MENA WEEKLY MONITOR

Bank Audi

JULY 19 TO JULY 25, 2026
WEEK 30

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Markets In Brief

MENA equity markets managed to close the week on a positive note (+0.3%), mainly anchored by price rebounds in the heavyweight Saudi Exchange, despite escalating US-Iran tensions and lingering fears of a full-blown regional war. This was mainly driven by soaring oil prices after the Red Sea emerged as another flashpoint for disruptions to shipments from the Middle East alongside the Strait of Hormuz, in addition to some upbeat corporate earnings and bank dividend announcements. In contrast, regional fixed income markets faced broad-based downward price pressures this week as intensifying hostilities between the US and Iran, and shipping disruptions across the Red Sea and the Strait of Hormuz drove a strong oil price rally, fueling global inflation concerns. Consequently, market expectations shifted to price in two US Fed interest rate hikes this year.

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MENA MARKETS: JULY 19 TO JULY 25, 2026

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+0.3%	Average weekly bond price change	-0.86 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↓
YTD stock price performance	-0.3%	Average yearly bond price change	-3.54 pts

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ECONOMY

REGIONAL GROWTH NOW PROJECTED TO DROP SHARPLY TO 0.7% IN 2026 AS PER THE IMF

A new World Economic Output has been just released last week by the IMF, entitled “Global Economy in Crosscurrents of War and Technology”.

In the Middle East and Central Asia, growth is projected to drop sharply to 0.7 percent in 2026 before rebounding to 6.5 percent in 2027. This is a downward revision of 1.2 percentage point for 2026 and an upward revision of 1.9 percentage points for 2027, consistent with a longer closure of the Strait of Hormuz compared with the assumptions in the April WEO and a corresponding larger rebound. Iraq, Kuwait, and Qatar—commodity producers most affected by disruptions to energy output and transport—are projected to experience sharp contractions of their economies in 2026, followed by double-digit expansions in 2027. Saudi Arabia is somewhat less affected, as an economy with more diversified export routes, with growth forecasts of 1.7 percent in 2026 and 5.5 percent in 2027. Growth in Iran in 2026 is revised upward by 0.7 percentage point, relative to April, to –5.4 percent, reflecting a better outturn for oil exports in March and April and some relaxation of the restrictions on the country’s exports, and downward by 0.3 percentage point for 2027 because of the less pronounced contraction in the previous year. Commodity importers in the Middle East and North Africa are expected to remain relatively resilient to the negative terms-of-trade shock from higher energy and food prices, while countries in the Caucasus and Central Asia continue to experience favorable growth tailwinds.

Global growth is projected to be 3.0 percent in 2026 and 3.4 percent in 2027, down from the average of 3.5 percent observed in 2024–25 and broadly unchanged on a cumulative basis compared with the forecasts in the April 2026 World Economic Outlook (WEO). The modest slowdown reflects the effects of the war in the Middle East being partly offset by accelerated demand-driven momentum in the global technology cycle thanks to advances in artificial intelligence (AI) and its adoption. The impact varies widely based on countries’ exposure to the war and position in the technology value chain. Energy exporters outside the conflict zone benefit from favorable terms of trade, whereas economies plugged into the technology-led upturn experience stronger activity even if they are energy importers. In contrast, activity weakens for energy importers with limited participation in the technology value chain, a group that includes many low-income countries. Global headline inflation is expected to increase from 4.1 percent in 2025 to 4.7 percent in 2026 before declining to 3.9 percent in 2027. Slightly revised upward from April, these projections indicate that the disinflation trend in place since the beginning of 2024 has stalled.

Risks to the outlook are more balanced than in April but still tilted to the downside. The possibility of renewed Middle East conflict looms large and could extend commodity price volatility, further threaten supply chains, raise prices, and weigh on financial conditions. Trade fragmentation could accelerate, possibly hurting output and increasing prices. A possible correction in technology-driven expectations adds to the downside risks, whereas eroded policy buffers can amplify those risks. Upside risks stem from a swifter-than-expected normalization in energy markets, stronger-than-expected technology investment, a revival of durable cooperation that lowers trade barriers, and structural reform that raises medium-term growth. Policy priorities are restoring price stability, supported by clear communication, central bank independence, and strong financial oversight, while rebuilding fiscal buffers and using fiscal tools sparingly through temporary, targeted support that preserves price signals. Structural reforms are needed to promote energy security, AI readiness, domestic rebalancing, and international cooperation should be strengthened to relieve the strain of ongoing tensions as per the IMF.

