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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Corporate debt of $13 trillion due in 2026-30 period

S&P Global Ratings indicated that $12.93 trillion (tn) in rated corporate debt will mature between January 2026 and December 2030. It noted that $2.32tn in corporate debt are due in 2026, $2.56tn mature in 2027, $2.98tn are payable in 2028, $2.61tn come due in 2029, and $2.45tn have to be settled in 2030. The geographic distribution of debt maturities shows that the U.S. has $6.1tn in corporate debt that is due in the 2026-30 timeframe, or 47% of the total, followed by the debt of European companies with $4.9tn (37.7%), while the rest of the world has $2tn in maturing corporate debt (15.3%). Also, it noted that $9.65tn in investment-grade corporate debt, or 74.6% of the due debt, mature between January 2026 and December 2030, while $3.3tn in speculative-grade corporate debt (25.4%) come due during the covered period. It added that the maturing debt of non-financial companies stands at $7.97tn and accounts for 61.6% of the due debt between January 2026 and end-2030, while the maturing debt of financial institutions stands at $4.96tn, or 38.4% of total. Further, it estimated the due debt of consumer product firms at $847.4bn, or 6.6% of maturing non-financial corporate debt in the covered period, followed by the debt of utilities companies with $802.7bn (6.2%), the healthcare sector's debt with $771.7bn (6%), the debt of media & entertainment firms with $702.7bn (5.4%), and the debt of high technology companies with $658.6bn (5.1%).

Source: S&P Global Ratings

EMERGING MARKETS

Venture capital funding up 1% to $9.6bn in 2025

Figures released by online platform Magnitt show that venture capital (VC) funding in the Middle East, Africa, South East Asia, Türkiye and Pakistan, reached $9.63bn in 2025, constituting an increase of 1% from $9.54bn in 2024. VC funding stood at $1.75bn in the first quarter, $2.84bn in the second quarter, $2.62bn in the third quarter, and $2.42bn in the fourth quarter of 2025. Also, VC investments in South East Asia stood at $4.08bn in 2025, or 42.3% of the total, followed by VC funding the Middle East with $3.43bn (35.6%), Africa with $1.45bn (15.1%), and Türkiye and Pakistan with $676m (7%). Further, there were 1,521 VC deals in the covered regions in 2025, constituting a drop of 12% from 1,729 investments in 2024. VC deals totaled 440 in the first quarter, 398 transactions in the second quarter, 373 deals in the third quarter, and 310 transactions in the fourth quarter of 2025. Also, there were 581 VC deals in the Middle East in 2025 and accounted for 38.2% of the total, followed by 446 transactions in South East Asia (29.3%), 298 new deals in Africa (19.6%), and 196 investments in Türkiye and Pakistan (13%). In parallel, the fintech sector was the recipient of $3.55bn, or of 36% of aggregate VC investments in 2025, followed by the e-commerce & retail industry with $1bn (10.5%), the enterprise software sector with $758m (8%), the information technology solutions industry with $609m (6.3%), and the energy sector with $452m (4.7%). Further, there were 91 VC exits in 2025, constituting a decrease of 3.2% from 94 exits in 2024, with the Middle East accounting for 35.2% of total VC exits, followed by Africa with 30.8%, and South East Asia with 26.4% in 2025.

Source: Magnitt, Byblos Research

MENA

Corruption perception varies across region

Global anti-corruption advocacy organization Transparency International ranked the UAE in 21st place among 182 countries worldwide and in first place among 19 Arab countries on its Corruption Perception Index for 2025. Qatar followed in 41st place, then Saudi Arabia (45th), Oman (54th), and Bahrain (56th), as the five countries perceived to have the lowest level of graft in the Arab region; while Lebanon (153rd), Syria (172nd), Sudan (175th), and Libya and Yemen (177th each) were perceived as the most corrupt Arab countries. The organization uses data sources from independent institutions specializing in governance and business climate analysis in order to assess the degree of corruption in the public sector of each country. The Arab countries' average score stood at 36.4 points in the 2025 index, unchanged from the 2024 survey, and compared to the global average of 42.5 points. The Gulf Cooperation Council (GCC) countries' average score stood at 55.3 points while the average score of non-GCC Arab countries was 27.6 points. The Arab countries' average score came higher than the average scores of Eastern Europe & Central Asia (34 points) and Sub-Saharan Africa (32 points); but it was lower than the average scores of the European Union & Western Europe (64 points), the Asia-Pacific region (45 points), and the Americas (42 points). Also, the rankings of eight Arab countries improved, those of three economies were unchanged and the ranks of eight Arab countries deteriorated from the previous year; while the scores of eight countries remained the same from the 2024 index, those of six economies increased, and the scores of five Arab countries regressed year-on-year.

