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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

MENA

Level of environmental performance varies across region

The Yale and Columbia universities' Environmental Performance Index for 2026 ranked the UAE in 42nd place among 177 countries globally and in first place among 16 Arab economies. Oman followed in 49th place, then Jordan (54th), Qatar (67th), and Algeria (78th) as the Arab countries that are closest to meeting internationally-established targets on environmental protection and on combating climate change; while Sudan (143rd), Bahrain (148th), Djibouti (164th), Iraq (166th) and Mauritania (169th) had the lowest environmental performance in the region. The index ranks countries on 12 components that are divided into three categories that are Environmental Health, Climate Change, and Ecosystem Vitality. The Arab region's average score stood at 37.8 points in the 2026 index, and came lower than the global average score of 42.9 points. Also, the average score of Gulf Cooperation Council (GCC) countries stood at 42.1 points, while the average score of non-GCC Arab counties was 35.2 points. In comparison, the level of environmental performance of Arab countries came higher than in the Asia-Pacific region (36.8 points), Sub-Saharan Africa (34.6 points), and Southern Asia (31.8 points), but was lower than in the Global West (64.7 points), Eastern Europe (54.9 points), Latin America and the Caribbean (42.1 points), and the Former Soviet States (39.5 points). Further, Qatar was the top Arab economy on the Environmental Health category, Jordan ranked first on the Climate Change category, and Oman came first on the Ecosystem Vitality category.

Source: Yale University, Columbia University, Byblos Research

Investment banking fees down 19% to $757m in first half of 2026

Figures compiled by data provider LSEG Workspace show that investment banking fees in the Middle East & North Africa (MENA) totaled $757.1m in the first half of 2026, constituting a decrease of 19% from $934.7m in the same period last year. The distribution of investment banking fees shows that fees from debt capital markets (DCMs) reached $297m and accounted for 39.2% of the total, followed by merger & acquisition (M&A) fees with $203.5m (26.9%), syndicated lending fees with $187.4m (24.7%), and equity capital markets (ECMs) fees with $69.5m (9.2%). Also, fees from equity capital markets dropped by 57%, those from M&A transactions declined by 19%, and syndicated lending fees decreased by 16%, while fees from debt capital markets were unchanged year-on-year. Also, the materials sector accounted for $10.76bn, or 49.5%, of the region's M&As in the first half of 2026, followed by the industrial sector with $2.1bn (9.6%), the financial sector with $2bn (9.2%), the high technology industry with $1.8bn (8.3%), the energy & power industry with $1.79bn (8.2%), and the retail sector with $881.5m (4%). On a country basis, M&A activity in the UAE totaled $16.5bn and accounted for 75.8% of aggregate activity in the region in the first half of 2026, followed by Saudi Arabia with $2.9bn (13.5%), Morocco with $1bn (4.7%), Egypt with $522.3m (2.4%), and Oman with $284.4m (1.3%). In parallel, the MENA region issued $67bn in corporate bonds and $29bn in sovereign bonds in the first half of 2026.

Source: LSEG Workspace

GCC

IPOs down 71% to $1.2bn in first half of 2026

Figures compiled by S&P Global Market Intelligence show that the capital raised through initial public offerings (IPOs) in the economies of the Gulf Cooperation Council (GCC) totaled $1.19bn in the first half of 2026, constituting a drop of 71% from $4.1bn in the same period of 2025, with $440m raised in the first quarter and $750m in the second quarter of the year. In comparison, IPOs in the GCC raised $3.57bn in the first half of 2024, $5.53bn in the same period of 2023, $14.7bn in the first half of 2022, and $0.3bn in the same period of 2021. Further, there were seven IPOs in the GCC economies in the first half of 2026 relative to 27 listings in the same period of 2025, with four IPOs in the first quarter and three listings in the second quarter of the year. In comparison, there were 23 IPOs in the first half of 2024, 24 deals in the same period of 2023, 28 listings in the first half of 2022, and three IPOs in the same period of 2021. Further, the capital raised through IPOs in GCC countries accounted for 1% of the aggregate funds raised from IPOs worldwide in the first quarter and 0.5% in the second quarter of 2026. In comparison, GCC economies accounted for 5.5% of the aggregate funds raised from IPOs worldwide in the first quarter and 7% in the second quarter of 2025.

