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MENA WEEKLY MONITOR

JULY 26 TO AUGUST 01, 2026
WEEK 31

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Kuwait Petroleum Corporation (KPC), the State-owned corporation overseeing Kuwait's oil and gas sector, announced that its wholly owned subsidiary, Kuwait Oil Company (KOC), signed a US$ 16 billion lease-and-lease-back agreement involving its entire domestic and export pipeline network with a consortium of international infrastructure and institutional investors led collectively by Blackstone, Brookfield and KKR.

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p.9 **MENA EQUITIES SLIDING INTO RED, BOND MARKETS TRENDING HIGHER THIS WEEK**

MENA equity markets trended lower (-0.8%) this week, mainly weighed by renewed strikes between the US and Iran, which reignited fears of a return to a large-scale conflict in the Middle East, and after the Red Sea shipping corridor emerged as a new disruption flashpoint, threatening Saudi Arabia's primary alternative route used to bypass the highly restricted Strait of Hormuz. This was exacerbated by some downbeat and lower-than-forecast corporate earnings. In contrast, MENA fixed income markets reported mostly upward price movements this week, after the US Personal Consumption Expenditure moderated in June, matching market expectations. This prompted traders to trim their expectations to a single interest rate hike by the US Federal Reserve this year, with more than a 50% chance now assigned to a second hike in January 2027.

MENA MARKETS: JULY 26 TO AUGUST 01, 2026

Stock market weekly trend	↓	**Bond market weekly trend**	↑
Weekly stock price performance	-0.8%	**Average weekly bond price change**	+0.07 pt
Stock market year-to-date trend	↓	**Bond market year-to-date trend**	↓
YTD stock price performance	-1.0%	**Average yearly bond price change**	-3.47 pts

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ECONOMY

MIDDLE EAST WAR: GCC SENSITIVITY AND SECTOR VULNERABILITIES AREN'T HOMOGENOUS AS PER S&P

S&P Global Ratings believes there is a high degree of unpredictability around the duration and scale of the Middle East war and its potential effect on commodity prices, supply chains, economies, and credit conditions.

As a result, their baseline forecasts carry a significant amount of uncertainty. As situations evolve, they will gauge the macro and credit materiality of potential shifts and reassess our guidance accordingly as per their report.

Their stable outlook on Gulf Cooperation Council (GCC) sovereigns' credit quality is supported by an expected strong, hydrocarbon-driven economic recovery in 2027 and robust fiscal buffers. Prolonged geopolitical uncertainty could strain public finances, rattle confidence-sensitive investment and consumption, and expose variances in sovereigns' fiscal ability to absorb lengthy disruptions.

They expect GCC banks will continue to deliver solid earnings, maintain capital buffers, and demonstrate stable funding profiles, though the Middle East war and ongoing uncertainty will likely slow their growth. In a downside scenario their ability to weather fund outflows and asset quality deterioration will be key.

The conflict will weigh heaviest on sectors reliant on tourism, consumer spending, transportation and logistics and energy. For corporates, they also expect profitability effects given higher logistics costs, reassessment of discretionary capital expenditure, and lower volumes of capital market debt issuance in 2026. A further confidence shock would exacerbate risk for companies exposed to consumer and service demand.

Geopolitical volatility will dictate the pace of the Gulf Cooperation Council's (GCC) economic recovery through the rest of 2026 and into 2027, while ongoing pressures threaten to widen gaps in credit quality between some sovereigns and to test the financial resilience of regional banks. Robust net asset positions and liquidity buffers currently support sovereign creditworthiness, yet persistent tensions threaten to strain public finances and weigh on confidence in cyclical industries.

S&P Global Ratings' base case assumes a gradual but incomplete recovery in energy flows in the second half of the year and continued volatility in shipping and insurance markets due to logistical bottlenecks (including ongoing constraints on passage through the Strait of Hormuz) and the potential for localized clashes. They expect oil shipments in the second half of 2026 to be roughly 75% of prewar volumes. Credit conditions remain exposed to renewed volatility but a Middle East war resolution--even a partial one--should help cap the severity of credit pressures and support a recovery from 2027. However, regional capacity to absorb protracted stress varies significantly. Sovereigns such as the UAE, Saudi Arabia, Kuwait, and Qatar display greater capacity for resilience than Bahrain and Oman, though Oman stands to benefit further from its geography outside the Strait Of Hormuz. This divergence extends to the banking and corporate sectors. Qatari and Bahraini banks have greater external funding risk than other systems due to their higher net external debt position. Among corporates, defensive sectors, including utilities and telecommunications, remain resilient, while cyclical industries--including energy, hospitality, aviation, discretionary consumer and luxury real estate--will bear the brunt of any escalation of the conflict.

