

GCC market performance

GCC fixed Income:

Global benchmark bond index declined over the week (ending 2nd April 2024). 10Y UST yields gained over the week despite soft core PCE reading. Global aggregate bonds recorded negative returns, led by Global treasuries. In credit, Global corporate IG and HY ended the week on a negative note. EM had a negative week too, led by EM LatAm. All GCC markets recorded negative returns. Qatar and Saudi Arabia underperformed the most. 5yr CDS spreads mostly widened across all GCC countries with the exception of Oman and Kuwait. In the USD sovereign market, the 10yr bond yields rose across the GCC countries, led by Abu Dhabi.

GCC equities:

GCC regional indices declined last week. Dubai and Kuwait posted gains with DFM outperforming the most (0.89%). Rest of GCC indices posted negative returns. Bahrain underperformed the most, posting loss of (1.64%). MSCI EM was up (1.27%) while MSCI ACWI and MSCI GCC were down (0.75%) and (0.39%) respectively.

GCC key developments:

- **UAE's non-oil business activity growth eased in March- PMI.**
- **Saudi Arabia's non-oil business expanded in March – PMI.**
- Abu Dhabi's GDP reached AED1.14tn in 2023.
- **UAE's GDP is expected to grow by 4.2% in 2024 and 5.2% in 2025.**
- Saudi unemployment rate hits record low.
- Saudi Arabia's FDI inflows jumped 17% to cross USD5bn in Q4 2023.
- **ADNOC gas shareholders approved USD1.625bn cash dividend.**
- Dubai Taaleem posts 53% rise in profit to USD49mn.

GCC bond issuances:

- It was a quiet week in terms of bond issuances.

GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	458.01	-0.79	-1.83	Saudi	6.30	5.73	6.68
Global Treasuries	194.91	-0.82	-2.54	UAE	5.27	16.93	-15.51
EM USD Agg TR	1181.15	-0.61	1.75	Kuwait	4.25	-6.25	-6.25
EM LatAm TR	1043.55	-0.88	3.20	Bahrain	6.35	-0.68	-17.24
EM EMEA TR	352.28	-0.52	1.44	Oman	5.87	0.25	-16.75
EM Asia TR	622.49	-0.45	0.65	Qatar	6.00	0.00	-12.50
Bahrain TR	192.81	-0.33	1.63	US SOFR	5.35	2.00	-4.00
Oman TR	150.01	-0.44	0.34	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	149.60	-0.08	0.92	Saudi Arabia	53.64	-	-0.70
Qatar TR	133.53	-0.65	-0.68	Abu Dhabi	39.68	0.90	-4.00
Saudi Arabia TR	137.44	-0.64	-0.72	Dubai	69.30	2.40	2.00
UAE TR	138.02	-0.44	-0.20	Kuwait	68.01	-0.20	12.90
Equity	Latest	-1w %	YTD %	Bahrain	199.28	0.30	-13.40
ADX	9251.60	-0.22	-4.76	Oman	105.96	-3.80	-16.30
DFM	4262.74	0.89	4.70	Qatar	40.99	0.40	-5.80
Tadawul	12476.59	-1.04	4.59	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	9794.48	-1.64	-5.69	Saudi Arabia	5.08	9.90	38.50
MSM30	4676.94	-0.81	2.03	Abu Dhabi	4.69	13.10	42.40
BHSE	2029.31	-1.89	3.35	Dubai	4.51	6.90	-16.80
KWSE	8089.25	0.19	6.02	Kuwait	4.60	9.50	32.00
MSCI GCC	722.47	-0.39	1.14	Bahrain	6.66	10.00	-8.90
MSCI EM	1049.93	1.27	4.67	Oman	5.70	9.00	21.20
MSCI ACWI	777.04	-0.75	8.76	Qatar	4.59	9.80	36.30

Note: data from 27th March 2024 to 2nd April 2024. Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

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UAE's non-oil business activity growth eased in March- PMI

Growth in the United Arab Emirates' non-oil business sector eased slightly in March. The UAE Purchasing Managers' Index slowed from 57.1 in February to 56.9 in March but remained firmly above the 50 mark.

(Source: Zawya)

Saudi Arabia's non-oil business expanded in March – PMI

Saudi Arabia's non-oil business activity expanded on the back of strong demand and new customers, while costs pressures softened further. The Purchasing Managers' Index stood at 57.0 in March, slightly lower than 57.2 in February, but well above the 50.0-mark signalling expansion in activity.

