

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Contribution of travel and tourism sector projected at \$12tn or 9.9% of global GDP in 2026

Figures released by the World Travel & Tourism Council (WTTC) show that the contribution of the Travel and Tourism (T&T) industry to global gross domestic product (GDP) reached \$11.6 trillion (tn), or 9.8% of GDP in 2025, constituting an increase of 8.7% from \$10.7tn (10.4% of GDP) in 2019. The contribution of the T&T sector in North America stood at \$3.05tn and accounted for 8.7% of the contribution of the T&T industry to global GDP in 2025, followed by Europe with \$2.95tn (9.4% of GDP), North East Asia with \$2.31tn (8.5% of GDP), South East Asia with \$396bn (9.4% of GDP), the Middle East with \$386bn (9.8% of GDP), Central & South America with \$381bn (7.4%), South Asia with \$320bn (6.3% of GDP), Oceania with \$248bn (11.3% of GDP), Africa with \$228bn (7% of GDP), and the Caribbean with \$85.5bn (18% of GDP). In parallel, it stated that leisure spending by visitors accounted for 80.5% of T&T expenditures, while business spending represented 19.5% in 2025. It said that the T&T industry employed 366.4 million persons globally in 2025, up by 8.3% from 338.4 million in 2019, and accounted for 10.9% of total employment in 2025 compared to a share of 10.7% in 2019. In parallel, it projected the contribution of the T&T sector to global GDP at \$12tn in 2026 and at \$17.1tn in 2036, which would be equivalent to 9.9% of this year's GDP and to 11% of GDP in 2036. Also, it forecast employment in the T&T sector at 375.8 million jobs in 2026, or 11.1% of worldwide employment this year, and at 464.5 million jobs or 12.7% of the global employment in 2036. *Source: World Travel & Tourism Council*

Nearly 90% of central banks expect to increase their gold holdings in 2026

The World Gold Council's annual survey of 76 central banks around the world revealed that 89% of respondents anticipated the gold reserves of central banks to increase in the next 12 months, relative to 95% of participants in the 2025 survey that expected a rise in gold reserves, 81% of respondents in 2024, 71% of participants in 2023, 61% of respondents in 2022, and 52% of participants in 2021. Further, it said that 88% of surveyed central banks indicated that they increased their gold holdings in the past five years, while 45% of central banks anticipated to augment their gold holdings and 54% expected their gold reserves to remain unchanged in the coming 12 months. In parallel, 92% of survey participants cited interest rate levels as the most relevant factor in their decision to hold more gold, while 88% of respondents mentioned geopolitical instability and 79% of them pointed to inflation concerns as reasons to acquire gold. Also, 97% of central banks in emerging markets and developing economies cited interest rate levels as the top factor in their decision to purchase gold, 95% mentioned geopolitical instability and 94% pointed to inflation as reasons to increase their gold holdings. In comparison, 78% of central banks in advanced economies considered interest rates as the most important factor impacting their holdings of gold, followed by 67% of respondents who cited geopolitical risks and 61% who mentioned inflation concerns. The World Gold Council conducted the survey between February and May 2026. *Source: World Gold Council*

MENA

Investments in startups down 21.6% to \$1.6bn in first five 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 \$1.55bn in the first five months of 2026, constituting a decline of 21.6% from \$2bn in the same period of 2025, while there were about 196 investments in startups in the covered period relative to 219 deals in the first five months of 2025. Investments in UAE startups stood at \$1.08bn and accounted for 70% of placements in the region's startups in the first five months of the year, followed by investments in Saudi Arabia with \$253m (16.4%), Egypt with \$117m (7.6%), Bahrain with \$25m (1.6%), and Morocco with \$23.9m (1.5%). Also, there were 75 investments in Saudi startups in the first five months of 2026, followed by the UAE with 69 deals, Egypt with 20 transactions, Qatar with nine deals, and Morocco with seven transactions. In addition, investments in fintech startups amounted to about \$627.6m and accounted for 40.6% of total capital deployed in MENA startups in the covered period, followed by investments in logistics companies with \$313.5m (20.3%), property technology firms with \$234m (15.1%), e-commerce companies with \$75.4m (4.9%), and food technology firms with \$74.6m (4.8%). Also, Business-to-Business startups attracted \$666.1m across 109 deals, while Business-to-Consumer startups secured \$659.1m across 61 transactions in the first five months of 2026.

