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p.9 MENA EQUITIES DEEPEN LOSSES, BOND MARKETS CONTINUE TO TREND UPWARD THIS WEEK

MENA equities extended their losses (-1.3%) this week as selling pressure intensified amid escalating Saudi-Houthi tensions. The regional downturn deepened further, compounded by the IMF's recent grim economic forecast for the MENA region. In its October 2026 World Economic Outlook, the Fund downgraded its forecast for the MENA region to a 2.0% contraction in real GDP this year, a sharp reversal from the 1.1% positive growth projected in April. In contrast, regional fixed income markets continued to report broad-based upward price movements this week, largely tracking the movement of US Treasuries as a sell-off in global equities deepened risk aversion and spurred demand for safe-haven assets. This took place despite hotter-than-surveyed US inflation in September, which cemented bets about a second US Fed interest rate hike this year in December, followed by two additional rate hikes next year.

MENA MARKETS: OCTOBER 11 TO OCTOBER 17, 2026

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-1.3%	Average weekly bond price change	+0.52 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↓
YTD stock price performance	-4.4%	Average yearly bond price change	-5.36 pts

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ECONOMY

GCC EXCHANGES GROWING IN IMPORTANCE SAYS FITCH RATINGS

GCC exchanges are becoming important channels for capital raising, complementing bank lending by widening issuers' access to capital, supporting longer maturities and improving pricing transparency, Fitch Ratings says. However, exchange development across the GCC is uneven, with high concentrations, limited product breadth, lower liquidity than in many developed and large emerging markets, and fragmented structures. Most GCC sukuk and bonds are listed offshore.

The development of exchanges is important to GCC governments' economic diversification agendas and efforts to deepen domestic capital markets, attract greater private-sector participation, and broaden foreign investor access. Fitch rates a significant share of listed entities and sukuk on the region's main exchanges, with most ratings at investment grade and most entities on Stable Outlooks.

GCC stock markets had a combined market capitalisation of about USD4 trillion in September 2026, while GCC debt capital markets reached US\$ 1.2 trillion outstanding at end-1H26 (sukuk share: 42%). However, most GCC equities are listed on domestic exchanges, while GCC debt listings, particularly hard-currency (HC) sukuk and bonds, are concentrated on offshore exchanges. London Stock Exchange lists over half of global US dollar sukuk at end-1H26, with 95% from the Middle East, mainly the GCC countries.

Domestic exchanges in the GCC are more established as equity platforms rather than as broad capital-market hubs across asset classes and products. Concentration is a key constraint. On Abu Dhabi Securities Exchange (ADX), five entities account for around 60% of market capitalisation, while Saudi Arabian Oil Company (A+/Stable) accounts for around 65% of Saudi Exchange's market capitalisation as of August 2026. The pace of domestic debt-market deepening is slowed by the region's corporate funding culture, which is skewed towards bank financing.

Saudi Exchange remained the region's largest in September 2026, with about 63% of GCC market capitalisation, followed by ADX (18%) and Dubai Financial Market (DFM; 7%). Fitch rates 24 entities on Saudi Exchange, representing about 84% of its market capitalisation as of August 2026. About 96% are rated at investment grade, with 96% on Stable Outlooks.

Saudi Exchange also has a more developed local-currency debt market than most other GCC exchanges, which have nascent local-currency debt markets with limited issuances to date. Riyal-denominated sovereign sukuk issuances reflect Saudi government efforts to develop a domestic yield curve, improve local-market liquidity and reduce reliance on foreign-currency funding. Listed riyal debt instruments are all in sukuk format to attract Islamic banks, which are key investors and hold most banking system assets. Inclusion of Saudi Arabia's riyal-denominated government sukuk in the JPMorgan Government Bond Index-Emerging Markets from 2027 should attract further foreign investment. Foreign investors' share of the Saudi sovereign's primary debt issuances rose to 15% in 1H26 (1Q26: 8%; 2025: 12%), despite Iran war-related volatilities. In the equity market, foreign ownership of the main market's free float rose to 12.7% at end-August 2026 (end-2025: 12.4%). Saudi Arabia's removal of the Qualified Foreign Investor framework from February 2026 should broaden participation. In the UAE, both ADX and DFM list mainly equities, while Nasdaq Dubai lists mainly debt.

Fitch rates 15 entities listed on ADX, representing about 28% of its market capitalisation; about 93% are investment grade and all entities are on Stable Outlooks. On DFM, Fitch rates 9 entities, which account for over 40% of the exchange's total market capitalisation, with around 89% investment grade and 89% on Stable Outlooks. Nasdaq Dubai remains a leading venue for HC sukuk, listing over 28% of global outstanding sukuk at end-1H26. Total listed debt outstanding reached over US\$ 140 billion, around 70% of which was sukuk as per Fitch.

