

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Global debt equivalent to 306% of GDP at end-March 2026

The Institute of International Finance indicated that global debt, which includes the debt of governments, corporates and households, reached \$352.7 trillion (tn) at the end of March 2026, constituting increases of \$4.4tn, or of 1.3%, from \$348.3tn at end-2025, and of \$25.1tn (7.7%), from \$327.6tn at end-March 2025. The debt of advanced economies accounted for 69.8% of the total, while the debt of emerging markets (EM) represented the balance of 30.2%. It noted that the debt reached 305.8% of the weighted average global GDP at end-March 2026 compared to 304.2% of global GDP at end-2025 and to 305% of global GDP at end-March 2025. It added that the debt of advanced economies amounted to \$246tn or 361% of GDP, while the debt level of EMs totaled \$106.7tn or 229.4% of GDP at end-March 2026. It stated that aggregate government debt totaled \$108.5tn, or 94.8% of global GDP, at end-March 2026, followed by the debt of corporates excluding financial institutions at \$101.8tn (88.8% of GDP), the financial sector's indebtedness at \$77.3tn (66% of GDP), and household debt at \$65.1tn (56.2% of GDP). In parallel, it said that EM corporate debt ex-financial institutions totaled \$41.5tn or 89% of GDP at end-March 2026, followed by EM government borrowing at \$34.6tn (74.6% of GDP), EM household debt at \$19tn (41% of GDP), and the financial sector's indebtedness at \$11.6tn (24.7% of GDP). It noted that the borrowing of governments in advanced economies amounted to \$74tn or 109.3% of GDP, followed by the financial sector's indebtedness at \$65.7tn (95.7% of GDP), corporate debt ex financial institutions at \$60.3tn (88.7% of GDP), and household debt at \$46.1tn (67.2% of GDP).

Source: Institute of International Finance

Greenfield FDI up 2% to \$1.36 trillion in 2025

Figures released by fDi Markets show that global greenfield foreign direct investments (FDI) reached \$1.36 trillion (tn) in 2025, constituting an increase of 2.2% from \$1.33tn in 2024 in 2023? Not available. There were 16,541 greenfield FDI projects in 2025 worldwide compared to 17,710 projects in 2024. Europe attracted \$364.9bn in greenfield FDI and accounted for 26.8% of the total in 2025, followed by North America with \$356.2bn (26.2%), the Asia-Pacific region with \$356bn (26%), the Middle East & Africa region (ME&A) with \$167bn (12.3%), and Latin America & the Caribbean (LAC) with \$119bn (8.7%). In addition, Europe was the recipient of 5,661 greenfield FDI projects in 2025 and accounted for 34.2% of the total, followed by the Asia-Pacific region with 3,871 projects (23.4%), the ME&A region with 3,071 projects (18.6%), North America with 2,637 projects (16%), and LAC with 1,301 projects (8%). Further, the communications sector attracted \$346bn in greenfield FDI, or 25.4% of the total in 2025, followed by the renewable energy sector with \$200bn (14.7%), the semiconductors industry with \$138bn (10.1%), the real estate sector with \$112bn (8.2%), and the metals industry with \$64bn (4.7%). In parallel, greenfield FDI projects created 2.3 million jobs in 2025, down by 9.5% from 2.54 million jobs in 2024.

