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MENA equity markets slid into the red (-1.6%) this week, as investors braced for deep global monetary tightening cycle after the US Federal Reserve delivered its first interest rate hike in over three years. This downturn momentum was further exacerbated by critical pipeline shutdowns that choked off crude oil exports, alongside massive budget deficits. In parallel, regional fixed income markets sustained broad losses this week as soaring energy costs pushed the 10-year US Treasury yield to its highest level since 2007, and after the US Federal Reserve delivered a widely anticipated interest rate hike at its September FOMC meeting - its first since July 2023- citing elevated inflation and solid expansion in economic activity. This prompted traders to price in a 53% probability of an interest rate hike in October 2026, followed by a 73% chance of another move in January 2027 and a 71% likelihood of a subsequent hike in April.

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MENA MARKETS: SEPTEMBER 13 TO SEPTEMBER 19, 2026

Stock market weekly trend	↓	Bond market weekly trend	↓
Weekly stock price performance	-1.6%	Average weekly bond price change	-0.12 pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↓
YTD stock price performance	+0.9%	Average yearly bond price change	-4.32 pts

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ECONOMY

RENEWED HOUTHI ATTACKS AND TERRITORIAL GAINS IN THE YEMEN RED SEA COAST HEIGHTEN RISKS TO SAUDI OIL EXPORTS, A CREDIT NEGATIVE SAYS MOODY'S

A new sovereign report by Moody's on Saudi Arabia has been just issued.

On 10-11 September, Houthi forces captured the port of Mocha and the island of Perim in Yemen, which will give them more leverage over shipping lanes near the Bab Al Mandab Strait, further escalating an already elevated security situation in the Red Sea as per the Moody's report. It followed one of the largest attack by the Houthis on Saudi Arabia (Aa3 stable) in recent years with the firing of ballistic missiles and drones at Saudi Aramco (Aa3 stable) energy sites and a military air base across the southern cities of Abha, Khamis Mushait, Jazan and Najran, over 8-9 September. The attacks injured 73 people, started fires and forced a temporary halt to some southern energy operations. Additionally, on 12 September, the East-West pipeline - essential to Saudi Arabia's oil exports - was shut down temporarily as a precaution after attacks originating from Iraq (Caa1 negative). These developments are yet another manifestation of elevated geopolitical risk amid the ongoing Middle East conflict.

These risks anchor Saudi Arabia's "ba" susceptibility to event risk and threaten the Red Sea export route on which the Kingdom has relied since traffic through the traditional route of the Strait of Hormuz to the north of the country was first disrupted six months ago. These developments are an extension of the conflict between the US and Iran that are likely to further disrupt oil trade flows. However, they are not on their own sufficiently material to affect Saudi Arabia's ratings given its substantial fiscal and external buffers, its ability to maintain a certain level of hydrocarbon exports and compensatory benefit of oil prices rising again above US\$ 100 a barrel.

From a credit transmission perspective, the re-escalation of hostilities between Saudi Arabia and the Houthis matters less for the physical damage caused – which has yet to be quantified and appears to be concentrated in facilities serving domestic demand – than for the durability of the disruption and the threats on tankers in the Red Sea. The ceasefire of early April between the US and Iran and the June US-Iran memorandum of understanding provided a framework for a more durable de-escalation, but renewed hostilities since late June suggest progress toward a lasting settlement is likely to be slow and uneven. Additionally, attacks against vessels have recently stepped up in both the Strait of Hormuz and the Red Sea route, reducing crude exports and making it less likely that trade flows will normalise by the first quarter of 2027, as our baseline scenario assumes.

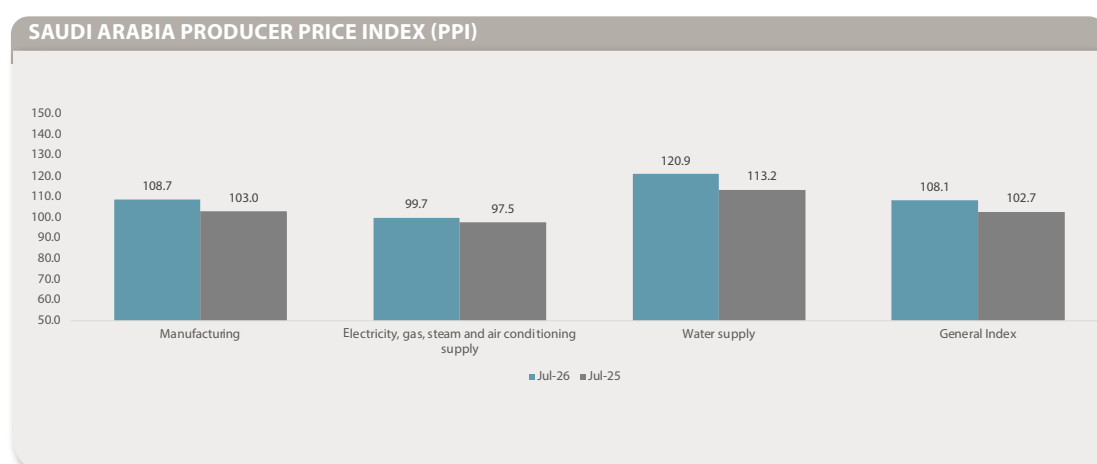
These developments highlight increasing credit risks for Gulf sovereigns with weaker balance sheets, reinforcing the risks Moody's flagged in its end-July MENA outlook update. Under this baseline scenario, trade flows normalise gradually by the first quarter of 2027, with Brent crude remaining mostly in the US\$ 90-\$ 110/bbl range through the end of 2026 before easing toward Moody's medium-term forecast of \$55-\$75/bbl. However, strains are already visible in the data: Saudi crude supplied to the market fell to about 7.0 million barrels a day (mbbl/ d) in August – the lowest since May – from 7.4 mbbl/d in July, as tankers rerouted away from Bab al-Mandab as per the Moody's report.

