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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Exports of commercial services to grow by 4.1% to 4.8% in 2026

Figures released by the World Trade Organization show that the global exports of commercial services increased by 5.3% in 2025. It pointed out that the exports of services from Asia rose by 8.3% in 2025, followed by service exports from Africa (+6%), Europe, (+4.5%), North America (+4.2%), from South America (+4%), the Middle East (1.7%), and the Commonwealth of Independent States (CIS) (+0.4%). In parallel, under its "high energy price" scenario, it projected the global exports of commercial services to decelerate to 4.1% in 2026. It forecast the export of commercial services from Asia to grow by 5.8%, followed by services from Europe (+5%), South America (+3.1%), Africa (+1.7%), North America (+1.3%), and the CIS (+1%), while it expected such exports from the Middle East to drop by 9.2% in 2026. Further, in its "low energy price" scenario, it forecast the global exports of commercial services to grow by 4.8% in 2026. It projected the export of commercial services from the Middle East to surge by 6.5% this year, followed by service exports from Europe (+5.5%), Asia (+4.9%), Africa (+3.7%), South America (+3.4%), the CIS (+2.7%), and North America (+2.4%). In addition, under its "high energy price" scenario, it forecast global travel services to grow by 2% in 2026, followed by transport services (+1%), while it expected other commercial services to increase by 5.6% with digitally delivered services rising by 6.3%. Further, under its "low energy price" scenario, it anticipated global travel services to grow by 3.9% in 2026, followed by transport services (+2.6%), while it forecast other commercial services to grow by 5.7% with digitally delivered services rising by 6.6%.

Source: World Trade Organization

EMERGING MARKETS

Fixed income trading up 4% to $6,355bn in 2025

Trading in emerging markets debt instruments reached $6.355 trillion (tn) in 2025, constituting an increase of 4% from $6.116tn in 2024. Debt trading volumes totaled $1,517bn in the first quarter, $1,464bn in the second quarter, $1,698bn in the third quarter, and $1,671bn in the fourth quarter of 2025. Turnover in local-currency instruments reached $4,342bn in 2025, representing an increase of 4% from $4,191bn in 2024, and accounted for 68% of the debt trading volume in emerging markets. In parallel, trading in Eurobonds stood at $2,006bn in 2025, constituting a rise of 5% from $1,919bn in 2024. The volume of traded sovereign Eurobonds reached $1.4tn and accounted for 70% of total Eurobonds traded in 2025, relative to $1,365bn and a share of 71% in 2024. Also, the volume of traded corporate Eurobonds amounted to $592bn and represented 30% of total Eurobonds traded, compared to a share of 28% in 2024. Further, turnover in warrants and options stood at $5.68bn, while loan assignments totaled $1.9bn in 2025. The most frequently-traded instruments in 2025 were Mexican fixed income assets with a turnover of $1,565bn, or 25% of the total, followed by instruments from Brazil with $827bn (13%), and securities from India with $467bn (7%). Other frequently-traded instruments consisted of fixed income securities from South Africa at $293bn (5%) and from Türkiye at $234bn (4%).

Source: EMTA

AFRICA

Sovereigns' market debt projected at $1.2 trillion at end-2026

S&P Global Ratings projected the commercial borrowing of sovereigns in Africa to reach $1.2 trillion (tn) at the end of 2026, which would constitute an increase of 5.4% from $1.1tn at end-2025. It expected the aggregate market debt of African sovereigns in the 'B' category to stand at $581.8bn at end-2026, which would account for 49.5% of the region's total debt stock, followed by sovereigns in the 'BB' bracket with $372.5bn (31.7%), issuers in the 'BBB' range with $120bn (10.2%), sovereigns in the 'CCC' category with $81bn (6.9%) and issuers in the 'Selective Default' bracket with $19.3bn (1.6%). In parallel, it expected the sovereigns' gross long-term commercial debt at $154.8bn at end-2026, which would represent a rise of 12.7% from $137.3bn at end-2025 and would account for 13.2% of aggregate borrowing in Africa in 2026. It projected the gross long-term commercial borrowing of sovereigns in the 'B' category at $96.4bn at end-2026, which would account for 62.3% of the total long-term commercial debt, followed by issuers of the 'BB' bracket with $25.2bn (16.3%), sovereigns in the 'CCC' range with $16.8bn (11%) and issuers in the 'BBB' category with $16.4bn (10.6%).

