

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Foreign direct investments up 14.5% to \$1.6 trillion in 2025

The United Nations Conference on Trade & Development (UNCTAD) indicated that global foreign direct investments (FDI) totaled \$1.61 trillion (tn) in 2025, constituting increases of 14.5% from \$1.4tn in 2024 and of 24.7% from \$1.29tn in 2022. It said that FDI in developed economies stood at \$728bn in 2025 and rose by 43% from \$509bn in 2024, while FDI in developing economies reached \$877bn last year and regressed by 2% from \$894bn in the preceding year. In addition, it noted that FDI inflows to Asia stood at \$614bn and accounted for 38.2% of global FDI flows in 2025, followed by inflows to North America with \$347bn (21.6%), the European Union with \$239bn (14.9%), Latin America & the Caribbean with \$204bn (12.7%), and Africa with \$59bn (3.7%), while FDI inflows to other developed countries reached \$91bn, or 5.7% of the total in 2025. Also, it stated that FDI inflows to South-East Asia stood at \$228bn and accounted for 37.1% of FDI flows to Asia last year, followed by inflows to East Asia with \$227bn (37%), West Asia with \$97bn (15.8%), South Asia with \$54bn (8.8%), and Central Asia with \$8bn (1.3%). In parallel, it said that FDI inflows in Europe rose by \$218bn, or by 302.8% in 2025, followed by an increase of \$37bn (22.2%) in Latin America & the Caribbean, and a pickup of \$7bn (2.1%) in North America; while FDI flows to Africa decreased by \$37bn, or by 38.5% last year, followed by a decline of \$16bn or of 2.5% in FDI to Asia and of \$5bn (-5.2%) to other developed countries.

Source: UNCTAD

Project finance loans up 38% to \$605.4bn in 2025

Global project finance loans totaled \$605.38bn in 2025, constituting an increase of 38.2% from \$438.1bn in 2024; while the number of project finance transactions reached 1,136 globally in 2025, up by 7.8% from 1,054 deals in 2024. The distribution of project finance loans shows that transactions in the Americas amounted to \$301.3bn and accounted for 49.8% of aggregate financing in 2025, followed by the Europe, the Middle East, and Africa (EMEA) region with \$234.4bn (38.7%) and Asia-Pacific & Japan with \$69.7bn (11.5%). Also, there were 546 transactions in the Americas, or 48% of the total, followed by the EMEA region with 430 deals (38%), and Asia-Pacific & Japan with 160 transactions (14%). Further, the power sector accounted for \$281.3bn, or for 46.5%, of project finance loans in 2025, followed by telecommunications sector with \$152.8bn (25.2%), the oil & gas industry with \$81.77bn (13.5%), the transportation sector with \$47.3bn (7.8%), and the petrochemicals industry with \$10.7bn (1.8%). Also, there were 766 project finance transactions in the power sector, or 67.4% of the total number of deals in 2025, followed by the telecommunications industry with 118 transactions (10.4%), the transportation sector with 91 deals (8%), the oil & gas industry with 57 transactions (5%), and the leisure and property sector with 38 deals (3.3%).

Source: LSEG Workspace

MENA

Investments in startups up 226% to \$7.5bn in 2025

Figures released by the Wamda and Digital Digest platforms show that investments in startups in the Middle East and North Africa (MENA) region reached \$7.5bn in 2025 compared to \$2.3bn in 2024, while the number of investments in startups totaled 647 in 2025 relative to 610 deals in 2024. Further, investments in Saudi Arabia-based startups stood at \$5bn, or 67.8% of placements in the region's startups in 2025, followed by investments in UAE startups with \$2bn (27%), in Egypt with \$263m (3.6%), in Morocco with \$38m (0.5%), and in Oman with \$19.4m (0.3%). Also, there were 218 investments in UAE startups, or 33.7% of the total, in 2025, followed by Saudi Arabia with 211 deals (33.7%), Egypt with 89 transactions (13.8%), Morocco with 23 deals (3.6%), and Jordan with 22 transactions (3.4%). Further, investments in fintech startups totaled \$4.3bn and accounted for 58.3% of aggregate capital deployed in MENA startups in 2025, followed by investments in property technology companies with \$1bn (13.6%), e-commerce firms with \$372.5m (5%), Deeptech startups with \$281m (3.8%), and the Software-as-a Service (SaaS) sector with \$256m (3.5%). Also, there were 141 transactions in the fintech sector, or 21.8% of the total number of deals in 2025, followed by 79 transactions in SaaS companies (12.2%), 48 deals in e-commerce firms (7.4%), 42 transactions in Artificial Intelligence companies (6.5%), and 36 deals in property technology firms (5.6%).

