

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

New arbitration cases total \$41bn in 2025

Figures released by the International Chamber of Commerce (ICC) show that the International Court of Arbitration received 881 new arbitration cases in 2025, constituting a rise of 6% from 831 cases in 2024. It added that 2,531 parties were involved in arbitration cases in 2025, as 28.8% originated from North & Western Europe, 19.5% from Latin America & the Caribbean, 14% from East & South Asia and the Pacific, 12.6% from North America, 10.6% from the Middle East & Central Asia, 8.8% from Central & Eastern Europe, 4.2% from Sub-Saharan Africa, and 1.6% from North Africa. Also, 69.4% of ICC arbitrations cases involved cross-border disputes, 50% of newly-registered cases consisted of parties from the same region, and 30.6% involved parties with the same nationality. Further, there were 246 disputes in the construction & engineering sector, or 28% of the total, followed by the energy sector with 128 new cases (15%), the healthcare and pharmaceuticals sector with 53 cases (6%); transportation with 48 cases (5.5%); telecommunications & specialized technologies with 44 cases (5%); industrial equipment & services with 42 cases (4.8%); financing & insurance with 41 cases (4.6%); business services with 39 cases (4.4%); general trade & distribution with 30 cases (3.4%); and leisure & entertainment with 18 cases (2%). In addition, the average amount in disputes was \$50m in new cases and \$172m in cases pending at year-end, while the total amount of disputes in new cases stood at \$41bn and the aggregate amount of caseloads pending at year was \$299bn.

Source: International Chamber of Commerce

MENA

Stock markets flat in first half of 2026

Arab stock markets grew by a marginal 0.2% and Gulf Cooperation Council (GCC) equity markets expanded by 0.1% in the first half of 2026 compared to increases of 2.5% and 1.5%, respectively, in the same period of 2025. Also, Arab stock markets and GCC equity markets decreased each by 1.6% in June 2026 from May 2026, while they expanded by 0.6% and 0.1%, respectively, from June 2025. In comparison, global equity markets appreciated by 10.4% and emerging market equities surged by 22.7% in the first half of 2026, relative to increases of 9.1% and of 13.7%, respectively, in the same period of 2025. Further, global equity markets decreased by 1% and emerging market equities retreated 1.7% in June 2026 from the previous month, while they surged by 22.1% and by 41%, respectively, from June 2025. Activity on the Tunis Bourse jumped by 47.7% in the first half of 2026, the Muscat Securities Market surged by 28%, the Egyptian Exchange advanced by 20.7%, and the Palestine Exchange expanded by 9%. Also, the Amman Stock Exchange increased by 6.8%, the Damascus Securities Exchange appreciated by 4.8%, the Iraq Stock Exchange gained 3.7%, and the Saudi Stock Exchange yielded 3% during the covered period. In contrast, the Beirut Stock Exchange regressed by 8.3%, the Qatar Stock Exchange dropped by 4.8%, the Casablanca Stock Exchange decreased by 3.3%, the Boursa Kuwait contracted by 2.3%, the Abu Dhabi Securities Exchange shrank by 2%, the Dubai Financial Market retreated by 1.5%, and the Bahrain Bourse declined by 1.2%.

Source: MSCI indices, Local stock markets, LSEG Workspace

GCC

Travel and tourism to contribute 10.6% of GDP in 2026

The World Travel & Tourism Council estimated that the travel and tourism sector in the Gulf Cooperation Council (GCC) countries contributed 12.2% of the region's GDP in 2025 compared to 9.5% of GDP in 2019. It estimated that the broad travel & tourism (T&T) sector generated \$289.6bn in revenues in 2025, constituting a surge of 50.7% from \$192.1bn in 2019. It pointed out that the T&T industry in the GCC economies employed 3.2 million persons in 2025, up by 46.2% from 2.2 million jobs in 2019. As such, the industry accounted for 9.5% of the region's total employment in 2025 compared to a share of 8.2% in 2019. In parallel, it estimated the aggregate international spending by visitors to GCC countries at \$154.9bn, while spending by local visitors on T&T reached \$81.9bn in 2025. Also, leisure spending by visitors to GCC economies totaled \$186.6bn in 2025 and business spending reached \$50.2bn last year. In parallel, it projected the contribution of the T&T sector to the region's GDP at \$251.6bn in 2026 and at \$460bn in 2036, which would be equivalent to 10.6% of this year's GDP and 14% of GDP in 2036. It forecast the employment in the T&T sector at 3 million jobs in 2026, or 8.9% of total employment in GCC this year, and at 4 million jobs or 9.9% of the region's total employment in 2036. It projected international spending at \$109.9bn in 2026 and \$258.6bn in 2036, and anticipated domestic spending at \$78.4bn in 2026 and \$116.1bn in 2036.

