



Highlights of the Month

- Global markets declined sharply in March 2026 due to the escalation in geopolitical tensions in the region.
- Global equities fell, with the MSCI ACW Index down 7.4% MTD on inflation and supply chain concerns.
- Emerging markets (-13.3%) underperformed developed markets (-6.6%).
- The S&P 500 Index and Nasdaq Index fell 5.1% and 4.8%, respectively, during the month.
- U.S. Treasury yields edged higher, with 2Y and 10Y up 42bps and 38bps, respectively.
- Fixed income returns were negative, with the Barclays Global Agg. and High Yield indices down 3.1% and 2.5%, respectively.
- Gold fell 11.6% up during March on selling by EM central banks selling reserves to support currencies.
- Dubai and ADX were most impacted in GCC and fell by 16.4% and 8.9%, respectively, while Saudi up 5.0%.
- The FTSE MENA Broad Bond Index ended the month 3.5% lower.
- We upgrade equities to overweight from neutral due to the reduced geopolitical tensions.
- We continue to favor a well-diversified portfolio to navigate near-term trade and geopolitical uncertainties.



Global Review

With the recent geopolitical escalation in the Middle East (“the region”) lasting longer than expected, investors found it difficult to hedge, as all major asset classes sold off. Global equities took a significant hit, with the MSCI All Country World Index closing the month down 7.4%. Emerging markets (EM) declined sharply, with the MSCI EM Index falling 13.3%.

With the region accounting for approximately 20% of global oil and gas supply and 20% of global urea supply, energy and fertilizer prices rose sharply: Brent crude (+63.3%), TTF natural gas (+56.6%), and Middle East urea (+65.8%). This surge was driven by damage to regional oil and gas infrastructure, along with a significant reduction in supply through the Strait of Hormuz, where tanker traffic fell by 90%.

As a result, inflation expectations increased, and market expectations shifted from anticipating 2.5 rate cuts by the Fed this year to pricing in no rate cut. Two-year and ten-year US Treasury yields increased by 42bps and 38bps, respectively. Despite the disruptions, around 12–13 million barrels of oil per day (mbpd)—approximately 60% of pre-escalation production levels—continue to be exported from the Middle East. Saudi Arabia, the UAE, and Iraq have been able to use alternative pipeline routes to export crude, whereas Qatar, Kuwait, and Bahrain have faced a complete disruption to exports.

Global fixed income markets also declined, with both investment-grade and high-yield bonds posting losses. The Bloomberg Barclays Global Aggregate Index and the Bloomberg Barclays Global High Yield Index fell 3.6% and 2.9%, respectively. Global perpetuals and long-duration bonds declined by 4–8%. UAE high-yield real estate names were hit particularly hard, with declines ranging between 10–20%.

The Bloomberg Commodity Index gained 11.1%, supported by the rally in oil and gas prices. Gold prices fell 11.6%, driven by a stronger dollar, higher real interest rates, emerging market central banks selling gold to defend their currencies, and margin calls forcing traders to liquidate profitable positions. Copper prices declined 7.8% amid concerns over a global economic slowdown. We remain positive on gold, given concerns over high fiscal deficits in developed economies, elevated debt-to-GDP ratios, and questions regarding Fed independence, which are likely to continue prompting EM central banks to diversify away from developed-market sovereign holdings.

Global Equities:

Emerging markets underperformed developed markets (DM), with the MSCI EM Index declining 13.3%, while the MSCI World Index fell 6.6%. EM Asia underperformed, declining 14.5%, while EMEA and Latin America fell 10.3% and 4.5%, respectively. Asian economies are key energy importers, sourcing approximately 60% of their oil imports and 25% of their LNG imports from the region, much of which passes through the Strait of Hormuz.

The MSCI UAE Index fell 17.5%. UAE equities are particularly sensitive to geopolitical developments due to the economy’s relatively high dependence on foreign investment and tourism inflows. The MSCI Qatar Index also fell 8.5% due to disruptions in LNG production and exports. Saudi Arabia outperformed, with the MSCI Saudi Index gaining 4.4%, as the country continued to export around 5 mbpd in March from its western region, compared to typical exports of 6–6.5 mbpd.

In the US, the S&P 500 posted its worst month since September 2022, declining 5.1%. The Dow Jones Industrial Average and Nasdaq fell 5.4% and 4.8%, respectively. The Russell 2000 Index, a small-cap benchmark, declined 5.2%. Sector performance was broadly negative, with all but one sector falling more than 3%. The exception was Energy, which advanced 10.3% due to supply constraints.

Nonfarm payrolls declined by 92,000, versus consensus expectations of a gain of 60,000. The unemployment rate edged up to 4.4% from 4.3%. The decline was driven by weakness in the healthcare sector, while colder weather in also contributed to job losses. At its March meeting, the Federal Open Market Committee (FOMC) left the Fed funds rate unchanged but maintained its outlook for one rate cut this year.

