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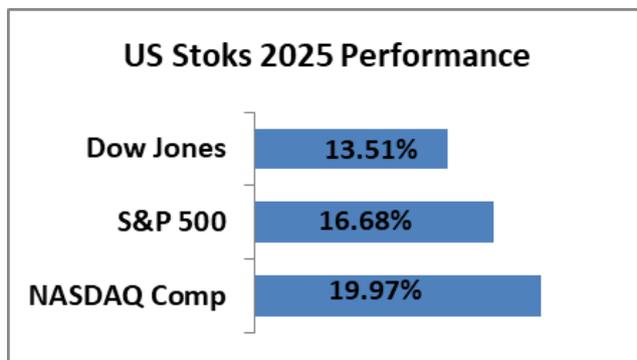
Introduction

Global equity markets navigated a dynamic landscape in 2025, shaped by technological innovation, evolving monetary policy expectations, and shifting geopolitical developments. While periods of volatility emerged throughout the year, investor sentiment remained broadly supported by continued demand for technology and resilient corporate performance in several major markets. Equity markets in the United States, Europe, and parts of Asia recorded solid gains, while regional markets reflected a more diverse set of economic conditions and domestic developments.

This report reviews the performance of major global equity markets throughout 2025. It examines developments in U.S., European, and Asian stock markets, highlighting the key factors that influenced their performance during the year. The report also explores the performance of Arab equity markets and provides a closer look at Lebanon's stock market, analyzing the movement of the BLOM Stock Index and key sectors listed on the Beirut Stock Exchange. Together, these sections provide an overview of how global and regional factors shaped equity markets during 2025.

U.S. Stocks

U.S. equities recorded solid gains in 2025, with the **NASDAQ Composite** rising by 19.97%, followed by the **S&P 500** gaining 16.68%, and the **Dow Jones** increasing by 13.51%. The strong performance was largely driven by continued optimism surrounding artificial intelligence and robust corporate earnings from major technology companies such as Nvidia, Alphabet, and Amazon.



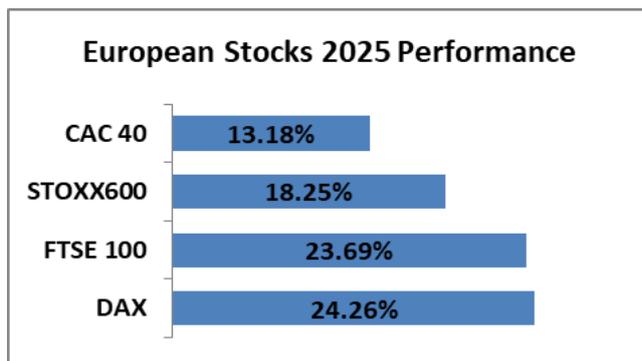
Source: Bloomberg, BLOMINVEST Bank Calculations

Investor sentiment was also influenced by expectations regarding Federal Reserve monetary policy, as the Fed maintained its benchmark federal funds rate in the 4.25%-4.50% range, following its previous tightening cycle. Markets closely monitored signals regarding potential rate cuts, as lower borrowing costs tend to support equity valuations. However, volatility emerged throughout the year due to shifting U.S. trade policies, tariff announcements under the Trump administration, and mixed macroeconomic indicators. Toward the end of the year, investors rotated away from some large-cap technology stocks due to elevated valuations, slightly limiting gains in tech-heavy indices despite the overall strong annual performance.

The NASDAQ Composite's significant rise was largely driven by strong investor demand for technology and semiconductor companies benefiting from the rapid expansion of artificial intelligence. Increased investment in AI infrastructure and cloud computing supported major tech firms, helping the tech-heavy index outperform other U.S. benchmarks. However, the NASDAQ also experienced periods of volatility during the year as markets reacted to shifting U.S. trade policies and tariff announcements, which raised concerns about global supply chains and the outlook for technology companies.

