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MENA WEEKLY MONITOR

AUGUST 23 TO AUGUST 29, 2026
WEEK 35

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MENA equity markets trended higher this week, with the S&P Pan Arab Composite index expanding by 1.9%, as high-level diplomatic breakthroughs, highlighted by "significant progress" in Pakistan-brokered peace talks between the US and Iran alongside a landmark revenue-sharing agreement between Iran and Oman over the Strait of Hormuz, sparked a broad relief rally across the region. In parallel, regional fixed income markets reported broad-based price gains this week, mainly tracking US Treasuries move as falling oil prices, fueled by positive regional diplomatic developments, helped soothe global inflation fears.

MENA MARKETS: AUGUST 23 TO AUGUST 29, 2026

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+1.9%	Average weekly bond price change	+0.22 pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↓
YTD stock price performance	+3.6%	Average yearly bond price change	-3.02 pts

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ECONOMY

EY MENA M&A REPORT: 390 M&A DEALS VALUED AT US$ 46.7BN COMPLETED IN H1 2026

Following a cautious start to the year, market momentum built in Q2 2026 with deal value reaching US$ 25b, up from US$ 12.2b in Q2 2025. Domestic deal value exceeded US$ 16b between March and June 2026, driven by large strategic transactions across key sectors May and June 2026 accounted for 61% of Q2 2026 deal volume and 79% of deal value, signaling improving market confidence.

According to the latest EY MENA M&A Insights report, the MENA region recorded 390 M&A deals worth US$ 46.7b in H1 2026. While activity moderated compared to H1 2025 (434 deals worth US$ 58.8b) amid geopolitical developments, accelerating deal momentum in Q2 2026 reflected market resilience, supported by sustained domestic and outbound activity and continued sovereign investment.

This acceleration was particularly evident towards the end of Q2 2026, with May and June 2026 accounting for 61% of Q2 2026 deal volume and 79% of deal value. Large transactions valued above US$500m contributed nearly three-quarters of total deal value between March and June 2026, reflecting renewed confidence in strategic, high-value investments.

MENA EY-Parthenon Leader, says: “The first half of 2026 has shown the strength and resilience of MENA's M&A market, with strategic investors continuing to pursue long-term growth opportunities despite a more measured global investment environment. Strong domestic capital deployment, active sovereign investors and the region’s continued focus on economic diversification have helped sustain deal activity, while improving momentum towards the end of the second quarter reflects growing confidence in the region’s long-term investment outlook.”

Domestic and outbound investment continue to drive activity Domestic and outbound transactions remained the primary drivers of M&A activity during H1 2026. Domestic deal value accelerated significantly between March and June 2026, reaching US$ 16b – more than four times the value recorded during the same period last year – driven by several large transactions across real estate, power and utilities and technology. Government related entities continued to play a leading role in domestic dealmaking, reinforcing ongoing investment in infrastructure and national transformation programs. Outbound investment also remained resilient, with 119 deals worth US$ 25.5b completed during the first half of the year.

Regional investors continued to pursue strategic opportunities across technology, transportation, financial services and energy-related sectors, while the UAE and Saudi Arabia remained the region's most active outbound investors. Landmark transactions included Dubai Aerospace Enterprise's acquisition of Macquarie AirFinance for US$ 7b, and Saudi Electronic Gaming Holding Company's acquisition of Shanghai Moonton Technology for US$6b.

MENA EY-Parthenon Head of M&A and Equity Capital Markets Leader, says: "The first half of 2026 reflects a disciplined investment environment, with investors continuing to prioritize transactions that support long-term strategic objectives. While geopolitical developments have influenced the pace of inbound activity, domestic and outbound investment has remained resilient, supported by strong corporate balance sheets, sovereign capital and continued investment across priority sectors. As market conditions continue to stabilize, we expect strategic, high-quality assets to remain at the center of M&A activity across the region."

While inbound investment moderated amid geopolitical uncertainty, technology remained a priority for investors, accounting for the largest share of inbound deal value during March to June 2026. Investor interest remained focused on AI-driven solutions, enterprise digitalization, software platforms and technology-enabled business services, underscoring the sector's strategic importance across the region.

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The UAE continued to lead as MENA's preferred destination for inbound investment, supported by its diversified economy and business-friendly regulatory environment. Sovereign wealth funds (SWFs) and government-related entities remained central to regional dealmaking throughout the first half of the year, continuing to deploy capital across strategic sectors in line with long-term economic diversification agendas.

