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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Private equity healthcare funds raise $191bn in 2025

Figures released by Bain & Company estimated that private equity (PE) buyout funds raised $191bn in capital for healthcare investments worldwide in 2025, representing a rise of 51.6% from $126bn in 2024. It added that PE buyout funds raised $66bn in 2020, $151bn in 2021, $87bn in 2022, and $61bn in 2023. Further, it pointed out that 445 buyout deals in the healthcare sector took place globally in 2025, constituting an increase of 10.4% from 403 transactions in 2024. In comparison, there were 380 transactions in 2020, 515 deals in 2021, 353 transactions in 2022, and 378 deals in 2023. In parallel, it estimated the aggregate value of PE exit deals in the healthcare sector at $156bn in 2025, representing a rise of 189% from $54bn in 2024. In comparison, it noted that the value of the exits of PE funds totaled $73bn in 2020, $179bn in 2021, $77bn in 2022, and $54bn in 2023. Also, it indicated that PE funds exited 221 investments in 2025, down by 20.3% from 147 exists in 2024. It added that there were 146 exits in 2020, 244 in 2021, 233 exits in 2022, and 139 in 2023. Further, it said that PE buyout funds raised $80bn in capital to invest in the biopharma industry worldwide in 2025, representing an increase of 45.5% from $55bn in 2024, and accounting for 42% of total fundraising. It added that PE buyout funds in the biopharma industry raised $20bn in 2020, $33bn in 2021, $35bn 2022 and $27bn in 2023.

Source: Bain & Company

GCC

Awarded projects down 32% to $213.4bn in 2025

The aggregate amount of projects awarded in Gulf Cooperation Council countries reached $213.4bn in 2025, constituting a decrease of 32% from $314bn in 2024. The amount of awarded projects in the UAE stood at $88.2bn in 2025 and accounted for 41.3% of the total, followed by new projects in Saudi Arabia with $84.3bn (39.5%), Qatar with $23.1bn (10.8%), Kuwait with $10.2bn (4.8%), Oman with $6.22bn (2.9%), and Bahrain with $1.38bn (0.6%). Further, the value of projects awarded in Kuwait increased by 16.2% in 2025, followed by a rise of 4% in new projects in Qatar. In contrast, the value of projects awarded in Bahrain dropped by 55% in 2025, followed by a decline of 51% in new projects in Oman, a decrease of 48.6% in the amount of projects in Saudi Arabia, and a retreat of 14.5% in new projects in the UAE. In parallel, projects in the construction sector reached $73.1bn and accounted for 34.2% of the awarded projects in 2025, followed by projects in the power sector with $45.5bn (21.3%), the gas sector with $30bn (14%), the transportation sector with $20.2bn (9.4%), the oil sector with $18bn (8.4%), the water sector with $14.4bn (6.8%), manufacturing with $8bn (3.7%), and the chemicals sector with $4.6bn (2.1%).

Source: KAMCO, Byblos Research

MENA

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

The aggregate market capitalization of Arab stock markets reached $4.2 trillion (tn) at the end of 2025, constituting a decrease of 4.2% from $4.4tn at end-2024. The market capitalization of the Saudi Exchange stood at $2.35tn at end-2025 and accounted for 56% of the total, followed by the Abu Dhabi Securities Exchange with $855bn (20.3%), the Dubai Financial Market with $270.1bn (6.4%), the Qatar Stock Exchange with $177bn (4.2%), Boursa Kuwait with $172.7bn (4.1%), the Casablanca Stock Exchange with $114.1bn (2.7%), the Muscat Stock Exchange with $83.1bn (2%), the Egyptian Exchange with $63bn (1.5%), the Amman Stock Exchange with $37.3bn (0.9%), the Bahrain Bourse with $21.3bn (0.5%), the Beirut Stock Exchange with $20.1bn (0.48%), the Iraq Stock Exchange with $17.9bn (0.4%), the Tunis Stock Exchange with $11.7bn (0.3%), the Palestine Exchange with $4.9bn (0.12%), and the Damascus Stock Exchange with $2.3bn (0.05%). In parallel, the market capitalization of the Saudi Exchange was equivalent to 185.4% of the country's estimated GDP for 2025, followed by the Abu Dhabi Securities Exchange (150.2% of GDP), Boursa Kuwait (109.7% of GDP), the Qatar Stock Exchange (79.7% of GDP), the Muscat Stock Exchange (79% of GDP), the Amman Stock Exchange (66.5% of GDP), the Casablanca Stock Exchange (63.5% of GDP), the Beirut Stock Exchange (48.2% of GDP), the Dubai Financial Market (47.5% of GDP), the Bahrain Bourse (45% of GDP), the Tunis Stock Exchange (19.8% of GDP), the Egyptian Exchange (18% of GDP), and the Iraq Stock Exchange (6.8% of GDP).

