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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Debt capital markets activity up 7.4% to $7.1 trillion in first half of 2026

Global debt capital markets activity reached $7.1 trillion (tn) in the first half of 2026, constituting a rise of 7.4% from $6.6tn in the same period of 2025; while the number of new debt offerings stood at 16,993 in the first half of 2026 and decreased by 11.7% from 19,240 offerings in the first half of 2025. Financial institutions issued $2.9tn in debt and accounted for 40.4% of the aggregate value of issued debt in the first half of the year, followed by governments and agencies with $2.2tn (31% of the total), the energy and power sector with $412.5bn (5.8%), and industrials with $329.4bn (5.8%); while other sectors issued the remaining $1.3bn (18%). Also, financial institutions had 7,289 new offerings and represented 43% of the total number of issuances in the first half of 2026, followed by governments and agencies with 2,759 offerings (16.2% of the total), industrials with 1,768 issuances (10.4%), and the energy and power sector with 916 offerings (5.4%); while other sectors accounted for the remaining 4,261 debt issuances (25.1%). In addition, investment grade corporate debt offerings totaled $3.4tn in the first half of 2026, up by 10% from the same period last year; while global high yield debt issuance reached $261bn in the covered period, up by 12% from the first half of 2026. In parallel, international bond offerings stood at $3.8tn in the first half of 2026, constituting an increase of 16% from the same period last year. Debt from emerging market corporate issuers totaled $245.3bn in the covered period, down by 7% from the first half of 2026, with corporate debt issuers from India, Saudi Arabia, Malaysia and Brazil accounting for 51% of emerging markets activity in the covered period.

Source: LSEG

UAE

Travel and tourism to contribute 9.1% of GDP in 2026

The World Travel & Tourism Council estimated that the travel and tourism (T&T) sector in the UAE contributed 11.9% of the country's GDP in 2025 compared to 11.4% of GDP in 2019. It indicated that the travel and tourism industry generated $68.5bn in revenues in 2025, constituting an increase of 22.3% from $56bn in 2019. Also, it estimated the aggregate international spending by visitors in the UAE at $56.9bn in 2025 relative to $45.7bn in 2019, and spending by local visitors on T&T at $16.1bn in 2025, up by 43.6% from $11.2bn in 2019. Leisure spending by visitors in the country totaled $60.9bn in 2025, while spending by business visitors reached $12.1bn last year. It said that the T&T industry in the UAE employed around 947,100 persons in 2025, up by 24.6% from 760,400 jobs in 2019. In parallel, it projected the contribution of the T&T sector to the country's GDP at $52.9bn in 2026 and at $84.9bn in 2036, and to be equivalent to 9.1% of this year's GDP and 10.6% of GDP in 2036. It forecast employment in the T&T sector at around 901,300 jobs in 2026, or 12.8% of total employment in the UAE this year, and at 1.2 million jobs or 14.5% of the country's total employment in 2036.

Source: World Travel & Tourism Council

MENA

Level of digital government services varies across region

The United Nations Economic and Social Commission for Western Asia (ESCWA) ranked Saudi Arabia in first place among 17 Arab countries on its Government Electronic and Mobile Services Maturity Index for 2025. The UAE followed in second place, then Qatar (3rd), Bahrain (4th), and Oman (5th), as the five Arab countries with the most mature digital government services. In contrast, Libya (13th), Mauritania (14th), Sudan (15th), Somalia (16th), and Yemen (17th) are the five Arab countries in the survey with the least developed e-government services available to citizens. The index assesses the availability and the level of maturity of digital services that Arab governments provide through online platforms and mobile applications. It aims to measure the progress and sustainability of the digital transformation at the national level in each Arab country, and highlights the issues in e-government services that need to be fixed. The index consists of 37 key performance indicators that are grouped in the Service Availability and Sophistication Pillar, the Service Usage and User Satisfaction Pillar, and the Public Outreach Pillar. The level of maturity of e-government services improved in 11 Arab countries, declined in two Arab economies, and was unchanged in three countries year-on-year. Further, Saudi Arabia ranked in first place across all three pillars, while Yemen came in last place on each of the three pillars.