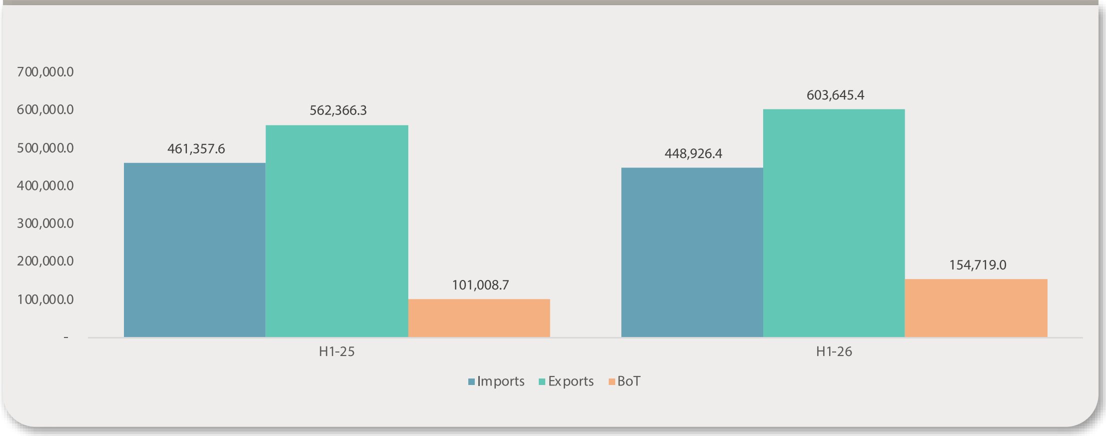
SAUDI ARABIA RECORDS A 53% INCREASE IN BOT SURPLUS IN H1-26

According to data from the Saudi General Authority for Statistics (GASTAT), Saudi Arabia's BoT surplus increased by 53.2% year-on-year, reaching SAR 154.7 billion (US$ 41.8 billion) in the first half (H1) of 2026, up from SAR 101.0 billion (US$ 27.3 billion) in H1-2025. The main driver behind this expansion in the BoT surplus was a 7.3% increase in exports year-on-year, coupled with a 2.7% decrease in imports between H1-2025 and H1-2026.

In detail, total exports were reported at SAR 603.6 billion (US$ 163.0 billion) in H1-2026, registering a 7.3% increase from the figures recorded in H1-2025. The majority of exports (72.0%) were from the oil sector, while non-oil exports accounted for 15.9% of total exports and re-exports represented the remaining 12.2%. Oil exports recorded a year-on-year increase of 10.6%, while non-oil exports declined by 8.8% over the period, reaching SAR 434.4 billion (US$ 117.3 billion) and SAR 95.7 billion (US$ 25.8 billion), respectively, in H1-2026. Meanwhile, re-exports increased by 13.6% year-on-year to SAR 73.5 billion (US$ 19.8 billion). The breakdown of exports by destination in H1-2026 indicates that China held the largest share with 13.4% of total exports, followed by India (9.3%), the UAE (9.2%), South Korea (9.0%), Japan (8.5%), Egypt (4.0%) and the USA (2.4%), as per data from GASTAT.

On the other hand, total imports were reported at SAR 448.9 billion (US$ 121.2 billion) in H1-2026, registering a 2.7% contraction from the figures recorded in H1-2025.

FOREIGN TRADE IN SAUDI ARABIA (SAR MILLION)



Source: GASTAT, Bank Audi Group's Research Department

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QATAR'S INWARD FDI POSITION RISES BY 3.3% IN Q1-2026

According to data from Qatar's National Planning Council (NPC), the country's inward Foreign Direct Investment (FDI) position reached QR 172.2 billion at the end of Q1-2026, increasing by 3.3% from Q4-2025. Meanwhile, Qatar's outward FDI position rose by 3.5% over the same period to reach QR 221.7 billion.

In detail, inward FDI remained concentrated in a number of key economic activities, with Mining & Quarrying accounting for 45.3% of the total, followed by Financial & Insurance Activities with 31.9% and Manufacturing with 13.0%. Information & Communication Activities and Professional, Scientific & Technical Activities accounted for 2.8% and 2.0%, respectively.

