MASHREQ GLOBAL DIGEST
Bahrain
November 8 – November 14

This edition of the Market Digest highlights Bahrain's latest macroeconomic and financial developments, alongside recent deals and key trends influencing the country's economic outlook.

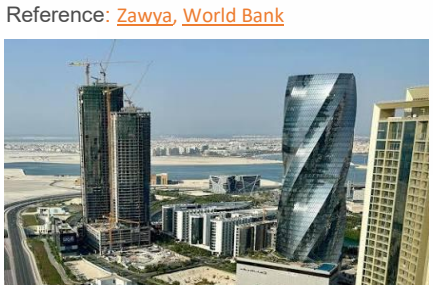
Macroeconomic News

Bahrain Fiscal Deficit Seen at 12.3% of GDP



Bahrain's fiscal deficit is projected to widen to 12.3% of GDP in 2026, while government debt is expected to reach 147.7% of GDP, according to the World Bank. The deterioration reflects disruptions to maritime trade and restrictions through the Strait of Hormuz, which are weighing on Bahrain's hydrocarbon and aluminium exports. The current-account surplus is also expected to narrow sharply to 0.9% of GDP. This highlights the growing pressure on Bahrain's public finances and external balances.

Reference: Zawya, World Bank



Bahrain Real Estate Transactions Reach BD1.257B

Bahrain's real estate transactions reached BD1.257 billion from the start of 2026 to mid-November, across 8,814 property sales. November recorded BD128.7 million in transactions through November 12, while activity recovered strongly after a sharp decline in March. April remained the strongest month, with 1,129 sales transactions. This points to continued resilience in Bahrain's property market despite volatility earlier in the year.

Reference: AlAyam

King Fahd Causeway Records 33.4M Movements



The King Fahd Causeway recorded about 33.4 million cross-border movements between Saudi Arabia and Bahrain in 2025, including nearly 17 million arrivals to Bahrain. Traffic increased by around 2% from 2024, while the causeway accounted for 49.1% of KSA's total land-border passenger traffic, making it the Kingdom's busiest land crossing.

Reference: SABQ

Bahrain Pension Payments Reach BD740.7M in 2025



Bahrain paid BD740.73 million in pensions and survivor benefits across the public and private sectors in 2025, averaging BD61.73 million per month. Private-sector payments rose to BD319.8 million, increasing their share of total payouts to 43.2%, while overall pension spending was 0.75% lower than in 2024. Over the past decade, total payments reached about BD6.74 billion.

Reference: AlAyam

Financial News

Bahrain Launches BD40M Market-Making Fund



Bahrain Bourse announced plans to establish a BD40 million market-making fund in partnership with Mumtalakat, Osool Asset Management, BBK and NBB. Managed by Al Ramz Capital, the fund aims to boost liquidity, narrow bid-ask spreads and improve price discovery in selected securities. The initiative forms part of Bahrain Bourse's 2026–2028 capital-market development plan and is intended to strengthen market depth, attract listings and broaden the investor base.

Reference: AlAyam

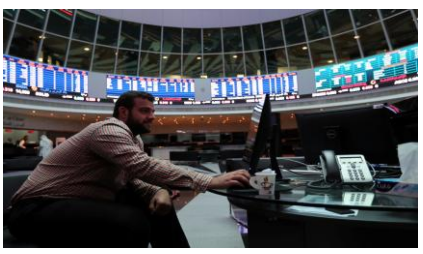
Bahrain Considers Soft Loans to Support SMEs



Bahrain's Parliament unanimously approved a proposal for government-backed soft loans and easier credit facilities to support businesses facing cash-flow pressures, particularly SMEs. The plan includes reduced or partially subsidized interest rates, longer repayment periods and possible loan rescheduling, while government fees could also be deferred. The proposal has been referred to the Cabinet for review.

Reference: Zawya

Bahrain Revamps Trust Law to Attract Wealth



Bahrain is reviewing its trust law to attract more wealthy families, family offices and international wealth managers. Proposed changes include a new framework for multi-family offices, removing the existing duration limit on trusts and making Sharia compliance optional. The reforms aim to strengthen Bahrain's position as a regional wealth-management hub and compete with established financial centers such as Dubai and Abu Dhabi.

Reference: AGBI

Bahrain Bourse Falls 4.1% in October

Bahrain's All Share Index fell 4.1% in October, marking its fourth consecutive monthly decline and pushing year-to-date losses to 11.4%. Materials led the drop, falling 7.6%, while real estate declined 4.8% and financials 4.0%. Trading activity also weakened sharply, with volumes down 55.1% and traded value down 42.1% during the month. The decline reflects continued pressure on Bahrain's equity market amid broader GCC weakness.