Source: ESCWA, Byblos Research

FDI in Arab world down 10% to $118.5bn in 2025

Figures released by the United Nations Conference on Trade and Development (UNCTAD) show that foreign direct investments (FDI) in 18 Arab economies totaled $118.5bn in 2025, constituting a decrease of 10.2% from $132bn in 2024. The UAE was the largest recipient of FDI in the region with $48.2bn, or 40.7% of total FDI in Arab countries last year, followed by Saudi Arabia with $32.6bn (27.5%), Egypt with $15.5bn (13%), Oman with $13.3bn (11.2%), and Morocco with $3.3bn (2.8%) as the top five destinations for FDI inflows. Also, Iraq posted negative flows of $7.6bn in 2025, followed by Yemen with $5bn. In parallel, FDI in Qatar surged by 559% last year, followed by flows to the West Bank & Gaza (+201.4%), Djibouti (+120%), Morocco (+91%), Saudi Arabia (+53%), Tunisia (+35.2%), Jordan (+25%), Libya (+18.7%), and Algeria (+18.2%). In contrast, inflows to Bahrain fell by 71.4% in 2025, followed by inflows to Egypt (-66.8%), Mauritania (-56%), and Kuwait (-19%). Further, FDI inflows to Arab countries, excluding Palestine, were equivalent to 3.2% of their aggregate GDP in 2025 relative to 3.6% in 2024. FDI inflows to Oman were equivalent to 12.5% of its GDP last year, highest in the region, followed by the UAE (8.4% of GDP), Mauritania (5.2% of GDP), and Egypt (4.2% of GDP). FDI in Arab economies accounted for 7.3% of global FDI flows and for 13.2% of FDI inflows to emerging markets in 2025.

Source: UNCTAD, IMF, Byblos Research

OUTLOOK

WORLD

Real GDP growth rate projected at 2.6% in 2026 amid Middle East conflict

Citi Research revised its forecast for the global real GDP growth rate to 2.6% in 2026 from its previous projection of 2.7%, driven by the impact of the war in the Middle East, as the conflict in Iran remains unresolved and the Strait of Hormuz is still largely closed. But it noted that the global economy continues to expand at a solid pace despite conflict-related headwinds. Also, it expected the global inflation rate to pick up from a previous forecast of 3.3% to 3.4% in 2026, reflecting lingering pressures on supply chains especially for petrochemicals, fertilizers, and aluminum.

Further, it projected the real GDP of advanced economies (AEs) to grow by 1.5% this year from a previous forecast of 1.6%, and for economic activity in emerging markets (EMs) to expand by 4% in 2026 compared to a preceding forecast of 4.1% for the year. Also, it estimated the real GDP growth rate of Emerging Asia to accelerate to 5.1% from a preceding forecast of 4.8%, for economic activity in Emerging Europe to slow down from a previous forecast of 2.3% to 2.1% this year, and for growth in Latin America to expand by 2% in 2026. Further, it projected the real GDP growth rate of the Middle East and Africa (ME&A) region to decelerate from a previous forecast of 2.7% to 1.8% in 2026.

In parallel, it forecast the current account deficit of AEs at 0.9% of GDP relative to a previous forecast of 1% of GDP, and for the current account surplus in EMs to reach 2.5% of GDP in 2026 relative to a previous forecast of 1.9% of GDP. It said Emerging Asia and the ME&A region will post surpluses of 4.1% of GDP and 1.6% of GDP, respectively, in 2026 relative to a previous forecast of 3.3% of GDP and 1.8% of GDP, respectively; while Emerging Europe and Latin America will register deficits of 1.5% of GDP and 1.4% of GDP, respectively, this year relative to a previous forecast of 1.5% of GDP and 1.9% of GDP, respectively.
Source: Citi Research

Artificial Intelligence to weigh on hiring in highly exposed sectors

Goldman Sachs indicated that artificial intelligence (AI) is affecting labor markets globally, but it considered that the impact remains limited to a narrow set of industries and workers. It estimated that AI adoption rates range between 15% and 20% in major advanced economies (AEs), while they range between 10% and 15% in major emerging markets (EMs). Further, it noted that the number of job openings in industries with greater exposure to AI automation has decelerated since the second half of 2022, indicating that companies in highly exposed industries have reassessed their hiring plans following the emergence of generative AI tools.

In addition, it indicated that employment growth in highly exposed information and communication services has been slower across major AEs, even though the impact of AI on job growth has generally been more moderate outside the U.S. It noted that employment in AI-exposed sectors, such as call centers, software publishing, management consulting, and advertising services, has declined below its long-term trend across AEs. Also, it estimated that a 10% occupational exposure to AI is associated with a 0.1 percentage point drag on annual growth rate of workers in France, Canada, and the U.S., while the impact remains small or slightly positive in other countries. As such, it said that economy-wide hiring headwinds from AI remain limited.