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SAUDI ARABIA'S PPI INCREASES BY 5% YEAR-ON-YEAR IN JULY

Saudi Arabia's Producer Price Index (PPI) registered 108.1 in July 2026, up from 102.7 registered in the same month of the year prior, showing a year-on-year increase of 5.3%. This increase was mainly supported by higher prices in the Manufacturing activity, as per data from the Saudi General Authority for Statistics (GASTAT).

In detail, Saudi Arabia's Manufacturing activity (with a weight of 91.2%) registered 108.7 in July 2026, showing a year-on-year increase of 5.5% against 103.0 registered in July 2025. Meanwhile, Electricity, gas, steam and air conditioning supply (weight of 7.7%) registered 99.7, recording a year-on-year increase of 2.3% against 97.5 in July 2025. Water supply (weight of 1.1%) registered 120.9 in July 2026, up by 6.8% year-on-year from 113.2 in July 2025.



Source: GASTAT, Bank Audi Group's Research Department

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

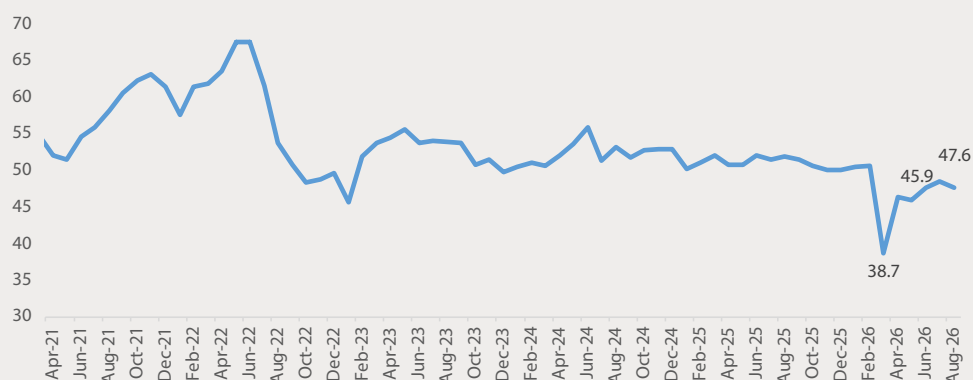
According to the latest S&P Global Qatar Purchasing Managers' Index (PMI), the headline index decreased to 47.6 in August 2026, from 48.5 in July 2026, remaining below the neutral 50.0 threshold and signaling a stronger deterioration in non-energy private sector business conditions. The latest reading extended the current downturn to six consecutive months.

In detail, business activity declined at a faster pace during the month, with output falling across all four monitored sectors and the sharpest contraction recorded in wholesale and retail. Weak activity reflected subdued demand, poor sales performance, suspended projects and a broader market slowdown. Nevertheless, new orders declined at the slowest pace since February, partly supported by an increase in new business among manufacturing and construction firms.

Looking ahead, business confidence remained positive, supported by expectations of improved market conditions, easing regional tensions, increased investment and stronger activity in tourism and construction, although optimism weakened from July. Meanwhile, input price inflation accelerated for a survey-record eighth consecutive month to its strongest level since October 2024. Firms raised selling prices for the fifth month running, while employment increased for the 25th consecutive month, albeit at the slowest pace over this period. Purchasing activity declined more sharply, leading input inventories to fall for the first time since May.

