



Global Markets

AI-Driven Rally Lifts Global Equities Despite Persistent Geopolitical Risks

Global markets rebounded strongly in April as investors looked beyond ongoing geopolitical tensions in the Middle East and rotated aggressively back into risk assets, particularly AI-related equities. Despite continued disruptions in the Strait of Hormuz and Brent crude oil rising above USD 110 per barrel, global equities rallied sharply, supported by resilient economic activity, improving earnings expectations, and renewed optimism around a potential de-escalation of the conflict. Developed market equities gained +9.6% during the month, while the S&P 500 and Nasdaq reached new all-time highs, driven by strong technology and semiconductor performance. Emerging markets outperformed globally, with the MSCI Emerging Markets Index surging +14.7%, led by Taiwan (+26.2%) and South Korea (+38.2%) as investors re-engaged with the global AI supply chain theme.

Strong Earnings and Resilient Growth Support Risk Appetite

April's rally was underpinned by a robust global earnings season and signs that economic activity remains resilient despite elevated energy prices and tighter financial conditions. In the US, corporate earnings significantly exceeded expectations, with nearly 84% of companies beating consensus forecasts and profit margins remaining close to record highs, particularly across technology and financial sectors. Growth equities outperformed value by a wide margin (+12.4% vs +7.2%), highlighting continued investor conviction in AI and technology-related growth themes. At the macro level, global PMIs pointed to resilient activity across most major economies, while inflation pressures, although elevated due to higher energy prices, remained relatively contained at the core level. Nevertheless, investors remain increasingly sensitive to the path of oil prices, as a prolonged disruption in energy markets could pose risks to both corporate margins and global growth expectations in the coming months.

Fixed Income Steadies as Investors Reassess Inflation and Rate Outlook

Fixed income markets delivered modestly positive returns in April, with the Bloomberg Global Aggregate Index gaining +1.2% as credit spreads tightened amid improving risk sentiment. However, government bond markets remained volatile as investors reassessed the outlook for inflation and monetary policy following the sharp rise in energy prices. Japanese government bonds were among the weakest performers as markets priced

in further Bank of Japan tightening, while UK Gilts also came under pressure amid rising inflation concerns and fiscal uncertainty. In contrast, US Treasuries proved more resilient, supported by the relative strength of the US economy and the country's lower sensitivity to higher oil prices as a net energy exporter. Overall, while markets recovered strongly during April, volatility is expected to remain elevated as investors continue to monitor developments in oil prices, inflation dynamics, and geopolitical risks.



Regional Markets

Saudi Equities Consolidate after Strong First-Quarter Outperformance

Saudi equities delivered a more mixed performance in April as global markets staged a sharp rebound led by technology and AI-related stocks. TASI declined modestly by -0.6% during the month to close around 11,200, partially retracing its strong gains recorded during the first quarter amid elevated oil prices and geopolitical tensions. Despite the slight pullback, Saudi equities remained resilient relative to several regional peers and continued to outperform on a year-to-date basis, supported by strong oil fundamentals, healthy domestic liquidity conditions, and improving investor sentiment. Market performance was relatively broad-based, with 13 out of 21 sectors posting positive returns, led by Software & Services (+9.4%), Pharma & Biotechnology (+5.9%), and Capital Goods (+5.7%), while Energy also remained supportive as Brent crude prices stayed elevated above USD 110 per barrel for most of the month.

Domestic Liquidity and Foreign Inflows Continue to Support the Market

Saudi market resilience continued to be underpinned by robust domestic fundamentals and sustained investor participation. Trading activity improved materially during April, with total traded value rising more than 20% month-on-month to SAR 125.5 billion and average daily turnover remaining elevated around SAR 5.7 billion. Foreign investor participation also remained supportive, with qualified foreign investor ownership edging higher to 12.6% of total free float market capitalization, while foreign investors recorded net inflows of SAR 3.4 billion during the month. Large-cap names including Aramco, SABIC, and leading banks continued to attract strong investor interest, while domestic economic indicators remained broadly resilient despite softer oil production levels. Non-oil activity continued to expand, inflation remained contained at 1.8%, and consumer spending showed ongoing strength, reinforcing confidence in the Kingdom's structural growth outlook and economic diversification momentum.

Global Market Indices

Global Data: As End Of: **30-Apr-26**

Saudi Market Data: As End Of: **30-Apr-26**

| Region/sector | Index | Quote | MTD (%) | YTD (%) | 1Y (%) | 2Y (%) | 3Y (%) | 5Y (%) | 10Y (%) | 2023 (%) | 2024 (%) | 2025 (%) |
|-------------------------|-----------------|-----------|---------|---------|--------|--------|--------|--------|---------|----------|----------|----------|
| World | DJIM World TR | 14,099.16 | 12.8 | 8.2 | 36.4 | 20.7 | 20.3 | 10.4 | 13.7 | 27.0 | 18.0 | 19.4 |
| Developed | DJIDEV TR | 8,085.82 | 12.6 | 7.7 | 36.1 | 20.5 | 20.4 | 11.3 | 14.1 | 29.4 | 18.5 | 19.2 |
| Emerging Markets | DJIEMG TR | 7,251.58 | 14.6 | 13.0 | 39.6 | 23.3 | 18.5 | 2.7 | 9.5 | 6.4 | 13.3 | 21.8 |
| Saudi | TASI | 11,187.66 | (0.6) | 6.6 | (4.1) | (5.0) | (0.4) | 1.2 | 5.1 | 14.2 | 0.6 | (12.8) |
| NAREIT | All REITS TR | 3,631.25 | 8.5 | 9.5 | 18.1 | 15.0 | 9.7 | 2.6 | 4.4 | 9.8 | 1.6 | 11.0 |
| GSCI | All Commodities | 768.43 | 3.1 | 40.1 | 48.3 | 14.5 | 10.8 | 8.7 | 7.9 | (12.2) | 2.6 | (0.2) |
| Currencies | Euro | 1.17 | 1.5 | (0.1) | 3.6 | 4.9 | 2.1 | (0.5) | 0.2 | 3.1 | (6.2) | 13.4 |
| | Yen | 156.59 | 1.4 | 0.1 | (8.6) | 0.4 | (4.5) | (6.9) | (3.8) | (7.0) | (10.3) | 0.3 |
| | GBP | 1.36 | 2.9 | 1.0 | 2.1 | 4.4 | 2.7 | 3.2 | 2.1 | 5.4 | (1.7) | 7.7 |

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