



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.

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The startup ecosystem in the MENA showed renewed momentum in May 2025, raising a total of US\$ 289 million across 44 deals. This marks a 25% increase from April and a slight 2% uptick year-on-year, according to a report issued by Wamda and Digital Digest.

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Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund, and Neuberger Berman, a global investment manager, signed a non-binding memorandum of understanding (MoU) to accelerate the growth of Saudi Arabia and Middle Eastern capital markets by working together to support up to US\$ 6 billion in investments in Saudi Arabia, and to launch a Riyadh-based multi-asset investment management platform, as reported in a company statement.

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p.9 WEEKLY PRICE GAINS ACROSS MENA CAPITAL MARKETS

Activity in MENA equity markets was tilted to the upside (+0.6%) this week, mainly tracking global equity strength (+1.5%) amid hopes about easing US-China trade tensions and driven by oil price rebounds and some favorable company-specific factors. In parallel, regional fixed income markets saw across-the-board upward price movements this week, mainly tracking US Treasuries move in response to a report showing that the US private sector job creation hit in May its lowest level in more than two years, suggesting weakening US labor market amid global trade policy uncertainty.

MENA MARKETS: June 1 - June 7, 2025			
Stock market weekly trend	↑	Bond market weekly trend	↑
Weekly stock price performance	+0.6%	Average weekly bond price change	+0.27 pt
Stock market year-to-date trend	↓	Bond market year-to-date trend	↑
YTD stock price performance	-0.8%	Average yearly bond price change	+0.98 pt

ECONOMY

GCC COUNTRIES CONTRIBUTED OVER 35% OF ALL EMERGING-MARKET US DOLLAR DEBT ISSUED IN 1Q25

Gulf Cooperation Council (GCC) countries contributed over 35% of all emerging-market (EM) US dollar debt issued in 1Q25 (excluding China), up from around 25% in 2024, and this is likely to continue growing during 2025–2026, Fitch Ratings says. GCC debt capital markets (DCMs) are likely to collectively expand on the back of funding diversification, project financing, budget deficits, maturities, and regulatory moves.

However, the region is not shielded from global macroeconomic and financial market uncertainty. Primary market dollar issuance since 2 April has been quiet, but some activity has occurred more recently, with a healthy pipeline building up. Regional and Islamic investor liquidity remains intact.

The GCC DCM continues to be fragmented among its six member countries in its maturity, depth, and credit profile, with Saudi Arabia and the UAE the most mature. In Kuwait, Qatar, Bahrain, and Oman, the lack of a link with international central securities depositories such as Euroclear or Clearstream partly hinders foreign-investor participation in the local-currency DCMs. In Saudi Arabia, foreign investors account for a growing share of government local issuances, at 7.7% of the investor base at end-1Q25 (2024: 4.5%).

US tariff-related volatility and faster-than-anticipated OPEC+ production cuts have put pressure on oil prices (2025F and 2026F: US\$ 65/barrel), which could affect fiscal revenue in the GCC and increase borrowing, including through the DCM. While public finances in Bahrain and Saudi Arabia have more exposure to lower oil prices, Oman is better positioned, and Qatar, Abu Dhabi and Kuwait have large assets to buffer against sustained oil price declines. Fitch projects that US Federal Reserve interest rates will drop to 4.25% by end-2025, with GCC central banks likely to mirror this trend. Many GCC banks and corporates are likely to continue diversifying their funding through DCM issuances.

The size of the GCC DCM passed US\$ 1 trillion outstanding (all currencies) at end-1Q25, up 10% year-on-year (yoy). A varying mix of issuers accessed the market, including sovereigns, corporates, financial institutions, and projects. Total DCM issuance in 1Q25 grew by 11% over the quarter to US\$ 89 billion, but was down 3% yoy. Saudi Arabia has the largest share of DCM outstanding (45.1%), followed by the UAE (29.9%) and Qatar (13%).

GCC countries also account for over 40% of the global sukuk market outstanding. Sukuk has around a 40% share of the GCC DCM at end-1Q25, with the rest in bonds. GCC sukuk issuance fell by 51% yoy in 1Q25 to US\$ 18.2 billion, while bonds were up 29%. GCC countries' ESG DCM exceeded US\$ 50 billion (all currencies) as of 1Q25. About 83.5% of the GCC US dollar sukuk publicly rated by Fitch are investment-grade as of end-1Q25 (outstanding, including multilaterals). Of this, 83.5%, with 57.8% in the 'A' category, 13.5% in the 'AAA' category, 8.8% in the 'BBB' category, 8.3% in the 'BB' category, 8.2% in the 'B' category and 3.4% in the 'AA' category. Most issuers are on Stable Outlooks (85.5%), while Positive and Negative Outlooks represent 5.4% and 9.1%, respectively. Those on Negative Outlooks partly reflect Fitch's February 2025 change of Bahrain's Outlook to 'Negative' from 'Stable'.

