

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Investment banking fees up 9% to \$35.4bn in first quarter of 2026

Figures compiled by data provider LSEG show that global investment banking fees totaled \$35.4bn in the first quarter of 2026, constituting a rise of 9% from \$32.5bn in the same period last year. The financial sector accounted for \$11.6bn or 32.7% of investment banking fees in the first quarter of 2026, followed by the high technology sector with \$3.6bn (10.2%), the industrial sector with \$3.5bn (10%), the energy & power sector with \$3.4bn (9.6%), and the healthcare industry with \$2.9bn (8.3%). On a regional basis, the Americas represented \$21bn, or 59.2% of the total fees that investment banks generated in the covered period, followed by the Europe, the Middle East & Africa region with \$7.7bn (21.6%), and the Asia-Pacific region with \$6.8bn (19.2%). In parallel, the distribution of investment banking fees shows that fees from debt capital markets reached \$12.2bn and accounted for 34.3% of the total, followed by merger & acquisition fees with \$10.9bn (30.7%), lending fees with \$7.2bn (20.2%), and equity capital markets (ECMs) fees with \$5.2bn (14.8%). It said that fees from ECMs rose by 51% from \$3.5bn in the first quarter of 2025, with follow-on issuance reaching \$2.8bn in the covered period and representing 53% of total fees from ECMs, followed by fees from initial public offerings with \$1.5bn (28.6%), and fees from convertible securities with \$963m (18.4%). Also, fees from merger & acquisition advisory increased by 8%, debt capital markets fees grew by 5%, and syndicated lending fees improved by 3% annually in the first quarter of 2026.

Source: LSEG

More than 80% of global population own a mobile phone

Figures released by the International Telecommunication Union (ITU) show that 82% of individuals around the world who are at least 10 years old owned a mobile phone in 2025. It noted that 97% of the population in high-income economies owned a mobile device last year, followed by 90% of people living in upper-middle income countries (UMICs), 74% if individuals in lower-middle income countries (LMICs), and 53% of the population in low-income economies. On a regional basis, it said that 96% of individuals in Europe who are 10 years or older owned a mobile phone in 2025, followed by 95% of persons in the Commonwealth of Independent States (CIS) region, 89% of the population in the Americas, 84% of individuals in Arab states, 82% of persons in the Asia-Pacific region, and 66% of the population of Africa. Further, it pointed out that 78% of females and 87% of males who are at least 10 years old had a mobile device in 2025. It stated that 96% of males who are at least 10 years old in Europe owned a mobile phone in 2025, followed by 95% of males in the CIS, 90% of males in the Americas, 88% of males in the Asia-Pacific region, 87% of males in Arab countries, and 70% of males in Africa. In comparison, it indicated that 96% of females who are 10 years or older in Europe owned a mobile phone in 2025, followed by 95% of females in the CIS, 90% of females in the Americas, 80% of females in Arab countries, 75% of females in the Asia-Pacific region, and 61% of females in Africa.

Source: International Telecommunication Union

MENA

Investments in startups down 36% to \$1.1bn in first four months of 2026

Figures released by the Wamda and Digital Digest platforms show that investments in startups in the Middle East and North Africa (MENA) region reached \$1.1bn in the first four months of 2026, constituting a decline of 36.3% from \$1.7bn in the same period of 2025, while there were 150 investments in startups in the covered period relative to 175 deals in the first four months of 2025. Investments in UAE startups stood at \$703.7m and accounted for 64.5% of placements in the region's startups in the first four months of the year, followed by investments in Saudi Arabia with \$183m (16.8%), Egypt with \$112.2m (10.3%), Morocco with \$24.3m (2.2%), and Bahrain with \$25m (2.3%). Also, there were 64 investments in Saudi startups in the first four months of 2026, followed by the UAE with 54 deals, Egypt with 17 transactions, Morocco with seven deals, and Bahrain with three transactions. In addition, investments in fintech startups amounted to about \$518.4m and accounted for 47.5% of total capital deployed in MENA startups in the covered period, followed by investments in property technology companies with \$231.3m (21%), and e-commerce technology firms with \$73.3m (6.7%). Further, early-stage startups raised a combined \$273.6m for 127 deals in the covered period. Also, Business-to-Consumer startups attracted \$600.4m across 55 deals, while Business-to-Business startups secured \$294.8m across 85 transactions in the first four months of 2026.

