JUNE 8 - JUNE 14, 2025
2025 | WEEK 10

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MENA WEEKLY MONITOR

Economy

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Also in this issue

Surveys / Reports

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Also in this issue

Corporate News

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Also in this issue

Markets In Brief

MENA equity markets came under downward price pressures (-1.5%) during this week that was shortened to few working days due to Adha holidays, mainly pressured by price falls in the heavyweight Saudi Exchange as a major escalation between Israel and Iran raised fears a broader conflict may break out in the Middle East. In contrast, regional fixed income markets saw mostly upward price movements, mainly tracking US Treasuries move as elevated Israel-Iran tensions fueled demand for safety, and after a benign May US inflation bolstered bets about two interest rate cuts by the US Federal Reserve this year, with chances of September cut rising to 86% from 68% previously.

MENA MARKETS: June 8 - June 14, 2025

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-1.5%	Average weekly bond price change	+0.08 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↑
YTD stock price performance	-2.3%	Average yearly bond price change	+1.15 pt

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ECONOMY

OIL PRODUCTION CUTS WIDEN GCC FISCAL DEFICIT FOR 2025 AS PER KAMCO

The latest budget statements from GCC governments for 2025 have indicated lower spending and continued pressure on revenues according to a report by Kamco. The aggregate budgeted expenditure in the GCC during the current fiscal year is estimated to reach US$ 545.3 billion, which is lower than last year's levels which stood at US$ 554.9 billion. On the other hand, budgeted revenues are expected to reach US$ 488.4 billion, a 3.1% decline from the US$ 504.1 billion recorded in 2024. The decline mainly reflects oil output cuts implemented by GCC OPEC producers. As per the budget statement from most GCC governments, revenues are based on a crude oil price of around US$ 60/b, although Saudi Arabia, UAE and Bahrain did not disclose the oil price for their respective federal budgets. Based on the budgeted figures, the aggregate fiscal deficit for the GCC countries is expected to reach US$ 56.9 billion in 2025 as compared to a deficit of US$ 50.8 billion last year, .

GCC governments have generally announced their intention to implement expansionary budgets, with a focus on health care, education, and infrastructure. They have also outlined plans for substantial investments in large-scale infrastructure and construction projects. At the same time, main focus has been given to re-alignment of non-oil sectors in the economy and its contribution going forward.

At the country level, Saudi Arabia is expected to account for around 65.5% of the aggregate budgeted revenues during the year in the GCC. Kuwait and Qatar are expected to follow at 12.2% and 10.9%, respectively. In terms of spending, Saudi Arabia is expected to account for 63.6% of the aggregate expenditure in the GCC this year. Meanwhile, the overall GCC project market index for upcoming contracts as of April-2025 reached US$ 1.54 Trillion, according to MEED Projects. Saudi Arabia comprised the lion's share of upcoming GCC projects at 52.1% or US$ 801.2 billion followed by the UAE which has US$ 312.3 billion and Oman with estimated upcoming projects at US$ 169.9 billion.

As a key driver of revenues for the GCC governments, crude oil prices remained elevated at the start of the year reaching over US$ 80/b levels buoyed by expectations of a global demand revival. However, prices trended downwards consistently since the second half of January-2025 to reach below US$ 60/b during April-2025 after the US announced tariffs on China and other trading partners. Crude oil has averaged at around US$ 71.0 per barrel so far this year but estimates of lower prices for the remainder of the year is expected to lower the average to around US$ 69.6 per barrel for the full year. The latest forecasts of oil demand growth were slashed by both the OPEC and the IEA to reflect escalating trade tensions and deteriorating outlook for the global economy. The IEA lowered its oil demand forecast for 2025 by 0.3 mb/d from its previous forecast to a growth of 0.73 mb/d. The forecast for growth in 2026 was also lowered to 0.69 mb/d by the agency. OPEC forecasts for oil demand for 2025 was lowered marginally by 0.15 mb/d from its previous forecast to a growth of 1.28 mb/d reflecting actual data for Q1-2025 as well as expected impact of the tariffs on demand for the rest of the year. In terms of budget balance, UAE is budgeted to breakeven, while the rest of the GCC countries are expected to report deficits this year. It is expected that the actual deficit in 2025 may be significantly lower than the budgeted deficit due to the conservative estimate of budgeted oil prices according to the Kamco report.

