Bank Audi

MENA WEEKLY MONITOR

AUGUST 02 TO AUGUST 08, 2026
WEEK 32

CONTACTS

Treasury & Capital Markets

Bechara Serhal
(961-1) 977421
bechara.serhal@bankaudi.com.lb

Corporate Banking

Carol Ayat
(961-1) 959675
carol.ayat@bankaudi.com.lb

Mohamad Baydoun
(961-1) 959703
mohamad.baydoun@bankaudi.com.lb

Marketing and Communications

Marion Abou Jaoudé
(961-1) 977356
marion.abou-jaoude@bankaudi.com.lb

RESEARCH

Dr. Marwan Barakat
(961-1) 977409
marwan.barakat@bankaudi.com.lb

Salma Saad Baba
(961-1) 977346
salma.baba@bankaudi.com.lb

Michèle Khoury Sakha
(961-1) 977102
michele.sakha@bankaudi.com.lb

Stephanie Bou Sleiman
(961-1) 952397
stephanie.bousleiman@bankaudi.com.lb

Douna Salameh
(961-1) 977356
douna.salameh@bankaudi.com.lb

Economy

p.2 GCC BANKS' LOAN GROWTH SLOWS TO EIGHT-QUARTER LOW AS PER KAMCO

A new GCC banking sector report has been issued by Kamco. According to the report, GCC banking sector witnessed the initial impact of the geopolitical situation in the region with q-o-q gross loan growth for listed banks slowing to the lowest since Q1-2024.

Also in this issue

Surveys / Reports

p.5 SAUDI ARABIA'S NON-OIL ECONOMY POWERS NEXT PHASE OF REAL ESTATE GROWTH IN Q2 2026, AS PER CBRE

CBRE Middle East, one of the global leaders in commercial real estate, released its Saudi Arabia Real Estate Market Review for the second quarter of 2026, highlighting a market that continues to consolidate its position as one of the world's most active real estate development markets, supported by robust non-oil economic growth, ongoing regulatory reform and a substantial pipeline of infrastructure and real estate projects.

Also in this issue

Corporate News

p.7 BROOKFIELD RAISES US$ 2 BILLION IN PIF-ANCHORED MIDDLE EAST-FOCUSED FUND

Brookfield, a Canadian multinational company that is one of the world's largest alternative investment management companies, announced the first close of PIF-anchored Brookfield Middle East Partners (BMEP), a new private equity fund dedicated to investing in businesses based in Saudi Arabia and the wider Middle East region, raising approximately US$ 2 billion from a group of strategic anchor investors comprising PIF and other global and regional institutional partners.

Also in this issue

Markets In Brief

p.9 MENA CAPITAL MARKETS RALLY THIS WEEK ON GEOPOLITICAL OPTIMISM

MENA equity markets bounced back (+2.5%) this week, mainly tracking global equity strength (+3.0%) as investors awaited signs of progress towards an Iran-Oman deal that would partially reopen the Strait of Hormuz. This was compounded with some upbeat and better-than-forecast corporate earnings in the region. In parallel, MENA fixed income markets continued to report broad-based upward price movements this week, mainly tracking US Treasuries move, as signs that the US and Iran may be nearing a deal to reopen the Strait of Hormuz drove oil prices lower, easing global inflation fears. This was further supported by lower-than-forecast US private sector employment data for July, which signaled a cooling US labor market, prompting traders to push back their timelines for the US Federal Reserve tightening.

MENA MARKETS: AUGUST 02 TO AUGUST 08, 2026

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+2.5%	Average weekly bond price change	+0.66 pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↓
YTD stock price performance	-1.4%	Average yearly bond price change	-3.01 pts

Bank Audi sal - Group Research Department - Bank Audi Plaza - Bab Idriss - PO Box 11-2560 - Lebanon - Tel: 961 1 994 000 - email: research@bankaudi.com.lb

Bank Audi

ECONOMY

GCC BANKS' LOAN GROWTH SLOWS TO EIGHT-QUARTER LOW AS PER KAMCO

A new GCC banking sector report has been issued by Kamco. According to the report, GCC banking sector witnessed the initial impact of the geopolitical situation in the region with q-o-q gross loan growth for listed banks slowing to the lowest since Q1-2024. This comes as regional geopolitical considerations continue to influence credit market dynamics resulting in a more cautious lending environment.

Meanwhile, on the spending side, project awards in the region remained resilient reaching US$ 76.1 Bn in Q1-2026 vs. US$ 53.2 Bn during the previous quarter. Economic activity in the region witnessed a sharp slowdown during March-2026 due to the war as seen from the PMI figures for the region with Qatar, Saudi Arabia and Kuwait falling into contraction. However, activity in the non-oil sector saw a strong rebound, especially in Saudi Arabia and UAE with the PMI in the growth zone of over 50 points while Kuwait and Qatar seeing smaller contraction during April-2026 and May-2026.

