



MENA WEEKLY MONITOR

Economy

p.2 REGIONAL GROWTH EXPECTED TO PICK UP TO 2.7% IN 2025 AND STRENGTHEN FURTHER TO 3.7% IN 2026 AS PER WORLD BANK

According to a new World Bank report, despite the rise in global trade tensions and heightened uncertainty, activity in the Middle East and North Africa (MNA) has strengthened, in part reflecting increasing oil production.

Also in this issue

p.3 Saudi non-oil sector continues positive performance in May

p.4 UAE's non-oil private sector continues improving in May

Surveys / Reports

p.5 ARAMCO TOPS FORBES MIDDLE EAST 100 BIGGEST PLAYERS LIST

Forbes Middle East published its annual list of the Top 100 listed companies in the Middle East, highlighting the public corporations that are driving the region's capital markets and shaping economic growth.

Also in this issue

p.6 Bahrain outlook revised to "negative" on persisting fiscal pressure, as per S&P Global Rating

Corporate News

p.7 ADNOC DRILLING SECURES US\$ 1.2 BILLION CONTRACT FOR TWO JACK-UP RIGS

ADNOC Drilling announced the award of a US\$ 1.2 billion, 15-year contract for two jack-up rigs by ADNOC Offshore in support of its growing offshore operations.

Also in this issue

p.7 EDB and RAKBANK unveils US\$ 272 million SME Fund to supercharge UAE's industrial growth

p.7 ADIB and MoIAT sign agreement to accelerate investment in UAE's industrial and technology sectors

p.8 Aspen establishes new Middle East region HQ in Riyadh

p.8 Saudi Red Sea Authority and Fincantieri sign MoU to develop coastal tourism activities in Saudi Arabia

p.8 DP World unit in deal to develop Al Rawdah Special Economic Zone project

Markets In Brief

p.9 EXTENDED PRICE GAINS ACROSS MENA CAPITAL MARKETS THIS WEEK

MENA equity markets continued to follow an upward streak this week, as reflected by a 1.7% rise in the S&P Pan Arab Composite index, mainly tracking global equity strength (+1.3%) amid signs of progress in trade negotiations between the US and its top trading partners, and driven by eased geopolitical tensions in the Middle East, in addition to some favorable market-specific and company-specific factors. In parallel, MENA bond markets continued to register across-the-board upward price movements, mainly on reduced inflationary pressures following eased geopolitical risks in the Middle East, and as the US private payrolls fell for the first time in more than two years in June, fueling bets about two US Fed interest rate cuts in 2025, with the first cut fully priced in in October.

MENA MARKETS: June 29 - July 5, 2025

Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+1.7%	Average weekly bond price change	+0.14 pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+2.3%	Average yearly bond price change	+1.87 pt

ECONOMY

REGIONAL GROWTH EXPECTED TO PICK UP TO 2.7% IN 2025 AND STRENGTHEN FURTHER TO 3.7% IN 2026 AS PER WORLD BANK

According to a new World Bank report, despite the rise in global trade tensions and heightened uncertainty, activity in the Middle East and North Africa (MNA) has strengthened, in part reflecting increasing oil production. In oil exporters, oil activity is recovering with the announcement in early April 2025 of the phase-out of the voluntary oil production cuts, while growth in non-oil activity has been resilient.

Among oil importers, the growth of private sector activity resumed in 2024, partly owing to reduced political tensions and macroeconomic stabilization in several economies, including the Arab Republic of Egypt. Besides, industrial activity, particularly in construction, has strengthened in Morocco. In contrast, activity in West Bank and Gaza has been devastated, with significant destruction of physical capital and massive humanitarian costs in Gaza, as well as heightened tensions in West Bank.

Geopolitical tensions in the Middle East moderated somewhat following ceasefires in late 2024 and early 2025, but violence has resumed in Gaza and Lebanon, and the situation remains highly fragile and uncertain. Tensions have remained high in other countries in fragile and conflict-affected situations (FCS).

Growth in MNA is expected to pick up to 2.7% in 2025 and strengthen further to 3.7% in 2026 and 4.1 percent in 2027. This primarily reflects a gradual expansion of oil production that more than offsets the effects of lower oil prices, and despite the constraints on export activity from rising trade barriers. Growth forecasts are lower than projected in January, mainly due to the impact of increases in trade restrictions and uncertainty on investment and export activity.

Growth in members of the Gulf Cooperation Council (GCC) is forecast to increase to 3.2% in 2025, 4.5% in 2026, and 4.8% in 2027. The phase-out of oil production cuts is expected to lead to rising oil production, despite projected lower oil prices amid weakening global demand. Growth is also envisaged to continue to be boosted by expanding non-oil activity. Among the non-GCC oil exporters, activity in several countries is projected to be constrained by lower oil prices and weaker external demand.

