Audi Capital

MENA WEEKLY MONITOR

Economy

p.2 **GCC BANKS FACE LIMITED DIRECT IMPACT FROM TARIFFS; OIL PRICES ARE KEY AS PER FITCH**

According to a new report by Fitch ratings on GCC banks, US tariffs are likely to only have small direct effects on GCC bank operating environments, but indirect effects due to lower oil prices and weaker global economic activity, which could lead to lower government spending, will be key.

Also in this issue

Surveys / Reports

p.5 **MENA REGION RECORDED 225 M&A DEALS WITH A VALUE OF US$ 46 BILLION DURING Q1 2025, AS PER EY**

The MENA region witnessed 225 Mergers and Acquisitions (M&A) activity deals in Q1 2025, up from the 172 deals recorded in Q1 2024, reflecting a 31% year-on-year increase in deal volume, according to the latest EY MENA M&A Insights report.

Also in this issue

Corporate News

p.7 **ARAMCO SIGNS PACTS WORTH UP TO US$ 90 BILLION WITH US COMPANIES**

Saudi Aramco, one of the world's leading integrated energy and chemicals companies, announced the signing of 34 Memoranda of Understanding (MoUs) and agreements, with a total value of approximately US$ 90 billion, with major US companies, through its Aramco Group Companies.

Also in this issue

Markets In Brief

p.9 **MENA EQUITIES ON THE DECLINE, PRICE GAINS ACROSS BOND MARKETS**

MENA equity markets dipped deeper into the red this week, as reflected by a 1.2% fall in the S&P Pan Arab Composite index, bucking global equity strength (+1.3%), mainly pressured by some reshuffling activity ahead of Adha holidays. In contrast, activity in MENA fixed income markets was tilted to the upside this week, mainly tracking US Treasuries move on haven demand after a federal appeals court offered the US President a temporary reprieve from a ruling threatening to throw out the bulk of his sweeping tariff agenda.

MENA MARKETS: May 25 - May 31, 2025

Stock market weekly trend	↓	Bond market weekly trend	↑
Weekly stock price performance	-1.2%	Average weekly bond price change	+0.19 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↑
YTD stock price performance	-1.5%	Average yearly bond price change	+0.68 pt

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ECONOMY

GCC BANKS FACE LIMITED DIRECT IMPACT FROM TARIFFS; OIL PRICES ARE KEY AS PER FITCH

According to a new report by Fitch ratings on GCC banks, US tariffs are likely to only have small direct effects on GCC bank operating environments, but indirect effects due to lower oil prices and weaker global economic activity, which could lead to lower government spending, will be key.

GCC exports to the US are dominated by hydrocarbons, which are exempt from tariffs. Non-hydrocarbon exports, which face a 10% tariff, or 25% for aluminium and steel, are relatively low, which limits the direct impact of the tariffs on GCC economies and bank operating environments.

Lower oil prices and weaker global demand are the main risks for GCC bank operating environments. Government spending strongly affects bank operating conditions in most GCC countries, and a further drop in oil prices could weaken Fitch's lending growth forecasts from those in its Middle East Banks Outlook 2025, published in December 2024, which were, in most cases, close to 2024 levels.

Fitch reduced its forecast for global GDP growth in March 2025 to 2.3% in 2025 and 2.2% in 2026, and risks are tilted towards a sharper slowdown. This could put pressure on global commodity prices, particularly for hydrocarbons, which account for most government revenues in the GCC and traditionally underpin economic activity and the banking sectors, through government spending. Fitch believes market balance and oil prices will chiefly be determined by global economic performance and OPEC+'s supply management. OPEC+ had large spare capacity of over 6 million barrels per day (MMbpd) in January and indicated plans to start unwinding its production cuts from April.

Fitch's pre-tariffs base case was that non-oil GDP for the GCC in aggregate would increase by over 3.5% in both 2025 and 2026. However, lower oil prices and budget revenues could lead to a marked reduction in non-oil economic activity and government spending, which would weaken GCC banks' lending growth prospects.

Credit conditions for GCC banks could also deteriorate if corporates operating in affected sectors experience weaker profitability and cash flow due to higher operating costs and inflation resulting from the tariffs. Corporates could also face higher debt costs due to uncertainty surrounding interest rates and potential delays in rate cuts. Pressure on corporates could dampen overall credit demand and ultimately lead to higher credit risk for banks and an increase in problem loans.

However, GCC banks are generally well placed to absorb a deterioration in the operating environment. Many banks have strengthened their capital buffers in recent years, helped by solid earnings on higher oil prices and interest rates, good liquidity, strong economic activity and favourable credit conditions.
The GCC bank operating environment score most at risk of a downward revision is that in Bahrain, where the score is 'b+'/negative. It is capped by Bahrain's sovereign rating (B+/Negative), which is the most vulnerable GCC sovereign rating to an oil price drop due to the country's weak public finances, high debt burden and the highest break-even oil price among GCC countries, according to Fitch ratings.