Aggregate gross loans reached US$ 2.53 Trillion at the end of the quarter, registering a growth of 2.2% vs. 2.7% growth in the previous quarter. Net loan growth also contracted to a five-quarter low of 2.5% reaching US$ 2.44 Trillion at the end of the quarter vs. 2.38 Trillion at the end of Q4-2025. At the country level, gross loan was up for all the countries in the region, except for Kuwait where it declined by 1.1% q-o-q during Q1-2026 while Oman and UAE witnessed healthy mid-single digit sequential growth.

In terms of topline performance, aggregate banking sector revenues reached a new record high during the quarter at US$ 35.3 Bn, although the growth was the smallest in four quarters at 0.9%. The stunted growth was led by a decline in revenues reported by banks in Kuwait, Saudi Arabia and Bahrain that almost fully offset the increase in revenues registered in the remaining GCC countries. UAE-listed banks posted the biggest increase in revenues with a q-o-q gain of 4.7% followed by Qatar-listed banks with a revenue growth of 2.3%.

The net profit for the sector recovered during Q1-2026 after a decline during the previous quarter. Aggregate net profits reached US$ 16.8 Bn during the quarter registering a q-o-q growth of 4.6% and a y-o-y growth of 5.0%. The increase in bottom line was led by a broadbased growth across countries aggregates with only Oman registering a decline while the rest of the countries showed a q-o-q increase as per Kamco.

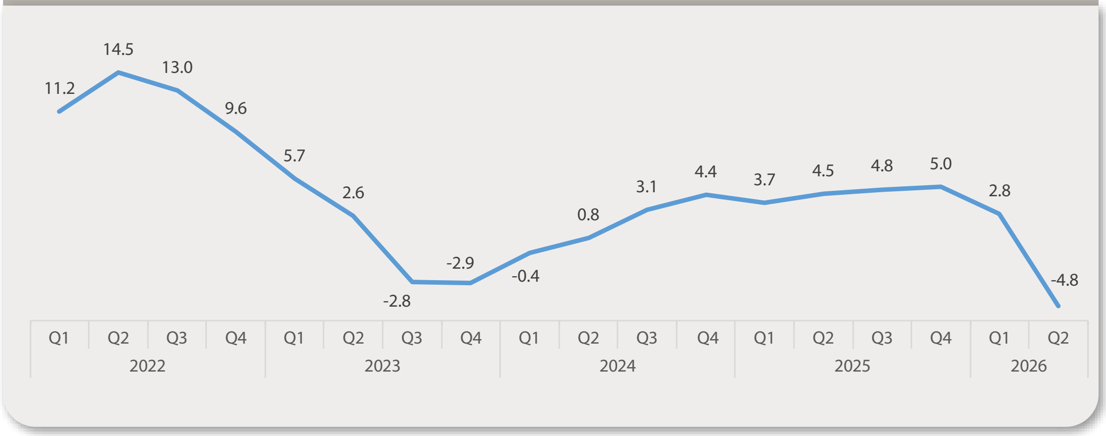
Bank Audi

SAUDI ARABIA'S REAL GDP CONTRACTS BY 4.8% IN Q2-2026 AMID SHARP DECLINE IN OIL ACTIVITIES

According to recently released estimates from the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP contracted by 4.8% year-on-year in Q2-2026, reversing the 2.8% year-on-year growth recorded in Q1-2026. The decline was primarily driven by a sharp contraction in oil activities.

In detail, real GDP relating to oil activities declined by 24.7% year-on-year in Q2-2026, marking the steepest contraction since Q4-2023. Meanwhile, real GDP of non-oil activities increased by 0.6% year-on-year, standing 6.8 percentage points (pps) below the average quarterly year-on-year growth of 7.4% recorded since Q1-2022 and signaling a marked slowdown in non-oil economic activity. Additionally, government activities expanded by 0.9% year-on-year during the quarter, down from 1.5% in Q1-2026, indicating a moderation in public sector growth.

OVERALL REAL GDP YEAR-ON-YEAR GROWTH BY QUARTER (%)



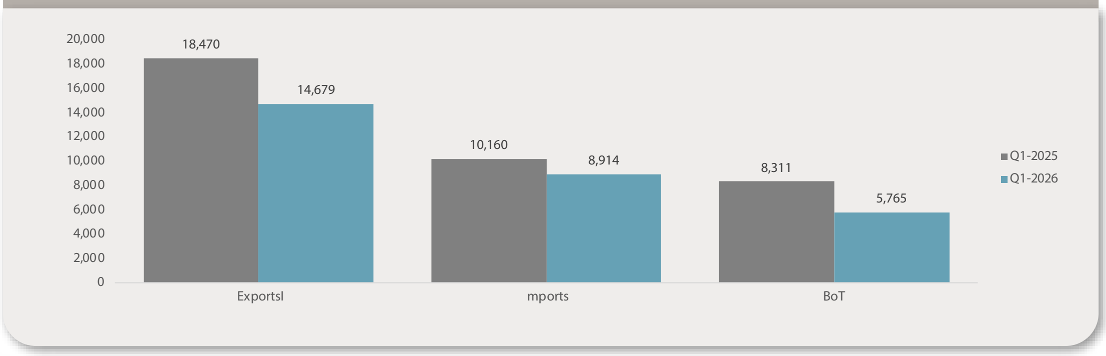
Source: GASTAT, Bank Audi Group's Research Department

