

## MSX market posts overall gains while US market remains volatile

Date: 22/05/2025

MSX summary	Current Wk	Previous Wk	Change points	W/W %
MSX 30	4,497.48	4,410.22	87.26	1.98
Volume (In 000)	264,721.87			
Value traded (In RO 000)	41,256.15			
Industry Index	6,200.11	5,996.75	203.36	3.39
Services Index	1,588.62	1,565.15	23.48	1.50
FINANCIAL INDEX	7,908.34	7,746.92	161.42	2.08
MSX Shariah Index	427.21	412.22	14.99	3.64
FIXED INCOME INDEX	1,166.89	1,166.89	0.00	0.00
MSX TR INDEX	6,647.94	6,518.96	128.98	1.98
No. of Transactions	9,369			

### MSX Performance:

The Muscat Stock Exchange (MSX) 30 Index closed at 4,497.48 points, marking a weekly gain of 87.26 points (1.98%) from the previous Thursday's close of 4,410.22. Sectoral performance was robust, with the Industrial Index rising by 203.36 points (3.39%) to 6,200.11, the Financial Index increasing by 161.42 points (2.08%) to 7,908.34, and the Services Index edging up by 23.48 points (1.5%) to 1,565.15.

### MSX disclosures:

Capital Intelligence Ratings Ltd. (Cyprus) has assigned United Finance Company SAOG an initial Oman National Scale rating of omBBB+ long-term and omA2 short-term, with a Stable outlook. The ratings reflect a moderate credit risk profile and expectations of financial stability in the near to medium term.

The Board of Directors of OQ Gas Networks SAOG approved, by circulation on May 15, 2025, the appointment of Mr. Abdulwahab Al-Hinai as a member and Chairman of the Nomination and Remuneration Committee, replacing Ms. Raya Al-Salmi.

The PSA was awarded in June 2005 to the Block 53 consortium that currently consists of Oxy (the designated operator) holding 47% Participating Interest, OQEP (20%), Indian Oil (17%), Liwa (15%) and PTTEP (1%). The Block 53 is located in Al Wusta Governorate and covers an area of 694 sq km. Block 53 includes the world-class Mukhaizna steam flood project, where over 640 million barrels have been produced to date with more than 3,500 wells. I'm pleased to share that we have signed today with the government of Sultanate of Oman represented by the Ministry of Energy and Minerals "MEM" and together with our Partners in the Block, the Amendment No. 2 to the Production Sharing Agreement (PSA) for Block 53 (Mukhaizna) to extend the Term of the Agreement to year 2050. This agreement is expected to deliver significant value to all stakeholders. It is another example of OQEP contribution to Oman's 2040 vision, increasing the investment level in the asset and improving the OQEP's reserves position and financial returns starting from this year 2025. This agreement represents a pivotal step in Oman's energy sector, delivering economic value that will generate returns for shareholders. It is expected to support Oman's economic growth, enhance the attractiveness of the investment sector, and consolidate Oman's position as a reliable energy hub and strategic partner in the

Top Gainers	Price	Chg	Chg
Companies	RO	RO	%
ALMAHA CERAMICS	0.269	0.056	26.29
GLOBAL FINANCIAL INVESTMENT HO.	0.095	0.012	14.46
ALJAZEERA SERVICES	0.187	0.019	11.31
MUSCAT GASES	0.100	0.010	11.11
OMAN INV&FIN SUB.B	0.100	0.010	11.11

Top Losers	Price	Chg	Chg
Companies	RO	RO	%
SALALAH MILLS	0.448	(0.059)	(11.64)
MUSCAT CITY DESALINATION	0.066	(0.005)	(7.04)
AI MAHA PETROLEUM PRODUCTS MARKETI	0.950	(0.050)	(5.00)
JABAL REIF	0.100	(0.004)	(3.85)
SHARQIYAH DESALINATION	0.130	(0.005)	(3.70)

