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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Equity capital markets activity up 76.4% to $795bn in first eight months of 2026

Global equity capital markets (ECM) activity reached $795bn in the first eight months of 2026, constituting an increase of 76.4% from $450.6bn in the same period last year; while the number of ECM deals stood at 3,276 transactions in the covered period. Also, ECM issuance in the Americas totaled $388.7bn and accounted for 49% of global ECM offerings in the first eight months of 2026, followed by Asia excluding Japan with $262.7bn (33%), Europe with $107.9bn (13.6%), Japan with $28.4bn (3.6%), the Middle East with $4.7bn (0.6%), and Africa with $2.5bn (0.3%). Further, global ECM issuance in the first eight months of 2026 consisted of $422.5bn in follow-on offerings, or 53% of the total, followed by $205.1bn in initial public offerings (IPOs) (25.8%), and $167.4bn in convertible bond offerings (21%). Also, there were 2,219 follow-on offerings in the first eight months of 2026, or 67.7% of the total, followed by 752 IPOs (23%), and 305 convertible bond offerings (9.3%). Moreover, ECM activity in the high technology sector amounted to $249.2bn and accounted for 31.3% of aggregate ECM activity in the first eight months of 2026, followed by the telecommunications sector with $106.3bn (13.4%), the energy and power sector with $94.4bn (11.9%), industrials companies with $83.8bn (10.5%), the healthcare sector with $74.4bn (9.4%), the materials industry with $49.9bn (6.3%), the real estate sector with $36.3bn (4.6%), financials companies with $35.8bn (4.5%), the retail sector with $25.3bn (3.2%), consumer products and services companies with $18.4bn (2.3%), consumer staples firms with $14.7bn (1.8%), and the media and entertainment sector with $6.4bn (0.8%).
Source: LSEG

Sovereign wealth funds' investments in AI at $87.2bn in first half of 2026

Figures released by S&P Global Market Intelligence show that global sovereign wealth funds (SWFs) invested $87.2bn in artificial intelligence (AI) in the first half of 2026 compared to $96.2bn in full year 2025, $7.8bn in 2024, $1.4bn in 2023, $12bn in 2022, $7.8bn in 2021, and $7bn in 2020. It noted that SWFs accounted for 87.7% of the investments of Limited Partners in AI in the first half of 2026. Also, SWFs conducted 14 AI transactions in the first half of 2026 relative to 26 deals in 2025, 15 transactions in 2024, 11 deals in 2023, 21 transactions in 2022, 42 deals in 2021, and 21 transactions in 2020. In addition, SWFs in the United States and Canada deployed $86.5bn in AI and represented 99.3% of total investments in AI in the first half of 2026, followed by SWFs in the Asia-Pacific region with $350m (0.4% of total), Europe with $280m (0.3%), and the Middle East with $6.9m (0.01%). Also, SWFs' investments in AI in the U.S. and Canada accounted for 64.3% of aggregate transactions in the covered period, followed by the Asia-Pacific region and Europe with two deals each (14.3% each), and the Middle East with one transaction (7%).
Source: S&P Global Market Intelligence, Byblos Research

MENA

Investments in startups down 29% to $2.3bn in first eight months of 2026

Figures released by the Wamda and Digital Digest platforms show that investments in startups in the Middle East and North Africa (MENA) region reached $2.25bn in the first eight months of 2026, constituting a drop of 29% from $3.17bn in the same period last year; while there were about 309 investments in startups in the covered period, representing a decline of 14.2% from 360 deals in the first eight months of 2025. Investments in UAE startups stood at $1.59bn and accounted for 70.8% of placements in the region's startups in the first eight months of the year, followed by investments in Saudi Arabia with $375.2m (16.8%), Egypt with $165.7m (7.4%), Morocco with $31m (1.4%), and Bahrain with $25.2m (1.1%). Also, there were 110 investments in UAE startups in the first seven months of 2026, followed by Saudi Arabia with 102 deals, Egypt with 36 transactions, Oman with 15 deals, and Qatar with 11 transactions. In addition, investments in fintech startups amounted to about $765.7m and accounted for 34% of the total capital deployed in MENA startups in the covered period, followed by logistics companies with $316.1m (14.1%), mobility firms with $257.2m (11.4%), property technology companies with $253m (11.2%), and e-commerce firms with $174m (7.7%). Also, Business-to-Business startups attracted $1.18bn across 184 deals, while Business-to-Consumer startups secured $819m across 85 transactions in the first eight months of 2026.
Source: Wamda, Digital Digest

