MAY 04 - MAY 10
2025 | WEEK 5

MENA WEEKLY MONITOR

Audi Capital

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The outlook for the Arab region is highly uncertain according to a new report by ESCWA on the region.

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The MENA startup ecosystem saw a substantial surge in investment in April 2025, securing US$ 228.4 million across 26 deals. This figure marks a 105% increase from the funds raised in March and nearly a 300% rise compared to April 2024, according to a report issued by Wamda and Digital Digest.

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p.7 ADNOC DRILLING SECURES US$ 806 MILLION DEAL FOR THREE ISLAND RIGS

UAE-based ADNOC Drilling Company, the largest national drilling company in the Middle East by rig fleet size, was awarded a contract for three island rigs by ADNOC Offshore for an estimated total contract value of US$ 806 million to support expanding operations at the offshore Zakum development project, an oil field 84 km northwest of Abu Dhabi Islands, as indicated in a company statement.

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p.9 MENA CAPITAL MARKETS UNDER DOWNWARD PRICE PRESSURES

Activity in MENA equity markets was tilted to the downside this week, as reflected by a 0.3% retreat in the S&P Pan Arab Composite index, mainly pressured by price falls in the heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization. In parallel, regional fixed income markets saw mostly downward price movements, mainly tracking US Treasuries move as hopes for easing trade tensions between the US and China curbed demand for safe haven assets, and as traders are recalibrating their outlook for the US economy after recent data showed strong US jobs growth in April.

MENA MARKETS: May 04 - May 10, 2025

Stock market weekly trend	↓	**Bond market weekly trend**	↓
Weekly stock price performance	-0.3%	**Average weekly bond price change**	-0.27 pt
Stock market year-to-date trend	↓	**Bond market year-to-date trend**	↑
YTD stock price performance	-0.2%	**Average yearly bond price change**	+0.74 pt

ECONOMY

GDP OF THE ARAB REGION EXPECTED TO GROW BY 3.9% AND 3.7% IN 2025 AND 2026 RESPECTIVELY AS PER ESCWA REPORT

The outlook for the Arab region is highly uncertain according to a new report by ESCWA on the region. It is influenced by numerous sources of uncertainty, including wars, conflicts, political instability, socioeconomic challenges and natural disasters. The GDP of the Arab region is expected to grow by 3.4% in 2024, and by 3.9% and 3.7% in 2025 and 2026 respectively. Inflation rates in the Arab region have been contained by the stabilization of oil prices, the adoption of tight monetary policy by some countries and the persistence of fuel and food subsidies in others. Average regional inflation rates are expected to decline from 12% in 2024 to 8.1% and 6.5% in 2025 and 2026 respectively.

The economies of high-income countries (HICs) in the Arab region are expected to grow. Contributing factors include an increase in economic growth, the stabilization of oil prices, expansion in the gas and entertainment sectors, and increased investments in non-hydrocarbon sectors, particularly large-scale infrastructure projects. The GDP of these countries is expected to grow by 3.0% in 2024, and by 4.3% and 3.8% in 2025 and 2026 respectively. Inflation rates are expected to remain between 2.3% and 2.0% between 2024 and 2026, driven by persisting energy and food subsidies.

The outlook for economies of middle-income countries (MICs) in the Arab region is being influenced by various factors. These include severe socioeconomic challenges (Egypt, Lebanon and Tunisia) and the repercussions of the war on Gaza (Egypt, Jordan and Lebanon). Some MICs in the region are benefiting from increased demand for phosphate (Egypt and Morocco) and gas (Algeria and Egypt). The GDP of this subset of countries is expected to grow by 2.8% in 2024, and by 3.6 and 3.7% in 2025 and 2026 respectively. High inflation will continue to affect these countries, reaching 20.8% in 2024 before decreasing to 12.9% in 2025 and 9.8% in 2026.

Low-income countries (LICs) in the Arab region continue to face socioeconomic challenges. GDP is expected to increase by 4.4% in 2024, by 4.0% in 2025 and by 4.2% in 2026, driven by growth in the extractive sector. Inflation rates are expected to remain at moderate levels, between 3.8% in 2024 and 3.2% in 2026.

The outlook of conflict-affected countries (CACs) of the Arab region is less positive. These countries continue to face wars, political divides and security concerns. The war on Gaza, which has been ongoing since October 2023, continues to have a damaging effect on economic and social conditions in Palestine, while the civil war in the Sudan is causing a severe humanitarian crisis. The GDP of Arab CACs taken as a group is expected to contract by 0.1% in 2024, a wider regional contraction being balanced out by strong economic growth in Libya, before increasing by 2.9% if the war on Gaza ceases, and by 4.6% if the civil war in the Sudan ends. Inflation is projected to remain elevated and to range between 32.2% and 17.6% between 2024 and 2026.

One third of the region's population – 34.0% – falls under the poverty threshold defined by ESCWA. This proportion is expected to decline gradually to 33.4% by 2026. Arab MICs have seen a rise in poverty since the COVID-19 pandemic level. Before the pandemic, the regional average poverty rate was 22.3%; this increased to 25.1% in 2024, and is expected to decline only gradually, reaching an estimated 24.0% by 2026. Poverty rates in the CACs increased from 41.0% in 2019 to 47.3% in 2024, and are expected to fall to 46.5% by 2026. In HICs, poverty is projected to decline steadily from 11.5% in 2019 to 10.3% in 2024 and 9.6% in 2026.