Bank operating environment scores in other GCC countries have stable outlooks except in Oman, where the outlook is positive. These sovereigns have more robust credit profiles and higher ratings (Saudi Arabia: A+/Stable; UAE: AA-/Stable; Qatar: AA/Stable; Kuwait: AA-/Stable; Oman: BB+/Positive), reflecting better financial flexibility and stronger reserves, and therefore better abilities to face shocks and maintain spending to stimulate economic activity. Their bank operating conditions are more favourable, particularly in the UAE and Saudi Arabia, which have the highest operating environment scores (both 'bbb+'/stable) in the GCC (Qatar and Kuwait: 'bbb'/stable; Oman: 'bb+'/positive), as per Fitch.

SAUDI ARABIA'S REAL GDP ESTIMATED UP BY 2.7% IN Q1-2025

According to recently released estimates from the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP posted a positive growth of 2.7% year-on-year in the first quarter (Q1) of 2025.

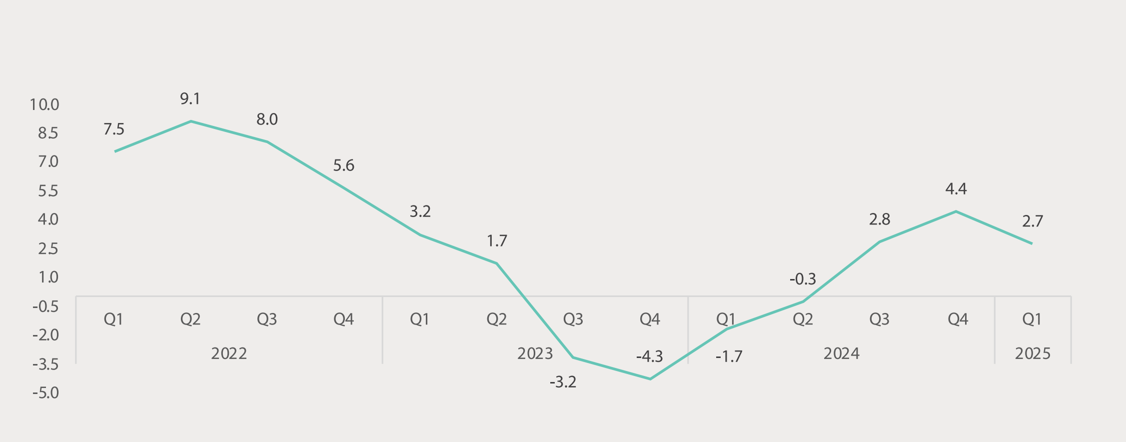
This growth comes on the back of increases in the GDP of non-oil activities and government activities in Saudi Arabia during Q1-2025 against Q1-2024.

In details, real GDP of Saudi Arabia's non-oil sector is estimated to have continued its positive growth trend in Q1-2025, increasing by 4.2% year-on-year against the same quarter of the year prior. Real GDP relating to government activities in Saudi Arabia also posted a year-on-year growth of 3.2% between Q1-2024 and Q1-2025. On the other hand, real GDP of Saudi Arabia's oil sector posted a year-on-year contraction of 1.4% against the same quarter of the year prior, as per estimates from GASTAT.

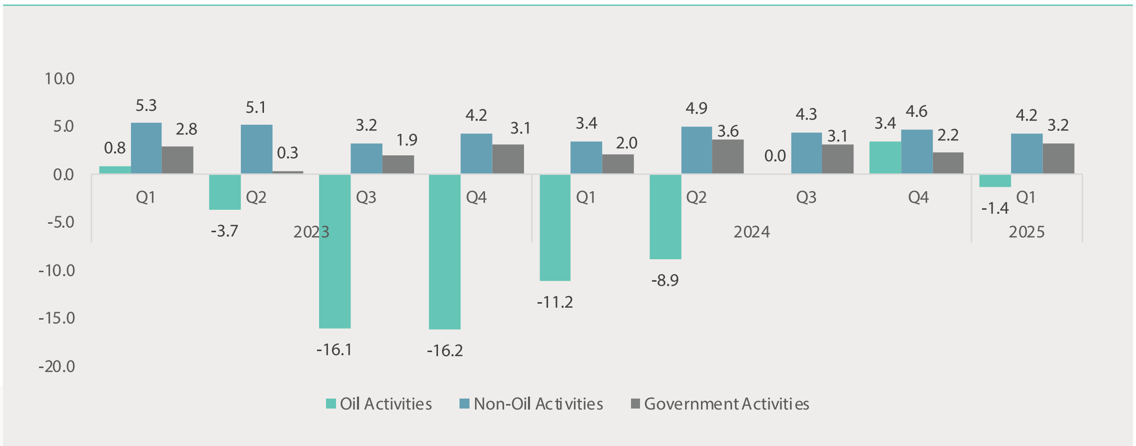
Looking at Saudi Arabia's real GDP growth in Q1 2025 against the fourth quarter (Q4) of 2024, an expansion of 0.9% year-on-year is estimated during the period. This growth came amid expansions in non-oil and governmental activities in the Saudi economy between Q4-2024 and Q1-2025. These expansions were partially offset by a decrease in oil activity during the period.