Source: fDi Markets, Byblos Research

MENA

Stock markets' capitalization at \$4.4 trillion at end-April 2026

The aggregate market capitalization of Arab stock markets reached \$4.4 trillion (tn) at end-April 2026, constituting a rise of 4.8% from \$4.2tn at end-2025. The market capitalization of the Saudi Exchange stood at \$2.65tn at end-April 2026 and accounted for 60.2% of the total, followed by the Abu Dhabi Securities Exchange with \$744.4bn (17%), the Dubai Financial Market with \$257.3bn (5.8%), Boursa Kuwait with \$173.1bn and the Qatar Stock Exchange with \$171.6bn (3.9% each), the Casablanca Stock Exchange with \$114.8bn (2.6%), the Muscat Stock Exchange with \$99.8bn (2.3%), the Egyptian Exchange with \$69.2bn (1.6%), the Amman Stock Exchange with \$41.3bn (0.9%), the Bahrain Bourse with \$20.3bn (0.5%), the Iraq Stock Exchange with \$20.1bn (0.46%), the Beirut Stock Exchange with \$18.4bn (0.42%), the Tunis Stock Exchange with \$14.5bn (0.3%), the Palestine Exchange with \$4.9bn (0.1%), and the Damascus Stock Exchange with \$2.04bn (0.05%). In parallel, the market capitalization of the Saudi Exchange was equivalent to 191% of the country's estimated GDP for 2026, followed by the Abu Dhabi Securities Exchange (119.8% of GDP), Boursa Kuwait (100% of GDP), the Muscat Stock Exchange (85.2% of GDP), the Qatar Stock Exchange (79% of GDP), the Amman Stock Exchange (63.7% of GDP), the Casablanca Stock Exchange (59% of GDP), the Beirut Stock Exchange (55.2% of GDP), the Bahrain Bourse (41.5% of GDP), the Dubai Financial Market (41.4% of GDP), the Tunis Stock Exchange (23.8% of GDP), the Egyptian Exchange (16% of GDP), and the Iraq Stock Exchange (7.6% of GDP).

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

GCC

Fixed income issuance up 21% to \$77bn in first four months of 2026

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached \$76.8bn in the first four months of 2026, increasing by 21.1% from \$63.4bn in the same period last year. Fixed income output consisted of \$28.1bn in sovereign bonds, or 36.6% of the total, followed by \$26bn in corporate bonds (34%), \$16.5bn in corporate sukuk (21.5%), and \$6.2bn in sovereign sukuk (8.1%). Further, corporates in the GCC issued \$42.5bn in bonds and sukuk in the first four months of 2026, or 55.3% of fixed income output; while the output of GCC sovereigns reached \$34.3bn or 44.7% of the total. GCC sovereigns issued \$17.5bn in bonds and sukuk in January, \$4.5bn in February, \$3bn in March and \$9.3bn in April 2026; while GCC companies issued \$20.6bn in bonds and sukuk in January, \$11.6bn in February, \$6.9bn in March and \$3.4bn in April 2026. Sovereign proceeds in April 2026 consisted of \$3.6bn in bonds that Kuwait issued, \$3bn in bonds issued by Qatar, \$2bn in bonds that the UAE issued, \$485.6m in bonds issued by Oman, and \$150m in bonds issued by supranational issuer the Arab Petroleum Investments Corporation. Corporate output in April 2026 consisted of \$1bn in bonds issued by Qatar-based firms, \$750m in sukuk from firms in Saudi Arabia, \$325m in bonds that UAE-based firms issued, and \$50m in bonds from firms in Kuwait.

Source: KAMCO

OUTLOOK

EMERGING MARKETS

Remittance inflows to regress by 1% in 2026

Goldman Sachs projected remittance inflows to emerging markets (EMs) to regress by 1% in 2026, driven by the impact of the war in the Middle East on economies that are major sources of remittances. It considered that economic activity in source countries is the primary determinant of remittance flows, followed by the terms of trade of sender economies, and exchange rate conditions in the receiving country. It estimated that if the real GDP growth rate of source economies rises by 1%, remittances inflows increase by about 0.4% of GDP of recipient countries, which is consistent with migrants earning more during expansions and their tendency to remit a share of those gains to their families in their home country. But it forecast remittances to Emerging Asia, excluding China, to decrease by 2.6% this year, given the high share of migrant workers employed in Gulf Cooperation Council (GCC) countries, with particularly sharp declines of inflows to India, Pakistan, and Indonesia. It expected remittance inflows to the Central & Eastern Europe, Middle East and Africa region to regress by 1.4% in 2026, with most of the decline affecting inflows to Egypt. In contrast, it forecast remittance inflows to Latin America to grow by 1.2% this year, as the region's remittance flows originate predominantly from the U.S.

Further, it said that countries whose migrant populations are concentrated in the GCC, which are among the largest sources of remittances in the world, are directly exposed to the drop in demand for oil and gas and to the decline in incomes caused by the Iran conflict. It anticipated mounting challenges for EM net energy importers that rely heavily on remittances. As such, it expected the slowdown in inflows to weigh most heavily on countries such as Egypt, India and Pakistan where households and external balances rely strongly on expatriates' remittances.

