

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate debt at \$25.3 trillion at end-June 2025

S&P Global Ratings indicated that the volume of rated corporate debt globally reached \$25.3 trillion (tn) at the end of June 2025, constituting an increase of \$1.04tn, or of 5.5%, from \$24.26tn at mid-2024. It said that the volume of rated corporate debt in the 'BBB' category stood at \$9.3tn at end-June 2025 and accounted for 36.8% of the total, followed by companies in the 'A' bracket with \$7.84tn (31%), firms in the 'BB' range with \$2.54tn (10%), corporates in the 'B' segment with \$2.53tn (10%), firms in the 'AA' bracket with \$1.84tn (7.3%), companies in the 'AAA' range with \$750.3bn (3%), and corporates in the 'CCC' segment with \$483.2bn (2%). As such, it pointed out that investment-grade debt stood at \$19.75tn at end-June 2025 and accounted for 78% of rated corporate debt, while non-investment-grade debt reached \$5.56tn and represented 22% of the total. In addition, it said that the outstanding bonds of non-financial firms totaled \$15.89tn at end-June 2025 and accounted for 62.8% of rated corporate debt, while the bonds of financial institutions amounted to \$9.4tn or 37.2% of the total. It pointed out that investment-grade bonds of non-financial firms stood at \$11.1tn at end-June 2025, while non-investment grade bonds of non-financial firms reached \$4.8tn. It noted that the investment-grade bonds of financial companies amounted to \$8.7tn, while their non-investment grade bonds totaled \$765.6bn at end-June 2025.

Source: S&P Global Ratings

GCC

Fixed income issuance down 18% to \$120.7bn in the first eight months of 2025

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached \$120.7bn in the first eight months of 2025, constituting a decline of 18% from \$147bn in the same period of 2024. Fixed income output in the first eight months of 2025 consisted of \$42.7bn in corporate bonds, or 35.4% of the total, followed by \$35.2bn in corporate sukuk (29.2%), \$31.3bn in sovereign bonds (26%), and \$11.5bn in sovereign sukuk (9.5%). Further, aggregate bonds and sukuk issued by corporates in the GCC stood at \$77.9bn in the first eight months of 2025, or 64.5% of fixed income output in the region; while issuance by GCC sovereigns reached \$42.8bn or 35.5% of the total. GCC sovereigns issued \$16bn in bonds and sukuk in January, \$4.9bn in February, \$5.1bn in March, \$1.2bn in April, \$8.7bn in May, \$900m in June, \$2.9bn in July 2025, and \$3.1bn in August 2025, while GCC firms issued \$11.1bn in bonds and sukuk in January, \$12.2bn in February, \$8.5bn in March, \$4.1bn in April, \$15.7bn in May, \$12.7bn in June, \$10bn in July 2025, and \$3.6bn in August 2025. In parallel, corporate output in August 2025 consisted of \$950m in sukuk and \$388.2m in bonds that UAE-based firms issued, \$65m in bonds and \$62.7m in sukuk that Saudi Arabia-based companies issued, and \$66.6m in bonds from firms in Qatar. Also, sovereign proceeds in August 2025 consisted of \$1.06bn in bonds and \$1.06bn in sukuk that Qatar issued, \$742.6m in sukuk issued by Bahrain, and \$233.8m in bonds issued by Oman.

