

## Bank Audi

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## Markets In Brief

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Activity in MENA equity markets remained skewed to the upside this week, as reflected by the 0.9% rise in the S&P Pan Arab Composite index, mainly helped by oil price gains, and as market players continued to ponder the US tariff outlook following the US administration's decision to delay reciprocal tariffs till August 1, which provided some hope to major trade partners that deals to ease duties could still be reached. In contrast, regional fixed income markets registered mostly downward price movements this week, after the recently released FOMC minutes from the June meeting showed that committee members are concerned that US tariffs could become a persistent factor for future inflation.

## LEBANON MARKETS: JULY 6 - JULY 12, 2025

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+0.9%	Average weekly bond price change	-0.13 pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+3.2%	Average yearly bond price change	+1.85 pt

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## ECONOMY

### IMF ISSUES ITS CONCLUDING STATEMENT FOR THE 2025 ARTICLE IV MISSION ON SAUDI ARABIA

According to the concluding statement for the 2025 Article IV mission on Saudi Arabia, the Kingdom's economy has been resilient to shocks. In 2024, non-oil real GDP grew by 4.2 %, primarily driven by private consumption and non-oil private investment, with retail, hospitality, and construction leading growth. Repeated extensions of the OPEC+ production cuts have kept oil output at 9 million barrels per day (mb/d)—the lowest level since 2011—resulting in a 4.4% decline in oil GDP and an overall real growth rate of 1.8%. The composite PMI indicates sustained activity in Q1 2025, with the latest Q1 GDP estimate showing non-oil activities expanding by 4.9% year-on-year.

The labor market's strong momentum continues. The unemployment rate for Saudi nationals has declined to a record low of 7% in 2024, surpassing the original Vision 2030 target, which has now been revised down to 5 percent. The improvement is broad-based, with both youth and female unemployment halved over a four-year period. Private sector employment surged by 12% on average in 2024, while public sector hiring continued to slow, reflecting a redeployment to non-government entities.

Inflation is contained as rent inflation decelerates. Despite a small pick-up to 2.3% in April 2025, headline inflation remains low, helped by high real interest rates. Declining prices for transport and communication helped offset housing rent inflation, which has decelerated for the 6th consecutive month to 8.1% y-o-y (the lowest annual rise since February 2023). Real wages have remained stable, albeit with some pickup for highly skilled workers.

The current account shifted to a narrow deficit, transitioning from a surplus of 2.9% of GDP in 2023 to a deficit of 0.5% of GDP in 2024. This shift mainly reflects a decline in oil export proceeds, higher imports of machinery and equipment, and stronger remittance outflows—factors that more than offset a surge in tourism inflows. The current account deficit has been financed through external borrowing and reduced FX asset accumulation. As a result, the Saudi Central Bank's (SAMA) net foreign assets (NFA) holdings stabilized at US\$ 415 billion by end-2024—equivalent to 15 months of imports and 187% of the IMF's reserve adequacy metric.

While spending overruns increased the overall fiscal deficit, the fiscal stance—as measured by the non-oil primary balance—showed a slight improvement in 2024. Additional expenditures related to project financing—partly linked to an accelerated implementation of Vision 2030—and flat oil revenue widened the overall fiscal deficit to 2.5% of GDP, approximately 0.8% points above the budgeted target. However, driven by stronger non-oil revenue, the non-oil primary deficit improved, decreasing by 0.6% of GDP in 2024 compared to 2023. Central government debt rose to 26.2% of GDP as Saudi Arabia became the largest emerging market dollar debt issuer in 2024. However, Saudi Arabia remains amongst the lowest indebted nation globally and net debt is relatively low at approximately 17% of GDP.

Robust domestic demand—including from government-led projects—will continue to drive growth despite heightened global uncertainty and a weakened commodity price outlook. Non-oil real GDP growth is projected at 3.4% in 2025, about 0.8 percentage points lower than in 2024. This reflects the continued implementation of Vision 2030 projects through public and private investment, as well as strong credit growth, which would help sustain domestic demand and mitigate the impact of lower oil prices. The direct impact of rising global trade tensions is limited, as oil products—comprising 78 percent of Saudi Arabia's goods exports to the U.S. in 2024—are exempt from U.S. tariffs, while non-oil exports to the U.S. only account for 3.4% of Saudi Arabia's total non-oil exports. Over the medium term, domestic demand—including momentum ahead of Saudi Arabia's hosting of large-scale international events—is expected to push non-oil growth closer to 4% in 2027 before stabilizing at 3.5% by 2030. Supported by the OPEC+ production cut phase-out schedule, overall GDP growth will accelerate to 3.5% in 2025 and 3.9% in 2026 before stabilizing at approximately 3.3% over the medium term.

Risks to the outlook are mainly to the downside. Weaker oil demand, driven by heightened uncertainty, an escalation of global trade tensions, and deepening geoeconomic fragmentation could dampen oil proceeds. This, in turn, would lead to higher fiscal deficits and debt and costlier financing. An abrupt decrease in spending by the government (including projects recalibration below its baseline) or a slowdown in reform implementation in response to lower oil prices could further hinder private investment growth. Conversely, higher-than-expected oil production/prices and accelerated implementation of reforms could yield stronger or earlier-than-expected growth dividends.