Source: Transparency International, Byblos Research

GCC

Fixed income issuance up 26% to $34.2bn in the first month of 2026

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached $34.2bn in January 2026, constituting an increase of 26.2% from $27.1bn in the same month of 2025 and a decrease of 26.5% from $46.5bn in the first month of 2024. Fixed income output in the first month of 2026 consisted of $12.7bn in sovereign bonds, or 37% of the total, followed by $11.1bn in corporate sukuk (32.5%), $9.5bn in corporate bonds (27.8%), and $0.9bn in sovereign sukuk (2.6%). Further, corporates in the GCC issued $20.6bn in bonds and sukuk in the first month of 2026, or 60.2% of fixed income output in the region; while the output of GCC sovereigns reached $13.6bn or 39.8% of the total. In parallel, sovereign proceeds in January 2026 consisted of $11.5bn in sukuk and $379m in bonds that Saudi Arabia issued, $898m in bonds issued by Bahrain, $500m in sukuk and $149.8m in bonds that the UAE issued, and $200m in bonds issued by supranational issuer the Arab Petroleum Investments Corporation (APICORP). Also, corporate output in January 2026 consisted of $9.5bn in sukuk and $2.23bn in bonds issued by Saudi Arabia-based firms, $4.72bn in bonds from firms in the UAE, $1bn in sukuk that Kuwaiti-based companies issued, $750m in bonds from firms in Qatar, and $1bn in sukuk and $650m in sukuk that Omani-based companies issued.

Source: KAMCO

POLITICAL RISKS OVERVIEW - January 2026

ARMENIA

U.S. Secretary of State Marco Rubio met Armenian Minister of Foreign Affairs Ararat Mirzoyan in Washington, D.C. on January 13, and unveiled the framework for the "Trump Route for International Peace and Prosperity" (TRIPP), a corridor that will connect two separate regions of Azerbaijan through Armenia. The plan confirms Armenia's sovereignty over the route and introduces a "front office-back office" system, whereby Armenian authorities will supervise immigration and customs behind the scenes, while an unnamed third party will conduct the actual checks. Russia expressed interest in becoming involved in the TRIPP project. Armenia and Azerbaijan carried out a prisoner exchange, and agreed to allow the delivery of Russian liquefied gas and bitumen to Armenia through Azerbaijan. Armenia's Ministry of Foreign Affairs delivered a protest note to the Russian ambassador in Yerevan that condemned Russian TV host Vladimir Solovyov's remarks that urged Moscow to launch a "special military operation" in Armenia to reassert its influence in the country. Tensions escalated further when Russian Minister of Foreign Affairs Sergei Lavrov warned that the European Union's assistance to Yerevan in combating disinformation before the June parliamentary elections might enable "vote rigging".

ETHIOPIA

Clashes erupted in the Tigray region between the Tigray Defense Forces (TDF) and federal troops following months of escalating tensions between the Tigray People's Liberation Front (TPLF) and Prime Minister Abiy Ahmed. The TDF entered the Raya district in the Southern Tigray zone, which prompted the government to cancel all flights to Tigray as fears grew of a wider conflict between Tigray and the federal government. Fano militias formed the Amhara Fano National Movement by uniting fragmented armed and political groups, in order to improve joint operations and enhance combat capacity through increased collaboration with actors like Eritrea, as well as to facilitate reaching common objectives for future peace negotiations. The federal government said that it has seized more than 56,000 rounds of ammunition destined for the Fano rebels, and accused Eritrea of providing them with logistical support that the TPLF supplied.

IRAN

Following the collapse of the exchange rate of the Iranian rial, protests began in Tehran's bazaar and quickly spread to universities and major cities. The government pledged to increase payments to citizens and to start a dialogue with opposition groups, but it responded to the nationwide protests by severely restricting communications, imposing an information blackout, and carrying out an exceptionally violent repression. Human rights groups estimated the fatalities in the thousands, which would mark the regime's most substantial and intense crackdown since the 1979 revolution. The U.S. threatened direct military intervention in Iran, while the U.S. Department of the Treasury sanctioned nearly 24 Iranians and firms over the crackdown on protesters and the laundering of oil proceeds. The European Union blacklisted 15 Iranian officials over the crackdown and 10 individuals and entities over military assistance to Russia, and designated the Islamic Revolutionary Guard Corps as a terrorist organization.

IRAQ

After the Parliament elected a new speaker in late December, the government's formation process advanced but was hindered by political rivalries and delays, particularly about the election of a president and power sharing arrangements. The Shiite parties' search for a prime minister took an unexpected turn when incumbent Prime Minister Mohammed Shia' al-Sudani withdrew in favor of former PM Nuri al-Maliki, who occupied the post from 2006 to 2014. U.S. President Donald Trump condemned Maliki's nomination and warned that Washington would withdraw support in case of his selection. Federal lawmakers postponed the presidential election session due to disputes between the Patriotic Union of Kurdistan (PUK) and the Kurdistan Democratic Party (KDP). Also, tensions between the PUK and the KDP stalled the formation of Kurdistan's regional government. The PUK released the opposition leader of the New Generation Movement after six months in detention on blackmail charges, and he urged Kurdish parties to form an alliance that excluded the KDP. Security forces launched airstrikes on the facilities of the Islamic State of Iraq and Syria in the Hamrin mountains of the Kirkuk Province, killing several fighters. They also carried out operations between Kirkuk and Saladin provinces, in which eight militants were eliminated.