Source: KAMCO

MENA

Stock markets' capitalization at \$4.2 trillion at end-August 2025

The aggregate market capitalization of Arab stock markets reached \$4.2 trillion (tn) at the end of August 2025, constituting decreases of 4.6% from \$4.4tn at end-2024 and of 1.5% from \$4.26tn at end-August 2024. The market capitalization of the Saudi Exchange stood at \$2,364.4bn at the end of August 2025 and accounted for 56.3% of the total, followed by the Abu Dhabi Securities Exchange with \$846.2bn (20.2%), the Dubai Financial Market with \$282.9bn (6.7%), the Qatar Stock Exchange with \$184bn (4.4%), Boursa Kuwait with \$166.3bn (4%), the Casablanca Stock Exchange with \$116.8bn (2.8%), the Muscat Stock Exchange with \$77.4bn (1.8%), the Egyptian Exchange with \$50.7bn (1.2%), the Amman Stock Exchange with \$31.9bn (0.8%), the Bahrain Bourse with \$19.9bn (0.5%), the Beirut Stock Exchange with \$19.6bn (0.47%), the Iraq Stock Exchange with \$17.84bn (0.4%), the Tunis Stock Exchange with \$10.77bn (0.3%), the Palestine Exchange with \$4.5bn (0.1%), and the Damascus Stock Exchange with \$2.86bn (0.07%). In parallel, the market capitalization of the Saudi Exchange was equivalent to 218.2% of the country's projected GDP for 2025, followed by the Abu Dhabi Securities Exchange (154.2% of GDP), Boursa Kuwait (108.6% of GDP), the Qatar Stock Exchange (82.6% of GDP), the Muscat Stock Exchange (74.2% of GDP), the Casablanca Stock Exchange (70.4% of GDP), the Amman Stock Exchange (57% of GDP), the Beirut Stock Exchange (51.8% of GDP), the Dubai Financial Market (51.6% of GDP), the Bahrain Bourse (41.6% of GDP), the Tunis Stock Exchange (19% of GDP), the Egyptian Exchange (14.6% of GDP), and the Iraq Stock Exchange (7% of GDP).

Source: Arab Federation of Capital Markets, International Monetary Fund, Institute of International Finance, Byblos Research

Mobile connectivity varies across region

The Global System for Mobile Communications Association (GSMA) ranked the United Arab Emirates in 15th place among 173 countries globally and in first place among 17 Arab economies on its Mobile Connectivity Index for 2025. Qatar followed in 32nd place, then Saudi Arabia (37th), Bahrain (45th) and Tunisia (89th) as the five Arab economies with the highest mobile connectivity. In contrast, Algeria (116th), Iraq (123rd), Mauritania (150th), Sudan (165th), and Yemen (166th) are the five Arab countries with the lowest mobile connectivity in the region. The index measures the level of mobile internet adoption in each country and the environment for delivering mobile internet connectivity. It is based on 32 indicators grouped into four dimensions. Also, the survey classifies countries in five categories of mobile ecosystems development and access. The Arab region's average score stood at 65.4 points compared to 63.4 points in the 2024 survey, and came lower than the global average score of 65.9 points. In parallel, Saudi Arabia ranked in first place on the Infrastructure dimension, while the UAE came first on the Affordability, Consumer Readiness, and Content and Services categories. Further, the survey classified seven Arab economy as "Advanced", five countries in the "Leader" category, two economies as "Discoverers", two countries as "Transitioners", and one economy as "Emerging".

Source: GSMA, Byblos Research

OUTLOOK

WORLD

Adoption of Artificial Intelligence to impact companies and sectors

Moody's Ratings considered that companies are contending with how and when artificial intelligence (AI) might materially alter their business models, operating costs, productivity, and their credit quality, as recent advances in AI performance raise the baseline for its adoption and for its impact. It noted that the adoption of AI helps reduce barriers to entry, expand the range of viable applications, and deliver early signs of structural change in sectors that can integrate AI efficiently. As such, it developed three scenarios about how AI could evolve through 2030, with distinct implications for investment needs, competitive positioning, and credit risk exposure. Further, it assigned a 40% probability for its first scenario, a 50% likelihood for its second scenario, and a 10% probability for its third scenario.

Under its first scenario, it considered that the implementation of AI will drive incremental gains in productivity, and that firms will continue to adopt AI at a slow and uneven pace, and will integrate it as a productivity tool primarily. It added that the credit implications for companies will remain limited and will vary depending on factors such as a firm's investment capacity, the level of digital maturity, and the breadth of integration of AI. In its second scenario, which anticipates steady progress in AI capabilities and deployment, it expected the adoption of AI to gradually take over larger segments of business activity, with humans acting as supervisors. It estimated that AI will become a transformative productivity tool through its broad integration across the enterprise, and noted that value creation will be increasingly concentrated among AI service providers, which will result in new dependency risks for firms relying on external platforms and technologies. Under its third scenario, which indicates that Artificial General Intelligence (AGI), defined as AI capable of performing any human intellectual task, will drive widespread systemic transformation along with unpredictable risk. It estimated that AGI would trigger systemic changes across labor markets, governance structures, and credit systems. It added, in this case, that governments could be forced to intervene due to unforeseen risks, which would reshape sovereign credit profiles and influence macroeconomic policy decisions.