EGYPT'S NON-OIL SECTOR PERFORMANCE WORSENS FURTHER DURING APRIL

April data from the S&P Global Egypt PMI survey indicated that the non-oil private sector economy fell deeper into contraction territory. A solid decline in new business prompted a further reduction in output and weighed on both hiring and selling prices. Notably, average prices charged stabilized in April after a 56-month sequence of inflation. This came despite a strong uptick in input prices as reports suggested that rising fuel prices had added to business expenses. Higher costs contributed to cutbacks in purchasing and staffing, but firms remained confident of an uplift in output over the coming year, as per S&P Global's Egypt PMI report for April 2025.

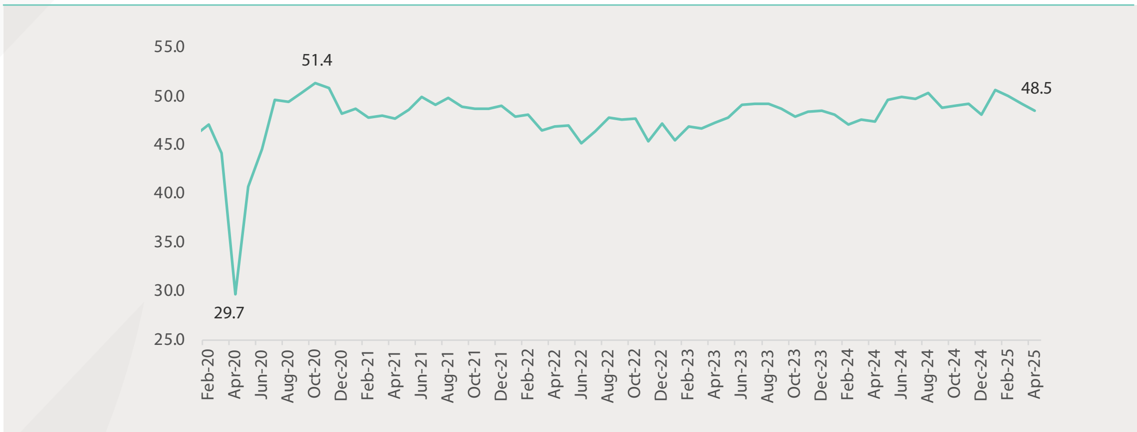
Egypt's composite Purchasing Managers' Index (PMI) recorded 48.5 in April, 1.5 points below the 50.0 no change mark and 0.7 points below the figure recorded in March (49.2) signaling a contraction in non-oil private sector business conditions during the month.

In details, the downturn was widely attributed to a weakening of demand at non-oil companies. Respondents signaled that a drop in customer spending led to lower intakes of new business and a subsequent reduction in output. In both cases, rates of contraction quickened from March and were the fastest seen in four months, though slightly less marked than their respective survey trends. Reports signaled that softness in both domestic and international markets had hurt sales, as per S&P Global's Egypt PMI report for April 2025.

Lower levels of activity and new work led non-oil companies to rein in purchases of inputs for a second month in a row. The decrease was the sharpest recorded since last October, but slight overall. Firms were also keen to limit headcounts, with the latest data signaling a decline in employment for the third successive month. The subdued demand environment meant that supply chains remained in a healthy position in April. After two successive months in which lead times have shortened, vendors kept their delivery times unchanged over the latest survey period. Firms were subsequently able to increase their inventories and reduce outstanding business volumes. Input prices in the non-oil economy rose at their fastest pace in four months in April, marking a notable reversal from March when inflation dropped to a 58-month low. According to panelists, this was largely due to an increase in fuel prices, with firms also reporting higher material and staff costs.

Despite this, output prices were unchanged in April, as the respective index dropped to the 50.0 neutral mark, ending a period of inflation lasting over four-and-a-half years. Most surveyed companies kept their prices stable amid weak sales. Finally, non-oil firms were more confident about future activity in April, with optimism ticking up to a three-month high, although the level of confidence remained subdued in comparison to the long-run trend. Firms with a positive outlook generally hoped that market conditions at home and abroad would strengthen, as per S&P Global's Egypt PMI report for April 2025.

