

MASHREQ GLOBAL DIGEST

Oman

March 29 – April 4



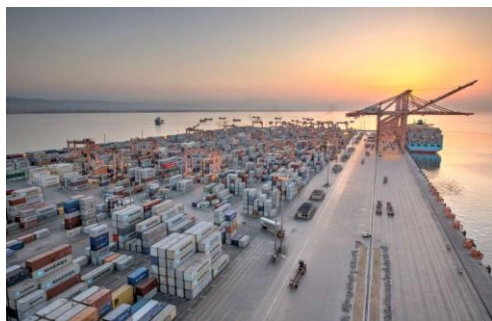
This edition of the Market Digest reviews Oman's recent macroeconomic and financial developments, along with its latest deals, highlighting the key trends shaping its economic outlook.

Macroeconomic News

Oman GDP at 2.4%, Supported by Non-Oil Growth

Oman's economy entered 2026 on a steady path, with GDP growing around 2.4% by the end of Q4 2025, driven mainly by stronger non-oil sector expansion (3.1%) compared to more modest oil growth (1.1%), highlighting ongoing diversification. Inflation remains low and well-contained at around 1.7%, supporting stable domestic conditions. Overall, while the economy is holding up well and increasingly anchored in non-oil activity, the pace of growth remains moderate, reflecting a balanced but cautious outlook.

Reference: [Zawya](#)



Oman Emerges as a Strategic Global Trade Hub

Oman is rapidly strengthening its position as a key global logistics hub as geopolitical tensions reshape shipping routes, with major ports like Sohar and Salalah witnessing sharp increases in rerouted vessels—up 1,766% and 800% respectively. This shift reflects growing confidence in Oman's strategic location outside critical chokepoints like Hormuz, offering safer and more reliable access for global trade. What began as a temporary workaround is now evolving into a structured trade system, reinforcing Oman's long-term role as a resilient and essential node in global supply chains.

Reference: [Zawya](#)

Oman Balances Oil Pressure with \$22.8B Investment Push

Oman's state-owned Energy Development Oman (EDO) reported an 8% decline in revenue to \$14.8 billion, driven by lower prices averaging \$71 per barrel in 2025, despite stable production at around 1 million barrels per day. At the same time, the country is pushing forward with significant investment plans, including \$22.8 billion in utilities and infrastructure through 2030 to support economic growth, improve energy systems, and expand capacity, reflecting a broader strategy to strengthen resilience beyond oil.

Reference: [AGBI](#), [Zawya](#)



Oman Property Sales Jump 33% to \$550M

Oman's real estate market is seeing a strong uptick, with property sales rising by around 33% to \$550 million since the start of the regional conflict, driven largely by increased demand from UAE investors. Around one-third of transactions in March came from UAE buyers, attracted by Oman's relative stability and property prices that are roughly 25% lower than in the UAE. This shift reflects a broader regional reallocation of capital, as investors seek safer and more affordable markets amid declining activity in the UAE.

Reference: [AGBI](#)

Oman Boosts Oil Reserves to Extend Production Outlook

Oman has upgraded the estimated reserves of its Yumna oil field by 75% to 16.8 million barrels, supported by new drilling plans and continued investment in upstream operations. While not immediately market-moving, this development strengthens the country's long-term production outlook and reinforces energy revenue stability at a time of regional uncertainty. By extending the field's lifespan toward 2030 and improving recovery rates, the move highlights Oman's ongoing efforts to sustain output and support its broader fiscal position.

Reference: [Zawya](#)

Financial News

Credit Growth Slows to 3% as Omani Banks Remain Resilient

According to S&P Global Ratings, Omani banks remain resilient despite regional tensions, supported by strong capital buffers, solid liquidity, and diversified lending portfolios. Private sector credit growth is expected to moderate to around 3% in 2026 (down from 6–7% in 2025) before recovering to 5% in 2027, reflecting a more cautious lending environment amid softer investment activity. Asset quality remains stable, with non-performing loans at around 4.4%. This suggests that while credit expansion may slow in the short term, the banking sector remains fundamentally strong and capable of supporting a gradual economic recovery.

Reference: [Zawya](#)

MSX Surges 10.5% to Highest Level Since 2008

Oman's stock market delivered strong performance in March, with the MSX30 index rising 10.5% to 8,168 points, reaching its highest level since 2008 despite regional tensions. Market capitalization increased by RO 1.65 billion to RO 37.9 billion, supported by gains in banking and energy stocks, while total turnover climbed to RO 1.426 billion. The rally was further backed by continued foreign investor inflows, highlighting strong confidence in the Omani market even as other regional markets faced pressure.