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SAUDI ARABIA RECORDS YEAR-ON-YEAR CPI INFLATION OF 2% IN SEPTEMBER 2026

According to data from the Saudi General Authority for Statistics (GASTAT), the country has registered an average year-on-year inflation in prices of 1.9% in September 2026. This inflation was due to increases in most expenditure divisions and was partially offset by marginal deflations in the prices of Furnishings, Household Equipment & Maintenance and Clothing & Footwear during the month.

In detail, average year-on-year inflations were noted in the prices of Food & Beverages (weight of 21.9%), Housing, Water, Electricity, Gas & Other Fuels (with a weight of 20.2%) and Transport (weight of 14.5%) of 1.4%, 3.6% and 2.3% respectively during September 2026 against the same month the year prior. Year-on-year price inflations during the period were also noted in Restaurants & Accommodation Services (weight of 8.4%), Personal Care, Social Protection & Miscellaneous Goods & Services (weight of 6.1%), Information & Communication (weight of 5.2%) and Health (weight of 4.0%) of 1.9%, 3.3%, 0.5% and 0.2% respectively.

Additionally, the prices of Recreation, Sport & Culture (weight of 3.2%), Insurance & Financial Services (weight of 3.2%), Education Services (weight of 2.2%) and Tobacco (weight of 0.7%) noted year-on-year increases of between 0.2% and 2.5% during the aforementioned period, as per data from GASTAT.

On the other hand, average year-on-year deflations were noted in the prices of Furnishings, Household Equipment & Maintenance (weight of 6.7%) and Clothing & Footwear (weight of 3.7%) in September 2026 of 0.5% and 0.4% against prices in September 2025 over the same period.

SAUDI ARABIA CPI

By Expenditure Division			By Region	
	Y-O-Y CPI variation	Weight		Y-O-Y CPI variation
General Index	1.9%	100.0%	General Index	1.9%
Food & Beverages	1.4%	21.9%	Riyadh	2.3%
Housing, Water, Electricity, Gas & Other Fuels	3.6%	20.2%	Makkah	2.1%
Transport	2.3%	14.5%	Madinah	1.5%
Restaurants & Accommodation Services	1.9%	8.4%	Al Qassim	-1.3%
Furnishings, Household equipment & Maintenance	-0.5%	6.7%	Eastern Province	1.9%
Personal Care, Social protection & Misc. Goods & Services	3.3%	6.1%	Aseer	1.5%
Information & Communication	0.5%	5.2%	Tabouk	1.2%
Health	0.2%	4.0%	Hail	2.1%
Clothing & Footwear	-0.4%	3.7%	Northern Borders	3.6%
Recreation, Sport & Culture	2.5%	3.2%	Jazan	0.6%
Insurance & Financial Services	2.0%	3.2%	Najran	2.0%
Education Services	1.3%	2.2%	Al Baha	1.7%
Tobacco	0.2%	0.7%	Al Jouf	4.2%

Sources: GASTAT, Bank Audi Group Research Department

QATAR'S REAL GDP CONTRACTS BY 15.7% YEAR-ON-YEAR IN Q2-2026

According to recent data from Qatar's National Planning Council (NPC), the country's GDP at constant prices recorded QR 153.2 billion (US\$ 41.4 billion) in the second quarter (Q2) of 2026, recording a year-on-year contraction of 15.7%, down from QR 181.8 billion (US\$ 49.1 billion) in Q2-2025. This contraction was mainly driven by a significant decline in the Primary Sector, particularly Mining & Quarrying activities.

In detail, the Primary Sector (weight of 20.5% of total GDP), which includes the extraction of natural resources, recorded a contraction of 50.2% year-on-year, reaching QR 31.4 billion (US\$ 8.5 billion) in Q2-2026, down from QR 63.2 billion (US\$ 17.1 billion) in Q2-2025. At the level of the Secondary Sector (weight of 24.6%), which includes manufacturing and construction activities, it recorded QR 37.6 billion (US\$ 10.2 billion) in Q2-2026, down by 2.1% year-on-year from QR 38.5 billion (US\$ 10.4 billion) in Q2-2025. At the level of the Tertiary Sector (weight of 54.9%), which includes services activities, it recorded QR 84.2 billion (US\$ 22.7 billion) in Q2-2026, up by 4.9% year-on-year from QR 80.2 billion (US\$ 21.7 billion) in Q2-2025, as per data from Qatar's NPC.

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It is worth noting that Non-Mining & Quarrying GDP (weight of 79.9%) recorded a year-on-year expansion of 2.6% between Q2-2025 and Q2-2026 to reach QR 122.4 billion (US\$ 33.0 billion) in the latter, up from QR 119.3 billion (US\$ 32.2 billion) in the former.