European Stocks

European equity markets posted strong gains in 2025, with **Germany's DAX** rising by 24.26%, the **UK's FTSE 100** increasing by 23.69%, **France's CAC 40** by 13.18%, and **STOXX600** advancing by 18.25%. The rally was supported by improving investor sentiment, strong corporate earnings in several sectors, and expectations of easing monetary conditions across the region toward 2026.

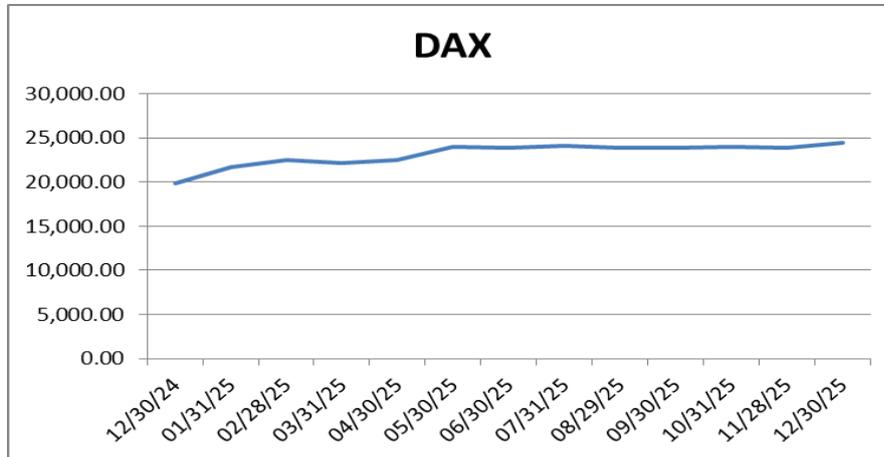


Source: Bloomberg, BLOMINVEST Bank Calculations

Certain sectors, particularly banking, defense, and industrial companies, helped drive the German market higher, while the UK market benefited from solid corporate updates and strong performance from internationally exposed firms. However, gains were not uniform across the region. French equities faced periodic pressure due to political instability and fiscal concerns, including debates over budget savings and rising public debt levels, which weighed on investor confidence. Additionally, global trade tensions and tariff announcements from the United States created uncertainty for European exporters, particularly in Germany's export-oriented industries, contributing to episodes of volatility throughout the year.

The DAX increased by about 24.26% in 2025, supported mainly by strong performance in defense, banking, and industrial sectors. Rising geopolitical tensions in Europe boosted defense companies as governments increased military spending, while banks benefited from higher interest rates that supported profitability. In addition, several industrial and semiconductor-related firms gained from stronger global demand and expectations of increased infrastructure investment across Europe. The index was also supported by the global exposure of German companies, many of which generate a large share of their

revenues abroad, allowing them to benefit from stronger economic activity in international markets despite weaker domestic growth in Germany.



Source: Bloomberg, BLOMINVEST Bank

Asian Stocks

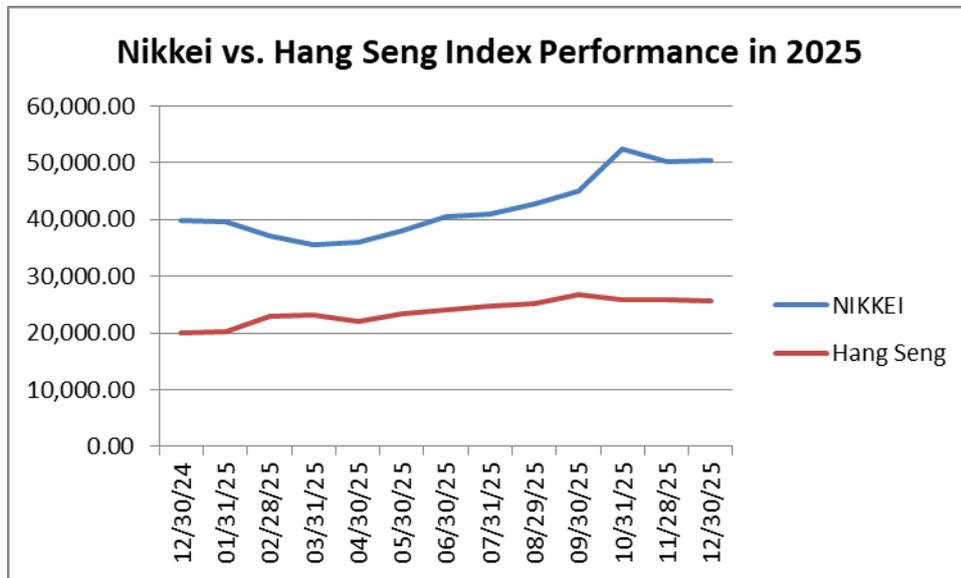
Asian equity markets also recorded strong gains in 2025, with **Hong Kong’s Hang Seng** surging by 27.77%, **Japan’s Nikkei** rising by 26.18%, and **China’s Shanghai Composite** increasing by 17.84%.