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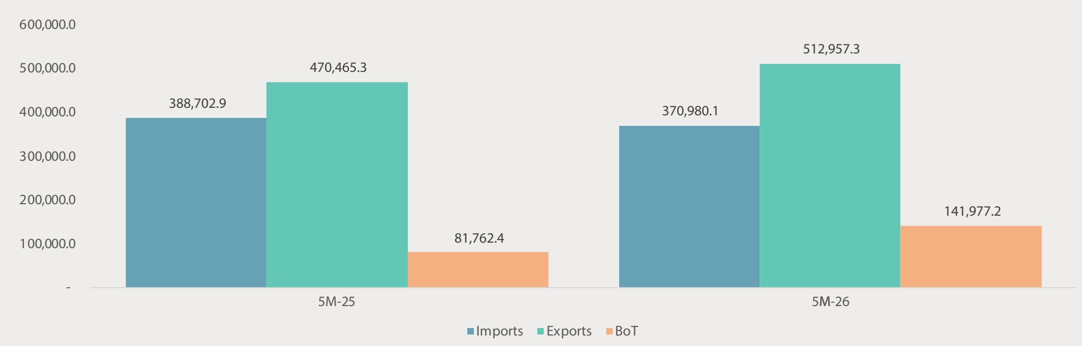
SAUDI ARABIA RECORDS A 74% INCREASE IN BOT SURPLUS IN 5M-26

According to data from the Saudi General Authority for Statistics (GASTAT), Saudi Arabia's BoT surplus increased by 73.6% year-on-year, reaching SAR 142.0 billion (US$ 38.3 billion) in the first five months (5M) of 2026, up from SAR 81.8 billion (US$ 22.1 billion) in 5M-2025. The main driver behind this expansion in the BoT surplus was a 9.0% increase in exports year-on-year, coupled with a 4.6% decrease in imports between 5M-2025 and 5M-2026.

In detail, total exports were reported at SAR 513.0 billion (US$ 138.5 billion) in 5M-2026, registering a 9.0% increase from the figures recorded in 5M-2025. The majority of exports (72.4%) were from the oil sector, while non-oil exports accounted for 15.2% of total exports and re-exports represented the remaining 12.4%. Oil exports recorded a year-on-year increase of 13.2%, while non-oil exports declined by 11.1% over the period, reaching SAR 371.2 billion (US$ 100.2 billion) and SAR 78.0 billion (US$ 21.1 billion), respectively, in 5M-2026. The breakdown of exports by destination in 5M-2026 indicates that China held the largest share with 14.1% of total exports, followed by the UAE (9.7%), India (9.4%), South Korea (8.6%), Japan (7.7%), Egypt (4.0%), and the USA (2.5%), as per data from GASTAT.

On the other hand, total imports were reported at SAR 371.0 billion (US$ 100.2 billion) in 5M-2026, registering a 4.6% contraction from the figures recorded in 5M-2025.

FOREIGN TRADE IN SAUDI ARABIA (SAR MILLION)



Source: GASTAT, Bank Audi Group's Research Department

KUWAIT'S NON-OIL PRIVATE SECTOR ACTIVITY CONTRACTS FURTHER IN JUNE 2026

The latest Purchasing Managers' Index data from S&P Global for Kuwait showed a further deterioration in business conditions within the non-oil private sector in June 2026, as companies continued to face challenges from regional conflict and rising price pressures. The headline PMI declined to 46.4 in June 2026, down from 47.2 in May 2026, marking the fourth consecutive month of contraction and indicating a solid deterioration in operating conditions.

The decline was mainly driven by a further reduction in new orders and business activity, with companies reporting weaker customer demand, increased competition, and challenging market conditions linked to the regional conflict. New export orders also recorded a sharp decline, excluding the COVID-19 lockdown period, marking the steepest drop since the survey began in September 2018. As a result, firms reduced output for the fourth consecutive month and scaled back purchasing activity, while inventories declined at the fastest pace since the survey began. Employment levels were also reduced for the fourth consecutive month in June, as lower workloads allowed companies to decrease staffing levels and clear backlogs. Meanwhile, input cost pressures continued to rise, driven by higher expenses related to electricity, marketing, and transportation. Companies passed on increased costs to customers, with output price inflation accelerating to its fastest pace since September 2021.

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Looking ahead, business sentiment remained subdued as firms continued to express concerns over future market conditions amid regional uncertainties, although some companies anticipated improved activity supported by new product development, enhanced customer service, and marketing initiatives.

JORDAN RECORDS YEAR-ON-YEAR CPI INFLATION OF 3% IN JUNE

According to data from the Jordanian Department of Statistics (DoS), the country registered a year-on-year inflation in prices of 2.8% in June 2026.

