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# MENA WEEKLY MONITOR

**JANUARY 25 TO JANUARY 31, 2026**
WEEK 05


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## Economy

p.2 **S&P GLOBAL MARKET INTELLIGENCE FORECASTS THAT MENA WILL BE THE ONLY MAJOR GLOBAL REGION WITH ANTICIPATED ECONOMIC GROWTH IN 2026 SURPASSING THAT OF 2025**

In a new report by S&P Global Market Intelligence, the agency expects the Middle East North Africa (MENA) region to experience contrasting trends of growth and conflict instability in 2026.

Also in this issue


**p.3** Saudi Arabia records a 22% drop in BoT surplus in 11M-25
**p.3** Tourism arrivals into Qatar increase by 4% in 2025
**p.4** Jordan's BoT deficit worsens in 10M-2025
**p.4** Oman records 2.2% real GDP growth in 9M-2025


## Surveys / Reports

p.5 **SLIGHT IMPROVEMENT IN MIDDLE EAST ECONOMIC CONFIDENCE IN Q4 2025, AS PER ACCA**

There was a slight improvement in confidence among global accountants for the Middle East during Q4 2025, according to the Global Economic Conditions Survey (GECS) Q4 2025 released by the Association of Chartered Certified Accountants (ACCA).

Also in this issue


**p.5** Dubai residential market sees another record-breaking year in 2025, as per Savills


## Corporate News

p.7 **HUMAIN SECURES US$ 1.2 BILLION TO EXPAND AI DIGITAL INFRASTRUCTURE IN SAUDI ARABIA**

HUMAIN, a Saudi Arabian artificial intelligence company backed by the Public Investment Fund (PIF) and the National Infrastructure Fund (Infra), a Saudi development-finance institution established under the National Development Fund, agreed on a strategic financing framework agreement of up to US$ 1.2 billion to support the expansion of AI and digital infrastructure projects in Saudi Arabia, as revealed in a company statement.

Also in this issue


**p.7** OQ Group signs US$ 598 million agreements to develop Oman downstream industries
**p.7** Saudi Arabia launches national privatization strategy to expand public-private partnerships
**p.8** Saudi Arabia's REGA officially opens real estate market to foreign buyers
**p.8** World Bank Group opens its first office in Qatar


## Markets In Brief

p.9 **MENA EQUITIES REMAINING ON THE RISE, BOND MARKETS DOWN**

MENA equity markets registered price expansions of 0.8% this week, mainly supported by price gains in the heavyweight Saudi Exchange given some favorable market-specific factors, upbeat corporate earnings and an oil price rally. In contrast, activity in MENA fixed income markets was tilted to the downside this week, mainly due to the "Warsh" factor. In fact, regional debt markets reacted to reports that the US President nominated former US Federal Reserve Governor Kevin Warsh as the next Fed Chair after Jerome Powell. Warsh is viewed by global markets as potentially "hawkish", which signals "higher-for-longer" interest rates to combat inflation.

**MENA MARKETS: JANUARY 25 TO JANUARY 31, 2026**

| | | | |
|---|---|---|---|
| Stock market weekly trend | ↑ | Bond market weekly trend | ↓ |
| Weekly stock price performance | +0.8% | Average weekly bond price change | -0..20 pt |
| Stock market year-to-date trend | ↑ | Bond market year-to-date trend | ↓ |
| YTD stock price performance | +6.4% | Average yearly bond price change | -0.50 pt |




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## ECONOMY

### S&P GLOBAL MARKET INTELLIGENCE FORECASTS THAT MENA WILL BE THE ONLY MAJOR GLOBAL REGION WITH ANTICIPATED ECONOMIC GROWTH IN 2026 SURPASSING THAT OF 2025

In a new report by S&P Global Market Intelligence, the agency expects the Middle East North Africa (MENA) region to experience contrasting trends of growth and conflict instability in 2026.

S&P Global Market Intelligence forecasts that MENA will be the only major global region with anticipated economic growth in 2026 surpassing that of 2025, following a notable increase of 2.5 percentage points in real GDP growth between 2024 and 2025.

Unresolved conflicts from 2025 are likely to pose significant risks to this forecast, keeping the MENA region, especially the Gulf, at the center of broader global geopolitical trends.

Unresolved conflict escalation pathways from the 12-day June war between Israel/the US and Iran continue to represent the main driver of MENA regional instability and severe interstate war risks in 2026.

Military supply chain vulnerabilities and constraints are likely to determine the willingness of all belligerent parties to commit to renewed conflict, spurring more armed exchanges with limited scope and duration.

Gulf states, notably the UAE and Saudi Arabia, will continue to focus on integrating US-designed computing, networking, and cloud technologies into their economies. This ongoing strategic shift is expected to stimulate economic growth and enhance security and Gulf Cooperation Council (GCC) geopolitical alliances by 2026.

The GCC states will drive economic growth in the MENA region, largely driven by increased hydrocarbon output, continued economic diversification efforts, and declining borrowing costs in the GCC.

Lower oil prices will hinder MENA hydrocarbon exporters' external sector performances and likely constrain their ability to generate foreign currency earnings in 2026.

Risks to the MENA region's 2026 economic outlook are heavily weighted to the downside due to severe regional war risks and soft hydrocarbon prices. S&P forecasts the MENA region, on aggregate, to record sustained economic growth in 2026, but with stark contrasts within the region. The GCC states will drive economic growth in MENA. Real GDP growth will be largely driven by increased hydrocarbon outputs, continued economic diversification efforts, and declining borrowing costs in the GCC.