Source: World Travel & Tourism Council

SAUDI ARABIA

Profits of listed firms up 22% to \$44.4bn in first quarter of 2026

The cumulative net income of 227 companies listed on the Saudi Stock Exchange, or Tadawul, totaled SAR166.4bn, or \$44.4bn in the first quarter of 2026, constituting an increase of 22.1% from SAR136.3bn, or \$36.4bn, in the same period of 2025. Listed energy firms generated net profits of \$33.1bn and accounted for 74.6% of total earnings in the first quarter of 2026, followed by listed banks with \$6.4bn (14.4% of the total), telecommunications firms with \$1.3bn (3%), materials companies with \$869.6m (2%), food & beverages firms with \$390.4m (1%), real estate management and development companies with \$361.7m (0.8%), software and services providers with \$313.3bn (0.7%), healthcare equipment and services providers with \$297m (0.67%), and capital goods firms with \$271.4 (0.6%); while the remaining sectors generated net profits of \$1.12bn in the covered period. In parallel, the net earnings of commercial & professional services firms jumped by 48.2% in the first quarter of 2026, followed by the net income of consumer services companies (+44.7%), energy firms (+29.4%), insurers (+24%), software and services providers (+21.6%), materials firms (+12%), listed banks (+7.6%), telecommunication firms (+6%), consumer staples distribution & retail companies (+5.5%) and pharma, biotech & life science firms (+5.2%). In contrast, the net earnings of consumer durables & apparel firms dropped by 71.3%, followed by the net earnings of real estate management and development firms (-32.8%), financial services providers (-28.5%), and media companies (-25.5%).

Source: KAMCO

OUTLOOK

EMERGING MARKETS

Economic activity to decelerate to 3.6% in 2026

The World Bank projected the real GDP growth rate in emerging markets and developing economies (EMDEs) to decelerate from 4.4% in 2025 to 3.6% in 2026, driven by higher energy prices, tighter monetary conditions, heightened geopolitical strains, weaker global trade growth, and ongoing trade policy uncertainty in some regions. It forecast the real GDP growth of the East Asia and Pacific region to decelerate from 5% in 2025 to 4.2% in 2026, and for economic activity in South Asia to slow down from 7% last year to 6.3% in 2026. Also, it expected the real GDP growth rate of Sub-Saharan Africa at 4% this year relative to 4.1% in 2025, while it anticipated economic activity in Latin America and the Caribbean to regress from 2.3% in 2025 to 2.2% in 2026. Further, it projected the real GDP growth rate of Emerging Europe and Central Asia to decrease from 2.5% last year to 2.1% in 2026, and for economic activity in the Middle East & North Africa region to decelerate from 4% in 2025 to 1.6% this year. Further, it anticipated the real GDP growth rate in EMDEs to rebound to 4.2% in the 2027-28 period, due to lower energy prices, renewed monetary easing, and higher exports.

In addition, it projected the fiscal deficit in EMDEs to widen in 2026, especially among energy importers, where median deficits would increase to 3.5% of GDP. It also expected the public debt levels in EMDEs excluding China to continue to rise from 70% of GDP currently, which would lead to elevated interest rates, higher debt-service payments, and an increased likelihood of debt distress. In parallel, it said that risks to the outlook are tilted to the downside, as more prolonged disruptions to commodity flows could further raise commodity prices, intensify inflationary pressures and food insecurity, trigger financial stress, and reduce economic growth. It added that persistent trade policy uncertainties, geopolitical strains, and weather-related shocks would also pose material risks to the outlook.