Top Co. - Value	Price	Value	Mkt.Share
Companies	RO	in RO 000	
OQ BASE INDUSTRIES (SFZ)	0.116	8,647.77	20.96%
BANK MUSCAT	0.275	5,601.08	13.58%
OQ EXPLORATION AND PRODUCTION	0.289	5,407.75	13.11%
OQ GAS NETWORKS	0.144	3,974.12	9.63%
SOHAR INTERNATIONAL BANK	0.140	3,659.83	8.87%

Top Co. - Volume	Price	Volume	Mkt.Share
Companies	RO	in 000	
OQ BASE INDUSTRIES (SFZ)	0.116	77,954.64	29.45%
OQ GAS NETWORKS	0.144	28,357.48	10.71%
SOHAR INTERNATIONAL BANK	0.140	26,997.98	10.20%
ASYAD SHIPPING	0.118	22,632.81	8.55%
BANK MUSCAT	0.275	20,480.40	7.74%

### Market Capitalization

(In Billion)

OMR	USD
27.74	71.56

### No. of Companies

Increased Decreased unchanged

↑	↓	▬
49	17	15

region. Under the terms of the amended EPSA, Block 53 consortium believe they can potentially grow resources by more than 800 million gross barrels through various activities that include exploration, drilling activities and enhanced oil recovery projects across various reservoirs, as well as using new technologies to optimize steam flood patterns to boost hydrocarbon recovery which will offer attractive commercial returns to shareholders. We are excited with this new deal, proud with our strong partnership and we thank the continuous support from the government that was vital to move into a new prosperous phase for Block 53.

On May 22, 2025, the Block 53 consortium—led by Oxy (47%) with partners OQEP (20%), Indian Oil (17%), Liwa (15%), and PTTEP (1%)—signed Amendment No. 2 to the Production Sharing Agreement (PSA) for Block 53 with Oman’s Ministry of Energy and Minerals, extending the term to 2050. Block 53, located in Al Wusta and home to the Mukhaizna steam flood project, has produced over 640 million barrels to date. The amendment supports Oman’s Vision 2040 by increasing investment, enhancing reserves, and improving financial returns from 2025 onward. The consortium expects to unlock over 800 million gross barrels through continued exploration, drilling, and advanced recovery technologies, delivering strong value to shareholders and reinforcing Oman’s position as a strategic energy hub.

Oman Oil Marketing Company (OOMCO) announces the resignation of Mr. Hamza Moosa Baqer as Chair of the Audit Committee and Board member, effective immediately, due to personal reasons. The Board thanks him for his contributions. A temporary replacement will be appointed until the March 2026 AGM, with details to be announced soon.

On May 18, 2025, OQ Gas Networks SAOG (OQGN) signed a Term Sheet Cooperation Agreement with Belgium-based Fluxys SA to jointly develop hydrogen transportation infrastructure in Oman. Under the agreement, OQGN will cover 75% and Fluxys 25% of the development costs, though total CAPEX estimates are not yet available. The partnership reflects OQGN’s commitment to decarbonization and sustainability. While the project is expected to generate future revenue, the impact on OQGN’s overall earnings remains uncertain due to the early stage of global green hydrogen development. The agreement was signed by OQGN CEO Eng. Mansoor bin Ali Al Abdali and Fluxys CEO Mr. Pascal De Buck at a ceremony in Muscat, under the patronage of H.E. Salim bin Nasser Al Afi, Minister of Energy and Minerals.

Fitch Ratings has affirmed Oman Reinsurance Company SAOG’s credit rating at BBB- and upgraded the outlook from Stable to Positive. For further details, please refer to the Fitch Ratings press release.

Al Maha Petroleum Products Marketing Company SAOG announces that on May 19, 2025, it signed two fuel supply contracts with Galfar Engineering and Contracting Company SAOG for multiple locations in Oman. The first contract runs from June 1, 2025, to May 31, 2029, valued at OMR 1,126,589.18, and the second from June 1, 2025, to May 31, 2034, valued at OMR 31,495,501.19. These agreements are expected to positively impact the company’s sales and profits.