GCC

Fixed income issuance up 13.5% to $143.2bn in first eight months of 2026

Fixed income issuance in Gulf Cooperation Council (GCC) countries reached $143.2bn in the first eight months of 2026, constituting an increase of 13.5% from $126.2bn in the same period last year. Fixed income output consisted of $54.2bn in corporate bonds, or 37.8% of the total, followed by $47.2bn in sovereign bonds (33%), $30.5bn in corporate sukuk (21.3%), and $11.3bn in sovereign sukuk (8%). Further, corporates in the GCC issued $84.7bn in bonds and sukuk in the first eight months of 2026, or 59% of fixed income output; while the output of GCC sovereigns reached $58.5bn or 41% of the total. GCC sovereigns issued $18.5bn in bonds and sukuk in January, $4.6bn in February, $3bn in March, $9.3bn in April, $2.2bn in May, $8.7bn in June, $11.1bn in July, and $1.1bn in August 2026; while GCC companies issued $21.3bn in bonds and sukuk in January, $11.6bn in February, $6.9bn in March, $3.4bn in April, $13.5bn in May, $14.4bn in June, $7.4bn in July, and $6.2bn in August 2026. Sovereign proceeds in August 2026 consisted of $530.4m in bonds that Bahrain issued, $324.5m in sukuk issued by Kuwait, and $259.7m in bonds that Oman issued. Corporate output in August 2026 consisted of $2.96bn in sukuk issued by Saudi Arabia-based firms, and $923.3 in bonds that firms in the UAE issued.
Source: KAMCO

POLITICAL RISKS OVERVIEW - August 2026

ARMENIA

Armenia and Azerbaijan, along with the U.S., issued a joint statement marking one year since Baku and Yerevan initialed a peace treaty in Washington, D.C. The statement reaffirmed the parties' commitment to implementing the August 2025 declaration, highlighted progress achieved in the past year, and reaffirmed the continued U.S. engagement in the peace process. Prime Minister Nikol Pashinyan announced in late August 2026 that Armenia will formally apply for membership in the European Union (EU) in the near future. He indicated that a referendum on EU accession would only be held after Brussels responds to the application and provides a clear roadmap for negotiations.

EGYPT

The Egyptian Minister of Foreign Affairs met his Saudi and Turkish counterparts and confirmed that Egypt was not yet ready to join the newly signed Mecca Joint Defense Agreement between Saudi Arabia, Türkiye, and Pakistan. In addition, the U.S. Department of the Treasury warned Banque Misr's UAE branches that it will cut their access to the U.S. financial system, and accused them of facilitating transactions of about $1.8bn for Iran's shadow banking networks between January 2024 and June 2026.

ETHIOPIA

Heavy clashes erupted in the Tigray region between the federal army and forces aligned with the Tigray People's Liberation Front (TPLF), while federal drone strikes hit sites across the region, including Mekelle, in the first such attack on the regional capital since the 2022 peace deal. The federal government intensified its campaign against the Fano militia in the Amhara region, likely anticipating a broader confrontation with the TPLF and seeking to weaken the insurgency's military capacity before facing a possible multi front conflict. Clashes between the Oromo Liberation Army and government forces continued at a lower intensity in the Oromia region.

IRAN

The U.S. maintained its naval blockade and escalated sanctions on Iran, with the U.S. Department of the Treasury previewing unprecedented measures. The U.S. Special Envoy for Peace Missions, Jared Kushner, reported contacts by the U.S. with Tehran that did not result in tangible progress, as Iran's Speaker of Parliament insisted that the Strait of Hormuz would remain closed until the U.S. meets its commitments under the June Memorandum of Understanding between the two sides. The U.S. Department of the Treasury unveiled on August 24 Operation Economic Outcast, a campaign that aims to isolate Iran financially while reinforcing the naval blockade of the Strait of Hormuz. The first U.S. strikes against Iran since late July targeted rocket launchers on Larak Island, while Iran retaliated with missiles against U.S. bases in Jordan. The UAE said that it intercepted two ballistic missiles and responded by suspending all economic dealings with Tehran. Iran and Oman discussed a temporary joint shipping corridor and mine clearing project as a possible step toward easing tensions.

