



MENA WEEKLY MONITOR

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MENA equity markets registered upward price movements this week, as reflected by a 1.0% rise in the S&P Pan Arab Composite index, mainly tracking a global risk-on mood (+3.8%) after US and China agreed to drastically roll back tariffs in a major trade breakthrough, while also supported by some upbeat corporate earnings and oil price gains. In contrast, activity in MENA fixed income markets was mostly tilted to the downside this week, mainly tracking US Treasuries move after cooling trade tensions between the US and China drove a reallocation away from safe haven assets.

MENA MARKETS: May 11 - May 17, 2025

Stock market weekly trend	↑	Bond market weekly trend	↓
Weekly stock price performance	+0.1%	Average weekly bond price change	-0.03pt
Stock market year-to-date trend	↑	Bond market year-to-date trend	↑
YTD stock price performance	+0.7%	Average yearly bond price change	+0.84pt

ECONOMY

MENA GROWTH FORECASTED AT 2.6% IN 2025 AS PER WORLD BANK

According to the just issued MENA Economic Update by the World Bank, growth in the region averaged a modest 1.9% in 2024 and is forecasted to moderately accelerate to 2.6% in 2025 and 3.7% in 2026. These forecasts, however, are shrouded in uncertainty, given the potential impacts of changing trade dynamics on global growth, inflation, and oil markets. Conflict has dialed back development across the region, and the effects will remain for a long while after, compounding a history of chronic low growth. The region has low standards of living, with consumption per capita at only 19% of the frontier. Low total factor productivity accounts for between a third and a half of this gap.

A dynamic private sector is essential to close it. Businesses can fuel growth, generate jobs, improve livelihoods and serve as an engine of innovation in the economy. But overall, the private sector in MENA is not dynamic. Labor productivity growth is largely declining across the region. Few firms invest and innovate. There is little entry into and exit from markets. Moreover, a divide persists between a small formal private sector and a large informal sector. Notwithstanding increased schooling, with lower secondary education completion rates averaging around 70%, the region has long underused human capital. Women are largely left out of the labor market. As a result of these challenges, the private sector in MENA is ill prepared to deal with shocks such as conflict and extreme weather events, although there are hints that businesses adapt in the face of adversity.

To boost the performance of the private sector, governments in the region may need to rethink their role. Promoting competition in markets, levelling the playing field for private and state-affiliated firms, and fostering a business-friendly environment could go far toward unleashing the growth potential of the region. Embracing data openness and evidence based policymaking could guide the path forward, including the constant evaluation of industrial policy, which is a topic of debate among policymakers and economists around the world. Businesses themselves can build capacity by improving their management practices. At the same time, harnessing the untapped talent of women entrepreneurs and workers could foster growth.

Heightened trade policy uncertainty can have real effects. It could negatively impact private sector decisions, especially regarding investments, market entry and exit, and productivity. Vulnerability to trade shocks depends on several factors. Countries with significant oil exports are more vulnerable to developments in global oil markets, both through the impact of trade shocks on global demand and adjustments in supply. Economies that are more integrated into international markets are likely more vulnerable to trade shocks—even though trade liberalization and integration are typically associated with higher long-term growth, albeit with distributional effects. Vulnerability to trade shocks may also be higher when exports are concentrated in a few products or a few trading partners, as the lack of diversification limits the ability of the economy to absorb sector- or country-specific shocks. Changing global trade dynamics are likely to have a limited direct impact for several MENA economies, given existing trade patterns.

However, indirect effects through global conditions, including oil prices, present significant downside risks. Pass-through effects from changing trade dynamics could slow down consumption. How uncertainty unfolds will depend on overall policy responses of other trading partners of the MENA region. In a longer time horizon, trade shocks faced by other countries could also affect MENA indirectly through trade reorientation. These effects may be negative or positive depending on the context. Amidst the uncertain global environment, existing challenges posed by conflict and fragility persist across several MENA economies as per the World Bank.