LIBYA

Tensions between the Tripoli-based High State Council (HSC) and the eastern House of Representatives (HoR) blocked the appointment of new members to the High National Election Commission (HNEC), which is considered the first step towards presidential and parliamentary elections. The HoR approved filling the vacant seats, but the HSC's leader Mohammed Takala accused HoR Speaker Aguila Saleh of acting alone and violating the United Nations-backed political deal. The HSC chose a new HNEC president, which angered the authorities in the east of the country. U.S. Senior Advisor for Africa Massaad Boulos visited Libya, met the chief of the UN Support Mission in Libya, and urged officials to move forward with the electoral roadmap. The Misurata Free Zone Authority announced a landmark $2.7bn public-private partnership agreement to expand and modernize the Misurata Free Zone port. The deal involves Italian, Qatari, and Swiss companies, and major global operators such as Mediterranean Shipping Company, with the goal of turning the port into a leading Mediterranean transshipment hub. The HoR committees condemned the deal on national sovereignty concerns.

SUDAN

The Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) clashed in North Darfur, South Kordofan and the Blue Nile states, as their drone war intensified. The RSF and its allies advanced in Dar Zaghawa area toward al-Tina town near the border with Chad, the last stronghold of the SAF and its allied Darfuri armed groups in the North Darfur state, leading to heavy clashes in the surrounding areas. The Sudan Liberation Movement urged the Zaghawa community to defend its land against the RSF, which raised concerns of a Zaghawa-Arab confrontation. The RSF and its ally the Sudan People's Liberation Movement-North (SPLM-N) advanced towards the South Kordofan state's capital Kadugli and captured the Bardab area in the north of the city. Also, the RSF and the SPLM-N launched attacks in the Blue Nile state, reportedly capturing al-Sillak area in the Bau locality near the South Sudanese border.

TÜRKIYE

Greek and Turkish officials held the fifth round of political dialogue in Athens and reviewed bilateral relations, regional issues, and preparations for the upcoming High-Level Cooperation Council. Also, they conducted the ninth round of talks within a "positive agenda" framework, which focused on practical cooperation areas such as trade, tourism, energy, and environmental issues. Ankara explored trilateral defense cooperation with Saudi Arabia and Pakistan following 10 months of negotiations and a strategic defense pact that Riyadh and Islamabad announced in September 2025.

Source: International Crisis Group, Newswires

OUTLOOK

AFRICA

Growth to average 4.2% in 2026-27 period, outlook subject to downside risks

The World Bank projected the real GDP growth rate of Sub-Saharan Africa (SSA) at 4.3% in 2026 and 4.5% in 2027, relative to its June forecast of 4.1% for 2026 and 4.3% for 2027, supported by ongoing reforms in some large economies, solid domestic investment growth, higher exports, and a continued easing of inflation rates. Also, it said that the pickup in economic activity reflects favorable external environment and substantial improvements in security in several countries in fragile and conflict-affected situations.

Further, it projected the real GDP growth rate of Eastern and Southern Africa at 4% in 2026 and 4.2% in 2027, and expected economic activity in Western and Central Africa to grow by 4.7% in 2026 and 4.8% in 2027. Also, it forecast the real GDP growth rate of oil-exporting countries at 4.1% in each of 2026 and 2027, while it estimated the real GDP growth rate of non-resource-rich economies at 6.1% in 2026 and 6.2% in 2027, supported by solid economic activity.

In addition, it forecast economic growth in Nigeria at 4.4% in the 2026-27 period due to the continued expansion in services, a rebound in agricultural output, as well as a modest acceleration in non-oil activity; and projected South Africa's real GDP growth rate at 1.4% in 2026 and 1.5% in 2027, driven by ongoing reforms. In parallel, it considered that risks to the SSA region's economic outlook are tilted to the downside and include trade uncertainties, slow implementation of reforms, continued violent conflicts in several SSA economies, a rapid decline in official development assistance, a deceleration in global growth, and a decrease in commodity prices. But it noted that upside risks include the potential for expanded free trade agreements with China, stronger-than-expected global growth, firmer commodity prices, and progress on structural transformation and economic diversification.

Source: World Bank

SAUDI ARABIA

Favorable economic outlook to be driven by robust non-oil sector activity

Deutsche Bank projected Saudi Arabia's real GDP growth rate at 4% in 2026, driven by higher oil production and robust activity in the non-oil sector. It also expected economic growth to range between 3% to 4% annually in the medium term, as the non-oil sector will continue to benefit from the ongoing economic diversification and associated large investments. Further, it forecast the inflation rate to stabilize at about 2% in 2026, with housing inflation set to benefit from the recent introduction of rental reforms. But it considered that a faster phasing-out of energy subsidies could lead to some upward pressures on the inflation rate.

Also, it projected the fiscal deficit at 5% of GDP in 2026 compared to an expected deficit of 3.3% in the 2026 budget, due to lower oil revenues and higher public expenditures, which will more than offset the recovery in oil production. In addition, it forecast the public debt level to reach 35% of GDP in 2026, but to remain relatively low compared to other oil exporters. It forecast the government's funding needs at $78bn in 2026, which include $14bn in upcoming debt maturities. It also anticipated the fiscal deficit to narrow in the medium term in case oil prices recover and public spending is contained.