Source: World Bank

IRAQ

Real GDP to contract by 11.5%, current account deficit to widen to 7.8% of GDP in 2026

The Institute of International Finance (IIF) projected Iraq's real GDP to shift from a growth rate of 0.5% in 2025 to a contraction of 11.5% in 2026, reflecting disruptions to oil production and exports caused by damages to the Basra loading facilities, power shortages in southern oil fields, and heightened security risks from Iran-aligned militias. It forecast real hydrocarbon GDP to shift from a growth rate of 2.8% in 2025 to a contraction of 20.3% in 2026, and for real non-oil GDP to improve from a contraction of 2% last year to a milder contraction of 1% in 2026, supported by higher agricultural and electricity production. It added that non-oil activity remains constrained by electricity shortages, weak governance, and fragile investor confidence, which amplify spillovers from limited oil output and limit the scope for domestic demand to cushion the downturn. Also, it forecast Iraq's nominal GDP at \$217bn this year and at \$218.4bn in 2027. Further, it expected the inflation rate to accelerate from 0.3% in 2025 to 3.6% in 2026 and 3.2% in 2027.

In addition, it projected the fiscal deficit to widen from 7.3% of GDP in 2025 to 10.2% of GDP in 2026 and 10.5% of GDP in 2027.

2027, as the sharp drop in oil export volumes will more than offset the effect of the increase in global oil prices. It noted that modest losses from hydrocarbon output have a direct impact on economic activity, the budget, and the balance of payments, given that income from hydrocarbons account for the overwhelming share of fiscal revenues and of export receipts. Also, it forecast the public debt level to increase from 62.5% of GDP at the end of 2025 to 69.6% of GDP at end-2026 and 78.1% of GDP at end-2027. Further, the IIF anticipated the current account deficit to widen from 2.5% of GDP in 2025 to 7.8% of GDP in 2026 and 8.8% of GDP in 2027, and forecast official foreign currency reserves to decrease from \$82.2bn in 2025 to \$66.3bn in 2026 and \$54bn in 2027, reflecting weaker oil receipts and rising external financing needs.

In parallel, the IIF noted that the authorities have initiated discussions with the International Monetary Fund on a potential new program, in order to seek external support to stabilize the macroeconomic framework, strengthen reserve, and anchor the fiscal adjustment. But it considered that, without a durable improvement in security conditions and the rapid reconstruction of the damaged infrastructure, Iraq's economic recovery will remain slow, uneven, and highly sensitive to further disruptions, which would leave the economy exposed to renewed volatility.

Source: Institute of International Finance

IRAN

Economy facing fragile recovery path

The Institute of International Finance projected Iran's real GDP to shrink by 5.1% in the fiscal year that ends in March 2027, compared to a contraction of 2.3% in FY2025/26, due to the effects of international sanctions, war-related damages, the depreciation of the exchange rate of the Iranian rial, limited policy space, as well as lower consumption, investment, and exports. Also, it forecast real oil and non-oil GDP to shrink by 6% and 5%, respectively, in FY2026/27, relative to contractions of 4% and 2.1%, respectively, in FY2025/26. Further, it expected Iran's real GDP to grow by 4.7% in FY2027/28 with real oil and non-oil GDP expanding by 10% and 4.5%, respectively, if the ceasefire between Iran and the U.S. holds and if Tehran has partial access to its frozen assets. But it expected foreign investments to remain weak, sanctions to continue to constrain activity, and relations with major trading partners to stay continue to be uncertain.