Source: S&P Global Market Intelligence

SAUDI ARABIA

Venture capital funding down 74% to $219m in first half of 2026

Figures released by online platform Magnitt show that venture capital (VC) funding in Saudi Arabia reached $219m in the first half of 2026, constituting decreases of 74.3% from $853m in the same period of 2025 and of 50.8% from $445m in the first half of 2024, and accounted for 49% of the Middle East and North Africa region's aggregate VC funding in the covered period. In comparison, VC funding in the country stood at $489m in the first half of 2023 and $559m in the same period of 2022. Further, there were 72 deals in the Kingdom in the first half of 2026, down by 41% from 122 investments in the same period of 2025 and by 24.2% from 95 transactions in the first half of 2024. In comparison, there were 69 deals in the country in the first half of 2023 and 97 investments in the same period of 2022.In parallel, VC investments in financial technology firms amounted to $147m and accounted for 67% of aggregate VC investments in Saudi Arabia in the first half of 2026, followed by the enterprise software industry with $27m (12.3%), the e-commerce & retail sector with $7m (3.2%), and the agriculture industry and the real estate sector with $5m each (2.3% each). Also, there were 17 investments in gaming companies, or 23.6% of the aggregate number of deals in the covered period, followed by 16 investments in fintech firms (22.2%), eight deals in the enterprise software industry (11%), six transactions in the e-commerce & retail sector (8.3%), and three deals in the cyber security companies (4.2%).

Source: Magnitt, Byblos Research

OUTLOOK

WORLD

Economic outlook contingent on Middle East developments

Reinsurer Swiss Re projected the global real GDP growth rate to decelerate from 2.9% in 2025 to 2.5% in 2026 and 2.7% in 2027, and forecast the global inflation rate at 4% in 2026 and 3.3% in 2027. It considered that the global macroeconomic outlook in the 2026-27 period will be shaped by factors such as the dependence on energy imports, exposure to Middle East energy supply routes, domestic inflation dynamics, trade linkages, and fiscal and monetary policy flexibility.

Further, under its Scenario 1, which assumes a brokered settlement whereby transit through the Strait of Hormuz partially recovers during the summer, it expected hydrocarbon flows to fully normalize in the fall of this year and minimal damage to oil infrastructure in oil producers in the Arab Gulf region. as such, it projected Brent oil pieces to average $78 per barrel (p/b) in the second half of 2026, and anticipated oil prices to remain volatile due to a potentially bumpy normalization of flows.

In its Scenario 2, which assumes severe disruption to trade flows through the Strait of Hormuz in the near term, it expected oil flows to partially recover by the end of 2026 and limited damages to oil infrastructure. As such, it forecast Brent oil prices to average $100 p/b in the second half of the year and to peak in the third quarter, which will reduce global energy demand significantly. Under its Scenario 3, which assumes a renewed escalation of the Middle East conflict and the disruption of flows in the Strait of Hormuz throughout the year, it anticipated significant damage to the region's oil infrastructure. As such, it expected Brent prices to average $125 p/b for the remainder of 2026, which will accelerate the drop-in oil demand and will partially offset the impact of the disruption to oil supply. As a result, it expected a manageable macroeconomic impact under Scenario 1, a global stagflation in Scenario 2, and a global recession under Scenario 3.

Source: Swiss Re

AFRICA

Proper AI adoption to boost growth by 4% in next decade

The International Monetary Fund (IMF) estimated that the adoption of artificial intelligence (AI) could boost productivity, create better jobs, and improve public services in Sub-Saharan Africa (SSA). But it considered that the region's economies require reliable power generation, affordable internet, stronger skills, and trusted regulations to realize these gains. Further, it estimated that the adoption of AI could add about 0.2% to the region's real GDP growth rate in the next 10 years. However, it considered that if governments establish the right foundations to accelerate AI's adoption and extend its reach beyond the currently digitally connected firms, economic gains could add 4% to SSA's real GDP in the next decade, which represents nearly half a percentage point of additional growth per year.