Source: Bloomberg, BLOMINVEST Bank Calculations

Japan’s Nikkei was supported mainly by strong global demand for technology and semiconductor-related industries. Many Japanese companies are deeply integrated into global supply chains, particularly in electronics and advanced manufacturing, which allowed them to benefit from increased investment in artificial intelligence and digital infrastructure.

Improved trade relations with the United States also boosted investor confidence in export-oriented Japanese firms, while continued global demand for technology products supported corporate earnings throughout the year.



Source: Bloomberg, BLOMINVEST Bank

Hong Kong’s Hang Seng Index surged in 2025, reflecting strong investor interest in Chinese technology and financial stocks listed in the territory. Market performance was largely influenced by policy signals from Beijing aimed at stabilizing economic growth and supporting capital markets. Improvements in investor sentiment and expectations of policy support helped lift Hong Kong equities, although volatility remained due to ongoing geopolitical tensions and uncertainty surrounding global trade conditions.

China’s Shanghai Composite was endorsed mainly by government policy measures aimed at stimulating economic activity and encouraging investment. Chinese authorities introduced various policy signals to support markets and stabilize growth, which helped improve investor confidence. However, gains were somewhat limited by persistent challenges in the property sector and continued geopolitical tensions with the United States, which periodically weighed on market sentiment throughout the year.

Arab Stock Markets

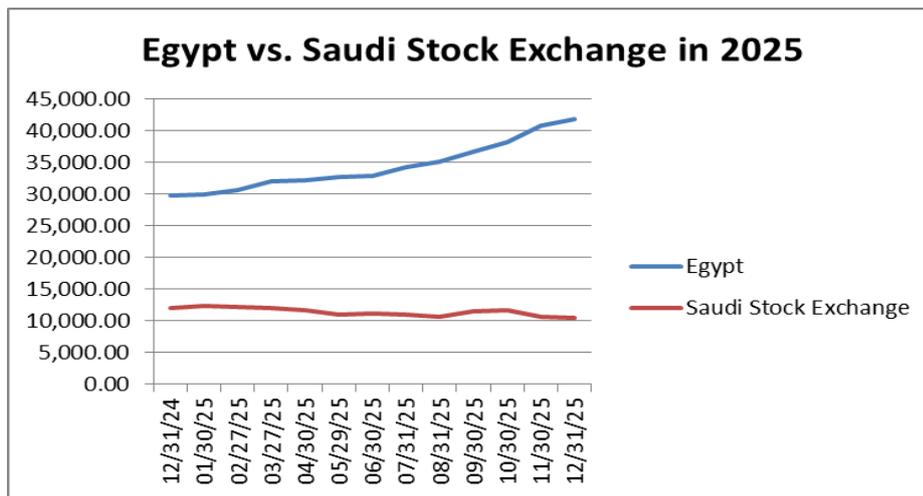
Most Arab stock markets experienced gains in 2025.