QATAR GDP

(QR million)	Q2-2026	Q2-2025	VAR %
Primary Sector	31,433	63,151	-50.2%
o.w. Mining & Quarrying	30,857	62,590	-50.7%
o.w. Others	576	561	2.7%
Secondary Sector	37,649	38,455	-2.1%
o.w. Manufacturing	11,668	13,443	-13.2%
o.w. Construction	22,614	21,436	5.5%
o.w. Others	3,367	3,576	-5.8%
Tertiary Sector	84,166	80,241	4.9%
o.w. Wholesale & Retail Trade	15,693	14,683	6.9%
o.w. Transportation & Storage	7,399	7,362	0.5%
o.w. Financial & Insurance Activities	17,617	16,261	8.3%
o.w. Real Estate Activities	14,513	13,075	11.0%
o.w. Public Administration	15,420	15,192	1.5%
o.w. Others	13,524	13,668	-1.1%
Real GDP	153,248	181,847	-15.7%
Mining & Quarrying GDP	30,857	62,590	-50.7%
Non-Mining & Quarrying GDP	122,391	119,257	2.6%

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

KUWAIT'S NON-OIL PRIVATE SECTOR MAINTAINS GROWTH IN SEPTEMBER 2026

The latest Purchasing Managers' Index data from S&P Global for Kuwait showed a continued improvement in business conditions within the non-oil private sector in September 2026, supported by sustained expansions in output and new orders. The headline PMI declined to 52.4 in September 2026, down from 53.6 in August 2026, remaining above the 50.0 no-change mark for the third consecutive month and indicating a solid improvement in operating conditions, albeit at a slower pace.

The improvement was mainly driven by continued growth in new orders and business activity, both of which increased for the third consecutive month, supported by successful marketing strategies and competitive pricing. New export orders also increased for the second consecutive month, with the rate of expansion reaching a seven-month high. Firms continued to increase purchasing activity at a joint-record pace, contributing to the fastest rise in inventories in almost two years. Employment levels increased for the second consecutive month, albeit modestly, while backlogs of work accumulated for the third consecutive month. Meanwhile, input cost inflation accelerated to its highest level since February, driven by higher purchasing prices and staff costs. Output charges also increased, although at a slightly slower pace than in August.

Looking ahead, business confidence strengthened for the third consecutive month, reaching its highest level since February 2026, supported by planned product range expansions, promotional activities and expectations of fewer restrictions on air travel over the coming 12 months.

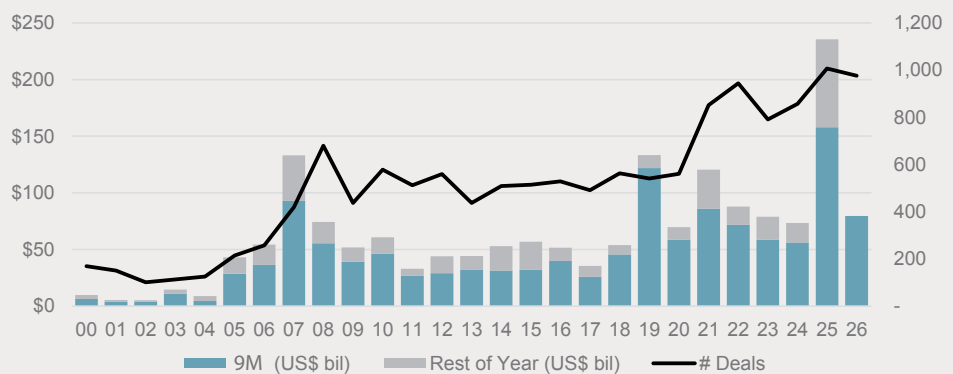
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SURVEYS / REPORTS

M&A DEALS IN MENA REACHED US\$ 80 BILLION IN 9M 2026, AS PER LSEG DATA & ANALYTICS

The value of announced M&A transactions with any Middle Eastern or North African involvement totaled US\$ 79.6 billion during the first nine months of 2026, a 50% decline from year-ago levels. The number of deals announced in the region declined 3%, as per "MENA Investment Banking Review: First Nine months of 2026" report issued by LSEG Data & Analytics.

MENA M&A BY VALUE AND NUMBER OF DEALS



Source: LSEG Data & Analytics

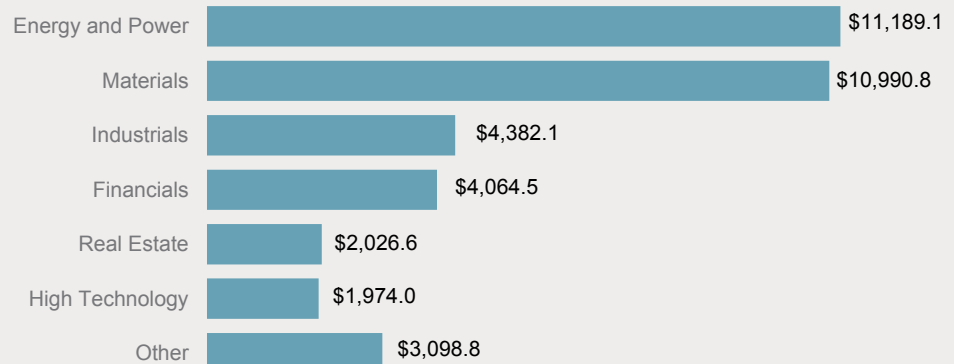
In detail, deals involving a MENA target totaled US\$ 37.7 billion, down 33% year-on-year and the lowest first-nine-month total in two years.

