

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

M&A transactions up 10% to \$861bn in first quarter of 2026

Figures released by S&P Global Market Intelligence indicated that global mergers and acquisitions (M&A) activity totaled \$861.1bn in the first quarter of 2026, constituting a rise of 9.7% from \$785.2bn in the same quarter of 2025. It noted that 7,924 M&A transactions took place in the first quarter of 2026, representing a decline of 29.8% from 11,284 transactions in the first quarter of 2025. Further, it said that the value of M&A transactions in North America stood at \$577.4bn, and accounted for 67% of aggregate M&A deals in the first quarter of the year, followed by deals in Europe with \$157bn (18.2%), the Asia-Pacific region with \$79bn (9.2%), the Middle East with \$18.8bn (2.2%), Latin America and the Caribbean with \$17.7bn (2%), and Africa with \$11.1bn (1.3%). Also, it stated that M&A activity in the information technology sector amounted to \$302.8bn in the first quarter of 2026, and represented 35.2% of the total, followed by transactions in the utilities sector with \$91bn (10.6%), the industrials sector with \$89.5bn and the financial sector with \$89.2bn (10.4% each), and the healthcare sector with \$59.7bn (7%). In addition, it said that global cross-border M&A activity stood at \$319.1bn in the first quarter of 2026, or 37% of total M&A activity, constituting a decrease of 7% from \$283.1bn in the first quarter last year. It noted that 2,002 cross-border M&A transactions took place in the first quarter of 2026, representing a decline of 23.8% from 2,628 transactions in the first quarter of 2025.

Source: S&P Global Market Intelligence

AFRICA

Travel and tourism to contribute 8.4% of Africa's GDP in 2026

The World Travel & Tourism Council estimated that the travel and tourism sector in North Africa contributed 8.4% of the region's GDP in 2025 compared to 7.6% of GDP in 2019. It said that the broad travel & tourism (T&T) sector generated \$82bn in revenues in 2025 compared to \$65bn in 2019. It noted that the T&T sector's contribution to GDP in North Africa accounted for 0.7% of the contribution of the worldwide T&T industry to global GDP in 2025 relative to 0.6% in 2019. Also, it said that the T&T industry in North Africa employed 5.7 million persons and accounted for 9.5% of the region's total employment in 2025. In parallel, it estimated the total international spending by visitors in North Africa at \$36.8bn in 2025 relative to \$29.1bn in 2019, and spending by local visitors on T&T at \$36.2bn in 2025, up by 24% from \$29.2bn in domestic spending in 2019. It added that leisure spending by visitors in Africa totaled \$61.7bn, while business spending reached \$11.3bn in 2025. It projected the contribution of the T&T sector to the region's GDP at \$85.4bn in 2026 and at \$116.3bn in 2036, and to be equivalent to 8.4% of this year's GDP and 8.6% of GDP in 2036. It forecast employment in the T&T sector at 5.8 million jobs in 2026, or 9.4% of total employment in the region, and at 7.2 million jobs or 1.2% of the region's total employment in 2036. It expected international spending by visitors in North Africa at \$38.2bn in 2026 and at \$50.9bn in 2036, and anticipated domestic spending at \$37.3bn in 2026 and \$48bn in 2036.

Source: World Travel & Tourism Council

MENA

Stock markets' capitalization at \$4.42 trillion at end-May 2026

The aggregate market capitalization of Arab stock markets reached \$4.42 trillion (tn) at end-May 2026, constituting a rise of 5% from \$4.2tn at end-2025. The market capitalization of the Saudi Exchange stood at \$2.6tn at end-May 2026 and accounted for 59.5% of the total, followed by the Abu Dhabi Securities Exchange with \$772.2bn (17.5%), the Dubai Financial Market with \$257.4bn (5.8%), the Qatar Stock Exchange with \$173.5bn (3.93%), Boursa Kuwait with \$172.1bn (3.9%), the Casablanca Stock Exchange with \$119.5bn (2.7%), the Muscat Stock Exchange with \$96.3bn (2.2%), the Egyptian Exchange with \$71.9bn (1.6%), the Amman Stock Exchange with \$43bn (1%), the Iraq Stock Exchange with \$21bn (0.47%), the Bahrain Bourse with \$20.3bn (0.46%), the Beirut Stock Exchange with \$17.9bn (0.41%), the Tunis Stock Exchange with \$15.6bn (0.4%), the Palestine Exchange with \$4.9bn (0.1%), and the Damascus Stock Exchange with \$2.18bn (0.05%). Also, the market capitalization of the Saudi Exchange was equivalent to 189.4% of the country's estimated GDP for 2026, followed by the Abu Dhabi Securities Exchange (124.2% of GDP), Boursa Kuwait (99.5% of GDP), the Muscat Stock Exchange (82.2% of GDP), the Qatar Stock Exchange (79.8% of GDP), the Amman Stock Exchange (66.2% of GDP), the Casablanca Stock Exchange (61.5% of GDP), the Beirut Stock Exchange (53.6% of GDP), the Bahrain Bourse (41.7% of GDP), the Dubai Financial Market (41.4% of GDP), the Tunis Stock Exchange (25.7% of GDP), the Egyptian Exchange (16.7% of GDP), and the Iraq Stock Exchange (8% of GDP).