In oil importers, growth is projected to pick up to 3.6% in 2025, 3.9% in 2026, and 4.3% in 2027, mostly owing to strengthening private consumption as inflation softens, a recovery in agricultural output, and assumed moderation of geopolitical tensions. In Egypt, growth is envisaged to increase, spurred by the implementation of the investment deal with the United Arab Emirates. Growth in Morocco and Tunisia is expected to strengthen, assuming an improvement in weather conditions. In Djibouti, growth will be fueled by port activity, export earnings, and major foreign investments in port infrastructure development.

Among FCS economies, growth in Lebanon is projected to reach 4.7 percent this year, assuming the truce holds. In West Bank and Gaza, growth is expected to strengthen in 2026, with the assumed start of reconstruction. In Syria, activity is forecast to expand this year, mainly reflecting the improvement of foreign relations with major economies. In contrast, given the security situation, GDP in the Republic of Yemen is projected to contract again in 2025.

The possibility of an intensification of trade protectionist measures by the region's trading partners remains a key risk. Heightened uncertainty regarding global trade policies, if sustained for an extended period, could also dampen business and consumer confidence, reducing investment in the region. Tighter-than-expected monetary policies due to stronger global inflationary pressures could raise borrowing costs and lead to capital outflows and currency depreciations. In oil exporters, declines in oil prices beyond what is embedded in the baseline could reduce fiscal revenues and growth prospects. A re-escalation of armed conflicts in the region, as well as surges in domestic violence and social unrest, and more frequent and severe natural disasters could also dampen activity in the region.

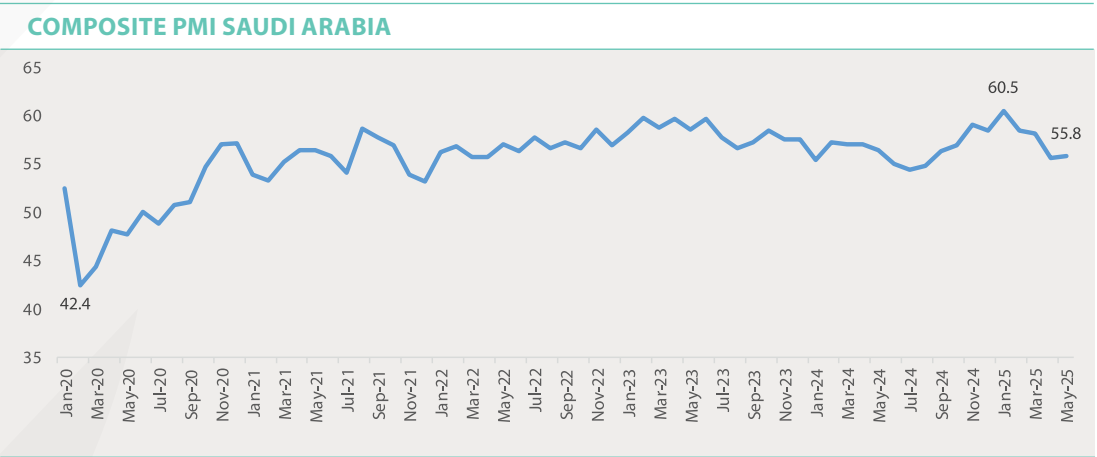
SAUDI NON-OIL SECTOR CONTINUES POSITIVE PERFORMANCE IN MAY

Saudi Arabia's Purchasing Manager' Index (PMI) posted 55.8 in May 2025, increasing slightly by 0.2 points from the figure noted in April 2025, which shows a robust growth in the sector at a considerable rate during the month. This came as businesses in the Saudi Arabian non-oil private sector saw a sustained uplift in operating conditions in May. The rate of improvement ticked up from April but remained softer than in the first quarter of the year. Driving stronger conditions was an expansion in new work, which accelerated amid improvements in customer demand and business confidence. Although output growth softened, a positive outlook for future activity supported a sharp increase in employment during May. Likewise, purchasing activity increased steeply, despite greater caution towards stockpiling. Overall input costs rose sharply, but competitive pressures led firms to lower selling prices, as per Riyadh Bank's Saudi Arabia PMI report for May 2025.

In details, the new orders index was the only sub-component to raise the PMI in May, while the remaining four sub-components had negative directional influences. After softening to an eight-month low in April, the rate of growth in new order volumes accelerated markedly in the latest survey period and was steep overall. Surveyed businesses linked rising new orders to increased demand, strong sales performances, industrial development and new marketing initiatives. New orders from abroad also grew, but at the softest pace in seven months. Business activity increased during May as stronger client demand led to higher output requirements. Although the overall upturn was sharp, it eased for the fourth consecutive month and was the slowest since last September. Latest data revealed that the construction sector experienced the strongest rises in both activity and new business.

Concurrently, a marked rise in sales was accompanied by increasing business confidence about the coming 12 months. Optimism rose sharply from April and was the greatest recorded in one-and-a-half years, as companies cited expansion plans and improved demand conditions. Firms continued to show an appetite to boost staff capacity and increase spending as part of their expansion plans. As such, the survey data indicated a marked increase in employment, with the rise in staffing one of the fastest seen in over a decade. Purchasing activity growth meanwhile quickened to a 14-month high. However, resistance to additional stockpiling meant that inventories rose to a much lesser extent than in April, as per Riyadh Bank's Saudi Arabia PMI report for May 2025.

