850 ISSUES+
Issue 896 | July 16, 2026

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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Investment banking fees up 17% to $80bn in first half of 2026

Figures compiled by data provider LSEG show that global investment banking fees totaled $79.9bn in the first half of 2026, constituting a rise of 16.6% from $68.5bn in the same period last year. The financial sector accounted for $26.1bn or 32.6% of investment banking fees in the first half of 2026, followed by the high technology sector with $8.1bn (10.2%), the energy & power sector with $8bn (10%), the industrial sector with $7.9bn (9.9%), and the healthcare industry with $7.2bn (9%). On a regional basis, the Americas represented $46.5bn, or 58.2% of the total fees that investment banks generated in the covered period, followed by the Europe, the Middle East & Africa region with $18.1bn (22.6%), and the Asia-Pacific region with $15.4bn (19.2%). In parallel, the distribution of investment banking fees shows that fees from debt capital markets reached $25.2bn and accounted for 31.5% of the total, followed by merger & acquisition fees with $24bn (30%), lending fees with $17.3bn (21.6%), and equity capital markets (ECMs) fees with $13.5bn (16.8%). It said that fees from ECMs rose by 59.6%, with follow-on issuance reaching $6.3bn in the covered period and representing 47.2% of total ECM fees, followed by fees from initial public offerings with $4.7bn (34.6%), and fees from convertible securities with $2.4bn (18.2%). Also, fees from merger & acquisition advisory increased by 18%, debt capital markets fees grew by 8%, and syndicated lending fees improved by 5.4% annually in the first half of 2026.

Source: LSEG

MENA

Greenfield FDI down 9% to $113.4bn in 2025

Figures compiled by fDi Markets and released by the United Nations Conference on Trade and Development (UNCTAD) show that the Arab region attracted $113.4bn in greenfield foreign direct investments (FDI) in 2025, constituting a decline of 9% from $124.7bn in 2024.Greenfield FDI inflows to Arab countries accounted for 20.7% of such flows to developing economies and for 8.1% of global greenfield FDI in 2025, compared to 18.8% of inflows to developing countries and 9% of global greenfield FDI in 2024. The UAE was the destination of $34bn in greenfield FDI in 2025, equivalent to 30% of such investments in the Arab world. Saudi Arabia followed with $19.2bn (17%), then Oman with $16bn (14%), Egypt with $13bn (11.5%), Morocco with $6.6bn (5.8%), Syria with $5.1bn (4.5%), Iraq with $4.4bn (4%), Kuwait with $4.2bn (3.7%) and Mauritania with $3.2bn (2.8%); while the remaining countries received $7.8bn in greenfield FDI last year, or 7% of inflows to the region. In parallel, Arab countries attracted 2,670 greenfield FDI projects in 2025, up from 2,378 projects in 2024, and accounted for 32.8% of the aggregate number of greenfield FDI projects in developing economies and for 15% of such projects worldwide. The UAE was the destination of 1,556 greenfield FDI projects last year and accounted for 58.3% of the number of projects in the Arab world, followed by Saudi Arabia with 408 projects (15.3%), Qatar with 235 projects (8.8%), Egypt with 159 projects (6%), Morocco with 103 projects (4%), Oman with 63 projects (2.4%), and Bahrain with 36 projects (1.3%).