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QATAR'S HEADLINE COMPOSITE PMI



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

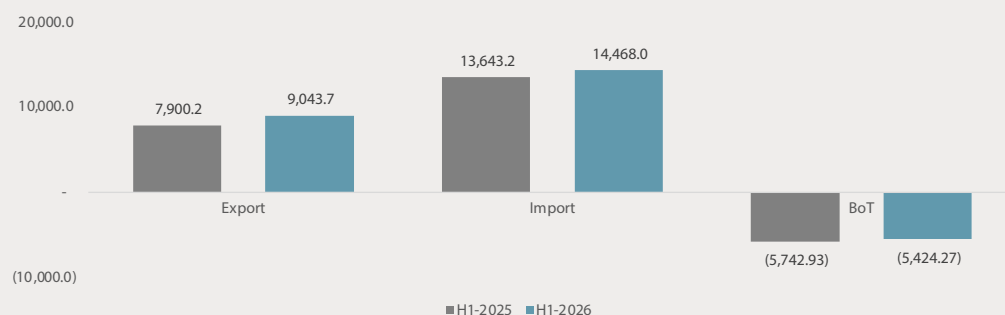
JORDAN'S BOT DEFICIT NARROWS BY 5% IN H1-2026

According to data from the Jordanian Department of Statistics (DoS), Jordan's BoT deficit showed a narrowing of 5.5% year-on-year, reaching JOD 3.8 billion (US\$ 5.4 billion) in the first half (H1) of 2026, down from JOD 4.1 billion (US\$ 5.7 billion) in H1-2025. The improvement in the BoT deficit came as total exports increased by 14.5% year-on-year, outpacing the 6.1% increase in imports during the period. Accordingly, the export-to-import coverage ratio increased to 63.0% in H1-2026, from 58.0% in H1-2025.

In detail, total exports were reported at JOD 6.4 billion (US\$ 9.0 billion) in H1-2026, registering a 14.5% increase from the figures recorded in H1-2025. National exports increased by 6.2% year-on-year to JOD 4.7 billion (US\$ 6.6 billion). Looking at key export destinations, national exports to Syria, China and the European Union increased by 36.4%, 71.6% and 36.5% year-on-year, respectively, as per data from DoS.

On the other hand, total imports were reported at approximately JOD 10.3 billion (US\$ 14.5 billion) in H1-2026, registering a 6.1% increase from the figures recorded in H1-2025. The increase was partly driven by higher imports of crude oil and its derivatives and grains, which rose by 58.1% and 10.0% year-on-year, respectively, as per data from DoS.

JORDAN'S FOREIGN TRADE FIGURES (US\$ MILLION)



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

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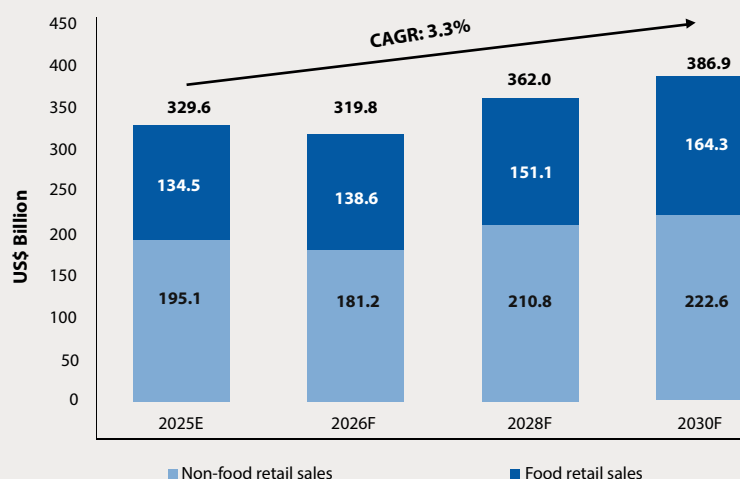
SURVEYS / REPORTS

GCC RETAIL SALES SET TO GROW BY OVER US\$ 55 BILLION BY 2030, AS PER ALPEN CAPITAL

UAE-based investment banking advisory firm, Alpen Capital, projects the retail sales in the GCC to grow at a Compounded Annual Growth Rate (CAGR) of 3.3% between 2025 and 2030 reaching US\$ 386.9 billion by 2030. UAE is expected to witness the highest CAGR of 3.6% during the forecast period.

Alpen Capital launched the 10th edition of its GCC Retail Industry report, which features in-depth analysis and forecasts for the sector, examining recent trends, growth drivers and challenges facing this dynamic segment.

FORECAST OF RETAIL SALES IN THE GCC (2025E – 2030F)



Source: Alpen Capital

According to the report, retail sales in the GCC are projected to grow from US\$ 329.6 billion in 2025 to US\$ 386.9 billion by 2030 at a CAGR of 3.3%. This growth is expected to be driven by stable macroeconomic fundamentals, an expanding population base, rising tourism and improving disposable incomes. Non-food retail sales are anticipated to grow at a CAGR of 2.7%, while food retail sales are expected to rise at a pace of 4.1% CAGR between 2025 and 2030 across the GCC.