Input prices faced by non-oil companies rose sharply during May, although the pace of inflation eased from April due to a slowing of wage pressures. A number of panelists reported an increase in supplier charges for raw materials, with purchase price inflation ticking up to its highest since February. However, selling prices were reduced in May, driven by a sharp decrease in service sector charges. Firms widely reported that competitive pressures had weighed on pricing power.



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

UAE'S NON-OIL PRIVATE SECTOR CONTINUES IMPROVING IN MAY

The seasonally adjusted S&P Global UAE PMI recorded 53.3 in May 2025, reporting a slight decrease of 0.7 points against the month prior. The UAE non-oil private sector improved at a slower rate from April albeit remaining indicative of a solid strengthening of operating conditions. This comes as demand conditions remained strong, supporting a marked increase in output, although the rate of growth trended down from its recent bullish run, as per S&P's UAE PMI report for May 2025.

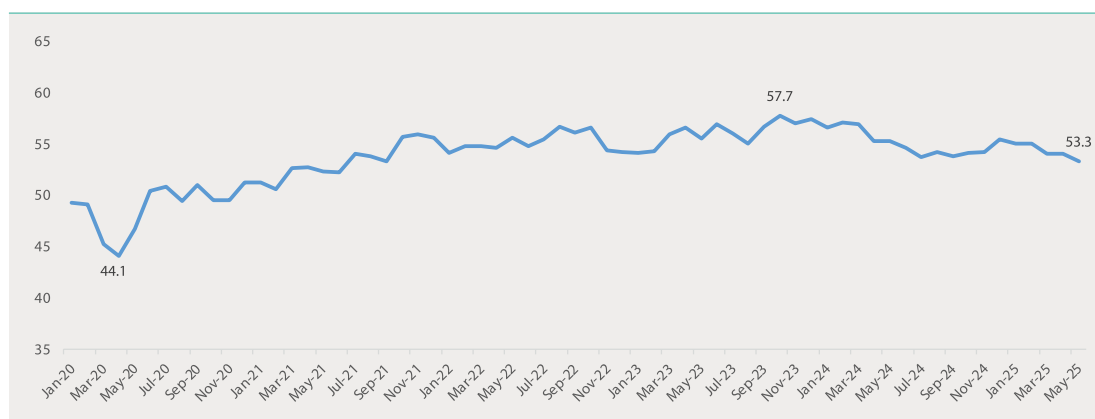
During the month, the survey also highlighted a record decrease in input stocks, as firms looked to streamline holdings amid slowing momentum. This came as growth in backlogs, whilst still marked, dropped to a 16-month low. Firms enjoyed a softer rise in input prices, with inflation decelerating to its lowest since December 2023. Selling charges also increased for the fifth month running.

In details, companies in the survey panel reported a sustained increase in new orders in May, with the rate of growth easing since the previous month but staying robust. The upturn was often attributed to favorable demand conditions, good relationships with clients, new marketing strategies and diverse product ranges. In turn, companies increased their output. The expansion was sharp but, after a particularly robust sequence of growth, slowed to its weakest pace in nearly four years. According to survey members, higher sales often translated into greater activity, although some reported that global economic uncertainty linked to US tariffs had negatively affected output, as per S&P's UAE PMI report for May 2025.

The relative slowdown in growth, combined with robust stock levels and some reports of supply constraints, encouraged a number of businesses to ease off on purchasing and deplete their inventories. Although overall purchases rose, the upturn was the slowest seen for 28 months. Consequently, inventories fell sharply in May, with the reduction the fastest observed since the survey began nearly 16 years ago. In contrast, employment growth was the strongest seen in exactly one year. Respondents often attributed this to elevated workloads, as rising new orders contributed to another sharp increase in backlogs of work. That said, the pace of accumulation did soften slightly to a 16-month low.

Meanwhile, the survey data indicated a modest rise in input costs in May. This marked the slowest rate of inflation in nearly one-and-a-half years. Although several firms commented on higher prices for raw materials and transport, just 5% of respondents saw their costs lift from April. Average prices charged by non-oil firms increased in May, following the trend observed in 2025 so far. That said, the rise was only marginal, as efforts to transfer higher costs to customers were partly counterbalanced by discounts elsewhere. Finally, businesses gave a modest assessment of their activity prospects in May. Optimism eased to its lowest since January, with nearly 10% of companies anticipating an expansion in the year ahead, as per S&P's UAE PMI report for May 2025.

COMPOSITE PMI UAE



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

SURVEYS / REPORTS

ARAMCO TOPS FORBES MIDDLE EAST 100 BIGGEST PLAYERS LIST

Forbes Middle East published its annual list of the Top 100 listed companies in the Middle East, highlighting the public corporations that are driving the region's capital markets and shaping economic growth.

The data is collected from the main markets in the Arab stock exchanges and ranked the publicly listed companies based on their reported sales, assets and profits for the financial year of 2024 and market value as of April 2025. Each metric was given equal weight, and companies with the same final scores were given the same rank.

