GeoQuant
a FitchSolutions Company

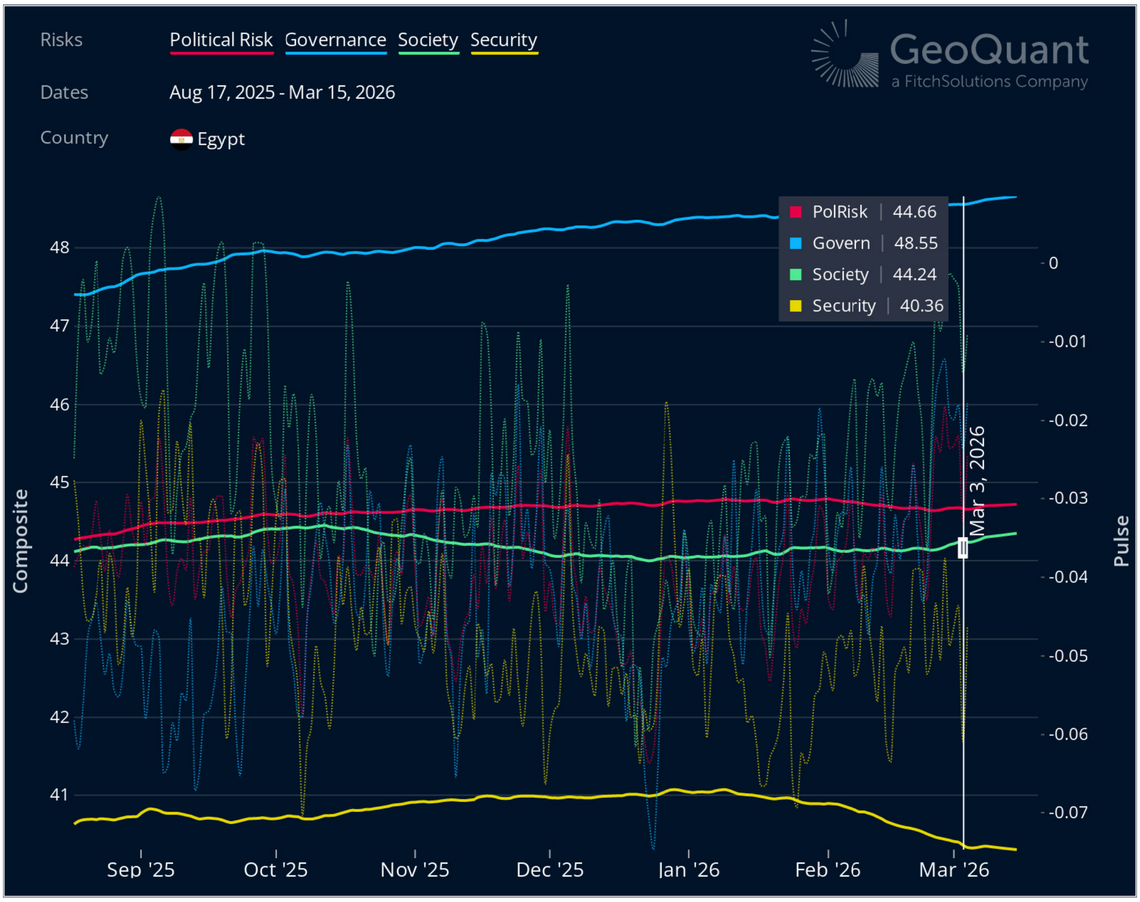
Egypt, Israel, Lebanon, Saudi Arabia, Turkiye, and the UAE

Top Charts

In the wake of the U.S./Israeli war with Iran, here we feature six GeoQuant charts highlighting recent, high-impact political risk trends with market implications.

