

GCC market performance

GCC fixed Income:

Global benchmark bond index posted gains over the week (ending 23rd April 2024). 10Y UST yields gained over the week. In credit, Global corporate IG and HY ended the week on a positive note with HY leading the gains. On the other hand, EM USD recorded gains, led by EM LatAm. All GCC bond indices recorded positive returns. Bahrain and Qatar were the best performers. 5yr CDS spreads tightened across all GCC countries, led by Dubai. In the USD sovereign market, the 10yr bond yields dropped across the all GCC countries barring Dubai and Kuwait.

GCC equities:

GCC regional indices declined last week. MSCI GCC underperformed MSCI ACWI and MSCI EM last week. MSCI GCC was down 0.86% while MSCI ACWI and MSCI EM were up 1.20% and 0.68% respectively. Within GCC, Kuwait and Saudi Arabia posted gains with KWSE outperforming the most (with a 2.53% gain). Rest of GCC indices posted negative returns. Qatar underperformed the most, posting loss of 1.44%.

GCC key developments:

- **Saudi economy to record the second highest global growth rate in 2025, as per IMF.**
- **IMF projected a 4.2% growth for UAE's economy for 2025.**
- **Saudi Arabia's annual inflation rose by 1.6% in March 2024.**
- **Inflation rate in Oman increased by 0.2% in March 2024 .**
- **Kuwait inflation rose by 3.02%.**
- **Qatar's Consumer price index decreased 1.40% in March.**
- Almarai's net profits rose 9% in Q1 2024.
- Dubai Investments shareholders approved 12.5% dividend.
- Abu Dhabi National Takaful Company to pay 30% of capital as cash dividends.
- Abu Dhabi Aviation approved cash dividends for 2023.
- Abu Dhabi National Insurance acquired 51% of Allianz Saudi Fransi Insurance.

GCC bond issuances:

- **Abu Dhabi mandated banks for a three-part U.S. USD-denominated bond issue.**
- **Kuwait International Bank hired banks for AT1 sukuk sale.**

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	452.22	0.23	-3.07	Saudi	6.23	4.40	-0.33
Global Treasuries	192.15	0.21	-3.92	UAE	5.10	-4.22	-31.84
EM USD Agg TR	1172.58	0.47	1.01	Kuwait	4.31	0.00	0.00
EM LatAm TR	1043.41	0.95	3.18	Bahrain	6.35	0.65	-17.24
EM EMEA TR	348.31	0.36	0.30	Oman	5.74	-0.90	-30.40
EM Asia TR	616.58	0.13	-0.31	Qatar	6.00	-25.00	-12.50
Bahrain TR	191.34	0.36	0.86	US SOFR	5.31	0.00	-8.00
Oman TR	148.73	0.31	-0.51	5Y Sov. CDS			
Kuwait TR	149.12	0.14	0.60	Saudi Arabia	57.96	-1.10	3.60
Qatar TR	131.54	0.36	-2.16	Abu Dhabi	47.06	-4.10	3.30
Saudi Arabia TR	135.28	0.34	-2.28	Dubai	71.00	-5.80	3.70
UAE TR	136.35	0.23	-1.41	Kuwait	72.11	-	17.00
Equity				Bahrain	209.59	-3.40	-3.10
ADX	9051.38	-1.24	-6.84	Oman	114.09	-1.40	-8.10
DFM	4166.32	-0.16	2.18	Qatar	48.04	-3.00	1.20
Tadawul	12484.41	0.15	4.66	10Y yield			
DSM	9711.02	-1.44	-6.49	Saudi Arabia	5.40	-3.80	70.40
MSM30	4696.30	-0.56	2.55	Abu Dhabi	5.00	-1.60	72.90
BHSE	2017.05	-0.51	2.73	Dubai	4.72	1.50	3.60
KWSE	7719.77	2.53	1.17	Kuwait	5.09	0.30	80.60
MSCI GCC	702.47	-0.86	-1.66	Bahrain	6.92	-7.40	17.00
MSCI EM	1019.34	0.68	1.62	Oman	6.00	-3.50	51.40
MSCI ACWI	758.15	1.20	6.11	Qatar	4.92	-1.60	69.20

Note: data from 17th April 2024 to 23rd April 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Saudi economy to record the second highest global growth rate in 2025 – IMF

The International Monetary Fund (IMF) has raised its growth forecast for the performance of Saudi Arabia's economy by 0.5% to 6% for the year 2025, up from 5.5% predicted in January 2024. The IMF has revised its growth forecast for the Saudi economy in 2025 for the second consecutive time this year. As a result, the Saudi economy is now expected to achieve the second-highest growth rate in 2025.