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

GCC

Corporate earnings up 15.5% to \$68bn in first quarter 2026

The net income of listed companies in Gulf Cooperation Council (GCC) countries reached \$67.9bn in the first quarter of 2026, constituting increases of 15.5% from \$58.8bn in the same period of 2025. Listed companies in Saudi Arabia generated \$44.4bn in profits or 65.4% of total corporate earnings in the GCC in the covered period, followed by listed firms in Abu Dhabi with \$10.6bn (15.6%), Dubai with \$6.8bn (10%), Qatar with \$3.5bn (5.2%), Kuwait with \$1.2bn (1.8%), Oman with \$800m (1.2%), and Bahrain with \$500m (0.7%). Further, the earnings of listed companies in Saudi Arabia grew by 22.3% annually in the first quarter of 2026, followed by the profits of listed firms in Abu Dhabi (+16.5%), and companies in Dubai (+11.5%); while the earnings of listed firms in Oman and Bahrain were unchanged. In contrast, the earnings of listed firms in Kuwait dropped by 50% annually in the first quarter of 2026 and those of listed firms in Qatar decreased by 2.8%. In addition, the profits of listed energy firms in the GCC reached \$35.7bn and accounted for 52.6% of total corporate earnings in the first quarter of the year, followed by the profits of listed banks with \$16.9bn (25%), real estate companies with \$3.3bn (5%), telecommunication firms with \$3.1bn (4.6%), and food, beverages & tobacco firms with \$1.9bn (2.8%).

Source: KAMCO

OUTLOOK

WORLD

Economic activity to decelerate in 2026 and 2027, risks tilted to the downside

Under its "time-limited disruption" scenario, the Organization for Economic Cooperation and Development (OECD) projected the global real GDP growth rate to decelerate from 3.4% in 2025 to 2.8% in 2026 and 3.1% in 2027. It estimated that the disruptions to economic activity from the conflict in the Middle East will be sizeable but will remain limited under this scenario, and assumed that energy prices will decline gradually over time amid progress towards a negotiated and durable peace agreement between the U.S. and Iran. Also, under this scenario, it expected energy production and trade in the Gulf Cooperation Council (GCC) economies to gradually return to pre-conflict levels starting in the third quarter of 2026. Further, it forecast the real GDP growth rate of the Group of 20 economies at 3% this year, as well as at 2% in the U.S., at 1.5% in OECD countries, and at 0.8% in the Euro Area.

In parallel, under its "prolonged disruption scenario", which assumes subdued energy production in the GCC until the third quarter of 2027, rising global supply shortages, and an increase in energy prices by 50% between the third quarter of 2026 and the third quarter of 2027, it forecast global growth to slow to 2.1% in 2026 and 1.8% in 2027, which would push several economies into or close to recession.

In addition, under its "time-limited disruption" scenario, it projected the average inflation rate in OECD economies and in the G20 economies at 4.3% and 4% in 2026, respectively, up from 4% and 3.4%, respectively, in 2025. It considered that, under its "prolonged disruption scenario", most central banks will likely increase policy rates this year by 50 basis points (bps) or by 75 bps from current levels to help contain inflationary pressures.

Source: OECD

GCC

Insurance premiums to reach \$61.8bn in 2030, penetration rate at 2% of GDP

Alpen Capital projected the gross written insurance premiums in the Gulf Cooperation Council (GCC) countries to increase from \$48.5bn in 2025 to \$61.8bn in 2030, and to post a compound annual growth rate (CAGR) of 4.9% during the 2025-30 period. It attributed the positive outlook on the sector to the ongoing population growth in the region, increasing urbanization rates, evolving economic dynamics, a rebound in tourism activity, higher regulatory oversight, and growing awareness about the benefits of insurance across business lines. It forecast premiums in Saudi Arabia to reach \$27.9bn and to account for 45.2% of aggregate insurance premiums in the GCC in 2030, followed by the UAE with \$25.1bn (40.7%), Qatar with \$3.1bn (5%), Kuwait with \$3bn (4.9%), Oman with \$1.7bn (2.8%), and Bahrain with \$0.9bn (1.5%). Also, it projected premiums generated in Saudi Arabia to post a CAGR of 5.9% during the 2025-30 period, followed by Kuwait with a CAGR of 5.5%, Qatar with 4.7%, the UAE with 4.1%, Bahrain with 3.2%, and Oman with 2.6%.