TOTAL PASSENGER ACTIVITY IN SAUDI ARABIA'S AIRPORTS INCREASED BY 15% IN 2024

According to recently released information from Saudi Arabia's General Authority for Statistics (GASTAT), total passenger activity in Saudi Arabia's airports recorded 128.6 million passengers in 2024, up by 15.1% year-on-year from 111.7 million passengers in 2023.

Looking at the distribution of passenger activity by airport in the Kingdom, King Abdulaziz International Airport had the lion's share accounting for 38.1% (49.0 million passengers) of the total; activity within this airport recorded a year-on-year increase in activity of 14.0% against levels recorded in 2023. King Khalid International Airport followed with a share of 29.2% (37.6 million passengers), activity within this airport increased by 17.9% between 2023 and 2024. King Fahd International Airport followed with a share of 10.0% (12.8 million passengers) of total passenger activity during the year recording a year-on-year increase of 15.3%. Other airports within Saudi Arabia were responsible for 22.7% (29.2 million passengers) of total passenger activity during 2024; these airports reported a year-on-year increase in activity of 13.6% between 2023 and 2024.

During 2024, the majority of passenger activity in the Kingdom came from international flights. Total passenger activity from international flights in 2024 reached 69.3 million passengers (53.9% of total), up by 14.4% from 60.6 million passengers in 2023. International flight passengers arriving to Saudi Arabia recorded a year-on-year increase of 13.9% to reach 35.2 million passengers in 2024, up from 30.9 million passengers in 2023. International flight passengers departing from Saudi Arabia increased by 14.8% year-on-year during the period, reaching 34.1 million passengers in 2024, as per data from GASTAT.

In parallel, total passenger activity from domestic flights in 2024 reached 59.3 million passengers (46.1% of total), up by 16.0% from 51.1 million passengers in 2023. Domestic flight passengers arriving to Saudi Arabia recorded a year-on-year increase of 16.1% to reach 29.6 million passengers in 2024, up from 25.5 million passengers in 2023. Domestic flight passengers departing from Saudi Arabia increased by 16.0% year-on-year during the period, reaching 29.7 million passengers in 2024.

Total flights coming in and out of Saudi Arabia during 2024 recorded 905.0 thousand flights, up from 815.3 thousand flights in 2023 noting a year-on-year increase of 11.0% during the period.

At the level of total air freight movement in Saudi Arabia's airports, the period between 2023 and 2024 noted a year-on-year jump of 34.0% reaching 1,230.0 thousand tons in the latter, up from 918.0 thousand tons in the former, as per data from GASTAT.

(million passengers)	2023	2024	Var 2024/2023
Domestic flight passengers	51.1	59.3	16.0%
o.w. Arrivals	25.5	29.6	16.1%
o.w. Departures	25.6	29.7	16.0%
International flight passengers	60.6	69.3	14.4%
o.w. Arrivals	30.9	35.2	13.9%
o.w. Departures	29.7	34.1	14.8%
Total passenger activity	111.7	128.6	15.1%
o.w. through King Abdulaziz Intl. Airport	43.0	49.0	14.0%
o.w. through King Khalid Intl. Airport	31.9	37.6	17.9%
o.w. through King Fahd Intl. Airport	11.1	12.8	15.3%
o.w. through Other Airports	25.7	29.2	13.6%
Total flights (000s)	815.3	905.0	11.0%
Total air freight (million tons)	918.0	1,230.0	34.0%

Sources: GASTAT, Bank Audi Group Research Department

QATAR'S PMI CONTINUES IMPROVING IN MAY

The headline Qatar Financial Centre (QFC) PMI for May 2025 recorded 50.8, showing a marginal increase of 0.1 points from figures noted in the month prior. The latest figure denotes an improvement in non-oil private sector activity within Qatar during the month at a similar pace as the month prior.