In addition, it anticipated the inflation rate to increase from 50.6% in FY2025/26 to 67% in FY2026/27 as the depreciation of the rial pushed the inflation rate to 86% in May 2026, with elevated food inflation severely eroding real incomes and household consumption. Further, it projected the current account surplus to pick up from 0.1% of GDP in FY2025/26 to 0.8% of GDP in FY2026/27, and forecast foreign currency reserves, including frozen foreign-currency reserves, to rise from \$2.2bn at end-March 2026 to \$3.1bn at end-March 2027 and \$7.5bn at end-March 2028. It said that a partial access to Iran's \$60bn in frozen assets could ease liquidity pressures and stabilize the local currency. It considered that the release of \$10bn to \$20bn in frozen assets over two years could materially improve the country's foreign currency liquidity, support the rial's exchange rate, and ease inflationary pressure, while it noted that larger releases of between \$30bn and \$50bn could accelerate economic stabilization.

Source: Institute of International Finance

ECONOMY & TRADE

QATAR

Sovereign ratings affirmed, outlook 'stable'

Moody's Ratings affirmed Qatar's long-term local and foreign currency issuer ratings and senior unsecured ratings at 'Aa2', and the foreign- and local currency country ceilings at 'Aaa'. It also maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to its expectations that the government's balance sheet will remain very robust, which is anchored by the government's large financial assets that significantly outweigh its moderate debt burden, that provide a large and effective buffer to absorb shocks, and that mitigate credit risks stemming from Qatar's high economic and fiscal reliance on the oil and gas sector. Also, it noted that the country's vast hydrocarbon reserves, its highly competitive position in the global liquefied natural gas market, and its very high per-capita income, support the sovereign's capacity to adjust to shocks. Further, it said that the 'stable' outlook reflects its expectations that Qatar's credit profile will remain resilient to the regional conflict. But it expected the conflict and related logistical disruptions to weigh on Qatar's non-hydrocarbon sectors such as retail and hospitality, transport and real estate, and associated business services. It said that it could upgrade the ratings in case of a significant progress on economic and fiscal diversification, which would reduce the sovereign's exposure to longer-term credit risks related to global carbon transition, and/or in case of a durable decline in regional geopolitical tensions. But it said it could downgrade the ratings if Qatar's fiscal buffers face a prolonged and material erosion, or if the government reverses its prudent fiscal policy stance.

Source: *Moody's Ratings*

BANGLADESH

Budget targets face execution risks

Fitch Ratings projected Bangladesh's real GDP growth rate at 3.5% in the fiscal year that ends in June 2027 compared to the authorities' forecast of 6.5%, as it attributed its projection to a fragile banking sector, weak private-sector credit growth, policy framework shortcomings, and an uncertain external environment that continues to weigh on investments. Further, it projected the fiscal deficit at 3.6% of GDP in FY2026/27, in line with the authorities' target, driven by lower revenues and reduced expenditures. It considered that the government's budget for FY2026/27 sets revenue targets that look challenging to achieve in light of the authorities' weak track record of tax mobilization and of reforms implementation. It said that the budget aims to raise revenues from 8% of GDP in FY2025/26 to 10.2% of GDP in FY2026/27, which would be the highest level since 1993. It considered that effective revenue collection constitutes the government's main fiscal test, as the budget targets nominal revenue growth of 18% and proposes a 19% rise in spending. It said that measures to improve revenue collection, such as simplifying tax procedures, reducing tax exemptions, facilitating adherence to value-added tax requirements for small- and medium sized enterprises, and boosting non-tax income from state-owned enterprises could broaden the tax base over time, but it noted that weak tax collection has limited the impact of reforms in the past. It considered that medium-term progress on revenues collection and economic growth will depend on whether the government can implement its reforms more effectively than in the past.