Source: Wamda, Digital Digest

FDI up 1% to \$167bn in 2025

Figures released by fDi Markets show that the Middle East and Africa (ME&A) region attracted \$167bn in foreign direct investments (FDI) in 2025, constituting a rise of 0.7% from \$165.7bn in 2024 and accounting for 18.6% of global FDI. Also, there were 3,071 FDI projects in the region in 2025 compared to 2,737 projects in 2024. Further, the UAE was the destination of 1,529 FDI projects in the ME&A region last year, or 49.8% of the total, followed by Saudi Arabia with 380 projects (12.4%), Qatar with 177 projects (5.8%), South Africa with 157 projects (5.1%), Egypt with 152 projects (5%), Morocco with 99 projects (3.2%), Kenya with 66 projects (2.1%), Oman with 56 projects (1.8%), Nigeria with 46 projects (1.5%) and Côte d'Ivoire with 33 projects (1.1%). The number of FDI projects in Côte d'Ivoire grew by 50% in 2025, followed by Oman (+44%), Qatar (+26%), the UAE (+14%), Egypt (+9%), South Africa (+5%), Saudi Arabia (+4%), Morocco (+3%), and Kenya (+2%), while the number of FDI projects in Nigeria decreased by 6% last year. Further, the communications sector attracted \$21.2bn in FDI in the ME&A region, followed by the coal, oil and gas industry with \$20.2bn, the renewable energy sector with \$19.7bn, the real estate sector with \$18.4bn, and the chemicals industry with \$15bn. The U.S. was the largest source of FDI from outside the ME&A region with \$22.97bn, or 13.8% of the total, followed by China with \$21.3bn (12.7%), India with \$14.9bn (9%), France with \$11.6bn (7%), the United Kingdom with \$8.4bn (5%), Germany with \$7.4bn (4.4%), South Korea with \$4.6bn (2.8%), Hong Kong with \$4bn (2.4%), Norway with \$3bn (1.8%), and the Netherlands with \$2.5bn (1.5%).

Source: fDi Markets, Byblos Research

OUTLOOK

MENA

Regional conflict to affect labor markets in Arab world

Under its scenario of a “rapid de-escalation” of the Middle East conflict, the International Labor Organization (ILO) projected the working hours in Arab economies to decline by 1.3% in 2026, with decreases of 1.4% in Gulf Cooperation Council (GCC) economies and of 1% in non-GCC countries. It said the scenario assumes a rapid deceleration of the geopolitical and economic shock and a normalization of economic activity in the Arab region during the year. Also, under this scenario, it expected employment to contract by 0.7% in Arab economies, by 0.8% in GCC countries and by 0.6% in non-GCC economies.

Further, under its “protracted conflict” scenario, which assumes elevated disruptions in 2026 that will weigh on business activity, investments, mobility, trade and confidence, it forecast working hours in Arab countries to fall by 3.7%, with decreases of 4% in GCC economies and 3% in non-GCC countries due to continued uncertainties related to energy flows, airspace restrictions, and security conditions. Also, under this scenario, it expected employment in Arab countries to contract by 2.1%, with declines of 2.4% in GCC economies and of 1.7% non-GCC countries.

In addition, under its “severe escalation” scenario, which assumes an intensification of the conflict well above the March 2026 level, which would lead to deep and persistent disruptions to economic activity, it anticipated working hours in Arab economies to drop by 10.2% in 2026, with decreases of 11.5% in GCC countries and of 7.7% in non-GCC economies. Also, under this scenario, it expected employment in Arab states to contract by 5.9% this year, by 7.1% in the GCC economies and by 4.4% the non-GCC countries. It added that the “severe escalation” scenario would imply a shock to working hours that is more than twice the scale of the impact during the COVID-19 pandemic.