TOURISM ARRIVALS INTO QATAR DECREASE BY 3% IN 4M-2025

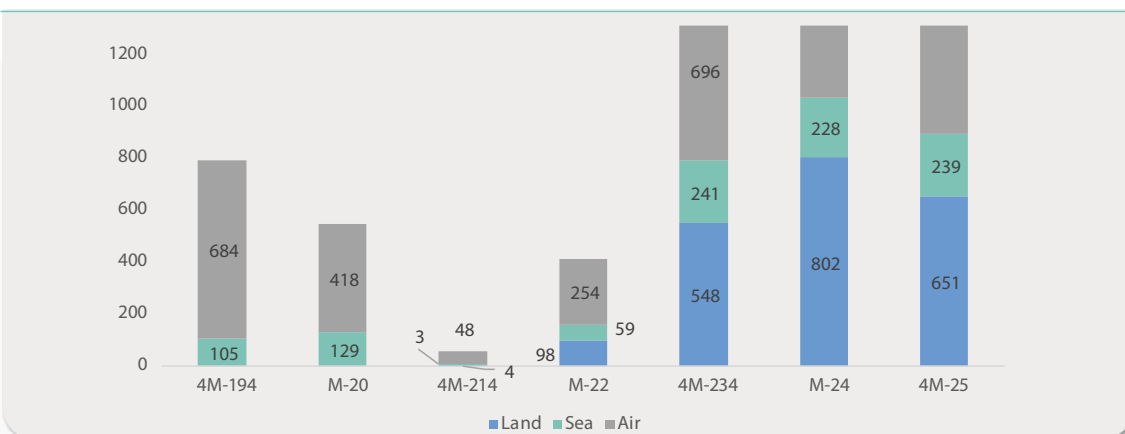
Tourism arrivals into Qatar have decreased by 3.3% year-on-year between the first four months (4M) of 2024 and 4M-2025. Arrivals reached 1,943 thousand tourists in 4M-2025, down from 2,009 thousand tourists in the same period of 2024, as per the Qatar Tourism Authority.

In details, looking at the distribution of arrivals by port of entry, arrivals by air took the lion's share accounting for 54.2% of all arrivals into the country in 4M-2025. Between 4M-2024 and 4M-2025, arrivals by air increased by 7.6% year-on-year reaching 1,053 thousand tourists in the latter, up from 979 tourists in the former. Arrivals by land followed with a share of 33.5% of total arrivals into the country during the period. In 4M-2025, arrivals by land reached 651 thousand tourists, noting a year-on-year decrease of 18.8% against 802 thousand tourists recorded in 4M-2024. Arrivals by sea accounted for 12.3% of total arrivals into Qatar during the period. Arrivals by sea in 4M-2025 reached 239 thousand tourists showing a year-on-year increase of 4.8% against the same period of the year prior.

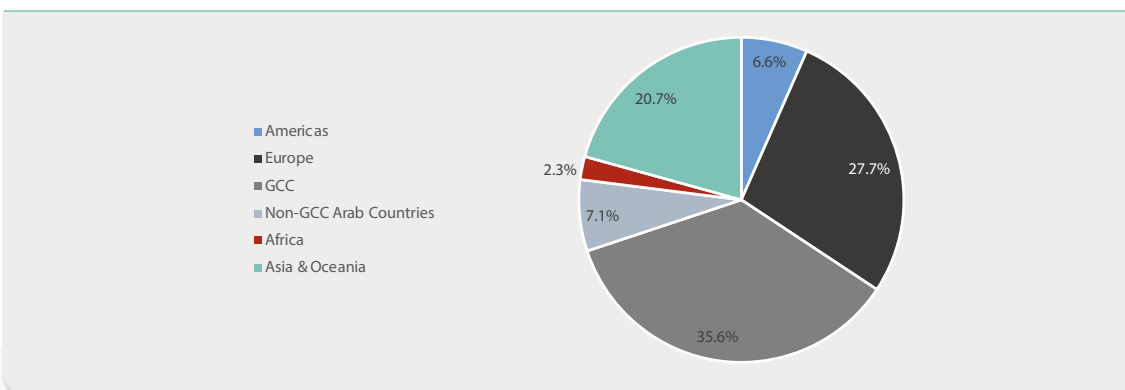
Concurrently, looking at the distribution of arrivals into Qatar by tourists' origin, GCC countries took the lion's share accounting for 35.6% (691.7 thousand tourists) of total arrivals into the country during 4M-2025. Europe followed accounting for 27.7% (538.2 thousand) of total tourist arrivals into Qatar during the period. Asia & Oceania accounted for 20.7% (402.2 thousand tourists) of total arrivals into the country during 4M-2025. Non- GCC Arab countries accounted for 7.1% (138.0 thousand tourists) of total arrivals into Qatar during the period. The Americas accounted for 6.6% (128.2 thousand tourists) of total arrivals into the country during 4M-2025. Africa accounted for 2.3% (44.7 thousand tourists) of total tourist arrivals into Qatar during the period, as per the Qatar Tourism Authority.

