance with anti-money laundering and combating the financing of terrorism measures; and improving the CBI's oversight capabilities. Further, it suggested setting a minimum paid-up capital of IQD400bn, a minimum capital adequacy ratio of 12.5%, and a minimum liquidity coverage ratio of 100% per bank to safeguard the financial health and resilience of the sector.

In addition, it projected the market capitalization of private-sector banks to rise from $8bn in 2024 to more than $60bn in 2034 in case bank loans accelerate and account for 60% of total assets, along with a return on asset of 1.5%, a return on equity of 15%, and a nominal GDP of $450bn by 2034. However, it said that the banking sector's profits depend on the improvement of key industry metrics given that the penetration rate of retail deposit accounts stands at 46% of the adult population compared to a ratio of 75% for Iraq's regional peers. It added that the sector's deposits are equivalent to 37% of the country's GDP and the banks' loans to stand at 22% of GDP, relative to 80% of GDP and 70% of GDP, respectively, among regional peers.

In parallel, it said that the CBI should ease capital adequacy norms or lower the minimum capital ratios in order to give banks the financial flexibility to implement reforms and to achieve their growth objectives. Also, it encouraged the CBI to support the banks' gradual access to the global financial ecosystem and to provide them with technical assistance and advisory support throughout the reform process.
Source: Oliver Wyman

TUNISIA

Outlook contingent on credible macroeconomic strategy

The Institute of International Finance projected Tunisia's real GDP growth rate at 1.2% in 2025 and 1.3% in 2026, driven by the ongoing economic crisis and migration-related turmoil. Also, it forecast the inflation rate at 4.3% in 2025 and 3.7% in 2026, and expected the Banque Centrale de Tunisie to ease its policy rate from 8% in 2024 to 7% in 2025 and 6.5% in 2026. Further, it anticipated the public debt level to increase from 83.1% of GDP at the end of 2024 to 84.5% of GDP by end-2025 and 86.6% of GDP by end-2026, and noted the need for strong fiscal consolidation in order to put the public debt level on a downward trajectory. It considered that Tunisia requires a credible and coherent macroeconomic strategy, supported by an agreement with the International Monetary Fund that could mobilize multilateral and bilateral financing at concessional terms, and alleviate the pressure from the persistent large domestic financing of the deficit and the resulting scarce credit availability to the private sector.

It indicated that the amount of maturing Eurobonds will be smaller in 2026 and 2027 than in 2024 and 2025, which, along with limited external borrowing, will lead to a significant decline in the external debt level. As such, it expected the external debt to decrease from 76.1% of GDP in 2024 to 70.7% of GDP in 2025. In addition, it projected foreign currency reserves to decrease from $8.8bn at end-2024 to $8.6bn, equivalent to four months of imports at the end of 2025 and 2026.
Source: Institute of International Finance

ECONOMY & TRADE

EGYPT

Outlook on ratings revised to 'stable' on elevated financing needs

S&P Global Ratings affirmed Egypt's short- and long-term local and foreign currency sovereign credit ratings at 'B' and 'B-' respectively, and revised the outlook on the long-term ratings from 'positive' to 'stable'. It attributed the outlook revision to the country's twin fiscal and external deficits, elevated gross borrowing requirements, and its high debt servicing costs. It indicated that the 'stable' outlook balances Egypt's commitment to fiscal and economic reforms with its vulnerability to lower global growth and potentially more volatile external financing conditions. Also, it attributed the affirmation of the ratings to the government's efforts to narrow the fiscal deficit with the support of the International Monetary Fund (IMF), despite elevated external vulnerabilities and high domestic financing requirements. Further, it expected the government to continue to adhere to the main principles of its program with the IMF unless inflation rises sharply or social pressures intensify. Also, it projected Egypt's gross external financing needs at 150.1% of current account receipts and usable foreign reserves in the fiscal year that ends in June 2025 and at 144.5% of current account receipts and usable foreign reserves in FY2025/26. In addition, S&P indicated that it could revise the outlook to 'negative' if the authorities' commitment to macroeconomic reforms diminishes, and/or if current geopolitical and tariff-related tensions negatively affect Egypt's access to external markets and its debt servicing cost.