While retail sales this year have experienced a decline amid geopolitical uncertainties and supply-chain vulnerabilities, the sector is expected to maintain steady growth going forward. This outlook is supported by positive macroeconomic indicators, government initiatives and anticipated recovery in consumer spending.

Retail sales in the individual GCC nations are projected to grow in the range of 2.5% and 3.6% CAGR between 2025 and 2030. The region's largest retail markets, Saudi Arabia and the UAE are expected to grow at CAGRs of 3.2% and 3.6% to reach US\$ 166.6 billion and US\$ 129.5 billion, respectively, by 2030. This growth will be underpinned by their expanding population bases and well-developed infrastructure, which make them attractive shopping destinations. Qatar and Kuwait follow next in terms of market size and are forecasted to witness CAGRs of 3.2% and 2.5%, respectively, between 2025 and 2030.

As for the Gross Leasable Area (GLA), at 80% completion of projected additions, 4.6 million sq. m. of retail space is likely to come up in the GCC between 2025 and 2030, taking the total organized retail GLA to 27.0 million sq. m. This is a modest growth scenario, wherein organized retail GLA is anticipated to grow at a CAGR of 3.8% during the period.

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As per the report, a growing population, coupled with a high concentration of expatriates and HNWIs, remains one of the primary factors driving growth of the GCC's retail industry. Despite the current geopolitical environment, economic activity is expected to remain resilient, supported by higher oil prices and robust non-hydrocarbon growth. Meanwhile, expanding infrastructure development and the GCC's growing prominence as a hub for global business, entertainment, and sporting events are expected to support retail activity. In addition, the rapid proliferation of e-commerce and quick-commerce platforms is expected to generate incremental revenues for operators and strengthen the broader retail ecosystem by expanding digital reach, improving customer convenience and creating new avenues for growth.

However, the GCC's exposure to global macroeconomic headwinds, owing to its high dependence on hydrocarbon revenues and lingering geopolitical concerns, could weigh on consumer sentiment and place the retail industry under pressure. The region's heavy reliance on food imports also exposes it to external supply-side disruptions, which could exacerbate inflationary pressures and reduce consumers' purchasing power. Moreover, the growing presence of international brands and rapid expansion of e-commerce platforms have intensified competition within the industry.

The report also highlights several trends that are shaping the retail landscape of the GCC. The increasing move towards omni-channel business models to meet consumer expectations is enabling retailers to leverage stores as fulfilment hubs, offer services such as buy online, pick up in-store, BNPL and same-day delivery, among others.

As the industry continues to mature, these emerging trends and evolving consumer preferences are likely to reshape the market dynamics. Retailers are adopting innovative business models and leveraging digitalization to unlock new value-creation opportunities. While traditional retailers pursue organic expansion strategies, industry consolidation is expected to accelerate as companies seek to improve profitability, achieve greater scale and strengthen their market share.

FITCH AFFIRMS QATAR AT "AA" WITH "NEGATIVE" OUTLOOK

Fitch Ratings affirmed Qatar's Long-Term Issuer Default Ratings (IDRs) at "AA" and removed them from Rating Watch Negative (RWN). The outlook is "negative". The rating actions capture the risk from a further prolongation of the period in which Qatar cannot export LNG to the sovereign balance sheet, which has held up well so far. The removal from RWN reflects that while the geographic concentration and high complexity of Qatar's LNG facilities is a vulnerability, the risks of further severe damage have reduced since March and the impact of the war on the credit profile would take longer to discern.

The "AA" rating reflects GDP per capita among the world's highest, large sovereign assets, Fitch's expectation that additional gas production would further strengthen public finances and a relatively flexible public finance structure. Rating weaknesses include heavy hydrocarbon dependence with a significant vulnerability to geopolitical risks, below-average scores on some measures of governance, higher government debt/GDP than oil-dependent highly rated peers and substantial contingent liabilities.

In details, disruption to the Strait of Hormuz has compromised Qatar's ability to export LNG, with only a limited number of cargos having transited since the war started. Fitch assumes that some form of deal would enable conditions conducive to the resumption of exports through the Strait in 1Q27, after which it would take around six months to reach the pre-war level minus the 17% of capacity damaged by the Iranian attack on Ras Laffan in March. The war has only had a small impact on the first phase of the North Field expansion and a substantial increase in production capacity will begin from 2027, although production is contingent on conditions through the Strait. LNG exports through the Dolphin pipeline and exports within the Strait have not been affected.

Concurrently, the sharp reduction in energy production would widen the fiscal deficit, which Fitch forecasts at 2.7% of GDP in 2026.

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CORPORATE NEWS

DUBAI APPROVES US\$ 953 MILLION ROAD PROJECT LINKING SHARJAH AND ABU DHABI

Dubai approved the first phase of a new 80-km road corridor linking the Emirate with Sharjah and Abu Dhabi, with the initial stage costing about US\$ 953 million (AED 3.5 billion).