Source: Goldman Sachs

Resilience to global shocks varies across countries

Moody's Ratings considered that the resilience of emerging markets (EMs) to global shocks is likely to continue, given strong policy frameworks and substantial buffers, such as foreign currency reserves, credible monetary policies, anchored inflation expectations, and flexible exchange rates, which reflect a combination of proactive and in-crisis reforms, as well as varying degrees of sensitivity to shifts in global sentiment. It said that EMs that established credible monetary frameworks, flexible adjustment mechanisms and adequate buffers well before the 2020-25 stress period, which included the COVID-19 pandemic, the global inflation and monetary tightening cycle, geopolitical conflicts and commodity price volatility, have displayed the most significant resilience. It noted that economies with the strongest proactive policy outcomes continue to make improvements in monetary credibility during periods of stress, and are often better placed to implement reforms because of lower market volatility. It pointed out that countries with structural strengths are more likely to remain resilient through future external shocks, even if foreign reserve buffers deteriorate throughout economic and financial cycles.

Further, it said that, large EMs have shown resilience in their funding costs and market access to volatile financial conditions

since 2020, but it noted that the results vary significantly across individual countries. It said that India and Thailand are better placed than other EMs to manage future global shocks, as they made key policy choices that support stability well before the recent stress period. But it noted that India's relatively high debt burden and weak fiscal balance limit the amount of space available to respond to successive shocks, while Thailand's rising debt burden risks reducing its resilience over time. Also, it stated that Mexico and Indonesia show a strong ability to navigate shocks, but rely more on favorable external conditions and are exposed to changes in global sentiment. In addition, it pointed out that Brazil, South Africa and Malaysia's resilience depends more on specific conditions such as policy credibility, inflation control, exchange rate flexibility, and progress on fiscal reforms. In contrast, it said that currency volatility in Argentina, Nigeria and Türkiye is more likely to feed into inflation, local interest rates and confidence, which would make it harder for these countries to restore economic stability after external shocks.

Source: Moody's Ratings

GCC

Economic outlook vulnerable to Strait of Hormuz disruptions

Citi Research indicated that the fragile de-escalation of the conflict in the Middle East continues to weigh on the outlook of the Gulf Cooperation Council (GCC) economies. It said that the outlook remains highly uncertain, with elevated risks around transit through the Strait of Hormuz despite the ongoing diplomatic efforts towards a peace deal. Under its base-case scenario, whereby it did not expect the Strait of Hormuz to reopen in May 2026, and forecast ICE Brent oil prices at about \$110 per barrel (p/b) in the second quarter, at \$95 p/b in the third quarter and at \$80 p/b in the fourth quarter of 2026, it projected the GCC's real hydrocarbon GDP to shift from a growth rate of 4.3% in 2025 to a contraction of 3.3% in 2026, largely driven by supply disruptions, and anticipated their real non-oil GDP to decelerate from 5% last year to 2% this year. Also, it forecast the real non-oil GDP growth rate of Saudi Arabia at 2.6% in 2026, followed by growth rates of 2.4% in Oman, 1.9% in Qatar, 1.8% in Kuwait, 1.2% in the UAE, and 0.7% in Bahrain. Further, under this scenario, it projected Kuwait's current account surplus at 16.7% of GDP in 2026, followed by Qatar at 11.4% of GDP, Oman at 9.4% of GDP, and the UAE at 8.4% of GDP. But it expected Saudi Arabia and Bahrain to post current account deficits of 1.6% of GDP and of 1.3% 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 and \$100 p/b in the fourth quarter of 2026, it forecast the GCC's real hydrocarbon GDP to shrink by about 7%, and anticipated their real non-hydrocarbon growth to decelerate to about 1.5% this year. In addition, it projected the real non-oil GDP growth rates of Oman and Saudi Arabia at 2.1% each in 2026, followed by growth rates of 1.2% in Qatar, 0.9% in Kuwait, 0.8% in the UAE, and 0.2% in Bahrain. Also, under this scenario, it projected Kuwait's current account surplus at 20.2% of GDP in 2026, followed by Oman at 15.5% of GDP, the UAE at 10.2% of GDP, Qatar at 8.4% of GDP, and Saudi Arabia at 1.8% of GDP, while it expected Bahrain to post a deficit of 2.1% of GDP.