In detail, year-on-year inflations were noted in the prices of Food and Non-Alcoholic Beverages (weight of 26.5%), Housing (weight of 23.8%), Transportation (weight of 16.0%), and Household Furnishings & Equipment (weight of 4.9%) of 0.4%, 4.0%, 7.9%, and 0.1%, respectively, during June 2026 against the same month of the year prior. Year-on-year price inflations during the period were also noted in Other Goods & Services (weight of 4.8%), Alcohol, Tobacco & Cigarettes (weight of 4.4%), Education (weight of 4.4%), and Health (weight of 4.0%) of 3.1%, 4.0%, 2.8%, and 0.4%, respectively. Additionally, the prices of Communication (weight of 2.8%), Culture & Recreation (weight of 2.6%), and Restaurants & Hotels (weight of 1.8%) recorded year-on-year price inflations of 0.3%, 2.9%, and 0.1%, respectively.

On the other hand, Clothing & Footwear (weight of 4.1%) registered a year-on-year price decline, falling by 0.5% during the aforementioned period, as per the Jordanian DoS.

JORDAN'S AVERAGE CPI VARIATION BETWEEN 2025 AND 2026

Sector	Jun-2025	Jun-2026	% change	Weight
Food and non-Alcoholic Beverages	111.2	111.6	0.4%	26.5%
Alcohol and Tobacco and Cigarettes	123.2	128.1	4.0%	4.4%
Clothing and footwear	96.8	96.3	-0.5%	4.1%
Housing	119.0	123.7	4.0%	23.8%
Household Furnishings and Equipment	107.8	107.9	0.1%	4.9%
Health	112.9	113.3	0.4%	4.0%
Transportation	110.6	119.4	7.9%	16.0%
Communication	106.4	106.7	0.3%	2.8%
Culture and Recreation	118.2	121.6	2.9%	2.6%
Education	110.6	113.7	2.8%	4.4%
Restaurants and Hotels	119.5	119.6	0.1%	1.8%
Other Goods and Services	114.0	117.5	3.1%	4.8%
All items	**113.0**	**116.1**	**2.8%**	**100%**

Sources: Jordanian Department of Statistics, Bank Audi Group Research Department

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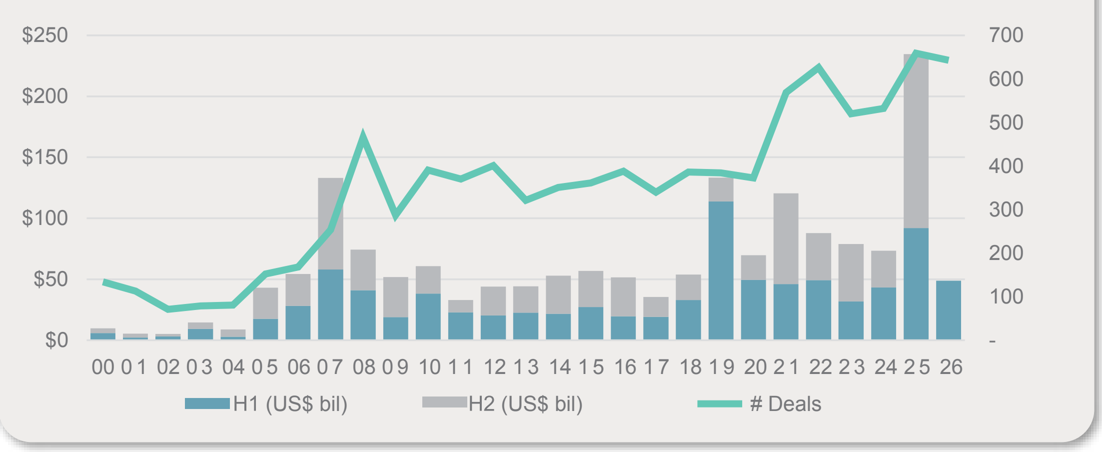
SURVEYS / REPORTS

M&A DEALS IN MENA REACHED US$ 49 BILLION IN H1 2026, AS PER LSEG DATA & ANALYTICS

The value of announced M&A transactions with any Middle East or North African involvement totaled US$ 48.7 billion during the first six months of 2026, a 47% decline from year-ago levels. The number of deals announced in the region decreased 2%, as per "MENA Investment Banking Review: First Half of 2026" report issued by LSEG Data & Analytics.