Source: Wamda, Digital Digest

UAE

Earnings of Abu Dhabi firms up 15.8%, profits of Dubai firms up 6.2% in first quarter of 2026

The net income of 78 companies listed on the Abu Dhabi Securities Exchange that published their financial results totaled AED39.9bn, or \$10.9bn in the first quarter of 2026, constituting a rise of 15.8% from AED34.4bn, or \$9.4bn in the first quarter of 2025. Listed firms in the financial sector generated net profits of \$5.3bn and accounted for 49.2% of the total earnings of publicly-listed firms in the first quarter of 2025, followed by energy companies with \$1.7bn (16%), telecommunication firms with \$1.1bn (9.8%), industrials with \$939.1m (8.6%), utilities with \$569.8m (5.2%), real estate firms with \$540.8m (5%), basic materials companies with \$352.9m (3.2%), healthcare providers with \$134.1m (1.2%), consumer staples firms with \$111m (1%), and consumer discretionary firms with \$98.6m (0.9%). In parallel, the cumulative net income of 60 companies listed on the Dubai Financial Market that published their financial results stood at AED24.5bn, or \$6.7bn, in the first quarter of 2026, representing an increase of 6.2% from AED23.1bn or \$6.3bn in the first quarter of 2025. Listed financial firms generated profits of \$1.86bn, or 50.5% of net earnings in the first quarter of the year, followed by real estate companies with \$1.26bn (34.5%), industrials with \$150m (4.1%), utilities firms with \$138.2m (3.8%), telecommunications firms with \$124.8m (3.4%), consumer staples companies with \$68.2m (2%), consumer discretionary firms with \$58.3m (1.6%), and materials firms with \$11.3m (0.3%).

Source: KAMCO, Byblos Research

OUTLOOK

AFRICA

Real GDP growth rate at 4% in 2026, outlook clouded by geopolitical risks

The World Bank revised its projection for the real GDP growth rate of Sub-Saharan Africa (SSA) to 4% in 2026 from a previous forecast of 4.3%, driven by the negative impact of the conflict in the Middle East that will outweigh existing growth such as structural reforms and recent trade agreements that support investment and exports. It said that the economic outlook assumes that the geopolitical environment in SSA stabilizes in the near term and that security improves in economies facing fragile and conflict-affected situations across the region. Further, it noted that higher energy prices will benefit oil exporters, particularly Angola and Nigeria, while non-oil-exporting economies will face higher fuel, fertilizer, and transport costs, which will drive up inflation. It expected economic activity in non-oil-exporting economies to be significantly lower-than-anticipated in 2026, as elevated consumer prices and input costs are set to reduce consumption and raise production costs.

Further, it projected the real GDP growth rate of SSA excluding Nigeria and South Africa to slightly decelerate from 5.2% in 2025 to 5% in 2026. Also, it forecast economic activity in the region's industrial commodity exporting-countries to grow from 3.1% in 2025 to 3.2% in 2026 amid elevated commodity prices, despite weaker external demand and the impact of higher prices on consumption. It expected the real GDP growth rate of non-resource-rich economies to decline from 6.4% in 2025 to 5.7% in 2026 due to higher import costs. In addition, it said that limited fiscal resources are restricting efforts to manage rising energy and food prices across many SSA economies. Also, it expected monetary policy in many SSA economies to remain tight given concerns about inflation and the authorities' limited ability to accommodate or overlook inflation shocks. It said that high borrowing costs, reduced concessional financing, and declining official development assistance will weigh on the fiscal challenges of SSA governments.

