MASHREQ GLOBAL DIGEST
Oman
July 19 – July 25

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

Macroeconomic News

Oman FDI Stock Rises 8.7% RO 32.2B in Q1 2026

Oman's foreign direct investment (FDI) stock increased 8.7% year-on-year to RO 32.2 billion ($83.7 billion) in the first quarter of 2026, reflecting continued investor confidence in the country's economic outlook. The oil and gas sector remained the largest recipient of foreign investment, while manufacturing, financial services, and real estate also recorded solid inflows, supporting Oman's ongoing efforts to diversify its economy under Vision 2040.

Reference: Arab News

Oman Inflation Holds at 2.8% in June

Oman's annual inflation rate remained at 2.8% in June, with average inflation for the first half of 2026 also at 2.8%. Higher prices for food and non-alcoholic beverages (+6.1%), transport (+5.5%), and personal goods and services (+5.7%) remained the main drivers of inflation, while housing costs edged lower. Although food prices continue to put pressure on consumers, overall inflation remains moderate, reflecting stable economic conditions.

Reference: Arab News

Oman Real Estate Transactions Rise 5.5% Through May

The total value of real estate transactions in Oman increased 5.5% year-on-year to RO 1.18 billion through May 2026, driven by stronger property sales and mortgage activity. The value of property sales rose 2.9% to RO 551.8 million, while the value of mortgage transactions increased 7.9% to RO 618.1 million, reflecting healthy financing conditions and sustained demand in the property market. Despite a decline in new property ownership registrations, the overall figures point to continued resilience in Oman's real estate sector.

Reference: Alegaria

Higher Oil Prices Set to Cut Oman's Budget Deficit

Average Omani crude oil prices reached $81 per barrel in the first half of 2026, well above the government's $60 per barrel budget assumption, increasing the likelihood of a smaller-than-expected fiscal deficit. Oman had projected a budget deficit of RO 530 million ($1.4 billion) for 2026, but stronger oil revenues and higher crude and gas production are expected to strengthen public finances, reduce debt, and could bring the budget close to balance if current oil prices are sustained.

Reference: AGBI

Oman Hotel Revenue Rises 8.4% in Q1

Oman's three- to five-star hotels increased first-quarter revenue by 8.4% despite a decline in visitor numbers and occupancy, as higher room rates offset weaker tourism demand. While regional disruptions and seasonal factors weighed on travel, the sector is expected to benefit from tourism initiatives, improved connectivity, and expansion in hotel capacity.

Reference: Zawya

Financial/Tech News

Fitch Expects Omani Banks to Remain Resilient

Fitch Ratings expects Oman's banking sector to remain resilient in 2026 despite regional geopolitical tensions, supported by stronger oil prices, economic diversification under Oman Vision 2040, and solid capital and liquidity buffers. The agency forecasts around 5% loan growth, stable profitability, and gradual improvement in asset quality, although sectors such as real estate and hospitality could face pressure if the conflict intensifies. Overall, the sector remains well positioned to support growth.

Reference: Zawya

Oman Scores 75% in UN Digital Government Index

Oman improved its score in the UN ESCWA Government Electronic and Mobile Services (GEMS) Maturity Index to 75% in 2025, up from 72% a year earlier. The improvement reflects stronger digital public services, higher user satisfaction, and better government integration, supporting Oman Vision 2040's digital transformation goals.

Reference: Zawya

Oman Fund Capital Nearly Doubles to $3.1B in 2025

Oman's investment and real estate fund sector expanded strongly in 2025, with total fund capital rising 89.9% to $3.1 billion. Growth was driven mainly by investment funds, whose capital more than doubled, reflecting rising investor confidence and supporting the country's efforts to deepen capital markets under Oman Vision 2040.

Reference: Zawya

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Deals/Projects

Egyptian Firms Win Access to $6B Oman Energy Projects

An Egyptian consortium of Petrojet and Enppi secured a six-year framework agreement with Petroleum Development Oman (PDO), giving it the opportunity to compete for engineering, procurement, and construction (EPC) projects worth more than $6 billion. The deal strengthens energy cooperation between Egypt and Oman while supporting Oman's oil and gas development, local content initiatives, and engineering capabilities.