Further, it identified two priorities for advancing AI adoption in SSA. First, it said that SSA countries must build the foundations for broad AI adoption, since AI depends on reliable electricity, affordable broadband and data infrastructure, and a workforce equipped with digital skills. It added that AI adoption requires investing in power and connectivity, supporting regional data infrastructure where feasible, and strengthening digital and AI literacy through education and training. It stressed that African countries do not need to develop the world's most advanced AI models, but noted that they need the capacity to adopt, adapt, and scale AI rapidly.

Second, it said that SSA countries must adopt AI widely across industries, institutions and infrastructure, in order to capture productivity gains and growth benefits. It cautioned that AI could widen inequality if its benefits remain concentrated among large firms, skilled workers, and urban hubs. It pointed out that AI adoption can generate risks related to privacy, cybersecurity, misinformation, and dependence on foreign providers. It said that African governments need clear and practical rules on data, competition, consumer protection, cybersecurity, and the public sector's use of AI to address these challenges. It considered that regional cooperation will be essential, since many African economies are too small to build AI ecosystems by themselves, but it said that they can create the scale needed for infrastructure, data standards, regulation, and markets through cooperation.

Source: International Monetary Fund

NIGERIA

Growth rate to pick up in 2026-27 period on favorable economic conditions

Citi Research projected Nigeria's real GDP growth rate to pick up from 4.3% in 2025 to 4.6% in 2026 and 5.2% in 2027. It considered that Nigeria is one of the least impacted countries by the ongoing conflict in the Middle East, as its role as an oil and gas exporter, along with newly added refining capacity and a large fertilizer facility, allows it meet domestic demand. Further, it forecast the inflation rate to decline from an average of 23% in 2025 to 15.2% in 2026 and 11.9% in 2027 amid a stable exchange rate, which would allow the Central Bank of Nigeria (CBN) to cut its policy rate by 50 basis points by end-2026. Further, it considered that a range of factors could help support the exchange rate of the naira, such as improved market liquidity with the introduction of the 2026 foreign exchange guidelines that clarify the status of many transactions. Also, it expected the exchange rate of the naira to average NGN1,383 per US dollar in 2026 and NGN1,432 a dollar in 2027.

Also, it forecast the fiscal deficit at 2.9% of GDP in 2026, unchanged from 2025, and to narrow to 2.8% in 2027. But it said that higher oil revenues will support the fiscal balance, and noted that the government is unlikely to spend heavily before the 2027 general elections. It expected the public debt level to decrease from 27.2% of GDP at end-2025 to 23% of GDP at end-2026 and 22.8% of GDP at end-2027. Also, it projected the current account surplus to increase from 14% of GDP in 2025 to 16.6% of GDP in 2026, driven by a large trade surplus due to higher oil export receipts and by significant foreign direct investment inflows. But it anticipated the current account surplus to decrease to 10.2% of GDP in 2027 in a case of a decline in the trade surplus. Also, it forecast foreign currency reserves to rise from $45.5bn at end-2025 to $55.2bn at end-2026 and $57.6bn at end-2027. It attributed the rise in reserves this year to the government's decision to lift oil subsidies and to a modest rise in oil production.

Source: Citi Research

UAE

Sovereign ratings affirmed on strong net external asset position and fiscal buffers

