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MENA WEEKLY MONITOR

OCTOBER 18 TO OCTOBER 24, 2026
WEEK 43

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MENA equity markets slid deeper into the red this week, with the S&P Pan Arab Composite index contracting by 3.5%, as escalating fears of a broader regional conflict dented investor sentiment. The downturn was further amplified by some downbeat financial results and unfavorable analyst recommendations. In parallel, activity in MENA fixed income markets was mixed over this week. While some regional bonds tracked a rally in US Treasuries as AI jitters and mounting Middle East geopolitical risks drove safe-haven inflows, these gains were capped by lingering worries over energy-fueled inflation. Traders dialed back expectations for a December 2026 US Fed interest rate hike, with the implied probability dropping to 84% from a previously fully priced-in 100%. Market expectations have shifted towards a slower tightening cycle, with traders now projecting two rate increases in March and September 2027, instead of March and June previously forecast.

MENA MARKETS: OCTOBER 18 TO OCTOBER 24, 2026

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-3.5%	Average weekly bond price change	+0.01 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↓
YTD stock price performance	-7.7%	Average yearly bond price change	-4.46 pts

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ECONOMY

REGIONAL GDP PROJECTED TO CONTRACT BY 2.1% IN 2026, AS PER THE WORLD BANK

According to the just released Regional economic report of the World Bank, the conflict that began in the Persian Gulf in February 2026 has imposed a profound human toll across the Middle East, North Africa, Afghanistan, and Pakistan (MENAAP) region and delivered the largest geopolitical and energy shocks in decades.

The effective closure of the Strait of Hormuz disrupted a route through which around one-fifth of globally traded oil and liquefied natural gas is normally transported. Gulf oil production fell from about 26 million barrels per day before the conflict to about 16 million in March. Tanker traffic through the strait and from several Gulf exporters fell to a fraction of its pre-conflict level.

The initial shock triggered increased volatility in energy markets, with oil prices fluctuating in response to news of escalation and easing tensions. Volatility notwithstanding, the impact on the global economy has been relatively contained, with the latest World Bank Group projections of global growth revised downward only slightly, from 2.6 percent in January to 2.5 percent in June.

Several factors helped cushion the global effects of such a large energy supply shock: The world entered 2026 with overproduction; some Gulf economies redirected their exports through alternative routes; producers outside the region increased output; inventories were drawn down; and global demand for oil, particularly in East Asia, declined.

The shock has had a much larger impact within the MENAAP region, through production and export quantity disruptions. For hydrocarbon exporters affected by the closure of the Strait of Hormuz, lower export volumes have translated into substantial economic losses.

GDP in the Gulf Cooperation Council (GCC) economies is projected to shrink by 4.3 percent in 2026, a contraction comparable to that experienced during the COVID-19 pandemic. Qatar's economy is projected to contract by 20.9 percent, its weakest performance in more than five decades. In Iraq and the Islamic Republic of Iran, GDP is forecast to decline by 12.4 and 7.7 percent, respectively.

Oil-importing economies in the region have remained comparatively resilient, with growth projected at 4.3 percent in 2026, up from 3.9 percent in 2025.

Reflecting these differing trajectories overall, regional output is projected to contract by 2.1 percent in 2026, after expanding by 3.3 percent in 2025 as per World Bank estimates and projections.

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SAUDI ARABIA'S REAL ESTATE PRICE INDEX INCREASED YEAR-ON-YEAR IN Q3-2026

According to the latest data released by the General Authority for Statistics, Saudi Arabia's Real Estate Price Index recorded a year-on-year increase of 1.2% in Q3-2026 compared to the same quarter in 2025. This was mainly driven by the increase in the residential sector, which holds the largest weight in the index, despite a decline in the commercial sector.

In detail, the Residential Sector (weight of 72.7%) recorded an increase of 2.3% in Q3-2026 compared to Q3-2025. Residential Land (weight of 45.8%) prices increased by 4.9%, Apartment Prices (weight of 15.0%) increased by 1.7%, and Residential Floor (weight of 1.4%) prices increased by 0.8%, while Villas (weight of 10.5%) recorded a decline of 7.7% between Q3-2025 and Q3-2026.

On the other hand, the Commercial Sector (weight of 25.4%) recorded a 2.0% year-on-year decline in Q3-2026. In detail, Commercial Plots (weight of 22.8%) and Buildings (weight of 2.0%) recorded price decreases of 2.1% and 1.4%, respectively, while Exhibitions (weight of 0.6%) recorded a decline of 0.9%. Meanwhile, the Agricultural Sector (weight of 1.9%) increased by 3.9% between Q3-2025 and Q3-2026, driven by the increase in Agricultural Land prices.

