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COUNTRY RISK WEEKLY BULLETIN

NEWS HEADLINES

WORLD

Venture capital investments in AI at $407bn in first half of 2026

Figures issued by information provider PitchBook Data indicate that global venture capital (VC) investments in Artificial Intelligence (AI) companies reached $407bn in the first half of 2026, with a total of $262.6bn in the first quarter and $144.4bn in the second quarter of 2026. In comparison, VC investments in AI stood at $264.1bn in full year 2025, $158bn in 2024, and $104bn in 2023. Further, it pointed out that the number of VC deals in AI companies reached 3,500 transactions in the first half of 2026, with 1,962 deals in the first quarter and 1,538 in the second quarter of 2026. In comparison, the number of VC investments in AI companies stood at 8,290 deals in full year 2025, 7,897 transactions in 2024, and 8,053 deals in 2023. In parallel, exits of VC funds from AI investments reached $391.1bn worldwide in the first half of 2026, compared to $130.7bn in full year 2025, $51.4bn in 2024, $28.8bn in 2023, $56bn in 2022, and $274.8bn in 2021. Further, VC funds exited 406 AI investments in the first half of 2026, relative to 736 exits in full year 2025, 566 transactions in 2024, 491 deals in 2023, 547 transactions in 2022, and 706 deals in 2021. In addition, VC investments in horizontal AI platforms reached $88.9bn in the second quarter of 2026 and represented 61.6% of total VC investments in AI, followed by vertical applications with $26.3bn (18.2%), autonomous machines with $22.3bn (15.4%), and semiconductors with $6.9bn (4.8%).

Source: PitchBook Data, Byblos Research

Debt capital markets activity up 7% to $9.3tn in first eight months of 2026

Global debt capital markets (DCM) activity reached $9,306.7bn in the first eight months of 2026, constituting an increase of 7% from $8,698.8bn in the same period last year; while the number of DCM deals stood at 24,286 transactions in the covered period. Also, DCM issuance in Asia excluding Japan totaled $3,601.8bn and accounted for 38.7% of global DCM offerings in the first eight months of 2026, followed by the Americas with $2,985.1bn (32%), Europe with $2,262bn (24.3%), Japan with $267.4bn (3%), the Middle East with $139.6bn (1.5%), and Africa with $39.8bn (0.4%). In parallel, the issuance of investment grade corporate debt totaled $4,598.1bn in the first eight months of 2026, representing a rise of 14% from $4,032.6bn in the same period last year. Further, the issuance of high yield corporate debt stood at $310.5bn in the first eight months of 2026, constituting a decrease of 2% from $316.8bn in the same period last year. Moreover, DCM activity in the financial sector amounted to $3,982.3bn and accounted for 42.8% of aggregate DCM activity in the first eight months of 2026, followed by the government and agencies sector with $2,817.3bn (30.3%), the energy and power sector with $536bn (5.8%), industrials companies with $455.2bn (5%), the high technology sector with $324.8bn (3.5%), the real estate sector with $169bn (1.8%), and the telecommunications sector with $141.8bn (1.52%); while the remaining DCM activity totaled $658.7bn and accounted for 7.1% of the total in the covered period.