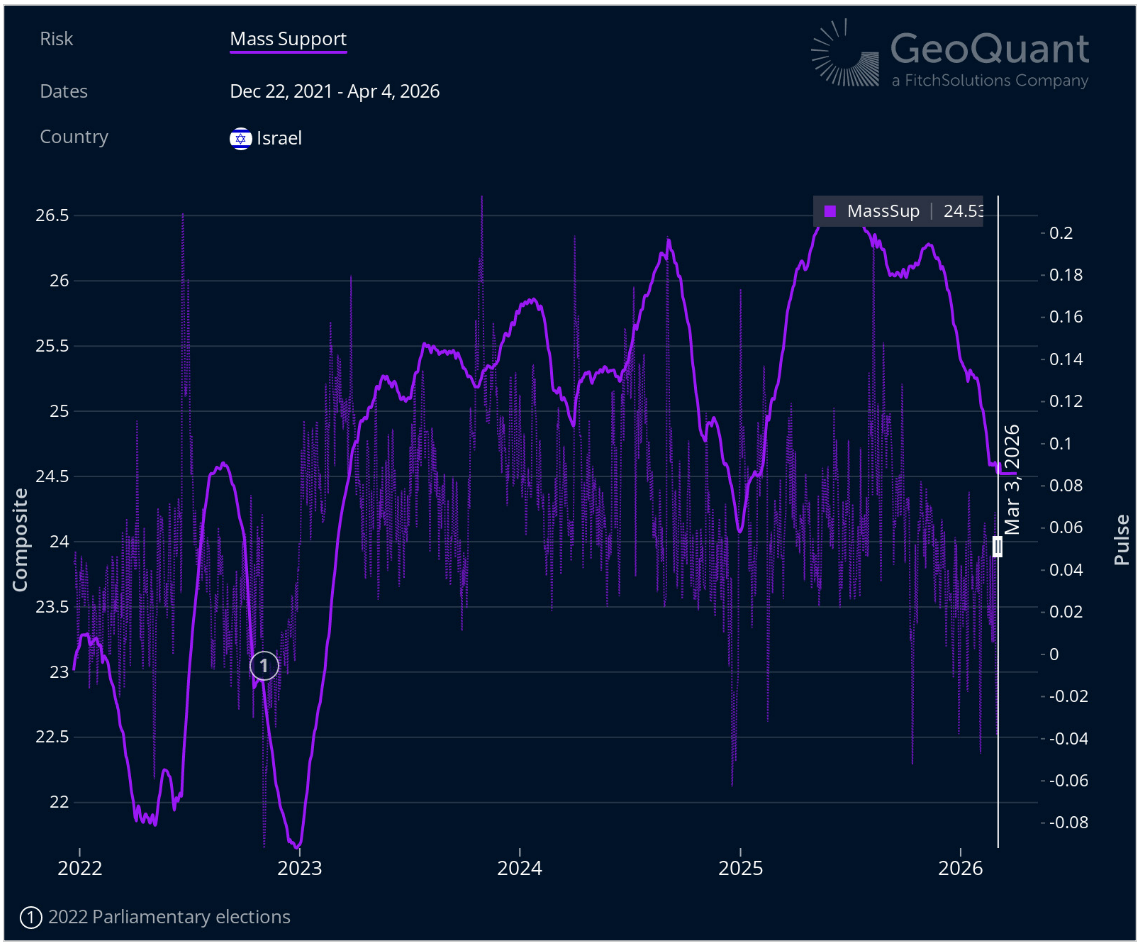
- **Egypt:** There has been little change in Political Risk as Cairo urges all parties to find a diplomatic solution as it works to keep its distance from the conflict.
- **Israel:** Mass Support Pulse Risk is declining now but PM Netanyahu's Likud party will only benefit in elections that are due by October if the conflict is short.
- **Lebanon:** Government, Social Polarization, and IR Pulse Risks are up as the U.S./Israel war against Iran undermines the government's efforts to hold elections, disarm Hezbollah, and repair state finances.
- **Saudi Arabia:** Saudi-Iran Contingent IR Risk will continue to rise sharply following Iran's retaliatory attacks on targets in Saudi Arabia and the wider gulf region.
- **Turkiye:** Security Risk rose and will remain high and would place significant strain on the PKK peace process in case of a protracted regional war.
- **UAE:** IR and External Security Pulse Risks are increasing with potential long-term, negative implications for UAE's economy.

