

## AI Uncertainty, Inflation Pressures and Geopolitical Risks Shake Investor Confidence Left Global Markets at Crossroads



**BLOM  
BANK**

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|                              | 16/10/2026     | 09/10/2026     | % Change |
|------------------------------|----------------|----------------|----------|
| <b>BLOM Stock Index</b>      | 1,681.55       | 1,703.95       | -1.31%   |
| <b>Average Traded Volume</b> | 18,477         | 27,233         | -32.15%  |
| <b>Average Traded Value</b>  | 484,526        | 1,147,824      | -57.79%  |
| <b>Market Cap</b>            | 17,234,415,706 | 17,464,003,567 |          |

The BLOM Stock Index (BSI) compiled by BLOM Bank daily decreased by 1.31% to 1,681.55 points by October 16<sup>th</sup>, 2026.

On the Beirut Stock Exchange (BSE), the real estate sector dominated trading; accounting for 92.09% of the exchange's total trading value, while the remaining were grasped by the banking sector (7.91%). The most noteworthy trade throughout the mentioned period was:

|                    | 16/10/2026 | 09/10/2026 | % Change |
|--------------------|------------|------------|----------|
| <b>Solidere A</b>  | 70         | 70.25      | -0.36%   |
| <b>Solidere B</b>  | 69.4       | 70         | -0.86%   |
| <b>Audi Listed</b> | 1.7        | 1.71       | -0.58%   |
| <b>Byblos (C)</b>  | 0.62       | 0.84       | -26.19%  |
| <b>BLOM (GDR)</b>  | 6.5        | 7.01       | -7.28%   |
| <b>Audi (GDR)</b>  | 1.72       | 1.7        | 1.18%    |

|                                    | 16/10/2026 | 09/10/2026 | % Change |
|------------------------------------|------------|------------|----------|
| <b>BLOM Preferred Shares Index</b> | 21.01      | 21.01      | 0.00%    |

As for the BLOM Preferred Shares Index (BPSI), it remained at 21.01 points.

### US Stocks

| Index              | Currency | 16/10/2026 | 09/10/2026 | % Change |
|--------------------|----------|------------|------------|----------|
| <b>S&amp;P 500</b> | USD      | 7,744.06   | 7,811.54   | -0.86%   |
| <b>Dow Jones</b>   | USD      | 52,177.69  | 51,654.95  | 1.01%    |
| <b>NASDAQ Comp</b> | USD      | 26,713.03  | 27,366.17  | -2.39%   |

\*prices are as of the time of writing this report

US equities witnessed mixed performance this week as S&P 500 and NASDAQ Composite dropped by 0.86% and 2.39% respectively, while Dow Jones expanded by 1.01%. These results were mainly due to the growing concerns over the sustainability of artificial intelligence (AI) investments and persistent inflationary pressures offset optimism surrounding corporate earnings. The warnings about excessive AI spending and uncertain results from Broadcom CEO. One example that deepened the concerns over whether substantial investments in AI infrastructure will generate sufficient revenue to justify elevated valuations was the disappointing third-quarter sales figures from Anthropic. In addition, the reports of the advances by the Chinese chipmaker CXMT weighed on Semiconductor manufacturers and AI infrastructure stocks that faced persistent selling pressure. In the meantime, elevated inflation data reinforced prospects of further Federal Reserve tightening, while higher Treasury yields continued to elevate financing costs for capital-intensive businesses.

### European Stocks

| Index                            | Currency | 16/10/2026 | 09/10/2026 | % Change |
|----------------------------------|----------|------------|------------|----------|
| <b>Deutsche Boerse DAX Index</b> | EUR      | 25,642.07  | 25,087.27  | 2.21%    |
| <b>UK's FTSE 100 Index</b>       | GBP      | 10,839.58  | 10,552.05  | 2.72%    |
| <b>France's CAC 40 Index</b>     | EUR      | 7,950.30   | 7,803.33   | 1.88%    |
| <b>STOXX Europe 600 Index</b>    | EUR      | 643.87     | 631.55     | 1.95%    |