Source: S&P Global Ratings

MENA

Stock markets up 1.8% in first quarter of 2026

Arab stock markets expanded by 1.8%, while Gulf Cooperation Council (GCC) equity markets grew by 2.3% in the first quarter of 2026 compared to increases of 3% and 2.3%, respectively, in the same quarter of 2025. Also, Arab stock markets decreased by 3% and GCC equity markets regressed by 2.6% in March 2026. In comparison, global equity markets decreased by 3.5% and emerging market equities regressed by 0.5% in the first quarter of 2026, relative to a retreat of 1.7% and a rise of 2.4%, respectively, in the same quarter of 2025. Also, global equity markets declined by 7.4%, while emerging market equities dropped by 13.3% in March 2026. Activity on the Muscat Securities Market jumped by 39.6% in the first quarter of 2026, the Tunis Bourse appreciated by 14.2%, and the Egyptian Exchange advanced by 8.3%. Also, the Saudi Stock Exchange improved by 7.2%, and the Amman Stock Exchange and the Palestine Exchange expanded by 0.8% each during the covered quarter. In contrast, the Dubai Financial Market dropped by 10.1% in the first quarter of 2026, the Beirut Stock Exchange declined by 9.4%, the Casablanca Stock Exchange contracted by 9%, the Bahrain Bourse decreased by 8.1%, and the Boursa Kuwait shrank by 5.5%. Also, the Qatar Stock Exchange declined by 5.3%, the Abu Dhabi Securities Exchange retreated by 4.7%, the Damascus Securities Exchange decreased by 4.2%, and the Iraq Stock Exchange regressed by 2% in the covered quarter.

Source: MSCI indices, Local stock markets, LSEG Workspace, Byblos Research

OUTLOOK

MENA

Macroeconomic impact of war to vary across Arab countries and scenarios

The United Nations Development Program (UNDP) considered that the economic impact of the military escalation in the Middle East on Arab countries will depend on each sub-region's trade exposure, energy dependence, and economic structure. Under its "moderate disruption" scenario that assumes a widespread but manageable impact, it projected the real GDP of Arab countries to contract by 3.7%, with the real GDP of the Gulf Cooperation Council (GCC) economies and the Levant region shrinking by 5.2% each, and for economic activity in North Africa to stagnate at zero percent. However, in its "extreme disruption and energy shock" scenario that assumes a stop of hydrocarbon production during the war, it projected the real GDP of Arab states to contract by 6% with economic activity in the Levant region shrinking by 8.7%, the real GDP of the GCC contracting by 8.5%, and economic activity in North Africa growing by 0.4%.

Further, in its "moderate disruption" scenario, it forecast Arab exports to decrease by 3.9% with the exports of goods from the Levant region declining by 4.8%, exports from the GCC contracting by 4.6%, and from North Africa regressing by 0.4%; while it anticipated imports to Arab countries to contract by 4% with imports to the GCC declining by 5.6% and to the Levant region by 4.1%, and for imports to North Africa to remain unchanged. Under its "extreme disruption and energy shock scenario", it expected Arab exports to decrease by 9.9% with exports from the GCC dropping by 12.5%, from the Levant region by 9% and from North Africa by 0.4%; while it forecast imports to Arab countries to shrink by 8.9% with imports to the GCC contracting by 12% and to the Levant region by 11.3%, but imports to North Africa to improve by 0.6%.

In addition, it forecast government revenues in the Arab world to decline by 3% to 5%, depending on the scenarios. It expected public revenues in GCC economies to regress by about 4% under its "moderate disruption" scenario to nearly 10% under its "extreme disruption and energy shock" scenario; while it projected public revenues in the Levant region to decrease by 2% to 5% across scenarios due to weaker economic activity, declining imports, and already constrained fiscal space.
Source: UNDP

GCC

Insurance premiums projected at $50bn in 2026, sector resilient to short-term disruptions