At the level of evolution of arrivals into Qatar by tourist nationality, arrivals from Europe and Asia & Oceania noted year-on-year increases of 10.7% and 12.5% between 4M-2024 and 4M-2025. Additionally, arrivals from the Americas and Africa noted year-on-year increases of 20.4% and 48.3% during the period. On the other hand, arrivals from the GCC and non-GCC Arab Countries recorded year-on-year decreases of 20.7% and 10.8% between 4M-2024 and 4M-2025.

DISTRIBUTION OF ARRIVALS INTO QATAR IN 4M-25 BY PORT OF ENTRY (000S)



DISTRIBUTION OF ARRIVALS INTO QATAR IN 4M-25 BY ORIGIN



Source: Qatar Tourism Authority, Bank Audi Group Research Department

US SET TO REMOVE SANCTIONS ON SYRIA

The President of the United States of America has recently announced his administration's decision to lift the country's sanctions imposed on Syria. This decision came following discussion with the Saudi Crown Prince and the Turkish President, which requested this move from the American President.

The request comes following the end of the more than decade long civil war in Syria, resulting in a change in regime. The US along with a myriad of other countries had set sanctions on the prior regime due to human rights violations among other things.

Following the decision to lift sanctions on Syria, a meeting was planned between the American President and his Syrian counterpart. The meeting took place in Saudi Arabia and discussed various topics of which geopolitical and economic issues.

According to the President of the US, the cessation of sanctions against Syria was decided in order to give the country a chance at recovery. The decision encompasses the removal of all sanctions that were set on Syria by the US. Removing US sanctions, which cut Syria off from the global financial system, is expected to clear the way for greater engagement by humanitarian organizations working in Syria, easing foreign investment and trade as the country rebuilds. Additionally, steps are being taken to restore normal relations between both country and the US Secretary of State is expected to meet his Syrian counterpart soon.

According to the Syrian Foreign Minister, this decision marks a turning point for the Syrian people in their efforts to rebuild. Additionally, Syria stands ready to foster a relationship with the United States that is rooted in mutual respect, trust and shared interests. In parallel, this move could lead to a historic peace deal and victory for US interests in Syria.

It is worth noting that most sanctions laws passed by Congress, including a 2019 package of stiff sanctions on Syria, include a provision allowing a president to suspend them if they deem it to be in the US national security interest.

Members of both US political parties welcomed the announcement. According to the top Democrat on the Senate Foreign Relations Committee the US has a chance to support Syria and focus must be set on providing the opportunity to keep the countries moving in a way that continues to benefit US interests.

According to a Republican U.S. Senator, the newly formed government in Syria may be a good investment and could be the pathway to unifying Syria, making it a stable part of the region. However, there is a lot that must be learned before making that determination.

SAUDI ARABIA SET TO INVEST US\$ 600 BILLION IN THE US

The President of the United States of America has recently announced a commitment by the Kingdom of Saudi Arabia to invest US\$ 600 billion in a series of deals with the US. This statement came at an investment conference, following the signing of several bilateral agreements with the Saudi Crown Prince.

According to the White House, among the agreements secured is a nearly US\$ 142 billion defense sales deal, providing the Kingdom with state-of-the-art warfighting equipment and services from over a dozen US defense firms. This commitment is nearly double Saudi Arabia's 2025 defense budget, which totaled US\$ 78 billion. The White House's announcement does not specify when the defense deal is expected to conclude. According to the Saudi Crown Prince, the aim of this agreement is to raise the US-Saudi partnership to US\$ 1 trillion across the military, security, economic and technological sectors.

The White House also announced commitments from Saudi digital infrastructure business DataVolt to pursue a US\$ 20 billion investment in artificial intelligence data centers in the US. The total investment figure also includes a combined US\$ 80 billion in commitments from DataVolt, Google, Oracle, Salesforce, AMD and Uber to invest in both the US and Saudi Arabia.

SURVEYS / REPORTS

MIDDLE EAST AVIATION MARKET THRIVES AS WORLD’S SECOND-FASTEST GROWING REGION, AS PER OAG

The latest analysis from the leading travel data provider OAG’s new report, “Middle East Skies: A New Era of Competition, Capacity and Growth”, revealed that the Middle East aviation market has expanded by 5% since 2019, making it the second-fastest growing region globally, behind only South Asia (12%). This growth is driven by a robust combination of Low-Cost Carrier (LCC) growth and Legacy Carrier capacity.