Source: World Bank

MENA

Economic activity to contract by 3.3% in 2026

The Institute of International Finance projected economic activity in the Middle East to shift from a growth rate of 3.2% in 2025 to a contraction of 3.3% in 2026 amid the impact of the regional conflict, with economic activity shrinking by 13% in Lebanon, 11.5% in Iraq, 10.5% in Kuwait, 9.4% in Qatar, 9% in Iran, 4.6% in Bahrain, 1.4% in the UAE, and 0.5% in Saudi Arabia. In contrast, it forecast Egypt, Oman and Jordan to post real GDP growth rates of 3.9%, 2.7% and 2.4%, respectively, this year. It said that structural shifts in Middle East energy flows and security dynamics are affecting the reliability of exports and the resilience of logistics infrastructure. Also, it expected regional hydrocarbon supply to decline by about 12% in 2026 and to normalize gradually in 2027, as logistical bottlenecks ease and alternative routes become operational. As such, it anticipated the region's economic activity to grow by 4.5% in 2027.

In addition, it forecast the fiscal deficit in the Middle East region to widen from 3.4% of GDP in 2025 to 3.6% of GDP in 2026

and 3.9% of GDP in 2027, and for the public debt level to increase from 44.4% of GDP at end-2025 to 45.3% of GDP at end-2026 and 46% of GDP at end-2027. It noted that higher oil prices continue to boost fiscal positions of Middle Eastern economies, but it noted that energy revenues cannot shield economies from disruptions to trade, infrastructure, and investor confidence. As a result, it said that post-conflict outcomes will vary widely across the region's economies, reflecting differences in financial buffers, governance, and economic flexibility. It stated that lower security risks should gradually boost tourism and private investment in the GCC, but added that confidence will remain sensitive to geopolitical developments, the durability of regional security arrangements, and the credibility of ongoing reforms. In parallel, it projected the region's current account surplus to decline from 3.3% of GDP in 2025 to 1.1% of GDP in 2026 and 0.5% of GDP in 2027, driven by a deterioration in trade balance. But it considered that the easing of regional tensions and a U.S.-Iran agreement will provide a more supportive backdrop for tourism, logistics, and cross-border activity, even though the conflict has exposed the region's continued reliance on hydrocarbons and its vulnerability to geopolitical shocks.

Source: Institute of International Finance

ARMENIA

Economic trajectory hinges on constitutional reforms and diversification of external ties

JPMorgan Chase & Co. indicated that the victory of Armenia's center right Civil Contract Party in the recent parliamentary elections, led by incumbent Prime Minister Nikol Pashinyan, leaves the government with a narrower margin of maneuver, particularly on constitutional reforms, which remains the principal obstacle to concluding a peace agreement with Azerbaijan and a full normalization of relations with Türkiye. It said that the peace agreement constitutes a significant medium-term upside risk due to the resulting improved connectivity, trade, and investments. Further, it expected the peace process with Azerbaijan to be delayed rather than derailed, given that the Civil Contract Party did not win the supermajority, as Baku continues to insist that Armenia amends its constitution before concluding a final peace treaty.

In addition, it expected the government to continue to deepen its ties with the European Union and the U.S., while pursuing visa-free short-term travel to countries in the Schengen zone, expanding Western investment links in the information technology and nuclear energy sectors, as well as reducing its strategic dependence on Russia. But it noted that Russia remains Armenia's dominant trading partner, a key energy supplier, and an important destination for Armenian workers and exports. It said that the Kremlin's decision to impose restrictions on Armenian food and flower exports ahead of the parliamentary elections serves as a reminder that Moscow retains significant economic leverage over the country and is quite sensitive to Yerevan's geopolitical re-orientation. It considered that current trade restrictions remain manageable and are unlikely to alter Armenia's macroeconomic trajectory, given the country's improved external position and healthy foreign-currency reserve buffers. It noted that the economy is increasingly supported by the exports of services, as well as by tourism and technology-related inflows, which are reducing its reliance on traditional merchandise exports.

