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MENA WEEKLY MONITOR

SEPTEMBER 06 TO SEPTEMBER 12, 2026
WEEK 37

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Economy

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Qatar’s macro profile score is Strong as per a recent report by Moody’s. Qatari banks benefit from a very strong operating environment, supported by vast hydrocarbon reserves, exceptionally high GDP per capita, and a strong sovereign balance sheet that provide shock-absorption capacity against commodity price volatility, energy-transition risks, and the risks arising from regional geopolitical tensions.

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p.9 **MENA EQUITIES SLIGHTLY UP, BOND MARKETS EXTEND WEEKLY PRICE FALLS**

MENA equity markets closed the week on a positive note (+0.3%), despite intensifying US-Iran conflict. This was mainly driven by improved investor sentiment following Qatar's first successful LNG cargo transit through the Strait of Hormuz since July, alongside Kuwait's strategic utilization of ship-to-ship transfers to sustain its crude oil exports. In contrast, regional bond markets continued to report across-the-board downward price movements this week. This came within the context of escalating geopolitical tensions in the Middle East, which triggered a spike in Brent oil prices, fueling global inflation concerns. These pressures, coupled with stronger-than-surveyed August US non-farm payrolls, stubborn annual US inflation, and accelerating month-on-month US core inflation, prompted traders to place an 88% probability of a US Fed first interest rate hike at the September 15–16 FOMC meeting, while fully pricing in a second rate hike in December.

MENA MARKETS: SEPTEMBER 06 TO SEPTEMBER 12, 2026

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+0.3%	Average weekly bond price change	-0.73 pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↓
YTD stock price performance	+2.5%	Average yearly bond price change	-4.07 pts

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ECONOMY

MOODY'S SEES STABLE OUTLOOK FOR QATARI BANKS

Qatar's macro profile score is Strong as per a recent report by Moody's. Qatari banks benefit from a very strong operating environment, supported by vast hydrocarbon reserves, exceptionally high GDP per capita, and a strong sovereign balance sheet that provide shock-absorption capacity against commodity price volatility, energy-transition risks, and the risks arising from regional geopolitical tensions.

The outlook for Qatar's credit profile is stable, and Moody's expect the impact on Qatar's credit metrics to be transitory under our central scenario assumptions. The unchanged Strong - macro profile score reflects a Strong + Banking Country Risk score (within the range of Very Strong - to Strong) minus 1 notch for credit conditions and minus 1 notch for funding conditions, with no adjustment for industry structure.

Their negative view of Qatar's credit conditions and funding conditions considers structural factors, including limited corporate transparency and high credit concentration in single names and cyclical sectors increasing asset risk for banks and, regarding the latter, the banking system's high reliance on external funding, which increases sensitivity to shifts in investor sentiment.

Their view of Qatar's industry structure reflects a highly concentrated banking system supported by strong government influence, with the state acting as the sector's largest borrower, depositor and shareholder.

Moody's assesses Qatar's economic strength as "a1" to reflect its exceptionally high per capita income and its very large proved hydrocarbon reserves which have the potential to support income generation for many decades to come. However, their assessment also takes into account the economy's heavy concentration in the hydrocarbon sector, which is partly mitigated by Qatar's highly competitive position in the global LNG market.

Moody's expects Qatar's economy to contract by around 14% this year, after growth of 2.9% in 2025, assuming that export-oriented LNG production will remain almost fully halted up to September, reflecting Moody's central credit scenario, but that no further major damage to key production facilities or infrastructure will occur. They expect full traffic in the strait to resume in 2027, supporting a sharp recovery.

In 2025, Qatar's per capita GDP on a purchasing power parity basis was at just above US$ 120,000, one of the highest among the sovereigns we rate. This high level of income supports the sovereign's shock absorption capacity. Qatar is the world's second-largest exporter of LNG, accounting for more than one-fifth of the global LNG exports. At the current rate of production, its proved natural gas reserves would last for around 140 years. They estimate that LNG exports reached more than 25% of GDP in 2025, accounting for around 70% of Qatar's total hydrocarbon exports. They expect Qatar to increase its LNG production capacity by more than 80% by the end of 2031, reflecting the North Field expansion project. The ramp-up towards this increased production capacity will boost Qatar's average growth rate and nominal GDP in 2027-2028.

Ongoing economic diversification efforts are largely focused on tourism, petrochemicals, transport and logistics. However, the hydrocarbon sector, which accounted for around 35% of nominal GDP in 2025, will remain the dominant sector for the foreseeable future, keeping Qatar's economy exposed to declines in global hydrocarbon demand and prices as well as to disruptions of shipping through the Strait of Hormuz, the main hydrocarbon export route.

