

MASHREQ GLOBAL DIGEST

GCC

December 07 – December 13



This edition of the Market Digest captures the GCC’s latest macroeconomic, financial, and trade developments, offering timely insights into the region’s evolving economic outlook.

Macroeconomic News

GCC Growth Set to Jump to 3.3% in 2025

The IMF expects GCC economic growth to accelerate to 3.3% in 2025, nearly double the 1.7% recorded in 2024, as oil production cuts are gradually unwound and non-oil sectors continue to gain momentum. Growth is being powered by strong domestic demand, large-scale project execution, and sustained diversification reforms, with non-hydrocarbon activity already expanding by 3.7% and tourism posting double-digit gains in key markets like Saudi Arabia, the UAE and Qatar. While global uncertainty remains a risk, the IMF notes that solid fiscal buffers, low inflation near 2%, and resilient banking systems leave the GCC well-positioned to sustain growth.

Reference: [Arab News](#)



Fitch: GCC Well-Positioned for 2026

Fitch Ratings says the GCC is set for a strong 2026, supported by reform momentum, rising investment and higher oil output, even as it maintains a neutral outlook for MENA. The agency forecasts Brent crude at \$63 per barrel next year and expects standout growth in Saudi Arabia and the UAE, with Abu Dhabi expanding by 6.8% and Ras Al Khaimah by 7.7%, while inflation remains in low single digits. Fitch adds that continued diversification and government-led investment will keep the GCC among the largest global issuers in debt markets despite geopolitical risks.

Reference: [Arabian Business](#)

GCC Debt Issuance Hits a Record \$226B in 2025

GCC debt markets posted their strongest year on record, with issuances soaring to \$226 billion as of November 2025, far surpassing last year’s \$136.3 billion as governments and corporates capitalized on strong investor demand and tighter regional spreads. Improved regional credit sentiment brought issuers back after a slower 2024, highlighted by Kuwait’s \$11 billion sovereign return after eight years and a \$10 billion rise in hybrid capital from Saudi banks. Debt has clearly become the region’s preferred financing tool in 2025, while IPO activity softened, with just 40 listings raising \$5.81 billion versus \$12.88 billion from 52 IPOs in 2024—a sharp contrast that reflects weaker equity appetite and fewer state assets available for listing.

Reference: [Zawya](#)



GCC Trade Hits Record \$1.6 Trillion in 2024

GCC countries’ merchandise foreign trade, excluding trade among themselves, climbed to a record \$1.6 trillion in 2024, up 7.4% year on year, marking the highest level since data tracking began in 2017. The expansion was driven by a 22.5% surge in non-oil exports and a 12.3% import growth linked to diversification and investment activity, even as oil and gas exports edged lower. Asia remained the GCC’s largest trading partner, and the bloc rose to fifth place globally in total merchandise trade—underscoring the Gulf’s growing weight in global trade beyond hydrocarbons.

Reference: [Arab News](#)

GCC Leads Dubai Chamber Trade in 9M 2025

Dubai Chamber of Commerce reported that GCC markets accounted for 48.2% of members’ exports and re-exports in the first nine months of 2025, worth AED 125.3 billion, confirming the Gulf as the primary trade engine for Dubai-based businesses. Dubai’s total exports and re-exports reached around AED 260 billion, reflecting 16% year-on-year growth. This underscores the region’s trade resilience and the strategic importance of intra-GCC demand amid a more fragmented global trade environment.

Reference: [Zawya](#)

GCC Central Banks Cut Rates by 25bps, Tracking Fed Move

GCC central banks moved in tandem with the US Federal Reserve, cutting key interest rates by 25 basis points as dollar-pegged economies aligned monetary policy with the Fed. Saudi Arabia lowered its repo rate to 4.25% and reverse repo to 3.75%, while the UAE cut its overnight deposit facility rate to 3.65%. Qatar, Bahrain, Kuwait, and Oman also reduced rates, a shift expected to support non-oil growth, ease financing conditions, and boost investment across sectors such as real estate, tourism, and manufacturing.

Reference: [Gulf Business](#)

Financial/Corporate News

Gulf Brands Surge, but a \$250B Funding Gap Looms

According to EuroWeekly News, Gulf consumer brands are expanding rapidly, with regional brand value rising 23% in 2025 to \$127.4 billion, driven by strong non-oil growth and rising consumer demand across the GCC. However, a \$250 billion funding gap facing small and medium-sized businesses threatens to slow the next phase of expansion, highlighting the need for more flexible financing options to help regional brands scale globally without early dilution.