KUWAIT'S BOT SURPLUS DROPPED BY 31% IN Q1-2026

According to data from the Kuwaiti Central Statistics Bureau (CSB), Kuwait's BoT surplus showed a decline of 30.6% year-on-year, reaching KWD 1.8 billion (US$ 5.8 billion) in Q1-2026, down from KWD 2.5 billion (US$ 8.3 billion) in Q1-2025. The contraction in the trade surplus was mainly driven by a 20.5% year-on-year decline in total exports, which more than offset a 12.3% year-on-year decrease in imports during the period.

In detail, total exports stood at KWD 4.5 billion (US$ 14.7 billion) in Q1-2026, down from KWD 5.7 billion (US$ 18.5 billion) in Q1-2025. Meanwhile, total imports declined to KWD 2.7 billion (US$ 8.9 billion) in Q1-2026 from KWD 3.1 billion (US$ 10.2 billion) recorded in the corresponding quarter of 2025.

EVOLUTION OF FOREIGN TRADE FIGURES IN KUWAIT (US$ MILLION)



Source: Bank Audi Group's Research Department

Bank Audi

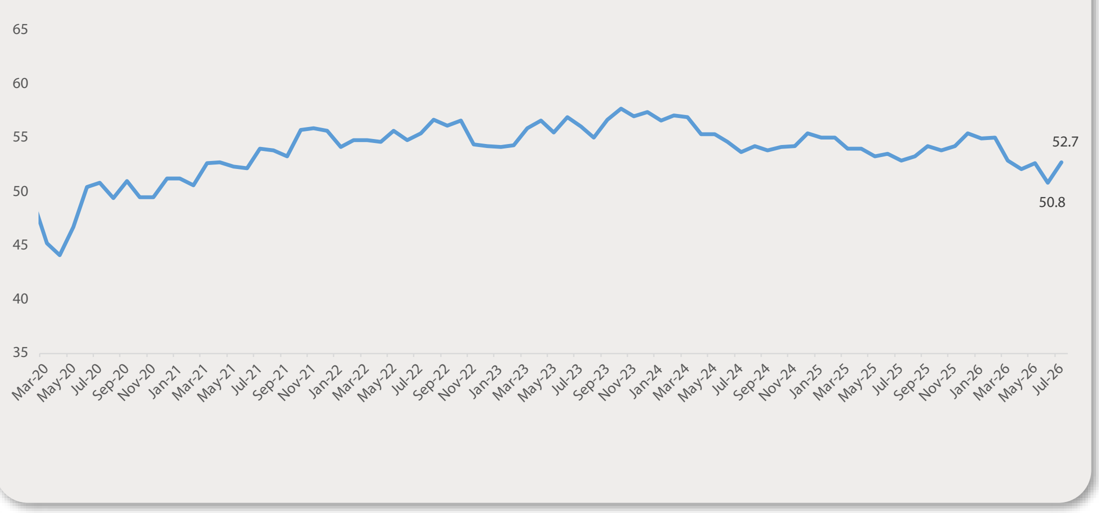
UAE'S NON-OIL SECTOR GROWTH STRENGTHENS AS DEMAND AND EXPORTS RECOVER

UAE's Purchasing Managers' Index (PMI) rose to 52.7 in July 2026, up from 50.8 in June, remaining above the neutral 50.0 threshold and signaling a moderate improvement in non-oil private sector business conditions. The reading reached its highest level in four months as easing regional tensions and stronger customer spending supported a recovery in demand, according to S&P Global's UAE PMI data.

New business growth accelerated to a five-month high, supported by improving customer confidence, domestic infrastructure projects and easing geopolitical tensions. Export orders also returned to growth for the first time since March, recording the fastest increase in one year, while output expanded at a stronger pace and employment returned to growth following June's contraction. Nevertheless, business confidence weakened for the third consecutive month to its lowest level since March, reflecting persistent concerns over market conditions and competitive pressures.

Input cost inflation remained elevated during the month, driven by higher fuel, food, fertilizer, shipping and software costs, while staff costs increased at the fastest pace since February. Firms continued to raise output prices, although only modestly due to intense competition. Meanwhile, purchasing activity remained robust despite the sharpest decline in inventories since December 2025, as ongoing material shortages and freight congestion constrained stock levels. Supplier delivery times improved modestly as shipping conditions through the Strait of Hormuz eased, although supply chain challenges continued to weigh on business operations.