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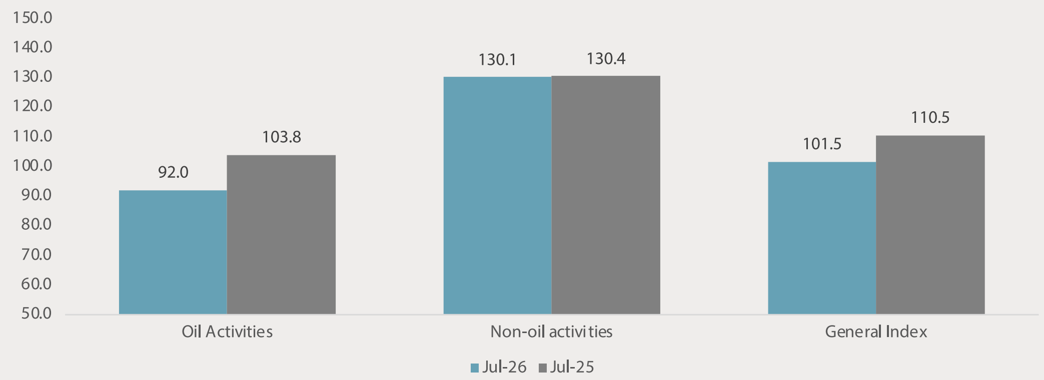
SAUDI ARABIA'S IPI DECREASES BY 8.1% YEAR-ON-YEAR IN JULY

Saudi Arabia's Industrial Production Index registered 101.5 in July 2026, down from 110.5 registered in the same month of the year prior, showing a year-on-year decrease of 8.1%. This decrease was mainly supported by a decline in oil activity IPI, as per data from the Saudi General Authority for Statistics (GASTAT).

In detail, Saudi Arabia's Oil activity IPI (with a weight of 75.0%) registered 92.0 in July 2026, showing a year-on-year decrease of 11.4% against 103.8 registered in July 2025. This decrease was driven by a decline in the Extraction of crude petroleum and natural gas activity (weight of 61.4% of the total) by 10.9% year-on-year, while the Manufacture of refined petroleum products activity (weight of 13.5% of the total) recorded a year-on-year decrease of 13.6% during the period. Meanwhile, Saudi Arabia's Non-oil activity IPI (weight of 25.0%) registered 130.1 in July 2026, showing a slight year-on-year decrease of 0.3% against 130.4 registered in July 2025, as per data from GASTAT.

SAUDI ARABIA GENERAL IPI AND IPI BY ACTIVITY TYPE



Source: GASTAT, Bank Audi Group's Research Department

QATAR'S REAL GDP CONTRACTS BY 7.0% YEAR-ON-YEAR IN Q1-2026

According to recent data from the Qatar Planning & Statistics Authority (PSA), the country's GDP at constant prices recorded QR 170.8 billion (US$ 46.1 billion) in the first quarter (Q1) of 2026, recording a year-on-year contraction of 7.0%, down from QR 183.7 billion (US$ 50.0 billion) in Q1-2025. This contraction was mainly driven by a significant decline in the Primary Sector, particularly Mining & Quarrying activities.

In detail, the Primary Sector (weight of 29.0% of total GDP), which includes the extraction of natural resources, recorded a contraction of 25.6% year-on-year, reaching QR 49.6 billion (US$ 13.4 billion) in Q1-2026, down from QR 66.6 billion (US$ 18.0 billion) in Q1-2025. At the level of the Secondary Sector (weight of 22.4%), which includes manufacturing and construction activities, it recorded QR 38.2 billion (US$ 10.3 billion) in Q1-2026, up marginally by 0.2% year-on-year from QR 38.1 billion (US$ 10.3 billion) in Q1-2025. At the level of the Tertiary Sector (weight of 48.6%), which includes services activities, it recorded QR 83.0 billion (US$ 22.4 billion) in Q1-2026, up by 5.1% year-on-year from QR 79.0 billion (US$ 21.3 billion) in Q1-2025, as per data from Qatar's PSA.

It is worth noting that Non-Mining & Quarrying GDP (weight of 71.3%) recorded a year-on-year expansion of 3.5% between Q1-2025 and Q1-2026 to reach QR 121.8 billion (US$ 32.9 billion) in the latter, up from QR 117.7 billion (US$ 31.7 billion) in the former.