Further, it anticipated non-life insurance premiums in GCC economies to increase from \$42.1bn in 2025 to \$54.1bn in 2030

and to grow at a CAGR of 5.2% during the 2025-30 period, supported by the roll-out of new mandatory business lines, growing awareness about the importance of risk protection against natural catastrophes, an increase in infrastructure investments, and the rebound in economic activity across the region. Also, it forecast life premiums to rise from \$6.4bn in 2025 to \$7.7bn in 2030 and to expand at a CAGR of 3.5% during covered period. Further, it projected the non-life insurance segment to account for 87.5% of gross written premiums in 2030 relative to 86.8% in 2025, and anticipated the life insurance segment to represent 12.5% of premiums in 2030 relative to 13.2% in 2025.

In parallel, it forecast the insurance penetration rate in GCC countries, or premiums relative to GDP, to remain at 2% of GDP between 2025 and 2030. As such, it projected the penetration rates of life and non-life insurance to be broadly stable at around 0.3% of GDP and 1.77% of GDP, respectively, during the 2025-30 period. In addition, it anticipated the density of the non-life insurance segment, or premiums per capita, to increase from \$672.3 in 2025 to \$795 in 2030, while it forecast the density of the life insurance segment to grow from \$103 in 2025 to \$112.6 in 2030.

Source: Alpen Capital

SAUDI ARABIA

Non-hydrocarbon sector growth to average 3.8% in 2026-27 period

Jadwa Investment projected Saudi Arabia's real GDP growth rate to decelerate from 4.5% in 2025 to 0.4% in 2026. It forecast the real hydrocarbon sector's GDP to shift from a growth rate of 5.7% in 2025 to a contraction of 5.8% this year due to lower oil production. Also, it expected the real non-hydrocarbon sector's GDP to decelerate from 4.9% in 2025 to 2.7% in 2026, as the conflict in the Middle East is negatively affecting the non-oil sector. In addition, it forecast the kingdom's real GDP growth rate to pick up to 7.1% in 2027 with real hydrocarbon GDP growing by 16% in 2027 with the rebound in oil output, and real non-oil GDP increasing by 4.9% in 2027, supported by ongoing reforms to improve the business environment.

In addition, it forecast the fiscal deficit to narrow from 5.8% of GDP in 2025 to 5.5% of GDP in 2026 and 4.3% of GDP next year in case of higher budget revenues. Further, it expected the public debt level to rise from 31.7% of GDP at end-2025 to 34.6% of GDP by end-2026 and 37.6% at end-2027, as the government finances its fiscal deficits through borrowing and due to higher government spending. Also, it pointed out that Saudi Arabia's oil exports can return to pre-conflict levels without a full normalization of flows through the Strait of Hormuz. It added that the country has the option to continue using the East-West pipeline at higher levels than before the conflict, as it exported less than 2 million b/d through the pipeline prior to the conflict and about 4.5 million b/d in April and May of this year.

In parallel, it projected the current account deficit to narrow from 2.6% of GDP in 2025 to 0.1% of GDP in 2026, in case higher oil prices offset lower oil production and exports, and forecast the current account deficit to widen to 1.3% of GDP in 2027. Also, it forecast official foreign currency reserves to reach \$487bn at end-2026 and \$481bn at end-2027. Further, it stated that the uncertainties about the resolution of the Middle East conflict and the impasse over the strait of Hormuz constitute downside risks to the economic outlook.