The MSCI Europe ex-UK Index fell 8.6% as elevated geopolitical tensions weighed on European markets. While the increase in European gas prices did not reach the levels seen in 2022, it still raised concerns about the region’s growth outlook. The UK’s FTSE 100 Index declined 6.7%. The European Central Bank (ECB) kept rates unchanged at its March meeting but strongly signaled the possibility of future rate hikes. In its updated staff projections, the ECB expects headline inflation to reach 3.1% year-on-year in Q2 2026.



Fixed Income: March 2026 proved to be a challenging month for global fixed income investors, particularly within EM and GCC HY segments, as well as longer-duration bonds. Market sentiment deteriorated due to the escalation of geopolitical tensions in the Middle East, which drove a broad-based repricing of risk. Investment-grade bonds, as measured by the Bloomberg Global Aggregate Index, declined by 3.1%, while the Bloomberg Global High Yield Index fell by 2.5%. At the same time, market volatility increased significantly, with the ICE BofA MOVE Index rising by 31%, reflecting heightened uncertainty around rates and inflation.

U.S. Treasury yields moved sharply higher across the curve. The 5-year yield rose by 44 basis points, while the 10-year increased by 38 basis points. The sell-off was primarily driven by rising geopolitical risk, which pushed oil and gas prices higher, intensifying concerns about persistent inflation and weakening growth prospects. As a result, the Treasury curve flattened, with markets increasingly pricing in a “higher-for-longer” interest rate environment.

Expectations for monetary policy shifted materially. At the start of March, markets were anticipating approximately 2.5 rate cuts over the coming year, however, by month-end, expectations had been repriced to no rate cuts in 2026.

At its March meeting, the Federal Reserve held interest rates unchanged at 3.50%–3.75%, maintaining a cautious and data-dependent stance. The updated Economic Projections indicated a more restrained path for policy easing, with the median expectation pointing to one rate cut in 2026. The projections also highlighted continued divergence among policymakers. Inflation forecasts were revised modestly higher, reflecting stickier core inflation and upside risks from energy prices. At the same time, growth expectations were slightly downgraded, signaling rising concerns about economic momentum. In press conference, Fed Chair reinforced a hawkish tone, emphasizing that rate cuts would require clear and sustained progress on inflation. FOMC also had discussed the possibility that the next policy move could be a rate hike, underscoring the asymmetric risks facing the outlook.

On the macroeconomic front, data releases during the month painted a mixed-to-weaker picture. The February NFP report surprised to the downside, showing a decline of 92,000 jobs versus expectations for a gain of 55,000, while the unemployment rate edged up to 4.4% (vs. 4.3% expected). Inflation data was broadly in line with expectations, with February core CPI at 2.5% year-over-year and January core PCE at 3.1%. Meanwhile, consumer inflation expectations (University of Michigan 1-year) moderated to 3.4% from 3.7%. Growth data also softened, with Q4 GDP revised to 0.7% from 1.4% in prior estimates. Overall, the data suggests a more fragile economic backdrop, complicating the Federal Reserve’s dual mandate of price stability and maximum employment.

Looking ahead, market focus will shift to upcoming March data releases, which are expected to provide a clearer picture of the economic impact stemming from the recent escalation.

The Emerging Markets Aggregate Index (EMUSTRUU) and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) both were down 2.9% and 3.6%, respectively. UAE high-yield real estate names have been hit particularly hard, with declines ranging between 10–20%. EM fundamentals remain relatively stable, with selective opportunities across higher-quality credit.



MENA Equities:

During March, MENA markets absorbed heightened volatility levels. However, strong balance sheets and oil buffers remain a core strength for GCC countries. Within the region, Saudi recorded solid inflows, supported by its positioning as a more defensive market. In contrast, the UAE is viewed as a higher beta market given its greater sensitivity to tourism & real estate compared to Saudi, where sustained higher oil prices continue to act as a tailwind. Foreign ownership in Saudi also remains relatively low, leaving room for further incremental inflows. The UAE, while not offering a hedge, presents an opportunity to enter the market at more attractive levels following the January rally, particularly in major names such as Emaar, Aldar, Emirates NBD & ADCB, among others.

From a positioning standpoint, Saudi can be viewed as a hedge relative to the UAE, which represents more of a volatility-driven play. Saudi also published data on market activity, with the key takeaway being that the bulk of inflows originated from institutional investors, GREs, Saudi corporates & mutual funds. The Saudi Tadawul Index increased by 5.0% MTD & 7.2% YTD, while Dubai declined sharply by 16.4% MTD, largely weighed down by real estate names; ADX was down 8.9% MTD.

The Kuwait market was relatively resilient during the month, with the Kuwait Index down 1.8% MTD. However, liquidity is muted as foreign participation remains limited & more directed to index rebalancing. The Central Bank of Kuwait (CBK) announced a stimulus package aimed at supporting the banking sector and maintaining economic stability. Trolley, the recent IPO, performed strongly. Qatar experienced a sharp drop, with 7.8% down MTD, due to the escalated situation in Qatar & their announcement of delaying their LNG expansion plans to 2027 after the forced shutdown at Ras Laffan, the world's largest LNG facility. However, this is not the only disruption in Qatar, where Qatar Aluminium Manufacturing Company announced a controlled shutdown of production; however, this was followed by an announcement of operating at 60% capacity until communicated otherwise. On a positive note, the Qatar Central Bank cut reserve requirements to support liquidity.