In parallel, MENA outbound M&A declined 66% from year-ago levels to US\$ 32.7 billion during the first nine months of 2026, a two-year low.

Concurrently, strategic metals platform Miotol (SMT Holdings) agreed to a US\$ 10 billion combination with Nasdaq-listed SPAC, Fifth Era Acquisition Corp I. The deal, announced in April, remains the largest in the region so far this year. The largest transaction announced during the third quarter was the investment in Kuwait Petroleum Corp's oil pipeline network by Blackstone, Brookfield and KKR.

Boosted by this deal, energy & power was the most active sector by deal value during the first nine months of 2026, followed by materials and industrials, while the technology and financial sectors saw the highest number of deals.

MENA TARGET M&A BY TARGET SECTOR (US\$ BILLION)

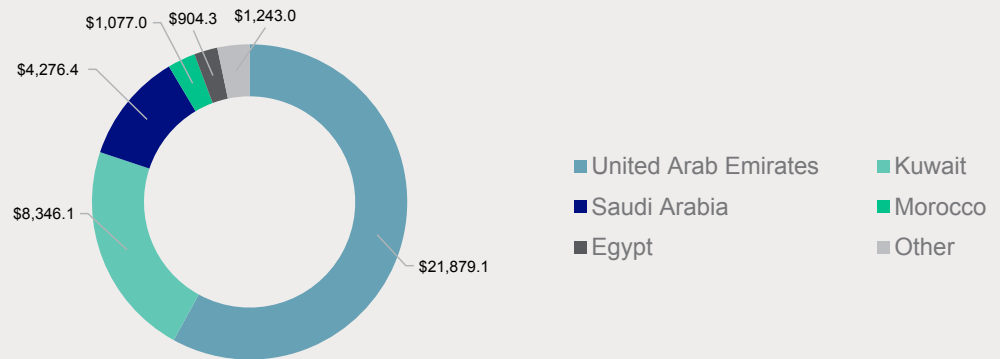


Source: LSEG Data & Analytics

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Concurrently, the UAE was the most targeted nation, followed by Kuwait and Saudi Arabia.

MENA TARGET M&A BY TARGET NATION (US\$ BILLION)



Source: LSEG Data & Analytics

SAUDI ARABIA'S RATING AFFIRMED AT "A+/A-1" WITH "STABLE" OUTLOOK, AS PER S&P GLOBAL

S&P Global Ratings affirmed its "A+/A-1" long-term and short-term foreign and local currency sovereign credit ratings on Saudi Arabia. The outlook is "stable". The "stable" outlook reflects S&P's view that Saudi Arabia would be able to largely withstand the pressures emanating from the Middle East conflict. This factors in its ability to redirect oil exports to the Red Sea (thereby avoiding the Strait of Hormuz), use its large oil storage and refining capacity, and increase oil production following the conflict. The outlook reflects S&P's view that non-oil growth momentum and associated non-oil revenue, as well as the government's ability to calibrate investment expenditure tied to Vision 2030 should continue to support the economy and fiscal trajectory.

In detail, Saudi Arabia has been able to partially mitigate the effective closure of the Strait of Hormuz by transporting hydrocarbons from the east of the country to the Red Sea port of Yanbu in the west, via its East-West oil pipeline, as well as by using storage around the globe. Given its large maximum production capacity of about 12 mbpd, it could also ramp up production after the conflict begins to subside. Saudi Arabia also maintains storage and refining capacity both domestically as well as abroad in Asia and the U.S., providing another layer of flexibility.

In parallel, the government is working on a prioritization exercise for its economic and fiscal plans; the process is ongoing and would help ensure the government retains the necessary flexibility to adapt to geopolitical developments. Its focus is on pragmatism and flexibility and ensuring the containment of fiscal deficits despite current pressures. Before the conflict, the government had already been looking at adjusting spending on diversification projects tied to Vision 2030 to manage plans more in line with available resources. S&P expects the authorities would continue to adopt a largely prudent approach in this regard, having stressed a commitment to achieving Vision 2030 goals without jeopardizing public finances.