COMPOSITE PMI UAE



Source: S&P Global, Bank Audi Group Research Department

Bank Audi

SURVEYS / REPORTS

SAUDI ARABIA'S NON-OIL ECONOMY POWERS NEXT PHASE OF REAL ESTATE GROWTH IN Q2 2026, AS PER CBRE

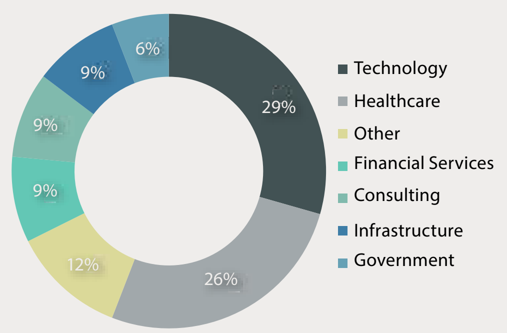
CBRE Middle East, one of the global leaders in commercial real estate, released its Saudi Arabia Real Estate Market Review for the second quarter of 2026, highlighting a market that continues to consolidate its position as one of the world's most active real estate development markets, supported by robust non-oil economic growth, ongoing regulatory reform and a substantial pipeline of infrastructure and real estate projects.

The Kingdom's real estate sector is benefiting from this sustained investment environment, with multiple giga-projects, transport, tourism and entertainment infrastructure projects, as well as other large-scale real estate developments all progressing through various stages of execution. This was reflected in another active quarter for construction and development procurement, with major contracts awarded across multiple sectors. Riyadh remained a key focus of investment activity, while Makkah, Madinah, the Eastern Province and Aseer also recorded substantial project awards. Government-backed entities including the National Housing Company (NHC), Diriyah Company, Expo 2030 Riyadh Company and Rua Al Madinah Holding continued to drive activity, reinforcing confidence in the Kingdom's long-term growth strategy.

Looking into the office sector, corporate occupiers in Riyadh continue to prioritize new Grade A office accommodation, intensifying competition for premium addresses within central business districts. This remains supported by the sustained influx of multinationals establishing operations under the RHQ mandate, with more than 780 international companies now understood to be holding licenses as part of the program.

In parallel, occupier demand during the first six months of the year remained concentrated within high-growth sectors, including technology, which continues to serve as a primary driver of demand accounting for 29% of all office requirements. This is then followed closely by healthcare, which generated 26% of recorded market activity. Professional and financial services, specifically consulting and financial operations, collectively claimed an 18% share of demand, with the remaining 27% of requirement volume distributed across infrastructure, government and other minor segments.

RIYADH'S OFFICE DEMAND BY SECTOR IN H1 2026



Source: CBRE Research

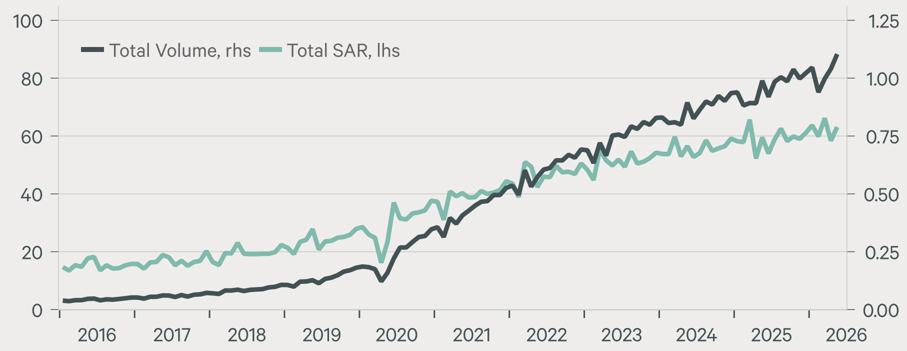
Concurrently, the retail sector continues to be supported by rising consumer spending and growing demand for lifestyle-led experiences. According to Saudi Central Bank data, Point-Of-Sale (POS) spending increased from ng from SR 58.4 billion in April 2026 to hit SR 63.1 billion from a record 1.10 billion transactions. The Food and Beverage (F&B) was an anchor of consumer demand, expanding from SR 9.56 billion in April to SR 10.12 billion in May, underscoring Saudi's growing discretionary spending despite the regional backdrop.

Bank Audi

This appears to align well with Saudi Entertainment Venture's (SEVEN) SR 50 billion nationwide strategy to deliver 14 new integrated entertainment destinations across the Kingdom, which would shift into its operational phase by H2 2026, with completion of the first SEVEN destination in Abha. Developed in coordination with the Asir Development Authority, the SR 1.3 billion complex spans a total built-up area of more than 79,000 square meters and has been designed to capture local domestic spending and support year-round commercial footfall.

This trend is helping to drive the next wave of retail development, with approximately 400,000 sqm of new retail space scheduled for delivery by the end of 2026. Amidst this expanding pipeline, market fundamentals remain healthy, with retail vacancy rates holding at around 6% and prime rents in leading super-regional malls stable at approximately SR 3,275 per sqm.

RETAIL POS (TOTAL VALUE AND VOLUME IN BILLIONS) IN SAUDI ARABIA



Source: CBRE Research and Saudi Central Bank

MENA BUSINESS TRAVEL AIRFARES RISE 46% IN H1 2026 AS APRIL MARKS THE DEMAND PEAK, AS PER TUMODO

Tumodo, the MENA-based online business travel platform, reports on corporate travel pricing, demand and destination trends across the region for Q2 and H1 2026. Despite the regional disruptions, business travel in the Middle East and North Africa is growing faster than the global average, forecast to reach US$ 270.8 billion by 2030.