Source: UNCTAD, Byblos Research

Stock markets' capitalization at $4.3 trillion at end-June 2026

The aggregate market capitalization of Arab stock markets reached $4.31 trillion (tn) at end-June 2026, constituting an increase of 2.6% from $4.2tn at end-2025. The market capitalization of the Saudi Exchange stood at $2.5tn at end-June 2026 and accounted for 58.4% of the total, followed by the Abu Dhabi Securities Exchange with $784.2bn (18.2%), the Dubai Financial Market with $267.3bn (6.2%), Boursa Kuwait with $169.4bn (3.9%), the Qatar Stock Exchange with $169.3bn (3.9%), the Casablanca Stock Exchange with $111.2bn (2.6%), the Muscat Stock Exchange with $95.4bn (2.2%), the Egyptian Exchange with $74.6bn (1.7%), the Amman Stock Exchange with $39.5bn (0.9%), the Bahrain Bourse with $21bn (0.5%), the Iraq Stock Exchange with $20.9bn (0.49%), the Beirut Stock Exchange with $18.5bn (0.43%), the Tunis Stock Exchange with $18.9bn (0.4%), the Palestine Exchange with $5.1bn (0.12%), and the Damascus Stock Exchange with $2.2bn (0.05%). Also, the market capitalization of the Saudi Exchange was equivalent to 181.2% of the country's estimated GDP for 2026, followed by the Abu Dhabi Securities Exchange (126.2% of GDP), Boursa Kuwait (98% of GDP), the Muscat Stock Exchange (81.4% of GDP), the Qatar Stock Exchange (78% of GDP), the Amman Stock Exchange (60.8% of GDP), the Casablanca Stock Exchange (57.2% of GDP), the Beirut Stock Exchange (55.6% of GDP), the Bahrain Bourse (43.1% of GDP), the Dubai Financial Market (43% of GDP), the Tunis Stock Exchange (27.8% of GDP), the Egyptian Exchange (17.4% of GDP), and the Iraq Stock Exchange (8% of GDP).

Source: AFCM, IMF, IIF, Byblos Research

Level of ICT development varies across Arab world

The International Telecommunication Union ranked Saudi Arabia in first place among 159 countries around the world on its ICT Development Index for 2026. The UAE followed in second place, then Kuwait and Qatar (in fourth place each), and Bahrain (eighth place) as the five Arab countries with the highest level of information and communications technology (ICT) development in the Arab world, while Iraq (98th), Palestine (116th), Djibouti (126th), Yemen (144th), and Syria (149th) had the lowest such level in the region. The index tracks the digital divide in countries and measures their progress towards becoming information societies on the basis of ICT access and usage. A country's score reflects the highest level of Internet access, mobile broadband coverage, mobile broadband subscriptions, and data transmission speeds in a country. The Arab region's average score stood at 82.5 points in the 2026 index relative to 81.5 points in the 2025 survey, and came higher than the global average score of 79.2 points. Also, the region's level of ICT development was higher than the average scores in the Asia-Pacific region (80 points), the Americas (78.5 points), and Africa (59.4 points), but lower than the average scores in Europe (92.5 points) and the Commonwealth of Independent States (86.6 points). Further, the scores of 12 Arab countries increased year-on-year, those of two economies decreased, and the scores of two countries were unchanged from the 2025 survey. Also, the rankings of 10 Arab economies improved, those of four countries were unchanged, and the ranks of two economies deteriorated from the previous survey.

Source: International Telecommunication Union, Byblos Research

OUTLOOK

WORLD

Insurance premiums to grow by 1.3% in 2026

Global reinsurer Swiss Re projected global insurance premiums to increase by 1.3% in real terms in 2026 and by 1.6% in 2027 compared to a growth rate of 3.9% in 2025, as the global economy slows down and geopolitical uncertainties remain elevated. Further, it forecast global life premiums to grow by 2.3% in real terms in 2026 and by 2.4% in 2027, relative to 4% in 2025, but to remain higher than the long-term trend growth of 1.9% in the 2015-24 period, supported by elevated interest rates. In comparison, it expected global non-life premiums to rise by 0.6% in real terms in 2026 and by 1% in 2027, relative to 3.9% in 2025, due to intensifying competition in pricing and to slowing economic activity, particularly across advanced markets.

Further, it projected global non-life insurance premiums to reach $5 trillion in 2026, up from $4.8 trillion in 2025, with advanced economies (AEs) accounting for 85% and emerging markets (EMs) for 15% of total non-life premiums. Also, it forecast non-life insurance premiums in emerging markets (EMs) to grow by 3.3% in real terms in 2026 compared to 3.6% in 2025 amid weaker momentum in China. It projected non-life premiums in Latin America to rise by about 4% in real terms in 2026, followed by Eastern Europe with a growth rate of about 3%, and the Middle East and North Africa with an increase of nearly 2%. In addition, it anticipated life premium in AEs to grow by 1.2% in real terms in 2026, supported by household demand and product innovation; while it projected life premiums in EMs to grow by 5.4% in real terms in 2026 relative to 6.6% in 2025, as the temporary boost from pre-emptive life insurance purchases in China during the 2023-25 period gradually dissipates. But it forecast life premiums in EMs ex-China to grow from 2.7% in 2025 to 4.5% in 2026, which would exceed the long-term growth trend of 3.4% in the 2015-24 period, driven by regulatory measures and elevated interest rates.

