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BYBLOS BANK SAL
Economic Research & Analysis Department

COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Personal wealth up by 11% to $518 trillion in 2025

UBS' annual survey on global wealth indicates that total global personal wealth reached $517.7 trillion (tn) in 2025 compared to $467.2tn in 2024 and $446.7tn in 2023, and rose by 10.8% in US dollar terms last year relative to increases of 4.6% in 2024 and of 4.2% in 2023. Further, it said that personal wealth grew by 17.5% in Europe, the Middle East and Africa (EMEA) region in 2025, followed by the Americas with an increase of 8.5%, and Asia Pacific region (APAC) with a pickup of 5.9%. In parallel, it stated that the Americas accounted for 40.6% of global wealth in 2025, followed by the APAC region with 32.8% in 2025, and the EMEA region with 26.6% in 2025. Based on the weighted average by population size, North America held 38.1% of global wealth in 2025, followed by Western Europe with 21.9%, Greater China with 18.5%, Southeast Asia with 11.5%, Eastern Europe with 3.3%, Australia and New Zealand with 2.8%, Latin America with 2.5%, and the Middle East and Africa (ME&A) region with 1.4%. Also, emerging markets accounted for 26.2% of global wealth in 2025 compared to 29% in 2024 and 29.26% in 2023. Further, personal wealth in Eastern Europe jumped by 28.3% in 2025, followed by Latin America (+22.3%), Australia and New Zealand (+17.4%), Western Europe (+16.8%), North America (+8.8%), the ME&A region (+6.6%), Greater China (+4.6%), and Southeast Asia (+1.6%). Further, the average wealth per adult in the U.S. reached $696,277 at end-2025; followed by Australia and New Zealand with $589,324; Western Europe with $337,083; the ME&A with $85,301; Greater China with $84,195; Eastern Europe with $62,122; Latin America with $42,924; and Southeast Asia with $42,797.

Source: UBS

EMERGING MARKETS

Fixed income trading up 53% to $2.3 trillion in first quarter of 2026

Trading in emerging markets debt instruments reached $2.3 trillion (tn) in the first quarter of 2026, constituting an increase of 52.7% from $1.5tn in the same quarter of 2025. Turnover in local-currency instruments reached $1.58tn in the covered period, up by 64.8% from $959bn in the first quarter of 2025, and accounted for 68% of the debt trading volume in emerging markets. In parallel, trading in Eurobonds stood at $733bn in the first quarter of the year and dropped by 32% from $555bn in the same quarter of 2025. The volume of traded sovereign Eurobonds reached $505bn and accounted for 69% of total Eurobonds traded in the first quarter of 2026, relative to $394bn and a share of 71% in the same quarter last year. Also, the volume of traded corporate Eurobonds amounted to $224bn and represented 31% of total Eurobonds traded. Turnover in warrants stood at $3bn, while trading in loan assignments was minimal in the first quarter of 2026. The most frequently-traded instruments in the first quarter of 2026 were Mexican fixed income assets with a turnover of $638bn, or 27.5% of the total, followed by securities from South Africa with $133bn (5.7%), and instruments from Poland with $125bn (5.4%). Other frequently-traded instruments consisted of fixed income securities from Brazil at $122bn (5.3%) and from India at $108bn (4.7%).

Source: EMTA

MENA

Investments in startups down 17.5% to $1.7bn in first half 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 $1.7bn in the first half of 2026, constituting a decline of 17.5% from $2.05bn in the same period of 2025, while there were about 237 investments in startups in the covered period relative to 256 deals in the first half of 2025. Investments in UAE startups stood at $1.18bn and accounted for 69.5% of placements in the region's startups in the first half of the year, followed by investments in Saudi Arabia with $258.6m (15.3%), Egypt with $158.5m (9.4%), Morocco with $28.9m (1.7%), and Bahrain with $25m (1.5%). Also, there were 81 investments in UAE startups in the first half of 2026, followed by the KSA with 80 deals, Egypt with 28 transactions, Oman with 15 deals, and Qatar with 10 transactions. In addition, investments in fintech startups amounted to about $671.1m and accounted for 39.4% of total capital deployed in MENA startups in the covered period, followed by logistics companies with $314m (18.5%), property technology firms companies with $241.1m (14.2 %), Artificial Intelligence firms with $79.7m (4.7%), and e-commerce firms with $77.1m (4.5%). Also, Business-to-Business startups attracted $762.5m across 136 deals, while Business-to-Consumer startups secured $708.4m across 72 transactions in the first half of 2026.

