

Rising Yields Hit European Stocks while Tensions in the Gulf Weigh on Regional Stocks



October 9, 2026

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	09/10/2026	02/10/2026	% Change	YTD Change
BLOM Stock Index	1,703.95	1,753.80	-2.84%	-13.33%
Average Traded Volume	27,233.00	93,713.40	-70.94%	
Average Traded Value	1,147,824.40	1,384,332.20	-17.08%	
Market Cap	17,464,003,567	17,974,974,762		

The BLOM Stock Index (BSI) compiled by BLOM Bank daily fell by 2.84% to 1,704 points by October 9th, 2026.

On the Beirut Stock Exchange (BSE), the real estate sector dominated trading; accounting for 95.23% of the exchange's total trading value, while the remaining were grasped by the banking sector (4.76%) and the industrial sector (0.01%). The most noteworthy trade throughout the mentioned period were:

	09/10/2026	02/10/2026	% Change
Solidere A	70.25	72.10	-2.57%
Solidere B	70.00	73.00	-4.11%
SOCIETE DES CEMENTS LIBANAIS	44.10	49.00	-10.00%
Audi (C)	1.71	1.88	-9.04%
BYBLOS	0.84	0.65	29.23%
BLOM (GDR)	7.01	7.02	-0.14%
Byblos Preferred 08	4.00	25.00	-84.00%

US Stocks

Index	Currency	Price 9- Oct-2026	Close 2- Oct-2026	Week % Change
S&P 500	USD	7,765.36	7,722.72	0.55%
Dow Jones Industrial Average	USD	51,231.64	51,176.96	0.11%
Nasdaq Composite	USD	27,193.34	27,190.86	0.01%

In US equity markets, stocks ended the week slightly higher, with the S&P 500 rising by 0.55% and outperforming both the Dow Jones Industrial Average (+0.11%) and the Nasdaq Composite (+0.01%).

The S&P 500 reached a new record high on Tuesday as investors bet on robust third-quarter corporate earnings, fuelled by trillions of dollars flowing into AI-related investment. The rally persisted despite heavy losses in government bond markets. Yet the rally has become increasingly dependent on a few major technology names, while many sectors continue to underperform.

The rise was partially tempered by reports earlier this week showing OpenAI's annualised revenue reached \$50 billion at the end of September, below earlier estimates of \$68 billion. However, the setback proved temporary as new reports indicated the company expects annualised revenue to reach or exceed \$70 billion by year-end.

European Stocks

Index	Currency	Price 9-Oct-2026	Close 2-Oct-2026	Week % Change
CAC 40	EUR	7,796.54	7,897.19	-1.27%
DAX 40	EUR	25,114.17	25,231.20	-0.46%
STOXX 600	EUR	631.8	631.35	0.07%
FTSE 100	GBP	10,535.61	10,461.95	0.70%

Across the Atlantic, France's CAC 40 led regional losses, falling 1.27% to its lowest level in more than six months as the yield on France's 10-year government bond climbed close to the 5% mark, near its highest level in a two decades.

Rising bond yields tend to weigh on stocks as investors require higher returns to justify holding riskier assets over bonds. Higher yields also lower the present value of future corporate earnings, putting downward pressure on equity valuations. Furthermore, increased borrowing costs can squeeze corporate profit margins and slow business investment. While long-term interest rates have risen across much of the Western world amid elevated energy prices, inflation concerns, and expectations of higher interest rates, French borrowing costs have increased more sharply than those of many European peers. This reflects growing concerns over France's fiscal outlook ahead of the 2027 presidential election. Although the government has proposed spending cuts aimed at reducing the budget deficit to 5% of GDP next year, political divisions could make the target difficult to achieve.

The broader rise in bond yields also weighed on Germany's DAX 40 which fell 0.46%.

In contrast, the UK's FTSE 100 rose by 0.7% led by software and mining stocks, while the pan-European STOXX 600 marginally increased by 0.07%.