Source: S&P Global Ratings

PAKISTAN

Sovereign ratings upgraded on improved fiscal conditions

Fitch Ratings upgraded Pakistan's long-term foreign and local currency Issuer Default Ratings from 'CCC+' to B-', which is six notches below investment grade, with a 'stable' outlook on the long-term ratings. It attributed the upgrade to its expectations that the authorities will continue to narrow the fiscal deficit and to implement structural reforms, which will support the existing program with the International Monetary Fund and the availability of financing. But it noted that implementation risks are high and financing needs are elevated. Further, it indicated that the public debt level declined from 75% of GDP in FY2022/23 to 67% of GDP in FY2023/24, reflecting tight fiscal policy, high nominal GDP growth and a repricing of domestic debt at lower rates. But it expected the debt level to increase in FY2024/25 and to remain above the media of 50% of GDP for similarly-rated sovereigns, and forecast interest payments to absorb 59% of revenues in FY2024/25 relative to a median ratio of 13% for similarly-rated countries. Also, it noted that the government has $8bn in external debt maturities in FY2024/25 and about $9bn in FY2025/26, excluding $13bn in bilateral deposits and loans that are regularly rolled over and that include 4bn at the State Bank of Pakistan. It noted that foreign currency reserves increased from $15bn in FY2023/24 to nearly $18bn at end-March 2025, but added that net foreign reserves are significantly lower. In parallel, it said that it could downgrade the ratings if external liquidity conditions deteriorate and/or in case the authorities fail to reduce the government debt and debt-servicing metrics.

Source: Fitch Ratings

MOROCCO

Economic growth to average 3.8% in 2025-26 period

The International Monetary Fund (IMF) projected Morocco's real GDP growth rate to accelerate from 3.2% in 2024 to 3.9% in 2025 and 3.7% in 2026, supported by planned infrastructure projects and progress in structural reforms. It expected the inflation rate to increase from 0.9% in 2024 to 2.2% in 2025 and 2.3% in 2026. It added that the Moroccan economy has demonstrated a sustained track record of implementing very strong policies and a remarkable resilience to recent shocks, although a succession of droughts has severely curtailed agricultural production and pushed the unemployment rate to historical highs. Further, it anticipated the fiscal deficit to narrow from 4.1% of GDP in 2024 to 3.9% of GDP in 2025 and to 3.4% in 2026, while it forecast the public debt level to regress from 70% of GDP in 2024 to 68.9% of GDP by end-2025 and 67.7% of GDP by end-2026. Also, it projected the current account deficit to widen from 1.5% of GDP in 2024 to 2% of GDP in 2025 and 2.2% of GDP in 2026, while it projected the external debt at 46.1% of GDP in 2025 and 46.3% of GDP in 2026. It noted that Morocco's very strong institutional and policy frameworks have been effective in addressing shocks, along with well-calibrated fiscal, monetary, and financial policies. It stressed the need to continue the implementation of structural reforms, but it considered that the economy is vulnerable to a worsening of global economic and financial conditions and to higher commodity prices. Also, it projected foreign currency reserves at 5.2 months of import coverage at the end of each of 2025 and 2026.

Source: International Monetary Fund

NIGERIA

Sovereign ratings upgraded, outlook 'stable'

Fitch Ratings upgraded Nigeria's long-term local and foreign currency Issuer Default Ratings (IDRs) from 'B-' to 'B', which is five notches below investment grade, and revised the outlook on the long-term ratings from 'positive' to 'stable'. Also, it affirmed the short-term local and foreign currency IDRs at 'B' and upgraded the Country Ceiling from 'B-' to 'B'. It attributed the upgrade to the increased confidence in the government's commitment to policy reforms. It said the authorities started to implement reforms since the move to orthodox economic policies in June 2023, which include the liberalization of exchange rate, the tightening of monetary policy, and the authorities' efforts to lift fuel subsidies. Also, it expected the impact of U.S. tariffs on Nigeria's trade with the U.S. to be limited, due to the exclusion of oil-related exports from the tariffs, as they accounted for about 92% of the country's exports to the U.S. in 2023. Further, it said that the 'stable' outlook reflects the agency's expectation that the macroeconomic policy stance will improve the functioning of the foreign exchange market and support the decline in the inflation rate. In addition, it projected external vulnerabilities to decrease through the easing of domestic foreign exchange supply, while it expected reforms in the energy sector to support the current account surpluses. In parallel, it noted that it could downgrade the ratings if pressure on external liquidity increases, and/or if the credibility and consistency of monetary and fiscal policy-making and foreign currency management weaken.