Source: Wamda, Digital Digest

KUWAIT

Profits of listed companies down 47.5% to $1.26bn in first quarter 2026

The cumulative net profits of 139 companies listed on Boursa Kuwait reached KD385m, or $1.26bn, in the first quarter of 2026, constituting a decrease of 47.5% from KD733m ($2.38bn) in the same period last year. Listed banks generated net profits of $1.26bn in the first quarter of 2026, followed by telecommunications firms with $361.4m, insurers with $86.1m, financial services providers with $72m, basic materials firms with $52.1m, companies in the discretionary consumers' goods segment with $50.3m, oil and gas companies with $30.8m, consumer staples firms with $23.3m, and utilities companies with $10.9m. In contrast, healthcare providers generated net losses of $6.6m in the first quarter of 2026, followed by technology firms with $0.4m. Further, the net earnings of basic materials companies surged by 91% in the first quarter of 2026, followed by the net profits of utilities firms (+47.8%), telecommunication companies (+37.5%), firms in the oil and gas sector (+20.5%), consumer staples firms (+10.4%), and banks (+2.2%). Also, the results of industrial companies shifted from net profits of $141.8m in the first quarter of 2025 to net losses of $660.1m in the first quarter of 2026, and those of real estate firms turned from profits of $183.6m in the first quarter of 2025 to losses of $21m in the first quarter this year.

Source: KAMCO

POLITICAL RISKS OVERVIEW - June 2026

ARMENIA

Preliminary results from Armenia's June 7 parliamentary elections show that Prime Minister Nikol Pashinyan's Civil Contract Party won nearly 50% of the votes, ahead of the Strong Armenia Party and the Armenia Alliance Party, which came in second and third place, respectively. The Prosperous Armenia Party came in fourth place with just under 4% of the votes. But the electoral authorities invalidated the results in three districts due to irregularities, which could affect whether Prosperous Armenia crosses the 4% threshold required to enter parliament. The election took place under heavy Russian criticism of PM Pashinyan, who has sought to diversify Yerevan's foreign policy away from its dependence on Moscow. Following the elections, Russia expanded on June 12 the restrictions on Armenian agricultural exports that it imposed before the vote. In response to mounting pressure, the European Union prepared an aid package to Armenia worth over €50m. Peace talks between Armenia and Azerbaijan faced hurdles as Baku continues to insist that Armenia removes references to the Nagorno Karabakh province from its constitution, but PM Pashinyan's party did not secure the two thirds majority required to call for a referendum on constitutional changes, and opposition parties are unlikely to back such a plebiscite.

ETHIOPIA

Ethiopia held parliamentary elections on June 1, with Prime Minister Abiy Ahmed's Prosperity Party winning 438 out of 501 seats. About 50 million citizens registered, but voting did not take place in the Tigray region or in eight Amhara constituencies due to the absence of effective federal authority and to the prevailing conflict. Security incidents in the Amhara and Oromia regions forced the closure of 143 out of more than 52,000 polling stations. The Amhara regional state saw one of its most violent periods as the Fano National Movement tried to disrupt voting and to challenge federal control over security and governance in the region. The Tigray People's Liberation Front (TPLF) administration approved on June 1 a Cabinet reshuffle after dismantling the federal backed Interim Regional Administration in May and reasserting control over Tigray's institutions. The TPLF accused the federal government of "mobilizing its forces" across the Tigray region. The U.S. imposed visa restrictions on TPLF leaders.

IRAN

The U.S. and Iran signed electronically a 14-point Memorandum of Understanding on June 17 to end hostilities and reopen the Strait of Hormuz, which offered a narrow pathway towards a full-fledged settlement of the conflict between the two protagonists. The deal formally ends the war on all fronts, including in Lebanon, gives U.S. and Iranian negotiators 60 days to work towards a more detailed accord on Iran's nuclear program and on sanctions relief, lifts the naval blockades in the Strait of Hormuz, and envisages a $300bn reconstruction and development fund for Tehran. The U.S. announced on June 18 the lifting of the naval blockade that it imposed on Iran in April, and Iran suspended transit fees that its Persian Gulf Strait Authority has been charging on vessels, which facilitated the resumption of maritime traffic. The U.S. issued a 60-day licence that allows the production, delivery and sale of Iranian oil. Tensions between the U.S. and Iran rose amid a dispute over permitted maritime routes in the Strait of Hormuz, after Iran fired on a vessel that was using a route off the coast of Oman, which triggered several days of reciprocal fire exchanges with the U.S., before Washington and Tehran agreed to halt hostilities and continue technical negotiations.