Further, it considered that AI-related pressures in the labor market are more pronounced among entry-level employees and workers in occupations with high displacement risks. It estimated that AI exposure reduces entry level employment growth more sharply, while it detected a modest negative impact on occupations with high displacement risk. It considered that both official and unofficial employment data show AI-related hiring headwinds globally, but stressed that the impact of AI on hiring remains concentrated in a narrow group of industries and workers.
Source: Goldman Sachs

SAUDI ARABIA

Premiums to grow by 9% in 2025-30 period

Regional investment bank EFG Hermes considered that the Saudi insurance sector is entering a new phase of structural expansion, supported by the authorities' ambitious National Insurance Sector Strategy that aims for gross written premiums to grow by a compound annual growth rate (CAGR) of 9% in the 2025-30 period and to exceed SAR140bn by 2030. It added that the strategy's key objectives include increasing insurance penetration from 2.5% of non-oil GDP in 2025 to 3.6% of non-oil GDP in 2030, expanding health insurance coverage from 14.5 million beneficiaries in 2025 to 23 million insured persons by 2030, raising the penetration of vehicle insurance from 13 million currently to 16 million vehicles by 2030, developing the protection & savings (P&S) market, and increasing domestic insurance retention.

Further, it considered that the composition of the sector's growth will shift gradually from being dominated by health insurance to a more balanced contribution from other segments. It projected the P&S segment to post a CAGR of 14%, followed by the property and casualty (P&C) line with a growth rate of 10%, the motor segment with a CAGR of 9%, and the health segment with a CAGR of 7% during the 2025-30 period. As such, it forecast the health insurance segment to account for 54% of GWP in 2030 compared to a share of 57% in 2025; followed by the motor segment with a market share of 18%, unchanged from 2025; the P&C line with 16% by 2030 up from 15% five years earlier; and the P&S line with a 12% share in 2030 compared to 10% in 2025. Further, it anticipated that the Saudi insurance sector's GWPs to increase by a CAGR of 7% during the 2025-30 period compared to the authorities' target of 9%, as it considered the strategy's target of providing health coverage to about 23 million individuals to be optimistic given the persistent enforcement gap, and estimated that about 19 million individuals will be insured by 2030, which is 17% lower from the authorities target.

In parallel, it anticipated that regulatory reforms will increasingly shift the sector's focus from expanding coverage to strengthening efficiency and sustainability. It noted that the introduction of the Risk Based Capital framework in 2027 will tie capital requirements more closely to risk exposure and premium growth, which will limit the aggressive expansion by under capitalized insurers and reinforce the advantage of larger and well capitalized players.
Source: EFG Hermes

ECONOMY & TRADE

ARMENIA

Sovereign ratings affirmed, outlook 'positive'

S&P Global Ratings affirmed Armenia's long-term foreign and local currency sovereign credit ratings at 'BB-', which are three notches below investment grade, as well as the short-term foreign and local currency sovereign credit ratings at 'B', and maintained the 'positive' outlook on the long-term ratings. It said that the 'positive' outlook reflects the potential for Armenia to establish a track record of external resilience, supported by a sustained buildup of external buffers and continued progress towards normalizing relations with Azerbaijan, which could reduce balance-of-payments and geopolitical vulnerabilities. Also, it noted that the ratings are supported by the country's strong economic growth prospects, a prudent policy framework, and a moderating debt stock. But it said that the ratings are constrained by the country's moderate per capita income level, balance-of-payments vulnerabilities, and its exposure to geopolitical and external security risks. Also, it stated that Armenia's official foreign currency reserves surged by about 40% year-on-year to a record high of $6.9bn in June 2026. Further, it forecast the country's gross external financing needs at 123% of current account receipts and usable reserves in 2026 and at 113.3% and 110.9% of such receipts and reserves in 2027 and 2028, respectively. In parallel, it indicated that it could upgrade the ratings if Armenia's balance of payments remains resilient against security and geopolitical risks, if security and geopolitical risks recede, and/or if foreign currency reserves increase, along with further progress in normalizing relations with Azerbaijan. But it noted that it could revise the outlook from 'positive' to 'stable' if regional geopolitical risks escalate markedly, and/or if labor and capital inflows from Russia sharply reverse.

