

# MASHREQ GLOBAL DIGEST

## Kuwait

September 20 – September 26



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

### Macroeconomic News

#### Kuwait's Non-Oil Growth Hits Fastest Pace Since February

Kuwait's non-oil output expanded for a second consecutive month in August, reaching its fastest pace since February as activity recovered from earlier airspace and shipping disruptions. The improvement was supported by stronger business activity, better supply-chain performance and rising confidence, pointing to renewed momentum in Kuwait's non-oil economy after a weaker first half of the year.

Reference: [Al Rai Media](#)



#### Kuwait Worker Remittances Rise 18.2% to \$16.7B in 2025

Worker remittances from Kuwait rose 18.2% in 2025 to \$16.7 billion, making Kuwait the GCC's third-largest remittance market by value after the UAE and Saudi Arabia. Remittances were equivalent to 10.6% of GDP, one of the highest ratios in the region. The increase reflects Kuwait's large expatriate workforce and continued activity across infrastructure, services and other non-oil sectors.

Reference: [Times Kuwait](#)

#### Kuwait Refining Profit Hits Record KD1.12B

Kuwait's refining business delivered a record year, with Kuwait National Petroleum Company (KNPC) reporting KD1.12 billion (\$3.6 billion) in profit for the fiscal year ending March 31, 2026, alongside KD9.25 billion in sales. Exports also rose to nearly 35 million tons, while the merger of Kuwaiti Integrated Petroleum Industries Company (KIPIC) into KNPC is aimed at improving efficiency and reducing costs. The results highlight the stronger performance of Kuwait's refining sector.

Reference: [AGBI](#)



#### Kuwait Ranks 33rd Globally in Human Capital

Kuwait ranked 33rd globally out of 1,000 cities in the human capital category of the Oxford Economics Global Cities Index 2026. The ranking reflects strengths in education, demographics and the business environment. Stronger human capital can support long-term growth by helping Kuwait attract skilled workers, higher-value industries and investment.

Reference: [Al Rai Media](#)

#### Kuwait Outbound Spending Nears KD1B During Summer

Kuwaitis and residents spent around KD959.1 million abroad during June–August 2026, despite regional geopolitical tensions and air-traffic disruptions. Electronic payments dominated, with KD885.3 million spent through cards and foreign websites versus KD73.8 million in ATM withdrawals. The figures point to resilient consumer spending and strong travel demand, while also highlighting the growing shift toward digital payments.

Reference: [Times Kuwait](#)

### Financial/Tech News

#### Kuwait's U.S. Treasury Holdings Hit Record \$69.2B

Kuwait's holdings of U.S. Treasuries reached a record \$69.23 billion in July 2026, up 19.1% year-on-year, after increasing by \$11.11 billion from July 2025. Holdings also rose by \$3.18 billion since the end of 2025 and by \$416 million in July alone. More than 96% of the portfolio is invested in long-term Treasuries, with long-term holdings reaching \$66.92 billion, highlighting Kuwait's strong preference for longer-dated U.S. government debt.

Reference: [Alanba](#)



#### Kuwait Establishes Digital Network Company

Kuwait has established the Kuwait Digital Network Company with KD33.19 million in authorized and issued capital and about KD8.3 million in paid-up capital. Ownership is structured with 50% held on behalf of Kuwaiti citizens, 40% by Batelco Kuwait Fiber Holding Company, and 10% by public entities, creating a clear public-private ownership model for the new company.

Reference: [Al Rai Media](#)

#### Kuwait Expands Sovereign Financing With Bonds and Sukuk

Kuwait raised KD100 million (\$323.6 million) through government bonds maturing in 2033, priced at a 3.625% yield, with investor demand exceeding the issue size by more than three times. Separately, Kuwait enacted a sovereign sukuk law, allowing Islamic debt instruments to become part of the government's financing framework as the debt capital market expanded by nearly 60% year-on-year to \$52 billion by the end of H1 2026. Together, the developments broaden Kuwait's financing options and could deepen the local debt market and attract a wider investor base.

Reference: [Al-Arabiya](#), [Zawya](#)

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### Microsoft Includes Kuwait in \$10B Gulf Investment Plan

Microsoft plans to invest \$10 billion through 2030 across Kuwait, Saudi Arabia, Qatar and the UAE. Of that total, \$7.9 billion has already been committed to the UAE, leaving roughly \$2.1 billion for additional investment across the Gulf. The exact amount allocated to Kuwait was not disclosed. The announcement places Kuwait within Microsoft’s broader expansion across the Gulf.