IRAQ

The Cabinet approved on June 2 an agreement that allows Syria to store Iraqi crude oil transported by road, as part of efforts to secure alternative routes to exporting oil through the Strait of Hormuz, as the blockade of the Strait of Hormuz in early March caused a significant reduction in Iraq's public revenues due to the halt of oil exports. Also, Baghdad sought to increase exports through its northern pipeline with Türkiye, as it was continuing its negotiations with Ankara about resuming flows and transit terms. The Iran backed militias Asaib Ahl al Haq and the Imam Ali Brigades, which are part of the Popular Mobilization Forces, announced plans to hand all weapons to the state. Prime Minister Ali al Zaidi met with the two factions and announced the formation of a joint committee that is tasked with overseeing the arms transfer. The government set September 30 as the deadline for all armed groups to surrender their weapons to state control.

LIBYA

The U.S. Senior Advisor for Arab and African Affairs is working on a power sharing deal between Libya's rival administrations. The plan would place Saddam Haftar, the son of the eastern commander Field Marshal Khalifa Haftar, at the head of a presidential council, while the Tripoli-based Prime Minister Abdelhamid Dabaiba would lead a unified government. Haftar's forces welcomed the initiative, while Tripoli figures rejected the proposal and warned that it could enable a Haftar power grab. The presidencies of the eastern House of Representatives (HoR) and Tripoli's High Council of State announced on June 16 their own roadmap to hold elections by February 2027. Issa Al Areibi of the HoR's Unified Expenditure Committee urged the Governor of the Central Bank of Libya to fully implement April's unified spending deal to end financial fragmentation, stabilize the Libyan dinar, and ensure the equitable allocation of oil revenues, and warned that the HoR could withdraw from the unified agreement if it is not enforced.

SUDAN

Violence persisted in June across Sudan's conflict zones. Fears grew of a major Rapid Support Forces' (RSF) assault on El Obeid in North Kordofan, as paramilitary forces gathered around the city and launched drone attacks against civilian and military targets. Clashes escalated in Darfur as the Sudanese Armed Forces (SAF) struck the Ardamata Bridge in West Darfur, the RSF captured Um Baru in North Darfur, and SAF aligned forces retook Kulbus in West Darfur. The RSF attacks displaced more than 1,400 individuals from Ambro villages. Communal fighting in South Darfur, underscored the challenges that the RSF faces in controlling local tensions. A mechanism comprising the African Union, the Intergovernmental Authority on Development, the Arab League, the European Union, and the United Nations facilitated consultations in Addis Ababa with rival Sudanese civil and political forces. Participants issued a joint declaration that outlined a unified vision to launch a political process to end the war, even though some participants refused to sign it, citing the absence of the explicit exclusion of Islamists from the political process. The U.S. imposed on June 26 new sanctions on actors accused of fueling Sudan's conflict.

YEMEN

The Huthi rebels launched on June 8 their first missile attack on Israel since April and their first maritime strikes in the Gulf of Aden since late 2025. Also, the Huthis launched a series of attacks during the first half of June on government positions in Marib, Lahj, Shabwa and southern Hodeida, killing several soldiers and striking residential neighbourhoods. The government announced emergency measures to secure additional fuel supplies with Saudi Arabia's support, and unveiled plans to increase electricity generation capacity in the Aden and Hadramawt governorates.

Source: International Crisis Group, Newswires

OUTLOOK

WORLD

Growth rate revised downwards to 3% in 2026

The International Monetary Fund (IMF) downgraded its projection for the global economy's real GDP growth rate to 3% in 2026 from 3.1% in April under its baseline scenario that assumes that the conflict in the Middle East will be short lived and oil prices will average $78 per barrel (p/b) in 2026. It attributed its growth revision to the effects of the war in the Middle East on global inflation and trade, which are being partly offset by advances in artificial intelligence and its adoption. Also, it upgraded its forecast for global economic activity from 3.2% to 3.4% in 2027 due to elevated technology investments. It projected the real GDP growth rate of advanced economies at 1.7% in 2026 and at 1.8% in 2027, compared to 1.8% in 2026 and 1.7% in 2027 in its April forecast; while it downgraded its forecast for the real GDP growth rate of emerging markets and developing economies (EMDEs) to 3.8% in 2026 from 3.9% in April, and upgraded it from 4.2% to 4.5% in 2027.

Further, it projected the real GDP of Emerging & Developing Asia to grow by 5% in 2026 and by 4.8% in 2027, compared to 4.9% in 2026 and 4.8% in 2027 in its earlier forecast. Also, it expected economic activity in Sub-Saharan Africa to rise by 4.3% this year and by 4.5% next year, relative to 4.3% in 2026 and 4.4% in 2027 in its April projection, while it downgraded its forecast for the Middle East & North Africa region's real GDP to a contraction of 0.5% in 2026 from a growth rate of 1.1% in April, and upgraded its forecast to 7.3% in 2027 from 4.8% in 2027 in its previous projection. Also, it anticipated the real GDP growth rate of Emerging & Developing Europe at 1.9% in 2026 and 2.1% in 2027, compared to its earlier forecast of 2% for this year and 2.1% for 2027, while it expected economic activity in Latin America and the Caribbean to increase by 2.4% in 2026 and 2.7% in 2027 relative to 2.3% this year and 2.7% in 2027 in April.