Source: LSEG

MENA

Stock markets' capitalization at $4.4 trillion at end-August 2026

The aggregate market capitalization of Arab stock markets reached $4.37 trillion (tn) at the end of August 2026, constituting an increase of 4% from $4.2tn at end-2025. The market capitalization of the Saudi Exchange stood at $2.5tn at end-August 2026 and accounted for 58.3% of the total, followed by the Abu Dhabi Securities Exchange with $793.3bn (18.2%), the Dubai Financial Market with $265bn (6%), Boursa Kuwait with $173.5bn (4%), the Qatar Stock Exchange with $162bn (3.7%), the Casablanca Stock Exchange with $118bn (2.7%), the Muscat Stock Exchange with $100.4bn (2.3%), the Egyptian Exchange with $84.9bn (1.9%), the Amman Stock Exchange with $41.2bn (0.9%), the Iraq Stock Exchange with $21.3bn (0.5%), the Bahrain Bourse with $20bn (0.46%), the Beirut Stock Exchange with $17.8bn (0.41%), the Tunis Stock Exchange with $16.4bn (0.4%), the Palestine Exchange with $5.3bn (0.12%), and the Damascus Stock Exchange with $2.1bn (0.05%). Also, the market capitalization of the Saudi Exchange was equivalent to 183.3% of the country's estimated GDP for 2026, followed by the Abu Dhabi Securities Exchange (127.6% of GDP), Boursa Kuwait (100.3% of GDP), the Muscat Stock Exchange (85.7% of GDP), the Qatar Stock Exchange (74.5% of GDP), the Amman Stock Exchange (63.5% of GDP), the Casablanca Stock Exchange (60.6% of GDP), the Beirut Stock Exchange (53.6% of GDP), the Dubai Financial Market (42.6% of GDP), the Bahrain Bourse (41% of GDP), the Tunis Stock Exchange (27% of GDP), the Egyptian Exchange (19.7% of GDP), and the Iraq Stock Exchange (8% of GDP).

Source: AFCM, IMF, IIF, Byblos Research

GCC

Corporate earnings up 31% to $75bn in first half 2026

The net income of listed companies in Gulf Cooperation Council (GCC) countries reached $74.8bn in the first half of 2026, constituting an increase of 31.2% from $57bn in the same period of 2025. Listed companies in Saudi Arabia generated $45.3bn in profits or 60.6% of total corporate earnings in the GCC in the covered period, followed by listed firms in Abu Dhabi with $14.7bn (19.7%), Dubai with $6.9bn (9.2%), Kuwait with $3.1bn (4.1%), Qatar with $2.9bn (3.9%), Oman with $1.4bn (1.9%), and Bahrain with $600m (0.8%). Further, the earnings of listed companies in Kuwait surged by 82.4% annually in the first half of 2026, followed by the profits of listed firms in Abu Dhabi (+42.7%), companies in Saudi Arabia (+36.4%), listed firms in Oman (+27.3%), and companies in Dubai (+6.2%); while the earnings of listed firms in and Bahrain were unchanged and the earnings of listed firms in Qatar declined by 19.4% annually in the first half of 2026. In addition, the profits of listed energy firms in the GCC reached $36.2bn and accounted for 48.4% of total corporate earnings in the first half of the year, followed by the profits of listed banks with $17.8bn (23.8%), food, beverages & tobacco firms with $3.9bn (5.2%), telecommunications companies with $3.3bn (4.4%), and real estate firms with $3.2bn (4.3%).

Source: KAMCO

OUTLOOK

WORLD

Insurers face structural risk accumulation

Global reinsurer Swiss Re identified four major channels that are driving the structural accumulation of risk in the capital expenditures super-cycle. It said that the channels consist of single risk severity, the geographic concentration of assets, supply chain interdependencies, and network dependencies. First, it stated that single risk severity occurs when assets of very high economic value are concentrated in one location, such as hyperscale data centers, semiconductor plants, liquified natural gas terminals, or nuclear facilities. It noted that a single incident at these sites could generate losses far beyond traditional insurance limits, which would strain capacity of insurers and require complex layering structures. Second, it pointed out that geographic concentration, where clusters of assets in specific regions, often shaped by access to energy, land, labor, or policy incentives, create correlated exposure to risks that can strike many facilities at once. It stated that these clusters expose insurers to both natural catastrophes and man-made risks across multiple lines, which makes risk more interconnected and harder to manage. It considered that the proximity of facilities magnifies the potential impact of a single disruptive event, which is reinforcing the challenge insurers face in balancing efficiency gains with heightened geographic exposure.