Alongside the ever-growing local market demand, the key feature of the Middle East and particularly the bigger markets of the UAE, Qatar and Saudi Arabia, is the depth of network that they offer to travelers. Non-stop flights from the region’s major hub airports reach every continent, with only a handful of international markets remaining unserved directly.

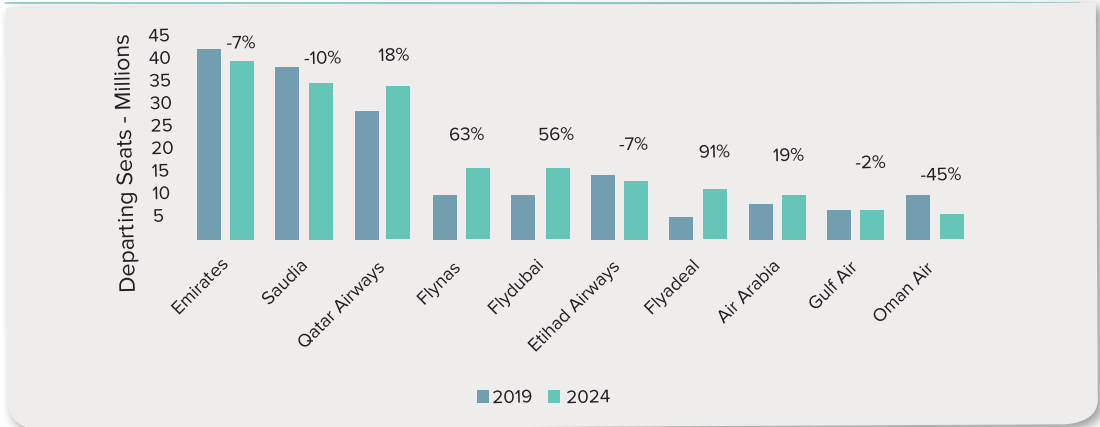
In details, both Qatar Airways and Emirates rank among the 2024 Top 20 Global Airlines by Capacity and the Top 10 by Available Seat Kilometers (ASK).

Qatar Airways experienced dramatic growth in the last decade, as it developed Doha as a global connecting point and moved from 36th largest airline globally 10 years ago to 19th in 2024. In terms of ASKs, Qatar Airways has advanced from 17th to 6th largest globally in 2024.

The airline’s growth strategy is also evident when looking at the Top 10 carriers in the region. In 2024, Qatar Airways’ capacity increased by 18% compared to 2019, while both Emirates and Saudia remained behind 2019 levels by 7% and 10%, respectively.

In parallel, Emirates is currently the 14th largest carrier globally by seat capacity and ranks 4th in terms ASKs. In ASK terms, it trails only the three major US mainline airlines.

TOP 10 MIDDLE EAST CARRIERS



Source: 2025 OAG Aviation Worldwide Limited

Amongst the 10 largest carriers in the region, flynas, the Saudi- based privately owned carrier, is the fastest growing, increasing capacity by 63% in 2024 (compared to 2019 levels). This growth rate exceeded flydubai who also recorded strong growth of 56% in 2024. Both flynas and flydubai operated similar volumes of capacity in 2024, at around 14.4 million departing seats, although flynas is just ahead by 25,000 seats.

Additionally, flydubai and flynas’ networks are similar, however flynas benefits from a large domestic market within Saudi Arabia, allowing them to operate a more diverse route network.

UAE RANKS AMONG TOP EMERGING ECONOMIES IN AI READINESS, AS PER BCG STUDY

The UAE ranked among the top emerging global economies in AI readiness, according to a report issued by Boston Consulting Group (BCG).

As found in BCG's inaugural AI Maturity Matrix, the UAE earned the designation of AI Contender alongside 31 economies worldwide, including Saudi Arabia.

The maturity matrix identifies four country archetypes based on their AI readiness, ranging from AI Emergents at the low end of the scale, through Practitioners and Contenders, to Pioneers at the high end. Two archetypes are prevalent across the GCC region: AI Practitioners (Bahrain, Kuwait, Oman and Qatar), and AI Contenders (Saudi Arabia and UAE). Pioneers include such AI leaders as the US and China. To date, no GCC country has achieved AI Pioneer status, which points to a rich untapped potential.

Across the AI ASPIRE (Ambition, Skills, Policy, Investment, Research, and Ecosystem) dimensions, GCC countries perform well in Ambition, with an average score just behind the AI pioneers. However, Skills, Investment and Research & Innovation fall significantly below the global average, underscoring key capability gaps.