The growth trend in the MENA region is, in large part, due to the unwinding of oil output restrictions by OPEC+ until September 2025. The region's oil producers are critically dependent on global oil demand and oil prices. S&P Global Energy projects an average oil price of US$58 per barrel (Brent) in 2026, down by 16% from projected2025 averages. This will squeeze oil revenues, which could fall further if global growth performs less strongly, weakening demand for oil.

Non-hydrocarbon growth momentum is set to continue across the GCC economies, inline with their economic development strategies and partly helped by hydrocarbon output increases in conformity with OPEC+ decisions. GCC development plans focusing on reducing reliance on hydrocarbons and encouraging private sector involvement into their economies, coupled with robust domestic demand, are likely to drive the recovery of the non-hydrocarbon economy in 2026.

Such a sustained strong momentum will likely be facilitated by further monetary easing by GCC central banks in line with US Federal Reserve moves. Given the long-standing currency pegs to the dollar, which are unlikely to change in the foreseeable future, they currently forecast two policy rate cuts in GCC states in 2026, leading to less costly borrowing and supporting investment activity in the GCC.

Lower energy prices will continue to place adverse pressure on the external balances of hydrocarbon exporters and their ability to accumulate foreign reserves. Outside the GCC, weaker energy prices will also widen the current account deficits of Algeria, Iraq and Libya.

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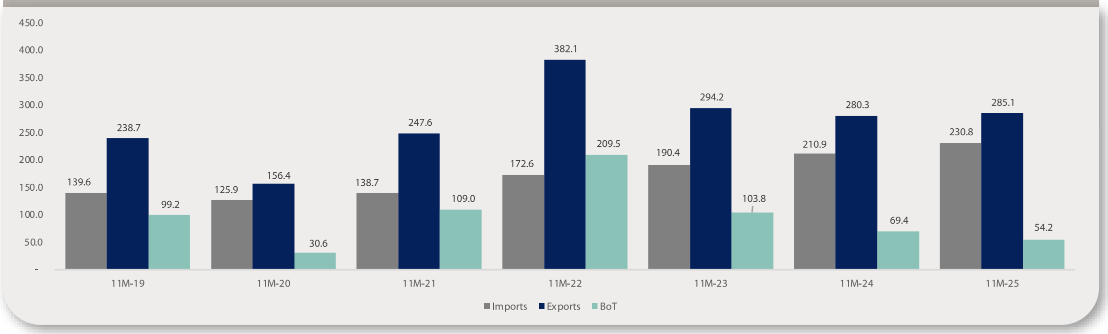
## SAUDI ARABIA RECORDS A 22% DROP IN BOT SURPLUS IN 11M-25

According to data from the Saudi General Authority for Statistics (GASTAT), Saudi Arabia's BoT surplus showed a drop of 21.9% year-on-year reaching SAR 203.4 billion (US$ 54.2 billion) in the first 11 months (11M) of 2025, down from SAR 260.4 billion (US$ 69.4 billion) in 11M-2024. The main driver standing behind this contraction in BoT surplus is a 9.4% increase in imports year-on-year, slightly offset by a 1.7% increase in exports year-on-year between 11M-2024 and 11M-2025.

In detail, total exports were reported at SAR 1,069.0 billion (US$ 285.1 billion) in 11M-2025, registering a 1.7% increase from the figures recorded in 11M-2024. The majority of exports (68.9%) were from the oil sector with the non-oil sector accounting for 19.4% of exports. The former recorded a year-on-year decrease of 4.8% while the latter recorded a year-on-year increase of 5.2% over the period reaching SAR 736.0 billion (US$ 196.3 billion) and SAR 207.1 billion (US$ 55.2 billion) respectively in 11M-2025. The breakdown of exports by country importing from Saudi Arabia in 11M-2025 indicates that China held the biggest share with 14.7% of total exports, followed by UAE (10.1%), India (9.3%), South Korea (8.4%), Japan (8.1%), the USA (4.1%) and Egypt (3.7%), as per data from GASTAT.

On the other hand, total imports were reported at SAR 865.5 billion (US$ 230.8 billion) in 11M-2025, registering a 9.4% expansion from the figures recorded in 11M-2024.

### FOREIGN TRADE IN SAUDI ARABIA (US$ BILLION)



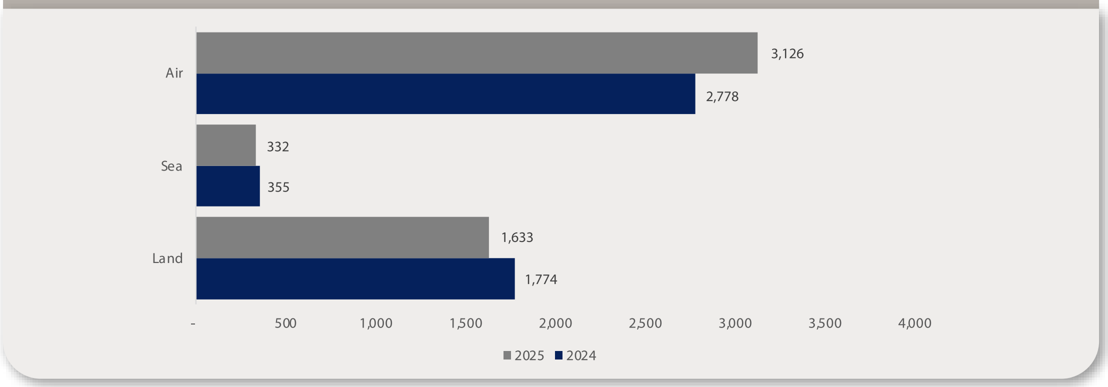

*Source: GASTAT, Bank Audi Group's Research Department*

## TOURISM ARRIVALS INTO QATAR INCREASE BY 4% IN 2025

Tourism arrivals into Qatar have increased by 3.7% year-on-year between 2024 and 2025. Arrivals reached 5,091 thousand tourists in 2025, up from 4,907 thousand tourists in 2024, as per the Qatar Tourism Authority.