Source: Citi Research



ECONOMY & TRADE

GCC

Projects awarded down 10% to \$61.2bn in first quarter of 2026

The aggregate amount of projects awarded in Gulf Cooperation Council (GCC) countries reached \$61.2bn in the first quarter of 2026, constituting a decrease of 9.7% from \$67.8bn in the same period of 2025. The amount of awarded projects in the UAE stood at \$29.2bn in the first quarter of the year and accounted for 47.7% of the total, followed by Saudi Arabia with \$11bn (18%), Qatar with \$8.8bn (14.5%), Kuwait with \$8.1bn (13.2%), Oman with \$4.04bn (6.6%), and Bahrain with \$32m (0.1%). Further, the value of projects awarded in Kuwait jumped by 454% in the first quarter of 2026 from the same period of 2025, followed by a rise of 77% in new projects in Oman, and an increase of 62% in the amount of projects in Qatar. In contrast, the value of projects awarded in Bahrain dropped by 87% in the covered period, followed by a decline of 51% in new projects in Saudi Arabia, and a decrease of 18.5% in the amount of projects in the UAE. In parallel, projects in the gas sector reached \$16.7bn and accounted for 27.4% of the awarded projects in the first quarter of 2026, followed by projects in the construction sector with \$14.1bn (23%), the transportation sector with \$12.9bn (21%), the water sector with \$5bn (8%), the oil sector with \$3.7bn (6%), the power sector with \$3.5bn (5.7%), the industrial sector with \$2.8bn (4.5%), and the chemicals industry with \$2.5bn (4.2%).

Source: KAMCO, Byblos Research

ARMENIA

Economy shifts towards services-led growth

JPMorgan Chase & Co. indicated that the Armenian economy is undergoing a structural shift of its growth drivers and external position. It said that the country's extended basic balance, which is the sum of the current account, the capital account, net foreign direct investments (FDI), and net errors and omissions, shifted from a surplus of 6% of GDP in 2022, to a deficit of 3.1% of GDP in 2025. It noted that the current account deficit widened from 8.4% of GDP in 2024 to 10.4% of GDP in 2025 due to the elevated import bill and volatile terms of trade, as Armenian exporters, particularly in the food industry, have faced progressively less competitive conditions. In addition, it noted that the country is moving from a remittance-supported current-account position towards a more services-driven model, as information technology (IT) and financial services have become significantly more important sources of foreign currency inflows than expatriates' remittances. It pointed out that the net exports of IT services surged from \$340m in 2021 to \$1.3bn in 2025, or the equivalent to 4.6% of GDP. Also, it stated that the exports of financial services increased from \$42m in 2021 to \$630m in 2025, which has created a second high-value pillar in Armenia's services sector. In parallel, it indicated that tourism receipts decreased from \$3.1bn in 2023 to \$2.7bn in 2025, while net remittance flows declined from a peak of 20% of GDP in 2014 to less than 5% of GDP in 2025. Further, it noted that net FDI improved from 0.3% of GDP in 2024 to 1.2% of GDP in 2025, driven by reinvested earnings rather than from fresh foreign capital. It added that portfolio inflows surged from \$1.8bn in 2021 to \$7.6bn in 2025, while non-residents held 10% of the local debt market in 2025, which strengthened Armenia's financial account.

Source: JPMorgan Chase & Co.

ANGOLA

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Angola's long-term local and foreign-currency issuer default ratings (IDRs) at 'B-', which is six notches below investment grade, and maintained the 'stable' outlook on the long-term IDRs. Also, it affirmed the Country Ceiling at 'B-'. It said that current account surpluses, a substantial level of foreign currency reserves compared to similarly-rated peers, and a decline in the public debt ratio support the ratings. But it noted that the country's weak governance indicators, elevated inflation rates, the high level of foreign currency-denominated public debt, and the significant reliance on commodities are weighing on the ratings. It noted that the 'stable' outlook reflects its view that risks to the ratings are broadly balanced. It expected higher oil prices to generate windfall revenues and to support fiscal consolidation and external buffers, but it noted that this could be offset by the risk of rising public expenditures, particularly in the context of approaching elections. It noted that the expected rebound in oil production remains uncertain, potentially offsetting some of the gains. Also, it expected international reserves at the Banco Nacional de Angola to rise in 2026, which would provide an adequate external buffer despite large external debt amortizations. In parallel, it said that it could upgrade the ratings if external refinancing risks recede, and/or if progress on fiscal consolidation improves. But it noted that it could downgrade the ratings if pressure on foreign currency liquidity intensifies and/or if the public debt level rises.