In details, the UAE is the world's foremost sovereign investor in AI, with the latest announcement being the US\$ 100 billion AI-focused investment fund (MGX). It has created a leading ecosystem and cloud infrastructure. Its greatest opportunities are to close the R&D and global innovation output gap, while continuing to build and attract AI expertise to grow its talent pool.

As a first-mover on AI governance and the leading nation globally in sovereign investment, the UAE mirrors many benchmarks set by established AI Pioneers, reflecting its success at integrating AI technologies at a national scale. The country's vision, reflected in robust policy initiatives such as the National AI Strategy 2031 and the appointment of the world's first AI Minister in 2017, demonstrate a strong direction towards AI-centric economic and social value.

Beyond the UAE, the broader GCC region is witnessing an accelerated push toward AI maturity. Saudi Arabia benefits from a robust digital foundation and regulatory leadership. It can now focus on growing domestic AI talent, activating its investment fund, accelerating local innovation, and scaling its ecosystem.

In parallel, Qatar ranked above average within its peer group (AI Practitioners) in its modern infrastructure, comprehensive governance, and well-defined ambition. Its immediate opportunities are to scale research, deepen AI market maturity, and attract specialized talent.

Concurrently, Oman's national strategy and digital infrastructure investment provide a solid starting point. To build on this momentum, the country should expand AI-specific funding and further develop its specialized talent pool.

Additionally, Kuwait has developed a draft AI strategy and foundational infrastructure. Next steps include focusing investments and operationalizing a governance model. In parallel, Kuwait should expand capacity-building initiatives and deepen its AI talent pipeline. Finally, Bahrain is showing policy traction and fintech-driven ecosystem activity. Its opportunity now is to build sustainable talent pipelines and expand R&D.

CORPORATE NEWS

KHARMAA SIGNS US\$ 3.7 BILLION DEAL FOR RAS ABU FONTAS IWPP

Qatar General Electricity and Water Corporation (Kahramaa) signed a strategic agreement with QatarEnergy, Qatar Electricity and Water Company (QEWE) and Sumitomo Corporation (representing Luluah Sky Energy Holding consortium) for the Ras Abu Fontas Independent Water and Power Plant (IWPP), as indicated in a company statement.

The US\$ 3.7 billion (QR 13.5 billion) facility would have a power generation capacity of 2,400 megawatts (MW) and a water desalination capacity of 110 million imperial gallons per day (MIGD).

The commissioning would take place in three stages, with the first 836 MW power phase scheduled to come online by 25 April 2028. The full power generation component is slated for completion by June 2029, while the water desalination units are due to become operational by August 2028.

Ras Abu Fontas project is expected to account for approximately 23% of Qatar's total electricity production and 20% of its water output once fully operational.

OMAN'S OQ COMMITS US\$ 2 BILLION TO ENERGY TRANSITION WITH 300MW RENEWABLE PROJECTS LAUNCH

Oman's State-owned energy company OQ issued a full notice to proceed on the Engineering, Procurement and Construction (EPC) of three major renewable energy projects, marking a significant step in Oman's clean energy drive, as revealed in a company statement.

With a combined capacity of 300 megawatts (MW), the projects are part of a broader package of 13 agreements valued at over US\$ 2 billion.

The notice to proceed was issued to a consortium comprising France's TotalEnergies and OQ Alternative Energy (OQAE), with Power China as the EPC contractor. The projects include the 100 MW North Solar plant in Saih Nihaydah in northern Oman, and two 100 MW wind farms (Riyah-1 and Riyah-2) located in the Amin and West Nimr fields in the south.

ABU DHABI'S IHC AND BLACKROCK SET UP US\$ 1 BILLION REINSURANCE COMPANY IN ADGM

Abu Dhabi investment firm IHC partnered with BlackRock, an American multinational investment company, to launch a US\$ 1 billion reinsurance platform based out of Abu Dhabi Global Market (ADGM), with additional hybrid and debt financing in the pipeline, as reported in a company statement.

The new platform would provide underwriting capabilities, and adopt a buy-and-build strategy, which would target initial liabilities exceeding US\$ 10 billion.

BlackRock would provide insurance asset management, advisory, and its Aladdin technology capabilities to the initiative. The Larry Fink-backed US investment firm would also provide a minority investment commitment to the venture once the deal is signed.