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QATAR GDP

(QR million)	Q1-2026	Q1-2025	VAR %
Primary Sector	**49,573**	**66,612**	**-25.6%**
o.w. Mining & Quarrying	48,999	66,036	-25.8%
o.w. Others	574	576	-0.3%
Secondary Sector	**38,214**	**38,137**	**0.2%**
o.w. Manufacturing	12,337	13,424	-8.1%
o.w. Construction	23,537	22,163	6.2%
o.w. Others	2,340	2,550	-8.2%
Tertiary Sector	**82,972**	**78,956**	**5.1%**
o.w. Wholesale & Retail Trade	15,909	14,596	9.0%
o.w. Transportation & Storage	6,412	7,438	-13.8%
o.w. Financial & Insurance Activities	16,897	16,123	4.8%
o.w. Real Estate Activities	14,056	13,242	6.1%
o.w. Public Administration	15,092	14,512	4.0%
o.w. Others	13,580	14,071	-3.5%
Real GDP	**170,759**	**183,705**	**-7.0%**
Mining & Quarrying GDP	48,999	66,036	-25.8%
Non-Mining & Quarrying GDP	121,760	117,669	3.5%

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

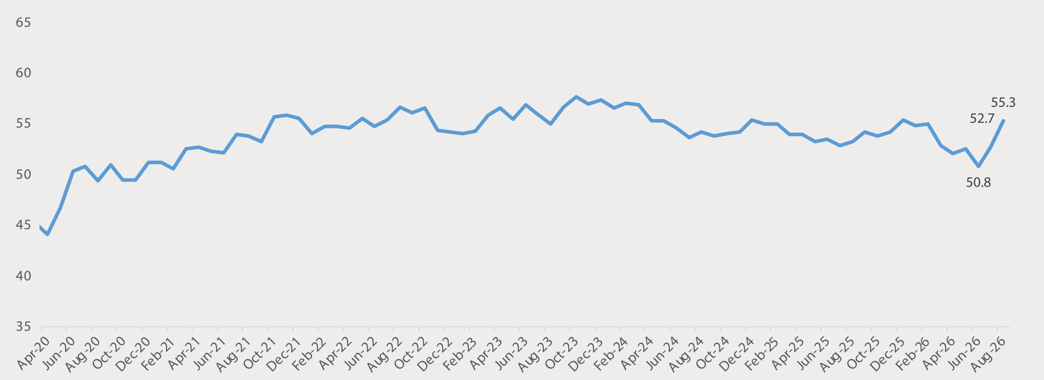
UAE'S NON-OIL SECTOR GROWTH ACCELERATES TO FASTEST PACE SINCE DECEMBER 2024

UAE's Purchasing Managers' Index (PMI) rose to 55.3 in August 2026, up from 52.7 in July, remaining above the neutral 50.0 threshold and signaling a strong improvement in non-oil private sector business conditions. The reading marked the fastest improvement since December 2024, according to S&P Global's UAE PMI data.

New business expanded at the joint-fastest pace since March 2024, supported by stronger customer activity and easing economic caution related to the regional conflict. Export orders increased for the second consecutive month, while output growth accelerated to a six-month high. However, backlogs of work rose sharply as firms struggled to keep pace with stronger demand, while employment declined for the second time in three months. Business confidence improved to its highest level since April.

Input cost inflation eased to a six-month low, supported by improving supply conditions and greater reliance on local suppliers, despite higher energy, fuel, cement, steel and chemical prices. Purchasing activity increased sharply, helping input inventories record their strongest expansion in nearly three years. Meanwhile, output prices rose modestly at the fastest pace in four months as stronger demand allowed some firms to pass higher costs on to customers.

COMPOSITE PMI UAE



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

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SURVEYS / REPORTS

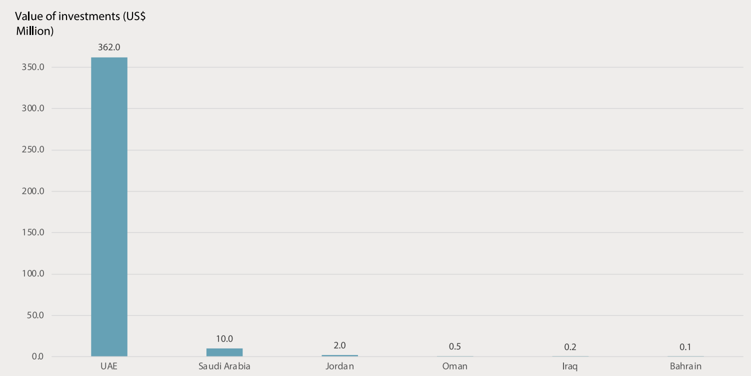
MENA STARTUP FUNDING JUMPS TO US$ 375 MILLION IN AUGUST 2026, AS PER WAMDA AND DIGITAL DIGEST

Startup funding across the Middle East and North Africa more than doubled in August 2026, even as dealmaking slowed sharply, with 27 startups raising a combined $375 million, according to a report issued by Wamda and Digital Digest.

The total was 117% higher than July and 11% above August 2025. Yet the deal count fell 40% month-on-month, highlighting how heavily the month's performance depended on a small number of large transactions.

Debt accounted for only about 2% of total capital in August, compared with 56% the previous month, meaning the rebound was mainly driven by equity rather than structured financing.