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

Cost of living varies among Arab cities

The 2026 Cost of Living survey, produced by crowd-sourced global database Numbeo, ranked the cost of living in Dubai as the 213th highest among 479 cities worldwide and the highest among 26 Arab cities. Ras al-Khaimah followed in 249th place, then by Abu Dhabi (252nd), then Sharjah (270th), and Doha (275th) as the five Arab cities with the highest cost of living; while Giza (462nd), Alexandria (460th), Cairo (452nd), Algiers (432nd), and Tunis (420th) are the Arab cities with the lowest cost of living. The Cost of Living Index is an indicator of the prices of consumer goods, such as groceries, meals and drinks at restaurants, transportation, and utilities. Numbeo benchmarks the index against New York City. Further, the Rent Index shows that Dubai has the highest residential rents regionally, while rents in Alexandria are the lowest. Also, the Groceries Index indicates that grocery prices in Ras al-Khaimah are the highest in the Arab world, while such prices are the lowest in Giza. In addition, the Restaurant Index shows that Dubai has the highest prices of meals and drinks at restaurants and pubs, while Giza has the lowest such prices regionally. Moreover, the Local Purchasing Power Index indicates that the purchasing power of consumers in Jeddah is the highest among Arab cities, while consumers in Alexandria has the lowest purchasing power across the region.

Source: Numbeo, Byblos Research

POLITICAL RISKS OVERVIEW - December 2025

ARMENIA

Yerevan and Baku made steady progress towards normalization, as the two sides focused on practical cooperation and trust-building measures rather than on political breakthroughs. Also, Azerbaijan's state oil company SOCAR delivered 1,200 metric tons of gasoline to Armenia via Georgia, the first such shipment in nearly three decades. Further, the General Secretary of Armenia's Security Council, Armen Grigoryan, and Azerbaijan's presidential adviser Hikmet Hajiyev attended a panel discussion at the Doha Forum where they discussed confidence-building measures, the economic benefits of peace, and prospects for regional connectivity. Prime Minister Nikol Pashinyan proposed that Armenia and Azerbaijan develop a joint roadmap to address the issue of Armenians' right of return to Karabakh, alongside the right of Azerbaijanis displaced from their homes in Armenia during the 1990s. In addition, Armenia and Türkiye agreed to simplify visa procedures for diplomats and other officials.

ETHIOPIA

Communal violence surged in the Gambella region between members of the Nuer and Anuak communities amid tensions over land, demography and political representation, and was aggravated by the inflow of mostly Nuer refugees from South Sudan. Clashes in the Gambella region left over 100 people dead in December. Federal authorities froze bank accounts and business subsidies linked to the Endowment Fund for the Rehabilitation of Tigray, the region's largest conglomerate associated with the Tigray People's Liberation Front. Fighting between Fano militants and federal forces continued in the Amhara region and spread into the Oromia region.

IRAN

Worsening economic conditions sparked widespread protests, which turned deadly amid clashes between security forces and anti-government demonstrators. The International Atomic Energy Agency said that its inspectors managed to examine the facilities that the U.S. did not target in June 2025, reaffirmed the presence of uranium that was enriched to 60% prior to June 2025, and emphasized that Iran is legally obliged to disclose locations of enriched uranium. In addition, Canada sanctioned four Iranian officials over their alleged involvement in "gross and systematic" human rights violations. The U.S. Department of the Treasury sanctioned nearly 30 vessels and associated companies accused of transporting Iranian petroleum products, and designated 10 persons and entities over the development of missiles and drones, including transfers of Iranian drones and weapons to Venezuela.

IRAQ

The Federal Supreme Court ratified the results of the November 11 parliamentary elections and the Parliament elected Haybat al-Halbousi as speaker during its first session on December 29, while political parties continued to negotiate over the composition of the next government. The Shiite Coordination Framework (SCF), which claims the largest parliamentary bloc and the right to nominate the prime minister, clashed with other Shiite groups over candidates. The Kurdistan Democratic Party and the Patriotic Union of Kurdistan remained divided over who to nominate for the Iraqi presidency, while the formation of Kurdistan's regional government continues to stall. The Head of the Supreme Judicial Council said on December 20 that the leaders of Iran-linked armed factions, many within the SCF, had responded positively to the principle of the state's control over weapons. The United Nations (UN) ended the political mission of the UN Assistance Mission for Iraq (UNAMI) after 22 years. The government investigated the November drone attacks on the Khor Mor gas field in Suleimaniya, as production resumed on December 3. The Baghdad government and the Kurdish authorities released a joint probe on December 8 that concluded that the attackers were linked to Iran-backed groups.

LIBYA

The United Nations Support Mission in Libya (UNSMIL) launched a new consultation process of the so-called "Structured Dialogue" in Tripoli, bringing together 120 representatives of various institutions, to help foster consensus and pave the way to elections. The consultation process aims to establish common ground on key governance, security, economic and human rights issues, in order to help create the proper conditions for credible elections. The Tripoli-based Prime Minister Abdul Hamid Dabaiba called for the swift holding of presidential elections, while the eastern-based House of Representatives Speaker, Aguila Saleh, made similar calls following the late-November demonstrations in five eastern cities demanding presidential election. Demonstrations against the Government of National Unity (GNU) took place in several western cities, including in Tripoli and Misrata, accusing PM Dabaiba's government of responsibility for the deteriorating living conditions, widespread corruption, and foreign interference. A plane crash in Türkiye killed the Chief of the General Staff of the Libyan Army, Mohammed al-Haddad, along with four other military officials and three crew members. The delegation had been visiting Türkiye on the occasion of the Turkish parliament's vote to extend the mandate of the Turkish military forces in Libya by 24 months until early 2028.