(Source: Zawya)

Abu Dhabi's GDP reached AED1.14trn in 2023

According to the statistics centre of Abu Dhabi, the GDP of the UAE capital reached AED1.14trn (USD310bn) in 2023. The emirate's non-oil economy and real GDP experienced growth rates of 9.1% and 3.1% respectively throughout the year, with non-oil sectors contributing over 53% to the overall GDP. In Q4'23, the economy expanded by 4.1% compared to the previous year. Construction activities witnessed an increase of 13.1% y-o-y. The financial and insurance sector recorded the highest growth rate at 25.5%. Meanwhile, wholesale and retail trade activities grew by 7.9%.

(Source: Zawya)

UAE central bank expects the country's GDP to grow by 4.2% in 2024 and 5.2% in 2025

The central bank of the UAE expects the country's GDP to grow by 4.2% in 2024, rising to 5.2% in 2025. In its quarterly economic review report for 4Q of 2023, the central bank also forecasted non-oil GDP growth of 4.7% in both 2024 and 2025, and an oil GDP growth of 2.9% in 2024 and 6.2% in 2025.

(Source: Zawya)

Saudi unemployment rate hits record low

Saudi Arabia's unemployment rates witnessed a decline in Q4'23. The unemployment rate among Saudi citizens dropped to 7.7% during Q4'23. The overall unemployment rate among the working-age population decreased to ~~from~~ 5.1% in Q3'23 to 4.4% in Q4'23. These figures represent the lowest unemployment rates recorded since data collection commenced in 1999.

(Source: Zawya)

Saudi Arabia's FDI inflows jumped 17% to cross USD5bn in Q4 2023

Foreign direct investment (FDI) inflows to Saudi Arabia climbed to SAR19bn (USD5.07bn) in Q4'23, rising 17% from SAR16bn in Q3'23.

(Source: Zawya)

ADNOC gas shareholders approved USD1.625bn cash dividend

ADNOC gas reported a net income of USD4.7bn for the full year 2023, surpassing market expectations. The company is set to distribute approximately AED5.9bn (USD1.625bn) in cash dividends. This latest dividend brings the total cash payout for 2023 to USD3.2bn or 15.552 fils per share.

(Source: Zawya)

Dubai schools operator Taaleem posted 53% rise in profit to USD49mn as enrolments surged

UAE private schools operator Taaleem Holdings reported a 53% jump in earnings. Total net profit (before tax) for H1 of the financial year ending February 29, 2024, reached AED182.8mn (USD49.8mn). Total revenue for the same period reached AED548.7mn, up by 15%.

(Source: Zawya)