Egypt: Cairo keeps its distance from the war on Iran



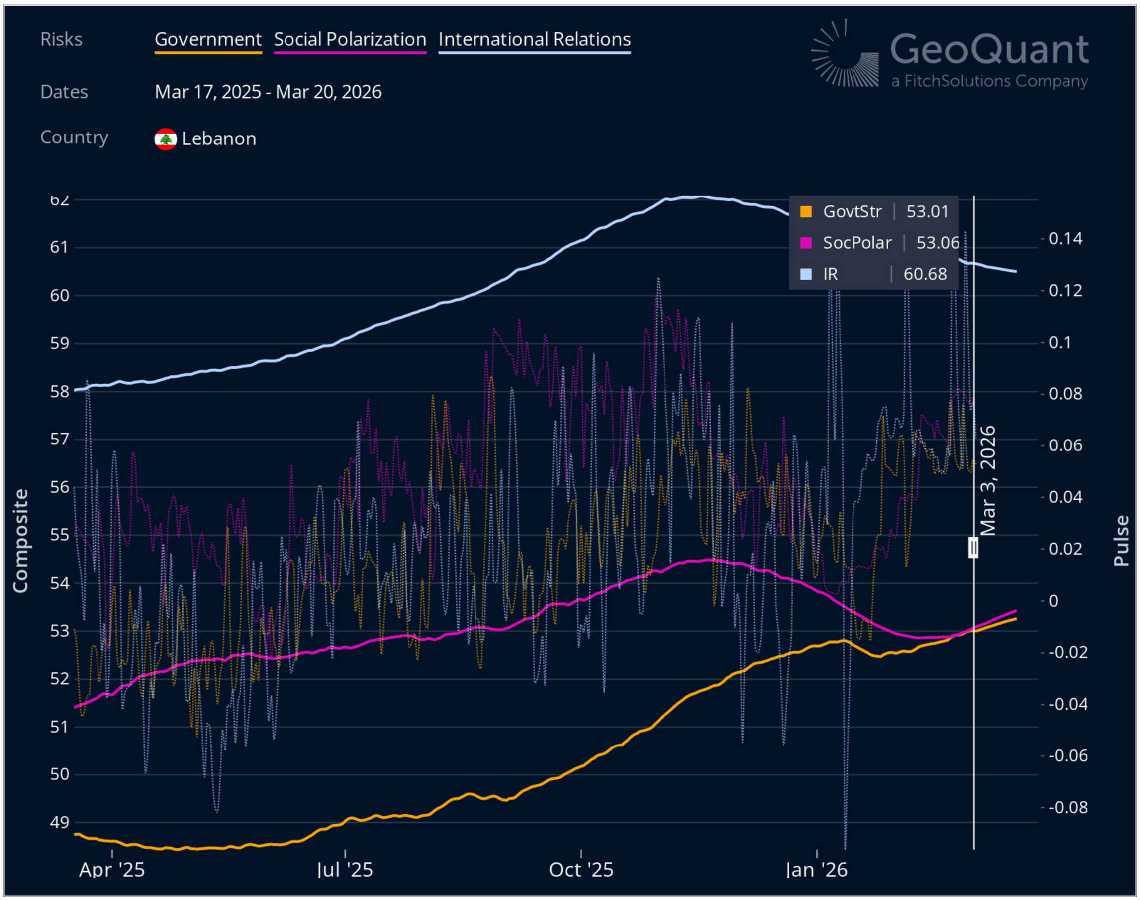
Political Risk is relatively stable, with only small increases in Governance and Society Risks and Security Risk falling. A subdued Risk environment is largely because Egypt has carefully threaded the needle between maintaining a security alliance with the U.S., alignment with other Arab states, and a de facto relationship with Israel. Not surprisingly, Egypt has thus far stayed out of the conflict, urging all parties to find a diplomatic solution, and neither side has struck Egypt. If Cairo decides to pick a side, it will serve as a broader Arab "temperature check". If Egypt leans toward the U.S. camp, it could strengthen Arab coordination and narrow Iran's diplomatic space. If it leans the other way,it could weaken the common front and complicate regional de-escalation – especially when **domestic pro-regime voices are divided** and would raise the political cost of such an alignment. Economically, Egypt faces some risks if the war became a long-term conflict. Any renewed **insecurity around Bab el-Mandeb/Red Sea traffic** threatens Suez Canal receipts and foreign-currency inflows, which **President Abdel Fattah El-Sisi has flagged** as a core national vulnerability after Egypt absorbed considerable financial losses and a steep revenue drop during earlier disruptions. **Major shipping lines** have again **paused or rerouted trans-Suez voyages** because of the conflict risk, which directly reduces traffic through the canal and raises the stakes for Cairo to push against a long conflict.