(Source: Zawya)

IMF projected a 4.2% growth for UAE's economy for 2025

International Monetary Fund (IMF) projected higher growth for the UAE economy for 2023, 2024, and 2025, the highest in three years. The IMF reduced UAE's GDP growth outlook for 2024 from 4.0% to 3.5% in the latest forecast. However, The World Economic Outlook predicted 4.2% GDP growth for 2025 as compared to 3.5% for 2024 and 3.4% for 2023.

(Source: Zawya)

Saudi Arabia's annual inflation rose by 1.6% in March 2024

According to the General Authority for Statistics (GAS), Saudi Arabia's consumer price index (CPI) rose by 1.60% year-on-year (YoY) in March 2024. The increase in CPI was driven by an 8.80% YoY surge in housing, water, electricity, gas, and other fuels, along with a 0.90% YoY uptick in food and beverage prices. However, transportation prices dropped by 1.80% YoY, and personal goods and services saw a 1.10% YoY decrease. Prices in the restaurants and hotels increased by 2.40%, Recreation and culture rose by 0.70%, driven by a 5.10% increase in holiday and tourism prices.

(Source: Zawya)

Inflation rate in Oman increased by 0.2% in March 2024

According to the National Centre for Statistics and Information (NCSI), Oman's inflation rate increased by 0.2% in March 2024 compared to the same month in 2023. The prices of the food and non-alcoholic beverages groups by 3.4%, the miscellaneous personal goods and services group by 2.9%, the culture and entertainment group by 0.4%, the tobacco group by 2.4%, and the clothing and footwear group by 0.1%. On the other hand, the prices of the transportation group decreased by 4.6%, the restaurants and hotels group by 0.1%, the furniture, fixtures and household equipment group and regular home maintenance by 0.3%, the communications group by 0.3%, and the education group by 0.4%, while the prices of the rest of the groups remained stable.

(Source: Zawya)

Kuwait inflation rose by 3.02%

According to the Kuwait Central Statistical Bureau (KCSB), Kuwait's consumer price index inflation, on an annual basis, grew by 3.02% in March 2024. The food and beverages went up by 5.71% in March. The CPI for the clothing increased by 6.37%, housing services by 1.41% and furniture by 3.90%. Health index rose by 3.41%, Transportation moved up by 3.41%. Communications rose by 2.46% on an annual basis, culture and entertainment rose by 2.27% and education by 0.80%. Restaurants and hotels climbed on a yearly basis by 2.37%, with services and miscellaneous goods rose by 3.96%

(Source: Zawya)

Qatar's Consumer price index decreased 1.40% in March

Qatar's Consumer Price Index (CPI) decreased by 1.40% in March 2024, reaching 106.67 points compared to February 2024. The general index (CPI) increased by 0.98% Y-o-Y, primarily due to price rises in six groups: Recreation and Culture by 8.48%, Communication by 3.84%, Education by 3.48%, Food and Beverages by 2.73%, Household Equipment by 1.28%, and Miscellaneous Goods and Services by 0.83%. Conversely, price levels decreased in Clothing and Footwear by 3.58%, Housing, Water, Electricity, and other Fuel by 2.72%, Health by 1.59%, Transport by 0.93%, and Restaurants and Hotels by 0.61%. Tobacco prices remained unchanged.

(Source: Zawya)

Almarai's net profits rose 9% in Q1 2024

Almarai Company recorded net profits valued at SAR692.22mn in Q4 of 2024, up 9%. Revenues increased by 7.73% to SAR5.45billion in Q1 of 2024. The earnings per share (EPS) amounted to SAR0.70 in 2024, higher year-on-year (YoY) than SAR0.65. Last March, the board members of Almarai approved a SAR18bn strategic plan for the next five years.

(Source: Zawya)

Dubai Investments shareholders approved 12.5% dividend

Dubai Investments, a leading diversified investment Company has announced the distribution of 12.5% cash dividend to the shareholders for the financial year of 2023. The company had reported profit attributable to the shareholders of the company of AED1.13bn (USD310mn) for 2023 as compared to AED1,608.57mn in 2022.

(Source: Zawya)

Abu Dhabi National Takaful Company to pay 30% of capital as cash dividends

The shareholders of Abu Dhabi National Takaful Company approved to distribute cash dividends worth AED31.50mn, which accounts for 30% of paid-up capital. The company will disburse 31,50 fils per share on 15 May 2024. The net profits attributable to the shareholders of Takaful jumped to AED103.04mn in 2023 and the revenues amounted to AED675.15mn in 2023.