In details, oil activity real GDP growth noted a contraction between Q4-2024 and Q1-2025 of 1.2% during the period. Non-oil activity real GDP growth continued its upwards trend to note an expansion of 1.0% year-on-year during the period. Additionally, government activity real GDP growth recorded a growth of 4.9% between Q4-2024 and Q1-2025, as per estimates from GASTAT.

OVERALL REAL GDP YEAR-ON-YEAR GROWTH BY QUARTER (%)



REAL GDP YEAR-ON-YEAR GROWTH BY ACTIVITY TYPE BY QUARTER (%)



Source: GASTAT, Bank Audi Group Research Department

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UAE'S NON-OIL PRIVATE SECTOR CONTINUES SHARP IMPROVEMENT IN APRIL

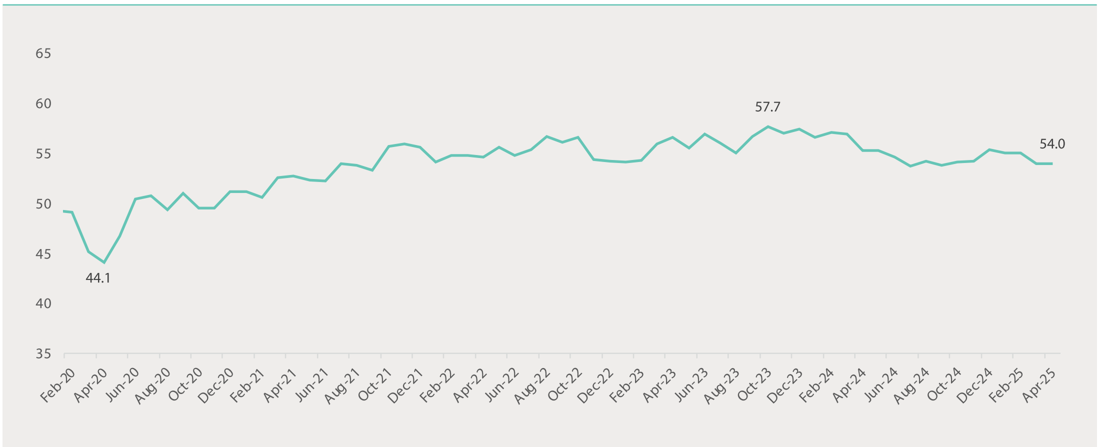
The seasonally adjusted S&P Global UAE PMI recorded 54.0 in April 2025, noting a stagnation against the month prior. The UAE non-oil private sector improved at an unchanged rate from March, indicative of a solid strengthening of operating conditions. This comes as faster increases in new orders and employment were offset by a greater improvement in supplier delivery times (which is normally associated with weaker conditions), as per S&P's UAE PMI report for April 2025.
Nevertheless, non-oil private sector businesses in the UAE increased employment levels at a stronger pace at the start of the second quarter, in a bid to ease capacity pressures and support new business growth. Output continued to expand sharply, albeit with the pace of growth slipping to a seven month low. While backlogs accumulated at a slightly softer rate, firms signaled further difficulties completing existing work amid payment delays. However, they remained confident that sales pipelines would underpin output growth over the coming year.

In details, staff numbers across the non-oil economy rose at the sharpest rate in 11 months. This followed a relatively subdued period of job creation, especially since the final quarter of last year. Surveyed businesses typically related higher employment to a growing need to address workloads, which the survey data indicated have been elevated since early 2024. The latest figures showed the rate of backlog accumulation easing to a six-month low, albeit remaining steep overall. Transaction delays hampered work completion, according to panelists. In many cases, businesses also signaled that an increase in new work had pushed backlogs higher. Total new orders rose sharply, with the rate of growth accelerating from March. This was partly due to the strongest upturn in international demand for five months, while companies also reported gaining domestic clients, as per S&P's UAE PMI report for April 2025.

Business activity rose markedly in April, although momentum continued to weaken to a seven-month low. There was also a considerable increase in input purchases at non-oil firms, as panelists reported growing demand for materials and components. The rate of growth was sharp, but softened from March's 68-month peak. Elsewhere, the survey data signaled a stronger improvement in supplier performance at the start of the second quarter. Lead times shortened at the fastest pace since last August, which firms mainly attributed to efforts at vendors to increase their capacity.

Despite input purchases rising and delivery times shortening, stock levels were broadly unchanged for the second consecutive month. Growth at some firms was offset by reductions elsewhere. Input prices in the non-oil economy increased again during April. The rise was in line with the series trend, as companies reported uplifts in both purchasing and staff costs. Prices charged were also raised, but at a slower pace than in March, with many panelists citing efforts to offer lower prices to customers amid strong competition. Looking ahead, surveyed firms remained confident that sales pipelines and resilient market conditions would support activity going forward. The degree of confidence ticked up for the third month running and was the best recorded in 2025 so far.