SAUDI ARABIA REAL ESTATE PRICE INDEX BY SECTOR

	Q3-2025	Q3-2026	VAR Y-O-Y	Weight
Residential Sector	**100.4**	**102.7**	**2.3%**	**72.7%**
Residential Land	100.4	105.4	4.9%	45.8%
Villas	102.4	94.5	-7.7%	10.5%
Apartments	99.3	100.9	1.7%	15.0%
Residential Floor	98.7	99.5	0.8%	1.4%
Commercial Sector	**113.9**	**111.6**	**-2.0%**	**25.4%**
Commercial Plot	114.5	112.0	-2.1%	22.8%
Buildings	111.3	109.7	-1.4%	2.0%
Exhibitions	100.8	100.0	-0.9%	0.6%
Agricultural Sector	**110.2**	**114.4**	**3.9%**	**1.9%**
Agricultural Land	110.2	114.4	3.9%	1.9%
Real Estate Price Index	**103.9**	**105.1**	**1.2%**	**100%**

Source: General Authority for Statistics, Bank Audi's Group Research Department

QATAR'S NON-ENERGY PRIVATE SECTOR DETERIORATION WORSENS IN SEPTEMBER

According to the latest S&P Global Qatar Purchasing Managers' Index (PMI), the headline index decreased to 47.3 in September 2026, from 47.6 in August 2026, remaining below the neutral 50.0 threshold and signaling a worsening deterioration in non-energy private sector business conditions. The latest reading extended the current downturn to seven consecutive months. Nevertheless, the PMI averaged 47.8 in Q3-2026, up from 46.6 in both Q1-2026 and Q2-2026.

In detail, business activity declined at a faster pace during the month, with output contracting at its sharpest rate since March and the steepest decline recorded in the construction sector. Weak activity reflected subdued demand, deteriorating market conditions, ongoing regional tensions and operational challenges. Additionally, new orders declined at the fastest pace since June, extending the current period of weakening demand to ten consecutive months. Purchasing activity also declined at its sharpest rate in six months, leading input inventories to fall for the second consecutive month.

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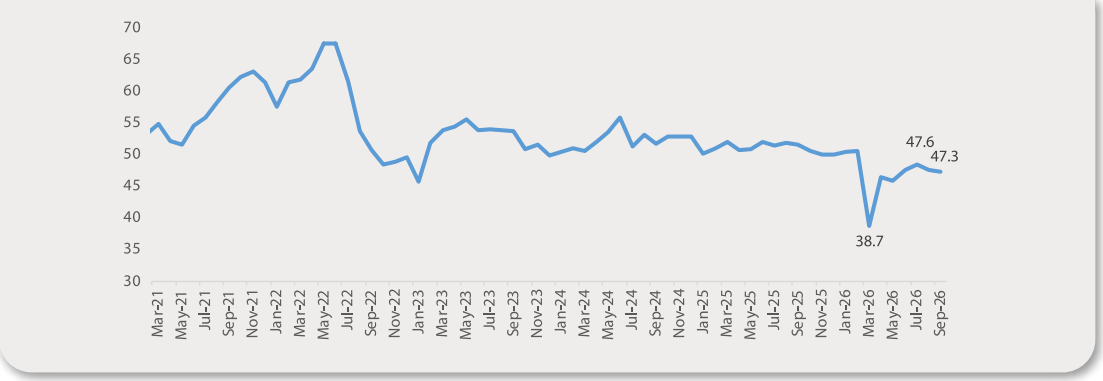
Looking ahead, business confidence remained positive and improved from August, supported by expectations of better market conditions, a potential resolution to regional tensions, planned investments and government initiatives. Meanwhile, input price inflation eased for the first time in 2026, although cost pressures remained elevated, with purchase price inflation unchanged from August and wage inflation accelerating. Firms raised selling prices for the sixth consecutive month, with the rate of inflation remaining unchanged from August and among the highest in the survey's history. Employment also increased for the 26th consecutive month, albeit at a modest pace.

QATAR'S HEADLINE COMPOSITE PMI



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

JORDAN RECORDS YEAR-ON-YEAR CPI INFLATION OF 2.7% IN SEPTEMBER

According to data from the Jordanian Department of Statistics (DoS), the country registered a year-on-year inflation rate of 2.7% in September 2026.