(Source: Zawya)

Abu Dhabi Aviation approved cash dividends for 2023

Abu Dhabi Aviation Company approved cash dividends valued at AED111.19mn for 2023. The shareholders approved cash dividends, which represent 20% of the company's capital. The company recorded 19.54% year-on-year (YoY) higher net profits in 2023. It is worth highlighting those revenues jumped by 29.04% to AED2.62bn in 2023 from AED2.03bn in 2022.

(Source: Zawya)

Abu Dhabi National Insurance acquired 51% of Allianz Saudi Fransi Insurance for USD133mn

Abu Dhabi National Insurance Co. (ADNIC) has acquired 51% of the share capital of Allianz Saudi Fransi Cooperative Insurance Company for SAR499million (USD133.1mn).

(Source: Zawya)

Abu Dhabi mandated banks for a three-part U.S. USD-denominated bond issue

Abu Dhabi plans to sell the benchmark-sized bonds in tranches of 5 year, 10 years and 30-years. Benchmark-sized is typically understood to mean at least USD500mn. Early price guidance for the 5- and 10-year portions was given at around 70bp and 85bp over U.S. Treasuries, respectively, while guidance for the 30-year tranche was placed at around 125bp over UST. Order books were over USD15bn. Additionally, Abu Dhabi is rated "Aa2" by Moody's and "AA" by Fitch.

(Source: Zawya)

Kuwait International Bank hired banks for AT1 sukuk sale

Kuwait International Bank hired banks for additional tier 1 sukuk sale. The investor meeting is scheduled to start from April 23 and will be followed by a USD-denominated additional tier 1 perpetual non-callable for 5.5 year sukuk offering, subject to market conditions.

(Source: Zawya)

GCC Weekly Market View

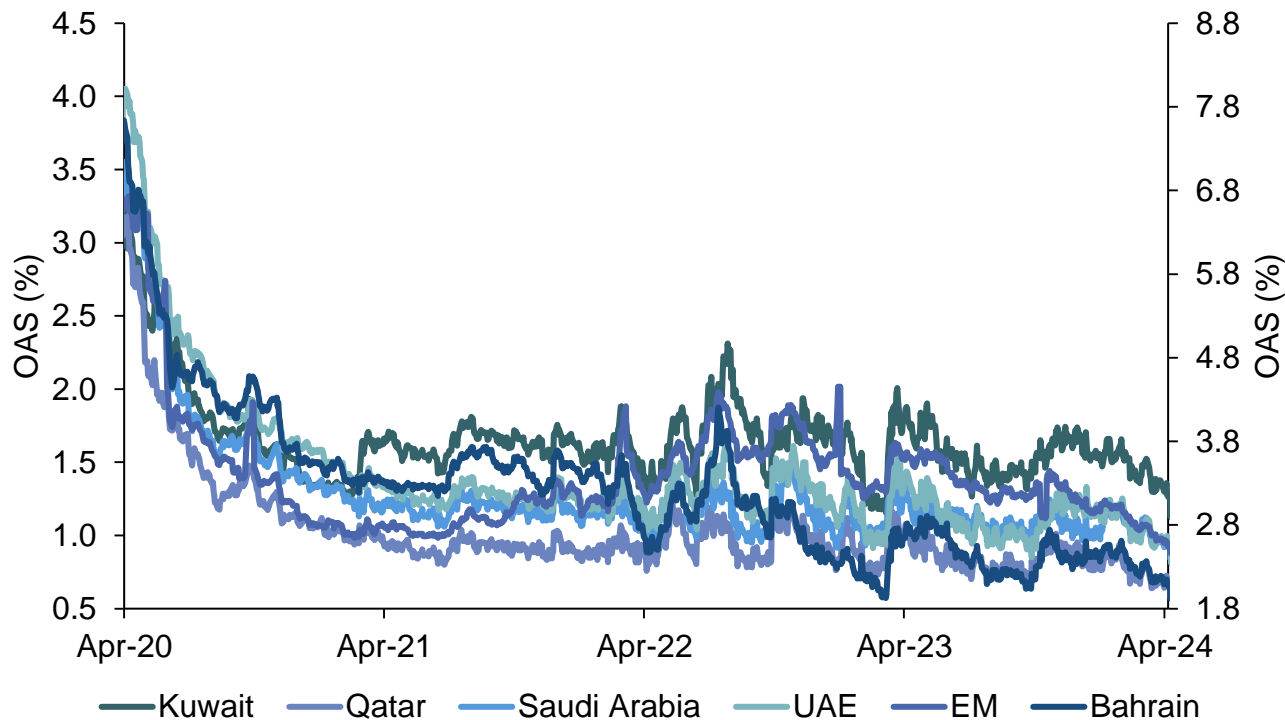
April 24 2024

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	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	MAZOOON	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