Reference: [EuroWeekly News](#)

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GCC Firms Poised for 2026 Growth as Rates Ease

GCC companies are set to extend their growth momentum into 2026, supported by strong domestic demand, easing interest rates, and sustained government investment, according to Moody's. The rating agency highlights infrastructure spending and technology-led projects as key tailwinds, reinforcing diversification away from oil. While some sectors like real estate may see mild price corrections as supply rises, overall operating conditions remain solid, with telecoms, utilities, and national oil companies benefiting from stable demand, strong balance sheets, and supportive policy frameworks.

Reference: [Arab News](#)

BlackRock Deepens Its GCC Expansion Strategy

BlackRock is strengthening its presence across the GCC, building on \$13.52 trillion AUM and a major \$5 billion anchor investment from Saudi's PIF that helped launch its regional platform. The firm has expanded rapidly with new licenses and offices in Riyadh, Abu Dhabi, Kuwait, and Qatar, and plans to double its Saudi investments by 2030, currently at \$35 billion. BlackRock highlights the UAE and Saudi Arabia as emerging global capital hubs, driven by strong regulatory reforms and growing demand for investment in AI, infrastructure, and energy transition projects, while also staying open to co-investing with GCC sovereign funds as they expand selectively into high-growth Asian markets.



Reference: [Zawya](#)

Gulf Sovereign Funds Team Up in Rare Hollywood Bet

Gulf sovereign wealth funds are making an unusual joint move into Hollywood, backing Paramount Skydance's \$108 billion bid for Warner Bros Discovery as Saudi Arabia's PIF, Abu Dhabi's L'imad Holding and Qatar's QIA align on a single global takeover. The rare alliance highlights the Gulf's growing ambition to own premium global content as it builds domestic film, media and entertainment industries. The investment gives Gulf states exposure to some of the world's most valuable media assets—marking another step in their shift from oil wealth to global cultural and creative influence.

Reference: [Reuters](#)

Trade

GCC Integration Efforts Advance Alongside EU-UAE Trade Talks

GCC trade and investment integration strengthened with the launch of the Gulf Industrial Platform, which creates a unified, data-driven ecosystem allowing investors and policymakers to access reliable industrial and economic data, improve transparency, and better coordinate cross-border manufacturing and supply chains across member states. At the global level, UAE-EU free trade talks continued to advance, covering trade in goods and services as well as strategic sectors such as energy and critical materials, reinforcing the GCC's strategy to diversify trade partnerships beyond the region.

Reference: [Arab News](#), [Reuters](#)

Markets

Market Dashboard

- U.S. stocks ended the week lower as AI bubble fears and rising Treasury yields pressured tech, even after the Fed cut rates this week but struck a cautious tone, with some policymakers warning inflation remains too high to justify rapid easing. The S&P 500 fell 0.6%, the Nasdaq dropped 1.6%, while the Dow still gained 1.0%, as investors rotated into defensive sectors ahead of key jobs and inflation data next week.
- Bitcoin ended the week slightly higher, supported by the Fed's rate cut, but lost momentum into the end of the week as investors turned risk-off alongside tech stocks, pushing prices back toward \$90,000. The cryptocurrency failed to break above \$94,000, and with recent buyers' cost bases near \$103,000, some strategists warn bitcoin could struggle to hold above \$100,000 in the near term, especially as Powell signaled a possible pause in January.
- Gold climbed to its highest level in over a month after the Federal Reserve's rate cut weakened the dollar, boosting demand for non-yielding assets. Silver surged to a record high, with strong momentum also lifting platinum and palladium. While the Fed signaled a possible pause in further easing as it monitors inflation and the labor market, lower rates remain supportive for precious metals, with investors now turning their focus to upcoming U.S. jobs data for further policy clues.
- Oil prices fell more than 4% over the week, as persistent oversupply concerns continued to weigh on the market. Traders focused on forecasts pointing to ample global supply, while optimism around a potential Russia-Ukraine peace deal added further pressure. U.S. actions involving Venezuelan oil tankers and ongoing geopolitical tensions offered limited support, as markets largely viewed supply conditions as sufficient to absorb disruptions.
- The U.S. dollar ended the week lower, marking its third consecutive weekly decline, as markets focused on expectations of Federal Reserve rate cuts next year despite policymakers signaling a more cautious path. The dollar rebounded slightly at the end of the week, but sentiment remained pressured by the Fed's less hawkish tone. Sterling softened after weak UK GDP data, though both the pound and the euro still posted weekly gains against the dollar, reflecting diverging expectations between markets and central banks on the pace of future easing.

Indicators	5-Dec-25	12-Dec-25	% Change
S&P 500	6,870.40	6,827.41	-0.63%
Bitcoin	89,387.76	90,270.41	0.99%
Gold	4,197.13	4,302.43	2.51%
Crude Oil	63.75	61.12	-4.13%
EUR/USD	1.1643	1.1739	0.82%

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