Third, it stated that supply chain interdependencies arise when industries rely on a small number of suppliers, technologies, or inputs. It noted that disruptions in rare earth processing, advanced lithography, or specialized cables, can ripple across entire sectors, which will lead to contingent business interruption losses, longer repair times, and inflationary pressures. Fourth, it said that network dependencies reflect the vulnerabilities of shared physical and digital infrastructure. It indicated that outages in grids, cloud services, or artificial intelligence providers can spread losses across industries and geographies, which will simultaneously affect trade credit, liability, cybersecurity, and insurance portfolios.
Source: Swiss Re

ANGOLA

High oil prices to support fiscal and current account balances

JPMorgan Chase & Co. projected Angola's real GDP growth rate at 4.4% in 2026 and 3.7% in 2027. Also, it estimated that a rise of $10 per barrel (p/b) in global oil prices would raise the country's overall GDP growth rate by 0.8% year-on-year, the largest positive impact among oil exporters in Europe, the Middle East and Africa (EMEA) region. It forecast Angola's oil production to rise from 1 million barrels per day (b/d) in 2025 to 1.1 million b/d this year. Further, it forecast the inflation rate to decelerate from 20.4% in 2025 to 10.6% in 2026 and 11.4% in 2027, supported by the disinflation path due to continued fuel subsidies and to the stability of the exchange rate.

In addition, it projected the fiscal deficit to narrow from 0.9% of GDP in 2025 to 0.7% of GDP in 2026 amid higher revenues from elevated oil prices, despite subsidies and high public spending. It estimated that a rise of $10 p/b in oil prices will contribute to an increase of 0.7% of GDP in the fiscal balance, the fourth largest positive impact in the EMEA region, after Azerbaijan with 3.5% of GDP, Saudi Arabia with 1.9% of GDP, and Kazakhstan with 1.2% of GDP. Also, it expected the public debt level to regress from 45.7% of GDP at end-2025 to 39.8% of GDP in 2026 and 42.2% of GDP at end-2027 due to higher primary surpluses, a stable exchange rate, and higher economic growth.

In parallel, it projected the current account surplus to increase from 0.4% of GDP in 2025 to 4.9% of GDP in 2026 due mainly to the increase in oil export revenues. It estimated that a rise of $10 p/b in oil prices will contribute to a surge of 2.9% of GDP to the current account balance, the second largest positive impact in the EMEA region after Azerbaijan with 3.8% of GDP, and higher than the average contribution to the region's oil exporters' current account balance of 1.6% of GDP. It considered that higher oil prices will significantly boost Angola's external accounts, which will support the continued accumulation of foreign-currency reserves. As such, it anticipated foreign currency reserves excluding gold to increase from $14.3bn at end-2025 to $14.9bn at end-2026. But it anticipated the current account balance to shift to a deficit of 0.1% of GDP in 2027 and for foreign reserves excluding gold to regress to $14.7bn at end-2027. Further, it considered that the risks to the outlook consist of the volatility of oil prices, pre-election spending that could widen the fiscal deficit, and the impact of El Niño-related drought on food inflation.
Source: JPMorgan Chase & Co.

ETHIOPIA

Economic activity to rebound to 7.5% annually in medium term

S&P Global Ratings projected Ethiopia's real GDP growth rate to accelerate from 6.5% in the fiscal year that ended in June 2026 to 7% in FY2026/27 and 7.5% in each of FY2027/28 and FY2028/29, driven by the implementation of reforms, improving exports, particularly of gold and coffee, and policies that promote the private sector. Further, it anticipated the inflation rate to decrease from 13.5% in FY2025/26 to an average of 11.6% in the 2026-29 period. But it said that Ethiopia remains vulnerable to higher oil prices, transport costs, supply disruptions from the Middle East, domestic security concerns, and weather risks that are affecting food inflation.

In addition, it projected the fiscal deficit at 2.6% of GDP in FY2026/27, 2.3% of GDP in FY2027/28 and 2% of GDP in FY2028/29. But it considered that the war in the Middle East and the potential for erratic weather represent substantial risks to the fiscal balance, which can raise pressure on the budget's financing in the near term.