Source: JPMorgan Chase & Co.



ECONOMY & TRADE

GCC

Corporate sector outlook revised to 'deteriorating' on elevated geopolitical risks

Fitch Ratings revises the outlook on the corporate sector in Gulf Cooperation Council's (GCC) countries from 'neutral' to 'deteriorating' in 2026 amid heightened geopolitical risks, reduced tourism and transport activity, higher supply chain costs due to the closure of the Strait of Hormuz, and a slowdown in the real estate sector. It said that ongoing regional tensions are having uneven effects across sectors, but added that most entities that issue securities should continue to benefit from public spending, particularly in Saudi Arabia and the UAE where public-sector capital expenditures constitute a key driver of economic activity. It noted that Qatar, Bahrain and Kuwait's energy exports have been constrained by the closure of the Strait of Hormuz and are heavily reliant on access through Saudi Arabia's logistics infrastructure. It expected the earnings margins of some sectors to narrow due to irregular disruptions at major trade chokepoints, which is translating into higher input costs. In addition, it said that access to debt capital markets by government-related entities (GREs) and non-GRE GCC issuers is likely to remain constrained, particularly in the high-yield segment, but it noted that active fundraising activity prior to the conflict has resulted in the availability of corporate liquidity. It considered that refinancing and liquidity risks for weaker credits will increase as a result of elevated interest rates.

Source: Fitch Ratings

SAUDI ARABIA

Agencies affirm sovereign ratings on capacity to absorb external shocks

Moody's Ratings affirmed Saudi Arabia's long-term local and foreign issuer rating and senior unsecured ratings at 'Aa3', and the foreign- and local currency country ceilings at 'Aaa'. It maintained the 'stable' outlook on the long-term ratings. It attributed its decision to Saudi Arabia's wealthy economy, its vast hydrocarbon endowment, low oil production costs and highly competitive position in global energy markets, along with improving institutional and policy effectiveness. It added that solid non-oil growth is supported by sustained public investments, structural reforms, and gradually improving fiscal and economic transparency. Further, it said that the 'stable' outlook reflects expectations that Saudi Arabia's credit profile will remain resilient to significant disruptions of trade flows through the Strait of Hormuz for the rest of 2026. It said that it could upgrade the ratings if the ongoing diversification efforts significantly reduce the country's economic and fiscal reliance on hydrocarbons in the medium term. In parallel, Capital Intelligence Ratings affirmed Saudi Arabia's short- and long-term foreign and local currency ratings at 'A1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It said that the ratings reflect the economy's enhanced capacity to absorb external shocks, supported by the country's robust international liquidity position and large fiscal buffers, as well as by the economy's improved resilience due to the continued implementation of structural reforms. But it noted that the ratings are constrained by very high geopolitical risk factors, the still elevated reliance on potentially volatile hydrocarbon proceeds, and limited fiscal transparency.