Source: Jadwa Investment



ECONOMY & TRADE

KUWAIT

Sovereign ratings affirmed on strong balance sheet

S&P Global Ratings affirmed Kuwait's short- and long-term foreign and local currency sovereign credit ratings at 'A-1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the country's sizable external and fiscal net asset stock positions, and to the agency's expectation that the Middle East conflict will be limited in duration, and that the country's energy production facilities will not incur further damage. It said that the 'stable' outlook reflects the agency's expectation that the country's sizable fiscal and external assets will help it withstand the significant risks to security and trade flows that stem from the Middle East conflict. Also, it forecast the country's gross external financing needs at 115.4% of current account receipts and usable reserves in 2026 and at 117.7% and 120.9% of such receipts in 2027 and 2028, respectively. In parallel, it noted that it could downgrade the ratings if broader reform efforts are slower than expected, which would weaken fiscal metrics or the growth outlook in the medium term. In parallel, Moody's Ratings affirmed Kuwait's long-term local and foreign currency issuer ratings at 'A1', and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the government's exceptionally strong balance sheet that provides a very large buffer against shocks, as well as by the country's very high per capita income, its vast low-cost hydrocarbon reserves and its strong position in the global oil market. It said that it could downgrade the ratings if the government's fiscal strength weakens substantially in the medium term, and/or if regional geopolitical tensions escalate.

Source: S&P Global Ratings, Moody's Ratings

EGYPT

External funding needs at \$36.3bn in FY2026/27

JPMorgan Chase & Co. projected Egypt's external financing requirements to decrease from \$37.6bn in the fiscal year that ends in June 2026 to \$36.3bn in FY2026/27. It estimated the funding gap at \$1.1bn in FY2025/26 and at zero in FY2026/27. It expected the authorities to source their external funding needs in FY2026/27 from \$16.5bn in net foreign direct investments (FDI) including from the sale of state-owned enterprises (SOEs), \$6.6bn in medium- and long-term loan disbursements, \$5bn in foreign portfolio investments, \$3.2bn in funding from the International Monetary Fund (IMF), and \$3bn in multilateral and bilateral lending. Also, it projected the current account deficit to widen from \$17.9bn in FY2025/26 to \$23bn in FY2026/27, driven by hydrocarbon dependence and potential lower remittance inflows. It noted that \$19.6bn of Egypt's external debt is due in 2026 and \$13.2bn will mature in 2027. In comparison, it said that the IMF projected Egypt's external financing needs to decrease from \$30.3bn in FY2025/26 to \$27.5bn in FY2026/27, excluding the deposits of Gulf Cooperation Council Countries at the Central Bank of Egypt and other amortizations. The IMF expected the authorities to source their external funding needs in FY2026/27 from \$19bn in net FDI including from the sale of SOEs, \$6.6bn in medium- and long-term loan disbursements, \$5bn in foreign portfolio investments, \$2.1bn in funding from the IMF, and \$1bn in multilateral and bilateral lending. It noted that \$31.4bn of Egypt's external debt is due in 2026 and 2027.

Source: JPMorgan Chase & Co., International Monetary Fund

ARMENIA

Election results to boost reforms agenda

S&P Global Ratings indicated that the re-election of Armenia's center right Civil Contract Party, led by incumbent Prime Minister Nikol Pashinyan, in the June 7 parliamentary elections, provides the government with a new mandate to pursue its economic policy agenda. It said that this outcome would support initiatives such as strengthening ties with Western partners, implementing structural reforms, and pursuing fiscal consolidation under the medium-term expenditures framework, which would stabilize public finances and facilitate a gradual decline in the debt levels. It noted that the successful implementation of these policies will enhance Armenia's regulatory and business environment, attract investments, and drive growth. It said that regional normalization with Azerbaijan could reduce geopolitical risks, support investments and trade, and strengthen medium-term growth prospects. It added that regional normalization could also facilitate longer-term trade and transport connectivity, including potential links through Türkiye. However, it said that Armenia's efforts to deepen ties with Western partners will remain challenging, given its significant economic and energy dependence on Russia through trade, remittances, tourism, energy supplies, and its membership in the Eurasian Economic Union. It noted that Russia has recently restricted imports of certain Armenian goods and raised concerns about Yerevan's increasing engagement with Western partners. It considered that any further deterioration in relations with Moscow could weigh on growth, external inflows, trade access, and energy security, which would potentially strain Armenia's external metrics.

Source: S&P Global Ratings

BANGLADESH

External and liquidity risks affecting credit profile

In its periodic review of Bangladesh's credit profile, Moody's Ratings indicated that the country's sovereign rating of 'B2' balances its robust long-term growth prospects and moderate debt burden, with its limited fiscal flexibility and its institutional weaknesses that are constraining the economy's competitiveness. It said that elevated political uncertainties, banking sector vulnerabilities and elevated government liquidity risks have increased external vulnerabilities, but it noted that the competitive ready-made garments industry will continue to contribute to GDP, exports, and incomes in the long term. It added that the government's debt affordability is weak due to higher debt servicing costs, despite access to concessional financing and the relatively modest public debt level. In addition, it indicated that the economic strength assessment of 'ba1' balances the economy's robust growth prospects with its very low per capita income and limited competitiveness. It noted that the 'b3' institutions and governance strength assessment reflects the deterioration in government effectiveness and in the control of corruption, as well as the weak credibility of the legal structures. Further, it stated that the country's 'ba2' fiscal strength takes into account the constraints of the government's fiscal flexibility and debt affordability due to its narrow revenue base. It added that Bangladesh's 'ba' susceptibility to event risk assessment is driven by external risks and government liquidity risks, as well as by the banking sector's vulnerabilities and political risks. In parallel, the International Monetary Fund indicated that the Bangladeshi authorities have requested a new IMF financial arrangement to support their economic reforms program.