In parallel, it expected the current account deficit to widen from 2.7% of GDP in FY2025/26 to 3.1% of GDP in FY2026/27, and to stabilize at 2.8% of GDP in each of FY2027/28 and FY2028/29. It noted that the widening of the current account deficit in FY2026/27 reflects the rising imports of consumer and capital goods, as a narrower exchange rate differential with the parallel market and improved access to foreign currency has increasingly shifted trade toward formal channels. Also, it said that Ethiopia's external liquidity buffers are stronger than historical levels, but it expected them to moderate on persistent current account deficits and weakening terms of trade. It estimated that useable foreign currency reserves peaked at $5.3bn at end-June 2026, and expected them to regress to $3.7bn by end-June 2029.
Source: S&P Global Ratings

SAUDI ARABIA

Sovereign ratings affirmed on ability to withstand regional conflict

S&P Global Ratings affirmed Saudi Arabia's long-term foreign and local currency sovereign credit ratings at 'A+', 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 attributed the ratings' affirmation to the Kingdom's diversified energy export infrastructure and current high oil prices, which are helping it withstand pressures from the conflict in the Middle East, as well as to its substantial net general government asset position. It added that the 'stable' outlook reflects its expectation that Saudi Arabia will be able to largely withstand pressures from the regional conflict. It added that the momentum of non-oil growth and the related non-oil revenues, as well as the government's ability to calibrate investment spending under Vision 2030, should support the economy and the fiscal trajectory. Also, it forecast the fiscal deficit to narrow from 5.8% of GDP in 2026 to an average of 3.4% of GDP in the 2027-29 period, in case of higher oil production and non-oil revenues, and expenditures restraint. Further, it forecast the Kingdom's gross external financing needs at 79.6% of current account receipts plus usable reserves in 2026, as well as at 79% and 82.5% of such receipts and reserves in 2027 and 2028, respectively. In parallel, the agency indicated that it could upgrade the ratings in the next two years if the conflict in the Middle East subsides and if reforms and robust non-oil economic activity lead to steady economic diversification and higher GDP per capita, along with improving fiscal and external indicators.

Source: S&P Global Ratings

EGYPT

External funding needs at $35bn in FY2026/27

JPMorgan Chase & Co. projected Egypt's external financing requirements to decrease from $37.8bn in the fiscal year that ended in June 2026 to $34.7bn in FY2026/27. It estimated the funding gap to post a surplus of $2.5bn in FY2025/26 and of $3.2bn in FY2026/27. It expected the authorities to source their external funding needs in FY2026/27 from $15.5bn in net foreign direct investments (FDI) including from the sale of state-owned enterprises (SOEs), $11.5bn in medium- and long-term loan disbursements, $4bn in foreign portfolio investments, $4bn in funding from the International Monetary Fund (IMF), and $3bn in multilateral and bilateral lending. Also, it projected the current account deficit to widen from $18.1bn in FY2025/26 to $20.9bn in FY2026/27. It noted that $19.7bn of Egypt's external debt is due in 2026 and $13.9bn will mature in 2027. In comparison, it said that the IMF projected Egypt's external financing needs to slightly decrease from $32.7bn in FY2025/26 to $32.6bn in FY2026/27, excluding the deposits of Gulf Cooperation Council Countries at the Central Bank of Egypt and other amortizations. The IMF expected the authorities to source their external funding needs in FY2026/27 from $12.2bn in net FDI including from the sale of SOEs, $9.6bn in medium- and long-term loan disbursements, $7.1bn in foreign portfolio investments, $4.5bn in multilateral and bilateral lending, and $4bn in funding from the IMF. It noted that $13.1bn of Egypt's external debt is due in 2026 and $12bn will mature in 2027.