In detail, year-on-year price increases were recorded in Food and Non-Alcoholic Beverages (weight of 26.5%), Housing (weight of 23.8%), Transportation (weight of 16.0%), and Household Furnishings & Equipment (weight of 4.9%) of 0.3%, 3.9%, 7.0%, and 0.3%, respectively, during September 2026 against the same month of the year prior. Year-on-year price increases during the period were also noted in Other Goods & Services (weight of 4.8%), Alcohol, Tobacco & Cigarettes (weight of 4.4%), Education (weight of 4.4%), and Health (weight of 4.0%) of 2.7%, 4.0%, 3.3%, and 0.7%, respectively. Additionally, the prices of Communication (weight of 2.8%), Culture & Recreation (weight of 2.6%), and Restaurants & Hotels (weight of 1.8%) recorded year-on-year increases of 0.8%, 2.6%, and 0.4%, respectively.

Meanwhile, Clothing & Footwear (weight of 4.1%) registered a year-on-year price increase of 1.3% in September 2026, compared to a decline of 0.2% in August 2026, as per the Jordanian DoS.

JORDAN'S AVERAGE CPI VARIATION BETWEEN 2025 AND 2026

Sector	Sep-2025	Sep-2026	% change	Weight
Food and non-Alcoholic Beverages	109.6	110.0	0.3%	**26.5%**
Alcohol and Tobacco and Cigarettes	123.3	128.1	4.0%	**4.4%**
Clothing and footwear	95.0	96.2	1.3%	**4.1%**
Housing	119.1	123.7	3.9%	**23.8%**
Household Furnishings and Equipment	107.9	108.2	0.3%	**4.9%**
Health	112.6	113.4	0.7%	**4.0%**
Transportation	111.5	119.4	7.0%	**16.0%**
Communication	106.7	107.6	0.8%	**2.8%**
Culture and Recreation	118.6	121.6	2.6%	**2.6%**
Education	112.0	115.7	3.3%	**4.4%**
Restaurants and Hotels	119.5	119.9	0.4%	**1.8%**
Other Goods and Services	114.7	117.7	2.7%	**4.8%**
All items	**112.7**	**115.8**	**2.7%**	**100%**

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

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SURVEYS / REPORTS

UAE LEADS MEA FLEXIBLE WORKSPACE MARKET WITH OCCUPANCY REACHING UP TO 85%, AS PER JLL

The Middle East and Africa (MEA) flexible workspace market reached a critical inflection point, according to a report by Jones Lang LaSalle (JLL), which finds that over 90% of the region's corporate real estate portfolios remain committed to traditional, long-term leases.

The report titled "Middle East & Africa Flexible Workspace Market Report 2026" calls for an urgent rethink of how commercial real estate stakeholders approach workspace strategy. This is because artificial intelligence and evolving workplace models are creating fundamental uncertainty regarding optimal workforce composition and spatial requirements, making portfolio agility a strategic imperative. Yet, the adoption gap remains stark as fewer than 5% of global corporations allocate more than 10% of their portfolios to flex space, while more than 40% allocate one per cent or less.

In details, the report underscores the UAE's role as the region's most advanced flexible workspace market, with Dubai leading as its largest and most mature hub. Commanding over 1.2 million sq. ft. of supply with a healthy 75% - 85% occupancy rate, the Emirate has seen sustained operator confidence, with approximately 55% of its current inventory delivered since 2022.

Dubai's key advantage is its diversified landscape. Unlike other cities, its multiple submarket tiers, from the premium Central Business District (CBD) to value-focused hubs like JLT (Jumeirah Lakes Towers, a massive waterfront mixed-use development and free zone) create unparalleled tenant choice and support competitive pricing, enabling market segmentation strategies. Private offices dominate the Dubai flex landscape, with approximately 95% of workspace allocated to enclosed offices in the CBD locations to meet the regulatory and confidentiality needs of financial and professional services firms.

The market's long-term stability is anchored by its diverse tenant composition of approximately 55% regional/local and 40%-45% international occupiers, with demand spanning new setups, expansions, and strategic relocations. This inherent resilience was demonstrated recently when operators responded to softer absorption from geopolitical tensions by offering tenant incentives and flexible lease structures to preserve pricing integrity, instead of offering substantial rental rate reductions.

In contrast, Abu Dhabi's supply of 366,000 sq. ft. reflects a measured and strategically concentrated development. The capital is in a growth acceleration phase, transitioning from a niche market to a scaled flex ecosystem following significant supply additions in 2024 and 2025. The city enjoys a strong 70%-85% market-wide occupancy rate. The market's structure is defined by its Abu Dhabi Global Market (ADGM) concentration, which captures 57% of operator presence, reflecting Abu Dhabi's focus on developing a singular financial hub within a specialized regulatory framework. This concentration creates favorable conditions for established operators and serves a tenant base overwhelmingly driven by new businesses.