According to Tumodo's data, April was the busiest booking month of H1 2026, outpacing the February peak seen in Q1. Volumes held elevated through May and June, delivering the stronger Q2 Tumodo had anticipated at the close of Q1.

In parallel, European corridors topped the MENA business travel rankings for the first time in H1 2026. Dubai-London ranked first in bookings, followed by Dubai-Berlin. Intra-MENA routes followed: Riyadh-Dubai, Dubai-Cairo, Riyadh-Cairo and Dubai-Riyadh. The shift tracks a broader expansion of UAE airline capacity into Europe. Emirates, Air Arabia, and Etihad all launched or increased European routes in 2026. Including new services to London, Berlin, Frankfurt, and Helsinki.

The average business trip in H1 2026 lasted two to three days, down from four days in Q1. Short meetings and executive sessions continued to drive the bulk of activity across the region's major corridors. As for airlines, Emirates was the most-used carrier at 25%, followed by Saudia (20%) and Turkish Airlines (17%).

Looking forward, inbound travel to MENA is projected to grow 13% annually through 2030, with business travel spending expected to grow 1.5 times faster than the global average. A planned unified GCC tourist visa, modelled on Europe's Schengen framework, is expected to add further impetus to cross-border corporate travel. Tumodo expects H2 2026 airfare levels to remain elevated, with the European corridor set to develop further.

Bank Audi

CORPORATE NEWS

BROOKFIELD RAISES US$ 2 BILLION IN PIF-ANCHORED MIDDLE EAST-FOCUSED FUND

Brookfield, a Canadian multinational company that is one of the world's largest alternative investment management companies, announced the first close of PIF-anchored Brookfield Middle East Partners (BMEP), a new private equity fund dedicated to investing in businesses based in Saudi Arabia and the wider Middle East region, raising approximately US$ 2 billion from a group of strategic anchor investors comprising PIF and other global and regional institutional partners.

BMEP leverages Brookfield's expertise through its offices in Riyadh and across its broader global network to pursue buyouts, minority growth equity and other investment opportunities across a range of sectors including financial, business and consumer services, industrials, technology and healthcare. Capital from the fund would be allocated to investments in the Middle East with a focus on GCC in high-growth markets. The fund targets allocating 50% of its investments in Saudi Arabia, as PIF continues to attract capital inflow.

PIF is an anchor investor in the newly launched fund, as part of its strategy to maximize returns and deliver long-term value through global partnerships. The investment marks another step in PIF's strategy to further deepen and diversify the Saudi capital market by partnering with global investors on commercially attractive opportunities, empowering financial institutions, broadening financing options for local businesses and introducing new products.

STA AND MASTERCARD ANNOUNCE COLLABORATION TO FURTHER ADVANCE TOURISM GROWTH ACROSS SAUDI ARABIA

The Saudi Tourism Authority (STA) and Mastercard signed a Memorandum of Understanding (MoU) to collaborate in further positioning Saudi Arabia as a tourist destination of choice.

The STA would work with Mastercard to further position Saudi Arabia as a destination of choice through global campaigns and initiatives to attract international travelers from targeted markets to contribute to achieving Saudi Arabia's goal of welcoming 150 million visitors by 2030. The collaboration would also leverage Mastercard's data and insights to support the STA with detailed analysis and activities including segmentation, spend analysis, travel trends, event impact measurement, and predictive analytics to inform marketing strategies and policymaking.

These insights would support more targeted campaign development and help measure tourism impact over time, while both organizations would also collaborate on thought leadership initiatives that promote sustainable tourism growth.

This would be complemented by Mastercard's priceless platform, which would be leveraged to curate and promote exclusive, culturally rich experiences across the Kingdom, showcasing its diverse heritage and attractions. Mastercard's technology and expertise would aim to drive visitor engagement and spend through enhancing loyalty and rewards programs. Together, these capabilities form a connected approach combining insights, data and curated experiences to help attract and engage visitors.

Bank Audi

SAUDIA CARGO AND RIYADH CARGO ESTABLISH INTERLINE AGREEMENT TO EXPAND GLOBAL CONNECTIVITY AND STRENGTHEN TRADE FLOWS

Saudia Cargo, Saudi Arabia's leading national air cargo carrier, and Riyadh Cargo, the freight division of the Kingdom's new national carrier Riyadh Air, a wholly-owned Public Investment Fund (PIF) company, announced the signing of an interline agreement that would strengthen cargo connectivity, expand network reach and provide customers with greater access through Saudi Arabia to international markets.

Customers would benefit from broader market access, enhanced routing options, and greater flexibility across key trade corridors. The arrangement would also support the continued expansion of Riyadh Cargo's network beyond current direct services to London, Dubai, Cairo, Jeddah, Madrid, and Malaga, while strengthening connectivity to upcoming destinations including Mumbai, Kuala Lumpur and Dhaka. This collaboration supports Riyadh Cargo long-term ambition to serve more than 100 global destinations by 2030.