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SAUDI ARABIA'S REAL ESTATE PRICE INDEX INCREASED YEAR-ON-YEAR IN Q2-2026

According to the recent data by the General Authority for Statistics, Saudi Arabia's Real Estate Price Index recorded a year-on-year increase of 1.3% in Q2-2026 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 72.7%) recorded an increase of 2.6% in Q2-2026 compared to Q2-2025. In detail, Residential Land (weight of 45.8%) prices increased by 6.3%, Apartment Prices (weight of 10.5%) increased by 1.1%, and Residential Floor (weight of 1.4%) prices increased by 0.4%, while Villas (weight of 15.0%) recorded a decline of 9.7% between Q2-2025 and Q2-2026.

On the other hand, the Commercial Sector (weight of 25.4%) recorded a 3.2% year-on-year decline in Q2-2026. In detail, Commercial Plots (weight of 22.8%) and Buildings (weight of 2.0%) recorded price decreases of 3.5% and 0.6%, respectively, while Exhibitions (weight of 0.6%) recorded a slight increase of 0.4%. Similarly, the Agricultural Sector (weight of 1.9%) increased by 11.3% between Q2-2025 and Q2-2026, driven by the increase in Agricultural Land prices.

SAUDI ARABIA REAL ESTATE PRICE INDEX BY SECTOR

	Q2-2025	Q2-2026	VAR Y-O-Y	Weight
Residential Sector	**101.6**	**104.3**	**2.6%**	**72.7%**
Residential Land	101.3	107.7	6.3%	45.8%
Villas	105.0	94.9	-9.7%	15.0%
Apartments	100.3	101.4	1.1%	10.5%
Residential Floor	98.1	98.4	0.4%	1.4%
Commercial Sector	**115.7**	**112.0**	**-3.2%**	**25.4%**
Commercial Plot	116.6	112.4	-3.5%	22.8%
Buildings	110.2	109.5	-0.6%	2.0%
Exhibitions	101.4	101.7	0.4%	0.6%
Agricultural Sector	**102.6**	**114.2**	**11.3%**	**1.9%**
Agricultural Land	102.6	114.2	11.3%	1.9%
Real Estate Price Index	**105.0**	**106.3**	**1.3%**	**100%**

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

KUWAIT RECORDS YEAR-ON-YEAR CPI INFLATION OF 2.2% IN JUNE 2026

According to data from Kuwait's Central Statistical Bureau (CSB), the country registered a year-on-year inflation in consumer prices of 2.2% in June 2026 compared to prices in June 2025. This inflation was mainly driven by increases across most categories, with the highest contributions coming from Food & Beverages, Services & Miscellaneous Goods, and Transport.

In detail, year-on-year inflations were recorded in the prices of Housing Services (with a weight of 33.2%), Food & Beverages (with a weight of 16.7%) and Home Furnishings & Maintenance Equipment (with a weight of 11.4%) of 0.2%, 5.6%, and 1.1%, respectively, during the period. Prices of Clothing & Footwear (with a weight of 8.0%), Transport (with a weight of 7.5%) and Services & Miscellaneous Goods (with a weight of 5.8%) increased by 0.9%, 4.8%, and 5.8%, respectively, during the period. Concurrently, year-on-year price increases were also recorded in Education (with a weight of 4.2%), Communication (with a weight of 4.0%) and Recreation & Culture (with a weight of 3.9%) of 1.0%, 1.0%, and 1.1%, respectively, during June 2026 against the same month of the year prior. Similarly, Restaurants & Hotels (with a weight of 3.4%) and Health (with a weight of 1.5%) recorded year-on-year inflations of 0.2% and 1.0%, respectively, while Cigarettes & Tobacco (with a weight of 0.3%) remained unchanged during the period.

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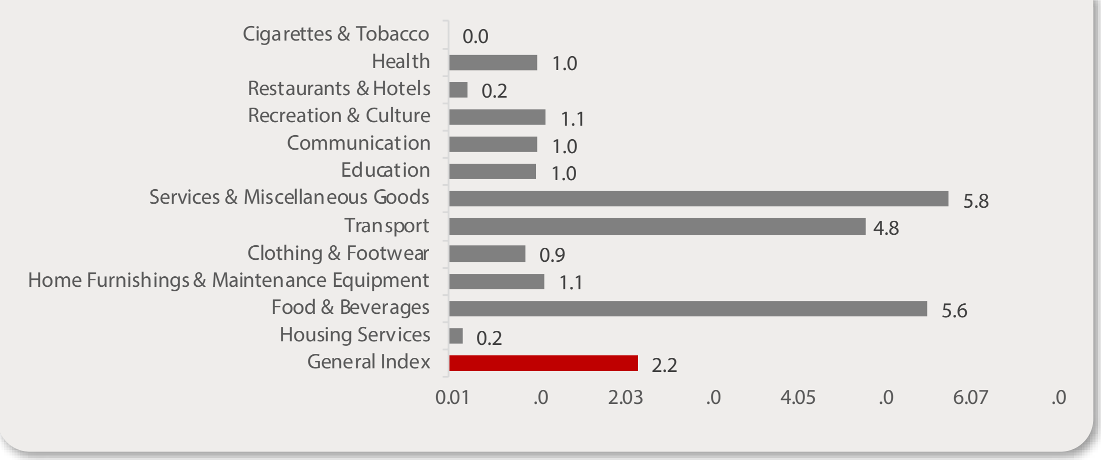
YEAR-ON-YEAR VARIATION IN CPI COMPONENTS IN KUWAIT IN JUNE 2026 (%)