The UAE Central Bank announced a series of measures intended to offer liquidity & financing relief, supporting banks in the event of a sudden liquidity demand. Central bank support measures: i) the UAE central bank (CBUAE) announced measures that offer liquidity & financing reliefs to banks to deal with any pressures; this reflects that the UAE banking system has significant resources to deal with any elevated liquidity demand that could emerge, ii) Cash reserve releases: enhanced access to reserve balances up to 30% of the cash reserve requirement and availability of term liquidity facilities in both AED & USD; this can lead to potential NIM accretion, iii) Liquidity & funding relief: temporary relief in liquidity & stable funding ratios to provide banks with greater flexibility to support the UAE economy, iv) Temporary relaxation of capital buffers: CBUAE has also allowed temporary release of the Countercyclical Capital Buffer (CCyB) and Capital Conservation Buffer (CCB). UAE banks have traditionally been subject to a 2.5% CCB and have been additionally required to hold a 0.5% CCyB since the 1st of January 2026.

In the UAE, the real estate sector was the most impacted, with >USD1.2bn outflows since the start of the conflict. DLD data in March presented DXB real estate sales dropping by 30% month-on-month & 9% YoY, where sales reached AED42.7bn; in the secondary market, sales have a more pronounced drop vs off-plan. We expect the drop to materialize further in April, as some of March sales were agreed on prior to the current geopolitical escalation, so there is probably a lag effect of 4–6 weeks. In the oil & gas sector in the UAE, the market can be overestimating the potential exposure of some UAE names in the oil & gas sector as a result of the situation in the Strait of Hormuz; most investors don't want to take on that risk.

In Saudi, banks advanced by over 4% MTD, led by RJHI & SNB. Petchem stocks in Saudi outperformed, supported by rising prices & benefiting from Red Sea access, with ARAMCO up nearly 10% MTD, supported by the rally in Brent crude oil, which peaked during March. ADES stock experienced a limit up after the announcement of the 3+2 year contract of the 3 premium jackups in Nigeria, with a total contract value of USD729mn.

The bottom line is, there is no surprise that March was a volatile month characterized by commodity price volatility & market shocks, with Saudi & Kuwait being the least affected, and even positive for Saudi. The UAE, Qatar & Egypt experienced drawdowns as market confidence declines, and it is now a play of opportunistic trades if markets pick up soon, rather than stable safe-haven investments, at least for the time being.



Major Indices Performance

Major Indices Performance	Value	MTD Return	YTD Return	PE (x) 1Yr Fwd	PB (x) 1Yr Fwd	Div. Yield 1Yr Fwd
Saudi Arabia - TASI	11,250	5.0%	7.2%	15.5	2.1	3.9%
Dubai - DFMGI	5,434	-16.4%	-10.1%	10.0	1.6	5.4%
Abu Dhabi – FADGI	9,521	-8.9%	-4.7%	10.8	1.6	5.1%
Qatar – DSM	10,188	-7.8%	-5.3%	11.4	1.4	5.2%
Kuwait - All Share	8,416	-1.8%	-5.5%	13.5	0.2	4.8%
Oman - MSM30	8,168	10.5%	39.2%	14.0	1.0	3.7%
Bahrain – BHSEASI	1,899	-7.8%	-8.1%	6.1	0.4	11.0%
Egypt - EGX30	45,322	-7.9%	8.3%	7.7	2.1	4.4%
Morocco - MOSENEW	17,161	-5.4%	-8.9%	20.0	3.7	2.5%
S&P Pan Arab Composite	174	-2.8%	1.6%	12.4	1.8	4.3%
Israel - TA35	4,099	-0.7%	12.9%	17.5	2.5	2.5%
Turkey - XU100	12,791	-6.8%	13.6%	4.4	0.7	4.7%
Pakistan - KSE100	148,943	-11.5%	-14.5%	7.1	1.6	5.5%
S&P 500	6,529	-5.1%	-4.6%	20.9	4.6	1.2%
STOXX 600	583	-8.0%	-1.5%	15.4	2.2	3.2%
MSCI EM	1,397	-13.3%	-0.5%	12.0	2.0	2.6%
MSCI All Country World	979	-7.4%	-3.5%	17.8	3.1	1.9%
MSCI World	4,258	-6.6%	-3.9%	19.0	3.4	1.8%