QATAR'S HEADLINE COMPOSITE PMI



Source: QFC, Bank Audi Group Research Department

SURVEYS / REPORTS

MENA REGION RECORDED 225 M&A DEALS WITH A VALUE OF US$ 46 BILLION DURING Q1 2025, AS PER EY

The MENA region witnessed 225 Mergers and Acquisitions (M&A) activity deals in Q1 2025, up from the 172 deals recorded in Q1 2024, reflecting a 31% year-on-year increase in deal volume, according to the latest EY MENA M&A Insights report.

In details, total deal value rose by 66% to US$ 46 billion in Q1 2025, when compared to US$ 27.6 billion in Q1 2024.

The UAE remained the top target country with 63 deals totaling US$ 20.3 billion in Q1 2025. Kuwait ranked second in terms of deal proceeds, reaching US$ 2.3 billion, driven by two major transactions in the diversified industrial products, and power and utilities sectors.

Additionally, cross-border deals were the primary driver of M&A activity in the MENA region, contributing 52% of total deal volume with 117 deals and 81% of total deal value at US$ 37.3 billion. It is worth noting that Q1 2025 recorded the highest cross-border deal activity both in volume and value when compared to the same period in the past five years, as companies increasingly pursued growth and diversification beyond domestic markets.

On the other hand, Canada attracted the highest outbound deal value from MENA investors in Q1 2025 at US$ 6.4 billion, while the USA remained the preferred target destination in terms of deal volume.

In terms of sectors, the technology sector led domestic M&A activity in MENA in Q1 2025, contributing 37% of total domestic deal value and 27% of total domestic deal volume. The largest domestic deal during Q1 2025 was a US$ 2.2 billion acquisition where Group 42, an Abu Dhabi based AI and cloud computing firm, agreed to acquire a 40% stake in Khazna Data Centers, a digital infrastructure provider.

Intraregional deals involving the UAE, Kuwait and Saudi Arabia accounted for 83% of total domestic deal value and 56% of total domestic deal volume, highlighting strong intraregional M&A activity, particularly in the technology, industrials and real estate sectors.

In parallel, the MENA region continues to emerge as one of the most attractive destinations for Foreign Direct Investment (FDI) during the first few months of 2025, with inbound deal volume surging by 21% and deal value reaching US$ 17.6 billion, when compared to US$ 2.5 billion in Q1 2024.

The UAE remains the leading destination for FDI in the MENA region in Q1 2025, capturing 53% of total inbound deal volume and 99% of the total inbound deal value. Austria was the top investor country, accounting for 94% of total inbound deal value, largely driven by a major transaction in the chemicals sector.

During the first three months of 2025, outbound deal volume increased by 63% when compared to Q1 2024, with a total deal value of US$ 19.7 billion, contributing 43% of overall deal value. The UAE and KSA led the outbound investment from the MENA region, accounting for 77% of total deal volume and 94% of total outbound value.

Though chemicals and oil and gas dominated outbound deal value, outbound deal volume was primarily focused on technology, diversified industrial products and professional services. This trend reflects the region's broader diversification strategy into high-growth global sectors.

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ROBUST TRANSACTION ACTIVITY POWERS DUBAI'S RESIDENTIAL MARKET IN Q1 2025, AS PER SAVILLS

Dubai's residential real estate market entered 2025 from a position of strength, underpinned by Dubai's sustained appeal, according to the Savills Q1 2025 Dubai Residential Market report. Supply side reforms such as reduced business setup costs, enhanced job-security measures and creation of a vibrant labor market, alongside best-in-class infrastructure, have all resulted in an increased affluent expat population.

Additionally, the Emirate's tax-free ecosystem, the ease of securing mortgages, a comparatively lower cost of property ownership versus other global gateway cities and rising rents are all contributing to a clear shift toward homeownership among expatriates.

In details, the first quarter of the year recorded a robust 23% y-o-y increase in transaction volumes, underscoring the emirate's ability to hit a sweet spot between investment potential and quality of life. Apartments dominated the market activity, accounting for 76% of all transactions.