Source: Moody's Ratings, Capital Intelligence Ratings

IRAQ

Ratings removed from CreditWatch negative

S&P Global Ratings removed Iraq's long-term ratings from Credit Watch with negative implications, and affirmed its long-term foreign and local currency sovereign credit ratings at 'B-', which are six notches below investment grade respectively, with a 'negative' outlook on the long-term ratings. It attributed its decision to the receding risks from the Middle East conflict, the expectations of a gradual resumption of oil exports through the Strait of Hormuz, and the continued support from sizable foreign currency reserves. It added that the ratings affirmation reflects higher global oil prices through 2026 that will support fiscal and balance-of-payments receipts, assuming oil exports gradually recover in the second half of the year. Further, it projected Iraq's oil output in 2026 to be 28% lower than in 2025, and expected the country's fiscal and balance-of-payments positions to be under pressure in 2026, given that oil-related receipts exceed 90% of fiscal and export revenues. It forecast the country's foreign currency reserves at \$85.7bn at end-2026, which will cover 11.5 months of current account payments. Also, it projected Iraq's gross external financing needs at 54.1% of current account receipts plus useable reserves in 2026, as well as at 56.3% and 56.5% of such receipts and reserves in 2027 and 2028, respectively. In parallel, it noted that it could downgrade the ratings if domestic political uncertainties or regional geopolitical risks escalate and increase the risk of damage to physical infrastructure, which would lead to adverse implications on growth, fiscal performance, and the balance of payments.

Source: S&P Global Ratings

CÔTE D'IVOIRE

Sovereign ratings affirmed, outlook 'stable'

Fitch Ratings affirmed Côte d'Ivoire's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'BB', which is two notches below investment grade, and maintained the 'stable' outlook on the long-term IDRs. It also affirmed the Country Ceiling at 'BB+'. It said that the ratings take into account the economy's strong growth prospects and sound fiscal management indicators, as well as the authorities' solid macroeconomic policies as reflected by a track record of low inflation rates and strong engagement with the International Monetary Fund. It added that Côte d'Ivoire's diversified economy, expanding extractive sector, and rising public and private investments provide resilience against external shocks. But it noted that the ratings are constrained by low income per capita relative to similarly-rated peers, low government revenues, as well as high interest-to-revenues and government debt ratios. Further, it projected the public debt level to decrease from 56.4% of GDP in 2025 in 2026 and 2027 to the 'BB' median of 53.2% of GDP despite the expected modest fiscal slippage. It noted that the declining debt trajectory reflects the authorities' commitment to fiscal consolidation, which supports investor confidence and reduces vulnerability to external shocks. Further, it forecast the current account deficit to widen from 0.8% of GDP in 2025 to 3.5% of GDP in 2026, as higher import costs weigh on the trade balance. In parallel, it said that it could downgrade the ratings if business or investor confidence weakens, and/or if the government fails to reduce the public debt level. But it noted that it could upgrade the ratings if the public debt level decreases, and/or in case structural indicators improve.

Source: Fitch Ratings



BANKING

SAUDI ARABIA

Banks' profits at \$6.4bn in first quarter of 2026

Figures released by KAMCO show that the net profits of the Saudi banking sector reached SAR23.9bn, or the equivalent of \$6.4bn, in the first quarter of 2026, constituting an increase of 7.6% from SAR22.2bn (\$5.9bn) in the same quarter of 2026, driven by a rise of 7.7% in net interest income and a decline of 27.3% in loan-loss provisions. It noted that the sector's pre-provisioning profits increased by 4.9%, while earnings excluding the debt servicing cost of Tier One capital instruments rose by 6% year-on-year in the first quarter of 2026. It stated that operating expenses increased by 6% year-on-year in the first quarter of 2026. It added that the pickup in operating income was driven by a 7.7% increase in net interest income, despite a 4.1% decline in non-interest income in the covered period. Further, it indicated that net loans and advances totaled SAR3,355bn (\$894.7bn) at end-March 2026 compared to SAR3,115bn (\$830.7bn) at end-March 2025. It added that the sector's gross non-performing loans ratio stood at 1.05% at end-March 2026 compared to 0.87% at end-March 2025, and had a coverage ratio of 137.3%. It said that the sector's cost of risk regressed from 27 bps at end-March 2025 to 18 bps at end-March 2026. It noted that the sector's aggregate deposits amounted to SAR3,062bn (\$816.5bn) at end-March 2026, and increased by 9.7% from SAR2,791bn (\$744.3bn) a year earlier, with demand deposits accounting for 49.3% of the total. It added that the loans-to-deposits ratio regressed by 64 bps from end-March 2025 to 110% at end-March 2026.