Concurrently, demand in Abu Dhabi is the highest across all MEA markets for new company setups, which account for 60%-70% of enquiries. This demand is increasingly international (45%-55%), signaling the capital's growing global integration.

The JLL report notes that this market evolution validates the structural shift toward flexibility as a permanent corporate workspace strategy, with operators now enhancing meeting capacity and investing in technology to support hybrid work models.

In increasingly competitive markets, the differentiation is centered on service excellence, with hospitality-oriented models and superior design quality becoming key to justifying premium positioning. These market dynamics create distinct opportunities for all stakeholders. Landlords and developers must prioritize partnership structures over direct operations. Management agreements and revenue-share models further protect landlords from operator defaults, maintaining asset control and participation in flexible office revenue streams.

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All in all, the MEA flexible office sector is currently financially stable, operationally disciplined and positioned for sustained growth. The transition from a niche accommodation solution to strategic real estate infrastructure would provide the speed, agility and adaptability that modern business requires in an era of unprecedented workforce uncertainty.

FITCH AFFIRMS MOROCCO AT "BB+" WITH "STABLE" OUTLOOK

Fitch Ratings affirmed Morocco's long-term Issuer Default Ratings (IDR) at '"BB+" with a "stable" outlook. Morocco's "BB+" rating reflects sound macroeconomic policies, adequate external liquidity buffers and strong official creditor support, which result in a relatively favorable debt profile. These strengths are balanced against lower development, governance indicators and high government debt relative to peers, and the economy's exposure to adverse weather conditions.

In details, Fitch expects central government fiscal deficit would widen to 4.0% of GDP in 2026, from 3.5% in 2025, reflecting temporary spending related to the Hormuz Strait crisis. Higher energy prices have raised subsidy costs through larger butane gas compensation payments, continued support for transport operators and higher transfers to the national electricity and water company. Higher spending would more than offset continued, although moderating, revenue gains from tax reforms, stronger compliance and improved collection efficiency.

In parallel, Fitch expects the fiscal deficit to average 3.4% of GDP in 2027-2028 as temporary Hormuz-related spending pressures fade. Lower subsidy spending would drive most of the adjustment as energy prices normalize, while Fitch forecasts tax revenue would remain broadly stable. On-budget capital spending would remain elevated, averaging 7.5% of GDP, ahead of the 2030 FIFA World Cup. However, state-owned and other off-budget entities would undertake the majority of the infrastructure investment.

Fitch also forecasts central government debt would remain relatively stable at 67% of GDP in 2028 (2025: 67%), remaining significantly above the "BB" projected median of 51%. Refinancing and exchange-rate risks are somewhat mitigated by Morocco's relatively favorable debt composition, characterized by long maturities, a high share of fixed-rate instruments and significant reliance on concessional external financing.

On the other hand, Morocco launched a large infrastructure program ahead of the 2030 FIFA World Cup, which Fitch expects to be financed largely through State-owned entities, public-private partnerships and other off-budget entities. Nonetheless, public finances face meaningful risks in the event of cost overruns, the need for higher government support, or the buildup of contingent liabilities that could eventually crystallize on the sovereign balance sheet.

Fitch expects the Current Account Deficit (CAD) to widen to 3.8% of GDP in 2026 (2025: 2.5%), before narrowing to an average 2.6% in 2027-2028. The widening reflects a higher energy import bill after the Hormuz Strait crisis and weaker demand from Europe, Morocco's main export market, outweighing continued growth in phosphate exports and tourism receipts. The subsequent improvement reflects normalizing energy prices and a more supportive external environment.

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CORPORATE NEWS

UAE'S ARADA ENTERS SAUDI ARABIA WITH US$ 3.8 BILLION RESIDENTIAL MASTER PLAN

Leading UAE master developer Arada announced the establishment of Arada KSA, a new real estate development company that would be responsible for delivering large-scale communities across Saudi Arabia.

The new entity has been founded in strategic partnership with XTOPIA, a community and lifestyle company developing integrated mixed-use destinations across the region.

Arada KSA's first project is an US$ 3.8 billion (AED 14 billion) residential master plan in the Al Rimal District of north-eastern Riyadh, which is one of the largest private real estate projects to be announced in the Saudi capital in recent years.

The development would be delivered on a plot of 2.5 million sq m and would comprise an estimated 3,500 villas and townhouses, with several amenities including a school, retail, a community center and sporting facilities.