In parallel, it projected the current account deficit to widen from 2.8% of GDP in 2025 to 3.2% of GDP in 2026, driven by higher imports, a moderation in oil prices, and continued remittance outflows. It noted that the Kingdom's external buffers remain strong, with reserve assets amounting to $460bn at the end of 2025. But it expected the external position to benefit from a steady pickup in tourism activity in the coming years, given the centrality of tourism in the Vision 2030 reforms agenda. It considered that the easing of monetary policy, in parallel to the U.S. Federal Reserve's reduction of its policy rate, should help improve the cost of borrowing, which will further support investments. But it noted that downside risks could originate inefficient fiscal spending and/or a deterioration in the geopolitical environment.

Source: Deutsche Bank

ANGOLA

Foreign exchange and fiscal pressures to persist

Bank of America indicated that the Angolan authorities projected the country's real GDP growth rate to accelerate from 1.9% in 2025 to 4.2% in 2026, due to a surge in gas production and a rebound in the activity of the non-hydrocarbon sector. Further, it said that the exchange rate of the kwanza remained stable at AOA912 per US dollar since 2023, but expected the government to let the currency depreciate to AOA1,100 per dollar after the general elections that are scheduled for August 2027 despite the large share of US dollar-denominated external debt servicing.

In addition, it said that the government forecast the fiscal deficit to narrow from 3.3% of GDP in 2025 to 2.8% of GDP in 2026, due mainly to higher tax revenues. It considered that the authorities will not lift fuel subsidies before the elections in order to avoid social unrest. But it said that the government expects the subsidies to decrease from 1.7% of GDP in 2025 to 0.9% of GDP in 2026 due to stable global oil prices that will limit the gap between international fuel costs and domestic retail prices, while the launch of the Cabinda refinery will increase the supply of locally refined fuel. It stated that the government assumed in its budget a production target of 1.05 million barrels per day with an average oil price of $61 in 2026. Also, it did not expect the authorities to reach an agreement with the International Monetary Fund before the elections, as the government is unwilling to lift fuel subsidies or allow the currency to depreciate in the near term. As such, it anticipated foreign exchange and fiscal pressures to persist, mainly if oil prices decrease to less than $50 per barrel.

Further, it indicated that the authorities aim to raise $4.1bn in budget support this year through a mix of financing instruments that include $1.7bn from Eurobond issuance, $1bn from debt-swap operations, $0.5bn in loans from the World Bank, $0.4bn in commercial borrowing, $0.4bn in loans from bilateral partners, and $0.1bn in loans from multilateral sources. It said that Angola's total liquid assets currently stand at $18bn, and expected the government to be able to services $9.6bn of its external debt in 2026.

Source: Bank of America

MENA

More than two thirds of rated sovereigns have investment-grade rating at end-2025

S&P Global Ratings indicated that 67%, or about eight of the 12 sovereigns that it rates in the Middle East & North Africa (MENA) region, had an investment grade rating as at end-2025. It noted that four of the sovereigns that it rates in the MENA region were in the 'AA' category at end-2025 and accounted for 33.3% of rated sovereigns, followed by two sovereigns in the 'A' range (16.7%), two countries in the 'BBB' category (16.7%), two sovereigns in the 'B' range (16.7%), one country in the 'BB' segment (8.3%), and one sovereign in the 'CCC' range or lower (8.3%). In parallel, it noted that it had 10 'stable' outlooks and one 'negative' outlook on the sovereign ratings, while it had a 'non-meaningful' outlook on Lebanon's ratings as a result of defaulting on the vast majority of its debt in March 2020. Further, it said that the average sovereign foreign currency credit rating declined from 'A-' at the end of 2010 to about 'BBB' at end-2025, while the average sovereign rating, weighted by GDP, regressed from 'A+' to about 'A' during the same timeframe. Also, it pointed out that it upgraded the ratings of Kuwait and Saudi Arabia by one notch, downgraded the ratings of Bahrain by one spot in 2025, and revised the outlook from 'stable' to 'negative' on the ratings of the Emirate of Sharjah.

Source: S&P Global Ratings

IRAQ

Sovereign ratings affirmed on low external debt and high reserves

S&P Global Ratings affirmed Iraq's short- and long-term foreign and local currency sovereign credit ratings of 'B' and 'B-', respectively, with a 'stable' outlook on the long-term ratings. It indicated that the ratings are supported by the government's still-moderate domestic debt level and relatively low external debt level, favorable oil prices that generated large oil export receipts in recent years, and sizable foreign currency reserves. But it said that the ratings are constrained by Iraq's weak institutions, and elevated domestic and regional security risks compared to similarly-rated peers. Also, it expected the government to be able to draw down its $100bn accumulated foreign currency reserves to meet its external debt payments in the 2026-29 period. It added that the 'stable' outlook reflects the agency's expectation that Iraq's foreign currency reserves will continue to comfortably exceed its external debt level, which will mitigate significant risks from domestic and regional geopolitical uncertainties, from the weak institutional framework, and from the lack of economic diversification. Further, it forecast Iraq's gross external financing needs at 54.8% of current account receipts plus useable reserves in 2026, as well as at 54.3% and 53.6% of such receipts and reserves in 2027 and 2028, respectively. In parallel, it indicated that it could downgrade the ratings if domestic political uncertainties or regional geopolitical risks escalate and lead to adverse implications for Iraq's growth, fiscal performance, and its balance of payments, and/or if pressures on the fiscal or external balances increase. In contrast, it said that it could upgrade the ratings if institutional reforms and a more stable domestic and regional security environment strengthen the country's growth prospects and investment outlook.