Source: Kuwait's CSB, Bank Audi Group's Research Department

EGYPT'S NON-OIL PRIVATE SECTOR CONTRACTION DEEPENS IN JUNE 2026

According to the latest S&P Global Egypt Purchasing Managers' Index (PMI), the headline index declined to 46.0 in June 2026, from 47.1 in May 2026, remaining below the neutral 50.0 threshold and signaling a further deterioration in non-oil private sector business conditions. The reading marked the lowest level since January 2023, reflecting the sharpest contraction in nearly three and a half years.

In detail, new orders declined at the fastest pace since November 2022, driven by weak demand, client liquidity constraints, raw material shortages, supply chain disruptions, and higher prices. Business activity also contracted for the fifth consecutive month, while employment continued to decline, albeit at a slower pace than in May. Purchasing activity weakened further as firms faced supply disruptions, although inventories increased as businesses sought to build precautionary stocks. Supplier delivery times lengthened again due to raw material shortages, shipping disruptions in the Strait of Hormuz, and higher fuel costs.

Meanwhile, input cost and output price inflation eased from the near-record highs recorded in May, although price pressures remained elevated due to higher fuel and raw material costs. Looking ahead, business confidence remained positive, supported by expectations of easing regional tensions and stronger government support, despite moderating slightly from the previous month.

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SURVEYS / REPORTS

FITCH AFFIRMS SAUDI ARABIA AT "A+" WITH "STABLE" OUTLOOK

Fitch Ratings affirmed Saudi Arabia's Long-Term Foreign-Currency Issuer Default Rating (IDR) at "A+" with a "stable" outlook.

The rating reflects strong fiscal and external balance sheets, with government debt/GDP and Sovereign Net Foreign Assets (SNFA) considerably stronger than the "A" and "AA" medians, and significant fiscal buffers in the form of deposits and other public sector assets. Oil dependence and World Bank Governance Indicators (WBGI) improved, but remain weaknesses. Geopolitical risk is high, but the economy and public finances have been resilient to the US-Iran war.

In details, Fitch forecasts real GDP growth would slow to 0.6% in 2026 due to disruption to trade caused by the closure of the Strait. Flows through the East-West pipeline supported oil production during the war and Fitch expects output to be ramped up to meet external demand following the reopening of the Strait and to rebuild domestic stocks, but at an annual average of 9 million b/d it would be below the 2025 level. Non-oil growth would be hit by an inability to export petrochemicals during the closure of the Strait, but consumer spending held up and business confidence is recovering.

Nevertheless, Growth would rebound in 2027 as the normalization of flows through the Strait allows higher oil and petrochemicals production, before easing to 2.9% in 2028. The phased opening of giga projects (many of which have launched initial operations), the proximity of key events and guidance that the Public Investment Fund would keep domestic spending largely unchanged in its new five-year plan, would also support growth. This would be balanced by project recalibration, lower government capex and slower credit growth. It is too early to discern medium-term impacts from the war on growth. Saudi Arabia has a small exposure to confidence-sensitive sectors such as tourism; exploiting logistical advantages gives some upside.

The fiscal deficit is projected to narrow in 2026 owing to higher oil revenues, as prices would offset lower volumes. Spending would also rise, reflecting the impact of the war, but much of the jump in 1Q was the precautionary frontloading of spending from later in the year. Fitch forecasts that lower oil revenues would widen the deficit to 4.7% in 2027, consistent with a fiscal breakeven oil price of US$ 94/b. Spending is expected to decline in 2027, due to an easing of war-related pressures, lower capex and ongoing efforts to reduce rigidities in current spending. Expenditure adjustment would allow the deficit to narrow in 2028 despite a projected further fall in oil prices.

Concurrently, banks have been resilient to the war and did not require any support measures from the central bank. At end-1Q, non-performing loans were 1.1% and the Tier 1 capital ratio 19.2%, both improved from end-2024. Credit growth has slowed, particularly mortgages, in response to policy measures, and is being outpaced by deposit growth. This should continue to slow the widening of the sectors' net external creditor position. Fitch maintained its mid-year 2026 sector outlook for Saudi banks at "neutral", despite moving the regional outlook to "deteriorating".