Source: S&P Global Ratings

ETHIOPIA

Credit profile contingent on debt restructuring

In its periodic review of Ethiopia's credit profile, Moody's Ratings indicated that the sovereign's local-currency long-term and foreign-currency long-term issuer ratings of 'Caa2' and 'Caa3', respectively, reflect its expectations of losses to private-sector creditors as a result of the government's ongoing debt restructuring. It said that the government's reform efforts, supported by programs with its development partners, are easing the external pressures that led to the sovereign default and are gradually improving policy effectiveness. However, it expected domestic liquidity constraints and political risks to weigh on the sovereign's credit profile following the debt's restructuring. It said that Ethiopia's 'ba2' economic strength assessment is supported by the country's relatively large and diversified economy with very strong growth prospects, but is constrained by low per capita income, and lagging competitiveness relative to peers. It added that the country's institutions and governance rating of 'caa1' reflects Ethiopia's weak institutional and policy effectiveness that contributed in part to the government's debt default in 2023. Further, it said that the country's 'ba3' fiscal strength balances a relatively low debt burden that is mostly concessional, with the government's still narrow revenue base and its exposure to foreign currency debt. It added that the 'caa' susceptibility to event risk score is driven by the country's exposure to elevated political risks.

Source: Moody's Ratings

IRAQ

Ratings' trend contingent on pick up in oil production and exports

S&P Global Ratings indicated that Iraq's short- and long-term foreign and local currency sovereign credit ratings of 'B' and 'B-', which are five and six notches below investment grade, respectively, are supported by the country's sizable stock of accumulated foreign currency reserves, as the Central Bank of Iraq's foreign reserves stood at $102bn at end February 2026, which provided about 1.8 times coverage of gross external debt that includes the obligations of the public sector, banks, and non-bank private entities. But it noted that the ratings are constrained by Iraq's weak institutional framework and the economy's heavy reliance on the oil sector. Also, it forecast the net government debt level to rise from 34.6% in 2025 to 54.1% of GDP in 2029, and projected usable foreign currency reserves to decrease from $94.1bn at the end of 2025 to $79bn by end-2029. Further, it pointed out that the 'negative' outlook reflects risks for the country from the Middle East conflict in the next six to12 months, which includes more persistent disruptions to key export trade routes through the Strait of Hormuz and potential damage to infrastructure. Also, it forecast Iraq's gross external financing needs at 54.2% of current account receipts plus usable reserves in 2026, as well as at 55.5%, 55.6% and 55.8% of such receipts and reserves in 2027, 2028 and 2029, respectively. In parallel, it indicated that it could revise the outlook from 'negative' to 'stable' if a lasting reopening of the Strait of Hormuz supports a rebound in Iraq's oil production and exports. But, it noted that it could downgrade the ratings in the next six to 12 months if Iraq's willingness to service its foreign or domestic debt obligations weakens, if the conflict in the region escalates, or if disruptions to key oil export routes continue.

Source: S&P Global Ratings

ALGERIA

Country risk level assessment maintained

In its annual assessment of Algeria's country risk level, insurance rating agency AM Best maintained Algeria in the Country Risk Tier 5 (CRT-5) category, the lowest segment on its scale of country risk classification. It said that the Country Risk Tiers (CRTs) reflect its assessment of economic, political, and financial system risks in a country, and range from CRT-1, or a Very Low Level of Country Risk, to CRT-5 or a Very High Level of Country Risk. It assessed the level of Economic Risk as "High". It considered that risks to the economic outlook are tilted to the downside, given the country's continued reliance on hydrocarbons, as hydrocarbons revenues account for about 90% of exports and for about 40% of public receipts. It added that the economy remains dominated by state-owned enterprises in strategic sectors such as hydrocarbons, utilities, and transportation. In addition, it considered that Algeria has a "Very High" level of Financial System Risk. It noted that the International Monetary Fund concluded that Algeria's banking system is broadly resilient but recommended further reforms to bolster financial stability. Further, it assessed the Political Risk level in the country as "High". It considered that corruption remains a systemic issue that is exacerbated by opaque governance, weak institutions and limited judicial independence.