As for Qatar's outward FDI, Financial & Insurance Activities accounted for the largest share at 33.5%, followed by Mining & Quarrying at 29.8% and Information & Communication Activities at 10.8%. Accommodation & Food Service Activities represented 9.1% of outward FDI, while Transport & Storage accounted for 7.0%.

FOREIGN DIRECT INVESTMENT IN QATAR (IN QAR BN)

	Q1-2025	Q1-2026	VAR %
Inward FDI	166.7	172.2	3.3%
Outward FDI	214.2	221.7	3.5%

Source: Qatar's PSA, Bank Audi's Group Research Department

KUWAIT'S NON-OIL PRIVATE SECTOR ACTIVITY RETURNS TO GROWTH IN JULY 2026

The latest Purchasing Managers' Index data from S&P Global for Kuwait showed an improvement in business conditions within the non-oil private sector in July 2026, supported by the resumption of flights and renewed increases in output and new orders. The headline PMI rose to 50.8 in July 2026, up from 46.4 in June 2026, moving above the 50.0 no-change mark for the first time in five months and indicating a slight improvement in operating conditions.

The improvement was mainly driven by renewed growth in new orders and business activity, both of which increased for the first time in five months, supported by the resumption of flights and competitive pricing. New export orders continued to decline amid high shipping costs, although the rate of contraction eased to its slowest in five months. Firms also increased purchasing activity for the first time since the regional conflict began, contributing to a marked rise in inventories. Employment levels stabilized in July, ending four consecutive months of job cuts, while backlogs of work increased for the first time in five months. Meanwhile, input costs continued to rise amid higher prices for building materials, maintenance, marketing, rent and transportation. Output charges also increased for the seventeenth consecutive month, albeit at a slower pace than in June.

Looking ahead, business sentiment returned to positive territory for the first time since the regional conflict began, supported by increased air travel, planned promotional activity and expectations of higher new orders over the coming 12 months.

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SURVEYS / REPORTS

SAUDI ARABIA'S INDUSTRIAL FOOTPRINT EXPANDS TO 13,600 FACTORIES AS SUPPLY CHAIN REROUTING DRIVES DEMAND, AS PER JLL

Strong investor confidence, a strategic realignment of regional trade flows, and sustained momentum toward Vision 2030's industrial diversification goals have reinforced Saudi Arabia's position as a critical and resilient logistics hub, according to JLL's latest KSA Industrial Market Dynamics Q2 2026 report.

With an expanding industrial base, Saudi Arabia's industrial and logistics real estate sector is witnessing tight occupancy across major markets while the country's multi-port network drives resilience-driven demand and occupiers prioritize regional risk mitigation amid broader regional uncertainties.

The Kingdom's industrial base expanded to approximately 13,660 establishments in April 2026, up from 12,289 a year earlier, indicating tangible progress toward Vision 2030 goals. This rapid growth is fueling demand, both from lease renewals and consistent new absorption. Occupancy across the major hubs of Riyadh, Jeddah, and the Dammam Metropolitan Area (DMA) remained above 90% in Q2, underscoring the depth of occupier commitment and the structural supply-demand imbalance in these markets.

Rental rates across Jeddah, Riyadh and the DMA continued to rise as persistent Grade A scarcity and structural demand growth outweighed the impact of regional geopolitical tensions. Jeddah, the Kingdom's primary western gateway, saw average rents climb 4.8%, while in the capital, Riyadh, rents rose 3.9%, with Industrial Gate City submarket commanding the highest rate at SR 300 per sq m per annum. DMA experienced the most significant surge, with average rents rising by 6.9%.

A significant shift in demand patterns occurred in the second quarter, as regional disruptions redirected cargo flows toward Saudi Arabia's Western ports, including Jeddah Islamic Port and King Abdullah Port in Rabigh. This strategic realignment was further solidified by the launch of Mediterranean Shipping Company's (MSC) new Middle East Express service, which now provides a direct shipping connection from Europe to these key Red Sea hubs.

While the near-term impact of the recent disruptions in port operations is likely to see freight costs remain elevated, a lasting effect is the strengthening of Saudi Arabia's position as a dependable logistics alternative. The Kingdom's west coast ports are now expected to permanently retain a portion of the diverted trade flows, solidifying their expanded role regardless of future regional developments.