Also, it forecast global life premiums to grow by a compound annual growth rate (CAGR) of 2.3% in the 2027-36 period compared to a CAGR of 1.9% in the 2016-25, as the sector is moving from a short term, rate driven savings cycle to a longer term growth phase, driven by rising retirement needs in advanced markets, stronger demand for protection in emerging markets, and product innovation worldwide.

Source: Swiss Re

GCC

Geopolitical risks to have limited impact on banks

S&P Global Ratings indicated that the war in the Middle East has affected the operating environment of banks across Gulf Cooperation Council (GCC) countries, which disrupted their positive performance of the past few years. It expected the impact of the war to lead to slower loan growth, weaker profitability, and deteriorating asset quality indicators at GCC banks. But it considered that the banks will be able to absorb the impact on loan quality due to their strong capital buffers, cyclically low problem loans, existing provisions, as well as to their limited exposure to directly affected sectors and to the support of regulatory forbearance measures. It forecast lending growth at GCC banks at 5% to 6% in 2026, and anticipated the cost of risk at GCC banks to increase by about 20 basis points (bps) in 2026. It noted that the banks' exposure to the real estate and construction sectors is a source of risk, particularly in case of prolonged geopolitical instability. Further, it did not expect the banks' exposure to the retail sector to significantly increase their non-performing loans (NPLs). It said that job losses among predominantly expatriate populations could increase the nominal amount of NPLs, but it expected this trend to remain limited. In addition, it forecast the banks' profitability to decline slightly in the 2026-27 period due to the increase in their cost of risk and slower credit growth, despite stable interest rates. But it anticipated the banks' financial resilience to persist due to their solid capital buffers, as the average Tier One capital ratio for the top 50 banks in the region was about 17% at end-March 2026.

In parallel, it considered that the resumption of the war would result in more severe implications for the region's banks. Under this scenario, it anticipated the additional provisions to exceed the banks' capacity to generate earnings, which will transform approximately $69bn in annualized profits at the end of March into losses of over $40bn and will reduce Tier One capital ratios by 200 bps to 250 bps.

Source: World Bank

ANGOLA

Outlook contingent on oil prices and production

Standard Chartered Bank (SCB) revised its projections for Angola's real GDP growth rate from 2.4% to 3% in 2026 and from 2.5% to 2.8% in 2027, due mainly to stronger-than-expected momentum in the non-hydrocarbon sector. It attributed the deceleration of economic activity in 2027 to the continued contraction of activity in the oil sector and weaker external conditions, but projected it to accelerate to 3% in 2028 in case non oil activity offsets the decline in oil production from ageing fields. Further, it revised its projection for the inflation rate from 15.8% of GDP to 10.1% of GDP in 2026, and from 11.3% of GDP to 8.5% of GDP in 2027 due to faster-than-expected disinflation. As such, it anticipated the Banco Nacional de Angola to reduce its policy rate by 500 basis points to 12% in 2026 if the disinflationary trend remains on track.

In addition, it revised its forecast for the government's fiscal deficit from 3% of GDP in 2026 to 2% of GDP, reflecting stronger-than expected non-oil revenues and gains from higher global oil prices. Also, it forecast the fiscal deficit to widen to 2.9% of GDP in 2027 and 2.2% of GDP in 2028, as fiscal pressures persist. It expected energy subsidies to increase pressures on public spending, and did not anticipate an increase in fuel prices before the 2027 general elections.

In parallel, it revised upward its projection for the current account surplus from 1.5% of GDP to 2% of GDP in 2026, reflecting improved terms of trade and higher oil prices. It projected the current account surplus at 1.5% of GDP next year and at 1% of GDP in 2028. It expected elevated oil prices to lift export receipts, which will more than offset weaker diamond exports and higher fuel imports, as oil accounts for around 90% of export revenues.