Source: KAMCO, Byblos Research

JORDAN

Banks' ratings affirmed

Moody's Ratings affirmed the long-term local and foreign currency deposit ratings of Arab Bank at 'Ba1', the Housing Bank for Trade and Finance (HBTF) at 'Ba3' and Cairo Amman Bank (CAB) at 'B1'. Also, it maintained the 'stable' outlook on the ratings of the three banks. It added that the 'stable' outlook on the ratings reflects the agency's expectations that the banks will maintain solid capital and liquidity buffers against the continued high credit and geopolitical risks in the region. Also, it affirmed the baseline credit assessment (BCA) of Arab Bank at 'ba1', the BCA of HBTF at 'ba3', and the BCA of CAB at 'b2'. It noted that the BCA of Arab Bank reflects the bank's moderate direct exposure to Jordan's sovereign risk and its high level of geographical diversification. Further, it pointed out that the BCA of HBTF is supported by the bank's strong retail deposit funded franchise and its strong capitalization. It stated that the BCA of CAB reflects its solid capital levels, retail-deposit funding profile, and strong liquidity metrics. In parallel, Capital Intelligence Ratings affirmed the long-term foreign currency ratings of Jordan Kuwait Bank (JKB) and Jordan Ahli Bank (JAB) at 'BB-' each. It also affirmed the Bank Standalone Ratings (BSRs) of the two banks at 'bb-', the Core Financial Strength (CFS) rating of JKB at 'bb' and the CFS of JAB at 'bb-', and maintained the 'stable' outlook on the long-term ratings of the two banks. It noted that the CFS of JKB is supported by moderating profitability, solid capitalization, strong liquidity buffers and a stable funding profile. Further it indicated that CFS of JAB is underpinned by the bank's good loan asset quality, sound capital buffers, and comfortable liquidity.

Source: Moody's Ratings, Capital Intelligence Ratings

ANGOLA

Banking assets equivalent to 21% of GDP

S&P Global Ratings indicated that total assets of Angola's banking sector reached AOA26,540.5bn, or \$29.1bn, at the end of 2025, constituting an increase of 14.2% from AOA23,244.1bn (\$25.5bn) at end-2024, with net customer loans standing at AOA6,989bn (\$7.7bn) at end-2025 relative to AOA5,623.5bn (\$6.2bn) a year earlier. In addition, it said that customer deposits totaled AOA19,552.4bn (\$21.4bn) at end-2025, representing an increase of 9.8% from AOA17,802.2bn (\$19.5bn) at end-2024. Also, the sector's assets and loans were equivalent to 21% of GDP and 5% of GDP, respectively, in 2025, while aggregate deposits were equivalent to 15.4% of GDP last year. Further, it noted that the sector's non-performing loans (NPLs) ratio stood at 19.7% at end-2025 relative to 21.9% a year earlier, and that loan-loss reserves were equivalent to 19.4% of gross loans at end-2025 relative to 21.6% at end-2024. Further, it pointed out that the loans-to-deposits ratio was 35.7% at end-2025 compared to 31.6% of deposits a year earlier; liquid assets were equivalent to 38.5% of assets at end-2025, relative to 40.2% at end-2024; while liquid assets reached 44.8% of liabilities at end-2025 compared to 46.2% at end-2024. It pointed out that the banking sector's total equity reached AOA3,772.8bn, or \$4.1bn, at the end of 2025, relative to AOA3,024bn (\$3.3bn) at the end of 2024, and that it was equivalent to 14.2% of assets in 2025 relative to 13% of assets a year earlier. Also, it indicated that the sector's aggregate profits reached AOA1,017.2bn (\$1.1bn) in 2025, representing an increase of 19.5% from AOA851.1bn (\$980m) at the end of 2024, with the net interest margin improving to 6.99% in 2025 from 6.34% a year earlier. It pointed out that the sector's return on average assets was 4.09% and its return on average equity stood at 29.93% in 2025 compared to 3.73% and 31.2%, respectively, in 2024.