Source: *Fitch Ratings*

CÔTE D'IVOIRE

Real GDP growth to average 6.1% annually in 2026-27 period

The International Monetary Fund (IMF) projected Côte d'Ivoire real GDP growth rate to decelerate from 6.5% in 2025 to 6% in 2026 and 6.1% in 2027, reflecting weaker external demand amid the war in the Middle East and heightened global risks. It said that the country's economy remains resilient, but it noted that the outlook is subject to heightened uncertainties. Further, it forecast the inflation rate to increase from 0.1% in 2025 to 3.3% in 2026 and 3.6% in 2027 due to higher food and commodity prices. Also, it expected the fiscal deficit to widen from 3% of GDP in 2025 to 3.8% of GDP in 2026 and 3.5% of GDP in 2027. It added that the authorities plan a temporary and moderate relaxation of the fiscal deficit target in 2026 in order to accommodate the revenue shortfalls and preserve priority investments. In addition, it forecast the current account deficit to widen from 0.6% of GDP in 2025 to 2.3% of GDP in 2026 and 3.2% of GDP in 2027, and for the country's external debt to reach 37% of GDP at end-2026 and 35.5% of GDP at end-2027. In parallel, it indicated that the medium-term outlook remains favorable, as it is supported by strong household consumption and investments, continued expansion of the hydrocarbon and mining sectors, and the authorities' reforms agenda under the 2026–30 period National Development Plan. It added that careful implementation of targeted and temporary support measures to vulnerable households, along with revenue mobilization efforts and the sustained application of the fuel price adjustment mechanism, will be essential to preserve fiscal sustainability and protect priority spending. In addition, it said that the IMF Executive Board's completion of the program final reviews will lead to two disbursements totaling about \$832.8m and that it has reached with the government a staff-level agreement on the sixth review under the Extended Fund Facility and Extended Credit Facility arrangements.

Source: *International Monetary Fund*

PAKISTAN

External funding needs at \$30.1bn in FY2026/27

Standard Chartered Bank projected Pakistan's external financing requirements at \$30.1bn in the fiscal year that ends in June 2027 and estimated the external funding gap of \$9.3bn. It indicated that Pakistan needs to repay \$12.6bn to creditors, roll over \$7bn in external debt, and cover a current deficit of \$10.5bn in FY2026/27. It added that repayments to creditors consist of \$4.5bn in commercial debt, \$4.37bn to multilateral creditors, \$2.44bn to bilateral creditors, \$1.15bn in settlements of loans to the International Monetary Fund, and \$0.17bn to other creditors including the Naya Pakistan Certificate. In parallel it expected external funding from external sources to reach \$20.8bn in FY2026/27. It anticipated that the authorities would meet their external financing needs in FY2026/27 from \$4.7bn in debt raised from diverse commercial sources, \$4.5bn in bilateral and multilateral borrowing, as well as from rolling over \$4bn in existing debt from China and \$3bn in existing debt from Saudi Arabia. Also, it forecast the current account deficit to be equivalent to 2.5% of GDP in FY2026/27.

Source: *Standard Chartered Bank*



BANKING

GCC

Banks' income up 5% to \$16.8bn in first quarter of 2026

Figures released by financial services firm KAMCO indicate that listed banks in the six Gulf Cooperation Council (GCC) countries posted aggregate net profits of \$16.8bn in the first quarter of 2026, constituting increases of 4.3% from \$16.1bn in the fourth quarter of 2025 and of 5% from \$16bn in the first quarter of 2025. It attributed the rise in profits mainly to the increase in non-interest income by \$1bn, or by 10%, to \$10.9bn in the covered quarter. Also, it indicated that loan-loss provisions at GCC banks totaled \$2.7bn at the end of March 2026, constituting a decrease of 29% from \$3.8bn at end-2025 and a rise of 28.6% from \$2.1bn at end-March 2025. It added that the aggregate revenues of banks reached \$35.3bn in the first quarter of 2026, representing increases of 0.9% from \$35bn in the fourth quarter of 2025 and of 8.6% from \$32.5bn in the first quarter of 2025. Further, it indicated that the aggregate assets of listed GCC banks stood at \$4 trillion (tn) at the end of March 2026 and grew by 2.6% from \$3.9tn at end-2025 and by 11.3% from \$3.6tn a year earlier. In addition, it said that the banks' aggregate net loans reached \$2.56tn at the end of March 2026 and improved by 2% from \$2.51tn at end-2025 and by 12.6% from \$2.27tn at end-March 2025, while customer deposits amounted to \$2.88tn and grew by 3.5% from \$2.78tn at end-2025 and by 8.7% from \$2.65tn a year earlier. As such, it pointed out that the aggregate loans-to-deposits ratio of listed GCC banks was 85% at the end of March 2026 compared to 85.8% at end-2025 and 81.9% a year earlier.