SUDAN

The Rapid Support Forces (RSF) captured the city of Babanusa in West Kordofan, marking a setback for the Sudanese Armed Forces (SAF) and opening avenues for the RSF to advance towards central Sudan. Also, the RSF seized the Heglig oil fields, located on the border between Kordofan and South Sudan, which later came under the control of the South Sudan army to ensure the continuation of oil exports, even though the RSF maintained its presence. Fighting continued in North Darfur between the RSF and the SAF, with the former claiming that it has captured the Abu Gamra and Ambara areas. The SAF's main allies, including Darfuri armed groups and Islamist factions, continued to reject negotiations with the RSF.

TÜRKIYE

The National Solidarity, Brotherhood and Democracy Commission announced it had completed its consultation phase on the disarmament of the Kurdistan Workers' Party (PKK). The commission unanimously voted on December 24 to extend its parliamentary mandate in Iraq by two months due to delays that are likely linked to integration talks in Syria. It said that it will use the extension to prepare a roadmap for legislative changes to be implemented along with the disarmament process. Istanbul's Prosecutor General announced the arrest of 115 alleged members of the Islamic State terrorist group who are suspected of planning attacks during the Christmas and New Year holidays.

YEMEN

The Southern Transitional Council (STC) launched a lightning offensive in the Wadi Hadramawt region, prompting the collapse of bases held by the Yemini government forces and upending the decade-long *status quo*. The STC delivered another blow on Hadramawt's oil plateau by striking government forces, allowing the STC to seize key oil facilities, before consolidating its control over the neighboring al-Mahra governorate on the Omani border. The Presidential Leadership Council (PLC) issued a statement from Riyadh that condemned the STC's unilateral actions. In response, Saudi Arabia launched airstrikes against STC positions in Hadramawt and, in a dramatic escalation, struck an Emirati military shipment at Mukalla Port. Riyadh then reiterated the PLC's demand for the UAE to withdraw its forces from Yemen. Shortly afterwards, the UAE announced that it would pull its troops out of the country.

Source: International Crisis Group, Newswires

WORLD

Real GDP growth rate to average 2.9% in 2026-27 period, outlook contingent on policy uncertainties

The United Nations Development Program (UNDP) forecast the real GDP growth rate of the global economy at 2.8% in 2025 and projected it at 2.7% in 2026 and 2.9% in 2027. It noted that global economic activity has remained resilient despite the tariffs shock, supported by front-loaded shipments, inventory accumulation, and solid consumer spending amid monetary easing and broadly stable labor markets. But it said that subdued investments, high public debt levels and limited fiscal space continue to constrain the productive capacity and to weigh on potential growth in many countries. It forecast the real GDP growth rate of developed economies at 1.6% in 2026 and 1.8% in 2027, and of developing countries at 4.2% in 2026 and 4.3% in 2027. It expected several large developing economies, including China, India and Indonesia, to continue to post solid growth, driven by resilient domestic demand or targeted policy measures. In addition, it projected the global inflation rate to regress from 3.4% in 2025 to 3.1% in 2026, due to lower energy and food prices, more stable exchange rates, and slower wage growth.

In parallel, the UNDP considered that the global economic outlook remains clouded by elevated macroeconomic uncertainties, shifting trade policies, and persistent fiscal challenges. It added that geopolitical tensions and financial risks add to these pressures, leaving the global economy fragile. Also, it indicated that the near-term outlook balances continued disinflation and monetary easing, which are expected to reduce financing costs and sustain domestic demand, and private consumption through wage gains, with elevated policy uncertainties that continue to weigh on business and consumer confidence. Further, it said that high public debt levels and limited fiscal space in many countries constrain macroeconomic policy flexibility and limit room for public investments, which raises concerns about longer-term growth prospects.
Source: UNDP

Oil prices projected to average $75 p/b in 2025-30 period

Goldman Sachs revised its projection for ICE Brent oil prices to an average of $56 per barrel (p/b) in 2026 from an earlier forecast of $62 p/b, driven by ongoing oversupply, which will result in a surplus of 2.3 million barrels per day (b/d) in the global oil market, but it estimated that geopolitics will likely continue to drive price swings. It noted that global oil inventories are rising, which indicates that prices will likely need to decrease in 2026 to restore balance to the market, unless major supply disruptions materialize or members of the OPEC+ coalition cut production. Further, it noted that U.S. policy continues to prioritize abundant oil supply and affordable prices, which adds downward pressure to global oil prices. Also, it did not rule out large global disruptions due to geopolitical uncertainties, but it did not anticipate the OPEC+ coalition to cut its production in 2026 due to its strategic decision to unwind previous output cuts, and given that the current relatively low prices are linked to temporary supply strength.

Further, it said that lower-than-expected oil inventories in OECD countries are putting upward pressure on oil prices, while lower prices in future oil contracts are weighing on prices, which would keep oil prices steady in the near term. It expected rising output from Russia and the U.S., as well as slightly higher production in Venezuela, to offset these pressures. As such, it reduced by $5 p/b its Brent oil forecast to $58 p/b for 2027 and projected prices to average $75 p/b annually in the 2030-35 period. It expected oil prices to recover in the long term on ongoing demand growth, following years of underinvestment in large long-cycle projects that require many years to generate new supply.