MENA M&A BY VALUE AND NUMBER OF DEALS



Source: LSEG Data & Analytics

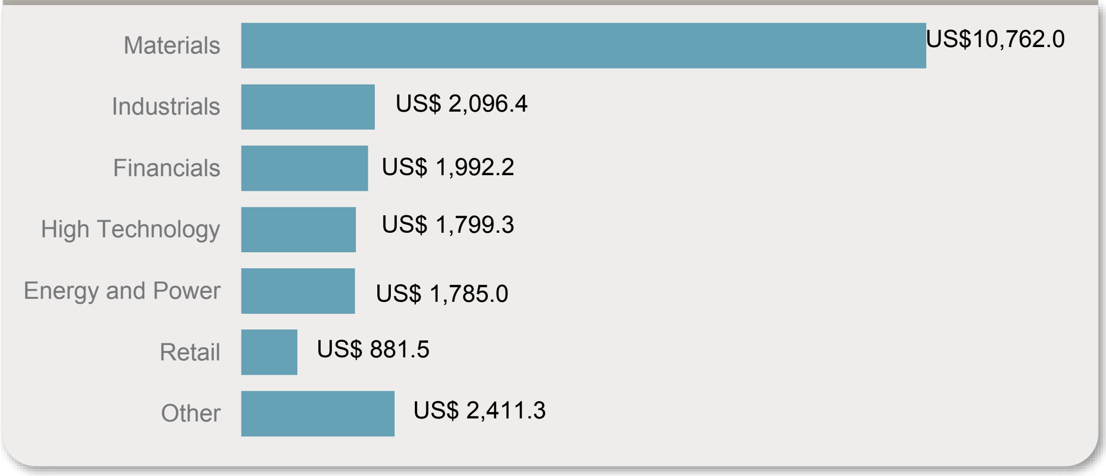
In detail, deals involving a MENA target totaled US$ 21.7 billion during the first half of 2026, down 56% year-on-year and the lowest first-half total in two years.

In parallel, MENA outbound M&A declined 38% from year-ago levels to US$ 25 billion during the first half of 2026, a three-year low.

Concurrently, strategic metals platform Miotal (SMT Holdings) agreed to a US$ 10 billion combination with Nasdaq-listed SPAC, Fifth Era Acquisition Corp I in April 2026. Boosted by this deal, materials was the most active sector, accounting for 50% of MENA target M&A by value during the first half of 2026.

Additionally, Industrials and Financials round out the top three sectors by value, while the technology and financial sectors saw the highest number of deals.

MENA TARGET M&A BY TARGET SECTOR (US$ BILLION)



Source: LSEG Data & Analytics

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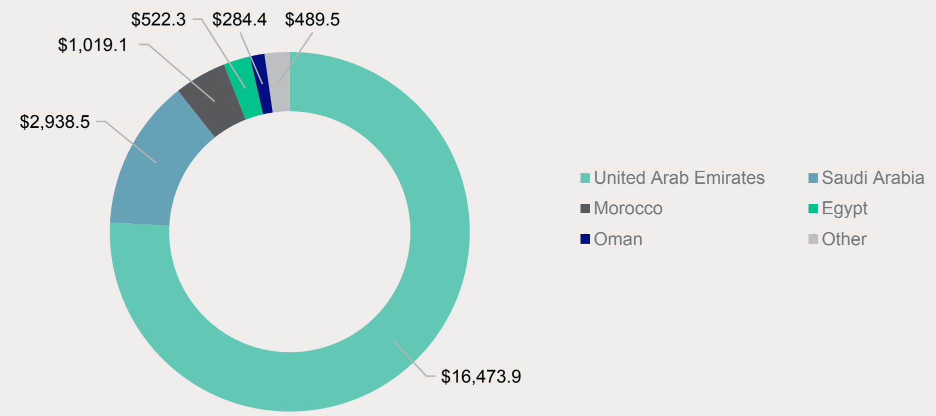
Concurrently, the UAE was the most targeted nation, followed by Saudi Arabia.

MENA TARGET M&A BY TARGET NATION (US$ BILLION)



Source: LSEG Data & Analytics

SAUDI BUSINESS ACTIVITY SET FOR STRONGER MOMENTUM IN Q3 2026, AS PER STANDARD CHARTERED

Standard Chartered global research published its latest economic analysis, forecasting stronger momentum in Saudi Arabia's business activity during the third quarter of 2026, supported by resilient domestic demand, improving regional trade conditions and the Kingdom's ongoing economic diversification.

Saudi Arabia entered the second half of the year with resilient underlying economic activity despite heightened regional uncertainty. This is evident in point-of-sale transactions, which increased 6% year-on-year in May, returning to January 2026 levels. Global Research analysis identifies resilient consumer demand as a key driver of business activity, with improving external demand expected to provide additional support as regional trade conditions continue to improve.

Standard Chartered expects the economy to gain momentum during the third quarter of the year, supported by three key drivers: continued investment as an engine of economic activity, easing inflationary pressures that should support household purchasing power and business confidence, and an improving labor market that is expected to reinforce domestic demand.

Regional trade dynamics are also improving. The partial reopening of the Strait of Hormuz has supported a near full recovery in Saudi Arabia's oil exports. This is expected to provide additional support for Saudi Arabia's trade and broader economic activity during the second half of the year.

The combination of resilient domestic demand, continued investment and improving regional conditions is expected to support stronger business momentum through the third quarter, reinforcing Saudi Arabia's progress in economic diversification and its position as a leading growth market.