GCC Weekly Market View

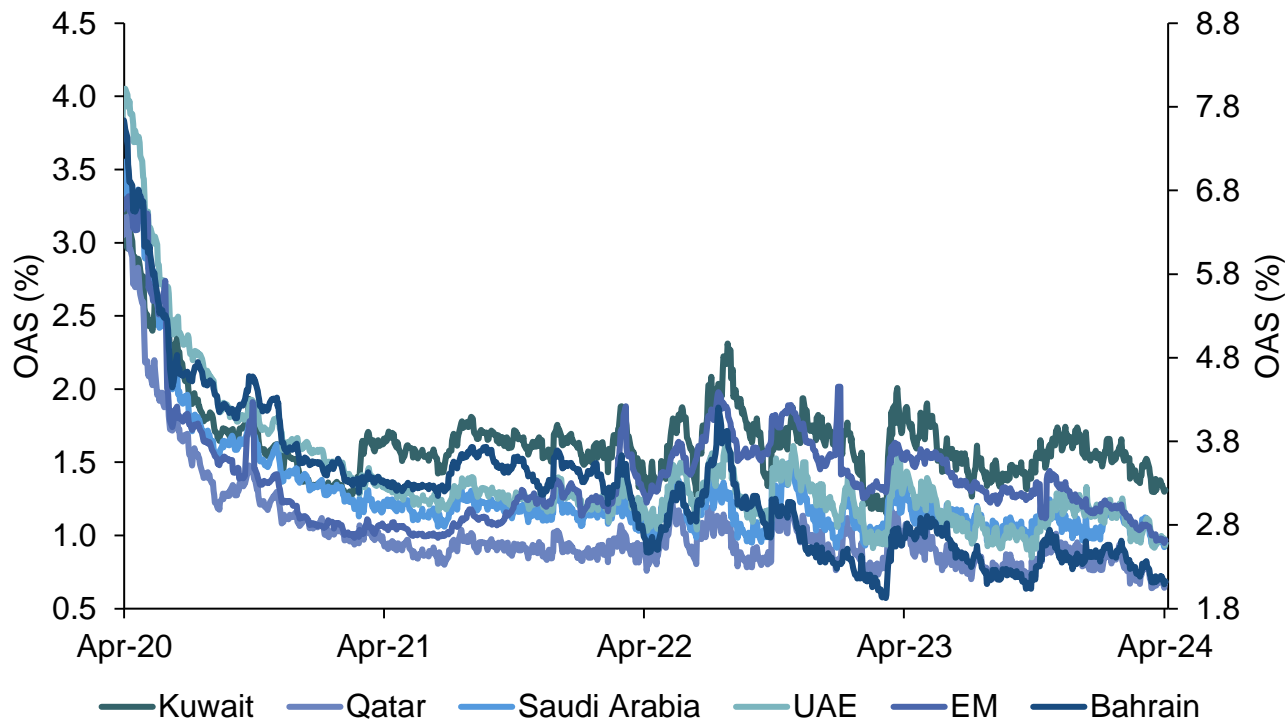
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Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg [^]	YTM (mid)	YTC (mid)
Saudi Government International Bond	KSA	Sovereign	SA	4750	5.75	1/16/2054	AT MATURITY	USD	1/16/2024	A+	5.84	-
Saudi Government International Bond	KSA	Sovereign	SA	4000	5	1/16/2034	AT MATURITY	USD	1/16/2024	A+	5.06	-
Saudi Government International Bond	KSA	Sovereign	SA	3250	4.75	1/16/2030	AT MATURITY	USD	1/16/2024	A+	4.83	-
KFH SUKUK CO	KFHKK	Financial Institutions	KY	1000	5.011	1/17/2029	AT MATURITY	USD	10/1/2024	A	5.02	-
FAB SUKUK COMPANY LTD	FABUH	Financial Institutions	AE	800	4.779	1/23/2029	AT MATURITY	USD	1/8/2024	AA-	4.71	-
Omantel	OTELOM	Sovereign	OM	500	5.375	01/24/2031	AT MATURITY	USD	01/17/2024	BB+	5.523	-
Qatar QIIB	QNBQD	Financial Institutions	QD	1000	4.875	01/30/2029	AT MATURITY	USD	01/23/2024	A	5.028	-
BSF Sukuk Ltd	BSFR	Financial Institutions	SA	700	5	01/25/2029	AT MATURITY	USD	1/25/2024	A-	5.10	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	600	6.745	1/31/2029	AT MATURITY	USD	1/31/2024	A+	6.69	-
Bahrain Government International Bond	BHRAIN	Sovereign	BH	1000	7.5	2/12/2036	AT MATURITY	USD	2/12/2024	B+	7.43	-
CBB International Sukuk Programme	BHRAIN	Sovereign	BH	1000	6	2/12/2031	AT MATURITY	USD	2/12/2024	B+	6.04	-
Saudi Electricity Sukuk Programme	SECO	Agency	SA	1400	5.194	2/13/2034	AT MATURITY	USD	2/13/2024	A	5.24	-
Saudi Electricity Sukuk Programme	SECO	Agency	SA	800	4.942	2/13/2029	AT MATURITY	USD	2/13/2024	A	5.00	-
Esic Sukuk Ltd	ESICSU	Financial Institutions	AE	700	5.831	2/14/2029	AT MATURITY	USD	2/14/2024	BBB-	5.89	-
Mazoon Assets Co SAOC	MAZOON	Agency	OM	500	5.5	2/14/2029	AT MATURITY	USD	2/14/2024	BB+	5.66	-
SNB Sukuk Ltd	SNBAB	Agency	SA	850	5.129	2/27/2029	AT MATURITY	USD	2/27/2024	A-	5.19	-
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	850	5	2/28/2029	AT MATURITY	USD	2/28/2024	AA-	5.18	-
Binghatti Sukuk SPC Ltd	BINHLD	Financial Institutions	AE	300	9.625	2/28/2027	AT MATURITY	USD	2/29/2024	B+	9.65	-
DIB Sukuk Ltd	DIBUH	Financial Institutions	AE	1000	5.243	3/4/2029	AT MATURITY	USD	3/4/2024	A	5.27	-
Suci Second Investment Co	PIFKSA	Agency	SA	2000	5.171	3/5/2031	AT MATURITY	USD	3/5/2024	A+	5.16	-
Suci Second Investment Co	PIFKSA	Agency	SA	2000	5.171	3/5/2031	AT MATURITY	USD	3/5/2024		5.16	-
Alinma Tier 1 Sukuk Ltd	ALINMA	Financial Institutions	SA	1000	6.5	-	PERP/CALL	USD	3/6/2024	BB+	6.37	6.42
Arabian Centres Co Ltd	ARACEN	Financial Institutions	SA	600	9.5	3/6/2029	CALLABLE	USD	3/6/2024	BB+	9.12	29.05
Finance Department Government of	SHJGOV	Sovereign	AE	750	6.125	3/6/2036	AT MATURITY	USD	3/6/2024	A-	6.07	-
Doha Finance Ltd	DHBKQD	Financial Institutions	QA	500	5.25	3/12/2029	AT MATURITY	USD	3/12/2024	A-	5.44	-
CBQ Finance Ltd	COMQAT	Financial Institutions	QA	750	5.375	3/28/2029	AT MATURITY	USD	3/28/2024	A-	5.48	-
MDGH SUKUK LTD	MUBAUH	Financial Institutions	AE	10	4.959	4/4/2034	AT MATURITY	USD	03/26/2024	AA	4.98	-