Source: *International Labor Organization*

GCC

Real GDP to contract by 2.2% in 2026 on limited oil production

JPMorgan Chase & Co. downgraded its real GDP forecast for the Gulf Council Cooperation (GCC) countries for 2026 from a contraction of 1.5% to a reduction of 2.2% amid lower oil production and based on its assumption of oil prices rising to \$96 per barrel (p/b) in 2026 compared to its previous forecast of \$80 p/b for the year. Also, it projected the real GDP growth rates of Oman at 2.4% and of Saudi Arabia at 0.8% in 2026, while it anticipated the real GDP of Kuwait to contract by 11.9% in 2026, economic activity in Qatar to shrink by 11.1%, real GDP in Bahrain to contract by 5%, and that of the UAE to shrink by 4.3%. Further, it projected the real non-hydrocarbon GDP growth of GCC countries to decelerate from 4.4% in 2025 to 0.9% in 2026. It forecast the real non-oil GDP of Oman and Saudi Arabia to grow by 2.5% and 2.3%, respectively, this year, while it forecast the real non-oil GDP of Bahrain, the UAE, Kuwait and Qatar to contract by 1.7%, 1.4%, 0.9% and 0.9%, respectively, in 2026.

In addition, it revised upward its projection for the GCC’s fiscal deficit from 2.9% of GDP to 2.1% of GDP in 2026. It expected

Kuwait and Oman to post fiscal surpluses of 11.6% of GDP and 6.1% of GDP, respectively, this year. In contrast, it projected Bahrain’s fiscal balance to register a deficit of 14.7% of GDP this year, followed by Qatar with a deficit of 8.6% of GDP, Saudi Arabia with 3.2% of GDP, and the UAE with 1% of GDP. In parallel, it revised its forecast for the current account balance of GCC economies from a deficit of 0.7% of GDP to a surplus of 0.1% of GDP in 2026 on higher oil prices that will support export receipts. It expected Kuwait, Oman and the UAE to post current account surpluses of 14.3% of GDP, 9.2% of GDP and 0.7% of GDP, respectively, in 2026. In contrast, it forecast Bahrain, Qatar and Saudi Arabia to post deficits of 3.8% of GDP, 2.3% of GDP, and 2% of GDP, respectively, this year. It attributed the improvement in the fiscal and current account balances of GCC economies largely to higher oil prices in the second half of 2026. It noted that Saudi Arabia will be the main contributor to the improved outlook of the GCC’s fiscal and current account balances, as elevated oil prices are already supporting its public revenues.

Source: *JPMorgan Chase & Co*

UAE

Real GDP growth to average 5.6% in 2027-28 period on more resilient economic model

The Institute of International Finance projected the UAE’s real GDP to shift from a growth rate of 5.3% in 2025 to a contraction of 0.4% in 2026, as hydrocarbon output declines and non-hydrocarbon activity decelerates. Also, it forecast the real non-hydrocarbon growth rate to decelerate from 4.9% in 2025 to 2.1% in 2026, and for activity in the hydrocarbon sector to shift from a growth rate of 6.7% last year to a contraction of 8.2% this year. Also, it considered that disruptions to oil production and exports, softer tourism and aviation activity, higher shipping and insurance costs, and interruptions to logistics and re-exports are weighing on economic activity. But it pointed out that a strong sovereign balance sheet, sizable sovereign wealth assets, a low public debt level, and a well-capitalized banking system limit macroeconomic vulnerabilities from the regional conflict. As such, It forecast the real GDP growth rate to average 5.6% in the 2027-28 period. In addition, it said that the authorities’ main challenge consists of managing the prevailing uncertainties, which are affecting confidence, restricting mobility, and weighing on sectors that rely on tourism, aviation, logistics and real estate. In addition, it projected the fiscal surplus to increase from 3.8% of GDP in 2025 to 4.4% of GDP in 2026, reflecting higher oil prices that would offset lower export volumes, and expected the public debt level to decrease from 34% of GDP at end-2025 to 31.3% of GDP at end-2026.