MENA's top 100 listed companies experienced a modest downturn last year, with aggregate net profit declining by 1.2% to US\$ 237.4 billion and market capitalization decreasing by 3.6% to US\$ 3.5 trillion as of April 2025. However, aggregate sales for the 100 companies grew by 12.2% to US\$ 1.1 trillion, and assets hit US\$ 5.4 trillion compared to US\$ 4.9 trillion a year earlier, reflecting a 10.8% growth.

The GCC continues to dominate the list with 91 entries, led by the UAE with 33 entries, Saudi Arabia with 30, and Qatar with 12. The list also features 10 companies from Kuwait, four each from Morocco and Oman, three from Egypt and two entries each from Jordan and Bahrain.

TOP LISTED COMPANIES 2025 IN MIDDLE EAST

	Company	Country	Sector	Market Value (US\$ billion)
1	Saudi Aramco	KSA	Energy	1,700
2	International Holding Company (IHC)	UAE	Investments	239.9
3	QNB Group	Qatar	Banks & Financial Services	41.1
4	Saudi National Bank (SNB)	KSA	Banks & Financial Services	57.3
5	alrajhi bank	KSA	Banks & Financial Services	104.7
6	Emirates NBD	UAE	Banks & Financial Services	34.7
7	First Abu Dhabi Bank (FAB)	UAE	Banks & Financial Services	41.8
8	stc Group	KSA	Telecommunications	64.0
9	Kuwait Finance House (KFH)	Kuwait	Banks & Financial Services	42.1
10	Abu Dhabi Commercial Bank (ADCB)	UAE	Banks & Financial Services	22.1
11	TAQA Group	UAE	Utilities	96.7
12	ADNOC Gas	UAE	Energy	66.2
13	e&	UAE	Telecommunications	40.7
14	SABIC	KSA	Industrials	49.6
15	Alpha Dhabi Holding (ADH)	UAE	Investments	29.8
16	Saudi Electricity Company (SEC)	KSA	Utilities	16.8
17	Riyad Bank	KSA	Banks & Financial Services	25.0
18	National Bank of Kuwait (NBK)	Kuwait	Banks & Financial Services	26.5
19	Emaar Properties	UAE	Real Estate & Construction	31.2
20	Dubai Electricity and Water Authority (DEWA)	UAE	Utilities	36.2
21	Saudi Awwal Bank (SAB)	KSA	Banks & Financial Services	19.4
22	Dubai Islamic Bank (DIB)	UAE	Banks & Financial Services	14.7
23	Mashreq	UAE	Banks & Financial Services	12.9
24	Saudi Arabian Mining Company (Ma'aden)	KSA	Industrials	47.7
25	Alinma Bank	KSA	Banks & Financial Services	20.0

Sources: Forbes, Bank Audi's Group Research Department

In details, Saudi Aramco tops the list with US\$ 1.7 trillion in market capitalization and US\$ 106.2 billion in profits, followed by the International Holding Company in second place, and the QNB Group and the Saudi National Bank in third place. Banking and financial services is the most represented sector with 45 entries, followed by the industrials and telecommunications sectors with nine companies each. However, the energy sector, represented by six companies, continues to be the most profitable, with US\$ 114 billion in profits thanks to Aramco.

The 2025 list features five new companies, of which four are newly listed, including Oman's OQ Exploration and Production (OQEP), Lulu Retail Holdings, Agility Global, and NMDC Energy. Saudi SABIC has rejoined the list, rebounding from a US\$ 102.5 million loss in 2023 to a US\$ 993 million profit in 2024.

BAHRAIN OUTLOOK REVISED TO "NEGATIVE" ON PERSISTING FISCAL PRESSURE, AS PER S&P GLOBAL RATING

S&P Global Ratings revised its outlook on Bahrain from "stable" to "negative". At the same time, S&P affirmed the "B+/B" long- and short-term foreign and local currency sovereign credit ratings.

The "negative" outlook reflects increasing risks to the fiscal position and the government's ability to service and refinance debt. In S&P's view, fiscal reform measures may prove insufficient to put debt to GDP on a downward path, while Bahrain's foreign currency reserve position remains weak.

The ongoing field maintenance at the key Abu Sa'fah oilfield, risks to funding costs amid oil market volatility, and higher social spending would keep fiscal deficits elevated. The credit rating agency projects the fiscal deficit would widen to about 7.0% of GDP in 2025, compared with 5.2% in 2024.

In parallel, S&P anticipates the fiscal deficit would narrow toward 4.4% by 2028. This would be aided by a recovery in oil production as maintenance on the Abu Sa'fah oilfield, shared with Saudi Arabia is completed and non-oil revenue continues to grow. The government would introduce a corporate income tax for local companies and expand the scope of excise taxes. This after recently adopting a 15% domestic minimum top-up tax for multinational enterprises. It also plans to gradually cut subsidies through the direct cash transfers program to citizens. The two-year budget that was approved by parliament in late March for 2025-2026 projects a deficit of 7.8% of GDP for 2025 which narrows to 5% of GDP in 2026. Incorporated in the official approved budget an oil price of US\$ 60/bbl, which would still support Bahrain's hydrocarbon-related revenue.