In parallel, it considered that risks to the global economic outlook are tilted to the downside and include the resumption of the Middle East conflict, which could prolong commodity price volatility, further threaten supply chains, put upward pressure on inflation, and weigh on financial conditions; as well as the acceleration of trade fragmentation, which could undermine output and increase prices. In contrast, it said that upside risks to the outlook include a swifter-than-expected normalization in energy markets, stronger-than-expected technology investments, the reduction of trade barriers, and structural reforms in emerging markets.
Source: International Monetary Fund

MENA

Economic activity to decelerate in 2026 amid conflict

The World Bank projected the real GDP growth rate in the Middle East, North Africa, Afghanistan and Pakistan region to decelerate from 4% in 2025 to 1.6% in 2026, driven by the adverse effects of the conflict in the Middle East. Also, it forecast economic activity in the region to recover to 4.5% in the 2027-28 period in case disruptions from the conflict subside by the end of 2026.

In addition, it projected the real GDP growth rate of the region's oil-exporting economies to decrease from 4% in 2025 to 0.7% in 2026 due to significant declines in hydrocarbon production, along with disruptions to trade, foreign investments, and services activity, including tourism and aviation. Also, it expected the effects of the conflict to vary across oil exporters depending on the extent of damage, the degree of exposure to hostilities, and the strength of policy buffers. Further, it projected economic activity to contract by 8.9% in Iraq, by 6.4% in Kuwait, and by 5.7% in Qatar in 2026, due in part to worsening fiscal and current account balances stemming from declines in hydrocarbon revenues and, in some cases, increases in military spending. But it said that the growth in Saudi Arabia will decelerate from 4.5% in 2025 to 3.1% in 2026, reflecting the Kingdom's ability to reroute oil exports through the East-West pipeline.

Moreover, it projected the real GDP growth rate of the region's oil-importing economies to decrease from 3.9% in 2025 to 3.7% in 2026, driven by higher hydrocarbon prices, disruptions to shipping and tourism, and weaker remittance inflows. Also, it forecast the economic growth of the region's oil-importing countries to average 4% in the 2027-28 period, supported by lower energy prices and recoveries in shipping, tourism, and remittances. It considered that waning inflationary pressures will lead to monetary policy easing, which will support activity in the region.
Source: World Bank

GCC

Economies to withstand war-related shock

Under its base-case scenario that assumes a gradual but incomplete recovery in energy flows through the Strait of Hormuz in the second half of 2026, as well as continued volatility in shipping and insurance markets due to logistical bottlenecks, S&P Global Ratings projected the economic activity in the Gulf Cooperation Council (GCC) to contract by 3% in 2026, with real GDP growth rates increasing by 2.6% in Saudi Arabia, 1.6% in Oman and 1.5% in the UAE, and economic activity contracting by 7.4% in Qatar, 6% in Kuwait, and 4.3% in Bahrain. Also, it projected the GCC's real GDP growth rate to accelerate to 5.3% in 2027, driven by elevated and liquid government assets that will absorb fiscal shocks and by the resumption of hydrocarbon exports amid supportive oil prices. It forecast the annual average daily oil production in Saudi Arabia to reach 10.6 million barrels per day (b/d), followed by 4.5 million b/d in the UAE, 2.6 million b/d in Kuwait, 1.2 million b/d in Oman, and 0.2 million b/d in Bahrain in the 2027-29 period, and for Qatar's liquified natural gas exports to surge from 3.9 billion cubic feet per day (bcf/d) in 2026 to 13.7 bcf/d in the 2027-29 period.

In its downside scenario that assumes intermittent clashes or the resumption of war between the U.S. and Iran that would prevent trade normalization, lead to a permanent erosion in the supply of hydrocarbons and a decline in business confidence, S&P considered the fiscal buffers in the GCC to be the main factor of the sovereigns' capacity to absorb such stress. In addition, it noted that GCC corporates could face a persistent and broad-based deterioration in operating conditions, in case of prolonged geopolitical fragmentation, intermittent regional clashes, and the failure to normalize trade flows through key routes like the Strait of Hormuz. It said that the cumulative effect of such disruptions would be a sustained erosion of business confidence, investment appetite, and cross-border capital flows.
Source: S&P Global Ratings

BAHRAIN

Sovereign ratings affirmed, outlook 'stable'