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## SAUDI ARABIA RECORDS A 40% DROP IN BOT SURPLUS IN 4M-25

According to data from the Saudi General Authority for Statistics (GASTAT), Saudi Arabia's Balance of Trade (BoT) recorded SAR 75.1 billion (US\$ 20.0 billion) in the first four months (4M) of 2025, registering a year-on-year drop of 39.7% from SAR 124.6 billion (US\$ 33.2 billion) in 4M-2024. This decrease was due to a 4.8% decrease in exports and an 11.1% increase in imports during the period.

It is worth noting that this decrease in BoT surplus follows a drop of 23.2% year-on-year in BoT surplus between 4M-2023 and 4M-2024.

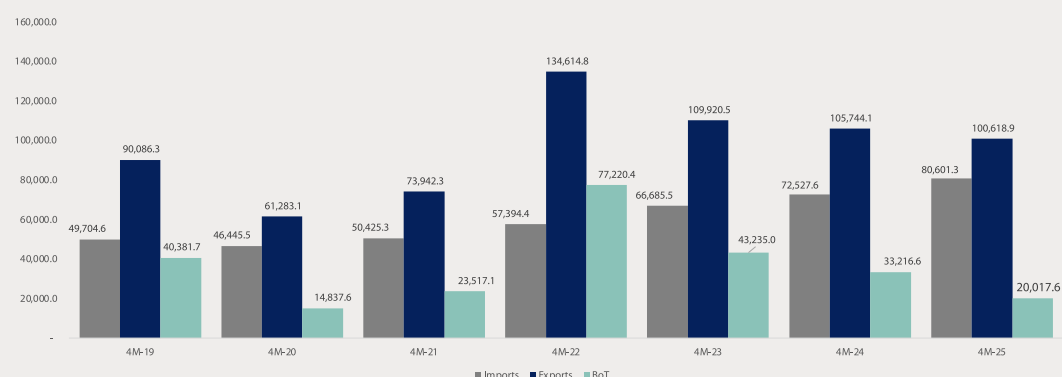
In details, Saudi Arabia's exports during 4M-2025 recorded SAR 377.3 billion (US\$ 100.6 billion), noting a year-on-year decrease of 4.8% from SAR 396.5 billion (US\$ 105.7 billion) during the same period of the year prior.

This decrease was mainly due to a decrease in oil exports by 11.8% during the period to reach SAR 267.0 billion (US\$ 71.2 billion) in 4M-2025, down from SAR 302.6 billion (US\$ 80.7 billion) in the same period of the year prior. Oil exports held a weight of 70.8% in 4M-2025 against a weight of 76.3% in 4M-2024.

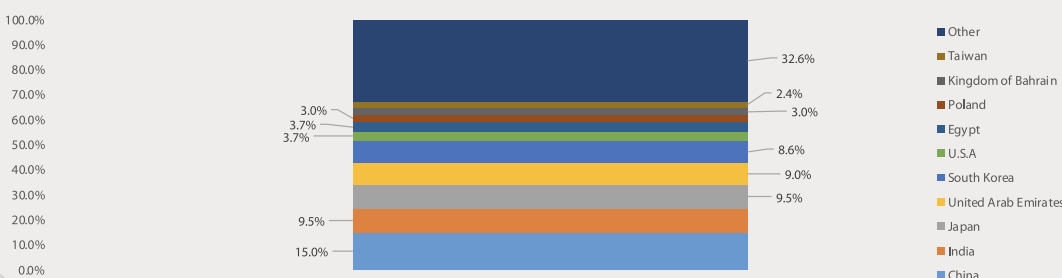
However, this decrease in oil exports was partially offset by a year-on-year increase of 9.6% in non-oil exports during the period reaching SAR 72.6 billion (US\$ 19.4 billion) in 4M-2025, up from SAR 66.2 billion (US\$ 17.7 billion) in 4M-2024. Additionally, a 36.1% jump in re-exports also contributed to offsetting the decrease in exports between 4M-2024 and 4M-2025.

Looking at the geographic distribution of exports from Saudi Arabia in 4M-2025, China took the lion's share with 15.0% of total exports. India, Japan and UAE followed with 9.5%, 9.5% and 9.0% of the total respectively during the period. South Korea and USA followed with shares of 8.6% and 3.7% of total

### FOREIGN TRADE IN SAUDI ARABIA (US\$ MILLION)



### EXPORT BY RECIPIENT COUNTRY IN 4M-2025



Source: GASTAT, Bank Audi Group's Research Department

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exports respectively during 4M-2025. Egypt, Poland and Bahrain came next with contributions of 3.7%, 3.0% and 3.0% of the total respectively during the period. Taiwan followed with a contribution of 2.4% of total exports during 4M-2025. Other countries were responsible for 32.6% of total exports from Saudi Arabia during the aforementioned period.

On the other hand, Saudi Arabia's imports during 4M-2025 recorded SAR 302.3 billion (US\$ 80.6 billion) noting a year-on-year increase of 11.1% against SAR 272.0 billion (US\$ 72.5 billion) in 4M-2024, as per data from the Saudi GASTAT.