Further, it forecast the current account surplus to decline from 12.9% of GDP in 2025 to 7.6% of GDP in 2026, driven by lower oil export volumes, softer tourism and trade receipts, and higher shipping and insurance costs. But it pointed out that the conflict is accelerating the UAE’s transition towards a more resilient and strategically adaptive economic model that emphasizes diversification and risk management in a more volatile regional environment. Also, it considered that, while the UAE has substantial buffers, a prolonged disruption to hydrocarbon flows would erode the growth momentum and dampen capital inflows, which would reinforce downside risks to the near-term outlook.

Source: *Institute of International Finance*



ECONOMY & TRADE

EGYPT

Regional conflict affecting external buffers, inflation and capital flows

Fitch Ratings considered that a more prolonged conflict in the Middle East would put moderate pressure on Egypt's external balance, inflation rate and public finances, due to the country's sizeable trade deficit in the energy sector. It added that the inflows of workers' remittances are vulnerable to potential declines of such flows from Gulf Cooperation Council (GCC) countries, which are the source of the majority of these inflows; but it did not expect a significant drop in bilateral support from GCC partners due to Egypt's strategic importance. Also, it pointed out that tourism receipts face additional risks, as it anticipated regional tourism to partly offset lower tourist arrivals from Western countries. Under its base case scenario, which assumes the reopening of the Strait of Hormuz in July 2026, it expected receipts from the Suez Canal to recover slowly in the near-term and to mitigate further downside risks to the external balance. It noted that non-resident capital outflows exceeded \$10bn since the end of February, which triggered the depreciation of the exchange rate of the Egyptian pound against the US dollar by about 10%. But it added that the flexibility of the exchange rate has helped the economy absorb the impact of the capital outflows on its foreign currency buffers. Further, it noted that the currency's depreciation, higher energy prices and fuel subsidy cuts in March contributed to a rise in the inflation rate to 14.9% in April 2026, and projected it to average 12% in the fiscal year that ends in June 2027. Also, it projected the country's gross foreign currency reserves to decline from \$53bn at end-April 2026 to \$50bn at the end of June 2027, or four months of current external payments.

Source: Fitch Ratings

ARMENIA

Credit profile reflects growth prospects and solid governance

In its periodic review of Armenia's sovereign ratings, Moody's Ratings indicated that the country's 'Ba3' issuer rating, which is three notches below investment grade, is supported by its robust growth potential and moderately high institutions and governance strength. In contrast, it indicated that persistent tensions with Azerbaijan and broader geopolitical risks constitute a key drag on the country's credit profile. It pointed out that the economic strength assessment of 'baa2' balances the Armenian economy's robust growth prospects with the country's small and middle-income economy, which limits its capacity to absorb shocks. It added that the country's governance strength assessment of 'baa3' reflects the improved credibility and effectiveness of macroeconomic policies and institutions, as well as to the authorities' structural reforms that aim to strengthen the control of corruption and the rule of law. It added that the government's fiscal strength assessment of 'ba1' balances its moderate government debt burden with weakening debt affordability. Further, the agency indicated that the susceptibility to events risks assessment of 'b' is driven by political risks, and added that the Armenia-Azerbaijan peace framework, which the two sides approved in August 2025, has reduced the probability of large-scale hostilities between the two countries. In addition, it stated that the 'stable' outlook on the ratings reflects the balanced credit risks.