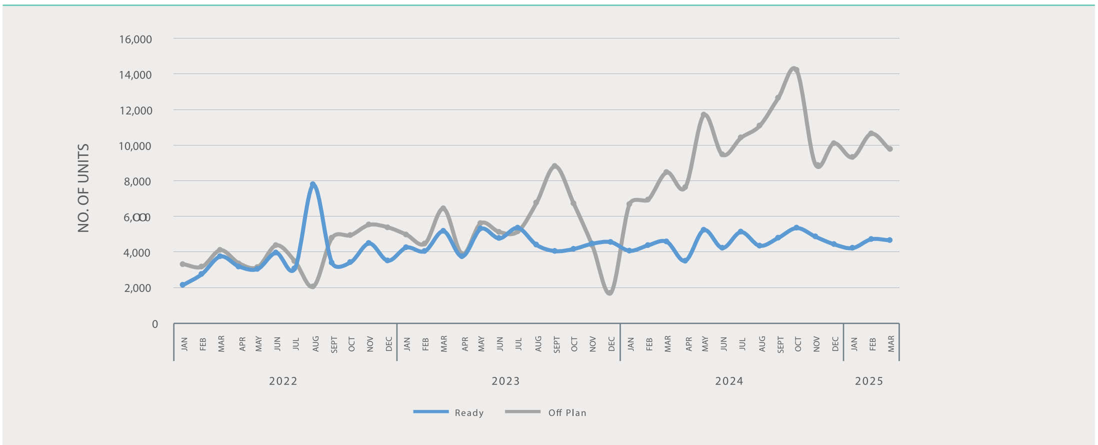
Off-plan sales continued as the cornerstone of transaction activity, representing 69% of all deals in Q1 2025, which is consistent with the 68% share throughout 2024 and significantly higher than 55% in 2023.

Concurrently, Dubai's residential market witnessed robust supply activity, with more than 30,000 units launched in Q1 2025, which is more than double the volume recorded in the same period last year. This surge is largely attributed to developers capitalizing on strong market demand ahead of potential shifts in economic conditions. Apartments have dominated the market, accounting for 79% of new launches. Villa and townhouse units accounted for approximately 21% of all new supply during the period. Developers have increasingly introduced smaller unit sizes in this segment, aiming to strike a balance between meeting end-user demand and addressing growing affordability constraints in the market.

In parallel, approximately 8,000 units were added to the city's residential stock during the quarter. In addition, approximately 32,000 residential units are slated in the remainder of 2025, underscoring the strength of Dubai's supply pipeline. Noteworthy upcoming completions include Peninsula 2 & 3 by Select Group, Alaya and Aura by Majid Al Futtaim, and Cavalli Casa by Damac. The forward-looking supply pipeline remains strong, with a healthy stream of completions anticipated through to 2028, positioning the market for dynamic shifts as the balance between supply and demand evolves.

Looking ahead, the outlook for Dubai's residential sector remains optimistic. While Savills anticipates that global macroeconomic headwinds, including the evolving US-China trade relationship and the impact of newly introduced US tariffs, could moderate economic activity in the near term, the Emirate's political stability, competitive regulatory landscape and business friendly ecosystem are expected to support ongoing population and investment inflows.

DUBAI RESIDENTIAL TRANSACTION TREND



Source: Savills Research

CORPORATE NEWS

ARAMCO SIGNS PACTS WORTH UP TO US$ 90 BILLION WITH US COMPANIES

Saudi Aramco, one of the world's leading integrated energy and chemicals companies, announced the signing of 34 Memoranda of Understanding (MoUs) and agreements, with a total value of approximately US$ 90 billion, with major US companies, through its Aramco Group Companies.

The MoUs and agreements cover collaborations and partnerships relating to a range of Aramco's activities, including Liquefied Natural Gas (LNG), fuels, chemicals, emission-reduction technologies, Artificial Intelligence (AI) and other digital solutions, manufacturing, asset management, short-term cash investments and procurement of materials, equipment and services.

The MoUs and agreements aim to build on the longstanding relationship between Aramco and US companies, enhance shareholder value and foster further collaboration and innovation in the energy sector and beyond.

BLACKROCK AND PIF TO ACCELERATE GROWTH OF CAPITAL MARKETS IN SAUDI ARABIA

BlackRock Saudi Arabia and Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund, signed a non-binding letter of intent to formalize their strategic collaboration through potential new allocations to the BlackRock Riyadh Investment Management (BRIM) platform, as revealed in a company statement. Established in April 2024 with an initial investment mandate from PIF, BRIM is now operational and actively managed by BlackRock's Riyadh-based investment teams.

Through this collaboration, an agreement was also inked to launch an index mandate focusing on Saudi equities. This comes in addition to a Saudi systematic equities mandate launched in January 2025.

This letter of intent complements a series of PIF initiatives to promote further growth in the Saudi capital market ecosystem and enable a more robust international investment management sector based in Saudi Arabia.

EMIRATES NBD PARTNERS WITH NASSCOM TO DRIVE CROSS-BORDER FINTECH INNOVATION BETWEEN THE UAE AND INDIA

Emirates NBD, one of the leading banking groups in the Middle East, North Africa and Turkey region, signed a Memorandum of Understanding (MoU) with Nasscom, the premier trade association for the technology industry in India, to strengthen cross-border FinTech and technology innovation between the UAE and India, as indicated in a company statement.

The MoU underscores Emirates NBD's commitment to transform the region's digital banking sector by leveraging India's burgeoning FinTech ecosystem, projected to reach US$ 1.5 trillion.

As bilateral trade between the UAE and India continues to strengthen, climbing to US$ 83.6 billion in FY2023-2024, this strategic collaboration would create a robust ecosystem to facilitate the scouting and onboarding of high-potential FinTech companies from India into the UAE market, while fostering joint research and knowledge sharing to drive innovation within the financial services sector.