In details, looking at the distribution of arrivals by port of entry, arrivals by air took the lion's share accounting for 61.4% of all arrivals into the country in 2025. Arrivals by land followed with a share of 32.1% of total arrivals into the country during the year. Arrivals by sea accounted for 6.5% of total arrivals into Qatar during 2025.

### DISTRIBUTION OF ARRIVALS INTO QATAR BY PORT OF ENTRY (000S)




*Source: Qatar Tourism Authority, Bank Audi Group Research Department*

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Concurrently, looking at the distribution of arrivals into Qatar by tourists' origin, GCC countries took the lion's share accounting for 35.6% of total arrivals into the country during 2025. Europe followed, accounting for 24.7% of total tourist arrivals into Qatar during the year. Asia & Oceania accounted for 21.8% of total arrivals into the country during 2025. Non-GCC Arab countries accounted for 7.0% of total arrivals into Qatar during the year. The Americas accounted for 7.0% of the total during 2025 while Africa accounted for 2.9% of the total during the year, as per the Qatar Tourism Authority.

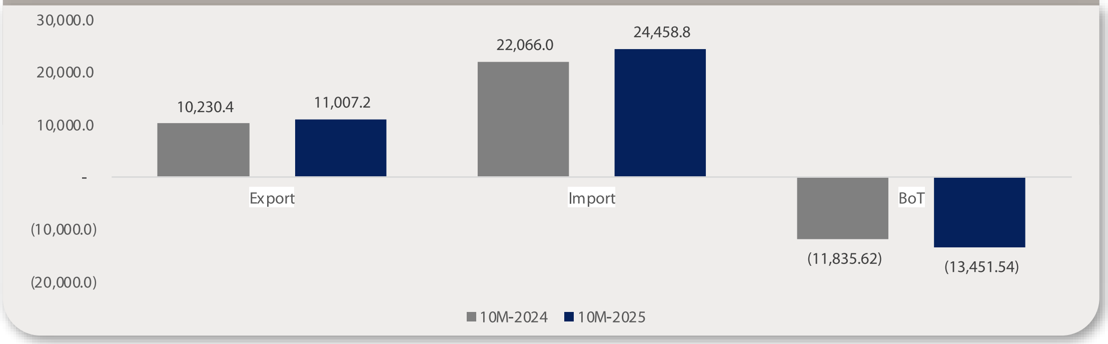
## JORDAN'S BOT DEFICIT WORSENS IN 10M-2025

According to data from the Jordanian Department of Statistics (DoS), Jordan's balance of trade deficit showed a widening of 13.7% year-on-year reaching JOD 9.5 billion (US$ 13.5 billion) in the first 10 months (10M) of 2025, down from JOD 8.4 billion (US$ 11.8 billion) in 10M-2024. The main driver standing behind this widening in BoT deficit during the period is a 10.8% increase year-on-year in total imports and was partially offset by a 7.6% increase in exports year-on-year between 10M-2024 and 10M-2025.

In detail, total exports were reported at JOD 7.8 billion (US$ 11.0 billion) in 10M-2025, registering a 7.6% increase from the figures recorded in 10M-2024. Looking at the breakdown of exports by country importing from Jordan in 10M-2025, the USA held the biggest share with 23.4% of total exports, followed by Saudi Arabia (13.4%), India (12.1%) and Iraq (10.0%), as per data from DoS.

On the other hand, total imports were reported at JOD 17.4 billion (US$ 24.5 billion) in 10M-2025, registering a 10.8% expansion from the figures recorded in 10M-2024. Looking at the breakdown of imports by country exporting to Jordan during 10M-2025, China held the biggest share with 20.0% of total imports followed by the Saudi Arabia with 14.2%, USA (8.3%) and UAE (5.8%), as per data from DoS.

JORDAN'S FOREIGN TRADE FIGURES (US$ MILLION)




*Source: Jordan's DoS, Bank Audi Group's Research Department*

## OMAN RECORDS 2.2% REAL GDP GROWTH IN 9M-2025

According to recent data from the Omani National Center for Statistics & Information (NCSI), the country's market price GDP at constant prices recorded OMR 28.7 billion (US$ 74.6 billion) in 9M-2025, recording a year-on-year increase of 2.2%, up from QR 28.1 billion (US$ 73.1 billion) in 9M-2024. This growth came on the back of increases in the Oil and Non-oil activities in the Omani economy during the period.

In details, Oil Activities real GDP recorded OMR 9.0 billion (US$ 23.3 billion) in 9M-2025, up marginally by 0.3% year-on-year against the same period of the year prior. Additionally, Non-oil Activities real GDP recorded a year-on-year increase of 3.4%. It is worth mentioning that looking at the performance of the three main sectors of the economy in Oman, the primary, secondary and tertiary sectors all noted year-on-year increases of 9.1%, 1.8% and 3.8% respectively between 9M-2024 and 9M-2025.