S&P Global Ratings indicated that most of rated insurance firms in the Gulf Cooperation Council (GCC) have sufficiently robust capital buffers to absorb any potential increase in war-related claims and in capital market volatility, as they are either heavily reinsured or subject to exclusion clauses. But it anticipated that the ongoing missile attacks on GCC countries, if prolonged, could significantly weaken consumer sentiment and slow economic growth, which may harm the growth prospects of insurers. It projected the gross written premiums (GWPs) in the GCC at $49.6bn in 2026, which would constitute an increase of 3.8% from $47.8bn in 2025, and compared to increases of 8.4% in 2025 and 16.1% in 2024. It forecast GWPs in Saudi Arabia at $22.5bn in 2026, followed by the UAE with $20bn, Qatar with $2.6bn, Oman with $1.9bn, Kuwait with $1.7bn, and Bahrain with $0.9bn. As such, it forecast GWPs in Kuwait to rise by 6.3% in 2026, followed by increases of 5.6% in Oman, 4.2% in Saudi Arabia and 3.6% in the UAE, while it expected GWPs in Bahrain and Qatar to remain unchanged.

Further, it expected the underwriting profitability of GCC insurers to remain unchanged in 2026 from its 2025 level, given that their combined ratio, which is the ratio of incurred losses and expenses to earned premiums, is less than 100%. It projected the combined ratio of Saudi insurers at 96% in 2026, followed by 91% in the UAE, and 90% in each of Kuwait and Qatar.

In addition, it did not expect geopolitical risks to affect the insurers' credit conditions substantially in the short term, unless a prolonged and severe escalation materially impacts economic growth, earnings prospects, and asset values. It said that a significant decline in real estate prices and equity markets could erode the capital buffers of insurance companies that have thin capital reserves and substantial exposure to these high-risk asset classes.
Source: S&P Global Ratings

Slowdown in economic activity contingent on duration of regional conflict

Citi Research revised downward its real GDP growth projection for the Gulf Cooperation Council (GCC) countries to 1.1% in 2026 from a pre-war forecast of 4.5%, in case the disruptions of hydrocarbon flows through the Strait of Hormuz last four to six weeks. Under its base-case scenario, whereby it expected ICE Brent oil prices to reach about $115 per barrel (p/b) in the near term and to decline to $75 p/b by the fourth quarter of 2026, it forecast the GCC's real hydrocarbon GDP to shrink by 5.5% compared to a pre-war growth forecast of 4.4% in 2026, and for real non-oil activity to contract by 2.4% this year relative to a pre-war growth projection of 4.4%. Also, it forecast the real non-oil GDP growth rates of Saudi Arabia and the UAE to increase by 2.5% each in 2026, followed by growth rates of 2.4% in Oman, 1.9% in Qatar, 1.4% in Kuwait, and 1.2% in Bahrain. Further, under this scenario, it projected Kuwait's current account surplus at 13.9% of GDP in 2026, followed by the UAE at 7% of GDP, Oman at 6.7% of GDP, and Qatar at 6% of GDP. But it expected Bahrain and Saudi Arabia to post current account deficits of 0.7% of GDP and of 0.2% of GDP, respectively, this year.

Under its bull-case scenario, whereby it expected a prolonged disruption to oil and gas exports through June 2026 that will result in Brent oil prices averaging $130 p/b in the second and third quarters, it forecast the GCC's real GDP to contract by 2.3% in 2026 with the region's oil GDP shrinking by 5.8% and its aggregate non-oil activity contracting by 0.1%. As such, it projected the real non-oil GDP growth rates of Oman and Saudi Arabia to increase by 1.4% and 0.1%, respectively in 2026, while it expected the real non-oil GDP of Bahrain to shrink by 0.6%, followed by contractions of 0.5% in the UAE, 0.2% in Qatar, and 0.1% in Kuwait. Also, under its bull-case scenario, it projected Kuwait's current account surplus at 17.5% of GDP in 2026, followed by Oman at 16.3% of GDP, the UAE at 10.5% of GDP, Qatar at 7.9% of GDP, and Saudi Arabia at 5.9% of GDP, while it expected Bahrain to post a deficit of 5.6% of GDP.
Source: Citi Research