No Fitch-rated GCC sukuk or bond defaulted in 2024 or 1Q25. In Kuwait, the Council of Ministers approved the long-delayed financing and liquidity law, which should improve fiscal financing flexibility and clears the way for government debt to increase from its very low level. In the UAE, the government continues to implement the Dirham Monetary Framework. The dirham's share in the UAE DCM expanded to 24.9% at end-1Q25 (2020: 0.5%). The UAE Central Bank also started development of a Sustainable Islamic M-Bills programme, while the Qatar Central Bank issued a Sustainable Finance Framework.

SAUDI ARABIA RECORDS YEAR-ON-YEAR CPI INFLATION OF 2% IN APRIL

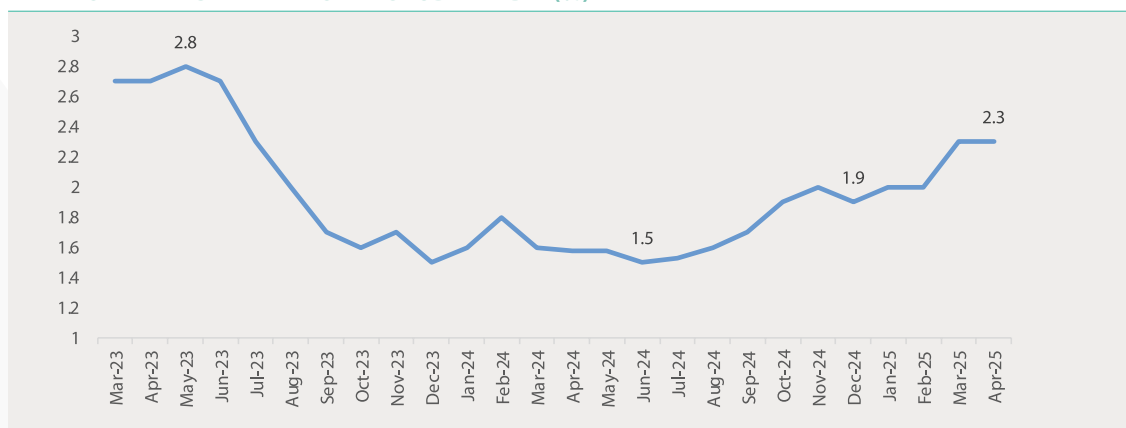
According to data from the Saudi General Authority for Statistics (GASTAT), the country has registered a year-on-year inflation in prices of 2.3% in April 2025, remaining unchanged from the CPI recorded the month prior. This inflation was mostly due to increases in the prices of Housing, Water, Electricity, Gas & Other Fuels, Food & Beverages and Miscellaneous Goods & Services. The inflation was partially offset by deflations in the prices of Transport and Furnishings & Household Equipment in April.

In details, year-on-year inflations were noted in the prices of Housing, Water, Electricity, Gas & Other Fuels (with a weight of 25.5%) and Food & Beverages (with a weight of 18.8%) of 6.8% and 2.2% respectively during April 2025 against the same month of the year prior. Year-on-year price inflations during the period were also noted in Miscellaneous Personal Goods & Services (weight of 12.6%), Restaurants & Hotels (with a weight of 5.6%), Education (with a weight of 2.9%) and Tobacco (weight of 0.6%) of 3.5%, 2.0%, 1.3% and 0.1% respectively, as per data from GASTAT.

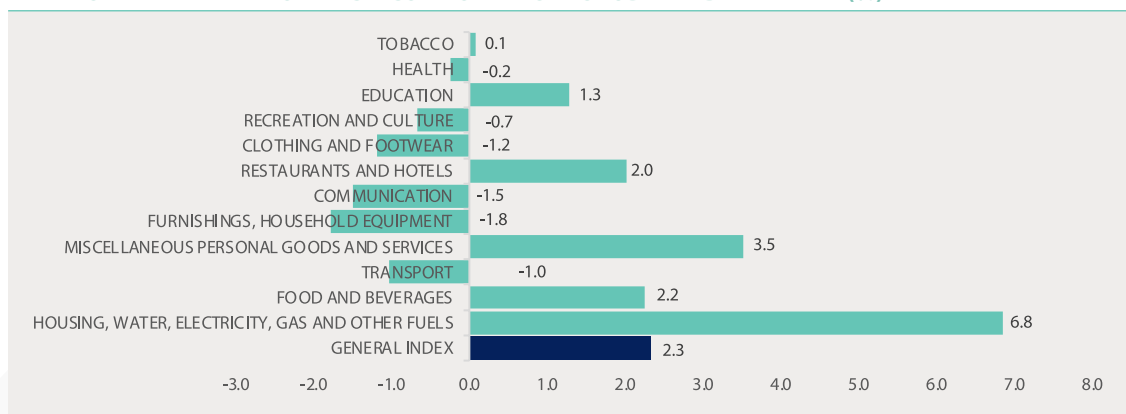
On the other hand, year-on-year deflations were noted in the prices of Transport (with a weight of 13.0%), Furnishings & Household Equipment (with a weight of 6.7%) and Communications (weight of 5.6%), of 1.0%, 1.8% and 1.5% respectively in April 2025 against prices in April 2024. Prices of Clothing & Footwear (weight of 4.2%) reported a year-on-year decrease of 1.2% during the aforementioned period. Additionally, prices of Recreation & Culture (weight of 3.1%) and Health (weight of 1.4%) recorded year-on-year decreases of 0.7% and 0.2% in April 2025 against figures from April 2024.