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CORPORATE NEWS

KUWAIT OIL COMPANY SIGNS US$ 16 BILLION INFRASTRUCTURE PARTNERSHIP INVOLVING ITS CRUDE OIL PIPELINE NETWORK

Kuwait Petroleum Corporation (KPC), the State-owned corporation overseeing Kuwait's oil and gas sector, announced that its wholly owned subsidiary, Kuwait Oil Company (KOC), signed a US$ 16 billion lease-and-lease-back agreement involving its entire domestic and export pipeline network with a consortium of international infrastructure and institutional investors led collectively by Blackstone, Brookfield and KKR.

As part of the transaction, a newly formed Kuwaiti-incorporated JV would lease from KOC the usage rights to all of its 13 pipelines, spanning a total of approximately 320 kilometers of Kuwait's pipeline network. Under the terms of the agreement, the JV would grant back to KOC the exclusive use, operational and maintenance rights in the pipeline assets for a 20.5-year period, in exchange for a volume-based tariff.

KOC and the consortium, comprising Blackstone, Brookfield and KKR, would establish the new joint venture, with KOC holding a 51% majority stake and the consortium collectively holding the remaining 49%, with equal stakes and on equal terms.

The JV is expected to generate upfront proceeds of US$ 7.85 billion for KOC upon closing, supporting KPC's capital expenditure plans, including KPC's target of 4 million barrels per day of crude oil production capacity by 2035, and supporting Kuwait's broader efforts to diversify sources of capital and deepen engagement with global investors.

PIF AND US EXIM SIGN MOU FOR UP TO US$ 15 BILLION IN EXPORT CREDIT TO SUPPORT STRATEGIC INVESTMENTS

PIF, the sovereign wealth fund of Saudi Arabia, and the Export-Import Bank of the United States (EXIM) signed a Memorandum of Understanding (MoU) to strengthen financial cooperation and expand trade and investment opportunities. The MoU creates a framework of long-term financing of up to US$ 15 billion for eligible PIF portfolio companies to procure U.S.-origin goods and services.

It is worth noting that the U.S. is PIF's top international market. Procurement from the U.S. by PIF and its portfolio companies since 2017 totals US$ 65 billion, helping to contribute US$ 35 billion to U.S. GDP.

PIF and EXIM would explore opportunities in a range of sectors, including advanced technology, aerospace industries, infrastructure, future mobility, water security and minerals essential to advanced manufacturing. The two parties intend to strengthen supply chains and drive digital and industrial innovation, further enabling long-term economic development across Saudi Arabia and the U.S.

PIF SIGNS US$ 9.5 BILLION WORTH OF DEALS WITH WORLD BANK GROUP'S PRIVATE SECTOR ARMS IFC AND MIGA

Saudi's PIF, together with the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), two member institutions of the World Bank Group (WBG), announced the signing of two Memorandums of Understanding (MoUs) to facilitate overall economic development, help create quality jobs and support investment opportunities with PIF portfolio companies in Saudi Arabia and other emerging markets.

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The MoUs add to a series of strategic partnerships PIF has established with leading international financial institutions to accelerate Saudi Arabia's economic diversification and overall transformation. PIF's capital-raising strategy leverages a diverse range of funding sources and financial instruments.

The MoU between PIF and IFC focuses on eligible projects in sectors that are mutually strategic for both institutions including infrastructure, energy, transportation, tourism and health care. It also promotes knowledge exchange between PIF and IFC and encourages private capital to participate in projects managed by PIF portfolio companies, contributing a diverse and robust investment ecosystem and helping create new job opportunities.

The MoU between PIF and MIGA would explore opportunities for MIGA to provide credit enhancement guarantees to facilitate financing activities of PIF's portfolio companies investing in the Middle East and North Africa. The MoU focuses on mutual priorities including decarbonization, the development of innovative industries and high-value job creation.

MAWANI SIGNS US$ 262 MILLION LOGISTICS EXPANSION DEALS AT JEDDAH PORT

Saudi Ports Authority (Mawani) signed seven contracts worth a total of US$ 262 million (SR 1 billion) with national and international companies for the construction and expansion of logistics centers at Jeddah Islamic Port and the Al Khumra logistics zone.

Spanning over 384,000 square meters for storage, consolidation, and re-export, these new facilities are designed to handle rapid trade growth, improve supply chain efficiency and create more than 5,000 direct and indirect jobs in line with Saudi Vision 2030 and the National Transport and Logistics Strategy.

These additions bring the total number of port-based logistics facilities in the kingdom to 34, with 17 located at Jeddah Islamic Port, representing over SR 14 billion in total investments.

The scope of work also includes a SR 40 million project with Maersk to build 60,000 square meters of container yards.

Supported by digital platforms to accelerate business processes, the integrated infrastructure leverages Al Khumra's strategic road connections to Jeddah Islamic Port, King Abdulaziz International Airport and major highways to position the country as a global logistics hub along the Red Sea.

HSBC AGREES TO SELL EGYPT RETAIL BANKING BUSINESS TO EMIRATES NBD

HSBC Holdings announced that its indirect subsidiary, HSBC Bank Egypt, entered into an agreement to sell its retail banking business to Emirates NBD Egypt, a direct subsidiary of Emirates NBD Bank PJSC, one of the leading banking groups in the region. The sale is expected to complete in the second half of 2027, subject to regulatory approvals.