Source: S&P Global Ratings

EGYPT

Sovereign ratings affirmed on improved external liquidity

Capital Intelligence Ratings affirmed Egypt's short- and long-term local and foreign currency ratings at 'B', and maintained the 'stable' outlook on the long-term ratings. It said that the ratings reflect a gradual improvement in Egypt's external liquidity position, the moderate level of its gross external debt, relatively strong real GDP growth, a resilient banking system, as well as the government's commitment to fiscal reforms. But it said that the ratings are constrained by a moderately weak external balance, still high gross external financing needs, as well as the vulnerability of non-debt foreign currency inflows to geopolitical risks. Also, it noted that structural weaknesses in the trade balance persist, even though the current account deficit narrowed from 5.4% of GDP in the fiscal year that ended in June 2024 to 4.4% of GDP in FY2024/25. It added that significant weaknesses in public finances, including a high government debt-to-GDP ratio, very high debt servicing cost, and a small tax base are weighing on the ratings. In parallel, it noted that the 'stable' outlook balances Egypt's large external financing needs and weak fiscal strength, with the availability of external support and the continued implementation of reforms to reduce fiscal and external vulnerabilities. In parallel, it said that it could downgrade the ratings in the next 12 months if the government reverses key reforms, if public finances deteriorate, and/or if external financing risks increase. In contrast, it said that it could upgrade the ratings if Egypt manages to lower its external financing risks, and/or if fiscal reforms lead to a faster-than-projected reduction of the public's debt level and interest expense.

Source: Capital Intelligence Ratings

OMAN

Non-oil growth to average 3.8% in 2026-27 period

The International Monetary Fund (IMF) projected Oman's real GDP growth rate to accelerate from 2.8% in 2025 to 3.8% in each of 2026 and 2027, as oil production gradually returns to capacity and the non-hydrocarbon economy remains robust, supported by ongoing reforms under the Oman Vision 2040 and the rollout of large-scale investment projects. Also, it forecast the country's real non-oil GDP growth rate at 3.7% in 2026 and 3.8% in 2027 due to strong activity in the construction, agriculture and fishing, tourism, and logistics sectors, and expected the real hydrocarbon GDP growth rate at 4% in 2026 and 3.7% in 2027. It considered that Oman's economic outlook is favorable despite heightened uncertainties and declining oil prices. It considered that risks to the near-term outlook are tilted to the downside, and include an escalation of trade tensions, deepening geo-economics fragmentation and renewed regional geopolitical tensions. In contrast, it said that upside risks to the outlook include higher oil prices and accelerated structural reforms. It noted that prudent fiscal management has helped maintain a fiscal surplus despite declining oil prices, and projected it at 0.1% of GDP in 2026 and 0.6% of GDP in 2027. Also, it forecast the country's current account deficit to narrow from 3.1% of GDP in 2026 to 1.5% of GDP in 2027, and for gross foreign currency reserves to reach $17.8bn at end-2026 or 4 months of import cover and $17.4bn or 3.8 months of import coverage at end-2027. In parallel, it stressed the importance of sustaining prudent policies and the reforms momentum.

Source: International Monetary Fund

UAE

Banking sector risk assessment maintained

S&P Global Ratings maintained the banking sector of the United Arab Emirates in 'Group 5' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score and an industry risk score of '5' each. It said that that it upgraded the economic risk score from '6' to '5' amid improvements in the banks' asset quality. The BICRA framework evaluates banking systems based on economic and industry risks facing a banking sector, with 'Group 10' including the riskiest sectors. Other countries in the BICRA 'Group 5' consist of Andorra, Bermuda, Greece, Hungary, India, Indonesia, Macao, Malta, Mexico, Panama, Peru, the Philippines, Qatar, South Africa and Uruguay. It said that the UAE's economic risk score reflects "low risks" in economic resilience, as well as "high risks" in economic imbalances and credit risks in the economy. Further, it noted that the UAE's economic and social reforms, alongside its solid economic performance, have reduced credit risks for banks. Further, it noted that Stage 3 loans for the 10 largest UAE banks stood at 2.7% and their Stage 2 loans were 3.6% at end-September 2025. Also, it expected bank lending to grow between 10% and 12% in the 2026-27 period, supported by ample liquidity in the banking system amid ongoing monetary policy easing and the overall favorable economic environment. Further, it projected the banks' non-performing loans ratio to regress from 3.5% at end-2024 to 2.8% at end-2025 and 2.6% at end-2026. It added that the industry score reflects the country's "intermediate risks" in its institutional framework and in its system-wide funding, as well as "high risks" in its competitive dynamics. Further, it noted that the trend for economic and industry risks is "stable".