Looking at price fluctuations within various cities in Saudi Arabia, Riyadh, Makkah, Damman and Jazan registered year-on-year inflations above the general index in Saudi Arabia of 3.7%, 3.9%, 2.5% and 2.7% respectively in April, as per data from GASTAT.

YEAR-ON-YEAR CPI INFLATION IN SAUDI ARABIA (%)



YEAR-ON-YEAR VARIATION IN CPI COMPONENTS IN SAUDI ARABIA IN APRIL (%)



Sources: GASTAT, Bank Audi Group Research Department

Additionally, the cities of Jeddah, Medina, Taif, Abha, Tabuk, Hail, Njran, Baha, Skaka and Arar recorded year-on-year CPI inflations below the national average with inflation rates of 1.0%, 2.0%, 1.7%, 0.4%, 0.7%, 0.2%, 1.8%, 0.8%, 1.1% and 0.3% respectively between April 2024 and April 2025.

The city of Buraydah recorded a year-on-year stagnation in prices between April 2024 and April 2025.

On the other hand, the city of Alhofof recorded a year-on-year decrease in prices overall in April 2025 against prices in April 2024 of 0.7%, as per data from GASTAT.

UAE PLEDGES US\$ 1.4 TRILLION IN INVESTMENTS WITHIN THE US FOR THE NEXT DECADE

The President of the United Arab Emirates (UAE) has recently announced a US\$ 1.4 trillion pledge of investment within the United States for the next decade. This deal aims at general development in both countries and will focus on sectors of the new economy, energy, advanced technology, artificial intelligence, and industry.

Within the deal, the UAE plans to increase the value of its energy investments in the United States to US\$ 440 billion in the next decade. This investment will be achieved through the UAE's Abu Dhabi National Oil Company (ADNOC).

The company's value of UAE investments in the US energy sector is set to be boosted to US\$ 440 billion by 2035 from US\$ 70 billion now. Additionally, US energy firms will also invest in the UAE as part of the agreement. According to ADNOC's Chief Executive, The US has committed new investments worth US\$ 60 billion in upstream oil and gas as well as new & unconventional opportunities

According to the White House, the new framework is set to substantially increase the UAE's existing investments in the US economy especially in AI infrastructure, semiconductors, energy and manufacturing.

According to the President of the USA, great progress is being made for the US\$ 1.4 trillion that UAE has announced it intends to spend in the United States. Additionally, the two countries agreed to create a path for UAE to buy some of the world's most advanced AI semiconductors from American companies. The deal is expected to generate billions of dollars in business and accelerate efforts by the UAE to become a major player in artificial intelligence.

There currently is a preliminary agreement between the US and the UAE allowing the country to import 500,000 units annually of NVIDIA's most advanced AI chips starting this year. This deal is expected to strengthen the UAE's efforts to develop critical data centers necessary for training AI models.

It is worth noting that ADNOC's stakes in Next Decade's Rio Grande LNG export facility and a planned ExxonMobil hydrogen plant were transferred to XRG (ADNOC's investment arm). Additionally, Mubadala Energy, an arm of Abu Dhabi's second largest sovereign wealth fund, last month signed a deal with US firm Kimmeridge that will give it stakes in US gas assets.

In parallel, Qatar also pledged a US\$ 10 billion investment plan for Al Udeid Air Base (America's largest military base in the Middle East) during the visit of the US President to the region. Additionally, Qatar signed US\$ 42 billion worth of defense procurement agreements with the US within the period. The visit of the US President to the region also included the signing of a series of major commercial agreements, among them a deal for Qatar Airways, a US\$ 600 billion Saudi investment commitment in the US and US\$ 142 billion in American arms sales to Riyadh.