EGYPT'S COMPOSITE PMI



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

Audi Capital

SAUDI NON-OIL SECTOR CONTINUES POSITIVE PERFORMANCE IN APRIL

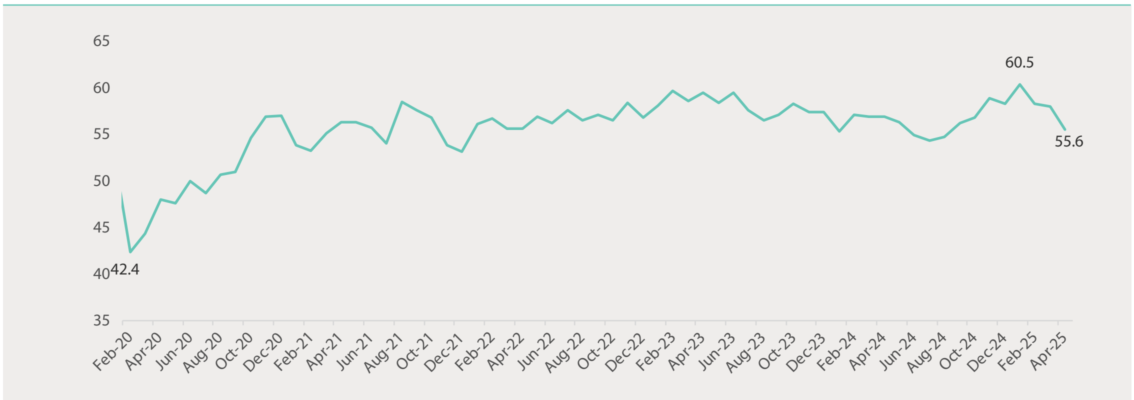
Saudi Arabia's Purchasing Manager' Index (PMI) posted 55.6 in April 2025, decreasing by 2.5 points from the figure noted in March 2025, which shows a robust growth in the sector at a considerable rate albeit much slower than in the month prior. This came amid signals of a strong increase in employment levels across the non-oil private sector in April. The rate of hiring growth accelerated to its joint-fastest pace in 10.5 years, matching the level recorded in October 2023, as firms expanded their staffing capacity in response to rising sales and increased activity. As a result, the pace of staff cost inflation surged to a record high in April, reversing the slowdown in cost pressures seen during March. Mean-while, rising purchasing activity exerted additional pressure on material prices, as companies aimed to bolster their inventories amid a positive demand outlook, as per Riyadh Bank's Saudi Arabia PMI report for April 2025.

In details, business activity at Saudi Arabian non-oil companies increased sharply at the start of the second quarter, with firms commonly reporting an expansion in output due to higher sales, new project approvals, and strong tourist numbers. Although the rate of output growth was marked, it was the slowest in seven months, partly attributed to a softer increase in sales volumes. In some instances, firms noted that global economic uncertainty had affected client spending, while others cited rising competitive pressures. Employment numbers rose at a steep pace in April, continuing the strong growth trend observed since February. Notably, the latest increase in workforces was the joint-fastest since October 2014, with the respective index matching its print from October 2023.

Concurrently, companies sought to hire additional staff in response to rising workloads and positive demand expectations, with targeted recruitment efforts reported in areas such as IT and marketing. This helped ease pressure on business capacity as volumes of outstanding work fell modestly. Strong hiring contributed to a reacceleration of input price inflation, with the wage component of non-oil private sector input costs rising sharply. In fact, the rate of increase in salary costs was the highest recorded in the survey's history. There was also a faster rise in purchase prices, as firms reported higher charges for raw materials amid increasing demand. The rate of purchase price inflation rebounded from March's 43-month low and was sharp overall, as per Riyadh Bank's Saudi Arabia PMI report for April 2025.

With total input costs rising sharply, non-oil companies raised their output charges in April. While the increase was modest, it marked a turnaround from the decline seen in March. Higher operating costs were cited by the survey panel as the primary reason for the increased charges. Meanwhile, the latest data signaled a steep increase in purchasing activity, with the growth rate reaching a three-month high. Firms continued to focus on maintaining high volumes of inputs in stock, anticipating a rise in demand and activity over the coming months. Expectations for output in one year's time increased slightly from March, although the degree of business optimism remained weaker than the long-run survey average.