Source: Moody's Ratings

NIGERIA

Sovereign ratings upgraded on improving macro-economic profile

S&P Global Ratings upgraded Nigeria's long-term foreign and local currency sovereign credit ratings from 'B-' to 'B', which is five notches below investment grade, and affirmed the short-term ratings at 'B'. Also, it revised the outlook on the long-term ratings from 'positive' to 'stable'. It attributed the upgrade to the country's improving macroeconomic profile due to higher oil production and prices, a significant increase in its oil refining capacity, and the 2023 decision to liberalize the exchange rate. But it expected structural factors, including elevated inflation rates, high unemployment, and weak socioeconomic conditions, as well as limited fiscal revenues and very high debt servicing costs, to weigh on the ratings. It said that the 'stable' outlook balances Nigeria's improved external position, stronger economic growth and a commitment to reforms, with a very weak tax base and low levels of formal employment. Also, it forecast the country's gross external financing needs at 96.1% of current account receipts and usable reserves in 2026, as well as at 96.2% and 96.9% of such receipts and reserves in 2027 and 2028, respectively. Further, it said that foreign currency reserves are supported by current account surpluses, the lifting of fuel subsidies, and increased hydrocarbon exports. As such, it projected usable foreign currency reserves to increase from \$43.2bn at end-2026 to \$47bn at end-2027 and to \$52.4bn at the end of 2028. It said that it could downgrade the ratings if the authorities reverse the implementation of reforms, if an expansionary fiscal policy leads to wider fiscal and external deficits, or if debt-servicing costs increase significantly.

Source: S&P Global Ratings

GHANA

Economic stabilization contingent on sustaining reforms

The International Monetary Fund (IMF) indicated that Ghana's economic reforms program, which is supported by an Extended Credit Facility, has helped stabilize the economy, driven by strong reform efforts and significant progress on the restructuring of the public debt, which reduced the inflation rate, increased external buffers, and raised confidence in the Ghanaian cedi. It said that the significant progress on the restructuring of the domestic and external debt has improved the debt trajectory, as the government reached bilateral debt relief agreements with 50% of official creditors under the Group of 20 Common Framework for Debt Treatment, and is making progress towards reaching deals with the remaining official and commercial creditors. As such, it urged the authorities to maintain prudent borrowing, implement the IMF supported debt rollover strategy for the 2027-28 period, and strengthen debt management and transparency, which would help secure durable market access. In addition, it called on policymakers to strengthen fiscal risk management, the governance of state-owned enterprises, and quasi-fiscal activities. In parallel, it noted that the authorities reached a staff-level agreement with the IMF on policies that will be supported by a non-financing 36-month Policy Coordination Instrument. It said that this initiative aims to sustain a growth-friendly fiscal adjustment, safeguard debt sustainability, strengthen fiscal transparency and governance, enhance the monetary and exchange-rate policy framework, and reinforce the stability of the financial sector.

Source: International Monetary Fund



BANKING

WORLD

Assets of top 100 banks equivalent to 142.4% of GDP at end-2025

Figures compiled by S&P Global Market Intelligence show that the top 100 banks in the world in terms of total assets included 21 banks from China; 12 banks from the U.S.; eight banks from Japan; six banks from each of Canada, France and the United Kingdom; five banks from South Korea; four banks from each of Australia, Brazil and Germany; three banks from each of the Netherlands, Singapore and Spain; two banks from each of India, Italy, Russia and Switzerland; and one bank from each of Austria, Belgium, Denmark, Finland, Qatar, Sweden and the UAE. It indicated that the total assets of the 100 banks reached \$132.5 trillion (tn) at the end of 2025, or the equivalent of 142.4% of their aggregate nominal GDP for the year. Also, it indicated that the assets of Chinese banks stood at \$45.4tn and accounted for 34.2% of the total assets of the 100 banks at end-2025, followed by U.S. banks with \$19.3tn (14.6%), French banks with \$12.5tn (9.4%), Japanese banks with \$10tn (7.5%), banks in the United Kingdom with \$8.95tn (6.8%), Canadian banks with \$6.7tn (5.1%), Spanish banks with \$4tn (3%), German banks with \$3.6tn (2.7%), and Australian banks with \$3.3tn (2.5%), while banks from other countries accounted for the remaining 14.3%