The transaction covers the assets and liabilities of HSBC Egypt's entire retail banking business, including retail loans, deposits and accounts, as well as the employees supporting the transferring business.

The sale is expected to generate an estimated pre-tax gain for the HSBC Group of approximately US$ 0.3 billion, to be recognized largely at completion and classified as a material notable item. The sale is expected to have an immaterial impact on the HSBC Group Common Equity Tier 1 capital ratio.

In parallel, Egypt remains an important market for HSBC with strong growth potential, and the bank would continue to support its corporate and institutional banking clients in the country.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES TRENDING LOWER AMID RENEWED REGIONAL GEOPOLITICAL TENSIONS AND UNFAVORABLE FINANCIAL RESULTS

MENA equity markets trended lower this week, with the S&P Pan Arab Composite index contracting by 0.8%, mainly weighed by renewed strikes between the US and Iran, which reignited fears of a return to a large-scale conflict in the Middle East, and after the Red Sea shipping corridor emerged as a new disruption flashpoint, threatening Saudi Arabia's primary alternative route used to bypass the highly restricted Strait of Hormuz. This was exacerbated by some downbeat and lower-than-forecast corporate earnings.

The heavyweight Saudi Exchange, which accounts for roughly 60% of the total regional market capitalization, experienced a downturn this week, with the S&P Saudi price index falling by 2.2%, after the Red Sea emerged as a critical new flashpoint for Middle Eastern shipping disruptions alongside the Strait of Hormuz. The regional escalation comes as Saudi Arabia has increased exports from Yanbu to around 4.5 million bpd, constituting a massive share of its total crude exports, with around 2.5 million bpd of the crude leaving Yanbu currently passing south through the Bab el-Mandeb Strait. Forcing tankers to bypass this flashpoint and reroute toward the longer Suez Canal immediately injected severe shipping inflation and logistical friction into listed petrochemical and export companies. This operational strain, coupled with some unfavorable financial results, severely soured investor sentiment and triggered the broad market downturn.

A glance on individual stocks shows that petrochemicals giant Saudi Aramco's share price shed 1.3% week-on-week to close at SR 26.48. Petro Rabigh's share price fell by 1.4% to SR 14.87. Saudi Kayan Petrochemical Company's share price retreated by 0.8% to SR 5.00. Sipchem's share price plunged by 5.0% to SR 12.73. Advanced Petrochemical Company's share price dropped by 4.8% to SR 22.00. Yansab's share price decreased by 4.0% to SR 30.70. SABIC's share price nosedived by 6.2% to SR 49.60. SABIC's Board of Directors recommended the distribution of dividends at a rate of SR 1.10 per share for the first half of 2026 compared to a dividend payout of SR 1.50 per share for the first half of 2025.

Concurrently, United Electronics' share price dropped by 3.4% over the week to SR 66.15. United Electronics reported a 4% year-on-year contraction in its 2026 second quarter net profits to reach SR 103 million, missing average analysts' estimate. NADEC's share price declined by 3.8% to SR 14.05. NADEC announced a 44% year-on-year contraction in its 2026 second quarter net profits to reach SR 65 million, missing average analysts' estimate. Saudi Tadawul's share price plummeted by 4.1% to SR 118.60. Saudi Tadawul reported a 4% year-on-year decline in its 2026 second quarter net profits to reach SR 92 million.

EQUITY MARKETS INDICATORS (JULY 26 - AUGUST 01, 2026)

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	156.8	-1.9%	-9.0%	2.5	-52.7%	0.0	17,721.8	0.7%	-	0.45
Jordan	645.3	2.1%	12.4%	137.2	13.3%	44.2	39,445.3	18.1%	12.4	1.95
Egypt	436.6	-0.3%	19.6%	1,065.9	-9.0%	12,993.3	75,147.7	73.8%	9.3	2.42
Saudi Arabia	459.4	-2.2%	-0.3%	6,484.8	11.0%	796.4	2,511,055.3	13.4%	16.8	3.69
Qatar	146.8	-0.7%	-8.0%	514.8	9.3%	556.3	165,052.2	16.2%	11.7	1.47
UAE	169.7	0.7%	-1.9%	1,915.5	8.6%	2,141.1	1,029,670.7	9.7%	10.9	2.25
Oman	169.2	2.7%	21.4%	816.7	54.2%	747.1	54,719.8	77.6%	13.1	2.03
Bahrain	178.2	-1.2%	-5.0%	3.4	-37.0%	2.8	18,710.1	0.9%	10.5	1.49
Kuwait	90.5	2.2%	-4.1%	1,396.0	10.3%	997.5	165,562.8	43.8%	19.4	2.14
Morocco	398.8	1.0%	-6.2%	78.3	36.2%	3.7	108,559.8	3.8%	16.3	3.03
Tunisia	132.8	-2.7%	41.9%	28.1	-1.5%	5.9	16,084.2	9.1%	17.2	2.62
Arab Markets	**987.6**	**-0.8%**	**-1.0%**	**12,443.2**	**10.5%**	**18,288.2**	**4,201,729.5**	**15.4%**	**15.0**	**3.08**

Values in US$ million; volumes in millions
** markets cap-weighted averages*
Sources: S&P, Bloomberg, Bank Audi'sGroup Research Departement.