Source: JPMorgan Chase & Co., International Monetary Fund

TUNISIA

Sovereign ratings affirmed with stable outlook

Fitch Ratings affirmed Tunisia's long-term foreign currency issuer default rating (IDR) at 'B-', which is six notches below investment grade, and maintained the 'stable' outlook on the long-term rating. Also, it affirmed the short-term local and foreign currency IDRs and the Country Ceiling at 'B' and 'B-', respectively. It attributed the ratings' affirmation to the country's higher GDP per capita and human development indicators compared to peers, diversified economy, its educated workforce, and a resilient external position despite external shocks. But it said that the ratings are constrained by an elevated government debt level and wide fiscal deficits, the vulnerability of the budget to external shocks, and elevated financing needs. It projected the government's fiscal financing needs, excluding the rollover of short-term debt, at 13.5% of GDP in 2028, and expected it to remain well above the median of 8.9% of GDP for 'B'-rated sovereigns. Also, it anticipated net external financing outflows to decrease from 3.6% of GDP in 2024 to 1.4% of GDP in 2026 and to 1% of GDP in each of 2027 and 2028, due to declining public external debt amortizations and ongoing external financing disbursements from bilateral and multilateral partners. Further, it forecast international reserves at 3.3 months of current external payments in 2026 and at 3.7 months of such payments in 2028. In parallel, it said that it could upgrade the ratings if the fiscal deficit narrows and the government debt level declines, and/or if foreign currency reserves increase significantly. But it said that it may downgrade the ratings if the public debt level rise and/or if pressures on the external account increase.

Source: Fitch Ratings

BANGLADESH

Outlook on sovereign ratings revised to 'stable' on easing political and external pressures

Moody's Ratings affirmed Bangladesh's long-term issuer and senior unsecured ratings at 'B2', which is five notches below investment grade, and revised the outlook on the ratings from 'negative' to 'stable'. It affirmed the country's short-term issuer ratings at 'Not prime'. It attributed the outlook revision to improved external and political conditions. It said that the post-election transition and strong governing mandate resulting from the February 2026 election reduced the risk that political uncertainties would derail reforms. It added that Bangladesh's external position improved due to higher foreign currency reserves, a more flexible exchange rate, and record-high remittance inflows, which have cushioned the rise in imported energy costs. Further, it attributed the affirmation of the ratings to the economy's long-term growth potential, favorable demographics, and competitive ready-made garment sector. But it noted that the ratings are constrained by the government's very narrow revenue base, weak debt affordability, and weaknesses in the banks' asset quality and capitalization. Also, it said that foreign currency reserves reached $32.9bn by mid-2026, equivalent to more than four months of imports. It noted that it could upgrade the ratings if the authorities address the banking sector's weaknesses, if fiscal metrics strengthen, and/or if policy effectiveness improves. But it said that it could downgrade the ratings if banking sector liabilities weigh on the government's balance sheet, if the growth outlook weakens, if fiscal and external indicators deteriorate, and/or if political instability reemerges.

Source: Moody's Ratings

BANKING

WORLD

Stablecoins increasingly used in cross-broder trade

The World Trade Organization indicated that stablecoins are increasingly used as payment and settlement tools in cross-border trade rather than as full substitutes for traditional finance. It noted that their main contribution lies in reducing persistent frictions in international payments, such as slow settlement, high transaction costs, limited access to services, and inefficiencies in foreign exchange and intermediary banking processes. It said that these benefits are particularly significant for micro-, small-, and medium sized enterprises, as well as for firms in developing economies where correspondent banking relationships are scarce and payment infrastructures are costly. But it considered that the role of stablecoins in trade finance is more limited, as they do not provide credit, working capital, enforceable undertakings, or risk mitigation functions that banks and insurers normally offer. As such, it said that stablecoins cannot replace instruments such as letters of credit or guarantees, but noted that they complement existing arrangements by enhancing settlement efficiency. Further, it pointed out that stablecoins are most valuable in payment corridors where conventional services are costly or slow, and in digital services that depend on fast and efficient settlement. In addition, it indicated that the wider adoption of stablecoins in trade raises legal, regulatory and macroeconomic challenges, which include the need for clear legal frameworks, issuer regulation, reserve management, compliance with anti money laundering/combating the financing of terrorism measures, and integration with banking systems.