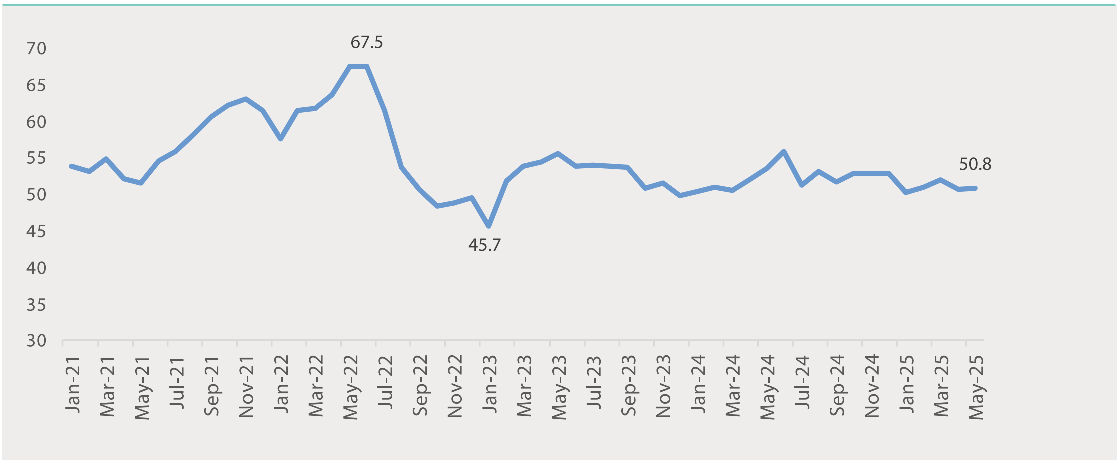
In details, the latest survey data from S&P Global showed a further overall improvement in business conditions in Qatar's non-energy sector in May, spurred by a rise in new work. Employment increased at one of the strongest rates on record and firms boosted input buying to replenish inventories. Output declined slightly but the level of outstanding business continued to rise.

The PMI remained above the no-change mark of 50.0 for the seventeenth consecutive month in May, signaling another improvement in business conditions in the non-energy private sector. The overall expansion reflected growth in new orders and employment. At 50.8, the PMI was little changed from 50.7 in April, however, signaling a modest overall rate of growth. A fall in output, lower input stocks and faster suppliers' delivery times all weighed on overall business conditions. The latest PMI reading was below the long-run survey average of 52.2, as per the QFC PMI report for May 2025.

The level of new business received by non-energy private sector firms rose for the second time in three months in May. This reflected growth in the wholesale & retail and services sectors. In contrast, new orders received in the construction and manufacturing sectors fell. Although new work rose, total activity declined slightly during May. This resulted in a build-up of outstanding orders for the sixth month running, the longest sequence of backlog growth since the first half of 2022. Higher levels of incomplete work partly reflected shortages of inputs, as pre-production inventories fell during the month. Companies responded by purchasing new inputs at the fastest rate in two years. This was aided by the quickest improvement in suppliers' delivery times since December 2022. Companies also addressed rising workloads by expanding recruitment at a faster rate. The rate of job creation was the third highest on record. Workforces rose rapidly in manufacturing, wholesale & retail and services, but only marginally in construction.

In parallel, the latest increase in employment was accompanied by a sharp rise in average wages and salaries, albeit the slowest in six months. Meanwhile, strong demand for inputs contributed to a solid rate of purchase price inflation. In contrast, prices charged by non-oil private sector firms fell for the tenth month running. The 12-month outlook for the non-energy private sector remained positive in May, with confidence linked to strong demand across the real estate sector, generally improving market conditions, new business opportunities, industrial development and growth of the expat population. Sentiment strengthened since April and was broadly in line with the trend for 2025 so far, remaining stronger than a year earlier, as per the QFC PMI report for May 2025.

QATAR'S HEADLINE COMPOSITE PMI



Source: QFC, Bank Audi Group Research Department

SURVEYS / REPORTS

DUBAI RETAINS GLOBAL TOP SPOT FOR ATTRACTING GREENFIELD FDI PROJECTS IN CULTURAL AND CREATIVE INDUSTRIES IN 2024

Dubai maintained its first place as the world's leading destination for greenfield Foreign Direct Investment (FDI) in the Cultural and Creative Industries (CCI), topping the Financial Times' FDI Markets ranking for the third consecutive year.

The 2024 report, which assessed 233 cities under the "Creative Industries Cluster" classification, placed Dubai ahead of global hubs such as London and Singapore. During the year, the Emirate attracted 971 CCI projects, an 8% increase from 2023, bringing in AED 18.86 billion in capital inflows, up nearly 60% from 2023 and generating 23,517 new jobs, a 9% year-on-year rise.

All major CCI subsectors saw stronger performance, with notable growth in advertising and PR, film and media production, gaming, education and advanced software design. According to the Dubai FDI Monitor, greenfield wholly owned ventures made up 76.5% of all projects, while new forms of investment represented 15.4%, reinvestment 5.6%, and mergers & acquisitions (2.4%).

The report showed that the United States accounted for the largest share of capital inflows in 2024, at 23.2%, followed by India (13.4%), the United Kingdom (9.4%), Switzerland (7.6%) and Saudi Arabia (4.8%). India led in both the number of projects (18.8%) and jobs (18.5%), while the UK, US, Germany, Italy and France also featured prominently across both metrics.