Source: Fitch Ratings

GHANA

Sovereign ratings upgraded on debt reduction and robust economic growth

Fitch Ratings upgraded Ghana's long-term foreign and local currency issuer default ratings (IDRs) from 'B-' to 'B' each, which is five notches below investment grade, and revised the outlook on the long-term IDRs from 'stable' to 'positive'. It upgraded the Country Ceiling from 'B-' to 'B'. It attributed the upgrade of the long-term IDRs to the sharp decline in the public debt level, supported by robust real GDP growth, substantial fiscal consolidation efforts and currency appreciation, and to an increase in foreign currency reserves that reduces external liquidity risks. Further, it noted that the 'positive' outlook reflects the agency's expectation that the authorities will maintain fiscal discipline, underpinned by stronger public financial management, continued normalization of macroeconomic conditions, and the ongoing accumulation of external buffers. Also, it projected the public debt level at 46% of GDP in 2027, below the median of 'B'-rated sovereigns of 51% of GDP, in case of continued primary surpluses and declining real interest rates. Further, it expected the current account surplus to remain strong in 2026, following a record surplus of 8.2% of GDP in 2025. As such, it expected large current account surpluses, net foreign direct investments and disbursements from multilateral partners to contribute to the continued accumulation of foreign currency reserves that it forecast at 4.8 months of current external payments in 2027. In parallel, it said that it could upgrade the ratings if reform implementation and prudent fiscal policy continue, and/or in case of a sustained increase in foreign currency reserves; while it could downgrade the ratings in case of weaker fiscal performance, failure to continue to significantly build external buffers, and/or if debt servicing costs rise.

Source: Fitch Ratings



BANKING

MENA

Assets of top 30 banks equivalent to 128% of GDP at end-2025

Figures compiled by S&P Global Market Intelligence show that the top 30 banks in the Middle East and Africa in terms of total assets included seven banks from Saudi Arabia, six banks from the UAE, five banks from each of Israel and South Africa, two banks from each of Egypt and Kuwait, and one bank from each of Jordan, Qatar, and Jordan. It indicated that the total assets of the 30 banks reached \$4.96 trillion (tn) at the end of 2025, or the equivalent of 128.1% of their aggregate nominal GDP for 2025. Also, it indicated that the total assets of UAE banks stood at \$1.19tn and accounted for 24% of the aggregate assets of the 30 banks at end-2025, followed by Saudi banks with \$1.1tn (22.2%), Israeli banks with \$924.4bn (18.6%), South African banks with \$669.1bn (13.5%), Qatari banks with \$381.6bn (7.7%), Kuwaiti banks with \$287.2bn (5.8%), Egyptian banks with \$242.6bn (4.9%), Moroccan banks with \$87.3bn (1.8%), and Jordanian banks with \$78.2bn (1.6%). Also, it noted that the total assets of the UAE banks were equivalent to 208.3% of its GDP at end-2025, followed by Kuwaiti banks (182% of GDP), Qatari banks (172.5% of GDP), South African banks (156.7% of GDP), Israeli banks (151.3% of GDP), Jordanian banks (126.7% of GDP), Saudi banks (86.2% of GDP), Egyptian banks (66.5% of GDP), and Moroccan banks (47.8% of GDP). Also, the total assets of First Abu Dhabi Bank reached \$382.2bn at end-2025.