Source: Bloomberg, BLOMINVEST Bank Calculations

Arab equity markets displayed mixed performance in 2025. **Egypt's EGX30** recorded the strongest increase, rising by 37.02%, supported by significant currency depreciation of the Egyptian pound and strong investor inflows into equities as investors sought assets that could hedge against inflation. Economic reforms and investment agreements with international institutions also helped improve investor sentiment, while sectors such as banking, real estate, and construction attracted strong demand. Meanwhile, the **Dubai Financial Market** rose by 19.57%, benefiting from strong growth in the UAE economy, continued expansion in the real estate sector, and rising tourism and business activity. Investor confidence in Dubai's financial and property markets helped support equity valuations throughout the year. Similarly, the **Abu Dhabi Securities Exchange** increased by 6.98%, supported by strong corporate earnings in banking, energy, and industrial sectors, as well as continued government investment in economic diversification projects. **The Qatar Stock Exchange** also recorded a modest gain of 2.90%, supported by stable energy revenues and steady economic growth linked to the country's natural gas sector. As a result of these mixed but generally positive performances across individual markets, the **S&P Pan Arab Index** increased slightly by 2.05% in 2025, reflecting overall stability in the region's equity markets.

Egypt’s EGX30 recorded the strongest performance among Arab markets in 2025. Investor sentiment was further supported by improving tourism prospects, particularly with preparations for the opening of the Grand Egyptian Museum, expected to boost economic activity.



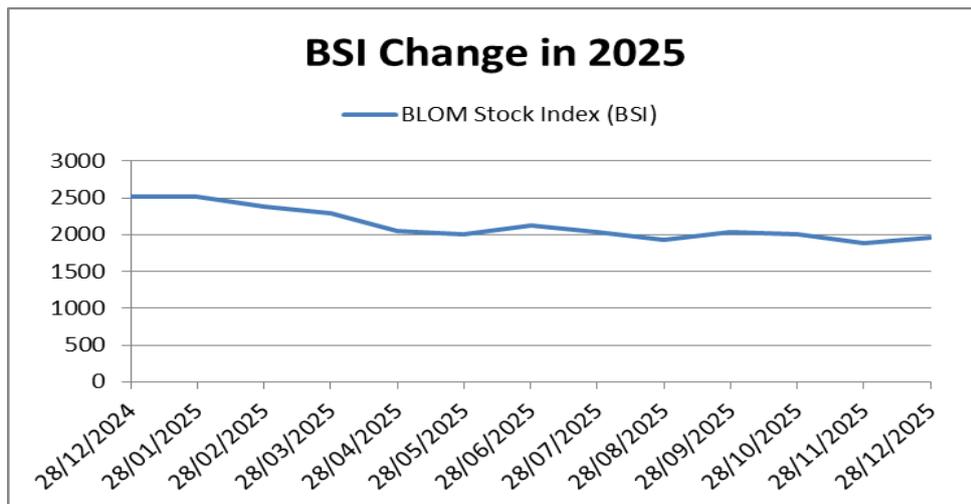
Source: Bloomberg, BLOMINVEST Bank

In contrast, the **Saudi Stock Exchange** declined by 11.79% in 2025, making it the only major Arab market in the region to record negative performance during the year. The decline was largely linked to volatility in oil prices, which strongly influence the Saudi economy and the performance of its equity market. Lower oil prices and cautious global energy demand expectations weighed on energy-related companies, including major oil and petrochemical firms that have significant weight in the Saudi index. In addition, investors remained cautious due to tight global financial conditions and uncertainty surrounding interest rates, which reduced capital flows into emerging markets. Profit-taking following strong gains in previous years and weaker performance from large petrochemical and industrial companies also contributed to the decline in the Saudi market during 2025.