THE TOP FUNDED COUNTRIES IN MENA REGION IN AUGUST 2026



Sources: Wamda, Digital Digest, Bank Audi's Group Research Department

In detail, the UAE reclaimed its position as MENA's most-funded startup ecosystem in August, overtaking Saudi Arabia, which had led the regional rankings in July.

UAE startups raised US$ 362 million across 13 deals, accounting for nearly 97% of all capital deployed in the region during the month. Saudi Arabia ranked a distant second, with six startups securing a combined US$ 10.25 million.

Egypt, traditionally one of MENA's three largest startup markets, recorded no startup funding rounds in August. Jordan moved into third place with US$ 2 million from a single transaction.

Capital also reached some of the region's smaller ecosystems. Five Omani startups attracted an estimated US$ 500,000, while Iraq recorded a disclosed US$ 150,000 round. Bahrain registered one transaction estimated at US$ 100,000.

In parallel, the mobility sector topped the sector rankings, with the company's US$ 250 million round accounting for all funding allocated to the sector. Fintech slipped to second place despite attracting US$ 83.8 million across six startups. Enterprise AI ranked third, with six startups raising a combined US$ 21 million, while health technology companies secured US$ 9 million across two deals.

The sector rankings again underline the extent to which a single large transaction can reshape monthly funding data, particularly when overall deal activity remains subdued.

In terms of business models, business-focused startups retained their position as investors' preferred destination, attracting US$ 282.5 million across 15 transactions, or about three-quarters of all capital raised in August. Business-to-consumer startups secured US$ 87 million across six deals, while companies operating across both B2B and B2C models raised US$ 5.5 million through another six transactions.

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All in all, August delivered a substantially stronger headline than July, and the sharp reduction in debt financing provides a more encouraging signal for equity investment. But the recovery remains highly concentrated.

One company accounted for two-thirds of the month's funding, the UAE captured almost 97% of total capital, and the number of transactions fell 40% from July. With one month remaining in the third quarter, MENA startups have raised about US$ 547.6 million since the beginning of July (roughly half the amount deployed during July and August 2025).

The region also continues to operate against a volatile geopolitical backdrop, with renewed US-Iran hostilities and disruptions to shipping through the Strait of Hormuz weighing on markets and investor visibility.

August therefore offers evidence that investors remain willing to deploy substantial equity into select MENA companies, but it does not yet indicate a broad-based recovery. September's deal flow would show whether the rebound can extend beyond megadeals and translate into wider investor participation.

THE UAE'S RATINGS AFFIRMED AT "AA/A-1+" WITH "STABLE" OUTLOOK, AS PER S&P GLOBAL

S&P Global Ratings affirmed its "AA/A-1+" long-term and short-term foreign and local currency sovereign credit ratings on the UAE. The outlook is "stable".

The "stable" outlook reflects S&P's view that the UAE's large fiscal and external buffers should provide space for policy maneuvering during adverse geopolitical developments or unfavorable hydrocarbon sector dynamics, including disruption in oil production or exports.

In details, S&P's ratings on the UAE remain supported by the government's strong fiscal and external positions. S&P estimates of the exceptional strength of the government's consolidated net asset position (estimated at 184% of GDP in 2026) provides a significant fiscal external and economic buffer to external shocks. The UAE's general government debt (that is, that of the federal government and its seven emirates) is very low (estimated at about 27% of GDP in 2026) and its consolidated fiscal balance has averaged a surplus of 5.6% over 2021-2025.

S&P also believes the authorities would deploy their substantial policy flexibility to counteract the effects of volatility stemming from geopolitical tensions in the Gulf region on economic growth, government revenue and its external accounts. S&P believes this flexibility would enable the UAE to withstand periods of low oil prices and, more importantly, the temporary disruption of oil production and export routes. S&P expects the general government would continue to run a fiscal surplus averaging 2.6% of GDP over the forecast horizon to 2029.

The credit rating agency expects growth to moderate in 2026-2027 owing to the war in the region. S&P lowered the real GDP growth forecast to average 2.5% in 2026-2027 from 4.2% previously. S&P anticipates that the recent military escalation would likely have economic implications for growth in terms of expatriate outflow and declining tourism revenue and real estate demand. Non-oil sectors constitute about 75% of GDP and a portion of non-oil activity remains a derivative of hydrocarbon-related revenue and investment flows, encompassing the correlation between oil prices and market sentiment. S&P currently estimates oil production to remain stable at an average of 3.3 million b/d in 2026-2027 (compared with 3.14 mbpd in 2025), supporting hydrocarbon sector growth.

Concurrently, S&P expects weaker economic and external performance due to increased intensity, scope and potential duration of conflict in the Middle East. In the past week, the conflict in the region has escalated greatly, with military confrontation between Israel/the U.S. The scope of U.S. and Israeli military objectives is much wider than during the 12-day war last year and suggest a longer and more severe period of military action. In retaliation, Iran continues to carry out air strikes on various civilian and military targets and infrastructure facilities in the UAE and across the countries of the GCC, resulting in very few casualties so far.