Capital Intelligence Ratings affirmed the short- and long-term foreign and local currency ratings of the United Arab Emirates (UAE) at 'A1+' and 'AA-', respectively, and maintained the 'stable' outlook on the long-term ratings. It indicated that the ratings reflect the strength of the UAE's consolidated fiscal and external positions, which provide an effective buffer against external shocks. It noted that the ratings are supported by a stable domestic political environment, elevated GDP per capita, a sound banking sector, and the government's continuous efforts to diversify the economy and hydrocarbon export logistics away from the Strait of Hormuz. However, it stated that the ratings are constrained by the high dependence of the economy on hydrocarbon revenues, the budget's rigidities, as well as by elevated geopolitical uncertainties and risks. It pointed out that the UAE economy has demonstrated resilience in the face of an exceptionally challenging external environment. Also, it indicated that the 'stable' outlook balances the country's strong net external asset position and its large fiscal buffers, with the continued reliance on hydrocarbon exports and increasing geopolitical risk factors. In parallel, the agency noted that it may upgrade the ratings if the authorities continue to implement structural reforms that would reduce the economy's reliance on oil exports and improve the institutional framework and data disclosure, or if geopolitical tensions recede. However, it pointed out that it could downgrade the ratings if geopolitical tensions increase, or if public and external finances deteriorate.

Source: Capital Intelligence Ratings

ARMENIA

Travel and tourism to contribute 11.5% of GDP in 2026

The World Travel & Tourism Council estimated that the travel and tourism sector in Armenia contributed 11.3% of the country's GDP in 2025 compared to 12.9% of GDP in 2019. It estimated that the broad travel & tourism (T&T) sector generated $3.2bn in revenues in 2025, constituting a decline of 1.1% from 2024 and a rise of 17% from $2.8bn in 2019. In parallel, it estimated the aggregate international spending by visitors to the country at $2.7bn, while spending by local visitors on T&T reached $385.8m in 2025. Also, leisure spending by visitors to Armenia totaled $2.57bn in 2025 and business spending reached $518.4m last year. Further, it pointed out that the T&T industry contributed 179,100 jobs in 2025 relative to 137,400 jobs in 2019, with the industry accounting for 14.6% of the country's total employment in 2025 compared to a share of 12.7% in 2019. In parallel, it projected the contribution of the T&T sector to the country's GDP at $3.4bn in 2026 and at $4.5bn in 2036, which would be equivalent to 11.5% of this year's GDP and 10.9% of GDP in 2036. Also, it forecast the employment in the T&T sector at 185,100 jobs in 2026, or 15% of total employment in the country this year, and at 217,900 jobs or 18% of the country's total employment in 2036. Further, it projected international spending at $2.8bn in 2026 and $3.5bn in 2036, and anticipated domestic spending at $408.3m in 2026 and $600.9m in 2036.

Source: World Travel & Tourism Council

PAKISTAN

Sovereign ratings upgraded on improved institutional stability and reforms

S&P Global Ratings upgraded Pakistan's long-term sovereign credit ratings from 'B-' to 'B', which is five notches below investment grade, and maintained the 'stable' outlook on the long-term ratings. It also upgraded the country's Transfer & Convertibility Assessment from 'B-' to 'B'. It attributed the upgrade to improved institutional stability that enabled the implementation of critical reforms under the International Monetary Fund's (IMF) program, which, in turn, accelerated fiscal consolidation and rebuilt external buffers. It added that the IMF program and bilateral and multilateral aid have boosted the foreign currency reserves of the State Bank of Pakistan. Also, it indicated that the 'stable' outlook reflects Pakistan's improved political and institutional settings that will anchor economic reforms and support a sustained period of steady growth and fiscal consolidation. Also, it anticipated sustained external official financing to support the country's capacity to meet its external obligations and to continue to roll over its commercial credit lines in the next 12 months. Further, it forecast the country's gross external financing needs at 104.7% of current account receipts and usable reserves in FY2025/26, as well as at 104.8% of such receipts and reserves in FY2026/27 and 104.2% in FY2027/28. In parallel, it said that it may downgrade the ratings if the country's external and fiscal balances deteriorate rapidly, if financial support from key bilateral and multilateral partners erodes, and/or if interest rates surge again materially and add to the government's significant debt servicing burden.