Lebanese Stocks

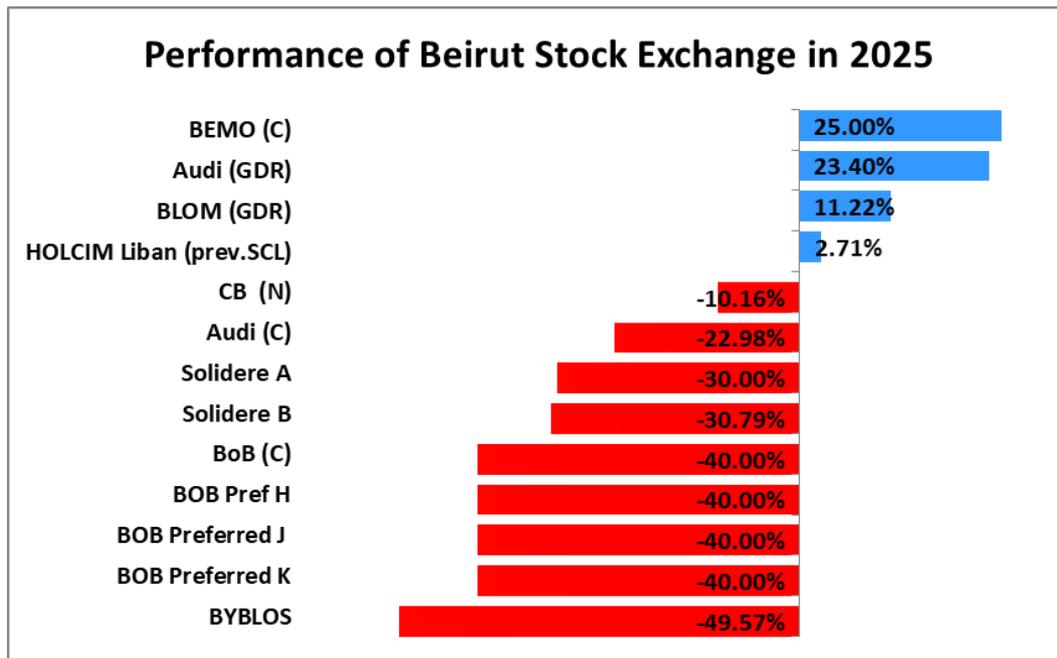
The **BLOM Stock Index (BSI)** declined by 21.90% in 2025, reflecting continued fragility in Lebanon’s financial markets amid persistent economic and political uncertainty. Investor sentiment remained weak as the country continued to grapple with the aftermath of its

prolonged financial crisis and the unresolved restructuring of the banking sector. Throughout the year, delays in implementing key economic reforms required by the International Monetary Fund (IMF) weighed on confidence, as negotiations over financial sector restructuring and public debt management progressed slowly. In addition, the political transition following the election of President Joseph Aoun in early January 2025, and the formation of a new government created cautious optimism but limited immediate economic progress, leaving investors in a wait-and-see mode regarding the implementation of reforms and the recovery of the financial sector. Market activity remained highly concentrated in a small number of listed companies, particularly Solidere shares, which dominate trading on the exchange, while banking stocks continued to face pressure amid uncertainty over deposit recovery and the future structure of Lebanon’s banking sector. As a result, limited liquidity and weak investor participation contributed to the overall decline of the Lebanese equity market during 2025.



Source: BLOMINVEST Bank

Below is a chart showing the most noteworthy trades throughout 2025.



Source: Beirut Stock Exchange, BLOMINVEST Bank

The Lebanese equity market remained highly concentrated in a limited number of sectors in 2025, with real estate stocks dominating trading activity on the **Beirut Stock Exchange**. The real estate sector, represented by Solidere A and B, accounted for 69.53% of total trading, although both stocks recorded notable declines during the year. Solidere A fell from 120 at the end of 2024 to 84 local dollars by the end of 2025 (-30%), while Solidere B declined from 119.5 to 82.7 local dollars (-30.79%), reflecting weaker investor sentiment toward real estate stocks.