## QATAR'S PMI IMPROVES AT A FASTER PACE IN JUNE

The headline Qatar Financial Centre (QFC) PMI for June 2025 recorded 52.0, showing an increase of 1.2 points from figures noted in the month prior. The latest figure denotes an improvement in non-oil private sector activity within Qatar during the month at a faster pace than the month prior.

In details, the latest Purchasing Managers' Index (PMI) survey data from S&P Global showed a stronger overall improvement in business conditions in Qatar's non-energy sector at the halfway point of 2025, driven by a further rapid increase in employment and renewed growth in activity. Employment increased at one of the strongest rates in the eight-year survey history, partly reflecting efforts to address a faster build-up in outstanding work. Output rose despite a slight fall in new business, as per the QFC PMI report for June 2025.

The PMI remained above the no-change mark of 50.0 for the eighteenth consecutive month in June, signaling another improvement in business conditions in the non-energy private sector. The PMI rose from 50.8 in May to 52.0, signaling the strongest overall rate of growth since March. The overall expansion reflected growth in output and employment, while falls in new orders and input stocks and faster suppliers' delivery times all weighed on overall business conditions. The latest PMI reading was slightly below the long-run survey average of 52.2. Having fallen slightly in May, total non-energy private sector activity increased in June. The rate of expansion was only modest, however, and outstanding orders rose at the fastest rate since last October.

In parallel, growth of total activity was achieved despite a slight fall in new business volumes in June. Demand contracted for the fourth time in 2025 so far, although the latest decline was only fractional. Growth in the wholesale & retail and services sectors almost offset lower new orders in construction and manufacturing. Companies addressed rising pressure on capacity by expanding workforces sharply. The rate of job creation was the joint-third highest on record, bettered only by the increases posted in September 2024 and February 2025. Workforces rose rapidly in all four sectors, led by manufacturing, as per the QFC PMI report for June 2025.

Companies in Qatar continued to raise wages and salaries at a marked pace in June. The latest increase was the second-highest on record, just behind January. Meanwhile, the rate of purchase price inflation slowed to an 11-month low. Prices charged by non-oil private sector firms fell for the eleventh month running, and at the fastest rate since last November. Companies in the non-energy private sector remained optimistic regarding the 12-month outlook for activity in June. Confidence was linked to economic development in sectors including real estate, construction and industry, growth of the expat population, international investment and tourism. Sentiment moderated since May, however, and was below the long-run survey average since 2017. Pre-production inventories fell further during June, although the rate of decline eased to a marginal pace. Companies determined that inventories were broadly in line with business requirements and cut purchases of new inputs for the first time in three months. Suppliers' delivery times were only slightly shorter than in May.

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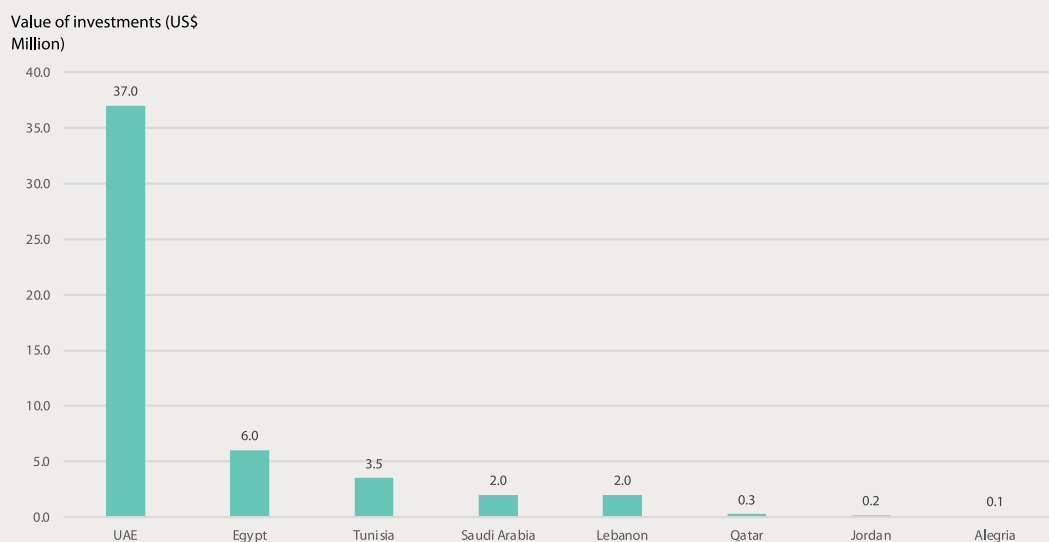
## SURVEYS / REPORTS

### MENA STARTUPS RAISE US\$ 52 MILLION IN JUNE 2025, AS PER WAMDA AND DIGITAL DIGEST

Startup funding across the Middle East and North Africa (MENA) region plummeted in June 2025, with only US\$ 52 million raised across 37 deals, marking an 82% decline month-on-month and a 55% drop compared to June 2024, according to a report issued by Wamda and Digital Digest.