S&P forecasts real GDP growth to contract by 0.9% for 2026, reflecting the oil-sector contraction, as well as muted non-oil sector growth. While growth in the first-quarter 2026 was 3.0% year on year, second-quarter 2026 flash estimates showed a 4.8% contraction year-on-year the steepest since the COVID-19 pandemic. This is because a 24.7% fall in oil activity outweighed modest growth in the non-oil (0.6%) and government (0.9%) sectors. This contraction was driven by a sharp fall in oil production volumes, which fell to an average of 6.9 mbpd between March and August from approximately 10.1 mbpd in January and February. However, S&P forecasts a sharp recovery in real GDP growth to 8.2% in 2027 as oil production is estimated to increase, with real GDP growth stabilizing at approximately 3.3% through 2028 and 2029.

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CORPORATE NEWS

SAUDI F&B GIANT ALMARAI MAPS OUT US\$ 4 BILLION EXPANSION STRATEGY THROUGH 2031

Saudi food and beverage company Almarai announced plans to invest more than US\$ 4 billion through 2031 as part of a new growth strategy focused on expanding capacity, entering new categories and increasing its presence in priority markets.

One of the region's largest food and beverage manufacturers and distributors, Almarai sets out four priorities for the company's next phase of growth: strengthening its core categories, expanding selectively into promising new categories, growing in channels such as foodservice and e-commerce, and expanding in priority markets.

The new opportunities Almarai aims to capture are driven by long-term growth trends across the food and beverage sector, increasing consumer demand for high-quality products and the company's differentiated capabilities spanning manufacturing, supply chain, distribution, consumer-centricity and innovation.

ELSEWEDY ELECTRIC JV LANDS CONTRACT FOR US\$ 2.2 BILLION RABIGH 2 IPP PROJECT

Egypt-based Elsewedy Electric PSP announced that its joint venture with Sinohydro, a leading global contractor, secured the Engineering, Procurement and Construction (EPC) services contract for the Rabigh 2 Independent Power Plant (IPP) Expansion Project, one of the region's most significant gas-fired combined-cycle developments with a total value of US\$ 2.2 billion.

As the EPC contractor, the joint venture is responsible for the full design, engineering, procurement, construction, commissioning and performance testing of the plant, together with all associated civil works and interconnection with the national grid.

The contract was awarded by Al Mourjan Two for Electricity Company, a Special Purpose Vehicle (SPV) set up by Saudi utility major ACWA Power and Saudi Energy to develop the Rabigh 2 Project in the kingdom's western province.

SAUDI AND UAE SIGN MOU TO BOOST RAIL CONNECTIVITY AND INFRASTRUCTURE INTEGRATION

Saudi Arabia and the UAE signed a Memorandum of Understanding (MoU) to strengthen strategic cooperation to advance railway connectivity between the two countries.

The MoU establishes the general principles for railway connectivity between the two countries and provides for relevant technical and economic studies. This cooperation aims to strengthen logistics integration, improve supply chain efficiency, facilitate cross-border trade and transport, and support economic development and regional integration.

As part of broader efforts to strengthen infrastructure integration between the two countries, the MoU also encompasses cooperation on electricity interconnection, including the exchange and sale of electricity, as well as technical, economic and environmental feasibility studies to assess interconnection opportunities.

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It further provides for coordination with member states of the GCC regarding the expansion of the GCC electricity interconnection network, supporting greater energy system efficiency and enhanced regional connectivity.

QATAR DEVELOPMENT BANK EXPANDS SUPPORT FOR MANUFACTURERS THROUGH NON-REPAYABLE GRANTS

Qatar Development Bank (QDB) continued to develop the support packages offered through its Situation Room, launched during the first quarter of this year in response to regional developments. In detail, QDB announced the expansion of the Logistics Support Fund, increasing its size to QR 400 million, thereby increasing the level of support available to each factory through a non-repayable grant for imports.

The Fund supports Qatar-based manufacturers across all sectors through a non-repayable grant covering imports of essential raw materials, reimbursing up to 80% of increased shipping costs compared with normal levels prior to the recent regional developments. The support is designed to strengthen business continuity and enhance factories' ability to adapt to changing conditions and respond to them with greater resilience.

To facilitate access to the grant, QDB provides a fully digital experience covering the different procedures and stages of the application process, from creating and tracking an application to viewing the support allocated to each factory and the remaining available balance. QDB also confirmed that the program covers different logistics routes, including air freight, sea freight and land transportation.

CBUAE AND NATIONAL BANK OF GEORGIA SIGN MOU TO STRENGTHEN FINANCIAL AND SUPERVISORY COOPERATION

The Central Bank of the United Arab Emirates (CBUAE) and the National Bank of Georgia (NBG) signed a Memorandum of Understanding (MoU) to strengthen financial and supervisory cooperation and facilitate the exchange of information and expertise in central banking. The MoU aims to support financial stability and the development of the banking and financial sectors in both countries.