The government has also implemented various non-oil revenue measures to support some of its targets under the Fiscal Balance Program (2018- 2024). The government introduced reforms, such as the value-added tax in 2019, which doubled to 10% in 2022. However, at the same time, social spending and interest costs have risen beyond initial expectations. Bahrain remains sensitive to oil prices given 60% of government revenue and 50% of goods exports are driven by hydrocarbons, although it only contributes about 16%-18% of GDP.

However, high debt levels continue to constrain the government's fiscal flexibility. Given the large fiscal deficits and assuming 3% of GDP of off-balance sheet spending related to defense and the Royal Court, S&P projects gross general government debt would rise to 144% of GDP in 2028, from 130% of GDP in 2024. Over the last three years, debt to GDP has risen by about 18 percentage points after including over draft facilities from the Central Bank of Bahrain (CBB), totaling 24% of GDP in 2024. As a result, debt-servicing costs have also increased to approximately 29% of government revenue, one of the highest levels among S&P's rated sovereigns. As of end-2024, about 58% of total debt was in US dollars, with the remainder being dinar dominated debt comprising government securities (23%) and liabilities to the CBB (18%).

CORPORATE NEWS

ADNOC DRILLING SECURES US\$ 1.2 BILLION CONTRACT FOR TWO JACK-UP RIGS

ADNOC Drilling announced the award of a US\$ 1.2 billion, 15-year contract for two jack-up rigs by ADNOC Offshore in support of its growing offshore operations.

The contract would follow existing agreements, bringing accretive rates that generate long-term revenue and attractive returns.

The rigs would leverage advanced digitalization, real-time data analytics and AI, as ADNOC Drilling continues to deploy the technology throughout its fleet to improve safety, efficiency and maximize asset value and operational uptime.

With 47 offshore rigs, one of the largest operational offshore fleets in the world, ADNOC Drilling would support the UAE's long-term energy strategy. The scale of the company's offshore fleet ensures both reliability and flexibility, enabling the rapid deployment of rigs to meet growing demand, while maintaining operational excellence and safety.

EDB AND RAKBANK UNVEILS US\$ 272 MILLION SME FUND TO SUPERCHARGE UAE'S INDUSTRIAL GROWTH

In a major boost for UAE-based micro, small and medium enterprises (mSMEs), Emirates Development Bank (EDB) and UAE-based RAKBANK announced the launch of a co-financing partnership totaling US\$ 272 million (AED 1 billion) to catalyze growth in national priority sectors, as mentioned in a company statement.

This strategic collaboration marks one of the largest mSME-dedicated co-lending programs of its kind in the region, designed to improve access to capital for businesses operating in manufacturing, advanced technology, food security, renewables and healthcare.

The fund would be channeled through RAKBANK to deliver tailored financing solutions for mSMEs across the UAE, with a strong focus on supporting businesses in the Northern Emirates and greenfield ventures.

The co-financing structure gives mSMEs access to liquidity at competitive rates and also sets clear impact benchmarks, including percentage allocation for businesses based in the Northern Emirates (RAK, UAQ, Fujairah) national owned business and prioritization for manufacturing and greenfield ventures.

ADIB AND MOIAT SIGN AGREEMENT TO ACCELERATE INVESTMENT IN UAE'S INDUSTRIAL AND TECHNOLOGY SECTORS

Abu Dhabi Islamic Bank (ADIB), one of the leading Islamic financial institutions in the UAE, signed an agreement with the Ministry of Industry and Advanced Technology (MoIAT) to support investment and growth across the country's industrial and technology sectors, as revealed in a company statement.

The partnership sets out a joint framework for Sharia-compliant financing solutions for local and international investors, while helping to advance the UAE's industrial capabilities and encourage the adoption of advanced technology in manufacturing.

The agreement outlines a series of cooperation areas including facilitated access to financing for industrial projects, support for business growth and expansion, and advisory services for small and medium enterprises. ADIB would offer financial solutions aligned with the goals of National Strategy for Industry and Advanced Technology, while also providing regular updates and tailored financing packages that cater to industry-specific needs.

The agreement also reinforces the shared commitment of both parties to empowering the SME sector, supporting expansion plans and boosting industrial competitiveness in the UAE.

ASPEN ESTABLISHES NEW MIDDLE EAST REGION HQ IN RIYADH

Aspen Pharmacare Holdings Limited (Aspen), a global specialty and branded multinational pharmaceutical company, announced the establishment of a new regional headquarters in Riyadh, the capital of Saudi Arabia, as indicated in a company statement.

The new regional headquarters would support Aspen's regional growth strategy which includes a focus on three key pillars, namely talent development, localization and partnerships.