Source: Standard Chartered Bank

ECONOMY & TRADE

GCC

Projects awarded at $139bn in first half of 2026

The aggregate amount of projects awarded in Gulf Cooperation Council countries reached $139.1bn in the first half of 2026, constituting an increase of 22.2% from $113.8bn in the same period of 2025. Also, the value of projects awarded stood at $79.6bn in the first quarter and at $59.4bn in the second quarter of 2026, relative to $68.1bn in the first quarter and $45.7bn in the second quarter of 2025. The amount of awarded projects in Saudi Arabia stood at $30bn in the second quarter of 2026 and accounted for 50.4% of the total, followed by the UAE with $20.5bn (34.4%), Oman with $5.9bn (9.9%), Kuwait with $2bn (3.3%), Qatar with $931m (1.6%), and Bahrain with $213m (0.4%). Further, the value of projects awarded in Oman jumped by 341.7% in the second quarter of 2026 from the same period of 2025, followed by an increase of 53.6% in new projects in Saudi Arabia and a rise of 49% in new projects in Kuwait. In contrast, the value of projects awarded in Qatar dropped by 40.8% in the covered period, followed by a decrease of 39.8% in the amount of projects in Bahrain, and a contraction of 5.4% in new projects in the UAE. In parallel, projects in the construction sector reached $22bn and accounted for 36.8% of the awarded projects in the second quarter of 2026, followed by the oil sector with $13.7bn (23%), the transportation sector with $8.5bn (14.4%), the power sector with $5.4bn (9%), the gas sector with 4.8bn (8%), the water sector with $3.9bn (6.6%), and the industrial sector with $1.1bn (1.9%).

Source: KAMCO, Byblos Research

SAUDI ARABIA

Sovereign ratings affirmed on strong fiscal and external buffers

Fitch Ratings affirmed the long-term foreign and local currency Issuer Default Ratings (IDRs) of Saudi Arabia at 'A+', and maintained the 'stable' outlook on the long-term ratings. It attributed the ratings' affirmation to the Kingdom's strong fiscal and external balance sheets, significant fiscal buffers, as well as to healthy banking sector indicators and the sovereign's net foreign assets that are higher than the medians of 'A' and 'AA'-rated sovereigns. But it noted that the ratings are constrained by the Kingdom's low scores on the World Bank's governance indicators and by the country's vulnerability to geopolitical shocks. It forecast the public debt level to increase from 31.8% of GDP at end-2025 to 41.3% of GDP at end-2028, driven by lower oil prices and persistent fiscal deficits, and to remain well below the projected median of 58.1% of GDP of similarly-rated peers in the near-term. Also, it anticipated the current account balance to post a small surplus in 2026 due to higher oil export receipts, but to post a deficit of 5% of GDP by 2028, in case of lower global oil prices and the continuing increase of the import bill. Further, it projected foreign currency reserves at 11.6 months of current external payments in 2026, well above the median of 1.9 months of similarly-rated sovereigns. In addition, it projected the sovereign's net foreign assets at 38.5% of GDP at end-2028 relative to the median of -0.9% of GDP for similarly-rated peers. Further, it said that it could downgrade the ratings if public finances deteriorate, if the government's debt level increases significantly, and/or if regional geopolitical tensions escalate.

Source: Fitch Ratings

ARMENIA

Sovereign ratings affirmed, outlook 'positive' on robust economic activity

Fitch Ratings affirmed Armenia's long-term foreign and local currency issuer default ratings (IDRs) at 'BB-', which is three notches below investment grade, and maintained the 'positive' outlook on the long-term ratings. It attributed the ratings' affirmation to the country's strong economic growth, improved external buffers, fiscal performance, and banking sector resilience. It said that the 'positive' outlook reflects Armenia's increased foreign currency reserves, continued solid growth that will support debt stabilization in the medium term, and prospects for the decline of long-standing geopolitical risks. Also, it noted that the public debt level reached 47.2% of GDP at end-2025, which is lower than the median of 'BB'-rated peers, and expected it to remain broadly stable. Also, it stated that the current account deficit reached 7.2% of GDP in 2025, but it projected it to narrow in the 2026-28 period, and to remain elevated compared the median of similarly-rated peers. Also, it said that foreign currency reserves stood at $5.9bn at end-May 2026, and expected foreign reserves to cover 3.6 months of current external payments by 2028 compared to 4.5 months for the median of 'BB-'-rated sovereigns. In parallel, it said that it could upgrade the ratings if geopolitical risks recede, and/or in case fiscal consolidation measures result in a sustained decline in the public debt level. But it indicated that it could downgrade the ratings if geopolitical risks undermine political and economic stability, if the public debt level rises substantially, and/or in case of a sizeable decline in foreign currency reserves.