IRAQ

Following airstrikes by the U.S. and Saudi Arabia on the bases and barracks of Popular Mobilization Forces (PMF) in late July, Prime Minister Ali al-Zaidi met PMF leaders and ordered compensation for bereaved families. PM Al-Zaidi requested Parliament to help draft legislation placing all weapons that non-state actors possess under state control, and called uncontrolled arsenals "the greatest danger to the state". Members of Parliament aligned with the Iran-backed group Kata'ib Hizbollah objected to PM al Zaidi's proposal to draft legislation requiring all non state actors to place their weapons under state control and urged a political resolution. Iraq and Türkiye signed on August 1 a one-year agreement governing the Kirkuk-Ceyhan pipeline with the aim to export 750,000 barrels of oil per day, which is well below the pipeline's capacity. Baghdad announced plans to connect the southern oil fields in Basra to the Haditha town in western Iraq's Anbar governorate via a new pipeline, with onward routes to Syrian ports on the Mediterranean. PM al-Zaidi stated that Iraq's oil exports were around 10% of their normal levels and stressed that alternative routes for oil exports remain temporary and limited.

LIBYA

Drone strikes hit facilities in and around the Zawiya oil refinery on August 10, causing major fires and prompting the National Oil Corporation to declare a "maximum emergency". In response to electricity blackouts that sparked protests in late July, Prime Minsister Abdelhamid Dabaiba dismissed the chairman of the General Electricity Company Mohammed al Mashai and appointed Bashir al Maraash in his place. Residents of Tajoura blocked roads over prolonged power outages, while other demonstrators stormed several power stations in and around Tripoli. Field Marshall Khalifa Haftar and his sons continued their diplomatic outreach to seek support for Saddam Haftar's potential presidential bid under U.S.-led efforts to unify rival institutions. The 4+4 Committee, which includes representatives of rival institutions, signed a United Nations backed electoral roadmap. The deal included reconstituting the electoral commission's Board of Commissioners and resolved key constitutional and legal issues, which would clear the way to hold simultaneously presidential and legislative elections within 24 months.

SUDAN

The Rapid Support Forces (RSF) made significant gains in the Blue Nile state amid reports of growing involvement by Ethiopia, and launched counterattacks in the North Kordofan state following the Sudanese Armed Forces' (SAF) July advances, as both sides expanded their drone war. The RSF appointed Governor of Kordofan Hamad Mohamed Hamid resigned on August 12, and denounced the RSF led coalition TASIS as a mere political cover for paramilitary actions. A week later, the SAF reported that 318 RSF fighters had defected. The head of the SAF, General Abdel Fattah al-Burhan, called for a 'Sudanese Sudanese dialogue' and vowed to continue the campaign against the RSF, but Sudanese civil and political forces rejected the initiative during consultations in Addis Ababa, arguing that it would entrench military rule and cement Sudan's *de facto* partition. The SAF and Saudi Arabia announced on August 17 the formation of a High Council for Strategic Cooperation and Coordination that aims to formalize bilateral ties, and expand economic and security collaboration.

TÜRKIYE

Nearly 78% of Members of Parliament approved a legislation that establishes the legal framework for the dissolution and disarmament of the Kurdistan Workers' Party (PKK), along with provisions for the reintegration of its fighters based in northern Iraq into civilian society and the release of eligible prisoners in Türkiye. The law will take effect once security institutions confirm that the PKK has ended military activities and surrendered its weapons. President Recep El Tayep Erdoğan formally endorsed the measure on August 18, calling it a historic step toward ending the 40 year conflict. The PKK welcomed the move but stressed the need for further implementation, and noted that the framework does not address the status of imprisoned leader Abdullah Öcalan. Ankara, Islamabad and Riyadh signed on August 7 the Mecca Joint Defence Agreement, a landmark trilateral defence pact that includes deeper military cooperation, joint defence-industry projects, military training, and technology sharing.

Source: International Crisis Group, Newswires

OUTLOOK

WORLD

Insurance premiums from data centers AI infrastructure to reach $91bn by 2030

Global reinsurer Swiss Re considered that the global economy has entered a capital expenditures super-cycle that is reshaping demand for commercial insurance. It said that investments are shifting away from asset-light digital applications, such as software and online services, and from intangible assets, towards large physical infrastructure, including energy systems, electricity grids, battery storage facilities, artificial intelligence (AI) data centers, semiconductor fabrication, and advanced manufacturing.

It projected the construction and operational phase of AI data centers to generate about $91bn in cumulative insurance premiums between 2026 and 2030. It forecast property insurance to contribute $49bn of the premiums generated from data centers and to account for 54% of such premiums by 2030, reflecting the higher insured values during the operational phase of AI data centers compared with construction-related premiums, as well as the inclusion of business interruption coverage. Also, it expected engineering insurance to contribute $18bn to premiums associated with the construction and operation of AI data centers and to represent 20% of the total by 2030, followed by liability insurance with $10bn (12%), credit and surety coverage with $9bn (10%), and marine insurance with $5bn (5%). Further, it said that the cumulative premiums generated from the coverage of AI data centers between 2026 and 2030 could amount to about 6% of global cumulative commercial property premiums during the covered period. Further, it forecast the cumulative premiums from data center insurance to reach $105bn by 2030 under a high capital expenditures growth scenario, while it forecast such premiums at $80bn in a low capital expenditures growth scenario.