By expanding available cargo capacity and improving the flow of goods across international markets, the agreement would give freight forwarders and logistics partners more efficient and reliable cargo solutions, while extending both carriers' network reach beyond their own operations.

DMCC SIGNS STRATEGIC PARTNERSHIP WITH HONG KONG TINKAM CAPITAL TO DRIVE INDUSTRIAL INVESTMENT BETWEEN HONG KONG AND DUBAI

DMCC, one of the leading international business districts that drives the flow of global trade through Dubai, signed a strategic Memorandum of Understanding (MoU) with Hong Kong Tinkam Capital (HKTC) to explore the development of a state-of-the-art power and energy equipment manufacturing park in Dubai, reinforcing industrial cooperation and investment between the UAE and China.

The agreement establishes a framework for collaboration between both organizations to support the development of a power and energy equipment production park in Dubai, while attracting upstream and downstream Chinese companies across the industry value chain in strategic sectors such as advanced manufacturing, green technology and energy.

Through the partnership, DMCC and HKTC would also facilitate knowledge exchange, promote industrial investment opportunities and connect prospective Chinese enterprises with DMCC's business ecosystem, reinforcing Dubai's role as a gateway for Chinese company expansion and investment.

The agreement builds on the rapidly expanding economic relationship between the UAE and China. China remains the UAE's largest trading partner, while DMCC is home to more than 1,000 Chinese companies operating across sectors including energy, technology, construction, financial services and precious metals and stones.

BLACKSTONE TO OPEN KUWAIT OFFICE

US-based Blackstone, one of the world's largest alternative asset managers, announced plans to open an office in Kuwait through the Kuwait Direct Investment Promotion Authority (KDIPA).

Blackstone expects the Kuwait office to open in Q3 2026. Blackstone intends to further expand its regional presence with additional offices to be announced across the GCC over the coming year.

Bank Audi

CAPITAL MARKETS

EQUITY MARKETS: WEEKLY PRICE REBOUNDS ACROSS MENA EQUITIES, TRACKING GLOBAL EQUITY STRENGTH

MENA equity markets bounced back this week, with the S&P Pan Arab Composite index expanding by 2.5%, mainly tracking global equity strength (+3.0%) as investors awaited signs of progress towards an Iran-Oman deal that would partially reopen the Strait of Hormuz. This compounded with some upbeat and better-than-forecast corporate earnings in the region.

The heavyweight Saudi Exchange, which accounts for roughly 60% of the total regional market capitalization, reported price rebounds this week, with the S&P Saudi price index expanding by 2.4%, mainly tracking a global risk-on mood as investors watched signs of progress in US-Iran talks, and after Iran said an agreement with Oman on proposed shipping lanes through the Strait of Hormuz is in the final stages. This regional momentum was further supported by some robust and better-than-estimated financial results.

A glance on individual stocks shows that most petrochemical stocks headed north despite a 5.0% weekly contraction in Brent oil prices to reach US$ 83.55 per barrel. Petro Rabigh's share price surged by 8.4% week-on-week to close at SR 16.12. Petro Rabigh posted 2026 second quarter net profits of SR 2.7 billion against a net loss of SR 1.4 billion a year earlier. Saudi Kayan Petrochemical Company's share price expanded by 4.0% to SR 5.20. Sipchem's share price went up by 2.2% to SR 13.01. Advanced Petrochemical Company's share price jumped by 3.8% to SR 22.84. SABIC's share price rose by 1.9% to SR 50.55.

Concurrently, Saudi Research's share price climbed by 7.7% this week to reach SR 63.60. Saudi Research reported 2026 second quarter net profits of SR 2 million against a net loss of SR 10 million a year earlier. Alamar Foods' share price surged by 6.3% to SR 39.26. Alamar Foods reported a 5% year-on-year expansion in its 2026 second quarter net profits to reach SR 16 million. Almunajem Foods' share price jumped by 6.7% to SR 64.00. Almunajem Foods announced 2026 second quarter net profits of SR 85 million against net profits of SR 31 million in the corresponding period of the previous year. Mouwasat's share price rose by 2.1% to SR 63.50. Mouwasat reported a 13% year-on-year increase in its 2026 second quarter net profits to reach SR 211 million. Al Hammadi's share price expanded by 1.4% to SR 26.30. Al Hammadi reported a 16% year-on-year growth in its 2026 second quarter net profits to reach SR 72 million.