Source: S&P Global Ratings

MOROCCO

Favorable economic prospects to support banks' performance

S&P Global Ratings expected the lending activity of the Moroccan banking sector to accelerate, its asset quality to improve, and its profitability to stabilize in 2026. It indicated that non-performing loan (NPLs) ratios remain elevated relative to peers in other emerging markets, and exposure to sub-Saharan Africa continues to weigh on the banks' credit profiles. It anticipated the sector's NPLs ratio to decline from an 8.9% in 2025 to about 8.6% in 2026, but it added that stronger loan recoveries and the subsequent reversal of provisions, driven by improving economic conditions and increased disposable income, will further contribute to the decline in the banks' credit losses. As such, it noted that the authorities are seeking to establish a secondary market that could accelerate the resolution of legacy NPLs, free up capital, and enhance the banks' lending capacity. Also, it said that about 25% of the assets of large Moroccan banks are concentrated in sub-Saharan Africa and carry higher risks than local exposures. Further, it anticipated that economic growth and spending on large infrastructure projects in Morocco will increase the banks' lending activity in 2026. In addition, it indicated that the banking sector's capital adequacy ratio increased from 14.1% at end-2024 to 14.3% at end-June 2025, and that its common equity Tier One capital ratio stood at 12.3% at end-June 2025, unchanged from end-2024.

Source: S&P Global Ratings

MAURITANIA

Banks' capital adequacy ratio at 18.2% at end-June 2025, NPLs ratio at 19.2%

The International Monetary Fund indicated that the capital adequacy ratio of Mauritania's banking sector stood at 18.2% at the end of June 2025, compared to 19.9% at end-2024 and to 20.1% at end-2023, while the sector's capital-to-assets ratio reached 15.3% at end-June 2025 compared to 15% at end-2024 and 15.2% at end-2023. It said that the banks' liquid assets were equivalent to 32.6% of the sector's total assets at end-June 2025, relative to 32% at end-2024 and to 26.9% at end-2023; and that the liquidity coverage ratio increased from 185.7%, at end-2023 to 213.8% at end-2024 and 216.6% at end-June 2025. Also, it stated that the sector's foreign currency assets represented 5.3% of total assets at end-June 2025 compared to 8.1% at end-2024 and 8.8% at end-2023. Further, it indicated that lending to the private sector grew by 7.2% in the first half of 2025, relative to increases of 8.8% in 2024 and 5.2% in 2023, and that the loans-to-deposits ratio stood at 72.9% at end-June 2025, unchanged from end-2024 and compared to 80.4% at end-2023. Further, it said that the sector's non-performing loans ratio (NPLs) reached 19.2% at end-June 2025 relative to 17.4% at end-2024 and to 19.3% at end-2023, while NPLs net of provisions reached 57.5% of capital at end-June 2025 compared to 50.7% at end-2024 and 80.1% at end-2023. Further, it pointed out that the sector's net open position in foreign currency stood at -6.6% of capital at end-June 2025 compared to +0.7% of capital at end-2024 and to +6% of capital at end-2023. Also, it indicated that the Banque Centrale de Mauritanie (BCM) has continued to strengthen the prudential and supervisory framework for banks, and pointed out that the BCM madated the 17 banks operating in the country to double their minimum regulatory capital by 2027 to enhance the sector's soundness.

Source: International Monetary Fund

TÜRKIYE

Outlook on banks' ratings revised to 'positive' following similar action on sovereign

Fitch Ratings affirmed the long-term foreign- and local currency Issuer Default Ratings (IDRs) of Denizbank, ING Bank, QNB Bank, Turk EkonomiBankasi, Kuveyt Turk Katilim Bankasi, Türkiye Finans Katilim Bankasi, Odea Bank, Alternatifbank, and Burgan Bank at 'BB-'. Also, it revised the outlook on the ratings of all nine banks from 'stable' to 'positive', following its similar action on the sovereign rating due a further reduction in external vulnerabilities from a faster-than-expected rise in foreign currency reserves since September 2024, improved quality of reserves, and a decline in foreign currency contingent liabilities. It indicated that the banks' IDRs are supported by potential support from their foreign shareholders based on their strategic importance within their respective groups. As such, it affirmed the banks' Shareholder Support Ratings (SSR) at 'bb-', but it noted that the banks' IDRs and SSRs are capped at the level of Türkiye's Country Ceiling of 'BB-'. In addition, it pointed out that it could upgrade the IDRs of the banks in case it revises the Country Ceiling, which would likely lead to a similar action on the banks' SSRs. In contrast, it noted that it could downgrade the banks' ratings in case it downgrades the Country Ceiling or the sovereign ratings.