### **Oman News:**

Since the start of the Tenth Five-Year Plan, Oman has spent over OMR 920 million on road projects, with more than OMR 600 million planned for 2025. Key achievements include completing the 400 km Sultan Said bin Taimur dual carriageway, the longest in the country. New and ongoing projects focus on road dualisation in regions like Ibra, Al Mudhaibi, and Dhofar, along with maintenance and upgrades of major routes. Oman currently manages over 33,000 km of roads, about half of which are paved, highlighting its commitment to improving infrastructure and connectivity.

By early 2025, revenues for Oman’s 3- and 5-star hotels rose by 10.6%, supported by a 9.1% increase in guest arrivals, totaling around 569,000. Of these, approximately 460,000 were foreign visitors, while around 109,000 were Omani nationals. Occupancy rates improved to 62.6%, and the average daily rate (ADR) grew by 3.8%. Consequently, revenue per available room (RevPAR) increased by 14.8%, reflecting stronger demand and better pricing. The Ministry of Tourism credits this growth to effective promotional efforts and Oman’s rising appeal as a travel destination, bolstering the hotel sector and contributing to the country’s overall economic progress.

Oman signed OMR 243 million agreements with the Islamic Development Bank to fund climate-resilient flood protection dams. The deal, made during the IsDB’s 50th Annual Meeting, also includes a framework to boost cooperation in infrastructure, private sector support, and capacity building across sectors like roads, water, tourism, and industry.

Talaat Moustafa Group (TMG) and Oman’s Ministry of Housing and Urban Planning have signed a landmark OMR 1.5 billion (about \$3.9 billion) agreement to develop two major real estate and tourism projects west of Muscat. The developments will include around 13,000 residential and hotel units across more than 4.9 million square meters. The first project, in Sultan Haitham City, will transform 2.7 million square meters into a smart, integrated residential community featuring various villa and

apartment types, a 190,000 square meter social and sports club, and 140,000 square meters of commercial and service areas. Its strategic location is just minutes from Muscat International Airport, underscoring its appeal and contribution to Oman's economic growth and tourism sector.

Hisham Talaat Moustafa, CEO of Egypt's Talaat Moustafa Group (TMG), described Oman as a promising destination for real estate and tourism investment due to its political stability, low inflation, and investor-friendly laws. TMG is partnering with Oman's Ministry of Housing and Urban Planning to develop two large projects west of Muscat aimed at meeting the housing and tourism demands of Oman's young population, with over 65% under 30 years old. With 55 years of experience, TMG has developed cities housing more than 1.5 million people and owns the largest hotel portfolio in Egypt, comprising over 5,000 rooms with an additional 3,000 rooms under development. The group plans to apply this expertise to Oman's growing market, supporting the Sultanate's economic progress. Moustafa also encouraged global investors to explore Oman's real estate and tourism sectors, highlighting the country's strong potential for sustainable growth and investment opportunities. Investcorp, through its joint venture AIIP, will invest \$550 million in expanding Oman's Port of Duqm. The project includes dredging and building a new quay wall to support a low-carbon industrial plant producing green steel, aligned with Oman's Vision 2040 and carbon neutrality goals. This marks AIIP's fourth regional infrastructure investment and highlights growing global confidence in Oman's economic and sustainability ambitions.

Between 2021 and the end of 2024, the Oman Investment Authority (OIA) achieved a 21.5% annual growth in asset value, reaching approximately OMR 12.1 billion. Revenues rose by 25% to OMR 82.8 billion, with OMR 3.7 billion contributed to the state budget. OIA invested OMR 8.8 billion in long-term assets and attracted OMR 638 million in foreign direct investment. Through its National Development Portfolio, managing over 160 local assets across 10 sectors, OIA completed 19 divestments worth OMR 2.7 billion to boost private sector engagement. Major projects include Duqm Refinery, OQ Ammonia Plant, Hafeet Rail, and tourism developments like Jumeirah Muscat Bay and Naseem Resort. Local content rose to 32.4%, SME spending reached OMR 265.5 million, and 6,500 jobs were created for Omanis, raising total employment to 41,000 with a 77.7% Omanisation rate.