Source: Moody's Ratings

AFRICA

Decline in foreign aid to have varying impact across continent

The Institute of International Finance considered that fragile and conflict-stricken countries in Africa, including Côte d'Ivoire, the Democratic Republic of the Congo, Ethiopia, Mozambique, Somalia, and South Sudan, face the highest risk from the decrease of aid from the European Union, the United Kingdom, and the U.S., and that Kenya, Nigeria, and South Africa will also be affected but to a lesser extent. It added that the infrastructure, healthcare industry, education, and population programs are most exposed to the decrease in donors' support. It indicated that the U.S. has begun reducing its aid to the continent, along with other traditional Western partners, and estimated that Official Development Assistance (ODA) to Africa dropped by 52% so far in 2025 compared to a decrease of 13% in 2024.

Further, it said that the Organization for Economic Cooperation and Development projected global ODA to decline by 10% to 17% by 2027, with the drop for Sub-Saharan Africa reaching as much as 28% given the region's heavy dependence on aid. In its optimistic scenario of a 9% cut in ODA, it assumes a 38% reduction in U.S. programs that the U.S. Agency for International Development (USAID) managed; while, under its pessimistic scenario, it anticipates that 82% of USAID programs would be terminated in case of a reduction of 17% in aid to Africa. It considered that cuts of this magnitude will worsen fiscal outcomes and debt dynamics in Africa, since ODA finances social and development spending that governments would have to cover. As such, it said that fiscal risks will be severe for countries with weak revenues and high dependence on ODA, such as Somalia, Ethiopia, and Sudan. It considered that multilateral organizations, private donors and non-traditional partners will have to shoulder more of the burden at a time when bilateral aid from major donors is falling. It added that robust inflows from remittances and foreign direct investments may offset in part the drop in ODA.

Source: Institute of International Finance

SAUDI ARABIA

Contribution of non-oil sector to economic activity to increase in near-term

S&P Global Ratings projected Saudi Arabia's real GDP growth rate at 4.1% in 2025 and 4% in 2026, and to average 3.1% in the 2027-28 period, supported by elevated oil production and the strong performance of the non-hydrocarbon sector. It expected non-oil growth prospects to remain strong, underpinned by consumption and government-led initiatives, despite the Kingdom's dependence on hydrocarbon prices. It said that the non-oil sector currently accounts for 71% of GDP relative to 63% in 2018, and anticipated credit growth, consumption, and public expenditures to boost the non-oil sector's contribution to the country's economic activity. Further, it expected oil production volumes to increase from 9 million barrels per day (b/d) in 2024 to an average of 10.3 million (b/d) in the 2026-28 period.

In parallel, it projected the fiscal deficit to slightly widen from 4.3% of GDP in 2025 to 4.4% of GDP in 2026, in case of lower oil export receipts and higher imports. Also, it anticipated the fiscal deficit to average 3.7% of GDP in the 2027-28 period, in case of higher receipts from elevated oil production and from increasing revenues from consumption taxes. It forecast higher receipts from the non-oil sector to reduce fiscal and external vulnerabilities, but it expected the fiscal and external accounts to remain affected by hydrocarbon prices and production levels. In parallel, it anticipated government borrowing to finance the fiscal and external sector deficits, and projected the public debt level to increase from 28% of GDP in 2025 to 35.6% of GDP in 2028.

In addition, it forecast the current account deficit to widen from 0.5% of GDP in 2024 to 2.6% in 2025, and to average 2.6% of GDP in the 2026-28 period, driven by an elevated import bill, the continued implementation of Vision 2030-related projects, and lower oil prices, which will outpace higher oil production and improving net receipts from tourism. It projected foreign currency reserves to decrease from \$329.6bn by end-2025, to \$322.9bn by end-2026, \$318.8bn by end-2027 and \$314.5bn at end-2028.