Aspen focuses on marketing and manufacturing a broad range of post-patent, branded medicines and domestic brands covering both hospital and consumer markets through its key business segments, including manufacturing and commercial pharmaceuticals comprising injectable products, prescription and OTC medicines.

SAUDI RED SEA AUTHORITY AND FINCANTIERI SIGN MOU TO DEVELOP COASTAL TOURISM ACTIVITIES IN SAUDI ARABIA

The Saudi Red Sea Authority (SRSA) signed a Memorandum of Understanding with Italy-based Fincantieri, one of the world's largest shipbuilding groups, to strengthen collaboration in developing and managing coastal tourism activities across Saudi Arabia, supporting the sector's sustainable growth.

The MoU focuses on developing coastal tourism while preserving marine ecosystems and natural resources. It also emphasizes maritime safety and security, improving marina infrastructure, and cooperating on research and innovation in advanced marine technologies.

This agreement reflects SRSA's commitment to accelerating progress through strong partnerships with both public and private sectors, locally and globally. It aims to expand strategic alliances, share expertise, and apply global practices that promote regenerative tourism, sustainable growth, and the positioning of the Red Sea as a premier international destination while preserving its untouched environment.

DP WORLD UNIT IN DEAL TO DEVELOP AL RAWDAH SPECIAL ECONOMIC ZONE PROJECT

Mahadha Development Company, an Emirati-Omani joint venture majority owned by DP World, signed an agreement with Omani authorities for the development of the first phase of Al Rawdah Special Economic Zone in Al Buraimi Governorate, as mentioned in a company statement.

The Phase 1 would cover 14 sq km, with expansion plans to reach 25 sq km in Phase 2. The zone would benefit from direct connectivity to both Jebel Ali Port in Dubai and Omani ports, enhancing cross-border logistics.

Under the agreement, Mahadha would be responsible for developing the infrastructure and facilities, preparing the masterplan and environmental studies, and designing the initial layout.

The first phase would target a range of economic activities, including manufacturing, logistics, warehousing, pharmaceuticals, medical supplies, plastics, mining, food processing, and security and safety services.

The Al Rawdah project is a strategic initiative that would leverage its geographic location to strengthen supply chains, re-export activity, and logistics connectivity between Oman, the UAE and international markets.

CAPITAL MARKETS

MENA EQUITIES ON THE RISE, TRACKING GLOBAL EQUITY STRENGTH

MENA equity markets continued to follow an upward streak this week, as reflected by 1.7% rise in the S&P Pan Arab Composite index, mainly tracking global equity strength (+1.3%) amid signs of progress in trade negotiations between the US and its top trading partners, and driven by eased geopolitical tensions in the Middle East, in addition to some favorable market-specific and company-specific factors.

The heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization, remained on the rise this week, as reflected by a 1.6% increase in the S&P Saudi index, mainly tracking a global risk-on mood on speculation that the US is moving closer to reaching concrete deals with its key trading partners. This compounded with cooling Middle East tensions, some favorable analysts' recommendations and a steady expansion in the non-oil Saudi private sector, helped by rising domestic demand, accelerated hiring and a pickup in purchasing activity. In fact, the seasonally adjusted Riyadh Bank Saudi Arabia Purchasing Managers' Index rose to a three-month high of 57.2 in June from May's 55.8, putting it further above the 50-point line denoting growth.

A glance on individual stocks shows that Leejam Sports Company's share price jumped by 10.0% week-on-week to SR 139.20. SNB Capital raised its recommendation on Leejam Sports Company's stock to "Overweight" from "Neutral", with a price target of SR 160.10, which implies a 24% increase from last price. Saudi Company for Hardware's share price went up by 3.2% to SR 30.08. EFG-Hermes raised its recommendation on Saudi Company for Hardware's stock to "Neutral" from "Sell", with a price target of SR 28.50, which implies a 4.9% decrease from last price. SABIC Agri-Nutrients' share price increased by 2.6% to SR 108.50. Morgan Stanley raised its recommendation on SABIC Agri-Nutrients' stock to "Overweight" from "Equal-weight", with a price target of SR 127, which implies a 22% increase from last price.

As to banking stocks, Arab National Bank's share price rose by 2.7% over the week to SR 22.14. Riyad Bank's share price surged by 3.7% to SR 29.08. Alinma Bank's share price increased by 1.1% to SR 27.14. Saudi Awwal Bank's share price closed 3.8% higher at SR 34.52. Al Rajhi Bank's share price expanded by 1.4% to SR 96.00. Concurrently, Maaden's share price climbed by 4.9% to SR 53.40. Saudi Public Transport's share price nudged up by 0.4% to SR 14.00. City Cement's share price expanded by 1.7% to SR 17.50. Jarir Marketing's share price rose by 1.1% to SR 12.56. Arabian Drilling's share price went up by 1.9% to SR 82.00. Zamil Industrial Investment Company's share price surged by 5.7% to SR 45.22.