Reference: [Bloomberg](#)

### Kuwait Expands Robotic and Remote Surgery

Kuwait is expanding the use of robotic and remote surgery across several hospitals. Sheikh Jaber Al-Ahmad Hospital has completed 1,145 robotic procedures, while the Sheikh Sabah Al-Ahmad Urology Centre has performed 15 successful remote robotic surgeries, including 12 cross-border procedures with specialists abroad. The expansion supports Kuwait’s ambition to strengthen advanced healthcare services and position itself as a regional medical hub.

Reference: [Zawya](#)

## Rating

### Fitch Affirms Kuwait at AA- as Financing Flexibility Improves

Fitch affirmed Kuwait’s sovereign rating at AA- with a stable outlook, supported by exceptionally strong foreign assets estimated at around 668% of GDP in 2026. A new amendment allowing the government to borrow from the Future Generations Fund gives Kuwait more financing flexibility and could reduce reliance on external debt issuance. Public debt nevertheless rose to about 15% of GDP in the fiscal year ending March 2026, while Fitch projects it could reach 29% in fiscal 2026 and 34% in 2027 if borrowing needs remain high.

Reference: [Times Kuwait](#)

## Deals

### Kuwait Awards KD1.07B in Government and Oil Projects

Kuwait awarded around KD1.07 billion in government and oil-sector projects during the first half of 2026, across 154 tenders and contracts, generating about KD120.3 million in savings versus estimated costs. Government entities accounted for roughly KD596.3 million, while oil-sector awards reached KD475.1 million, with Kuwait Oil Company alone representing KD461.5 million. The acceleration in project awards could support construction, infrastructure, logistics, technology and other non-oil sectors as contracts move into execution.



Reference: [Times Kuwait](#)

### Kuwait-Vietnam Trade Target Set at \$12B by 2030

Vietnam aims to raise trade with Kuwait to \$12 billion by 2030, from about \$7–7.5 billion annually. Kuwait is also Vietnam’s largest Middle Eastern investor, with more than \$3.5 billion invested, mainly in refining and petrochemicals.

Reference: [Alanba](#)

## Markets

### Market Dashboard

- U.S. equities ended a volatile week higher, supported by renewed enthusiasm around AI-related stocks. The S&P 500 gained 1.2% for the week, while the Nasdaq rose 2% and reached a record close during the week. Sentiment improved on hopes of progress toward a U.S.-Iran de-escalation, while the 10-year U.S. Treasury yield climbed to 5.196% and expectations of another Fed rate hike increased, with traders pricing a 66% chance of at least a 25 bp increase in October.
- Bitcoin gained over the week, trading around \$84,000 by Friday after briefly rising above \$87,000. The move was driven by improving sentiment across the crypto market, with investors becoming more confident that the recent period of weakness may be ending.
- Gold fell about 2.1% over the week, as higher U.S. Treasury yields and stronger expectations of further Fed rate hikes reduced the appeal of the non-yielding metal. The 10-year Treasury yield reached a 19-year high, while markets priced a 66% chance of an October rate hike and a 93% chance of another increase in December. Easing concerns around the Iran conflict also reduced some safe-haven demand for gold.
- Oil markets were volatile over the week, with Brent ending slightly higher while WTI fell about 8%. On Friday, Brent settled at \$104.32 per barrel and WTI at \$92.41, as hopes for progress in U.S.-Iran talks eased some fears of a major supply disruption through the Strait of Hormuz. At the same time, concerns remained over attacks affecting Saudi oil flows and broader Middle East supply risks, keeping prices elevated despite the late-week decline.
- The U.S. dollar ended the week higher for a second straight week, supported by rising expectations of further Fed rate hikes and a sharp increase in U.S. Treasury yields. The euro headed for a third consecutive weekly decline, while the yen also remained weak over the week despite a Friday rebound after stronger intervention warnings from Japan.

| Indicators | 18-Sep-26 | 25-Sep-26 | % Change |
|------------|-----------|-----------|----------|
| S&P 500    | 7,650.50  | 7,743.41  | 1.21%    |
| Bitcoin    | 80,901.46 | 84,034.92 | 3.87%    |
| Gold       | 4,378.17  | 4,287.25  | -2.08%   |
| Crude Oil  | 103.87    | 104.32    | 0.43%    |
| EUR/USD    | 1.1476    | 1.1375    | -0.88%   |

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