Source: S&P Global Ratings



ECONOMY & TRADE

TUNISIA

Sovereign ratings upgraded on improved external position

Fitch Ratings upgraded Tunisia's long-term foreign currency issuer default rating (IDR) 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 the continued improvement in Tunisia's external position, narrower current account deficits, resilient net foreign direct investments and disbursements from multilateral and bilateral partners. But, it noted that the ratings are constrained by still limited access to external financing in the absence of market access, and by the high vulnerability of the budget and the external account to commodity price shocks. It expected the fiscal financing needs, excluding the rollover of short-term debt, to decline from 18% of GDP in 2024 to 16% in 2025, 15% in 2026 and 13.5% in 2027. Also, it anticipated foreign currency reserves to decrease from 4.5 months of current external payments in 2024 to 3.9 months of current external payments in 2027, but to remain at a sufficient level to meet external debt amortizations. Also, it forecast the current account deficit to widen from 1.5% of GDP in 2024 to 2.2% of GDP in 2025 and 2.8% of GDP in 2027, due to the decline in export receipts and higher goods imports. In parallel, the agency noted that it could upgrade the ratings if the authorities implement reforms that contribute to sustained reductions in the fiscal deficit and the public debt level, and/or if foreign currency reserves increase. But it said that it could downgrade the ratings in case the reduction of fiscal financing needs failed and/or if pressures on the external accounts rise.

Source: Fitch Ratings

KUWAIT

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Kuwait's short- and long-term local and foreign currency issuer default ratings at 'F1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It indicated that the ratings are supported by the country's strong fiscal and external balance sheets, but it noted that they are constrained by Kuwait's weaker governance compared to similarly-rated peers, the economy's heavy dependence on the oil sector, and its generous welfare system and large public sector that could be a source of long-term fiscal pressure. Also, it noted that the recently-enacted debt law outlines plans to raise KWD30bn, or about \$100bn, which is equivalent to 60% of GDP, in the next 50 years. It added that this will help alleviate pressure on the General Reserve Fund, support development and capital projects, and establish a benchmark yield curve. Further, it projected the government's debt to surge from 2.9% of GDP in FY2023/24 to 12% of GDP in FY2026/27, driven by the resumption of debt issuance, fiscal deficits, and lower oil prices, but expected it to remain below the projected median of 52.4% of GDP for 'AA'-rated sovereigns in 2027. In parallel, it noted that it could downgrade the ratings in case a geopolitical shock negatively affects economic, social or political stability, and/or if the country's fiscal and external balances deteriorate significantly. But, it said that it could upgrade the ratings if the authorities implement structural reforms to sustainably reduce the economy's dependence on oil as a source of fiscal revenues.

Source: Fitch Ratings

ANGOLA

External funding needs at \$2.6bn if oil prices increase by \$10p/b in 2026

JPMorgan Chase & Co. projected Angola's external financing requirements at \$5.2bn in 2025 and at \$7.2bn in 2026 if oil prices average \$66 per barrel (p/b) in 2025 and \$58 p/b in 2026. Further, it estimated the funding needs to post a surplus of \$0.2bn in 2025 and to revert to a gap of \$0.6bn in 2026. It expected the authorities to source their external funding needs in 2026 from \$4bn in bilateral and credit line disbursements, \$1bn in commercial funding, \$1bn in multilateral funding, \$0.8bn in a Chinese escrow account flows, and \$0.5bn from the World Bank. Also, it projected the current account to shift from a surplus of \$1.5bn or 1.1% of GDP in 2025 to a deficit of \$1.9bn or 1.3% of GDP in 2026, and forecast external debt to decline from 43.5% of GDP in 2024 to 39.3% of GDP in 2025 and 36.9% of GDP in 2026. It noted that \$6.6bn of Angola's external debt are due in 2025 and \$5.3bn will mature in 2026. Further, it forecast foreign currency reserves, including gold, at \$16bn at end-2025 and \$15.4bn at end-2026. In parallel, it anticipated Angola's external financing needs at \$2.6bn and for the country to post a funding surplus of \$0.7bn in 2026 if oil prices average \$68 p/b next year. It expected financing sources to include \$2.5bn in bilateral and credit line disbursements, \$1bn in portfolio investments, \$1bn in multilateral funding, \$0.8bn in a Chinese escrow account flows, \$0.5bn in commercial funding, and \$0.5bn from the World Bank. Also, it forecast the current account deficit to reach \$2.7bn or 1.9% of GDP in 2026, and for foreign currency reserves to stand at \$16.7bn or 11.7% of GDP next year.

Source: JPMorgan Chase & Co.