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CORPORATE NEWS

UAE TO INVEST US$ 46 BILLION IN GERMANY'S KEY ECONOMIC SECTORS

The UAE announced plans to invest US$ 46 billion in Germany across a number of sectors that represent strategic and development priorities for both countries. These include industry, advanced technology, artificial intelligence, digital infrastructure and energy.

Marking a significant expansion of the UAE-Germany economic partnership, the investment brings together Germany's advanced industrial, technological and research capabilities with the UAE's investment expertise and capacity to support major projects and accelerate their growth. It would create new opportunities for companies and institutions in both countries to establish enduring partnerships and deepen cooperation in sectors expected to drive growth and competitiveness in the coming decades.

At the same time, closer cooperation with Germany would enable the UAE to expand its investment presence in one of Europe's leading industrial and technological economies and benefit from German expertise in areas that support the UAE's knowledge and innovation-driven economy. The investment also provides a platform for greater exchange of knowledge, skills and experience between the two countries, while advancing their shared economic interests and supporting the industries and technologies of the future.

The investment reflects the UAE's approach to fostering long-term economic and investment partnerships and its confidence in Germany's industrial, technological and innovation capabilities.

AMD AND SAUDI PIF UNIT TO SET UP US$ 10 BILLION AI INFRASTRUCTURE POWERHOUSE

Global semiconductor company AMD and HUMAIN, Saudi Arabia’s new AI enterprise, announced a landmark investment of up to US$ 10 billion to build a next-generation AI infrastructure ecosystem spanning Saudi Arabia and the US.

Over the next five years, the partnership would deploy 500MW AMD-based AI computing capacity, creating what the companies describe as one of the world’s most open, scalable, resilient and cost-efficient AI infrastructure.

As per the deal, it would power the future of global intelligence through a network of AMD-based AI computing centers stretching from Saudi Arabia to the US. The duo has also set its sights on launching a new “AI in a Box” solution for enterprises across Saudi Arabia, providing organizations with accessible AI computing capabilities to deploy and test AI applications without the need for hyperscale infrastructure.

The turnkey solution is designed for entry-level AI use cases across a range of industries, including oil and gas, financial services and manufacturing, enabling organizations to begin deploying AI workloads, test new applications and expand access to AI tools among their employees.

As part of the broader collaboration, AMD, HUMAIN and Cisco, through a joint venture, have also announced plans to deploy up to 1GW of AI infrastructure in Saudi Arabia by 2030.

DUBAI HOLDING AWARDS US$ 1.4 BILLION NEW HQ

Dubai Holding, a diversified global investment company, awarded a US$ 1.36 billion (AED 5 billion) construction contract for the delivery of the group's new headquarters and Jumeirah Residences Emirates Towers to China State Construction Engineering Corporation Middle East (CSCEC ME).

The building contract represents the single largest Dubai Holding has awarded to date, reflecting the scale of capital the group continues to deploy into projects that support Dubai's long-term growth.

Set to become one of Dubai's most distinctive corporate landmarks, the new headquarters would bring the group's businesses together in a workplace built around collaboration, sustainability and employee wellbeing, while opening a prime new address in one of the city's most sought-after commercial locations. The building is scheduled to open in 2029. The award would also advance the delivery of Jumeirah Residences Emirates Towers, comprising 754 branded residences across two towers in the same location.

PIF LAUNCHES COMPANY TO DEVELOP TOURISM AND RESIDENTIAL DESTINATION ON SAUDI GULF COAST

PIF announced the launch of Gulf Coast Development Company to create an integrated tourist and residential destination on the Al-Khafji coast overlooking the Arabian Gulf. The new company would develop the project in partnership with the private sector, and local and regional investors, responding to the rapidly growing demand for accommodation and tourism options in the northern part of Saudi Arabia's Eastern Province.

The development would span around 20 square kilometers and feature a 10-kilometer waterfront along the Arabian Gulf. The Al-Khafji Governorate's strategic location offers seamless access for residents and visitors from Saudi Arabia, Kuwait and other Gulf Arab states and would contribute to creating both direct and indirect opportunities for the local community.

Upon completion, the destination would comprise eight residential neighborhoods with more than 16,000 housing units, around 1,400 hotel keys, and a full suite of public commercial, tourism and educational facilities and dedicated boat marinas. Development would unfold in three phases; the first phase, which is scheduled for completion in 2030, would deliver three neighborhoods and lay the foundation for an integrated tourism-residential community that would promote sustainable growth and elevate quality of life.