Source: Fitch Ratings

GCC

Banks face indirect impact from tariffs

Fitch Ratings considered that the new U.S. tariffs are likely to have a limited direct impact on the operating environment of banks in the Gulf Cooperation Council (GCC) countries. However, it said that the indirect effects from lower oil prices and weaker global economic activity could result in a decline in government spending, strongly affect operating conditions, and reduce lending activity. It indicated that the credit conditions of GCC banks could deteriorate if the profitability and cash flow of corporates in sectors that face additional tariffs decline due to higher operating expenditures and inflation rates. It noted that the elevated pressure on corporates amid higher debt servicing costs could reduce credit demand and lead to a rise in the banks' credit risks for banks and to an increase in their non-performing loans. But it considered that GCC banks are well placed to absorb a deterioration in their operating environment, as many banks have strengthened their capital buffers in recent years. Further, it said that the operating environment score of Bahrain carries a 'negative' outlook and is the most vulnerable to a potential downgrade, given that the country is to the most vulnerable to a drop in oil prices due to its weak public finances, elevated debt burden and the highest breakeven oil price among GCC countries. It noted that the operating environment scores of banks in other GCC countries have 'stable' outlooks except for Oman, where the outlook is 'positive'. It added that Saudi Arabia, the UAE, Kuwait, Qatar, and Oman have more robust credit profiles and higher ratings than Bahrain, reflecting financial flexibility, high reserves, and a stronger capacityto face shocks.

Source: Fitch Ratings

QATAR

Banks' profits up 7% to $7.5bn in 2024

Moody's Ratings indicated that aggregate net income of rated Qatari banks reached QAR28.3bn, or $7.5bn, in 2024 constituting an increase of 7% from about QAR26.4bn ($6.54bn) in 2023, driven by an increase of 5% in their net interest income and a decrease of 12% in their loan-loss provisioning charges. It expected the banks' profitability to remain stable in 2025 amid high non-interest income, as interest rate cuts will weigh on net interest income. It said that some banks reported a contraction in their net interest margins in 2024, as banks reprice their liabilities faster than their assets, reflecting the increasing difficulties in repricing loans. It expected current market volatility and lower commodity prices to weigh on the profitability of Qatari banks in 2025. In addition, it said that the aggregate non-performing loans ratio of rated banks was 2.9% in 2024 and that Stage 2 loans accounted for 9.5% of gross loans at the end of 2024 compared to 11.7% a year earlier. It added that the weakening of the banks' assets quality largely reflects overcapacity in the real estate sector and payment delays in the contracting sector, which together account for around 20% of the banks' lending portfolio and pose significant concentration risks. However, it indicated that the asset quality of banks is supported by significant lending to the low-risk Qatari government and to government-related entities. Further, it stated that the banks' aggregate return on assets was 1.3% in 2024 and that their combined tangible common equity was 16.5% of total risk-weighted assets at end-2024 compared to 16.7% at end-2023.

Source: Moody's Ratings

EGYPT

Increased lending to MSMEs presents opportunities and risks

S&P Global Ratings indicated that Egyptian banks are increasing their exposure to micro-, small-, and medium-sized enterprises (MSMEs) due to the government's initiatives and targets that include the expansion of financial inclusion through the promotion of accounts, digital wallets, financial literacy, and entrepreneurship. It considered that increased digital payments and reduced cash transactions should improve the banks' revenues and their access to clients, as well as provide data to improve credit underwriting. It noted that over 74% of Egyptians who are more than 15 years old have transaction accounts compared to about 50% in 2019. It expected digital payments to rise due in part to the Central Bank of Egypt's work to improve the payment system and facilitate international remittance transfers. Also, it expected banks to develop digital products, including through partnerships with financial technology firms. Further, it considered that lending initiatives to MSMEs offer banks opportunities to diversify their loan portfolios that are currently concentrated in large corporations, public companies, and private firms operating in the public sector. It anticipated lending to MSMEs to increase gradually from a recent average of 7.5% of the banks' lending books, but added that it could become a source of risk for the sector given the limited financial flexibility of these firms. It noted that the non-performing loans (NPL) ratio of MSMEs increased annually since 2020 and stood at 12.1% at end-March 2024, and indicated that the banks' potential losses from NPLs have been limited so far by a public-private guarantee scheme. Also, it said that the total aggregate value of the banks' microfinance portfolios was about EGP87.5bn, or about $1.8bn, at end-March 2024, up from EGP6.4bn at end-2016.

Source: S&P Global Ratings

DEM REP CONGO

Kinshasa to continue implementation of AML/CFT action plan

In its February 2025 update, the Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), indicated that it maintained the Democratic Republic of the Congo (DRC) on its list of "jurisdictions under increased monitoring". It said that the DRC made in October 2022 a high-level political commitment to work with the FATF and its regional body GABAC, in order to improve the effectiveness of the country's AML/CFT regime. It noted that, since then, the authorities have established a mechanism to promote interagency coordination and cooperation on both money laundering and terrorism financing at the operational level. Further, it considered that the DRC should continue to work to implement its FATF action plan to address its strategic deficiencies by developing and implementing a risk-based supervision plan, building the capacity of the Financial Intelligence Unit to conduct operational and strategic analysis, strengthening the capabilities of the authorities involved in the investigation and prosecution of ML/TF, and demonstrating the effective implementation of TF and funds-related Targeted Financial Sanctions. The FATF included the DRC in October 2022 on its list of "jurisdictions under increased monitoring".