*Amount Issued in USD/AEDmillion, Bloomberg sector classification has been used, ^Issuer rating used where applicable, Fitch rating or equivalent used Source: Fitch Ratings, Moody's ratings, Bloomberg, ADCB Asset Management

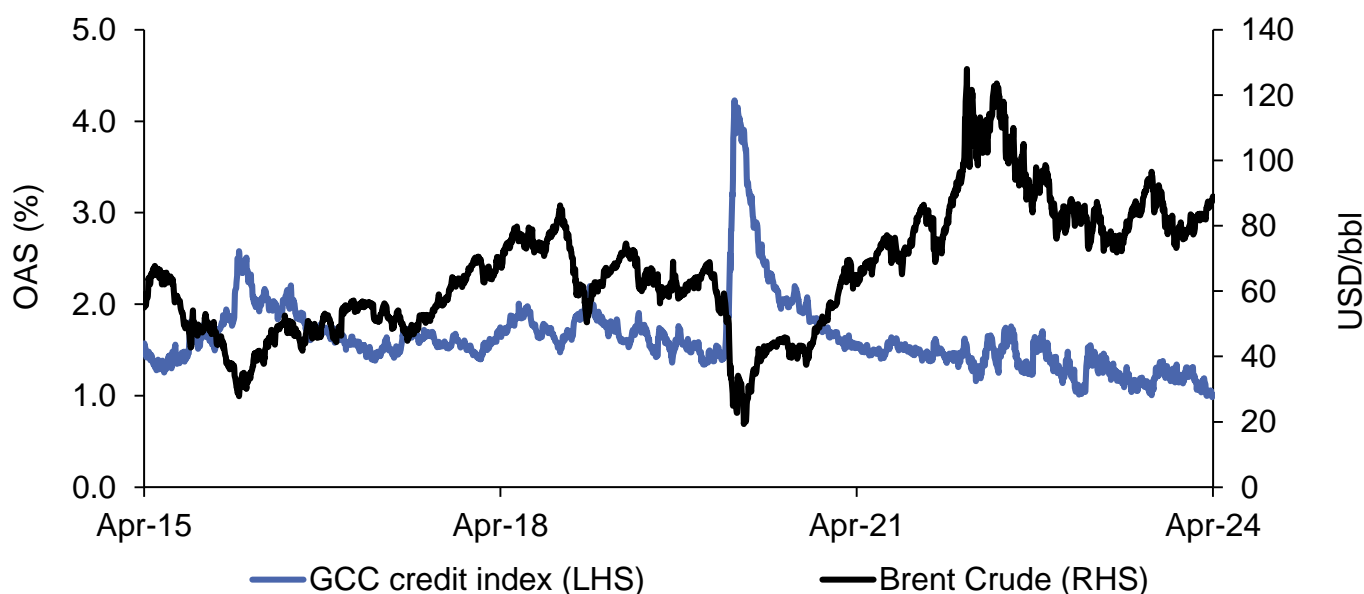
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