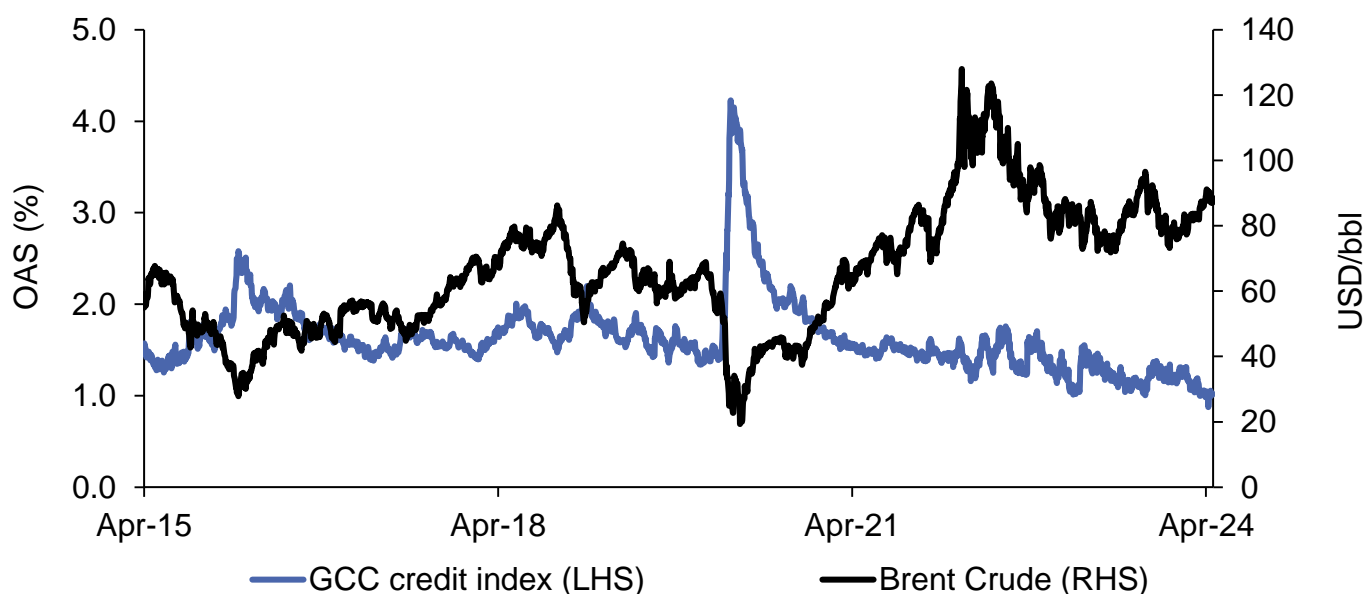
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