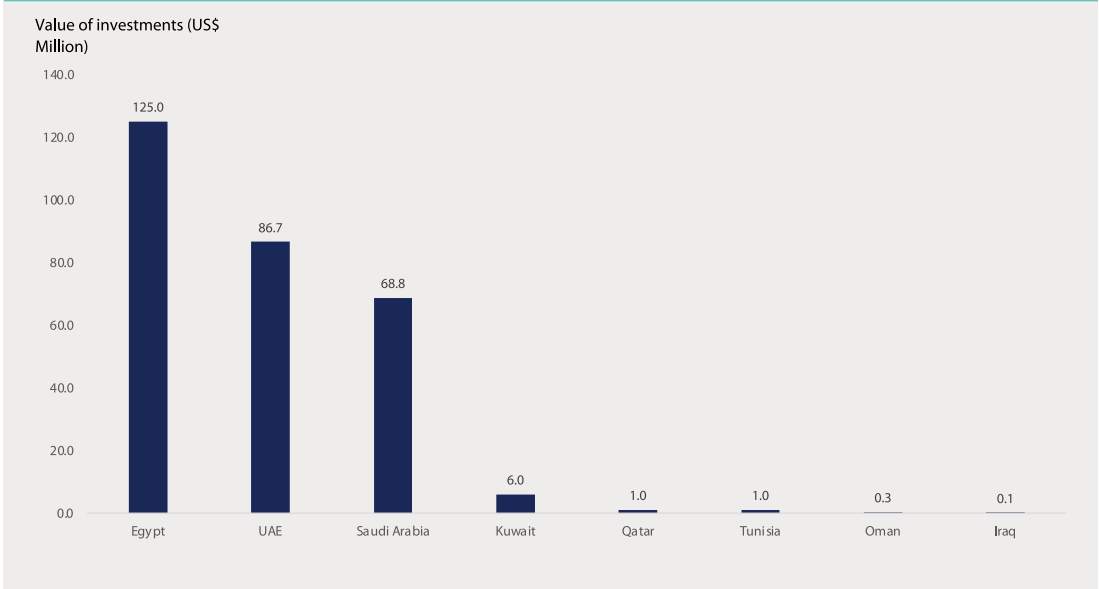
SURVEYS / REPORTS

MENA STARTUPS RAISING US\$ 289 MILLION IN MAY 2025, AS PER WAMDA AND DIGITAL DIGEST

The startup ecosystem in the MENA showed renewed momentum in May 2025, raising a total of US\$ 289 million across 44 deals. This marks a 25% increase from April and a slight 2% uptick year-on-year, according to a report issued by Wamda and Digital Digest.

Debt financing made up just 9% of the overall investment volume, with most capital directed toward equity deals.

THE TOP FUNDED COUNTRIES IN MENA REGION IN MAY 2025



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

In details, Egypt reclaimed its position as the region's top-funded ecosystem, largely driven by Naway's impressive US\$ 75 million round. Beyond Naway, seven other Egyptian startups collectively raised US\$ 50 million (activity levels not seen since July 2024).

The UAE followed in second place with US\$ 86.7 million raised across 14 deals. Saudi Arabia came close behind, attracting US\$ 68.8 million through 15 deals. Notably, Kuwait re-emerged on the investment map, with two startups securing a combined US\$ 6.0 million, placing the often-overlooked GCC member in fourth position.

In parallel, fintech once again proved its strength in the region, drawing US\$ 86.5 million through 14 funding rounds. Property technology climbed to second place in terms of sectoral funding. Meanwhile, media technology startups raised a total of US\$ 32 million from two deals and construction technology startup WakeCap brought in US\$ 28 million.

In terms of business model, startups operating in the business-to-business (B2B) space continued to attract the lion's share of investor interest. In May 2025, B2B startups raised US\$ 157 million across 29 deals. Companies with hybrid (B2B/B2C) models brought in US\$ 79 million, while B2C startups saw significantly less attention, with nine companies raising a total of US\$ 53 million.

SAUDI ARABIA AND UAE LEAD GLOBAL OFFICE QUALITY FIT-OUT INVESTMENTS, AS PER JLL

The corporate sentiment in the Middle East and Africa (MEA) is geared towards targeted investments in overall space design and fit-outs to support return-to-office strategies, according to JLL's EMEA Office Fit-Out Cost Guide 2025. This has accelerated demand for high-quality Grade A office spaces and fit outs, which enhances workplace experience and performance.

JLL's latest study has identified Saudi Arabia and the UAE among the top countries globally with a high proportion of cost for high quality finishes, averaging more than US\$ 2,400/sqm, against the global average of US\$ 1,830/sqm, as workplace design becomes a component part of talent attraction and retention.

The report, which analyses data from 25 countries to provide insights into cost variations, drivers, sustainability concerns and market sentiment, outlined the complex cost pressures for the EMEA construction sector in 2025, with office fit-out costs increasing in the last 12 months.

The steady rise in costs reflects the growing trend of organizations (44%) in the region to increase office-based workdays over the next five years. Dubai also ranked among the top 20 cities globally in the City Cost Index, reflecting continued competition for Grade A spaces, while in Saudi Arabia, initiatives such as Regional Headquarters (RHQ) Program is also driving demand.

JLL has found that sustainability is a key driver in many relocation strategies and office fit-outs, with 68% of organizations globally planning to increase investment in sustainability performance in the next five years. In MEA, the sentiment is strongest in Saudi Arabia and the UAE, where 78% of corporate real estate leaders aim to enhance value through sustainability.

Several factors are also contributing to the current market dynamics. Supply chain disruptions in 2024 disproportionately affected the Middle East and North Africa, tightening project timeframes and escalating pricing. Builders' works, which includes partitions, flooring, finishes and joinery, typically accounts for the largest component of fit-out costs, ranging from 26% in Cairo and 36% in the UAE to 40% in Saudi Arabia. These costs are among the most susceptible to raw material prices and supply chain risks.

Concurrently, Mechanical & Electrical (M&E) services now account for a higher proportion of office spend as stricter environmental and sustainability standards require more complex systems. Cairo (39%) ranks among the top cities globally for average proportion of costs per sqm for M&E services, while Dubai (30%) and Riyadh (29%) are on par with the global average cost of 29%. Technology integration is also pivotal to enhancing hybrid work environments across all office typologies, with companies in MEA investing in improved and extended AV systems.