Looking forward, occupancy levels across the country's primary industrial markets are anticipated to remain high over the near to medium term. Although upcoming supply will bring modest ease to select submarkets, a significant shift from landlord-favorable conditions is unlikely in the short term.

DUBAI RANKS 1ST GLOBALLY IN NEW FDI PROJECTS IN CULTURAL AND CREATIVE INDUSTRIES FOR 4TH CONSECUTIVE YEAR IN 2025

Dubai ranked 1st globally for the number of new Foreign Direct Investment (FDI) projects in the cultural and creative industries for the fourth consecutive year in 2025, attracting 754 projects and creating more than 19,300 jobs, according to Financial Times' fDi Markets data.

The cultural and creative industries encompass sectors including advertising and public relations, computer programming, data processing and digital services, film, media and gaming, artificial intelligence, education, design and architecture, performing arts and entertainment.

The Emirate ranked even ahead of London (UK), Singapore, Riyadh (Saudi Arabia) and Bengaluru (India) among 233 cities tracked by the index, while FDI capital inflows into its cultural and creative industries reached US$ 3.76 billion. Also, the country stood second globally for FDI capital inflows in the sector.

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In parallel, India was the largest source of greenfield FDI capital into Dubai's cultural and creative industries last year accounting for 19% of inflows, followed by the US at 17.5%, China at 13%, Malaysia at 12% and Britain at 9%.

Concurrently, Britain accounted for the largest share of projects at 21.5%, followed by India at 21%, the US at 14% and France at 4%.

The performance reflects Dubai's efforts to expand its creative economy beyond traditional cultural activities into digital content, creative technology, artificial intelligence and data-driven services, the statement said.

Dubai has sought to attract foreign investors through policies including full foreign ownership, specialized creative and technology clusters, residency programs for talent, digital and logistics infrastructure and access to regional and international markets.

The results reflected the continued development of the Emirate's cultural and creative ecosystem and growing contribution to its broader economic and development ambitions. Dubai's creative economy strategy forms part of the emirate's broader Dubai Economic Agenda D33, which aims to strengthen the city's position as a global business and investment hub.

This performance, which is in alignment with the Dubai Cultural Statistics Framework, surpassed London (227 projects), Singapore (197), Riyadh (157) and Bengaluru (132). Consequently, greenfield FDI capital inflows into the sector rose to US$ 3.756 billion.

ABU DHABI'S CONSTRUCTION SECTOR MOVES INTO A HIGHER VALUE PHASE

The Abu Dhabi Chamber of Commerce and Industry (ADCCI) released a report showing that the Emirate's construction sector is entering a new phase of growth, one that is increasingly driven by higher value systems, advanced delivery models and stronger private sector participation.

In details, upstream supply and midstream processing remain solid, most value creation is currently happening downstream, in engineered and ready to install construction systems. This trend is supported by growing adoption of modular and prefabricated construction, low carbon materials, AI enabled project controls and fully digital delivery models.

The sector's transformation is reflected in its growth figures. By February 2026, Abu Dhabi recorded more than 38,600 active construction licenses. New business registrations rose by 66% year on year in 2025, while the total number of active construction members increased by 24.8% over the same period. From 2019 to 2025, new construction memberships grew at a compound annual rate of nearly 28%.

Currently, the sector is supported by a balanced mix of strong local firms and international players, giving Abu Dhabi depth across construction services, building materials and manufacturing.

Globally, construction activity is shifting toward fewer but more advanced projects, particularly in energy, infrastructure, utilities and advanced industrial facilities. These projects demand higher precision, tighter integration, and reliable delivery, areas where Abu Dhabi is showing increasing strength.

This global shift is reflected locally. Abu Dhabi's near term project pipeline is led by energy developments, alongside a growing number of specialized industrial projects such as data centers and advanced manufacturing facilities.

Abu Dhabi's geographic location, logistics efficiency and industrial capacity further strengthen its ability to scale construction exports across both established and high growth regional markets. At the same time, ongoing regulatory improvements and targeted public investment are creating a more predictable and program driven construction environment. Faster digital permitting, standardized government contracting, industrial land incentives, localization measures, and stronger sustainability and compliance requirements are all helping drive demand for high performance materials and integrated construction systems.