MISTRAL AND HUMAIN ANNOUNCE STRATEGIC COLLABORATION TO ADVANCE SOVEREIGN AI IN SAUDI ARABIA AND REGIONALLY

Mistral and HUMAIN announced a strategic collaboration spanning AI infrastructure, advanced model development, and the deployment of AI solutions in Saudi Arabia and across the region. Together, the companies would pursue the development and localization of advanced AI models, with initial areas of focus including cybersecurity and voice.

The companies also plan to develop frontier models that perform strongly in Arabic language to help support the broader region. As part of the collaboration, Mistral would explore using HUMAIN's data center infrastructure to support growing local compute needs. HUMAIN and Mistral also plan to develop a joint go-to-market strategy in Saudi Arabia focused on bringing advanced AI solutions to regulated industries.

The collaboration is designed to meet growing demand for sovereign AI: AI that keeps data, intelligence, compute and operations under the customer's control. This is important in financial services, manufacturing, telecommunications, cybersecurity and the public sector, where security, compliance, resilience and operational autonomy are non-negotiable.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES CLOSE IN THE GREEN THIS WEEK DESPITE INTENSIFYING US-IRAN CONFLICT

MENA equity markets closed the week on a positive note, with the S&P Pan Arab Composite index expanding slightly by 0.3%, despite intensifying conflict between the US and Iran. This was mainly driven by improved investor sentiment following Qatar's first successful Liquefied Natural Gas cargo transit through the Strait of Hormuz since July, alongside Kuwait's strategic utilization of ship-to-ship transfers to sustain its crude oil exports.

The Qatar Stock Exchange concluded the week on an upward trend, with the S&P Qatar price index rising by 0.6%, driven largely by renewed market confidence after Qatar saw its first export of Liquefied Natural Gas through the Strait of Hormuz since July, with its LNG carrier "Al Marrouna" successfully transiting the volatile waterway to deliver roughly 82,000 metric tons of LNG from Ras Laffan terminal to Pakistan's Port Qasim.

This was further supported by a strong oil price rally, as Brent prices crossed above the US$ 100 per barrel level for the first time since July 2026, hitting US$ 104.61 per barrel on Friday, as an escalation in the months-long US-Iran friction fueled concerns about global oil supply disruptions. 29 out of 54 traded stocks posted price gains, while 23 stocks recorded price falls and two stocks saw no price change week-on-week.

A glance on individual stocks shows that Industries Qatar's share price expanded by 2.4% week-on-week to QR 10.000. Gulf Warehousing Company's share price closed 1.1% higher at QR 2.290. Estithmar Holding' share price rose by 3.0% to QR 4.126. Nebras Energy's share price nudged up by 0.5% to QR 13.510. Ezdan Holding Group's share price increased by 0.5% to QR 0.823. Mazaya Real Estate's share price edged up by 0.4% to QR 0.555. Qatari Investors Group's share price jumped by 14.8% to QR 1.780. As to banking stocks, Lesha Bank's share price went up by 0.5% to QR 2.839. Commercial Bank of Qatar's share price increased by 1.2% to QR 4.210. Al Rayan Bank's share price rose by 0.8% to QR 1.971. QNB's share price nudged up by 0.1% to QR 16.710. QIIB's share price edged up by 0.1% to SR 10.700.

Boursa Kuwait moved into positive territory this week, with the S&P Kuwait price index expanding by 1.3%, primarily on news that Kuwait is exporting approximately one million barrels of crude a day as oil flows through the strategic waterway begin to recover. To navigate regional risks, the country is utilizing ship-to-ship transfers outside the Strait of Hormuz to safely deliver nearly two-thirds of its normal output to global markets. Kuwaiti equity price gains were further supported by an oil price rally. A closer look at

EQUITY MARKETS INDICATORS (SEPTEMBER 06 TO SEPTEMBER 12)

Market	Price Index	Week-on-week	Year-to-Date	Trading Value	Week-on-week	Volume Traded	Market Capi-talization	Turnover ratio	P/E*	P/BV*
Lebanon	152.8	0.8%	-11.3%	5.0	30.7%	0.3	17,271.0	1.5%	-	0.50
Jordan	646.2	0.6%	12.6%	75.7	13.2%	23.5	41,259.7	9.5%	12.9	2.41
Egypt	448.0	-1.0%	22.7%	1,102.1	-9.6%	12,382.3	83,214.7	68.9%	10.2	2.87
Saudi Arabia	479.7	-0.4%	4.1%	3,896.0	-37.8%	697.7	2,541,335.5	8.0%	16.1	3.56
Qatar	146.2	0.6%	-8.4%	373.7	-38.8%	546.8	163,046.4	11.9%	12.7	1.45
UAE	176.8	2.1%	2.2%	2,669.6	-12.8%	4,420.9	973,590.6	14.3%	14.9	2.98
Oman	179.2	1.2%	28.6%	395.7	-22.7%	567.6	57,629.8	35.7%	13.6	2.09
Bahrain	180.5	-0.1%	-3.8%	7.3	-36.5%	10.6	18,426.4	2.1%	10.6	1.44
Kuwait	92.1	1.3%	-2.4%	1,551.6	29.9%	1,878.9	170,379.7	47.4%	19.6	2.08
Morocco	413.7	-1.5%	-2.7%	155.1	-23.5%	4.2	117,627.0	6.9%	16.6	3.07
Tunisia	126.3	-2.3%	35.0%	16.9	-3.1%	3.7	15,793.1	5.6%	16.3	2.56
Arab Markets	**1,022.8**	**0.3%**	**2.5%**	**10,248.7**	**-22.2%**	**20,536.5**	**4,199,573.7**	**12.7%**	**15.6**	**3.20**