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Also, Saudi Arabian Cement's share price plummeted by 3.9% week-on-week to SR 28.40. Saudi Arabian Cement reported a 48% year-on-year expansion in its 2026 second quarter net profits to reach SR 30 million, yet still missing average analysts' estimate. Methanol Chemicals' share price nosedived by 10.0% to SR 35.90. Methanol Chemicals reported a net loss of SR 46.4 million in the second quarter of 2026 against a net loss of SR 44.7 million a year earlier. As to banking stocks, Saudi National Bank's share price closed 0.9% lower this week at SR 39.20. Banque Saudi Fransi's share price fell by 3.6% to SR 19.76. Riyad Bank's share price dropped by 3.5% to SR 20.34. Arab National Bank's share price nudged down by 0.6% to SR 21.70.

The Qatar Stock Exchange extended its nosedive this week, with the S&P Qatar price index contracting by 0.7%, as renewed tensions between the US and Iran revived fears of a return to a full-blow war in the Middle East. This market weakness was further aggravated by company-specific headwinds and news that QatarEnergy has extended force majeure on LNG shipments to European and Asian buyers. This critical extension dims the global supply outlook just as both regions face increased pressure to refill fuel inventories ahead of winter. 38 out of 54 traded stocks posted price falls, while 15 stocks recorded price gains and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Gulf International Services' share price plunged by 5.7% week-on-week to reach QR 1.820. United Development Company's share price fell by 5.0% to QR 0.798. Ooredoo's share price nosedived by 6.7% to QR 12.500. Vodafone Qatar's share price contracted by 3.8% to QR 2.581. Qatar Insurance's share price shed 3.9% to QR 1.924. Qatar Aluminum Manufacturing's share price plummeted by 5.3% to QR 1.420. Qatar Navigation's share price edged down by 0.2% to QR 9.903. As to banking stocks, Lesha Bank's share price retreated by 2.5% to QR 2.799. Qatar International Islamic Bank's share price declined by 1.5% to QR 10.820. Dukhan Bank's share price fell by 4.1% to QR 3.250.

In contrast, Boursa Kuwait headed north this week, with the S&P Kuwait price index expanding by 2.2%, despite renewed US-Iran military strikes after pause. This came after Kuwait Petroleum Corporation (KPC) and Kuwait Oil Company (KOC) signed a historic US$ 16 billion pipeline joint venture with major global investors including Blackstone, Brookfield, and KKR. This landmark deal stands as the largest FDI in Kuwait's history and serves as an immediate catalyst for the Boursa Kuwait, fundamentally strengthening macroeconomic liquidity and lifting overall investor sentiment. This was further supported by some favorable financial results in the banking sector.

A closer look at individual stocks shows that National Bank of Kuwait's share price surged by 5.3% week-on-week to KWf 858. NBK reported 2026 second quarter net profits of KWD 189 million, up by 4.5% year-on-year. Kuwait Finance House's share price went up by 1.3% to KWD 785. Kuwait Finance House announced a 7.2% year-on-year expansion in its 2026 second quarter net profits to reach KWD 186 million. Boubyan Bank's share price closed 2.4% higher at KWf 644. Boubyan Bank reported a 10% year-on-year growth in its 2026 second quarter net profits to reach KWD 28 million. Burgan Bank's share price rose by 1.1% to KWf 188.

Also, Al-Kout Industrial Projects Company's share price rose by 1.4% week-on-week to close at KWf 779. National Industries Group Holding's share price went up by 1.8% to KWf 227. Senergy Holding's share price rose by 0.9% to KWf 236. Mabanee's share price expanded by 1.2% to KWf 928. Heavy Engineering Industries and Shipbuilding's share price increased by 1.4% to KWf 674. Agility Public Warehousing's share price nudged up by 0.7% to KWf 146.

FIXED INCOME MARKETS: ACTIVITY IN MENA BOND MARKETS MOSTLY TILTED TO UPSIDE THIS WEEK

MENA fixed income markets reported mostly upward price movements this week, after the US Personal Consumption Expenditure moderated in June, matching market expectations. This prompted traders to trim their expectations to a single interest rate hike by the US Federal Reserve this year, with more than a 50% chance now assigned to a second hike in January 2027.