Source: Swiss Re

Global real GDP to grow by 3% in 2026 despite energy supply shock

The International Monetary Fund projected the global real GDP growth rate at 3% in 2026, as it considered that the global economy has absorbed the impact of the energy supply shock from the conflict in the Middle East better-than-expected through the use of oil and gas reserves, new sources of energy, and measures to manage demand for energy consumption. It added that surging investments in artificial intelligence (AI), including in power projects to satisfy energy needs, are driving growth in economies that are integrated into the AI value chain. Also, it considered that risks to the global outlook are titled to the downside and include the persistent closure of the Strait of Hormuz, an elevated global public debt at almost 100% of GDP, rising fiscal pressures in several countries, and the unknown future impact of AI on productivity and financial stability.

In addition, it considered that the outlook on the sovereign debt of emerging and low income countries has improved in recent years due to domestic reforms and international cooperation, but it noted that progress on debt restructuring in these economies remains uneven. It said that rising global interest rates, high refinancing needs, and increasing debt servicing costs are straining many economies, especially among low income countries, which are limiting their ability to fund essential infrastructure, healthcare, and education. It noted that these pressures are compounded by the reduced access to external financing, cuts in foreign official aid, and lower inflows from non Paris Club creditors. As such, it stressed the need to create fiscal space to support growth enhancing spending.

Source: International Monetary Fund

IRAQ

Real GDP to contract by 11%, current account deficit to widen to 13% of GDP in 2026

The Institute of International Finance (IIF) projected Iraq's real GDP to shrink by 10.9% in 2026, due to the severe external shock from the conflict in the Middle East, as the country's reliance on the oil sector, fiscal rigidity, and fragile security dynamics are weighing heavily on economic activity. It forecast real hydrocarbon GDP to shrink by 20.5%, and for real non-oil GDP to contract by 0.8% in 2026. Also, it expected Iraq's oil exports to decline by about 30% in 2026, and anticipated higher average oil prices of $89 per barrel in 2026 to partly offset the decline in the volume of oil exports, but it considered that higher oil prices will not prevent a major deterioration in government revenues and external receipts. Further, it projected Iraq's real GDP growth rate to rebound to12.6% in 2027 with real oil GDP accelerating to 24.3% and real non-oil GDP expanding by 2027 in case shipping through the Strait of Hormuz gradually normalizes in the next few months, which would result in the full recovery of exports by mid-2027.

In addition, it forecast the fiscal deficit at 11.8% of GDP in 2026 amid the weak mobilization of non-oil revenues. It said that the authorities aim to finance the government's fiscal needs primarily through domestic borrowing from the banking sector, the accumulation of arrears, and selective external borrowing, which will contribute to a rise in the public debt level to 63.1% of GDP at end-2026. It also projected the fiscal deficit to narrow to 3.5% of GDP and the public debt to regress to 61.9% of GDP in 2027.

Further, it anticipated the current account deficit at 13.1% of GDP in 2026 and at 5% of GDP in 2027, and forecast official foreign currency reserves to decrease from $73.9bn at end-2025 to $55.9bn at end-2026 and to $52.9bn at end-2027. It noted that the use of foreign-currency reserves reflects the Central Bank of Iraq's efforts to supply foreign currency to domestic market participants and maintain the dinar's peg to the US dollar, rather than to directly finance the budget. Also, it pointed out that the suggested alternative export routes have very small capacity relative to the volume of oil production. It stated that the northern route through Türkiye currently provides only limited relief, while the proposed pipelines through Syria and Jordan will require substantial investments and several years to complete before they can become a viable alternative.

In parallel, it considered that Iraq's outlook remains highly sensitive to geopolitical developments and to the durability of regional security arrangements, which include the failure to reach a credible U.S.–Iran agreement, recurring export disruptions, weaker oil production, and a sharp deterioration in both the current account and fiscal balances