Source: Wamda, Digital Digest

GCC

IPOs down 55% to \$5.8bn in 2025

The capital raised through initial public offerings (IPOs) in the economies of the Gulf Cooperation Council (GCC) totaled \$5.8bn in 2025, constituting a drop of 55% from \$12.9bn in 2024. In comparison, IPOs raised \$10.8bn in 2023, \$23.4bn, in 2022, \$7.5bn in 2021, and \$1.6bn in 2020. Also, there were 42 IPOs in the GCC countries in 2025 relative to 53 listings in 2024, 46 deals in 2023, 48 IPOs in 2022, 20 listings in 2021, and seven deals in 2020. Further, the capital raised through IPOs in GCC countries accounted for 3.9% of the aggregate funds raised from IPOs worldwide, while the number of IPO deals in the region represented 3.3% of the number of global IPOs in 2025. Further, there were 37 listings in Saudi Arabia in 2025, followed by three IPOs in the UAE, one deal in Oman, and one listing in Kuwait. The firms that listed Saudi Arabia raised \$4.2bn and accounted for 72.4% of the total capital raised from IPOs in the GCC in 2025, while firms in the UAE raised \$1.1bn (19%), followed by listings in Oman with \$0.3bn (5.2%), and IPOs in Kuwait with \$0.2m (3.4%). The real estate sector, capital goods firms, and consumer service providers recorded five IPOs each in 2025, followed by consumer discretionary companies with four IPOs; the transportation sector, healthcare equipment & service providers, food, beverages & tobacco firms, and software & service companies with three listings each; the energy sector, media & entertainment companies, and commercial and professional service providers with two IPOs each; and the materials sector and financial service providers with one deal each. In parallel, it expected 73 IPOs in the GCC in 2026 with 50 new listings in Saudi Arabia, 17 IPOs in the UAE, three listings in Kuwait, two IPOs in Oman, and one listing in Qatar.

Source: KAMCO

OUTLOOK

WORLD

Growth rate revised upwards to 3.3% in 2026-27 on improving economic and financial conditions

The International Monetary Fund (IMF) upgraded its projection for the global economy's real GDP growth rate to 3.3% in 2026 from 3.1% in last October, and maintained its forecast at 3.2% for 2027. It projected the real GDP growth rate of advanced economies at 1.8% in 2026 and at 1.7% in 2027, compared to an earlier forecast of 1.6% in 2026 and 1.7% in 2027. Also, it upgraded its forecast for the real GDP growth rate of emerging markets and developing economies (EMDEs) to 4.2% in 2026 from 4% in 2026, but reduced it from 4.2% to 4.1% for 2027. It attributed the slight upward revisions to the surge in investment projects related to technology, including in artificial intelligence (AI), particularly in North America and Asia, along with fiscal and monetary support, and accommodative financial conditions.

Further, it projected the real GDP of Emerging & Developing Asia to grow by 5% in 2026 and by 4.8% in 2027, compared to 4.7% in 2026 and 4.8% in 2027 in its earlier forecast. Also, it expected economic activity in Sub-Saharan Africa to rise by 4.6% this year and next year, up from 4.4% in 2026 and 4.5% in 2027 in its October projection, while it upgraded its forecast for the Middle East & North Africa region's real GDP growth rate to 3.9% in 2026 and 4% in 2027 from 3.7% in 2026 and 3.7% in 2027 last October. Also, it anticipated the real GDP growth rate of Emerging & Developing Europe at 2.3% in 2026 and 2.4% in 2027, compared to its earlier forecast of 2.2% for this year and 2.4% for 2027.

In parallel, the IMF considered that risks to the global economic outlook are tilted to the downside and include escalating trade measures and prolonged trade policy uncertainties, a rise in geopolitical tensions, and fiscal vulnerabilities. In contrast, it said that upside risks include breakthrough in trade negotiations that would result in lower tariffs and improved policy predictability, a faster pace of structural reforms worldwide, and productivity growth from the adoption of AI.

Source: International Monetary Fund

MENA

Credit metrics contingent on level of geopolitical risks

S&P Global Ratings considered that a potential military escalation between Iran and the U.S. will have a limited impact on the sovereign and banks' ratings across the Middle East and North Africa region (MENA) in the near term. But it said that increased domestic instability in Iran and the potential for more sustained military activity in the region have increased the risk of a more prolonged period of downward pressure on the region's credits.

First, under its "modest stress" scenario that excludes a direct inter state conflict between Israel and Iran, it expected volatile energy prices and a cautious wait and see approach by investors towards emerging markets to have a limited and temporary impact on the credit metrics of MENA sovereigns and banks. Second, in its "moderate stress" scenario, which factors in limited direct inter state conflict between the two protagonists, it anticipated unstable energy prices, higher funding costs and disruptions in tourism ac-

tivity to have a temporary and manageable effect on the credit metrics of MENA countries and banks.