The momentum for sustainable workplaces continues to surge in the region, driven by corporate commitments, evolving expectations and stricter regulatory requirements. Companies are weighing the cost-benefits of relocation to newer Grade A buildings compared to upgrading existing assets.

However, organizations in the region face challenges in meeting sustainability requirements due to limited suitable stock and high costs of upgrading older buildings. To address these challenges, early planning and integration of sustainability targets in relocation strategies and fit-out projects are crucial.

Despite the complex landscape of challenges and opportunities, office construction would remain active in the region. To ensure the success of fit-out initiatives, JLL recommends the need for greater collaboration and effective partnerships. From environmental and smart building systems to adaptive workspaces and settings, supply chain engagement is critical in managing costs and allowing for innovation in future-focused workspaces.

The general optimism towards investing in workspaces is likely to continue throughout 2025 as growth-oriented corporations invest in office fit-outs to support their hybrid workplace policies. Targeted investments to enhance employee experience will see an increased focus on workplace design, innovative technology solutions and refurbishment opportunities amid growing interest in healthier, energy-efficient workspaces.

CORPORATE NEWS

PIF AND NEUBERGER BERMAN COLLABORATE FOR US\$ 6 BILLION INVESTMENT PROGRAM

Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund, and Neuberger Berman, a global investment manager, signed a non-binding memorandum of understanding (MoU) to accelerate the growth of Saudi Arabia and Middle Eastern capital markets by working together to support up to US\$ 6 billion in investments in Saudi Arabia, and to launch a Riyadh-based multi-asset investment management platform, as reported in a company statement.

The collaboration includes enabling the flow of international investment into Saudi Arabia via Neuberger Berman's established global presence and launching a domestic investment platform managing strategies in equities, fixed income and private markets. Neuberger Berman is currently seeking to obtain the necessary licenses.

This MoU 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.

TALAAT MOUSTAFA AND OMAN MINISTRY OF HOUSING SIGN US\$ 3.9 BILLION REAL ESTATE AND TOURISM DEAL

Talaat Moustafa Group, one of the largest listed real estate development companies in Egypt, and the Omani Ministry of Housing and Urban Planning signed an agreement to develop two projects, a real estate and a tourism-related venture in the Omani capital, as indicated in a company statement.

The total investment value of the two projects amounts to approximately US\$ 3.9 billion (OMR 1.5 billion) and would provide about 13,000 residential and hotel units across over 4.9 million square meters. Furthermore, the two projects, situated on adjacent land plots west of Oman's capital, Muscat, would be linked by an electric train.

The initial 2.7 million square meter land plot in Sultan Haitham City would become a smart, integrated-services residential development, mirroring the success of Talaat Moustafa Group's Madinaty and other projects in Egypt. The residential project would feature diverse models of villas and apartments, in addition to a social and sports club covering an area of 190,000 square meters, and commercial and service areas spanning 140,000 square meters.

Situated along the Al-Shakhakhit coast, the second land plot, spanning approximately 2.2 million square meters with a 1,760-meter beachfront on the Gulf of Oman, would be transformed into a world-class tourism destination.

THE ARAB ENERGY FUND AND STONEPEAK ENTER US\$ 1 BILLION STRATEGIC PARTNERSHIP TO ADVANCE ENERGY INFRASTRUCTURE ACROSS MIDDLE EAST

Saudi-based Arab Energy Fund, one of the leading multilateral impact financial institutions focused on the MENA energy sector, and Stonepeak, one of the world's largest independent infrastructure firm and leading US infrastructure investor, entered into a strategic partnership to invest in energy infrastructure across the Middle East, as revealed in a company statement.

The Middle East has made energy diversification a key priority, with Saudi Arabia and other nations throughout the region setting ambitious targets.

The partnership would primarily focus on businesses in the energy sector, supporting efforts to build critical infrastructure in the region.

ADNOC AND TUBACEX SIGN AGREEMENT TO LOCALIZE OILFIELD TECHNOLOGY IN UAE

The Abu Dhabi National Oil Company (ADNOC) announced the signing of a strategic partnership agreement with Spain-based Tubacex, a global leader in advanced tubular solutions, to localize critical oilfield technology, enhancing the resilience of the UAE's industrial base.

The agreement grants ADNOC perpetual and exclusive rights to utilize Tubacex's Sentinel Prime premium tubular joint connection technology, which is critical for completing oil and gas wells, while reducing costs and ensuring supply chain resilience.

Tubacex would also establish a dedicated Research and Development (R&D) center in Abu Dhabi. This facility would act as a hub for advanced engineering and train highly skilled technicians, contributing to the development of local talent.

QUALCOMM TO SET UP GLOBAL ENGINEERING CENTER IN ABU DHABI

US-based Qualcomm Technologies unveiled plans to establish a state-of-the-art global Engineering Center in Abu Dhabi that would focus on the development of advanced technologies and spearhead technical innovation in AI, as mentioned in a company statement.

The Qualcomm Engineering Center would become an integral part of the Qualcomm Global Engineering hubs working on next-generation technology in industrial IoT, AI and data center solutions to help meet growing local and global demand for high-performance connectivity, power-efficient computing and intelligence.