Source: Moody's Ratings, International Monetary Fund



BANKING

MENA

Region in “medium risk” category for money laundering and terrorism financing

The Basel Anti-Money Laundering (AML) Index for 2025 shows that the Middle East and North Africa (MENA) region's average score reached 5.49 points in 2025 compared to an average of 5.45 points in 2024, and relative to a global average score of 5.28 points in 2025. The index measures the risk of money laundering and terrorist financing (ML/TF) across 177 jurisdictions and assigns scores from zero to 10 points per jurisdiction, with a score of 10 constituting the highest risk level. It is composed of 17 indicators that are grouped in five domains that are the quality of AML, and countering the financing of terrorism and of proliferation financing; corruption and fraud risks; financial transparency and standards; public transparency and accountability; and political and legal risks. Further, the results of the index show that the ML/TF risk level in MENA region is higher than the risk levels in East Asia and the Pacific (5.45 points), Eastern Europe and Central Asia (5.2 points), Latin America and the Caribbean (5.18 points), North America (4.72 points), and the European Union and Western Europe (4.11 points); while it is lower than the ML/TF risks in Sub-Saharan Africa (6.14 points) and South Asia (5.57 points). Also, the survey classified the MENA region in the "medium risk" category of ML/TF, along with South Asia, East Asia and the Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean, and North America. In comparison, it placed the European Union and Western Europe in the "lower risk" segment, and Sub-Saharan Africa in the "higher risk" category of ML/TF. It added that the weakest ML/TF area in the MENA region is financial transparency and standards.

Source: *Basel Institute on Governance*

JORDAN

Tier One ratio at 16%, NPLs at 5.5% in 2025

S&P Global Ratings indicated that total assets of the Jordanian banking sector reached JD117.8bn, or \$166.1bn, at the end of 2025, constituting an increase of 10.8% from JD106.2bn (\$149.7bn) at end-2024, with net customer loans standing at JD57.2bn (\$80.7bn) at end-2025 relative to JD51.8bn (\$73bn) a year earlier. In addition, it said that customer deposits totaled JD82.8bn (\$116.8bn) at end-2025, representing an increase of 10.6% from JD74.9bn (\$105.6bn) at end-2024. Further, it noted that the sector's non-performing loans (NPLs) ratio stood at 5.48% at end-2025 relative to 5.66% at end-2024. It said that loans loss provisions was 0.95% of average gross customer loans at end-2025, compared to a ratio of 1.05% at end-2024. It added that loan-loss reserves were equivalent to 7.63% of gross loans at end-2025 relative to 7.9% at end-2024; while problem loans regressed from 4.79% of risk weighted assets at end-2024 to 4.58% of such assets at end-2025. Further, it pointed out that the loans-to-deposits ratio was 69.06% at end-2025 compared to 69.13% of deposits a year earlier; liquid assets were equivalent to 24.5% of assets at end-2025, nearly unchanged from a year earlier; while liquid assets reached 28.6% of liabilities at end-2025 relative to 28.3% at end-2024. Also, it indicated that the sector's equity was equivalent to 14.3% of assets relative to 14.4% of assets a year earlier, with a Tier One capital ratio of 16% at end-2025 compared to 16.2% at end-2024. It pointed out that the sector's return on average assets was 1.45%, and its return on average equity stood at 10.12% in 2025.