Source: World Trade Organization

DEM REP CONGO

Capital adequacy ratio at 14.8%, dollarization rate at 90% at end-2025

The International Monetary Fund indicated that the capital adequacy ratio the banking sector of the Democratic Republic of the Congo (DRC) stood at 14.8% at the end of 2025 compared to 19% at end-2024; while its Tier One capital to risk-weighted assets ratio was 12.6% at end-2025 relative to 16.7% at end-2024. It pointed out that the dollarization rate of loans and deposits decreased from 92.3% and 90.3%, respectively, in 2024, to 88.9% and 86.7%, respectively in 2025. Also, it indicated that the sector's non-performing loans (NPLs) ratio regressed from 6.6% at end-2024 to 4.9% at end-2025 after reaching a high of 9.2% at end-March 2022 following the reinstatement of credit quality rules in December 2021; while NPLs provisions increased from 55.7% at end-2024 to 75.6% at end-2025. It noted that most of the credit that banks extend is in foreign currency, lending in the Congolese Franc is limited, and deposits are mainly in foreign currency. Further, it stated that the banks' liquid assets were equivalent to 23.4% of total assets at end-2025 relative to 19.1% at end-2024, while they were equivalent to 78.6% of short-term liabilities compared to 59.9% at end-2024. It added that the banks reduced their net open foreign exchange position from 8.7% at end-2024 to 0.2% of total capital at end-2025, which helped limit valuation losses linked to the currency's appreciation. In parallel, it pointed out that the banks' return on assets was 3.8% in 2025 compared to 3.4% in the preceding year, and their return on equity regressed from 28.3% in 2024 to 22.5% in 2025.

Source: International Monetary Fund

IRAQ

Central Bank enforces AML/CFT compliance

The Central Bank of Iraq (CBI) indicated that it instructed banks to strictly adhere to both local and international sanctions lists, particularly those that the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issues. It said that banks must apply enhanced due diligence measures that the CBI prescribes in relation to customers and their transactions of all types, along with all related details. Further, it urged banks to verify the ultimate beneficial owner, to gain a clear understanding of customer dealings and their relationships with other parties, and to ensure that they do not have connections with individuals or entities designated under local or international sanctions lists, especially those subject to OFAC sanctions. In addition, it called on banks to guarantee the accuracy and the continuous update of sanctions screening tools. Moreover, it urged banks to fully comply with all instructions, guidelines, and circulars that the CBI issues about the prohibition of dealing with individuals and entities listed on local and international sanctions lists, particularly those designated by the OFAC. In its June 2026 update, the Financial Action Task Force (FATF), the global standard-setting body for anti-money laundering and combating the financing of terrorism (AML/CFT), announced that it included Iraq on its list of "jurisdictions under increased monitoring". It indicated that the Iraqi authorities made a high-level political commitment in June 2026 to work with the FATF and its regional body MENAFATF to strengthen the effectiveness of the country's AML/CFT regime.