Under the MoU, both authorities would work to strengthen cooperation in monetary policy, foreign exchange operations and foreign reserves management, the supervision and oversight of financial institutions and activities, as well as payment systems and financial technologies.

The MoU covers the development and modernization of payment and financial services infrastructure to facilitate faster, more efficient and secure cross-border transactions. It also supports the development of financial technologies and promotes innovation in financial services.

The MoU also provides for the exchange of knowledge and expertise and capacity building through meetings, working visits, and joint studies and research. Both authorities may establish working groups by mutual agreement to support cooperation in areas of mutual interest, in accordance with the applicable laws and regulations of both countries.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES EXTEND LOSSES AMID ESCALATING REGIONAL TENSIONS AND IMF'S GRIM ECONOMIC FORECASTS

MENA equities extended their losses (-1.3%) this week as selling pressure intensified amid escalating Saudi-Houthi tensions. The regional downturn deepened further, compounded by the IMF's recent grim economic forecast for the MENA region. In its October 2026 World Economic Outlook, the Fund downgraded its forecast for the MENA region to a 2.0% contraction in real GDP this year, a sharp reversal from the 1.1% positive growth projected in April.

The heavyweight Saudi Exchange, which represents roughly 60% of the total regional market capitalization, deepened its nosedive this week, with the S&P Saudi price index shedding 2.5% to reach 5½-year low. The sell-off was primarily fueled by ongoing missile and drone attacks from Iran-backed Houthi forces targeting Saudi civilian aviation infrastructure -including Riyadh's King Khalid International Airport- as well as energy assets, highlighted by a strike on Saudi Aramco's Eastern Headquarters. Market sentiment was further dampened by the IMF's latest growth downgrade, which projected Saudi Arabia's real GDP to contract by 3.3% in 2026, a sharp reversal from the 1.7% positive growth forecast in July's WEO update.

A closer look at individual stocks shows that most petrochemical stocks headed South this week. Petrochemical giant Saudi Aramco's share price shed 1.8% to SR 25.28. Sipchem's share price plunged by 4.0% to SR 11.42. Saudi Kayan Petrochemical Company's share price plummeted by 5.6% to SR 4.55. SABIC's share price dropped by 2.7% to SR 44.56. Yansab's share price declined by 1.7% to SR 31.66. As to banking stocks, Saudi National Bank's share price fell by 2.0% week-on-week to reach SR 37.00. Saudi Awwal Bank's share price decreased by 3.3% to SR 33.02. Bank AlBilad's share price contracted by 4.0% to SR 21.95. Bank Al-Jazira's share price retreated by 1.5% to SR 11.23. Banque Saudi Fransi's share price nudged down by 0.6% to SR 19.60. Alinma Bank's share price closed 0.9% lower at SR 23.63. Arqaam Capital Limited cut its recommendation on Alinma Bank's stock to "Hold" from "Buy", with a price target of SR 26.70, which implies a 13% increase from last price.

Concurrently, Saudi Tadawul Group Holding Company's share price dropped by 2.9% week-on-week to reach SR 115.50. Nahdi Medical Company's share price nosedived by 4.0% to SR 87.25. EFG-Hermes analyst cut its recommendation on Nahdi Medical Company's stock to "Neutral" from "Buy", with a price target of SR 100, which implies a 9.2% increase from last price. Saudi Paper Manufacturing's share price plunged by 8.8% to SR 52.55. Aslak's share price retreated by 2.9% to SR 15.94. Theeb Rent a Car Company's share price plummeted by 9.4% to reach SR 17.21. STC's share price went down by 1.1% to SR 42.12. Makkah

EQUITY MARKETS INDICATORS (OCTOBER 11 TO OCTOBER 17,2026)

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	149.1	-1.3%	-13.5%	2.4	-57.8%	0.1	16,850.1	0.7%	-	0.50
Jordan	652.1	0.6%	13.6%	73.8	-89.7%	21.3	41,004.6	9.4%	12.5	2.26
Egypt	392.2	-3.7%	7.4%	579.1	-88.1%	8,538.1	72,486.4	41.5%	9.3	2.58
Saudi Arabia	439.1	-2.5%	-4.7%	3,811.9	-90.5%	815.5	2,425,613.1	8.2%	15.4	3.42
Qatar	132.3	-1.6%	-17.1%	327.8	-90.6%	482.0	149,199.7	11.4%	11.2	1.30
UAE	173.9	1.4%	0.5%	2,287.6	-90.5%	2,623.8	955,868.5	12.4%	14.4	2.88
Oman	182.2	-1.4%	30.7%	539.0	-93.9%	708.0	58,986.7	47.5%	13.4	2.09
Bahrain	171.2	-1.9%	-8.7%	4.4	-88.1%	5.2	18,105.7	1.3%	10.5	1.38
Kuwait	86.7	-1.5%	-8.1%	878.6	-90.8%	1,022.9	160,948.2	28.4%	18.9	2.01
Morocco	365.6	1.4%	-14.0%	80.4	-92.5%	3.1	100,330.8	4.2%	16.6	2.99
Tunisia	121.0	0.6%	29.3%	13.8	-91.0%	2.4	14,808.9	4.9%	14.7	2.45
Arab Markets	954.3	-1.3%	-4.4%	8,598.8	-90.8%	14,222.3	4,014,202.7	11.1%	14.9	3.07