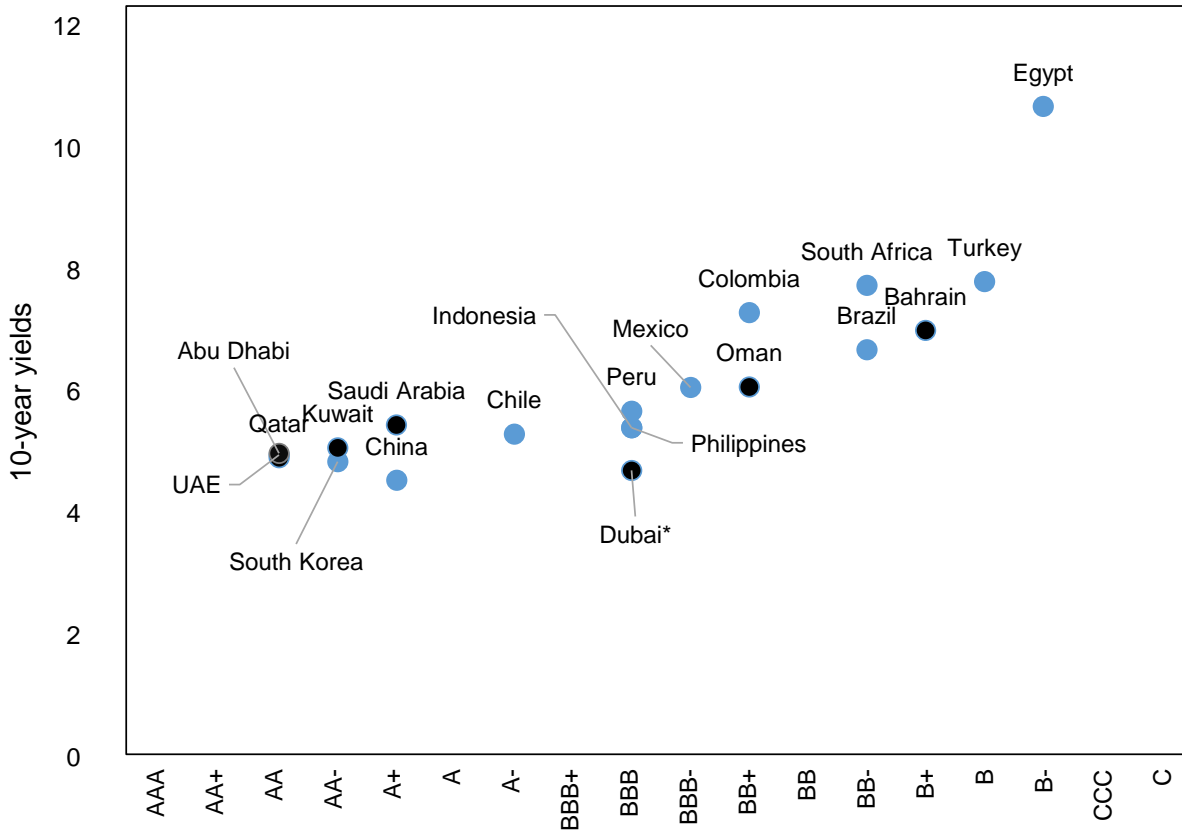
GCC corporate OAS spread versus Brent Crude