ETHIOPIA

Credit profile contingent on debt restructuring

In its periodic review of Ethiopia's credit profile, Moody's Ratings indicated that the sovereign's local-currency long-term and foreign-currency long-term issuer ratings of 'Caa2' and 'Caa3', respectively, reflects its expectations of losses to private-sector creditors as a result of the government's ongoing debt restructuring under the G-20 Common Framework that the authorities initiated in February 2021. It said that the approval by the International Monetary Fund's Executive Board of a program for Ethiopia in July 2024, along with progress on economic reforms, has set the stage for a debt restructuring agreement with official sector creditors, which was announced in March 2025. It said that Ethiopia's 'ba2' economic strength assessment is supported by high growth rates, but is constrained by low per capita income and an elevated reliance on the agricultural sector. It added that the country's institutions and governance rating of 'caa1' reflects Ethiopia's weak performance on the worldwide governance indicators. Further, it attributed the country's 'b1' fiscal strength assessment to the government's weakening capacity to generate revenues and the high contingent liabilities from the guaranteed debt of state-owned enterprises, as well as to the elevated share of foreign-currency debt in its public debt. Further, the agency stated that the 'stable' outlook on the ratings balances the authorities' renewed engagement with the IMF on a support and funding program to implement a reform agenda, with the debt restructuring that may be prolonged and could result in higher losses for private-sector creditors than currently reflected in the country's ratings.

Source: Moody's Ratings



BANKING

MENA

More than 80% of banks carry a 'stable' outlook on their ratings

Moody's Ratings indicated that the 106 banks in the Middle East and Africa (ME&A) region that it rates account for 12.1% of the 875 rated banks around the world. It said that 86 banks or 81% of banks in the ME&A region had a 'stable' outlook on their issuer ratings at end-August 2025, 10 banks (9.4%) carried a 'positive' outlook, and 10 other banks (9.4%) had a 'negative' outlook on their ratings. Also, it pointed out that banks in the ME&A region accounted for 12.5% of banks around the world that carried a 'stable' outlook on their ratings at end-August 2025, compared to 27.7% of rated banks in the Asia Pacific region, 21% of banks in the European Union (EU), 17.3% of banks in European countries outside the EU, 11.4% of banks in North America, and 10.2% of banks in Latin America. It added that banks in the ME&A region represented 10.3% of banks around the world that have a 'positive' outlook on their ratings at end-August 2025, while they accounted for 12.3% of banks that carry a 'negative' outlook. On a country basis, it stated 11 banks in Saudi Arabia, 11 banks in the UAE, eight banks in Kuwait, eight banks in Qatar, six banks in Oman, four banks in Iraq, four banks in Jordan, four banks in Morocco, four banks in Tunisia, and two banks in Bahrain had a 'stable' outlook on their ratings at end-August 2025. It added that five banks in Egypt and two banks in the UAE carried a 'positive' outlook, while two banks in Iraq had a 'negative' outlook on their ratings at end-August 2025. In parallel, it indicated that the weighted average long-term foreign- and local currency ratings of banks in the ME&A region stood at 'A3' at end-August 2025.

Source: Moody's Ratings

GCC

Banks' debt issuance to exceed \$60bn in 2025

Fitch Ratings projected banks in the Gulf Cooperation Council (GCC) to issue more than \$60bn of debt in 2025 and \$40bn of debt excluding certificates of deposit (CDs), which would exceed the issuance level of 2024. It attributed its forecast to the high volume of maturities, strong credit growth, and favorable financing conditions. Also, it anticipated banks to continue their elevated issuance of debt in 2026, supported by further rate cuts by the U.S. Federal Reserve, \$36bn in debt maturities, additional strong credit growth in Saudi Arabia and the UAE, and persistent tight domestic liquidity conditions in Saudi Arabia. Also, it noted that Saudi banks issued \$28.3bn of debt so far in 2025, followed by banks in the UAE with \$11bn, Qatari banks with \$8bn, and Kuwaiti banks with \$7bn. Further, it pointed out that GCC banks have accounted for about 30% of US dollar debt issuance by emerging-market banks this year. In parallel, it stated that UAE and Qatari banks have focused on issuing senior unsecured debt in order to meet refinancing needs and diversify their funding bases, mainly through issuing environmental, social, and governance bonds and sukuk. Also, it expected the UAE banks' debt issuance to be driven by refinancing and diversification goals as the sector has good liquidity and a solid net foreign asset position. Further, it expected the Saudi banks' reliance on external funding to increase, as it anticipated their net foreign liability position to exceed 3% of the sector's assets.