Source: S&P Global Market Intelligence, IMF

OMAN

Banking sector risk assessment maintained

S&P Global Ratings maintained Oman's banking sector in 'Group 6' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score of '6' and an industry risk score of '6'. 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 'Group 6' consist of Brazil, Brunei, China, Cyprus, Colombia, Guatemala, Oman, and Trinidad and Tobago. The agency said that Oman's economic risk score reflects "high risks" in its economic resilience and in credit risk in the economy, as well as "intermediate risks" in its economic imbalances. It expected lending growth to moderate in 2026, as corporates adopt a more prudent approach to private sector investments, while banks take a more cautious approach amid uncertainties about the Iran war. Also, it anticipated a slight erosion of the banks' asset quality indicators in 2026 due to the impact of the war on some sectors. It projected the sector's non-performing loans ratio to deteriorate from 4.4% at end-2025 to 4.6% at end-2026, and forecast the banks' credit losses to increase from around 50 bps in 2025 to between 60 bps and 65 bps in 2026. It pointed out that the economic risk trend in Oman is 'stable'. Further, it said that the industry score reflects the "high risks" that the banking sector faces in its competitive dynamics and system-wide funding, and the "intermediate risks" in its institutional framework. It noted that banking regulations in Oman are broadly aligned with international standards, with this alignment reinforced by the Central Bank of Oman's adequate supervisory oversight. It pointed out that Omani banks rely predominantly on domestic customer deposits for their funding and have limited recourse to external funding. It stated that the trend for the industry risk is 'stable'.

Source: S&P Global Ratings

ANGOLA

Banking sector's liquidity at 28.5% of assets at end-September 2025

The International Monetary Fund indicated that the banking sector in Angola is broadly sound, with risks originating from persistently high non-performing loans (NPLs) and the banks' growing exposure to government debt. It noted that the sector's capital adequacy ratio rose from 20.7% at the end of 2024 to 24.1% at end-September 2025, while the banks' Tier One Capital ratio stood at 23.1% at end-September 2025 relative to 19.7% at end-2024. It pointed out that the banks' liquid assets accounted for 28.5% of total assets at end-September 2025 relative to 31.1% at end-2024, while the sector's liquid assets represented 35.2% of short-term liabilities at the end of September 2025 compared to 37.7% at end-2024. Further, it indicated that the banks' loans-to-deposits ratio was 44% at end-September 2025 relative to 43.6% at end-2024, and that the sector's foreign currency liabilities represented 35.8% of total liabilities at end-September 2025 compared to 40% at end-2024. Also, it noted that the sector's NPLs decreased from 19.2% of gross loans at end-2024 to 16.7% of NPLs at end-September 2025. It added that the sector's cost-to-income ratio decreased from 77.5% at end-2024 to 71.2% at end-September 2025. It stated that the banks' net open foreign currency position stood at -37.6% of capital at end-September 2025 relative to -25.9% of capital at end-2024.

Source: International Monetary Fund

NIGERIA

Banks' ratings affirmed, outlook 'stable'