The Qualcomm Engineering Center would also collaborate with UAE-based and global companies to support local strategic initiatives in the region. The center would augment the global engineering capabilities to deliver products and services designed to meet the needs of key industries, including energy, manufacturing, logistics, retail and smart mobility, which are key drivers for economic growth.

SAUDI NATIONAL HOUSING COMPANY SIGNS DEAL WITH K HOVNANIAN ME

Saudi Arabia's National Housing Company (NHC) signed a Memorandum of Understanding (MoU) with K Hovnanian ME, a subsidiary of a leading national homebuilder across the US, to develop several residential and commercial projects within its urban destinations, as revealed in a company statement.

The MoU aims to enhance collaboration between the two parties, attract investment and develop residential and commercial projects to international standards within NHC destinations.

The deal also contributes to the Housing Program, part of Saudi Vision 2030, by providing integrated housing solutions that improve quality of life. It is worth noting that K Hovnanian is one of the largest real estate development companies in the US, with expertise in building residential communities.

CAPITAL MARKETS

EQUITY MARKETS: ACTIVITY IN MENA EQUITIES TILTED TO UPSIDE, TRACKING GLOBAL EQUITY STRENGTH

Activity in MENA equity markets was tilted to the upside (+0.6%) this week, mainly tracking global equity strength (+1.5%) amid hopes about easing US-China trade tensions and driven by oil price rebounds and some favorable company-specific factors.

The heavyweight Saudi Exchange, whose market capitalization represents about 60% of the total regional market capitalization, saw two-way flows this week. Some equities headed north, mainly tracking global risk-on mood and supported by a 5.9% surge in Brent oil prices to hover around US\$ 65 per barrel during the week, as supply disruptions from Canada's wildfires countered OPEC's decision to hike output for a third month in a row in July. This compounded with a quicker expansion in the non-oil Saudi private sector activity in May with Riyadh Bank PMI rising to 55.8 from 55.6 in April, in addition to some favorable analysts' recommendations. Some other Saudi equities traced a downward trajectory, mainly pressured by some reshuffling activity ahead of Adha holidays and driven by some unfavorable company-specific factors. This was reflected by a shy weekly increase in the S&P Saudi index of 0.3%.

A glance on individual stocks shows that Sipchem's share price nudged up by 0.4% week-on-week to SR 18.98. Tawuniya's share price jumped by 7.2% to SR 148.60. HSBC raised its recommendation on Tawuniya's stock to "Buy" from "Hold", with a price target of SR 165, which implies a 20% increase from last price. Bupa Arabia's share price surged by 4.2% to SR 174.00. HSBC raised its recommendation on Bupa Arabia's stock to "Buy" from "Hold", with a price target of SR 200, which implies a 22% increase from last price. AlKhorayef Water & Power Technologies Company's share price closed 2.2% higher at SR 141.00. EFG-Hermes raised its recommendation on AlKhorayef Water & Power Technologies Company's stock to "Neutral" from "Sell", with a price target of SR 145, which implies a 7.7% increase from last price. Concomitantly, Alinma Bank's share price went up by 1.9% to SR 26.35. Banque Saudi Fransi's share price closed 1.0% higher at SR 17.46. Al Rajhi Bank's share price expanded by 2.4% to SR 93.30.

In contrast, Arab National Bank's share price retreated by 0.6% over the week to SR 21.52. Morgan Stanley cut its recommendation on Arab National Bank's stock to "Underweight" from "Equal-weight", with a price target of SR 20, which implies a 7.7% decrease from last price. Riyadh Bank's share price shed 4.1% to SR 27.85. Morgan Stanley cut its recommendation on Riyadh Bank's stock to "Equal-weight" from "Overweight", with a price target of SR 35, which implies a 20% increase from last price. Saudi National Bank's share price fell by 1.3% to SR 34.25. Northern Region Cement's share price edged down by 0.3% to SR 7.97. Red Sea

EQUITY MARKETS INDICATORS (JUNE 1 - JUNE 7, 2025)

Market	Price Index	Week-on-week	Year-to-Date	Trading Value	Week-on-week	Volume Traded	Market Capitalization	Turnover ratio	P/E*	P/BV*
Lebanon	181.7	1.0%	-20.1%	1.4	-69.5%	0.0	20,538.1	0.4%	-	0.56
Jordan	439.5	0.1%	12.5%	39.3	-12.9%	10.0	27,486.7	7.4%	9.9	1.29
Egypt	270.7	-0.2%	11.9%	233.6	-39.9%	3,498.2	47,368.0	25.6%	8.1	2.08
Saudi Arabia	479.8	0.3%	-7.7%	3,246.6	-49.7%	472.4	2,454,498.1	6.9%	15.7	3.68
Qatar	173.9	0.7%	0.4%	360.5	-53.4%	540.0	171,568.7	10.9%	13.1	1.60
UAE	161.4	0.9%	6.0%	4,418.3	-12.8%	4,141.1	1,074,215.2	21.4%	13.0	2.30
Oman	262.0	0.9%	3.1%	88.2	-16.8%	219.3	33,092.0	13.9%	9.6	1.03
Bahrain	233.3	0.5%	1.1%	2.8	-92.2%	4.2	18,095.3	0.8%	10.1	1.35
Kuwait	152.5	0.7%	13.0%	887.6	-26.1%	991.5	157,229.5	29.4%	19.3	2.16
Morocco	423.7	4.2%	37.9%	327.3	31.9%	11.3	105,817.0	16.1%	18.7	2.80
Tunisia	78.6	0.7%	18.7%	14.1	-40.9%	4.0	9,828.0	7.4%	12.5	2.18
Arab Markets	984.6	0.6%	-0.8%	9,619.6	-33.0%	9,892.2	4,119,736.5	12.1%	14.8	3.07