Source: Central Bank of Iraq, FATF

BANGLADESH

Banks' ratings affirmed on improving operating environment

Moody's Ratings indicated that, in order to address longstanding weaknesses in Bangladesh's banking system, the authorities have advanced elements of a reform agenda, including asset quality reviews, deposit protection legislation, a medium-term resolution strategy developed with the International Monetary Fund, and the repeal in September 2026 of a provision that would have allowed former owners of failed banks to reacquire ownership. It added that the reforms have revealed a non-performing loans ratio of about 32.8% across the sector, and recapitalization needs or nearly10% of GDP to restore banks to the required regulatory capital adequacy level over several years. In parallel, the agency affirmed the short- and long-term local- and foreign-currency deposit and issuer ratings of BRAC Bank, City Bank, and Eastern Bank at 'NP' and 'B2', respectively. It also affirmed the Baseline Credit Assessments (BCAs) of the three banks at 'b2'. Further, it revised the outlook on the long-term deposit and issuer ratings of BRAC Bank and Eastern Bank from 'negative' to 'stable', following its similar action on the sovereign rating, while it maintained the 'negative' outlook on the long-term ratings of City Bank. It attributed its action on the ratings of BRAC Bank and Eastern Bank to the easing of acute political and external pressures that had driven the 'negative' outlook on the sovereign, even though significant structural vulnerabilities persist. It added that the 'negative' outlook on the ratings of City Bank is due to elevated risks to asset quality.

Source: Moody's Ratings

ENERGY / COMMODITIES

Oil prices to average $89.1 p/b in third quarter of 2026

ICE Brent crude oil front-month futures contract for November 2026 reached $108.8 per barrel (p/b) on September 15, 2026, constituting an increase of 11% from $97.9 p/b a week earlier, after Saudi Arabia decided to close its East-West pipeline following a drone attack that damaged a pumping station. But oil prices decreased to $105.8 p/b on September 16 as the U.S. Administration tried to reassure markets that the damaged pipeline will resume operations within days. In parallel, the U.S. Energy Information Administration (EIA) estimated that the disruption to oil production in the Gulf Cooperation Council countries, Iraq, and Iran averaged 6.7 million barrels per day (b/d) in August 2026 compared to an average of 5 million b/d in July 2026. It said that oil shipments through the Strait of Hormuz remained severely constrained in August due, in part, to the renewal of the U.S. blockade on Iran's oil exports following Iran's attacks on tankers in the Strait of Hormuz, and because of a new round of sanctions from the U.S. Treasury Department's Office of Foreign Assets Control targeting Iran's economy and oil sector. Further, it anticipated oil prices to remain elevated until global oil flows normalize and oil inventories are replenished, as the continued disruptions to oil flows through the Strait of Hormuz have already triggered a sharp drawdown in global oil inventories. Further, it forecast oil prices to average $89.1 p/b in the third quarter of 2026.

Source: U.S. EIA, LSEG Workspace, Byblos Research

Crude production losses at 7.1 million b/d in August 2026

Goldman Sachs said that the U.S. Energy Information Administration estimated crude production losses in the Gulf Cooperation Council (GCC) countries, Iran and Iraq at 8.2 million barrels per day (b/d) between February and August 2026, while the International Energy Agency estimated output losses at 7.6 million b/d and the Organization of the Petroleum Exporting Countries (OPEC), based on secondary sources, estimated production losses at 5.6 million b/d. As such, it stated that the three estimates show an average output loss of 7.1 million b/d between February and August 2026.

Source: Goldman Sachs

OPEC's oil basket price up 4.2% in August 2026

The price of the reference oil basket of the Organization of Petroleum Exporting Countries (OPEC) averaged $86.4 per barrel (p/b) in August 2026, and increased of 4.2% from $83 p/b in July 2026. The price of Algeria's Sahara Blend was $94.3p/b, followed by Libya's Es Sider at $91.4p/b, and Nigeria's Bonny Light at $91p/b. Also, two out of 12 prices in the OPEC basket decreased between $0.82 p/b and $1.36 p/b in August 2026, while the remaining prices grew between $0.76 p/b and $11.8 p/b.

Source: OPEC

Middle East accounts for 14.8% of world's natural gas consumption in 2025

The Energy Institute indicated that global natural gas consumption reached 4,186 billion cubic meters (bcm) in 2025, and increased by 1.3% from 4,131 bcm in 2024. The consumption of natural gas in North America totaled 1,145 bcm and accounted for 27.4% of the world's global consumption, followed by the Asia Pacific region with 976 bcm (23.3%), the Middle East with 619 bcm (14.8%), the Commonwealth of Independent States with 615 bcm (14.7%), Europe with 482 bcm (11.5%), Africa with 184 bcm (4.4%), and South & Central America with 163 bcm (4%).