In parallel, it considered the risks to the global oil price outlook to be broadly balanced but to be modestly skewed to the downside, as stronger-than-expected non-OPEC+ supply could outweigh geopolitical uncertainties and limited market positioning. Also, it expected U.S. policymakers to focus on maintaining energy supply at a high level to limit sustained risks of higher oil prices, although risks to additional sanctioned supply from Iran and Russia could trigger price spikes in the near term.
Source: Goldman Sachs

Data centers' power capacity needs to grow by 14% in 2025-30 period

Jones Lang LaSalle, a global real estate and investment management firm, projected the power capacity needs of the global data center sector to increase from 103 GW in 2025 to 200 GW by 2030, and to grow at a compound annual growth rate of 14% during the 2025-30 period, driven by the expansion of cloud computing and the usage of artificial intelligence (AI). Also, it expected the power capacity needs of the data center sector in the Americas to reach 109 GW in 2030 and to grow by a CAGR of 17% in the 2025-30 period, followed by the Asia-Pacific region with 57 GW and a CAGR of 12%, and Europe, the Middle East and Africa with 34 GW and a CAGR of 10% in the covered period. Further, it indicated that the accelerated adoption of humanoids, autonomous driving and other technologies could support this outlook, while a significant pullback in AI investments, economic headwinds, persistent energy challenges, supply chain constraints, and disruptive technologies, could weigh on the growth of the global data center sector.

In addition, it said that the global data center sector is experiencing an investment super cycle in infrastructure that requires up to $3 trillion (tn) in investments by 2030 to support 100 GW of new data center capacity coming online between 2026 and 2030. It pointed out that the supply of new data center capacity will correspond to $1.2tn in real estate value creation, as new data center facilities become long-term property holdings, and will require about $870bn in new debt financing. It considered that tenants will likely spend an additional $1tn to $2tn to fit out their space with information technology equipment such as graphics processing units and networking infrastructure.

In parallel, it considered that AI could represent 50% of all data center workloads by 2030, up from 25% in 2025. It pointed out that data center companies will leverage existing fiber optic infrastructure to create regional inference hubs, and expected the emergence of industry-specific clusters, such as healthcare systems for real-time diagnostics, low-latency financial services for trading and fraud detection, and on-premise manufacturing systems for predictive maintenance.
Source: Jones Lang LaSalle

ECONOMY & TRADE

UAE

Sovereign ratings affirmed on strong net external asset position and fiscal buffers

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

Source: Capital Intelligence Ratings

ARMENIA

Deeper EU ties to support economic fundamentals

JPMorgan Chase & Co. indicated that the implementation of the November 2025 roadmap agreement between Armenia and the European Union (EU), which would allow Armenian citizens visa-free short-term travel to countries in the Schengen zone, could strengthen remittances inflows, tourism revenues, and increased investor confidence in the Armenian economy, and that, following the Nagorno-Karabakh war in 2020, Yerevan has substantially increased its engagement with the EU. It noted that remittance inflows from Schengen countries averaged about $0.7bn annually and could increase as the Armenian diaspora in Europe benefits from improved connectivity with European cities, which will boost tourism revenues and Armenian migrant flow if visa liberalization follows. It considered that higher remittance inflows offer the most credible path to improving Armenia's external current account balance, which remains structurally constrained by a persistent trade deficit in goods. It stated that most remittance inflows currently originate from Russia, which carries political risks. Further, it considered that Armenia's open frontier-market economy, along with its strong human capital and resilient institutional framework, would help it attract foreign direct investments. Also, it noted that a formal peace treaty with Azerbaijan, the reopening of the border with Türkiye that has been closed since 1993, along with deeper EU engagement, would represent a significant improvement in Armenia's geopolitical risk profile. But it said that, in the meantime, Armenia will continue to rely on more volatile channels to finance its current account deficit, as net inflows have been driven disproportionately by deposits and private-sector borrowing.

Source: JPMorgan Chase & Co.

NIGERIA

Fiscal pressure and weak governance affecting credit profile

In its periodic review of Nigeria's credit profile, Moody's Ratings indicated that the sovereign's long-term foreign- and local-currency issuer ratings of 'B3', which is six notches below investment grade, reflects the fiscal pressures arising from the government's very limited revenue-generation capacity despite measures to improve tax collection, and weak debt affordability in spite of a moderate debt burden. Also, it said that the ratings balance the very weak institutional and governance framework with the country's large and diversified economy and stronger external buffers. Further, it noted that the economic strength assessment of 'ba2' balances Nigeria's sizeable and moderately diversified economy, with the country's weak economic growth and low-income level, which limits Nigeria's capacity to absorb economic shocks. Also, it said that the institutions and governance strength assessment of 'caa' underscores governance weaknesses, as reflected by persistent challenges in policy formulation and implementation, and the country's low ranking on several global governance indicators. Further, it stated that the 'b3' fiscal strength assessment captures the moderate government debt burden that remains vulnerable to the depreciation of the naira, along with the government's low revenues generation and high debt servicing payments. It added that the 'ba' susceptibility to event risk score is primarily driven by the government's elevated liquidity risks, banking sector risks, external vulnerability risks, and political uncertainties.