The entry into Saudi Arabia is the latest step in Arada's rapid global expansion. The company now has a project pipeline valued at US$ 50 billion (AED 185 billion) across five markets, with a portfolio of more than 70,000 homes spanning the United Kingdom, Syria, Australia, the UAE and, with this announcement, Saudi Arabia. In total, Arada has completed 17,000 homes.

SAUDI ARABIA SEALS ENERGY CORPORATIONS DEALS WITH KUWAIT, QATAR AND EGYPT

Saudi Arabia signed MoUs with Kuwait, Qatar and Egypt to establish frameworks for co-operation across a range of energy sectors, as mentioned in a company statement.

The agreement with Kuwait covers electricity, renewable energy, power grid interconnection, electricity exports, energy efficiency, storage and smart grids. It also includes cooperation in digital transformation, artificial intelligence, cybersecurity and innovation, as well as efforts to localize energy-related products and services. The two countries would also co-operate on technologies to mitigate climate change, including solutions linked to the circular carbon economy.

The memorandum with Qatar covers oil, petroleum products, natural gas, refining, petrochemicals, electricity, clean hydrogen and renewable energy, as well as energy efficiency and storage. The agreement also provides for the two countries to explore joint projects involving pipelines for transporting and exporting oil and gas, sustainable petrochemical materials and infrastructure to improve access to energy.

As per the deal, Saudi Arabia and Qatar would also coordinate on international energy transition and climate change discussions, including negotiations under the United Nations Framework Convention on Climate Change and the Paris Agreement.

The agreement with Egypt focuses on cooperation in crude oil, petroleum products and natural gas, including trade, transportation, storage, distribution and related infrastructure and logistics. The two countries aim to strengthen energy market integration, improve supply chain resilience and enhance energy security to meet domestic and regional demand.

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OOREDOO QATAR LAUNCHES QATAR'S FIRST 5G+ NETWORK

Ooredoo Qatar, the country's leading telecommunications and ICT provider, announced the launch of Qatar's first 5G+ mobile network. This latest evolution of its connectivity infrastructure lays the foundation for enhanced digital experiences for consumers and smarter, more responsive operations for businesses.

The 5G+ network builds on the capabilities of 5G standalone, the network Ooredoo Qatar was the first to deploy, and 5G Advanced to support increasingly demanding digital applications, with faster speeds, greater network capacity, and lower latency. These improvements enable more devices to connect and exchange information efficiently, while shorter response times support applications such as real-time equipment monitoring and automated processes.

For businesses, these capabilities provide a foundation for more efficient operations and better-informed decisions. Enhanced network reliability and performance support real-time monitoring, AI-enabled services, and complex digital workloads. Network slicing allows connectivity to be tailored to specific applications, while 5G advanced networks and edge computing can support mission-critical applications that require rapid responses.

BOUBYAN BANK AND MASTERCARD SIGN STRATEGIC AGREEMENT TO ADVANCE FINTECH IN KUWAIT

Kuwait-based Boubyan Bank and Mastercard signed a new agreement to empower FinTech companies as part of their strategic collaboration, reflecting their shared commitment to supporting innovation and contributing to the growth of Kuwait's FinTech ecosystem.

The agreement enables both parties to explore new opportunities for collaboration and implement innovative solutions, drawing on Boubyan's advanced banking infrastructure and operational and regulatory expertise, alongside Mastercard's global network and technological capabilities in payments.

This collaboration would enhance the efficiency of digital financial services and support smoother, more secure customer experiences.

SUBMER AND ACES TO BOOST AI-READY DATA CENTER CAPACITY IN SAUDI ARABIA

Spain-based Submer, a full-stack AI infrastructure provider, signed an MoU with ACES, a Saudi digital infrastructure company, to accelerate the rollout of high-density, AI-ready data centers across Saudi Arabia.

Under the agreement, the two companies would jointly pursue projects that serve the growing demands of AI and high-performance computing workloads. Submer contributes engineering and technology spanning the full project lifecycle, while ACES contributes to local delivery, infrastructure services and investment.

The scope covers advisory and consultancy for facility planning; the design and build of new and retrofit sites; IT integration across computer, networking and monitoring systems; thermal and power systems, including advanced liquid and immersion cooling; and potential co-investment in Saudi data center capacity.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES DIP DEEPER INTO RED AMID CONCERNS ABOUT WIDESPREAD REGIONAL CONFLICT

MENA equity markets slid deeper into the red this week, with the S&P Pan Arab Composite index contracting by 3.5%, as escalating fears of a broader regional conflict dented investor sentiment. The downturn was further amplified by some downbeat financial results and unfavorable analyst recommendations.