Lunate, the Abu Dhabi-based alternative investment manager, would also be a partner, marking its entry into the reinsurance space.

The platform would initiate an AI-native approach to enhance data and market analytics and optimize capital efficiency.

ADIO AND MIZUHO PARTNER TO STREAMLINE JAPANESE INVESTMENTS INTO ABU DHABI

The Abu Dhabi Investment Office (ADIO) and Mizuho Financial Group, one of the leading global financial institutions with one of the largest customer bases in Japan, signed a strategic agreement to fast-track Japanese investments into the Emirate's growing economy, as mentioned in a company statement.

The partnership would streamline investor access, support business expansion and open new channels for cross-border capital flows. It marks a significant step in deepening financial and commercial ties between Abu Dhabi and Japan at a time of growing cross-border collaboration between Asia and the United Arab Emirates.

ADIO and Mizuho would jointly promote investment opportunities in Abu Dhabi to Japanese businesses and investors. ADIO offer tailored insights into Abu Dhabi's investment landscape, regulatory environment and high-growth sectors, as well as organize investor seminars and business missions to facilitate new partnerships.

The signing forms part of a broader push to cement the Emirate's position as a gateway for global investments by offering seamless market access to international business leaders, investors and family offices.

HASSANA INVESTMENT COMPANY AND FRANKLIN TEMPLETON SIGN MOU FOR SAUDI PRIVATE CREDIT PARTNERSHIP

Saudi-based Hassana Investment Company, one of the region's most active institutional investors, with over US\$ 320 billion of assets under management, and US-based Franklin Templeton Financial Company, one of the global leader in asset management, signed a Memorandum of Understanding (MoU) valued at US\$ 150 million to explore a strategic partnership related to investments in Saudi private credit opportunities, as reported in a company statement.

The partnership reflects a shared vision to mobilize institutional capital into the Saudi private sector and to strengthen access to alternative financing for high-growth companies across the country.

A key benefit of private credit strategies is that they support and expand the access to capital for mid-sized companies, which account for almost 50% of employment across Saudi Arabia but receive less than 10% of total bank lending.

Both firms seek to collaborate on investment opportunities in Saudi Arabia, with a focus on supporting the growth of private sector enterprises, advancing economic diversification and contributing to the objectives of Vision 2030.

CISCO AND HUMAIN PARTNER TO DRIVE SAUDI ARABIA'S AI INFRASTRUCTURE

Cisco, one of the global leader in networking and security, announced a groundbreaking initiative with HUMAIN, Saudi Arabia's new AI enterprise, to help build the world's most open, scalable, resilient and cost-efficient AI infrastructure.

This collaboration would set a new standard for how AI infrastructure is designed, secured and delivered, combining Cisco's global expertise with the Saudi Arabia's AI goals.

Cisco's new initiative with HUMAIN plans to build Saudi Arabia's AI infrastructure from the ground up in order to deliver scalable, secure, cloud-based solutions to power the country. The multi-year initiative aims to position Saudi Arabia as a global leader in digital innovation.

CAPITAL MARKETS

EQUITY MARKETS: PRICE REBOUNDS IN MENA EQUITIES, MAINLY TRACKING GLOBAL EQUITY STRENGTH AND SUPPORTED BY SOME UPBEAT CORPORATE EARNINGS

MENA equity markets registered upward price movements this week, as reflected by a 1.0% rise in the S&P Pan Arab Composite index, mainly tracking a global risk-on mood (+3.8%) after US and China agreed to drastically roll back tariffs in a major trade breakthrough, while also supported by some upbeat corporate earnings and oil price gains.

The heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization, bounced back (+0.9%) this week, mainly tracking global equity strength after US and China agreed to lower "reciprocal" tariffs by 115 percentage points for 90 days, and driven by some favorable financial results and extended oil price gains. In fact, Brent prices rose by 2.3% week-on-week to reach US\$ 65.41 per barrel on Friday, mainly on easing US-China trade tensions.

A glance on individual stocks shows that Middle East Paper Company's share price jumped by 8.4% over the week to SR 28.55. Middle East Paper reported 2025 first quarter net profits of SR 5.3 million against a net loss of SR 18 million during the corresponding period of the previous year. Theeb Rent a Car Company's share price closed 1.4% higher at SR 66.10. Theeb Rent a Car Company announced a 12% year-on-year expansion in its 2025 first quarter net profits to reach SR 45 million. Tasnee's share price surged by 3.1% to SR 9.60. Tasnee posted net profits of SR 896 million in the first quarter of 2025 against a net loss of SR 72 million a year earlier.