Source: Moody's Ratings

ETHIOPIA

Addis Ababa reaches agreement on Eurobond restructuring

Moody's Ratings indicated that Ethiopia reached on January 2, 2026 an agreement in principle (AiP) with its Eurobond holders to restructure its single $1bn sovereign Eurobond following its default on the bond in December 2023. It said that the restructuring deal reduces the bond's face value by 15%, lowers the interest rate from 6.625% to 6.125%, and extends the maturity into three amortization payments of $350m in July 2026 and July 2028, and $150m in July 2029. It added that the AiP introduces a contingent mechanism to enhance creditor recoveries, as creditors are eligible to receive additional payments equal to 2.5% of the excess export revenues that are capped at $35m annually and $180m cumulatively in the 2028-37 period, if Ethiopia's annual exports exceed the International Monetary Fund's (IMF) July 2025 projections, and if foreign currency reserves remain above a minimum threshold. In contrast, it pointed out that the July 2029 amortization payment could be reduced from $150m to $50m if exports underperform in the 2026-27 and 2027-28 periods. In parallel, it noted that the IMF must confirm the deal's consistency with Ethiopia's debt sustainability targets, as the IMF estimated that Ethiopia requires $3.5bn in nominal debt relief in the July 2024–April 2028 period to achieve debt sustainability. It said that the bondholder deal provides just over $500m in nominal debt relief to Ethiopia during the IMF program period, and complements the $2.5bn in debt relief that has been agreed with official creditors, which leaves a gap of about $500m to be covered by other commercial creditors.

Source: Moody's Ratings

SAUDI ARABIA

Banks' ratings affirmed on high capacity of government support

Capital Intelligence Ratings (CI) affirmed the long-term foreign currency ratings of Al Rajhi Banking and Investment Corporation (ARB) and the Saudi National Bank (SNB) at 'AA-', the ratings of Banque Saudi Fransi (BSF), Arab National Bank (ANB), Riyad Bank (RB), and the Saudi Awwal Bank (SAB) at 'A+'; and the ratings of Bank Al Jazira (BAJ) and the Saudi Investment Bank (SAIB) at 'A'. It attributed the affirmation of the ratings to the strong capacity of the Saudi authorities to support domestic banks in case of need. Further, it affirmed the Bank Standalone Ratings (BSRs) of ARB and SNB at 'a-', those of ANB, SAB, BSF and RB at 'bbb+', and the BSRs of BAJ and SAIB at 'bbb'. Also, it maintained the 'stable' outlook on the eight banks' long-term ratings and BSRs, as it considered that the risk profile of the banks is likely to remain steady in the near term. Further, it pointed out that the ratings of the eight banks are supported by robust capital metrics, strong asset quality, and good funding structure. It noted that the ratings of ANB, ARB, BSF, RB, SAB, and SNB are underpinned by their resilient profitability metrics, while the ratings of BAJ and SAIB reflect their satisfactory profit ratios. Also, it said that challenges to Saudi banks include broader system-wide pressures from tightening liquidity in the Saudi riyal, which are likely to keep funding costs under upward pressure. In parallel, it said that the Core Financial Strength (CFS) ratings of the eight banks are constrained by liquidity pressures, while the CFS ratings of ANB, BAJ and SAIB reflect their small size and position in the Saudi market.

Source: Capital Intelligence Ratings

MOROCCO

Agency takes rating actions on banks

Fitch Ratings upgraded the long-term foreign- and local currency Issuer Default Ratings (IDRs) of Attijariwafa Bank (AWB) from 'BB' to 'BB+', and affirmed the IDRs of Bank of Africa (BOA), Crédit Immobilier et Hôtelier (CIH), and Saham Bank (SB) at 'BB'. Further, it maintained the 'stable' outlook on all the ratings of the four banks, in line with the outlook on the sovereign's long-term rating. Also, it downgraded the national long-term ratings of Banque Marocaine pour le Commerce et l'Industrie (BMCI) from 'AAA(mar)' to 'AA+(mar)', and placed it on Rating Watch Negative (RWN). It attributed the upgrade of AWB's IDRs to a proven record of strong performance, resilient business model, the increase of its capital ratios, and a well-developed and adequate risk management framework, as well as to the reduced contribution of vulnerable overseas operations to the bank's assets and revenues. It said that its downgrade of BMCI is due to discussions about the sale of BNP Paribas' stake in the bank that underlines the latter's reduced propensity to support the bank. Moreover, it upgraded the Viability Rating (VR) of AWB from 'bb' to 'bb+', and affirmed the VRs of BOA and SB at 'bb-' and the VR of CIH at 'b+'. It said that the VR of AWB reflects its leading market positions in Morocco and in Africa, and that the ratings of AWB, BOA, CIH and SB are driven by the potential support from the Moroccan authorities, in case of need. Also, it pointed out that the VRs of AWB, BOA, CIH, and SB are supported by the banks' healthy funding and sound liquidity.