Source: Fitch Ratings

EGYPT

External outlook dependent on energy prices and geopolitical tensions

JPMorgan Chase & Co. projected Egypt's current account deficit at 4.1% of GDP in the fiscal years that end in June 2026 and June 2027, as it considered that fluctuations in global oil prices and regional geopolitical tensions are likely to be the key drivers of the country's external outlook, as they will impact energy markets, tourist arrivals, shipping activity through the Suez Canal, and capital flows. Also, it estimated that a rise of $10 per barrel in global oil prices will widen the current account deficit by 0.3% of GDP to 0.4% of GDP. It added that an increase in interest rates by the U.S. Federal Reserve, a stronger exchange rate of the US dollar, and escalating regional tensions could trigger portfolio outflows and renew pressures on foreign currency reserves. In addition, it pointed out that Egypt's balance of payments position remained relatively resilient despite the scale of portfolio outflows, and estimated that the inflows of expatriates' remittances increased. Also, it said that the sizeable positive net foreign asset position of the Egyptian banking sector allowed the financial system to absorb a large share of the portfolio outflows, with the banks' foreign assets declining by more than $6bn during the first quarter of 2026 before recovering gradually in the following months as market conditions stabilized and inflows resumed. It stated that financing conditions also benefited from the disbursement of $2.3bn from the International Monetary Fund in February 2026, which helped cushion external pressures as official reserves increased during the first quarter.

Source: JPMorgan Chase & Co.

EMERGING MARKETS

Digital banks face multiple challenges

Fitch Ratings indicated that digital banks are growing in the Emerging Europe, the Middle East, and Africa (EEMEA) region, but it added that they remain small challengers to traditional established banks. It said that most of the digital banks lack economies of scale and have narrower product ranges and less diversified revenue streams than incumbent banks. It noted that the number of newly established digital-only banks has increased due to technology developments, financial inclusion initiatives and regulatory reforms. Further, it pointed out that digital banking is growing in Gulf Cooperation Council countries due to expatriate-driven cross-border payroll demand and financial innovation strategies, while financial inclusion initiatives are driving the expansion of digital banks in Africa. In addition, it stated that digital banking business models include digitized products and services offered by incumbent banks; digital-only banks seeking to scale low-cost and application-based retail and business banking; and financial technology firms and payment providers specializing in products such as payments, remittances, consumer lending, and small- and medium-sized enterprise services. But it considered that digital banks face structural challenges relative to incumbents, such as weaker franchise depth, less stable funding profiles and untested credit models that may underperform in adverse economic conditions. It noted that the banks' reliance on digital infrastructure has raised the risks to operational continuity and cybersecurity, while compliance costs are increasing for institutions that have prioritized growth over the establishment of robust risk frameworks.

Source: Fitch Ratings

OMAN

Agencies take rating actions on banks

Moody's Ratings affirmed the long-term local and foreign currency deposit ratings of Bank Muscat, the National Bank of Oman (NBO), and Sohar International Bank (SIB) at 'Baa3', and maintained the 'stable' outlook on the long-term ratings of the three banks. It attributed the affirmation of the ratings to the banks' sound profitability metrics, underpinned by their strong domestic franchise, along with high liquidity buffers. It said that the 'stable' outlook takes into account the same outlook on Oman's issuer rating of 'Baa3'. Further, it affirmed the Baseline Credit Assessment (BCA) of Bank Muscat at 'baa3', the BCA of SIB at 'ba1', and the BCA of NBO at 'ba2'. Also, it indicated that the BCAs of Bank Muscat and SIB are supported by their strong capital buffers, while the BCA of NBO is constrained by the bank's modest capital ratios. It noted that high borrower concentration is weighing on the BCAs of the three banks, while elevated funding concentration is weighing on the BCAs of Bank Muscat and SIB. It added that the BCA of NBO reflects the bank's stable deposit-funded profile. In parallel, Capital Intelligence Ratings affirmed the long-term foreign currency rating of Bank Muscat at 'BBB-' and the long-term National Scale Rating of Alizz Islamic Bank (AIB) at 'omAA+', with a 'stable' outlook on the ratings of the two banks. It also affirmed the Bank Standalone Rating (BSR) of Bank Muscat at 'bbb-', and kept the 'stable' outlook on the BSR of the bank.

