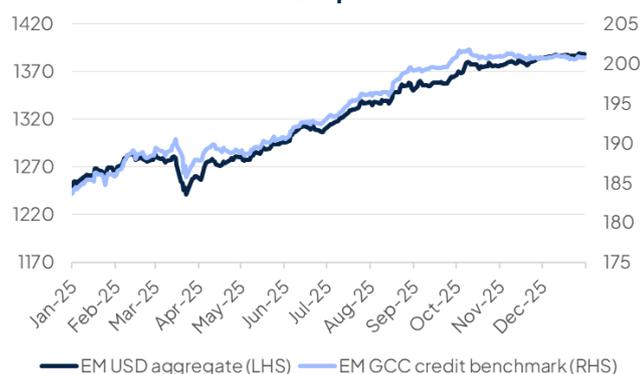


## MENAT credit monitor – Market focus switches back to geopolitics and tariffs

19 January 2026 – Market Economics

Regional credit markets had another relatively quiet week as market focus shifted to the geopolitical sphere. Social unrest in Iran and the possibility of external military involvement helped to push oil prices higher over the course of last week but reticence from US President Donald Trump to engage militarily saw prices retrench by the end of the week. Outside of the region, President Trump has also threatened to impose tariffs on several European nations—all of whom who are NATO allies of the US—for their support for Greenland to remain an autonomous territory of Denmark. Geopolitics and tariffs will set the tone for the week ahead with policymakers attending the World Economic Forum in Davos, Switzerland in the coming days.

### GCC bonds relative to EM peers



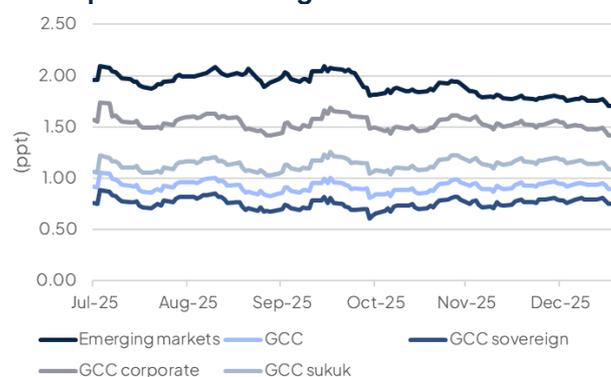
Source: Bloomberg, Emirates NBD Research.

GCC bonds were marginally higher last week with a broad USD index compiled by Bloomberg showing less than a 0.1% rise, tracking the wider performance of emerging market USD bonds. In intraday moves, the index was virtually unchanged over the week. On a sector breakdown, there were no major standouts with sovereign, corporate and sukuk indexes all essentially flat in week/week performance. Credit spreads though were tighter across sectors with the sovereign bond index pulling tighter by almost 5bps and corporates and sukuk spreads tightening by close to 6bps each.

Outside the GCC, Turkish bonds were steady last week with the market focusing on this week's central bank meeting (22 January 2026). The central bank said last week that the scale of policy rate changes will be "reviewed prudently" and that upcoming

inflation prints would be "noisy." Consensus expectations are for another 150bps of easing this week, taking the one-week repo rate to 36.5% as disinflation has continued for the past three prints with the December CPI at 30.89%. Egyptian bonds generally were flat last week though spreads were wider.

### Credit spreads remain tight



Source: Bloomberg, Emirates NBD Research.

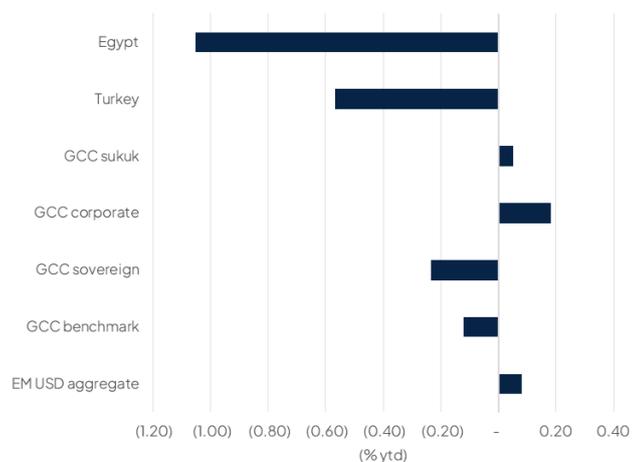
Fitch affirmed their sovereign 'A+' rating on Saudi Arabia on 17 January 2026, citing the sovereign's strong external and fiscal balance sheets as well as its strong sovereign asset position relative to peers at similar or even higher rating levels.

Notable new issues in the past week include:

- Energy Development Oman 10yr USD 650m sukuk at +100
- Saudi Electricity Company USD 2.4bn sukuk in three tranches
  - 3yr USD 500m at +70
  - 6yr USD 700m at +75
  - 10yr USD 1.2bn at +90
- OPEC Fund for International Development 5yr USD 1.25bn at MS+54
- Emirates NBD 3yr AED 1bn DNN at 4.25%
- Saudi National Bank AT1 perp NC 5.5 USD 1bn at 6.15%

- Qatar National Bank 5yr USD 650m at SOFR+80

### Regional bond performance: ytd

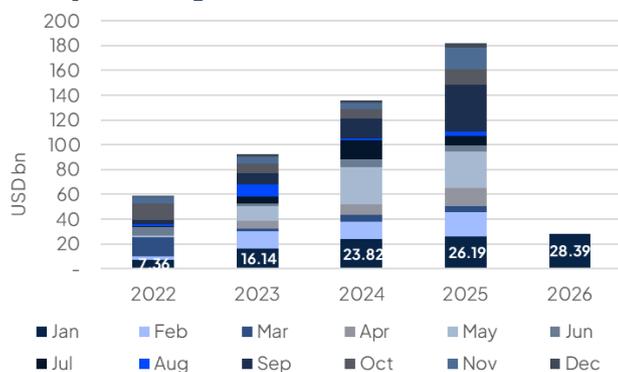


Source: Bloomberg, Emirates NBD Research.

### Large slate of new issuances to start the year

There has been USD 28.4bn of new bonds and sukuk from the GCC issued as of 18 January 2026, nearly 31% more than as of the same time in 2025 (USD 6.7bn more). The scale of issuances so far year-to-date is likely contributing to a heavy performance in regional bond markets with new issues underperforming so far.

### January sees large issuances



Source: Bloomberg, Emirates NBD Research.

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