Source: S&P Global Market Intelligence, IMF

SAUDI ARABIA

Banks post solid earnings amid lower risk costs

Goldman Sachs indicated that the aggregate net income of Alinma Bank, Arab National Bank, Al-Rajhi Bank, Banque Saudi Fransi, Riyadh Bank, Saudi Awwal Bank, and the Saudi National Bank reached SAR22.3bn, or the equivalent of \$5.9bn, in the first quarter of 2026, constituting increases of 3.3% from SAR21.6bn (\$5.75bn) in the fourth quarter of 2025 and of 7.7% from SAR20.7bn (\$5.5bn) in the first quarter of 2025, driven by a lower cost of risk of between 30 basis points (bps) and 50 bps. Also, it noted that the banks' total net interest income was SAR29bn in the covered quarter, increasing by 1.1% from SAR28.7bn in the fourth quarter of 2025 and by 7.6% from SAR26.9bn a year earlier. Further, it pointed out that the cost of funding of the seven banks stood at 2.9% in the first quarter of 2026, down from 3.14% in the fourth quarter of 2025 and from 2.96% in the first quarter of 2025, and that the banks' asset yield was 5.22% in the covered quarter compared to 5.44% in the preceding quarter and of 5.31% in the first quarter of 2025. It noted that elevated capital requirements have led to more disciplined pricing and competition among Saudi banks, which has supported asset yields and eased pressure from lower liquidity, as lending growth slowed down to a low-double digit level. But it noted that Saudi banks are increasingly relying on deposit mix strategies and cross selling to drive revenue growth. It said that banks have yet to see a deterioration in their asset quality related to the impact of the regional geopolitical instability, and anticipated lending growth to continue and for their asset quality to remain stable despite headwinds from interest rate uncertainties and shifting consumer fee regulations.

Source: Goldman Sachs

ANGOLA

Banking sector vulnerable to economic shocks

The International Monetary Fund (IMF) indicated that Angola's banking sector is adequately capitalized, but it noted that the banks' high non-performing loans ratios (NPL), foreign exchange shortages, and a high exposure to government debt pose risks to the sector. It said that its stress tests reveal that banks are highly vulnerable to severe macroeconomic shocks and to an accelerated global energy transition. It emphasized the importance of significantly enhancing the regulatory and supervisory frameworks for banks, to advance a risk-based and forward-looking supervisory approach by increasing the supervisory capacity of the Banco Nacional de Angola (BNA), and of improving financial data quality. It recommended strengthening the reporting and validation of data in order to improve data quality for prudential purposes and for the tracking of NPLs. It urged the authorities to improve the monitoring of the banks' holdings of domestic and foreign government bonds from a market risk perspective, in order to assess the extent of their exposure to sovereign risk. Further, it stressed the need to put into action early intervention measures and protocols for handling failing banks, to strengthen deposit insurance, and to ensure access to emergency liquidity assistance. It stated that the BNA should immediately resolve or liquidate current problem banks, in order to protect small depositors and maintain trust in the financial system. Further, it urged the authorities to address strategic deficiencies in the anti money laundering and combating the financing of terrorism regime.

Source: International Monetary Fund

TÜRKIYE

Banks' profitability contingent on impact of regional conflict and monetary policy

Fitch Ratings indicated that the operating profitability of the 13 Turkish banks that it rates improved significantly in the fourth quarter of 2025, as the widening of their net interest margins (NIM) offset still-high impairment charges and operating expenses. Also, it expected the banks' NIMs to widen further in 2026, depending on the duration and extent of the disruptions from the Middle East conflict and on the direction of monetary policy. It forecast the banks' impairment charges and operating expenditures to remain elevated this year on the continued weakening of asset quality and still-high inflation rates. Further, it said that the average NIM, excluding swap costs recorded under trading income, increased from 5.4% in the third quarter of 2025 to 6.8% in the fourth quarter of the year, due to further declines in funding costs amid fairly stable loan yields. As such, it stated that the average operating profit to risk-weighted assets ratio of the 13 banks improved from 4.1% in the third quarter of 2025 to 5.1% in the fourth quarter of 2025. In addition, it noted that the sector's foreign exchange-adjusted gross loans grew by 6.6% in the third quarter of 2025 and by 7.9% in the fourth quarter of 2025, due primarily to retail lending in the Turkish lira. Also, it stated that the banks' average non-performing loans (NPLs) ratio increased from 2.9% at end-September 2025 to 3.1% at end-2025, as the amount of newly-impaired loans continued to rise across all segments. It expected the asset quality of loans to the retail and small- and medium-size enterprises to weaken this year, as borrowers are more vulnerable to elevated rates and slowing growth.