Source: Financial Action Task Force

ENERGY / COMMODITIES

Oil prices to average $66.3 p/b in second quarter of 2025

ICE Brent crude oil front-month future contracts' prices reached $64.7 per barrel (p/b) on April 15, 2025, constituting an increase of 3% from $62.8 p/b a week earlier. The rise in oil prices was mainly driven by a sharp rebound in Chinese crude oil imports. Further, oil prices increased to $65.9 p/b on April 16, 2025, as the U.S. issued new sanctions on Chinese importers of Iranian oil. In parallel, the U.S. Energy Information Administration (EIA) expected that the U.S. imposition of new tariffs and the acceleration of oil production by the OPEC+ coalition will lead to an increase in global oil inventories in the short term and put additional downward pressure on oil prices. As such, it projected global oil inventories to increase by an average of 0.6 million barrels per day (b/d) in the second quarter of 2025 and by 0.7 million b/d in the second half of 2025. It considered that the impact of new or additional tariffs on global economic activity and associated oil demand is highly uncertain and may weigh heavily on oil prices in the near future. However, it noted that the imposition of energy-sector sanctions on Russia and Iran, as well as the reduction of Chevron's oil exports from Venezuela, have increased oil price volatility in the short term. In addition, it said that the evolving speed at which the OPEC+ coalition unwinds production cuts, along with varying levels of compliance with announced production targets, continues to shape market dynamics. It said that these factors are likely to influence oil prices, which would potentially create fluctuations in oil prices depending on the degree of supply adjustments and the adherence to targets. Further, it projected oil prices to average $66.3 p/b in the second quarter of 2025.
Source: U.S. EIA, Refinitiv, Byblos Research

OPEC's oil basket price down 3.7% in March 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $74 per barrel (p/b) in March 2025, constituting a decrease of 3.7% from $76.81 p/b in February 2025. The price of Saudi Arabia's Arab Light was $76.07 p/b, followed by Kuwait's Kuwait Export at $75.36 p/b, and Equatorial Guinea's Zafiro at $75.04p/b. In parallel, all prices in the OPEC basket posted monthly decreases of between $1.91 p/b and $4.99 p/b in March 2025.
Source: OPEC

Demand for natural gas to increase by 1.5% in 2025

The International Energy Agency projected the global demand for natural gas to reach 4,275 billion cubic meters (bcm) in 2025, which would constitute an increase of 1.5% from 4,210 bcm in 2024. It forecast demand for natural gas in North America at 1,189 bcm and to represent 27.8% of the world's aggregate demand in 2025, followed by the Asia Pacific region with 977 bcm (23%), Eurasia with 662 bcm (15.5%), the Middle East with 622 bcm (14.5%), Europe with 497 bcm (11.6%), Africa with 178 bcm (4.2%), and Central and South America with 150 bcm (3.5%).
Source: International Energy Agency, Byblos Research

OPEC oil output down 0.3% in March 2025

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 26.8 million barrels of oil per day (b/d) in March 2025, constituting a decrease of 0.3% from 26.9 million b/d in February 2025. On a country basis, Saudi Arabia produced 8.96 million b/d, or 33.5% of OPEC's total output, followed by Iraq with 3.98 million b/d (15%), Iran with 3.3 million b/d (12.5%), the UAE with 2.9 million b/d (11%), and Kuwait with 2.4 million b/d (9%).
Source: OPEC

Base Metals: Aluminum prices to average $2,280 per ton in second quarter of 2025

The LME cash price of aluminum averaged $2,582.5 per ton in the year-to-April 16, 2025 period, constituting an increase of 15.4% from an average of $2,237.2 a ton in the same period last year, due to increasing global demand for the metal. Further, aluminum prices reached a high of $2,737.5 per ton on February 2, 2025, driven by the U.S. imposition of tariffs of 25% on steel and aluminum imports amid elevated global demand. In parallel, Goldman Sachs projected the global primary supply of aluminum at 74 million tons in 2025, which would constitute an increase of 1.7% from 72.8 million tons in 2024 due to higher output from Russia, which will more than offset lower production from China. It forecast global primary demand for the metal at 73.43 million tons this year, representing an uptick of 1.1% from 72.6 million tons in 2024, driven by higher demand from the transportation sector, which accounts for 28% of global aluminum demand. Also, it projected the demand for aluminum from the electric vehicles industry at 10.58 million tons in 2025, up by 15.4% from 9.16 million tons in 2024. It expected the global aluminum market to post a surplus of 580,000 in 2025, up from a surplus of 147,000 in 2024. However, it anticipated the risks to aluminum prices to be skewed to the downside, mainly if the escalation of U.S. tariffs and the potential slowdown in global economic activity will further reduce demand. Further, it forecast aluminum prices to average $2,280 a ton in the second quarter of 2025 and $2,300 per ton in full year 2025.
Source: Goldman Sachs, Refinitiv, Byblos Research