ABU DHABI REAL ESTATE TRANSACTIONS REACH US$ 32 BILLION IN H1 2026 AS FOREIGN DIRECT INVESTMENT GROWS 309%

The Abu Dhabi Real Estate Center (ADREC), the custodian and regulator of Abu Dhabi's real estate sector, announced that total real estate transactions in the Emirate reached US$ 32 billion (AED 117 billion) during the first half of 2026. According to ADREC's verified official market data, transaction value increased by 112% and transaction volume rose by 61.7% compared with the same period last year.

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Sales transactions accounted for US$ 23.4 billion (AED 86.1 billion) across 16,838 transactions during the first half of 2026, representing a 163.7% increase in value compared with the same period last year. Mortgage transactions reached US$ 7.3 billion (AED 26.7 billion) through 8,876 transactions, increasing by over 33% in value. Musataha (a real property right in the UAE that allows an investor to build, plant or operate on land owned by the government for up to 50 years) and long lease transactions totaled US$ 1.1 billion (AED 4 billion), while gift transactions reached US$ 84.8 billion (AED 311.5 million).

Foreign Direct Investment (FDI) reached US$ 3.8 billion (AED13.8 billion) during the first half of 2026, increasing by 309% compared with the same period last year. The value recorded during the first six months of the year exceeded the total foreign direct investment recorded during the full year of 2025.

Non-resident investors from 116 nationalities invested in Abu Dhabi's real estate market during the first half of 2026, compared with 82 nationalities during the same period last year. The United Kingdom, China, the Russian Federation, the United States, Germany and France ranked among the leading sources of foreign direct investment. Abu Dhabi's investment zones, which are open to ownership by investors of all nationalities, attracted total investment of US$ 20.4 billion (AED 75 billion) during the first half of 2026, an increase of 181% compared with US$ 7.3 billion (AED 26.7 billion) in the same period last year.

During the first half of 2026, ADREC approved eight new investment zones, bringing the total number of investment zones across Abu Dhabi to 50. The Center also registered 28 new real estate projects, representing a 16% increase compared with the same period last year, creating new opportunities for local and international investors across the Emirate.

ADREC issued 2,040 licenses for real estate professionals during the first half of the year, a 34% increase compared with the same period last year. The total number of licensed real estate brokers in the emirate reached 3,302. The Center continued to advance initiatives that support a more transparent and data-driven real estate market. Since its launch, Madhmoun (a government-regulated real estate system in the UAE) has facilitated the issuance of more than 41,200 regulated real estate advertising permits, helping improve the quality of market information and giving investors greater confidence in the listings they rely on.

SAUDI ARABIA ISSUES AND RENEWS OVER 274,000 COMMERCIAL LICENSES IN H1 2026

Saudi Arabia’s Ministry of Municipalities and Housing issued and renewed more than 274,000 commercial licenses during the first half of 2026.

In details, the total included more than 97,000 newly issued commercial licenses and over 177,000 renewed licenses, highlighting the continuity of commercial activities and the Kingdom's efforts to strengthen the business environment through streamlined digital services.

During the same period, the Ministry processed more than 91,000 commercial license amendments, over 43,000 requests to add commercial activities, and more than 39,000 license ownership transfers as part of its range of services for the business sector.

The figures reflect the Ministry's ongoing efforts to modernize the municipal licensing system, simplify procedures and enhance digital services to accelerate transactions and improve the experience of investors and business owners.

The continued increase in commercial licenses also underscores the attractiveness of Saudi cities as investment destinations and the effectiveness of initiatives aimed at empowering the private sector, stimulating commercial activity and advancing sustainable economic development.

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CORPORATE NEWS

ADNOC ACCELERATES GAS GROWTH STRATEGY WITH US$ 6.2 BILLION FID FOR UMM SHAIF GAS CAP

ADNOC is accelerating its integrated global gas growth strategy with a US$ 6.2 billion (AED 22.6 billion) Final Investment Decision (FID) to develop the Umm Shaif Gas Cap in Abu Dhabi alongside its international partners TotalEnergies, Eni and China National Petroleum Corporation (CNPC).

The UAE holds the seventh-largest gas reserves in the world. As global demand for reliable, lower-carbon energy continues to grow, ADNOC is unlocking more of the nation's gas resources and expanding its Liquefied Natural Gas (LNG) portfolio to meet the needs of its domestic and international customers and power industrial and Artificial Intelligence (AI) infrastructure growth.

The FID for Umm Shaif Gas Cap is the latest milestone in the company's gas growth strategy and would unlock more than 600 million standard cubic feet per day (scfd) of natural gas and associated gas liquids, equivalent to almost 10% of the UAE's current daily gas consumption. The investment will reinforce the UAE's energy security and its role as a reliable global energy supplier. Production from the development is expected by 2030.