Israel: Decline in Mass Support Risk will only last if conflict is limited inscope and time



Mass Support Risk is declining now with an election due by 27 October, which could be good for the incumbent government of PM Netanyahu. However, composite Mass Support Risk is forecast to remain higher than it was during prior to the last election on 1 November 2022, suggesting the incumbent will face a more difficult election ahead. On principle, few in the opposition or the Israeli public oppose the destruction of the Iranian regime so the goal of the war will not be a subject of debate during the election campaign. Instead, expect the opposition to criticize the government's prosecution of the war, particularly regarding the safety of Israelis. Opposition leaders have already **called for** assurances that the war has clear goals to avoid a prolonged conflict. Netanyahu's decision regarding election timing will depend on how the war plays out in the next weeks and months. Likud may benefit from a boost in support and could therefore call early elections if U.S. President Trump's **estimate** of a four-to-five-week campaign proves correct, and Israel's campaign in Lebanon sufficiently minimizes Hezbollah's threat. However, the PM will not want to call elections if Israel is still actively under attack. The longer that missiles rain down on Israelis, the more opposition criticism of the government's actions will become receptive to voters.

Lebanon: U.S.-Iran War undermines government efforts to hold elections, disarm Hezbollah and repair state finances

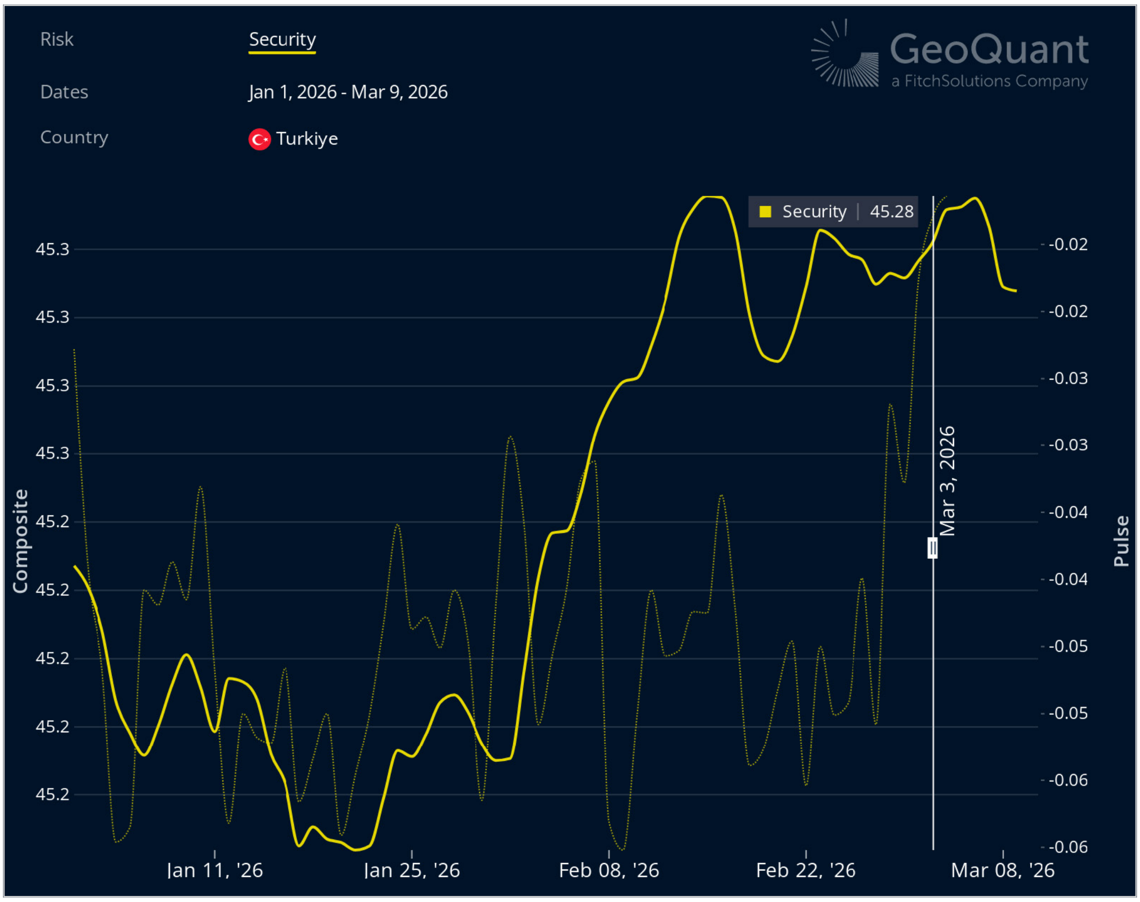