EQUITY MARKETS INDICATORS (JUNE 29 - JULY 5, 2025)

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	181.3	-4.3%	-20.3%	5.4	19.7%	0.1	20,483.9	1.4%	-	0.54
Jordan	474.1	5.1%	21.3%	79.4	100.4%	18.3	29,791.5	13.9%	10.7	1.50
Egypt	274.5	0.5%	13.5%	310.1	-3.3%	5,487.6	46,571.9	34.6%	8.1	2.31
Saudi Arabia	492.4	1.6%	-5.3%	6,347.0	-0.7%	1,129.4	2,481,393.1	13.3%	15.7	3.69
Qatar	177.4	0.8%	2.4%	423.8	-26.3%	597.1	174,687.3	12.6%	13.3	1.63
UAE	169.3	1.8%	11.2%	3,161.5	-5.8%	4,146.7	1,103,869.8	14.9%	13.0	2.44
Oman	259.4	0.4%	2.1%	136.2	-6.7%	345.3	33,606.6	21.1%	9.5	1.03
Bahrain	239.7	1.2%	3.8%	7.0	-75.6%	11.8	18,545.7	2.0%	10.2	1.37
Kuwait	158.4	2.7%	17.4%	1,554.0	26.0%	2,201.8	162,296.9	49.8%	20.1	2.25
Morocco	436.2	1.4%	41.9%	226.8	13.6%	7.8	108,487.1	10.9%	18.9	2.89
Tunisia	82.2	1.3%	24.1%	33.1	48.7%	9.5	10,240.7	16.8%	12.2	2.19
Arab Markets	1,015.8	1.7%	2.3%	12,284.3	-0.3%	13,955.4	4,189,974.6	15.2%	14.9	3.12

Values in US\$ million; volumes in millions

* markets cap-weighted averages

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

The Qatar Stock Exchange registered extended price gains this week, as reflected by a 0.8% increase in the S&P Qatar index, mainly tracking global equity strength as investors watched for progress on trade talks in the runup to the US President's July 9 deadline. 26 out of 53 traded stocks posted price gains, while 24 stocks registered price falls, and three stocks saw no price change week-on-week.

A closer look at individual stocks shows that Qatar Islamic Bank's share price increased by 1.3% week-on-week to QR 22.280. QNB's share price rose by 1.6% to QR 17.480. The Commercial Bank's share price edged up by 0.7% to QR 4.549. Al Ahli Bank's share price closed 0.8% higher at QR 3.753. Qatar Insurance's share price surged by 3.7% to QR 2.000. Qatar Navigation's share price went up by 1.2% to QR 11.220. Baladna Company's share price expanded by 3.1% to QR 1.283. Industries Qatar's share price closed 1.6% higher at QR 12.500. Gulf International Service's share price jumped by 3.0% to QR 3.248.

Boursa Kuwait remained on the rise this week, as reflected by a 2.7% expansion in the S&P Kuwait index, mainly tracking a global risk-on sentiment as investors tracked signs of progress on trade talks ahead of the July 9 deadline for lifting the pause on the US President's reciprocal tariffs. A glance on individual stocks shows that Zain's share price expanded by 2.9% to KWF 496. Mabanee's share price went up by 2.0% to KWF 886. Burgan Bank's share price edged up by 0.7% to KWF 275. National Bank of Kuwait's share price surged by 3.2% to KWF 991. Kuwait International Bank's share price jumped by 6.1% to KWF 280. Kuwait Finance House's share price increased by 2.6% to KWF 795. Boubayan Bank's share price rose by 1.1% to KWF 710. Kuwait Investment's share price increased by 2.9% to KWF 179. National Industries Group's share price closed 2.5% higher at KWF 251. National Mobile Telecommunications' share price nudged up by 0.2% to KWF 1,096.

FIXED INCOME MARKETS: MOSTLY UPWARD PRICE MOVEMENTS IN MENA BOND MARKETS ON REDUCED INFLATIONARY CONCERNS AND SIGNS OF US LABOR MARKET WEAKNESS

MENA fixed income markets continued to register mostly upward price movements this week, mainly on reduced inflationary pressures following eased geopolitical risks in the Middle East, and as the US private payrolls fell for the first time in more than two years in June amid lingering economic uncertainty, which fueled bets about two US Fed interest rate cuts in 2025, with the first cut fully priced in in October.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded price gains ranging between 0.11 pt and 1.24 pt this week. In the Qatari credit space, sovereigns maturing in 2028, 2034, 2040 and 2050 posted price expansions of up to 0.14 pt week-on-week. Prices of Ooredoo'31 and '43 increased by 0.20 pt and 0.37 pt respectively. Regarding new issues, Qatar Commercial Bank raised this week US\$ 300 million from the sale of five-year Formosa FRN at SOFR +130 bps. Concurrently, Qatar Insurance raised US\$ 500 million from the sale of perpetual non callable for 6 years Reg S Tier 2 bonds issued at a yield of 6.15%, against an initial price guidance of 6.75%. The order book size exceeded US\$ 2 billion.