The FID includes three Engineering, Procurement and Construction (EPC) packages totaling US$ 5.1 billion (AED 18.8 billion) for large-scale offshore infrastructure awarded by ADNOC to consortiums including major UAE and international contractors. The development also includes a US$ 365 million (AED 1.3 billion) 14-well drilling and integrated drilling services program to be delivered by ADNOC Drilling over 18 months using three existing rigs.

EGYPT'S PETROJET AND ENPPI SECURE US$ 6 BILLION OMAN ENERGY FRAMEWORK DEAL

Egypt's Petroleum Ministry announced that a consortium of Petrojet and ENPPI secured a six-year Engineering, Procurement and Construction (EPC) framework agreement with Petroleum Development Oman (PDO), covering projects valued at more than US$ 6 billion.

The agreement supports Egypt's strategy to expand the international presence of its petroleum-sector companies and boost exports of engineering and technical services.

It would also contribute to Oman's in-country value goals through knowledge transfer, training for Omani engineers, and greater involvement of local companies and supply chains, strengthening energy cooperation between Egypt and Oman.

JPMORGAN TO OPEN IRAQ BRANCH TO FINANCE US BUSINESS PROJECTS

JPMorgan Chase, an American multinational banking institution, plans to establish a branch in Iraq to finance projects executed by US-based businesses, marking an important move by one of the world's largest banks to expand in Iraq, as mentioned in a company statement.

A local JPMorgan office would assist American companies operating in Iraq get funding, as Baghdad seeks to boost investment in energy, infrastructure, industry and technology via collaborations with international enterprises.

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The declaration is one of the clearest indications yet of increased confidence among major international financial institutions in Iraq's investment prospects, as the government pursues banking reforms and strives to make it simpler for foreign corporations to conduct business in the country.

BAHRI LOGISTICS LAUNCHES BAHRI BONDED ZONE AT JEDDAH ISLAMIC PORT TO STRENGTHEN TRADE EFFICIENCY

Bahri Logistics, a business unit of the National Shipping Company of Saudi Arabia "Bahri," one of Saudi Arabia's leading shipping, maritime transportation and logistics companies, announced the launch of the "Bahri Bonded Zone" at Jeddah Islamic Port, under Ministry of Transport and Logistics Services and in collaboration with the Zakat, Tax and Customs Authority (ZATCA) and the Saudi Ports Authority (Mawani).

The facility benefits from its strategic location at Jeddah Islamic Port, along a major trade corridor through the Red Sea, which carries approximately 30% of global container traffic. This enhances its ability to support trade flows between Asia, Europe and regional markets.

Strategically located within one of the region's busiest and most active ports, the Bahri Bonded Zone provides businesses with direct access to major international shipping routes and helps reduce lead times to markets across Saudi Arabia, the Gulf Cooperation Council countries and East Africa.

The facility enables businesses to store and re-export goods without the upfront payment of customs duties or value-added tax. This helps improve cash flow, increase operational flexibility and enhance the efficiency of trade operations.

The zone is expected to serve a broad range of sectors, including import and export businesses, e-commerce platforms, and industries requiring temperature-controlled warehousing, such as pharmaceuticals and food. It would also help facilitate market-entry procedures for companies that are not resident in Saudi Arabia.

SCALE AI AND DELL TECHNOLOGIES SIGN MOU TO SUPPORT QATAR'S DIGITAL FUTURE AND AI CAPABILITIES

Scale AI and Dell Technologies announced the signing of a Memorandum of Understanding (MoU) to advance Artificial Intelligence capabilities and support Qatar's national digital transformation agenda.

The collaboration establishes a framework to expand the adoption of advanced AI solutions across the nation, directly supporting the goals of Qatar National Vision 2030. It would also focus on strengthening Qatar's digital infrastructure by making cutting-edge AI more accessible to local enterprises and public sector entities.

Scale AI and Dell Technologies would explore pathways to deliver scalable, high-performance technology solutions across client, edge and multi-cloud environments. On the infrastructure side, the two companies would design integrated AI compute, network and storage stacks, combining Scale AI's software intelligence with the Dell AI Factory to deliver cohesive, enterprise-grade solutions.