Source: S&P Global Ratings

BANGLADESH

Outlook on ratings revised to 'negative' on adverse conditions

S&P Global Ratings affirmed Bangladesh's long-term foreign and local currency sovereign credit ratings at 'B+', and revised the outlook on the long-term ratings from 'stable' to 'negative'. It attributed the outlook revision to the agency's expectations of a deceleration in economic activity and of a further deterioration of the sovereign's external balance sheet as a result of adverse conditions that include the war in the Middle East, financial sector imbalances, and energy market vulnerabilities, which, in turn, could slow exports and the economic recovery in the next 12 to 18 months. It said the ratings reflect the economy's historically strong long-term growth rates, a moderate public debt level, an external position that is supported by bilateral and multilateral development partners, elevated remittances inflows, and a globally competitive garment manufacturing sector. But it noted that the ratings are constrained by the economy's modest per capita income, its limited fiscal flexibility, low revenue-generation capacity, and the government's high debt servicing costs. Also, it forecast the country's gross external financing needs at 95.8% of current account receipts and usable reserves in 2026, as well as at 99% of such receipts and reserves in 2027, 102.1% in 2028, and 104.2% in 2029. Also, it projected official foreign reserves to increase to $34.5bn at end-June 2027 and $35.6bn at end-June 2028. It said that it could downgrade the ratings if the country's external position deteriorates, if the current account deficit widens, and/or if foreign currency reserves decline.

Source: S&P Global Ratings

WORLD

AML/CFT regimes face risks from decentralized finance

The Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), considered that decentralized finance (DeFi), which refers to the technology and services delivered through blockchain-based smart contracts, represents a growing vulnerability within the AML/CFT/Counter-Proliferation Financing (AML/CFT/CPF) regime due to its distinct characteristics and increasing misuse by illicit actors. Further, it pointed out that most of the 142 jurisdictions that it surveyed in its 2026 Targeted Update Report did not implement Recommendation 15 on "New Technologies" about DeFi transactions that fall within the scope of the FATF standards. It stated that only 26 jurisdictions out of 142 have assessed the risks linked to DeFi, while 132 jurisdictions have not identified any qualifying arrangements operating in their territory. Also, it said that only four jurisdictions have implemented licensing and registration requirements, and just two jurisdictions, have actually licensed or registered such DeFi arrangements. As such, it noted that countries continue to face significant difficulties in applying Recommendation 15 to DeFi arrangements. It added that these challenges include conducting appropriate risk assessments due to the complex governance structures and cross border nature of DeFi; and determining which DeFi arrangements fall under the jurisdiction's regulatory framework; identifying individuals, if any, who exercise control or exert sufficient influence over a DeFi arrangement.

Source: Financial Action Task Force

SAUDI ARABIA

Capital adequacy ratio at 20.5%, NPLs at 1% at end-2025

The International Monetary Fund indicated that the banking sector in Saudi Arabia is strong, capitalized, and liquid. It said that the sector's aggregate capital adequacy ratio was 20.5% at the end of 2025 compared to 19.6% a year earlier, while the banks' Tier One Capital ratio stood at 18.8% at end-2025 relative to 18.3% at end-2024. Further, it pointed out that the banks' liquid assets accounted for 20.2% of total assets at end-2025 relative to 19.8% a year earlier, while the sector's liquid assets represented 38% of short-term liabilities at end-2025 compared to 36.5% at end-2024. It indicated that the banks' customer deposits accounted for 94.6% of net loans at end-2025 relative to 96.1%at end-2024, and that the sector's demand deposits represented 49% of total deposits at end-2025 compared to 53.5% a year earlier. Also, it noted that the sector's non-performing loans (NPLs) ratio regressed from to 1.2% at end-2024 to 1% at end-2025, while total provisions increased from 134.2% of gross NPLs at end-2024 to 134.6% of NPLs at end-2025. It added that net loans were equivalent to 70.2% of total assets at end-2025 compared to a ratio of 69.5% at end-2024, while net NPLs-to-total capital stood at 1.4% at end-2025 relative to 1.7% at end-2024. In parallel, it said that total assets were equivalent to 101% of GDP at end-2025, up from 83.2% of GDP at end-2017, with aggregate loans equivalent to 70.9% of GDP at end-2025 compared to 52.2% of GDP at end-2017. It said that foreign currency loans and deposits were equivalent to 11% and 9.3%, respectively, at end-2025.