Pulse scores on Government, Social Polarization, and International Relations (IR) Risks are up sharply, though Composite IR Risk continues to fall, reflecting strong, ongoing international support for government efforts to hold elections, disarm Hezbollah, and repair state finances. However, U.S./Israeli attacks on Iran disrupt the Lebanese government's efforts on these domestic political goals. First, **elections are scheduled for 10 May** but some domestic actors, particularly Hezbollah, would like to delay the vote and the war provides a rationale, especially given worsening violence in southern Lebanon. Second, **Hezbollah was already weakened** by prior Israeli efforts to degrade its leadership and resources after the Hamas attack from Gaza on 7 October 2023. The Lebanese state is using this opportunity to rally international support – hence composite IR Risk's persistent decline – **to disarm Hezbollah** and establish a state monopoly on use of violence. However, in support of Iran, a much-weakened Hezbollah has launched missile attacks in northern Israel. Israel responded with air attacks across southern Lebanon. In turn, renewed fighting in southern Lebanon between Hezbollah and Israel impedes both efforts – though it may also reduce Hezbollah's arsenal. Last, an extended conflict would likely stall efforts to **gain IMF support** to address state finances. For its part, the Lebanese government has condemned Iran's attacks across the region and continues to support elections and disarmament. But if the war persists, current progress will at best be delayed and could be derailed.

Saudi Arabia: Saudi-Iran Contingent IR Risk spiking amid regional fallout of U.S.-Iran War