The slowdown was further underscored by the fact that 40% of this capital came through debt instruments, pointing to increasingly cautious investor sentiment amid global macroeconomic uncertainty.

#### THE TOP FUNDED COUNTRIES IN MENA REGION IN JUNE 2025



Sources: Wamda, Digital Digest, Bank Audi's Group Research Department

In details, the UAE reclaimed its position as the region's top-funded market, with 13 startups raising US\$ 37 million, accounting for over 70% of all capital deployed the previous month. This marks a shift from May 2025, when Egypt led the charts; however, in June it slipped to second place with a modest US\$ 6.2 million raised across six deals.

In an unexpected turn, Tunisia entered the top three, driven entirely by a single standout deal Kumulus, a water generation startup, secured a US\$ 3.5 million seed round. This placed the North African country ahead of Saudi Arabia, which saw just US\$ 3 million raised by six startups, a notable dip for one of the region's most active ecosystems.

In parallel, Fintech remained the leading sector, attracting 74% of total capital across ten deals. Clean technology followed, while the Web3 sector secured US\$ 2 million across two rounds.

In terms of business models, startups operating under business-to-business (B2B) models received 78% of total funding across 21 deals. Hybrid B2B2C startups followed, securing US\$ 9.7 million across five deals, while pure B2C startups captured under US\$ 1.5 million across eight rounds, indicating continued investor confidence in enterprise-focused models.

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## KSA CONSTRUCTION MARKET THRIVES AS DATA CENTERS AND DIVERSIFICATION DRIVE MIDDLE EAST DEMAND

Long-term national strategies focused on economic diversification across the Middle East are unlocking significant development opportunities and driving demand across key sectors, according to the Global Construction Market Intelligence report (GCMI) 2025 from global professional services company Turner & Townsend. This surge in activity is also contributing to rising construction costs as competition for resources intensifies.

In details, Saudi Arabia's gross domestic product is forecast to grow by 3.5% in 2025, and then 3.9% in 2026, according to the International Monetary Fund, and the country has become one of the most active global construction markets. However, a growing number of major programs are having to absorb labor from a limited pool, pushing up the cost of building. The GCMI report, which analyses 99 markets globally, revealed that Riyadh is the most expensive to build in the Middle East, averaging US\$ 3,112 per m<sup>2</sup> and almost US\$ 400 higher than the next most expensive market in the region, Doha (US\$ 2,613 per m<sup>2</sup>).

Shortages of specialist skills are not limited to KSA, with every Middle Eastern market in the GCMI reporting that skilled labor shortages are having a significant impact on project delivery. This is one of the factors keeping inflation high and construction cost escalation is forecast to be 5.0% this year in Riyadh, Abu Dhabi and Dubai.

### RANKINGS OF MIDDLE EASTERN MARKETS

	Regional Ranking	Global Ranking	Cost per sqm (US\$)	2024 Construction cost inflation (%)	2025 Construction cost inflation (%)	Wages/ hour (US\$)
Riyadh	1	37	3,112	5.0	5.0	14.1
Doha	2	61	2,613	1.0	1.0	5.4
Dubai	3	74	1,926	6.0	5.0	6.5
Abu Dhabi	4	76	1,872	5.0	5.0	5.9

Source: Turner & Townsend

Despite this, in the context of the worldwide ranking, construction costs across the Middle East are relatively competitive compared with other international economic hubs.

Riyadh, for instance, sits well below cities like London, where average construction costs reach US\$ 5,385 per m<sup>2</sup>, making the UK capital one of the most expensive markets globally. Several factors feed into this cost gap, including government subsidies that support strategic developments across the Gulf, more cost-efficient labor markets and lower land acquisition costs.

Nation-building initiatives are playing a key role in driving demand in the region. Major mixed-use developments like Diriyah Gate and King Salman Park make this the top-performing construction sector in the Middle East according to the report. The data center boom is also accelerating, especially in KSA, where Vision 2030 has catalyzed the rise of HUMAIN, a PIF-backed company poised to play a leading role in positioning Saudi Arabia as a regional hub for AI innovation.

With US\$ 2.5 trillion of untapped mineral reserves, KSA is also attracting public and private investment in mining. With Riyadh at 98% warehouse occupancy, the report points to growth in the local industrial, manufacturing and logistics space to meet the rising demand and to help procurement teams source locally so they comply with Vision 2030.

In Qatar, global headwinds and a downturn in real estate construction has helped to keep construction cost inflation below the rest of the region, forecast to be 1.0% in 2025. However, sports and tourism still offer developers opportunities. In the UAE, economic diversification, as well as a booming population, have laid the groundwork for residential development to grow as well as wider social infrastructure.



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## CORPORATE NEWS

### EDGE SIGNS US\$ 2.5 BILLION NAVAL CONTRACT WITH KUWAIT

UAE-based EDGE, one of the world's leading advanced technology and defense groups, signed a US\$ 2.5 billion (AED 9 billion) defense contract with the Kuwait Ministry of Defense for the supply of Falaj3 62-meter missile boats, as revealed in a company statement.