Concurrently, Saudi Pharmaceutical Industries and Medical Appliances Corporation's share price climbed by 4.3% Week-on-week to reach SR 26.90. SPIMACO reported 2025 first quarter net profits of SR 75 million against net profits of SR 39 million during the same period of the previous year. Cenomi Retail's share price jumped by 7.4% to SR 17.18. Cenomi Retail posted 2025 first quarter net profits of SR 2 million against a net loss of SR 152 million a year earlier. Bahri's share price went up by 5.4% to SR 31.50. Bahri reported an 18% year-on-year increase in its 2025 first quarter net profits to reach SR 533 million. Kingdom Holding's share price rose by 2.6% to SR 8.84. Kingdom Holding reported 2025 first quarter net profits of SR 432 million against net profits of SR 196 million a year earlier.

Amongst petrochemicals, petrochemicals giant Saudi Aramco's share price surged by 5.3% over the week to SR 26.15. Sipchem's share price jumped by 6.2% to SR 19.14. Sipchem reported an 8% year-on-year expansion in its 2025 first quarter net profits to reach SR 195 million. SABIC's share price closed 2.6% higher at SR 60.30. Saudi Kayan Petrochemical Company's share price increased by 0.9% to SR 5.46. Petro Rabigh's share price expanded by 2.2% to SR 6.99.

EQUITY MARKETS INDICATORS (MAY 11 - MAY 17, 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's Group Research Department.

The Qatar Stock Exchange remained on the rise this week, as reflected by a 0.8% increase in the S&P Qatar index, mainly tracking a global equity price rally the US and China agreed to slash steep tariffs for at least 90 days, and helped by an extended oil price rally. 35 out of 53 traded stocks posted price gains, while 16 stocks registered price falls, and two stocks saw no price change week-on-week.

A closer look at individual stocks shows that Lesha Bank's share price climbed by 6.9% week-on-week to QR 1.740. QNB's share price rose by 1.8% to QR 17.200. Masraf Al Rayan's share price went up by 0.9% to QR 2.300. Dukhan Bank's share price rose by 1.1% to QR 3.570. Al Ahli Bank's share price closed 0.9% higher at QR 3.672. Ezdan Holding Group's share price expanded by 1.4% to QR 1.019. Vodafone Qatar's share price nudged up by 0.7% to QR 2.576. Baladna Company's share price surged by 3.4% to QR 1.260. Industries Qatar's share price closed 1.2% higher at QR 12.150. Gulf International Service's share price jumped by 4.4% to QR 3.254.

Boursa Kuwait posted price increases of 0.7% this week, mainly tracking global equity price gains and on improved overall investor sentiment after the US agreed to cut extra tariffs it imposed on Chinese imports from 145% to 30% for the next three months, while Chinese duties on US imports will fall to 10% from 125%. This compounded with some robust financial results in Kuwait.

A glance on individual stocks shows that Zain's share price surged by 3.2% over the week to KWF 490. Zain reported a 66% year-on-year expansion in its 2025 first quarter net profits to reach KWD 49 million. Mabane's share price jumped by 5.1% to KWF 821. Mabane reported net profits of KWD 33 million in the first quarter of 2025 against net profits of KWD 16 million a year earlier. Burgan Bank's share price rose by 4.7% to KWF 245. Burgan Bank reported 2025 first quarter net profits of KWD 11 million, up by 5% year-on-year. National Bank of Kuwait's share price edged up by 0.2% to KWF 957. Kuwait International Bank's share price increased by 2.5% to KWF 242. Kuwait Investment's share price went up by 0.6% to KWF 170. National Industries Group's share price expanded by 2.0% to KWF 260. Jazeera Airways' share price skyrocketed by 8.8% to KWF 1,480.

FIXED INCOME MARKETS: ACTIVITY IN MENA BOND MARKETS MOSTLY SKEWED TO DOWNSIDE AFTER COOLING US-CHINA TRADE TENSIONS

Activity in MENA fixed income markets was mostly tilted to the downside this week, mainly tracking US Treasuries move after cooling trade tensions between the US and China drove a reallocation away from safe haven assets.

In the Qatari credit space, sovereigns maturing in 2026, 2028, 2030, 2034, 2040 and 2050 saw weekly price contractions ranging between 0.08 pt and 0.50 pt week-on-week. Prices of Ooredoo'28, '31 and '43 retreated by up to 0.45 pt. Amongst financials, Qatar International Islamic Bank'29 traded down by 0.22 pt. Prices of Doha Finance'29 fell by 0.18 pt.