Source: A.M. Best

BANKING

WORLD

Tier One capital of Top 1000 banks up 10.6% to $12.3 trillion at end-2025

The Banker magazine's survey of the Top 1000 banks in the world for 2026 indicates that the aggregate Tier One capital of the banks reached $12.3 trillion (tn) at the end of 2025 and increased by 10.6% from $11.15tn a year earlier. The Tier One capital of Chinese banks stood at $4.2tn and accounted for 34% of the total, followed by U.S. banks with $1.9tn (15.7%), and banks in the Eurozone with $1.8tn (14.3%). The survey included 383 banks from the Asia-Pacific region, 209 institutions from Western Europe, 196 banks from North America, 69 institutions from Latin America & the Caribbean, 65 banks from the Middle East, 37 banks from Central & Eastern Europe, 33 banks from Africa, and eight banks from Central Asia. Also, the aggregate pre-tax profits of the Top 1000 banks reached $1.8tn in 2025, up by 12.5% from $1.6bn in the previous year. In parallel, the aggregate assets of the Top 1000 banks amounted to $181.4 trillion (tn) at end-2025, constituting an increase of 11.6% from $162.5tn at end-2024. As such, the banks' Tier One capital-to-assets ratio stood at 6.8% at end-2025 relative to 6.9% at end-2024. Further, the banks' profits-to-Tier One capital ratio increased from 11.4% in 2024 to 11.6% in 2025, and their return on assets grew from 0.78% in 2024 to 0.79% in 2025.

Source: The Banker, Byblos Research

EMERGING MARKETS

Low macroeconomic risks from stablecoin adoption

The International Monetary Fund considered that stablecoins act mainly as a cheaper or more convenient digital alternative to using physical foreign currencies in transactions in highly dollarized emerging markets (EMs), and added that their effect on foreign currency demand is limited since they replace existing cash. It noted that the substitution of physical dollars with stablecoins does not create major macroeconomic risks and can even bring benefits such as improving transaction efficiency and reducing informal economic activity. It indicated that stablecoins can unlock repressed demand for US dollars and raise overall dollarization in less dollarized economies with weak frameworks and constrained access to foreign currency. It considered that the level of risk from the use of stablecoins depends on the method of adoption, while the shift from domestic assets to stablecoins creates more significant challenges. It said that, when adoption takes place through domestic intermediaries, regulators should bring these intermediaries under supervision to preserve policy tools, including capital flow measures. It noted that local currency stablecoins must be included in regulatory and supervisory frameworks as they can serve as an entry point to foreign currency stablecoins. It estimated that cooperation between intermediaries and the host authorities becomes critical when the adoption of stablecoins takes place through foreign intermediaries. Also, it considered that cross border cooperation becomes essential once users move stablecoins into unhosted electronic wallets, as the authorities face greater challenges, especially during inflation or exchange rate instability. It said that EMs with stronger macroeconomic frameworks, efficient payment systems, and low dollarization levels face a lower rate of stablecoin adoption.

Source: International Monetary Fund

OMAN

Agencies take rating actions on banks

Moody's Ratings affirmed the long-term local and foreign currency deposit ratings of Bank Dhofar, Bank Nizwa, and Oman Arab Bank (OAB) 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 capital metrics and stable deposit-funded profile. 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 the three banks at 'ba2'. Also, it indicated that the BCAs of the banks are constrained by their weak asset quality. It said that the BCA of Bank Dhofar reflects the bank's vulnerability to high single-borrower concentrations and exposure to higher-risk sectors, while the BCA of OAB captures the bank's dependence on high borrower concentration. Further, it pointed out that the BCA of Bank Dhofar is constrained by the bank's rapid financing growth, high credit concentration, and relatively modest liquidity buffers. In parallel, Capital Intelligence Ratings affirmed the long-term foreign currency ratings the National Bank of Oman (NBO) and OAB at 'BBB-'. It also affirmed the Bank Standalone Ratings (BSR) of NBO and OAB at 'bb+', and maintained the stable outlook on the long-term ratings and BSRs of the banks. It said that the BSRs of the two banks reflect their strong franchise and continued support from their shareholders. It noted that the BSR of OAB is supported by the bank's sound financial metrics and deep pool of customer deposits, while the BSR of NBO is underpinned by the bank's sound liquidity, solid capital ratios, and fairly good profitability metrics.