Third, under its "high stress" scenario, which assumes U.S. participation and short lived Iranian attacks on non-critical regional assets, it expected a material but shorter term direct impact on credit metrics among MENA countries and banks through volatile energy prices, temporary outflow of capital and/or population flight, rising funding costs, and supply chain disruptions. It also anticipated a potential longer term impact on the region's credit metrics through a decline in foreign investments and real estate prices, and a rise in security spending. Fourth, in its "severe stress" scenario, which involves a prolonged conflict between Iran and Israel that includes non-regional and regional states and sustained broad based attacks, it expected a significant material impact on the region's sovereigns' and banks' credit metrics, driven by disruptions to oil production and/or trade routes, volatile energy prices, large capital and population outflows, higher funding costs, and adverse effects on tourism and real estate markets. It also anticipated longer term impacts on credit metrics through lower foreign investments, tourism flows, real estate prices, and higher expenditures on security.

Source: S&P Global Ratings

GCC

Fiscal and external balances remain dependent on oil price fluctuations

Goldman Sachs projected the weighted real GDP growth rate of Gulf Cooperation Council (GCC) countries at 4.1% in 2026, 3.2% in 2027 and 3% in 2028, reflecting the region's heavy dependence on oil revenues and its vulnerability to fluctuations in global oil markets. It expected the fiscal breakeven oil prices of GCC economies to drop from \$78.8 per barrel (p/b) in 2025 to \$72.9 p/b in 2026, \$71.2 p/b in 2027, and \$71.3 p/b in 2028.

In addition, it forecast the consolidated fiscal deficit of GCC governments at 2.7% of GDP in 2026, 2.1% of GDP in 2027 and 2% of GDP in 2028, and for their public debt level to increase from 39.8% of GDP at end-2026 to 41.6% of GDP at end-2027 and 43.4% of GDP at end-2028. However, it considered that the consolidated fiscal deficit could widen to about 5% of GDP in case oil prices drop to \$50 per barrel in the next three years. It said that every \$10 change in oil prices shifts the aggregate fiscal balance of the GCC governments by about two percentage points of GDP. Under its base-case scenario, it considered that GCC governments will need to borrow from domestic and foreign sources about \$160bn, net of amortization, to finance their fiscal deficits in the 2026-28 period. But it noted that, if oil prices drop to \$50 per barrel, the GCC's borrowing could exceed \$300bn, which will pose major risks for local and international investors.

In parallel, it projected the aggregate current account surplus of GCC countries at 2.6% of GDP in 2026 and at 2.4% of GDP in each of 2027 and 2028. It also forecast the region's gross international reserves to rise from \$840bn, or the equivalent of 19 months of imports at the end of 2025, to \$886bn or 19.4 months of imports by end-2026, to \$950bn or 20 months of imports at end-2027, and to \$1.03 trillion or 21.1 months of import cover by end-2028.

Source: Goldman Sachs



ECONOMY & TRADE

SAUDI ARABIA

Sovereign ratings affirmed on strong fiscal and external buffers

Fitch Ratings affirmed the long-term foreign and local currency Issuer Default Ratings (IDRs) of Saudi Arabia at 'A+', and maintained the 'stable' outlook on the long-term ratings. It said that the ratings are supported by the Kingdom's strong fiscal and external balance sheets, significant fiscal buffers in the form of deposits and other public sector assets, as well as by elevated foreign currency reserves, healthy banking sector indicators and the sovereign's net foreign assets are that are higher than the median of 'AA'-rated sovereigns. But it noted that the ratings are constrained by the economy's dependence on the hydrocarbon sector, low scores on the World Bank's governance indicators, and its vulnerability to geopolitical shocks. It forecast the public debt level at 36% of GDP at end-2026, but expected it to remain well below the projected median of 56% of GDP of similarly-rated peers in the near-term. Also, it anticipated the current account deficit to widen from 3% of GDP in 2025 to 4.3% of GDP in 2026 due to the elevated import bill, and projected foreign currency reserves at 11.6 months of current external payments in 2026, well above the peer median of 1.9 months. In addition, it projected the sovereign's net assets to remain a clear credit strength at 41.2% of GDP at end-2026 relative to the median of 3.6% of GDP for similarly-rated peers. Further, it said that it could downgrade the ratings if public finances deteriorate, if the government's debt level increases, and/or if regional geopolitical tensions escalate. In contrast, it said that it could upgrade the ratings if fiscal reforms significantly increase the budget's resilience to oil price volatility, and/or if reforms support the expansion of the non-hydrocarbon economy.