Reference: Erem Business

Invest Oman Secures RO 460.7M in New Investment Projects

Invest Oman secured eight investment projects worth RO 460.7 million during the first half of 2026, while developing 22 investment opportunities and engaging with more than 150 international companies. The achievements reflect the agency's efforts to attract high-quality investments, facilitate investor engagement, and accelerate project development in line with Oman Vision 2040.

Reference: Oman Observer

Oman Advances Renewable Energy and Road Infrastructure

Oman awarded a $210 million EPC contract for the 500MW Al Kamil Solar 1 IPP to China's Shanxi Installation Group. The project, led by EDF Power Solutions, ONEIC, and OQ Alternative Energy, forms part of Oman's renewable energy strategy and will supply electricity under a long-term agreement with Nama PWP. In parallel, Oman is investing more than RO 105 million ($273 million) in road infrastructure across North Al Sharqiyah during 2025–2026, including new roads, highway expansions, and dual carriageways. The program will improve regional connectivity and support economic development under Oman Vision 2040.

Reference: Zawya, Zawya

Oman Advances Five Strategic GCC Industrial Projects

Oman hosted a GCC workshop to promote five priority joint industrial investment projects in sectors including oil and gas equipment, medical devices, semiconductors, and advanced manufacturing. The projects were selected from 26 potential investment opportunities to strengthen regional industrial integration, reduce import dependence, and boost the competitiveness of GCC industries. The initiative could encourage greater private-sector investment.

Reference: Oman Observer

Oman, Jordan Launch $100M Joint Investment Company

Oman and Jordan launched a $100 million (RO 38.5 million) joint investment company targeting technology, energy, agriculture, tourism, logistics, and healthcare. The initiative aims to strengthen bilateral investment, support economic diversification, and attract additional regional capital. The partnership reflects Oman's growing focus on regional investment cooperation under Vision 2040.

Reference: Zawya

Markets

Market Dashboard

- U.S. equities posted a second consecutive weekly decline as investors reassessed lofty technology valuations following the first wave of big-tech earnings. Concerns over rising AI-related capital expenditure weighed heavily on the sector, triggering broad selling in semiconductor and large-cap technology stocks. For the week, the S&P 500 declined 0.6%, with technology significantly underperforming the broader market.
- Cryptocurrencies remained relatively flat over the week despite increased market volatility. Rising U.S. Treasury yields and weaker risk sentiment weighed on prices, while institutional demand softened after spot Bitcoin ETFs recorded $225 million in net outflows, ending a week-long streak of nearly $1 billion in inflows. Bitcoin finished the week just above $64,000, highlighting a cautious but broadly stable crypto market.
- Gold posted a modest weekly gain, with spot gold rising 0.9% to around $4,053 per ounce, supported by dip-buying after recent declines. However, gains remained limited as elevated U.S. Treasury yields and expectations of higher interest rates continued to pressure the non-yielding metal. Investors also monitored Middle East developments and awaited next week's Federal Reserve meeting for further policy guidance.
- Oil prices surged during the week as escalating conflicts in the Middle East and Ukraine disrupted global supply and intensified concerns over trade through the Strait of Hormuz. Brent crude briefly climbed above $105 per barrel, its highest level since late May, before easing to end the week at approximately $97 per barrel. Despite the pullback, elevated prices continue to reflect persistent geopolitical risks and concerns over global oil supply.
- The U.S. dollar strengthened during the week, supported by higher oil prices, rising U.S. Treasury yields, and growing expectations that the Federal Reserve could keep interest rates higher for longer. The euro fell nearly 0.6% over the week to $1.137, while the U.S. Dollar Index (DXY) gained about 0.7%, reflecting continued demand for the dollar as investors sought safety amid geopolitical uncertainty and inflation concerns.

Indicators	17-Jul-26	24-Jul-26	% Change
S&P 500	7,457.69	7,411.98	-0.61%
Bitcoin	63,899.46	64,098.50	0.31%
Gold	4,017.60	4,053.17	0.89%
Crude Oil	88.10	96.78	9.85%
EUR/USD	1.1445	1.1375	-0.61%