Source: Fitch Ratings



ENERGY / COMMODITIES

Oil prices to average \$103 p/b in second quarter of 2026

ICE Brent crude oil front-month futures contracts for July 2026 reached \$105.6 per barrel (p/b) on May 13, 2026, constituting a decrease of 7.4% from \$114 p/b at end-April 2026, due to easing geopolitical tensions that reduced risk premiums. Also, the decline in oil prices reflects the fragile Middle East ceasefire and uncertainties about whether U.S. President Donald Trump's summit with Chinese President Xi Jinping could ease energy tensions. In parallel, under its base-case scenario, JPMorgan Chase & Co. expected the Strait of Hormuz to reopen on June 1, 2026 in case the U.S. and Iran ratify a credible statement from the UN Security Council. But it estimated that countries need to rely on drawing down nearly 615 million barrels from inventories until August 2026, in order to rebalance the global oil market after the disruption of Gulf Cooperation Council (GCC) supplies that the Iran war caused. It said that, once the Strait of Hormuz reopens for normal traffic, GCC producers would maximize oil output to make up for the revenues they lost during the closure. It noted that other producers will be inclined to produce at capacity, pushing the oil market into meaningful oversupply starting this September. Further, it projected ICE Brent oil spot prices to average \$103 p/b in the second quarter of 2026.

Source: JPMorgan Chase & Co., LSEG Workspace, Byblos Research

Middle East demand for gold jewelry down 23.5% in first quarter of 2026

Demand for gold jewelry in the Middle East totaled 34.5 tons in the first quarter of 2026, constituting a drop of 23.5% from 45.1 tons in the same period of 2025, and accounted for 13.3% of global demand for gold jewelry. Demand for gold jewelry in Saudi Arabia reached 12.7 tons, or 36.8% of the region's consumption in the covered period, followed by Egypt with 5.2 tons (15%), and Iran with five tons (14.5%).

Source: World Gold Council, Byblos Research

Non-OPEC petroleum and liquid fuels to decrease by 1% in 2026

The U.S. Energy Information Administration expected in May 2026, the production of petroleum and liquid fuels from non-OPEC producers at 76.35 million barrels per day (b/d) in 2026, which would represent a decline of 1% from 77.1 million b/d in 2025. The supply of petroleum and liquid fuels from non-OPEC producers would account for 75% of global output.

Source: U.S. Energy Information Administration

Syria signs a memorandum of understanding for Block 3 exploration

TotalEnergies, QatarEnergy and the U.S.-based ConocoPhillips signed a memorandum of understanding (MoU) on May 12, 2026 with the Syrian Petroleum Company to launch a technical review of the offshore Block 3 area near the city of Latakia. The MoU establishes a framework for technical and commercial discussions related to exploration activity on the block, and is part of Syria's broader efforts to attract foreign investments into its war damaged energy sector following years of civil conflict and sanctions. Syria exported 380,000 barrels of oil per day (bpd) in 2010, while TotalEnergies produced 53,000 barrels of oil-equivalent per day in Syria in 2011. The company operated in Syria between 1998 and 2011.

Source: Reuters

Base Metals: Copper prices to average \$12,000 per ton in 2026

LME copper cash prices averaged \$12,894.5 per ton in the year-to-May 13, 2026 period, constituting a rise of 38.5% from an average of \$9,310.3 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. Further, copper prices reached an all-time high of \$14,196.5 per ton on May 13, 2026, driven by mining disruptions in Latin America and Africa that limited output. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 4.39 million tons in the first two months of 2026, nearly unchanged from 2.4 million tons in the same period last year. Also, it noted that the global production of refined copper reached 4.7 million tons in the first two months of 2026, up by 2.5% from 4.6 million tons from the same period 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. In parallel, S&P Global Market Intelligence anticipated the metal's prices to strengthen in case the exchange rate of the U.S. dollar against major currencies weakens. It expected copper demand in China in the power sector to offset lower demand from the solar sector in 2026. Further, S&P Global Market Intelligence forecast LME copper cash prices to average \$11,573.4 per ton in the second quarter of 2026.