ECONOMY & TRADE

GCC

Agency affirms ratings on sovereigns

S&P Global Ratings affirmed Kuwait's long-term foreign and local currency sovereign credit ratings at 'AA-', as well as the short-term local and foreign currency sovereign credit ratings at 'A-1+', with a 'stable' outlook on the long-term ratings. It said that the ratings and the outlook reflect the agency's expectations that Kuwait's large financial buffers provide sufficient fiscal and external space to offset the impact of adverse geopolitical developments, including temporary disruptions to oil production and exports. But it noted that most of Kuwait's oil exports pass through the Strait of Hormuz, which exposes the country to risks of fiscal strain in the event of a prolonged closure. Also, it noted that it could downgrade the ratings if broader reform efforts are slower than expected, and/or in case of a protracted interruption to oil export earnings due to the war. In parallel, S&P Global Ratings affirmed Oman's short- and long-term foreign and local currency sovereign credit ratings at 'A-2' and 'BBB-', respectively, and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the country's improving fiscal and external balances and to the positive terms-of-trade shock, given that Oman is the only Arab Gulf state whose hydrocarbon exports do not depend on the Strait of Hormuz. Further, it forecast the country's gross external financing needs at 105.6% of current account receipts and usable reserves in 2026 and at 106.6% and 108.1% of such receipts in 2027 and 2028, respectively. In parallel, it said that it may downgrade the ratings if Oman's fiscal position weakens due to a severe disruption to oil production or to economic activity due to an escalation of the Middle East war.

Source: S&P Global Ratings

QATAR

Sovereign ratings placed on CreditWatch negative

Fitch Ratings affirmed Qatar's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'AA', and placed the ratings on CreditWatch with negative implications. It indicated that the CreditWatch negative reflects the risk of a downside scenario of a longer conflict in the region, or further damage to Qatar's oil and gas infrastructure. Further, it expected more frequent military actions in the Gulf region to weigh on Qatar's economy and hydrocarbon infrastructure, and to weaken the country's credit profile. It noted that, according to initial estimates by QatarEnergy, the recent strike on the Ras Laffan liquefied natural gas (LNG) complex disabled about 17% of Qatar's LNG liquefaction capacity for several years, with annual revenue losses estimated at \$20bn. Also, it pointed out that the sovereign's balance sheet and credit profile could withstand shocks, such as the temporary closure of the Strait of Hormuz, a significant drop in QatarEnergy's revenues for three years, and delays to the expansion of North Field. Further, it said that the IDRs are constrained by the economy's heavy dependence on the hydrocarbon sector, an elevated public debt level compared to similarly-rated peers, considerable contingent liabilities, and low scores on governance indicators. In parallel, it said that it could downgrade the ratings if Qatar's external balance sheet deteriorates, and/or in case of further damages to its LNG infrastructure. In contrast, it noted that it could upgrade the ratings if regional security threats ease durably.

Source: Fitch Ratings

MOROCCO

Near-term growth to be affected by energy prices and external demand

The International Monetary Fund projected Morocco's real GDP growth rate to decelerate from 4.9% in 2025 to 4.4% in 2026 and 4.5% in 2027, and for real non-agriculture growth to slow from 4.9% in 2025 to 4.1% in 2026 and 4.5% in 2027, driven by normalized agricultural output and continued investments in infrastructure. But it anticipated near-term growth to be affected by the ongoing conflict in the Middle East through higher energy prices and weaker external demand. Further, it noted that the inflation rate averaged 0.8% in 2025, allowing Bank Al-Maghrib to maintain a neutral policy stance after earlier rate cuts, and forecast it to pick up to 1.6% in each of 2026 and 2027 due to higher energy prices. Also, it projected the fiscal deficit to narrow from 3.4% of GDP in 2026 to 3.3% in 2027, driven by an increase in revenues, despite higher than budgeted spending on public investments and transfers to state-owned enterprises. Further, it forecast the public debt level to regress from 67.1% of GDP in 2025 to 65.9% of GDP by end-2026 and 64.8% of GDP by end-2027. But it projected the current account deficit to widen from 2.1% of GDP in 2025 to 3.3% of GDP in 2026 and 3% of GDP in 2027, due to high infrastructure-related imports and the elevated cost of commodities. Also, it projected the external debt at 45% of GDP in 2026 and 43.8% of GDP in 2027. In parallel, it stressed the need to maintain prudent macroeconomic policies, carefully manage fiscal and economic risks, increase investment in human capital, and implement structural reforms, amid heightened geopolitical tensions and global uncertainties. Further, it projected foreign currency reserves at 5.3 months of import coverage at end-2026 and 5.2 months of import coverage at end-2027.