These innovations would result in enhanced digital banking capabilities, faster service delivery, improved personalization and cost efficiencies that benefit Emirates NBD's retail and corporate customers.

With the UAE FinTech market forecast to reach US$ 6.4 billion by 2030, this partnership positions Emirates NBD to capitalize on expanding opportunities within the region.

STANDARD CHARTERED OPENS REPRESENTATIVE OFFICE IN MOROCCO

Standard Chartered announced the opening of its new representative office in Morocco, further expanding its footprint across the Middle East and North Africa region.

This expansion underscores Standard Chartered’s long-term commitment to the region and reflects its strategy of supporting clients in high-growth, internationally connected markets. Morocco’s strong economic fundamentals and strategic location position it as an important destination for global trade and investment.

Standard Chartered’s new representative office Morocco follows the launch of a fully-fledged banking operation in Egypt in early 2024 and Saudi Arabia in 2021. The office would enable Standard Chartered to broaden and deepen relationships with international businesses, particularly in the agro-industrial, automotive, aeronautics and renewable energy sectors.

Over the past decade, Standard Chartered has collaborated closely with the banking sector in Morocco, developing strong relationships with all major players. The representative office would serve as a platform to deepen those partnerships and deliver tailored banking solutions to multinational and regional clients.

SDAIA SIGNS MOU WITH AMD TO BOOST SAUDI ARABIA’S AI ECOSYSTEM

The Saudi Data & AI Authority (SDAIA) signed a Memorandum of Understanding (MoU) with AMD, an American multinational corporation and technology company, as indicated in a company statement.

This MoU aims to explore the possibility of establishing AI-focused data centers powered by AMD technologies, contributing to the development of an integrated digital infrastructure that enhances the capabilities of AI and its various applications.

This MoU is a part of SDAIA’s ongoing national efforts to accelerate the adoption of advanced technologies and leverage international partnerships to build a comprehensive AI ecosystem. These efforts aim to enhance Saudi Arabia’s global competitiveness and reinforce its position as a regional hub for developing and deploying AI solutions across various sectors.

VFS LAUNCHES WORLD'S LARGEST VISA APPLICATION CENTER IN DUBAI

VFS Global, one of the world's largest outsourcing and technology services, launched its flagship Visa Application Centre in Dubai’s Wafi City, marking the opening of the largest visa application facility in the world, as reported in a company statement.

Designed to meet the surge in outbound travel and rising expectations for security, accessibility and convenience, the state-of-the-art Dubai center sets a new global benchmark.

At nearly 150,000 square feet, the center is equipped to handle up to 10,000 visa applications daily, a capacity that stands as the highest for any single location and is supported by a skilled and diverse team of over 400 trained professionals from more than 25 nationalities.

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CAPITAL MARKETS

EQUITY MARKETS: MENA EQUITIES DIP DEEPER INTO RED, ON RESHUFFLING ACTIVITY AHEAD OF ADHA HOLIDAYS

MENA equity markets dipped deeper into the red this week, as reflected by a 1.2% fall in the S&P Pan Arab Composite index, bucking global equity strength (+1.3%), mainly pressured by some reshuffling activity ahead of Adha holidays.

The heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization, remained on the fall (-1.9%) this week, mainly dragged by some reshuffling activity ahead of Adha holidays and due to falling oil prices. In fact, Brent oil prices contracted by 2.2% week-on-week to reach US$ 62.78 per barrel on Friday on prospects of increased global supply and weakening demand. Within this context, it is worth mentioning that the Organization of the Petroleum Exporting Countries and its allies agreed on May 31 to raise oil output by 411,000 barrels per day in July for the third month in a row.

A glance on individual stocks shows that Saudi National Bank's share price fell by 2.3% week-on-week to SR 34.70. Alinma Bank's share price shed 5.3% to SR 25.85. Banque Saudi Fransi's share price dropped by 1.0% to SR 17.28. Al Rajhi Bank's share price contracted by 3.1% to SR 91.10.

Concurrently, Zain Saudi's share price decreased by 1.3% over the week to SR 10.90. Aldrees Petroleum's share price decreased by 3.0% to SR 122.20. Yamama Cement's share price went down by 1.9% to SR 36.00. Red Sea International's share price plummeted by 4.2% to SR 38.10. First Milling Company's share price dropped by 2.0% to SR 53.80. STC's share price declined by 1.6% to SR 41.90. Maaden's share price closed 1.4% lower at SR 51.00. Middle East Paper Company's share price retreated by 2.1% to SR 28.25. Saudi Paper Manufacturing Company's share price contracted by 6.7% to SR 65.00. Almarai's share price edged down by 0.4% to SR 51.30.

As to petrochemicals, Saudi Aramco's share price closed 0.6% lower week-on-week at SR 25.00. SABIC's share price shed 5.3% to SR 55.70. Yansab's share price nudged down by 0.7% to SR 29.80. Saudi Kayan Petrochemical Company's share price fell by 1.4% to SR 5.03. Sipchem's share price retreated by 0.5% to SR 18.90. Petro Rabigh's share price went down by 0.6% to SR 6.83.