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

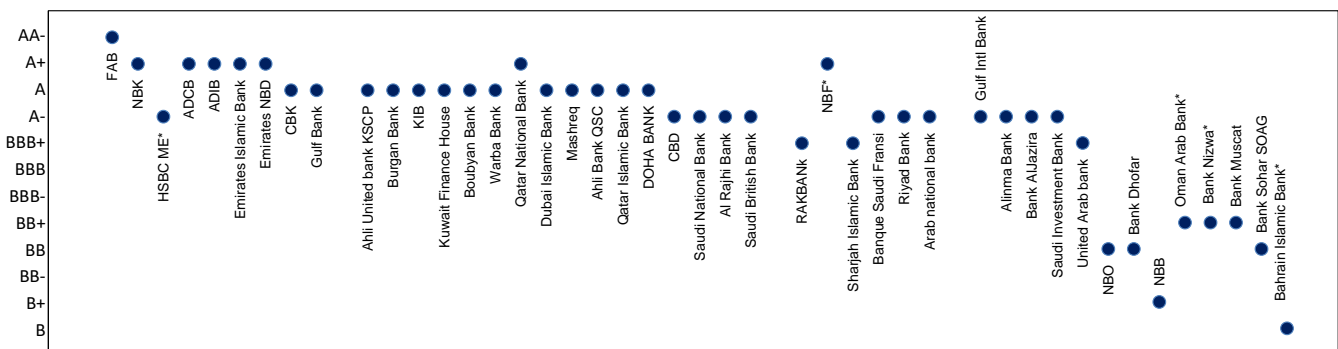
GCC Sovereign Rating

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

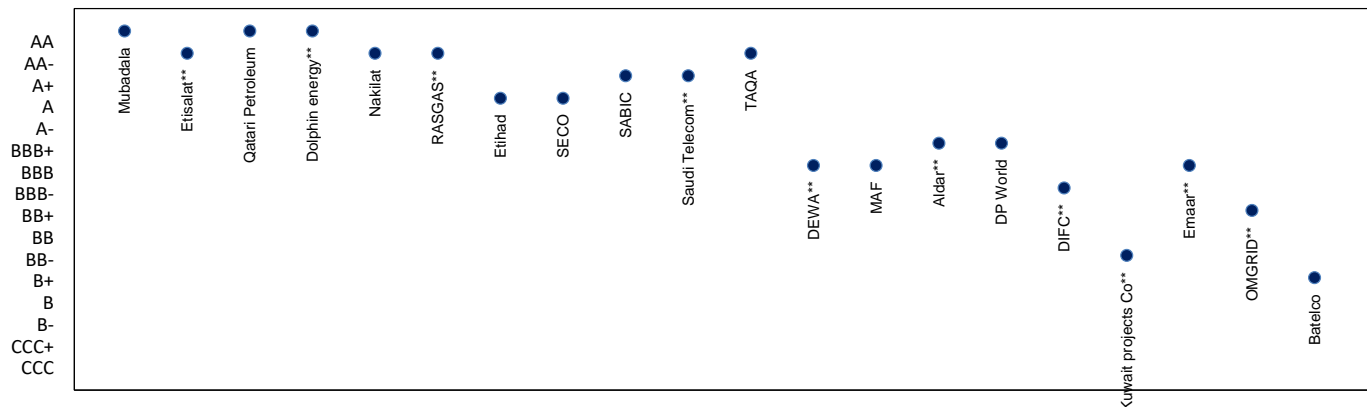
GCC Financials



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

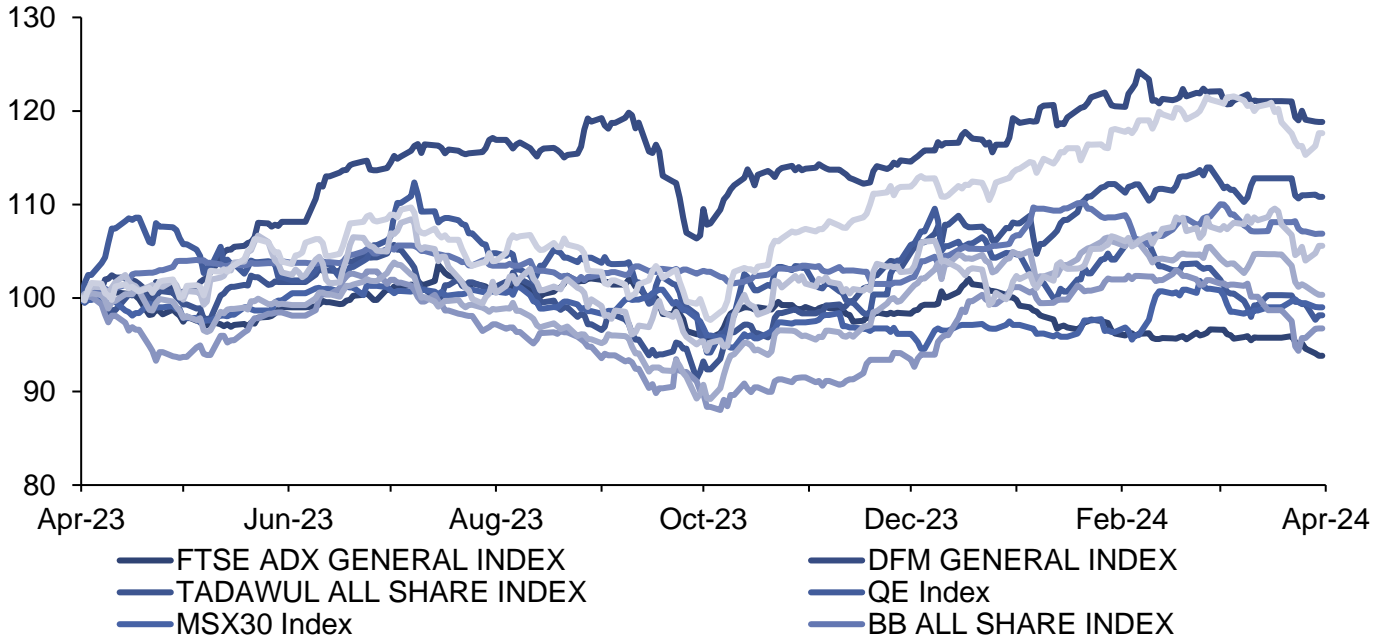
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	14.8x	1.2%	2.2%
DFM	8.2x	33.4%	5.3%
Tadawul	17.7x	0.4%	3.1%
DSM	10.6x	1.9%	4.9%
MSM30	9.7x	-22.6%	5.6%
BHSE	7.9x	-	8.3%
KWSE	12.2x	8.6%	2.8%
MSCI GCC	14.1x	3.9%	3.6%
MSCI EM	12.3x	5.1%	2.7%
MSCI ACWI	17.7x	6.2%	1.9%

Notes: *data as of 24 April 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