The heavyweight Saudi Exchange, which represents roughly 60% of the total regional market capitalization, dropped further into negative territory this week, with the S&P Saudi price index tumbling 4.3%. Escalating Saudi-Houthi tensions rattled markets, disrupting business operations and forcing major event cancellations in the Kingdom. Most notably, Saudi Arabia has postponed its flagship Future Investment Initiative (FII) -widely known as "Davos in the Desert"- until 2027. The decision followed a series of deadly Houthi attacks targeting critical civilian aviation infrastructure and energy facilities in recent weeks, underscoring the severe toll the intensifying regional conflict is taking on investor sentiment. Risk aversion deepened after the US Department of State issued an ordered departure for non-emergency US government employees and their family members in Saudi Arabia. This geopolitical strain compounded some weaker-than-estimated corporate financial results and unfavorable analysts' recommendations.

A closer look at individual stocks shows that Petro Rabigh's share price shed 6.9% week-on-week to reach SR 16.05. Yansab's share price fell by 4.9% to SR 30.10. SABIC's share price closed 1.9% lower at SR 43.72. Sipchem's share price retreated by 0.6% to SR 11.35. As to banking stocks, Bank AlBilad's share price plunged by 7.5% to SR 20.30. Bank AlBilad reported a 3.4% year-on-year fall in its 2026 third quarter net profits to reach SR 740 million, missing average analysts' estimate. Alinma Bank's share price nosedived by 9.2% to SR 21.46. Alinma Bank reported a relatively flat 2026 third quarter net profits of SR 1.59 billion (down by 0.2% year-on-year), missing average analysts' estimate. Saudi National Bank's share price plummeted by 6.7% to SR 34.62. Banque Saudi Fransi's share price dropped by 6.1% to SR 18.40. Saudi Awwal Bank's share price tumbled by 6.2% to SR 30.98.

Concomitantly, MEDGULF's share price fell by 10.0% week-on-week to SR 13.01. Arqaam Capital Limited cut its recommendation on MEDGULF's stock to "Sell" from "Hold", with a price target of SR 12.60, which implies a 13% decrease from last price. Malath Cooperative Insurance Company's share price went down by 4.3% to SR 7.94. Arqaam Capital Limited cut its recommendation on Malath Cooperative Insurance Company's stock to "Sell" from "Hold", with a price target of SR 7.50, which implies an 11% decrease from last price. The National Agricultural Development Company (NADEC) posted a 9.1% weekly contraction in

EQUITY MARKETS INDICATORS (OCTOBER 18 TO OCTOBER 24,2026)

Market	Price Index	Week-on-week	Year-to-Date	Trading Value	Week-on-week	Volume Traded	Market Capital-ization	Turnover ratio	P/E*	P/BV*
Lebanon	148.1	-0.7%	-14.1%	0.5	-77.7%	0.0	16,735.3	0.2%	-	0.49
Jordan	641.8	-1.6%	11.8%	73.0	-1.0%	18.7	40,449.2	9.4%	12.3	2.16
Egypt	371.4	-5.3%	1.7%	612.4	5.8%	8,804.6	71,733.7	44.4%	9.3	2.63
Saudi Arabia	420.1	-4.3%	-8.8%	4,391.8	15.2%	1,128.7	2,420,473.3	9.4%	15.2	3.42
Qatar	129.8	-1.9%	-18.6%	423.3	29.1%	710.9	145,267.7	15.2%	11.1	1.27
UAE	168.4	-3.1%	-2.6%	2,467.8	7.9%	2,584.4	949,260.8	13.5%	14.0	2.77
Oman	172.2	-5.5%	23.6%	403.7	-25.1%	539.2	56,330.2	37.3%	13.1	1.98
Bahrain	168.2	-1.7%	-10.3%	6.4	45.4%	7.3	17,862.0	1.9%	10.4	1.37
Kuwait	85.2	-1.7%	-9.7%	779.9	-11.2%	875.8	158,158.1	25.6%	18.3	1.98
Morocco	363.6	-0.5%	-14.5%	109.1	35.7%	6.0	101,654.0	5.6%	16.7	2.97
Tunisia	119.6	-1.1%	27.9%	12.1	-12.4%	2.6	14,816.4	4.3%	14.1	2.46
Arab Markets	**921.2**	**-3.5%**	**-7.7%**	**9,280.1**	**7.9%**	**14,678.2**	**3,992,740.7**	**12.1%**	**14.6**	**3.05**

Values in US$ million; volumes in millions

** markets cap-weighted averages*

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

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its share price to reach SR 11.58. NADEC reported 2026 third quarter net profits of SR 30.4 million, marking a 72.5% fall compared to SR 110.67 million during the same period of last year, and falling short of average analysts' estimate.