Fitch Ratings affirmed the long-term foreign- and local currency Issuer Default Ratings (IDRs) of Access Bank, United Bank for Africa (UBA), Zenith Bank and Guaranty Trust Holding Company (GTCO) and its main operating subsidiary Guaranty Trust Bank Limited (GTB), at 'B', and maintained the 'stable' outlook on all the long-term IDRs. It noted that the IDRs of the four banks take into account the improved operating environment in Nigeria, as well as their standalone creditworthiness. It said the exchange rate of the Nigerian naira has stabilized, the banking sector's profitability and foreign currency liquidity have improved, and capital increases have boosted the banks' capitalization. But it added that the inflation rate remains high, regulatory intervention is burdensome, and the expiry of forbearance has increased impaired loans ratios and prudential provisions. Also, it considered that the government's ability to provide support to commercial banks, in case of need, is weak due to its high debt servicing metrics and limited foreign currency resources. Further, it affirmed the national long-term rating of Stanbic IBTC Holdings at 'AAA(nga)', the ratings of GTCO and GTB at 'AA+(nga)', the ratings of Zenith Bank and UBA at 'AA(nga)', and the rating of Access Bank at 'AA-(nga)'. Also, it maintained the 'stable' outlook on the national ratings of GTCO, UBA, Stanbic IBTC and Zenith Bank, while it removed the national long-term rating of Access Bank from Rating Watch Positive and assigned a 'stable' outlook on the rating. In addition, it pointed out that the 'b' Viability Ratings (VR) of Access Bank, GTCO, UBA, and Zenith Bank are constrained by their elevated sovereign exposure. It stated that the VRs of GTCO and Zenith Bank are supported by their robust profit ratios, while the VR of Access Bank reflects its adequate profitability.

Source: Fitch Ratings



ENERGY / COMMODITIES

Oil prices to average \$100 p/b in 2026

ICE Brent crude oil front-month futures contracts for July 2026 reached \$105 per barrel (p/b) on May 20, 2026, constituting a decrease of 5.6% from \$111.3 p/b a day earlier, as U.S. President Donald Trump said that the U.S. Administration is in the final stages of negotiations with Iran on an agreement to end the ongoing conflict. In parallel, the International Energy Agency projected global oil demand to contract by 420,000 barrels per day (b/d) to 104 million b/d in 2026 with a steep decline of 2.45 million b/d annually in the second quarter of 2026, with OECD countries accounting for 930,000 b/d and non-OECD economies for 1.5 million b/d of the decrease. Further, it forecast global oil supply to decline by 3.9 million b/d to 102.2 million b/d this year. It estimated the cumulative supply losses from Gulf Cooperation Council producers to exceed one billion barrels, with more than 14 million b/d of oil flows disrupted due to the closure of the Strait of Hormuz to tanker traffic. It pointed out that Saudi Arabia and the UAE have successfully redirected some oil exports to terminals loading outside of the Strait of Hormuz. It added that the release of oil inventories from commercial and government strategic storage sites in oil-importing economies are offsetting part of the losses. But it noted that significant supply losses from disruptions to flows through the Strait of Hormuz are depleting global oil inventories at a record pace, more than 10 weeks after the war in the Middle East began. In addition, LSEG Workspace projected oil prices, through its latest crude oil price poll of 32 industry analysts, to average \$100 p/b in the second quarter of 2026.

Source: International Energy Agency, LSEG Workspace, Byblos Research

Middle East demand for gold bars and coins down 6.8% in first quarter of 2026

Net demand for gold bars and coins in the Middle East totaled 26.4 tons in the first quarter of 2026, constituting a decrease of 6.8% from 28.4 tons in the same period of 2025. Demand for gold bars and coins in Iran reached 7.3 tons and represented 27.5% of the region's aggregate demand in the covered period, followed by Egypt with 5.7 tons (21.5%), Saudi Arabia with 5.1 tons (19.3%), the UAE with four tons (15%), and Kuwait with 1.8 tons (6.7%).

Source: World Gold Council, Byblos Research

OECD petroleum and liquid fuels demand to decrease by 0.6% in 2026

The U.S. Energy Information Administration projected in April 2026 the consumption of petroleum and liquid fuels in OECD countries at 45.61 million barrels per day (b/d) in 2026, which would represent a decrease of 0.6% from 45.9 million b/d in 2025. It forecast the demand for petroleum and liquid fuels in OECD countries to account for 43.6% of global consumption in 2026.

Source: U.S. Energy Information Administration

OPEC's oil basket price down 6.5% in April 2026

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged \$108.8 per barrel (p/b) in April 2026, constituting a decrease of 6.5% from \$116.4 p/b in March 2026. The price of Algeria's Sahara Blend was \$133.4p/b, followed by Libya's Es Sider at \$125.8p/b and Nigeria's Bonny Light at \$122.1p/b. In parallel, seven out of 12 prices in the OPEC basket increased between \$4.55 p/b and \$29.16 p/b in April 2026, while the remaining prices increased between \$6.4 p/b and \$21 p/b.