Source: Fitch Ratings

GHANA

Banks to reduce NPL ratios due to new regulations

Fitch Ratings expected the non-performing loans (NPLs) ratios of Ghanaian banks to decrease significantly in the next few years, in order to comply with the new regulations of Bank of Ghana (BoG) that go into effect at the end of 2026. It said that the BoG prudential measures require financial institutions to maintain their NPL ratios below 10%, and added that the BoG will prevent banks with NPL ratios that exceed 15% from distributing dividends and bonuses, and that it will impose restrictions on those with ratios between 10% and 15% after two consecutive years of failing to comply with the limit. It noted that only four out of 23 banks operating in Ghana had NPL ratios below the 10% limit at the end of June 2025, and that more than 12 banks had ratios above 15%. It anticipated the banks to reduce their NPL ratios by accelerating write-offs by end-2026 and from stronger operating conditions. Also, it identified six banks to be non-compliant with the capital requirements when the forbearance covering losses on cedi government bonds expires at end-2025, given their elevated problem loans and constrained ability to write off such loans due to their limited capital buffers. It said that the sector's NPLs ratio, excluding fully provisioned loans, stood at 8.5% at end-June 2025, indicating that banks can make substantial write-offs without incurring further provisions. It pointed out that the banks' strong pre-impairment operating profits, which are driven by large holdings of high-yielding sovereign securities, provide a large buffer to absorb fresh provisions without affecting capital, as net loans represented 19% of the banking sector's assets at end-April 2025.

Source: Fitch Ratings

NIGERIA

Banks have manageable cost of funding

Moody's Ratings indicated that the net interest margins of Nigerian banks increased from 3.8% in 2022 to 6.2% in 2024, and regressed to 5.3% in the first quarter of 2025. Also, it stated that the net interest margins widened until the end of 2024 due to the gradual repricing of corporate loans, which represent the largest share of the banks' loan portfolio, compared to a slower and partial repricing of deposits. Further, it pointed out that Nigerian banks benefit from a relatively low cost of funding, as they rely to a large extent on current and demand deposits that do not carry interest rates and that account for 32% of their total liabilities, and because of the limited effect of policy rates on term and savings deposits. In parallel, it said that the weighted average cost of funding of the rated Nigerian banks rose from 2.9% in 2022 to 5.6% in the first quarter of 2025. It pointed out that the banks are able to mitigate, but not to fully offset, their borrowing costs through a funding mix that includes low-cost sources, such as liquidity injection into the banking sector from the Central Bank of Nigeria and access to deposits that do not carry interest rates, despite high local currency market rates. In addition, it said that recent market reforms in Nigeria aim to establish robust financial markets, mainly for foreign exchange, and to strengthen monetary policy channels, although these efforts began from a low base. It considered that deepening financial markets, boosting confidence in their operations, and combating corruption could gradually reduce the banks' borrowing costs in local currency.

Source: Moody's Ratings



ENERGY / COMMODITIES

Oil prices to reach \$68.4 p/b in third quarter of 2025

The prices of ICE Brent Crude oil front-month future contracts reached \$68.5 per barrel (p/b) on September 16, 2025, constituting an increase of 3.1% from \$66.4 p/b a week earlier, amid a potential disruption of Russian oil supply following Ukrainian drone attacks on its refineries. However, Brent prices regressed to \$67.4 p/b on September 18 due to an increase in U.S. diesel inventories and the U.S. Federal Reserve's cut of its policy rate. In parallel, the U.S. Energy Information Administration expected global oil inventories to increase by an average of 1.7 million barrels per day (b/d) in 2025 and 1.6 million b/d in 2026. It anticipated the rise in inventories to average 2.3 million b/d in the fourth quarter of 2025 and the first quarter of 2026, which could fill up land-based storage that would force market participants to seek costlier options for storing crude oil, such as ships. In addition, it indicated that the ongoing tensions and negotiations related to the Russia-Ukraine conflict could affect oil supply, while Western governments may impose further sanctions on Russia, although it do not expect any major supply disruptions. Also, it considered that ongoing trade negotiations and legal challenges related to tariffs between the U.S. and its trading partners could affect oil demand growth and prices. Further, it said that the OPEC+ coalition could reconsider its plans to increase output, which would ease downward pressure on oil prices. In parallel, it projected oil prices to average \$68.4 p/b in the third quarter and \$67.8 p/b in full year 2025.