The project would include 72 bridges, 17 tunnels and 45 stormwater drainage culverts. It would support logistics traffic and pass through several key landmarks, most notably Al Maktoum International Airport, Al Marmoom Desert Conservation Reserve, Al Wohoosh Desert Conservation Reserve and the Etihad Rail route, in addition to several residential and development areas.

The project would be the fourth strategic corridor linking the UAE's Emirates, following Sheikh Zayed/Al Ittihad Road, Sheikh Mohammed bin Zayed Road and Emirates Road.

It would strengthen connectivity between the Emirates and facilitate movement between different areas. The corridor would also support integration between the road network and the transport system through connections to key projects such as Al Maktoum International Airport and Etihad Rail.

It would also enhance the logistics and commercial transport sectors, supporting Dubai's competitiveness, as a global economic hub, keeping pace with urban expansion in new areas and enabling smoother traffic flow over the long term.

SAL AND HUAWEI SIGN MOU TO ADVANCE SMART AND DIGITAL LOGISTICS IN SAUDI ARABIA

SAL Logistics Services, Saudi Arabia's national leader in cargo handling, logistics solutions, and supply chain management, signed a Memorandum of Understanding with Huawei Tech Investment Saudi Arabia to strengthen collaboration across transportation, logistics and digital transformation, while exploring opportunities to develop joint solutions and services in the country.

The MoU focuses on advancing collaboration between the two parties in transportation, logistics and digital transformation. The parties would explore leveraging Huawei's advanced technologies, including 5G, artificial intelligence, cloud computing and green energy technologies, to support the digitalization of logistics zones and enhance operational efficiency.

The parties would also explore the possibility of establishing an inventory and distribution hub to support Huawei's requirements in Saudi Arabia. In addition, they would explore the potential for SAL to become an approved logistics services provider for Huawei, creating broader opportunities for commercial and operational collaboration between the two parties.

SAUDI TECH FIRM CASHIN SIGNS DEAL WITH SYRIA TO DEVELOP NATIONAL FUEL PLATFORM

Saudi technology company Cashin signed a strategic partnership agreement with the Syrian government to help develop and operate a national digital platform for petroleum derivatives. The platform would integrate operational and financial processes across the petroleum derivatives value chain.

The agreement aims to develop an integrated national digital platform. The platform would integrate operational and financial processes across the petroleum derivatives value chain, supporting digital transformation, improving operational efficiency and strengthening governance across the sector.

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As per the deal, Cashin would develop and operate the platform's technology solutions with the Syrian ministry, drawing on its experience in integrating operational and financial processes through digital systems. The agreement is part of broader Saudi-Syrian cooperation in energy and digital transformation and provides a model for the regional expansion of Saudi technologies and the transfer of expertise and AI- and automation-based solutions to new markets across the region.

AL MASRAF AND MOODY'S SIGN STRATEGIC AGREEMENT TO STRENGTHEN RISK INTELLIGENCE AND CREDIT CAPABILITIES

UAE-based Al Masraf bank signed a strategic agreement with Moody's, one of the global providers of financial intelligence and risk assessment, marking an important step in strengthening the bank's risk management and credit capabilities through enhanced data, insights and technology.

As risks become increasingly interconnected and the financial landscape continues to evolve, access to timely, reliable and actionable intelligence is becoming essential for financial institutions. Through its combination of data, intelligence, risk expertise and technology, Moody's helps organizations better understand interconnected risks.

The partnership would further support Al Masraf's continued focus on strengthening its risk management framework, enhancing credit decision-making and building resilient, forward-looking capabilities that support sustainable growth.

HSBC LAUNCHES DIGITAL TRADING PLATFORM IN QATAR

HSBC announced the launch of WorldTrader in Qatar, a digital wealth trading platform providing customers with convenient access to a broad range of international investment opportunities.

Available through HSBC Online Banking, Worldtrader enables eligible HSBC Premier customers in Qatar to trade across up to 25 markets and 77 exchanges, representing approximately 80% of global stock market capitalization.

Through a single investment account, customers can access equities, exchange-traded funds (ETFs), mutual funds and bonds across the United States, Europe, Asia, the Middle East and other international markets. Customers can move money from their HSBC Qatar account into their Worldtrader funding account within hours providing faster access to international investment opportunities. The platform also allows customers to trade in major international currencies, including US dollars, euros, pounds sterling and Hong Kong dollars, alongside their local currency accounts.

MANNAI INFORMATION TECHNOLOGY AND ORACLE EXPAND COLLABORATION IN SAUDI ARABIA

Mannai Information Technology LLC and Oracle announced the expansion of their nearly four decade long strategic relationship with Mannai into Saudi Arabia, combining Oracle technology and cloud capabilities with Mannai's regional experience in implementation and enterprise technology projects.