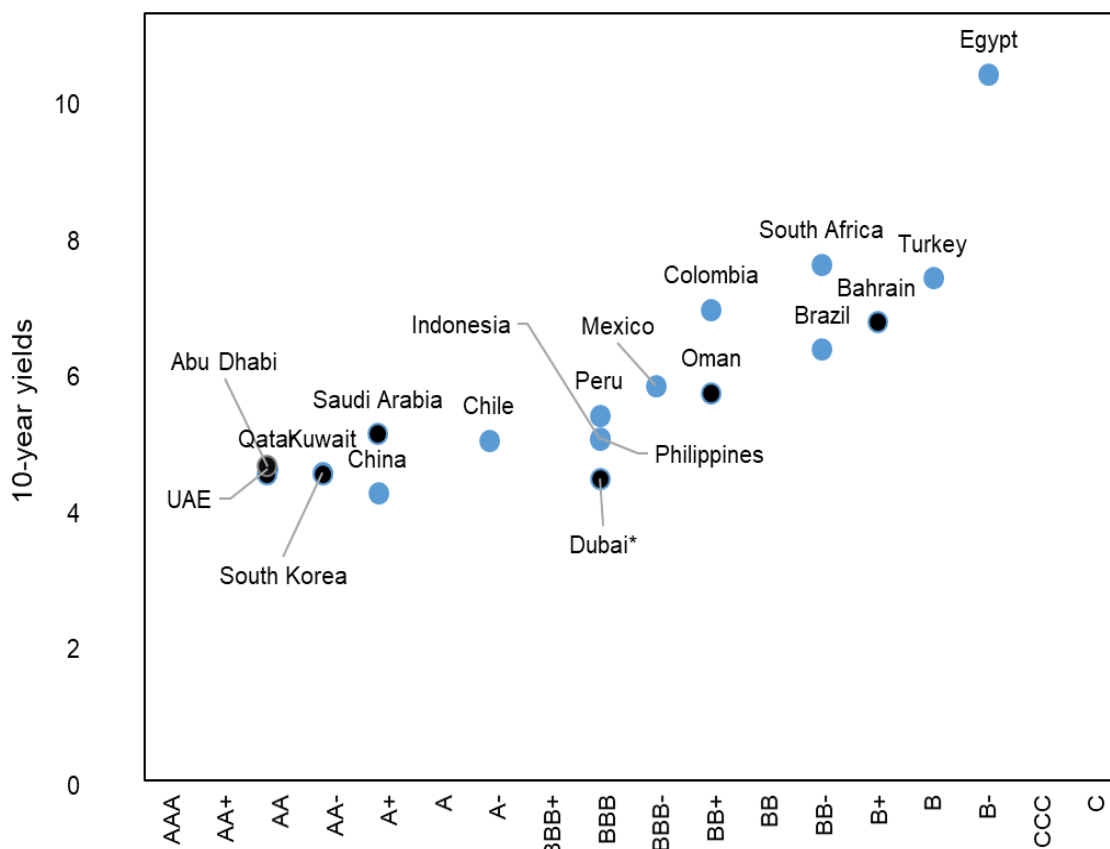
GCC corporate OAS spread versus Brent Crude



Source: Bloomberg, ADCB Asset Management

10yr yield versus Credit ratings (EM vs GCC)

GCC sovereign valuation versus peers



Source: Bloomberg, ADCB Asset Management, *Dewa rating used as a substitute for Dubai, Fitch ratings are used for all countries

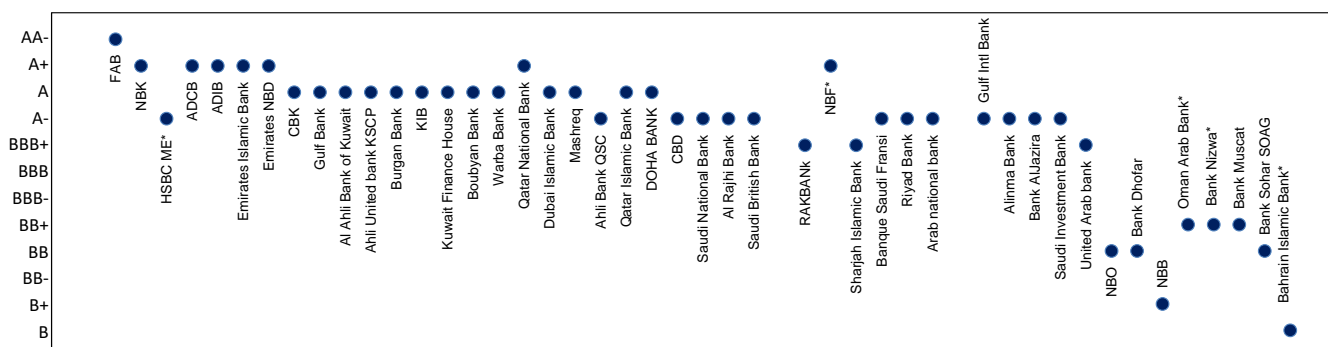
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	A1	Aa2	Baa2	A1	B2u	Ba1	Aa2	Caa1
Fitch	A+	AA	-	AA-	B+	BB+	AA	B-