The Qatar Stock Exchange extended its losing streak this week, with the S&P Qatar price index falling by 1.9%, as mounting concerns over a widening regional conflict and a protracted closure of the Strait of Hormuz soured investor sentiment. Fitch Ratings sees that Qatar is among the most exposed GCC countries to an effective Strait closure extending beyond the first quarter of 2027. Qatar lacks alternative export routes and would be unable to build sufficient alternatives quickly enough. Fitch Ratings views the risks to Qatar's energy exports under this scenario as clearer, given its reliance on LNG exports that are much more complex to stop and restart, and use significantly more expensive vessels than oil. Compounding the geopolitical strain, some downbeat corporate earnings further choked off market momentum.

37 out of 54 traded stocks on the Qatar Stock Exchange posted price falls, while 14 stocks recorded price gains and three stocks saw no price change week-on-week. A glance on individual stocks shows that Commercial Bank of Qatar's share price fell by 6.6% to QR 3.690. Commercial Bank of Qatar posted a 14% year-on-year contraction in its net profits over the first nine months of 2026 to reach QR 1.54 billion. Doha Bank's share price closed 3.4% lower at QR 2.232. Doha Bank posted an 8.7% year-over-year fall in its net profits during the first nine months of 2026 to reach QR 681 million. Lesha Bank's share price retreated by 1.6% to QR 2.788. Qatar International Islamic Bank's share price declined by 0.8% to QR 9.699. Dukhan Bank's share price fell by 1.5% to QR 2.950.

Concurrently, Qatar Gas Transport Company's share price shed 3.7% this week to reach QR 3.630. Qatar Gas Transport Company reported net profits of QR 1.29 billion in the first nine months of 2026, down by 1.6% year-on-year. Gulf International Services' share price dropped by 4.9% to QR 1.407. Industries Qatar's share price contracted by 0.6% to QR 8.450. United Development Company's share price fell by 3.4% to QR 0.687. Ezdan Holding Group's share price nosedived by 5.8% to QR 0.698. Qatar Aluminum Manufacturing's share price contracted by 4.5% to QR 1.118. Qatar Navigation's share price went down by 4.9% to QR 8.750.

Boursa Kuwait sank deeper into the red this week, with the S&P Kuwait price index contracting by 1.7%. The downturn was primarily driven by intensifying regional geopolitical tensions- with Iran declaring that talks with the US would not proceed until Tehran's demands are met- alongside growing fears of a prolonged conflict and a protracted closure of the Strait of Hormuz. Within this context, it is worth mentioning that Kuwait is among the most affected commodity producers by disruptions to energy output and transport. A closer look at individual stocks shows that Kuwait Finance House's share price shed 3.0% this week to reach KWF 737. Kuwait Finance House reported a 6.5% year-on-year expansion in its 2026 third quarter net profits to reach KWD 160.3 million, yet still missing average analysts' estimate. Kuwait International Bank's share price decreased by 2.1% to KWf 233. Boubyan Bank's share price closed 3.5% lower at KWf 642. Kuwait Cement's share price plunged by 17.9% to KWf 302. Al-Kout Industrial Projects Company's share price dropped by 2.3% to KWf 651. Independent Petroleum's share price fell by 4.9% to KWf 760. Action Energy Company's share price went down by 3.6% to KWf 244. Kuwait Projects' share price decreased by 2.0% to KWf 68.8. National Mobile Telecommunications' share price nosedived by 6.4% to KWf 1,583. Arkan Al Kuwait Real Estate's share price plummeted by 8.9% to KWf 257.

FIXED INCOME MARKETS: MIXED PRICE MOVEMENTS IN MENA BOND MARKETS THIS WEEK

Activity in MENA fixed income markets was mixed over this week. While some regional bonds tracked a rally in US Treasuries as AI jitters and mounting Middle East geopolitical risks drove safe-haven inflows, these gains were capped by lingering worries over energy-fueled inflation. Traders dialed back expectations for a December 2026 US Fed interest rate hike, with the implied probability dropping to 84% from a previously fully priced-in 100%. Market expectations have shifted towards a slower tightening cycle, with traders now projecting two rate increases in March and September 2027, instead of March and June previously forecast.