Source: S&P Global Ratings

NIGERIA

Capital adequacy ratio at 11.7%, NPLs at 8% at end-September 2025

The International Monetary Fund indicated that the Nigerian banking sector is resilient, liquid and profitable. It said that the banks' capital adequacy ratio decreased from 14% at end-September 2024 to 11.7% at end-September 2025, due to the impact of the depreciation of the naira's exchange rate on risk-weighted assets and to higher provisioning. It stated that the sector's regulatory Tier One capital ratio reached 9.7% at end-September 2025 compared to 12% a year earlier. It noted that the recapitalization of the banking sector raised about \$3.4bn in new equity, with 33 out of 37 banks meeting the revised requirements by the end of March 2026 deadline. Also, it noted that the banks' liquid assets were equivalent to 57.6% of the sector's short-term liabilities at end-September 2025 compared to 53.2% of such liabilities a year earlier, while liquid assets stood at 24% of the sector's total assets at end-September 2025 relative to 19.6% at end-September 2024. Also, it pointed out that the banks' non-performing loans ratio was 8% at end-September 2025, up from 4.9% at end-September 2024. In addition, it stated that the banking sector's return on assets regressed from 3.5% in September 2024 to 3% annually in September 2025, and that their return on equity declined from 43.2% in September 2024 to 27.5% annually in September 2025.

Source: International Monetary Fund



ENERGY / COMMODITIES

Oil prices to average \$98 p/b in second quarter of 2026

ICE Brent crude oil front-month futures contracts for August 2026 stood at \$79 per barrel (p/b) on June 16, 2026, constituting a decline of 13.7% from \$91.5 p/b a week earlier, and reaching their lowest level in three months. The decrease in oil prices is mainly due to the memorandum of understanding (MoU) that Washington and Tehran reached on June 14. The MoU calls for a 60-day extension of the U.S.-Iran ceasefire deal, the reopening of the Strait of Hormuz to all shipping, and the immediate authorization for Iran to resume its crude oil exports. In parallel, Goldman Sachs expected the recovery of oil supply to accelerate as oil exports from Gulf Cooperation Council (GCC) producers continue to normalize towards pre-war levels, with a 12 million barrels per day (b/d) increase in flows through the Strait of Hormuz, which would still only reach about 70% of pre-war volumes. It said that GCC hydrocarbon flows have already climbed to 11 million b/d, supported by higher shipments through the Strait of Hormuz and by the redirection of such exports through other channels. It noted that producers such as Saudi Arabia and the UAE may react more aggressively to low commercial inventories this summer in OECD countries, and could potentially increase their oil output beyond the pre-war baseline. It added that Iran's oil production could surpass pre-war levels if the lifting of sanctions materializes. In contrast, it considered that the recovery of oil supply might be weaker if regional hostilities resume or if Iran effectively closes the Strait of Hormuz in case the negotiations on its nuclear program do not succeed. In addition, it projected oil prices to average \$98 p/b in the second quarter and \$85 p/b in full year 2026.

Source: Goldman Sachs, LSEG Workspace, Byblos Research

OPEC oil output down 1% in May 2026

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 18.8 million barrels of oil per day (b/d) in May 2026, constituting a decrease of 1% from 19 million b/d in April 2026. On a country basis, Saudi Arabia produced 6.9 million b/d, or 36.7% of OPEC's total output, followed by Iran with 2.33 million b/d (12.4%), the UAE with 2.1 million b/d (11.2%), Nigeria with 1.52 million b/d (8.1%), and Iraq with 1.48 million b/d (7.9%).