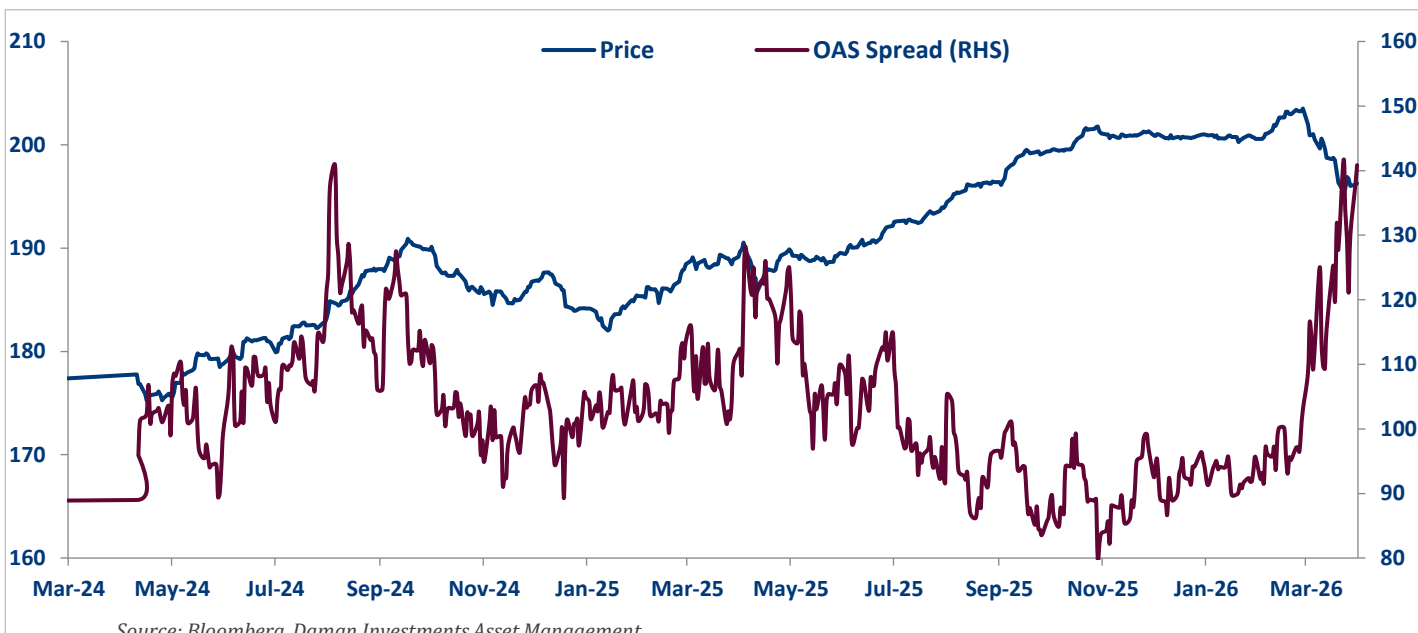
Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	196	-3.6%	-2.4%
FTSE MENA Broad Bond Index	183	-3.5%	-2.3%
Dow Jones Sukuk	98	-2.6%	-2.3%
Barclays Global Aggregate Index	496	-3.1%	-1.1%
Barclays Global High Yield Index	1,838	-2.5%	-1.3%
Barclays US Treasury Index	2,434	-1.7%	0.0%
Barclays US Corporate Index	3,526	-2.0%	-0.5%
Barclays US Corporate High Yield index	2,900	-1.2%	-0.5%
JPM EM Global Bond Index	675	-3.5%	-1.9%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,368	-2.89%	-1.3%
Bloomberg Barclays US Aggregate Bond Index	2,348	-1.8%	0.0%
Markit CDX Emerging Markets Index	96	-2.8%	-3.2%
Barclays EM High yield	1,799	-3.2%	-1.4%
Barclays EM Corporate Index	320	-2.3%	-0.9%
10-year US Treasury yield* (%)	4.32	38	15
30-year US Treasury yield* (%)	4.91	30	7
US Treasury 2-10 Spread*	51.75	-4	-17
US Treasury 2-30 Spread*	111.10	-12	-26
10-year US Treasury Real yield* (%)	2.01	33	11
10-year Germany Treasury yield* (%)	3.00	36	15
US Breakeven 10 Year*	2.31	5	6
10-year Saudi Arabia Govt USD Bond yield* (%)	5.01	45	41
8-year Abu Dhabi Govt USD Bond yield* (%)	4.58	60	45
4-year Kuwait Govt USD Bond yield* (%)	4.40	69	41
9-year Oman Govt USD Bond yield* (%)	5.27	54	47
10-year Bahrain Govt USD Bond yield* (%)	7.44	109	139
7-year Qatar Govt USD Bond yield* (%)	4.49	67	60
10-year Egypt Govt USD Bond yield* (%)	8.53	135	174
EIBOR 3M* (%)	3.66	19	19
QAIBOR 3M* (%)	4.00	2	3
Dubai 5 Year CDS* (bps)	92	40	44
Qatar 5 Year CDS* (bps)	54	21	26
2-year US Treasury yield* (%)	3.79	42	32