In parallel, investor confidence continues to be driven by Dubai's pro-business reforms, including Executive Council Resolution 11 of 2025, which enables free zone businesses to operate onshore, expanding commercial flexibility. The city's Zero Government Bureaucracy program is also reducing red tape across more than 2,000 federal procedures. Combined with strong intellectual property protections and advanced digital infrastructure, these initiatives have helped establish a regulatory framework marked by efficiency, transparency and ease of doing business.

The 2024 FDI results underscore the city's rise as a global hub for innovation and one of the world's most attractive environments for creative enterprise.

DUBAI AND ABU DHABI RANK AMONG THE MOST SATISFYING CITIES WORLDWIDE

Gensler, the global architecture, design and planning firm, released its City Pulse 2025 report, a global study first on urban migration and place attachment. Based on insights from 33,000 residents in 65 cities across six continents, including deep participation in Dubai and Abu Dhabi, the report provides city leaders with a people-first alternative to traditional city rankings.

City Pulse 2025 is the first global index to frame cities as emotional ecosystems, not just economic engines. It offers an alternative lens for assessing city performance, one focused on how people feel about where they live, rather than simply what services are provided. In an era shaped by climate risk, affordability pressures and demographic shifts, the study presents a new framework for understanding how cities can attract and retain people over the long term.

The survey revealed that while cities in the UAE top global charts in satisfaction, future growth would require deeper investment in community, identity and belonging to retain residents over the long term. The findings reaffirm that attraction and retention are not the same. While many cities are successful in drawing new residents with jobs, safety and amenities, the factors that lead to people staying are different, driven by emotional connection, belonging and place attachment.

According to the survey, 91% of Dubai residents and 92% of Abu Dhabi residents say they are "satisfied" or "very satisfied" with their city, among the highest satisfaction scores globally. In comparison, satisfaction in London stands at 76%, Tokyo at 63% and New York at 69%.

MIDDLE EAST CITIES PERFORMANCE BASED ON KEY METRICS

City	Economic strength	Peace/Stability	Vibrancy of city	Climate preparedness	Improving quality of lfe	Investing in neighborhoods	Addressing homelessness	Reducing crime
Abu Dhabi	90%	93%	89%	82%	89%	86%	84%	94%
Dubai	89%	92%	89%	73%	89%	85%	78%	92%
Riyadh	92%	92%	91%	83%	90%	86%	88%	91%
Cairo	67%	78%	79%	65%	73%	72%	64%	71%

Sources: Gensler Research Institute, Bank Audi's Group Research Department

While UAE residents value safety, infrastructure and opportunity, affordability is emerging as a key consideration, mirroring global concerns. The report identifies cost of living as the single most important factor globally when deciding to move to a new city.

For the UAE, this is particularly relevant as the country continues its efforts to attract and retain global talent under national frameworks like the Golden Visa and UAE's Talent Pass. As competition intensifies, offering a compelling value proposition, both economic and emotional, would be essential.

EGYPT OUTLOOK REVISED FROM "POSITIVE" TO "STABLE", AS PER S&P GLOBAL RATING

S&P Global Ratings revised its outlook on Egypt from "positive" to "stable" and affirmed its "B-/B" long- and short-term foreign and local currency sovereign credit ratings.

The "stable" outlook balances Egypt's commitment to fiscal and economic reforms against its vulnerability to lower global growth and potentially more volatile external financing conditions.

In details, the U.S. government imposed new import tariffs on imported goods from almost all countries globally. The tariffs exceeded expectations in both size and scope, with uncertain consequences for global growth and financial markets. Subsequently, on the U.S. government paused higher rates of tariffs on all countries except China, but maintained a minimum tariff of 10% across the board. The moves have caused significant volatility in global markets around the world. Given Egypt's twin fiscal and external deficits, elevated gross borrowing requirements and its high cost of debt, the new global shock led S&P Global Ratings to revise the outlook on Egypt's "B-" long-term sovereign credit ratings to "stable".

In parallel, government debt, and the cost of debt, remain high. The credit rating agency expects fiscal consolidation to proceed only slowly, especially given current global pressures. The tightening of the central bank's monetary policy rates in March 2024 to 27.25%, alongside exchange rate liberalization, led to an increase in domestic Treasury bill (T-bill) and bond auction rates and further increased already elevated government debt-servicing costs on Egypt's stock of domestic currency debt, most of which is issued with short maturities. S&P's ratio of government interest expenditure to government revenue stands at 58% in fiscal 2025 (ending June 30, 2025) and would begin to fall from fiscal 2026 to stand at 45% of GDP in fiscal 2028. Given global conditions, foreign portfolio investors in the local bond market may also choose to take risk-off positions, leading to portfolio outflows, which would raise pressure in the local currency bond markets.