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CORPORATE NEWS

ARAMCO SIGNS MAJOR DEALS WORTH US$ 3.7 BILLION WITH FRENCH COMPANIES

Saudi Aramco, one of the world's leading integrated energy and chemicals companies, announced agreements and a memorandum of understanding (MoU) with a potential combined value of more than US$ 3.7 billion with French companies.

These collaborative efforts are expected to strengthen Aramco's supply chain ecosystem, enhance operational continuity and efficiency, advance industrial artificial intelligence and digital technologies, and deliver economic value to the Kingdom and France.

The collaborations focus on project support, capacity building and capability development, technology transfer and innovation, and supply chain resilience. They include:

- Corporate procurement agreement for drilling equipment
- Purchase agreement for Oil Country Tubular Goods (OCTG)
- Memorandum of Understanding with Aramco Digital that establishes a framework for potential collaboration in industrial AI, virtual twin/digital twin technologies, and related technologies, including potential applications in the oil and gas sector.

ADNOC'S LOGISTICS ARM EXPANDS LNG FLEET WITH US$ 2.7 BILLION INVESTMENT

ADNOC's shipping arm ordered two more liquefied natural gas carriers, extending a recent spree of vessel purchases that would help expand energy exports in the coming years.

The two newbuilds would join ADNOC Logistics & Services, the shipping division of Abu Dhabi National Oil Company, the UAE's largest oil and gas producer. Their combined US$ 444 million price is part of the division's UDS$ 2.7 billion in vessel expenditure during the year, the latest addition to a recent series of purchases supporting future export growth. After the latest ships are delivered, ADNOC L&S will own 24 LNG carriers, with 14 of those vessels currently under construction.

The Iran war has intensified attention on owning ships capable of carrying energy supplies worldwide. Freight rates have surged across a range of markets since the conflict began, increasing the strategic value of fleets controlled directly by producers and exporters. Companies with their own fleets, including ADNOC, have had greater success moving barrels through the Strait of Hormuz, which was choked off at the start of the conflict, making access to company-owned shipping an important factor in maintaining energy movements through the waterway.

The purchases reflect the UAE's plans to increase energy output, a shift that would require additional transport capacity as more supplies become available for export. The country also plans to expand natural gas production capacity, strengthening the operational case for a larger LNG carrier fleet.

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SAUDI ENERGY-ACWA AND ENGIE CONSORTIUMS LAND US$ 1.2 BILLION BESS PROJECTS CONTRACT

The Saudi Power Procurement Company (SPPC), the Principal Buyer, signed four Storage Service Agreements (SSAs) for the first group of Battery Energy Storage System (BESS) projects in Saudi Arabia, with combined investments worth over US$ 1.16 billion (SR 4.35 billion).

The four projects would totally deliver a combined storage capacity of 2,000 MW for four hours, equivalent to 8,000 MWh of energy storage capacity.

The consortium comprising Saudi Energy, ACWA Power and Al Sharif Contracting and Commercial Development Company has been awarded the contract to develop three 500 MW/4-hour BESS facilities. Meanwhile, the Al Khushaybi BESS ISP project in Qassim Region, with a capacity of 500 MW for four hours, has been awarded to a consortium comprising French utility major Engie and Haji Abdullah Alireza & Company.

The BESS facilities are expected to play a key role in supporting the country's target of achieving an optimal electricity generation mix comprising approximately 50% renewable energy by 2030, while meeting growing electricity demand and reducing the need for conventional generation during periods of peak demand.

MAADEN SECURES FIRST US$ 1 BILLION INTERNATIONAL LOAN FACILITIES

Saudi-based Maaden secured US$ 1 billion in inaugural international syndicated credit facilities, with strong demand from global lenders resulting in the facilities being significantly oversubscribed.

The transaction attracted participation from leading international banks across the US, Canada, and Europe, as well as China and Japan, broadening Maaden's access to international financing sources and underscoring lenders' confidence in its financial strength, strategic direction and growth plans.

The facilities comprise a US$ 500 million international term loan and a US$ 500 million international revolving credit facility.

UAE'S AL DAHRA AND EGYPT ACTIVATE US$ 500 MILLION FIVE-YEAR WHEAT SUPPLY AGREEMENT

Al Dahra Agriculture Trading (ADAT), part of Al Dahra Holding, headquartered in Abu Dhabi, announced execution of a five-year wheat supply agreement with Egypt's General Authority for Supply Commodities (GASC).