Precious Metals: Gold prices to average $3,240 per ounce in second quarter of 2025

Gold prices averaged $2,901.1 per ounce in the year-to-April 16, 2025 period, constituting an increase of 37.4% from an average of $2,111.6 an ounce in the same period last year, due to concerns about global economic uncertainties and trade tensions, mainly between China and the U.S., which reinforced the appeal of the metal as a safe haven for investors, as well as to strong demand for the metal from central banks around the world. Also, gold prices reached an all-time high of $3,309.3 per ounce on April 16, 2025, driven by the new U.S. tariffs, escalating trade tensions between the U.S. and China, and increased demand for safe haven assets amid global economic uncertainties. In parallel, Goldman Sachs expected gold prices to reach $3,700 by the end of 2025, driven by stronger-than-expected demand from major central banks due to U.S. policy uncertainties and a surge in inflows into gold-backed exchange traded funds (ETFs). Also, it considered that inflows into ETFs could accelerate further and could put upward pressure on gold prices that would reach a high of $3,880 by the end of the year if the U.S. enters into an economic recession. In addition, in its extreme tail-risk scenario, it expected gold prices to reach $4,500 per ounce by the end of 2025, as it anticipated demand from central banks to rise to 110 tons per month this year and for inflows into ETFs to rebound to pandemic levels by end-2025. In addition, Goldman Sachs projected gold prices to average $3,240 per ounce in the second quarter of 2025 and $3,295 an ounce in full year 2025.
Source: Goldman Sachs, 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- Stable	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	- -	Caa1 Stable	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	BBB- Positive	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA Stable	Aa2 Stable	AA Stable	AA Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A+ Stable	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				General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
	S&P	Moody's	Fitch	CI								
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	B-	-								
	Stable	Positive	Stable	-	-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	19-Mar-25	No change	07-May-25
Eurozone	Refi Rate	2.65	06-Mar-25	Cut 25bps	17-Apr-25
UK	Bank Rate	4.50	20-Mar-25	No change	N/A
Japan	O/N Call Rate	0.50	19-Mar-25	No change	01-May-25
Australia	Cash Rate	4.10	01-Apr-25	No change	20-May-25
New Zealand	Cash Rate	3.75	19-Feb-25	Cut 50bps	28-May-25
Switzerland	SNB Policy Rate	0.25	20-Mar-25	Cut 25bps	19-Jun-25
Canada	Overnight rate	2.75	16-Apr-25	No change	04-Jun-25
Emerging Markets					
China	One-year Loan Prime Rate	3.10	20-Mar-24	No change	20-Apr-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	20-Mar-24	No change	19-Jun-25
South Korea	Base Rate	2.75	17-Apr-25	No change	29-May-25
Malaysia	O/N Policy Rate	3.00	06-Mar-25	No change	08-May-25
Thailand	1D Repo	2.00	26-Feb-25	Cut 25bps	30-Apr-25
India	Repo Rate	6.00	09-Apr-25	Cut 25pbs	N/A
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	42.50	06-Mar-25	Cut 250bps	17-Apr-25
South Africa	Repo Rate	7.50	30-Jan-25	No change	29-May-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	28.00	28-Mar-25	Raised 100bps	26-May-25
Angola	Base Rate	19.50	18-Mar-25	No change	21-May-25
Mexico	Target Rate	9.00	27-Mar-25	Cut 50bps	15-May-25
Brazil	Selic Rate	13.25	29-Jan-25	Raised 100bps	N/A
Armenia	Refi Rate	6.75	18-Mar-25	No change	06-May-25
Romania	Policy Rate	6.50	07-Apr-25	No change	16-May-25
Bulgaria	Base Interest	2.59	01-Apr-25	No change	01-May-25
Kazakhstan	Repo Rate	15.25	17-Jan-25	No change	N/A
Ukraine	Discount Rate	15.50	06-Mar-25	Raised 100bps	17-Apr-25
Russia	Refi Rate	21.00	21-Mar-25	No change	25-Apr-25

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