Reference: Zawya

MASHREQ GLOBAL DIGEST
Bahrain
November 8 – November 14

Bahrain SME Fund Provides $16.2M to 114 Businesses

Bahrain's SME Fund provided BD6.125 million ($16.2 million) in financing to 114 businesses in its first year of operations. Small enterprises received the largest share at 69%, while trading activities accounted for 53% of total funding. The fund is backed by BDB, BBK, NBB and Al Salam Bank, with support from Tamkeen, and aims to expand access to finance and support private-sector growth.

Reference: Zawya

Deals

Qatar, Bahrain Strengthen Transport and Logistics Links



Qatar and Bahrain signed an MoU to strengthen cooperation in land transport and logistics, covering road safety, technical standards, public transport and smart mobility. The agreement also explores new rail and road links between the two countries and their connection to the wider GCC Railway Project, supporting regional trade and connectivity. The initiative is expected to improve cross-border mobility and strengthen Bahrain's role in regional transport and logistics networks.

Reference: Arab News

GCC Railway Agreement Signed in Bahrain



GCC countries signed the General Railway Agreement in Bahrain, marking a major step toward advancing the regional railway project. The network is expected to strengthen transport and logistics links, facilitate trade and create new investment opportunities across the Gulf, with operations targeted for 2030. Bahrain hosted the signing as part of its GCC presidency.

Reference: Zawya

Gateway Gulf 2026 Generates $22.3B in Deals



Bahrain's Gateway Gulf 2026 concluded with $22.3 billion in announcements, partnerships and deals, including more than 110 announcements and over 75 agreements and MoUs. Four projects worth $3.89 billion received Bahrain's Golden License across aviation logistics, real estate and technology, reinforcing the Kingdom's push to attract investment and diversify its economy.

Reference: SaudiGulf Projects

Bahrain Signs $250M Busaiteen Bridge Contracts

Bahrain signed contracts for the fourth phase of the Busaiteen Bridge Project, financed by Saudi Arabia through a grant of more than $250 million covering all phases. The project will create an 8-km northern corridor linking Muharraq Island to Manama, improving road capacity and connectivity. Saudi Arabia has contributed more than $2.85 billion to 34 development projects and programs in Bahrain over nearly five decades.

Reference: Zawya

Markets

Market Dashboard

- U.S. equities ended the week higher despite renewed volatility in technology stocks. The S&P 500 gained 2.51%, the Nasdaq rose 2.27%, and the Dow Jones advanced 2.07%, with both the S&P 500 and Nasdaq snapping four consecutive weeks of losses. Gains came despite pressure on technology shares from uncertainty around Nvidia, while persistent inflation kept expectations for further Federal Reserve rate hikes in place. Nvidia fell for a sixth straight week, weighing on the broader AI and semiconductor trade.
- Bitcoin fell below $69,000 for the first time since August, dropping nearly 7% in one day, while Ethereum slipped to around $1,913. The sell-off was driven by concerns over inflation, rising interest rates and weakness in the AI/Nvidia trade, with roughly $150 billion wiped from the crypto market over 48 hours. Crypto-linked stocks also declined alongside digital assets.
- Gold fell about 4.6% over the week, marking its worst weekly performance since early June. The decline was driven by hotter inflation data, and expectations of further Federal Reserve rate hikes, which reduced the appeal of non-yielding assets. Gold dropped 3% on Thursday alone to a more-than-one-year low before stabilizing slightly on Friday.
- Oil prices fell about 2.5% over the week, with Brent ending at $95.84 per barrel and WTI at $88.56 per barrel. The decline was driven by signs of a growing global supply surplus and weaker U.S. demand, as crude and fuel inventories increased. Easing fears of an immediate shortage also weighed on prices, although geopolitical risks around the Strait of Hormuz and attacks on Gulf energy infrastructure kept the market volatile.
- The U.S. dollar posted its strongest weekly gain in two months, with the dollar index rising to 103.37. The move was driven by stronger U.S. inflation data, a robust jobs report and hawkish Federal Reserve comments, reinforcing expectations of another rate hike. The euro fell to $1.105, its lowest level against the dollar since April 2025, marking a fourth consecutive weekly decline, while markets priced in roughly a 90% chance of a 25-basis-point Fed hike in December.

Indicators	6-Nov-26	13-Nov-26	% Change
S&P 500	7,376.86	7,561.67	2.51%
Bitcoin	75,746.93	68,249.27	-9.90%
Gold	4,066.63	3,880.70	-4.57%
Crude Oil	98.32	95.84	-2.52%
EUR/USD	1.1228	1.1050	-1.59%