Source: U.S. Energy Information Administration, Refinitiv, Byblos Research

OPEC's oil basket price down 1.7% in August 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged \$69.73 per barrel (p/b) in August 2025, constituting a decrease of 1.7% from \$70.97p/b in July 2025. The price of Saudi Arabia's Arab Light was \$71.40p/b, followed by Kuwait's Kuwait Export at \$70.68p/b, and Nigeria's Bonny Light at \$70.27p/b. In parallel, all prices in the OPEC basket posted monthly decreases of between \$0.73 p/b and \$3.54 p/b in August 2025.

Source: OPEC

Global steel output down 4.7% in June 2025

Global steel production reached 151.4 million tons in June 2025, constituting decreases of 4.7% from 158.8 million tons in May 2025 and of 6.2% from 161.4 million tons June 2024. Production in China totaled 83.2 million tons and accounted for 55% of global steel output in June 2025, followed by output in India with 13.6 million tons (9%), the U.S. with 6.9 million tons (4.6%), Japan with 6.7 million tons (4.4%), and Russia with 5.6 million tons (3.7%).

Source: World Steel Association, Byblos Research

Kuwait's crude oil production nearly unchanged in May 2025

Crude oil production in Kuwait totaled 2.42 million barrels per day (b/d) in May 2025, nearly unchanged from April 2025. Crude oil exports from Kuwait stood at 2.29 million b/d in May 2025, constituting a decrease of 3.5% from 2.37 million b/d in April 2025 and an increase of 0.4% from 2.28 million b/d in May 2024.

Source: Joint Organizations Data Initiative, Byblos Research

Base Metals: Nickel prices to average \$14,256.8 per ton in third quarter of 2025

The LME cash price of nickel averaged \$15,259.3 per ton in the year-to-September 18, 2025 period, constituting a decrease of 10.9% from an average of \$17,126.8 a ton in the same period of 2024, due to the excessive supply of the metal by nickel producers in Indonesia and China, weak demand from the battery sector, as well as to global economic uncertainties. Nickel prices reached \$21,339 per ton on May 20, 2024, their highest level since August 3, 2023 when they stood at \$21,369 a ton, due to the ban from the London Metal Exchange on Russian metal exports, following new trade sanctions that the U.S. and the United Kingdom imposed on Russia in response to the latter's invasion of Ukraine. In parallel, the latest available figures released by the International Nickel Study Group projected global total primary supply of nickel at 3.74 million tons in 2025, which would constitute an increase of 6% from 3.53 million tons in 2024 and relative to 3.36 million tons in 2023, mainly driven by additional nickel output in China. Also, it forecast global demand for primary nickel at 3.54 million tons in 2025, which would represent an increase of 5.7% from 3.35 million tons in 2024, compared to 3.19 million tons in 2023. As such, it projected the global nickel market to post a surplus of 198,000 tons in 2025, up by 10.6% from 179,000 tons in 2024, and compared to 170,000 tons in 2023. Further, S&P Global Market Intelligence projected nickel prices to average \$14,256.8 per ton in the third quarter of 2025, with a low of \$13,608 per ton and a high of \$15,920 per ton in the covered quarter.

Source: International Nickel Study Group, S&P Global Market Intelligence, Refinitiv, Byblos Research

Precious Metals: Gold prices to average \$3,371 per ounce in third quarter of 2025