Values in US\$ million; volumes in millions

* markets cap-weighted averages

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

International's share price decreased by 0.9% over the week to SR 37.75. First Milling Company's share price nudged down by 0.4% to SR 53.6. Middle East Paper Company's share price contracted by 1.1% to SR 27.95. Maaden's share price closed 1.2% lower at SR 50.4. Etihad Etisalat's share price declined by 1.8% to SR 58.50.

The Qatar Stock Exchange shifted into a positive territory this week, as reflected by a 0.7% rise in the S&P Qatar index, mainly tracking global equity strength and supported by rising oil prices. This compounded with 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. 21 out of 53 traded stocks posted price gains, while 28 stocks registered price falls, and four stocks saw no price change week-on-week.

A closer look at individual stocks shows that QNB's share price rose by 0.6% week-on-week to QR 17.050. Qatar Islamic Bank's share price surged by 3.6% to QR 21.860. Dukhan Bank's share price increased by 1.3% to QR 3.650. Ezdan Holding Group's share price nudged up by 0.2% to QR 1.039. Vodafone Qatar's share price expanded by 2.0% to QR 2.385. Industries Qatar's share price closed 2.5% higher at QR 12.150. Gulf International Service's share price jumped by 1.7% to QR 3.304. Qatar Electricity & Water's share price expanded by 1.5% to QR 16.080. Qatar Navigation's share price went up by 2.9% to QR 11.000. Ooredoo's share price increased by 0.8% to QR 12.450.

Boursa Kuwait extended its upward streak this week, as reflected by a 0.7% expansion in the S&P Kuwait index, mainly tracking global equity price gains and supported by a pick-up in Brent oil prices. A glance on individual stocks shows that Boubyan Bank's share price rose by 0.3% to KWf 674. Kuwait Finance House's share price increased by 0.5% to KWf 754. Gulf Bank's share price went up by 2.4% to KWf 343. Mabane's share price jumped by 6.8% to KWf 897. National Mobile Telecommunications' share price closed 1.7% higher at KWf 1,112. Boubyan Petrochemical Company's share price nudged up by 0.4% to KWf 690. Heavy Engineering Industries and Shipbuilding's share price expanded by 2.4% to KWf 922. Jazeera Airways' share price surged by 5.2% to KWf 1,600. Kamco Invest's share price increased by 2.6% to KWf 119. National Industries Group's share price closed 0.8% higher to KWf 241.

FIXED INCOME MARKETS: UPWARD PRICE MOVEMENTS IN MENA FIXED INCOME MARKETS THIS WEEK, MAINLY TRACKING US TREASURIES MOVE

MENA fixed income markets saw across-the-board upward price movements this week, mainly tracking US Treasuries move in response to a report showing that the US private sector job creation hit in May its lowest level in more than two years, suggesting weakening US labor market amid global trade policy uncertainty.

In the Saudi credit space, sovereigns maturing in 2030, 2034, 2050 and 2060 recorded price gains ranging between 0.38 pt and 0.66 pt this week. Prices of Aramco'30, '34 and '50 went up by 0.32 pt, 0.46 pt and 0.46 pt respectively. STC'29 closed up by 0.13 pt. SEC'30 and '44 traded up by 0.32 pt and 0.43 pt respectively. Prices of SABIC'28 went up by 0.23 pt. Amongst financials, Banque Saudi Fransi'29 was up by 0.12 pt.

In the Bahraini credit space, sovereigns maturing in 2028, 2030, 2035 and 2051 recorded weekly price rises ranging between 0.05 pt and 0.43 pt. In the Qatari credit space, sovereigns maturing in 2028, 2030, 2034, 2040 and 2050 saw price expansions of up to 0.40 pt week-on-week. Prices of Ooredoo'28 and '31 expanded 0.20 pt and 0.37 pt respectively. Amongst financials, Qatar International Islamic Bank'29 traded up by 0.09 pt. Prices of QNB'29 expanded by 0.12 pt. Doha Finance'29 was up by 0.13 pt. As to new issues, Qatar Islamic Bank raised this week US\$ 750 million from the sale of a five-year senior unsecured Sukuk offering issued under QIB's US\$ 5 billion Trust Certificate Issuance Program at 80 bps over US Treasuries, against an initial price guidance of 115-120 bps over UST.