Source: Fitch Ratings

ARMENIA

Outlook on ratings revised to 'positive' on robust economic activity

Fitch Ratings affirmed Armenia's long-term foreign and local currency issuer default ratings (IDRs) at 'BB-', which is three notches below investment grade, and revised the outlook on the long-term IDRs from 'stable' to 'positive'. It attributed the outlook revision to continued solid economic growth and to the increase in foreign currency reserves, which will support fiscal consolidation and help stabilize the public debt in the medium term, as well to the expected decline in regional geopolitical risks. Further, it attributed the ratings' affirmation to the country's robust macroeconomic policy framework, strong economic growth, and increase in per capita income. But it noted that the small size of the economy, wide fiscal deficits compared to similarly-rated peers, relatively weak external finances and the high dollarization rate of the banking sector. Further, it estimated the current account deficit at 4.5% of GDP in 2025 and expected it to narrow slightly in the 2026-27 period but to remain wider than the projected median of 2.6% of GDP for 'BB'-rated sovereigns. In parallel, it said that it could upgrade the ratings if geopolitical risks recede, and/or in case fiscal consolidation measures result in a sustained decline in the public debt level. But it indicated that it could downgrade the ratings if geopolitical risks undermine political and economic stability, if the public debt level rises substantially, and/or in case of a sizeable decline in foreign reserves.

Source: Fitch Ratings

IRAN

Economy facing multiple scenarios

The Institute of International Finance considered that the gap between the managed and parallel exchange rates of the Iranian rial is widening, which is driving inflation higher through rising import costs and diminishing real wages, and, in turn, is generating precautionary demand for US dollars. It indicated that the recent unrests reflect the weakness of the Iranian rial as well as a broader erosion of confidence in the foreign exchange anchor that serves as the foundation for economic planning. First, in its base case scenario of "Managed Instability", it assumes that the Iranian regime will remain in power but will face persistent and geographically uneven protests. Second, under its "High-Risk Downside" scenario, it anticipated several months of sustained unrest in the country whereby protest activity disrupts transport corridors, energy-distribution infrastructure, and local security conditions. It expected the enforcement of sanctions to tighten under this scenario, which will raise compliance costs and limit Iran's export flexibility. Third, in its scenario of "Political Fracture or Regional Shock", it anticipated a sudden breakdown in the regime's cohesion or a major external escalation involving regional powers. It said that such an outcome would markedly aggravate uncertainties about the security of the Strait of Hormuz and will cast doubts on the resilience of Iranian export flows. It assigned a probability of 60% for its base-case scenario, a 25% likelihood for its second scenario, and a 15% probability for its third scenario.

Source: Institute of International Finance

ETHIOPIA

Outlook driven by commitment to reforms

The International Monetary Fund (IMF) estimated Ethiopia's real GDP growth rate at 9.2% in the fiscal year that ended in June 2025, and projected it at 9.3% in FY2025/26 and at an annual average rate of 8.4% in the 2027-29 period, in case the authorities commit to their economic reforms program. Also, it forecast the inflation rate at 9.3% in FY2025/26 and at an average of 7.2% in the 2027-29 period due to tight monetary policy. Further, it anticipated the fiscal deficit at 1.1% of GDP in FY2025/26, 1.7% of GDP in FY2026/27 and 1.6% of GDP in each of FY2027/28 and FY2028/29, driven by prudent expenditure control and stronger tax revenues. Also, it expected the public debt level to decrease from 40.7% of GDP at end-June 2026 to 37.6% of GDP at end-June 2027, driven by stronger revenue mobilization and progress on debt restructuring negotiations under the Group of 20 Common Framework for debt treatment, including the recent signing of the Official Creditor Committee Memorandum of Understanding. Also, it forecast the current account deficit to narrow from 2.3% of GDP in FY2025/26 to 2% of GDP in FY2026/27, supported by the increase in exports and in foreign currency reserves, which it projected to reach 2.7 months of imports at end-June 2026 and 3.5 months of imports at end-June 2027. Further, it said that measures to enhance the foreign currency market, modernize monetary policy, mobilize fiscal revenues, and advance the financial regulatory agenda have led to better-than-anticipated macroeconomic outcomes. But it called on the authorities to maintain the reforms momentum in order to support the macroeconomic outlook, safeguard fiscal sustainability, foster private sector-led growth, and reduce poverty in the medium term.

