

MASHREQ GLOBAL DIGEST

GCC

April 26 – May 2



This edition of the Market Digest reviews GCC's recent macroeconomic and financial developments, along with its latest deals, highlighting the key trends shaping its economic outlook.

Macroeconomic News

GCC Economies Face Sharp Slowdown Amid War Shock

GCC economies are heading toward their worst crisis since the pandemic as the Iran war disrupts energy flows, damages infrastructure, and weakens growth across the region. Several economies are now expected to contract in 2026, including Qatar (-6%), Kuwait (-4.4%), and Bahrain (-2.9%), while UAE growth is seen stagnating and Saudi Arabia slowing to 2.6%. The shock, driven by supply disruptions through the Strait of Hormuz and higher oil prices, has reversed earlier growth expectations, though a recovery is anticipated in 2027 if conditions stabilize.

Reference: [Reuters](#)



GCC Economic Freedom Hits 66.9, Above Global Average

GCC economies scored 66.9 in the 2026 Economic Freedom Index, outperforming the global average of 59.9 by nearly 7 points. All member states recorded either improvement or stability, reflecting continued reform momentum and pro-growth policies. This progress reinforces the GCC's position as a leading investment destination, supported by enhanced competitiveness, improved business environments, and continued progress across key pillars such as regulatory efficiency and market openness.

Reference: [Arabian Business](#)



GCC Industrial Localization Push Gains Momentum

A roadmap by Alvarez & Marsal highlights how GCC countries can accelerate industrial localization, potentially cutting development timelines from 25–50 years to just a few years. The strategy focuses on stronger government policies, technology transfer, and public-private coordination to move beyond basic manufacturing toward building local capabilities in design, engineering, and innovation—seen as key to long-term competitiveness and economic diversification.

Reference: [Zawya](#)



GCC Advances Industrial Integration Efforts

GCC industrial integration is progressing, with Secretary-General Jassem Albudaiwi highlighting stronger coordination on policies, unified standards, and more resilient supply chains across member states. Speaking at the Industrial Cooperation Committee meeting, he emphasized that these efforts are enhancing the region's global competitiveness and supporting deeper economic integration. Upcoming initiatives like the "Made in the Gulf" forum in October 2026 are expected to further showcase the region's industrial capabilities and strengthen its international positioning.

Reference: [Zawya](#)



GCC Female Workforce Hits 39% and 7.3M Workers

Female labor force participation in the GCC rose to 39.3% in 2025, with the number of employed women increasing to 7.3 million, up from 5.7 million in 2020, reflecting steady progress in workforce diversification. This growth has been driven by strong employment gains, declining unemployment, and rising participation across both public and private sectors, particularly in countries like Saudi Arabia and the UAE. The data highlights a broader regional push toward economic diversification, with women playing an increasingly important role across key sectors such as education, healthcare, and tourism.

Reference: [Arab News](#)

Financial News

GCC Corporates Turn to Banks as Markets Stall

GCC corporates are increasingly relying on bank loans as bond and sukuk markets approach a near standstill amid geopolitical tensions and market volatility. With capital market activity slowing, many companies are drawing on existing credit lines or turning to short-term bank financing, which remains faster and easier to access. While this shift has limited immediate impact due to the region's traditional reliance on banks, prolonged uncertainty could increase borrowing costs and tighten lending conditions as banks become more cautious.

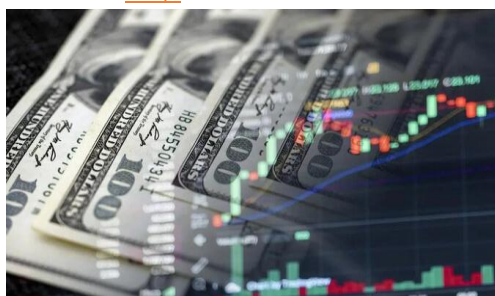
Reference: [Zawya](#)



GCC Debt Market Hits \$55B Despite Volatility

GCC bond and sukuk issuances reached \$55 billion across 95 deals in Q1 2026, marking a 5.6% increase year-on-year despite ongoing geopolitical tensions. The market was largely driven by government and financial sector issuances, with Saudi Arabia leading at around 59% of total activity, followed by the UAE at nearly 25%. Strong investor appetite—especially for conventional bonds, which made up over 65% of issuances—helped sustain growth, highlighting continued demand for fixed income in the region even amid market uncertainty.