The agreement establishes the operational framework through which imported wheat would be supplied to GASC under the existing financing program supported by the Abu Dhabi Exports Office (ADEX).
Valued at up to US$ 500 million over five years, the agreement formalizes the implementation of the framework announced in August 2023, translating a strategic commitment into a long-term operational wheat supply arrangement.

The signing reflects the depth of agricultural cooperation between the UAE and Egypt and underscores the value of long-term partnerships built on operational delivery, continuity of supply and shared commitment to sustainable agricultural development.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES TRENDING HIGHER ON US-IRAN DIPLOMATIC MOMENTUM AND STRAIT OF HORMUZ DEAL

MENA equity markets trended higher this week, with the S&P Pan Arab Composite index expanding by 1.9%, as high-level diplomatic breakthroughs, highlighted by significant progress in Pakistan-brokered peace talks between the US and Iran alongside a landmark revenue-sharing agreement between Iran and Oman over the Strait of Hormuz, sparked a broad relief rally across the region.

The heavyweight Saudi Exchange, which accounts for roughly 60% of the total regional market capitalization, sustained its rally this week, with the S&P Saudi price index surging by 3.0%, mainly on easing regional tensions following reports from Pakistan of significant progress in high-level talks with Iran aimed at resolving the US–Iran conflict, reopening the Strait of Hormuz, and de-escalating the crisis. This compounded with news that Iran and Oman have reached a revenue-sharing agreement on the Strait of Hormuz. Besides, the Saudi Exchange received a boost after the bourse and its clearing house, Muqassa, rolled out a major package of structural enhancements to lower fees for futures tied to an index tracking the 30 largest and most actively traded firms in the Kingdom. This reform push aims to support liquidity, improve market efficiency, encourage broader participation in derivatives trading and deepen Saudi capital markets as part of the broader Vision 2030 economic diversification agenda. Additionally, some favorable company-specific factors contributed to the price rally this week.

A glance on individual stocks shows that Saudi Kayan Petrochemical Company's share price went up by 1.7% to SR 5.39. Yansab's share price jumped by 5.0% to SR 34.10. SABIC's share price closed 1.2% higher at SR 50.10. Sipchem's share price rose by 2.1% to SR 13.46.

Concurrently, Alkhorayef Water and Power Technologies' share price increased by 1.5% to SR 101.40. Alkhorayef Water and Power Technologies signed a Shariah-compliant credit facility agreement worth SR 250 million with the Saudi branch of Qatar National Bank, valid until April 30, 2027. Al Yamamah Steel Industries' share price nudged up by 0.6% to SR 37.82. Al Yamamah Company for Reinforcing Steel Bars, a subsidiary of Al Yamamah Steel Industries, signed a SR 500 million credit facilities agreement with Arab National Bank. Maaden's share price surged by 4.3% to SR 69.70. Maaden signed an inaugural term loan and revolving credit facility for US$ 1 billion. Al Moammar Information Systems' share price expanded by 1.0% to SR 304.00. Al Moammar Information Systems officially signed a definitive five-year data center colocation services contract with HUMAIN, an artificial intelligence infrastructure powerhouse owned by Saudi Arabia's Public Investment Fund.

EQUITY MARKETS INDICATORS (AUGUST 23 TO AUGUST 29, 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	154.7	-1.9%	-10.3%	4.0	18.8%	0.1	17,478.5	1.2%	-	0.50
Jordan	636.8	-0.1%	11.0%	59.1	10.1%	21.4	40,445.2	7.6%	12.6	2.35
Egypt	450.2	1.9%	23.3%	727.4	-33.5%	11,035.3	81,973.5	46.1%	9.9	2.65
Saudi Arabia	491.7	3.0%	6.7%	6,095.7	28.2%	1,115.0	2,567,479.2	12.3%	15.7	3.55
Qatar	146.7	2.0%	-8.1%	380.0	-3.4%	586.4	162,717.1	12.1%	12.6	1.45
UAE	174.4	0.4%	0.8%	2,231.0	-10.0%	2,577.2	966,254.9	12.0%	15.0	2.99
Oman	175.0	0.6%	25.6%	222.0	-56.2%	322.1	56,477.1	20.4%	13.3	2.03
Bahrain	179.8	-0.2%	-4.1%	5.5	-25.0%	6.8	18,612.4	1.5%	10.4	1.43
Kuwait	91.6	0.8%	-3.0%	894.1	-26.8%	1,015.6	169,542.6	27.4%	19.6	2.07
Morocco	427.2	-0.5%	0.5%	129.8	164.5%	3.4	121,754.4	5.5%	17.1	3.19
Tunisia	129.6	-1.7%	38.5%	11.7	-55.1%	2.6	16,048.9	3.8%	16.8	2.55
Arab Markets	**1,033.6**	**1.9%**	**3.6%**	**10,760.4**	**1.6%**	**16,685.9**	**4,218,783.8**	**13.3%**	**15.3**	**3.20**