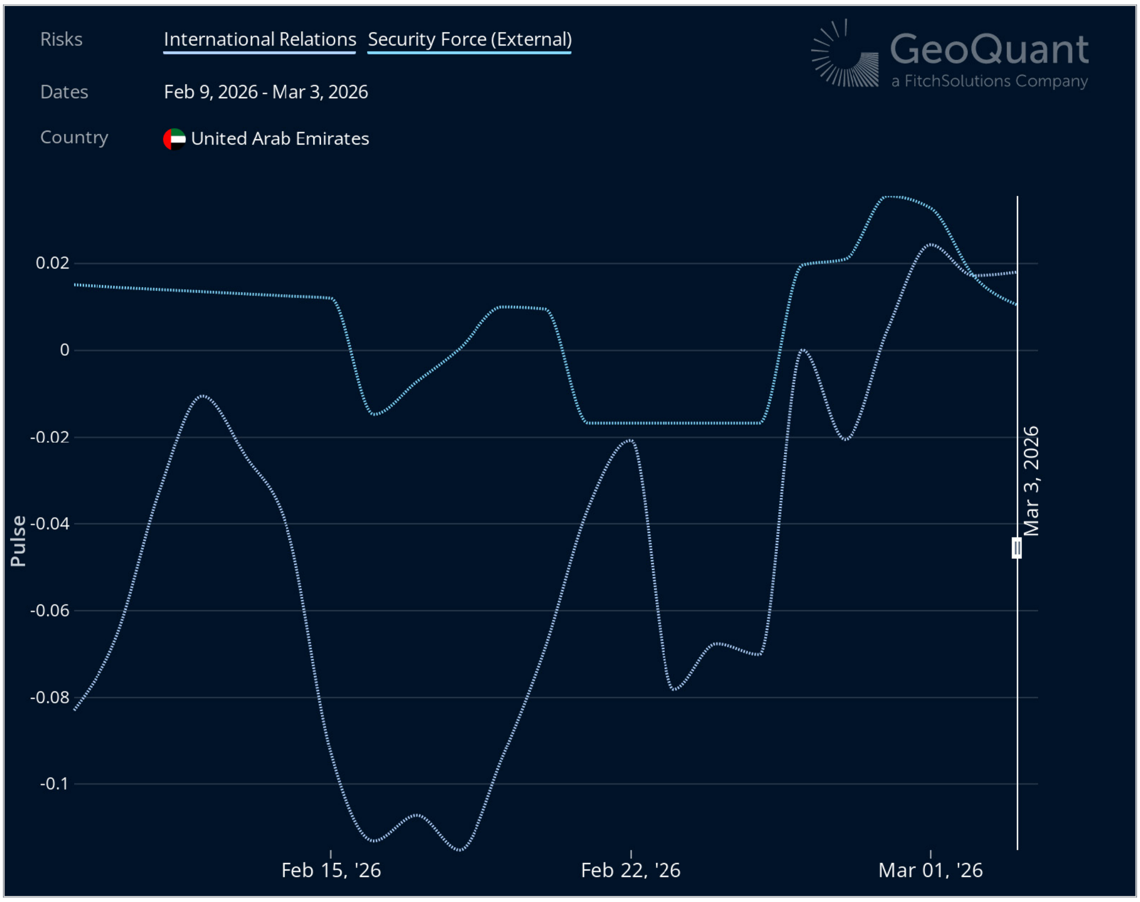
Contingent IR Risk between Saudi Arabia and Iran will continue to rise sharply amid the ongoing US/Israel-Iran conflict and Iran's widespread regional retaliation. The current spike contrasts with last June's 12-day war, when Riyadh condemned U.S.-Israeli strikes and opted for solidarity with Iran, subsequently contributing to continually falling bilatral IR Risk through October. Risk began rising again toward end-2025 but remained contained after Saudi Arabia told Iran in February it would not allow its airspace or territory to be used in any U.S. attack. However, Iran's retaliation to the U.S./Israeli campaign has been widespread against targets in Saudi Arabia, across the GCC, Jordan, Iraq and Cyprus. Riyadh has issued strong condemnation and vowed to protect its interests. We do not assess that Saudi Arabia will retaliate directly against Iran during the current phase of the conflict but further strikes on Saudi oil infrastructure would increase the probability of active involvement, most likely by further opening its airspace or bases to support U.S. operations. Longer term, bilateral IR Risk will remain elevated as Saudi Arabia is vigilant about protecting its status as a business and tourism hub and its oil infrastructure. That said, prolonged disorder in Iran is highly unfavorable for Saudi, so Riyadh will prefer a semblance of order to return soon, even if it means working with broadly the same Iranian regime.