S&P Global Ratings affirmed Bahrain's short- and long-term foreign and local currency issuer credit ratings at 'B', which is five notches below investment grade. Further, it affirmed the Country's Transfer & Convertibility assessment at 'B+', and maintained the 'stable' outlook on the long-term foreign currency ratings. It attributed the affirmation of the ratings to potential support from other Gulf Cooperation Council (GCC) countries as well as to the easing of supply disruptions in the Strait of Hormuz in the second half of the year. It said that the 'stable' outlook reflects the support from other GCC sovereigns, which would help offset adverse regional developments, including disruptions to oil production and exports. It forecast the fiscal deficit to widen from 6.9% of GDP in 2025 to 8.4% of GDP in 2026, as the country is sensitive to the oil market, given that hydrocarbons account for about 50% of government revenues and for 50% of export receipts. It projected the gross public debt level to rise from 140.1% of GDP at end-2025 to 161.9% of GDP at end-2029 due to wide fiscal deficits. It forecast Bahrain's gross external financing needs at 333.3% of current account receipts and usable reserves in 2026 and at 349.2% and 348.9% of such receipts and reserves in 2027 and 2028, respectively. Also, it stated that it could upgrade the ratings if the government implements reforms that would improve its fiscal and external position and would result in a significant decline in the public debt level and debt servicing costs. But it said that it may downgrade the ratings if fiscal pressures increase, if foreign-currency reserves decline significantly, and/or in case of limited support from GCC peers.

Source: S&P Global Ratings

ETHIOPIA

Bondholders agree to debt restructuring deal

Moody's Ratings indicated that Ethiopia announced an agreement in principle with the Ad Hoc Committee representing holders of its sole $1bn outstanding sovereign Eurobond, which paves the way for an exchange offer and the conclusion of its debt restructuring process under the Group of 20 Common Framework. It said that, under the proposed terms, the existing Eurobond will be swapped for a new $880m bond maturing in July 2029, reflecting a 12% nominal haircut. It noted that the new instrument carries a 6.15% coupon and amortization payments of $180m in 2026, $100m in July 2027, and $300m in each of July 2028 and July 2029. It stated that the deal includes a detachable warrant granting bondholders the option to subscribe to up to $1bn in a future seven year Eurobond at 450 basis points over six year U.S. Treasury bond yields. It said that Ethiopia will settle $99.4m in past-due interest at the time of the exchange, which will cover three missed coupon payments. Further, it noted that the International Monetary Fund confirmed that the deal's terms are consistent with its debt sustainability parameters, but considered that the restructuring will require the approval of at least 75% of bondholders to meet the collective action clause threshold, which represents a challenge given that the committee currently represents only about 45% of bondholders. In addition, it considered that the restructuring will provide limited debt and liquidity relief, primarily by extending maturities. It said that a more manageable repayment profile will ease external liquidity pressures.

Source: Moody's Ratings

EGYPT

Economy benefiting from external support

The Institute of International Finance projected Egypt's real GDP growth rate to decelerate from 4.1% in the fiscal year that ended in June 2026 to 3.5% in FY2026/27, as the economy is still adjusting to earlier external shocks and significant macro tightening, despite improving policy credibility and the economy's limited direct exposure to the conflict in the Middle East. Also, it forecast Egypt's nominal GDP to increase from $433.6bn in FY2025/26 to $502.8bn in in FY2026/27. Further, it expected the inflation rate to decelerate from 13.4% in FY2025/26 to 13% in FY2026/27, supported by the Central Bank of Egypt's continued commitment to a more flexible exchange rate, but it noted that inflationary pressures would persist if regional tensions continue, which will result in weaker household purchasing power, high financing costs, and softer private sector activity. In addition, it projected the fiscal deficit to narrow from 6.1% of GDP in FY2025/26 to 4.9% of GDP in FY2026/27 due to fiscal tightening, and forecast the public debt level to decrease from 85.3% of GDP at the end of June 2026 to 82% of GDP at end-June 2027. Further, the IIF anticipated the current account deficit to narrow from 4.1% of GDP in FY2025/26 to 3.9% of GDP in FY2026/27, and forecast official foreign currency reserves to increase from $50.1bn in FY2025/26 to $52.8bn in FY2026/27. It said that Egypt is benefiting from strong support from Gulf Cooperation Council partners, the International Monetary Fund, and other multilateral institutions, which provides an additional buffer against external shocks. Also, it indicated that Egypt showed resilience to external pressures, supported by policy adjustment, external financing, and comparatively limited direct exposure to hydrocarbon disruptions.