Source: Moody's Ratings, Capital Intelligence Ratings

TUNISIA

Banking sector assessment maintained

S&P Global Ratings maintained Tunisia's banking sector in 'Group 10' under its Banking Industry Country Risk Assessment (BICRA), with an economic risk score of '10' and an industry risk score of '9'. The BICRA framework evaluates global banking systems based on economic and industry risks facing the banking sector, with 'Group 10' including the riskiest banking sectors. Other countries in BICRA's 'Group 10' consist of Iraq, Nigeria, and Ukraine. The agency indicated that Tunisia's economic risk score reflects "extremely high risks" in its economic resilience and in credit risks in the economy, as well as "high risks" in its economic imbalances. It expected the banking sector's non-performing loans ratio to remain high at 16.5% at end-2026 and 16.33% at end-2027, amid limited economic growth prospects and less-developed write-off practices, and projected the banks' cost of risk to increase from 1.4% in 2025 to 1.6% in each of 2026 and 2027. Further, the agency said that the industry score reflects the country's "extremely high risks" in its institutional framework, "very high risks" in its system-wide funding, and "high risks" in its competitive dynamics. It indicated that customer deposits, the main funding source for Tunisian banks, have been stable and grew over time. It indicated that Tunisian banks continue to report capital adequacy levels based on outdated regulatory standards, and considered the banking system to be significantly undercapitalized. Also, it noted that the trend for the economic risk and the trend for the industry risk are 'stable'.

Source: S&P Global Ratings

ENERGY / COMMODITIES

Oil prices to average $84.7 p/b in third quarter of 2026

ICE Brent crude oil front-month futures contract for October 2026 reached $87.8 per barrel (p/b) on August 26, 2026, constituting a decrease of 4% from $91.6 p/b on August 19, 2026, driven by expectations that new talks between Iran and Qatar may open the Strait of Hormuz and reduce supply disruptions from the Middle East war. In parallel, the International Energy Agency projected global oil demand to decline by an average of 1.6 million barrels per day (b/d) in 2026, as the ongoing closure of the Strait of Hormuz and elevated fuel prices continue to weigh on oil consumption. Also, it forecast global oil supply to drop by an average of 4.3 million b/d to 102 million b/d this year, as the increase in of 1.4 million b/d in oil output from the Americas partly offsets declines in the Middle East and Russia. Further, it expected the global oil balance to post a deficit of 1.8 million b/d in the third quarter of 2026, as global oil inventories declined recently, and to return to a surplus towards the end of this year. It anticipated global oil demand to decrease by 2.8 million b/d in the third quarter of 2026 and to resume growth of 580,000 b/d in the final quarter. It considered that risks to the global oil market are substantial, as previously available inventory buffers are rapidly depleting, which has increased the need to reopen the Strait of Hormuz. In addition, LSEG Workspace projected oil prices, through its latest crude oil price poll of 31 industry analysts, to average $84.7 p/b in the third quarter of 2026 and $85.2 p/b in 2026.

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

OPEC oil output up 7.6% in July 2026

Member countries of the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, produced an average of 23.6 million barrels of oil per day (b/d) in July 2026, constituting an increase of 7.6% from 22 million b/d in June 2026. On a country basis, Saudi Arabia produced 7.4 million b/d, or 31% of OPEC's total output, followed by the UAE with 3.8 million b/d (16%), Iraq with 2.62 million b/d (11.1%), Iran with 2.48 million b/d (10.5%), Kuwait with 1.85 million b/d (7.8%), Nigeria with 1.55 million b/d (6.5%), and Libya with 1.36 million b/d (5.8%). The UAE officially exited OPEC on May 1, 2026.

Source: OPEC

Global steel output down 4.2% in July 2026

Global steel production reached 149.2 million tons in July 2026, representing decreases of 4.2% from 155.7 million tons in June 2026 and 0.6% from 150.1 million tons in July 2025. Production in China totaled 76.9 million tons and accounted for 51.5% of global steel output in July 2026, followed by output in India with 14.4 million tons (9.7%), the U.S. with 7.4 million tons (5%), Japan with 6.9 million tons (4.6%), and Russia and South Korea with 5.7 million tons each (3.8% each).

Source: World Steel Association, Byblos Research

ME&A's oil demand to increase by 0.6% in 2026

The Organization of Petroleum Exporting Countries projected in July 2026 the consumption of crude oil in the Middle East & Africa to average 13.82 million barrels per day (b/d) in 2026, which would constitute an increase of 0.6% from 13.74 million b/d in 2025. The region's demand for oil would represent 23.% of consumption in non-OECD countries and would account for 13% of global consumption in 2026.