It is worth noting that this contract marks the largest naval shipbuilding export in the region and ranks among the highest-value naval export deals globally.

As the prime contractor, EDGE would lead the program which includes the design, construction, trials and delivery of the vessels, in addition to Integrated Logistics Support (ILS) and In-Service Support (ISS). EDGE would also provide the ammunition for the vessels, further demonstrating its end-to-end capability offering. Abu Dhabi Ship Building (ADSB), EDGE Group's naval arm and the UAE's leading shipbuilder, was selected as the build subcontractor for the program.

The Falaj 3-class missile boat has also been selected by the UAE Navy, with the first vessel, Altaf, formally commissioned into service in February 2025. With the latest agreement, these advanced 62-metre vessels are tailored to meet Kuwait's operational requirements, offering high performance, advanced combat systems and enhanced capabilities for littoral defense operations.

### INVEST QATAR AND SCHNEIDER ELECTRIC PARTNER TO ACCELERATE SMART INFRASTRUCTURE DEVELOPMENT IN QATAR

Invest Qatar, the Investment Promotion Agency of Qatar, entered into a strategic partnership with Schneider Electric, one of the global leaders in the digital transformation of energy management and automation, as reported in a company statement.

By integrating global technological expertise with local market insights, the partnership aims to further boost Qatar's transition toward a technology-driven economy. Invest Qatar would provide Schneider Electric with tailored support services, facilitate access to key stakeholders and promote initiatives that drive AI adoption, smart infrastructure development across strategic sectors. The partnership would also help raise awareness of Schneider Electric's strategic contributions to Qatar's innovation and sustainability agenda.

As part of its expansion, Schneider Electric plans to grow its local team, contributing to job creation and talent development in the country. The company would also collaborate with Invest Qatar on a range of learning and development initiatives aligned with Qatar's Third National Development Strategy (NDS3). These efforts would be supported by Schneider Electric's Services Training Centre, located in its newly inaugurated office in Msheireb, Qatar's most sustainable and digitally enabled district. Schneider Electric would offer comprehensive upskilling programs for Qatari talent and tailored training for customers on automation and smart city technologies.

### H.B. FULLER OPENS MANUFACTURING HUB IN RAS AL KHAIMAH TO SERVE MENA REGION

H.B. Fuller, an American adhesives manufacturing company, launched its new regional manufacturing facility in Ras Al Khaimah Economic Zone (RAKEZ), reinforcing its commitment to innovation, sustainability, and growth across the Middle East and North Africa.

Located in RAKEZ's Al Hamra Industrial Zone, the facility is equipped with advanced process control systems, modern mixing equipment and bulk storage tanks. It is purpose-built to produce high-performance adhesives and sealants for construction applications such as building envelopes, roofing, infrastructure and mechanical systems.

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The move enhances supply chain efficiency and supports the company's global strategy to build resilience and expand in high-growth markets.

The launch highlights Ras Al Khaimah's growing popularity as a destination of choice for industrial investment, offering 100% foreign ownership, competitive tax benefits and development costs up to 10% lower than the regional average. These advantages have helped position Ras Al Khaimah as one of the most industrialized Emirates in the UAE, where manufacturing now contributes to one-third of the emirate's GDP.

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## NMDC ENERGY AND HILONG TO EXPLORE COLLABORATIONS IN UAE AND KSA

UAE-based NMDC Energy, one of the leading EPC companies working in the energy sector, announced the signing of a Memorandum of Understanding (MoU) to explore collaboration with Shanghai Hilong Shine New Materials Company (Hilong), one of the leading companies committed to research and development, as well as manufacturing related to high-end coating and new materials for industrial heavy-duty anti corrosion.

Both entities would explore the possibility of establishing Joint Venture agreements to conduct operations together in the UAE and Saudi Arabia.

This collaboration highlights the strong competitiveness and dynamism of the UAE and wider region's industrial and energy sectors, which are a magnet for international players.

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## QFC AND ASHMORE GROUP SIGN MOU TO BOOST QATAR'S ASSET MANAGEMENT SECTOR

Qatar Financial Centre (QFC), one of the leading onshore financial and business centers in the region, signed an MoU with UK-based Ashmore Group, a globally recognized emerging markets asset manager that manages US\$ 46.2 billion, to support the expansion of Qatari capital markets, as revealed in a company statement.

The partnership aims to strengthen Qatar's local asset management sector by fostering knowledge exchange and promoting the development of innovative investment solutions. A central element of the agreement is the commitment to nurturing local talent within the financial services industry, supporting Qatar's broader vision of building a diversified, knowledge-based economy.

This MoU builds on the recent accomplishment of QFC registering Ashmore Group under its platform and supporting the launch of its new office in Qatar. The office would support local investment activity and deepen engagement with regional investors, further positioning Qatar as a growing hub for asset management.

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## EMIRATES NBD PARTNERS WITH APPRO TO REVOLUTIONIZE RETAIL BANKING ONBOARDING

Emirates NBD, one of the leading banking groups in the MENAT region, announced a partnership with UAE-based Appro, a fintech platform launched by SC Ventures, to enhance its retail banking onboarding process, significantly reducing application times from hours to just three minutes.