Source: Institute of International Finance

PAKISTAN

Regional conflict to affect economic activity

Standard Chartered Bank projected Pakistan's real GDP growth rate at 3% in the fiscal year that ends in June 2027 compared with the government's target of 4% growth in FY2026/27. Also, it expected the inflation rate at 10% in FY2026/27 due to elevated global oil prices, which would necessitate a tight monetary policy. Further, it anticipated that the FY2026/27 budget would target a primary surplus of 2% of GDP, broadly in line with the International Monetary Fund's (IMF) program requirements. It projected a fiscal deficit of 3.6% of GDP in FY2026/27, which is slightly wider than the IMF's forecast of 3.4% of GDP, driven by a faster growth of expenditures than of revenues. It considered the targeted 17.6% increase in tax revenues for FY2026/27 to be ambitious, given downside risks to the government's 4% growth target. It noted that these risks include weaker organic revenue growth, limited new tax raising measures, and a heavy reliance on widening the tax base through enforcement and optimization, a strategy that did not meet its set targets in FY2025/26. In addition, it indicated that strong remittance inflows and a widening of the trade deficit in FY2026/27 point to downside risks to a current account deficit forecast of 2.5% of GDP for FY2026/27. In parallel, it said that the government plans to borrow PKR2.21 trillion from the banking sector via Treasury bills, sukuks and local currency bonds in FY2026/27, which is 13% higher than the borrowing target for FY2025/26.

Source: Standard Chartered Bank

WORLD

US dollar accounts for 57% of official foreign reserves at end-March 2026

Figures released by the International Monetary Fund (IMF) indicate that global foreign exchange reserves reached $13,104.9bn at end-March 2026, constituting a decrease of 0.3% from $13,146.7bn at end-2025 and an increase of 4.8% from $12,500.4bn at end-March 2025. Also, the Currency Composition of Official Foreign Exchange Reserves (COFER) shows that reserves in US dollars reached $7,486.9bn at end-March 2026 and accounted for 57.1% of total allocated reserves, followed by reserves in the euro with $2,625bn (20%), in the Japanese yen with $713.1bn (5.4%), in the British pound with $576.5bn (4.4%), in the Canadian dollar with $324.6bn (2.5%), in the Australian dollar with $276.8bn (2.1%), in the Chinese renminbi with $260.1bn (2%), and in the Swiss franc with $32bn (0.2%), while reserves in other currencies amounted to $810bn or 6.2% of the total. Further, foreign exchange reserves in the Swiss franc increased by 6.8% in the first quarter of 2026, followed by reserves in the Australian dollar (+4.1%), those in the Chinese renminbi (+1.2%), and reserves in the US dollar (+1%). In contrast, foreign exchange reserves in the Japanese yen declined by 7.2% from end-2024, those in the euro decreased by 2%, foreign exchange reserves in the Canadian dollar contracted by 1.1%, those in the British pound regressed by 0.5%, while reserves in other currencies shrank by 1.4% from end-2025.

Source: International Monetary Fund

UAE

Banks' rating affirmed on robust financial buffers

Moody's Ratings affirmed the long-term deposit ratings of First Abu Dhabi Bank (FAB) at 'Aa3', the ratings of Abu Dhabi Commercial Bank (ADCB) and Emirates NBD (ENBD) at 'A1', the ratings of Abu Dhabi Islamic Bank (ADIB) at 'A2', the ratings of Dubai Islamic Bank (DIB), HSBC Bank Middle East (HBME), and MashreqBank (Mashreq) at 'A3', the ratings of Commercial Bank of Dubai (CBD), the National Bank of Fujairah (NBF), and the National Bank of Ras Al-Khaimah (RAKBANK) at 'Baa1', and the ratings of National Bank of Umm Al-Qaiwain (NBQ), Sharjah Islamic Bank (SIB) and United Arab Bank (UAB) at 'Baa2'. Also, it affirmed the Baseline Credit Assessment (BCA) of FAB at 'a3', the BCAs of ENBD, HBME, and Mashreq at 'baa2', the BCAs of ADCB, ADIB, and RAKBANK at 'baa3', the BCAs of CBD, DIB, and NBF at 'ba1', and the BCAs of NBQ, SIB, and UAB at 'ba2'. Further, it revised the outlook from 'stable' to 'positive' on the long-term ratings of RAKBANK due to the bank's strong capital and robust liquidity buffers, while it maintained the 'stable' outlook on the ratings of the remaining 12 banks. In addition, it attributed its affirmation of the ratings to its expectation that the banks' BCAs will remain supported by their strong capital, provisioning and liquidity buffers that are helping them withstand financial pressures from the Middle East conflict. Also, it pointed out that UAE banks entered the conflict from a position of strength, as they have benefited from three consecutive years of robust non-oil GDP growth, along with supportive credit conditions and ample liquidity. Further, it noted that funding remains a key credit strength, as UAE banks are largely deposit-funded.