Source: Bloomberg, Daman Investments Asset Management

Note: *In basis points



Barclays GCC Credit +HY Index



Major Commodities and Currencies

Performance

	Value	MTD Change	YTD Change
Brent crude oil (USD/bbl)	118.35	63.3%	94.5%
Natural Gas (USD/mmbtu)	2.88	0.9%	-21.8%
Gold (USD/Ounce)	4,668	-11.6%	8.1%
Copper (USD/MT)	12,257	-7.8%	-1.6%
Aluminium (USD/MT)	3,521	12.6%	18.6%
Nickel (USD/MT)	16,916	-4.1%	2.5%
Urea Middle East (USD/MT)	813	65.8%	112.4%
Methanol China (USD/MT)	417	59.2%	67.5%
SE Asia Polyethylene (USD/MT)	1,500	63.0%	72.4%
Polypropylene (USD/MT)	1,450	59.3%	70.6%
US Dollar Index	99.96	2.4%	1.7%
MSCI EM Currency index	1,831.75	-2.8%	-1.1%
JPM EM Currency index	46.22	-3.0%	-0.8%
EGP/USD	0.018	-12.4%	-12.9%
TRY/USD	0.022	-1.2%	-3.4%
PKR/USD	0.358	0.2%	0.3%
ILS/USD	0.318	-0.3%	1.3%
EUR/USD	1.16	-2.2%	-1.6%
GBP/USD	1.32	-1.9%	-1.8%
USD/JPY	158.72	1.7%	1.3%



Global Asset Allocation and Outlook



Global Asset Allocation and Outlook

On April 7th, it was agreed on a two-week ceasefire, in exchange for reopening the Strait of Hormuz. Markets rallied on April 7th post the ceasefire announcement. While we do not rule out the risk of a breakdown in the ceasefire, the political cost associated with higher inflation in the US—driven by rising fuel and food prices, weaker consumer spending, higher mortgage rates, and a reduced wealth effect due to declining stock prices—could push toward a concrete agreement within the next 3–4 weeks.

We expect the Brent oil price to decline gradually and to stay elevated around \$80/bbl in the near-term as supply will take time to come back and some risk premium will stay on a continued high insurance costs. In the near-term we expect the US inflation to rise above 3% and average around 2.8% this year.

Markets are likely to remain highly sensitive to news in the coming days and weeks, which could keep volatility elevated in the short term. However, the recent market turmoil presents an opportunity to lock in higher bond yields and take advantage of more attractive equity valuations. We believe that investors with medium- to long-term horizons, and a tolerance for short-term volatility, may find compelling opportunities amid these market dislocations.

Equities: We see attractive entry points in US technology stocks, with the Nasdaq Index down 11% from its peak last year and having formally entered correction territory. Emerging market equities—particularly in Asia—also present strong entry opportunities.

UAE equities have sold off aggressively, with most names down between 15–25%. However, the UAE benefits from strong fiscal and external buffers, as well as a resilient banking system capable of navigating the current economic turmoil.

We upgrade equities to overweight from neutral on reduced geopolitical risks. We continue to see the following catalysts supporting the market – i) Fiscal stimulus in DM economies ii) Earnings growth to remain strong on resilient economic growth and AI linked capex and companies benefiting from productivity gains on AI adoption iii) Continued momentum in AI-related stocks iv) US 10-year treasury yields remaining well behaved with 4.50% level acting as a cap.

We stay neutral on fixed income: Given the expected increase in the US inflation, we believe the fed will continue to remain on hold this year. The bar to raise rate is high if inflation sticks above 3%. US Treasury yield curve to further steepen during H1 on fiscal deficit, inflation and high debt concerns. Long term yields would continue to stay above 4% and potentially touching 4.5% during H1 on fiscal deficit and high debt concern.

After a steep sell off we see opportunities to lock in attractive yield in high yield GCC fixed income – across Bank Perpetuals and real estate names.

We still remain cautious on duration and 5 year remains our sweet spot to avoid overexposure to heavier movements in long duration. In our asset allocation, we continue to remain well-diversified across asset classes, countries, and sectors.

We upgrade HY fixed income to overweight from underweight and have moved IG fixed income to underweight from overweight.



Global Asset Allocation and Outlook

	Underweight	Neutral	Overweight
By Asset class:			
Equities			
Fixed Income			
Alternatives			
Cash			
Equities - by region:			
DM			
US			
Japan			
Euro Area			
EM			
EM Asia			
EM Europe			
EM MENA			
EM LatAm			
Fixed Income - by region:			
South Asia			
Far East Asia			
Latin America			
MENA			
Sub-Saharan Africa			
Central & Eastern Europe			
Fixed Income - Rates, Spreads and Duration			
Rates			
Spreads			
Duration			
Fixed Income - Credit:			
Global Investment Grade			
Global High Yield			



Global Asset Allocation and Outlook

Global Equities:

We upgrade EM equities to neutral from underweight on reduced geopolitical risk. However, we stay neutral as EM economies will see increased inflation and reduced economic growth due to their high dependency on imports via Strait of Hormuz.

With in DM we stay overweight on the US and neutral on Europe. In EM, we upgrade MENA to overweight from underweight and Asia (China, Korea and Taiwan) to neutral from underweight. We remain overweight LatAm (Brazil, Chile and Peru) and underweight EMEA.