Oman's Ministry of Energy and Minerals has extended the Block 53 concession agreement with Occidental Mukhaizna and its partners until 2050, securing an estimated OMR 11.5 billion in investments. These funds will go toward capital and operational expenditures to enhance production efficiency and apply advanced extraction technologies. The Mukhaizna field, located in Al Wusta Governorate, is the country's top-producing crude oil field. The agreement is expected to support supply chain sustainability, create job opportunities, and reinforce the field's role in driving Oman's energy sector and national economy.

Oman's inflation remained low in Q1 2025, with the Consumer Price Index rising just 0.5% year-on-year in March, down from 0.9% in February. Month-on-month, prices declined by 0.4%. This stability is credited to strong fiscal discipline and growing non-oil exports. Key price increases were seen in miscellaneous goods and services (6.1%), health (3.2%), and transport (1.8%), while food and non-alcoholic beverages fell by 0.7%, led by drops in vegetable and seafood prices. Compared to the region, Oman's inflation was lower, with only Saudi Arabia and the UAE exceeding 2% in March. Inflation is expected to stay contained, though global trade risks could challenge this trend.

### **US and China news:**

Between May 15 and May 22, 2025, the U.S. stock market experienced notable turbulence, driven by fiscal concerns, rising Treasury yields, and recent downgrades in the financial sector. In the previous week, several major U.S. banks faced credit rating downgrades, contributing to broader market unease. On May 21, a weak auction of 20-year Treasury bonds pushed the 30-year yield to 5.089%—the highest since October 2023—triggering a sharp sell-off. That day, the Dow Jones Industrial Average fell 817 points (1.9%), the S&P 500 dropped 1.6%, and the Nasdaq slid 1.4%. Market anxiety was compounded by internal GOP divisions over President Trump's proposed tax-cut legislation, which is projected to add up to \$5 trillion to the national debt. Despite these headwinds, Bank of America maintained a bullish outlook, forecasting the S&P 500 could reach 6,266 by summer. Several economic indicators further illustrated the pressures on the U.S. economy. Initial jobless claims for the week ending May 17 rose to 241,000, exceeding forecasts and suggesting a potential weakening in the labor market. Mortgage rates also climbed, with the 30-year fixed rate approaching 6.9% following a spike in the 10-year Treasury yield, itself driven by Moody's downgrade of U.S. sovereign debt to AA1. On May 19, 2025, Moody's downgraded the long-term credit ratings of several major U.S. banks, including JPMorgan Chase, Bank of America, Wells Fargo, Bank of New York Mellon, and State Street, from Aa1 to Aa2. Despite the downgrades, the immediate market reaction was subdued. Shares of JPMorgan Chase declined by 1.2%, Bank of America by 0.1%, and Wells Fargo by 0.5%, indicating that investors had largely anticipated the move. Analysts noted that the impact was muted because Moody's had previously signaled potential downgrades in its U.S. debt rating announcement. Moody's cited the diminished capacity of the U.S. government to support these financial institutions as a key factor in the decision. Consumer sentiment declined for the fifth straight month, affecting retail sales, notably at Target, which downgraded its 2025 outlook. Economists also revised GDP growth projections downward to 1.5% for the current quarter, from 2.8% a year earlier, while inflation is expected to remain above the Federal Reserve's 2% target through at least 2027.

Meanwhile, in China, the government introduced a series of policy measures to counteract economic headwinds. On May 20, the People's Bank of China cut its one-year Loan Prime Rate to 3.0% and its five-year rate to 3.5%, while also reducing banks' reserve

requirement ratio by 0.5 percentage points on May 15, injecting around one trillion yuan (\$139 billion) into the financial system. Major state-owned banks followed by cutting deposit rates, aiming to boost lending and stimulate consumption. Although the national urban unemployment rate in April held steady at 5.1%, the youth unemployment rate improved slightly to 15.8%, down from 16.5% in March. However, economic challenges persisted—home prices remained flat month-on-month and declined 4.0% year-on-year, with real estate investment and sales both continuing to fall. Inflation remained subdued, with May's Consumer Price Index down 0.1% year-on-year and the Producer Price Index declining 2.7%, reflecting ongoing deflationary pressures. In addition, China's efforts to stabilize trade relations included a 90-day agreement with the U.S. to reduce tariffs, easing some tensions amid broader global uncertainty.

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