In the Saudi credit space, sovereigns maturing in 2028, 2029, 2030 and 2034 recorded price decreases of up to 0.52 pt this week. Prices of Aramco'30 and'34 went down by 0.15 pt and 0.40 pt respectively. In contrast, SABIC'28 posted shy price gains of 0.04 pt. Fitch Ratings affirmed this week SABIC's long-term

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Issuer Default Rating at "A+". The outlook is "Stable". The IDR reflects SABIC's low leverage, large scale and structural cost advantage. The "Stable" outlook reflects Fitch's expectation that SABIC would maintain strong credit metrics, despite risks of shipment disruption or asset damage, as SABIC can adjust capex or dividends. Amongst financials, prices of Al Rajhi Bank'29 declined by 0.05 pt. Banque Saudi Fransi'29 was down by 0.08 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030 and 2035 recorded price gains of up to 0.49 pt week-on-week. In the Kuwaiti credit space, sovereigns maturing in 2027 reported no price change this week. As to new issues, Kuwait raised US$ 3.25 billion this week from the sale of a dual-tranche bond. The first tranche consisted of a US$ 2.25 billion three-year bonds issued at 75 bps over US Treasuries against an initial price guidance of 105 bps over UST. The second tranche consisted of a US$ 1 billion 10-year bonds issued at 105 bps over US Treasuries against an initial price guidance of 130 bps over UST. The final orderbook for the 3-year and 10-year offerings exceeded US$ 7.8 billion.

In the Qatari credit space, sovereigns maturing in 2034 saw price contractions of 0.15 pt week-on-week. In contrast, prices of Ooredoo'28 and '43 went up by 0.09 pt and 0.71 pt respectively. Amongst financials, Qatar International Islamic Bank'29 traded down by 0.05 pt. Prices of Doha Finance'29 retreated by 0.08 pt. Regarding new issues, Doha Bank raised US$ 500 million this week from the sale of five-year senior unsecured bonds at 140 bps over US Treasuries against an initial price guidance of 170 bps over UST. The bond sale attracted more than US$ 1.35 billion in orders.

In the UAE credit space, sovereigns maturing in 2041 and 2052 recorded price increases of 0.07 pt and 0.75 pt respectively, while sovereigns maturing in 2031 saw price drops of 0.06 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2030 posted price gains of 0.12 pt, while sovereigns maturing in 2050 posted price decreases of 0.15 pt this week. Prices of Majid Al Futtaim'29 went up by 0.07 pt. DP World'30 traded up by 0.12 pt. Emirates Airlines'28 closed down by 0.05 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2034 reported weekly price falls of 0.16 pt. ADNOC Murban'29 was down by 0.11 pt. Aldar Investment Properties'33 traded down by 0.19 pt. In contrast, prices of Mubadala'30 rose by 0.06 pt. Amongst financials, FAB'29 was down by 0.08 pt. Prices of ADCB'27 rose by 0.11 pt, while ADCB'29 was down by 0.09 pt week-on-week.

In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 saw price drops of 0.30 pt, 0.23 pt and 0.30 pt respectively this week. In contrast, Omantel'28 traded up by 0.07 pt week-on-week. In the Egyptian credit space, sovereigns maturing in 2028 and 2033 posted weekly price contractions of 0.20 pt and 1.40 pt respectively, while sovereigns maturing in 2030 registered price expansions of 1.52 pt.

All in all, regional bond markets reported two-way price movements this week. While several regional bonds tracked gains in US Treasuries -with the benchmark 10-year yield falling below the 5% threshold for the first time in a month- as a technology rout and Middle East conflict fears sparked a flight to safety, these upward price movements were countered by sell-offs stoked by lingering concerns over energy-fueled inflation.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	23-Oct-26	16-Oct-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	41	38	27	3	14
Dubai	69	64	46	5	23
Kuwait	62	60	47	2	15
Qatar	51	45	27	6	24
Saudi Arabia	76	69	67	7	9
Bahrain	330	345	184	-15	146
Morocco	105	98	70	7	35
Egypt	357	319	271	38	86
Iraq	274	267	207	7	67
Middle East	152	145	105	7	47
Emerging Markets	107	100	99	7	8
Global	230	224	213	6	17

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	B3/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/Negative/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$)	23-Oct-26	16-Oct-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)	55.06	53.47	47.70	3.0%	15.4%
Iraqi Dinar (IQD)	1,517.62	1,516.11	1,310.00	0.1%	15.8%
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	-0.1%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.39	0.0%	-0.1%
Yemeni Riyal (YER)	236.11	236.16	238.38	0.0%	-1.0%
NORTH AFRICA					
Algerian Dinar (DZD)	134.75	134.45	129.41	0.2%	4.1%
Moroccan Dirham (MAD)	9.82	9.74	9.11	0.8%	7.8%
Tunisian Dinar (TND)	3.00	2.99	2.89	0.2%	3.7%
Libyan Dinar (LYD)	6.41	6.41	5.42	-0.1%	18.2%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

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

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