Source: *S&P Global Ratings*

IRAQ

Total assets at 54% of GDP at end-June 2025

The Central Bank of Iraq indicated that the banking sector's total assets reached IQD186,706bn at the end of June 2025, constituting an increase of 43% from end-2020. It pointed out that the sector's assets were equivalent to 54% of GDP, which reflects the potential to attract the equivalent of \$120bn in additional assets. It noted that the sector's non-performing loans amounted to IQD11,913bn at end-June 2025 and rose by 27% from end-2020. It stated that the sector's aggregate deposits reached IQD118,561bn at end-June 2025 and increased by 36% from end-2020; while the banks' investments totaled IQD25,849bn and surged by 225% from end-2020. It noted that the sector's shareholders' equity reached IQD30,375bn at end-June 2025 and grew by 43% from end-2020. It said that the banks' total capital represented 26% of aggregate deposits at end-June 2025, which reflects the potential to attract the equivalent of \$80bn in deposits. Further, it indicated that retail loans accounted for 48% of the sector's total loans at end-June 2025, followed by credit to the government with 35%, and corporate loans with 17%. Also, it said that the sector's deposits in Iraqi dinar accounted for 77% of total deposits, while deposits in foreign currency represented the remaining 23% at end-June 2025. It noted that public sector deposits accounted for 58% of total deposits at end-June 2025, followed by customers' deposits with 24%, and corporate deposits with 18%. Also, it said that state-owned banks accounted for 76% of total assets, 85% of aggregate deposits, 81% of total credits, 74% of aggregate investments, and 41% of total shareholders' equity at end-June 2025.

Source: *Central Bank of Iraq*

NIGERIA

Ratings on seven banks affirmed, outlook 'stable'

Moody's Ratings affirmed the long-term deposit ratings of Bank of Industry (BoI), Fidelity Bank, First Bank of Nigeria (FBN), First City Monument Bank (FCMB), Guaranty Trust Bank (GTB), United Bank for Africa (UBA), and Zenith Bank at 'B3', and affirmed the Baseline Credit Assessments (BCAs) of Fidelity Bank, FBN, FCMB, GTB, UBA, and Zenith Bank at 'b3'. Also, it maintained the 'stable' outlook on the long-term ratings of the seven banks. It stated that the BCAs of GTB, UBA, and Zenith Bank and the rating of BoI are supported by their sound capitalization, the BCAs of Fidelity Bank and FBN are constrained by their weak capital metrics, while the BCA of FCMB reflects its modest capital ratios. It said that the BCAs of GTB, UBA and Zenith Bank are underpinned by their robust profitability, the BCAs of Fidelity Bank and FCMB take into account their sound profit ratios, while the BCA of FBN captures its low profitability. Also, it pointed out that the BCAs of Fidelity Bank, FBN, FCMB, UBA, and Zenith Bank are supported by their solid liquidity buffers, while the BCA of GTB reflects the bank's prudent foreign currency liquidity management. Further, it stated that the BCAs of UBA and Zenith Bank are constrained by the banks' high exposure to foreign-currency loans. In parallel, it noted that sovereign debt accounts for 26.2% of FCMB's assets, 25.2% of UBA's assets, 24% of Fidelity Bank's assets, 22.6% of Zenith Bank's assets, 18.9% of FCMB's assets, and 14.6% of GTB's assets. As such, it said that the BCAs of the five banks reflect the strong linkages between the banks' balance sheet and the sovereign's creditworthiness.

Source: *Moody's Ratings*



ENERGY / COMMODITIES

Oil prices to average \$109.8 p/b in second quarter of 2026

ICE Brent crude oil front-month futures contracts for August 2026 reached \$93.1 per barrel (p/b) on June 10, 2026 compared to \$97.8 p/b a week earlier, given that Iran and Israel halted attacks on each other following an appeal from U.S. President Donald Trump, as well as due to the increase of maritime traffic through the Strait of Hormuz. In parallel, the U.S. Energy Information Administration estimated that the disruption to oil production in the Gulf Cooperation Council countries, Iraq and Iran averaged 11.25 million barrels per day (b/d) in May 2026, and projected it to continue to rise to 11.34 million b/d in June as storage levels, particularly in Iran, reached maximum limits, which is forcing oil producers in the Middle East to cut back on additional output as long as oil shipments through the Strait continue to be blocked. It expected oil prices to stay elevated until global oil flows return to normal and inventories are replenished. It anticipated global oil inventories to decline by an average of 6.3 million b/d in the second quarter of 2026, and projected Brent crude oil prices to average about \$105 p/b in June and July. Also, it expected oil prices to average \$89 p/b by the fourth quarter of 2026 if traffic through the Strait of Hormuz resumes gradually and output returns to pre-crisis levels. Further, it forecast global oil demand to decrease by an average of 1.1 million b/d in 2026, and anticipated it to increase by 2.5 million b/d in 2027 to 105.3 million b/d once oil prices drop and supply flows normalize towards the end of 2026. In addition, it projected oil prices to average \$109.8 p/b in the second quarter of 2026 and \$95.4 p/b in full year 2026.