Source: International Monetary Fund

BANKING

WORLD

Policymakers to prioritize digital currencies in 2026

The Institute of International Finance expected digital money to remain a priority for policymakers in 2026, as major countries continue to explore various forms of digital currency, which include central bank digital currencies (CBDCs) and stablecoins. It said that countries are pursuing different approaches to digitally-native money, as some governments support the direct issuance of central bank liabilities to individuals through retail CBDCs, while others are building policy frameworks that allow private firms to issue stablecoins backed by fiat currencies. Also, it said that fewer countries are relying solely on the retail CBDC model, as emerging research indicates that retail CBDCs may not fully address market challenges and could involve higher-than-expected costs, mainly in a rapidly evolving digital payments landscape where alternative solutions may deliver comparable efficiency and cost benefits. As such, it noted that digital payment options that will be available to consumers remain a matter of regulatory policy decisions, given that the recent developments in China, the U.S., the European Union (EU), and the United Kingdom (UK) suggest that this will be one of the most active areas for policymaking throughout 2026. Further, it stated that China's digital currency program appears to be shifting from a central bank liability model to one based on commercial bank liabilities, reflecting the inherent challenges of implementing a true CBDC. Also, it said that the EU and the UK are each pursuing retail CBDCs and stablecoins, and that the U.S. will continue to support financial institutions in engaging with digital assets.

Source: *Institute of International Finance*

QATAR

Banking sector assessment maintained

S&P Global Ratings maintained Qatar's Banking Industry Country Risk Assessment (BICRA) in 'Group 5', and its economic and industry risk scores at '5' and '6', respectively. The BICRA framework evaluates banking systems based on economic and industry risks facing the sector, with 'Group 10' including the riskiest banking sectors. Other countries in the BICRA 'Group 5' consist of Andorra, Bermuda, Greece, Hungary, India, Indonesia, Macaw, Malta, Mexico, Panama, Peru, the Philippines, South Africa, the UAE and Uruguay. The agency indicated that Qatar's economic risk score reflects its "high risk" in economic imbalances and credit risks in the economy, as well as its "low risk" in economic resilience. It projected credit growth to average 4% to 5% in the 2026-27 period, supported by ongoing public sector projects and interest rate cuts. Also, it anticipated the sector's non-performing loans ratio to decrease from 3.8% at end-2025 to 3.5% at end-2026 and 3.3% at end-2027, supported by the stable asset quality of the two largest banks that account for 75% of the sector's assets. In parallel, it said that the industry score reflects the country's "intermediate risk" in its institutional framework and competitive dynamics, as well as its "very high risk" in system-wide funding. It stated that the banking sector benefits from adequate regulation and supervision and that the banks are well capitalized and profitable, with the average Tier One capital ratio at 19.5% at end-September 30, 2025. Also, it noted that the trend for the industry and economic risks is 'stable'.

Source: *S&P Global Ratings*

ARMENIA

Tier One capital of banks at \$3.5bn at end-2024

In its 2025 survey of the Top 100 commercial banks in the Commonwealth of Independent States (CIS), *The Banker* magazine included 16 banks operating in Armenia on the list. The rankings are based on the banks' Tier One capital at the end of 2024, as defined by the Basel Bank of International Settlements. The aggregate Tier One capital of Armenian banks totaled \$3.45bn at the end of 2024 and accounted for 10.3% of the Tier One capital of the top 100 banks in the CIS region at the end of 2024. Ardshinbank had a Tier One capital of \$676m and represented 19.6% of the aggregate Tier One capital of the 16 banks at the end of 2024, followed by Ameriabank with \$600m (17.4%), ACBA Credit Agricole Bank with \$308m (9%), AMIO Bank with \$256m (7.4%), and InecoBank with \$234m (6.8%). As such, the aggregate Tier One capital of the top five Armenian banks stood at \$2.1bn at the end of 2024 and accounted for 60.2% of the Tier One capital of the 16 Armenian banks. Also, the aggregate assets of the 16 banks reached \$25.9bn at the end of 2024 and represented 10.1% of the assets of the top 100 banks at the end of 2024; while the cumulative pre-tax profits of the 16 banks reached \$1.06bn in 2024 and accounted for 10.3% of the aggregate profits of the top 100 banks. As a result, the combined Tier One capital-to-assets ratio of the 16 banks was 13.3% at the end of 2024, while the ratio of pre-tax profits-to-Tier One capital of the Armenian banks stood at 30.7% in 2024.