Through this expanded collaboration, Mannai and Oracle would support organizations across enterprise applications, cloud transformation, artificial intelligence, data and analytics, automation and other emerging technologies. The collaboration would serve organizations across the public and private sectors and help them strengthen operational resilience, support stronger decision-making and derive greater value from their technology investments.

Mannai and Oracle would help organizations modernize critical operations, support greater agility, and build scalable technology foundations for growth.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES SLIDE INTO RED ON GLOBAL RATE HIKES, PIPELINE CUTS AND MASSIVE BUDGET DEFICITS

MENA equity markets slid into the red this week, with the S&P Pan Arab Composite index contracting by 1.6%, as investors braced for deep global monetary tightening cycle after the US Federal Reserve delivered its first interest rate hike in over three years. This downturn momentum was further exacerbated by critical pipeline shutdowns that choked off crude oil exports, alongside massive budget deficits.

The heavyweight Saudi Exchange, which represents roughly 60% of the total regional market capitalization, nosedived deeper into the red this week, with the S&P Saudi price index falling by 2.0%. This occurred amid prospects of aggressive global monetary tightening and followed drone attacks on Saudi Arabia that forced a complete shutdown of the vital 1,200-kilometer East-West pipeline, the Kingdom's primary alternative route to the volatile Strait of Hormuz. In response, Saudi Aramco canceled or deferred term crude supplies to several European refiners scheduled for late September. This decline compounded an existing slowdown, highlighted by Saudi Arabia reporting a massive 1.9 million barrel-per-day plunge in August crude oil production to the OPEC Secretariat. This brought the total output to just 6.238 million barrels per day, marking the country's lowest production level since the 1990 Gulf War. On the other hand, at the level of the non-hydrocarbon sector, Moody's projected in a recent note a slowdown in the non-hydrocarbon private growth to 1% in 2026 from approximately 5% in 2025 because of the hostilities' impact on confidence-sensitive sectors such as tourism and real estate.

A closer look at individual stocks shows that most petrochemical stocks headed South this week. Petrochemical giant Saudi Aramco's share price shed 2.2% to SR 25.56. Petro Rabigh's share price retreated by 0.7% to SR 18.26. Advanced Petrochemical Company's share price shed 4.5% to SR 22.40. Sipchem's share price plunged by 6.7% to SR 12.27. Saudi Kayan Petrochemical Company's share price plummeted by 6.3% to SR 5.04. SABIC's share price dropped by 3.6% to SR 48.00. Yansab's share price nosedived by 7.4% to SR 31.90. As to banking stocks, Saudi National Bank's share price fell by 3.5% this week to reach SR 40.16. Saudi Awwal Bank's share price dropped by 1.1% to SR 33.40. Alinma Bank's share price nudged down by 0.7% to SR 24.99. Bank AlBilad's share price contracted by 2.7% to SR 24.75. Bank Al-Jazira's share price retreated by 1.3% to SR 11.81. Banque Saudi Fransi's share price went down by 2.2% to SR 21.31.

Concurrently, Saudi Tadawul Group Holding Company's share price plummeted by 6.0% week-on-week to reach SR 120.60. United Electronics' share price dropped by 4.3% to SR 66.50. NADEC's share price shed 4.5% to SR 14.13. Methanol Chemicals' share price nosedived by 5.6% to SR 27.30. Etihad Etisalat's share price edged down by 0.8% to SR 64.60. Saudi Paper Manufacturing's share price contracted by

EQUITY MARKETS INDICATORS (SEPTEMBER 13 TO SEPTEMBER 19)

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	153.9	0.7%	-10.7%	5.9	19.0%	0.2	17,391.2	1.8%	-	0.50
Jordan	646.7	0.1%	12.7%	63.1	-16.6%	23.9	41,369.6	7.9%	13.0	2.43
Egypt	430.6	-3.9%	18.0%	886.7	-19.5%	12,855.4	79,892.2	57.7%	10.1	2.80
Saudi Arabia	470.2	-2.0%	2.1%	4,665.1	19.7%	776.1	2,497,665.9	9.7%	15.7	3.48
Qatar	143.3	-1.9%	-10.2%	440.3	17.8%	562.9	159,928.6	14.3%	12.6	1.44
UAE	176.8	0.0%	2.2%	3,747.0	40.4%	4,291.7	976,338.9	20.0%	15.3	3.05
Oman	178.6	-0.3%	28.1%	413.9	4.6%	603.7	57,279.9	37.6%	13.5	2.07
Bahrain	180.9	0.2%	-3.5%	6.1	-16.8%	13.7	18,602.0	1.7%	10.8	1.44
Kuwait	91.1	-1.1%	-3.5%	1,709.8	10.2%	1,857.0	170,756.0	52.1%	19.4	2.06
Morocco	386.4	-6.6%	-9.1%	182.6	17.8%	5.8	110,981.0	8.6%	16.0	3.01
Tunisia	125.7	-0.4%	34.4%	19.3	14.0%	3.6	15,631.9	6.4%	15.2	2.56
Arab Markets	1,006.7	-1.6%	0.9%	12,140.0	18.5%	20,994.0	4,145,837.3	15.2%	15.4	3.16