Preferred Picks:

Technology and communication services: Microsoft, Nvidia, Amazon, META, Netflix, Broadcom, Alphabet, Micron

Healthcare: Pfizer, Gilead Sciences, Boston Scientific Corp, Abbott Laboratories

Industrials/Auto: GM, Ford, Caterpillar, Deere, GE Vernova, Vertiv Holdings

Financials: JPM, Citi, Visa and Mastercard

Airlines: Delta Airlines, United Airlines

Utilities: Nextra Energy

Consumer Staples: Walmart

MENA Equities:

UAE equities have sold off aggressively, with most names down between 15–25%. However, the UAE benefits from strong fiscal and external buffers, as well as a resilient banking system capable of navigating the current economic turmoil.

UAE real estate players such as Emaar Properties and Aldar Properties have substantial cash held in escrow accounts to fund ongoing construction projects. Developers have not witnessed an increase in defaults on off-plan payments, with default rates remaining below the historical level of 1%. Current valuations are effectively pricing in little to no future off-plan sales from these developers.

Our preferred plays include:

- **Banks:** ADCB, ADIB, Emirates NBD, DIB, GBK, KFH, NBK, SNB
- **Consumer Discretionary:** Spinneys, Almarai.
- **Energy:** ADNOC Drilling,, ADNOC L&S, NMDC Energy, QGTS
- **Healthcare:** Care, Mouwasat
- **Insurance:** Tawuniya.
- **Real Estate:** TECOM, Aldar Prop, Dubai Residential, Emaar Dev, Emaar Prop, RAK Prop.
- **Industrials:** AD Ports, SGS.
- **Transportation:** Parkin.
- **Utilities:** DEWA, Empower

Global Fixed Income:

Ongoing geopolitical tensions and military developments could further undermine investor confidence in the US and allied markets, including GCC region. Sustained elevated energy prices may exacerbate inflationary pressures and heighten the risk of stagflation, with broad deterioration across key macroeconomic indicators and a potential rise in term premiums. We are closely monitoring the 4.5% level, which continues to serve as a critical resistance point for US Treasuries.

GCC fixed income is likely to remain in focus amid potential drawdowns that could pressure prices. However, this environment provides opportunities to invest in fundamentally strong, non-cyclical issuers. Strategic allocation during market drawdowns can capture higher yields and potential price appreciation as conditions normalize. A staggered investment approach can help manage timing risk and mitigate near-term volatility. Opportunities exist among large developers and well-capitalized banks, including Emaar Properties, Aldar Properties, Binghatti Holding, Emirates NBD, and Banque Saudi

STOCK	Price	Performance	PE (x) 1Yr Fwd	DY 1Yr Fwd
EMAAR Properties	11.90	-26.5%	5.0	8.5%
EMAAR Development	14.30	-26.1%	3.9	7.0%
Aldar Properties	8.36	-22.6%	8.3	2.8%
RAK Properties	1.00	-28.6%	7.0	-
TECOM Group	3.32	-11.5%	10.9	6.1%
Dubai Residential REIT	1.17	-16.4%	5.2	7.4%
ALEC Holdings	1.34	-16.8%	6.6	7.5%
ADCB	13.20	-12.9%	9.0	5.1%
ADIB	23.00	-9.8%	11.9	4.5%
ENBD	29.68	-10.1%	7.8	3.5%
Parkin	4.92	-16.5%	22.6	4.6%
Salik	5.45	-14.8%	27.9	3.8%
Spinneys	1.22	-18.7%	12.5	6.2%
AD PORTS	4.40	-7.4%	12.3	-
PURE Health	2.16	-16.0%	12.3	1.9%
Dubai Taxi	2.17	-19.6%	12.3	6.6%
DU Telecom	10.24	-6.5%	14.9	6.5%

Price is as of 9th April 2026

Performance is from 1st March to 9th April 2026



Global Asset Allocation and Outlook

Fransi. UAE real estate developers have sufficient free cash to meet near-term debt obligations, while medium-term maturities are supported by escrowed customer advances and collections from sold properties—even under a 10% default scenario. Major issuers maintain conservative leverage, with net debt-to-EBITDA ratios below 2x.

Investors may also consider allocation to neutral-stanced markets to diversify portfolios and hedge existing developed-market positions. We continue to favor medium-duration instruments, with the 5-year segment preferred to reduce exposure to long-duration volatility.

Key Risk: A prolonged escalation could trigger further market sell-offs due to rising stagflation risks for the global economy—characterized by higher inflation combined with slower economic growth.

EM Fixed Income:

We remain cautious on EM fixed income and maintain the same stance on duration, as EM markets rely on petroleum imports that were disrupted due to ongoing escalations and the prices too drove sharply higher. U.S. Treasury yields rose higher and remained elevated and the yield curve steep, while the Federal Reserve has kept policy rates unchanged at 3.50%–3.75%, signaling a data-dependent approach as policymakers feel the inflation will remain sticky and escalations impact is not known yet.

Bonds at elevated yields provide healthy income and diversification and continue to play a core role in portfolios, considering volatility coupled with softening growth or weaker labor market conditions. Markets currently price no Fed cuts for the remainder of the year, the risk-reward for extending duration appears unfavorable, particularly as inflation risks could re-emerge amid ongoing escalations.