EQUITY MARKETS INDICATORS (MAY 25 - MAY 31, 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	180.0	1.5%	-20.8%	4.6	118.7%	0.3	20,338.7	1.2%	-	0.56
Jordan	438.9	3.6%	12.3%	45.1	-20.8%	15.9	27,315.8	8.6%	9.8	1.27
Egypt	271.2	3.2%	12.1%	388.9	26.5%	5,387.6	46,920.4	43.1%	8.1	2.12
Saudi Arabia	478.3	-1.9%	-8.0%	6,457.5	31.1%	875.3	2,463,940.3	13.6%	15.7	3.70
Qatar	172.7	-2.7%	-0.3%	772.8	1.5%	879.9	170,438.9	23.6%	12.9	1.58
UAE	160.0	-0.1%	5.1%	5,068.1	58.3%	4,780.0	1,070,586.3	24.6%	12.9	2.28
Oman	259.7	0.6%	2.2%	106.1	13.7%	275.8	32,887.2	16.8%	9.6	1.03
Bahrain	232.2	0.5%	0.6%	35.9	244.2%	77.3	18,072.2	10.3%	10.1	1.34
Kuwait	151.4	1.0%	12.2%	1,201.6	14.1%	1,262.8	155,901.4	40.1%	19.1	2.15
Morocco	406.6	-1.6%	32.3%	248.2	-3.2%	8.9	102,016.8	12.7%	19.0	2.71
Tunisia	78.1	-0.9%	17.9%	23.8	13.4%	6.1	9,691.1	12.8%	12.4	2.15
Arab Markets	**978.3**	**-1.2%**	**-1.5%**	**14,352.6**	**34.2%**	**13,569.9**	**4,118,109.1**	**18.1%**	**14.8**	**3.07**

Values in US$ million; volumes in millions

** markets cap-weighted averages*

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

The Qatar Stock Exchange shifted into a negative territory (-2.7%) this week, bucking price gains in global equities, as investors sought to lock in their gains ahead of Adha holidays and due to an oil price slump. 40 out of 53 traded stocks posted price drops, while 12 stocks registered price gains and one stock saw no price change week-on-week.

A closer look at individual stocks shows that Lesha Bank's share price fell by 3.8% week-on-week to QR 1.842. QNB's share price decreased by 2.9% to QR 16.950. Masraf Al Rayan's share price dropped by 4.6% to QR 2.238. Dukhan Bank's share price decreased by 1.9% to QR 3.602. Doha Bank's share price edged down by 0.8% to QR 2.469. Also, Qatar Gas Transport's share price decreased by 2.7% to QR 4.790. Ooredoo's share price closed 4.6% lower at QR 12.350. Qatar Electricity & Water's share price retreated by 0.7% to QR 15.840. Qatar Navigation's share price fell by 3.5% to QR 10.690. Baladna Company's share price dropped by 2.7% to QR 1.234. Industries Qatar's share price plunged by 4.4% to QR 11.850. Vodafone Qatar's share price contracted by 4.6% to QR 2.338. Doha Insurance's share price closed 1.0% lower at QR 2.564.

In contrast, Boursa Kuwait posted price rises of 1.0% this week, mainly tracking global equity price gains. A glance on individual stocks shows that Al Ahli Bank of Kuwait's share price rose by 1.7% to KWf 300. EFG-Hermes raised its recommendation on Al Ahli Bank of Kuwait's stock to "Buy" from "Neutral" with a price target of KWD 0.326, which implies a 14% increase from last price. National Bank of Kuwait's share price increased by 1.0% to KWf 956. Kuwait Finance House's share price expanded by 1.1% to KWf 750. National Investments' share price went up by 3.4% to KWf 275. Mabanee's share price rose by 1.2% to KWf 840. National Mobile Telecommunications' share price moved 1.7% higher to KWf 1,093. Boubyan Petrochemical Company's share price closed 0.4% higher at KWf 687. The Commercial Real estate Company's share price expanded by 2.2% to KWf 185. Kamco Invest's share price jumped by 4.5% to KWf 116.

FIXED INCOME MARKETS: PRICE GAINS ACROSS MENA BOND MARKETS, TRACKING US TREASURIES MOVE FOLLOWING US TARIFF REPRIEVE

Activity in MENA fixed income markets was tilted to the upside this week, mainly tracking US Treasuries move on haven demand after a federal appeals court offered the US President a temporary reprieve from a ruling threatening to throw out the bulk of his sweeping tariff agenda.

In the Saudi credit space, sovereigns maturing in 2030, 2034, 2050 and 2060 recorded weekly price gains ranging between 0.24 pt and 0.81 pt. Prices of Saudi Aramco'30, '34 and '50 went up by 0.05 pt, 0.30 pt and 0.59 pt respectively. Saudi Aramco raised US$ 5 billion this week from the sale of a triple-tranche bond. The first tranche consists of five-year US$ 1.5 billion bonds issued at 80 bps over US Treasuries against an initial price guidance of 115 bps over UST. The second tranche consists of 10-year US$ 1.25 billion bonds issued at 95 bps over UST compared to an initial price guidance of 130 bps over UST. The third tranche consists of 30-year US$ 2.25 billion bonds issued at 155 bps over UST against an initial price guidance of 185 bps over UST.