Source: Moody's Ratings

QATAR

Banking sector metrics resilient to regional conflict

Regional investment bank EFG Hermes indicated that the aggregate net income of the six largest banks in Qatar stood at QAR6.85bn in the first quarter of 2026, decreasing by 2% from the same quarter of 2025, due mainly to higher operating expenditures, elevated provisioning costs, and a rise in the effective tax rate for banks. But it did not expect that project delays and the disruptions from the U.S.-Iran conflict to have a material impact on the banks' earnings in 2026, as the sector was targeting elevated provisioning in the 2026-28 period and is not experiencing a material worsening in credit quality. Further, it said that the aggregate non-performing loans ratio of the six banks stood at 3.2% at end-March 2026, down from 3.4% at end-March 2025, and noted that banks increased their provisions to preempt a potential deterioration in credit quality from the regional conflict. In parallel, it stated that the loans-to-deposits ratio stood at 106% at end-March 2026 relative to 104% a year earlier. It expected the delays to the expansion of liquified natural gas projects and to the start of new gas production by 2027 to have a limited impact on credit growth. Also, it said that the Qatar Central Bank offered a support package to banks during the conflict, as it allowed banks to access unlimited Qatari riyal repo facilities, and introduced loan and principal deferrals for up to three months for affected borrowers.

Source: EFG Hermes

IRAN

FATF urges Tehran to implement action plan

The Financial Action Task Force (FATF), the global standard setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), declared in June 2026 that it will maintain Iran on its list of "High Risk Jurisdictions Subject to a Call for Action" until the authorities implement in full their action plan to address the country's significant AML/CFT deficiencies. It said that Iran provided an update to the FATF on its ratification of the United Nations Convention against Transnational Organized Crime and the United Nations Convention for the Suppression of the Financing of Terrorism in January 2026, but it noted that Tehran has failed to implement most of its action plan since 2016. Further, it called on its members and urged all jurisdictions to apply effective counter measures to risks emanating from the country, such as refusing to establish subsidiaries or branches or representative offices of foreign financial institutions in Iran, given that the relevant branch or representative office would be in a country that does not have adequate AML/CFT systems. Also, it said that it may consider additional steps in the near future if Iran fails to demonstrate additional progress on its action plan. As such, it noted that Iran should adequately criminalize terrorist financing; identify and freeze terrorist assets in line with the relevant UN Security Council resolutions; ensure an adequate and enforceable customer due diligence regime; demonstrate how authorities are identifying and sanctioning unlicensed money and value transfer service providers; ensure that the ratification and the implementation of the Palermo and Terrorist Financing conventions are in line with the FATF standards and clarify the capability to provide mutual legal assistance; and make sure that financial institutions verify that wire transfers contain complete information on the originator and on the beneficiary.

Source: Financial Action Task Force

Oil prices to average $74 p/b in third quarter of 2026

ICE Brent crude oil front-month futures contracts for September 2026 reached $78 per barrel (p/b) on July 8, 2026, constituting an increase of 7% from $72.9 p/b at the end of June, after the U.S. carried out strikes on Iran in response to the latter's attacks on commercial shipping in and around the Strait of Hormuz, which raised concerns about disruptions to energy supply in the Middle East. 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 8.3 million barrels per day (b/d) in June 2026, and projected it to decline to an average of 5.4 million b/d in the third quarter and 1.44 million b/d in the fourth quarter of 2026 following the increase in oil flows through the Strait of Hormuz. It considered that the replenishment of global oil inventories will take time, and that the production of oil in the Middle East will take a longer period of time than inventories to fully recover, despite rising oil output and exports in the coming months. It anticipated global oil inventories to decline by an average of 2.2 million b/d in the third quarter of 2026 compared to an average decrease of 5.1 million b/d in the second quarter of the year. Also, it forecast oil inventories to increase by an average of 2.7 million b/d in the fourth quarter of the year, as supply grows faster than consumption. Further, it forecast global oil demand to decline by an average of 1.2 million b/d in 2026, with 0.8 million b/d of this decrease coming from non-OECD countries. In addition, it projected oil prices to average $74 p/b in the third quarter of 2026 compared to an average of $102.9 p/b in the preceding quarter.

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

Saudi Arabia's oil export receipts at $18.6bn in April 2026

Oil exports from Saudi Arabia totaled 5 million barrels per day (b/d) in April 2026, representing decreases of 18.5% from 6.13 million b/d in March 2026 and of 33.8% from 7.5 million b/d in April 2025. Oil export receipts reached $18.6bn in April 2026, down by 25.3% from $24.9bn in the previous month and up by 11.7% from $16.6bn in April 2025.