COMPOSITE PMI SAUDI ARABIA



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

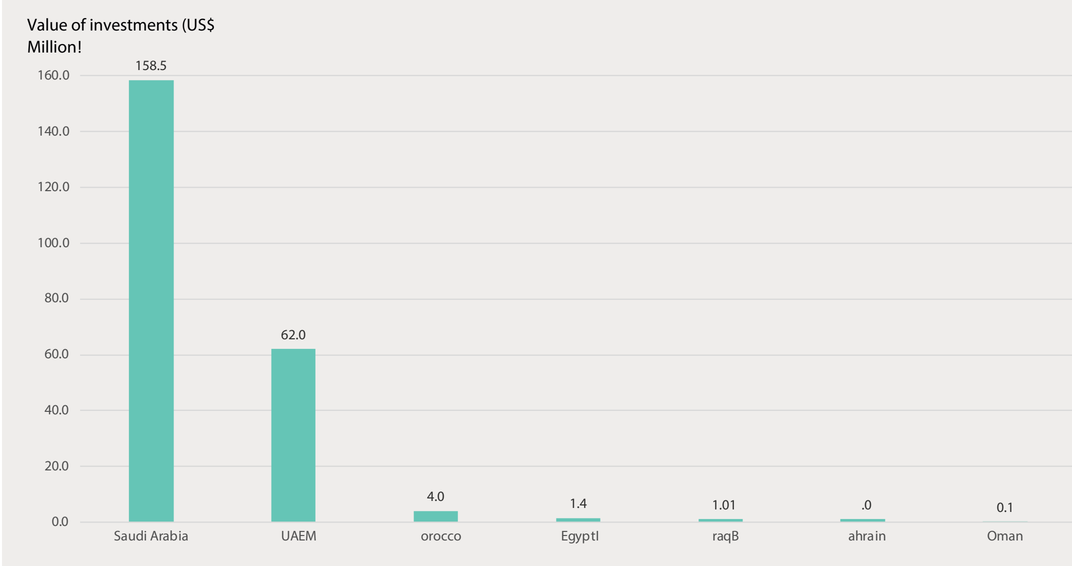
SURVEYS / REPORTS

MENA STARTUPS RAISE US$ 228 MILLION IN APRIL 2025, MARKING A 105% MOM SURGE

The MENA startup ecosystem saw a substantial surge in investment in April 2025, securing US$ 228.4 million across 26 deals. This figure marks a 105% increase from the funds raised in March and nearly a 300% rise compared to April 2024, according to a report issued by Wamda and Digital Digest.

Interestingly, the absence of debt-financed deals in April highlights growing investor confidence in equity-based funding, which shows a trend reflecting a healthier capital environment.

THE TOP FUNDED COUNTRIES IN MENA REGION IN APRIL 2025



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

In details, Saudi Arabia led MENA startup funding during the month, attracting US$ 158.5 million across eight deals, primarily driven by iMENA Group's US$ 135 million pre-IPO round. The UAE followed, with nine startups raising a total of US$ 62 million.

Elsewhere in the region, Morocco experienced a notable jump to third place, attracting US$ 4 million in funding across two startups. In contrast, Egypt saw a more modest outcome, with four startups securing just US$ 1.5 million.

Investor appetite remained strongest in the fintech sector, which attracted US$ 44 million across seven deals. Traveltech also climbed the ranks attracting US$ 40 million, while e-commerce drew US$ 2.5 million across three startups. Notably, SaaS (Software as a Service) startups made a return in April, securing US$ 1.8 million in three deals after minimal visibility in the first quarter.

While later-stage activity was limited to iMENA's pre-IPO round, early-stage startups dominated the month's investment landscape, raising US$ 49 million across 20 transactions.

In terms of business model, the business-to-business (B2B) segment led the way, attracting an impressive US$ 180 million across 12 deals. Business-to-consumer (B2C) startups followed, securing US$ 43 million across seven deals. The remaining investments went to six startups operating dual B2B and B2C models.

SUSTAINABILITY EMERGES AS KEY ENABLER OF BUSINESS EXCELLENCE ACROSS MIDDLE EAST, AS PER PWC

As governments and businesses across the Middle East drive forward their economic transformation agendas, PwC Middle East released a report that explores the key role of sustainability in shaping future-ready business strategies.

The report comes at a pivotal time, as national visions such as Saudi Arabia's Vision 2030 and We the UAE 2031, drive the integration of environmental and social impact considerations into core business practices, an essential step toward achieving sustainable growth in the region.

In details, Saudi Arabia's transformational journey demonstrates how economic diversification, business growth and sustainable development can go hand in hand. As the country creates new industries, unlocks innovation and enables a more inclusive, sustainable future for generations to come, businesses have a unique opportunity to align with this vision by embedding sustainability into their corporate strategies, operations and culture.

From aviation to urban development and industrial manufacturing, organizations align their sustainability goals to future-proof operations and deliver impact. The report features real-world examples of this shift in action. For example, Saudi Aramco advances industrial transformation through investments in carbon capture technologies and expanding its renewable energy portfolio.

In parallel, Etihad Airways enhances fuel efficiency and invests in Sustainable Aviation Fuels (SAF) to align with the UAE's decarburization goals. Aldar Properties incorporates sustainability into its project development strategy, achieving high Estidama ratings for efficient urban development. Masdar City stands as a model of sustainable urban development, offering a free zone with attractive tax incentives and access for businesses focused on clean energy solutions.

The initiatives support an evolving financial landscape. Compared to 2023, 2.5 times more companies in the region now plan to access green loans and bonds, reflecting a broader shift toward sustainable financing models that support national and global environmental priorities.

Despite this momentum, organizations still face critical challenges in embedding sustainability into transformation projects. Findings from last year's Sustainability in the Middle East report show that one in three executives cited a lack of internal skills and sustainability expertise as a significant barrier. Additionally, 22% of respondents pointed to the absence of supportive government policies, while 19% flagged conflicting regulations across jurisdictions, emphasizing the need for harmonized policy frameworks to enable cross-border progress.

Many businesses also struggle with integrating sustainability goals into broader corporate strategies, managing sustainability-related data effectively and securing necessary funding for long-term initiatives. To address these barriers, PwC's approach focuses on three core lenses: strategic, operational and cultural, designed to embed sustainability into every aspect of transformation at scale.

The strategic lens aligns sustainability with transformation objectives to unlock financial returns and long-term value. The operational lens embeds sustainable practices into day-to-day processes, leveraging AI, data and circular economy principles to enhance agility and reduce environmental impact. The cultural lens promotes a sustainability-first mindset, driven by leadership commitment, employee upskilling and organizational change.

Together, these three lenses enable organizations to lead with purpose, ensuring sustainability is not just a parallel track but a central driver of successful, future-ready transformation projects.