Appro digitizes the retail banking user journey, allowing customers to complete a single application per product. Emirates NBD can then utilize the data to perform necessary onboarding activities, including Know Your Customer (KYC) checks, customer due diligence, credit assessments and fraud checks.

Integrating Appro into Emirates NBD's processes provides the potential to deliver significant gains in efficiency and customer experience, including accelerating onboarding, demonstrably reducing fraud risk and ensuring robust compliance.



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## CAPITAL MARKETS

### EXTENDED PRICE GAINS IN MENA EQUITIES FOLLOWING US TARIFF DELAY

Activity in MENA equity markets remained skewed to the upside this week, as reflected by the 0.9% rise in the S&P Pan Arab Composite index, mainly helped by oil price gains, and as market players continued to ponder the US tariff outlook following the US administration's decision to delay reciprocal tariffs till August 1, which provided some hope to major trade partners that deals to ease duties could still be reached.

The heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization, posted shy price gains (+0.3%) this week, mainly as investors assessed the new August 1 US tariff deadline and the latest round of tariff actions announced by the US President, and driven by a 3.0% weekly rise Brent oil prices to reach US\$ 70.36 per barrel on Friday. Within this context, it is worth mentioning that Saudi Aramco's President said that the petrochemicals giant company sees "healthy global oil demand" despite trade challenges, tariffs and their impact on the global economy.

That being said, Saudi Aramco's share price rose by 1.1% week-on-week to SR 25.04. Advanced Petrochemical Company's share price increased by 1.5% to SR 30.96. Also, SABIC Agri-Nutrients' share price surged by 5.6% to SR 114.60. Middle East Paper Company's share price jumped by 5.5% to SR 29.88. Zamil Industrial Investment Company's share price closed 4.6% higher at SR 47.30. Arabian Drilling's share price climbed by 7.1% to SR 87.80. Bahri's share price went up by 1.5% to SR 23.98. Kingdom Holding's share price edged up by 0.8% to SR 8.47. Maaden's share price increased by 4.1% to SR 55.60. Jarir Marketing's share price rose by 1.3% to SR 12.72. Saudi Public Transport's share price expanded by 4.4% to SR 14.62. As to banking stocks, Saudi National Bank's share price nudged up by 0.4% to SR 37.46. Al Bilad Bank's share price went up by 1.3% to SR 27.00. Bank Al Jazira's share price closed 2.0% higher at SR 12.69. City Cement's share price increased by 0.5% to SR 17.59.

The UAE equity markets posted further price gains this week, as reflected by a 1.5% expansion in the S&P UAE index, mainly as market players saw that the new US tariff deadline would give major trade partners time to negotiate agreements that could lower the tariffs, and supported by oil price gains. In Dubai, Emirates NBD's share price surged by 3.0% to AED 24.30. Union Properties' share price skyrocketed by 19.7% to AED 0.888. Emaar Properties' share price increased by 1.8% to AED 14.20. Emaar Development's share price closed 1.8% higher at AED 14.00. Dubai Financial Market's share price rose by 2.9% to AED 1.77.

### EQUITY MARKETS INDICATORS (JULY 6 - JULY 12, 2025)

Market	Price Index	Week-on-week	Year-to-Date	Trading Value	Week-on-week	Volume Traded	Market Capitalization	Turnover ratio	P/E*	P/BV*
Lebanon	183.9	1.4%	-19.1%	3.9	-27.4%	0.1	20,778.7	1.0%	-	0.57
Jordan	477.7	0.8%	22.3%	41.8	-47.3%	15.6	29,889.9	7.3%	10.7	1.50
Egypt	277.2	1.0%	14.6%	269.0	-13.2%	5,447.4	46,874.3	29.8%	8.2	2.36
Saudi Arabia	493.8	0.3%	-5.0%	5,674.8	-10.6%	1,461.4	2,501,331.2	11.8%	15.9	3.72
Qatar	178.3	0.5%	2.9%	426.7	0.7%	538.5	175,982.3	12.6%	13.4	1.62
UAE	171.8	1.5%	12.9%	3,530.6	11.7%	5,796.9	1,111,577.5	16.5%	13.0	2.44
Oman	260.5	0.5%	2.6%	249.7	83.3%	573.8	33,801.9	38.4%	9.5	1.04
Bahrain	245.0	2.2%	6.1%	10.2	46.0%	16.5	18,664.1	2.9%	10.2	1.39
Kuwait	162.7	2.8%	20.6%	1,618.8	4.2%	2,394.3	165,946.3	50.7%	20.6	2.31
Morocco	443.2	1.6%	44.2%	273.0	20.4%	8.0	110,226.4	12.9%	18.9	2.83
Tunisia	82.1	-0.2%	23.9%	29.7	-10.0%	7.9	10,142.6	15.3%	12.3	2.22
<b>Arab Markets</b>	<b>1,024.8</b>	<b>0.9%</b>	<b>3.2%</b>	<b>12,128.4</b>	<b>-1.3%</b>	<b>16,260.4</b>	<b>4,225,215.2</b>	<b>14.9%</b>	<b>15.0</b>	<b>3.14</b>

Values in US\$ million; volumes in millions

\* markets cap-weighted averages

Sources: S&P, Bloomberg, Bank Audi's Group Research Department.