Against this backdrop, we continue to emphasize quality and flexibility, focusing on capturing carry-through high-quality credit while actively managing interest rate exposure through curve positioning. We remain selective on duration and continue to view an average portfolio duration of around five years as optimal to balance carry, roll-down potential, and volatility.

Saudi Arabia. The Kingdom kicked off 2026 with a strong sovereign issuance, raising USD 11.5 bn through a four-tranche international bond sale (3-, 5-, 10- and 30-year) that attracted an orderbook 2.7x oversubscribed, underscoring robust global demand for GCC credit. Domestic Sukuk issuances also remained solid.

Saudi corporates and financials were active early in the year, including AT1 and Tier-2 capacity from banks and USD bonds from Saudi Telecom / Aramco-linked issuers, reflecting diversified funding needs.

UAE. UAE bank and Real estate players faced highest volatility with declines upto 20%. However, fundamentals remain along with support from government packages

What we like: Emaar Properties, Aldar Properties, Binghatti Holding, Emirates NBD.

KUWAIT –Kuwait’s fixed-income market has seen credit issuance extend beyond its 2025 sovereign return; newly launched platform provides structural boost.

INDIA –India’s bond and corporate debt markets experienced volatility in March 2026, 10 year yields hit their highest level (above 6.94%) since July 2024 due to inflation risks on rising crude prices. Reserve Bank of India (RBI) intervened to stabilize the yields and currency. Currency depreciated more than 3% and caused investors to consider higher inflation. RBI also conducted Open Market operations to support both currency and the yields. Investors continue to price in the possibility of 1–2 policy rate cuts later in 2026, keeping demand for duration and high-quality credit supported. Consequently, spreads in the corporate bond segment went up before coming down after central bank operations, with institutional investors maintaining a preference for high-grade issuers amid a still uncertain global macro environment.

What we like: INCLN, ADANI PORTS, INDIABULLS HOUSING, ADANI GREEN

Issuer Name	Yield (%)	Maturity	Rating	Performance
Emaar Sukuk Ltd	5.1	7/6/2031	BBB+	-4.0%
Aldar Investment Sukuk Ltd	5.5	5/16/2034	BBB+	-3.4%
Aldar Properties PJSC	7.0	4/15/2055	BBB-	-5.1%
Arada Sukuk 2 Ltd	9.0	8/5/2030	B+	-9.0%
Binghatti Sukuk 2 Spv Ltd	12.2	8/7/2030	BB-	-13.2%
Sobha Sukuk I Holding Ltd	9.4	9/11/2030	BB	-10.9%
Omniyat Sukuk 1 Ltd	11.0	04/03/2031	BB-	-13.9%
Banque Saudi Fransi	6.9	Perpetual	NR	-2.9%
BNP Paribas SA	7.0	Perpetual	BBB-	-1.2%
DIB Tier 1 Sukuk 6 Ltd	5.8	Perpetual	NR	-0.5%
Emirates NBD Bank PJSC	6.3	Perpetual	NR	-2.5%
Saudi National Bank/The	6.8	Perpetual	NR	-2.1%
UBS Group AG	7.1	Perpetual	BBB-	-1.9%
Vakif Katilim Sukuk Ltd	8.2	Perpetual	NR	-2.4%



Performance of our Funds

Concerto IS Daman MENA UCITS Fund

The Fund's investment objective is to achieve medium to long-term capital appreciation by investing primarily in securities of issuers listed in the MENAPT Region or investing in securities of issuers listed outside of MENAPT but deriving most of their revenues from MENAPT.

The fund lost 10.9% for the month. The highest detractors to return were Aldar, Emaar Properties, Rak Properties, Dubai Taxi, Dubai Residential REIT and ADCB. On the positive side, Mouwasat, Arabian Pipes, Talabat and Al Rajhi Bank were the key contributors to returns.

In fixed income the largest detractors to return were OMNIYAT'31 and BINHLD'27.

Daman UAE IPO Fund

The Fund's investment objective is to generate medium term capital growth by investing in securities issued by companies that are undertaking an initial public offering or by investing in companies that have been listed in the previous 5 years.

The fund lost 13.1% for the month. During the month the highest detractors to the return were Dubai Residential REIT, Parkin, Dubai Taxi, AD Ports, TECOM and Spinneys. On the positive side, Talabat, Trolley and Retal were the key contributors to returns.

	2026	Inception (30 Jul 2020) (Class I)
Total Return	-8.0%	82.5%
Annualized Return	-	11.1%
Annualized Volatility	16.8%	8.6%
Sharpe Ratio	-1.8	0.9

NAV as of 2nd Apr 2026

	2026	Inception (Aug 2022) (Class A)
Total Return	-11.5%	6.5%
Annualized Return	-	1.7%
Annualized Volatility	-	10.0%
Sharpe Ratio	-	-0.2

NAV as of 31st Mar 2026



About Daman Investments

Daman Asset Management is a dedicated MENA specialist offering mutual funds strategies and bespoke investment products, which have been built on our independent research insights and backed with a proven track record of delivering superior risk-adjusted returns which have substantially outperformed peers and regional benchmarks. Our experienced team manages investments on behalf of local and regional institutions, family offices and high net worth individuals.