Reference: [Zawya](#)



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Oman Expands Bond Issuance to Strengthen Financing



Oman continues to rely on government development bonds as a key financing tool, with its latest issuance valued at RO 75 million (\$193.5 million) and offering a 4.25% return over 7 years, as part of a broader plan to fund budget needs and infrastructure projects. These bonds help diversify funding sources away from oil and external borrowing, support the local capital market, and provide a relatively low-risk investment option. At the same time, improving fiscal metrics—such as a decline in debt-to-GDP from 68% in 2020 to 34% currently—are reinforcing investor confidence and enabling continued domestic financing.

Reference: [Zawya](#)

Rating

Oman Retains Investment-Grade Rating with Stable Outlook

Oman has maintained its BBB- investment-grade rating with a stable outlook, according to S&P, reflecting strong fiscal discipline and resilience despite regional tensions. The country benefits from solid financial buffers, with government liquid assets exceeding 40% of GDP, while foreign reserves are close to 20% of GDP. Growth is expected at 1.4% in 2026, gradually rising to 2.3% through 2029. At the same time, debt levels are projected to decline to around 31% of GDP, alongside continued budget and current account surpluses—reinforcing investor confidence in Oman's economic stability and long-term outlook.



Reference: [Zawya](#)

Deals & Projects

Oman Attracts \$1.5B Mining Interest Despite War

Oman continues to attract strong investor interest in its mining sector, with international companies bidding for \$1.5 billion worth of mineral projects despite ongoing regional tensions. The offered concessions include deposits of around 25 million tons of key resources such as copper, chromite, and gypsum, with participation from global investors across Asia. This sustained interest highlights Oman's appeal as a relatively stable investment destination and reinforces its push toward economic diversification, supported by earlier investments of around \$900 million in the sector.

Reference: [AGBI](#)

Oman-Belarus Strengthen Economic & Strategic Cooperation

Oman and Belarus held high-level discussions to expand bilateral cooperation across multiple sectors, signaling efforts to deepen economic and strategic ties. The talks also addressed rising regional geopolitical tensions, with both sides emphasizing de-escalation and adherence to international law, highlighting the intersection between diplomacy, economic collaboration, and global stability.

Reference: [Zawya](#)

Markets

Market Dashboard

- Global equities ended the week higher, with the S&P 500 gaining 3.36%, the Nasdaq rising 4.44%, and the Dow up 2.96%, marking their first weekly advance in six weeks. The rebound reflects improved sentiment as geopolitical fears eased slightly, with investors rotating into more resilient sectors while cautiously re-entering the market. Looking ahead, expectations suggest markets may stay volatile, with strategists warning that despite short-term gains, the S&P 500 could still decline by around 3.5% over 2026, highlighting uncertainty around inflation, interest rates, and geopolitical risks.
- Bitcoin is hovering around \$66,900, reflecting continued pressure as investors pull back from risky assets amid geopolitical uncertainty. Crypto is currently trading more like a macro risk asset, moving in line with equities and global sentiment. While the long-term outlook remains tied to adoption and structural demand, short-term performance is increasingly driven by market mood and external shocks. Looking ahead, market expectations remain highly divided, with prediction markets assigning roughly 35% probability of reaching \$100K versus 38% chance of dropping to \$40K, while the most likely scenario (76%) points to a trading range between \$55K and \$80K.
- Gold prices moved higher, rising about 4% to \$4,676 per ounce, supported by shifting expectations around the Iran conflict. The rebound comes after a sharp 11% decline in March, as rising energy prices and inflation concerns had weighed on the metal. Looking ahead, gold's direction remains highly sensitive to geopolitical developments—where de-escalation could either reduce safe-haven demand or support prices through potential rate cuts and easing inflation.
- Oil prices remain elevated, with Brent holding around \$109 per barrel and U.S. crude near \$111, reflecting a strong geopolitical risk premium. Despite some volatility, prices are staying high as markets continue to price in potential disruptions around key supply routes, particularly the Strait of Hormuz. What's driving this is not necessarily an actual supply shortage yet, but a "what could happen" scenario—where traders price in worst-case risks such as supply cuts, shipping disruptions, or escalation in the region.
- The U.S. dollar strengthened as investors moved toward safe-haven assets amid rising geopolitical tensions. The move comes as uncertainty around the conflict reduces risk appetite, pushing investors into the dollar, even against other safe-haven currencies like the yen and Swiss franc. This highlights how the dollar remains the primary global safety asset, gaining whenever markets shift into risk-off mode.

Indicators	27-Mar-26	3-Apr-26	% Change
S&P 500*	6,368.85	6,582.69	3.36%
Bitcoin	66,338.38	66,931.10	0.89%
Gold	4,492.99	4,676.42	4.08%
Crude Oil*	112.57	109.05	-3.13%
EUR/USD	1.1535	1.1522	-0.11%

* as of April 2nd

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