Also, Al Moammar Information Systems Company's share price skyrocketed by 15.8% week-on-week to SR 279.20. MIS reported a 35% year-on-year expansion in its 2026 second quarter net profits to reach SR 43.5 million. Jabal Omar Development's share price jumped by 9.6% to SR 17.53. Jabal Omar Development

EQUITY MARKETS INDICATORS (AUGUST 02 - AUGUST 08, 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	155.5	-0.8%	-9.8%	2.0	-20.7%	0.0	17,576.4	0.6%	-	0.46
Jordan	640.9	-0.7%	11.7%	123.5	-9.9%	22.2	39,450.5	16.3%	12.0	2.00
Egypt	455.8	4.4%	24.9%	1,580.1	48.2%	12,508.7	79,252.8	103.7%	9.7	2.54
Saudi Arabia	470.5	2.4%	2.1%	8,314.3	28.2%	1,059.5	2,568,453.7	16.8%	16.2	3.59
Qatar	150.1	2.2%	-5.9%	568.4	10.4%	545.6	168,053.9	17.6%	12.0	1.50
UAE	175.2	3.2%	1.3%	2,579.9	34.7%	2,622.1	1,057,989.9	12.7%	15.2	3.15
Oman	171.0	1.0%	22.6%	784.9	-3.9%	783.5	55,227.9	73.9%	13.4	2.06
Bahrain	180.9	1.5%	-3.5%	9.1	172.0%	9.0	18,770.0	2.5%	10.5	1.50
Kuwait	91.4	1.0%	-3.2%	1,327.8	-4.9%	942.2	169,059.8	40.8%	19.6	2.15
Morocco	424.2	6.4%	-0.2%	73.8	-5.8%	7.5	114,608.2	3.3%	17.0	3.17
Tunisia	133.3	0.4%	42.5%	16.8	-40.2%	4.5	16,393.9	5.3%	17.2	2.62
Arab Markets	**1,012.3**	**2.5%**	**1.4%**	**15,380.6**	**23.6%**	**18,504.7**	**4,304,837.1**	**18.6%**	**15.7**	**3.25**

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

Bank Audi

posted 2026 second quarter net profits of SR 158 million against a net loss of SR 42 million during the second quarter of 2025. As to banking stocks, SNB's share price surged by 4.2% this week to SR 40.86. Al Rajhi Bnak's share price closed 3.2% higher at SR 64.55. Banque Saudi Fransi's share price went up by 2.0% to SR 20.15.

The UAE equity markets extended their winning streak this week, with the S&P UAE price index surging by 3.2%, buoyed primarily by a broader global appetite for risk, as investors awaited developments in US-Iran talks, and on news that Iran and Oman have reached an understanding on the geographic coordinates for a shipping route through the Strait of Hormuz. This momentum was further amplified by a wave of robust corporate earnings in the UAE. In Dubai, Deyaar Development's share price expanded by 3.0% week-on-week to reach AED 0.747. Deyaar Development reported a net profit before tax of AED 336 million in the first half of 2026, up by 26% year-on-year. Mashreq Bank's share price went up by 1.2% to AED 260.1. Mashreq Bank reported a net profit after tax of AED 4.0 billion for the first half of 2026, up by 17% year-on-year. Emirates NBD's share price climbed by 6.2% to AED 32.06. DEWA's share price closed 1.8% higher at AED 2.79. Emaar Properties' share price rose by 4.5% to AED 11.50.

In Abu Dhabi, Etisalat's share price nudged up by 0.7% week-on-week to AED 20.5. Etisalat reported 2026 second quarter net profits of AED 3.1 billion, down by 10% year-on-year, yet still beating average analysts' estimate. ADNOC Drilling's share price closed 2.1% higher at AED 5.94. ADNOC Drilling posted a 1.7% year-on-year increase in its 2026 second quarter net profits to reach US$ 357 million, beating average analysts' estimate. ADNOC Distribution's share price rose by 1.8% to AED 4.07. ADNOC Distribution posted a 59% year-on-year rise in its net profits in the first half of 2026 to reach US$ 568 million. FAB's share price rose by 3.6% to AED 19.98. Aldar Properties' share price surged by 4.7% to AED 7.78.

The Qatar Stock Exchange shifted into a positive territory this week, with the S&P Qatar price index expanding by 2.2%, mainly tracking a global risk-on sentiment amid optimism surrounding advanced US-Iran diplomatic talks to reopen the vital Strait of Hormuz chokepoint. 39 out of 54 traded stocks posted price gains, while 13 stocks recorded price falls and two stocks saw no price change week-on-week. A closer look at individual stocks shows that Qatar Gas Transport's share price expanded by 3.9% week-on-week to close at QR 4.290. Gulf International Services' share price surged by 5.2% to QR 1.915. Gulf Warehousing's share price jumped by 5.7% to QR 2.474. Ooredoo's share price went up by 3.8% to QR 12.970. Vodafone Qatar's share price increased by 2.6% to QR 2.649. Ezdan Holding Group's share price climbed by 5.2% to QR 0.852. As to banking stocks, QNB's share price closed 3.5% higher at QR 17.150. QIB's share price rose by 3.4% to QR 22.390. Lesha Bank's share price went up by 4.3% to QR 2.919. Al Ahli Bank's share price expanded by 2.9% to SR 4.181. Dukhan Bank's share price edged up by 0.6% to QR 3.270.