As the region moves toward a low-carbon, inclusive economy, the report underscores the urgency for both private and public sector organizations to transition from ambition to execution, leading with purpose, agility and impact.

CORPORATE NEWS

ADNOC DRILLING SECURES US$ 806 MILLION DEAL FOR THREE ISLAND RIGS

UAE-based ADNOC Drilling Company, the largest national drilling company in the Middle East by rig fleet size, was awarded a contract for three island rigs by ADNOC Offshore for an estimated total contract value of US$ 806 million to support expanding operations at the offshore Zakum development project, an oil field 84 km northwest of Abu Dhabi Islands, as indicated in a company statement.

The three new island rigs would operate on ADNOC's existing and newly constructed innovative artificial islands for drilling and completion of wells.

This new generation of island rigs, expected to gradually join the fleet between 2027 and 2028, would be developed through a strategic collaboration between ADNOC Drilling and Honghua Group (HH). The partnership is formed specifically to embed the transformative power of AI, advanced digitalization and real-time analytics into rig design and operations.

The rigs would generate actionable insights that drive higher operational efficiency, improve well delivery times and enhance safety, which would increase production capacity goals and meet global energy demand.

AD PORTS GROUP SEALS DEAL TO DEVELOP LOGISTICS ZONE IN EGYPT

AD Ports Group, the exclusive developer and regulator of ports and related infrastructure in Abu Dhabi, and the General Authority for Suez Canal Economic Zone (SCZONE), a special economic zone located in Egypt, signed a 50-year renewable agreement, to develop and operate a 20 sq km industrial and logistics park near the Egyptian coastal city of Port Said on the Mediterranean Sea, as revealed in a company statement.

AD Ports Group would develop, construct, finance, operate and manage the industrial and logistics zone in phases, with a focus on phase one to start with, an area covering a total of 2.8 sq km. An estimated total investment of US$ 120 million would be allocated to market and technical studies, as well as to phase one development over the next three years. Construction on the initial phase is expected to start by the end of 2025.

The development of phase one would be anchored by key potential clients and partners, including one of the largest companies in Egypt and the MENA region, Hassan Allam Holding.

In addition, AD Ports Group and Hassan Allam Holding signed a memorandum of understanding (MoU) to develop and invest in the industrial zone and explore other projects.

This infrastructure investment would support global supply chains by providing a competitive and integrated investment environment, underpinned by advanced infrastructure, and a unique geographic location, connecting three continents via one of the world's most vital maritime routes.

GWC AND YELLOW DOOR ENERGY PARTNER FOR ONE OF THE LARGEST SOLAR POWER PROJECTS IN GCC

Gulf Warehousing Company (GWC), one of the leading provider of logistics and supply chain solutions in Qatar, announced the launch of one of the GCC's largest private solar energy projects, supercharging its sustainability efforts and cementing its role as a trailblazer in green logistics.

This initiative would see GWC work with Yellow Door Energy, one of the leading sustainable energy partner for businesses in the Middle East and Africa, to develop solar power plants across three strategic logistics hubs in the region: Logistics Village Qatar, Bu Sulba Warehousing Park and Al Wukair Logistics Park.

GWC is undergoing a period of growth, driven by regional expansions and strategic partnerships in key markets across the GCC. These efforts are aimed at increasing GWC's capabilities across the region to meet the growing demand for innovative logistics solutions.

BNY OBTAINS REGIONAL HEADQUARTERS LICENSE IN SAUDI ARABIA

The Bank of New York Mellon Corporation, a global financial services company, announced it has been granted a regional headquarters (RHQ) license by the Ministry of Investments in Saudi Arabia (MISA), as mentioned in a company statement.

The RHQ in Riyadh would provide strategic, administrative and corporate services for BNY in the Middle East, serving clients across the region.

BNY’s existing Asset Servicing solutions delivered for clients in Saudi Arabia include Global Custody Services, Global Risk Solutions, Custody FX and Institutional Accounting under a Capital Markets Authority license.

It is worth noting that BNY has a decades-long presence working with clients in Saudi Arabia, UAE, Kuwait, Qatar, Bahrain and Oman, providing access to global markets, building and delivering local markets infrastructure capabilities and supporting the development of the GCC’s capital markets landscape.

SAUDIA CARGO AND CHINA HENAN AVIATION TO ESTABLISH BRIDGE CONNECTING ASIA AND MIDDLE EAST

Saudia Cargo, a Saudi Arabian airfreight flag carrier, and China Henan Aviation signed a Memorandum of Understanding (MoU) that aims to establish a robust air logistics bridge between Asia-Pacific, the Middle East, Europe and Africa, leveraging Zhengzhou and Riyadh as key interconnected hubs, as revealed in a company statement.

The MoU outlines a comprehensive framework for collaboration, encompassing route development, including launching and scaling cargo flights between Zhengzhou and Riyadh. It also includes a dual hub strategy, positioning Zhengzhou and Riyadh as strategic hubs to interconnect Asia-Pacific, the Middle East, Europe and Africa, optimizing cargo flow and reducing transit times.

Furthermore, the collaboration would focus on cargo and logistics innovation, enhancing digital cargo operations, cross-border e-commerce and sustainability initiatives to drive efficiency and reduce environmental impact.