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

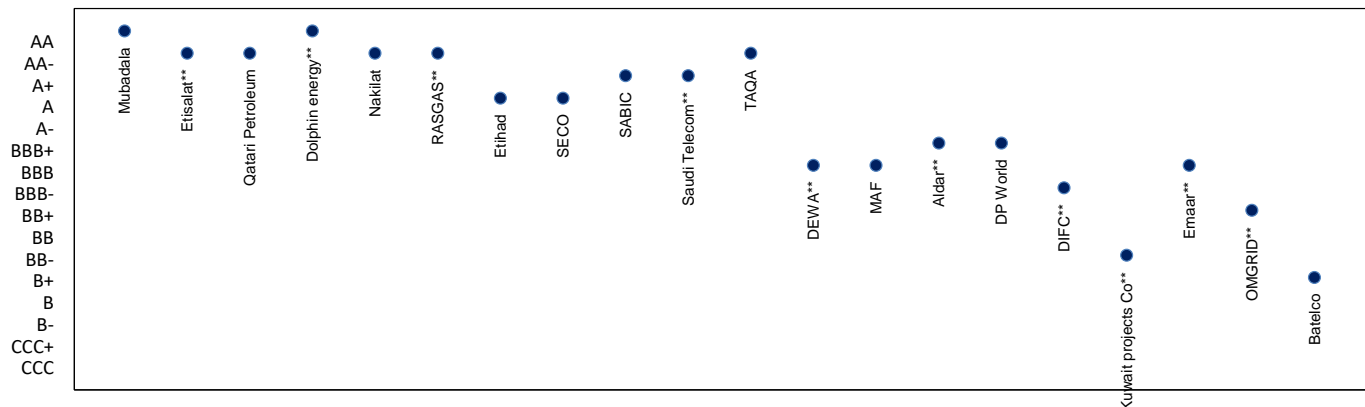
GCC Financials



Note: The ratings refer to Fitch ratings, *Moody's rating used as substitute where the corporate/bank not rated by Fitch rating
Source: Bloomberg, ADCB

GCC Corporate Credit rating

GCC Corporates



Note: The ratings refer to Fitch ratings, **Moody's rating used as substitute where the corporate/bank not rated by Fitch rating
Source: Bloomberg, ADCB

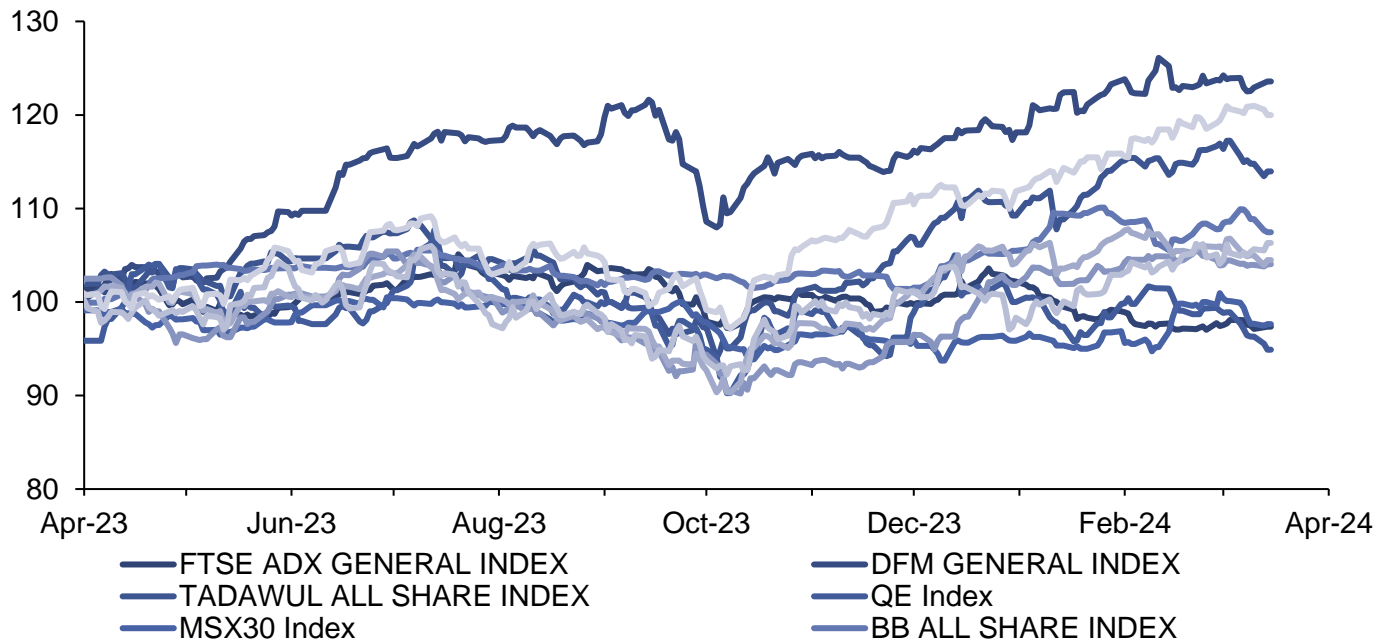
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	18.2x	-4.5%	2.1%
DFM	8.6x	34.5%	5.3%
Tadawul	18.0x	-3.2%	3.1%
DSM	10.6x	2.5%	4.9%
MSM30	7.7x	0.0%	5.6%
BHSE	6.8x	-	8.3%
KWSE	13.1x	5.7%	2.7%
MSCI GCC	14.5x	2.2%	3.4%
MSCI EM	12.5x	4.4%	2.6%
MSCI ACWI	18.3x	6.5%	1.9%

Notes: *data as of 03 April 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