CORPORATE NEWS

ADNOC AND EGA SIGN US$ 500 MILLION DEAL TO LOCALIZE SUPPLY OF KEY RAW MATERIAL IN ALUMINUM PRODUCTION

The Abu Dhabi National Oil Company (ADNOC) and Emirates Global Aluminium (EGA), one of the world's largest aluminum producers and the biggest industrial company in the UAE, announced a five-year supply agreement for up to 1.5 million tons of calcined petroleum coke (petcoke), a key raw material used in aluminum production.

Through the agreement, ADNOC Refining would supply at least 30% of EGA's calcined petcoke requirements from the Ruwais Refinery over the next five years, strengthening the UAE's role as a global aluminum supplier by reducing its reliance on imports and fostering local industrial capabilities.

The agreement with EGA, valued at US$ 500 million (AED 1.8 billion), supports ADNOC's successful In-Country Value (ICV) Program by promoting economic diversification in the UAE and supplying critical manufacturing materials to advanced industries.

ADEX AND EDB PARTNERSHIP TO UNLOCK US$ 272 MILLION IN EXPORT FINANCING FOR UAE INDUSTRIES

Abu Dhabi Exports Office (ADEX), part of Abu Dhabi Fund for Development (ADFD), and Emirates Development Bank (EDB), the UAE's key financial engine for economic diversification and industrial transformation, signed a strategic partnership agreement to deploy US$ 272 million (AED 1 billion) over the coming years to UAE-based exporters and manufacturers, as mentioned in a company statement.

Through this partnership, both institutions would combine their expertise and resources to deliver innovative financing tools tailored to the needs of local exporters, ensuring a robust support system that fosters long-term growth and global competitiveness.

The agreement would enable UAE companies, particularly private-sector manufacturers, to expand into global markets by supporting capital expenditure, accelerating export-led growth, and contributing to the UAE's economic diversification efforts.

The strategic initiative is directly aligned with the UAE's National Strategy for Industry and Advanced Technology, which aims to increase the industrial sector's contribution to GDP, accelerate the adoption of advanced technologies and transform the UAE into a regional and global hub for future industries.

ARAMCO DIGITAL AND QUALCOMM TO DEPLOY ADVANCED AI FOR INDUSTRIAL TRANSFORMATION

Aramco Digital, the digital and technology subsidiary of Saudi Aramco, and US-based Qualcomm Technologies entered into a strategic collaboration to develop, deploy and commercialize state-of-the-art edge AI industrial IoT technologies and solutions, which would drive the digital transformation of key industries in Saudi Arabia.

Aramco Digital would aim to develop and commercialize a range of advanced edge AI industrial devices and end-to-end solutions powered by products and services from Qualcomm Technologies.

These solutions would help meet the specific requirements of various industry sectors in Saudi Arabia, and are designed to increase efficiency and productivity, enhance safety and sustainability and enable new innovations in industrial-based services, from worker assistants to predictive maintenance, visual anomaly detection, asset management and more.

The collaboration is also intended to utilize Aramco Digital's 450 MHz 5G industrial network to connect intelligent edge devices powered by solutions from Qualcomm Technologies, including smartphones, rugged industrial devices, robots, drones, cameras, sensors and other IoT devices. Aramco Digital and Qualcomm Technologies also plan to develop the capabilities to deploy, manage, and update AI models on Aramco Digital's edge AI devices.

ADIO TO LAUNCH REGION'S FIRST EARTH OBSERVATION SATELLITE MANUFACTURING HUB

The Abu Dhabi Investment Office (ADIO) announced the launch of the Middle East's first dedicated commercial Synthetic Aperture Radar (SAR) satellite manufacturing facility, as reported in a company statement.

The project is delivered in partnership with Space42, the UAE's AI-powered space technology company with global reach. The facility, to be named Space42 Space Systems, would localize the design, assembly and testing of SAR satellites used for Earth Observation (EO), securing independent access to space-based intelligence for Abu Dhabi.

Through this pioneering facility, Abu Dhabi would, for the first time assemble, integrate and test commercial SAR satellites, positioning the Emirate at the forefront of the global space economy and reinforcing its status as a center of excellence for space innovation.