Source: Fitch Ratings

UAE

Capital adequacy ratio at 17.8%, NPLs at 4.1% at end-2024

The International Monetary Fund indicated that the banking sector in the UAE is strong and sound, and is supported by robust capital and liquidity buffers, improved asset quality, and conservative macroprudential policies. It said that the sector's capital adequacy ratio stood at 17.8% at the end 2024, compared to 17.9% at end-2023 and to 17.4% at end-2022, well above the minimum regulatory requirement, while the banks' regulatory Tier One Capital ratio reached 16.4% at end-2024 relative to 16.6% at end-2023 and to 16.2% at end-2022. It added that the banks' liquid assets were equivalent to 18.2% of aggregate assets at end-2024 compared to 18.6% at end-2023 and to 16.1% at end-2022, and were equivalent to 41.7% of short-term liabilities at the end of 2024 relative to 43.6% at end-2023 and to 37.7% at the end of 2022. Further, it noted that the liquidity coverage ratio stood at 156% at end-2024 compared to 160.9% at end-2023 and 155.9%at end-2022. It added that the sector's non-performing loans (NPLs) ratio regressed to 4.1% at end-2024 from 5.3% a year earlier and 6.6% at end-2022; and that NPLs provisions stood at 58.8% at end-2024, relative to 60.4% at end-2023 and 60.9% at end-2022. It said that credit quality improved, due to a robust domestic economy and enhancements in the regulatory framework on NPLs. In addition, it stated that the banking sector's return on assets increased from 2% in 2023 to 2.2% in 2024, and that its return on equity slightly decreased from 14.8% in 2023 to 14.7% in 2024. Further, it pointed out that the sector's net open position in foreign currency stood at 50% of capital at end-2024 compared to 44.1% of capital at end-2023 and to 34.6% at end-2022.

Source: International Monetary Fund

TÜRKIYE

Banks' operating environment improves, challenges persist

Fitch Ratings revised upwards its assessment of the operating environment for Turkish banks from 'b+' to 'bb-', and revised the outlook on the banks' operating environment from 'positive' to 'stable' following the upgrade of the sovereign ratings. It indicated that the revision of the operating environment, along with the government's stronger ability to provide foreign currency support to the banking system, led to the upgrade of the ratings of 11 banks in November 2025, and noted that improved market access has reduced refinancing risks for banks. In parallel, it said that pressure on the banks' capitalization has declined due to the more stable exchange rate of the Turkish lira against the US dollar. But it stated that ongoing structural and cyclical challenges could have negative implications for the banks' credit profiles. In addition, it expected the banks' debt issuance to remain opportunistic, given the still-high cost of funding and their sensitivity to risk premiums and to global macroeconomic conditions. Also, it noted that challenges for asset quality remain, but it expected a manageable increase in non-performing loans, cushioned by pre-provision profit buffers and adequate provisioning coverage. Further, it anticipated the banks' capital buffers, which are above regulatory minimum requirements, to remain adequate even when the authorities lift forbearance in 2026, supported by improving profitability and slower loan growth.

Source: Fitch Ratings

Oil prices to average $59 p/b in first quarter of 2026

The price of ICE Brent Crude oil front-month futures contracts reached $66.5 per barrel (p/b) on January 14, 2026, constituting an increase of 11% from $60 p/b a week earlier, driven by concerns that Washington's possible involvement in Iran, a major oil producer with influence over the Strait of Hormuz, could destabilize the oil market. In parallel, the U.S. Energy Information Administration expected that strong global oil production will outpace consumption growth and will continue to drive high global oil inventory accumulation in 2026, which will cause crude oil prices to decline throughout the year. Also, it anticipated this trend to continue in 2027, although at a slower pace, as supply growth begins to slow and the global demand for oil increases from 1.1 million barrels per day (b/d) in 2026 to 1.3 million b/d in 2027. As such, it forecast global oil inventories to average 2.8 million b/d in 2026 and 2.1 million b/d in 2027. Further, it considered that increased crude oil output and the build-up of oil in floating storage will outweigh the effect of potential disruptions to oil exports driven by tensions in Russia and Venezuela. It stated that any relaxation of sanctions or other U.S. government policy changes related to Venezuela, which could result in higher-than-expected oil production, would exert additional downward pressure on oil prices in the near term. In addition, it projected oil prices to average $58.9 p/b in the first quarter of this year and $55.9 p/b in full year 2026.
Source: U.S. Energy Information Administration, LSEG Workspace, Byblos Research

OPEC's oil basket price down 4.2% in December 2025

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $61.74 per barrel (p/b) in December 2025 constituting a decrease of 4.2% from $64.46p/b in November 2025. The price of Nigeria's Bonny Light was $63.7p/b, followed by the Algeria's Sahara Blend at $63.4p/b and the UAE's Murban at $63p/b. In parallel, all prices in the OPEC basket posted monthly decreases of between $0.69 p/b and $4.01 p/b in December 2025.
Source: OPEC

Non-OPEC petroleum and liquid fuels to grow by 1.6% in 2026

The U.S. Energy Information Administration projected the production of petroleum and liquid fuels from non-OPEC producers at 73.74 million barrels per day (b/d) in 2026, which would represent an increase of 1.6% from 72.55 million b/d in 2025. The supply of petroleum and liquid fuels from non-OPEC producers would account for 68.5% of global output.
Source: U.S. Energy Information Administration