Source: Energy Institute, Byblos Research

Base Metals: Copper prices to average $14,250 per ton in third quarter of 2026

LME copper cash prices averaged $13,354.7 per ton in the year-to-September 16, 2026 period, constituting a rise of 40.2% from an average of $9,527 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. In parallel, in its bear case scenario, Citi Research projected copper prices at $13,000 per ton in the third and fourth quarters of 2026 and throughout the 2027-28 period. It said downside risks include further interest rate hikes by the U.S. Federal Reserve amid elevated inflation risks, sluggish cyclical demand due to high interest rates in developed markets, and the ongoing downturn in China's property sector. Also, it noted that a financial shock, a broad decline in equity markets, or a sharp reversal in AI-related expectations could weigh on copper prices. In its bull case scenario, it anticipated copper prices to rise from $15,000 per ton in the third quarter of 2026 to $17,000 per ton in the fourth quarter, and to remain at $17,000 per ton through 2028. It considered that wider physical deficits and stronger demand for scrap from 2027 onwards could support prices, amid resilient structural demand and weak mine supply growth. Further, in its base case scenario it forecast copper prices to average $14,250 per ton in the third quarter of 2026 and $13,700 a ton in 2026.

Source: Citi Research, LSEG Workspace, Byblos Research

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

Gold prices averaged $4,560 per ounce in the year-to-September 16, 2026 period, constituting a surge of 43.6% from an average of $3,174.5 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 22.1% from an all-time high of $5,586.2 per ounce on January 29, 2026 to $4,354 an ounce on September 16, 2026 due to rising yields on U.S. Treasury bonds and a stronger exchange rate of the US dollar against major currencies. In parallel, Goldman Sachs projected gold prices at $4,900 per ounce by the end of 2026 and considered that risks to its forecast remain tilted to the upside. It indicated that its forecast assumes continued strong demand from central banks, with purchases averaging 50 tons per month in 2026 and 40 tons per month in 2027, as well as a recovery in private investor demand for gold-backed exchange-traded funds (ETFs), in case the U.S. Federal Reserve keeps interest rates unchanged in 2026. In parallel, it considered that a recovery in ETF inflows and persistently elevated demand for gold call options could amplify the increase in gold prices and push them well above its forecast. But it noted that renewed expectations of interest rate hikes by the U.S. Federal Reserve could lead investors to reduce their gold positions and lead to a sharper-than-usual correction in prices. Also, it expected the continued purchase of gold by central banks to eventually more than offset the downward pressure on prices. Further, it indicated that medium-term risks to its gold price forecast remain tilted to the upside, as gold still accounts for a low share of private investment portfolios and as recent geopolitical developments could encourage private investors to diversify into the metal. Further, Citi Research projected gold prices to average $4,300 per ounce in the third quarter of 2026.

Source: Goldman Sachs, Citi Research, LSEG workspace, Byblos Research

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 (%)
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 Congo	B-	B3	-	-								
	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	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 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	B3 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	4.00	16-Sep-26	Raised 25bps	28-Oct-26
Eurozone	Refi Rate	2.65	10-Sep-26	Raised 25bps	N/A
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	4.25	17-Sep-26	Raised 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	3.9	16-Sep-26	Raised 25bps	N/A
Saudi Arabia	Repo Rate	4.50	16-Sep-26	Raised 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	10-Sep-26	No change	22-Oct-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	14.75	15-Sep-26	Cut 100bps	17-Nov-26
Mexico	Target Rate	6.50	06-Aug-26	No change	24-Sep-26
Brazil	Selic Rate	13.75	16-Sep-26	Cut 25bps	N/A
Armenia	Refi Rate	6.75	15-Sep-26	Raised 25bps	03-Nov-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	11-Sep-26	No change	23-Oct-26

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