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In Abu Dhabi, ADIB's share price rose by 2.7% week-on-week to AED 22.24. ADCB's share price surged by 3.8% to AED 14.18. Etisalat's share price closed 1.3% higher at AED 17.82. ADNOC Logistics & Services' share price went up by 1.9% to AED 4.72. Aldar Properties' share price expanded by 4.7% to AED 9.42. Agthia's share price nudged up by 0.2% to AED 4.20.

The Qatar Stock Exchange reported extended price gains this week, as reflected by a 0.5% increase in the S&P Qatar index, as investors continued to weigh the potential impact of the US tariff policy on global economic growth, and helped by rising oil prices. 34 out of 53 traded stocks posted price gains, while 17 stocks registered price falls, and two stocks saw no price change week-on-week.

A closer look at individual stocks shows that Lesha Bank's share price surged by 4.4% over the week to QR 1.856. Qatar Islamic Bank's share price rose by 1.7% to QR 22.650. Doha Bank's share price went up by 1.0% to QR 2.548. QNB's share price nudged up by 0.1% to QR 17.500. Qatar National Bank reported net profits of QR 8.4 billion in the first half of 2025 against net profits of QR 8.2 billion in the corresponding period of the previous year. Also, Industries Qatar's share price increased by 1.8% to QR 12.720. Ooredoo's share price closed 0.2% higher at QR 12.700. Qatar Electricity & Water's share price expanded by 2.5% to QR 16.250. Ezdan Holding Group's share price surged by 3.2% to QR 1.055. Gulf International Services' share price increased by 1.2% to QR 3.288. Qatar Electricity & Water's share price closed 2.5% higher at QR 16.250. Doha Insurance's share price went up by 1.3% to QR 2.572.

Activity in Bursa Kuwait remained tilted to the upside this week, as reflected by a 2.8% expansion in the S&P Kuwait index, mainly helped by rising oil prices and as investors continued to weigh the US President's latest trade demands. A glance on individual stocks shows that National Bank of Kuwait's share price surged by 4.8% to Kwf 1,039. Commercial Bank of Kuwait's share price went up by 1.1% to Kwf 540. Boubyan Bank's share price expanded by 1.8% to Kwf 723. Dar Al Thuraya Real Estate's share price surged by 3.8% to Kwf 110. National Investments' share price went up by 1.6% to Kwf 255. National Industries Group's share price jumped by 5.2% to Kwf 264. Jazeera Airways' share price increased by 1.9% to Kwf 1,468. Mabane's share price closed 0.5% higher at Kwf 890. Mobile Telecommunications' share price moved 2.0% higher to close at Kwf 506. Agility Public Warehousing's share price rose by 4.7% to Kwf 157.

## FIXED INCOME MARKETS: MOSTLY DOWNWARD PRICE MOVEMENTS IN MENA BOND MARKETS

MENA fixed income markets registered mostly downward price movements this week, after the recently released FOMC minutes from the June meeting showed that committee members are concerned that US tariffs could become a persistent factor for future inflation.

In the Saudi credit space, sovereigns maturing in 2034, 2050 and 2060 recorded weekly price decreases of up to 0.36 pt, while sovereigns maturing in 2030 registered price gains of 0.07 pt. Prices of Aramco'34 and '50 went down by 0.18 pt and 0.21 pt respectively. SEC'30 traded down by 0.14 pt, while SEC'44 was up 0.10 pt. STC'29 closed down by 0.08 pt. Prices of SABIC'28 rose by 0.11 pt. Amongst financials, Banque Saudi Fransi'29 was down by 0.20 pt. SNB'29 traded down by 0.15 pt. Prices of Al Rajhi Bank'29 contracted slightly by 0.06 pt. Regarding new issues, Riyadh Bank raised this week US\$ 1.25 billion from the sale of 10-year non-callable for five years Tier 2 trust certificates under its international trust certificate issuance program at a profit rate of 6.209%. Concurrently, Alinma Bank raised US\$ 500 million from the sale of five-year Sukuk at 95 bps over US Treasuries against an initial price guidance of 130 bps over UST. The order book size exceeded US\$ 2.1 billion.

In the UAE credit space, sovereigns maturing in 2031, 2033, 2041 and 2052 recorded price falls of up to 0.26 pt this week. In the Dubai credit space, sovereigns maturing in 2050 posted weekly price drops of 0.87 pt. DP World'30 was up by 0.09 pt, while DP World'49 was down by 0.27 pt. Prices of Majid Al Futtaim'29 contracted by 0.05 pt. Emirates Airlines'28 closed down by 0.11 pt. Amongst financials, prices of Emirates NBD'27 retreated by 0.07 pt.