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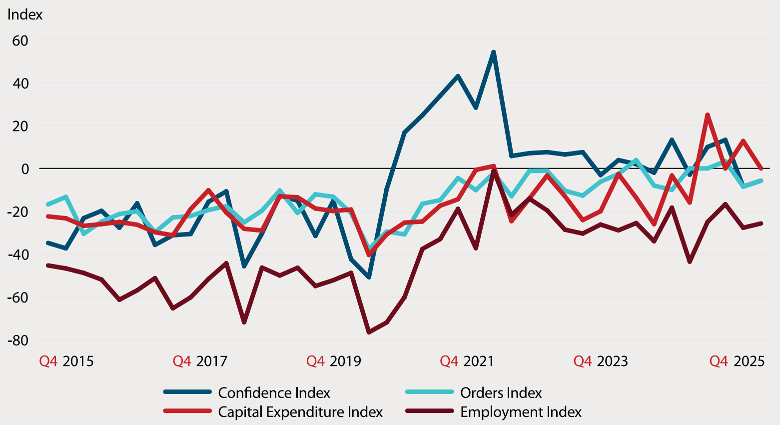
## SURVEYS / REPORTS

### SLIGHT IMPROVEMENT IN MIDDLE EAST ECONOMIC CONFIDENCE IN Q4 2025, AS PER ACCA

There was a slight improvement in confidence among global accountants for the Middle East during Q4 2025, according to the Global Economic Conditions Survey (GECS) Q4 2025 released by the Association of Chartered Certified Accountants (ACCA).

**MIDDLE EAST'S INDICES**




*Sources: ACCA, IMA*

In details, both the Confidence and New Orders indices rose modestly in the Middle East. The former is just below its historical average, while the latter is above it.

The Capital Expenditure Index declined quite materially, while the Employment Index rose modestly (both are meaningfully above their averages). Meanwhile, the proportion of respondents reporting increased operating costs declined slightly but remained above average.

Overall, growth in the Middle East in 2026 should remain well supported by solid expansions in the non-oil economies in key countries such as Saudi Arabia and the UAE, aided by ongoing reforms and efforts to diversify the region's economies.

In parallel, additional rate cuts by the Federal Reserve would be beneficial, given that many of the region's currencies are pegged to the U.S. dollar. The recovery in oil production by OPEC+ should also continue to boost Gross Domestic Product (GDP) growth, although low oil prices would weigh on public finances. Geopolitics also remains a downside risk for the region.

### DUBAI RESIDENTIAL MARKET SEES ANOTHER RECORD-BREAKING YEAR IN 2025, AS PER SAVILLS

Dubai's residential property market delivered another record-breaking year in 2025, supported by population growth, strong investor confidence and an increasing appeal to high-net-worth individuals, according to Savills Middle East's Dubai Residential Market Report 2025.

In details, Q4 delivered transaction volumes over 50,000 for the third consecutive quarter, taking the annual transaction volume to unprecedented levels of over 200,000 transactions, an 18% year-on-year increase. This sustained demand led to capital value appreciation across most submarkets.

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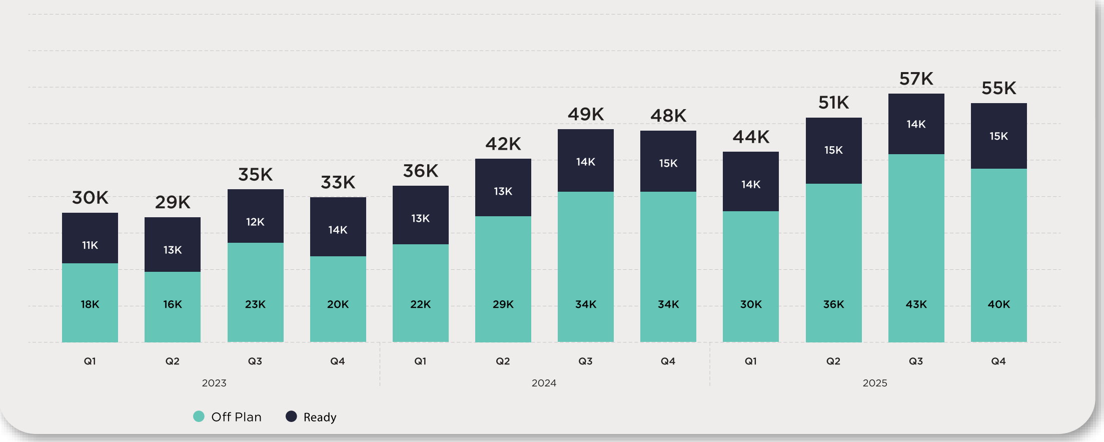
## DUBAI RESIDENTIAL TRANSACTION TREND




*Sources: Dubai Land Department, Savills research*

Concurrently, off-plan transactions increased their dominance throughout 2025, accounting for 72% of overall transactions, a further rise from 68% in 2024 and 60% in 2023, with this split evident across both apartment and villa/townhouse segments. Absorption rates have decreased overall, but high-quality projects from reputable developers are still selling rapidly, often within weeks of launch. This suggests ongoing demand from both end-users and investors for the right product, attractive payment plans and strong investment opportunities.

In parallel, the ready market (transactions in handed over/completed projects) has maintained transaction volumes for the past two years despite increasing supply, reflecting elongating ownership periods. As a result of the explosion in the number of off-plan transactions, the ready market represents 28% of the market in 2025 compared to 32% in 2024 and 40% in 2023.

Developers have continued to actively launch new projects throughout the Emirate to cater to both end users and investors. Q4 saw over 170 projects launched to the market with over 41,000 associated units. This takes the annual total of project launches in 2025 to over 875 projects/170,000 units, with 86% of all 2025 launches being apartment stock. These numbers are slightly down on the 2024 launches, with over 800 projects launched in 2024, providing close to 190,000 units. Developers continued to offer attractive payment plans and incentives to encourage purchases.

## SUPPLY BREAKDOWN BY LAUNCH YEAR


*Sources: Dubai Land Department, Savills research*

Although rental growth is capped by the Real Estate Regulatory Agency (RERA) for existing rents, new lease rents continue to increase across the city as population growth sustains demand. Apartments and villas/townhouses have behaved differently throughout 2025. Whilst H1 largely saw flat pricing for apartments, the second half of the year delivered further growth, taking the overall growth in 2025 for apartment rents to 7.7%. Average villa rents grew in the first 8 months of the year and have since appeared to level off, delivering 8.6% growth y-o-y.