Source: Moody's Ratings

IRAQ

FATF calls for strengthening AML/CFT framework

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), announced that it included Iraq on its list of "jurisdictions under increased monitoring". It indicated that the Iraqi authorities made a high-level political commitment in June 2026 to work with the FATF and its regional body MENAFATF to strengthen the effectiveness of the country's AML/CFT regime. It pointed out that, since the adoption of its Mutual Evaluation Report (MER) in November 2024, Baghdad has made progress on the MER's recommended actions. It said that the actions include applying market entry controls to prevent criminals and terrorists from accessing important sectors, providing guidance and outreach to non-banking financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs), introducing measures to mitigate risks in the real estate sector, and enhancing the authorities' understanding of how legal persons are misused for money laundering and terrorist financing (ML/TF). Also, it called for strengthening the detection of informal money or value transfer services and for establishing the legislative framework for Virtual Asset Service Providers. Further, it emphasized the need to apply effective, proportionate, and dissuasive sanctions for breaches of AML/CFT requirements, and called for ensuring that financial institutions and DNFBPs apply targeted financial sanctions and measures against politically-exposed persons. It stressed the importance of increasing the quantity and quality of Suspicious Transaction Reports, and urged the government to enhance the risk-based implementation of beneficial ownership measures, expand ML investigations and prosecutions of ML, pursue more TF investigations and prosecutions in relation to specific TF risks, and address the technical compliance issues related to TF offences.

Source: Financial Action Task Force

NIGERIA

Bank's capital increase supports exit from forbearance measures

Fitch Ratings indicated that the impaired loans ratios of Nigerian banks increased sharply in early 2026, which has put pressure on their capitalization, following the withdrawal of longstanding forbearance measures at end-June 2026. But it said that the pressure on the banks' capitalization was offset by their good internal capital generation and capital increases to meet new paid-in capital requirements that became effective at end-March 2026. It noted that the withdrawal of regulatory forbearance measures led to some impaired loans, particularly in the oil and gas sector. As such, it stated that the banking sector's impaired loans ratio increased from 4.5% at end-2024 to 8% at end-January 2026, and expected it to decline to 5% at end-2026 due to increasing write-offs that will clean up the banks' balance sheets. Further, it said that the capital increases enabled many banks to absorb additional provisions resulting from higher impaired loans, as well as capital deductions resulting from single-obligor limit breaches, and helped the banks to remain compliant with their respective minimum capital adequacy ratio requirements. Also, it forecast lending growth to accelerate from 2% in 2025 to about 20% in 2026, as banks begin deploying the fresh capital that they have raised.

Source: Fitch Ratings

ENERGY / COMMODITIES

Oil prices to average $83.7 p/b in third quarter of 2026

ICE Brent crude oil front-month futures contracts for September 2026 reached $85 per barrel (p/b) on July 15, 2026, constituting an increase of 9% from $78 p/b a week earlier, following Iranian attacks on oil tankers in the Strait of Hormuz and on several Arab Gulf countries that triggered a new wave of U.S. strikes on Iranian military installations, which raised concerns of renewed full-scale conflict and potential supply disruptions in the Strait of Hormuz. In parallel, Goldman Sachs indicated that oil exports from Gulf Cooperation Council (GCC) countries exceeded 80% of pre-war levels in the two weeks after the signing of the Memorandum of Understanding between the U.S. and Iran, but dropped to less than 50% to 11 million barrels per day (p/d) following renewed Iranian attacks on tankers in the Strait of Hormuz. It noted that this decline leaves the global oil market in a deficit of 13.4 million b/d of oil supply from the Middle East. It considered that, if the military confrontation continues, it will likely result in deeper cuts in oil demand and in new drawdowns of oil inventories. It said that risks to the global oil market are tilted to the upside and consist of intensified attacks on tankers and on energy infrastructure in the Middle East. It added that this risk could raise Brent oil prices to $110 p/b in the fourth quarter of 2026 if the recovery in oil exports from the GCC continues to stall, which will delay the rebound in oil production and require a larger demand response. In addition, LSEG Workspace projected oil prices, through its latest crude oil price poll of 31 industry analysts, to average $83.7 p/b in the third quarter of 2026 and $84.5 p/b in 2026.