Source: Institute of International Finance

QATAR

Sovereign ratings removed from Rating Watch Negative

Fitch Ratings affirmed Qatar's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'AA', and removed the ratings from Rating Watch Negative (RWN), but it assigned a 'negative' outlook on the long-term IDRs. It attributed its decision to remove the ratings from RWN to the decline in the risks of further severe damage to Qatar's liquefied natural gas (LNG) infrastructure. and the limited impact of the regional conflict on the sovereign's credit profile. Also, it attributed the ratings' affirmation to its expectation that the country's large net sovereign assets of 254.2% of GDP at end-2026, very high GDP per capita, and additional gas output will strengthen public finances. But it said that the ratings are constrained by the economy's heavy dependence on the hydrocarbon sector, its significant exposure to geopolitical risks, an elevated public debt level compared to similarly-rated peers, considerable contingent liabilities, and low scores on governance indicators. It projected the current account balance to post a deficit of 4.6% of GDP in 2026, due to lower hydrocarbon exports, but expected it to shift to a near double digit surplus in 2028 as energy exports recover. Also, it projected the public debt level to rise from 51.3% in 2025 to 64.1% of GDP in 2026, but to decline in the medium term. Further, it said that it could upgrade the ratings if confidence in the resumption of LNG exports and new flows from the North Field gas expansion strengthen external and fiscal buffers, and/or in case of improvements in structural factors such as a reduction in the economy's dependence on hydrocarbons, the improvement in governance and a significant decrease in geopolitical risks, and continuing strong fiscal and external balance sheets. But it noted that it could downgrade the ratings if Qatar's external balance sheet deteriorates, if the public debt level increases, and/or in case of further damages to its LNG infrastructure.

Source: Fitch Ratings

JORDAN

Travel and tourism to contribute 13.3% of GDP in 2026

The World Travel & Tourism Council estimated that the travel and tourism (T&T) sector in Jordan contributed 18.6% of the country's GDP in 2025 compared to 16.3% of GDP in 2019. It indicated that the travel and tourism industry generated $10.4bn in revenues in 2025, constituting an increase of 29.7% from $8bn in 2019. Also, it estimated the aggregate international spending by visitors in Jordan at $8.5bn in 2025 relative to $7.2bn in 2019, and spending by local visitors on T&T at $529.1m in 2025, up by 23.8% from $427.2m in 2019. It added that leisure spending by visitors in the country totaled $7.94bn in 2025, while spending by business visitors reached $1.1bn last year. It said that the T&T industry in Jordan employed around 301,000 persons in 2025, up by 17.7% from 255,800 jobs in 2019. In parallel, it projected the contribution of the T&T sector to the country's GDP at $7.7bn in 2026 and at $15.1bn in 2036, and to be equivalent to 13.3% of this year's GDP and 20.3% of GDP in 2036. Also, it forecast employment in the T&T sector at around 292,600 jobs in 2026, or 17.2% of total employment in Jordan this year, and at 366,800 jobs or 18.6% of the country's total employment in 2036.

Source: World Travel & Tourism Council

UAE

Sovereign ratings affirmed on strong fiscal and external buffers

S&P Global Ratings affirmed the United Arab Emirates' long-term foreign and local currency sovereign credit ratings at 'AA', as well as the short-term local and foreign currency sovereign credit ratings at 'A-1+', with a 'stable' outlook on the long-term ratings. It also affirmed the Transfer & Convertibility assessment rating at 'AA+'. It noted that the country's strong fiscal and external positions, as well as the exceptional strength of the government's consolidated net asset position that it forecast to reach 147% of GDP in 2026, support the ratings. But it stated that the ratings are constrained by the economy's heavy dependence on the hydrocarbon sector, elevated geopolitical risks, and relatively weak data transparency. Further, it said that the 'stable' outlook reflects the agency's view that the UAE's strong fiscal and external buffers give policymakers the flexibility to respond to geopolitical shocks or weak hydrocarbon conditions, including disruptions to oil production or exports. It estimated the government's liquid assets at about 170% of GDP in 2026, and forecast usable foreign currency reserves to rise from $44.3bn at end-2027 to $51bn at end-2028 and $58.1bn at end-2029. Further, it forecast the UAE's gross external financing needs at 131.1% of current account receipts plus usable reserves in 2026, and at 129% and 125.3% of such receipts and reserves in 2027 and 2028, respectively. In parallel, it said that it could upgrade the ratings in the medium term if geopolitical tensions ease significantly, and/or if the authorities implement measures to improve the effectiveness of monetary policy. But, it said that it could downgrade the ratings if prolonged security risks or a renewed military escalation affect the UAE's key infrastructure and oil exports.