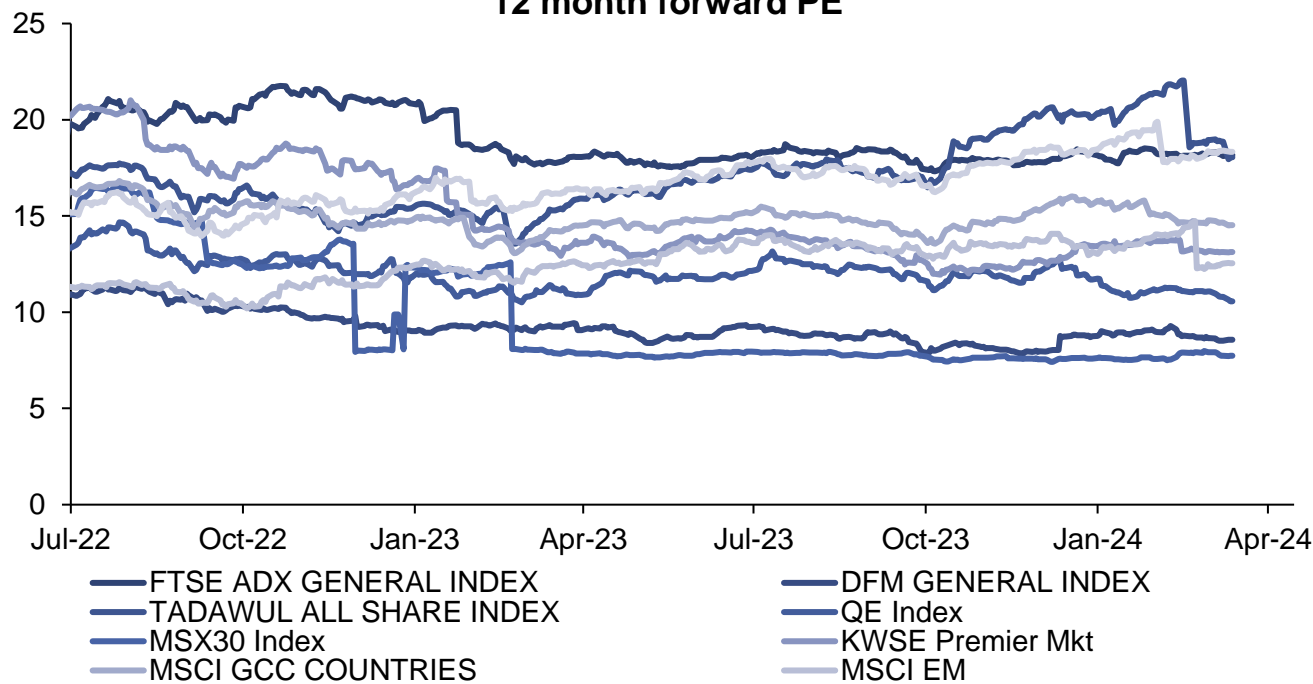
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

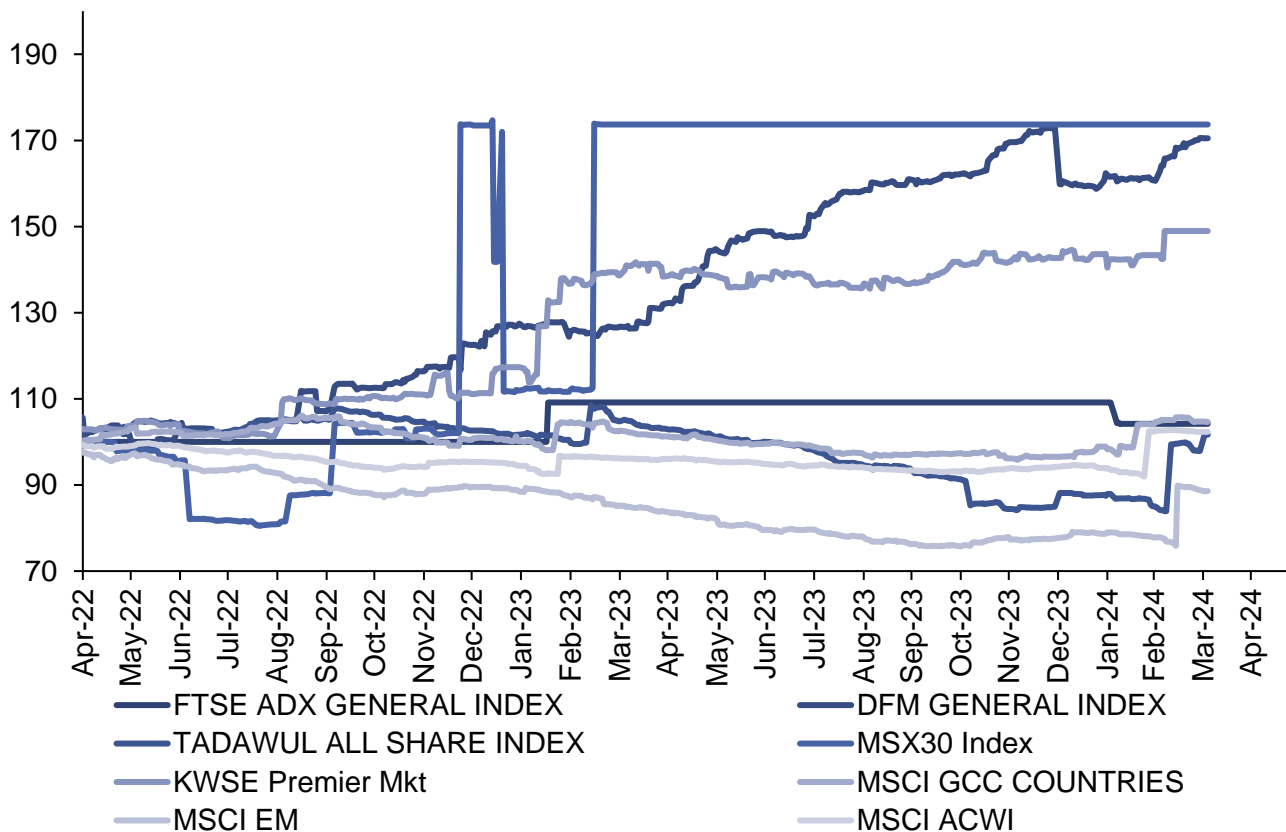
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