Concomitantly, STC'29 closed up by 0.23 pt this week. SEC'30 and '44 traded up by 0.34 pt and 0.22 pt respectively. Prices of SABIC'28 expanded by 0.13 pt. Amongst financials, Banque Saudi Fransi'29 was slightly up by 0.09 pt. SNB'29 posted price rises of 0.17 pt. Prices of Al Rajhi Bank'29 increased by 0.22 pt. In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded weekly price gains ranging between 0.17 pt and 0.52 pt. In the Qatari credit space, sovereigns maturing in 2028, 2030, 2034, 2040 and 2050 saw price expansions of up to 0.59 pt week-on-week. Prices of Ooredoo'28 and '31 went up by 0.07 pt and 0.13 pt respectively, while Ooredoo'43 retreated by 0.08 pt. Amongst financials, Qatar International Islamic Bank'29 traded up by 0.27 pt. Prices of QNB'29 increased by 0.11 pt. Doha Finance'29 registered price gains of 0.16 pt.

In the UAE credit space, sovereigns maturing in 2031, 2033, 2041 and 2052 recorded price gains of up to 0.51 pt this week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted price rises of 0.20 pt and 0.37 pt respectively week-on-week. DP World'30 and '49 were up by 0.34 pt and 0.05 pt respectively. Emirates Airlines'28 closed up by 0.06 pt. In contrast, prices of Majid Al Futtaim'29 retreated by 0.11 pt. Amongst financials, prices of Emirates NBD'27 edged up by 0.07 pt. In the Sharjah credit space, sovereigns maturing in 2030 posted price increases of 0.07 pt week-on-week.

In the Abu Dhabi credit space, sovereigns maturing in 2027, 2030, 2034 and 2050 posted weekly price gains of up to 0.92 pt. ADNOC Murban'29 was up by 0.10 pt. Prices of Mubadala'28, '30, '34 and '50 expanded by up to 0.19 pt, while Mubadala'41 was down by 0.39 pt. Prices of Taqa'28, '30 and '36 rose by 0.21 pt, 0.27 pt and 0.52 pt respectively. Prices of Aldar Investment Properties'33 increased by 0.12 pt. Amongst financials, prices of ADCB'27 increased by 0.08 pt. Prices of FAB'28 increased by 0.07 pt, while prices of FAB'29 contracted by 0.05 pt.

As to new issues, Sharjah Islamic Bank raised US$ 500 million this week from the sale of a perpetual Additional Tier 1 Sukuk with a fixed profit rate of 6.125% and a six-year non-call period. This compared to an initial price guidance in the 6.50% area.

In the Kuwaiti credit space, KIPCO'27 traded up by 0.05 pt. As to new issues, Boubyan Bank raised US$ 500 million this week from the sale of a five-year senior unsecured Sukuk offering under Boubyan Sukuk Limited's US$ 3 billion Trust Certificate Issuance Program, at 95 bps over UST against an initial price guidance of 130 bps over UST.

In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price gains of 0.18 pt. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 saw price rises of up to 0.36 pt this week. Omantel'28 traded up by 0.08 pt.

In the Egyptian credit space, sovereigns maturing in 2028, 2040 and 2050 posted price expansions of up to 0.57 pt this week.

All in all, regional bond markets registered mostly upward price movements this week, mainly tracking rises in US Treasuries after a federal appeals court temporarily reinstated the most sweeping of the US President's tariffs, a day after a US trade court ruled that the US President had exceeded his authority in imposing the duties and ordered an immediate block on them.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	30-May-25	23-May-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	35	37	43	-2	-8
Dubai	55	58	64	-3	-9
Kuwait	64	63	64	1	0
Qatar	35	35	44	0	-9
Saudi Arabia	73	76	65	-3	8
Bahrain	221	228	187	-7	34
Morocco	107	112	94	-5	13
Egypt	553	593	591	-40	-38
Iraq	299	335	301	-36	-2
Middle East	160	171	162	-11	-2
Emerging Markets	155	157	174	-2	-19
Global	254	256	277	-2	-23

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$)	30-May-25	23-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)	49.76	49.90	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	0.0%	-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)	243.74	243.88	249.57	-0.1%	-2.3%
NORTH AFRICA					
Algerian Dinar (DZD)	132.23	132.37	135.56	-0.1%	-2.5%
Moroccan Dirham (MAD)	9.23	9.21	10.13	0.3%	-8.9%
Tunisian Dinar (TND)	2.98	2.98	3.19	-0.1%	-6.6%
Libyan Dinar (LYD)	5.47	5.46	4.91	0.2%	11.4%
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.