Source: OPEC

Base Metals: Aluminum prices to average \$3,580 per ton in second quarter of 2026

The LME cash price of aluminum averaged \$3,343.7 per ton in the year-to-May 20, 2026 period, constituting a rise of 31.5% from an average of \$2,542.1 a ton in the same period of 2025. The increase in prices was due to structural supply shortages, rising energy costs, geopolitical tensions in the Middle East, and strong demand from construction, automotive, and renewable energy sectors. In parallel, Citi Research projected the primary supply of aluminum at 72.73 million tons in 2026, which would constitute a decrease of 2% from 74.17 million tons in 2025. Also, it forecast the primary demand for the metal at 75.5 million tons this year, which would represent an uptick of 1.8% from 74.19 million tons in 2025. As such, it expected the metal's deficit to widen from 27,000 tons in 2025 to 2.77 million tons in 2026. In its base case scenario, it expected the price of the metal to average \$4,000 per ton in the next three months, driven by tight supplies due to low inventories. It noted that the metal's demand growth is supported by the expansion of power grids, renewable energy infrastructure and electrification supply chains. It considered that demand has not declined enough to offset the limited supply of the metal. Further, it expected the price of aluminum to react more strongly to minor disruptions, as supply constraints worsen. It said that the aluminum market is shifting from the initial geopolitical shock in the Middle East towards structurally tighter inventories, driven by escalation risks from the Iran war, concerns related to the Strait of Hormuz, spikes in oil prices, and broader macroeconomic uncertainties. Also, it forecast aluminum prices to average \$3,580 a ton in the second quarter of 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

Precious Metals: Gold prices to average \$4,812 per ounce in second quarter of 2026

Gold prices averaged \$4,797.5 per ounce in the year-to-May 20, 2026 period, constituting a surge of 60% from an average of \$2,995.9 an ounce in the same period last year, driven largely by strong demand from central banks worldwide and by concerns about global economic uncertainties. Also, gold prices decreased by 20% from an all-time high of \$5,586.2 per ounce on January 29, 2026 to \$4,465.1 an ounce on May 20, 2026, due to rising U.S. Treasury yields and a stronger exchange rate of the US dollar against major currencies. Further, Goldman Sachs expected central banks to increase their purchases of gold to an average 60 tons per month through 2026. It said that the strong underlying interest in gold and recent geopolitical developments are likely to reinforce the diversification of the central banks' portfolios and of private investors' portfolios around the world. As a result, it projected gold prices to reach \$5,400 per ounce by the end of 2026. But it considered that gold's high liquidity makes it a natural source of cash if private investors face liquidity needs, mainly if stock markets drop due to higher interest rates or in case of weak growth tied to global geopolitical tensions. In addition, figures released by the World Gold Council show that global flows into gold-backed exchange-traded funds (ETFs) shifted from outflows of 84.3 tons in March 2026 to inflows of 45.2 tons in April 2026. It said that inflows into glob-backed ETFs totaled 26.9 tons in Europe in April 2026, followed by 11.4 tons in Asia and 6.1 tons in North America, while other regions recorded inflows of 0.9 tons. In parallel, S&P Global Market Intelligence forecast gold prices to average \$4,812 per ounce in the second quarter of 2026.

Source: Goldman Sachs, World Gold Council, 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 Stable	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-May-26	No change	22-Jun-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	20-May-26	No change	21-Jul-26
Ghana	Prime Rate	14.00	20-May-26	No change	22-Jul-26
Angola	Base Rate	17.50	14-May-26	No change	14-Jul-26
Mexico	Target Rate	6.50	07-May-26	Cut 25bps	25-Jun-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	15-May-26	No change	08-Jul-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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