Asia Stocks

Index	Currency	Price 9- Oct-2026	Close 2- Oct-2026	Week % Change
Nikkei 225	JPY	69,030.92	68,309.46	1.06%
Hang Seng	HKD	24,211.35	23,972.29	1.00%
Shanghai Composite	CNY	3,813.79	3,842.19	-0.74%

In Asian markets, stocks delivered a mixed performance this week as investors balanced optimism around technology and export-driven sectors against concerns over China's economic outlook and higher global interest rates.

Japan's Nikkei 225 rose 1.06%, supported by recent reports indicating Open AI expects annualised revenue to reach or exceed \$70 billion by year-end. Investor attention remains centred on whether AI revenues will ultimately validate the trillions of dollars being invested in AI infrastructure, with Japanese companies playing a pivotal role in the global AI infrastructure buildout.

Hong Kong's Hang Seng advanced by 1%, driven by investors taking advantage of lower stock prices after the recent sell-off.

In contrast, China's Shanghai Composite underperformed regional peers, falling 0.74%, as market focus shifted to China-EU trade discussions following the Golden Week holiday. Investor sentiment was dampened by concerns over escalating trade frictions after European industry groups urged stronger measures against Chinese imports. Adding to the pressure, chip and optical stocks retreated as optimism over China's AI sector moderated and investors locked in profits following strong recent gains.

Arab Stocks

Index	Currency	Price 9- Oct-2026	Close 2- Oct-2026	Week % Change
S&P Pan Arab Composite	USD	966.16	977.10	-1.12%
Kuwait Stock Exchange Premier Market	KWD	9,032.36	9,113.60	-0.89%
Saudi Stock Exchange (Tadawul)	SAR	10,376.28	10,505.84	-1.23%
Qatar Exchange Index	QAR	9,005.61	9,192.24	-2.03%
Abu Dhabi Securities Market Index	AED	9,801.07	9,973.01	-1.72%
Dubai Financial Market General Index	AED	5,819.70	5,901.32	-1.38%
Moroccan All Shares Index (MASI)	MAD	16,857.85	17,303.69	-2.58%

Middle Eastern equities broadly declined this week as escalating geopolitical tensions in the Gulf outweighed support from recovering oil exports and elevated crude prices. Morocco's MASI led regional losses, falling 2.58% to a six-month low as declines in utilities, banking, and mining stocks weighed on the market, followed by Qatar's Exchange Index (-2.03%), Dubai's Financial Market General Index (-1.38%), and Abu Dhabi's Securities Market Index (-1.72%). Meanwhile, Saudi Arabia's Tadawul declined (-1.23%), while the S&P Pan Arab Composite (-1.12%) and Kuwait's Premier Market Index (-0.89%) also ended the week lower.

Investor sentiment deteriorated as attacks on tankers in the Strait of Hormuz intensified, reaching their highest level since the outbreak of the war. The latest incident involved a tanker struck north of Qatar, adding to concerns over the security of one of the world's most critical energy shipping routes. The attacks coincided with efforts by Gulf producers to increase exports, while vessel traffic through the Strait fell to its lowest level in more than two months, highlighting the growing disruption to regional trade flows.

Adding to market concerns, the conflict expanded beyond maritime routes as attacks on Saudi airports resulted in three people being killed, underscoring the risk of a broader regional escalation. At the same time, the lack of progress in US-Iran diplomacy and uncertainty surrounding plans to reopen the Strait of Hormuz kept investors on edge. Against this backdrop, regional equities came under pressure as investors remained cautious amid rising geopolitical risks, disrupted shipping activity, and concerns that a prolonged conflict could weigh on economic activity and investor confidence across the Gulf.

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MSCI Emerging Market	USD	1,706.70	1,706.77	0.00%

The MSCI Emerging Market index marginally fell this week to 1,706.7 points.

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