Source: S&P Global Ratings

ANGOLA

Economic outlook subject to downside risks

The International Monetary Fund indicated that the favorable external environment supported activity in Angola's non-hydrocarbon sector and strengthened its external position, which improved its access to international markets and put the inflation rate in the country on a downward trajectory. But it noted that supportive external conditions slowed the pace of macroeconomic adjustment and the reforms momentum, which it considered to be critical to reducing Angola's dependence on oil and for lowering structural vulnerabilities. Further, it called for upfront fiscal consolidation, prudent monetary policy, and greater exchange rate flexibility in order to sustain the hard-earned macroeconomic stability and productivity gains in the non-hydrocarbon sector, especially in the prevailing shock-prone global environment. As such, it urged the authorities to further implement structural reforms to improve the business environment, strengthen governance, attract foreign direct investments and diversify the economy, in order to promote sustainable growth. In addition, it considered that Angola's macroeconomic outlook is subject to downside risks, and include volatility in oil prices, tighter external financing conditions, delays in fiscal consolidation, as well as setbacks in the implementation of reforms.

Source: International Monetary Fund

BANKING

WORLD

FATF sets standards to counter underground banking and HOSSP-based money laundering

The Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), indicated that underground banking, as well as hawala and other similar service providers (HOSSPs), may be used to move both legitimate and illicit funds. It noted that underground banking and HOSSP-related money laudering (ML)S is traditionally associated with cash-intensive crimes such as drug trafficking or smuggling, but is increasingly used to facilitate fraud, cyber-enabled crime, corruption, tax evasion, terrorism financing, undeclared work, illegal gambling, and diverse activities of transnational organized crime. It identified the digital transformation of underground banking and HOSSP activity as a major development in global ML. It said that these systems integrate digital communications, virtual assets, and electronic payment technologies, which allow faster cross-border transfers, increase opacity, expand layering opportunities, and strengthen illicit financial networks. Also, it noted that jurisdictions face challenges in regulating, detecting, investigating, and prosecuting the misuse of underground banking and HOSSPs for ML. As such, it urged jurisdictions to establish clear legal and regulatory frameworks, adopt holistic system-wide approaches to disrupt laundering chains, create dedicated domestic coordination mechanisms with authorities and private partners, focus on intersections with the formal financial system, leverage advanced supervisory and investigative technologies, strengthen detection and compliance, and deepen international cooperation.

Source: Financial Action Task Force

GCC

Banks' income up 6% to $34.5bn in first half of 2026

Figures released by financial services firm KAMCO indicate that listed banks in the six Gulf Cooperation Council (GCC) countries posted aggregate net profits of $34.5bn in the first half of 2026, constituting an increase of 6.2% from $32.5bn in the first half of 2025. The banks' net earnings totaled $16.8bn in the first quarter and $17.7bn in the second quarter of the year. It attributed the rise in income mainly to the increase in non-interest income by $1.8bn, or by 8.8%, to $22.2bn in the first half of 2026. It added that the aggregate revenues of banks reached $71.5bn in the first half of 2026, representing an increase of 8.5% from $65.9bn in the same period last year. Further, it indicated that the aggregate assets of GCC banks stood at $4.07 trillion (tn) at end-June 2026 and improved by 4% from $3.9tn at end-2025 and by 9% from $3.7tn a year earlier. In addition, it said that the banks' aggregate net loans reached $2.5tn at the end of June 2026 and expanded by 5.3% from $2.38tn at end-2025 and by 12% from $2.24tn at end-June 2025, while customer deposits amounted to $2.92tn, and grew by 5.2% from $2.78tn at end-2025 and by 6.8% from $2.74tn at the end of June 2025. As such, it pointed out that the aggregate loans-to-deposits ratio of listed GCC banks was 85.9% at the end of June 2026 compared to 85.8% at end-2025 and to 81.9% a year earlier.

Source: KAMCO

NIGERIA

Outlook on banks' ratings revised to 'positive' on improving operating environment

Moody's Ratings affirmed the long-term deposit ratings of Access Bank, Fidelity Bank, First Bank of Nigeria, First City Monument Bank, Guaranty Trust Bank, Sterling Bank, United Bank for Africa, and Zenith Bank at 'B3', and revised the outlook on the long-term ratings of the eight banks from 'stable' to 'positive'. It also affirmed the Baseline Credit Assessments of all banks at 'b3'. It attributed the change in outlook to its similar action on the sovereign rating that reflects improvements in Nigeria's external position and stronger-than-expected economic growth. It considered that if this trend is sustained, it would enhance the country's capacity to absorb external shocks, strengthen economic resilience and support a gradual increase in government revenues. It noted that these developments have the potential to positively impact Nigerian banks, given their high direct exposure to the sovereign, the potential improvement of the operating environment, and the government's eventual increased capacity to provide support to banks in case of need. Further, it said that the banks' ratings capture their sound financial performance, supported by solid economic growth, robust profitability, gradually improving asset quality and stronger foreign currency liquidity following the reforms to the foreign exchange regime. It expected the banks' capital ratios to modestly decrease due to strong asset growth and elevated provisioning costs, but to remain supported by the recent capital increase across the sector.