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# CORPORATE NEWS

## HUMAIN SECURES US$ 1.2 BILLION TO EXPAND AI DIGITAL INFRASTRUCTURE IN SAUDI ARABIA

HUMAIN, a Saudi Arabian artificial intelligence company backed by the Public Investment Fund (PIF) and the National Infrastructure Fund (Infra), a Saudi development-finance institution established under the National Development Fund, agreed on a strategic financing framework agreement of up to US$ 1.2 billion to support the expansion of AI and digital infrastructure projects in Saudi Arabia, as revealed in a company statement.

The framework agreement outlines non-binding financing terms for HUMAIN's development of up to 250 MW of hyperscale AI data center capacity. These data centers would deploy leading edge GPUs for AI training and inference and support HUMAIN's local, regional and global customers.

In addition, Infra and HUMAIN have agreed to explore the establishment of an AI data center investment platform. This would be anchored by the two organizations and structured to facilitate participation by global and local institutional investors to support further scaling of HUMAIN's AI strategy.

## OQ GROUP SIGNS US$ 598 MILLION AGREEMENTS TO DEVELOP OMAN DOWNSTREAM INDUSTRIES

Oman-based OQ Group, an energy investment company, signed strategic agreements worth over US$ 598 million with two global companies, Germany-based MAK and Indian group Deepak, for the development of advanced downstream manufacturing projects in the cities of Sohar and Salalah in Oman, as mentioned in a company statement.

The move is aimed at redirecting locally-produced raw materials towards high-value-added industries within the country.

The agreement with MAK aims to establish a plant to bolster the manufacturing of polymer products in Oman. Once operational, the German group would boast a production capacity of 700,000 tons per year at the plant.

The second agreement with Deepak is for the supply of ammonia for a ten-year renewable period. The facility would have a production capacity of approximately 70,000 tons per year, targeting the pharmaceutical and specialized fertilizer industries, while relying on ammonia supplied by OQ.

This initiative is part of a national trajectory to enhance Oman's position in regional and global industrial value chains and is in line with OQ's industrial localization drive and as a direct extension of the Ladayn Polymer Program, a national industrial transformation initiative which aims to link locally produced primary inputs to manufacturing sectors.

## SAUDI ARABIA LAUNCHES NATIONAL PRIVATIZATION STRATEGY TO EXPAND PUBLIC-PRIVATE PARTNERSHIPS

Saudi Arabia launched a new national privatization strategy to significantly expand the role of Public-Private Partnerships (PPPs) in delivering and operating large-scale projects and advancing economic diversification in line with Saudi Vision 2030.

Led by the National Center for Privatization & PPP (NCP), a Saudi Arabian government entity, the strategy provides unprecedented opportunities for long-term foreign direct investment in initiatives to enhance the quality and efficiency of infrastructure and public services in Saudi Arabia, strengthen the role of the private sector in sustainable economic development, enable the government to focus on its legislative, regulatory and oversight roles and enhance fiscal sustainability.

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The government would seek partners for projects including the Saudi Landbridge linking east and west coasts through Riyadh, several education infrastructure projects, water desalination, treatment and strategic reservoir, as well as international airports.

The Strategy establishes five core programs related to planning, regulation, human capital, awareness and prioritization, to enable and advance the privatization ecosystem. These are supported by 42 executive initiatives to achieve its objectives and contribute to Vision 2030 privatization targets.

The National Privatization Strategy aims to increase resident and visitor satisfaction with public services across 18 targeted sectors, create tens of thousands of high-quality jobs, sign more than 220 PPP contracts by 2030 and mobilize over US$ 64 billion in private capital investments by 2030.

## SAUDI ARABIA'S REGA OFFICIALLY OPENS REAL ESTATE MARKET TO FOREIGN BUYERS

Saudi Arabia's Real Estate General Authority (REGA) announced that the new laws allowing foreign companies, as well as expats to own a wider range of local real estate assets have officially come into effect.

The legislation took effect on January 22 and is being implemented as part of the national real estate legislative system. With this, all provisions are now enforceable under the national real estate framework.

REGA reported that the system allows foreign individuals, companies and entities to own property across Saudi Arabia, with ownership permitted in major cities including the capital Riyadh and port city Jeddah.

However, property ownership in the holy cities of Makkah and Madinah remains restricted to Saudi companies and Muslim individuals, in line with a regulatory framework based on the Geographic Zones document, which is set to be announced in the first quarter of 2026.

The Saudi Arabia Real Estate portal serves as the official digital gateway for all ownership procedures, ensuring regulatory compliance and direct integration with the national real estate registry to enhance transparency and protect property rights.

The new system is expected to boost the quality of real estate projects by attracting international developers and specialized firms, stimulating growth in the residential, commercial, industrial, and tourism sectors, and creating employment opportunities for Saudi citizens. The initiative is also expected to strengthen the real estate sector's sustainable contribution to Saudi Arabia's non-oil gross domestic product.

## WORLD BANK GROUP OPENS ITS FIRST OFFICE IN QATAR

The World Bank Group (WBG) and the Qatar Fund for Development (QFFD) signed a Memorandum of Understanding during the official inauguration of the World Bank Group's office in Doha, as reported in a company statement.