Beyond manufacturing, the facility would actively support Abu Dhabi's strategy to develop a sustainable pipeline of local talent. It will embed robust academic and industry programmes, including internships for UAE nationals, technical lectures, industry site visits and research collaborations with leading Abu Dhabi universities. These initiatives will contribute to developing a national space workforce with hands-on industrial expertise.

INVEST QATAR PARTNERS WITH QUANTINUUM TO ACCELERATE EXPANSION

Invest Qatar, the Investment Promotion Agency of Qatar, inked a strategic agreement with US-based Quantinuum, one of the world leaders in quantum computing and developer of the world's highest-performing quantum computer, as revealed in a company statement.

Through this partnership, Invest Qatar would provide tailored support services to Quantinuum, including access to key stakeholders, sector-specific insights and opportunities for collaboration with local innovation and research institutions.

Through this partnership, Invest Qatar would support Quantinuum's expansion into the country to apply quantum technologies for the benefit of key sectors in Qatar, while enhancing local research and development (R&D) capabilities, to create high-skilled jobs and train the next generation quantum workforce in Qatar. This includes facilitating connections with key stakeholders, enabling collaboration in R&D and aligning with national initiatives aimed at advancing quantum technologies.

As part of the agreement, Quantinuum would play a central role in advancing Qatar's quantum capabilities by launching a range of targeted initiatives, including knowledge-sharing platforms, educational seminars and technical workshops delivered by Quantinuum's global experts.

CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES UNDER DOWNWARD PRICE PRESSURES FOLLOWING MAJOR ESCALATION BETWEEN ISRAEL AND IRAN

MENA equity markets came under downward price pressures during this week that was shortened to few working days due to Adha holidays, mainly pressured by price falls in the heavyweight Saudi Exchange as a major escalation between Israel and Iran raised fears a broader conflict may break out in the Middle East. This was reflected by 1.5% contraction in the S&P Pan Arab Composite index.

The heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization, slid into the red (-1.5%) during this two-day week, mainly on concerns that escalating Israel-Iran tensions may spiral intro a broader conflict in the region. Saudi equity price falls occurred despite soaring oil prices, as Brent prices surged by 11.7% week-on-week to reach US$ 74.23 on Friday due to supply disruption fears.

A glance on individual stocks shows that Yansab's share price went down by 1.9% week-on-week to SR 29.15. Saudi Kayan Petrochemical Company's share price fell by 3.4% to SR 4.77. Sipchem's share price shed 3.3% to SR 18.36. Advanced Petrochemical Company's share price closed 2.1% lower at SR 28.60. As to banking stocks, Arab National Bank's share price dropped by 2.4% to SR 21.00. Riyad Bank's share price edged down by 0.4% to SR 27.75. Alinma Bank's share price retreated by 3.0% to SR 25.55. Saudi Awwal Bank's share price closed 1.9% lower at SR 31.70. Al Rajhi Bank's share price contracted by 0.8% to SR 92.60.

Also, Maaden's share price nudged down by 0.2% over the week to SR 50.30. STC's share price dropped by 2.4% to SR 41.95. Saudi Public Transport's share price plunged by 6.4% to SR 13.20. City Cement's share price fell by 4.6% to SR 17.10. Jarir Marketing's share price decreased by 1.3% to SR 12.30. Elm Company's share price plummeted by 8.3% to SR 942.00. Arabian Drilling's share price nosedived by 7.1% to SR 77.70. Saudi Paper Manufacturing Company's share price closed 1.3% lower at SR 62.00. Almarai's share price declined by 2.2% to SR 49.90.

In contrast, the Qatar Stock Exchange closed this three-day week on a positive note (+0.8%) despite rising geopolitical tensions in the Middle East, mainly supported by rising oil prices and attractive market pricing ratios. In fact, Qatari equities traded at a P/E of 13.1 times against a regional P/E of 14.8 times. 24 out of 53 traded stocks posted price gains, while 27 stocks registered price falls, and two stocks saw no price change week-on-week.