Source: U.S. Energy Information Administration, LSEG Workspace, Byblos Research

ME&A's oil demand to increase by 1.1% in 2026

The Organization of Petroleum Exporting Countries projected in April 2026 the consumption of crude oil in the Middle East & Africa to average 13.89 million barrels per day (b/d) in 2026, which would constitute an increase of 1.1% from 13.74 million b/d in 2025. The region's demand for oil would represent 23% of consumption in non-OECD countries and 13.1% of global consumption in 2026.

Source: OPEC

Saudi Arabia's oil export receipts at \$24.7bn in March 2026

Oil exports from Saudi Arabia totaled 6.13 million barrels per day (b/d) in March 2026, representing decreases of 31.3% from 8.93 million b/d in February 2026 and of 16% from 7.31 million b/d in March 2025. Oil export receipts reached \$24.7bn in March 2026, up by 36% from \$18.15bn in the previous month and by 37.4% from \$18bn in March 2025.

Source: JODI, General Authority for Statistics, Byblos Research

Algeria's oil exports down 29% in March 2026

Crude oil production in Algeria reached 971,000 barrels per day (b/d) in March 2026, constituting a downturn of 0.2% from 973,000 b/d in February 2026. Further, aggregate crude oil exports stood at 376,000 b/d in March 2026 and dropped by 29% from 529,000 b/d in February 2026.

Source: JODI, Byblos Research

Base Metals: Nickel prices to average \$18,600 per ton in second quarter of 2026

The LME cash prices of nickel averaged \$17,768.5 per ton in the year-to-June 10, 2025 constituting an increase of 15.2% from an average of \$15,426.6 a ton in the same period of 2025, due to stronger demand from stainless steel producers, supply disruptions in key exporting countries, and higher energy costs. In parallel, the latest available figures released by the International Nickel Study Group projected the global primary supply of nickel at 3.72 million tons in 2026, which would constitute a decrease of 4.3% from 3.88 million tons in 2025 and relative to 3.59 million tons in 2024. It noted that Indonesia, the world's leading nickel producer, has introduced additional measures in 2026 to closely regulate its mining sector, which reduced the metal's output and led to higher prices. Also, it forecast global demand for primary nickel at 3.75 million tons in 2026, which would represent an increase of 4.2% from 3.6 million tons in 2025 compared to 3.47 million tons in 2024. As such, it projected the global nickel market to post a deficit of 32,000 tons in 2026, relative to surpluses of 283,000 tons in 2025 and 116,000 tons in 2024. Further, Standard Chartered Bank projected nickel prices to average \$18,600 per ton in the second quarter of 2026 and \$17,935 a ton in full year 2026.

Source: International Nickel Study Group, Standard Chartered Bank, LSEG Workspace, Byblos Research

Precious Metals: Gold prices to average \$4,650 per ounce in second quarter of 2026

Gold prices averaged \$4,751 per ounce in the year-to-June 10, 2026 period, constituting a surge of 56.3% from an average of \$3,039.4 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 26.2% from an all-time high of \$5,586.2 per ounce on January 29, 2026 to \$4,124.4 an ounce on June 10, 2026, due to rising U.S. Treasury yields and a stronger exchange rate of the US dollar against major currencies. Further, Citi Research revised its forecast for gold prices from a previous projection of \$4,300 an ounce to \$4,000 per ounce for the next three months, as Iran's continued blockade of the Strait of Hormuz and high energy prices have led to expectations that the U.S. Federal Reserve would increase its policy rates rather than cutting them this year, which would weigh on gold price through higher real rates and a stronger exchange rate of the US dollar. It noted that gold demand is currently weak due to seasonal factors and reduced activity outside China, such as the sale of gold by the central banks of Russia and Türkiye, and higher import duties in India and Malaysia. Also, it expected gold prices to rebound to \$5,000 per ounce in the next six to 12 months if tensions ease in the Strait of Hormuz. In addition, Standard Chartered Bank considered that a resolution of the Middle East conflict will help gold to regain its role as a strategic asset in portfolio allocations, with the U.S. Federal Reserve's monetary policy remaining the main driver of gold prices in the near term. In parallel, it forecast gold prices to average \$4,650 per ounce in the second quarter of 2026.