The document is issued by Daman Investments PSC, which is authorized and regulated by Emirates Securities and Commodities Authority (ESCA). To receive a list of Daman Investment's composite descriptions and any other information, please contact the Marketing & Communications Department.

Address: Daman Investments PSC, Suite 600, P.O. Box 9436 Dubai, UAE

Tel: (+971 4) 332 4140

Fax: (+971 4) 332 6465

Email: amc@daman.ae

Website: www.daman.ae

Disclaimer

This document has been prepared by Daman Investments PSC and is for private use only. The document is for information purpose only and it does not constitute investment advice nor is it intended to be an offer to buy or sell or a solicitation of an offer to buy or sell any investment product(s)/asset class(es) mentioned in this document, nor an incentive to invest. The investment product(s)/asset class(es) described in this document may not be eligible for sale or subscription in all jurisdictions or to certain categories of investors. This document is intended for publication and distribution to the recipient only and may not be passed on or disclose to any other persons. This document is not intended for distribution to a person or within a jurisdiction where such distribution would be restricted or illegal. It is the responsibility of any person in possession of this document to investigate and observe all applicable laws and regulation of the relevant jurisdiction. This document may not be conveyed to or used by a third party without our express consent. Daman Investments PSC is not responsible for any error which may be occasioned at the time of printing of this document. The investment product(s)/asset class(es) described in this document is/are destined to investor(s) who possess sufficient knowledge, based on their own experience, to evaluate the advantages and the risks inherent to such investment product(s)/asset class(es). Prior to making an investment decision, you should conduct such investigation and analysis regarding the investment product(s)/asset class(es) described herein as you deem appropriate and to the extent you deem necessary, obtain independent advice from competent legal, financial, tax, accounting and other professionals, to enable you to understand and recognize fully the legal, financial, tax and other risks arising in respect of such investment product(s)/asset class(es) and the purchase, holding and/or sale thereof. Daman Investments PSC hereby expressly disclaims any obligation, or liability whatsoever, and it shall not be responsible under any circumstances or in any way, irrespective, contractual or non-contractual for any fiduciary responsibility or liability for any consequences, financial or otherwise, or any damages and loss including but not limited to compensations, charges, expenses and /or implications, direct and/or indirect, incidental, collateral, special or exceptional related to or arising from any reliance placed on the information in this document, failures, errors, interruption, defect, delay and / or the fluctuations of prices, if any, and in any or all transactions, securities, assets, sales assumptions, and proceeds from sales or transactions and actual collections are subject to change of sales prices timing of collections whatsoever, unless a written conclusive official evidence may prove a gross negligence, fraud or willful misconduct on the part of Daman Investments PSC.

Daman Investments PSC ("Daman") is a private joint stock company operating under the regulation, control, and supervision of the Capital Market Authority ("CMA") of the UAE with CMA License Number 301043 for the conduct of the following financial activities: (i) Portfolios Management (Category 2 - Dealing in Investment); (ii) Investment Fund Management (Category 2 - Dealing in Investment); (iii) Promotion (Category 5 - Arranging and Advice); (iv) Introduction (Category 5 - Arranging and Advice); (v) Financial Consultations (Category 5 - Arranging and Advice); (vi) Listing Advisor (Category 5 - Arranging and Advice); and (vii) Financial Advisor (Issuance Manager) (Category 5 - Arranging and Advice).

The correspondence address for Daman is P.O. Box 9436, Suite 601, 6th Floor, Shiekh Rashid Tower, Dubai World Trade Centre, Dubai, United Arab Emirates. The email address for Daman is cs@daman.ae. Landline number is (04) 332 4140.

شركة ضمان للاستثمار ش.م.ع. ("ضمان") هي شركة مساهمة خاصة تعمل بموجب تنظيم ورقابة وإشراف هيئة سوق المال (CMA) في دولة الإمارات العربية المتحدة مع هيئة سوق المال - بموجب ترخيص رقم 301043 لمزاولة الأنشطة المالية التالية: (i) إدارة المحافظ (الفئة 2 - التعامل في الاستثمارات)؛ (ii) إدارة صناديق الاستثمار (الفئة 2 - التعامل في الاستثمارات)؛ (iii) الترويج (الفئة 5 - الترتيب وتقديم المشورة)؛ (iv) التعريف (الفئة 5 - الترتيب وتقديم المشورة)؛ (v) الاستثمارات المالية (الفئة 5 - الترتيب وتقديم المشورة)؛ (vi) مستشار الإدراج (الفئة 5 - الترتيب وتقديم المشورة)؛ و (vii) المستشار المالي (مدير الإصدار) (الفئة 5 - الترتيب وتقديم المشورة).

عنوان البريد الإلكتروني لشركة ، الطابق السادس، برج الشيخ راشد، مركز دبي التجاري العالمي، دبي، الإمارات العربية المتحدة 601، جناح 9436 ب ص: عنوان المرسلات الخاص بضمان هو

رقم الهاتف الثابت هو 04) 332 4140 cs@daman.ae