Source: JODI, General Authority for Statistics, Byblos Research

ME&A's oil demand to increase by 0.8% in 2026

The Organization of Petroleum Exporting Countries projected in May 2026 the consumption of crude oil in the Middle East & Africa to average 13.85 million barrels per day (b/d) in 2026, which would constitute an increase of 0.8% 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

Demand for natural gas to decrease by 1% in 2026

The International Energy Agency projected the global demand for natural gas to reach 4,280 billion cubic meters (bcm) in 2026, which would constitute a decrease of 0.6% from 4,304 bcm in 2025. It forecast demand for natural gas in North America at 1,180 bcm and to represent 27.6% of the world's aggregate demand in 2026, followed by the Asia Pacific region with 976 bcm (22.8%), Eurasia with 658 bcm (15.4%), the Middle East with 615 bcm (14.4%), Europe with 506 bcm (11.8%), Africa with 180 bcm (4.2%), and Central and South America with 165 bcm (4%).

Source: International Energy Agency, Byblos Research

Base Metals: Nickel prices to average $17,000 per ton in third quarter of 2026

The LME cash prices of nickel averaged $17,631.8 per ton in the year-to-July 8, 2026 period, constituting an increase of 14.8% from an average of $15,352.9 a ton in the same period of 2025, due to stronger demand from electric vehicle battery producers, deliberate supply cuts in Indonesia, lingering supply disruptions in other exporting countries, and higher energy costs. In parallel, Citi Research anticipated the global supply of nickel at 3.85 million tons in 2026, which would constitute a decrease of 3% from 3.97 million tons in 2025. Also, it forecast the global demand for nickel at 3.74 million tons in 2026, which would represent an increase of 4.8% from 3.56 million tons in 2025. In its base case scenario, it anticipated nickel prices to average $17,000 per ton in the coming months, as supply and demand remain price elastic, which would keep prices at between $16,000 per ton and $20,000 a ton. Also, it expected prices to drift towards the lower end of the $16,000 per ton and $20,000 a ton range through the third quarter of 2026 in case supply constraints ease. Further, under its bull case scenario, it forecast nickel prices to average $20,000 a ton in 2026, supported by a broad based rally for base metals as markets reprice for an anticipated U.S. Federal Reserve rate cuts and amid expectations of a stronger rebound in cyclical economic activity. In its bear case scenario, it projected nickel prices to average $15,000 per ton in 2026, as minimal disruptions and looser policy constraints would allow Indonesian supply growth to continue, while a weaker global backdrop, marked by softer demand for stainless steel from China and a shift by automakers to non nickel Lithium Iron Phosphate batteries, would reinforce oversupply pressures. Also, it forecast nickel prices to average $17,000 per ton in the third quarter of 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

Precious Metals: Platinum prices to average $2,000 per ounce in third quarter of 2026

Platinum prices averaged $2,038.5 per troy ounce in the year-to-July 8, 2026 period, constituting a surge of 96.5% from an average of $1,037.5 an ounce in the same period of 2025, due to rising industrial demand, persistent supply deficits, trade disruptions, and renewed investor interest that has pushed the metal's price to multi year highs. In parallel, Citi Research projected the global demand for platinum at 7.52 million ounces in 2026, which would constitute a decrease of 2.3% from 7.7 million ounces in 2025. It anticipated autocatalyst demand to continue to decline, driven by higher adoption of electric vehicles, which reduces the need for catalytic converters, and by increased substitution of platinum by palladium, even though this will be partially offset by strong demand from other industrial uses such as hydrogen fuel cells, electronics, and chemical applications. Also, it forecast the global supply of platinum at 7.2 million ounces in 2026, which would represent a decrease of 0.7% from 7.24 million ounces in 2025, with refined output representing 76.8% and 75.4% of global output in 2025 and 2026, respectively. It expected mine supply to decline from 5.56 million ounces in 2025 to 5.42 million ounces in 2026 on structural issues and on limited Russian output, which will be partially offset by the continued growth in secondary supply due to still elevated metal prices. Further, it projected platinum prices to average $2,100 an ounce in the coming six to 12 months amid easing geopolitical risks, following the U.S.-Iran signing of their Memorandum of Understanding. Further, it forecast platinum prices to average $2,000 an ounce in the third quarter of 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

COUNTRY RISK METRICS

Countries	LT Foreign currency rating: S&P	Moody's	Fitch	CI	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 (%)
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 S&P	Moody's	Fitch	CI	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 (%)
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	2.50	08-Jul-26	Raised 25bps	02-Sep-26
Switzerland	SNB Policy Rate	0.00	18-Jun-26	No change	24-Sep-26
Canada	Overnight rate	2.25	10-Jun-26	No change	15-Jul-26
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	09-Jul-26	No change	03-Sep-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	6.50	08-Jul-26	No change	10-Aug-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

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

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