Source: International Monetary Fund

ARMENIA

Outlook on banks' ratings revised to 'positive' on favorable operating conditions

Moody's Ratings affirmed the long-term local and foreign-currency deposit ratings of Ardshinbank, Ameriabank, ACBA Bank, Inecobank, Converse Bank, and ID Bank at 'Ba3', and the ratings of Unibank at 'B1'. Also, it affirmed the Baseline Credit Assessments (BCAs) of the first six banks at 'ba3' and the BCA of Unibank at 'b2'. Further, it revised the outlook on the long-term ratings of the seven banks from 'stable' to 'positive' following its similar action on the sovereign ratings. It attributed the change in outlook to the improvement in the banks' operating conditions, which could support the agency's decision to upgrade Armenia's Macro Profile from "Weak" to "Weak+". Further, it expected Armenian banks to strengthen their credit metrics that improved in the past several years. It said that the economy's enhanced resilience will help contain the banks' credit costs and support their asset quality, while the continued expansion of their franchises will support their profitability. Also, it indicated that the BCAs of Ardshinbank, ACBA Bank, and ID Bank take into account the banks' ability to maintain their solvency and liquidity buffers in the next 12 to 18 months. It pointed out that the BCAs of Ameriabank, Inecobank, and Converse Bank considers that the banks will sustain their robust credit metrics in the coming 12 to 18 months. It noted that the BCA of Unibank is supported by its materially improved asset quality, strong problem loan coverage, robust profitability and limited reliance on less-stable funding.

Source: Moody's Ratings

TÜRKIYE

Banks' ratings affirmed, outlook 'stable'

Moody's Ratings affirmed the long-term deposit ratings of Denizbank, HSBC Bank, and Turk Ekonomi Bankasi (TEB) at 'Ba2', as well as the ratings of Sekerbank, Turkiye Is Bankasi (Isbank), Turkiye Vakiflar Bankasi (Vakifbank), and Yapi ve Kredi Bankasi (YapiKredi) at 'Ba3'. Also, it affirmed the long-term foreign- and local-currency issuer ratings of Export Credit Bank (Turk Exim) and Sinai Kalkinma Bankasi (TSKB) at 'Ba3'. Further, it maintained the 'stable' outlook on the long-term ratings of the eight banks. In addition, it affirmed the Baseline Credit Assessment (BCA) of Turk Exim at 'ba3', the BCAs of Denizbank, HSBC Bank, Sekerbank, Isbank, TSKB, TEB, and YapiKredi at 'b1', and the BCA of Vakifbank at 'b2'. It indicated that the BCA of Vakifbank captures a high probability of government support in case of need; while the BCAs of Turk Exim, Sekerbank, Isbank, TSKB and YapiKredi signify a high probability of government support in case of necessity. It added that the BCAs of Denizbank, HSBC Bank and TEB are constrained by the expected low level of governmental support, in case of need. In parallel, it indicated that the BCAs of Denizbank and HSBC Bank are supported by their strong capital buffers; those of Turk Exim, Sekerbank, Isbank, TSKB, TEB and YapiKredi reflect their sound capital ratios; while the BCA of Vakifbank is constrained by the bank's modest capital buffers. Also, it said that the BCAs of Denizbank, Turk Exim, HSBC, Isbank, TSKB, TEB, and YapiKredi are underpinned by their robust profitability. Also, it stated that the ratings of Denizbank, Turk Exim, Sekerbank, TSKB, TEB, and Vakifbank reflect their sound liquidity ratios.