Source: International Monetary Fund

PAKISTAN

Macro-financial stabilization contingent on pursuing reforms

The International Monetary Fund (IMF) indicated that the authorities' ongoing policies have continued to strengthen the Pakistani economy and to rebuild market confidence, supported by the Extended Fund Facility (EFF) arrangement. It said that the program's implementation under the EFF has been broadly aligned with the authorities' objectives of strengthening public finances, keeping the inflation rate within the State Bank of Pakistan's target range, improving the viability of the energy sector, and accelerating structural reforms. It added that economic activity gained further momentum in the first part of the current fiscal year, following the recovery in the fiscal year that ended in June 2025. Also, it stated that the inflation rate and the current account balance remained contained so far, while external buffers continued to improve. It noted that the authorities are committed to pursuing sound and prudent macroeconomic policies in order to preserve the recent improvements in macro-financial stabilization, along with accelerating structural reforms to support growth and strengthen social protection to mitigate the impact of volatile energy prices. Further, it said that the authorities are committed to a sustainable fiscal position and to reduce the still high public debt to more moderate levels in the medium term. As such, it pointed out that the government is taking measures to meet the FY2025/26 budget primary surplus of 1.6% of GDP and to achieve a primary surplus of 2% of GDP in FY2026/27.

Source: International Monetary Fund

UAE

Agencies take rating actions on banks

Fitch Ratings affirmed the long-term Issuer Default Rating (IDR) of Emirates Islamic Bank (EIB) at 'A+', the rating of Arab Bank for Investment & Foreign Trade (Al Masraf) at 'A', and the IDRs of Ajman Bank (AJB), Commercial Bank International (CBI), and United Arab Bank (UAB) at 'BBB+', and maintained the 'stable' outlook on the long-term ratings. It attributed the affirmation of the IDRs to the strong probability of government support to the banks in case of need, and added that the ratings on the five banks are underpinned by their strong operating conditions. Further, it upgraded the Viability Rating (VR) of Al Masraf from 'b+' to 'bb-', and affirmed the VRs of UAB at 'bb-', the VR of AJB at 'b+', and the VR of CBI at 'b'. It said that the IDR of EIB and the VRs of UAB, Al Masraf and CBI reflect their improving asset quality metrics. It added that the ratings of EIB and Al Masraf are supported by their sound capitalization, while the VR of UAB captures its moderate core capital ratios, and the VR of CBI is constrained by its weak capital buffers. Further, it noted that the ratings of AJB, EIB and UAB take into account their healthy liquidity, while the VRs of Al Masraf and CBI are underpinned by their stable funding profiles. In parallel, Moody's Ratings indicated that Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, and the National Bank of Ras Al-Khaimah benefit from a high probability of government support in case of need, while HSBC Bank Middle East benefits from support from its parent bank. It said that the long-term deposit ratings of the four banks are underpinned by their sound capitalization and good funding.

Source: Fitch Ratings, Moody's Ratings

IRAQ

Central Bank launches instruments to manage liquidity and attract deposits to banks

The Central Bank of Iraq (CBI) issued to all licensed banks in the country regulatory measures to develop its monetary policy framework and improve the management of liquidity in Iraqi dinars. First, it raised the monetary policy rate from 5.5% to 6.25%, which also applies to the 14-day Treasury bills that serves as the primary benchmark instrument for monetary policy. Second, it introduced seven-day security instruments for conventional banks and launched a similar instrument for Islamic banks in the form of Islamic Certificates of Deposits (ICDs), and set the rate for both at 5.25%. It stipulated that access to these instruments is subject to specific rules, as each bank must maintain total private sector deposits of at least IQD50bn, with a minimum investment of IQD50bn per instrument and a maximum cumulative investment capped at IQD500bn. It said that it will offer these instruments through regular weekly auctions. Third, the CBI urged banks to utilize the returns from these instruments to design competitive banking products to attract deposits and encourage savings. It said that the products must attract all categories of deposits, with a particular focus on current accounts, in order to boost capital inflows into the banking system and reduce the hoarding of deposits. Fourth, it set the investment ceiling at 50% of private sector deposits in Iraqi dinars, with a maximum cap of IQD500bn per bank. Also, the CBI indicated that it reserves the right to withhold or claw back any accrued returns or interest earned after the conclusion of the auction if banks do not abide by the set procedures and timelines.