Source: OPEC

Base Metals: Copper prices to average $9,815 per ton in third quarter of 2026

LME copper cash prices averaged $13,264.4 per ton in the year-to-August 26, 2025 period, constituting an increase of 39.7% from an average of $9,495.1 a ton in the same period last year. The rise in prices was due to global trade tensions, supply disruptions, as well as to elevated demand from green technologies, particularly for renewable energy and electric vehicles. Further, copper prices reached an all-time high of $14,594 per ton on August 17, 2026, driven by supply disruptions in major producing countries, the tight availability of concentrates, and robust demand from green technologies and Artificial Intelligence. In parallel, S&P Global Market Intelligence projected the global production of refined copper at 29 million tons in 2026, which would constitute an uptick of 1.7% from 28.5 million tons in 2025. Further, it forecast global demand for refined copper at 28.7 million tons in 2026, which would represent an increase of 3% from 27.86 million tons in 2025. As such, it anticipated the global refined copper market to post a surplus of 288,000 metric tons in 2026 compared to a surplus of 637,000 metric tons in 2025, reflecting disruptions at the Garfield smelter in the U.S. and at the Gresik smelter in Indonesia. In addition, it noted that global copper mine supply tightened further in July 2026, as heavy rainfall and power outages disrupted production in Chile. It said that the metal’s market remains fundamentally supported by the tight availability of copper concentrate and scrap, along with resilient Chinese demand. Further, it projected copper prices to average $9,815 per ton in the third quarter of 2026.

Source: S&P Global Market Intelligence, LSEG Workspace, Byblos Research

Precious Metals: Gold prices to average $4,250 per ounce in third quarter of 2026

Gold prices averaged $4,573.4 per ounce in the year-to-August 26, 2026 period, constituting a surge of 45.6% from an average of $3,140 an ounce in the same period last year, driven largely by strong demand from central banks worldwide, by persistent concerns about global economic uncertainties, and by heightened Middle East tensions. Also, gold prices dropped by 18% from an all-time high of $5,586.2 per ounce on January 29, 2026 to $4,589 an ounce on August 26, 2026 due to rising U.S. Treasury yields and a stronger exchange rate of the US dollar against major currencies. In addition, in its base-case scenario, Citi Research projected gold prices to average $4,800 per ounce in the next three months compared to a previous forecast of $4,660 an ounce as momentum remains strong. It kept its six-to-12-month target for gold prices unchanged at $5,000 per ounce, supported by an eventual resolution of the Strait of Hormuz conflict, lower real interest rates, and a softer U.S. Federal Reserve monetary stance. But it expected the current increase in gold prices to likely stall if the U.S. Federal Reserve signals tighter policy; while it considered that signs of an easing of the U.S. Federal Reserve’s monetary policy would be bullish for gold, as markets would further scale back expectations of rate hikes and refocus on concerns about the U.S. debt and the U.S. Federal Reserve’s independence. It noted that the continued rise in gold prices could attract more investors back into the gold market, including Chinese retail buyers. In parallel, it forecast gold prices to average $4,250 per ounce in the third quarter of 2026.

Source: Citi Research, LSEG workspace, Byblos Research

COUNTRY RISK METRICS

LT Foreign currency rating: S&P, Moody's, Fitch, CI

Africa

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 (%)
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

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 (%)
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	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 (%)
	LT Foreign currency rating											
Asia												
Armenia	BB- Positive	Ba3 Positive	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	Ba3 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	11-Aug-26	No change	29-Sep-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-Aug-26	No change	21-Sep-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-Sep-26
South Korea	Base Rate	3.00	27-Aug-26	Raised 25bps	22-Oct-26
Malaysia	O/N Policy Rate	2.75	09-Jul-26	No change	03-Sep-26
Thailand	1D Repo	1.00	26-Aug-26	No change	28-Oct-26
India	Repo Rate	5.25	05-Aug-26	No change	07-Oct-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-Aug-26	No change	24-Sep-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	11-Aug-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	06-Aug-26	No change	24-Sep-26
Brazil	Selic Rate	14.00	05-Aug-26	Cut 25bps	N/A
Armenia	Refi Rate	6.50	04-Aug-26	No change	15-Sep-26
Romania	Policy Rate	6.50	10-Aug-26	No change	08-Oct-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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