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

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individual stocks shows that National Bank of Kuwait's share price went up by 1.6% this week to close at KWf 875. Boubyan Bank's share price rose by 0.6% to KWf 671. Commercial Bank of Kuwait's share price surged by 4.8% to KWf 526. Al Ahli Bank of Kuwait's share price closed 2.3% higher at KWf 311. Kuwait Finance House's share price expanded by 1.0% to KWf 778. Also, Boubyan Petrochemical Company's share price increased by 2.7% to KWf 729. National Industries Group Holding's share price jumped by 4.2% to KWf 248. National Investments' share price surged by 3.9% to KWf 295. Mobile Telecommunications' share price rose by 1.7% to KWf 616. Heavy Engineering Industries and Shipbuilding's share price nudged up by 0.5% to KWf 633.

In contrast, the heavyweight Saudi Exchange, which represents roughly 60% of the total regional market capitalization, extended its decline this week, with the S&P Saudi price index contracting by 0.4%. The sell-off was primarily driven by escalating US-Iran tensions and followed recent Houthi drone and missile attacks on energy facilities and cities in Southern Saudi Arabia, which sparked widespread risk aversion. Saudi equities took a downward path this week despite a powerful rally in oil prices.

A closer look at individual stocks shows that Saudi National Bank's share price fell by 1.6% this week to reach SR 41.60. Bank AlBilad's share price shed 1.9% to SR 25.44. Al Rajhi Bank's share price nudged down by 0.5% to SR 66.00. Saudi Awwal Bank's share price dropped by 1.2% to SR 33.78. Alinma Bank's share price edged down by 0.2% to SR 25.16. Riyad Bank's share price decreased by 1.6% to SR 20.37. Bank Al-Jazira's share price retreated by 1.5% to SR 11.97. Banque Saudi Fransi's share price went down by 0.4% to SR 21.79. Also, Advanced Petrochemical Company's share price declined by 0.5% week-on-week to SR 23.45. Sipchem's share price contracted by 0.3% to SR 13.15.

Concurrently, Theeb Rent a Car Company's share price contracted by 0.9% this week to reach SR 20.80. Aldrees Petroleum & Transport Services Company's share price nudged down by 0.5% to SR 120.10. Makkah Construction's share price decreased by 1.0% to SR 80.50. Yamama Cement's share price went down by 0.8% to SR 22.98. City Cement's share price edged down by 0.3% to SR 10.23. Jarir Marketing Company's share price dropped by 0.9% to SR 16.16. Saudi Tadawul Group Holding's share price decreased by 0.6% to SR 128.30. Maaden's share price went down by 1.2% to SR 66.00. East Pipes' share price nudged down by 0.5% to SR 205.50. Modern Mills's share price retreated by 0.5% to SR 27.74. Saudi Germany Health's share price fell by 4.2% to SR 31.98. Tasnee's share price closed 1.3% lower at SR 9.10.

FIXED INCOME MARKETS: MENA BOND MARKETS PLUNGE DEEPER INTO RED THIS WEEK, ON PROSPECTS OF AGGRESSIVE US MONETARY TIGHTENING

MENA fixed income markets continued to report across-the-board downward price movements this week. This came within the context of escalating geopolitical tensions in the Middle East, which triggered a spike in Brent oil prices, fueling global inflation concerns. These pressures, coupled with stronger-than-surveyed August US non-farm payrolls, stubborn annual US inflation, and accelerating month-on-month US core inflation, prompted traders to place an 88% probability of a US Federal Reserve first interest rate hike at the September 15–16 FOMC meeting, while fully pricing in a second rate hike in December.