OPEC oil output down by 0.4% in December 2025

ember countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 28.56 million barrels of oil per day (b/d) in December 2025, constituting an increase of 0.4% from 28.46 million b/d in November 2025. On a country basis, Saudi Arabia produced 10.1 million b/d, or 35.3% of OPEC's total output, followed by Iraq with 4.12 million b/d (14.4%), the UAE with 3.38 million b/d (11.8%), Iran with 3.2 million b/d (11.2%), and Kuwait with 2.58 million b/d (9%).
Source: OPEC

Base Metals: Zinc prices to average $2,900 per ton in first quarter of 2026

The LME cash prices of zinc averaged $2,867.1 per ton in 2025, constituting an increase of 3.2% from an average of $2,778.9 a ton in 2024. Prices averaged $2,837 per ton in the first quarter of 2025 and decreased to $2,636 per ton in the second quarter, due to weaker demand from the construction and automotive sectors, combined with higher inventories in major consuming regions, but the metal’s prices increased to $2,829.5 per ton in the third quarter and to $3,162 per ton in the fourth quarter of the year. In parallel, Citi Research projected the global supply of zinc at 14.21 million tons in 2026, which would constitute an increase of 3% from 13.79 million tons in 2025. Further, it forecast demand for the metal at 13.95 million tons in 2026, which would represent a rise of 1.1% from 13.8 million tons in 2025. In its base case scenario, it expected the price of the metal to average $2,900 a ton in the next three months and to average $2,850 per ton in 2026, due to weak demand and strong smelter output growth. In its bear case scenario, it forecast the price of zinc to average $2,500 per ton in 2026, close to the marginal mining costs, as rising refined production will more than offset weak demand. Also, in its bull case scenario, it projected zinc prices to average $3,200 per ton 2026, supported by prolonged physical dislocations between China and the rest of the world and recurring episodes of limited metal availability on the LME that would encourage Chinese exports. It added that a very soft U.S. economic landing and stronger global manufacturing activity could further support demand, which is sufficient to prevent a meaningful global surplus. Also, it forecast zinc prices to average $2,900 per ton in the first quarter in 2026.
Source: Citi Research, LSEG Workspace, Byblos Research

Precious Metals: Platinum prices to average $1,700 per ounce in first quarter of 2025

Platinum prices averaged $1,283.9 per troy ounce in 2025, constituting an increase of 34.4% from an average of $955.5 an ounce in 2023. Prices averaged $968 an ounce in the first quarter of 2025, and rose to $1,070.2 per ounce in the second quarter, $1,385.8 an ounce in the third quarter and to $1,699 per ounce in the fourth quarter of 2025, due to heightened geopolitical tensions, persistent inflationary pressures, and increased investor demand for safe-haven assets amid global economic uncertainties. Further, the metal prices reached an all-time-high of $397 an ounce on January 14, 2026, driven by structural supply shortages, rising demand from hybrid and electric vehicle production, and investor interest in precious metals amid global economic uncertainties. In parallel, Citi Research estimated global demand for platinum at 7.46 million ounces in 2026, which would constitute a decrease of 0.3% from 7.49 million ounces in 2025. Also, it forecast the global supply of platinum at 6.87 million ounces in 2026, which would represent an increase of 0.4% from 6.85 million ounces in 2025, with refined output representing 78.3% and 77.3% of global output in 2025 and 2026, respectively. As such, it projected the deficit in the platinum market to narrow from 642,000 ounces in 2025 to 589,000 in 2026. Further, it expected platinum prices to average $1,700 per ounce in the next three months and $1,800 an ounce in the coming six to 12 months. Also, it noted that improved investment demand for platinum, along with lower real rates amid continued interest rate cuts by the U.S. Federal Reserve, should support platinum prices in the short term. Further, it forecast platinum prices to average $1,700 an ounce in the first quarter of 2026.
Source: Citi Research, LSEG workspace, 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-	B3	B-	-								
	Stable	Stable	Stable	-	-1.0	62.06	4.7	52.2	25.9	105.8	2.7	-2.7
Egypt	B	Caa1	B	B								
	Stable	Positive	Stable	Stable	-4.6	73.3	2.7	97.3	14.6	179.1	-18.5	16.4
Ethiopia	SD	Caa3	CCC-									
	-	Stable	-	-	-2.5	22.0	0.5	32.1	5.9	158.7	-3.1	1.8
Ghana	B	Ca	B-	-								
	Stable	Positive	Stable	-	-3.2	66.1	0.7	54.3	22.7	139.7	3.0	2.0
Côte d'Ivoire	BB	Ba2	BB	-								
	Stable	Stable	Stable	-	-4.2	57.0	3.6	45.0	14.6	119.9	-4.6	2.3
Libya	-	-	-	-								
	-	-	-	-	-	-	-	-	-	-	-	-
Dem Rep	B-	B3	-	-								
Congo	Stable	Stable	-	-	-0.5	14.5	1.2	5.9	2.2	103.8	-5.4	4.2
Morocco	BBB-	Ba1	BB+	-								
	Stable	Stable	Stable	-	-4.1	65.8	4.9	30.4	7.3	94.0	-1.4	0.5
Nigeria	B-	B3	B	-								
	Positive	Positive	Stable	-	-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	B-	-								
	-	Stable	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+	B2	B+	-								
	Stable	Stable	Stable	-	-4.6	69.5	3.5	19.8	9.5	111.5	-11.7	3.7
Middle East												
Bahrain	B	B2	B+	B+								
	Stable	Stable	Stable	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-	Caa1	B-	-								
	Stable	Stable	Stable	-	-4.5	45.6	15.3	3.2	3.1	42.6	5.6	-1.4
Jordan	BB-	Ba3	BB-	BB-								
	Stable	Stable	Stable	Stable	-1.8	92.6	1.9	68.5	12	150.3	-4.4	1.6
Kuwait	AA-	A1	AA-	A+								
	Stable	Stable	Stable	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-	Baa3	BBB-	BBB-								
	Stable	Stable	Stable	Positive	-7.3	51.7	4.4	26.0	6.5	101.2	-8.3	2.1
Qatar	AA	Aa2	AA	AA								
	Stable	Stable	Stable	Stable	4.0	47.7	2.2	115.4	5.0	168.0	16.7	-0.2
Saudi Arabia	A+	A1	A+	AA-								
	Stable	Positive	Stable	Stable	-2.8	24.6	10.3	25.3	3.5	67.7	-0.2	0.5
Syria	-	-	-	-								
	-	-	-	-	-	49.0	-	-	-	-	-15.5	-
UAE	AA	Aa2	AA-	AA-								
	Stable	Stable	Stable	Stable	5.5	29.9	-	-	4.3	-	6.8	-2.0
Yemen	-	-	-	-								
	-	-	-	-	-2.7	50.7	-	-	-	-	-19.2	-2.3