EQUITY MARKETS INDICATORS (JUNE 8 - JUNE 14, 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	179.0	-1.5%	-21.3%	1.9	34.3%	0.0	20,222.8	0.5%	-	0.56
Jordan	438.9	-0.1%	12.3%	23.9	-39.1%	5.9	27,690.5	4.5%	10.0	1.31
Egypt	268.5	-0.8%	11.0%	317.1	35.8%	4,542.2	46,975.5	35.1%	8.0	2.06
Saudi Arabia	472.5	-1.5%	-9.1%	2,902.3	-10.6%	435.6	2,446,458.1	6.2%	15.7	3.71
Qatar	175.2	0.8%	1.1%	384.3	6.6%	626.6	172,374.2	11.6%	13.1	1.01
UAE	155.8	-3.5%	2.4%	3,645.4	-17.5%	4,905.3	1,058,327.8	17.9%	12.7	2.28
Oman	259.5	-0.9%	2.1%	101.6	15.2%	244.6	33,266.7	15.9%	9.5	1.03
Bahrain	232.8	-0.2%	0.8%	2.4	-15.7%	3.9	18,009.2	0.7%	10.1	1.35
Kuwait	152.5	0.0%	13.0%	991.9	11.7%	1,140.2	157,132.5	32.8%	19.4	2.16
Morocco	423.9	0.1%	37.9%	192.4	-41.2%	7.1	105,599.9	9.5%	18.9	2.89
Tunisia	78.4	-0.4%	18.3%	12.7	-9.6%	3.8	9,758.9	6.8%	12.3	2.15
Arab Markets	**970.0**	**-1.5%**	**-2.3%**	**8,575.9**	**-10.8%**	**11,915.2**	**4,095,816.1**	**10.9%**	**14.8**	**3.06**

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

A closer look at individual stocks shows that Qatar Fuel's share price increased by 0.8% week-on-week to QR 14.690. Qatar Gas Transport's share price rose by 1.3% to QR 4.976. Qatar National Cement's share price closed 0.9% higher at QR 3.431. Qatar Aluminum Manufacturing's share price nudged up by 0.4% to QR 1.303. Qatar Insurance's share price expanded by 1.2% to QR 1.941. Baladna Company's share price went up by 0.9% to QR 1.226. Barwa Real Estate's share price closed 0.2% higher at QR 2.726. As to banking stocks, QNB's share price expanded by 1.1% week-on-week to QR 17.230. Masraf Al Rayan's share price increased by 2.0% to QR 2.283. Doha Bank's share price went up by 1.1% to QR 2.465. Qatar Islamic Bank's share price rose 1.4% to QR 22.170. The Commercial Bank's share price surged by 3.3% to QR 4.556. Al Ahli Bank's share price expanded by 1.8% to QR 3.665.

Boursa Kuwait saw two-way flows during this three-day week, as market players weighed surging oil prices against escalating geopolitical tensions in the Middle East. This was reflected by a nil change in the S&P Kuwait index. A closer look at individual stocks shows that Boubyan Bank's share price rose by 1.8% to KWf 686. Kuwait Finance House's share price nudged up by 0.4% to KWf 757. Gulf Bank's share price went up by 2.3% to KWf 351. Boubyan Petrochemical Company's share price closed 0.3% higher at KWf 692. Agility Public Warehousing's share price increased by 0.8% to KWf 251. Zain's share price rose 0.4% to KWf 478. Specialties Group Holding's share price surged by 1.9% to KWf 159.

In contrast, Mabanee's share price contracted by 1.5% to KWf 884. National Mobile Telecommunications' share price moved 1.8% lower to KWf 1,092. National Petroleum Services' share price went down by 1.4% to KWf 1,380. Heavy Engineering Industries and Shipbuilding's share price shed 3.0% at KWf 894. National Industries Group's share price closed 0.4% lower to KWf 240. Jazeera Airways' share price dropped by 3.1% to KWf 1,550.

FIXED INCOME MARKETS: ACTIVITY IN MENA FIXED INCOME MARKETS MOSTLY SKEWED TO UPSIDE, TRACKING US TREASURIES MOVE

MENA fixed income markets saw mostly upward price movements this week, mainly tracking US Treasuries move following a major escalation between Israel and Iran, which risks sparking a wider war in the Middle East, and after a benign US inflation in May bolstered bets about two interest rate cuts by the US Federal Reserve this year, with chances of September cut rising to 86% from 68%.

In the Saudi credit space, sovereigns maturing in 2034, 2050 and 2060 recorded price rises of up to 0.80 pt week-on-week. Prices of Aramco'30, '34 and '50 went up by 0.21 pt, 0.35 pt and 0.12 pt respectively. SEC'28 and '30 traded up by 0.06 pt and 0.25 pt respectively. Prices of SABIC'28 went up by 0.25 pt. Amongst financials, SNB'29 was up by 0.16 pt. Al Rajhi Bank'29 posted shy price gains of 0.08 pt. Banque Saudi Fransi'29 closed up by 0.08 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2035 and 2051 saw price drops of up to 0.39 pt, while sovereigns maturing in 2030 registered price gains of 0.13 pt week-on-week.