Source: KAMCO

JORDAN

Banks' ratings affirmed, outlook 'stable'

Capital Intelligence Ratings affirmed the long-term foreign currency ratings of Arab Bank (AB), Arab Jordan Investment Bank (AJIB), Bank Al Etihad (BAE), Cairo Amman Bank (CAB), Capital Bank of Jordan (CAP), Jordan Commercial Bank (JCB), Safwa Islamic Bank (SIB), Housing Bank for Trade and Finance (HBTF), and Bank ABC Jordan at 'BB-'. It also affirmed the Bank Standalone Ratings (BSRs) of the nine banks at 'bb-', and maintained the 'stable' outlook on the long-term ratings and on the BSRs of all the banks. Also, it affirmed the Core Financial Strength (CFS) ratings of AB and HBTF at 'bbb-', the CFS ratings of AJIB and BAE at 'bb+', the CFS ratings of ABC, SIB and CAP at 'bb', and the CFS ratings of CAB and JCB at 'bb-'. It noted that the CFS of AJIB takes into account its strong asset quality, while the CFSs of AB, Bank ABC, Bank Al Etihad, CAP, SIB, CAB and JCB capture their acceptable asset quality. Further, it stated that the ratings on all the banks are supported by their robust capital buffers and by their solid liquidity profile. It said that the rating of Bank ABC is constrained by its weak profitability and that the ratings of the remaining banks are underpinned by their stable profitability metrics. Also, it indicated that ABC Bank's high funding costs is weighing on its CFS rating, while a good funding structure is supporting the CFS ratings of the remaining banks. Further, it said that the ongoing geopolitical tensions in the region could negatively impact the banks' asset quality through higher non-performing loans (NPLs) ratios and, in turn, affect their profitability by increasing provisioning requirements.

Source: Capital Intelligence Ratings

ARMENIA

Banks' ratings affirmed, outlook 'stable'

Moody's Ratings affirmed the long-term local and foreign-currency deposit ratings of Ameriabank, ID Bank, and Inecobank at 'Ba3', and the ratings of Unibank at 'B1'. Also, it affirmed the Baseline Credit Assessments (BCAs) of Ameriabank, ID Bank, and Inecobank at 'ba3' and the BCA of Unibank at 'b2'. Further, it maintained the 'stable' outlook on the ratings of the four banks. It said that the outlook on the ratings of the four banks takes into account their sound fundamentals that it expects the banks to maintain in the next 12 to 18 months. Further, it indicated that Ameriabank benefits from a high probability of government support in case of need, reflecting its systemic importance as one of the largest banks in Armenia, while Inecobank and Unibank benefit from a moderate probability of government support amid their important market share. But it said that the rating of ID Bank does not incorporate any government support, given that it is a privately-owned bank with a market share of about 4%. In addition, it pointed out that the BCAs of Ameriabank, ID Bank, and Inecobank are supported by their robust asset quality, strong capital buffers, solid profitability metrics, and healthy liquidity buffers. It said that the BCA of Unibank reflects its improved asset quality, modest capital adequacy ratio, sound profit ratios, and adequate liquidity metrics. But it noted that the BCAs of Ameriabank and Inecobank are constrained by their elevated exposures to assets and liabilities in foreign currency on their balance sheet. It indicated that the BCA of ID Bank takes into account the bank's rapid loan book growth, which could negatively affect its asset quality.

Source: Moody's Ratings

ALGERIA

FATF removes Algiers from 'grey list'

In its June 2026 update, the Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), removed Algeria from its list of "jurisdictions under increased monitoring", and indicated that Algiers made significant progress in improving its AML/CFT regime. It said that Algiers strengthened the effectiveness of its AML/CFT regime to meet the commitments in its action plan regarding the strategic deficiencies that the FATF identified in October 2024. It noted that the authorities improved risk-based supervision, especially for higher risk sectors, including through the adoption of new procedures, risk assessments, supervision manuals and guidelines, as well as undertook inspections and applied effective, proportionate and dissuasive sanctions. It pointed out that the authorities developed an effective framework for basic and beneficial ownership information and enhanced the country's regime for suspicious transaction reports. It added that the authorities established an effective legal and institutional framework for targeted financial sanctions for terrorism financing, and implemented a risk-based approach for the oversight of non-profit organizations, without disrupting or discouraging legitimate activity. Further, it urged the authorities to continue to work with the FATF and its regional body MENAFATF to strengthen the effectiveness of its AML/CFT regime. The FATF included Algeria on its list of "jurisdictions under increased monitoring" in October 2024, and maintained it on the list in February, June and October 2025, as well as in February 2026.