Source: *The Banker*

OMAN

Capital adequacy ratio at 18%, NPLs ratio at 4.5% at end-September 2025

The International Monetary Fund (IMF) considered that the banking sector in Oman is well-capitalized, liquid, and largely resilient, supported by solid banking fundamentals and ongoing reforms. It indicated that the banking sector's capital adequacy ratio was 18% at end-September 2025 relative to 18.2% at end-2024 and 18.9% at end-2023, well above the regulatory requirement of 12.25%, while the sector's capital-to-assets ratio stood at 14.4% at end-September 2025 compared to 14.5% at end-2024 and 14.8% at end-2023. It added that the liquidity coverage ratio decreased from 221.8%, at end-2023 to 190.6% at end-2024 and 153% at end-September 2025, well above the regulatory requirements, and that the ratio of customer deposits to total assets increased from 51.3% at end-2023 to 53% at end-2024 and 54% at end-September 2025. In addition, it noted that the sector's non-performing loans (NPLs) ratio stood at 4.5% and loan-loss provisioning at 121.9% at end-September 2025, both unchanged from end-2024. Further, it pointed out that the sector's return on assets increased from 1.3% in 2023 to 1.5% in each of 2024 and in the first nine months of 2025 on an annual basis, and its return on equity improved from 8.6% in 2023 to 10.5% in 2024 and 10.1% in the first nine months of 2025 on an annual basis. In parallel, it said that the 2025 Financial Sector Assessment Program expected the financial sector to be resilient to severe shocks, as banks are sound, and have ample capital and liquidity buffers and robust profitability.

Source: *International Monetary Fund*



ENERGY / COMMODITIES

Oil prices to average \$61.3 p/b in first quarter of 2026

The prices of ICE Brent Crude oil front-month future contracts reached \$68.4 per barrel (p/b) on January 28, 2026, constituting an increase of 4.8% from \$65.2 p/b a week earlier, driven by growing supply concerns after a winter storm in the U.S. that disrupted crude output and halted Gulf Coast exports over the past weekend. Also, oil prices increased after U.S. President Donald Trump renewed his warnings to Iran, which raised concerns of military action that could disrupt oil supplies. In parallel, the International Energy Agency (IEA) projected global oil demand to increase by 930,000 barrels per day (b/d) in 2026 due to the normalization of economic conditions after last year's tariff turmoil, and expected non-OECD countries to account for all of the increase in demand in 2026. Further, it forecast global oil supply to increase by 2.5 million b/d this year to 108.7 million b/d, and anticipated non-OPEC+ producers to contribute 1.3 million b/d to global output in 2026, apart from any significant sustained disruptions, if the OPEC+ coalition maintains its current production policy, and in case activity in the U.S. shale industry avoids significant declines. But it said that the new year began on a turbulent start, as geopolitical tensions related to Iran and Venezuela escalated, which triggered uncertainties about their future oil exports. In parallel, LSEG Workspace projected oil prices, through its latest crude oil price poll of 34 industry analysts, to average \$61.3 p/b in the first quarter of 2026 and \$61.2 p/b in 2026.

Source: *IEA, LSEG Workspace, Byblos Research*

Libya signs agreement with U.S. and French oil firms

Libyan-based Waha Oil Company, the subsidiary of Libya's National Oil Corporation (NOC), signed a 25-year oil development agreement on January 24, 2026 with France's TotalEnergies and the U.S.-based ConocoPhillips, involving more than \$20bn in foreign-financed investments. The deal aims to boost oil production capacity by up to 850,000 barrels per day and to generate in excess of \$376bn in oil revenues in the coming 25 years. In parallel, the NOC signed a memorandum of understanding with the U.S.-based Chevron corporation that focuses on potential upstream oil exploration and cooperation.

Source: *Reuters*

Iraq's oil exports at 100.4 million barrels in December 2025

Figures issued by the Iraqi Ministry of Oil show that aggregate crude oil exports from Iraq stood at 107.7 million barrels in December 2025, representing increases of 1% from 106.6 million barrels in November and of 6.6% from 101 million barrels in December 2024. Exports from the central and southern fields reached 100.4 million barrels in December 2025 compared to 98.7 million barrels in November 2025.

Source: *Iraq Ministry of Oil, Byblos Research*

Global steel output nearly unchanged in December 2025

Global steel production reached 139.6 million tons in December 2025, constituting decreases of 0.4% from 140.1 million tons in November 2025 and of 3.4% from 144.5 million tons December 2024. Production in China totaled 68.2 million tons and accounted for 49% of global steel output in December 2025, followed by output in India with 14.8 million tons (10.6%), the U.S. with 6.9 million tons (4.9%), Japan with 6.6 million tons (4.7%), and Russia with 5.8 million tons (4.2%).