Values in US\$ million; volumes in millions

* markets cap-weighted averages

Sources: S&P, Bloomberg, Bank Audi's Group Research Department.

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Construction's share price decreased by 2.8% to SR 75.00. ACWA Power's share price shed 5.9% to SR 155.20. Saudi Arabian Cement's share price contracted by 3.1% to SR 19.56. Jouf Cement's share price went down by 1.5% to SR 4.65. Maaden's share price declined by 3.8% to SR 60.00.

The Qatar Stock Exchange extended its losing streak this week, with the S&P Qatar price index falling by 1.6%, as broader investor sentiment was severely weighed down by intensifying Saudi-Houthi friction and reports indicating that Iranian diplomats are bracing for an imminent US strike amid heightened military tensions in the Strait of Hormuz. The downturn was further exacerbated by news that State-owned national petroleum and natural gas company, QatarEnergy, reported a 70% year-on-year slump in earnings during the first half of 2026 on lower production and exports, underscoring the mounting financial toll of the Middle East war on one of the world's biggest liquefied natural gas producers. Furthermore, the IMF sharply downgraded Qatar's real GDP projection to a 15.6% contraction in its October 2026 World Economic Outlook, nearly doubling the 8.6% decline originally forecast in April WEO.

41 out of 54 traded stocks on the Qatar Stock Exchange posted price falls, while 12 stocks recorded price gains and one stock saw no price change week-on-week. A glance on individual stocks shows that Doha Bank's share price dropped by 4.5% this week to reach QR 2.311. Doha Bank reported an 8.7% year-on-year contraction in its 2026 third quarter net profits to reach QR 681 million. Qatar Islamic Bank's share price went down by 2.9% to QR 19.410. Mesaieed Petrochemical Holding Company's share price plunged by 7.5% to reach QR 0.891. Ooredoo's share price went down by 1.9% to QR 11.360. Vodafone Qatar's share price contracted by 4.8% to QR 2.286. Gulf Warehousing Company's share price shed 3.9% to QR 2.150. Ezdan Holding Company's share price plummeted by 5.0% to QR 0.741. Qatar Insurance's share price decreased by 1.0% to QR 1.950. Qatar Aluminum Manufacturing's share price nosedived by 6.3% to QR 1.171. Qatar Gas Transport's share price decreased by 1.8% to QR 3.770. Widam Food Company's share price fell by 4.9% to QR 1.408.

Bursa Kuwait dipped deeper into the red this week, with the S&P Kuwait price index contracting by 15%, mainly pressured by intensifying regional geopolitical tensions and the IMF's projection that Kuwait's real economy would contract by 16.7% in 2026. A closer look at individual stocks shows that Mobile Telecommunications' share price shed 3.1% week-on-week to reach KWf 568. Arkan Al Kuwait Real Estate's share price plunged by 6.0% to KWf 282. Heavy Engineering Industries and Shipbuilding's share price dropped by 3.2% to KWf 580. National Industries Group's share price nosedived by 4.9% to reach KWf 215. Jazeera Airways' share price fell by 6.0% to KWf 1,462. Kuwait Projects' share price went down by 2.1% to KWf 70.2. As to banking stocks, Gulf Bank's share price closed 0.6% lower this week to reach KWf 815. National Bank of Kuwait's share price decreased by 0.6% to KWf 815. Kuwait International Bank's share price fell by 3.6% to KWf 238. Kuwait Finance House's share price went down by 0.8% to KWf 760.

FIXED INCOME MARKETS: CONTINUOUS BROAD-BASED WEEKLY PRICE GAINS ACROSS MENA BOND MARKETS, LARGELY TRACKING MOVEMENT IN US TREASURIES

MENA fixed income markets continued to report broad-based upward price movements this week, largely tracking the movement of US Treasuries as a sell-off in global equities deepened risk aversion and spurred demand for safe-haven assets. This took place despite hotter-than-surveyed US inflation in September, which cemented bets about a second US Fed interest rate hike this year in December, followed by two additional rate hikes next year.