In parallel, the collaboration would also prioritize talent development through a structured exchange of technical expertise and knowledge-sharing sessions, building cross-organizational competencies in AI infrastructure and contributing to the growth of Qatar's AI talent base.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES CLOSE THE WEEK ON POSITIVE NOTE, MAINLY ANCHORED BY SAUDI EQUITY PRICE GAINS

MENA equity markets managed to close the week on a positive note, with the S&P Pan Arab Composite index rising by 0.3%, mainly anchored by price rebounds in the heavyweight Saudi Exchange, despite escalating US-Iran tensions and lingering fears of a full-blown regional war. This was mainly driven by soaring oil prices after the Red Sea emerged as another flashpoint for disruptions to shipments from the Middle East alongside the Strait of Hormuz, in addition to some upbeat corporate earnings and bank dividend announcements.

The heavyweight Saudi Exchange, which accounts for roughly 60% of the total regional market capitalization, closed in the green this week, with the S&P Saudi price index expanding by 0.8%, following four consecutive weeks of price contractions. This was mainly fueled by a powerful rally in Brent oil prices, which surged to US$ 96.78 per barrel on Friday from US$ 88.10 per barrel at the prior week's close. Energy markets spiked sharply after the Red Sea emerged as a critical new flashpoint for Middle Eastern shipping disruptions alongside the Strait of Hormuz. This upward momentum was further amplified by some upbeat and better-than-forecast financial results across the Saudi banking sector.

A glance on individual stocks shows that petrochemicals giant Saudi Aramco's share price rose by 0.6% week-on-week to close at SR 26.84. Petro Rabigh's share price surged by 3.6% to SR 15.08. Advanced Petrochemical Company's share price edged up by 0.5% to SR 23.12. Yansab's share price went up by 1.5% to SR 31.98. Yansab's Board of Directors recommended the distribution of dividends at a rate of SR 1 per share for the first half of 2026.

As to banking stocks, Saudi National Bank's share price closed 3.7% higher this week at SR 39.56. Saudi National Bank reported an 8% year-on-year rise in its 2026 second quarter net profits to reach SR 6.61 billion, beating average analysts' estimate. SNB's Board of Directors recommended the distribution of dividends at a rate of SR 1.15 per share for the first half of 2026. Banque Saudi Fransi's share price jumped by 5.3% to SR 20.50. Banque Saudi Fransi reported a 6% year-on-year expansion in its 2026 second quarter net profits to reach SR 1.5 billion. Banque Saudi Fransi's Board of Directors recommended the distribution of dividends at a rate of SR 0.57 per share for the first half of 2026. Arab National Bank's share price surged by 5.1% to SR 21.84. Arab National Bank reported 2026 second quarter net profits of SR 1.4 billion, up by 6% year-on-year, beating average analysts' estimate. ANB's Board of Directors recommended the distribution of dividends at a rate of SR 0.65 per share for the first half of 2026. Riyad Bank's share price

EQUITY MARKETS INDICATORS (JULY 19 - JULY 25, 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	159.8	0.3%	-7.3%	5.2	144.9%	0.1	18,060.6	1.5%	-	0.43
Jordan	631.7	1.2%	10.1%	121.0	56.4%	16.5	39,072.9	16.1%	12.5	2.01
Egypt	438.1	0.3%	20.0%	1,171.4	35.3%	11,711.9	74,242.3	82.0%	9.4	2.43
Saudi Arabia	469.7	0.8%	2.0%	5,843.2	40.4%	749.9	2,550,313.8	11.9%	17.1	3.75
Qatar	147.9	-1.3%	-7.3%	470.9	-88.7%	515.3	166,014.6	14.7%	11.8	1.50
UAE	168.5	0.6%	-2.6%	1,764.5	-33.0%	2,125.3	1,026,615.1	8.9%	10.7	2.22
Oman	164.8	-4.5%	18.2%	529.6	83.5%	585.8	53,510.1	51.5%	12.7	2.02
Bahrain	180.4	-1.4%	-3.8%	5.3	75.7%	3.9	18,766.4	1.5%	10.5	1.53
Kuwait	88.6	-0.2%	-6.1%	1,266.2	44.8%	1,021.7	163,484.7	40.3%	19.2	2.11
Morocco	394.8	0.7%	-7.1%	57.5	-27.8%	2.7	107,608.6	2.8%	16.3	3.02
Tunisia	136.5	-4.2%	45.9%	28.6	-21.0%	5.7	16,840.9	8.8%	17.6	2.69
Arab Markets	**995.2**	**0.3%**	**-0.3%**	**11,263.5**	**24.9%**	**16,738.7**	**4,234,529.9**	**13.8%**	**15.0**	**3.12**

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

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closed 1.8% higher at SR 21.08. Riyad Bank reported a 2% year-on-year rise in its 2026 second quarter net profits to reach SR 2.65 billion, beating average analysts' estimate. Riyad Bank's Board of Directors recommended the distribution of dividends at a rate of SR 0.64 per share for the first half of 2026.