Source: *World Steel Association, Byblos Research*

Base Metals: Nickel prices to average \$14,500 per ton in first quarter of 2026

The LME cash prices of nickel averaged \$15,167.4 per ton in 2025, constituting a decrease of 9.8% from an average of \$16,822.8 a ton in 2024. Prices averaged \$15,568.1 per ton in the first quarter of 2025 and decrease to \$15,169 per ton in the second quarter, to \$15,029.7 per ton in the third quarter and to \$14,914.8 per ton in the fourth quarter of 2025, due to weaker global demand, particularly from major industrial consumers, and the stabilization of energy and transport costs. In parallel, Citi Research anticipated the global supply of nickel at 4 million tons in 2026, which would constitute a slight increase of 0.6% from 3.98 million tons in 2025. Also, it forecast the global demand for nickel at 3.87 million tons in 2026, which would represent a rise of 5.7% from 3.66 million tons in 2025. In its base case scenario, it anticipated nickel prices to average \$14,500 per ton this year as the market continues to be in surplus. It expected demand for the metal to grow at a slower rate than in recent years, even with stronger global growth supporting stainless steel production, while it anticipated the increase in global supply to remain limited amid production constraints. Further, under its bull case scenario, it forecast nickel prices to average \$18,000 a ton in 2026, which envisages increases in the prices of base metals, driven by policy rate cuts in the U.S. and the deceleration of output growth in Indonesia. In its bear case scenario, it projected nickel prices to average \$13,000 per ton in 2026, which assumes minimal disruptions or constraints on further Indonesian supply growth. Also, it forecast nickel prices to average \$14,500 per ton in the first quarter of 2026.

Source: *Citi Research, LSEG Workspace, Byblos Research*

Precious Metals: Gold prices to average \$5,400 per ounce in 2026

Gold prices averaged \$3,444.1 per troy ounce in 2025, constituting a surge of 44.2% from an average of \$2,388 an ounce in 2024. Prices averaged \$2,857.4 an ounce in the first quarter of 2025, and rose to \$3,286.3 per ounce in the second quarter, to \$3,458.1 per ounce in the third quarter, and to \$4,154.6 per ounce in the fourth quarter. The increase in the metal's prices was mainly due to strong demand from central banks around the world, persistent inflationary pressures, heightened geopolitical risks, as well as to concerns about global economic uncertainties. Further, gold prices reached an all-time high of \$5,284.6 per ounce on January 28, 2026, amid heightened economic and geopolitical tensions that reinforced the appeal of the metal as a safe haven for investors, while the U.S. Federal Reserve kept interest rates unchanged. In addition, Goldman Sachs considered that risks to gold prices are tilted to the upside, as private sector investors may diversify their portfolio into gold on lingering global policy uncertainties. It also expected that private sector investors will not liquidate their gold holdings in 2026. However, it said that a sharp reduction in perceived risks around the long-run trajectory of global fiscal and monetary policies would pose downside risk to gold prices if it leads investors to unwind their hedges tied to macroeconomic policy. Moreover, it forecast central bank purchases of gold to average 60 tons in 2026 as it expected central banks in emerging markets to continue the structural diversification of their reserves into gold. Also, it anticipated gold-backed exchange-traded funds holdings in Western countries to rise as the U.S. Federal Reserve lowers interest rates by 50 basis points in 2026. As such, it projected gold prices to average \$5,400 per ounce in full year 2026.

Source: *Goldman Sachs, LSEG workspace, Byblos Research*



COUNTRY RISK METRICS

Country Risk Metrics													
Countries	Creditworthiness & Liquidity					Economic Health & Debt							
	S&P	Moody's	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 (%)
Africa													
Algeria	-	-	-	-	-	-11.3	58.2	-	-	-	-	-8.9	-
Angola	B-	B3	B-	-	-	-4.2	48.1	4.8	52.0	31.7	104.8	2.5	-1.3
Egypt	B	Caa1	B	B	Stable	-7.1	81.0	3.3	63.5	71.9	135.4	-4.0	2.0
Ethiopia	SD	Caa3	CCC-	-	-	-1.7	30.9	2.5	31.4	10.4	116.0	-2.3	2.0
Ghana	B	Ca	B-	-	-	-3.9	50.7	2.0	17.4	19.6	95.5	2.9	1.7
Côte d'Ivoire	BB	Ba2	BB	-	-	-3.1	56.0	3.9	36.4	16.3	107.4	-2.5	2.5
Libya	-	-	-	-	-	-3.9	75.7	-	-	-	-	-13.1	-
Dem Rep Congo	B-	B3	-	-	-	-1.8	17.9	1.8	8.0	2.8	97.2	-2.7	2.2
Morocco	BBB-	Ba1	BB+	-	-	-3.0	62.0	4.6	26.8	7.1	93.7	-2.2	1.7
Nigeria	B-	B3	B	-	-	-3.8	46.0	5.7	57.2	28.9	101.5	4.4	0.3
Sudan	-	-	-	-	-	-1.1	81.6	-	-	-	-	-12.7	-
Tunisia	-	Caa1	B-	-	-	-4.3	80.2	-	-	-	-	-2.2	-
Burkina Faso	CCC+	-	-	-	-	-3.8	59.1	1.8	59.9	11.2	143.1	-1.9	0.7
Rwanda	B+	B2	B+	-	-	-4.2	74.1	3.9	20.6	10.4	112.0	-14.7	7.4
Middle East													
Bahrain	B	B2	B+	B+	Stable	-5.9	142.7	-4.2	152.5	33.8	380.8	1.3	3.0
Iran	-	-	-	-	-	-4.0	40.9	-	-	-	-	1.1	-
Iraq	B-	Caa1	B-	-	Stable	-4.2	47.7	12.8	3.5	2.4	48.5	2.3	-3.0
Jordan	BB-	Ba3	BB-	BB-	Stable	-1.6	94.3	2.3	68.2	13.3	147.6	-6.1	3.1
Kuwait	AA-	A1	AA-	A+	Stable	-9.1	17.5	2.3	56.1	1.3	114.6	19.8	-6.0
Lebanon	SD	C	RD**	-	-	0.0	88.6	2.1	192.2	3.8	264.1	-13.3	3.5
Oman	BBB-	Baa3	BBB-	BBB-	Stable	0.0	36.5	1.9	27.6	6.7	113.4	-3.0	7.0
Qatar	AA	Aa2	AA	AA	Stable	-0.8	42.5	2.9	136.1	5.0	181.3	13.6	-0.7
Saudi Arabia	A+	A1	A+	AA-	Stable	-4.0	30.3	8.3	36.9	3.1	83.0	-2.9	0.8
Syria	-	-	-	-	-	-4.0	38.4	-	-	-	-	-9.6	-
UAE	AA	Aa2	AA-	AA-	Stable	2.9	30.8	-	-	-	-	5.6	-
Yemen	-	-	-	-	-	-5.1	69.3	-	-	-	-	-6.6	-