Values in US$ million; volumes in millions

** markets cap-weighted averages*

Sources: S&P, Bloomberg, Bank Audi'sGroup Research Departement.

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As to banking stocks, SNB's share price surged by 4.2% this week to SR 43.40. Al Rajhi Bank's share price jumped by 5.4% to SR 68.30. Arab National Bank's share price rose by 1.0% to SR 22.40. Riyad Bank's share price closed 1.8% higher at SR 20.85. Banque Saudi Fransi's share price climbed by 4.9% to SR 21.81. BofA Global Research raised its recommendation on Banque Saudi Fransi's stock to "Buy" from "Neutral".

The Qatar Stock Exchange bounced back this week, with the S&P Qatar price index rising by 2.0%, mainly on improved investor sentiment after Pakistan's Interior Minister said that Pakistan and Iran made "significant progress" in talks that focused on the US-Israeli war on Iran and a path to peace, and on news that Iran and Oman reached an agreement regarding their respective shares of the Strait of Hormuz's waters and the division of future transit revenues. 37 out of 54 traded stocks posted price gains, while 17 stocks recorded price falls week-on-week.

A closer look at individual stocks shows that Qatar Gas Transport's share price surged by 4.6% week-on-week to close at QR 4.300. Gulf International Services' share price jumped by 6.8% to QR 1.750. Qatar Navigation's share price rose by 0.9% to QR 10.330. Ooredoo's share price surged by 4.4% to QR 13.000. Vodafone Qatar's share price increased by 1.7% to QR 2.610. Ezdan Holding Group's share price expanded by 0.9% to QR 0.827. As to banking stocks, QNB's share price closed 2.4% higher at QR 16.800. QIB's share price went up by 1.8% to QR 21.690. Doha Bank's share price climbed by 6.5% to QR 2.899. Al Rayan Bank's share price increased by 1.9% to SR 1.945. Dukhan Bank's share price went up by 2.4% to QR 3.300.

Boursa Kuwait shifted into a positive territory this week, with the S&P Kuwait price index expanding by 0.8%, after Pakistan said it had made "significant progress" in talks with Iran aimed at reviving an Islamabad-brokered agreement with the US, and after Iran and Oman finalized an agreement to divide the maritime waters of the Strait of Hormuz and share future revenues from transit traffic passing through it. A glance on individual stocks shows that National Bank of Kuwait's share price expanded by 2.4% to KWf 873. Kuwait Finance House's share price rose by 0.5% to KWf 774. Commercial Bank of Kuwait's share went up by 1.2% to KWf 498. Al Ahli Bank of Kuwait's share price surged by 3.5% to KWf 295. Boubyan Bank's share price nudged up by 0.2% to KWf 668. National Investment Corporation's share price increased by 1.9% to KWf 268. Kamco Investment's share price climbed by 4.6% to KWf 204. Jazeera Airways' share price went up by 1.1% to KWf 1,742. Senergy Holding's share price climbed by 5.0% to KWf 252. National Mobile Telecommunications' share price closed 4.0% higher at KWf 1,790. Heavy Engineering Industries and Shipbuilding's share price went up by 4.4% to KWf 639. Independent Petroleum Group's share price expanded by 7.0% to reach KWf 715. Kuwait Projects' share price increased by 0.5% to KWf 78.2. Kuwait Real Estate Holding's share price surged by 8.3% to KWf 68.2 this week.