Source: Moody's Ratings

ENERGY / COMMODITIES

Oil prices to average $88 p/b in third quarter of 2026

ICE Brent crude oil front-month futures contracts for September 2026 reached a high of $100.7 per barrel (p/b) on July 23, 2026, mainly due to Huthi attacks on Saudi oil tankers in the Red Sea and to the ongoing closure of the Strait of Hormuz. Also, oil prices stood at $90.7 p/b on July 29, constituting an increase of 8% from $84.1 p/b on July 28, as U.S. President Donald Trump threatened severe retaliation against Iran following an attempted Iranian attack on American forces in the Middle East, while prices decreased to $89 p/b after Saudi Arabia proposed a naval coalition to protect ships from attacks. In parallel, the International Energy Agency noted that it expects the global oil market to shift back into surplus toward the end of 2026, but it added that this outlook depends on the gradual resumption of tanker traffic through the Strait of Hormuz. It said that such a recovery would allow producers to resume operations at previously shut oil fields and allow refiners in the Middle East and beyond to resume product shipments. However, it cautioned that renewed military escalation in the Middle East highlights the risks of not reaching a lasting peace agreement, which remains vital for stabilizing oil markets. In addition, Goldman Sachs projected oil prices to average $88 p/b in the third quarter of 2026.

Source: International Energy Agency, Goldman Sachs, *LSEG Workspace, Byblos Research*

United States and Saudi Arabia sign nuclear cooperation agreement

The United States Department of Energy announced that Saudi Arabia and the U.S. signed a peaceful nuclear cooperation agreement under Section 123 of the U.S. Atomic Energy Act of 1954, along with an accompanying bilateral safeguards agreement. It said that the two deals lay the legal foundation for a decades-long, multi-billion-dollar partnership that advances several priority economic and strategic objectives, including nuclear non-proliferation. It added that the agreements reflect the two nations' shared commitment to strengthening U.S.-Saudi commercial relations, and uphold the highest standards of nuclear safety and non-proliferation. The framework paves the way for the building of a uranium enrichment facility in Saudi Arabia after a joint U.S.-Saudi study. The deal is expected to last 30 years and to involve U.S. firms in developing the program.

Source: U.S. Department of Energy, AP

Non-OPEC petroleum and liquid fuels nearly unchanged in 2026

The U.S. Energy Information Administration projected the production of petroleum and liquid fuels from non-OPEC producers at 76.8 million barrels per day (b/d) in 2026, which would constitute an increase of 0.03% from 76.78 million b/d in 2025. The supply of petroleum and liquid fuels from non-OPEC producers would account for 75.4% of global output.

Source: U.S. Energy Information Administration

Global steel output down 1.4% in June 2026

Global steel production reached 155.7 million tons in June 2026, representing a decrease of 1.4% from 157.9 million tons in May 2026 and an increase of 2.8% from 151.4 million tons in June 2025. Production in China totaled 83.7 million tons and accounted for 53.8% of global steel output in June 2026, followed by production in India with 14.1 million tons (9.1%), the U.S. with 7.2 million tons (4.6%), Japan with 6.8 million tons (4.4%), and Russia with 5.6 million tons (3.6%).

Source: World Steel Association, Byblos Research

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

LME copper cash prices averaged $13,135.8 per ton in the year-to-July 30, 2026 period, constituting a rise of 38.6% from an average of $9,480.5 a ton in the same period of 2025. The increase in prices was due to global trade tensions, as well as to elevated demand from green technologies, particularly for renewable energy, electric vehicles, and artificial intelligence (AI) data centers. Further, copper prices reached an all-time high of $14,196.5 per ton on May 13, 2026, driven by mining disruptions in Latin America and Africa that limited output. In parallel, the latest available figures from the International Copper Study Group (ICSG) show that global demand for refined copper was 11.8 million tons in the first five months of 2026, up by 2.2% from 11.6 million tons in the same period last year. Also, it noted that the global production of refined copper reached 12.1 million tons in the first five months of 2026, up by 3% from 11.7 million tons from the same period last year, as higher output from China, the Democratic Republic of the Congo (DRC) and India was partially offset by lower production in Indonesia, Japan and the Philippines. Further, it said that mine output represented 77.8% of the global production of refined copper in the first five months of this year, compared to 81.7% in the same period of 2025. Also, it noted that the metal's production in China and the DRC accounted for about 58% of the metal's global output. Also, the ICSG indicated that the surplus of refined copper increased from 117,000 tons in the first five months of 2025 to 221,000 tons in the same period this year. Further, Citi Research forecast copper prices to average $14,000 per ton in the third quarter of 2026 and $13,700 a ton in 2026.