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	Positive	Positive	-4.1	50.3	2.2	31.4	12.9	117.5	-5.0	1.8
China	A+	A1	A+	-								
	Stable	Negative	Stable	-	-3.0	78.4	11.0	23.6	7.0	60.8	3.6	0.7
India	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-6.9	81.4	7.1	29.9	24.2	83.4	-5.6	0.7
Kazakhstan	BBB-	Baa2	BBB	-								
	Stable	Positive	Stable	-	-3.8	28.7	6.5	33.7	13.7	91.5	-4.2	1.5
Pakistan	B-	Caa1	B-	-								
	Stable	Stable	Stable	-	-5.1	70.8	2.7	28.7	47.8	107.4	-0.7	0.3
Bangladesh	B+	B2	B+	-								
	Stable	Negative	Stable	-	-4.5	36.4	3.5	24.3	26.2	99.5	-0.9	0.3
Central & Eastern Europe												
Bulgaria	BBB	Baa1	BBB	-								
	Positive	Stable	Positive	-	-3.4	30.9	1.0	20.7	1.9	115.0	-2.7	2.1
Romania	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-6.4	60.7	4.8	27.2	9.1	98.8	-6.6	2.0
Russia	-	-	-	-								
	-	-	-	-	-1.7	20.7	-	-	-	-	0.5	-
Türkiye	BB-	B03	BB-	BB-								
	Stable	Stable	Stable	Stable	-3.6	25.8	3.2	62.9	15.3	132.3	-1.6	0.4
Ukraine	CC	Ca	CC	-								
	Negative	Stable	-	-	-1.3	101.7	5.1	42.1	8.1	108.1	-9.4	2.0

*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 2026



SELECTED POLICY RATES

	Benchmark rate	Current (%)	Date	Last meeting	Next meeting
Advanced Economies					
USA	Fed Funds Target Rate	3.75	28-Jan-26	No change	18-Mar-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	23-Jan-26	No change	19-Mar-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	28-Jan-26	No change	18-Mar-26
Emerging Markets					
China	One-year Loan Prime Rate	3.00	20-Jan-26	No change	24-Feb-26
Hong Kong	Base Rate	4.00	11-Dec-25	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	18-Dec-25	No change	19-Mar-26
South Korea	Base Rate	2.50	15-Jan-26	No change	26-Feb-26
Malaysia	O/N Policy Rate	2.75	22-Jan-26	No change	05-Mar-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	20.00	25-Dec-25	Cut 100bps	12-Feb-26
Jordan	CBJ Main Rate	6.00	02-Nov-25	Cut 50bps	N/A
Türkiye	Repo Rate	37.00	22-Jan-26	Cut 100bps	N/A
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	10-Feb-26
Nigeria	Monetary Policy Rate	27.00	25-Nov-25	No change	24-Feb-26
Ghana	Prime Rate	15.50	28-Jan-26	Cut 250bps	18-Mar-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-26
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	19-Jan-26	No change	17-Feb-26
Bulgaria	Base Interest	1.81	01-Dec-25	Raised 1bp	N/A
Kazakhstan	Repo Rate	18.00	23-Jan-26	No change	06-Mar-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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