In the Saudi credit space, sovereigns maturing in 2029, 2034 and 2050 recorded price expansions of up to 0.38 pt this week. Prices of Aramco'30 and '34 expanded by 0.31 pt and 0.41 pt respectively, while Aramco'50 traded down by 0.62 pt. SEC'30 traded up by 0.19 pt, while SEC'44 was down 0.83 pt. Amongst

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financials, prices of Al Rajhi Bank'29 retreated by 0.08 pt. Banque Saudi Fransi'29 was up by 0.10 pt week-on-week.
In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded price gains ranging between 0.16 pt and 0.47 pt this week. In the Qatari credit space, sovereigns maturing in 2029, 2034, 2040 and 2050 saw weekly price drops of up to 0.37 pt. Prices of Ooredoo'31 and '43 went down by 0.10 pt and 0.75 pt respectively, while Ooredoo'28 was up by 0.07 pt. Amongst financials, Qatar International Islamic Bank'29 traded up by 0.09 pt. Prices of Doha Finance'29 increased by 0.07 pt week-on-week.

In the UAE credit space, sovereigns maturing in 2031 recorded price increases of 0.37 pt, while sovereigns maturing in 2052 posted price drops of 0.29 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2030 reported price rises of 0.56 pt, while sovereigns maturing in 2050 saw price decreases of 0.50 pt this week. Prices of Majid Al Futtaim'29 went up by 0.09 pt. DP World'30 traded up by 0.43 pt, while DP World'49 was down by 0.34 pt. In the Sharjah credit space, sovereigns maturing in 2030 registered price rises of 0.25 pt week-on-week.

In the Abu Dhabi credit space, sovereigns maturing in 2029, 2030, 2034 and 2050 saw weekly price expansions of up to 0.53 pt. Prices of Mubadala'30 rose by 0.20 pt, while Mubadala'41 and '50 were down by 0.86 pt and 0.69 pt respectively. Prices of Taqa'28 and '30 increased by 0.05 pt and 0.13 pt respectively, while Taqa'36 traded down by 0.27 pt. ADNOC Murban'29 closed up by 0.25 pt. Amongst financials, prices of FAB'28 and '29 expanded by 0.15 pt and 0.08 pt respectively. Prices of ADCB'27 increased by 0.05 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 increased by 0.24 pt week-on-week. KIPCO'27 traded down by 0.10 pt. In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price increases of 0.08 pt.

In the Omani credit space, sovereigns maturing in 2028 and 2031 registered price gains of 0.24 pt and 0.19 pt respectively, while sovereigns maturing in 2051 recorded price falls of 0.60 pt this week. In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 posted price expansions of up to 1.02 pt week-on-week.

All in all, activity in regional bond markets was mostly skewed to the upside this week, after the US PCE cooled from 4.1% in May to 3.7% in June, shifting expectations for the US Federal Reserve's policy trajectory. Traders are now betting on just one final interest rate hike by the US Federal Reserve this year -widely anticipated in September- while pushing the timeline for a subsequent hike out to January 2027 instead of December 2026.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	31-Jul-26	24-Jul-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	37	40	27	-3	10
Dubai	66	68	46	-2	20
Kuwait	59	61	47	-2	12
Qatar	37	39	27	-2	10
Saudi Arabia	64	67	67	-3	-3
Bahrain	305	315	184	-10	121
Morocco	80	80	70	0	10
Egypt	295	309	271	-14	24
Iraq	248	266	207	-18	41
Middle East	132	138	105	-6	27
Emerging Markets	92	97	99	-5	-7
Global	213	214	213	-1	0

Sources: Bloomberg, Bank Audi's Group Research Department

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SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS	Standard & Poor's	Moody's	Fitch
LEVANT			
Lebanon	SD/Stable/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-/Negative/B	Caa1/Negative	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/Stable/F1+
Kuwait	AA-/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B/Stable/B	B2/Negative	B+/Negative/B
Oman	BBB-/Stable/B	Ba3/Stable	BBB-/Stable/B
Yemen	NR	NR	NR
NORTH AFRICA			
Algeria	NR	NR	NR
Morocco	BBB-/Stable/A-3	Ba1/Positive	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$)	31-Jul-26	24-Jul-26	31-Dec-25	Weekly change	Year-to-date
LEVANT					
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)	51.15	51.35	47.70	-0.4%	7.2%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.76	3.75	3.75	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	0.31	0.31	0.0%	0.0%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.39	0.0%	-0.1%
Yemeni Riyal (YER)	238.30	238.24	238.38	0.0%	0.0%
NORTH AFRICA					
Algerian Dinar (DZD)	132.87	133.19	129.41	-0.2%	2.7%
Moroccan Dirham (MAD)	9.33	9.37	9.11	-0.4%	2.3%
Tunisian Dinar (TND)	2.93	2.96	2.89	-1.0%	1.3%
Libyan Dinar (LYD)	6.40	6.40	5.42	0.1%	18.2%
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&P, Bloomberg, Bank Audi'sGroup Research Departement.

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