Source: Financial Action Task Force



ENERGY / COMMODITIES

Oil prices to average \$75 p/b in third quarter of 2026

ICE Brent crude oil front-month futures contracts for September 2026 averaged \$87.6 per barrel (p/b) in the first half of 2026, constituting an increase of 23.6% from an average of \$70.9 p/b in the same period of 2025, primarily due to supply disruptions from the Middle East conflict and the effective closure of the Strait of Hormuz, which drastically reduced global oil flows. But oil prices reached \$71.6 p/b on July 1 and decreased by 18% from \$87.3 p/b on June 12 amid the Memorandum of Understanding that the U.S. and Iran signed and that covered easing tensions, the reopening the Strait of Hormuz, tackling Iran's nuclear program, and addressing Teheran's frozen foreign assets. In parallel, Citi Research projected global oil supply to increase from 94.8 million barrels per day (b/d) in the second quarter to 105.5 million b/d in the third quarter of 2026, and for global oil demand to rise from 99.4 million b/d in the second quarter to 104.8 million b/d in the third quarter of the year. As such, it expected global oil supply at 103.1 million b/d and global oil demand at 103.2 million b/d in 2026. Under its base-case scenario, it assumes that the negotiations between the U.S. and Iran will lead to sustained hydrocarbon flows through the Strait of Hormuz, which will result in a surplus of 4 million b/d in the oil market by 2027. However, in its bear-case scenario, it expected a strong increase in oil output by the UAE, Saudi Arabia and Iran, along with an agreement between Russia and Ukraine to end their war, to result in an average oil price of \$60 p/b in the fourth quarter of 2026. In its bull-case scenario, it anticipated a re-escalation of the conflict in the Middle East, which will drive oil prices above \$100 p/b. Further, it projected ICE Brent oil spot prices to average \$75 p/b in the third quarter and \$81 p/b in full year 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

Kuwait's crude oil production down 53.2% in April 2026

Crude oil production in Kuwait totaled 562,000 barrels per day (b/d) in April 2026, constituting declines of 53.2% from 1.2 million in March 2026 and of 76.7% from 2.4 million b/d in April 2025. Crude oil exports stood at 41,000 b/d in April 2026, representing decreases of 91.8% from 500,000 b/d in March 2026 and of 96.4% from 1.13 million b/d in April 2025.

Source: JODI, Byblos Research

Global steel output up 4% in May 2026

Global steel production reached 157.9 million tons in May 2026, representing an increase of 3.9% from 153.4 million tons in April 2026 and a decrease of 0.6% from 158.8 million tons in May 2025. Production in China totaled 84.4 million tons and accounted for 53.5% of global steel output in May 2026, followed by output in India with 14.1 million tons (9%), the U.S. with 7.5 million tons (4.7%), Japan with 7 million tons (4.4%), and Russia with 5.6 million tons (3.5%).

Source: World Steel Association, Byblos Research

Algeria's oil exports up 31.6% in April 2026

Crude oil production in Algeria reached 979,000 barrels per day (b/d) in April 2026, constituting an uptick of 0.8% from 971,000 b/d in March 2026. Further, aggregate crude oil exports stood at 495,000 b/d in April 2026 and increased by 31.6% from 376,000 b/d in March 2026.