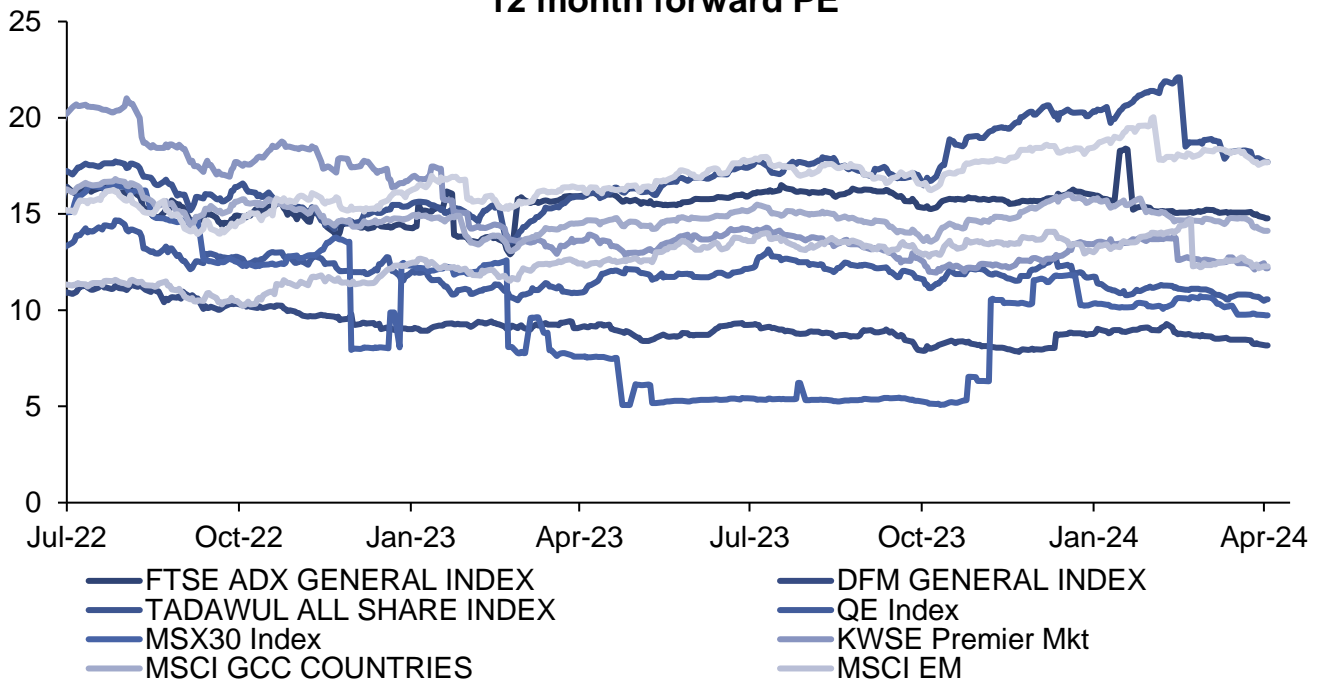
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

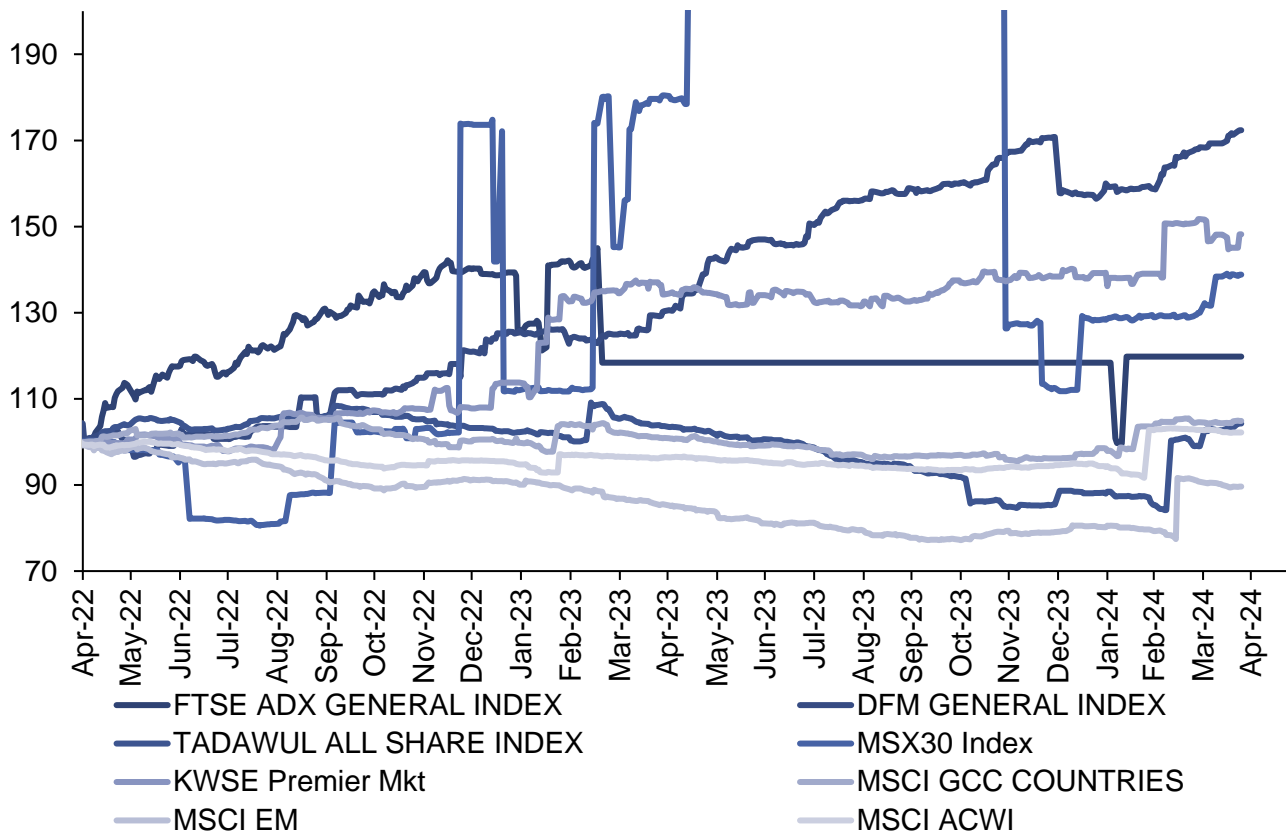
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