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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1.9% to SR 62.80. Aslak's share price retreated by 5.1% to SR 17.15. Theeb Rent a Car Company's share price contracted by 5.7% to reach SR 19.61. STC's share price went down by 0.5% to SR 43.64. Makkah Construction's share price decreased by 1.4% to SR 79.35. ACWA Power's share price retreated by 5.7% to SR 180.00. Saudi Arabian Cement's share price decreased by 1.5% to SR 27.66. Jouf Cement's share price went down by 2.6% to SR 4.80. Maaden's share price shed 6.1% to SR 62.00.

The Qatar Stock Exchange drifted lower this week, with the S&P Qatar price index contracting by 1.9%, mainly pressured by prospects of global monetary tightening, and on growing concerns about a prolonged closure of the Strait of Hormuz. This was exacerbated by news that Qatar recorded a QR 21.2 billion shortfall in Q2 2026, marking its widest quarterly budget deficit in nearly a decade. Within this context, it is worth mentioning that Qatar saw its energy revenue plunge following the eruption of the US-Iran conflict and the closure of the Strait of Hormuz, with Qatar's LNG exports plummeting from a normal baseline of roughly 20 million tons per quarter to under 2 million tons between April and June 2026.

39 out of 53 traded stocks on the Qatar Stock Exchange posted price falls, while 12 stocks recorded price gains and two stocks saw no price change week-on-week. A glance on individual stocks shows that QNB's share price decreased by 3.1% week-on-week to reach QR 16.200. Lesha Bank's share price went down by 0.8% to QR 2.816. Qatar Fuel's share price fell by 2.3% to QR 12.130. Gulf International Services' share price declined by 1.9% to QR 1.780. Qatar Aluminum Manufacturing's share price dropped by 3.8% to QR 1.403. Ooredoo's share price contracted by 2.5% to QR 12.580. Qatar Insurance's share price shed 2.5% to QR 1.909. Qatar Navigation's share price retreated by 1.3% to QR 10.170. Barwa Real Estate's share price closed 1.0% lower at QR 2.274. Qatar Gas & Transport's share price retreated by 2.4% to QR 4.105. Mesaieed Petrochemical Holding Company's share price shed 3.9% to QR 1.033.

Boursa Kuwait shifted into the red this week, with the S&P Kuwait price index dropping by 1.1%, mainly on speculation about aggressive global interest rate hikes extending into next year. Market sentiment was further dampened as investors prioritized liquidity in response to the prolonged closure of the Strait of Hormuz and resulting bottlenecks in regional logistics.

A closer look at individual stocks shows that Kamco Invest's share price contracted by 2.4% to KWf 204. Heavy Engineering Industries and Shipbuilding's share price dropped by 2.1% to KWf 620. National Industries Group's share price shed 3.2% to KWf 240. Agility Public Warehousing's share price fell by 1.4% to KWf 144. Zain's share price went down by 1.1% to KWf 609. Kuwait Real Estate Holding's share price retreated by 1.5% to KWf 65.4. National Petroleum Services' share price closed 1.7% lower at KWf 1,528. As to banking stocks, Warba Bank's share price fell by 1.1% to KWf 273. Kuwait Finance House's share price declined by 1.0% to KWf 770. Boubyan Bank's share price went down by 2.1% to KWf 657. Burgan Bank's share price closed 1.1% lower at KWf 181. Kuwait International Bank's share price decreased by 1.6% to KWf 254.

FIXED INCOME MARKETS: SUSTAINED BROAD LOSSES IN MENA BOND MARKETS AMID PROSPECTS OF DEEP GLOBAL MONETARY TIGHTENING

MENA fixed income markets sustained broad losses this week as soaring energy costs pushed the 10-year US Treasury yield to its highest level since 2007, and after the US Federal Reserve delivered a widely anticipated interest rate hike at its September FOMC meeting - its first since July 2023- citing elevated inflation and solid expansion in economic activity. This prompted traders to price in a 53% probability of an interest rate hike in October 2026, followed by a 73% chance of another move in January 2027 and a 71% likelihood of a subsequent hike in April.

In the Saudi credit space, sovereigns maturing in 2029, 2030 and 2034 registered price falls of up to 0.24 pt, while sovereigns maturing in 2050 and 2060 registered price increases of 0.63 pt and 0.47 pt respectively week-on-week. S&P Global Ratings affirmed its "A+/A-1" long-term and short-term foreign and local currency sovereign credit ratings on Saudi Arabia, with a "stable" outlook. The "stable" outlook reflects in 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.