Reference: [Zawya](#)



Rise every day

GCC IPO Slowdown, Saudi Activity Stands Out



IPO activity across the GCC has slowed sharply in early 2026, reflecting a broader MENA decline of 91% year-on-year amid geopolitical tensions and cautious investor sentiment. Despite this slowdown, Saudi Arabia is leading regional activity with new listings like Dar AlBalad, signaling continued investor confidence and the strength of its economic transformation and non-oil growth strategy. While overall conditions remain challenging, a solid pipeline of upcoming IPOs suggests potential recovery once market stability improves.

Reference: [Zawya](#)

Energy Market

UAE Exit from OPEC Signals Shift in Gulf Oil Strategy

The UAE's decision to exit OPEC reflects a broader shift toward prioritizing national production strategies over collective output controls, following years of tension over quotas that limited its expanding capacity. The move comes amid ongoing disruptions in the Strait of Hormuz, which currently constrain exports and limit immediate market impact. However, in a post-conflict scenario, the UAE could significantly increase supply, leveraging its growing production capacity and potentially reshaping global oil dynamics, while also signaling weaker cohesion within traditional oil alliances.

Reference: [Aljazeera](#)



Projects/Trade

GCC Projects Slow as War Hits Activity

Project activity across the GCC declined in Q1 2026, with total contract awards falling 9.7% year-on-year to \$61.2 billion, as geopolitical tensions and the Iran conflict disrupted supply chains and weakened investor sentiment. The slowdown was driven mainly by sharp declines in Saudi Arabia and the UAE, while some countries like Kuwait, Oman, and Qatar saw growth. Despite the near-term pressure and expectations of a subdued outlook for 2026, the region still holds a strong long-term pipeline of around \$2 trillion in planned projects, indicating underlying structural demand once conditions stabilize.

Reference: [Zawya](#)

GCC Trade Cooperation Advances

GCC commerce ministers reviewed progress on unified commercial laws and trade agreements, as efforts continue to strengthen regional economic integration. Intra-GCC trade remains strong, with Saudi Arabia's trade with GCC countries reaching around \$72 billion in 2025, up 125% over five years, highlighting deepening economic ties. Ongoing coordination on regulations, trade facilitation, and business initiatives reflects a broader push to boost intra-regional trade and support long-term economic growth.

Reference: [Zawya](#)

Markets

Market Dashboard

- Equity markets delivered a strong weekly performance, with U.S. stocks extending their rally for a sixth consecutive week as the S&P 500 and Nasdaq reached new record highs, supported by robust corporate earnings—particularly in the technology sector—while the Dow Jones slightly declined. Investor sentiment remained positive on the back of better-than-expected results, with equities continuing to show resilience despite ongoing geopolitical tensions and inflation concerns linked to energy markets.
- Cryptocurrency markets showed a positive tone, with broad gains across major digital assets, led by strong moves in Dogecoin, Bitcoin, and Ethereum. Bitcoin rose around 1% to trade near \$78,200, while Ethereum gained over 2% and other large-cap tokens also moved higher, reflecting improved sentiment and a continued risk-on environment in digital assets. Overall, the rally was broad-based, with most major cryptocurrencies advancing during the week.
- Precious metals showed a mixed weekly performance, with gold down 2% over the week despite recovering slightly at the end to trade near \$4,615 per ounce, as hopes for renewed Iran negotiations offered temporary support. Meanwhile, silver outperformed, rising about 3% to around \$75.9 per ounce, while platinum and palladium posted modest gains, reflecting relative strength across the broader metals complex even as higher yields and a hawkish Federal Reserve continued to weigh on gold.
- Oil markets delivered a volatile but positive weekly performance, with Brent crude and WTI both posting gains of around 3% over the week, despite pulling back at the end to close near \$108 and \$102 per barrel respectively. Prices surged earlier in the week to multi-year highs amid ongoing tensions in the Middle East and disruptions around the Strait of Hormuz, before easing on renewed hopes for Iran-U.S. negotiations, highlighting how geopolitical developments continue to drive sharp swings in energy markets.
- Currency markets saw notable moves this week, with the U.S. dollar declining around 1.7% against the Japanese yen following intervention by Japanese authorities. In contrast, the euro remained broadly stable against the dollar, posting a second consecutive weekly gain without significant volatility, reflecting relatively balanced policy expectations between the Federal Reserve and the European Central Bank. Meanwhile, sterling edged lower, as markets focused on central bank signals and shifting rate expectations.

Indicators	24-Apr-26	1-May-26	% Change
S&P 500	7,165.08	7,230.12	0.91%
Bitcoin	77,455.31	78,179.00	0.93%
Gold	4,709.25	4,614.95	-2.00%
Crude Oil	105.33	108.17	2.70%
EUR/USD	1.1684	1.1723	0.33%