GCC & Global Markets - July 2026

5th August 2026

Market Commentary - July 2026

GCC equities declined in July, with the S&P GCC Composite falling 1.5%, extending the region's year-to-date loss to 1.5%. Five of seven markets ended lower, with Bahrain (-4.2%), Qatar (-3.1%) and Oman (-3.1%) recording the sharpest declines, while Abu Dhabi (+1.1%) and Kuwait (+0.6%) offered positive returns. Saudi Arabia, the region's largest market by weight in the index, fell 2.0%, acting as a meaningful drag on the headline index.

During the month, Brent crude was up 23.6% ending at $90/bbl as oil supply disruption fears returned due to spike in geopolitical tensions between US and Iran. Higher oil prices kept inflation concerns alive and pushed market expectations toward a Fed rate hike in September.

In Qatar, the QE Index declined 3.1% in July to 9,920.69, ending the month slightly below the 10,000 mark. Performance was weighed down by several large-cap stocks, particularly within the telecom, industrial and banking sectors. The main drivers were ORDS (-5.7%), IQCD (-4.2%) and QNBK (-4.0%), while QEWS (+3.3%) and CBQK (+1.8%) were the index's best performers.

Year-to-date, Oman leads at +24.0, while Qatar remains the weakest market at -7.8%. Saudi, Abu Dhabi, Dubai, Kuwait and Bahrain recorded returns of +0.9%, -0.8%,-2.7%, -1.7% and -5.3% respectively. Globally, the MSCI World gained 0.5% in July, continuing to outpace GCC equities on a year-to-date basis, as developed market equities demonstrated greater resilience to regional geopolitical uncertainty.

Monthly Market Performance Summary

Market	Index	Start Price (30-Jun-26)	End Price (31-Jul-26)	Change (pts)	MTD Var. %	YTD 2026 Var. %
GCC MARKETS						
Saudi Arabia	SASEIDX Index	10,799.92	10,589.72	-210.2	-2.0%	+0.9%
Qatar	DSM Index	10,241.75	9,920.69	-321.1	-3.1%	-7.8%
Abu Dhabi	ADSMI Index	9,804.16	9,914.62	+110.5	+1.1%	-0.8%
Dubai	DFMGI Index	5,955.58	5,795.93	-159.7	-2.7%	-4.2%
Kuwait	KWSEAS Index	8,706.33	8,756.68	+50.4	+0.6%	-1.7%
Oman	MSM30 Index	7,507.94	7,277.20	-230.7	-3.1%	+24.0%
Bahrain	BHSEASI Index	2,042.56	1,956.33	-86.2	-4.2%	-5.3%
REGIONAL & GLOBAL BENCHMARKS						
S&P GCC Composite	SPGGCD Index	148.51	146.34	-2.2	-1.5%	-1.5%
MSCI World	MXWO Index	4,825.50	4,847.88	+22.4	+0.5%	+9.4%
MSCI Emerging Mkts	MXEF Index	1,722.89	1,665.89	-57.0	-3.3%	+18.6%
COMMODITY						
Brent Crude	CO1 Comdty	72.92	90.12	+17.2	+23.6%	+48.1%

Source: *Bloomberg*

Major GCC News - July 2026

- **OPEC+ approves another 188,000 bpd output increase for August**

  OPEC+ agreed at a virtual meeting to lift August quotas by 188,000 barrels per day, the latest in a run of monthly increases that has added almost 800,000 bpd since April. Much of the rise has remained on paper while the Strait of Hormuz stayed closed to several members' exports.

- **Renewed geopolitical tensions lift crude**

  Renewed hostilities between Washington and Tehran pushed Brent back above $90, unwinding a slide that had taken prices to pre-conflict levels. The escalation followed Iranian fire on commercial vessels near the Strait of Hormuz and set the tone for crude through the rest of the month.

- **Saudi Arabia's Q2 budget deficit narrows as oil revenue jumps 22%**

  Saudi Arabia's Q2 budget deficit narrowed to SAR 34bn (-1% YoY) as oil revenue surged 22% YoY, with non-oil revenue reaching a record SAR 154bn for the quarter. For H1 2026, total revenue rose 6% YoY to SAR 600bn against expenditure of SAR 760bn (+15%), leaving public debt at SAR 1.68Tn , up from SAR 1.51Tn at end-2025.

- **UAE non-oil PMI hits four-month high of 52.7; Qatar's contraction eases**

  The UAE's headline PMI rose to 52.7 from 50.8, supported by a five-month high in new business and a return to employment growth, though supply-chain disruption and cost pressures persisted. Qatar improved to 48.5 from 47.6 but stayed below the neutral 50 mark.

- **Blackstone, Brookfield and KKR sign $16bn Kuwait pipeline deal**

  Kuwait Petroleum Corporation agreed a $16bn lease-and-leaseback of its crude pipeline network — the largest foreign direct investment in Kuwait's history. The consortium takes 49% of a 20.5-year joint venture on a volume-based tariff, with Kuwait Oil Company retaining 51% and operational control, and $7.85bn payable upfront.

GCC Market Valuation

Market	Market Cap. (USD Bn)	PE 2025	PE 2026E	PB 2025	Dividend Yield (%) TTM
S&P GCC	3,585	13.2	12.9	1.8	3.9
Saudi Arabia	2,517	15.7	14.4	2.1	3.5
Abu Dhabi	758	11.9	11.1	2.4	2.5
Dubai	245	9.5	10.2	1.7	5.3
Kuwait	169	18.1	14.1	1.8	3.7
Qatar	145	11.5	12.1	1.2	5.0
Bahrain	20	16.2	16.0	1.3	4.5
Oman	44	13.4	11.5	1.6	4.2
MSCI EM	29,041	18.1	11.4	2.4	2.0
MSCI World	99,811	25.1	20.1	4.2	1.5

Source: *Bloomberg: Market Cap as of 31st July 2026*

Disclaimer