The inauguration of the new office of the World Bank Group, established in partnership with the Ministry of Finance and located at the QFFD headquarters, aims to facilitate the achievement of Qatar National Vision 2030 while strengthening the World Bank Group's involvement with both the public and private sectors in Qatar. This office would also act as a conduit for promoting outbound investments into emerging markets, both regionally and globally. This partnership signifies a mutual dedication to fostering innovative financing for development, aiding in reconstruction, recovery and job creation throughout the Middle East, Sub-Saharan Africa, and in areas affected by fragility and conflict. This includes initiatives aimed at expanding electricity access for 300 million individuals in Sub-Saharan Africa through the M-300 initiative, as well as enhancing the livelihoods of up to 250 million smallholder farmers worldwide via the World Bank Group's AgriConnect platform.

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## CAPITAL MARKETS

### EQUITY MARKETS: ACTIVITY IN MENA EQUITY MARKETS REMAINS TILTED TO UPSIDE

Activity in MENA equity markets remained tilted to the upside (+0.8%) this week, mainly supported by price gains in the heavyweight Saudi Exchange given some favorable market-specific factors, upbeat corporate earnings and an oil price rally.

The Saudi Exchange, whose market capitalization represents about 58% of the total regional market capitalization, extended its winning streak (+2.2%) this week. This came just few days before the exchange opens to all categories of foreign investors on February 1, a landmark move that is expected to trigger massive passive investment inflows. Saudi equity price gains were also triggered by some robust financial results, favorable analysts' recommendations and strong oil price gains. In fact, Brent prices surged from US$ 65.07 per barrel at the closing of last week to US$ 69.32 per barrel on Friday, amid escalating geopolitical tensions after the US President warned Iran to make a nuclear deal or face military strikes.

A glance on individual stocks shows that petrochemicals giant Saudi Aramco's share price rose by 2.2% week-on-week to SR 25.80. SABIC's share price expanded by 1.4% to SR 56.85. Sipchem's share price increased by 1.3% to SR 15.32. Saudi Kayan Petrochemical Company's share price jumped by 4.5% to SR 4.90. Yansab's share price went up by 1.6% to SR 27.00. Morgan Stanley raised its recommendation on Yansab's stock to "Equal-weight" from "Underweight", with a price target of SR 28.50, which implies a 5.6% increase from last price.
As to banking stocks, SNB's share price surged by 4.3% to SR 44.86. SNB reported an 18% year-on-year expansion in its 2025 net profits to reach SR 25.0 billion. Al Rajhi Bank's share price rose by 1.2% to SR 107.20. Al Rajhi Bank posted 2025 net profits of SR 24.8 billion, up by 26% year-on-year. Also, Al Rajhi Bank's Board of Directors recommended the distribution of dividends at a rate of SR 1.75 per share for the second half of 2025, marking a 20% rise compared to the same period of the previous year. Banque Saudi Fransi's share price edged up by 0.4% to SR 18.05. Banque Saudi Fransi reported an 18% year-on-year rise in its 2025 net profits to reach SR 5.4 billion. Saudi Investment Bank's share price went up by 3.0% to SR 14.00. Alinma Bank's share price climbed by 4.3% to SR 28.48. Arab National Bank's share price increased by 2.2% to SR 22.80.

#### EQUITY MARKETS INDICATORS (JANUARY 25 TO JANUARY 31, 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 | 154.2 | -0.5% | -10.6% | 30.3 | 759.8% | 0.6 | 17,425.9 | 9.0% | - | 0.41 |
| Jordan | 566.2 | -2.4% | -1.3% | 49.7 | -15.3% | 17.3 | 36,147.6 | 7.2% | 12.4 | 2.03 |
| Egypt | 435.1 | 3.8% | 19.2% | 449.9 | -24.9% | 5,508.9 | 66,141.5 | 35.4% | 9.2 | 2.54 |
| Saudi Arabia | 503.0 | 2.2% | 9.2% | 6,797.3 | 30.4% | 1,071.0 | 2,560,608.2 | 13.8% | 16.7 | 3.78 |
| Qatar | 189.1 | -0.6% | 5.1% | 607.8 | 24.3% | 651.1 | 185,702.6 | 17.0% | 13.4 | 1.63 |
| UAE | 183.3 | -0.4% | 6.0% | 3,753.1 | 14.2% | 3,123.4 | 1,132,895.4 | 17.2% | 11.6 | 2.36 |
| Oman | 344.5 | 1.8% | 7.0% | 474.9 | 41.8% | 691.0 | 44,750.4 | 55.2% | 10.9 | 1.71 |
| Bahrain | 279.5 | -1.0% | -2.2% | 29.1 | 174.5% | 14.8 | 20,862.1 | 7.3% | 11.3 | 1.37 |
| Kuwait | 155.8 | -3.5% | -3.9% | 1,069.1 | 4.3% | 904.0 | 163,699.8 | 34.0% | 18.8 | 2.04 |
| Morocco | 424.0 | 0.9% | -0.3% | 221.6 | 41.1% | 7.0 | 114,125.5 | 10.1% | 16.1 | 3.17 |
| Tunisia | 102.2 | 2.8% | 9.2% | 32.5 | 44.7% | 8.6 | 12,577.5 | 13.4% | 13.8 | 2.42 |
| **Arab Markets** | **1,061.7** | **0.8%** | **6.4%** | **13,515.3** | **20.7%** | **11,997.8** | **4,354,936.5** | **16.1%** | **15.0** | **3.15** |

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

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Concurrently, eXtra's share price nudged up by 0.3% to SR 87.95. eXtra announced 2025 net profits of SR 494 million against net profits of SR 468 million in 2024. Tasheel Finance's share price went up by 1.0% to SR 153.10. Tasheel Finance posted a 23% year-on-year expansion in its 2025 net profits to reach SR 274 million.