In the Saudi credit space, sovereigns maturing in 2029, 2030, 2034, 2050 and 2060 recorded price increases of up to 1.44 pt this week. Prices of Aramco'30, '34 and '50 went up by 0.23 pt, 0.76 pt and 1.24 pt respectively. SEC'30 and '44 traded up by 0.35 pt and 0.76 pt respectively. STC'29 closed up by 0.26 pt. Prices of SABIC'28 rose slightly by 0.05 pt. Amongst financials, prices of Al Rajhi Bank'29 expanded by 0.10 pt. Banque Saudi Fransi'29 was up by 0.15 pt this week.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 posted price gains ranging between 0.58 pt and 1.01 pt week-on-week. In the Qatari credit space, sovereigns maturing in 2029, 2034, 2040 and 2050 saw price expansions of up to 1.91 pt this week. Prices of Ooredoo'28, '31 and '43 increased by 0.41 pt, 0.66 pt and 0.72 pt respectively. Amongst financials, prices of Doha Finance'29 rose by 0.26 pt. QNB'29 reported price increases of 0.22 pt week-on-week.

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In the UAE credit space, sovereigns maturing in 2031, 2041 and 2052 reported price expansions of up to 1.86 pt this week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted weekly price gains of 0.37 pt and 1.84 pt respectively. Prices of Majid Al Futtaim'29 went up by 0.17 pt. DP World'30 and '49 were up by 0.14 pt and 1.54 pt respectively. In contrast, Emirates Airlines'28 closed down by 0.19 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2029, 2030, 2034 and 2050 saw weekly price expansions of up to 1.30 pt. ADNOC Murban'29 was up by 0.51 pt. Prices of Mubadala'28, '30/'34, '41 and '50 expanded by up to 1.72 pt. Prices of Taqa'28 and '30 rose by 0.23 pt and 0.24 pt respectively. Aldar Investment Properties'33 traded up by 0.49 pt. Amongst financials, prices of FAB'29 and '35 increased by 0.22 pt and 0.14 pt respectively. Prices of ADCB'27 and '29 went up by 0.10 pt and 0.20 pt respectively. In the Sharjah credit space, sovereigns maturing in 2030 recorded price gains of 0.46 pt week-on-week.

In the Kuwaiti credit space, KIPCO'27 traded up by 0.26 pt week-on-week. In the Omani credit space, sovereigns maturing in 2031 and 2051 saw price gains of 0.56 pt and 2.10 pts respectively this week. Omantel'28 traded up by 0.15 pt.

In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 posted price expansions of up to 0.49 pt this week. Moody's upgraded this week the Government of Egypt's long-term local and foreign currency issuer ratings and foreign currency senior unsecured ratings to "B3" from "Caa1" as well as the foreign currency senior unsecured MTN program rating to "(P)B3" from "(P)Caa1". The upgrade to "B3" is driven by Egypt's fiscal consolidation and structural reforms, which have placed government debt and interest burdens on a declining path, albeit from elevated levels.

All in all, activity in regional bond markets was tilted to the upside this week, primarily tracking a rise in US Treasuries as an AI-fueled global technology and chip sector sell-off triggered a massive "risk-off" rotation. This rally occurred despite a hotter-than-expected US inflation report, which saw headline CPI accelerate to 3.7% in September, up from 3.4% in August and exceeding the surveyed forecast of 3.6%.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	16-Oct-26	09-Oct-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	38	36	27	2	11
Dubai	64	66	46	-2	18
Kuwait	60	59	47	1	13
Qatar	45	43	27	2	18
Saudi Arabia	69	65	67	4	2
Bahrain	345	352	184	-7	161
Morocco	98	95	70	3	28
Egypt	319	312	271	7	48
Iraq	267	239	207	28	60
Middle East	145	141	105	4	40
Emerging Markets	100	94	99	6	1
Global	224	222	213	2	11

Sources: Bloomberg, Bank Audi's Group Research Department

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SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS

LEVANT

	Standard & Poor's	Moody's	Fitch
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\$)

LEVANT

	16-Oct-26	09-Oct-26	31-Dec-25	Weekly change	Year-to-date
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)	53.47	52.39	47.70	2.1%	12.1%
Iraqi Dinar (IQD)	1,516.11	1,310.00	1,310.00	15.7%	15.7%

GULF

Saudi Riyal (SAR)	3.75	3.76	3.75	-0.1%	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%	0.1%
Omani Riyal (OMR)	0.38	0.38	0.39	0.0%	-0.1%
Yemeni Riyal (YER)	236.16	236.20	238.38	0.0%	-0.9%

NORTH AFRICA

Algerian Dinar (DZD)	134.45	134.48	129.41	0.0%	3.9%
Moroccan Dirham (MAD)	9.74	9.76	9.11	-0.1%	6.9%
Tunisian Dinar (TND)	2.99	3.00	2.89	-0.4%	3.4%
Libyan Dinar (LYD)	6.41	6.43	5.42	-0.2%	18.4%
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's Group Research Department.

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