In the UAE credit space, sovereigns maturing in 2031, 2033, 2041 and 2052 recorded price gains of up to 0.48 pt week-on-week. In the Dubai credit space, sovereigns maturing in 2030 and 2050 posted price rises of 0.26 pt and 0.18 pt respectively this week. Prices of Majid Al Futtaim'29 went up by 0.22 pt. DP World'30 and '49 were up by 0.11 pt and 0.47 pt respectively. In contrast, Emirates Airlines'28 closed down by 0.11 pt. Amongst financials, prices of Emirates NBD Bank'27 edged up by 0.04 pt. In the Sharjah credit space, sovereigns maturing in 2030 posted price increases of 0.27 pt week-on-week.

In the Abu Dhabi credit space, sovereigns maturing in 2027, 2030, 2034 and 2050 saw weekly price gains of up to 0.34 pt. ADNOC Murban'29 was up by 0.23 pt. Prices of Mubadala'28,'30, '34, '41 and '50 expanded by up to 0.77 pt. Prices of Taqa'28, '30 and '36 rose by 0.18 pt, 0.31 pt and 0.35 pt respectively. Aldar Investment Properties'33 registered price increases of 0.11 pt. Amongst financials, prices of ADCB'27 and '29 expanded by 0.08 pt and 0.17 pt respectively. FAB'28, '29 and '35 posted price gains of up to 0.25 pt.

In the Iraqi credit space, sovereigns maturing in 2028 posted weekly price gains of 0.15 pt. In the Omani credit space, sovereigns maturing in 2028, 2031 and 2051 saw price rises of 0.42 pt, 0.53 pt and 1.18 pt respectively this week. Omantel'28 traded up by 0.32 pt. In the Kuwaiti credit space, KIPCO'27 traded down by 0.15 pt week-on-week.

In the Egyptian credit space, sovereigns maturing in 2028, 2030, 2033, 2040 and 2050 recorded price expansions of up to 1.26 pt this week.

All in all, activity in regional bond markets was skewed to the upside this week, mainly tracking increases in US Treasuries after ADP payrolls report showed that the US private sector employment increased by 37,000 jobs in May, its slowest pace since March 2023, mainly on concerns about risks stemming from the US President's tariff war.

MIDDLE EAST 5Y CDS SPREADS V/S INTL BENCHMARKS

in basis points	06-Jun-25	30-May-25	31-Dec-24	Week-on-week	Year-to-date
Abu Dhabi	35	35	43	0	-8
Dubai	53	55	64	-2	-11
Kuwait	63	64	64	-1	-1
Qatar	33	35	44	-2	-11
Saudi Arabia	69	73	65	-4	4
Bahrain	214	221	187	-7	27
Morocco	104	107	94	-3	10
Egypt	534	553	591	-19	-57
Iraq	285	299	301	-14	-16
Middle East	155	160	162	-5	-7
Emerging Markets	146	155	174	-9	-28
Global	250	254	277	-4	-27

Sources: Bloomberg, Bank Audi's Group Research Department

SOVEREIGN RATINGS & FX RATES

SOVEREIGN RATINGS	Standard & Poor's	Moody's	Fitch		
LEVANT					
Lebanon	SD/-/SD	C/Stable	RD/-/C		
Syria	NR	NR	NR		
Jordan	BB-/Stable/B	Ba3/Stable	BB-/Stable/B		
Egypt	B-/Stable/B	Caa1/Positive	B/Stable/B		
Iraq	B-/Stable/B	Caa1/Stable	B-/Stable/B		
GULF					
Saudi Arabia	A+/Stable/A-1	Aa3/Stable	A+/Stable/F1+		
United Arab Emirates	AA/Stable/A-1+*	Aa2/Stable	AA-/Stable/F1+		
Qatar	AA/Stable/A-1+	Aa2/Stable	AA/Positive/F1+		
Kuwait	A+/Stable/A-1+	A1/Stable	AA-/Stable/F1+		
Bahrain	B+/Negative/B	B2/Stable	B+/Negative/B		
Oman	BBB-/Stable/B	Ba1/Positive	BB+/Positive/B		
Yemen	NR	NR	NR		
NORTH AFRICA					
Algeria	NR	NR	NR		
Morocco	BB+/Positive/A-3	Ba1/Stable	BB+/Stable/B		
Tunisia	NR	Caa1/Stable	CCC+/C		
Libya	NR	NR	NR		
Sudan	NR	NR	NR		
NR= Not Rated	RWN= Rating Watch Negative	RUR= Ratings Under Review	* Emirate of Abu Dhabi Ratings		
FX RATES (per US\$)					
	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)	49.64	49.76	50.84	-0.2%	-2.4%
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)	243.31	243.74	249.57	-0.2%	-2.5%
NORTH AFRICA					
Algerian Dinar (DZD)	131.31	132.23	135.56	-0.7%	-3.1%
Moroccan Dirham (MAD)	9.17	9.23	10.13	-0.7%	-9.5%
Tunisian Dinar (TND)	2.95	2.98	3.19	-1.2%	-7.6%
Libyan Dinar (LYD)	5.46	5.47	4.91	-0.2%	11.1%
Sudanese Pound (SDG)	647.81	647.81	647.81	0.0%	0.0%

NR = Not Rated

RWN = Rating Watch Negative

RUR = Ratings Under Review

*Emirate of Abu Dhabi Ratings

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

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