Source: Fitch Ratings

Oil prices to average $64.4 p/b in first quarter of 2026

The price of ICE Brent Crude oil front-month futures contracts reached $69.4 per barrel (p/b) on February 11, 2026, constituting an increase of 4.7% from $66.3 p/b at the beginning of February, driven by escalating tensions between the U.S. and Iran that could pose risks to oil supply, while withdrawals from major crude oil inventories point to stronger global demand. In parallel, the U.S. Energy Information Administration anticipated the increase in global oil production to result in a high level of oil inventories in the near term, which will weigh on crude oil prices despite short-term disruptions to oil supply in the U.S. and Kazakhstan. Also, it expected the increase in oil output to outpace oil consumption, which will lead to a rise in global oil inventories in 2026, and forecast global oil inventories to average 3.1 million barrels per day (b/d) in 2026 compared to an average of 2.7 million b/d in 2025. Further, it said that the U.S. Department of the Treasury's Office of Foreign Assets Control expanded the general license to allow more companies to transport and sell Venezuela's crude oil while the sanctions remain in place. As a result, it expected that these new shipments will alleviate supply disruptions and will allow Venezuela's oil production to recover by the second quarter of 2026 to its pre-U.S. blockade level. It noted that any further ease of sanctions or changes in U.S. policy towards Venezuela could result in more-than-expected oil production and put additional downward pressure on oil prices. Moreover, it expected Iranian crude oil output to remain stable in 2026, but considered that actions targeting the country's oil infrastructure or a conflict that affects flows through the Strait of Hormuz could reduce Middle East oil production and exports. In addition, it projected oil prices to average $64.4 p/b in the first quarter of 2026.
Source: U.S. Energy Information Administration, LSEG Workspace, Byblos Research

Saudi Arabia's oil export receipts at $18bn in November 2025

Oil exports from Saudi Arabia totaled 8.7 million barrels per day (b/d) in November 2025, representing increases of 1.8% from 8.5 million b/d in October 2025 and of 17.7% from 7.35 million b/d in November 2024. Oil export receipts reached $17.9bn in November 2025, down by 4.4% from $18.7bn in October 2025 and up by 5.4% from $17bn in November 2024.
Source: JODI, Byblos Research

Middle East demand for gold jewelry down 10.6% in 2025

Demand for gold jewelry in the Middle East totaled 153.1 tons in 2025, constituting a decline of 10.6% from 171.2 tons in 2024, and accounted for 10% of global demand for gold jewelry. Demand for gold jewelry in Saudi Arabia reached 44 tons, or 28.7% of the region's consumption in the covered period, followed by the UAE with 29.4 tons (19.2%), Iran with 26.5 tons (17.3%), Egypt with 21.5 tons (14.1%), and Kuwait with 10.4 tons (6.8%).
Source: World Gold Council, Byblos Research

Kuwait's crude oil production nearly unchanged in November 2025

Crude oil production in Kuwait totaled 2.57 million barrels per day (b/d) in November 2025, nearly unchanged from 2.56 million b/d in October 2025. Crude oil exports stood at 2.45 million b/d in November 2025, down by 1.8% from 2.5 million b/d in October 2025 and unchanged from November 2024.
Source: JODI, Byblos Research

Base Metals: Copper prices to average $10,956 per ton in first quarter of 2026

LME copper cash prices averaged $12,996 per ton in the year-to-February 11, 2026 period, constituting an increase of 44.1% from an average of $9,019.8 a ton in the same period of 2025. The rise in prices was due to global trade tensions, as well as to elevated demand from green technologies, particularly for renewable energy, electric vehicles, and artificial intelligence (AI) data centers. Further, copper prices reached an all-time high of $13,524.2 per ton on January 29, 2026, driven by accelerating demand from AI infrastructure and renewable energy projects, tight physical supply, and low inventories. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 25.9 million tons in the first 11 months of 2025, constituting an increase of 4% from 24.9 million tons in the same period of 2024, due to a rise of 5.5% in demand for the metal in China and an increase of 1.8% in demand for copper in the rest of the world, mainly in Asian and Middle East & North African countries, which more than offset weak demand in the European Union and in Japan. Also, it noted that the global production of refined copper reached 26.1 million tons in the first 11 months of 2025, up by 4.2% from 25 million tons in the same period of the previous year, as higher output from China, the Democratic Republic of the Congo and India was partially offset by lower production in Chile, Japan and the Philippines. Further, S&P Global Market Intelligence forecast copper prices to average $10,956 per ton in the first quarter of 2026, with a low of $8,500 a ton and a high of $11,923 per ton per ounce in the covered quarter.
Source: ICSG, S&P Global Market Intelligence, LSEG Workspace, Byblos Research

Precious Metals: Gold prices to average $5,000 per ounce in first quarter of 2026