In the Qatari credit space, sovereigns maturing in 2028, 2030 and 2050 saw price drops of up to 0.18 pt, while sovereigns maturing in 2034 and 2040 recorded price expansions of 0.14 pt and 0.07 pt this week. Prices of Ooredoo'28, '31 and '43 increased by 0.05 pt, 0.23 pt and 0.12 pt respectively. Amongst financials, Qatar International Islamic Bank'29 traded up by 0.06 pt. Prices of QNB'29 rose by 0.09 pt. Doha Finance'29 recorded price rises of 0.13 pt.

In the UAE credit space, sovereigns maturing in 2031, 2033, 2041 and 2052 recorded price gains of up to 0.43 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2050 posted price rises of 0.40 pt. Prices of Majid Al Futtaim'29 went up by 0.37 pt. DP World'30 and '49 were up by 0.21 pt and 0.72 pt respectively. In the Sharjah credit space, sovereigns maturing in 2030 registered price contractions of 0.46 pt week-on-week.

In the Abu Dhabi credit space, sovereigns maturing in 2027 saw weekly price drops of 0.11 pt, while sovereigns maturing in 2030 and 2050 saw price gains of 0.06 pt and 0.29 pt respectively. Prices of Mubadala'28, '30, '34, '41 and '50 expanded by up to 0.71 pt. Prices of Taqa'28, '30 and '36 rose by 0.22 pt, 0.11 pt and 0.49 pt respectively. Aldar Investment Properties'33 recorded price increases of 0.14 pt.

ADNOC Murban'29 was up by 0.23 pt. Amongst financials, ADCB'27 and '29 closed up by 0.11 pt and 0.09 pt respectively. FAB'28, '29 and '35 registered price gains of up to 0.09 pt.

In the Kuwaiti credit space, prices of sovereigns maturing in 2027 went up by 0.08 pt week-on-week. KIPCO'27 traded down by 0.12 pt. In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price decreases of 0.27 pt.

In the Omani credit space, sovereigns maturing in 2028 registered price gains of 0.07 pt this week, while sovereigns maturing in 2051 recorded price drops of 0.42 pt. Omantel'28 closed up by 0.45 pt.

In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 posted price contractions of up to 1.68 pt this week.

All in all, activity in regional bond markets was mostly tilted to the upside this week, mainly tracking rises in US Treasuries as escalating tensions in the Middle East stoked demand for safe haven assets, and after recent data showed that consumer prices in the US rose less than expected in May. In fact, the US CPI increased by 0.1% for the month against 0.2% surveyed, and the core CPI came at 2.8% against 2.9% surveyed.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	13-Jun-25	06-Jun-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	38	35	43	3	-5
Dubai	60	53	64	7	-4
Kuwait	66	63	64	3	2
Qatar	38	33	44	5	-6
Saudi Arabia	79	69	65	10	14
Bahrain	226	214	187	12	39
Morocco	107	104	94	3	13
Egypt	570	534	591	36	-21
Iraq	303	285	301	18	2
Middle East	165	155	162	10	3
Emerging Markets	147	146	174	1	-27
Global	248	250	277	-2	-29

Sources: Bloomberg, Bank Audi's Group Research Department

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$)	13-Jun-25	06-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)	49.77	49.64	50.84	0.3%	-2.1%
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	0.1%	-0.1%
UAE Dirham (AED)	3.67	3.67	3.67	0.0%	0.0%
Qatari Riyal (QAR)	3.64	3.64	3.64	0.0%	0.0%
Kuwaiti Dinar (KWD)	0.31	0.31	0.31	-0.4%	-0.4%
Bahraini Dinar (BHD)	0.38	0.38	0.38	0.1%	0.0%
Omani Riyal (OMR)	0.38	0.38	0.38	-0.1%	-0.1%
Yemeni Riyal (YER)	243.17	243.31	249.57	-0.1%	-2.6%
NORTH AFRICA					
Algerian Dinar (DZD)	130.19	131.31	135.56	-0.9%	-4.0%
Moroccan Dirham (MAD)	9.12	9.17	10.13	-0.5%	-10.0%
Tunisian Dinar (TND)	2.93	2.95	3.19	-0.7%	-8.3%
Libyan Dinar (LYD)	5.45	5.46	4.91	-0.2%	10.9%
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.