FIXED INCOME MARKETS: EXTENDED BROAD-BASED UPWARD PRICE MOVEMENTS ACROSS MENA BOND MARKETS THIS WEEK

MENA fixed income markets continued to report broad-based upward price movements this week, mainly tracking US Treasuries move, as signs that the US and Iran may be nearing a deal to reopen the Strait of Hormuz drove oil prices lower, easing global inflation fears. This was further supported by lower-than-forecast US private sector employment data for July, which signaled a cooling US labor market. Consequently, traders pushed back their timelines for the US Federal Reserve tightening, fully pricing in the first interest rate hike in December 2026, and delaying expectations for a second hike from January to March 2027, which now carries a 60% probability.

In the Saudi credit space, sovereigns maturing in 2029, 2034, 2050 and 2060 recorded price expansions ranging between 0.33 pt and 1.38 pt this week. Prices of Aramco'30, '34 and '50 went up by 0.52 pt, 0.64 pt and 1.12 pt respectively. SEC'30 and '44 traded up by 0.37 pt and 0.48 pt respectively. STC'29 closed up by 0.34 pt. Prices of SABIC'28 increased by 0.14 pt. Amongst financials, Banque Saudi Fransi'29 was up by 0.17 pt. SNB'29 posted price rises of 0.13 pt. Prices of Al Rajhi Bank'29 nudged up by 0.09 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded weekly price gains ranging between 0.99 pt and 2.67 pts. In the Qatari credit space, sovereigns maturing in 2028, 2029, 2034, 2040 and 2050 reported price expansions of up to 2.05 pts week-on-week. Prices of Ooredoo'28, '31 and '43 increased by 0.20 pt, 0.26 pt and 0.52 pt respectively. Amongst financials, prices of QNB'29 rose by 0.07 pt.

Bank Audi

In the UAE credit space, sovereigns maturing in 2031, 2041 and 2052 recorded price gains of up to 1.50 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted price increases of 0.82 pt and 1.15 pt respectively week-on-week. Prices of Majid Al Futtaim'29 went up by 0.23 pt. DP World'30 and '49 were up by 0.69 pt and 0.92 pt respectively. Amongst financials, prices of Emirates NBD Bank'27 went up by 0.13 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2029, 2030, 2034 and 2050 saw weekly price gains of up to 1.58 pt. Prices of Mubadala'28, '30,'34, '41 and '50 expanded by up to 1.37 pt. Prices of Taqa'28, '30 and '36 rose by 0.37 pt, 0.40 pt and 0.38 pt respectively. Prices of Aldar Investment Properties'33 increased by 0.49 pt. ADNOC Murban'29 was up by 0.57 pt. Amongst financials, prices of FAB'29 and '35 rose by 0.28 pt and 0.12 pt respectively. Prices of ADCB'27 and '29 went up by 0.07 pt and 0.14 pt respectively. In the Sharjah credit space, sovereigns maturing in 2030 recorded price rises of 0.56 pt this week.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 increased by 0.13 pt week-on-week. Fitch Ratings affirmed this week Kuwait's long-term Issuer Default Ratings at "AA-" with a "Stable" outlook. Kuwait's "AA-" rating is supported by its exceptionally strong fiscal and external balance sheets, with sovereign net foreign assets relative to GDP the highest among all Fitch-rated sovereigns, as per Fitch. KIPCO'27 traded up by 0.23 pt.

In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price rises of 0.13 pt. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 saw price gains of 0.39 pt, 0.69 pt and 1.32 pt respectively this week. In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 posted weekly price expansions of up to 3.73 pts.

All in all, regional bond markets continued to trend higher this week, amid optimism surrounding advanced US-Iran diplomatic talks, which helped reducing global inflation concerns, and following weaker-than-expected July US private payroll data, which dampened expectations for near-term US Federal Reserve interest rate hikes. US Private hiring grew by just 44,000 jobs in July against a forecasted 65,000 and followed June's downwardly revised gain of 95,000. This labor market cooling prompted investors to temper their tightening bets, paring back the odds of a September rate hike to 55%, while pulling forward expectations for a fully priced-in move to December.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	07-Aug-26	31-Jul-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	34	37	27	-3	7
Dubai	60	66	46	-6	14
Kuwait	54	59	47	-5	7
Qatar	34	37	27	-3	7
Saudi Arabia	60	64	67	-4	-7
Bahrain	284	305	184	-21	100
Morocco	76	80	70	-4	6
Egypt	271	295	271	-24	0
Iraq	246	248	207	-2	39
Middle East	134	132	105	2	29
Emerging Markets	88	92	99	-4	-11
Global	211	213	213	-2	-2

Sources: Bloomberg, Bank Audi's Group Research Department

Bank Audi

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$)	07-Aug-26	31-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)	49.79	51.15	47.70	-2.7%	4.4%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.76	3.76	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)	238.16	238.30	238.38	-0.1%	-0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	132.92	132.87	129.41	0.0%	2.7%
Moroccan Dirham (MAD)	9.31	9.33	9.11	-0.2%	2.1%
Tunisian Dinar (TND)	2.92	2.93	2.89	-0.3%	1.0%
Libyan Dinar (LYD)	6.37	6.40	5.42	-0.4%	17.6%
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.

DISCLAIMER