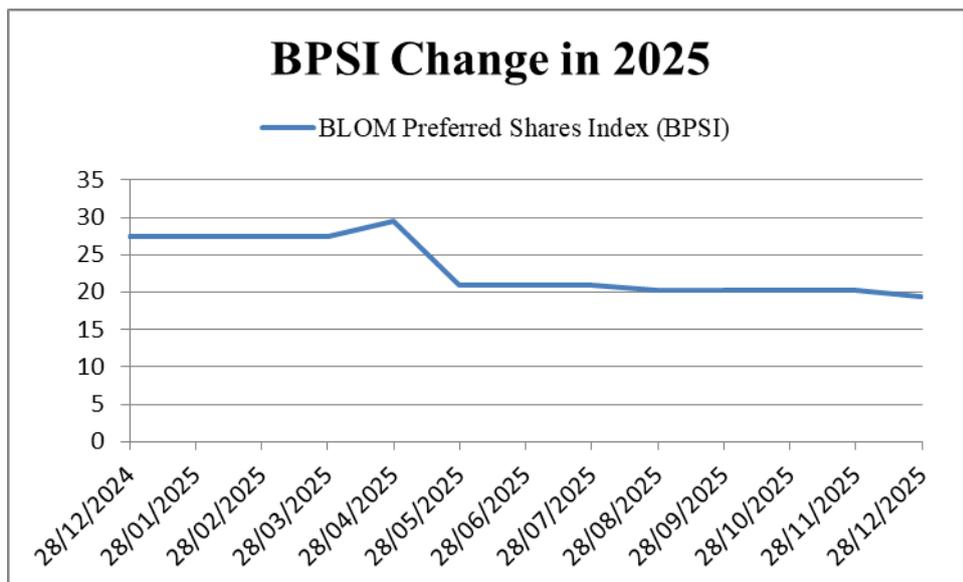
Meanwhile, the banking sector accounted for 25.34% of trading, including stocks such as Audi, BLOM, Byblos, Bank of Beirut, and BEMO. Most banking stocks recorded significant losses, with Byblos falling from 1.17 to 0.59 local dollars (-49.57%), Bank of Beirut declining from 15 to 9 local dollars (-40.00%), and Audi (C) dropping from 2.48 to 1.91 local dollars (-22.98%), reflecting continued uncertainty surrounding the restructuring of Lebanon's banking sector.

However, some banking-related securities recorded gains. BEMO (C) increased from 1.2 to 1.5 local dollars (+25%), Audi (GDR) rose from 2.35 to 2.9 local dollars (+23.40%), and BLOM (GDR) climbed from 5.17 to 5.75 local dollars (+11.22%), suggesting selective investor interest in certain financial instruments despite the broader sector decline.

Finally, the industrial sector represented by Holcim Lebanon and Ciments Blanc, accounted for a much smaller share of 5.13%, mainly driven by Holcim Lebanon whose stock rose slightly from 70.1 to 72 local dollars, reflecting relatively stable performance in the construction materials sector despite the broader economic challenges facing Lebanon.

Overall, the significant declines in major real estate and banking stocks, which dominate trading activity on the Beirut Stock Exchange, largely contributed to the 21.90% drop in the BLOM Stock Index during 2025, highlighting the continued fragility and limited depth of Lebanon’s equity market.

The **BLOM Preferred Shares Index (BPSI)** declined by 29.69% in 2025, falling from 27.52 at the end of 2024 to 19.35 points by the end of 2025, reflecting continued weakness in Lebanon’s banking sector. Preferred shares on the Beirut Stock Exchange are issued by banks, and their performance remained closely tied to uncertainty surrounding the restructuring of the financial sector and the recovery of bank deposits following the country’s prolonged financial crisis. As a result, persistent investor caution and limited market liquidity contributed to the significant decline in the preferred shares index during the year.



Source: BLOMINVEST Bank

Conclusion

In conclusion, 2025 demonstrated the varying trajectories of global equity markets, with strong performances in several major indices alongside more mixed outcomes in regional exchanges. While technological growth and sectoral momentum supported many developed markets, domestic economic challenges and policy developments continued to influence regional markets. Looking ahead, investor attention is likely to remain focused on monetary policy decisions, global economic growth, and ongoing technological advancements. Despite the uncertainties that remain, the resilience shown across many markets in 2025 provides a constructive foundation for the year ahead.

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