FIXED INCOME MARKETS: BROAD-BASED UPWARD PRICE MOVEMENTS IN MENA BOND MARKETS THIS WEEK, TRACKING US TREASURIES MOVE

MENA fixed income markets reported broad-based price gains this week, mainly tracking US Treasuries move as falling oil prices fueled by positive regional diplomatic developments, specifically Pakistan-brokered peace talks between the US and Iran and a landmark revenue-sharing agreement between Iran and Oman over the Strait of Hormuz, helped soothe global inflation fears.

In the Saudi credit space, sovereigns maturing in 2029, 2030, 2034, 2050 and 2060 recorded price expansions ranging between 0.10 pt and 1.05 pt this week. Prices of Aramco'30, '34 and '50 went up by 0.16 pt, 0.35 pt and 0.22 pt respectively. SEC'30 and '44 traded up by 0.13 pt and 0.74 pt respectively. STC'29 was up by 0.06 pt. Prices of SABIC'28 increased by 0.13 pt. Amongst financials, SNB'29 traded up by 0.10 pt. Prices of Al Rajhi Bank'29 rose by 0.08 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030 and 2035 reported price gains of up to 0.25 pt, while sovereigns maturing in 2030 saw price drops of 0.06 pt week-on-week.

In the Qatari credit space, sovereigns maturing in 2029, 2034, 2040 and 2050 saw price expansions of up to 0.55 pt week-on-week. Prices of Ooredoo'28 went up by 0.06 pt, while Ooredoo'43 was down by 0.17 pt. Amongst financials, prices of Doha Finance'29 rose by 0.14 pt. Qatar International Islamic Bank'29 closed up by 0.11 pt.

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In the UAE credit space, sovereigns maturing in 2031, 2041 and 2052 recorded price gains of up to 0.19 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2030 posted price rises of 0.13 pt, while sovereigns maturing in 2050 reported shy price decreases of 0.07 pt week-on-week. Prices of Majid Al Futtaim'29 went up by 0.20 pt. DP World'30 and '49 were up by 0.47 pt and 0.34 pt respectively. Emirates Airlines'28 closed up by 0.12 pt. In the Sharjah credit space, sovereigns maturing in 2030 posted price increases of 0.25 pt week-on-week.

In the Abu Dhabi credit space, sovereigns maturing in 2034 and 2050 saw weekly price gains of 0.08 pt and 0.74 pt respectively. Prices of Mubadala'28, '30,'34, '41 and '50 expanded by up to 0.47 pt. Prices of Taqa'28, '30 and '36 rose by 0.06 pt, 0.14 pt and 0.20 pt respectively. Prices of Aldar Investment Properties'33 increased by 0.24 pt. ADNOC Murban'29 was up by 0.13 pt. Amongst financials, prices of FAB'35 rose by 0.09 pt. Prices of ADCB'27 went up by 0.11 pt.

In the Kuwaiti credit space, KIPCO'27 traded up by 0.12 pt this week. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 reported price gains of 0.14 pt, 0.30 pt and 0.78 pt respectively week-on-week. In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 posted price expansions of up to 1.38 pt this week.

All in all, activity in regional bond markets was mostly tilted to the upside this week, mainly tracking increases in US Treasuries as global inflation fears eased. This sentiment shift followed an announced "interim framework" between Iran and Oman to resume shipping through the Strait of Hormuz, which triggered a 5% fall in Brent oil prices week-on-week.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	28-Aug-26	21-Aug-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	32	33	27	-1	5
Dubai	62	63	46	-1	16
Kuwait	54	54	47	0	7
Qatar	32	34	27	-2	5
Saudi Arabia	56	58	67	-2	-11
Bahrain	280	285	184	-5	96
Morocco	75	76	70	-1	5
Egypt	264	270	271	-6	-7
Iraq	224	241	207	-17	17
Middle East	120	124	105	-4	15
Emerging Markets	87	88	99	-1	-12
Global	209	211	213	-2	-4

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$)	28-Aug-26	21-Aug-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)	50.23	50.85	47.70	-1.2%	5.3%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.75	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)	236.85	237.08	238.38	-0.1%	-0.6%
NORTH AFRICA					
Algerian Dinar (DZD)	133.18	132.90	129.41	0.2%	2.9%
Moroccan Dirham (MAD)	9.29	9.23	9.11	0.6%	1.9%
Tunisian Dinar (TND)	2.92	2.90	2.89	0.7%	0.8%
Libyan Dinar (LYD)	6.34	6.37	5.42	-0.5%	17.1%
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.