Source: ICSG, S&P Global Market Intelligence, LSEG Workspace, Byblos Research

Precious Metals: Gold prices to average \$4,801 per ounce in second quarter of 2026

Gold prices averaged \$4,810 per ounce in the year-to-May 14, 2026 period, constituting a surge of 61.2% from an average of \$2,614.3 an ounce in the same period of 2025, driven largely by strong demand from central banks worldwide and by concerns about global economic uncertainties. Also, gold prices decreased by 11% from an all-time high of \$5,586.2 per ounce on January 29, 2026 to \$4,688 an ounce on May 13, 2026, due to significant outflows from exchange-traded funds (ETFs), and a stronger exchange rate of the US dollar against major currencies. Further, Standard Chartered Bank expected gold prices to increase in the coming months amid heightened geopolitical risks, uncertainties about negative risks to global growth, and concerns about higher inflation rates. It noted that the People's Bank of China purchased 8.09 tons of gold in April 2026, up from 4.98 tons in March 2026, which marks the largest monthly increase since December 2024. As such, it said that China's total gold holdings reached 2,322 tons at end-April 2026. Also, it said that India's gold sales declined in April 2026, as Indian banks suddenly had to pay a 3% tax on goods and services that had previously been waived, leading to a halt in gold shipments and to confusion over licensing to import bullions. Further, S&P Global Market Intelligence noted that gold prices reached their highest level in the first quarter of 2026, with limited prospects for further upside, as strong capital flows to competing assets may cap the price rally. But it said that physical demand signals a slowdown in the covered quarter, their highest quarterly outflows from gold backed ETFs in two years. In parallel, S&P forecast gold prices to average \$4,801 per ounce in the second quarter of 2026, with a low of \$4,508 an ounce and a high of \$5,000 per ounce in the covered quarter.

Source: Standard Chartered Bank, S&P Global Market Intelligence, 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 Positive	-	-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 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- 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				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- 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	Action	Next meeting
USA	Fed Funds Target Rate	3.75	29-Apr-26	No change	17-Jun-26
Eurozone	Refi Rate	2.15	30-Apr-26	No change	11-Jun-26
UK	Bank Rate	3.75	30-Apr-26	No change	18-Jun-26
Japan	O/N Call Rate	0.75	28-Apr-26	No change	16-Jun-26
Australia	Cash Rate	4.35	05-May-26	Raised 25bps	16-Jun-26
New Zealand	Cash Rate	2.25	08-Apr-26	No change	27-May-26
Switzerland	SNB Policy Rate	0.00	19-Mar-26	No change	18-Jun-26
Canada	Overnight rate	2.25	29-Apr-26	No change	10-Jun-26
Emerging Markets					
China	One-year Loan Prime Rate	3.00	20-Apr-26	No change	20-May-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	10-Apr-26	No change	28-May-26
Malaysia	O/N Policy Rate	2.75	07-May-26	No change	09-Jul-26
Thailand	1D Repo	1.00	29-Apr-26	No change	24-May-26
India	Repo Rate	5.25	08-Apr-26	No change	05-Jun-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	02-Apr-26	No change	21-May-26
Jordan	CBJ Main Rate	5.75	14-Dec-25	Cut 25bps	N/A
Türkiye	Repo Rate	37.00	22-Apr-26	No change	N/A
South Africa	Repo Rate	6.75	26-Mar-26	No change	28-May-26
Kenya	Central Bank Rate	8.75	08-Apr-26	No change	N/A
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	14.50	29-Apr-26	Cut 25bps	N/A
Armenia	Refi Rate	6.50	05-May-26	No change	16-Jun-26
Romania	Policy Rate	5.50	07-Apr-26	Cut 100bps	15-May-26
Bulgaria	Base Interest	1.81	01-Dec-25	Raised 1bp	N/A
Kazakhstan	Repo Rate	18.00	24-Apr-26	No change	05-Jun-26
Ukraine	Discount Rate	15.00	30-Apr-26	No change	18-Jun-26
Russia	Refi Rate	14.50	24-Apr-26	Cut 50bps	19-Jun-26



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