In the UAE credit space, sovereigns maturing in 2033, 2041 and 2052 registered price rises of 0.25 pt, 0.56 pt and 0.83 pt respectively week-on-week. In the Dubai credit space, sovereigns maturing in 2030 recorded price expansions of 0.30 pt, while sovereigns maturing in 2050 posted price drops of 0.30 pt this week. Prices of Majid Al Futtaim'29 went up by 0.10 pt. DP World'30 and '49 were up by 0.24 pt and 0.13 pt respectively. Amongst financials, prices of Emirates NBD Bank'27 declined by 0.09 pt.

In the Abu Dhabi credit space, sovereigns maturing in 2050 saw weekly price rises of 0.53 pt. ADNOC Murban'29 was up by 0.16 pt. Prices of Mubadala'28,'34 and '41 expanded by up to 0.19 pt. Taqa'28, '30 and '36 posted price rises of 0.16 pt, 0.14 pt and 0.28 pt respectively. Prices of Aldar Investment Properties'33 increased by 0.21 pt. Amongst financials, prices of ADCB'27 and '29 expanded by 0.07 pt and 0.10 pt respectively. Prices of FAB'29 rose by 0.11 pt, while FAB'35 traded down by 0.06 pt. In the Sharjah credit space, sovereigns maturing in 2030 posted price increases of 0.23 pt week-on-week.

In the Saudi credit space, sovereigns maturing in 2030 and 2034 recorded price decreases of 0.10 pt and 0.25 pt respectively, while sovereigns maturing in 2060 registered price gains of 0.19 pt week-on-week. Prices of Saudi Aramco'30, '34 and '50 went up by 0.17 pt, 0.04 pt and 0.43 pt respectively. STC'29 closed up by 0.27 pt. SEC'30 and '44 traded up by 0.21 pt and 0.26 pt respectively. Prices of SABIC'28 expanded by 0.13 pt.

In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price gains of 0.56 pt. In the Omani credit space, sovereigns maturing in 2028 and 2031 registered price rises of 0.31 pt and 0.48 pt respectively this week. Omantel'28 traded up by 0.30 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 decreased by 0.13 pt week-on-week. As to new issues, National Bank of Kuwait raised US\$ 800 million from the sale of perpetual non callable for six years bonds at a yield of 6.375% against an initial price guidance of 6.50%. The bond sale attracted over US\$ 2 billion in orders.

In the Egyptian credit space, sovereigns maturing in 2028, 2033, 2040 and 2050 posted price expansions of up to 1.42 pt, while sovereigns maturing in 2030 registered price drops of 0.54 pt this week.

All in all, activity in regional bond markets was skewed to the upside this week, mainly on reduced concerns about inflation and after a latest ADP National Employment Report showed that US private payrolls dropped by 33,000 jobs in June, the first decline since March 2023, after a downwardly revised increase of 29,000 in May. This sparked speculation about at least two US Fed rate cuts this year because of muted tariff effects and labor market weakness.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	04-Jul-25	27-Jun-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	35	36	43	-1	-8
Dubai	60	57	64	3	-4
Kuwait	56	57	64	-1	-8
Qatar	35	36	44	-1	-9
Saudi Arabia	61	70	65	-9	-4
Bahrain	202	208	187	-6	15
Morocco	97	102	94	-5	3
Egypt	494	513	591	-19	-97
Iraq	242	357	301	-115	-59
Middle East	143	159	162	-16	-19
Emerging Markets	132	143	174	-11	-42
Global	249	245	277	4	-28

Sources: Bloomberg, Bank Audi's Group Research Department

SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS	Standard & Poor's	Moody's	Fitch		
LEVANT					
Lebanon	SD/-/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-/Stable/B	Caa1/Stable	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/Positive/F1+		
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+		
Bahrain	B+/Negative/B	B2/Stable	B+/Negative/B		
Oman	BBB-/Stable/B	Ba1/Positive	BB+/Positive/B		
Yemen	NR	NR	NR		
NORTH AFRICA					
Algeria	NR	NR	NR		
Morocco	BB+/Positive/A-3	Ba1/Stable	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\$)	04-Jul-25	27-Jun-25	31-Dec-24	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)	49.36	49.91	50.84	-1.1%	-2.9%
Iraqi Dinar (IQD)	1,310.00	1,310.00	1,310.00	0.0%	0.0%
GULF					
Saudi Riyal (SAR)	3.75	3.75	3.76	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)	0.30	0.31	0.31	-0.4%	-0.8%
Bahraini Dinar (BHD)	0.38	0.38	0.38	-0.1%	-0.1%
Omani Riyal (OMR)	0.38	0.38	0.38	0.0%	-0.1%
Yemeni Riyal (YER)	242.15	242.29	249.57	-0.1%	-3.0%
NORTH AFRICA					
Algerian Dinar (DZD)	129.22	129.29	135.56	-0.1%	-4.7%
Moroccan Dirham (MAD)	8.98	9.03	10.13	-0.5%	-11.3%
Tunisian Dinar (TND)	2.86	2.88	3.19	-0.6%	-10.4%
Libyan Dinar (LYD)	5.41	5.43	4.91	-0.2%	10.1%
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's Group Research Departement.

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