In the Saudi credit space, sovereigns maturing in 2030, 2050 and 2060 recorded price increases of 0.16 pt, 0.15 pt and 0.32 pt respectively, while prices of sovereigns maturing in 2034 retreated by 0.22 pt this week. Prices of Aramco'34 went down by 0.27 pt, while Aramco'30 traded up by 0.13 pt. SEC'30 and '44 were down by 0.15 pt and 0.25 pt respectively. Prices of SABIC'28 declined by 0.06 pt. Amongst financials, Banque Saudi Fransi'29 closed down by 0.17 pt. Prices of SNB'29 contracted by 0.09 pt. Prices of Al Rajhi Bank'29 fell by 0.31 pt. As to new issues, Bank Albilad raised this week US\$ 650 million from the sale of a debut Perpetual non-call 5.5-year Fixed Rate Resettable Additional Tier 1 Sukuk at 6.50%.

In the UAE credit space, sovereigns maturing in 2031, 2033, 2041 and 2052 registered price falls of up to 0.86 pt. this week. In the Dubai credit space, sovereigns maturing in 2030 posted weekly price gains of 0.45 pt, while sovereigns maturing in 2050 noted a weekly price contraction of 0.29 pt. DP World'49 was down by 0.42 pt. Amongst financials, prices of Emirates NBD'27 retreated by 0.09 pt this week. Moody's upgraded to "A1" from "A2" the long-term deposit and senior unsecured ratings of Emirates NBD Bank PJSC, changed their outlook to "stable" from "positive", and affirmed at "P-1" the bank's short-term deposit ratings. The rating upgrades were driven by Moody's decision to upgrade the bank's Baseline Credit Assessment (BCA) and Adjusted BCA to "baa2" from baa3. The upgrade of ENBD's BCA to "baa2" is driven by sustained improvements in asset quality while maintaining solid profitability and strong capital. As to new issues in the Dubai, Sobha Realty raised this week US\$ 500 million from the sale of a three-year Reg S Sukuk at 8%.

In the Abu Dhabi credit space, sovereigns maturing in 2027, 2030, 2034 and 2050 posted weekly price falls of up to 0.75 pt. ADNOC Murban'29 was down by 0.12 pt. Mubadala'28, '34, '41 and '50 registered prices drops ranging between 0.13 pt and 0.77 pt. Prices of Taqa'28, '30 and '36 declined by 0.17 pt, 0.14 pt and 0.31 pt respectively. Prices of Aldar Investment Properties'33 contracted by 0.07 pt. Amongst financials, ADCB'29 recorded price decreases of 0.29 pt. FAB'28, '29 and '35 saw price drops of up to 0.13 pt week-on-week.

In the Kuwaiti credit space, KIPCO'27 traded up by 0.28 pt this week. Regarding new issues, Warba Bank raised US\$ 250 million from the sale of a Perpetual non- call 5.5-year Fixed Rate Resettable Additional Tier 1 Capital Sukuk at a yield of 6.25%.

In the Iraqi credit space, sovereigns maturing in 2028 posted price increases of 0.73 pt this week. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 registered weekly price decreases ranging between 0.16 pt and 0.37 pt. In the Bahraini credit space, sovereigns maturing in 2028, 2035 and 2051 saw price gains of up to 0.35 pt week-on-week.

In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033 and 2050 posted price expansions of 1.91 pt, 0.46 pt, 3.05 pts and 3.00 pts respectively this week.

All in all, regional bond markets saw mostly downward price movements this week, mainly tracking declines in US Treasuries after the US and China agreed to slash tariffs on each other's goods for an initial 90-day period. Within this context, traders priced delayed interest rate cuts by the US Federal Reserve till September 2025 instead of July, with the number of rate reductions restricted to two instead of three projected previously.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	16-May-25	09-May-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	37	38	43	-1	-6
Dubai	57	56	64	1	-7
Kuwait	65	64	64	1	1
Qatar	35	38	44	-3	-9
Saudi Arabia	74	80	65	-6	9
Bahrain	218	232	187	-14	31
Morocco	112	125	94	-13	18
Egypt	556	654	591	-98	-35
Iraq	353	384	301	-31	52
Middle East	167	186	162	-19	5
Emerging Markets	150	121	174	29	-24
Global	256	266	277	-10	-21

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's Group Research Departement.

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