In contrast, the Qatar Stock Exchange faced downward price pressures this week, with the S&P Qatar price index contracting by 1.3%, as escalating US-Iran tensions reignited fears of a broader war breaking out in the Middle East, souring overall investor sentiment. This was worsened by some unfavorable financial results. 35 out of 54 traded stocks posted price falls, while 17 stocks recorded price gains and two stocks saw no price change week-on-week.

A closer look at individual stocks shows that Nakilat's share price contracted by 3.9% week-on-week to QR 4.100. Nakilat delivered relatively flat net profits in the first half of 2026 of QR 857 million against net profits of QR 860 million a year earlier. Qatar Fuel's share price shed 1.1% to QR 13.860. Qatar Fuel reported net profits of QR 398 million in the first half of 2026 against net profits of QR 461 million a year earlier, down by 14%. Qatar Aluminum Manufacturing's share price went down by 4.2% to QR 1.500. As to banking stocks, Al Rayan Bank's share price retreated by 1.5% to QR 1.970. Al Rayan Bank reported net profits of QR 687 million in the first half of 2026 against net profits of QR 821 million during the same period of last year. Qatar International Islamic Bank's share price declined by 1.6% to QR 10.990. QNB's share price fell by 4.2% to QR 16.500. The Commercial Bank's share price nudged down by 0.3% to QR 4.030.

Boursa Kuwait traded between gains and losses this week, as intensifying US-Iran tensions and fears of a large-scale conflict in the region were offset by higher oil prices and some upbeat corporate earnings. This was mirrored by a 0.2% weekly retreat in the S&P Kuwait price index. A closer look at individual stocks shows that Mabanee's share price contracted by 1.5% to KWf 917. Kuwait Cement's share price plunged by 4.8% to KWf 399. Heavy Engineering Industries and Shipbuilding's share price decreased by 1.5% to KWf 665. National Mobile Telecommunications' share price went down by 1.4% to KWf 1,780. Jazeera Airways' share price edged down by 0.8% to KWf 1,731. Kuwait Real Estate's share price declined by 1.2% to KWf 338. In contrast, National Bank of Kuwait's share price rose by 1.1% to KWf 815. NBK reported 2026 second quarter net profits of KWD 189 million, up by 4.5% year-on-year. Kuwait Finance House's share price edged up by 0.1% to KWD 775. Kuwait Finance House announced a 7.2% year-on-year rise in its 2026 second quarter net profits to reach KWD 186 million. Independent Petroleum Group's share price skyrocketed by 29.8% to KWf 798.

FIXED INCOME MARKETS: MENA BOND MARKET DOWNTURN DEEPENS AMID RISING GLOBAL INFLATION CONCERNS

MENA fixed income markets faced broad-based downward price pressures this week as intensifying hostilities between the US and Iran, and shipping disruptions across the Red Sea and the Strait of Hormuz drove a strong oil price rally, fueling global inflation concerns. Consequently, market expectations shifted to price in two US Fed interest rate hikes this year.

In the Saudi credit space, sovereigns maturing in 2029, 2030, 2034 and 2050 recorded price drops of up to 2.31 pts this week. Prices of Aramco'30, '34 and '50 went down by 0.74 pt, 1.06 pt and 1.46 pt respectively. SEC'30 and '44 traded down by 0.74 pt and 1.57 pt respectively. SABIC'28 closed down by 0.32 pt. STC'29 reported price retreats of 0.26 pt. Amongst financials, Banque Saudi Fransi'29 was down by 0.43 pt. Prices of Al Rajhi Bank'29 fell by 0.11 pt. SNB'29 was down by 0.26 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 posted price contractions ranging between 0.72 pt and 1.49 pt week-on-week. In the Qatari credit space, sovereigns maturing in 2029, 2034, 2040 and 2050 registered weekly price falls of up to 1.98 pt this week. Prices of Ooredoo'28, '31 and '43 decreased by 0.28 pt, 0.40 pt and 1.07 pt respectively. Amongst financials, prices of Doha Finance'29 retreated by 0.44 pt. QNB'29 posted price declines of 0.24 pt. Qatar International Islamic Bank'29 traded down by 0.26 pt.