Source: Moody's Ratings

TÜRKIYE

Banks' asset quality deteriorates on inflation and war risks

S&P Global Market Intelligence indicated that Turkish banks recorded the sharpest deterioration in asset quality among Europe's largest banks in the second quarter of 2026. It said that the non-performing loans (NPLs) ratios of the state-owned Türkiye Cumhuriyeti Ziraat Bankası, the country's largest bank by assets, increased by 29 basis points (bps) in the second quarter of 2026, followed by Türkiye İş Bankası (+24 bps), and Türkiye Vakıflar Bankası (+20 bps). It attributed the increase in NPLs ratios to inflationary pressures in Türkiye, amid the U.S.-Israel war with Iran and elevated interest rates on the Turkish lira. Further, it indicated that higher food and energy prices prompted the Central Bank of the Republic of Türkiye (CBRT) to raise its inflation forecast from 26% to 28% for end-2026, while it has maintained its policy rate at 37% since early March 2026. It pointed out that the CBRT stated that it is implementing macroprudential steps regarding Turkish lira deposits, loan growth and liquidity management, in order to support its tight monetary stance. But it noted that the CBRT lowered the banks' borrowing costs by resuming one week repo operations at the policy rate of 37% instead of the 40% overnight rate it used after the war started in the Middle East. In parallel, it said that the recent economic pressures in the region affected Turkish banks' lending activity, as the CBRT reported an overall tightening of credit standards amid stronger demand in the second quarter of 2026.

Source: S&P Global Market Intelligence

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

ICE Brent crude oil front-month futures contract for November 2026 reached $101.2 per barrel (p/b) on September 9, 2026, constituting an increase of 11.8% from $90.5 p/b at the end of August, driven by concerns that escalating tensions in the Middle East could further exacerbate disruptions to energy supply. In parallel, Goldman Sachs revised its forecast for Brent oil prices from $80 p/b to $85 p/b for December 2026, which reflects its expectations that shipping disruptions in the Middle East will persist into 2027. It attributed its upward revision to the fact that commercial land oil inventories in OECD countries have barely decreased since the war began, resulting in a smaller than expected deficit amid the market's adaptation, and the concentration of stock draws in the OECD countries' strategic petroleum reserves, seaborne storage, and in China. It also assumed that oil output in the Middle East will gradually recover by the second half of 2027 as unreported oil shipments that bypass official tracking increase further and pipelines become operational in late 2027. Further, it considered that risks to its oil price forecast remain significantly tilted to the upside in the near term, and added that Brent oil prices might exceed $120 p/b if average oil output from the Gulf Cooperation Council (GCC) countries in 2027 remains 4 million barrels per day (b/d) lower than pre-war levels, in addition to intensified shipping attacks in the Strait of Hormuz and the Red Sea. But it expected Brent oil prices to decline into the $60s p/b in 2027 if average oil output in GCC economies in 2027 exceeds pre-war levels by 1 million b/d. Also, it projected oil prices to average $88 p/b in the third quarter of 2026 and $88 p/b in 2026.

Source: Goldman Sachs, LSEG Workspace, Byblos Research

Middle East demand for gold bars and coins down 9.6% in first half of 2026

Net demand for gold bars and coins in the Middle East totaled 53.7 tons in the first half of 2026, constituting a decrease of 9.6% from 59.4 tons in the same period of 2025. Demand for gold bars and coins in Iran reached 13.5 tons and represented 25% of the region's aggregate demand in the covered period, followed by Egypt with 11.9 tons (22.2%), Saudi Arabia and UAE each with 9.3 tons (17.3% each), and Kuwait with 4.2 tons (7.8%).

Source: World Gold Council, Byblos Research

Algeria's oil exports down 20% in June 2026

Crude oil production in Algeria reached 990,000 barrels per day (b/d) in June 2026, constituting an uptick of 0.8% from 982,000 b/d in May 2026. Aggregate crude oil exports stood at 342,000 b/d in June 2026 and decreased by 20% from 427,000 b/d in May 2026.

Source: JODI, Byblos Research

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 76.82 million barrels per day (b/d) in 2026, which would constitute a marginal increase of 0.05% from 76.78 million b/d in 2025. The supply of petroleum and liquid fuels from non-OPEC producers would account for 76.2% of global output.