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

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

Gold prices averaged $4,601 per ounce in the year-to-July 30, 2026 period, constituting a surge of 48% from an average of $3,111.6 an ounce in the same period last year, driven largely by strong demand from central banks worldwide, by concerns about global economic uncertainties, and by heightened Middle East tensions. Also, gold prices dropped by 28.3% from an all-time high of $5,586.2 per ounce on January 29, 2026 to $4,007 an ounce on July 29, 2026 due to rising U.S. Treasury yields and a stronger exchange rate of the US dollar against major currencies. In parallel, in its bear case scenario, Citi Research forecast gold prices to decline to $4,000 per ounce in the third quarter of 2026 if macroeconomic headwinds persist, with sticky inflation and resilient growth keeping interest rates in the U.S. higher for longer. However, under its bull case scenario, it projected gold prices to reach $5,000 per ounce in the third quarter of 2026, supported by weaker economic growth that would lead to more U.S Federal Reserve rate cuts than the markets are currently pricing. Also, in its base case scenario, it forecast gold prices to average $4,500 per ounce in the third quarter of 2026, as the metal's price continues to recover amid easing macroeconomic and physical headwinds, with lower energy prices and a less restrictive U.S. Federal Reserve stance providing support. Further, it projected gold prices to average $4,500 per ounce in the third quarter of 2026, and $4,665 an ounce in full year 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+ Negative	B2 Negative	B+ Stable	- -	-4.5	36.4	3.5	24.3	26.2	99.5	-0.9	0.3
Central & Eastern Europe												
Bulgaria	BBB Positive	Baa1 Stable	BBB Positive	- -	-3.4	30.9	1.0	20.7	1.9	115.0	-2.7	2.1
Romania	BBB- Stable	Baa3 Stable	BBB- Stable	- -	-6.4	60.7	4.8	27.2	9.1	98.8	-6.6	2.0
Russia	- -	- -	- -	- -	-1.7	20.7	-	-	-	-	0.5	-
Türkiye	BB- Stable	B03 Stable	BB- Stable	BB- Positive	-3.6	25.8	3.2	62.9	15.3	132.3	-1.6	0.4
Ukraine	CC Negative	Ca Stable	CC -	- -	-1.3	101.7	5.1	42.1	8.1	108.1	-9.4	2.0

**Current account payments*
***Fitch withdrew the ratings of Lebanon on July 23, 2024*
Source: S&P Global Ratings, Fitch Ratings, Moody's Ratings, CI Ratings, Byblos Research - The above figures are projections for 2026

SELECTED POLICY RATES

	Benchmark rate	Current (%)	Last meeting Date	Last meeting Action	Next meeting
USA	Fed Funds Target Rate	3.75	29-Jul-26	No change	16-Sep-26
Eurozone	Refi Rate	2.40	23-Jul-26	Raised 25bps	10-Sep-26
UK	Bank Rate	3.75	30-Jul-26	No change	17-Sep-26
Japan	O/N Call Rate	1.00	31-Jul-26	No change	18-Sep-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	20-Jul-26	No change	20-Aug-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	16-Jul-26	No change	27-Aug-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	23-Jul-26	No change	10-Sep-26
South Africa	Repo Rate	7.00	23-Jul-26	No change	23-Sep-26
Kenya	Central Bank Rate	8.75	09-Jun-26	No change	N/A
Nigeria	Monetary Policy Rate	26.50	21-Jul-26	No change	22-Sep-26
Ghana	Prime Rate	14.00	22-Jul-26	No change	24-Sep-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	16.75	24-Jul-26	Cut 25bps	04-Sep-26
Ukraine	Discount Rate	15.00	30-Jul-26	No change	17-Sep-26
Russia	Refi Rate	14.00	24-Jul-26	Cut 25bps	11-Sep-26

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