Source: OPEC

Kuwait's crude oil production down 53.5% in March 2026

Crude oil production in Kuwait totaled 1.2 million barrels per day (b/d) in March 2026, constituting declines of 53.5% from 2.58 million b/d in February 2026 and of 50.3% from 2.4 million b/d in March 2025. Crude oil exports stood at 500,000 b/d in March 2026, representing decreases of 58.8% from 1.21 million b/d in February 2026 and of 59.3% from 1.23 million b/d in March 2025.

Source: JODI, Byblos Research

OPEC's oil basket price up 5% in May 2026

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged \$114.6 per barrel (p/b) in May 2026, constituting an increase of 5% from \$109.1 p/b in April 2026. The price of Saudi Arabia's Arab Light was \$122.1p/b, followed by Iraq's Basrah Light at \$120.2p/b and Kuwait's Kuwait Export at \$118.7p/b. In parallel, four out of 12 prices in the OPEC basket increased between \$10.24 p/b and \$14.89 p/b in May 2026, while the remaining prices decreased between \$2.29 p/b and \$24.4 p/b.

Source: OPEC

Base Metals: Copper prices to average \$13,500 per ton in second quarter of 2026

LME copper cash prices averaged \$13,047 per ton in the year-to-June 17, 2026 period, constituting a rise of 39% from an average of \$9,384.8 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 6.9 million tons in the first quarter of 2026, nearly unchanged from 6.8 million tons in the same period last year. Also, it noted that the global production of refined copper reached 7.3 million tons in the first quarter of 2026, up by 4.5% from 7 million tons from the same quarter 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. Also, it noted that the metal's production in China and the DRC represented about 60% of global production, and expected it to increase in the near term. Also, the ICSG indicated that the surplus of refined copper increased from 135,000 tons in the first quarter of 2025 to 396,000 tons in the same period of this year. Further, Citi Research forecast LME copper cash prices to average \$13,500 per ton in the second quarter of 2026, and \$13,700 per ton in full year 2026.

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

Precious Metals: Gold prices to average \$4,375 per ounce in next three to 12 months

Gold prices averaged \$4,730.7 per ounce in the year-to-June 17, 2026 period, constituting a surge of 55% from an average of \$3,054 an ounce in the same period last year, driven largely by strong demand from central banks worldwide, by concerns about global economic uncertainties, and wider Middle East tensions. Also, gold prices decreased by 22.2% from an all-time high of \$5,586.2 per ounce on January 29, 2026 to \$4,348 an ounce on June 17, 2026 due to rising U.S. Treasury yields and a stronger exchange rate of the US dollar against major currencies. Further, Julius Bär expected gold prices to increase in the near term, driven by elevated demand from central banks and steady inflows to gold-backed exchange-traded funds (ETFs). It anticipated the purchases of gold by central bank to continue for another three to five years, reflecting their desire to become less dependent on the US dollar as a reserve currency. In addition, figures released by the World Gold Council show that global flows into gold-backed ETFs shifted from inflows of 45.2 tons in April 2026 to outflows of 16 tons in May 2026, which reflected a shift in global flows in ETFs from inflows of \$6.6bn in April 2026 to outflows of \$2bn in May 2026. It said that outflows from gold-backed ETFs totaled 8.6 tons in Asia in May 2026, followed by 8.5 tons in North America, and other regions recorded outflows of 0.1 tons, while gold-backed ETFs in Europe registered inflows of 1.2 tons in May 2026. In parallel, it forecast gold prices to average \$4,375 per ounce in the next three to 12 months.

Source: Julius Bär, World Gold Council, 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- Negative	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

**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	17-Jun-26	No change	29-Jul-26
Eurozone	Refi Rate	2.40	30-Apr-26	Raised 25bps	N/A
UK	Bank Rate	3.75	30-Apr-26	No change	18-Jun-26
Japan	O/N Call Rate	1.00	16-Jun-26	Raised 25bps	31-Jul-26
Australia	Cash Rate	4.35	16-Jun-26	No change	11-Aug-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	10-Jun-26	No change	N/A
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	16-Jun-26	No change	04-Aug-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



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