The UAE equity markets traded between gains and losses this week, as some upbeat financial results, favorable analysts' recommendations and oil price gains were offset by some profit-taking operations. This was reflected by a shy retreat in the S&P UAE price index of 0.4%. In Abu Dhabi, FAB's share price went down by 1.6% week-on-week to reach AED 18.60 despite announcing a 24% year-on-year expansion in its 2025 net profits to reach AED 21.1 billion. In fact, FAB's stock performed well leading up to the announcement. This prompted some traders to cash in their gains once strong financial results were out. ADCB's share price shed 3.4% to AED 15.22 despite announcing a 22% year-on-year rise in its 2025 net profits to reach AED 11.4 billion, as strong financial results were already priced in early this year. In contrast, ADIB's share price surged by 6.8% to AED 24.34. ADIB reported 2025 net profits of AED 7.1 billion, up by 16% year-on-year. Concomitantly, Arqaam Capital Limited raised its recommendation on ADIB's stock to "Buy" from "Hold", with a price target of AED 26.40, which implies a 10% increase from last price. Fertiglobe's share price expanded by 2.7% to AED 2.71. ADNOC's share price increased by 2.2% to AED 4.10. Aldar Properties' share price closed 2.3% higher at AED 9.59.

In Dubai, DFM's share price shed 4.6% over the week to AED 1.66 despite announcing 2025 net profits of AED 965 million against net profits of AED 376 million in 2024, as some traders sought to lock in their gains. Dubai Islamic Bank's share price declined by 1.9% to AED 9.66. Air Arabia's share price dropped by 4.8% to AED 4.98. In contrast, Commercial Bank of Dubai's share price went up by 2.6% to AED 9.75. Commercial Bank of Dubai reported a 16% year-on-year expansion in its 2025 net profits to reach AED 3.5 billion. TECOM Group's share price rose by 3.6% to AED 3.76. Empower's share price jumped by 6.7% to AED 1.76.

Activity on the Qatar Stock Exchange was skewed to the downside (-0.6%) this week, mainly pressured by some profit taking operations following year-to-date price gains of 5.7%. 34 out of 54 traded stocks posted price falls, while 19 stocks recorded price gains, and one stock saw no price change week-on-week. A closer look at individual stocks shows that QNB's share price fell by 2.2% to QR 19.800. AlRayan Bank's share price decreased by 0.7% to QR 2.273. Dukhan Bank's share price went down by 1.5% to QR 3.564. Qatar International Islamic Bank's share price shed 3.6% to QR 11.410, despite reporting a 7% yearly rise in its 2025 net profits to reach QR 1.4 billion. Doha Bank's share price dropped by 3.8% to QR 2.760, despite posting an 8% year-on-year rise in its 2025 net profits to reach QR 0.7 billion. Vodafone Qatar's share price declined by 2.2% to QR 2.544. Ezdan Holding Group's share price went down by 3.0% to QR 1.039. Mazaya Real Estate Development's share price closed 3.0% lower at QR 0.582. Mannai Corporation's share price plunged by 5.9% to QR 4.880. Mesaieed Petrochemical Holding Company's share price retreated by 1.8% to QR 1.094.

## MENA BOND MARKETS REMAIN UNDER DOWNWARD PRICE PRESSURES DUE TO "WARSH" FACTOR

Activity in MENA fixed income markets was tilted to the downside this week, mainly due to the "Warsh" factor. In fact, regional debt markets reacted to reports that the US President nominated former US Federal Reserve Governor Kevin Warsh as the next Fed Chair after Jerome Powell. Warsh is viewed by global markets as potentially "hawkish", which signals "higher-for-longer" interest rates to combat inflation.

In the Saudi credit space, sovereigns maturing in 2030, 2034, 2050 and 2060 recorded price decreases ranging between 0.16 pt and 0.88 pt this week. Prices of Saudi Aramco'30, '34 and '50 went down by 0.07 pt, 0.25 pt and 0.53 pt respectively. Saudi Aramco raised US$ 4 billion this week from the sale of a four-tranche bond. The first tranche consisted of US$ 500 million three-year bonds issued at 60 bps over US Treasuries against an initial price guidance of 100 bps over UST. The second tranche consisted of US$ 1.5 billion five-year bonds issued at 80 bps over US Treasuries against an initial price guidance of 115 bps over UST. The third tranche consisted of US$ 1.25 billion ten-year bonds issued at 95 bps over US Treasuries against an initial price guidance of 125 bps over UST. The fourth tranche consisted of US$ 750 million 30-year bonds issued at 130 bps over US Treasuries against an initial price guidance of 165 bps over UST. The four-tranche bond attracted more than US$ 21 billion in orders. Regarding other new bond issues, The Arab Energy Fund (Formerly APICORP) raised this week US$ 500 million from the sale of a 10-year Reg S

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Sukuk at 85 bps over midswaps against an initial price guidance of 110 bps over midswaps. The Sukuk sale attracted more than US$ 1.6 billion in orders.

Concurrently, STC'29 closed down by 0.21 pt this week. SEC'30 traded up by 0.06 pt, while SEC'44 was down 0.36 pt. Prices of SABIC'28 went up by 0.09 pt. Amongst financials, SNB'29 traded down by 0.07 pt. Prices of Al Rajhi Bank'29 fell by 0.12 pt. Banque Saudi Fransi'29 was down by 0.18 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded price drops of up to 1.84 pt week-on-week. Bahrain tapped international debt markets this week through the sale of Sukuk and conventional bonds. In details, Bahrain raised US$ 800 million from the sale of an eight-year Sukuk at a yield of 6.125% against an initial price guidance of 6.625%. The sukuk sale attracted more than US$ 3.7 billion in orders. Concomitantly, Bahrain raised US$ 1.3 billion from the sale of 12-year conventional bonds at a yield of 7.1% against an initial price guidance of 7.5%. The order book size exceeded US$ 4.4 billion.