The partnership would also support airport economic zone cooperation, facilitating the integration of bonded logistics, free trade zones and airside industries to drive trade growth and attract investment. Key aspects also include regulatory alignment, technical and financial cooperation, and exploring investment opportunities in high-tech and aviation-related sectors in Zhengzhou.

ROTANA EXPANDS INTO IRAQ WITH PLANS FOR TWO NEW HOTELS IN BAGHDAD

Abu Dhabi-based Rotana Hotels Group unveiled a strategic expansion into the Iraqi market, announcing the launch of two new midscale properties in Baghdad namely Centro Baghdad (Miraj), featuring 210 rooms, and Centro Green Zone Baghdad, with 150 rooms, as mentioned in a company statement.

The two new hotels underscore Rotana’s growing investment in Iraq and its commitment to serving both local and regional business travelers. In addition to offering midscale accommodations, the new developments would include full-service hotels and branded residences, further diversifying the hospitality options in Baghdad.

Rotana’s move signals strong confidence in Iraq’s evolving hospitality sector and highlights the company’s proven ability to operate successfully in dynamic and emerging markets. The investment aligns with the country’s broader trend of increasing stability and economic growth, especially in the capital.

CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES DOWN, MAINLY PRESSURED BY HEAVYWEIGHT SAUDI EXCHANGE

Activity in MENA equity markets was tilted to the downside this week, as reflected by a 0.3% retreat in the S&P Pan Arab Composite index, mainly pressured by price falls in the heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization.

The Saudi Exchange plunged deeper into the red this week, as reflected by a 1.4% fall in the S&P Saudi index, mainly dragged by some lower-than-forecast financial results and some unfavorable market-specific and company-specific factors. A recent survey released by Riyad Bank showed that Saudi Arabia's non-oil private sector activity expansion slowed in April 2025 as growth in new orders decelerated sharply, even as hiring rates reached their joint-fastest pace in more ten and-a-half years. In fact, the seasonally adjusted Riyad Bank Saudi Arabia Purchasing Managers' Index slid to 55.6 in April 2025, its lowest reading since August 2024, from 58.1 in March 2025, yet remained in growth territory. Concurrently, the Kingdom posted a fiscal deficit of SR 59 billion (US$ 15.7 billion) in the first quarter of 2025, the largest since the fourth quarter of 2021, and already well over half the government's expected gap for the year 2025 of SR 101 billion.

A glance on individual stocks shows that Saudi Arabian Cement's share price shed 4.5% over the week to SR 23.92. Saudi Arabian Cement announced a 56% year-on-year contraction in its 2025 first quarter net profits to reach SR 24 million. Zain Saudi's share price nosedived by 11.2% to SR 11.08. Zain Saudi reported a 39% year-on-year expansion in its 2025 first quarter net profits to reach SR 93 million, yet still missing average analysts' estimate. Sulaiman Al Habib's share price dropped by 6.8% to SR 269.40. Sulaiman Al Habib reported a 1% year-on-year rise in its 2025 first quarter net profits to reach SR 557 million, yet still missing average analysts' estimate.

Concurrently, Jarir Marketing's share price decreased by 2.1% week-on-week to SR 12.38. Aljazira Capital Co cut its recommendation on Jarir Marketing's stock to "Neutral" from "Overweight", with a price target of SR 14.50, which implies a 15% increase from last price. Aldrees Petroleum & Transport Services Company's share price plunged by 6.1% to SR 126.40. HSBC cut its recommendation on Aldrees Petroleum & Transport Services Company's stock to "Reduce" from "Hold", with a price target of SR 115, which implies a 13% decrease from last price. Abdullah Al Othaim Markets' share price went down by 2.5% to SR 8.66. Al Rajhi Capital analyst cut its recommendation on Abdullah Al Othaim Markets' stock to "Underweight" from "Neutral", with a price target of SR 7.75, which implies a 13% decrease from last price.

EQUITY MARKETS INDICATORS (MAY 04 - MAY 10, 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	179.9	-1.9%	-20.9%	4.2	30.3%	0.7	20,330.6	1.1%	-	0.55
Jordan	401.0	1.8%	2.6%	50.0	86.1%	16.1	25,498.9	10.2%	9.3	1.20
Egypt	257.6	-0.9%	6.5%	401.3	76.3%	7,725.4	45,530.3	45.8%	8.0	2.16
Saudi Arabia	495.6	-1.4%	-4.6%	5,154.5	-23.4%	831.8	2,489,039.7	10.8%	15.6	3.74
Qatar	172.8	0.9%	-0.3%	443.6	-9.0%	729.3	169,987.0	13.6%	12.9	1.58
UAE	157.4	1.0%	3.4%	3,403.2	-4.0%	3,283.4	1,048,561.4	16.9%	12.5	2.27
Oman	248.4	1.1%	-2.2%	46.7	-1.9%	172.4	31,045.2	7.8%	9.2	0.97
Bahrain	227.5	0.1%	-1.5%	6.3	53.9%	11.0	18,180.3	1.8%	10.0	1.27
Kuwait	149.3	1.1%	10.6%	1,195.3	-16.4%	1,437.0	154,191.1	40.3%	19.0	2.11
Morocco	403.3	1.4%	31.2%	167.4	11.4%	7.1	100,190.1	8.7%	17.6	2.78
Tunisia	78.3	-0.3%	18.2%	15.1	-3.6%	5.7	9,701.5	8.1%	12.9	2.20
Arab Markets	**990.7**	**-0.3%**	**-0.2%**	**10,887.5**	**-14.0%**	**14,219.9**	**4,112,256.1**	**13.8%**	**14.6**	**3.11**