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In the UAE credit space, sovereigns maturing in 2031, 2041 and 2052 recorded price falls of up to 2.12 pts this week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted weekly price drops of 1.44 pt and 1.91 pt respectively. DP World'30 and '49 were down by 0.88 pt and 1.72 pt respectively. Prices of Majid Al Futtaim'29 went down by 0.34 pt. Emirates Airlines'28 was down by 0.14 pt. Amongst financials, prices of Emirates NBD Bank'27 fell 0.18 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2029, 2030, 2034 and 2050 saw weekly price contractions of up to 2.78 pts. ADNOC Murban'29 was down by 0.62 pt. Prices of Mubadala'28, '30, '34, '41 and '50 dropped by up to 2.09 pts. Aldar Investment Properties'33 traded down by 1.19 pt. Prices of Taqa'28, '30 and '36 rose contracted by 0.17 pt, 0.49 pt and 0.95 pt respectively. Amongst financials, prices of ADCB'29 went down by 0.46 pt. FAB'29 and '35 registered price drops of 0.54 pt and 0.31 pt respectively. In the Sharjah credit space, sovereigns maturing in 2030 recorded price falls of 0.56 pt week-on-week.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 decreased by 0.19 pt week-on-week. KIPCO'27 traded down by 0.13 pt. Regarding new issues, Kuwait raised US$ 6 billion this week from the sale of a triple-tranche bond. The first tranche consisted of US$ 3 billion three-year bonds issued at 70 bps over US Treasuries against an initial price guidance of 95 bps over UST. The bond sale attracted more than US$ 6.75 billion in orders. The second tranche consisted of US$ 1.5 billion five-year bonds issued at 75 bps over UST against an initial price guidance of 100 bps over UST. The bond sale attracted more than US$ 3.75 billion in orders. The third tranche consisted of US$ 1.5 billion ten-year bonds issued at 85 bps over UST against an initial price guidance of 110 bps over UST. The bond sale attracted more than US$ 4.25 billion in orders.

In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price decreases of 0.09 pt. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 recorded price retreats of up to 2.15 pts this week. Omantel'28 closed down by 0.49 pt. In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 reported price contractions of up to 2.63 pts this week.

All in all, regional bond markets sank deeper into negative territory this week, mainly pressured by escalating US-Iran tensions and twin shipping disruptions across the Red Sea and Strait of Hormuz. The resulting surge in crude prices reignited global inflation fears, pushing market participants to completely price in an interest rate hike by September, alongside a 67% chance of a second hike by December 2026.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	24-Jul-26	17-Jul-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	40	37	27	3	13
Dubai	68	65	46	3	22
Kuwait	61	54	47	7	14
Qatar	39	35	27	4	12
Saudi Arabia	67	65	67	2	0
Bahrain	315	292	184	23	131
Morocco	80	81	70	-1	10
Egypt	309	292	271	17	38
Iraq	266	273	207	-7	59
Middle East	138	133	105	5	33
Emerging Markets	97	93	99	4	-2
Global	214	211	213	3	1

Sources: Bloomberg, Bank Audi's Group Research Department

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SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS	Standard & Poor's	Moody's	Fitch
LEVANT			
Lebanon	SD/Stable/SD	C/Stable	RD/-/C
Syria	NR	NR	NR
Jordan	BB-/Stable/B	Ba3/Stable	BB-/Stable/B
Egypt	B/Stable/B	Caa1/Positive	B/Stable/B
Iraq	B-/Negative/B	Caa1/Negative	B-/Stable/B
GULF			
Saudi Arabia	A+/Stable/A-1	Aa3/Stable	A+/Stable/F1+
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA-/Stable/F1+
Qatar	AA/Stable/A-1+	Aa2/Stable	AA/Stable/F1+
Kuwait	AA-/Stable/A-1+	A1/Stable	AA-/Stable/F1+
Bahrain	B/Stable/B	B2/Negative	B+/Negative/B
Oman	BBB-/Stable/B	Ba3/Stable	BBB-/Stable/B
Yemen	NR	NR	NR
NORTH AFRICA			
Algeria	NR	NR	NR
Morocco	BBB-/Stable/A-3	Ba1/Positive	BB+/Stable/B
Tunisia	NR	Caa1/Stable	CCC+/C
Libya	NR	NR	NR
Sudan	NR	NR	NR

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

FX RATES (per US$)	24-Jul-26	17-Jul-26	31-Dec-25	Weekly change	Year-to-date
LEVANT					
Lebanese Pound (LBP)	89,500.00	89,500.00	89,500.00	0.0%	0.0%
Jordanian Dinar (JOD)	0.71	0.71	0.71	0.0%	0.0%
Egyptian Pound (EGP)	51.35	50.53	47.70	1.6%	7.7%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.76	3.75	0.0%	0.1%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	0.0%	0.0%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.0%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.39	0.0%	-0.1%
Yemeni Riyal (YER)	238.24	238.45	238.38	-0.1%	-0.1%
NORTH AFRICA					
Algerian Dinar (DZD)	133.19	133.07	129.41	0.1%	2.9%
Moroccan Dirham (MAD)	9.37	9.33	9.11	0.3%	2.8%
Tunisian Dinar (TND)	2.96	2.95	2.89	0.4%	2.3%
Libyan Dinar (LYD)	6.40	6.39	5.42	0.2%	18.1%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

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