Source: JODI, Byblos Research

Base Metals: Aluminum prices to average \$4,000 per ton in third quarter of 2026

The LME cash price of aluminum averaged \$3,380 per ton in the first half of 2026, constituting a rise of 33.4% from an average of \$2,534.3 a ton in the same period of 2025. The increase in prices was due to persistent supply constraints, elevated energy costs, and stronger demand from sectors such as electric vehicles, renewable energy, and construction. In parallel, Citi Research projected the primary supply of aluminum at 73.39 million tons in 2026, which would constitute a decrease of 1% from 74.07 million tons in 2025. Also, it forecast the primary demand for the metal at 76.02 million tons this year, which would represent an uptick of 2.4% from 74.25 million tons in 2025. As such, it expected the metal's deficit to widen from 340,000 tons in 2025 to 2.63 million tons in 2026. In its base case scenario, it projected the price of the metal to average \$4,000 per ton in the third quarter of 2026, as the reopening of the Strait of Hormuz would stabilize demand for aluminum faster than it would restore supply of the metal, while the growth of the metal's supply, which is led by Indonesia, remains inadequate to cover the deficit. In its bear case scenario, it forecast aluminum prices to average \$3,000 per ton in the third quarter of 2026, as output from aluminum producers in the Gulf Cooperation Council reaches undersupplied markets and Chinese inventories of aluminum continue to build on a seasonally adjusted basis. Under its bull case scenario, it projected aluminum prices to average \$4,500 per ton in the third quarter of this year, if disruptions to commodity flows persist or escalate, which would keep the metal's supply constrained despite the reopening of the Strait of Hormuz. Also, it forecast aluminum prices to average \$4,000 a ton in the third quarter of 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

Precious Metals: Silver prices to average \$75 per ounce in third quarter of 2026

Silver prices averaged \$78.2 per troy ounce in the first half of 2026, constituting a surge of 137.4% from an average of \$32.9 an ounce in the same period of 2025. Further, prices peaked at \$115.1 per ounce on January 26, 2026, driven mainly by speculative trading and higher demand for safe havens due to global economic uncertainties. In parallel, Citi Research projected the global supply of silver at 1,056 million ounces in 2026, which would constitute an uptick of 1% from 1,046 million ounces in 2025, and anticipated mine supply to account for 80% of total silver production this year. Also, it forecast demand for the metal at 1,114 million ounces in 2026, representing a drop of 23% from 1,444 million ounces in 2025. Further, in its bear case scenario, it projected silver prices to decrease from \$75 per ounce in the second quarter to \$65 an ounce in the third and fourth quarters of 2026, as faster substitution of silver in solar photovoltaic, a quicker decline of geopolitical risks, and the continued monetary policy tightening stance by the U.S. Federal Reserve weigh on demand. However, in its bull case scenario, it expected silver prices to pick up from \$75 per ounce in the second quarter of 2026 to \$90 per ounce in the third quarter and \$100 an ounce in the fourth quarter of the year, driven by the de-escalation of tensions between the U.S. and Iran, the faster recovery in oil supply, possible rate cuts by the U.S. Federal Reserve's rate cuts, and stronger investment demand from India and China. Also, it forecast silver prices to average \$75 per ounce in the third quarter of 2026 under its base case scenario.

Source: Citi Research, 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		Next meeting
			Date	Action	
USA	Fed Funds Target Rate	3.75	17-Jun-26	No change	29-Jul-26
Eurozone	Refi Rate	2.40	11-Jun-26	Raised 25bps	23-Jul-26
UK	Bank Rate	3.75	18-Jun-26	No change	30-Jul-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	22-Jun-26	No change	20-Jul-26
Hong Kong	Base Rate	4.00	11-Dec-25	Cut 25bps	N/A
Taiwan	Discount Rate	2.00	16-Jun-26	No change	17-Aug-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	24-Jun-26	No change	26-Aug-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	11-Jun-26	No change	23-Jul-26
South Africa	Repo Rate	7.00	28-May-26	Raised 25bps	23-Jul-26
Kenya	Central Bank Rate	8.75	09-Jun-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	25-Jun-26	No change	06-Aug-26
Brazil	Selic Rate	14.25	17-Jun-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	18-Jun-26	No change	30-Jul-26
Russia	Refi Rate	14.25	19-Jun-26	Cut 25bps	24-Jul-26



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