Source: Goldman Sachs, LSEG Workspace, Byblos Research

OPEC's oil basket price down 21.6% in June 2026

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $89.8 per barrel (p/b) in June 2026, constituting a decrease of 21.6% from $114.6 p/b in May 2026. The price of Saudi Arabia's Arab Light was $96.9p/b, followed by Kuwait's Kuwait Export at $92.3p/b, and Iran Heavy at $90.8p/b and. In parallel, all prices in the OPEC basket posted monthly decreases of between $11.64 p/b and $35.12 p/b in June 2026.

Source: OPEC

Output of natural gas to decrease by 1% in 2026

The International Energy Agency projected the global production of natural gas to reach 4,274 billion cubic meters (bcm) in 2026, which would constitute a decrease of 0.7% from 4,303 bcm in 2025. It forecast the supply of natural gas in North America at 1,370 bcm and to represent 32% of the world's aggregate output in 2026, followed by Eurasia with 865 bcm (20.2%), the Asia Pacific region with 725 bcm (17%), the Middle East with 700 bcm (16.4%), Africa with 242 bcm (5.7%), Europe with 210 bcm (4.9%), and Central and South America with 162 bcm (3.8%).

Source: International Energy Agency, Byblos Research

OPEC oil output up 16% in June 2026

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 22 million barrels of oil per day (b/d) in June 2026, constituting an increase of 16.1% from 19 million b/d in May 2026. On a country basis, Saudi Arabia produced 6.8 million b/d, or 31% of OPEC's total output, followed by the UAE with 3.8 million b/d (17.3%), Iran with 2.44 million b/d (11%), Iraq with 1.97 million b/d (9%), Nigeria with 1.56 million b/d (7%), Kuwait with 1.45 million b/d (6.6%), and Libya with 1.33 million b/d (6%).

Source: OPEC

Base Metals: Copper prices to average $14,000 per ton in third quarter of 2026

LME copper cash prices averaged $13,092.4 per ton in the year-to-July 15, 2026 period, constituting a rise of 38.5% from an average of $9,454.4 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 $14,109.5 per ton on May 13, 2026, driven by accelerating demand from AI infrastructure and renewable energy projects, tight physical supply, and low inventories. In parallel, Citi Research projected the global production of refined copper at 27.5 million tons in 2026, which would constitute an uptick of 0.8% from 27.3 million tons in 2025, with mine output representing 84.8% of the global production of refined copper this year. In addition, it expected global demand for refined copper at 27.52 million tons in 2026, which would represent an increase of 2.1% from 26.94 million tons in 2025. In its bull case scenario, it expected copper prices to average $17,000 per ton by 2027, supported by cyclical growth, policy rate cuts by the U.S. Federal Reserve, potential new U.S. import tariffs, supply constraints, and stronger demand from China. In its bear case scenario, it anticipated copper prices to average $11,000 a ton through 2027, driven by U.S. Federal Reserve rate hikes amid renewed Middle East tensions. In its base case scenario, it forecast copper prices to reach $14,500 a ton between June and July 2026 and $15,000 per ton in 2026, supported by lingering concerns about the imposition of new U.S. tariffs, demand for the metal from Artificial Intelligence firms and for the energy transition, and easing cyclical risks. Further, it projected copper prices to average $14,000 per ton in the third quarter of 2026 and $13,700 a ton in 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

Precious Metals: Gold prices to average $4,500 per ounce in third quarter of 2026