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In parallel, prices of Aramco'30 and '34 went down by 0.28 pt and 0.29 pt respectively, while Aramco'50 traded up by 0.68 pt this week. SEC'30 and '44 traded down by 0.56 pt and 1.17 pt respectively. STC'29 closed down by 0.10 pt. Prices of SABIC'28 retreated by 0.48 pt. Amongst financials, prices of Al Rajhi Bank'29 fell by 0.36 pt. SNB'29 traded down by 0.47 pt. Banque Saudi Fransi'29 was down by 0.64 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030 and 2035 recorded price drops of up to 0.46 pt, while sovereigns maturing in 2051 registered price gains of 0.26 pt week-on-week. In the Kuwaiti credit space, prices of sovereigns maturing in 2027 decreased by 0.07 pt this week. KIPCO'27 traded up by 0.15 pt.

In the Qatari credit space, sovereigns maturing in 2029 and 2034 reported price declines of 0.26 pt each, while sovereigns maturing in 2050 registered price gains of 0.80 pt week-on-week. Prices of Ooredoo'28, '31 and '43 contracted by 0.15 pt, 0.38 pt and 0.73 pt respectively. Amongst financials, prices of Doha Finance'29 retreated by 0.24 pt. QIIB'29 traded down by 0.36 pt. Prices of QNB'29 decreased by 0.26 pt week-on-week.

In the UAE credit space, sovereigns maturing in 2031 recorded price drops of 0.23 pt, while sovereigns maturing in 2041 saw price increases of 0.32 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted weekly price gains of 0.20 pt and 0.53 pt respectively. Prices of Majid Al Futtaim'29 went down by 0.35 pt. Emirates Airlines'28 closed down by 0.20 pt. DP World'30 traded down by 0.20 pt, while DP World'49 was up by 0.34 pt. DP World issued this week a dual-tranche bond. The first tranche consists of € 750 million six-year green fixed-rate bonds issued at 150 bps over Mid-Swaps against an initial price guidance of 175 bps over MS. The order book size exceeded € 1.5 billion (excluding JLM interest). The second tranche consists of US\$ 750 million 10-year bonds issued at 150 bps over US Treasuries against an initial price guidance of 175 bps over UST. The order book size exceeded US\$ 1.3 billion (excluding JLM interest).

In the Abu Dhabi credit space, sovereigns maturing in 2029, 2030 and 2034 recorded price drops of up to 0.22 pt, while sovereigns maturing in 2050 registered weekly price increases of 0.73 pt. ADNOC Murban'29 was down by 0.20 pt. Prices of Mubadala'28, '30, '34 and '41 contracted by up to 0.46 pt, while Mubadala'50 was up by 0.42 pt. Prices of Taqa'28, '30 and '36 fell by 0.07 pt, 0.49 pt and 0.29 pt respectively. Aldar Investment Properties'33 traded down by 0.42 pt. ADNOC Murban'29 was down by 0.20 pt. Amongst financials, prices of FAB'29 and '35 retreated by 0.32 pt and 0.66 pt respectively this week. Prices of ADCB'29 fell by 0.22 pt.

All in all, activity in regional bond markets remained under downward price pressure this week, after the US Federal Reserve delivered its first interest rate hike in more than three years on September 16, and the 10-year US Treasury yield touched the psychological 5% threshold, its highest level in almost two decades, in the wake of surging oil prices that have fueled global inflation concerns.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	18-Sep-26	11-Sep-26	31-Dec-25	Week-on-week	Year-to-date
Abu Dhabi	33	35	27	-2	6
Dubai	60	60	46	0	14
Kuwait	55	56	47	-1	8
Qatar	35	35	27	0	8
Saudi Arabia	62	60	67	2	-5
Bahrain	292	291	184	1	108
Morocco	78	79	70	-1	8
Egypt	278	275	271	3	7
Iraq	232	229	207	3	25
Middle East	125	124	105	1	20
Emerging Markets	90	90	99	0	-9
Global	211	211	213	0	-2

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	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\$)

LEVANT

	18-Sep-26	11-Sep-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)	52.13	51.32	47.70	1.6%	9.3%
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%	0.2%
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)	236.60	237.01	238.38	-0.2%	-0.7%

NORTH AFRICA

Algerian Dinar (DZD)	133.73	133.07	129.41	0.5%	3.3%
Moroccan Dirham (MAD)	9.51	9.41	9.11	1.1%	4.3%
Tunisian Dinar (TND)	2.94	2.92	2.89	0.7%	1.5%
Libyan Dinar (LYD)	6.35	6.32	5.42	0.4%	17.2%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

NR = Not Rated

RWN = Rating Watch Negative

RUR = Ratings Under Review

*Emirate of Abu Dhabi Ratings

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

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