Source: Central Bank of Iraq

TUNISIA

Banks' ratings affirmed, outlook 'stable'

Moody's Ratings affirmed the long-term deposit ratings of Amen Bank (Amen), Banque de Tunisie (BdT), Banque Internationale Arabe de Tunisie (BIAT), and Société Tunisienne de Banque (STB) at 'Caa1', and maintained the 'stable' outlook on the banks' long-term deposit ratings. Also, it affirmed the Baseline Credit Assessments (BCAs) of BdT and BIAT at 'caa1', the BCA of Amen at 'caa2' and that of STB at 'caa3'. It added that the 'stable' outlook on the banks' long-term deposit ratings reflects the agency's expectations that the banks' credit fundamentals will remain broadly stable at current levels. Further, it noted that the BCA of Amen balances the bank's relatively weak asset quality, high sovereign exposure and relatively moderate liquidity buffer, with its improved profitability and capitalization. In addition, it said that the BCA of BdT is supported by the bank's strong capital buffers and prudent risk management compared to other Tunisian banks, as well as by its sound profitability; but it stated that the BCA is constrained by high asset quality pressures and low liquidity buffers compared to domestic and global peers. Further, it noted that the BCA of BIAT reflects its strong franchise, but it pointed out that its modest capital buffers are weighing on its BCA. Also, it said that the BCA of STB reflects the bank's very weak standalone credit profile, characterized by a high stock of legacy non-performing loans, elevated exposure to the sovereign, low profitability, weak loss absorption capacity, and a tight funding profile with recourse to Banque Centrale de Tunisie's funding, as well as very weak asset quality.

Source: Moody's Ratings

CÔTE D'IVOIRE

FATF points to improvements in AML/CFT regime

FATF points to improvements in AML/CFT regime

In its February 2026 update, the Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), maintained Côte d'Ivoire on its list of "jurisdictions under increased monitoring". It indicated that Côte d'Ivoire made a high-level political commitment in October 2024 to work with the FATF and its regional body GIABA to strengthen the effectiveness of its AML/CFT regime. It said that, since then, the authorities took steps to enhance the country's AML/CFT regime by improving the implementation of risk-based supervision of financial institutions and designated non-financial businesses and professions, by strengthening the use of financial intelligence by law enforcement authorities and improving disseminations by the Financial Intelligence Unit, as well as by demonstrating a sustained increase in the number of terrorism financing investigations and prosecutions in line with the country's risk profile. Further, it urged the authorities to continue implementing its FATF action plan to address its strategic deficiencies, including by demonstrating a sustained increase in the number of investigations and prosecutions of different types of money laundering offences in line with the country's risk profile. The FATF placed Côte d'Ivoire on its list of "jurisdictions under increased monitoring" in October 2024 and has kept it on the list in its February, June, October 2025 and February 2026 reviews.

Source: Financial Action Task Force

ENERGY / COMMODITIES

Oil prices to average $95 p/b in second quarter of 2026

ICE Brent crude oil front-month futures contracts averaged $78.1 per barrel (p/b) in the first quarter of 2026, constituting an increase of 4.2% from $75 p/b in the same quarter of 2025, mainly due to escalating geopolitical tensions in the Middle East. Brent prices reached a high of $119.2 p/b on March 31, driven by the closure of the Strait of Hormuz following U.S.-Israeli military operations against Iran, which disrupted the supply of about 20% of global oil and liquefied natural gas, and is putting about 16 million barrels per day of hydrocarbon shipments at risk. In parallel, in its base-case scenario, Citi Research expected the disruptions of oil flows through the Strait to last until late April. As such, it projected Brent crude prices to reach at least $120 p/b, as it considered that the disruptions to oil shipments will force a resolution through military or political intervention. Also, it expected the International Energy Agency, along with its OECD country members, to continue to release stocks of crude oil and refined products to the market, in anticipation of likely higher oil prices in the coming weeks. Under its bull-case scenario, it projected Brent prices to average $130 p/b in the second and third quarters of 2026, with prices standing at $200 p/b when including oil product premiums, driven by broad Iranian attacks on energy infrastructure or by a prolonged disruptions of hydrocarbon flows through the Strait of Hormuz until June 2026. In its bear-case scenario, it forecast oil prices to reach $70 p/b by the end of 2026 in case of a rapid resolution of the conflict between the U.S. and Iran, which would include the reopening of the Strait of Hormuz. Further, it projected ICE Brent oil prices to average $95 p/b in the second quarter of 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

Iraq's oil exports at 93.4 million barrels in February 2026

Figures issued by the Iraqi Ministry of Oil show that aggregate crude oil exports from Iraq stood at 99.87 million barrels in February 2026, which constituted a decrease of 7.2% from 107.62 million barrels in January 2026 and an increase of 5% from 95.15 million barrels in February 2025. Exports from the central and southern fields reached 93.4 million barrels in February 2026 compared to 100.2 million barrels in January 2026.