Gold prices averaged $4,777 per ounce in the year-to-February 11, 2026 period, constituting a surge of 74.1% from an average of $2,744.5 an ounce in the same period of 2025, 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 $5,284.6 per ounce on January 28, 2026, driven by the metal's strong appeal as a safe haven for investors, amid geopolitical uncertainties regarding the U.S.-Iran confrontation, and growing concerns about global economic stability. But gold prices regressed to $5,056.9 per ounce on February 11, due to a stronger U.S. dollar and rising Treasury bond yields. In parallel, the World Gold Council indicated that global demand for gold totaled 4,999.4 tons in 2025 and increased by 8% from 4,630.6 tons in the same period of 2024. It attributed the increase to a shift of gold-backed exchange-traded funds (ETFs) from outflows of 2.9 tons in 2024 to inflows of 801.2 tons in 2025, and to a rise of 15.6% in demand for bars and coins, which were partly offset by a decline of 21% in net purchases by central banks, a decrease of 18.3% in jewelry consumption, and a downturn of 1.1% in demand from the technology sector. Also, it said that the global supply of gold reached 5,002.3 tons in 2025, constituting an increase of 0.8% from 4,962 tons in 2024, with mine output representing 73.4% of the total. It considered that geopolitical developments are likely to remain the primary driver of gold prices in the near term, with macroeconomic conditions acting as reinforcing factors. Further, Citi projected gold prices to average $5,000 per ounce in the first quarter of 2026.
Source: World Gold Council, Citi Research, LSEG workspace, 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	- -	- -	- -	- -	-11.3	58.2	-	-	-	-	-8.9	-
Angola	B- Stable	B3 Stable	B- Stable	- -	-4.2	48.1	4.8	52.0	31.7	104.8	2.5	-1.3
Egypt	B Stable	Caa1 Positive	B Stable	B Stable	-7.1	81.0	3.3	63.5	71.9	135.4	-4.0	2.0
Ethiopia	SD -	Caa3 Stable	CCC- -	- -	-1.7	30.9	2.5	31.4	10.4	116.0	-2.3	2.0
Ghana	B Stable	Ca Positive	B- Stable	- -	-3.9	50.7	2.0	17.4	19.6	95.5	2.9	1.7
Côte d'Ivoire	BB Stable	Ba2 Stable	BB Stable	- -	-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- Stable	B3 Stable	- -	- -	-1.8	17.9	1.8	8.0	2.8	97.2	-2.7	2.2
Morocco	BBB- Stable	Ba1 Stable	BB+ Stable	- -	-3.0	62.0	4.6	26.8	7.1	93.7	-2.2	1.7
Nigeria	B- Positive	B3 Positive	B Stable	- -	-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 Stable	B- Stable	- -	-4.3	80.2	-	-	-	-	-2.2	-
Burkina Faso	CCC+ Stable	- -	- -	- -	-3.8	59.1	1.8	59.9	11.2	143.1	-1.9	0.7
Rwanda	B+ Stable	B2 Stable	B+ Stable	- -	-4.2	74.1	3.9	20.6	10.4	112.0	-14.7	7.4
Middle East												
Bahrain	B Stable	B2 Stable	B+ Stable	B+ Negative	-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- Stable	Caa1 Stable	B- Stable	- -	-4.2	47.7	12.8	3.5	2.4	48.5	2.3	-3.0
Jordan	BB- Stable	Ba3 Stable	BB- Stable	BB- Stable	-1.6	94.3	2.3	68.2	13.3	147.6	-6.1	3.1
Kuwait	AA- Stable	A1 Stable	AA- Stable	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- Stable	Baa3 Stable	BBB- Stable	BBB- Positive	0.0	36.5	1.9	27.6	6.7	113.4	-3.0	7.0
Qatar	AA Stable	Aa2 Stable	AA Stable	AA Stable	-0.8	42.5	2.9	136.1	5.0	181.3	13.6	-0.7
Saudi Arabia	A+ Stable	A1 Positive	A+ Stable	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 Stable	Aa2 Stable	AA- Stable	AA- Stable	2.9	30.8	-	-	-	-	5.6	-
Yemen	- -	- -	- -	- -	-5.1	69.3	-	-	-	-	-6.6	-

COUNTRY RISK METRICS

Countries	LT Foreign currency rating S&P	Moody's	Fitch	CI	General gvt. balance/ GDP (%)	Gross Public debt (% of GDP)	Usable Reserves / CAPs* (months)	Short-Term External Debt by Rem. Mat./ CARs	Gvt. Interest Exp./ Rev. (%)	Gross Ext. Fin. needs / (CAR + Use. Res.) (%)	Current Account Balance / GDP (%)	Net FDI / GDP (%)
Asia												
Armenia	BB-	Ba3	BB-	B+								
	Stable	Stable	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	Positive	-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 (%)	Last meeting Date	Action	Next meeting
USA	Fed Funds Target Rate	3.75	28-Jan-26	No change	18-Mar-26
Eurozone	Refi Rate	2.15	05-Feb-26	No change	19-Mar-26
UK	Bank Rate	3.75	05-Feb-26	No change	19-Mar-26
Japan	O/N Call Rate	0.75	23-Jan-26	No change	19-Mar-26
Australia	Cash Rate	3.85	03-Feb-26	Raised 25bps	17-Mar-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	06-Feb-26	No change	N/A
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	12-Mar-26
South Africa	Repo Rate	6.75	29-Jan-26	No change	26-Mar-26
Kenya	Central Bank Rate	8.75	10-Feb-26	Cut 25bps	N/A
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	05-Feb-26	No change	26-Mar-26
Brazil	Selic Rate	15.00	28-Jan-26	No change	N/A
Armenia	Refi Rate	6.50	03-Feb-26	No change	17-Mar-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	15.00	29-Jan-26	Cut 50bps	19-Mar-26
Russia	Refi Rate	16.00	19-Dec-25	Cut 50bps	20-Mar-26

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