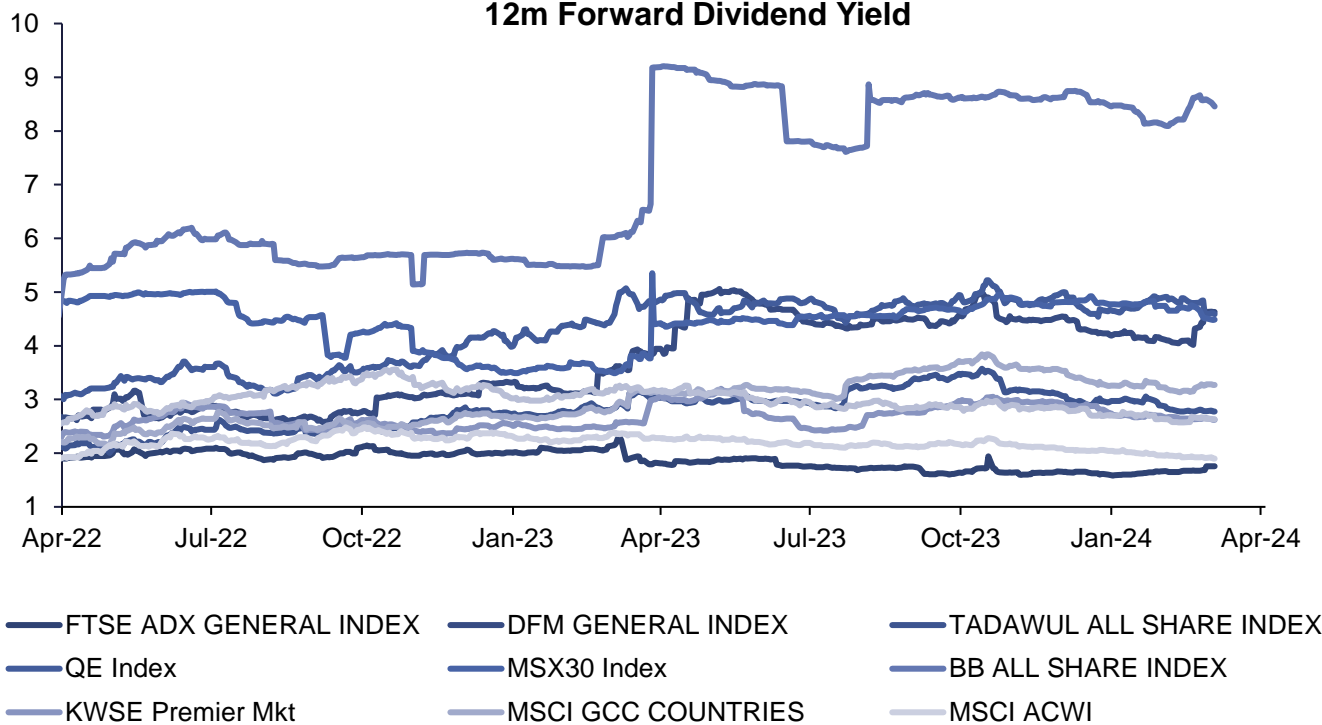
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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