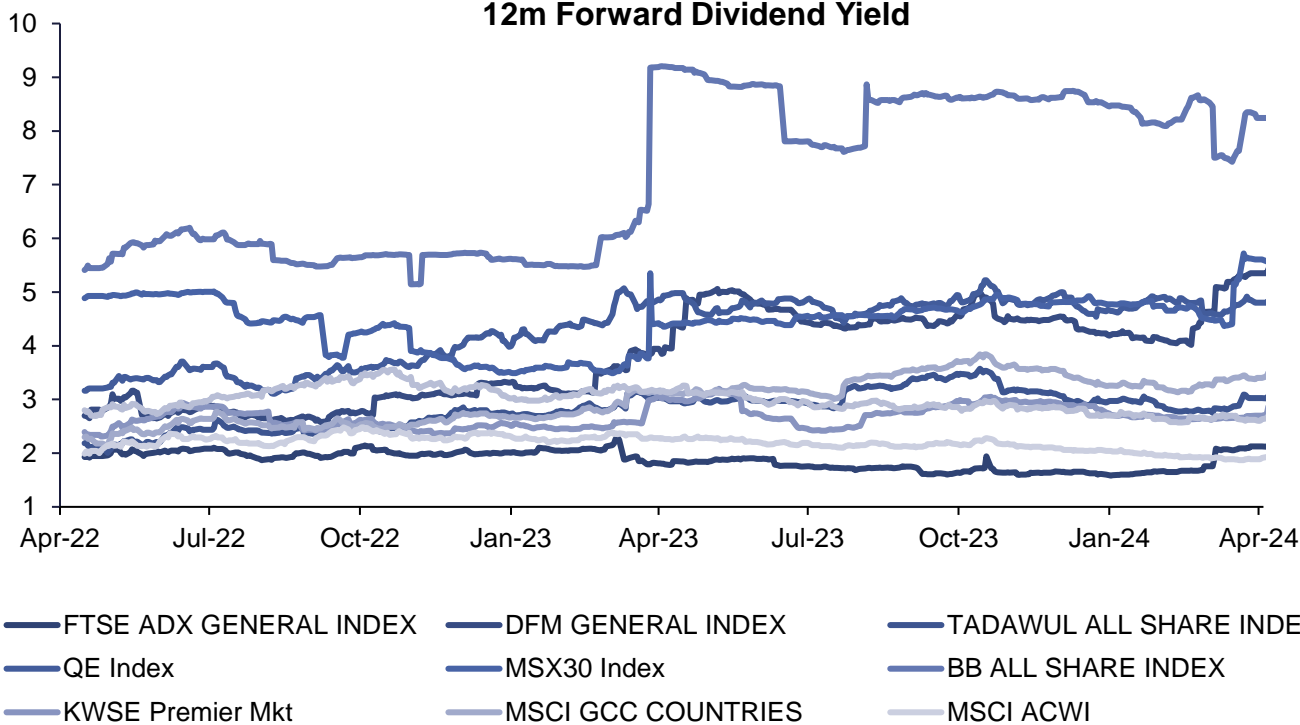
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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