Gold prices averaged \$3,179.8 per ounce in the year-to-September 18, 2025 period, constituting an increase of 39.4% from an average of \$2,281.4 a ton in the same period of 2024, due mainly to strong demand from central banks around the world, as well as to concerns about global economic uncertainties. Further, gold prices reached an all-time high of \$3,685.7 per ounce on September 17, 2025, supported by a weaker exchange rate of the US dollar and lower U.S. Treasury yields. In addition, Moody's Ratings expected gold prices to remain elevated in the near term, driven by the metal's strong appeal as a safe haven for investors and as a hedge against inflationary pressures, rising protectionism, and trade barriers. It added that the market's expectations of lower interest rates in the U.S. provide additional support to gold prices. It noted that central banks in China, India, and Russia, among other countries, continue to increase their gold reserves as a long-term store of value and as an alternative asset for risk diversification. In addition, Goldman Sachs considered that gold prices are supported by elevated inflows into gold-backed exchange-traded funds, stronger speculative positioning, and a pickup in demand from central banks. It said that demand for gold from central banks and institutional investors on the London Over-the-Counter market totaled 48 tons in July 2025, indicating continued interest in the metal amid global economic uncertainties. It noted that Qatar bought 20 tons in the covered month, followed by China with 15 tons. Further, S&P Global Market Intelligence projected gold prices to average \$3,371.1 per ounce in the third quarter of 2025, with a low of \$3,250 an ounce and a high of \$3,600 per ounce.

Source: Moody's Ratings, Goldman Sachs, S&P Global Market Intelligence, Refinitiv, Byblos Research

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								
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	CCC+ Stable	Ca Positive	B-Stable	-	-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	B-Stable	-	-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+ Negative	B2 Stable	B+ Stable	B+ Negative	-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	A+ 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	Baa3 Stable	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	AA Stable	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- 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	B- Stable	Caa1 Stable	B- Stable	-	-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	B03 Stable	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	4.25	17-Sep-25	Cut 25bps	29-Oct-25
Eurozone	Refi Rate	2.15	11-Sep-25	No change	30-Oct-25
UK	Bank Rate	4.00	18-Sep-25	No change	06-Nov-25
Japan	O/N Call Rate	0.50	19-Sep-25	No change	30-Oct-25
Australia	Cash Rate	3.60	12-Aug-25	Cut 25bps	30-Sep-25
New Zealand	Cash Rate	3.00	20-Aug-25	Cut 25bps	08-Oct-25
Switzerland	SNB Policy Rate	0.00	19-Jun-25	Cut 25bps	25-Sep-25
Canada	Overnight rate	2.50	17-Sep-25	Cut 25bps	29-Oct-25
Emerging Markets					
China	One-year Loan Prime Rate	3.00	20-Aug-25	No change	20-Sep-25
Hong Kong	Base Rate	4.75	19-Dec-24	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	18-Sep-25	No change	18-Dec-25
South Korea	Base Rate	2.50	28-Aug-25	No change	23-Oct-25
Malaysia	O/N Policy Rate	2.75	04-Sep-25	No change	06-Nov-25
Thailand	1D Repo	1.50	13-Aug-25	Cut 25bps	08-Oct-25
India	Repo Rate	5.50	06-Aug-25	Cut 50pbs	01-Oct-25
UAE	Base Rate	4.15	17-Sep-25	Cut 25bps	N/A
Saudi Arabia	Repo Rate	4.75	17-Sep-25	Cut 25bps	N/A
Egypt	Overnight Deposit	22.00	28-Aug-25	Cut 200bps	02-Oct-25
Jordan	CBJ Main Rate	6.50	22-Dec-24	Cut 25bps	N/A
Türkiye	Repo Rate	40.5	11-Sep-25	Cut 250bps	23-Oct-25
South Africa	Repo Rate	7.00	18-Sep-25	No change	20-Nov-25
Kenya	Central Bank Rate	9.50	12-Aug-25	Cut 25bps	07-Oct-25
Nigeria	Monetary Policy Rate	27.50	22-Jul-25	No change	23-Sep-25
Ghana	Prime Rate	21.50	17-Sep-25	Cut 350bps	19-Nov-25
Angola	Base Rate	19.50	18-Jul-25	No change	19-Sep-25
Mexico	Target Rate	7.75	07-Aug-25	Cut 25bps	25-Sep-25
Brazil	Selic Rate	15.00	17-Sep-25	No change	N/A
Armenia	Refi Rate	6.75	16-Sep-25	No change	04-Nov-25
Romania	Policy Rate	6.50	08-Aug-25	No change	N/A
Bulgaria	Base Interest	1.82	01-Sep-25	No change	01-Oct-25
Kazakhstan	Repo Rate	16.50	29-Aug-25	No change	10-Oct-25
Ukraine	Discount Rate	15.50	11-Sep-25	No change	23-Oct-25
Russia	Refi Rate	17.00	12-Sep-25	Cut 100bps	24-Oct-25



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