Source: Iraq Ministry of Oil, Byblos Research

Global steel output down 3.7% in February 2026

Global steel production reached 141.8 million tons in February 2026, constituting decreases of 3.7% from 147.3 million tons in January 2026 and of 2% from 144.7 million tons in February 2025. Production in China totaled 76.1 million tons and accounted for 53.7% of global steel output in February 2026, followed by output in India with 13.6 million tons (9.6%), the U.S. with 6.5 million tons (4.6%), Japan with 6.4 million tons (4.5%), and Russia with 5 million tons (3.5%).

Source: World Steel Association, Byblos Research

Saudi Arabia's oil export receipts at $17.6bn in January 2026

Oil exports from Saudi Arabia totaled 8.51 million barrels per day (b/d) in January 2026, representing increases of 0.5% from 8.46 million b/d in December 2025 and of 14.8% from 7.71 million b/d in January 2025. Oil export receipts reached $17.64bn in January 2026, up by 1% from $17.46bn in December 2025 and down by 6.4% from $18.9bn in January 2025.

Source: JODI, General Authority for Statistics, Byblos Research

Base Metals: Copper prices to average $12,000 per ton in second quarter of 2026

LME copper cash prices averaged $12,818.2 per ton in the first quarter of 2026, constituting a rise of 37.3% from an average of $9,336.5 a ton in the same period of 2025. The increase 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. Also, copper prices averaged $12,528.7 per ton in March 2026 and decreased regressed by 3.3% from an average of $12,951.3 a ton in February 2026, as traders took profits after February's rally and rising inventories eased supply concerns. 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 2.41 million tons in January 2026, constituting an increase of 2.6% from 2.35 million tons in the same month last year, due to an uptick of 1% in demand for the metal in China and an increase of 4% 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. Also, it noted that the global production of refined copper reached 2.43 million tons in January 2026, up by 0.7% from 2.41 million tons from the same month last year, as higher output from China, the Democratic Republic of the Congo and India was partially offset by lower production in Indonesia, Japan and the Philippines. Further, Citi Research forecast LME copper prices to average $12,000 per ton in the second quarter of 2026.

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

Precious Metals: Gold prices to average $4,774 per ounce in second quarter of 2026

Gold prices averaged $4,861 per ounce in the first quarter of 2026, constituting a surge of 70% from an average of $2,857.4 an ounce in the same quarter of 2025, driven largely by strong demand from central banks worldwide and by concerns about global economic uncertainties. Also, gold prices reached an all-time high of $5,586.2 per ounce on January 29, 2026 due to the metal's strong appeal as a safe haven for investors. Also, gold prices averaged $4,861 per ounce in March 2026 and regressed by 3% from $5,014.6 an ounce in February, due to profit-taking after last year's rally and reduced demand for safe-haven assets. In parallel, Goldman Sachs forecast gold prices to reach $5,400 an ounce by the end of 2026, as it expected central banks to keep buying gold, inactive investors to return to the market, and a likely cut of policy rates by the U.S. Federal Reserve by 50 basis points this year. It considered that risks to the global gold market are tilted to the downside in the near term if disruptions in the Strait of Hormuz persist and equities experience deeper corrections. But it said that medium-term risks are tilted to the upside if geopolitical developments in Iran, Greenland and Venezuela push central banks and investors to diversify into gold. In addition, S&P Global Market Intelligence indicated that flight cancellations from the Arab Gulf region disrupted the shipments of gold bullions to key hubs, which raised short-term logistics costs. But it noted that if the stress turns into cash shortages, investors are likely to sell their most liquid and most profitable assets, such as gold, to cover their margin calls and meet risk limits, which will weigh on gold prices. Further, it forecast gold prices to average $4,774 per ounce in the second quarter of 2026.