In the Saudi credit space, sovereigns maturing in 2029, 2034, 2050 and 2060 recorded price drops of up to 1.53 pt this week. Prices of Aramco'30, '34 and '50 went down by 0.82 pt, 1.46 pt and 1.24 pt respectively. SEC'30 and '44 traded down by 0.58 pt and 1.21 pt respectively. STC'29 closed down by 0.51 pt. Prices of SABIC'28 fell by 0.22 pt. Amongst financials, prices of Al Rajhi Bank'29 declined by 0.51 pt. SNB'29 was down by 0.24 pt. Prices of Banque Saudi Fransi'29 contractd by 0.22 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded price contractions ranging between 0.43 pt and 1.30 pt week-on-week. In the Qatari credit space, sovereigns maturing in 2029, 2034, 2040 and 2050 registered weekly price falls of up to 1.70 pt this week. Prices of Ooredoo'28, '31 and '43 decreased by 0.19 pt, 0.42 pt and 0.81 pt respectively. Amongst financials, prices of Doha Finance'29 retreated by 0.24 pt. Qatar International Islamic Bank'29 traded down by 0.34 pt. QNB'29 posted price retreats of 0.47 pt.

In the UAE credit space, sovereigns maturing in 2031, 2041 and 2052 recorded price decreases of up to 1.28 pt this week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted weekly price falls of 0.54 pt and 1.26 pt respectively. Prices of Majid Al Futtaim'29 went down by 0.09 pt. Emirates

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Airlines'28 closed down by 0.09 pt. DP World'49 was down by 0.72 pt. DP World issued a dual-tranche international bond offering, consisting of Euro-denominated green notes and US dollar conventional notes. The first tranche consisted of € 750 million six-year green bonds issued at 150 bps over Mid-Swaps against an initial price guidance of 175 bps over MS. The second tranche consisted of US$ 750 million conventional bonds issued at 150 bps over US Treasuries against an initial price guidance of 175 bps over UST.

Amongst financials, prices of Emirates NBD Bank'27 fell 0.15 pt week-on-week. As to new issues, Mashreqbank raised US$ 500 million this week from the sale of a five-year Reg S senior unsecured bond maturing at a spread of 115 bps over US Treasuries compared to an initial price guidance of 145 bps over UST. The bond sale attracted more than US$ 925 million in orders.

In the Abu Dhabi credit space, sovereigns maturing in 2029, 2030, 2034 and 2050 saw weekly price declines of up to 1.35 pt. ADNOC Murban'29 was down by 0.40 pt. Prices of Mubadala'28, '30, '34, '41 and '50 dropped by up to 1.17 pt. Prices of Taqa'28, '30 and '36 decreases by 0.35 pt, 0.71 pt and 1.73 pt respectively. Aldar Investment Properties'33 traded down by 0.78 pt. Amongst financials, prices of ADCB'27 and '29 retreated by 0.18 pt and 0.42 pt respectively week-on-week. FAB'29 and '35 registered price drops of 0.77 pt and 0.50 pt respectively. As to new issues, First Abu Dhabi Bank raised US$ 500 million this week from the sale of a five-year senior unsecured Reg S bond, priced at 90 bps over US Treasuries against an initial price guidance of 115 bps over UST. The bond sale attracted more than US$ 1 billion in orders (excluding joint lead manager interest).

In the Kuwaiti credit space, KIPCO'27 traded up by 0.23 pt week-on-week. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 recorded price decreases of up to 1.69 pt this week. Omantel'28 was down by 0.30 pt. In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 reported price contractions of up to 1.96 pt this week.

All in all, activity in regional bond markets remained mostly skewed to the upside this week, primarily driven by a powerful oil price rally that pushed Brent crude above US$ 100 per barrel. This surge, alongside August's higher-than-surveyed US non-farm payroll addition of 162,000 (against 55,000 surveyed) and accelerating month-over-month inflation (0.4% against 0.3% surveyed and 0.1% in July), solidified bets that the US Federal Reserve would launch its first interest rate hike on September 16, while fully projecting a second rate hike in December 2026, and expecting two additional rate hikes over the year 2027.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	11-Sep-26	04-Sep-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	35	32	27	3	8
Dubai	60	59	46	1	14
Kuwait	56	54	47	2	9
Qatar	35	33	27	2	8
Saudi Arabia	60	57	67	3	-7
Bahrain	291	279	184	12	107
Morocco	79	76	70	3	9
Egypt	275	263	271	12	4
Iraq	229	218	207	11	22
Middle East	124	119	105	5	19
Emerging Markets	90	85	99	5	-9
Global	211	208	213	3	-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/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/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$)	11-Sep-26	04-Sep-26	31-Dec-25	Weekly change	Year-to-date
LEVANT					
Lebanese Pound (LBP)	89,500.00	89,500.00	89,500.00	0.0%	0.0%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	51.32	50.93	47.70	0.8%	7.6%
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)	237.01	236.99	238.38	0.0%	-0.6%
NORTH AFRICA					
Algerian Dinar (DZD)	133.07	133.12	129.41	0.0%	2.8%
Moroccan Dirham (MAD)	9.41	9.37	9.11	0.4%	3.2%
Tunisian Dinar (TND)	2.92	2.91	2.89	0.2%	0.8%
Libyan Dinar (LYD)	6.32	6.33	5.42	-0.2%	16.7%
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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