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In the Abu Dhabi credit space, sovereigns maturing in 2050 saw weekly price contractions of 0.36 pt. ADNOC Murban'29 was down by 0.15 pt. Prices of Mubadala'28, '34, '41 and '50 declined by up to 0.43 pt, while Mubadala'30 was up by 0.08 pt. Prices of Taqa'30 and '36 decreased by 0.10 pt and 0.28 pt respectively. Aldar Investment Properties'33 traded down by 0.11 pt. Amongst financials, prices of ADCB'27 increased by 0.07 pt. FAB'28 registered price decreases of 0.11 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 decreased by 0.11 pt week-on-week. KIPCO'27 closed down by 0.22 pt. In the Omani credit space, sovereigns maturing in 2031 registered price drops of 0.11 pt, while sovereigns maturing in 2051 recorded price gains of 0.18 pt week-on-week. Omantel'28 traded down by 0.09 pt. Regarding credit rating changes, Moody's upgraded this week the government of Oman's long-term issuer and long-term senior unsecured ratings to "Baa3" from "Ba1" and changed the outlook to "stable" from "positive". The upgrade reflects Moody's expectation that Oman's government debt metrics would remain robust even if oil prices moderate below its medium-term assumption of US\$ 65/barrel in the coming years.

In the Qatari credit space, sovereigns maturing in 2028, 2030, 2034, 2040 and 2050 saw weekly price retreats of up to 0.91 pt. Prices of Ooredoo'28 decreased by 0.05 pt. Amongst financials, prices of QNB'29 declined by 0.08 pt. Doha Finance'29 posted price falls of 0.08 pt. Qatar International Islamic Bank'29 traded down by 0.06 pt. In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded price expansions ranging between 0.10 pt and 0.46 pt week-on-week.

In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 recorded price contractions of up to 0.98 pt this week.

All in all, activity in regional bond markets was mostly skewed to the downside after June FOMC minutes showed that while a few participants noted that tariffs would lead to a one-time increase in prices and would not affect longer-term inflation expectations, most participants noted the risk that tariffs could have more persistent effects on inflation, and some highlighted the fact that such persistence could also affect inflation expectations.

## MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	11-Jul-25	04-Jul-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	33	35	43	-2	-10
Dubai	59	60	64	-1	-5
Kuwait	53	56	64	-3	-11
Qatar	32	35	44	-3	-12
Saudi Arabia	64	61	65	3	-1
Bahrain	190	202	187	-12	3
Morocco	87	97	94	-10	-7
Egypt	487	494	591	-7	-104
Iraq	263	242	301	21	-38
Middle East	141	143	162	-2	-21
Emerging Markets	137	132	174	5	-37
Global	240	249	277	-9	-37

Sources: Bloomberg, Bank Audi's Group Research Department

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## SOVEREIGN RATINGS & FX RATES

### SOVEREIGN RATINGS

#### LEVANT

	Standard & Poor's	Moody's	Fitch
Lebanon	SD/-/SD	C/Stable	RD/-/C
Syria	NR	NR	NR
Jordan	BB-/Stable/B	Ba3/Stable	BB-/Stable/B
Egypt	B-/Stable/B	Caa1/Positive	B/Stable/B
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B

#### GULF

Saudi Arabia	A+/Stable/A-1	Aa3/Stable	A+/Stable/F1+
United Arab Emirates	AA/Stable/A-1*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA/Stable/A-1+	Aa2/Stable	AA/Positive/F1+
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B+/Negative/B	B2/Stable	B+/Negative/B
Oman	BBB-/Stable/B	Baa3/Stable	BB+/Positive/B
Yemen	NR	NR	NR

#### NORTH AFRICA

Algeria	NR	NR	NR
Morocco	BB+/Positive/A-3	Ba1/Stable	BB+/Stable/B
Tunisia	NR	Caa1/Stable	CCC+/C
Libya	NR	NR	NR
Sudan	NR	NR	NR

NR= Not Rated

RWN= Rating Watch Negative

RUR= Ratings Under Review

\* Emirate of Abu Dhabi Ratings

### FX RATES (per US\$)

#### LEVANT

	11-Jul-25	04-Jul-25	31-Dec-24	Weekly change	Year-to-date
Lebanese Pound (LBP)	89,500.00	89,500.00	89,500.00	0.0%	0.0%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	49.52	49.36	50.84	0.3%	-2.6%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%

#### GULF

Saudi Riyal (SAR)	3.75	3.75	3.76	0.0%	-0.1%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.30	0.31	0.0%	-0.7%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	-0.1%
Omani Riyal (OMR)	0.38	0.38	0.38	0.0%	-0.1%
Yemeni Riyal (YER)	241.70	242.15	249.57	-0.2%	-3.2%

#### NORTH AFRICA

Algerian Dinar (DZD)	129.62	129.22	135.56	0.3%	-4.4%
Moroccan Dirham (MAD)	9.01	8.98	10.13	0.3%	-11.1%
Tunisian Dinar (TND)	2.87	2.86	3.19	0.5%	-9.9%
Libyan Dinar (LYD)	5.40	5.41	4.91	-0.3%	9.8%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

NR = Not Rated

RWN = Rating Watch Negative

RUR = Ratings Under Review

\*Emirate of Abu Dhabi Ratings

Sources: S&amp;P, Bloomberg, Bank Audi's Group Research Department.

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