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

Also, Saudi Aramco's share price contracted by 1.4% week-on-week to SR 24.84. Saudi Kayan Petrochemical Company's share price plummeted by 6.2% to SR 5.41. Saudi Kayan reported a wider net loss of SR 776 million in the first quarter of 2025 compared to a net loss of SR 572 million a year earlier. Petro Rabigh's share price dropped by 3.7% to SR 6.84. SABIC's share price shed 4.1% to SR 58.80. Sipchem's share price fell by 4.1% to SR 18.02.

In contrast, the UAE equity markets remained on the rise this week, as reflected by a 1.0% expansion in the S&P UAE index, mainly supported by a 4.3% rise in Brent oil prices to reach US$ 63.91 on Friday ahead of US-China trade talks and on hopes of de-escalation. This compounded with some robust financial results and favorable analysts' recommendations.

In Abu Dhabi, ADIB's share price surged by 6.6% over the week to AED 19.70. Morgan Stanley raised its recommendation on ADIB's stock to "Overweight" from "Equal-weight", with a price target of AED 21.90, which implies a 19% increase from last price. ADNOC Gas' share price went up by 2.2% to AED 3.24. ADNOC Gas reported 2025 first quarter net profits of US$ 1.3 billion, up by 7% year-on-year, beating average analysts' estimates. ADNOC Drilling's share price jumped by 5.0% to AED 5.25. ADNOC Drilling reported 2025 first quarter net profits of US$ 341 million, up by 24% year-on-year. Concurrently, ADNOC Drilling got a US$ 806 million contract for three island rigs to support expanding operations at the offshore Zakum development project. First Abu Dhabi Bank's share price closed 2.6% higher at AED 15.60. Aldar Properties' share price increased by 1.3% to AED 8.35.

In Dubai, Emirates NBD's share price increased by 1.7% week-on-week to AED 21.05. Arqaam Capital Limited raised its recommendation on Emirates NBD's stock to "Buy" from "Hold", with a price target of AED 23.30, which implies a 13% increase from last price. Dubai Financial Market's share price rose by 2.1% to AED 1.46. Dubai Financial Market reported 2025 first quarter net profits of AED 127 million versus net profits of AED 90 million a year earlier. Dubai Investments reported 2025 first quarter net profits of AED 171 million, up by 42% year-on-year. Amlak Finance's share price closed 0.6% higher at AED 0.847. Tabreed's share price increased by 1.1% to AED 2.73. Empower's share price rose by 1.2% to AED 1.65.

The Qatar Stock Exchange continued to trace an upward trajectory this week, as reflected by a 0.9% increase in the S&P Qatar index, mainly supported by oil price gains and some upbeat financial results. 32 out of 53 traded stocks posted price gains, while 19 stocks registered price falls, and two stocks saw no price change week-on-week.

A closer look at individual stocks shows that Vodafone Qatar's shares led the advance on the Qatar Stock Exchange this week, posting strong price gains of 9.3% to reach QR 2.557. Vodafone Qatar had previously posted an 8% year-on-year rise in its 2025 first quarter net profits to reach QR 162 million. Qatar General Insurance & Reinsurance's share price surged by 4.4% to QR 1.253. QLM Life & Medical Insurance's share price increased by 1.2% to QR 1.953. Qatar Islamic Insurance's share price rose by 0.8% to QR 8.449. Doha Insurance's share price edged up by 0.3% to QR 2.508. Qatar's seven listed insurers have reported combined net profits of QR 424 million for the first quarter of 2025 against net profits QR 382 million for the corresponding period of the previous year. Concomitantly, Qatar Navigation's share price expanded by 2.2% to QR 11.300. QNB's share price increased by 1.4% to QR 16.900. Qatar Islamic Bank's share price rose by 0.7% to QR 21.390. Lesha Bank's share price surged by 8.0% to QR 1.627. Masraf Al Rayan's share price went up by 2.1% to QR 2.280. Doha Bank's share price climbed by 4.5% to QR 2.480.

FIXED INCOME MARKETS: ACTIVITY IN MENA BOND MARKETS SKEWED TO DOWNSIDE, ON HOPES OF EASING TRADE TENSIONS BETWEEN US AND CHINA

MENA fixed income markets saw mostly downward price movements this week, mainly tracking US Treasuries move as hopes for easing trade tensions between the US and China curbed demand for safe haven assets, and as traders are recalibrating their outlook for the US economy after recent data showed strong US jobs growth in April.