Source: Goldman Sachs, S&P Global Market Intelligence, 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	- -	- -	- -	- -	-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- CWN**	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 CWN**	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- Positive	Ba3 Stable	BB- Positive	B+ Positive	-4.1	50.3	2.2	31.4	12.9	117.5	-5.0	1.8
China	A+ Stable	A1 Negative	A+ Stable	- -	-3.0	78.4	11.0	23.6	7.0	60.8	3.6	0.7
India	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-6.9	81.4	7.1	29.9	24.2	83.4	-5.6	0.7
Kazakhstan	BBB- Stable	Baa2 Positive	BBB Stable	- -	-3.8	28.7	6.5	33.7	13.7	91.5	-4.2	1.5
Pakistan	B- Stable	Caa1 Stable	B- Stable	- -	-5.1	70.8	2.7	28.7	47.8	107.4	-0.7	0.3
Bangladesh	B+ Stable	B2 Negative	B+ Stable	- -	-4.5	36.4	3.5	24.3	26.2	99.5	-0.9	0.3
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-3.4	30.9	1.0	20.7	1.9	115.0	-2.7	2.1
Romania	BBB- Stable	Baa3 Stable	BBB- 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- Stable	B03 Stable	BB- Stable	BB- Positive	-3.6	25.8	3.2	62.9	15.3	132.3	-1.6	0.4
Ukraine	CC Negative	Ca Stable	CC -	- -	-1.3	101.7	5.1	42.1	8.1	108.1	-9.4	2.0

**Current account payments*
***CreditWatch with negative implications*
****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	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	3.75	18-Mar-26	No change	29-Apr-26
Eurozone	Refi Rate	2.15	19-Mar-26	No change	30-Apr-26
UK	Bank Rate	3.75	19-Mar-26	No change	30-Apr-26
Japan	O/N Call Rate	0.75	19-Mar-26	No change	28-Apr-26
Australia	Cash Rate	4.10	17-Mar-26	Raised 25bps	05-May-26
New Zealand	Cash Rate	2.25	18-Feb-26	No change	08-Apr-26
Switzerland	SNB Policy Rate	0.00	19-Mar-26	No change	18-Jun-26
Canada	Overnight rate	2.25	18-Mar-26	No change	N/A
Emerging Markets					
China	One-year Loan Prime Rate	3.00	20-Mar-26	No change	20-Apr-26
Hong Kong	Base Rate	4.00	11-Dec-25	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	19-Mar-26	No change	18-Jun-26
South Korea	Base Rate	2.50	26-Feb-26	No change	10-Apr-26
Malaysia	O/N Policy Rate	2.75	05-Mar-26	No change	07-May-26
Thailand	1D Repo	1.00	25-Feb-26	Cut 25bps	29-Apr-26
India	Repo Rate	5.25	06-Feb-26	No change	08-Apr-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	19.00	12-Feb-26	Cut 100bps	02-Apr-26
Jordan	CBJ Main Rate	5.75	14-Dec-25	Cut 25bps	N/A
Türkiye	Repo Rate	37.00	12-Mar-26	No change	22-Apr-26
South Africa	Repo Rate	6.75	26-Mar-26	No change	28-May-26
Kenya	Central Bank Rate	8.75	10-Feb-26	Cut 25bps	08-Apr-26
Nigeria	Monetary Policy Rate	26.50	24-Feb-26	Cut 25bps	20-May-26
Ghana	Prime Rate	14.00	18-Mar-26	Cut 150bps	20-May-26
Angola	Base Rate	17.50	12-Mar-26	No change	14-May-26
Mexico	Target Rate	7.00	05-Feb-26	No change	26-Mar-26
Brazil	Selic Rate	14.75	18-Mar-26	Cut 25bps	N/A
Armenia	Refi Rate	6.50	17-Mar-26	No change	05-May-26
Romania	Policy Rate	6.50	17-Feb-26	No change	07-Apr-26
Bulgaria	Base Interest	1.81	01-Dec-25	Raised 1bp	N/A
Kazakhstan	Repo Rate	18.00	06-Mar-26	No change	24-Apr-26
Ukraine	Discount Rate	15.00	19-Mar-26	No change	30-Apr-26
Russia	Refi Rate	15.00	20-Mar-26	Cut 50bps	24-Apr-26

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