Source: U.S. Energy Information Administration

Base Metals: Zinc prices to average $3,800 per ton in third quarter of 2026

The LME cash prices of zinc averaged $3,471 per ton in the year-to-September 9, 2026 period, constituting an increase of 26.2% from an average of $2,750.8 a ton in the same period of 2025, due to supply constraints, low global inventory levels, and stronger demand from the construction, automotive, and renewable energy sectors. In parallel, the latest available figures released by the International Lead and Zinc Study Group (ILZSG) show that global demand for refined zinc stood at 6.74 million tons in the first half of 2026, constituting an uptick of 0.6% from 6.7 million tons in the same period of 2025, driven by higher demand for the metal in China, India, Türkiye and Saudi Arabia, which was partially offset by weaker demand in Iran, the Republic of Korea, the United States and the UAE. Also, global zinc production reached 6.86 million tons in the first half of 2026, representing an increase of 1.3% from 6.77 million tons in the same period last year, due to higher output in China, which more than offset lower production in Europe, Japan, Kazakhstan, Mexico and Peru. Further, it said that mine output represented 86.8% of the global production of refined copper in the first half of this year compared to 90.2% in the same period of 2025. Also, the ILZSG indicated that the global market for refined zinc posted a surplus of 120,000 tons and that global inventories increased by 92,000 tons in the first half of 2026. Further, Citi Research projected zinc prices to average $3,800 per ton in the third quarter of 2026, and $3,600 a ton in full year 2026.

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

Precious Metals: Gold prices to average $4,300 per ounce in third quarter of 2026

Gold prices averaged $4,566.4 per ounce in the year-to-September 9, 2026 period, constituting a surge of 44.5% from an average of $3,161.2 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 tensions in the Middle East. Also, gold prices dropped by 21.4% from an all-time high of $5,586.2 per ounce on January 29, 2026 to $4,390.4 an ounce on September 9, 2026 due to rising yields on U.S. Treasury bonds and a stronger exchange rate of the US dollar against major currencies. In addition, Citi Research projected gold prices to reach $4,800 in the next three months and $5,000 in the next six-to 12 months, as it anticipated gold prices to be relatively resilient to rising energy prices. But it expected hydrocarbon flows through the Strait of Hormuz to improve in the fourth quarter of 2026, which would result in lower oil prices and, in turn, would put upward pressure on gold prices. It said that easing inflationary pressures, mainly in the U.S., would contribute to a decrease in interest rates and to a weaker exchange rate of the US dollar, which would boost investment demand for gold. It noted that easing fiscal pressures and risks of currency depreciation in emerging markets will likely lead to a loosening of import controls and duties on precious metals, which, in turn, will boost physical demand for gold. It indicated that the strong momentum in gold prices is likely to attract retail buyers worldwide, both in the physical bullion market and in gold futures trading. In parallel, it forecast gold prices to average $4,300 per ounce in the third quarter of 2026 and $4,570 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-	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	Negative	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 (%)
	LT Foreign currency rating											
Asia												
Armenia	BB-	Ba3	BB-	B+								
	Positive	Positive	Positive	Positive	-4.1	50.3	2.2	31.4	12.9	117.5	-5.0	1.8
China	A+	A1	A+	-								
	Stable	Negative	Stable	-	-3.0	78.4	11.0	23.6	7.0	60.8	3.6	0.7
India	BBB-	Baa3	BBB-	-								
	Stable	Stable	Stable	-	-6.9	81.4	7.1	29.9	24.2	83.4	-5.6	0.7
Kazakhstan	BBB-	Baa2	BBB	-								
	Stable	Positive	Stable	-	-3.8	28.7	6.5	33.7	13.7	91.5	-4.2	1.5
Pakistan	B	B3	B-	-								
	Stable	Stable	Stable	-	-5.1	70.8	2.7	28.7	47.8	107.4	-0.7	0.3
Bangladesh	B+	B2	B+	-								
	Negative	Negative	Stable	-	-4.5	36.4	3.5	24.3	26.2	99.5	-0.9	0.3
Central & Eastern Europe												
Bulgaria	BBB	Baa1	BBB	-								
	Positive	Stable	Positive	-	-3.4	30.9	1.0	20.7	1.9	115.0	-2.7	2.1
Romania	BBB-	Baa3	BBB-	-								
	Stable	Stable	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-	Ba3	BB-	BB-								
	Stable	Stable	Stable	Positive	-3.6	25.8	3.2	62.9	15.3	132.3	-1.6	0.4
Ukraine	CC	Ca	CC	-								
	Negative	Stable	-	-	-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	2.75	02-Sep-26	Raised 25bps	28-Oct-26
Switzerland	SNB Policy Rate	0.00	18-Jun-26	No change	24-Sep-26
Canada	Overnight rate	2.25	02-Sep-26	No change	N/A
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	03-Sep-26	No change	05-Nov-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	16.25	04-Sep-26	Cut 50bps	23-Oct-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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