In the Saudi credit space, sovereigns maturing in 2030, 2034, 2050 and 2060 recorded price drops ranging between 0.23 pt and 1.14 pt this week. Prices of Aramco'30, '34 and '50 went down by 0.29 pt, 0.59 pt and 1.14 pt respectively. SEC'30 and '44 traded down by 0.21 pt and 0.49 pt respectively. STC'29 closed down by 0.23 pt. Prices of SABIC'28 went down by 0.19 pt. Amongst financials, Banque Saudi Fransi'29 was down by 0.22 pt. SNB'29 closed down by 0.10 pt. Prices of Al Rajhi Bank'29 fell by 0.29 pt. Al Rajhi Banking and Investment Corporation raised this week US$ 500 million from the sale of a five-year Sukuk offering at 95 bps over US Treasuries against an initial price guidance of 125 bps over UST. The order book size hit US$ 1.2 billion, excluding joint lead manager demand.

In the Bahraini credit space, sovereigns maturing in 2035 and 2051 recorded price drops of 0.13 pt and 0.16 pt respectively week-on-week, while sovereigns maturing in 2028 saw price increases of 0.08 pt. In the Qatari credit space, sovereigns maturing in 2028, 2030, 2034, 2040 and 2050 saw weekly price declines of up to 1.13 pt week-on-week. Prices of Ooredoo'28, '31 and '43 retreated by 0.24 pt, 0.27 pt and 0.33 pt respectively. Amongst financials, prices of QNB'29 declined by 0.20 pt. Qatar International Islamic Bank'29 traded down by 0.23 pt. Prices of Doha Finance'29 fell by 0.15 pt.

In the UAE credit space, sovereigns maturing in 2031, 2033, 2041 and 2052 recorded price falls of up to 1.07 pt this week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted weekly price drops of 0.14 pt and 0.21 pt respectively. DP World'30 and '49 were down by 0.45 pt and 0.67 pt respectively. Amongst financials, prices of Emirates NBD Bank'27 retreated by 0.19 pt. In the Abu Dhabi credit space, sovereigns maturing in 2027, 2030, 2034 and 2050 saw weekly price contractions of up to 1.32 pt. ADNOC Murban'29 was down by 0.28 pt. Prices of Mubadala'28, '30, '34, and '50 dropped by up to 0.43 pt. Prices of Taqa'28, '30 and '36 declined by 0.12 pt, 0.19 pt and 0.55 pt respectively. Prices of Aldar Investment Properties'33 fell by 0.17 pt. Amongst financials, prices of ADCB'27 and '29 decreased by 0.17 pt and 0.06 pt respectively. FAB'28, '29 and '35 registered price drops of 0.20 pt, 0.43 pt and 0.17 pt respectively. In the Sharjah credit space, sovereigns maturing in 2030 recorded price falls of 0.24 pt week-on-week. In the Kuwaiti credit space, prices of sovereigns maturing in 2027 fell by 0.13 pt week-on-week. KIPCO'27 traded down by 0.40 pt. In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price increases of 0.27 pt. In the Omani credit space, sovereigns maturing in 2031 registered price gains of 0.09 pt this week, while sovereigns maturing in 2051 recorded price drops of 0.17 pt.

In the Jordanian credit space, sovereigns maturing in 2029 and 2030 registered price increases of 0.36 pt and 0.39 pt respectively week-on-week. Fitch Ratings affirmed Jordan's long-term foreign currency Issuer Default Rating at "BB-" with a "Stable" outlook. Jordan's ratings are supported, according to Fitch, by a record of macroeconomic stability, progress in fiscal and economic reforms, and resilient financing linked to the liquid banking sector, public pension fund and international support.

In the Egyptian credit space, sovereigns maturing in 2028, 2033 and 2050 posted price expansions of up to 0.78 pt, while sovereigns maturing in 2030 registered price drops of 1.27 pt this week.

All in all, activity in regional bond markets was mostly tilted to the downside this week, mainly tracking declines in US Treasuries on hopes for de-escalation in trade war between the US and China, and after recent data showed that the US economy added a stronger-than-expected 177,000 jobs in April 2025.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	09-May-25	02-May-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	38	39	43	-1	-5
Dubai	56	59	64	-3	-8
Kuwait	64	64	64	0	0
Qatar	38	38	44	0	-6
Saudi Arabia	80	86	65	-6	15
Bahrain	232	245	187	-13	45
Morocco	125	128	94	-3	31
Egypt	654	698	591	-44	63
Iraq	384	427	301	-43	83
Middle East	186	198	162	-12	24
Emerging Markets	121	178	174	-57	-53
Global	266	272	277	-6	-11

Audi Capital

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$)	09-May-25	02-May-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)	50.62	50.79	50.84	-0.3%	-0.4%
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)	0.31	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	0.38	0.0%	0.0%
Yemeni Riyal (YER)	244.44	244.75	249.57	-0.1%	-2.1%
NORTH AFRICA					
Algerian Dinar (DZD)	132.91	132.46	135.56	0.3%	-2.0%
Moroccan Dirham (MAD)	9.24	9.28	10.13	-0.4%	-8.8%
Tunisian Dinar (TND)	3.01	2.99	3.19	0.8%	-5.6%
Libyan Dinar (LYD)	5.47	5.46	4.91	0.2%	11.3%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

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