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Asia												
Armenia	BB- Stable	Ba3 Stable	BB- Stable	B+ Positive	-4.6	49.8	2.0	29.6	11.5	114.7	-3.1	2.2
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	65.2	10.9	20.6	5.8	60.9	2.3	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-7.8	84.0	7.3	29.8	25.2	82.2	-1.3	1.0
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-3.1	26.4	4.1	29.4	8.1	100.4	-2.8	2.2
Pakistan	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	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	3.75	10-Dec-25	Cut 25bps	28-Jan-26
Eurozone	Refi Rate	2.15	18-Dec-25	No change	05-Feb-26
UK	Bank Rate	3.75	18-Dec-25	Cut 25bps	05-Feb-26
Japan	O/N Call Rate	0.75	19-Dec-25	Raised 25bps	23-Jan-26
Australia	Cash Rate	3.60	09-Dec-25	No change	03-Feb-26
New Zealand	Cash Rate	2.25	26-Nov-25	Cut 25bps	19-Feb-26
Switzerland	SNB Policy Rate	0.00	11-Dec-25	No change	19-Mar-26
Canada	Overnight rate	2.25	10-Dec-25	No change	28-Jan-26
Emerging Markets					
China	One-year Loan Prime Rate	3.00	20-Dec-25	No change	20-Jan-26
Hong Kong	Base Rate	4.00	11-Dec-25	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	18-Dec-25	No change	N/A
South Korea	Base Rate	2.50	27-Nov-25	No change	15-Jan-26
Malaysia	O/N Policy Rate	2.75	06-Nov-25	No change	22-Jan-26
Thailand	1D Repo	1.25	17-Dec-25	Cut 25bps	25-Feb-26
India	Repo Rate	5.25	05-Dec-25	Cut 25bps	06-Feb-26
UAE	Base Rate	3.65	10-Dec-25	Cut 25bps	N/A
Saudi Arabia	Repo Rate	4.25	10-Dec-25	Cut 25bps	N/A
Egypt	Overnight Deposit	21.00	20-Nov-25	No change	25-Dec-25
Jordan	CBJ Main Rate	6.00	02-Nov-25	Cut 50bps	N/A
Türkiye	Repo Rate	38.00	11-Dec-25	Cut 150bps	22-Jan-26
South Africa	Repo Rate	6.75	20-Nov-25	Cut 25bps	29-Jan-26
Kenya	Central Bank Rate	9.00	09-Dec-25	Cut 25bps	24-Jan-26
Nigeria	Monetary Policy Rate	27.00	25-Nov-25	No change	N/A
Ghana	Prime Rate	18.00	26-Nov-25	Cut 350bps	28-Jan-26
Angola	Base Rate	17.50	14-Jan-26	Cut 100bps	12-Mar-26
Mexico	Target Rate	7.00	18-Dec-25	Cut 25bps	05-Feb-25
Brazil	Selic Rate	15.00	05-Nov-25	No change	N/A
Armenia	Refi Rate	6.50	16-Dec-25	Cut 25bps	03-Feb-26
Romania	Policy Rate	6.50	12-Nov-25	No change	19-Jan-26
Bulgaria	Base Interest	1.80	03-Nov-25	Cut 1bp	N/A
Kazakhstan	Repo Rate	18.00	28-Nov-25	No change	23-Jan-26
Ukraine	Discount Rate	15.50	11-Dec-25	No change	29-Jan-26
Russia	Refi Rate	16.00	19-Dec-25	Cut 50bps	20-Mar-26

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