\*prices are as of the time of writing this report

Across the Atlantic, European equities experienced volatile week but finished the week in green. The reconsideration of AI-related valuations, accompanied with increasing borrowing costs and advances by Chinese semiconductor competitors, weighed on chipmakers and industrial heavyweights. In the meantime, increased energy prices due to Middle Eastern tensions escalation amplified worries over inflation and its potential implications on the European Central Bank's (ECB) policy position. Corporate developments provided some counterbalance, mainly ASML's upbeat assessment of AI-driven demand for semiconductor manufacturing equipment, although capacity restrictions limited its ability to meet predicted demand in the coming years. However,

sudden severe declines in Eurozone industrial production added to fears that higher energy costs, restrictive financing conditions and competition from Chinese imports could further weaken the region' s economic momentum. Overall, the markets stayed caught between resilient corporate prospects in selected sectors and a deteriorating macroeconomic backdrop.

UK' s FTSE 100 led the gains and outperformed several international peers as its relatively narrow exposure to technology stocks provided a degree of protection from the global sell-off in AI-related shares. In addition, UK' s revealed economic data supported its sentiment in which GDP expanded by 0.1% month-on-month in August, following 0.4% growth in July and exceeding expectations of a contraction.

The German DAX also expanded by 2.21% over the course of the week. These gains are attributed to gains in pharmaceutical and healthcare companies, chemicals, software and selected industrial stocks helped offset AI sector losses.

The CAC 40 recovered this week and followed the broader European trajectory, and recording a 1.88% gain. CAC 40 was supported by a rebound in luxury shares and strength across industrial and defense-related stocks, despite intermittent pressure from global technology weakness.

#### Asian Stocks

| Index                               | Currency | 16/10/2026 | 09/10/2026 | % Change |
|-------------------------------------|----------|------------|------------|----------|
| Japan's Nikkei 225 Index            | JPY      | 65,324.29  | 69,030.92  | -5.37%   |
| Honk Kong's Hang Seng Index         | HKD      | 24,186.83  | 24,211.35  | -0.10%   |
| China's Shanghai SE Composite Index | CNY      | 3,716.28   | 3,813.79   | -2.56%   |

\*prices are as of the time of writing this report

Asian main equities' markets suffered this week and ended it in red. The market that witnessed the largest losses was the Japanese NIKKEI 225. The main reason behind these losses is the mounting concerns over the sustainability of AI-related investments caused extensive selling in technology stocks. Japanese companies' high exposure to the global semiconductor and AI infrastructure supply chain left the market predominantly exposed to a revision of elevated valuations, fierce competition from Chinese chipmakers and doubt over the profitability of capital-intensive AI projects. Moreover, pressure also emerged from rising energy prices and persistent inflationary threats linked with disruptions in the Middle East, which strengthened prospects of higher borrowing costs and further challenged growth-oriented equities.

### Global Stocks

| Index                | Currency | 16/10/2026 | 09/10/2026 | % Change |
|----------------------|----------|------------|------------|----------|
| MSCI Emerging Market | USD      | 1,607.59   | 1,708.77   | -5.92%   |

\*prices are as of the time of writing this report

The MSCI Emerging Market index dropped by 5.92% to reach 1,607.59 by October 16<sup>th</sup> 2026.

### Arab Stocks

| Index                        | Currency | 16/10/2026 | 09/10/2026 | % Change |
|------------------------------|----------|------------|------------|----------|
| S&P Pan Arab                 | USD      | 952.94     | 967.07     | -1.46%   |
| EGX30 - Egypt                | EGP      | 52,273.34  | 53,265.16  | -1.86%   |
| KSA's Tadawul Index          | SAR      | 10,106.54  | 10,376.28  | -2.60%   |
| Qatar Exchange General Index | QAR      | 8,810.17   | 9,005.61   | -2.17%   |
| Abu Dhabi's FTSE Index       | AED      | 9,804.96   | 9,795.67   | 0.09%    |
| Dubai's DFM Index            | AED      | 5,852.49   | 5,818.47   | 0.58%    |

\*prices are as of the time of writing this report

Most Arab stock markets faced downward burden over the week, except for Dubai' s DFM index and Abu Dhabi's FTSE Index. Arab equities came under broad-based pressure this week as severe geopolitical tensions and an increase in oil prices, thus global inflation prospects weighed on traders' sentiments. Saudi' s Tadawul Index was the most affected due to the deadly attacks on its airports and Aramco premises.

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