In the UAE credit space, sovereigns maturing in 2031, 2041 and 2052 recorded price declines of up to 0.47 pt, while sovereigns maturing in 2033 saw price rises of 0.06 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2050 posted price retreats of 0.50 pt this week. DP World'30 and '49 were down by 0.11 pt and 0.51 pt respectively. Emirates Airlines'28 closed down by 0.24 pt. Amongst financials, prices of Emirates NBD Bank'27 retreated by 0.07 pt. In the Sharjah credit space, sovereigns maturing in 2030 posted price contractions of 0.05 pt week-on-week. In the Abu Dhabi credit space, sovereigns maturing in in 2027 and 2030 saw weekly price drops of 0.09 pt and 0.63 pt respectively. Prices of Mubadala'41 and '50 contracted by 0.30 pt and 0.28 pt respectively, while Mubadala'28 was up by 0.06 pt. Prices of Taqa'30 and '36 declined by 0.05 pt and 0.23 pt respectively, while Taqa'38 was up by 0.11 pt. ADNOC Murban'29 was down by 0.10 pt. Amongst financials, prices of FAB'29 expanded by 0.05 pt. First Abu Dhabi Bank raised US$ 500 million this week from the sale of a five-year floating rate Formosa bond at SOFR + 75 bps.

In the Kuwaiti credit space, KIPCO'27 traded down by 0.16 pt week-on-week. In the Iraqi credit space, sovereigns maturing in 2028 posted price falls of 0.07 pt this week. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 saw price falls of 0.06 pt, 0.31 pt and 0.98 pt respectively week-on-week.

In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 recorded price contractions of up to 1.78 pt this week.

All in all, MENA fixed income markets remained under downward price pressures this week, after the US President selected former US Federal Reserve Governor Kevin Warsh to lead the Central Bank when Jerome Powell's term ends in May, noting that Warsh has been historically viewed as more of a "hawk" who prioritizes fighting inflation.

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

| in basis points | 30-Jan-26 | 23-Jan-26 | 31-Dec-25 | Week-on-week | Year-to-date |
|---|---|---|---|---|---|
| Abu Dhabi | 31 | 31 | 27 | 0 | 4 |
| Dubai | 51 | 51 | 46 | 0 | 5 |
| Kuwait | 49 | 48 | 47 | 1 | 2 |
| Qatar | 29 | 29 | 27 | 0 | 2 |
| Saudi Arabia | 73 | 71 | 67 | 2 | 6 |
| Bahrain | 202 | 196 | 184 | 6 | 18 |
| Morocco | 76 | 76 | 70 | 0 | 6 |
| Egypt | 306 | 303 | 271 | 3 | 35 |
| Iraq | 236 | 223 | 207 | 13 | 29 |
| Middle East | 117 | 114 | 105 | 3 | 12 |
| Emerging Markets | 104 | 102 | 99 | 2 | 5 |
| Global | 211 | 212 | 213 | -1 | -2 |

*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/-/SD | C/Stable | RD/-/C |
| Syria | NR | NR | NR |
| Jordan | BB-/Stable/B | Ba3/Stable | BB-/Stable/B |
| Egypt | B/Stable/B | Caa1/Positive | B/Stable/B |
| Iraq | B-/Stable/B | Caa1/Stable | B-/Stable/B |
| **GULF** | | | |
| Saudi Arabia | A+/Stable/A-1 | Aa3/Stable | A+/Stable/F1+ |
| United Arab Emirates | AA/Stable/A-1+* | Aa2/Stable | AA-/Stable/F1+ |
| Qatar | AA/Stable/A-1+ | Aa2/Stable | AA/Positive/F1+ |
| Kuwait | AA-/Stable/A-1+ | A1/Stable | AA-/Stable/F1+ |
| Bahrain | B/Stable/B | B2/Stable | 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/Stable | BB+/Stable/B |
| Tunisia | NR | Caa1/Stable | CCC+/C |
| Libya | NR | NR | NR |
| Sudan | NR | NR | NR |

NR= Not Rated RWN= Rating Watch Negative RUR= Ratings Under Review * Emirate of Abu Dhabi Ratings

| FX RATES (per US$) | 30-Jan-26 | 23-Jan-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) | 46.93 | 47.16 | 47.70 | -0.5% | -1.6% |
| Iraqi Dinar (IQD) | 1,310.00 | 1,310.00 | 1,310.00 | 0.0% | 0.0% |
| **GULF** | | | | | |
| Saudi Riyal (SAR) | 3.75 | 3.75 | 3.75 | 0.0% | 0.0% |
| 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) | 238.33 | 238.31 | 238.38 | 0.0% | 0.0% |
| **NORTH AFRICA** | | | | | |
| Algerian Dinar (DZD) | 129.35 | 129.04 | 129.41 | 0.2% | 0.0% |
| Moroccan Dirham (MAD) | 9.12 | 9.13 | 9.11 | -0.2% | 0.1% |
| Tunisian Dinar (TND) | 2.84 | 2.87 | 2.89 | -1.1% | -1.9% |
| Libyan Dinar (LYD) | 6.27 | 6.33 | 5.42 | -0.9% | 15.8% |
| Sudanese Pound (SDG) | 647.81 | 647.81 | 647.81 | 0.0% | 0.0% |

*NR = Not Rated*
*RWN = Rating Watch Negative*
*RUR = Ratings Under Review*
**Emirate of Abu Dhabi Ratings*
*Sources: S&P, Bloomberg, Bank Audi'sGroup Research Departement.*

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