Gold prices averaged $4,640.3 per ounce in the year-to-July 15, 2026 period, constituting a surge of 50% from an average of $3,093.7 an ounce in the same period last year, driven largely by strong demand from central banks worldwide, by concerns about global economic uncertainties, and heightened Middle East tensions. Also, gold prices decreased by 27.6% from an all-time high of $5,586.2 per ounce on January 29, 2026 to $4,348 an ounce on July 15, 2026 due to rising U.S. Treasury yields and a stronger exchange rate of the US dollar against major currencies. Further, figures released by the World Gold Council show that global outflows from gold-backed exchange-traded funds (ETFs) reached 44.8 tons in the second quarter of 2026, with outflows of 44.8 tons in North America, 14.5 tons in Asia, 1.5 tons in other regions, and inflows of 16 tons in Europe. In comparison, global inflows into gold-backed ETFs stood at 171.1 tons in the second quarter of 2025, with inflows of 72.9 tons in North America, 70.4 tons in Asia, 24.2 tons in Europe, and 3.6 tons in other regions. Also, it said that global flows into gold-backed ETFs have been positive in the first half of this year, even though funds listed in all regions saw outflows in June. In addition, it pointed out that gold-backed ETFs in Europe shifted from inflows of 26.9 tons in April and 1.2 tons in May 2026 to outflows of 12.1 tons in June 2026. In parallel, Citi Research expected gold prices to average $4,500 per ounce in the third quarter of 2026.

Source: World Gold Council, 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-	B3	B-	-								
	Stable	Stable	Stable	-	-4.2	48.1	4.8	52.0	31.7	104.8	2.5	-1.3
Egypt	B	Caa1	B	B								
	Stable	Positive	Stable	Stable	-7.1	81.0	3.3	63.5	71.9	135.4	-4.0	2.0
Ethiopia	SD	Caa3	CCC-									
	-	Stable	-	-	-1.7	30.9	2.5	31.4	10.4	116.0	-2.3	2.0
Ghana	B	Ca	B	-								
	Stable	Positive	Positive	-	-3.9	50.7	2.0	17.4	19.6	95.5	2.9	1.7
Côte d'Ivoire	BB	Ba2	BB	-								
	Stable	Stable	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	B-	B3	-	-								
Congo	Stable	Stable	-	-	-1.8	17.9	1.8	8.0	2.8	97.2	-2.7	2.2
Morocco	BBB-	Ba1	BB+	-								
	Stable	Stable	Stable	-	-3.0	62.0	4.6	26.8	7.1	93.7	-2.2	1.7
Nigeria	B	B3	B	-								
	Stable	Positive	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	B-	-								
	-	Stable	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+	B2	B+	-								
	Stable	Stable	Stable	-	-4.2	74.1	3.9	20.6	10.4	112.0	-14.7	7.4
Middle East												
Bahrain	B	B2	B	B								
	Stable	Stable	Stable	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-	Caa1	B-	-								
	Negative	Stable	Stable	-	-4.2	47.7	12.8	3.5	2.4	48.5	2.3	-3.0
Jordan	BB-	Ba3	BB-	BB-								
	Stable	Stable	Stable	Stable	-1.6	94.3	2.3	68.2	13.3	147.6	-6.1	3.1
Kuwait	AA-	A1	AA-	A+								
	Stable	Stable	Stable	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-	Baa3	BBB-	BBB-								
	Stable	Stable	Stable	Positive	0.0	36.5	1.9	27.6	6.7	113.4	-3.0	7.0
Qatar	AA	Aa2	AA	AA								
	Stable	Stable	CWN**	Stable	-0.8	42.5	2.9	136.1	5.0	181.3	13.6	-0.7
Saudi Arabia	A+	Aa3	A+	AA-								
	Stable	Stable	Stable	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	Aa2	AA-	AA-								
	Stable	Stable	Stable	Stable	2.9	30.8	-	-	-	-	5.6	-
Yemen	-	-	-	-								
	-	-	-	-	-5.1	69.3	-	-	-	-	-6.6	-

COUNTRY RISK METRICS

Countries	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	15-Jul-26	No change	02-Sep-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	09-Jul-26	No change	20-Aug-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-Jul-26	Cut 125bps	15-Sep-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

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