Source: Citi Research, Standard Chartered Bank, 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	Aa3 Stable	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	27-May-26	No change	08-Jul-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	28-May-26	No change	16-Jul-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-Jun-26
India	Repo Rate	5.25	05-Jun-26	No change	05-Aug-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	21-May-26	No change	09-Jul-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	7.00	28-May-26	Raised 25bps	23-Jul-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	17.00	05-Jun-26	Cut 100bps	24-Jul-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



Economic Research & Analysis Department
Byblos Bank Group
P.O. Box 11-5605
Beirut - Lebanon
Tel: (+961) 1 338 100
Fax: (+961) 1 217 774
E-mail: research@byblosbank.com.lb
www.byblosbank.com

The Country Risk Weekly Bulletin is a research document that is owned and published by Byblos Bank sal. The contents of this publication, including all intellectual property, trademarks, logos, design and text, are the exclusive property of Byblos Bank sal, and are protected pursuant to copyright and trademark laws. No material from the Country Risk Weekly Bulletin may be modified, copied, reproduced, repackaged, republished, circulated, transmitted, redistributed or resold directly or indirectly, in whole or in any part, without the prior written authorization of Byblos Bank sal.

The information and opinions contained in this document have been compiled from or arrived at in good faith from sources deemed reliable. Neither Byblos Bank sal, nor any of its subsidiaries or affiliates or parent company will make any representation or warranty to the accuracy or completeness of the information contained herein.

Neither the information nor any opinion expressed in this publication constitutes an offer or a recommendation to buy or sell any assets or securities, or to provide investment advice. This research report is prepared for general circulation and is circulated for general information only. Byblos Bank sal accepts no liability of any kind for any loss resulting from the use of this publication or any materials contained herein.

The consequences of any action taken on the basis of information contained herein are solely the responsibility of the person or organization that may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies that may be discussed in this report and should understand that statements regarding future prospects may not be realized.



BYBLOS BANK GROUP

LEBANON

Byblos Bank S.A.L
Achrafieh - Beirut
Elias Sarkis Avenue - Byblos Bank Tower
P.O.Box: 11-5605 Riad El Solh - Beirut 1107 2811- Lebanon
Phone: (+ 961) 1 335200
Fax: (+ 961) 1 339436

IRAQ

Erbil Branch, Kurdistan, Iraq
Street 60, Near Sports Stadium
P.O.Box: 34 - 0383 Erbil - Iraq
Phone: (+ 964) 66 2233457/8/9 - 2560017/9
E-mail: erbilbranch@byblosbank.com.lb

Sulaymaniyah Branch, Kurdistan, Iraq
Salem street, Kurdistan Mall - Sulaymaniyah
Phone: (+ 964) 773 042 1010 / (+ 964) 773 041 1010

Baghdad Branch, Iraq
Al Karrada - Salman Faeq Street
Al Wahda District, No. 904/14, Facing Al Shuruk Building
P.O.Box: 3085 Badalat Al Olwiya – Iraq
Phone: (+ 964) 770 6527807 / (+ 964) 780 9133031/2
E-mail: baghdadbranch@byblosbank.com.lb

Basra Branch, Iraq
Intersection of July 14th, Manawi Basha Street, Al Basra – Iraq
Phone: (+ 964) 770 4931900 / (+ 964) 770 4931919
E-mail: basrabranch@byblosbank.com.lb

ARMENIA

Byblos Bank Armenia CJSC
18/3 Amiryan Street - Area 0002
Yerevan - Republic of Armenia
Phone: (+ 374) 10 530362 Fax: (+ 374) 10 535296
E-mail: infoarm@byblosbank.com

BELGIUM

Byblos Bank Europe S.A.
Brussels Head Office
Boulevard Bischoffsheim 1-8
1000 Brussels
Phone: (+ 32) 2 551 00 20
Fax: (+ 32) 2 513 05 26
E-mail: byblos.europe@byblosbankeur.com

UNITED KINGDOM

Byblos Bank Europe S.A., London Branch
Berkeley Square House
Berkeley Square
GB - London W1J 6BS - United Kingdom
Phone: (+ 44) 20 7518 8100
Fax: (+ 44) 20 7518 8129
E-mail: byblos.london@byblosbankeur.com

FRANCE

Byblos Bank Europe S.A., Paris Branch
15 Rue Lord Byron
F- 75008 Paris - France
Phone: (+33) 1 45 63 10 01
Fax: (+33) 1 45 61 15 77
E-mail: byblos.europe@byblosbankeur.com

NIGERIA

Byblos Bank Nigeria Representative Office
161C Rafu Taylor Close - Off Idejo Street
Victoria Island, Lagos - Nigeria
Phone: (+ 234) 706 112 5800
(+ 234) 808 839 9122
E-mail: nigeriarepresentativeoffice@byblosbank.com.lb

ADIR INSURANCE

Dora Highway - Aya Commercial Center
P.O.Box: 90-1446
Jdeidet El Metn - 1202 2119 Lebanon
Phone: (+ 961) 1 256290
Fax: (+ 961) 1 256293