Turkiye: U.S.-Iran war to test but not collapse the peace process with PKK



Security Risk is rising, both pulse and composite, and will remain elevated amid the U.S./Israeli-Iran war. The war places Turkiye in a strategically exposed and politically delicate position. Instability along its eastern border risks spillover effects that would increase Ankara's longstanding concerns over Kurdish militancy. Turkiye's overriding priority will remain preventing regional disorder from empowering armed Kurdish actors, particularly the Kurdistan Workers'Party (PKK), which President Recep Erdogan is working with but is still widely regarded as a security threat. A weakening of Iranian state authority could create permissive operating space for Kurdish insurgent groups inside Iran and, in turn, place significant strain on the fragile, ongoing peace process between Ankara and the PKK. That process has largely stalled since late 2025, marked by continuing political debate but few tangible advances informal negotiations. The process is more likely to face sustained pressure than to collapse outright, provided the conflict does not devolve into a protracted regional war. However, if cross-border instability results in renewed militant activity or worse, Turkish casualties, Ankara would likely revert to a harder security posture, jeopardizing the peace process. Beyond security, Turkiye is also concerned about the risk of refugee flows from Iran, which would strain domestic resources and intensify political sensitivities around minority issues. At the macroeconomic level, the conflict carries a non-trivial risk of deterring capital inflows, widening the trade deficit, weakening the lira, and exacerbating already elevated inflationary pressures.

UAE: Increases in IR and Investment/Trade Risks pose longer-termproblems



The UAE has experienced an increase in IR and External Security Force Pulse Risks since the start of the U.S./Israeli conflict with Iran. The UAE pitches Dubai internationally as an oasis of luxury and stability in the Middle East. This has attracted many wealthy expats, who are now reconsidering; as one hedge fund executive told the: "The trade was not that you were getting exposed to geopolitics when moving to Dubai." In the short term, the UAE will benefit from higher oil prices however, the OPEC-wide push to increase production to mitigate a price shock, combined with the war scaring off wealthy expats, could introduce macroeconomic issues down the line. Oil reserves would decrease more rapidly and, if expats depart, efforts to diversify the economy would falter.

About GeoQuant

GeoQuant is an innovative AI-driven data and technology company, acquired by Fitch and now part of BMI, that is transforming the way the world's leading organizations are quantifying, integrating, and navigating political risk.

By fusing PhD-level political and computer science, GeoQuant generates high-frequency, quantitative measures of risk that are systematic, back-testable, and predictive.

The result is real-time updates for over 40 political risk indicators in more than 140 countries, and analytics that enable you to foresee risk trends and make proactive moves.

GeoQuant data, modelling and advisory services have been used to successfully inform the asset, risk and sovereign ESG strategies of leading institutional partners.

About BMI

In an uncertain macroeconomic environment, BMI's systematic, independent and data-driven market insights, analysis and forecasts enable you to recognize and assess risks and opportunities across 200+ markets and 20+ industries. For more than 40 years, we have provided impartial and transparent analytics, data and research across themes, countries and sectors, with deep insight into emerging markets. Our detailed intelligence is frequent, consistent and systematic, enabling you to easily make comparisons and interrogate data to support your strategic plans and investment decisions.

Learn more at **fitchsolutions.com/bmi/geoquant**

Client Services

A dedicated team of client services professionals based in New York, London, Hong Kong, Singapore and Tokyo provide client support. You can contact this team by the following email **fscustomersupport@fitchsolutions.com** or the phone numbers below:

LONDON
+44 20 3530 2400

NEW YORK
+1 212 908 0800

HONG KONG
+852 2263 9999

SINGAPORE
+65 6796 7231

TOKYO
+81 3 6897 8986